Minutes of the Annual Meeting of Participating Members
Of Rural Water District No. 2
Miami County, Kansas
February 12, 2024

Participating members of Rural Water District No. 2, Miami County Kansas held its Annual Meeting at the office of Rural Water District No. 2 located at 25290 Harmony Rd, Paola, Kansas, on Monday, February 12, 2024, at 6:00 p.m.

Directors Attending: Lyle Wobker, Alan Hire, Brad Ryckert, Glenn Alpert, Mike McClurg, Pete Peuser, Gary Guetterman, Rick Norland, Charlie Sievert.

Employees attending: Jerry Bennett, Trenton Morris, Lana Kettler, Kalo Shore.

Guests Attending: Brian Scott-Acord Cox & Scott (via Teams)

Chairman Lyle Wobker called the meeting to order at 6:02 p.m. by welcoming everyone.

Brad Ryckert, secretary, read the Proof Notice published in the Miami County Republic for the 2024 Annual Meeting.

Copies of the 2023 Annual Meeting minutes were distributed among the board members. Glenn Alpert moved to dispense with the reading of the minutes. Charlie Sievert seconded the motion. Vote 9-0, motion passed. Mike McClurg moved to approve the 2023 Annual minutes. Glenn Alpert seconded the motion. Vote 9-0, motion passed.

Brian Scott, Acord Cox & Scott, LLC, presented the 2023 Audit Report. Mr. Scott previously issued a letter to the board regarding the audit. He found no issues or disagreements with management.

- The District's total assets increased by $10,765,495 from $28,629,733 in 2022 to $39,395,228 in 2023.
- The District's total liabilities increased by $9,010,906 from $2,325,512 in 2022 to $11,336,418 in 2023.
- The District's revenues from water sales increased by $265,015 from $3,733,810 in 2022 to $3,998,825 in 2023.
- The District's costs and operating expenses increased by $696,394 from $3,445,723 in 2022 to $4,142,117 in 2023.
- The District began construction for the plant expansion to 12 million gallons per day in 2021. Phase 1 of the project is complete and Phase 2 of the project began in 2023 with an estimated completion date of January 2025.
- The District has $608,104 in net fixed assets, $102,125 in cash, $487,311 in certificates of deposits, $7,361 in receivables, and $9,920 in inventory were added with the acquisition of Miami County RWD No. 1.

Charlie Sievert voiced questions regarding depreciation of buried assets. Jerry Bennett commented the district is looking into other systems and tracking issues.

Rick Norland moved to approve the Audit Report. Charlie Sievert seconded the motion. Vote 9-0, motion passed.

Alan Hire presented the 2024 proposed budget.

Operating Income:
- 2023 Budget-$3,839,679.00
- 2023 Actual- $4,785,447.00
- 2024 Proposed Budget- $5,154,892.00

Operating Expenses:
- 2023 Budget: $3,051,681.00
- 2023 Actual: $3,345,591.00
- 2024 Proposed Budget: $3,529,700.00

Charlie Sievert moved to approve the budget. Brad Ryckert seconded the motion. Vote 9-0, motion passed.

Treasurer's Report

Alan Hire reviewed the certificates renewed throughout the year. The average CD rate was 3.78%. All funds are secured by FDIC and pledged securities through First Option Bank. Alan emphasized the need to know the district's loan status next year regarding how much the district will pay off and at what payment rate.

Manager-

Trenton Morris presented the number of benefit units and growth of the district. Charlie Sievert suggested with the addition of RWD#1 there is more buried risk due to more miles of pipeline and the unknown condition. Trenton presented the board updated slides showing the plant construction progress.

Election Results-

Three board members up for re-election: Glenn Alpert, Pete Peuser, Mike McClurg. The district did not receive any new nominations, and all three directors agreed to serve another term, 2024-2027.

Meeting adjourned at 7:05 p.m.

Brad Ryckert
Secretary

Lyle Wobker
Chairman

Date