

**WATER BOARD OF TRUSTEES**  
**Regular Meeting**  
**November 21, 2016**  
**3:00 PM**  
**Location: 1208 South St.**

**Agenda**

1. Approve agenda.
2. Approve minutes of the October 17, 2016 regular meeting.
3. Approve invoices and financial statements.
4. Customer forum.
5. Discussion of wastewater operations.
  - A. Update on 28E agreement.
  - B. Billing and collections fee assessment distribution.
6. Consideration and discussion of bill adjustment for Scott VerSteeg, 2064 Street.
7. Approve acceptance of the annual financial report for fiscal year 2015-2016 as prepared by Hunt and Associates, P.C.
8. Consideration and discussion of annual health insurance premiums.
9. Consideration and discussion of billing and rate structure for World Food Processing.
10. Consideration and discussion of amendment to employment agreement for General Manager.
11. General Manager's Update.
12. Updates from members of the Board of Trustees.
13. Adjourn.

## **INFORMATION CONCERNING AGENDA ITEMS:**

### **Agenda Item #4**

Chair – Please read this statement to the audience.

“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 have been no formal requests to address the Board.

### **Agenda Item #5**

As a result of the discussion last month regarding staffing for a waste water lead position, reviewing of staff has been occurring over the last several weeks. We are looking at how to use current staff to fill this position. Staff have completed emptying bio-solids from the digester and are currently working to empty one of the equalization basins at the southwest waste treatment plant. Staff are also using the weather to their advantage and trying to finish up outstanding televising requests and flood and dye testing from Garden & Associates as they relate to the I&I study. They have continued to work on SOPs and condition analyses of equipment. We also continue to move forward with pre-treatment agreement discussions for Oskaloosa Foods. A joint meeting is scheduled the first week of December. There is a meeting scheduled for the week of the to discuss the waste water budgeting. At Monday’s City Council meeting there will be presentation on the 28E agreement as we have concluded one year of operations. The Board Chair and General Manager will be at the meeting to provide the presentation. Attached to your packet materials you will find the spreadsheet and discussion that was shared with the City Council as a forerunner of the presentation.

The City Manager has asked that the Board discuss the allocation of late fees, disconnect fees and penalties as they apply to water and sewer revenues. Crystal will have more information available at the time of the meeting on Monday.

### **Agenda Item #6**

Scott VerSteege has asked to address the Board about a high water bill that he experienced at his home, 2064 Street, due to a leaking service line. The bill was for 68 units. The previous high bill was 13 units, a difference of 55 units. Scott is asking for a reduction to 35 units. Supporting documentation is attached to the packet.

### **Agenda Item #7**

Doug Hunt will be here to provide an overview of the FY 2015-2016 audit. We will have hard copies available at the meeting. I will attach the preliminary copy with your packet materials.

### **Agenda Item #8**

Jim Anderson will be here to present the renewal for the health insurance and answer any questions that you may have. The current plan has increased in cost 15.5%. The last two years we saw very

very low increases. 2014 the increase was 2.55% and 2015 it was only 0.56%. In 2013, at renewal, we saw a huge decrease of 25.48%. Even with this proposed increase this year we will still be paying less than what we did before the decrease three years ago. There is also attached to your packet an ACA plan for comparison. Based on the large increases recently seen in the ACA market and the volatility of this market from year to year, it is my recommendation to remain on our grandfathered plan.

#### **Agenda Item #9**

John Pape with World Food Processing, located in the Industrial Park, would like to discuss water rates, consumption patterns, and possible scenarios with the Board.

#### **Agenda Item #10**

Per the motion at the September meeting, you will find attached to your agenda packet the final draft of the amendment to the employment agreement. This document has been prepared by Dickinson Law Firm and reviewed by the Board Chair and General Manager. This addresses the concern of including the base pay rate into the agreement and also adds language for employee performance. It is my recommendation to approve the amendment.

#### **Agenda Item #11**

This month has been busy with a variety of different aspects. The job opening for Customer Service Representative was advertised and an offer has been extended and accepted. The successful applicant will start on December 5. Being short-staffed in the front office meant that a portion of my time was spent up front assisting with those duties. We still had around 90 disconnects that staff had to perform this month. That is down from last month and we continue to hope that these numbers will decrease. I have not had the opportunity to send in policy changes to Dickinson for clarification and further action. There is time dedicated next week for this work. We continue to battle lime feed issues at the water plant. Staff have been working to make some changes to our operations to address this issue. We have had to deal with some leaks this last month;

500 block North , crack on a 4" main

1100 block of South Market, crack on a 4" main

Hwy 23 by the old sale barn, hole on a 6" main

1307 block of Edmundson Drive, crack on a 6" main

220 South Market, hole in a 6" main

1100 block of Avenue East, crack in a 4" main

500 block of B Avenue West, shear break on an 8" fire line for Mahaska Drug

Some of these have been prompted by the fire hydrant flushing while others are due to the dry ground conditions that we are currently experiencing.

Staff have been working out in the well field to prepare the wells for winter. We are also currently reviewing proposals for well cleaning from three different companies.

The electrician has made repairs to equipment in the fluoride room. We are currently performing test runs on the fluoride feed to observe any operational issues that may arise.

OMWD does not currently have a Board issued cell phone policy. With the addition of sewer operations, some differences have been seen that should be reviewed and addressed. I have asked

Dickinson to provide a draft of a policy and I also have a copy of the City's policy. I am working to find a workable version that will fit our needs.

**Agenda Item #12**

This is an item for members of the Board to provide updates or request future agenda items.

CITY OF OSKALOOSA  
MUNICIPAL WATER DEPARTMENT  
OSKALOOSA, IOWA

INDEPENDENT AUDITOR'S REPORTS  
BASIC FINANCIAL STATEMENTS  
SUPPLEMENTARY AND OTHER INFORMATION  
SCHEDULE OF FINDINGS

June 30, 2016

**PRELIMINARY DRAFT**  
**for Review and Discussion**  
**Does Not Contain All Required**  
**Disclosures**  
**Subject to Change**

## CONTENTS

	Page
OFFICIALS	3
INDEPENDENT AUDITOR'S REPORT	4-5
BASIC FINANCIAL STATEMENTS:	
Exhibit	
Government-wide Financial Statements:	
A    Cash Basis Statement of Activities and Net Position	8
Proprietary Fund Financial Statements:	
B    Statement of Cash Receipts, Disbursements and Changes in Cash Balances	10-13
Fiduciary Fund Financial Statements:	
C    Combining Statement of Cash Transactions and Changes in Cash Balances – Agency Funds	14
Notes to Financial Statements	15-23
OTHER INFORMATION:	
Budgetary Comparison Schedule of Receipts, Disbursements and Changes in Balances – Budget and Actual (Cash Basis) – Proprietary Funds	26-27
Notes to Other Information – Budgetary Reporting	28
Schedule of the Water Department's Proportionate Share of the Net Pension Liability	29
Schedule of Water Department Contributions – Last 10 Fiscal Years	30-31
Notes to Other Information – Pension Liability	32
SUPPLEMENTARY INFORMATION:	
Schedule	
1    Schedule of Indebtedness	34-35
2    Debt Maturities	36
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <u>GOVERNMENT</u> <u>AUDITING STANDARDS</u>	37-38
SCHEDULE OF FINDINGS	39-40

**PRELIMINARY DRAFT**  
 for Review and Discussion  
**Does Not Contain All Required**  
**Disclosures**  
**Subject to Change**

CITY OF OSKALOOSA  
MUNICIPAL WATER DEPARTMENT

WATERWORKS OFFICIALS

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Mike Vore	Chairman	July, 2018
Brad Hodges	Secretary	July, 2020
Kevin Tacke	Trustee	July, 2018
Jason Carter	Trustee	July, 2016
Joe Ryan	Trustee	July, 2016
Chad Coon	General Manager	Indefinite
Crystal Breuklander	Office Manager	Indefinite
Cindy Scholtus	Billings Clerk	Indefinite
Cindy Van Donselaar	Customer Service	Indefinite
David Dixon	Attorney	Indefinite

PRELIMINARY DRAFT  
for Review and Discussion  
Does Not Contain All Required  
Disclosures  
Subject to Change

## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees  
City of Oskaloosa Municipal Water Department  
Oskaloosa, Iowa

### Report on the Financial Statements

We have audited the accompanying financial statements of the business type activities, each major fund and the aggregate remaining fund information of the City of Oskaloosa Municipal Water Department, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Water Department's basic financial statements listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 1. This includes determining the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. This includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Water Department's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Water Department's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the business type activities, each major fund and the aggregate remaining fund information of the City of Oskaloosa Municipal Water Department as of June 30, 2016, and the respective changes in cash basis financial position for the year then ended in accordance with the basis of accounting described in note 1.



Basis of Accounting

As described in Note 1, these financial statements were prepared on the basis of cash receipts and disbursements, which is a basis of accounting other than U.S. generally accepted accounting principles. Our opinion is not modified with respect to this matter.

Other Matters

*Supplementary and Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Oskaloosa Municipal Water Department’s basic financial statements. The supplementary information included in Schedules 1 through 2 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The other information, budgetary comparison information, the schedule of the Water Department’s Proportionate Share of the Net Pension Liability and the Schedule of Water Department Contributions on pages 26 through 32 has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

The City of Oskaloosa Municipal Water Department has not presented management’s discussion and analysis which introduces the basic financial statements by presenting certain financial information as well as management’s analytical insights on that information that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of the basic financial statements.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 1, 2016 on our consideration of the City of Oskaloosa Municipal Water Department’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City of Oskaloosa Municipal Water Department’s internal control over financial reporting and compliance.

Oskaloosa, Iowa  
 November 1, 2016

PRELIMINARY DRAFT  
 for Review and Discussion  
 Does Not Contain All Required  
 Disclosures  
 Subject to Change

This page intentionally left blank

**PRELIMINARY DRAFT  
for Review and Discussion  
Does Not Contain All Required  
Disclosures  
Subject to Change**

Basic Financial Statements

**PRELIMINARY DRAFT  
for Review and Discussion  
Does Not Contain All Required  
Disclosures  
Subject to Change**

CITY OF OSKALOOSA  
MUNICIPAL WATER DEPARTMENT

CASH BASIS STATEMENT OF ACTIVITIES AND NET POSITION  
As of and for the year ended June 30, 2016

	<u>Disbursements</u>	<u>Program Receipts Charges for Services</u>	<u>Net (Disbursements) Receipts</u>
Functions/Programs:			
Business Type Activities:			
Water operating	\$ 2,281,002	\$ 2,523,529	\$ 242,527
Debt service	418,738	-	(418,738)
Meter replacements	93,732	-	(93,732)
	<u>\$ 2,793,472</u>	<u>\$ 2,523,529</u>	<u>\$ (269,943)</u>
General receipts:			
Unrestricted investment earnings			6,971
Rents collected			29,448
Miscellaneous			<u>247,996</u>
Total general receipts			<u>284,415</u>
Change in cash basis net position			14,472
Cash basis net position beginning of year			<u>1,096,887</u>
Cash basis net position end of year			<u>\$ 1,111,359</u>
Cash basis net position:			
Restricted:			
Expendable:			
Debt service			\$ 34,943
Unrestricted			<u>1,076,416</u>
Total cash basis net position			<u>\$ 1,111,359</u>

See notes to financial statements.

This page intentionally left blank

**PRELIMINARY DRAFT**  
for Review and Discussion  
**Does Not Contain All Required**  
Disclosures  
**Subject to Change**

CITY OF OSKALOOSA  
MUNICIPAL WATER DEPARTMENT

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES  
PROPRIETARY FUNDS

As of and for the year ended June 30, 2016

	Enterprise Funds			Total
	Water Utility Operating	Designated for Meter Replacement	Sinking Fund	
Operating receipts:				
Use of money and property:				
Meter rent	\$ 21,917	\$ -	\$ -	\$ 21,917
House and land rent	2,360	-	-	2,360
Sprinkler and hydrant rent	5,171	-	-	5,171
	<u>29,448</u>	<u>-</u>	<u>-</u>	<u>29,448</u>
Charges for services:				
Meter water sales	2,306,079	-	-	2,306,079
Late and inspection fees	51,145	-	-	51,145
Labor charges	6,012	-	-	6,012
Sales tax collected	160,293	-	-	160,293
	<u>2,523,529</u>	<u>-</u>	<u>-</u>	<u>2,523,529</u>
Miscellaneous:				
Materials sold	2,925	-	-	2,925
Reimbursements/refunds	206,944	-	-	206,944
Tower rental	20,700	-	-	20,700
Miscellaneous	13,748	-	-	13,748
Timber sold	3,679	-	-	3,679
	<u>247,996</u>	<u>-</u>	<u>-</u>	<u>247,996</u>
Total operating receipts	<u>2,800,973</u>	<u>-</u>	<u>-</u>	<u>2,800,973</u>
Operating Disbursements:				
Business type activities:				
Administration:				
Labor	246,781	-	-	246,781
Related labor expenses	40,238	-	-	40,238
Health insurance	161,113	-	-	161,113
Publications	2,611	-	-	2,611
Audit fees	8,100	-	-	8,100
Maintenance - Building	495	-	-	495
Computer expense	35,047	-	-	35,047
Insurance	52,933	-	-	52,933
Postage	18,222	-	-	18,222
Meter reading service	22,748	-	-	22,748
Telephone	7,200	-	-	7,200
Dues and subscriptions	5,890	-	-	5,890
Education/Seminars	1,020	-	-	1,020
Custodial expense	1,863	-	-	1,863
Legal expense	7,325	-	-	7,325

PRELIMINARY DRAFT  
for Review and Discussion  
Does Not Contain All Required  
Disclosures  
Subject to Change

CITY OF OSKALOOSA  
MUNICIPAL WATER DEPARTMENT

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES  
PROPRIETARY FUNDS

As of and for the year ended June 30, 2016

	Enterprise Funds			Total
	Water Utility Operating	Designated for Meter Replacement	Sinking Fund	
Operating Disbursements (continued):				
Business type activities (continued):				
Administration (continued):				
Office supplies	\$ 4,959	\$ -	\$ -	4,959
Miscellaneous supplies	6,887	-	-	6,887
Credit card fees	2,725	-	-	2,725
Capital outlay and replacements	3,362	-	-	3,362
	<u>629,519</u>	<u>-</u>	<u>-</u>	<u>629,519</u>
Plant operation and maintenance:				
Labor	78,486	-	-	78,486
Related labor expenses	13,013	-	-	13,013
Lab expense	10,977	-	-	10,977
Maintenance:				
Buildings	14,986	-	-	14,986
Wells	30,159	-	-	30,159
Grounds	17,622	-	-	17,622
Machinery	48,619	-	-	48,619
Education/Seminars	1,908	-	-	1,908
Utilities	76,770	-	-	76,770
Miscellaneous supplies	692	-	-	692
Miscellaneous expense	1,000	-	-	1,000
Chemicals	193,831	-	-	193,831
Capital outlay and replacements	16,510	93,732	-	110,242
	<u>504,573</u>	<u>93,732</u>	<u>-</u>	<u>598,305</u>
Distribution operations:				
Labor	162,819	-	-	162,819
Related labor expenses	26,995	-	-	26,995
Uniforms	1,699	-	-	1,699
Maintenance:				
Meters	4,734	-	-	4,734
Water system	85,324	-	-	85,324
Building	2,262	-	-	2,262
Machinery	10,228	-	-	10,228
Gasoline	11,181	-	-	11,181
Truck expense	4,138	-	-	4,138
Education/Seminars	1,592	-	-	1,592
Utilities	4,905	-	-	4,905
Small tools	1,559	-	-	1,559
Miscellaneous supplies	2,067	-	-	2,067

CITY OF OSKALOOSA  
MUNICIPAL WATER DEPARTMENT

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES  
PROPRIETARY FUNDS

As of and for the year ended June 30, 2016

	Enterprise Funds			Total
	Water Utility Operating	Designated for Meter Replacement	Sinking Fund	
Operating Disbursements (continued):				
Business type activities (continued):				
Distribution operations (continued):				
Miscellaneous expense	\$ 5,799	\$ -	\$ -	\$ 5,799
Capital outlay and replacements	457,028	-	-	457,028
Debt service	-	-	418,738	418,738
	<u>782,330</u>	<u>-</u>	<u>418,738</u>	<u>1,201,068</u>
 Total water disbursements	<u>1,916,422</u>	<u>93,732</u>	<u>418,738</u>	<u>2,428,892</u>
 Waste Water Treatment:				
Labor	87,031	-	-	87,031
Related labor expenses	14,430	-	-	14,430
Health insurance	23,260	-	-	23,260
Uniforms	416	-	-	416
	<u>125,137</u>	<u>-</u>	<u>-</u>	<u>125,137</u>
 Waste Water Collections:				
Labor	48,077	-	-	48,077
Related labor expenses	7,858	-	-	7,858
Health insurance	24,622	-	-	24,622
Uniforms	876	-	-	876
	<u>81,433</u>	<u>-</u>	<u>-</u>	<u>81,433</u>
 Waste Water Storm Water:				
Labor	321	-	-	321
Related labor expenses	53	-	-	53
	<u>374</u>	<u>-</u>	<u>-</u>	<u>374</u>
 Total waste water disbursements	<u>206,944</u>	<u>-</u>	<u>-</u>	<u>206,944</u>
 Other:				
Sales tax remitted	157,636	-	-	157,636
 Total operating disbursements	<u>2,281,002</u>	<u>93,732</u>	<u>418,738</u>	<u>2,793,472</u>



CITY OF OSKALOOSA  
MUNICIPAL WATER DEPARTMENT

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES  
PROPRIETARY FUNDS

As of and for the year ended June 30, 2016

	Enterprise Funds			
	Water Utility Operating	Designated for Meter Replacement	Sinking Fund	Total
Excess (deficiency) of operating receipts over (under) operating disbursements	\$ 519,971	\$ (93,732)	\$ (418,738)	\$ 7,501
Non operating receipts:				
Interest on investments	6,971	-	-	6,971
Excess (deficiency) of receipts over (under) disbursements	526,942	(93,732)	(418,738)	14,472
Other financing sources (uses):				
Operating transfers in (note 3)	-	102,000	418,786	520,786
Operating transfers out (note 3)	(520,786)	-	-	(520,786)
Total other financing sources (uses)	(520,786)	102,000	418,786	-
Net change in cash balances	6,156	8,268	48	14,472
Cash balance beginning of year	1,018,841	43,151	34,895	1,096,887
Cash balance end of year	<u>\$ 1,024,997</u>	<u>\$ 51,419</u>	<u>\$ 34,943</u>	<u>\$ 1,111,359</u>
Cash basis fund balances:				
Restricted:				
Debt service	-	-	34,943	34,943
Unrestricted	1,024,997	51,419	-	1,076,416
	<u>\$ 1,024,997</u>	<u>\$ 51,419</u>	<u>\$ 34,943</u>	<u>\$ 1,111,359</u>

See notes to financial statements.

CITY OF OSKALOOSA  
MUNICIPAL WATER DEPARTMENT

COMBINING STATEMENT OF CASH TRANSACTIONS AND CHANGES IN CASH BALANCES  
AGENCY FUNDS  
Year ended June 30, 2016

	<u>Customer Deposits</u>	<u>Sewer Receipts</u>	<u>Total</u>
Receipts:			
Charges for services:			
Sanitary sewer receipts	\$ -	\$ 1,892,197	\$ 1,892,197
Stormwater receipts	-	234,290	234,290
Miscellaneous:			
Customer deposits	48,900	-	48,900
Total receipts	<u>48,900</u>	<u>2,126,487</u>	<u>2,175,387</u>
Disbursements:			
Business type activities:			
Customers' deposits refunded	47,195	-	47,195
Sanitary sewer receipts remitted to City	-	1,828,862	1,828,862
Stormwater receipts remitted to City	-	231,018	231,018
Total disbursements	<u>47,195</u>	<u>2,059,880</u>	<u>2,107,075</u>
Excess (deficiency) of receipts over (under) disbursements	1,705	66,607	68,312
Balance beginning of year	<u>88,230</u>	<u>141,034</u>	<u>229,264</u>
Balance end of year	<u>\$ 89,935</u>	<u>\$ 207,641</u>	<u>\$ 297,576</u>

See notes to financial statements.

