

**Lake Village Water Association, Inc.**  
**801 Pleasant Hill Drive**  
**Post Office Box 303**  
**Burgin, Kentucky 40310**

January 11, 2020

The regular monthly meeting of the Lake Village Water Association, Inc. was held at 12:00 p.m. on the 14th day of January, 2020 at the office of the Association located at 801 Pleasant Hill Drive, Burgin, Kentucky.

Vice President Carey called the meeting to order. Present was Vice President Kenny Carey, President Jim Boyd, Secretary/Treasurer Earl Campbell, Director Earl Camic, Attorney Chris Tucker, Mike Sanford and Rita Monson.

Secretary/Treasurer Campbell moved to approve the minutes from the December 10, 2019 meeting. President Boyd noted that the minutes should reflect that the board met with Andrea Gross and Billy Rankin concerning their interest in serving on the Board of Directors. Director Camic seconded the motion to approve the minutes with the revision. Motion carried.

Secretary/Treasurer Campbell moved to approve the invoices as presented. Vice President Carey seconded the motion. Motion carried.

Sanford presented the Financial Report for December, stating that the financial performance for the month was good and compared favorably to the budget. The Gross Profit for the month was \$75,588.75. The Net Income for the month was \$24,007.81. Sanford stated that he and Patterson were working on the water loss figure for December and that the figures did not look normal and that something may be going on. Sanford stated that the water loss information will be reported at the February meeting. Sanford went on to state that the financial performance for 2019 was good and compared favorably to the budget. The Association had a Gross profit of \$961,831.40, with an annual budget of \$951,350.00. Expenses were generally on budget, except for Maintenance Material which was over budget by approximately \$34,000 due to the increased number of taps and parts for meters that were changed out. The Association showed a loss of \$11,027.46 for 2019. Vice President Carey moved to approve the financial report as presented. Secretary/Treasurer Campbell seconded the motion. Motion carried.

Sanford stated that design is near complete at Strand and that the plans and specs will be submitted to DOW in the coming weeks. Sanford went on to state that he and Dienst are working on proposed rates and will be presenting the rate schedule options at the next meeting. Lastly, Sanford stated that the Association has received the railroad permit from Norfolk Southern. The agreement will be executed and returned to complete the railway application process.

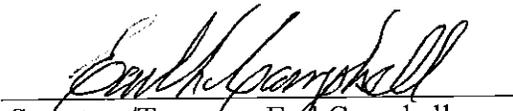
Sanford presented a damage claim from Greg & Tonya Ross for their rental property located on Tyler Avenue. The Association had a main break on Montgomery Lane in December that resulted in a short outage for some properties and low pressure for others in the Bellows Mill Road and US 127 corridor. The tenant residing in the Ross property checked the bathrooms and kitchen sink for water and left the faucet open. The tenant went to work, the sink overflowed

resulting in water damage to the Ross property and unit below. The damage totaled \$3,600 for both units. After much discussion, the board didn't feel that the Association could be held liable for the tenant leaving the faucet open. The board went on to note that water systems have leaks and that a claim of this nature had not ever been received by the Association. Tucker concurred with the board's decision and agreed to contact the Ross' regarding the matter.

President Boyd recommended that a decision be made concerning the Board of Directors vacancy. President Boyd discussed the candidates with the group and after much discussion it was determined that all of the candidates would be great and the Association would benefit by any one of their service. President Boyd moved to appoint Andrea Gross to the Board of Directors. All members of the board concurred with the motion. Secretary/Treasurer Campbell seconded the motion. The motion passed unanimously. President Boyd agreed to reach to Gross and the other candidates concerning the board's decision.

Vice President Carey moved to adjourn the meeting. Secretary/Treasurer Campbell seconded the motion. Meeting adjourned.

  
\_\_\_\_\_  
President Jim Boyd

  
\_\_\_\_\_  
Secretary/Treasurer Earl Campbell

**Lake Village Water Association, Inc.  
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February 11, 2020

The regular monthly meeting of the Lake Village Water Association, Inc. was held at 12:00 p.m. on the 11th day of February, 2020 at the office of the Association located at 801 Pleasant Hill Drive, Burgin, Kentucky.

President Boyd called the meeting to order. Present was Secretary/Treasurer Earl Campbell, Director Earl Camic, Director Andrea Gross, Chris Tucker, Liz Dienst, Mike Sanford and Rita Monson. Everyone welcomed Director Gross to the board.

President Boyd began by calling the Contract 14 Public Meeting to order. The meeting is necessary to inform the public about the environmental impact of the project and also to provide general information about the project. No Association members other than the board members were in attendance. Sanford took the opportunity to discuss the project scope and need with Director Gross. Dienst noted that Mocks Branch would be impacted by stream crossings, but that the crossings would be bores with casing. Dienst went on to note that she and Sanford met on site with representatives from the U.S. Army Corp of Engineers to obtain the necessary permits. Sanford stated that he and Dienst were working with Rural Development on the last items for the funding application.

Director Camic moved to approve the minutes from the January 14, 2020 meeting. Secretary/Treasurer Campbell seconded the motion. Motion carried.

Director Gross moved to approve the invoices as presented. Secretary/Treasurer Campbell seconded the motion. Motion carried.

Sanford presented the Financial Report for January, stating that the financial performance for the month was good and compared favorably to the budget. The Gross Profit for the month was a loss of \$141,287.49 due to two debt service payments that totaled \$152,364.25. The loss is expected for January and budgeted. Sanford went on to note that water cost were under budget by \$257.45 and expenses were under budget by \$5,423.97. Secretary/Treasurer Campbell moved to approve the report as presented. Director Camic seconded the motion. Motion carried.

Sanford presented a new process for tracking water loss that includes water purchased and water sold for each master meter zone. The Association will continue to account for the water lost through system leaks, flushing and customer leaks, but will focus more on the reduction on non-revenue water loss throughout the operations. For the current month, Sanford stated that there are a few kinks to work out with the reporting and that the accuracy will improve as subsequent months are added to the volumes. For the month of January, all of the master meter zones are in good shape with the exception of the KY 33 zone, comprised of Waterworks Road, KY 33, Spears Lane, Gwinn Island Road, Hughley Lane and Sunrise Shores. Sanford stated that operators have already begun leak detection of the area and will continue until the flow rate at the master meter has been reduced. Sanford stated that the flow rate drops

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significantly when Mocks Creek Subdivision is valved off from the system. The operators will continue in a northward direction isolating areas of the distribution system. If the flow rate is not reduced once a full assessment of the zone has been completed and repairs made, Sanford will contact KRWA for assistance.

Sanford stated that the PSC Purchase Water Adjustment application was approved and will be included on the next bill. The PWA increased the rate to the Association members by \$0.16 per 1,000 gallons.

Sanford presented Form AD-3030 to the board for review and approval to submit to Rural Development. Form AD-3030 certifies that no pending felony convictions are associated with the Association and that the Association is not delinquent on corporate taxes. Tucker has reviewed the document and recommends execution. Secretary/Treasurer Campbell moved to approve and execute the document as presented. Director Camic seconded the motion. Motion carried.

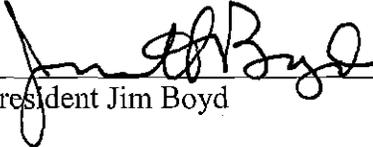
Sanford and Dienst presented proposed rate schedules for consideration by the board. Sanford noted that the Association has not adjusted rates since 2016 and that current revenue collected by the Association is covering expenses, but the operation is tighter than it should be. Sanford went on to note that it difficult to meet the reserve requirements as required by the existing loan covenants. Dienst stated that the 2020 operating budget, existing and new reserve fund requirements and the new loan payment were used to present rate schedule options. The first option breaks even and adds \$1.00 per 1,000 gallons to each rate category. The second option adjusts the rates by 10% and reflects an annual income of slightly under \$6,000. Sanford asked Dienst to forecast the five years of Cost of Living Adjustments at 2% annually and also to forecast recovering a portion of the annual Depreciation costs to calculate a third rate option for comparison. Dienst determined that the Association would have to pass along an approximate 32% rate adjustment to recover \$330,000 in annual depreciation expense, therefore the third option includes recovering 25% of the annual depreciation expense, along with the COLA increases. After much discussion, the board agreed unanimously that meeting the reserve requirements and adjusting to cover the additional loan payment is preferred over taking money from the Association members and placing it in an account for use 5 years down the road. It was noted that the Association has a number of planned infrastructure improvements in the coming years, at which time rates will be reviewed and set to meet existing operational expenses. Secretary Treasurer Campbell moved to adjust the rates by 10% and include the proposed rate schedule in the RD funding application. Sanford also noted that RD will have the final determination regarding the rates and will also review the calculations as prepared by Dienst. Director Camic seconded the motion. The motion carried unanimously.

