

**LEAVENWORTH WATERWORKS**

MINUTES OF A MEETING  
OF THE BOARD OF  
DIRECTORS

HELD ON MAY 29, 2018

A regular meeting of the Board of Directors of the Leavenworth Waterworks was held at 5:00 PM on Tuesday May 29, 2018 at the Leavenworth Waterworks located at 601 Cherokee, Leavenworth, Kansas 66048.

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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, PE, General Manager  
Lesia Hegeman, Manager of Finance  
Kayla Manning, Staff Engineer  
Dennis Baragary, Manager of Distribution  
Neil Seichepine, Manager of Plants

**Others in Attendance**

None

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CALL TO ORDER

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

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ROLL CALL,  
ANNOUNCEMENT OF  
QUORUM

Director Daniels noted that a quorum was present.

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REQUESTS,  
COMMENTS, PETITIONS  
BY MEMBER OF THE  
PUBLIC

None

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BOARD MEMBER ITEMS  
OUTSIDE OF EXECUTIVE  
SESSION

Director Peterson mentioned two items he would like to see the Board discuss in the future:

- 1) Participation in the Leavenworth County Fair, and,
  - 2) Providing a biannual employee safety recognition award
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APPROVE MINUTES OF  
MAY 14, 2018

Upon motion from Director Gervasini, seconded by Director Peterson, the minutes of May 14, 2018 were approved, motion passed 4-0...

**RESOLVED (No. 14879)**, that the Board approved the May 14, 2018 minutes.

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CONSIDERATION OF  
CONSENT AGENDA

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

**RESOLVED (No. 14880)**, that the Board approved:

A. PAYROLL  
DISBURSEMENT OF MAY  
31, 2018

A. The payroll for the period ending May 31, 2018 amounting to gross pay of \$84,741.77 (composed of the following withholdings and deductions) Federal Income Tax - \$6,834.52; FICA- \$6,343.67; State Tax - \$3,299.80; KPERS -\$4,978.84; KPERS-back \$113.63, Insurance - \$2,406.13; United Way - \$139.50; Eq-flex - \$1,476.74; PEDC - \$2,447.50; Garnishment - \$260.00; Misc - \$242.50, Optional Group Life \$351.34 and Deposit - \$55,847.60 including the following overtime amounts: Distribution 85.50 hours @ \$2,750.24; North Plant 9 hours @ \$273.81; South Plant 7 hours @ \$239.19 be approved and disbursements made from the Revenue Fund for their respective amounts.

B. PAYMENT OF CLAIMS

B. The Special Claims \$293,436.69 and Special/Special Claims as follows: State Disbursement Unit \$520.00, Postmaster \$3,000.00, Ks Department of Agriculture \$600.00 and SASI \$983.07 checks be drawn on the Revenue Fund for their respective amounts.

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PUBLIC HEARING ON  
KPWSLF LOAN FOR  
HORIZONTAL  
COLLECTOR WELL

In accordance with a Notice published on April 26, 2018 in the Leavenworth Times, a newspaper of general circulation in the City, a public hearing was held by the Governing Body relating to a proposed loan in an amount not to exceed \$6,900,000.00. The "Loan" to be taken by the Leavenworth Waterworks Board from the Kansas Public Water Supply Loan Fund (the "Fund") administered by the Kansas Department of Health and Environment ("KDHE") pursuant to K.S.A. 65-163c *et seq.* Proceeds of the Loan would be used by the Waterworks Board to finance certain modifications and improvements (the "Project") to the City's water supply and distribution system (the "System").

The Chairman informed those present of the issues involved in the Governing Body making a decision whether to proceed with the Loan process, including entering into a loan agreement (the "Loan Agreement") with KDHE to fund the Project. Information regarding the scope of the Project, the proposed Loan repayment terms, the covenants proposed to be contained in the Loan Agreement and other relevant matters were discussed by the Chairman and Waterworks staff.

Members of the public were permitted to make statements and ask questions of the Governing Body and the Waterworks staff. After all present were given an opportunity to speak and ask questions, the Chairman closed the public hearing.

