

PUBLIC WATER SUPPLY DISTRICT #13
Minutes of the November 9, 2011
Regular Session of the Board of Trustees

The Board of Directors of Public Water District #13, Jefferson County Missouri met in regular session at 7:00 p.m. on November 9, 2011 at 5706 N. Lakeshore Dr., Hillsboro, Missouri.

Roll Call of Directors

The following Directors being present or absent as indicated:

<u>Name</u>	<u>Present/Absent</u>
Marilyn Meyer	Present
Rich Hirsch	Present
Rick Lippitt	Present
John Hindrichs	Present
Ken Jost	Present

Also in attendance was Janet Hirsch (JWH, LTPOA Board member) and Carol Kline (Treasurer).

Approval of Agenda

Motion was made by Rick Lippitt and seconded by John Hindrichs to accept the agenda. On voice vote, all Directors were in favor of accepting the agenda.

Approval of Minutes of Past Meetings

The regular session Minutes of the Oct. 11, 2011 meeting were emailed to the Directors prior to the meeting. Motion was made by Rick Lippitt to approve the regular session Minutes as written. Second was by John Hindrichs. On voice vote, the regular session Minutes were approved.

The regular session Minutes of the Oct. 19, 2011 special meeting were emailed to the Directors prior to the meeting. Motion was made by Rick Lippitt to approve the regular session Minutes as written. Second was by John Hindrichs. On voice vote, the Minutes were approved.

The executive session Minutes of the Oct. 19, 2011 special meeting were emailed to the Directors prior to the meeting. Motion was made by Rick Lippitt to approve the executive session Minutes as written. Second was by John Hindrichs. On voice vote, the Minutes were approved.

Treasurer's Report

Invoices to be approved

Carol reported these balances on 10/31/2011: O&M: \$3,410.24, Escrow: \$400,927.71, Construction: \$198,366.49. Nine payments were submitted for payment approval. These submissions are listed below.

Date	Category	Payee	Invoice amt	MO DNR 40% grant	USDA-RD loan
10/31/2011	Eng testing	Taylor Eng	1,885.04	754.02	1,131.02
10/31/2011	Eng admin.	Taylor Eng	3,767.08	1,506.83	2,260.25
10/31/2011	Eng inspection	Taylor Eng	11,877.61	4,751.04	7,126.57
10/31/2011	Construction	TGB Inc	527,887.26	211,154.90	316,732.36
10/14/2011	O&M	Record easement, MLM	27.45		
11/03/2011	O&M	Kimmel, accounting	474.00		
10/28/2011	O&M	AmerenUE	156.34		
11/07/2011	O&M	Sweeney, legal	473.75		
10/28/2011	O&M	Leader Publications	76.00		
10/18/2011	O&M	Lakenen Insurance	803.00		
		Total	547,427.53	218,166.80	327,250.19

Notes

- a) For this period TGB is billing the District for work completed (\$870,715) minus material-on-hand (\$284,174). Because there is a retainage of 10%, the invoice amount is \$527,887.
- b) TGB's payment is for 1,300 ft of fence, 2,300 ft of 3" main, 115 installed and operational STEP systems, 6,103 ft of lateral lines, and additional 4.082% of the WWTP completed.
- c) Payment to Lakenen Insurance was for theft/fraud for Treas. and Pres. and is for 1 year.
- d) Kimmel accounting: Jennie set up for billing and met with Eagle bank for direct deposit.
- e) JWH calculated that as of Oct. 31, 100.9% of the scheduled construction time has been consumed and 84.9% of the budgeted amount for construction has been spent (includes credit for stored materials).

Motion was made by John Hindrichs to approve payment of the above invoices. Second was by Ken Jost. On voice vote, payment of the invoices was approved.

Billing issues -- Billing and payment options

JWH: Jennie sent out bills at the end of Sep. for \$4,401.60 and at the end of Oct. for \$11,680.26. With our next billing we will send out a notice telling the billing and payment options.

Billing options: Customers receive bills by a) US post or b) email.

