

Public Water Supply District #2 of St. Charles County, Missouri
Minutes of the October 17, 2016 Work Session Meeting

Denis Raab, President
Kay Schnurr, Director

John Cook, Vice President
Vicky Steinkamp, Director

Jim Inghram, Director

Tim Geraghty, Treasurer
Matt Jaspering, Engineer
Bob Schwermann, Financial Advisor

Kim Cantrell, Clerk
Brian Pieper, Operations Mgr.
Brian Schwermann, Financial Advisor

Ron Smith, General Mgr.
Mark Piontek, Attorney

A Work Session meeting of the Board of Directors of Public Water Supply District #2 of St. Charles County, Missouri, was held on October 17, 2016, at the Water District offices, 100 Water Drive, O'Fallon, Missouri, at 5:00 PM.

Denis Raab, President, 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, Jim Inghram, Kay Schnurr and Vicky Steinkamp.

Denis Raab then stated that the first strategic topic to discuss was the Growth for the Water District. After further discussion, Kay Schnurr requested to see the actual historical data that was used to project this year's budget figures. Director Schnurr asked for the last five years of data as well as additional detail on the Alliance budget.

John Cook suggested to suspend future work to Jacobs until a settlement is reached.

It was requested that Tim Geraghty provide a breakdown of Alliance's G&A and Fee Strategy #1 : Growth – Staying ahead of the growth.

Tactic #1 – Set a realistic and achievable Operating Budget. Manage to budget and strive to operate as close to budget as possible.

Tactic #2 – Give a presentation to State Representative Onder in January. The intent is to garner support for the District's plan to re-draw the District boundaries to include ECM operations. Meet with legislators to discuss the Water District's plans of expansion and annexation. Would also like to have Mr. Moody there along with the appropriate legislators.

John Cook requested to see what the rates would look like if the District and ECM merged.

Strategy #2: Connecting to Rural Areas

Tactic #3 – Potential cost sharing by the Water District with future/potential customers.

Matt Jaspering informed the Board that the City of Wright City's Administrator reached out to the District about the District's interest in a potential acquisition of the sewer system. Staff will be going out to make an assessment on their sites and report back to the Board.

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Ron Smith stated that Matt and he had met with an Alderman from the City of Wentzville. He is currently researching whether or not it makes sense for Wentzville to be in the water and sewer business.

Tactic #4 – Maintain, updating and upsizing the current infrastructure.

It was requested to submit a press release once the bond issue is done.

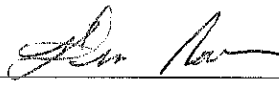
Tactic #5 – Public Outreach

Have continued rate payer communications: Newsletters, Facebook, Information about Lake St. Louis and the Emergency response plan.

In other discussion, John Cook stated he performed research and found that it is not uncommon for other contractors to be brought in for Joint Ventures. Matt Jaspering stated he spoke with Stellar J and they are ready to move forward. After further discussion, the Board recommended to have IPI and Stellar J come in to meet with the Board for questions. Mr. Jaspering stated he would contact both companies to set this up.

Denis Raab inquired if there was any other business to come before the Board. Being no other business, Vicky Steinkamp motioned to adjourn the meeting; Kay Schnurr seconded, all yeas, motion carried.

Minutes approved this 04th day of November, 2016



Denis Raab, President



Kim Cantrell, Clerk