Sanford stated that the Kentucky Rural Water Association will be hosting will be hosting the annual Legislative Breakfast at the Capital Center Plaza on March 3<sup>rd</sup> and all directors are invited to attend.

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Sanford reported that the Association will be one of 7-10 public water systems participating in the pilot to implement an electronic Monthly Operating Report submission to the Division of Water. Sanford, who serves on the Drinking Water Regulation & Compliance Subcommittee stated that utilities have been pushing the state to go electronic for approximately 15 years and the state is working to implement the change.

Secretary/Treasurer Campbell moved to adjourn the meeting. Director Camic seconded the motion. Meeting adjourned.

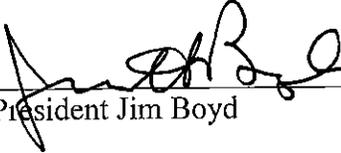
  
\_\_\_\_\_  
President Jim Boyd

  
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Secretary/Treasurer Earl Campbell

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April 14, 2020

The regular monthly meeting of the Lake Village Water Association was not held during the month of April due to the COVID-19 pandemic and the need for social distancing. Per Governor Andy Beshear's Executive Order that closed nearly all offices and businesses except those necessary to sustain everyday life, the office was closed and no public meetings were held.



President Jim Boyd

Secretary/Treasurer Earl Campbell

**PUBLIC NOTICE**

Due to the COVID-19 pandemic and the closure of businesses and public offices, the regular monthly meeting and the Annual Meeting of the Lake Village Water Association, Inc. Board of Directors will be held on May 12, 2020 at 12:00 pm via Zoom Webinar. The public is invited to attend the meeting by visiting the link below. For more information about the meetings or for assistance accessing the meeting please contact the Association at (859) 748-5642.

When: May 12, 2020 12:00 PM Eastern Time (US and Canada)  
Topic: Lake Village Water Association May 2020 Board of Directors Meeting

Please click the link below to join the webinar:  
<https://zoom.us/j/9104011208>

Or telephone:  
Dial (for higher quality, dial a number based on your current location):  
US: +1 646 876 9928 or +1 301 715 8592 or +1 312 626 6799 or  
+1 408 638 0988 or +1 650 900 9992 or +1 253 215 8782 or  
+1 448 248 7700 Webinar ID: 910 4011 1208

**Lake Village Water Association, Inc.**  
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March 10, 2020

The regular monthly meeting of the Lake Village Water Association, Inc. was held at 12:00 p.m. on the 10th day of March, 2020 at the office of the Association located at 801 Pleasant Hill Drive, Burgin, Kentucky.

President Boyd called the meeting to order. Present was Secretary/Treasurer Earl Campbell, Director Earl Camic, Director Andrea Gross, Chris Tucker, Mike Sanford and Rita Monson.

Secretary/Treasurer Campbell moved to approve the minutes from the February 11, 2020 meeting with the corrections noted by Sanford. Director Gross seconded the motion. Motion carried.

Director Gross moved to approve the invoices as presented. Director Camic seconded the motion. Motion carried.

Sanford presented the Financial Report for February, stating that the financial performance for the month was good and compared favorably to the budget. The Gross Profit for the month was \$70,637.24, with a Net Income of \$26,982.72. Sanford stated that the sales to Northpoint Training Center were higher than normal and that the Purchase Water Adjustment rate increase was reflected in the sales. Sanford went on to note that the expense report did not include premiums to Anthem for the newly purchased policies. Sanford noted that premiums will be reflected in the March report. President Boyd asked whether the Association had a contact at Northpoint and suggested reaching out to them to see if they have a leak or need assistance. Director Gross suggested the same action as a result of the increased sales. Director Gross also inquired about whether anything could be done to improve the pressure in the vicinity of Northpoint when the tank was filling. Sanford stated that a lot of engineering went into the hydraulics when the tank went on line. Sanford stated that he would speak with Lorne to see if there are options to reduce the impact to the pressure in the area. Director Gross asked if the tank can be filled overnight. President Boyd noted that water quality and water age are probably the factor that affects the setting the most. Sanford will work on the matter and will report back to the board. Secretary/Treasurer Campbell moved to approve the report as presented. Director Camic seconded the motion. Motion carried.

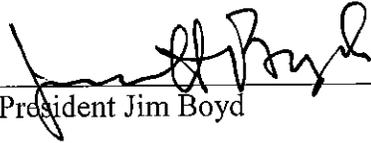
Sanford stated that the election ballots will soon be mailed to all Association members. All questioned the necessity of the ballot when only one person is running and the election isn't necessary. President Boyd suggested that Tucker consider an amendment to the bylaws that would allow for the Association to accommodate election situations of this nature. After discussing the need to review the election process, all agreed to proceed as in previous years and to have Tucker work on the matter in the fall. Sanford stated that the election process and bylaw review will be placed on the agenda in September ahead of the election.

Sanford announced that the Association did not receive nominations for the upcoming election and President Boyd will be the only person on the ballot.

Sanford stated that Strand is finishing the Contract 14 Plans and Specs and that they will be delivered to the Division of Water this week. Sanford went on to state that the agreement with Norfolk Southern was also approved and executed. The Association should receive the executed agreement in the coming days.

Sanford stated that the Public Service Commission held the annual regulatory inspection a couple of weeks ago and that all went good. Sanford stated that no deficiencies were noted and that the inspector was brought up to speed on the Non-Revenue Water Reduction Plan that has been implemented. Sanford went on to note that Inspector Donges stated that she inspects all of the regulated water utilities in the state and does not know of a utility that is taking such a comprehensive and thorough approach to reducing non-revenue water loss and commended the Association for their efforts. President Boyd commended Sanford for being up front with the Commission and sharing the plan that has been implemented. President Boyd stated that when he was employed by KU and worked with the Commission on inspections and compliance that he always felt like it was best to be upfront and proactive with the Commission.

Secretary/Treasurer Campbell moved to adjourn the meeting. Director Camic seconded the motion. Meeting adjourned.



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President Jim Boyd

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Secretary/Treasurer Earl Campbell

Lake Village Water Association, Inc.

801 Pleasant Hill Drive

Post Office Box 303

Burgin, Kentucky 40310

MINUTES OF ANNUAL MEETING  
APRIL 4, 2019

The annual meeting of the Lake Village Water Association, Inc. was called to order by Chairman Danny Noel at 6:00 p.m. on the 4<sup>th</sup> day of April, 2019 at the office located at 801 Pleasant Hill Drive, Burgin, Kentucky.

Attending the meeting were Vice Chairman Jim Boyd, Director Earl Camic, Director Kenny Carey, Director Earl Campbell, Attorney Chris Tucker, employees Mike Sanford and Rita Monson.

The first order of business was consideration of the minutes of the annual meeting of the membership on April 10, 2018. Director Carey moved to approve the minutes with a second by Director Camic. Motion carried.

The next order of business was to announce the results of the Board of Director's election. The election results were reported by Attorney Tucker. The election was held to select three (3) members to the Board of Directors of the Association for a full three year term. Attorney Tucker reported and certified that Danny Noel, Kenny Carey and Earl Camic was elected to serve another three year term. Certification of the results is attached.

Director Carey moved to adjourn the meeting. Director Camic seconded the motion. Meeting adjourned.

  
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Jim Boyd, Vice Chairman

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Earl Campbell, Secretary/Treasurer

Lake Village Water Association, Inc.  
801 Pleasant Hill Drive  
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March 13, 2020

Dear Fellow Member:

This is to notify you that the annual meeting of the Lake Village Water Association, Inc., will be held on Tuesday, April 14<sup>th</sup>, 2020, at noon (12:00 P.M., E.D.T) in the offices of the Association located on Shakertown Road, Burgin, Kentucky. The purpose of the annual meeting will be to introduce the new member of the Board of Directors selected in the election now being conducted and to consider such other business as may come before it.

You should find enclosed a ballot and two envelopes. After marking your ballot, put it in the plain envelope and seal it. Then place the plain envelope inside the addressed envelope and seal it. Mail it to Christopher J. Tucker, 114 South 4<sup>th</sup> Street, Danville, Kentucky 40422.

**BALLOTS DELIVERED TO OR RECEIVED AT OTHER LOCATIONS WILL NOT BE COUNTED. ALL BALLOTS MUST BE RECEIVED ON OR BEFORE 5:00 P.M. ON THE 10<sup>TH</sup> DAY OF APRIL 2020.**

There is one position now open on the Board of Directors. Present Director Jim Boyd have been nominated for this position. No other nominations were received.