CITY OF OSKALOOSA  
MUNICIPAL WATER DEPARTMENT

NOTES TO FINANCIAL STATEMENTS  
June 30, 2016

Note 1. Summary of Significant Accounting Policies

The City of Oskaloosa Municipal Water Department is an independent department and a component unit of the City of Oskaloosa. The Waterworks operates under an appointed Board of Trustees. The Water Department provides water service to the residents of Oskaloosa, Iowa located in Mahaska County.

A. Reporting Entity

For financial reporting purposes, the Municipal Water Department of the City of Oskaloosa, Iowa, has included all funds, organizations, agencies, boards, commissions and authorities. The Water Department has also considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the Water Department, are such that exclusion would cause the Water Department's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the Water Department to impose its will on that organization or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on the Water Department. The Water Department has no component units which meet the Governmental Accounting Standards Board criteria. These statements do not include any other City of Oskaloosa funds or transactions.

B. Basis of Presentation

Government-wide Financial Statements – The Cash Basis Statement of Activities and Net Position reports information on all of the nonfiduciary activities of the primary government, the Water Department, and any component units. For the most part, the effect of interfund activity has been removed from this financial statement.

The Cash Basis Statement of Activities and Net Position presents the Water Department's nonfiduciary net position. Net position is reported in two categories:

Expendable restricted net position result when constraints placed on the use of cash balances are either externally imposed or are imposed by law through constitutional provisions or enabling legislation. Enabling legislation did not result in any restricted net position.

Unrestricted net position consists of cash balances not meeting the definition of the preceding category. Unrestricted net position is often subject to constraints imposed by management which can be removed or modified.

The Cash Basis Statement of Activities and Net Position demonstrates the degree to which the direct disbursements of a given function are offset by program receipts. Direct disbursements are those clearly identifiable with a specific function. Program receipts include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function and 2) grants, contributions and interest on investments restricted to meeting the operational or capital requirements of a particular function. Other items not properly included among program receipts are reported instead as general receipts.

CITY OF OSKALOOSA  
MUNICIPAL WATER DEPARTMENT

NOTES TO FINANCIAL STATEMENTS  
June 30, 2016

Note 1. Summary of Significant Accounting Policies

B. Basis of Presentation (continued)

Fund Financial Statements – Separate financial statements are provided for proprietary and fiduciary funds. Major individual proprietary funds are reported as separate columns in the funds financial statements.

The Water Department reports the following major proprietary funds:

Operating, Meter Replacement, and Sinking Fund Enterprise Funds - The Enterprise Funds are utilized to finance and account for the acquisition, operation and maintenance of governmental facilities and services that are supported by user charges.

Additionally, the Water Department reports the following fund type:

Fiduciary Funds:

Agency Funds are utilized to account for monies and properties received and held by the City of Oskaloosa Municipal Water Department in a trustee capacity as an agent for individuals, private organizations, certain jointly governed organizations, other governmental units and/or other funds.

C. Basis of Accounting

The Municipal Water Department maintains its financial records on the basis of cash receipts and disbursements and the financial statements of the Water Department are prepared on that basis. The cash basis of accounting does not give effect to accounts receivable, accounts payable and accrued items. Accordingly, the financial statements do not present the financial position and results of operations of the funds in accordance with U.S. generally accepted accounting principles.

Proprietary funds distinguish operating receipts and disbursements from non-operating items. Operating receipts and disbursements generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All receipts and disbursements not meeting this definition are reported as non-operating receipts and disbursements.

D. Budgets and Budgetary Accounting

The budgetary comparisons and related disclosures are reported as Other Information.

Note 2. Cash and Pooled Investments

The City of Oskaloosa Municipal Water Department's deposits in banks at June 30, 2016 were entirely covered by Federal depository insurance, or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

CITY OF OSKALOOSA  
MUNICIPAL WATER DEPARTMENT

NOTES TO FINANCIAL STATEMENTS  
June 30, 2016

Note 2. Cash and Pooled Investments (continued)

The Water Department is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the City of Oskaloosa Municipal Water Department's Trustees; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investments companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

At June 30, 2016, the Water Department had the following investments:

<u>Type</u>	<u>Carrying Amount</u>	<u>Fair Value</u>	<u>Maturity</u>
Certificate of Deposit	\$ 200,000	\$ 200,000	September 22, 2016
Certificate of Deposit	65,000	65,000	July 11, 2016
Certificate of Deposit	200,000	200,000	November 3, 2016
Certificate of Deposit	<u>200,000</u>	<u>200,000</u>	May 8, 2017
	<u>\$ 665,000</u>	<u>\$ 665,000</u>	

Interest rate risk – The Water Department's investment policy limits the investment of operating funds (funds expected to be expended in the current budget year or within 15 months of receipt) to instruments that mature within 397 days. Funds not identified as operating funds may be invested in investments with maturities longer than 397 days but the maturities shall be consistent with the needs and use of the Department.

Credit risk - The Water Department investments, held in financial depositories, are not subject to level of risk categorization.

The Water Department had no investments meeting the disclosure requirements of Governmental Accounting Standards Board statement No. 72.

Note 3. Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2016 is as follows:

<u>Transfers from</u>	<u>Transfers to</u>	<u>Amount</u>
Proprietary Enterprise: Water Utility Operating	Proprietary Enterprise: Meter Replacement	\$ 102,000
	Sinking Fund	<u>418,786</u>
Total		<u>\$ 520,786</u>

PRELIMINARY DRAFT  
for Review and Discussion  
Does Not Contain All Required  
Disclosures  
Subject to Change

CITY OF OSKALOOSA  
MUNICIPAL WATER DEPARTMENT

NOTES TO FINANCIAL STATEMENTS  
June 30, 2016

Note 3. Interfund Transfers (continued)

Transfers generally move revenues from the fund statutorily required to collect the resources to the fund statutorily required to expend the resources.

Note 4. Indebtedness

The Water Department authorized and the Iowa Finance Authority approved Water Revenue Capital Loan Notes not to exceed \$6,500,000. The Water Department paid \$259,000 of principal, \$147,450 in interest and \$12,228 in service fees during the year. The annual debt service requirements to maturity for the revenue capital loan notes is as follows:

Year Ending June 30,	Revenue Capital Loan Notes				
	Water				
	Issued January 7, 2009				
	Interest Rate	Interest	Service Fee	Principal	Total
2017	3.00	139,680	11,640	268,000	419,320
2018	3.00	131,640	10,970	277,000	419,610
2019	3.00	123,330	10,277	286,000	419,607
2020	3.00	114,750	9,563	295,000	419,313
2021	3.00	105,900	8,825	304,000	418,725
2022	3.00	96,780	8,065	314,000	418,845
2023	3.00	87,360	7,280	325,000	419,640
2024	3.00	77,610	6,468	335,000	419,078
2025	3.00	67,560	5,630	346,000	419,190
2026	3.00	57,180	4,765	357,000	418,945
2027	3.00	46,470	3,873	369,000	419,343
2028	3.00	35,400	2,950	381,000	419,350
2029	3.00	23,970	1,997	393,000	418,967
2030	3.00	12,180	1,015	406,000	419,195
		\$ 1,119,810	\$ 93,318	\$ 4,656,000	\$ 5,869,128

See accompanying independent auditor's report.

The resolution providing for the issuance of the revenue capital loan notes include the following provisions:

- a) The bonds will only be redeemed from the future earnings of the enterprise activity.
- b) Sufficient monthly cash transfers shall be made to a sinking fund account for the purpose of making the capital loan note principal, interest payments and service fee when due.
- c) Sufficiency of rates. On or before the beginning of each fiscal year the governing body will adopt or continue in effect rates for all services rendered by the Water Department determined to be sufficient to produce Net Revenues for the next succeeding fiscal year which are (i) adequate to pay the principal and interest requirements thereof and to create or maintain the reserves as provided in this Resolution, and (ii) not less than 110 percent of the principal and interest requirements of the next succeeding fiscal year.

CITY OF OSKALOOSA  
MUNICIPAL WATER DEPARTMENT

NOTES TO FINANCIAL STATEMENTS  
June 30, 2016

Note 5. Pension Plan

Plan Description – IPERS membership is mandatory for employees of the Water Department. Employees of the Water Department are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by Iowa Public Employees' Retirement System (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail at 7401 Register Drive P.O. Box 9117, Des Moines, Iowa 50306-9117 or at [www.ipers.org](http://www.ipers.org).

IPERS benefits are established under Iowa Code chapter 97B and the administrative rules thereunder. Chapter 97B and the administrative rules are the official plan documents. The following brief description is provided for general informational purposes only. Refer to the plan documents for more information.

Pension Benefits – A regular member may retire at normal retirement age and receive monthly benefits without an early-retirement reduction. Normal retirement age is age 65, any time after reaching age 62 with 20 or more years of covered employment, or when the member's years of service plus the member's age at the last birthday equals or exceeds 88, whichever comes first. (These qualifications must be met on the member's first month of entitlement to benefits.) Members cannot begin receiving retirement benefits before age 55. The formula used to calculate a Regular member's monthly IPERS benefit includes:

- A multiplier (based on years of service).
- The member's highest five-year average salary. (For members with service before June 30, 2012, the highest three-year average salary as of that date will be used if it is greater than the highest five-year average salary.)

If a member retires before normal retirement age, the member's monthly retirement benefit will be permanently reduced by an early-retirement reduction. The early-retirement reduction is calculated differently for service earned before and after July 1, 2012. For service earned before July 1, 2012, the reduction is 0.25 percent for each month that the member receives benefits before the member's earliest normal retirement age. For service earned starting July 1, 2012, the reduction is 0.50 percent for each month that the member receives benefits before age 65.

Generally, once a member selects a benefit option, a monthly benefit is calculated and remains the same for the rest of the member's lifetime. However, to combat the effects of inflation, retirees who began receiving benefits prior to July 1990 receive a guaranteed dividend with their regular November benefit payments.

Disability and Death Benefits – A vested member who is awarded federal Social Security disability or Railroad Retirement disability benefits is eligible to claim IPERS benefits regardless of age. Disability benefits are not reduced for early retirement. If a member dies before retirement, the member's beneficiary will receive a lifetime annuity or a lump-sum payment equal to the present actuarial value of the member's accrued benefit or calculated with a set formula, whichever is greater. When a member dies after retirement, death benefits depend on the benefit option the member selected at retirement.

CITY OF OSKALOOSA  
MUNICIPAL WATER DEPARTMENT

NOTES TO FINANCIAL STATEMENTS  
June 30, 2016

Note 5. Pension Plan (continued)

Contributions – Contribution rates are established by IPERS following the annual actuarial valuation, which applies IPERS’ Contribution Rate Funding Policy and Actuarial amortization Method. State statute limits the amount rates can increase or decrease each year to 1 percentage point. IPERS Contribution Rate Funding Policy requires that the actuarial contribution rate be determined using the “entry age normal” actuarial cost method and the actuarial assumptions and methods approved by the IPERS Investment Board. The actuarial contribution rate covers normal cost plus the unfunded actuarial liability payment based on a 30-year amortization period. The payment to amortize the unfunded actuarial liability is determined as a level percentage of payroll, based on the actuarial Amortization Method adopted by the Investment Board.

In fiscal year 2016, pursuant to the required rate, Regular members contributed 5.95 percent of pay and the Water Department contributed 8.93 percent for a total rate of 14.88 percent.

The Water Department’s contributions to IPERS for the year ended June 30, 2016 were \$56,584.

Net Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2016, the Water Department’s liability of \$370,369 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Water Department’s proportion of the net pension liability was based on the Water Department’s share of contributions to IPERS relative to the contributions of all IPERS participating employers. At June 30, 2015, the Water Department proportion was .007450 percent, which was a decrease of 0.001249 from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016 the Water Department’s pension expense, deferred outflows of resources and deferred inflows of resources totaled \$31,234, \$71,208 and \$86,239 respectively.

Actuarial Assumptions – The total pension liability in the June 30, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Rate of inflation (effective June 30, 2014)	3.00% per annum
Rates of salary increases (effective June 30, 2010)	4.00 to 17.00%, average, including inflation
Long term investment rate of return plan (effective June 30, 1996)	7.50% compounded annually, net of investment expense, including inflation
Wage growth (effective June 30, 1990)	4.00% per annum, based on a 3.00% inflation and 1.00% real wage inflation

The actuarial assumptions used in the June 30, 2015 valuation were based on the results of actuarial experience studies with dates corresponding to those listed above.



CITY OF OSKALOOSA  
MUNICIPAL WATER DEPARTMENT

NOTES TO FINANCIAL STATEMENTS  
June 30, 2016

Note 5. Pension Plan (continued)

Mortality rates were based on the RP-2000 Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA.

The long-term expected rate of return on IPERS investments was determined using a building-block method in which best-estimate ranges of expected future real rates (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
Core plus fixed income	28 %	2.04 %
Domestic equity	24	6.29
International equity	16	6.75
Private equity/debt	11	11.32
Real estate	8	3.48
Credit Opportunities	5	3.63
US TIPS	5	1.91
Other real assets	2	6.24
Cash	1	(0.71)
Total	<u>100%</u>	

Discount Rate – The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the contractually required rate and contributions from the Water Department will be made at contractually required rates, actuarially determined. Based on those assumptions, IPERS’ fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Water Department’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the Water Department’s proportionate share of the net pension liability calculated using the discount rate of 7.5 percent, as well as what the Water Department’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower (6.5%) or 1% higher (8.5%) than the current rate.

	1% Decrease (6.5%)	Discount Rate (7.5%)	1% Increase (8.5%)
Water Department's proportionate share of the net pension liability	\$ 648,449	\$ 370,369	\$ 135,649

PRELIMINARY DRAFT  
for Review and Discussion  
Does Not Contain All Required  
Disclosures  
Subject to Change

CITY OF OSKALOOSA  
MUNICIPAL WATER DEPARTMENT

NOTES TO FINANCIAL STATEMENTS  
June 30, 2016

Note 5. Pension Plan (continued)

IPERS' Fiduciary Net Position – Detailed information about IPERS' fiduciary net position is available in the separately issued IPERS financial report which is available on IPERS' website at [www.ipers.org](http://www.ipers.org).

Note 6. Other Postemployment Benefits (OPEB)

Plan Description – The City of Oskaloosa Municipal Water Department operates a benefit plan which provides medical/prescription drug and dental benefits for employees and their families. There are 11 active members in the plan.

The medical/prescription drug and dental benefits are provided through a fully-insured plan with Wellmark.

Funding Policy – The contribution requirements of plan members are established and may be amended by the Water Department. The City currently finances the employees benefit plan on a pay-as-you-go basis. Employees contribute a certain amount for dental insurance each month \$5 for single plan, \$10 for employee/spouse plan, and \$16 for family plan. The most recent active member monthly premiums for the Water Department plan members are \$528 for single coverage, \$1,082 for employee/spouse, and \$1,621 for family coverage. For the year ended June 30, 2016, the Water Department contributed \$182,681 and plan members eligible for benefits contributed \$2,150 to the plan.

Note 7. Compensated Absences

Water Department's employees accumulate a limited amount of earned but unused vacation, sick leave and comp hours for subsequent use or for payment upon termination, retirement or death. These accumulations are not recognized as disbursements by the Water Department until used or paid. Sick leave is only payable if the employee enters a bonafide retirement pursuant to IPERS. Sick leave is not payable for employees hired after December 31, 2015. The Water Department's approximate liability for unrecognized earned compensated absences is as follows:

<u>Type of Benefits</u>	<u>Amount</u>
Vacation	\$ 18,417
Sick Leave	55,290
Comp	15,458
Holiday Leave	<u>1,550</u>
 Total	 <u>\$ 90,715</u>

This liability has been computed based on rates of pay as of July 1, 2016.

PRELIMINARY DRAFT  
for Review and Discussion  
Does Not Contain All Required  
Disclosures  
Subject to Change

CITY OF OSKALOOSA  
MUNICIPAL WATER DEPARTMENT

NOTES TO FINANCIAL STATEMENTS  
June 30, 2016

Note 8. Risk Management

The Oskaloosa Municipal Water Department is exposed to various risks of loss related to torts; theft, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance. The Water Department assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 9. Sewer and Stormwater Receipts

The Water Department assesses and collects sewer and stormwater charges for the City of Oskaloosa, Iowa. The receipts from collections from customers and remittances to the City of Oskaloosa are accounted for in the Agency - Sewer Receipts Fund.

Note 10. Commitments and Contingencies

In January, 2002 the Water Department implemented a plan to self-fund the increase in their out of pocket and deductible limits of their health insurance policy for all eligible employees. The maximum annual calendar year exposure to the Water Department would be \$11,000 of which \$2,500 has been paid in claims as of June 30, 2016. The maximum remaining contingent liability as of June 30, 2016 is \$8,500.

The Water Department has entered into a contract for a water main replacement on Carbonado Road. The contract price is \$402,305 and the Water Department has not made any payments as of June 30, 2016. Payments will be made as the project is completed.

This page intentionally left blank

PRELIMINARY DRAFT  
for Review and Discussion  
Does Not Contain All Required  
Disclosures  
Subject to Change

Other Information

CITY OF OSKALOOSA  
MUNICIPAL WATER DEPARTMENT  
BUDGETARY COMPARISON SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN BALANCES  
BUDGET AND ACTUAL (CASH BASIS) – PROPRIETARY FUNDS  
Other Information  
Year Ended June 30, 2016

	Actual	Amounts Not Required to be Budgeted	Actual Net
Receipts:			
Water:			
Use of money and property	\$ 36,419	\$ -	\$ 36,419
Charges for services	2,365,893	-	2,365,893
Miscellaneous	296,896	48,900	247,996
	2,699,208	48,900	2,650,308
Disbursements:			
Business type activities:			
Water	2,683,031	47,195	2,635,836
	2,683,031	47,195	2,635,836
Excess of receipts over disbursements/ (disbursements over receipts)	16,177	1,705	14,472
Cash balances beginning of year	1,185,117	88,230	1,096,887
Cash balances end of year	\$ 1,201,294	\$ 89,935	\$ 1,111,359

See accompanying independent auditor's report.

<u>Budgeted Amounts</u>		<u>Final to Total Variance Favorable (Unfavorable)</u>
<u>Original</u>	<u>Final</u>	
\$ 20,660	\$ 26,060	\$ 10,359
2,235,630	2,236,130	129,763
51,500	273,787	(25,791)
<u>2,307,790</u>	<u>2,535,977</u>	<u>114,331</u>
<u>3,055,738</u>	<u>2,823,026</u>	<u>187,190</u>
<u>\$ (747,948)</u>	<u>\$ (287,049)</u>	<u>\$ 301,521</u>

CITY OF OSKALOOSA  
MUNICIPAL WATER DEPARTMENT

NOTES TO OTHER INFORMATION – BUDGETARY REPORTING

June 30, 2016

The budgetary comparison is presented in accordance with Government Accounting Standards Board Statement No. 41 for governments with significant budgeting perspective differences resulting from not being able to present budgetary comparisons for the Enterprise Fund.

In accordance with the Code of Iowa, the Water Department's Trustees annually adopts a budget on the cash basis following required public notice and hearing for all funds, except Agency funds. The annual budget may be amended during the year utilizing similar statutorily prescribed procedures.

Formal and legal budgetary control is based upon nine major classes of disbursements, known as functions, not by fund. These functions are public safety, public works, health and social services, culture and recreation, community and economic development, general government, debt service, capital projects, and business type activities. Function disbursements required to be budgeted include disbursements for Proprietary Funds. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregate function level, not by fund. During the year, one budget amendment decreased budgeted disbursements by \$232,712. The budget amendment is reflected in the final budgeted amounts.

PRELIMINARY REPORT  
for Review and Approval  
Does Not Contain All Required  
Disclosures  
Subject to Change



CITY OF OSKALOOSA  
MUNICIPAL WATER DEPARTMENT

Schedule of the Water Department's Proportionate Share of the Net Pension Liability

Iowa Public Employees' Retirement System  
For the Last Two Years\*

Other Information

	2016	2015
Water Department's proportion of the net pension liability	0.0075%	0.0089%
Water Department's proportionate share of the net pension liability	\$ 370,369	352,056
Water Department's covered-employee payroll	\$ 508,235	580,877
Water Department's proportionate share of the net pension liability as a percentage of its covered-employee payroll	72.90%	60.61%
Plan fiduciary net position as a percentage of the total pension liability	85.19%	87.61%

\*In accordance with GASB Statement No. 68, the amounts presented for each fiscal year were determined as of June 30 of the preceding fiscal year.

