

**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 11th 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 11th 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 11th 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.

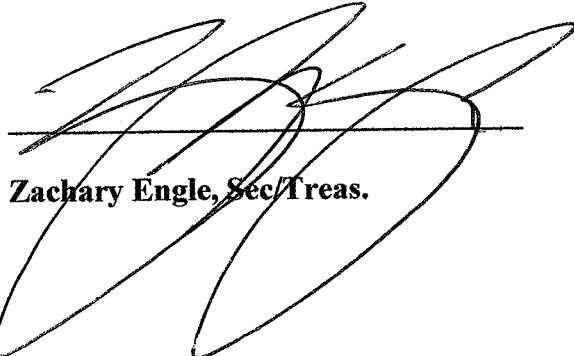
Before the meeting starts, someone is picked to lead the meeting. Steve G nominated Zach and this was seconded by Angie. Motion carried.

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 11th day
of March, 2019.



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 25th. 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 11th day
of March, 2019.



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 Chernel 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 11th 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:

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

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 8th 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 Chernell Holbrook.

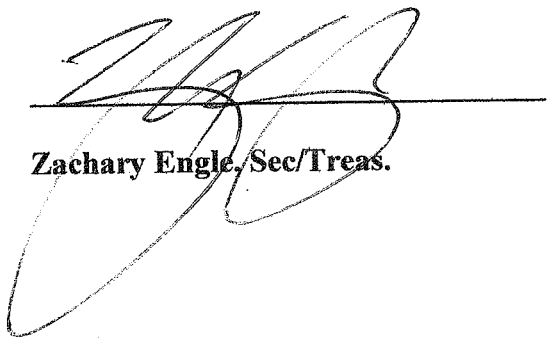
Before the meeting starts, someone is picked to lead the meeting. Shannon made a motion for Zach to lead the meeting. Brian seconded the motion. Motion carried. Zach called roll and welcomed everyone to the meeting.

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 8th day
of April, 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 28th. 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 15th, 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:

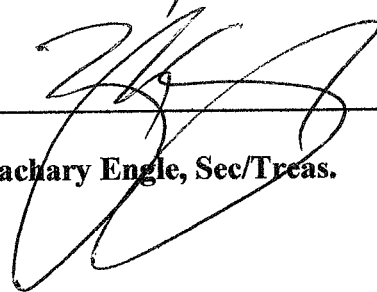
The Board will vote in a new Chairperson. Steve G. made a motion to appoint Shannon Elam as the new chairperson. The motion was seconded by Brian. Motion carried.

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 13th day
of May, 2019.



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.

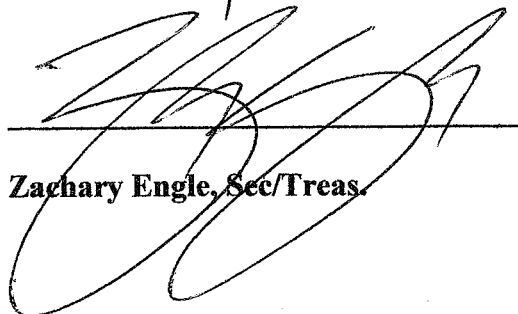
Mr. Hoff introduced himself and told us about his experience in finance. He told us that he had been with Kentucky Rural Development for several years. He also told the Board that he had been watching us for the past few years. He told the Board about the importance of funding both the Reserve and Sinking Fund accounts. He said that his payment should be in the account by the 20th 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 13th 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.

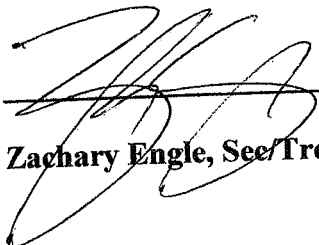
The first Engineering group to interview was Vaughn & Melton, represented by Thomas R. Bradley. Interview time was 4:43 to 5:17. Seconded group interviewed was Kentucky Engineer Group, represented by Jim Thompson. Interview time was 5:21 to 5:38. The third group being interviewed was MSE of Kentucky, 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 13th 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 28th of May. The invoices will be tabled until May 28th.

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 10th 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.

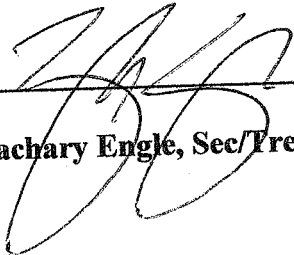
First on the agenda was the Cash Flow Plan. Shannon presented the plan to the Board. He also explained the Reserve account to the Board members. Mr. Hoff told Shannon and Chernell that we need not fund the Depreciation Reserve and the Rainy Day account as of now. We need to focus on making our July payment. 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 10th 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.

