

The regular monthly meeting of the Marion Water Department's Board of Trustees was called to order at 5:15 PM, on February 10, 2015, in the executive conference room of City Hall, Marion, Iowa. Trustees Mary Ann McComas, Greg Hapgood, John Bender, William Kling and John McIntosh were present. Chairman Hapgood called the meeting to order. Other people attending the meeting included Todd Steigerwaldt, Board Secretary, Andy Smith, Operations Supervisor and Curt Huhndorf, Distribution Foreman.

Minutes of the regular monthly board meeting held at 5:15 PM on January 13, 2015 were reviewed along with the January disbursements, and the January 2015 fund balance report. Motion by McComas, seconded by Kling to approve same.
Vote: all Ayes (5-0)

Motion by McIntosh, seconded by McComas to receive and file the Marion Municipal Water Department 2014 Field Activity Report. Steigerwaldt reviewed the capital projects completed in 2014, the miles of new water main pipe installed and the total water pumped for the year. Vote: all Ayes (5-0)

Motion by McComas, seconded by Bender to approve a five year agreement with Hogan-Hansen for audit services for the years 2015 – 2019. Steigerwaldt told the board that the city had recently approved a similar agreement with Hogan-Hansen for auditing services. He mentioned that they were very thorough in their audits and efficient. They have recently hired on additional staff and their auditing service cost was reasonable.
Vote: all Ayes (5-0)

Motion by McComas, seconded by McIntosh to approve an engineering service agreement with Veenstra & Kimm, Inc. for preparing plans, specifications, and inspection services for repairs and recoating of the 31st Street and 5th Avenue 0.5 million gallon elevated water tower. Steigerwaldt told the board this was the same contract and cost previously approved for recoating the Lindale Elevated water tower which will be recoated this spring. The plan is to have a letting in May with a fall project completion date. Bender asked if this would include both inside and outside inspection and recoating. Steigerwaldt stated it would cover both. Bender asked if this was the last tank with lead paint. Staff believed this was the last one to have the lead base paint.
Vote: all Ayes (5-0)

Motion by McComas, seconded by Bender to approve a contract for a third meter reader. Steigerwaldt stated the newest meter reader felt he would not be able to commit enough time to read the routes. He suggested sharing his routes with a third reader. The third meter reader has signed the contract and obtained his insurance.
Vote: all Ayes (5-0)

Steigerwaldt lead a discussion on a water rate increases for 2015. He shared typical water costs from other Iowa communities and pointed out to the board that the Marion rates were below average compared to the other cities. He stated Cedar Rapids was raising their rates by 2% and Hiawatha was increasing their rates by 7% through 2021. He stated they still have \$2.55 million of outstanding debt for the SRF loan for Well #7 which has two yearly interest payments of \$38,280 and \$36,350 for the coming year. Energy and material costs continue to increase for the department too.

Steigerwaldt recommended a minimum \$1.00 increase on the monthly flat service rate charge which includes 300 cubic feet of water. The current base charge is \$10.70 per month. If approved it would increase to \$11.70 per month. He stated the board has typically made smaller yearly rate increases versus larger ones. He mentioned if the board wanted to entertain a higher rate increase they could as other community rates were still higher than what we are charging in Marion. The board preferred to stay with the yearly smaller rate increases. Steigerwaldt also mentioned that he proposed the commercial and industrial accounts with the larger meters have a 2% increase on their flat rate.

Steigerwaldt informed the board that the Glenbrook Cove area had a small profit but it was not enough to cover the department's operating expense for this area. He suggested a \$1.50 per month increase on the monthly flat service rate charge and a 3% rate increase on the increasing rate block structure. Cedar Rapids, who serves this area with water, was increasing the water rate by 2%. These proposed rate increases should provide the department with a revenue of \$2,200 for the coming year. The board was agreeable to these proposed rate increases.

Motion by McIntosh, seconded by Bender to set a public hearing for March 10th to increase water rates for the city water permit 5751035 and the Glenbrook Cove water permit 5751040. Vote: all Ayes (5-0)

Smith updated the board on the field activities: Service Department: remote read meters installed on 19 accounts; 2832 meter read orders; 90 straight meters to radio; 133 tag orders; 47 service calls; and 134 utility locations located. Staff completed the end of the year annual report. There were five water main leaks in January. Crews also installed new radios read units on existing routes.

He stated the 350hp motor at Well #7 was repaired and back online along with the capacitor bank which was replaced for the second time. He also mentioned that Well #4 is back in service and Well #1 will be ready to run pending the bacteria test results later this week.

January gallons pumped: 76,985,000

Secretary Report –

Steigerwaldt informed the board there were only 10 building permits issued last month.

He stated he was asked by the DNR to attend the Environmental Protection Commission meeting February 17 regarding the Jordan Aquifer rule revisions.

He would be meeting with Senator Liz Mathis later this week to update her on the Jordan Aquifer rule revisions as well as the proposal to phase out the sales tax on residential water.

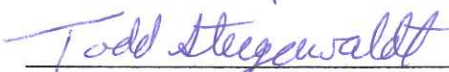
Steigerwaldt told the board the chlorine hose insurance claim for Well #7 was settled out of court and they had received a check for \$61,642.99. He also mentioned the Well #4 insurance claim was still moving forth and in our favor.

Steigerwaldt shared with the board two annexations that should be approved by the state in March. One was the residential county homes off of North 10th Street and the other one was by Alburnett Road and Echo Hill Road. The newest annexation request is the Marion Airport which a private developer will eventually enter into a private public partnership with the city to improve the airport facilities.

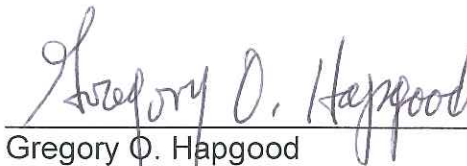
He also briefly informed the board of an employee challenge letter he presented to an existing employee. He mentioned Hiawatha was eliminating hanging door tags for the final warning before turning off the customer's water service and that Medco had received an award from the Corridor Business Journal.

The next regular monthly meeting for the water board was set for 5:15 PM on Tuesday, March 10, 2015.

The meeting was adjourned at 6:20 PM.



Todd Steigerwaldt
Secretary



Gregory O. Hapgood
Chairman