Payment options, Customer can pay by a) Check or money order by US post, b) Bill Pay thru online banking account, c) Prepay multiple months in advance by check/ money order/Bill Pay, or d) Automatic deduction from customer's bank account.

JH: For customers to use Bill Pay, we need to issue an account number to each customer. Currently, invoices only include an invoice number. We need to include account numbers for all customers.

JWH: We will set up and include account numbers on the next invoices. We are only allowing prepayment for one year since we may change the user rate in Nov. 2012 when we set up next year's budget.

MM: The invoice should say "All bills will be sent out on the first of the month."

All members of the board agreed that a paper describing the billing and payment options should be sent out with next month's customer bill.

JH: I have a problem with only allowing 10 days to pay these bills before charging customers a late fee.

RH: That was in one of the ordinance templates we received from USDA-RD and MO DNR. I don't know if it's mandatory. We should probably reconsider the "10 day" requirement.

JWH: At this point we are not charging any late fees. It's too early because we're all still learning.

Monthly cash flow report

JWH read an email we received from Donna Martin (USDA-RD) relating to financial issues. Here are some excerpts:

"The construction is near completion, the final loan closing will be forthcoming. If you are billing and collecting at this time, you need to start submitting your monthly cash flow statement to RD. This is a requirement. Typically, after a couple of years of monitoring your monthly cash flow, that report will be waived. You will then only be required to submit the annual audit and reports. You will still be subject to inspections and compliance reviews."

"Your fiscal year ends Dec. 31; you will be subject to an A-133 audit in addition to your regular annual audit. Deadline for submittal to us is Sep. Make sure your auditor understands an A-133 audit will be required."

"Houses you cannot collect from will be a shortfall of cash. Monitor this monthly. You need to adjust rates annually based on previous year's expenses and projections. You will be required to submit an annual budget to us in Nov. Final reports and actual are due in Mar. Annual audit is due in June after the A-133 audit. I will be in touch to establish the final closing date." -- DM

MM: Jenny will have to start issuing cash flow reports and a list of customers not paying.

JWH: I sent Donna's email to Jennie with the name of the accounting firm we arranged to do the audit.

MM: So do we need to do an audit this year?

JWH: I don't know.

Insurance issues -- Insurance approval

MM: Next month we will need to authorize paying \$3,664 per year for a general liability policy on the WWTP (total insured value of plant is \$763,000). The policy should take effect on about Nov. 10, when TGB turns over control of the plant to us.

Homeowner's questions/problems/concerns, progress in resolving

Homeowner's Manual

MM: Operator Dave should handle emergency calls and also technical (system) questions. Dave will give me his office phone number, his cell number and one son's cell number.

CK: I think the outgoing message should say "If this is an emergency, call xxx" before asking the caller to leave a message and number.

The Board decided to get a phone for the Sewer Office with answering machine that can be accessed remotely to pick up messages.

CK suggested we get magnetic stickers (Avery) and print the phone numbers of the district on them.

There was a discussion of redoing the homeowner's manual. Janet will rework the manual and perhaps reduce the size to make it easier to mail.

Construction update -- Road repair and retainage

RL and Mike Larensen marked sections of the roads on the north side of the subdivision that were in need of repair. TGB agreed to repair some of the marked spots, but not all, saying that they had not damaged the spots. RL and LTPOA Pres. J. Dauernheim (JD) looked at the spots TGB said they would not fix. While RL and JD thought TGB was generous to repair many of the spots, there were two spots (#11 & #12 near S. Fitzgerald's) that RL and JD believed were damaged by TGB that TGB said they would not fix. Mike L. will discuss this to TGB. At the time of the meeting, TGB had not told us what they would do.

JH: TGB agreed to do a temporary fix for the winter and then do a more permanent repair in the spring.

MM: Bob (PWSD attorney) told us we need to get an estimate of what it will cost to repair the roads, since that will affect the amount of retainage we can hold back until spring.

JH: Based on the last construction meeting, I think TGB is done doing any final grading, which would be difficult to do because of the weather.

