

LEAVENWORTH WATERWORKS

MINUTES OF A MEETING OF THE BOARD OF DIRECTORS

HELD ON
November 13, 2023

A regular meeting of the Board of Directors of the Leavenworth Waterworks held at 5:00 PM on Monday, November 13, 2023, at the Leavenworth Waterworks located at 601 Cherokee, Leavenworth, Kansas 66048.

ATTENDANCE

Directors in Attendance

Richard Gervasini, Chair
Christi Norris, Vice Chair
Eric Peterson, Secretary
Chad Lough, Assistant Secretary

Directors Absent (Excused)

Bob Walters, Member

Staff in Attendance

Joel Mahnken, General Manager
Dana Splichal, Finance Manager
John Hodgden, Distribution Manager
Neil Seichepine, Treatment Manger
Kayla Manning, Engineer

Others in Attendance

Nicholas Poff

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

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

Director Peterson noted that he found there to be a lot of interest from local farmers in the lime sludge.

Director Gervasini noted that he read a recent article discussing late fees as another source of revenue. Discussion held and the General Manager noted that a 5% fee had been previously approved but was never implemented due to space on the postcard bills.

APPROVE MINUTES OF
October 23, 2023

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

RESOLVED (No. 15432), that the Board approved minutes from October 23, 2023.

CONSIDERATION OF
CONSENT AGENDA

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

RESOLVED (No. 15433), that the Board approved:

A. PAYROLL
DISBURSEMENT OF
October 31, 2023

A. The payroll for the period ending November 15, 2023, amounting to:

Net pay \$ 61,703.67

	Overtime	
	Hours	Amount
Distribution	49	\$ 1,825.95
North Plant	15	\$ 565.64
South Plant	37.5	\$ 1,387.24

be approved and disbursements made by the Revenue Fund for their respective amounts.

B. PAYMENT OF CLAIMS

B. Claims for October and November of \$746.19 and Special/Special claims

AT&T	\$ 116.95
Core & Main	5,049.00
Everygy	42,820.75
Johnson Controls Security	
Solutions	2,421.00
KDOR-Misc Tax Section	17,232.17
Superion LLC	69,553.27
AT&T Mobility	1,371.25
Capital One	206.73
Home Depot Credit Services	427.95
	<u>\$ 139,199.07</u>

be approved and checks be drawn on the Revenue Fund for their respective amounts.

CONSIDERATION OF HEALTH INSURANCE

General Manager and Finance Manager presented the 2024 renewal information for the contract with BlueCross BlueShield of Kansas.

Noted that the 2024 benefit plan would remain the same as in previous years with the following benefits:

- In Network
 - Deductible \$500/\$1,000
 - Coinsurance 20%
 - Annual out of pocket maximum \$1,500/\$3,000.
- Monthly health insurance premium cost increased by approximately 12.22%, from \$34,232.43 to \$38,413.88.
- Monthly dental insurance premium cost decreased by approximately 2.61%, from \$1,746.83 to \$1,701.28.

Currently, the approved cost sharing formula for employees and dependents is 90/10 and 70/30. The approved 2024 budget was based on this cost sharing formula and a total 15% increase. Even with the addition of two spouses and a teenage dependent since budget preparation, we are under the budgeted amount for health insurance.

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

Resolved (No. 15434), Board approved the BlueCross BlueShield Kansas 2024 renewal for health and dental insurance, paying 90 percent of employee premium and 70 percent of dependent premium.

CONSIDERATION OF
CHANGE IN PAYROLL
FREQUENCY

The Finance Manager discussed that under the current payroll preparation and reporting process, wages are paid on a semi-monthly basis with pay dates being the 15th and last day of each month. Employees are paid current, meaning a paycheck issued on November 15, 2023 covers the period of November 1, 2023, to November 15, 2023.

Payroll processing must occur several days prior to the date payroll is paid to employees. As a result, if a personnel action is needed (i.e., hire, transfer, termination, pay change), or if an employee takes sick or annual leave after payroll has already been processed, a manual adjustment must be made after the pay period is over. This results in employees receiving retroactive pay adjustments, delayed payment of overtime and shift differential pay, and leave balances not being up to date. It creates additional paperwork that must be filed with entities including KPERS and the Kansas Department of Labor.

