

REGIONAL UTILITY SERVICE SYSTEMS (RUSS)
BOARD OF DIRECTORS MEETING – 900 W. WASHINGTON ST., MT. PLEASANT
WEDNESDAY – Sept 10th, 2014 – 1:00 P.M.
DRAFT MINUTES

CALL TO ORDER

The regular monthly meeting of the Regional Utility Service Systems Board of Directors was called to order on September 10, 2014 at 1:00 p.m. by Chairperson Daryl Wood.

RUSS MEMBERS PRESENT

Daryl Wood, Ernie Schiller, Jack Seward, Greg Moeller, Jim Cary, Bob Waugh, Chris Ball, Greg Kenning and Lee Dimmitt. , Vander Molen Mahaska Co. - Chose to sit in visitor section. RUSS staff: Exec. Dir.-Bruce Hudson, Operator -Kent Hummell, Krista Edmunds- Finance Manager

RUSS MEMBERS ABSENT

OTHERS PRESENT

Bryce Kelly-Mt. Pleasant News; Kent Rice-French Reneker; Denny Staldev Wayland; Les licketoose Brighton

APPROVAL OF AGENDA

Motion made Ernie Schiller, Seconded by Jim Cary to approve the September 10, 2014 agenda as presented. Motion carried 9-aye 1-Did not participate. #M010-15

APPROVAL OF MINUTES:

Motion by Jack Seward, Second by Greg Moeller to approve the minutes of the regular monthly board meeting held on Aug 13th, 2014. With a correction of Mike Vander Molen being from Mahaska Co. Motion carried 9-aye 1-Did not participate. #M011-15

ENGINEERING REPORTS:

FRENCH-RENEKER: Project Update Report – Kent updated RUSS on the construction in Argyle and that it is still on going. He stated there has been a change order due to amount of water that was observed around the tanks that was being set, He stated he wanted to ensure we didn't have any leaks at the seams of the recirculating tanks due to all the ground water that is there. A lot of rain lately but the project was still coming along.

GARDEN & ASSOCIATES: Project Update Report –Bruce stated bid projections seemed to be higher on other projects according to Garden and Associates, at this time (with approval from the Ollie City Council) RUSS is going to wait until this winter to go out for bids on the Ollie wastewater project in hopes we can get competitive bids.

APPROVAL OF TREASURER'S REPORT :

September 10, 2014 Financials –Submitted was Bank Reconciliation, Delinquent Customers, Reports and bills- Foss \$225.00, Dan Showman \$25.00, Keith Menke \$1,713.88, Ollie Construction \$100.00, Alliant \$559.45, Allied \$650.00, Bruce Hudson \$25.00, City of Fort Madison \$40.00, Mike Mason \$42.00, Flomm \$600.00, Great Plains Locating \$87.55, Lee County Auditor\$19,858.56, SCC \$119.00, TDT \$4700.00,US Cellular \$193.00, Steve Klopfenstein \$800.29, Waggoner \$74.00, Argyle Rehab\$120.00, Windstream\$310.00, Garden Associates\$3,705.00

Motioned By: Chris Ball Seconded By: Lee Dimmitt to approve the treasurer's report as presented. Motion carried 9-aye 1-Did not participate. #M012-15

Executive Director Update – Depositions will be held Sept 15 2014, Bruce just wanted to reiterate what Kent Rice said about the Argyle project and the bids for Ollie won't take place until this winter.

Discuss FY14 Audit: Russ sent out three letters for request to receive bids for the FY14 Audit, we are still waiting on a response and when that information is received we will put it on the agenda for discussion and consideration.. Iowa State Auditors did RUSS's FY13Audit.

Discuss/ consider refunding money that was paid to the Klopfenstein's to Russ for the sewer system that was installed and intended to become part of Rubio wastewater project.- Russ cut a check to be approved to return the money that Klopfenstein had paid into Russ. Motion by: Lee Dimmitt Seconded by: Jim Cary, to reimburse the money to Klopfenstein's Motion carried 9-aye 1-Did not participate. #M013-15

Discuss / consider approving payment estimate#1 for the Argyle Rehab to Randy's Plumbing Inc. Motioned by: Bob Waugh Seconded by: Ernie Schiller to approve payment of Estimate #1 in the amount \$68,338.75 to Randy's Plumbing Inc. Motion carried 9-aye 1-Did not participate.. #M014-15

Discuss/ consider change order #1 for Argyle Rehab: The change order has been signed Bruce is asking the board to approve it, Russ understands that any big change orders that may be involved would be brought in front of the board first, but at this time with the small amount of dollars involved Bruce approved it for Russ so that it would not hold up the project or prevent from work being done. Bruce spoke with chairperson of Russ before signing the order. Motioned by: Ernie Schiller Seconded by: Bob Waugh to approve change order #1 Motion carried 9-aye 1-Did not participate. #M015-15

