

**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. the 12th day of September 2022 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, Relocates & Line Extensions
 - 1) Richard McCoy-263rd & Mission Bellevue (1" Meter)
 - 2) Kyle Dye-Acct #3736 Relocate with Line Extension 287th & Pressonville
 - 3) Kyle Dye-287th & Pressonville
 - 4) Layne Walters-311th & Spring Valley
- VII. Old Business
- VIII. New Business
 - 1) Salary Committee Report
 - 2) 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 September 2022, at the District Office located at 25290 Harmony Road, Hillsdale, Kansas.

Attendance

Directors Attending: Lyle Wobker, Jim Dycus, Gary Guetterman, Mike McClurg, Alan Hire, Rick Norland, Glenn Alpert and Charlie Sievert.

Directors Absent: Brad Ryckert

Also Attending: Jerry Bennett, Lana Kettler & Trenton Morris

Chairman Wobker called the meeting to order at 6:00 pm.

Approval of Minutes and Invoices

Glenn Alpert moved to dispense with reading the minutes for the regular meeting held in August. Jim Dycus seconded the motion. Vote: 8-0, motion passed.

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

Alan Hire moved to pay the invoices as presented except check #15748 Midwest Engineering and 15751 to Walters-Morgan and check #15775 Triangle Builders. Glenn Alpert seconded the motion. Vote: 8-0, motion passed.

Trenton Morris presented Pay Request No. 14 from Walters-Morgan for \$261,928.00. He stated this amount included the \$50,000.00 that was previously withheld and Change Order #6. There was discussion on the pre-sed basin paint and exterior finish. Change Order #6 related to an increase of \$14,770.14 for the pre-sed basin skim coat and time extension. Midwest Engineering Group recommended the District pay the Pay Request #14 in full, including the \$50,000.00 and Change Order #6 in the amount of \$14,770.14. Alan Hire moved to approve Change Order #6 and payment of Pay Application #14 in the amount of \$261,928.00, check #15751. Charlie Sievert seconded the motion. Vote: 8-0, motion passed.

There was discussion on Walters-Morgan request for additional days-64 additional days to substantial completion and then 64 days to final completion. Midwest Engineering Group recommended 60 additional days to substantial completion and 30 days to final completion. Glenn Alpert moved to approve the engineer's recommendation of 60 days to substantial and 30 days to completion. Jim Dycus seconded the motion. Vote: 8-0, motion. Alan Hire asked what the status was regarding the bid of Phase II. Trenton Morris projected October bid date and November contract award.

Lana Kettler reviewed invoice from Midwest Engineering Group. There were three invoices for the plant construction: Phase I-\$8,252.50, Pre-Sed Basin-\$23,573.00, Phase II-\$12,000.00 and KDOT Phase 3-\$3726.75. Glenn Alpert moved to approve check #15748 to Midwest Engineering Group for \$47,552.25. Charlie Sievert seconded the motion. Vote: 8-0, motion passed.

Jerry Bennett presented the final pay request from Triangle Builders for the shop rehab. The amount of the request was for \$500.00 retainage. Charlie Sievert moved to approve the pay request. Gary Guetterman seconded the motion. Vote: 7-0, motion passed. Alan Hire abstained.

Subscriptions and Line Extensions

Two subscriptions and one line extension were received since the July meeting.

1. Richard McCoy-263rd & Mission Belleview (1" Meter)
2. Kyle Dye-Acct #3736 Relocate with Line Extension 287th & Pressonville
3. Kyle Dye-287th & Pressonville
4. Layne Walters-311th & Spring Valley

Jerry Bennett presented the line extension application for Kyle Dye-60 feet for \$1,200.00. Charlie Sievert moved to approve the line extension. Rick Norland seconded. Motion passed 8-0.

Old Business

Jerry Bennett discussed the possibility of purchasing the property west of the plant. After further investigation, a report will be given to the board.

New Business

Jim Dycus moved to go into executive session for 5 minutes to discuss personnel. Charlie Sievert seconded the motion. Vote: 8-0, motion passed. Into executive session 7:17 pm. Back into regular session 7:22 pm. Glenn Alpert moved to approve the 2023 salary package as recommended by the manager. Gary Guetterman seconded the motion. Vote: 8-0, motion passed.

Lana Kettler presented the projected 2022 year-end estimates and the proposed 2023 budget. Year-end estimates are as follows: total operating income of \$3,854,000.00, total operating expenses of \$2,794,000.00 with net operating income of \$1,059,000.00 prior to debt and capital improvements. Projected funds borrowed for plant construction is \$3,057,000.00 and capitalized interest payment of \$2,100.00. The District's projected year-end capital improvement expenses are \$3,600,000.00. This results in a projected total net income of \$502,000.00.

Proposed 2023 budget has a total operating income of \$3,842,000.00, total operating expenses of \$3,056.00 with net operating income of \$785,000.00 prior to debt and capital improvements. Estimated funds borrowed for plant construction of \$6,500,000.00 and estimated capitalized interest payments of \$144,300.00. The District's 2023 capital improvement expenses will be \$7,195,000.00. This results in a total net loss of \$54,400.00.

Alan Hire moved to approve the preliminary 2023 Budget to present for final approval at the 2023 annual meeting. Jim Dycus seconded the motion. Vote: 8-0, motion passed.

Manager's Report

Jerry Bennett reported on the status of the City of Fontana purchasing the Highland Tower and relocating it to Fontana. The estimated cost to Fontana is \$46,000.00 for the relocate and cleanup of the current tank site. There was discussion on the cost and the cleanup.

Jerry Bennett asked the Board to consider changing the date of the October meeting as he will be out of town the second Monday of October. He stated Orr-Wyatt would possibly be submitting the final pay request for the K68 Project and he would like to be present at the meeting. There was discussion on dates and attendance. It was the consensus to reschedule the meeting to Wednesday, October 5th at 6:00 p.m.

Jerry Bennett said Spring Hill meeting had been rescheduled to September 20 or 21st. The Spring Hill contract is up for renewal June 2023.

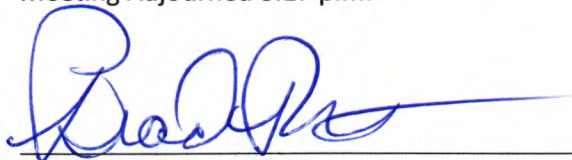
Jerry Bennett stated he and Trenton Morris would be meeting with Water #7 on September 22nd for planned capacity purchase discussion.

Jerry Bennett informed the Board of the meeting with the City of Louisburg. The city has plans to island annex the area around 247th & Metcalf. They intend to serve both water and sewer going up to that area.

Jerry Bennett and Glenn Alpert both indicated Santa Brad was working on a date for the holiday party. It will be held at the Paola Country Club.

Adjournment

Meeting Adjourned 8:17 p.m.



Brad Ryckert
Secretary



Lyle Wobker
Chairman

10-5-22

Date