



REGULAR MEETING
711 West Main Street, Festus, MO 63028

Meeting Minutes

Thursday, September 16, 2021

CALL TO ORDER: Greg Camp called meeting at 10:03 a.m.

ROLL CALL:

Members Present: Terry Thomas, Matt Unrein, Greg Camp, Kevin Dennis (via Zoom), Mark Johnson (via Zoom), and Jim Kasten (via Zoom)

Absent: None

Also Present: Morgan Kimbrell, Secretary

PLEDGE OF ALLEGIANCE

APPROVAL OF MINUTES:

Motion for approval: Jim Kasten made motion to accept the minutes from August 19, 2021.

Second: Terry Thomas

Ayes: 6

Nays: 0

Absent: 0

APPROVAL OF BILLS:

Bills were reported in the amount of \$300,121.72.

Move for Approval: Jim Kasten made a motion to approve the bills in the amount of \$300,121.72.

Second: Kevin Dennis

Roll Call: Terry Thomas, Matt Unrein, Greg Camp, Kevin Dennis, Jim Kasten and Mark Johnson

Nays: 0

Absent: 0



OLD BUSINESS:

New Preliminary Design Report:



Electrical Audit Report:



Earthquake Quote + Terrorism Coverage \$9,164.00:



NEW BUSINESS:

Staff Report Lagoon Pump Replacement:

Move for Approval: Jim Kasten made the motion to accept the quote in the amount of \$49,862. Matt Unrein amended the motion to include up to \$10,000 for the earthquake coverage making a total of \$59,862.

Second: Terry Thomas

Roll Call: Terry Thomas, Matt Unrein, Greg Camp, Kevin Dennis, Jim Kasten and Mark Johnson

Nays: 0

Absent: 0



Destruction of Records:

Quote for Duct Bank Swab Inspection:

Greg explained that the duct bank is two pipes in the ground that feed power to the collector well and telemetry and there was one pipe installed with a spare and has been in the ground for some time and if that second duct bank is open and still available it would reduce their cost on the backup power. So, Jamie was able to get ahold of Aschinger Electric and get a number from them where they can run a line through that open duct bank and hopefully it can be opened and provide that information to Burns & McDonnell for if it is going to add costs to add a new duct bank with the new collector well project. The cost is not substantial, but it will add approximately 40 to \$60,000.

Move for Approval:	Kevin Dennis made motion to accept the quote from Aschinger Electric in the amount of \$5,900.
Second:	Matt Unrein
Roll Call:	Terry Thomas, Matt Unrein, Greg Camp, Kevin Dennis, Jim Kasten and Mark Johnson
Nays:	0
Absent:	0



Budget Draft Fiscal Year 2021-22:

Vaughn stated that the itemized line items on the expenditures had not changed except the maintenance and repair was reduced from \$80,000 to \$70,000. Jamie is requesting \$129,000 in replacement items, which the board did not have any questions regarding his requests.

Vaughn stated that the proposed budget has a 3% pay increase and explained that the State Commission CPI for period ending December 2020 was only at 1.4%. However, the Urban Consumer of U.S. City average is 5.4% and the St. Louis area comes in at 6.1% as of June 2021. Greg stated that the City budget they are working on right now is anticipating a 3% salary increase mainly because of these changing CPI numbers, which has jumped in the last two months, and he personally is comfortable with a 3% increase.

Terry Thomas commented that he thought the starting pay was at \$15 per hour and thought this was previously talked about. Vaughn stated the starting pay is \$14 per hour and then it goes to \$14.50 after their 6-month probation then they would receive an additional \$.50 once they received their D license, which they have up to two years to obtain plus an additional pay increase. Jim Kasten expressed that he thought they should start at \$15 per hour and doesn't think anyone working a 40-hour work week should be making any less than that. Kevin Dennis questioned what Festus starting rate is. Greg stated it is at \$15.20 and then obviously their annual raises and does feel that \$14 seems low in today's market. Jim Kasten stated that if approved by their board a new employee would start at \$16 but if they have a CDL they would start at \$16.50. There was discussion on whether they would give just the most recent employee's the extra \$1.00 instead of the 3% raise, which is what Herculaneum did if they were hired within the last year. Vaughn suggested increasing the two newest employees with a \$1.00 increase so instead of getting their 3% which is approximately \$.45 they would get the \$1.00 instead of the 3%. Camp stated that we will have an updated proposed budget within the next day or so and send to the Director's so that you can get back with us.

Vaughn requested the board approve the same contribution of \$2,500 into the employee's 401K plan and informed the board that they have a total of four employees who are participating in it now. The board agreed to the same contribution level of \$2,500. Vaughn requested the board increase the personal services that is paid to the City of Festus from \$7,800 to \$8,500 and explained that it has not been increased since 2018-19. The board approved this request.

Vaughn went over the wholesale water rate and the closing of the new revenue bond and explained that the next two years the debt service is much higher because it includes paying off the 2001C & 2002A Series. She had proposed going from \$4.80 to \$4.90, which would give them 1.15% debt service coverage. However, in the following year the rate would have to jump substantially to \$5.60 for that one year to get to 1.10%. Greg had suggested smoothing that out over the two-year period and suggested \$5.20 for the next two years. The rate model that Vaughn presented to the board had an increase of \$5.30, which did not cover the 1.10% debt service coverage in the 2nd year. Also, the surplus of cash in the 1st year was substantial followed by a deficit in the following year. Vaughn has reached out to Mark Grimm, Martin, and Armstrong Teasdale to confirm the rate covenant states that they can use the average annual debt and not current debt to determine 1.10% debt service coverage. If that is allowed, then the debt service coverage in both of those years is at 1.28%. However, you



would be getting into the reserve cash to pay for current debt service, which Vaughn does not believe you can use reserve funds to pay for current debt and needs to be current revenue.

Jim Kasten stated that they have already set their budget and would prefer to use the \$4.90 and then make the big jump the following year. He also questioned if the rates could go down after the 2nd year, which Vaughn stated that they could and suggested it be considered and reviewed at that time. Vaughn is to adjust budget with recommendations from the board and send out within a couple days so that a final budget can be brought back at the next board meeting.

REPORTS:

Treasurer Report for period ending 7/31/21 (Informational Only):

The Board did not have any discussion on the reports.

Plant Manager Report:

The Board did not have any discussion on the report from the plant manager.

Board of Directors:

Jim Kasten-None
Greg Camp-None
Terry Thomas-None
Matt Unrein-None
Kevin Dennis-None
Mark Johnson-None

CLOSED SESSION:

Greg Camp entertained a motion to go into closed session pursuant to Missouri Law for the purpose of dealing with matters relating to (1) personnel issues (RSMo610.021.3).

MOTION TO CLOSE:

Move to Close: Kevin Dennis made motion to go into closed session.
Second: Matt Unrein
Roll Call: Terry Thomas, Matt Unrein, Greg Camp, Kevin Dennis, Jim Kasten and Mark Johnson
Nays: 0



Absent: 0

MOTION TO CLOSE & OPEN:

Move to Open/Close Terry Thomas made motion to close and open regular meeting.

Second: Matt Unrein

Ayes: 6

Nays: 0

Absent: 0

ADJOURN:

Jim Kasten made a motion to adjourn meeting, seconded by Mark Johnson motion carried unanimously.

These minutes were approved this _____ day of _____, 2021.

Greg Camp, President

Attest:

Morgan Kimbrell, Secretary
Minutes Prepared by Michelle Vaughn