

Rural Water District No. 1  
Ellsworth County, Kansas a/k/a Post Rock Rural Water District  
Regular Board Meeting Minutes  
July 21, 2020

At 6:35 pm, Chairman Brad Miller noting a quorum called the regular board meeting to order. Chairman Miller introduced Mr. John Dolezal to the board of directors and asked Mr. Dolezal to give a summary of his background. Chairman Miller called for a motion to appoint Mr. Dolezal to fill the remaining term of Mr. Arthur Boyd. Director Teppe made a motion to appoint Mr. Dolezal to complete the remaining term of Mr. Boyd's position on the board. Mr. Boyd's term would expire February 2021, Seconded by Director Larson. Motion carried.

Directors present were Brad Miller, Ralph Larson, Martin Bland, Howard Wehrman, Butch Teppe, Kayla Errebo, and Dave Gorrell.

Directors not Present: Joel Christy

Others Present: Leslee Rivarola, and Louis Funk (virtually) and Ryan Cook, Accountant and Sharon Condit (in the District Office)

Guest: None

Director Bland joined the meeting at 6:38 pm.

At 6:38 pm, Chairman Miller called for a motion to approve the consent agenda items. Vice Chairman Gorrell made a motion to approve the consent agenda items. Seconded by Director Errebo. Motion carried.

At 6:50 pm, Chairman Miller requested that Mr. Cook give a summary of the Statement of Net Position to bring Director Dolezal up to date on the District financial position. Chairman Miller called for the financial report. Ms. Condit presented the bills to be paid and explained the invoice from Schwab-Eaton in the amount of \$4,534.25 for inspection hours on the clarifier project. Ms. Condit called for questions. Ms. Condit requested the financial report be approved and for the bills to include the invoice from Schwab-Eaton and to pay the bills not to exceed the amount of \$166,146.09. Chairman Miller called for a motion to approve the bills. Director Errebo made a motion to approve the financial report and to pay the bills not to exceed the amount of \$166,146.09. Seconded by Vice Chairman Gorrell. Motion carried.

At 7:05 pm, Chairman Miller called for Item number 4 on the agenda. Item number 4 was to approve the Notice of Award to the contractor on the Avenue D Project. Mr. Funk explained that M & D Construction from Hays, Kansas was the lowest bidder on the project. Mr. Funk explained this was a call-in bid opening and Bartlett and West had received five (5) bids. The

engineer's estimated cost of the project totaled \$187,400 with one bid alternate, estimated at \$18,000. The bids ranged from \$146,957.96 as the low bid to \$229,980.00 as high bid. The complete bid tabulation is attached (Attachment A). After a brief discussion of the bid process, the bid tabulation sheet dated July 9, 2020, and who would inspect the project as the line is being installed, Mr. Funk explained to the board that it would be very expensive for Bartlett and West to have an inspector on site. Mr. Funk explained that Quintin Vague, the distribution supervisor is very capable of overseeing the project. Mr. Funk suggested the trench would need to be left open until Mr. Vague inspects the project to ensure the bell holes are dug out underneath, and to ensure the contractor is using the proper materials according to the bid requirements. Mr. Funk explained the casing material is 16" steel pipe.

Mr. Funk's recommendation to the Board of Directors is to authorize a notice of contract award be issued to M & D Construction of Hays, Kansas. Chairman Miller called for a motion to award the bid to M & D Construction. Director Teppe made a motion to authorize Bartlett & West to issue a Notice of Contract Award to M & D Construction of Hays, Kansas, to replace approximately 1 mile of ten (10) inch waterline along Avenue D, between 4<sup>th</sup> and 5<sup>th</sup> Street based on the bid tabulation dated July 9, 2020. Seconded by Director Wehrman. Motion carried.

Mr. Funk explained once the Notice of Award is issued, he will prepare construction contracts, including performance and maintenance bonds for the Board's consideration at the August board meeting. Once construction contract documents are approved along with performance and maintenance bonds, a Notice to Proceed will be issued. The anticipated construction start date is late August to early September 2020, based on Board action. The construction contract anticipates 60 days for the project to be completed following issuance of the Notice to Proceed.

Ms. Condit requested Mr. Funk explain the issue with adding a potential water customer. Mr. Funk explained the result of the hydraulic model, the area is served by a two (2) inch line and there is low pressure due to the elevation of the area. Chairman Miller called for a motion to add the service. Director Bland made a motion to follow the engineer's recommendation not to add the service at this time. Seconded by Director Larson. Chairman called for a roll call vote. Directors Errebo, Teppe and Wehrman voted yes. Directors Bland and Larson voted no. Directors Dolezal and Vice Chairman Gorrell abstained. Motion failed.

