COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF MOUNTAIN WATER DISTRICT FOR A GENERAL ADJUSTMENT OF WATER RATES	**)** **)** **)** **)**	**CASE NO. 2025-00327**

MOUNTAIN WATER DISTRICT'S RESPONSE TO COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

Mountain Water District submits its Response to Commission Staff's First Request for Information.

Dated: December 12, 2025

Respectfully submitted,

Gerald E. Wuetcher
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Counsel for Mountain Water District

CERTIFICATE OF SERVICE

In accordance with 807 KAR 5:001, Section 8, and the Public Service Commission's Order of July 22, 2021 in Case No. 2020-00085, I certify that this document was transmitted to the Public Service Commission on December 12, 2025 and that there is currently no party that the Public Service Commission has excused from participation by electronic means in this proceeding.

Counsel for Mountain Water District

VERIFICATION

COMMONWEALTH OF KENTUCKY)
) **SS:**
COUNTY OF PIKE)

The undersigned, Tammy Olson, being duly sworn, deposes and states she has personal knowledge of the matters set forth in the responses for which she is identified as the witness, and that the answers contained therein are true and correct to the best of her information, knowledge and belief.

Tammy Olson

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 11 day of December 2025.

MELISSA WRIGHT
Notary Public-State at Large
KENTUCKY - Notary ID # KYNP74443
My Commission Expires 06-23-2027

Melissa Wright (SEAL)
Notary Public

My Commission Expires: 06/23/2027

Notary ID: KYNP74443

VERIFICATION

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF PIKE)

The undersigned, Carrie Hatfield, being duly sworn, deposes and states she has personal knowledge of the matters set forth in the responses for which she is identified as the witness, and that the answers contained therein are true and correct to the best of her information, knowledge and belief.

Carrie Hatfield

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 11 day of December 2025.

MELISSA WRIGHT
Notary Public-State at Large
KENTUCKY - Notary ID # KYNP74443
My Commission Expires 06-23-2027

Melissa Wright (SEAL)
Notary Public

My Commission Expires: 06/23/2027

Notary ID: KYNP74443

VERIFICATION

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF PIKE)

The undersigned, Kevin Lowe, being duly sworn, deposes and states he has personal knowledge of the matters set forth in the responses for which he is identified as the witness, and that the answers contained therein are true and correct to the best of his information, knowledge and belief.

Kevin Lowe

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 11 day of December 2025.

MELISSA WRIGHT
Notary Public-State at Large
KENTUCKY - Notary ID # KYNP74443
My Commission Expires 06-23-2027

Melissa Wright (SEAL)
Notary Public

My Commission Expires: 06/23/2027

Notary ID: KYNP74443

VERIFICATION

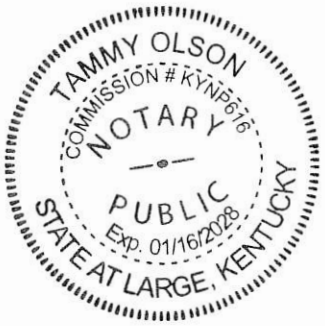
COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF PIKE)

The undersigned, Melissa Wright, being duly sworn, deposes and states she has personal knowledge of the matters set forth in the responses for which she is identified as the witness, and that the answers contained therein are true and correct to the best of her information, knowledge and belief.

Melissa Wright

Melissa Wright

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 11th day of December 2025.



Tammy Olson (SEAL)
Notary Public

My Commission Expires: January 16, 2028

Notary ID: KYNP616

VERIFICATION

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF PIKE)

The undersigned, Mike Spears, being duly sworn, deposes and states he has personal knowledge of the matters set forth in the responses for which he is identified as the witness, and that the answers contained therein are true and correct to the best of his information, knowledge and belief.

Mike Spears

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 11th day of December 2025.

Notary Public (SEAL)

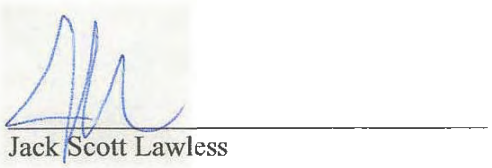
My Commission Expires: 12/7/27

Notary ID: KYNP83052

VERIFICATION

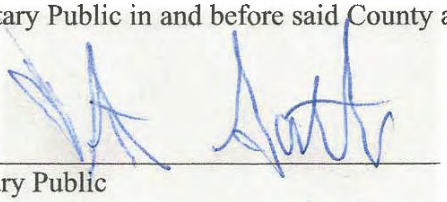
COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF JEFFERSON)

The undersigned, Jack Scott Lawless, being duly sworn, deposes and states he has personal knowledge of the matters set forth in the responses for which he is identified as the witness, and that the answers contained therein are true and correct to the best of his information, knowledge and belief.



Jack Scott Lawless

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 11 day of December 2025.



_____ (SEAL)
Notary Public

My Commission Expires: 4/6/27

Notary ID: KYNP70249

MOUNTAIN WATER DISTRICT

Response to Commission Staff's First Request for Information
Case No. 2025-00327

Question No. 1-1

Responding Witnesses: Mike Spears/Tammy Olson

Q-1-1. Provide the following expense account data:

a. Schedules, in comparative form, showing the operating expense account balance for the test year and each of the three most recent calendar years for each account or subaccount included in the utility's annual report. Show the percentage of increase or decrease of each year over the prior year.

b. A listing, with descriptions, of all activities, initiatives or programs undertaken or continued by the utility since its last general rate case for the purpose of minimizing costs or improving the efficiency of its operations or maintenance activities. Include all quantifiable realized and projected savings.

A-1-1. a. See Attachment 1-1a.

b. Mountain Water District has taken the following actions to minimize costs and improve operational efficiency:

- It is continuing its practice initially implemented in 2019 of replacing leaking service lines from the main to the meter base to reduce water loss and systematically replacing aging service line infrastructure.

- It has adopted the Local Model Procurement Code (KRS 45A.343 – 45A.460) and has complied with its provisions. In those instances in which the Local Model Procurement Code does not require competitive bidding, Mountain Water District has requested multiple price quotes for such items as parts and equipment and other goods. Additionally, it has engaged in annual quote pricing from vendors for such items such as piping, fittings, and chemicals.

- Its employees establish work order logistical plans based on location to reduce maintenance, labor, and fuel costs.

- It continues to install variable frequency drives (VFDs) on booster pumping stations to reduce electrical and maintenance costs.

- As funding permits, it continues to install SCADA telemetry on tanks and booster pumping stations to remotely monitor system facilities which reduces unaccounted-for water loss and fuel and labor costs.

- It reads its thirty-five (35) zone meters daily or every other day to monitor the water usage in separate tank zones, which aids in the reduction of water loss through leak detection activities.

Attachment 1-1a

MOUNTAIN WATER DISTRICT
Operating Expense Account Balance - Test Year and 3 Most Recent Years
Response 1a

Adjusted Basis

Account	Type	Description	12 Months Ended 12/31/21	$ Change	% Change	12 Months Ended 12/31/22	$ Change	% Change	12 Months Ended 12/31/23	$ Change	% Change	12 Months Ended 12/31/24
4030.00	E	DEPRECIATION EXPENSE	3,112,321.32	(573.18)	(0.02)	3,111,748.14	(30,928.86)	(0.99)	3,080,819.28	(29,329.93)	(0.95)	3,051,489.35
4030.02	E	AMORTIZATION EXPENSE	3,440.35	-	-	3,440.35	-	-	3,440.35	-	-	3,440.35
4030.17	E	DEPRECIATION EXPENSE - SEWER	1,085,237.74	134,305.84	12.38	1,219,543.58	30,257.77	2.48	1,249,801.35	13,605.73	1.09	1,263,407.08
4083.00	E	PAYROLL TAXES - FICA & U.C.	155,925.34	23,750.47	15.23	179,675.81	(11,417.58)	(6.35)	168,258.23	37,511.84	22.29	205,770.07
4083.17	E	PAYROLL TAXES - FICA & U.C.	-	-	-	-	-	-	-	-	-	-
4140.00	E	GAIN (LOSS) ON DISPOSITIONS	(5,823.34)	1,823.34	31.31	(4,000.00)	(22,450.00)	(561.25)	(26,450.00)	24,397.00	92.24	(2,053.00)
4140.17	E	GAIN (LOSS) ON DISPOSITIONS	-	-	-	-	-	-	-	-	-	-
4200.00	L	Created while posting txs	-	-	-	-	-	-	-	-	-	-
4250	E	Bond Issue Cost	-	89,980.00	100.00	89,980.00	(89,980.00)	(100.00)	-	-	-	-
4273.00	E	INTEREST EXPENSE - TERM DEBT	286,757.71	(42,119.25)	(14.69)	244,638.46	124,908.05	51.06	369,546.51	(90,205.65)	(24.41)	279,340.86
4273.17	E	INTEREST EXPENSE - TERM DEBT	69,556.29	47,455.16	68.23	117,011.45	(31,786.45)	(27.17)	85,225.00	7,576.28	8.89	92,801.28
4274.00	E	INTEREST EXPENSE - CUSTOMER DEPOSITS	-	-	-	-	-	-	-	-	-	-
4274.17	E	INTEREST EXPENSE - CUSTOMER DEPOSITS	-	-	-	-	-	-	-	-	-	-
6011.01	E	PUMPING LABOR - OPERATIONS	321.22	(321.22)	(100.00)	-	-	-	-	-	-	-
6011.02	E	PUMPING LABOR - MAINTENANCE	-	-	-	-	-	-	-	-	-	-
6011.03	E	WATER TREATMENT LABOR - OPERATIONS	145,715.77	12,698.58	8.71	158,414.35	(23,543.45)	(14.86)	134,870.90	32,455.10	24.06	167,326.00
6011.04	E	WATER TREATMENT LABOR - MAINT.	-	-	-	-	-	-	-	-	-	-
6011.05	E	T & D LABOR - OPERATIONS	878,855.18	103,072.26	11.73	981,927.44	214,770.70	21.87	1,196,698.14	335,108.48	28.00	1,531,806.62
6011.06	E	T & D LABOR - MAINTENANCE	37,603.69	(35,391.21)	(94.12)	2,212.48	(2,212.48)	(100.00)	-	-	-	-
6011.07	E	CUSTOMER ACCOUNTS LABOR	300,776.22	(20,556.08)	(6.83)	280,220.14	68,154.16	24.32	348,374.30	69,691.60	20.00	418,065.90
6011.08	E	ADMIN. & GENERAL LABOR	133,959.61	(1,376.00)	(1.03)	132,583.61	36,060.04	27.20	168,643.65	55,139.81	32.70	223,783.46
6011.17	E	SEWER LABOR	388,144.55	3,544.67	0.91	391,689.22	(23,241.93)	(5.93)	368,447.29	58,873.13	15.98	427,320.42
6031.00	E	COMP COMMISSIONERS - AUTO DIST	26,800.00	1,900.00	7.09	28,700.00	500.00	1.74	29,200.00	800.00	2.74	30,000.00
6031.03	E	COMPENSATION - COMMISSIONERS	-	-	-	-	-	-	-	-	-	-
6031.04	E	COMPENSATION - COMMISSIONERS	-	-	-	-	-	-	-	-	-	-
6031.05	E	COMPENSATION - COMMISSIONERS	-	-	-	-	-	-	-	-	-	-
6031.06	E	COMPENSATION - COMMISSIONERS	-	-	-	-	-	-	-	-	-	-
6031.07	E	COMPENSATION - COMMISSIONERS	-	-	-	-	-	-	-	-	-	-
6031.08	E	COMPENSATION COMMISSIONERS	-	-	-	-	-	-	-	-	-	-
6031.09	E	COMPENSATION - ADMINISTRATOR	427,360.44	60,936.03	14.26	488,296.47	(209,365.93)	(42.88)	278,930.54	(34,605.86)	(12.41)	244,324.68
6041.01	E	HEALTH INSURANCE - PUMPING OPERATIONS	6,960.16	(6,960.16)	(100.00)	-	148.42	100.00	148.42	(148.42)	(100.00)	-
6041.02	E	HEALTH INSURANCE - PUMPING MAINTENANCE	-	-	-	-	-	-	-	-	-	-
6041.03	E	HEALTH INSURANCE - WTP OPERATIONS	28,173.70	1,450.12	5.15	29,623.82	14,778.18	49.89	44,402.00	16,619.47	37.43	61,021.47
6041.04	E	HEALTH INSURANCE - WTP MAINT.	-	-	-	-	-	-	-	-	-	-
6041.05	E	HEALTH INSURANCE - T & D OPERATIONS	191,489.20	24,354.04	12.72	215,843.24	9,288.41	4.30	225,131.65	91,111.03	40.47	316,242.68
6041.06	E	HEALTH INSURANCE - T & D MAINTENANCE	82.42	(82.42)	(100.00)	-	-	-	-	-	-	-
6041.07	E	HEALTH INSURANCE - CUSTOMER ACCOUNTS	41,066.13	38,833.01	94.56	79,899.14	6,311.97	7.90	86,211.11	38,518.27	44.68	124,729.38
6041.08	E	HEALTH INSURANCE - ADMIN. & GENERAL	35,120.11	9,864.84	28.09	44,984.95	5,875.35	13.06	50,860.30	8,151.14	16.03	59,011.44
6041.17	E	HEALTH INSURANCE - SEWER	54,724.57	2,919.53	5.33	57,644.10	21,511.54	37.32	79,155.64	61,015.95	77.08	140,171.59
6042.01	E	DENTAL INSURANCE - PUMPING OPER.	-	-	-	-	-	-	-	-	-	-
6042.02	E	DENTAL INSURANCE - PUMPING MAINT.	-	-	-	-	-	-	-	-	-	-
6042.03	E	DENTAL INSURANCE - WTP OPERATIONS	860.70	(65.93)	(7.66)	794.77	173.22	21.79	967.99	45.72	4.72	1,013.71
6042.04	E	DENTAL INSURANCE - WTP MAINT.	-	-	-	-	-	-	-	-	-	-
6042.05	E	DENTAL INSURANCE - T & D OPERATIONS	6,561.07	178.52	2.72	6,739.59	257.40	3.82	6,996.99	(1,744.24)	(24.93)	5,252.75
6042.06	E	DENTAL INSURANCE - T & D MAINT	(37.59)	37.59	100.00	-	-	-	-	-	-	-
6042.07	E	DENTAL INSURANCE - CUST. ACCOUNTS	2,519.51	(1,120.09)	(44.46)	1,399.42	(8.94)	(0.64)	1,390.48	1,183.16	85.09	2,573.64
6042.08	E	DENTAL INSURANCE - ADMIN. & GENERAL	5,949.67	(4,748.78)	(79.82)	1,200.89	169.35	14.10	1,370.24	(222.30)	(16.22)	1,147.94
6042.17	E	DENTAL INSURANCE - SEWER	2,603.96	(824.49)	(31.66)	1,779.47	376.54	21.16	2,156.01	808.80	37.51	2,964.81
6043.01	E	VISION INSURANCE - PUMPING OPER.	0.34	(77.04)	(22,658.82)	(76.70)	35.40	46.15	(41.30)	41.30	100.00	-
6043.02	E	VISION INSURANCE - PUMPING MAINT.	-	-	-	-	-	-	-	-	-	-
6043.03	E	VISION INSURANCE - WTP OPER.	(39.00)	17.54	44.97	(21.46)	86.36	(402.42)	64.90	11.57	17.83	76.47
6043.04	E	VISION INSURANCE - WTP MAINT.	-	-	-	-	-	-	-	-	-	-
6043.05	E	VISION INSURANCE - T & D OPER.	370.24	340.84	92.06	711.08	(772.48)	(108.63)	(61.40)	(174.24)	(283.78)	(235.64)
6043.06	E	VISION INSURANCE - T & D MAINT.	-	-	-	-	138.46	100.00	138.46	(138.46)	(100.00)	-
6043.07	E	VISION INSURANCE - CUST. ACCOUNTS	4,944.99	(5,142.80)	(104.00)	(197.81)	40.25	20.35	(157.56)	184.71	(117.23)	27.15
6043.08	E	VISION INSURANCE - ADMIN. & GENERAL	(414.69)	199.28	48.06	(215.41)	(36.83)	(17.10)	(252.24)	304.41	(120.68)	52.17
6043.17	E	VISION INSURANCE - SEWER	(210.42)	37.86	17.99	(172.56)	188.17	(109.05)	15.61	237.54	1,521.72	253.15
6044.01	E	LIFE INSURANCE - PUMPING OPER.	(420.00)	(2,472.13)	(588.60)	(2,892.13)	391.96	13.55	(2,500.17)	2,216.42	88.65	(283.75)
6044.02	E	LIFE INSURANCE - PUMPING MAINT.	-	-	-	-	-	-	-	-	-	-
6044.03	E	LIFE INSURANCE - WTP OPER.	686.95	11.47	1.67	698.42	(86.25)	(12.35)	612.17	(92.77)	(15.15)	519.40
6044.04	E	LIFE INSURANCE - WTP MAINT.	-	-	-	-	-	-	-	-	-	-

