

LEAVENWORTH WATERWORKS

MINUTES OF A MEETING OF
THE BOARD OF DIRECTORS

HELD ON
March 11, 2024

A regular meeting of the Board of Directors of the Leavenworth Waterworks held at 5:00 PM on Monday, March 11, 2024, at the Leavenworth Waterworks located at 601 Cherokee, Leavenworth, Kansas 66048.

ATTENDANCE

Directors in Attendance

Richard Gervasini
Eric Peterson
Billy Daniels
Nick Poff

Directors Absent (Excused)

Chad Lough

Staff in Attendance

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

Others in Attendance

None

Director Gervasini, called the meeting to order at 4:55 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	None
APPROVE MINUTES OF February 26, 2024	<p>Upon motion from Director Peterson and seconded by Director Poff, motion passed 4-0...</p> <p>RESOLVED (No. 15467), that the Board approved minutes from February 26, 2024.</p>
CONSIDERATION OF CONSENT AGENDA	<p>Upon motion from Director Peterson, seconded by Director Poff, motion passed 4-0...</p> <p>RESOLVED (No. 15468), that the Board approved the consent agenda as presented.</p>
CONSIDERATION OF BID AWARD FOR MT OLIVET TANK PROJECT, CONTRACT #1 MAINS	<p>The General Manager noted that we rebid the two contracts for the Mt Olivet Tank Project on March 5th with good news and bad news results. Contract #1 Transmission Mains came in lower than the lowest bid in December 2022. Unfortunately, Contract #2 Ground Storage Tank did not. The overall project budget now stands at \$7.213 million, up from the revised \$7 million KPWSLF loan we have, without any contingency for potential change orders like excess rock excavation. However, we do have cash reserves to cover the costs and are earning significant interest on the BOP capacity payment.</p> <p>The General Manager presented the bid tabulation and letter of recommendation from McClure Engineering. We are recommending the low, alternate bid of Hettinger Excavating at \$1,231,127.70 and 150 calendar days for construction. The alternate bid is for the installation of 1,700 feet of 16-inch Class 52 DIP, open cut, instead of 20-inch HDPE, HDD installed, along south side of Metropolitan Ave/Mt Olivet Road.</p> <p>Hettinger is currently under contract with us on the Osage/17th/Ottawa WMR project. Other than hitting some private sewer lines, they have been making good progress. Based on their qualifications statement, they certainly appear capable of completing the project in a timely manner. As a condition of the loan, KDHE will have to concur with the award.</p> <p>Discussion was held.</p> <p>Upon motion from Director Poff, seconded by Director Peterson, motion passed 4-0...</p> <p>RESOLVED (No. 15469), that the Board award the bid for the Mt Olivet Tank Project Contract #1 Transmission Mains to Hettinger Excavating, LLC in the amount of \$1,231,127.70 for the alternate bid, and authorize the General Manager to execute the contract, subject to KDHE concurrence.</p>

CONSIDERATION OF BID
AWARD FOR MT OLIVET
TANK PROJECT,
CONTRACT #2 GST

The General Manager noted that we reviewed the rebids for the Tank Project Contract #2 Ground Storage Tank after opening the bids for the Transmission Mains. The same two contractors submitted bids. Although there was the same low bidder, DN Tanks, their bid of \$4,961,000 was 18.6 percent higher and the contract time went from 270 days to 655 days. Since both bidders comprise the contractors currently building prestressed concrete water tanks, our options are to accept the bid or take considerable time to get a KDHE permit to try bidding a welded steel tank.

Presented the bid tabulation and letter of recommendation from McClure Engineering. We are recommending the lower bid of DN Tanks at \$4,961,000 and 655 calendar days for construction. As a condition of the loan, KDHE will have to concur with the award.

Discussion held.

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

RESOLVED (No. 15470), that the Board award the bid for the Mt Olivet Tank Project Contract #2 Ground Storage Tank to DN Tanks, LLC in the amount of \$4,961,000.00, and authorize the General Manager to execute the contract, subject to KDHE concurrence.

CONSIDERATION OF
ADJUSTMENT TO BILLING
GRACE PERIOD

The Finance Manager presented a proposed change to the billing time between the bill date and date a bill is considered delinquent. She noted that as the Board is aware, customers are not receiving their bill in the expected or normal amount of time. Our current policy is to provide a grace period of two weeks after the meter read date, which is also the date a bill is delivered to the post office in Leavenworth. This date is listed as the bill date on a monthly bill. At the end of the grace period, a bill is considered delinquent. As noted in current news, the United States Postal Service is aware that there is an apparent issue with mail processing and distribution facilities, with no resolution available at this time.

