

**MARION COUNTY WATER DISTRICT  
1835 CAMPBELLSVILLE ROAD  
P O BOX 528  
LEBANON, KY 40033**

**Telephone: 270-692-2004  
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**MEMORANDUM**

*January Meeting  
Canceled*

**TO:** Everett Thomas  
Earl Sandusky, Jr.  
Cody Rakes

*COVID-19, Quorum Issues*

**DATE:** January 6, 2021

**RE:** Board of Commissioners Special Meeting

Please be advised that the regularly scheduled meeting of the Marion County Water District commissioners for January 2021 is moved to Tuesday, January 19, 2021.

There will be a special board meeting on **Tuesday, January 19, 2021 at 7:00 p.m.** at the water district office on Campbellsville Highway.

Commissioners, if you are not able to attend, please contact the office at (270) 692-2004.

JP:cas

cc: The Lebanon Enterprise  
WLBN/WLSK Radio Station

MINUTES OF MEETING  
OF THE  
MARION COUNTY WATER DISTRICT

A meeting of the Marion County Water District was held on Tuesday, February 9, 2021, at 7:00 p.m. in the offices of the Marion County Water District.

Present at the meeting were: Commissioners Everett Thomas, Earl Sandusky, Jr., Cody Rakes, Mike Spalding, and Liz Morgeson. Also present were Toby Spalding, Manager, and Cheryl Sullivan, Bookkeeper/Accountant.

The meeting was called to order by Commissioner Earl Sandusky, Jr.

Earl Sandusky, Jr. introduced new commissioners, Mike Spalding and Liz Morgeson.

The board discussed election of officers for 2021. Cody Rakes made a motion to nominate Earl Sandusky, Jr. as Chairman. Everett Thomas seconded the motion. Motion carried.

Mike Spalding made a motion to nominate Cody Rakes as Treasurer. Liz Morgeson seconded the motion. Motion carried.

Mike Spalding made a motion for Everett Thomas to remain Secretary. Cody Rakes seconded the motion. Motion carried.

Cody Rakes made a motion to approve the minutes of the December 10, 2020 meeting. Mike Spalding seconded the motion. Motion carried.

Old Business

None

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Toby presented an engagement letter with White and Company to perform the audit for 2020. The cost for the 2020 audit will be \$10,685.00, the same as last year. Commissioners were in agreement to proceed with the audit as outlined in the engagement letter. The letter was signed by Toby Spalding and Earl Sandusky, Jr.

Toby presented a proposed change to the personnel policy. The policy would change from "Two maintenance employees will be on call on weekends and holidays." to "One or two maintenance employees will be on call on weekends and holidays." Mike Spalding made a motion to approve the change to the personnel policy. Cody Rakes seconded the motion. Motion carried.

Toby discussed the Fire Safety Program for the local schools. The cost for participation is \$67.50. Everett Thomas made a motion to approve the expenditure of \$67.50 for the Fire Safety Program. Mike Spalding seconded the motion. Motion carried.

Toby presented an estimate for a new automatic control valve and master meter in the St. Charles area. The cost is approximately \$25,000.00. It would help with water supply and fire protection in that area. Cody Rakes made a motion to approve the automatic control valve and master meter. Mike Spalding seconded the motion. Motion carried.

The GPS Truck Radio system was discussed. The computer previously used for the GPS system has not been operable for several months. RCS Communications has given quotes of \$11,986.00 for two handheld radios, six truck radios, and two office radios; and \$12,551.00 for a GPS system. BEI Communications gave a quote of \$8,070.00 for radios and the first year of GPS service. GPS service for following years would be approximately \$360.00. This is a Kenwood system that uses an App to see the location of our vehicles. It is possible that a repeater may be necessary at a cost of \$4100.00. Toby is planning to talk to John Arthur Elder

with RCS Communications tomorrow. He will discuss yearly service charges with both companies.

Toby discussed the need to hire a new water distribution employee. An additional person was included in the budget that was approved for 2021. There were two people who applied for the position and both have a Water Distribution Class III license. Toby understands that the process is for him to recommend the preferred applicant and the board would either approve or disapprove. Cody Rakes referred to the PSC training that he recently attended and said that the board is responsible to select upper management and the manager brings recommendations of other employees to the board. Both applicants were discussed. It was decided to address the issue next month.

#### Manager Discussion

Toby mentioned that we need to decide what gifts we are going to get for outgoing Commissioners Barbara May and Jeff Preston. After a discussion, it was decided to address this issue next month.

The front counter COVID-19 barrier and countertop are in process. The countertop will be a little wider than originally planned, so instead of \$1100.00, the cost will be \$1235.00. There will also be veneer put on the swinging door at the front counter.

Serve Line Company has contacted Toby regarding leak protection insurance for customers' water lines. They would work through the district. If a customer who is insured by them has a water leak, they will pay for the customer's water bill and for plumbing repairs. We would bill the customers on their water bill for the insurance. No one was interested in pursuing this.

The new service truck that was in the budget has been ordered. Toby likes the idea of keeping the old truck, but we do not have an available bay to store it. Toby will get some bids on adding a bay.

The new lawnmower that was ordered from Don Franklin has been delivered.

Toby is looking into getting gas service to the maintenance building. The heat in that building is set on low but the electricity bill doubled this month. Atmos will install the line from the office building to the maintenance building. We would need to dig the trench and get the connections made. Toby will get quotes for getting the connections made.

Toby has conducted a water loss study to try to determine the amount of water being lost from our meters. On Fairgrounds Rd. and Sulphur Springs Rd., we installed new meters. This reduced the water loss by 5.3%.

United Systems and Software has been consulted on getting distribution lines isolated in order to obtain the meter reading data that is needed to track water loss. The estimated cost to modify the software is \$8,000.00.

Toby discussed that currently, nine out of the eleven master meters are read each day by an automatic system. If we wish to meter sub-areas of the system, this would need to be done with an automatic system. This is estimated to cost around \$4,000.00 per area or a total of \$80,000.00. This would likely reduce water loss by 3%, which would be an annual savings of \$61,000.00 per year. Cody Rakes asked if the cost could be split over a couple of years. Toby said that it could be.

