

JEFFERSON COUNTY RURAL WATER DISTRICT #13

1951 Wellman Rd. Lawrence, KS 66044

785-842-1502

www.jfrwd13.com

MONTHLY PUBLIC BOARD MEETING

February 16, 2023

LOCATION: District Water Office - 1951 Wellman Road

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CALL MONTHLY BOARD MEETING TO ORDER

Note: Due to icy road conditions the Board was encouraged to attend the meeting virtually.

The meeting is called to order by Chairperson Gordon Brest at 7:00 p.m.

Board Members Present via GoToMeeting: Chairperson Gordon Brest, Director Linda Day, Director Paulette Schwerdt

Board Members Present: Treasurer John Hachmeister, Secretary George Pogge

Board Members Absent: Vice Chairman Andrew Breuer, Director Rick Reischman

Employees Present: Joe Osborn, Linda Lips

CONSENT AGENDA

MINUTES FROM 01-19-2023 BOARD MEETING

NEW CERTIFICATES-1 AND TRANSFERS-2

MOTION: It is moved by John Hachmeister and seconded by George Pogge to approve the consent agenda.

VOTE: So moved 4-0.

JEFFERSON COUNTY WATER AVAILABILITY FORM-LOT SPLIT - 0

TREASURER'S REPORT

FINANCIAL SUMMARY

Discussion: John Hachmeister and Linda Lips reviewed the financial reports earlier in the day.

CD Proposal: John Hachmeister proposes that we move \$100,000 from the Capital Improvement Money

Market fund paying 0.72% into a CD paying 4.15% APY with a 12-month term. George Pogge suggests moving



\$200,000 into two \$100,000 CDs. This would leave a remaining balance of \$88,859.44 in the CI Money Market fund.

MOTION: It was moved by John Hachmeister and seconded by George Pogge to move funds from the money market account into two \$100,000 CDs paying 4.15% APY with a 12-month term.

VOTE: So moved 5-0.

UNPAID BILLS REPORT

MOTION: It is moved by George Pogge and seconded by John Hachmeister to pay bills.

VOTE: So moved 5-0.

USDA LOAN:

Request for Easements Update:

A spreadsheet showing the status of easement requests is included in the Board packet. There are several locations where the road right-of-way may end up being the best option. Louis Funk with Bartlett & West will be in the district on 03/08 to review the locations where we do not have signed easements. Louis will also be reviewing the overall project plans including the new well. The Board is invited to join in with Joe and Louis on that day.

New Well Project:

Test Drilling Results – We are awaiting the follow-up report from Layne.

Submit Monthly Request to USDA - No . 8:

RD Monthly Payment Approval Request No. 8 for \$43,888.28 (Pre-Development: Layne Christensen-New Well-Test Drilling, Test Well, Hydrogeological Services) is ready to submit to USDA for tracking purposes (along with copy of invoice and proof of payment). The request will be signed by the Chairman Gordon Brest and will be emailed to Dan Fischer and/or Sarah Hines with USDA next week.

This request has also been submitted to the interim loan provider for reimbursement.

MOTION: It is moved by George Pogge and seconded by Linda Day to submit RD Payment Approval Request No. 8 for \$43,888.28 to USDA.

VOTE: So moved 5-0.

Emprise – Request for Draw No. 1:

At the 01/19 meeting the Board made the decision to submit the Layne Invoice for \$43,888.28 as the first draw on the interim loan.

First of all, Emprise requested a breakdown of project costs in order to set up a construction budget and Bartlett & West provided this information (3 contracts with detail). Secondly, Emprise had concerns about the difference in the amount of the interim loan vs. the USDA loan. The interim loan is short the interim loan interest amount projected at \$129,000. The RFP letter sent to a list of area banks, requested that we preferred interest be paid at maturity, but the terms we ended up with are: "Interest due quarterly on outstanding balance. Advances to line can be made to satisfy required interest payments." Emprise is asking if we are going



to go back and renegotiate the loan amount or pay the interest out of pocket. The Board agrees to pay the interest out of pocket.