Third on the agenda was the tap on fees and deposits. Steve told the Board that Jason Pennell of the Kentucky Rural Water Association was working on the tap on fees. We have not been able to pull the information that he needs, but will be working on it. Shannon asked that we carry this discussion over till next month.

OLD BUSINESS:

Update on water loss: The water loss for both Cave Run Water and the City of West Liberty were both an improvement.

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

Invoices, Bank Statements and Reconciliations: Shannon gave the Board a break down on the invoices paid and unpaid from last month. Shannon asked for a motion to pay the unpaid invoices. Brian made a motion and seconded by Steve G. Motion carried. Chernell told the Board that we need to pay Utility Solutions some money.

Handouts which were given to the board for their review included a list of savings accounts, checking accounts. Shannon told the Board that he had opened the Raining Day account. The district needs to refund him \$50.00 for opening the account with his money. He also renamed the Revenue Fund account to the Revenue Sinking Fund. New Setting: Steve told the Board that he would have to cut the road for the Stanley Spencer job. Also, for the boards review was a copy of the billing register's total page. The number of customers for the month was 2817.

OTHER:

Shannon told the Board about the exit meeting from the audit. He told the Board about their concerns and about the bank statements and reconciliations. He told that we need a policy on data breach. Morgan and Associates are going to provide

us with an example. They also talked about the Customer deposits. They talked about getting rid of the old spreadsheet and making a new one. We would make the old spread sheet a legacy. Shannon is going to help Chernell with an excel spreadsheet.

Shannon suggested that we do a summary for our customers. He wanted to give them a report of how we are financially and structurally. Steve G. suggested that we be careful of what we put out there.

Steve P. mentioned connecting Hwy 460E on a project. Steve P. explained that the deep hollows were the problem. Paul said that he would take a look at it.

Steve P. gave the Board his letter of resignation for November 22, 2019. Shannon told Steve, thank you. Shannon asked if Andy was ready for his Class 2's. Steve said that he would be ready in November. Shannon asked Paul, what would happen if Andy did not pass the test. Paul said that he would look into it. Steve P. told the Board that he would be interested in coming back part time. Steve suggested that we put Andy in as Field Manager. Shannon would like him to get some training. Shannon asked that Andy be at next month meeting. No further discussion.

The board agreed on the next monthly meeting to be on July 8, 2019.

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

IN TESTIMONY WHEREOF WITNESS MY SIGNATURE this 13th day
of AUGUST, 2019.


Zachary Engle, Sec/Treas.

**Morgan County Water District
Regular Board Meeting
Monday, July 08, 2019**

The regular monthly meeting of the Morgan County Water District was held on Monday, July 08, 2019 beginning at 4:30 p.m. at the office. The following were in attendance: Board Members: Shannon Elam, Steve Gunnell and Brian Wells; MCWD Staff: Steve Pelfrey, Chernell Holbrook and Andy Legg. 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 June 10, 2019. Brian made a motion and seconded by Steve G. Motion carried.

First on the agenda was employee Andy Legg. Shannon asked Andy to start attending the Board meetings. Shannon confirmed that he would be getting a raise, but was not sure how much at this time. Steve told the Board that he wanted him to be promoted to Field Manager at this time. Board told Steve, they wanted to wait on promoting him for now. Shannon gave Andy a brochure for management training. No further discussion.

Second on the agenda was the project update. Paul told the Board that he wanted to do a Hydraulic analysis of the entire system. He said that the project was coming along and was looking at starting before the end of the year. No further discussion.

Third on the agenda was the PSC hearing. Erica said that the hearing would last longer than an hour and that we should arrive there as early as possible. Steve told the Board that the Attorney's did a great job getting the information to the

PSC. Erica told the Board that we were the only District to submit testimonies. No further discussion.

Fourth on the agenda was the loan payment. Chernell informed the Board that the loan payment had been made and the first check had been written for the next payment. No further discussion.

Fifth on the agenda was the tap on fees and deposits. Andy told the Board that we are losing money on our tap on fees. Steve P. told the Board that we now have six new taps to do. Shannon asked Steve P. to keep an account of the cost of the next six taps. Steve told the Board that he thought the tap on fees should be approximately \$1200 to \$1300, instead of \$750. This discussion will continue as the August meeting.

