

**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 9th day of October 2023 at the District Office located at 25290 Harmony Road, Paola, Kansas.

AGENDA

- I. Opening
- II. Minutes
 - 1) Reading
 - 2) Approval
- III. Current Invoices
 - 1) Review
 - 2) Approval
- IV. Guests
 - 1) Karen Brewer-ACH Payment Process
- V. Leak Adjustment
 - 1) Darrel Freeman-Account #3436
- VI. Subscriptions, Relocates & Line Extensions
 - 1) Evan McFarlane-15713 W. 215th Street
 - 2) Lester Town/Justin Energy Corp.-311th & Osawatomie Road
- VII. Old Business
- VIII. New Business
 - 1) Budget Committee Report
 - 2) Salary 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 9, 2023, at the District Office located at 25290 Harmony Road, Paola, Kansas.

Attendance

Directors Attending: Lyle Wobker, Mike McClurg, Charlie Sievert, Glenn Alpert, Alan Hire, Rick Norland and Pete Peuser.

Absent Directors: Brad Ryckert and Gary Guetterman.

Also Attending: Jerry Bennett, Lana Kettler, Kalo Shore and 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 September. Charlie Sievert seconded the motion. Vote: 6-0, motion passed.

Mike McClurg moved to approve the minutes as corrected (motion listed twice). Charlie Sievert seconded the motion. Vote: 6-0, motion passed.

Alan Hire moved to pay the invoices as presented except check #16974 Midwest Engineering and #16975 to Crossland Heavy Contractors. Glenn Alpert seconded the motion. Vote: 6-0, motion passed.

Trenton Morris reviewed Pay Application #5 for \$790,499.75. The work completed was primarily concrete work. There was discussion on the concrete testing. The only stored material was for wall reinforcement.

Pete Peuser arrived 6:02 pm

Lana Kettler presented Midwest Engineering invoice for \$77,621.12.

Glenn Alpert moved to approve the two checks for Crossland Heavy Contractors and Midwest Engineering as presented. Charlie Sievert seconded the motion. Vote: 7-0, motion passed.

Guests

Chairman Wobker stated Karen Brewer cancelled as she was unable to attend. There was discussion on the options for patrons to pay their bills. Ms. Brewer requested an additional option for direct auto pay from her bank to the District's bank. What would be required by both banks was considered and the option was not available by either bank at this time. It was the consensus of the Board to continue with the payment option currently available.

Leak Adjustments

Jerry Bennett presented one leak adjustment. Darrell Freeman, account number 3436-the leak amount was 337,460 gallons over two months with a normal usage of 21,000 gallons. The bill was adjusted to \$1,212.09 representing savings of \$520.01. Jerry reported all proper documentation was received. Glenn Alpert moved to approve the leak adjustment. Pete Peuser seconded. Vote: 7-0, motion passed.

Subscriptions and Line Extensions

Two subscriptions were received since the September meeting.

- 1) Evan McFarlane-15713 W. 215th Street
- 2) Lester Town/Justin Energy Corp.-311th & Osawatomie Road

Old Business

Jerry Bennett reported on the meeting with Water #7 and Spring Hill. Spring Hill confirmed they were waiting for a study from Lamp Rynearson on what it would be involved for Water One to take them over when Spring Hill is debt free. Staff suggested Chairman Wobker meet with the Spring Hill Mayor to see what his thoughts were on Water One serving Spring Hill or if it would be possible for Rural Water District No. 2 to take on their water system.

Jerry Bennett said a meeting with Franklin Rural Water District No. 6 is scheduled for November 8th. Jerry stated there can be separate rates for their district-different than current Rural Water #2 patrons. The discussion would be whether Rural Water #2 would have a service contract or acquire their district. They currently have 1,260 patrons. Their debt is scheduled to be paid off in six years. There was discussion on future possible wholesale water customers through a connection with Franklin #6. There might be a grant or funding available for regionalization.

New Business

Alan Hire, chairman of the budget committee, presented the 2024 Preliminary Budget. The budget reflected income of \$5,148,692.00, expenses of \$3,529,700.00, capital improvements including the continuation of the plant upgrade of \$14,770,000.00 and debt of \$14,225,712.00. There was discussion on the wholesale water sales, interest earned and expense items. Alan Hire moved to approve the preliminary budget for 2024. Glenn Alpert seconded the motion. Vote: 7-0, motion passed.

Lana Kettler informed the Board the cost to send out nomination forms was between \$2,500.00 to \$3,000.00. Generally, there are zero to one nomination forms returned from the patrons each year. There was discussion on other methods of making nomination forms available to the patrons. Lana Kettler said the forms can be made available on the website, by mail when requested or picked up at the District Office. The patrons could be notified of the availability of the forms on their monthly statements, Facebook and the District's website. It was the consensus of the Board to not send out nomination forms and place the message on patron November billing statements, on the District's website and Facebook. Nomination forms would be due in the District Office by November 15th or postmarked by November 15th if mailed in.

There was discussion on rate increases. Several options were considered. The District must maintain a debt ratio of 125% as per the loan covenant. A rate increase would allow the District to easily maintain the debt ratio. Additionally, in 2024, the fixed rate raw water contract expires. This will cost the District an additional \$90,000 per year. Discussion was tabled until next meeting.

Engineering

Trenton Morris presented a proposed Change Order for painting the inside of the treatment wet well. The change order would be an increase of \$152,926.00. This would be one skim coat of epoxy paint. There was discussion on transfer pumps and the wet well area. It was board consensus not to consider this Change Order.

Legal

Jerry Bennett updated the Board on the Orr-Wyatt contract for the K-68 Relocate. They did not complete the final maintenance items. Legal counsel is preparing a letter to the bonding company notifying them of the failure to complete the contract. The District will likely need to hire an outside contractor to complete the work, pending giving Orr-Wyatt a chance to offer a schedule for them complying with the contract.

Committee Reports

The salary review committee requested an executive session to discuss personnel matters. Charlie Sievert moved to go into executive session for ten minutes. Glenn Alpert seconded the motion. Vote: 7-0, motion passed.

Executive session began at 8:00 pm.

The open meeting resumed to regular session at 8:10 pm. Charlie Sievert moved to approve the salary recommendations of the manager. Pete Peuser seconded the motion. Vote: 7-0, motion passed.

Announcements

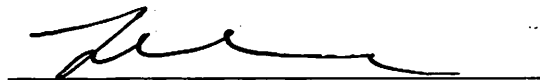
Jerry Bennett informed the Board the chlorine free burnout would begin on October 15th and run until November 15th.

Adjournment

Meeting Adjourned 8:12 pm.



Brad Ryckert
Secretary



Lyle Wobker
Chairman

11-13-23

Date