

**BOONE COUNTY REGIONAL SEWER DISTRICT
BOARD OF TRUSTEES MEETING
AUGUST 20, 2013
BOONE COUNTY REGIONAL SEWER DISTRICT OFFICE
1314 NORTH SEVENTH STREET**

Trustees Present: Randy Chann, Chair
Karen Miller, Trustee
John Massey, Trustee
Deborah Schnedler, Secretary

Absent: David Shorr, Vice Chair

Others Present: Tom Ratermann, General Manager
Lesley Oswald, Assistant Secretary & Treasurer
John Whiteside, General Counsel
Dwayne Cooksey, Operations Superintendent
Andy Lister, Project Manager
Erin Keys, City of Columbia Acting Engineering Supervisor
Sandi Clark, Administrative Assistant

Randy Chann, Chair, called the August 20, 2013 Board of Trustees meeting to order at 7:00 p.m. Chann noted there was a quorum.

Adoption of Revised Agenda

On a motion by John Massey and a second by Karen Miller, the Board moved to approve the revised agenda as written. Motion carried.

Approval of Minutes

On a motion by Karen Miller and a second by John Massey, the Board moved to approve the minutes for July 23, 2013 Board meeting as written. Motion carried.

Approval of Closed Session Minutes

On a motion by John Massey and a second by Karen Miller, the Board moved to approve the minutes for July 23, 2013 Board meeting as written. Motion carried.

Approval of Financial Reports

Oswald reviewed the financials included in the packet. She addressed the budget questions from the July Board meeting in regard to sludge disposal, overtime, equipment replacement, and equipment expense.

Sludge disposal seems over budget because the City rate increase was not accounted for in the original budget. Sludge disposal falls under Treatment Cost, which is currently within budget.

Overtime is higher than expected because the District has been short staffed, and this may remain over budget for the year. This is a Personnel expense which is not over budget.

The equipment replacement seems high because the District replaced a pump for \$2,600 in County Downes and two pumps in Newtown for \$6,000. The total Collections cost is within budget, also included in System Repairs and Maintenance.

Equipment expense is higher because the District spent \$1300 on dump truck repairs, and almost \$2700 on sludge truck repairs. These two items are older equipment and can be expected to require repair. The Equipment Expense cost is slightly over budget, but Oswald feels this will even out as the year progresses.

On a motion by Debbie Schnedler and a second by John Massey, the Board moved to approve the Cash Receipts & Disbursements, Bank Reconciliation and Financial Statements for July 2013. Motion carried.

Approval of Outstanding Bill(s)

Oswald reviewed the Rocheport facility memo included in the packet. Chann has discussed this with Dwayne Cooksey and would like the District to look closer at the facility before considering this expense. Chann suggested this item be tabled for now.

Public Comment

There was no public comment.

Manager's Report

Easement Acquisition Report

Ratermann reported the Manchester Heights has increased from six to eighteen easements needed. This happened because the engineer failed to properly identify how many were originally needed. The District has until February 2014 to obtain all easements. This will be the Project Manager's focus. Every property owner has been identified and all are aware of the project. Lister advised he intends to enlist the help of Harold Bossaller, the subdivision's Trustee.

Permit Status Report

Ratermann reviewed the report included in the packet. He advised the Department of Natural Resources (DNR) responded to the District's comments on ten facilities. DNR has issued 9 permits for two years. He recommends the District appeal five of these. The deadline for the appeals is September 8th or 9th. He's been talking to Lathrop and Gage in this regard.

For Lee Heights & Oberlin Valley, the basis of the appeal is that the permits have been expired for a very long time, and now DNR wants the disinfection to be completed by the end of the year. DNR is giving the other three facilities six years to remove ammonia. Ratermann feels the District should appeal for more time. One of the advantages to appealing these is that it may speed up the abatement order.

Schnedler asked how aware the Clean Water Commission is of the DNR schedules for permit holders. Ratermann thinks the Clean Water Commission is aware of how many permits are expired. Schnedler questioned if the Commission is actually aware of the DNR schedule requirements after these permits have been expired for so long. Miller suggested Ratermann send an email to the Board which she could forward to a Clean Water Commission member to make them aware. Ratermann feels Lathrop and Gage should proceed with the appeals. The Board agreed.

Ratermann advised he will get the new permit information updated on the summary before the September Board meeting.

Disinfection Deadlines

Ratermann reported no changes.

Report on Letters of Warning (LOW)/ Notices of Violation (NOV)

Ratermann reported no changes.

November 2013 Sanitary Sewer Revenue Bond Election

Ratermann recapped some of the advantages and disadvantage of going to ballot with a revenue bond election. One disadvantage is that not all of the bonding authority from 2008 has been used. An advantage to not going to ballot is that the lower bonding authority works to the District's advantage in terms of the abatement on consent. If the District campaigns alongside the City's sewer revenue bond, the voters may be more generous now than they will be in 2018, which is when the City is predicted to return with a sewer question on the ballot.