OLD BUSINESS:

Update on water loss: Shannon asked how we knew how much water the automatic flushers were using. Steve P. told him that we used the suggested rate of water flow from the manufacture. Shannon questioned why the automatic flushing numbers were higher on the West Liberty side. Chernell answered that we had more flushing hydrants on the West Liberty side. Steve P. credited the lower percentage of water loss on the last leak they fixed. Steve P. told the Board that Chernell, gave him a list of zero reading meters and that they have been testing a few of them. Paul Nesbitt told the Board that he, Steve P. and Andy had been talking about putting a test bench on the project for meter testing. Paul also told the Board that the project of replacing 200 meters, would give us meters to test and replace.

Profit and Loss: No further discussion.

Invoices, Bank Statements and Reconciliations: Shannon told the Board that we have \$96,827.75 in the bank at the present. The Board picked the invoices to pay and to hold on to. Shannon asked for a motion to pay the unpaid invoices. Steve G. made a motion and seconded by Brian. Motion carried.

Handouts which were given to the board for their review included a list of savings accounts, checking accounts, cut offs and new settings.

OTHER:

Steve P. told the Board that the Generators warranty is about to run out and that the company that made it, wanted to do a start up on it. Steve told the Board that the Generator still needed to be converted over to propane. The conversion would cost \$2,275.00. Steve told the Board that he would need at least 1,000 gallons of propane, even though the company calls to 2,000 gallons. Steve told the Board he would gather all the information on the conversion for the next board meeting.

The board agreed on the next monthly meeting to be on August 12, 2019. Customer count was 2821. With there being no further business to come before the board, a motion was made by Steve G. and seconded by Brian, to adjourn the meeting. Motion Carried.

IN TESTIMONY WHEREOF WITNESS MY SIGNATURE this 13th day
of AUGUST, 2019.


Zachary Engle, Sec/Treas.

**Morgan County Water District
Regular Board Meeting
Monday, August 12, 2019**

The regular monthly meeting of the Morgan County Water District was held on Monday, August 12, 2019 beginning at 4:30 p.m. at the office. The following were in attendance: Board Members: Shannon Elam, Linda Bradley and Brian Wells; MCWD Staff: Steve Pelfrey, Chernell Holbrook and Andy Legg. Special guests: Paul Nesbitt of Nesbitt Engineering and Matthew Cooper of Gateway Add.

Prayer.

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

First on the agenda was an update on the project. Paul told the Board that the ARC application needs to go in this week. Paul presented the Board with future projects that he will be seeking funding for. Paul also informed the Board that Knox County Water had put in for three rate increases for the next three years. He then presented the Board with the proposed rate increases. Shannon asked if they decided on a rate increase by the next meeting, would we expect to revenue by the first of the year. Discuss further at the next meeting.

Second on the agenda was the PSC hearing update. Shannon asked if we got the additional information that the PSC asked for. (Yes) Shannon told the Board members about the hearing and that the PSC made it clear, that increases were necessary. Paul told Shannon that he did a good job at the hearing. Steve P. told the Board that we were well represented. No further discussion.

Third on the agenda was the O & M Management Plan. Tabled until the next meeting.

Fourth on the agenda was the conference call with the Division of Water. Steve P. told the Board that the call was set for September 4th. Paul asked what the nature of the call was for and what violations involved, Steve P. told Board that he did not know. Paul asked that he be there when the call took place.

Fifth on the agenda was the Generator. Paul told the Board that he had asked AML to reopen the project to fund the conversion and hook up. AML declined to reopen the project. Steve P. told the Board that it would cost \$2575.00 to convert the generator over to propane. Steve P. said that Caney Valley Propane would set the tank and fill it for \$1409.00. Shannon called for a motion to fund the conversion. Brian told Steve to make sure the lines get run from the tank to the generator. Brian said it would take someone other than Caney Valley to run the lines. He asked that we get quotes from professionals. Tabled to the next meeting.

Sixth on the agenda was the Transportation Cabinet. Steve P wanted Steve G. to look at the letter. Steve G. was not in attendance. Paul looked at the letter and explained to the Board that it was a way to track projects with the State through KURTS. Paul explained there would be a resolution that the Board would have to agree with and sign off on. Paul said that they would fill out the form for us. Paul also said that we would need to make a motion to join KURTS. Brian made motion and seconded by Linda. Motion carried.

Seventh on the agenda was pay increases. Steve P. told the Board that a couple of employees were looking to leave, if they could not get an increase in pay. Shannon suggested that we set up some kind of pay rate scale. The Board decided

to raise the Field Techs to \$10.00 an hour. They named Andy Legg as the new Field Manager and set his pay rate at \$12.00 an hour. Shannon called for a motion to raise the pay. Brian made a motion and Linda seconded. Motion carried.

