

**Public Water Supply District #2 of St. Charles County, Missouri**  
**Minutes of the February 17, 2016 Regular Board Meeting**

Denis Raab	John Urban	John Cook	Virginia Dowden
Tim Geraghty	Kim Cantrell	Brian Pieper	Kevin Hampe
Mark Piontek	Bob Schwermann	Brian Schwermann	Tony Sneed
Ron Smith			

The regular meeting of the Board of Directors of Public Water Supply District #2 of St. Charles County, Missouri, was held on February 17, 2016 at the Water District offices, 100 Water Drive, O'Fallon, Missouri, at 7:00 PM.

Virginia Dowden, called the meeting to order. Tim Geraghty served as Clerk of the meeting and attested that notice of the meeting was duly and timely posted.

The following directors were present: John Urban, John Cook, Virginia Dowden and Denis Raab. Ted Gaffney was absent.

Virginia Dowden stated a motion was needed to adopt the meeting agenda. After further discussion, Denis Raab made a motion to adopt the meeting agenda as written, seconded by John Cook, all yea, motion carried.

Virginia Dowden stated a motion was needed to adopt the meeting consent agenda. After further discussion, John Urban made a motion to adopt the meeting consent agenda as written, seconded by Denis Raab, all yea, motion carried.

Virginia Dowden presented the January 13, 2016 Regular Board meeting minutes for review and approval. After review and discussion, John Urban motioned to accept the January 13, 2016 Regular Board meeting minutes as presented, seconded by Denis Raab, all yea, motion carried.

Virginia Dowden presented the list of bills for review and consideration. After further discussion, John Urban motioned to approve the bills in the amount of \$1,817,521.90, seconded by Denis Raab, all yea, motion carried.

Virginia Dowden announced that former Board member Jim Blair passed away. Mr. Blair had been on the original Board for over 39 years.

Virginia Dowden requested Tim Geraghty review the District's Treasurer's Report. Mr. Geraghty 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, 2015. After further discussion, Denis Raab motioned to approve the Treasurer's Report as presented, seconded by John Cook, all yea, motion carried.

Tim Geraghty reviewed the Alliance Water Resources, Inc. Statement of Expenses for the District's 2015 Fiscal Year. Mr. Geraghty reviewed the budgeted amount and the final expenses and reported that the District has received a refund from Alliance in the amount of \$272,050.00. Mr. Geraghty thanked the Board for giving Alliance the opportunity to serve the District.

Brian Schwermann explained that the District has applied for a bond rating from Standard & Poor's for the District's 2016B bond refinancing. Mr. Schwermann expects the District will be able to close the refinancing in late March or early April 2016.

Bob and Brian Schwermann explained refinancing options. After further discussion, John Cook motioned to approve a refinancing option that includes high front end savings, seconded by Denis Raab, all yea, motion carried.

Mark Piontek stated that at the January Board meeting the Directors requested information regarding Director compensation. Mr. Piontek informed the Board that Missouri allows Directors to receive an attendance fee for Board of Director meetings not to exceed \$100.00 for attending each regularly or specially called Board meeting. Mr. Piontek presented two options for revising the District bylaws; one with the option for Directors receiving compensation. After further discussion, Denis Raab motioned to amend the District's bylaws to include the option for Directors to receive compensation, seconded by John Cook, all yea, motion carried. Next, John Cook motioned to set the Attendance Fee at \$100.00 per meeting, as described and limited by the newly adopted bylaws, seconded by Denis Raab, all yea, motion carried.

Mark Piontek informed the Board that a Resolution is required to execute the purchase of the Ernest Arteaga property in New Melle with closing costs of \$1,394.50 and a revised closing date of February 18, 2016. Denis Raab motioned to approve the following resolution:

A RESOLUTION AUTHORIZING AND DIRECTING THE EXECUTION OF AN AGREEMENT TO SELL AND PURCHASE REAL ESTATE BY AND BETWEEN PUBLIC WATER SUPPLY DISTRICT NO. 2 OF ST. CHARLES COUNTY, MISSOURI AND ERNEST ARTEAGA

seconded by John Cook, all yea, motion carried.

Mark Piontek requested the Board approve his representation of the Water District with respect to the 2016B bond refinancing. Mr. Piontek stated that his firm has represented Stifel in other matters but would not be representing Stifel for this transaction. Denis Raab made a motion to approve Mr. Piontek and his firm, Lewis Rice & Fingersh, as representatives of the Water District in relation to the District's 2016B bond refinancing with no conflict of interest, seconded by John Cook, all yea, motion carried.

