

# Hardin County Water District No. 1

*Serving Radcliff and Hardin County for Over 60 Years*

1400 Rogersville Road  
Radcliff, KY. 40160

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February 22, 2016

Executive Director - Kentucky Public Service Commission  
211 Sower Blvd.  
P.O. Box 615  
Frankfort, KY 40620-0615

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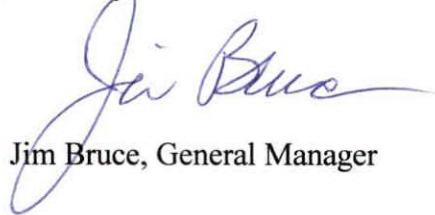
Public Service  
Commission

**SUBJECT: Filing of Updated Exhibit 7  
PSC Case 2016-00075**

Dear Director,

Please find enclosed original and four copies of approved Board minutes for the January 28, 2016 Board meeting. These can replace Exhibit 7 (pgs 272 - 273), for our application, Case 2016-00075, as these minutes have now been approved.

Sincerely,



Jim Bruce, General Manager

Cf; Mr. David Wilson II, HCWD1 Attorney

Encl; Original & Four copies of Board minutes

**Hardin County Water District No. 1  
Minutes of Special Meeting  
of the Board of Commissioners**

**January 28, 2016**

Chairman William Gossett called the meeting to order at 11:55 A.M. with Commissioners John Tindall, Ron Hockman, Howard Williams and Jim Shelton in attendance. Staff present included Jim Bruce, General Manager; Brett Pyles, Operations Manager; Daniel Clifford, Engineering Manager; Scott Schmuck, Finance and Accounting Manager; Andrea Palmer, Executive Assistant; Tim Osborne, County Distribution Supervisor; Justin Taylor and Michael Polen, Distribution Operators; and attorney David Wilson. Lunch was provided for Board and staff.

Chairman Gossett opened the floor for public comment. There was none and Chairman Gossett closed the floor to public comment.

Mr. Bruce noted that there were two new employees present, and Chairman Gossett invited staff to introduce them. Mr. Osborne introduced Mr. Justin Taylor and Mr. Michael Polen as the newest Distribution Operators and gave a brief personal and professional background on each of them. The Board welcomed the new employees, who then exited the meeting.

**Election of Officers:** Chairman Gossett asked for and gained consensus to move agenda item 11 – Election of Officers – to the top of the agenda. He then turned the meeting over to Mr. Bruce to call for and record nominations. Mr. Bruce asked for nominations for the position of Secretary. Commissioner Williams made a motion to maintain the current slate of officers by acclamation (William Gossett as Chairman, John Tindall as Treasurer, and Ron Hockman as Secretary). Commissioner Shelton seconded the motion and motion passed. Mr. Bruce then turned the meeting back over to Chairman Gossett.

Chairman Gossett asked for a motion to accept the prior meeting minutes. Commissioner Williams made a motion to accept the November 11, 2015 special meeting minutes. Commissioner Shelton seconded the motion and motion passed. Commissioner Williams then made a motion to accept the December 15, 2015 special meeting minutes. Commissioner Shelton seconded the motion and motion passed.

Mr. Schmuck presented the December 2015 Treasurer's report, noting that three of the five funds had a net loss for the month. He explained why these funds showed a loss for the month and pointed out that all five funds had a positive net income for the year. He added that the District is currently undergoing the annual audit and said that the Board can expect the report by March. Secretary Hockman asked questions regarding elevated costs for certain operating categories and Mr. Schmuck answered them. Secretary Hockman made a motion to approve the December, 2015 Treasurer's Report. Commissioner Shelton seconded the motion and motion passed.

**Board Monitoring Reports:** Mr. Bruce presented the General Manager's Report and offered to answer any Board questions. Treasurer Tindall asked for an update on the Sewer BRAC grant from HCWD2, and Mr. Bruce answered that Judge Harry Berry had advised him that the transfer to HCWD1 should be approved and signed at the January meeting of the Economic Development Cabinet Board. Secretary Hockman asked questions regarding the recent Wellhead Protection public meeting, and Mr. Bruce and Mr. Pyles answered his questions.

Mr. Pyles presented the Operations Manager Report and answered all Board questions. He informed the Board that Mandy Spalding, the Pirtle Spring Water Treatment Plant Supervisor, is currently setting up tours of the HCWD2 treatment plant so that the District's operators can ask questions of the District 2 operators regarding the change to Chloramines. He noted that the District operators would also be attending some training at the Louisville Water Company.

Mr. Clifford presented the Engineering Manager Report and answered all Board questions.

