

**BOONE COUNTY REGIONAL SEWER DISTRICT
BOARD OF TRUSTEES REGULAR MEETING
AUGUST 15, 2023
BOONE COUNTY COMMISSION CHAMBERS
801 E WALNUT ST**

Trustees Present: Randy Chann, Chair
John Massey, Vice Chair
Debbie Schnedler, Secretary
John L Whiteside, Trustee
Justin Aldred, Trustee

Trustees Absent:

Others Present: Tom Ratermann, General Manager
Wendy Wieggers, Board Treasurer & Finance Manager
Sandi Clark, Assistant Board Secretary & Office Administrator
Daniel Cunningham, Project Manager
Meg Petrillose, Administrative Assistant
Bill Florea, Boone County Resource Management Director
Chris Pieper, Blitz, Bardgett & Deutsch, General Counsel
Angela Burke, Blitz, Bardgett & Deutsch, General Counsel

The meeting was held in person and as a GoToMeeting video with telephone conference.

Randy Chann, Chair, called the August 15, 2023 Board of Trustees meeting to order at 5:30 p.m. Chann noted there was a quorum.

ADOPTION OF REVISED AGENDA

The Agenda was not revised.

APPROVAL OF REVISED MINUTES FOR THE JUNE 2023 BOARD MEETING

The revised minutes for the June 2023 Board of Trustees Meeting were included in the packet.

Schnedler clarified a point on the minutes regarding Chris Peiper and the use of the word “should”.

On a motion by Debbie Schnedler and a second by John Massey the Board moved to

approve the revised minutes for the June 2023 Board of Trustees meeting, subject to edits requested. Motion carried.

APPROVAL OF MINUTES FOR JULY 2023 BOARD MEETING

The minutes for the July 2023 Board of Trustees Meeting were included in the packet.

Schnedler noted that under the Financial Reports section there was a comment she made that was misconstrued, and she requested the first sentence of the second paragraph be stricken. Schnedler also requested the last sentence, which asked for clarification how the purchasing policy relates to the budget, also be stricken.

On a motion by Randy Chann and a second by John Massey, the Board moved to approve the minutes for the July 2023 Board of Trustees meeting, subject to edits. Randy Chann, John Massey, Debbie Schnedler and Justin Aldred voted in favor. John Whiteside abstained. Motion carried.

APPROVAL OF CLOSED SESSION MINUTES

The Closed Session Minutes for the July 2023 Board of Trustees Meeting were included in the packet.

On a motion by Debbie Schnedler and a second by Randy Chann, the Board moved to approve the minutes for the July 2023 Closed Session as written. Randy Chann, John Massey, Debbie Schnedler and Justin Aldred voted in favor. John Whiteside abstained. Motion carried.

PUBLIC COMMENT

There was no Public Comment.

OLD BUSINESS: 2023 BOARD OF TRUSTEES OBJECTIVES AND ROLE OF OPERATIONAL EXCELLENCE COMMITTEE

The 2023 Board of Trustees (BOT) Objectives document and some correspondence regarding the BOT's role in the Operational Excellence Committee (OEC) were distributed to the Board. Chann noted that one focus of the OEC was to provide direction to close the gaps in BCRSD's business strategy. He discussed both the formation of the OEC and the role it was intended to serve for the BCRSD. Chann explained that the OEC is a group meeting of senior managers and interested Board members, and any recommendations or outcomes discussed in the OEC will then go to the Board of Trustees to be reviewed or considered for approval. Aldred asked whether or not there was a consensus on the items reviewed in the BOT Objectives document. Chann suggested that an assessment or a report that closes the items and explains how the items are closed would be appropriate. Chann reviewed the BOT Objectives for the OEC, noting that many of the outcomes have been proposed and approved in regular Board meetings.

Schnedler commented on the importance of developing a management team who can approach the strategic planning of the District, capable of factoring in external changes and influences, and building a strategy for today and the future. She stated the OEC was designed to augment issues

outside of Board meetings, as well as leverage the expertise of Trustees involved in the OEC.

Whiteside queried if the OEC goals would be done in accordance with the Environmental Protection Agency's (EPA) Effective Utility Management (EUM) model. He stated the District has always been good with hiring consultants to guide the District when necessary, and in this context, it may be appropriate.

