

Rural Water District No. 7, Johnson County, Kansas

Regular Board Meeting Minutes
March 14, 2023

Director's present: Steve Hines, Gary Duggan, Ken McCarty, Chuck Finley, Brian Andrew and Frank Denning. Others present: Allan Soetaert, Colin Stalter, Todd Luckman, James Oltman and Mindy Krouch. Directors present via Zoom: Chuck Finley. Others present via Zoom: Chester Bender, Beth Warren, Philip Ciesielski and Brian Hess.

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

1. Consent Agenda Items

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

2. ElevateEdgerton! Update (James Oltman)

James Oltman, President of ElevateEdgerton!, started by thanking the BOD for their continued support. Mr. Oltman then provided a brief review of some of the economic developments in Edgerton in 2022. Mr. Oltman discussed the continued expansion of LPKC Phase 2 and mentioned that LPKC is approaching full capacity of available space in existing buildings. Mr. Oltman also noted that the City is adding much needed housing to the area by securing Dwyer Farms, an 80-acre single-family development, for the SW corner of 207th and Edgerton Road. He also discussed the Woodstone Development and the recruitment efforts to bring new tenants. Mr. Oltman also described the new grant programs offered through EE! that offer funds for beautification projects for both residents and businesses as well as grants to attract new business or to expand existing businesses. Next, Mr. Oltman discussed the upcoming 2023 economic projects in Edgerton. These include expansions planned at several LPKC facilities as well as the previously mentioned Dwyer Farms Development. Mr. Oltman answered some questions about EE! funding as well as some questions about specific properties in Edgerton. After his presentation, Mr. Oltman exited the meeting. Chairman Hines proposed a discussion to revisit the level of support provided to EE! After discussion, Director Denning moved to reduce District support by 50% to \$12,500 with the recommendation to future boards to revisit another 50% reduction. Director Duggan seconded the motion. Motion passed unanimously. Director Nelson abstained.

3. Debt Capacity Report Update by Ranson Financial

Beth Warren, from Ranson Financial, started by providing a summary of District debt, both existing and proposed, that are being discussed by the District. She went on to say that when debt service payments on all the mentioned projects are projected to be in effect, the total annual debt service due is estimated to be approximately \$860,000. Ms. Warren reported findings of rate adjustments, that would meet required loan covenants, and inflation, while keeping with the District's past history of small incremental annual increases. Ms. Warren also mentioned the District has funds available to pay off the Series D, 2012 Bonds early. After some discussion about debt, rates and payments, Director Andrew moved to increase water rates by 3% effective on the July 1 billing. Director Nelson seconded the motion. Motion passed unanimously. Director McCarty then moved to allow staff to pay off Series D, 2012 Bonds as soon as practicable. Director Andrew seconded the motion. Motion passed unanimously. District Manager, Allan Soetaert, mentioned the possibility of implementing a tiered water rate in the future. Director Nelson moved to authorize staff to research a consultant(s) capable of providing some research on the implementation of a tiered rate schedule. Director Duggan seconded the motion. Motion passed unanimously.

4. Benefit Unit Cost Review – Committee Update

Colin Stalter, District Engineer, presented a Review of Benefit Unit Charges report created with input from the BU review committee. Mr. Stalter stated that benefit unit fees serve to recover revenue of expenses incurred and to generate revenue to fund other capacity improvements. While the last residential meter increase was in 2016, material and labor costs have escalated by 50-80%. In 2004 costs related to meter installation represented 35% of the benefit unit fee, that has risen to nearly 75% today. Mr. Stalter presented

a few incremental increase options as well as a one-time increase option for the Board to consider to adjust the cost of benefit units. After discussion, Director Andrew moved to increase the 5/8"x3/4" and 3/4" meter fees by 21% over the next 3 years beginning July 1, 2023, bringing those rates to \$8,470 and \$12,160, respectively. Director Nelson seconded the motion. Motion passes unanimously. Director Andrew then moved to increase the 1" meter size to \$20,600, the 1 1/2" meter to \$39,700 and the 2" meter to \$61,800 effective July 1, 2023. Director McCarty seconded the motion. Motion passed unanimously.

5. Woodstone Properties Proposal (Edgerton Crossing Development)

Mr. Soetaert noted this property, at the intersection of Homestead Lane and I-35, is a planned multi-phased commercial development that includes a travel center, retail, restaurants, hotel and other commercial uses. District Engineer, Colin Stalter, reviewed the February 2022 GBA report that outlined the specific offsite improvements that were recommended within the report as well as a subsequent report on potential cost-shares for offsite improvements. Staff reported that several cost-share options exchanged between the District and the Developer had been discussed. Staff has developed a new cost-share proposal(s) for offsite improvements and shared the methodology with the BOD. After further discussion, the BOD offered consensus to this cost-share and authorized Staff to submit the revised proposal to the Developers.

6a. CRWD6 Merger & Wholesale Supply Project Update (GBA)

Philip Ciesielski informed the board that 135th Street booster pump station piping and electrical tie-ins are both complete. The 16-inch main along 135th Street has been pressure tested, bacteriological tested and chlorinated and is ready to be put into service. The contractor is working on site restoration as well as completing a retaining wall in the area. Within the next 30 days, Mr. Ciesielski plans that Evergy will install power at the meter vault and booster pump station. He also discussed the 4-week water supply transition period for residents once the main is operational. Mr. Ciesielski believes that the transition should be complete by June. He also updated the BOD that the tank design is progressing and should be 90% complete within 30 days. GBA is moving forward with FAA permitting, coordinating with Evergy to bring power to the tank, geo-technical studies, permitting and easement requirements.

6b. RD Project Update

Chester Bender (PY) stated the project is technically complete with the closure of the loan at the end of February. He is working on completing the project F area on Gardner Road, north of 199th Street.

Report from Counsel

District Counsel, Todd Luckman, provided reports on the some neighboring entities, as well as the progress of an interim and extension of a wholesale water supply agreement with Douglas RWD #4.

6c. Monthly Report by Staff

Mr. Stalter informed the BOD both Mulberry Farms and the MidWest Engineering portion of SRF 2947 are nearing completion. Water main relocation studies are being completed for the Flint project and Phase I of NCCC is also nearing completion. TSL has requested a new fire service line and the Master Plan is being finalized.

7. Adjournment

There being no further business, Chairman Hines requested a motion to adjourn the meeting. Director Andrew moved such. Director Nelson seconded the motion. Motion passed unanimously. Time noted was 8:01 PM.

Respectfully submitted,



Brian Andrew, Secretary