

NORTH MERCER WATER DISTRICT

MINUTES

December 21, 2022

Gerald Sheperson, Chairman  
Paul Campbell, Commissioner  
Andrew Dennis, Commissioner  
Riley Sumners, BG Engineering

Tony Best, Secretary  
Mischell Lee, Manager  
Norrie Currens, Attorney  
Lee Todd Pinkston, Commissioner

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

The Board reviewed the minutes from the November meeting. Tony 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 November. Paul made a motion to approve payment of expenses for November totaling \$328,236.15. Andrew seconded the motion and the motion passed.

Water loss for November was 12% and reflects the repair of the back flow valve. KRWA sent a circuit rider and he reported that North Mercer has one of the tightest systems he has seen. The only area he thought was still a concern was the Brentwood area. A large leak was found in that area, but only accounted for a savings of about 1 million gallons. We were looking for about 3 million. He said he had seen a back flow issue like that once before, hard to detect.

Riley reported the Construction Project overall is at 98% complete. We are still waiting on the Railroad to schedule the bore on Bondville Road. They have postponed the work 3 times now. Construction draw for the month was \$163,369.

Andrew made a motion to approve \$5000.00 for additional engineering expense due to adding Garriott Lane back into the project. Paul seconded the motion and the motion carried.

The Garriott Lane portion is an added expense of approximately \$75,000.00. We will have \$35,000 left in our construction budget. Andrew made a motion to pay any remaining expenditures to complete Garriott Lane out of the Depreciation Fund. Paul seconded the motion and the motion passed. The Depreciation fund will be reimbursed from the Cleaner Water Grant funds.

Letters have been sent to all customers with multiple meters notifying them of the sales tax to be imposed by the State of KY on any one with multiple meters who does not have a tax exemption.

Paul made a motion to cash the CD held with Monticello Bank in the amount of \$95,040.00 and deposit the funds into the depreciation account. The CD matured on January 1, 2023. Andrew seconded the motion and the motion passed.

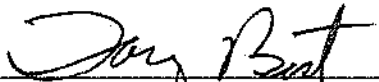
Norrie reminded the Board that it is their job to make policy and to implement policy.

Tony made a motion to approve the participation and to facilitate a water task force whose ultimate goal will be to protect and provide a water source for the citizens of Mercer County and the surrounding areas. Lee Todd, Paul and Mischell will represent North Mercer Water. Paul seconded the motion and the motion passed.

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

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

Paul 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

EXECUTIVE SESSION  
December 21, 2022

Andrew made a motion to enter into executive session. Paul seconded the motion and the motion passed.

Andrew wanted to discuss the benefits that commissioners are eligible to receive if they choose to participate at North Mercer Water.

Currently, North Mercer Water offers Commissioners the choice to participate in Dental Insurance, Life Insurance and Vision Insurance. All employees of North Mercer Water are given these benefits as part of their hiring agreement.

The District pays for the employees benefit. If the employee wants to add a family member, then the cost for the family member is withheld from their pay either monthly for commissioners or semi weekly for all other employees.

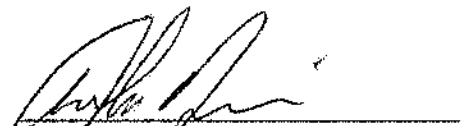
Andrew noted that at a recent PSC training the speaker said the PSC frowns upon Utilities providing Commissioners with any additional benefit other than the pay as provided in KRS 74.020.

Mischell reminded the Board that we had the guidance of attorney, Tom Jones, who said the statue, reads that commissioners are to have no other DIRECT compensation. Tom said that a benefit such as dental, life or vision insurance is NOT direct compensation. It's an indirect benefit and he felt assured that the wording in the statue was used intentionally.

The Board directed attorney Norrie Currens to review the current laws regarding this issue.

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

  
\_\_\_\_\_  
Tony Best, Secretary

  
\_\_\_\_\_  
Andrew Dennis, Chairman

NORTH MERCER WATER DISTRICT

MINUTES

November 23, 2022

Gerald Sheperson, Chairman  
Paul Campbell, Commissioner  
Andrew Dennis, Commissioner

Tony Best, Secretary  
Mischell Lee, Manager  
Norrie Currens, Attorney

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

The Board reviewed the minutes from the October meeting. Paul 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 October. Andrew made a motion to approve payment of expenses for October totaling \$241,063.80. Tony seconded the motion and the motion passed.

Water loss for October was 18% and up as expected. The Valve at the Corral Master Meter has been replaced. Numbers for next month should reflect the repair.

Riley reported at the last Construction Project meeting that the overall project is 96% complete. We are still waiting on the Railroad to schedule the bore on Bondville Road. We cannot move forward until they have their people scheduled, meaning we are at their mercy. The rest of the Bondville Road project has been completed.

