

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

January 8, 2019

The regular monthly meeting of the Lake Village Water Association, Inc. was held at 12:00 p.m. on the 8th day of January, 2019 at the office of the Association located at 801 Pleasant Hill Drive, Burgin, Kentucky.

Vice Chairman Jim Boyd called the meeting to order. Present were Directors Earl Campbell, Earl Camic, Kenny Carey and Jim Boyd, Attorney Chris Tucker and employees Mike Sanford and Rita Monson.

Director Camic moved to approve the minutes from the December 11, 2018 meeting. Director Campbell seconded the motion. Motion carried.

Director Camic moved to approve the monthly invoices. Director Campbell seconded the motion. Motion carried.

Sanford presented the Financial Report for December and for 2018, stating that the financial performance for the month was good and compared favorably to the budget. The Gross Profit for the month was \$104,891.14 and after operating expenses the Net Income for the month was \$56,110.32. Sanford went on note that the Net Income for 2018 is a loss of \$29,765.73, further stating that the loss is due to sales being slightly under budget and an increase in water cost during the winter months. Sanford also noted that customer leak adjustment were the highest he had seen them at approximately \$26,000 for the year, resulting in both an increase in water cost and a reduction in sales. Lastly, Sanford stated that he and Dienst will be looking at the current rate schedule and calculating a potential rate adjustment for consideration in the coming months. All agreed that overall, 2018 was very productive and a good year for the Association.

Sanford presented the board with a draft of 2019 Operating Budget, stating that the proposed budget is very similar to the 2018 budget. Sanford noted the following differences: Sales to Customers does not reflect a rate adjustment and there could possibly be an increase at some point in the year, assumes a fee increase to the MCSD, does include salary adjustments, a 5% SEP contribution, and does account for the required Debt Service and Reserve Account contributions as required by Rural Development. After much discussion, all agreed that the budget proposal was ready to go as prepared by Sanford. No revisions were recommended. Director Campbell moved to approve the 2019 Operating Budget as presented by Sanford. Director Carey seconded the motion. Motion carried.

Sanford presented the Annual Management Reports to be submitted to Rural Development for approval. Director Carey moved to approve the reports as presented and authorized submittal to Rural Development. Director Boyd seconded the motion. Motion carried.

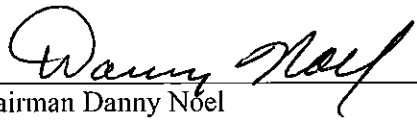
Sanford presented KRWFC Draw No. 4 in the amount of \$36,374.35 for approval. Director Campbell moved to approve the draw as presented by Sanford. Director Carey seconded the motion. Motion carried.

Sanford informed the board that the City of Burgin advertised a contract for operation of the public water system. Sanford stated that Mayor Caldwell stopped in and dropped off the bid sheet and stated that he would like for the Association to submit a bid. After much discussion, all agreed that the

only way that the Association could effectively and efficiently operate the system is if there was a change in ownership with the Association Board of Directors and Management making all decisions pertaining to operation and maintenance. All agreed that the Association will assist the city through the transition period until the contract is filled. Director Boyd stated that a joint meeting with the city council could be held if questions arise.

Sanford presented the board with details pertaining to the implementation of a public notification mobile app compatible with Apple and Android devices. The app proposal was received from CDP Engineering and will include the development, training and implementation of the app. Sanford stated that the cost to implement the app is \$3,000 for the first year, which includes the annual \$500 support fee and \$500 annually thereafter for support while the app is active. Sanford went on to note that if the Sanitation District board decides to implement the app, the cost will be lowered to \$2,500 per app. All agreed that implementing the app into the operations will be useful to the staff and Association members and will also add another level of professionalism and efficiency to the operations.

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

  
Chairman Danny Noel

  
Secretary/Treasurer Earl Campbell

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

February 12, 2019

The regular monthly meeting of the Lake Village Water Association, Inc. was held at 12:00 p.m. on the 12th day of February, 2019 at the office of the Association located at 801 Pleasant Hill Drive, Burkin, Kentucky.

Vice Chairman Jim Boyd called the meeting to order. Present were Directors Earl Camic, Jim Boyd, Chairman Danny Noel via conference call, Attorney Chris Tucker and employees Mike Sanford and Rita Monson.

Director Camic moved to approve the minutes from the January 8, 2019 meeting. Director Boyd seconded the motion. Motion carried.

Director Camic moved to approve the monthly invoices. Director Boyd 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 \$71,116.52 and after operating expenses the Net Ordinary Income for the month was \$17,963.47. Sanford went to state that debt service payments for the month total \$154,003.98, resulting in a loss of \$136,019.35.

Sanford presented KRWFC Draw No. 4 in the amount of \$11,730.00 for approval. Director Camic moved to approve the draw as presented by Sanford. Director Boyd seconded the motion. Motion carried. Sanford stated that the PER for the project is nearing completion and that Dienst will present a draft at the March meeting.

Tucker reported to the board that election nomination letters will be going to members in the coming weeks. Tucker will work with Monson on the printing details.

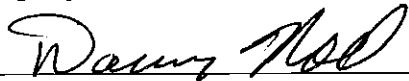
Sanford presented a request from the Mercer County Chamber of Commerce to host the April Perk Up with Bluegrass Greensource. The sponsorship fee is \$250 and is held at the Kentucky Fudge Company. The fee will cover breakfast for the attendees. Jill Cutler invited Sanford to introduce the speaker at the event.


Sanford informed the board that Tim Wade left the Association. Sanford went on to note that Wade has vacation and sick time that he is entitled to. Director Camic moved to compensate Wade the time that is built up. Director Boyd seconded the motion. Motion carried.

