

Rural Water District No. 7, Johnson County, Kansas

Regular Board Meeting Minutes
January 13, 2026

Directors present: Mary Nelson, Walter Johnston, Charlie Brovont, Shaun Henderson, Dennis Carlson, Frank Denning, Chuck Finley and Bill Locke. Directors absent: Ken McCarty. Others present: Allan Soetaert, Colin Stalter, and Mindy Krouch. Others present via Zoom: Brian Hess, Todd Luckman, Brooke Hudlemeyer, Beth Warren and Chuck Lockey.

Chair Nelson called the meeting to order at 5:30 PM.

1. Consent Agenda Items

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

2. Consider Application Petition for Accessory Dwelling Unit @ 14820 Edgerton Road

Allan Soetaert, District Manager, reported that an ADU request had been received and provided an overview of the request, along with historical context regarding ADUs within the District and its policy. He stated that the petitioners have completed all required steps to be considered for an ADU allowance. After discussion, Director Denning moved to deny the request with Director Brovont seconding the motion. After further discussion, Director Denning moved to withdraw his prior motion and table the item to allow for additional discussion at an upcoming Board meeting in order to gain a better understanding of the situation. Director Brovont conceded to withdraw the second to the motion. The motion was withdrawn from consideration. Mr. Soetaert noted that he would consult with the District's counsel and provide additional information at an upcoming meeting.

3. Consider Amendment to Water Distribution Contract

Mr. Soetaert began by providing an overview of the original Water Distribution Contract executed in June 2003. He explained that the contract allowed for the transmission of water from the MI2 Water Treatment Plant to Spring Hill through a water main owned by Water 7. He further noted that, due to Spring Hill's merger with WaterOne, Spring Hill no longer requires this water supply, necessitating modifications to the contract. He also noted that Spring Hill & WaterOne were requesting this contract amendment ahead of January 20th where the acquisition of Spring Hill's water system would become official. Mr. Quentin Kurtz of Stumbo Hanson presented the proposed contract amendment and outlined the specific changes related to the handling of the water mains and associated service areas. Following discussion, Director Henderson moved to authorize the District Chair and Secretary to execute the Contract Amendment as presented. Director Denning seconded the motion. The motion passed unanimously.

Director Henderson then moved that the Board recess into Executive Session for a period of 20 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 District Manager and Engineer be included in that session. The regular meeting will resume at 6:52 PM in the W7 Board Room. Director Denning seconded the motion. Motion passed unanimously. Time noted was 6:32 PM.

Upon reconvening the meeting at 6:52 PM, Chair Nelson noted that no decisions, action, or votes were taken during the executive session.

4. Consider Wholesale Source Study

Colin Stalter, District Engineer, provided background on the District's wholesale water supply, noting in particular that one supplier, the City of Olathe, has elected not to renew its contract upon expiration in 2031. He explained that the District has requested GBA to complete a study evaluating options for replacing this wholesale water source. Brian Hess of GBA reviewed the proposed scope of services, explaining that the study will evaluate the infrastructure required to facilitate the transition, as well as potential interconnect options and the associated costs and fees related to both contractual arrangements and construction. Mr. Stalter further noted that this study was included as a line item in the 2026 budget. Following discussion, Director Locke moved to engage GBA to perform the study. Director Carlson seconded the motion. The motion passed unanimously.

5. Debt Capacity Report

Mr. Soetaert introduced Beth Warren, noting that she previously addressed the Board in 2025 and returned to present updated figures from the completed 2024 audit. Ms. Warren explained that she utilizes historical data to project future trends in water purchased, water sold, and operating expenses, which allows her to forecast the District's future financial position. Ms. Warren reviewed the RD West Expansion and the associated \$25 monthly surcharge implemented in 2021. She noted that while the growth in this area is not what was expected, the related RD loan is scheduled to be repaid by 2062. She further discussed a potentially similar scenario should the District elect to provide water service to residents on Lakeshore Drive west of Lake Olathe, explaining that any associated surcharge would likely need to be higher due to the limited number of residents served by the required water main extension. Some discussion ensued; however, there was no action taken by the Board.

