

Rural Water District No. 1  
Ellsworth County, Kansas a/k/a Post Rock Rural Water District  
CIP Committee Meeting Minutes  
June 5, 2020

At 3:00 pm, Chairman Christy called the meeting to order.

Directors present were Joel Christy, Dave Gorrell, Kayla Errebo and Brad Miller,

Director not present:

Others Present: Leslee Rivarola and Sharon Condit.

Guest: None

At 3:01 pm, Chairman Christy called for Item #1 on the agenda. Ms. Condit gave the CIP Committee an update on the meeting with Mr. Funk. Mr. Funk reviewed the plans for the Avenue D Project with Quintin Vague and Sharon Condit. There were very minor changes to the plans. Mr. Funk was to make the changes and submit the plan to KDHE for approval. Mr. Funk is requesting the board of directors approve the plan at the June 16, 2020, meeting.

At 3:15 pm, Chairman Christy called for Item #2 on the agenda. Ms. Rivarola gave an update to the Committee from the attorney on the progress of the easement preparation. There was a discussion about providing a petition along with the easements to the landowners. The petition would allow the District to petition the commissioners in McPherson County and incorporate the 10 ½ mile line to J-Six Enterprises as part of the District. The CIP Committee's recommendation to the board of directors is to authorize Stumbo Hanson to prepare attachment petitions on behalf of the District for the J-Six Water Main Extension project and to coordinate with the District's engineer, staff, and consultant on attachment of lands in an amount not to exceed \$4,000.

At 3:30 pm, Chairman Christy called for Item #3 on the agenda. Bartlett & West needs hydraulic data to perform service reviews for customers desiring to establish a connection. Bartlett & West also needs hydraulic information to perform wholesale customer reviews, troubleshoot problems, and to assist staff with questions as they arise. Bartlett & West estimated the cost to perform this work at \$10,000. Mr. Louis Funk, P.E. offered to absorb half of the expense as an investment in his professional relationship and services performed on behalf of the District. The CIP Committee authorized this expense, as service reviews are needing to be performed and cannot be completed without this information. The CIP Committee's recommendation to the board of directors is to ratify the expense authorized by the Capital Improvement Committee in an amount not to exceed \$5,000 with Bartlett & West for hydraulic data conversion.

At 4:00 pm, Chairman Christy called for Item #4 on the agenda. After a brief discussion on fees that are charged by the District, the CIP Committee's recommendation is to increase meter fees.

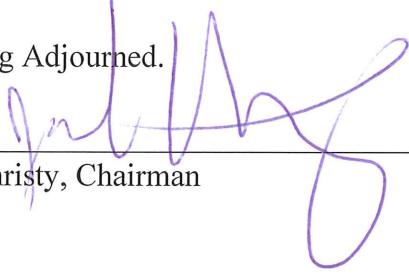
Retail meters include residential, commercial and pasture meters. The suggested Capital Improvement Fee is \$10.00/month for all meters up to 1" in size and \$15.00/month for all meters in excess of 1". This includes all retail meters, whether active or inactive. The decision to include inactive meters is based on the capacity they tie up in the District, which has a value to the system. It is the recommendation of the CIP Committee for the board of directors to consider approval of Resolution 2020-01 establishing a Capital Improvement Fee for all retail meters in the District, both active and inactive, to fund capital projects in the District.

At 4:30 pm, Chairman Christy called for Item #5 on the agenda. After a brief discussion about the State Revolving Fund (SRF) Application, it was determined that Ms. Rivarola would submit the SRF Application for projects to Kansas Department of Health and Environment for consideration.

Other Business: Ms. Condit brought before the committee, the temporary wholesale rate for Purefield Ingredients. Ms. Condit provided data of the usage for the year 2020, and the increase of usage given the Stay-At-Home Order with the wholesale rate in place. It was the recommendation of the CIP Committee to continue with the wholesale rate of \$7.18 per thousand gallons, if Purefield Ingredients exceeds a usage of 7 million gallons per month.

At 4:45 pm, with no other business to be brought before the Committee, Chairman Christy adjourned the meeting.