Noted that a more appropriate pay schedule is a bi-weekly payroll where employees receive their wages on the same weekday every two weeks, for work performed during the prior two weeks. Noted that this is better suited for our employees, especially for our employees paid on an hourly basis. Overtime and shift differential pay are much simpler to calculate on a bi-weekly basis than when operating on a semi-monthly pay schedule.

As a result of the pay frequency difference between semi-monthly and bi-weekly payroll, semi-monthly employees receive 24 paychecks each year, while bi-weekly employees receive 26. While the checks are slightly smaller (salary divided by 26 rather than 24), there are typically two months each year when three checks are distributed.

Further discussed an amended policy "Paydays and Pay Periods Section 4.00" to be included with the personnel manual that reads:

Employees of the Department are paid on a bi-weekly schedule with pay dates every two weeks. Pay is distributed every other Friday unless the date falls on an observed holiday. Should the scheduled distribution fall on an observed holiday, paychecks are distributed on the last workday prior to the holiday.

Pay will be paid in arrears and based on actual hours worked for the previous two-week time period. Payroll periods and cutoff dates are provided to employees upon employment and at the start of each year.

Payroll is made through direct deposit with designated financial institutions selected by the employee. Upon the authorization of direct deposit by an employee, that employee's net earnings shall be deposited with the designated financial institution until such time as the authorization is changed, in writing, by the employee.

Discussion was had as to timing and implementation, specifically January 1st versus April 1st, and if there was adequate notification to employees if starting on January 1st.

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

RESOLVED (No. 15435), that the Board approved adopting a bi-weekly schedule, effective April 1, 2024, and pay dates occurring every other Friday and amending the personnel manual policy Paydays and Pay Periods Section 4.00 to reflect the schedule change.

DIVISION REPORTS

ADMINISTRATION

- October month end reconciliations and financial statements
- Renewal with SAMS
- Research of payroll schedule changes and documentation put together for board and employees
 - Discussed with board as agenda item J
- BCBS renewal
 - Discussed with board as agenda item H
- Danielle Miles evaluation performed

WATER DISTRIBUTION

- 1. Cherokee Street Watermain Replacements (2023)**
All pipe is installed.
- 2. Spruce St West of 10th Ave (2023)**
The contractor is working on finishing along Spruce so barricades can be removed.
- 3. Ottawa and Osage 13th to 20th (2023)**
Contractor will mobilize next week and start the week after Thanksgiving.

4. Lecompton Watermain Replacement (2023)

Working on plans and easement.

City / County Projects

- **Wilson Ave, south of Limit** – Project on hold
- **Centennial Bridge** – Nothing new.

Water Distribution Operations

Between October 19th, 2023, and November 7th, 2023, the following water-distribution activities have occurred:

- a) Service Kills, Relocations or Repairs: (7) kills 610 S 7th St, 100 S and 515 N 5th St, 212 Olive, 650 Michigan, 422 Chestnut, 4th and Market (1) meter relocated 613 Middle
- b) Valves and Fire Hydrants (new and replacements): (2) hydrants 4th and Idaho and Broadway and Garfield
- c) Water Main Breaks: (6)

Discussion: Director Peterson inquired about the “meter exchange program” and if we are keeping up with the planned number of meter exchanges each month. The GM replied and noted we are averaging 60 per month and the number is slightly less than planned due to costs and lead/shipping time of meters.

WATER TREATMENT

Ohio Street Booster Station

1. Nothing new to report.

North Plant Summary

1. Fall maintenance.

South Plant Summary

1. Liberty Roofing is in the final stages of the project.
2. Capital Electric replaced 11 poles at the wellfield.

GENERAL MANAGER

- Water Tank Project.
Waiting for easement from DOJ. Contacted BOP representatives with little result other than they are checking into it.
 - Worked with Spectrum and Deltron on phone and internet service.
 - Fiber internet service now available, waiting connection by ConvergeOne.
 - Phone transfer for Office scheduled for November 20th and STP for November 27th.
 - Worked on the South Treatment Plant Redundancy plan (CIP 4) for construction sequencing and financing options.
 - Nothing new to report on the New Centennial Bridge Project.
 - Discussed the Lecompton watermain replacement project and that there are possibilities of grant opportunities from the State.
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ADJOURNMENT Upon motion from Director Peterson, seconded by Director Norris, motion passed 4-0.

Director Gervasini adjourned the meeting at 5:47 PM.

Approved _____ 2023

Richard Gervasini, Chair

Eric Peterson, Secretary