

Rural Water District No. 7, Johnson County, Kansas

Regular Board Meeting Minutes
July 12, 2022

Director's present: Steve Hines, Dennis Carlson, Ken McCarty, Frank Denning, Chuck Finley, Gary Duggan, and Brian Andrew. Others present: Allan Soetaert, Mike Groszek and Beth Warren. Others present via Zoom: Director Shawn Hughes, Chester Bender and Colin Stalter. Absent: Mary Nelson.

Chairman Steve Hines called the meeting to order at 5:30 PM.

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

Agenda item #2 was the presentation of the 2021 Audit by Troutt, Beeman & Company. Mike Grosek, from the firm, reviewed the report of the audit, along with other accompanying communication material associated with the audit work. Mr. Groszek mentioned the obligation of the District to perform such an audit, also noting that the District met all debt covenants, state & federal requirements, encountered throughout the fiscal year. Mr. Groszek then proceeded through the report commenting on certain aspects and noteworthy items. After the review of the audit report, some questions ensued regarding future debt, capital activity, capitalized wages, and debt service coverage ratio's. Mr. Groszek concluded his review noting that the District was in a very sound financial position. After discussion, Director McCarty moved to accept the audit report as presented. Director Carlson seconded the motion. Motion passed unanimously.

Agenda item #3a was a Debt Capacity Report Review by Beth Warren from Ranson Financial. Ms. Warren presented a review of her work associated with current, and forecasted, debt of the District. Ms. Warren reviewed her conclusions of the District's ability to add debt, if it should desire, while maintaining current and forecasted debt obligations, a healthy reserve, and meeting all Debt Service Coverage Ratio requirements. No board action was taken.

Agenda item #4 was a Fee and Rate Review. Chairman Hines requested that Allan Soetaert, Manager of the District, review his information provided on this agenda item. Mr. Soetaert discussed some of the wholesale water rate increases the District has experienced in the last year. He also reviewed the current water rates and the historical adjustments the Board of Directors have made. After discussion, Director McCarty moved to implement a 2% rate increase, effective on the September 1, 2022, billing for all monthly minimums, phantom accounts, and water rates. Director Andrew seconded the motion. Motion passed unanimously.

The Board briefly discussed fire hydrant rates and fire line fees, requesting that the Manager bring back some options for consideration. No further action was taken.

Agenda item #5a was review of the Wilcox Engineering Feasibility Report by PY. Chester Bender (PY) reviewed the report with the BOD. After some discussion, Director Denning moved that the report be accepted as presented. Director McCarty seconded the motion. Motion passed unanimously.

Agenda item #5b was an update on the CRWD6 Merger & Wholesale Supply Project by Colin Stalter (GBA). No action was taken by the BOD.

Agenda item #5c was an update by Mr. Bender on the RD Project. Director McCarty moved that the Board authorize the District Manager to retain a substitute contractor for completion of the project and to coordinate with the bonding company and USDA to close the project. Director Andrew seconded the motion. Motion passed unanimously.

Agenda Item #5d was an update from Mr. Soetaert on the KDHE's approval for two project applications that the District submitted for SRF Drinking Water Infrastructure Loan Program. Mr. Soetaert noted that the Board would be requested to consider further applying for these loans soon.

Mr. Soetaert reviewed Agenda item #5d and the ongoing construction updates with various other projects. Mr. Soetaert also reported the status of employee reviews and salary adjustments.

Todd Luckman, legal counsel, updated the BOD on a few subject matters; however, no action was taken.

With no further business to come before the BOD, Director Andrew moved to adjourn the meeting. Director Carlson. Motion passed unanimously.

Respectfully submitted,



Dennis Carlson, Secretary