

Public Water Supply District #2 of St. Charles County, Missouri
Minutes of the April 10, 2019 Regular Board Meeting

Denis Raab, President
Vicky Steinkamp, Director
John Cook, Vice President

Kay Schnurr, Director
Darrell Dechant, Director

Brian Schwermann, Financial Advisor
Scott Hoffman, Accountant

Bob Schwermann, Economic Advisor

Kevin Dunn, General Manager/Treasurer
Bobby Nichols, Woodard & Curran

Ken Stecher, Engineer
Mike Pratt, Woodard & Curran

The regular meeting of the Board of Directors of Public Water Supply District #2 of St. Charles County, Missouri, was held on April 10, 2019 at the Water District offices, 100 Water Drive, O'Fallon, Missouri, at 6:00 PM.

Denis Raab called the meeting to order. Kevin Dunn 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 Darrell Dechant.

John Cook motioned to open the Regular meeting held on April 10, 2019, seconded by Darrell Dechant, all yea, motion carried.

John Cook moved to adopt the agenda, seconded by Darrell Dechant, all yea, motion carried.

Denis Raab requested review and discussion of the March 13, 2019 Regular Board meeting minutes, John Cook motioned to accept the March 13, 2019 Regular Board meeting minutes as presented, seconded by Darrell Dechant, all yea, motion carried. Next, Denis Raab requested review and discussion of the March 4, 2019 Special Board meeting minutes, Vicky Steinkamp motioned to accept the March 4, 2019 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. Kay Schnurr motioned to approve the bills seconded by Vicky 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 for the period ending February 28, 2019. After further discussion, Darrell Dechant motioned to approve the Treasurer's Report as presented, seconded by Vicky Steinkamp, all yea, motion carried.

Kevin Dunn informed the Board that the City of O'Fallon is submitting a one-time payment to go towards the odor control treatment at Bryan Road.

Kevin Dunn stated there was no updates on the Daniel Boone Tank repairs at this time.

Kevin Dunn updated the Board stating that no identify theft or fraud issues happened in the last 12 months. Mr. Dunn also informed the Board that since Alliance is no longer involved with the District, the policy wording needed to be updated and re-approved, after further discussion, John Cook motioned to approve the revised Red Flag Identity Theft Policy, seconded by Darrell Dechant, all yea, motion carried.

Kevin Dunn informed the Board that the New Melle Fire Department damaged a fire hydrant in February and their insurance company has submitted a Property Damage Release to be signed before they will release the payment. After further discussion, John Cook motioned to approve the signing of the Property Damage Release, seconded by Darrell Dechant, all yea, motion carried.

Brian Schwermann presented the Board an update on the upcoming tax-exempt financing. At this time the projected financing size is \$32,000,000. The issue is expected to close by July 1, 2019. Ranson Financial Corp. is working with various attorneys, underwriters, rating agencies etc. to compile information and documents necessary to complete the financing. As part of that process, certain documents will be required to be executed. Denis Raab motioned to give authority to the President, Denis Raab, the General Manager, Kevin Dunn, and the Clerk, Kim Cantrell to sign necessary documents involved with the 2019 financing, seconded by Kay Schnurr, all yea, motion carried.

Brian Schwermann also discussed the underwriters that have been utilized with past issues. The primary three underwriters used have been Piper Jaffray & Co. in Kansas City, Stifel, Nicolaus & Company in St. Louis and US Bancorp in Chicago. Following discussion, Kay Schnurr motioned to authorize Ranson Financial Corp. to work with Piper Jaffray & Co., Stifel, Nicolaus & Company and US Bancorp to form the underwriting team for the 2019 financing, seconded by Vicky Steinkamp, all yea, motion carried.

Denis Raab asked if there was anything to be discussed under Legal. Mr. Dunn stated he had nothing at this time.

Denis Raab requested that Bobby Nichols of Woodard & Curran provide the Board with an update on the operations of the District. Mr. Nichols gave a brief review of February's operations and answered questions.

Denis Raab requested Ken Stecher present the Engineering report. Mr. Stecher pointed out some of the highlights.