Meeting Adjourned.

  
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Joel Christy, Chairman

6-16-20  
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Date

Rural Water District No. 1  
Ellsworth County, Kansas a/k/a Post Rock Rural Water District  
Regular Board Meeting Minutes  
June 16, 2020

At 6:30 pm, Vice Chairman Dave Gorrell noting a quorum called the regular board meeting to order.

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

Directors not Present: Chairman Miller

Others Present: Leslee Rivarola, (virtually) and Sharon Condit (in the District Office)

Guest: None

At 6:32 pm, Vice Chairman Gorrell called for a motion to approve the consent agenda items. Director Teppe made a motion to approve the consent agenda items. Seconded by Director Christy. Motion carried.

At 6:35 pm, Vice Chairman Gorrell called for the financial report. Ms. Condit presented the bills to be paid and explained the total invoices to be paid increased this month due to the invoices from Elliott Insurance and Dondlinger Construction. Ms. Condit called for questions. Director Bland requested explanation for the increased cost of chemicals. After no other questions, Ms. Condit requested the financial report be approved as presented and to pay the bills not to exceed the amount of \$203,600.07. Vice Chairman Gorrell called for a motion to approve the bills. Director Larson made a motion to approve the financial report and to pay the bills not to exceed the amount of \$203,600.07. Seconded by Director Christy. Motion carried.

Director Errebo joined the meeting at 6:40 pm.

Director Bland joined the meeting at 6:43 pm.

At 6:48 pm, Vice Chairman Gorrell called for Item number 3 on the agenda. Item number 3 was to approve the bid process for the Avenue D Project. After a brief discussion it was determined to move this item further down the agenda depending on Mr. Funk's availability to join the meeting.

At 6:50 pm, Vice Chairman Gorrell called for Item number 4 on the agenda. Item number 4 was to approve Stumbo Hanson's legal fees to prepare the Petition to attach land to the District.

Ms. Rivarola explained the purpose for the petition to attach land and the benefit to protect the District. It was explained this cost would not be passed to J-Six as the agreement states J-Six would pay for private easement acquisition, not attachment of lands. J-Six is obligated to support attachment efforts in the District's current agreement. If the District encounters issues with easement acquisition or attachment of lands, staff will notify the Board of Directors promptly. After a brief discussion, Vice Chairman Gorrell called for a motion to authorize Stumbo Hanson to prepare attachment petitions on behalf of the District for the J-Six Water Main Extension project and to coordinate with the District's engineer, staff, and consultant on attachment of lands in an amount not to exceed \$4,000. Director Larson made a motion for Stumbo Hanson to prepare the Petition to attach land and approve the legal fees in the amount not to exceed \$4,000. Seconded by Director Christy. Motion carried.

At 7:00 pm, Vice Chairman Gorrell called for Item number 5 on the agenda. Vice Chairman Gorrell requested Director Christy, Chairman of the CIP Committee to brief the board of Directors on the recommendation of the CIP Committee. Director Christy explained the Resolution 2020-01 establishes a Capital Improvement Fee for all retail meters in the District. Retail meters include residential, commercial and pasture meters. The suggested Capital Improvement Fee is \$10.00/month for all meters up to 1" in size and \$15.00/month for all meters in excess of 1". This includes all retail meters, whether active or inactive. The decision to include inactive meters is based on the capacity they tie up in the District, which has a value to the system. After a brief discussion, Director Bland requested a plan from the CIP Committee for improvements to be done in the district and the delegation of funds. The item was tabled until a plan from the CIP Committee is provided to the board of directors.

At 7:45 pm, Vice Chairman Gorrell called for Item number 6 on the agenda. Item number 6 was the engagement letter for the 2019 Audit. Ms. Condit explained the cost of the audit has increased by \$500 from the 2018 Audit. After a brief discussion about sending an RFQ for an audit firm for the 2020 Audit Year, Vice Chairman Gorrell called for a motion to approve the Engagement Letter from Trout Beeman. Director Christy made a motion to accept the Engagement Letter and to pay Trout Beeman in the amount of \$10,200.00 to conduct the 2019 Audit. Seconded by Director Errebo. Motion carried.

