



Duckett Creek Sanitary District

3550 Hwy K, O'Fallon, Missouri 63368-8384

Ph: (636) 441-1244
Customer Service Fax: (636) 498-8100
Engineering Fax: (636) 498-8150

The Duckett Creek Sanitary District Board of Trustees held their regular monthly board meeting on Tuesday, January 23, 2024, at 3:00 p.m. at the District Administration Office located at 3550 Highway K, O'Fallon, Missouri.

Trustees present:

Mr. Greg Dohrman	Chairperson
Mr. John Harshbarger	Board Member
Mr. Bob Schnur	Board Member
Ms. Linda Wibbenmeyer	Vice-Chairperson
Dr. William Rebore	Board Member

Staff Members present:

Mr. Keith Arbuckle	Executive Director
Mr. Brad Meyers	Manager of Information Systems
Ms. Julie O'Guinn	Director of Finance and Administration
Dr. Luke Kehoe	Director of Engineering and Operations
Ms. Sarah Marien	Accounting/HR/Admin Assistant
Ms. Krystal Jones	Recording Secretary
Ms. Sarah Beckmann	Administrative Analyst

Others present:

Mr. Brad Young	Marsh McClennan
----------------	-----------------

CALL TO ORDER

Chairperson Dohrman of the Board of Trustees of Duckett Creek Sanitary District called the meeting to order at 3:03 p.m.

APPROVAL OF MINUTES

(THE REGULAR MINUTES WERE INCLUDED IN THE JANUARY 23, 2024 BOARD PACKET AND THE CLOSED SESSION MINUTES WERE AVAILABLE IN THE DCSD DROP BOX)

Board Member Schnur moved and Board Member Wibbenmeyer seconded the motion to approve the following board minutes as submitted:

- November 28, 2023 Board of Trustees' meeting minutes
- December 13, 2023 Special Board of Trustees' meeting minutes
- November 28, 2023 Executive Closed Session meeting minutes
- December 13, 2023 Executive Closed Session meeting minutes

By roll call vote,
Board Member Rebore – Aye



Duckett Creek Sanitary District

3550 Hwy K, O'Fallon, Missouri 63368-8384

Ph: (636) 441-1244
Customer Service Fax: (636) 498-8100
Engineering Fax: (636) 498-8150

Chairperson Dohrman – Aye
Board Member Harsbarger – Aye
Vice-Chairperson Wibbenmeyer – Aye
Board Member Schnur - Aye

Motion passed unanimously.

PUBLIC COMMENTS

None.

OLD BUSINESS

2023-24 Property and Casualty Insurance Renewal

The Director of Finance & Administration introduced Brad Young from Marsh McLennan to the Board Members stating that he was here to follow up on our property and casualty insurance renewal in December of last year. Mr. Young provided the Board with documentation about the property and casualty insurance policy renewal for the District. He discussed the scope of policies and indicated the insurance conforms to what is needed for the sovereign immunity cap of damages the district could be held liable for. He stated that, even with the growth in the district, the rates have been relatively stable over the years. Mr. Young noted that the district has only had to file one automobile insurance claim and zero worker's compensation claims in the past five-year period. Cincinnati Insurance Company is the current property and liability partner of Marsh McLennan and they have offered the District a three-year renewal based on the new numbers provided in the documentation given to the Board.

Mr. Young asked the Board if they had any questions. Board Member Schnur asked about the deductible for earthquake coverage. Mr. Young stated that the District has a 10% deductible on earthquake coverage. Chairperson Dohrman asked if the rate included Treatment Plant 4 as if it was already completed. Mr. Young stated that the premium cost will increase based on the completion of TP4. The Director of Finance and Administration mentioned that there was a 9% increase for coverage across all coverage options and she showed the increases in a hand out for the board. Mr. Young also indicated the District's Directors & Officers coverage is \$3 million and general liability is \$1 million each occurrence plus an additional \$3 million umbrella policy. The fiduciary policy was lowered to \$1 million after the inception of the LAGERS program.