Tim Geraghty informed the Board that staff had contacted Missouri Rural Water with regards to the Board member training which is required for compensation and explained that Missouri Rural Water will conduct the training on site for Water District No. 2 Board members for \$1,000.00, but if the Board agrees to invite Board members from other districts, at no charge. After further discussion, John Cook motioned to have Missouri Rural Water conduct the training and invite Board members from other districts, seconded by John Urban, all yea, motion carried.

Virginia Dowden 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 December 2015. Mr. Pieper also presented information on customer service inquiries that were handled during the month.

Brian Pieper informed the Board that staff solicited and acquired emergency repair service from Missouri Machinery & Engineering Company for the emergency repair of the Bent Oak Lift Station submersible EBARA 20 horsepower, 460 volt, and 3 phase pump repair at the cost of \$6,024.00. After further

discussion, John Urban motioned to approve the \$6,024.00 invoice from Missouri Machinery & Engineering Company for the emergency repair of the Bent Oak Lift Station submersible pump, seconded by Denis Raab, all yea, motion carried.

Brian Pieper informed the Board that staff solicited and acquired emergency repair service from State Motor & Control Solutions Company for the emergency repair of the Spruce Forest Lift Station ABS 25 horsepower, 460 volt, and 3 phase submersible pump at the total cost of \$5,392.04. After further discussion, John Urban motioned to approve the \$5,392.04 invoice from State Motor & Control Solutions Company for emergency repair of the Spruce Forest Lift Station pump, seconded by John Cook, all yea, motion carried.

Brian Pieper informed the Board that staff solicited and acquired emergency repair service from Municipal Equipment Company, Inc., for the emergency replacement of the Augusta Lift Station #2 Sulzer 12 horsepower, 460 volt, and 3 phase submersible pump at the total cost of \$5,482.36. After further discussion, Denis Raab motioned to approve the \$5,482.36 invoice from Municipal Equipment Company, Inc., for emergency replacement of the Augusta Lift Station #2 pump, seconded by John Urban, all yea, motion carried.

Virginia Dowden requested Kevin Hampe present the Engineer's Report. Mr. Hampe provided updates on the Water District's projects.

Tony Sneed informed the Board that sewer system cleaning and inspecting presentations will be on February 24, 2016 at 5:00 pm at the Lake St. Louis Banquet Center and that three of the four bidders will be presenting. After discussion, the Board decided to review the proposal from Hibbard Inshore, who will not attend the meeting on the 24<sup>th</sup>, and decide later if they want to see a presentation from them.

Ron Smith provided the staff's findings related to the customer's request for an additional fire hydrant near 20 Guyenne Drive. Mr. Smith stated that there are two fire hydrants within 500 feet of Guyenne Drive. After further discussion, Denis Raab moved to have staff inform the customer that the Water District would only install another hydrant if the customer agreed to pay for it, seconded by John Cook, all yea, motion carried.

Kevin Hampe informed the Board that HDR Engineering, Inc., submitted a proposal for engineering services for the Highway N Phase I Water Main Improvements at a cost-not-to-exceed \$82,200.00. After further discussion, John Urban motioned to approve the proposal from HDR Engineering, Inc., for engineering services for the Highway N Phase I Water Main Improvements at a cost-not-to-exceed \$82,200.00, seconded by John Cook, all yea, motion carried.

Kevin Hampe informed the Board that renovations are proposed for the District's Administration Building to address security concerns, repair leaking doorways and preplace worn flooring. Mr. Hampe stated that Cochran Engineering submitted a proposal for professional architectural services at a not-to-exceed cost of \$10,450.00. After further discussion, John Urban motioned to approve the proposal from Cochran Engineering for professional architectural services related to the District's Administration Building at a not-to-exceed cost of \$10,450.00, seconded by John Cook, all yea, motion carried.

Kevin Hampe informed the Board that Superior Office Solutions has a repossessed Sharp MX-3100N color copier/printer/scanner currently available for \$750.00 plus an annual maintenance fee of \$700.00. After further discussion, John Urban motioned to approve the purchase of the Sharp MX-3100N color

copier/printer/scanner from Superior Office Solutions for \$750.00 plus the annual maintenance fee of \$700.00, seconded by John Cook, all yea, motion carried.

Kevin Hampe stated that in order to enhance the District's ability to provide backup power in the event of an electrical outage at District-owned facilities, staff requested quotes for an additional trailer-mounted portable generator and the lowest and best bid was received from CK Power in the amount of \$52,325.00. After further discussion, John Urban motioned to approve the purchase of a new trailer-mounted portable generator at the total cost of \$52,325.00 from CK Power, seconded by Denis Raab, all yea, motion carried.

