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Commissioner

January 27, 2014

Mr. Gary Sheffer
Union County Water District
409 North Court Street
P.O. Box 146
Morganfield, Kentucky 42437

Re: Case No. 2014-00010
Union County Water District

VIA ELECTRONIC MAIL

Dear Mr. Sheffer:

The enclosed document has been filed in the record of the above-referenced case. Any objections to this action should be submitted to the Commission within five days of receipt of this letter.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Derouen".

Jeff Derouen
Executive Director

gw
Enclosure

Minutes of the Meeting of the Union County Water District

December 27, 2013

A meeting of the Union County Water District was held on December 27, 2013, beginning at 1:00pm in the Union County Fiscal Court Room, Courthouse, Morganfield, Kentucky.

The following were in attendance at the meeting:

- Gerald Hunter, Chairman
- Gary Sheffer, Manager
- Andrew Arnold, Board Member
- Sydney H. Hulette, Attorney
- H.T. Shouse, Treasurer
- Ron Gastineau
- Todd Boley

The meeting was called to order. Minutes from the November 26, 2013, meeting were read and upon motion by Andrew Arnold and seconded by Gerald Hunter the minutes were approved as read.

Ron Gastineau reported on the progress meeting held that morning. He stated it was a good meeting with the contractor. There is about a mile of line left to be laid and that should be completed in the middle of January. The Pumping station is to be delivered in early spring. The water storage tank is completed except for the pump being installed. The painting can't be done until warmer weather. Mr. Gastineau stated that Contract A is about 50% complete, Contract B is about 67% complete, and the water storage is about 75% completed. There have been some changes ordered for the reworking of the pipeline on Blueberry Hill that have been approved by the funding agency. There have been some overruns on gravel and boring but the project is still within the projected funding that has been applied.

H.T. Shouse then reported on the finances of the water district.

Accounts of the Union County Water District on deposit at Old National Bank and United Community Bank were as follows:

SINKING FUND, #396660597 (Old Nat. Bank)	\$ 29,184.40
RESERVE FUND, #396660586 (Old Nat. Bank)	\$ 10,895.85
	\$ 40,080.25
OPERATIONS & MAINTENANCE, #80137180 (United Com. Bank)	\$ 238,977.68
DEVELOPMENT ACCOUNT, # _____ (United Com. Bank)	\$ 14,951.84
RESERVE FUND -- PATRIOT COAL	\$ 15,000.00
TOTAL:	\$ 309,009.77

Mr. Shouse reported there is a payment due to the United States of Agriculture on January 1, 2014, with a principal amount of \$18,000 and of interest \$2,972.50. The only other loan that is outstanding is \$116,000.00.

JAN-23-2014 12:34PM FROM-Union Co Water

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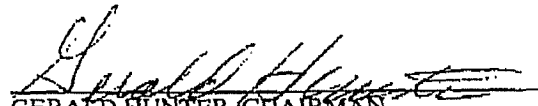
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Gary Sheffer reported the water loss for the month of 6.48%, year to date of 5.28%. Mr. Sheffer stated that he thinks the district should join the Kentucky Rural Water Association with dues of about \$1,800 per year. He stated that it would provide assistance in filing reports. The district now has over 2,270 meters and being a member of the association could help keep track of all the requirements and regulations related to the operation of these meters. Upon motion by Andrew Arnold and second by Gerald Hunter the district unanimously voted to join the Kentucky Rural Water Association.

Todd Boley with McElroy and Mitchell presented a rate schedule based on the contract with the city. He stated that there would be an increase in the charge the city makes to the district of about .40 cents per thousand gallons. A list is attached hereto with the schedule. The city built a million gallon tank and the increase is due to the capital expenditures. Upon motion by Andrew Arnold and second by Gerald Hunter the Commissioners voted to approve the increase with the City of Morganfield. Mr. Boley presented a budget for the USDA, schedule attached hereto along with projected cash flow schedule. Upon motion by Andrew Arnold and second by Gerald Hunter approval of the budget was passed authorizing Gary Sheffer to sign the statement of budget and equity.

The Commissioners then went into executive session to discuss salaries. It was unanimously agreed by the Commissioners to increase salaries 2.5% across the board for all district employees.

There being no further business, the meeting was adjourned.


GERALD HUNTER, CHAIRMAN
Union County Water District

ATTEST:


Secretary