

**WATER BOARD OF TRUSTEES**  
**Regular Meeting**  
**December 19, 2016**  
**3:00 PM**  
**Location: 1208 South St.**

**Agenda**

1. Approve agenda.
2. Approve minutes of the November 21, 2016 regular meeting.
3. Approve invoices and financial statements.
4. Customer forum.
5. Discussion of wastewater operations.
  - A. Update on 28E agreement.
  - B. Consideration and discussion of pay increase for wastewater certification.
6. Consideration and discussion of continuation of legal services.
7. General Manager's Update.
8. Updates from members of the Board of Trustees.
9. 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**

Staff have been battling some operational issues with aeration basin foaming at the southwest treatment plant. Chad spoke with Dave Neubert about what steps we should be looking at to help keep this problem minimized. Staff are working to try to ensure that it does not cause further problems. With the colder weather staff have stopped land applying bio-solids to farm ground. For the season, there were 396,000 gallons hauled from the digester at 2.2% solids. Then they started pumping out the equalization basin closest to the plant and were able to haul 1,145,000 gallons of bio-solids out at 6.2% solids. According to staff this equates to 592,089 pounds in dry weight. For this fall we were renting the lagoon pump while using a combination of City equipment and farmer owned equipment for hauling and application. There is still money allocated for sludge removal and staff are currently looking to purchase equipment that will allow us to be able to complete all of the work in-house without the need to continue to rent equipment. Staff are also working to gather quotes for capital equipment replacement that will need to be completed by the end of this fiscal year and also looking at items for next fiscal year. There has also been work completed on SOPs of both the written and video variety. These will need more tweaking to ensure consistency. Work is also on-going for equipment analysis to lead to the preventive maintenance program.

There is a need to re-visit the lead position issue for wastewater. Looking at internal candidates and how it would need to be structured to work within budgeted parameters will also be discussed.

On December Chad took and passed the Grade II Wastewater exam. As was previously discussed at the September Board meeting there was to be a 5% increase with each license obtained. The information related to this topic will be available at the meeting.

### **Agenda Item #6**

There are a few items that have needed follow through action with our legal counsel. At the end of November I was notified that the lawyer who has done most of the work for OMWD was leaving the Dickinson Law Firm and transitioning to another firm. The Board needs to decide if they would like to follow this attorney to the new firm or stay with Dickinson and their staff of lawyers.

**Agenda Item #7**

Shut-offs for the month of December were down to 55. This is the lowest number that we have experienced since switching to monthly billing. Water staff were able to complete all of the work without needing the assistance of waste water staff as well. Crystal and Chad have been working on the budget amendment as well as the FY 17-18 budget. There was an effort to try to work within the parameters of the existing budget and not need to go through an amendment process this year, but with the move to monthly billing and the additional expenses related to that move the amendment process is still needed. Attached to the agenda packet will be worksheets showing the proposed amendment for FY 16-17 and the proposed FY 17-18 budget. We need to decide when in January we will be meeting to discuss the budgets further and then when the amended and proposed budgets will have public hearings and be voted on for approval. There is a need to publish notifications in the newspaper ahead of the scheduled meeting(s).

Leaks from November until December 15, 2016:

1600 block of Edmundson Drive, hole on an 8" main

Hwy 23 by the old Titan Machinery, crack on the 6" main.

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

South on an old 2" main, crack

1300 block of Avenue East, hole on a 10" main

There are also three leaks within 100 feet of each other out on the 6" main south of the old Sale Barn on Hwy 23 that have to be fixed. They are relatively small, but are still costing us lost revenue.

There is a small leak in the 1200 block of South Market that has been narrowed down to a small area. That leak is scheduled to be fixed on Tuesday the .

Staff have worked to reinstate the fluoride feed at the plant. There was an initial period of analysis watching for operational issue, but while a small increase in turbidity was noticed we are still well within tolerance. There is time scheduled the week of the to start a grant application with Delta Dental of Iowa.

