

NORTH MERCER WATER DISTRICT

MINUTES

December 20, 2023

Andrew Dennis, Chairman
Lee Todd Pinkston, Commissioner
Gerald Sheperson, Vice Chairman
Tony Best, Secretary
Lucas Jones, AGE Engineering

Paul Campbell, Treasurer
Mischell Lee, Manager
Jason Sanford, Maint. Supervisor
Riley Sumner, BG Engineering
Paul Reynolds, BG Engineering

The meeting was called to order by Chairman, Andrew Dennis.

The Board reviewed the minutes from the November meeting. Paul made a motion to approve the minutes. Todd seconded the motion and the motion passed.

The Board reviewed the financial statements for the district for the month of November. Gerald made a motion to approve payment of expenses for November totaling \$277,170.74. Paul seconded the motion and the motion passed.

Water loss for November was 6%. The District completed 5 water leak repairs this month. Next month's water loss could see an increase.

Lucas Jones with AGE Engineering approached the Board to present a review of a new development on US127 near the Anderson Dean Park. The property is now owned by Cumberland Developers and they are in the process of completing the engineering and specs for a development that will include a gas station, hotel, commercial center and then a residential subdivision. They would like approval to move forward with the gas station. The development includes 38 acres and is currently zoned commercial.

The Board responded that North Mercer Water engineers would need to review the development plans and once specs meet all requirements would approve and sign off on the project. Mr. Jones left plans with Riley and Paul with Bluegrass Engineering.

The Board discussed the meeting Paul, Jason and Mischell had with the City of Harrodsburg's new CAO and Mayor. The City has an issue with customers who are receiving water at basically no cost due to a deal City administrators entered into with land owners back in the 70's. The City brought legal action about 15 years ago, but the court did not side with the City. The issue is straining the City's budget and they have asked that North Mercer continue purchasing the majority of its water from them. They also asked if they could spend some time at the office to review how our business is conducted. They have also asked about Policies and Procedures.

The complaint and possible legal action filed by Virginia Edwards with the Public Service Commission has been dismissed. Ms. Edwards did not show cause or harm and there is no reason for further investigation by the PSC.

Our rate case submitted based on 2022 data shows the District is in need of an 8.97% rate increase. The PSC now has all rate case information to begin the review process.

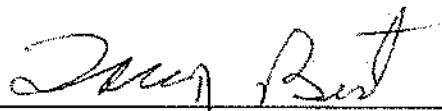
Riley reported that we are 60% complete on project 1C, which we are using the Cleaner Water Funds to pay for.

Contract documents for Lunsford Lane are ready to sign. North Mercer will inspect this extension in house.

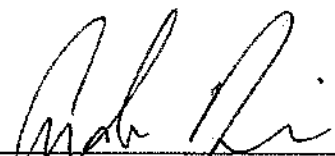
Paul made a motion to approve payment of \$143,010 for project 1C, \$2500 on project 2A which is complete, \$2500 on project 2C which is complete, and \$8350 to Bluegrass Engineering. Todd seconded the motion and the motion passed.

Bluegrass Engineering is in the process of reviewing the plans for the final phase of Harrods Glenn.

Gerald made a motion to adjourn. Todd seconded the motion and the motion carried.



Tony Best, Secretary
North Mercer Water District



Andrew Dennis, Chairman
North Mercer Water District

NORTH MERCER WATER DISTRICT

MINUTES

November 22, 2023

Tony Best, Secretary
Lee Todd Pinkston, Commissioner
Riley Sumner, BG Engineering
Paul Reynolds, BG Engineering

Paul Campbell, Commissioner
Mischell Lee, Manager
Jason Sanford, Maint. Supervisor

The meeting was called to order by Secretary, Tony Best.

Chairman Andrew Dennis and Gerald Sheperson were absent due to other events scheduled prior to the new meeting date to accommodate the Thanksgiving schedule. Chairman Dennis attempted to attend the meeting via phone call to Mischell's phone. Due to a hectic schedule the phone was turned off and left in the office.

The Board reviewed the minutes from the October meeting. Lee Todd made a motion to approve the minutes. Paul seconded the motion and the motion passed.

The Board reviewed the financial statements for the district for the month of October. Paul made a motion to approve payment of expenses for October totaling \$255,637.26. Lee Todd seconded the motion and the motion passed.

Water loss for October was .5%.

The winner of the Bid Opening for the Lunsford Lane Project was Boca with a bid of \$67,700.00. Two other bids were received, \$76,520.00 and \$108,851.

Lee Todd made a motion to accept the bid from Boca to complete the Lunsford Lane Project. Paul seconded the motion and the motion passed. Riley reported that the County had a request from North Mercer to run the line 700ft along the County Right of Way.

Riley reported the Cosby Lane Project has Division of Water approval and can move forward. Gabriel Huffman has been notified. The District sold another meter on Cosby Lane for new construction.

The Pump station on Martin Lane which pumps the water from the City of Danville may be able to be modified to increase the volume of water available to be distributed to that area. Bluegrass Engineering is conducting a review and should have a report by the first of 2024.

Damon Talley spoke with Mischell and has expressed interest in possibly representing North Mercer Water if his attendance would not be required at every meeting. He has asked that the District give him time to review his schedule before we move forward with talking with other attorneys. The Board agreed that they would like to wait for Damon's response before moving forward.

Paul had a request from someone in the maintenance crew that it would be beneficial to add some additional lights to the excavator. Jason responded that he could purchase some LED lights that attach to the excavator and he would move forward with purchasing some new exterior scene lights and upgrade the Bobcat to LED lights.

Discussion turned to our tanks and our contract with All Points Broadband. The current contract expires in May of 2024 but gives the lessee the right to another 3 years. Current revenue from the tank rental is \$500.00 per month for all tanks. The agreement in question is with Blue Zoom, which sold to All Points.

Lee Todd made a motion to have all the tanks inspected for Broadband equipment with the inspector recommended by Riley. Paul seconded the motion and the motion carried. The contract states no more than 11 pounds, and a limited number of pieces of equipment per tank.

KACo has completed an appraisal of North Mercer Water property and we have a copy of the appraisal report.

Mischell provided the City of Danville with a support letter for their initiative with BCTC College, creating a utility training program.

The City of Harrodsburg's new Chief Administrative Officer has requested a meeting with Mischell on Thursday November 30th. The Board asked to be reminded of the meeting time and date by text.

Christmas Lunch will either be held at LongHorn Steak house or Chili's. We will let the maintenance crew choose.

Lee Todd made a motion to adjourn. Paul seconded the motion and the motion carried.



Tony Best, Secretary
North Mercer Water District



Andrew Dennis, Chairman
North Mercer Water District

NORTH MERCER WATER DISTRICT

MINUTES

October 18, 2023

Andrew Dennis, Chairman
Gerald Sheperson, Vice-Chairman
Paul Campbell, Commissioner
Riley Sumner, BG Engineering

Tony Best, Secretary
Lee Todd Pinkston, Commissioner
Mischell Lee, Manager
Jason Sanford, Maint. Supervisor

The meeting was called to order by Chairman, Andrew Dennis.

The Board reviewed the minutes from the September meeting. Tony made a motion to approve the minutes. Gerald seconded the motion and the motion passed.

