

DOVER EYOTA ST. CHARLES AREA SANITARY DISTRICT
Minutes of Board of Directors Regular Meeting

October 20, 2015

Members Present:

Wayne Getz
Ray Schuchard
Bill Spitzer
Tyrel Clark
Angela Waits
Wes Bussell
Matt Elder

Staff:

Paul Ihrke
John Brogan

1. Call to Order:

Chairman Bill Spitzer called the meeting to order at 7:05 p.m.

2. Set Agenda:

Add item #13, employee health insurance. Motion made by Tyrel Clark to set agenda with the addition of item #13, seconded by Angela Ihrke. All voted in favor. Motion carried.

3. Approve Minutes of the September 29, 2015 Regular Meeting:

Motion made by Ray Schuchard, seconded by Wayne Getz to approve the regular meeting minutes of September 29, 2015. Six voted in favor. Matt Elder abstained. Motion carried.

4. Approve Receipts & Disbursements and Summary of Assets:

Motion made by Ray Schuchard to approve the Receipts and Disbursements/Summary of Assets as presented. Seconded by Matt Elder. All voted in favor. Motion carried. There was no discussion on the 2015 budget.

5. Plant Update:

- a) Biosolids will be applied the end of this week or next week.
- b) The roof replacement will begin November 9th.
- c) HBC has ordered the security cameras.
- d) Operators have been inspecting manholes. All but two of them have been checked from Dover to St. Charles. One will need work in the near future. Paul will talk to Kyle Karger to see when Visi-sewer will be doing work for the City again and could possibly have Visi-sewer fix this manhole.
- e) Received two bids for updating indoor/outdoor lighting. Pearson & Stemper bid total is \$10,870.00 and Salisbury's bid is \$10,635.00. Don's Electric was also asked to submit a bid but we did not receive one. The bids are to replace the entire fixture and not just the lamps. Wes Bussell asked if we could hold off until a bid is received from Don's, however, it is the general consensus that since Don had been asked more than once for a bid that he has had plenty of time to provide one. Would like to get this project done since it is in this year's budget. Paul recommends the Salisbury bid, he likes the way the bid is laid out. For the upgrade to the corridor lighting a suspended ceiling installer may be needed and John will do this work. The rebate amounts to

\$.15 per kw hour of energy saved which is shown on Salisbury's bid and it also shows a system payback period of 2.7 years after installation. Motion made by Wayne Getz, seconded by Angela Waits to accept Salisbury Electric's bid to update the indoor/outdoor lighting. All voted in favor. Motion carried.

f) No longer have any phone service to meters. It's like pulling teeth to get anything out Verizon for solutions. Salisbury Electric thinks they can provide a solution and will work something up.

6. Hawkins Ash Audit Proposal:

Received proposal for audit services for the fiscal years 2015 – 2017. The proposed rates are \$7,000 for 2015, \$7,200 for 2016 and \$7,400 for 2017. In addition to these rates there could be up to an additional \$1,000 added each year depending on the Government Accounting Standards Board finalizing new standards and how they will affect the reporting of PERA funds in the financial statements. Motion made by Tyrel Clark to accept Hawkins Ash's 3 year proposal for professional services. Seconded by Wayne Getz. All voted in favor. Motion carried.

7. 2016 Budget:

No changes have been made since the September board meeting. Cathy had not changed the health insurance expense numbers in the budget. The renewal information was just received last Friday and the current plan is being discontinued in 2016. Item 13, employee health insurance, added to the agenda will be discussed now. The insurance company is suggesting plan 653 for 2016 since plan 651 is being discontinued. Plan 653 has a \$2,000 deductible instead of the \$1,500 deductible for Plan 651, otherwise the plans are the same. As shown in spreadsheet presented, if the District were to give employees the \$2,000 deductible to deposit in their HSA accounts and adding the monthly premiums to this the 2016 health insurance expense would total \$25,087.96 which is an increase of \$1,001.68 (4.1%) over the 2015 total expense. The monthly premiums and deductibles for plan 629 and 632 are also shown in the spreadsheet. In the proposed 2016 budget a 10% increase was figured into the amount entered for health insurance expense. Choosing plan 653 would result in the actual 2016 expense amount being \$1,112.04 less than the \$26,200.00 currently in the budget. Tyrel Clark is assuming that the employees would want the plan 653 and he asked Paul and Cathy and they both would like plan 653. Wes opened for discussion on whether or not to keep the District's HSA contribution at \$1,500 or raise it to \$2,000. Clarification made that since John does not choose the health insurance he receives a \$2,200.00 insurance stipend. This stipend is budgeted under the payroll category. Bill asked what the bottom line of the 2016 budget is compared to this years. 2016 budgeted operational expenses so far are \$16,000 over 2015. Bill feels that the HSA deposit should be increased to \$2,000. Matt then asked if the HSA is increased by \$500.00 for each employee then is John's stipend increased by \$500. Motion made by Tyrel Clark to choose plan 653 with total HSA deposit of \$3,500.00 (\$1,750.00 for each employee) and John's stipend payment to remain at \$2,200. Seconded by Wes Bussell. All voted in favor. Motion carried. Motion made by Wes Bussell to increase John's insurance stipend by \$250.00 for total of \$2,450.00. Seconded by Wayne Getz. All voted in favor. Motion carried.

8. Set Sewer Rate for 2016:

Bill Spitzer's opinion is that at a 0% rate increase we can still pay the bills and not having to do phosphorus removal next year will help. Wayne Getz stated that he informed the St. Charles City Council that this may be the last year the SAC fee is waived entirely and in future years it may only be reduced a percentage. Tyrel Clark pointed out that there was previous discussion on raising the rate 1% so that there is at least a little increase. Motion made by Ray Schuchard to raise the sewer rate 1% for 2016. Seconded by Wayne Getz. Opened for discussion. Bill stated that the cities have seen a rate increase every year for quite a few years and some of them substantial and now we are on the positive and it's hard for me to raise the rate. Wayne stated that he informed the St. Charles City Council that there would be a 1, 2, or 3% rate increase. Matt feels that if you have a 0% rate increase one year and then need a 4 or 5% increase for some reason the next year it's hard to raise the rate like that. It would be easier to raise the rate a little each year. Six voted in favor. Bill Spitzer voted nay. Motion carried.

9. Set interest rate on past due invoices:

The current rate is 8%. This rate basically applies to invoices for the 5 rural customers. Motion made by Tyrel Clark to leave the interest rate on past due invoices at 8%. Seconded by Wes Bussell. All voted in favor. Motion carried.

10. Adopt Resolution 15-01, waiving 2016 SAC fee for new home construction:

Motion made by Tyrel Clark to adopt Resolution 15-01, waiving 2016 SAC fee for new home construction. Seconded by Matt Elder. Six voted in favor. Ray Schuchard voted nay. Motion carried.

11. Personnel Committee Report, Performance Enhancement Plan:

Personnel committee met before this board meeting and conducted employee evaluations and will have a report at the next board meeting.

12. Other Business:

Tyrel Clark asked how the rural sewer rate is figured. It is the average of what the three cities charge for a base rate plus the average of what the cities charge per thousand gallons.

13. Employee Health Insurance:

Discussed under item #7, 2016 budget.

There being no further business a motion was made by Angela Waits, seconded by Matt Elder, to adjourn the regular meeting at 7:52 pm. All voted in favor. Motion carried.

Respectfully Submitted,

Cathy Kennedy

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