Sanford stated that Betty Lewis, owner of Bright Leaf Golf Resort, contacted him concerning the cost for the 19<sup>th</sup> Hole meter, specifically if the board could provide a lower cost for the meter and other material. Sanford stated that essentially the meter is a new residential tap and that he would be in okay with charging a tap fee in the amount of \$450.00 as found in the

tariff. Director Camie moved to charge a tap fee in the amount of \$450.00 for the meter.  
Director Boyd seconded the motion. Motion carried.

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

  
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Chairman Danny Noel

  
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Secretary/Treasurer Earl Campbell

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

March 12, 2019

The regular monthly meeting of the Lake Village Water Association, Inc. was held at 12:00 p.m. on the 12th day of March, 2019 at the office of the Association located at 801 Pleasant Hill Drive, Burgin, Kentucky.

Vice Chairman Jim Boyd called the meeting to order. Present were Directors Earl Campbell, Earl Camic, Attorney Chris Tucker and employees Mike Sanford and Rita Monson.

Director Campbell moved to approve the minutes from the February 12, 2019 meeting. Director Camic seconded the motion. Motion carried.

Director Campbell moved to approve the monthly invoices. 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 \$60,763.38 and after operating expenses the Net Ordinary Income for the month was \$4,436.21. Sanford reported that he and Patterson are working on implementing a new water loss form recommended by the Public Service Commission as a result of the recent case involving water loss within Kentucky. Sanford present water loss for the year at the April meeting.

Sanford presented a spreadsheet containing various percentages of the annual SEP contribution for the board to consider. Each year Sanford presents a range of 4% to 10% of the annual salaries to determine the level of contribution to be made by the Association to the staff member retirement accounts. Sanford went on to note that the 2018 Operating Budget included a contribution of 8% and that the Net Income for 2018 was a loss of \$29,765.73. Sanford also sought a decision on whether to include Tim Wade in the contribution stating that he is no longer with the Association, but was employed for all of 2018. Upon much discussion and a recommendation by Tucker, all agreed that Wade should receive a contribution for 2018. With regard to the percentage to be contributed to the SEP, Director Boyd recommended 10%, stating that the Board should strive to consistently contribute the same amount if possible. Director Camic suggested contributing the amount that was budgeted since the Association had a loss for 2018. Director Campbell was also in favor of contributing the budgeted amount. After much discussion, all agreed to contribute \$30,000 to the employee retirement accounts. Director Camic moved to make the \$30,000 contribution. Director Campbell seconded the motion. Motion carried.

Sanford presented water loss figures for the areas included in the Contract 14 PER. All agreed that the information was very helpful and that the work was proceeding in the right direction as far scope. All agreed that it would be helpful to have the loss quantified to an estimated revenue loss. Sanford stated that he will update the information to include the lost revenue, increased maintenance costs and the year that the main was installed. Sanford will

report the information at the April board meeting. Director Boyd stated that the information will provide the necessary confirmation to move the decision making forward.

Sanford noted that election letters will be mailed to all Association members on March 18, 2019.

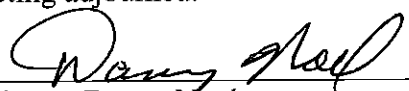
Sanford informed the board that a theft of service complaint had been filed on David and Amanda Hatfield of 1095 Gwinn Island Road. Sanford stated that the meter was locked for non-payment on 1/30/19 and on 2/14/19 the cut lock was discovered on the property, therefore the meter pulled and brought back to the office. Sanford stated that he and Tucker discussed the matter and both agreed that a formal complaint should be filed with Boyle County Attorney Chris Herron. Sanford went on to note that the meter had used approximately 8,000 gallons of water during the period of theft and that the charges had been paid in order to restore service to the property.

Sanford stated that the mobile notification app will be launching soon and that he will let the board know when it is ready to view.

Sanford stated that the Division of Water will be on site Thursday, March 14<sup>th</sup> to conduct the Sanitary Survey as required by regulation. The survey examines the financial and managerial aspects of the operations as well as an in depth review of all records pertaining to Division of Water and EPA compliance. The survey is conducted every three years.

Sanford stated that the financial audit is underway and expected to be complete by the March 31<sup>st</sup> deadline established by the PSC.

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

  
Chairman Danny Noel

  
Secretary/Treasurer Earl Campbell

**Lake Village Water Association, Inc.**

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**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

**AFFIDAVIT**

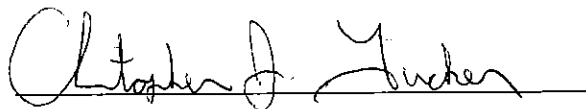
COMMONWEALTH OF KENTUCKY

COUNTY OF BOYLE

Comes the affiant, Christopher J. Tucker, being first duly sworn, and states and deposes as follows:

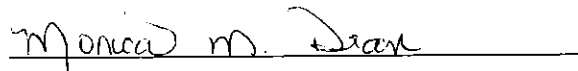
1. I am an attorney practicing in Danville, Kentucky.
2. I am currently licensed and in good standing to practice in all courts of the Commonwealth of Kentucky, including the Kentucky Supreme Court, and am a member of the Kentucky Bar Association.
3. I am the current attorney for the Lake Village Water Association Board of Directors.
4. That a nomination letter was sent to all Lake Village Water Association members for three seats on the Board of Directors and the nominees were Earl Camic, Kenny Carey, Danny Noel and George Hensley.
5. That George Hensley notified and informed me that he was not interested in being considered or placed on the ballot and that he signed a letter dated March 20 declining said nomination, said letter being attached.
6. That an election letter and ballot was sent to all Lake Village Water Association members with a return deadline of April 5, 2019 at 5:00 p.m.
7. That as of April 5, 2019 at 5:00 p.m., a total of 142 ballots were returned with 88 votes for Danny Noel, 44 votes for Kenny Carey and 30 votes for Earl Camic.