The Board reviewed the financial statements for the district for the month of September. Gerald made a motion to approve payment of expenses for September totaling \$275,460.21. Paul seconded the motion and the motion passed.

Water loss for September was 2%.

Project plans for the Lunsford Lane line extension have been submitted to the Division of Water. All easements have been signed and turned in to be recorded. Riley will move forward with advertisements for project bids. We will open bids and discuss awarding project at next meeting once project approval is received from Division of Water.

North Mercer Water will inspect the Lunsford Lane project and the Cosby Lane project in house.

Riley indicated that Boca will complete repairs to Mackville Road area and begin replacing lines on Cummins Ferry Road in about 30 days. This portion of the project should be completed by the end of the year. Final clean up will not be completed till early spring 2024.

Riley reported that the Pauley's have not begun construction on Brock Lane for a private line, Tim Gray refused to sign the easement he had promised them, so they could pass through his property.

Our crews switched attempted to move all customers who are on the Mackville Road pump to the pump on Martin Lane and purchase that water from the City of Danville. After about a week, it was determined that the pumps were running full time and could not keep the Rose Hill tank full. The Martin Lane pumps are able to provide water for approximately 800 customers and keep the Mackville Road tank full. The remaining customers were moved back to the Mackville Road pumps and City of Harrodsburg water.

Paul made a motion to request Riley and his engineering firm to provide an estimate on the costs involved to upgrade the pump station at Martin Lane to optimize North Mercer's ability to purchase more water from the City of Danville. Lee Todd seconded the motion and the motion passed.

Norrie Currens has agreed to continue to represent North Mercer with issues relating to the current Rural Development project or easements relating to other projects. Any other business that the District may need an attorney for will require an outside attorney to be obtained.

The Board instructed Mischell to discuss the attorney situation with Damon Talley and to move forward with requesting one of the attorneys he had recommended to attend an upcoming meeting if they are interested in the position. Board agreed that the District attorney would not be required to attend every meeting.

Paul made a motion to move the November meeting to November 22nd so that we may break for the Thanksgiving Holiday after our employee lunch to be held at the Combination in Harrodsburg. Lee Todd seconded the motion and the motion passed.

We will review the Internet Lease on our towers at the next meeting.

Paul made a motion to adjust the amount for training on the 2024 budget by an increase of \$2000.00 and to decrease the depreciation number by \$2000.00. Lee Todd seconded the motion and the motion passed.

Paul made a motion to approve the 2024 Budget as presented with adjustments to training and depreciation as noted above. Lee Todd seconded the motion and the motion passed. See attached.

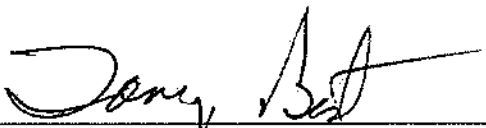
Gerald made a motion to move into executive session to discuss personnel; Incentive Pay and Salaries. Paul seconded the motion and the motion passed.

Paul made a motion to move out of executive session and back into regular session. Gerald seconded the motion and the motion passed.


The Board reviewed the suggested incentive pay for 2023 and salary increases for 2024. The Board requested an increase of 5% per employee above what was suggested net for incentive pay and an increase of .5% above the salary increase suggested for Mischell and Jason.

Gerald made a motion to approve the incentive pay for 2023 and new salaries for 2024 with the adjustments as requested. Paul seconded the motion and the motion passed. See Attached.

Paul made a motion to adjourn. Lee Todd seconded the motion and the motion carried.



Tony Best, Secretary
North Mercer Water District



Andrew Dennis, Chairman
North Mercer Water District

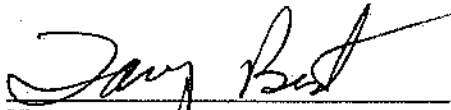
EXECUTIVE SESSION
OCTOBER 18, 2023

Gerald made a motion to enter Executive Session. Paul seconded the motion and the motion passed.

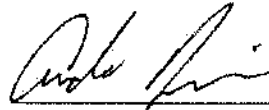
The Board reviewed the suggestions for incentive pay and salary increases for 2024.

The Board agreed to instruct Mischell to increase the suggested incentive pay for all employees by 5% for 2023 and to increase the suggested salary increases to Mischell and Jason by .5% for 2024.

Paul made a motion to move out of executive session and back into regular session. Gerald seconded the motion and the motion passed.



Tony Best Secretary



Andrew Dennis, Chairman

NORTH MERCER WATER DISTRICT BUDGET 2024

INCOME		2023	2024
461.1	Metered Sales to Customers	3,150,000.00	3,450,000.00
461.11	Metered Sales Water Station	1,150.00	1,200.00
470	Penalties	30,000.00	30,000.00
474	Miscellaneous	23,500.00	25,000.00
471.1	Other Water Revenue	5,000.00	5,000.00
471.11	Reconnect Fees	20,000.00	18,000.00
419	Interest Income	4,600.00	15,000.00
474.2	Blue Zoom Lease	6,000.00	6,000.00
432.1	Tap Fee (New Meter Purchase)	74,400.00	125,800.00
TOTAL INCOME		\$ 3,314,650.00	\$ 3,676,000.00
EXPENSES			
601.5	Maintenance of Meters	145,000.00	150,000.00
601.6	Maintenance of Mains	155,000.00	160,000.00
601.61	Maintenance Supervisor	28,000.00	30,000.00
601.7	Meter Reading Labor	11,200.00	12,000.00
601.71	Accounting & Collection Labor	99,000.00	140,000.00
601.8	Administrative & General Salaries	112,000.00	115,000.00
604	Employee Benefit/ Medical Insurance	140,000.00	150,000.00
604.1	Payroll Taxes/ S.S. & Medicare	47,000.00	50,000.00
604.21	KY Retirement System	156,000.00	150,000.00
604.3	Employee Benefit/ Dental Insurance	3,200.00	3,500.00
610.1	Purchased Water	1,050,000.00	1,100,000.00
615.1	Fuel for Pumping	29,750.00	31,000.00
615.1	Electricity - Office	7,000.00	7,000.00
618	Chemicals	250.00	250.00
620.5	Repairs and Maintenance	5,500.00	15,000.00
620.6	Operation Supplies & Expenses	96,500.00	110,000.00
620.7	Postage	23,500.00	26,500.00
620.8	Office Supplies and Expenses	12,000.00	12,000.00
631	Contractual Services / Engineering	2,500.00	5,250.00
632	Auditing	12,500.00	12,500.00
633	Legal Fees	7,500.00	7,500.00
635	Contractual Services/ Inspec./Consulting	250.00	250.00
635.1	Contractual Service/ Other	10,500.00	10,500.00
635.2	Contractual Services Water Testing	6,800.00	6,800.00
635.6	Maintenance of Standpipes	25,000.00	30,000.00
636	Contractual Services/ Lease	500.00	500.00
650	Transportation Expense/ Trucks	39,000.00	45,000.00

