

Public Water Supply District #2 of St. Charles County, Missouri
Minutes of the July 12, 2017 Regular Board Meeting

John Cook, Vice President
Kay Schnurr, Director

Vicky Steinkamp, Director
Jim Inghram, 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 July 12, 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. Denis Raab was absent.

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

John Cook recognized James Moody the District's Lobbyist. Mr. Moody discussed the current bills that could potentially affect the District and answered questions from the Board. Mr. Moody stated that they will be monitoring these bills. Mr. Cook thanked Mr. Moody for attending the meeting.

John Cook requested review and discussion of the June 14, 2017 Regular Board meeting minutes, Kay Schnurr motioned to accept the June 14, 2017 Regular Board meeting minutes as presented, seconded by Vicky Steinkamp, all yea, motion carried.

John Cook presented the list of bills for review and consideration. After further discussion, Jim Inghram motioned to approve the bills, seconded by Kay Schnurr, 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 May 31, 2017. After further discussion, Kay Schnurr motioned to approve the Treasurer's Report as presented, seconded by Vicky Steinkamp, all yea, motion carried.

Kay Schnurr requested that the graphs be in a PDF and in color so they can tell the difference in the years on the graphs.

Ron Smith also briefly reviewed the funds in the bank accounts and the available funds for future projects.

Bob Schwermann discussed with the Board, the District's need for a bond issue in 2018 to fund future new construction project needs for the next several years. Mr. Schwermann presented a bond sizing estimate of \$25,000,000.00 and described two debt service repayment methods. The first repayment method was a 30 year level debt service amortization schedule where each annual payment was the same throughout the life of the bond issue. The second option was a shorter 24 year debt service amortization schedule. Mr. Schwermann said the second option would have a lower interest rate and lower annual payments and would not require a water rate increase. Mr. Schwermann said Brian, Ron and he would develop and present a 5 year long range operating pro-forma to the Board at the August Board meeting. The pro-forma will give the Board an estimate of the District's financial condition for the next five years. Mr. Schwermann also stated that when they go to purchase the Wright City system, they pay for it out of the Bond Issue and not out of cash. A reimbursement agreement will be needed if the Wright City acquisition closes before bonds are sold to reimburse the District's Cash account.

John Cook stated the Board would like all the account numbers for the various bank accounts owned by the District and would like to know who are listed on those accounts.

Ron Smith stated that as a result of the audit findings regarding the District's Investment Policy pertaining to the length of term allowed on its investments, he has been in communication with the District's investment agent Stifel Nicholas and the District's auditor Hochschild-Bloom and are working on the revisions.

Kim Cantrell stated that at the Board's request information was obtained on an Assistance Program where customers could add additional money to their payment to assist others with their delinquent bills. Mrs. Cantrell reported that the District's billing software does have the capability to track this information. With the assistance of Mark Piontek, Mrs. Cantrell found out you cannot give the money directly to individuals however it can go to a charity that offers assistance for utility bills. Mrs. Cantrell passed out a list of agencies in the St. Charles County area and the Board selected four to interview. Mrs. Cantrell will contact these agencies to set up appointments for interviews.

Al Beamer of The Cottages of Lake St. Louis presented information regarding his development and request the Board to reconsider the way that this development is viewed with regards to water and sewer connections fees. Mr. Beamer proposed the Board reduce their connection fees to what is comparable with other areas and use the footage under roof instead. The Board thanked Mr. Beamer for attending the meeting and stated this would be discussing this later.

John Cook stated that there needs to be a protocol when there are emergencies or major issues. Mr. Cook stated the board would like to be contacted first via text or telephone call before anyone else is notified.

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 May 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.

Kay Schnurr requested that the changes be highlighted in the Engineering report.

Matt Jaspering informed the Board that Cole & Associates submitted a proposal for the engineering services related to the Interstate 64 30" Water Main Extension (Phase 1) Project at a not-to-exceed cost of \$171,730.00. After further discussion, Kay Schnurr motioned to table this discussion until next month, seconded by John Cook, all yea, motion carried.

Matt Jaspering stated that O.R. Colan provided a proposal for Work Authorization No. 43 for the services related to the acquisition of utility easements on thirty-five properties along Highway D at the not-to-exceed cost of \$80,600.00. After further discussion, John Cook motioned to table this discussion until next month, seconded by Kay Schnurr, all yea, motion carried.