Paul made a motion to nominate Andrew for Chairman of the District beginning Jan. 2023. Gerald vacated the chair and seconded the motion and the motion carried.

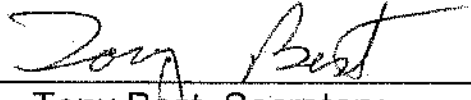
Tony made a motion to nominate Gerald for Vice-Chairman beginning Jan. 2023. Paul seconded the motion and the motion carried.

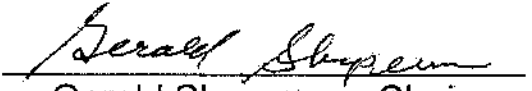
Andrew made a motion to nominate Paul for Treasurer beginning Jan. 2023. Tony seconded the motion and the motion carried.

Tony will remain the Secretary for the District.

The Board would like Judge Executive, Scott Moseley to appoint a new commissioner to fill the vacancy created by Roy Short's retirement. The Board has 90 days from the time of vacancy to have the position filled or it will be appointed by the PSC. Gerald will meet with Judge Moseley to discuss the appointment before the end of 2022.

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

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

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

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.

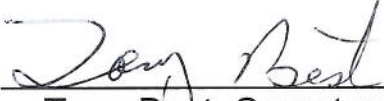
Paul made a motion to enter into executive session to discuss employee issues, salary adjustments, etc. Andrew seconded the motion and the motion passed.

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 Shepenson, 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.

NORTH MERCER WATER DISTRICT

MINUTES

September 28, 2022

Gerald Sheperson, Chairman  
Paul Campbell, Commissioner  
Riley Sumner, BG Engineering  
Norrie Currens, Attorney  
Greg Pridemore, Rural Dev.  
Christine Pawley, Customer

Tony Best, Secretary  
Mischell Lee, Manager  
Andrew Dennis, Commissioner  
Randy Jones, Bond Atty  
Jason Sanford, NMWD  
Tim Gray, Customer

Before the meeting began, North Mercer Water District closed the Rural Development loan on our project. Interim funds borrowed from KY Rural Water will be wired on Sept.30, 2022.

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

Vice-Chairman, Roy Short, was absent due to Covid.

The Board reviewed the minutes from the August meeting. Tony 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 August. Paul made a motion to approve payment of expenses for August totaling \$241,164.58. Andrew seconded the motion and the motion passed.

Water loss for August was 17%, and is back up. Several leaks were reported this month and repaired. The crew has checked about half of the valves in the system and have been directed to complete the assessment and to walk all the lines in the system, checking for leaks, broken lids and other issues.

Tim Gray and Christine Pawley came before the Board 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. Mr. Gray echoed Ms. Pawley and stated that he owns the land fronting Brock Lane on the left side of the road ending with the land he sold to the Pawleys.

Ms. Pawley and Mr. Gray 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.

Before the board meeting, Mr. Gray and Ms. Pawley had contacted Jason. Jason's understanding from Mr. Pawley was that he was willing to bear the cost of the line extension but was having issues with Mr. Gray about where to place the line (Mr. Grays property or County road easement). Mr. Gray contacted Jason and told him that he believed the extension was the District's responsibility. Mr. Gray also contacted Mischell. He requested a list of all the roads the District now serves. He also asked about District policy regarding extensions. Mischell supplied Mr. Gray with the information requested and also included the information regarding subdividing property and the State law regarding subdividing and that it is the property owners' responsibility, not the Districts.

The Board responded to Ms. Pawley and Mr. Gray that it would research the issue and review Board policy. The Board directed Riley to move forward with a cost estimate to extend a water line 4 tenths of a mile down Brock Lane. Ms. Pawley and Mr. Gray will be notified of the Board's decision regarding the extension.

The District has received the new excavator purchased as part of the project with the trade in of our old back hoe as down payment.

Riley reported that the project is currently 88% complete. There are some new issues with Norfolk Southern Railroad. They are now claiming they own more land, they say they own the land where the County right of way now exists. Riley is working on it.

Remaining Project funds will be used to complete as much as the project as possible in the following order: Old Louisville Rd., Garriott Lane, Cummins Ferry B, Cummins Ferry A, and McCouns Ferry.

Paul made a motion to use BG ADD to facilitate the new grants from KIA from the Cleaner Water Funds. Tony seconded the motion and the motion passed.

Paul made a motion to join the law-suit encouraged by the KY Rural Water agency against the EPA concerning the new testing of PFA's. The new tests could cost water districts large sums of money along with new enforcement issues that District's would be required to meet. The law-suit if won would help District's with costs incurred following the new guidelines.

