

OSKALOOSA WATER BOARD
REGULAR MEETING
12/19/16

Members Present:

Jason Carter (arrived 3:05)
Brad Hodges
Kevin Tacke
Mike Vore

Others Present:

Chad Coon
Crystal Breuklander

Ex-Officio Members Present:

Mike Schrock (arrived 3:05)
Mayor Krutzfeldt (arrived 3:32)
Tom Jimenez (arrived 3:04)

A motion was made by Kevin Tacke and by Brad Hodges to approve the agenda as presented. All ayes, motion carried. Board member Jason Carter arrived after approval of the agenda and before the approval of the minutes.

A motion was made Mike Vore to approve the minutes of the 11/21/16 regular meeting. The motion was by Kevin Tacke. The motion carried with all ayes.

The attached vouchers totaling \$297,967.27 were presented for approval as well as Financial Statements. A motion was made by Mike Vore to approve the vouchers for payment and to also approve the Financial Statements. This was second by Brad Hodges. The motion carried with all members voting yes.

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1. Customer Forum was the next agenda item. There were no items presented to the Board of Trustees.
 2. Next on the agenda was discussion of wastewater operations. Plant operations were discussed, specifically the removal of bio-solids from the equalization basin at the southwest treatment plant, and the volume of bio-solids and their related dry weight. Also discussed was how to proceed with the remainder of solids removal and looking at equipment leasing or purchasing, and the possibility of trying to sell the bio-solids for their nutrient content. It was noted that the City has not previously sold this product and has been giving it away for years as it needs to be disposed of on an annual basis. Discussion turned to researching what steps would be needed to move forward with selling this product. The next item discussed was the lead position for waste water collections. Chad presented information to the group that he had looked at internal

candidates and staffing levels to determine how we could proceed with restructuring to maintain current staffing levels and still place someone in the lead position. Chad briefly discussed the buildup to the 28E and how it had been determined by the Water/Wastewater Working Committee to keep City employees whole to the City and not have them become OMWD employees. He stated that that decision played a role in how he had to move forward with filling this role now. Mike Schrock discussed some concerns that he had with how the process was handled. Mike Vore asked the Ex-Officio members for input on how to proceed. Chad was directed to post the opening for the required 10 days and then move forward with making the necessary changes because it was designed to have a lead position on the collection side from the inception of the 28E agreement. The next item discussed on this topic was a pay increase as a result of the General Manager successfully obtaining his Grade II Wastewater license. Chad provided information to the group showing the test results for the Grade II certification. There was a motion by Kevin Tacke to increase the General Manager's pay 5%, effective December 14, 2016, for achieving Grade II Wastewater certification. This was second by Mike Vore. Ayes all motion passed.

3. Consideration and discussion of continuation of legal services was next on the agenda. Chad informed the Board that the lawyer who had previously provided the largest share of work on OMWD's behalf at Dickinson Law was moving to a different firm. He asked the Board to decide if they would like to follow the lawyer to their new firm or remain at Dickinson Law. There was a question about using local firms for this work. It was noted that Dickinson Law is the firm who also represents the state's largest water utility in Des Moines Water Works and they, Dickinson, are keenly aware of the law as it applies to municipal water utilities. For other matters that are not unique nor specific to water utilities Chad noted that OMWD still uses local lawyers. Motion by Mike Vore to continue to have Dickinson Law Firm represent OMWD on all utility matters. Brad Hodges second the motion. Ayes all, motion passed.
4. The next agenda item was General Manager's Update. Chad informed everyone that shut-offs for the month were down to 55, the lowest it has been since making the switch to monthly billing in July. Also discussed was the handout provided showing the tentative budget amendment for FY 16-17 and the proposed FY 17-18 budget. Chad indicated that Crystal had been working on this and they wanted to get it out to the group to review before the work session that was upcoming that also needed to be scheduled. There were question from within the group about a few different areas. One of those areas was the increases as they related to increased expenditures for monthly billing. Another area was what was showing for an increase in revenue. It was noted that earlier in the year, Public Financial Management, PFM, had provided 3 exhibits for OMWD's cash flow analysis. At an earlier meeting the Board chose to pursue Exhibit 1 to cash fund CIP projects which necessitated a 25% rate increase that was enacted in March of

