

**OSKALOOSA WATER BOARD**  
**REGULAR MEETING**  
3/12/18

**Members Present:**

Brad Hodges  
Dan Nance  
Kevin Tacke

**Ex-Officio Members Present:**

Mike Schrock  
Tom Jimenez  
Dave Krutzfeldt

**Others Present:**

Chad Coon  
Crystal Breuklander  
Ken Allsup  
Margaret Ratcliff  
John Fiala  
Linda-Crookham Hansen  
Jim Anderson  
David Dixon  
Bob Nielsen

The meeting was called to order at 4:02 PM when quorum was reached.

A motion was made by Brad Hodges and 2<sup>nd</sup> by Dan Nance to approve the agenda as presented. Ayes Hodges, Nance and Tacke. Absent Carter and Vore, motion carried.

Motion by Brad Hodges to approve the minutes of the 2/12/18 regular meeting, second by Dan Nance. Ayes Hodges, Nance and Tacke. Absent Carter and Vore, motion carried.

The attached vouchers totaling \$350,564.59 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. Ayes Hodges, Nance and Tacke. Absent Carter and Vore, motion carried.

1. Customer Forum was the next agenda item. Chad briefly discussed the status of a joint service line on 10<sup>th</sup> Avenue East. There were questions from Ex-Officio and Board members about the situation. No action was taken by the Board.
2. The next agenda item was consideration and discussion of approval of water main installation on South 5<sup>th</sup> Street. Chad opened the discussion using an aerial map provided showing the location of a new subdivision and how it would tie into water mains along South 5<sup>th</sup> Street that would need to be replaced for adequate fire flow. There was discussion about staff's prior understanding of OMWD policy as it related to the funding of water main extensions and upsizing. David Dixon was present to discuss his legal opinion of OMWD policy as stated. There were questions about where the new water main would tie in to existing, what size of main was currently available, if it would be possible to tie in to the current main on South 2<sup>nd</sup> instead of, or in addition to, the current 4" water main on South 5<sup>th</sup>, what it would cost to completely replace the main on South

5<sup>th</sup>, if the entire length needed to be replaced or we could get by just replacing from 15<sup>th</sup> Avenue East down to the new subdivision, and a variety of other issues. Each of the Board members provided input as well as Ex-Officio members. There were also questions about how the sewer infrastructure would handle the additional flow. The Board members indicated that they wanted to see the growth and were glad that it was happening. Chad was instructed to come back to the next meeting with 3 options to defer future projects to be able to pay for new water main along South 5<sup>th</sup>, ranging from delayed implementation of increased water meter spending, to delaying work on Highway 23. There was a question for the developer about how the cost of installing the water main would affect their ability to proceed with development. Chad was further instructed to work together with the City to develop policies about how to handle issues like this in the future and if it made sense to add financial limits to what the Board would be able to spend for water main replacement, as there was a difference between spending \$190,000 to replace water main on South 5<sup>th</sup> and spending \$500,000 to replace water main somewhere else. Chad also informed the Board that the direction they take on development will be important as there is also the very real possibility of an apartment complex coming in to the northwest part of town and OMWD would need to install new water main for this area too. There was a comment about ensuring that there was consistency between water and sewer for policies as they relate to development and replacement. As the Board members stated that they were in favor of promoting development and paying for the replacement water main, there was no specific request from the developers. There was no formal action by the Board of Trustees.

3. Consideration and discussion of annual property and casualty insurance renewal was next on the agenda. Jim Anderson with Anderson Insurance Services and Margaret Ratcliff with MidWest One Insurance, assisted by John Fiala, were in attendance to present their insurance proposals for 2018. Jim Anderson was the first to present his proposal. Jim explained that there had been changes to the policy for the renewal. He stated that the margin clause had been removed and then went into some of the differences between the two quotes, highlighting areas of strength in his policy. He informed everyone that for an additional \$354 of premium, \$1,000,000 of umbrella coverage could be obtained to bring the total umbrella up to \$4,000,000 and thus meeting the requirements in the 28E agreement between OMWD and the City for WW operations. Jim also stated that for 2018 the renewal price had dropped even with an increase in the mod factor for worker's compensation and the cost of a couple of claims for water damage and the lawsuit. He informed the Board that Continental Western and Bitco felt strongly that OMWD was a good customer and were working hard to keep them as customers, as evidenced by the lower premium expense. Margaret and John were up next to present their renewal policy to the Board. Margaret talked about the work the City had done with the change last year to EMC Insurance and how OMWD employees in working in Waste Water were helping with that change and the safety culture that is being implemented at the City level. Margaret highlighted the strengths of her proposal as compared to Jim's. She talked

