

**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 10th day of September, 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
- V. Leak Adjustment
 - 1) Joseph Auten-Acct. #1332
 - 2) Peggy Flanery-Acct. #1323
 - 3) Robert Hill-Acct. #2150
 - 4) Dennis Gibbs-Acct. #0812
- VI. Subscriptions & Meter Relocates
 - 1) Ryan Grant-263rd & Indianapolis Road
 - 2) Steve Stone-295th & Mission Belleview Road
 - 3) Edward Guetterman-255th & Somerset Road-Relocate Acct. #0763
 - 4) Velma Joyce Christensen-251st & Columbia Road
 - 5) Robert B. Fisher Living Trust-29928 Metcalf Road
- VII. Old Business
 - 1) Nomination Form & Ballot Form
- VIII. New Business
 - 1) Acord Cox Engagement Letter for 2012 Audit
 - 2) Assign Committees
 - a. Budget
 - b. Salary Review
 - 3) Relinquish Water Rights
 - a. Gaar Farms-Account #1113
 - b. Norman Gaar/Ridgemar Group-Account #0301
- 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 September 10, 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, Brad Ryckert, Gary Guetterman and Lyle Wobker.

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

Guest Attending: Kathy Auten and Mr. and Mrs. Dennis Gibbs

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. Jim Bracken seconded. Vote: 8-0, motion passed.

A motion was made by Alan Hire to approve the warrants as presented. Seconded by Doug Hensley. Vote: 8-0, motion passed.

Rick Norland 7:35 p.m.

Leak Adjustments

Kathy Auten, Account No. 1332, stated they had a leak at the farm. She said the leak was at a water hydrant and they had it repaired. She said they were aware of the four year time frame.

Leak Amount-125,750 gallons
Average Usage-7,125 gallons
Leak Billing Amount-\$532.02
Adjusted Billing Amount-\$345.09
Savings-\$177.94

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

Mr. & Mrs. Dennis Gibbs, Account No. 0812, stated they had a leak in the house and it occurred while they were out of town. Mr. Gibbs said the leak was repaired and they were aware of the four year time frame.

Leak Amount-117,000 gallons
Average Usage-10,265 gallons
Leak Billing Amount-\$487.74
Adjusted Billing Amount-\$327.64
Savings-\$160.10

Motion made by Brad Ryckert to approve the leak adjustment, seconded by Doug Hensley. Vote: 9-0, motion passed.

Subscriptions

There were four subscriptions and one meter relocate received since the August meeting:

1. Ryan Gan-263rd & Indianapolis Road
2. Steve Stone-295th & Mission Belleview Road
3. Velma Joyce Christensen-251st & Columbia Road
4. Robert B. Fisher Living Trust-29928 Metcalf Road
5. Edward Guetterman-Meter Relocate Acct. #0763-255th & Somerset Road

Old Business

The nomination forms and voting ballots for Board members were reviewed and no changes were made. Nominations forms are to be mailed out by October 1, 2012. They are due back in the District Office or postmarked by November 15, 2012. Voting ballots will be mailed out by December 15, 2012 and are due back in the District Office or postmarked by January 15, 2013.

New Business

Jerry Bennett presented a letter of engagement from Acord Cox & Company for the 2012 audit. The estimated fee for the 2012 audit was \$7,600.00. This amount reflected an increase of \$250.00 from 2011. Alan Hire moved to approve the engagement letter for Acord Cox & Company. Jim Bracken seconded the motion. Motion carried, Vote: 9-0.

Chairman Dycus stated the 2013 budget needed to be prepared. He asked Alan Hire, treasurer, to chair the committee of Lyle Wobker and Doug Hensley. The committee was to work with manager and business manager on the budget. Chairman Dycus also stated it was once again time for salary reviews. He asked Brad Ryckert to serve as chairman with committee members of Doug Hensley and himself.

Lana Kettler presented two accounts for relinquish of water rights: Gaar Farms-#1113 and Norman Gaar/Ridgemar Group-#0301. Mr. Gaar requested the relinquish of water rights on both accounts, stating he did not want to continue to pay for water he was not using. Alan Hire moved to approve the request. Lyle Wobker seconded the motion. Motion passed, Vote: 9-0.

Engineering

Jerry Bennett reported he and the plant operator had met with Shafer, Kline and Warren engineers to review the filter and plant production problems. The engineers did not have the report completed as of the Board meeting.

Legal

Carl Hartley said the claim for the atrazine has been submitted, but he was waiting on verifications.

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 talked about investment policies for District funds. A letter was sent to area banks inquiring about the interest rates and their interest in District funds. He said he and District staff would be meeting with one bank Tuesday to discuss options available to the District. Replies from a couple additional banks indicated they are also willing to meet with District officials.

One CD matured August 16th at Citizens State Bank for \$432,049.64. The funds were deposited into the Operating MMA at 1st Option. Rate quotes ranged from 0.48% to 0.73% and the Operating MMA interest rate was 0.80%.

Manager's Report

Jerry Bennett updated the Board on the tower feasibility study with Water District No. 7, Johnson County and the City of Spring Hill. He said they were all going to meet on Thursday to discuss the study and the intentions of Spring Hill.

Jerry presented the idea to the Board of an underground storage facility at the 247th & Lackman tower site. There was discussion on the project, tower site and piping involved going to Spring Hill.

Jerry stated he also had a meeting, the following week, with the PUA regarding a possible interconnect at 311th & Oak Grove.

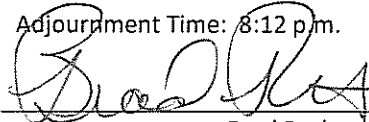
Mike McClurg questioned the bad water taste. Jerry explained the process of the free chlorine and said the algae bloom occurred at the same time, creating some bad taste and odor.

Jerry said the District still remains in a water watch as the Hillsdale Lake level is still below normal..

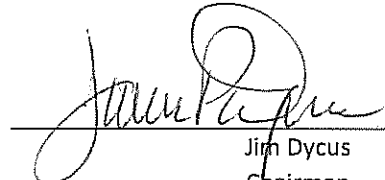
Adjournment

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

Adjournment Time: 8:12 p.m.



Brad Ryckert
Secretary



Jim Dycus
Chairman

10-8-12

Date