Chann noted there was a self-assessment tool included in the EUM model. He requested the BCRSD management team perform the self-assessment. Chann stated the District needs an overarching business strategy, and the self-assessment could assist with that goal. When reviewing the self-assessment, the District can look at what applies and what feels appropriate. He asked for suggestions from the Trustees on how to facilitate senior management in scoping out these initiatives.

Schnedler stated this was something that can and should be done internally, because the staff has the skill set. Hiring an outside consultant will require senior staff time and involvement. Her only concern was whether staff have adequate time, and therefore motivation to take on the tasks.

Whiteside stated that it may not be reasonable to ask staff to make more time for the initiatives, and that personnel should be able to say they don't have extra time without fear of repercussion. He explained he is aware of entities similar to the District that use outside consultants, and if there is a benefit to using them then the Board should take hiring one under consideration.

Chann explained he thought the District could try to complete the initiatives internally, and if it doesn't work then the District could consider another direction. He stated that managers can find the scope and get it done. He questioned what role do Board members take to help move initiatives forward, and stated the District must measure so that staff can manage. He requested that senior management review the Effective Utility Management (EUM) and perform the self-assessment. Chann also discussed the need for an assessment on affordability and cost effectiveness in projects the District chooses in the future.

Schnedler stated the initiative doesn't have a start and end, but is a means of continuous improvement. She noted thinking about the future of the District first will position staff to consider obstacles that are coming towards the District.

Whiteside explained that the Board needs to know if additional staff is needed. He also explained that the Board needs to know what management needs and how it is going to be paid for, because it affects rates, and as such, falls squarely to the Board. Schnedler disagreed and stated responsibility falls to the senior management. She explained staff are to analyze the data and what-if scenarios, and then direct the Board. She stated there needed to be some in-house skill sets, or there needed to be a way to get the best skills out of consultants.

Chann stated that it comes down to if the OEC has Board members involved or not, and if not, then senior management needs to present the Board with proposals that address the issues, along with an acceptable timeline for completion. He remarked that the District should not overlook the importance of professional development and succession planning.

Schnedler explained that one of the goals the OEC has accomplished is the RACI analysis, with all members of the management team agreeing on major functions. She noted that the RACI analysis

did not need to go back to the Board for approval, but once the OEC defines the deliverables, then items can go back to the Board for review or adoption. She explained that there should be as much ownership at the staff level as possible for the deliverables defined and accomplished.

Chris Pieper stated that as an advisory committee, the OEC minutes need to be kept just as the Board meeting minutes are kept, with at least a record of items discussed.

CONSENT AGENDA
Easement Acquisition Report
Permit Status Report
Status Report (Work in Progress)
Planning and Zoning Update
Operations & Maintenance (O&M) Reports

The reports listed on the Consent Agenda were included in the packet. Chann suggested that the O&M data could be better communicated to the Board.

Bill Florea advised the Planning and Zoning website survey was live. He stated that a second round of technical and advisory meetings were scheduled, along with the stakeholder meetings, and that Randy Chann was on the list to be notified.

On a motion by Randy Chann and a second by Justin Aldred, the Board moved to approve the reports included on the Consent Agenda as presented. Motion carried.

MANAGER'S REPORT
MDNR Inspections/ Letters of Warning (LOW)/
Notices of Violation (NOV)/ Unsatisfactory Features/ Return to Compliance

The report was included in the packet. Virgil Farnen reported there were Unsatisfactory Features in Rocheport from a sample that failed with E. coli in September 2022. He also reported there was an outfall not clearly marked, there was failure to provide two operational pumps at the Rocheport lift station, with a failure to provide a working alarm system. Ratermann explained that both pumps failed because they were approximately the same age due to cycling, and the redundancy failed.

Farnen discussed the sample testing procedure and how he processes that data using the Electronic Discharge Monitoring Reports (e-DMR) system.

Boone County Master Plan

There was a flier included in the packet regarding the Master Plan survey. Ratermann explained that there was a virtual and in-person open house at the Boone Electric Community Room.

ARPA

Ratermann reviewed the news release by Boone County Government uploaded in the packet regarding ARPA recipients; the BCRSD was not awarded.

Aldred stated that the Boone County Government had approximately \$5M remaining to award, and expects to disperse to over 27 contracts for the last round of awards.

