

Public Water Supply District # 1
Of Ralls County, Missouri
Open Regular Session Board of Directors Meeting
November 26, 2019

The Open Regular Session of the Board of Directors of Public Water Supply District No. 1 of Ralls County, Missouri was held November 26, 2019, 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; Directors, Robert Sergent, and Charles Strode. Director, Danny Behl was absent. Also present were District Treasurer, Michelle Lehenbauer; District Clerk, Ronda Barton; District Engineer, Mark Bross, of Klingner & Associates; Alliance Director of Operations, Tony Sneed; Alliance Local Manager, Lucas Drullinger; and Alliance Operations Supervisor, Tyler Stuhlman. Guests included customers: Kyle & Kristy Pociask, Jon Kibbler, Aaron Ball, Rich & Tanya Dauma, Kelly Smith, Richard & Sheri Neisen; along with Charles Zitnik of DA Davidson.

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

Mr. Burch called for review of the October 22, 2019, Open Regular Session meeting minutes. Having no questions or discussion, Mr. Strode motioned to accept the **October 22, 2019, Open Regular Session** meeting minutes. Mr. Sergent seconded. All ayes. Motion carried.

Mr. Burch addressed the customers and each shared their various issues with quality and pressure since the water treatment plant start-up. Staff and the members of the Board addressed their concerns and assured steps are being taken to alleviate, which included pressure reducing valves, a new booster station, and continuing to flush. Mr. Pociask **distributed** a rate study based on cost for 5,000 gallons, of surrounding regions. Discussion occurred on the rates required due to the District's previous debt, combined with the approximately \$14 million acquired for the plant and other system improvements. The Board will continue to remain mindful of rates as requested by Mr. Pociask, and directed staff to obtain rates from similar, surrounding entities. Rich and Tanya Dauma were in attendance in regard to a high bill; they have found no issues. Staff will replace the meter with data-log capability in order to monitor future issues.

Mr. Zitnik was then addressed for presentation of the *Lease Financing for Water System Improvements*. He reported the \$1 million loan for the booster station and other system improvements, will be with the same lender as prior; it will be a 20-year loan with \$62,900 payable on an annual basis.

Questions from the guests returned the discussion to pressure issues and the reasons for such. Mr. Bross noted there was no way to predict the leaks, as all the pipes were rated to withstand the added pressures, and were installed in the '90's and should have held. The low pressure on the East side is due to the towers being unable to be completely filled, which installing the booster station will allow for such. Mr. Neisen inquired in regard to fire issues in their area while the pressure is so low, which Mr. Drullinger has spoken with the Hannibal Rural Fire Department in regard to pumping trucks.

11/26/19

Decision
2A-1

Mr. Zitnik returned to the loan documents and read the **Resolution**, and requested the motion for approval of a resolution authorizing Public Water Supply District No. 1 of Ralls County MO, to enter into a lease purchase agreement in connection with the financing of certain equipment; and authorizing the execution of certain documents and actions in connection therewith. Mr. Strode made said motion. Mr. Sergent seconded. All ayes. Motion carried. Mr. Zitnik noted the actual loan closing date will be December 5, 2019, after which the funds will be available. A short break was taken in order to sign all documents required.

Mr. Burch requested discussion on the District's **Treasury Report** and the **Other Financials**. Mr. Drullinger detailed each report as submitted. With no further discussion on the submitted financial reports, Mr. Behl motioned to approve the **Financials** as submitted. Mr. Sergent seconded. All ayes. Motion carried.

Mr. Drullinger presented the **Series 2019 Project Fund Disbursement** request #7, in the amount of \$2,563.32, for one Klingner & Associates invoice. Mr. Judlowe motioned to approve board president signature. Mr. Strode seconded. All ayes. Motion carried. Staff will verify the request #.

Mr. Drullinger presented the **RDA Fund Disbursement** request #5, in the amount of \$180,000, for C&S Construction pay request #4, which is only a partial amount of the total request, as the \$180,000 is all that remains of RDA funds. Mr. Judlowe motioned to approve board president signature. Mr. Sergent seconded. All ayes. Motion carried.

