

The regular monthly meeting of the Marion Water Department's Board of Trustees was called to order at 5:15 PM, on February 20th, 2014, in the executive conference room of City Hall, Marion, Iowa. Trustees Mary Ann McComas, Greg Hapgood, John Bender, and John McIntosh were present. Robert Anderson was absent. Chairman Bender called the meeting to order. Other people attending the meeting included Todd Steigerwaldt, Board Secretary, Jerry Blazek, Operations Supervisor and Curt Huhndorf, Distribution Foreman.

Motion by McComas, seconded by McIntosh to receive and file correspondence from Jessica Kendal of 3030 Covey Run Court, Marion, Iowa. Mrs. Kendall requested financial compensation from the Water Department because the 14 year old lot they purchased and started building a home on did not have running water from the existing service line. The private service line had corroded up on the corporation off the public main due to lack of use. This is a rare occurrence but can happen on older lots with inactive water service lines. Mrs. Kendal claimed the department incorrectly located the main and service line and thus she incurred additional labor and material cost from her contractor. Staff stated the contractor had dug a smaller than normal hole to fix the service line. If a normal sized excavation hole was dug the contractor may have found the main and service line during the original excavation. The board debated over the issue but in the end was reluctant to reimburse Mrs. Kendal as it was a private service line and not an issue with the public main. They did ask staff to field verify the location of the main and tap this spring and see how close the measurement was to the contractor's excavation. Vote: all Ayes (4-0)

Minutes of the regular monthly board meeting held at 5:15 PM on January 14th 2014 were reviewed along with the January disbursements, and the January 2014 fund balance report. Bender asked about the payment to Justice Electric for \$141, 980.00. Steigerwaldt stated that was the invoice for the electrical gear repair at Well #7 because of the broken chlorine hose incident. Motion by McComas, seconded by Hapgood to approve same. Vote: all Ayes (4-0)

Motion by Hapgood, seconded by McIntosh to receive and file the Water Department's 2013 Field Activity Annual Report. The board noted all of the new water main that had been installed this year. Bender asked about the public water main that was installed. Steigerwaldt stated this water main was on the city's total reconstruction projects where we replaced old water mains. Vote: all Ayes (4-0)

Motion by McIntosh, seconded by Hapgood to receive and file a letter from the IDNR regarding Marion's water system capacities and recommended future improvements. Steigerwaldt told the board that this document will be used by staff for future planning needs as Marion continues to grow. Vote: all Ayes (4-0)

Motion by McComas, seconded by McIntosh to receive and file letter from Travelers Insurance regarding joint pursuit of claims for the Well #7 chlorine hose failure. The board asked Steigerwaldt if Travelers would seek fair compensation on our behalf. Steigerwaldt stated he hoped they would but our claim may not be a high priority for them. Our other options include hiring our own legal counsel directly to seek our damages or hire an attorney to simply oversee Traveler's legal counsel and make sure we are fairly represented at time of settlement. The board discussed the options. It was decided to see the draft joint prosecution agreement document from Travelers

before making a final decision. Steigerwaldt anticipated having this agreement for them to review at the March 11th meeting. Vote: all Ayes (4-0)

Motion by McIntosh, seconded by Bender to approve water main application for the installation of water main at the Bridge Creek 3rd Addition to the City of Marion, Iowa. Steigerwaldt showed the board members where this new addition would be located on the wall map. Discussion occurred about how fast this area was growing and how water main would be looped to 10th Street eventually. Vote: all Ayes (4-0)

Motion by McComas, seconded by Hapgood to approve water main application for the installation of water main in the Irish Drive road extension project which will be installed by the city and private developer with future frontage connection fees. Steigerwaldt told the board this road section would run north from Tower Terrace Road into Lowe Park. He stated two developers are eager to develop the ground off of this future new road. Steigerwaldt answered questions Bender asked about water main sizes and looping. Vote: all Ayes (4-0)

Motion by McComas, seconded by McIntosh to approve water main application for the Aspen Ridge Estates 1st Addition to the City of Marion. Steigerwaldt informed the board that this addition would connect onto the new Irish Drive and existing Eastview Avenue which is located in a county subdivision. Huhndorf told the board the distribution crew replaced the existing water main at the west end of Eastview Avenue last fall so the new water main can be connected. Steigerwaldt stated the developer has plans submitted and wants to build the entire subdivision this coming summer. Vote: all Ayes (4-0)

Motion by McComas, seconded by Hapgood approving payment #5 to Veenstra & Kimm, Inc for professional engineering services for Silurian Wells #8 & #9 in the total amount of amount of \$9,680.00. Steigerwaldt stated the consultant completed the new well permit, plans and specifications for review and approval by the DNR. Vote: all Ayes (4-0)

Motion by McComas, seconded by Bender approving reimbursement payment to the City of Marion for the extension of 35th Street in the amount of \$60,384.79. This road project was completed by developers Jon Morris and Todd Wood. The water department was responsible for half the road and public improvements along the frontage of our 1 MG elevated tower. An 8' concrete trail was installed along 35th Street and 35th Avenue with this project. The water department will also owe the developer for the over sizing cost of the 12" water main that was installed. Vote: all Ayes (4-0)

