

Public Water Supply District #2 of St. Charles County, Missouri
Minutes of the March 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
Tina Ard, Office Administrator

The regular meeting of the Board of Directors of Public Water Supply District #2 of St. Charles County, Missouri, was held on March 14, 2018 at the Water District offices, 100 Water Drive, O'Fallon, Missouri, at 6:30 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 March 14, 2018, seconded by Vicky Steinkamp, all yea, motion carried.

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

Denis Raab recognized Jim Moody, the District's Lobbyist. Mr. Moody discussed the House Bills that are out there that could affect the Water District and explained where they were at in the system. Mr. Moody also gave a brief update on the legal situation with Governor Greitens in Jefferson City.

Denis Raab requested review and discussion of the February 14, 2018 Regular Board meeting minutes, Kay Schnurr motioned to accept the February 14, 2018 Regular Board meeting minutes as presented, seconded by Jim Inghram, all yea, motion carried. Next, Denis Raab requested review and discussion of the February 6, 2018 Special Board meeting minutes, Vicky Steinkamp motioned to accept the February 6, 2018 Special Board meeting minutes as presented, seconded by Kay Schnurr, all yea, motion carried, Lastly, Denis Raab requested review and discussion of the February 7, 2018 Special Board meeting minutes, Kay Schnurr motioned to accept the February 7, 2018 Special Board meeting minutes as presented, seconded by Kay Schnurr, all yea, motion carried.

Denis Raab presented the list of bills and additions for review and consideration. Jim Inghram motioned to approve all the bills except the Alliance invoice until it can be discussed in executive session, seconded by Kay Schnurr, 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 January 31, 2018. After further discussion, Kay Schnurr motioned to approve the Treasurer's Report as presented, seconded by Jim Inghram, all yea, motion carried.

Kevin Dunn informed the Board that the District has been notified by Gilmore Bell that the Arbitrage Calculation has been completed and no rebate payment is due.

Kevin Dunn informed the Board that the refund to SSM is included in the list of bills.

Kevin Dunn provided an update on the Woodard & Curran contract.

Mark Piontek explained that with the upcoming expenses the District will incur, it is recommended to approve a Reimbursement Resolution. After further discussion, Jim Inghram motioned to approve the following resolution titled:

RESOLUTION EXPRESSING THE INTENT OF PUBLIC WATER SUPPLY
DISTRICT NO. 2 OF ST. CHARLES COUNTY, MISSOURI TO REIMBURSE
ITSELF FOR CERTAIN CAPITAL EXPENDITURES FROM THE PROCEEDS
OF BONDS, NOTES OR A LEASE AGREEMENT

Seconded by Vicky Steinkamp, all yea motion carried.

Brian Schwermann informed the Board they are working with Gilmore & Bell on putting bond documents together.

Brian Schwermann also stated they are creating a submittal letter to Standard & Poor's.

Brian Schwermann also explained that once the financial audit is completed then they will be discussing a rate increase with the Board.

Mark Piontek discussed the Sunshine Law request.

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 January 2018. 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.

Matt Jaspering informed the Board that IPL would like to present to the Board and the Advisory Committee on 4/9/2018 at 2:00 pm and hold the Community presentation on 4/24/2018 at 6:00 pm at the Community Association building. The Board agreed.

Matt Jaspering stated that IPI, Inc., has requested a scope of work change due to their inability to provide measured Z-coordinates (elevations) at all subaqueous sewer main junctions as required under Contract #1; however, IPI has offered to CIPP line LSLe-E in exchange for providing only interpolated Z-elevations at all junctions. Mr. Jaspering stated that \$22,500 remains to be paid on the 'Pipeline Locating' line item of IPI, Inc.'s Contract #1 and it is staff's recommendation to execute change orders with IPI, Inc. and SAK/IPI, JV reducing Lake St. Louis Sewer Improvement Program-Inspection (Project No. 15-057) Contract 1 by \$22,500.00 and increasing Lake St. Louis Sewer Improvement Program-Inspection (Project No. 15-057) Contract 2: Access Structures by \$22,500.00 as a result of substituting lining of the LSLe-E main for providing Z-coordinates as required by Contract #1. After further discussion, Kay Schnurr motioned to approve the contract change order changes, seconded by Jim Inghram, all yea, motion carried.

Kevin Dunn informed the Board he received information from a Sub-Contractor of IPI, Inc.'s who claims to not have been paid and will be filing a claim against the payment bond.

Matt Jaspering informed the Board that staff has negotiated a Wholesale Sewage Treatment Agreement with the City of Warrenton for the MSA Heath Development. After further discussion, Jim Inghram motioned to approve the wholesale sanitary sewer treatment agreement with the City of Warrenton for the proposed MSA Heath development, seconded by Kay Schnurr, all yea, motion carried.

Matt Jaspering explained that Michael B. Null has completed all obligations to the District at this time for the Null 8" Water Main Extension's 3-year escrow agreement and at this time staff recommends releasing Michael B. Null's remaining security deposit of \$5,000.00 for the Null 8" Water Main Extension. After further discussion, Jim Inghram motioned to approve the release of the \$5,000.00 security deposit to Michael B. Null, seconded by Kay Schnurr, all yea, motion carried.

Matt Jaspering explained there were five new water systems and two new sewer systems that have been dedicated to the Water District that requires the Board's formal acceptance. Staff requested the Board approve and accept 16341 W. Service Road Wright City Storage Units (fire hydrant install) with a construction cost of \$1,650.00 for water, Villages at Ridgepointe Plat 6 with a construction cost of \$35,814.00 for water and \$79,565.00 for sewer, Ashford Knoll Phase 2 with a construction cost of \$38,404.08 for water, Legends Pointe Phase 1 with a construction cost of \$170,000.00 for water, 1354 N. Henke Road Sanitary Sewer Extension with a construction cost of \$20,937.00 for sewer. After further discussion, Jim Inghram motioned to approve the acceptance of the water and sewer systems; seconded by Vicky Steinkamp, all yea, motion carried.

Matt Jaspering explained that four permanent easements were dedicated to the Water District that require the Board's formal acceptance. Staff requested the Board approve and accept Villages at Ridgepointe Plat 6 easements with a value of \$70,956.90, Ashford Knoll Phase 2 easement with a value of \$43,527.25, Legends Pointe Phase 1 easement with a value of \$731,207.06 and Wilson Off-Site easement with a value of \$3,859.88. After further discussion, Jim Inghram motioned to approve the acceptance of these dedicated permanent easements; seconded by Kay Schnurr, all yea, motion carried.

Matt Jaspering informed the Board that he was notified he would not be moving forward as a Water District employee and wanted to thank the Board for the experience.

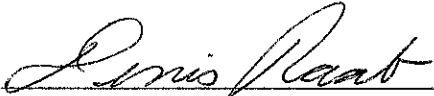
Denis Raab opened the floor for Public Comment. There was no Public Comment.

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, Kay Schnurr motioned to adjourn; Jim Inghram seconded, all yea, motion carried

Minutes approved this 11th day of April, 2018.



Denis Raab, President



Kim Cantrell, Clerk

