

OSKALOOSA WATER BOARD
REGULAR MEETING
2/17/15

Members Present:

Jon Zobel
Mike Vore
Joe Ryan

Others Present:

Chad Coon
Crystal Breuklander (entered at 5:05)

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

The next agenda item was Approve Acceptance of Annual Financial Report for Fiscal Year 2013 -2014 as Prepared by Hunt & Associates, P.C. The Board reviewed the audit documents, asking about OMWD's SRF loan covenant coverage, which was a little over 1.3 when 1.1 was the minimum necessary. Motion by Mike Vore to approve the audit, second by Jon Zobel. Ayes all, motion passed. Then Board member Zobel noticed that the years for the terms of the Board members was incorrect, as well as the spelling of Board member Keltner's first name, it should be Errin. Mike Vore amended his previous motion to address the error. Vore motioned to approve the audit noting that years for expiration should be Settimi—2014, Ryan—2016, Keltner—2018, and the name of Ervin should be changed to Errin. Zobel second the motion. Ayes all, motion passed.

Minutes of the 1/19/15 regular meeting were read. A motion was made by Jon Zobel to approve the minutes. The motion was 2nd by Mike Vore. The motion carried with all members voting yes.

The attached vouchers totaling \$294,363.92 were presented for approval. A motion was made by Mike Vore to approve the vouchers for payment. The motion was 2nd by Jon Zobel. The motion carried with all members voting yes. The Financial Statements were also reviewed. Motion by Mike Vore and second by Jon Zobel to approve balance statements. Motion carried with all members voting yes.

1. The next agenda item was Public Hearing for Proposed 10% Water Rate Increase. Motion by Mike Vore to open the Public Hearing. Jon Zobel second. Ayes all, Public Hearing open at 4:18 PM. Chad informed the Board that he had received no comments either written or oral regarding this matter. With that, Mike Vore made a motion to close the Public Hearing. Jon Zobel second. Ayes all, Public Hearing closed at 4:19 PM.

2. Introduction of Resolution #1501, Resolution to Increase Water Rates Effective March 1, 2015, was next on the agenda. Mike Vore moved to introduce Resolution #1501. Board Chair Joe Ryan read the resolution. Motion by Mike Vore to approve Resolution #1501, second by Jon Zobel. Ayes all, motion passed.
3. Customer Forum was next on the agenda. Chad presented an issue to the Board concerning a local mobile home park. Chad explained some issues that had recently been occurring with the new owners of the property. The Board instructed Chad to work with legal counsel to develop a policy and a timeline to address issues relating to curb stops and meter placement within the mobile home park. He was also instructed to discuss this issue with the City Manager to let him know what was happening.
4. Next on the agenda was Resolution #1502, Resolution to Amend Water Meter Replacement Funding. Motion by Jon Zobel to introduce the resolution. Joe Ryan read the resolution. Chad explained that this was necessary to adjust the funding for the 604 Fund, the meter replacement account, as OMWD is spending more money on replacing meters the balance in that account would become depleted. This resolution increases the amount of funding put into that account from \$3000/month to \$8500/month. There was discussion amongst all present that as OMWD came closer to a full scale meter change-out program that this fund may need to be looked at again. Motion by Jon Zobel to approve Resolution #1502. Second by Mike Vore. Ayes all, motion passed.
5. The next item on the agenda was Update 3rd Avenue East Project. Chad discussed this project with the Board. He stated that the City had let the bids and presented the bid tabulation to the Board as was provided to him from the City Engineer. He stated that OMWD was Division 2 for this project and that it was set for \$284,631.75 plus valves and hydrants that OMWD would need to purchase directly from Clow as well as inspection services that would be provided by Garden & Associates. The Board asked how OMWD would be billed for the work. Chad stated that he would discuss this with the City Manager and get back to the Board with an answer.
6. Next on the agenda was Capital Project Financing Discussion. This was an item that Board member Ryan asked be placed on the agenda to allow the Board members to have an opportunity to look at a variety of options moving forward. Chad explained some of the information that he had gathered regarding a CDBG application and how the expenses would be covered, or not covered, in the event of starting before an award is made. The subject then turned toward looking at a large scale meter change-out. Mike Vore discussed two different options for financing a project of this nature. One was called Co-Bank and the other was a company called Government Capital. Chad was instructed to check on both of these companies as they related to upcoming projects and work with their representatives to figure out how OMWD can get something moving for