At 7:55 pm, Vice Chairman Gorrell called for Board of Director's Report items. Vice Chairman Gorrell briefed the board of directors on the recommendation from the Personnel Committee. The recommendation from the Personnel Committee was that the District Office be open to customers from the hours of 8:00 am to 5:00 pm including a staggered lunch hour for office employees. After a brief discussion, it was determined the District Office hours would remain as is with the office being open from 8:00 am to noon and from 1:00 pm to 5:00 pm.

At 8:05 pm, Vice Chairman Gorrell called for the second item on the Board of Director's Report. Vice Chairman Gorrell requested, Director Christy, Chairman of the CIP Committee to brief the board of directors on the request from Bartlett and West. Bartlett & West needs hydraulic data in order to perform service reviews for customers desiring to establish a connection. Bartlett & West also needs hydraulic information to perform wholesale customer reviews, troubleshoot problems, and to assist staff with questions as they arise. Bartlett & West estimated the cost to perform this work at \$10,000. Mr. Louis Funk, P.E. offered to absorb half of the expense as an investment in his professional relationship and services performed on behalf of the District. The CIP Committee authorized this expense, as service reviews are needing to be performed and cannot be completed without this information. After a brief discussion, Vice Chairman Gorrell called for a motion to approve the recommendation by the CIP Committee. Director Christy made a motion to ratify the expense authorized by the Capital Improvement Committee in an amount not to exceed \$5,000 with Bartlett & West for hydraulic data conversion. Seconded by Director Teppe. Motion carried.

At 8:10 pm, Vice Chairman Gorrell called for the third item on the Board of Director's Report. Vice Chairman Gorrell requested Director Christy, Chairman of the CIP Committee brief the Board of Directors on the recommendation of the CIP Committee. Director Christy updated the Board of Director's as to the temporary agreement to grant the wholesale rate of \$7.18 per thousand gallons to Purefield Ingredients during the period of the Stay-At-Home Order which expired on May 18, 2020; however, Post Rock continued with the wholesale rate through the end of May 2020. It was brought to the CIP Committee's attention at the June 5, 2020, CIP Committee meeting. The committee discussed the issue of the wholesale rate to Purefield Ingredients, but due to the agreement Purefield Ingredients has with the City of Russell it is not possible for Purefield Ingredients to enter into a Water Purchase Agreement with Rural Water District No. 1 Ellsworth County, Kansas d/b/a Post Rock Rural Water District. At the June 5, 2020, CIP Committee meeting and due to the timing of invoicing to Purefield Ingredients, the CIP Committee's recommendation was to continue with the wholesale rate to Purefield Ingredients if Purefield Ingredients exceeds 7 million gallons per month. After a brief discussion, it was determined continue to with the wholesale rate of \$7.18 per thousand gallons until the July 21, 2020, board meeting. Vice Chairman Gorrell called for a motion. Director Bland made the motion to extend the wholesale rate of \$7.18 per thousand gallons to Purefield Ingredients until the July 21, 2020, board meeting. Seconded by Director Larson. Motion carried.

At 9:15 pm, Vice Chairman Gorrell called for a motion to recess into Executive Session. Director Christy 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. Chairman Miller was absent from the meeting. Seconded by Director Errebo. Motion carried.

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Regular Board Meeting

June 16, 2020

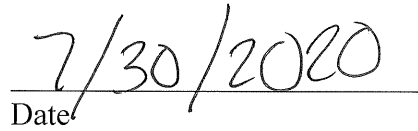
The regular meeting reconvened at 9:30 pm with no action taken.

At 9:45 pm, Vice Chairman Gorrell called for a motion to adjourn the meeting. Director Christy made a motion to adjourn the meeting. Seconded by Director Errebo. Motion carried.

Meeting adjourned at 9:45 pm.

Respectively submitted:

  
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Kayla Errebo, Secretary/Treasurer

  
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Date