

WATER BOARD OF TRUSTEES
Regular Meeting
February 12, 2018
4:00 PM
Location: 1208 South St.

Agenda

1. Approve Agenda.
2. Approve minutes of the January 8, 2018 regular meeting and January 15, 2018 special meeting.
3. Approve invoices and Financial Statements.
4. Customer Forum.
5. Consideration and discussion of high water bill for 404 North Market Street.
6. Public hearing for proposed water rate increase.
7. Introduction of Resolution #1801, Resolution to Increase Water Rates Effective March 1, 2018.
8. Discussion of wastewater operations.
9. General Manager's Update.
10. Updates from member of the Board of Trustees.
11. 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, the only request to address the Board will be handled in the next agenda topic.

Agenda Item #5

Tom Stodghill, owner of 404 North Market Street, will be in attendance to discuss a high water bill that was the result of a frozen water line in a crawl space. The home is currently being renovated for rental occupancy and was unoccupied at the time of the break. The frozen lines happened during the cold snap at the beginning of the year. As it was unoccupied, the previous consumption was zero since the account was opened in the spring of 2017. The frozen lines resulted in 127 units of water going through the water meter. Mr. Stodghill has applied for and been granted a sewer reduction in the amount of \$397.51. Mr. Stodghill has made a request of the Board to see if there is any possibility of a reduction in the water portion of the bill. The financials will be available at the meeting.

Agenda Item #6

On January 29, 2018, notice of the Public Hearing for the proposed 5% rate increase was published in the Oskaloosa Herald. OMWD is proposing to have the 5% increase become effective March 1, 2018. There will need to be a motion and second to open the Public Hearing. Chair, please ask if there are any comments from the public. If there are no comments received, please ask for a motion to close the Public Hearing. The Board can discuss the rate increase during the next agenda item when they plan to hold the vote. At this point in time, there have been no comments received in the office about the rate increase. The City has approved a 20% rate increase for sewer effective April 1, 2018.

Agenda Item #7

As the Board approved the FY18-19 budget at the January meeting, the discussion was to increase rates by 5%. In order to affect that increase and address other issues regarding rates that have been discussed by the Board of Trustees over the last year, there are three different versions of a resolution that have been presented for consideration. One resolution increases all rates 5% effective March 1, 2018. The next resolution standardizes all rates inside and outside Oskaloosa City Limits. Rates inside city limits go up 5% to \$7.07/100 . Rates outside city limits will then drop back to \$7.07/100 . The last version of the resolution increases rates 5% except for those

under the Double Monthly Residential rate, those rates would be frozen at the current level. Discussion between the options can occur after the introduction of one of the resolutions and a second. There are varying financial implications with each option, numbers will be available at the meeting.

Agenda Item #8

Collection System Operations;

Staff performed a lot of trouble shooting on the pumps at the South M Street lift station. They called in a representative from Jetco and ended up replacing some cabling and a level transducer. They also had Electric Pump stop in and pull and replace one of the pumps that was not operating at full capacity. They have also been busy replacing intake lids around Oskaloosa that have been broken or damaged. Staff responded to a sewer complaint at 1311 High Avenue West. They attempted to run the camera in the collection main to help determine what the issue may be, but were unable to get it through. Responded to a complaint of a sewer backup at 1611 South Street to find that the shallow manhole had frozen and was backing up lateral services. Due to the location of this issue a private contractor was called in to jet the line and return it to normal operation. The also jetted and televised the line in front of Mike's Market and Deli to assist with a future tap location for that business. They spent a good deal of time working with staff from Garden & Associates to transfer video for upcoming collection system project planning. They also were looking at video of the West Glendale and McMullin areas for a possible road project. While the weather allowed it, they were out performing jetting on 30, 60, 90 day problem areas. They performed maintenance on the jetter, ordered new hose for the jetter reel, and cleaned out a pit at the Mahaska County Secondary Roads Shop. The camera unit was taken in for its annual maintenance check, lift stations had annual maintenance performed, and staff met with contractors in relation to Phase I bidding work. Bids for Phase I were opened February 8, 2018 and were lower than engineer's estimates. Akhilesh is preparing them for presentation to the City Council.

Plant Operations;

Maintenance has been performed on the bar rake and blowers at the south plant. Two blower motors were taken to Gritter's Electric to check tolerances and the oil in the blower units was changed. The aerators at the southwest plant were adjusted to help equalize the dissolved oxygen levels between basins. The clarifiers were also cleaned and washed down to improve operations. Staff did some trouble shooting on the new final clarifier at the northeast plant and then turned their attention to the finals pumps to ensure they were operating and alternating as they were supposed to. They also worked on the grit pump at the northeast plant. All staff met with staff from Fox Engineering to review plant operations. This is in an effort to help determine which areas of each facility need continued maintenance and specific repairs to continue normal operations until a new facility is in place and online. Staff also hauled 8 loads of sludge from Oskaloosa Foods to the southwest plant digester. Gina went through some laboratory operations with Quinn to help familiarize him with that work. Matt and Quinn have both passed their Grade II Waste Water Treatment exams.

