

**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

**In the Matter of:**


<b>ELECTRONIC INVESTIGATION INTO EXCESSIVE</b>	)	<b>CASE NO.</b>
<b>WATER LOSS BY KENTUCKY'S JURISDICTIONAL</b>	)	<b>2019-00041</b>
<b>WATER UTILITIES</b>	)	

**RESPONSE OF MORGAN COUNTY WATER DISTRICT  
TO COMMISSION ORDER OF July 1, 2019**

Morgan County Water District submits its Response to the Commission's Order of July 1, 2019. The requested documentation included in this Response was previously provided to Hon. John Park via email prior to the Morgan County Water District hearing before the Commission on July 9, 2019.

Dated: July 17, 2019

Respectfully submitted,



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Earl Rogers III  
Campbell & Rogers, PLLC  
Attorneys at Law  
154 Flemingsburg Road  
Morehead, KY 40351  
Telephone: (606) 783-1012  
Fax: (606) 784-8926  
earlrogers@windstream.net



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Erica Stacy-Stegman  
Campbell & Rogers, PLLC  
Attorneys at Law  
154 Flemingsburg Road  
Morehead, KY 40351  
Telephone: (606) 783-1012  
Fax (606) 784-8926  
erica.stacy.stegman@outlook.com

*Counsel for Morgan County Water District*

**CERTIFICATE OF SERVICE**

In accordance with 807 KAR 5:001, Section 8, I certify that Morgan County Water District's electronic filing of this Response is a true and accurate copy of the same document being filed in paper medium; that the electronic filing was transmitted to the Public Service Commission on July 17, 2019; that there are currently no parties that the Public Service Commission has excused from participation by electronic means in this proceeding; and that on or before July 19, 2019 this Application in paper medium will be delivered to the Public Service Commission.

A handwritten signature in blue ink, appearing to read "Erin Stephens", is written over a horizontal line.

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**RESPONSE OF**  
**MORGAN COUNTY WATER DISTRICT**  
**TO**  
**COMMISSION ORDER OF July 1, 2019**

**FILED: July 17, 2019**

**MORGAN COUNTY WATER DISTRICT**

**Response to Commission's Order of July 1, 2019  
Case No. 2019-00041**

Request No. 2

Responding Witness: Chernel Holbrook

**R-2. Provide the minutes from each board meeting held by the utility from January 1, 2018 to the date of this order.**

A-2. See attached board meeting minutes from January 2018 to May 2019.

**Morgan County Water District  
Regular Board Meeting  
Monday, January 8, 2018**

**The regular monthly meeting of the Morgan County Water District was held on Monday, January 8, 2018 beginning at 4:30 p.m. at the office. The following were in attendance: Board Members: Roy Collett, Steve Gunnell, Shannon Elam, Angie Elliott, and Zach Engle; MCWD Staff: Kyle Risner, Steve Pelfrey and Chernel Holbrook; Engineering Staff: Larry Cann; Visitors: Jim Clark & Ernie Ellison (AML) and Brad Lyon (L&L Excavating).**

**Chairman Roy Collett called the meeting to order and welcomed all present. At 4:30 p.m. Mr. Collett called for a motion to approve and accept the minutes of December 11, 2017. After the board reviewed the minutes Angie Elliott made a motion to approve the minutes. The motion was seconded by Shannon Elam. Motion Carried.**

**First item discussed on the agenda was AML – Wilson Prater Road Update. Larry Cann explained to the board that the water line across Adel Hill was complete. Larry also stated that the project was 40 percent complete. Ernie Ellison with AML stated that there needed to be some cleanup work done on Adel Hill. L&L Excavating submitted a pay request for work completed. They also said they would be starting on the flushing hydrant installation in the upcoming week. After review, Zach Engle made a motion to approve the pay request. The motion was seconded by Steve Gunnell. Motion Carried.**

**Second item on the agenda was the TTHM and HAA sample Report. Kyle explained to the board that MCWD had pulled its second set of samples and submitted to the lab. The samples were low enough to drop the monthly average below the state requirements. MCWD was in compliance.**

**Third item on the agenda was Employee Smart Phones. Kyle explained to the board that he had been using his iPhone to communicate with the office personnel via text to complete work orders without having to come back to the office to get each work order. Donna was able to text the account information and nature of the work order to Kyle's phone and then he could use his built in GPS to locate the residence. Once the work order was completed Kyle would text back to Donna the issue with the complaint and completion time. She then would fill the work order out in the office and close it out. The smart phones could also be used to control the tanks and pump stations through the telemetry. The board agreed to get Andy Legg a company smart phone for use in the field. Shannon Elam made a motion to get Andy Legg a smart phone. The motion was seconded by Angie Elliott. Motion Carried.**

**Fourth item on the agenda was MCWD Old Vehicles. Kyle and Steve explained to the board that two of the company trucks were out of commission and needed repairs. The board asked Kyle to check with Enterprise Fleet and get an estimate to lease two Ford F-150's with the basic work package and four wheel**

**drive. Kyle stated he would try to have something to present to the board by the next meeting.**

**Fifth on the agenda was Meters Freezing and Leaks. Kyle and Steve explained to the board that MCWD had experienced several line breaks and meter breaks over the past few weeks. Andy Legg had worked nonstop along with Steve and Kyle fixing these issues. There was going to be a lot of overtime due to so many issues throughout the county. Also, they stated that the water loss was going to be up do to so many leaks. The board discussed posting notices on Facebook and Local Newspaper. The board asked if some of the other county road department employees could help MCWD. Steve told the board that the road department was shorthanded due to some employees leaving. The board asked if MCWD could get contractors to help with some of the repairs.**

**OLD BUSINESS:**

**The Water Loss Reports will be sent out at a later date via email to each board member.**

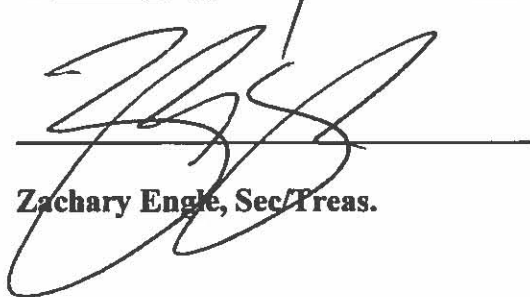
**Lastly, invoices were given to each board member for review and approval. Shannon Elam made a motion to approve the invoices. The motion was seconded by Zach Engle. Motion Carried.**

Handouts which were given to the board for their review included a list of savings accounts, checking accounts, cut off list, and new meter setting list. Also, for the boards review was a copy of the billing register's total page.

Other: The board reviewed applications for the field technician position.

The board agreed on the next monthly meeting to be on February 12, 2018. With there being no further business to come before the board, motion made by Shannon Elam and seconded by Zach Engle to adjourn the meeting. Motion Carried.

IN TESTIMONY WHEREOF WITNESS MY SIGNATURE this 12<sup>th</sup> day  
of February, 2018

  
\_\_\_\_\_  
Zachary Engle, Sec/Treas.



**Morgan County Water District  
Regular Board Meeting  
Monday, February 12, 2018**

The regular monthly meeting of the Morgan County Water District was held on Monday, February 12, 2018 beginning at 4:30 p.m. at the office. The following were in attendance: Board Members: Roy Collett, Steve Gunnell, Shannon Elam, Angie Elliott, and Zach Engle; MCWD Staff: Kyle Risner, Steve Pelfrey and Chernel Holbrook.

Chairman Roy Collett called the meeting to order and welcomed all present. At 4:30 p.m. Mr. Collett called for a motion to approve and accept the minutes of January 8, 2018. After the board reviewed the minutes Angie Elliott made a motion to approve the minutes. The motion was seconded by Steve Gunnell. Motion Carried.

First item discussed on the agenda was AML – Wilson Prater Road Update. Kyle informed the board that the pump station property had been purchased from Kevin Prater. L & L excavating had been contacted to go ahead and start the site preparation for the pump station installation. The pump station is ordered and should be delivered in a little over a month. There were no pay request submitted at this time.

Second item on the agenda was MCWD Equipment Sale to Morgan Co Road Department. Kyle asked the board to go ahead and make a decision to sale the equipment to the road department while they have the funds available. Kyle

**explained to the board that they were checking in to prices of excavators and trailers. Dwight Keeton with Bear Trax Contrustion has priced his mini Kubota excavator for \$24,000.00 and his trailer for \$3,000.00. A motion was made by Zach Engle to sale the equipment to the road department and accepts the money. The motion was seconded by Shannon Elam. Motion Carried. The board mentioned opening an equipment savings account to put the money in until new equipment was purchased.**

**Third item on the agenda was Enterprise Fleet Truck Lease. Kyle presented the board with invoices for two new 2018 Ford F-150 trucks. After the board reviewed the invoices they decided to order one new F-150 now and look at ordering the second one at a later date. Steve Gunnell made a motion to lease a 2018 Ford F-150 from Enterprise Fleet. The motion was seconded by Angie Elliott. Motion Carried.**

**Fourth item on the agenda was MCWD New Employee Update. Steve Pelfrey explained to the board that all of the new employees were doing a great job and working better than expected. Andy Legg will be able to take his class one distribution test in April or May of 2018. Michael Stacy will be able to take his class one distribution license in August 2018. Scott Patrick will have to wait a full year of employment before taking his class one distribution test.**

**Fifth item on the agenda was 2017 F-350 Tool Boxes. Kyle presented the board with toolbox prices for Steve's F-350 for storage for tools and shovels on the flatbed. After the board reviewed, Zach Engle made a motion to purchase the toolboxes. The motion was seconded by Shannon Elam. Motion Carried.**

**Sixth item on the agenda was Kyle presented the board with pricing from contractors to repair leaks and set meters. S&M Contracting priced a Mini Excavator, two trucks, one operator, one labor, and all hand tools for \$80.00 per hour. Zach Engle asked to be excused from any discussion concerning this contractor due to being related to the owners. The rest of the board members agreed to use contractors to help the MCWD employees when needed.**

#### **OLD BUSINESS:**

**Kyle informed the board about the countless hours day and night the employees have been working on leaks and line breaks. All of the field technicians worked several hours of overtime and was there every time one of them was needed. Kyle explained to the board that the automatic flushing hydrants were still in use.**

**Profit and Loss reports were given to the board members for review. There were no questions.**

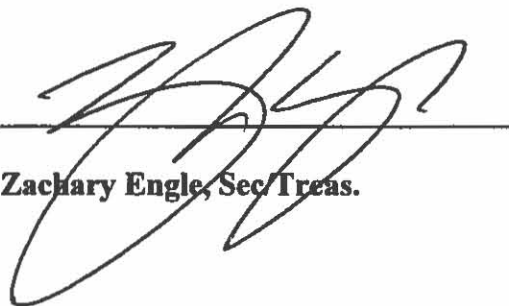
**Lastly, invoices were given to each board member for review and approval. Shannon Elam made a motion to approve the invoices. The motion was seconded by Angie Elliott. Motion Carried.**

Handouts which were given to the board for their review included a list of savings accounts, checking accounts, cut off list, and new meter setting list. Also, for the boards review was a copy of the billing register's total page.

Other: Kyle explained to the board about issuing a warrant for David Collett for theft of services. We are hoping to get paid for the water stolen and damages made to the meter box lock.

The board agreed on the next monthly meeting to be on March 12, 2018. With there being no further business to come before the board, motion made by Shannon Elam and seconded by Zach Engle to adjourn the meeting. Motion Carried.

IN TESTIMONY WHEREOF WITNESS MY SIGNATURE this 12<sup>th</sup> day  
of MARCH, 2018

  
Zachary Engle, Sec/Treas.

**Morgan County Water District  
Regular Board Meeting  
Monday, March 12, 2018**

The regular monthly meeting of the Morgan County Water District was held on Monday, March 12, 2018 beginning at 4:30 p.m. at the office. The following were in attendance: Board Members: Roy Collett, Steve Gunnell, Shannon Elam, Angie Elliott, and Zach Engle; MCWD Staff: Kyle Risner, Steve Pelfrey and Chernel Holbrook; Engineering: Matt Baker; Guest: Jim Clark (KY AML), Brad Lyon (L&L Excavation).

Chairman Roy Collett called the meeting to order and welcomed all present. At 4:30 p.m. Mr. Collett called for a motion to approve and accept the minutes of February 12, 2018. After the board reviewed the minutes Angie Elliott made a motion to approve the minutes. The motion was seconded by Shannon Elam. Motion Carried.

First item discussed on the agenda was AML – Wilson Prater Road Update. The water will have to be turned off temporarily on Hwy 191 so that L&L Excavation can install a valve that will go to the pump station property. They agreed to work on Saturday to do the install. The generator and pump station are both ready for installation. Matt Baker submitted a pay request to the board for work complete. Shannon Elam made a motion to approve and sign the pay request. Steve Gunnell seconded the motion. Motion Carried.