about the dividend that is typically received for low claims activity. The average for this dividend is 8% annually, but when asked, she did state that there have been 2 years where there was no dividend. She compared the dividend to a lower overall policy price, but stressed that it was not guaranteed and that the dividend is split amongst all members of IAMU's safety group who sponsors the policy. Dan Nance stated that he wanted to be doing the same things that the City was doing for operations. Motion by Dan Nance to go with MidWest One Insurance Services for the insurance renewal. Kevin Tacke asked for a second to the motion. There was no second offered, motion died for lack of a second. Motion by Kevin Tacke to continue insurance coverage with Continental Western and Bitco for the stated price of \$54,739 plus the additional \$354 for the \$1,000,000 increase in umbrella coverage. This was second by Brad Hodges. Call for the vote, Ayes; Hodges and Tacke. Nays; Nance, Absent; Carter and Vore. Motion passed.

4. Introduction of Resolution #1802, a RESOLUTION TO AMEND WATER METER REPLACEMENT FUNDING, was next on the agenda. Chad informed the Board that as FY18-19 nears and the budgeted costs for meter replacement increase it was necessary to increase the amount of funding that was going into the 604 Meter Replacement Fund at OMWD. The original resolution, #1502, allowed for funding up to \$102,000 per year. Since spending on meter replacement was going to jump up to \$220,000 per year the allocated funding needed to increase correspondingly. Chad read the resolution to the group. There was a question by Dan Nance about delaying the implementation of the increase to help offset the expense of the water main installation down South 5<sup>th</sup>. There was further discussion about the need to continue to move forward with changing out all meters and not delaying it any more. There was a motion by Brad Hodges to approve the resolution as presented, and a second by Kevin Tacke. Ayes; Hodges and Tacke. Nays; Nance, Absent; Carter and Vore. Motion passed.
5. Discussion of wastewater operations was the next item on the agenda. As the meeting was running long, Chad tried to briefly run through what had been presented to the Board in their packets. He talked about the jetting and televising that had started up again, the different phases of wastewater projects that were either approved, waiting to open and award bids, or still in design phase. When asked, he clarified that this was in response to the findings of a Garden & Associates study of the collection system and the I & I problems plaguing the City. He updated the group on plant operations and the recent dewatering of the NE wastewater plant. Chad explained that during this investigation it was found that the clarifier tanks were in better than expected condition but that the cyclone grit removal tank was nearing failure and that staff were working to try and find a way to bypass this particular structure, but that it appeared there was work needed on valves before any bypass could occur. There were other questions as they related to this upcoming work as well. There was no action from the Board.

6. Next was General Manager's Update. Chad went through the leaks that had occurred and then through plant operations updating the group on the status of the lime feed system and further repairs that had been happening at the plant. When it came to office operations Chad had presented to the group a matrix showing possible compensation ratios to be used for merit pay. There were a number of questions about how this would work and be implemented. Mike Schrock commented that he was not a fan of this type of system. Chad asked the group to provide input and feedback on this structure as well as helping to determine what market mid-point would be for wages of staff. There were questions about how this system would be run and how hard it would be to figure raises each year. Chad explained that he felt the hardest part was what he was currently doing, building the system. Once it was done and implemented it should be relatively straight forward. There was a question about where employees would fall and if they would all be getting higher amounts as a result of this change. Chad went on to explain that based on last year's evaluations there was a spread in what employees would receive and that they were dispersed among the rankings and not all in one grouping. Chad stated that staff were using the City's evaluation forms for OMWD employees and that it was working well because the guidelines for scoring were laid out and shared with employees so they knew what they were being scored on. He also stated that when discussing this with management staff, they looked at doing initial evaluations in March and then providing an opportunity for those scoring below 2.95 a 90 day period to address the shortcomings before being re-evaluated. Brad asked to have the evaluation forms shared with Board members. Mike Schrock asked if goals had been defined for employees when using this type of system and how fairly and consistently the evaluations would be conducted. Finally, Chad updated the group on scheduling of the May meeting as it related to his ability to attend due to family health issues. Again, there was no action by the Board.
  