We have looked at the need to try and complete the northwest quadrant televising and jetting and also get started on the next quadrant as soon as possible this spring to ensure that we can get everything done. In working with Matt on what this looks like, and the possibility of again hiring seasonal help, we may look to hire seasonal help earlier this year. There is also a good deal of concern with the number of projects that will be happening this year in the collection system and how we go about getting everything done. As stated earlier, Phase I bids have been opened, Phase II is being finalized before going to bid soon, and South D Street will also start this year. If these projects take anywhere close to the amount of time staff had to spend on the collection system project last year, there is no way we will be close to completing our quadrant work. I am asking a couple of other communities what their experience has been with interns from DMACC's Water Environment Training program. This may be an option that could bring in students willing to learn and yet be more economically feasible. I don't want to sound like a broken record about where we are with getting items on the 28E agreement done because of staffing.

Agenda Item #9

Distribution System Operations;

There were 7 leaks of various type this last month.

500 block J Avenue East, crack on the 6" cast pipe

Bolts gone in the hydrant on South and Avenue East (corrosion)

1917 A Avenue East, shear break on 4"

218 Solar Drive, shear break on 6"

808 South H Street, shear break 4"

150 Highland Drive, shear break 4"

1000 block of South Market, bolts gone from a mechanical joint (corrosion)

We have sent in our GPS unit for an update to help it connect and download data more efficiently so that staff can continue to gather data points and update our maps. We spoke with staff from MCRF about abnormal water usage and spent time attempting to verify meter readings for the Lacey Complex facility. Staff have built a metering system to work with their water cannons to help track usage for the upcoming season and we are working to install a water meter in the ballfield complex to help us better track water consumption for this facility. The current mag meter that is used for their 8" supply line has been giving errant readings and we are working with our vendors to get answers. The meter is not very old and should not be doing what it is that we are seeing. We have had to go back and refigure billing after they shut down for the winter because of this meter. More on this as it happens.

Plant Operations;

This last month staff ran the lime silo until it was empty in order to install new air pads on the bottom cone section of the silo. We had a load of lime waiting when we started the process of cutting in the new pads. Arlin Phillips came out and used his equipment to make quick work of cutting while our staff worked to smooth out the openings and install the pads. The silo was then filled with the waiting load of lime and two more were subsequently ordered to bring us back to normal operating levels of lime on-hand. Staff then worked with DeBruin Electric to get the

pump wired up and ready to go. Automatic Systems will be here the week of the to work on the automation side of this project. Once completed, this should help us avoid the inconsistent nature of the lime feed system that staff have been fighting the last couple of years. This system is the same one that Mahaska Rural Water has installed on their lime silos and has provided them with 20 years of consistent operation. We have finally received the parts to repair the drag flights and chain for the south settling basin. Staff have verified that we have what we need to start work on replacing the failed chains. This basin has been out of service since the end of November because of this issue. We also had been fighting the chlorine feed equipment for a while. There had been phantom leaks that would set off the leak detector alarm causing safety concerns and problems with the chlorine regulators leaking intermittently. We worked with our chemical supplier to purchase a new feed system for chlorine. The system was purchased by us and then installed by the supplier. This supplier will also help maintain this equipment throughout its lifespan. DNR staff members were out at the plant on January to perform a sanitary survey. The report from this survey was shared with you earlier and we are currently working on addressing the requirements that were stated in the report. We have until March 12, 2018 to submit a written response addressing the minor deficiencies, turbidity calibration protocol and requirements and a schedule to make improvements to the overflow on the ground storage reservoir.

With all of the leaks that we had in January our water loss numbers were higher than normal. We pumped 5,000 units more water to town this January than in January of 2017 but billed 700 units less during the same time period.

Justin has brought to my attention an issue with plant operations that needs to be shared with you. Similar to Waste Water operations, there is a staffing concern. In 2014 we went from two plant operators down to one plant operator and all distribution operators working alternating weekends. We went from one operator and one maintenance position to just one operator and brought that other position in town. With the advent of the 28E for WW we took that position that had been brought to town and made it a split funded position for utility locates and other work as needed. In 2007 when I started here there were 11.5 FTEs. We are now sitting at 9 FTEs. While the plant can run with automation and one full time operator, what has happened is that a large share of the maintenance has been deferred. Distribution staff do not always have the resources to be able to spend time at the plant assisting with needed maintenance. Staff and I have been looking at what the future holds and how we will continue to provide for the maintenance and care of the treatment plant and grounds. In the same vein as the intern for WW, we are looking at that for the water side as well as what we can do with seasonal help. It seems that there are plenty of days with more work than workers and as we look to the future and the needs of our system, we want to ensure that we are addressing those needs properly. I wanted to make sure that I shared this concern with you and the knowledge that we will continue to evaluate our options.

