

Rural Water District No. 7, Johnson County, Kansas

Regular Board Meeting Minutes  
April 9, 2024

---

Directors present: Frank Denning, Bill Locke, Ken McCarty, Charles Finley, Walter Johnston, Shawn Hughes, and Brian Andrew. Directors Charlie Brovont and Shaun Henderson arrived after the start of the meeting. Others present: Allan Soetaert, Colin Statler, Todd Luckman, Gary Duggan and Mindy Krouch. Others present via Zoom: Brian Hess and Chester Bender

Chairman Frank Denning called the meeting to order at 5:30 PM and then welcomed the newly elected officers: Walter Johnston, Charles Finley and Ken McCarty.

**1. Consent Agenda Items**

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

**2. Consider Loan Amendment #3 (SRF Loan #2947)**

Allan Soetaert, District Manager, reviewed the Kansas Public Water Supply Loan Fund (KPWSLF) and reminded the BOD that the District currently has two projects being funded by this type of state revolving fund (SRF) loan. However, due to construction not progressing as planned, the district has opted to extend its original loan repayment schedule to begin in August of 2024 instead of February 2024. KDHE agreed to this revision and sent a revised loan agreement for consideration. Director Locked moved to accept the amendment further authorizing the Chairman and Secretary of the Board to execute the agreement. Director Andrew seconded the motion. Motion passed unanimously.

**3. KDHE SRF Solicitation of Projects**

Mr. Soetaert explained that KPWSLF is a state revolving loan fund (SRF) program that helps Kansas municipalities fund construction of public water supply system infrastructure by providing loans at below market interest rates. The District has used this funding for several projects and has even been awarded several projects that allowed some amount of principal forgiveness. Mr. Soetaert went on to say that KDHE solicits new projects each year and then ranks the applications and will publish an Intended Use Plan (IUP) for funding. Having a project chosen for the IUP does not obligate the District to accept the loan proceeds.

Colin Statler, District Engineer, then reviewed a list of high-priority projects identified within the recent System Analysis that could benefit from SRF funding. He emphasized all the projects discussed are critical improvements that enhance the District as a whole. After some discussion, Director Andrew moved to authorize Management to submit an SRF Loan Application(s) to KDHE on behalf of W7. Director Hughes seconded the motion. Motion passed unanimously. Mr. Soetaert mentioned that an update on the submittals will be provided at upcoming board meetings.

Director Locke moved that the Board recess into Executive Session for a period of 10 minutes for consultation with the District Engineer and 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 District Manager be included in that session. Director McCarty seconded the motion. Motion passed unanimously. Time noted was 6:04pm.

The meeting then reconvened at 6:14pm upon Chairman Denning announced that no decisions, action, or votes were taken during the executive session. Chairman Denning then offered a 5-minute recess.

Chairman Denning reconvened the meeting at 6:20 PM.

**4. Consider Bids for TimberRidge Elevated Storage Tank**

Mr. Soetaert introduced Brian Hess, GBA, who updated the BOD on the bids received in February for the construction of the TimberRidge tank. Mr. Hess reported that GBA had verified qualifications and project experience from each bidder. Mr. Hess explained that the low bidder was Gerard Tank and Steel, coming in at \$3,996,500.00. Mr. Hess noted that GBA and District staff visited an operational composite elevated storage tank contracted by low bidder in Fredonia, KS. Mr. Soetaert noted that District staff had also requested input from KLM,

who is the District's consultant providing inspection services to the construction of this tank; further, that their opinion was that the low bidder was qualified and capable to perform the work. Mr. Hess went on to note that a construction services agreement should be available for review at the next BOD meeting.

Mr. Soetaert then discussed the funding short-fall issues facing this project as well as potential reaching out to KDHE in providing additional funds through the SRF loan to complete the project. Mr. Soetaert noted that the district's debt capacity analysis would be completed soon and would provide helpful information to consider as well. After further discussion, Director Brovont moved to approve the low bid from Gerard Tank Services. Director Locked seconded the motion. Motion passed unanimously. After the vote, Chairman Denning confirmed there was a BOD consensus to allow District staff to approach KDHE for additional SRF funding to cover the higher costs of the project.

