

PUBLIC WATER SUPPLY DISTRICT #13
Minutes of the February 8, 2012
Regular Session of the Board of Trustees

The Board of Directors of Public Water District #13, Jefferson County Missouri met in regular session at 2:00 p.m. on Feb 8, 2012 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, Bank Administrator), Tim Robbs (TR, Taylor Eng.), and Donna Martin (DM, USDA-RD).

Approval of Agenda

Motion was made by Rick Lippitt and seconded by Ken Jost 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 Feb 8, 2012 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.

Treasurer's Report

Billing issues

Jennie made up the invoices. To save money members of the sewer board put the invoices into envelopes and mailed them on Feb 1.

MM: On the next invoice I'd like to see giving customers the option of not receiving a bill. If a customer has direct pay, they would not receive a bill.

JWH: I've revised the invoice to make it clearer as to what the customer owes. Previously the customer would sometimes get an invoice and a statement that would confuse them.

Delinquent payment issues

JWH distributed a list of customers that received lien notices in Jan and Feb and were mailed disconnection notices in Feb. There were six disconnection notices sent. So far one lien notice has been placed on a property. Liens will be filed around Feb 22. The disconnection hearing is set for Feb. 22 at 9am. At the hearing customers can explain why they should not be disconnected.

DM: For anyone disconnected, can you still charge a user fee?

JWH: Yes, but at a reduced rate of \$70/month.

MM: Cost to file a lien is just the recording cost of \$27. And no proof is needed that the customer is delinquent.

DM: You should check if you can file the lien once and put on it "Plus future expenses".

JWH: I believe Bob said we had to refile. Bob suggested filling every 3 months.

JWH: We billed \$378 in late fees for 52 customers. There are 18 customers on automatic billing.

At least half the customers are on billpay. Ten people have prepaid for months in advance, probably because it's convenient.

Financial Reports

JWH reviewed the financial reports prepared by our bookkeeper Jennie K.

1) Jan 2012 Cash Flow Report

Net cash inflow for January 2012 was \$12,707.48. This amount does not include loan repayment principle or interest estimated to be \$10,370 per month.

2) Projected Operating Budget for 2012 (part of annual report)

Motion made by Rick Lippitt to approve the projected operating budget. Motion was seconded by John Hindrichs. By voice vote, motion passed. The approved operating budget was signed by the Board President and Secretary and is attached.

3) Balance sheet for 12/31/2010 and 12/31/2011 (part of annual report)

The balance sheet is attached.

4) Account balances

Account balances were given by JWH as of 1/31/2012: Construction (\$77,302.61); Escrow (148,689.53); O&M (36,333.88).

A133 audit issues

An A133 audit must be done this year because \$500,000 of gov't money was spent. An A133 audit does not need to be done every year, but an audit following special gov't. guidelines does have to be done every year. Because of specialized training, a gov't. audit is more expensive than the "regular" audit carried out every year by the LTPOA.

The District had a letter of engagement with an accounting firm to do the audit, but because the letter was over one year old, a new letter needs to be signed. In the meantime, the price to do the A133 audit increased from \$6800 to \$7800.

Motion made by John Hindrichs to sign a letter of engagement with Daniel Jones & Associates. Motion seconded by Ken Jost. By voice vote, motion passed.

Invoices to be approved

Ten payments were submitted for payment approval. These submissions are listed below.

Date	Category	Payee	Invoice amt	MO DNR 40% grant	USDA-RD loan	Notes
01/31/2012	Eng testing	Taylor Eng	0.00	0.00	0.00	
01/31/2012	Eng admin.	Taylor Eng	0.00	0.00	0.00	
01/31/2012	Eng inspection	Taylor Eng	0.00	0.00	0.00	a
01/31/2012	Construction	TGB Inc	0.00	0.00	0.00	
01/15/2012	O&M	AT&T (preapproved)	41.53			
02/01/2012	O&M	Ameren (directpay)	246.35			
02/01/2012	O&M	Faletti, CPA	100.00			
02/01/2012	O&M	Kimmel, accounting	530.00			
02/01/2012	O&M	WRM, WWPT Operator	960.00			b
02/06/2012	O&M	Sweeney, legal	385.00			c
02/01/2012	O&M	Meyer, easements, liens	79.35			d
02/01/2012	O&M	Hindrichs, diesel fuel	40.00			e
		Total	2,382.23	0.00	0.00	f

Notes

- Eng. inspection charge of \$400 is pending, based on USDA-RD approval.
- WRM: Dave's normal rate is \$775 per month. The extra charge is for attending a training session.
- Sweeney was paid for Brunjes letter, revisions of disconnection ord., sewer rate schedule ord., and user charge ord.