It is extremely important that you participate in this election. If you have any questions concerning the election or the annual meeting, please feel free to contact any member of the Board of Directors or our attorney, Christopher J. Tucker, by calling 859-236-2641. Thank you.

Very truly yours,

LAKE VILLAGE WATER ASSOCIATION, INC.

BY:   
JIM BOYD, PRESIDENT

**Lake Village Water Association, Inc.**  
**801 Pleasant Hill Drive**  
**Post Office Box 303**  
**Burgin, Kentucky 40310**

May 12, 2020

The regular monthly meeting of the Lake Village Water Association, Inc. was held at 12:00 p.m. on the 12th day of May, 2020 via Zoom Webinar due to the restrictions regarding public gatherings as a result of the COVID-19 pandemic.

President Boyd called the meeting to order. Present was Vice President Kenny Carey, Secretary/Treasurer Earl Campbell, Director Earl Camic, Director Andrea Gross, Chris Tucker, Liz Dienst, Mike Sanford and Rita Monson.

Secretary/Treasurer Campbell moved to approve the minutes from the March 10, 2020 meeting as presented. Director Gross seconded the motion.

Vice President Carey moved to approve the invoices as presented. Director Gross seconded the motion. Motion carried.

Sanford presented the Financial Report for April, stating that the financial performance for the month was good and compared favorably to the budget. The Gross Profit for the month was \$71,084.03, pointing out that the Water Costs were over budget by approximately \$3,500, but will begin declining in the May Financial Statement due to the billing periods of the producers. The Net Income for the month was \$15,443.66. Secretary/Treasurer Campbell moved to approve the report as presented. Vice President Carey seconded the motion. Motion carried.

Sanford informed the board of the changes that had taken place with the operations due to the COVID-19 pandemic, stating that while changes have been made, all aspects of the utility operations have continued uninterrupted. Sanford stated that office staff are rotating days and maintenance staff are working remotely as much as possible and that the main change is that the office is locked until further notice. Sanford went on to note that he is starting to receive correspondence from organizations such as AWWA and KRWA concerning the reductions in revenue due to the number of citizens currently experiencing unemployment. Sanford stated that he watches the previous balances from month to month and so far, our customers seem to be doing okay. Sanford also noted that only necessary expenditures are being made at the moment and this will continue for some time. Sanford stated that the Public Service Commission issued guidelines for utilities to follow throughout the State of Emergency and that the Association will continue to follow the guidelines as reopening starts to occur. President Boyd agreed with Sanford on staying closed for a while longer. Vice President Carey concurred and agrees that we should follow the state guidelines throughout the process. Sanford stated that KYWARN and the Division of Water dropped off 5 washable, cloth masks for each staff member and that 150 disposable medical grade masks have been purchased if any of the board members were in need. Vice President Carey thanked Sanford and the staff for all they have done to keep the operations moving through the difficult time.

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Sanford presented the Board with a notice from the City of Harrodsburg informing the Association that the Kentucky River Authority Tier 1 Withdrawal Fee will be increased by 2.9% from \$0.18169190 per 100 cubic feet to \$0.1869279 per 100 cubic feet. Sanford stated that the effective rate is June 1, 2020 and would increase the costs to the water purchased by approximately \$3,000 per year. Sanford recommended that the Board absorb the rate increase and not pass the increased costs along to the customer. Sanford went on to note that the proposed rate increase will offset the additional cost. All agreed with Sanford's recommendation. Secretary/Treasurer Campbell moved to not pass the rate increase along to the customers. Director Gross seconded the motion. Motion carried. Director Gross asked Sanford about the timing of the proposed rate increase for the project. Sanford stated that it will likely get delayed until the unemployment rate lowers and things get back to normal. Sanford went on to note that the Public Service Commission is likely not reviewing applications of this nature at the moment. All agreed that there will be a right time to implement the new rates and that we will wait and see what happens.

Sanford gave an update on the leak detection effort to reduce the amount of Non-Revenue Water within the operations, stating that the pandemic has slowed the effort slightly, but that staff were continuing the work at every opportunity. Sanford stated that KY33 was still running high but that the flow rate dropped significantly after finding a leak on the 8" main located on Gwinn Island Road. Based on the current flow rate, the volume of water purchased should drop significantly, as well as the water costs from the City of Danville. Sanford stated that once he and staff have completed the monthly report it will be sent out via email to the board. Secretary/Treasurer Campbell congratulated Sanford and staff for finding the leak.

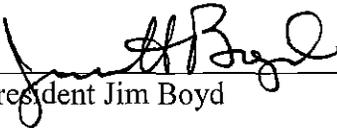
Sanford stated that the board needs to hold a Special Called Membership Meeting for the project in order to adopt the required Loan Resolutions and other documents associated with securing the RD loan. Sanford presented the "Resolution Recommending Borrowing Funds, Pledging Assets and Setting Date for Membership Meeting" to the board. The Resolution states that the Board of Directors do recommend the borrowing of funds and will set a date for the required Membership Meeting. After much discussion on ways to conduct the meeting, whether through Zoom, in the parking lot, etc., Dienst recommended that Sanford contact RD and see what the agency's thoughts were on the meeting setting. All agreed that the opinion of RD would be good. Sanford went on to note that holding the meeting via Zoom gives as much, if not more opportunity to participate as coming to a board meeting at the office. Sanford went on to state that as much as we encourage participation in the meetings, the public doesn't participate very often. Director Gross noted that the Burkin School Board conducts the monthly meeting using Zoom and YouTube to encourage participation. Sanford stated that a late May or early June meeting would be ideal to prevent delays in the project. Sanford will work on setting the date after the opinion of RD is received.

Sanford stated that Coleman Clark will be starting work soon and will be working all summer leaning as much as he can about the Association and the water system operations. Clark is a senior at Boyle County High School. Sanford went on to note that as soon as things start getting back to normal, an advertisement for the vacant maintenance position will be posted.

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Sanford stated that Jacob Newsome, who left the position in March had requested pay for an additional 5 working days, which is awarded to employees after one year of service. Sanford stated that Newsome was five days from being employed for one year and in addition only gave a 5 day notice that he was leaving the position. Sanford questioned whether the board would like to excuse the Employee Handbook policy regarding Paid Time Off in this instance. All agreed that adhering to the policy is the most appropriate action for Sanford in this instance.

Secretary/Treasurer Campbell moved to adjourn the meeting. Vice President Carey seconded the motion. Meeting adjourned.

  
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President Jim Boyd

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Secretary/Treasurer Earl Campbell

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**MINUTES OF ANNUAL MEETING  
May 12, 2020**

The annual meeting of the Lake Village Water Association, Inc. was called to order by President Jim Boyd at 12:00 p.m. on the 12<sup>th</sup> day of May, 2020 via Zoom Webinar due to the COVID-19 virus pandemic.

Attending the meeting were President Jim Boyd, Director Earl Camic, Vice President Kenny Carey, Secretary/Treasurer Earl Campbell, Director Andrea Gross, Chris Tucker, Liz Dienst, Mike Sanford and Rita Monson.

The first order of business was consideration of the minutes of the annual meeting of the membership on April 4, 2019. Secretary/Treasurer Campbell moved to approve the minutes with a second by Director Gross. Motion carried.

The next order of business was to announce the results of the Board of Director's election. The election results were reported by Attorney Chris Tucker. The election was held to select one (1) member to the Board of Directors of the Association for a full three year term. Attorney Tucker reported and certified that President Jim Boyd was elected to serve another three year term, reporting that 127 members voted and President Boyd received 127 votes. Certification of the results is attached.

Director Carey moved to adjourn the meeting. Director Camic seconded the motion. Meeting adjourned.

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Jim Boyd, President

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Earl Campbell, Secretary/Treasurer

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June 9, 2020

The regular monthly meeting of the Lake Village Water Association, Inc. was held at 12:15 p.m. on the 9th day of June, 2020 via Zoom Webinar due to the restrictions regarding public gatherings as a result of the COVID-19 pandemic.

President Boyd called the meeting to order. Also present was Vice President Kenny Carey, Director Andrea Gross, Chris Tucker, Liz Dienst, Mike Sanford and Rita Monson.

Director Gross moved to approve the minutes from the May 12, 2020 meeting as presented. Vice President Carey seconded the motion.

Vice President Carey moved to approve the invoices as presented. Director Gross seconded the motion. Motion carried.

Sanford presented the Financial Report for May, stating that the financial performance for the month was good and compared favorably to the budget. The Gross Profit for the month was \$81,650.00, pointing out that the Water Costs were under budget by \$3,372.87. The Net Income for the month was \$39,039.88. Director Gross moved to approve the report as presented. Vice President Carey seconded the motion. Motion carried.