**Second item on the agenda was Mini Excavator – Kubota. Kyle explained to the board that Steve and himself had gone and looked at the new Kubota excavators. He presented the board with brochures that had details about the equipment. They had checked with two different Kubota dealers and the pricing was between \$40,000.00 and \$41,000.00 through state contract pricing. The equipment could be available as soon as two weeks from purchase. Kyle also explained that he had opened an equipment account at the bank to put the money in from the sale of MCWD's equipment until decided what MCWD was going to buy. The board agreed to hold the money in the account until later on in the year.**

**Third item on the agenda was Enterprise Fleet Truck Lease Update. Kyle explained to the board that if a new truck was ordered it would take 14 to 16 weeks for it to be built and receive. He explained that enterprise had the exact same truck already on the lot in a 2018 model year with two options that we hadn't asked for. It could be delivered in two weeks. The board all agreed to go ahead and get that truck that is already available.**

**Fourth item on the agenda was MCWD Office Clerk Position. Kyle presented the board with the job description for the office clerk position. The board agreed to advertise in the local newspaper. The deadline to accept applications would be March 21, 2018. The board would review the applications and then set interview dates.**

**OLD BUSINESS:**

**Kyle informed the board that the water loss reports would be available at a later date. All of the numbers were not submitted and complete.**

**Profit and Loss reports were given to the board members for review. There were no questions.**

**Lastly, invoices were given to each board member for review and approval. Shannon Elam made a motion to approve the invoices. The motion was seconded by Zach Engle. Motion Carried.**

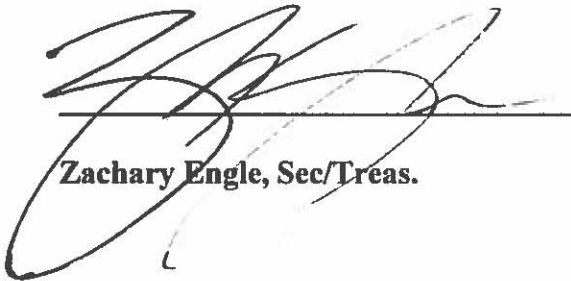
**Handouts which were given to the board for their review included a list of savings accounts, checking accounts, cut off list, and new meter setting list. Also, for the boards review was a copy of the billing register's total page.**

**Other: The board discussed the property that MCWD owns in town where the old offices use to be. The board stated to check with the fiscal court to see if they are interested in buying the property and then if they were not, to check and see if the City of West Liberty would be interested. The board also discussed the possibility of a rate increase through the PSC. The board asked Matt Baker if he could check into a rate increase for MCWD. Steve asked the board if Michael Stacy's probation could be lifted after three months instead of 6 months based on his performance. The board agreed to release Michael Stacy from probation and give him a \$0.50 per hour raise after three months. The motion was made by Shannon Elam. It was seconded by Zach Engle. Motion Carried.**

The board agreed on the next monthly meeting to be on April 9, 2018.

With there being no further business to come before the board, motion made by Shannon Elam and seconded by Angie Elliott to adjourn the meeting. Motion Carried.

IN TESTIMONY WHEREOF WITNESS MY SIGNATURE this 9<sup>th</sup> day  
of April, 2018



Zachary Engle, Sec/Treas.



**Morgan County Water District  
Regular Board Meeting  
Monday, April 9, 2018**

**The regular monthly meeting of the Morgan County Water District was held on Monday, April 9, 2018 beginning at 4:30 p.m. at the office. The following were in attendance: Board Members: Shannon Elam, Angie Elliott, and Zach Engle; MCWD Staff: Kyle Risner and Chernell Holbrook.**

**Kyle Risner was nominated by the board to call this monthly meeting to order in Mr. Roy Collett's place. A motion was made by Shannon Elam. The motion was seconded by Zach Engle. Motion Carried. Kyle Risner called the meeting to order and welcomed all present. At 4:30 p.m. Mr. Risner called for a motion to approve and accept the minutes of March 12, 2018. After the board reviewed the minutes, Zach Engle made a motion to approve the minutes. The motion was seconded by Shannon Elam. Motion Carried.**

**First item discussed on the agenda was AML – Wilson Prater Road Update. Kyle explained to the board that L & L Excavating had made a connection on Hwy 191 in preparation for the new pump station. The pump station is built waiting for delivery. The contractor also met with Steve Pelfrey for the placement of the new generator.**

**Second item on the agenda was Resolution for KY Road Projects. Kyle presented the board with two different types of resolutions for the board to adopt so that MCWD would be able to process KY Road Project invoices online. The board**

reviewed the resolutions. Angie Elliott made a motion to adopt the resolution for the online services. The motion was seconded by Zach Engle. Motion Carried.

Third item on the agenda was Enterprise Fleet Truck Lease Update. Kyle explained to the board that the new 2018 Ford F-150 had been delivered and we had already installed the MCWD decals. He stated that it was a very nice truck. He also mentioned when the Ford F-250 is due for an upgrade that MCWD consider going with all F-150's for the fuel economy.

Fourth item on the agenda was MCWD Property. Kyle stated that he had spoken with Ms. Linda Bradley from the Judges Office and she asked the board to agree on an amount that they would accept for the property. After the board discussed the property, they all agreed to ask the Fiscal Court \$40,000.00 for the property joining their parking area.

Fifth item on the agenda was MCWD Office Clerk. Kyle explained to the board that Ursula Elam had accepted the position and she has given her two week notice at Citizens Bank. Her first day of work is scheduled for April 16, 2018.

#### **OLD BUSINESS:**

First item of business was update on water loss. Kyle presented the board with February and March's water loss reports. Kyle explained that the percentages have finally started to come down from all of the line breaks MCWD had experienced.

Profit and Loss reports were given to the board members for review. There were no questions.

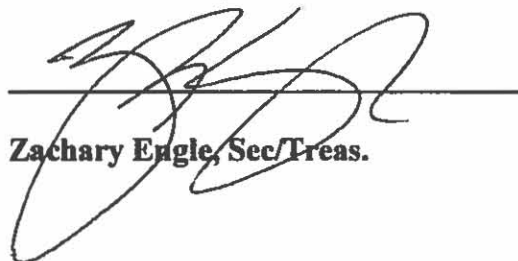
Lastly, invoices were given to each board member for review and approval. Shannon Elam made a motion to approve the invoices. The motion was seconded by Angie Elliott. Motion Carried.

Handouts which were given to the board for their review included a list of savings accounts, checking accounts, cut off list, and new meter setting list. Also, for the boards review was a copy of the billing register's total page.

Other: There was no other business to come before the board.

The board agreed on the next monthly meeting to be on May 7, 2018. With there being no further business to come before the board, motion made by Zach Engle and seconded by Shannon Elam to adjourn the meeting. Motion Carried.

IN TESTIMONY WHEREOF WITNESS MY SIGNATURE this 17<sup>th</sup> day  
of MAY, 2018

  
Zachary Engle, Sec/Treas.

**Morgan County Water District  
Regular Board Meeting  
Monday, May 7, 2018**

**The regular monthly meeting of the Morgan County Water District was held on Monday, May 7, 2018 beginning at 4:30 p.m. at the office. The following were in attendance: Board Members: Angie Elliott, Steve Gunnell and Zach Engle; MCWD Staff: Kyle Risner, Steve Pelfrey and Chernel Holbrook.**

**Kyle Risner was sworn in by Judge Stanley Franklin to replace board member Roy Collett. A motion was made by Zach Engle to make Kyle the Chairman of the Board. The motion was seconded by Angie Elliott. Motion Carried.**

**Kyle Risner called the meeting to order and welcomed all present. At 4:30 p.m. Mr. Risner called for a motion to approve and accept the minutes of April 9, 2018. After the board reviewed the minutes, Zach Engle made a motion to approve the minutes. The motion was seconded by Steve Gunnell. Motion Carried.**

**First item discussed on the agenda was the 2017 Audit. Brenda Morgan representing Morgan & Associates, LLC presented the findings to the Board. They gave us a clean opinion with no major findings. The Board had no questions at this time.**

**Second item on the agenda was AML – Wilson Prater Road Update. Both the pump station and generator has been set and are awaiting hook up. Brad Lyon told the Board that the pump station would be plumbed and power on by the end of the month. Steve Pelfrey told the Board that he would like a tile put in at the front of the pump station for easy access. Brad Lyon said that the front on the pump**

station would require some fill, before a tile could be put in. Steve Pelfrey will put in a request for an encroachment permit from the State Highway Department. Also update was the Radio Read Equipment. Larry Cann, estimated that we would have \$31,000 left over in the project upon completion. C.I. Thornburg Co., Inc. gave us a quote that far exceeded the estimated funds left over for the radio read equipment. Both the Contractor and Engineer talked over ways to save money for the equipment. Jim Clark from AML, told Larry that the equipment would have to come in a change order, that had to be approved. All invoices have to be turned in by June 20, 2018, in order to get paid. Lastly, Larry Cann handed in a pay request from the Contractor. Kyle called for a motion to accept the pay request. The motion was made by Steve Gunnell and seconded by Zach Engle. Motion carried.

Third item on the agenda was Mr. Jim McCarty representing Cave Run Water Commission. Mr. McCarty does all the bookkeeping for Cave Run Water. He quoted us a price of \$300 to \$400 for the same services he provides to Cave Run Water and he would be flexible on price for lesser services provided. The Board accepted references from Mr. McCarty.

Fourth item on the agenda was the PSC rate increase. We were told we needed an Attorney to request the rate change from the PSC. Kyle Risner asked Larry Cann for additional information for the next meeting.

Fifth item on the agenda was the Rural Development loan payment. The payment due is \$48,044.25 by July 1, 2018.

Sixth item on the agenda was the MCWD property update. Kyle submitted the property value to Linda Bradley, which in turn submitted it to the Fiscal Court.

**They are currently having the property appraised. We are waiting to hear back from them.**

**OLD BUSINESS:**

**First item of business was update on water loss. Kyle presented the board with the water loss reports. Kyle reported to the Board that two more leaks were called in just today and that we would continue working on them. Zach Engle spoke with Ray Adkins of the West Liberty Waterworks about the cost of making their water. Ray explained the different variables that go into the cost of the water. Shannon Elam met with Mayor Mark Walters to discuss possible solutions for our price paid for water. Mr. Walters suggested that we cut off Cave Run Water to Index and the Neal Valley area, and they would give us a discounted rate. It was suggested that we invite the Mayor to our next meeting.**

**Profit and Loss reports were given to the board members for review. There were no questions.**

**Lastly, invoices were given to each board member for review and approval. Kyle explained one invoice for \$40.00. It was a storage rack for the Chlorine. Zach Engle made a motion to approve the invoices. The motion was seconded by Steve Gunnell. Motion Carried.**

**Handouts which were given to the board for their review included a list of savings accounts, checking accounts, cut off list, and new meter setting list. Also, for the boards review was a copy of the billing register's total page.**

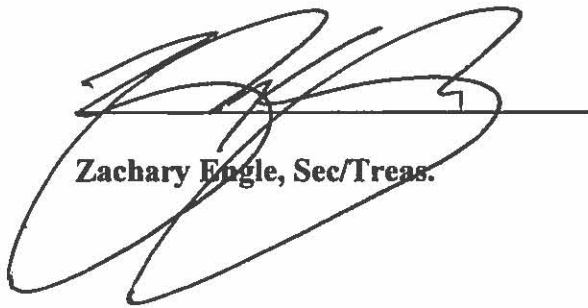
**Other: Elaine Manning with Air Evac came to collect the new applications. She explained to the Board that our current rate is \$55 per person, but it is going to rise to \$65, if we don't remit by June 1, 2018. Kyle called for a motion to do the renewal and pick up the new employees and Board Members. Angie made a motion and seconded by Steve Gunnell. Motion carried.**

**Kyle made a call to go into closed session to discuss MCWD personnel. A motion was made by Angie Elliott and seconded by Steve Gunnell. Motion carried.**

**Kyle called for a motion to exit the closed session. A motion was made by Zach Engle and seconded by Angie Elliott. Motion carried**

**The board agreed on the next monthly meeting to be on June 11, 2018. With there being no further business to come before the board, motion made by Steve Gunnell and seconded by Zach Engle to adjourn the meeting. Motion Carried.**

IN TESTIMONY WHEREOF WITNESS MY SIGNATURE this 11<sup>th</sup> day  
of JUNE, 2018



Zachary Engle, Sec/Treas.