MM: So before TGB leaves, we need to mark sections of the southside roads that are damaged and estimate what it would cost to fix them. According to Donna we should "retain enough so that if the contractor doesn't return you can pay an independent to do the repair".

RL: I don't know how accurate his estimate is, but JD said he thought TGB may have to spend \$100k to repair the asphalt just on the north side.

RH: Donna said that instead of 10% retainage, on future contracts they will require 5% retainage plus 200% of the estimated cost of the remaining work.

The Board agreed that we should try to assess damage to the south side roads in early Dec.

Sales Office Modification Update

RH: TGB bored and put in polyethylene pipe from the back of the Community House (CH) to the back of the Sewer Office (SO). They still have to insert 1" PEX pipe. Rick Kardell has agreed to get us a plumber to make the connections to the CH plumbing and the SO plumbing. I think what we need to do is arrive at a fair compensation to the LTIA for letting us tap into their water line. *[LTIA owns the CH and LTPOA owns the land.]*

RH: I use their water when I water plants at the flagpole and around the sewer office by hose. In some ways tapping into their well for water for use by the SO is similar. And we're not going to use much water. J Dauernheim suggested we offer the LTIA a lump sum of \$200 for tapping into their plumbing. The LTPOA seems to be on pretty good terms with the LTIA lately; the LTPOA pays the bulk of the CH's insurance and contributes a significant amount for propane for heating.

MM volunteered to contact the LTIA and offer them a onetime lump sum payment of \$200.

WWTP Operator Search

MM: Dave has agreed to take all emergency calls. He will give us three phone numbers: an office number and two cell numbers. If he can, he will instruct homeowners on how to correct problems with their systems. Otherwise he will contact someone on the sewer board. If the problem cannot be solved that way, Dave will come out and fix the problem. If the problem cannot wait until he is normally scheduled to be here, his visit will be billed at \$65 per hour.

The board will ask Dave to make some minor additions to his contract, and if he agrees, we will approve hiring Dave as a contract employee.

Our engineer, Tim Robbs, informed us that an Orenco rep will be onsite on Nov 17, so we will invite Dave to be here for that event. RH will invite Dave for the Thursday Orenco visit.

RH will get three padlocks with matching keys for locking the TP (front and back gates) and the dam access gate.

JH made a motion to pass a resolution authorizing President Meyer to execute an employment agreement for the services of Dave Axton as our waste water treatment plant operator; employment to be contingent upon Dave agreeing to the contract modifications made by the Board. Motion was seconded by Ken Jost. On voice vote, the resolution was approved. *[The modified contract is attached.]*

New Business

TP Building for storage and operations

JH will look into securing a building for storage and operator functions at the TP.

Resolution for April 2012 election

RH made a motion to pass a resolution authorizing an election for April 3, 2012, to elect two board members to serve for three years in Districts 1 and 2. Filing dates for this election will be Dec. 13 to Jan. 17. Motion was seconded by John Hindrichs. On voice vote, the resolution was approved.

Filings will be accepted by the Secretary of PWSD #13 at the Sewer Office. Currently, MM serves District 1 and KJ serves District 2.

The election notice will be posted in *The Countian of Jefferson County*. *[The resolution is attached].*

Attorney's Report

There was no attorney's report.

Engineer's Report

There was no engineer's report.

Adjournment

There being no other formal business to come before the Board, a motion to adjourn was made by Rick Lippitt and seconded by Ken Jost. Motion passed with all Directors in approval. Meeting ended at 8:50.

Respectfully Submitted,

Rich Hirsch
Recording Secretary

Approved this 14th day of December, 2011.

Secretary
November 29, 2011

Chairman



Water Resources Management

2300 W. Osage Suite 3

Pacific, MO 63069

Phone (636) 257-3976 Fax (636) 257-4976

E-mail: support@waterrm.com

Public Water Supply Dist. # 13

ATTN: District Board

Hillsboro, MO

Re: Operator Contract for Lake Tishomingo Wastewater Plant

WASTEWATER OPERATIONS PROVISIONS BETWEEN WATER RESOURCES MANAGEMENT INC. (OPERATOR) AND PUBLIC WATER SUPPLY DISTRICT # 13 (OWNER) OF WASTEWATER TREATMENT SYSTEM.