- d) Marilyn Meyer was reimbursed for recording easements and liens with Jefferson County.
- e) John Hindrichs was reimbursed for 10 gallons of diesel fuel used to dig and bury water pipe at Comm House and Sewer Office.
- f) JWH calculated that as of Jan. 31 we were 546 days into the project (114% of the scheduled construction time). We have spent 90% of the amount budgeted for construction, 19.9% of our contingency money, 102% of our eng. inspection money, 98.6% of our eng. design money, and 100% of our eng. testing money.

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

Old Business

Homeowner's Manual update

JH made a motion to send out the homeowner's manual. Motion seconded by JWH. On voice vote, motion passed. The homeowner's manual was written by JWH based on Orenco's manual, which was written for effluent and onsite sewer systems.

Homeowner's Problems

It is the Board's responsibility to tell the contractor of the homeowner's problems. Primarily it is the responsibility of the contractor to come to an agreement with the homeowner. If the homeowner comes to the Board with a problem, the Board can go to the contractor to encourage contractor to do more. TGB generally took videos of property before they moved in.

Construction update

Treatment plant training session

RH reported on the treatment plant training session held **Jan 26, 2012:**

Present at session: Tim Robbs & Mike Larenson (Taylor Eng.); Dan Hufker & Jerry Rider (Flow Systems); Rich Hirsch & John Hindrichs; Dave Axton & son (WRM, Inc.)

Problems at the TP that prevented much training from being accomplished:

- 1) Audible alarms on Control Panels (CP) #1 thru #3 were disconnected. Two wires labeled #15 on CPs #2 and #3 were disconnected from Siemen's LOGO controller. On CP #1 one connector going to the sonalert was disconnected.
- 2) Visual alarms on top of CPs appeared to be disconnected also. Despite an extended High Level condition, the alarm light never lit.
- 3) One pump (#4) serving RSF3 was not working. Pump Fail light #4 was lit.
- 4) Pump fail warning light/switch on RSF3 CP seemed to be wired incorrectly: When Pump Fail Light #4 is lit, pushing PFL #1, #2, or #3 extinguished PFL #4 momentarily.
- 5) Control Panels #2 and #3 indicated the occurrence of a large number of High Level conditions (88 and 66), while CP #1 indicated NO High Level conditions (0). There was no satisfactory explanation for this. Possible explanations offered were a) high float level incorrect on RSF1; b) filter not seated properly on RSF1; c) float problem on RSF1; d) filter partially blocked. Possible explanations a) and b) were tested and discarded.

As a result of this problem, the high level float controlling RSF2 was moved up 2 inches. I think this float should be returned to its original location. The next "heavy rain event" will tell us if there is still a problem.

- 6) A High Level condition existed in the recirc tank for quite some time in spite of a lack of rain while we were there and 7 pumps running in "override" mode. We received 1.1 inch rainfall Wed. 12n to Thurs 12n. (One inch of rain adds 9,425 gallons of water to the RSFs.)

It appeared that the discharge from the TP seemed barely able to keep up with flow into the tank. I am worried that a REAL rain event will overload the pumps and the amount discharged will not keep up with the flow in.

7) When we arrived onsite, the rotating distribution valve for RSF3 was apparently stuck and the sand bed was being "flooded". Dan (FloSys) shut off flow to the valve for a few seconds and then resumed flow. The valve seemed to operate normally after that.

8) There were no TGB representatives present to explain any of the issues.

9) I was generally disappointed at the wiring of the floats. I had expected more wire ties to be used to hold cables in place and out of the way. In at least one case cabling went thru the frame of the filter-removal piping. -- Rich Hirsch

RH also reported that as a result of the problems encountered at the training session, TGB's electrician visited the TP and made repairs. Here is Steve's explanation of his work:

"Pump #4 had a loose connection at the wire nut connection in the junction box, it is operational now. In addition, Andy verified and checked all other connections in the junction boxes, no control panel terminations were touched."

"Some cables were reorganized in the pump vaults to neaten them and additional cable ties were added to the float cables." -- Steve Tielke

Another training session is planned.

Collection system

DM suggested sending out an email telling people to check that their sewer system equipment works. This needs to be done before TGB finishes their work in the spring. DM also suggested that we send a notice to homeowners that gutters and sump pumps should NOT be connected to drains or sewer pipes. Perhaps send out with bill. TR suggested we have Dave check the gutters when Dave cleans filters at individual homes.

TR said that realistically, he thought TGB would still be here for part of June. DM mentioned that grass seeding should be complete by mid-May, although it could be successfully done later in the summer.

