

**Morgan County Water District  
Regular Board Meeting  
Monday, January 13, 2020**

The regular monthly meeting of the Morgan County Water District was held on Monday, January 13, 2020 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. Special guest: 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 December 9, 2019 meeting. Steve made a motion and seconded by Zach. Motion carried.

First on the agenda was the project update. Paul Nesbitt told the Board that he and Shannon need to have a conference call with Mr. Hoff every Monday. He explained that one of his employees had not responded to an email Mr. Hoff sent and it has put the project behind. Paul said that he would make the arrangements. No further discussion.

Second on the agenda was an update on the Spaws Creek Generator. Shannon told the Board that the gas lines had been installed by Donahue Mechanical and now we were waiting on the other company to do the start up. Shannon said after the startup was completing, we would know if we need an additional gas tank. The Board said that the Generator should be tested weekly. No further discussion.

Third on the agenda was the update on the 205 Pump Station. Shannon told the Board that the Construction crew would be here this week to fix the roof. No further discussion.

Fourth on the agenda was the approval of both the O & M Manual and Employee Safety Handbook. Linda called for a motion to approve both the manual and handbook. Zach made motion to approve and seconded by Steve. Motion carried.

Fifth on the agenda was Cassie Baker. Shannon told the Board that Ms. Baker had changed her mind on getting a new water setting. No further discussion.

Sixth on the agenda was to add Shannon and remove Steve Pelfrey from the Bank of the Mountains signature cards. This would also approve a debit card in Shannon's name. Linda called for a motion to approve. Steve made a motion to approve and seconded by Brian. Motion carried.

Seventh on the agenda was Shannon's computer. Shannon refreshed the Board on the quotes for the computers. The quote for Shannon computer system was \$3,235.00 and the other quote was \$8,499.00, this covered the remaining computers. The issue of antivirus and malware protection was brought up. Shannon told the Board that he was attending the Kentucky Rural Water Association training and that he would ask around what other districts were using. Paul Nesbitt said that Northern Kentucky Water was one of the best water companies. He told Shannon, he could hook him up with them. Linda called for a motion to approve Shannon's computer system. Zach made a motion and Brian seconded. Motion carried.

Eighth on the agenda was the new account for the credit card machine. The new checking account would be at the Bank of the Mountains. Linda called for a motion to approve the new account. Steve made a motion and seconded by Brian. Motion carried.

Ninth on the agenda was the Commercial Bank. Shannon explained to the Board that Patty Gibson of Commercial Bank has been doing our payroll for free. Shannon suggested that we move our Emergency account from Bank of the Mountains to Commercial Bank. The Board recommended that we leave the Emergency account open at Bank of the Mountains and simply open another Emergency account at the Commercial Bank. Linda called for a motion to open an Emergency account with Commercial Bank. Steve made a motion and Brian seconded. Motion carried.

Tenth on the agenda was the new Board Member. Linda said that she had spoken with Judge Stacy concerning the matter and that we should have someone by the end of the month. No further discussion.

**OLD BUSINESS:**

Update on water loss: Shannon presented the Board with his new water loss reports and explained them. Brian asked if we could still give individual water loss reports from both Cave Run and West Liberty Water. Shannon said that our water loss had been cut by 6 million gallons. He told the Board that he is trying to link our master meters to the sales and water purchased for better reporting. Shannon informed the Board that we had 146 meters that are currently not registering and that is why it is so important to get the meter test bench in this project. Shannon also informed the Board about the contractor that hit our water line on Hwy 460E.

They said that they had been given permission by 811 to drill there. We were not a member then, but now we are. Shannon also told the Board that he had bill the contractor for the leak and water loss. No further discussion.

**Profit and Loss:** Profit and loss reports were provided. The reports indicated a sharp increase in payroll, but this was due to Steve Pelfrey annual time payment. Shannon also informed the Board that we had checks written for the Sinking Fund for \$12,100, Reserve Fund \$2,000 and the Emergency Fund \$1000. No further discussion.

**Invoices, Bank Statements and Reconciliations:** Shannon presented the Board with the new invoice payment report. Shannon further explained the report to the Board. No further discussion.

**Handouts** which were given to the board for their review included a list of savings accounts, checking accounts, cut offs and new settings. We only had 16 cutoffs this month. It appears that the new tariffs are working. Shannon also told the Board that the men had set two meters on the same day. He also told the Board that, we will not need a new employee until we start testing meters and flushing the system. No further discussion.

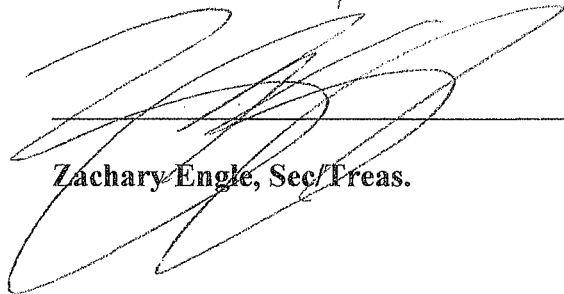
**OTHER:**

Shannon informed the Board that he had found an app that would allow him to GPS the meters and valves in our system. He hopes to save us the \$8,000 to \$9,000 that Gateway Ad District told us it would cost.

Shannon presented the Board with the Collection Report. Shannon informed the Board that he was going research on how to turn these customers over to collections.

The Board agreed on the next monthly meeting to be on February 10, 2020.  
Customer count was 2835. With there being no further business to come before the board, a motion was made by Zach and seconded by Steve, to adjourn the meeting.  
Motion Carried. Adjournment time was 6:21pm.

IN TESTIMONY WHEREOF, WITNESS MY SIGNATURE this 10<sup>th</sup> day  
of February, 2020.



Zachary Engle, Sec/Treas.