See accompanying independent auditor's report.

CITY OF OSKALOOSA  
MUNICIPAL WATER DEPARTMENT

Schedule of Water Department Contributions

Iowa Public Employees' Retirement System  
Last 10 Fiscal Years

Other Information

	2016	2015	2014	2013	2012
Statutorily required contribution	\$ 56,584	\$ 45,385	\$ 51,872	\$ 47,112	\$ 40,163
Contributions in relation to the statutorily required contribution	(56,584)	(45,385)	(51,872)	(47,112)	(40,163)
Contribution deficiency (excess)	-	-	-	-	-
Water Department's covered-employee payroll	\$ 633,639	\$ 508,235	\$ 580,877	\$ 543,391	\$ 461,643
Contributions as a percentage of covered-employee payroll	8.93%	8.93%	8.93%	8.67%	8.07%

See accompanying independent auditor's report.

PRELIMINARY DRAFT  
for Review and Discussion  
Does Not Contain All Required  
Disclosures  
Subject to Change

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$	36,853	\$ 34,127	\$ 32,766	\$ 29,460	\$ 28,174
	<u>(36,853)</u>	<u>(34,127)</u>	<u>(32,766)</u>	<u>(29,460)</u>	<u>(28,174)</u>
	-	-	-	-	-
\$	<u><u>530,259</u></u>	<u><u>513,188</u></u>	<u><u>516,000</u></u>	<u><u>486,942</u></u>	<u><u>489,983</u></u>
	6.95%	6.65%	6.35%	6.05%	5.75%

PRELIMINARY DRAFT  
for Review and Discussion  
Does Not Contain All Required  
Disclosures  
Subject to Change

CITY OF OSKALOOSA  
MUNICIPAL WATER DEPARTMENT

Notes to Other Information – Pension Liability

Year ended June 30, 2016

Changes of Benefit Terms – Legislation enacted in 2010 modified benefit terms for Regular members. The definition of final average salary changed from the highest three to the highest five years of covered wages. The vesting requirement changed from four years of service to seven years. The early retirement reduction increased from 3% per year measured from the member's first unreduced retirement age to a 6% reduction for each year of retirement before age 65.

Changes of Assumptions – The 2014 valuation implemented the following refinements as a result of a quadrennial experience study:

- Decreased the inflation assumption from 3.25% to 3.00%.
- Decreased the assumed rate of interest on member accounts from 4.00% to 3.75% per year.
- Adjusted male mortality rates for retirees in the Regular membership group.
- Moved from an open 30 year amortization period to a closed 30 year amortization period for the UAL beginning June 30, 2014. Each year thereafter, changes in the UAL from plan experience will be amortized on a separate closed 20 year period.

The 2010 valuation implemented the following refinements as a result of a quadrennial experience study:

- Adjusted retiree mortality assumptions.
- Modified retirement rates to reflect fewer retirements.
- Lowered disability rates at most ages.
- Lowered employment termination rates.
- Generally increased the probability of terminating members receiving a deferred retirement benefit.
- Modified salary increase assumptions based on various service duration.

The 2007 valuation adjusted the application of the entry age normal cost method to better match projected contributions to the projected salary stream in future years. It is also included in the one-year lag between the valuation date and the effective date of the annual actuarial contribution rate in the calculation of the UAL amortization payments.

PRELIMINARY DRAFT  
for Review and Discussion  
Does Not Contain All Required  
Disclosures  
Subject to Change

Supplementary Information

CITY OF OSKALOOSA  
MUNICIPAL WATER DEPARTMENT

SCHEDULE OF INDEBTEDNESS  
Year Ended June 30, 2016

Obligation	Date of Issue	Interest Rates	Amount Approved to be Issued	Balance Beginning of Year
Revenue Refunding Capital Loan Notes: Water	January 7, 2009	3.00%	\$ 6,500,000	\$ <u>4,915,000</u>

See accompanying independent auditor's report.

PRELIMINARY DRAFT  
for Review and Discussion  
Does Not Contain All Required  
Disclosures  
Subject to Change

<u>Issued During Year</u>	<u>Redeemed During Year</u>	<u>Balance End of Year</u>	<u>Interest Paid</u>	<u>Service Fee Paid</u>	<u>Interest Due and Unpaid</u>	<u>Service Fee Due and Unpaid</u>	<u>Notes Due and Unpaid</u>
\$ <u>-</u>	\$ <u>259,000</u>	\$ <u>4,656,000</u>	\$ <u>147,450</u>	\$ <u>12,288</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

CITY OF OSKALOOSA  
MUNICIPAL WATER DEPARTMENT

DEBT MATURITIES  
Year Ended June 30, 2016

Year Ending June 30,	Revenue Capital Loan Notes				
	Water				
	Issued January 7, 2009				
	Interest Rate	Interest	Service Fee	Principal	Total
2017	3.00	139,680	11,640	268,000	419,320
2018	3.00	131,640	10,970	277,000	419,610
2019	3.00	123,330	10,277	286,000	419,607
2020	3.00	114,750	9,563	295,000	419,313
2021	3.00	105,900	8,825	304,000	418,725
2022	3.00	96,780	8,065	314,000	418,845
2023	3.00	87,360	7,280	325,000	419,640
2024	3.00	77,610	6,468	335,000	419,078
2025	3.00	67,560	5,630	346,000	419,190
2026	3.00	57,180	4,765	357,000	418,945
2027	3.00	46,470	3,873	369,000	419,343
2028	3.00	35,400	2,950	381,000	419,350
2029	3.00	23,970	1,997	393,000	418,967
2030	3.00	12,180	1,015	406,000	419,195
		<u>\$ 1,119,810</u>	<u>\$ 93,318</u>	<u>\$ 4,656,000</u>	<u>\$ 5,869,128</u>

See accompanying independent auditor's report.



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS

To the Board of Trustees:  
City of Oskaloosa Municipal Water Department  
Oskaloosa, Iowa

We have audited in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Governmental Auditing Standards, issued by the Comptroller General of the United States the financial statements of the business-type activities, each major fund and the aggregate remaining fund information of the Municipal Water Department, a component unit of the City of Oskaloosa as of and for the year ended June 30, 2016, and the related notes to financial statements, which collectively comprise the Water Department's basic financial statements, and have issued our report thereon dated November 1, 2016. Our report expressed unmodified opinions on the financial statements which were prepared on the basis of cash receipts and disbursements, a basis of accounting other than U.S. generally accepted accounting principles.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Water Department's internal control over financial reporting to determine the audit procedures appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Municipal Water Department's internal control. Accordingly, we do not express an opinion on the effectiveness of the Municipal Water Department's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings, we identified deficiencies in internal control we consider significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility a material misstatement of the City of Oskaloosa Municipal Water Department's financial statements will not be prevented or detected and corrected on a timely basis.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control which is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in Part I of the accompanying Schedule of Findings I-A-16 to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Oskaloosa Municipal Water Department's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under Governmental Auditing Standards.

Comments involving statutory and other legal matters about the City of Oskaloosa Municipal Water Department's operations for the year ended June 30, 2016 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the Water Department. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

Water Department's Responses to Findings

City of Oskaloosa Municipal Water Department responses to the findings identified in our audit are described in the accompanying Schedule of Findings. City of Oskaloosa Municipal Water Works' responses were not subjected to the auditing procedures applied on the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of City of Oskaloosa Municipal Water Department during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

Oskaloosa, Iowa  
November 1, 2016

PRELIMINARY DRAFT  
for Review and Discussion  
Does Not Contain All Required  
Disclosures  
Subject to Change

CITY OF OSKALOOSA  
MUNICIPAL WATER DEPARTMENT

SCHEDULE OF FINDINGS

Year Ended June 30, 2016

Part I: Findings Related to the Financial Statements:

Internal Control Deficiencies:

I-A-16 Segregation of Duties – One important aspect of internal control is the segregation of duties among employees to prevent an individual employee from handling duties which are incompatible. The general manager was able to authorize a raise for his position.

Recommendation – The Board of Trustees should have to provide the employee responsible for payroll with written approval of all compensation changes for the general manager.

Response and Corrective Action Planned – The Board of Trustees does approve the general manager's compensation changes in the minutes which are given to the employee responsible for payroll as written approval. This fiscal year a change in responsibility for the general manager was discussed along with an increase in compensation. Once the general manager took over the new responsibilities, he informed the employee responsible for payroll with the raise that was discussed forgetting that it was not officially approved by the Board of Trustees. The Board of Trustees have informed the person responsible for payroll and the general manager that the general manager's compensation cannot be changed without written approval from the Board of Trustees, whether that be signed minutes or a separate signed document.

Conclusion – Response accepted.

Instances of Non-Compliance:

No matters were noted.

CITY OF OSKALOOSA  
MUNICIPAL WATER DEPARTMENT

SCHEDULE OF FINDINGS

Year Ended June 30, 2016

Part II: Other Findings Related to Required Statutory Reporting:

- II-A-15 Certified Budget - Disbursements during the year ended June 30, 2016 did not exceed the amounts budgeted in the business type activities function.
- II-B-15 Questionable Disbursements - No disbursements were noted that might not meet the requirements of public purpose as defined in the Attorney General's opinion dated April 25, 1979.
- II-C-15 Travel Expense - No disbursements of the Water Department's money for travel expense of spouses of the Water Department's officials or employees were noted.
- II-D-15 Business Transactions - No business transactions between the Water Department and the Water Department's officials or employees were noted.
- II-E-15 Bond Coverage - Surety bond of Water Department officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to insure that the coverage is adequate for current operations.
- II-F-15 Board Minutes - No transactions were found that we believe should have been approved in the Board minutes but were not.
- II-G-15 Deposits and Investments - No instances of non-compliance with the deposit and investment provisions of Chapter 12B and 12C of the Code of Iowa and the Water Department's investment policy were noted.
- II-H-15 Revenue Notes - No instances of non-compliance with the revenue note resolutions were noted.

PRELIMINARY DRAFT  
for Review and Discussion  
Does Not Contain All Required  
Disclosures  
Subject to Change

## 2015-16 28E Agreement Report

On October 1, 2015, the Oskaloosa Municipal Water Department, OMWD, started operational management of the City of Oskaloosa's Waste Water Department pursuant to a 28E agreement between the City and the Board of Trustees for the OMWD. A spreadsheet has been developed to assist with tracking the obligations as outlined in the 28E. Moving forward, this item will be shared with the City Council on a quarterly basis. In the last year there has been a lot of work put into meeting the requirements of the 28E.

In December of 2015 the City was issued new NPDES permits for both waste treatment facilities. As a result of those new permits, the City put out RFQs for engineering firms to prepare Facility Plans for the treatment plants. Fox Engineering was the candidate that was ultimately chosen and has spent the better part of the last year gathering data on operations and treatment removal efficiencies to help provide expansion alternatives. On September 7, 2016, the Iowa Department of Natural Resources, IDNR, issued an amendment for both permits that changed the due dates for the E. coli compliance schedule to better align with Fox's Facility Plans. A progress report must be submitted by February 1, 2017, with the submission of the Facility Plan due on April 1, 2017. This part of the Facility Plan will deal directly with the need to disinfect the effluent waste stream from each plant and how best to navigate the choices as presented. Final plans and specs are due to the IDNR on February 1, 2018, with an award contract for construction due March 1, 2018. The next date of importance in this process is July 1, 2018, which is when a progress report is due to the IDNR. On February 1, 2019, construction needs to be completed for disinfection at each plant, and on March 1, 2019, both facilities need to meet compliance with the disinfection of E. coli as prescribed in the NPDES permits. During the time between when the Facility Plan is finalized, and when plans and specs are due to the IDNR, the City must decide how it wants to proceed with meeting the disinfection standard. Fox Engineering has presented some budget estimates for staff to include with the CIP as it relates to this topic.

Another item that has seen related work lately is to renew the pre-treatment agreement with Oskaloosa Food Products Corporation for wastewater services. The previous agreement expired late in 2013. At a recent Sanitary Survey performed by the Iowa Department of Natural Resources for the Waste Water Department, it was noted that the previous agreement had expired and needed to be renewed. Staff have been working with Fox Engineering, as an outreach of the Facility Plan, to help us develop a new agreement. This work is still in its initial stages, but with a timeline attached to reach completion, staff are working to help develop and implement this new agreement.

Staff have also been working to help identify treatment plant equipment that is vital to operations and must be maintained. To that end, they have also been working to update the CIP for equipment and projects at both treatment plants. These facilities will need to see continued infusions of capital to keep them operating within the designed parameters to ensure that we meet standards for treatment. It is easy to forget these facilities as "out of sight, out of mind," but be assured that even though we cannot see the vast majority of infrastructure that is buried beneath our streets, it continues to get older each day and be that much closer to failure. The same concept applies to the treatment plants, they will continue to need updating and upkeep to stay operational.

Staff have worked exceedingly hard this last year to meet the demands of the collection system by jetting and televising several miles of pipe. Staff have been working to complete a list of needs presented by Garden & Associates as they relate to the Inflow and Infiltration study already underway. Several areas of concern have been jetted and televised and Garden is compiling a list of projects that will need to be completed in the collection system in the upcoming years. This work was the result of a Sanitary Survey completed in 2014. Garden and Associates was hired to conduct the study and has been working with staff to locate and identify problem areas that will provide a direct benefit to the City as repairs are made and inflow and infiltration are reduced. These projects have also been added to the department's CIP and will need serious consideration during the budgeting process to ensure that we continue to meet the IDNR's requirements.

The initial cost of the 28E agreement was figured at \$21,806.00 per month. Since the signing of that agreement, one former waste water employee left and needed to be replaced. OMWD found a replacement but that increased the cost of the agreement. Another factor in the increased cost was the ensuing license certifications for employees. The cost today for the 28E agreement is \$32,227.00. Changes have been made in daily operations to try to have a more consistent focus applied to the City's collection system. This is evidenced by the fact that several miles of pipe have been jetted and televised this year. Staff are still working to define a timeline and plan for jetting and televising all of the collection system on a regular and routine basis. Staff are also working to document Standard Operating Procedures, perform condition analysis and assessments on equipment and to provide a preventive maintenance process control program. These are the outstanding items from the 28E that have not yet been completed. Staff have been directed to focus more attention to these items and it is believed that this work will continue throughout the winter months as they are unable to be out in the collection system due to the weather. We hope to have the outstanding work completed by April 1, 2017.

## 28E Agreement Year One Tracking

### Division of Responsibilities: 28E Agreement

Task or Project Description with Reference	Reference	Task or Project Completed				Notes or Measurements
		Q1	Q2	Q3	Q4	
Standard Operating Procedures documented	Section 1.2	1		1	1	Staff have been working on documenting SOPs not only for the 28E but also for the City's Safety Committee program. It is believed that staff will have the opportunity to finish this work up this winter and be done with them by April 1, 2017.
Preventative maintenance process control programs initiated	Section 1.2					Staff are performing condition assessments and are to be gathering manufacturer's recommendations for preventive maintenance that will be tracked for all equipment. There is still a need to look at purchasing software that will assist staff with this task. It is believed that this will be accomplished by April 1, 2017.
Analysis of condition for all equipment completed	Section 1.2					Staff are performing condition assessments and are to be gathering manufacturer's recommendations for preventive maintenance that will be tracked for all equipment. There is still a need to look at purchasing software that will assist staff with this task. It is believed that this will be accomplished by April 1, 2017.
Operations maintained within established budget parameters	Section 1.3	X	X	X	X	Some budget line items were exceeded but the overall budget was maintained.
Staffing adequate to meet 24/7 operations in place	Section 1.3	X	X	X	X	Note deviations or exceptions
Procurement policy is followed	Section 1.4	1	1	1	1	OMWD staff try to maintain City procurement policies and any deficiencies are noted by staff at City Hall and asked to be addressed by OMWD staff.
Best practices perf. measures, resource sharing developed	Section 1.5	1	1	1	1	This is an item that needs more attention placed on it to help develop these measures. Resource sharing is happening already. This is a shared responsibility and both the City and OMWD are responsible for its implementation.
NPDES permit maintained and required reports completed	Section 2.1(c)	X	X	X	X	Any necessary compliance and reports are completed as needed.
Monthly compensation for services reviewed	Section 4.2	X	X	X	X	Due quarterly
Personnel necessary to operate/maintain systems provided	Exhibit B-1	X	X	X	X	This is done on a daily basis.

OMWD started operational management in Q2 of FY15-16,  
so Q1 is actually in FY16-17

## 28E Agreement Year One Tracking

Lift station maintenance		X	X	X	X	This work is done in conjunction between City and OMWD staff as well as a contractor for pump maintenance and repair.
Utility locates		X	X	X	X	Locates are completed on a daily basis by staff.
Plant Operations		X	X	X	X	Staff complete plant operations on a daily basis.
Lift Station Operations		X	X	X	X	Staff complete plant operations on a daily basis.
Personnel necessary to operate/maintain SBR provided	Exhibit B-2					Not needed at this time. OFPC is currently operating this plant with their own personnel.
Sampling and testing pursuant to NPDES permits completed	Exhibit B-4	X	X	X	X	This is performed every week as necessary to meet the NPDES permit.
Serve as liaison between city, DNR and EPA	Exhibit B-5	X	X	X	X	This is done as needed.
Sludge transfer and disposal completed	Exhibit B-6	X	X	X	X	Sludge hauling is done on a weekly basis from the NE plant, and as needed from OFPC.
Vector control		1	X	1	1	This is done when land application of bio-solids happens in the fall, but staff are aware always on top of this issue.
Preventative maintenance program implemented	Exhibit B-7					Staff are performing condition assessments and are to be gathering manufacturer's recommendations for preventive maintenance that will be tracked for all equipment. There is still a need to look at purchasing software that will assist staff with this task. It is believed that this will be accomplished by April 1, 2017.
Repairs to the collection system are coordinated	Exhibit B-8	X	X	X	X	This is an item that is done on a continual basis. As needs arise staff will determine the best means of repair and solicit the needed bids/quotes or perform the repairs in-house.
Manhole adjustment		1	X	1	X	Contract as Needed, staff respond to complaints for individual manholes as they arise.
Non-structure line sealing and point repair		X	X	X	X	Contract as Needed
Manhole rehabilitation		1	1	1	X	Contract as Needed
Structural line repairs		X	X	X	X	Contract as Needed
Line replacements		X	1	1	1	Contract as Needed
Utility locates completed for sewer and stormwater	Exhibit B-9	X	X	X	X	Locates are completed on a daily basis by staff.
Sewer taps inspected for interceptor line	Exhibit B-9	X	X	X	X	All taps are inspected and records are taken and shared with engineering staff.

