

LEAVENWORTH WATERWORKS

MINUTES OF A MEETING OF THE BOARD OF DIRECTORS

HELD ON DECEMBER 14, 2015

A regular meeting of the Board of Directors of the Leavenworth Waterworks was held at 5:00 PM on Monday, December 14, 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, Manager of Plants
Kayla Manning, Engineer

Others in Attendance

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 asked, how will the change in election dates effective the water board election. The next Board election will coincide with the municipal election.
Director Gervasini requested staff to look at all the mobile telephone bills and negotiate a reduced cost.

APPROVE MINUTES OF
NOVEMBER 23, 2015

Upon motion from Director Norris, seconded by Director Wood, the minutes for November 23, 2015, unanimously adopted ...

RESOLVED (No. 14593) that the Board approved the November 23, 2015 minutes.

CONSIDERATION OF CONSENT
AGENDA FOR:

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

RESOLVED (No. 14594) that the Board approved:

A. PAYROLL DISBURSEMENT

A. The payroll for the period ending December 15, 2015 amounting to gross pay of \$80,832.71 (composed of the following withholdings and deductions) Federal Income Tax - \$8,202.80; FICA- \$6,043.40; State Tax - \$2,718.53; KPERS -\$4,818.14, Insurance - \$2,564.56; United Way - \$152.13; Eq-flex - \$1,547.93; PEDC - \$2,774.68 ; Garnishment - \$755.00; Rent - \$217.50; Misc - \$22.50; and Direct Deposit - \$51,015.54, and including the following overtime amounts: Distribution - 20.50 hours @ \$673.01; North Plant - 82.50 hours @ \$2,524.26; South Plant - 57 hours @ \$1,867.20 be approved and disbursements made from the Revenue Fund for their respective amounts.

B. PAYMENT OF CLAIMS

B. The Regular Claims \$323,882.78, Special Claims \$207,748.38 and Special/Special Claims as follows: Riverfront Community Center \$1,002.76; SASI \$2,673.96; KS Gas Service \$536.00; Westar Energy \$34,765.57; AT&T \$703.14; AT&T Mobility \$717.01; Cash Account \$2,250.00; AT&T \$283.82; AXA Equitable \$5,549.36; SASI \$2,065.55; and Walmart \$54.35 the check be drawn on the Revenue Fund for their respective amounts.

CONSIDERATION OF BUDGET

The operating budget for fiscal year 2016, includes a two percent water rate increase across the board effective April 1, 2016; five percent increase for health insurance cost; one percent COLA for employees and three percent merit increase to be awarded with the employee's anniversary evaluation. The capital improvement projects budget allocates \$37,500.00 to Administration to upgrade billing platform; \$2,371,700.00 to Distribution (majority for main improvements); \$1,763,500.00 to the Plants for emergency generator and to convert disinfectant to sodium hypochlorite. The total CIP budget for 2016 is \$4,172,700.00.

Upon motion from Director Kaaz, seconded by Director Wood, it was unanimously adopted ...

RESOLVED (No. 14595) that the Board approved the budget for fiscal year 2016.

CONSIDERATION OF RATE INCREASE FOR 2016

The Board agreed to increase water rates by two percent across the board for retail and wholesale customers, effective April 1, 2016.

Upon motion from Director Kaaz, seconded by Director Norris, it was unanimously adopted

RESOLVED (No. 14596) that the Board approved a two percent water rate increase for retail and wholesale customers, effective April 1, 2016.

CONSIDERATION OF BLUE CROSS/BLUE SHIELD HEALTH INSURANCE

The insurance renewal forms were reviewed by Blue Cross/Blue Shield of Kansas, they will not be able to offer us a better rate than they have so far. The health insurance for 2016 increased 10 percent. In previous years the Board has agreed to cost share (50/50) the increase with employees for the Tier 3 option.

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

RESOLVED (No. 14597) that the Board approved the health insurance for 2016 with a 50/50 cost share of the increase in the health insurance premium for the Tier 3 option.

CONSIDERATION OF NON-REVENUE DISTRIBUTION FOR 2016

In the past, the Board has approved donations to charitable organizations from the Tower Fund on an annual basis. This past summer, we were notified by Cricket Wireless that they would be removing their antenna from Pilot Knob, effective February 1, 2016. This will reduce our Tower Fund revenue by about one-third. In 2016, donations to charitable organizations will be reduced by approximately one-third as well.