Andrew made a motion to revise the District's User Contract to reflect the new policy change regarding refunds on tap fees. Customers will only be refunded the portion of the tap fee that is unused. The District will not refund the amount required for time and materials to prepare a site, place a meter box, and ready it for a meter. Only the unused portion of the tap fee will be refunded. Tony seconded the motion and the motion passed.

Mischell will provide Norrie with a copy of the current user contract. Norrie will revise the contract to include the changes required by the Board to enforce the new policy regarding tap fee refunds.

The District had a Division of Water inspection in July of 2022. No deficiencies noted.

North Mercer Water District was announced as a contender for the 2022 Wooden Bucket Award presented at the KY Rural Water Association Managers meeting in August. The District was honored to be recognized.

Office staff will attend the United Systems Users Conference to be held on November 16<sup>th</sup> in Benton, KY. The meeting is one day.

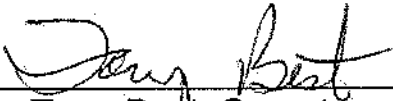
Gerald, Tony, Paul and Mischell will attend the Law Seminar in Bowling Green, KY on October 26<sup>th</sup>. Norrie and Andrew will attend virtually.

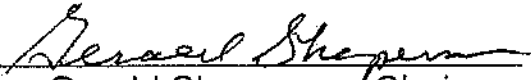
The District completed the required Lead & Copper testing in September. The testing is required every 3 years.

The Board entered a discussion on goals and objectives for the Water Commission Meeting that will be held later today. Norrie Currens recused herself from the discussion and left the room. Some of the issues that will be discussed include: water needs for the next 25 years, offers/mergers/first right of refusal, projects and impact, emergency needs, etc....The first meeting to discuss the Water Commission creation will be held today, Sept. 28, 2022.

The City of Harrodsburg has filed a rate increase case with the Public Service Commission. The City intends to raise rates on wholesale customers by 10%, proposed increase to be effective October 31, 2022. This is an increase to North Mercer's budget by about \$100,000.00 annually.

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

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

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

NORTH MERCER WATER DISTRICT

MINUTES

AUGUST 17, 2022

Gerald Sheperson, Chairman  
Paul Campbell, Commissioner  
Roy Short, Vice Chairman  
Karen Leverenz, BG ADD

Tony Best, Secretary  
Mischell Lee, Manager  
Riley Sumner, BG Engineering

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

The Board reviewed the minutes from the July 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 July. Paul made a motion to approve payment of expenses for July totaling \$309,990.56. Roy seconded the motion and the motion passed.

Water loss for July came in at 12.8%. Water Loss is down again from the previous month. The crew has been directed to make water loss their number 1 priority and to begin checking every check valve, every blow off, every master meter. The continued high loss indicates an issue in the system that's not a break. Mischell directed Jason to lay out the system and make a plan to break into pieces and check every possible issue for water leaks. Every attempt to locate the issue should be documented with time and date and outcome. Cody Kirby with KRWA will be contacted again for help.

Riley reported that Boca was still in Eastern KY helping restore water service to the communities there. The Board approved Boca pulling off construction on our project to relocate their equipment and people to help the folks there recover from the flooding. The cost to the District is time in completing the project and the interest on the financing, estimated around \$5100.00.

The Board approved Boca's request to pull off the project for a period of three weeks. Boca intends to be back on our job around August 22<sup>nd</sup>.

Riley reported that the railroad part of the project is ready to go and we all squared away with Railpro's. We have hired Mr. Phillips to complete the survey portion of the project as required by Railpro's. Contract 1 is now at 40% complete. Contracts 2A, 2B, and 2C are 99% complete, with all work and final clean up completed.

Karen Leverenz from Bluegrass Add reported that the grant funds the District has been allocated toward replacing lines in Brentwood could now be redirected to help with completing other portions of the current project. Roy made a motion to move the grant funds from the Brentwood project to the current project. Paul seconded the motion and the motion passed.

The new excavator purchased through the project is expected to arrive next week. The dealer gave the District \$10,000.00 credit for the trade in of our old excavator. Total due is \$46,000.00. Greg Pridemore with Rural Development has approved the purchase and the funds should be available by the end of Sept. 2022.

Mischell reported that she had hired Megan Perkins as a part time employee to help in the office.

The Board discussed the portion of the cost of a tap fee to be refunded if a customer decides they no longer need the meter. This will be addressed when the District attorney is present.

Mischell addressed the District's financial position and that we are non-profit. We also discussed responding to the PSC about our current rates and if an increase will be necessary.

