

WATER BOARD OF TRUSTEES
Regular Meeting
November 10, 2014
5:00 PM
Location: 1208 South St.

Agenda

1. Oath of Office to Newly Appointed Board Member Mike Vore.
2. Approve Agenda.
3. Approve Minutes of the October 13, 2014 Regular Meeting, Minutes of the October 23 and October 30, 2014, Wastewater/Water Working Committee Meeting. (Board members Ryan and Vore sit on this Committee)
4. Approve Invoices and Balance Sheets.
5. Customer Forum.
6. Consideration and Discussion of Health Insurance Premiums.
7. Consideration and Discussion of Board of Trustee Meeting Dates.
8. General Manager's Update.
9. Miscellaneous.
10. Adjourn.

INFORMATION CONCERNING AGENDA ITEMS:

Agenda Item #1

I have the oath of office for Mike. He can read it aloud, then sign it and have one other Board member attest to the signature. We will then make a copy and send the original to City Hall.

Agenda Item #5

“This is the item reserved to receive comments from the community, our customers, for concerns whether or not they are included in the current agenda. The community is encouraged to come and speak before the Water Board of Trustees and asked to keep statements brief. Any questions are to be asked of the Water Department staff and Board of Trustee members prior to speaking to the full Board of Trustees so concerns may be properly researched and answered away from the meeting. Comments are to be directed to the Board of Trustees only.”

At this time there are no issue to present.

Agenda Item #6

Jim Anderson will be here to discuss our renewal options. As ACA plans were hit hard by usage this year there has been a dramatic increase in rates for ACA plans, to the tune of 19%. On the other hand, our policy only went up 2.55%. Given that the market for ACA plans is volatile and our rates have been rather decent both last year and this year, it would be my recommendation to continue with our current policy. I have attached copies of what I have received from Jim showing comparable alternatives.

Our current policy:

Rate increase of only **2.55%**

ACA Compliant plans:

Rate increase of **19%**

I will let Jim talk to you about the specifics, but I really would like to see us stick with our current policy as long as we can.

Agenda Item #7

The Mayor has asked if it would be possible to consider changing our meeting dates and/or times to eliminate any possible conflicts with City Council meetings. As I have been attending City Council meetings lately I see the advantage to this request. I know that we have floated different ideas as far as being the second Monday or changing the time and keeping our current format. In discussing this idea with others I do not remember who suggested it but, what if we changed it to the third Monday of the month but moved the time up to 4:00 PM? This would be the same day that the City Council met, but by moving the time up we shouldn't conflict with their meetings at 6:00. This then also would eliminate another night of meetings for me. Thoughts?

Agenda Item #8

Hydrant flushing has been completed for the fall. We have found some issues that we are addressing. We also had our annual leak audit performed by Westrum Leak Detection. They found a number of leaks that staff are currently working to fix.

I sat down with the City Manager on Monday to discuss the City's CIP plan. We will need to discuss this information as well as our own CIP and the best process for getting design work started on Carbonado Road. I believe that if we are to have a successful application for CDBG funds that we need to have a competitive process in place for our engineering services. That means we need to aggressively work towards that now so that there is ample time to complete the design work.

As for our current capital project and the CDBG application; in speaking with the City Manager and digging further into the requirements set out by the State for the CDBG application, there are a few items that do not line up with our goals. We must pay Davis-Bacon wages on the water portion of the project which means we would need to bid out separately from the City. This would then have a great possibility of throwing the working schedule out of order for the City. We also needed to show the competitive nature of our engineering selection process. The City is the only one who can actually apply. They would then do a "pass through" of the funds to us as needed. According to the understanding I have of the Iowa Department of Economic Development's parameters for this money, Boards such as ours are not eligible to independently apply, it must go through the parental government body. The City Manager and I did discuss starting this process for any upcoming projects and getting far enough out in front of them to be effective in our application.

