

The regular monthly meeting of the Marion Water Department's Board of Trustees was called to order at 5:15 PM, on October 8th, 2013, in the executive conference room of City Hall, Marion, Iowa. Trustees Greg Hapgood, John Bender and John McIntosh were present. Robert Anderson arrived at 5:25 PM. Acting chairman Hapgood called the meeting to order. Other people attending the meeting included Todd Steigerwaldt, Board Secretary and Nick Glew, Program Director for the Uptown Marion District.

Hapgood asked Mr. Glew to begin his presentation regarding a new gift certificate program in Uptown Marion called Uptown Dollars. Mr. Glew informed the board regarding his duties as Program Director for the Uptown Marion District and the mission and vision of the organization. One program the organization would like to start a gift certificate program designed to invite people to shop Uptown Marion and support local Marion businesses. He wanted to utilize the department's city utility bills to advertise and promote this gift certificate program. The board asked several questions regarding the program and what other activities the organization would do for the Uptown Marion District. A motion was made by McIntosh and seconded by Bender to allow the promotional flyer to be inserted into the city utility bill. The water department would be reimbursed for the pamphlet insertion cost from the organization. Vote: all Ayes (4-0)

Minutes of the regular monthly board meeting held at 5:15 PM on September 12th 2013 were reviewed along with the September disbursements, and the September 2013 fund balance report. Steigerwaldt handed out a gross water revenue chart tracking the water revenue from January 2009 to the present. He explained that revenue was slightly down compared to last summer when it was extremely dry. He stated even though rates were increased last March the water consumption was down this year which directly reflects on the department's revenue. Citizens may be watching their water consumption more closely and implementing conservation measures to conserve water and keep their city utility bill low. Steigerwaldt stated water conservation is a great practice but we also have to sell water to make a profit or adjust rates accordingly as water sales decrease over time.

Steigerwaldt also mentioned the auditors have completed their review of the Water Department's finances for last fiscal year and no issues were found. The report will be sent off to outside reviewers and it should be returned by January for board approval. Motion by Anderson, seconded by McIntosh to approve same. Vote: all Ayes (4-0)

Motion by Bender, seconded by Anderson to approve proposal with S&S Plumbing, Heating, and Air Conditioning LLC for removal and replacement of HVAC units and a dehumidifier at the Well Site #7 in the amount of \$17,494.00. Steigerwaldt told the board that the Water Department will be hiring the subcontractors who previously installed the equipment in the Well #7 Booster Station. The general contractor declined to take the initiative to have the repairs made as a result of the broken chlorine hose. We both have our own interpretation on the wording in the maintenance bond on who's responsible for the repairs. The repairs need to be made so the Water Department is moving forth with partial financial assistance from our insurance carrier. Our insurance carrier mailed us a \$100,000 check based on our policy limit and they will assist in the subrogation once all the repairs are made and final costs are determined. Bender asked if the project was accepted. Steigerwaldt stated it was accepted in November 2012. Bender asked how involved our engineering consultant has been in this repair and future claim issue. Steigerwaldt stated the consultant has been on site after the

chlorine hose broke and has sent multiple letters to the prime contractor explaining what they believe is clearly stated in the maintenance bond. The prime contractor's bonding company and insurance company do not believe they are responsible. The defective hose is at our insurance carrier's laboratory and they are researching the cause of the failure so that they can seek restitution for the incurred costs. Vote: all Ayes (4-0)

Motion by McIntosh, seconded by Bender to approve proposal with Justice Electric for removal and replacement of damaged electrical gear and equipment at the Well Site #7 in the amount of \$141,980.00. Bender asked if our consultant would be inspecting the new installation. Steigerwaldt stated they would not be there on a daily basis but they would be available if we had specific questions or concerns with the installation. Steigerwaldt stated a former Marion Building Inspector has offered his assistance to oversee the installation with the new city building inspector. Our consultant would be available to assist in the start up process again as they did previously. Steigerwaldt stated all equipment and electrical hardware removed will be stored at our shop for future evidence until a final settlement is reached. Vote: all Ayes (4-0)