The District has been nominated for the Wooden Bucket award by KY Rural Water Association. 10 water utilities will be nominated and the winner will be announced on the final day of the Managers Meeting to be held August 29, 30, and 31<sup>st</sup> at the Hyatt Regency, Lexington.



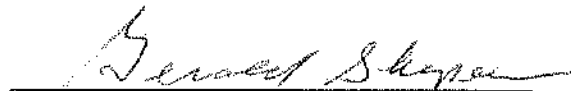
Mischell will invite the City of Harrodsburg, Lake Village Water Association and Burgin Water to attend a meeting to discuss the water needs of Mercer County for years to come. The meeting will be held on Sept.28, 2022 around 1:00 p.m.

The District will close its Rural Development loan on Sept. 28, 2022. Randy Jones, with Raymond James, Attys. will complete the closing at the District office before the start of the Sept. Board meeting.

Tony made a motion to move the September Board meeting to September 28<sup>th</sup>. Paul seconded the motion and the motion passed. The Board will close the Rural Development Loan first and then move on to the Board meeting.

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

  
Tony Best, Secretary  
North Mercer Water District

  
Gerald Shepenson, Chairman  
North Mercer Water District

NORTH MERCER WATER DISTRICT

MINUTES

JULY 20, 2022

Gerald Sheperson, Chairman  
Paul Campbell, Commissioner  
Riley Sumner, BG Engineering  
Roy Short, Vice Chairman  
Jason Sanford, Field Supervisor

Tony Best, Secretary  
Mischell Lee, Manager  
Norrie Currens, Attorney  
Andrew Dennis, Commissioner

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

The Board reviewed the minutes from the June 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 June. Paul made a motion to approve payment of expenses for June totaling \$287,586.72. Andrew seconded the motion and the motion passed.

Water loss for June declined to 21.9%. Water Loss is down from last month. The crew has been directed to make water loss their number 1 priority and to begin checking every check valve, every blow off, every master meter. The continued high loss indicates an issue in the system that's not a break. Mischell directed Jason to lay out the system and make a plan to break into pieces and check every possible issue for water leaks. Every attempt to locate the issue should be documented with time and date and outcome.

Riley reported that construction was 81% overall complete on all contracts. Contract 1 is at 26% complete and Boca is continuing to make progress weather permitting. Clean up on McAfee Lane will not start until the fall.

Riley reported that currently he estimates the District will have about \$315,000.00 left in contingency funds which can be used for equipment or to complete a portion of the original project that was canceled due to lack of funds.

Discussion turned to the need for a small excavator or track hoe. Jason said safety was a huge concern. The newer back hoe does not have lights for night time digging. It has been in the shop several times for repair and the issue cannot be diagnosed. The older back hoe is not of much use and we should consider disposing of it. The cost to purchase a small track hoe is around \$56,000.00. Jason has a dealer who is interested in accepting the old back hoe as a trade in. The dealer has offered \$9000.00. Roy asked Jason to go back to the dealer and ask for \$10,000.00 for the trade in. The Board discussed purchasing the new track hoe with part of the contingency money left from the project. Riley said he would check with Greg at Rural Development, if purchase is OK the District could move forward with the deal.

The Board agreed to move Strategic Planning to the backburner until a few pressing items are wrapped up. Mischell has made a couple of calls to locate someone to lead the District in the planning endeavor. Once the District has a couple of new hires in place, project closed, and water loss under control we will revisit strategic planning.

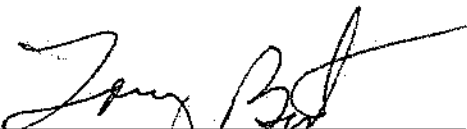
The KY Rural Water Association's annual Managers meeting will be held in Lexington this year August 29,30, and 31. Andrew, Tony and Mischell will attend. Paul, Norrie, Gerald want to attend the meeting to be held at the Sloan Convention Center in Bowling Green which will be held on October 26 and sponsored by Damon Talley's law firm.


Tony made a motion to appoint Mischell to represent North Mercer Water as the voting delegate at the KRWA business meeting which will be held during the managers meeting in August. Roy seconded the motion and the motion carried.

The Board would like to request a meeting with Harrodsburg leadership to discuss future planning regarding water issues. The Board would like to meet with Judge Executive, Scott Moseley, Mayor, Billy Whitenack and the City's commissioner over the water department, Kerry Anness. Mischell will put together an agenda and send invitations. We would like to meet sometime in September if possible. Some agenda items: Creating a Water Commission, Involving Industry, Future water need estimates into year 2045, Separate systems vs Merger/ Mergers.

Roy announced that he will retire as Vice-Chairman and from the Board of Commissioners at the end of October 2022. Board members will put together lists of names to discuss to fill the Roy's position. Once approved, the list would be given to the Judge Executive to review and to decide whom to appoint.

