

Public Water Supply District # 1
Of Ralls County, Missouri
Open Regular Session Board of Directors Meeting
May 22, 2018

The Open Regular Session of the Board of Directors of Public Water Supply District No. 1 of Ralls County, Missouri was held May 22, 2018, at the District office, 3316 Market Street, Hannibal MO, beginning time 6:30 p.m. Ronda Barton served as Clerk of the meeting and attested that notice of the meeting was duly and timely posted.

The following were present by Roll Call: President, Frank Burch; Vice-President, Martin Judlowe; and Directors, Charles Strode, Danny Behl, and Robert Sergent. Also present were District Treasurer, Michelle Lehenbauer; District Clerk, Ronda Barton; District Engineer, Mark Bross, of Klingner & Associates; District Attorney, Mark Piontek of Lewis Rice LLC; Alliance Local Manager, Lucas Drullinger. Guests in attendance included Charlie Zitnik of DA Davison.

The meeting was called to order and presided over by President, Frank Burch.

Mr. Burch called for review of the April 24, 2018, Open Regular Session meeting minutes. Having no questions or discussion, Mr. Behl motioned to accept the **April 24, 2018, Open Regular Session** meeting minutes. Mr. Strode seconded. All ayes. Motion carried.

Mr. Zitnik was then welcomed and presented the distributed **Investment Options For 2017A Proceeds**, currently held in a money market account and distributed by the trustee, at Security Bank. Upon discussion regarding the options, Mr. Zitnik advised continuing with the T-Bills as a "book entry" only, on a laddered schedule vs. utilizing the commercial paper, and CD options, as they are not liquid, and have more stringent requirements including collateral, Board resolutions, etc. Mr. Judlowe motioned to continue with the **Treasury Option**. Mr. Behl seconded. All ayes. Motion carried. Mr. Zitnik continued with information regarding the upcoming project loan closing for Interim Financing through the Missouri Public Utilities program. The interest rate is locked in to not exceed previously approved rate; however, it will be reduced if rates should decrease. Discussion occurred on possible use of excess funds for the total project, if any should remain.

Mr. Drullinger then referred to the distributed the **FY 2018 Mid-Year Budget Revision DRAFT**. He noted if adopted only the interest expense would become more aligned than the current budget and the debt service coverage ratio would decrease to .8%. More than likely not enough of a change to adopt.

Mr. Burch requested discussion on the District's **Treasury Report** and the **Other Financials**. Mr. Drullinger detailed each report as submitted, noting the *Total Operating Expenses* over budget primarily due to interest expense; the number of customers has increased since last month, most likely due to "snowbirds" returning from off/vacation status. With no further discussion, Mr. Strode motioned to approve the **Financials** as submitted. Mr. Sergent seconded. All ayes. Motion carried.

Mr. Drullinger presented the **Project Fund Disbursement** request for Board President's signature. It was noted by Mr. Bross, Flynn Drilling will have one final retainage pay request.

*Approved
2-1*

Mr. Strode motioned to approve the disbursement. Mr. Sergent seconded. All ayes. Motion carried.

Mr. Drullinger presented the **Revised List of Bills**, with no further discussion, however it was noted for the *Extension & Replacement Fund*, C&S Construction will have one more payment for the Hwy 168 Project. Mr. Judlowe motioned to approve the bills as submitted. Mr. Sergent seconded. All ayes. Motion carried.

For *Legal Report*, Mr. Piontek noted he has received all the required documents in order to finalize the District acquisition of the Norwoods Wastewater systems. Mr. Burch reported he attempted to have the agreement signed by the Marion County Commissioners (see **Operations Report**), in order for MoDOT to pay for the replacement of the damaged 6" main on County Road 423. However, Mr. Begley refused to sign and requested the two entities, the District and the County, split the costs on their own, in order to save the taxpayers money. He suggested open-cut and hiring own contractors to repair. Discussion ensued, noting that open-cutting, by bidding for contractors, and costs, would not suffice for the District; repairing only and splitting the costs would be of no benefit to the taxpayers of Marion County, nor the District customers. Mr. Strode motioned to proceed with the MoDOT proposal of road boring for cost efficiency. Staff will notify the Marion County Commissioners.

