

**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 7:30 p.m. on Monday the 11th day of June, 2012 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. Leak Adjustment
- V. Subscriptions & Meter Relocates
 - 1) Rodney Booton-26555 Jingo Road
- VI. Old Business
 - 1) Board approval of the HAWC Agreement
- VII. New Business
- VIII. Reports
 - 1) Engineer
 - 2) Legal
 - 3) Treasurer
 - 4) Manager
- IX. Announcements
- X. Adjournment

Board Meeting Minutes

The regular meeting of the Board of Directors of Rural Water District No. 2, Miami County, Kansas was held on June 11, 2012, at the District Office located at 25290 Harmony Road, Hillsdale, Kansas.

Attendance:

Directors Attending: James Bracken, Doug Hensley, Alan Hire, Gary Guetterman, Mike McClurg, Brad Ryckert and Lyle Wobker.

Absent Director: Jim Dycus and Rick Norland

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

Welcome and Approval of Minutes

Vice-chairman Hensley called the meeting to order at 7:30 p.m.

A motion was made by Lyle Wobker to dispense with reading the minutes for the regular monthly meeting. Jim Bracken seconded. Vote: 7-0, motion passed.

Mike McClurg moved to approve the minutes as written. Brad Ryckert seconded. Vote: 7-0, motion passed.

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

Subscriptions

There was one subscriptions received since the May meeting:

1. Rodney Booton-26555 Jingo Road

Old Business

Carl Hartley-HAWC agreement previously sent. A couple minor changes made, but they do not have any impact on the District. There are nine members in the group that will handle the allocations of the lake. Carl Hartley recommended the Board approve the agreement, it is good deal. Jerry Bennett reviewed the cost changes with the agreement. The Kansas Water Office will continue to monitor the District's fixed contract until the contract expires and then it will roll over to a variable contract and will become part of the HAWC agreement. This will allow the cost of all the entities minimum charges to stay down. Every entity will have to pay a 50% minimum. Brad Ryckert moved to approve the HAWC Agreement, Gary Guetterman seconded the motion. Motion carried 7-0.

New Business

Mike McClurg asked about the cost of producing water, receiving a reimbursement of expenses, and the effect, if any, on the wholesale customers. Mike asked if there need to be changes or amendments made to wholesale agreements in the future. Carl Hartley reviewed the wholesale agreements. There was a discussion on the impact on all entities involved.

Jim Bracken asked if it is necessary to continue asking about the four year plan when each patron comes in to ask the Board for a leak adjustment. There was discussion on the reasoning behind it. It was the consensus to continue asking the patron to reaffirm they are aware of the 4 year time frame.

Legal

Carl Hartley reviewed the Atrazine Case and the District's role in the class action suit. Carl Hartley presented a resolution for the Board to review on the settlement of the Atrazine suit. Mike McClurg moved to approve Resolution No. 2012-12, Lyle Wobker seconded, and motion carried 7-0. All directors present signed the resolution.

Treasurer's Report

Alan Hire reported one CD matured Friday, June 8, 2012 at Gardner Bank for \$308,515.42. It was a General Funds CD and was renewed at Gardner Bank in an 18 month CD with a rate of 1.0%. The rates for the CD quotes ranged from 0.10% to 1.0%. The next CD matures on June 18th at 1st Option Bank. The District currently has funds of \$5.2 million in the bank.

Manager's Report

Jerry Bennett reported we are still under the water watch. The Hillsdale Lake normal level is 917. The level is currently at 916.78.

There was discussion on the railroad intermodal being installed at Gardner/Edgerton. They are getting their water from Water District No. 7, Johnson County, KS.

Announcements

Kansas Supreme Court

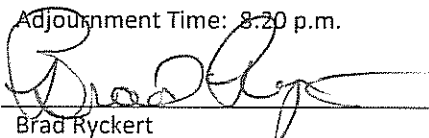
Carl Hartley said there was no decision from the Court of Appeals on the tower appeal.

Jerry Bennett invited all the Board to the HAWC meeting, Tuesday, June 12th at Water District #7 Office in Gardner. It was going to be the official signing of the agreement between the Kansas Water Office and HAWC. This is the first agreement of this kind and will set precedence for future agreements.

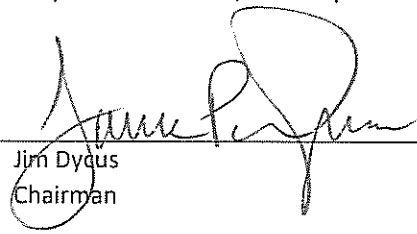
Adjournment

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

Adjournment Time: 8:20 p.m.



Brad Ryckert
Secretary



Jim Dycus
Chairman

07/09/2012

Date