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Toby gave a report on the write-offs. Everett Thomas made a motion to write off

\$2,405.16 of uncollectible bad debts for January and February. Cody Rakes seconded the motion. Motion carried.

Liz Morgeson made a motion to approve the payment of bills as presented. Mike Spalding seconded the motion. Motion carried.

New Business

Everett Thomas said that we want to extend a warm welcome to our new commissioners, Mike Spalding and Liz Morgeson.

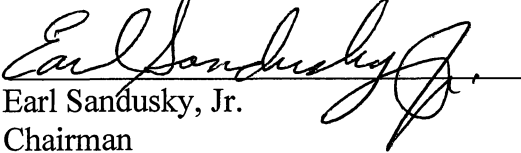
Cody Rakes made a motion to adjourn the meeting. Mike Spalding seconded the motion. Motion carried.

ATTEST:



Everett Thomas  
Secretary

MARION COUNTY WATER DISTRICT

BY:   
Earl Sandusky, Jr.  
Chairman

MINUTES OF MEETING  
OF THE  
MARION COUNTY WATER DISTRICT

A meeting of the Marion County Water District was held on Tuesday, March 9, 2021, at 7:00 p.m. in the offices of the Marion County Water District.

Present at the meeting were: Commissioners Earl Sandusky, Jr., Everett Thomas, Cody Rakes, Mike Spalding, and Liz Morgeson. Also present were Toby Spalding, Manager, Cheryl Sullivan, Bookkeeper/Accountant, and Lee Mudd with Monarch Engineering, Inc.

The meeting was called to order by Chairman Earl Sandusky, Jr.

Cody Rakes made a motion to approve the minutes of the February 9, 2021 meeting. Liz Morgeson seconded the motion. Motion carried.

Old Business

Everett Thomas asked if there is a reason that we need to keep the old service truck after the new service truck is delivered. This would require an extra garage bay in order to park the old service truck inside. Toby Spalding said that every eight to ten days we need to be in two different areas making repairs. This would give the mobility to repair two leaks at one time. Cody Rakes said that he could see the value in having two service trucks if we are going to be doing more construction work ourselves. Toby said we will need \$2,000.00 to \$2,500.00 in tools to stock the new truck and we would need to park both trucks inside.

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Toby discussed the need for submeters in 27 total areas of the system. One of these was recently installed at the St. Charles tank. Lee Mudd presented a map showing each of the 27 subareas and the existing master meter subareas. The cost would be approximately \$100,000.00. This would allow leaks to be located and repaired much more quickly resulting in a decrease in water loss. A reduction of 2% water loss would pay for the cost of the meters.

Also, Toby discussed the residential meters in the system. Most of them are 35-40 years old. He installed new meters on two small routes and saw a 5.3% improvement in water loss for each route. Overall, he believes we would see a 4% improvement in water loss if we installed all new residential meters. The meter reading system is outdated and would need to be replaced. We are currently operating with two different types of meters, some are "M" type and some are "R" type. He would like to see new meters installed and a transition to a new reading system, where all meters are the same type, over a period of three years. The cost would be approximately \$1,100,000.00.

Lee Mudd commented that about half of the water districts have meters in subareas of their system. He said that this would be a very useful tool in correcting water loss and with the high cost of purchasing water from Lebanon, you can justify spending the money to find the water loss. Toby said we may want to finance the residential meters along with the subarea meters. He will bring a cash flow and financial proposal to next month's meeting.

Lee Mudd presented a proposal for improvements to the Riley Tank. The changes would cause the tank to be filled from the top and feed water to the system from the bottom of the tank. Option A of the proposal is estimated to cost \$79,500.00 and would include piping modifications. Option B is estimated to cost \$123,300.00 and would include the piping modifications and a disinfection booster station.



Installation of the St. Charles control valve and master meter was completed today. We are waiting for Buck's Electrical and Plumbing to make the electrical connections. Then HTI will connect the telemetry system.

Toby presented a quote from Justin Holloway for \$700.00 to paint all the trim in the office except the trim that is behind desks, cabinets, etc. Mike Spalding made a motion to approve the painting of the trim for \$700.00. Everett Thomas seconded the motion. Motion carried.

Toby discussed quotes for truck radios and GPS system from RCS and VEI. John Arthur Elder suggested we keep the radios that we have because Motorola agreed to extend the service agreement on them. But we would still not have a GPS system. VEI offered 10 radios with GPS for \$9,402.00 and a service contract for \$77.00 per month. RCS gave a quote for \$12,368.00 for a GPS system only. Cody Rakes made a motion to purchase the VEI radios with GPS for \$9,402.00. Mike Spalding seconded the motion. Motion carried.

The applicants for new Distribution Operator were discussed at length. Darrell Ballard had expressed interest in the position, but later had withdrawn his name from consideration. There was a discussion of whether to choose between the other two applicants or advertise for the position again. Cody Rakes made a motion to hire Tommy Bland as Water Distribution Operator. Liz Morgeson seconded the motion. Motion carried.

Toby presented the Report of Gross Operating Revenues required by the Public Service Commission. The report was signed by Chairman Earl Sandusky, Jr.

Toby presented the Resolution for Accounts and Issuance of Drafts and Checks. This resolution designates Cody Rakes, Treasurer, Toby Spalding and Cheryl Sullivan as the persons authorized to sign checks, drafts and bank documents. Mike Spalding made a motion

to approve the resolution and give Cody Rakes, Toby Spalding, and Cheryl Sullivan authority to sign checks, drafts and bank documents. Liz Morgeson seconded the motion. Motion carried.

### Manager Discussion

The next monthly meeting will be held at 7:30 p.m. as has been done in the past from April through October. Cody Rakes asked if Commissioners could receive the agenda and any supporting documents ahead of meeting times. It was suggested that minutes could be emailed also.