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

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

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

NORTH MERCER WATER DISTRICT

MINUTES

JUNE 22, 2022

Gerald Sheperson, Chairman  
Paul Campbell, Commissioner  
Riley Sumner, BG Engineering  
Roy Short, Vice Chairman  
Chad Robinson, Auditor  
Paul Reynolds, BG Engineering

Tony Best, Secretary  
Mischell Lee, Manager  
Norrie Currens, Attorney  
Andrew Dennis, Commissioner  
Jason Sanford, NMWD

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

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

The Board reviewed the financial statements for the district for the month of May. Paul made a motion to approve payment of expenses for May totaling \$226,878.96. Andrew seconded the motion and the motion passed.

Water loss for May increased again to 27%. Water Loss should be declining. Several leaks have been detected and repaired, and the project is nearing completion. This is abnormal and indicates there may be something else causing our high water loss. There may be a valve or blow off or something cracked that is allowing water to flow undetected to the eye. We will contact KRWA and ask Cody Kirby to come and help us go through the system and check every valve, blow off, hydrant, pump station. We will also double check the new connections completed during the project.

Riley reported that construction was focused on clean up. Projects 2A, 2B and 2C are mostly complete. Project 1 is approximately 12%

Riley reported that contract #1 is over budget by \$35,000.00. This cost over-run is due to the State Transportation Dept. requiring that we bore at all the commercial crossings on US 127. Our initial plans were to cut the asphalt and repair, this will not be allowed.

Tony made a motion to approve a change order in the amount of \$59,558.00 for contract #1. Paul seconded the motion and the motion carried.

Riley reported that going forward new projects would be subjected to a new law recently passed known as BOBBA. This requires all materials used in a federally funded project to be purchased from a US vendor.

Chad Robinson with Kerbough, Rode's and Butler auditing firm presented the audit for North Mercer Water for the year 2021. Chad reported that the District had a clean audit, with no issues. His firm also conducted a single audit required when an entity has the use of federal funds.

Capital contributions were reported due to the CDBG one million dollar grant received towards the Districts infrastructure project. Chad said overall the District has a positive standing and cash flows are good.

Paul made a motion to accept the 2021 audit as presented. Roy seconded the motion and the motion passed.

The District will need to hire a surveyor for the railroad bore. Norrie suggested Dan Phillips.

The District received a complaint about clean up from Richard Lupka at 1492 Perryville Road. Contractors will address the issue, but final clean up will not be addressed until fall. The weather is too hot and dry and any effort would be futile.

Mischell and Jason will look at break and repair data and suggest the final area to address with the contingency funds that will be left once the project nears final completion. The road must be from the original ones submitted in the original project. Those include: Garriott, Cummins Ferry, Old Louisville Road, and McCowans Ferry Road.

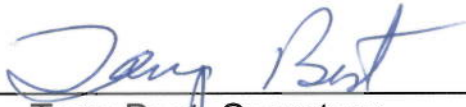
Paul Reynolds with Bluegrass Engineering discussed his experience with an attempt to purchase a water system. He suggested that the District request a Right of First Refusal document. That way, if a water source the District was interested in decided to sell in the future, North Mercer Water would have the first option to purchase it. Eliminating a surprise sell without the District's notice.


The District currently owns 2 backhoes. One of them is older and does not have lights for nighttime. Jason and Mischell have discussed the issue and it would save the District money to sell the older one which is not being used. The outside crew is requesting a mini track hoe.

Andrew suggested the District look into hiring a firm to conduct Strategic Planning. Mischell was asked to call KRWA and Damon Talley and ask if they have any suggestions.

Mischell will look into training sessions for the Commissioners for 2022. The Annual Managers Meeting held by KY Rural Water will be held in Lexington this year on August 29 - 31. We will check if Damon Talley's law firm will hold their annual training at Northern KY Water District.

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

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

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

NORTH MERCER WATER DISTRICT

MINUTES

May 18, 2022

Gerald Sheperson, Chairman  
Paul Campbell, Member  
Riley Sumner, BG Engineering  
Judge Exec. Scott Moseley

Tony Best, Secretary  
Mischell Lee, Manager  
Norrie Currens, Attorney  
Jason Sanford, Field Superintendent

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

Vice-Chairman, Roy Short was unable to attend due to a scheduling conflict and Andrew Dennis was absent due to illness.

The Board reviewed the minutes from the April meeting. Paul 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 April. Paul made a motion to approve payment of expenses for April totaling \$240,106.76. Tony seconded the motion and the motion passed.

Water loss for April increased to 19%. The crew continues to locate breaks and leaks. Several leaks were located using the new sound device used for leak detection.