**Morgan County Water District  
Regular Board Meeting  
Monday, February 10, 2020**

The regular monthly meeting of the Morgan County Water District was held on Monday, February 10, 2020 beginning at 4:30 p.m. at the office. The following were in attendance: Board Members: Linda Bradley, Zach Engle, Steve Gunnell, Brian Wells and Barbara Stacy; MCWD Staff: Shannon Elam and Chernell Holbrook. Special guest: Lewis Dixon, Todd Williams and Allie Terrell. 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 January 13, ~~2019~~<sup>2020</sup> meeting. Zach made a motion and seconded by Brian. Motion carried.

First on the agenda were Lewis Dixon and Todd Williams from cdp-mapsync. They do GPS mapping. They are associated with Kentucky Rural Water. Mr. Williams presented the information. Asset management solutions through maps. The maps can be down loaded to smart phones and computers. They provide the software and the training for their program. They also give us the tools to update our own maps. Owner manuals and pictures of the pump stations and tanks can be down loaded to the inventory. It will also keep the history of our valve flushing. They quoted: \$9,000.00 start up and \$900.00 per year. No further questions.

Second on the agenda was Allie Terrell with Servline. She passed out documents and proposals. They offer water customers insurance on their bills and water lines. There is no cost to the utility, just the customers. Every customer will have the insurance added to their bill. It is up to the customer to cancel the

insurance on their water bill. If the customer has a leak, they call the insurance company. The insurance company covers adjustments and any claims the customer may have. They cover up to \$10,000 per claim. They do not cover the water lines inside of the residence. There is a concern with the insurance with the PSC. We will revisit this at a later date. No further questions.

Third on the agenda was the update on the project. Paul Nesbitt has set up a weekly conference call with Mr. Hoff with RD for updates on the project.

Fourth on the agenda was a update on the Spaws Creek pump station. The start up on the generator has been delayed due to the technician having the flu. We will follow up next month.

Fifth on the agenda was the 205 pump station. The roof on the pump station has been repaired and is no longer leaking.

Sixth on the agenda was the heating and air in the pump stations. At this time all of the heat works in the pump stations. He will come back when the weather changes, to check on the air conditioners.

Seventh on the agenda was National Drinking Water Week. Shannon wants to have a customer appreciation day. Food and drinks will be provided. He also invited Servline to be there.

#### **OLD BUSINESS:**

Update on water loss: Shannon explained the water loss to the Board. He has compared last years water loss to this years water loss. The water loss this year is 5 million gallons less. The Cave Run area is our problem. No further questions.

**Profit and Loss:** Shannon told the Board that he did not account for three pay periods in January. The supplies are over on budget due to paying off old invoices. No further questions.

**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:**

**Theft cases:** We have two customers that we have turned over to Brandon Ison. The state police will have to start an investigation. Shannon provided the Board with the small claims that had been turned in.

**American Profit Recovery:** Shannon informed the Board that Ashlee had been assigned control of the collections. Shannon provided the Board with a sample of his collection letter. Shannon explained the charges and recovery on the accounts. We can go back 5 years on a written contract.

**Cut Offs:** The customers that have not paid will get a collection letter at the end of the month.

**Credit Cards:** Shannon told the Board that we are using the credit card machine.

**New Settings:** Cassie Baker is still on hold till she decides what she wants to do.

The Board agreed on the next monthly meeting to be on March 9, 2020. Customer count was 2829. With there being no further business to come before the board, a motion was made by Zach and seconded by Barbara, to adjourn the meeting. Motion Carried. Adjournment time was 6:40pm.



IN TESTIMONY WHEREOF, WITNESS MY SIGNATURE this 9th day  
of March, 2020.

  
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Zachary Engle, Sec/Treas.

**Morgan County Water District  
Regular Board Meeting  
Monday, March 09, 2020**

The regular monthly meeting of the Morgan County Water District was held on Monday, March 09, 2020 beginning at 4:30 p.m. at the office. The following were in attendance: Board Members: Linda Bradley, Zach Engle, Steve Gunnell, Brian Wells and Barbara Stacy; MCWD Staff: Shannon Elam, Chernell Holbrook and Andy Legg. Special guest: Daniel Brown with United Systems, Paul Nesbitt and Matthew Cooper with 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 February 10, 2019 meeting. Barbara made a motion and seconded by Zach. Motion carried.

First on the agenda was Daniel Brown with United Systems. Daniel provided hand outs and visual aids for the Board to view. He presented the Board with different types of meters, radios and leak detection equipment. He also explained the pros and the cons of his meters and how his leak detection equipment worked. No further questions.

Second on the agenda was the update on the project. Matthew said that everything with RD was moving along. Paul said that he was expecting a letter of conditions soon. Paul said that our water rates would change. The first 2000 gallons would go to 28.00 on the monthly bill. These rate changes would cover our bond payments in the future. He also reminded us that RD is going to allow us to pay off our short term note along with some of our outstanding invoices. Paul

informed the Board that the rate increase was 10% more than what we needed to cover our loan payments and there was a chance that the PSC would say it was not enough. Paul also informed the Board that he would drop Hwy 460 off the project. No further questions.

Third on the agenda was the Spaws Creek generator. Shannon informed the Board that the generator was still unable to be started. The company Evapar told us that we don't have enough gas coming into the generator to make it start. Shannon suggested that we sell the generator and purchase a diesel generator. Brian suggested that we speak with Scott Hamilton for help with the generator. The Board asked Shannon to check on trading the generator. No further discussion.

Fourth on the agenda was the Spaws Creek pump station. Shannon informed the Board of the problems we are having with the pump station. Mr. Mullins came this past Saturday and worked on the pump station, but was unable to fix it. At this time Shannon and Andy are operating the pumps manually. Mr. Mullins is ordering new radios, in hopes this will fix the problem. We will revisit this next month.

Fifth on the agenda was the update on the tariffs. Shannon informed the Board of the new tariffs, he was requesting. The tariffs would include the use of credit cards. Linda called for a motion for Shannon to proceed with the request. Brian made a motion and seconded by Steve. Motion carried.

Sixth on the agenda was the PSC audit and inspection. Shannon informed the Board that we were getting ready for it.