Toby mentioned that we need to decide what gifts we are going to get for outgoing Commissioners Barbara May and Jeff Preston. After a discussion, it was decided to plan a combined dinner for Barbara and Jeff. A date will be decided at next month's meeting.

The front counter has been measured for the glass panels. Those should be installed by next month.

Toby would like to purchase a Television to be used for on-screen presentations. It could be used to show pictures to explain situations, audit presentations, etc.

The River Road water line under the river blew out during the flooding a few weeks ago. It is in the process of being repaired. Earl Sandusky, Jr. discussed a water line on Burke's Spring Road near Maker's Mark that is exposed. Toby will take a look at it.

Toby discussed that we will dig a trench from the office building to the maintenance building. Atmos will install a gas line and Larry Caldwell will install a telephone line in the ditch to the maintenance building.

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Toby gave a report on the write-offs. Cody Rakes made a motion to write off \$2,264.93 of uncollectible bad debts for January and February. Mike Spalding seconded the motion. Motion carried.

Everett Thomas made a motion to approve the payment of bills as presented. Mike Spalding seconded the motion. Motion carried.

New Business

Earl Sandusky, Jr. reported that Glenn Thompson may have been involved in a hit and run accident. This may be a problem for the water district if he were to have his license suspended.

Toby mentioned that his one-year anniversary is at the end of March and he is thinking of a well-expected raise.

Mike Spalding made a motion to adjourn the meeting. Cody Rakes seconded the motion. Motion carried.

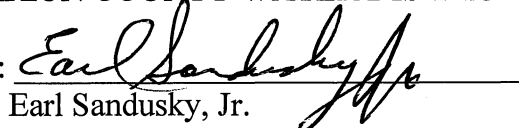
ATTEST:



Everett Thomas  
Secretary

MARION COUNTY WATER DISTRICT

BY:

  
Earl Sandusky, Jr.  
Chairman

MINUTES OF MEETING  
OF THE  
MARION COUNTY WATER DISTRICT

A meeting of the Marion County Water District was held on Tuesday, April 13, 2021, at 7:30 p.m. in the offices of the Marion County Water District.

Present at the meeting were: Commissioners Earl Sandusky, Jr., Everett Thomas, Cody Rakes, Mike Spalding, and Liz Morgeson. Also present were Toby Spalding, Manager, Cheryl Sullivan, Bookkeeper/Accountant, Charles M. White and Stephanie Abell.

The meeting was called to order by Chairman Earl Sandusky, Jr.

Cody Rakes made a motion to approve the minutes of the March 9, 2021 meeting. Liz Morgeson seconded the motion. Motion carried.

Old Business

Cody Rakes asked about the status of the new radios and GPS system. Toby said that the radios have been installed. There are a few parts still to be installed as well as GPS software. Cody Rakes also asked about the new employee. Toby reported that he has been hired and is working.

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Stephanie Abell and Charles White, White & Company, presented the 2020 audit report to the board for their review. Stephanie Abell noted that the audit is an Unmodified Opinion, a clean opinion, which is what you want to have. She explained that there was a Net Loss of

\$511,046.00, but you need to add back \$154,338.00 in expenses related to OPEB (KY Retirement Health Insurance) & Pensions to get a true picture of the bottom line. Stephanie explained that these are expenses that are required to be on the books but are not actually paid out. The cost of purchased water increased significantly, but water revenue did not increase as much as expected. Water loss is a factor when water revenue does not keep pace with water purchased. It was noted that there was a \$68,000.00 reduction in penalties, disconnection fees, etc. due to the PSC order suspending those fees because of the COVID-19 pandemic. Mr. White asked if there is a plan to proceed with requesting a water rate increase from PSC. Toby said that we are already working with Lee Mudd of Monarch Engineering, Inc. to move forward with a rate increase.

Toby presented a resolution requested by Farmers National Bank that designates Cody Rakes, Treasurer, Toby Spalding and Cheryl Sullivan as the persons authorized to sign checks, drafts and bank documents. Mike Spalding made a motion to approve the resolution and give Cody Rakes, Toby Spalding, and Cheryl Sullivan authority to sign checks, drafts and bank documents. Everett Thomas seconded the motion. Motion carried.

Toby discussed the possibility of placing a lien on property when the owner has a water account balance that is left unpaid. He will contact the county attorney's office to get details on the process and any costs that may be involved. There was also a discussion on requiring renters to provide a lease on the property that they are renting before water service can be established. Members were in agreement that this would be a good thing to do.

Toby discussed our random drug testing procedures. Doing both workplace testing and DOT testing every quarter causes each person to be chosen very often since we have a small number of employees. Envivo Health has indicated that we can join a consortium for the DOT

testing. The random tests would be chosen from the large group rather than from our small number of employees. We can change the frequency of our workplace testing to once each year or once each two years. We will bring more details for the next board meeting.

Toby discussed a rate study in order to prepare for a request for a water rate increase. We will continue to work with Lee Mudd at Monarch Engineering, Inc. on the numbers from the audit report. The cost for the rate study should be minimal.

A retirement dinner for Barbara May and Jeff Preston was discussed. It was decided to use Rosewood Restaurant and to have the dinner on a Tuesday or Thursday evening to avoid conflicts with other events at the restaurant.

Toby presented information on possible financing for sub-area meters and residential meters. He has contacted Pete Thompson and the interest rate for a loan that we need would be 2.4% - 2.5%. Toby presented a spreadsheet showing payments on the loan and savings that would be realized from reducing the amount of lost water. It was decided to advertise for bids on the meters.

#### Manager Discussion

The truck radios have been installed and the GPS system and a couple other items are left to complete.

The St. Charles control valve and master meter are complete.

In the next two to three weeks, we will begin the mapping process. An IT person from Frankfort has given a proposal for the setup process and support. The cost will be approximately \$7,500.00 per year.

