

LEAVENWORTH WATERWORKS

MINUTES OF A MEETING OF
THE BOARD OF DIRECTORS

HELD ON OCTOBER 14, 2019

A regular meeting of the Board of Directors of the Leavenworth Waterworks was held at 5:00 PM on Monday, October 14, 2019 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
Dennis Baragary, Manager of Distribution
Neil Seichepine, Manager of Plants
Kayla Manning, Engineer

Others in Attendance

David Schatz, Attorney

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

NONE

EXECUTIVE SESSION

At 5:00 PM, the Board recessed the regular board meeting and entered into executive session until 5:20 PM to discuss personnel matters of non-elected personnel.

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

RESOLVED (No. 14993), that the Board recessed the regular board meeting and entered into executive session to discuss legal matters pertaining to potential litigation.

At 5:20 PM, the Board ended the executive session to resume the regular board meeting.

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

RESOLVED (No. 14994), that the Board ended the executive session and resumed the regular board meeting.

Attorney David Schatz explained the request from Orr Wyatt to start with mediation. He requested we obtain Bruce Waugh as the mediator. And if agreement isn't reached, we will continue with arbitration. Attorney Schatz suggested Wyatt Hoch as the arbitrator. Any agreement of mediation or arbitration would be subject to Board approval.

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

RESOLVED (No. 14995), that the Board directed staff and Attorney to

proceed as outlined.
Director Kaaz left the meeting at 5:25 PM for another engagement.

APPROVE MINUTES OF SEPTEMBER 23, 2019 Upon motion from Director Gervasini, seconded by Director Norris, motion passed 4-0...

RESOLVED (No. 14996), that the Board approved the September 23, 2019 minutes.

CONSIDERATION OF CONSENT AGENDA Upon motion from Director Peterson, seconded by Director Norris, the consent agenda motion passed 4-0, ...

A. PAYROLL DISBURSEMENT OF OCTOBER 15, 2019 **RESOLVED (No. 14997)**, that the Board approved:

A. The payroll for the period ending October 15, 2019 amounting to gross pay of \$90,178.47 (composed of the following withholdings and deductions) Federal Income Tax - \$7,617.94; FICA- \$6,771.77; State Tax - \$3,661.36; KPERS -\$5,302.89; KPERS-back \$126.49, Insurance - \$2,106.86; United Way - \$139.50; Eq-flex - \$1,412.31; PEDC - \$1,862.50; Misc - \$240.00, Garnishment \$315.75, Check \$636.70 and Deposit - \$59,984.40 including the following overtime amounts: Distribution 115.50 hours @ \$4,083.25; North Plant 51 hours @ \$1,539.36 and South Plant 6 hours @ \$217.45 be approved and disbursements made from the Revenue Fund for their respective amounts.

B. PAYMENT OF CLAIMS B. The Regular Claims \$272,179.06, Special Claims \$309,629.04 and Special/Special Claims as follows: AT&T \$1,114.83, AT&T Mobility \$1,038.31, Verizon Wireless \$240.06, SASI \$246.75, Ks Gas Service \$195.73, Westar Energy \$45,009.70 checks be drawn on the Revenue Fund for their respective amounts.

CONSIDERATION OF UPDATED SOFTWARE LICENSING FOR TREATMENT PLANT R. E. Pedrotti submitted a quote to upgrade our existing Wonderware In Touch 2014 licensing to 2017, allowing all the applications to run independently of a virtual machine OS environment. This will eliminate multiple problems the plants are currently experiencing.
Upon motion from Director Gervasini, seconded by Director Norris, the motion passed 4-0...

RESOLVED (No. 14998), that the Board approved the purchase of new licensing for SCADA systems at both plants at the cost of \$65,650.

CONSIDERATION OF
BLACK&VEATCH
AMENDMENT FOR
ADDITIONAL INSPECTION

A proposed amendment to Black & Veatch’s engineering contract for the Horizontal Collector Well project. It adds materials testing and additional site inspection to the scope of work. It also provides for the additional design work for the power line and roadway work we asked them to provide. The additional cost is \$90,332.

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

RESOLVED (No. 14999), that the Board authorized the General Manager to execute Amendment 1 to the engineering contract with Black & Veatch for the Horizontal Collector Well project in the amount of \$90,332.

CONSIDERATION OF RATE
REVIEW

After the draft 2020 budget discussion, the Board requested some alternatives for a small revenue increase. It was the consensus at that time to leave the wholesale category as is and to target a revenue increase of approximately \$200,000. Three scenarios:

- 1) 3% increase across the board, estimated additional revenue increase \$191,200
- 2) \$1.50 increase per month, estimated additional revenue \$195,300
- 3) Restructure our rates whereby the customer charge is reduced, and we start charging for the first two units of consumption, estimated revenue increase of \$181,300

After discussion, it was the consensus to increase the retail customer charge to \$15.00 per month. Staff is to bring this item back for formal approval at the next meeting.

DIVISION REPORTS

ADMINISTRATION SUMMARY

- Met with insurance rep from BCBSKS.
- Attended a KPERS workshop

WATER DISTRIBUTION PROJECTS

1. 5th Ave – Spruce to Thornton (2018)
Working on tie in at Congress.
2. Cherokee to Osage 15th to 20th (2018)
Received letter from lawyer requesting 225 calendar days and additional \$217,920 in change orders.
3. Sanders and High Street Watermain Replacement (2019)
Engemann was substantially complete as of Oct 8th, 2019, including cleaning up the tie in at Olive and Newman. They expect to be fully complete by the end of next week.

City Projects

1. Eisenhower Road Project
Staff potholed the locations in question, except the ditch.
2. Thornton Road Project
Crews are finishing with the pipe lowerings at 5th Ave and getting materials for 2nd Ave crossing.
3. Misc Stormwater Projects and Sanitary I/I
Staff will need to winterize a couple exposed meter pits at locations that the City plans to address in the future. We will insert valve for isolation at 637 McDonald in the next couple weeks.

Water Distribution Operations

Between September 18th, 2019 and October 10th, 2019, there were no breaks, but the guys were very busy with construction conflicts, working on 5th Ave and helping the South Plant and reservoir with issues.

TREATMENT PLANT SUMMARY

Ohio Street Booster Station

Divers finished installing ladders and mixers.

North Plant Summary

Shut down for seasonal cleaning and repairs.

South Plant Summary

1. Monitored Wellfield Road as river level rose
2. Capital Electric installed new poles for Collector Well and replaced broken pole by Well #9.
3. Held Caisson & Laterals Pre-Construction meeting with Black & Veatch and Layne.

GENERAL MANAGER'S REPORT

- KMU Safety Training held October 7th on Slips, Trips and Falls
- Received "Safety and Health Manual" draft from Builders Association. Safety Committee is reviewing.
- Flu shots were made available to employees the week of October 7th.
- Had discussions with attorney David Schatz on the Orr-Wyatt contracts.
- Worked to install a Neptune Gateway (AMI system). Equipment ordered.
- Preconstruction Conference held October 9th with Layne and B&V on the HCW project.
- Performed Rate Review.
- Met with BG Consultant to discuss raw water main relocation Engineering Contract.

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

Approved _____ 2019

William Daniels, Chairman

Eric Peterson, Secretary