Mr. Funk recommended the distribution staff place a pressure recorder at a location in the elevated area and discuss and review the results of the pressure recorded at the August board meeting.

Mr. Funk gave a brief update to the board of directors on the J-Six Easement and Petition progress. He explained that the only two easements that have been received in the District Office are the two easements from J-Six Enterprise. Mr. Funk explained that he has been in contact with the District's legal counsel and the recommendation to help move things along on this project is to request the District's legal write a letter offering the landowners one dollar (\$1.00) to two dollars (\$2.00) per liner foot for easements rights. The question was raised to lay the line in the road right-of-way. Mr. Funk explained to the board of directors, there are two locations where the line will be laid cross country and there is no way to lay the line in the road right-of-way. Unless the plan is redesigned and the line would be re-routed, which would be a larger expense to J-six Enterprise. Mr. Funk explained this offer is contingent upon approval of Mr. Joe Kramer with J-Six Enterprise. The consensus of the board of directors was to offer \$1.00 per liner foot and if that fails then offer the \$2.00 per liner foot to the landowners that are in the area where the line would go cross country. There was a brief discussion on reimbursing the landowners for crop damages and or reseeding of pastureland. Chairman Miller called for a motion. Director Bland made a motion to offer one dollar (\$1.00) per liner foot to the landowners and if that offer failed the offer would be to offer the landowners two dollars (\$2.00) per liner foot. Seconded by Director Larson. Motion carried.

Mr. Louis Funk departed the meeting at 8:00 pm.

Chairman Miller called for Item #3 on the agenda. Mr. Ryan Cook with Angel & Cook Accounting and the District's Accountant reviewed the CIP Budget (Attachment B) and explained the reasons for generating income to fund the CIP Budget with the board of directors. The purpose of this presentation was to get a consensus from the board of directors as to ways the CIP Committee could propose to the board of directors to generate funding and approval of the CIP Budget. It was discussed that Ms. Rivarola would follow-up with Mr. Carr at KDHE as to the phase of the application for funding projects. No action taken.

Mr. Ryan Cook departed the meeting at 8:30 pm.

At 8:35 pm Chairman Miller called for Item #5 on the agenda. Ms. Rivarola reviewed the Draft Water Purchase Agreement (WPA) between Ellsworth County Rural Water District #1 d/b/a Post Rock Rural Water District and the City of Bunker Hill. After a brief discussion on the WPA, it was determined the following be included in the Water Purchase Agreement:

- The WPA would include the potential for an annual imposition of take-pay minimums starting at 6% in year 2, with a maximum take-pay percentage of 60%.
- The WPA would include a 20-year term beginning once the purchaser receives water.
- The WPA would include a reimbursement of engineering expenses on behalf of the District of up to \$2,000.

- Expand the language in the draft WPA to include more protections to the District for conservation, drought, or system failures to supply water in accordance with the WPA.
- Consider off-peak hours as determined by the District's engineer for filling the water tower as an offset for the imposition of take-pay provisions.

It was determined the District's engineer and the legal counsel would review the draft WPA and add the items listed above. It was discussed to grant the Chairman of the Board the authority to execute the agreement upon final review by the engineer and the legal counsel. Chairman Miller called for a motion. Director Teppe made a motion to authorize the Chairman to execute the Water Purchase Agreement upon final review by the District's engineer and legal counsel. Seconded by Director Bland. Motion carried.

At 9:15 pm, Chairman Miller called for Item # 6 on the agenda. Ms. Condit briefed the board of directors on the 2020 Tank Maintenance Project: Clean and Inspect/Leak Repair of the remaining four (4) towers, which is required by KDHE. The cost is a minimum of \$7,198.00 plus \$800.00 for a full written report with EPA or State Report and Leak Detection and repair with materials. The hourly cost of repairs and materials is \$398.00 per hour. Repairs will be made, as necessary. Ms. Condit's recommendation is to hire Midco Diving & Marine Service, Inc. to inspect and repair towers 1, 3, 4 & 7. Chairman Miller called for a motion. Director Bland made the motion to hire Midco Diving & Marine Service, Inc. (Attachment C) to inspect and make necessary repairs to tower 1, 3, 4, & 7 not to exceed the amount of \$15,000.00. Seconded by Director Teppe. Motion carried.