Toby discussed the need for some sort of storage facility for straw. It has previously

been stored in Jimmy Mudd's hayloft. We have now removed all that was stored there, but we do not have a place to store straw when we purchase more. A 40 ft. metal storage container would be a good solution. Toby will bring exact pricing for a container to the next meeting.

The painting of the trim in the office is planned to be done this weekend.

Toby has made two calls regarding the new service truck and was told that it is still in the factory.

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Toby gave a report on the write-offs. Cody Rakes made a motion to write off \$988.31 of uncollectible bad debts for this month. Everett Thomas seconded the motion. Motion carried.

Mike Spalding made a motion to approve the payment of bills as presented. Cody Rakes seconded the motion. Motion carried.

#### New Business

Mike Spalding asked about a meter that was set on Matt Wheatley's property. Mr. Wheatley asked if there could be some trees or landscaping plants put there to help hide that equipment. It was agreed that this should be done and the cost should be less than \$500.00.

Cody Rakes asked about a line that was hit when a fence was being installed on Reuben Smith Rd. Toby explained that we searched for the line and did digging in an attempt to locate it, but we were unable to find its exact location. It was discussed that when a line is hit and a locate has not been done, we do bill the person for the expenses.

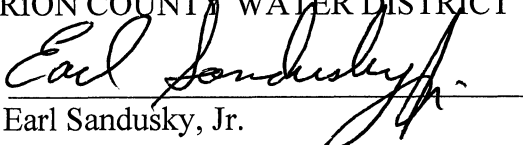
Cody Rakes made a motion to adjourn the meeting. Mike Spalding seconded the motion. Motion carried.

ATTEST:



Everett Thomas  
Secretary

MARION COUNTY WATER DISTRICT

BY:   
Earl Sandusky, Jr.  
Chairman



MINUTES OF MEETING  
OF THE  
MARION COUNTY WATER DISTRICT

A meeting of the Marion County Water District was held on Tuesday, May 11, 2021, at 7:30 p.m. in the offices of the Marion County Water District.

Present at the meeting were: Commissioners Earl Sandusky, Jr., Everett Thomas, Cody Rakes, Mike Spalding, and Liz Morgeson. Also present were Toby Spalding, Manager, and Cheryl Sullivan, Bookkeeper/Accountant.

The meeting was called to order by Chairman Earl Sandusky, Jr.

Mike Spalding made a motion to approve the minutes of the April 13, 2021 meeting. Liz Morgeson seconded the motion. Motion carried.

Old Business

None

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Toby presented a listing, as follows, of the costs for the mapping system and IT setup and support.

R2 GPS Rover, Power Supply, Rod, Bipod, XGrip Tablet Cradle, Pole Clamp GPS Door Bracket (Bundle)	\$5,529.72	One-time Cost
Apple iPad Mini (For GPS)	\$ 550.00	One-time Cost
Apple iPad Gen 7 (\$559 each)	\$2,236.00	One-time Cost
Terragraphics, LLC	\$7,500.00	First Year Cost
AGOL Accounts 1 GIS Pro, 1 Editor, 1 Field, 1 Viewer	\$1,350.00	Annual Cost
Aerial Imagery	\$5,378.13	Annual Cost
United Systems (Alliance) Setup	\$1,000.00	Estimated Cost

The board discussed the mapping system and related items. Cody Rakes made a motion to approve the costs for the mapping system as listed above. Mike Spalding seconded the motion. Motion carried.

Toby presented an Interagency Agreement with Marion County Fiscal Court, Marion County PVA, Lebanon Water Works, City of Lebanon, and Marion County Water District for the aerial imagery for the mapping system. The cost is expected to be \$5,378.13 per year for each entity for each of the next three years, commencing on July 1, 2021. The cost for each entity shall not exceed \$6,000.00 per year. Liz Morgeson made a motion to approve the Interagency Agreement. Everett Thomas seconded the motion. Motion carried.

A storage container for holding bales of straw was discussed. Toby found a 40 ft. cube that is leakproof with a five-year warranty for \$3,750.00. Cody Rakes made a motion to approve the purchase of the container at a cost up to \$3,750.00. Everett Thomas seconded the motion. Motion carried.

Toby presented the bids received for sub-area meters and residential meters. Bids were as follows:

<b>Three-Year Purchase Plan</b>	
Neptune Equipment Company (NECO)	\$1,214,095.67
Core & Main	\$1,612,829.50
CITCO	\$1,775,991.50
<b>Alternate: Four-Year Purchase Plan</b>	
Neptune Equipment Company (NECO)	\$1,213,728.27
Core & Main	\$1,616,404.50
CITCO	\$1,798,491.50

NECO was the low bidder on the three-year and the four-year purchase plans. Cody Rakes made a motion to approve the bid from NECO for the three-year plan. Mike Spalding seconded the motion. Motion carried. We will begin the process of getting financing approved through the Public Service Commission.

Toby discussed the rate study. Lee Mudd with Monarch Engineering, Inc. has not done this before and is not totally comfortable with it. Toby checked with Kentucky Rural Water Association (KRWA) and it will be the end of the year before they could begin a rate study. Lee did say that if KRWA can't do the study for several months, he would go ahead and do it.

Toby presented the Income Statement for the first quarter of 2021. The total amount of expenses is below the amount budgeted, but revenue is below the anticipated amount also.

Toby discussed damage to a Windstream line on McElroy Pike that occurred in August of 2020. A company named CMR is handling the damage claim for Windstream and they presented the water district with a bill for \$2,500.00. We were also given pictures of people working while the Windstream line was exposed, but they were not our employees. Toby will speak to Larry Caldwell to get a contact person at Windstream to discuss this further.

The Loretto Fire Department is asking for a fire hydrant to be installed at their location. There would have to be a water line installed and a bore under the road before the hydrant could be installed. The cost would be approximately \$40,000.00. Toby will talk with Marion County Judge-Executive regarding any discretionary funds or COVID relief funds.

