

**WATER BOARD OF TRUSTEES**  
**Regular Meeting**  
**March 12, 2018**  
**4:00 PM**  
**Location: 1208 South Seventh Street.**

**Agenda**

1. Approve Agenda.
2. Approve minutes of the February 12, 2018 regular meeting.
3. Approve invoices and Financial Statements.
4. Customer Forum.
5. Consideration and discussion of approval of water main installation on South Street.
6. Consideration and discussion of annual property and casualty insurance.
7. Introduction of Resolution #1802, a RESOLUTION TO AMEND WATER METER REPLACEMENT FUNDING.
8. Discussion of wastewater operations.
9. General Manager's update.
10. Updates from members 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.”

It is possible that the owners of 817 Avenue East may be at the meeting to discuss a situation with a joint service line that is currently affecting their property.

### **Agenda Item #5**

This project was briefly discussed at the end of the last meeting by Mike Schrock. Linda Crookham-Hansen has been invited to the meeting to participate in a discussion about the need for water main along South Street to supplement the supply for the new subdivision currently known as Marje Phase II. David Dixon has been asked to attend as well to provide legal insight for the Board. His opinion regarding OMWD policy has been forwarded to Board members previously. Staff have asked Garden and Associates to provide estimates for engineering and installation for this project. Currently it is estimated that 1600 linear feet of new 8” water main will need to be installed at an estimated cost of \$115-\$120 per foot. This brings the total estimated cost to somewhere between \$184,000 and \$192,000. This project has not been planned and therefore is not budgeted in the CIP. Design plans have been drawn up but are not yet finalized. I have requested a print showing proposed water main location and interconnections from Garden & Associates for Monday’s meeting. Staff have previously understood that OMWD policy was that we would not pay for installation of new water main to new subdivisions or replace existing water main to increase supply. The opinion provided by David Dixon challenges that understanding. This is an opportunity to discuss this policy and project and determine how to proceed.

### **Agenda Item #6**

There have been two quotes provided for your review. Jim Anderson, Anderson Insurance Services, has provided one and Margaret Ratcliff with MidWest One has provided the other. This last year did see some increases in claims, be it from worker’s compensation injuries or loss claims due to leaks that damaged property. Both quotes will be attached to the agenda packets for your review prior to the meeting. OMWD has had coverage with Anderson Insurance Services for the last several years. MidWest One has taken time to prepare a quote that should be very close in comparison for an “apples to apples” view. The quote from Anderson Insurance Services actually decreased from last year’s policy price even though we incurred more losses. Last year the quote was \$57,406 and the renewal is priced at \$54,739. That is close to a 5% decrease from last year’s policy price. MidWest One’s quote for property and casualty insurance came in at \$61,342. That is 12% higher than the

quote from Anderson Insurance. In reviewing the proposals, the policy from MidWest One does double some of the limits as compared to the proposed renewal from Anderson Insurance. It is my understanding that Jim Anderson and Margaret Ratcliff will both be in attendance to review their proposals with the Board. It is staff's recommendation that the policy offered by Anderson Insurance Services be approved.

#### **Agenda Item #7**

Effective July 1, 2018, the amount spent on water meter replacement jumps to \$220,000 annually. The dedicated meter replacement fund is only funded to \$102,000 annually. This resolution will increase the funding applied to the Meter Replacement Fund by \$120,000 per year. This resolution will replace Resolution #1502, which increased and specified funding for the water meter replacement fund the last time spending on meter replacement was significantly increased. Wording has been added to specify that this resolution will become effective July 1, 2018. The document will be included in your agenda packet. It is staff's recommendation that this resolution be approved.

