

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC MOUNTAIN WATER)	
DISTRICT UNACCOUNTED-FOR)	
WATER LOSS REDUCTION PLAN,)	CASE NO. 2023-00351
SURCHARGE AND MONITORING)	

RESPONSE TO ORDER OF FEBRUARY 21, 2025

Pursuant to the Commission’s Order of February 21, 2025, Mountain Water District (the “District”) provides the following information regarding the current salary and benefits of the two District employees who are members of the District’s daytime leak detection crew and whose salaries and benefits are funded with proceeds from the District’s water loss reduction surcharge.

The current hourly wage rate for each employee is \$15.45. The District has previously submitted documentary evidence in its monthly reports that listed the hourly rate as \$15.00. At its meeting on November 25, 2025, the District’s Board of Commissioners voted to increase the hourly wage rates of District employees three percent effective January 1, 2026. A copy of the minutes of this meeting is attached as **Exhibit 1** to this Response.

The District provides the several benefits to all employees, including health and dental insurance coverage, life and long-term disability insurance coverage, and retirement pension through the County Employees Retirement System (“CERS”). Attached as **Exhibit 2** to this Response is an excerpt from the District’s Employee Handbook describing employer provided benefits. Currently, the District contributes \$919.50 monthly towards the cost of each employee’s health insurance coverage, \$22.12 monthly towards the cost of each employee’s dental health insurance coverage, and \$16.90 towards the cost of each employee’s life and long-term disability insurance coverage. Pursuant to CERS requirements, the District contributes 18.62 percent of an

employee's wages to CERS. Additionally, the District pays a Federal Insurance Contribution Act ("FICA") tax of 7.65 percent of each employee's wages. **Exhibit 3** to the Response shows the current total cost of wages and benefits for each employee.

In its original request to use proceeds from its water loss reduction surcharge to fund the employment of these two employees, the District requested reimbursement only for the employees' wages and health and dental insurance benefits. As shown in **Exhibit 3**, the District is currently recovering only \$43,460 of the total cost of \$52,311, or 83 percent, of each employee's wages and benefits. The District does not propose to seek recovery of the full cost of these employees' wages and benefits, but reserves the right to request such recovery in the future.

Dated: March 6, 2026

Respectfully submitted,



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Counsel for Mountain Water District

CERTIFICATE OF SERVICE

In accordance with the Commission's Order of July 22, 2021 in Case No. 2020-00085 (Electronic Emergency Docket Related to the Novel Coronavirus COVID-19) and 807 KAR 5:001, Section 8, I certify that the electronic filing has been transmitted to the Commission on March 6, 2026; and that there are currently no parties in this proceeding that the Commission has excused from participation by electronic means.



Counsel for Mountain Water District

Exhibit 1

MOUNTAIN WATER DISTRICT BOARD OF COMMISSIONERS SPECIAL MEETING

**November 25th, 2025
4:00 PM**

ATTENDEES

Jim Vanover, Vanover, Hall, Bartley & Ward Law Firm
Tim Campoy, EDC
Logan Stevens, Bell Engineering
Mark Stephens, Summit Engineering
Tammy Olson, General Manager
Carrie Hatfield, Chief Financial Officer
Kevin Lowe, Office Manager
Melissa Wright, Compliance Manager
Jamey Keathley, Wastewater Manager
David Wolford, Operations Manager
Jason SESCO, Shely Valley Area Supervisor
Kris Dills, Callout Crew Supervisor
Terry May, Appalachian News Express
Steve Wright, Visitor

PLEDGE OF ALLEGIANCE

Chairman Tackett led the assembly in the Pledge of Allegiance.

PRAYER

Commissioner Slone led the assembly in an opening prayer.