NORTH MERCER WATER DISTRICT BUDGET 2024

650.1	Transportation Expense/ Backhoe/ Trailer	1,200.00	1,200.00
657	Insurance General Liability/ include vehicles	32,000.00	35,000.00
658	Workers Compensation	9,500.00	9,000.00
667.1	Regulatory Commission., P.S.C.	4,800.00	4,800.00
670.7	Uncollectable Accounts	24,000.00	24,000.00
675	Maintenance of General Plant	4,200.00	4,200.00
676	Travel and Meals	4,200.00	4,600.00
677	Miscellaneous General Expense	6,200.00	6,200.00
678	Telephone	24,000.00	24,000.00
679	Commissioner Fees	32,000.00	32,000.00
604.4	Life Insurance	4,800.00	5,500.00
241.5	911 Meter Fees/ Mercer/Anderson/Wash.	7,800.00	38,000.00
604.6	Short Term Disability Insurance	5,500.00	6,000.00
427.2	Interest Expense - Long Term	500.00	
674.1	Training	5,000.00	10,000.00
677.2	Uniforms	5,000.00	5,500.00
677.3	Debit/Credit card fees	19,800.00	25,000.00
403	Depreciation Expense	329,000.00	326,250.00
427.4	Interest Expense - Short Term	500.00	500.00
681	Bond DEBT Principal ONLY		227,500.00
241.5	Bond DEBT LONG TERM INTEREST		227,700.00
	RESERVES: To meet Bond Requirements	Principle/Interest/Reserve	269,300.00
		565,000.00	
674	Membership Fees and Dues	4,200.00	4,200.00
TOTAL EXPENSES		\$ 3,314,650.00	\$ 3,676,000.00

NORTH MERCER WATER DISTRICT

MINUTES

September 20, 2023

Andrew Dennis, Chairman
Gerald Sheperson, Vice-Chairman
Paul Campbell, Commissioner
Riley Sumner, BG Engineering

Tony Best, Secretary
Lee Todd Pinkston, Commissioner
Mischell Lee, Manager
Jason Sanford, Maint. Supervisor

The meeting was called to order by Chairman, Andrew Dennis.

The Board reviewed the minutes from the August meeting. Gerald made a motion to approve the minutes. Tony seconded the motion and the motion passed.

The Board reviewed the financial statements for the district for the month of August. Paul made a motion to approve payment of expenses for August totaling \$275,460.21. Tony seconded the motion and the motion passed.

Water loss for August was 4%. Water loss continues to decline.

The line extension project for Lunsford Lane has had a second person to purchase a water meter. Having met the criteria to move the project forward, Riley will submit plans to the Division of Water.

The engineering fees required to move forward with the line extension on Crosby Lane has been paid and Riley has submitted the plans to the Division of Water. North Mercer will be reimbursed for all construction costs by Mr. Huffman. The project is being completed to correct an illegal tap to a home recently purchased by Mr. Huffman. Mr. Huffman requested that the water line be installed down the middle of the road leading to his property. This could lead to serious issues in the future if the county decides to pave the road. Tony made a motion that the water line for Cosby lane NOT be placed in the middle of the road.

Paul seconded the motion and the motion passed.

Tim and Pat Lewis requested a flush valve be installed on Harvey Pike near their property at their expense. The water main in that area is only a 4" line and is insufficient to provide the needed pressure for a flush valve; therefore, a flush valve will not be installed.

Bluegrass Engineering will send an engineer to inspect and go through the hydraulics for the pumps and line sizes connected to the City of Danville Meter. Our goal is to purchase up to 30% of our water needs from the City of Danville. At the present time, North Mercer is paying about 1/3 of the cost of the City of Harrodsburg's water for Danville water. We expect that the City of Danville will also raise their rates in the near future, but in the mean time we will take full advantage of the savings for North Mercer Water customers. North Mercer Water has used the City of Danville connection for emergency use only, but our contract states that we may purchase up to 4,650,000 gallons a month. As soon as engineering deems it safe to move forward we will switch our Mackville Road customer's water source from the City of Harrodsburg to the City of Danville.

Mischell will reach out to the following attorneys: Dennis Howard, Brittany Koenig and Allyson Honaker to determine if there is any interest in representing North Mercer Water and to begin inviting them individually to our meetings in the coming months. We will begin with Brittany Koenig, who was suggested by Damon Talley. We will invite Brittany to our November meeting.

We will reach out to Norrie Currens. We have not had any communication since the last meeting she attended. The Board requests that Norrie stay on as attorney representing the current Rural Development project and offer her resignation from any other duties regarding North Mercer Water District.

Riley reported that the Pauley's intend to install a private line on Brock Lane, but has learned that the EASEMENT for the meter installation on Tim Gray's property has NOT been signed.

The PSC has requested additional information to determine if there is evidence that they should move forward with a case as Virginia Edwards has suggested exists. We will provide the PSC with the information requested.

The Sanitary Survey completed in April resulted in a letter of NO deficiencies noted.

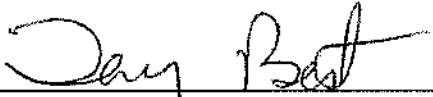
The PSC has approved a pass thru rate increase of .48 cents per thousand gallons of water to offset the rate increase the City of Harrodsburg passed on wholesale water purchased by North Mercer Water. The rate increase will go into effect for all water sold after September 8, 2023.

Gerald made a motion that North Mercer Water's rates reflect the additional .48 cents per thousand gallons for all water sold beginning on Sept. 8, 2023. Lee Todd seconded the motion and the motion passed.


Anthem Blue Cross Blue Shield refunded North Mercer Water \$6864.54 as rebate for health care premiums during 2023.

Riley reported that he will retire at the end of 2023. Paul Reynolds will be the representative from Bluegrass Engineering who will attend and address North Mercer Waters needs.

Gerald made a motion to adjourn. Lee Todd seconded the motion and the motion carried.



Tony Best, Secretary
North Mercer Water District



Andrew Dennis, Chairman
North Mercer Water District

NORTH MERCER WATER DISTRICT

MINUTES

August 16, 2023

Andrew Dennis, Chairman
Gerald Sheperson, Vice-Chairman
Paul Campbell, Commissioner
Riley Sumner, BG Engineering
Jason Sanford, Maintenance Supervisor

Tony Best, Secretary
Lee Todd Pinkston, Commissioner
Mischell Lee, Manager
Rita McIntyre, Whitaker Bank

The meeting was called to order by Chairman, Andrew Dennis.

The Board reviewed the minutes from the July meeting. Gerald made a motion to approve the minutes. Tony seconded the motion and the motion passed.

The Board reviewed the financial statements for the district for the month of July. Tony made a motion to approve payment of expenses for July totaling \$336047.06. Lee Todd seconded the motion and the motion passed.

Gerald made a motion to correct last month's financials to reflect the correct expense total of \$389,424.11. Paul seconded the motion and the motion passed. Several July checks were left off the check register by error.

Water loss for July was 9%. We are still working out the kinks in our system since the project was completed, but loss continues to be down.

Rita McIntyre collected signatures for Whitaker Bank and any other proof of identity the bank needed to have on file. All Board members and the District manager are now on signature cards and are approved to sign checks/documents for the District. Banking still requires 2 signatures.