Sanford asked the board for opinions on the Healthy at Work requirements and reopening the office. After much discussion concerning the current work routines that have been implemented, noting that the operations of the Association haven't been negatively impacted, all agreed to keep the office door closed to the public as the gradual reopening begins throughout the state. Sanford noted that opening the office would require temperature checks, documentation for contact tracing and masks for any person entering the building. All agreed to discuss the reopening on a month to month basis.

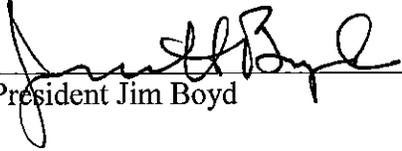
Sanford asked if there were comments about the Non-Revenue Water information that was emailed prior to the meeting. Sanford stated that the Non-Revenue Water for the most recent billing period was 16 percent and that efforts are ongoing within the KY 33 hydraulic zone. All agreed that the work being done by staff was reduce the loss percentage was great and very beneficial.

Sanford stated that Coleman Clark is in his second week and is doing a great job helping in the field. Sanford went on to note that the deadline to apply for the position in Maintenance is June 12<sup>th</sup>.

In an effort to plan, Dienst inquired whether the board would proceed into design on the next phase of improvements included in the PER once Contract 14 construction begins. Sanford stated that he will work with Dienst on the next steps in order for planning to take place.

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Director Gross moved to adjourn the meeting. Vice President Carey seconded the motion. Meeting adjourned.

  
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President Jim Boyd

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Secretary/Treasurer Earl Campbell

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June 9, 2020

A Special Called Membership Meeting of the Lake Village Water Association, Inc. was held at 12:00 p.m. on the 9th day of June, 2020 via Zoom Webinar. The meeting was held via Zoom due to the restrictions regarding public gatherings as a result of the COVID-19 pandemic.

The purpose of the meeting is to discuss the proposed Contract 14 Water Distribution System Improvement Project and to adopt a loan resolution authorizing the borrowing of funds and pledging of assets to construct the project. Sanford stated that the project will replace 40,660 LF of 8-inch, 1,309 LF of 6-inch, 6,160 LF of 4-inch and 7,228 LF of 3-inch PVC and 223 LF of 8-inch and 228 LF of 4-inch HDPE water line. The project will be funded by a USDA, Rural Development loan in the amount of \$2,089,290, financed for 40 years with a 2.375% interest rate.

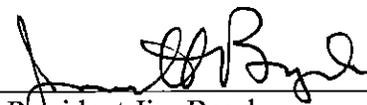
Sanford presented the Resolution of Members or Stockholders for consideration and execution by the board. The resolution states that the Association would like to obtain a loan in the amount of \$2,089,290 to construct the project, pledge all assets and also certifies that there are 2,537 members of the Association as of the date of execution, of which three were present and voting. Vice President Carey moved to authorize execution of the resolution. Director Gross seconded the motion. Motion carried.

Sanford presented the Loan Resolution Security Agreement for consideration and execution by the board. The three board members present voted to approve and execute the agreement, there were no votes against the execution of the agreement and there were two board members absent from meeting, as indicated in the document. Vice President Carey moved to approve the agreement as presented and authorize execution of the agreement. Director Gross seconded the motion. Motion carried.

Sanford presented the following documents for consideration and execution and upon review of the documents President Boyd moved to approve and execute each document. Director Gross seconded the motion. Motion carried.

- Application Certification Federal Collection Policies for Consumer or Commercial Debts
- Resolution Adopting Environmental Mitigation Measures
- Assurance Regarding Felony Conviction Form AD-3030
- Equal Opportunity Agreement

Vice President Carey moved to adjourn the meeting. Director Gross seconded the motion. Meeting adjourned.

  
\_\_\_\_\_  
President Jim Boyd

\_\_\_\_\_  
Secretary/Treasurer Earl Campbell

**Lake Village Water Association, Inc.**  
**801 Pleasant Hill Drive**  
**Post Office Box 303**  
**Burgin, Kentucky 40310**

July 14, 2020

The regular monthly meeting of the Lake Village Water Association, Inc. was held at 12:00 p.m. on the 14th day of July 2020 via Zoom Webinar due to the restrictions regarding public gatherings as a result of the COVID-19 pandemic.

President Boyd called the meeting to order. Also present was Vice President Kenny Carey, Director Andrea Gross, Chris Tucker, Liz Dienst, Mike Sanford and Rita Monson.

President Boyd declared two Director positions vacant due to the passing of Secretary/Treasurer Earl Campbell and Director Earl Camic. President Boyd asked the group for recommendations to be discussed at the August board meeting.

Vice President Carey moved to nominate Director Gross to the Secretary/Treasurer position. Director Gross agreed to serve as an officer. President Boyd seconded the motion. Motion carried. Sanford noted that Director Gross will need to be added to the bank accounts at Farmers National Bank. Sanford stated that he will prepare the proper documents to remove Secretary/Treasurer Campbell from the accounts and add Director Gross.

Director Gross moved to approve the minutes from the June 9, 2020 meeting as presented. Vice President Carey seconded the motion.

Vice President Carey moved to approve the invoices as presented. Director Gross seconded the motion. Motion carried.

Sanford presented the Financial Report for June, stating that the financial performance for the month was good and compared favorably to the budget. The Gross Profit for the month was \$85,991.85, pointing out that the Water Costs were under budget by \$1,184.26. The Net Income for the month was \$20,027.84. Dienst asked about outstanding Contract 14 invoices. Sanford stated that he is trying to get them paid and that payment in full is a priority. Sanford stated that he hoped to pay in full in a couple of months. President Boyd asked if there was an update to the rate increase. Sanford stated that the increase will not go into effect until the construction application has been approved by the Public Service Commission. Sanford went on to note that there are not many applications going to the Commission for construction approval and rate increases. Sanford noted that the board's position thus far has been to wait and see what happens with the pandemic and the economy. Sanford stated that he will reach out to RD and PSC for comment. Director Gross moved to approve the report as presented. Vice President Carey seconded the motion. Motion carried.

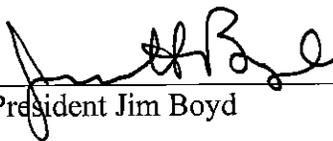
Sanford asked the board for opinions on the Healthy at Work requirements and reopening the office. All agreed to keep the office closed at this time and continue operating as we have been since March. All agreed to discuss the reopening on a month to month basis.

Sanford stated that the Non-Revenue Water percentage for the most recent billing period was 17% and that the Association purchased 15,655,058 gallons, selling 12,547,600 gallons. President Boyd asked if the percentage took into consideration flushing and known leaks. Sanford confirmed that the Non-Revenue Water percentage did not include the leak figures, but leak figures are kept separately. Sanford stated that beginning in July, the leak information for the billing usage period will also be included on the report. President Boyd stated that he liked having the unaccounted water volume as well.

Sanford stated that due to the COVID-19 pandemic, the Contract 14 Project is slightly delayed and that the KRWFC loan payoff date needs to be extended. Sanford noted that Kristen Milliard who works to administer the program recommended that we go out further than we think we will need and include a clause that states that the loan can be paid in full early without penalty. Sanford stated that Milliard suggested 12 months and that he agreed. All agreed to follow the recommendation of KRWFC on the extension.

Tucker reported to the board that the Water Purchase Contract with the City of Danville had to be extended to 2061 due to the forty-year RD loan term. Tucker noted that the contract amendment was approved by the Danville City Commission on June 8, 2020. Tucker also noted that all of the deeds for the Contract 14 easements have been obtained and that the documents will be prepared in the coming weeks.

Vice President Carey moved to adjourn the meeting. Secretary/Treasurer Gross seconded the motion. Meeting adjourned.



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President Jim Boyd



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Secretary/Treasurer Andrea Gross

**Lake Village Water Association, Inc.  
801 Pleasant Hill Drive  
Post Office Box 303  
Burgin, Kentucky 40310**

July 30, 2020

A Special Called Meeting of the Lake Village Water Association, Inc. was held at 11:00 a.m. on the 30th day of July 2020 via Zoom Webinar. The meeting was held via Zoom due to the restrictions regarding public gatherings as a result of the COVID-19 pandemic.