Ken Stecher stated that the District received bids for the Wright City Interconnect with Foristell and the lowest and best bid was from Semke Pipe Works at the total cost of \$81,285.00. After further discussion, John Cook motioned to approve the bid from Semke Pipe Works at the total cost of \$81,285.00, seconded by Darrell Dechant, all yea, motion carried.

Ken Stecher informed the Board that the District received a proposal from Farnsworth Group, Inc. for the design of the Augusta Shores Water Main Improvements at the cost of \$218,000.00. After further discussion, Vicky Steinkamp motioned to approve the proposal from Farnsworth Group, Inc., seconded by John Cook, all yea, motion carried.

Ken Stecher stated that the District received several bids for the Wright City Force Main Interconnect and the lowest and best bid was received from Semke Pipe Grading, LLC at the total cost of \$1,144,278.50. After further discussion, Vicky Steinkamp motioned to accept the bid from Semke Pipe Grading, LLC at the total cost of \$1,144,278.50, seconded by Kay Schnurr, all yea, motion carried.

Ken Stecher stated the District received a proposal from Electrical Controls Company (ECC) for completion of the SCADA Upgrades at the Wentzville Flow Meter Vaults at a cost of \$83,340.00. After further discussion, Vicky Steinkamp motioned to approve the proposal from ECC at a total cost of \$83,340.00 seconded by Kay Schnurr, all yea, motion carried.

Ken Stecher informed the Board that the District received bids for the Water Treatment Plant Rehabilitation of Filters 7 & 8 and the lowest and best bid was received from S4 Water at the total cost of \$234,140.00. After further discussion, John Cook motioned to approve the bid from S4 Water at the total cost of \$234,140.00, seconded by Darrell Dechant, all yea, motion carried.

Ken Stecher informed the Board that the District received a proposal from Woodard & Curran Engineering to provide Engineering Services for the installation of the New Lime Feed System at the Water Treatment Plant at the total cost of \$218,241.00. After further discussion, John Cook motioned to approve the proposal from Woodard & Curran Engineering at the total cost of \$218,241.00, seconded by Vicky Steinkamp, all yea, motion carried.

Kevin Dunn stated to the Board that one comment from the Financial Audit pertained to the Board not formally accepting subdivision water and sewer mains and platted easements dedicated to the District. Therefore, each quarter Engineering will provide a listing of those dedicated items to be accepted. Ken Stecher explained there were three 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 West Ridge Farms Emergency Storage Tank at Crimson Oaks Lift Station with a construction cost of \$53,957.00 for sewer, Villages at Shady Creek Phase 3B with a construction cost of \$64,932.01 for water, Villages at Shady Creek Phase 5 with a construction cost of \$38,930.00 for water, Chowning Heating & Cooling, Inc., with a construction cost of \$17,240.00 for water, Sanitary Sewer Extension out of Wyndstone Phase 2 (West Ridge Farms) with a construction cost of \$38,654.00 for sewer. Ken Stecher 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 Shady Creek Phase 3B plat with a value of \$142,321.62, Liberty Village Foristell easement with a value of \$581.40, Liberty Village Foristell easement with a value of \$1,156.68 and Lassiter Water Main Extension easement with a value of \$42.93. After further discussion, Vicky Steinkamp motioned to approve the acceptance of these dedicated permanent systems and easements; seconded by Kay Schnurr, all yea, motion carried.

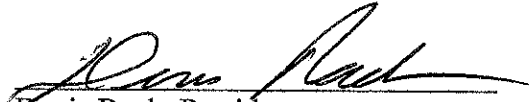
Denis Raab opened the floor for Public Comment. There was no one present to speak.

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 John Cook. Kevin Dunn called a roll call vote: Denis Raab voted yea, Vicky Steinkamp voted yea, Kay Schnurr voted yea, Darrell Dechant voted yea, John Cook voted yea, all yea, motion carried.

Kay Schnurr motioned to adjourn the Executive Session and reopen the Regular Session; Vicky Steinkamp seconded. Kevin Dunn called a roll call vote: Denis Raab voted yea, Kay Schnurr voted yea, Vicky Steinkamp voted yea, Darrell Dechant voted yea, John Cook voted yea, motion passed.

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

Minutes approved this 8th day of May, 2019.


Denis Raab, President


Kim Cantrell, Clerk