Seventh on the agenda was the approval of the Emergency Preparedness Plan. Shannon asked for a motion to approve the plan. Barbara made a motion and seconded by Zach. Motion carried.

Eighth on the agenda was customer meter testing. Shannon informed the Board on the number of meters that needed testing for the PSC. We have over 2,000 meters that are over 10 years old. We also have approximately 169 meters that are registering zero. Shannon informed the Board that Andy and the men had been checking several of those meters out.

Ninth on the agenda was the Water User Agreement. Shannon gave the Board the new Water User Agreement. The third page would ask more detailed questions.

#### **REPORTING:**

**Update on water loss:** Shannon informed the Board that both of our suppliers had leaks last month, which required extra flushing. Shannon asked the Mayor to take a look at our bill and see if they could adjust it next month. Shannon also informed the Board that there was a difference of 17,730,000 gallons between this year and last.

**Water line break report:** Shannon provided handouts to the Board.

**Profit and Loss report:** Shannon told the Board that he was keeping up with the daily deposits. The water we purchase is under budget, due to the improvements on our water loss.

**Collection reports:** Shannon provided handouts. County Attorney, Myles Holbrook sent us a contract to sign.

**Water Theft:** Shannon told the Board about the meter with the screw through it. The customer paid for all the damages.

**Accounts Payable:** An aging report was given. Payment for vendors: EFL, Liquid Engineer and Donahue were approved.

**New Settings:** Cassie Barker has decided to get a refund. Ann Hicks needs a refund, due to the waterline being under the blacktop.

**Cut Offs:** After being cut off, the customer will receive one letter before being turned over to collections.

**List of Accounts:** Shannon informed the Board that we did not make our payment to the sinking fund for February.

**OTHER:**

Darrell Harvey from the county garage asked if we would be interested in buying the white Ford truck he drives. We will revisit this next month.

Andy informed the Board that Steve Pelfrey wanted to come back for two days a week. He wants to be paid \$20.00 an hour and get a full tank of gas a week. He also request that we pay for his license renewal. We will revisit this next month.

The Board agreed on the next monthly meeting to be on April 13, 2020. Customer count was 2827. With there being no further business to come before the board, a motion was made by Barbara and seconded by Brian, to adjourn the meeting. Motion Carried. Adjournment time was 6:30pm.

IN TESTIMONY WHEREOF, WITNESS MY SIGNATURE this 16<sup>th</sup> day  
of JULY, 2020.



Zachary Engle, Sec/Treas.

**Morgan County Water District  
Special Board Meeting  
Monday, June 22, 2020**

The special meeting of the Morgan County Water District was held on Monday, June 22, 2020 beginning at 12:00 p.m. at the office. The following were in attendance: Board Members: Linda Bradley, Zach Engle, and Barbara Stacy; MCWD Staff: Shannon Elam and Chernell Holbrook. Prayer.

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

Per the agenda the Board discussed the loan renewal at the Bank of the Mountains. Barbara Stacy being the newest board member was unaware of this loan, so Zach informed her as to how and why we took this loan out. Linda called for a motion to renew the loan at the Bank of the Mountains. Zach made a motion to approve the renewal and seconded by Barbara. Motion carried.

**OTHER:**

Linda asked if we would consider black topping and putting up a guard rail around our downtown property. Zach said it was a good ideal, being that it was a liability. We will discuss this again at our next meeting.

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

IN TESTIMONY WHEREOF, WITNESS MY SIGNATURE this 16<sup>th</sup> day  
of JULY, 2020.

  
Zachary Engle, Sec/Treas.

Morgan County Water District

Regular Board Meeting

Monday July 13, 2020

The regular monthly meeting of the Morgan County Water District was held on Monday July 13, 2020. PRAYER

Roll call: Linda Bradley, Brian Wells, Steve Gunnell and Barbara Stacy, MCWD: Shannon Elam and Chernell Holbrook. Special guest: Brenda Morgan with Morgan and Morgan Associates and Paul Nesbitt with Nesbitt Engineering. Linda called the meeting to order and welcomed all that was present. Linda called for a motion to approve the March minutes and the Special minutes from June. Barbara made a motion and seconded by Steve. Motion carried.

First on the agenda was the 2019 audit report with Brenda Morgan. She explained to the Board that they have a us a clean opinion, which means no discoveries. Operating cost was less than last year. The cash flow had improved. On page 32 they added a clause about the Covid 19 and what the impact will be on us. Brenda told the Board to contact her if anyone has questions after they have had time to look it over. Steve made a motion to approve the audit and seconded by Brian. Motion carried.

Second on the agenda was the Phase 2 project update on Hwy 191. Paul Nesbitt presented Linda with the KIA loan papers for her to sign, this would allow Shannon to sign the paperwork for the water district. This project will replace some of the lines and replace some of the older meters. Shannon wants to add the tank on Morris Cemetery road. He would like to move the tank to the top on the hill, thus eliminating the pump station. Paul said he could add this into the project. Shannon also told the Board that Judge John Will Stacy is offering to donate a piece of property for a tank site on Liberty Road. Next was an update on the Phase 1 project on Old Hwy 172. Paul



gave the Board handouts to review. Paul spoke about refinancing our loads with Kentucky Rural Water and the Rural Development bonds with the government. This is an offer being made by Washington DC. He also said that if we spend some money on equipment, we could get a larger grant, "Short lived assets." Paul also said that the Letter of Conditions was coming this Friday from Mr. Hoff of RD. Shannon also let the Board know that Old Hwy 172 has been responsible for at least 22 leaks over the past years. No further discussion.

Third on the agenda was the On-Call Policy. They get 2 hours for samples on the weekend, then they get 2 hours per call. Shannon proposed that they get 3 hours for samples and if they get called out, it would be actual time worked. Shannon also proposed that we move the end of the week Sunday instead of Saturday. The new payroll would be Monday to Sunday. This would keep us from sending two men home early to reduce overtime. Linda called for a motion to approve the changes to the On-Call Policy. The Board decided to take time to look this over and asked to carry it over to the next meeting. Barbara asked Shannon to check with other districts and see how they do it. No further discussion.