Upon motion from Director Norris, seconded by Director Kaaz, it was unanimously adopted

RESOLVED (No. 14598) that the Board approved the proposed donations from the Tower Fund.

CONSIDERATION OF
CHANGE ORDER FOR NPL
FOR OLIVE
/QUINCY/KINGMAN/14TH
STREET PROJECT

NPL change order #1 summary:

- 20 meter pits not included in the bid, NPL charged 2 hours labor per pit and LWD provided material. 20 pits@ \$275/hr (2 hrs per pit) = \$11,000.00.
- 4 additional services were bored. 4 bores @ \$475/hr = \$1,900.00
- One additional bore had to be made at Kingman and Ohio to get existing services connected to new main. 1" bore = \$1,000.00
- 7 additional services not in the bid. 7 services - \$6,771.15

The total change order price is \$22,321.15. Director Gervasini asked if the change order cost was inline with standard prices. Kayla Manning stated that it was.

Upon motion from Director Norris, seconded by Director Kaaz, it was unanimously adopted

RESOLVED (No. 14599) that the Board approved the change order for an additional \$22,321.15 and authorize the General Manager to execute.

CONSIDERATION OF
REVISED WORK ORDER
FOR NAPIER ENGINEERING
FOR GRAND-FRANKLIN
PROJECT DESIGN

After Napier started initial design work, staff decided it was necessary to extend the Franklin and Quincy streets pipe footage for construction and future connections. Napier agreed to the additional 20% pipe footage for an increase in price of 20%. The additional amount is \$4,900.00.

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

RESOLVED (No. 14600) that the Board approved the additional amount of \$4,900.00.

DISCUSSION OF CUSTOMER
SERVICE DEPOSIT
REQUIREMENTS

Meter deposit refunds have evolved throughout the years ranging from refunding after 12 consecutive months of timely payments; to the deposit kept until a service is terminated. Currently, the deposit is kept for 5 years for homeowners with good credit history and until service is terminated for renters. After Board discussion, they asked staff to update the deposit refund policy. The new policy will refund deposits for property owners with good credit history after 12 months.

Administration

- Worked on November Financial Statements
- Followed up with Blue Cross/Blue Shield of Kansas
- Worked on job description – 2nd revision
- Loaded IBM ptf's
- Legal reviewed web based billing proposals
- Dalton Tripp returned to work on December 14th

Distribution & Engineering

Water Distribution Summary

- Delaware – 16th Street to 13th Street – invoice received, minus retainage.
- 16th & Quincy/Olive -14th to Newman/ 14th St. North of Vilas/Kingman – Quincy to Ohio. Change order received and reviewed. Still figuring valve count for credit.
- 14th St – Done
- Kingman – Done
- Quincy – Done
- Olive – Done
- Thornton St – 10th Ave to 5th Street
Reviewed plans with BG Consultants.
- Franklin/Newman/Klemp/Grand – Quincy to Halderman
Met with Napier on schedule, revised footage for work order for design and survey.

Water Distribution Operations

Between November 18th, 2015 and December 9th, 2015 the following water-distribution activities have occurred:

- a) Service Repairs: (1) 1420 Kenton (broken saddle)
- b) Service Kills: (1) 401 S. 2nd Street
- c) Water-Line Breaks: two 2-inch

North Plant Summary

1. SCADA – work to find and fix errors in reports is ongoing. Operating part of system is 100%.
2. Contractor is working on fence job setting posts.

South Plant Summary

1. SCADA – work to find and fix errors in reports is ongoing. Operating part of system is 100%.
2. Generators – working on land acquisition.

GENERAL MANAGER

- Reviewed the Thornton Ave Water main replacement plans with BG Consultants.
- Reviewed and updated the proposed 2016 budget.
- Reviewed the BC/BS health insurance premiums and their budget impact for 2016 and 2017.
- Worked on job description updates
- Received and reviewed the 10-D Security's IT Security Assessment report.
- Began researching available customer service indices and training.
- January 14th, 2016 – Missouri River Basin meeting
- January 19th, 2016- KMU Day @ the Capital

ADJOURNMENT

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

Approved _____ 2015

Richard Gervasini, Chairman

Christi Norris, Secretary