Office Operations;

We were down to 52 accounts on the disconnect list this month. As the revenue and expense report shows, we are slightly below our metered sales numbers but running slightly above our total revenue numbers. We will continue to watch what happens with billed consumption as the

year progresses. I have a draft of the new contract for meter reading. David Dixon has reviewed this and a copy will be included in your packets. We can discuss it further this month and then look at possible action at a later meeting. The decision of the lawsuit with VH Investments came out after the last regular Board of Trustees' meeting. The documents were forwarded to the Board members for review. Based on input from Board members our attorney has been asked to work with the City to review applicable code sections and suggest modifications. This is an ongoing process.

Agenda Item #10

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

AGREEMENT

THIS AGREEMENT is made and entered into this ____ day of _____, 2018, by and between Oskaloosa Municipal Water Department, a municipal utility governed by Iowa Code Chapter 388 with its principal place of business in Oskaloosa, Iowa, (the Utility) and VAN WERT, INC., an Iowa corporation having its principal place of business in Grundy Center, Iowa (the "Contractor").

WITNESSETH:

WHEREAS, the Utility is an Iowa public utility providing water service at retail to consumers in its assigned service area, which water service is measured by the use of meters located at various points throughout the Utility's system; and,

WHEREAS, the Contractor is engaged in the business of providing meter reading services for water utilities on a fee basis, and is willing to provide such services to the Utility.

IT IS, THEREFORE, IN CONSIDERATION OF THE MUTUAL COVENANTS HEREIN EXPRESSED, AGREED BY AND BETWEEN THE PARTIES AS FOLLOWS:

1. Contractor agrees to provide to the Utility, and the Utility agrees to purchase and pay for, meter reading services to be provided by the Contractor. The Contractor is an independent Contractor of the Utility.
2. The services to be provided by the Contractor shall be meter reading and providing those meter readings to the Utility in a useable format.
3. Contractor shall provide, meter readers, supervision of meter readers, and uniforms for meter readers which will identify them as Contractor's employees, The Utility shall provide appropriate system and customer information and resources as may be necessary in order for the Contractor to provide said services. Contractor's employees will conduct themselves in a safe, courteous and professional manner while performing services under this agreement. The failure of the Contractor's employees to provide the services in a safe, courteous and professional manner shall be cause for termination of this agreement.
4. The Utility is interested only in the results to be obtained by the Contractor in performing the terms of this Agreement, and the Utility shall not supervise, direct, or control the work or schedules of Contractor's employees. Said employees are subject to the exclusive supervision, direction, and control of Contractor, and Contractor shall have sole and complete authority and responsibility with respect to said employees. The Contractor agrees that its employees will be identified as employees of the Contractor, and not as employees of the Utility, and that they will perform the services provided in a safe and courteous manner.
5. Contractor shall read all assigned Utility's accessible meter touch pads on a monthly basis. For the purpose of this agreement, accessible is defined as any touch pad that is installed on a pole or structure or dwelling or within a secured area, accessible by key or open entry, with entry granted by the owner for the strict purpose of reading the water meter touch pad.
6. The Contractor shall bill the Utility monthly at the rates defined in exhibit "A".

7. To the fullest extent permitted by law, Contractor shall indemnify and hold harmless the Utility and its directors, officers, agents and employees from any and all liability (claims and expenses) for injury, death, or damage to person or property arising wholly or in part by any act or omission, whether or not negligent, of Contractor or that of anyone directly or indirectly employed by Contractor or performing the work of Contractor or anyone for whose acts any of them may be liable, in connection with the performance of the work performed pursuant to the contract, regardless of whether or not said act of omission was caused in whole or in part by the Utility. "Expenses" shall include, but not be limited to, all costs incurred by the Utility in defending these claims or enforcing the provisions of this Agreement, including all litigation, or bankruptcy proceedings, including trial and appellate levels. "Claims" shall include, but not be limited to, personal injury claims, death claims, and claims for damages to real or personal property. The scope of the Contractor's duty to defend and hold harmless the Utility hereunder is intended by the parties to be as broad as the law allows.
8. The Contractor shall provide the Utility with proof of liability, workers compensation, and other insurance in such amounts as may be required by the Utility.
9. This Agreement shall become effective upon execution and remain in effect for an initial term of _ year(s). It shall thereafter be automatically extended for successive terms of one (1) year each, unless either party provides the other with written notification not less than ninety (90) days prior to any renewal date.
10. This agreement may only be amended upon the mutual written consent of the parties.
11. This agreement shall be binding upon the parties hereto, and upon their respective successors and assigns, provided, however, that this Agreement may not be assigned by either party without the prior written consent of the other.
12. Any documents, maps, lists or other materials furnished to the Contractor shall remain the property of the Utility and will not be disseminated to any third party without the written permission of the Utility. Any data or information collected under this agreement shall be the property of the Utility and shall not be disseminated to any third party.