MOUNTAIN WATER DISTRICT
Operating Expense Account Balance - Test Year and 3 Most Recent Years
Response 1a

Adjusted Basis

Account	Type	Description	12 Months Ended 12/31/21	$ Change	% Change	12 Months Ended 12/31/22	$ Change	% Change	12 Months Ended 12/31/23	$ Change	% Change	12 Months Ended 12/31/24
6044.05	E	LIFE INSURANCE - T & D OPER.	799.76	5,774.24	722.00	6,574.00	1,640.93	24.96	8,214.93	(4,294.79)	(52.28)	3,920.14
6044.06	E	LIFE INSURANCE - T & D MAINT.	6,139.08	(6,139.08)	(100.00)	-	24.80	100.00	24.80	(24.80)	(100.00)	-
6044.07	E	LIFE INSURANCE - CUSTOMER ACCTS	2,078.74	257.39	12.38	2,336.13	2,843.61	121.72	5,179.74	(3,149.72)	(60.81)	2,030.02
6044.08	E	LIFE INSURANCE - ADMIN. & GENERAL	1,370.16	2,010.07	146.70	3,380.23	317.25	9.39	3,697.48	(3,988.74)	(107.88)	(291.26)
6044.17	E	LIFE INSURANCE - SEWER	1,917.58	497.65	25.95	2,415.23	413.12	17.10	2,828.35	(1,973.89)	(69.79)	854.46
6045.01	E	SHORT TERM DISAB. - PUMPING OPER.	(83.92)	(554.28)	(660.49)	(638.20)	2.24	0.35	(635.96)	157.50	24.77	(478.46)
6045.02	E	SHORT TERM DISAB. - PUMPING MAINT.	-	-	-	-	-	-	-	-	-	-
6045.03	E	SHORT TERM DISAB. - WTP OPER.	57.37	(12.84)	(22.38)	44.53	(152.57)	(342.62)	(108.04)	(112.78)	(104.39)	(220.82)
6045.04	E	SHORT TERM DISAB. - WTP MAINT	-	-	-	-	-	-	-	-	-	-
6045.05	E	SHORT TERM DISAB. - T & D OPER.	(992.98)	2,418.84	(243.59)	1,425.86	(1,414.96)	(99.24)	10.90	(970.34)	(8,902.20)	(959.44)
6045.06	E	SHORT TERM DISAB. - T & D MAINT.	1,835.09	(1,974.97)	(107.62)	(139.88)	15.60	11.15	(124.28)	87.78	70.63	(36.50)
6045.07	E	SHORT TERM DISAB. - CUSTOMER ACCTS	167.63	6.98	4.16	174.61	(282.12)	(161.57)	(107.51)	(486.22)	(452.26)	(593.73)
6045.08	E	SHORT TERM DISAB. - ADMIN. & GENERAL	(452.21)	59.66	13.19	(392.55)	(64.61)	(16.46)	(457.16)	288.36	63.08	(168.80)
6045.17	E	SHORT TERM DISAB. - SEWER	107.08	(26.37)	(24.63)	80.71	(315.84)	(391.33)	(235.13)	(364.59)	(155.06)	(599.72)
6046.03	E	UNIFORM EXPENSE (PLANT)	-	110.19	100.00	110.19	(63.43)	(57.56)	46.76	(46.76)	(100.00)	-
6046.06	E	UNIFORM EXPENSE (WATER)	21,775.03	5,585.09	25.65	27,360.12	1,600.36	5.85	28,960.48	10,311.24	35.60	39,271.72
6046.08	E	UNIFORM EXPENSE (ADMIN)	-	-	-	-	167.60	100.00	167.60	(167.60)	(100.00)	-
6046.17	E	UNIFORM EXPENSE (WW)	4,695.79	(289.73)	(6.17)	4,406.06	467.40	10.61	4,873.46	569.81	11.69	5,443.27
6047.08	E	Employee Expense	10,095.41	(510.97)	(5.06)	9,584.44	737.56	7.70	10,322.00	6,717.74	65.08	17,039.74
6048.08	E	Insurance expense	146,136.37	(3,617.38)	(2.48)	142,518.99	54,898.91	38.52	197,417.90	(44,740.42)	(22.66)	152,677.48
6101.01	E	Water Purchased -Williamson	469,837.51	1,025.76	0.22	470,863.27	25,004.88	5.31	495,868.15	(41,662.40)	(8.40)	454,205.75
6102.01	E	WATER PURCHASED -PIKEVILLE	701,156.49	34,539.76	4.93	735,696.25	(124,626.27)	(16.94)	611,069.98	14,990.70	2.45	626,060.68
6103.17	E	Sewage Fees	78,283.77	(20,495.17)	(26.18)	57,788.60	(3,893.73)	(6.74)	53,894.87	6,959.37	12.91	60,854.24
6150.06	E	UTILITY EXPENSE	13,080.68	(3,850.93)	(29.44)	9,229.75	1,116.75	12.10	10,346.50	(845.81)	(8.17)	9,500.69
6170.06	E	LABORATORY SUPPLIES	14,200.16	(1,527.74)	(10.76)	12,672.42	(1,620.10)	(12.78)	11,052.32	4,486.71	40.60	15,539.03
6170.17	E	LABORATORY EXPENSE	8,755.24	(5,562.24)	(63.53)	3,193.00	2,886.57	90.40	6,079.57	(2,018.69)	(33.20)	4,060.88
6175.06	E	Laboratory Testing Expenses	46,222.22	4,017.64	8.69	50,239.86	4,272.77	8.50	54,512.63	11,482.49	21.06	65,995.12
6175.17	E	Laboratory Testing Expense	45,226.89	(12,897.92)	(28.52)	32,328.97	3,940.82	12.19	36,269.79	(2,997.29)	(8.26)	33,272.50
6180.03	E	CHEMICALS	139,081.22	99,601.20	71.61	238,682.42	10,541.46	4.42	249,223.88	(44,960.62)	(18.04)	204,263.26
6180.17	E	Chemicals-WW	53,166.07	(12,923.07)	(24.31)	40,243.00	22,982.25	57.11	63,225.25	(25,084.99)	(39.68)	38,140.26
6190.06	E	SAFETY SUPPLIES	18,377.32	(1,413.86)	(7.69)	16,963.46	(7,744.23)	(45.65)	9,219.23	5,261.22	57.07	14,480.45
6190.17	E	SAFETY SUPPLIES-WW	8,594.19	(5,505.88)	(64.07)	3,088.31	2,210.76	71.58	5,299.07	(2,036.84)	(38.44)	3,262.23
6200.01	E	PARTS	-	46.50	100.00	46.50	(46.50)	(100.00)	-	395.85	100.00	395.85
6200.08	E	Electrical Expense	1,436,021.30	197,526.05	13.76	1,633,547.35	(265,807.34)	(16.27)	1,367,740.01	138,433.02	10.12	1,506,173.03
6225.08	E	rate study	-	22,909.08	100.00	22,909.08	84,343.80	368.17	107,252.88	(104,373.78)	(97.32)	2,879.10
6310.08	E	CONTRACT SERVICES -ENGINEERING	-	19,954.65	100.00	19,954.65	(19,954.65)	(100.00)	-	243.38	100.00	243.38
6320.08	E	CONTRACT SERVICE - ACCOUNTING	77,590.00	(3,590.00)	(4.63)	74,000.00	(1,605.00)	(2.17)	72,395.00	3,794.00	5.24	76,189.00
6330.08	E	CONTRACT SERVICE - LEGAL	10,281.18	(3,029.43)	(29.47)	7,251.75	9,639.90	132.93	16,891.65	(6,927.45)	(41.01)	9,964.20
6340.08	E	ENGINEERING	5.83	(5.83)	(100.00)	-	1,604.60	100.00	1,604.60	2,770.40	172.65	4,375.00
6340.17	E	ENGINEERING	-	-	-	-	-	-	-	-	-	-
6350.08	E	CONTRACT SERVICE-GENERAL	23,826.43	(11,757.49)	(49.35)	12,068.94	541.06	4.48	12,610.00	(610.00)	(4.84)	12,000.00
6351.08	E	CONTRACT SERVICES - MANPOWER	177,417.42	141,862.81	79.96	319,280.23	8,188.19	2.56	327,468.42	(227,831.90)	(69.57)	99,636.52
6360.08	E	CONTRACT SERVICE - MANAGEMENT	-	-	-	-	(5,958.64)	(100.00)	(5,958.64)	5,958.64	100.00	-
6361.08	E	CONTRACT MGMNT EXP ASSUMED	-	8,855.55	100.00	8,855.55	(8,855.55)	(100.00)	-	-	-	-
6362.08	E	Contract HR Services	-	-	-	-	-	-	-	-	-	-
6410.05	E	RENTAL OF BLDG - REAL PROPERTY	9,000.00	(9,000.00)	(100.00)	-	-	-	-	-	-	-
6410.06	E	EQUIPMENT RENTAL	-	-	-	-	1,500.00	100.00	1,500.00	(1,500.00)	(100.00)	-
6500.08	E	AUTO & TRANSPORTATION EXPENSE	157,555.14	83,665.73	53.10	241,220.87	13,734.68	5.69	254,955.55	(56,802.71)	(22.28)	198,152.84
6500.17	E	AUTO & TRANSPORTATION EXPENSE	-	20.60	100.00	20.60	(20.60)	(100.00)	-	-	-	-
6600.08	E	ADVERTISING	3,841.18	(1,736.18)	(45.20)	2,105.00	14,373.15	682.81	16,478.15	(13,210.35)	(80.17)	3,267.80
6670.03	E	Bad Debts Charged to Expense	60,360.88	(60,360.88)	(100.00)	-	74,570.78	100.00	74,570.78	(39,152.93)	(52.50)	35,417.85
6701.00	E	OTHER LEGAL PSC EXPENSE	24,138.30	(24,138.30)	(100.00)	-	19,153.91	100.00	19,153.91	(3,829.71)	(19.99)	15,324.20
6750.08	E	MOBILE PHONE EXPENSE	23,614.85	1,515.19	6.42	25,130.04	7,794.71	31.02	32,924.75	6,255.45	19.00	39,180.20
6751.08	E	TELEPHONE/INTERNET	28,789.66	(10,164.79)	(35.31)	18,624.87	(2,149.06)	(11.54)	16,475.81	2,603.43	15.80	19,079.24
6751.17	E	TELEPHONE/INTERNET	3,621.19	1,236.77	34.15	4,857.96	833.57	17.16	5,691.53	888.53	15.61	6,580.06
6752.08	E	EDUCATION, DUES, MEETINGS, INSURANCE	37,811.81	10,192.81	26.96	48,004.62	(14,616.47)	(30.45)	33,388.15	13,820.58	41.39	47,208.73
6753.08	E	EMPLOYEE BENIFIT EXPENSE	-	-	-	-	-	-	-	3,000.00	100.00	3,000.00
6755.08	E	Office Expense	214,829.78	35,714.55	16.62	250,544.33	(9,786.04)	(3.91)	240,758.29	48,830.31	20.28	289,588.60
6756.08	E	Easements	7,316.46	(6,588.46)	(90.05)	728.00	5,297.00	727.61	6,025.00	(6,025.00)	(100.00)	-
6758.09	E	SETTLEMENT EXPENSES	27,646.85	(16,581.85)	(59.98)	11,065.00	(2,642.82)	(23.88)	8,422.18	(3,622.18)	(43.01)	4,800.00
6759.00	E	SERVICE FEE EXPENSE	9,813.07	(9,149.32)	(93.24)	663.75	(132.52)	(19.97)	531.23	341.19	64.23	872.42