OMWD started operational management in Q2 of FY15-16,  
so Q1 is actually in FY16-17



## 28E Agreement Year One Tracking

Sanitary sewer inspection and cleaning program developed	Exhibit B-10					This item needs to be worked on to develop the cleaning program moving forward. It is hoped that staff will have the ability to focus on performing regular cleaning and are done performing cleaning for project planning for Garden & Associates. This is an item that was not previously done by the City in its normal course of operations, had the entire system been routinely flushed and televised this wouldn't be so much of an issue. It is hoped that throughout the winter this item can continue to be worked on and finalized by April 1, 2017.
Line cleaning		X	X	X	X	Staff complete this as possible while also performing work for project planning for Garden & Associates.
Root cutting		X	X	X	X	Staff complete this as possible while also performing work for project planning for Garden & Associates.
TV inspection		X	X	X	X	Staff complete this work as possible while also completing requests from Garden for project planning.
Compilation of TV reports and rehabilitation projects		X	X	X	X	Staff complete this work as possible while also completing requests from Garden for project planning.
Root foaming		1	1	1	1	Staff have identified sections of sewer main that need to be foamed and will work towards issuing a PO for services.
Respond to customer calls for blocked sanitary sewer lines	Exhibit B-10	x	x	x	x	This item is handled as calls come in to City Hall, the Street Department office, or OMWD offices.
Emergency response		X	X	X	X	This is handled as calls come in to City Hall, the Street Department office, or OMWD offices.
Overflow and complaint response investigation and reporting		X	X	X	X	This is an as needed item. Staff respond to customer calls as they come in.
Cross connection investigation and response		1	1	1	1	Staff have worked on this issue as part of the I&I investigation with Garden & Associates and continue to work to identify areas that need repair.
Structural line repairs		X	X	X	X	Contract as Needed
Line replacements		X	1	1	1	Contract as Needed

OMWD started operational management in Q2 of FY15-16,  
so Q1 is actually in FY16-17

## 28E Agreement Year One Tracking

Stormwater inspection and cleaning program developed	Exhibit B-11					This item needs to be worked on to develop the cleaning program moving forward. It is hoped that staff will have the ability to focus on performing regular cleaning and are done performing cleaning for project planning for Garden & Associates. This is an item that was not previously done by the City in its normal course of operations, had the entire system been routinely flushed and televised this wouldn't be so much of an issue. It is hoped that throughout the winter this item can continue to be worked on and finalized by April 1, 2017.
Line cleaning		X	X	X	X	Contract as Needed
Root cutting		1	1	1	1	At this point this work is done as needed on a complaint basis.
Catch basin cleaning		X	X	X	X	This item is done more in the fall on a regular basis and other times throughout the year on a complaint basis.
Structural line repairs		1	1	1	X	Contract as Needed
Line replacements		1	1	1	1	Contract as Needed
Respond to customer calls for blocked stormwater lines	Exhibit B-11	X	X	X	X	This item is done as needed per customer calls.
Storm and emergency response		X	X	X	X	This item is done as needed with respect to storm and other emergency needs.
Complaint response investigation and reporting		X	X	X	X	This item is done as needed per customer calls.
Implement manhole inspection and mapping program	Exhibit B-12					Due October 01, 2017. City has signed a contract with HR Green for a GIS mapping program that will address this issue. Work is scheduled to start November 14, 2016 and be completed by the end of June 2017.
Manhole maintenance		1	1	1	1	OMWD and City staff are working to identify manholes that need to be repaired and lining up contractors to complete the repairs.
TV inspection		X	X	X	X	Staff complete this work as possible while also completing requests from Garden for project planning.
Compilation of TV reports and system evaluation		X	X	X	X	Staff complete this work as possible while also completing requests from Garden for project planning.
Maintain cleanliness of facilities and equipment	Exhibit B-13	X	X	X	X	Staff work on this item on an ongoing basis.
Mow grass and remove snow from all wastewater facilities	Exhibit B-13	X	X	X	X	Staff work on this item on an ongoing basis.
Detention pond maintenance		X	X	X	X	Staff work on this on an as needed basis.

OMWD started operational management in Q2 of FY15-16,  
so Q1 is actually in FY16-17

## 28E Agreement Year One Tracking

Fat Oils and Grease (FOG) inspection program	Exhibit B-14	1	1	X	X	This work is completed in the winter as time allows, but staff continue to monitor it the remainder of the year.
Land application of sludge and reporting	Exhibit B-15		X			Annual task
Report septage discharge report	Exhibit B-16	X	X	X	X	This is completed on a monthly basis with the completion of the DNR's discharge monitoring reports.
Present septage discharge requests to city for approval	Exhibit B-16	1	1	1	1	This is an as needed item. When an expansion or new industry comes to Oskaloosa, staff communicate with City Hall as to how to proceed.
Secure and properly protect wastewater facilities	Exhibit B-17	X	X	X	X	This is done on a daily basis.
Provide monthly and annual performance reports to city	Exhibit B-18	1	1	1	1	The City is provided with copies of the Discharge Monitoring Report and Industrial Cost Recovery as part of normal operations. The inclusion of this report will continue as well.
Comply with all city, state and federal rules and regs.	Exhibit B-19	X	X	X	X	This is completed on an ongoing basis with operations.
Maintain professionalism with community groups	Exhibit B-20	X	X	X	X	This is completed as needed within the community.
Coordinate with the city engineer and contractors on projects	Exhibit B-21	X	X	X	X	This is completed on an ongoing basis.
I & I abatement and system rehabilitation projects		1	1	1	1	These are being worked on with Garden & Associates as part of the contract for services for I&I abatement per the Iowa DNR request in 2014.
Structural line repairs		X	X	X	X	Contract as Needed
Development process (development review, plan review)		1	1	1	1	Staff work with Engineering when plans come in to review before building permits are issued.
Inspection of developer projects		1	1	1	1	Staff work with Engineering staff to coordinate inspection of developments as needed.
Inspection of sanitary sewer (city projects)		X	X	X	X	This is done as needed by staff.
Inspection of storm water (city projects)		X	X	X	X	This is done as needed by staff.
Installation of lift station projects		1	1	1	1	Staff work with contractors for any repairs or retrofits of lift stations as needed.
Create and maintain GIS information		1	1	1	1	A contract has been signed with HR Green for GIS services for sanitary and storm sewer.
Create and maintain system mapping		X	X	X	X	Staff maintain the old maps and update them as needed as well as keep records for inspections that have occurred since OMWD took over operations.
Serve as liaison with industries, new or existing	Exhibit B-22	X	X	X	X	This is completed on an ongoing basis.

OMWD started operational management in Q2 of FY15-16,  
so Q1 is actually in FY16-17

## 28E Agreement Year One Tracking

Provide assistance with 5-year CIP and O&M budgeting	Exhibit B-23	X	X	X	X	This is completed as needed throughout the year.
Accounting		X	X	X	X	Staff complete this on a daily, weekly, and monthly basis.
Preparing and revising sanitary sewer master plans		1	1	1	1	As budgeting and time allow this item is done in conjunction with creating and maintaining system mapping. As HR Green moves forward with the GIS project this item will continue to be updated.
Preparing and revising storm water master plans		1	1	1	1	As budgeting and time allow this item is done in conjunction with creating and maintaining system mapping. As HR Green moves forward with the GIS project this item will continue to be updated.
Provide assistance with inflow and infiltration analysis and reduction	Exhibit B-23	X	X	X	X	Staff continues to work with Garden & Associates on the I&I study and help provide video data of the collection system.
I & I abatement and system rehabilitation projects		1	1	1	1	As Garden identifies projects, staff are working to incorporate that into the CIP budget.
Flow monitoring		X	X	X	X	This is done daily at both treatment plants
Provide assistance with Industrial Pre-treatment investigation	Exhibit B-23	X	1	1	X	This is done on an as needed basis.

OMWD started operational management in Q2 of FY15-16,  
so Q1 is actually in FY16-17

Division of Responsibilities: Baseline

Sanitary Sewer	City	OMWD	N/A	Task or Project Completed				Notes or Measurements
				Q1	Q2	Q3	Q4	
Line cleaning	X			X	X	X	X	Staff complete this as possible while also performing work for project planning for Garden & Associates.
Root cutting	X			X	X	X	X	Staff complete this as possible while also performing work for project planning for Garden & Associates.
Emergency response	X			X	X	X	X	This is handled as calls come in to City Hall, the Street Department office, or OMWD offices.
Overflow and complaint investigation and reporting	X			X	X	X	X	This is an as needed item. Staff respond to customer calls as they come in.
Cross connection investigation and response	X			1	1	1	1	Staff have worked on this issue as part of the I&I investigation with Garden & Associates and continue to work to identify areas that need repair.
Manhole adjustment	X			1	X	1	X	Contract as Needed, staff respond to complaints for individual manholes as they arise.
Non-structure line sealing and point repair	X			X	X	X	X	Contract as Needed
Manhole rehabilitation	X			1	1	1	X	Contract as Needed
TV inspection	X			X	X	X	X	Staff complete this work as possible while also completing requests from Garden for project planning.
Compilation of TV reports and rehabilitation projects	X			X	X	X	X	Staff complete this work as possible while also completing requests from Garden for project planning.
I & I abatement and system rehabilitation projects	X			1	1	1	1	These are being worked on with Garden & Associates as part of the contract for services for I&I abatement per the Iowa DNR request in 2014.
Root foaming	X			1	1	1	1	Staff have identified sections of sewer main that need to be foamed and will work towards issuing a PO for services.
Structural line repairs	X			X	X	X	X	Contract as Needed
Line replacements	X			X	1	1	1	Contract as Needed
Lift station maintenance	X			X	X	X	X	This work is done in conjunction between City and OMWD staff as well as a contractor for pump maintenance and repair.
Vector control	X			1	X	1	1	This is done when land application of bio-solids happens in the fall, but staff are aware always on top of this issue.
Fat, oil and grease program	X			1	1	X	X	This work is completed in the winter as time allows, but staff continue to monitor it the remainder of the year.
Easement and access road maintenance	X			1	1	1	1	This work is done as needed by staff.
Utility locates	X			X	X	X	X	Locates are completed on a daily basis by staff.
Sludge Hauling	X			X	X	X	X	Sludge hauling is done on a weekly basis from the NE plant, and as needed from OFPC.
Plant Operations	X			X	X	X	X	Staff complete plant operations on a daily basis.
Lift Station Operations	X			X	X	X	X	Staff complete plant operations on a daily basis.

Storm Water	City	OMWD	N/A	Task or Project Completed				Notes or Measurements
				Q1	Q2	Q3	Q4	
Line cleaning	X			X	X	X	X	Contract as Needed
Root cutting	X			1	1	1	1	At this point this work is done as needed on a complaint basis.
Catch basin cleaning	X			X	X	X	X	This item is done more in the fall on a regular basis and other times throughout the year on a complaint basis.
Manhole maintenance	X			1	1	1	1	Contract as Needed
Storm and emergency response	X			X	X	X	X	
Complaint response investigation and reporting	X			X	X	X	X	
Maintenance of public streams/creeks/open channels	X			1	1	1	1	Contract as Needed
Processing and disposal of sweeper, catch basin and storm line material (excluding leaves)	X	X		X	X	X	X	
Structural line repairs	X			1	1	1	X	Contract as Needed
Line replacements	X			1	1	1	1	Contract as Needed
Roadside ditches and piping system in County roads	X			X	X	X	X	By Request or Agreement
TV inspection	X			X	X	X	X	Staff complete this work as possible while also completing requests from Garden for project planning.
Compilation of TV reports and system evaluation	X			X	X	X	X	Staff complete this work as possible while also completing requests from Garden for project planning.
Nuisance complaint mowing	X			X	1	1	X	Staff are only able to mow during Q1 and Q4 as per City ordinance
Detention pond maintenance	X			X	X	X	X	
Proactive leaf management program	X			X	X	X	X	
Utility locates	X			X	X	X	X	

Engineering, Inspection and Support Services	City	OMWD	N/A	Task or Project Completed				Notes or Measurements
				Q1	Q2	Q3	Q4	
Development process (development review, plan review)	X	X		1	1	1	1	Staff work with Engineering when plans come in to review before building permits are issued.
Sanitary sewer connection permit issuance	X							
Stormwater connection permit issuance	X							
Billing and collection of monthly service charges	X	X		X	X	X	X	Billing has moved to monthly and collection happens on a daily basis.
Inspection of developer projects	X	X		1	1	1	1	Staff work with Engineering staff to coordinate inspection of developments as needed.
Inspection of sanitary sewer (city projects)	X	X		X	X	X	X	This is done as needed by staff.
Inspection of storm water (city projects)	X	X		X	X	X	X	This is done as needed by staff.
Installation of lift station projects	X	X		1	1	1	1	Staff work with contractors for any repairs or retrofits of lift stations as needed.
Erosion control permit issuance XXXXXXXXXXXXX	X							
Erosion control inspection XXXXXXXXXXXXX	X	X		1	1	1	1	Staff work with Engineering and any contractors as needed for this item.
Accounting	X	X		X	X	X	X	Staff complete this on a daily, weekly, and monthly basis.
Industrial waste program XXXXXXXXXXXXX	X			1	1	1	1	Staff work with current industries as well as any planning an expansion or new facility on the industrial waste program
Create and maintain GIS information	X	X		1	1	1	1	A contract has been signed with HR Green for GIS services for sanitary and storm sewer.
Create and maintain system mapping	X	X		X	X	X	X	Staff maintain the old maps and update them as needed as well as keep records for inspections that have occurred since OMWD took over operations.
Maintaining engineering records of systems	X							
Preparing and revising sanitary sewer master plans	X	X		1	1	1	1	As budgeting and time allow this item is done in conjunction with creating and maintaining system mapping. As HR Green moves forward with the GIS project this item will continue to be updated.
Preparing and revising storm water master plans	X	X		1	1	1	1	As budgeting and time allow this item is done in conjunction with creating and maintaining system mapping. As HR Green moves forward with the GIS project this item will continue to be updated.
Response to customer billing inquiries	X			X	X	X	X	This happens on a daily basis.
Public information, newsletters, etc. for sanitary sewer and storm	X							This is not an item that is an ongoing practice at OMWD for water. To move forward for sewer and storm water, additional guidance and items showing past practices should be shared with OMWD.
Flow monitoring	X			X	X	X	X	This is done daily at both treatment plants
Inspection of private facilities	X			X	X	X	X	This item is done as needed when customers call in.
Utility Locates	X			X	X	X	X	This item is done on a daily basis as a matter of operations.
Fixture counting	X							WHAT IS THIS FOR???
Vehicle maintenance	X	X		X	X	X	X	This is done as needed by staff.
Field yard general maintenance	X			X	X	X	X	This is done as needed by staff.

From: Scott VerSteeg

28 Oct 16

Subject: Water Leak on Property

To: Oskaloosa City Council

On or about 20 Oct the Oskaloosa Water Department contacted me with a concern that my water usage was exceptional high. I informed them that I had no leaking pipes in my house, no stools running, and no outside faucets running. I did tell them I would walk my property to see if I could find anything. I walked my property where I knew the water lines ran and found some very soggy grass area.

I then got a ladder and went down in my meter pit to turn the water off to my house. I called the water department back and asked for names of people who were licensed to do this type of work. I then called Brian Edel. Brian showed up, took a look at the situation. Called One Call for an emergency marking. Brian was there the next day and repaired the leak.

He had to dig 8 foot down, about 30 feet in length to replace the bad section of pipe.

I did not purposefully let a pipe leak 8 foot underground. I'm respectfully have two request.

1. Adjustment to my water bill. My highest bill in the past 4 months appears to be 13 units, this bill was 68 units. This is 55 units more then I've ever used. I'm asking the city to spit the difference and bill me for 35 units.
2. Request total adjustment to my sewer bill as those 55 units of water did not go down any sewer pipe or sewer drain.

Thank you for your consideration on this matter

Sincerely

Scott VerSteeg



ACCOUNT NUMBER: 104-000674-00  
ADDRESS: 2064 245TH STREET  
SCOTT W VERSTEEG

METERED SERVICES:

WA - QFR RESID	4/25/2016	23.00	6/25/2016	13.00	7/22/2016	6.00	8/22/2016	6.00	9/22/2016	8.00	10/21/2016	68.00	TOTAL	23.00
WA - MO RESID	4/25/2016	23.00	6/25/2016	13.00	7/22/2016	6.00	8/22/2016	6.00	9/22/2016	8.00	10/21/2016	68.00	TOTAL	101.00

*2 MONTHS*

WA METERED SALES	4/25/2016	117.99	6/25/2016	83.33	7/22/2016	38.46	8/22/2016	38.46	9/22/2016	51.28	10/21/2016	435.88	TOTAL	765.40
WA TAX	4/25/2016	8.26	6/25/2016	5.83	7/22/2016	2.69	8/22/2016	2.69	9/22/2016	3.59	10/21/2016	30.51	TOTAL	53.57
SEWER SALES	4/25/2016	122.10	6/25/2016	89.55	7/22/2016	42.17	8/22/2016	42.17	9/22/2016	52.59	10/21/2016	365.19	TOTAL	713.77
STORMWATER FEE	4/25/2016	6.00	6/25/2016	4.00	7/22/2016	2.00	8/22/2016	2.00	9/22/2016	2.00	10/21/2016	2.00	TOTAL	18.00
TOTAL	4/25/2016	254.35	6/25/2016	182.71	7/22/2016	85.32	8/22/2016	85.32	9/22/2016	109.46	10/21/2016	833.58	TOTAL	1,550.74

PAYMENT	2/03/2016	321.96CR	5/04/2016	254.35CR	6/30/2016	182.71CR	8/01/2016	85.32CR	9/02/2016	85.32CR	10/04/2016	114.75CR	TOTAL	1,044.41CR
---------	-----------	----------	-----------	----------	-----------	----------	-----------	---------	-----------	---------	------------	----------	-------	------------

ADJUSTMENT	10/21/2016	0.00											TOTAL	0.00
------------	------------	------	--	--	--	--	--	--	--	--	--	--	-------	------

Oskaloosa Water Dept.  
1208 South 7th  
P.O. Box 708  
Oskaloosa, IA 52577

Account Management - (View)

File Edit Options Functions Consoles Help



Account Number    
 Zone

Address   
 Name

General | Metered | Non-Metered | Financial | Information | Comments | History | Consumption History | Service Orders | Devices

Services

Filter

Period  Thru

Grid  Graph



Year									
Month	Date	Read		Total Consumption	Demand		Reading		Occupant
		Previous	Current		Read	Consumption	Flag	Source	
- Year 2016 Total 7									
Oct	10/06/2016	147	215	68			Regular	Manual Read	00
Sep	09/07/2016	139	147	8			Regular	BADGER RADIO	00
Aug	08/05/2016	133	139	6			Regular	BADGER RADIO	00
Jul	07/06/2016	127	133	6			Regular	BADGER RADIO	00
Jun	06/06/2016	114	127	13			Regular	BADGER RADIO	00
Apr	04/07/2016	91	114	23			Regular	BADGER RADIO	00
Jan	01/07/2016	61	91	30			Regular	BADGER RADIO	00
- Year : 2015 Total 4									
Oct	10/08/2015	23	61	38			Regular	BADGER RADIO	00
Jul	07/08/2015	9999	23	26			Regular	BADGER RADIO	00
				Avg 24					



ATTACHED ARE THE PROPOSED RATES AND BENEFIT INFORMATION FOR THE PLAN(S) YOU’VE REQUESTED



REQUIRED FEDERAL ACCESSIBILITY AND NONDISCRIMINATION NOTICE

Discrimination is against the law

Wellmark complies with applicable federal civil rights laws and does not discriminate on the basis of race, color, national origin, age, disability or sex. Wellmark does not exclude people or treat them differently because of their race, color, national origin, age, disability or sex.

Wellmark provides:

- Free aids and services to people with disabilities so they may communicate effectively with us, such as:
• Qualified sign language interpreters
• Written information in other formats (large print, audio, accessible electronic formats, other formats)
• Free language services to people whose primary language is not English, such as:
• Qualified interpreters
• Information written in other languages

If you need these services, call 800-524-9242.

If you believe that Wellmark has failed to provide these services or discriminated in another way on the basis of race, color, national origin, age, disability or sex, you can file a grievance with: Wellmark Civil Rights Coordinator, 1331 Grand Avenue, Station 5W189, Des Moines, IA 50309-2901, 515-376-4500, TTY 888-781-4262, Fax 515-376-9073, Email CRC@Wellmark.com. You can file a grievance in person, by mail, fax or email. If you need help filing a grievance, the Wellmark Civil Rights Coordinator is available to help you. You can also file a civil rights complaint with the U.S. Department of Health and Human Services Office for Civil Rights electronically through the Office for Civil Rights Complaint Portal available at https://ocrportal.hhs.gov/ocr/portal/lobby.jsf, or by mail, phone or fax at: U.S. Department of Health and Human Services, 200 Independence Avenue S.W., Room 509F, HHH Building, Washington DC 20201, 800-368-1019, 800-537-7697 (TDD).

Complaint forms are available at http://www.hhs.gov/ocr/office/file/index.html.

ATENCIÓN: Si habla español, los servicios de asistencia de idiomas se encuentran disponibles gratuitamente para usted. Comuníquese al 800-524-9242 o al (TTY: 888-781-4262).

注意：如果您说普通话，我们可免费为您提供语言协助服务。请拨打 800-524-9242 或（听障专线：888-781-4262）。

CHÚ Ý: Nếu quý vị nói tiếng Việt, các dịch vụ hỗ trợ ngôn ngữ miễn phí có sẵn cho quý vị. Xin hãy liên hệ 800-524-9242 hoặc (TTY: 888-781-4262).

