

**NOTICE OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
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 7:00 p.m. or immediately following the 2013 Annual Meeting on Thursday the 7th day of February, 2013 at the District Office located at 255th Street and Harmony Road, Hillsdale, Kansas.

AGENDA

- I. Opening
- II. Minutes
 - 1) Reading
 - 2) Approval
- III. Current Invoices
 - 1) Review
 - 2) Approval
- IV. Guests
 - 1) Joseph Sheen, Account No. 0483
- V. Leak Adjustment
 - 1) Dave Daschke-Account No. 1079
- VI. Subscriptions & Relocates
 - 1) Walnut Creek Ranch, LLC-7095 W. 303rd St.
 - 2) Glenn E. McCann-271st & Indianapolis Road
 - 3) Prothe Family, LLC-355th & Beaver Creek Road
 - 4) Lloyd Hill-271st & Mission Belleview
- VII. Line Extensions
- VIII. Old Business
 - 1) Geothermal continued discussion.
- IX. New Business
 - 1) Conservation Plan-Regulation Actions
- 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 February 7, 2013 at the District Office located at 25290 Harmony Road, Hillsdale, Kansas.

Attendance:

Directors Attending: Jim Dycus, Brad Ryckert, Doug Hensley, Alan Hire, Mike McClurg, Jim Bracken and Lyle Wobker.

Directors Absent: Gary Guetterman, Rick Norland

Also Attending: Jerry Bennett and Carl Hartley.

Guests Attending: Joseph Sheen-Account No. 2137, Ken Smith-G.K. Smith & Sons, Lynn Wobker and Glenn Alpert.

Welcome and Approval of Minutes

Chairman Jim Dycus called the meeting to order at 7:00 p.m.

A motion was made by Doug Hensley to dispense with reading the minutes for the regular monthly meeting. Brad Ryckert seconded. Vote: 7-0, motion passed.

Mike McClurg moved to approve the minutes as corrected (spelling error). Lyle Wobker seconded. Vote: 7-0, motion passed.

Alan Hire moved to pay the bills as presented. Motion was seconded by Doug Hensley. Vote: 7-0, motion passed.

Leak Adjustments

David Daschke, Account No. 1079, Jerry Bennett presented a leak adjustment application. There was discussion on the leak. It was the consensus to approve the adjustment upon staff confirming the leak was repaired.

Leak Amount-104,100 gallons

Average Usage-9,440 gallons

Leak Billing Amount-\$435.73

Adjusted Billing Amount-\$293.74

Savings-\$141.99

Motion made by Jim Bracken to approve the leak adjustment, seconded by Lyle Wobker. Vote: 7-0, motion passed.

Subscriptions

There were four subscription applications received following the January 2013 board meeting:

Walnut Creek Ranch, LLC-7095 W. 303rd St.

Glenn E. McCann-271st & Indianapolis Road

Prothe Family, LLC-355th & Beaver Creek Road

Lloyd Hill-271st & Mission Bellview

Old Business

Jerry Bennett updated the Board on the Conservation Plan and the current drought status. If the state puts the Hillsdale Lake area in the Drought Warning Stage, outdoor watering would be limited to every other day from 9:00 p.m. to 10:00 a.m. by garden hose or bucket. Jerry Bennett stated this would have a great impact on businesses

such as nurseries and vineyards. There are approximately fifteen nurseries and/or vineyards on the District. Jerry Bennett showed the Board how the drought status for the state had changed during the last year. The entire state is now in a drought warning. The current level of the Hillsdale Lake is now 913 feet down from 917 feet. The state trigger level is 909 feet. Jerry said Stage 2-Warning could be reached by May. There was discussion on other business that could be affected by the Conservation Plan-Stage 2 Warning. Golf courses would be restricted to watering tees and greens after sunset. Jerry Bennett said Gilbert Hermes, Emerald Prairie Nursery wants a 1" meter, but he had questions about getting it with the drought.

Jim Bracken asked what other Districts were doing. After discussion it was decided to maintain the Conservation Plan as it is written. Carl Hartley said the District needs to inform patrons about the policy. A drought newsletter should be sent out with information about the drought, warning and conservation measures.

New Business

Ken Smith, G. K. Smith & Sons was present to discuss the geothermal proposal. He told the Board about the wells. Each well would be 180 feet to 200 feet deep. Evans Energy would drill the wells. The area is currently marked out with flags-17 wells (white flags) for the office area, 20 wells (red flags) for the pump room and 8 wells for the compressor room. The Board asked about hitting rock, gas or oil, well construction and well life expectancy. Ken Smith explained how the wells were installed and backfilled. He also stated the life expectancy was fifty-five years.

The Board had already approved Phase 1 (white flags) the office area. Jerry Bennett presented Phase 2 (red flags) for the Board's consideration. Phase 2 would add cooling to the pump room. Jerry recommended not to pursue the additional 8 wells for the compressor room. Brad Ryckert moved to approve the installation of Phase 2 of the geothermal option number two for a cost of \$107,474.82. Doug Hensley seconded the motion. Motion passed 7-0.

Mr. Joseph Sheen, landowner of Account No. 0483, wanted to discuss the Board's policy regarding the landowner being responsible for the tenant's water bill. He had called the office and asked that the water meter not be turned back on after it had been shut off for non-payment. The District turned the water back on when the tenant paid the bill. Carl Hartley stated the District could not honor his request. Legally, when the tenant paid the water service could not remain off. There was additional discussion. The Board did not take any action at that time but would consider the request and legal issues later.

Legal

Carl Hartley reported that on the Atrazine Class Action Suit. The District received its settlement check January 17, 2013 for \$268,059.64.

Carl Hartley updated the Board on the agreement with Cass County Rural Water District No. 7. Cass County and the landowner had some issues with the agreement and the commitment to buy meter. Carl said he spoke to the landowner and the landowner needed some time to think it over.

Treasurer's Report

Alan Hire reported there was no activity this month.

Manager's Report

Jerry Bennett presented a letter requesting relinquish of water rights from Delmon Elrod, Account No. 0031, located at 304 Grant Street, Hillsdale. Doug Hensley moved to approve the relinquish of water rights. Lyle Wobker seconded the motion. Vote 7-0, motion passed.

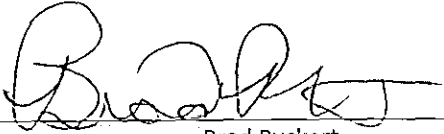
Jerry Bennett reported on the PUA easement. The PUA gave the District two choices for the easement. The first was giving them the oil well customer, Alta Vista-311th & Oakgrove Road or pay them \$990.00 to get across the

tower site. Carl Hartley reviewed the new statues for attaching and detaching lands. The options were discussed and tabled until next month.

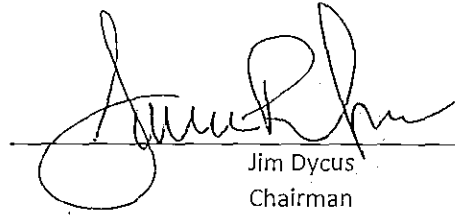
Adjournment

Motion made by Jim Bracken to adjourn. Seconded by Brad Ryckert. Vote: 7-0, motion passed.

Adjournment Time: 8:30 p.m.



Brad Ryckert
Secretary



Jim Dycus
Chairman

03/11/2013

Date