**Agenda Item #8**

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

## 2016-2017 Budget

	Acct. #	Original 2016-2017	Changes	Proposed 2016-2017
<b>ACCOUNTS:</b>				
<b>INCOME</b>				
Material Sales	600-8001-1-4521	2,500	2,500	5,000
Labor Charges	600-8001-1-4522	3,500	1,000	4,500
Late Fees	600-8001-1-4531	38,000	20,000	58,000
Metered Sales	600-8001-1-4555	2,743,288	173,318	2,916,606
Other Income	600-8001-1-4761	7,500	(1,000)	6,500
Reimbursements -City for W.W.	600-8001-2-4710	386,723	5,508	392,231
House Rental	600-8001-4-4312	360	-	360
Meter Rental	600-8001-4-4317	20,250	3,950	24,200
Sprinkler & Hydrant Rental	600-8001-4-4318	5,125	-	5,125
Misc . Income	600-8001-4-4518	29,500	-	29,500
<b>Water Fund Income</b>		<b>3,236,746</b>	<b>205,276</b>	<b>3,442,022</b>
Interest	600-8001-4-4300	-	5,600	5,600
State Revolving Fund Loan	606-8007-4-4823	-	-	-
Transfer In - Sinking Fund	603-8001-4-4830600	419,320	24	419,344
Transfer In - Meter Fund	604-8001-4-4830600	102,000	-	102,000
<b>Total Revenues</b>		<b>3,758,066</b>	<b>210,900</b>	<b>3,968,966</b>

**OPERATING EXPENSES**

Labor - Distribution	8001	6010	196,998	9,047	206,045
Salaries - General Manager	8006	6011	52,546	2,888	55,434
Salaries - Office	8006	6012	141,884	4,566	146,450
Salaries - Service Tech	8006	6013	56,813	3,335	60,148
Labor - Plant	8000	6014	89,165	6,111	95,276
Contract Labor	8006	6015	-	12,062	12,062
Salaries - Trustees	8006	6020	5,670	-	5,670
Salaries - Waste Water Treatment	8009	6014	121,680	7,010	128,690
Salaries - Waste Water Collections	8010	6014	137,652	1,447	139,099
Salaries - Waste Water Storm Water	8011	6014	-	2,419	2,419
Health Ins. Wages	8000	6050	-	-	-
Health Ins. Wages	8001	6050	-	-	-
Health Ins. Wages	8006	6050	2,088	-	2,088
Health Ins. Wages	8010	6050	-	2,088	2,088
Emp. Share - Soc. Sec.	8000	6110	5,528	379	5,907
Emp. Share - Soc. Sec.	8001	6110	12,214	561	12,775
Emp. Share - Soc. Sec.	8006	6110	15,929	669	16,598
Emp. Share - Soc. Sec.	8009	6110	7,543	436	7,979
Emp. Share - Soc. Sec.	8010	6110	8,535	89	8,624
Emp. Share - Soc. Sec.	8011	6110	-	150	150
Emp. Share -Medicare	8000	6120	1,293	89	1,382
Emp. Share -Medicare	8001	6120	2,857	131	2,988
Emp. Share -Medicare	8006	6120	3,725	157	3,882
Emp. Share -Medicare	8009	6120	1,764	102	1,866
Emp. Share -Medicare	8010	6120	1,996	21	2,017
Emp. Share -Medicare	8011	6120	-	35	35
Emp. Share - Ipers	8000	6130	7,963	545	8,508
Emp. Share - Ipers	8001	6130	17,592	808	18,400
Emp. Share - Ipers	8006	6130	22,436	963	23,399
Emp. Share - Ipers	8009	6130	10,827	665	11,492
Emp. Share - Ipers	8010	6130	12,292	130	12,422
Emp. Share - Ipers	8011	6130	-	216	216
Health/Life Ins.	8006	6150	175,763	-	175,763
Health/Life Ins.	8009	6150	25,561	1,628	27,189
Health/Life Ins.	8010	6150	53,673	(10,928)	42,745
Uniforms	8001	6181	2,500	-	2,500
Uniforms	8009	6181	450	-	450
Uniforms	8010	6181	750	-	750
Self Insurance Expense	8006	6183	6,500	-	6,500
Self Insurance Expense	8009	6183	1,500	-	1,500
Self Insurance Expense	8010	6183	2,500	-	2,500
Dues & Subscription	8006	6220	6,896	-	6,896
Education/Seminars	8000	6240	2,122	-	2,122
Education/Seminars	8001	6240	2,122	-	2,122
Education/Seminars	8006	6240	7,108	-	7,108