NAPOMENA: Ako govorite hrvatski, dostupna Vam je besplatna podrška na Vašem jeziku. Kontaktirajte 800-524-9242 ili (tekstualni telefon za osobe oštećena sluha: 888-781-4262).

ACHTUNG: Wenn Sie deutsch sprechen, stehen Ihnen kostenlose sprachliche Assistenzdienste zur Verfügung. Rufnummer: 800-524-9242 oder (TTY: 888-781-4262).

تنبيه: إذا كنت تتحدث اللغة العربية، فإننا نوفر لك خدمات المساعدة اللغوية، المجانية. اتصل بالرقم (888-781-4262) أو (خدمة الهاتف النصي: 888-781-4262)

ສິ່ງຄວນເອົາໃຈໃສ່, ພາສາລາວ ຖ້າທ່ານເວົ້າ: ພວກເຮົາມີບໍລິການຄວາມຊ່ວຍເຫຼືອດ້ານພາສາໃຫ້ທ່ານໂດຍບໍ່ເສຍຄ່າ ຫຼື 800-524-9242 ຕິດຕໍ່ຫຼື. (TTY: 888-781-4262.)

주의: 한국어를 사용하시는 경우, 무료 언어 지원 서비스를 이용하실 수 있습니다. 800-524-9242번 또는 (TTY: 888-781-4262)번으로 연락해 주십시오.

ध्यान रखें : अगर आपकी भाषा हिन्दी है, तो आपके लिए भाषा सहायता सेवाएँ, नि:शुल्क उपलब्ध हैं। 800-524-9242 पर संपर्क करें या (TTY: 888-781-4262)।

ATTENTION : si vous parlez français, des services d’assistance dans votre langue sont à votre disposition gratuitement. Appelez le 800 524 9242 (ou la ligne ATS au 888 781 4262).

Geb Acht: Wann du Deutsch schwetze duscht, kanschdt du Hilf in dei eegni Schprooch koschdefrei griege. Ruf 800-524-9242 odder (TTY: 888-781-4262) uff.

โปรดทราบ: หากคุณพูด ไทย เรายมีบริการช่วยเหลือด้านภาษาสำหรับคุณโดยไม คิดค่าใช้จ่าย ติดต่อ 800-524-9242 หรือ (TTY: 888-781-4262)

PAG-UKULAN NG PANSIN: Kung Tagalog ang wikang ginagamit mo, may makukuha kang mga serbisyong tulong sa wika na walang bayad. Makipag-ugnayan sa 800-524-9242 o (TTY: 888-781-4262).

ວ່າຈະເວົ້າໃນ-ຊຸມຊົນກຸ່ມເຮົາເຮົາຈຶ່ງຈະສະໜອງບໍລິການຊ່ວຍເຫຼືອດ້ານພາສາໃຫ້ທ່ານໂດຍບໍ່ເສຍຄ່າ. ອີງຕາມ (TTY: 888-781-4262) ຫຼື ທາງ.

ВНИМАНИЕ! Если ваш родной язык русский, вам могут быть предоставлены бесплатные переводческие услуги. Обращайтесь 800-524-9242 (телетайп: 888-781-4262).

सावधान: यदि तपाईं नेपाली बोल्नुहुन्छ भने, तपाईंका लागि नि:शुल्क रूपमा भाषा सहायता सेवाहरू उपलब्ध गराइन्छ । 800-524-9242 वा (TTY: 888-781-4262) मा सम्पर्क गर्नुहोस् ।

ማሳሰቢያ:- አማርኛ የሚናገሩ ከሆኑ፣ የቋንቋ አገዛዝ አገልግሎቶች፣ ከከፍተኛ ነፃ፣ ያገኛሉ። በ 800-524-9242 ወይም በ(TTY: 888-781-4262) ደውሉልዎ ያነጋግሩን።

HEETINA To a wolwa \ Fulfulde laabi walliinde dow wolde, naa e njobdi, ene ngoodi ngam maada. Hebir 800-524-9242 malla (TTY: 888-781-4262).

FUULEFFANNA: Yo isin Oromiffaa, kan dubbattan taatan, tajaajiloonni gargaarsa afaanii, kaffaltii malee, isiniif ni jiru. 800-524-9242 yookin (TTY: 888-781-4262) quonnaamaa.

УВАГА! Якщо ви розмовляєте українською мовою, для вас доступні безкоштовні послуги мовної підтримки. Зателефонуйте за номером 800-524-9242 або (телетайп: 888-781-4262).

Ge': Diné k'éhjí yáníłtí'go níká bizaad bee áká' adoowoł, t'áá jiik'é, náhóló. Kojí' hólné' 800-524-9242 doodaii' (TTY: 888-781-4262)



Wellmark Blue Cross and Blue Shield of Iowa is an Independent Licensee of the Blue Cross and Blue Shield Association.

James Anderson  
Insurance Services Group Inc  
641-673-6001  
jim@insurewithisg.com

CRYSTAL BREUKLANDER  
OSKALOOSA WATER DEPARTMENT  
211 S 1ST  
PO BOX 708  
OSKALOOSA, IA 52577  
10/13/2016

Dear Group Administrator,

Thank you for your interest in Wellmark Blue Cross and Blue Shield. By implementing a quality employee benefits program, you've taken a step in creating an even more attractive work environment for strong performance. Wellmark understands the importance of balancing benefits and costs for a small business – while still providing the coverage your employees want.

Attached are the proposed rates and benefit information for the plan(s) you've requested for an effective date of 01/01/2017.

In this ever-changing climate of insurance choices, it's important to work with a company you trust that can help you understand your options. Wellmark's innovative plans are backed by more than 75 years of proven experience.

As your Wellmark representative, thank you for trusting me with your employees' insurance needs. I'm committed to assisting you in selecting the appropriate health plans for your business.

Please contact me with any questions or when you are ready to proceed with enrollment.

Sincerely,

James Anderson, Your Independent Wellmark Agent

James Anderson is an independent licensed Insurance Agent authorized to sell Wellmark.

1331 Grand Avenue | PO Box 9232 | Des Moines, Iowa 50306-9232 | wellmark.com



Wellmark Blue Cross and Blue Shield of Iowa is an independent Licensee of the Blue Cross and Blue Shield Association.

## Group Summary

CRYSTAL BREUKLANDER  
OSKALOOSA WATER DEPARTMENT  
211 S 1ST  
PO BOX 708  
OSKALOOSA, IA 52577

James Anderson  
Insurance Services Group Inc  
641-673-6001  
jim@insurewithisg.com

**Number of Employees Quoted in Health: 13**

### Quoted Plans

All Employees	PremierBlue 500 PPO PLATINUM	EnhancedBlue 1000 PPO GOLD	CompleteBlue 2250 PPO SILVER	CompleteBlue 3000 PPO SILVER
<b>Total Monthly Health Premium<sub>1</sub> and Fees Due<sub>2</sub></b>	<b>\$20,588.10</b>	<b>\$17,401.89</b>	<b>\$14,060.25</b>	<b>\$14,358.67</b>
Monthly Blue Dental Plan 2 Plan Premium	\$1,011.10	\$1,011.10	\$1,011.10	\$1,011.10
<b>Total Monthly Due – Health and Dental</b>	<b>\$21,599.20</b>	<b>\$18,412.99</b>	<b>\$15,071.35</b>	<b>\$15,369.77</b>
Monthly Vision/Hearing Premium - (Avesis/EPIC) <sub>3</sub>	\$201.04	\$201.04	\$201.04	\$201.04
<b>Total Monthly Due - Health, Dental, and Vision/Hearing</b>	<b>\$21,800.24</b>	<b>\$18,614.03</b>	<b>\$15,272.39</b>	<b>\$15,570.81</b>

Blue RX Essentials, BlueSimplicity Rx, BlueSimplicity, CompleteBlue, Enhanced Blue, EnhancedBlue Max, MyBlue HSA, Simply Blue, and PremierBlue are service marks owned by the Blue Cross and Blue Shield Association and used by Wellmark, Inc., doing business as Wellmark Blue Cross and Blue Shield, and its affiliates. Wellmark Synergy is a service mark owned by Wellmark Synergy Health, Inc. Wellmark Value is a service mark owned by Wellmark Value Health Plan, Inc. Wellmark Blue Cross and Blue Shield of Iowa, Wellmark Health Plan of Iowa, Wellmark Synergy Health, Inc., Wellmark Value Health Plan, Inc., and Wellmark of South Dakota, Inc. are independent licensees of the Blue Cross and Blue Shield Association.

Benefits are subject to the terms, limitations, and exclusions of the Policy and Certificate of Coverage. This proposal includes a general summary of benefits for each coverage option and is not an offer of coverage. For a complete description of possible health care coverage, restrictions, limitations and exclusions that

<sub>1</sub>Health premium for dependents 20 years or younger is capped at 3 oldest covered children.

<sub>2</sub>The premium quoted for 2016 includes the Health Insurance (Provider) Fee (HIF) and Transitional Reinsurance Fee (TRF) as required by the Affordable Care Act. Due to government direction, the HIF and TRF will be removed from the premium at your plan's 2017 renewal. Under current law, the HIF will resume and be included in the premium for your plan's 2018 and after renewals.

Pediatric vision coverage will discontinue when a person turns age 19, at the end of their birth month. This policy does not include pediatric dental. Pediatric Dental coverage is available in the insurance market and can be purchased as a stand alone product. Please contact your agent or visit Iowa's Marketplace if you wish to purchase stand alone pediatric dental coverage or a stand alone dental product.

**Employer is solely responsible to ensure that the employer's premium contribution strategy complies with all applicable laws and regulations relating to non-discrimination in employee benefits, including but not limited to the Age Discrimination in Employment Act, the Americans with Disabilities Act, Health Insurance Portability and Accountability Act, and Internal Revenue Code Section 105(h). Wellmark will not be held liable for any penalties or losses resulting from employer's violation of these laws and regulations.**

<sub>3</sub>Avesis Vision is an independent vision insurance company that does not provide Wellmark Blue Cross and Blue Shield products and services. Avesis Vision is underwritten by Fidelity Security Life Insurance Company, Kansas City, Missouri. Hearing Discount Savings Plan provided by EPIC Hearing Health Care. EPIC Health Care is an independent company that does not provide Wellmark Blue Cross and Blue Shield products or services



Wellmark Blue Cross and Blue Shield of Iowa is an Independent Licensee of the Blue Cross and Blue Shield Association.

## Health Benefit Summary

All Employees	Plans			
	PremierBlue 500 PPO PLATINUM	EnhancedBlue 1000 PPO GOLD	CompleteBlue 2250 PPO SILVER	CompleteBlue 3000 PPO SILVER
<b>Total Health Premium and Fees Due</b>	<b>\$20,588.10</b>	<b>\$17,401.89</b>	<b>\$14,060.25</b>	<b>\$14,358.67</b>
<b>Plan Type</b>				
<b>PPO</b>	Preferred Provider Organization	Preferred Provider Organization	Preferred Provider Organization	Preferred Provider Organization
<b>Medical</b>				
<b>Deductible</b>	Single: \$500/Family: \$1,000	Single: \$1,000/Family: \$2,000	Single: \$2,250/Family: \$4,500	Single: \$3,000/Family: \$6,000
<b>Coinsurance</b>	10%	20%	30%	30%
<b>Out-of-Pocket Maximum</b>	Single: \$1,000/Family: \$2,000	Single: \$4,000/Family: \$8,000	Single: \$7,150/Family: \$14,300	Single: \$7,150/Family: \$14,300
<b>Lifetime Maximum</b>	Unlimited	Unlimited	Unlimited	Unlimited
<b>Preventive care</b>				
<b>Preventive Care</b>	All costs waived when using an in-network provider	All costs waived when using an in-network provider	All costs waived when using an in-network provider	All costs waived when using in-network provider
<b>Professional/Physician Services</b>				
<b>Office Services</b>	PCP: \$15 copay/Non-PCP: \$30 copay	PCP: \$25 copay/Non-PCP: \$50 copay	PCP: \$40 copay/Non-PCP: \$80 copay	PCP: \$30/Non-PCP: \$60
<b>Emergency Room Services</b>	\$200 copay (waived if admitted)	\$300 copay (waived if admitted)	Medical deductible followed by coinsurance	\$400 copay (waived if admitted)
<b>Hospitalization</b>	Medical deductible followed by coinsurance	Medical deductible followed by coinsurance	Medical deductible followed by coinsurance	Medical deductible followed by coinsurance

\*See View Plan Details for additional information.

Benefits are subject to the terms, limitations, and exclusions of the Policy and Certificate of Coverage. This proposal includes a general summary of benefits for each coverage option and is not an offer of coverage. For a complete description of possible health care coverage, restrictions, limitations and exclusions that apply, please review the Summary of Benefits and Coverage, or contact your Wellmark representative.

Pediatric vision coverage will discontinue when a person turns age 19, at the end of their birth month. This policy does not include pediatric dental. Pediatric Dental coverage is available in the insurance market and can be purchased as a stand alone product. Please contact your agent or visit Iowa's Marketplace if you wish to purchase stand alone pediatric dental coverage or a stand alone dental product.

<b>Mental Health/Chemical Dependency</b>	Covered*	Covered*	Covered*	Covered*
<b>Lab Tests &amp; X-ray Services</b>				
<b>Routine Diagnostic Lab, x-ray</b>	Covered*	Covered*	Covered*	Covered*
<b>Advanced Radiological Imaging</b>	Covered*	Covered*	Covered*	Covered*
<b>Prescription Drug Coverage</b>				
<b>Deductible</b>	None	None	None	None
<b>Tier 1</b>	\$5 copay	\$5 copay	\$10 copay	\$10 copay
<b>Tier 2</b>	\$35 copay	\$35 copay	\$35 copay	\$35 copay
<b>Tier 3</b>	\$70 copay	\$70 copay	\$70 copay	\$70 copay
<b>Preferred Specialty/Non-Preferred Specialty</b>	\$100 copay/\$300 copay	\$100 copay/\$300 copay	\$100 copay/\$300 copay	\$100 copay/\$300 copay
<b>Maternity</b>				
<b>Maternity Coverage</b>	Covered*	Covered*	Covered*	Covered*
<b>Pediatric</b>				
<b>Pediatric Vision</b>	Covered*	Covered*	Covered*	Covered*

\*See View Plan Details for additional information.

Benefits are subject to the terms, limitations, and exclusions of the Policy and Certificate of Coverage. This proposal includes a general summary of benefits for each coverage option and is not an offer of coverage. For a complete description of possible health care coverage, restrictions, limitations and exclusions that apply, please review the Summary of Benefits and Coverage, or contact your Wellmark representative.

Pediatric vision coverage will discontinue when a person turns age 19, at the end of their birth month. This policy does not include pediatric dental. Pediatric Dental coverage is available in the insurance market and can be purchased as a stand alone product. Please contact your agent or visit Iowa's Marketplace if you wish to purchase stand alone pediatric dental coverage or a stand alone dental product.

# COST-EFFECTIVE DENTAL PLANS FOR YOUR SMALL BUSINESS

Dental plans for groups of 1–50 employees



## HIGHLIGHTS

- Preventive dental care
- Range of coverage options
- Access to more than 1,600 dentists across Iowa and bordering counties
- Nationwide dental network with nearly 105,000 unique dental providers

<sup>1</sup>The national network is administered through Wellmark's arrangement with GRID Dental Corporation, an independent company providing access to dental networks throughout the country.

Dental coverage is essential for a comprehensive benefits package that attracts and helps retain valuable employees. Give your employees a reason to smile by selecting one of our competitively priced dental plans.

## How it works

Wellmark Blue Cross and Blue Shield offers a broad range of cost-effective dental plans for small businesses. You can choose coverage based on your company's needs, from our lowest-priced preventive plans to those with benefits for major restorative and orthodontic services. Wellmark's dental network is one of the nation's largest. Your employees can visit any network dentist or specialist they choose, any time care is needed. With in-network providers, there will be no claim forms to complete and increased savings. They also have the freedom to choose out-of-network dentists.

## What's covered

Our dental plans encourage regular preventive dental care to keep your employees'

teeth healthy and limit future problems. They cover check-ups and cleanings, as well as routine diagnostic and restorative services — all at little or no out-of-pocket costs for your employees. In addition to basic dental benefits, you can also choose coverage for specialty dental procedures and orthodontics.

## Built with flexibility in mind

Our dental plans put you in control and allow you to select from several plan options. From our lowest-priced preventive plans to those with benefits for major restorative, specialties and orthodontic services, you choose the level of benefit coverage or coinsurance that best fits your business and your employees' lives.

## RESOURCES

Wellmark has convenient tools and resources available to help your employees manage their health and dental care, and make the most of their coverage.

- **myWellmark®**
  - Personalized and secure online access to their health and dental plan information.
- **Wellmark mobile app**
  - Locate a dentist while on the go.
- **BeWell 24/7<sup>SM</sup>:**  
**844-84-BEWELL (239355)**
  - Helps employees get answers to health concerns. It's real people. Real help. 24/7.

**Learn More** Get started by contacting your Wellmark account manager, visiting [Wellmark.com](http://Wellmark.com) or calling 888-232-2200.

# Choose a dental plan that's right for your business and your employees.

## BlueDental<sup>SM</sup>

	Plan 1	Plan 2	Plan 3	Plan 4
<b>Benefit year deductible<sup>1</sup></b> Single/family	\$25/\$75	\$25/\$75	\$25/\$75	\$25/\$75
<b>Benefit year maximum</b>	\$1,500	\$1,500	\$2,000	\$2,000
<b>Diagnostic and preventive</b>	20%	20%	0%	0%
<b>Basic restorative</b>	50%	50%	20%	20%
<b>Oral surgery</b>	50%	50%	20%	20%
<b>Endodontics</b>	50%	50%	50%	50%
<b>Periodontics</b>	50%	50%	50%	50%
<b>Major restorative</b>	50%	50%	50%	50%
<b>Prosthodontics</b>	50%	50%	50%	50%
<b>Orthodontics</b>	50%	N/A	50%	N/A
<b>Orthodontics lifetime maximum</b>	\$1,000	N/A	\$2,000	N/A

<sup>1</sup> Deductible waived for diagnostic and preventive services. Benefits and general provisions described are subject to plan selected, and terms of the actual policy and coverage manual.

## BlueDental PPO<sup>SM</sup>

	Plan 1		Plan 2	
	In network	Out-of-network	In network	Out-of-network
<b>Benefit year deductible<sup>2</sup></b> Single/family	\$50/\$150	\$50/\$150	\$50/\$150	\$50/\$150
<b>Benefit year maximum</b>	\$1,500	\$1,500	\$2,000	\$1,500
<b>Diagnostic and preventive</b>	0%	20%	0%	20%
<b>Basic restorative</b>	20%	40%	20%	40%
<b>Oral surgery</b>	20%	40%	20%	40%
<b>Endodontics</b>	50%	60%	50%	60%
<b>Periodontics</b>	50%	60%	50%	60%
<b>Major restorative</b>	50%	60%	50%	60%
<b>Prosthodontics</b>	50%	60%	50%	60%
<b>Orthodontics</b>	50%	60%	N/A	N/A
<b>Orthodontics lifetime maximum</b>	\$1,500	\$1,500	N/A	N/A

<sup>2</sup> Deductible waived for diagnostic and preventive services. Benefits and general provisions described are subject to plan selected, and terms of the actual policy and coverage manual.

These dental plans do not include pediatric dental services as required under the Federal Patient Protection and Affordable Care Act. This coverage is available in the insurance market and can be purchased as a standalone product. Please contact your insurance carrier, producer, or Iowa's Partnership Marketplace Exchange if you wish to purchase pediatric dental coverage or a standalone dental service product.

