

Public Water Supply District #2 of St. Charles County, Missouri
Minutes of the May 10, 2017 Regular Board Meeting

John Cook, Vice President
Vicky Steinkamp, Director

Jim Inghram, Director
Kay Schnurr, Director

Mark Piontek, Legal Counsel

Bob Schwermann, Financial Advisor

Kim Cantrell, Clerk
Matt Jaspering, District Engineer

Ron Smith, Treasurer
Brian Pieper, Operations Manager

The regular meeting of the Board of Directors of Public Water Supply District #2 of St. Charles County, Missouri, was held on May 10, 2017 at the Water District offices, 100 Water Drive, O'Fallon, Missouri, at 6:00 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, Vicky Steinkamp, Kay Schnurr and Jim Inghram.

John Cook moved to adopt the agenda as presented, seconded by Kay Schnurr, all yea, motion carried.

John Cook requested review and discussion of the April 12, 2017 Regular Board meeting minutes, Kay Schnurr motioned to accept the April 12, 2017 Regular Board meeting minutes as presented, seconded by Vicky Steinkamp, all yea, motion carried.

Next, John Cook presented the March 13, 2017 Special Board meeting minutes for review and approval. After further review and discussion, Vicky Steinkamp motioned to accept the March 13, 2017 Special Board meeting minutes as corrected, seconded by Kay Schnurr, all yea, motion carried.

Lastly, John Cook presented the April 18, 2017 Special Board meeting minutes for review and approval. After further review and discussion, Kay Schnurr motioned to accept the April 18, 2017 Special Board meeting minutes as corrected, 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, seconded by Jim Inghram, all yea, motion carried.

John Cook 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 March 31, 2017. After further discussion, Vicky Steinkamp motioned to approve the Treasurer's Report as presented, seconded by Kay Schnurr, all yea, motion carried.

Ron Smith reviewed the Alliance Water Resources Monthly Financial Status with the Board.

John Cook opened discussion of Old Business related to the City of Wright City Sewer System. Ron Smith informed the Board of staffs meeting that is scheduled for 5/11/17 to continue discussions. Kay Schnurr moved to have Kim Cantrell investigate the possibility of offering a \$1 more program of some sort and bring back information to the Board, seconded by Vicky Steinkamp, all yea, motion carried.

Ron Smith informed the Board that Carl Brown would be presenting his Economic Impact findings at the June meeting.

Kim Cantrell opened discussion regarding the Proposal from 43Tc. After further discussion, Kay Schnurr motioned to table this discussion and obtain other alternatives, seconded by Vicky Steinkamp, all yea, motion carried.

Kim Cantrell presented the proposed newsletter to the Board. After further discussion, the Board approved of the newsletter being sent out.

John Cook opened discussion of New Business. Mr. Cook asked if the Board reorganization could be tabled until next month when Denis Raab would be present. Mark Piontek stated that the Bylaws stated it needed to be completed at the meeting following the election results being certified. After further discussion, Jim Inghram moved to appoint Denis Raab as President, John Cook as Vice President, Ron Smith as Treasurer and Kim Cantrell as Clerk, seconded by Vicky Steinkamp, all yea, motion carried.

Kim Cantrell informed the Board that the letter they had requested soliciting for a prospective ECM Board member from Flint Hill went out this morning.

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 March 2017. Mr. Pieper also presented information on customer service inquiries that were handled during the month.

John Cook requested Matt Jaspering present the Engineer's Report. Mr. Jaspering provided updates on the Water District's projects including the Lake St. Louis Sewer Improvement Project. Mr. Jaspering informed the status of the Lake St. Louis Emergency Response Plan based on the information learned since IPI, Inc., began its investigation and condition assessment of the under lake sanitary sewer mains.

Denis Smith addressed the issues on the small lake and his opinion that three manholes should be installed at the cost of \$3.3 million. After further discussion, the Board directed Matt Jaspering and Denis Smith to discuss the actual number of manholes necessary and the locations and to present this information at the June board meeting.

Matt Jaspering presented the District's Water Loss Study.

Kay Schnurr opened discussion of the District's Connection Fees.

Matt Jaspering stated that Hanson Professional Services, Inc., submitted Amendment No. 1 to Phase 2 of the Duello Road Water Main Relocation for tasks to be completed outside of the original scope of work at the additional cost of \$22,685.00. After further discussion, Kay Schnurr motioned to approve Amendment No. 1 from Hanson Professional Services, Inc., at the cost of \$22,685.00, seconded by Vicky Steinkamp, all yea, motion carried.