Finalizing fund disbursement requests for board president signature, Mr. Drullinger presented the **Series 2019B Fund Disbursement** request #1, in the amount of \$405,707.49, to be paid after loan closing. Discussion occurred in regard to in-dispute liquidated damages in the amount of \$18,900, which could be decreased from this amount. Mr. Judlowe motioned to approve the amount of \$386,807.49, until the matter is resolved. Mr. Strode seconded. All ayes. Motion carried.

The **List of Bills** was presented by Mr. Drullinger. He noted the HBPW payment is the final bill. They have been contacted and the meters will remain available, however no further base charges. It was noted the *BOK Financial Series 2019B* will change to reflect \$386,807.49. Mr. Sergent motioned to approve as submitted. Mr. Strode seconded. All ayes. Motion carried.

For the *Legal Report*, Mr. Drullinger presented the **Election Resolution and Candidate Filing 2020** as submitted. Mr. Strode motioned to approve the **Resolution** calling for an election on April 7, 2020 for Sub-district #3 and #4. Mr. Judlowe seconded. All ayes. Motion carried. Mr. Strode motioned to approve the **Candidate Filing** notice. Mr. Strode seconded. All ayes. Motion carried. Mr. Drullinger noted that due to population increases near the Hannibal territorial line, the sub-districts are no longer evenly divided, as they were established most likely at the inception of the District. If the Board were to pursue changes, it would require the attorney's services. The Board is not interested at this time in doing so.

The **Operations Report** was presented by Mr. Stuhlman as submitted. He noted the staff has been able to more quickly identify when a leak occurs, by communicating with operators at the water plant.

The **Engineer's Report** was given by Mr. Bross as follows:

Water Plant/Water Supply Project Updates:

1A) Reported as submitted. Discussion occurred on the submitted change order #1, to amend the C&S Construction contract. Mr. Judlowe motioned to approve the change order in the amount of \$240,433.12. Mr. Sergent seconded. All ayes. Motion carried. Discussion occurred on the C&S Construction pay request #4. Mr. Sergent motioned to approve and pay \$566,807.49. Mr. Judlowe seconded. All ayes. Motion carried.

1B) Reported as submitted. He noted the new booster station equipment will cost approximately \$138,000, with additional costs for pad and electricians to hook it up. Further discussion occurred on the District's customer rates; as well as the possible reasons for the unexpected issues that have arisen with the plant.

1C) Reported as submitted, with no discussion.

2A) *Lake Hannibal WWTP Disinfection System*, reported as submitted, with no discussion.

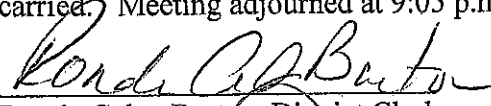
There was no *Other Old Business* for discussion.

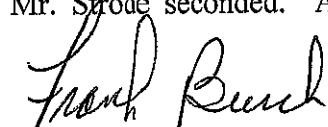
For *Other New Business*, in regard to the *December Board Meeting Schedule*, Mr. Sergent motioned to move the next Regular meeting to December 17th, due to the holidays. Mr. Judlowe seconded. All ayes. Mr. Drullinger reminded the Board, the *USDA Loan Closing* will occur at that time.

Mr. Drullinger submitted the **Customer Requests for Adjustment** and discussion occurred on the leak *cost to produce* utilized for this month, which was based solely on the production cost and should include the debt service cost as well. Therefore, AWR will refund \$1,326.22 due to the calculation error. Upon discussion as to the need to include debt service, Mr. Strode motioned to approve the adjustments. Mr. Sergent seconded. All ayes. Motion carried.

Finalizing *Other New Business*, Mr. Drullinger welcomed any questions in regard to the *Review of District Budget Proposal for FY 2020*, for approval at the December meeting.

Having no further items for discussion, Mr. Burch requested a motion to adjourn; Mr. Sergent motioned to adjourn the Open Regular Session. Mr. Strode seconded. All ayes. Motion carried. Meeting adjourned at 9:05 p.m.


Ronda Caley Barton, District Clerk


Frank Burch, President