CALL TO ORDER

AGENDA ITEM I

The Mountain Water District Board of Commissioners' Special Meeting was held on Tuesday, November 25th, 2025, at 4:00pm

Commissioners present at the meeting were as follows:

Randy Tackett – Chairman
Burt Melton – Vice Chairman
Myrtle Runyon, Treasurer
James Slone – Secretary
Grondal Potter - Commissioner

VISITORS

Steve Wright addressed the board with a petition of signatures, mostly church members, requesting water line to be extended to their area of Steve Wright Hollow, located on US HWY 23. This area consisted of three residential homes and one church with about 140 members. As of now the church used small holding tanks for their water needs and the residential homes had drilled wells but the water was not quality water. Ms. Olson stated that BSADD may offer a grant program for line extension. Commissioner Potter also stated if there was a mine site close to the property to check with AML to see if there is any funding available. Mr. Wolford explained the problem with doing a line extension would be pressure, it would require a pump station. He said he would get a cost estimate of what would be needed to provide water to the residents. Commissioner Melton asked Mr. Wright how many people were actually living on the property, because the petition had over one hundred signatures; Mr. Wright replied there were three homes and one church as of now but hoped to develop the property in the near future but that would depend on the water situation. Ms. Olson continued with she would have a cost estimate done and check on funding.

APPROVAL OF MINUTES AGENDA ITEM II

After review of the minutes, Chairman Tackett requested a motion to approve the minutes of the Regular Meeting held on Thursday, October 30th, 2025. Commissioner Melton made the motion. Commissioner Potter seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Melton	Aye
Commissioner Slone	Aye
Commissioner Potter	Aye

Upon Commissioner voting, the motion was carried and passed.

Resolution 25-11-001

FINANCIAL REPORT AGENDA ITEM III

Mrs. Hatfield presented the Financial Report date ended was October 30th, and he explained as followed: Cash in Bank at the end of October was \$100,149; Accounts Receivable was \$1,865,567; Plant in Place was \$177,069,217; Accounts Payable was \$657,975; Equity was \$93,280,598; Revenue for the month of October was \$1,061,195, lowest of the year; Utility Operating Expenses for the month of October was \$1,346,756; Income (loss) for the month was \$325,518, included in the loss was Deprecation Expenses of \$335,996; Operating income was a negative amount of \$285,560; Cash increased for the month of October, \$194,782, included projects; the current Operating account balance as of October 30th was \$91,804. Currently fully funded in the reserves; KIA Reserve was \$431,229; RD Reserve was \$866,103, respectfully; O&M Reserve was \$55,311; transferred \$41,000 to the sinking fund to pay the debt service; also transferred \$10,000 to O&M Reserve Account. He then referred to page 15 of the packet reviewing the Total Sales, in October it was \$1,061,195, this is a historically low month. Then he referred to page 16 of the packet, the purchased water expenses for the month; water purchased from Williamson was \$32,383, had decreased; water purchased from the City of Pikeville was \$68,731, decreased this month. He then referred to the electrical expenses being \$139,273; R&M had increased this month, \$53,589. Mr. Spears continued that everything looked good and nothing was out of the ordinary. Chairman Tackett asked if anyone had any questions on the finical report. There were none.

Chairman Tackett requested a motion to accept the financial report as presented. Commissioner Runyon made the motion. Commissioner Potter seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Melton	Aye
Commissioner Slone	Aye
Commissioner Potter	Aye

Upon Commissioner voting, the motion was carried and passed.

Resolution 25-11-003

- **KIA Bond Payment** – Mr. Spears explained this consisted of one loan, the other two had been paid in full with the KY WWATERS funds. The payment is due on December 1st for \$96,209.36 and the remaining balance after the payment was \$2,319,663.61. Chairman Tackett requested a motion to approve the KIA Bond Payment for \$96,209.36. Commissioner Potter made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Melton	Aye
Commissioner Slone	Aye
Commissioner Potter	Aye

Upon Commissioner voting, the motion was carried and passed.

Resolution 25-11-002

PAYMENT OF BILLS

AGENDA ITEM IV

Ms. Olson referred to the packet, page 18 with the cash disbursement and page 22 with the payables. The board took a few moments to review the cash disbursement and payment of bills. Chairman Tackett asked about the voided check amount listed at the end. Mrs. Hatfield and Mr. Lowe explained those were checks that had been returned in the mail, paid to vendors and have already been reissued. It was verified those checks had not cleared the bank before reissuing a new one. It was recommended and advised by Mr. Vanover for Commissioner Slone to abstain from this motion because his grandson was listed because of boot allowance reimbursement. Chairman Tackett asked if anyone has any questions or comments on the payment of bills. There were none.