#### **Agenda Item #8**

##### *Collection System Operations;*

Staff pulled a sample from the University Park lift station to check for contaminants after the fire at International Ingredients. Met with Garden & Associates to review preliminary plans for Phase II work. They worked on pump seals on the jetter truck, cleaned out an intake on North Market and Rosenberger and tried to investigate a complaint of a backed up intake on Rosenberger and Gurney, this particular intake was frozen at the time and staff were unable to get it opened up. Staff talked with contractors to get updated quotes for manhole rehabilitation for work this spring, checked on the status of the camera and were eventually able to go retrieve the camera after repairs were completed. They investigated a sinkhole in the alley north of A Avenue West just west of North C Street. There was a new manhole installed here last spring. It appears that line in the alley has failed. A contractor has been secured to repair the failure. Since the camera is back and the temperatures have warmed up, staff were able to start jetting and televising again. They performed pump down tests on the University Park lift station as that lift station is scheduled for CIP work next fiscal year. They also inspected lateral point repairs. A couple of the staff members attended confined space training that was offered up in New Sharon one weekend. Staff also worked with Jetco, who performs automation work at the waste water facilities, to get bids for automatic dialers for lift stations. There was 400' of root cutting performed as well as 400' of televising. 4500 gallons of water was used as a result.

The City has entered into a contract for the Phase I sewer improvements. Work starts in the next couple of weeks on this phase. Phase II bids are set for opening Thursday March . Phase III of the sewer improvements are still being developed. South D bids are being handled by the DOT but are scheduled to be opened soon. The contractor who performed the CIP work last year is in town repairing a section of sanitary main that was found to defective.

### *Plant Operations;*

Staff sampled the receiving stream at the NE plant for hardness to compare for copper limits as they relate to upcoming copper compliance limits for that plant. An update on copper compliance was sent to the IDNR. They performed pump down tests on finals pumps at the NE plant to prepare for inspection by Fox Engineering. They also reviewed plans to figure out how to shut down and dewater the NE plant for this inspection and then ran through a shutdown procedure in advance of the actual de-watering event. Staff met with different representatives for the air compressors at the SW plant that are scheduled for replacement this spring. A Purchase Order has been secured for this replacement and units are on order. The bar rake chain at the NE plant had to be repaired as it was out of adjustment. The metering for the finals pumps at the NE plant were recalibrated and results were sent to Fox Engineering for analysis with upcoming work. Staff worked to find a large trash pump to use for the dewatering of the NE plant and the plant was dewatered and shut down on Thursday March 8. Staff were in early that day to start pumping everything to the EQ basin and prepare for inspections. Fox Engineering was here with specialists in Electrical, Mechanical and Structural engineering for this inspection. This is being done to prepare for maintenance on both treatment plants to ensure that we can get through the next 9 years until the new facility is constructed and operational. The SW plant is scheduled for dewatering and inspection on March . A report will be generated after this and sent to the City to help guide us through the necessary work the next couple of years. Currently, approximately \$1.5M is budgeted for identified maintenance and repair work on the plants. The NE plant was returned to normal operations later in the afternoon and water that had been sent to the EQ basin was being returned and run through the treatment process. The grit chamber at the NE plant has been plugging up and staff had to bring in a contractor with a smaller jetter to clean out a discharge line. A partially shredded pop can was found in the line and was what had been plugging things off.

Waste Water staff helped assist Water staff with a lime feed malfunction at the water plant as well as helping on a leak on A Avenue East. City Street staff were also very involved in assisting with the leak repair on A Avenue East.

Sludge was hauled from the NE plant as well as from Oskaloosa Food Products. Staff have met with contractors to get pricing for a sludge line replacement at the SW plant.

Waste Water and Streets participated in a mock OSHA walk-through to help identify safety concerns that need to be remedied. There was only 4 hours allotted for the inspection and the inspector was only able to get through Streets and the SW WWTP before that time was up. The NE WWTP and Water plant and offices were not able to be inspected. Reports have been provided so that staff can make the needed changes.

### **Agenda Item #9**

#### *Distribution System Operations;*

There have been 3 water main breaks since the last Board meeting.