Logging; I have numbers from three different loggers. Originally there were 364 soft maple and 86 pallet trees marked for harvest. The lowest price received was \$24,500 from Fox River Hardwoods. This also contained provisions for grade and yield payments above the original amount but that is blue sky with no guarantee. Hammes Brothers Sawmill was next at \$36,000 plus grade and yield. He stated that if we needed a flat out bid he would go to \$40,000 and then he would live or die based on his estimation. Then this week I had a buyer from Batey Ltd. come in to provide a price. He actually found 34 more soft maple, 20 more pallet and 17 walnut trees that he would harvest. The interesting thing about this company is that they will replant on a 2 for 1 basis. For every tree they cut down they will plant two. Their price was \$49,125. If I remove the walnut and extra trees that they marked and figured their bid based on scaling back to what the other two bid out at, their bid would be \$39,468 plus grade and yield. It would be recommendation that we move forward with Batey for the timber harvesting. Not only because of the price but also because they will perform a replanting. As discussed, this income would greatly help us offset the earlier expense incurred for legal fees, thereby easing the burden on rate payers.

I talked to our insurance agent about staff being able to perform the roofing work on the garage at the north water tower. There were no concerns expressed from an insurance standpoint. We are covered.

Staff has started working on the sidewalk out in front of the office. It should be completed next week sometime. We will still need to complete landscaping and dirt work as well as build the detention basin for stormwater runoff for the office sitework per our building permit with the City.

Agenda Item #9

We have had a couple of leaks this month. 100 block of North Market an old 2” valve bolts rusted out of the saddle. Old community stadium service line 2” valve failure that we fixed as well. There was also a hydrant on South Market that needed repaired as a result of our fall flushing.

We have assisted wastewater personnel in fixing some storm water intakes and will continue to offer assistance to them as time allows.

Oskaloosa Water Department

Rates effective 01/01/2015

Plan Overview	Wellmark - Current	Wellmark	Wellmark
	JNE / QPT	PremierBlue 500B	PremierBlue 750
Network	PPO	PPO	PPO
<u>Deductible</u>			
Single	\$1,500	\$500	\$750
Family	\$3,000	\$1,000	\$1,500
<u>Coinsurance</u>	10%	10%	10%
<u>Out of Pocket Maximum</u>			
Single	\$3,000	\$1,000	\$1,500
Family	\$6,000	\$2,000	\$3,000
<u>Lifetime Maximum</u>	Unlimited	Unlimited	Unlimited
<u>Physician Visit</u>			
Primary Care	\$15	\$15	10% Coinsurance *Ded Waived
Non-Primary Care	\$15	\$30	10% Coinsurance *Ded Waived
<u>Hospital Services</u>			
Inpatient	10% Coinsurance after Deductible	10% Coinsurance after Deductible	10% Coinsurance after Deductible
Outpatient	10% Coinsurance after Deductible	10% Coinsurance after Deductible	10% Coinsurance after Deductible
<u>Emergency Room</u>	\$100 Copay	\$200 Copay	\$200 Copay
<u>Prescription Drugs</u>			
Deductible	None	None	None
Tier 1	\$10	\$5	\$5
Tier 2	\$25	\$35	\$35
Tier 3	\$40	\$70	\$70
Tier 4	\$40	50%	50%
TOTAL MONTHLY PREMIUM	\$11,730.34	\$13,043.81	\$12,673.34

EE	\$525.22	Age Rated	Age Rated
ES	\$1,075.66		
EC	\$994.25		
ESC	\$1,611.91		

DISCLAIMER* This comparison is a summary of benefits only, not a statement of contract.

Please refer to your policy certificate for detailed benefits and refer to the carrier rating exhibits for a final rate

offerings

Account Key: 26269
Effective Date: 01/01/2015
Representative: KINGSGATE HEALTH INSURANCE, INC.
Group Number: 32338-0000

OSKALOOSA WATER DEPARTMENT



Wellmark Blue Cross Blue Shield of Iowa
Wellmark Health Plan of Iowa, Inc.