Ratermann reviewed the Capital Improvements Plan tables included in the mailed out packet. The District made four changes to the CIP that lowered the proposal of \$12 million in revenue bonds to \$8.5 million. These changes include: the addition of the Brookfield Estates project; spreading the cost of the Trails West project over four years; and the removal of Oberlin Valley and South Route K projects from proposed bonding capacity. These changes have had an impact on the Rate comparison, also included in the packet.

Oswald spoke more about the advantages of holding off on a revenue bond election. In addition to having \$7 million left in bonding capacity, the District would save \$50-60 thousand on the cost of the election. The District's rates being high and having limited

funding available to meet DNR requirements would provide a favorable climate to have the ten year compliance schedule granted. If the ten year schedule were granted, then the revenue left would cover the District's foreseeable financial needs for the next five years. She said she perceives the public as being unhappy with government right now, and the voters may reject the revenue bond. Furthermore, the amount of staff time available to focus on the election may be limited due to other standing District obligations.

Schnedler stated she agreed with the arguments made to not go to ballot this year. She added that the District might consider putting a reimbursement resolution in place so that when bonding authority is approved in the future, the District can reimburse itself to supply cash for engineering new projects.

Ratermann advised the motivation for requesting the additional bonding authority was to align with the City and create a favorable turnout of voters, and to enable the District to prepare for and to meet DNR's regulation requirements, including the new classification of streams as whole body contact. Chann noted that it is possible for the District to go to ballot any year the bonding authority is needed; it does not have to be this year. Miller said the down side to not following the City is the result of having not City residents voting on the issues. Schnedler feels the District should be able hold off for five years and continue to stay aligned with the City.

Ratermann advised the next three to four years is dedicated to design and easement acquisition, which are cash expenses. He said the District could consider raising rates to get through this phase, and when the projects are bundled together and ready for construction, the District can then go to the voters. He stated it may be 2018 by the time that happens.

Tier 2 Plan

Ratermann reviewed the dates for the Clean Water Commission meetings. The District has been commenting on private DNR permitted facilities. Some DNR staff in the permits department have shown interest in meeting with the District after seeing the Tier 2 Plan.

On a motion by John Massey and a second by Debbie Schnedler, the Board moved to accept the Manager's Report as presented. Motion carried.

Operations and Maintenance Report – Dwayne Cooksey

Cooksey reviewed the O & M Reports provided in the packet.

On a motion by Randy Chann and a second by John Massey, the Board moved to accept the O & M Reports as presented. Motion carried.

Status Report (Work in Progress)

CIP – Construction

City – North Fork of the Grindstone Phase 2 – High School Sewer – \$600,000

Ratermann advised the City presented a bill to the District for the high school sewer, but more documentation is expected so that the District can apply for SRF funding.

Rocky Fork WRF – River City Construction, LLC – \$5,675,000 – Unnerstall Contracting Company, Inc. – \$3,650,712.40 – (Bon Gor, Phenora South, Wagon Trail, County Downs, Powell & Clearview)

Included in the O & M report.

City – Hwy HH Corridor Facility Plan – Sterling Excavation and Erection, LLC – \$1,334,223.75 – (Lake Capri, Fall Creek, Hillview Acres, Sun Valley Estates & Sharidan Hills)

Ratermann reported the District is waiting for a land disturbance permit from the County, which should arrive by the end of the week.

CIP – Design & Easement Acquisition

City – Spring Park Pump Station – A Civil Group – \$35,080

Ratermann reported the District received the electric easement on August 20th.

City – Sunrise Estates Lagoon Closure – ESS – \$62,200

Ratermann reported this will be ready to bid by the end of 2013.

City – El Rey Facility Plan – THH – \$7,876

Ratermann reported the District will begin land and easement acquisition after Manchester Heights acquisitions are completed.

City – Westwood Meadows Facility Plan – Allstate – \$63,000

Ratermann reported this will be ready to bid by the end of 2013.

Twin Lakes WWTP Facility Plan – SKW – \$12,100

Ratermann reported the District will begin land and easement acquisition after Manchester Heights acquisitions are completed.

Midway Crossings – Trails West Facility Plan – Allstate – \$14,000

Ratermann advised this is unfunded.

South Rte K Facility Plan – Donohue & Associates – \$45,500

Ratermann reported Capital Railroad will be receiving the results of the sanitary sewer evaluation study soon.

Tier 2

City – Prathersville Area

Ratermann reported this is in progress; everything has been worked out with Randy's Market and all easements have been acquired. He said the annexation agreement is scheduled to go through City Council in October.

US 63/Hwy124 Area Facility Plan (MoDOT)

Ratermann reported these plans did come in, but have not been reviewed.

Rocky Fork WRF – Green Hills Mobile Home Park

Ratermann reported Fred Burks has engaged an engineer to begin the design.

NID

City – Manchester Heights Sanitary Sewer NID – THH – \$26,135

Ratermann reported the District expects to receive a \$210 thousand Community Development Block Grant. The County Commission held a public hearing on August 20th. The grant application deadline is at the end of August 2013.

