

LEAVENWORTH WATERWORKS

MINUTES OF A MEETING OF THE BOARD OF DIRECTORS

HELD ON May 22, 2023

An executive session was held at 2:00PM, followed by the regular meeting of the Board of Directors of the Leavenworth Waterworks held at 5:00 PM on M o n d a y , M a y 2 2 , 2 0 2 3 , at the Leavenworth Waterworks located at 601 Cherokee, Leavenworth, Kansas 66048.

ATTENDANCE

Directors in Attendance

Richard Gervasini, Chairman

Christi Norris, Vice Chair

Eric Peterson, Secretary

Bob Walters, Member

Directors Absent (Excused)

Chad Lough, Assistant Secretary

Staff in Attendance

Joel Mahnken, General Manager

Lesia Hegeman, Finance Manager

John Hodgden, Distribution Manager

Neil Seichepine, Treatment Manger

Kayla Manning, Engineer

Others in Attendance

None

Director Gervasini, called the meeting to order at 2:00PM.

ROLL CALL, ANNOUNCEMENT OF QUORUM

Director Gervasini noted that a quorum was present.

EXECUTIVE SESSION – At 2:00PM, the Board recessed the regular board meeting to enter into PERSONNEL MATTERS executive session to interview for the Financial Manager (Manager of OF NON-ELECTED Collection and Accounts) position for 3 hours. PERSONNEL

Upon motion from Director Norris, seconded by Director Peterson, motion passed 4-0.

RESOLVED (No. 15377), that the Board recessed the regular meeting and entered into executive session.

At 4:50PM, the Board ended the executive session and resumed the regular board meeting.

Upon motion from Director Norris, seconded by Director Peterson, motion 4-0

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RESOLVED (No. 15378), that the Board ended the executive session and resumed the regular board meeting.

After consideration, the General Manager was directed to make and conditional offer to candidate #2 for the position.

REQUEST, COMMENTS, None
PETITIONS BY MEMBERS OF
THE PUBLIC

BOARD MEMBER ITEMS None
OUTSIDE OF EXECUTIVE
SESSION

APPROVE MINUTES OF May Upon motion from Director Norris, seconded by Director Walters, motion
8, 2023 passed 4-0...

RESOLVED (No. 15379), that the Board approved minutes from May 8, 2023.

CONSIDERATION OF Upon motion from Director Peterson, seconded by Director Walters,
CONSENT AGENDA motion passed 4-0...

A. PAYROLL
DISBURSEMENT OF MAY
31, 2023

RESOLVED (No. 15380), that the Board approved:

A. The payroll for the period ending May 31, 2023 amounting to gross pay of \$88,902.75 (composed of the following withholdings and deductions) Federal Income Tax - \$7,273.83; FICA- \$6,687.50; State Tax - \$3,624.92; KPERS - \$5,288.40, Insurance - \$2,908.97;

United Way - \$98.50; Eq-flex - \$1,192.46; PEDC - \$3,035.00; Misc - \$15.00, Optional Group Life \$244.54 and Deposits \$58,533.63 including the following overtime amounts: Distribution 28 hours @ \$507.63, North Plant 4 hours @ \$149.76 and South Plant 10 hours @ \$375.76 be approved and disbursements made from the Revenue Fund for their respective amounts.

- B. PAYMENT OF CLAIMS B. May \$375,302.34 and Special/Special as follows: Charter Communications \$364.90 checks be drawn on the Revenue Fund for their respective amounts.
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CONSIDERATION OF DRAFT AUDIT The draft audit was reviewed by the Board. No action was taken.

CONSIDERATION OF APRIL 2023 FINANCIAL STATEMENT Upon motion from Director Norris, seconded by Director Walters, motion passed 4-0...

RESOLVED (No. 15381), that the Board approved the April Financial Statements.

DISCUSSION OF RATE ADJUSTMENT FOR REMAINDER OF 2023 The year-to-date financial statements, show a projected loss greater than the budget. Energy and chemical costs for the treatment of water is much higher than anticipated. There is concern that LWB will not achieve the debt service coverage required by our KPWSLF loan now or in the future.

Currently, our retail rate structure includes two CCR of water in the base customer charge. Effective July 1st, the base charge would changer to one CCF, which would generate approximately \$250,000 in additional revenue this year.

Upon motion from Direction Walters, seconded by Director Norris, motion passed 4-0...

RESOLVED (No. 15382), that the Board approved to change the rate structure to one CCF for the base charge.

DIVISION REPORTS

ADMINISTRATION SUMMARY

- Worked on April Financial Statement

WATER DISTRIBUTION REPORTS

1. Cherokee Street Watermain Replacement (2023)

Contractor is planning to have first 800 feet of pipe pulled in within about a week.

2. Spruce St East of 10th Ave (2023)

Contractor is expecting to start in about 4 weeks depending upon weather and materials.

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

Project is currently advertised on Drexel and will bid on June 7th.

3. Lecompton (2023)

Nothing new.

City / County Projects

- 2nd St/Chestnut to 3rd St/Spruce Storm Box – Nothing new.
- Wilson Ave, south of Limit – Received preliminary plans, waterline relocation is likely to be necessary due to elevation cuts.
- Evergy Easement for Pilot Knob – Evergy has a project to install fiber to the poles on Pilot Knob, which requires crossing the property outside of the ROW. Discussions regarding easement are now occurring.

Water Distribution Operations

Between May 4th, 2023, and May 18th, 2023, the following water-distribution activities have occurred:

- a) Water Main Breaks: 4-inch and 2-inch

WATER TREATMENT SUMMARY

Ohio Street Booster Station

Nothing new to report

North Plant Summary

Plant offline for annual maintenance.

South Plant Summary

Started free chlorine burn out May 15th.

GENERAL MANAGER'S REPORT

- KMU provided Forklift Operator Certification training on May 5th.
 - KMU Safety Training held May 15th on "Summer Safety Review".
 - Water Tank Project.
 - Waiting on DOJ (easement).
 - Loan Amendment closing rescheduled for May 31st.
 - Antenna pole for Neptune Gateway equipment installed at the North Plant site.
 - Attended MRPWSA meeting May 12th in Independence, MO.
 - Worked on phone system upgrade.
 - Remainder: filing for Board positions closes at noon on June 1st.
 - Finance Manager recruitment: interviews scheduled.
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Approved _____ 2023

Richard Gervasini, Chairman

Eric Peterson, Secretary