

NORTH MERCER WATER DISTRICT

MINUTES

October 19, 2022

Gerald Sheperson, Chairman  
Paul Campbell, Commissioner  
Riley Sumner, BG Engineering  
Norrie Currens, Attorney  
Roy Short, Commissioner

Tony Best, Secretary  
Mischell Lee, Manager  
Andrew Dennis, Commissioner  
Christine Pawley, Customer

The meeting was called to order by Chairman, Gerald Sheperson.

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

The Board reviewed the financial statements for the district for the month of September. Roy made a motion to approve payment of expenses for September totaling \$238,900.79. Paul seconded the motion and the motion passed.

Water loss for September was 10%, about where we should expect to see it. A check valve at the Corral Meter was found to be defective and not operating correctly. The valve was adjusted and began working properly. A new check valve was ordered and will be changed out once it arrives.....preliminary numbers indicate that the repair did not hold and loss for next month will be greater than 20%. The valve was replaced on September 28<sup>th</sup>. The current water loss numbers are from August 10 – September 12<sup>th</sup>.

Roy made a motion to install a second check valve at each Master Meter. Paul seconded the motion and the motion passed.

Christine Pawley came before the Board again requesting a water line extension down Brock Lane in Harrodsburg. Ms. Pawley stated that she would like to build a house on the 40 acres located 4 tenths of a mile at the end of Brock Lane. She and her husband purchased the land from Tim Gray, and thought at the time that water was available. She also stated that sometime in the future her daughter would probably want a meter too. Ms. Pawley explained that when the land was purchased she was told there was water at the road. She assumed the road that ended at her land, not Vanarsdall Road. North Mercer had Bluegrass Engineering to do a preliminary estimate on the cost to construct a water line to Ms. Pawley's land. The estimate came in at \$46,000.00. She would like for North Mercer Water to bear the cost of the line extension. Presently, Jeff Walker owns the land and a house on the opposite side of Brock Lane. Mr. Walker has a private service line that is connected to the Districts Main Line on Vanarsdall Road. Commissioners pointed out that Mr. Walker's house is much closer to the main line and the District did not run a line to service his house. Several issues come into play as the Commissioners consider the request. One is cost justification. In this case, even if there were 3 meters purchased ahead of construction, in the past 7-10 meters per mile were required along with a large consumer, such as a dairy farm. Another consideration is the planned use of the remaining land by Mr. Gray. As noted by Ms. Pawley, he has already divided and sold off a tract of land. State law prohibits the District from paying for a line extension that would benefit a sub divider. In this past year alone, the District has had 3 others subdivide and each of those paid for the line extension: Mercer Estates, Daynabrook Subdivision and Pinehurst (formerly Cherry Hill). Based on the above the Commissioners informed Ms. Pawley that North Mercer Water would be unable to construct the line extension as requested.

The Commissioners suggested that Ms. Pawley take her plea to the Mercer Fiscal Court for potential help, also to gather other interested parties in the construction of the extension. Another consideration is to build a cistern.

Riley reported that the project is currently 92% complete. Construction should be complete on McAfee Road by Monday and the line will be flushed. Bondville Road will be next, and hopefully issues will be worked out with the Railroad so that we can complete the bore and move on. The project looks to be about 2.5% over budget and will need a change order to complete this portion of the project. Roy made a motion to approve a change order not to exceed \$190,000.00. Andrew seconded the motion and the motion passed.

Mischell presented the 2023 budget. All budget changes were discussed. Paul made a motion to approve the 2023 budget as presented. Tony seconded the motion and the motion passed. See Attached.

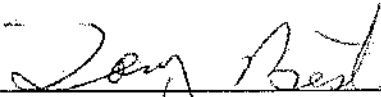
Paul made a motion to enter into executive session to discuss employee issues, salary adjustments, etc. Andrew seconded the motion and the motion passed.

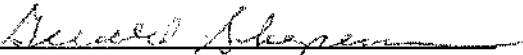
Roy made a motion to move out of executive session. Paul seconded the motion and the motion passed.

Paul made a motion to approve the performance salary adjustment based on performance. Andrew seconded the motion and the motion passed.

Paul made a motion to approve the 2023 salary schedule as presented. Roy seconded the motion and the motion passed.

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

  
\_\_\_\_\_  
Tony Best, Secretary  
North Mercer Water District

  
\_\_\_\_\_  
Gerald Shepersen, Chairman  
North Mercer Water District

Executive Session  
October 19, 2022

The Commissioners reviewed the salary incentives and discussed employee initiative and growth.

