

2025 BOARD CHAIR'S ANNUAL REPORT
Rural Water District #2
Sedgwick County, KS

2.24.2026

Rural Water District 2 was originally formed by pioneering residents in north Sedgwick County in July of 1971. The water district has grown and changed since its beginning 55 years ago. Though sometimes taken for granted in modern society, clean, safe water is the foundation of a healthy, sustainable community. But there are still areas in Sedgwick County and across the state of Kansas where clean, safe water is not readily accessible.

Rural Water 2 operates on a normal calendar fiscal year, January 1 – December 31. The Board of Directors is a seven-member board. All Directors are RWD2 water benefit unit owners and consumers who serve on the board as uncompensated volunteers. They meet regularly to study the issues that come before them and strive to make decisions that facilitate continuous improvement in Rural Water District 2 delivery of safe, reliable water service.

The Board has been operating since March 2025 with six members and one unfilled vacancy. The Board advertised the vacancy on monthly water bills, on the district's web page and by word of mouth throughout the year.

The Board has three Associate Board Member positions which allow interested benefit unit owners to volunteer as non-voting members so they can gain understanding and experience and perhaps fill a future Board of Director vacancy. There have been no Associate Board Members through 2025. If any benefit unit owner is interested in serving in an associate role, please contact the RWD2 Manager.

The "Five-Mile Project" expansion was completed in late 2024. The project's final cost came in slightly above the low-end estimate but well below the estimated high-end. Because the final loan amount and interest rate were favorable to the district and its consumers, the Board did not need to adjust rates associated with the project in 2025. Unfortunately, the District's water source supplier, City of Valley Center, did increase rates to the district by 4.5% for 2025, resulting in a 4.5% increase to the district's per thousand-gallon rate schedule for consumers.

Early in 2025 the long-time district manager gave notice of intent to leave the position. She stayed on to train and acclimate the new district manager for several weeks before finishing her service to the district in July. Thanks to Deb Gilbert for her years of service to the district and welcome to Becca Schwab who jumped in and stepped up to keep district

business flowing smoothly. Becca, in addition to the many daily manager duties, has since July navigated an upgrade to the financial software, construction of a budget with the district's accountant, maintained compliance with the U.S. Environmental Protection Agency & KDHE lead line survey regulatory mandate, and improved meter data collection processes, to name a few.

The U.S. Environmental Protection Agency regulations require all public water systems to provide notification of "Known or Potential Service Line Containing Lead" literature annually within 30 days of completion of the initial lead line survey conducted in 2024, and to repeat annually until all benefit unit owners have responded to verify whether there are or are not lead or galvanized lines or component on the customer's side of the meter, and that any known lead or galvanized has been replaced. The district has confirmed that there are no lead or galvanized lines or components in the district's system on the district's side of the meters. Exposure to lead in drinking water can cause serious health effects in all age groups. The lead line survey is available on the RWD2 website or by contacting the office manager. Any benefit unit owner who has not completed the survey is encouraged to do so as soon as possible.

In 2025 the Board adopted a permanent water conservation plan. Following severe drought conditions in 2024 which did not resolve until Cheney Reservoir reached a 12-month average level of 72.8% on October 1, 2025, Rural Water District 2 and other area water systems implemented new water conservation measures for outdoor sprinkler irrigation systems to encourage best practices and to protect water resources. The district's Regulation is contained in the district's Municipal Water Conservation Plan document and additional information is contained in a fact sheet on the district's web page.

Technology and infrastructure wise, the Board approved the purchase of a GIS mapping solution to be utilized by the district's operator and engineer to modernize and enhance location and mapping of district lines and system features. Additionally, the Board discussed and has been contemplating replacement and modernization of aging meters and associated software solutions that will improve remote system monitoring, meter reading and water leak detection. The Board maintains a responsible contingency fund balance to manage emergencies and periodically, to manage moderately priced one-time capital expenditures such as meter replacements. The Board is always mindful of how the Consumer Price Index and the inflation rate impact the value of the district's dollars, and how to responsibly spend dollars for the district's long-term benefit.

Now, the Board and the district move into 2026 with optimism, in good condition, but with a couple of infrastructure update challenges yet unresolved, a need for water source and pricing discussions related to Valley Center's water treatment facility project, and whether

potential residential growth in the district in 2026 will materialize and benefit the district and benefit unit owners. Unlike governmental entities authorized to levy taxes, many of which operate using a mix of varied tax revenues, fees and fines, the water district is an entity wholly dependent upon fees for services revenue collected from the district's benefit unit owners. The benefit unit owners have a vested interest in the performance and success of the water district.

We thank the Water District 2 benefit unit owners for their continued support, and their timely and conscientious payments to help support the maintenance, health and wellbeing of the district's assets, infrastructure, and staff so that all members can continue to enjoy adequate clean and safe water delivery.

Respectfully,



Russ Leeds

Board Chair

