

**LEAVENWORTH WATERWORKS**

MINUTES OF A MEETING OF  
THE BOARD OF DIRECTORS

HELD ON  
November 27, 2023

A regular meeting of the Board of Directors of the Leavenworth Waterworks held at 5:00 PM on Monday, November 27, 2023, at the Leavenworth Waterworks located at 601 Cherokee, Leavenworth, Kansas 66048.

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ATTENDANCE

**Directors in Attendance**

Richard Gervasini, Chair  
Eric Peterson, Secretary  
Chad Lough, Assistant Secretary (via phone)  
Bob Walters, Member

**Directors Absent (Excused)**

Christi Norris, Vice Chair

**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

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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.

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REQUEST, COMMENTS,  
PETITIONS BY MEMBERS  
OF THE PUBLIC

None

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BOARD MEMBER ITEMS  
OUTSIDE OF EXECUTIVE  
SESSION

None

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APPROVE MINUTES OF  
NOVEMBER 13, 2023

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

**RESOLVED (No. 15436)**, that the Board approved minutes from November 13, 2023.

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CONSIDERATION OF  
CONSENT AGENDA

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

**RESOLVED (No. 15437)**, that the Board approved:

A. PAYROLL  
DISBURSEMENT OF  
October 31, 2023

A. The payroll for the period ending November 30, 2023, amounting to:

Gross Pay	\$ 92,732.60
Withholdings and deductions	
FICA	6,934.06
Federal Income Tax	7,287.78
State Tax	3,829.10
Eq-flex	1,878.65
Insurance	2,788.33
KPERs	5,515.54
Misc	22.50
PEDC	2,535.00
Rent - Hwy 5	217.50
United Way	98.50
Net pay	<u>\$ 61,625.64</u>

	Hours	Amount
Distribution	35.5	\$ 1,183.66
North Plant	28	\$ 1,017.90
South Plant	39	\$ 1,460.43

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

B. PAYMENT OF CLAIMS

B. Claims for October of \$515,241.61 and Special/Special to AT&T for \$1,358.72 and BCBS for \$39,181.54.

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

CONSIDERATION OF OCTOBER FINANCIAL STATEMENTS

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

**RESOLVED (No. 15438)**, that the Board approved the October 2023 Financial Statements.

CONSIDERATION OF CHANGE IN REPORTING OF PAYROLL

The Finance Manager presented and discussed that under the current payroll preparation and reporting process, wages are paid on the 15<sup>th</sup> and last day of each month. It has been standard policy/practice to process and report payroll amounts to the board prior to the actual pay date. This practice requires that payroll processing occurs several days prior to the date payroll is paid to employees.

Rather than reporting payroll and overtime amounts prior to issuance of payroll, staff is requesting that the board allow the presentation of payroll take place at the first meeting of the board, after the payroll month.

Upon motion from Director Peterson, seconded by Director Walters, it was moved to allow presentation to the Board of the previous month's payroll to the first meeting of each month, motion passed 4-0. **Resolved (No. 15439)**

DISCUSSION OF SOUTH PLANT REDUNDANCY FINANCING

The General Manager discussed that since the Board's decision to go forward with the South Treatment Plant's Redundancy Project, he had been going over options for financing a \$36 million construction project. Of the variations he has reviewed, it appears that the best option is to use a combination of cash reserves and single State Revolving Fund loan. While it would be possible to break the project down into three phases, there is no guarantee that we would be approved for successive loans. It also appears that a SRF loan with a 30-year repayment may be our better alternative than a 20-year repayment even though the interest rate is slightly higher and the longer term has a larger amount of interest paid. He recommended

submitting a pre-application to KDHE early next year to try to get on the SRF Intended Use Plan.

In conjunction with debt financing, he had also been reviewing the potential of grant funding (or partial funding) under the Bipartisan Infrastructure Law. FEMA is managing the “Building Resilient Infrastructure and Communities” (BRIC) grant program that seems to be the best fit for this project. (We are addressing the riverbed degradation problem and drought-caused difficulty of getting raw water to the NTP by expanding the STP for resiliency, redundancy, and capacity.) “Congressionally Directed Spending” appears to be the next most applicable at this time, but probably difficult to get.

