

**Public Water Supply District #2 of St. Charles County, Missouri**  
**Minutes of the April 11, 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  
Jay Favor, Project Mgr.-Woodard& Curran

Kim Cantrell, Clerk  
Tina Ard, Office Supervisor

The regular meeting of the Board of Directors of Public Water Supply District #2 of St. Charles County, Missouri, was held on April 11, 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.

Denis Raab motioned to open the Regular meeting held on April 11, 2018, seconded by John Cook, all yea, motion carried.

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

Denis Raab welcomed Darrell Dechant to the Board and thanked Jim Inghram for his time and service.

Denis Raab requested Mike Williams present the Comprehensive Annual Financial Report for the Water District's 2017 fiscal year. Mr. Williams reviewed the District fiscal year 2017 audit in detail, explaining details included in the transmittal letter, reviewing the assets and liabilities of the District, reviewing the statement of revenues and expenses, restricted assets, long term debts, cash and investments as well as reviewing the various supplemental information contained in the report. Mr. Williams answered questions from the Board. Denis Raab thanked Mr. Williams for his presentation and Hochschild's thorough work on the audit. After further discussion, John Cook motioned to accept the Water District fiscal year 2017 audit as presented by Mike Williams of Hochschild, Bloom and Company, seconded by Vicky Steinkamp, all yea, motion carried

Denis Raab requested review and discussion of the March 14, 2018 Regular Board meeting minutes, Jim Inghram motioned to accept the March 14, 2018 Regular Board meeting minutes as presented, seconded by John Cook, all yea, motion carried. Next, Denis Raab requested review and discussion of the March 28, 2018 Special Board meeting minutes, John Cook motioned to accept the March 28, 2018 Special Board meeting minutes as presented, seconded by Vicky Steinkamp, 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 February 28, 2018. After further discussion, John Cook motioned to approve the Treasurer's Report as presented, seconded by Vicky Steinkamp, all yea, motion carried.

Denis Raab explained that the Wright City vote passed and asked what the next steps would be, Mark Piontek explained that next would be to annex the area then complete the due diligence and have a potential closing on July 1, 2018.

Kim Cantrell updated the Board letting them know that the Water District now has a Facebook page for important information that needs to be shared with the customers.

Mark Piontek informed the Board that he was contacted by Crown Castle with regards to buying out their tower lease for an easement. After further discussion, Vicky Steinkamp motioned the lease buy out from Crown Castle in the amount of \$355,000.00, seconded by John Cook, all yea, motion carried.

Mark Piontek stated that he had been contacted by Network Building who are requesting a 20 year term lease with five – 5 year renewals for antenna space on the water tower at the District's main campus, paying \$1,200.00 per month. John Cook motioned for legal counsel to pursue an agreement, seconded by Vicky Steinkamp, all yea, motion carried.

Mark Piontek informed the Board that Bond Counsel requires the District to have a Valuation of the Flint Hill system to determine the fair market value. After further discussion, John Cook motioned for Mr. Piontek to proceed with having a Valuation of the Flint Hill system performed, seconded by Kay Schnurr, all yea, motion carried.

Kevin Dunn introduced Jay Favor the Project Manager for Woodard & Curran. Mr. Favor updated the Board regarding the Onboarding and training and the future plans Woodard & Curran has. The Board welcomed Mr. Favor.

Denis Raab requested that Kevin Dunn provide the Board with an update on the operations of the District. Mr. Dunn reported on the operations and maintenance of the District's water and sewer systems and other facilities during the month of February 2018. Mr. Dunn also presented information on customer service inquiries that were handled during the month.

Kevin Dunn informed the Board there was no Engineer's Report this month.

Kevin Dunn opened discussion regarding the IPI/RJN presentation. After further discussion, Kay Schnurr motioned to hold a Special meeting on April 23, 2018 at 6:00 pm at the Lake St. Louis Community Association, seconded by Jim Inghram, all yea, motion carried.

Kim Cantrell informed the Board of the current procedures for check scanning and request the Board approval to move forward with utilizing US Bank's Lockbox services. After further discussion, Kay Schnurr motioned to approve staff to move forward with changing over to US Bank's Lockbox services, seconded by Vicky Steinkamp, all yea, motion carried.

Kim Cantrell updated the Board stating that no identify theft or fraud issues happened in the last 12 months.

Kim Cantrell inquired if Darrell Dechant and Hank Hedges were interested in attending the Board Member training on May 11, 2018 in Ashland, Missouri.

Kevin Dunn explained the Customer Compliment Thank You card that was received.

Brian Schwermann discussed the upcoming Certificate of Participation financing. The financing will provide funds for the Wright City water and sewer acquisition as well as capital improvement funds for the next few years. He presented three repayment options assuming an issue size of \$30,000,000. Following discussion, it was recommended for the District to follow the repayment "Alternative C". Ranson Financial Corp. will begin preparing necessary documents as well as a rating request to Standard & Poor's. Brian will keep the Board updated regarding the financing process as well as any necessary approvals and execution of documents. The professional firms involved in the financing will be presented at the next Board meeting. After further discussion, Kay Schnurr motioned to recommend Alternative C maturity schedule, seconded by Vicky Steinkamp, all yea, motion carried.

Brian Schwermann also mentioned that the Board needs to address a couple of actions regarding the upcoming bond issue. He stated the Board needs to select a lead underwriter and authorize the signing of certain underwriter disclosure documents. The Board discussed the above issues and John Cook motioned and Kay Schnurr seconded the motion that Piper Jaffray, Inc., be selected as lead underwriter and that the Board President, the Clerk and the District General Manager be authorized to execute the underwriter disclosure forms (MSRB Forms G-17 and G-23). The above motion was thereby passed by unanimous vote.

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

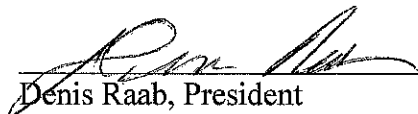
Denis Raab stated there are matters for which the Board should convene in executive session pursuant to Section 610.022(1) and Sections 610.021(1) and (2) RSMo to discuss matters involving legal actions, confidential and/or privileged communications between District Officials, its representatives and its attorneys, and/or leasing, purchase or sale of real estate. Vicky Steinkamp motioned to close the regular session and convene to an executive session; seconded by Jim Inghram. 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.

Jim Inghram 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 no, Vicky Steinkamp voted yea, Denis Raab voted yea, Jim Inghram voted yea, motion passed.

Denis Raab presented the list of bills and additions for review and consideration. Kay Schnurr motioned to approve all the bills except the Alliance check be pulled and re-written for the base monthly charge, seconded by Vicky Steinkamp, all yea, motion carried.

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 9th day of May, 2018.

  
Denis Raab, President

  
Kim Cantrell, Clerk

