

**MINUTES
SIMPSON COUNTY WATER DISTRICT**

The Simpson County Water District Board of Commissioners met in regular session on Thursday, January 25, 2024, at 1:00 p.m. at the Water District Office located at 108 Morgantown Road, Franklin, Kentucky.

Those members present were Stephen Snider – Chairman, Corey Konow – Vice Chairman, and Larry Gomer – Secretary/Treasurer. Also, present were Jacob Cuarta – General Manager, Clint Harbison – Manager of Engineering, Bryan Tillery – Manager of Operations, and Jeff Peeples – Manager of Finance & Administration.

QUORUM CHECK Mr. Snider called the meeting to order and determined a quorum was present.

MINUTES APPROVED Mr. Gomer made a motion to approve the minutes of the Board Meeting held on December 21, 2023. Mr. Konow seconded the motion, and all voted “aye.”

OPERATING REPORTS Mr. Peeples presented the Operating Reports ending December 2023 and Budget Comparison. Mr. Gomer made a motion to approve the Operating Reports. Mr. Snider seconded the motion, and all voted “aye.”

DISBURSEMENTS Mr. Snider made a motion to approve the disbursements for the current period. Mr. Gomer seconded the motion, and all voted “aye.”

COMMISSIONERS REPORT Mr. Cuarta reported on the WSB Joint Operations meeting. Most of the discussion consisted around water capacity improvement projects in Warren and Simpson Counties.

Mr. Cuarta presented the Joint Operations Agreement for approval. Mr. Gomer made a motion to approve, Mr. Konow seconded the motion, and all voted “aye.”

Mr. Peeples presented the 2024 Rates and Allocations Memorandum for approval. Mr. Gomer made a motion to approve, Mr. Konow seconded the motion, and all voted “aye.”

ELECTION OF OFFICERS Mr. Gomer made a motion to elect Mr. Snider as Chairman, Mr. Konow as Vice Chairman, and Mr. Gomer as Secretary/Treasurer. Mr. Konow seconded the motion, and all voted “aye.”

WRITE OFF TRANSACTIONS Mr. Snider made a motion to transfer the list of accounts dated January 2024 for collection. Mr. Gomer seconded the motion, and all voted “aye.”

**GENERAL
MANAGER'S
REPORT**


The General Manager reported on the following:

1. Mr. Cuarta reviewed the leak adjustment for Brenda Gibbs.
2. Mr. Harbison provided an update on the next phase of the Trader Joe's project, which consists of a water line relocation to accommodate turning lanes for their distribution center. Adjacent to Trader Joes is a new residential development that is planning to construct 370 new units. Two additional developments, Cross Creek, and Franklin Place, are expected on the south end of Franklin, totaling around 400 units. Line replacement projects utilizing ARPA funding are being explored for potential residential growth. Discussions on the east side transmission project are still ongoing.
3. Mr. Tillery reported on the issues that came up with the recent power outages at the White House Utility District Water Treatment Plant in December.
4. The District has accumulated 151,335.0 hours without a lost time accident.

ADJOURN

Mr. Gomer made a motion that the meeting be adjourned. Mr. Konow seconded the motion, and all voted "aye."

Respectfully submitted,


Larry Gomer, Secretary

MEETING MINUTES

SIMPSON COUNTY WATER DISTRICT BOARD MEETING

Date: February 22, 2024

Time/Location: 1:00 PM/Simpson County Water Office, 108 Morgantown Road, Franklin, Kentucky

Meeting called to order by: Mr. Corey Konow

QUORUM CHECK

Those members present were Mr. Corey Konow, Vice Chairman, and Mr. Larry Gomer, Secretary/Treasurer (via conference call). Also, present were Mr. Jacob Cuarta, General Manager, and Mr. Jeff Peeples, Manager of Finance and Administration.

APPROVAL OF MINUTES

Mr. Gomer made a motion to approve the minutes of the meeting held on January 25, 2024, Mr. Konow seconded the motion.

OPERATING REPORTS

Mr. Peeples presented the Operating Reports and Budget Comparisons for January 2024. Mr. Konow made a motion to approve the Operating Reports and Budget Comparisons, Mr. Gomer seconded the motion.

DISBURSEMENTS

Mr. Peeples presented the Disbursements for the current period. Mr. Gomer made a motion to approve the Disbursements as presented, Mr. Konow seconded the motion.

COMMISSIONER'S REPORT

Mr. Cuarta provided updates on ongoing discussions with Judge Executive Barnes regarding line extension projects. He conveyed the District's persistent efforts to secure grant funding, despite encountering repeated denials. Mr. Cuarta elaborated on the evaluation process with the Kentucky Infrastructure Authority (KIA), noting that projects of this nature typically face challenges in obtaining grant approval, as most customers have an existing water service. He emphasized that projects with a substantial number of customers lacking water service, such as those reliant on wells, are more likely to receive thorough evaluation for potential grant funding.

WRITE OFF TRANSACTIONS

Mr. Peebles reviewed the Write off Transactions to be transferred. Mr. Konow made a motion to transfer the Write off Transactions dated February 2024 for collection, Mr. Gomer seconded the motion.

GENERAL MANAGER'S REPORT

Mr. Cuarta reviewed the Leak Adjustment for Warren Bray.

Mr. Peebles presented the Scope of Work for the CIS Infinity Billing System for approval. Mr. Gomer made a motion to approve, Mr. Konow seconded the motion.