No motions were made as this data was provided to the Board strictly for informational purposes.

NEW BUSINESS

Election of FY 2024 Officers

Board Member Rebore moved and Board Member Schnur seconded the motion to nominate Chairperson Dohrman to continue as the 2024 Chairperson of the Duckett Creek Sanitary District Board of Trustees.

By roll call vote,
Board Member Rebore – Aye
Chairperson Dohrman – Aye



Duckett Creek Sanitary District

3550 Hwy K, O'Fallon, Missouri 63368-8384

Ph: (636) 441-1244
Customer Service Fax: (636) 498-8100
Engineering Fax: (636) 498-8150

*Board Member Harshbarger – Aye
Vice-Chairperson Wibbenmeyer – Aye
Board Member Schnur – Aye*

Motion passed unanimously.

Board Member Rebore moved and Board Member Schnur seconded the motion to nominate Vice-Chairperson Wibbenmeyer to continue as the 2024 Vice-Chairperson of the Duckett Creek Sanitary District Board of Trustees.

*By roll call vote,
Board Member Rebore – Aye
Chairperson Dohrman – Aye
Board Member Harshbarger – Aye
Vice-Chairperson Wibbenmeyer – Aye
Board Member Schnur – Aye*

Motion passed unanimously.

2023 St. Charles County Rate Survey Results

(INCLUDED IN THE JANUARY 23, 2024 BOARD PACKET)

The Director of Finance & Administration stated that Sarah Beckmann, our Administrative Analyst, updated the St. Charles County residential monthly rate comparison for the board as of January 2024. She stated that the District's residential rate continues to be one of the lowest in the county, second only to the City of St. Peters, as in past years. This information was presented to the Board along with a map that displays the varying rates for each district within the county.

The Director of Finance & Administration also reviewed the St. Charles County commercial monthly rate comparison as of January 2024 with the Board. She noted that as with the residential rate, we are the second lowest in the county with our minimum commercial rate. The Director of Finance & Administration noted that the District will be proposing a commercial increase of \$5.35 per 1000 gallons with a minimum of \$26.75 for usage of 5,000 gallons or less. This commercial increase will achieve parity with the District's residential rate. The report provided the Board with information about connection fees for both residential and commercial properties as well.

Resolution 24-01 Commercial Rate Increase

(INCLUDED IN THE JANUARY 23, 2024 BOARD PACKET)

Resolution 24-01 establishing a commercial usage rate of \$5.35 per thousand gallons (a \$0.95 increase) with a minimum monthly charge of \$26.75 for usage of 5,000 gallons or less to be effective March 1, 2024.

Chairperson Dohrman noted that there were no public comments during the two public hearings held on January 17, 2024. The Director of Finance & Administration stated that the District did not receive any correspondence from the public before or after the hearings. She stated that the District mailed notices to commercial customers



Duckett Creek Sanitary District

3550 Hwy K, O'Fallon, Missouri 63368-8384

Ph: (636) 441-1244
Customer Service Fax: (636) 498-8100
Engineering Fax: (636) 498-8150

on December 15, 2023 notifying of the January 17th public hearing to discuss the increase. Information regarding the increase was also posted in the St. Charles County Journal on December 19, 2023 and the St. Charles County Business Record on December 18, 2023. All questions and concerns from the Board of Trustees were addressed.

Board Member Schnur moved and Board Member Harsbarger seconded the motion to approve Resolution 24-01 establishing a commercial customer usage rate of \$5.35 per thousand gallons with a minimum monthly charge of \$26.75 for usage of 5,000 gallons or less to be effective March 1, 2024.

By roll call vote,

Board Member Rebore – Aye

Chairperson Dohrman – Aye

Board Member Harsbarger – Aye

Vice-Chairperson Wibbenmeyer – Aye

Board Member Schnur – Aye

Motion passed unanimously.

