

PUBLIC WATER SUPPLY DISTRICT #13
Minutes of the June 13, 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 7:00 p.m. on June 13, 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	Absent

Also in attendance was Janet Hirsch (JWH, LTPOA Board member, Bank Administrator), and Frances Hovis (FH, 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 May 9, 2012 meeting were emailed to the Directors prior to the meeting. Motion was made by John Hindrichs to approve the regular session Minutes as written. Second was by Rick Lippitt. On voice vote, the regular session Minutes were approved.

The regular session Minutes of the special June 1, 2012 meeting were emailed to the Directors prior to the meeting. Motion was made by Rich Hirsch to approve the special meeting Minutes as changed. Second was by John Hindrichs. On voice vote, the special meeting Minutes were approved.

Treasurer's Report

Billing and Delinquent payment issues

JWH: We switched from billing by letter to postcard and the assembly portion went from 3 hr. to 6 min.

JWH reported that two homeowners were sent lien notices and three homeowners were sent disconnection notices. The disconnection hearing date was set for 9am on Tuesday June 26.

Disconnection vs. Legal Action

There was a discussion of changing District policy for delinquent customers from disconnection to law suit. RH said that there are multiple reasons for this:

1) No one on the board wanted to take charge of carrying out a disconnection. Disconnection would consist of: a) Contacting the sheriff to arrange for a deputy to be present when a padlock is placed on a delinquent homeowner's control panel; b) Turning off the effluent pump and padlocking the control panel; c) Contacting the Jeff County Health Dept. to get them to condemn the residence as uninhabitable.

2) If the homeowner continues to generate sewage, it would back up into his basement/house and be a potential lawsuit against the district. Or, it would seep out of the STEP tank and potentially pollute the lake or ground water.

3) Successful disconnection requires timely cooperation from the Jeff County Sheriff's Dept. and the Health Dept. In the past the Health Dept. has not enforced its connection regulation and so they may not cooperate in promptly condemning the property after sewer service is terminated.

4) The Owner's Association has had good luck in using the threat of a law suit to collect delinquent assessments, so homeowners respond well to the threat of legal action.

5) The SEWER RATE SCHEDULE ORDINANCE (03-2010) already contains language that will allow the district to sue the delinquent customer.

JH: Once we disconnect a couple of delinquent homeowners, we'll have very few unpaid bills. If we threaten to disconnect and don't do it, it's an idle threat.

RH: And I believe that if we bring legal action against a homeowner, we won't have to have a disconnection hearing every month.

JH: Are delinquent homeowners that escape disconnection paying in full?

JWH: No, they are making a partial payment -- just enough to get off the list.

MM: If we change our policy we need to rewrite the letter we now send to people that are scheduled to be disconnected. I think we should write a letter and tell them that we will turn the bill over to our attorney for collection and state how expensive it will be for the homeowner if he does not pay his sewer bill.

RL: But the disconnect letter has been effective in getting delinquent homeowners to pay their bills.

JWH: But not the full amount.

RH: If we stick with disconnection as our ultimate collection method, who wants to take over that chore? No one responded.

RH: We don't need to decide this now, but I think we should seriously consider legal action instead of disconnection.

JWH: I think after 3 or 4 months we should bring legal action, rather than just keep filing liens every three months.

Balances

Fran reported the balances for May 31: Escrow (grant money left): \$105,338.61, Construction acct.: \$162,767.96, O&M acct.: \$269,169.89, Debt Service Reserve acct.: \$962.15 (accumulates over 10 yrs; provides backup we cannot pay our loan payment.)

Financial Reports

Net cash inflow for May 2012 was \$3,618.24. JWH explained the financial reports prepared by our bookkeeper Jennie K. JWH handed out the cash flow report for May 2012 required by USDA-RD. Cash inflow was \$15818.01; total outflow was \$12,199.77; net cash flow was \$12,199.77. The May 2012 cash report is attached.

Invoices to be approved

Sixteen payments were submitted for payment approval.

Date	Category	Payee	Invoice amt	MO DNR 40% grant	USDA-RD loan	Notes
05/04/2012	Construction	TGB Inc	18,972.00	7,588.80	11,383.20	
06/13/2012	Construction	TGB Inc	75,063.85	30,025.54	45,038.31	
06/05/2012	Construction	Taylor Eng. inspection	6,008.68	2,403.47	3,605.21	
06/04/2012	Construction	Southeast Service, generator	17,671.77	7,068.71	10,603.06	
		subtotal construction	117,716.30	47,086.52	70,629.78	
05/15/2012	O&M	AT&T (preapproved)	41.47			
05/31/2012	O&M	Ameren (directpay)	312.32			a
06/09/2012	O&M	Kimmel, accounting	355.00			
06/01/2012	O&M	WRM, WWPT Operator	1,110.00			
05/31/2012	O&M	JWH postage for 6/1 billing	68.80			
05/10/2012	O&M	JWH, perforated stock 4000 postcards	208.67			
05/09/2012	O&M	JWH, cap for Stojeba cleanout missing	6.93			
04/13/2012	O&M	MM recording fees	48.90			

05/23/2012	O&M	Flo Systems, supplies for Sutterer new connection	2,023.09			
05/22/2012	O&M	Flo Systems, shipping for Orenco inventory	362.96			
05/02/2012	O&M	subtotal O&M	4,489.21			
		Total	122,205.51	47,086.52	70,629.78	

Notes

a) AUE is now charging summer rates

Motion was made by John Hindrichs to approve payment of the above invoices, except for the two TGB invoices. Second was by Rich Hirsch. On voice vote, payment of the non-TGB invoices was approved.