Fourth on the agenda was the fire departments. We have an issue with them hauling water for swimming pools. Shannon told the Board that when the fire departments get water, they run people out of water. We are still having problems getting the reports on time. The PSC requires these reports from them. Shannon also told the Board that the hydrants are not rated for fires, they are just flushing hydrants. Shannon proposed a cross connection policy that could help us. Shannon said that he would check with some other districts and see what their policies are on this subject. We will table this until the next meeting.

#### **REPORTING:**

**Water loss:** Shannon told the Board about the leak in Ezel. He showed them a piece of line that was broke and also informed them that the leak was thought to be four years old. He also told them about the leak on Liberty

Street. Shannon provided the Board with handouts, showing the improvements in the water loss. Shannon asked Paul about moving the chlorine station on Hwy 437. Shannon suggested that we move it after the tank connection to cut down on the auto flushing. Paul suggest an auto stir system in the tank. At this time, we are flushing 1 million gallons of water a month in this area. Shannon also gave the Board a Water Purchased vs Water Sold Report to review. Shannon told the Board, he though most of our leaks are service lines instead of main lines. He also suggested that we start checking all inactive meters for leaks.

**Profit and Loss:** Shannon told the Board our problem was our cash flow. He told the Board that we had to cut the City's water bill in June, but we paid them extra in July. Shannon told the Board that we are going to ask for another rate increase after we get the rate increase from the project.

**Handouts:**

**Invoices:** Reports from April through June was provided.

**OTHER:** Shannon told the Board that he has done all the surveys the Kentucky Rural Water has put out. They are looking for stimulus for all the districts.

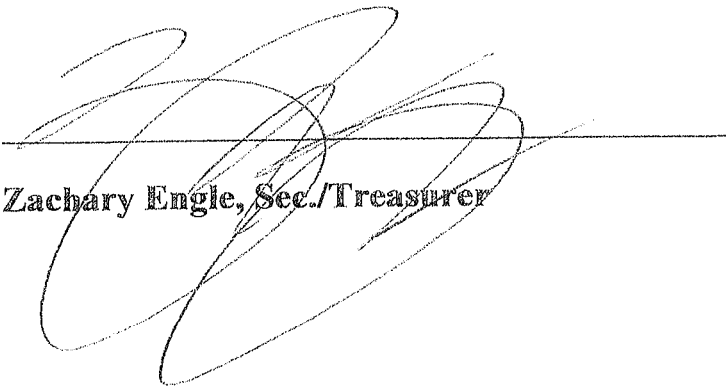
Microcomm updated our Telemetry system and we got a new computer. We also took a service contract with them. The contract was for \$7000.00 a year. They replace several components on our pump stations. Shannon also told the Board that he and Andy alone, have control of the system now.

Shannon told the Board that he had hired Dean Kennard for leak detection. Shannon told the Board that he would have a monthly report on leak detection. Chernell told that Board that he had asked for Dental and Eye care insurance. Shannon also gave some of the employees a raise and that he was training Ashlee to read meters.

The Board agreed on the next monthly meeting to be on Monday August 10, 2020. Customer count was 2870. With there being no further business to

come before the board, a motion was made by Barbara and seconded by Brian. Motion carried. Adjournment time was 6:30.

IN TESTIMONY WHEREOF, WITNESS MY SIGNATURE, this  
10<sup>th</sup> day of AUGUST 2020.



Zachary Engle, Sec./Treasurer

**Morgan County Water District  
Regular Board Meeting  
Monday, August 10, 2020**

The regular monthly meeting of the Morgan County Water District was held on Monday, August 10, 2020 beginning at 4:30 p.m. at the office. The following were in attendance: Board Members: Linda Bradley, Zach Engle, Brian Wells and Barbara Stacy; MCWD Staff: Shannon Elam, Chernell Holbrook and Dean Kennard.

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 July 13, 2020 meeting.

Zach made a motion and seconded by Barbara. Motion carried.

First on the agenda was Phase I project update. Shannon updated the Board on the meeting with Mr. Hoff. Shannon explained the consolidation with the loans. He also explained about the \$200,000 cash flow problem. He explained how we have to watch about add on and change orders on the project in order to get any money. Zach said that we need to get the cash flow restriction in writing from Mr. Hoff. Shannon explained the savings on the refinanced loans. No further discussion.

Second on the agenda was the on call policy. Shannon told the Board that he had inquired about the other water districts policies and that they were all different. Shannon explained to the Board how the on call system works for now. Shannon told the Board that he wanted to change the work week to Monday through Sunday and give them 3 hours to collect water samples. Also when they received a call for a work order, the time would start as soon as they received the call until time they finished. Board asked that we round the time up, such as if they got 20 minutes we

Seventh on the agenda was the Kentucky Rural Water Association Apprenticeship Program. Shannon told the Board that he was going to get Dean registered for this.

Eighth on the agenda was the Gateway Grant. Shannon told the Board that Gateway was going to map all of our system. We would also get free lap tops for each field employees and we could do work orders on them. Shannon told the Board that he was still locating valves at this time. Shannon also told the Board about the upcoming visit with Tim Blanton. He would be here for three days training with Dean on leak detection.

Ninth on the agenda was the health insurance. Shannon told the Board that our health insurance was up for renewal. He told the Board that he was meeting with John Ison to go over new policies. He will present the Board with the new figures next meeting.

#### **REPORTING:**

**Update on water loss:** Shannon provided handouts to the Board. This included a monthly report for the year to date. This report shows us using 4,440,000 gallons a month just for auto flushing which cost up to \$13,000 a month. Shannon told the Board he wants to cut the auto flushers down to save money.

**Line break report:** Shannon told the Board that we had a couple of service line breaks. We also found a valve leaking and replaced it.