Kevin Hampe informed the Board that the 2016 Budget includes \$60,000.00 for Sewer System Improvements for Emergency Generator Connections. Mr. Hampe stated that staff solicited bids and the lowest and best bid was received from Reinhold Electric, Inc., at the total cost of \$62,550.00. After further discussion, John Urban motioned to accept the bid from Reinhold Electric, Inc., for Standby Generator Connections at the Castlegate, New Melle and Boone Ridge Waste Water Treatment Plants at the total cost of \$62,550.00, seconded by Denis Raab, John Cook voted no, Virginia Dowden voted yea, motion carried.

Kevin Hampe informed the Board that the District received bids for the replacement of the existing valve for Water Treatment Plant Treater #2 and the lowest and best bid was received from Martin General Contracting, LLC, at the total cost of \$7,640.00. After further discussion, John Urban motioned to approve the bid from Martin General Contracting, LLC for replacement of the existing valve for Water Treatment Plant Treater #2 at the total cost of \$7,640.00, seconded by John Cook, all yea, motion carried.

Kevin Hampe informed the Board that the District received bids for Phase 5A of the Lake Saint Louis Manhole Rehabilitation Project and the lowest and best bid was received from Culy Contracting, Inc., at the total cost of \$118,370.00. After further discussion, John Urban motioned to approve the bid from Culy Contracting, Inc., for construction of Phase 5A of the Lake Saint Louis Manhole Rehabilitation Project at the total cost of \$118,370.00, seconded by Denis Raab, all yea, motion carried.

Kevin Hampe stated that Lombardo Homes of St. Louis, LLC has completed all obligations to the District for the Oakhurst Phase 1 development's one-year escrow reduction. After further discussion, John Urban motioned to approve reducing Lombardo Homes of St. Louis, LLC's escrow at Oakhurst Phase 1 from \$16,926.00 to \$5,000.00 reimbursing them \$11,926.00, seconded by Denis Raab, all yea, motion carried.

Kevin Hampe stated that Lombardo Homes of St. Louis, LLC has completed all obligations to the District at this time for the 12" water main extension on Diehr Road for a one-year escrow reduction. After further discussion, John Urban motioned to approve reducing Lombardo Homes of St. Louis, LLC's escrow for the 12" water main extension on Diehr Road from \$15,000.00 to \$5,000.00 reimbursing them \$10,000.00, seconded by Denis Raab, all yea, motion carried.

Kevin Hampe informed the Board that staff received a request to release 225 square feet of utility easement located within Lot 63 of Patriot's Landing Plat 3 along Spangle Way within the City of O'Fallon. After further discussion, John Urban motioned to approve the release of 225 square feet of utility easement located within Lot 63 of Patriot's Landing Plat 3 along Spangle Way within the City of O'Fallon, seconded by Denis Raab, all yea, motion carried.

Virginia Dowden asked if there was any other information for discussion. John Cook recommended that Board members have picture ID's. After further discussion, John Cook motioned to have picture ID's made up for the Board Members, seconded by Denis Raab, all yea, motion carried.

John Cook requested copies of the ECM minutes for April 2015 and the ECM By-laws. Mr. Geraghty said a copy would be provided to him.

John Cook stated that Board members should provide their own transportation to Board meetings. Mr. Cook asked if any Board members were provided transportation to this meeting. All Board members provided their own transportation.

Virginia Dowden opened the floor up for public comment. Mr. Chuck Ruedebusch, Sr., commented that the Board should make sure that multiple bids are received on purchases and projects. The Board stated they would again review the Purchasing Policy which was most recently approved by the Board in November 2015.

Mr. Jim Inghram asked about East Central MO Water and Sewer Authority and its relationship to the Water District.

Mr. Dan Oberle asked questions related to the April 2016 election and stated concerns regarding the Lake Saint Louis Sewer Project, Alliance's contract and depreciation of assets.

Ms. Eva Sketoe recommended that name plates with titles be placed in front of those at the head table and that Board members sit facing the audience. She also asked about Missouri's statues regarding Board member pay and where District bids are posted.

Virginia Dowden 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. Mrs. Dowden solicited for a motion to close the regular session and convene to an executive session. John Urban motioned to close the regular session and convene to an executive session; seconded by John Cook. Tim Geraghty called a roll call vote: Denis Raab voted yea, John Cook voted yea, John Urban voted yea, Virginia Dowden voted yea, motion carried.

Being no other items for business, John Cook motioned to adjourn the Executive Session, reopen the Regular Session and then adjourn the Regular Session, Denis Raab seconded. Tim Geraghty called a roll call vote: Denis Raab voted yea, John Cook voted yea, John Urban voted yea, Virginia Dowden voted yea, all yea, motion carried.

Minutes approved this 9<sup>th</sup> day of March, 2016.

Virginia Dowden  
Virginia Dowden, President

Tim Geraghty  
Tim Geraghty, Clerk

