

Rural Water District No. 1
Ellsworth County, Kansas a/k/a Post Rock Rural Water District
Regular Board Meeting Minutes
December 20, 2022

At 6:39 pm, Chairman Martin Bland noting a quorum called the regular board meeting to order.

Roll Call: Directors present were Martin Bland, Butch Teppe, Jon Wright, Howard Wehrman, Brad Miller, and Ralph Larson.

Directors not Present: Kayla Errebo, John Dolezal, and Joel Christy.

Others Present: Leslee Rivarola (Virtual), Doug Janssen, and Kendra Neuman in the District Office.

Guests: Todd Luckman w/ Stumbo Hanson, LLP.

At 6:40 pm, Chairman Bland called for a motion to approve the consent agenda. Vice Chairman Wright made a motion to approve the consent agenda as written. Seconded by Director Larson. Motion carried. Director Secretary/Treasurer Larson made a motion to approve the meeting minutes from November's Board Meeting. Director Miller seconded. Director Teppe made a motion to approve the meeting minutes from the October Board Meeting which had been rescinded and then corrected. Vice Chairman Wright seconded the motion. October and November minutes were approved.

At 6:44 pm, Chairman Bland called for Item #4 the Expense Report and Bills on the agenda. Director Miller called for a motion to approve the bills and to pay the bills, not to exceed the amount of \$195,680.79. Seconded by Secretary/Treasurer Larson. Motion carried.

At 6:49 pm, Chairman Bland called for Item #5 on the agenda, the discussion of the Russell Supply of Water Agreement. Mr. Luckman, the District's attorney, started the discussion. He has not heard from Mr. Kelly and Purefield yet. He doesn't have anything new to report since the November meeting. The Board asked Mr. Luckman if this item needs further discussion at this time since there's no word back from Purefield. Mr. Luckman said that if Purefield's Board decides not to move forward, there isn't any reason for the Board to take any action at this time. The Board decided to table the item until next month.

At 7:30 pm, Chairman Bland called for Item #6 on the agenda, the feasibility of a connection with Mitchell 2. Mr. Luckman gave a quick update on his portion of the project noting that he has never drafted an interlocal agreement for any customer. He said it's not really needed. He is checking in with the North Central Regional Planning Commission to see if it's really required for the grant applications. He has not heard back from them. Ms. Rivarola updated the Board on

her end of things. She is still waiting to get the final draft from the grant office before she can present it to the Board. There wasn't anything new to add otherwise.

Mr. Luckman left the meeting at 7:34 pm.

At 7:35 pm, Chairman Bland called for Item #7 on the agenda, the Luray Pipeline Project. Mr. Janssen went over the packet items that included the exact location and project bids. He noted Circle B did not wish to submit a quote. The quotes included in the packet are from Stockwater Solutions and Gorham Communications. The bid from Stockwater Solutions is the lowest priced at \$14,060, but they cannot start the project until March 15th or after. Gorham Communications' quote is higher at \$18,700 but they can begin the project in January when parts are available. The materials required to complete the project were quoted by Core & Main at \$40,525.64 and Municipal Supply at \$41,771.84. Both companies quoted lead time at mid to late January. Mr. Janssen's recommendation is to accept the lowest bid on the materials from Core & Main and to have Stockwater Solutions do the work in mid-March. The Board Members discussed having Gorham Communications do the work so the line could be fixed quicker. Director Miller made a motion to order supplies from Core & Main and hire Gorham to complete the project in January. Vice Chairman Wright seconded. Motion carried.

At 7:44 pm, Chairman Bland called for Item #8 on the agenda. Mr. Janssen gave a quick summary of the District's current ARPA Funding for Automatic Meter Reader (AMR) orders. Saline County gave Post Rock \$50,000 for the purchase of AMR's. He assessed what's needed to convert the equipment in Saline County to AMR equipment. He found he should be able to get all the equipment required with some funds still left over. He'll use the leftover funds to pay for the initial software required to run the automatic meter readers. The grant funding from Saline County is not given before purchases are made. All funds must be reimbursed after original invoices are paid.

Ellsworth County gave Post Rock another \$15,000 in addition to funds awarded in 2021. The District can use those funds to purchase more AMR equipment with enough funds combined to complete Ellsworth county. The remaining funds will include the last portion of the software and some o-rings to bring the account balance to zero. The grant funding from Ellsworth County was given via check. The funds are already in Post Rock's possession and in a separate account. Office staff transfers funds to the Operation's account as invoices are received and paid.