Toby showed pictures of the exposed water lines across the river at River Road and at Pleasant Valley Road. Stotts Construction bored under the river and made the repair at River Road at a cost of \$16,900.00. The line at Pleasant Valley Rd was damaged in the most recent flood event. The cost for the bore and repair of this line was \$17,500.00.

Toby reported that he checked into the exposed water line on Burke's Spring Road that was mentioned by Earl Sandusky, Jr. This is actually an inactive line.

Manager Discussion

None

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Toby gave a report on the write-offs. Cody Rakes made a motion to write off \$2,991.20 of uncollectible bad debts for this month. Mike Spalding seconded the motion. Motion carried.

Liz Morgeson made a motion to approve the payment of bills as presented. Cody Rakes seconded the motion. Motion carried.

New Business

Toby talked about the order of applying payments that come into the office. He wondered if we could cause a payment to be applied to garbage first, then sewer, and then water. The leverage to cause a customer to pay their bill is the water charge and threat of being disconnected. Toby will check on this and report back.

Cody Rakes talked about an annual review of write-offs. During the PSC training he attended, they indicated that no more than .5% to 1% of revenue should be written off.

Mike Spalding asked about PSC training and if he and Liz Morgeson need to attend training. He and Liz will need to attend the training for new commissioners. Cheryl Sullivan will check into the available training through PSC.

Toby reported that he took the exam for Class IV Water Distribution Operator. He passed the exam and now holds this license. He would like to look at a payrate increase next month.

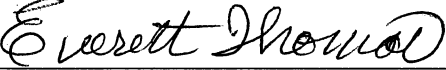
Earl Sandusky, Jr. thanked everyone who played a role in arranging the retirement dinner for Barbara May and Jeff Preston.

Earl Sandusky, Jr. said that Bud Griffin mentioned again that emergency locates are still not being done quickly enough. Toby said they are not calling us; they are sending faxes. Toby will call Bud Griffin tomorrow and work this out.

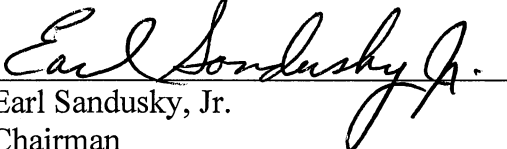
Liz Morgeson asked about the landscaping for Matthew Wheatley's yard. Toby said that they put dirt in today and they are giving it time to dry. Mr. Wheatley is wanting four or five trees at a cost of \$65.00 each.

Cody Rakes made a motion to adjourn the meeting. Mike Spalding seconded the motion. Motion carried.

ATTEST:

  
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Everett Thomas  
Secretary

MARION COUNTY WATER DISTRICT

BY:   
\_\_\_\_\_  
Earl Sandusky, Jr.  
Chairman

MINUTES OF MEETING  
OF THE  
MARION COUNTY WATER DISTRICT

A meeting of the Marion County Water District was held on Tuesday, June 8, 2021, at 7:30 p.m. in the offices of the Marion County Water District.

Present at the meeting were: Commissioners Earl Sandusky, Jr., Everett Thomas, Cody Rakes, and Mike Spalding. Also present were Toby Spalding, Manager, and Cheryl Sullivan, Bookkeeper/Accountant.

The meeting was called to order by Chairman Earl Sandusky, Jr.

Cody Rakes made a motion to approve the minutes of the May 11, 2021, meeting. Everett Thomas seconded the motion. Motion carried.

Old Business

None

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Toby talked about the possibility of direct deposit of payroll checks for our employees. The file containing the information would have to be received by the bank one day before payday. This may require adjustments to our pay period ending dates. The cost of the submodule for the software through United Systems & Software is \$695.00 and the yearly support fee is \$190.00. It was also discussed that if there were at least two days that payroll could be processed, it would help in cases of emergencies or unplanned absences for Cheryl or Ann. Mike Spalding made a motion to convert to direct deposit for payroll processing. Cody Rakes seconded the motion. Motion carried.

Toby discussed meter lids and meter boxes for the new meters and reading system. The new meters will have an antenna that has to go through the meter lid. Toby has had many discussions with the guys on how to work this out. They talked about ways to drill or cut a hole in the existing lids, etc. The cost of new lids is \$26.00 - \$28.00 each. We would need approximately 6,500 new lids at a total cost of approximately \$169,000.00. The salesman has indicated that we can sell our existing 2,000 round, cast iron lids for \$20.00 each. The pipe to replace the meter boxes would cost approximately \$119,040.00. The software and changes with United Systems & Software for the zone meters is \$8,000.00 and the cost for distribution codes on the customer accounts is \$1,200.00. Cody Rakes made a motion to approve the additional costs for the meter changeout project with a new total of \$1,567,635.51. Everett Thomas seconded the motion. Motion carried.

Toby presented two proposals on loans for the financing of the meter changeout project. Farmers National Bank gave a number of options including 2.14% interest rate if the loan is approved as tax-exempt and also the option of refinancing the loan of approximately \$479,000.00 that currently exists with Citizens National Bank. Citizens National Bank gave an option of 2.4% interest rate if the loan is tax-exempt. Closing costs and attorney fees are expected to be \$7,500.00-\$10,000.00. Cody Rakes made a motion to approve the Farmers National Bank option of 2.14% fixed interest rate for a term of 11.5 years for a loan up to \$2,000,000.00 including the refinance of the current debt of approximately \$479,000.00. Mike Spalding seconded the motion. Motion carried.

Toby informed the board that Randy Jones with Rubin & Hayes, Attorneys at Law, will be handling the filings with the Public Service Commission (PSC) for this financing. His fee for this will be \$3,500.00 unless PSC raises issues that require lots of additional time.

Mike Spalding made a motion to approve the \$3,500.00 and additional amounts if required for the PSC filings. Cody Rakes seconded the motion. Motion carried.