Independent Licensees of the Blue Cross and
Blue Shield Association

Renewal Rate Change Detail

	Health Code:	JNE
Total percentage of change in monthly premium for your selected plan(s) effective 1/1/2015		2.55%
The change in monthly premium is comprised of the following components*:		
Base Rate change for the pool (size 2-50)		6.00%
Account specific changes:		
Risk Level		0.00%
Demographic (age/gender/contract type)		-7.56%
Plan Value		0.01%
Family Composition		-0.38%
Group Size Adjustment		4.05%
Area Factor		0.96%
Other		0.00%

* The percentage of change in monthly premium is calculated by converting each component percentage to a decimal number and adding 1. Multiply all of the converted components together, subtract 1 from the result to get the overall percentage of change in monthly premium.

Example: Base Rate = 8.5%, Risk Level = 3.92% and Demographic = -3.20%; the calculation would be $1.0850 \times 1.0392 \times 0.968 = 1.0915$ which translates to a 9.15% change.

Account Key: 26269
 Effective Date: 01/01/2015
 Representative: KINGSGATE HEALTH INSURANCE, INC.
 Group Number: 32338-0000

OSKALOOSA WATER DEPARTMENT



Wellmark Blue Cross Blue Shield of Iowa
 Wellmark Health Plan of Iowa, Inc.
 Independent Licensees of the Blue Cross and
 Blue Shield Association

Notice of Renewal Rates

Health Benefits 1 Current

Health Benefits 1 Renewal

Benefit Code: JNE/QPT - Preferred			Benefit Code: JNE/QPT - Preferred	GF
Deductible: \$1500/\$3000		<u>01/01/2014</u>	Deductible: \$1500/\$3000	<u>01/01/2015</u>
Coinsurance: 10% IN 20% OUT			Coinsurance: 10% IN 20% OUT	
OPM: \$3000/\$6000	Employee:	\$512.17	OPM: \$3000/\$6000	Employee: \$525.22
Preventive: Yes	Employee/Spouse:	\$1,048.92	Preventive: Yes	Employee/Spouse: \$1,075.66
OV Copay: \$15	Employee/Child(ren):	\$969.54	OV Copay: \$15	Employee/Child(ren): \$994.25
ER Copay: \$100	Emp/Spouse/Child(ren):	\$1,571.85	ER Copay: \$100	Emp/Spouse/Child(ren): \$1,611.91
RX Description: \$10/\$25/\$40			RX Description: \$10/\$25/\$40	% of Change: 2.55%

MINUTES
WASTEWATER/WATER WORKING COMMITTEE MEETING
Thursday, October 23, 2014
City Hall Meeting Room
5:15 p.m.

Committee Members Present: Chairperson David Krutzfeldt, Joe Ryan, Chad Coon, Doug Yates, Michael Schrock and Tom Jimenez. Absent: Michael Vore. Also present: Marilyn Johannes and a representative from CRI for part of the meeting.

Krutzfeldt said he appreciated it that Chad Coon had been in attendance for the last few city council meetings. Krutzfeldt said Coon should sit with the other department heads.

Krutzfeldt asked the committee their opinions as to what they want to accomplish with these meetings.

Yates: Issues changed since two years ago. New issues encountered with wastewater, new administration, way to form joint leadership for both departments and decide on other issues, figure out how like to be structured. Ryan: On same page but "How do we make it work?" Jimenez: Reiterate. Need leadership and wastewater to head down the right path. Departments need to be blended, cost savings.

Krutzfeldt: See what taxpayer is seeing regarding customer service. City residents are expecting us to be coordinated. Yates: Residents don't believe the departments are separate. Just see issues as city problems.

Ryan wanted to know what Council considers the issues with wastewater. Krutzfeldt: Need cross-trained employees and leadership for the wastewater department.

Schrock: Akhilesh Pal was appointed interim director about 10 months ago, but nobody internally in the department will become the new superintendent.

