

Rural Water District No. 7, Johnson County, Kansas

Regular Board Meeting Minutes  
June 9, 2020

Directors present: Frank Denning, Steve Hines, Bill Locke, Ken McCarty, and Chuck Finley. Director(s) present via ZOOM: Brian Andrew. Others present: Allan Soetaert, Donna Chrisjohn, and Mike Groszek. Others present via Zoom: Chester Bender, Philip Ciesielski, Beth Warren, and Todd Luckman. Director Brovont joined the meeting at 5:40 PM. Director(s) absent: Ken Nellor and Shaun Henderson.

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

Chairman Denning requested that the Board of Directors consider the Consent Agenda items. Director McCarty moved to approve the consent items noted on Agenda. Director Locke seconded the motion. Motion passed unanimously.

Agenda item #2 was the Presentation of the 2019 Audit by Troutt, Beeman & Company. Mr. Groszek noted that the Water District is in a very strong financial position; further noting that a "clean opinion" was received by the District. Mr. Groszek summarized the Water District's activities for fiscal year 2019, which included a review of assets, cash reserves, capital improvement projects, water use projections and trends, and the District's revenues and debt obligations. After some questions were addressed, Director Hines moved to accept the report, as presented, by Troutt, Beeman & Company. Director McCarty seconded the motion. Motion passed unanimously.

Agenda item #3 was the Annual review of Water Rates. The BOD annually reviews the water rates of the District. Chairman Denning requested the District's Manager, Allan Soetaert, to report on the agenda item to the BOD. Mr. Soetaert briefly reviewed the wholesale costs from the District sources, as well as other general expenses that have increased. He then introduced Ms. Beth Warren, from Ranson Financial, to provide a review of the District's Debt Capacity abilities, which were recently reviewed in a presentation by Ms. Warren to the BOD. Ms. Warren noted the District's strong financial position and opinion on rate adjustments and the impact to be expected. Discussion ensued by the BOD regarding the impact of future debt on the rates. The BOD also discussed the impact of the COVID-19 virus and its impact with families. After discussion, Director Brovont moved that the District enact a 2% rate increase to all monthly minimums, water rates, phantom meter charges, and fire hydrant rates, effective with the August 1<sup>st</sup>, 2020 billing. Director McCarty seconded the motion. Motion passed unanimously.

Mr. Soetaert then noted his findings, and experiences, with the current Fire Line service the District provides. Mr. Soetaert opined that according to his research, the current monthly flat rate that the District collects for Fire Line Service does not fully compensate the expense for water loss that is incurred for providing the service. After further discussion, Director McCarty moved to implement a 10% increase on billing for all monthly Fire Line Fees effective August 1, 2020 billing. Director Locke seconded the motion. Motion passed unanimously.

Agenda item #4 was reports. Mr. Soetaert requested District Counsel, Todd Luckman with Stumbo Hanson, to provide a summary of some reports that he had been involved in and his recommendations. It was also noted that a review of policies, procedures, Rules & Regulations,

Board Meeting Minutes

June 9, 2020

Page 2

and By-laws would likely be placed on the August agenda for further discussion by the BOD. Mr. Luckman sought input from the BOD for any items that they feel should be addressed with this review.

Mr. Soetaert presented a brief update and overview of his written report about projects within the District. Some questions ensued, with discussion. Mr. Bender also reviewed some updates to various projects. No action was taken by the BOD.

Agenda item #5 was the District Manager's Annual Review. Director Hines moved that the Board of Directors recess into Executive Session for a period of 15 minutes to discuss non-elected personnel, pursuant to K.S.A. 75-4319(b)(1); further, that the District's legal counsel be included. Director McCarty seconded the motion. Motion passed unanimously. The time noted was 7:06 PM.

Upon reconvening the meeting at 7:24 PM, Director Locke moved that the Manager's salary be increased 9.74%, effective July 1, 2020. Director Andrew seconded the motion. Motion passed unanimously.

Todd Luckman left the meeting at 7:26 PM

Mr. Soetaert then briefly reminded the BOD that there is a Special Board Meeting scheduled June 18<sup>th</sup> at 5:30 PM, via ZOOM, to review the bid tabulations that are to be received on Tuesday, June 16<sup>th</sup> for the Rural Development Project.

Chairman Denning noted no other business to come before the BOD. Director Andrew moved to adjourn the meeting. Director Locke seconded the motion. Motion passed unanimously. Time noted was 7:30 PM.

Respectfully submitted,

  
\_\_\_\_\_  
W. M. Locke, Secretary