

OSKALOOSA WATER BOARD
SPECIAL MEETING
1/5/15

Members Present:

Joe Ryan
Mike Vore

Others Present:

Chad Coon
Crystal Breuklander

A motion was made by Mike Vore and 2nd by Joe Ryan to approve the agenda as presented. The motion carried with all members voting yes.

1. The next agenda item was Proposed Budget Amendments to the 2014-2015 Budget. Chad and Crystal went through the amended budget items with the Board members. There was discussion about a decrease in unit sales and how that was affecting income and the increase in the drawdown from our reserves due to several items. Chad informed the Board that for fiscal year 2013-2014 production was the highest it had been since at least the 2002-2003 budget year, and that during the same time billed consumption went to its lowest volume. The need to take a deeper look at changing out meters was discussed. The budget was shown using no rate increase. Both Crystal and Chad went through the budget and discussed increases and decreases with the Board. The discussion turned towards what would be necessary for a rate increase. Mike suggested that staff go back and figure in a 10% rate increase.
2. The next agenda item was Proposed Budget for Fiscal Year 2015/2016. Chad and Crystal went through a couple of items for this. The unit sales and income forecast were discussed. Chad stated that due to this prior year's consumption declining to the lowest level seen in years, and the first six months of 2014-2015 being almost 9% lower than that, he planned revenue using the lowest consumption numbers. There was discussion about the need to see an expected increase for commodities on the O&M side of the budget. Mike and Joe thought that a 3% increase, due to inflation, in those costs would be appropriate. Chad and Crystal were directed to include those changes to the proposed budget. Using the spreadsheet "Water Enterprise Fund Updated for 2015+ CIP" the Board was able to look at predicted projects, revenue and expenses for the next 5 years. At the time of the meeting, it looked like with a 10% increase in rates for the remainder of this year the lowest reserves would drop to would be around \$440,000 in the 2016-2017 fiscal year. Chad talked about that being an uncomfortable number moving forward. The Board agreed to continue to work to address this issue.

3. Chad talked about the possibility of looking at changing rate structures and the work he had done to try and predict possible revenues based on that. At this time, the Board did not want to make any changes to the rate structure, but would continue to discuss this as an option moving forward.
4. Chad informed the Board that he had been asked by the City Manager about using one of OMWD's employees to help temporarily fill a vacancy in the waste water department until such time as the City could get that position filled. The Board agreed that they wanted to do what they could to help the City, and instructed Chad to move forward as he felt necessary.

There being no further items to discuss, it was moved by Joe Ryan and second by Mike Vore to adjourn.

ATTEST

Meeting Adjourned 5:58 PM

Joe Ryan – Chairman

Jon Zobel – Secretary