

# **JEFFERSON COUNTY RURAL WATER DISTRICT #13**

**1951 Wellman Rd. Lawrence, KS 66044**

**785-842-1502**

**[www.jfrwd13.com](http://www.jfrwd13.com)**

## **MONTHLY PUBLIC BOARD MEETING**

**November 18, 2021 – Begins after Public Hearing for SRF Loan**

**LOCATION: District Water Office - 1951 Wellman Rd.**

Or please join the meeting from your computer, tablet, or smartphone.

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### **CALL MONTHLY BOARD MEETING TO ORDER**

The meeting is called to order by Chairman Gordon Brest at 7:28 p.m.

Board Members Present: Chairman Gordon Brest, Vice Chairman Andrew Breuer, Treasurer Greg Hazen, Director Larry Means, and Director John Hachmeister

Board Members Absent: Secretary George Pogge

Employees Present: Joe Osborn and Linda Lips

Guests:

Leavenworth RWD #10: Steve Conley (new manager) and Bill Stringfellow (board member) – LV#10 is interested in wholesale rates and suggested paying more on the monthly minimum side and reducing the water rate with the idea they would be drawing more water. LV#10 has cut back on their usage with RWD #13 due to the cost. It is noted that when RWD #13 was formed, LV#10 paid a connection fee to the District (1976: cost sharing equals 20% of \$300,000 or \$60,000). The original contract is circulated.

The agreement proposal with City of McLouth is based on flow rate.

Steve Conley requests that the District put together what was discussed in the form an email that he can present to his board.

Steve Conley and Bill Stringfellow depart.

Louis Funk, Bartlett & West: Long Range Plan and Loan Review –

1) Well Site: KU Endowment – The attorney for the District has drafted a proposed easement that allows the District to conduct test drilling activities. The next step is for the District to hire a professional geologist. The geologist will get bids on test drilling. The engineering firms generally do not subcontract this work due to the liability. Greg Hazen asks that the decision on a professional geologist is tabled.



- 2) KDHE/SRF Loan – Environmental Review: A letter from the United States Department of the Interior – Fish and Wildlife Service to the District stated that in accordance with section 7(c) of the Endangered Species Act, it has been determined that the federally listed Mead’s milkweed, western prairie fringed orchid, and northern long-eared bat may occur in the project area. Mitigation measures will need to be conducted through the Kansas Biological Survey.
- 3) City of McLouth Long-term Agreement Proposal Negotiations dated 08/16/2021 – Joe Osborn attended the City of McLouth Council meeting last week to provide clarification on the proposal. A handout showing a simplified version of the calculations is circulated. The City is asked to respond by next month.
- 4) Jefferson RWD #7 Emergency Connection – The arrangement looks to be mutually beneficial. The Board will need to decide at some point if this project will be included in the loan. A handout showing a comparison of financing options is circulated.
- 5) 15944 54<sup>th</sup> St.: Jefferson County is going to be widening the road and changing the culvert through this area specifically. It will also affect this property owner’s driveway. Joe Osborn asked that this topic be addressed while Louis Funk was still available at the meeting.

Louis Funk departs at 8:15 p.m.

#### **MINUTES FROM 10/21/2021 BOARD MEETING**

**MOTION:** It is moved by Greg Hazen and seconded by John Hachmeister to approve the minutes from the 10/21/2021 Board meeting.

**VOTE:** So moved 5-0.

#### **NEW CERTIFICATES-1 AND TRANSFERS-4 and WATER AVAILABILITY CERTIFICATES-0:**

**MOTION:** It is moved by Andrew Breuer and seconded by Greg Hazen to approve the one new certificate and four transfers.

**VOTE:** So moved 5-0.

#### **TREASURER’S REPORT**

1) Financial Summary: It is noted that there is now a separate line item for Preliminary Loan Expenses: account #96206.

2) Unpaid Bills Report:

**MOTION:** It is moved by Andrew Breuer and seconded by Larry Means to pay bills.

**VOTE:** So moved 5-0.

3) CDs Maturing on 11/24 and 11/26 (3 Total):

**MOTION:** It was moved by Greg Hazen and seconded by John Hachmeister to renew the three CDs for 13 months at 0.50% APY.