Toby discussed that the current working hours for maintenance employees is specified in the personnel policies as 8:00 a.m. until 4:30 p.m. He recommended that 7:30 a.m. until 4:00 p.m. during the hot summer months would be more advantageous working hours. Cody Rakes made a motion to change the working hours for maintenance employees to 7:30 a.m. until 4:00 p.m. during Daylight Savings Time, with an exception on disconnect days when two employees would work 8:00 a.m. until 4:30 p.m. Mike Spalding seconded the motion. Motion carried.

#### Manager Discussion

Toby reported on the status of the damage claim from Windstream for the line that was cut on McElroy Pike in August of 2020. He made several phone calls to several different people. He received a call back and was informed that they have dropped the claim and have put us on a list that we would not be charged in these situations.

Toby informed the board that \$700,000.00 in COVID-19 relief funds would be coming to Marion County through Kentucky Infrastructure Authority (KIA). Toby is working with Daren Thompson at Lebanon Water Works to coordinate projects. He is hoping to share the funds with Lebanon Water Works and Loretto Sewer. He would like for the three entities to come to an agreement on the projects to be funded and submit a joint letter to KIA requesting how the funds are used. Some additional funds are expected later. Those funds can only be used on Water, Sewer or Broadband.



Toby discussed a cost of living pay rate increase for the manager. This will be placed on the agenda for next month.

Toby reported that the wholesale rate that Campbellsville Water & Sewer charges Marion County Water District will increase. The rate will increase from \$2.35 per 1,000 gallons to \$2.54 per 1,000 gallons effective on August 1, 2021.

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Toby gave a report on the write-offs. Everett Thomas made a motion to write off \$519.96 of uncollectible bad debts for this month. Cody Rakes seconded the motion. Motion carried.

Everett Thomas made a motion to approve the payment of bills as presented. Mike Spalding seconded the motion. Motion carried.

### New Business

Cody Rakes commented that this may be old business, but he was wondering if we have received the storage container that we will be using to store straw. Toby said that he was told it would be here today, but it has been delayed.

Cody Rakes asked about if we have determined anything on the payment order of sewer, garbage, etc. Toby said that he has not had a chance to check into this yet.

Toby presented a report on the write-offs for the year 2020 and the first quarter of 2021. From January 2020 through December 2020, we had total write-off amount of \$8,337.00 or .271% of operating revenue. From January 2021 through March 2021, we had total write-off amount \$4,670.00 or .598% of operating revenue.

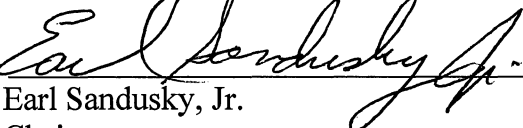
Cody Rakes made a motion to adjourn the meeting. Mike Spalding seconded the motion. Motion carried.

ATTEST:



Everett Thomas  
Secretary

MARION COUNTY WATER DISTRICT

BY: 

Earl Sandusky, Jr.  
Chairman

MINUTES OF MEETING  
OF THE  
MARION COUNTY WATER DISTRICT

A special meeting of the Marion County Water District was held on Thursday, July 22, 2021, at 7:30 p.m. in the offices of the Marion County Water District.

Present at the meeting were: Commissioners Earl Sandusky, Jr., Everett Thomas, Cody Rakes, and Mike Spalding. Also present were Toby Spalding, Manager, and Cheryl Sullivan, Bookkeeper/Accountant.

The meeting was called to order by Chairman Earl Sandusky, Jr.

Mike Spalding made a motion to approve the minutes of the June 8, 2021, meeting. Everett Thomas seconded the motion. Motion carried.

Old Business

Cody Rakes asked about the direct deposit of payroll checks that was discussed at last month's meeting. He was wondering if the monthly payments to board members would be done by direct deposit. Those payments will continue to be done by check since those are done through accounts payable module and not through payroll module.

\*\*\*\*\*

Toby presented a Resolution of Authorization for Purchased Water Adjustment due to the increase in the cost of water purchased from Campbellsville Municipal Water & Sewer. The increase for our customers would be \$0.01 per 1,000 gallons of water usage. The proposed new rates would become effective for service rendered on or after August 1, 2021. Cody Rakes made a motion to approve the resolution. Mike Spalding seconded the motion. Motion carried.

Toby discussed the renewal of the lease with Charter for the building at the Loretto Tank site. It is time to renew the lease for a five-year term beginning 9/1/2021, at \$3,000.00 per year with options for two additional five-year extensions. Board members were in agreement to renew the lease. Toby will bring documentation to the board when it is received from Charter.

Toby gave an update on the financing for the meters project. Randy Jones sent a draft of the application to us today. He will submit it to the Public Service Commission.

The Manager's pay increase was discussed. Different categories of Consumer Price Indexes were reviewed. The current Consumer Price Index, for all items less food and energy, rose 4.5% over the twelve-month period. Toby said he believes this reflects current circumstances most accurately. Cody Rakes made a motion to increase the Manager's pay by 4.5% effective July 23, 2021. Mike Spalding seconded the motion. Motion carried.

Toby showed the mapping system on the screen for commissioners to see the progress of getting meters and water lines onto the maps. He demonstrated different dashboards including water loss and garbage charges billed.

The need for a water line at the Norris property division on Norris Loop was discussed. It has been added to the list of line extensions given to the County Judge Executive for consideration for possible installation using COVID-19 funds.

#### Manager Discussion

Toby reported that the storage container is here and is full of straw.

The new truck has been delivered.

\*\*\*\*\*

Toby gave a report on the write-offs. Cody Rakes made a motion to write off \$472.67 of uncollectible bad debts for this month. Everett Thomas seconded the motion. Motion carried.

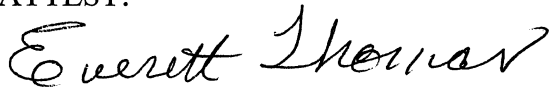
Mike Spalding made a motion to approve the payment of bills as presented. Cody Rakes seconded the motion. Motion carried.

New Business

Earl Sandusky, Jr. asked if the trucks the men drive home are still for business use only. Toby said that they are. Earl indicated he had seen some of them on the roadway at times when it didn't appear they were doing water district business. Toby will address this.

