

Public Water Supply District #2 of St. Charles County, Missouri
Minutes of the June 8, 2016 Regular Board Meeting

John Cook, Vice-President
Vicky Steinkamp, Director

Kay Schnurr, Director

Mark Piontek, Legal Counsel

Bob Schwermann, Financial Advisor
Brian Schwermann, Financial Advisor

Ron Smith, General Manager

Tim Geraghty, Treasurer

Brian Pieper, Operations Manager

Kim Cantrell, Clerk

Matt Jaspering, District Engineer

The regular meeting of the Board of Directors of Public Water Supply District #2 of St. Charles County, Missouri, was held on June 8, 2016 at the Water District offices, 100 Water Drive, O'Fallon, Missouri, at 7:00 PM.

John Cook, called the meeting to order. Kim Cantrell served as Clerk of the meeting and attested that notice of the meeting was duly and timely posted. The following directors were present: John Cook, Kay Schnurr and Vicky Steinkamp. Ted Gaffney and Denis Raab were absent.

John Cook requested a motion to adopt the meeting agenda as presented. Kay Schnurr moved to adopt the agenda as presented, seconded by Vicky Steinkamp, all yea, motion carried.

John Cook presented the May 11, 2016 Regular Board meeting minutes and the May 25, 2016 Special Board meeting minutes for review and approval. After review and discussion, Kay Schnurr motioned to accept the May 11, 2016 Regular Board meeting minutes and May 25, 2016 Special Board meeting minutes as presented, seconded by Vicky Steinkamp, all yea, motion carried.

John Cook presented the list of bills for review and consideration. After further discussion, Kay Schnurr motioned to approve the bills in the amount of \$2,234,105.68, seconded by Vicky Steinkamp, all yea, motion carried.

John Cook requested Tim Geraghty review the District's Treasurer's Report. Mr. Geraghty reviewed the District's Treasurer's Report including the Summary of Bank Accounts, Balance Sheet, and revenues and expenses for the period ending April 30, 2016. After further discussion, Kay Schnurr motioned to approve the Treasurer's Report as presented, seconded by Vicky Steinkamp, all yea, motion carried.

Dan Oberle asked the Board members if they were aware of the District's 4% water rate increase implemented in December 2015. John Cook stated that he was aware, and it was approved by the Board in November. Tim Geraghty explained the budgeting process and possible reasons for rate increases.

Todd Thomas asked Mark Piontek what the Nominee Agreement was between the District and ECM. Mark Piontek explained the purpose of the Nominee Agreement.

John Cook and Kay Schnurr began a discussion of the potential acquisition of East Central Missouri Water and Sewer Authority by the District. Mark Piontek explained that the District could acquire but could not operate East Central's facilities because they are outside the District's boundaries. After further discussion, the Board directed its financial advisors and staff to develop a business case to determine if

it would be more beneficial to the District to acquire and sell East Central's water and sewer systems or to continue collecting an annual payment from East Central. In addition, John Cook asked for the staff to research and determine the last time the District raised East Central's annual fee for the Nominee Agreement and its use of District equipment.

Kay Schnurr opened discussion regarding the vacant director positions on the East Central Board. After further discussion, Mrs. Schnurr moved that the District notify the East Central Board that the District will approve any of the following current applicants for the vacant East Central Board positions: Darrell Dechant, Denis Raab, John Cook and Jim Ingram, seconded by John Cook, all yea, motion carried.

John Cook requested that Brian Pieper provide the Board with an update on the operations of the District. Mr. Pieper reported on the operations and maintenance of the District's water and sewer systems and other facilities during the month of April 2016. Mr. Pieper also presented information on customer service inquiries that were handled during the month.

Brian Pieper presented the Maintenance Agreement from Schulte Supply Company, Inc. for the Neptune Meter Reading Equipment at the total cost of \$13,694.99. Mr. Pieper explained that the previous agreement expired on April 30, 2016. After further discussion, Kay Schnurr moved that this topic be tabled until next month, until Mr. Pieper could provide additional information on whether this was an increase over last year, seconded by Vicky Steinkamp, all yea, motion carried.

Brian Pieper stated that the District received bids for a new heavy duty float trailer capable of hauling the District's larger equipment. Mr. Pieper stated that although four companies held bid specifications and planned to bid, the only bid received was from Bobcat of St. Louis at the total cost of \$13,800.00. After further discussion, Kay Schnurr motioned to approve the purchase of a Heavy Duty Float Trailer from Bobcat of St. Louis at the total cost of \$13,800.00, seconded by John Cook, all yea, motion carried.

Kay Schnurr requested that additional information regarding upcoming District bids be included in future Board packets.

John Cook requested Matt Jaspering present the Engineer's Report. Mr. Jaspering provided updates on the Water District's projects.

Matt Jaspering gave a brief update on the Lake St. Louis Sewer Improvement Program. Mr. Jaspering was requested to have information published in Newstime regarding the No Wake Areas during sewer cleaning and inspection.