**VOTE:** So moved 5-0.



## **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 October is 12.4%.

## **OFFICE MANAGER'S REPORT**

- 1) Accounts Receivable Aging Report
- 2) Payment Method Review

## **OLD BUSINESS**

- 1) City of Lawrence: Review Agreement – Final documents are still pending.
- 2) Long Range Plan and Loan Review – See Guests for Long Range Plan.
- 3) Review Bylaws – Ongoing: Per Greg Hazen, there will be additional changes required regarding forfeiture of benefit units. The attorney is working on the wording.
- 4) Policies and Procedures Updates (includes Cross Connection) – Table until next month.
- 5) Kientz & Penick CPAs, LLC – Vote on Either One-Year or Three-Year Commitment:  
**MOTION:** It is moved by Andrew Breuer and seconded by John Hachmeister to go with Kientz & Penick CPAs, LLC in Manhattan, KS as a three-year commitment.  
**VOTE:** So moved 5-0.
- 6) Set Dates for Auditor to Conduct Audit and MD&A Review (and sign engagement letter) – The engagement letter stating a Three-Year commitment is signed. The audit dates will be confirmed with the new auditor. As treasurer, Greg Hazen will be working on the MD&A again this year.
- 7) Wellhead/Water Source Protection Plan Update – Greg Hazen has submitted questions and is awaiting feedback from other committee members and Ken Kopp with KRWA.
- 8) Aqua Backflow, Inc. Update – Linda Lips has been coordinating with Sequoyah on developing the CVS file. It has been a slow process.

## **NEW BUSINESS**

- 1) Engineering –  
Inspector on Upcoming Projects: It will be the District's responsibility to hire capable inspectors on the upcoming projects. It would not be cost effective to have the inspections conducted through Bartlett & West.

New Well Site: The District must hire a professional geologist to determine a new well site and arrange test drilling. Joe Osborn and Linda Lips will contact their sources and report to the Board next month.

Linda Lips is asked to contact the attorney regarding legally binding ties to Bartlett & West.





2) KRWFA Annual Meeting – The meeting took place on 11/18 at 11:00 a.m. via GoToMeeting. The District was not notified in time to designate a delegate. The agenda is included in the Board packet.

3) Second Draft of Budget to be Finalized This Month or in December –

**MOTION:** It is moved by Greg Hazen and seconded by John Hachmeister to approve the budget as presented.

Discussion: The approval would also approve the payroll increases.

Greg Hazen and John Hachmeister withdraw the motion.

**MOTION:** It is moved by Greg Hazen and seconded by John Hachmeister to increase the health insurance stipend by \$200.00/month for full-time employees, 5% payroll increase for Joe Osborn and Linda Lips and 10% increase for Brandon Bethard with and additional 5% when he gets his Class 2 license.

**VOTE:** So moved 5-0.

**MOTION:** It is moved by Greg Hazen and seconded by John Hachmeister to approve the budget as presented.

**VOTE:** So moved 5-0.

4) Review Calendar for Next Month's Agenda Items – Set Feasibility Study Rates for the Year, Nominating Committee Forms for Annual Election (newest elected directors) and Determine Location for Annual Meeting.

Linda Lips departs at 9:45 p.m.

5) District Manager Review-Final Draft (by Board)

**Executive Session with Board Only Present:**

**MOTION:** It was moved by Greg Hazen and seconded by Andrew Breuer to go into executive session for 12 minutes starting at 9:48 p.m. to discuss an individual employee's performance, pursuant to K.S.A. 75-4319 (b) (1) personnel matters of nonelected personnel, and the open meeting will resume in this room at 10:00 p.m.

**VOTE:** So moved 5-0.

The Board comes out of executive session at 10:00 p.m. and no binding actions or decisions are made as a result of executive session.

Larry Means departs.

District Manager Review-Final Draft (by Board) –

**Executive Session with Joe Osborn Present:**

**MOTION:** It was moved by Greg Hazen and seconded by John Hachmeister to go back into executive session for 10 minutes starting at 10:00 p.m. to discuss an individual employee's performance, pursuant to K.S.A. 75-4319 (b) (1) personnel matters of nonelected personnel, and the open meeting will resume in this room at 10:10 p.m.

**VOTE:** So moved 4-0.

The Board comes out of executive session at 10:10 p.m. and no binding actions or decisions are made as a result of executive session.

#### **Handouts:**

City of McLouth – Proposal Calculations Simplified (source: Joe Osborn)



Jefferson RWD #7 Emergency Connection: Comparison of Financing Options (source: Louis Funk)  
Revised Proposed Budget 2022 (source: Joe Osborn)  
Leadership Training Information (source: Gordon Brest -- handed out in executive session)

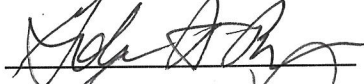

**ADJOURNMENT**

**MOTION:** It was moved by Andrew Breuer and seconded by John Hachmeister to adjourn the meeting at 10:10 p.m.

**VOTE:** So moved 4-0.

Respectfully Submitted and Prepared by,

Linda L. Lips, Office Manager

Gordon A. Brest, Chairman

George Pogge, Secretary