6. Consider CIP Items from 2026 Budget

Mr. Soetaert reviewed two Capital Improvement Program (CIP) items included in the 2026 budget. He noted that two trucks are scheduled for replacement and reported that the District recently sold one truck for approximately \$10,000 less than its original purchase price. He also provided an update on the ongoing meter changeout program. Following brief discussion, Director Denning moved to authorize Management to proceed with the CIP expenditures as presented. Director Locke seconded the motion. The motion passed unanimously.

7. Reports/Updates

7a. PER: Countryside Farms, 95th Street & Lexington Ave

Brooke Huddlemeyer, with the consulting firm Garver, discussed a Preliminary Engineering Report conducted to evaluate a proposed development located just east of 95th Street and Sunflower Road. She explained that the development would be constructed in two phases and served by an existing 12-inch water main running along West 95th Street. Phase 1 would consist exclusively of multifamily residential housing, with full buildout ultimately including multiple commercial facilities. Ms. Huddlemeyer briefly addressed the challenges associated with serving the Northwest Service Area (NWSA) and noted that completion of both phases of the proposed development would not require any external system improvements by the District. She further explained that the project would require installation of a 12-inch water main through the development allowing future looping of main. This water main extension is approximately 2,000 linear feet in length, with an estimated cost of \$520,000. Following discussion, Director Denning moved to accept the report as presented. Director Locke seconded the motion. The motion passed unanimously.

7d. Monthly Report by Staff

Mr. Stalter provided updates on several construction projects throughout the District. He offered brief status reports on the 111th Street and Evening Star Road study, the Mt. Sunflower Data Center, the 95th Street and Kill Creek WMR, Lakeview Drive project south of 135th Street, Lone Star Prairie project, and the Gardner Road project. He also noted that the master meter at the DG4 pump station has failed and will require replacement.

Mr. Soetaert provided updates on several ongoing discussion items involving Spring Hill and WaterOne. He noted that a Benefit Unit price review will be presented to the Board in the near future and shared preliminary design concepts for the Four Corners property. He also provided brief updates on the rollout of the new billing software, the 2025 audit, employee health insurance, and the KRWA Conference.

7b. Chair Updates

Chair Nelson informed the Board's Succession Committee had met regarding the expiring terms of board members Shaun Henderson, William Locke, and Charles Brovont. Further, in accordance with the District's By-Laws, the Succession Committee has identified three nominees to fill the upcoming vacancies. The nominees are Brian Andrew, a former Board member, Ken Kearney, and Chuck Lockey. Following discussion, Director Carlson moved to approve the slate of candidates as presented. Director Henderson seconded the motion. The motion passed unanimously.

Director Henderson then moved that the Board recess into Executive Session for a period of 10 minutes to discuss non-elected personnel, pursuant to K.S.A 75-4319 (b) (1). The regular meeting will resume at 8:30 PM in the W7 Board Room. Director Carlson seconded the motion. Motion passed unanimously. Time noted was 8:20 PM.

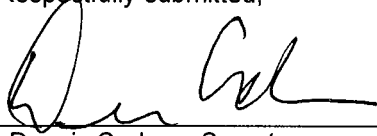
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On behalf of the Board of Directors, Director Denning offered several comments regarding the employment of Mr. Soetaert. After these comments, and several others, Director Denning moved to increase the District Manager's salary, effective January 1, 2026, by 6%. Director Henderson seconded the motion. Motion passed unanimously.

8. Adjournment

There being no further business, Chair Nelson requested a motion to adjourn the meeting. Director Locke moved such. Director Denning seconded the motion. Motion passed unanimously. Time noted was 8:36 PM.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Dennis Carlson", written over a horizontal line.

Dennis Carlson, Secretary