**Consent Agenda:** Chairman Gossett asked if anyone would like to pull any of the items on the current consent agenda out for discussion. Secretary Hockman announced that he would like to discuss agenda item 8, Bid Award - Asphalt Restoration & Spot Repairs. Secretary Hockman then made a motion to approve consent agenda items 4-10, less item 8. Treasurer Tindall seconded the motion and motion passed. (Award bids or purchase contracts to the various lowest responsible bidders received for 2016 treatment chemicals and distribution and collection materials, as shown on the bid summaries / Accept high bid proposal from ISA Recycling of Louisville for the purchase of scrap Iron, copper, and brass and to declare the same items as surplus for disposal and sale / Award bid to lowest bidder, Herrick Company Inc., for the De-Gritter and Conveyor Replacement, for the Fort Knox Wastewater Treatment Plant, to in the amount of \$98,500 / Award bid of contract for the WAS Pump Replacements, for the Fort Knox Wastewater Utility, to Vanguard Construction in the amount of \$125,700 / Award a bid for the 2016 Cured In Place Pipe Installation, for the 2016 Fort Knox Wastewater CIPP project to the low bidder, Layne Inliner LLC., in the amount of \$200,000 / Approve another one year extension to the Letter of Credit for the 2002 Series Adjustable Rate Water Bonds which is being provided by the Cecilian Bank and the Federal Home Loan Bank, dated April 8, 2010, with the same terms and conditions as originally stated extending the Letter of Credit through April 15, 2017, and to authorize the General Manager and or Chairman or other officers to execute any documents as required for this extension.)

**Bid Award - Asphalt Restoration & Spot Repairs:** There was brief discussion about past personal sealing and striping experiences with the apparent low bidder, and Mr. Pyles and Mr. Osborne answered all Board questions, both confirming that the District has had all good experiences with Bid-Rite Paving in the past, but the District had not used them for sealing and striping. Commissioner Williams made a motion to award bid for the Asphalt Restoration and Spot Repairs to Bit Rite Paving at the unit rate of \$22.50 per cubic foot. Commissioner Shelton seconded the motion and motion passed.

**Finance Plan - LWC Interconnect Project:** Mr. Bruce made a slide presentation to the Board and answered questions throughout. He also thanked Mr. Schmuck for his efforts on preparing the finance plan. Commissioner Williams showed

Continued

appreciation for the graphics and visual aids used during the presentation to the Board. Treasurer Tindall made a motion to authorize staff and legal counsel to submit an application to the Public Service Commission for a Certificate of Public Convenience and Necessity for the LWC Interconnect Project, and include the plan of finance as proposed by staff, with any changes as directed by the Board. Commissioner Williams seconded the motion and motion passed.

**Bid Award - LWC Interconnect Project - County Water:** Mr. Bruce presented the item and offered to answer questions. Commissioner Shelton made a motion to authorize award of the Transmission Main and Pump Station contract to Cleary Construction Inc. in the amount of \$5,971,840 for the Louisville Water Company Interconnect Project, subject to and contingent on Public Service Commission approval and issuance of a Certification of Public Convenience and Necessity. Secretary Hockman seconded the motion and motion passed.

**Rural Development Application - 1882/144 16" Water Transmission Main Project:** Mr. Bruce presented the item and noted that Rural Development has the option to dictate more or less of an increase than what the District has estimated. Commissioner Williams made a motion to authorize staff, legal counsel and engineer to submit an application to Rural Development to obtain a loan of up to \$1,400,000 including a rate increase of no more than 20%, without further Board approval, to repay the new debt service for the 1882/144 Transmission Main extension project to enable the District to supply Meade County Water District with up to 100% of their future water needs, and to submit application at the soonest convenience. Treasurer Tindall seconded the motion and motion passed.

**Options for Janitorial Services:** Mr. Bruce presented the item and answered questions regarding the job description. There was a brief discussion about the working hours, duties required and how the person would provide transportation between sites. Treasurer Tindall made a motion to authorize creation of new Building Attendant, part time position as recommended by staff and authorize the General Manager to fill this position as soon as possible and purchase needed cleaning equipment. Secretary Hockman seconded the motion and motion passed.

**Safety Boots Reimbursement:** Secretary Hockman made a motion to authorize the General Manager and Safety Committee to change the reimbursement amount of steel toed safety shoes to \$150 annually, for employees that qualify. Treasurer Tindall seconded the motion and motion passed.

**Closed Session:** Mr. Bruce noted a need for closed session to discuss litigation. Commissioner Williams made a motion to enter into closed session in order to discuss litigation in accordance with KRS 61.810.1.c. Treasurer Tindall seconded the motion and motion passed. Mr. Bruce remained and all other staff exited the room at this time. Chairman Gossett reconvened open session at 2:08PM.

**Closed Session Action Item:** Treasurer Tindall made a motion to authorize legal counsel to proceed on the litigation item as discussed in closed session. The motion was seconded by Secretary Hockman and motion passed.

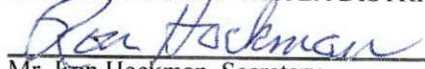
**Adjourn:** Secretary Hockman made a motion to adjourn at 2:10 PM. Motion was seconded by and motion passed.

(Minutes submitted by Andrea Palmer, Executive Assistant)

### **APPROVAL OF MINUTES**

I hereby certify that the foregoing minutes were duly approved by the Board of Commissioners of the Hardin County Water District No. 1 at a meeting held on the date shown below:

HARDIN COUNTY WATER DISTRICT No.1

  
\_\_\_\_\_  
Mr. Ron Hockman, Secretary

  
\_\_\_\_\_  
Date Approved