MOTION: It is moved by Linda Day and seconded by Paulette Schwerdt to pay the difference between the two loan amounts with existing cash on hand.

VOTE: So moved 5-0.

Review of Bartlett & West Project Design Invoices: The Board has questions on the engineering fee invoices (project design). No detail is shown for work completed on the current invoice to be paid tonight (or prior invoices). Gordon Brest has emailed Louis Funk with a request for detail in the form of a summary of work completed.

Revised Timeline Review:

An updated timeline provided by Bartlett & West is included in the Board packet.

Map of Project Locations (Including Set of Plans to Date):

A rudimentary display map has been provided for the office and plant. In the future a project map will also be posted on the website.

DISTRICT MANAGER'S REPORT

- 1) Monthly Activity Report: A detailed report is included with the Board packet.
- 2) Water Sales/Usage/Loss Report: The water loss for January is 17.0%.
- 3) Cistern Fill-In (location is southwest of east well): Daniels Excavating completely removed the cistern (not a fill-in). Bruce Johanning with University of Kansas has been advised that this task has been completed.
- 4) LV#10 Wholesale Rate: Preliminary Allocation – Bartlett & West is doing a long-range plan study for LV#10 and the results will determine LV#10's response.
- 5) Garden Villa Subdivision (42-lot): We have received the service review from Bartlett & West and will be forwarding this information to Leavenworth County regarding water availability (upgrades are required).

OFFICE MANAGER'S REPORT

- 1) Accounts Receivable Aging Report is included in the Board packet. There are no collections issues at this time.
- 2) Payment Method Review is included in the Board packet.
- 3) Aqua Backflow, Inc.: Linda Lips advises that Aqua Backflow does not have any other versions of their card mailer at this time. The board is concerned that the mailer looks like junk mail.
- 4) Replacement Office Operations Manager: Niki Fincham starts on 03/06.



BUSINESS

1) Patterson Lane Proposal from Daniels Excavating – This line relocation project is required due to the Anderson Acres lot split in 2022. In 1993 the district installed a water line in an location crossing a field and without a right-of-way easement in place. The district is moving the line because the owners of Lot 2 Anderson Acres would like to build their house where our line is located. Daniels Excavating has provided a proposal for \$22,255. This proposal is for labor only.

MOTION: It is moved by Linda Day and seconded by Paulette Schwerdt to correct the issue near Patterson Lane and move forward with the project (per Daniels proposal).

VOTE: So moved 5-0.

2) Interest in Line Extension on Loring Rd., 246th St., and Cantrell Rd – Ed Irvine (13561 246th St.) contacted the office asking if the district had an interest in expanding east along Loring Rd., north on 246th St., and east along Cantrell Rd. He had spoken with Sarah Hines with USDA and understood that we could add on to our existing USDA loan. Mr. Irvine is willing to do a survey in the area to determine interest. Linda Lips advised Mr. Irvine that she would bring up the topic at the next Board meeting. The Board agrees to take Mr. Irvine up on his offer to complete a survey and to advise him that the project, if deemed feasible, would be at a minimum of 3 years out. (There is no interest in adding this project on to the USDA loan.)

3) Management's Discussion & Analysis (MD&A) Review – The MD&A draft is not ready for review. Paulette Schwerdt reminds the Board that last year she offered to prepare the MD&A. Paulette has a lot of experience in this area. The Board agrees to have Paulette prepare the MD&A.

4) Identify Attendees for KRWA Conference – Linda Day plans to attend the conference. Joe Osborn and Brandon Bethard will be attending.

5) Assign Voting Delegate and Alternate Delegate for KRWA Annual Business Meeting –

MOTION: It is moved by George Pogge and seconded by Paulette Schwerdt to assign Linda Day as the voting delegate.

VOTE: So moved 5-0.

Linda Lips will provide Linda Day with the meeting details.

6) Report from Nominating Committee: Deadline to Submit Written Nominations on Form Designated by the Board – Linda Lips reports that the two incumbents have submitted a nomination form and provided a bio. The deadline to post this information on the website is 02/28.

