

Franklin County Rural Water District #1
Board Meeting Minutes
July 18, 2017

PRESENT: David Alderman, David Kaub, Keith McAdoo, Jake Jenkins, Lance Town, Karen Walburn, Shirley Gilges, Cathy Duderstadt and Nichole Roecker

GUESTS/MEMBERS: None

1. CALL TO ORDER

The meeting was called to order by Chairman, David Alderman at 7:00 p.m.

2. READING AND ADOPTING OF MINUTES

The Minutes of the June 20, 2017 meeting were presented for approval. Lance Town requested that an additional statement be added under item 8B, Pending Litigation.

The additional statement -- "The recent rate changes were put in place to balance the budget of the Water District".

Lance Town moved to accept the minutes with the additional statement; Karen Walburn seconded and the motion carried 7-0.

3. OPERATOR'S REPORT

As Bob McClay was absent from the meeting; David, Cathy and Nichole presented the June operator report for the Board's review.

Cathy reported that the generators purchased from Colbern Electric Company will be delivered on July 25th with a projected start-up date of August 8th. The start-up date is contingent on the delivery of the propane tanks.

Nichole reported since Bob has been on vacation, she has been completing the daily water testing. She reported that the district truck currently is in the shop

but she expected the repair to be completed shortly. Nichole also reported that she is enrolled for training to be held the first of August.

David reported that the project on Shawnee Road has been completed. David reported that the residence at 2704 Highway 68, owned by Jody Frings, is currently on the market to be sold. The water meter is currently under a large slab of concrete and the meter has not had an accurate reading for some time. David has instructed Bob to move the meter before the residence sells.

4. FINANCIAL REPORTS

Cathy Duderstadt presented the June financial reports for review and approval. Keith McAdoo moved to accept the financial records and pay all bills as presented; Lance Town seconded and the motion carried 7-0.

5. BOOKKEEPER REPORT

Cathy Duderstadt reported that the District's financial processing system is 100% Quick Books for 2017. The Denali system is still being used for 2016 records until the 2016 Audit is complete.

6. CONFERENCE REPORT

David Alderman reported on a conference, hosted by the local historical society, that he had recently attended. The speaker stressed that eventually there will be no more water to purchase and that everyone should be thinking of the long term and how to accommodate water usage in the future.

7. OLD BUSINESS

A. STATEMENT OF SUBSTANTIAL INTERESTS

Cathy Duderstadt reminded the Board Members to return their completed Statement of Substantial Interests.

B. STATUS OF FUTURE PROJECTS

Jake Jenkins asked about the status of the capital improvement projects to be sent to the engineers. David Alderman volunteered to get with Bob McClay to see which projects should have priority and to get these to the engineers.

C. PENDING LITIGATION

Chairman, David Alderman reported to the Board that he had called the district's lawyer, Lee Hendricks, to see the status of the pending litigation from TDR Construction, Inc., Superior Oilfield Supply and L&L Energy LLC. Lee reported that he had not received any correspondence from any of these entities or their lawyer.

Lance Town, a member of the entities, reported that he had not proceeded with the litigation hoping that a satisfactory solution could be obtained at the monthly board meeting.

Jake Jenkins asked Lance Town what the Entities needed to come up with a satisfactory solution. Lance indicated that he would like a more rationale reason for the rate increase and to be assured that no discrimination occurs.

The following items/suggestions were discussed:

- Will there be enough water for future meters and at what cost
- Will water pressure of existing member be affected
- Legal contract with City of Ottawa to furnish only domestic use
- Tiered Levels only one category
- Tiered levels within category

After much discussion, it was the consensus of the Board that no satisfactory solution could be determined now.

8. NEW BUSINESS

A. 2015 AUDIT REPORT

Cathy Duderstadt presented each board member a copy of the 2015 audit prepared by Agler & Gaeddert Chartered. The audit revealed that the District had \$5046 under secured for 2015 at the Kansas State Bank. Cathy reported that she had contacted Kansas State Bank to get this corrected for the current year.

B. KANSAS ONE-CALL INCREASE

Cathy Duderstadt reported that the District had received notice of an increase to the One-Call ticket fee. Effective September 1, 2017, the fee will increase from 25 cents per ticket to \$1.20.

9. EXECUTIVE SESSION

The Board went into Executive Session at 9:00 to discuss personnel matters. Minutes of this meeting are under separate cover.

10. ADJOURNMENT

Karen Walburn moved to adjourn the meeting, Lance Town seconded and the motion carried 7-0. Meeting adjourned at 9:25.