FURTHER affiant sayeth not.



CHRISTOPHER J. TUCKER

Subscribed and sworn to me, a notary public in and for said County and State, by Christopher J. Tucker, to be his free act and deed in due form of law, this 9<sup>th</sup> day of April, 2019.



NOTARY PUBLIC

My commission expires: July 6, 2019

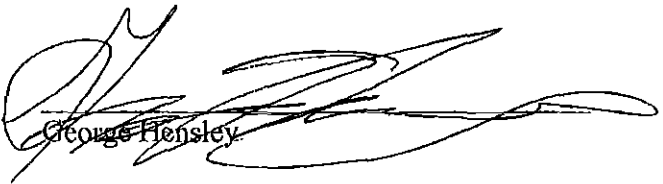


Lake Village Water Association, Inc.  
801 Pleasant Hill Drive  
Post Office Box 303  
Burgin, Kentucky 40310

March 20, 2019

I, George Hensley, have been informed by Lake Village Water Association, Inc., attorney Christopher J. Tucker, that I was nominated to be placed on the ballot for a position on the Board of Directors in the 2019 election.

I have freely, knowingly and voluntarily decided to decline this nomination and would not like to have my name placed on the 2019 ballot.

  
George Hensley

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

April 9, 2019

The regular monthly meeting of the Lake Village Water Association, Inc. was held at 12:00 p.m. on the 12th day of March, 2019 at the office of the Association located at 801 Pleasant Hill Drive, Burkin, Kentucky.

Vice Chairman Jim Boyd called the meeting to order. Present were Directors Earl Campbell, Earl Camic, Kenny Carey, Attorney Chris Tucker and employees Mike Sanford and Rita Monson. Also present were MCSD Directors Drew Rice and Bruce Wade and Terri Bradshaw, City of Harrodsburg Economic Development consultant.

Bradshaw was present to speak to the group concerning the Economic Development Strategic Plan that is being prepared by the City of Harrodsburg, specifically ideas and recommendations to include in the strategic plan. Bradshaw is tasked with meeting with the public in as many ways as possible over the next few months in an effort to incorporate public comments into the strategic plan document. The group provided various comments to Bradshaw and answered questions that will be asked to all groups concerning the needs of Mercer County and Harrodsburg. After a thorough discussion, the group thanked Bradshaw for the work being performed in the community. Bradshaw thanked the group for participating.

Director Campbell moved to nominate the current officers for the upcoming term ending in April 2020. Director Carey seconded the motion. Motion carried.

Director Camic moved to approve the minutes from the March 12, 2019 meeting. Director Carey seconded the motion. Motion carried.

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

Sanford presented the Financial Report for March, stating that the financial performance for the month was good and compared favorably to the budget. The Gross Profit for the month was \$65,542.83 and after operating expenses the Net Ordinary Income for the month was \$10,844.84, resulting in a Net Income for the month of \$13,352.43.

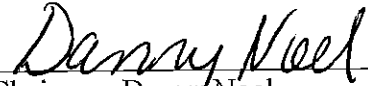
Sanford presented a contract for IT Services from the Bluegrass Area Development District. Sanford stated that the contract is for \$70.00 per hour and not to exceed \$6,000 in total cost. Sanford went on to state that BGADD staff have been on site to evaluate the current IT infrastructure and that a list of tasks has been prepared. Director Campbell moved to execute the contract as presented. Director Carey seconded the motion. Motion carried.

Sanford stated that having a third board member authorized to sign checks would be helpful at times. Director Carey moved to add Director Boyd as s signers on all of the Association's accounts. Director Camic seconded the motion. Motion carried.

Sanford and Dienst presented the completed Distribution System Improvement Project Preliminary Engineering Report for review. Dienst noted that the report includes three separate projects, ranked by priority by the board and Sanford. Dienst stated that Julie Anderson, RD State Engineer, approved the use of the report for all three projects which will save time and engineering fees if projects included in the report are constructed in the future. Sanford stated that he contacted RD and that grant and loan funds are currently available. Sanford stated that he is ready to move into the funding phase of the project. Director Campbell moved to begin the RD application process. Director Carey seconded the motion. Motion carried.

Dienst presented the amended Engineering Services Agreement which includes fees for engineering and is based on the percentage found in the RD fee curve and based on the total estimated construction cost. Director Carey moved to approve and execute the amended agreement. Director Camic seconded the motion. Motion carried.

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

  
Chairman Danny Noel

  
Secretary/Treasurer Earl Campbell

**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 14th day of May, 2019 at the office of the Association located at 801 Pleasant Hill Drive, Burgin, Kentucky.

Vice Chairman Jim Boyd called the meeting to order. Present were Directors Earl Campbell, Earl Camic, Kenny Carey, Attorney Chris Tucker and employees Mike Sanford and Rita Monson. Also present were Craig Butler and Chad Robinson from Kerbough, Rodes and Butler and Mike Riley from the Bluegrass Area Development District.

Riley, Program Development Manager for Workforce Development at the BGADD, introduced himself and provided an overview of the Kentucky Career Center and Workforce Development Program initiatives. The program focuses on the placement of individuals into jobs with employers that have an agreement with the center and pays for the wages up to \$8,500 per individual. The individuals consist of 16+ year olds that are currently enrolled in school, 16-24 year old out-of-school youth and adults that are working on reentry into the workforce. The program will fully pay for 320 work hours over a two year period with no cost to the employer. Sanford met with Riley and other Workforce staff to discuss the program and is trying to determine whether the Association is a good fit for the program and can benefit. All agreed that the program is great and has the potential to be life changing for enrolled individuals. Director Carey recommended that Sanford is best to make decisions related to staffing. All agreed.