Rocky Fork WRF – Phenora North Sanitary Sewer NID

Ratermann reported the District is preparing to hold a public hearing for this project.

Midway Crossings – Bolli Rd. Sanitary Sewer NID

Ratermann reported the District is preparing to hold a public hearing for this project.

Developer & Homeowner Built

Kinkade Crossings – Hinton Rd. One Lot Extensions

Ratermann advised Lister met with Mr. Petersheim and secured the easement August 20th.

South Rte K WWTP – Scenic Heights (formerly Providence Heights) – Crockett Engineering

Ratermann reported that interested residents at Scenic Heights are trying to determine what needs to happen next. Lister said he's explained the process to the property owners.

On a motion by Randy Chann and a second John Massey, the Board moved to accept the Manager's Report as presented. Motion carried.

(Agenda Items)

Consider Resolution Calling an Election on Revenue Bond Issue

Schnedler asked about section 6 of the resolution drawn by Gilmore and Bell. She said this resolution locks the District in to use Gilmore and Bell for financial services should the bond authority pass. She said some County officials are particular about the procurement of professionals for financial services.

Oswald said she felt the language for this resolution is probably the same as in previous years. Ratermann advised the District has been using this firm since 1998. Schnedler wondered if someone from the County Commission would eventually ask the District why an RFP is not being used for bond counsel. Miller said she feels that an independent Board of Trustees should be able to decide who handles that.

Oswald noted that she asked for a revision to the resolution. The question is now called Question # 1.

On a motion by Debbie Schnedler and a second by Karen Miller, the Board moved to consider Question # 1 with regard to an \$8.5 million sewage system revenue bond issue.

Karen Miller voted in favor. Randy Chann, Debbie Schnedler and John Massey voted against. David Shorr was absent. Motion denied.

Consider Cooperative Agreement for Operational Support Services With Boone Electric Cooperative

Oswald reviewed the agreement included in the packet. She noted Exhibit A has been revised to reflect the cost of services to the District, and also shows a comparison of former fees to the new fees for software and support. She advised the projected 2014 budget for these services may be around \$76 thousand.

Schnedler asked if either party is able to exit the agreement at any time. Oswald advised the agreement requires BEC to provide the District with one year notice before terminating the agreement.

Oswald stated that BEC would like this agreement to become effective on October 1st. The District asked for a January effective date, but BEC declined.

On a motion by Karen Miller and a second by Debbie Schnedler, the Board moved to approve the operational support services agreement with Boone Electric effective October 1, 2013. Motion carried.

Old Business

There was no Old Business.

New Business

Consider Agreement with the Boone County Commission for the Community Development Block Grant (CDBG) for the Manchester Heights NID Project

Ratermann reviewed the agreement with the Boone County Commission included in the packet.

On a motion by Debbie Schnedler and a second by John Massey, the Board moved to approve the agreement with the Boone County Commission for the Community Development Block Grant for the Manchester Heights Neighborhood Improvement Development project. Motion carried.

Consider Letter to MO Department of Natural Resources Clarifying the Continuing Authority on the Hartsburg Wastewater Treatment and Collection System

Ratermann reported that on Hartsburg's permit, the District was listed as the continuing authority. He feels this was a drafting error going back at least one permit cycle. Ratermann

advised the MO DNR that the District has no authority inside the Hartsburg city limits. He was asked to draft a letter stating that the District is only a contract operator.

On a motion by Karen Miller and a second by Debbie Schnedler, the Board moved to approve a letter to the MO Department of Natural Resources clarifying the continuing authority on the Hartsburg wastewater treatment collection system. Motion carried.

Vote to Hold Closed Session Under Section 610.021 (1) & (2)

On a motion by John Massey and a second by Karen Miller, the Board moved that the Boone County Regional Sewer District Board of Trustees authorize a closed meeting at 8:15 PM on August 20, 2013, as authorized by section 610.021(1) RSMo to discuss legal actions, causes of action or litigation involving a public governmental body and any confidential or privileged communications between a public governmental body or its representatives and its attorneys & 610.021(2) RSMo. to discuss the leasing, purchase or sale of real estate by a public governmental body where public knowledge of the transaction might adversely affect the legal consideration therefore.

Randy Chann, Karen Miller, Debbie Schnedler and John Massey voted in favor. David Shorr was absent. Motion carried.

On a motion by John Massey and a second by Debbie Schnedler, the Board moved to re-open the regular meeting at 8:21 PM on Tuesday, August 20, 2013. Randy Chann, Karen Miller, Debbie Schnedler and John Massey voted in favor. David Shorr was absent. Motion carried.

Shaw Easement Proposal

On a motion by John Massey and a second by Debbie Schnedler, the Board moved to accept the counteroffer from Jim & Mary Shaw of \$39 thousand for a 30 foot permit easement and a 20 foot construction easement, both parallel to the south boundary, no jobs, no stake at this time. Motion passed.

Adjournment

On a motion by John Massey and a second by Debbie Schnedler, the Board moved to adjourn the meeting.

Meeting was adjourned at 8:22 PM.

Approved by: _____
