

LEAVENWORTH WATERWORKS

MINUTES OF A MEETING OF
THE BOARD OF DIRECTORS

HELD ON AUGUST 13, 2018

A regular meeting of the Board of Directors of the Leavenworth Waterworks was held at 5:00 PM on Monday, August 13, 2018 at the Leavenworth Waterworks located at 601 Cherokee, Leavenworth, Kansas 66048.

ATTENDANCE

Directors in Attendance

William Daniels, Chairman
Richard Gervasini, Vice Chairman
Eric Peterson, Secretary
Greg Kaaz, Member

Directors Absent (Excused)

Christi Norris, Assistant Secretary

Staff in Attendance

Joel Mahnken, General Manager
Lesia Hegeman, Manager of Finance
Neil Seichepine, Manager of Water Treatment

Others in Attendance

Tony Kramer, Kramer & Associates, CPA's LLC

CALL TO ORDER

Director Daniels, called the meeting to order at 5:00 PM.

ROLL CALL,
ANNOUNCEMENT OF
QUORUM

Director Daniels noted that a quorum was present.

REQUESTS,
COMMENTS, PETITIONS
BY MEMBER OF THE
PUBLIC

None

BOARD MEMBER ITEMS
OUTSIDE OF EXECUTIVE
SESSION

Director Peterson asked for an update on the Safety Committee guidelines for safety awards.

Director Kaaz asked to review the Tower Fund donation.

APPROVE MINUTES OF
JULY 23, 2018

Upon motion from Director Gervasini, seconded by Director Kaaz, the minutes of July 23, 2018 were approved, motion passed 4-0...

RESOLVED (No. 14856), that the Board approved the July 23, 2018 minutes.

CONSIDERATION OF
CONSENT AGENDA

Upon motion from Director Peterson, seconded by Director Daniels, the consent agenda, motion passed 4-0 ...

A. PAYROLL
DISBURSEMENT OF
AUGUST 15, 2018

RESOLVED (No. 14857), that the Board approved:

A. The payroll for the period ending August 15, 2018 amounting to gross pay of \$81,241.70 (composed of the following withholdings and deductions) Federal Income Tax - \$6,365.92; FICA- \$6,085.36; State Tax - \$3,178.04; KPERS -\$4,726.91; KPERS-back \$114.35, Insurance - \$1,954.18; United Way - \$139.50; Eq-flex - \$1,481.84; PEDC - \$2,347.50; Garnishment - \$260.00; Misc - \$25.00, and Deposit - \$54,563.10 including the following overtime amounts: Distribution 58 hours @ \$2,079.43; North Plant 27 hours @ \$764.43 and South Plant 16 hours @ \$546.09 be approved and disbursements made from the Revenue Fund for their respective amounts.

B. PAYMENT OF CLAIMS

B. The Regular Claims \$228,954.91, Special Claims \$227,966.53 and Special/Special Claims as follows: Kansas Gas Service \$226.59, Westar Energy \$55,051.64, AT&T Mobility \$743.48, Home Depot \$415.02, Iosel Lugo \$87.90, AT&T \$231.73, AXA Equitable \$4,910.00, Park University \$2,409.00, Walmart \$734.74, Water Protection Fee

\$23,739.80, checks be drawn on the Revenue Fund for their respective amounts.

CONSIDERATION OF FINAL AUDIT

The 2017 audit was presented to the Board by Tony Kramer, CPA. The Auditors found a deficiency in internal control, where Country Club Bank was undersecured for the months January through May 2017. Director Daniels inquired about the difference between 2016 and 2017 pledging amounts. Staff stated they would contact Country Club Bank.

CONSIDERATION OF CASH RESERVCE RECOMMENDATION

After our discussion at the last meeting, the guidelines for cash reserves were developed as the sum of the liabilities, six month's O&M and 5% of fixed assets. There is a provision for semi-annual review, using year end and midyear data. There is also a provision to replace any reserve funding utilized in 3 to 5 years, depending on the scope and financial situation at the time. Upon motion from Director Kaaz, seconded by Director Gervasini, the consent agenda, motion passed 4-0 ...

RESOLVED (No. 14858), that the Board approved the guidelines for cash reserves with modification.

CONSIDERATION OF WEST GLEN 1ST PLAT

JMK Partners has completed the water system for their new residential subdivision on New Lawrence Road. A letter from JMK Partners requesting acceptance of West Glen Subdivision 1st Plat at total cost of \$147,500.00 was received by the Board.

Upon motion from Director Gervasini, seconded by Director Peterson, moton passed 3-0, Director Kaaz abstained ...

RESOLVED (No. 14859), that the Board approved to accept the water system at West Glen Subdivision 1st Plat for a total cost of \$147,500.00.

DIVISION REPORTS

ADMINISTRATION

- Worked on July Financial Statements
- KPERS audit
- Cincinnati Insurance workers compensation audit

WATER DISTRIBUTION PROJECTS

1. 5th Ave – Spruce to Thornton (2018)

Pipe is in the ground to Michigan (2,140 feet). Contractor will be going back to disinfect and test from Thornton to Michigan. Additional crews will start services as soon as the new main is ready.

2. Main Replacement Osage to Cherokee, 20th to 15th (2018)
Nothing new.
3. Pottawatomie 11th to Broadway
Almost ready to pipe burst next section from approx. 9th to 8th Street.
4. Lecompton Road Watermain Replacement (2019)
Nothing new.
5. Sanders and High Street Watermain Replacement (2019)
Nothing new.
6. Datoka Street Area Watermain Replacement (2019)
Survey is well under way.

WATER DISTRIBUTION OPERATIONS

Between July 19th, 2018 and August 8th, 2018 the following water-distribution activities have occurred:

- a) Water-Line Breaks: 3 – 6-inch
- b) Service Kills, Relocations or Repairs: Repaired leak on Michals Rd, service kill on Chestnut

Ohio Street Booster Station

Nothing new at this time.

North Plant Summary

1. R.E. Pedrotti fixed a few minor problems.

South Plant Summary

1. Capital Electric and McGuire Electric turned in bids for the CO₂ compressor.

GENERAL MANAGER'S REPORT

- Signed the finalized contract with Fort Leavenworth. Changes included "Implementation of Federal Statutes and Executive Orders", "Requirement relating to compensation of former DoD employees", and "Annual approval of budget requirement".
- Worked on KPWSLF paperwork. Waiting on KDHE response.
- Researched and provided information to Foutch Brothers on the location of the North Plant's transmission mains relative to the Abernathy Building.
- Had discussions with Lansing Correctional Facility regarding their testing requirements and need for a licensed operator.

EXECUTIVE SESSION –
DISCUSS PERFORMANCE
EVALUATION OF NON-
ELECTED PERSONNEL

At 6:20 PM the Board suspended the regular meeting and entered into executive session for 15 minutes to discuss performance evaluation on non-elected personnel.

Upon motion from Director Peterson, seconded by Director Gervasini, motion passed 4-0 ...

RESOLVED (No. 14860), at 6:20 PM, that the Board suspended the regular meeting and entered into executive session.

At 6:35 PM the Board ended executive session and resumed the regular meeting.

Upon motion from Director Kaaz, seconded by Director Peterson, motion passed 4-0 ...

RESOLVED (No. 14861), at 6:35PM, that the Board ended the executive session and resumed the regular board meeting.

Upon motion from Director Kaaz, seconded by Director Gervasini, motion passed 4-0.

RESOLVED (No. 14862), that the Board approved to give the General Manager a 4 percent salary merit increase effective July 16, 2018.

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

Approved _____ 2018

William Daniels, Chairman

Eric Peterson, Secretary