Butler and Robinson presented the 2018 Financial Audit, stating that the audit was similar to previous years other than the Association's cash balance dramatically decreased. Sanford noted that the Association had an approximate \$100,000 cash contribution to the replacement of the Shakertown Pump Station, which had to be replaced to provide adequate service to nearly half of the water customers. Sanford went on to state that the Association is in the design phase for the Contract 14 Water Main Replacement Project and that a rate analysis will be completed during the funding stage of the project. Butler stated that having an explanation for the reduction in cash is good, but take action to build reserves back up even if a rate increase is necessary.

Director Campbell moved to approve the minutes from the April 9, 2019 meeting. Director Camic seconded the motion. Motion carried.

Director Carey moved to approve the invoices as presented. Director Campbell seconded the motion. Motion carried.

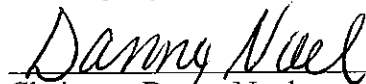
Sanford presented the Financial Report for April, stating that the financial performance for the month was good and compared favorably to the budget. The Gross Profit for the month was \$76,266.60 and after operating expenses the Net Ordinary Income for the month was \$17,781.67, resulting in a Net Income for the month of \$20,891.39. Sanford noted that the

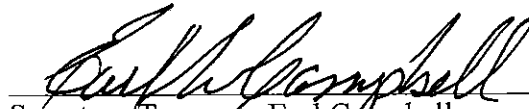
payment to Dixon Engineering for \$10,745 was budgeted in 2018, but invoiced and paid in 2019. Director Camic suggested reflecting the expense in the 2019 budget to more accurately portray the expenses. All agreed that the expenditure is significant and that an amendment to the budget would be good. Director Campbell moved to amend the 2019 Operating Budget to reflect the expense. Director Carey seconded the motion. Motion carried.

Sanford stated that the Rural Development funding application has been started and that the pace should pick up over the next month or so on the project.

Sanford presented an amendment to the lease agreement with Blue Zoom. Blue Zoom is now operating under the name Blue Zoom Ventures, which prompted the revision to the lease agreement. Tucker and Sanford have reviewed the agreement, noting one other change which removed the Shakertown Tank location from the agreement. Sanford confirmed the change with Blue Zoom Ventures at Tucker's request. Blue Zoom Ventures stated that equipment cannot be placed on both the Shakertown Tank and Ison Lane Tank due to interference with the signal, therefore the Shakertown Tank location was removed. Director Carey moved to execute the amended lease agreement as presented. Director Camic seconded the motion. Motion carried.

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

  
Chairman Danny Noel

  
Secretary/Treasurer Earl Campbell

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**801 Pleasant Hill Drive**  
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**Burkin, Kentucky 40310**

June 11, 2019

The regular monthly meeting of the Lake Village Water Association, Inc. was held at 12:00 p.m. on the 11th day of June, 2019 at the office of the Association located at 801 Pleasant Hill Drive, Burkin, Kentucky.

Vice Chairman Jim Boyd called the meeting to order. Present were Directors Earl Campbell, Kenny Carey, Attorney Chris Tucker, Liz Dienst from Strand Associates and employees Mike Sanford and Rita Monson.

Director Campbell moved to approve the minutes from the April 9, 2019 meeting. Director Carey seconded the motion. Motion carried.

Director Carey moved to approve the invoices as presented. Director Campbell 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 \$75,599.92 and after operating expenses the Net Ordinary Income for the month was \$8,211.56, resulting in a Net Income for the month of \$15,021.13. Sanford offered the following comments regarding the financial statement: water sales are continuing to increase due to the season, water purchased costs are right on budget and Maintenance of Mains expense is near the annual budget amount due to the an increase in meter parts related to meter change out activity. Sanford went on to state that the services provided by Net Gain Technologies was moved to the Bluegrass ADD, resulting in annual savings of approximately \$4,000. Furthermore, Sanford stated that he and Monson are reviewing all of the services provided to the Association in an effort to reduce operating costs. Sanford noted that he will be working on the phone and internet service plans in an effort to combine the services to one provider. Director Campbell moved to approve the Financial Report. Director Carey seconded the motion. Motion carried.

Sanford stated that the Association has always posted returned checks as a "Miscellaneous Expense" and due to the low amount of returned checks given to the Association, the financial impact was minute. For the past three months, Krisha, LLC dba Days Inn has given a return check for the monthly bill. The checks have been paid in full, but the expense still appears in the Profit & Loss Statement. Sanford states that he doesn't agree with the current process to post return checks and thinks that the checks should be reflected only in the income section of the financial statement. Sanford will contact Kerbough, Rodes and Butler to discuss the matter. Vice Chairman Boyd recommended that Tucker draft a letter to Krisha, LLC concerning the returned checks and reiterate the Association's policy for payment and termination of water service.

Sanford reported to the Board that unaccounted for water loss for April was 12% and 10% for May. Sanford went on to state that he and staff are working on more efficient ways to

track water usage. All agreed that any time spent on water usage and unaccounted for water was beneficial to the operations of the Association.

Sanford stated that he and Patterson will be riding the Contract 14 route with Dienst and Stephen Moore from Strand Associates. Both Dienst and Moore will be working on design for the upcoming project.