North and B Avenue East, 4" shear break  
400 block of A Avenue East, 6" shear break  
North and C Avenue East, 4" shear break

The break on A Avenue East had to be coordinated with DOT as we closed down 2 lanes of traffic. The frost and highway really played games with getting this one fixed. I would like to thank City Street Department staff as well as Waste Water staff, IDOT and others for their assistance with getting this leak fixed, replacing road material and getting everything opened back up. Staff did hit an unmarked gas service line and MidAmerican Energy Gas was able to get that service repaired so that we could continue with our repair work.

#### *Plant Operations*

We continue to work on finding the right settings for the air pad system in the lime silo. The lime feed is feeding better, but we are still experiencing some significant swings. There was an issue towards the end of February where the lime feed system overfed and pushed lime out and onto the floor of the chemical building. Staff worked to recapture a large portion and put it in totes and containers for use later at the waste water plants and lift stations to stabilize screenings. There have been days and nights spent at the plant working to rectify these problems and also ensure that we are getting our water within parameters before sending it to town. The system is not fixed, but staff continue to work towards that end.

#### *Office Operations;*

Shut-offs for the month were down again. We were below 50 this month. Last month Board members were given a draft of the meter reading contract. I am waiting for any additional input before proceeding with putting this on a future agenda for action. I have developed a Merit Pay Matrix that will be included with your packets for review. Management staff have been reviewing this as well. The question about determining Market Mid-Point pay has been asked to help us decide how to finalize this policy. Management staff will be performing evaluations in March. Any employee whose score is in the "Improvement Required" range will be given the opportunity to address any issues and increase their overall score. We are also thinking that any employee who falls in the "Unsatisfactory" range should be terminated. After the opportunity for reevaluation, any employee still below a score of 2.8 should also be terminated. We have been using the City's evaluation forms to perform evaluations the last two years. This has worked well as it provides a basis for scoring and this basis is shared with employees. They know what they are being scored against and what it will take to increase that score. There is a request in with members of the Iowa Association of Water Agencies to see who has an employee development program that we could use as a model moving forward to further help employees improve themselves and the utility.

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

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

### Performance Evaluation Results

Compensation Ratio	Unsatisfactory	Improvement Required	Fully Satisfactory	
% of mid-point for position	Below 2.5	2.51 - 2.90		
80.00% - 83.33%	0	1.5	1.8	
83.34% - 86.66%	0	1.4	1.8	
86.67% - 90.00%	0	1.3	1.7	
90.01% - 93.33%	0	1.2	1.6	
93.34% - 96.66%	0	1.1	1.5	
96.67% - 100.00%	0	1	1.4	
100.01% - 103.33%	0	0.9	1.3	
103.34% - 106.66%	0	0.8	1.2	
106.67% - 110.00%	0	0.7	1.1	
110.01% - 112.50%	0	0.6	1	
112.50% - 115.00%	0	0.5	1	

Anything below a 2.95 requires a reassessment within 90 days. If still at or below a 2.80 after 90 da  
 The values in this chart will be used as multiplication factors when determining Merit Pay.

---

Commendable	Distinguished
3.11 - 3.50	3.51 - 4.33
2.2	3
2.1	2.8
2	2.6
1.9	2.4
1.8	2.2
1.7	2
1.6	1.9
1.5	1.8
1.4	1.7
1.3	1.6
1.2	1.5

ys employee will be terminated.



Oskaloosa Municipal Water Department  
 2018 Proposal  
 Effective 4/1/18 to 4/1/19

Presented by:  
 MidWestOne Insurance Services, Inc.  
 Margaret Ratcliff  
 124 South First Street  
 Oskaloosa, IA 52577