MOUNTAIN WATER DISTRICT
Operating Expense Account Balance - Test Year and 3 Most Recent Years
Response 1a

Adjusted Basis

Account	Type	Description	12 Months Ended 12/31/21	$ Change	% Change	12 Months Ended 12/31/22	$ Change	% Change	12 Months Ended 12/31/23	$ Change	% Change	12 Months Ended 12/31/24
6759.08	E	BANK SERVICE FEES EXP	13,384.62	(8,685.50)	(64.89)	4,699.12	4,332.11	92.19	9,031.23	(5,674.32)	(62.83)	3,356.91
6760.08	E	Telephone Expense	-	236.85	100.00	236.85	(76.69)	(32.38)	160.16	418.53	261.32	578.69
6761.08	E	Worker's Compensation Insurance	17,896.00	41,451.00	231.62	59,347.00	(25,973.00)	(43.76)	33,374.00	25,480.38	76.35	58,854.38
6762.08	E	PSC TAX ASSESSMENT	20,724.79	(4,954.30)	(23.91)	15,770.49	(1,667.69)	(10.57)	14,102.80	2,906.78	20.61	17,009.58
6800.00	E	Retirement Expense	815,482.38	(195,443.23)	(23.97)	620,039.15	(29,012.08)	(4.68)	591,027.07	27,126.66	4.59	618,153.73
6850.00	E	Rate Study Expense	-	29,600.55	100.00	29,600.55	14,784.52	49.95	44,385.07	(28,982.42)	(65.30)	15,402.65
6855.00	E	MISCELLANEOUS SUPPLIES	4,539.33	(4,042.96)	(89.07)	496.37	839.58	169.14	1,335.95	(7,663.63)	(573.65)	(6,327.68)
7000.06	E	Major Equipment R & M	57,206.46	9,645.09	16.86	66,851.55	(7,903.24)	(11.82)	58,948.31	(26,162.45)	(44.38)	32,785.86
7000.17	E	Major Equipment R & M Sewer	3,154.61	(759.98)	(24.09)	2,394.63	(1,708.19)	(71.33)	686.44	13.05	1.90	699.49
7001.06	E	Hand Tools R & M	15,897.90	7,153.19	44.99	23,051.09	(3,266.44)	(14.17)	19,784.65	1,061.09	5.36	20,845.74
7001.17	E	Hand Tools R & M Sewer	3,633.04	(2,341.28)	(64.44)	1,291.76	(410.60)	(31.79)	881.16	688.67	78.15	1,569.83
7002.06	E	PS/LS R & M	119,630.09	(11,951.43)	(9.99)	107,678.66	1,746.17	1.62	109,424.83	(52,162.35)	(47.67)	57,262.48
7002.17	E	PS/LS R & M Sewer	115,981.23	(78,906.72)	(68.03)	37,074.51	29,242.06	78.87	66,316.57	29,290.36	44.17	95,606.93
7003.06	E	Vehicle R & M	66,494.35	12,595.72	18.94	79,090.07	20,431.47	25.83	99,521.54	(10,236.26)	(10.29)	89,285.28
7003.17	E	Vehicle R & M Sewer	950.79	496.59	52.23	1,447.38	615.49	42.52	2,062.87	(1,186.82)	(57.53)	876.05
7004.06	E	Miscellaneous R & M	-	100.00	100.00	100.00	(100.00)	(100.00)	-	-	-	-
7004.17	E	MIscellaneous R & M Sewer	-	-	-	-	-	-	-	-	-	-
7005.06	E	Flood Expense	-	-	-	-	-	-	-	-	-	-
7005.17	E	Flood Expense Sewer	-	-	-	-	-	-	-	-	-	-
7006.06	E	General R & M	332,780.13	142,290.30	42.76	475,070.43	(2,680.62)	(0.56)	472,389.81	383,194.80	81.12	855,584.61
7006.17	E	General R & M Sewer	39,666.17	(24,222.08)	(61.06)	15,444.09	(8,409.97)	(54.45)	7,034.12	14,852.20	211.15	21,886.32
7007.06	E	Capital Assets	-	-	-	-	-	-	-	-	-	-
7008.06	E	General R & M -Telemetry	16,518.74	3,222.69	19.51	19,741.43	16,808.08	85.14	36,549.51	(13,828.24)	(37.83)	22,721.27
7009.06	E	R & M Leak Det.	567.23	941.00	165.89	1,508.23	2,277.71	151.02	3,785.94	218.11	5.76	4,004.05
7053.17	E	SUPPLIES & EXPENSES TREATMENT (WW)	12,712.50	2,280.25	17.94	14,992.75	(824.83)	(5.50)	14,167.92	457.08	3.23	14,625.00
9080.02	E	MISC. TAX EXPENSE	-	-	-	-	-	-	-	-	-	-
9999.00	E	CSA created O.O.B. Account	-	-	-	-	-	-	-	-	-	-
9999.99	E	Undistributed	-	-	-	-	-	-	-	-	-	-
		Totals	2,477,381.00	687,269.60	27.74	3,164,650.60	49,769.25	1.57	3,214,419.85	(1,541,789.60)	(47.96)	1,672,630.25

MOUNTAIN WATER DISTRICT

Response to Commission Staff's First Request for Information
Case No. 2025-00327

Question No. 1-2

Responding Witness: Mike Spears

Q-1-2. Provide, in the format provided in Schedule A, schedules showing a comparison of the balance in the revenue accounts for each month of the test year to the same month of the immediately preceding 12-month period for each revenue account or subaccount included in the utility's chart of accounts. Include appropriate footnotes to show the month each rate change was approved and the month the full impact of the change was recorded in the accounts.

A-1-2. See Attachment 1-2.

Attachment 1-2

SCHEDULE A

MOUNTAIN WATER DISTRICT
CASE NO. 2025-00327

COMPARISON OF REVENUE ACCOUNT BALANCES
WITH THOSE OF THE PRECEDING 12 MONTHS

"000 OMITTED"

	January 31	February 28	March 31	April 30	May 31	June 30	July 31	August 31	September 30	October 31	November 30	December 31	Total
METERED SALES - RESIDENTIAL													
Test Year	640,687.53	668,866.24	599,532.75	615,078.34	659,357.77	724,842.59	701,471.21	679,845.03	645,549.49	624,011.66	622,045.16	873,080.24	8,054,368.01
Prior Period	629,059.69	508,260.72	509,345.73	538,150.31	546,761.22	581,108.78	569,544.73	556,544.73	552,710.25	533,786.46	531,915.56	470,438.64	6,527,626.82
Increase- (decrease)	11,627.84	160,605.52	90,187.02	76,928.03	112,596.55	143,733.81	131,926.48	123,300.30	92,839.24	90,225.20	90,129.60	402,641.60	1,526,741.19

	January 31	February 28	March 31	April 30	May 31	June 30	July 31	August 31	September 30	October 31	November 30	December 31	Total
METERED SALES - COMMERCIAL													
Test Year	72,596.17	88,363.54	70,235.71	70,568.27	69,643.63	82,043.19	79,448.02	77,916.96	76,532.74	66,822.63	63,428.94	73,181.14	890,780.94
Prior Period	70,685.87	82,891.47	92,581.87	90,641.54	87,003.99	82,441.20	79,945.22	73,293.02	68,439.72	69,077.59	66,602.71	76,700.46	940,304.66
Increase- (decrease)	1,910.30	5,472.07	(22,346.16)	(20,073.27)	(17,360.36)	(398.01)	(497.20)	4,623.94	8,093.02	(2,254.96)	(3,173.77)	(3,519.32)	(49,523.72)

	January 31	February 28	March 31	April 30	May 31	June 30	July 31	August 31	September 30	October 31	November 30	December 31	Total
METERED SALES - INDUSTRIAL													
Test Year	5,517.69	8,097.24	7,576.05	2,306.73	9,021.38	9,130.44	7,263.79	7,344.15	8,563.33	10,940.83	7,871.08	4,683.09	88,315.80
Prior Period	4,990.15	6,396.04	5,217.23	5,063.30	5,519.74	1,876.62	3,924.88	4,652.59	4,330.26	5,724.72	3,652.08	5,203.92	56,551.53
Increase- (decrease)	527.54	1,701.20	2,358.82	(2,756.57)	3,501.64	7,253.82	3,338.91	2,691.56	4,233.07	5,216.11	4,219.00	(520.83)	31,764.27

	January 31	February 28	March 31	April 30	May 31	June 30	July 31	August 31	September 30	October 31	November 30	December 31	Total
METERED SALES - PUBLIC AUTHORITY													
Test Year	72,673.27	(56,644.99)	46,069.82	53,839.67	32,095.91	37,840.96	42,804.78	46,646.11	55,565.88	50,705.61	48,078.78	51,482.23	481,158.03
Prior Period	41,662.16	40,255.67	34,098.65	34,074.38	33,373.04	30,396.90	30,649.65	35,691.51	35,953.92	36,754.11	60,098.50	78,047.57	491,056.06
Increase- (decrease)	31,011.11	(96,900.66)	11,971.17	19,765.29	(1,277.13)	7,444.06	12,155.13	10,954.60	19,611.96	13,951.50	(12,019.72)	(26,565.34)	(9,898.03)