Tony made a motion to amend April's minutes, to reflect unemployment benefits, not workers comp. Paul seconded the motion and the motion passed.



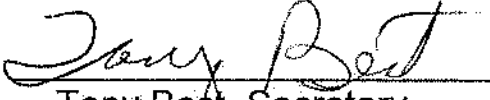
Riley updated the Board on the construction project. We have begun clean up in several areas. G&W Construction has plans to complete all their clean up in the next couple of months, weather permitting. We will be required to bore in several areas where we had intended to cut and repair. Transportation now requires a permit for any open cuts.

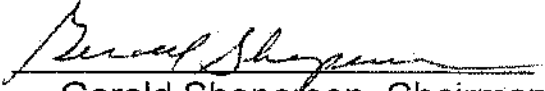
Judge Executive, Scott Moseley, addressed the Board and offered his help if needed. The Cleaner Water funds are to be available in the coming months and he will keep us updated.

The audit and PSC report should be ready for submission before our June meeting and the auditor will be available to go over it and to answer any questions at our June meeting.

Gerald and Tony will meet with Norrie and Mischell on Monday the 13<sup>th</sup> to review the unemployment issue. The teleconference meeting regarding the unemployment issue will be held on Tuesday, June 14<sup>th</sup>.

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

  
Tony Best, Secretary  
North Mercer Water District

  
Gerald Sheperson, Chairman  
North Mercer Water District

NORTH MERCER WATER DISTRICT

MINUTES

APRIL 20, 2022

Gerald Sheperson, Chairman  
Roy Short, Vice-Chairman  
Paul Campbell, Member  
Riley Sumner, BG Engineering  
Cindy Simmons, Customer  
Travis McQuinn, Customer

Tony Best, Secretary  
Mischell Lee, Manager  
Andrew Dennis, Member  
Norrie Currens, Attorney  
Brad Simmons, Customer

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

The Board reviewed the minutes from the March meeting. Tony 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 March. Paul made a motion to approve payment of expenses for March totaling \$222,026.62. Roy seconded the motion and the motion passed.

Water loss for March declined to 17%. The crew repaired a main line leak that had been leaking for quite some time and was finally found. Also, the project moved 3 old lines to new ones and that savings was seen this month.

Cindy and Brad Simmons along with Travis McQuinn came before the board again requesting the use of North Mercer's 127 water tank by AT&T for placement of antenna's to provide service to the Cummins Ferry Campground and others in the area. Roy pointed out again that the District has a contract with Broadband for exclusive use of towers for Broadband and that the District is in the process of reviewing the amount of equipment currently on District tanks in

regards to safety and security. It was suggested that they visit the Mercer Fiscal Court who has received government funds to provide broadband for the rural areas of Mercer County. The money was made available through Covid relief funding. The County is in the process of deciding how to spend the funds and in what areas.

Andrew made a motion to approve the contract agreement with RailPro's, which requires the District to pay for a flagman and a supervisor appointed by the railroad during our construction of the new water line, subject to legal review. Roy seconded the motion and the motion passed.

Tony will invite Judge Scott Moseley to attend our next Board meeting to discuss if the County could help with the cost to cross under the railway. The District has already spent several thousand dollars on this portion of the project.

Auditors are waiting on KY Retirement numbers to complete the final audit and submit to PSC.

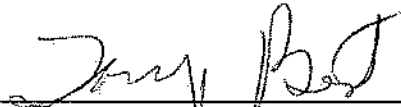
Riley reported that the rain has held up the project for the past couple of weeks. Just too wet to move dirt. The entire project is currently about 71% complete. Project 2A and 2B are 95% complete and final clean up has been completed in some areas. Riley is pushing to complete final clean up in areas done to take advantage of spring rains.


Andrew made a motion to move into executive session to discuss personnel issues. Roy seconded the motion and the motion passed.

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

Paul requested clean up from line repair near his property. The area needs road repair and grass seed.

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

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

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

EXECUTIVE SESSION  
APRIL 20, 2022

The Unemployment appeal by Keith Curtsinger follow up meeting has been moved to June 14 at 2:00 p.m.


Board discussed our newest employee, Morgan Stratton.

Mischell informed the Board that Morgan is having problems completing tasks without errors. She still requires help with most tasks after 45 days. It appears that most mistakes are from lack of paying attention to detail. Her current position requires someone who is detail oriented and understands the crucial need for correctness. She does not seem to be comfortable with basic math. She has improved with customer service, but still needs help answering questions.

One small error can take hours to correct when you are dealing with multiple customer accounts on any given day. It has become a bit of an issue. Morgan was hired to lessen the load on the current office staff. Employees are eligible to file for unemployment after 100 days of work. We will need to decide if she can do the job correctly in the coming weeks.