Yates: Golden opportunity with various changes in staff, such as retirements. Ryan: Issues before Pal appointed interim? Schrock: Yes, mandated DNR issues, personnel did not show the required leadership to step up; would like to bring in new leadership and make changes; need someone to provide vision 10 years from now, knows the best practices for providing services; need to take this opportunity to make improvements.

Yates: No long range plan, day-to-day ok. See vision as this group's responsibility. Jimenez said more issues coming from the DNR.

Coon: Need to go forward with planning, can't go back. Jimenez: Do things together as a group.

Coon: Believe there is a sincere effort now to find the best solution.

Yates: Got the impression from wastewater personnel side they did not like the People Services solution, thought internal better.

Schrock: Got the impression some wastewater personnel see no correlation between wastewater and water operations. Need to develop right system. Employees need to fit in philosophically. Need to come to consensus soon, especially on leadership position.

Krutzfeldt: Need to define personnel needed.

The committee discussed the current structure of the water department and wastewater department focusing extensively on state certification required, grades of current employees, compensation and DNR expectations.

Coon: Separate divisions of the DNR inspect water and wastewater. Believe the higher the license (grade) an employee has the better should pay accordingly, give them incentive to earn more money if test and get higher grade.

Schrock: Currently the city does not pay higher wage for higher grade unless the employee is doing the work of the higher grade. Yates: Believe should be compensated if have higher license, willing to pay for that.

Ryan: DNR seems to be regulator. Do they have opinion on combining water and wastewater? Coon and Schrock: They have no problem if combined. Asked if affidavit sufficient, DNR said absolutely not. Yates: What is recommendation regarding supervision? Schrock: Two scenarios regarding supervision. Could have a water supervisor and wastewater supervisor under one director. The second is having the director run one side of the operations based on expertise and have a supervisor or assistant director handle the other side of operations. Concern - have long term planning, not just day-to-day activities. Krutzfeldt: Need certifications? Schrock: I believe the director needs to have certification for both.

Yates: Good wastewater/water control; two critical departments with multiple openings. Can we accomplish tasks without hiring multiple employees? Schrock: Depends on how the committee wants to set up operations. Coon: Office manager handles all financial stuff. Yates: Who handles administration on city side? Schrock: he and Amy. City pays a financial firm to check wastewater rates. Can hire a management analyst or CPA and have them do it. Can water office help city? Can water department help clerk's office or vice versa? Is there an opportunity to do something different administratively? Would be good if could find one person who could operate both. Yates: Makes sense.

Jimenez: So you want decision asap? Schrock: Yes, need to move forward. Ryan: How are others structured? Comparison? Schrock: Can do research if you want that done. Jimenez: Agree. Ryan: Job descriptions for positions. Krutzfeldt: Interested in best practices, other cities operations. Yates: Altoona, Ames, others.

Krutzfeldt: Need to set up next meeting. How soon get structure information? Schrock indicated it would not take long.

The committee scheduled the next meeting at 5:00 p.m. Thursday, October 30, at city hall.

The meeting adjourned at 6:50 p.m.

Minutes by Marilyn Johannes

MINUTES
WASTEWATER/WATER WORKING COMMITTEE MEETING
Thursday, October 30, 2014
City Hall Meeting Room
5:00 p.m.

Committee Members Present: Chairperson David Krutzfeldt, Chad Coon, Joe Ryan, Michael Schrock, Michael Vore, Doug Yates and Tom Jimenez (arrived at 5:07 p.m.). Also present: Marilyn Johannes.

[Earlier in the day Schrock had distributed information to the committee regarding the structure of other cities (attached)].

Krutzfeldt called the meeting to order at 5:03 p.m. and indicated to the committee the main reason for the meeting was to review the structure of other cities and asked if the committee wanted to review each city's structure individually. Ryan: Yes.

Yates asked that the committee bring Vore up-to-date on discussion so far since he was not present at the last committee meeting.

Jimenez entered the meeting.

Coon gave an overview of the structure of Ames and the comments he had received from staff regarding the city's structure.

