

**NOTICE OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
OF RURAL WATER DISTRICT NO. 2
MIAMI COUNTY, KANSAS**

The Regular Meeting of the Board of Directors of Rural Water District No. 2, Miami County, Kansas will be held at 7:30 p.m. or immediately following the Special Meeting on Monday the 8th day of August, 2011 at the District Office located at 255th Street and Harmony Road, Hillsdale, Kansas.

AGENDA

- I. Opening
- II. Reading & Approval of Minutes
- III. Pay Current Invoices
- IV. Leak Adjustment
 - 1) James Oliver-Account #1060
 - 2) David Miller-Account #1263
- V. Subscriptions & Meter Relocates
 - 1) Scott Brooke-22217 Switzer
 - 2) Patsy Saadat-15596 W. 335th St.
- VI. Line Extensions
- VII. Guests
- VIII. New Business
 - 1) Water Rate Analysis-Rick Norland
- IX. Old Business
 - 1) Rules & Regulations Revision
- X. Reports
 - 1) Engineer
 - 2) Legal
 - 3) Treasurer
 - 4) Manager
- XI. Announcements
- XII. Adjournment

Board Meeting Minutes

The regular meeting of the Board of Directors of Rural Water District No. 2, Miami County, Kansas was held on August 8, 2011 at the District Office located at 25290 Harmony Road, Hillsdale, Kansas.

Attendance:

Directors Attending: Jim Dycus, Brad Ryckert Alan Hire, Gary Guetterman, Jim Bracken, Rick Norland, Mike McClurg, Ron Flaigle and Doug Hensley.

Also Attending: Jerry Bennett, Lana Kettler and Carl Hartley

Guests: Lyle Wobker, Steffani Crawley, Peter Majerle and MaryLu Norland

Welcome and Approval of Minutes

Chairman Dycus called the meeting to order at 7:45 p.m.

A motion was made by Gary Guetterman to dispense with reading the minutes. Brad Ryckert seconded. Vote 9-0, motion passed. Mike McClurg moved to approve the minutes as amended (the word considerable was stricken from page 2, second paragraph, 6th line). Ron Flaigle seconded. Vote 9-0, motion passed.

Approval of Warrants

Motion made by Alan Hire to approve the warrants as presented Seconded by Doug Hensley. Vote: 9-0, motion passed.

Subscriptions

There were two subscriptions received since the July meeting:

1. Scott Brooke-22217 Switzer
2. Patsy Saadat-15596 W. 335th Street

Guest

Steffani Crawly-asked about the status of the two legal issues the Board is involved in. Carl Hartley reported on the status of each issue. The Louisburg issue is up for the Board's consideration and discussion. The tower appeal is currently on the appellate court docket and waiting for their decision. Steffani also asked about the cost the District has expended on these legal actions. Carl Hartley advised that he did not have those figures, but they would be available through the District Office.

Peter Majerle asked for an explanation of the reasons for the District building a water tower. Alan Hire reviewed the past hydraulic studies and the growth factors and the need for additional water supply in the Bucyrus, Central and Louisburg areas. There was additional discussion on factors involved with the planning and needs of the District.

New Business

Rick Norland presented Rural Water District No. 2 rate increase analysis. He presented two options of providing additional income. A small increase in water rates, gradually increasing rates to the patrons, avoiding a large increase at one time. The second option was a pre-order program, selling meters at a reduced rate encouraging future growth.

The question was brought up about posting the minutes on the website. Doug Hensley moved to put the minutes on the web site. Rick Norland seconded. Motion passed 9-0.

There was discussion on requesting feedback from the patrons to the board and nominees. It was decided to include a box for feedback, comments and concerns on the nomination form.

Old Business

The proposed changes to the Rules and Regulations were discussed. Jim Bracken moved to approve the drafted rules and regulations. Brad Ryckert seconded the motion. Vote 9-0 in favor.

The nomination form will need to be reviewed and approved at the September meeting. Lana Kettler said she will get the new form out to the Board prior to the next meeting.

Engineering

Jerry Bennett reported on Louisburg Booster Pump Station. The preconstruction meeting was held Friday, August 5th. The date of completion is February 2012, but the contractor is anticipating the construction to be completed in December of 2011.

Treasurers Report

Alan Hire reported there was no activity this month. There was a discussion on the securities the banks have pledged. The levels of this coverage and the stabilities of the pledging institutions was discussed.

Manager's Report

Jerry Bennett informed the Board about the brown water issue. There has been an increase in the iron and manganese levels. The brown water is a result of water treatment changing the

The Corp of Engineers notified the District that the lake has blue green algae. Our plant process takes out toxins. The treated water is safe to drink, it is the raw water that has the toxins.

Jerry Bennett reported that zebra mussels have invaded Melvern Lake. Jerry has been working with the engineers to come up with the plan to protect the intake pumps and screens.

Jerry Bennett said he has been contacted by Rural Water District No. 1, Franklin County, KS to purchase all of their water from Rural Water District No. 2. They currently buy half of their water from the City of Ottawa and the other half from Rural Water District No. 2. They are not coming to an agreement with the City of Ottawa. There would have to be some upgrades made in the system. Preliminary costs estimates, ^{at} of 1.5 million for upgrades to provide the additional water. *were*

Rural Water District No. 1, Miami County, KS also used more water this month. Along with this there is a possibility that Rural Water District No. 6, Franklin County might be abandoning their plant and looking for another water source. There was discussion of water sources and potential wholesale needs.

Jerry Bennett stated at the next meeting he would have several estimates for the block and brick repair to the exterior of the building.

Jerry Bennett presented a voluntary request for relinquish of water rights from Veda Tout, Account #2371. Alan Hire moved to approve the request. Gary Guetterman seconded the motion. Vote 9-0, motion passed.

Jerry Bennett and Carl Hartley informed the Board about a written request from a forfeited meter-Jeffery Vandewynkle-Account #3236. The patrons are asking for the rights to be reinstated. Carl said there was no provision in the bylaws to return or reinstate the rights. It was the consensus of the Board the meter would not be reinstated.

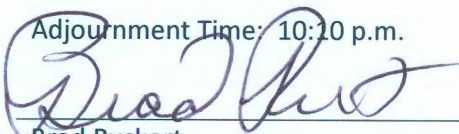
Legal

Brad Ryckert moved to go into executive session until 10:10 p.m. to discuss legal issues. Ron Flaigle seconded the motion. Motion passed 9-0. Meeting went into executive session at 9:10 p.m. and out of executive session at 10:02 p.m. It was the consensus of the Board not to proceed with an appeal on the Louisburg dispute following the judge's decision to uphold the appraisers' award.

Adjournment

Motion made by Mike McClurg to adjourn. Seconded by Brad Ryckert. Vote: 9-0, motion passed.

Adjournment Time: 10:10 p.m.



Brad Ryckert
Secretary



Jim Dycus
Chairman

09/12/2011

Date