

**Public Water Supply District #2 of St. Charles County, Missouri  
Minutes of the October 25, 2016 Special Board Meeting**

Denis Raab, President  
John Cook, Vice President  
Jim Inghram, Director

Vicki Steinkamp, Director  
Kay Schnurr, Director

Mark Piontek, Legal Counsel  
Tim Geraghty, Director of Operations

Bob Schwermann, Financial Advisor  
Ron Smith, Acting Clerk, Treasurer  
& General Manager

Matt Jaspering, District Engineer

Brian Pieper, Operations Manager

Guests Present: Dennis Smith, IPI  
Rich Riley and Sam Trapp, Marion Hill & Associates

A Special Board Meeting of the Board of Directors of Public Water Supply District #2 of St. Charles County, Missouri was held on October 25, 2016 at the Water District offices, 100 Water Drive, O'Fallon, Missouri, at 1:00 pm.

Denis Raab called the meeting to order. Ron Smith was directed by the Board to serve 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, Kay Schnurr and Jim Inghram.

Denis Raab requested Matt Jaspering to provide a short background on the Lake St. Louis Sewer Inspection Project (LSLIP) and history of contractual events as a way of introduction to the purpose of the Special Board Meeting.

Dennis Smith, IPI, then presented his perspective on the history of the Contract as the Contractor and the reason for his request for the Board to consider and approve a Joint Venture between IPI and SAK of O'Fallon, Missouri. IPI's original request was for a Joint Venture between IPI and Stellar-J Corporation but terms could not be reached with Stellar-J.

During Dennis Smith's presentation, he cited unanticipated bonding requirements, insurance requirements, and subsurface conditions as reasons he has not been able to start on Contract 2. He went on to explain that IPI has recently submitted a Contract 2 Change Order of \$200,000-\$250,000 to cover the cost of installing "platforms" under the subsurface manholes in the Lake. These platforms are structural supports and are considered by IPI to be extra and unanticipated. Multiple options for moving forward Contract 2 were discussed.

Denis Raab inquired if there was any business that would require an executive session. Mark Piontek stated that 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 John Cook.

Ron Smith called a roll call vote: Denis Raab voted yea, Kay Schnurr voted yea, Jim Inghram voted yea, John Cook voted yea, all yea, motion carried.

John Cook motioned to adjourn the Executive Session and reopen the Regular Session; Kay Schnurr seconded. Ron Smith called a roll call vote: Jim Inghram voted yea, John Cook voted yea, Kay Schnurr voted yea, Denis Raab voted yea, all yea, motion carried.

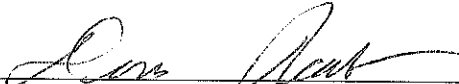
Kay Schnurr motioned to approve IPI's request to form a Joint Venture with SAK along with a one-time Change Order of \$500,000 for Contract 2. No further change orders will be submitted or considered by the Board. Mark Piontek is to craft the appropriate language for the Change Order while minimizing the risk to the District and to sufficiently lay out the terms of the Joint Venture agreement.

Mark Piontek requested the Board approve and execute a Waiver of Conflict letter from Lewis Rice LLC in connection with representation of the District for the Series 2016C Bonds. Jim Inghram motioned to approve the Waiver, seconded by Kay Schnurr, all yea, motion carried. Denis Raab executed the document on behalf of the Board.

John Cook then motioned to change the November regular Board Meeting time to 6:15 pm. This motion was for the November Board meeting only. Kay Schnurr seconded, all yea, motion carried.

Denis Raab inquired if there were any other business to come before the Board. Being no other business, Jim Inghram motioned to adjourn the meeting, Kay Schnurr seconded, all yea, motion carried.

Minutes approved this 9th day of November, 2016

  
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Denis Raab, President

  
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Kim Cantrell, Clerk