Main. - Buildings	8000	6310	15,000	-	15,000
Main. - Buildings	8001	6310	1,061	-	1,061
Main. - Buildings	8006	6310	530	-	530
Main. - Wells	8000	6311	82,400	-	82,400
Main. - Water Supply	8001	6312	108,150	-	108,150
Main. - Meters	8001	6313	5,150	-	5,150
Main. - Grounds	8000	6320	21,218	-	21,218
Main. - Grounds	8001	6320	1,061	-	1,061
Gasoline	8001	6331	21,218	-	21,218
Truck Expense	8001	6332	4,244	4,000	8,244
Main. - Machinery	8000	6350	40,000	-	40,000
Main. - Machinery	8001	6350	6,365	-	6,365
Electric/Gas	8000	6371	84,872	-	84,872
Electric/Gas	8001	6371	5,305	2,000	7,305
Telephone	8006	6373	7,957	-	7,957
Audit Expense	8006	6401	8,523	-	8,523
Publications	8006	6402	2,652	348	3,000
Insurance	8006	6408	58,100	-	58,100
Janitorial Expense	8006	6409	2,122	-	2,122
Legal Fees	8006	6411	10,300	-	10,300
Computer Expense	8006	6419	25,750	-	25,750
Lab Expense	8000	6450	18,000	-	18,000
Meter Reading Service	8006	6492	21,228	35,000	56,228
Chemicals	8000	6501	217,485	-	217,485
Small Tools	8000	6504	1,061	-	1,061
Small Tools	8001	6504	3,183	-	3,183
Office Supplies	8006	6506	6,365	2,000	8,365
Misc. Expense	8000	6507	1,061	300	1,361
Misc. Expense	8001	6507	4,774	-	4,774
Misc. Expense	8006	6507	5,000	2,500	7,500
Postage	8006	6508	15,450	13,000	28,450
Safety Supplies	8000	6510	530	-	530
Safety Supplies	8001	6510	2,122	-	2,122
Credit Card Fees	8006	6520	2,719	6,000	8,719
Misc. Supplies	8000	6599	743	-	743
Misc. Supplies	8001	6599	1,591	-	1,591
Misc. Supplies	8006	6599	1,061	-	1,061
<b>Total Operating Expenses</b>			<b>2,038,786</b>	<b>112,967</b>	<b>2,151,753</b>
<b>Net Operating Revenue</b>			<b>1,197,960</b>	<b>92,309</b>	<b>1,290,269</b>
				-	
Transfer Out - Sinking Fund	8001	6910603	418,787	557	419,344
Transfer Out - Meter Fund	8001	6910604	102,000	-	102,000
<b>Total Transfer Out</b>			<b>520,787</b>	<b>557</b>	<b>521,344</b>
				-	
<b>Net Gain (Loss)</b>			<b>1,198,493</b>	<b>97,376</b>	<b>1,295,869</b>
				-	
Office Sign	8001	6750	5,000	-	5,000
Various Dist. / Sheriff & Carbonado	8001	6780	640,000	-	640,000
Office / Computer Equipment	8006	6725	5,000	-	5,000
Principal Fund 603	8001	6801	268,000	-	268,000
Interest Fund 603	8001	6851	139,680	-	139,680
Bond Servicing Fee Fund 603	8001	6899	11,640	-	11,640
New/Replace Meters Fund 604	8001	6724	100,000	-	100,000
				-	
<b>Total CIP</b>			<b>1,169,320</b>	<b>-</b>	<b>1,169,320</b>
<b>Total Expenses</b>			<b>3,728,893</b>	<b>113,524</b>	<b>3,842,417</b>
				-	
<b>Net Gain (Loss)</b>			<b>29,173</b>	<b>97,376</b>	<b>126,549</b>