Chairman Tackett requested a motion to approve the payment of bills as presented. Commissioner Runyon made the motion. Commissioner Tackett seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Melton	Aye
Commissioner Slone	Abstained
Commissioner Potter	Aye

Upon Commissioner voting, the motion was carried and passed.

Resolution 25-11-004

CUSTOMER ADJUSTMENTS

AGENDA ITEM V

Customer adjustments for October 2025 began on page 59; the adjustment total for the month was \$13,110.64. Mr. Lowe explained there were fifty-nine adjustments in October and this was the lowest month in years. The Commissioners took few moments to review the adjustments. Chairman Tackett asked if the amended sewer adjustment was in effect; Mr. Lowe replied it was, the publication was in the paper as required and been submitted to the PSC for approval. Chairman Tackett asked if anyone had any questions. There were none.

Chairman Tackett requested a motion to approve the Customer Adjustments for October 2025, as presented in the amount of \$13,110.64. Commissioner Tackett made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Melton	Aye
Commissioner Slone	Aye
Commissioner Potter	Aye

Upon Commissioner voting, the motion was carried and passed.

Resolution 25-11-005

CONSTRUCTION REPORT

AGENDA ITEM VI

Update by EDC/ Bell Engineering - Tim Campoy, P.E. / Logan Stevens, P.E.

- Fishtrap Hydraulic Modification Project** – EDC is sub-consultant to Bell Engineering on this project. At the July Board meeting, the project was awarded to BOCA Enterprises for a sum of \$601,850. The fully executed contract and notice of award were sent to Rural Development for review as required. The final RD approval had been delayed due to the federal government furlough. Also, they contacted RD last week and were told they were back in the office and trying to catch up, with no estimate on moving the project forward. Also requested for Tammy Olson be given the authority to sign the Notice to Proceed upon RD approval. This project was awarded to BOCA Enterprises, Inc. Rural Development requested several items to be included in the contract that EDC has provided. EDC has been in contact with Rural Development (who was impacted by the government furlough) to follow up on the status of these items.

Chairman Tackett requested a motion to authorize the General Manager, Tammy Olson, to sign the Notice to Proceed after receiving the documents from RD. Commissioner Potter made the motion. Commissioner Tackett seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Melton	Aye
Commissioner Slone	Aye
Commissioner Potter	Aye

Upon Commissioner voting, the motion was carried and passed.

Resolution 25-11-006

2. **Kimper DOT Line Relocation Project at Kellogg's** – KYTC planned to include the waterline relocation work as part of the overall road contract. There has been no change in the status of this project.

3. **Capital Infrastructure Replacement Project/Peach Orchard Water Line Extension** – EDC is a sub-consultant to Bell Engineering on this project, where waterlines and related appurtenances would be replaced and/or relocated at Smith Fork (Phelps), Dorton Hill and Big Branch (Marrowbone). Sealed bids were received from three contractors on October 22nd, and at the October MWD Board meeting, the project was awarded to Precision, Inc., for a sum of \$750,300.00, as recommended by EDC. The contractor provided the required bonds and insurance, has signed the contract and began submitting shop drawings. He also requested the board authorize Tammy Olson to execute the contract and the Notice to Proceed on behalf of the District. Bell Engineering completed the client review set of plans and specifications for the Pike Central and Adams Branch project, these were delivered on November 20th. Once reviewed, Bell would incorporate any changes, perform a final question and answer review, and submit the encroachment permit application to KYTC. The project may be bid pending funding availability. Smith Fork, Dorton Hill, and Big Branch Project bid on October 22nd. Three bids were received from: Precision Inc. (\$750,300.00), Jones Contracting, LLC (\$769,782.50), and H2O Construction (\$836,072.25). EDC has prepared the Letter of Award to Precision Inc. for approval at today's Board Meeting. Chairman Tackett requested a motion to authorize the General Manager, Tammy Olson, to sign to execute the contract and the Notice to Proceed on behalf of the district. Commissioner Tackett made the motion. Commissioner Potter seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Melton	Aye
Commissioner Slone	Aye
Commissioner Potter	Aye

Upon Commissioner voting, the motion was carried and passed.

Resolution 25-11-007

4. **Raw Water Intake (Barge Pump)** – There has been no change in the status of this project and will look for other possibilities.

