

Agenda Item: 7.C.



**Washington County Rural Water Joint  
Advisory Board Meeting Minutes**

**Thursday, June 28, 2018 at 7:00 pm**

**PMRNRD Office - 1060 Wilbur Street, Blair, NE**

Advisory Board Members in Attendance:

David Genoways  
Chris Koenig  
Bob Nieto  
Andy Christensen

Advisory Board Members not in Attendance:

Paul Oestmann  
Mitch Robinson  
Joe Vaughan

NRD Staff Liaisons:

Zach Nelson, Project Manager  
Marty Thieman, Water Supply Superintendent  
Curt Scott, Water Supply Technician

**Zach Nelson provided the following Water Use Report:**

- WCRW #1 Service Area was 91.69% in 2017
- WCRW #2 Service Area was 88.47% in 2017

Fluctuations have been caused by replacing meters with AMR meters and “catching up” customers who hadn’t been reading their meters. A lot of flushing occurred on the WCRW #2 Service Area too as a result of the extension along P32 to serve Fort Calhoun from the west. This caused significant water loss.

**Zach Nelson Provided the following Financial Report:**

At the time of the meeting, the water system has had \$816,343.49 in total income and \$808,391.56 in expenses.

At the time of the meeting, the water system was \$7,951.93 cash positive for the year. June will bring strong water sales with minimal expenses. It is anticipated that the water system will finish the year approximately \$25,000 cash positive.

The financial health of the system appears to remain strong.

For the last four years, the system has added an average of 32 new customers per year. 38 new accounts were added in FY 2018.

**Zach Nelson Reviewed the Draft Budget for FY 2019**

Zach stated that rates have not increased since:

- 6/1/2013 for the #1 Service Area, including Fort Calhoun
- 10/1/2013 for the #2 Service Area
- No water usage rate increase is recommended at this immediate time. Water usage rates will be evaluated in January 2019 to assess if an increase is needed.
- Construction material and labor costs have risen lately. The current hookup fee is \$3,500 to connect to the system. It is suggested to raise the hookup fee to \$4,000. Many rural water systems in Nebraska have hookup fees in excess of \$5,000.

Bob Nieto mentioned that MUD had run into issues by keeping rates too low for too long. The group discussed slowing increasing rates in the future to keep up with maintenance and inflation.

No action was taken by the group to adjust rates.

## **Zach Nelson, Marty Thieman and Curt Scott Provide the Following Operations Report:**

A third connection was made to serve Fort Calhoun from the west along County Road P32 in the fall of 2017. The new connection provides more capacity and better sustained pressure to the northwest corner of the City. David Genoways from the City of Fort Calhoun stated that the connection has been working well to his knowledge.

During February of 2018 the system experienced four water main breaks as a result of the brutally cold temperatures, which caused the ground to shift. There were also a number of times where power was lost to the WCRW #1 service area pump station. A new standby generator and control panel that can alert staff during outages is greatly needed.

Last year, the number #1 short term goal discussed during the advisory board meeting was to prepare design documents to upgrade the control systems, pumps and standby generator at the pump station. HDR was hired in the spring of 2018 to prepare bid documents. Bids will be received on July 2, 2018 for the installation of an additional pump, control panel, standby generator and fuel tank. The current standby generator is over 38 years old and unreliable. The engineer's estimate for the work is \$174,066. The upgrades will be paid for using an SRF loan. The term of the loan would be 20 years at an interest rate of 2.5%. After diligent review, staff felt that it was in the best interest of the rural water system to use an SRF loan in lieu of tapping the system's cash reserves, which currently stand close to \$1 million. Interest rates are currently rising. More than likely in the next year, the system will be able to secure interest rates of 2.75% on its currently held CDs, thus making the SRF loan with a low interest rate at 2.5%, very attractive.

District staff is close to having almost all meters swapped out from old, self-read meters to new AMR meters. Staff expects to have all meters swapped out by the fall of 2020. For the last five years, the water system has been spending approximately \$45,000 annually to purchase new AMR meters. Once all meters have been swapped out, the system will no longer have the \$45,000 annual expense, which will help to further improve the financial stability of the water system.

### **Other Business**

Curt Scott was hired in the summer of 2017 to replace George Tillwick who retired. George was a great employee and we wish him well. Curt has been a great asset to the team thus far and we are grateful to have him.

Chris Koenig mentioned that Washington County may proceed forward with paving County Road P32. If that occurs, the water system will need to relocate multiple areas of 12" diameter water main.

The meeting adjourned at 7:42 pm.