**5. Consider Water Main Improvement Agreement (183<sup>rd</sup>, W of Four Corners Rd)**

Mr. Soetaert outlined the history of this project and the petitions made by Evergy for increased water demands at their West Gardner generating station. It was noted that Evergy has indicated their desire to proceed with the project but would like to discuss District participation. Mr. Soetaert noted that during discussions with Evergy it appears that they are willing to reimburse the District for all "Construction Costs" of the project, estimated to be \$1,512,684; at the same time the District would be responsible for all "Administrative Costs" of the project, estimated to be \$251,643. He noted that Evergy has not commented on the proposed Water Main Improvement Agreement and management would anticipate minor adjustments after their review. After discussion, Director Henderson moved to authorize the Chairman and Secretary to execute the Water Main Improvement Agreement, upon review and acceptance of minor revisions by District Management & Legal Counsel. Director Andrew seconded the motion. Motion passed unanimously.

**6. Reports/Updates**

**6a. Wholesale Supply Update**

Mr. Stalter provided an update on the Douglas RWD 4 (DG4) wholesale supply agreement. He also provided reports on the District's WaterOne supply contract, noting that it appears that a short-term agreement, of approximately 5 years, may be needed with this supply to bridge time while the TimberRidge tank is constructed. Some discussion ensued, but there was no BOD action.

**6b. Monthly Report by Staff**

Mr. Stalter started by updating that site work is beginning at Avondale Meadows; Edgerton Crossing Phase I has been completed and work has started on Phase II. The Edgerton Road WMR design is complete and GBA will submit the plans to KDHE for review. The first building at Flint Commerce Center is under construction and an engineering report is being prepared for the Flint Meadows development across the street. He reported on the NCAC planned interconnect, the JCCC CDL facility and the Johnson County Public Works culvert project on Spooncreek Road. He also updated the BOD on the Gardner Rd, 199<sup>th</sup> to Cedar Niles project and the District's discussions with KDOT in order to establish a utility corridor through a proposed development. He also provided updates on Columbia Road and Miami RWD #2 water treatment plant projects. Also mentioned were discussions with the City of Baldwin about a possible emergency interconnect.

Chairman Denning then offered a 5-minute recess.

Chairman Denning reconvened the meeting at 7:10 PM.

**7. Executive Session**

Director Locke moved that the Board recess into Executive Session for a period of 50 minutes for consultation with the District Engineer and 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 District Manager be included in that session. Director Hughes seconded the motion. Motion passed unanimously. Time noted was 7:10pm.

The meeting was reconvened at 7:57 PM upon Chairman Denning announced that no decisions, action, or votes were taken during the executive session.

Chairman McCarty moved to accept Resolution 2024-04-09. Director Brovont seconded the motion. Motion passed unanimously.

Mr. Soetaert then discussed the attorney forum he and the Chairman attended during the KRWA conference in

Wichita in March on representation of areas within the BOD. District Counsel, Todd Luckman, discussed that any such changes would need to be made via changes to the District's By-Laws and handled with a special meeting called for such purpose.

Mr. Luckman also explained the Statement of Significant Interest (SOSI) forms required by Kansas law from all board members.

Chairman Denning then requested the BOD discuss the District's continued support of ElevateEdgerton! After discussion, Director Andrew moved to continue to support EE! at a level of \$5,000 for 2024. Director Locke seconded the motion. Motion passed unanimously.

**8. Adjournment**

There being no further business, Chairman Denning requested a motion to adjourn the meeting. Director Andrew moved such. Director Locke seconded the motion. Motion passed unanimously. Time noted was 8:23pm.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Brian Andrew", written over a horizontal line.

Brian Andrew, Secretary