5. **Fishtrap Road KY 1441 Raccoon Creek Bridge Replacement** – This project was to relocate a waterline to accommodate the replacement of an existing bridge on KY1441. This project relocates a waterline to accommodate the replacement of an existing bridge on KY1441. Sealed bids were opened at the office of Jim Vanover on November 3rd at 2:00PM. Four (4) contractors submitted bids, with the lowest being submitted by MGM Contracting in the amount of \$63,940. The unsuccessful bids ranged from \$95,396 to \$107,370. All bids were checked for completeness and accuracy and all were found to be responsive. Will present the Certified Bid Tab, a letter recommending that the project be awarded to MGM Contracting for a sum of \$63,940 and the Notice of Award. Also requested that the board give Tammy Olson the authority to sign all required documents, including the Notice of Award, the Contract, the Notice to Proceed and the KYTC Contract. Chairman Tackett requested a motion to award the project to MGM Contracting for the amount of \$63,940 and to authorize Tammy Olson to sign all required documents; Notice of Award, the Contract, the Notice to Proceed and the KYTC Contract. Commissioner Tackett made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Melton	Aye
Commissioner Slone	Aye
Commissioner Potter	Aye

Upon Commissioner voting, the motion was carried and passed.

Resolution 25-11-008

- **Approval of Engineering and Dot Agreement** – This was discussed during the project update.
6. **Water Loss Reduction Plan, Phase 1 (ARPA Funds)** – The original scope of the work was completed except for the work the District was self-performing. The original scope of work is complete except for the work the District is self-performing. The remaining funds are being used to purchase equipment identified by the District. EDC has completed the inspection services on this project.
 7. **Peach Orchard Water Line Extension** – The Peach Orchard Water Line construction began on Monday, August 4th, 2025. However, no work was completed this past month and waited for KYTC to approve the encroachment permit along with the PRV parts to arrive. Once the encroachment permit was approved and the PRV parts arrived, construction could resume and this project would be near completion, Monday, August 4th, 2025. The approved KYTC encroachment permit was received on November 13th, MWD installed the PRV last Tuesday (November 18th). The Contractor plans to resume work this week, installing the line along KY 3416 that ties in the PRV to the line on Peach Orchard Branch.
 8. **Petty Fork Bridge Replacement Project** - This project relocates a waterline and related appurtenances to accommodate the replacement of a bridge by the KYTC. Designs are being finalized, as are the engineering and construction costs. Request permission to advertise the project upon approval by KYTC, and that you give Tammy Olson authority to sign all required documents, including Notice of Award, Contracts, KYTC Contracts and the Notice to Proceed. Chairman Tackett requested a motion to authorize the project to be advertised for bid and to authorize Tammy Olson to sign all required documents; Notice of Award, the Contract, the Notice to Proceed and the KYTC Contract. Commissioner Tackett made the motion. Commissioner Potter seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Melton	Aye
Commissioner Slone	Aye
Commissioner Potter	Aye

Upon Commissioner voting, the motion was carried and passed.

Resolution 25-11-009

9. **KY WWATERS Capital Project (Water Treatment Plant Improvements)** – MWD, EDC, and Bell Engineering performed an initial site visit of the treatment plant on Wednesday, October 15th. The plant operator gave them an overview of the plant and provided insight regarding day-to-day operations, plant conditions, and areas for improvement. Upon review of the site plans, Bell and EDC planned to propose suggestions for improvement to MWD to maximize the lifespan of the existing WTP. Water Treatment Plant Improvements – MWD, EDC, and Bell Engineering performed an initial site visit of the treatment plant on Wednesday, October 15th. Bell is currently in the process of reviewing the existing site plans and budget to come up with solutions to maximize the lifespan of the existing WTP. Bell has prepared the Engineering Agreement and sent it to the District for review and approval. The agreement was sent to Mr. Vanover for review and Tammy Olson to sign. It was requested to authorize the General Manager, Tammy Olson, to sign the agreement. Chairman Tackett requested a motion to authorize Tammy Olson to sign the Engineering Agreement for the KY WWATERS Capital Project (WTP Improvements). Commissioner Potter made the motion. Commissioner Tackett seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Melton	Aye
Commissioner Slone	Aye
Commissioner Potter	Aye

Upon Commissioner voting, the motion was carried and passed.

