

Rural Water District No. 1
Ellsworth County, Kansas a/k/a Post Rock Rural Water District
Board Meeting Minutes
October 17, 2023

At 6:43 pm Chairman Bland called the meeting to order and called for roll call.

Directors present at roll call: Director Bland, Director Wehrman, Director Robbins, Director Griffith-Hughes, Director Larson, and Director Teppe. Director Dolezal was absent.

Staff present: Jon Wright, Angela Naegele, Roxanne Stevenson,

Others present: Leslee Rivarola (consultant).

Chairman Bland called for a motion to approve the agenda as presented. Chairman Bland asked if the spreadsheet from Director Griffith-Hughes was included. Angela asked to remove item 8 from the agenda and also the spreadsheet from Director Griffith-Hughes. Director Christy motioned to approve the agenda with the proposed changes. Director Larson seconded the motion. All members present voted in favor.

Chairman Bland called for a motion to consider the revised minutes from August 15th to modify and clarify the banking authorizations as requested by the District's bank. Director Griffith-Hughes motioned to approve the revised minutes for August 15, 2023. Director Robbins seconded the motion. All members present voted in favor.

Chairman Bland called for a motion or revisions to the September 19th minutes. Director Larson motioned to approve the minutes as presented without revisions. Director Christy seconded the motion. All members voted in favor of the motion.

Chairman Bland called for benefits unit sold and transferred for the month. Chairman Bland inquired about one of the benefit units (at Kanopolis Lake). Director Larson inquired if applicants for benefit unit transfers were required to furnish information on how much water would be used. Ms. Naegele indicated the applicant is just required to provide information on the use, for example residential or for livestock. Ms. Naegele described the questionnaire applicants complete. Discussion followed.

Chairman Bland asked if there were questions on the bills to be paid. Discussion followed with questions on clarification of some contractor invoices. Discussion followed regarding invoices with clarification by staff members.

Director Griffith-Hughes motioned to authorize the bills to be paid as presented to the Board of in the amount of \$110,051.10. Director Wehrman seconded the motion.

Chairman Bland called for the next agenda item – Rate Study. Mr. Wright presented historical information regarding the District's rates and a summary of the information included in the packet. Mr. Wright described various increases in costs to the District of commodities, contracts,

and materials. Discussion followed among the Board and Mr. Wright regarding options for rates to be able to support the capital needs and improvements of the District, the ongoing maintenance and operations, and the need to provide water to customers. Discussion regarding the District's vehicles and equipment was discussed. The aging vehicles and the price to replace them is significant and not currently included in the District's capital budget for replacement. Director Wehrman asked for a breakdown of other Rural Water District's rates throughout the State. Mr. Wright provided some information on some surrounding District's. Discussion followed regarding inflation on the rising cost of everything to the District. Director Larson brought up the uniqueness of the District in terms of size and the number of customers in comparison to the miles of lines and the geographical size of the District. Discussion followed regarding the District's uniqueness compared to other Rural Water Districts. Discussion regarding the District's current water contracts – retail and wholesale, residential customers, and uncontracted water continued. Discussion followed regarding rate categories and whether or not Post Rock should have an industrial rate. Discussion followed regarding meter fees, benefit units, and other fees within the District. Discussion followed regarding an annual increase percentage. Discussion followed. Mr. Wright brought up water contracts that are going to be expiring. Additionally, Mr. Wright brought to the Board's attention contracts that are exceeding their monthly contracted amount. Discussion regarding timing of rate decisions and how to communicate with the customers followed. Chairman Bland asked if the Board wanted to look at creating an industrial customer definition. Director Griffith-Hughes motioned to create an industrial customer category defined as a company that is primarily engaged in the manufacturing of products. Director Teppe seconded the motion. Chairman Bland called for all members voting in favor to raise their hand. All members present voted in favor of the motion. Discussion followed regarding the rate to establish for industrial customers. The Board discussed the demand on the infrastructure of the District, including the water pipes, pumps, and the water treatment plant. Following discussion of the District's infrastructure demands Director Robbins motioned to establish an industrial water rate at \$9.09 per 1000 gallons which includes the \$.03 state water plan effective to any industrial customer on November 1, 2023. Director Teppe seconded the motion. All members present voted in favor of the motion. Chairman Bland asked Mr. Wright to provide a recommendation on rates.