**Morgan County Water District  
Special Board Meeting  
Monday June 5, 2018**

**The special meeting of the Morgan County Water District was held on Tuesday June 5, 2018 beginning at 5:30 p.m. at the office. The following were in attendance:  
Board Members: Kyle Risner, Shannon Elam, Steve Gunnell and Zach Engle;  
MCWD Staff: Steve Pelfrey and Chernell Holbrook.**

**Kyle Risner called the meeting to order and welcomed all present.**

**First item on the agenda was the equipment purchase. Steve Pelfrey told the Board that he needed the equipment for leaks and new settings. Steve Pelfrey had located some equipment for sale. He was giving a price of \$25,000 for an excavator, two buckets and a trailer. Just before the Water District could issue a check for the equipment, the seller raised the price to \$26,500. Kyle Rinser called for a motion on the equipment purchase. Steve Gunnell made a motion that we hold off on the purchase and to table the discussion until July's meeting. Motion seconded by Shannon Elam. Motion carried.**

**Second item on the agenda was the Cave Run Water Commission payment. After much discussion, Kyle called for a motion to pay Cave Run Water Commission. A motion was made by Shannon Elam and seconded by Zach Engle, to pay Cave Run Water Commission. Motion carried.**



Last item on the agenda was MCWD employee Scott Patrick. Scott Patrick has left the Water District and transferred over to the Morgan County Road Department. Steve Pelfrey told the Board that he needed a replacement as soon as possible. Steve Pelfrey had three applications for the Board to look at. Before making a decision on the applicants presented, Kyle Risner called Morgan County Attorney Myles Holbrook for guidance on the hiring policy. He was told that we must run an advertisement for employment before hiring. The decision was made that someone would be picked at the end of the advertising period and that we would pay them \$8.00 per hour.

With there being no further business to come before the board, motion made by Shannon Elam and seconded by Zach Engle to adjourn the meeting. Motion Carried.

IN TESTIMONY WHEREOF WITNESS MY SIGNATURE this 9th day

of JULY, 2018

  
Zachary Engle, Sec/Treas.

**Morgan County Water District  
Regular Board Meeting  
Monday, June 11, 2018**

The regular monthly meeting of the Morgan County Water District was held on Monday, June 11, 2018 beginning at 4:30 p.m. at the office. The following were in attendance: Board Members: Kyle Risner, Zach Engle, Shannon Elam, Steve Gunnell and Angie Elliott; MCWD Staff: Steve Pelfrey and Chernell Holbrook.

Kyle Risner called the meeting to order and welcomed all present. At 4:30 p.m. Mr. Risner called for a motion to approve and accept the minutes of May 7, 2018. After the board reviewed the minutes, Angie Elliott made a motion to approve the minutes. The motion was seconded by Shannon Elam. Motion Carried.

First item discussed on the agenda was the AML Progress update. Matt Baker from Cann Tech, LLC, informed the Board that the pump station had been set and that Micro Com was coming on the 25<sup>th</sup> to finish up. Jim Clark from AML, reminded everyone that all invoices needed to be in by June 20, 2018. Matt Baker suggested June 28, 2018 for a final inspection. Kyle Risner suggested that we do a final close on the AML project on July 9, 2018. Steve Pelfrey informed the Board about the trouble he was having getting gas to the new generator. Bret with L & L Contracting is going to get some information on switching the generator over to propane. Kyle Risner asked for a motion to accept the final invoice from Cann Tech, LLC., Shannon Elam made a motion and seconded by Zach Engle. Motion carried.

Second item on the agenda was the PSC rate increase. Matt Baker reminded the Board that we would need an Attorney to make the request for a rate increase.

**Kyle Risner asked Matt to speak with Andy Lange on this matter. Kyle Risner asked the Board if they were ready for a rate increase. The Board said they would make a motion when they knew what the percentage of increase was allowed.**

**Third item on the agenda was the Rural Development loan. The Board decided that if we did not have the money in the Revenue Fund account by the 27<sup>th</sup>, that we would pull the money from the Equipment account on the 28<sup>th</sup>. Kyle Risner called for a motion. Zach Engle made a motion to transfer the funds. The motion was seconded by Shannon Elam. Motion carried.**

**Fourth item on the agenda was the update on the property down town. Steve Pelfrey spoke with Linda Bradley about the property. She said that the Fiscal Court could not do anything at this time. Shannon Elam said he would speak with the Mayor to see if the City was interested in the property.**

**Fifth item on the agenda was adding Steve Pelfrey to the signature card at the Bank of the Mountains. Zach Engle made a motion, which was seconded by Shannon Elam. Motion carried.**

**Sixth item on the agenda was Morris Cemetery road. Steve Pelfrey informed the Board that the complete line on Morris Cemetery road needed to replace. Steve estimated it take approximately 3,000 feet to replace the entire line. Kyle Risner asked that this issue be put on July's agenda for further discussion.**

**Seventh item on the agenda was the past due accounts. Steve Pelfrey spoke with a company that could only go back for two years and they would charge 40% to collect. Kyle Risner suggested that we put a notice in the paper about the past due accounts. The notice would warn customers that the past due accounts were**

going to be handed over to collections. Kyle asked that we put this on July's agenda for further discussion.

Eighth item on the agenda was a computer for Donna. We had received a couple of quotes from Utility Systems & Software, Inc. Kyle Risner said he would give them a final call to negotiate the price of the new system. Steve Pelfrey suggested that we use the money in the Equipment account. Kyle called for a motion to use the funds in the Equipment account. Shannon Elam made a motion, which was seconded by Steve Gunnell. Motion carried.

#### **OLD BUSINESS:**

Update on water loss: Steve told the Board that the City's usage had been going down, but Cave Run's was still running high.

Profit and Loss reports were given to the board members for review. There were no questions.

Lastly, invoices were given to each board member for review and approval. Kyle Risner called for a motion to approve the invoices. Shannon Elam made a motion, which was seconded by Zach Engle. Motion carried.

Handouts which were given to the board for their review included a list of savings accounts, checking accounts, cut off list, and new meter setting list. Also, for the boards review was a copy of the billing register's total page.

Other: Steve Pelfrey informed the Board that the transmission had went out in the last 2008 F-150. Kyle suggested that we wait for the county to have another auction and sell them.

**Hiring:** Friday the 15<sup>th</sup> is the last day we are taking applications. Steve said that he would like to have someone hired by Monday.

**Equipment:** Steve Pelfrey has found another excavator and trailer for sale. The excavator is a 2005 CAT with around 4,000 hours. The price on the excavator is \$20,500 and the trailer is \$1,500.

The board agreed on the next monthly meeting to be on July 9, 2018. With there being no further business to come before the board, motion made by Shannon Elam and seconded by Angie Elliott to adjourn the meeting. Motion Carried.

IN TESTIMONY WHEREOF WITNESS MY SIGNATURE this 9<sup>th</sup> day  
of JULY, 2018

  
\_\_\_\_\_  
Zachary Engle, Sec/Treas.

**Morgan County Water District  
Regular Board Meeting  
Monday, July 9, 2018**

**The regular monthly meeting of the Morgan County Water District was held on Monday, July 9, 2018 beginning at 4:30 p.m. at the office. The following were in attendance: Board Members: Kyle Risner, Zach Engle, Shannon Elam, and Angie Elliott; MCWD Staff: Steve Pelfrey and Chernell Holbrook.**

**Kyle Risner called the meeting to order and welcomed all present. At 4:30 p.m. Mr. Risner called for a motion to approve and accept the minutes from June 5 and June 11, 2018. After the board reviewed the minutes, Zach Engle made a motion to approve the minutes. The motion was seconded by Shannon Elam.  
Motion Carried.**

**First item discussed on the agenda was the AML Progress update. L&L Contracting met with AML and they decided the project could not be closed until the punch list was completed. The Board decided they would close the project at the August meeting. Steve Pelfrey informed the Board that there was a problem with the telemetry system. Micro Com sent an invoice of \$4,475.00 to come and fix the problem with the antennas. Steve Pelfrey told the Board that he has been unable to make contact with the gas company for the generator. Steve has also spoke with the City about getting gas ran out to the generator.**

**Second item on the agenda was the PSC rate increase. We have sent a letter to the PSC requesting to use the remaining percentage for an increase. We are still**

waiting to hear back from them. The Board asked that we table it until meeting next month.

Third item on the agenda was Morris Cemetery Road. We had three visitors from Morris Cemetery. They explained to the Board that they had not had any water since July 4<sup>th</sup>. Mr. Ferguson told the Board that the problem started at least six months ago. He told the Board that the water was pumping up out of the ground. Kyle Risner asked Mr. Ferguson if he would look for those leaks with Steve Pelfrey. Steve Pelfrey told the Board that it would take at least 3,000 feet of water line to replace the whole line. Steve estimated that they could replace the line for approximately \$2,500 and if a contractor did, it could cost up to \$3,000 to \$4,000. Kyle Risner told the visitors that we would start by fixing the big leaks on the line, in hopes of giving them some water pressure. The Board asked if we could put this on the agenda for next month.

Fourth item on the agenda was the past due accounts. Steve Pelfrey and Chernell Holbrook told the Board that they had not had a chance to look back through the accounts. Kyle Risner asked if we could talk to Myles Holbrook to see if he would be interested in pursuing these accounts for us.

Fifth item on the agenda was the new employee update. Steve Pelfrey informed the Board that his new employee was not working out. The Board gave Steve permission to do whatever he needed to. Kyle asked Chernell to call Myles to see if we had to run another ad for the position.

**OLD BUSINESS:**

**Update on water loss: The water loss reports will be email at a later time.**

**Steve Pelfrey informed the Board that the water usage with the City was down and Cave Run looked better. Steve also told the Board that we were going to talk with the Fire Chiefs about getting their reports in on time.**

**Profit and Loss reports were given to the board members for review. There were no questions.**

**Lastly, invoices were given to each board member for review and approval. Kyle Risner called for a motion to approve the invoices. Shannon Elam made a motion, which was seconded by Angie Elliott. Motion carried.**

**Handouts which were given to the board for their review included a list of savings accounts, checking accounts, cut off list, and new meter setting list. Also, for the boards review was a copy of the billing register's total page.**

**OTHER:**

**Steve Pelfrey told the Board about the Rural Water Conference, August 27--29<sup>th</sup>. Kyle Risner told the Board about the benefits they could learn if they attended.**

**Steve Pelfrey asked the Board is he could go ahead and buy the excavator off of Dwight Keeton. Shannon Elam made a motion to purchase the excavator and trailer in the amount of \$26,500. The motion was seconded by Angie Elliott. The motion had one nay, Zach Engle. The motion carried by majority.**

**Steve Pelfrey told the Board that we may want to look at getting a new Engineer, but to wait until they helped us with the PSC. The Board agreed to look in the future.**



Steve Pelfrey informed the Board that we may be going back to Frankfort due to violations. Steve has moved one of the flushing units to the area with the problem.

The board agreed on the next monthly meeting to be on August 13, 2018. With there being no further business to come before the board, motion made by Shannon Elam and seconded by Angie Elliott to adjourn the meeting. Motion Carried.

IN TESTIMONY WHEREOF WITNESS MY SIGNATURE this 13<sup>th</sup> day of AUGUST, 2018

  
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Zachary Engle, Sec/Treas.

