

**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 8th day of October, 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. Guests
 - 1) Thomas McClanahan-Acct. #2137
- V. Leak Adjustment
 - 1) Gary & Katherine Fitzkey-Acct. #2597
 - 2) George & Linda Jackson-Acct. #1680
 - 3) Michael Macke-Acct. #1867
- VI. Subscriptions & Meter Relocates
 - 1) Charles Klaasmeyer, II-255th & Old KC Road
 - 2) Snouffer Living Trust-K68 & Oak Grove Road
- VII. Old Business
- VIII. New Business
 - 1) Budget Committee Report
- IX. Reports
 - 1) Engineer
 - 2) Legal
 - 3) Treasurer
 - 4) Manager
- X. Announcements
- XI. Adjournment

Board Meeting Minutes

The regular meeting of the Board of Directors of Rural Water District No. 2, Miami County, Kansas was held on October 8, 2012, at the District Office located at 25290 Harmony Road, Hillsdale, Kansas.

Attendance:

Directors Attending: Jim Dycus, Doug Hensley, Alan Hire, Rick Norland, Mike McClurg, Jim Bracken, Gary Guetterman and Lyle Wobker.

Absent Director: Brad Ryckert

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

Guest Attending: Thomas McClanahan, Katherine Fitzke and Michael Macke

Welcome and Approval of Minutes

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

A motion was made by Doug Hensley to dispense with reading the minutes for the regular monthly meeting. Lyle Wobker seconded. Vote: 8-0, motion passed.

Mike McClurg moved to approve the minutes as written. Doug Hensley seconded. Vote: 8-0, motion passed.

Alan Hire asked about the invoice from Ingersoll Rand. Jerry Bennett said the oldest air compressor had to be replaced, as the tank had a hole in it. A motion was made by Alan Hire to approve the warrants as presented. Seconded by Doug Hensley. Vote: 8-0, motion passed.

Guests

Thomas McClanahan, Account No. 2137, told the Board he had a leak two weeks ago. A pipe at his toilet broke and flooded his bathroom, bedroom and closet. He had to replace the carpet and vinyl flooring. He felt the leak was a result of high pressure. He called the District office to report high pressure. District staff replaced the pressure regulator and checked the pressure along the main line. It checked out at standard pressure for the main 120 lbs. There was discussion on the size and kind of piping in the residence.

Mr. McClanahan asked the District to pay his \$1,000.00 deductible. His insurance covered the cost of the remaining damage and repair. There was discussion on the District's liability and responsibility toward a patron's claim resulting from high pressure and pressure surges. Carl Hartley reviewed what the Board needed to consider when addressing Mr. McClanahan's request. It was the consensus of the Board to have the manager get additional information and report back at the next meeting.

Leak Adjustments

Kathy Fitzke, Account No. 2597, stated they had low pressure since April. She said a PVC pipe broke near the meter and they had it repaired. She said they were aware of the four year time frame.

Leak Amount-159,050 gallons over 2 months

Average Usage-12,160 gallons

Leak Billing Amount-\$694.04

Adjusted Billing Amount-\$491.94

Savings-\$202.10

Motion made by Jim Bracken to approve the leak adjustment, seconded by Doug Hensley. Vote: 8-0, motion passed.

Michael Macke, Account No. 1867, stated he had a leak in his service line. Mr. Macke said the leak was repaired and he was aware of the four year time frame.

Leak Amount-186,950 gallons over 2 months

Average Usage-9,055 gallons

Leak Billing Amount-\$825.35

Adjusted Billing Amount-\$572.09

Savings-\$253.26

Motion made by Alan Hire to approve the leak adjustment, seconded by Rick Norland. Vote: 8-0, motion passed.

Jerry Bennett presented a letter from George & Linda Jackson, Account No. 1680. The letter informed the Board of the leak, its repair and their financial situation with Mr. Jackson having advanced prostate cancer and Parkinson's disease. There was discussion on the size and amount of the leak along with payment plan options. The Jackson's indicated they were aware of the four year time frame.

Leak Amount-299,820 gallons over 2 months

Average Usage-7,123 gallons

Leak Billing Amount-\$1,236.18

Adjusted Billing Amount-\$815.99

Savings-\$420.19

Motion made by Lyle Wobker to approve the leak adjustment and payment plan, seconded by Doug Hensley. Vote: 8-0, motion passed.

Subscriptions

There were two subscriptions received since the September meeting:

1. Charles Klaasmeyer, II-255th & Old KC Road
2. Snouffer Living Trust-K68 & Oak Grove Road

Old Business

The Board listened to feedback they had received on the possibility of installing a ground storage facility at the proposed tower site. Board members from the area said they had received no opposition from area residents. Only one patron voiced a concern. Jerry Bennett said he was still compiling information on costs, maintenance and operations.

Budget & Salary Committees

Alan Hire, chairman of the Budget Committee, presented the projected 2012 year end budget and the proposed budget for 2013. Construction projects, maintenance items and needed purchases for 2013 were reviewed.

Doug Hensley moved to go into executive session for ten minutes to discuss personnel issues. Alan Hire seconded the motion. Motion passed 8-0. Board went into executive session at 8:45 p.m. The Board came out of executive session and back into regular session at 8:53 p.m. The Board took no action. Doug Hensley reported to the Budget Committee the manager's salary recommendations were approved.

Gary Guetterman moved to approve the 2013 budget. Doug Hensley seconded the motion. Vote 8-0. The Proposed 2013 Budget will be presented for patron approval at the 2013 Annual Meeting.

Engineering

Jerry Bennett reported Shafer Kline & Warren's findings on the plant production problem. There is not a restriction with the sixteen inch header from the filter gallery to the pump room. The restriction is with the eight inch effluent pipe. The 7 sections of piping needs to be replaced with most likely twelve inch piping and the flow meters need to be replaced with mag meters. The estimated cost of the project is around \$250,000.00.

Legal

Carl Hartley said the agreement for the Joint Tower Feasibility Study needed to be redone as Spring Hill does not want to participate. The agreement would be Water District No. 7 and Rural Water District No. 2.

Carl updated the Board on the Supreme Court case for the appeal. There has been no action up to this point.

Treasurer's Report

Alan Hire reported on the meeting with Metcalf Bank from Gardner Bank. Alan said the money is currently in the best location and getting the most return available at this date and time.

Manager's Report

Jerry Bennett told the Board the HAWC contract becomes effective January 1, 2013. HAWC would be responsible for the allocation, billing and collecting fees for water withdrawals from the Hillsdale Reservoir.

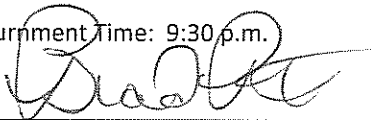
Jerry Bennett stated he met with Jeff Cantrall, Louisburg City Manager, and the City of Louisburg is interested in a territorial agreement similar to the one with the City of Paola. There was discussion on the agreement.

Jerry updated the Board on the easements for the South Louisburg/303rd Street Upgrade. The PUA said they sold an easement to MoKan Dial and wanted to sell one to the District. Jerry said he would continue discussions with the PUA on the easements.

Adjournment

Motion made by Jim Bracken to adjourn. Seconded by Doug Hensley. Vote: 8-0, motion passed.

Adjournment Time: 9:30 p.m.



Brad Ryckert
Secretary



Jim Dycus
Chairman

11-12-12

Date