

LEAVENWORTH WATERWORKS

MINUTES OF A MEETING OF
THE BOARD OF DIRECTORS

HELD ON NOVEMBER 13, 2018

A regular meeting of the Board of Directors of the Leavenworth Waterworks was held at 5:00 PM on Monday, November 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
Christi Norris, Assistant Secretary
Greg Kaaz, Member

Directors Absent (Excused)

Staff in Attendance

Joel Mahnken, General Manager
Lesia Hegeman, Manager of Finance
Kayla Manning, Staff Engineer
Neil Seichepine, Manager of Water Treatment
Dennis Baragary, Manager of Distribution
Lisa Boorem, South Plant

Others in Attendance

Andrew Hanson, B&V
Mark Bushouse, B&V
Timothy Malcolm, B&V

CALL TO ORDER

Director Daniels, called the meeting to order at 5:05 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

None

APPROVE MINUTES OF
OCTOBER 22, 2018

Upon motion from Director Kaaz, seconded by Director Gervasini, the minutes of October 22, 2018 were approved, motion passed 5-0...

RESOLVED (No. 14878), that the Board approved the October 22, 2018 minutes.

CONSIDERATION OF
CONSENT AGENDA

Upon motion from Director Gervasini, seconded by Director Norris, the consent agenda, motion passed 5-0 ...

A. PAYROLL
DISBURSEMENT OF
NOVEMBER 15, 2018

RESOLVED (No. 14879), that the Board approved:

A. The payroll for the period ending November 15, 2018 amounting to gross pay of \$79,446.10 (composed of the following withholdings and deductions) Federal Income Tax - \$6,629.24; FICA- \$5,949.11; State Tax - \$3,118.70; KPERS -\$4,683.68; KPERS-back \$125.82, Insurance - \$1,938.63; United Way - \$139.50; Eq-flex - \$1,481.84; PEDC - \$2,522.50; Misc - \$242.50, and Deposit - \$52,614.58 including the following overtime amounts: Distribution 37.50 hours @ \$1,310.10; North Plant 23 hours @ \$645.39 and South Plant 15 hours @ \$507.10 be approved and disbursements made from the Revenue Fund for their respective amounts.

B. PAYMENT OF CLAIMS

B. The Regular Claims \$246,615.88, Special Claims \$240,952.92 and Special/Special Claims as follows: Ks Gas \$353.07, Westar Energy \$40,468.44, AT&T \$335.87, AT&T Mobility \$737.78, AXA Equitable \$4,970.00, Home Depot \$927.32, Walmart \$102.45, and All Slabbed Up \$177.48 checks be drawn on the Revenue Fund for their respective amounts.

SEPTEMBER FINANCIAL
REPORT

Upon motion from Director Norris, seconded by Director Peterson, the motion passed 5-0.

RESOLVED (No. 14880), that the Board approved the September Financial Report.

REVIEW OF KPWSLF
LOAN DOCUMENTS

KDHE provided draft loan documents in October, we locked in the interest rate at 2.38 percent. This equates to an annual debt service payment of \$435,610.34 if we end up with the full \$6.9 million loan amount. Repayment will start one year after completion of the project, or two years after the first draw down.

We have to obtain a commitment for "Financial Guaranty Insurance Policy" (bond insurance) since the Board does not have taxing authority to guaranty repayment. Our Bond Counsel, Mary Carson, has been working with insurers to obtain quotes. After reviewing the quotes management suggested that we obtain the insurance from Build American Mutual.

After we take care of the bond insurance, we will have to have the City Commission pass a Resolution approving the form of the loan and limiting their liability.

Upon motion from Director Gervasini, seconded by Director Kaaz, the motion passed 5-0.

RESOLVED (No. 14881), that the Board approved the quote from Build American Mutual.

CONSIDERATION OF
CONTRACTOR
QUALIFICATIONS FOR
THE HCW CAISSON AND
LATERAL CONSTRUCTION

Black & Veatch obtained Qualification Statements from the two US firms that build horizontal collector wells. Based on this, Black & Veatch has recommended we pre-negotiate a construction contract with Layne for the construction of the horizontal collector caisson and laterals. Director Kaaz stated he would like our attorney to review purchasing statues.

Upon motion from Director Kaaz, seconded by Director Gervasini, the motion passed 5-0, subject to review of the purchasing statues by our attorney.

RESOLVED (No. 14882), that the Board authorize Black & Veatch and Staff to negotiate a contract with Ranney Collector Wells, a division of the Layne Christensen Company, for the construction of the Horizontal Collector Well Caisson and Laterals, subject to review of the purchasing statues by our attorney.