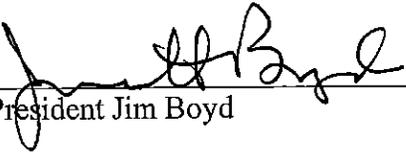
The purpose of the meeting is to authorize the following resolution and authorize execution of the Assistance Agreement with the Kentucky Rural Water Finance Corporation:

**RESOLUTION OF THE LAKE VILLAGE WATER ASSOCIATION, INC. APPROVING AND AUTHORIZING AN ASSISTANCE AGREEMENT WITH THE KENTUCKY RURAL WATER FINANCE CORPORATION FOR THE PURPOSE OF REFINANCING AND CURRENTLY REFUNDING CERTAIN OBLIGATIONS OF THE ASSOCIATION**

Vice President Carey moved to pass the resolution as presented by Sanford. Secretary/Treasurer Gross seconded the motion. Motion carried. A copy of the resolution is attached.

Secretary/Treasurer Gross moved to approve the Assistance Agreement with the KRWFC and to authorize execution of the agreement. Vice President Carey seconded the motion. Motion carried

Secretary/Treasurer Gross moved to adjourn the meeting. Vice President Carey seconded the motion. Meeting adjourned.

  
\_\_\_\_\_  
President Jim Boyd

  
\_\_\_\_\_  
Secretary/Treasurer Andrea Gross

## RESOLUTION

### RESOLUTION OF THE LAKE VILLAGE WATER ASSOCIATION, INC. APPROVING AND AUTHORIZING AN ASSISTANCE AGREEMENT WITH THE KENTUCKY RURAL WATER FINANCE CORPORATION FOR THE PURPOSE OF REFINANCING AND CURRENTLY REFUNDING CERTAIN OBLIGATIONS OF THE ASSOCIATION

**WHEREAS**, the Board of Directors (“Governing Authority”) of the Lake Village Water Association, Inc. (the “Association”) has previously determined that it is in the public interest to refinance and currently refund the following loan in anticipation of the issuance of long-term bonds:

Loan in the amount of \$101,000, dated October 11, 2018, maturing August 1, 2020, to the Lake Village Water Association, Inc. from the Kentucky Rural Water Finance Corporation Flexible Term Finance Program (the “Refunded Loan”).

**WHEREAS**, the proceeds of the Refunded Loan were used to make improvements and extensions to the Association’s water system (the “System”);

**WHEREAS**, the Association desires the Kentucky Rural Water Finance Corporation (the “Corporation”) to act as its agency and instrumentality for the purpose of providing monies to finance the cost to refinance and currently refund the outstanding Refunded Loan and has made an application to the Corporation therefore; and

**WHEREAS**, in order to obtain such monies, the Association is required to enter into an Assistance Agreement with the Corporation;

**NOW, THEREFORE, BE IT RESOLVED** by the Governing Authority of the Lake Village Water Association, Inc., as follows:

**1. Authorization of Assistance Agreement and the Loan Thereunder.** To pay the costs, not otherwise provided, to refinance and currently refund the Refunded Loan, the Association hereby authorizes and approves the issuance of its loan pursuant to the Assistance Agreement in the maximum principal amount of \$104,000 (subject to adjustment plus or minus ten percent (10%)[the “Loan”], which amount as adjusted shall be the maximum principal amount of such Loan to be outstanding at any one time under the Assistance Agreement, issued as a fully registered Loan, in said maturities and terms as more fully provided for in the Assistance Agreement. The Loan shall bear interest at such rates and shall be payable in such amounts and at such times as specified in the Assistance Agreement, all as agreed upon by the Association and the Corporation.

**2. Approval and Authorization of Execution of Assistance Agreement.** The Assistance Agreement by and between the Association and the Corporation in such form as may

be approved by the President, is hereby approved, subject to such minor changes, changes of dates, insertions or omissions as may be approved by the President, such approval to be conclusively evidenced by the execution of said Assistance Agreement, in order to effectuate the purposes of this Resolution; and the President, or any other officer of the Association, is hereby authorized to execute and acknowledge same for and on behalf of the Association; and the Secretary is authorized to attest same. The Assistance Agreement is hereby ordered to be filed in the office of the Secretary with this Resolution in the official records of the Association.

**3. Disbursement of Proceeds of Loan.** The Association's officers, employees and agents are authorized to carry out the procedures specified in the Assistance Agreement for the financing of the refunding of the Refunded Loan and for the payment from time to time of the costs and related expenses associated therewith.

**4. Revenues of the System.** The revenues of the Association's System are determined to be sufficient to pay the principal of and interest on the Loan, as the same become due and payable; and said revenues, pursuant to the terms of the Assistance Agreement, are hereby pledged to secure all such payments, and in addition, for such other purposes as are more fully specified in the Assistance Agreement.

**5. President and Other Association Officials to Take Any Other Necessary Action.** Pursuant to the Constitution and Laws of the Commonwealth of Kentucky, the President, the Treasurer, the Secretary and all other appropriate officials of the Association are hereby authorized and directed to file any and all applications necessary to obtain approval of the issuance of the Loan from the Kentucky Public Service Commission, if necessary, and to take any and all further action and to execute and deliver all other documents as may be reasonably necessary to effect the issuance and delivery of the Loan and the Assistance Agreement.

**6. Severability Clause.** If any section, paragraph, clause or provision of this Resolution shall be ruled by any court of competent jurisdiction to be invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions hereof.

**7. Captions of Clauses.** The captions of this Resolution are for convenience only and are not to be construed as part of this Resolution nor as defining or limiting in any way the scope or intent of the provisions hereof.

**8. Provisions in Conflict Repealed.** All resolutions and orders, or parts thereof, in conflict with the provisions of this Resolution, are, to the extent of such conflict, hereby repealed.

**9. Effective Date of Resolution.** This Resolution shall take effect from and after its adoption and approval.

*[Signature Page Follows]*

Adopted on July 30, 2020.

LAKE VILLAGE WATER  
ASSOCIATION, INC.

By \_\_\_\_\_  
President

Attest:

By \_\_\_\_\_  
Secretary

**CERTIFICATE**

I, the undersigned, hereby certify that I am the duly qualified and acting Secretary of the Lake Village Water Association, Inc.; that the foregoing is a full, true and correct copy of a Resolution adopted by the Governing Authority of the Lake Village Water Association, Inc. at a meeting duly held on July 30, 2020; that said official action appears as a matter of public record in the official records or Journal of the Governing Authority; that said meeting was held in accordance with all applicable requirements of Kentucky law, including KRS 61.810, 61.815, 61.820 and 61.823; that a quorum was present at said meeting; that said official action has not been modified, amended, revoked or repealed and is now in full force and effect.

IN TESTIMONY WHEREOF, witness my signature this July 30, 2020.

\_\_\_\_\_  
Secretary

**Lake Village Water Association, Inc.  
801 Pleasant Hill Drive  
Post Office Box 303  
Burgin, Kentucky 40310**

August 11, 2020

The regular monthly meeting of the Lake Village Water Association, Inc. was held at 12:00 p.m. on the 11th day of August 2020 via Zoom Webinar due to the restrictions regarding public gatherings as a result of the COVID-19 pandemic.

President Boyd called the meeting to order. Also present was Vice President Kenny Carey, Director Andrea Gross, Chris Tucker, Liz Dienst, Mike Sanford, Rita Monson, Craig Butler and Chad Robinson.

Butler presented the financial audit for 2019, stating that the financial performance of the Association improved from the previous year and that the operations yielded a positive net income for 2019. Butler noted that the records were organized, well-kept and that the information was provided in a timely manner and as always, the Association staff were great to work with.

Vice President Carey moved to approve the minutes from the July 14, 2020 meeting as presented. Secretary/Treasurer Gross seconded the motion.

Secretary/Treasurer Gross moved to approve the invoices as presented. Vice President Carey seconded the motion. Motion carried.

Sanford presented the Financial Report for July, stating that the financial performance for the month was good and compared favorably to the budget. The Gross Profit for the month was \$105,638.95, pointing out that the Water Costs were under budget by \$3,463.78. The Net Income for the month was a loss of \$14,099.18 due annual debt service payments. Sanford concluded by stating that the Association's Net Income for the year compared favorably to the budget. Secretary/Treasurer Gross moved to approve the report as presented. Vice President Carey seconded the motion. Motion carried.

Sanford stated that the Non-Revenue Water percentage for the most recent billing period was 11% and that the Association purchased 17,699,721 gallons, selling 15,513,700 gallons. Sanford went to note that approximately 1,400,000 can be accounted for through known leak repairs and flushing, leaving approximately 3% that cannot be accounted for. Sanford stated that the usage figures are fantastic and commended the staff for the hard work being done to manage the water system.

Sanford stated that the office is still closed due to the pandemic and will remain closed at this time. Sanford questioned the board about whether their positions had changed. All agreed to keep the office locked and continue to operate as we have been.

