

LEAVENWORTH WATERWORKS

MINUTES OF A MEETING OF THE BOARD OF DIRECTORS

HELD ON NOVEMBER 9, 2015

A regular meeting of the Board of Directors of the Leavenworth Waterworks was held at 5:00 PM on Monday, November 9, 2015 at the Leavenworth Waterworks located at 601 Cherokee, Leavenworth, Kansas 66048.

ATTENDANCE

Directors in Attendance

Richard Gervasini, Chairman
Teresa Wood, Vice Chairman
Christi Norris, Secretary
Greg Kaaz, Member

Directors Absent (Excused)

Davis Moulden, Assistant Secretary

Staff in Attendance

Joel Mahnken, PE, General Manager
Lesia Hegeman, Manager of Finance
Jeffrey Arnold, Superintendent of Plants
Dennis Baragary, Manager of Distribution
Kayla Manning, Engineer

Others in Attendance

Lisa Torres, Blue Cross Blue Shield of Kansas

CALL TO ORDER

Chairman Gervasini called the meeting to order at 5:00 PM.

ROLL CALL, ANNOUNCEMENT OF QUORUM

Chairman Gervasini noted that a quorum was present.

REQUESTS, COMMENTS,
PETITIONS BY MEMBER OF
THE PUBLIC

None

BOARD MEMBERS ITEMS
OUTSIDE OF EXECUTIVE
SESSION

Director Kaaz requested the minutes include more Board comments.

APPROVE MINUTES OF
OCTOBER 26, 2015

Upon motion from Director Norris, seconded by Director Wood, the motion was unanimously adopted ...

RESOLVED (No. 14585) that the Board approved the October 26, 2015 minutes.

CONSIDERATION OF CONSENT
AGENDA FOR:

Upon motion from Director Kaaz, seconded by Director Wood, unanimously adopted

RESOLVED (No. 14586) that the Board approved:

A. PAYROLL DISBURSEMENT

A. The payroll for the period ending November 15, 2015 amounting to gross pay of \$79,511.49 (composed of the following withholdings and deductions) Federal Income Tax - \$8,022.24; FICA- \$5,939.92; State Tax - \$2,652.89; KPERS -\$4,743.23, Insurance - \$2,411.13; United Way - \$152.13; Eq-flex - \$1,547.93; PEDC - \$2,774.68; Garnishment - \$755.00; Rent - \$217.50; Misc - \$22.50; KPERS-optional life \$205.80 and Direct Deposit - \$50,118.91, and including the following overtime amounts: Distribution - 55.50 hours @ \$1,867.56; North Plant - 12 hours @ \$391.38; South Plant - 49.50 hours @ \$1,639.99 be approved and disbursements made from the Revenue Fund for their respective amounts.

B. PAYMENT OF CLAIMS

B. The Regular Claims \$250,697.48, Special Claims \$211,235.86 and Special/Special Claims as follows: KS-AWWA \$70.00, YP \$423.36, Ks Gas Service \$317.36, and Westar Energy \$33,465.33, the checks be drawn on the Revenue Fund for their respective amounts.

PRESENTATION OF BLUE CROSS/BLUE SHIELD HEALTH INSURANCE	<p>Lisa Torres our group consultant from Blue Cross Blue Shield of Kansas presented the 2016 insurance renewal to the Board. The Water works department is grandfathered into a pool of small groups and our increase for next year is 10.5%, which is based off the pools increase of 6.50% and our demographic increase of 4%. All employees were asked to complete new application to see if the underwriters would adjust the rate increase.</p> <p>Ms. Torres informed the Board this could be the last year for us to be in the small groups' pool and the new rates are based on location of the business, age and tobacco usage.</p> <p>Director Kaaz asked if BCBS has a vitality program. Ms. Torres stated that BCBS doesn't have one for small groups.</p>
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CONSIDERATION OF PROJECT COMPLETION AND FINAL PAYMENT FOR CHEYENNE STREET WATERLINE REPLACEMENT	<p>Linaweaver finished the project with no changes orders. The total contract price was \$295,896.00, they were previously paid \$238,388.40 and have submitted a final payment invoice of \$57,507.60.</p> <p>Director Kaaz asked what happened to the valve at Choctaw and Esplanade Street. Mr. Baragary answered the bottom broke out.</p> <p>Upon motion from Director Kaaz, seconded by Director Norris, the motion was unanimously adopted</p> <p>RESOLVED (No. 14587) that the Board approved the final payment to Linaweaver in the amount of \$57,507.60.</p>
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CONSIDERATION OF PROJECT COMPLETION AND FINAL PAYMENT FOR SPRINGDALE ROAD MAIN EXTENSION (KDOT)	<p>Westland Construction finished the Springdale Road Water main extension project and submitted the final invoice of \$4,201.10.</p> <p>Chairman Gervasini noted this amount was within the GM's authorization for approval. The consensus of the Board was to accept the project.</p>
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CONSIDERATION OF HIPPO REPLACEMENT	<p>The Mobile Hydraulic Equipment Company 2042E power pack is a self-contained. The unit is a diesel-engine driven power pack which provides air, electric, hydraulic and welding power for heavy duty power tools. The purchase price is \$40,950.00.</p> <p>This would replace the existing hydraulic pump unit that is attached to the truck.</p> <p>Director Kaaz asked what will happen to the existing hippo unit and could it be list on the website Purple Wave for sale. Staff agreed they would do so after receipt of the new pack.</p>
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Upon motion from Director Wood, seconded by Director Norris, the motion was unanimously adopted