**Profit and Loss report:** We brought in \$146,000.00. Shannon updated Zach on the situation with the PSC, about the cut off and the late fees. Shannon told the Board that we had made our July payment. Shannon also mentioned that we

owe Utility Solutions around \$20,000.00. Shannon told the Board that he is going to ask the PSC for another rate increase as soon as we get the one with the project.

Collection reports: Shannon provided handouts. Shannon has met with Myles Holbrook and Michael Bass about the small claims.

Review of Written Checks: Handouts were provided. Shannon explained a few of the invoices. Zach questioned the Ann Hicks' payment. Chernel explained that we were unable to set her a meter. Shannon told the Board that we were getting paid by KACo for some of our invoices. Shannon asked for a motion to approve the written checks. Zach made a motion and seconded by Barbara.

Motion carried.

Cut Off/Customer Report: Handouts were provided.

The Board agreed on the next monthly meeting to be on September 14, 2020. Customer count was 2877. With there being no further business to come before the board, a motion was made by Barbara and seconded by Zach, to adjourn the meeting. Motion Carried. Adjournment time was 6:00pm.

IN TESTIMONY WHEREOF, WITNESS MY SIGNATURE this 12<sup>th</sup> day  
of October, 2020.

  
Zachary Engle, Sec/Treas.

**Morgan County Water District  
Regular Board Meeting  
Monday, September 14, 2020**

The regular monthly meeting of the Morgan County Water District was held on Monday, September 14, 2020 beginning at 4:30 p.m. at the office. The following were in attendance: Board Members: Linda Bradley, Steve Gunnell and Barbara Stacy; MCWD Staff: Shannon Elam and Chernell Holbrook. Special guest: 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 August 10, 2020 meeting. Barbara made a motion and seconded by Steve. Motion carried.

First on the agenda was Phase I project update. Paul proceeded to update the Board with the details of the project. He said the construction permit was going to be issued soon. He told the Board that he had been in contact with Mr. Hoff of Rural Development and Gateway Ad. He is going to put together letters for the things that need to be check off and signed. He also reminded the Board that they have to go through bidding for an Engineer.

Not on the agenda was Mr. Bryan Hampton. Mr. Hampton came in to discuss his son's situation. Mr. Hampton's son purchased property on the new section of Hwy 460W, our water line is on the old section of Hwy 460 W. Shannon had told Mr. Hampton that he only had two options of getting water to his son's property. One option was running the line through other land owners, thus requiring easements or purchasing an abandon meter base off of a neighbor. Mr. Hampton was not fond of either option. He asked why we did not have the state

move our water line to the new section of road. Shannon explained that there were no houses on the new section at that time.

Third on the agenda was the Division of Water audit. Shannon told the Board that we had passed our audit and for the first time they found no issues with the district. Shannon told the Board that the men did a great job in preparing for the audit. He also told the Board that he and Andy had collected the lead and copper samples. No further discussion.

Fourth on the agenda was the Gateway COVID 19 Recovery Assistance. Jocelyn with Gateway had sent Shannon a loan proposal with zero percent interest. Shannon asked the Board to consider this loan to pay off some of our old debt. Shannon said that he would have more information at the next meeting.

Fifth on the agenda was Gateway and Kentucky Rural Water Association, GIS mapping. Shannon is meeting with them tomorrow to start mapping our system. We are also going to receive free I-Pads for each of the Field Techs. No further discussion.

Sixth on the agenda was the employee healthcare. Shannon and John Ison did some research on other policies. They found that Anthem had better coverage within the network and on labs. Anthem is also cheaper than United Healthcare. The only change will be the deductible; it will go from \$500 to \$1000. Shannon asked for a motion to accept Anthem as our healthcare provider. Steve made a motion and Barbara seconded. Motion carried.

Seventh on the agenda was the Customer Web Portal. Shannon presented the Board with information on the company that could set us up a web site for customers to pay on line. Shannon told the Board he would like to set this up after



the first of the year. There is a setup fee and a yearly payment for maintenance.

Shannon told the Board that he would continue to search for other companies.

Eighth on the agenda was the meeting with American Water. Shannon told the Board that they were looking to partner with us. Paul Nesbitt told the Board that they had been buying up small districts. Shannon told the Board he would keep them informed. No further discussion.

### REPORTING:

Update on water loss: Shannon provided handouts to the Board. Shannon told the Board that our gross water loss was coming down. Shannon also told the Board that he was going to test every flush hydrant. He wanted to know if they are using as much water as we are reporting. We can turn them down or even off in the cold weather months.

Line Breaks: In August we had six different leaks in just one week. Shannon told the Board about the leaks. One leak was caused by the State. Shannon told them he was on his way to mark the line and they hit it before he could get there. Shannon asked Steve were to send the bill to.

Profit and Loss report: Handouts were provided. Shannon told the Board that our report does not reflect our actual figures. Our bond payment we make does not show on the report, this makes it look like we have more money to work with. We are going to get Brenda Morgan to help us correct the report.

Collection reports: Shannon provided handouts.

Review of Written Checks: Handouts were provided. Shannon explained the Amazon payment. The Smart Sign invoice was for a handicap sign for the building and a few signs for the tanks. Linda called for a motion to accept the

written checks. Barbara made a motion to accept and Steve seconded. Motion carried.

**Accounts:** Handouts were provided. Shannon informed the Board that we had made another payment into the Revenue Sinking Fund.

**Active Meters:** We are reporting 2884 and last month was 2877

The Board agreed on the next monthly meeting to be on October 12, 2020.

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

Adjournment time was 6:00pm.

IN TESTIMONY WHEREOF, WITNESS MY SIGNATURE this 12<sup>th</sup> day  
of October, 2020.

  
Zachary Engle, Sec/Treas.

**Morgan County Water District  
Regular Board Meeting  
Monday, October 12, 2020**

The regular monthly meeting of the Morgan County Water District was held on Monday, October 12, 2020 beginning at 4:30 p.m. at the office. The following were in attendance: Board Members: Steve Gunnell, Zachary Engle and Brian Wells (Zoom Call) MCWD Staff: Shannon Elam and Chernell Holbrook. Special guest: Matthew Cooper, Gateway Ad. Prayer.