Resolution 25-11-010

Update by Summit Engineering, Mark Stephens, P.E.

- Collins HWY Sewer Line Extension (Branham Heights Package Plant Removal)** – The plans and DOW application have been completed. Received signed application and approval letter from MWD and Summit will submit to DOW. The permit will be good for one year. Chairman Tackett requested a motion to authorize Tammy Olson to sign the application and acceptance letter. Commissioner Tackett made the motion. Commissioner Runyont seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Melton	Aye
Commissioner Slone	Aye
Commissioner Potter	Aye

Upon Commissioner voting, the motion was carried and passed.

Resolution 25-11-011

Chairman Tackett asked if anyone had any questions about the Engineer/Construction Report. There were none.

Chairman Tackett requested a motion to accept the Engineer/Construction Report as presented. Commissioner Melton made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Melton	Aye
Commissioner Slone	Aye
Commissioner Potter	Aye

Upon Commissioner voting, the motion was carried and passed.

Resolution 25-11-012

PROJECT DRAWS:

Peach Orchard Water Line Extension		
Core & Main	KIA Funds	\$ 3,466.32
Core & Main	KIA Funds	\$ 3,072.50
Core & Main	KIA Funds	\$ 6,413.60
Total :		\$12,959.42
Capital Infrastructure Replacement		
Bell Engineering	KIA Funds	\$ 9,650.00
Total :		\$ 9,650.00

The project draws were listed on page 4 of the packet. The board of commissioners reviewed the project draws as listed. The draws for Core & Main were for PRV, vault and fittings that were ordered. Chairman Tackett asked if anyone had any questions. There were none.

Chairman Tackett requested a motion to approve the Project Draws as listed. Commissioner Potter made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Melton	Aye
Commissioner Slone	Aye
Commissioner Potter	Aye

Upon Commissioner voting, the motion was carried and passed.

Resolution 25-11-013

MANAGER’S REPORT – Report by Tammy Olson, General Manager

- 1.) **Funding Update** – Ms. Olson began with there were no updates on FEMA, they were affected by the government shutdown. She would contact them for an update so those funds could be put back into reserves. KY WWATERS funding had posted and was able to pay off some debt loans, KIA had been paid but RD had not, have to wait for the government shutdown to end to get final payoff before submitting final payment. Once the RD loan is paid in full MWD will transfer eighty thousand dollars back to the reserve account that it was borrowed from.
- 2.) **PSC Rate Case Update** – Ms. Olson stated the application was submitted on November 10th; accepted as complete on November 17th; received the first request for information that is due December 12th and the deadline to request an extension will be December 5th. These questions were same as last case so the staff was familiar with how to submit the information.
- 3.) **Water Loss Update** – Ms. Olson stated the water loss reports began on page 35 with the MWD reports and page 35 for the PSC report. The MWD form was 35.29% and the PSC form was 39.4% for November, she reminded the board the PSC form did not allow for line leak water loss. However, after reviewing the work orders, it was discovered that the leak usage was not noted as leaks or flashings. We were able to correct some of them. The purchased and sold amounts and failing meters. Mr. Lowe spoke up and said also the billing software and the meter readings were an issue. On some of the meter readings the software would leave off a zero and by doing that it would make a difference on the billing, customers were not getting billed as needed. Ampstun’s tech support/customer service was horrible, you could call and they would take the information and it could be weeks before they would contact us back and sometimes, we never heard back from them. Ms. Olson explained the purchased water had decreased; the plant would produce more water but was regulated by DOW and allowed to produce eighty percent of the three million gallons per day limit. The surcharge funds would be spent to replace the water line at Burning Fork and Oasis Pawn Shop within the next eighteen months; Smith Fork of Phelps would be replaced sooner. She continued that Mr. Lowe and Mrs. Wright had been looking for some new billing software programs but still had some time before a decision that had to be made about that. She continued the crews were constantly repairing service line leaks and those were mostly because of aging infrastructure.
- 4.) **Daily Operations Update** - Ms. Olson commended Randy Burnette on his retirement and years of dedication of service to the district; he had been an employee of the district for a total of thirty-four years. Before his retirement he had trained someone for his position and he has been certified on meter testing as well. There will be more employees that will be retiring within the next couple of years and as they do the district will try to promote them in-house. The district has scheduled a meeting with CHAMP, which was a good program for the employees and was at no cost to the district, that will be scheduled in January 2026. Nothing had really changed on the daily operations, the labor was stable, not had any issues with turnover lately.
- 5.) **Authorization to Award Bid for Three Mid-Size Trucks** – Ms. Olson referred to page 44 of the packet for the bid tabulation of the bids received, she continued with these trucks were three of the five included in the annual budget, the other two have already been purchased. Ms. Olson stated four bids were received and recommended awarding the bid to Walters Toyota, although their bid was not the lowest but had quick availability, the others were out about five to six months on delivery. Mr. Keathley had pictures of the trucks that needed to be replaced, they were ten to twelve years old, had 250k to 270k miles, had rusted and had frame rot also. One of the trucks went down this week due to broken strut and was now parked in the lot for surplus. Commissioner Melton asked if these prices included the undercoating on the frames; Mr. Keathley explained these were purchased with state pricing and dealerships did not include that but would for a fee. Commissioner Melton said he wanted