Mr. Huffman did not attend the meeting to discuss Cosby Lane. Lee Todd made a motion to move forward with a line extension on Cosby Lane, if Mr. Huffman agrees to pay the cost of the extension. The District will move forward with the project as soon as Mr. Huffman pays the initial engineering fees. Gerald seconded the motion and the motion passed. Once engineering is complete, the plans will go to the Division of Water for approval, and then construction can begin. The Board agreed to the extension to remedy an existing problem on Cosby Lane. Mr. Huffman has purchased a house and property that is illegally tied to the District's water main by sharing a meter with another property located on Cosby Lane. The District will not gain any additional customers or revenue from the extension. Mr. Huffman is willing to pay for the line extension but did not want to be responsible for the line going forward. Since this project will benefit the District and Mr. Huffman is willing to pay, the project will move forward.

Gerald made a motion to move forward with the line extension on Lunsford Lane once a second person has committed and purchased a water meter. Paul seconded the motion and the motion carried. Michael Collins has purchased a meter and the other residents who live on Lunsford Lane have made their desire to have their meters moved to the new line known. Once this extension is complete there will be 5 customers on the new line.


Tim Lewis has requested the District install a Flush Valve on his property located on Harvey Pike. Mr. Lewis will pay for the flush valve. Gerald made a motion to agree to installing a flush valve on Harvey Pike to be purchased by Tim Lewis if it will be on a 6" line or larger. Paul seconded the motion and the motion passed.

Jason reported that we are still working out the bugs with our connection to the City of Danville. The latest issue is a difference in the type of chlorine used to treat the water. Danville uses 4% Miox chlorination system. We want to be sure that there will not be an issue with mixing the water that is treated differently.

Riley has requested release of permits on Contracts 2A,B and C from the transportation dept. He received a punch list of some areas that need to be reseeded. We are currently holding \$5000.00 from the contractors until these releases are received. The permit on Contract 1 will remain in place since this is where we will do additional work once the grant monies are released.

Riley has not heard from Rail Pros and the office has not received any additional emails. Riley has a signed easement for the meter to be installed on the Gray Property for the Pawley's. The plan sheet is ready for Cosby Lane. Bluegrass Engineering will host a dinner Monday night the 28th at Captains Quarters for those attending the KRWA conference in Louisville.

Gerald made a motion to adjourn. Paul seconded the motion and the motion carried.



Tony Best, Secretary
North Mercer Water District



Andrew Dennis, Chairman
North Mercer Water District

NORTH MERCER WATER DISTRICT

MINUTES

July 19, 2023

Andrew Dennis, Chairman
Gerald Sheperson, Vice-Chairman
Riley Sumner, BG engineering
Paul Reynolds, BG engineering
Jason Sanford, Maintenance Supervisor
Rita McIntyre, Whitaker Bank

Tony Best, Secretary
Lee Todd Pinkston, Commissioner
Mischell Lee, Manager
Paul Campbell (Phone)
Vickie Bottoms, Whitaker Bank
Norrie Currens, Attorney

The meeting was called to order by Chairman, Andrew Dennis.

The Board reviewed the minutes from the June meeting. Gerald made a motion to approve the minutes. Tony seconded the motion and the motion passed.

The Board reviewed the financial statements for the district for the month of June. Todd made a motion to approve payment of expenses for June totaling \$255,976.24. Gerald seconded the motion and the motion passed.

Water loss for June was 12%. We are still working out the kinks in our system since the project was completed.

Rita McIntyre and Vickie Bottoms from Whitaker Bank were invited to the Board meeting to discuss possible investment opportunities to the Board, all which leave easy access to funds and no risk. Whitaker Bank is offering several CD options with rates paying over 4%. Our Depreciation account currently receives a rate of .15% for the moneys being held. Our Depreciation account is essentially our savings account. The money in this account is rarely used and is set aside for infrastructure projects. The Bank is also offering a new Sweep account. Essentially, this account will maintain a balance as requested by the customer and all other funds are swept into an insured money market account. The money market account pays a substantially higher interest rate than we are currently receiving.

Lee Todd made a motion to place \$100,000 dollars out of NMWD Depreciation account into a 4 week renewable insured CD, currently paying 4.14%. The remainder of the balance of the Depreciation account will be placed into a 52 week CD, currently paying 4.34%. All incoming funds will be placed into an insured sweep money market account leaving a monthly balance of \$25,000 in the account. Gerald seconded the motion and the motion carried.

Lee Todd made a motion to place all funds currently in NMWD Revenue account into an insured sweep money market account leaving a balance of 25,000. Gerald seconded the motion and the motion carried.

Riley reported that we will hold \$5000.00 on Contract 1 until the transportation department released our permit. Contracts 2A and 2C still have \$2500.00 each being held until the release of permits.

Lee Todd made a motion to instruct attorney, Norrie Currens to make Rail Pros an offer of \$2500.00 to settle our dispute over how much is owed on our failed attempt to cross the railroad. The amount to settle the dispute is approved up to \$7900.00. Gerald seconded the motion and the motion carried.

Bluegrass Add reported that our initial request for reimbursement of \$70,424.11 from the first round of Cleaner Water Grant funds has been approved. Our check should arrive soon. We will have approximately \$300,000.00 left in Cleaner Water Grant funds to spend on completing our on going project.

Gerald made a motion to approve a change order submitted by Riley for \$241,540.00 on contract #1 to extend it out Cummins Ferry Road. Todd seconded the motion and the motion carried.

Gerald made a motion to amend the engineering and inspection fees for an additional \$12,000.00 to cover costs on the Contract 1 extension. Tony seconded the motion and the motion carried.

The Pawley's have obtained the easement needed to move forward and install their private line on Brock Lane.

Jason and the crew continue to work out the issues with opening up our City of Danville connection. Currently we have a valve on order that should get water flowing once it's installed.

The Board discussed Lunsford Lane and the requested line extension. It was agreed that if the current customers on Lunsford Lane agree to sign easements and move their meters to Lunsford Lane then the project can move forward.

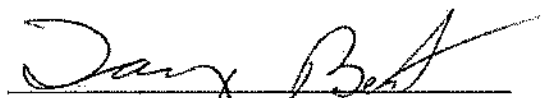
The City of Harrodsburg has requested another wholesale rate increase from the Public Service Commission (PSC). The current request is for an additional 6%. The City also passed an ordinance that requires the City to make a rate increase yearly to the PSC going forward.

Gerald made a motion to move into executive session to discuss personnel issue. Tony seconded the motion and the motion passed.

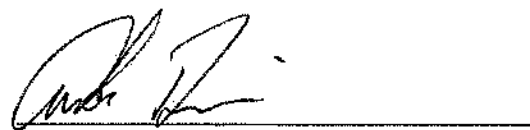
Gerald made a motion to move out of executive session and back into regular session. Tony seconded the motion and the motion passed.

Gerald made a motion to remove Roy Short, who has retired from the Board, from the signature card for North Mercer accounts at Whitaker Bank and to add Lee Todd Pinkston. Tony seconded the motion and the motion passed.

Gerald made a motion to adjourn. Tony seconded the motion and the motion carried.



Tony Best, Secretary
North Mercer Water District



Andrew Dennis, Chairman
North Mercer Water District

EXECUTIVE SESSION
July 19, 20223

The Board moved into executive session to discuss our legal representation. Andrew started off with our appreciation to Norrie for the job she has done in representing North Mercer Water.