Area-Wide Management Plan

Ratermann reviewed the preliminary Scope of Services included in the online packet, advising that Pieper and Cunningham were the primary authors of the document. He noted that three consultants submitted proposals: Thouvenout, Wade & Merchen, Inc. (TWM), Cochran, and McClure. He stated he was ready to start establishing an interview committee and begin interviewing the three companies. He indicated to the Board that they had previously stated Bill Florea should be on the interview team, along with one Trustee.

Pieper explained that in the proposals there are other services offered, such as preparation of a Capital Improvement Plan and a User Rate Study in parts B and C. He stated those are available for the Board's input and feedback. Pieper discussed that parts B and C are additional and optional items, but item A will need to be addressed in the Scope of Services due to regulatory purposes.

Draft Regulation – Emergency Shut Off(s)

Ratermann reviewed the proposed regulation for emergency shut offs included in the packet. He stated it was in relation to the system in Rocheport, but would apply to other situations where customers are in locations that flood. He said the regulation only applies to about four houses in Rocheport right now, but would allow the District to shut off the pump and close the valve to disallow flow into treatment and collection system.

2nd Quarter 2023 Assistance Report

In the packet was the 2nd Quarter Assistance Report. Sandi Clark presented the report, stating that the Low-Income Housing Water and Wastewater program required minimal effort from BCRSD staff to secure assistance for customers. She also noted this would be good data for a permanent assistance program. Clark noted that CMCA likely will not administer a grant or contract worth less than a \$1 million in a single year.

Draft RFP – Financial Audit Services

Ratermann reviewed the draft request for proposals (RFP) for audit services, along with a sample list of Certified Public Accountant firms included in the packet.

Schnedler said it would be problematic for Convergence to be on the list of candidates since they provide payroll services for the BCRSD. She advised that moving everything related to the single audit would be in addition to the scope of work, because the District is no longer subject to a single audit. She recommended sending new audit RFPs every five years. Schnedler suggested adding a clause in the RFP that allows the District to terminate the contract with the auditor, rather than adhering to automatic renewal each year.

Pieper suggested seeking companies outside of Columbia that focus on public bodies, and have knowledge of public entities. He advised it may matter if they are located in Boone County, and he will report any noteworthy findings on using an auditor in Boone County.

Wieggers stated that our current auditor had many requests that were time consuming, and she hoped to find an auditor that could alleviate some of the additional work from staff.

Feedback on Rate Increase

The letters were included in the packet. Ratermann reviewed a letter of acceptance of the rate increase submitted by a member, and a second letter was a request for a user rate study. He stated that the second letter was treated as a Sunshine Law request.

Chann questioned if the user rate study that was presented to the member contained the normalization strategy. Clark explained that she gave the member the supplementary user rate review that had the normalization strategy numbers.

Business Strategy

Ratermann reviewed the business strategy included in the online packet. He noted he thought assessing areas needing improvement, implementing practices, measuring improvement, and adjusting as needed were something BCRSD personnel should do. He stated the Area Wide Management Plan is key to the business strategy, and he anticipated going to voters for another revenue bond issue before 2027.

Staff Assessment

Ratermann explained he will bring the Staff Assessment back next month.

Chann explained he was interested in the insights from managers and their subordinates. Schnedler stated she thought the District should be close to finalizing the organizational chart.

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

(Agenda Items)

CONSIDER APPROVAL OF 2ND QUARTER 2023 FINANCIAL REPORTS

The financial reports went out in an email. Wiegers stated everything looked good, and in the future the numbers will be made into charts.

She explained that she contacted LAGERS and they did not provide her with the valuation information requested, only plan costs. She said she would prefer to go through the Wage and Benefit study first, then compare LAGERS to the 457 plan that BCRSD has currently. The Wage and Benefit study will compare plans employed by other districts. Chann commented that comparisons should include some data from the private sector.

Wiegers noted challenges identified in accounting management, and reviewed her strategy to implement changes that will streamline current and foreseen tasks expected of finance, including changes to the Chart of Accounts. She reviewed the financial reports specifics, including encumbrances which Schnedler requested be included in the collapsed reports periodically. Wiegers reviewed a plan to send out the banking RFP. She explained that there were no written procedures yet on O&M accounts and SRF replacement accounts. Schnedler recommended that Wiegers review the previous bonds for descriptions of O&M and replacement accounts.

On a motion by John Massey and a second by John Whiteside, the Board moved to approve the 2nd Quarter 2023 Financial Reports. Motion carried.

