

Public Water Supply District #2 of St. Charles County, Missouri
Minutes of the February 14, 2018 Regular Board Meeting

Denis Raab, President
Vicky Steinkamp, Director
Jim Inghram, Director

John Cook, Vice President
Kay Schnurr, Director

Mark Piontek, Legal Counsel
Brian Schwermann, Financial Consultant

Bob Schwermann, Financial Consultant

Kevin Dunn, General Manager/Treasurer
Matt Jaspering, District Engineer

Kim Cantrell, Clerk

The regular meeting of the Board of Directors of Public Water Supply District #2 of St. Charles County, Missouri, was held on February 14, 2018 at the Water District offices, 100 Water Drive, O'Fallon, Missouri, at 6:00 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, Kay Schnurr and Jim Inghram.

Kay Schnurr motioned to open the Regular meeting held on February 14, 2018, seconded by Jim Inghram, all yea, motion carried.

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

Denis Raab recognized the guests from SSM. President of SSM Lake St. Louis; Lisle Wescott introduced herself and gave a brief history of the origination of SSM. Also present was Chuck Bryant, Vice President of SSM and Al Henneboehle the Attorney representing SSM. Mr. Henneboehle explained to the Board that it is the request of SSM to receive some relief from the fees paid and pay based on a method similar to the Cottages. Mr. Henneboehle stated that SSM would like a refund of \$254,158.67. After further discussion, Kay Schnurr motioned to adjourn to 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, seconded by Vicky Steinkamp. Kim Cantrell called for a roll call vote: Denis Raab voted yea, John Cook voted yea, Jim Inghram voted yea, Vicky Steinkamp voted yea, Kay Schnurr voted yea, all yea, motion carried.

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

Denis Raab informed the guests from SSM that the Board agreed to refund the entire connection fee that SSM had paid.

Denis Raab requested review and discussion of the January 10, 2018 Regular Board meeting minutes, Kay Schnurr motioned to accept the January 10, 2018 Regular Board meeting minutes as presented, seconded by Jim Inghram, all yea, motion carried. Next, Denis Raab requested review and discussion of the January 5, 2018 Special Board meeting minutes, John Cook motioned to accept the January 5, 2018 Special Board meeting minutes as presented, seconded by Kay Schnurr, all yea, motion carried, Lastly, Denis Raab requested review and discussion of the January 16, 2018 Special Board meeting minutes, Vicky Steinkamp motioned to accept the January 16, 2018 Special Board meeting minutes as presented, seconded by John Cook, all yea, motion carried.

Denis Raab presented the list of bills and additions for review and consideration. Kay Schnurr recommended to the Board that they only agree to pay the regular monthly fee to Alliance until additional information on the proposed overages can be explained. After further discussion, Kay Schnurr motioned to approve the bills with the revised Alliance invoice, seconded by Jim Inghram, all yea, motion carried.

Denis Raab reported that the Board and Alliance went into mediation on February 7th and agreed on a settlement in the amount of \$1,750,000.00. After further discussion, Denis Raab motioned to approve the \$1,750,000.00 settlement amount with Alliance Water Resources, seconded by Vicky Steinkamp. Kim Cantrell called for a roll call vote: Denis Raab voted yea, Kay Schnurr voted yea, Vicky Steinkamp voted yea, Jim Inghram voted yea, John Cook voted yea, but stated he does not feel the District owes Alliance anything, that he feels Alliance owes the District, all yea, motion carried.

Denis Raab requested Kevin Dunn review the District's Treasurer's Report. Mr. Dunn reviewed the District's Treasurer's Report including the Summary of Bank Accounts, Balance Sheet, and revenues and expenses for the period ending December 31, 2017. After further discussion, Kay Schnurr motioned to approve the Treasurer's Report as presented, seconded by Jim Inghram, all yea, motion carried.

Mark Piontek informed the Board he has the signed T-Mobile Agreement for the Board to sign off on.

Mark Piontek stated that the Flint Hill annexation has been approved by the Circuit Court. Mr. Piontek inquired if the Board wished to start the process of acquiring the Flint Hill system into the District. After further discussion, John Cook motioned to move forward with acquiring the Flint Hill system into the District, seconded by Kay Schnurr, all yea, motion carried.

Mark Piontek informed the Board that the Howell Family Partnership; one of the developers for the Cotton Road project has requested the Board to execute a deed of release on the property they used as collateral. After further discussion, Vicky Steinkamp moved to execute a deed of release to the Howell Family Partnership on the Cotton Road project, seconded by Jim Inghram, all yea, motion carried.

