

OSKALOOSA WATER BOARD
REGULAR MEETING
1/16/17

Members Present:

Jason Carter
Brad Hodges
Dan Nance (Arrived 3:05)
Kevin Tacke
Mike Vore

Others Present:

Chad Coon
Crystal Breuklander

Ex-Officio Members Present:

Mayor Krutzfeldt (arrived 3:03)

A motion was made by Kevin Tacke and 2nd by Jason Carter to approve the agenda as presented. All ayes, motion carried.

A motion was made Brad Hodges to approve the minutes of the 12/19/16 regular meeting, as well as the 1/6/17 special meeting. The motion was 2nd by Kevin Tacke. The motion carried with all ayes.

Board member Dan Nance entered the meeting after approval of the minutes and before approval of invoices and financial statements was considered. The attached vouchers totaling \$266,083.49 were presented for approval as well as Financial Statements. A motion was made by Kevin Tacke 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.

1. Customer Forum was the next agenda item. There were no items presented to the Board of Trustees.
2. Discussion of wastewater operations was next on the agenda. Chad updated the group on completed work for the month, upcoming equipment replacement and an update on the facility plan that would be provided by Fox Engineering at the next City Council meeting. Chad also informed the group that there were a number of different reports that Fox staff would be providing in the coming month that related to the facility plan and the new NPDES permits.
3. Next was the Public Hearing for proposed amendments to the 2016/2017 budget. Motion by Hodges and second by Vore to open the Public Hearing. Ayes all, Public Hearing was

opened at 3:18 PM. Coon stated that there had been no comments received for the proposed budget amendments. The Board then started discussing the proposed amendments. There were a variety of questions about different lines items, capital expenditures and what revenue and expenses were showing year-to-date. Mike Vore stated that he had asked staff to have a cash flow analysis run showing only a 5% rate increase for 2017 instead of the 7.5% increase that had been predicted by Public Financial Management (PFM), after seeing forecasted revenues and expenditures. The Board were given copies of the two different cash analyses. There was discussion about the additional revenue that would be generated over the following five years with the 7.5% increase and what OMWD's revenue would look like with the 5% increase. Mike Vore stated that he thought given the recent rate increases that OMWD's customers had seen, and considering the upcoming sewer rate increase, it was a more prudent move to only look at increasing rates 5% and to therefore approve a budget that was reflective of that move. There was a motion by Tacke to close the Public Hearing and a second by Hodges. Ayes all, Public Hearing closed at 3:38 PM.

4. Approval of the proposed amendments to the 2016/2017 budget was the next agenda item. Motion by Hodges to approve the budgeted amendments for the 2016/2017 budget that shows a 5% increase in rates early in 2017. Second by Vore. Ayes all, motion passed.
5. The Public Hearing for the 2017/2018 proposed budget was next on the agenda. Motion to open the Public Hearing was made by Brad Hodges and second by Kevin Tacke. Ayes all, motion carried. Public Hearing is opened at 3:41 PM. Chad Coon stated that there were no comments received from the public in regard to the proposed budget for 2017/2018. The Board then used this opportunity to discuss the proposed budget. There were discussions about the level of upcoming capital projects and how OMWD would be able to pay for those projects with cash-on-hand, instead of needing to borrow for them. The cash flow analysis from PFM was also discussed during this Public Hearing in terms of what predictions it showed with future rates. There was a motion to close the Public Hearing by Jason Carter which was second by Dan Nance. Ayes all, Public Hearing closed at 3:49 PM.
6. Next agenda item was approval of the 2017/2018 proposed budget. There was a motion by Jason Carter to approve the 2017/2018 budget as presented showing a 3% rate increase early in 2018. This was second by Dan Nance. Ayes all, motion passed.
7. Discussion of a declining block rate structure was next on the agenda. This item was the result of a recent inquiry by a company looking to increase their water consumption. Chad indicated that he thought this was an area that PFM would be able to assist the Board. Chad was instructed to contact PFM and ask if this type of service would be

something that was covered by the existing agreement, or if an additional agreement would be needed, and then to proceed accordingly.

8. General Manager's Update was next on the agenda. Items discussed include; the number of shut-offs completed for unpaid bills, the number and type of leaks that had occurred since the last meeting, and the fact that the requested changes to the employment contract for the general manager had been sent to the attorneys and had just been received back and this item would be placed on next month's agenda for action.
9. The last agenda item was updates from members of the Board of Trustees. Chad was asked to include a comparison of other communities' rates for the next board meeting. Chad indicated that the City of Ames has moved to an annual compilation of just that sort of information and that he would be sure to include in with the Board's next information packet.

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

ATTEST

Meeting Adjourned 4:11 PM

Mike Vore – Chairman

Kevin Tacke– Secretary

The Oskaloosa Water Department Board of Trustees met in regular session Monday, January 16, 2017 at 3:00 PM with board members Carter, Hodges, Tacke and Vore present. The agenda was approved as presented. All members voting aye. Minutes of the 12/19/16 regular meeting, and 1/6/17 special meeting were approved as presented, all ayes. Nance joined the meeting at this point in the agenda. The time was 3:05 PM. 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 discussion on this topic, but no action was taken by the Board.

Next on the agenda was a Public Hearing for the 2016/2017 budget amendments. Motion to open the Public Hearing was made by Hodges and second by Vore. Ayes all, Public Hearing opened at 3:18 PM. There were no comments received from the public, but the Board used this time to discuss the amendments. Motion by Tacke and second by Hodges to close the Public Hearing. Ayes all, Public Hearing closed at 3:38 PM.

Next item was approval of proposed amendments to the 2016/2017 budget. Motion by Hodges to approve the budget amendments as presented for the 2016/2017 budget showing a 5% rate increase that would be effective 3/1/17. Second by Vore. Ayes all, motion carried.

Public Hearing for the proposed 2017/2018 budget was next on the agenda. Motion by Hodges and second by Tacke to open the Public Hearing. Ayes all, Public Hearing open at 3:41 PM.

There were no comments received from the public at this time. The Board used this time, however, to discuss the proposed budget. Motion by Carter and second by Nance to close the Public Hearing. Ayes all, Public Hearing closed at 3:49 PM.

Motion by Carter with a second by Nance to approve the 2017/2018 proposed budget as presented showing a 3% increase early in 2018. Ayes all, motion passed.

The next three agenda items, Discussion regarding declining block rate structure, General Manager's Update and Updates from members of the Board of Trustees, saw discussion, but no formal action taken by the Board.

Motion was made for adjournment by Tacke and second by Carter. Ayes all, meeting adjourned. 4:11 PM.

Kevin Tacke, Secretary