Steve Gunnell has been made acting Chairman, until the new members join.

Shannon called roll, then called the meeting to order and welcomed all present. Shannon called for a motion to approve the minutes from the October 12, 2020 meeting. Zach made a motion and seconded by Steve. Motion carried.

First on the agenda was a Zoom meeting with Muni-Link (online bill pay). They are not just an online bill pay system, but they can track customer history, print work orders and allow access to work order from the Field Techs tablets. They can also to bank draft payments, credit card payments and customer payment plans. They are a cloud base system. They can also print our bills or send out ebills. Zach asked how much the system cost. The setup fee is \$10,000 and a monthly fee of \$1100 for support. Steve asked if they had a smaller package to offer. Shannon said that he would check with Alliance. No further discussion.

Second on the agenda was the update on the Phase I Project. Mr. Nesbitt could not be attendance. Carry over to the next meeting.

Third on the agenda was the resolution approvals. First was the Environmental Mitigation Measures survey for the Scattered Waterline

**Replacement Project. The second was authorizing Shannon to sign any paperwork to the Gateway Ad District concerning the COVID -19 recovery assistance loan in the amount of \$150,000. Third was authorizing Shannon to execute and submit project funding applications and administrative documents, related to the KY-191 Waterline Replacement Project. Shannon called for a motion to approve the resolutions. Zach made a motion to approve and seconded by Brian. Motion carried.**

**Fourth on the agenda was the approval of the Personal Information Security Policy. Shannon called for a motion to accept. Zach made a motion and seconded by Brian. Motion carried.**

**Fifth on the agenda was the approval of the 5 Year Strategic Plan. Shannon presented the Board with the plan. The Board will review and revisit on the next meeting.**

**Sixth on the agenda was the review of the Meter Testing Program, Valve Exercise Program and the Flushing Program. On the meter testing, Shannon provided a spreadsheet with the systems meter warranty dates. This shows the oldest to the newest meters. Shannon suggest that we replace at least 200 meters next year. He also suggested that we budget the meter replacement in our budget next year. On the valve exercise program, Shannon provided a spreadsheet on valve exercises. Shannon has been working on locating all the valves in our systems. On the flushing program, Shannon told the Board that the system was broke down by North, South, East and West. Shannon also told the Board that the flushing was not going to cost as much as expected.**

**REPORTING:**

**Update on water loss. Shannon explained the handouts provided. Shannon discovered that our auto flushers were not putting out as much water as earlier reported. We have purchased 15 million gallons less water than last year, thus saving at least \$45,000. The auto flush handout shows the real cost of flushing. The master meter handout shows how much water loss we have on each of them, Spaws Creek being the highest. Shannon told the Board that this spreadsheet shows the areas that needs the most work.**

**Collections: We are working on 238 accounts presently.**

**Dailey Deposits spreadsheet presented. We are averaging \$124,000 a month.**

**Check written last month. Shannon explained some of the invoices. Zach made a motion to approve the invoices, seconded by Brian. Motion carried.**

**Profit and Loss: We have lost over \$13,000 on late fees.**

**Account Listings: Shannon explained the negative in the Region account.**

**The rest of the handouts were presented.**

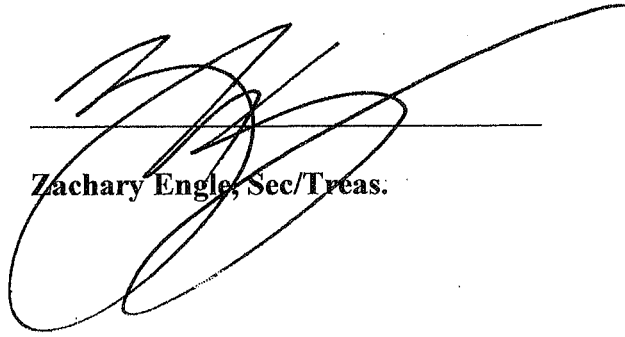
**Active Meters: 2896 last month and 2844 this month.**

**The Board agreed on the next monthly meeting to be on November 16, 2020.**

**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.**

**Adjournment time was 6:25pm.**

IN TESTIMONY WHEREOF, WITNESS MY SIGNATURE this 16<sup>th</sup> day  
of November, 2020.



A large, stylized handwritten signature in black ink, written over a horizontal line. The signature is cursive and appears to be 'Zachary Engle'.

Zachary Engle, Sec/Treas.

Morgan County Water District  
Special Board Meeting  
Monday, October 19, 2020

The special meeting of the Morgan County Water District was held on Monday, October 19, 2020 beginning at 12:00 p.m. at the office. The following were in attendance: Board Members: Steve Gunnell and Zach Engle - Brian Wells (by phone) MCWD Staff: Shannon Elam (by phone) and Chernell Holbrook. Special guest Erica Stegman of Campbell & Rogers, PLLC

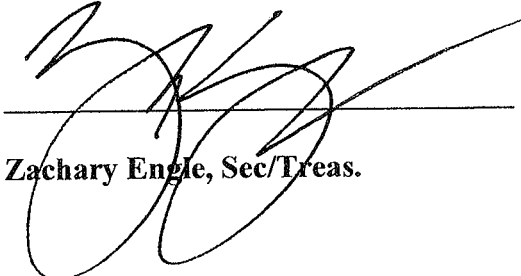
Roll was called, and the meeting was called to order. All were welcomed.

First on the agenda was the approval of the rate review case as mandated by the PSC. Erica Stegman told the Board that the PSC wanted us to obtain a rate increase on our own and not from a project. Kentucky Rural Water is going to help us with the rate increase. A motion was made to go forward with the rate increase by Zach and seconded by Brian. Motion carried.

Second on the agenda was the approval of the MCWD Board of Directors Handbook. Zach made a motion to approve and seconded by Brian. 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 16<sup>th</sup> day  
of November, 2020.