them undercoated. Mr. Keathley said that once we got the new trucks, he would have the machinic to spray the frames with undercoating protector. He said it would be cheaper if the district done that in house instead of having dealership to do it. Commissioner Potter asked how many auto loans would be coming off; Mrs. reminded the board there would be couple auto loans to be paid in full within the next few months; Mr. Keathley said these trucks were heavily used and were in all weather conditions. Ms. Olson recommended to purchase the Toyota's from Walters due to the availability. Chairman Tackett requested a motion to approve the purchase of two Toyota trucks from Walters Toyota. Commissioner Potter made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Nay
Commissioner Melton	Aye
Commissioner Slone	Aye
Commissioner Potter	Aye

Upon Commissioner voting, the motion was carried and passed.

Resolution 25-11-014

- 6.) **Authorization to Adward Bid Dump Truck** – Ms. Olson referred to page 45 of the packet for the bid tabulation for the dump truck. The bid specs were for a truck that would not require a CDL and would help with the cost of gravel hauls and other haul billed items. Once approved, the district would have stockpiles of gravel delivered to various MWD lots. Mr. Keathley told the board that he wanted to take some other guys to look and test drive the truck before it was purchased. After further discussion the board agreed to approve award the bid contingent after test driving and further inspection of the dump truck.

Chairman Tackett requested a motion to award the bid for dump truck contingent after test driving and further inspection of the dump truck at Eddie's Auto. Commissioner Melton made the motion. Commissioner Potter seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Melton	Aye
Commissioner Slone	Aye
Commissioner Potter	Aye

Upon Commissioner voting, the motion was carried and passed.

Resolution 25-11-016

- 7.) **Authorization to Award Bid Water Meters** - Ms. Olson explained that there were some remaining ARPA funds of about 173k dollars; she anticipated with approval from Compass Municipal on using it to purchase new water meters but needed some new updated telemetry items too. The maintenance department needed new modems because Appalachian Wireless had upgraded everything to 5g and the ones we had would not work. Compass Municipal requires the water meters to have a leak detection on the meter. Also, she said the district would stop purchasing anymore meters/tops from RG3 and could use that budgeted money with the new meters. She continued that the telemetry items purchased were under the procurement law but funding agency required them to be bid.

Chairman Tackett requested a motion to authorize award the bid for water meters with available funding and to purchase the needed telemetry items. Commissioner Melton made the motion. Commissioner Slone seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Melton	Aye
Commissioner Slone	Aye
Commissioner Potter	Aye

Upon Commissioner voting, the motion was carried and passed.

Resolution 25-11-017

- 8.) **Authorization to Award Bid for Telemetry Items** – Ms. Olson explained these items were under the procurement requirements but Compass Municipal required them to be bid. Upgraded modems and few other items were needed after Appalachian Wireless did their system wide upgrade to 5g, the

modems we had been not compatible with 5g. See approved motion above for approval to purchase the telemetry items.

