

The regular monthly meeting of the Marion Water Department's Board of Trustees was called to order at 5:15 PM, on March 11<sup>th</sup>, 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. Citizens Ron Williams and Dwight Hogan also attended the meeting.

Minutes of the regular monthly board meeting held at 5:15 PM on February 20<sup>th</sup>, 2014 were reviewed along with the February disbursements, and the February 2014 fund balance report. Bender commented that he noticed a lot of overtime for the employees which Steigerwaldt stated was from the multiple main breaks that staff repaired last month. Motion by McComas, seconded by McIntosh to approve same. Vote: all Ayes (4-0)

Bender opened a public hearing at 5:20 PM to discuss the Silurian Wells 8 & 9 Improvement Project for the Marion Water Department. No public comment was received; however, Steigerwaldt explained the purpose of the project and results of the bid letting. Sam's Well Drilling from Wisconsin was the low bidder at \$294,220.00, 16.9% below the engineer's estimate. Steigerwaldt handed out the engineer's recommendation letter to award the contract to Sam's Well Drilling. The board asked about the contractor's experience. Steigerwaldt stated the contractor drilled 4 Silurian wells for the Vernon Middle school two years ago for their geothermal system. He also shared with them a long list of completed wells done for both private usage and public water utilities. The engineer called several of the references and found no issues or complaints about the contractor. After no further questions asked, Bender closed the public meeting at 5:25 PM.

Resolution 14-08, accepting bids and awarding contract to Sam's Well Drilling, Inc., of Randolph, Wisconsin for the Silurian Wells 8 & 9 Improvement Project in the amount of \$294,220.00. Motion by McIntosh, seconded by Hapgood. Roll Call Vote: all Ayes (4-0)

Bender opened a second public hearing at 5:27 PM on the proposed water rate changes and increases to the Marion water rates as published in the Marion Times on February 27, 2014. Citizen Ron Williams of 155 Grand Avenue, Marion spoke first. Ron stated the water rates and city sewer and stormwater rates were just increased last year. He was retired and on a fixed income and his city utility bill had increased nearly \$40 in the past 7 years. He had broken down his water rate portion of his bill and determined he was accepting of the 5% increase on the water rate structure but he was not happy that the flat service fee charge was being increased from \$6.50 per month to \$6.75 per month. He stated there were too many fees/charges on the city utility bill and they are always increasing. He stated his tax bill continues to increase as well and it is financially hard on people who are on a fixed income. Mr. Williams stated he sits on the stormwater review committee and doesn't like the new fee structure adopted by city council. He also felt the urban forest fee was being collected prematurely because the emerald ash bore is not in town yet.

Citizen Dwight Hogan of 1565 7<sup>th</sup> Avenue, Marion echoed Mr. William's concerns that the fees and rates in Marion are too high for individuals on a fixed income. He mentioned that the Marion School district recently announced that they were \$1 million short for next year's budget. He stated everything is getting very expensive. He suggested running another news article to the Marion Times explaining that our electricity rates, insurance, gas, material costs and additional DNR testing requirements are also increasing. This would help residents understand the need for the latest increase in the water rates.

The board shared their views and concerns with the citizens too. Bender closed the public hearing at 5:45 PM.

Resolution 14-09 approving 25 cent increase in the month flat service charge, 5% residential water rate increase, change in the increasing rate block structure per published table, 3% increase for commercial and industrial users and a 5% increase for mobile home park water fix rates. McComas stated she felt the above rate changes were reasonable and needed for the financial health of the department. Motion by McComas, seconded by Hapgood. Roll Call Vote: all Ayes (4-0)

Motion by McComas, seconded by McIntosh approving water main installation for the Squaw Creek Meadows 6<sup>th</sup> and 7<sup>th</sup> Additions to the City of Marion. Steigerwaldt explained the location of this new development which will be south of Grand Avenue and west of 31<sup>st</sup> Street. McIntosh asked if this is where the contractor was currently working. Blazek stated Rathje was working there on sanitary sewer right now. Steigerwaldt stated that both additions would be installed this year but only the 6<sup>th</sup> Addition is anticipated being final platted. The 7<sup>th</sup> addition may be platted depending on lot sales. Vote: all Ayes (4-0)

Motion by McIntosh, seconded by McComas approving water main installations for the Bowman Meadows 3<sup>rd</sup> Addition to the City of Marion. Steigerwaldt stated that a short portion of Alburnett Road would be installed in this addition south of Boyson Road and that the developed will occur this summer. Vote: all Ayes (4-0)