Matt Jaspering informed the Board that the District received bids for the asphalt parking lot improvements at the District's Main Campus and the lowest and best bid was from Ford Asphalt Company at the total cost of \$115,600.00. After further discussion, Kay Schnurr motioned to approve the \$115,600.00 bid from Ford Asphalt Company for parking lot improvements at the District's Main Campus, seconded by Vicky Steinkamp, all yea, motion carried.

Matt Jaspering explained that six permanent easements were dedicated to the Water District that require the Board's formal acceptance. Staff requested the Board approve and accept Old Farm Estates easements with a value of \$489.70, Brookfield Crossing Plat 1 easement with a value of \$163,716.60, Woods at Duello Crossing with a value of \$969.00, Morrison Lane water extension easement with a value of \$5,439.42, Brookfield Crossing with a value of \$6,551.61 and Villages at Montrachet Plat 1

with a value of \$241,751.55. After further discussion, Vicky Steinkamp motioned to approve the acceptance of these dedicated permanent easements; seconded by Kay Schnurr, all yea, motion carried.

Matt Jaspering explained there were three new water systems and sewer systems that have been dedicated to the Water District that requires the Board's formal acceptance. Staff requested the Board approve and accept Brookside Crossing with a construction cost of \$155,180.00 for water systems and \$464,417.00 for sewer systems, Woods at Duello Crossing with a construction cost of \$15,325.75 for water and \$12,400.50 for sewer, Villages at Montrachet Phase 1 with a construction cost of \$41,774.00 for water. After further discussion, Kay Schnurr motioned to approve the acceptance of the water and sewer systems; seconded by Vicky Steinkamp, all yea, motion carried.

John Cook opened the floor to public comment. Mr. Chuck Ruedebusch, Jr. and Mr. Chuck Ruedebusch, Sr. inquired about the District's construction bond requirements.

Sue Tresbeck requested beautification be done to the Lift Station near Schnucks off Highway 40. Kay Schnurr and Vicky Steinkamp stated they would investigate and report back to the Board. Mrs. Tresbeck also requested that sewer project updates be sent to the Newstime.

John Cook inquired if there was any business that would require an executive session. Mark Piontek stated there were matters for which the Board should convene in executive session pursuant to Section 610.022(1) and Sections 610.021(1) and (2) RSMo to discuss matters involving legal actions, confidential and/or privileged communications between District Officials, its representatives and its attorneys, and/or leasing, purchase or sale of real estate. Kay Schnurr motioned to close the regular session and convene to an executive session; seconded by Vicky Steinkamp. Kim Cantrell called a roll call vote: John Cook voted yea, Kay Schnurr voted yea, Vicky Steinkamp voted yea, all yea, motion carried.

Kay Schnurr motioned to adjourn the Executive Session, reopen the Regular Session; Vicky Steinkamp seconded. Kim Cantrell called a roll call vote: John Cook voted yea, Kay Schnurr voted yea, Vicky Steinkamp voted yea, all yea, motion carried.

Kay Schnurr recommended the possibility of the Board members having iPads or Tablets and special email addresses for District business. Staff agreed to obtain information to present at the next Board meeting.

Matt Jaspering presented Change Order #3 from Ducon for the Water Plant Booster Pump Station at the cost of \$104,160.58. After further discussion, Kay Schnurr motioned to approve Change Order #3 from Ducon for the Water Plant Booster Pump Station at the cost of \$104,160.58, seconded by Vicky Steinkamp, all yea, motion carried.

Matt Jaspering stated that Black & Veatch submitted a proposal to conduct a review of the Water Plant Booster Pump Station designed by Jacobs Engineering at a not to exceed cost of \$10,000.00. After further review, Vicky Steinkamp motioned to approve the proposal from Black & Veatch to conduct a review of the Water Plant Booster Pump Station designed by Jacobs Engineering at a not to exceed cost of \$10,000.00, seconded by Kay Schnurr, all yea, motion carried.

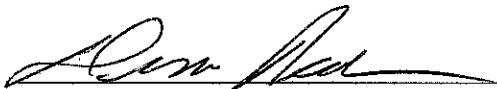
Matt Jaspering presented the restructure of the IPI contract to the Board. After further discussion, Vicky Steinkamp motioned to conditionally approved restructuring of Contracts 1 and 2 to include transfer of

\$685,000 from Contract 2 to Contract 1 and a time extension of one year, pending successful negotiation with contractor on maximum payout on Contract 1 to be limited to \$1,500,000 or less until the required performance and payment bonds are received for Contract 2, seconded by Kay Schnurr, all yea, motion carried.

Matt Jaspering stated that because the Highway D & DD tower is offline, staff requests to contract with McMehler and Sons at the cost of \$27,818.00 to install an altitude valve at that location. After further discussion, Kay Schnurr motioned to approve the installation of an altitude valve by McMehler and Sons at the cost of \$27,818.00, seconded by Vicky Steinkamp, all yea, motion carried.

John Cook inquired if there was any other business to come before the Board. Being no other items for business, John Cook motioned to adjourn; Kay Schnurr seconded, all yea, motion carried.

Minutes approved this 13th day of July, 2016.


John Cook, Vice President
Denis Raab, President


Kim Cantrell, Clerk

