



NORTH MARSHALL WATER DISTRICT

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

North Marshall Water District Special Called Meeting Minutes February 09, 2023

Commissioners Present

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

Roger Colburn, Manager

Guest: None

I. Call to Order

The regular meeting of the North Marshall Water District Board was called to order by Chairman Leonard at 09:00 a.m. Chairman Leonard stated that all Commissioners and the District Manager were present. He also stated that this is a special called meeting and it will also suffice for our regular February Board Meeting.

II. Approval of Minutes from Last Meeting

Chairman Leonard stated that all board members had received a copy of the January 17, 2023 Board Meeting Minutes prior to this meeting. If no changes or comments, we need a motion to accept the minutes as written. Commissioner Dossett made the motion to accept the minutes of the January 17, 2023 Board Meeting as written, second by Commissioner Shadowen, with all Commissioners voting "aye."

III. Treasurer Report

Commissioner Driskill gave the January Financial Report. Commissioner Shadowen made the motion to accept the January Financial Report as written, second by Commissioner Draffen, with all Commissioners voting "aye."

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

IV. Check Register Approval

Chairman Leonard stated that all board members had also received a copy of the January Check Register Report, if no questions or comments, we need a motion to accept the report as written. Commissioner Draffen made the motion to accept the January Check Register

Report as written, second by Commissioner Shadowen, with all Commissioners voting "aye."

V. **Manager's Report**

- a) Roger gave a report on the water district, stating that in December, we have repaired 10 leaks, 3 of which were main breaks, 3 service line repairs, made 5 new taps, closed 151 line locates (151 YTD), with a total of 286 work orders closed in January.
- b) Roger said that they were preparing for a system wide flush. He will notify customers prior to the flush.
- c) Roger stated that he still needs to spend \$50,000 on new meters. He will hold up spending the money until we get the RD Project closed to improve our cash flow.

VI. **Public Session**

None

VII. **Old or Unfinished Business**

- a) Roger reported on the RD project, stating that he and the engineer will be doing a comprehensive work list, to let the contractor know what work needs to be completed to close out the RD Project. If the weather cooperates, we should have the yard work completed in April. We are working on connecting service lines to the new main on the Griggstown road.
- b) Roger said that the Ford truck dealer is having trouble getting the truck we ordered a few months ago. He asked the dealer if he could find something else from another dealer, because we were having some issues with our old truck. The dealer found another truck that was \$3,000 higher than the original bid. After some discussion, Commissioner Dossett made a motion to increase the original bid for the vehicle by \$3,000 and purchase this truck, second by Commissioner Draffen, with all Commissioners voting "aye".
- c) Roger stated that we received a Conditional Commitment Letter from the State, that we must agree to, before we receive the \$480,779 grant for the Cambridge Shore Project. He read the conditions stated in the letter and said that we could meet all of them. (See **Attachment II "Grant Terms and Conditions"**) Chairman Leonard noted that Roger has done an outstanding job getting grant money for this project. After some discussion about the Cambridge Shore Project, Commissioner Shadowen made a motion to accept the Grant Terms and Conditions Letter and authorize the signing of the agreement, second by Commissioner Driskill, with all Commissioners voting "aye".
- d) Roger talked about the Capital Improvement Plan and the PSC Alternate Rate Study. Our Capital Improvement needs as we see them today total an estimated \$12 million. After discussion in the January meeting, the Board had provided to direction that limited additional capital outlays for improvements to no more than an additional \$250,000 annually. Roger suggested looking at two alternate capital improvement strategies with the alternate rate analysis. Alternate 1 would be the scenario as directed by the Board of Commissioners in the January meeting. Alternate 2 would be based on the capital outlay requirements to implement a 5 Year program recommended by management. The Board agreed in principle to proceed as recommended. Roger indicated his previous estimates of the extra revenue required to meet the cash flow recommendations could be as high as

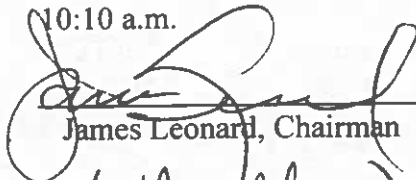
25%. The two alternate capital improvement/rate scenarios will give the board a good basis for the recommended rate for the PSC Alternate Rate Study.