CONSIDERATION OF
REPLACEMENT TRUCK

We budgeted \$85,000.00 dollars for truck and utility bed. We will be trading in a 2008 Ford F-550 truck 4WD. We will remove the mobile radio and strobe

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light from the old truck and have them installed in the new truck.

2019 Ford Truck F-550 Diesel 4WD	
Total Price	\$49,816.10
Fleet Discount	\$4,700.00
Trade In	\$22,000.00
Installation Cost	<u>\$1,500.00</u>
Sub Total	\$24,616.10
Utility Bed	\$29,773.00 (American Equipment)
Total Cost	<u>\$54,389.10</u>

Upon motion from Director Daniels, seconded by Director Norris, the motion passed 5-0.

RESOLVED (No. 14883), that the Board approve the purchase a 2019 Ford Truck F-550 Diesel 4WD from Zeck Ford the amount of \$23,116.10 and the accessory removal, installation cost of \$1,500.00, for a total cost of \$24,616.10.

Approve the purchase of utility bed from American Equipment Company for the amount of \$29,773.00. Total for truck and bed \$54,389.10.

<p>PRESENTATION OF HEALTH INSURANCE RENEWAL</p>	<p>The 2019 renewal cost for Blue Cross/Blue Shield ClassicSGChoice 1 option for health insurance, came in under budget. The annual increase was less than 1% with the current employees.</p> <p>Upon motion from Director Norris, seconded by Director Gervasini, the motion passed 5-0.</p> <p>RESOLVED (No. 14884), that the Board approved the 2019 renewal keeping Blue Cross/Blue Shield ClassicSGChoice 1 option for health insurance.</p>
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DIVISION REPORTS

ADMINISTRATION

- Worked on October Financial Statements
- Met with insurance representative

WATER DISTRIBUTION PROJECTS

1. 5th Ave – Spruce to Thornton (2018)
 Pipe has been tested to Prospect. Service connections should follow soon. New pipe is installed to Marshall. Crews have started spotting to Congress.

2. Lecompton Road Watermain Replacement (2019)
 Spoke with property owner concerning easements. He would like to see alignment staked to help visualize for future. Benesch can stake next week within current budget.

3. Sanders and High Street Watermain Replacement (2019)
Nothing new.
4. Dakota Street Area Watermain Replacement (2019)
Nothing new.

City Projects

1. 2018 Sidewalk Project
Crews are working on the connection at Vilas, transferring services and then will disconnect and abandon the old mains. It is expected to take about a week, weather permitting.

Water Distribution Operations

Between October 17th, 2018 and November 7th, 2018 the following water-distribution activities have occurred:

- a. New Water-Service Connections: two
- b. Service Kills, Relocations or Repairs: one kill
- c. Water-Line Breaks: three 2-inch and one 6-inch

Ohio Street Booster Station

Nothing new at this time.

North Plant Summary

1. Finished with electric and new filter for the TOC analyzer
2. Met with Airgas & 3M about chlorine safety mask

South Plant Summary

1. Worked on aerator
2. Met with DPC about chlorine prices

GENERAL MANAGER'S REPORT

- Reviewing KPWSLF loan document. Worked with Bond Counsel on financial guaranty insurance information.
- Worked on HCW project.
- Interviewed and selected new employees for Distribution Department.
- Met with representatives from Neptune Metering on setting up a fixed base advanced metering infrastructure (AMI) system.
- Worked on Strategic Planning documents.
- Christmas Luncheon, December 10th, 11:30AM – 1:30PM
- Recommended holding the 2nd meeting in December on Dec 21st, 1PM.

EXECUTIVE SESSION –
DISCUSS NON-ELECTED
PERSONNEL

At 6:45PM, the Board recessed the regular board meeting and entered into executive session to discuss disciplinary matters relating to non-elected personnel for 10 minutes.

Upon motion from Director Norris, seconded by Director Kaaz, motion passed 5-0 ...

RESOLVED (No. 14885), that the Board approved to recess the regular board meeting for 10 minutes, to discuss non-elected personnel.

At 6:55PM, the Board ended the executive session and resumed the regular board meeting.

Upon motion from Director Kaaz, seconded by Director Peterson, to end the executive session and resume the regular board meeting.

RESOLVED (No. 14886), that the Board approved to end the executive session and resume the regular board meeting

ADJOURNMENT

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

Approved _____ 2018

Billy Daniels, Chairman

Eric Peterson, Secretary