Eighth on the agenda was the tap on fees and tariffs. Steve P. told the Board that if we could get a motion to go through with the raises, that we could have them as soon as October 1st. Linda made a motion and seconded by Brian. Motion carried.

Matthew Cooper with Gateway, brought some papers for Shannon to sign. He had a resolution giving Shannon the authority to sign all paperwork pertaining to the grant. Linda made a motion to accept the resolution and Brian seconded. Motion carried.

Last on the agenda was the Utility Clerk applications. The Board selected the applications they would interview. The interviews would take place on August 19th, starting at 4:30. The new Utility Clerk will start at \$9.00 an hour.

OLD BUSINESS:

Update on water loss: Cave Run was up to 46.93% and West Liberty was up to 30.22% water loss. Board asked about looping the lines together to prevent water loss from flushing. Paul said that they would take a look at that.

Profit and Loss: Shannon asked that they get a hard copy at the meetings.

Invoices, Bank Statements and Reconciliations: Shannon told the Board what our finances were at the time. Brian made a motion to pay all the dated check on the list, Linda seconded. Motion carried.

Handouts which were given to the board for their review included a list of savings accounts, checking accounts, cut offs and new settings. No Questions.

OTHER:

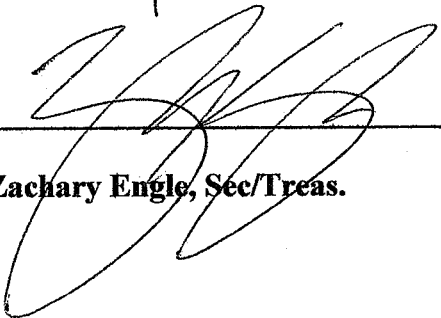
Steve P. mentioned to the Board about customers switching names to avoid paying an old bill. Brian said that we need to ask the lawyers about that.

The board agreed on the next monthly meeting to be on September 9, 2019.

Customer count was 2827. With there being no further business to come before the board, a motion was made by Brian and seconded by Linda, to adjourn the meeting.

Motion Carried.

IN TESTIMONY WHEREOF WITNESS MY SIGNATURE this 9th day
of September, 2019.



Zachary Engle, Sec/Treas.

**Morgan County Water District
Regular Board Meeting
Monday, September 9, 2019**

The regular monthly meeting of the Morgan County Water District was held on Monday, September 9, 2019 beginning at 4:30 p.m. at the office. The following were in attendance: Board Members: Shannon Elam, Zach Engle, Steve Gunnell, Linda Bradley and Brian Wells; MCWD Staff: Steve Pelfrey, Chernell Holbrook and Andy Legg. Special guest: Erica Stacy Stegman of Campbell & Rogers, PLLC.

Prayer.

Shannon called roll, then called the meeting to order and welcomed all present. Shannon called for a motion to approve the minutes from August 12, 2019. Linda made a motion and seconded by Zach. Motion carried.

First on the agenda was an update on the project. Paul Nesbitt could not attend the meeting, so Shannon made a conference call to him. Paul told the Board that Mr. Hoff said that we could not get this done by the end of the year, but Paul thought we still could. He also told the Board that the ARC application had been sent to Washington for approval. He is currently going through a check list for RD, to make sure they have all the information they need. Erica asked if she could have a copy of the application. No further discussion.

Second on the agenda was the O & M Management Plan. The PSC wants us to have a plan. Jason Pennell from Kentucky Rural Water sent us a sample copy of one to use as a reference. The Board asked if I could send them a copy of this plan via email. Chernell found a plan, but it has not been approved by the Board and it

is in much need of revision. Erica said that she would look at the plan and tell the PSC, that we are working on it. We will discuss the plan at the next meeting.

Third on the agenda was the generator. Steve P. told the Board that Donahue Mechcal could not get to us, until later in the year. The City of West Liberty told Steve P., they knew someone, but they have yet to get back to him. Steve P. told the Board that he would go ahead and have the tank set and filled. The generator will use 12.78 gallons of gas an hour. No further discussion.

Fourth on the agenda were the PSC tariffs. Chernell said that she would email the Board the latest edition of the tariffs. The Board was presented with the legal notice that is going into the paper for the next three weeks. Steve P. told the Board he had fined three of the Fire Departments: White Oak, Hazel Green and Hwy 519 for the usage violation. Steve P. told the Board that he had provided the fire departments all the documentation they needed to record their usage. Erica suggested that we do a follow up with them. No further discussion.