This agreement is executed as of the day and year first above written.

By _____ Chairman of the Board of Trustees Oskaloosa Municipal Water Department	Van Wert Inc. By _____ (President)
---	--

ATTEST: _____	ATTEST: _____
---------------	---------------

RESOLUTION NO. 1801
RESOLUTION TO INCREASE WATER RATES EFFECTIVE MARCH 1, 2018

WHEREAS, the current funds of the Oskaloosa Municipal Water Department and the anticipated income to be received in the future based on the present water rates will not be adequate to meet the funding requirements for the daily operations and capital improvement needs;

WHEREAS, an increase in water rates is the best alternative for the department to raise the funds to meet these needs;

NOW THEREFORE BE IT RESOLVED, the Oskaloosa Municipal Water Department shall increase the water rates for all customers of the Oskaloosa Municipal Water Department by the amount of 5% increase of present rates to be effective March 1, 2018.

Chairman of the Board,
Oskaloosa Municipal Water Department

ATTEST:

The above Resolution No. 1801, Resolution to Increase Water Rates Effective March 1, 2018, came before the Board of Trustees of the Oskaloosa Municipal Water Department at its regularly scheduled meeting on the of February, 2018, and the resolution was approved by the Board upon motion made and passed to approve the resolution by a vote of the members of the Board.

Board Member
Oskaloosa Municipal Water Department

RESOLUTION NO. 1801
RESOLUTION TO INCREASE WATER RATES EFFECTIVE MARCH 1, 2018

WHEREAS, the current funds of the Oskaloosa Municipal Water Department and the anticipated income to be received in the future based on the present water rates will not be adequate to meet the funding requirements for the daily operations and capital improvement needs;

WHEREAS, an increase in water rates is the best alternative for the department to raise the funds to meet these needs;

WHEREAS, there have previously been a multitude of different rates charged for water and the Board of Trustees recognizes the need to homogenize all rates into one,

NOW THEREFORE BE IT RESOLVED, the Oskaloosa Municipal Water Department shall charge all consumers a minimum charge of \$14.14 per month. In addition each consumer shall pay \$7.07 per one hundred cubic feet of water beyond the first two hundred cubic feet that are included in the minimum charge.

Chairman of the Board,
Oskaloosa Municipal Water Department

ATTEST:

The above Resolution No. 1801, Resolution to Increase Water Rates Effective March 1, 2018, came before the Board of Trustees of the Oskaloosa Municipal Water Department at its regularly scheduled meeting on the of February, 2018, and the resolution was approved by the Board upon motion made and passed to approve the resolution by a vote of the members of the Board.

Board Member
Oskaloosa Municipal Water Department

RESOLUTION NO. 1801
RESOLUTION TO INCREASE WATER RATES EFFECTIVE MARCH 1, 2018

WHEREAS, the current funds of the Oskaloosa Municipal Water Department and the anticipated income to be received in the future based on the present water rates will not be adequate to meet the funding requirements for the daily operations and capital improvement needs;

WHEREAS, an increase in water rates is the best alternative for the department to raise the funds to meet these needs;

WHEREAS, rates for customers outside of Oskaloosa City Limits have previously been double those for customers inside Oskaloosa City Limits and the Board of Trustees recognizes the need to equalize those rates,

NOW THEREFORE BE IT RESOLVED, the Oskaloosa Municipal Water Department shall increase the water rates for all customers of the Oskaloosa Municipal Water Department that are inside Oskaloosa City Limits by the amount of 5% increase of present rates to be effective March 1, 2018. All customers outside of Oskaloosa City Limits who were on the Double Monthly (DMR, DMC, DMS) rate type will have the same water rate as was approved in Resolution No. 1701, there shall be no increase to customers outside of City Limits on the Double Monthly (DMR, DMC, DMS) rate type.

Chairman of the Board,
Oskaloosa Municipal Water Department

ATTEST:

The above Resolution No. 1801, Resolution to Increase Water Rates Effective March 1, 2018, came before the Board of Trustees of the Oskaloosa Municipal Water Department at its regularly scheduled meeting on the of February, 2018, and the resolution was approved by the Board upon motion made and passed to approve the resolution by a vote of the members of the Board.

[Type here]

[Type here]

Exhibit 3

Board Member
Oskaloosa Municipal Water Department