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RESOLUTION ON  
KPWSLF LOAN FOR  
HORIZONTAL COLLECTOR  
WELL

The matter of proceeding with the application process came up for consideration and was discussed. Thereupon, Director Kaaz presented and moved the adoption of a Resolution entitled:

**A RESOLUTION AUTHORIZING THE COMPLETION OF AN APPLICATION  
TO THE KANSAS DEPARTMENT OF HEALTH AND ENVIRONMENT REGARDING  
A LOAN FROM THE KANSAS PUBLIC WATER SUPPLY LOAN FUND**

Board Director Gervasini seconded the motion to adopt the Resolution. Thereupon, the Resolution was read and considered, and, the question being put to a roll call vote, the vote thereon was as follows:

Aye: Daniels, Gervasini, Peterson, Kaaz  
Nay: None

The Chairman declared the Resolution duly adopted; the Manager of Collections and Accounts designating the same Resolution No. 14881.

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**RESOLUTION NO. 14881**

**A RESOLUTION AUTHORIZING THE COMPLETION OF AN APPLICATION TO  
THE KANSAS DEPARTMENT OF HEALTH AND ENVIRONMENT REGARDING  
A LOAN FROM THE KANSAS PUBLIC WATER SUPPLY LOAN FUND**

**WHEREAS**, the Leavenworth Waterworks Board of Leavenworth, Kansas (the "Board") is a duly authorized Board organized under laws of the state of Kansas ( the "State") which operates a public water supply and distribution system (the "System"); and

**WHEREAS**, the Leavenworth Waterworks Board (the "Governing Body") of the Leavenworth Waterworks heretofore determined in to be in the best needs of the customers of the System to undertake certain modifications and improvements (the "Project") to the System; and

**WHEREAS**, the pursuant to K.S.A. 65-163c *et seq.* (the "Act"), the Kansas Department of Health and Environment ("KDHE") administers the Kansas Public Water Supply Loan Fund (the "Fund") from which loans are made to certain qualified Municipalities (as said term is defined in the Act) to finance modification and improvements to public water supply systems; and

**WHEREAS**, the Board has heretofore made an application to KDHE for a loan in an amount not to exceed \$6,900,000.00 (the "Loan") to finance the Project; and

**WHEREAS**, the Governing Body has conducted a public hearing this date on the advisability of proceeding with the completion of the application for the Loan and desires to authorize the appropriate officials of the Leavenworth Waterworks Board to accomplish the completion process.

**BE IT RESOLVED BY THE GOVERNING BODY OF THE LEAVENWORTH WATERWORKS OF LEAVENWORTH, KANSAS, AS FOLLOWS:**

**Section 1. Loan Application.** The Chairman and Secretary of the Waterworks Board are hereby authorized to cause to be prepared and to execute a Loan Application, including all attachments thereto (jointly, the "Application"); in substantially the form presented to the Governing Body this date, in order to provide financing for the Project. The Application shall be forwarded to KDHE as soon as possible.

**Section 2. Further Proceedings.** The Chairman, Secretary and other officers and representatives of the Waterworks Board are hereby authorized and directed to take such other action as may be necessary to complete the Application and to coordinate processing of a loan agreement for the Loan (the "Loan Agreement"); provided that the authorization to execute the Loan Agreement shall be subject to further resolution of the Governing Body.

**Section 3. Further Authority.** This Resolution shall be in full force and effect from and after its adoption.

**Adopted** by the Leavenworth Waterworks Board of Leavenworth, Kansas on May 29, 2018.

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Chair

ATTEST:

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Secretary

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APRIL FINANCIAL  
REPORT

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

**RESOLVED (No. 14882)**, that the Board approved the April 2018 Financial report.

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CONSIDERATION OF  
KMU MUTUAL AID  
PROGRAM

The State of Kansas has experienced a number of disasters and emergency situations over the last several years that have caused significant damage to the utility infrastructure across the state. A coordinated effort has been developed to provide assistance to those affected utilities when the necessary response outstrips the utilities' ability to respond on their own. The Kansas Mutual Aid Program (KSMAP) has been developed to serve as the mutual aid program for Kansas utilities.