Andrew wanting to point out that the discussion had nothing to do with job performance, but the issue of representing North Mercer Water and the City of Harrodsburg.

Norrie took the job with the City of Harrodsburg about a year after she took the job with North Mercer. The issue has risen out of the Cities request for multiple rate increases on their wholesale water customers. North Mercer purchases the bulk of its water for distribution from the City of Harrodsburg. The increases will have a significant impact on North Mercer Water customers.

Norrie responded that she does not represent the City in their rate cases and has tried to stay out of any business that might appear to cause a conflict. She has always recused herself whenever the Board has entered a discussion about the City of Harrodsburg.


In discussion, it was mentioned that even though Norrie had done her best to not participate in issues that affected the City and North Mercer, there was still the issue of appearances to North Mercer Water's customer base. It's the Board objective to offer its customers the best water at the best price. Another issue was the need for the District to have an attorney representing them with the issue of the continued wholesale rate increases. North Mercer has already requested an outside attorney to help guide us through the issue.

Norrie responded that although in her mind she had been able to be loyal to both entities, it was apparent to her that an issue did exist if Board members were not comfortable. Norrie gave notice that she would submit her resignation in the coming month.


Norrie agreed to finish the issues with Rail Pro and a letter to the PSC regarding our rate case. The Board asked if she would consider

representing the District until her replacement could be found. Norrie responded that a conflict of interest would exist now that the issue was on the table and she would not be comfortable with that.

Gerald made a motion to move back into regular session. Tony seconded the motion and the motion passed.



Andrew Dennis, Chairman



Tony Best, Secretary

NORTH MERCER WATER DISTRICT

MINUTES

June 21, 2023

Andrew Dennis, Chairman
Gerald Sheperson, Vice-Chairman
Riley Sumner, BG engineering
Michael Collins, Customer
Jason Sanford, Maintenance Supervisor

Tony Best, Secretary
Lee Todd Pinkston, Commissioner
Mischell Lee, Manager
Shay Collins, Customer

The meeting was called to order by Chairman, Andrew Dennis.

The Board reviewed the minutes from the May meeting. Tony made a motion to approve the minutes. Gerald seconded the motion and the motion passed.

The Board reviewed the financial statements for the district for the month of May. Gerald made a motion to approve payment of expenses for May totaling \$258,264.81. Tony seconded the motion and the motion passed.

Water loss for May was 2.9%. The Dixville and the 127 glass lined tanks were repaired. Both began leaking after the severe wind storm. Several other leaks were found and repaired.

Michael and Shay Collins have purchased land at the end of Lunsford Lane and have been unsuccessful in obtaining easements to allow them to install a private water line for the home they have started building. Currently there are 3 other houses on Lunsford Lane that have private lines connecting them to the Districts main line on Mundys Landing Road. The Collins property would bring the total to 4. The Commissioners discussed the ratio of customers served versus the cost to the District to extend a line down Lunsford Lane. Technically, the 3 houses that are currently located on Lunsford Lane and connected on Mundys Landing have been paying for a line extension on Lunsford since their properties were built.

Two of the current owners on Lunsford Lane have really long private lines which they are responsible for. An extension down Lunsford Lane would alleviate that responsibility. If an extension were built, the District would be responsible for moving the current resident's meters to Lunsford lane and the customers would be responsible for the line from the new meter location to their homes. Gerald made a motion to approve for engineering to be completed to check the hydraulics, if the pressure would be sufficient to serve the residents to the end of the lane and the cost involved. Todd seconded the motion and the motion passed.

Riley informed the Commissioners that Christine Pawley had contracted with Bluegrass Engineering to help them install a water line down Brock Lane to serve their new home they are building which is located at the very end. Currently there is only one home on Brock Lane and it is served by a private line. Riley said the cost to the Pawley's to install the line was close to \$60,000.00. He suggested that the Pawley's get an easement from Tim Gray to set their meter on his property and to run a private line, if the District would approve it. Gerald made a motion to approve the plan to set the Pawley's meter on Tim Gray's property with a signed easement from Tim Gray for the meter and installation of the private line through his property. Todd seconded the motion and the motion passed.

The City pool had a major leak, we asked the City to either repair the leak or we would have to turn the meter to the pool off. The telemetry alarm continued to sound for three days. The 127 tank continued to drop to dangerously low levels. Any kind of emergency situation or if someone were to hit the line, the District would have had people without water. We turned the pumps back on at the Wheatschool Road and we moved people to that tank to help the situation. The City moved to find the leak and have it repaired. After searching for several days with divers and such, they gave up and shut the pool down for the remainder of the summer.

Andrew presented the Districts case to the Fiscal Court pertaining to the new ordinance directing us to collect a \$1.75 per meter fee and remit it to Bluegrass 911. The ordinance stated that the District could retain 3% for an administrative fee. The District retains 10% from Anderson and Washington County meter fees. Judge Sarah Steele said the decision had been made and it would stay at 3%. The magistrates did not speak up, and no motion was made.

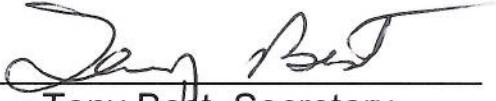
Gerald made a motion to collect the 911 fees as ordered by the Fiscal Court. Tony seconded the motion and the motion passed.

Todd made a motion to take steps to maximize our potential water purchasing from the City of Danville under our current contract. Gerald seconded the motion and the motion carried.

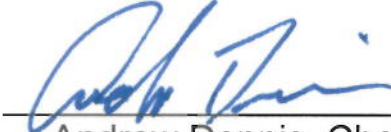
Gerald made a motion to contact Damon Talley and request a special training session for the Commissioners. We will invite other Commissioners to attend as well. Todd seconded the motion and the motion carried.

Jason reported that he had gotten a couple of bids for trucks and is in need of a larger truck to transport the large equipment. The Commissioners approved moving forward with a new truck purchase as long as PSC regulations regarding the purchase were met.

Gerald made a motion to adjourn the meeting. Todd seconded the motion and the motion passed.



Tony Best, Secretary
North Mercer Water District



Andrew Dennis, Chairman
North Mercer Water District

NORTH MERCER WATER DISTRICT

MINUTES

MAY 17, 2023

Andrew Dennis, Chairman
Paul Campbell, Treasurer
Gerald Sheperson, Vice-Chairman
Lee Todd Pinkston, Commissioner
Chad Robinson, Auditor

Tony Best, Secretary
Mischell Lee, Manager
Norrie Currens, Attorney
Riley Sumner, BG engineering
Sam Reid, KRWA, Rate Case

The meeting was called to order by Chairman, Andrew Dennis.

The Board reviewed the minutes from the April meeting. Tony made a motion to approve the minutes. Gerald seconded the motion and the motion passed.

The Board reviewed the financial statements for the district for the month of April. Paul made a motion to approve payment of expenses for April totaling \$247,454.10. Todd seconded the motion and the motion passed.

Water loss for April was 19%. We had a leak in our glass lined tank on New Dixville Road and several other leaks were located and repaired.

