

PUBLIC WATER SUPPLY DISTRICT #13
Minutes of the March 14, 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 7:02 p.m. on March 14, 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), and Frances Hovis (FH, Treasurer).

Approval of Agenda

Motion was made by John Hindrichs and seconded by Rick Lippitt 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.

The regular session Minutes of the Feb 17, 2012 special meeting were emailed to the Directors prior to the meeting. Motion was made by Rick Lippitt to approve the Minutes as written. Second was by John Hindrichs. On voice vote, the regular session Minutes of the special meeting were approved.

Treasurer's Report

Fran reported the balances for Feb. 29.

Escrow (grant money left): \$107, 580.21, Construction acct.: \$5,582.31, O&M acct.: \$56,753.26

Billing issues

MM suggested that customers that have selected a "direct payment" plan be given the option of not receiving a bill/statement.

Delinquent payment issues

JWH reported that disconnect notices were sent to three homeowners and lien notices were sent to eight homeowners. The disconnection hearing date was set for 9am on Mar 22. The board agreed that future disconnection hearings would be held at 9am the first Tuesday after the 21st of the month. This is for consistency.

Financial Reports

February 2012 Cash Flow Report

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

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

JWH handed out the cash flow report for Feb 2012 required by USDA-RD. Cash inflow was \$18,765.06; Total outflow was \$2,434.23; Net cash flow was \$16,330.83.

There are no new invoices from TGB for this period. There were a change order and two addendums to the contract.

A133 audit issues

Requested documents have been submitted to the auditor D. Jones & Associates.

Invoices to be approved

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

| Date | Category | Payee | Invoice amt | MO DNR 40% grant | USDA-RD loan | Notes |
|------------|----------------|-------------------------------------------|-------------|---------------------|-----------------|-------|
| 03/01/2012 | Eng inspection | Taylor Eng | 484.73 | 0.00 | 0.00 | |
| 02/15/2012 | O&M | AT&T (preapproved) | 41.47 | | | |
| 03/01/2012 | O&M | Ameren (directpay) | 217.87 | | | |
| 03/07/2012 | O&M | Faletti, CPA | 350.00 | | | |
| 03/07/2012 | O&M | Kimmel, accounting | 733.84 | | | |
| 03/01/2012 | O&M | WRM, WWPT Operator | 930.00 | | | a |
| 03/01/2012 | O&M | WRM, WWPT Operator | 75.00 | | | b |
| 02/16/2012 | O&M | JWH, homeowner's manual | 213.04 | | | c |
| 02/16/2012 | O&M | Omnisite, 2012 cell service (preapproved) | 242.73 | | | d |
| | | Total | 3,288.68 | 0.00 | 0.00 | |

Notes

- a) WRM: Dave's normal rate is \$775 per month. The extra charge is for "emergency" calls.
- b) WRM: Dave's charge for inspecting a gravity service line before hookup on Lakemont.
- c) JWH's cost for printing and mailing the Homeowner's Manual.
- d) Omnisite service at Treatment Plant (for 10.5 months cell service to end of 2012)

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

Old Business

Homeowner's Manual update

The homeowner's manual was mailed to all homeowners.

Homeowner's Problems

Dave handled two problems this period:

1) Ferrell: High level alarm problem. Dave determined that the pump would not come on because the bottom float was stuck in the down position. The float was jammed because it was too low on the float pole or there was plastic debris present in the vicinity of the float.

2) Armbruster: Circuit breaker blew. The dock lights were affected when this happened. Conclusion was that the circuit the pump is on may not be dedicated. We need to see if this happens again.

RH handled one High level alarm problem at Eime's: The effluent pump could be heard running in the tank. On removing the tank lid, it was observed that the lateral line ball valve was closed. Opening the valve restored normal operation. Also, the tank lid was held on by two screws. The remaining two screws penetrated the lid, but one screw was inside the riser and the other screw outside the riser.

Generator

In sizing a generator the pump motor manufacturer (Franklin) suggested using a value of 4.5kw per pump to compensate for the starting amperage surge. Since there are 12 pumps, this gives us 54kw as a worst case if all 12 pumps start at once. [One generator rep measured a 242.5 amp surge when all pumps were set to ON ("HAND") and the 400a master circuit breaker switch was turned on. This corresponds to 58kw.] So at first thought, we would need a 60kw generator.

But if each control panel is started separately, only four pumps will ever start simultaneously. This is a surge of 18kw. Normal running amps is 8.5a per pump, or 2kw per pump. So if each control panel is started up separately, max power consumption will be $4.5\text{kw} \times 4 + 2\text{kw} \times 8 = 34\text{kw}$. Therefore, we really only need a 45kw generator.

We will get bids on a 45kw generator plus installation. Propane tank installation will be done by the propane supplier and will not be included with the bid.

DNR and USDA should cover the cost of the generator but not the installation.

Contract Change Order #4

This change order mostly covers equipment spares purchased thru TGB. We understand that DNR will cover 40% of total cost. This CO:

1. Extends contract to May 25, 2012.
2. Culvert pipe for Treatment Pipe for \$2,041.

Tim wrote that the culvert pipe was needed to keep storm water away from the UV disinfection unit. Tim also said he included the "culvert pipe" item as a "last-chance change order". Tim was worried that this will probably be the last change order and if it turns out in a month we need it, it will be too late to get it. He also said that the money could be used for something other than a culvert pipe. And if we decide we don't need it, it can be "change-ordered" out.