9.) Employee Compensation – Mrs. Hatfield gave each board member a handout of employee pay raises. She explained this was discussed and agreed when the Personnel Committee met. The proposed pay increase for hourly employees would be mostly three percent and for salaried employees would be mostly two percent, with a few three percent increase. The proposed increases would cost the district an extra \$2,572.60 per pay period, totaling \$66,887.77 annually. Chairman Tackett requested a motion to approve the proposed annual employee compensation increases as presented. Commissioner Melton made the motion. Commissioner Slone seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Melton	Aye
Commissioner Slone	Aye
Commissioner Potter	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-11-015

MANAGER’S REPORT (continued)

Ms. Olson explained there were several reports in the packet for the board reviewing the disconnects, illegal hookups and meter change outs along with several other reports.

Chairman Tackett requested a motion to accept the Manager’s Report as presented. Commissioner Potter made the motion. Commissioner Runyon seconded Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Melton	Aye
Commissioner Slone	Aye
Commissioner Potter	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-11-018

COMMISSIONER COMMENTS

Chairman Tackett asked if anyone had any questions. There were none.

ADJOURN MEETING

Chairman Tackett requested a motion to adjourn today’s Special meeting. Commissioner Potter made the motion. Commissioner Melton seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Melton	Aye
Commissioner Slone	Aye
Commissioner Potter	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-11-019

Exhibit 2

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EMPLOYEE BENEFITS

Benefits are provided by Mountain Water District to all probationary and full-time employees. Benefits provided to probationary employees shall be subject to any applicable waiting period. Part-time, seasonal or temporary employees shall not be entitled to any benefits. Benefits provided to all probationary and full-time employees by Mountain Water District, shall provide the following:

Holidays

1. The following days are declared paid holidays at the regular straight-time rate of compensation:
 - A. The first day of January (New Year's Day)
 - B. The third Monday of January (Martin Luther King Jr. Day)
 - C. The third Monday of February (President's Day);
 - D. Good Friday;
 - E. The last Monday of May (Memorial Day);
 - F. The fourth day of July (Independence Day);
 - G. The first Monday of September (Labor Day);
 - H. The Eleventh day of November (Veteran's Day);
 - I. The fourth Thursday of November (Thanksgiving Day);
 - J. The Friday following Thanksgiving; and
 - K. The Twenty-Fourth of December (Christmas Eve)
 - L. The Twenty-Fifth of December (Christmas Day).
 - M.

Vacation Leave

1. All full-time employees shall accumulate paid vacation leave bi-weekly with each payday at the following rates:

<u>Full Years of Continuous Employment</u>	<u>Earned Vacation</u>
a. One year	10 days earned at the rate of 3.0780 hours For each bi-weekly period worked.
b. Two years	11 days earned at the rate of 3.3848 hours for each bi-weekly period worked.
c. Three years	12 days earned at the rate of 3.6926 hours for each bi-weekly period worked.
d. Four years	13 days earned at the rate of 4.0000 hours for each bi-weekly period worked.
e. Five years	14 days earned at the rate of 4.3080 hours for each bi-weekly period worked.
f. Six years and over	15 days earned at the rate of 4.6154 hours for each bi-weekly period worked.

Years of Continuous Employment shall be based on one full calendar year of service calculated on the employee's date of hire.

Sick Leave

1. All full-time employees shall accumulate sick leave with pay at the rate of 3.0780 (10 days per 12 month period) hours for each bi-weekly period worked.
2. Employees can accrue sick leave up to a maximum of 200 hours. If an accrual of 200 hours is attained, additional sick leave hours do not accrue until sufficient sick leave time is taken so the accrued sick leave falls below the maximum of permissible accrued sick leave hours.

Paid Personal Leave

All full-time employees shall receive four (4) personal days annually

Funeral Leave

1. Any full-time employee may be absent up to three (3) regularly scheduled days without loss of pay in the case of death in his/her immediate family.
2. Immediate family for this purpose shall be deemed to include the parents, parents-in-law, spouse, children, step-children, grandchildren, grandparents, brothers, sisters.

Hospitalization

All probationary and full-time employees are entitled to participate in the hospitalization and surgical benefit plan that is provided by Mountain Water District. The effective date of coverage shall be on the first date that the employee can be added to the policy, after completion of thirty (30) days of employment as a probationary employee. This time frame may be amended at the discretion of the District Manager. All participating employees are subject to the terms and conditions of group insurance programs provided by Mountain Water District.