7) Review Meter Reader Contract (Contract Changed to 2-year Period: Review in 2024) – Joe Osborn explains a situation with one of the meter readers. Their contract will be severed as of April 1 and the contract will need to go out for proposal. The other meter reader will cover the route until the position is filled. The terms of that contract will need to be reviewed by the attorney. Gordon Brest requests a copy of the contract for review.

8) Employee Handbook Revisions: Committee Presents Revisions – Linda Day presents the changes as prepared by the committee.



MOTION: It is moved by George Pogge and seconded by John Hachmeister to accept the changes to the Employee Handbook as presented.

VOTE: So moved 5-0.

9) Bylaws and Rules & Regulations: Committee Presents Revisions – Linda Day presents the changes as prepared by the committee.

The bylaws will be voted on at the annual meeting on 03/16.

MOTION: It is moved by Paulette Schwerdt and seconded by George Pogge to accept the changes to the Rules & Regulations as presented.

VOTE: So moved 5-0.

Note: The Employee Handbook, Bylaws, and Rules & Regulations revisions all primarily pertain to the restructuring of the Office Manager position to Office Operations Manager and District Manager position to Plant & Distribution Operations Manager with both managers reporting to the Board.

The attorney's comments are reviewed and the minor change to the Bylaws is accepted. The feedback on the Employee Handbook will be re-examined when the handbook is reviewed next year.

10) District Manager Review: New Format – The year in review prepared by Joe Osborn is discussed. Going forward, in the month of November, an Annual District Review will be presented by the Plant & Distribution Manager and Office Operations Manager jointly.

11) Finalize & Submit: Emergency Water Supply Plan (06-17-2021), Water Drought/Emergency Resolution (08-15-2019), Cross Connection Regulation (Exhibit A in Rules & Regs as of 08-19-2021), Municipal Water Conservation Plan (03-17-2022), and Water Source Protection Plan (12-16-2021) – Joe Osborn is in the process of reviewing the plans. He will get together with Linda Lips next week to discuss the plans in detail.

12) Letter of Conditions to Bidding Punch List:

The topic of the water plan updates led into the topic of the USDA Letter of Conditions to Bidding Punch List provided by Sarah Hines. One of the requirements is a Vulnerability Assessment/Emergency Response Plan Certification. We are not certain if our existing plans will be adequate. This will require further research. John Hachmeister and Linda Lips discussed the Letter of Conditions this afternoon. There are many requirements within the Letter of Conditions, and it will be a big responsibility for the managers. A Board member and/or committee may want to be involved. Gordon Brest requests a copy of the documents for review.

13) Review Calendar for Next Month's Agenda Items – Annual Meeting, Regular Meeting, Request Any Changes to SSI Forms and Review Form Requirements, and Meter Reader Contract Goes Out for Proposal (contract changed to 2-year period, review in 2024).

Handouts:

Daniels Excavating Proposal for Patterson Lane Line Re-location Project
District Manager Annual Review (prepared by Joe Osborn)



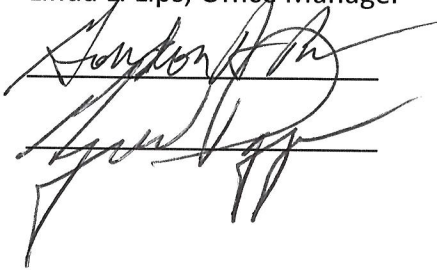
ADJOURNMENT

MOTION: It is moved by John Hachmeister and seconded by Paulette Schwerdt to adjourn the meeting at 8:55 p.m.

VOTE: So moved 5-0.

Respectfully Submitted and Prepared by,

Linda L. Lips, Office Manager

Two handwritten signatures are present. The top signature is for Gordon A. Brest, and the bottom signature is for George Pogge. Both signatures are written in black ink and are positioned over horizontal lines.

Gordon A. Brest, Chairperson

George Pogge, Secretary