

# JOINT POWERS WATER BOARD MINUTES

Regular Meeting of

September 24, 2007

6:00 PM JPWT Plant Board Room

6:00 PM **Call to Order** by Chairperson Ron Klecker

**Board Members Present:** Joyce Paullin, Joe Hagerty, Gerhardt Kottke, and John Vetsch

**Board Members Absent:** Jerry Zachman

**Staff Present:** Chris Larson, H.R. Green, Kelly Daleiden & Shelly Keyes, Veolia Water NA

**Staff Absent:** None

Chris Larson requested the addition of Pay Request #1 for Wright County Highway Department be added as Item 3 under Engineering. Kelly Daleiden requested Items A & B under New Business be pulled from the current agenda. MOTION BY PAULLIN, SECOND BY HAGERTY TO ADOPT THE AMENDED AGENDA. MOTION CARRIED UNANIMOUSLY.

MOTION BY PAULLIN, SECOND BY HAGERTY TO APPROVE THE MINUTES OF THE AUGUST 27TH, 2007 REGULAR MEETING. MOTION CARRIED UNANIMOUSLY.

MOTION BY PAULLIN, SECOND BY KOTTKE TO APPROVE THE CONSENT AGENDA AS PRESENTED. MOTION CARRIED UNANIMOUSLY.

In **Unfinished Business**, Chris Larson introduced Lon Hollister and Gary Pike of EnComm who presented Board Members with additional documentation for Change Order #3, items 11, 15, 16 & 17. Hagerty asked if Item 11 was a duplicate of Item 9 and Hollister explained Item 11 was an actual design modification to brick weep initiated by HR Green, while Item 9 was the cost increase of stainless steel flashing. Hollister also explained that material costs created the price difference for two separate weeks of heating masonry on Item 17.

Hollister added that because of the close working relationship EnComm had with Chris Catlin of HR Green, verbal approvals on changes were often processed before formal paperwork was processed. Hagerty acknowledged staff needs the authority to approve some changes during a project's progression, but Board Members requested more timely notification for future projects. General discussion followed. Hagerty stated he wasn't comfortable approving the payment without more time to review the information. MOTION BY VETSCH, SECOND BY KLECKER TO PAY THE REMAINING \$27,978.09 OF CHANGE ORDER #3 SUBMITTED BY ENCOMM. HAGERTY OPPOSED. MOTION CARRIED FOUR TO ONE.

In **New Business**, Daleiden presented the 2008 Joint Powers and Veolia budgets. Joint Powers main costs are the bond payments, which are determined by the bond schedule, and the Veolia contract maintenance. Engineering and insurance fees are dependent on the number of capital improvement projects in progress or completed, and DNR Water Usage costs are based on gallons pumped annually. Advertising, bank charges and legal fees actually decreased for 2008.

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Daleiden explained the Veolia budget is a zero-based budget and uses actual costs of wages, salaries and elected employee benefits which are allocated based on the tasks assigned daily. Additional labor hours are budgeted in 2008 for the Wellhouse 9 site operation. Other variances are related to actual increases for lab costs, utilities and chemicals. Hagerty questioned if the Veolia budget total was included in the Joint Powers budget total and Daleiden confirmed.

Vetsch requested clarification as to whether future increases would be similar and Daleiden stated the Veolia budget limit was raised in an attempt to reduce the year-end reconciliation of actual costs incurred and paid for by Veolia during the year. Daleiden explained the annual reconciliation has gradually increased over the years and all reconciliation items are at cost with no added markup. Vetsch suggested future budgets be given to each city's council prior to Board review. MOTION BY VETSCH, SECOND BY HAGERTY TO APPROVE THE 2008 JOINT POWERS AND VEOLIA BUDGETS AS PRESENTED. MOTION CARRIED UNANIMOUSLY.

Under **Engineering**, Larson presented Partial Pay Estimate #12 for \$87,902.27 to EnComm for Wellhouse 9. Larson explained the pay estimate originally submitted for \$115,880.36 included the remainder of Change Order #3. Keyes explained the check was cut for \$87,902.27 in case the Change Order amount of \$27,978.09 was not approved. MOTION BY PAULLIN, SECOND BY KLECKER TO APPROVE PAY ESTIMATE #12 FOR \$87,902.27 TO ENCOMM FOR COMPLETED WORK. MOTION CARRIED UNANIMOUSLY.

Also under **Engineering**, Larson presented Well 2 Phase I repairs to Board Members. Larson explained Well 2 was one of the first wells in the JP system and has shown a general decline in productivity in the past several years. Larson recommended the Board accept the Traut Wells' estimate of \$6,340 to diagnose needed repairs, jet the well screen and remove sand. Larson added once the pump is pulled and diagnosed, there may be additional costs to complete necessary repairs. The repairs may range between \$25 and \$40K depending on whether the motor needs to be replaced. Larson also presented a rehab schedule that Daleiden put together for the remaining wells in order to establish a maintenance program to reduce the likelihood of well failure and provide for predictable capital expenditures. Daleiden explained the wells have now reached an age at which they need to follow a planned maintenance schedule. MOTION BY PAULLIN, SECOND BY HAGERTY TO APPROVE THE WELL 2 PHASE I REPAIR ESTIMATE OF \$6, 340 FROM TRAUT WELLS TO DIAGNOSE NECESSARY REPAIRS AND ESTABLISH A WELL REHAB SCHEDULE FOR THE REMAINING WELLS. MOTION CARRIED UNANIMOUSLY.

Additional **Engineering** included Pay Request #1 for \$272,583.78 to Wright County Highway Department for County 19 Watermain Improvements. MOTION BY PAULLIN, SECOND BY KOTTKE, TO APPROVE PAY REQUEST 1 AS PRESENTED. MOTION CARRIED UNANIMOUSLY.

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Under **Operations/Office**, there was nothing further to report.

MOTION BY PAULLIN, SECOND BY KOTTKE TO APPROVE THE LIST OF CLAIMS AS PRESENTED. MOTION CARRIED UNANIMOUSLY.

In **Other Business/Announcements/Correspondence**, Keyes informed Board Members the IRS has requested additional information regarding the refunding portion of the 2005 bond. George Eilertson of Northland Securities and bond lawyers from Briggs & Morgan will be handling any remaining correspondence with the IRS. No action required by the Board.

MOTION BY PAULLIN, SECOND BY KOTTKE TO ADJOURN AT 7:15 PM.  
MOTION CARRIED UNANIMOUSLY.

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Recording Secretary