

Meeting Minutes
Choctaw Utilities, Inc.
Board of Directors Quarterly Meeting
Monday, January 29, 2018

Call to Order: 7:03pm

Role Call in Attendance: Dave Lohrer, Bob O'Connor, Greg O'Brien, Scott Kutzley, Kent Feliks, Jim Moran – Plant Manager Not in Attendance: Andrew Beckman, Doug Orange

Old Business - Hydrants - flushing

Jerry with J&J Schaezel (contractor installing new hydrants). Quick background: BoD passed an electronic motion 7-0 for \$98,893 to replace 8 blow-off assemblies in the ground and install 9 new hydrants. Schaezel came out this week to start work on the blow-out assemblies and ran into an immediate issue. As they investigated digging into the old valve assemblies it was discovered they're put together with slip couplings and chained to the existing main. Chains in the ground over time deteriorate, rust, etc. Schaezel's scope was to come off existing valve with the new hydrant. Valve will attach vertical, remove some concrete/cast iron pipe and install new hydrant. There was no thrust blocking where the old valves were located to prevent the valve from blowing off of the water main. The chains were used as thrust block back when the system was installed. The condition was brought to everyone's attention and four options were presented to resolve the issue:

- 1 - Abandon blow-offs, install 14 hydrants instead of 17; no additional cost
Best cost-effective way, take what's already approved, and pay for additional material and labor and reduce to 14 hydrants – valves left in place without disturbing.
- 2 - Cut out and replace w/permanent valves (line stops): \$6,800 - \$9,800/ea
Cut the main before and after where existing valves are, isolate areas of main, still allowing water to other areas, cut the pipe out and replace; eliminate valve altogether. Replace current shut-offs.
- 3 - Temporarily block, cut, and replace: \$5,000-\$7,000/ea
Temp isolate areas of main, stopping flow of water main just in that area, may or may not affect customers, still allowing water to other areas
- 4 - Cut out and replace: \$1,800-\$2,300/ea
Find a valve, shut off main, take several streets out of service, replace

Discussion continued concerning pros and cons of each option. Schaezel is going forward with original scope where they can. There are 8 locations that need a new plan of action. Original blow-out valves are not used to isolate water main; new hydrants and valves will be able to isolate different areas. Scott indicated that we can go forward with Option One, and the BoD can discuss which option/s to approve when the next phase/s are done. Eventually, there will be a total of 30+ hydrants in place. The blow-out valves need to be replaced – and for safety reasons, those valves should not be attached to a hydrant. Two valves were dug-up to verify the conditions. Area was backfilled, compacted, and stabilized the old valve. There are 8 chain-wrapped blow-out valves, and over a hundred isolation valves throughout

community. The blow-outs are over 5-foot in the ground, Jim uses a long key and blows/ discharges water into the ground. The new proposed valves allow for addition of a hydrant and water would be blown above ground. What hasn't been discussed yet is the other precautions, regulations, and work needed if or when the main is de-pressurized: boil orders, testing, follow-up testing the next month, take samples both up and down stream and have control of the sample spot, time consuming. Total coliform costs \$25/test - looking for bacterial contamination, and mandatory follow-ups until clear.

Jim suggested that if we go back to 14 hydrants, we continue with the program and put the blow-off hydrants near the existing, resulting in 14 hydrants instead of 17. Schaegele would leave the valves untouched. There is no guarantee that the valves will continue to seal well, but there is no evidence of leaking from the recently exposed valves; later you can review and possibly cap or remove/cut out the old valves.

Motion: Amend contract with Schaegele to Approve Option One – reducing total count from 17 to 14 new taps and hydrants with no additional cost – Motion approved 5-0

Schlaegel will re-map locations of valves and send revised proposal for signatures

Minutes from October 30th Quarterly Meeting

Motion to accept minutes as submitted approved – passed 5-0

Old Business Recap

Well field testing complete, concrete retention tank selected due to price; J&J Schaegele approved to move forward with hydrant installation, follow-up questions responses submitted to BoD to send off to EPA, audit cost share with CLPOA approved to move forward, Huntington bill-pay set up and all old tasks completed

Managers' Report

Jim reported on license update: the regulatory committee requires an annual license renewal – we received our operating license for 2018 and it is unrestricted (green).

Hydrants were already discussed.

General water testing throughout the year: total coliform 2x month; chlorine daily at two locations (plant and distribution system); iron and manganese weekly at plant (new in 2017); nitrates and nitrites in Spring and Fall; lead and coppers 10 test in second half of 2018 July 1-December, with testing to be completed in October (this test was reduced from 20 to 10 locations and changed from Spring to Fall); volatile organic chemicals (zenes) every three years – due this year, sample from plant hydrant; inorganics; HAA05 (need low level because of chlorine feed – high levels can be a carcinogen) 2 samples twice a year; HAA5 has always been low.

Filter testing: testing once a month for iron – 12 x 4 – less than detectable limits on the finished side of the water

Meter update: question whether the meter had been calibrated and tested for several years; it is now tested and certified. Adjusted to get ramp-up flow from 70 seconds down to 45 seconds. Winter system off for 6 hours at a time; peak summer system only for an hour

Corrosion control reports: sent in twice a year; second half 2017 submitted and awaiting any comments

ODNR report – how much water pumped per year, how much to waste, how much to sewer for 2017 period.