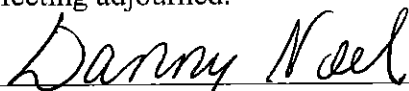
Sanford stated that the City of Burgin contacted the Association concerning use of the master meter located on Daniel Lane. The city will be cleaning and inspecting the water storage tank located on High Street and the tank will have to be taken out of service. Sanford stated that the current contract includes a purchase rate of \$1.85 per 1,000 gallons, which is less than the current purchase price from the City of Harrodsburg. Sanford went on to state that the agreement also includes a clause that allows for the purchase price to be increased proportionally with increases to Lake Village from the supplier. Tucker recommended identifying the cost per 1,000 gallons from the City of Harrodsburg in 2005 and adjusting the \$1.85 cost to Burgin proportionally. All agreed with Tucker. Sanford will pull the Water Purchase Agreements with the City of Harrodsburg, communicate with Tucker and inform the City of Burgin of the decision.

Director Campbell asked Sanford to have one of the staff clean the fence rows if time allowed. Sanford apologized and stated that he will make a work order to have the work done.

Sanford stated that the Public Notification App is now available in the Apple and Android App Stores and encouraged the board members to download the app. Sanford stated that the Association is working to get the word out in order to successfully use the app to communicate with the public.

Sanford stated that the 2018 CCR will be available to viewing by the July 1, 2019 deadline and that KRWA will be web hosting the report again this year. The report is also available on the Association's website.

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

  
Chairman Danny Noel

  
Secretary/Treasurer Earl Campbell

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

July 9, 2019

The regular monthly meeting of the Lake Village Water Association, Inc. was held at 12:00 p.m. on the 9th day of July, 2019 at the office of the Association located at 801 Pleasant Hill Drive, Burgin, Kentucky.

Vice Chairman Jim Boyd called the meeting to order. Present were Directors Earl Campbell, Earl Camic, Kenny Carey, Attorney Chris Tucker and employees Mike Sanford and Rita Monson.

Director Carey moved to approve the minutes from the May 14, 2019 meeting. Director Camic seconded the motion. Motion carried.

Director Carey moved to approve the invoices as presented. Director Camic 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 \$98,633.13, resulting in a Net Income for the month of \$37,465.52. Director Campbell moved to approve the Financial Report. Sanford stated that the sales for the month were among the highest he had seen and that water costs were low for this time of year. Director Camic stated that he was surprised that the sales were so high due to the amount of rain that the area has had this summer. The water loss for the month was 5%. Director Carey seconded the motion. Motion carried.

Sanford stated that a discussion was held with Craig Butler concerning the proper way to post returned checks to QuickBooks, noting that he and Butler agreed that the checks, if posted to QuickBooks should only be posted to the "Sales to Customers" account. Sanford went on to state that ideally the checks should only be posted to QuickBooks if they are not picked up since the funds are eventually recovered. Tucker went on to state that a written notice was sent to Krishna, LLC dba Days Inn, concerning the recent returned checks received by the Association, stating that service will be terminated upon the receipt of future returned checks and that the receipt of returned checks places an undue hardship on the Association.

Sanford stated that he and staff will be working on water audits in the coming months and that he is currently reviewing the AWWA M36 Water Audit & Loss Control Manual, which is referenced in the recently posted PSC case comments. Sanford stated that to start, a comparison of master meter purchase volumes and customer sales for respective areas will be completed. Sanford hopes to begin the process over the next month or so and will keep the board updated of the findings as progress is made.

Sanford stated that Strand will have the initial set of plans, with existing infrastructure only, ready to review for accuracy on Thursday. Sanford stated that there are a number of areas along the route that may require new easements or right-of-way due to a more suitable route than



the original design. Sanford went on to note that many areas now have mature trees, fencing, driveways and structures within close proximity to the main, making an alternate location desirable. Director Camic questioned whether fire hydrants along US 127 South should be considered since the City of Harrodsburg has annexed the corridor to the Boyle County line. Sanford stated that he will have Strand take a look at the hydraulics for possible hydrants.

Sanford stated that Dr. and Mrs. Prater, members of The Glade HOA, have requested a copy of the Association's security video footage due to an incident that occurred in the quarterly board meeting held at the building. Tucker recommended that the Association withhold the footage unless a subpoena was issued or law enforcement got involved. Tucker went on to state that the Association is a neutral party and that the security footage is the property of the Association only. All agreed and requested that Tucker provide written notice to the Praters reflecting the board's position.

Monson stated that she is working on the Board Member/Staff Dinner and will schedule a date for late August. Monson stated that she had been in contact with the Danville Country Club and had received available dates and meal options. Director Boyd suggested the Arcadia Estate property in Junction City. Monson agreed to contact the property and provide the details at the August meeting.

Due to a scheduling conflict the board moved the meeting next month to August 8, 2019 at 11:30.

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

  
Chairman Danny Noel

  
Secretary/Treasurer Earl Campbell

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

August 8, 2019

The regular monthly meeting of the Lake Village Water Association, Inc. was held at 11:30 a.m. on the 8th day of August, 2019 at the office of the Association located at 801 Pleasant Hill Drive, Burgin, Kentucky.

Vice Chairman Jim Boyd called the meeting to order. Present were Directors Earl Campbell, Earl Camic, Kenny Carey, Attorney Chris Tucker and employees Mike Sanford and Rita Monson.

Director Carey moved to approve the minutes from the July 9, 2019 meeting. Director Camic seconded the motion. Motion carried.

Director Campbell moved to approve the invoices as presented. Director 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 \$97,792.48. The Net Income for the month was -\$790.62 due to the RD payment in the amount of \$45,225.25. Sanford stated that water loss for the month of July is 8%. Director Campbell moved to approve the financial report as presented Director Carey seconded the motion. Motion carried.