CONSIDER ACCEPTANCE OF AGREEMENT REGARDING DAN HAGAN AND EDGEWATER/ WATER'S EDGE RECREATIONAL ASSOCIATION AND TEMPORARY AND PERMENANT EASEMENTS AND CONNECTION FEES

Ratermann reviewed Cunningham's memo that was included in the packet. Ratermann and Cunningham presented an electronic map that showed Water's Edge and the surrounding area, denoting BCRSD and City of Columbia service territories by zoning. Ratermann noted that there were about 1,200 undeveloped acres of BCRSD territory, and about 578 acres of undeveloped land to be served by the City. He advised the District would need to build a million-gallon-per-day plant to serve the undeveloped BCRSD territory, which would cost about \$30M. He stated per contract, the plant could not be built where the Hominy Creek branch met City property.

Ratermann stated that the Hagan property contained about eight single-family lots, and six multi-family lots, for approximately 32 units. If developed, the Hagan extension would provide about \$70,000 in connection fees on a \$900,000 project. He confirmed it was not acceptable to build across the dam, but the District would need Hagan's cooperation to lower one lake by five feet, and the other by four feet, to build a two-foot diameter pipe along the toe of the dam. He reviewed the agreement included in the packet, explaining that the base bid for phase one would include improvements across the dam, while the alternate bid would build the remainder of the project. He stated the bidding documents would allow the District to select either the base bid plus an alternate bid, or just the base bid. Ratermann noted the current eight-inch pipe was surcharging. He stated the District made some changes to the agreement with Hagan, requiring the owner to develop the 14 lots residentially or pay damages to the BCRSD.

Schnedler expressed concern with securing funding for this project before committing to it, and time for staff to devote to the project. Schnedler said subject to the District's procurement policy, McLiney would be required to competitively bid for financing services on the project.

Ratermann stated that McLiney seemed confident that they could get the project financing done in a timeframe that cooperates with expected project completion date. Ratermann requested approval of the agreement, stating that he would like to advertise for bids on September 1, 2023, open bids on October 1, 2023, and award the contract at the October Board meeting.

Chann stated that the map depicts that the City could receive the majority of future customers in areas where the District would pay to extend the sewers.

Schnedler expressed concerns about recouping developer fees on future infrastructure. She noted that the agreement does not address if the City will collect connection fees in certain areas or if the District does. The Board discussed various development scenarios.

Chann stated the only way he would approve phase one A and/or B, is if the District mandated for cooperation from future developers as connections are made. Schnedler explained this requirement could be put in the agreement. Discussion ensued regarding project funding. Ratermann recommended the Board approve the agreement and authorize him to sign it, conditioned upon General Counsel's approval.

Pieper recommended language in the motion. He explained the bottom line was there have been studies and outside sources to back up the District's decisions. He noted that Hagan had not seen the updated agreement, and there may be future modifications to it.

On a motion by John Whiteside and a second by John Massey, the Board moved to authorize the General Manager to execute an agreement with Dan Hagan or his affiliates related to the Water's Edge project, subject to approval by the General Counsel, additionally subject to the adoption of a resolution by the Board of Trustees reflecting the Board's intent with respect to BCRSD's ability to recapture investments in the Hominy Creek watershed.

Randy Chann, John Massey, and John Whiteside voted in favor.
Schnedler opposed. Motion carried.

NEW BUSINESS

There was no new business.

VOTE TO HOLD CLOSED SESSION UNDER SECTION 610.021 (1)

On a motion by John Massey and a second by Debbie Schnedler, the Board moved that the Boone County Regional Sewer District Board of Trustees authorize a closed meeting at 8:25 PM on August 15, 2023, as authorized by: 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 and as authorized by section 610.021.

Randy Chann, Debbie Schnedler, John Massey, and John Whiteside voted in favor.
Justin Aldred was absent. Motion carried.

On a motion by Randy Chann and a second by John Massey, the Board moved to re-open the regular meeting at 8:47 PM on Tuesday, August 15, 2023.

Randy Chann, Debbie Schnedler, John Whiteside, and John Massey voted in favor. Justin Aldred was absent. Motion carried.

ADJOURNMENT

On a motion by Randy Chann and a second by John Massey, the Board moved to adjourn the Board of Trustees Regular Meeting on August 15, 2023. Motion carried.

Meeting was adjourned at 8:48 PM.

Approved by:




