

Minutes

Ledbetter Water District

May 19, 2020 5:30 P.M.

THE SIX HUNDRED NINETY-EIGHTYITH MEETING OF THE LEDBETTER WATER DISTRICT WAS HELD AT THE OFFICE IN LEDBETTER KENTUCKY MAY 19, 2020 AT 5:30 P.M.

MEETING WAS HELD ON PURSUANT TO NOTICE AND CONSENT BY SAID DISTRICT, TERRY TEITLOFF, CHAIRMAN; ARNIE PUCKETT, VICE CHAIRMAN; JAMES SCHADE, SECRETARY-TREASURER; PHILLIP DAE, COMMISSIONER; BILL GILLAHAN, COMMISSIONER.

Those Present: Phillip Dae, James Schade, Arnie Puckett, Terry Teitloff, Paula Malone, Alan Fox.

Guest: NONE

This meeting was called to order at 5:30 P.M. by Terry Teitloff.

KACO Interest Rate

James asked why if the Federal rate for KACO loans is expected to go up, they increase our interest rate and now that the rate is 0.00% why do they not reduce our rate. Alan said it is a fixed rate loan and they won't change it. Terry said that he will mention that to Mr. Gruber when he speaks with him.

Terry told the Board that just to catch them up, we met with David Anderson today to ask if we can make it with the Fiscal Court just paying the principal (\$40,000.00) on our KACO loan this year. David said he would advise against us. We would be struggling. If we also had a rate increase, we may but not by much. Not taking the increase is just delaying the inevitable. Gruber asked why the Board hadn't raise the rates sooner before we got into such a financial difficulty. Terry told him we expected growth from the highway project that never got completed, which is a big part of it. Ledbetter isn't growing the way we expected. Gruber told him that he talks like they have already decided to give us the money, it is only a possibility. Terry told him we realize that but that is how we can discuss it as to what we will plan to do.

Gruber doesn't quite understand why we have to keep Water and Sewer separate. Terry said we always have. Water is in good shape for now but if we start paying for sewer expenses out of it, it won't belong until Water is in the same shape as Sewer.

David Anderson asks if we could take the \$40,000.00 they want to pay and still do an increase. Alan said he will ask the guy at PSC. Alan Valines is the one that figured our rate increase before and feels that we need to do another increase because we are going to have to do it eventually.

Terry asked if we could do 10% instead and extend the rest until next year again. Alan said they talked about that but will make sure we are clear before we say. There are more forms to fill out, but it is possible. Arnie asked where they came up with the \$40,000.00. Paula told him it is the principal payment we pay this year. They want us to pay the monthly interest payments. Alan said Gruber asked if we were putting back the money, we are saving with them making the payments. He told him we are. Gruber said, there is your money to make the payments. Terry said we are supposed to put money back each month. If we use it for the payments, we won't be able to do that and next year we won't have anything again. Is the Fiscal Court willing to step in and help us out financially if we are short of funds?

Terry would like David and Gruber to talk. He is the one who can explain it to him where he can understand, and he can explain to him why we keep them separate. James added the Water depreciation is already spoken for. We need towers painted, and a well dug.

Phillip asked if we have applied for a grant for the towers to be painted. Alan said yes. Brian Flynn is helping with that. Arnie asked if there were grants for equipment. Alan said he could check but thought so. He also has applied for one for \$300,000.00 for Sewer equipment.

James said we need to figure the revenue for 10%/17%/7% increases. Arnie added that 10% sounds way worse than 9% to hear it. Maybe 8.5% is a happy medium.

Terry mention that he also had a discussion about our relationship with C/L.

Anderson Audit:

James made a motion to accept the audit (compilation report) done by David Anderson and pass it on to Kemper. Phillip seconds the motion. All were in favor, none opposed. Motion carries.

Alan said he had to have in the minutes the decision of the Board pertaining to the C/L rate increase of \$0.16 per thousand gallons of our purchased water, which is passed onto our customers in our water rate. James made a motion to accept the Crittenden-Livingston County rate increase, Arnie seconds the motion. All were in favor, none opposed. Motion carries.

Office:

Paula said the guys are all back to their regular schedule. Does the Board think that we need to be as well in the office? Are we going to open back up June 1st? DO they want both office workers back to regular hours?

Phillip said our lobby is so small, only one person would be allowed in at a time and they would have to line up outside, but when they leave, they can't stay 6 feet apart either. He feels we should keep things as they are. James agreed we should keep it the way it is until the next Board meeting anyway. It seems to be working out pretty well. Paula said that there are 11 people that haven't paid since their January bill. It seems that people are paying and sooner than usual since we don't charge late fees or shutting them off. Alan spoke of an e-mail he received that offers assistance for people that have delinquent bills, no questions asked. Terry said we should give these 11 people this information and if 6 of them fill it out, we will at least get that money back. We need to make them aware it is available.

Misc. New Business:

Paula said next month will be when we have Insurance renewed. No one has come to offer a bid because most of the offices have been closed. Can we continue with our current carrier this year. Phillip made a motion that due to COVID-19 situation, we will continue with Riddle Insurance as our Insurance carrier. James seconds the motion. All were in favor, none opposed. Motion carries.

Old Business:

Well

Alan asked the Board what he should do about the test well. Hold off and wait for a grant or go ahead and do it? Phillip said he thinks we should hold off and wait for the Grant. In the past if we got a Grant for something, it has to be used for that particular project. If we pay for it, we may not get the grant or be able to put it where we paid it from. We are asking for money from the Fiscal Court and then go spend money on a test well. We should wait until C/L issue is settled. Alan said this so going to be a process, it won't happen in two or three weeks. James said we have the money in depreciation and the CD. He feels we should go ahead and do it if they say we can recover the funds if we pay for it before the Grant is approved. We may not even get a grant and will have waited for nothing. We need a second source of water and if this well dries up or breaks, we might as well close the doors.

Terry asked the cost. Alan said \$17,855.00 and another \$7,000.00 if we take it out. This includes testing the water and making sure it is in a different aquifer than the well out front. We have two spots we can dig. Lodge road on an easement or behind the lagoons behind the plant. Arnie asked when we will know, it could be up to a year. Terry asked who it was through. Alan said KIA funds the grant but it is approved through Pennyryle Area Development. The paperwork has been submitted.

Terry told Alan to make sure they can assure us that if we do pay for that we can put the funds where we paid it from. If so, he says go ahead and do the test well.

Arnie made a motion to accept bids for a test well contingent on Engineering firm assures us that we can recover funds on a grant if we pay for the project to be done. James seconds the motion. All were in favor, none opposed. Motion carries.

Alan said he told them he would like one that will produce 300 gallons per minute.

Terry said, back to Gruber. He remembers he had a question about why our budget missed so badly on the wages. David Anderson should explain it to him. Paula said it is because of OPEB. Which is a Ky Retirement Liability that funds the insurance of Ky retirees. It is not actual cash that we have. Alan said that he did have David call Gruber and he tried to explain this to him, so he has been told.

Grants

We went over the handout Alan had that showed he applied for 2 grants/ \$2,000,000.00 Debt Reduction for Sewer and \$100,000.00 for manhole rehab.

James asked that the minutes from March be amended in the Misc section. The cost of \$180,000.00 is the cost of painting both towers, not each of them.

Phillip made a motion to accept the minutes and financials for March 2020 with the amendment made. James seconds the motion. All were in favor, none opposed. Motion carries.

Terry said this completes our agenda for the night and adjourns this meeting at 7:15 P.M.

WE THE UNDERSIGNED BEING THE COMMISSIONERS OF THE LEDBETTER WATER DISTRICT, ORGANIZED AND EXISTING UNDER AND BY THE VIRTUES OF THE LAWS OF THE STATE OF KENTUCKY, DO HEREBY SEVERLY WAIVER ANY AND ALL NOTICE OF THE COMMISSIONERS OF SAID DISTRICT, AND RATIFY, APPROVE AND CONFIRM ANY AND ALL BUSINESS TRANSACTED AT SUCH MEETING AND HEREIN SET FORTH.

Terry Teitloff, CHAIRMAN

Arnie Puckett, VICE-CHAIRMAN

James Schade, SECRETARY-TREASURER

Phillip Dae, COMMISSIONER

ABSENT

Bill Gillahan, COMMISSIONER

Paula Malone, OFFICE MANAGER