VIII. New Business

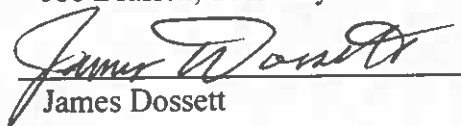
a) Roger brought up the possible need for an inclement weather policy. After some discussion, Roger said he will research what is typical for the industry.

IX. Adjournment

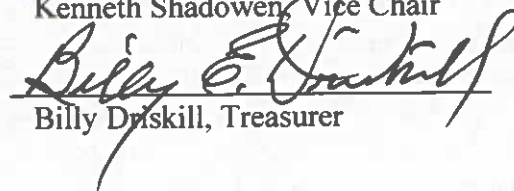
Motion was made by Commissioner Draffen that the meeting be adjourned, second by Commissioner Driskill, with all Commissioners voting "aye". The meeting adjourned at 10:10 a.m.


James Leonard, Chairman


Joe Draffen, Secretary


James Dossett


Kenneth Shadowen, Vice Chair


Billy Driskill, Treasurer

ATTACHMENT A
GRANT TERMS AND CONDITIONS

North Marshall Water District

The Conditional Commitment Letter and a subsequent Assistance Agreement between the Grantee and the Kentucky Infrastructure Authority shall be subject, but not limited, to the timely compliance with the following terms and conditions.

Terms

1. The grant award shall not exceed \$480,779 and shall be used solely for the designated project, unless otherwise permitted in writing by the Authority. Any reallocation requests should request signature approval by the original consensus approval group.
2. The grant funds shall be obligated by December 31, 2024. Any grant funds not obligated by December 31, 2024 will not be available for use by the Grantee and will not be available for the project.
3. Grant funds obligated by December 31, 2024 must be expended by the Grantee by December 31, 2026. Any obligated funds not fully expended by December 31, 2026 will not be available for use by the Grantee and will not be available for the project.
4. The grant must be reviewed and approved by the Capital Projects and Bond Oversight Committee of the Kentucky Legislature prior to the Authority's execution of the Assistance Agreement.
5. The Assistance Agreement must be executed within six (6) months from project bid opening.
6. Grant funds will only be disbursed after execution of the Assistance Agreement as project costs are incurred.
7. All approvals required by the Kentucky Division of Water (DOW), if any, shall be obtained by the Grantee prior to project bid. All approvals required by the Kentucky Public Service Commission, if any, shall be obtained prior to commencement of project construction.
8. All acquisitions of easements or purchases of land shall be completed prior to commencement of construction.
9. Cleaner Water Program grant funds are federal funds. If more than \$750,000 of federal funds including all sources are disbursed to the Grantee in any one fiscal year, the Grantee is required to have a single or program-specific audit conducted

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for that year in accordance with 2 CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

10. If the grant funds are used in conjunction with any other federal funds including but not limited to programs of the EPA, USDA, HUD, CDBG, ARC or other federal agencies, the Cleaner Water Program funds shall comply with these agencies' program requirements, regulations, and laws such as compliance with the Davis-Bacon Act, the Federal Environmental Protection Act and others.
11. SAM.gov Requirements. Grantees are required to have an active registration with the System for Award Management (SAM) (<https://www.sam.gov>).
12. All correspondence and document sharing between the Authority and the Grantee shall be by email and portable document format (.pdf) attached to email.

Conditions

The following is a list of the standard conditions to be satisfied either prior to execution of the Assistance Agreement or incorporated in the Assistance Agreement. The Grantee shall provide completed documentation marked with the corresponding Exhibit Number related to each condition. Forms and document templates for each condition are provided in Attachment C. All required documentation must be submitted to the staff member of the Authority assigned to the Grantee.

