

BOARD OF PUBLIC WORKS

Regular Board Meeting

Tuesday, April 16, 2019
Time: 4:00p.m.

Present: Lennie Rosenkrans
Steve Smith
Bill Fisher
Stephan Franke

President
Vice President
Secretary
Board Member

Heath Hall
Courtney Harris
Mathew Munzlinger
Abe Gray
Kari Goodman
George Hausdorf
Jared Stewart
Andrea Campbell
Matthew Jones
Rodney Spires

General Manager
Administrative Assistant
Utility Planning & Construction Engineer
Finance Director
Public Relations Coordinator
WTP/WWTP Supervisor
Superintendent of Lineman
Stormwater Coordinator
IT
WWTP Operator

James Lemon
Corey Mahaffey
Mike Dobson
Danny Henley
Mark Grimm

City Attorney
Economic Development
City Councilman
Hannibal Courier Post
Gilmore & Belle

CALL TO ORDER

The meeting was called to order at 4:00p.m. by Lennie Rosenkrans.

INVOCATION & PLEDGE OF ALLEGIANCE

The invocation was given by Mr. Steve Smith.

CONSENT AGENDA

- A) Minutes – March 18 & 25, 2019
- B) Payrolls – March 29, 2019 & April 12, 2019
- C) Claims – March 2019

On motion of William Fisher, seconded by Steve Smith the Board voted unanimously to approve the Consent Agenda.

COMMENTS FROM THE AUDIENCE

Mike Dobson voiced he was attending the meeting on behalf of a constituent but also himself. Mr. Dobson noted concern regarding his utility bill being higher than he would like, and was concerned about the citizens of Hannibal with lower incomes being able to afford their monthly payment. Mr. Dobson asked that the Board Members and HBPW Administration take a look at the minimums and charges to help cut the cost. Abe Gray noted the Board and HBPW Staff have hired outside consultants and rate experts to assess the Cost of Service regarding the fees and rates that are in place. Mr. Gray noted it's a very challenging situation but the rates do reflect the Cost of Service Study. Mr. Gray voiced the total citizens that are late on their utility bill does not reflect the changes of rates and fees. Heath Hall and the Board thanked Mr. Dobson for his comments.

GENERAL MANAGER & OPERATIONS REPORT

Heath Hall reported Rodney Spires, Wastewater Treatment Plant (WWTP) Operator since 2006 had an article written about him and his career in Wastewater Treatment by the Treatment Plant Operator (TPO) Magazine. Mr. Hall noted we are so proud of the work Rodney has done and continues to achieve at the

WWTP. Mr. Spires is also on the Missouri Water Environment Association Lab Practices Committee. Mr. Hall presented Rodney Spires with a plaque of appreciation for his accomplishment.

Heath Hall reported the Spring Cleanup Day is Saturday, April 27th. Mr. Hall noted anyone wanting to participate should meet at the Y Men's Pavilion at 8:00a.m. for assignments.

Heath Hall reported in the Electric Department the 12 month average for availability rate to customers dropped below the goal to 99.988%.

Heath Hall reported the HBPW staff continues to monitor the river levels and predictions. Mr. Hall noted flood prevention preparations have been made at the Pump house, Wilson Street Lift Station, and other areas prone to flooding.

Heath Hall reported the Water Department has tentative plans to perform fire hydrant testing in the month of June 2019.

Heath Hall noted the Water Treatment Plant has improved immensely in the last two years. Mr. Hall voiced the improvements can all be attributed to the experience and dedication of the existing operators.

Heath Hall reported in the IT Department the water meter failure numbers are below 200 for the first time since October of 2018. Mr. Hall thanked Matthew Jones, Gene Majors, and the Service department for continuing to work hard on the issues to help get the failure numbers at a manageable level.

Heath Hall reported Burns and McDonnell performed an onsite vulnerability assessment/cyber security assessment focused on the electrical system. Mr. Hall noted the results are pending, but the assessment will have recommendations to improve the efforts in physical security.

FINANCIAL REPORT

Abe Gray presented the Board with the financial results for the month of March 2019, year to date results, and key financial ratios. Mr. Gray presented the Dashboard presentation to the Board as a review of Key Performance Indicators trailing the last six months.

PROJECTS REPORT

Mathew Munzlinger presented the Board with an updated progress report of ongoing projects. This includes projects from the Water System and Water Treatment Plant, as well as the Sewer System and Wastewater Treatment Plant. Mr. Munzlinger noted the progress of these projects and studies are acceptable and will continue as weather permits.

OLD BUSINESS

Proposition S Discussion – Heath Hall

Heath Hall reported unfortunately "Proposition S" was not approved by voters, but the outcome was very close and encouraging. Mr. Hall noted it appears the Hannibal community is aware of the need for Stormwater funding and the associated improvements to the aging and failing infrastructure. Discussion was held regarding the concerns and questions of voters, and the future options of how to move forward. Mr. Hall voiced the HBPW still has an obligation to implement a Stormwater utility and comprehensive Stormwater repair program due to the resolution and direction from the Hannibal City Council from June of 2017. Mr. Hall noted there is not only unground issues that need maintained, but a lot of above ground issues that are being brought to his attention. Mr. Hall noted the Stormwater crew and himself will be consulting with City Administrators, the HBPW Board, City Departments, the New City Manager, and City Council for further discussion.