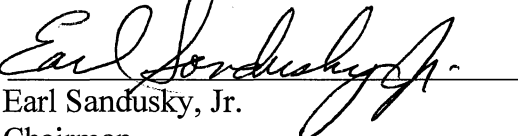
Everett Thomas made a motion to adjourn the meeting. Mike Spalding seconded the motion. Motion carried.

ATTEST:



Everett Thomas  
Secretary

MARION COUNTY WATER DISTRICT

BY:   
Earl Sandusky, Jr.  
Chairman

MINUTES OF MEETING  
OF THE  
MARION COUNTY WATER DISTRICT

A regular meeting of the Marion County Water District was held on Tuesday, August 10, 2021, at 7:30 p.m. in the offices of the Marion County Water District.

Present at the meeting were: Commissioners Earl Sandusky, Jr., Everett Thomas, Cody Rakes, Mike Spalding, and Sallye Thompson. Also present were Toby Spalding, Manager, and Cheryl Sullivan, Bookkeeper/Accountant.

The meeting was called to order by Chairman Earl Sandusky, Jr.

Chairman Sandusky welcomed new commissioner Sallye Thompson to the meeting.

Cody Rakes made a motion to approve the minutes of the July 22, 2021, meeting. Everett Thomas seconded the motion. Motion carried.

Old Business

None

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Toby presented the proposed lease with Spectrum Mid-America, LLC (formerly Charter Communications) for the building at the Loretto Tank site. The lease shows three renewal terms that extend until 8/31/2036 with the annual rent remaining \$3,000.00 each year. The board discussed whether the rent amount should be flexible or increase during subsequent terms. Cody Rakes made a motion to approve the lease with the change made to allow for negotiation of the rental amount for the second and third terms. Mike Spalding seconded the motion. Motion carried.

The Kentucky Rural Water Association Business Meeting voting credentials was discussed. Mike Spalding made a motion that Cody Rakes would be the voting delegate and Everett Thomas would be the alternate. Sallye Thompson seconded the motion. Motion carried.

Toby presented the income statement through the month of June. He pointed out that revenue is approximately \$32,000.00 below the budgeted revenue for the year. This points to water loss and issues with the old meters. The PSC has had questions on debt ratio, etc. during their review of the application for the financing for the Meter Project. Toby discussed that we have had two river crossing repairs that cost approximately \$40,000.00.

Toby discussed the vacation leave policy that currently gives hourly employees five (5) days of vacation after they are employed for one (1) year. This is difficult for employees to go a full year without any vacation. He said the board may want to consider adding another week of vacation after employees have been here for many years. Currently, the maximum number of weeks for hourly employees is three (3) weeks of vacation after five (5) years of employment. The board discussed the following changes to the policy: employees would receive one (1) day of vacation after ninety (90) days of employment and then one (1) day each month up to a maximum of five (5) days during the first calendar year; employees would receive twenty (20) days of vacation when they have been employed fifteen (15) years. These changes will be put into writing and will be brought back to the board for consideration.

#### Manager Discussion

None

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Toby gave a report on the write-offs. A large balance for Melanie Rigdon and the policy for payments on leaks was discussed. Cody Rakes made a motion to write off \$3,075.57 of uncollectible bad debts for this month. Mike Spalding seconded the motion. Motion carried.

Sallye Thompson made a motion to approve the payment of bills as presented. Mike Spalding seconded the motion. Motion carried.

#### New Business

Cody Rakes said that it would benefit him if he took a half day to ride around with Toby and look at the things the water district deals with each day and learn more about the system. He was wondering if anyone else would like to do that. Everett, Mike and Sallye said they would like to do this also. It was decided that Tuesday, August 17 at 7:30 a.m. would be a good time to do this.

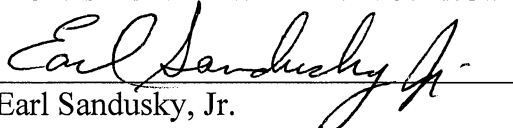
Mike Spalding made a motion to adjourn the meeting. Cody Rakes seconded the motion. Motion carried.

ATTEST:



Everett Thomas  
Secretary

MARION COUNTY WATER DISTRICT

BY:   
Earl Sandusky, Jr.  
Chairman



MINUTES OF MEETING  
OF THE  
MARION COUNTY WATER DISTRICT

A regular meeting of the Marion County Water District was held on Tuesday, September 14, 2021, at 7:30 p.m. in the offices of the Marion County Water District.

Present at the meeting were: Commissioners Earl Sandusky, Jr., Everett Thomas, Cody Rakes, and Mike Spalding. Also present were Toby Spalding, Manager, and Cheryl Sullivan, Bookkeeper/Accountant.

The meeting was called to order by Chairman Earl Sandusky, Jr.

Mike Spalding made a motion to approve the minutes of the August 10, 2021, meeting. Cody Rakes seconded the motion. Motion carried.

Old Business

Cody Rakes asked about the lease agreement with Spectrum Mid-America, LLC (formerly Charter Communications) for the building at the Loretto Tank site. Toby said that he is still emailing back and forth with them regarding the details. They listed \$3100.00 for the second renewal period and \$3200.00 for the third renewal period. Toby was concerned that there needed to be an option to not renew if that is what the District decided to do. They will continue to work to get the wording just right.

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A proposed update to the Vacation Leave Policy was presented that would give new employees up to five days of vacation during their first year of employment; give employees an additional week of vacation when they've been employed for fifteen years; and allow

employees to carry forward twenty working days of vacation from one year to the next. The new policy was reviewed and discussed. Cody Rakes made a motion to approve the new policy effective January 1, 2022. Mike Spalding seconded the motion. Motion carried.

### Manager Discussion

Toby discussed the payroll direct deposit plan. Employees will begin to have payroll deposited directly into their bank accounts on October 7, 2021.

