

**Public Water Supply District #2 of St. Charles County, Missouri**  
**Minutes of the August 10, 2016 Regular Board Meeting**

Denis Raab, President  
John Cook, Vice President

Vicky Steinkamp, Director  
Jim Inghram, Director

Mark Piontek, Legal Counsel  
Brian Schwermann, Financial Advisor

Bob Schwermann, Financial Advisor

Kim Cantrell, Clerk  
Brian Pieper, Operations Manager  
Tim Geraghty, Director of Operations

Ron Smith, Treasurer  
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 August 10, 2016 at the Water District offices, 100 Water Drive, O'Fallon, Missouri, at 7:00 PM.

Denis Raab 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: Denis Raab, John Cook, Vicky Steinkamp and Jim Inghram.

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

Denis Raab presented the July 13, 2016 Regular Board meeting minutes for review and approval. After review and discussion, Vicky Steinkamp motioned to accept the July 13, 2016 Regular Board meeting minutes as presented, seconded by John Cook, all yea, motion carried.

Denis Raab presented the list of bills for review and consideration. After further discussion, Vicky Steinkamp motioned to approve the bills in the amount of \$2,033,914.18 seconded by John Cook, all yea, motion carried.

John Cook requested that additional bids be sought for the Water Treatment Plant Well Sampling Program.

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

Denis Raab recognized James Moody, the District's Lobbyist. Mr. Moody provided a brief biography of himself and what he does for the Water District. The Board thanked Mr. Moody for attending. John Cook requested a quarterly update on matters that affect the District.

Next, Denis Raab recognized Jeanette Bax Kurtz of Muellerprost. Ms. Bax Kurtz provided a brief biography of herself and Muellerprost and also explained that the firm would not be a qualified candidate to perform the role of Treasurer for the District.

Denis Raab asked Mark Piontek to review the Scully Capital proposal. After further review, the Board agreed to table the valuation of the East Central system by Scully Capital until after East Central Missouri Water and Sewer Authority is included as part of the Water District's Strategic Plan.

Denis Raab requested staff provide additional information about the service areas of East Central and Missouri American Water Company including a copy of the Missouri American/Water District territorial agreement. Mr. Raab also requested a Strategic Plan meeting be held by the end of September.

Denis Raab informed the Board that John Urban removed his name from the list of interested parties for the ECM Board positions due to an injury. Berry Venz stated that the East Central Board nominated Darrell Dechant to fill one open position on its Board and are still searching for another person to fill the second vacancy. After further discussion, John Cook motioned to accept Darrell Dechant as an East Central Director, seconded by Denis Raab, roll call vote: Denis Raab voted yea, John Cook voted yea, Vicky Steinkamp voted yea, Jim Inghram voted yea, all yea, motion carried.

John Cook made a motion that the Water District would like and want at least one Water District Board member on the East Central Board, seconded by Denis Raab, all yea, motion carried.

Darrell Dechant expressed interest in participating in the Strategic Planning process, specifically as it relates to ECM.

Mark Piontek explained the letter dated July 27, 2016 to the Cotton Road Land Development regarding the requirements of the Providence Estates developers to provide payment and a Letter of Credit.

Mark Piontek explained to the Board members that the Missouri Ethics Commission requires the District maintain a current Conflict of Interest Policy and the Ordinance must be adopted before September 15, 2016 each year. Mr. Piontek stated the Ordinance reads as follows:

**AN ORDINANCE OF PUBLIC WATER SUPPLY DISTRICT NO. 2  
OF ST. CHARLES COUNTY, MISSOURI TO ESTABLISH A  
PROCEDURE TO DISCLOSE POTENTIAL CONFLICTS OF  
INTEREST AND SUBSTANTIAL INTERESTS FOR CERTAIN  
DISTRICT OFFICIALS**

After further discussion, Vicky Steinkamp motioned to approve the Conflict of Interest Ordinance, seconded by Jim Inghram, all yea, motion carried.

Mark Piontek informed the Board that as requested at the July Board meeting there were representatives there from Brown Smith Wallace and Clifton Larson Allen who gave a brief description of the services they could perform under the umbrella of an Operational Audit. The two firms requested clarification of the proposed scope of work so that they could develop proposals for the Board's consideration.

John Cook stated that Joshua Mourning of Lowenbaum Law was also in attendance. Mr. Mourning gave a brief description of the services his firm could perform on behalf of the Water District. After further discussion, John Cook motioned to have Lowenbaum Law conduct a legal review of the Water District's current contracts, seconded by Vicky Steinkamp, all yea, motion carried. The Board appointed Ron Smith to be the District's contact person for Mr. Mourning.

Denis Raab 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 June 2016. Mr. Pieper also presented information on customer service inquiries that were handled during the month.

Denis Raab requested Matt Jaspering present the Engineer's Report. Mr. Jaspering provided updates on the Water District's projects including the replacement of the Water Plant Booster Pump Station and the Lake St. Louis Sewer Improvement Program. Dennis Smith of IPI also gave a brief update on this project.

Matt Jaspering presented the Community Update that has been prepared and requests the Board's approval to release to the community. After further discussion, Vicky Steinkamp motioned to approve the release of the Community Update on the Lake St. Louis Sewer Improvement Program, seconded by Jim Inghram, all yea, motion carried.

Matt Jaspering informed the Board that due to final adjustments in line item quantities based on field measurements, Culy Contracting has submitted Change Order No. 1 to reflect an increase in the overall contract amount for the Lake St. Louis Manhole Rehabilitation Project, Phase 5A; in the amount of \$2,318.09. After further discussion, Jim Inghram motioned to approve Change Order No. 1 from Culy Contracting for the Lake St. Louis Manhole Rehabilitation Project, Phase 5A, in the amount of \$2,318.09 seconded by John Cook, all yea, motion carried.

Ron Smith provided a brief explanation about the Leadership St. Charles Vision Program and announced that Kim Cantrell was selected to participate in this program.

Ron Smith informed the Board that on the Agenda they would see Items for Future Discussion, those are items that have been previously mentioned and would appear on the next month's agenda.

Denis Raab opened the floor to public comment. Mr. Mel Hicks, an East Central customer, voiced concerns over his bill and wants it lowered. Mr. Hicks requested the District consider selling the Sewer Authority. Mr. Raab stated that this option will be reviewed in September when discussion of a Strategic Plan is done.

Denis Raab 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. Jim Inghram 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, Vicky Steinkamp voted yea, Denis Raab voted yea, Jim Inghram voted yea, all yea, motion carried.

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

Denis Raab requested a motion to retain John Shaw Consulting as an expert consultant for review of the Booster Pump Station failure. After further discussion, Vicky Steinkamp motioned to retain John Shaw

Consulting as an expert consultant for review of the Booster Pump Station failure, seconded by Jim Inghram, all yea, motion carried.

Denis Raab inquired if there was any other business to come before the Board. Being no other items for business, Jim Inghram motioned to adjourn; Vicky Steinkamp seconded, all yea, motion carried.

Minutes approved this 14<sup>th</sup> day of September, 2016.

  
Denis Raab, President

  
Kim Cantrell, Clerk