Chad Robinson, auditor with Kerbaugh, Rodes & Butler, PLLC, reviewed the 2022 audit for North Mercer Water and answered questions. Chad reported the District had a clean audit, meaning there were no issues noted. The District was required to also have a single audit completed due to our project and Federal Funds of more than \$750,000.00. Our cash flows position increased \$732,035 for the year; much of this was contributed to the rate increase that went into effect late 2021.

Gerald made a motion to accept the 2022 audit as presented. Paul seconded the motion and the motion passed.

Sam Reid with KY Rural Water is helping the District file our Alternative Rate Filing (ARF) which the PSC required when it approved our last rate increase in 2021. Sam reported that the data received requires an additional 16.25% increase. The numbers Sam used included adding additional office personnel. The ARF procedure usually takes about 6 months to complete.

Paul made a motion to pass a resolution raising North Mercer Water rates 16.25%. Gerald seconded the motion and the motion passed.

Paul made a motion to file a pass thru application with the PSC to cover the wholesale rate increase of 10% passed on May 26 for the City of Harrodsburg. Gerald seconded the motion and the motion passed.

Todd made a motion to pass a resolution raising North Mercer Water District rates to collect the 10% wholesale increase on all water purchased after May 26, 2023 from the City of Harrodsburg. Paul seconded the motion and the motion passed.

The PSC also approved the City of Harrodsburg application to recover the legal costs associated with their wholesale rate increase. North Mercer Water and Lake Village Water Association will be required to pay \$196.96 per month for the next three years.

Riley reported that all clean up has been completed on all contracts. All asphalt work on contract 2C has also been completed. The release of KDOT Encroachment permit for contracts 2A, B and C has been requested along with release of lien.

Riley also sent a certified letter written with attorney Norrie Currens regarding invoices for work that Rail Pros has billed the District for but was never done. Riley reports that Rail Pros only had personnel on site on 2 occasions. The District has been billed for 4 different dates. The District decided to abandon the Railroad crossing after a difficult and costly experience, and Rail Pros continues to bill us.

Paul made a motion to pass a Resolution accepting the Joinder Agreement with KY Public Employers Deferred Compensation Authority and North Mercer Water District, and to authorize Andrew Dennis to execute the agreement on behalf of North Mercer Water. Gerald seconded the motion and the resolution passed.

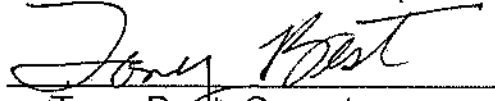
Judge Executive Sarah Steele sent out ^{an} email notifying all water utilities in Mercer County that an ordinance had been passed requiring all to collect \$1.00 per meter to fund the counties 911 system. Later another email changed the directive to charge \$1.75 per meter and allowed each utility to keep 3% for an administrative fee. North Mercer Water currently collects 911 fees for Washington and Anderson Counties. We charge a 10% administrative fee.

The Commissioners will attend the next Fiscal Court meeting (June 6 at 10:00 am) to voice our concerns in meeting the Judges directive to collect the fee by July 1, 2023 and turn over money to Bluegrass 911, the administrative fee allowed and that as a District under PSC authority, we cannot enforce the payment of said fee.

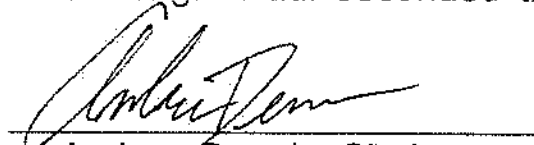
Paul made a motion to move into executive session. Gerald seconded the motion and the motion passed.

Paul made a motion to move back into regular session. Todd seconded the motion and the motion passed.

Todd made a motion to adjourn the meeting. Paul seconded the motion and the motion passed.



Tony Best, Secretary
North Mercer Water District



Andrew Dennis, Chairman
North Mercer Water District

Executive Session
May 17, 2023

The Board entered into executive session by Motion from Paul Campbell, followed by a second from Gerald Sheperson.

The executive session began with a discussion on Tammy's new title and job responsibilities. Mischell will put together a job description for Tammy's new role as Operations Specialist; her pay will increase 5% beginning June 1, 2023.

Mischell will task Kie with putting together some detail on purchasing more water from South Anderson Water District and purchasing as a regular wholesale customer from the City of Danville. After the City of Harrodsburg's wholesale rate increase, they are now the most expensive water we purchase.

The Board discussed issues with our current Board attorney also representing the City of Harrodsburg. The District has called in Damon Talley for his expert opinion on the issue and if he believed a conflict of interest existed. We were advised that several conflicts exist and that our attorney could not represent both entities. The Board will move forward with a discussion with our attorney as to how to best move forward.

Paul made a motion to move out of executive session. Gerald seconded the motion and the motion passed.

Todd made a motion to adjourn the meeting. Paul seconded the motion and the motion passed.



Andrew Dennis, Chairman



Tony Best, Secretary

NORTH MERCER WATER DISTRICT

MINUTES

APRIL 19, 2023

Andrew Dennis, Chairman
Paul Campbell, Treasurer
Gerald Sheperson, Vice-Chairman
Lee Todd Pinkston, Commissioner

Tony Best, Secretary
Mischell Lee, Manager
Norrie Currens, Attorney
Riley Sumner, BG engineering

The meeting was called to order by Chairman, Andrew Dennis.

The Board reviewed the minutes from the March meeting. Tony made a motion to approve the minutes. Gerald seconded the motion and the motion passed.

The Board reviewed the financial statements for the district for the month of March. Lee Todd made a motion to approve payment of expenses for March totaling \$274,378.96. Gerald seconded the motion and the motion passed.

Water loss for March was 17%. Maintenance crew continues to search for a new leak. Several small ones have been located and repaired.

Riley reported that final clean up of the project areas is in process. We are still waiting for the cleaner water grant funds to become available. The first grant amount is \$103,000 and the 2nd one is for \$275,000. Karyn with Bluegrass Add continues to say that the funds should be available any day. Once funds are available, the crew will continue with the next area of the project.

Sam Reid with KY Rural Water will attend the May board meeting to discuss his findings with regards to the ARF (alternative rate filing) case we have been directed to file with the PSC.

Chad Robinson will also attend to report on the 2022 audit that will be completed and to answer any questions. The PSC report was completed and submitted in a timely manner.

Paul made a motion to approve the relocation of North Mercer Water District's water line located at the intersection of Deep Creek and Mackville Roads. The owners of the property will have the line moved and will be responsible for any cost required to move the line and reinstall it. Tony seconded the motion and the motion passed. Brian Stewart and Will Farthing have requested approval to move the line so that they may take down a hill blocking access to their property where they intend to build a house. About 400 feet of water line will be relocated while the hill is removed and then moved back to its original location. Jason will ensure that the line is moved according to North Mercer Water's guide lines and that any customers impacted will be notified.

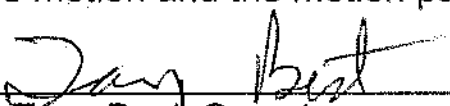
Gerald made a motion to pass a Resolution accepting the Cleaner Water Grant in the amount of \$275,000.00. Lee Todd seconded the motion and the motion passed.