Motion by Hapgood, seconded by McIntosh to approve payment to NEC Inc. (Nelson Electric Co.) for replacement of old faulty electrical wiring at Well #1 in the amount of \$9,680.00. Steigerwaldt told the board last fall it was found that we had power going to ground at this site. NEC Inc. is waiting on Alliant Energy to complete this project. Vote: all Ayes (4-0)

Motion by McIntosh, seconded by McComas to approve partial payment #1 to Northway Well and Pump Company for repairs to the Well #4 pit less unit in the amount of \$18,620.00. Steigerwaldt told the board that last fall a hole formed in the pit less unit. Staff temporarily plugged the hole and ordered a new unit. The new unit and piping is in and ready to be installed when weather conditions improve. The pump will be lowered another 30' and the pump will be overhauled. Vote: all Ayes (4-0)

Resolution No. 14-05 approving the Resolution of Necessity regarding the new Silurian Wells 8 & 9 Improvement Project. Steigerwaldt told the board the following resolutions are regarding the two new Silurian wells to be installed at existing Well Sites #5 and #6. They will be used as additional water source so the department can preserve the water in the Jordan Aquifer. Plans and specification booklets are available for contractors to pick up. Motion by McComas, seconded by Hapgood. Roll Call Vote: (4-0)

Resolution No. 14-06 ordering preparations of detailed plans, specifications, notice of hearing and letting, notice to bidder's form of contract and estimate of cost regarding the Silurian Wells 8 & 9 Improvement Project. Motion by McComas, seconded by McIntosh. Roll Call Vote: (4-0)

Resolution No. 14-07 approving and adopting final plans, specifications, notice of hearing and letting, notice to bidders, form of contract and estimate of cost regarding the Silurian Wells 8 & 9 Improvement Project. Motion by Bender, seconded by McComas. Roll Call Vote: (4-0)

Steigerwaldt led a discussion on increasing water rates in Marion. He handed out several reports showing how Marion's water rates compared to other cities across the state. Overall, Marion's water rate was lower than most communities in Iowa. Steigerwaldt asked the board members to review and retain these documents for use at the March meeting when a public hearing would be held to discuss the proposed rate changes.

Steigerwaldt proposed three rate options to the board for residential customers. He ran cost rate projections for increases at 3%, 4%, and 5%. The three different scenarios broke down the increase cost for a typical customers based on the average amount of water they typically would use. The overall increase to the customer was shown per a two month bill cycle, cost per month and cost per day. Three board members were agreeable to a 5% rate increase. Bender was leaning more towards a 4% rate increase.

Steigerwaldt also proposed a 25 cent increase per month on the flat fixed charge which is currently \$6.50 per month. He also suggested changing the increasing rate structure slightly. He proposed having one rate for volume between 600-1000 cubic feet and another rate between 1001-2000 cubic feet.

He also recommended not changing the water rates for Glenbrook customers but increasing the monthly flat fixed charge 25 cents per month.

Finally, he proposed increasing the commercial/industrial accounts by 3% and the mobile home rate by 5% either of which are not on the increasing rate block structure. They only pay a flat fixed rate.

Motion by McComas, seconded by Hapgood to set a public hearing on the above rate increases for March 11, 2014 at 5:15 PM. Steigerwaldt told the board he only needed a general idea to publish the proposed rate increases in the paper for the public hearing in March. The rate increases could be changed after the public hearing if desired. It was determined to go with the 5% rate increase for now for the public notice in the paper. Vote: all Ayes (4-0)

Motion by McIntosh, seconded by Bender to approve job description and future hiring for a Water Department Account Representative. Steigerwaldt shared with the board the new job description and the additional duties and tasks that will be distributed among the staff. Based on estimated daily work load a full time position is needed. The additional staff person will also provide backup when illnesses occur and time off is taken by staff. Bender asked if the position was hourly or salary. Steigerwaldt stated it would be hourly. Vote: all Ayes (4-0)

Blazek updated the board on the field activities: Service Department: remote read meters installed on 21 accounts; 2910 meter read orders; 68 straight meters to radio; 162 tag orders; 51 service calls; and 107 locations worked. Huhndorf prepared a detailed monthly report of the items and jobs completed by the distribution crew for the month. The distribution crew had 10 water main breaks during the month.

January gallons pumped: 73,410,000

Secretary Report –

Steigerwaldt shared with the board the monthly building permit report. There were 4 new building permits issued last month. 3 single family homes and 1 commercial project permit issued.

Steigerwaldt told the board that another round of letters are going out to Marion residents from a private company about a water service line insurance program.

There were 4 firemen that were initially interested in the meter change out program but now only two people are. They are trying to schedule a time with our service man to shadow him on a couple of meter change outs to know what is involved.

Steigerwaldt shared with the board the concerns from customers who are experiencing frozen water lines. Several customers have requested a break on their utility bill because they have to run water during the night to prevent their line from freezing. Steigerwaldt contacted several other communities and they are not allowing a reduction in the bill for this issue. This has been a long and extremely cold winter and the customer is still responsible for the water consumed. The board agreed.

The next regular monthly meeting for the water board was set for 5:15 PM on Tuesday, March 11, 2014.

Motion by Bender, seconded by McIntosh to adjourn the meeting at 7:06 PM.

John Bender
Chairman

Todd Steigerwaldt
Secretary