In addition to federal grant programs, the State currently offers a “Build Kansas Fund” for matching federal grants from the BIL. A combination of the two grant sources could significantly reduce the need for some rather drastic rate increases over the next ten years. However, he does not have the time or expertise to prepare the grant applications properly. He believes it would be in our best interest to hire a grant consultant to assist but has not approached a particular firm about this yet so does not have a cost figure, but a relatively small investment would be well worth it. He anticipates costs of \$5,000 to \$10,000 that would be capitalized with the Project administrative costs.

Director Gervasini noted that he agreed with and supported retaining a grant consultant. Discussion was held as to possible firms/entities to contact to obtain recommendations or proposals. Director Gervasini asked if \$10,000 would be enough and if up to \$25,000 would be appropriate.

Director Walters recommended pursuing every available funding possibility.

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

**RESOLVED (No. 15440)**, that the Board pursue an SRF loan for debt financing the project, as well as selection of a grant consultant by the General Manager at a price not to exceed \$25,000.

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PRESENTATION OF BOARD MEMBER SERVICE PLAQUES    The General Manager presented Director Walters a plaque and appreciation for his service on the board.

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DIVISION REPORTS    **ADMINISTRATION**

- October month end reconciliations and financial statements completed
- Janet Rigsby with AFLAC visited on November 13<sup>th</sup>

- First staff meeting with customer service team held on November 14<sup>th</sup> and continued on November 15<sup>th</sup>
  - o Will begin holding short monthly meetings
- Payroll discussion with management team on possible personnel manual changes
  - o Will be presented at board meeting in December

**WATER DISTRIBUTION**

1. **Cherokee Street Watermain Replacements (2023)**  
Contractor is working on the last couple of blocks of services.
2. **Spruce St West of 10<sup>th</sup> Ave (2023)**  
Contractor is working on services along Spruce so barricades can be removed.
3. **Ottawa and Osage 13<sup>th</sup> to 20<sup>th</sup> (2023)**  
Met with Contractor and City to discuss staging areas and responsibilities.
4. **Lecompton Watermain Replacement (2023)**  
Working on plans and easement.

**City / County Projects**

- **Centennial Bridge** – Nothing new.

**Water Distribution Operations**

Between November 7th, 2023 and November 21st, 2023, the following water-distribution activities have occurred:

- a) Service Kills, Relocations or Repairs: (4) flush tank kills 1100 S 3<sup>rd</sup> Ave, 508 S Broadway, 900 Marion, Klemp and Randolph (1) repair 4102 Iowa St
- b) Water Main Breaks: (3)

**WATER TREATMENT**

**Ohio Street Booster Station**

1. Nothing new to report.

**North Plant Summary**

1. Finished installing cameras as part of the plant-to-plant communications project.

**South Plant Summary**

1. Roof project completed.

GENERAL MANAGER

- KMU Safety Training held November 20th on “Holiday Fatigue”.
  - Water Tank Project.
    - Waiting for easement from DOJ. Contacted Senator Moran’s office for an update (if any).
  - Worked with Spectrum and Deltron on phone and internet service.
    - Fiber internet service now available, waiting answers to ConvergeOne’s questions on Spectrum’s design.
    - Phone transfer for Office completed November 20th and STP scheduled for December 11th. Started service installation to NTP.
  - Submitted invoice to City for work provided for their 2nd & Chestnut Stone Arch Drainage project, \$46,104.89.
  - Worked on the South Treatment Plant Redundancy plan (CIP 4) for construction sequencing and financing options. Researching grant opportunities.
  - Started working on State Water Infrastructure grant application for the Lecompton Water Main Replacement project.
  - Nothing new on the New Centennial Bridge Project.
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EXECUTIVE SESSION – At 5:35 p.m., the Board recessed the regular board meeting to enter into PERSONNEL MATTERS OF executive session to discuss personnel matters of non-elected personnel for a NON-ELECTED time not to exceed 5 minutes. PERSONNEL

The General Manager, Finance Manager, and Water Treatment Manager remained. All others were excused.

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

**RESOLVED (No. 15441)**, that the Board recessed the regular meeting and entered into executive session.

At 5:40 p.m., the Board ended the executive session and resumed the regular board meeting.

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

**RESOLVED (No. 15442)**, that the Board end the executive session and resume the regular board meeting.

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ADJOURNMENT

Chairman Gervasini adjourned the meeting at 5:42.

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Approved \_\_\_\_\_ 2023

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Richard Gervasini, Chair

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Eric Peterson, Secretary