**Morgan County Water District  
Regular Board Meeting  
Monday, August 10, 2018**

**The regular monthly meeting of the Morgan County Water District was held on Monday, August 10, 2018 beginning at 4:30 p.m. at the office. The following were in attendance: Board Members: Kyle Risner, Zach Engle, Shannon Elam, Steve Gunnell and Angie Elliott; MCWD Staff: Steve Pelfrey and Chernel Holbrook, Cann Tech, LLC., Matt Baker.**

**Kyle Risner called the meeting to order and welcomed all present. At 4:30 p.m. Mr. Risner called for a motion to approve and accept the minutes from July 9, 2018. After the board reviewed the minutes, Shannon Elam made a motion to approve the minutes. The motion was seconded by Angie Elliott. Motion Carried.**

**First item discussed on the agenda was the AML Progress update. Matt Baker with Cann Tech, LLC. told the Board that they closed on the project today. He also informed the Board that C.I. Thornburg had a few things left to do and the warranty would start when they finished. The official closing will be at the meeting next month.**

**Second item on the agenda was the Morris Cemetery Road. Steve Pelfrey presented the Board with a quote on the pump station. Steve informed the Board that we have already spent nearly \$1000.00 and the quote is just for the pump station alone, not including the cost of the line. Kyle Risner informed the Board that if we could get them at least 30 pounds of pressure, they would have to get an inline pump to increase it further. Kyle asked Steve to check C.I. Thornburg for prices on pumps. Matt Baker from Cann Tech said that he would also check for us.**

**Given the cost of the pump Angie Elliott asked Steve if he would call the company and ask if we could make payments on the pump. The Board is in full agreement that we have to get them water. Kyle called for a motion to go forth. Shannon Elam made a motion and seconded by Zach Engle. Motion carried.**

**Third item on the agenda was the PSC rate increase. Chernell informed the Board that we are currently working on a pass through rate increase. Matt Baker informed the Board that the PSC had turned us down on using the remaining percentage of the rate increase that they had offered before. Matt Baker also informed the Board that Cann Tech would be charging for any further work done on rate increases. Matt said that their cost would not exceed \$10,000. The Board decided that Steve and Chernell should try to do the rate increase on their own.**

**Fourth item on the agenda was the generator. Steve Pelfrey gave the Board a quote on how much it would take to convert the generator over to propane. Steve said there would be an additional cost of 2,718.00 for tanks and we needed at least two. The generator should run for 78 hours on 1000 gallons of propane. Steve reminded the Board of the warranty on the generator and the cost we may incur if we let it sit. The Board asked that we table the generator until the September meeting. Angie Elliott asked if we could possibly have a meeting with Mr. Hayes, the gas owner.**

**Fifth item on the agenda was the Ezel tank. Steve informed the Board that that the tank had been hit by lighting. We have already been in contact with KACO and have started all the paperwork. Steve has a quote from Micro Com on the repairs.**

**Sixth on the agenda was the 519 pump station. Steve informed the Board that the check valve on the pump station was back flowing and that we were paying for the water twice.**

**Seventh on the agenda was the new employees update. Steve told the Board that John Coffey was working out and that he was going to start working him on weekends. Steve asked the Board if he could take Ursula off probation and leave John on for six months. Kyle asked for a motion to take Ursula off probation. Shannon Elam made a motion and seconded by Angie Elliott. Motion carried. Coming off probation is an automatic .50 increase that will be put on the next pay period.**

**Eighth item on the agenda was the new applications. Steve told the Board that he has hired John Coffey as a full time employee.**

**OLD BUSINESS:**

**Update on water loss: Steve told the Board that the water usage was going down since we repaired two leaks. The Ezel water loss could be due to the road work going on and the route 7 increase was due to the flushing hydrant. Chernel informed the Board that we had done good on our Sanitation Survey.**

**Profit and Loss: No questions.**

**Invoices: Kyle Risner called for a motion to approve the invoices. Shannon Elam made a motion, which was seconded by Zach Engle. Motion carried.**

**Handouts which were given to the board for their review included a list of savings accounts, checking accounts, cut off list, and new meter setting list. Also, for the boards review was a copy of the billing register's total page.**

**OTHER:**

Steve told the Board that Scott Hammons has called and asked about a road bore to keep his waterline from freezing. Kyle asked that we try and fix it ourselves.

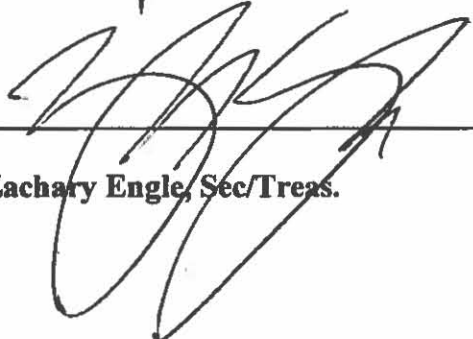
Steve told the Board that we really need another truck for John. Kyle asked if we would call Enterprise and see what the cost would be for another F150.

Steve told the Board that he had found some tool boxes for his truck for \$600.00 and he was going to continue to look.

The board agreed on the next monthly meeting to be on September 10, 2018.

With there being no further business to come before the board, motion made by Shannon Elam and seconded by Angie Elliott to adjourn the meeting. Motion Carried.

IN TESTIMONY WHEREOF WITNESS MY SIGNATURE this 10<sup>th</sup> day  
of September, 2018

  
\_\_\_\_\_  
Zachary Engle, Sec/Treas.

**Morgan County Water District  
Regular Board Meeting  
Monday, September 10, 2018**

**The regular monthly meeting of the Morgan County Water District was held on Monday, September 10, 2018 beginning at 4:30 p.m. at the office. The following were in attendance: Board Members: Kyle Risner, Zach Engle, Shannon Elam and Steve Gunnell; and MCWD Staff: Steve Pelfrey and Chernel Holbrook.**

**Kyle Risner called the meeting to order and welcomed all present. At 4:30 p.m. Mr. Risner called for a motion to approve and accept the minutes from August 13, 2018. After the board reviewed the minutes, Zach Engle made a motion to approve the minutes. The motion was seconded by Steve Gunnell. Motion Carried.**

**First item discussed on the agenda was Morris Cemetery Road. Mr. Tracy Ferguson was not in attendance. Steve Pelfrey informed the Board that the new pump station would be here within the next few days. The Board was also informed that the company is allowing us to make payments on the pump.**

**Second item on the agenda was the AML project. Steve Pelfrey called L & L Excavating and told them what he needed from them in order to get paid. Steve told the Board that he needed the keys to the pump station and the owner's manual for the generator. Steve also told the Board that C.I. Thornburg Co., Inc. still had a few things left to do, but that would not keep L & L Excavating from being paid.**

**Third item on the agenda was the health insurance. The Board was provided information from three separate companies (Anthem, Humana & United Healthcare). Kyle called for a motion on the health insurance. Shannon Elam made**

**a motion to keep United Healthcare. Motion was seconded by Steve Gunnell. Motion carried. The board also decided to give John Coffey three months before adding him to the insurance.**

**Fourth item on the agenda was the PSC rate increase. Chernell Holbrook asked the Board to make a motion to hire Monty Rhody to do our pass through rate increase. Kyle Risner called for a motion to hire Monty Rhody. Zach Engle made a motion and seconded by Shannon Elam. Motion carried.**

**Fifth item on the agenda was the generator. Steve Gunnell asked if Caney Valley Propane had the capabilities to switch the generator over to propane and if that would void the warranty. The Board decided to table the generator until next month.**

**Sixth on the agenda was the USDA loan. Chernell Holbrook informed the Board about the money that the USDA reimbursed for charging the incorrect interest rate on our loans.**

**Seventh on the agenda was Enterprise. Steve Pelfrey gave the Board two different quotes on the trucks. One quote was for a regular cab truck and the other was for an extended cab truck. The Board decided on the extended cab. Kyle called for a motion to lease the truck. Steve Gunnell made a motion and seconded by Zach Engle. Motion carried.**

**Eighth item on the agenda was the THM's update. Steve told the Board that our THM's had passed. Steve reported that the flushing hydrant on Bear Branch was doing the job on keeping the THM's down. The next testing period is in November.**

**OLD BUSINESS:**

**Update on water loss: Our numbers with West Liberty are looking better.**

**Profit and Loss: No questions. No discussion.**

**Invoices: Chernell Holbrook explained the check for the Morgan County Fiscal Court. Kyle Risner called for a motion to approve the invoices. Shannon Elam made a motion, which was seconded by Zach Engle. Motion carried.**

**Handouts which were given to the board for their review included a list of savings accounts, checking accounts, cut off list, and new meter setting list. Also, for the boards review was a copy of the billing register's total page. The number of customers for the month was 2,778. No questions. No discussions.**

**OTHER:**

**Shannon Elam made a motion to close the Equipment account and transfer the funds to the O & M account. The motion was seconded by Steve Gunnell. Motion carried.**

**The board agreed on the next monthly meeting to be on October 8, 2018. With there being no further business to come before the board, motion made by Shannon Elam and seconded by Steve Gunnell to adjourn the meeting. Motion Carried.**

**IN TESTIMONY WHEREOF WITNESS MY SIGNATURE this 15<sup>th</sup> day  
of October, 2018**

  
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**Zachary Engle, Sec/Treas.**



**Morgan County Water District  
Regular Board Meeting  
Monday, October 8, 2018**

**The regular monthly meeting of the Morgan County Water District was held on Monday, October 8, 2018 beginning at 4:30 p.m. at the office. The following were in attendance: Board Members: Kyle Risner, Shannon Elam, Angie Elliott and Steve Gunnell; and MCWD Staff: Steve Pelfrey and Chernell Holbrook.**

**Kyle Risner called the meeting to order and welcomed all present. At 4:30 p.m. Mr. Risner called for a motion to approve and accept the minutes from September 10, 2018. After the board reviewed the minutes, Shannon Elam made a motion to approve the minutes. The motion was seconded by Angie Elliott. Motion Carried.**

**First item discussed on the agenda was Mr. Langley Franklin. He was here to discuss the tornado memorial. They would like to put the memorial on our downtown property. Kyle Risner told Mr. Franklin that we would need some form of a lease to relieve us from any legal issues that may arise. The structure would not be permanent and they would have to carry insurance on the property. The Board gave Mr. Franklin a verbal (Yes) on leasing the property. Mr. Franklin said he would discuss the lease with his committee and get back with us at the next meeting.**

**Second item on the agenda was the credit card name change. Steve Pelfrey asked the Board to remove Kyle Risner' name and add Chernell Holbrook. Kyle asked for us to check about adding both Chernell Holbrook and Steve Pelfrey to the**

debit cards. Shannon Elam made a motion to proceed with the name change. Steve Gunnell seconded the motion. Motion carried.

Third item on the agenda was the transfer station sale. Steve told the Board that the District has a 99 year lease on the garage located at the County transfer station and that we owned the small metal building. Steve Pelfrey and Judge Stanley Franklin discussed what could be done to get out of the lease. Steve Pelfrey suggested that the County buy us a new building and locate it near the office. We would like the building to be 24ft x 32ft with a 12ft ceiling. We also like a garage door and a side door.

Fourth item on the agenda was the PSC rate increase. Kyle Risner called for a motion to accept the Resolution. Shannon Elam made a motion to accept. Steve Gunnell seconded the motion. Motion carried.

Fifth item on the agenda was the generator. The Board decided to table the generator until next month.

#### **OLD BUSINESS:**

**Update on water loss:** Steve told the Board that he had caught the Walker Company stealing water. We informed them they could no longer get water from the hydrants and if caught again, we would call for law enforcement. Kyle Risner asked that we send them a theft of service letter. No further discussion.

**Profit and Loss:** No questions. No further discussion.

**Invoices:** Kyle Risner called for a motion to approve the invoices. Angie Elliott made a motion, which was seconded by Shannon Elam. Motion carried.

Handouts which were given to the board for their review included a list of savings accounts, checking accounts, cut off list, and new meter setting list. Also, for the boards review was a copy of the billing register's total page. The number of customers for the month was 2,787. No questions. No discussions.

**OTHER:**

Kyle Risner asked Steve Pelfrey about the status of the new truck. Steve told Kyle that everything was still on track.

The board agreed on the next monthly meeting to be on November 12, 2018. With there being no further business to come before the board, a motion was made by Steve Gunnell and seconded by Shannon Elam to adjourn the meeting. Motion Carried.

IN TESTIMONY WHEREOF WITNESS MY SIGNATURE this 7<sup>th</sup> day  
of OCTOBER, 2018

  
Zachary Engle, Sec/Treas.