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## 2016-2017 budget

### Receipts

<b>Operating Revenue</b>		
	Water Sales	2,916,606
	City - Waste Water	392,231
	Other	<u>133,185</u>
		<b>3,442,022</b>
<b>Capital Sources</b>		
	SRF Loan	-
	Interest Income	<u>5,600</u>
		5,600
		<u><b>3,447,622</b></u>

### Disbursements

<b>Operating Expense</b>		
	Water - Personnel Costs	677,424
	Waste Water - Personnel Costs	316,209
	Utilities	100,134
	Outside Services	98,391
	Small Equip & Materials	282,582
	Chemicals, Treatment & Monitoring	235,485
	Transportation	30,523
	Office Supplies	74,284
	Property Insurance	58,100
	Water - Health Insurance	184,351
	Waste Water - Health Insurance	76,022
	Staff Development	<u>18,248</u>
		<b>2,151,753</b>
<b>Capital Outlays</b>		
	Dist projects	640,000
	Filter Media	5,000
	Computer Equipment	5,000
	New/Replace Meters	100,000
	Principal & Interest SRF	<u>419,320</u>
		1,169,320
		<u><b>3,321,073</b></u>

**Fund Excess (Deficiency)** 126,549

**Net Operating Income** **1,290,269**

Fiscal Year 2015-2016 estimated principal, interest  
and servicing fee total \$418,737.50 + 10% =

\$460,611.25

Loan Parity \$829,657.63

City Waste Water Accounts

Reimbursements	392,231
Budgeted Cost	392,231
Difference	-

2017-2018 BUDGET

	Acct. #	Amended 2016-2017	Changes	Proposed 2017-2018
<b>ACCOUNTS:</b>				
<b>INCOME</b>				
Material Sales	600-8001-1-4521	5,000	(2,500)	2,500
Labor Charges	600-8001-1-4522	4,500	(1,000)	3,500
Late Fees	600-8001-1-4531	58,000	(10,000)	48,000
Metered Sales	600-8001-1-4555	2,916,606	160,413	3,077,019
Other Income	600-8001-1-4761	6,500	-	6,500
Reimbursements - City for W.W.	600-8001-2-4710	392,231	21,768	413,999
House Rental	600-8001-4-4312	360	-	360
Meter Rental	600-8001-4-4317	24,200	-	24,200
Sprinkler & Hydrant Rental	600-8001-4-4318	5,125	-	5,125
Misc . Income	600-8001-4-4518	29,500	-	29,500
<b>Water Fund Income</b>		<b>3,442,022</b>	<b>168,681</b>	<b>3,610,703</b>
Interest	600-8001-4-4300	5,600	-	5,600
State Revolving Fund Loan	606-8007-4-4823	-	-	-
Transfer In - Sinking Fund	603-8001-4-4830600	419,320	288	419,608
Transfer In - Meter Fund	604-8001-4-4830600	102,000	-	102,000
<b>Total Revenues</b>		<b>3,968,942</b>	<b>168,969</b>	<b>4,137,911</b>