All testing results had no violations.

Treasurers Report

Current assets \$954,893

Accountant asking if fiscal year should be moved to calendar year, could help with budgeting. Current fiscal year ends 2/28, parallel with CLPOA. Just a few housekeeping adjustments – tabled for future discussion

Current Billings: 32% using website to pay, 61% sending check and 7% recurring credit card charges

Past Due receivables lower – reduced by about \$9,000

Credit Card Charges: try and get away from the 7% recurring for safety issues – goes thru QuickBooks; gets the CU out from being the middleman and have it go direct from customer to HNB

New Water Plant/General Plan Update

MS Consultants submitted our general plan to the EPA back in December; EPA response to initial plan submission asked for an additional 9 clarification answers to questions. MS will respond to eight; the ninth is optimal corrosion control treatment template will be completed and submitted by MS consultants as part of the detail design contract.

EPA Funding/WSRLA Application

Our RCAP representative, Pam Ewing, requested our DUNNS number; Greg supplied her with that.

Detail design cost estimate to Pam will need motion to enter into contract with MS Consultants for engineering services

Pam also requested signed copy of a standard BoD resolution that authorizes the BoD to go move forward with a revolving loan to build the new plant. It was reviewed by council with no objections as written.

Motion: Approve Resolution for WSRLA Loan as written – motion carried 5-0

Motion: Renew Choctaw Utilities nomination for WSRLA Loan by March 1st – motion carried 5-0

Nomination has been previously accepted; renewing all three aspects of managerial, technical, and financial reviews. Managerial was accomplished Fall 2017 with good results, financial is in process with no comments yet, and technical is when we have detailed design submitted. This nomination gets us in the que for the funds, does not lock in rates yet; the resolution authorizes the BoD to go into contract once everything is in place. Program year is 12-months; renewal of nomination is totally normal.

Engineering of New Plant

Engineering is moving slowly due to complexity of EPA requirements. Proposal for preliminary design (Task Order One) from MS Consultants at a NTE \$85,000, reimbursable for hours and expenses spent. Our attorney John Albers reviewed base contract and approved moving forward with it. Price for Task Order One includes a corrosion study (EPA requested item number 9); future water softening analysis and recommendations; and 30% preliminary engineering. EPA becoming more adamant that water plants address and manage corrosion to adjust chemical feeds and/or chemicals used. County also involved and will split the costs for this study – it benefits the County and homeowners. New water plant will accommodate future water softening (if desired by community), considering additional discharge demands with the new process. Scott recommends approval and moving forward. Can be cancelled at any time, owing only what has been spent to date. MS has been giving us many hours for free, allows us liberal input, has a good reputation and a good working relationship with the EPA.

In our last meeting with County and EPA on Jan 11th, Katy Anderson, our field rep, would like to see the sampling protocol and wants to know exactly what we're doing about eliminating copper from our discharge.

We currently meet the requirements for copper in and out. Readings in 2017 for copper particulates out: 32 in June and 25 in December, well below mandated EPA levels. The limit is 44. The hydrant flushing will remove more iron sediments, and should help reduce copper levels as the orthophosphate to protect the copper piping will be more effective.

Scott asked if any homeowners have any copper pipe leaks; Kent has some green copper pipes from over softening, but no one else at the meeting has any knowledge of pipes leaking.

Water plant will have more technology involved with monitoring at multiple locations daily with alarms. It appears that currently the plant is experiencing no leaks or water seepage.

Graph was circulated of copper levels in 2016. There was a large spike when the filter failed. When the filter failed, it put more iron into the system. To compensate for the brown water, we put more orthophosphate into the system. The extra iron in the system negated the orthophosphate which allowed the copper corrosion to take place. Once the filter system was corrected, with less iron in system and using less orthophosphate, the system numbers returned to normal. There is still extra iron sediment in the system, which the new hydrant flushing should help remove.

Future water softening options include reverse osmosis and ion exchange.

Motion: Contract with MS Consultants and proceed with Task Order One – motion carried 5-0

Albers to review Task Order One verbiage, and get base contract signed with attached original scope of work and schedule for entire project.

Administrative Report

Formal Job Descriptions/Titles – tabled

New Business:

- Copper Testing in process
- Budget for 2018 in process
- BoD Training – EPA requiring formal training, Ohio Rural Water has webinars, on-line seminars and training; Greg suggested each BoD review training available and pick a few different areas. Asset Management will be required by Fall 2018; new operator training manuals suggested.

Dave is building spreadsheet with asset items, lifespans, current age, replacement costs, contingency, long-range planning, etc. in preparation for the Fall 2018 mandate.

All BoD has read the Water Bible; utilize it as a workbook to make sure we have everything currently in place. Establish a committee to fine tune how plant is run. Greg and Dave will review this.

Dave and Doug will take asset management.

Choctaw Utilities needs to have certificates of training on file.

Floor Open – Audience discussion/questions:

Rumors have been heard by Dave that he is trying to align himself as President of the Utility and receive compensation and benefits for his work. Dave indicated for the record he knew this was a volunteer position from the start, as did all the other BoD, and in no way were any BoD members vying for a paid position.

Meeting adjourned 8:24pm