Motion by Bender, seconded by McIntosh approving water main application for the Hunters Field 6th Addition to the City of Marion, Iowa. Steigerwaldt told the board this addition was recently approved at the last city council meeting. Bender asked if the water main will be installed in the public right of way. Steigerwaldt stated that it would be installed in a 20 foot public water main easement just outside of the right of way. The board wondered why just one lot was being platted. Steigerwaldt wasn't sure but it may have to do with financing and future taxes if the lots don't sell right away. Bender stated there were a lot of driveways being shown connecting to Connection Boulevard. Steigerwaldt state the Fire Department was requesting the extra driveways for life rescue reasons. Steigerwaldt stated the water main would eventually be looped between existing water mains in Winslow road and Lucy Lane. Vote: all Ayes (4-0)

Motion by Anderson, seconded by Bender approving payment #1 to Veenstra & Kimm, Inc for professional engineering services for Silurian Wells #8 & #9 in the amount of \$2,470.85. Steigerwaldt stated that the consultant has begun initial survey and preliminary permit reviews for the DNR to obtain approval for two new municipal wells. Bender asked about the location and status of the land we purchased for a future well site east of Highway 13. Steigerwaldt showed everyone the land location on a map and stated that the two new wells will be constructed at existing well sites #5 and #6 so as to utilize the existing storage tanks and booster station buildings. Vote: all Ayes (4-0)

Motion by McIntosh, seconded by Anderson to renew the Marion Water Department's Identity Theft Prevention Program. Steigerwaldt briefly explained the purpose of the program and was happy to report that no issues have occurred to date. Vote: all Ayes (4-0)

Steigerwaldt updated the board on the field activities: Service Department: remote read meters installed on 33 accounts; 157 meter read orders; 29 straight meters to radio; 154 tag orders; 50 service calls; and 587 locations worked. Yard work was finished on old leak holes. Huhndorf prepared a detailed monthly report of the items and jobs completed by the distribution crew for the month. Water main inspections occurred on both private and city projects. The distribution crew completed the new 8" water main along 11th Street south of 8th Avenue to serve the old Memorial Hall building.

A leak occurred in the pit less unit of Well #4 at the main shop. A hole was found and repaired however the repair is temporary until a new pit less unit is ordered. Northway Well and Pump is providing a quote to perform the repair work. The pump will be pulled and overhauled. The pump will be lowered again when replaced as the water pumping level is only 15' above the pump right now. This work will occur next month.

September gallons pumped: 110,493,000

Secretary Report –

Steigerwaldt shared with the board the monthly building permit report. There were 28 new permits last month. 20 residential permits, 6 commercial and 2 condo building permits issued.

Steigerwaldt told the board he had not heard any news regarding the selection process of the EO80 stakeholder group which will review possible changes to the diversion, storage and withdrawal amount of water from the Jordan Aquifer.

McIntosh asked Steigerwaldt to consider the conditions of the department's service vehicles. He thought several of the trucks were in need of replacement. Steigerwaldt stated they would be considered for replacement when the next fiscal budget gets reviewed and approval this winter. He reminded the board that a new cement saw was purchased in lieu of a new vehicle for this current fiscal year.

Hapgood asked Steigerwaldt what else the department could be doing regarding the decline in water levels in the Jordan Aquifer. He asked Steigerwaldt to contact the local legislators in the area and inform them of the issues we are facing with the Jordan Aquifer as our community continues to grow. Steigerwaldt stated he had met with Representative Nick Wagner a while back but would pull together the information and contact the local legislators.

The next regular monthly meeting for the water board was set for 5:15 PM on Tuesday, November 12, 2013.

Acting chairman Hapgood adjourned the meeting at 6:35 PM.

Mary Ann McComas
Chairman

Todd Steigerwaldt
Secretary