**OPERATING EXPENSES**

Labor - Distribution	8001	6010	206,045	7,078	213,123
Salaries - General Manager	8006	6011	55,434	1,828	57,262
Salaries - Office	8006	6012	146,450	5,887	152,337
Salaries - Service Tech	8006	6013	60,148	2,327	62,475
Labor - Plant	8000	6014	95,276	6,154	101,430
Contract Labor	8006	6015	12,062	4,890	16,952
Salaries - Trustees	8006	6020	5,670	-	5,670
Salaries - Waste Water Treatment	8009	6014	128,690	1,381	130,071
Salaries - Waste Water Collections	8010	6014	139,099	9,726	148,825
Salaries - Waste Water Storm Water	8011	6014	2,419	-	2,419
Health Ins. Wages	8000	6050	-	-	-
Health Ins. Wages	8001	6050	-	-	-
Health Ins. Wages	8006	6050	2,088	-	2,088
Health Ins. Wages	8010	6050	2,088	-	2,088
Emp. Share - Soc. Sec.	8000	6110	5,907	382	6,289
Emp. Share - Soc. Sec.	8001	6110	12,775	439	13,214
Emp. Share - Soc. Sec.	8006	6110	16,598	622	17,220
Emp. Share - Soc. Sec.	8009	6110	7,979	85	8,064
Emp. Share - Soc. Sec.	8010	6110	8,624	603	9,227
Emp. Share - Soc. Sec.	8011	6110	150	-	150
Emp. Share -Medicare	8000	6120	1,382	89	1,471
Emp. Share -Medicare	8001	6120	2,988	102	3,090
Emp. Share -Medicare	8006	6120	3,882	145	4,027
Emp. Share -Medicare	8009	6120	1,866	20	1,886
Emp. Share -Medicare	8010	6120	2,017	141	2,158
Emp. Share -Medicare	8011	6120	35	-	35
Emp. Share - Ipers	8000	6130	8,508	550	9,058
Emp. Share - Ipers	8001	6130	18,400	632	19,032
Emp. Share - Ipers	8006	6130	23,399	897	24,296
Emp. Share - Ipers	8009	6130	11,492	123	11,615
Emp. Share - Ipers	8010	6130	12,422	868	13,290
Emp. Share - Ipers	8011	6130	216	-	216
Health/Life Ins.	8006	6150	175,763	35,153	210,916
Health/Life Ins.	8009	6150	27,189	3,000	30,189
Health/Life Ins.	8010	6150	42,745	5,821	48,566
Uniforms	8001	6181	2,500	-	2,500
Uniforms	8009	6181	450	-	450
Uniforms	8010	6181	750	-	750
Self Insurance Expense	8006	6183	6,500	-	6,500
Self Insurance Expense	8009	6183	1,500	-	1,500
Self Insurance Expense	8010	6183	2,500	-	2,500