7. The last agenda item was updates from members of the Board. Kevin Tacked asked if there had been any movement on establishing a new policy for mobile home park metering as it relates to the lawsuit ruling from January. Chad explained that once he received the ruling he forwarded the information on to Mike Schrock and David Dixon for further action. Mike Schrock explained how the process would work and commented that he hadn't heard anything from Mr. Dixon yet. Chad will follow up on this issue. Brad Hodges stated that he had noticed rusty colored water at his house and asked if there had been anything lately that would have caused it. Chad stated that when staff were repairing the water main break along A Avenue East they were flushing hydrants and he had heard that was one of the causes of the discoloration. Chad informed everyone that staff would start spring hydrant flushing the week of April 9<sup>th</sup>.

There being no further items to discuss, it was moved by Brad Hodges and second by Dan Nance to adjourn. Ayes; Hodges, Nance and Tacke. Absent; Carter and Vore. Motion carries.

ATTEST

Meeting Adjourned 6:32 PM

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Kevin Tacke – Chairman

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Brad Hodges– Secretary

The Oskaloosa Water Department Board of Trustees met in regular session Monday March 12, 2018 with board members Hodges, Nance and Tacke present. The meeting was called to order at 4:02 PM. The agenda was approved as presented. Ayes Hodges, Nance and Tacke; Absent; Carter and Vore. Motion carried. Approved minutes of the 2/12/18 regular meeting as presented. Ayes; Hodges, Nance and Tacke; Absent; Carter and Vore; motion carried. Invoices and financial statements were approved for payment. Ayes; Hodges, Nance and Tacke; Absent; Carter and Vore; motion passed.

Following Warrants Allowed: (see attached sheet)

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The next item on the agenda was Customer Forum. There was brief discussion about a joint service line on 10<sup>th</sup> Avenue East. There was no action by the Board of Trustees.

Consideration and discussion of water main installation on South 5<sup>th</sup> Street was next on the agenda. There was considerable discussion between the Board members, Ex-Officio members, OMWD staff and the developers regarding OMWD policy for water main installation in regards to new subdivisions. Ultimately, there was no action taken by the Board of Trustees.

The next agenda item was consideration and discussion of annual property and casualty insurance. Two companies were in attendance to present their proposals, Jim Anderson with Anderson Insurance Services and Margaret Ratcliff with MidWest One Insurance Services. After hearing proposals, there was motion by Nance to accept the policy offered by MidWest One in the amount of \$61,342. The motion died for lack of a second. Motion by Tacke to approve the renewal offered by Anderson Insurance Services in the amount of \$54,739, plus an additional \$354 for another \$1,000,000 of umbrella coverage. Second by Hodges. Vote was Ayes; Hodges and Tacke, Nays; Nance, Absent; Carter and Vore.

Next agenda item was introduction of Resolution #1802, a RESOLUTION TO AMEND WATER METER REPLACEMENT FUNDING. Motion by Hodges to approve the resolution as presented. Second by Tacke. Ayes; Hodges and Tacke, Nays; Nance, Absent; Carter and Vore. Motion carried.

The next three items, Discussion of waste water operations, General Manager's Update, and Updates from members of the Board of Trustees all saw discussion but no action taken by the Board of Trustees.

Motion was made for adjournment by Hodges, and second by Nance. Ayes; Hodges, Nance and Tacke; Absent Carter and Vore; meeting adjourned. 6:32 PM.

Brad Hodges, Secretary