	January 31	February 28	March 31	April 30	May 31	June 30	July 31	August 31	September 30	October 31	November 30	December 31	Total
METERED SALES - MULTI FAMILY													
Test Year	32,895.88	26,110.99	20,909.22	31,453.20	32,367.19	33,058.72	31,027.51	30,625.09	31,876.54	29,874.10	30,007.91	33,655.85	363,862.20
Prior Period	25,966.48	24,086.72	23,957.47	24,986.78	25,697.26	26,524.38	28,837.93	21,043.47	27,590.80	28,186.24	24,449.90	29,778.52	311,105.95
Increase- (decrease)	6,929.40	2,024.27	(3,048.25)	6,466.42	6,669.93	6,534.34	2,189.58	9,581.62	4,285.74	1,687.86	5,558.01	3,877.33	52,756.25

	January 31	February 28	March 31	April 30	May 31	June 30	July 31	August 31	September 30	October 31	November 30	December 31	Total
FIRE PROTECTION REVENUE													
Test Year	125.00	87.50	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	1,462.50
Prior Period	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	1,500.00
Increase- (decrease)	-	(37.50)	-	-	-	-	-	-	-	-	-	-	(37.50)

	January 31	February 28	March 31	April 30	May 31	June 30	July 31	August 31	September 30	October 31	November 30	December 31	Total
CUSTOMER LATE PAYMENT CHARGES													
Test Year	14,852.62	24,362.35	21,235.62	12,543.21	21,351.89	18,046.72	17,347.13	19,547.74	19,565.22	16,947.28	17,181.90	17,152.93	220,134.61
Prior Period	9,378.19	20,800.53	11,590.16	13,892.90	15,392.67	17,748.32	15,147.30	13,122.59	15,641.49	15,965.35	8,324.30	15,393.42	172,397.22
Increase- (decrease)	5,474.43	3,561.82	9,645.46	(1,349.69)	5,959.22	298.40	2,199.83	6,425.15	3,923.73	981.93	8,857.60	1,759.51	47,737.39

	January 31	February 28	March 31	April 30	May 31	June 30	July 31	August 31	September 30	October 31	November 30	December 31	Total
OTHER WATER SERVICE REVENUE													
Test Year	1,323.05	274.50	1,146.80	10,322.22	2,428.31	(179.48)	631.73	2.09	1,569.94	515.52	1,450.06	1,796.81	21,281.55
Prior Period	43.02	1,107.43	4,828.64	4,588.70	25,233.33	3,490.13	(3,588.75)	(2,375.80)	9,153.60	649.61	1,226.73	2,057.35	46,413.99
Increase- (decrease)	1,280.03	(832.93)	(3,681.84)	5,733.52	(22,805.02)	(3,669.61)	4,220.48	2,377.89	(7,583.66)	(134.09)	223.33	(260.54)	(25,132.44)

	MISC. REVENUES		January 31	February 28	March 31	April 30	May 31	June 30	July 31	August 31	September 30	October 31	November 30	December 31		Total
Test Year			39,895.02	-	-	-	-	-	-	-	-	-	-	-		39,895.02
Prior Period			-	-	-	-	-	-	-	-	-	-	-	-		-
Increase- (decrease)			39,895.02	-	-	-	-	-	-	-	-	-	-	-		39,895.02

	SERVICE CONNECTION FEES - WATER		January 31	February 28	March 31	April 30	May 31	June 30	July 31	August 31	September 30	October 31	November 30	December 31		Total
Test Year			3,216.81	1,920.19	3,303.31	5,714.74	5,307.00	6,617.42	6,113.39	5,905.61	5,539.83	5,869.12	4,159.63	3,576.20		57,243.25
Prior Period			16,265.00	12,362.12	13,946.00	11,215.00	11,005.00	16,885.00	11,256.00	14,185.00	11,455.60	14,789.97	5,361.00	5,140.20		143,865.89
Increase- (decrease)			(13,048.19)	(10,441.93)	(10,642.69)	(5,500.26)	(5,698.00)	(10,267.58)	(5,142.61)	(8,279.39)	(5,915.77)	(8,920.85)	(1,201.37)	(1,564.00)		(86,622.64)

	SERVICE CONNECTION FEES - WASTE WATER		January 31	February 28	March 31	April 30	May 31	June 30	July 31	August 31	September 30	October 31	November 30	December 31		Total
Test Year			29.00	(136.50)	(890.37)	(180.00)	(181.00)	(61.00)	(406.50)	14.50	(256.50)	(91.70)	(3.00)	29.00		(2,134.07)
Prior Period			(240.00)	(210.00)	-	(120.00)	(270.00)	30.00	(390.00)	90.00	(450.00)	(90.00)	146.00	(302.00)		(1,806.00)
Increase- (decrease)			269.00	73.50	(890.37)	(60.00)	89.00	(91.00)	(16.50)	(75.50)	193.50	(1.70)	(149.00)	331.00		(328.07)

	SEWER REVENUE - RESIDENTIAL		January 31	February 28	March 31	April 30	May 31	June 30	July 31	August 31	September 30	October 31	November 30	December 31		Total
Test Year			151,242.76	149,630.74	137,578.36	159,314.12	129,264.49	148,705.53	142,629.32	148,796.14	150,303.56	150,039.09	149,411.61	320,630.90		1,937,546.62
Prior Period			161,819.29	145,547.37	110,107.14	133,129.29	131,105.31	133,828.24	135,433.92	102,348.82	139,019.72	138,760.28	127,663.92	78,763.80		1,537,527.10
Increase- (decrease)			(10,576.53)	4,083.37	27,471.22	26,184.83	(1,840.82)	14,877.29	7,195.40	46,447.32	11,283.84	11,278.81	21,747.69	241,867.10		400,019.52

	SEWER REVENUE - COMMERCIAL		January 31	February 28	March 31	April 30	May 31	June 30	July 31	August 31	September 30	October 31	November 30	December 31		Total
Test Year			33,396.94	33,291.00	33,513.32	36,234.15	37,934.11	37,369.45	34,467.52	34,895.03	35,209.55	34,329.43	21,684.87	52,639.80		424,965.17
Prior Period			39,760.80	40,472.48	49,576.67	32,102.97	39,479.38	40,358.50	36,177.79	41,196.87	45,506.13	43,284.02	37,015.25	54,092.11		499,022.97
Increase- (decrease)			(6,363.86)	(7,181.48)	(16,063.35)	4,131.18	(1,545.27)	(2,989.05)	(1,710.27)	(6,301.84)	(10,296.58)	(8,954.59)	(15,330.38)	(1,452.31)		(74,057.80)

MOUNTAIN WATER DISTRICT

Response to Commission Staff's First Request for Information
Case No. 2025-00327

Question No. 1-3

Responding Witness: Carrie Hatfield

Q-1-3. Provide the utility's cash account balances at the beginning of the most recent calendar year and at the end of each month through the date of this request.

A-1-3. See Attachment 1-3.

Attachment 1-3

	Jan-25	Jan-24	Feb-24	Mar-24	Apr-24	May-25	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24
Truist - Sinking Fund	41,293.91	2,071.82	2,071.82	98,071.82	98,071.82	194,071.82	86,094.59	26,023.34	74,023.34	122,023.34	170,023.34	170,023.34	214,965.16
CTB - JOHNS CREEK WATER PROJ.	50,588.21	100	100	2,984.99	2,984.99	2,984.99	2,984.99	2,984.99	2,984.99	2,984.99	68,921.59	68,921.59	50,588.21
Truist -Special Project Acct.	0	7.72	7.72	-4.28	-4.28	0.00							
CTB - FEMA Receivables	15,876.20	3,733.20	3,733.20	3,733.20	3,733.20	3,733.20	15,876.20	15,876.20	15,876.20	15,876.20	15,876.20	15,876.20	15,876.20
CTB-SEWER CUSTOMER DEPOSIT A	39,589.77	34,952.77	35,753.64	35,195.66	35,975.42	36,404.21	36,842.77	36,556.86	37,054.34	37,757.84	38,694.57	38,865.74	39,293.70
CTB - O & M RESERVES	34,473.99	33,187.11	33,187.11	33,518.07	33,518.07	33,518.07	33,852.34	33,852.34	33,852.34	34,188.08	34,188.08	34,188.08	34,473.99
Community Trust Bank - Misc Line E	5,216.56	5,068.15	5,080.23	5,093.17	5,105.73	5,118.74	5,131.36	5,144.44	5,157.54	5,169.48	5,180.46	6,991.87	7,004.66
CTB - PHELPS SEWER PROJECT	5,591.93	5,591.93	5,591.93	5,591.93	5,591.93	5,591.93	5,591.93	5,591.93	5,591.93	5,591.93	5,591.93	5,591.93	5,591.93
CTB - DIST. WIDE TAP FEES	4,430.80	21,085.81	18,607.44	22,894.94	21,147.97	26,691.43	12,789.82	23,470.22	26,462.13	12,422.93	29,949.10	21,720.69	24,892.16
CTB - R & M RESERVE	926,277.57	891,700.54	891,700.54	900,593.11	900,593.11	900,593.11	909,574.36	909,574.36	909,574.36	918,595.34	918,595.34	918,595.34	926,277.57
Petty Cash	320.18	320.18	320.18	320.18	320.18	320.18	320.18	320.18	320.18	320.18	320.18	320.18	320.18
CTB - Operating Account	251,414.88	122,043.18	52,260.24	87,738.47	176,370.99	173,109.11	160,607.63	219,404.24	216,718.32	283,143.92	161,015.65	129,658.15	295,931.77
CTB-MWD Payroll Account	3,856.55	2,961.54	866.55	8,025.53	4,341.16	11,403.98	4,814.31	10,519.60	8,121.08	12,074.82	15,910.84	14,907.96	3,559.21
CTB - Dist Wide WW Tap Fees	47,231.94	40,724.82	40,724.82	40,724.82	36,195.88	36,195.88	42,924.94	42,924.94	42,924.94	42,924.94	45,400.59	45,400.59	45,400.59
MWD POMPEY ARC PROJECR	0.38	0.38	0.38	0.38	0.38	0.38	0.38	0.38	0.38	0.38	0.38	0.38	0.38
BIG CREEK SEWER-COAL SETTLEME	3,401.24	5,401.24	5,401.24	5,401.24	5,401.24	5,401.24	5,401.24	3,401.24	3,401.24	3,401.24	3,401.24	3,401.24	3,401.24
CTB-Various Short Line Ext.	90.96	90.96	90.96	90.96	90.96	90.96	90.96	90.96	90.96	90.96	90.96	90.96	90.96
CTB.Long Fork Of Virgie Sewer Proje	68.37	0.00	0.00	0.00	0.00	0		0		84.39	68.37	68.37	68.37
M.W.D. Belfry Pond Sewer	2,837.41	2,837.41	2,837.41	2,837.41	2,837.41	2,837.41	2,837.41	2,837.41	2,837.41	2,837.41	2,837.41	2,837.41	2,837.41
MWD PHELPS UPGRADE ACCT.	3,497.86	3,554.35	3554.35	3,554.35	3,554.35	3,554.35	3,497.86	3,497.86	3,497.86	3,497.86	3,497.86	3,497.86	3,497.86
CTB- Recycling Revenue Acct.	4,523.72	390.57	390.57	1,204.07	1,204.07	2,802.57	3,469.32	3,469.32	3,469.32	4,523.72	4,523.72	4,523.72	4,523.72
MWD DEPRECIATION RESERVE ACC	920,033.88	886,551.58	889,304.75	892,257.46	895,124.20	898,160.37	901,105.16	904,158.08	907,221.35	910,096.70	912,794.66	915,263.70	917,695.65
CTB-Mountain Water District Surcha	302,562.17		18,296.72	42,530.12	76,223.61	100,548.75	118,922.25	143,802.49	172,458.72	197,228.67	225,500.00	249,758.01	268,748.51
CTB. PCFC Projects	81,457.55	81,457.55	81,457.55	81,457.55	81,457.55	81,457.55	81,457.55	81,457.55	81,457.55	81,457.55	81,457.55	81,457.55	81,457.55
CTB - R & M REIMBURSEMENT ACC	-3,701.59	1,484.85	0	14,582.06	9,397.43	11,429.78	11,429.78	21,993.59	42,995.57	5,182.65	1,395.63	1,019.07	-154.54
CTB-MWD Escrow Account	100	100	100	100	100	100	100	100	100	100	100	100	100
MWD Meter Replacement Project	10	10	10	10	10	10	10	10	10	10	10	10	10
MWD Restricted ARPA Funding Acct.	19,991.07	59,971.58	59,235.13	59,243.05	59,251.57	59,259.12	59,266.53	40,270.68	38,047.09	38,052.94	25,528.69	25,534.20	152,662.26
New Customer Deposit Acct.	442,364.76	408,320.14	412,759.72	412,048.76	416,011.27	420,730.42	424,537.05	422,923.68	425,234.28	429,137.13	434,510.05	437,517.22	439,882.65

MOUNTAIN WATER DISTRICT

Response to Commission Staff's First Request for Information
Case No. 2025-00327

Question No. 1-4

Responding Witness: Mike Spears

Q-1-4. Provide the following monthly account balances and a calculation of the average (13-month) account balances for the 12 months preceding the test year:

a. Plant in service (Account No. 101);

b. Plant purchased or sold (Account No. 102);

c. Property held for future use (Account No. 105);

d. Completed construction not classified (Account No. 106);

e. Construction work in progress (Account No. 107);

f. Depreciation reserve (Account No. 108);

g. Materials and supplies (include all accounts and subaccounts);

h. Computation and development of minimum cash requirements;

i. Balance in accounts payable applicable to amounts included in utility plant in service (if actual is indeterminable, provide a reasonable estimate);

j. Balance in accounts payable applicable to amounts included in plant under construction (if actual is indeterminable, provide a reasonable estimate); and

k. Balance in accounts payable applicable to prepayments by major category or subaccount.