JWH: The \$18,972 payment to TGB was approved last month to be paid when TGB had completed the treatment plant items on the punch list. At an interim meeting it was decided to reduce retainage to \$100,000 (7%), which was believed adequate to cover remaining yard restoration work. In the meantime, D. Martin (USDA-RD) told us we must hold at least 5% retainage (ca. \$150,000). So in June we are paying TGB \$75,063.85, which satisfies the 5% retainage requirement and includes payment for CO #4 and CO #5

Motion was made by John Hindrichs to approve payment of the TGB invoices. Second was by Rick Lippitt. On voice vote, payment of the invoice was approved.

Old Business

Electrical Easements

MM reported that there are a few houses that have recently changed hands and she would like to record the electrical easements signed and submitted to us by the previous owners. MM was given permission for that.

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

There was a suggestion to send out a letter to each homeowner telling them to report any problems they were having by the end of the June.

JWH: I hesitate to do that because it could generate a lot of extra work checking lots. We may get responses from people complaining about not having enough grass, or that they have too much rock, or that they want topsoil. Someone would have to visit each site and make a judgment.

The consensus was to not send out this letter at this time.

Punch List

RH: Sharon's (TGB) recent punch list has only 7 items on it and Mike's has more than 44; I don't know where Sharon got her list, but it's incomplete.

RH went out with Mike L on Tuesday, June 12 and visited some southside properties that were listed on the punch list. He said it was depressing. Generally he said he found yards that were listed, still had lots of rock present and very little grass. It was his opinion that most of the yards they looked at should be redone. They looked at Potter, Spaid, Goedeker, Simon, Kroeger, Schmidt, Alexander, and a few more. All needed additional work.

MM: Tim said Sharon will be out next week to see the quality of work done by her people. She'll want us to settle.

JWH: We do need a final punch list by next week.

RH: I put together a list that just contains the names of HOs that have odor problems.

Consensus of the board was that the retaining wall around the UV unit needed another course of block to raise the wall above grade. Currently it is at grade and any debris would easily go into the UV unit.

What TGB has not done is to grade, seed and straw the area between the road and creek on the Telle side of the treatment plant. This is covered in the Punch List as: "Finish grading entire site, place seed and straw."

JH raised a question as to whether C. Sutterer had received all the components needed to complete the STEP tank installation. RL indicated that he had and that the equipment was delivered to Mr. Sutterer's current home for storage. JWH said that the factory advised storing the tank with the openings down.

JH: We should get an automatic transfer switch for the generator.

Operator Report

Specs set by Mo DNR are being met. Inflow flow rates are up, as more part-time residents return. This is expected. Dave started doing E. coli testing in April. Dave reported "0" colonies per deciliter for Apr and May.

JWH: Dave's base price is \$775/month. For four months he averaged about \$222 above his base rate to handle customer problems that generally were warrantee issues. These are things like valves left closed, flooded splice boxes, lids not fastened correctly, and bottom float mounted too low. Generally they are installation problems. Not everything is clear cut. Often we can't wait for the contractor to fix these things.

New Business

Sharon (TGB) will come out next week.

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. Meeting ended at 8:45 p.m.

Respectfully Submitted,

Rich Hirsch
Recording Secretary

Approved this 10th day of July, 2012.

Secretary
July 5, 2012

Chairman

May 2012 Cash Report

Sewer Fees Invoiced	\$ 17,328.48
Sewer Fees Received	\$ 15,799.76
Overdue Amounts:	
30 days overdue	\$ 2,249.80
60 days overdue	\$ 815.74
90 days overdue	\$ 392.70

Cash Inflow

Sewer User Fees	\$ 15,799.76
Interest	18.25
	<u>15,818.01</u>

Cash Outflow

Audit	
Accounting	415.00
Treatment Plant Operator	805.00
Utilities - electric	193.39
Propane	1,441.98
Propane tank installation	257.82
Phone	41.43
Omni Site	
USDA Interest	6,980.00
Debt Service Account	962.00
Insurance	
Maintenance/replacement	
MO DNR Annual Permit	
Legal	831.45
Recording fees - easements & liens	146.70
Postage & printing	
Office	
Mileage for WWTP trailer	111.00
Bank Fee (ACH debit)	14.00
	<u>12,199.77</u>

Net Cash Flow	<u>\$ 3,618.24</u>
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