Office: 641-673-1577  
 Cell: 641-660-3729  
 Email: mratcliff@midwestone.com

Premium Summary	Continental Western as EXPIRING 2017/2018	EMC 4/1/2018-4/1/2019
Property Coverage	\$16,817.00	\$13,420
Equipment Breakdown w/Cincinnati	incl	\$2,632
General Liability (CW includes EPLI in GL)	\$7,032	\$5,834
Public Officials and EPLI (CW Pub Off Only)	\$1,851	\$6,617
Cyber Liability - Data Compromise	\$1,249	\$1,000
Inland Marine	\$750	\$804
Crime	\$131	\$267
Automobile	\$3,013	\$2,796
Workers Compensation w/IMWCA	\$24,587	\$24,121
Excess / Umbrella Liability	\$2,276	\$3,851
Terrorism - optional	\$ 370 - Included but Optional	\$ 340 - Included but Optional
<b>TOTALS</b>	<b>\$57,706</b>	<b>\$61,342</b>

Property Coverage	Continental Western	EMC
Blanket Building, Business Personal Property and Property in the Open	\$13,419,889	\$14,910,988
Deductible	\$1,000	\$1,000
Margin Clause	120% maximum	None
Co-Insurance	90%	Agreed Value
Valuation	Replacement Cost	Replacement Cost
Perils	Special Cause of Loss	Special Cause of Loss
Equipment Breakdown Including Prod. Equip	incl	\$15,000,000 w/Cincinnati
Deductible on Equipment Breakdown	\$1,000	\$1,000
		Generator Ded 10% of loss-\$5000 min
BPP off premises or in transit	\$50,000	\$100,000
Electronic Data Processing	\$100,000	\$100,000
Business Income & Extra Expense	\$500,000	\$500,000
Ordinance or Law	\$250,00 per building	Full Blanket Limit
Including value of undamaged portion of bldg, Demolition, and Increased Cost of Construction		
Utility Services	\$10,000	\$500,000

General Liability	Continental Western	EMC
General Aggregate Limit	\$2,000,000	\$4,000,000
Products/Completed Ops Aggregate Limit	\$2,000,000	\$4,000,000
Personal & Advertising Injury	\$1,000,000	\$2,000,000
Per Occurrence	\$1,000,000	\$2,000,000
Fire Legal Liability for premises rented to you	\$300,000	\$300,000
Medical Expense	\$5,000	\$10,000
Water Utility Liability	incl	incl
Sewage Operations	incl	incl
Pollution Liability	incl	incl
City of Oskaloosa as Addl Insd	incl	incl

Employment Practices Occurrence	\$1,000,000	See Public Officials & EPLI Section
Employment Practices Aggregate	\$1,000,000	
Deductible	\$2,500	
Employee Benefits Liability per Occurrence	\$1,000,000 (confirm)	\$2,000,000
Employee Benefits Liability Aggregate	\$2,000,000 (confirm)	\$4,000,000
Deductible		\$1000 per employee
Defense inside or outside Limit		Outside limit
Fellow Employee Coverage		Included
Abuse & Molestation		Included

Inland Marine	Continental Western	EMC
Contractor's Equipment	\$208,000	\$208,000
Hired/Leased Equipment	\$100,000	\$100,000
Newly Purchased Property	30% of CAT Limit	30% of CAT limit
Misc Tools	\$5,000	5,000
Addl Debris Removal	\$5,000	\$5,000
Pollutant Clean Up	\$10,000	\$25,000
Deductible	\$500	\$500
Rental Reimbursement		\$5,000
Spare Parts and Fuel		\$5,000
EDP	(Incl in property form)	\$50,000 hardware / \$40,000 software

Crime	Continental Western	EMC
Employee Dishonesty	\$50,000	\$100,000
Deductible	\$500	\$1,000
Money & Securities Inside & Outside	\$20,000	\$10,000
Forgery/Alterations	\$50,000	\$50,000
Deductible	\$500	\$250
Faithful Performance of Duty	incl	incl

Automobile	Continental Western	EMC
Combined Single Liability Limit	\$1,000,000	\$2,000,000
Uninsured/Underinsured	\$1,000,000	\$1,000,000
Hired and Non Owned Auto Liability	incl	incl
Hired/Borrowed Phys Damage	incl	incl - actual cost of repairs
Physical Damage on Scheduled Autos	See Schedule	See Schedule
Deductibles Comp/Coll	\$500/\$500	\$500/\$500
Employees As Insured's	incl	incl
Fellow Employee inclusion	incl	incl
Personal Auto Physical Damage	incl	incl