As the world moves out of the pandemic, North Mercer Water employees have continued to impress with their dedication and hard work. Employees were awarded according to performance and skill. In the last 3 years the District has only lost 1 employee.

North Mercer continues to transition as a portion of our workforce nears retirement. At present, the outside crew has one employee nearing retirement within the next 2-3 years. Charles Hazelwood. Charles is eligible to retire at the end of 2023 without penalty. Continued discussion with Charles finds that he may consider coming back to work part time once he decides to retire. Charles has much knowledge and skill to share.

The office has 2 clerks nearing retirement age. Both have requested shorter weeks, we have hired a new part time employee and training is under way. We will move forward with hiring another part time person. The workload has increased with training. Employees have stepped up and are making it work. It's a job in itself to teach someone all that is required to keep the office running smoothly. The Billing system is only part of what is required.

Commissioners discussed Jason Sanford and his ability to lead the outside crew. He has been in weekly meetings with Mischell. Although the main priority has been water loss for months, Jason has been slow to follow direction. At the last meeting he was instructed once again, followed with next steps if instruction is not followed. In other areas, Jason has done well, the crew seems to respect his leadership and they appear more of a team.

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

A	B	C	D	E	F	G	H	I	J
YRS	EMPLOYEE	NET	NET	NET	NET	NET	NET	NET	NET
2		2015	2016	2017	2018	2019	2020	2021	
3		NET	NET	NET	NET	NET	NET	NET	
4	SERV								
5				passed	passed	passed	PASSED	PROPOSED	
6	16	MISCHELL LEE	\$ 3,500.00	\$ 3,500.00	\$ 3,500.00	\$ 3,500.00	\$ 3,500.00	\$ 3,500.00	\$ 1,500.00
7		JASON SANFORD							
8	20	CHARLES HAZELWOOD	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 2,500.00	
9	29	TAMMY POTTS	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	
10	23	LORI HAZELWOOD	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	
11	10	MICHAEL LOGUE	\$ 900.00	\$ 900.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	
12	9	CLAY TURNER	\$ 900.00	\$ 900.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	
13	4	JACKSON KELLY			\$ 500.00	\$ 900.00	\$ 1,200.00	\$ 1,200.00	
14	2	JAKE OSBOURN				\$ 500.00	\$ 900.00	\$ 1,200.00	
15		CHASE PRESTON						\$ 500.00	
16									
17									
18									
19									
20		MISCHELL LEE	3% \$ 102,742.65	3% \$ 50.89	3% \$ 105,824.93	3% \$ 52.42	3% \$ 108,999.47	3% \$ 52.42	3% \$ 108,999.47
21		KEITH CURTSINGER	3% \$ 73,151.18	3% \$ 36.23	3% \$ 75,345.72	2-16-22	3% \$ 77,250.00	3% \$ 37.15	3% \$ 77,250.00
22		CHARLES HAZELWOOD	3% \$ 56,270.14	3% \$ 27.87	3% \$ 57,958.25	5% \$ 21.27	5% \$ 59,697.00	5% \$ 29.27	5% \$ 59,697.00
23		TAMMY HOLIDAY	4% \$ 51,402.18	3% \$ 25.46	3% \$ 52,944.25	3% \$ 28.23	3% \$ 54,532.58	3% \$ 26.23	3% \$ 54,532.58
24		LORI HAZELWOOD	4% \$ 43,893.50	3% \$ 21.75	3% \$ 45,210.31	3% \$ 24.41	3% \$ 46,566.62	3% \$ 22.41	3% \$ 46,566.62
25		MICHAEL LOGUE	4% \$ 39,748.80	3% 19.69	3% \$ 41,455.44	3% \$ 24.43	3% \$ 42,800.00	3% \$ 22.66	3% \$ 44,132.80
26		CLAY TURNER	4% \$ 40,248.00	4% \$ 19.93	4% \$ 41,455.44	5% \$ 22.93	5% \$ 43,528.22	5% \$ 20.93	5% \$ 43,528.22
27		JACKSON KELLY	4% \$ 34,299.20	3% \$ 16.99	3% \$ 35,339.20	3% \$ 19.50	3% \$ 36,399.38	3% \$ 17.50	3% \$ 36,399.38
28		JAKE OSBOURN	3% \$ 25,708.80	3% 12.73	3% \$ 26,480.07	9% \$ 16.06	9% \$ 28,863.97	9% \$ 16.06	9% \$ 28,863.97
29		JASON SANFORD			\$ 36.06	\$ 75,000.00		\$ 37.15	\$ 77,250.00
30		CHANCE PRESTON			\$ 15.50		90 DAYS ARE NOT UP	\$ 17.50	