The **Operations Report** was presented by Mr. Stuhlman, with Mr. Drullinger noting the need for approval of the Board President to sign a new user's agreement at Missouri REC, along with a required deposit check in the amount of \$75.00, for a meter at the water plant. Mr. Judlowe motioned to approve. Mr. Sergent seconded. All ayes. Mr. Stuhlman proceeded with the report as submitted. In regard to the *Flexim meter data*, the reporting is inaccurate with the power issues the meters have. Staff will be implementing a new procedure, whereby trenches to hook transducers to the mains for only 1-2 days and collect data from overnight/low flow times instead of attempting to rely on monthly data. It was also reported the Ely Booster has been shut down due to packing leakage, which would be costly to repair for the short time it will be needed. The West and NLG Boosters can serve the entire District.

As noted in the **Operations Report**, the HBPW will be doing a burn out, or total system flush, which will require staff to do so as well. A **District System Flush Notice** to be mailed to all customers was discussed, with another option to print a notice on the upcoming bills, and utilize the automated phone call system. For cost efficiency, the Board requested the second option.

Mr. Drullinger submitted the **Purchase Request**, noting this is the remainder of the radio meter expense budget for the year. Mr. Behl motioned to approve the purchase in the amount of \$7,179.90. Mr. Sergent seconded. All ayes. Motion carried.

The **Engineer's Report**, was given by Mark Bross as follows:

Water Plant/Water Supply Project Updates:

1A) Reported as submitted and previously discussed. Mr. Judlowe motioned to authorize the pay request to Flynn Drilling in the amount of \$45,767.50. Mr. Sergent seconded. All ayes. Motion carried.

1B) Mr. Strode motioned to convene on June 26, 2018, at 5:30 p.m. for a Special Meeting to be conducted for the USDA loan closing. Mr. Sergent seconded. All ayes. Motion approved. Continuing with *Water Main* items relating to loan closing, Mr. Bross submitted four inspectors

2-2

and their résumés for approval – Mark Bross, Joshua Hartsock, Michelle Beck, and Matthew Suhadolc. Upon discussion, Mr. Strode motioned for approval. Mr. Sergent seconded. All ayes. Motion carried. He continued with submission of a project tax exemption Form 5060, for the contractor. Mr. Strode motioned to approve. Mr. Sergent seconded. All ayes. Motion carried.

1C) For *Water Plant* items, Mr. Bross noted Plocher Construction is ahead of schedule by approximately two months, and he is seeing quality work:

- Plocher Construction pay request in the amount of \$823,891.68 was motioned for signature by Mr. Judlowe. Mr. Sergent seconded. All ayes. Motion carried.
- Discussion occurred on the ongoing MoDOT Hwy 61 permit in regard to the crossover removal requirement at the District's expense. No additional correspondence has occurred; Plocher Construction has estimated the cost at \$50,000. Direction was given for the attorney to look at the original deed for language which would dispute the requirement, and for Mr. Bross to reach out to Paula Gough of MoDOT, with an appeal regarding the safety issues the removal will cause, as well as the District being required to bear the cost.

1D) Reported as submitted with no further discussion.

Route 168/County Road 402 Water Main Replacement:

2A) Reported as submitted and previously discussed.

- C&S Companies pay request in the amount of \$77,328.45 was motioned for signature by Mr. Behl. Mr. Strode seconded. All ayes. Motion carried.
- C&S Companies change order in the deduction amount of \$2,308.00 was motioned for approval and signature by Mr. Behl. Mr. Strode seconded. All ayes. Motion carried.

No *Other Old Business* was discussed.


For *Other New Business*, Mr. Drullinger reported on the **Bond Compliance Update** as submitted. Upon discussion Mr. Judlowe motioned to approve. Mr. Behl seconded. All ayes. Motion carried.


Furthering *Other New Business*, the **Mo Code of Ethics** was submitted for approval. Mr. Strode motioned approve signatures. Mr. Behl seconded. All ayes. Motion carried.

Mr. Drullinger then reported on **Customer Requests for Adjustments**, distributing a **letter received from Judy Kenison**. Upon discussion, Mr. Strode motioned to approve. Mr. Sergent seconded. All ayes. Motion carried.

Finalizing *Other New Business*, Mr. Drullinger gave a presentation on the new District website. The first year of domain ownership has been paid for, with future costs estimated at \$200-220 annually. Discussion occurred on the future uses such as online payments, for which staff reported expense to be \$1.25 per transaction. The District's territory map will be added, and the Board was encouraged to submit other ideas.

Having no further items for discussion, Mr. Burch requested a motion to adjourn; Mr. Behl motioned to adjourn the Open Regular Session. Mr. Sergent seconded. All ayes. Motion carried. Meeting adjourned at 8:10 p.m.


Ronda Caley Barton, District Clerk


Frank Burch, President