Matt Jaspering informed the Board that staff requested a proposal from Electric Controls Company (ECC), the Districts systems integrator, to perform the electrical and SCADA programming work associated with installation of the new control valve so that it may be automatically and remotely operated and ECC's proposal for the necessary work is a not to exceed \$10,000.00. After further discussion, Kay Schnurr motioned to approve the proposal from ECC, seconded by Jim Inghram, all yea, motion carried.

Matt Jaspering informed the Board that Maguire Iron, submitted Change Order No. 1 for an increase of \$18,600.00 in the contract for the Westwood's Trails Elevated Tower-Fill/Drain Line Improvements. After further discussion, Jim Inghram motioned to approve Change Order No. 1 from Maguire Iron for the increased contract cost of \$18,600.00 seconded by Kay Schnurr. Kim Cantrell called for a roll call vote: Kay Schnurr voted yea, John Cook voted No, Vicky Steinkamp voted yea, Jim Inghram voted yea, motion carried.

Matt Jaspering stated that staff requested bids for replacement of the air piping at the District's Castlegate WWTP and the lowest and best bid was received from Heggemann, Inc., at the total cost of \$19,587.00. After further discussion, Vicky Steinkamp motioned to approve the bid from Heggemann, Inc., at the cost of \$19,587.00, seconded by Kay Schnurr, all yea, motion carried.

Matt Jaspering informed the Board that Lombardo Homes has completed all obligations to the District at this time for the Oakhurst Phase 2 developments 3-year escrow agreement and staff recommends reducing Lombardo Homes of St. Louis, LLC's security deposit for Oakhurst Plat 2 from \$8,107.00 to \$3107.00. After further discussion, Kay Schnurr motioned to approve the release of \$3,107.00 in escrow to Lombardo Homes, seconded by Jim Inghram, all yea, motion carried.

Matt Jaspering informed the Board that staff received a request to release 596 square feet of sanitary sewer easement within Lot 32 of Regatta Bay Plat 2 located at #8 Windsurfer Court in Lake St. Louis in exchange for 653 square feet of property the owner will dedicate to the District as a new utility easement. After further discussion, Kay Schnurr motioned to approve the release of 596 square feet of sanitary sewer easement within Lot 32 of Regatta Bay Plat 2 located at #8 Windsurfer Court in Lake St. Louis in exchange for 653 square feet of property the owner will dedicate to the District as a new utility easement, seconded by Vicky Steinkamp, all yea, motion carried.

John Cook opened the floor for Public Comment. There were no comments.

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. Vicky Steinkamp motioned to close the regular session and convene to an executive session; seconded by Kay Schnurr. Kim Cantrell called a roll call vote: Vicky Steinkamp voted yea, Jim Inghram voted yea, Kay Schnurr voted yea, John Cook voted yea, all yea, motion carried.

Vicky Steinkamp motioned to adjourn the Executive Session and reopen the Regular Session; Jim Inghram seconded. Kay Schnurr called a roll call vote: Jim Inghram voted yea, Kay Schnurr voted yea, John Cook voted no, Vicky Steinkamp voted yea, all yea, motion carried.

John Cook inquired if there was any additional 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 Kay Schnurr. Kim Cantrell called a roll call vote: Vicky Steinkamp voted yea, Jim Inghram voted yea, Kay Schnurr voted yea, John Cook voted yea, all yea, motion carried.

Kay Schnurr motioned to adjourn the Executive Session and reopen the Regular Session; Vicky Steinkamp seconded. Kim Cantrell called a roll call vote: Jim Inghram voted yea, Kay Schnurr voted yea, John Cook voted no, Vicky Steinkamp voted yea, all yea, motion carried.

Kay Schnurr motioned to approve Denis Raab's absences as excused due to medical reasons, seconded by Vicky Steinkamp, all yea, motion carried.

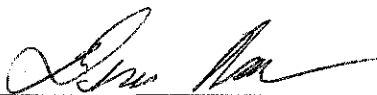
Jim Inghram stated that the Board has approved for Mueller Prost to conduct an audit of financials between the Water District and Alliance.

John Cook stated the Board will be hiring a General Manager as a buffer between the Board and Alliance by this fall. Mr. Cook stated the Board approved to hire Sequence Systems LLC; a head hunting firm, at the cost of \$36,000.00 to seek out this General Manager. The Board will need a check immediately for \$12,000.00 as an initial payment.

Vicky Steinkamp stated that the Water District will be selling off the East Central St. Charles sewer system assets. Bob Schwermann will seek information on identifying a buyer.

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; Vicky Steinkamp seconded, all yea, motion carried

Minutes approved this 14th day of June, 2017.



John Cook, Vice President



Kim Cantrell, Clerk

