



## NORTH MARSHALL WATER DISTRICT

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Web Site: <http://www.northmarshallwater.com>

### ***North Marshall Water District Special Called Meeting Minutes April 14, 2023***

#### **Commissioners Present**

James Leonard, Chairman  
Kenneth Shadowen, Vice Chair  
Billy Driskill, Treasurer  
James Dossett  
Joe Draffen, Secretary - ABSENT

Roger Colburn, Manager

Guest: None

#### **I. Call to Order**

The special called meeting of the North Marshall Water District Board was called to order by Chairman Leonard at 10:00 a.m. Chairman Leonard acknowledged that it was his understanding that notice had been provided as required for the Special Called Meeting. Chairman Leonard stated Commissioner Draffen had a previous commitment and was unable to attend. All other members of the board were in attendance as was the Manager.

#### **II. Approval of Minutes from Last Meeting**

Chairman Leonard stated that all board members had received a copy of the March 21, 2023 Board Meeting Minutes prior to this meeting. If no changes or comments, a motion is needed to accept the minutes as written. Commissioner Shadowen made the motion to accept the minutes of the March 21, 2023 Board Meeting as written, second by Commissioner Dossett, with all Commissioners voting "aye."

#### **III. Treasurer Report**

Commissioner Driskill gave the March Financial Report. Chairman Leonard requested the Manager's comments concerning on the outflow of cash for capital assets. The costs were associated with relocation of water services along the RD project limits. Commissioner Shadowen made the motion to accept the March Financial Report as written, second by Commissioner Dossett, with all Commissioners voting "aye."

**See Attachment I "North Marshall Water District Statement of Cash Flows March 31, 2023."**

#### **IV. Check Register Approval**

Chairman Leonard stated that all board members had also received a copy of the March Check Register Report, if no questions or comments, we need a motion to accept the report as written. Commissioner Driskill made the motion to accept the March Check Register Report as written, second by Commissioner Shadowen, with all Commissioners voting "aye."

#### **V. Manager's Report**

- a) Monthly reports were included in the Board packet.
- b) Two main break repairs were reported for the period.
- c) There were several angle valve and service line repairs.
- d) System flushing operations have continued and progressed through Gilbertsville, KenBar, Tatumsville, Moors, and work is now in the Big Bear area.
- e) Six new taps were made during the March reporting period.

#### **VI. Public Session**

There were no members of the public in attendance at the meeting.

#### **VII. Old or Unfinished Business**

- a) Cambridge Shores Water Main Replacement Bids – Three bids were received for the Cambridge Shores Water Main Replacement project held at 10:00 a.m. at the District Office. Copies of the bid tabulation sheet were in the Board Packet. The low bid was presented by Murtco Mechanical Contractors in the amount of \$784,699.00. The next lowest bidder was DPort Construction in the amount of \$789,760.80. Youngblood Excavating's bid was \$958,670.00. Engineer's estimate was \$782,400.00. Project budget is \$881,000 leaving a total of \$96,000 to address the remaining project expense. The expenditure for design phase engineering services is \$36,500 leaving \$59,500 for other project related expenses. Manager Colburn indicated additional thought and discussion is needed before moving forward. Commission Driskill made the motion to accept the low bid of Murtco Mechanical Contractors in the amount of \$784,699.00. Commissioner Shadowen seconded the motion. All voted "aye." The next item involved approval of the Engineering Services Agreement authorizing approval through the bid procurement phase which per the agreement is \$36,500 and authorizing the manager to negotiate additional services provided funds budgeted for the project are available. A motion was made by Commissioner Dossett and second by Commissioner Shadowen. All members voted "aye."
- b) Alternate Rate Study – Roger provided an overview of the alternate rate analysis. Before discussion he discussed the origin of the request of PSC to conduct the alternate rate analysis per an order issued by the PSC Executive Director on February 21, 2022. PSC in the order noted the Commission's concern regarding the ability of the District to adequately meet expenses even with the rate increase approved by the Commission per the Section 23 request rate increase. A copy of the report was provided in each board member's packet. After discussion of the contents of the report, Chairman Leonard asked Manager Colburn to explain the differences of the two methods used to determine the revenue requirements of

the system once the cost of service is determined. The debt service coverage method resulted in a projection of a 15% rate increase for the system and the operating revenue ratio method yielded a 23.4% rate increase. The difference in revenue for the two options is roughly \$170,000 annually. The difference would negatively impact the District's ability to replace the lines that are prioritized for replacement in the Capital Improvement Plan. Manager Colburn read the resolution provided with the rate study authorizing submittal of the report to the PSC for approval in amending the rates of the district. Motion to adopt the resolution made by Commissioner Dossett and seconded by Commissioner Shadowen. All members vote "aye."

c) Manager Colburn discussed the annual CCR report and provided information concerning three Notice of Violations that were included in the report. A violation with Disinfectant Byproducts was issued because the District failed to sample in a week specified by the Division of Water. The other two violations were related to SOC testing. The district failed to obtain samples in the same year during the 3 year window. The other SOC violation was related to the lab's failure to report results for two of the contaminants listed in the SOC group.

d) Manager Colburn followed up on a Board request to review the security held by the bank against the District's deposits. In addition to the FDIC insurance of \$250,000 per account the Bank has purchased government securities and pledged the purchased securities against the deposits of the bank.

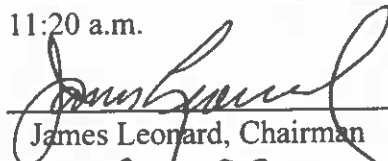
#### **VIII. New Business**

a) The Board had a discussion concerning new testing requirements and emerging regulations. EPA has passed the unregulated contaminant monitoring rule for contaminants 5 which is an additional testing primarily associated with testing for the presence of Per and Polyfluoroalkyl Substances (PFAS).

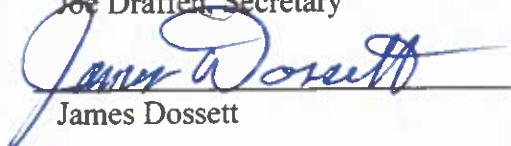
b) The Board has been asked to change the date and time of the regularly scheduled meeting. The Board discussed the issue and Commissioner Driskill made the motion to move the meeting to the third Thursday of each month at 9:00 a.m. The motion was seconded by Commissioner Shadowen and all members voted "aye."

#### **IX. Adjournment**

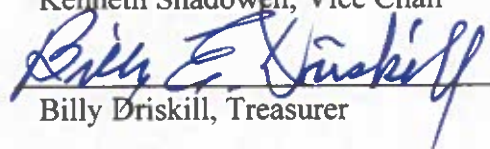
Motion was made by Commissioner Driskill that the meeting be adjourned, second by Commissioner Dossett, with all Commissioners voting "aye". The meeting adjourned at 11:20 a.m.

  
James Leonard, Chairman

  
Joe Draffen, Secretary

  
James Dossett

  
Kenneth Shadowen, Vice Chair

  
Billy Driskill, Treasurer