Matt Jaspering stated that in order to construct the Lakewood Lift Station Replacement and Henke Force Main (Phase 1) Improvements Projects, the acquisition of certain permanent utility and temporary construction easements are required from the Lake St. Louis Community Association. Mr. Jaspering stated that staff recommends the Board approve the Memorandum of Understanding regarding construction terms and conditions on the LSLCA property related to the Lakewood Lift Station Replacement Project as well as approve an ordinance authorizing and directing the exercise of the power of eminent domain of Public Water Supply District No. 2 of St. Charles County, Missouri for the purpose of acquiring 12,285 square feet of permanent utility easement and 34,511 square feet of temporary construction easement from the Lake St. Louis Community Association property for gravity main and force main sanitary sewer improvements related to the Lakewood Lift Station Replacement Project. After further discussion, Kay Schnurr motioned to approve the Memo of Understanding and the Ordinance directing the exercise of the power of eminent domain, seconded by Vicky Steinkamp, all yea, motion carried.

Matt Jaspering informed the Board that additional lead time was required for submittal review and manufacture of the District-specified emergency generator receiving connector. Mr. Jaspering stated Heggemann Inc., submitted Change Order No. 1 which will increase the contract time from 180 to 240 days at a no cost increase to the District. After further discussion, Jim Inghram motioned to approve Change Order No. 1 from Heggemann Inc., seconded by Kay Schnurr, all yea, motion carried.

Matt Jaspering informed the Board that the District received bids for the Water Treatment Plant Roof Replacement and the lowest and best bid was from Lakeside Roofing Company at the total cost of \$179,752.00. After further discussion, John Cook motioned to table this discussion until next month, seconded by Kay Schnurr. John Cook, Kay Schnurr and Vicky Steinkamp voted yea, Jim Inghram abstained.

Matt Jaspering stated that the District received bids for Phase 1 of the Highway N 24" Water Main Upgrade Project and the lowest and best bid was received from Wehmeyer Farms, Inc., at the total cost of \$542,524.00. After further discussion, Kay Schnurr motioned to approve the bid from Wehmeyer Farms, Inc., at the total cost of \$542,524.00, seconded by Jim Inghram, all yea, motion carried.

Matt Jaspering informed the Board that Straqr Long Term Properties, LLC has completed all obligations to the District at this time for the Wyndgate Village F, Plat 3 development's 3-year escrow agreement and at this time staff recommends the release the remaining \$5,000.00 of their security deposit. After further discussion, Kay Schnurr motioned to authorize the release of Straqr Long Term Properties, LLC's \$5,000.00 security deposit, seconded by Jim Inghram, all yea, motion carried.

Matt Jaspering informed the Board that McBride Wyndgate, LLC has completed all obligations to the District at this time for the Wyndgate Village D, Plat 2B development's 3-year escrow agreement and at this time staff recommends the release the remaining \$5,000.00 of their security deposit. After further discussion, Jim Inghram motioned to authorize the release of McBride Wyndgate, LLC's \$5,000.00 security deposit, seconded by Kay Schnurr, all yea, motion carried.

Matt Jaspering informed the Board that Montrachet Development, LLC has completed all obligations to the District at this time for the Villages at Montrachet Phase 1 development's 3-year escrow agreement and at this time staff recommends the release \$3,355.00 of their security deposit. After further discussion, Jim Inghram motioned to authorize the release \$3,355.00 of Montrachet Development, LLC's security deposit, seconded by Kay Schnurr, all yea, motion carried.

Under Other and Informational, Kim Cantrell advised the Board of the auto dialer call fiasco that happened when there was a break on the 36" water main. Mrs. Cantrell informed the Board that staff is looking into other alternative companies to handle the auto dialer calls.

Ron Smith informed the Board that the keys to all the District vehicles; that the Board requested, are being gathered but additional copies will be made in case a set of keys are misplaced. John Cook said to do what needed to be done before turning them over to the Board.

Jim Inghram stated that he and John Cook paid a visit to the Hawk Ridge Lift Station and it does need some aesthetics. John Cook recommended an 8' white fence. Matt Jaspering said he will come up with some designs and report back next month.

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

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

John Cook inquired if there was any other business to come before the Board. Mark Piontek informed the Board that staff is still waiting for the Bill of Sale from the Developer at Hickory Trails treatment plant and if the construction is not started soon, the Augusta treatment plant will be out of compliance. After further discussion, John Cook motioned to proceed with litigation of filing a temporary restraining

order to prevent the developer from refusing to sign the Bill of Sale, seconded by Vicky Steinkamp, all yea, motion carried.

John Cook inquired if there was any additional other business to come before the Board. Being no other items for business, Kay Schnurr motioned to adjourn; John Cook seconded, all yea, motion carried

Minutes approved this 15th day of August, 2017.



Denis Raab, President



Kim Cantrell, Clerk