Fifth on the agenda was Sandy Hook water. Steve P. told the Board that Sandy Hook wanted to tie on to our line for emergencies only. Sandy Hook said that they would be supplying approximately 200 customers, 30,000 gallons a day. Steve P. told the Board his concern about running Wrigley Elementary School out of water. Steve P. said that their Engineer would have to get with our Engineer, to figure out how to maintain pressure. The Board said that they would be in agreement, as long as Sandy Hook paid for it.

Sixth on the agenda was the tank cleaning. Steve P. told the Board that he, Kyle and Roy went to Frankfort back in 2015. After that meeting we had all the tanks inspected and cleaned. Steve P. informed the Board that we have three tanks

coming due for inspection. Steve P. said that Liquid Engineer could inspect the three for \$2,980 or they could inspect, clean and report the three for \$4,380. The tanks have to be inspected every five years. Shannon asked for a motion, to proceed with the tank inspections. Brian made a motion and seconded by Steve G. Motion carried. Steve P. also mentioned that the tanks needed to be repainted.

OLD BUSINESS:

Update on water loss: The water loss was down from last month. Steve P. told the Board that our THM's were a little high, but that we were still in compliance.

Profit and Loss: Hard copies were provided.

Invoices, Bank Statements and Reconciliations: See the list of bills for payment.

Handouts which were given to the board for their review included a list of savings accounts, checking accounts, cut offs and new settings. No Questions.

OTHER:

Steve told the Board about the phone conference with the Division of Water. Morgan Bishop with the Division of Water, told Steve P. that we were ok at this point. We have no violations. They also discussed the system wide flushing that James Bevins wanted us to do. Steve and Andy told the Board that it was impossible to have this done by the end of October. Steve P. and Shannon agreed that we start with some small roads to show that we are working on it and ask for an extension for the rest. We will discuss at the next meeting.

CLOSE SESSION:

Linda made a motion to go into close session, seconded by Zach.

Linda made a motion to adjourn the closed session, seconded by Brian.

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

Customer count was 2831. 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 7th day
of October, 2019.


Zachary Engle, Sec/Treas.

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

The regular monthly meeting of the Morgan County Water District was held on Monday, October 7, 2019 beginning at 4:30 p.m. at the office. The following were in attendance: Board Members: Shannon Elam, Zach Engle, Linda Bradley and Brian Wells; MCWD Staff: Steve Pelfrey and Chernell Holbrook. Special guest: Erica Stacy Stegman of Campbell & Rogers, PLLC, Paul Nesbitt of Nesbitt Engineering and Matthew Cooper of Gateway. Prayer.

Shannon called roll, then called the meeting to order and welcomed all present. Shannon called for a motion to approve the minutes from September 9, 2019. Linda made a motion and seconded by Zach. Motion carried.

First on the agenda was Matthew with Gateway. Matthew presented a resolution on the KY 191 Waterline Replacement Project for Shannon to sign. He also presented the criteria for the engineers for the upcoming project. Shannon called for a motion to accept the criteria. Brian made a motion and Zach seconded. Motion carried. Shannon called for a motion that the Board be the selection committee. Zach made a motion and seconded by Linda. Motion carried. Shannon called for a motion for Gateway to run the advertisement for us. Brian made a motion and seconded by Zach. Motion carried. A motion was made that Shannon be authorized to sign all pertinent documents for the KY 191 Waterline Replacement Project. Linda made a motion and seconded by Brian. Motion Carried.

Second on the agenda was an update on the project. The first project will start after the first of the year. We will also, start advertising for Contractors after the first of the year.

Third on the agenda was the O & M Management Plan. Erica said that the plan from Kentucky Rural Water was very lengthy. She said that Steve and Andy should be able to shorten it down. Shannon said that he would come up and help Steve and Andy. Erica asked that they take their time and do it right, because we will be held to it, by the PSC. No further discussion. Carry over till the next meeting.

Fourth on the agenda was the health insurance. Shannon called for a motion to renew United Healthcare as our carrier. Linda made a motion and seconded by Zach. Motion carried.

Fifth on the agenda was Ashlee Ferguson to be allowed to do our bank draft transactions. Shannon called for a motion. Linda made a motion and seconded by Zach. Motion carried.

Sixth on the agenda was the system wide flushing. Steve informed the Board that there was no way we could have this done by the end of October. Shannon suggested that we start with smaller lines, just to show that we were trying. Shannon asked if we had ever done a system wide flush, Steve replied, no. Steve told him that before it was recommended, but now it is law. Zack asked if we could get an extension. Erica said that we should read the regulations. Paul read the KRS rule on flushing and he said that he would look in on this. We will put together a plan before the next meeting on the 18th. A motion will be made then. Carry over till the next meeting.