Andrew made a motion to return to regular session. Paul seconded the motion and the motion passed.

  
Gerald Shepersen, Chairman

  
Tony Best, Secretary

NORTH MERCER WATER DISTRICT

MINUTES

MARCH 23, 2022

Gerald Sheperson, Chairman  
Roy Short, Vice-Chairman  
Paul Campbell, Member  
Riley Sumner, BG Engineering  
Danny Holiday, Candidate for Judge Ex.

Tony Best, Secretary  
Mischell Lee, Manager  
Andrew Dennis, Member  
Norrie Currens, Attorney  
John Lyons, Customer

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

The Board reviewed the minutes from the February 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 February. Paul made a motion to approve payment of expenses for February totaling \$248,576.82. Roy seconded the motion and the motion passed.

Water loss for February was a staggering 31%. Our crew was called out to Warwick and McCrosky where they found a main line break. An 8" line had ruptured. The crew was able to repair the break with a band under pressure. This may be the leak we have been chasing for months. Daily water loss dropped immediately by a significant amount.

John Lyons came before the Board requesting a 2" water meter for the Wedding Show Barn property. They are expanding the property and it now includes 6 cabins that will be rented. In the future there are plans to add an activity center and other commercial buildings.

The Board responded with the standing policy that requires an entity or person to show the need for the larger meter. 2" meters will not accurately measure water flow unless there is a substantial amount of water being used. Currently the property uses the minimum per month. The Board and the Board's engineer, Riley Sumner suggested Mr. Lyons go with a 1" meter. If the need arises in the future for the larger meter, North Mercer will trade out the meters and Mr. Lyons would only be billed for the difference in meter price. Mr. Lyons agreed and will purchase a 1" meter.

Mr. Lyons also asked about changing the size of the line for the extension for Daynabrook Subdivision. Mr. Lyons was told that changing the size of the line would require approval from the Division of Water. The plans submitted to D.O.W. would need to be resubmitted with the changes and then he would need to wait for approval again.

Danny Holliday wanted to address the Board concerning his bid for the Mercer County Judge Executive position. Mr. Holliday spoke of wanting to lead the county toward growth and better jobs. He also spoke of his qualifications.

Roy made a motion to begin collecting the 911 fee for Anderson County with North Mercer withholding 10% for an administrative fee. Paul seconded the motion and the motion passed.

Anderson County passed a resolution that all water meters are subject to a \$2.00 fee per month. Norrie reviewed the resolution and found it to be acceptable.

Riley reported that North Mercer's maintenance crew had been doing a good job helping the contractors to keep the project moving with marking lines and helping to locate issues.

Boca has finished Mackville Road and will tie into service lines by the end of the week. They are 42% complete on contract 2C and 63% complete over all. Both crews are beginning final clean up and should finish soon if the weather cooperates.

The CCR (Community Confidence Report) will be submitted to the Division of Water the first week of April.


The Audit and the PSC report are complete except for the addition of numbers from the office of KY Retirement. Each entity is required to submit their portion of the pension's debt. The PSC report is due March 31<sup>st</sup>. We filed for an extension, so that the auditors may add those numbers when they are submitted by KPPA.

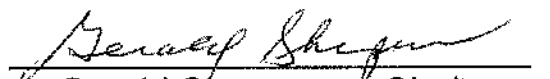
Roy made a motion to participate in KYWARN. Paul seconded the motion and the motion passed. KYWARN is a mutual aid and assistance program where utilities across the state of KY help other utilities with equipment and/or man power, during emergency situations.

The workers unemployment appeal teleconference is set for April 7 at 2:00 p.m. Gerald, Tony and Norrie will meet with Mischell at the office at noon. Norrie will go over issues.

Roy made a motion to pass a resolution accepting the Cleaner Water Grant, approving the grant assistance agreement, and authorizing the District's annual budget to be amended and authorizing Gerald Sheperson as representative to sign all related documents. Tony seconded the motion and the motion passed.

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

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

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



NORTH MERCER WATER DISTRICT

MINUTES

FEBRUARY 16, 2022

Gerald Sheperson, Chairman  
Roy Short, Vice-Chairman  
Paul Campbell, Member  
Riley Sumner, BG Engineering

Tony Best, Secretary  
Mischell Lee, Manager  
Andrew Dennis, Member  
Norrie Currens, Attorney

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

The January Board meeting was canceled due to positive Covid testing in the office. The office doors were locked again, and the office went through an extensive cleaning and sanitizing.

The Board reviewed the minutes from the December meeting. Tony made a motion to approve the minutes. Andrew 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 \$312,395.64. Andrew seconded the motion and the motion passed.