Monthly Financial Reports - Period Ending December 31, 2023

The Director of Finance and Administration gave a brief update on the Financial Report for periods ending November 30, 2023 and December 31, 2023. She noted that total revenues were 22.96% higher in 2023 than in 2022, primarily due to connection fees as a result of the new projects and growth within the District. The Director of Finance and Administration stated that the District had \$26 million in expenses in 2023 out of the \$48 million budget. She also mentioned that the District will require an expense budget adjustment in 2024 for continued construction on Treatment Plant No. 4 which is progressing a little slower than originally projected.

Chairperson Dohrman asked about the Missouri American Water (MOAM) disconnect and reconnect fee increases and the notifications the District is sending to customers. The Executive Director stated that the Association of Missouri Cleanwater Agencies is opposed to the increase put in place by MOAM and they are trying to establish legislation regarding this matter. The Director of Finance & Administration presented information on how the District is mailing insert notifications about the increase to MOAM customers along with their delinquency mailings. She also noted that all District customers who have MOAM will be given a one-time pass from having their services disconnected after the increase takes effect on March 1, 2024. A door hanger will be left at the customer's home notifying them that the next time they will be subject to disconnect. This procedure will provide fair warning to the household of future potential fees they would incur. The Director of Finance and Administration indicated that MOAM perceives they have subsidized the shut off activities for a number of years and are basing the cost for each disconnect on a one hour period of their employee's time and vehicle cost. By contrast, each shut off takes a very short period of time, however MOAM did not act responsive to considering an amendment to the amount.

The Director of Finance and Administration noted that the Statement of Work from Sikich LLP is available for the Board to review in the board packet. It is their procedure that the board must be notified or delivered of this document prior to the audit.



Duckett Creek Sanitary District

3550 Hwy K, O'Fallon, Missouri 63368-8384

Ph: (636) 441-1244
Customer Service Fax: (636) 498-8100
Engineering Fax: (636) 498-8150

Financial monthly statement period ending November 30, 2023

(POSTED SEPERATELY ON THE DCSD WEBSITE)

Financial monthly statement period ending December 31, 2023

(INCLUDED IN THE JANUARY 23, 2024 BOARD PACKET)

Board Member Rebore moved and Board Member Schnur seconded the motion to approve the monthly financial statement for period ending November 30, 2023 and December 31, 2023 as submitted.

By roll call vote,

Board Member Rebore – Aye

Chairperson Dohrman – Aye

Board Member Harsbarger – Aye

Vice-Chairperson Wibbenmeyer – Aye

Board Member Schnur - Aye

Motion passed unanimously.

DIRECTORS' REPORTS

The Executive Director gave an update on the following:

The Executive Director informed the Board that Public Water Supply District #2 (PWSD#2) has expressed concern over treatment costs that PWSD#2 pays to O'Fallon for an area in Lake Saint Louis between Highway N and Lake Saint Louis Blvd. The District has spoken with PWSD#2 regarding a potential wholesale agreement where PWSD#2 would maintain all of the lines and customers while the District would receive and process the flow from the specified area. The Executive Director estimated that this agreement would result in an additional 2 million gallons per day at Treatment Plant No. 4. He stated that installing a flow meter to determine volume would be the most efficient way to determine what rate to charge PWSD#2 for treatment. The Executive Director also addressed the fact that the District would be losing out on capacity charges for about 8,000 homes. These connection fees were part of the rate model to expand Treatment Plant No. 4 in the future. To supplement for the lost revenues from connection fees, he suggested charging PWSD#2 a separate fee for capacity over the next 20 years. The Executive Director noted that this agreement would likely require additional personnel, equipment, and an additional biopad which he plans to put in the rate model for 2025 or 2026. The Executive Director stated that Crawford, Murphy & Tilly will review the volume capabilities of Treatment Plant No. 4.