2016 and this same exhibit also showed a 7.5% increase for March of 2017. This 7.5% rate increase is what was used to bring in the extra revenue that was being shown in the tentative budget amendment. Chad asked the group when they could meet again to hold the budget work session. After everyone checked their calendars it was determined that a budget work session would be held Thursday, January 5, 2017 at 4:00 PM. It was then also discussed that the Board would hold the Public Hearing for the FY 16-17 amendment and proposed FY 17-18 budget on Monday January 16, 2017 at 3:00 PM. Chad also talked about the leaks that had occurred during the last month and one area of concern that had seen recent improvements out on Highway 23 south of the old sale barn. Chad explained that there is a 6" main still in that area that has been leaking and causing issues. A leak locator had been called back to town to help narrow down where the leaks could be at and it was determined that an area approximately 200-300 feet long had at least three leaks on it and OMWD may need to look at replacing a short section of this pipe. Chad then also talked about another area that had seen a recent increase in the frequency of leaks occurring, South F Street. Chad talked to the Board about switching around CIP dollars from projects that were slated to happen for Sheriff Avenue and K Avenue East and directing those funds to replace as much of South F Street's main as could be done with the allocated funding from Avenue West to Fairview Drive. The Board agreed that the shifting of funds from previously identified projects on Sheriff and K could be redirected to South F Street as a higher need exists on South F Street. Chad then discussed the fluoride feed operation at the water treatment plant. He informed the group that the fluoride feed had been restored and that while it did increase the turbidity as small amount that increase was still well within acceptable limits of operation. He indicated that he would be spending time putting the Delta Dental grant application together in the upcoming weeks.

5. The last agenda item was Updates from members of the Board of Trustees. Mike Vore asked that at the next meeting an item for declining block rates be placed on the agenda for discussion in reference to the recent request from an industrial customer.

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

ATTEST

Meeting Adjourned 4:52 PM

Mike Vore – Chairman

Kevin Tacke– Secretary

The Oskaloosa Water Department Board of Trustees met in regular session Monday December 19, 2016 at 3:00 PM with board members Hodges, Tacke and Vore present. The agenda was approved as presented. All members voting aye. Carter joined the meeting at this point in the agenda. The time was 3:05 PM. Minutes of the 11/21/16 regular meeting were approved as presented, all ayes. Invoices and financial statements were approved for payment, ayes all.

Following Warrants Allowed: (see attached sheet)

The first item on the agenda was Customer Forum. There were no items presented to the Board of Trustees.

The next agenda item, Discussion of wastewater operations was discussed by the Board and Ex-Officio members. There was considerable discussion on this topic that saw no action. There was also an item for consideration and discussion of pay increase for wastewater certification on this topic. Motion by Tacke to increase General Manager's pay 5% effective 12-14-16 for successfully achieving Grade II Waste Water Certification. Second by Vore. Ayes all.

Next on the agenda was consideration and discussion of continuation of legal services. Motion by Vore to continue to have Dickinson Law Firm represent OMWD on all utility matters. Second by Hodges. Ayes all, motion carries.

The next two agenda items, General Manager's Update and Updates from members of the Board of Trustees, saw discussion, but no formal action taken by the Board. Discussion of holding a work session for FY 16-17 budget amendments and FY 17-18 proposed budgets on January 5, 2017 at 4:00 PM at the OMWD offices and holding the Public Hearing for FY 16-17 budget amendments and the FY 17-18 proposed budget on January 16, 2017 at 3:00 PM. Also, the General Manager was directed to place an agenda item on the January regular meeting agenda for declining block rate discussions.

Motion was made for adjournment by Vore, and second by Carter. Ayes all, meeting adjourned. 4:52 PM.

Kevin Tacke, Secretary