

LEAVENWORTH WATERWORKS

MINUTES OF A MEETING OF THE BOARD OF DIRECTORS

HELD ON MAY 23, 2022

A regular meeting of the Board of Directors of the Leavenworth Waterworks was held at 5:00 PM on Monday, May 23, 2022, at the Leavenworth Waterworks located at 601 Cherokee, Leavenworth, Kansas 66048.

ATTENDANCE

Directors in Attendance

Richard Gervasini, Chairman
Christi Norris, Vice Chairman (by phone)
Eric Peterson, Secretary
Chad Lough, Assistant Secretary (by phone)
Bob Walters, Member

Directors Absent (Excused)

Staff in Attendance

Joel Mahnken, General Manager
Lesia Hegeman, Finance Manager
Dennis Baragary, Distribution Manager
Neil Seichepine, Plant Manager
Kayla Manning, Engineer

Others in Attendance

Dana Splichal, SSC CPAs

Director Gervasini, called the meeting to order at 5:00 PM.

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| ROLL CALL, ANNOUNCEMENT OF QUORUM | Director Gervasini noted that a quorum was present. |
| REQUEST, COMMENTS, PETITIONS BY MEMBERS OF THE PUBLIC | None |
| BOARD MEMBER ITEMS OUTSIDE OF EXECUTIVE SESSION | None |
| APPROVE MINUTES OF MAY 9, 2022 | Upon motion from Director Norris, seconded by Director Walters, motion passed 5-0. RESOLVED (No. 15278) , that the Board approved minutes from May 9, 2022. |
| CONSIDERATION OF CONSENT AGENDA | Upon motion from Director Peterson, seconded by Director Walters, motion passed 5-0... |
| A. PAYROLL DISBURSEMENT OF MAY 31, 2022 | RESOLVED (No. 15279) , that the Board approved: A. The payroll for the period ending May 31, 2022 amounting to gross pay of \$81,058.67 (composed of the following withholdings and deductions) Federal Income Tax - \$6,661.35; FICA- \$6,072.30; State Tax - \$3,301.36; KPERS - \$4,819.53, Insurance - \$2,298.31; United Way - \$140.00; Eq-flex - \$1,372.02; PEDC - \$3,097.50; Misc - \$17.50, Deposits \$52,977.36 including the following overtime amounts: Distribution 36 hours @ \$1,241.98, North Plant 6 hours @ \$213.93 and South Plant 10 hours @ \$387.66 be approved and disbursements made from the Revenue Fund for their respective amounts. |
| B. PAYMENT OF CLAIMS | B. Special Claims \$325,463.77 and Special/Special as follows: Ks Gas \$2,352.43, Verizon Wireless \$280.11, Charter Communications \$364.99, and KDHE-Division of Environment \$60.00, checks be drawn on the Revenue Fund for their respective amounts. |

PRESENTATION OF
PRELIMINARY AUDIT

Dana Splichal CPA with SSCCPAs presented and discussed the MDA, Balance Sheet and Income Statement.

CONSIDERATION APRIL
2022 FINANCIAL
STATEMENT

Upon motion from Director Norris, seconded by Director Peterson, motion passed 5-0.

RESOLVED (No. 15280), that the Board approved the April 2022 Financial Statements.

CONSIDERATION OF
CHEROKEE WATERLINE
REPLACEMENT BID

The project addresses replacement for several blocks of 6-inch cast iron pipe and 2-inch pipe to improve fire protection and address main breaks. A total of 4 bids were received for the Cherokee Water Main Replacement Project with Engemann Drainage Co as the winning bidder. Upon motion from Director Norris, seconded by Director Peterson, motion passed 5-0.

RESOLVED (No. 15281), that the Board authorized the General Manager to execute the contract with Engemann Drainage Co in the amount of \$785,070.00.

CONSIDERATION OF DESIGN
CONTRACT FOR WATERLINE
IMPROVEMENTS OTTAWA
AND OSAGE STREETS FROM
13TH TO 20TH.

The project will replace approximately 5,850 feet of 6-inch cast iron with 8-inch HDPE pipe. The design fee is not-to-exceed \$118,000 plus an additional not-to-exceed amount of \$13,000 for construction services as needed during construction. Upon motion from Director Peterson, seconded by Director Walters, motion passed 5-0.

