

**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 **6:00 p.m.** on the 14th day of October 2019 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
- VI. Subscriptions Line Extensions & Relocates
 1. Shawn Swisher-Acct #0582 Meter Relocate, 303rd & Bethel Church
 2. Gregory DePriest-295th & Mission Bellview
 3. Keith Trumpp-19040 W. 248th
 4. Barnhouse Holdings, LLC-247th & Pflumm
- VII. Old Business
- VIII. New Business
 1. 2020 Budget-Budget Committee Report
- IX. Reports
 1. Engineer
 2. Plant Upgrade
 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 14, 2019 at the District Office located at 25290 Harmony Road, Hillsdale, Kansas.

Attendance

Directors Attending: Jim Dycus, Charlie Sievert, Glenn Alpert, Lyle Wobker, Brad Ryckert, Alan Hire and Mike McClurg.

Directors Absent: Gary Guetterman and Rick Norland

Guest: Shay Wilson-GoBrolly Communications

Also Attending: Jerry Bennett, Lana Kettler and Ed Kluber.

Chairman Jim Dycus called the meeting to order at 6:00 p.m.

Approval of Minutes

Charlie Sievert moved to dispense with reading the minutes for the regular monthly meeting in August. Glenn Alpert seconded the motion. Vote: 7-0, motion passed.

Brad Ryckert moved to approve the minutes as corrected (grammatical errors). Lyle Wobker seconded the motion. Vote: 7-0, motion passed.

Alan Hire moved to pay the bills as presented. Glenn Alpert seconded the motion. Vote: 7-0, motion passed.

Guest

Shay Wilson, GoBrolly Communications was present to touch base with the Board on the contract renewal allowing internet equipment on District tanks and standpipes. Mr. Wilson said the estimated cost to put a tower at the intake would be \$50,000.00. He stated the Corp of Engineers would have to approve the tower. There was a discussion on the need for internet service at the intake. Mr. Wilson asked if the Board was willing to trade electrical services and not require GoBrolly to install their own electrical connections at the west and central tank sites? The District could plug into their generators during power outages and GoBrolly could plug into the District's electrical service. As part of the agreement the District is asking GoBrolly to paint the standpipes they would be placing internet equipment on. GoBrolly asked if the time to paint the towers could be extended over a two-year time frame. GoBrolly said they were getting quotes to paint the standpipes. Jerry Bennett said the current contract expired in October. There was discussion on extending the renewal date for sixty days to finalize the contract. Glenn Alpert moved to approve the contract for sixty days. Lyle Wobker seconded the motion. Vote: 7-0, motion passed.

Subscription

1. Shawn Swisher-Acct #0582 Meter Relocate 303rd & Bethel Church
2. Gregory Depreist-295th & Mission Belleview
3. Keith Trumpp-19040 W. 248th
4. Barnhouse Holdings, LLC-247th & Pflumm

New Business

Lana Kettler presented the estimated 2019-year end figures and the proposed 2020 budget. Estimated 2019-year end figures were: Total Operating Income-\$3,364,813.00, Total Operating Expenses-\$2,421,304.00 resulting in a Net Operating Income of \$943, 510.00. Estimated 2019 construction expense are\$826,151.00 leaving a Total Net Income for 2019 of \$117,358.00.

2020 proposed budget has an Operating Income of \$3,462,000.00, Operating Expenses of \$2,818,000.00 resulting in a Net Operating Income (before construction costs) of \$644,000.00. Project construction cost of \$3,435,000.00 will leave a Total Net Loss of \$2,791,000.00. At this point, initial construction costs will be paid with District funds in savings.

Alan Hire moved to approve the proposed budget. Glenn Alpert seconded the motion. Vote: 7-0, motion passed.

Lana Kettler said 2020 Nomination Forms were to be mailed out Tuesday, October 15th. Nominations are due back into the District Office by November 15th. If any nominations were received 2020 ballots would be mailed out on December 15th and would be due back in the District Office by January 15, 2020. The current three directors up for re-election are Gary Guetterman, Rick Norland and Charlie Sievert. Charlie Sievert stated he would be willing to serve again. Jerry Bennett would contact Gary Guetterman and Rick Norland about re-election.

Alan Hire presented an updated construction time frame, construction pay outs, monthly income revenues and loan expenditures. A \$20 million loan would have estimated annual loan payments of \$950,000.00. The first loan draw would be in January 2021. There was a discussion on the amount of funds to borrow, loan interest rates versus investment interest rates. The discussion also included borrowing the full amount of \$28 million and paying District funds at the end of the loan versus paying out District funds at the beginning of the construction and then borrowing money. Jerry Bennett plans to talk to the engineer and KDHE.

Engineering

Jerry Bennett updated the Board on the status of the intake project. The contractor will start on Monday, October 21st putting piping together to lower the pump down. It would probably be Tuesday before they attempted to lower the pump.

Adjournment

Meeting adjourned 7:30 pm



Brad Ryckert
Secretary



Jim Dycus
Chairman

11/12/2019

Date