

Board Meeting Minutes

The regular meeting of the Board of Directors of Rural Water District No. 2, Miami County, Kansas was held on January 9, 2012 at the District Office located at 25290 Harmony Road, Hillsdale, Kansas.

Attendance:

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

Absent Directors: Ron Flaigle and Rick Norland

Also Attending: Lana Kettler, Carl Hartley and Jerry Bennett.

Guests: Mr. Vernon Prothe, Acct #0636 and Ken Cox, Acord Cox & Company

Welcome and Approval of Minutes

Chairman Dycus called the meeting to order at 7:30 p.m.

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

Mike McClurg moved to approve the minutes as corrected (page 1-only "1" subscription not "2" & page 2 capitalize "VFD"). Doug Hensley seconded. Vote: 7-0, motion passed.

A motion was made by Alan Hire to approve the warrants as presented. Seconded by Doug Hensley. Vote: 7-0, motion passed.

Subscriptions

There was one subscriptions and one line relocate received since the December meeting:

1. David Moorman-303rd & Rogers Road
2. Raymond Rodewald-367th & Block Road-Line Relocate

Leak Adjustments

Mr. Vernon Prothe, Account No. 0686 asked the Board for a leak adjustment. The leak was at automatic water. The leak had been repaired and he was aware of the four year time frame.

Leak Amount-121,500 gallons over 2 months

Average Usage-22,640 gallons

Leak Billing Amount-\$521.89

Adjusted Billing Amount-\$407.56

Savings-\$114.3

Motion made by Brad Ryckert to approve the leak adjustment, seconded by Gary Guetterman. Vote 7-0, motion passed.

Guest

Ken Cox, Acord Cox & Company, presented the 2011 Audit Report. He reviewed the Statement of Net Assets and the Statement of Revenues, Expenses and Changes in Net Assets. He stated the District is in good financial standing with a strong balance sheet. There was discussion on water rates and the revenue generated from the District being debt free. Alan Hire moved to approve the draft copy of the 2011 Audit Report. Gary Guetterman seconded the motion. Motion passed 7-0.

New Business

Jerry Bennett presented the truck bids. There were two bids received for the standard pickup. Beckman Motors had the low bid of \$19,443.90 with a trade in allowance of \$2,500.00. The District would be trading in the 2005 Chevy pickup.

There was only one bid received for the dump truck. It was from Twin Motors at Iola, KS. The bid amount was for \$50,846.00. The District would sell the current GMC dump truck and Ford truck used to haul the backhoe upon receipt of the new truck.

There was discussion on the bidding process; going with local business if their bid was within a 1% to 3% range of the low bid. Mike McClurg moved to purchase the standard pickup from the low bidder, Beckman Motors. Brad Ryckert seconded. Vote was 6-1 (Alan Hire opposing). Motion passed. Jim Bracken moved to purchase the dump truck from Twin Motors for \$50,846.00. Gary Guetterman seconded. Vote was 6-0 (Doug Hensley abstained). Motion passed.

Jerry Bennett informed the Board the City of Spring Hill once again did not meet the contract requirements for minimum usage. The contract states the minimum usage is 182,500,000 gallons per year. Their usage for 2011 was 145,370,000 gallons which is 37,130,000 gallons under the minimum amount. The amount billed in previous years was discussed. Doug Hensley moved to bill Spring Hill for the 37,130,000 gallons using the same formula as in 2010. Jim Bracken seconded. Vote 7-0, motion passed.

Old Business

Jerry Bennett discussed the process for future meter sets and pressure regulating. He said all inquiries for water service would be advised the static line pressure and they would be responsible to maintain and install their own pressure device. The information would also be included in the subscription/benefit unit application. There was discussion on continuing service or providing regulators to existing patrons with pressure regulators or having current patrons with regulators be responsible for their own pressure devices in the future.

Carl Hartley presented an "Amendment to the Rules & Regulations-General Rule number 3"

"3. Before installing a service extension and providing water available for use, the Board may require the applicant to pipe his home and be in readiness to accept service. The District will advise all applicants for water service of the range of water pressure at the District's water meter at the time of the application for service. It shall be the consumer's obligation and responsibility to pay for, install and maintain on their service line any needed pressure regulating device to control the water pressure affecting their water use."

Brad Ryckert moved to approve the amendment to the Rules and Regulations-General Rule Number 3. Doug Hensley seconded. Motion passed 7-0.

The Board was still going to review the pressure policy for existing patrons.

Engineering Report

Jerry Bennett updated the Board on the construction of the Louisburg Booster Pump Upgrade. A different check valve had to be ordered, therefore there may be a change order request for an additional 30 days.

Legal

Carl Hartley stated he had no legal report this month.

Treasurer's Report

Alan Hire stated there was no activity to report.

Manager's Report

Jerry Bennett informed the Board of the official Water Watch declaration by the Governor. The lake level on January 9th was 915.3 ft. The normal level for the lake at this time of year is 917 ft.

Announcements

Chairman Dycus announced the 2012 Annual Meeting would be held on Monday, February 13, 2012 at 6:00 p.m. with the regular monthly meeting at 7:00 p.m. or immediately following the annual meeting.

Doug Hensley asked about the ballots. Chairman Dycus said three employees would open the ballots, verify the landowner, remove the landowner information and then total the ballots. It was decided that Alan Hire would oversee the process as a board member observer.

Adjournment

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

Adjournment Time: 9:38 p.m.

Brad Ryckert
Secretary

Jim Dycus
Chairman

Date