

Rural Water District No. 7, Johnson County, Kansas

Regular Board Meeting Minutes

June 12, 2018

Directors present: Bill Gay, Larry Donham, Chuck Finley, Frank Denning, Claude Steed, Brian Andrew and Michael Ward. Others present: Allan Soetaert, Donna Chrisjohn, Jill Zink, Jamie Warren, Chester Bender, Gary Hanson.

Directors Dennis Carlson and Chet Belcher were absent.

Chairman, Bill Gay, noting a quorum called the meeting to order at 5:30 PM.

The Chairman requested that the Board of Directors consider the consent agenda items. Director Finley moved to approve the consent items on the agenda. Director Donham seconded the motion. Motion passed unanimously.

Agenda item #3 was the Water Main Relocation report for a KDOT project located at the intersection of Sunflower Road and 56 HWY. The District Manager, Allan Soetaert, reported that included in the agenda was a Reimbursement Agreement from KDOT for the BOD consideration. Mr. Soetaert reviewed the project with the BOD. He mentioned that KDOT would be reimbursing the District for 100% of the relocation project cost. After discussion, Director Steed moved to accept the recommendations of the District Manager as outlined in the agenda. Director Donham seconded the motion. Motion passed unanimously.

Agenda item #4 was the Debt Capacity Report by Ranson Financial. Several options were presented on determining the financial impact to the JO7 customer base with the debt the BOD is considering. A lengthy discussion ensued by the BOD.

Director Chet Belcher entered the meeting at 6:00 PM.

Discussion ensued with Chairman Gay requesting that the JO7 consultants provide a "cost of storage" that could be understood by the JO7 BOD. Director Ward requested that management provide an opinion on the matter, prior to the next discussion on the subject. Mr. Soetaert noted that these items will be provided, as well as some additional options for consideration. No further action was taken by the Board.

Agenda item #5 was the KPWSLF loan agreement that KDHE has submitted for consideration by the JO7 BOD. Mr. Soetaert reviewed the specific project improvements with the BOD and its total estimated cost of \$4.235M. It was also noted that the project was allowed a 30% principal forgiveness on the principal amount, or nearly \$1.3M. Discussion ensued regarding the proposed location of the elevated storage tank. Mr. Soetaert noted that he was planning to get a second opinion for this particular aspect of the project. Counsel, Gary Hanson, offered some additional comments on the proposed loan. After discussion, Director Finley moved to accept the recommendations of the District Manager as outlined in the agenda. Director Steed seconded the motion. Motion passed unanimously.

Agenda item #6 was consideration for a bid from Buried Past Consulting in regards to a Cultural Sources Survey requested by the Osage Nation. Mr. Soetaert noted that the Osage Nation had

requested further surveying performed for JO7's Rural Development project. The estimated cost for the work was not to exceed \$9,850.00. Director Belcher provided an opinion on the relatively economical price of the work. After discussion, Director Andrew moved to fund the survey as required. Director Finley seconded the motion. Motion passed unanimously.

Agenda item #7 was reports. The District Manager presented reports and updates on the following: 231st East of Moonlight WME; Sunrise at Timber Ridge WME project; JCPW's WMR project along 199th, East of Homestead Road; the City of Olathe; the City of Gardner; the City of De Soto; the City of Edgerton; and Phase 2 of LPKC, South of I-35. Mr. Soetaert also noted that he would be out of the office the last week of June.

Chairman Gay called for a 5-minute break.

Director Ward exited the meeting at 7:00 PM.

Upon reconvening, Agenda item #8 was the presentation by Mr. Gary Hanson of Stumbo Hanson to the BOD of the *Water Board Bible*. Mr. Hanson reviewed several topics included in the handout and opened the floor for questions or clarifications. No action was necessary by the Board.

Agenda item #9 was the District Manager's Annual Review. Director Belcher moved that the Board of Directors recess into Executive Session for a period of 10 minutes to discuss non-elected personnel, pursuant to K.S.A. 75-4319(b)(1). Director Donham seconded the motion. Motion passed unanimously. The time noted was 8:25 PM.

Upon reconvening the meeting at 8:35 PM, Director Steed moved that the Manager's salary be increased 5%, effective July 1, 2018. Director Denning seconded the motion. Motion passed unanimously.

Chairman Gay noted no other business to come before the BOD. Director Andrew moved to adjourn the meeting. Director Finley seconded the motion. Motion passed unanimously.

The adjournment time was noted as 8:40PM.

Respectfully submitted,


Claude Steed, Secretary