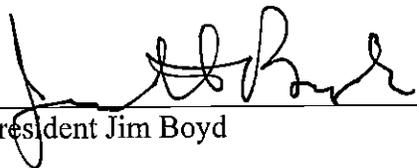
Sanford stated that the visit with Congressman Guthrie and staff went well and it was great to discuss the Association and the Contract 14 Project with the group. Tucker stated that he has been able to acquire the necessary deeds to begin drafting the easements for the project. Sanford presented a proposed schedule that he and Dienst prepared, which placed the new rates in place and construction commencing at or around January 1, 2021 pending PSC approval. Sanford went on to note that any delay in the schedule will just push the schedule out. Sanford reiterated that everyone is conscious of the timing of the rate increase due to the pandemic. Dienst stated that RD will likely not approve the commencement of construction without the rates in place. Sanford concurred. President Boyd recommended approving the schedule as presented by Sanford and to also allow Sanford to make any adjustments necessary to accommodate the project. Vice President Carey moved to approve the schedule as presented. Secretary/Treasurer Gross asked if we could revisit the schedule if something came up in regard to the pandemic. Dienst stated that the bids can be held a maximum of 85 days. Secretary/Treasurer Gross stated that if everyone else is good with the schedule, she is as well and seconded the motion. Motion carried. Sanford clarified that the motion is not a motion to bid and simply gives the project and the team direction. Sanford stated that he will provide the schedule and proposed rates to the board members via email after the meeting.

Sanford informed the board that the City of Harrodsburg has filed an application with the Public Service Commission to raise the wholesale purchase rate by 2.3% due to the cost of living. Sanford stated that the impact to the Association is approximately \$3,600 annually. Sanford went to note that he was unable to locate the application on the PSC docket but would confirm that the application was submitted. Sanford reminded the group that the city raised rates last fall by 20%.

Vice President Carey moved to enter into executive session to discuss the vacant Director positions on the board. Secretary/Treasurer Gross seconded the motion. Motion carried.

The board returned to regular session at 2:50 pm and no action was taken.

Vice President Carey moved to adjourn the meeting. President Boyd seconded the motion. Meeting adjourned.

  
\_\_\_\_\_  
President Jim Boyd

  
\_\_\_\_\_  
Secretary/Treasurer Andrea Gross

**Lake Village Water Association, Inc.**  
**801 Pleasant Hill Drive**  
**Post Office Box 303**  
**Burgin, Kentucky 40310**

The regular monthly meeting of the Lake Village Water Association, Inc. was held at 12:00 p.m. on the 8th day of September 2020.

President Boyd called the meeting to order. Also present was Vice President Kenny Carey, Secretary/Treasurer Andrea Gross, Attorney Chris Tucker, Mike Sanford and Rita Monson.

Vice President Carey moved to approve the minutes from the August 11, 2020 meeting as presented. Secretary/Treasurer Gross seconded the motion.

Secretary/Treasurer Gross moved to approve the invoices as presented. Vice President Carey seconded the motion. Motion carried.

Sanford presented the Financial Report for August, stating that the financial performance for the month was good and compared favorably to the budget. The Gross Profit for the month was \$96,484.30, pointing out that the Water Costs were under budget by \$5,640.23. The Net Income for the month was \$51,037.84. Sanford concluded by stating that the Association's Net Income for the year was approximately \$33,000 ahead of the year to date budget. Secretary/Treasurer Gross moved to approve the report as presented. Vice President Carey seconded the motion. Motion carried.

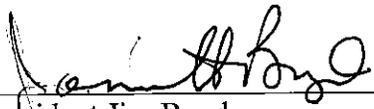
Sanford stated that the Non-Revenue Water percentage for the most recent billing period was 16% and that the Association purchased 16,630,187 gallons, selling 13,749,500 gallons. Sanford went on to note that approximately 1,598,000 can be accounted for through known leak repairs and flushing, leaving approximately 6% that cannot be accounted for. Sanford stated that the usage figures are good and commended the staff for the hard work being done to maintain the water system.

Sanford stated that the board needed to make a contribution to the employee SEP account for 2019. Sanford stated that for 2018, the contribution to his account was not made due to cash flow issues, but fortunately he was able to make the contribution for the other staff. All agreed that Sanford's contribution should be made up somehow. Sanford stated that he will check into how the excess contribution will affect his taxes since the contribution limit would be exceeded. Sanford stated that he will check into it and report back to the board. Sanford presented the contribution amounts ranging from 4% to 10% of the total salaries for 2019. Sanford stated that 4.5% was budgeted in 2019. President Boyd stated that it has always been the board's goal to contribute as much as possible to employee retirement and that in most instances the Association has been able to contribute 10% of the employee's total salary. Sanford noted that the total contribution for 2018 was \$30,000. Vice President Carey moved to contribute 10% of the 2019 salary for each employee, totaling \$33,440.27. Secretary/Treasurer Gross seconded the motion. Motion carried.

Sanford stated that he has received the easement documents from Tucker for Contract 14 and will begin scheduling meetings with the necessary property owners.

Sanford reminded the board that a discussion concerning the bylaw amendment regarding the election process needs to be had before the 2020 election process begins. Sanford provided Tucker with a copy of the bylaws.

Vice President Carey moved to adjourn the meeting. Secretary/Treasurer Gross seconded the motion. Meeting adjourned.

  
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President Jim Boyd

  
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Secretary/Treasurer Andrea Gross

**Lake Village Water Association, Inc.**  
**801 Pleasant Hill Drive**  
**Post Office Box 303**  
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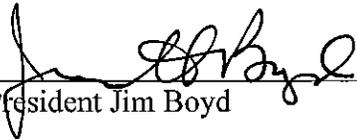
A special called meeting of the Lake Village Water Association, Inc. was held at 3:30 p.m. on the 9th day of September 2020 to review and discuss the vacancies on the Board of Directors.

President Boyd called the meeting to order. Also present was Vice President Kenny Carey, Secretary/Treasurer Andrea Gross and Mike Sanford.

After meeting with the prospective candidates to fill the two vacancies on the board, Vice President Carey moved to nominate Mr. Thomas Hager to fill the remaining term of Secretary/Treasurer Earl Campbell, expiring in 2021. Secretary/Treasurer Gross seconded the motion. Motion carried.

Vice President Carey moved to nominate Mr. Jeff Hughes to fill the remaining term of Director Earl Camic, expiring in 2022. Secretary/Treasurer Gross seconded the motion. Motion carried.

Secretary/Treasurer Gross moved to adjourn the meeting at 4:15 pm. Vice President Carey seconded the motion. Motion carried.

  
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President Jim Boyd

  
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Secretary/Treasurer Andrea Gross

**Lake Village Water Association, Inc.**  
**801 Pleasant Hill Drive**  
**Post Office Box 303**  
**Burgin, Kentucky 40310**

The regular monthly meeting of the Lake Village Water Association, Inc. was held at 12:00 p.m. on the 13th day of October 2020.

President Boyd called the meeting to order. Also present was Vice President Kenny Carey, Secretary/Treasurer Andrea Gross, Jeff Hughes, Thomas Hager, Attorney Chris Tucker, Liz Dienst, Mike Sanford and Rita Monson.

President Boyd welcomed Jeff Hughes and Thomas Hager to the meeting. Vice President Carey moved to appoint Hughes and Hager to the Board of Directors. Secretary/Treasurer Gross seconded the motion. Motion carried.

Secretary/Treasurer Gross moved to approve the minutes from the September 8, 2020 meeting as presented. Vice President Carey seconded the motion.

Vice President Carey moved to approve the invoices as presented. Secretary/Treasurer Gross seconded the motion. Motion carried.

Sanford presented the Financial Report for September, stating that the financial performance for the month was good and compared favorably to the budget. The Gross Profit for the month was \$93,009.19, pointing out that the Water Costs were almost exactly the budget amount for the month at \$426.12 over budget. The Net Income for the month was \$26,084.96. Sanford concluded by stating that the Association's Net Income for the year was \$18,157.42. Secretary/Treasurer Gross moved to approve the report as presented. Vice President Carey seconded the motion. Motion carried.

Sanford stated that the Non-Revenue Water percentage for the most recent billing period was 18% and that the Association purchased 18,523,477 gallons, selling 14,871,100 gallons. Sanford went on to note that approximately 1,807,200 can be accounted for through known leak repairs and flushing, leaving approximately 8% that cannot be accounted for. Sanford stated that the percentage increased by 2% from the month previous month. President Boyd inquired about whether the meter calibration program was being done. Sanford stated that staff are constantly changing out meters to ensure accurate flow and charges and to comply with the 10 year change out requirement. Sanford went on to state that the change out schedule runs a couple of years behind but is ongoing all of the time. Director Hughes inquired about the number of meters that have been switched to new technology. Sanford stated that approximately 700 IPerl had been placed into service and that several hundred more will be changed out going forward. Sanford went on to state that the Association purchased 1,500 used radio read kits from the City of Danville after the city's change out was complete. Vice-President Carey inquired about the amount of time it takes to change a meter to radio read. Sanford asked Colby Harper to comment. Harper stated a couple minutes per meter due to the paperwork and that there is enough radio read kits to convert the entire system over. President Boyd noted that having the meters on radio read is much safer than touch read.