Seventh on the agenda was the advertisement for General Manager. Erica provided the Board with her version of the ad for Manager. Cut will set for the 18th at 4:00pm. The Board will sort through the applications on the 18th and interviews will follow on Monday 21st. The Board asked Erica to put the ad on the INDEED website. Shannon called for a motion to accept the ad for General Manager. Zach made a motion and seconded by Brian. Motion carried.

OLD BUSINESS:

Update on water loss: Steve told the Board that they had fixed several small leaks. Zach asked when the water usage would increase? Steve informed him it would go up around January and February. Paul said that the water loss would increase, due to meters not picking up low flow, when people let their facets drip.

Profit and Loss: Hard copies were provided. September we were \$10,000 to the good. No further questions.

Invoices, Bank Statements and Reconciliations: Shannon told the Board that we had \$81,617.15 in our account. Shannon called for a motion to approve the invoices checked off. Linda 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 offs and new settings. No Questions.

OTHER:

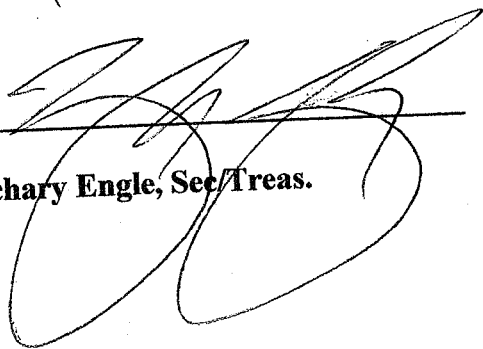
Steve told the Board that Andy may not get to test for his license. Paul said that we could petition for an Emergency test for Andy. James Blevins told Steve that we would be in violation if we do not have a licensed person before Steve leaves.

The Board agreed on the next monthly meeting to be on November 12, 2019. Customer count was 2841. With there being no further business to come before the

board, a motion was made by Zach and seconded by Brian, to adjourn the meeting.

Motion Carried.

IN TESTIMONY WHEREOF WITNESS MY SIGNATURE this 17th day
of October, 2019.



Zachary Engle, Sec/Treas.

**Morgan County Water District
Special Board Meeting
Tuesday, October 22, 2019**

The special meeting of the Morgan County Water District was held on Tuesday, November 22, 2019 beginning at 4:30 p.m. at the office. The following were in attendance: Board Members: Linda Bradley, Brian Wells, and Zach Engle and MCWD Staff: Steve Pelfrey.

Roll was called, and the meeting was called to order. All were welcomed. At 4:30 p.m.

First on the agenda was to accept the resignation of Shannon Elam from being Chairman. Brian made a motion to accept the resignation and seconded by Zach. Motion carried.

Second on the agenda were the applicants for General Manager. Three applications were chosen: Bobby Hewgley, Richard Parks and Shannon Elam. They will be interview on the 29th of October starting at 4:30pm.

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

IN TESTIMONY WHEREOF WITNESS MY SIGNATURE this 22nd day
of October, 2019.


Zachary Engle, Sec/Treas.

**Morgan County Water District
Special Board Meeting
Tuesday, October 29, 2019**

The special meeting of the Morgan County Water District was held on Tuesday, November 29, 2019 beginning at 4:30 p.m. at the office. The following were in attendance: Board Members: Linda Bradley, Brian Wells, and Steve Gunnell and MCWD Staff: Steve Pelfrey and Chernel Holbrook.

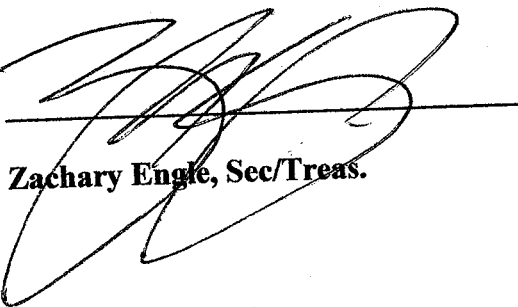
Roll was called, and the meeting was called to order. All were welcomed. At 4:30 p.m.

First on the agenda were the interviews. A call was placed to Mr. Bobby Hewgley several times before contact was made. Mr. Hewgley said that he would get back with us. Mr. Richard Parks was seconded to be interview, but he did not show. The third to be interview was Mr. Shannon Elam. The decision to hire will be made on November 4, 2019.

Second on the agenda was to elect a new Chairperson. This was tabled until the next meeting.

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

IN TESTIMONY WHEREOF WITNESS MY SIGNATURE this 29th day
of October, 2019.


Zachary Engle, Sec/Treas.