Discuss Mooar Powdertown wastewater project: Due to four counties not willing to approve the resolution to take out bonds for Mooar Powdertown project Russ will not be able to move forward with this project at this time. Ernie stated he was surprised that this was the decision and he would go back and do what he can for his residents and that he felt it was a shame that Lee Co. put all the money up front so they could help people clean up their backyards and now it's not going forward. He stated Lee County wouldn't have gone forward with the money if they weren't approved to move the project in the first place. He truly didn't understand why it was ok to start the project but now four counties don't want to approve it.

Discuss changing of the 28E agreement to allow counties to withdrawal: Greg Kenning stated that those counties without project is left with only one prevision and that is to not to allow their counties to go deeper in debt so take that for what it's worth, you seen it coming so take it for what it's worth." Lee Dimmitt stated that the board has gone through arbitration and the decisions were made by a judge in district court that they were not able to withdrawal from the 28E agreement. The Iowa code states that the law reads no one can withdrawal so long as it would be a detriment to the bond holders, and by doing so we would be violating the code and breaking the law. Bob Waugh states that Lee was correct on the law, but that the law doesn't say that we couldn't come up with a resolution on what we as counties agree on with letting one out. Jack Seward states that even though the code states this there is nothing stopping the counties to come to a resolution to allow counties out. Jack states that he would like to see the 28E agreement revised so that the counties will contribute to what they have now obligated themselves to, but will not have to pay or contribute more for further projects. Lee stated that they (Executive Board) tried to discuss options for the counties withdraw, Greg, Jack and Bob was open to discussion the fourth wheel meaning Mahaska Co. (Mike Vander Molen) didn't want to discuss options. We can't agree on options with a group of four, so how are we going to agree on anything as a group of ten. Jack then stated, well it's up to the nine members to get the tenth county involved. Lee then asked Jack what was/is your proposal, and Jack stated he didn't have one. Jack stated and agreed that a fee should be paid just not the same amount as all the other counties. Lee then replied with an example on how or when Russ moves forward the counties fee will be lowered because of new projects; however those counties that choose not to move forward will pay the same amount they were left paying before? Jack stated that the counties don't benefit from that, Lee replied, lower the dues by adding more projects and your county will benefit's from it. Greg Kenning states, Russ as a board has three choices, one: you can close the doors of Russ and open under a new name and allow the counties that want to be members be a part of it. Second: you can rewrite the 28E agreement, which needs to be done because it reads that you have eleven counties and you don't, you only have ten. The third option: make the counties stay on board and he guarantees that Wapello County will make sure they will never allow Russ to move forward with any project ever. Greg then asked Lee Dimmitt, who the bondholders were, and then Greg stated Russ is. Bruce then asked the board for an answer or a solution to go back and share with Lee County BOS on Mooar/Powdertown. Bruce then asked, is there anyone with any answers for this? Bruce stated that his main focus is to help Mooar/Powdertown residents because they came and asked for RUSS's help and now a few counties are stopping RUSS from helping them. Lee stated he didn't understand why we as a board are not keeping the commitment to Mooar/Powdertown, because counties don't agree and they are using it as leverage.

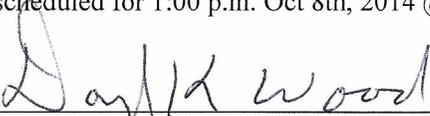
PUBLIC COMMENTS: *Mike Vander Molen stated there are a lot of issues here Davis Co is still part of the 28E agreement, there is a larger issue and that is Russ won't grow and the counties won't move forward, he doesn't understand why we pay \$13,000 to Russ when it's clear this organization won't grow. Russ needs to cut the cost and just run the systems they have. If Lee County wants a system there are many other utility companies that are willing to help them. If he was sitting in Lee Co. seat he would be talking to others organizations and asking them for help. He stated you have solutions; you can revise the 28E agreement; make the counties with a lot of systems pay more than those with little or no systems, or have the counties that want to grow pay to grow and those who don't want to grow, let them out of the organization.*

ADJOURNMENT

Motion made by Ernie Schiller, Seconded by Chris Ball to adjourn the meeting. Motion carried 9-aye 1-Did not participate. #M016-15 Meeting adjourned at 3:15p.m.

Next RUSS board meeting scheduled for 1:00 p.m. Oct 8th, 2014 @ Henry County Emergency Management Building, Mt. Pleasant, IA.

Minutes Approved:

	<u>10-8-14</u>
Chairperson, Daryl Wood	Date