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

**RESOLVED (No. 14883)**, that the Board approved to participate in the Kansas Mutual Aid Program for Utilities (KSMAP).

**KANSAS MUTUAL AID PROGRAM FOR UTILITIES  
(KSMAP)**

**RESOLUTION NO. 14883**

**WHEREAS**, the Leavenworth Waterworks Board ("Utility"), owns, operates and maintains a water utility:

**WHEREAS**, the Leavenworth Waterworks Board desires to cooperate with other cities, districts, and utilities which own and operate water, wastewater, gas, and/or electric utility systems;

**WHEREAS**, the Utility expresses its intent to encourage and foster mutual aid between and among utilities in the event of disasters and emergencies;

**WHEREAS**, the Federal Emergency Management Agency (“FEMA”) has established a rule with which provides the FEMA will reimburse mutual aid costs for a particular disaster or emergency only if mutual aid participants have signed a written agreement prior to that disaster or emergency;

**WHEREAS**, prudent and appropriate charges should be established from time to time which may be paid to the Utility for its provision of mutual aid assistance to the Utility;

**WHEREAS**, participation in the program and responding to a request for assistance is strictly voluntary. The adoption of this agreement does not obligate the city, utility, district or association to provide any and all assistance that may be requested by another utility.

**NOW, THEREFORE BE IT RESOLVED by the board of directors of the Leavenworth Waterworks Board that:**

**Section 1.** The General Manager is hereby authorized and directed to execute and deliver the Kansas Mutual Aid Program (KSMAP) Agreement (attached hereto) and such other documents and agreements as may be necessary for participation in the Kansas Mutual Aid Program for utilities.

**Section 2.** The managing staff of the utility system(s) shall establish reasonable rates for reimbursement of its labor and equipment costs as contemplated in FEMA rules, and periodically revise such rates as necessary.

**Section 3.** The Utility will provide mutual aid assistance to other like utilities if the management of the Utility determines that:

- (a) The reliability and performance of the Utility’s system(s) and the public health and safety of the Utility’s residents and customers will not be materially and adversely affected; and
- (b) The utility requesting assistance has executed the Kansas Mutual Aid Program Agreement (or an agreement substantially similar in form and content).

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DIVISION REPORTS

ADMINISTRATION

- Worked on April Financial Statements
- SEW – punch list
- 2017 Audit
- Property Renewal

WATER DISTRIBUTION PROJECTS

1. Spruce St – 19<sup>th</sup> to Terrace Waterline Replacement (2017)  
Westland came up and addressed some matting issues at 16<sup>th</sup> Street and added asphalt between the ADA ramp and street at 18<sup>th</sup> Street. We will release retainage when the grass comes up.
2. 5<sup>th</sup> Ave – Spruce to Thornton (2018)  
Tentative start date of June 4<sup>th</sup>.

3. Main Replacement Osage to Cherokee, 20<sup>th</sup> to 15<sup>th</sup> (2018)  
Paperwork received.
4. Business Park Waterline  
Flushing has been completed and all lines are open. Ready for final invoice.
5. Osage 5<sup>th</sup> St to 6<sup>th</sup> St  
Work is done. May be additional discussion with City about pavement.
6. Pottawatomie 11<sup>th</sup> St to 10<sup>th</sup> St  
Pipe bursting of first section expected to occur this week.
7. Lecompton Road Watermain Replacement (2019)  
Signed design contract with Benesch.
8. Sanders and High Street Watermain Replacement (2019)  
Signed design contract with Benesch.

#### WATER DISTRIBUTION OPERATIONS

Between May 10<sup>th</sup>, 2018 and May 23<sup>rd</sup>, 2018 the following water-distribution activities have occurred:

- a) Service Kills, Relocations or Repairs: 4 items - one kill, one relocation, repair hit service and repair 6 inch fire line
- b) Water-Line Breaks: one

#### Ohio Street Booster Station

Nothing new at this time

#### North Plant Summary

1. Installed new scales for bulk polymer. Integrated controls into SCADA.
2. Douglas Pump finished rebuilding and installing High Service Pump #1.

#### South Plant Summary

1. U. S. Engineering replaced a defective pressure switch on the CO<sub>2</sub> tank.
2. Kaw Valley spent two days surveying the wellfield for Black & Veatch.

#### GENERAL MANAGER'S REPORT

- KMU Safety Training was held May 14<sup>th</sup> on "Hot and Inclement Weather".
- Submitted a water rights application to DWR to increase the volume of water annually available to the North Plant. This is in addition to the water annually available to the North Plant. This is in addition to the

application for the Horizontal Collector Well.

- Worked on loan application for KPWSLF.
- April update to the 2018 Work Plan

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The meeting was adjourned.

Approved \_\_\_\_\_ 2018

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Billy Daniels, Chairman

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Eric Peterson, Secretary