At 9:20 pm, Chairman Miller called for items listed as Board Member Reports. Ms. Condit reminded the Board of Directors of the decision to continue with the wholesale rate that was extended to Purefield Ingredients. After a brief discussion of extending the wholesale rate to Purefield Ingredients for a period which would be determined by total gallons they purchase monthly. Chairman Miller called for a motion. Director Wehrman made a motion to continue to sell water to Purefield Ingredients at the wholesale rate of \$7.18 per thousand gallons if the total gallons used remains above seven million (7,000,000) gallons per month and at that time this would be brought before the board of directors for review. Seconded by Director Teppe. Motion carried.

At 9:24 pm, Chairman Miller called for items listed as Board Member Reports. Ms. Condit gave a brief description of the Valve Exercise Plan (Attachment D) and the list of valves that have been exercised in the distribution system. The valve exercise plan was submitted to Ms. Marsha Fleming with KDHE.

At 9:25 pm, Chairman Miller called for the next item listed as Board Member Reports. Ms. Condit brought to the board's attention the old Rockwell Meters throughout the distribution system. After a brief discuss and a plan to change out the Rockwell Meters, Chairman Miller called for a motion. Director Bland made a motion to change out the Rockwell Meters beginning with the meters that have the highest usage and the plan is to change ninety (90) meters per month. Seconded by Director Teppe. Motion carried.

At 9:30 pm, Chairman Miller called for the next item listed on the agenda. Ms. Condit briefed the board of directors on the conversation with Mr. Porter regarding work on the west clarifier. It was determined by the board of directors to follow the original plan on the rehab of the west clarifier. The decision was when Terry Ranker and Dirk Larsen feel the east clarifier is working with no issues, they would contact Schwab-Eaton to instruct Dondlinger to begin work on the west clarifier.

At 9: 33 pm, Chairman Miller called for the next item listed on the agenda. Ms. Condit briefed the board of directors with the specs for two buildings to be constructed and used as re-chlorination stations at BPS #5 & #6. She presented a picture of a building to be constructed by Sturdi-Bilt. The cost of the two building is \$3,120.00. The distribution employees will build the forms for a 6'x8'x6' concrete pad. The cost of materials to build the forms is approximately \$57.84. The cost of the cement and mileage is approximately \$303.00. The total cost of the project is approximately \$3,480.84. It was brought to the board's attention that we have a permit to place the building at BPS#6, but we would need to have the engineer construct a plan and submit to KDHE to secure a permit to place the building at BPS#5. Vice Chairman Gorrell made a motion to approve the cost of replacing the structure at BPS #6 and place a structure at BPS # 5. Seconded by Director Bland. Motion carried.

At 9:40 pm, Chairman Miller called for the next item listed on the agenda. Ms. Condit briefed the board of directors on a customer situation. She explained that in February 2020, when the Kansas Department of Transportation (KDOT) requested the District relocate the water line in Russell County, it was required to relocate Mr. Mitchell Driscoll's meter. At that time, it was discovered the Mr. Driscoll had been calling in an incorrect reading to the District office. The distribution employees brought the meter to the office and one of our Customer Service Specialists contacted Mr. Driscoll and explained to him the reading on the meter. Mr. Driscoll explained there has not been any usage on the meter in quite some time. The distribution employees tested the meter and the meter test results were good. (Attachment E). Mr. Driscoll informed one of our Customer Service Specialists that Post Rock Rural Water District would hear from his attorney. The board of directors advised Ms. Condit to treat Mr. Driscoll as she would any other customer that has an unpaid account. Ms. Condit informed the board of directors that the procedure is to lock the meter.

At 9:45 pm, Chairman Miller called for any other reports. Ms. Rivarola gave a brief update on the situation with the City of Bunker Hill, the City of Lucas, and the City of Ellsworth. No action necessary.


At 10:10 pm, Chairman Miller called for a motion to recess into Executive Session. Director Bland made a motion to recess for fifteen (15) minutes to discuss non-elected personnel pursuant to K.S.A 75-4319(b) (1); further that all board members and Ms. Rivarola was included in the Executive Session. Seconded by Director Miller. Motion carried. Director Christy was absent from the meeting.

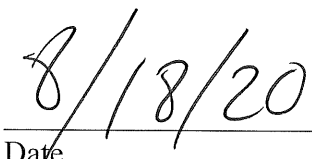
The regular meeting reconvened at 10:25 pm with no action taken.

At 10:25 pm, Chairman Miller called for a motion to adjourn the meeting. Director Larson made a motion to adjourn the meeting. Seconded by Director Errebo. Motion carried.

Meeting adjourned at 10:25 pm.

Respectively submitted:

  
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Kayla Errebo, Secretary/Treasurer

  
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Date