Toby informed the Board of the funds coming from Marion County Fiscal Court for current employees who worked during the pandemic. These funds are coming from the federal government as part of COVID-19 relief. Employees should receive \$2.00 for each hour actually worked from July 1, 2020, until June 30, 2021, up to a maximum of \$4,000.00. A check will come to Marion County Water District to cover the amounts to employees as well as Social Security and Pensions Costs.

Toby discussed water line projects to be done with the federal funds that are coming through the Marion County Fiscal Court.

A larger monitor is needed for Toby's computer to help with putting the water lines onto the mapping software. This should cost approximately \$500.00. Toby presented the mapping progress and the water lines that have been added to the program.

Toby reported that Kentucky Division of Water came in last Thursday and did a semi-annual review.

Toby has been in contact Rusty Anderson with TerraGraphics, LLC asking for a proposal for him to help shoot GPS points of meters along with our guys. We may need additional and newer metal detectors.

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Toby gave a report on the write-offs. Everett Thomas made a motion to write off \$545.86 of uncollectible bad debts for this month. Mike Spalding seconded the motion. Motion carried.

Mike Spalding made a motion to approve the payment of bills as presented. Everett Thomas seconded the motion. Motion carried.

New Business

None

Mike Spalding made a motion to adjourn the meeting. Everett Thomas seconded the motion. Motion carried.

ATTEST:

Everett Thomas  
Everett Thomas  
Secretary

MARION COUNTY WATER DISTRICT

BY: Earl Sandusky, Jr.  
Earl Sandusky, Jr.  
Chairman

MINUTES OF MEETING  
OF THE  
MARION COUNTY WATER DISTRICT

A regular meeting of the Marion County Water District was held on Tuesday, October 12, 2021, at 7:00 p.m. in the offices of the Marion County Water District.

Present at the meeting were: Commissioners Earl Sandusky, Jr., Everett Thomas, Cody Rakes, Mike Spalding, and Sallye Thompson. Also present were Toby Spalding, Manager, Cheryl Sullivan, Bookkeeper/Accountant, and Lee Mudd with Monarch Engineering, Inc.

The meeting was called to order by Chairman Earl Sandusky, Jr.

Cody Rakes made a motion to approve the minutes of the September 14, 2021, meeting. Sallye Thompson seconded the motion. Motion carried.

Old Business

Cody Rakes asked about the lease agreement with Spectrum Mid-America, LLC (formerly Charter Communications) for the building at the Loretto Tank site. Toby said that they are still discussing some details. They added the changes in the rental amount for the next rental terms. There is language in the agreement that mentions mold, maintenance, insurance and issues with the building that needs to be removed.

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Lee Mudd with Monarch Engineering, Inc. presented an application for proposed rate adjustment to the water rates. He gave a breakdown of how the proposed rates were determined. He explained that figures from the test-year of 2020 were used, and adjustments were made for known and measurable items that would affect future years. This resulted in

pro-forma numbers that were used to figure the percentage of rate increase that would be required. The percentage in this case is 25.32% rate increase. Lee informed the board that the Public Service Commission (PSC) would thoroughly analyze the application and they may ask for additional information. He also said that they may arrive at a different percentage for the rate increase. Cody Rakes asked if PSC may require a higher rate increase than the application indicates. Lee said that the rate PSC requires could be higher than 25.32%.

The board had a thorough discussion of the application to PSC. Mike Spalding made a motion to approve the resolution proposing adjustments to water rates and charges and authorizing the chairman to file an application with PSC seeking approval of the proposed rate adjustment. Sally Thompson seconded the motion. Motion carried.

Toby discussed the contract with Tim Spalding of Spalding Meter Reading Service. The amount paid for reading the meters would be based on the price of gasoline. Cody Rakes suggested that the price used for gasoline should be specified at a particular time and place. Toby said it could be determined on the first day of each month at the FiveStar gas station at 798 West Main Street in Lebanon, KY. Sallye Thompson made a motion to approve the contract with the changes made to the location and timing for determining gas prices. Cody Rakes seconded the motion. Motion carried.

Toby said that it is time for him to get a new cell phone. He is planning to pay for the phone and the Water District continue to pay for the service. He anticipates that a two-year contract will likely be required and wants to make sure the board agrees with that. Cody Rakes made a motion to approve a two-year contract for Toby's cell phone. Mike Spalding seconded the motion. Motion carried.

Toby gave an update on the PSC case for the Meter Project. We received a notice from PSC that they had extended the timeframe by 60 days.

Toby reported that we are getting low on meters that can be used as replacements. He would like to buy 300 new meters that are the new type (Neptune meters and MXU's) that will be installed with the Meter Project. Neptune said they will provide a reading device for us to use. The cost is approximately \$174.00 each. Cody Rakes made a motion to approve this request to purchase 300 of the new type meters and MXU's. Mike Spalding seconded the motion. Motion carried.

Toby reported that the Christmas dinner is booked at Tucker Homestead. He asked if the board wishes to proceed with having it. After discussion, it was decided to proceed with the Christmas dinner as planned.

#### Manager Discussion

No other comments

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Toby gave a report on the write-offs. Cody Rakes made a motion to write off \$219.48 of uncollectible bad debts for this month. Sallye Thompson seconded the motion. Motion carried.

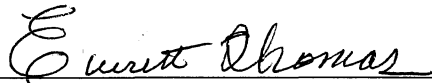
Mike Spalding made a motion to approve the payment of bills as presented. Everett Thomas seconded the motion. Motion carried.

#### New Business

None

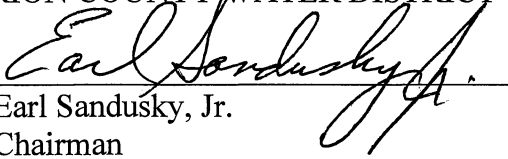
Everett Thomas made a motion to adjourn the meeting. Mike Spalding seconded the motion. Motion carried.

ATTEST:



Everett Thomas  
Secretary

MARION COUNTY WATER DISTRICT

BY:   
Earl Sandusky, Jr.  
Chairman