**Lake Village Water Association, Inc.  
801 Pleasant Hill Drive  
Post Office Box 303  
Burgin, Kentucky 40310**

language that allowed for the election to be completed electronically. All agreed with the recommendation made by Director Hughes.

President Boyd asked for input on whether to meet in person or via Zoom for the November meeting. All agreed to meet using Zoom.

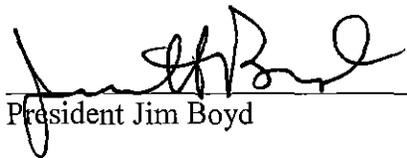
Sanford informed the board that he had been working with Kevin Cooley and Steve Kiesler on the Gwinn Island Marina service line and that the request from Cooley last year to relocate the meter serving the marina has been completed due to the lack of easement. Sanford stated that Cooley does not have easement that can be transferred to the Association for the existing water service line and unless Kiesler signs an easement to the Association the meter cannot be moved. Sanford noted that executing an easement to the Association would restrict the only land that isn't already restricted by other easements and setbacks. Sanford questioned whether the board would like additional action taken at this time. All agreed that there was not anything else that can be done.

Sanford stated that all 21 Lead and Copper samples were well under the EPA Action Level and that all property owners will be notified of the results. Director Hughes asked how the sites were chosen. Sanford stated that the sites are approved by the Division of Water based on specific criteria and that the sites have been in place for many years and sampled many times.

Secretary/Treasurer Gross inquired about whether there was an update to the low pressure caused by the Northpoint tank filling. Sanford stated that we are doing the best we can at the moment and that we will be looking at options with Contract 14.

The next meeting is scheduled for November 10<sup>th</sup> at 12:00 pm via Zoom.

Director Hager moved to adjourn the meeting. Director Hughes seconded the motion. Meeting adjourned.

  
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President Jim Boyd

  
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Secretary/Treasurer Andrea Gross

**Lake Village Water Association, Inc.**  
**801 Pleasant Hill Drive**  
**Post Office Box 303**  
**Burkin, Kentucky 40310**

The regular monthly meeting of the Lake Village Water Association, Inc. was held at 12:00 p.m. on the 10th day of November 2020 via Zoom webinar.

President Boyd called the meeting to order. Present: Vice President Kenny Carey, Secretary/Treasurer Andrea Gross, Director Jeff Hughes, Director Thomas Hager, Attorney Chris Tucker, Liz Dienst, Mike Sanford and Rita Monson.

Secretary/Treasurer Gross moved to approve the minutes from the October 13, 2020 meeting as presented. Vice President Carey seconded the motion.

Vice President Carey moved to approve the invoices as presented. Secretary/Treasurer Gross seconded the motion. Motion carried.

Sanford presented the Financial Report for October, stating that the financial performance for the month was good and compared favorably to the budget. Sanford provided detail of the monthly income and expenses, stating that the Gross Profit for the month was \$74,507.61, pointing out that the Water Costs were slightly over budget exceeding by \$1,333.07. Sanford went on to report the Net Income for the month was \$22,571.07. Sanford concluded by stating that the year-to-date Net Income is \$40,703.48. Secretary/Treasurer Gross moved to approve the report as presented. Vice President Carey seconded the motion. Motion carried.

Sanford provided the board with the Non-Revenue Water calculations for October, stating that the Association purchased 15,859,447 gallons and sold 12,375,200 gallons, resulting in 21% of Non-Revenue Water for the month. Sanford concluded by stating that staff can account for 1,830,000 gallons from repaired leaks and flushing throughout the month, lowering the percentage to 10% for unknown loss.

Sanford provided an update to the board regarding the customer payment arrangements set forth in PSC Case No. 2020-00085. Sanford stated that last month there were 24 accounts that needed payment arrangements and that staff were able to reach everyone and get plans in place for each account. Sanford went on to note that the 19<sup>th</sup> Hole Restaurant paid a \$2,000 down payment and set the account up on a 9-month payment plan. Sanford went on to note that Quality Inn made a payment in the amount of \$2,367 and the check was returned for insufficient funds. Sanford reported that the owner did respond to the call to cover the check immediately and made a credit card payment to cover the check. Sanford went on to note that the owner agreed to a 6-month payment plan in order to keep the account in good-standing. Lastly, Sanford pointed out that 6 accounts paid in full, 6 accounts paid the past due balance and 12 entered into a payment arrangement.

Sanford provided an update on the Contract 14 System Improvement Project, stating that easements are being obtained and that there are 5 easements remaining. Sanford pointed out that for each of the five easements, there is an existing easement which can be used if need be. Dienst discussed project bidding and recommended advertising for bids after the holidays, with a

**Lake Village Water Association, Inc.**  
**801 Pleasant Hill Drive**  
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**Burkin, Kentucky 40310**

release date of January 12, 2021. Dienst stated that bids will be opened February 2<sup>nd</sup>, ahead of the February 9<sup>th</sup> monthly board meeting and lastly the application can be submitted to the Public Service Commission with an anticipated approval of March 11<sup>th</sup>. Dienst stated that the proposed schedule will allow for construction to begin in spring and conclude in late 2021. Sanford reminded the board that the project was placed on hold due to the pandemic and loss of board members, but that the project needs to move forward. Director Hughes asked if the bids will be opened in February. Dienst stated that the bid opening will be held electronically and that the apparent low bidder will be known after each of the bids are opened. Director Hughes asked if there was an idea of how many bidders to expect. Dienst stated that there is usually good participation on the water main projects. Sanford stated that the total project cost is \$2,089,290 and that the actual construction cost is approximately \$1,500,000 with 10% contingency included in the budget.

Dienst provided an overview of the rate making process for the funding package, stating that the board was given 10%, 15% and 20% rate increase options and budget summaries reflective of each of them. Dienst went on to note that the board moved to accept the 10% increase option which allows for the Association to meet the new debt service requirement in the amount of \$82,108 annually, meet all reserve account requirements and operate with a positive Net Income for a span of 5 years with annually percentage increases in expenses.

Secretary/Treasurer Gross pointed that the board discussed 5 years between increases and that the most recent increase was in 2016. Sanford stated that he met with Joe Burns from the Kentucky Rural Water Association and that Burns stated that the Commission will approve the rates set forth in the RD Letter of Conditions per statute, but will likely require the Association to file an Alternate Rate Filing application within 12 months allowing the Commission to ensure that the rates are adequate to meet the operations of the Association. Director Hughes pointed out that the water loss will be reduced after the new mains went into service and the old mains are abandoned, resulting in additional revenue as well. Director Hughes went on to state that the rates should be looked at annually.

Director Hager questioned how the rates compare to other utilities in the area. Sanford stated that the Bluegrass Area Development District Water Management Coordinator compiles an annual rate book consisting of the utilities and municipalities throughout the 17 county Bluegrass region. Sanford went on to state that the Association's rates fall in the middle of the group for the ADD and that there are as utilities with higher rates and many with lower. Sanford added that the Association purchases all water from the City of Danville and the City of Harrodsburg and that rate increases from the cities increase the rate for the Association as well. Secretary/Treasurer Gross asked when the new rates would go in to affect. Sanford stated that with PSC approval the rates would go into effect in April of 2021.

Director Hager moved to request authorization to bid from Rural Development. Director Hughes seconded the motion. Motion carried. Director Hughes commended Dienst and Sanford for the work on the project. Director Hager thanked Dienst and Sanford the information on the project.

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Tucker presented the board with proposed amendments to the bylaws that included changing the date and location of the annual meeting, defining the election process to include procedures to follow when no nominations are received and only the sitting Director is running for reelection. Tucker also presented language related to determining a tie vote in the election, stating that the sitting Board of Directors who are not up for reelection shall cast the deciding vote and at their discretion, may interview the candidate prior to casting the deciding vote. Vice President Kenny Carey moved to accept the proposed amendments as presented by Tucker. Secretary/Treasurer Gross seconded the motion. Motion carried. Attached is a copy of the proposed amendments for Article VII and Article XIV.

The next meeting is scheduled for December 8<sup>th</sup> at 12:00 pm via Zoom.

Director Hager moved to adjourn the meeting. Director Hughes seconded the motion. Meeting adjourned.