Sanford presented two Workers Compensation policies for review. The existing policy with Midwestern expires on August 24<sup>th</sup>. The renewal premium for the Midwestern policy is \$9,890.09 per year, while The Hartford policy for the same coverage and term is \$7,955.00. Both policies were presented to the Association from Assured Partners and both were recommended as options. Sanford recommended switching to The Hartford, resulting in savings in the amount of \$1,935.09 per year. The board agreed with Sanford.

Sanford stated that he will be attending the KRWA Annual Conference on August 26-28 in Lexington and presented a request to the board authorizing him as the Association's voting delegate at the annual business meeting. Director Campbell moved to authorize Sanford to represent the Association as voting delegate. Director Carey seconded the motion. Motion carried.

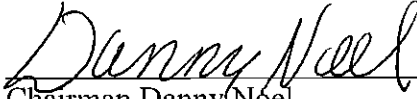
Sanford presented RD loan documents for consideration and approval by the board. Tucker reviewed the documents and recommends authorizing the execution of the following documents in RD Apply:

- Project Update*
- Assurance Agreement*
- Assurances-Construction Programs*
- Certifications for Contracts, Grants and Loans*
- Certification Regarding Debarment, Suspension and Other Responsibility Matters*

- Equal Opportunity Agreement
- Applicant Certification Federal Collection Policies for Consumer or Commercial Debts
- Tying Arrangements Certification
- Water & Waste Eligibility Certification
- Certification Regarding the Identification & Reporting Rural Development Assistance to Rural Development Employees, Relatives, Associates and Transaction Conflict of Interest
- Certification Regarding Drug Free Workplace Requirements

Director Carey moved to authorize execution of the documents. Director Camic seconded the motion. Motion carried.

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

  
Chairman Danny Noel

  
Secretary/Treasurer Earl Campbell

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

September 12, 2019

The regular monthly meeting of the Lake Village Water Association, Inc. was held at 12:00 p.m. on the 12th day of September, 2019 at the office of the Association located at 801 Pleasant Hill Drive, Burgin, Kentucky.

Vice Chairman Jim Boyd called the meeting to order. Present were Directors Earl Campbell, Kenny Carey, Attorney Chris Tucker, Mike Sanford, Rita Monson, Liz Dienst, City of Harrodsburg Mayor Art Freeman and City of Harrodsburg Commissioner Jack Coleman.

Director Carey moved to approve the minutes from the August 8, 2019 meeting. Director Campbell seconded the motion. Motion carried.

Director Campbell moved to approve the invoices as presented. Director 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 \$89,189.49. The Net Income for the month was \$32,913.36. Sanford stated that water loss for the month of July is 7%. Director Campbell moved to approve the financial report as presented. Director Carey seconded the motion. Motion carried.

Vice Chairman Boyd welcomed Mayor Freeman and Commissioner Coleman. Mayor Freeman thanked the board and Sanford for allowing himself and Coleman to visit to discuss the upcoming water rate increase. Freeman stated that the city will be increasing the water rates by 20%. Mayor Freeman stated that the city has completed several water system improvement projects over the past couple of years and more revenue is needed for repayment of the bonds. Sanford stated that the last rate increase that the Association received from the city was for the treatment plant expansion approximately 6-7 years ago. The board and Sanford understand the need for the increase and recognize that expenses increase annually and revenue does not. Mayor Freeman also stated that the city will be notifying the Public Service Commission about the rate increase. Sanford stated that once the Public Service Commission is notified, a Purchase Water Adjustment application will be filed by the Association in order to increase water rates to cover the increased purchased water cost. Director Carey moved to accept the rate increase as presented by Mayor Freeman. Director Campbell seconded the motion. Motion carried. Mayor Freeman requested a letter from the Association approving the rate increase. The letter will be included in the notice to the Public Service Commission.

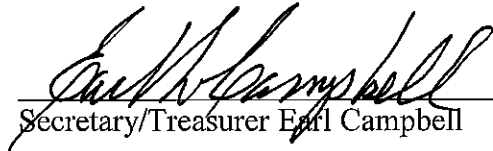
Sanford took a moment to provide Mayor Freeman and Commissioner Coleman an overview of the Association's distribution system and service area. Sanford also discussed the Contract 14 project scope and answered questions from the officials.

Sanford stated that he and staff will be volunteering at Healthy Kids Day sponsored by the Mercer Area Family Education & Wellness program on September 24 at the UK Extension Office. The Association partners on the event each year by helping educate fourth graders in the county about the benefits of drinking water and also provides tap water stations with bottles to take home for each child.

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

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Chairman Danny Noel



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Secretary/Treasurer Earl Campbell

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

October 8, 2019

The regular monthly meeting of the Lake Village Water Association, Inc. was held at 12:00 p.m. on the 8th day of October, 2019 at the office of the Association located at 801 Pleasant Hill Drive, Burkin, Kentucky.

Secretary/Treasurer Earl Campbell called the meeting to order. Present were Directors Earl Camic and Kenny Carey, Attorney Chris Tucker, Mike Sanford and Rita Monson.

Director Campbell moved to approve the minutes from the September 12, 2019 meeting. Director Camic seconded the motion. Motion carried.

Director Campbell moved to approve the invoices as presented. Director Camic 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 \$106,919.91. The Net Income for the month was \$39,122.30. Sanford stated that water loss for the month of September is 9%. Director Carey moved to approve the financial report as presented. Director Camic seconded the motion. Motion carried.

Pursuant to the Association By-Laws, Secretary/Treasurer Campbell declared the position of President of the Board of Directors vacant due to the death of Danny Noel. Director Camic seconded the motion. Motion carried.