## Covered services

### CHECK-UPS AND CLEANING

#### Diagnostic and preventive care

- > Dental cleaning/prophylaxis
- > Oral evaluations
- > X-rays
- > Fluoride applications<sup>3</sup>
- > Sealant applications<sup>3</sup>
- > Space maintainers<sup>3</sup>
- > Periodontal maintenance therapy

### CAVITY REPAIR

#### Basic restorative

- > Restoration of decayed or fractured teeth
- > Emergency treatment of dental pain
- > Local anesthesia
- > Limited occlusal adjustment

### TOOTH EXTRACTIONS

#### Oral surgery

- > Basic extractions
- > Complex extractions
- > Complex surgical procedures

### ROOT CANALS AND PULP TREATMENT

#### Endodontic services

- > Root canal therapy
- > Pulpotomy
- > Apicoectomy/periradicular surgery
- > Retrograde fillings
- > Direct pulp cap

### GUM AND BONE DISEASE

#### Periodontal services

- > Non-surgical procedures
- > Complex surgical procedures

### CROWNS

#### Major restorative

- > Onlays
- > Inlays
- > Posts and cores

### DENTURES AND BRIDGES

#### Prosthodontics

- > Dentures and partials
- > Bridges
- > Implants
- > Repairs and adjustments

### BRACES

#### Orthodontics

- > Services for proper alignment of teeth (available with specific plans)

<sup>3</sup> Age limitations apply



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

Wellmark Blue Cross and Blue Shield of Iowa is an Independent Licensee of the Blue Cross and Blue Shield Association.

Blue Cross®, Blue Shield® and the Cross® and Shield® symbols are registered marks and Blue Dental<sup>SM</sup> and Blue Dental PPO<sup>SM</sup> are service marks of the Blue Cross and Blue Shield Association, an Association of Independent Blue Cross and Blue Shield Plans. Wellmark® is a registered mark and BeWell 24/7<sup>SM</sup> is a service mark of Wellmark, Inc.

# CHOICE AND VALUE FOR YOUR EMPLOYEES

Vision plans for groups of 1–50 employees

## Avēsis adult vision plan advantages

- Low cost, high-impact benefits
- 35 years of vision care experience
- Affordable premiums
- Generous allowances for contacts and glasses
- Nationwide provider network

## Vision benefits help keep employees healthy

Good vision care programs provide important preventive care for your employees that can save you substantial medical claim dollars.

Vision coverage is an important part of the overall health of your employees. Routine eye examinations can detect many types of health problems, like diabetes and high blood pressure, before they become serious. As a preferred Wellmark vendor, Avēsis offers you one of the most comprehensive vision plans in the industry.

## Perks for your employees

- One of the most diverse vision networks in the country, with more than 53,000 points of access nationally<sup>1</sup>
- A mix of independent eyecare providers and leading national retailers
- Schedule-friendly locations that offer the convenience of nights, weekends and walk-in appointments
- Choice and value with access to discounts on non-covered services, such as LASIK surgery, additional pairs of eyeglasses and sunglasses, lens options and accessories
- Access to reduced pricing for hearing care services through the EPIC Hearing Service Plan

<sup>1</sup> Avēsis network, 2015  
Policy # VC-114, Form M-9140



Learn [More](#) To get started, contact your Wellmark representative.



# Covered services and discounts

Avēsis' adult vision care benefits include the following:

## BENEFITS

SERVICE	BENEFIT DESCRIPTION
Eye exam	Covered in full after \$10 copay, every 12 months Out-of-network: up to \$35
<b>EYEWEAR — \$25 materials copay (frames, spectacle lenses or contacts)</b>	
PRODUCT	BENEFIT DESCRIPTION
Frame	Covered once every 24 months, after materials copay \$80 retail allowance Out-of-network: up to \$25
Standard plastic lenses	One pair covered in full after materials copay, every 12 months <ul style="list-style-type: none"> <li>• Single vision</li> <li>• Lined bifocal</li> <li>• Lined trifocal</li> <li>• Lenticular</li> </ul> Progressive: \$50 retail allowance, plus 20% off* Specialty: Corresponding standard lens reimbursement, plus 20% off* Out-of-network: Standard plastic lenses up to \$25, lined bifocal up to \$40, lined trifocal up to \$50, lenticular up to \$80, progressives up to \$40
Contact lenses	Covered up to allowance, every 12 months, in lieu of eyeglasses, after materials copay Conventional or disposable: \$110 allowance Medically necessary: Covered in full, after materials copay Out-of-network: Conventional or disposable up to \$80, medically necessary up to \$250
Lens options	Up to 20 percent off Usual, Customary and Reasonable (UCR) <sup>3</sup> <ul style="list-style-type: none"> <li>• Polycarbonate</li> <li>• Scratch-resistant coating</li> <li>• Tint</li> <li>• Ultraviolet protective coating (UV coating)</li> <li>• All other lens options</li> </ul> <sup>3</sup> Certain retail chain locations do not offer further discounts.

\* Additional discounts are not insured benefits. Any specialty lenses or lens options ordered by the member are not funded by the benefit plan, and the member accepts sole financial responsibility for the order.

### LIMITATIONS AND EXCLUSIONS

#### Limitations

Fees charged by a Provider for services other than Vision Examination or covered Vision Materials must be paid in full by the Insured Person to the Provider. Such fees or materials are not covered under this Policy. Non-Preferred Provider expenses do not apply toward Preferred Provider expenses and Preferred Provider expenses do not apply toward Non-Preferred Provider expenses.

#### Exclusions

No benefits will be paid for services or materials connected with or charges arising from:  
 1. orthoptic or vision training, subnormal vision aids and any associated supplemental testing; Aniseikonic lenses; 2. medical and/or surgical treatment of the eye, eyes or supporting structures; 3. any eye or Vision Examination, or any corrective eyewear, required by an Employer as a condition of

employment and safety eyewear; 4. services provided as a result of any Workers' Compensation law, similar legislation or required by any governmental agency or program whether federal, state or subdivisions thereof; 5. Plano (non-prescription) lenses; 6. non-prescription sunglasses; or 7. two pair of glasses in lieu of bifocals. Lost or broken lenses, frames, glasses or contact lenses will not be replaced except in the next Benefit Period when Vision Materials would next become available.

#### TERMINATION OF INSURANCE

This Policy will end on the earliest of the following dates:  
 1. the last day for which the required premium is not paid, subject to the Grace Period provision; 2. the date it is determined by a court of competent jurisdiction that an Insured Person has committed fraud against the Company; 3. any premium due date on or after the first Policy Anniversary Date. The Company will give at least a 31-day written notice of the Company's intent to non-renew; 4. any date on or after the date the Company receives written notice of the Insured's intent to cancel.

Wellmark complies with applicable federal civil rights laws and does not discriminate on the basis of race, color, national origin, age, disability, or sex.

ATENCIÓN: Si habla español, los servicios de asistencia de idiomas se encuentran disponibles gratuitamente para usted. Comuníquese al 800-524-9242 o al (TTY: 888-781-4262).

注意：如果您说普通话，我们可免费为您提供语言协助服务。请拨打 800-524-9242 或（听障专线：888-781-4262）。

ACHTUNG: Wenn Sie deutsch sprechen, stehen Ihnen kostenlose sprachliche Assistenzdienste zur Verfügung. Rufnummer: 800-524-9242 oder (TTY: 888-781-4262).



Wellmark Blue Cross and Blue Shield is an Independent Licensee of the Blue Cross and Blue Shield Association.

Blue Cross®, Blue Shield® and the Cross® and Shield® symbols are registered marks of the Blue Cross and Blue Shield Association, an Association of Independent Blue Cross and Blue Shield Plans.

Avēsis Vision is an independent vision insurance company that does not provide Blue Cross and Blue Shield products and services.

Avēsis Vision is underwritten by Fidelity Security Life Insurance Company, Kansas City, MO 6411. Avēsis Vision is underwritten by: Fidelity Security Life Insurance Company (FSL) Kansas City, Missouri.

Hearing Discount Savings Plan provided by EPIC Hearing Healthcare. EPIC Hearing Healthcare is an independent company that does not provide Wellmark Blue Cross and Blue Shield products or services.

Wellmark® is a registered mark of Wellmark, Inc. © 2016 Wellmark, Inc.



An Independent Licensee of the Blue Cross and  
Blue Shield Association

## MEDICARE COMPLIANCE

The purpose of this communication is to notify employers of the mandatory reporting requirements of the Medicare, Medicaid, and SCHIP Extension Act of 2007 which were passed into law in July 2008. Your cooperation in providing the necessary employer data and data for each employee and dependent is needed in order to comply with the requirements.

The Section 111 mandates of the law help payers identify when the Centers for Medicare and Medicaid Services (CMS) should pay secondary to employer group health coverage. The goal includes reducing the amount CMS may pay as primary when they should have paid as secondary.

Under the requirements, all health plan, liability, no fault and workers compensation coverages must register with CMS as a Responsible Reporting Entity (RRE) and must report to CMS employer and member information. In order to fulfill the mandated requirements and report accurately to CMS, Wellmark, as a RRE, must gather and groups must provide the following information:

- Employer Tax Identification Number (ETIN)
- Evidence of status as a Commonly Owned/Controlled Group of Organizations, Multi/Multiple Employer Group health plan (such as an Association or Trust), Hour Bank or Union health plan
- Total number of group employees/group size
- Social Security Numbers (SSNs) or Health Insurance Claim Numbers (HICNs) of active employees, spouses, domestic partners
- SSNs or HICNs for those dependents with end stage renal disease (ESRD) or disabled
- Status of all employees and effective date of that status (i.e. active, COBRA, retired)
- Disability information begin or end dates, if known

Please take a moment to complete the Confirmation of Medicare Secondary Payer (MSP) Addendum form. This will allow us to capture your employer data for reporting to CMS. Member data is gathered through the use of the group's existing enrollment and eligibility data collection channels, which may include paper applications or electronic data exchanges and should be provided through those processes.

Failure to provide the group information requested on the attached Confirmation of MSP Addendum can result in penalties being assessed to the group including, but not limited to, \$1,000 per day per member for not accurately reporting to CMS and/or an excise tax equivalent to 25 percent of the employer's group health plan expenses for the relevant year.



An Independent Licensee of the Blue Cross and Blue Shield Association

FOR ADMINISTRATIVE USE ONLY
New Group: Group # \_\_\_\_\_
Coverage Effective Date: \_\_\_\_/\_\_\_\_/\_\_\_\_

CONFIRMATION OF MSP ADDENDUM

ALL NEW AND RENEWAL GROUPS ARE REQUIRED TO SUBMIT A COMPLETED FORM. FAILURE TO SUBMIT A COMPLETED FORM WILL DELAY THE INITIAL ENROLLMENT OR RENEWAL PROCESS UNTIL THIS FORM IS SUBMITTED.

Part A - Employer Information

Please complete a separate confirmation form for each Employer Tax Identification Number you use to report employee earnings to the Internal Revenue Service (IRS). See the Medicare Secondary Payer Definitions page (M-1756) for more information on terms shown in italics.

Employer Tax Identification Number: [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ]

Group Number (Renewing Groups Only): \_\_\_\_\_

Employer Name: \_\_\_\_\_

Employer Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Contact Person: \_\_\_\_\_

Telephone Number: \_\_\_\_\_ E-mail Address (optional): \_\_\_\_\_

1. Did your organization make contributions on behalf of any employee who was covered under a collectively bargained Health and Welfare Fund (i.e., union plan) during the previous calendar year? [ ] Yes [ ] No

2. Did you have 20 or more employees for 20 or more calendar weeks (this includes all full-time, part-time, intermittent, leased and/or seasonal employees, not just those eligible or enrolled employees) during the previous calendar year? [ ] Yes [ ] No

3. Did you have 100 or more employees during 50 percent of your business days (this includes all full-time, part-time, intermittent, leased and/or seasonal employees, not just those eligible or enrolled employees) during the previous calendar year? [ ] Yes [ ] No

4. Did your organization participate in a multi or multiple employer group health plan (more than one employer in group, i.e., Multiple Employer Welfare Association) during the previous calendar year? [ ] Yes [ ] No

If yes, what is the name and address of the multi or multiple employer plan?
Name: \_\_\_\_\_
Address: \_\_\_\_\_
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

5. Was your organization part of a commonly owned or commonly controlled group of organizations during the previous calendar year? [ ] Yes [ ] No
If yes, what is the name and address of the commonly owned/controlled entity?

Name: \_\_\_\_\_ Name: \_\_\_\_\_
Address: \_\_\_\_\_ Address: \_\_\_\_\_
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Part B - Employer Certification

I certify that the information provided is accurate and truthful. All information will be used to identify the Medicare Secondary Payer status of Medicare-enrolled employees.

Signature \_\_\_\_\_ Date \_\_\_\_/\_\_\_\_/\_\_\_\_

Table with 4 columns: Send completed MSP form based on following: IA & SD Large Groups (new or renewal), IA & SD Small Groups (new or renewing with benefit changes), IA Small Groups renewing with no benefit change - send this form to: Wellmark, Inc., PO Box 9232 - Mail Station 3W396 Des Moines, IA 50306-9232, SD Small Groups renewing with no benefit change, Send this completed MSP form to: Wellmark, Inc., PO Box 5023 - Station 338 Sioux Falls, SD 57117-5023



Wellmark Blue Cross and Blue Shield of Iowa is an Independent Licensee of the Blue Cross and Blue Shield Association.

## **Important Disclaimer**

**Wellmark is not providing any legal or professional advice with regard to compliance of any federal or state law, regulations, or guidance. Law, regulations and guidance on specific provisions has been and will continue to be provided by the appropriate federal and state agencies and regulators. The information provided reflects Wellmark's understanding of the most current information and is subject to change without further notice. Please note that plan benefits, rates, renewal rate adjustments, and rating impact calculations are subject to change and may be revised during a plan's rating period based on guidance and regulations issued by the appropriate federal and state agencies and regulators. Wellmark makes no representation as to the impact of plan changes on a plan's grandfathered status or interpretation or implementation of any other provisions of law or regulation.**

**Employer is solely responsible to ensure that the employer's premium contribution strategy complies with all applicable laws and regulations relating to non-discrimination in employee benefits, including but not limited to the Age Discrimination in Employment Act, the Americans with Disabilities Act, Health Insurance Portability and Accountability Act, and Internal Revenue Code Section 105(h). Wellmark will not be held liable for any penalties or losses resulting from employer's violation of these laws and regulations. Wellmark will not determine whether any change in an Employer Administered Funding Arrangement affects a health plan's grandfathered health plan status under ACA or otherwise complies with ACA. Wellmark will not be held liable for any penalties or other losses resulting from any Employer Administered Funding Arrangement. For purposes of this paragraph, an "Employer Administered Funding Arrangement" is an arrangement administered by an employer in which the employer contributes toward the member's share of benefit costs (such as the member's deductible, coinsurance, or copayments) in the absence of which the member would be financially responsible. An Employer Administrative Funding Arrangement does not include the employer's contribution to health insurance premiums or rates.**

## **New Business Disclosures**

- Group acceptance is contingent on the following:
  - o Employer does not have a prior outstanding premium balance with Wellmark Blue Cross and Blue Shield.
  - o Employer contributing at least 25% of the single premium.
    - The exception to this rule would be those groups enrolling during the defined annual open enrollment period from November 15 to December 15 each year.
  - o To avoid adverse selection, Wellmark Blue Cross and Blue Shield recommends 75% of the eligible employees not covered under other insurance to be enrolled in the Wellmark Blue Cross and Blue Shield plan.
    - The exception to this rule would be those groups enrolling during the defined annual open enrollment period from November 15 to December 15 each year.
  - o Employer's headquarters is in the state of Iowa.
  - o Submission of the employer's most recent reconciled Quarterly Job Service/Wage & Tax Report or other acceptable eligibility documentation (partnership agreement, Schedule F, etc).
  - o Submission of the employer's common ownership documentation if employer is combining more than one group.
  - o Completion of the Medicare Payer Secondary Payer (MSP) form containing an employer signature.
  - o Completion of the COBRA Administrative Services Agreement form containing an employer signature.
  - o Submission of employer's current in force retirement agreement if the employer is covering retirees.
  - o Submission of employer's current in force lay off provision agreement if the employer is offering a layoff provision.
  - o Submission of enrollment documentation 10 days prior to the requested effective date.
  - o Wellmark approval of the employer and employee information that was submitted.
- Rates are subject to change based on final eligibility review by Wellmark Blue Cross and Blue Shield.

Group Information:

Group Name: OSKALOOSA WATER DEPARTMENT

211 S 1ST  
OSKALOOSA, IA 52577

Account Key: 26269

Effective Date: 01/01/2017

Representative: KHI Solutions LLC

Group #: 32338-0000

County: Mahaska

Important Dates:

- Rate review requests are due by the 10th of the month prior to renewal date.

- Benefit change requests are due by the 15th of the month prior to requested date of change.

*Wellmark Small Group Underwriting*

*PO Box 9232 Station 4W 290*

*Des Moines, IA 50306*

*Fax: (515) 376-9006*

*email: smallgroupunderwriting@wellmark.com*

Comprehensive coverage options to fit your needs and your budget.

We understand the demands of running a successful small business and the challenges you face. We can help build a healthy future by offering a full range of health plans and other benefits for your small business.

PPO plans

Alliance Select<sup>SM</sup> Copayment

Alliance Select<sup>SM</sup> Coinsurance

Alliance Select<sup>SM</sup> Primary

Alliance Select<sup>SM</sup> Premium Saver

Consumer-directed PPO plans

HSA Qualified PPO Plan

HRA Compatible PPO Plan

Managed Care plans (For groups located in counties with WHPI network access)

Blue Choice<sup>®</sup> Point of Service

Blue Access<sup>®</sup> Open Access

Blue Advantage<sup>®</sup> Primary Care

Blue Advantage<sup>®</sup> HSA Qualified Plan

Each Wellmark plan comes with best-in-class service and network choices you value most, plus built-in extras for your employees to stay healthy and make the most of their coverage. Plans also include services such as Blue365<sup>®</sup> healthy deals, myWellmark, and the Wellness Center powered by WebMD<sup>®</sup>.

Wellmark's innovative health plans are backed by over half a century of proven experience, which means you'll have peace of mind knowing the company providing your coverage is reliable and stable.

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

Account Key: 26269  
Effective Date: 01/01/2017  
Representative: KHI Solutions LLC  
Group Number: 32338-0000

Small Employer Health Premium Contribution Rate Attestation Form

Please complete, sign, and submit this form by the 15th of the month prior to your renewal date to retain "Grandfathered" Status.

Based on our current information, we consider one or more of your plans as "Grandfathered". Your group's "Grandfathered" plan(s) on the Notice of Renewal rate page are identified with a "GF" in the upper right hand corner of the plan description. To maintain your "Grandfathered" status, you must remain on your "Grandfathered" plan(s) and your employer contribution rate cannot have decreased by more than 5% below the contribution rate in effect on 3/23/10 of any tier of coverage for any class of similarly situated individuals.

If your employer contribution rate HAS NOT decreased by more than 5% please fill out, sign, and submit this form by the 15th of the month prior to the renewal date for each plan you would like to remain in "Grandfathered" status. If your employer contribution rate HAS decreased by more than 5% since 3/23/10, you will have lost "Grandfathered" status and be subject to all the provisions of the Affordable Care Act (ACA). As a result of losing "Grandfathered" status, you must select an alternate non-grandfathered benefit available to you or terminate each plan that has lost its "Grandfathered" status.

If this attestation is not returned by the 15th of the month prior to the renewal effective date, Wellmark will assume your group's plan(s) have lost their grandfather status. This will result in a change in plan and rates on your group's health plan's renewal date to comply with ACA regulations.

REQUIRED ATTESTATION: Employer Contribution Rate to Group Health Plan Premium:

I understand that one or more of the employer's current Wellmark Blue Cross and Blue Shield group health plans are considered by Wellmark to be "Grandfathered" under the Affordable Care Act. I also understand that decreasing the employer contribution to a "Grandfathered" group health plan by more than 5% below the contribution rate in effect on 3/23/10 for any tier of coverage for any class of similarly situated individuals will result in a loss of "Grandfathered" status.

I represent, attest, and agree to the following:

- That the employer health premium contribution rate to the employee health plan(s) below have not decreased by more than 5% since 3/23/2010.
- That, for each plan offering, the Employee Plan, Class, and the Employer Health Premium Contribution as of 3/23/10 and the Current Contribution is specified below.
- That employer will notify Wellmark Blue Cross Blue Shield in writing no later than 10 business days prior to any change in the employer's contribution rate.