Water Resources Management hereby agrees to provide a Missouri certified licensed operator to perform the duties as certified operator in charge as specified by the Missouri DNR rules and regulations. The certified operator will make 1 onsite visit each week to check the wastewater treatment plant operation such as pumps, recirculation tanks and control panels. The operator will make any process control changes that may be necessary such as recirculation rate changes, etc. The operator will inspect the UV system weekly and clean the UV lamps as needed. The operator will inspect and perform manufacturer recommended maintenance on Air Release and/or Vacuum Release valves every six months or as needed at a cost of \$5.00 per valve. The operator will inspect and exercise all pressure sewer system valves annually, providing a log that would include valve number, number of turns to fully closed and date of inspection at a cost of \$5.00 per valve. The operator will also conduct the monthly and quarterly NPDES sampling and testing required by the Missouri State DNR. The operator will rake the sand beds as needed. Onsite field report notes will be taken by the operator at each visit. The operator will perform minor routine maintenance such as checking the electrical panel for any obvious problems. All maintenance material expenses would be paid for by the said owner as well as any specialized labor, etc. The operator will also prepare the required NPDES reports and forward to the designated official for signature and submittal to Missouri State DNR as required. The total cost for these services will be \$775.00 monthly. The operator will sludge judge all of the septic tanks once per year for pumping purposes on a rotating basis at a cost of \$15.00 each as needed. The operator will inspect and clean the filter vaults once per year on a rotating basis at a cost of \$10.00 each as needed. Also, if necessary, any emergency onsite visits will be at a rate of \$ 65.00 per service call and an hourly rate of \$60.00 per hour.

Water Resources Mgt, Inc. does carry a \$1,000,000 General liability Insurance Policy.

Upon acceptance of this contract, a copy of Water Resources Management General Liability and Workers Compensation Insurance as well as a copy of the Certified Operators State Class A Wastewater Operations License Certificate will be made available to the Public Water Supply Dist. # 13.

This contract can be void with a written 30 day notice by either the said owner (Public Water Supply Dist. # 13) or the certified operator (Water Resources Management, Inc.).

Date _____

Date _____

Public Water Supply Dist. # 13

Water Resources Mgmt. Rep.

**PUBLIC WATER SUPPLY DISTRICT 13
JEFFERSON COUNTY, MISSOURI**

RESOLUTION ESTABLISHING ELECTION

WHEREAS, the Public Water Supply District 13 has two three-year Board Member positions becoming vacant in 2012, and

WHEREAS, Chapter 190 of the Missouri Statutes provides for an election of Board Members at the election scheduled for April 3, 2012, and

WHEREAS, the Board Member for District 1's term expires in April of 2012, and

WHEREAS, the Board Member for District 2's term expires in April of 2012, and

WHEREAS, the Public Water Supply District 13 wishes to declare the positions to be open to election,

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

RESOLVED, that Public Water Supply District 13 Board hereby declares an election for April 3, 2011, to elect the following Board Members:

One Board Member, for a term of three years, to be elected from District 1.

One Board Member, for a term of three years, to be elected from District 2.

RESOLVED, that the filing dates for candidacy for this election shall be December 13, 2011 through January 17, 2012, with filings to be handled by the Secretary of Public Water Supply District #13 of Jefferson County, Missouri, at their office at 5706 N. Lakeshore Dr, Hillsboro, Missouri.

RESOLVED, in the event there are only two candidates who file for these vacancies, the District shall suspend the election for such positions and declare the candidates to be unanimously elected to such positions, the same to be sworn into office at the next regular Board Meeting following the election.

This Resolution, dated and effective this 9th day of November, 2011, was approved by a majority of the Board Members.


Chairman


Secretary