RESOLVED (No. 15282), that the Board authorized the General Manager to execute the design contract Waterline Improvements Ottawa and Osage Street from 13th to 20th with BG Consultants at a not to exceed \$118,000 plus an additional not-to-exceed amount of \$13,000 for construction services.

RESOLUTION ON KPWSLF
AGREEMENT

KDHE requires formal approval of the KPWSLF agreement. The loan agreement is essentially the same as loan for the Horizontal Collector Well approved in 2017 with a couple of items now in our favor. The loan of \$5,800,000 will be for 20 years at a net interest rate of 1.34%. Build America Mutual (BAM) has offered to insure the loan for 0.292% of the total projected debt service of \$6,631,166.40. Upon motion by Director Norris, seconded by Director Peterson, motion

passed 5-0.

RESOLVED (No. 15283), that the Board approved the quote of BAM to insure the loan at 0.292% of the total debt service.

Thereupon, there was presented a resolution entitled:

A RESOLUTION AUTHORIZING THE EXECUTION OF A LOAN AGREEMENT BETWEEN LEAVENWORTH WATERWORKS BOARD AND THE STATE OF KANSAS, ACTING BY AND THROUGH THE KANSAS DEPARTMENT OF HEALTH AND ENVIRONMENT FOR THE PURPOSE OF OBTAINING A LOAN FROM THE KANSAS PUBLIC WATER SUPPLY LOAN FUND FOR THE PURPOSE OF FINANCING A PUBLIC WATER SUPPLY PROJECT; ESTABLISHING A DEDICATED SOURCE OF REVENUE FOR REPAYMENT OF SUCH LOAN; AUTHORIZING AND APPROVING CERTAIN DOCUMENTS IN CONNECTION THEREWITH; AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION WITH THE LOAN AGREEMENT.

Thereupon, Director Norris moved that said Resolution be passed. The motion was seconded by Director Peterson. The Resolution was duly read and considered, and upon being put, the motion for the adoption of said Resolution was carried by the vote of the governing body, the vote being as follows:

Yes: Richard Gervasini, Christi Norris, Eric Peterson, Chad Lough, Bob Walters
No: None

Thereupon, the Chairman declared the Resolution duly adopted and the Resolution was then assigned No. 15284 and was signed by the Chairman and the signature attested by the Secretary.

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DIVISION REPORTS

ADMINISTRATION SUMMARY

- Financial Statements for April
- 2021 Audit
- FEMA finalized Flood damaged for power pole.
- Sent database for portal.

WATER DISTRIBUTION REPORTS

1. Cherokee Street Water Main Replacement (2022)
Item bid
2. Spruce St East of 10th Ave (2023)
Nothing new.

3. Lecompton and Springdale Road (2023)

Nothing new.

4. Ottawa and Osage 13th to 20th (2023)

City / County Projects

- 2nd St/Chestnut to 3rd St/Spruce Storm Box – Expected to bid late May/early June
- Pottawatomie Storm – Nothing new

Water Distribution Operations

Between May 3rd, 2022, and May 18th, 2022, the following water-distribution activities have occurred:

- a) Radio-Read Installations: 14
- b) Valves and Fire Hydrants: replaced (2) 12” valves, (2) 6” valves
- c) Water Main Breaks: 0

WATER TREATMENT SUMMARY

Ohio Street Booster Station

1. Nothing new to report.

North Plant Summary

1. Plant offline Tuesday and Wednesday
2. Getting bids for infrared scanning for electrical.

South Plant Summary

1. Getting bids for infrared scanning for electrical.
2. IMEG completed walk through for HVAC project – 90% complete

GENERAL MANAGER’S REPORT

- KMU Safety Training held May 16th on “Work Zone Safety”.
- Worked with Attorney on Wellfield Access Road issue.
- Water Tank Project.
 - Worked with Bond Counsel on the SRF Loan Agreement.
 - Provided information for Build America Mutual to make determination on loan payment insurance and cost.
 - City Commission passed Resolution regarding the loan on April 10th.
 - Waiting on Contract Solicitation from BOP contracting. Solicitation may be under review an additional two weeks.
- Met with Neptune Metering representative to discuss expanding the Gateway AMI system for better meter reading coverage.
- Attended MRPWSA meeting May 20th.
- Contacted HDR, the engineering firm working on the Centennial Bridge project, regarding possible conflicts at the North Plant.

Community meetings on the project are planned for next month.

Approved _____ 2022

Richard Gervasini, Chairman

Eric Peterson, Secretary