Surrey Hills Inflow and Infiltration Project Update – Matt Munzlinger

Matt Munzlinger reported as part of the smoke testing work from TREKK there was a number of defects found on private property in the Surrey Hills area. Matt Munzlinger noted there will be letters sent out to those property owners regarding broken clean out caps, service defects, foundation drains, driveway and area drain issues, or any defect that will be necessary to report to the property owner. Some of the defects will require a monetary expense to fix the issue that is creating flow that shouldn't be going into the sanitary

sewer system. Mr. Munzlinger voiced he wanted to make the Board aware of the defects and a letter will be sent out to the customers with no action needed at this time.

NEW BUSINESS

PWSD No.1 Escrow Agreement

Abe Gray reported in October, 2004, the HBPW purchased customer territory from PWSD #1 of Ralls County for \$1.5 million, with \$150,000 of the purchase price paid up front and the remainder paid out over a 20 year period per the terms of an Escrow Trust Agreement. Mr. Gray noted the Agreement calls for semi-annual payments of \$33,750 commencing 7/1/2005 until the balance is paid off on 1/1/2025. There is no interest charged on the unpaid balance. Mr. Gray noted the unpaid balance at this time is \$405,000 and PWSD #1 reached out to the HBPW in hopes of agreeing to an early payoff offer. Mr. Gray presented the offer from PWSD #1 for \$339,181.00, which is approximately \$65,000 less than the current principal balance. Mr. Gray reported the HBPW management requests the Board approve the early payoff offer from PWSD #1 of Ralls County.

On motion of Steve Smith, seconded by William Fisher the Board voted unanimously to approve the early payoff offer from the PWSD #1 as presented for the amount of \$339,181.00.

Proposed Budget for Fiscal Year 2019-2020 – Abe Gray

Abe Gray presented the finalized FY2019-2020 Operating budget. After much discussion, Mr. Gray recommended approval of the draft budget as presented, with the revision to take away the shared allocation of Administrative expenses to the Stormwater fund.

On motion of Steve Smith, seconded by William Fisher the Board voted unanimously to approve the 2019-2020 draft budget as presented, with the revision to take away the shared allocation of Administrative expenses to the Stormwater fund.

Ameren Letter of Intent for Project Participation – Heath Hall

Heath Hall presented the Ameren letter of intent to proceed with the feasibility and preliminary engineering of the potential project to install a new 161 kV connection to the Ameren electric transmission system. Mr. Hall noted this would replace the current two 34.5 kV connections at the Ameren Marion Substation. Mr. Hall noted the Board would like to improve reliability to the Hannibal System as well as decrease overall cost associated with the monthly Wholesale Distribution Charge at the Marion Substation. Mr. Hall noted this would also eliminate the monthly fee for the connection cost to Ameren the HBPW is paying at this time. Mr. Hall recommended approving the letter of intent and resolution to consider the project.

On motion of William Fisher, seconded by Steve Smith the Board voted unanimously to approve the Ameren Letter of Intent and Resolution as presented.

Purchase Power Peak Energy Blocks Pricing – Heath Hall

Heath Hall reported with the assistance of GDS, the HBPW has previously purchased peak energy block contracts from NextEra for the summers of 2017-2019. Mr. Hall reported GDS is now recommending the HBPW seek board approval to participate in live pricing in the next week or two since the current pricing looks favorable. Mr. Hall shared a chart of the indicative pricing received for 2020 through 2022 versus the existing contract for summer of 2019. Mr. Hall recommended approval of live pricing with GDS and noted if the pricing is above expectations, then a new plan will be formulated.

On motion of William Fisher, seconded by Steve Smith the Board voted unanimously to approve Heath Hall to participate in live pricing with GDS at 11:00am on Monday, April 22, 2019, and be able to accept a contract with the possibility of a GDS recommendation at or below a Not-to- Exceed price of \$35.50/MWh.

Water Fund Bond Sale for Chloramine Alternative Project – Abe Gray

Abe Gray shared there were a lot of bidders that signed up for the water bond sale this afternoon, and the winning bid came in at a true interest cost of 3.11%, from Piper Jack located in Minnesota. Mark Grimm reported this is terrific and outstanding news for the City, and thanked Abe Gray for his collaboration with the project. Mr. Grimm noted the resolution presented will need to be adopted and sent to the City Council for approval as well. Abe Gray recommended approval of the Water Fund Bond Sale for the Chloramine Alternative Project as presented.

On motion of Stephan Franke, seconded by Steve Smith the Board voted unanimously to approve the Water Fund Bond Sale for the Chloramine Alternative Project and adopt the resolution presented to send to the City Council for approval.

CITY ATTORNEY – PENDING MATTERS

NONE

GENERAL DISCUSSION

NONE

CLOSED SESSION

William Fisher made a motion to convene in closed session, in accordance with Section 610.021 (1)(3)(12) of the Missouri Sunshine Law, to discuss Litigation, Personnel & Contracts admitting Lennie Rosenkrans, Steve Smith, William Fisher, Stephan Franke, Heath Hall, Courtney Harris, and Matt Munzlinger. Motion seconded by Stephan Franke. ROLL CALL: AYES: Board Members, Lennie Rosenkrans, Steve Smith, William Fisher, & Stephan Franke. NAYS: 0.

ADJOURNMENT

William Fisher made a motion to adjourn. Motion seconded by Lennie Rosenkrans and carried unanimously. The meeting was adjourned at 6:13p.m.



Heath Hall
General Manager

Lennie Rosenkrans
President