**Morgan County Water District  
Special Board Meeting  
Thursday, October 18, 2018**

**The special meeting for Morgan County Water District was held on Thursday, October 18, 2018 beginning at 5:00 p.m. at the office. The following were in attendance: Board Members: Kyle Risner, Zach Engle, Shannon Elam and Angie Elliott; and MCWD Staff: Steve Pelfrey.**

**Kyle Risner called the meeting to order and welcomed all present.**

**The reason for the special meeting was the departure of Michael Stacy. The Board discussed what type of employee we would need to replace Mr. Stacy. The Board also decided to reword the ad for employment. The new ad would show the benefits the new hire could expect. The Board also told Steve if he found someone he liked, to hire them part time until a full time person could be found.**

**With there being no further business to come before the board, motion made by Shannon Elam and seconded by Angie Elliott to adjourn the meeting. Motion Carried.**

**IN TESTIMONY WHEREOF WITNESS MY SIGNATURE this 18<sup>th</sup> day  
of October, 2018**

  
\_\_\_\_\_  
**Zachary Engle, Sec/Treas.**

**Morgan County Water District  
Regular Board Meeting  
Monday, November 13, 2018**

**The regular monthly meeting of the Morgan County Water District was held on Monday, November 13, 2018 beginning at 4:30 p.m. at the office. The following were in attendance: Board Members: Kyle Risner, Zach Engle, Angie Elliott and Steve Gunnell; and MCWD Staff: Steve Pelfrey and Chernell Holbrook.**

**Kyle Risner called the meeting to order and welcomed all present. At 4:30 p.m. Mr. Risner called for a motion to approve and accept the minutes from October 8, 2018. After the board reviewed the minutes, Zach Engle made a motion to approve the minutes. The motion was seconded by Steve Gunnell. Motion Carried.**

**First item discussed on the agenda was Mr. Langley Franklin. He was unable to attend. Chernell Holbrook told the Board that Mr. Franklin had not had time to speak with his committee. We will invite Mr. Franklin back next month.**

**Second item on the agenda was the Engineer. Steve told the Board about the meeting with Gateway Ad. He told the Board that Gateway Ad would help in our search for a new Engineer. Kyle Risner asked Steve Pelfrey to contact Larry Cann of Cann Tech, LLC, about L & L Excavating. Steve Pelfrey mentioned going to the Bonding Company that is covering L & L Excavating. We will table the Engineer discussion until next meeting.**

**Third item on the agenda was the new hire. Steve Pelfrey told the Board that he has not found anyone as of now. Steve Pelfrey asked the Board to wait until after the payment in January to hire someone. Zach Engle was concerned about**

**employee fatigue. Kyle Risner told Steve Pelfrey it was up to him, when to hire someone. Kyle Risner asked Steve Pelfrey to keep him posted. No further discussion.**

**Fourth item on the agenda was the new truck. Steve Pelfrey told the Board that we got the new truck, but it has hail damage. Steve Pelfrey has already contacted Fleet. They are currently trying to find a local body shop to fix it. No further discussion.**

#### **OLD BUSINESS:**

**Update on water loss: The Cave Run numbers have come down. Steve Pelfrey told the Board about Walker Co. fixing the leak and why we waited until Saturday to do it. We are currently working on a bill for Walker Co. for the water loss. Steve also told the Board that the East end of the County was using more water. Kyle asked that we keep putting on the bill to report any leak. No further discussion.**

**Profit and Loss: Kyle Risner told the Board that we could have a Budget work shop. We have to have the Budget by the December meeting. The work shop will be on November 27<sup>th</sup> at 4:30. No further discussion.**

**Invoices: Kyle Risner called for a motion to approve the invoices. Angie Elliott made a motion, which was seconded by Zach Engle. Motion carried.**

**Handouts which were given to the board for their review included a list of savings accounts, checking accounts, cut off list, and new meter setting list. Also, for the boards review was a copy of the billing register's total page. The number of**

customers for the month was 2802. Steve Pelfrey told the Board that we were unable to do cut offs. No questions. No discussions.

**OTHER:**

The PSC rate increase was discussed. Zach Engle asked if the PSC had turned us down for a rate increase and if they had what it would take to get one. Kyle Risner asked Chernell to call Monty Rhody and get a quote on doing our rate increase. Angie Elliott asked if we could invite the Mayor to our next meeting to discuss paying a lower rate on the water. Steve Gunnell asked if the PSC would make us lower our rate, if we paid less for the water.

Angie Elliott asked if we could start using Johnson County Water again. Zach Engle asked Steve Pelfrey to find out what their water rate is now.

Steve Pelfrey asked the Board to add bereavement days to our Policy and Procedures. Zach Engle made a motion to add the bereavement days to our policy and procedures. Angie Elliott seconded the motion. Motion carried. The days allowed would be three and two more with the Boards approval.

The board agreed on the next monthly meeting to be on December 10, 2018. With there being no further business to come before the board, a motion was made by Steve Gunnell and seconded by Angie Elliott to adjourn the meeting. Motion Carried.

IN TESTIMONY WHEREOF WITNESS MY SIGNATURE this 17<sup>th</sup> day  
of December, 2018

  
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Zachary Engle, Sec/Treas.

**Morgan County Water District  
Regular Board Meeting  
Monday, December 17, 2018**

**The regular monthly meeting of the Morgan County Water District was held on Monday, December 17, 2018 beginning at 4:30 p.m. at the office. The following were in attendance: Board Members: Kyle Risner, Zach Engle, Angie Elliott and Steve Gunnell; and MCWD Staff: Steve Pelfrey and Chernell Holbrook.**

**Kyle Risner made a roll call, then called the meeting to order and welcomed all present. At 4:30 p.m. Mr. Risner called for a motion to approve and accept the minutes from November 13, 2018. After the board reviewed the minutes, Zach Engle made a motion to approve the minutes. The motion was seconded by Steve Gunnell. Motion Carried.**

**First item discussed on the agenda was Mr. Langley Franklin. He was unable to attend. Kyle spoke with Mr. Franklin and he said that it would be after the first of the year when the new administration comes in before they would know anything. We will put this on January's agenda.**

**Second item on the agenda was Budget. Kyle passed out the Budget for the Board to review. There were two notable differences in the budget. The uncategorized income was lowered and the Payroll was increased. Kyle called for a motion to accept the 2019 Budget. Steve G. made a motion to accept and seconded by Zach. Motion carried.**

**Third item on the agenda was the audit extension to include the GASB Report. Zach made motion to approve the extension and seconded by Angie. Motion carried. Next Kyle told the Board about the Letter of Intent from Morgan**



**& Morgan. Kyle called for a motion to sign the Letter of Intent. Zach made a motion to sign and seconded by Steve G. Motion carried.**

**Fourth item on the agenda was the new hire. Steve P. informed the Board that he had hired a Temp and his name was Timothy Carver. As a Temp, there are no benefits. Steve P. told the Board that he would like to pay Mr. Carver for the Christmas break and the Board agreed. The Board asked Steve P. to keep them informed. No further discussion.**

**OLD BUSINESS:**

**Update on water loss: There was a question as to why Cave Run was so high. Steve P. told the Board about the leak on Hwy 460W that just fixed and the two other leaks that had just been found. Steve P. also told the Board that he thought there was another leak toward Hwy 460E and after Christmas they would start closing and opening valves, till they found it. No further discussion.**

**Profit and Loss: No questions.**

**Invoices: Kyle Risner called for a motion to approve the invoices. Zach made a motion, which was seconded by Angie. Motion carried.**

**Handouts which were given to the board for their review included a list of savings accounts, checking accounts, cut off list, and new meter setting list. Also, for the boards review was a copy of the billing register's total page. The number of customers for the month was 2797.**

**OTHER:**

**Kyle asked the Board about borrowing the money from the Reserve account for the loan payment. The Board was in agreement. Kyle asked Chernell to prepare a letter to Rural Development for the approval of the funds. Kyle asked**

**Chernell to keep the Board informed as to the balance in the banking accounts. The Board also mentioned talking to the new Judge about finding us some money. The Board asked if we would invite him to the next meeting.**

**Steve P. informed the Board that C.I. Thornburg had delivered the rest of our equipment from the last project.**

**Steve P. informed the Board that Gateway would come and help us with the task of finding a new Engineer. We will try and have them here at the February meeting.**

**Chernell informed the Board about Monty Rhody's letter concerning our rate increase. Kyle asked if we could pay as we go with the increase. Discussion was tabled till January meeting.**

**The board agreed on the next monthly meeting to be on January 7, 2019.**

**With there being no further business to come before the board, a motion was made by Angie and seconded by Steve G. to adjourn the meeting. Motion Carried.**

**IN TESTIMONY WHEREOF WITNESS MY SIGNATURE this 7<sup>th</sup> day  
of January, 2019.**

  
**Zachary Engle, Sec/Treas.**

**Morgan County Water District  
Regular Board Meeting  
Monday, January 7, 2019**

**The regular monthly meeting of the Morgan County Water District was held on Monday, January 7, 2019 beginning at 4:30 p.m. at the office. The following were in attendance: Board Members: Kyle Risner, Zach Engle, Shannon Elam, Angie Elliott and Steve Gunnell; and MCWD Staff: Steve Pelfrey and Chernell Holbrook.**

**Kyle Risner called roll, then called the meeting to order and welcomed all present. At 4:30 p.m. Mr. Risner called for a motion to approve and accept the minutes from December 17, 2018. After the board reviewed the minutes, Zach Engle made a motion to approve the minutes. The motion was seconded by Steve Gunnell. Motion Carried.**

**First item discussed on the agenda was Mr. Langley Franklin. He was unable to attend. No discussion and no updates. We will table this for now.**

**Second item on the agenda was the PSC and Monty Rhody. Chernell informed the Board that Mr. Rhody was confident that the PSC would allow us a rate increase. Mr. Rhody said that we could pay as we go or just pay at the end of the rate increase. Kyle called for a motion for Mr. Rhody to start applying for the increase, Shannon made a motion and seconded by Zach. Motion carried.**

**Third item on the agenda was the employee update. Steve P. informed the Board that John Coffey was ready to come off of probation and he would be getting a 50 cent raise.**

**OLD BUSINESS:**

**Update on water loss: Water Loss reports were not available. No further discussion.**

**Profit and Loss: No questions.**

**Invoices: Kyle Risner called for a motion to approve the invoices. Shannon made a motion, which was seconded by Zach. Motion carried.**

**Handouts which were given to the board for their review included a list of savings accounts, checking accounts, cut off list, and new meter setting list. Also, for the boards review was a copy of the billing register's total page. The number of customers for the month was 2798.**

**OTHER: None**

**The board agreed on the next monthly meeting to be on February 11, 2019. With there being no further business to come before the board, a motion was made by Angie and seconded by Steve G. to adjourn the meeting. Motion Carried.**

**IN TESTIMONY WHEREOF WITNESS MY SIGNATURE this 11<sup>th</sup> day of February, 2019.**

  
**Zachary Engle, Sec/Treas.**

**Morgan County Water District  
Special Board Meeting  
Friday, January 11, 2019**

**The special meeting of the Morgan County Water District was held on Friday, January 11, 2019 beginning at 4:30 p.m. at the office. The following were in attendance: Board Members: Kyle Risner, Zach Engle, Shannon Elam, Angie Elliott and Steve Gunnell; and MCWD Staff: Chernell Holbrook.**

**Kyle Risner called roll, then called the meeting to order and welcomed all present. At 4:30 p.m.**

**First on the agenda was the lease agreement with the Morgan County Fiscal Court and the utilities. The newly appointed County Judge, John Will Stacy, said that the County was no longer going to pay for the utilities at the County Garage Road property. We have two separate leases with the County, one at 150 County Garage Road and the second at 1009 Hwy 172. Copies of the leases were provided for the Board to look over. Both leases clearly state that the Lessor shall pay all utilities, including all electricity, water, gas, or any other utility used in connection with the demised premises. Based on Section 11 of the lease agreement, the Board decided to let the Morgan County Fiscal Court continue paying for the utilities at the property on 150 County Garage Road. Kyle called for a motion to uphold the lease agreement, Shannon made a motion and seconded by Zach. Motion carried.**

**Second on the agenda was the Emergency Management and the FEMA Representative. Kyle informed the Board that Chernell's name had been attached to this position without her consent. Our representative had been Irene Jenkins, but she decided to retire early and Emergency Management put Chernell in as her**

replacement. The Morgan County Water District had previously used whomever the Morgan County Fiscal Court had in the position of Emergency Management. The Board decided we would continue to use whomever the Fiscal Court appointed to this position.

With there being no further business to come before the board, a motion was made by Shannon and seconded by Angie. to adjourn the meeting. Motion Carried.

IN TESTIMONY WHEREOF WITNESS MY SIGNATURE this 11<sup>th</sup> day of February, 2019.



Zachary Engle, Sec/Treas.

