

**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., the 14th day of April, 2014 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) Frank Moley-Account No. 3186
- VI. Subscriptions & Relocates
 - 1) Charles Adams-10310 W. 303rd Street
 - 2) Star Properties, LLC-26755 Jingo Road
 - 3) Kathy Eggleston-40487 W. 287th Street
 - 4) KC Builders & Design-Walnut Creek Estates, Lot #4, Phase #5
- VII. Line Extensions
- VIII. Old Business
 - 1) Fox Leak Adjustment
 - 2) Spring Hill Minimum Charge
- IX. New Business
 - 1) Relinquish Water Rights-Mike Dorrell-Account No. 0119, 18360 W. 256th Terrace
 - 2) Shafer, Kline & Warren Engineering Proposal-Water Treatment Plant & Distribution Capacity Assessment
 - 3) Non-voting Board Member
- 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 April 14, 2014 at the District Office located at 25290 Harmony Road, Hillsdale, Kansas.

Attendance:

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

Absent Director: Brad Ryckert and Rick Norland.

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

Welcome and Approval of Minutes

Chairman Jim 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. Lyle Wobker seconded. Vote: 7-0, motion passed.

Mike McClurg moved to approve the minutes as amended (grammar and format corrections). Lyle Wobker seconded. Vote: 7-0, motion passed.

Alan Hire moved to pay the bills as presented excepting check no. 7392 to Cutting Edge Trucking. Motion was seconded by Doug Hensley. Vote: 7-0, motion passed.

Jerry Bennett presented the final Pay Request for the 303rd Street/South Louisburg Upgrade from Cutting Edge for \$11,699.75. The pay request included Change Order No. 1 in the amount of \$2,450.00. The additional cost was for the gas pipeline crossing and 3 inch grip rings. Jim Bracken moved to pay check no. 7392 to Cutting Edge in the amount of \$11,699.75. Gary Guetterman seconded the motion. Vote: 7-0, motion passed.

Subscriptions & Line Extensions

There were four meter subscription received since the March 2014 board meeting:

1. Charles Adams-10310 W. 303rd Street
2. Kathy Eggleston-40487 W, 287th Street
3. KC Builders & Design-Walnut Creek Estates, Lot #4, Phase #5
4. Star Properties, LLC-26755 Jingo Road

Old Business

Jerry Bennett reported on the Fox Leak Adjustment, Account No. 1190. The PUA worked with the Fox's to make restitution for the expenses the Fox's incurred as a result of the leak in their service line. There was discussion on the leak and PUA. The Fox's have agreed to

pay back the saving amount from the leak adjustment and understand the leak adjustment would be voided. Doug Hensley moved to rescind the leak adjustment granted to the Fox's in March. Jim Bracken seconded the motion. Vote: 7-0, motion passed.

The Board reviewed and discussed the contract minimum charge for the City of Spring Hill. The city was billed for the entire minimum charge amount of \$89,702.77. Jerry Bennett stated he had been visiting with city staff and they would like to reduce the contract down from 1 mgd. There was discussion on reducing the billed minimum charge amount as the Board has done in the past years. Water District 7 taking over City of Spring Hill water system was discussed along with the request from Water District 7 for additional water. It was the consensus of the Board to leave the full amount of \$89,702.77 due and the Board will revisit the charges at a later date.

New Business

Lana Kettler presented a letter from Mike Dorrell, Account No. 0119 requesting relinquishment of water rights. Mr. Dorrell just purchased the property and did not need the water meter. Doug Hensley moved to approve the relinquishment of water rights. Gary Guetterman seconded the motion. Vote: 7-0, motion passed.

Jerry Bennett presented an engineering proposal from Shaffer, Kline and Warren to update the District's hydraulics and make an assessment of the plant capacity. There was a discussion on the need for additional engineering work. Carl Hartley reviewed the agreement language. In the past the Board has negotiated some of the terms of the agreement and should do so with any firm that would work for the District. Jerry Bennett suggested sending out RFPs to other engineers to compare engineering costs.

Jerry Bennett suggested the Board have its annual joint advisory meeting with Water District 7 in the near future so both entities can review and get updates on current and future demands and projects. Chairman Dycus was going to put together a committee to represent Rural Water District No. 2. Jerry Bennett said he would work out the meeting details.

Chairman Dycus asked the Board if they would consider having a non-voting Board member. He stated with the possibility of future plant expansion the knowledge available from a past Board members would be invaluable. It was discussed that anyone could participate in the discussion and not vote. It was the consensus of the Board, it would welcome the wisdom and knowledge Ed Kluber, a former Board member, could offer.

Treasurer's Report

Alan Hire stated since the Board paid off their debt in 2010, it has been putting away approximately 1.1 million dollars per year in savings. The Board would need to consider possible financing options for any plant expansion and tower projects. The funds would be available to possibly pay for one-half of the project and then finance the other half. The Board will have to keep their options in mind as the process and planning proceeds.

Manager's Report

Jerry Bennett reported the lake level was at 914.8 feet. The level is still lower than the conservation pool level.

Jerry Bennett said the District received a 2013 dividend check from EMC Insurance for \$8,679.35.

Jerry Bennett reviewed the budget, \$25,000.00 had been budgeted for concrete work between the plant and the maintenance building. The District had received two bids from concrete companies to install the concrete drive to the road. They were as follows:

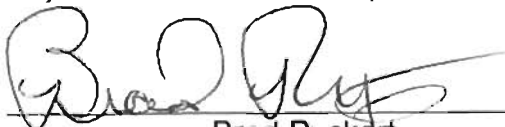
Cyr Construction-\$4.10 sq. ft. Total Bid-\$19,007.60
Jake Wilson-\$4.35 sq. ft. Total Bid-\$20,166.60

There was discussion on the project. Jerry Bennett said the final phase of the concrete work would be finishing the concrete slab in front of the maintenance building and that would be on the 2015 budget. Jerry said the cost of this additional work would be \$12,000.00 if done today. There was discussion on the cost, budget and remaining work. Jim Bracken moved to complete the entire project for a total cost of \$31,007.60, accepting the bid from Cyr Construction. Doug Hensley seconded the motion. Vote: 7-0, motion passed.


Jerry Bennett informed the Board about the WRAPS group. They are a group working to address nonpoint source pollution in the Hillsdale Lake. They have replaced the Hillsdale Water Quality Committee. WRAPS is going to hold an open house May 8th at the Library in Gardner, for information on green practices, watershed restoration and protection for the Hillsdale Lake Watershed.

Announcements and Adjournment

Adjournment Time: 9:00 p.m.



Brad Ryckert
Secretary



Jim Dycus
Chairman

May 17, 2014

Date