Resolution 14-10, accepting public water main extensions and improvements for the Morris Wood Corners Plaza 1<sup>st</sup> Addition in the City of Marion, Iowa in the amount of \$24,720.80. Steigerwaldt informed the board that last month they reimbursed the city for the half of the paving cost associated with the street frontage in front of the property by the 1 MG elevated water tower. He stated the bond is now in and the oversized water main is ready for acceptance. McComas asked if this is where the new daycare center was located. Steigerwaldt stated that was located on lot 2. Motion by Bender, seconded by Hapgood. Roll Call Vote: all Ayes (4-0)

Motion by Hapgood, seconded by McComas approving water main over sizing reimbursement to Morris Wood Enterprises LLC for the material cost difference between an 8" and 12" water main in the amount of \$4,059.37. McIntosh asked if we would be establishing a future hookup fee for this reimbursement. Steigerwaldt said no as the over sizing of the water main is needed for the expansion of the future public water main system for transmission of water towards Highway 13. Vote: all Ayes (4-0)

Motion by McIntosh, seconded by McComas approving payment to NEC Inc. for trouble shooting electrical problems and new wiring at Well Site #5 in the amount of \$3,475.05. Huhndorf stated the aerator went bad and they found bad electrical wiring that needed to be replaced. Vote: all Ayes (4-0)

Motion by Bender, seconded by McComas approving payment to S & S Plumbing, Heating & Air Conditioning, LLC for the replacement of two AC/Heating Units and one dehumidifier at Well #7 because of the chlorine hose incident in the amount of \$17,494.00. Hapgood asked if this plant was running yet. Steigerwaldt stated it was not because the 350 HP motor still needs to be set and staff was waiting on warmer conditions as there was ice built up inside the tank that needs to melt first. He stated staff could get the plant running if needed but it would be costly to thaw the tank and consume a lot of extra staff time and effort which is currently needed on water main breaks. Since water consumption during the winter time was low it was decided to wait until spring to get this plant back into operation. Steigerwaldt stated this bill will be included in the future lawsuit that Travelers Insurance is pursuing against several companies that appear to be at fault. Vote: all Ayes (4-0)

Motion by McIntosh, seconded by McComas approving payment #5 to Veenstra & Kimm, Inc for professional engineering services for Silurian Wells #8 & #9 in the amount of \$2,400.00. Bender asked if there were more payments to V&K coming. Steigerwaldt stated there would be as the amount paid to date was for the DNR permit approval and the creating of the plans and specifications. The board previously approved a contract with V&K up to \$23,600 which will include site inspections and future plans and engineering services for the final design of the wells once the quantity and quality of water is determined at each well site. Vote: all Ayes (4-0)

Motion by Bender, seconded by McComas to approve Joint Prosecution and Allocation Agreement from Travelers Insurance regarding joint pursuit of claims for the Well #7 chlorine hose failure. Steigerwaldt told the board he had Don Hoskins review the agreement and he didn't see anything that concerned him but he stated he didn't specialize in insurance lawsuits. He also checked with our local agent Jim Bouslog who reviewed it and stated it was a typical agreement. Bouslog also mentioned we could hire our own attorney to review Traveler's future case settlement to make sure we were compensated fairly. Bender asked Hapgood what he thought of the agreement. Hapgood stated how he thought the final settlement would be negotiated. Steigerwaldt thought if we hired an attorney to represent us for the final settlement that we would end up spending more money on the attorney versus what additional money we may get having our own attorney. The board discussed the matter further but ended up deciding on partnering with Traveler's and their legal counsel. Vote: all Ayes (4-0)

Blazek updated the board on the field activities: Service Department: remote read meters installed on 15 accounts; 1183 meter read orders; 42 straight meters to radio; 155 tag orders; 55 service calls; and 100 utility locations located. Huhndorf prepared a detailed monthly report of the work items and jobs performed during the month by the distribution crew. The crew had 11 water main breaks during the month to repair.

February gallons pumped: 69,745,000

**Secretary Report –**

Steigerwaldt told the board there were zero building permits pulled in February.

Steigerwaldt told the board he attended the first EO80 stakeholder group which will review possible changes to the diversion, storage and withdrawal amount of water from the Jordan Aquifer. The steering committee met in Des Moines and is made up of seven stakeholders. He was selected a one of the co-chairs for the committee. They talked about the purpose and process of the EO80 group. The DNR gave a presentation about the Jordan Aquifer and answered some basic aquifer questions. The next meeting is March 20<sup>th</sup>.

Steigerwaldt showed the board the city council recommended layout for the proposed roundabout at the intersection at 7<sup>th</sup> Street and 7<sup>th</sup> Avenue.

The next regular monthly meeting for the water board was set for 5:15 PM on Tuesday, April 8<sup>th</sup>, 2014.

The meeting was adjourned at 6:40 PM.

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John Bender  
Chairman

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Todd Steigerwaldt  
Secretary