**Morgan County Water District  
Special Board Meeting  
Monday, January 28, 2019**

**The special meeting of the Morgan County Water District was held on Monday, January 28, 2019 beginning at 4:30 p.m. at the office. The following were in attendance: Board Members: Kyle Risner, Zach Engle, Angie Elliott and Steve Gunnell; and MCWD Staff: Steve Pelfrey and Chernell Holbrook.**

**Kyle Risner called roll, then called the meeting to order and welcomed all present. At 4:30 p.m.**

**First on the agenda was Chairman, Kyle Risner. Kyle informed the Board that he had resigned from the Cave Run Water Commission Board. Kyle then, read out loud his resignation letter to the Morgan County Water District Board. His resignation goes into effect at the adjournment of the meeting. Kyle called for a motion to accept his resignation. Zach made a motion to accept and it was seconded by Angie. Motion carried.**

**Second on the agenda was the assignment of a new chairman. Kyle told the Board that the County Judge and the Magistrates will decided who the next Board member will be. Kyle also informed the Board that the Boards Commissioners decide who becomes Chairman, Secretary or Treasurer. Kyle told the Board that they would have to elect someone to run the next meeting and a motion must be made and seconded. The Board asked if the electing a new chairperson could be tabled until the next meeting.**

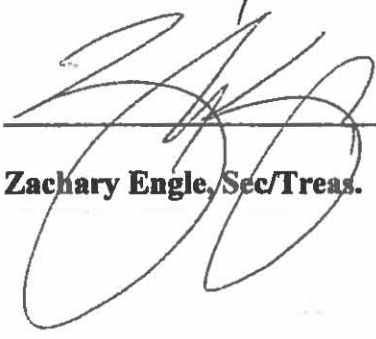
**Third item on the agenda was the MCWD Employees. Steve P. told the Board about Tim Carver's performance and that he wanted to hire him full time.**

**Kyle called for a motion to hire Tim Carver full time. A motion was made by Zach and seconded by Steve G. Motion carried.**

**Fourth item on the agenda was the county garage property. Steve P. told the Board that the County Judge wanted us to give the property back to the Fiscal Court. Steve G. said that we should negotiate with the County Judge on the property. The Board decided to table the property until the next meeting.**

**With there being no further business to come before the board, a motion was made by Steve G. and seconded by Angie. to adjourn the meeting. Motion Carried.**

**IN TESTIMONY WHEREOF WITNESS MY SIGNATURE this 11<sup>th</sup> day of February, 2019.**

  
\_\_\_\_\_  
**Zachary Engle, Sec/Treas.**



**Morgan County Water District  
Special Board Meeting  
Monday, February 4, 2019**

The special meeting of the Morgan County Water District was held on Monday, February 4, 2019 beginning at 4:30 p.m. at the office. The following were in attendance: Board Members: Zach Engle, Angie Elliott and Steve Gunnell; and MCWD Staff: Steve Pelfrey and Chernell Holbrook.

Before the meeting starts, someone is picked to lead the meeting. Steve G nominated Zach and this was seconded by Angie. Motion carried.

First item discussed on the agenda was assigning a Chairperson. Zach had spoken with Shannon and he had declined the position. Zach also has declined the position. The Board decided to table the Chairperson position until the next meeting. Zach made a motion and seconded by Steve G. Motion carried.

Second item on the agenda was the employees. Steve P. asked if we could give the employees raises. The Board decided to table this discussion until after the July loan payment.

With there being no further business to come before the board, a motion was made by Steve G. and seconded by Angie to adjourn the meeting. Motion Carried.

IN TESTIMONY WHEREOF WITNESS MY SIGNATURE this 11<sup>th</sup> day  
of March, 2019.

  
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Zachary Engle, Sec/Treas.

**Morgan County Water District  
Regular Board Meeting  
Monday, February 11, 2019**

**The regular monthly meeting of the Morgan County Water District was held on Monday, February 11, 2019 beginning at 4:30 p.m. at the office. The following were in attendance: Board Members: Zach Engle, Shannon Elam, Angie Elliott and Steve Gunnell; MCWD Staff: Steve Pelfrey and Chernell Holbrook and Special Guest Morgan County Judge, John Will Stacy.**

**First order of business was appointing someone to lead the meeting.**

**Shannon made a motion for Zach to lead and seconded by Angie. Motion carried.**

**Zach called roll, then called the meeting to order and welcomed all present.**

**Zach called for a motion to approve and accept the minutes from January 7, 2019.**

**After the board reviewed the minutes, Angie made a motion to approve the minutes.**

**The motion was seconded by Shannon. Motion Carried.**

**First item discussed on the agenda was Mrs. Shellie Adkins. Mrs. Adkins was not in attendance. Steve P. explained to the Board why she wanted to attend the meeting. She was claiming that we did not turn her water on the same day she paid for it to be turned on. Steve P. told the Board that if fact, he was the one that turned her water on that day and he has a work order for proof. Steve P also checked with the PSC if we could cut her other meter off, if she refused to pay for the bill for the second meter. The PSC said that we could not cut the first meter off for nonpayment of the second meter. No further discussion.**

**Second item on the agenda was Morgan County Judge John Will Stacy.**

**Zach welcomed the Judge to the meeting. Mr. Stacy opened by telling the Board**

about all the challenges he has been faced with since taking over the position. Mr. Stacy told the Board that he thought he could help us in the future and certainly did not want to see us in the news, in a bad way. Mr. Stacy asked if we had a plan for our water loss. Steve informed the Board that they have been valving the lines looking for leaks. Mr. Stacy informed the Board that there might be some grant money available that could help us with our water loss. We could start a project that would replace existing lines with new lines. Mr. Stacy also stated that he thought it was a bad time to ask for a rate increase, with our water loss so high.

Third item on the agenda was the replacement of our Board Member. Mr. Stacy told the Board that he was going to appoint Mr. Jack Howard and he would be sworn in at our next meeting.

Fourth item on the agenda was the Engineer. Steve P. informed the Board about Jocelyn Gross with Gateway. She could help us advertise and find an Engineer. The Board decided to meet with Jocelyn at our next meeting on February 25<sup>th</sup>. No further discussion.

#### **OLD BUSINESS:**

**Update on water loss:** Steve P. told about the leaks that they had fixed and that they were still looking for more. The Board discussed different options on ways to get the public to report leaks. Steve P. told the Board about a company that uses helium to find leaks. They charge \$16,500 for 5 miles of water lines. Mr. Stacy asked about Johnson County Water and if we could still use them in a case of emergency. Steve P. informed us that we would have to fix a prior leak in order to use them again. No further discussion

**Profit and Loss: No questions.**

**Invoices:** Steve P. told the Board that the new pump on Morris Cem. was having problems. Zach asked about an easement, Steve P. explained the easement. Zach said to make sure that Kyle's cell phone comes off the bill. Steve P. told the Board that we were free to purchase tools from Kyle's pawn shop. Zach called for a motion to approve the invoices. Shannon made a motion and Angie seconded. Motion carried.

Handouts which were given to the board for their review included a list of savings accounts, checking accounts, cut off list, and new meter setting list. Also, for the boards review was a copy of the billing register's total page. The number of customers for the month was 2798.

**OTHER:** Steve informed the Board that he had three new meters to set.

The board agreed on the next monthly meeting to be on March 11, 2019.

With there being no further business to come before the board, a motion was made by Shannon and seconded by Steve G. to adjourn the meeting. Motion Carried.

IN TESTIMONY WHEREOF WITNESS MY SIGNATURE this 11<sup>th</sup> day of March, 2019.

  
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Zachary Engle, Sec/Treas.

**Morgan County Water District  
Special Board Meeting  
Monday, February 25, 2019**

The special meeting of the Morgan County Water District was held on Monday, February 25, 2019 beginning at 5:00 p.m. at the office. The following were in attendance: Board Members: Shannon Elam, Angie Elliott and Steve Gunnell; and MCWD Staff: Steve Pelfrey and Chernell Holbrook.

Before the meeting starts, someone is picked to lead the meeting. Steve G nominated Shannon and this was seconded by Angie. Motion carried. Shannon called roll and welcomed everyone to the meeting.

First item discussed on the agenda Ms. Jocelyn Gross with Gateway. She informed the Board how she could help us find a new Engineer. She provided handouts for the Board to review. The first handout was a sample advertisement that we could use. Another handout was a score sheet we would use, to rate the Engineers based on the selected criteria. Ms. Gross informed the Board that her services would be completely free and the only cost to us would be advertisement. The Board decided to table this discussion until the next meeting.

Second item on the agenda was the loan payment. The Board asked that the loan discussion be table until the next meeting.

With there being no further business to come before the board, a motion was made by Angie and seconded by Steve G. to adjourn the meeting. Motion Carried.

IN TESTIMONY WHEREOF WITNESS MY SIGNATURE this 11<sup>th</sup> day  
of March, 2019.

  
Zachary Engle, Sec/Treas.

**Morgan County Water District  
Regular Board Meeting  
Monday, March 11, 2019**

The regular monthly meeting of the Morgan County Water District was held on Monday, March 11, 2019 beginning at 4:30 p.m. at the office. The following were in attendance: Board Members: Zach Engle, Shannon Elam, Angie Elliott, Steve Gunnell and Brian Wells; MCWD Staff: Steve Pelfrey and Chernell Holbrook and Special Guest Jocelyn Gross with Gateway Ad.

First order of business was appointing someone to lead the meeting. Steve G. made a motion for Zach to lead and seconded by Shannon. Motion carried.

Zach called roll, then called the meeting to order and welcomed all present.

First item discussed on the agenda was Judge John Will Stacy to swear in our newest Board Member. Brian Wells was sworn in earlier in the day by Judge John Will Stacy.

Second on the agenda was to appoint a Chairperson. Angie made a motion to elect Brian Wells as our new Chairperson. The motion died for the lack of a second. Mr. Wells declined the position at this time, but said he would think about and give us an answer at the next board meeting.

Zach called for a motion to approve and accept the minutes from February 11, 2019. After the board reviewed the minutes, Shannon made a motion to approve the minutes. The motion was seconded by Angie. Motion Carried.

Third item on the agenda was Jocelyn Gross with Gateway Ad. Jocelyn told the Board that they must pick their criteria on what is important in an Engineer. The Board chose the following criteria and assigned points to each:

<b>Technical Approach/Understanding of the Problem</b>	<b>25</b>
<b>Corporate Experience and Experience of Proposed Personnel</b>	<b>25</b>
<b>References from Similar Projects</b>	<b>25</b>
<b>Ability to Perform Work within Time Limitations</b>	<b>15</b>
<b>Familiarity with the Local Area</b>	<b>10</b>

**Jocelyn told the Board that she would handle the advertising. She would run the advertisement in the local paper for two weeks and also place the ad on their social media sight. She also placed a 15 page limit on the packets the Engineers could turn in. Zach called for a motion to elect the Board to the Selection Committee. Shannon made a motion and seconded by Steve. Motion carried. Zach called for a motion to approve the Criteria. Steve made a motion and seconded by Brian. Motion carried. Zach called for a motion to start advertising. Shannon made a motion and seconded by Angie. Motion carried. No further discussion.**

**Fourth item on the agenda was the loan payment. The Board took a few minutes to explain the situation with the payments to our newest member. Brian asked the amount of our past due balance with the City. Chernell told him we owe \$43,410.66 at this time. Brian asked if we had a contract with the city on the price of the water. We have a contract on how much water we will purchase, but not price. Zach asked if we should go ahead and ask for the money from the Reserve Account. Chernell, suggested that we wait and see how much money we will need. Brian asked if we could file for an extension on the loan. The Board asked Chernell to provide weekly reports of the account balances. The Board also decided that someone should attend the Emergency Management and Fema meeting. No further discussion.**

**OLD BUSINESS:**

**Update on water loss:** Steve P. told the Board that we did get to do cut offs. Steve P. told the Board that he wanted to get caught up on new settings. No further discussion.

**Profit and Loss:** No questions.

**Invoices:** We discussed the invoices with Brian. Zach called for a motion to approve the invoices. Shannon made a motion and Steve G. seconded. Motion carried.

**Handouts** which were given to the board for their review included a list of savings accounts, checking accounts, cut off list, and new meter setting list. Also, for the boards review was a copy of the billing register's total page. The number of customers for the month was 2805.

**OTHER:** None

The board agreed on the next monthly meeting to be on April 08, 2019.

With there being no further business to come before the board, a motion was made by Shannon and seconded by Angie. to adjourn the meeting. Motion Carried.

IN TESTIMONY WHEREOF WITNESS MY SIGNATURE this 8<sup>th</sup> day  
of April, 2019.

  
Zachary Engle, Sec/Treas.