Pursuant to the Association By-Laws, Secretary/Treasurer Campbell appointed, by majority vote, Jim Boyd to the position of President of the Board of Directors. Director Camic seconded the motion. Motion carried.

Pursuant to the Association By-Laws, Secretary/Treasurer Campbell declared the position of Vice President of the Board of Directors vacant due to the appointment of Jim Boyd to the position of President. Director Camic seconded the motion. Motion carried.

Pursuant to the Association By-Laws, Secretary/Treasurer Campbell appointed, by majority vote, Kenny Carey to the position of Vice President of the Board of Directors. Director Camic seconded the motion. Motion carried.

Sanford recommended that the Association By-Laws be reviewed before an appointment is made to the board due to the language pertaining to representatives from both Boyle and Mercer Counties. Currently, the board is made up of one Boyle County Director and four Mercer County Directors. Sanford went on to note that there is other language in the document that needs to be updated. Director Carey suggested contacting other water associations to obtain copies of By-Laws for review. Sanford stated that he would try and obtain documents from

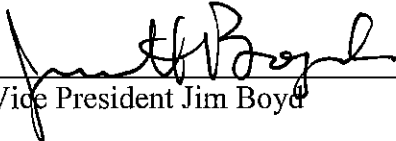
other associations. Tucker stated that if an amendment is being considered to certain sections of the document, he advises that the entire document be reviewed at the same time. All agreed with Tucker concerning the full review. Sanford will review the document with Tucker before the November meeting.

Sanford went on to state that Larry Inman is interested in serving as a Director for the Association and that Jeff Noel's name had also been mentioned.

Sanford stated the Contract 14 plans are starting to come together. Sanford went on to note that the RD application is complete and ready to submit through RD Apply. Sanford went on to state that the President of the HOA at Wildwood contacted the Association and stated that the HOA will be paving the roadway in the summer of 2020 and wanted to know how the water main replacement schedule compared to the paving schedule due to the risk of damage to the surface during construction. Sanford stated that the water main replacement is currently in Project 2 and recommends considering moving the replacement to Project 1 to prevent the HOA or the Association from wasting money by repaving the roadway. Sanford went on to note that whether the work was completed in Project 1 or 2, it will still be completed within five years and both projects will have a 40 year RD repayment term. All agreed that the water main should be replaced before the paving is completed. Secretary/Treasurer Campbell moved to include the Wildwood Road water main replacement in the Project 1 scope. Director Camic seconded the motion. Motion carried.

Sanford stated that the Association received the health insurance renewal and that United Health Care will be passing along a 10.9% increase in the premium. Sanford also has plan options from Humana and Anthem for consideration. Sanford will have the plan comparison for the review at the November meeting.

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

  
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Vice 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**

November 12, 2019

The regular monthly meeting of the Lake Village Water Association, Inc. was held at 12:00 p.m. on the 12th day of November, 2019 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 and Vice President Kenny Carey via conference call, Attorney Chris Tucker, Liz Dienst, Mike Sanford and Rita Monson.

Secretary/Treasurer Campbell moved to approve the minutes from the October 8, 2019 meeting. Vice President Carey seconded the motion. Motion carried.

Vice President Carey moved to approve the invoices as presented. Secretary/Treasurer Campbell 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. The Gross Profit for the month was \$80,622.57. The Net Income for the month was \$28,304.19. Sanford stated that water loss for the month of September is 7%. Secretary/Treasurer Campbell moved to approve the financial report as presented. Vice President Carey seconded the motion. Motion carried.

Sanford presented a request to the board for consideration of staff Christmas bonuses. Sanford stated that the staff received \$600 last year. Secretary/Treasurer Campbell moved to give each staff member \$600 for Christmas. Vice President Carey seconded the motion. Motion carried.

Sanford stated that he and President Boyd have discussed the board position vacancy and asked Tucker to review the bylaws, specifically the appointment process and whether the appointment needs to be from a specific county. Initially there were three board members from Boyle County and two from Mercer County. President Boyd asked the board members what characteristics they felt were important in a board member. Vice President Carey stated that board members should have some business knowledge. All agreed that an individual's demeanor is also very important. President Boyd noted that diversity should be considered when making the appointment as well. Tucker stated that while county representation is important, choosing the right person is extremely important as well. President Boyd presented the following individuals to be considered for the Director position: Larry Inman, Fred Durham, Steve Griffin, Billy Rankin, Sarah Rankin, Kathy Crown-Weber, Ann Marie Boze, Judy Jenkins and Andrea Gross. After discussing the individuals, Secretary/Treasurer Campbell recommended discussing the position further with Billy Rankin. President Boyd recommended discussing the position with Billy Rankin and Andrea Gross, further stating that Rankin would add a second Boyle County board member. Vice President Carey thanked President Boyd for reaching out to the individuals and preparing the list for consideration.



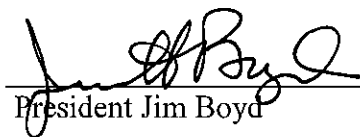
After much discussion, it was determined that the existing language in the bylaws are fine and that no amendment is necessary regarding the appointment process. Tucker noted the county representation of the original board can be interpreted to reflect only the original board member make up and that the subsequent elections that have been held are a more important factor in determining the board makeup. Sanford stated that the rates and charges found in the current bylaws do not reflect the current policies, rates or charges, but all agreed that the PSC approved Rules & Regulations are what the Association operates under and will always operate under.