Mountain Water District shall bear the cost of an individual policy, but reserves the right to have employees contribute to that cost. This cost may be adjusted year to year, as the District deems appropriate. All probationary and full-time employees will be allowed to buy additional coverage for their spouse and/or family, at the cost designated by the group insurance program.

Dental/Vision Coverage

All probationary and full-time employees are entitled to participate in the dental and vision coverage benefit plan that is provided by Mountain Water District. The effective date of coverage shall be on the first date that the employee can be added to the policy, after completion of thirty (30) days of employment as a probationary employee. This time frame may be amended at the discretion of the District Manager. All participating employees are subject to the terms and conditions of group insurance programs provided by Mountain Water District.

Mountain Water District's employees shall have the option to add their spouse and/or family, to the dental and vision policies, at their own expense.

Retirement

The District participates in the Kentucky County Employees Retirement System (CERS) plan. All full-time employees are required to participate in this plan, and the effective date of coverage shall be one hundred twenty (120) days after the date of full-time employment. Each employee will be required to pay the applicable percentage required of their gross pay per pay period. Mountain Water District will contribute the additional amount required of the employees' gross pay per pay period. The rates for participation may change depending upon Kentucky County Employees Retirement System Regulations.

Consolidated Omnibus Budget and Reconciliation Act of 1985 (COBRA)-KRS 304.18 (110)

Upon separation, retirement, or other qualifying event, full-time employees and/or their eligible dependents may be entitled to retain their health insurance under the Consolidated Omnibus Budget Reconciliation Act of 1985 or KRS 304.18 (110). To the extent the employer provides group health insurance and has 20 employees, COBRA requires the employer to allow for continued coverage. To the extent the Mountain Water District has less than 20 employees, but provides group health insurance that is not self-insure, KRS 304.18 (110) requires the District to provide for continued coverage. Further information may be obtained from the Mountain Water District's Human Resources Representative.

Expense Reimbursement

1. Any employee of the Mountain Water District incurring expenses for pre-approved Mountain Water District connected business or travel outside the Mountain Water District service area shall be compensated within the guidelines established by Mountain Water District.
2. All requests for reimbursement forms shall be signed by the District Manager or designated representative.
3. The daily meal allowance for eligible travel expenses is a maximum of fifty dollars (\$50.00) per day of travel, or twenty-five dollars (\$25.00) for a half day of travel.

Boot Allowance

The District will provide reimbursement for two (2) pairs of appropriately safety rated boots or muck boots per calendar year, at a cost of up to two hundred dollars (\$200) each

Cell Phone Allowance

In order for the district to perform daily operations we give a phone allowance to anyone the district needs 24hr contact with, this benefits the district due to county is 789 square miles and radio service is not optional in some isolated areas. We compensate apportion of their expense, depending on if we have them to use their phones to check telemetry, emails or send pictures for work orders. Those that only use their phones for communication receive a compensation of \$25 a month and those who require cellular data to perform their daily duties is compensated \$70 a month.

Vehicle Allowance

When the district went to in-house management the previous management wanted the District Manager, Operations Manager and the WW Operations Manager to utilize their own personal vehicle. They provided a vehicle allowance every two weeks for \$346.15. They are the only employes that are entitled to this benefit.

Exhibit 3

TOTAL COST OF EMPLOYEE WAGE AND BENEFITS			
	Annual	Monthly	Pay Period
Wages (\$15.45/hr)	\$32,160.00		\$1,236.00
Health Insurance	11,034.00	\$919.50	
Dental Insurance	265.44	22.12	
Life/LTD Insurance	202.80	16.90	
Boot Allowance	200.00		
CERS Contribution	5,988.20		230.15
FICA Taxes	2,460.24		94.56
Total	\$52,310.68		

EMPLOYEE WAGE AND BENEFITS RECOVERED THROUGH SURCHARGE			
	Annual	Monthly	Pay Period
Wages (\$15.45/hr)	\$32,160.00		\$1,236.00
Health Insurance	11,034.00	\$919.50	
Dental Insurance	265.44	22.12	
Total	\$43,459.44		