**Morgan County Water District  
Special Board Meeting  
Thursday, March 28, 2019**

**The special meeting of the Morgan County Water District was held on Thursday, March 25, 2019 beginning at 4:30 p.m. at the office. The following were in attendance: Board Members: Zach Engle, Shannon Elam, and Brian Wells; and MCWD Staff: Steve Pelfrey and Chernel Holbrook.**

**Before the meeting starts, someone is picked to lead the meeting. Shannon made a motion for Zach to lead the meeting. Brian seconded the motion. Motion carried. Zach called roll and welcomed everyone to the meeting.**

**The only item on the agenda was to hire an Attorney to represent us with the Public Service Commission (PSC). Steve P. informed the Board about our situation with the PSC. We had previously approached County Attorney Myles Holbrook with the case and he felt that we needed someone with more experience with the PSC to represent us. Steve P. told the Board that Jason Pennell with Kentucky Rural Water had been down to help us answer some of the request that the PSC had asked. Jason had previously worked for the PSC, so he was a big help to us. Jason was able to provide us with a list of five lawyers: Mark David Goss, David Samford, Gerald Wuetcher, Damon Talley and Todd Osterioh. After Steve spoke with them, he learned that Goss and Samford would represent us for \$275.00 per hour, Osterioh could represent us for \$245.00 per hour and Wuetcher and Talley were already representing three other water districts. Meanwhile Steve P. learned of another lawyer, Earl Rogers of Morehead. He was recommended by Judge John Will Stacy. The Board decided that since Mr. Rogers was close and had already represented us in the past, we would hire him for \$150.00 per hour. Zach called for**

**a motion to hire Mr. Rogers. Shannon made a motion and Brian seconded. Motion carried.**

**With there being no further business to come before the board, a motion was made by Shannon and seconded by Brian, to adjourn the meeting. Motion Carried.**

**IN TESTIMONY WHEREOF WITNESS MY SIGNATURE this 8<sup>th</sup> day**  
**of April, 2019.**

  
**Zachary Engle, Sec/Treas.**

**Morgan County Water District  
Special Board Meeting  
Thursday, April 4, 2019**

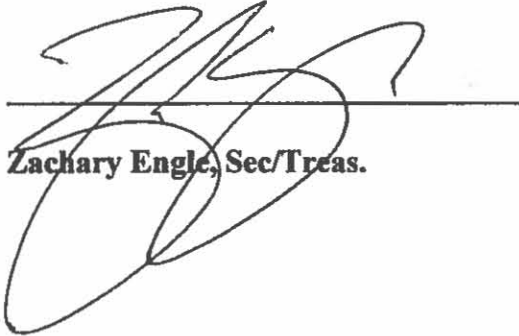
**The special meeting of the Morgan County Water District was held on Thursday, February 4, 2019 beginning at 4:30 p.m. at the office. The following were in attendance: Board Members: Shannon Elam, Brian Wells and Steve Gunnell; and MCWD Staff: Steve Pelfrey and Chernell Holbrook.**

**Before the meeting starts, someone is picked to lead the meeting. Steve G nominated Shannon and this was seconded by Brian. Motion carried. Shannon called roll. All in attendance, except for Zach Engle.**

**First item on the agenda was to look over the Engineer packets. There were 13 packets in total. Five of the packets were marked by Jocelyn Gross as unresponsive to the requirements of the advertisement. (See the attached letter.) The Board decided to review all the packets presented. The Engineers are as follows: Howerton Engineering & Surveying, PLLC, Kentucky Engineering Group, Eclipse Engineers, PLLC, Bluegrass Engineering, PLLC, HMB Professional Engineers, Cann Tech, LLC, Kenvirons, Inc., Palmer Engineering, Nesbitt Engineering, Inc., Summit Engineering, Element Design, MSE of Kentucky, Inc., Vaughn & Melton Engineering. A score sheet was made for the five Engineers not previously listed. After going over the packets the Board chose six Engineers. The Engineers are as follows: Nesbitt Engineering, Kentucky Engineering, HMB Engineering, Element Design, Vaughn & Melton and MSE of Kentucky. The Board decided to further review these Engineers at the next meeting. No further discussion.**

With there being no further business to come before the board, a motion was made by Shannon and seconded by Brian to adjourn the meeting. Motion Carried.

IN TESTIMONY WHEREOF WITNESS MY SIGNATURE this 13<sup>th</sup> day of May, 2019.



Zachary Engle, Sec/Treas.

**Morgan County Water District  
Regular Board Meeting  
Monday, April 8, 2019**

**The regular monthly meeting of the Morgan County Water District was held on Monday, April 8, 2019 beginning at 4:30 p.m. at the office. The following were in attendance: Board Members: Zach Engle, Shannon Elam, Steve Gunnell and Brian Wells; MCWD Staff: Steve Pelfrey and Chernell Holbrook. Prayer.**

**First order of business was appointing someone to lead the meeting. Zach made a motion for Shannon to lead and seconded by Brian. Motion carried.**

**Shannon called roll, then called the meeting to order and welcomed all present. Shannon called for a motion to approve the minutes from March 11 and the 28<sup>th</sup>. Brian made a motion and seconded by Zach. Motion carried.**

**First item discussed on the agenda was the Engineers. The Board further narrowed the interviews to the following four Engineers: Vaughn & Melton, Kentucky Engineering Group, MSE of Kentucky and Nesbitt Engineering. The interviews will be held on April 15<sup>th</sup>, beginning at 4:30. Each Engineer will have 15 to 20 minutes to speak. No further discussion.**

**Second on the agenda was the loan payment. The Board decided that they needed to meet with Mr. Hoff of the Kentucky Rural Development. They ask Chernell to set up a meeting with him during the work day. No further discussion.**

**Third on the agenda was the water loss on Hwy 460E. Steve P. told the Board that if the readings hold the percentage of loss will go down. Steve P. also told the Board that he and the men had been using the valves to look for leaks. They also have been driving the roads and walking some of the lines. The Board**

asked that when we get a call on a leak, to make it a priority. They will take a section of the county at a time, until it is leak free. Steve told the Board that he would like to do some testing after hours, because it was the best time to use the valves to check for leaks.

Fourth item on the agenda was the tap on fees and deposits. Steve P. told the Board the he had refigured the cost of the taps and that we were losing \$110.00 per tap on. Steve P. provided the Board with a cost sheet. Steve P. also explained that the PSC would not allow us to factor in the cost of employees and equipment. Brian suggested that the tap on fee be raised to \$1000.00. We will carry this item over until the next meeting when we have an Engineer. No further discussion.

**OLD BUSINESS:**

**Update on water loss:** Steve P. told the Board that the usage on Hwy 191 had increased, but the usage on Hwy 460E was still down. No further discussion.

**Profit and Loss:** The Board noted the amount of water purchased.

**Invoices:** The Board questioned the Piercy Mullins, Hach and Morgan Gun and Pawn invoices. The invoices were explained. Shannon called for a motion to accept the invoices. Steve G. made a motion and seconded by Zach. Motion carried.

**Handouts** which were given to the board for their review included a list of savings accounts, checking accounts, cut off list, and new meter setting list. Also, for the boards review was a copy of the billing register's total page. The number of customers for the month was 2799.

**OTHER:**

Brian asked what type of project we should start with. Steve P. told the Board that he would like to redo some old lines and do some maintenance on the pump stations. The Board decided that the project would directed toward water loss prevention. No further discussion.

**BACK TO THE AGENDA:**

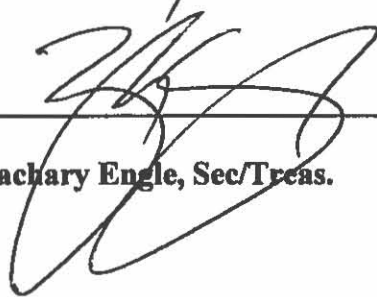
The Board will vote in a new Chairperson. Steve G. made a motion to appoint Shannon Elam as the new chairperson. The motion was seconded by Brian. Motion carried.

Customer count is 2799.

The board agreed on the next monthly meeting to be on May 13, 2019.

With there being no further business to come before the board, a motion was made by Steve G. and seconded by Zach, to adjourn the meeting. Motion Carried.

IN TESTIMONY WHEREOF WITNESS MY SIGNATURE this 13<sup>th</sup> day  
of May, 2019.

  
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Zachary Engle, Sec/Treas.

**Morgan County Water District  
Special Board Meeting  
Friday, April 12, 2019**

**The special meeting of the Morgan County Water District was held on Friday, February 12, 2019 beginning at 9:00 a.m. at the office. The following were in attendance: Board Members: Shannon Elam, Zach Engle and Linda Bradley; and MCWD Staff: Steve Pelfrey and Chernell Holbrook. Special guest: Erica Stacy-Stegman of Campbell & Rogers, PLLC and Douglas Hoff of Kentucky Rural Development.**

**Shannon called roll, then called the meeting to order and welcomed all present.**

**Mr. Hoff introduced himself and told us about his experience in finance. He told us that he had been with Kentucky Rural Development for several years. He also told the Board that he had been watching us for the past few years. He told the Board about the importance of funding both the Reserve and Sinking Fund accounts. He said that his payment should be in the account by the 20<sup>th</sup> of the month. Chernell had told Mr. Hoff that we make another loan payment out of the Sinking Fund account; he asked that we separate them and get the Region loan their own account. Mr. Hoff also told Chernell to write a letter requesting a transfer of funds from the Reserve account to the Sinking Fund account, so that we may make our July loan payment. He said he would approve the transfer, but to leave a balance of \$500.00 in the Reserve account.**

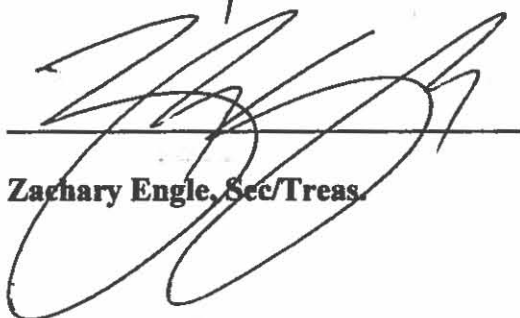
**The Board told Mr. Hoff about our growing water loss problem and that we had recently gotten the attention of the Public Service Commission. He said that he**



would like to help us with our water loss. He said that Rural Development could loan us the money for a water loss project. We told Mr. Hoff that we were in the process of hiring a new Engineer. We are planning a project that would replace our aging meters and infrastructure. We would like to refurbish some of our oldest pump stations, tanks and water lines in hopes that this will help us with our water loss. The Board told Mr. Hoff that when we hired an Engineer we would let him know. Mr. Hoff gave us some suggestions on how to work on our water loss. He suggested that we talk to the Kentucky Department of Local Government regarding possible grant money and to check with Kentucky Rural Water Association in regards to assisting us with locating leaks. He also suggested that we renegotiate our water purchase agreements with the City of West Liberty and Cave Run Water Commission. He lastly suggested that the building we are in be made handicap accessible. This would include the parking lot, counter height, bathroom hand rails and possibly a drive-thru.

With there being no further business to come before the board, a motion was made by Zach and seconded by Linda to adjourn the meeting. Motion Carried.

IN TESTIMONY WHEREOF WITNESS MY SIGNATURE this 13<sup>th</sup> day  
of MAY, 2019.

  
Zachary Engle, Sec/Treas.

**Morgan County Water District  
Special Board Meeting  
Monday, April 15, 2019**

The special meeting of the Morgan County Water District was held on Monday, February 15, 2019 beginning at 4:30 p.m. at the office. The following were in attendance: Board Members: Shannon Elam, Zach Engle, Linda Bradley, Brian Wells and Steve Gunnell; and MCWD Staff: Steve Pelfrey.

Shannon called roll, then called the meeting to order and welcomed all present.

The first Engineering group to interview was Vaughn & Melton, represented by Thomas R. Bradley. Interview time was 4:43 to 5:17. Seconded group interviewed was Kentucky Engineer Group, represented by Jim Thompson. Interview time was 5:21 to 5:38. The third group being interviewed was MSE of Kentucky, presented by Glenn Ross. Interview time was 5:42 to 6:09. The last group interviewed was Nesbitt Engineering, represented by Paul Nesbitt. Interview time was 6:13 to 7:04.

After the interviews were over the Board discussed the four groups. The Board all agreed that Nesbitt Engineering would be our next Engineer. Shannon called for a motion to hire Nesbitt Engineering. Brian made a motion and seconded by Zach. Motion carried.

With there being no further business to come before the board, a motion was made by Steve G. and seconded by Linda to adjourn the meeting. Motion Carried.

IN TESTIMONY WHEREOF WITNESS MY SIGNATURE this 13<sup>th</sup> day of

MAY, 2019.

  
Zachary Engle, Sec/Treas.

**Morgan County Water District  
Regular Board Meeting  
Monday, May 13, 2019**

The regular monthly meeting of the Morgan County Water District was held on Monday, May 13, 2019 beginning at 4:30 p.m. at the office. The following were in attendance: Board Members: Shannon Elam, Zach Engle, Linda Bradley, Steve Gunnell and Brian Wells; MCWD Staff: Steve Pelfrey and Chernell Holbrook. Special guests: Paul Nesbitt of Nesbitt Engineering and Attorney's Earl Rogers and Erica Stacy Stegman. Prayer.

Shannon called roll, then called the meeting to order and welcomed all present. Shannon called for a motion to approve the minutes from April 8, 2019. Zach made a motion and seconded by Brian. Motion carried.

First on the agenda was Attorney's: Earl Rogers and Erica Stegman. Erica asked to be moved further down on the agenda.