  
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President Jim Boyd

  
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Secretary/Treasurer Andrea Gross

Pursuant to Article XIII of the By-Laws of The Lake Village Water Association, Inc., the following amendments were made by the Board of Directors at the regular meeting held on November 10, 2020. Said amendments were made under proper motion and second, a passed by unanimous vote of the Board of Directors.

## ARTICLE VII

### MEETINGS OF MEMBERS:

Article VII, Section 1. The annual meeting of the members of this corporation shall be held at the Lake Village Water Association office located at 800 Pleasant Hill Drive, Burgin, Kentucky 40310, at 12:00 p.m., on the second Tuesday in April of each year.

## ARTICLE XIV

### BOARD OF DIRECTORS ELECTION:

SECTION 1. In the year in which the three (3) year term of any director is set to expire, all members shall receive notice of the expiration of the current Director's term in February of the election year. The notice may include the sitting Board of Directors' nomination for the Director Position. The notice shall provide all members the opportunity to nominate a person for the expiring Director position and shall provide a deadline for the return of member nominations.

SECTION 2. If there are two or more nominations under Article XIV, Section 1, and the nominees are qualified pursuant to these by-laws AND accept the nomination, election ballots shall be sent to all members in March of the election year. A deadline for the return of the election ballots shall be included with the election ballots. After the deadline for receipt of the election ballots passes, the ballots shall be counted and certified by the Lake Village Board of Directors' attorney. Election results shall be announced at the annual meeting and the person with the most votes shall take the position of director at the Annual Meeting in April of the election year. In the event of a tie, the sitting Board of Directors who are not up for election in the current year, shall cast the deciding vote. The sitting Board of Directors who are not up for election in the current year, may, at their discretion, interview each candidate prior to casting the deciding vote.

SECTION 3: In the event there are no nominations received by any member prior to the nomination deadline, or in the event a member nominee is either not qualified under these by-laws or is qualified and declines the member nomination in writing, the nominee of the Board of Directors shall be named to the expiring Director's term, and no election ballots will be sent to the members.

SECTION 4: The Lake Village Water Association currently conducts the Board of Directors Election by way of paper ballots sent to all members. The Lake Village Water Association may, at their discretion, conduct the Board of Directors elections by way of on-line or electronic voting should the technology become available to allow each member of the Association to vote on-line or electronically.

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The regular monthly meeting of the Lake Village Water Association, Inc. was held at 12:00 p.m. on the 8th day of December 2020 via Zoom webinar.

President Boyd called the meeting to order. Present: Vice President Kenny Carey, Secretary/Treasurer Andrea Gross, Director Jeff Hughes, Director Thomas Hager, Attorney Chris Tucker, Liz Dienst, Mike Sanford and Rita Monson.

Vice President Carey moved to approve the minutes from the November 10, 2020 meeting as presented. Director Hughes seconded the motion. Motion carried.

Secretary/Treasurer Gross moved to approve the invoices as presented. Director Hager seconded the motion. Motion carried.

Sanford presented the Financial Report for November, stating that the financial performance for the month was good and compared favorably to the budget. Sanford provided detail of the monthly income and expenses, stating that the Gross Profit for the month was \$74,271.71, pointing out that the Water Costs were slightly over budget exceeding by \$2,032.83. Sanford went on to report that the Net Income for the month was a loss of \$23,052.03 due to the \$49,038 debt service payment. Sanford concluded by stating that the year-to-date Net Income is \$13,792.35.

Sanford provided the board with the Non-Revenue Water calculations for November, stating that the Association purchased 16,118,033 gallons and sold 13,565,400 gallons, resulting in 14% of Non-Revenue Water for the month. Sanford concluded by stating that staff can account for 1,675,900 gallons from repaired leaks and flushing throughout the month, lowering the percentage to 4% for unknown loss. Sanford stated that he will be working with staff to set the goal for 2021. Sanford went on to remind the board that in January the Non-Revenue Water percentage was 48% and that lots of progress has been made over the past twelve months to locate the leaks that began causing the problems.

Sanford presented a draft of the 2021 Operating Budget for consideration by the board. Sanford reviewed each line item of the Income and Expense portions of the budget in detail, offering an explanation on each figure. Sanford noted that the proposed budget includes a 10% rate increase effective 3/1/21 and also that the PSC reinstated penalties effective 12/31/20. Another item that will be discussed in the coming months will be an increase to the Mercer County Sanitation District for services provided. Sanford stated that water costs are reduced slightly from 2020 and that he is still working with staff to set the goal for the upcoming year. Director Hager noted that the budget is pretty tight and water costs isn't an area that we should stretch too much, maybe include a figure that is reasonable. Sanford covered the plan to continue leak detection within the distribution system to include double checking valves and possible overnight work to assess the system. Sanford stated that the budget includes no increase to the Director fee. President Boyd questioned the group about whether to entertain a discussion concerning the monthly fee or whether to keep the fee the same through 2021 and take a look

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next year. All agreed that waiting until 2021 was good. Sanford finished reviewing the rest of the budget. Vice President Carey stated that Sanford did a good job on the budget and presentation. With no further comments, Director Hager moved to adopt the budget as presented by Sanford. Secretary/Treasurer Gross seconded the motion. Motion carried.

Sanford stated that in January he will be able to provide an update on how well customers on payment plans have been able to adhere to the terms. Sanford stated that most of the plans have a due date of December 15<sup>th</sup> for the first payment. Sanford went on to note that the Team Kentucky Fund has been providing assistance to several customers. Lastly, Sanford noted that The 19<sup>th</sup> Hole and Quality Inn are current on their payment plans.

Sanford provided an update on Contract 14, stating that the Request to Bid is ready to submit to Rural Development. Sanford presented RD Form 442-21, Right-of-Way Certificate, to certify that all necessary right-of-way has been obtained. Sanford stated that there are 5 easements that he is still trying to acquire, but that there is an existing easement that can be used if the easements aren't obtained. Vice President Carey moved to authorize President Boyd to execute RD Form 442-21. Director Hughes seconded the motion. Motion carried.

Sanford stated that each year the board considers a Christmas bonus for all staff and that last the year the staff received \$600 each. President Boyd requested comments from the board regarding Christmas bonuses this year. Vice President Carey moved to present the staff with \$600 this year as well. Director Hager seconded the motion. Motion carried.

Sanford initiated a discussion regarding residential pressure boosters within the distribution system. Sanford stated that when the Northpoint Tank is filling, certain higher elevation customers within the KY 33 zone experience a significant drop in pressure that lasts for the entire time period that it takes to fill the tank, usually 14-15 hours every three days. Sanford went on to state that the required pressure range as established by PSC statute is a minimum of 30 psi and maximum of 150 psi. Sanford stated that a customer located on Shakertown Road had pressure at the meter that was within the PSC range but wanted to increase the pressure, so a booster was installed at the residence by the property owner and they are very pleased. Director Hughes stated that when he and his family built their home on Beams Drive the pressure was found to be 20 psi at the meter, so they decided to install the same booster and saw an increase to 40 psi. Sanford suggested having Strand take a look at the model to see what options might be available. Secretary/Treasurer Gross asked Sanford if staff could obtain pressures at various points within the affected area while the tank is filling and not. Director Hughes concurred. Sanford stated that he and staff will begin gathering information on the existing pressure conditions and report back at the January meeting.

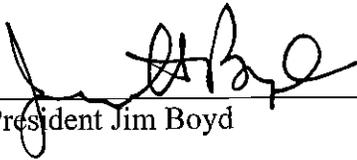
President Boyd asked the board members to discuss the goals that were set for Sanford during his evaluation last month. Director Hughes stated that Sanford does a great job and that he would like to see an SOP and would like to see more data so that the board can make be as informed as possible when making decisions. Vice President Carey stated that continued work

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on water loss was important and writing an SOP would also be good. Secretary/Treasurer Gross stated that Sanford does a great job and that having an SOP in place in case something happened would be good. Director Hager stated that he thought that Sanford does a great job and suggested looking at rates more often, maybe annually. Sanford agreed and stated that the PSC suggests that rates be reviewed regularly. Sanford stated that his goals are to do the best that he can at leading the Association and to be an example for the staff. Sanford went on to state that continued focus on Non-Revenue Water and completion of the Contract 14 Project are his goals for the upcoming year. President Boyd suggested starting with an index of the SOP and working on it throughout the year. Sanford stated that his intention will be complete the document as soon as possible.

The next meeting is scheduled for January 12, 2021 at 12:00 pm via Zoom.

Secretary/Treasurer Gross moved to adjourn the meeting at 1:27pm. Director Hughes seconded the motion. Meeting adjourned.

  
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President Jim Boyd

  
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Secretary/Treasurer Andrea Gross