Gerald made a motion that Andrew Dennis represent North Mercer as our representative with regards to actions on behalf of the District in acceptance of the Cleaner Water Grant.


Gerald made a motion to move into executive session to discuss planning in regards to employees. Paul seconded the motion and the motion passed. Norrie excused herself from the discussion.

Paul made a motion to move out of executive session and back into regular session. Gerald seconded the motion and the motion passed.

Gerald made a motion to adjourn the meeting. Lee Todd seconded the motion and the motion passed.



Tony Best, Secretary
North Mercer Water District



Andrew Dennis, Chairman
North Mercer Water District

Executive Session
April 19, 2023

The Board entered into executive session by Motion from Gerald Sheperson, followed by a second from Paul Campbell.

The executive session began with a discussion on employees and retirement dates:

Lori Hazelwood – End of 2024
Tammy Holliday – Early 2026
Charles Hazelwood – Will turn 65 End of 2023
Mischell Lee – Early 2028

Board:

Tony Best & Lee Todd Pinkston - June 29, 2024
Paul Campbell and Andrew Dennis – April 27, 2025
Gerald Sheperson – June 29, 2026

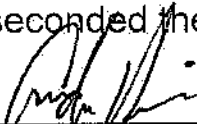
Mischell hired a new full time clerk who began on April 3, 2023. Her name is Kie Vanderhorst. She has a degree in accounting and years of experience in several areas including finance. Kie will begin training in the front office. Mischell will also train her in administrative duties.

Tammy Holliday has been with the District for 27 years. She is currently training all new employees along with continuing her normal duties. Mischell would like to give Tammy a title and put her in charge of all training of new personnel. There was discussion as to possible titles and an increase in pay. The Board directed Mischell to restructure the office with regards to personnel and duties.

Andrew requested that Mischell review the Budget and break out the personnel costs and separate from other District costs.

Discussion touched on water sources and rates. The Board will have a more in depth discussion on this topic in May.

Paul made a motion to move out of executive session. Gerald seconded the motion and the motion passed.



Andrew Dennis, Chairman



Tony Best/Secretary

NORTH MERCER WATER DISTRICT

MINUTES

MARCH 15, 2023

Andrew Dennis, Chairman
Paul Campbell, Treasurer
Gerald Sheperson, Vice-Chairman
Lee Todd Pinkston, Commissioner
Judge Ex. Sarah Steele

Tony Best, Secretary
Mischell Lee, Manager
Norrie Currens, Attorney
Riley Sumner, BG engineering
William Gabhart

The meeting was called to order by Chairman, Andrew Dennis.

The Board reviewed the minutes from the February meeting. Tony made a motion to approve the minutes. Gerald seconded the motion and the motion passed.

The Board reviewed the financial statements for the district for the month of February. Gerald made a motion to approve payment of expenses for February totaling \$221,915.23. Paul seconded the motion and the motion passed.

Water loss for February was 11.5%.

Customer William Gabhart came to discuss an issue he had with an employee.

Gerald made a motion to move into executive session to discuss employee issue. Tony seconded the motion and the motion passed.

Gerald made a motion to move out of executive session and back into regular session. Tony seconded the motion and the motion passed.

Mr. Gabhart left after 10 minutes saying he had to be at work. He had been disconnected for non-payment.

Riley reported that Boca was 99% complete on the project. The only thing left was the final clean up. Clean up has been scheduled for the end of April, weather permitting. Boca's March invoice was for \$39,292.00.

Gerald made a motion to approve North Mercer Water employees to complete the construction to move 400 ft. of North Mercers line located on Brian Drurys property for \$12 a foot or cost to relocate the line, whichever is greater. Paul seconded the motion and the motion passed.

Mr. Drury is building a barniminium and needs to take down the hill to enter his property. North Mercers line will be reinstalled after the excavation is complete.

The cost to add a secondary check valve to all Master Meter is \$35,000.00. Gerald made a motion to add a secondary check valve to all Master Meters. Paul seconded the motion and the motion passed.

The Board entered a discussion on the questions Paul had brought to the Boards attention by email from a training session sponsored by KY Rural Water Association. Some of the items are listed below:

District may borrow money for 2 years or less without PSC approval. Note can be renewed if needed.

Board Members additions and retirements must be reported to the PSC and require documentation that the Fiscal court made the new appointment.

Districts should ensure that their insurance policies are for replacement coverage.

Districts should be aware of Cyber attacks and ensure that the District has security in place.

Commissioners began strategic planning for North Mercer. Andrew provided the Board with several documents outlining ways to accomplish planning successfully. The Board began with an outline of pressing issues the District is currently facing:

Personnel: Retirements/Replacements

Water Sources: City of Harrodsburg, South Anderson Water, &
City of Danville

Short Term Assets

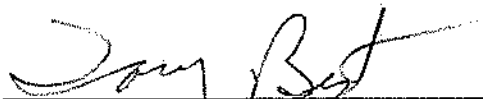
Capital Projects/ Infrastructure needs

Rates


Safety

The Board had a general discussion about the above. Next meeting we will break the list down to the most pressing issues and prioritize and look at short term and long term needs.

Tony made a motion to adjourn the meeting. Lee Todd seconded the motion and the motion passed.



Tony Best, Secretary
North Mercer Water District



Andrew Dennis, Chairman
North Mercer Water District

Executive Session
March 15, 2023

The Board entered into executive session by Motion from Gerald Sheperson, followed by a second from Tony Best.

Mischell informed the Board that the Mr. Gabhart was upset about his water being shut off for non-payment. He felt that an employee had been rude to him and his water should not have been disconnected.

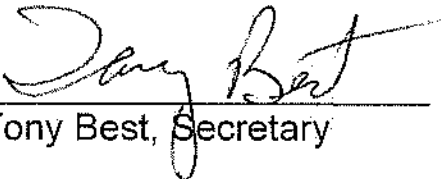
Mr. Gabhart was rude to North Mercer employees. 2 clerks attempted to reason with him and to assure him he was treated exactly as every other customer who did not pay their bill. Mr. Gabhart continued to attempt intimidation and Tammy took charge of the situation.

She told Mr. Gabhart he needed to stop talking over her and the other girls and she would tell him what he needed to do to get his water turned back on. He was not happy.

The clerks told Mr. Gabhart he was welcome to attend the Board Meeting and explain his situation to the Board.

Gerald made a motion to end the executive session and to return to regular session. Tony seconded the motion and the motion passed.

Andrew Dennis, Chairman



Tony Best, Secretary

NORTH MERCER WATER DISTRICT

MINUTES

FEBRUARY 15, 2023

Andrew Dennis, Chairman
Paul Campbell, Treasurer
Gerald Sheperson, Vice-Chairman
Lee Todd Pinkston, Commissioner
Virginia Edwards, Customer

Tony Best, Secretary
Mischell Lee, Manager
Norrie Currens, Attorney
Riley Sumner, BG engineering

The meeting was called to order by Chairman, Andrew Dennis.

The Board reviewed the minutes from the January meeting. Gerald made a motion to approve the minutes. Tony seconded the motion and the motion passed.

The Board reviewed the financial statements for the district for the month of January. Paul made a motion to approve payment of expenses for January totaling \$314,216.91. Gerald seconded the motion and the motion passed.