Zachary Engle, Sec/Treas.

**Morgan County Water District  
Regular Board Meeting  
Monday, November 16, 2020**

The regular monthly meeting of the Morgan County Water District was held on Monday, November 16, 2020 beginning at 4:30 p.m. at the office. The following were in attendance: Board Members: Steve Gunnell, Zachary Engle and Brian Wells, MCWD Staff: Shannon Elam and Chernell Holbrook. Special guest: Matthew Cooper, Gateway Ad., Erica Stegman, Attorney and Magistrate Leroy Phipps. Prayer.

Steve Gunnell has been made acting Chairman.

Steve called roll, then called the meeting to order and welcomed all present. Steve called for a motion to approve the minutes from the October 12, 2020 meeting and the Special Meeting on October 19, 2020. Brian made a motion and seconded by Zach. Motion carried.

Not on the agenda was Magistrate Leroy Phipps. Mr. Phipps has brought in a request from the home owners on Wilson Prater, Haney Branch and Liberty Road areas. They would like water to be ran up these roads. Mr. Phipps said that we could run the waterline up the center of the road on Wilson Prater. This road was due to be black topped this coming summer. Shannon told the Board about the problems with the road being black topped over the water lines. Shannon told Mr. Phipps that he would speak to Paul Nesbitt about these roads. We will discuss this at the next meeting.



First on the agenda was the update on the Phase I Project (Old Hwy 172). Shannon told the Board we are ready to advertise for the Bidding process. Shannon also told the Board about discovering some unfiled deeds.

Second on the agenda was the update on the rate increase. Shannon told the Board that Mr. Alan Vilines of the Kentucky Rural Water Assc. was helping us with the rate increase. There are nine more items he needs to finish applying. Erica asked if we could send her the items needed. Shannon told the Board that we are supposed to ask for a rate increase every few years. We are not sure what the PSC will give us, but we do know the increase Mr. Hoff has for us is 13%. No further discussion.

Third on the agenda was the update on the Gateway COVID relief. Shannon told the Board that the loan was zero percent interest. The highest we could borrow is \$180,000. Shannon said that we could pay it off in two years or put it on the next KIA project. Brian asked if there were more fees involved in this loan and Erica said no, because it is grant monies. Shannon is going to talk to Jocelyn more about the loan. No further discussion. Chernell told the Board about someone from FEMA calling about COVID relief.

Fourth on the agenda was the 2021 Budget. Shannon explained the Budget. Shannon told the Board that he has left the KRWA loan on there until the USDA pays it off. The Board asked for more time to review the budget before approval. We will ask for approval at the next meeting.

Fifth on the agenda was the October Cut-Off issue. Shannon asked the Board if they had seen the newspaper. Shannon told the Board that we were under the impression that we could cut off, until we heard from the Attorney General's

office. Shannon explained what preparations we made to the customers that were behind, to the Attorney General and to the PSC. Shannon then told the Board about the default payment plan that the PSC said all customers had to be on. We were not the only utility that cut customers off. Shannon then explained that we needed to change the Water User Agreement's terms concerning cut offs. We cut off by the mailed out date and not the due date.

Sixth on the agenda was the approval of the change to the Water User Agreement. Board said to leave the terms as is on the Agreement. No change needed.

Seventh on the agenda was the approval of the Strategic Plan. Steve called for a motion to approve. Zach made a motion and seconded by Brian. Motion carried.

Eighth on the agenda was Shannon's test date for his Class I Distribution test.

#### REPORTING:

**Water Loss Report:** Handouts were given. Shannon told the Board that we had 5 service line breaks. We still have 8,340,014 gallons of unaccounted water loss. Shannon also provided a spread sheet of the master meters usage. The spread sheet showed Ditney Ridge to have a 52% water loss. Spaws Creek has a 42.57% water loss and has cost us \$10,083.92. Shannon asked the Board, in regards to a future project, why would we want to replace water lines of Hwy 191 when it has only a 12% water loss. We need more master meter on the Ezel side of the system. Shannon told the Board that he was sending Dean to test route 7 first.

**Profit and Loss Reports:** We took in \$152,000 this month. Shannon told the Board that we bought 2021 Quick Books. Tap on Fees are up from last year and late fees down from last year. We have saved \$67,000 in water purchased.

**Transaction by Account:** Handouts were presented. Zach made a motion to approve and seconded by Brian. Motion carried.

**No collection reports.**

**Cut off list:** Handouts were provided.

**List of accounts:** Handouts were provided. We need two more payments to make our Bond payment by January 1, 2021.

**New Settings:** We are still waiting on easements from Parker and Hampton.

**Active Meters:** 2901 and last month was 2896.

**CLOSED SESSION**

Zach called for a motion to go into closed session, Brian seconded. Motion carried.

Zach made a motion to adjourn the close session and seconded by Brian. Motion carried.

The Board agreed on the next monthly meeting to be on December 14, 2020. 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.

Adjournment time was 6:34pm.

IN TESTIMONY WHEREOF, WITNESS MY SIGNATURE this 14<sup>th</sup> day  
of December, 2020.

  
Zachary Engle, Sec/Treas.

**Morgan County Water District  
Special Board Meeting  
Thursday, December 3, 2020**

The special meeting of the Morgan County Water District was held on Thursday, December 3, 2020 beginning at 4:30 p.m. at the office. The following were in attendance: Board Members: Steve Gunnell, Brian Wells, Jarred Fannin and Zach Engle (by phone) MCWD Staff: Shannon Elam and Chernell Holbrook. Prayer.

Steve called roll and the meeting was called to order. All were welcomed.

First on the agenda was the agenda was the Board Resolution of the Water Rate Adjustment. Steve asked if everyone had a chance to look over the documents for the rate adjustment. The adjusted rate will be 26% over the next two years. Shannon told the Board that the Rural Development rate change would occur during this time also. Shannon has already meet with the office staff, regarding complaints. We are to refer most complaints to the PSC. Shannon is going to get the rates of some of the other Districts in the area. Steve called for a motion to take the Kentucky Rural Water Association recommended rate increase. Brian made a motion and seconded by Jarred. Motion carried.