Spares needed for plant operation

JH suggested we buy 6 spare home effluent pumps and a backup electric generator and a storage bldg for the treatment plant.

DM asked, "Are you talking about buying a piece of equipment or building a shed? There's a difference." DM warned that it is much easier to buy a piece of equipment (like a storage bldg), than to build anything. The difficulty includes "pouring a concrete pad" as that's considered "building" again.

DM also said that Traci's requirements may be different from USDA-RD's.

DM asked Tim if Traci was funding Change Orders 1 and 2 with grants?

DM: If the trailer is funded out of O&M, Traci will not share in cost (i.e., no grant money.) We really want to get the storage container paid for using construction funds and use grant money to pay for it.

DM: If you have substantial money left in funds on the loan, take less loan. That will cut down on your annual payment. If you do that we'll have to amend the original bond ordinance. It has to be enough to make a difference.

TR: In the future you may want to have a well drilled for fresh water. That may cost \$10k - 15k.

Loan Amount

DM: You have the option of taking the extra money or not and drop the loan amount.

JWH: Right now our total debt service is \$47.60 per user per month, around \$48 per month out of \$72 per month user fee. The current projected loan amount is \$2.243M. If the final loan amount is \$2.2M, the debt service comes to \$46.69. If we drop the loan amount another \$100k, debt service drops to \$44.57. So if we reduce the loan amount by \$100k, we should be able to drop the user fee by about \$2.12.

JWH: The earliest we could change the rate would be Nov.

JH: Is there any advantage to paying off the loan early?

DM: You can prepay the loan, but you can't reduce the interest, so there may not be an advantage to pay off the loan early.

Approval of Change Order #3

We did not formally approve Change Order #3 for reduction in the cost of the contract. Reduction in price was due to using less pipe than originally planned. Motion made by JH to approve Change Order #3. Motion seconded by RH. On voice vote, motion passed.

Operator Report

Dave's test results for January look very good. All measured quantities are well within DNR limits. Here are his results for Nov, Dec, and Jan:

	Units (Permit limit)	11/22/2011	12/6/2011	1/3/2012	2/7/2012
Effluent					
Flow	MGD (none)	0.035	0.017	0.0165	0.00713
BOD	mg/L (30)	3	1	2	2
TSS	mg/L (30)	8	1	1	1
pH	SU (6.5-9.0)	7.2	7.23	7.24	7.2
NH3	mg/L (1.4,2.8)	0.76	0.95	0.83	0.83
Oil/Grease	mg/L (10)	<5	<5	<5	<5
E. coli	#/cL (206)	NA	NA	NA	NA

Only problem is that distribution valves #6 and #4 are not "rotating" through six zones successfully. Instead they occasionally "stick" in a single zone. Otherwise, all pumps are working and the effluent is clear.

Electrical Easements

DM said that recording elect easements was up to us.

MM: Our policy is to record an easement before it changes hands or if an owner dies.

Sales Office Modification

Rick Kardell's employee Vito and Rick's son Ricky were here on Jan. 17 and Jan. 20 and completed plumbing connections at the Comm. House (CH) and the Sewer Office (SO).

At the CH they installed a 1' section of copper pipe with a "tee" in it that connects the water well to the CH. (The copper pipe was substituted for a 1' section of plastic pipe and is adjacent to the wellhead.) The "tee" connects to an underground valve that connects to the 1" PEX pipe that goes to the SO. The valve is accessible from ground level thru a 4"x30" plastic pipe. The valve is a 90 deg ball valve with a drain port. When then valve is closed, it drains the PEX line that goes to the SO.

At the SO they connected the PEX line from the CH and installed a sink, toilet, and associated plumbing.

RK's bill was for \$1871.66 (labor: \$1150; materials: 671.31; tax 50.32).

TGB's bill for boring and ~ 175 ft of 1" PEX pipe: \$2050

New Business

Carol Kline is resigning as sewer district Treasurer because she is starting a new job that will consume more of her time. Consequently, we need a new treasurer. Everyone was instructed to come up with names of candidates.

New homes

TR advised us to set up an account with FloSys to buy pumps, etc. Since we are going to maintain their system, we need to buy components and pass an ordinance to make new users buy from us. We will buy tank and pump and we would be reimbursed by the new user.

In terms of new connection specs and inspections, TR said we should get Orenco to supply us the specs and commit to a package price from now on with yearly review.

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 John Hindrichs and seconded by Rick Lippitt. Motion passed with all Directors in approval. Meeting ended at 4:30 p.m.

Respectfully Submitted,

Rich Hirsch
Recording Secretary

Approved this 14th day of March, 2012.

Secretary
March 13, 2012

Chairman