At 8:12 pm Chairman Bland called for a 10-minute break.

At 8:22 pm Chairman Bland reconvened the meeting.

Chairman Bland called for the General Managers report.

Mr. Wright asked the Board of Directors to consider duct cleaning at the Post Rock office to address dust in the office. Director Griffith-Hughes motioned to have the ducts cleaned. Chairman Bland asked for clarification of the process for cleaning. Mr. Wright clarified that it is within his spending authority. The Board of Directors agreed this is a priority.

Mr. Wright continued his report regarding obtaining bids for line replacement of an 8" line. Discussion followed. The consensus of the Board was for Mr. Wright to proceed.

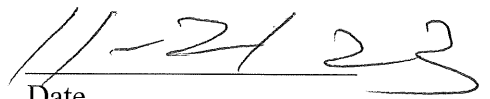
Mr. Wright shared the water treatment plant needed a new computer and the process for obtaining quotes for a new bid. Discussion followed regarding two quotes.

Mr. Wright shared a customer who is now deceased with an outstanding bill of \$271.88 and ownership of the property has changed. Director Griffith-Hughes motioned to waive the \$271.88 charge. Chairman Bland asked for an update on the notice to the outstanding benefit unit transfer fees. Mr. Wright provided an update. Mr. Wright shared that Saline 7 contacted him to ask about purchasing more water. Mr. Andrew Sigle made a request to sell 10,000 feet of excess 2" water pipe to the District at a discounted price of \$1.45 per foot, which is a .15 cent discount from current pricing. Discussion followed. Chairman Bland suggested the District consider purchasing half of the 10,000 feet. Director Griffith-Hughes expressed support for purchasing half or 5,000 feet of the pipe from Mr. Sigle. Discussion followed. Mr. Wright brought to the Board's attention another customer who has a \$902.56 credit. The customer was asking for a refund of the credit. The customer is also set up for ACH payments and had their water bill deducted directly from their bank account. The credit was an overpayment. Discussion followed and the Board provided consensus to refund the credit. Mr. Wright provided an update on his discussion with Mr. Louis Funk, P.E. regarding Wilson Lake Estates. Discussion followed with the hydraulic studies and outcome of the hydraulic studies for Wilson Lake Estates. Chairman Bland inquired regarding the status of meter reading district wide. Director Christy inquired what the process is if a customer wants to have an automatic meter installed. Mr. Wright and Ms. Naegele provided information. Director Griffith-Hughes motioned to purchase half the pipe from Mr. Sigle and to waive the fee of \$271.88 from the deceased customer and to refund the \$902.56 credit for the overpaid customer. Director Larson seconded the motion. All members present voted in favor. Director Griffith-Hughes motioned to move forward with the half mile line replacement with the low bid received if the contractor can complete it in a timely fashion. Director Robbins seconded the motion. All members present voted in favor. Discussion followed regarding the purchase price. Director Griffith-Hughes motioned to buy a half mile of 8-inch pipe at the current price. Director Robbins seconded the motion. Discussion followed. Mr. Wright asked Ms. Stevenson to pull the most recent 8-inch pipe invoice. Ms. Stevenson provided pricing information for 8-inch pipe from July 2023. Discussion followed. Chairman Bland called for the vote. All members present voted in favor. Mr. Wehrman inquired regarding the pump at the lake. Discussion followed. Chairman Bland inquired about water loss during burnouts. Mr. Wright provided information. Discussion followed.

At 9:23 pm Chairman Bland called for a motion to adjourn. Director Griffith-Hughes motioned to adjourn. Director Larson seconded the motion. All members present voted in favor of the motion.

Respectfully Submitted:


Ralph Larson, Secretary/Treasurer


Date