Dues & Subscription	8006	6220	6,896	207	7,103
Education/Seminars	8000	6240	2,122	64	2,186
Education/Seminars	8001	6240	2,122	64	2,186
Education/Seminars	8006	6240	7,108	213	7,321
Main. - Buildings	8000	6310	15,000	-	15,000
Main. - Buildings	8001	6310	1,061	32	1,093
Main. - Buildings	8006	6310	530	16	546
Main. - Wells	8000	6311	82,400	2,472	84,872
Main. - Water Supply	8001	6312	108,150	3,245	111,395
Main. - Meters	8001	6313	5,150	155	5,305
Main. - Grounds	8000	6320	21,218	637	21,855
Main. - Grounds	8001	6320	1,061	32	1,093
Gasoline	8001	6331	21,218	637	21,855
Truck Expense	8001	6332	8,244	247	8,491
Main. - Machinery	8000	6350	40,000	1,200	41,200
Main. - Machinery	8001	6350	6,365	191	6,556
Electric/Gas	8000	6371	84,872	2,546	87,418
Electric/Gas	8001	6371	7,305	219	7,524
Telephone	8006	6373	7,957	239	8,196
Audit Expense	8006	6401	8,523	256	8,779
Publications	8006	6402	3,000	90	3,090
Insurance	8006	6408	58,100	1,743	59,843
Janitorial Expense	8006	6409	2,122	64	2,186
Legal Fees	8006	6411	10,300	309	10,609
Computer Expense	8006	6419	25,750	773	26,523
Lab Expense	8000	6450	18,000	540	18,540
Meter Reading Service	8006	6492	56,228	1,687	57,915
Chemicals	8000	6501	217,485	6,525	224,010
Small Tools	8000	6504	1,061	32	1,093
Small Tools	8001	6504	3,183	95	3,278
Office Supplies	8006	6506	8,365	251	8,616
Misc. Expense	8000	6507	1,361	41	1,402
Misc. Expense	8001	6507	4,774	143	4,917
Misc. Expense	8006	6507	7,500	225	7,725
Postage	8006	6508	28,450	854	29,304
Safety Supplies	8000	6510	530	16	546
Safety Supplies	8001	6510	2,122	64	2,186
Credit Card Fees	8006	6520	8,719	2,180	10,899
Misc. Supplies	8000	6599	743	22	765
Misc. Supplies	8001	6599	1,591	48	1,639
Misc. Supplies	8006	6599	1,061	32	1,093
<b>Total Operating Expenses</b>			<b>2,151,753</b>	<b>117,343</b>	<b>2,269,097</b>
<b>Net Operating Revenue</b>			<b>1,290,269</b>	<b>51,338</b>	<b>1,341,606</b>
				-	
Transfer Out - Sinking Fund	8001	6910603	419,344	264	419,608
Transfer Out - Meter Fund	8001	6910604	102,000	-	102,000
<b>Total Transfer Out</b>			<b>521,344</b>	<b>264</b>	<b>521,608</b>
				-	
<b>Net Gain (Loss)</b>			<b>1,295,845</b>	<b>51,362</b>	<b>1,347,206</b>
				-	
Office Sign	8001	6750	5,000	(5,000)	-
Turbidity Sensors & Lab Equip	8000	6723		20,000	20,000
Vehicles	8001	6710		30,000	30,000
Dist Proj/Valves, South D & Towers	8001	6780	640,000	60,000	700,000
Office / Computer Equipment	8006	6725	5,000	-	5,000
Principal Fund 603	8001	6801	268,000	9,000	277,000
Interest Fund 603	8001	6851	139,680	(8,040)	131,640
Bond Servicing Fee Fund 603	8001	6899	11,640	(672)	10,968
New/Replace Meters Fund 604	8001	6724	100,000	-	100,000
<b>Total CIP</b>			<b>1,169,320</b>	<b>105,288</b>	<b>1,274,608</b>
<b>Total Expenses</b>			<b>\$ 3,842,417</b>	<b>222,895</b>	<b>\$ 4,065,313</b>
				-	
<b>Net Gain (Loss)</b>			<b>\$ 126,525</b>	<b>(53,926)</b>	<b>\$ 72,598</b>

## 2017-2018 budget

### Receipts

<b>Operating Revenue</b>	
Water Sales	3,077,019
City - Waste Water	413,999
Other	<u>119,685</u>
	<b>3,610,703</b>
<b>Capital Sources</b>	
SRF Loan	-
Interest Income	<u>5,600</u>
	5,600
<b>Total Receipts</b>	<b><u>3,616,303</u></b>

### Disbursements

<b>Operating Expense</b>	
Water - Personnel Costs	709,446
Waste Water - Personnel Costs	329,156
Utilities	103,138
Outside Services	101,343
Small Equip & Materials	291,702
Chemicals, Treatment & Monitoring	242,550
Transportation	30,346
Office Supplies	78,431
Property Insurance	59,843
Water - Health Insurance	219,504
Waste Water - Health Insurance	84,843
Staff Development	<u>18,795</u>
<b>Total Operating Expenses</b>	<b>2,269,097</b>
<b>Capital Outlays</b>	
Office Sign	-
Turbidity Sensors & Lab Equip	20,000
Vehicles	30,000
Dist projects	700,000
Computer Equipment	5,000
New/Replace Meters	100,000
Equipment	
Principal & Interest SRF	<u>419,608</u>
<b>Total Capital Outlays</b>	<b>1,274,608</b>
<b>Total Expenses</b>	<b><u>3,543,705</u></b>
<b>Fund Excess (Deficiency)</b>	<b>72,598</b>

**Net Operating Income** **1,341,606**

Fiscal Year 2016-2017 estimated principal, interest  
and servicing fee total \$418,737.50 + 10% =  
\$460,677.25

Loan Parity \$880,929.16

City Waste Water Accounts	
Reimbursements	413,999
Budgeted Cost	413,999
Difference	-