1. The Project Profile (WX21157063) shall be updated to accurately reflect project data, including the budget and mapping information, effective as of the date certified in **Exhibit 1**.

Documentation of final funding commitments from all parties other than the Authority as identified on the Project Budget (Attachment B) and in the Budget Tab of the updated Project Profile shall be provided prior to execution of the Assistance Agreement and disbursement of grant funds. Any subsequent changes in the anticipated project funding shall be immediately reported to the Authority and may cause this grant to be subject to further consideration.

2. The Grantee shall obtain a Vendor Number from the Finance and Administration Cabinet of the Commonwealth of Kentucky and provide that Vendor Number to the Authority as **Exhibit 2**.
3. The project shall comply with the reporting requirements of the Federal Funding Accountability and Transparency Act (FFATA). The Grantee shall complete the Transparency Act Reporting Information Form and return it to the Authority as **Exhibit 3**.

Exhibits 1 – 3 must be completed and returned to the Authority with this signed Conditional Commitment Letter.

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After providing the Authority with the signed Conditional Commitment Letter and Exhibits 1 through 3, the Authority will forward to the Grantee the Grant Assistance Agreement. Upon completion by the Grantee of Exhibits 4, 5, and 7, the Authorized Official shall sign the Assistance Agreement and forward the Exhibits, with supporting documentation, and the signed Assistance Agreement to the Authority for execution. The Grantee shall continue to complete the remaining Exhibits (6 and 8 through 10).

4. After receiving the Grant Assistance Agreement: At an official meeting of its governing body, the Grantee shall approve acceptance of the Grant and the Assistance Agreement, amend its annual budget accordingly, and designate an Authorized Official to sign all appropriate documents. The resolution and the certificate of Recording Officer are submitted as **Exhibit 4**.
5. After receiving the Grant Assistance Agreement: Legal Counsel for the Grantee must provide an opinion to the Authority as to the legality of Grantee accepting the grant and approving the Assistance Agreement as **Exhibit 5**.
6. The Grantee shall contract with an Engineer licensed in Kentucky **Exhibit 6A** and agree to the fee amount limitation as determined by the most recent USDA Rural Development Utility Program Fee Guide by jointly signing **Exhibit 6B**.

The Grantee may request 50% of the engineering design fee as budgeted in the Project Profile when the Project plans and specifications are submitted to the Kentucky Division of Water (DOW). The balance of that fee may be requested once the Grantee provides a copy of the plans approval letter from DOW to the Authority.

7. The Grantee shall provide documentation of Kentucky eClearinghouse Endorsement and eClearinghouse Comments as **Exhibit 7**.

Any significant changes or additions to the Project, deviating from the original scope of work described in the Project Profile, may require a new or amended eClearinghouse Endorsement, as determined by the eClearinghouse or the Authority.

8. The Grantee shall submit the DOW Plans approval letter to the Authority as **Exhibit 8**.
9. The Grantee shall complete and submit the bid package (**Exhibit 9**) to the Authority within 14 days of bid opening, which bid package shall include:
 - a. Engineer's Approval of "as-bid" project budget, with Engineer's signature;
 - b. Affidavit of Publication with Tear Sheet of Advertisement;
 - c. Certified Bid Tabs with Engineer's seal, number and signature;
 - d. Clear Site Certificates for each parcel of real property and easements, with date and signatures of the Grantee (**Exhibit 9A**) and Title Counsel (**Exhibit 9B**).

10. The Grantee shall certify that its accounting system for water treatment and distribution and sewer service is maintained separately from its accounting for all other operations, and that its service rates are based on the cost of providing the service and, that its utility operations are audited at least every two years as **Exhibit 10**.
11. Upon project completion, the Grantee shall submit, to the Authority, the Certificate of Project Completion, signed by the project Engineer, the Authorized Official and the Project Administrator as **Exhibit 11**.

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