**Morgan County Water District
Regular Board Meeting
Monday, November 19, 2019**

The regular monthly meeting of the Morgan County Water District was held on Monday, November 19, 2019 beginning at 4:30 p.m. at the office. The following were in attendance: Board Members: Linda Bradley, Steve Gunnell and Brian Wells; MCWD Staff: Shannon Elam and Chernel Holbrook. Special guest: Matthew Cooper of Gateway. Prayer.

Linda called roll, then called the meeting to order and welcomed all present. Linda called for a motion to approve the minutes from the three meetings in October, 2019. Steve made a motion and seconded by Brian. Motion carried.

First on the agenda was the project update. Paul Nesbitt was unable to attend, so we will revisit this at the next meeting.

Second on the agenda was the O & M Management Plan. Shannon told the Board that he had been working on the plan and hopes to have it ready for approval at the next meeting. He also has been working on our Policy and Procedures and the safety manual. He has added bereavement days to our policies.

Third on the agenda was the system wide flushing. Shannon told the Board that the flushing has to be done twice a year. Shannon told the Board that we would start flushing in the Spring and again in the Fall. He is also going to meet with Jocelyn about having the flush hydrants and valves put on a map. Shannon would like to see all our maps digitalized.

Fourth on the agenda was the travel expense. Steve told the Board that the State's rates was \$8.00 for breakfast, \$12.00 for lunch and \$18.00 for dinner. Brian

made a motion to adopt the State's rates. Motion was seconded by Steve. Motion carried.

Fifth on the agenda was new computer and printer for Shannon. Shannon told the Board that he had a quote of \$3000.00 for his system. Shannon told the Board that he would like to use the FEMA money to update the rest of the computers. Steve asked that we wait and get a quote that would include the entire system. Linda asked Shannon to see if we could make payments on the system. We will revisit this topic at the next meeting.

OLD BUSINESS:

Update on water loss: The city was at 21.5% loss and Cave Run was at 46.52%. Shannon gave the Board handouts on the water loss. Shannon told the Board that the auto flushing along was up to 32 million gallons this year. Shannon also told the Board that he thought much of our water loss was due to meters not registering.

Profit and Loss: Shannon told the Board that we had one more payment to make on the loan payment due in January.

Invoices, Bank Statements and Reconciliations: Shannon told the Board that he was going to make a spread sheet of the expenses. The Board chose the invoices from the list to pay. Brian made a motion to pay the invoices and seconded by Steve. Motion carried.

Handouts which were given to the board for their review included a list of savings accounts, checking accounts, cut offs and new settings. No Questions.

OTHER:

FEMA Applicant Agent: Vickie Lewis said that she would be our temporary applicant agent. Steve made a motion to accept the resolution and Brian seconded. Motion carried.

Matthew Cooper spoke to the Board about the upcoming projects. He suggested that instead of line replacement, we should consider meter replacement. We will ask Paul to at the next meeting. We will hold off on the RFQ's for now.

Andy passed his Class II test. He will receive a \$1.00 raise on his next pay check. Shannon asked to take Ashlee off of probation after three months instead of six. We will give her a raise of .50 cents after the three months are up. Steve made a motion to accept the wage increases and Brian seconded. Motion carried.

Steve asked that we look into taking credit cards. We will ask the PSC if there is any problem charging fees on credit card payments.

The Board agreed on the next monthly meeting to be on December 9, 2019. Customer count was 2844. With there being no further business to come before the board, a motion was made by Steve and seconded by Brian, to adjourn the meeting. Motion Carried.

**IN TESTIMONY WHEREOF WITNESS MY SIGNATURE this 19th day
of November, 2019.**



Zachary Engle, Sec/Treas.

**Morgan County Water District
Regular Board Meeting
Monday, December 9, 2019**

The regular monthly meeting of the Morgan County Water District was held on Monday, December 9, 2019 beginning at 4:30 p.m. at the office. The following were in attendance: Board Members: Linda Bradley, Zach Engle, Steve Gunnell and Brian Wells; MCWD Staff: Shannon Elam, Chernel Holbrook and Andy Legg. Special guest: Jocelyn Gross of Gateway and Paul Nesbitt of Nesbitt Engineering. Prayer.

Linda called roll, then called the meeting to order and welcomed all present. Linda called for a motion to approve the minutes from the November 9, 2019 meeting. Zach made a motion and seconded by Steve. Motion carried.

First on the agenda were Michael Adkins, Roy Collett and Mary Stamper. Shannon spoke to Roy Collett concerning the account. Shannon told Roy that we could put Mary on a payment plan until she paid off the leak. The three were a no show.