A1-4. a. See Attachment 1-4a.

b. See Attachment 1-4a.

c. Mountain Water District has no property held for future use.

d. Mountain Water District has no completed construction not classified.

e. See Attachment 1-4e.

f. See Attachment 1-4a.

g. Inventory is adjusted annually. Therefore, Mountain Water District has no monthly variances until December.

h. Mountain Water District has no calculations for minimum cash requirements.

i. There are no accounts payable applicable to amounts included in utility plant in service.

j. There are no accounts payable applicable to amounts included in plant under construction.

k. There are no accounts payable applicable to prepayments by major category.

Attachment 1-4a

MOUNTAIN WATER DISTRICT
PLANT IN SERVICE ANALYSIS
RIF 12-31-24

ACCT #	DESCRIPTION	31-Jan-23	28-Feb-23	31-Mar-23	30-Apr-23	31-May-23	30-Jun-23	31-Jul-23	31-Aug-23	30-Sep-23	31-Oct-23	30-Nov-23	31-Dec-23	Average Monthly
		-												
1003.02	Land and Land Rights	37,942.57	37,942.57	37,942.57	37,942.57	37,942.57	37,942.57	37,942.57	37,942.57	37,942.57	37,942.57	37,942.57	37,942.57	37,942.57
1003.03	Land and Land Rights	2,400.00	2,400.00	2,400.00	2,400.00	2,400.00	2,400.00	2,400.00	2,400.00	2,400.00	2,400.00	2,400.00	2,400.00	2,400.00
1003.04	Land and Land Rights	383,428.07	383,428.07	383,428.07	383,428.07	383,428.07	383,428.07	383,428.07	383,428.07	383,428.07	383,428.07	383,428.07	383,428.07	383,428.07
1003.05	Land and Land Rights	157,103.54	157,103.54	157,103.54	157,103.54	157,103.54	157,103.54	157,103.54	157,103.54	157,103.54	157,103.54	157,103.54	162,947.39	157,590.53
1003.17	Land and Land Rights	-	-	-	-	-	-	-	-	-	-	-	28,780.00	2,398.33
1004.02	Structures & Improvements	235,689.25	235,689.25	235,689.25	235,689.25	235,689.25	235,689.25	235,689.25	235,689.25	235,689.25	235,689.25	235,689.25	235,689.25	235,689.25
1004.03	Structures & Improvements	116,996.68	116,996.68	116,996.68	116,996.68	116,996.68	116,996.68	116,996.68	116,996.68	116,996.68	116,996.68	116,996.68	116,996.68	116,996.68
1004.05	Structures & Improvements	351,050.19	351,050.19	351,050.19	351,050.19	351,050.19	351,050.19	351,050.19	351,050.19	351,050.19	351,050.19	351,050.19	351,050.19	351,050.19
1004.17	Structures & Improvements	15,030.46	15,030.46	15,030.46	15,030.46	15,030.46	15,030.46	15,030.46	15,030.46	15,030.46	15,030.46	15,030.46	15,030.46	15,030.46
1005.02	Collecting\Impound Reservoirs	59,137.31	59,137.31	59,137.31	59,137.31	59,137.31	59,137.31	59,137.31	59,137.31	59,137.31	59,137.31	59,137.31	59,137.31	59,137.31
1005.17	Collections Sewer	26,662,124.73	26,662,124.73	26,662,124.73	26,662,124.73	26,662,124.73	26,662,124.73	26,662,124.73	26,662,124.73	26,662,124.73	26,662,124.73	26,662,124.73	26,662,124.73	26,662,124.73
1011.02	Pumping Equipment	5,713,543.67	5,713,543.67	5,713,543.67	5,713,543.67	5,713,543.67	5,713,543.67	5,713,543.67	5,713,543.67	5,713,543.67	5,713,543.67	5,713,543.67	5,713,543.67	5,713,543.67
1011.17	Pumping Equipment	128,358.53	128,358.53	128,358.53	128,358.53	128,358.53	128,358.53	128,358.53	128,358.53	128,358.53	128,358.53	128,358.53	128,358.53	128,358.53
1020.03	Water Treatment Plant	10,165,318.23	10,165,318.23	10,165,318.23	10,165,318.23	10,165,318.23	10,165,318.23	10,165,318.23	10,165,318.23	10,165,318.23	10,165,318.23	10,165,318.23	10,216,355.23	10,169,571.31
1020.17	Treatment & Disposal Equip.	19,203,980.13	19,203,980.13	19,203,980.13	19,203,980.13	19,203,980.13	19,203,980.13	19,203,980.13	19,203,980.13	19,203,980.13	19,203,980.13	19,203,980.13	19,269,230.13	19,209,417.63
1030.04	Distribution Reservoirs/Stands	10,018,939.42	10,018,939.42	10,018,939.42	10,018,939.42	10,018,939.42	10,018,939.42	10,018,939.42	10,018,939.42	10,018,939.42	10,018,939.42	10,018,939.42	10,027,068.92	10,019,616.88
1031.04	Transmission/Distribution Mains	72,031,116.84	72,031,116.84	72,031,116.84	72,031,116.84	72,031,116.84	72,031,116.84	72,031,116.84	72,031,116.84	72,031,116.84	72,031,116.84	72,031,116.84	72,054,798.00	72,033,090.27
1033.04	Water Services	7,056,948.06	7,061,052.87	7,067,924.13	7,080,673.64	7,085,744.05	7,089,510.53	7,096,588.20	7,104,067.02	7,107,965.06	7,115,761.57	7,120,247.43	7,126,905.70	7,092,782.36
1033.17	Sewer Services	532,795.51	532,795.51	532,795.51	541,330.66	543,190.39	549,888.48	553,236.53	553,236.53	553,236.53	556,150.18	556,150.18	605,269.18	550,839.60
1034.04	Water Meters & Installations	7,877,620.44	7,879,672.85	7,883,108.48	7,889,483.23	7,892,018.44	7,893,901.68	7,897,440.51	7,901,179.92	7,903,128.94	7,907,027.19	7,909,270.12	7,968,324.93	7,900,181.39
1034.17	Sewer Meters & Installations	891,583.50	891,583.50	918,908.70	923,176.28	978,756.55	982,100.60	1,011,099.83	1,011,099.83	1,011,099.83	1,039,881.85	1,067,207.05	1,148,732.25	989,602.48
1035.04	Hydrants	1,254,797.39	1,254,797.39	1,254,797.39	1,257,776.71	1,257,776.71	1,257,776.71	1,257,776.71	1,257,776.71	1,257,776.71	1,257,776.71	1,257,776.71	1,257,776.71	1,257,031.88
1040.05	Office Furniture & Equipment	229,782.02	229,782.02	229,782.02	229,782.02	229,782.02	229,782.02	229,782.02	229,782.02	229,782.02	229,782.02	229,782.02	280,069.52	233,972.65
1040.17	Office Furniture & Equipment	57,846.22	57,846.22	57,846.22	57,846.22	57,846.22	57,846.22	57,846.22	57,846.22	57,846.22	57,846.22	57,846.22	65,146.22	58,454.55
1041.05	Transportation Equipment	1,867,593.34	1,867,593.34	1,867,593.34	1,886,436.33	1,938,761.33	1,938,761.33	1,973,483.55	1,973,483.55	1,973,483.55	1,973,483.55	2,007,599.77	2,007,599.77	1,939,656.06
1041.17	Transportation Equipment	25,149.54	25,149.54	25,149.54	25,149.54	25,149.54	25,149.54	25,149.54	25,149.54	25,149.54	25,149.54	25,149.54	25,149.54	25,149.54
1043.05	Tools, Shop & Garage Equipment	363,340.90	363,340.90	363,340.90	363,340.90	363,340.90	363,340.90	363,340.90	363,340.90	363,340.90	363,340.90	363,340.90	363,340.90	363,340.90
1043.17	Tools & Misc. Equipment	169,487.79	169,487.79	169,487.79	169,487.79	169,487.79	169,487.79	169,487.79	169,487.79	169,487.79	169,487.79	169,487.79	178,521.27	170,240.58
1044.05	Laboratory Equipment	1,485.57	1,485.57	1,485.57	1,485.57	1,485.57	1,485.57	1,485.57	1,485.57	1,485.57	1,485.57	1,485.57	1,485.57	1,485.57
1045.05	Power Operated Equipment	452,348.37	452,348.37	452,348.37	452,348.37	452,348.37	452,348.37	452,348.37	452,348.37	452,348.37	452,348.37	452,348.37	452,348.37	452,348.37
1046.05	Communication Equipment	1,883,005.20	1,883,005.20	1,883,005.20	1,883,005.20	1,883,005.20	1,883,005.20	1,883,005.20	1,883,005.20	1,883,005.20	1,883,005.20	1,883,005.20	1,883,005.20	1,883,005.20
1047.00	Bond Refinancing Cost	92,316.17	92,316.17	92,316.17	92,316.17	92,316.17	92,316.17	92,316.17	92,316.17	92,316.17	92,316.17	92,316.17	92,316.17	92,316.17
														-
1057.00	Rate Case Expense in Progress	172,021.49	172,021.49	172,021.49	172,021.49	172,021.49	172,021.49	172,021.49	172,021.49	172,021.49	172,021.49	172,021.49	172,021.49	172,021.49
		-	-	-	-	-	-	-	-	-	-	-	-	-
108	Depreciation Reserve - Water	253,848.42	253,848.42	253,848.42	253,848.42	253,848.42	253,848.42	253,848.42	253,848.42	253,848.42	253,848.42	253,848.42	253,848.42	253,848.42
														-
108	Depreciation Reserve - Sewer	82,148.18	82,148.18	82,148.18	82,148.18	82,148.18	82,148.18	82,148.18	82,148.18	82,148.18	82,148.18	82,148.18	82,148.18	82,148.18

Attachment 1-4e

MOUNTAIN WATER DISTRICT
CONSTRUCTION IN PROGRESS ANALYSIS
RIF 12-31-24

		Beg Balance													Average
ACCT #	DESCRIPTION	31-Dec-22	31-Jan-23	28-Feb-23	31-Mar-23	30-Apr-23	31-May-23	30-Jun-23	31-Jul-23	31-Aug-23	30-Sep-23	31-Oct-23	30-Nov-23	31-Dec-23	Monthly
			-												
1050.00	CONST. IN PROGRESS - WATER	2,715,298.33						-						3,633,450.36	3,174,374.35
1057.17	CONST. IN PROGRESS - SEWER	273,571.80						-						186,236.21	229,904.01

MOUNTAIN WATER DISTRICT

Response to Commission Staff's First Request for Information
Case No. 2025-00327

Question No. 1-5

Responding Witness: Carrie Hatfield

Q-1-5. Provide a detailed analysis of expenses for professional services during the test year, as shown in Schedule B, and all workpapers supporting the analysis. At a minimum, the workpapers should show the payee, dollar amount, reference (i.e., voucher no., etc.), account charged, hourly rates and time charged to the company according to each invoice, and a description of the services provided.

A-1-5. See Attachment 1-5.