Next on the agenda was Paul Nesbitt of Nesbitt Engineering. Mr. Nesbitt gave the Board handouts. The first hand out discussed revenue water trends. The second handout was information from the prior audits. Mr. Nesbitt noted that 2015 was a bad year for us and that we had been trying to recover from it ever sense. Mr. Nesbitt third handout was goals he would like to see reach. He had a short term goal of zero to six months, medium range goal of zero to eighteen months and a long range goal of zero to sixty months. Shannon asked Erica if these goals would help us with the PSC. Mr. Nesbitt said that he could look at getting the medium goal started in the next six months. Shannon made a motion to adopt the goals from Mr. Nesbitt. Zach made a motion and seconded by Brian. Motion carried. Mr. Nesbitt

**said that Mr. Doug Hoff would negotiate our rate increase with the PSC. He also mentioned the fact that we charge less for more water used. He thinks we should charge the same rate for all the water used. This would have to be changed with the PSC also. Shannon asked if anyone has any further questions.**

**Second on the agenda was Monty Rhody. The Board decided to pay him for his time spent on the rate increase and to turn over his findings to Mr. Nesbitt. Shannon called for a motion to pay Monty. Linda made a motion and seconded by Brian. Motion carried.**

**Third on the agenda were Attorney's Earl Rogers and Erica Stacy Stegman. Mr. Rogers told the Board that the Chairperson would have to testify at the hearing with the PSC. Mr. Rogers informed Shannon that he would put together a written testimony for him. Mr. Rogers also suggested that someone else from the Board stand up and testify. Mrs. Stegman said she would like Linda to do it. Linda agreed that she would stand if necessary. Lastly Mr. Rogers explained how the hearing would proceed.**

**Fourth on the agenda was the tap on fees and deposits. Chernell asked Mr. Nesbitt if this was something that Mr. Hoff could help us with. Mr. Nesbitt suggested that we get together and decide what all we wanted to change. Mr. Nesbitt thought that \$1100 for a tap was not unreasonable. The Board asked that this discussion be carried over till the next meeting.**

**Fifth item on the agenda was the FEMA representative. Vickie Lewis said that she could not represent us. Morgan County Judge Executive, John Will Stacy suggested Vanessa Elam as our representative. Steve G. asked Linda to speak to Mr. Stacy concerning Vanessa.**

**OLD BUSINESS:**

**Update on water loss: Cave Run is going up and West Liberty is going down. Steve P. told the Board that Tim Blanton from Kentucky Rural Water Association would be back in June to help us find some leaks. Shannon suggested that they start with the Cave Run side of the county. Mr. Blanton thinks that we have several small leaks. Steve P. told the Board the Andy is being trained for leak detection and that he would take over doing the water loss reports. Next the Board discussed how to reach the public and getting them to report leaks.**

**Profit and Loss: The Board looked over the reports. No further discussion.**

**Invoices: The Board looked over the invoices. They noted that we were 60 days behind with Cave Run Water. Shannon asked Mr. Nesbitt what he thought of our financial problem. Mr. Nesbitt said that the PSC allowed Martin County to do an emergency rate increase due to their financial problems. R & D said that they would finance our payables along with our project. Zach said that he and Brian would go around to the banks and see if they would give us a note to pay off our old debts. Mr. Rogers suggested that we get a note from R & D, saying that they will pay off any loan we get. Shannon suggested that we sell the backhoe to get money for the July loan payment. Mr. Nesbitt said that he would speak to Mr. Hoff concerning the loan and he would let us know what he said. Mr. Nesbitt said that he had seen other Districts go over the deadline. Shannon suggested another meeting in two weeks. The Board decided to wait on a motion to pay the invoices until the next meeting on the 28<sup>th</sup> of May. The invoices will be tabled until May 28<sup>th</sup>.**

**Handouts which were given to the board for their review included a list of savings accounts, checking accounts, cut off list, and new meter setting list. Also, for**

the boards review was a copy of the billing register's total page. The number of customers for the month was 2814.

**OTHER:**

Mr. Rogers suggested that we make a motion to allow the Chairperson to sign all authorized documents. Shannon called for a motion. Zach made a motion to allow Shannon to sign all authorized documents and seconded by Brian. Motion carried.

The board agreed on the next monthly meeting to be on June 10, 2019.

With there being no further business to come before the board, a motion was made by Linda and seconded by Zach, to adjourn the meeting. Motion Carried.

IN TESTIMONY WHEREOF WITNESS MY SIGNATURE this 10<sup>th</sup> day  
of JUNE, 2019.

  
Zachary Engle, Sec/Treas.

**Morgan County Water District  
Special Board Meeting  
Tuesday, May 28, 2019**

**The special meeting of the Morgan County Water District was held on Tuesday, May 28, 2019 beginning at 4:30 p.m. at the office. The following were in attendance: Board Members: Shannon Elam, Zach Engle, Linda Bradley, Brian Wells and MCWD Staff: Chernell Holbrook. Special guests: Attorney's Earl Rogers and Erica Stacy Stegman and the Morgan County Judge Executive, John Will Stacy.**

**Shannon called roll, then called the meeting to order and welcomed all present. Zach called for a motion to go into closed session, Linda seconded. Motion carried. At this time Chernell was asked to leave the room. Linda made a motion to come back into regular session and seconded by Zach. Motion carried.**

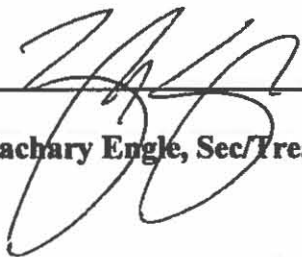
**First on the agenda was the Cash Flow Plan. Shannon presented the plan to the Board. He also explained the Reserve account to the Board members. Mr. Hoff told Shannon and Chernell that we need not fund the Depreciation Reserve and the Rainy Day account as of now. We need to focus on making our July payment. Shannon told the Board that he had given his word to Mr. Hoff, that we would make our July payment. Shannon then explained Plan A and Plan B to the Board. The Board decided on Plan B. Brian made a motion to accept Plan B and seconded by Linda. Motion carried. Starting in July the amount of \$16,166.00 will be paid to the Revenue Fund, before anything else is paid. Also, Shannon will be renaming the Revenue Fund account to the Revenue Sinking Fund account and opening the Rainy Day savings account.**

**Next on the agenda were the invoices. The Board decided to pay Cave Run Water \$27,989.61, McKinney Contracting \$1,409.00 and C.I. Thornburg \$5,362.83. The Board**

also discussed taking out a loan to ensure that we could make the July Rural Development payment. Shannon called for a motion to take out a loan with the Bank of the Mountains for \$30,000 on a one year note. Zach made a motion on the loan and Brian seconded. Motion carried. Zach made motion for Shannon to sign all necessary documentation to secure the loan with the Bank of the Mountains. Brian seconded the motion. Motion carried.

With there being no further business to come before the board, a motion was made by Brian and seconded by Zach to adjourn the meeting. Motion Carried.

IN TESTIMONY WHEREOF WITNESS MY SIGNATURE this 10<sup>th</sup> day of JUNE, 2019.

  
\_\_\_\_\_  
Zachary Engle, Sec/Treas.



**Morgan County Water District  
Regular Board Meeting  
Monday, June 10, 2019**

**The regular monthly meeting of the Morgan County Water District was held on Monday, June 10, 2019 beginning at 4:30 p.m. at the office. The following were in attendance: Board Members: Shannon Elam, Zach Engle, Linda Bradley, Steve Gunnell and Brian Wells; MCWD Staff: Steve Pelfrey and Chernell Holbrook. Special guests: Paul Nesbitt of Nesbitt Engineering and Attorney Erica Stacy Stegman. Prayer.**

**Shannon called roll, then called the meeting to order and welcomed all present. Shannon called for a motion to approve the minutes from May 13, 2019. Linda made a motion and seconded by Steve G. Motion carried.**

**First on the agenda was Paul Nesbitt of Nesbitt Engineering. Paul told the Board that they have already done some drafts for Rural Development. Their goal is having everything closed out by the end of the year. He also told the Board that Steve had been working with them on putting together what we needed for our system, along with leak detection equipment. Paul gave the Board a spreadsheet on our water loss for them to look over. No further discussion.**

**Second on the agenda was the loan payment. Shannon told the Board about the loan for \$30,000. He explained to the Board after putting the \$24,000 in the account, we would only need \$141.39 for our payment in July. Jodi Stacy said that we could redo this loan if necessary at the end of the year. Shannon also told the Board that we have enough money for the Region loan payment. No further discussion.**

**MORGAN COUNTY WATER DISTRICT**

**Response to Commission's Order of July 1, 2019  
Case No. 2019-00041**

Request No. 3

Responding Witness: Chernell Holbrook

**R-3. Provide all monthly water loss reports compiled subsequent to those previously filed in this case.**

A-3. See attached May and June 2019 water loss reports.

# PUBLIC SERVICE COMMISSION

## Monthly Water Loss Report

Water Utility: Morgan County Water District

For the Month of: May Year: 2019

LINE #	ITEM	GALLONS (Omit 000's)
1	<b>WATER PRODUCED, PURCHASED &amp; DISTRIBUTED</b>	
2	Water Produced	
3	Water Purchased	19,975,712
4	<b>TOTAL PRODUCED AND PURCHASED</b>	<b>19,975,712</b>
5		
6	<b>WATER SALES</b>	
7	Residential	8,801,780
8	Commercial	880,600
9	Industrial	
10	Bulk Loading Stations	
11	Wholesale	
12	Other Sales <span style="margin-left: 20px;"><u>Hinkle Contracting</u></span>	32,000
13	<b>TOTAL WATER SALES</b>	<b>9,714,380</b> 48.8%
14		
15	<b>OTHER WATER USED</b>	
16	Utility and/or Water Treatment Plant	
17	Wastewater Plant	
18	System Flushing	4,735,409
19	Fire Department	28,000
20	Other	
21	<b>TOTAL OTHER WATER USED</b>	<b>4,763,409</b> 23.8%
22		
23	<b>WATER LOSS</b>	
24	Tank Overflows	
25	Line Breaks	
26	Line Leaks	5,497,923
27	Other	
28	<b>TOTAL LINE LOSS</b>	<b>5,497,923</b> 27.5%
29		
30	Note: Line 13 + Line 21 + Line 28 Must Equal Line 4	
31		
32	<b>WATER LOSS PERCENTAGE</b>	
33	Unaccounted-For Water (Line 28 divided by Line 4)	<b>27.5%</b>

# PUBLIC SERVICE COMMISSION

## Monthly Water Loss Report

Water Utility: Morgan County Water District

For the Month of: June Year: 2019

LINE #	ITEM	GALLONS (Omit 000's)
1	<b>WATER PRODUCED, PURCHASED &amp; DISTRIBUTED</b>	
2	Water Produced	
3	Water Purchased	22,184,660
4	<b>TOTAL PRODUCED AND PURCHASED</b>	<b>22,184,660</b>
5		
6	<b>WATER SALES</b>	
7	Residential	10,664,630
8	Commercial	806,150
9	Industrial	
10	Bulk Loading Stations	
11	Wholesale	
12	Other Sales	
13	<b>TOTAL WATER SALES</b>	<b>11,470,780</b> 51.7%
14		
15	<b>OTHER WATER USED</b>	
16	Utility and/or Water Treatment Plant	
17	Wastewater Plant	
18	System Flushing	4,723,072
19	Fire Department	48,000
20	Other	
21	<b>TOTAL OTHER WATER USED</b>	<b>4,771,072</b> 21.5%
22		
23	<b>WATER LOSS</b>	
24	Tank Overflows	
25	Line Breaks	
26	Line Leaks	5,942,808
27	Other	
28	<b>TOTAL LINE LOSS</b>	<b>5,942,808</b> 26.8%
29		
30	Note: Line 13 + Line 21 + Line 28 Must Equal Line 4	
31		
32	<b>WATER LOSS PERCENTAGE</b>	
33	Unaccounted-For Water (Line 28 divided by Line 4)	<b>26.8%</b>

**MORGAN COUNTY WATER DISTRICT**

**Response to Commission's Order of July 1, 2019  
Case No. 2019-00041**

Request No. 4

Responding Witness: Paul Nesbitt

**R-4. Provide the analysis of the dollar value to the utility of the amount of water loss in excess of 15 percent, based upon the water loss numbers contained in the 2018 annual report.**

A-4. See attached chart.

## Water Purchases per Producer

Producer	Percentage
City of West Liberty	58%
Cave Run Water	42%

## To Compute Average Cost per 1,000 Gallons

Producer	Cost per 1,000 Gallons	Pro-rated cost
City of West Liberty	\$ 3.08	\$ 1.79
Cave Run Water	\$ 2.67	\$ 1.12
Average Cost of Water		\$ 2.91

## Lost Water Cost above 15%

	Gallons
Total Purchased	278,317,850
15% of total	41,747,678
Reported loss	115,280,379
Gallons above 15% Loss	73,532,702
Cost at \$2.91 per 1,000 Gallons	\$ 213,980.16