RESOLVED (No. 14588) that the Board approved the purchase of Hippo 2042E power pack in the amount of \$40,950.00.

PRESENTATION OF INTERNET BILL
PAY PROPOSALS

The Board reviewed two proposals for internet billing with several different options of payment. Staff stated that both proposal were given to legal for review. Director Norris asked to have the references contacted. Director Kaaz asked for a summary sheet of both companies. Further review will be done after legal reviews the contracts.

PRESENTATION OF BUDGET

The proposed budget for fiscal year 2016 was presented to the Board. Summary – Revenue Sales budgeted for a 5% increase in water sales, assuming weather returns to “normal”, along with a one percent across the board increase for water rates. Operating expenditures budgeted an increase of 2% unless a different adjustment is needed by line item. An overall increase of 3.6% resulted, which includes a 1% COLA increase for all employees and a 3% merit increase available at the employees anniversary evaluation. Capital Improvement Projects (CIP) budgeted approximately \$4,261,000, to include replacement of 3.4 miles of pipeline and conversion of both plants from the use of gaseous chlorine to liquid chlorine as a disinfected, security measures, and major rehab projects. The Board asked several questions about the proposed budget. Director Kaaz asked if staff could be reduced when we convert to liquid CL2. Staff responded that not just by this conversion, the sand filters would need to be changed to membrane or other operational actions would need to be considered as well. This project is primarily for safety of the public and the elimination of the risk management plan. Director Gervasini asked how long would it take for the switch and what happens to the existing equipment. Director Kaaz asked for a wage and benefit summary for all employees. The Board agreed to review the budget further and have more questions at the next meeting.

STAFF REPORTS

Administration

- On October 29th met with BCBS to discuss 2016 health insurance

- renewal.
- Web based billing proposals to legal for review.

Distribution and Engineering

Water Distribution Summary

1. Columbia-Spruce to Michigan, Spruce-Columbia to Broadway
Nothing new.
2. Delaware -16th & 13th Street
Crews are finishing restoration. All other work is finished.
3. 16th & Quincy/Olive-14th to Newman/14th St.,North of Vilas/Kingman-Quincy to Ohio.
Kingman – Done.
Quincy – Done.
Olive – pipe has been pulled from 14th Street to Newman. First section of main should be ready next week for service transfers.
4. Thornton St-10th Ave to 5th St.
Nothing new.
5. Osage St.-9th St to Broadway.
Crews are ready to pull pipe tomorrow.
6. Cheyenne St.-4th St. to 2nd St.
Linaweaver has finished and submitted final invoice.
7. 16490 Springdale Rd – (KDOT facility)
Westland has finished and submitted final invoice.
8. Franklin/Newman/Klemp/Grand – Quincy to Halderman
Nothing new.

Water Distribution Operations

Between October 7th, 2015 and October 21st, 2015 the following water distribution activities have occurred:

- a. New Services: two
- b. Service Repairs: replaced corp and saddle
- c. Valves and fire hydrants: broken 8” valve
- d. Water line breaks: two 2-inch and two 6-inch

TREATMENT

North Plant Summary

1. Scada system – is functioning at 100%, but there are still problems with the reports.
2. Contractor started fence job.

South Plant Summary

1. Scada system – is functioning at 100%, but there are still problems with the reports.
2. Generators – progress with the land owner
3. Swan Painting finished painting the wells.
4. Ordered Mag meters for the wells.

GENERAL MANAGER

- Finished work on the 2016 Budget.
- Attended meeting on the Centennial Bridge project.
- Reviewed health insurance.
- Reviewed proposals by internet payment.
- Turkey/Ham for employees
- 15 employees are eligible for the health recognition award.
- 13 employees took the flu shot.

ADJOURNMENT

There being no further business to come before the Board, Director Gervasini adjourned the meeting.

Approved _____ 2015

Richard Gervasini, Chairman

Christi Norris, Secretary