

LEAVENWORTH WATERWORKS

MINUTES OF A MEETING OF THE BOARD OF DIRECTORS

HELD ON
May 27, 2025

A regular meeting of the Board of Directors of Leavenworth Waterworks held at 5:00 PM on T u e s d a y ,
M a y 27 , 2025 , at Leavenworth Waterworks located at 601 Cherokee, Leavenworth, Kansas
66048.

ATTENDANCE

Directors in Attendance

Richard Gervasini
Nick Poff
William Daniels
Eric Peterson

Directors Absent (Excused)

Chad Lough

Staff in Attendance

Joel Mahnken, General Manager
Dana Splichal, Finance Manager
John Hodgden, Distribution Manager
Neil Seichepine, Treatment Manager
Britni Huff, Staff Engineer

Others in Attendance

JR Reilly, Reilly Insurance

CALL TO ORDER

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 Poff spoke on his recent experience with a sewer backup in his home and dealings with the insurance company.

APPROVE MINUTES OF MAY 12, 2025	<p>Upon motion from Director Poff and seconded by Director Peterson, motion passed 4-0...</p> <p>RESOLVED (No. 15579), that the Board approved minutes from May 12, 2025.</p>
CONSIDERATION OF CONSENT AGENDA	<p>Upon motion from Director Peterson and seconded by Director Poff, motion passed 4-0...</p> <p>RESOLVED (No. 15580), that the Board approved the consent agenda as presented.</p>
CONSIDERATION OF COMMERCIAL INSURANCE RENEWAL	<p>JR Reilly was present to discuss the insurance renewal with the Board. Discussed changes in the premiums presented and that premiums are set up on a 3-year cycle with the start of a new 3-year cycle beginning in July 2026. He noted that Cincinnati had proposed no changes to the wind and hail damage deductible of \$25,000. Reported that two other insurance companies that he had consulted with noted a percentage deductible based on damage which could potentially be significantly more than \$25,000.</p> <p>Upon motion from Director Peterson and seconded by Director Poff, motion passed 4-0...</p> <p>RESOLVED (No. 15581), that the Board approved the proposal as presented.</p>
RECEIVE DRAFT 2024 AUDIT REPORT	<p>The draft 2024 Audit Report and communications were provided to the Board for review. An unqualified opinion on the financial position of the Leavenworth Waterworks Board was issued by the audit firm, SSC CPAs, P.A.</p> <p>The General Manager and Finance Manager specifically discussed the following:</p> <ol style="list-style-type: none"> 1. The Debt Service Coverage Ratio was 421%, with the required being 140%. 2. The write-off of bad debt continues low at 0.092%, industry average 3-5% 3. A prior period adjustment was made to the 2023 audit as it was discovered that \$425,430 in patron contributions were not recorded as they related to the infrastructure for Branches 3 and West Glen 3 subdivisions. 4. The Finance Manager discussed the findings of the audit team. Specifically, they noted that bank reconciliations are performed in Excel, by a check signer, and not reviewed by anyone else. Preparing a bank reconciliation with Excel leads to possible differences and manipulations. The Finance Manager noted that the new accounting software will have the ability to reconcile the bank statement without the use of Excel. <p>The Board will review the draft, and approval will be voted on at the next meeting.</p>
CONSIDERATION OF VALVES FOR HIGH SERVICE PUMPS AND FILTERS	<p>The Treatment Manager presented information on the valves for high service pumps and filters. He noted that the 12" ball valve on High Service Pump #3 at Plant 2 and the 16" butterfly valve on the influent line for Filter #1 at Plant 1 have both failed and are allowing water to leak by.</p>

Prices were collected and the two lowest for the 12" ball valve at Plant 2 were \$34,480 and \$40,000, plus shipping. Labor and installation were quoted at \$8,694. The lead time for the valve is 34 – 36 weeks, which would put delivery in January 2026.

The lowest price for the 16" butterfly valve at Plant 1 was \$6,536 plus shipping. Installation was quoted at \$5,080. The lead time for the valve is 28 – 30 weeks, which would put delivery in December 2025 at the earliest.

As discussed in the Board Meeting on May 12, 2025, these valve replacements would be Capital Improvement Projects for 2026, but due to the extensive lead times and volatility with pricing, the Board's approval was requested to move forward with this order.

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

RESOLVED (No. 15582), that the Board approved the proposal for purchase and installation of the 12" ball valve at Plant 2 and the 16" butterfly valve at Plant 1 from Mid America Valve for an amount not to exceed \$45,000 and \$14,000, respectively.

DIVISION REPORTS PRESENTED:

ADMINISTRATION

1. BS&A Software – go live date July 28th
 - a. Continuing to work with the conversion team
 - i. Bi-weekly meeting to discuss status and questions
 - ii. On-site training begins July 22nd
 - iii. Working with BS&A on new bill design
2. InfoSend
 - a. Met with onboarding team
 - b. Conducting weekly meetings to discuss status and questions
3. Audit – draft presented to board
4. Scheduled a continuing education/staff development day on the topic of HR for June 17th
5. Looking ahead
 - a. Annual Leave May 16th through May 27th
 - b. Attending the AWWA ACE Conference June
 - c. Annual Leave June 23rd to June 27th

DISTRIBUTION

Progress pictures were shared of the Mount Olivet Tank Project.

Water Distribution Projects

1. Lead & Copper Service Inv.
 - a. Total 12/37 for the year.
2. Lecompton Watermain Replacement (2023)
 - a. MCON has all the pipe on Springdale installed, working east now. They have cleared the brush from the south side of the BPS.
3. Mount Olivet Project
 - a. DN Tanks tank slab is poured, started building wall panels.
4. Lawrence Ave.
 - a. Survey ordered, expected delivery in 8-10 weeks.

Water Distribution Operations

1. One main break since last meeting: 1467 3rd Ave. 6" 1967 D.I.
2. Will have pictures of tank construction at the meeting.

WATER TREATMENT

Ohio Street Booster Station

1. Nothing new to report.

North Plant Summary

1. Alliance Pump is scheduled to replace a gearbox.

South Plant Summary

1. Kersten is in the process of redoing the driveway
2. Met with Integrity about lime slakers.
3. Reported that representatives from Carollo Engineers, Inc. will be touring the South Treatment and meeting with the management team to discuss possibilities.

GENERAL MANAGER

- KMU Safety Training held May 12th on "Electrical Safety/Lock Out Tag Out".
- Water Tank Project
 - Contract #1 Pipeline: Waiting on Final Pay Request.
 - Contract #2 Tank: DN Tank has completed the foundation and floor of the tank
- South Treatment Plant Resiliency Project
 - Submitted request for CDS match from BKF program.
 - Also prepared a BKF request for the match should the KDEM HMAG program proceed.
- Had a phone conversation with the General Manager of Consolidated WD #1 about potential wholesale water supply. They are waiting on the south Lansing developments to coalesce before proceeding.
- MCON is making good progress on the Lecompton WMR project
- Had Crow & Associates update their letter to the City Commission regarding fluoride before delivering it to the City Manager.

- Attended a Missouri Regional Advisory Committee meeting in Atchinson on May 22nd.
- Review draft 2024 Audit Report.
- Reviewed and approved 2024 CCR (provided copy)
- Provided an update on pay app request from Hettinger

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

Director Gervasini adjourned the meeting at 5:51 PM.

Approved _____, 2025

Richard Gervasini, Chair

Eric Peterson, Secretary