Mr. Cuarta presented an update regarding the significant water loss observed in District Metering Area (DMA) 31-W North and DMA 31-W South. He informed the board that the Water Accountability/Leak Detection team has been diligently investigating to locate the source of the loss. However, despite their efforts, the team has not yet pinpointed the large leak, estimated to release between 100-120 gallons of water per minute. At this juncture, it remains uncertain whether the issue is attributable to a single leak or multiple points of leakage.

Mr. Cuarta informed the board about his communication with Matthew Rye, a principal at Rye Engineering based in Dixon, Tennessee, specializing in canine leak detection. He announced that Mr. Rye will be visiting the Warren County Office to meet with Mr. Cuarta, Mr. Peebles, Mr. Harbison, Mr. Tillery, and our Water Accountability Supervisor on Tuesday, February 27, 2024. The purpose of this meeting is to collaborate on developing a scope of work for Mr. Rye to assist in conducting a comprehensive leak detection survey in the area, potentially utilizing canine leak detection methods. The aim is to enhance the capabilities of our internal Leak Detection team by incorporating additional techniques and skills through the support of Rye Engineering.

The District has accumulated 163,091.5 hours without a lost time accident.

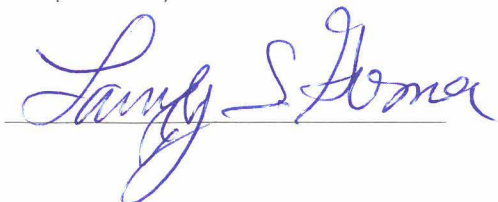
NEXT MEETING DATE

The next scheduled meeting is a special called meeting and will be held Friday, March 8, 2024, at 12:00 PM.

ADJOURN

Being that there was no further business, Mr. Gomer made a motion to adjourn, Mr. Konow seconded the motion.

Respectfully submitted,



Larry S. Gomer

MEETING MINUTES

SIMPSON COUNTY WATER DISTRICT SPECIAL CALLED BOARD MEETING

Date: March 8, 2024

Time/Location: 12:00 PM/Warren County Water Office, 523 US 31 W Bypass,
Bowling Green, Kentucky

Meeting called to order by: Mr. Stephen Snider

QUORUM CHECK

Those members present were Mr. Stephen Snider, Chairman and Mr. Larry Gomer, Secretary/Treasurer. Also, present were Mr. Jacob Cuarta, General Manager, Mr. Clint Harbison, Manager of Engineering, Mr. Bryan Tillery, Manager of Operations, Mr. Jeff Peeples, Manager of Finance and Administration, Ms. Alyssa Freeman, Executive Assistant, and Mr. Mark Frost, Kentucky Rural Water Association (KRWA) Representative.

PRESENTATION OF THE RATE STUDY REPORT

Mr. Frost presented the Rate Study Report, highlighting the directives received from the Public Service Commission (PSC) three years ago. It was mandated that Simpson County Water District file a rate case, prompting the initiation of a rate study review by KRWA. Typically, the PSC must issue a decision within six months of filing, or the utility can opt to implement new rates, subject to potential refunds. However, it is generally preferred to await the commission's order before implementing rate changes.

The procedural timeline was explained by Mr. Frost, detailing the steps involved. Following the setup of the case by the PSC, the application filing is to be promptly followed by an information request sent out within approximately 30 days. Subsequently, another data request will be issued around 14 days later, allowing for a response to be filed within the subsequent 14 days. Following these exchanges, the PSC will issue a staff report within 20-30 days, giving the utility another 14 days to respond.

Further discussion by Mr. Frost revolved around the proforma and the methodology employed to determine the presented percentages. Utilizing billing records, a comprehensive billing analysis was conducted to ascertain the expected revenue. Additionally, salary and wage adjustments were based on 2022 test year allocations, incorporating adjustments for new employees, and applying current 2024 wage rates to allocated hours. Other significant factors guiding the calculations included projects completed in 2023 or soon-to-be-completed, alongside asset depreciation.

The PSC employs three distinct methodologies to calculate revenue requirements for utilities, namely operating ratio, debt service coverage, and return on rate base. The latter is typically not utilized for districts and associations due to the lack of comparable utilities for calculating return on equity and its inappropriateness for the structure. Operating ratio is utilized when debt is minimal or nonexistent, while debt service coverage is the predominant method used for water districts and associations. Based on this calculation, a 5.8% increase in rates is recommended by Mark Frost of KRWA.

RESOLUTION

Mr. Peebles presented the resolution proposing adjustments to water rates and authorization to file an application with the PSC for approval. Mr. Gomer made a motion to approve the resolution and Mr. Snider seconded the motion.

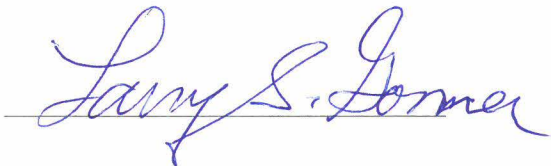
NEXT MEETING DATE

The next scheduled meeting will be held Thursday, March 28, 2024, at 1:00 PM.

ADJOURN

Being that there was no further business, Mr. Gomer made a motion to adjourn, Mr. Snider seconded the motion.

Respectfully submitted,

A handwritten signature in blue ink that reads "Larry S. Gomer". The signature is written in a cursive style and is positioned above a horizontal line.