The Board reviewed the financial statements for the district for the month of January. Roy made a motion to approve payment of expenses for January totaling \$245,043.57 Paul seconded the motion and the motion passed.

Water loss for December was 26.7%. Water loss continues to increase. Freezing and thawing temperatures continue to plague the District with continuous line breaks. The weather also makes it difficult to find leaks, the ground stays wet and muddy.

Water loss for January was 24%. A bit of an improvement over December, but issues continue with water loss and multiple breaks.

Mischell gave a brief year in review: Hired a new attorney , added 2 new commissioners, hired a new field supervisor, completed almost 200 surveys to win a million dollar CDBG grant to help fund our current infrastructure project, completed 50 plus easements, sold a record number of meters, record number of line extensions, began 3.2 million dollar infrastructure project, increased rates, increased tap fees and deposits, and completed the EPA Risk & Resiliency Assessment as well as an Emergency Response Plan, All this while continuing normal required job duties.

North Mercer has dedicated employees who want the District to succeed in all endeavors. In times like these, we bite the bullet and get the job done. Employees are looking forward to the project being completed and work- loads returning to normal. That being said, In 2021 the District replaced 2 employees. The District is only as strong as its weakest link. Dependable, knowledgeable employees are invaluable and costly to replace. With Covid lock-downs and many leaving the work force the cost of labor has escalated. Without the government raising the minimum wage, the minimum wage was raised.....when McDonalds is paying \$10 an hour, a Water District must review its hourly wages and insure its employees are compensated accordingly.

Roy made a motion to enter into executive session to discuss employee and wage issues. Andrew seconded the motion and the motion passed.

Paul made a motion to enter back into regular session. Andrew seconded the motion and the motion passed.

Roy made a motion to increase the hourly wage for all employees excluding the manager who is salary and the field supervisor who was just hired in June, by \$2.00 per hour. Paul seconded the motion and the motion passed.

Riley reported that G&W has finished project 2B except for clean up, which they will complete in the spring. Boca has completed 2A, including Perryville Road and Edgewood Estates except for clean up which will be completed in the spring. Project 2B came in \$28,470.00 under budget and Project 2A came in \$3847.00 over budget. Boca will begin Project 2C as weather permits.


John Lyons had requested to be on the agenda again. He did not appear. Mr. Lyons is requesting a 2" meter to supply water to commercial property located on Louisville Road where the Show Barn is located. Mr. Lyons has constructed 6 cabins on the property. The District's policy is to grant a 1" meter or multiple 1" meters. Mr. Lyons would need to show consumption of enough water to merit the need for a 2" meter.


The Community Action Agency and the Department of Local Government over seeing the CDBG Corona virus Response Grant requested the participation of the District. North Mercer is required to enter into a Vendor agreement with each organization in order to receive funds on behalf of customers experiencing financial difficulties with regards to paying their monthly water bill.

Andrew made a motion that the District participate as a vendor. Paul seconded the motion and the motion passed.

The Audit and PSC report for 2021 is underway and should be completed by the end of March 2022.

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

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

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

EXECUTIVE SESSION  
February 16, 2022

Roy made a motion to enter into executive session. Andrew seconded the motion and the motion passed.

Mischell expanded on employee issues. Jackson Kelly has been offered a position with the City of Versailles treatment plant. Jackson has his CDL license and is a Certified Operator. He was offered \$22 an hour. Jackson expressed that he really didn't want to leave North Mercer, but at his current wage of \$17.50 it would be hard to pass up. He was asked what it would take for him to stay with North Mercer. Jackson said around \$19, \$19.50 would be good.

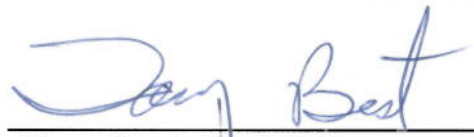
Jackson has been with North Mercer for 4 years. We have employees who've been with us for 10 and 11 years who are certified operators and have CDL's currently making \$21 and \$22 an hour. If Jackson leaves, that would be the second employee we would lose in less than a year over pay.

The Board all agreed all hourly employees need an increase. It was discussed that the manager's salary is in range of the going rate and Jason was hired in June, his pay is in range of the going rate, with the ability to earn overtime pay.

Keith Curtsinger's appeal of the Workman's comp insurance decision to deny his claim is on-going. The teleconference only lasted an hour and we didn't get through all the issues. The attorney holding the conference requested that Gerald and Tony attend the next teleconference. The District's attorney, Norrie Currens, may also attend.

Paul made a motion to exit the executive session. Andrew seconded the motion and the motion passed.

  
\_\_\_\_\_  
Gerald Sheperon, Chairman

  
\_\_\_\_\_  
Tony Best, Secretary