Workers Compensation	BITCO	IMWCA
Employers Liability limits		
B/I by Accident Each Employee	\$500,000	\$1,000,000
B/I By Disease Each Employee	\$500,000	\$1,000,000
B/I by Disease Policy Limit	\$500,000	\$1,000,000
Experience Modification Factor	0.78	1.05
Based on Payrolls of:	2017 Payrolls	7520 Waterworks: \$457,659/ Rate \$5.02
	& 2017 Rates	8810 Clerical: \$215,407 / Rate .25
		7580 Sewage Disposal: \$299,619/Rate 2.22

Public Officials and EPLI	Continental Western	EMC
Liability Limit per Occurrence	\$1,000,000	\$2,000,000
Liability Limit Aggregate	\$1,000,000	\$2,000,000
EPLI	On GL Policy	\$2,000,000/\$2,000,000
Optional 3rd Party Liability Sublimit		no sublimit

Additional Defense or Defense outside Limit		Outside of limit
Non-Monetary Damages	\$100,000	\$2,000,000
Eminent Domain/Zoning	incl	incl
Prior Acts	5 Years	5 years
Policy Form Occurrence/Claims Made	Occurrence Form	Claims Made
Deductible	\$2,500	\$3,000
Non-Waiver of Immunity	incl	incl

Excess/Umbrella Liability	Continental Western/Excess	EMC UMBRELLA
Occurrence Limit	\$3,000,000	\$2,000,000
Personal & Advertising Injury Limit	Confirm	\$2,000,000
General Aggregate Limit	\$3,000,000	\$2,000,000
Retention/ Deductible	\$0.00	\$10,000
<u>Coverage extends over:</u>		
General Liability	yes	yes, incl abuse or molestation
Auto Liability	yes	yes
Employee Benefit Liability	yes	yes
Public Officials Liability	yes	yes
Employment Practices Liability	yes	yes
Defense inside/outside limit		Outside of limit

Cyber Liability	Continental Western	CFC through IAMU
Occurrence Limit	\$1,000,000	\$1,000,000
Aggregate Limit	\$1,000,000	\$10,000,000 shared
Retention / Deductible	\$1,000	\$2,500
Breach Response Expense		\$1,000,000
Privacy Liability	Need to confirm these limits	\$1,000,000
System Damage		\$1,000,000
Business Interruption		\$1,000,000
Consequential Reputational Harm		\$1,000,000
Cyber Extortion		\$1,000,000
Multimedia Liability		\$1,000,000
Crisis Communication Costs		\$1,000,000
PCI DSS		\$1,000,000
<u>Also included:</u>		
Computer Crime		\$250,000
Identity Theft		\$250,000
Telephone Hacking		\$250,000
Phishing Scams		\$250,000

This summary provides a brief outline of proposed insurance protection. Please refer to the policy for actual terms and conditions.



**Insurance Renewal Proposal for:  
Oskaloosa Municipal Water Department  
Effective 04/01/18**

**Public Entity Package Policy**

**Underwritten by:**

***Continental Western Group***

**Property Coverage**

**\$14,669**

RC Blanket Total	\$13,740,889
Deductible	\$1,000
Replacement Cost Valuation	Included
90% Coinsurance	Included
Special Cause of Loss	Included
Public Entity Prop Enhancements	Included
Business Income	\$500,000
Extra Expense	\$500,000
Electronic Data Processing	\$50,000 each location
Mechanical Breakdown	Included

**General Liability**

**\$6,922**

General Aggregate Limit	\$2,000,000
Prod/Comp. Ops Ag. Limit	\$2,000,000
Personal and Adv Inj.	\$1,000,000
Each Occurrence	\$1,000,000
Fire Damage Liability	\$300,000
Medical Exp	\$5,000
Water Utility Liability	Included
Sewage Operations	Included
Limited Pollution Liability	Included
City of Oskaloosa as AI	Included
Employment Practices Occurrence	\$1,000,000
Employment Practices Aggregate	\$1,000,000
Deductible	\$2,500
Cyber Coverage	\$25,000/\$50,000
Cyber Deductible	\$1,000