Mr. Janssen included two quotes from Salina Supply. One quote for \$50,000 for the equipment in Saline County. The second quote for \$26,904.83 for the remaining equipment required in Ellsworth County. He recommended the Board approve placing an order for the remaining AMR equipment for Saline and Ellsworth counties. The Board agreed.

Director Miller made a motion to order materials not to exceed \$76,904.83. Director Teppe seconded. Motion carried.

At 7:53 pm, Chairman Bland called for Item #9 on the agenda. Mr. Janssen noted the heater at the plant has been in service since 1998. The HVAC unit is an electric heat pump. The unit has

needed serviced several times this year and is not keeping up. He requested bids for the same size (2-1/2 tons) of heat pump already at the plant as well as an upgrade (3-tons) for a larger unit. He received bids from Water Works and Pestinger Heating & Air. Water Works submitted a bid for a 2-1/2-ton heat pump at \$5,458.20 and a 3-ton heat pump at \$5,682.95. Pestinger Heating & Air submitted a bid for a 2-1/2-ton heat pump at \$5,910.35 and a 3-ton heat pump at \$6,109.23. Mr. Janssen's recommendation was to purchase the 3-ton heater from Water Works at \$5,682.95. He noted the rooms the HVAC system supplies as being critical to the operation of the plant. One room houses the lab equipment while the other houses the computer equipment required to run the plant. The Board discussed all options. Vice Chairman Wright made a motion to have Water Works install a 3-ton heat pump not to exceed \$5,682.95. Director Miller seconded. Motion carried.

At 7:59 pm, Chairman Bland brought up unused meters. He said there are meters throughout the District that are installed and functional but are not taking any water. He wondered if the rates should be raised. A minimum usage was suggested. The Board discussed and decided to have the minimum usage change take effect the first of the year. The Office Manager is to draft a letter and send it to Ms. Rivarola for approval. The letter should be mailed by the end of this week to give customers notice before the first of the year. Vice Chairman Wright made a motion to create a minimum usage of 1,000 gallons per month effective January 1, 2023. Director Teppe seconded. Motion carried.

At 8:10 pm a discussion was started about Post Rock's current rates for commercial customers. The issue was touched on earlier in the meeting during the Russell Supply of Water Agreement item of the agenda. A board member said he noticed the City of Russell's rates are listed online. Their commercial and industrial rates are higher than the District. The Board brought the discussion up again noting the District could raise rates for commercial/industrial customers. Ms. Rivarola added to the conversation and mentioned that she would like to see Mr. Janssen pull some information for the next meeting to see how the District could set up rate tiers. The types of customers along with their meter sizes need to be researched. She also asked Mr. Janssen to pull the J-Six contract. There is a note in that contract saying the minimum usage charge could be adjusted depending on their current usage. Chairman Bland mentioned raising the Benefit Unit fee for new customers. He told the Board to think about it for next meeting.

At 8:38 pm, Chairman Bland called for Item #10 on the agenda. Mr. Janssen presented the General Manager's report along with the Distribution and Plant reports. Ms. Neuman presented the Office Manager's report.

At 9:15 pm Chairman Bland brought up Christmas bonuses for employees. He said the Board needs to discuss if they'd like to give employees a bonus like they did last year. Other members agreed but wondered how to account for the new employees hired during the year. There were several. It was suggested to prorate those bonuses. Director Miller made a motion to award employees a \$500 bonus (after taxes) paid by the end of the week with new employees being prorated for time worked this year. Vice Chairman Wright seconded. Motion carried.

At 9:37 pm, Chairman Bland called for an Executive Session for twenty (20) minutes to discuss non-elected personnel pursuant to K.S.A 75-4319(b) (1); to include all board members present and Ms. Rivarola. Vice Chairman Wright made a motion and Director Teppe seconded. Motion carried.

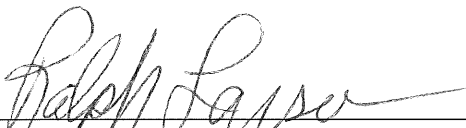
At 10:00 pm, Vice Chairman Wright made a motion to extend the executive session for ten (10) minutes. Chairman Bland seconded.

At 10:12 pm, the Board of Directors reconvened in open session. Director Miller made a motion to have Ms. Rivarola review a memo drafted tonight by the Board with Mr. Janssen tomorrow (12/21/22) morning. Director Wehrman seconded. Motion carried.

At 10:13 pm, Vice Chairman Wright made a motion to adjourn. Seconded by Director Miller. Motion carried.

Meeting adjourned at 10:13 pm.

Respectfully Submitted:



Ralph Larson, Secretary/Treasurer

1-17-23

Date