Schrock discussed the information he had received from the person in charge after contacting Altoona, Boone, Grinnell, Indianola and Pella. Schrock said need to know how one level up is going to work then other matters will fall into place.

Schrock: City of Fairfield and Boone have a committee that makes recommendations to City Council. The most realistic discussion would be regarding establishing a cooperative management agreement between city and water, no referendum is required. If a utility board is established would need to go to voters requires a referendum; if an advisory board is desired, that too requires a referendum.

Yates: Not comfortable eliminating oversight boards. Because of criticality would not be comfortable without oversight. Both utilities are too critical.

Vore: Management agreement is a concern. What happens when different Mayor and City Council? How does that change the agreement?

Schrock: Depends on how well the agreement is written. Ryan: Do you put in a clause on how to get out of the agreement, the end of it? Schrock: Can write it anyway you want to. Ryan: Put term on agreement? Schrock: Don't necessarily lock Council into an agreement that can't get out of unless there are performance issues. Vore: Some agreements are for 20 years. Yates: Need term long enough that has time to work and include a clause for rollover of agreement.

Vore: Makes sense have both utilities under one board. Council has a lot on plate, could move off to group that has more expertise or expected to be the experts.

Jimenez: Would still need someone in charge. Schrock: If want to truly remove politics, don't have the department director report to an elected or appointed board; consider having them

report to the city manager. Staff is supposed to be independent, whereas a board can be political. Jimenez: Don't want political, want someone in charge. Vore: Did not consider board political. Yates: Want panel of experts. Want people who understand the value of departments. Need to do what is best for our community.

Vore: Don't know what you are going to get with a panel of experts. Don't always have right personnel as has happened. Yates: If comfortable with rate setting, utility authority. Schrock: Idea of keeping board intact as operating entity, could have management agreement and add two ex officio members of the city to provide additional oversight. Yates: Ok to work on management agreement. Schrock: If form utility board, could be confusing to the public because it requires a referendum. What if it fails? Vore: Probably not a good idea to put something on the ballot at this time.

Committee consensus was to work on a management agreement.

Krutzfeldt: Good meeting. To the point of working on a management agreement, however, there is a time constraint. Schrock: Will put something together for the next meeting. Look at next meeting as a brainstorming session.

The next meeting was scheduled on Thursday, November 6, 2014 at 5:00 p.m.

The meeting adjourned at 6:00 p.m.

Minutes by Marilyn Johannes

Attachment

To: Water/Wastewater Working Committee
From: Michael Schrock Jr., City Manager
Date: October 29, 2014
Re: *Committee Information Received to Date*



A. Water/Wastewater Department Structure Received to Date

1. Ames

Here is a link for the City of Ames' flowchart.

<http://www.cityofames.org/modules/showdocument.aspx?documentid=718>

The last page is Water & Pollution Control. Chad has spoken to John Dunn, who is the Director of Water & Pollution Control for Ames about their setup, and what he sees as areas of concern. More on that at our meeting tomorrow night from Chad.

2. Altoona

The Director of Community Services is under the general direction of the City Administrator. The Community Services Director will:

- Responsible for the supervision and actions of all city public works employees,
- Responsible for the supervision and actions of building inspection employees,
- Responsible for all supervision of construction, operation, and maintenance of all real and physical property within the city,
- Directs the construction, operation, and maintenance of all city utilities and facilities,
- Cooperate with the city engineer and review plans prepared by the engineer for city projects,
- Furnishes technical assistance to the City Administrator, City Council, and other department heads.

Vern Willey has been with the City of Altoona since 1974. Vern can be reached Monday through Friday at 967-5136 or vwilley@altoona-iowa.com

3. Boone

According to the City Administrator they have done further reorganization since their last org chart was put together. He is working on some preliminary information to share forward. In addition, the City Administrator and I will be getting together within the next few weeks to have more in-depth conversations.

4. Grinnell

Reached out to Grinnell, but have not received any information at this time.