The Executive Director discussed another proposal for the District near an undeveloped area north of Highway N close to the Stone Meadows subdivision. This area has yet to be developed due to capacity limitations for the City of Wentzville. The Executive Director is suggesting that the developer run an interceptor that would allow two of the pump stations within the subdivision to bring flow through gravity to the District. He noted that this would be at the cost of the developer. The Executive Director suggests that the District could charge the City of Wentzville



Duckett Creek Sanitary District

3550 Hwy K, O'Fallon, Missouri 63368-8384

Ph: (636) 441-1244
Customer Service Fax: (636) 498-8100
Engineering Fax: (636) 498-8150

the monthly residential rate of \$26.75 multiplied by the number of homes they serve in that area that would flow to those pump stations within the District for treatment. The District has an existing easement from that area to Treatment Plant No. 4.

- Estimates for full nutrient removal on Treatment Plants No. 1 & No. 2 within the next ten years would cost about \$13 million dollars over a two year period beginning in 2033. It was noted that the District will likely return to just phosphorus in 2033. Phosphorus entails minimal costs compared to other nutrient removal processes.

The Director of Engineering and Operations gave an update on the following:

- Received written notice regarding previous runoff complaint which stated that contaminants found as runoff in Dardenne Creek was not related to the construction on Treatment Plant No. 4.
- Two projects related to Treatment Plant No. 4:
 - Wyndgate Force Main
 - Interceptor line from Amberleigh pump station
- Quite a few new connections for the Hopewell plant and the Prairie Encore Apartment in December 2023.
- Sewer lateral repair program total cost from January 1, 2023 through December 31, 2023 was \$491,672.56.
- Frozen pipes occurred on January 14, 2024 at the Rogers plant. Minor damage and the water was shut off quickly. The repairs were minor as well.
- Significant frozen pipes at Treatment Plant No. 2 believed to have occurred when the natural gas pressure dropped and the furnaces turned off. Also had a 3-inch potable water supply line that broke and flooded the basement. Repairs were completed relatively quickly and costs were minor. Staff is looking at steps to prevent this from occurring in the future.
- Reviewed the Lateral Repair Program from 2017-2023.
 - Estimated 26,000 customers pay \$28.00 annually on their property taxes for the Sewer Lateral Repair Program.
 - Displayed a revenue and expense graph from 2017-2023.
 - Noted the number of lateral repairs dropped from 2019-2020 due to change in cutoff threshold for qualifying for the Lateral Repair Program. Roots in the line are now considered a property owner maintenance issue.
 - Upward trend for the average cost of repairs from 2020-2023.
 - Number of repairs have decreased overall from 2019-2023, but the cost of repairs is increasing year to year.
 - A possible increase in charges on customer's property taxes may be needed in the future to make up for the increasing expense cost of lateral repairs based on estimates of existing data.



Duckett Creek Sanitary District

3550 Hwy K, O'Fallon, Missouri 63368-8384

Ph: (636) 441-1244
Customer Service Fax: (636) 498-8100
Engineering Fax: (636) 498-8150

- The Manager of Information Systems has developed a new field data collection system that employees can use to log customer concerns or other issues within the District.

The Director of Finance & Administration gave an update on the following:

- Staff members are receiving training on the rate tool from Carol Malesky with Stantec.
- Staff is preparing for audit season.

The Manager of Information Systems gave an update on the following:

- Showed the Board a video of the progress being made on Treatment Plant No. 4.

OPEN SESSION

Chairperson Dohrman asked if there was any further discussion.

There being no further comments, Board Member Schnur moved and Board Member Wibbenmeyer seconded the motion to close the January 23, 2024 Board of Trustee meeting.

By roll call vote,

Board Member Rebore – Aye

Chairperson Dohrman – Aye

Board Member Harshbarger – Aye

Vice-Chairperson Wibbenmeyer – Aye

Board Member Schnur - Aye

Motion passed unanimously.

ADJOURNMENT

The board meeting adjourned at 4:43 p.m.

Respectfully Submitted,

K. Jones

Recording Secretary

Duckett Creek Sanitary District