Water loss for January was 10.5%. Although double from Decembers reading, the loss is reasonable considering the month of January with freezing temps.


Customer Virginia Edwards came before the board asking that her adjustment for her leak be adjusted. Ms. Edwards was not happy with the amount of adjustment given. It was explained that the District is required to follow our tariffs and to treat all customers the same. Ms. Edwards bill was adjusted accordingly. Ms. Edwards pipes had frozen in a vacant rental property she owns during the deep freeze in February when temps plummeted to below 0 for more than 3 days. Over 400,000 gallons went through Ms. Edwards meter. Ms. Edwards did not accept that the Board was unable to adjust her bill further and was visibly upset.

Andrew will extend an invitation to the new Judge Executive, Sarah Steele to attend our March meeting.

Gerald made a motion to adjourn the meeting. Tony seconded the motion and the motion passed.



Tony Best, Secretary
North Mercer Water District



Andrew Dennis, Chairman
North Mercer Water District

NORTH MERCER WATER DISTRICT

MINUTES

January 18, 2023

Andrew Dennis, Chairman
Paul Campbell, Treasurer
Gerald Sheperson, Vice-Chairman
Lee Todd Pinkston, Commissioner
Damon Talley, Attorney

Tony Best, Secretary
Mischell Lee, Manager
Norrie Currens, Attorney
Riley Sumner, BG engineering
Mike Sanford, Lake Village Water

The meeting was called to order by Chairman, Andrew Dennis.

Gerald made a motion to enter into executive session. Paul seconded the motion and the motion carried. See Attachment A

Paul made a motion to move out of executive session and into regular session. Gerald seconded the motion and the motion passed.

The Board reviewed the minutes from the December meeting. Tony made a motion to approve the minutes. Gerald seconded the motion and the motion passed.

The Board reviewed the financial statements for the district for the month of December. Paul made a motion to approve payment of expenses for December totaling \$370,640. Gerald seconded the motion and the motion passed.

Water loss for December was 5.6% and reflects a full month of water usage since the repair of the back flow valve and about 98% of the project is complete with customers moved to the new line.

Riley reported that the line on Old Louisville Road to McAfee has been completed. Boca will request a construction draw of \$91,174.00 and Bluegrass Engineering will request \$1456.00. Garriott Lane is almost finished up to Bondville Road. Railroad crossing has not been completed, waiting on Railroad to set another day for the bore.

Overall the project is about \$75,000.00 over budget. About \$35,000.00 of that is due to unanticipated bores required by the Transportation Dept.

Project 2A and 2B are complete. Riley is still holding about \$10,000 on Project 2C for 2 driveways that have not been repaired on Perryville Road. Overall the project had a 5% contingency built in for issues over budget, approximately \$150,000. The next attempt to complete the railroad bore is Jan.24th. Final clean up will be around April, depending on weather.

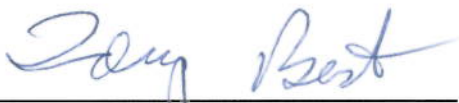
Norrie reported that her understanding of the current benefits eligible for commissioners is appropriate and covered by legal statute.

New Board members are required to take specific training only offered by the PSC. Lee Todd will attend the required training once it's available.


Paul made a motion to go into executive session at attorney Currens request. Gerald seconded the motion and the motion passed. See Attachment B

Gerald made a motion to go out of executive session and back into regular session. Paul seconded the motion and the motion passed.

Gerald made a motion to adjourn the meeting. Lee Todd seconded the motion and the motion passed.



Tony Best, Secretary
North Mercer Water District



Andrew Dennis, Chairman
North Mercer Water District

EXECUTIVE SESSION A
January 18, 2023

The Board entered executive session by motion of Gerald with a second by Paul. Attorney, Norrie Currens was not present. Attorney, Norrie Currens, is now also the legal representative for the City of Harrodsburg, but is not representing them in this legal action with the Public Service Commission.

The Board was joined by Damon Talley, attorney with Keenon/Skoll/Ogden, who also represents KRWA. Damon agreed to represent North Mercer Water in any litigation that might arise regarding the request by the City of Harrodsburg to impose a service fee on the District which would total \$25,000.00 over the span of 3 years. Mike Sanford with Lake Village Water Association was also present as the Cities request also included a service fee to Lake Village for a fee of \$25,000 over 3 years.

Damon said he had spoken with the attorney representing the City of Harrodsburg and the request for \$25,000 was how his law firm normally approached the PSC in a request to recapture expenses for an entity during a rate case. At present, the City has only spent about \$11,000.00 in total legal fees. Their attorney told Damon he did not anticipate the legal fees to grow much beyond that, since the City has had no opposition to the proposed rate filing and were near the end of the process.

Damon's advice was for the District to stand down and wait it out. If we file a motion with the PSC against the fee request then the fees will increase as the attorney will press forward on the Cities behalf. Damon pointed out that the PSC will only approve the amount the City actually spends as a fee to North Mercer and to Lake Village. As it currently stands, North Mercer and Lake Village would be responsible for around \$5500 in fees each. Broken down over 3 years is a nominal amount and not worth fighting over. Historically the PSC has approved an entities request to recover costs for a rate case from those they wholesale water to.

North Mercer can move forward with a request for a pass thru of the rate increase, which should be immediate.

Tony Best

Tony Best, Secretary

Andrew Dennis

Andrew Dennis, Chairman

EXECUTIVE SESSION B
1/18/2023

Attorney Norrie Currens wanted to update the Board about a conversation with Tim Gray.

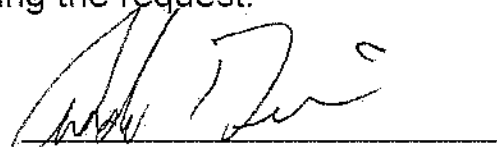
Mr. Gray had contacted Mischell requesting Board information and financial information about the District thru e-mail. Mischell had responded with general information. Mr. Gray continued to ask specific questions about specific personnel and at this point Mischell requested attorney Currens assistance.

Norrie advised Mr. Gray that he would need to make a formal records request if he needed more information. Mr. Gray did not like that and responded that he would be making a formal request and a complaint. Norrie wanted to make the Board aware of Mr. Gray's intentions and the possibility of legal action.

Mr. Gray has been upset with the Board since he made a request asking the Board to pay for a line extension down Brock Lane. Mr. Gray owns the property to the left of the road. He recently sold the land he owned at the end of the road to Christine Pawley and her husband. The couple were led to believe there was water present at the road. After their purchase they found out the water was not present on Brock Lane but was present on Vanarsdall Road. Currently there is a house on Brock Lane to the right owned by the Stratton's. The Stratton's have a private line that they installed years ago that is connected to Vanarsdall Road. The line owned by the Stratton's is still private because it was not installed according to District requirements or to those required by the Division of Water.

The Commissioners requested the Districts engineer to do a project cost breakdown. To reach the Pawley's property is about 4 tenths of a mile and would cost an estimated \$48,000.00. The Commissioners followed the guidance in our Tariffs and those provided by the PSC regarding road extensions before denying the request.


Tony Best, Secretary


Andrew Dennis, Chairman