After discussion, we believe that a grace period of 21 days provides a better service for our customers and will allow them to receive their bill in time for payment to be arranged by the end of the grace period.

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

RESOLVED (No. 15471), that the Board adopt a policy setting the grace period for 21 days after the bill date noted.

CONSIDERATION OF
CHANGE TO THE

As requested by Board members, the General Manager presented a proposed change to the personnel manual regarding key personnel providing additional

notice when retiring from employment. There were two issues to be decided. One, what constitutes a key position, and two, what should the incentive be.

While all of our positions are important, we should focus on the management positions as key in offering an incentive to provide the desired advanced notice. This means that all eight of our FSLA exempt positions (salaried) should be eligible (four managers, three superintendents, and staff engineer).

As to the incentive, offering an additional percentage of the accumulated sick leave might be the way to go. Depending on the individual's past use of sick leave and their longevity, an additional 20 percent pay out would average approximately \$20,000 to \$25,000 for current individuals. 20 percent was arbitrarily selected to begin the discussion. The nice thing about paying this as a bonus is that it is already funded, the Waterwork's carries the hours as a liability on the balance sheet. Correspondingly, cash would be reduced as pay outs are made.

The General Manager presented a draft of the change to Section 3.05 Sick Leave in the Personnel Manual noting that the only change is the last paragraph added.

After discussion and additional options presented, the Board asked to table the motion and asked the General Manager to incorporate additional changes to the policy.

DIVISION REPORTS PRESENTED:

ADMINISTRATION

1. February reconciliations
2. Prepping for the audit – continue to send in/gather documentation for their visit at the end of the month.
3. Payroll vendor – switching to Paycor for payroll services. Heather and I have met with their implementation team to transfer export data from our current system to Paycor. Provided all needed information requested and are on track to have in place for March 15th payroll run.
4. Met with James Winger, Senior Loss Control Director with Cincinnati Insurance. He typically visits once a year to gather information for the company's underwriters and to discuss claims incurred during the year. Makes recommendations on actions or policies to implement to reduce claims or potential of claims.
5. Met with representatives from Country Club Bank to discuss services.
6. Gary with ConvergeOne (IT Company) was onsite February 29th. Spent his day working on the issues we've encountered with Spectrum and making sure we have adequate IP addresses before we switch the Internet service at 601 Cherokee location.
7. Met with Joel and Joe Wilson to discuss audio/visual equipment in conference room.
8. Participated in 2 staff engineer interviews.
9. We continue to work on cleaning up office and purging and filing.
10. Met with management team to discuss payroll and overtime policies.

WATER DISTRIBUTION AND ENGINEERING PROJECTS

1. **Cherokee Street Watermain Replacements (2023)**
Engemann on site and hydro seeding. Street patches remaining.
2. **Spruce St West of 10th Ave (2023)**
Pipe: 5675'/6275' Services: 79/105 Complete: 84%
3. **Ottawa and Osage 13th to 20th (2023)**
Pipe: 2626'/5950' Services: 15/88 Complete: 31%
4. **Lead & Copper Services**
Zones: 26/40 Services: 306/358 Complete: 75%
5. **Lecompton Watermain Replacement (2023)**
Planning stage: Benesch

City/County Projects

- **Centennial Bridge** – Planning stage: McClure
- **Wilson Ave.** – Plans under review

Water Distribution Operations

Between February 22nd, 2024, and March 6th, 2024, the following water-distribution activities have occurred:

- a) Water Main Breaks: (1) 718 Lawrence 6"
- b) Service Line Kills (1)
- c) Renewal (4)

WATER TREATMENT

Ohio Street Booster Station

1. Nothing new to report.

North Plant Summary

1. Shut down for spring cleaning.

South Plant Summary

1. Continue to gather information on the generator.
2. Carrying the full load as North plant is offline.

GENERAL MANAGER

- Water Tank Project.
 - Pre-Bid meeting held February 26th at 10 am

- Bid Opening – March 5th at 2 pm
- South Treatment Plant Resiliency Project
 - Received form for CDS from Senator Moran’s office.
 - Researching CDS with Governmental Assistance Services
- Worked on Architectural Services Agreement with BG Consultants.
- Reviewing water line plans & specifications for City’s Wilson Ave Project.
- Meeting with Design Engineer on the Lecompton Road WMR project March 8th.
- Developed “retirement notice” incentive for consideration.
- Working on Board Room A/V system upgrade with Sorwil Technology Solutions.
- Interviewing candidates for the Staff Engineer position.

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

Director Daniels adjourned the meeting at 5:57 PM.

Approved _____ 2024

Billy Daniels, Vice-Chair

Eric Peterson, Secretary