

## **MINUTES, SPECIAL MEETING, MAY 22, 2017**

The Choctaw Utilities Board of Directors met on Monday, May 22, 2017 at the Choctaw Lake Lodge at 7:00 PM for a special meeting to transact the business of Choctaw Utilities.

President Dave Lohrer called the meeting to order at 7:00 PM.

All seven members of the board were present.

### **APPROVAL OF MINUTES**

The board reviewed the minutes from the April 12, 2017 meeting. There was no discussion. Doug Orange made a motion to approve the minutes as submitted with Bob OConnor seconding. All approved.

### **MANAGERS REPORT**

Jim Moran followed with his manager's report. He discussed the process of valve exercising. He said that he had been contacted by someone who offered to exercise all 100 of our valves for \$1500. Mr. O'Brien stated that the Ohio Rural Water group offered to help us with our valve exercising program. This will be discussed in more detail at the July meeting. Mr. Moran discussed copper and lead testing. No serious issues in the preliminary testing. He has been working on the aging report and reported that he had sent out several liens to past due customers. The aeration tower needs to be disinfected and cleaned. He offered quotes to clean up and paint. Lowest estimate was \$4000. No action taken. Reported on the flushing that was done a week earlier. He reported no major complaints or problems with the flushing. Consumer Confidence report for 2016 is out. It is now in the Peace Pipe. Mr. Moran discussed the recommendation to increase our tap fees, due to our costs being more than we are currently charging. Board decided to discuss this issue further at our July meeting.

### **FINANCIAL REPORT**

Doug Orange provided a review of our financial reports. Choctaw Utilities currently has a balance of \$866,843 in their various accounts. Some of these funds have been appropriated for routine maintenance activities.

## **IBI REPORT OPINION**

Wade Lemeister from the Plain City Water District was present to offer his opinion after reading the IBI report on our water plant. He began by discussing the subject of softening and testing for copper and lead. He also addressed the issue of flushing hydrants and their expected cost.

Tim Ballard of Ohio Rural Water was next and strongly recommended that meters be added to our system. He also addressed the capacity of our existing plant, especially our three wells. Our water quality appears good. He stated that a plant similar to ours should last on average 30 years before major renovation. He stated that replacing our plant would be the prudent thing to do before we have a catastrophic failure. He stated the expected increase to our customers would be in the \$9-10 range.

## **CHOCTAW UTILITY STRUCTURE**

Mr. Orange discussed the potential changes to our organizational structure. The three options are to move to a non-profit, move to 6119 Water District, or remain a for-profit. Legal counsel recommends moving to a non-profit or 6119. While CU is a for profit corporation, we operate like a non-profit, but do not enjoy the benefits of being a non-profit. He presented a detailed PowerPoint presentation outlining the pros and cons of each of the three options. The board proceeded to answer various questions from the audience regarding the three options. The CLPOA BOT and CU board of directors will meet at some time in the near future to discuss.

## **RFP**

Scott Kutzley discussed the request for proposal to determine the true cost of a replacement plant. He stated that the board believed that the IBI estimates were inflated. This RFP would allow us to get specific drawings and cost estimates to know what we need to do to upgrade our plant. We are discussing this with MS Consultants and Tonka, who produces the equipment that the board prefers. More information will be made available at our July meeting.

## **DISTRIBUTION SYSTEM UPDATE**

President Lohrer led a discussion regarding the addition of flushing hydrants for better preventative maintenance on our distribution system. Cost of each new hydrant would be \$6-8K and we would be adding 12 new hydrants. This would give us 14 hydrants. Total cost would be

approximately \$75K. EPA has told us this needs to be done and has given their blessing to do this. Board approved pursuing bids and get back to the board at our July meeting. Andrew Beckman will take the lead on this project.

### **AUDIENCE TIME**

No comments

### **EXECUTIVE SESSION**

Doug Orange made a motion to move into executive session to discuss staffing issues. Motioned was seconded by Greg O'Brien. Time 8:47.

Board reconvened at 9:15 from executive session. No action was taken. Meeting adjourned at 9:16.