The board questioned if the pipe would be effective in keeping the UV unit area dry.

The consensus was to approve, but that we need to discuss this issue with the engineer onsite.

3. Fabricate and install UV End Covers for \$316.

JH explained that the UV trough is completely open and can easily catch debris which could harm the UV lamps when the lamps are in place. The board consensus was that the covers are needed.

4. Spares. Previously we thought six (home) pumps were needed. This was revised to 3 out of consideration of warrantee issues. That is, if a pump remains unused for 5 years before it is needed, the pump would have no warrantee when installed.

Motion made by John Hindrichs to approve Change Order #4 with the understanding that the culvert pipe can be removed in the future, if the Board decides it is not needed. Motion seconded by Rich Hirsch. Motion passed.

Addendum #3

Addendum #3 is for paying up to an additional \$1,500 for preparation of specifications for a backup generator. DNR should pay 40% of the cost of engineering for the generator done by Tim.

Motion made by John Hindrichs to approve Addendum #3. Motion seconded by Rich Hirsch. Motion passed.

Addendum #4

Addendum #4 is for paying up to an additional \$15,000 for engineering inspection for the coming months. The entire Board agreed that the additional engineering costs should be paid for by the contractor, since they are responsible for not finishing on time. However, Taylor Eng. has a contract with PWSD #13, so we are responsible for paying them. Whether PWSD #13 will seek to recover the \$16,000 from the contractor, will be decided later.

JWH stated that we are coming in at \$163,000 under budget on the loan amount because of pipe

savings because the plan could be revised because the contractor used boring rather than trenching, so there is \$15k available to pay for the additional engineering services, as far as the budget is concerned.

Motion made by John Hindrichs to approve Addendum #4. Motion seconded by Ken Jost. Motion passed.

Storage Container

JH will go look at a used construction trailer to use as a storage container. Money for the container will come out of O&M. The board agreed to set a limit of \$5k for the trailer. There is almost no chance of getting grant money from DNR for the trailer.

Final Loan Amount

JWH: We have to decide how much loan to accept. If we do nothing, the (USDA-RD) loan amount will be \$2.243M. This is equivalent to a fixed payment amount of \$47.60 per user per month. If we reduce the loan amount to \$2.1M, we reduce the fixed payment amount to \$44.57 per user per month.

JWH: The soonest we could change the user fee would be November 2012.

MM: We need to determine what our real costs are before we even consider reducing the user fee.

FH: And we can't reduce the user fee and then raise it again in the future.

JWH: With this type of loan there is no benefit in paying off the loan ahead of time.

MM: We should try to borrow no more than \$2.1M.

JWH: We will start repaying the loan principal after we close the loan at the end of April, 2012. We start paying interest on the loan two years later.

MM: The payment to USDA-RD is greater than half of the amount brought in through user fees, so we will have to be careful with spending.

Treatment Plant Operations

Distribution Valve Problem

The distribution valve (DV) problem seems to have been solved. Recall that each of the DVs was supposed to rotate and distribute the flow in the sand filter to one of six zones. Four of the six DVs seemed to operate correctly, but two were "stuck" and flooded the sand filter.

The problem was resolved in two steps:

1) First, 1/8 inch holes were drilled in the 12 elbows in the pump manifolds. The belief was that since the emitters in the sand filters were located higher than the DVs, the weight of the water was preventing the DVs from rotating and the holes in the elbows relieved much of that pressure. This helped some, but one DV (#6) still would not rotate.

2) Second, Dan (FloSys) took the malfunctioning DV (#6) apart and removed a small rock. When he reassembled the DV, he swapped the inner parts of the valve with another valve (#5) that previously had operated correctly.

All DVs now appear to be operating correctly.

Autodialer

The autodialer (AD) should call us when there is a High Level Alarm (HLA) or a Pump Failure Alarm (PFA). At this point the AD gives us the correct information for RSF1, but reverses the alarms for RSF2 and RSF3. In other words, for RSF2 and RSF3, a pump failure calls in a HLA and a high level condition calls in a PFA.

There is also a problem with the AD responding correctly to a power failure. Since the AD is plugged into a UPS which provides battery backup power, if the main AC power goes out, the AD is not aware of it. This problem should be solved by plugging the AD into the mains, rather than the UPS.

An additional problem with the AD was that the internal battery was not connected.

Discharge Valve Replacement

DNR agreed to allow us to replace the 20% discharge valve with a 100% discharge valve, but we have to be able to put the 20% discharge valve back in place if the 100% discharge valve gives unsatisfactory analytical results. A compromise would be to modify the 20% valve so it discharges more than 20% but less than 100%. Flow Systems say they have plants in Illinois operating the 100% valves that get good analytical numbers.

New Connection Specs

We need to provide specifications to the owners of the two new houses being built. Tim recommended that we have to pass an ordinance that new customers need to conform to our system because the district will take over maintenance of their system.

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."

Rick Lippitt agreed to call Orenco and work on this.

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 9:17 p.m.

Respectfully Submitted,

Rich Hirsch
Recording Secretary

Approved this 11th day of April, 2012.

Secretary
April 9, 2012

Chairman