**Insurance Renewal Proposal for:  
Oskaloosa Municipal Water Department  
Effective 04/01/18  
Pg.2**

**Inland Marine \$750**

Contractors Equipment	\$208,000
Hired/Leased Equipment	\$100,000
Newly Purchased Property	30% of CAT Limit
Misc Tools	\$5,000
Additional Debris Removal	\$5,000
Pollutant Clean up	\$10,000
Deductible	\$500

**Crime \$149**

Employee Dishonesty	\$50,000
Money & Securities (In/Out)	\$20,000
Forgery/Alterations	\$50,000
Deductible	\$500
Faithful Performance of Duty	Included

**Automobile \$3,241**

Liability Limit	\$1,000,000
Uninsured/Underinsured	\$1,000,000
Hired/Non-Owned Liab.	Included
Hired/Borrowed Phys Damage	Included
Scheduled Physical Damage	See Attached
Fellow Employee Inclusion	Included
Employees As Insured's	Included
Personal Auto Physical Damage	Included

**Workers Compensation \$23,516**  
**Underwritten by:**



Employer's Liability	Each Acc.	\$500,000
	Policy Limit	\$500,000
	Each Emp.	\$500,000
	Mod Factor	1.05



**Insurance Renewal Proposal for:  
Oskaloosa Municipal Water Department  
Effective 04/01/18**

**Pg. 3**

<b>Public Officials Errors and Omissions</b>		<b>\$2,005</b>
<b>Occurrence Form</b>	<b>Included</b>	
Liability Limit Occurrence	\$1,000,000	
Liability Limit Aggregate	\$1,000,000	
Non-Monetary Damages	\$100,000	
Eminent Domain/Zoning	Included	
Non-Waiver of Immunity	Included	
Prior Acts	5 Years (2012 prior)	
Deductible	\$2,500	
<b>Excess Liability</b>		<b>\$2,238</b>
Occurrence Limit	\$3,000,000	
Aggregate Limit	\$3,000,000	
Retention	\$0	
<b>Cyber Liability</b>		<b>\$1,249</b>
Occurrence Limit	\$1,000,000	
Aggregate Limit	\$1,000,000	
Retention	\$1,000	
Third Party Coverage incl.		
<b>Total Public Entity Pak Premium</b>		<b>\$54,739</b>

**RESOLUTION NO. 1802**  
**RESOLUTION TO AMEND WATER METER REPLACEMENT FUNDING**

WHEREAS, the Oskaloosa Municipal Water Department has established a Water Meter Replacement Fund and that said fund is in the best interests of the water using citizens of Oskaloosa to provide for the orderly accumulation of funds to be available to replace and repair water meters; and

WHEREAS, the funds deposited in the Meter Replacement Fund are for the sole purpose of providing for the costs associated with replacement of water meters in the Oskaloosa Municipal Water Department System; and

WHEREAS, the costs associated with replacing meters has continued to increase beyond the funding available within the Meter Replacement Fund,

NOW THEREFORE BE IT RESOLVED, effective July 1, 2018, the Oskaloosa Municipal Water Department shall increase the amount deposited into the Meter Replacement Fund from \$8500.00 per month to \$18,500.00 per month. The sum of \$1725.00 per month shall come from the payments due to the OMWD for the lease of the water tower and \$16,775.00 per month shall come from the general fund checking account so long as there is a balance of \$50,000.00 in said account or in the OMWD's money market account, after all accounts payable are paid for the month.

PASSED AND APPROVED this    day of March 2018.

---

Chairman of the Board,  
Oskaloosa Municipal Water Department

ATTEST:

---

Secretary of the Board  
Oskaloosa Municipal Water Department