(Add lines for plans with multiple classes if necessary)

	Plan	Class	Single Contribution As Of:		Emp/Spouse Contribution As Of:		Emp/Child(ren) Contribution As Of:		Family Contribution As Of:	
			3/23/2010	Effective Date	3/23/2010	Effective Date	3/23/2010	Effective Date	3/23/2010	Effective Date
EXAMPLE	ABC	Hourly	75%	75%					50%	50%
			%	%	%	%	%	%	%	%
			%	%	%	%	%	%	%	%
			%	%	%	%	%	%	%	%
			%	%	%	%	%	%	%	%

Fax: (515) 376-9006

Email: smallgroupunderwriting@wellmark.com

- If you need assistance completing this form, please contact your Broker or Wellmark Representative.

\_\_\_\_\_  
Signature of Group Administrator

\_\_\_\_\_  
Date

Account Key: 26269  
 Effective Date: 01/01/2017  
 Representative: KHI Solutions LLC  
 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>01/01/2016</u>	Deductible: \$1500/\$3000	<u>01/01/2017</u>
Coinsurance: 10% IN 20% OUT			Coinsurance: 10% IN 20% OUT	
	Employee:	\$528.14		Employee: \$609.98
OPM: \$3000/\$6000	Employee/Spouse:	\$1,081.63	OPM: \$3000/\$6000	Employee/Spouse: \$1,249.25
Preventive: Yes	Employee/Child(ren):	\$999.77	Preventive: Yes	Employee/Child(ren): \$1,154.70
OV Copay: \$15	Emp/Spouse/Child(ren):	\$1,620.86	OV Copay: \$15	Emp/Spouse/Child(ren): \$1,872.04
ER Copay: \$100			ER Copay: \$100	
RX Description: \$10/\$25/\$40			RX Description: \$10/\$25/\$40	% of Change: 15.50%

Account Key: 26269  
Effective Date: 01/01/2017  
Representative: KHI Solutions LLC  
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 1/1/2017 15.50%

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 12.25%

Demographic (age/gender/contract type) -5.88%

Plan Value 0.00%

Family Composition 3.78%

Group Size Adjustment 0.00%

Area Factor -0.62%

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: 01/01/2017  
 Representative: KHI Solutions LLC  
 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 Claims Experience

-Due to this account having 2 or more years of claims experience this account's risk level was based on the Covered Charges listed below.

Experience Period(s):

	Incurred Period	Settled Period	Covered Charges
Current Year:	7/1/2015 - 6/30/2016	7/1/2015 - 8/31/2016	\$421,112.11
Prior Year:	7/1/2014 - 6/30/2015	7/1/2014 - 8/31/2015	\$161,732.73

Claims totaling more than \$10,000 per member:

Claims Incurred	Claims Incurred
7/14 - 6/15	7/15 - 6/16
\$0.00	\$11,103.73
\$0.00	\$10,960.80
\$0.00	\$14,044.96
\$0.00	\$50,747.03
\$0.00	\$10,351.03
\$40,624.05	\$80,817.05
\$17,696.67	\$73,120.64
\$15,124.77	\$18,436.91
\$0.00	\$46,147.76
\$0.00	\$14,291.58
\$0.00	\$14,038.70
\$73,445.49	\$344,060.19

Account Key: 26269  
Effective Date: 01/01/2017  
Representative: KHI Solutions LLC  
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

---

If you would like to explore alternatives to your existing plan(s), please work with your authorized Wellmark representative to receive a quote for new ACA-compliant plans<sup>1</sup>.

<sup>1</sup>Please note: You need to elect all grandfathered plans or all ACA-compliant plans. By electing an ACA compliant plan(s), you will lose grandfather status.

We appreciate you choosing to renew with Wellmark.

Account Key: 26269  
 Effective Date: 01/01/2017

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

Representative: KHI Solutions LLC  
 Group Number: 32338-0000

Blue Dental PPO Plans

Dental Code	Benefit Year Deductible* Single / Family	Benefit Year Maximum	Diagnostic & Preventive PPO / Non-PPO	Basic Services		Major Services				Orthodontics	
				Routine & Restorative PPO / Non-PPO	Oral Surgery PPO / Non-PPO	Endodontics PPO / Non-PPO	Periodontics PPO / Non-PPO	Major Restorative PPO / Non-PPO	Dentures & Bridges PPO / Non-PPO	Orthodontics PPO / Non-PPO	Lifetime Max Orthodontics
7LV	\$50/\$150	\$2000	0% / 20%	20% / 40%	20% / 40%	50% / 60%	50% / 60%	50% / 60%	50% / 60%	50% / 60%	\$2000
7LU	\$50/\$150	\$2000	0% / 20%	20% / 40%	20% / 40%	50% / 60%	50% / 60%	50% / 60%	50% / 60%	NA / NA	N/A
7LT	\$50/\$150	\$1500	0% / 20%	20% / 40%	20% / 40%	50% / 60%	50% / 60%	50% / 60%	50% / 60%	50% / 60%	\$1500
7LS	\$50/\$150	\$1500	0% / 20%	20% / 40%	20% / 40%	50% / 60%	50% / 60%	50% / 60%	50% / 60%	NA / NA	N/A
7LR	\$50/\$150	\$1000	0% / 20%	20% / 40%	20% / 40%	50% / 60%	50% / 60%	50% / 60%	50% / 60%	50% / 60%	\$1000
7LQ	\$50/\$150	\$1000	0% / 20%	20% / 40%	20% / 40%	50% / 60%	50% / 60%	50% / 60%	50% / 60%	NA / NA	N/A

\* Deductible does not apply to Diagnostic and Preventive services. Maximum of three deductibles per family per calendar year.

2-way Premiums\*\*

Dental Code	<input type="checkbox"/> Group Size 2-9		<input type="checkbox"/> Group Size 10-25		<input type="checkbox"/> Group Size 26-50	
	Single Coverage	Family Coverage	Single Coverage	Family Coverage	Single Coverage	Family Coverage
<input type="checkbox"/> 7LV	\$31.64	\$107.22	\$28.50	\$97.68	\$26.50	\$91.61
<input type="checkbox"/> 7LU	\$31.84	\$96.89	\$28.68	\$87.29	\$26.67	\$81.18
<input type="checkbox"/> 7LT	\$34.22	\$114.87	\$30.82	\$104.55	\$28.67	\$97.99
<input type="checkbox"/> 7LS	\$34.22	\$104.17	\$30.82	\$93.83	\$28.67	\$87.27
<input type="checkbox"/> 7LR	\$27.54	\$90.82	\$24.82	\$82.51	\$23.08	\$77.23
<input type="checkbox"/> 7LQ	\$27.68	\$84.25	\$24.94	\$75.90	\$23.19	\$70.59

4-way Premiums\*\*

Dental Code	<input type="checkbox"/> Group Size 2-9				<input type="checkbox"/> Group Size 10-25				<input type="checkbox"/> Group Size 26-50			
	Emp Coverage	Emp/Spouse Coverage	Emp/Ch Coverage	Emp/Sp/Ch Coverage	Emp Coverage	Emp/Spouse Coverage	Emp/Ch Coverage	Emp/Sp/Ch Coverage	Emp Coverage	Emp/Spouse Coverage	Emp/Ch Coverage	Emp/Sp/Ch Coverage
<input type="checkbox"/> 7LV	\$31.64	\$64.52	\$81.51	\$120.70	\$28.50	\$58.14	\$74.36	\$109.82	\$26.50	\$54.06	\$69.80	\$102.91
<input type="checkbox"/> 7LU	\$31.84	\$64.94	\$72.67	\$110.46	\$28.68	\$58.51	\$65.47	\$99.51	\$26.67	\$54.41	\$60.88	\$92.54
<input type="checkbox"/> 7LT	\$34.22	\$69.82	\$87.23	\$129.46	\$30.82	\$62.90	\$79.49	\$117.69	\$28.67	\$58.49	\$74.56	\$110.20
<input type="checkbox"/> 7LS	\$34.22	\$69.82	\$78.12	\$118.74	\$30.82	\$62.90	\$70.37	\$106.98	\$28.67	\$58.49	\$65.46	\$99.49
<input type="checkbox"/> 7LR	\$27.54	\$56.19	\$68.82	\$102.56	\$24.82	\$50.63	\$62.59	\$93.09	\$23.08	\$47.09	\$58.62	\$87.06
<input type="checkbox"/> 7LQ	\$27.68	\$56.47	\$63.19	\$96.05	\$24.94	\$50.88	\$56.93	\$86.53	\$23.19	\$47.32	\$52.94	\$80.47

\*\*Dental Rate Structure must match health rates. Please contact your representative with any questions.

Note: PPO discounts are applied if the provider is a network participant.

Effective Date of Change

Signature of Group Administrator

Date

Run Date: 11/01/2016 07:20 AM A

Account Key: 26269

OSKALOOSA WATER DEPARTMENT



Effective Date: 01/01/2017

Representative: KHI Solutions LLC

Group Number: 32338-0000

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

Independent Licensees of the Blue Cross and  
Blue Shield Association

Blue Dental Plans

Dental Code	Benefit Year Deductible*	Benefit Year Maximum	Diagnostic & Preventive	Routine & Restorative	Endodontics	Periodontics	Major Restorative	Dentures and Bridges	Orthodontics	Lifetime Max Orthodontics
638	\$25/\$75	\$2000	0%	20%	50%	50%	50%	50%	50%	\$2000
206	\$25/\$75	\$2000	0%	20%	50%	50%	50%	50%	50%	\$1000
207	\$25/\$75	\$2000	0%	20%	50%	50%	50%	50%	N/A	N/A
204	\$25/\$75	\$1500	20%	50%	50%	50%	50%	50%	50%	\$1000
205	\$25/\$75	\$1500	20%	50%	50%	50%	50%	50%	N/A	N/A
631	\$50/\$150	\$1500	20%	50%	50%	50%	N/A	N/A	N/A	N/A
630	N/A	\$1000	0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A

\* Deductible does not apply to Diagnostic and Preventive services. Maximum of three deductibles per family per calendar year.

2-way Premiums\*\*

		<input type="checkbox"/> Group Size 2-9		<input type="checkbox"/> Group Size 10-25		<input type="checkbox"/> Group Size 26-50	
Dental Code		Single Coverage	Family Coverage	Single Coverage	Family Coverage	Single Coverage	Family Coverage
<input type="checkbox"/>	638	\$43.21	\$150.32	\$37.77	\$133.36	\$36.22	\$128.87
<input type="checkbox"/>	206	\$43.21	\$142.43	\$37.77	\$124.52	\$36.22	\$120.24
<input type="checkbox"/>	207	\$43.21	\$120.07	\$37.77	\$105.08	\$36.22	\$100.55
<input type="checkbox"/>	204	\$31.48	\$107.81	\$28.25	\$96.19	\$26.91	\$90.69
<input type="checkbox"/>	205	\$31.48	\$86.53	\$28.25	\$77.34	\$26.91	\$74.05
<input type="checkbox"/>	631	\$24.28	\$66.81	\$21.06	\$57.75	\$20.17	\$55.14
<input type="checkbox"/>	630	\$23.06	\$64.10	\$20.06	\$55.48	\$19.12	\$53.11

4-way Premiums\*\*

		<input type="checkbox"/> Group Size 2-9				<input type="checkbox"/> Group Size 10-25				<input type="checkbox"/> Group Size 26-50			
Dental Code		Emp Coverage	Emp/Spouse Coverage	Emp/Ch Coverage	Emp/Sp/Ch Coverage	Emp Coverage	Emp/Spouse Coverage	Emp/Ch Coverage	Emp/Sp/Ch Coverage	Emp Coverage	Emp/Spouse Coverage	Emp/Ch Coverage	Emp/Sp/Ch Coverage
<input type="checkbox"/>	638	\$43.21	\$87.95	\$88.77	\$156.08	\$37.77	\$76.99	\$79.27	\$138.59	\$36.22	\$73.68	\$76.61	\$133.89
<input type="checkbox"/>	206	\$43.21	\$87.95	\$83.85	\$146.31	\$37.77	\$76.99	\$73.61	\$128.52	\$36.22	\$73.68	\$70.60	\$123.17
<input type="checkbox"/>	207	\$43.21	\$87.95	\$74.30	\$131.08	\$37.77	\$76.99	\$64.97	\$114.69	\$36.22	\$73.68	\$62.26	\$109.76
<input type="checkbox"/>	204	\$31.48	\$63.95	\$60.75	\$105.92	\$28.25	\$57.16	\$54.45	\$95.65	\$26.91	\$54.61	\$51.66	\$90.13
<input type="checkbox"/>	205	\$31.48	\$63.95	\$53.91	\$95.13	\$28.25	\$57.16	\$48.18	\$84.91	\$26.91	\$54.61	\$46.12	\$81.33
<input type="checkbox"/>	631	\$24.28	\$49.20	\$41.71	\$73.54	\$21.06	\$42.55	\$36.09	\$63.49	\$20.17	\$40.71	\$34.59	\$60.82
<input type="checkbox"/>	630	\$23.06	\$46.80	\$39.83	\$69.92	\$20.06	\$40.58	\$34.44	\$60.42	\$19.12	\$38.73	\$32.81	\$57.81

\*\*Dental Rate Structure must match health rates. Please contact your representative with any questions.

Effective Date of Change

Signature of Group Administrator

Date

Run Date: 11/01/2016 07:20 AM A



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

Independent Licensees of the Blue Cross and  
Blue Shield Association

## Disclosures

### Plan Year

***The date used for the purpose of implementing Affordable Care Act (ACA) requirements that become effective on or after January 1, 2014. The Plan Year has been designated and communicated to Wellmark by your group health plan's plan sponsor or plan administrator as the twelve month period commencing on the effective date of your group health plan's annual renewal with Wellmark. Wellmark will implement such ACA requirements effective the first day of the first Plan Year to occur on or after January 1, 2014.***

***The employer group's effective date is considered a designation of that date as the employer group's plan year and annual renewal date. Your group health plan's annual renewal date and plan year will align with the effective date.***

### Important ACA and MHPAEA Disclaimer

***The premium quoted for coverage dates in 2016 includes the Health Insurer Fee (HIF) and Transitional Reinsurance Fee (TRF) as required by the Affordable Care Act. The HIF will be removed from the premium for coverage dates in 2017. Under current law, the HIF will resume and be included in the premium for coverage dates in 2018 and after.***

***Wellmark is not providing any legal or professional advice with regard to compliance any federal or state law, regulations, or guidance. Law, regulations and guidance on specific provisions has been and will continue to be provided by the appropriate federal and state agencies and regulators. The information provided reflects Wellmark's understanding of the most current information and is subject to change without further notice. Please note that plan benefits, rates, renewal rate adjustments, and rating impact calculations are subject to change and may be revised during a plan's rating period based on guidance and regulations issued by the appropriate federal and state agencies and regulators. Wellmark makes no representation as to the impact of plan changes on a plan's grandfathered status or interpretation or implementation of any other provisions of law or regulation.***

***Wellmark will not determine whether coverage is discriminatory or otherwise in violation of Internal Revenue Code Section 105(h). Wellmark also will not provide any testing for compliance with Internal Revenue Code Section 105(h). Wellmark will not be held liable for any penalties or other losses resulting from any employer offering coverage in violation of section 105(h). Wellmark will not determine whether any change in an Employer Administered Funding Arrangement affects a health plan's grandfathered health plan status under ACA or otherwise complies with ACA. Wellmark will not be held liable for any penalties or other losses resulting from any Employer Administered Funding Arrangement. For purposes of this paragraph, an "Employer Administered Funding Arrangement" is an arrangement administered by an employer in which the employer contributes toward the member's share of benefit costs (such as the member's deductible, coinsurance, or copayments) in the absence of which the member would be financially responsible. An Employer Administrative Funding Arrangement does not include the employer's contribution to health insurance premiums or rates.***

### Renewal Business Disclosures

The total percentage change in premium is calculated by applying the current year census (e.g. the number of employees and the mix of single/family contracts) to each of the rates prior to renewal and at renewal. The difference results from changes to the base rates as well as other factors used to determine the group premium. The below breakouts reflect changes based on this comparison; however, they may not provide a complete description of the changes to your group's premium. Please contact your authorized agent or Wellmark representative for further details

- **Base Rate:** Reflects an average rate for an average group that is consistently used for all other groups purchasing coverage at the same time. Changes to the base rate reflects trends in health care costs, projected trends, and claims experience for the entire block of small employees in the pool.
- **Risk Level:** (for groups 2-50) Reflects the relative health risk of each specific group to others in the pool.
- **Underwriting Group Consideration:** (for groups 51-100) Reflects changes to risk level as well as group-specific factors (with the exception of group size).
- **Demographic:** Reflects each employee's age, gender, and type of contract within the group, as compared to the average used in assessing the base rate.
- **Plan Value:** Reflects the relative value of benefits in each health plan as compared to other health plans within the portfolio (i.e., the lower the member liability, the higher the plan value).
- **Family Composition:** This component reflects changes in the employee's contract type, and only applies to renewing groups on a 4-way structure. All group premiums are determined under a 2 Way (single/family) contract basis. In cases where other contract offerings (such as 4 Way) are applied, the allocated premium amounts between the types of contracts may change to ensure that the same total premium is applied. This change in allocations is determined at renewal and may also reflect changes in contract types that have occurred throughout the year.
- **Group Size:** Reflects the relative differences in costs for groups based on the number of enrolled employees.
- **Area Factor:** Reflects the relative differences in costs based on the residential location of the group's employees.
- **Other (Distribution):** Reflects the relative differences in distribution costs for groups that belong to certain associations.

### Renewal Policies

- The renewal rate for your current health plan is released to the employer group at least 30 days prior to the effective date. Benefit changes that involve increasing the member liability and lowering plan value are allowed at renewal and one time during the plan year. Benefit changes that involve decreasing member liability and raising plan value are allowed only at renewal.
- Wellmark will not be mailing any renewal SBCs to you for distribution to your employees. Please visit [www.wellmark.com/SBCFinder](http://www.wellmark.com/SBCFinder) to download the correct SBC to distribute to your employees 30 days in advance of renewal. This will ensure that your employees have access to the most up-to-date version of the SBC for the plans that you are renewing on.
- Accounts with less than 10 enrollees in health are not eligible for WHPI composite rates.
- Existing 2-50 small groups on pre-ACA non-grandfathered plans renewing on or after December 1, 2015, will receive alternate plan options within the same product family. These groups can choose an alternate plan option without losing their non-grandfathered policy status.
  - A product family is defined as plans that have the same network type. To maintain transitional relief status, groups must remain in the same product family they currently offer. For example, if your small group client currently offers a plan that has the Preferred Provider Organization (PPO) network type, they can offer another non-grandfathered plan that also uses the PPO network type.
  - If a group currently offers a dual option, they cannot add another product family to their current offering. However, they are able to remove a product family from their dual offering if they want to move their group benefits to a single product family.



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

Independent Licensees of the Blue Cross and  
Blue Shield Association

- Groups offering a single plan within a product family are able to add another non-grandfathered plan from the same product family as their current plan. Therefore, a group may choose to keep their current plan and add another plan from the same product family.
- The chart below helps identify the product families that exist and what alternate plan options are available moving forward.

Current product family option	Alternate product family option
Alliance Select PPO	Alliance Select PPO
Blue Advantage/Blue Access*	Blue Advantage/Blue Access
Blue Choice*	Blue Choice

- \*If a group is currently on Blue Choice or Blue Access/Blue Advantage, you will see alternate plans for both Blue Choice and Blue Access/Blue Advantage in the renewal exhibit. Even though it will show plans from both product families, **the group must choose a plan in the same product family to keep their transitional policy status.**

Group Size	# of Plans Allowed
2 - 9 Enrollees	1
10 25 Enrollees	2
26-50 Enrolles	3

**Important information about groups with multiple grandfathered plans**

**Scenarios/options:**

- An employer can choose to continue to maintain all plans with grandfathered status.
- An employer may choose to eliminate a grandfathered plan(s) and move employees into remaining grandfathered plan(s).

# Required Federal Accessibility and Nondiscrimination Notice



## Discrimination is against the law

Wellmark complies with applicable federal civil rights laws and does not discriminate on the basis of race, color, national origin, age, disability or sex. Wellmark does not exclude people or treat them differently because of their race, color, national origin, age, disability or sex.