On 2/16/22 Board voted to give all hourly employees excluding Mischelle (son) a \$2.00 increase on the HR

A	B	C	D	E	F	G	H	I	J		
YRS	NET	NET	NET	NET	NET	NET	NET	NET	NET		
2	2015	2016	2017	2018	2019	2020	2021	2022			
3	NET	NET	NET	NET	NET	NET	NET	NET	NET		
4	SERV	EMPLOYEE									
5											
6	17	MISCHELL LEE	\$ 3,500.00	\$ 3,500.00	passed	passed	passed	passed	proposed		
7	1	JASON SANFORD									
8	22	CHARLES HAZELWOOD	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 2,500.00	\$ 2,500.00		
9	31	TAMMY POTTS	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,500.00	\$ 1,500.00		
10	25	LORI HAZELWOOD	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,500.00	\$ 1,500.00		
11	12	MICHAEL LOGUE	\$ 900.00	\$ 900.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 2,000.00		
12	11	CLAY TURNER	\$ 900.00	\$ 900.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,500.00		
13	5	JACKSON KELLY			\$ 500.00	\$ 900.00	\$ 1,200.00	\$ 1,200.00	\$ 1,500.00		
14	4	JAKE OSBOURN				\$ 500.00	\$ 900.00	\$ 1,200.00	\$ 1,500.00		
15	1	CHASE PRESTON						\$ 500.00	\$ 900.00		
16											
17											
18											
19											
20		MISCHELL LEE	3%	\$ 50.89	\$ 105,824.93	3%	\$ 52.42	\$ 108,999.47	3%	\$ 54.00	\$ 442,269.46
21		KEITH CURTSINGER	3%	\$ 36.23	\$ 75,345.72				4%	\$ 32.52	\$ 67,641.60
22		CHARLES HAZELWOOD	3%	\$ 27.87	\$ 57,958.25	5%	\$ 29.27/31.27	\$ 59,697.00	4%	\$ 29.36	\$ 56,488.64
23		TAMMY HOLIDAY	3%	\$ 25.46	\$ 52,944.25	3%	\$ 22.41/24.41	\$ 46,566.62	4%	\$ 25.39	\$ 48,850.36
24		LORI HAZELWOOD	3%	\$ 21.75	\$ 45,210.31	3%	\$ 22.66/24.66	\$ 47,132.80	4%	\$ 25.65	\$ 53,352.00
25		MICHAEL LOGUE	4%	\$ 19.93	\$ 41,455.44	5%	\$ 20.93/22.93	\$ 43,528.22	3%	\$ 20.09	\$ 41,787.20
26		JACKSON KELLY	3%	\$ 16.99	\$ 35,339.20	9%	\$ 16.06/18.06	\$ 28,863.97	5%	\$ 18.97	\$ 39,457.60
27		JAKE OSBOURN	NEW	\$ 36.06	\$ 75,000.00	3%	\$ 37.15	\$ 77,250.00	2.5	\$ 81.11	\$ 112.50
28		JASON SANFORD	NEW	\$ 15.50		90 DAYS ARE IN	\$ 17.50		3%	\$ 18.03	\$ 37,502.40
29		CHANCE PRESTON	NEW								
30											

27.88

Jason 1/1/23 = \$330.08

Chance Cert. Level #1

Jason Cert. Level #3

8-11-23 - Pay + \$1,75 = \$19.78

8-11-23 - Pay + .75 = \$20.84

7/1/23 \$39.01

BB 10/19/22

3083

✓✓✓✓✓✓✓✓✓✓

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 22<sup>nd</sup> 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.

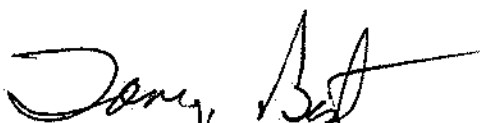
Gerald made a motion to move into executive session to discuss personnel; Incentive Pay and Salaries. Paul seconded the motion and the motion passed.


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

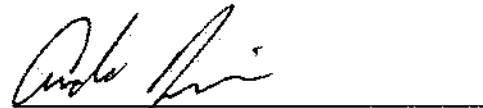
Gerald made a motion to enter Executive Session. Paul seconded the motion and the motion passed.

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 MERGER WATER DISTRICT BUDGET 2024

<b>INCOME</b>		<b>2023</b>	<b>2024</b>
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
<b>TOTAL INCOME</b>		<b>\$ 3,314,650.00</b>	<b>\$ 3,676,000.00</b>
<b>EXPENSES</b>			
601.5	Maintenance of Meters	145,000.00	150,000.00
601.6	Maintenance of Mains	155,000.00	180,000.00
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