Attachment 1-5

Mountain Water District
Case No. 2025-00327

Analysis of Professional Services
Expenses For the 12 Months Ended

December 31, 2024

Line No.	Item (a)	Rate Case (b)	Annual Audit (c)	Other (d)	Total (e)
1.	Legal			42,328.85	42,328.85
2.	Engineering				0.00
3.	Accounting		18,000.00	58,356	76,356.00
4.	Other				0.00
5.	Total	0.00			118,684.85

STOLL · KEENON · OGDEN
PLLC
300 West Vine Street
Suite 2100
Lexington, Kentucky 40507-1801
(859) 231-3000
Tax Id # 61-0421389
November 6, 2024

Mountain Water District
tolson@mtwater.org
chatfield@mtwater.org

INVOICE NO.: 1060330
SKO File No.: 121807/184311

PAYMENT REMITTANCE

Payments via regular mail:	STOLL · KEENON · OGDEN PLLC P.O. Box 11969 Lexington, Kentucky 40579-1969
Payments via ACH or EFT:	Stoll Keenon Ogden PLLC IOLTA Account Fifth Third Bank, Cincinnati OH ABA/Bank Routing Number: [redacted] Account Number: [redacted] Please reference your account and invoice numbers. Email remittance to payments@skofirm.com

Re: PSC Investigation into Jurisdictional Status

Our Reference: 121807/184311/GEW/2404

Fees rendered this bill	$ 3,912.50
Total Current Charges This Matter	**$ 3,912.50**

*PLEASE INDICATE INVOICE NUMBER 1060330 ON PAYMENT

STOLL · KEENON · OGDEN
PLLC
300 West Vine Street
Suite 2100
Lexington, Kentucky 40507-1801
(859) 231-3000
Tax Id # 61-0421389
November 6, 2024

Mountain Water District
tolson@mtwater.org
chatfield@mtwater.org

INVOICE NO.: 1060330
SKO File No.: 121807/184311

MATTER NAME: PSC Investigation into Jurisdictional Status

TOTAL FEES FOR PROFESSIONAL SERVICES PER ATTACHED	3,912.50
TOTAL CHARGES FOR EXPENSES AND OTHER SERVICES PER ATTACHED	0.00
INVOICE TOTAL	$ 3,912.50
TOTAL BALANCE DUE	**$3,912.50**

*PLEASE INDICATE INVOICE NUMBER 1060330 ON PAYMENT

BILL DATE: November 6, 2024

Mountain Water District
tolson@mtwater.org
chatfield@mtwater.org

PSC Investigation Into Jurisdictional St

LEGAL FEES

DATE	IND	DESCRIPTION OF SERVICE	HOURS	RATE	AMOUNT
10/18/24	ESC	Attended call with Tammy Olson to discuss District's response to the Commission's opening order in Case No. 2024-00271 regarding the jurisdictional status of several companies in Pike County	0.90	240.00	$ 216.00
10/21/24	ESC	Created summary of timeline of events for purposes of drafting response to Commission's opening order in Case No. 2024-00271	1.40	240.00	336.00
10/22/24	DRT	Participated in Teams meeting with Emily Childress and Tina Frederick to discuss Mountain's proposed Response to recent PSC Order re private developers providing water service within MWD's service area and whether these developers are "utilities" within the meaning of KRS Chapter 278 (No Charge)	0.00	0.00	0.00
10/22/24	ESC	Conferred with D. Talley and T. Frederick re drafting response to Commission's order in Case No. 2024-00271	1.20	240.00	288.00
10/22/24	TCF	Participated in a meeting with E. Childress and D. Talley regarding Mountain's response to Commission Order; reviewed map of private water lines, private infrastructure, and MWD infrastructure, in the areas of Zebulon Heights, Roopani Townhomes, and other Prated devlopment	1.00	365.00	365.00
10/25/24	ESC	Prepared portions of Mountain Water District's Response to PSC Investigation Opening Order; corresponded with client re same	1.80	240.00	432.00

DATE	IND	DESCRIPTION OF SERVICE	HOURS	RATE	AMOUNT
10/29/24	ESC	Prepared portions of Mountain District's Response to Commission Staff's opening order in Case No. 2024-00271; conferred with Tina Frederick re draft Response; revised Response to incorporate feedback from Ms. Frederick	4.80	240.00	1,152.00
10/29/24	TCF	Reviewed draft Response prepared by E. Childress; made certain edits and suggested others; conferred with E. Childress regarding structure of Response to achieve clarity given the complexity of the facts and the length of the time period in question	1.00	365.00	365.00
10/30/24	DRT	Reviewed latest draft version of the Response of MWD to the PSC Order; prepared email memo to Emily Childress approving the Response and suggesting one minor edit	0.00	0.00	0.00
10/30/24	ESC	Revised District's Response to Commission Staff's opening Order to incorporate feedback from Tammy Olson; spoke with Ms. Olson re same	1.60	240.00	384.00
10/30/24	TCF	Reviewed revised draft Response sent by E. Childress; provided feedback that the Response was in near final form	0.30	365.00	109.50
10/30/24	TCF	Conferred with E. Childress about Response following utility review indicating certain roads have now been annexed	0.20	365.00	73.00
10/31/24	ESC	Finalized and electronically filed Mountain Water District's Response to PSC's opening order	0.80	240.00	192.00
		SUBTOTAL	**15.00**		**$3,912.50**

EXPENSES AND OTHER SERVICES

***note: all copies are billed at .10/page unless otherwise indicated*

DATE	DESCRIPTION	AMOUNT
	SUBTOTAL	**0.00**
GRAND		**$3,912.50**

*PLEASE INDICATE INVOICE NUMBER 1060330 ON PAYMENT

DATE	DESCRIPTION	AMOUNT
TOTAL:		

ATTORNEY/PARALEGAL SUMMARY

TIMEKEEPER	RANK	HOURS	RATE	AMOUNT
E. Childress	Associate	12.50	240.00	$3,000.00
T. Frederick	Of Counsel	2.50	365.00	$912.50
D. R Talley	Of Counsel	0.00	0.00	$0.00

STOLL · KEENON · OGDEN
PLLC
300 West Vine Street
Suite 2100
Lexington, Kentucky 40507-1801
(859) 231-3000
Tax Id # 61-0421389
November 6, 2024

Mountain Water District
tolson@mtwater.org
chatfield@mtwater.org

INVOICE NO.: 1060327
SKO File No.: 121807/176385

PAYMENT REMITTANCE

Payments via regular mail:

STOLL · KEENON · OGDEN PLLC
P.O. Box 11969
Lexington, Kentucky 40579-1969

Payments via ACH or EFT:

Stoll Keenon Ogden PLLC IOLTA Account
Fifth Third Bank, Cincinnati OH
ABA/Bank Routing Number: [redacted]
Account Number: [redacted]

Please reference your account and invoice numbers.
Email remittance to payments@skofirm.com

Re: General Regulatory Matters

Our Reference: 121807/176385/GEW/2404

Fees rendered this bill	$ 1,960.00
Total Current Charges This Matter	**$ 1,960.00**

*PLEASE INDICATE INVOICE NUMBER 1060327 ON PAYMENT

BILL DATE: November 6, 2024

Mountain Water District
tolson@mtwater.org
chatfield@mtwater.org

General Regulatory Matters

LEGAL FEES

DATE	IND	DESCRIPTION OF SERVICE	HOURS	RATE	AMOUNT
10/02/24	ESC	Prepared and filed Entry of Appearances in Public Service Commission Case Nos. 2023-00351 and 2024-00271; spoke with Tammy Olson re same; conferred with G. Wuetcher re Case No. 2024-00271	1.70	320.00	$ 544.00
10/03/24	ESC	Reviewed documents from Tammy Olson responsive to Commission Staff's First Request for Information in Case No. 2023-00351 re cost estimates of Qualified Infrastructure Improvement Plan; spoke with Ms. Olson and prepared the District's Supplemental Response re same	5.10	240.00	1,224.00
10/22/24	ESC	Conferred with D. Talley re strategy for addressing rate design issue	0.20	240.00	48.00
10/30/24	ESC	Drafted email to Tammy Olson re next steps in addressing rate design and revenue deficiency issues; conferred with D. Talley and T. Frederick re same	0.60	240.00	144.00
		SUBTOTAL	**7.60**		**$1,960.00**

EXPENSES AND OTHER SERVICES

***note: all copies are billed at .10/page unless otherwise indicated*

DATE	DESCRIPTION	AMOUNT
	SUBTOTAL	**0.00**
GRAND TOTAL:		**$1,960.00**

ATTORNEY/PARALEGAL SUMMARY

TIMEKEEPER	RANK	HOURS	RATE	AMOUNT
E. Childress	Associate	7.60	257.89	$1,960.00

STOLL · KEENON · OGDEN
PLLC
400 West Market Street
Suite 2700
Louisville, Kentucky 40202
502 333-6000
Tax ID # 61-0421389
January 18, 2024

Mountain Water District
tolson@mtwater.org
chatfield@mtwater.org

INVOICE NO.: 1034806
SKO File No.: 121807/173262

PAYMENT REMITTANCE

Payments via regular mail:

STOLL · KEENON · OGDEN PLLC
P.O. Box 11969
Lexington, Kentucky 40579-1969

Payments via ACH or EFT:

Stoll Keenon Ogden PLLC IOLTA Account
Fifth Third Bank, Cincinnati OH
ABA/Bank Routing Number: [redacted]
Account Number: [redacted]

Please reference your account and invoice numbers.
Email remittance to payments@skofirm.com

Re: 2022 Rate Application

Our Reference: 121807/173262/GEW/2404

Fees rendered this bill	$ 1,994.70
Total Current Charges This Matter	**$ 1,994.70**
Balance as of 12/12/23	$9,582.25
Less credits (payments, adjustments)	$0.00
Balance due on prior billings	**$9,582.25**
Total Amount Due This Matter	**$11,576.95**

*PLEASE INDICATE INVOICE NUMBER 1034806 ON PAYMENT

STOLL · KEENON · OGDEN
PLLC
400 West Market Street
Suite 2700
Louisville, Kentucky 40202
502 333-6000
Tax ID # 61-0421389
January 18, 2024

Mountain Water District
tolson@mtwater.org
chatfield@mtwater.org

INVOICE NO.: 1034806
SKO File No.: 121807/173262

MATTER NAME: 2022 Rate Application

TOTAL FEES FOR PROFESSIONAL SERVICES PER ATTACHED	1,994.70
TOTAL CHARGES FOR EXPENSES AND OTHER SERVICES PER ATTACHED	0.00
INVOICE TOTAL	$ 1,994.70

BALANCE DUE from previous statements:

Bill Date	Invoice	Outstanding Amount
12/08/22	995533	1,505.35
11/13/23	1028284	555.90
12/12/23	1030202	7,521.00

Total Balance Due on Previous Statements:	$ 9,582.25
TOTAL BALANCE DUE	**$11,576.95**

*PLEASE INDICATE INVOICE NUMBER 1034806 ON PAYMENT

BILL DATE: January 18, 2024

Mountain Water District
tolson@mtwater.org
chatfield@mtwater.org

2022 Rate Application

LEGAL FEES

DATE	IND	DESCRIPTION OF SERVICE	HOURS	RATE	AMOUNT
12/04/23	GEW	Telephone call from T. Olson re: wholesale rate to Elkhorn City; prepare and send text message to PSC Executive Director requesting to speak with her by telephone; prepare Motion for Conference with PSC Staff	1.00	327.00	$ 327.00
12/05/23	GEW	Confer with D. Talley re: potential options to reduce Elkhorn City wholesale rate; prepare e-mail message to T. Olson re: same; prepare e-mail message to PSC Executive Director re: request for Conference; complete initial draft of Motion for Conference and submit to T. Olson for review	1.60	327.00	523.20
12/06/23	GEW	Detailed e-mail message to T. Olson re: revenue produced by approved wholesale rate and potential effect of reduction in wholesale rate; revise Motion for Conference; respond to T. Olson re: issues that may be raised at conference with PSC Staff; make additional revisions to Motion for Conference at T. Olson's request; file Motion for Conference with PSC	1.10	327.00	359.70
12/13/23	GEW	Email response to T. Olson inquiry regarding tariff sheet filings and inquiry re: publication of rates	0.20	327.00	65.40
12/19/23	GEW	Email exchange with T. Olson re: Elkhorn City wholesale rate; prepare and send email to L. Bridwell re: status of conference	0.20	327.00	65.40
12/27/23	GEW	Telephone call with T. Olson re: conference with PSC Staff	0.70	327.00	228.90
12/29/23	GEW	Conference call with Board of Commissioners Re: conference on Elkhorn City wholesale rate; preparation for conference call	1.30	327.00	425.10

DATE	IND	DESCRIPTION OF SERVICE	HOURS	RATE	AMOUNT
		SUBTOTAL	6.10		$1,994.70

EXPENSES AND OTHER SERVICES

***note: all copies are billed at .10/page unless otherwise indicated*

DATE	DESCRIPTION	AMOUNT
	SUBTOTAL	0.00
GRAND TOTAL:		$1,994.70

ATTORNEY/PARALEGAL SUMMARY

TIMEKEEPER	RANK	HOURS	RATE	AMOUNT
G. E Wuetcher	Of Counsel	6.10	327.00	$1,994.70

STOLL · KEENON · OGDEN
PLLC
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Suite 2100
Lexington, Kentucky 40507-1801
(859) 231-3000
Tax Id # 61-0421389
May 15, 2024

Mountain Water District
tolson@mtwater.org
chatfield@mtwater.org

INVOICE NO.: 1043978
SKO File No.: 121807/178014

PAYMENT REMITTANCE

Payments via regular mail:

STOLL · KEENON · OGDEN PLLC
P.O. Box 11969
Lexington, Kentucky 40579-1969

Payments via ACH or EFT:

Stoll Keenon Ogden PLLC IOLTA Account
Fifth Third Bank, Cincinnati OH
ABA/Bank Routing Number: [redacted]
Account Number: 7[redacted]2

Please reference your account and invoice numbers.
Email remittance to payments@skofirm.com

Re: Appeal of FCC Decision - No. 20-CI-00190

Our Reference: 121807/178014/MLB/2404

Fees rendered this bill	$ 2,646.50
Total Current Charges This Matter	**$ 2,646.50**
Balance as of 03/04/24	$5,561.00
Less credits (payments, adjustments)	$0.00
Balance due on prior billings	**$5,561.00**
Total Amount Due This Matter	**$8,207.50**

*PLEASE INDICATE INVOICE NUMBER 1043978 ON PAYMENT

STOLL · KEENON · OGDEN
PLLC
300 West Vine Street
Suite 2100
Lexington, Kentucky 40507-1801
(859) 231-3000
Tax Id # 61-0421389
May 15, 2024

Mountain Water District
tolson@mtwater.org
chatfield@mtwater.org

INVOICE NO.: 1043978
SKO File No.: 121807/178014

MATTER NAME: Appeal of FCC Decision - No. 20-CI-00190

TOTAL FEES FOR PROFESSIONAL SERVICES PER ATTACHED	2,646.50
TOTAL CHARGES FOR EXPENSES AND OTHER SERVICES PER ATTACHED	0.00
INVOICE TOTAL	$ 2,646.50

BALANCE DUE from previous statements:

Bill Date	Invoice	Outstanding Amount
02/12/24	1036009	664.00
03/04/24	1038595	4,897.00

Total Balance Due on Previous Statements:	$ 5,561.00
TOTAL BALANCE DUE	**$8,207.50**

*PLEASE INDICATE INVOICE NUMBER 1043978 ON PAYMENT

BILL DATE: May 15, 2024

Mountain Water District
tolson@mtwater.org
chatfield@mtwater.org

Appeal of FCC Decision - No. 20-CI-00190

LEGAL FEES

DATE	IND	DESCRIPTION OF SERVICE	HOURS	RATE	AMOUNT
04/19/24	MLB	Review Court of Appeals decision and send analysis to J. Wuetcher; emails with PSC attorney	1.30	415.00	$ 539.50
04/19/24	GEW	Review Court of Appeals decision; prepare lengthy email message to T. Olson and J. Vanover re: the decision and next actions	0.50	425.00	212.50
04/24/24	GEW	Review of Court Opinion; research on retroactive application of opinion	1.50	425.00	637.50
04/25/24	MLB	Meet with J. Wuetcher to assess appellate and further administrative options in response to PSC order	0.80	415.00	332.00
04/25/24	GEW	Confer with M. Braun re: next step; prepare for conference call with Board of Commissioners; telephone conference call with Board of Commissioners; prepare instructions for M. Braun re: next action	1.20	425.00	510.00
04/26/24	MLB	Review email from J. Wuetcher regarding MWD's directions on how to proceed; multiple emails with PSC counsel	0.40	415.00	166.00
04/30/24	MLB	Phone call with PSC; send summary to J. Wuetcher and have follow up emails regarding same	0.60	415.00	249.00
		SUBTOTAL	**6.30**		**$2,646.50**

EXPENSES AND OTHER SERVICES

DATE	DESCRIPTION	AMOUNT

DATE	DESCRIPTION	AMOUNT
	SUBTOTAL	0.00
	GRAND TOTAL:	$2,646.50

*PLEASE INDICATE INVOICE NUMBER 1043978 ON PAYMENT

STOLL · KEENON · OGDEN
PLLC
400 West Market Street
Suite 2700
Louisville, Kentucky 40202
502 333-6000
Tax ID # 61-0421389
February 8, 2024

Mountain Water District
tolson@mtwater.org
chatfield@mtwater.org

INVOICE NO.: 1035898
SKO File No.: 121807/173262

PAYMENT REMITTANCE

Payments via regular mail:

STOLL · KEENON · OGDEN PLLC
P.O. Box 11969
Lexington, Kentucky 40579-1969

Payments via ACH or EFT:

Stoll Keenon Ogden PLLC IOLTA Account
Fifth Third Bank, Cincinnati OH
ABA/Bank Routing Number: [redacted]
Account Number: [redacted]

Please reference your account and invoice numbers.
Email remittance to payments@skofirm.com

Re: 2022 Rate Application

Our Reference: 121807/173262/GEW/2404

Fees rendered this bill	$ 752.10
Total Current Charges This Matter	**$ 752.10**
Balance as of 01/18/24	$11,576.95
Less credits (payments, adjustments)	$0.00
Balance due on prior billings	**$11,576.95**
Total Amount Due This Matter	**$12,329.05**

*PLEASE INDICATE INVOICE NUMBER 1035898 ON PAYMENT

STOLL · KEENON · OGDEN
PLLC
400 West Market Street
Suite 2700
Louisville, Kentucky 40202
502 333-6000
Tax ID # 61-0421389
February 8, 2024

Mountain Water District
tolson@mtwater.org
chatfield@mtwater.org

INVOICE NO.: 1035898
SKO File No.: 121807/173262

MATTER NAME: 2022 Rate Application

TOTAL FEES FOR PROFESSIONAL SERVICES PER ATTACHED	752.10
TOTAL CHARGES FOR EXPENSES AND OTHER SERVICES PER ATTACHED	0.00
INVOICE TOTAL	$ 752.10

BALANCE DUE from previous statements:

Bill Date	Invoice	Outstanding Amount
12/08/22	995533	1,505.35
11/13/23	1028284	555.90
12/12/23	1030202	7,521.00
01/18/24	1034806	1,994.70

Total Balance Due on Previous Statements:	$ 11,576.95
TOTAL BALANCE DUE	**$12,329.05**

*PLEASE INDICATE INVOICE NUMBER 1035898 ON PAYMENT

BILL DATE: February 8, 2024

Mountain Water District
tolson@mtwater.org
chatfield@mtwater.org

2022 Rate Application

LEGAL FEES

DATE	IND	DESCRIPTION OF SERVICE	HOURS	RATE	AMOUNT
01/02/24	GEW	Telephone calls with T. Olson Re: conference with Commission Staff.	0.40	327.00	$ 130.80
01/03/24	GEW	Conference with PSC Staff; telephone call with T. Olson, M.. Spears, and R. Tackett Re: conference with PSC Staff.	1.90	327.00	621.30
		SUBTOTAL	**2.30**		**$752.10**

EXPENSES AND OTHER SERVICES

***note: all copies are billed at .10/page unless otherwise indicated*

DATE	DESCRIPTION	AMOUNT
	SUBTOTAL	**0.00**
GRAND TOTAL:		**$752.10**

ATTORNEY/PARALEGAL SUMMARY

TIMEKEEPER	RANK	HOURS	RATE	AMOUNT
G. E Wuetcher	Of Counsel	2.30	327.00	$752.10

STOLL · KEENON · OGDEN
PLLC
400 West Market Street
Suite 2700
Louisville, Kentucky 40202
502 333-6000
Tax ID # 61-0421389
December 12, 2023

Mountain Water District
tolson@mtwater.org
chatfield@mtwater.org

INVOICE NO.: 1030202
SKO File No.: 121807/173262

PAYMENT REMITTANCE

Payments via regular mail:

STOLL · KEENON · OGDEN PLLC
P.O. Box 11969
Lexington, Kentucky 40579-1969

Payments via ACH or EFT:

Stoll Keenon Ogden PLLC IOLTA Account
Fifth Third Bank, Cincinnati OH
ABA/Bank Routing Number: [redacted]
Account Number: [redacted]

Please reference your account and invoice numbers.
Email remittance to payments@skofirm.com

Re: 2022 Rate Application

Our Reference: 121807/173262/GEW/2404 Fees rendered this bill	$ 7,521.00
Total Current Charges This Matter	**$ 7,521.00**
Balance as of 11/13/23	$9,876.55
Less credits (payments, adjustments)	$-7,815.30
Balance due on prior billings	**$2,061.25**
Total Amount Due This Matter	**$9,582.25**

*PLEASE INDICATE INVOICE NUMBER 1030202 ON PAYMENT

STOLL · KEENON · OGDEN
PLLC
400 West Market Street
Suite 2700
Louisville, Kentucky 40202
502 333-6000
Tax ID # 61-0421389
December 12, 2023

Mountain Water District
tolson@mtwater.org
chatfield@mtwater.org

INVOICE NO.: 1030202
SKO File No.: 121807/173262

MATTER NAME: 2022 Rate Application

TOTAL FEES FOR PROFESSIONAL SERVICES PER ATTACHED	7,521.00
TOTAL CHARGES FOR EXPENSES AND OTHER SERVICES PER ATTACHED	0.00
INVOICE TOTAL	$ 7,521.00

BALANCE DUE from previous statements:

Bill Date	Invoice	Outstanding Amount
12/08/22	995533	1,505.35
11/13/23	1028284	555.90

Total Balance Due on Previous Statements:	$ 2,061.25
TOTAL BALANCE DUE	**$9,582.25**

*PLEASE INDICATE INVOICE NUMBER 1030202 ON PAYMENT

BILL DATE: December 12, 2023

Mountain Water District
tolson@mtwater.org
chatfield@mtwater.org

2022 Rate Application

LEGAL FEES

DATE	IND	DESCRIPTION OF SERVICE	HOURS	RATE	AMOUNT
11/01/23	GEW	Preparation of email memorandum on Water rate case decision; telephone call with K. Lowe re: sufficiency of approved water rates;	3.00	327.00	$ 981.00
11/02/23	GEW	Preparation of email memorandum on Water rate case decision; e-mail exchange with K. Lowe re: sufficiency of approved water rates; e-mail exchange with Commissioner Tackett re: application for rehearing	1.80	327.00	588.60
11/06/23	GEW	Prepare Application for Rehearing	3.00	327.00	981.00
11/07/23	GEW	Prepare Application for Rehearing	2.00	327.00	654.00
11/09/23	GEW	Prepare and file Application for Rehearing	3.50	327.00	1,144.50
11/10/23	GEW	Telephone call from T. Olson Re: errors in final order in case number 2022–00367	0.20	327.00	65.40
11/12/23	GEW	Review final order in case number 2022–00367; prepare motion to amend order	1.50	327.00	490.50
11/13/23	GEW	Revise Motion to Amend Order and file with public Service Commission	0.30	327.00	98.10
11/16/23	GEW	Prepare e-mail to PSC Executive Director re: need for prompt response to Motions to Amend; telephone call from PSC Executive Director re: Motions	0.40	327.00	130.80
11/20/23	GEW	Prepare and submit revised tariff sheets for water and sewer service as required in orders of October 31, 2023	5.50	327.00	1,798.50
11/29/23	GEW	Return Telephone call to T. Olson re: wholesale rate	0.40	327.00	130.80

DATE	IND	DESCRIPTION OF SERVICE	HOURS	RATE	AMOUNT
11/30/23	GEW	Review order of 11/29/23; prepare and file tariff sheets reflecting revised order of 11/29/23; email to D. Hinton re: filing of revised tariff sheets; email to E. Beavers re: development of wholesale rates; email to T. Olson re: order of 11/29/23 and PSC's response to request for information regarding Development of Wholesale rights.	1.40	327.00	457.80
		SUBTOTAL	**23.00**		**$7,521.00**

EXPENSES AND OTHER SERVICES

***note: all copies are billed at .10/page unless otherwise indicated*

DATE	DESCRIPTION	AMOUNT
	SUBTOTAL	**0.00**
GRAND TOTAL:		**$7,521.00**

ATTORNEY/PARALEGAL SUMMARY

TIMEKEEPER	RANK	HOURS	RATE	AMOUNT
G. E Wuetcher	Of Counsel	23.00	327.00	$7,521.00

STOLL · KEENON · OGDEN
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400 West Market Street
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Louisville, Kentucky 40202
502 333-6000
Tax ID # 61-0421389
November 13, 2023

Mountain Water District
tolson@mtwater.org
chatfield@mtwater.org

INVOICE NO.: 1028284
SKO File No.: 121807/173262

PAYMENT REMITTANCE

Payments via regular mail:

STOLL · KEENON · OGDEN PLLC
P.O. Box 11969
Lexington, Kentucky 40579-1969

Payments via ACH or EFT:

Stoll Keenon Ogden PLLC IOLTA Account
Fifth Third Bank, Cincinnati OH
ABA/Bank Routing Number: [redacted]
Account Number: [redacted]

Please reference your account and invoice numbers.
Email remittance to payments@skofirm.com