Second on the agenda was Phillip Harper. Shannon and Chernel explained to the Board the situation with Mr. Harper. Mr. Harper was a no show.

Third on the agenda was the update on the project. Paul told the Board that he had been working with Gateway and R & D on the project. Mr. Hoff of R & D told Paul that there had been some money left over from the previous year that could be available. Paul also told the Board that he would work Red Bird Road into the first project. Jocelyn spoke about the second project. They have decided to combine project #2 and #3 together for \$3 million dollars. They are currently

working on our project to get it ready for the Call for Projects with the state. Paul told the Board that we need to keep putting more projects together, whether we proceed with them or not. Linda called for a motion to allow Joceyln to submit the paper work for the Call for Projects. Steve made a motion and seconded by Zach. Motion carried.

Fourth on the agenda was the 2020 Budget. Shannon and Zach worked on the Budget together. They lowered the water purchased. They raised the amount of tap on fees. Also added to the budget were two new field employees and trucks. Shannon told the Board about an employee he would like to hire. This employee wants to test for his license as soon as possible. Shannon also told the Board about his concerns with the lack of safety equipment. Shannon asked the Board if he could hire this new employee. Linda called for a motion to hire a new field tech. Brian made a motion and seconded by Zach. Motion carried. Linda then called for a motion to approve the 2020 Budget. Steve made a motion and seconded by Brian. Motion carried.

Fifth on the agenda was the O & M Management Plan. This will be discussed at the next meeting.

Sixth on the agenda was the Policies and Procedures Plan. Shannon told the Board about the changes he made. Some of the changes included, were vacation time, bereavement days were added and the discipline and grievance process was changed. Linda called for a motion to approve the new Policy and Procedures. Zach made a motion and seconded by Brian. Motion carried.

Seventh on the agenda was the Credit Card Machine. We chose the Bank of the Mountains to open an account for the credit card revenue. Shannon told the

Board that the charge to the customer would be 3.5%. Shannon also told the Board that we would have to change our tariffs to include this charge. Linda called for a motion to approve the credit card machine. Steve made a motion and seconded by Brian. Motion carried.

Eighth on the agenda were the new computers and printers for the staff. Shannon told the Board about United Systems & Software, they would cover all of our computer needs. They would become our I.T. department, provide anti viruses and renew our computers every five years. The Board asked if Ransom software was provided. We will have to check on that coverage. Shannon told the Board what the quote was. The Board thought that the quote was high and asked him to shop around. No further discussion.

OLD BUSINESS:

Update on water loss: We did not have this information available for the meeting. The water loss will be emailed when finished.

Profit and Loss: Zach asked that we define each category in the Budget. Shannon also budgeted in the loan payments of; \$12,100 to the Sinking Fund, \$8,300 to the Region account, \$2,000 to the Reserve account and \$1,000 to the Emergency Fund (Raining Day Fund).

Invoices, Bank Statements and Reconciliations: The Board chose the invoices from the list to pay. Zach made a motion to pay the invoices and seconded by Brian. Motion carried.

Handouts which were given to the board for their review included a list of savings accounts, checking accounts, cut offs and new settings. No Questions.

OTHER:

Shannon told the Board about the leak on Red Bird Road. During the repair of the leak, a valve broke also. We have had two residents without water. Shannon offered for them to come to his church to shower. Then Shannon went to Judge Stacy to ask if they could shower at the Wellness Center. He agreed to allow them to use the Center. The Board asked that they be informed of all leaks in the future.

Shannon told the Board that he is working with Jocelyn Gross of Gateway, on getting our meters and valves GPS and mapped. Jocelyn told the Board that our water system was too large to get the mapping done for free by the state. She said with the rate structure for GPS mapping, she guessed that it would cost, \$8000 to \$9000 to get the mapping done. Meanwhile she said that she would look for grant funds for us.

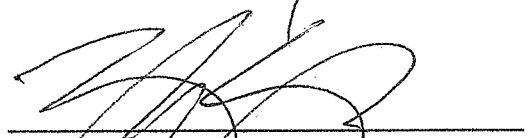
Shannon went to Donahue Mechanical's office to schedule a service trip to hook up our gas generator. As soon as the pipes are ready, we can start the generator.

Shannon asked the Board what amount of money was he allowed to spend without consulting the Board. The Board said that he could spend up to \$2500, as long as he could justify the expenditure.

The Board agreed on the next monthly meeting to be on January 13, 2020. Customer count was 2845. 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. Adjournment time was 7:30pm.

IN TESTIMONY WHEREOF, WITNESS MY SIGNATURE this 13th day

of January, 2020.



Zachary Engle, Sec/Treas.