financing. The subject of non-revenue water was also discussed as it related to looking at meter change-outs and water loss. Chad was instructed to start preparing a non-revenue water spreadsheet on at least a quarterly basis. The discussion then turned towards looking at OMWD's reserves, how they were holding, and how OMWD should prepare to find a formula for future needs as it relates to upcoming capital spending. Joe offered to sit down with staff and help put things together for funding levels of the reserves. Chad was instructed to look into the Water Enterprise Fund spreadsheet and determine where an error was occurring within one of the formulas for rate increases.

7. Next was General Manager's Update. Chad updated the Board on a variety of different issues. He informed them of the person who was offered the position of Customer Service Representative, he also let them know that one of OMWD's operators was still assisting the City at their waste water plant, but that an applicant had come forward who was to be interviewed for the open waste water position. Chad then presented the three bids that were received for a new backhoe. He asked the Board how they wanted to proceed with the selection process. Mike stated that he would like the issue to be placed on next month's agenda for Board action. Jon asked that a TPM preventative maintenance program be looked at for the new backhoe to help eliminate costly mechanical issues moving forward. He stated that he was willing to help find a program like this that could be applied. Chad then updated the Board on his findings related to costs of maintenance for the wells. He stated that upon further investigation he could not stand behind a move towards entering into a maintenance agreement for the wells.
8. Miscellaneous was the last agenda item. Chad informed the Board that there had been one leak in the last month and that it had occurred on Sunday out on Carbonado Road. He also talked to the Board about being approached about cutting up the remaining wood in the well field. He talked to the Board about an individual who was willing to produce an insurance policy with a \$1,000,000.00 umbrella that would list OMWD and the City as additional insureds as well as meeting with OMWD's legal counsel to put together an agreement to hold all parties harmless in the event of an injury. Chad was instructed to ensure that OMWD was completely covered on this issue. Chad was asked to place Meter Replacement Discussion on next month's agenda.

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

ATTEST

Meeting Adjourned 5:47 PM

Joe Ryan – Chairman

Jon Zobel – Secretary

The Oskaloosa Water Department Board of Trustees met in regular session Tuesday, February 17, 2015 at 4:00 PM with board members Ryan, Vore and Zobel present. The agenda was approved as presented. Minutes of the 1/19/15 regular meeting were approved as presented, all ayes.

Following Warrants Allowed: (see attached sheet)

The first item on the agenda was Approve Acceptance of the Annual Financial Report for Fiscal Year 2013-2014 as Prepared by Hunt & Associates, P.C. Motion by Vore and second by Zobel to approve the audit. Amended motion by Vore and second by Zobel to address an error in Board member Keltner's name and the years of expiring terms for all Board members. Ayes all, motion passed.

Public Hearing for Proposed 10% Water Rate Increase was next on the agenda. Motion by Vore to open the Public Hearing, second by Zobel ayes all, Public Hearing open at 4:18. There were no comments received either orally or in writing. Vore motioned to close the Public Hearing, Zobel second, ayes all, the Public Hearing closed at 4:19 PM.

The next agenda item was Introduction of Resolution #1501, Resolution to Increase Water Rates Effective March 1, 2015. This resolution was introduced by Vore. Board Chair Ryan read the resolution. Motion by Vore and second by Zobel to approve Resolution #1501. Ayes all motion carried.

Customer Forum was next on the agenda. Chad discussed an issue pertaining to a mobile home park. Chad was instructed to meet with legal counsel to resolve the issue.

The next agenda item was Resolution #1502, Resolution to Amend Water Meter Replacement Funding. Vore introduced the resolution, Board Chair Ryan read the resolution. Motion by Vore to approve Resolution #1502, second by Zobel. Ayes all, motion passed.

The next four agenda items had several things discussed with no action taken by the Board of Trustees.

There was a motion for adjournment made by Mike Vore and a second by Jon Zobel. Ayes all, meeting adjourned. 5:47 PM.

Jon Zobel, Secretary