Kevin Dunn informed the Board that staff has begun the process of researching social media platforms best suited to service the Water District customers and at this time staff believes a PWSD2 Facebook page would provide the widest and most efficient reach to customers. After further discussion, the Board directed staff to proceed with creating and implementing a Facebook page.

Denis Raab requested that Matt Jaspering provide the Board with an update on the operations of the District. Mr. Jaspering reported on the operations and maintenance of the District's water and sewer systems and other facilities during the month of December 2017. Mr. Jaspering 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 Lake St. Louis Sewer Improvement Project.

Kay Schnurr requested Kevin Dun set up a separate time frame for IPI to present to the Board and the Advisory Committee their findings under the big lake, then have a separate meeting for the public, seconded by Vicky Steinkamp, all yea, motion carried.

Matt Jaspering informed the Board that bids received for Phase 6 of the Lake St. Louis Manhole Rehabilitation project and the lowest and best bid was received from Waterproof Solutions, LLC at the total cost of \$51,450.00. After further discussion, Kay Schnurr motioned to approve the bid from Waterproof Solutions, LLC for Phase 6 of the Lake St. Louis Manhole Rehabilitation at the total cost of \$51,450.00, seconded by Vicky Steinkamp, all yea, motion carried.

Matt Jaspering presented the Water Loss Audit for FY2017.

Matt Jaspering stated that Alpha Land Development has completed all of its obligations to the District at this time for the Villas at Ridgepoint Plat 5 development's 3-year water escrow agreement as well as their obligations pertaining to the 3-year sanitary sewer escrow. At this time staff requests the Board reduce the escrow holdings to \$5,000.00 for each escrow, refunding a total of \$3,688.21. After further discussion, Kay Schnurr motioned to refund Alpha Land Development \$3,688.21 with regards to the Villas at Ridgepoint Plat 5, seconded by Jim Inghram, all yea, motion carried.

Matt Jaspering stated that McBride Wyndgate, LLC has completed all of its obligations to the District at this time for the Wyndgate Village E Plat 3 development's 3-year water escrow agreement. At this time staff requests the Board refund the remaining balance of \$5,000.00. After further discussion, Vicky Steinkamp motioned to refund McBride Wyndgate, LLC \$5,000.00 with regards to the Wyndgate Village E Plat 3, seconded by Jim Inghram, all yea, motion carried.

Matt Jaspering stated that McBride Wyndgate, LLC has completed all of its obligations to the District at this time for the Wyndgate Village B Plat 2A & 2B development's 3-year water escrow agreement. At this time staff requests the Board refund the remaining balance of \$5,000.00. After further discussion, Kay Schnurr motioned to refund McBride Wyndgate, LLC \$5,000.00 with regards to the Wyndgate Village B Plat 2A & 2B, seconded by Vicky Steinkamp, all yea, motion carried.

Kevin Dunn informed the Board he has worked with staff to review the HOA Irrigation System accounts with regards to the situation that happened with the Montrachet Irrigation accounts and it was determined that based on the District's Rules and Regulations, higher deposits can be charged to protect the District from delinquent water usage charges. After further discussion, John Cook moved to charge each of the Montrachet Irrigation accounts a \$5,000.00 deposit, seconded by Kay Schnurr, all yea, motion carried.

Kevin Dunn requested the Board consider the need for a reserve account to collect funds to replace the Lake St. Louis sewer lines located beneath the lake in the distant future. Bob Schwermann stated they will review the 2017 audit and make recommendations for this type of account.

Bob Schwermann also stated that once they review the FY2017 audit, they will make recommendations for possible rate increases.

Brian Schwermann informed the Board that Standard & Poor's requested information for an interim review.

Bob and Brian Schwermann both stated that with interest rates increasing, the Board should consider issuing a bond issue sooner rather than later.

Denis Raab opened the floor for Public Comment. There was no Public Comment.

The Board directed Kevin Dunn to submit a letter to Alliance regarding the lease.


John Cook requested to have the District's lobbyist attend the next meeting.

Denis Raab stated there are 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: Vicky Steinkamp voted yea, Kay Schnurr voted yea, John Cook voted yea, Denis Raab voted yea, Jim Inghram voted yea, all yea, motion carried.

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

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

Minutes approved this 14th day of March, 2018.


Denis Raab, President


Kim Cantrell, Clerk