## Wellmark provides:

- Free aids and services to people with disabilities so they may communicate effectively with us, such as:
  - Qualified sign language interpreters
  - Written information in other formats (large print, audio, accessible electronic formats, other formats)
- Free language services to people whose primary language is not English, such as:
  - Qualified interpreters
  - Information written in other languages

If you need these services, call 800-524-9242.

If you believe that Wellmark has failed to provide these services or discriminated in another way on the basis of race, color, national origin, age, disability or sex, you can file a grievance with: Wellmark Civil Rights Coordinator, 1331 Grand Avenue, Station 5W189, Des Moines, IA 50309-2901, 515-376-4500, TTY 888-781-4262, Fax 515-376-9073, Email [CRC@Wellmark.com](mailto:CRC@Wellmark.com). You can file a grievance in person, by mail, fax or email. If you need help filing a grievance, the Wellmark Civil Rights Coordinator is available to help you. You can also file a civil rights complaint with the U.S. Department of Health and Human Services Office for Civil Rights electronically through the Office for Civil Rights Complaint Portal available at <https://ocrportal.hhs.gov/ocr/portal/lobby.jsf>, or by mail, phone or fax at: U.S. Department of Health and Human Services, 200 Independence Avenue S.W., Room 509F, HHH Building, Washington DC 20201, 800-368-1019, 800-537-7697 (TDD). Complaint forms are available at <http://www.hhs.gov/ocr/office/file/index.html>.

ATENCIÓN: Si habla español, los servicios de asistencia de idiomas se encuentran disponibles gratuitamente para usted. Comuníquese al 800-524-9242 o al (TTY: 888-781-4262).

注意: 如果您说普通话, 我们可免费为您提供语言协助服务。请拨打 800-524-9242 或 (听障专线: 888-781-4262)。

CHÚ Ý: Nếu quý vị nói tiếng Việt, các dịch vụ hỗ trợ ngôn ngữ miễn phí có sẵn cho quý vị. Xin hãy liên hệ 800-524-9242 hoặc (TTY: 888-781-4262).

NAPOMENA: Ako govorite hrvatski, dostupna Vam je besplatna podrška na Vašem jeziku. Kontaktirajte 800-524-9242 ili (tekstualni telefon za osobe oštećena sluha: 888-781-4262).

ACHTUNG: Wenn Sie deutsch sprechen, stehen Ihnen kostenlose sprachliche Assistenzdienste zur Verfügung. Rufnummer: 800-524-9242 oder (TTY: 888-781-4262).

تنبيه: إذا كنت تتحدث اللغة العربية، فإننا نوفر لك خدمات المساعدة اللغوية، المجانية. اتصل بالرقم 800-524-9242 أو (خدمة الهاتف النصي: 888-781-4262).

ສິ່ງຄວນເອົາໃຈໃສ່, ພາສາລາວ ຖ້າທ່ານເວົ້າ: ພວກເຮົາມີບໍລິການຄວາມຊ່ວຍເຫຼືອດ້ານພາສາໃຫ້ທ່ານໂດຍບໍ່ເສຍຄ່າ ຫຼື 800-524-9242 ຕິດຕໍ່ທີ. (TTY: 888-781-4262.)

주의: 한국어 를 사용하시는 경우, 무료 언어 지원 서비스를 이용하실 수 있습니다. 800-524-9242번 또는 (TTY: 888-781-4262)번으로 연락해 주십시오.

ध्यान रखें : अगर आपकी भाषा हिन्दी है, तो आपके लिए भाषा सहायता सेवाएँ, नि:शुल्क उपलब्ध हैं। 800-524-9242 पर संपर्क करें या (TTY: 888-781-4262)।

ATTENTION : si vous parlez français, des services d'assistance dans votre langue sont à votre disposition gratuitement. Appelez le 800 524 9242 (ou la ligne ATS au 888 781 4262).

Geb Acht: Wann du Deutsch schwetze duscht, kansch du Hilf in dei eegni Schprooch koschdefrei griege. Ruf 800-524-9242 odder (TTY: 888-781-4262) uff.

โปรดทราบ: หากคุณพูด ไทย เรามีบริการช่วยเหลือด้านภาษาสำหรับคุณโดยไม่คิดค่าใช้จ่าย ติดต่อ 800-524-9242 หรือ (TTY: 888-781-4262)

PAG-UKULAN NG PANSIN: Kung Tagalog ang wikang ginagamit mo, may makukuha kang mga serbisyong tulong sa wika na walang bayad. Makipag-ugnayan sa 800-524-9242 o (TTY: 888-781-4262).

တၢ်ဒုးသ့ၣ်ညါ-နမ့ၢ်ကတိၢ်ကညိၣ်န့ၣ်. န့ၣ်တၢ်မၤစၢၤတၢ်ဝံးတၢ်မၤတၢ်ဝံး, လၢတၢ်တၢ်လၢတၢ်ဝံးလဲၤ. ဝီၣ်လၢန့ၣ်ဝီၣ်လဲၤ. ဝဲးက့ၢ်ဆူၣ် ၈၀၀-၅၂၄-၉၂၄၂ မ့ၣ်တမ့ၢ် (TTY: ၈၈၈-၇၈၁-၄၂၆၂) တတ့ၢ်.

ВНИМАНИЕ! Если ваш родной язык русский, вам могут быть предоставлены бесплатные переводческие услуги. Обращайтесь 800-524-9242 (телетайп: 888-781-4262).

सावधान: यदि तपाईं नेपाली बोल्नुहुन्छ भने, तपाईंका लागि नि:शुल्क रूपमा भाषा सहायता सेवाहरू उपलब्ध गराइन्छ। 800-524-9242 वा (TTY: 888-781-4262) मा सम्पर्क गर्नुहोस्।

ማሳሰቢያ: ከግርግር ገጥሞች ለሆኑ፣ የቋንቋ አገዛ አገልግሎቶች፣ ከክፍያ ነፃ፣ ያገኛሉ። በ 800-524-9242 ወይም በ(TTY: 888-781-4262) ደውሎ ያነጋግሩ።

HEETINA To a wolwa Fulfulde laabi walliinde dow wolde, naa e njobdi, ene ngoodi ngam maada. Hebir 800-524-9242 malla (TTY: 888-781-4262).

FUULEFFANNA: Yo isin Oromiffaa, kan dubbattan taatan, tajaajiloonni gargaarsa afaanii, kaffaltii malee, isiniif ni jiru. 800-524-9242 yookin (TTY: 888-781-4262) quonnaamaa.

УВАГА! Якщо ви розмовляєте українською мовою, для вас доступні безкоштовні послуги мовної підтримки. Зателефонуйте за номером 800-524-9242 або (телетайп: 888-781-4262).

Ge': Diné k'éhjí yánítí'go níká bizaad bee áká' adoowoł, t'áá jiik'é, náhóló. Kojí' hóline' 800-524-9242 doodaii' (TTY: 888-781-4262)





An Independent Licensee of the Blue Cross and  
Blue Shield Association

## MEDICARE COMPLIANCE

The purpose of this communication is to notify employers of the mandatory reporting requirements of the Medicare, Medicaid, and SCHIP Extension Act of 2007 which were passed into law in July 2008. Your cooperation in providing the necessary employer data and data for each employee and dependent is needed in order to comply with the requirements.

The Section 111 mandates of the law help payers identify when the Centers for Medicare and Medicaid Services (CMS) should pay secondary to employer group health coverage. The goal includes reducing the amount CMS may pay as primary when they should have paid as secondary.

Under the requirements, all health plan, liability, no fault and workers compensation coverages must register with CMS as a Responsible Reporting Entity (RRE) and must report to CMS employer and member information. In order to fulfill the mandated requirements and report accurately to CMS, Wellmark, as a RRE, must gather and groups must provide the following information:

- Employer Tax Identification Number (ETIN)
- Evidence of status as a Commonly Owned/Controlled Group of Organizations, Multi/Multiple Employer Group health plan (such as an Association or Trust), Hour Bank or Union health plan
- Total number of group employees/group size
- Social Security Numbers (SSNs) or Health Insurance Claim Numbers (HICNs) of active employees, spouses, domestic partners
- SSNs or HICNs for those dependents with end stage renal disease (ESRD) or disabled
- Status of all employees and effective date of that status (i.e. active, COBRA, retired)
- Disability information begin or end dates, if known

Please take a moment to complete the Confirmation of Medicare Secondary Payer (MSP) Addendum form. This will allow us to capture your employer data for reporting to CMS. Member data is gathered through the use of the group's existing enrollment and eligibility data collection channels, which may include paper applications or electronic data exchanges and should be provided through those processes.

Failure to provide the group information requested on the attached Confirmation of MSP Addendum can result in penalties being assessed to the group including, but not limited to, \$1,000 per day per member for not accurately reporting to CMS and/or an excise tax equivalent to 25 percent of the employer's group health plan expenses for the relevant year.



An Independent Licensee of the Blue Cross and Blue Shield Association

FOR ADMINISTRATIVE USE ONLY
New Group: Group # \_\_\_\_\_
Coverage Effective Date: \_\_\_\_/\_\_\_\_/\_\_\_\_

CONFIRMATION OF MSP ADDENDUM

ALL NEW AND RENEWAL GROUPS ARE REQUIRED TO SUBMIT A COMPLETED FORM. FAILURE TO SUBMIT A COMPLETED FORM WILL DELAY THE INITIAL ENROLLMENT OR RENEWAL PROCESS UNTIL THIS FORM IS SUBMITTED.

Part A - Employer Information

Please complete a separate confirmation form for each Employer Tax Identification Number you use to report employee earnings to the Internal Revenue Service (IRS). See the Medicare Secondary Payer Definitions page (M-1756) for more information on terms shown in italics.

Employer Tax Identification Number: [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ]

Group Number (Renewing Groups Only): \_\_\_\_\_

Employer Name: \_\_\_\_\_

Employer Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Contact Person: \_\_\_\_\_

Telephone Number: \_\_\_\_\_ E-mail Address (optional): \_\_\_\_\_

1. Did your organization make contributions on behalf of any employee who was covered under a collectively bargained Health and Welfare Fund (i.e., union plan) during the previous calendar year? [ ] Yes [ ] No

2. Did you have 20 or more employees for 20 or more calendar weeks (this includes all full-time, part-time, intermittent, leased and/or seasonal employees, not just those eligible or enrolled employees) during the previous calendar year? [ ] Yes [ ] No

3. Did you have 100 or more employees during 50 percent of your business days (this includes all full-time, part-time, intermittent, leased and/or seasonal employees, not just those eligible or enrolled employees) during the previous calendar year? [ ] Yes [ ] No

4. Did your organization participate in a multi or multiple employer group health plan (more than one employer in group, i.e., Multiple Employer Welfare Association) during the previous calendar year? [ ] Yes [ ] No

If yes, what is the name and address of the multi or multiple employer plan?
Name: \_\_\_\_\_
Address: \_\_\_\_\_
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

5. Was your organization part of a commonly owned or commonly controlled group of organizations during the previous calendar year? [ ] Yes [ ] No
If yes, what is the name and address of the commonly owned/controlled entity?

Name: \_\_\_\_\_
Address: \_\_\_\_\_
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Name: \_\_\_\_\_
Address: \_\_\_\_\_
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Part B - Employer Certification

I certify that the information provided is accurate and truthful. All information will be used to identify the Medicare Secondary Payer status of Medicare-enrolled employees.

Signature \_\_\_\_\_ Date \_\_\_\_/\_\_\_\_/\_\_\_\_

Table with 4 columns: Send completed MSP form based on following: IA & SD Large Groups (new or renewal), IA & SD Small Groups (new or renewing with benefit changes), IA Small Groups renewing with no benefit change - send this form to: Wellmark, Inc., PO Box 9232 - Mail Station 3W396 Des Moines, IA 50306-9232; SD Small Groups renewing with no benefit change, Send this completed MSP form to: Wellmark, Inc., PO Box 5023 - Station 338 Sioux Falls, SD 57117-5023



Wellmark Blue Cross and Blue Shield is an Independent Licensee of the Blue Cross and Blue Shield Association.

**Iowa**

- Large Group Mail Station 3W294**  
Wellmark Blue Cross and Blue Shield of Iowa  
PO Box 9232  
Des Moines, IA 50306-9232  
Fax: (515) 376-9047  
Email: largegroupmembership@wellmark.com

**South Dakota**

- All Groups**  
Wellmark Blue Cross Blue Shield of South Dakota  
1601 W Madison Street  
PO Box 5023  
Sioux Falls, SD 57117-5023  
Fax: 515-376-9101  
Email: sdgroupenrollment@wellmark.com

- Small Business and Mid-Size Groups Mail Station 3W297**  
Wellmark Blue Cross and Blue Shield of Iowa  
PO Box 9232  
Des Moines, IA 50306-9232  
Fax: (515) 376-9042  
Email: smgrpmemapp@wellmark.com

**ALTERNATE BILLING ADDRESS REQUEST FORM**

**ACCOUNT/EMPLOYER GROUP INFORMATION**

**Employer Name:** \_\_\_\_\_

**Employer Address:** \_\_\_\_\_

**Employer Key Contact:** \_\_\_\_\_

**Employer Group Number:** \_\_\_\_\_

**Effective Date:** \_\_\_\_/\_\_\_\_/\_\_\_\_

**PLEASE SEND THE WELLMARK GROUP STATEMENT TO THE FOLLOWING ALTERNATE BILLING ADDRESS:**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**CHECK ONE:**

- The alternate address above is another office or location of the above-named employer.**
- The alternate address above is a third party service provider.**

As a duly authorized representative of the above named Account, I authorize Wellmark, Inc. to deliver by paper or electronic means the periodic Wellmark Group Statement or premium invoice to the alternate billing address described above. I acknowledge Account is responsible for payment of the amount stated in the periodic Wellmark Group Statement or premium invoice, in accordance with the terms of the Group Insurance Policy or Administrative Services Agreement between Account and Wellmark. Account acknowledges receipt and review of the Wellmark premium rate proposal, showing the Wellmark premium rates and/or administrative fees for the chosen health insurance coverage and/or administrative services. Account acknowledges that the Wellmark Group Statement or premium invoice delivered periodically to any third party service provider can be viewed by Account by registering for electronic billing at [Wellmark.com](http://Wellmark.com). Select "Employer" from the "Register Now" box to begin the registration process. For complete instructions contact your Wellmark representative. Account may elect to receive an email notification providing Account notice that a Wellmark Group Statement or premium invoice is available for viewing.

\_\_\_\_\_  
**EMPLOYER SIGNATURE**

\_\_\_\_/\_\_\_\_/\_\_\_\_  
**DATE**



# AVĒSIS VISION CARE

BROUGHT TO YOU BY SELECT NETWORKS  
IOWA 2017 : VISION SELL SHEET



Low-Cost,  
High-Impact Benefits



Over 3 Million  
Members Covered



Large Statewide &  
National Provider Network

	In-Network Member Benefits			Out-of-Network Reimbursement		
Vision Examination	Covered in full after \$10 copay			\$35.00		
Frame Allowance	Plus Plan	Preferred Plus Plan	Enhanced Plan	Up to \$45		
	Covered in full after copay					
	Copay	\$25	\$25			
	Approximate Retail Value	\$100 – \$150	\$75 – \$100			
Wholesale Value	\$50	\$50	\$35			
Standard Spectacle Lenses						
Single Vision	Covered in full			Up to \$25		
Bifocal	Covered in full			Up to \$40		
Trifocal	Covered in full			Up to \$50		
Lenticular	Covered in full			Up to \$80		
Progressives	Save up to 20% off retail, plus a \$50 allowance			Up to \$40		
Specialty Lenses (High-index, etc.)	Corresponding standard lens reimbursements			Corresponding standard lens reimbursement		
Lens Options	Save up to 20% on all lens options			N/A		
	Plus Plan	Preferred Plus Plan	Enhanced Plan	Plus Plan	Preferred Plus Plan	Enhanced Plan
Contact Lenses (in lieu of frame and spectacle lenses)						
Elective Allowance	\$130	\$110	\$110	\$130	\$110	\$110
Medically Necessary	Covered in full	Covered in full	Covered in full	\$250	\$250	\$250
Refractive Laser Surgery (Members receive a one-time/lifetime allowance)	\$150	\$100	\$100	\$150	\$100	\$100
<b>Frequency</b>						
Eye Examination	Once every 12 months			Once every 12 months		
Lenses or Contact Lenses	Once every 12 months			Once every 12 months		
Frame	Once every 24 months			Once every 24 months		

Fully Insured Plus and Materials Only Plans are Underwritten by Fidelity Security Life Insurance Company, Kansas City, MO.

**Limitations:** This plan is designed to cover corrective eye wear. It is also designed to cover visual needs rather than cosmetic options. Should the member select options that are not covered under the plan as shown in the schedule of benefits, the member will pay a discounted fee to the participating Avesis provider. Benefits are payable only for services received while the group and individual member's coverage is in force.

**Exclusions:** There are no benefits under the plan for professional services or materials connected with and arising from:

- 1) Orthoptics or vision training;
- 2) Subnormal vision aids and any supplemental testing;
- 3) Plano (non-prescription) lenses, sunglasses;
- 4) Two pair of glasses in lieu of bifocal lenses;
- 5) Any medical or surgical treatment of eye or support structures;
- 6) Replacement of lost or broken lenses, contact lenses or frames, except when the member is normally eligible for services;
- 7) Any eye examination or corrective eye wear required by an employer as a condition of employment;
- 8) Services or materials provided as a result of Workers' Compensation Law or similar legislation, required by any governmental agency whether Federal, State, or subdivision thereof.

For additional questions, materials, etc., please contact:

**Teresa Smith, HIA**

515-657-4826 | 800-797-6282 x4826  
tsmith@eyeplan.com

Amendment to Employment Agreement  
Between the Oskaloosa Municipal Water  
Department and Chad Coon

THIS AMENDMENT TO EMPLOYMENT AGREEMENT hereinafter called "Amendment" is made and entered into this \_\_\_\_ day of \_\_\_\_, 2016 by and between the Oskaloosa Municipal Water Department an independent city utility established under Iowa Code Chapter 388 pursuant to a city election held in 1922, hereinafter called "Employer," or "OMWD" as party of the first part, and Chad Coon, herein called "Employee", as party of the second part.

WITNESSETH:

NOW WHEREAS, the Employer and the Employee entered into an Employment Agreement executed June 6, 2014;

AND WHEREAS, the Employer and the Employee desire to make certain changes to the Employment Agreement.

IT IS THEREFORE AGREED, in consideration of the mutual covenants and promises contained herein that the Employment Agreement will be amended as follows:

1. Section 8 of the Employment Agreement is amended by deleting that section in its entirety and substituting the following lieu thereof:

Section 8: Rate of Pay & Incentive Compensation

- A. Employer agrees to pay Employee for his services rendered pursuant hereto a gross hourly rate of not less than \$49.94, which shall be paid in accordance with the Employer's usual and customary payroll practices. In addition, Employer agrees to increase said hourly rate and/or benefits of Employee in such amounts and to such extent as the Board may determine that it is desirable to do so on the basis of an annual review of said Employee as outlined within this Agreement. In addition, provided Employee's performance is satisfactory and Employee is meeting the goals and objectives established by the Board, Employer agrees that it will apply the same cost of living multiplier to the Employee's hourly rate on July 1, 2017, as it does for other non-represented utility employees.
- B. Employee currently holds a Grade I Wasterwater License. Provided Employee's performance is satisfactory and Employee is meeting the goals and objectives established by the Board, Employer agrees to increase Employee's hourly rate by 5% for each successive wastewater license he receives, up to a Grade IV Wastewater License. Employer agrees to implement such increase on the day the successive license is obtained and becomes effective.

2. Except as expressly amended or modified by this Amendment, the terms and conditions of the Employment Agreement remain in full force and effect without amendment or modification. This Amendment may be executed in any number of counterparts, each of which shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Board of Trustees has caused this Agreement to be signed and executed in its behalf by its Chair, and duly attested by its Secretary, and the Employee has signed and executed this Agreement, both in duplicate, the day and year first above written.

BOARD OF TRUSTEES

ATTEST

By: \_\_\_\_\_  
Mike Vore, Chair

\_\_\_\_\_  
Kevin Tacke, Secretary

\_\_\_\_\_  
CHAD M. COON