

Rural Water District No. 7, Johnson County, Kansas

Regular Board Meeting Minutes
January 10, 2023

Director's present: Steve Hines, Dennis Carlson, Gary Duggan, Ken McCarty, Shawn Hughes, Mary Nelson and Frank Denning. Director Andrew arrived after the start of the meeting. Others present: Allan Soetaert, Colin Stalter, Todd Luckman and Mindy Krouch. Director's absent: Chuck Finley.

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

Agenda item 2 was a Public Hearing. Chairman Hines opened the Public Hearing portion of the meeting requesting the District's Secretary, Dennis Carlson, to confirm the verification of the hearing in accordance with KDHE requirements. Director Carlson confirmed such. Chairman Hines then requested the District Manager, Allan Soetaert, to review the proposed projects to be funded with the Kansas Public Water Supply Loan Fund (KPWSLF). Mr. Soetaert noted that KDHE had approved two of the District's projects; further noting that the public hearing was one of the initial steps in securing loans from the KPWSLF. Mr. Soetaert noted that the two proposed loans, in amounts not to exceed \$6,000,000 and \$1,500,000, would fund modifications and improvements within the water system. Colin Stalter, District Engineer, briefed the board on each of the projects. The first being a project in conjunction with Miami County Rural Water District #2 (MI2) to enhance and expand the water treatment plant at Hillsdale Reservoir. The second project, along Columbia Road in Miami County, is associated with expansion of wholesale water supply capacity in the south service area of the District. Some discussion ensued by the BOD; however, no public comments were received. After discussion, Director McCarty moved to close the public hearing. Director Denning seconded the motion. Motion passed unanimously.

Agenda item 3 was consideration of the Consent Agenda. Chairman Hines requested that the Board of Directors consider such. Director Nelson moved to approve the consent items noted on the agenda. Director McCarty seconded the motion. Motion passed unanimously.

Agenda item 4 was Consider Resolution 2023-01-01. Mr. Soetaert noted that the resolution, if adopted, allows staff to continue the multi-stepped application process to access loan funds from the Kansas Public Water Supply Loan Fund for projects outlined in the public hearing tonight. Director Duggan moved to adopt Resolution 2023-01-01 as presented. Director Nelson seconded the motion. Motion passed unanimously.

Agenda item 5 was Consider Draft MOU with MI2. Mr. Soetaert noted that the Memo of Understanding (MOU) was in regard to the upgrades and enhancements at the MI2 water treatment plant (WTP) that is ongoing. Todd Luckman, W7 Counsel, reviewed the purpose of the MOU with the BOD. Some discussion ensued. Mr. Soetaert added that MI2 has approved the MOU. Director Andrew moved to approve the MOU; further authorizing the Chairman and Secretary to sign the document. Director Nelson seconded the motion. Motion passed unanimously.

Agenda item 6 was Consider Property Transfer Agreement with JCPRD. Mr. Soetaert informed the board that JCPRD has asked for a few additional modifications to the proposed agreement

and therefore is requesting the BOD to postpone consideration of this today. Mr. Soetaert stated the agreement will continue to be reviewed and modified and will be brought to the BOD at a later date.

Agenda item 7 was Fire Line Fee Review and Report. Mr. Soetaert briefly reviewed the Fire Line service that was provided to several commercial customers of the District. He also noted that the District has requested one of its consultants, GBA, to research the current service that the District provides and to offer some insight and recommendations to the BOD for adjusting its fee structure for this service. Mr. Stalter reviewed the GBA report with the BOD. Mr. Stalter offered that the District's 43 private fire line services can be an immense cost to the water system and recommends a rate increase to recover the District's cost of service; pursuant to their findings, which he presented. Mr. Soetaert presented three (3) options for the board to consider. After board discussion, Director Nelson moved that the BOD implement Option #3 on the March 1, 2023, billing to all fire line service accounts. Director McCarty seconded the motion. Motion passed unanimously.

Agenda item 8a was Engineering Feasibility Report for 13801 Walnut View Drive. Mr. Stalter reviewed the current situation at the property in question and the future water needs of this property owner; further offering that the residential meter servicing this large compound is not sufficient to accommodate the owners needs and would severely limit any expansion of facilities on the property, including fire suppression lines, which is a request by the property owner. Mr. Stalter went on to offer additional comments, as well as recommendations to meet the property owner's requests, noting that if the property owner continues with his request for enhanced services, the BOD may be requested to establish a Benefit Unit fee for a 3-inch metered connection to the water system. After some discussion, Director Carlson moved to accept the report as presented. Director Duggan seconded the motion. Motion passed unanimously.

Agenda item 8b was CRWD6 Merger and Wholesale Supply Project Update. Mr. Stalter informed the BOD that the booster pump station is set to be delivered January 25th, with hopes to connect the systems in February. Some other miscellaneous reports were provided.

Agenda item 8c was RD Project Update. Mr. Soetaert indicated Chester Bender (PY) has provided all required documents to Rural Development in order to transition the loan from Rural Development to a SRF Loan.

Agenda item 8d was BASE Grant 2.0 Application. Mr. Soetaert informed the Board that the District was notified that the Kansas Department of Commerce is again soliciting applications for the BASE Grant. Mr. Soetaert reminded the board that the District submitted the Edgerton Crossing project for a BASE Grant in April of 2022. After some discussion, the board's consensus was to allow the previous submission to remain for consideration while not submitting any additional projects.

Agenda item 8e was Monthly Reports. Mr. Soetaert offered some comments on various projects. No action was taken by the BOD.

Agenda item 8f was Annual Meeting report. Chairman Hines provided an update to the Annual Meeting and announced the nominations received: Charlie Brovont, William Locke, and Sean Henderson. There being no other nominations received, Director Nelson moved that the three nominations be placed on the official ballot and posted in accordance with the District's By-Laws. Director Andrew seconded the motion. Motion passed unanimously.

Director Hines requested an Executive Session to include both the District Manager and District Engineer. Director Duggan moved that the Board of Directors recess into Executive Session for

a period of 15 minutes for consultation with an Attorney, deemed privileged in the Attorney-Client relationship, to include the Water District's appointed Attorney, pursuant to K.S.A 75-4319 (b) (2) further that the Manger be included in that session. Director McCarty seconded the motion. Motion passed unanimously. Time noted: 6:28 PM.

The meeting reconvened at 6:43 PM. Director Denning noted that no action was taken by the BOD during the meeting. Director Nelson then moved that the Executive Session be extended an additional 5 minutes. Director Andrew seconded the motion. Motion passed unanimously.

Time noted was 6:43 PM. The meeting reconvened at 6:48 PM. Chairman Hines announced that no actions were taken by the BOD during the Executive Session.

There being no further business, Chairman Hines requested a motion to adjourn the meeting. Director Nelson moved such. Director Andrew seconded the motion. Motion passed unanimously. Time noted was 6:49 PM.

Respectfully submitted,



Dennis Carlson, Secretary