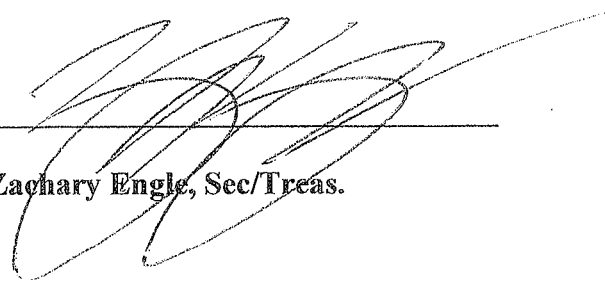
Second on the agenda was the signing of the ARF Forms. All Board member present signed their forms. Zach and Linda's form will be signed the following day.

Third on the agenda was the Hwy 191 Project. Shannon spoke with Joceyln about the Hwy 191 project. Shannon feels that the lines do not need to be replaced and asked if we wanted to back out of this project. Shannon said that we could spend the money elsewhere. We would still have to pay for what time the Engineer has put into the project. Brian said that he would move on with the project as is,

because in the future we plan on moving the Hwy 191 tank, to higher grounds and this could blow out older lines. Shannon told the Board that in the future he would like to have quarterly meetings on what is needed for the up-coming projects.

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 14<sup>th</sup> day of December, 2020.

  
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Zachary Engle, Sec/Treas.

**Morgan County Water District  
Regular Board Meeting  
Monday, December 14, 2020**

The regular monthly meeting of the Morgan County Water District was held on Monday, December 14, 2020 beginning at 4:30 p.m. at the office. The following were in attendance: Board Members: Zachary Engle, Brian Wells and Jarred Fannin, MCWD Staff: Shannon Elam and Chernell Holbrook. Prayer.

Brian Wells has been made acting Chairman.

Brian called roll, then called the meeting to order and welcomed all present. Brian called for a motion to approve the minutes from the November 16 and Special meeting December 3, 2020. Zach made a motion and seconded by Jarred. Motion carried.

First on the agenda was the update on the Phase I Project (Old Hwy 172). Shannon told the Board that the bids were to be opened at Paul Nesbitt's office in Lexington at 11:00 am on a Thursday. No further discussion.

Second on the agenda was the update on the Phase 2 Project (Hwy 191). Shannon told the Board that funding was approved. No further discussion.

Third on the agenda was the Rate Increase Application with the PSC. The PSC approved all 197 pages of our application. They are putting us on a Docket for the request of the rate increase. Shannon told the Board that if he had to go back to Frankfort, he would request Erica Stegman go with him. Shannon also told the Board about speaking with Miranda of the Licking Valley Courier, about the rate increases.

**Fourth on the agenda was the update on the Gateway COVID Relief package. We are approved for \$150,000. We have two years to pay the loan back. Shannon said that we should use the Phase 2 project to pay off the loan. The Board ask if there was a penalty for paying off the loan early. Shannon said that he would find out, by the next meeting.**

**Fifth on the agenda was the approval of the 2021 Budget. Brian asked Shannon if he had spoke with our water suppliers, to see if they are considering rate changes in the future. Shannon said that he had not. Brian called for a motion to approve the 2021 Budget. Zach made a motion and seconded by Jarred. Motion carried. The Budget was signed.**

**Sixth on the agenda was the approval of the District's Holiday Schedule. Brian called for a motion to approve the schedule. Zach asked if we were following the Counties schedule. Yes, we follow the counties schedule. Jarred made a motion of approve and Zach seconded. Motion carried.**

**Seventh on the agenda was the Board Meeting Schedule for 2021. They are schedule for the seconded Monday of the month. They will be posted in the Lobby. No motion required.**

**REPORTING:**

**Water Loss Report: Handouts were given. Shannon explained the reports to the Board. Water loss for the City was 57.28% and Cave Run was 47.87 %.**

**Shannon explained why the auto flushing had decreased from last months report.**

**Brian asked Shannon how he was able to determine how much water the flushing hydrants were actually using. Shannon explained the formula he used and that the**

flushers were all on timers. Shannon told the Board that he would like to see our bills for the City under \$30,000 and Cave Run under \$15,000 by next year.

**Line Break and Repair Report:** Shannon told the Board about the line break on Hwy 946. Shannon told the Board that our insurance was paying in full for the Contractor and the supplies. The only thing they would not cover was the water lost. Then Shannon told the Board about the line break on Bays Bend. Frederick and May hit the main line. Shannon told the Board that Frederick and May would pay the parts, labs and the water lost. Shannon also told the Board that he would like to get some digital loggers on the next project. They will record for 24 hours.

**Profit and Loss Reports:** Our purchased water cost is better than last years. We have saved better than \$68,000 from last year.

**Review of Written Checks:** Handouts were presented. The Fiscal Court ordered a hydrant to be set on Sand Lick road and the company has sent us the bill. Zach asked how many vendors we had over 60 and 90 days. Brain called for the approval of the checks written. Zach made a motion to approve and seconded by Jarred. Motion carried.

**Collection reports:** American Profit Recovery was able to collect on Manford Young. Handouts were provided.

**Cut off list:** Handouts were provided. Shannon told the Board that we had started cut off's just today. We will have a list at the next meeting. We pulled one meter for tampering.

**List of accounts:** Handouts were provided. We need two more payments to make our Bond payment by January 1, 2021.

**New Settings:** We are still waiting on easements from Parker and Hampton.



Active Meters: 2898 and last month was 2901.

The Board agreed on the next monthly meeting to be on January 11, 2021.

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

Adjournment time was 6:00pm.

IN TESTIMONY WHEREOF, WITNESS MY SIGNATURE this 11<sup>th</sup> day  
of January, 2020.

  
Zachary Engle, Sec/Treas.