5. Indianola

Reached out to Indianola, but have not received any information at this time.

6. Pella

In addition to the information that was attached, please see below.

Water - 1 Superintendent and 3 Operators.

Wastewater - 1 Superintendent and 3 Operators

Collection and Distribution Crew - 1 Foreman and 6 maintenance workers. This crew repairs and installs new water mains and shallow sanitary sewer mains. In addition, the crew performs the

meter reading functions for the City’s utilities including our electric utility. In the winter time this crew also assists public works with snow removal.

Public Works Admin - 1 Director and 1 support staff.

Note - The utility billing function is performed by City Hall and includes 2 FTE’s. Utility billing for the City of Pella includes water, wastewater, garbage, and electric utility services.

Full Time Employees

Understanding that each organizational structure for the comparable cities may be distinctly different from the City of Oskaloosa, it is often helpful to understand the composition of full time employees (FTEs) for those functional areas that best align with the water utility operations. For most cities, this includes the wastewater division as the functions related to treatment and plant operations are similar. Below is a table outlining the FTEs for water and wastewater, as well as shared FTEs for the comparable cities:

FTE Composition by City

City	Water FTEs	Wastewater FTEs	Shared Water/WW FTEs	Total FTEs
City of Oskaloosa	11	7	-	18
City of Boone	5	5	3.5	13.5
City of Fairfield	9	5	2	16
City of Fort Madison	12	1	2	15
City of Grinnell	4.5	4.5	3	12
City of Indianola	6	7.5	5	18.5
City of Keokuk	25	5	-	30
City of Knoxville	7	5	-	12
City of Newton	13	9	-	22
City of Pella	9	2	2	13
City of Spencer*	10	5 Contractors 2 City staff	2	19
City of Storm Lake**	<i>Not Provided</i>	<i>Not Provided</i>	<i>Not Provided</i>	<i>N/A</i>
City of Waverly	3	1	3	7

*Sewer Treatment Facility operated by outside contractor.

**Water and Sewer Treatment facility operated by outside contractor.

As the table indicates, there are differing structures in each of the comparable jurisdictions. As it relates to sharing the functional responsibilities of employees, in nearly every case the positions relate to billing and administrative functions. An additional opportunity for shared services is often found in cross-training for water and wastewater operators. Many smaller municipalities have improved service and performance through better coordinated water and wastewater service by utilizing operators that are fully licensed to run both the water treatment and wastewater treatment plants and pump stations. These cross training efforts have also enhanced job satisfaction and allowed cities to keep operators busy during typical workload fluctuations.

B. Water/Wastewater Utility Oversight Considerations

Staff was tasked with identifying potential legal matters that could affect implementation of shared operations (at the board/council level). The following information is presented for further discussion:

1. Maintain existing board/council structure, establish management agreement

Observations: No referendum is required to pursue this partnership; city ordinance changes could be required as appropriate. This partnership could provide the most flexibility for the city and OMWD. This partnership could provide the most immediate results and opportunity for implementation when compared to the other options being discussed. If pursued, the management agreement would need to be performance based with clear expectations for service provision and contract management (oversight by the appropriate group). If the city contracts wastewater services with OMWD, a recommendation to manage that partnership should include the creation of two ex officio members, including one city council member and one city staff (i.e. city manager or designee) to join the existing OMWD membership.

2. Establish a new municipal utilities board for water/wastewater

Observations: This option requires voter approval of a referendum because it abolishes the OMWD and reconstitutes a new board; city ordinance changes could be required as appropriate. In essence, the OMWD was not created to serve this purpose by the original vote. A new proposal would need to be created and submitted to the voters thereby establishing the expectations and authority of the new Utility Board.

3. Establish an advisory utilities board

Observations: This option requires voter approval of a referendum since it abolishes OMWD; city ordinance changes could be required as appropriate. A new section of the municipal code would need to be established outlining responsibilities and duties of the city council, advisory board, and staff.