Sanford presented information pertaining to the board member fee paid to each board member for their service as a Director. Sanford stated that fee had not been reviewed in several years and that the 2020 budget was being prepared, so a discussion is requested. Sanford stated that in 2004, the fee paid to each Director was \$200, in 2007 the fee paid was \$300 and in 2011, the fee was increased to \$400. Vice President Carey agreed that a review is appropriate and asked Sanford if he could ask other districts in the area what their Directors are paid. Sanford agreed to obtain the information and present it to the board at the December meeting.

Sanford stated that design is ongoing on the Contract 14 project and that the RD application is complete and has been submitted. Sanford also presented an amendment to the Owner-Engineer Agreement with Strand Associates to reflect the slight increase in the fee due to the addition of Wildwood Road to the project. Tucker reviewed the amendment and along with Sanford recommends execution. Secretary/Treasurer Campbell moved to approve the amendment and approve the execution. Vice President Carey seconded the motion. Motion carried.

Sanford presented the health insurance options for the upcoming renewal period. The Association has a handful of options including maintaining the existing United Healthcare policy with a 10.9% premium increase and premium of \$4,034.80 monthly, an Anthem policy with a monthly premium of \$4,719.99 and a Humana policy with a monthly premium of 3,266.72. The final policy for the board to consider is an Anthem Chamber Advantage policy, presented by Freeman Insurance, available to members of the Kentucky Chamber of Commerce with a premium in the amount of \$2,378.20. All agreed that the savings from the Anthem Chamber Advantage policy would be great and would be approximately \$20,000 annually. Vice President Carey moved to continue doing business with President Boyd, as he has been very loyal and worked very hard for the Association for many years to maintain affordable health care polices for the staff. President Boyd recommends the Chamber policy for the savings and will work with Sanford to get the staff enrolled.

Vice President Carey moved to adjourn the meeting. Secretary/Treasurer Campbell 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**

December 12, 2019

The regular monthly meeting of the Lake Village Water Association, Inc. was held at 12:00 p.m. on the 12th day of December, 2019 at the office of the Association located at 801 Pleasant Hill Drive, Burgin, Kentucky.

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

Vice President Carey moved to approve the minutes from the November 12, 2019 meeting. Secretary/Treasurer Campbell seconded the motion. 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 November, stating that the financial performance for the month was good and compared favorably to the budget. The Gross Profit for the month was \$72,234.62. The Net Income for the month was a loss of \$24,297.22 due to payment of the final RD loan payment in the amount of \$49,038. Sanford stated that water loss for the month of November is 7%. Vice President Carey moved to approve the financial report as presented. Secretary/Treasurer Campbell seconded the motion. Motion carried.

Sanford presented a draft of the 2020 Operating Budget for review and consideration. Sanford provided the following comments regarding the proposed budget: due to the rate increase from the City of Harrodsburg, a Purchase Water Adjustment totaling \$0.16 per 1,000 gallons will be included in the revenue portion of the budget; due to the construction of the Contract 14 Water Main Replacement Project, a rate increase will be implemented at some point, but is not included in the proposed budget; the proposed budget reflects the reduction in health insurance premiums and also reduced phone, internet and dumpster fees; the proposed budget also includes an allocation of \$23,858 to Capital Outlay for the purchase of a new truck. All agreed that Sanford did a great job preparing the budget and no revisions were recommended to the draft. Vice President Carey moved to approve the budget as presented by Sanford. Director Camic seconded the motion. Motion carried.

Sanford presented the PSC Purchase Water Adjustment application to the board for consideration. The adjustment is required due to the 20% rate increase implemented by the City of Harrodsburg on the wholesale rate. The rate adjustment is \$0.16 per 1,000 gallons. Director Camic moved to approve the application as presented. Secretary/Treasurer Campbell seconded the motion. Motion carried.

Sanford presented the following information regarding compensation for board members in the area:

<u>Utility Name</u>	<u>Compensation</u>	<u>No. of Board Members</u>
Garrard County Water Association	\$250	7
North Mercer Water District	\$500 plus Dental, Vision, Life	3
Parksville Water District	\$0	3
Harrison County Water Association	No information available	
Jackson County Water Association	No information available	
South Anderson Water District	\$500	3
South Woodford Water District	\$300	3
Marion County Water District	\$162.50, \$175, \$212.50	2,1,2
Kirksville Water Association	\$300	5
Northeast Woodford Water District	\$500	3

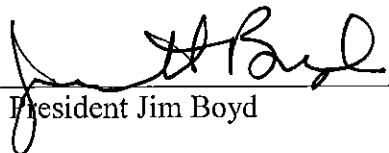
After reviewing the compensation information presented, all agreed that a slight increase in the monthly compensation was appropriate. Secretary/Treasurer Campbell moved to increase the monthly fee to \$450. Vice President Carey seconded the motion. Motion carried.

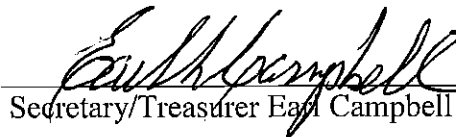
Sanford stated that design is ongoing on the Contract 14 project. Sanford went on to state that the KRWFC loan matures on February 1, 2020 and that a 6 month extension has been requested in order to accommodate the delay in the loan pre-closing with RD. Director Camic moved to adopt the resolution as presented by Rubin & Hays. Secretary/Treasurer Campbell seconded the motion. Motion carried.

President Boyd moved to enter into executive session to discuss Sanford's annual performance evaluation. Vice President Carey seconded the motion.

The board returned from executive session and entered into regular session. President Boyd commended Sanford for the great job that he does for the Association. Vice President Carey moved to increase Sanford's salary by 5%. Secretary/Treasurer Campbell seconded the motion. Motion carried.

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

  
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President Jim Boyd

  
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Secretary/Treasurer Earl Campbell