

Rural Water District No. 7, Johnson County, Kansas

Regular Board Meeting Minutes
May 14, 2024

Directors present: Frank Denning, Bill Locke, Ken McCarty, Charles Finley, Walter Johnston, Brian Andrew, Shaun Henderson, and Charlie Brovont. Director Hughes was present via Zoom. Others present: Allan Soetaert, Colin Stalter, Todd Luckman, Gary Duggan, Brian Hess, Jonathan Myers and Mindy Krouch. Others present via Zoom: Beth Warren and Quentin Kurtz.

Chairman Frank Denning called the meeting to order at 5:30 PM.

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 Locke seconded the motion. Motion passed unanimously.

5. Executive Session

Chairman Denning then requested the BOD consider deviating from the agenda, as the District's legal counsel was obligated to another meeting and would soon be leaving. Director Locke moved that the Board recess into Executive Session for a period of 30 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 be included in that session. Director McCarty seconded the motion. Motion passed unanimously. Time noted was 5:32 PM.

The meeting then reconvened at 6:02 PM upon Chairman Denning announced that no decisions, action, or votes were taken during the executive session. Chairman Denning then offered a recess until 6:15 PM at which point the meeting reconvened.

2. Debt Capacity Report Update

Allan Soetaert, District Manager, introduced Beth Warren. He explained that Ms. Warren has assisted with the District's debt capacity reviews and has provided rate analysis for many years. Ms. Warren then provided some explanation of what a Debt Service Coverage Ratio is and how it can help determine a borrower's ability to repay a debt. Ms. Warren reviewed the District's current and future needs and forecasted growth and expenses for the general operation and maintenance, as well as proposed capital improvements needs of the District. Ms. Warren recommended consideration of small incremental stepped increases versus periodic large increases for the benefit of the District's customer base, particularly considering the District's need for some significant capital improvements to replace one of its wholesale supplies by 2031. Mr. Soetaert then requested Colin Stalter, the District's Engineer, review the current and proposed SRF projects being contemplated by the District within the next 10 year time frame. Mr. Soetaert then discussed with the BOD the need to consider a tiered water rate schedule. Some discussion ensued with the BOD favoring Management to seek proposals from qualified consultants for such work. After some additional questions and discussion, Chairman Denning recommended this be discussed again at next month's board meeting.

Chairman Denning then discussed a potential land purchase. After discussion, Director Andrew moved to authorize the Chairman, Secretary, Management and District Counsel to proceed with an offer to purchase the property at 16530 Four Corners Road and execute a Real Estate Contract in the form presented to the Board for \$725,000 with two conditions on the offer:

1. During the Due Diligence period, in addition to all inspection rights listed, that the District shall have access and right of entry to the property for its agents and employees of the District to inspect the property with the right to terminate as provided in Paragraph 7(b).
2. A right for the District to survey the property by a licensed surveyor of the District's choice during said Due Diligence period.

Director Brovont seconded the motion. There being no additional discussion, the motion passed unanimously.

3. Consider Progressive Design/Build Agreement with Infrastructure Solutions

Colin Stalter, District Engineer, reviewed the scope of the project that was approved at the April 9, 2024, board meeting; further, the approval of the Water System Improvement Agreement with Evergy which allows the construction of one mile of 12-inch water main within District's water system in order to assist in providing enhanced service to one of their generating stations. Mr. Salter reviewed with the BOD that Evergy will be responsible for funding the construction of the water system improvements. However, Evergy has expressed concerns over the timeline of the project. Because of this, the District has requested a "Design/Build" format for this project in order to expedite the process. After consideration by Staff, it was noted that Infrastructure Solutions (IS), along with the design consulting firm, GBA, has been requested to propose a "Progressive" Design/Build project to assist with the time component concerns from Evergy, which they support. Brian Hess (GBA) explained the benefits of the progressive design/build option and how it expedites the construction process. Jonathan Myers (IS) added the type of work generally performed by IS and described their involvement in other design/build projects. After BOD discussion, Director Andrew moved to accept the IS agreement; further, authorizing the District Chairman & Secretary to sign the agreement upon minor revisions by the District Manager and Legal Counsel; and the petitioner's acceptance of the District's Water System Improvement Agreement. Director McCarty seconded the motion. Motion passed unanimously.

4. Reports/Updates

4a. SRF Submittals

Mr. Stalter provided an update on the three projects District staff will be submitting to SRF for potential funding. The first submission is a project along 223rd Street-Moonlight to Columbia Road. This project would increase flow rates between the District's 215th Tower and Spring Hill. The second submission is at 135th Street – Gardner Rd to Lakeshore Dr and would increase flow rates from the north pressure zone wholesale supply. The 3rd submission is at 135th St-Spoon Creek Rd to Evening Star Rd, North to 103rd St. This project would extend water main through the Sunflower Development and would provide redundant feed to high demand areas. This project also has potential for loan forgiveness as it meets the criteria for a disadvantaged community. No action was taken by the BOD.

4b. EPA's Revised Lead & Copper Rule Revisions (LCRR)

Mr. Stalter reviewed the new lead and copper rules with the BOD. He explained that the new rule requires an inventory of all public and private service lines. While the District has information on its service lines, it has no information regarding private service lines, as is the case with most municipal entities. Therefore, the District is required to survey homes where lead, or lead-soldered joints, could be a possibility. Also reviewed were other District efforts on collecting this information.

4c. Monthly report by Staff

Mr. Soetaert noted updates regarding some of its municipal neighbors.

Chairman Denning reminded members that the next regular board meeting will be held on June 4, 2024.

6. Adjournment

There being no further business, Chairman Denning requested a motion to adjourn the meeting. Director Andrew moved such. Director Brovont seconded the motion. Motion passed unanimously. Time noted was 7:48 PM.

Respectfully submitted,



Brian Andrew, Secretary