

WATER BOARD OF TRUSTEES

Regular Meeting

February 17, 2015

4:00 PM

Location: 1208 South 7th St.

Agenda

1. Approve Agenda.
2. Approve Acceptance of the Annual Financial Report for Fiscal Year 2013-2014 as Prepared by Hunt & Associates, P.C.
3. Approve Minutes of the January 19, 2015, Regular Meeting.
4. Approve Invoices and Balance Statements.
5. Public Hearing for Proposed 10% Water Rate Increase.
6. Introduction of Resolution #1501, Resolution to Increase Water Rates Effective March 1, 2015.
7. Customer Forum.
8. Resolution #1502, Resolution to Amend Water Meter Replacement Funding.
9. Update 3rd Avenue East Project.
10. Capital Project Financing Discussion.
11. General Manager's update.
12. Miscellaneous.
13. Adjourn.

INFORMATION CONCERNING AGENDA ITEMS:

Agenda Item #2

Doug Hunt will not be here to go over the audit. There was a scheduling conflict. Please remember to bring your audit packet back with you that I dropped off for you on Friday. Again there were no noted deficiencies this year, and I recommend you approve the audit.

Agenda Item #5

We will need a motion to open the Public Hearing, listen to any comments and then a motion to close the Public Hearing.

Agenda Item #6

I have included the resolution in your packets and will have the hard copy here Tuesday afternoon. This will need to be introduced and have a second, then you can discuss and make a motion for approval. I recommend approving the 10% rate increase.

Agenda Item #7

“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.”

I do not believe that there are any at this time. I know that I have spoken to some customers this last month about different issues, but I do not think any of them expressed a need to come and address you.

Agenda Item #8

Gentlemen, this is an extension of an issue that was discussed briefly at the last water waste water committee meeting. When we sent our budget to the City last month it was noted that next year we will start drawing more out of our 604 Account—Meter Replacement Fund. We have contacted Doug Hunt and asked for his guidance on how to properly proceed with any changes. His suggestion was that we pass a resolution amending the amount that we are setting aside each month. I have taken the original resolution from 2009, Resolution 0901, and modified it for this purpose. What it says is that OMWD will now be putting \$8500 per month into the 604 Account—Meter Replacement Fund. \$1725 of this will be from the tower rent that we receive from IWireless, and the balance will be pulled from either our checking or money market accounts.

This will need an introduction, and a second and then you can discuss if you wish. My recommendation is that you approve the resolution.

Agenda Item #9

This project was re-bid recently and the City is set to award the bid at the council meeting at 6:00 Tuesday evening. I have attached the bid breakdown for you to see. We are in at \$284,631.75. We will also have inspection services with this project from Garden & Associates. We have a “not to exceed” amount that will can be charged for inspections. We will also have to purchase hydrants and valves ourselves for this to the tune of around \$23,000. This will probably put us over our budgeted amount, but we will have the time to look at that as this project is not scheduled to be completed within this current budget year. We have sent out letters to homeowners along the project route to inspect service lines and determine who will need to replace lead and galvanized lines during this project. I believe that work is scheduled to start around the 1st of April.

Agenda Item #10

Joe called and asked that this be added to the agenda as a discussion item. As you well know we will start looking at large expenditures due to upcoming capital projects. Joe would like to start a discussion to look at different possibilities for funding on these projects. One item he mentioned was looking at borrowing as an example. We can go from there on Tuesday.

Agenda Item #11

We had over 50 applicants for the Customer Service Representative position. After performing 15 telephone interviews, six candidates were brought in for in-person interviews. Crystal and I did the interviewing of these six. From there we narrowed it down to 3 candidates that we wanted to bring in for a 2nd interview. At this point one of the candidates backed out of the process as the pay was not where she needed it to be to make it work. We brought two candidates in for the final interview. After both were interviewed Crystal and I discussed where we saw this going and who would be better for the job. We ended up offering the position to Cindy VanDonselaar. She has accepted and will start soon.

Royce continues to work for the Waste Water Department. There is an interview set up with a candidate for that position on Wednesday that I have been asked to be a part of. Sounds hopeful at this point.

I have included quotes from three different manufacturers for backhoes in your packets. Case came in just under John Deere with Caterpillar quite a bit higher. While I know that the guys would prefer the Cat, I cannot recommend the extra spending. I would like to move forward with placing an order for this machine for a July delivery. If you would like this an agenda item next month I can do that too. It is a budgeted item and under the \$50,000 threshold, but tell me how you would like to proceed.

Looking at expenses for the wells and how to proceed with that matter; the highest year for spending was 2011-2012 at \$43,445.26. We also had two new wells dug in 2009-2010 at a cost of \$160,000 for both wells. I have run a spreadsheet showing electrical usage since the plant renovation. This is as far back as I can go because before that everything was primary metered and not separated out. The first year was the worst as far as usage, but we have been somewhat consistent since then. In all honesty, as much as I may think that the idea of going to a service contract on the wells makes sense from an operational standpoint, I cannot get behind it financially. The numbers just aren't there. I

am not sure we could save enough on our electrical usage to make-up for the increase in costs on the contract side. I do think that we could postpone any need to drill a new well and thereby save the \$85,000-\$90,000 that it may run us from our capital expense side, but even then it would be close. I will try to get something set-up to show numbers from all perspectives soon. I have input information about meters that we have changed out that have been in the system for at least one year. I know that this is also some of what Joe wanted to discuss under item #10.

Agenda Item #12

There have been no leaks this last month.

As I sit here typing this, I am sure that there are more things to discuss that I am forgetting but I cannot remember them right now. This last week has been very busy, especially without a person in the CSR spot. We have all taken our turns filling in and helping out. There is no way that we could operate like this for any amount of extended time.