Re: 2022 Rate Application

Our Reference: 121807/173262/GEW/2404

Fees rendered this bill	$ 555.90
Total Current Charges This Matter	**$ 555.90**
Balance as of 10/20/23	$33,453.25
Less credits (payments, adjustments)	$-24,132.60
Balance due on prior billings	**$9,320.65**
Total Amount Due This Matter	**$9,876.55**

*PLEASE INDICATE INVOICE NUMBER 1028284 ON PAYMENT

STOLL · KEENON · OGDEN
PLLC
400 West Market Street
Suite 2700
Louisville, Kentucky 40202
502 333-6000
Tax ID # 61-0421389
November 13, 2023

Mountain Water District
tolson@mtwater.org
chatfield@mtwater.org

INVOICE NO.: 1028284
SKO File No.: 121807/173262

MATTER NAME: 2022 Rate Application

TOTAL FEES FOR PROFESSIONAL SERVICES PER ATTACHED	555.90
TOTAL CHARGES FOR EXPENSES AND OTHER SERVICES PER ATTACHED	0.00
INVOICE TOTAL	$ 555.90

BALANCE DUE from previous statements:

Bill Date	Invoice	Outstanding Amount
12/08/22	995533	1,505.35
10/20/23	1025416	7,815.30

Total Balance Due on Previous Statements:	$ 9,320.65
TOTAL BALANCE DUE	**$9,876.55**

*PLEASE INDICATE INVOICE NUMBER 1028284 ON PAYMENT

BILL DATE: November 13, 2023

Mountain Water District
tolson@mtwater.org
chatfield@mtwater.org

2022 Rate Application

LEGAL FEES

DATE	IND	DESCRIPTION OF SERVICE	HOURS	RATE	AMOUNT
10/26/23	GEW	Telephone call from L. Bridwell (PSC Executive Director) re: release of final order; telephone call to T. Olson re: telephone call with L. Bridwell	0.20	327.00	$ 65.40
10/31/23	GEW	Review orders authoring rate adjustments	1.50	327.00	490.50
		SUBTOTAL	**1.70**		**$555.90**

EXPENSES AND OTHER SERVICES

***note: all copies are billed at .10/page unless otherwise indicated*

DATE	DESCRIPTION	AMOUNT
	SUBTOTAL	**0.00**
GRAND TOTAL:		**$555.90**

ATTORNEY/PARALEGAL SUMMARY

TIMEKEEPER	RANK	HOURS	RATE	AMOUNT
G. E Wuetcher	Of Counsel	1.70	327.00	$555.90

STOLL · KEENON · OGDEN
PLLC
300 West Vine Street
Suite 2100
Lexington, Kentucky 40507-1801
(859) 231-3000
Tax Id # 61-0421389
March 7, 2024

Mountain Water District
tolson@mtwater.org
chatfield@mtwater.org

INVOICE NO.: 1039050
SKO File No.: 121807/176385

PAYMENT REMITTANCE

Payments via regular mail:

STOLL · KEENON · OGDEN PLLC
P.O. Box 11969
Lexington, Kentucky 40579-1969

Payments via ACH or EFT:

Stoll Keenon Ogden PLLC IOLTA Account
Fifth Third Bank, Cincinnati OH
ABA/Bank Routing Number: 042101190
Account Number: 7381347322

Please reference your account and invoice numbers.
Email remittance to payments@skofirm.com

Re: General Regulatory Matters

Our Reference: 121807/176385/GEW/2404

Fees rendered this bill	$ 1,602.30
Total Current Charges This Matter	**$ 1,602.30**
Balance as of 07/18/23	$98.10
Less credits (payments, adjustments)	$0.00
Balance due on prior billings	**$98.10**
Total Amount Due This Matter	**$1,700.40**

*PLEASE INDICATE INVOICE NUMBER 1039050 ON PAYMENT

STOLL · KEENON · OGDEN
PLLC
300 West Vine Street
Suite 2100
Lexington, Kentucky 40507-1801
(859) 231-3000
Tax Id # 61-0421389
March 7, 2024

Mountain Water District
tolson@mtwater.org
chatfield@mtwater.org

INVOICE NO.: 1039050
SKO File No.: 121807/176385

MATTER NAME: General Regulatory Matters

TOTAL FEES FOR PROFESSIONAL SERVICES PER ATTACHED	1,602.30
TOTAL CHARGES FOR EXPENSES AND OTHER SERVICES PER ATTACHED	0.00
INVOICE TOTAL	$ 1,602.30

BALANCE DUE from previous statements:

Bill Date	Invoice	Outstanding Amount
07/18/23	1017042	98.10

Total Balance Due on Previous Statements:	$ 98.10
TOTAL BALANCE DUE	**$1,700.40**

*PLEASE INDICATE INVOICE NUMBER 1039050 ON PAYMENT

BILL DATE: March 7, 2024

Mountain Water District
tolson@mtwater.org
chatfield@mtwater.org

General Regulatory Matters

LEGAL FEES

DATE	IND	DESCRIPTION OF SERVICE	HOURS	RATE	AMOUNT
02/05/24	GEW	Email message to J. Fell re: possible conference call with PSC Staff on Qualified Infrastructure Improvement Plan; telephone call with T. Olson re: conference	0.60	327.00	$ 196.20
02/27/24	GEW	Review T. Olson's email re: need for PSC action on KIA lead service line inventory loan; telephone call to J. Brady (KIA) re: assistance agreement contents; telephone call to N. Lile (KIA Staff Attorney) re: assistance agreement contents	1.10	327.00	359.70
02/28/24	GEW	Prepare and file Notice of Compliance; telephone conference with T. Olson	3.20	327.00	1,046.40
		SUBTOTAL	**4.90**		**$1,602.30**

EXPENSES AND OTHER SERVICES

***note: all copies are billed at .10/page unless otherwise indicated*

DATE	DESCRIPTION	AMOUNT
	SUBTOTAL	**0.00**
GRAND TOTAL:		**$1,602.30**

ATTORNEY/PARALEGAL SUMMARY

TIMEKEEPER	RANK	HOURS	RATE	AMOUNT
G. E Wuetcher	Of Counsel	4.90	327.00	$1,602.30

STOLL · KEENON · OGDEN
PLLC
300 West Vine Street
Suite 2100
Lexington, Kentucky 40507-1801
(859) 231-3000
Tax Id # 61-0421389
December 4, 2023

Mountain Water District
tolson@mtwater.org
chatfield@mtwater.org

INVOICE NO.: 1030198
SKO File No.: 121807/178014

PAYMENT REMITTANCE

Payments via regular mail:

STOLL · KEENON · OGDEN PLLC
P.O. Box 11969
Lexington, Kentucky 40579-1969

Payments via ACH or EFT:

Stoll Keenon Ogden PLLC IOLTA Account
Fifth Third Bank, Cincinnati OH
ABA/Bank Routing Number: [redacted]
Account Number: [redacted]

Please reference your account and invoice numbers.
Email remittance to payments@skofirm.com

Re: Appeal of FCC Decision - No. 20-CI-00190

Our Reference: 121807/178014/MLB/2404

Fees rendered this bill	$ 143.00
Total Current Charges This Matter	**$ 143.00**

*PLEASE INDICATE INVOICE NUMBER 1030198 ON PAYMENT

STOLL · KEENON · OGDEN
PLLC
300 West Vine Street
Suite 2100
Lexington, Kentucky 40507-1801
(859) 231-3000
Tax Id # 61-0421389
December 4, 2023

Mountain Water District
tolson@mtwater.org
chatfield@mtwater.org

INVOICE NO.: 1030198
SKO File No.: 121807/178014

MATTER NAME: Appeal of FCC Decision - No. 20-CI-00190

TOTAL FEES FOR PROFESSIONAL SERVICES PER ATTACHED	143.00
TOTAL CHARGES FOR EXPENSES AND OTHER SERVICES PER ATTACHED	0.00
INVOICE TOTAL	$ 143.00
TOTAL BALANCE DUE	**$143.00**

*PLEASE INDICATE INVOICE NUMBER 1030198 ON PAYMENT

BILL DATE: December 4, 2023

Mountain Water District
tolson@mtwater.org
chatfield@mtwater.org

Appeal of FCC Decision - No. 20-CI-00190

LEGAL FEES

DATE	IND	DESCRIPTION OF SERVICE	HOURS	RATE	AMOUNT
11/17/23	MML	Communication with M. Braun; review oral argument notice; calendar same	0.20	290.00	$ 58.00
11/19/23	GEW	Prepare e-mail memorandum to T. Olson re: status of appeal; notice if scheduling of oral arguments	0.20	425.00	85.00
		SUBTOTAL	**0.40**		**$143.00**

EXPENSES AND OTHER SERVICES

DATE	DESCRIPTION	AMOUNT
	SUBTOTAL	**0.00**
	GRAND TOTAL:	**$143.00**

STOLL · KEENON · OGDEN
PLLC
300 West Vine Street
Suite 2100
Lexington, Kentucky 40507-1801
(859) 231-3000
Tax Id # 61-0421389
January 4, 2024

Mountain Water District
tolson@mtwater.org
chatfield@mtwater.org

INVOICE NO.: 1033279
SKO File No.: 121807/178014

PAYMENT REMITTANCE

Payments via regular mail:

STOLL · KEENON · OGDEN PLLC
P.O. Box 11969
Lexington, Kentucky 40579-1969

Payments via ACH or EFT:

Stoll Keenon Ogden PLLC IOLTA Account
Fifth Third Bank, Cincinnati OH
ABA/Bank Routing Number: [redacted]
Account Number: [redacted]

Please reference your account and invoice numbers.
Email remittance to payments@skofirm.com

Re: Appeal of FCC Decision - No. 20-CI-00190

Our Reference: 121807/178014/MLB/2404

Fees rendered this bill	$ 39.00
Total Current Charges This Matter	**$ 39.00**
Balance as of 12/04/23	$143.00
Less credits (payments, adjustments)	$0.00
Balance due on prior billings	**$143.00**
Total Amount Due This Matter	**$182.00**

*PLEASE INDICATE INVOICE NUMBER 1033279 ON PAYMENT

STOLL · KEENON · OGDEN
PLLC
300 West Vine Street
Suite 2100
Lexington, Kentucky 40507-1801
(859) 231-3000
Tax Id # 61-0421389
January 4, 2024

Mountain Water District
tolson@mtwater.org
chatfield@mtwater.org

INVOICE NO.: 1033279
SKO File No.: 121807/178014

MATTER NAME: Appeal of FCC Decision - No. 20-CI-00190

TOTAL FEES FOR PROFESSIONAL SERVICES PER ATTACHED	39.00
TOTAL CHARGES FOR EXPENSES AND OTHER SERVICES PER ATTACHED	0.00
INVOICE TOTAL	$ 39.00

BALANCE DUE from previous statements:

Bill Date	Invoice	Outstanding Amount
12/04/23	1030198	143.00

Total Balance Due on Previous Statements:	$ 143.00
TOTAL BALANCE DUE	**$182.00**

*PLEASE INDICATE INVOICE NUMBER 1033279 ON PAYMENT

BILL DATE: January 4, 2024

Mountain Water District
tolson@mtwater.org
chatfield@mtwater.org

Appeal of FCC Decision - No. 20-CI-00190

LEGAL FEES

DATE	IND	DESCRIPTION OF SERVICE	HOURS	RATE	AMOUNT
12/06/23	MLB	Review order denying Pikeville's motion to reschedule oral argument	0.10	390.00	$ 39.00
		SUBTOTAL	**0.10**		**$39.00**

EXPENSES AND OTHER SERVICES

DATE	DESCRIPTION	AMOUNT
	SUBTOTAL	**0.00**
	GRAND TOTAL:	**$39.00**

STOLL · KEENON · OGDEN
PLLC
300 West Vine Street
Suite 2100
Lexington, Kentucky 40507-1801
(859) 231-3000
Tax Id # 61-0421389
September 16, 2024

Mountain Water District
tolson@mtwater.org
chatfield@mtwater.org

INVOICE NO.: 1055698
SKO File No.: 121807/176385

MATTER NAME: General Regulatory Matters

TOTAL FEES FOR PROFESSIONAL SERVICES PER ATTACHED	784.80
TOTAL CHARGES FOR EXPENSES AND OTHER SERVICES PER ATTACHED	0.00
INVOICE TOTAL	$ 784.80
TOTAL BALANCE DUE	**$784.80**

*PLEASE INDICATE INVOICE NUMBER 1055698 ON PAYMENT

BILL DATE: September 16, 2024

Mountain Water District
tolson@mtwater.org
chatfield@mtwater.org

General Regulatory Matters

LEGAL FEES

DATE	IND	DESCRIPTION OF SERVICE	HOURS	RATE	AMOUNT
08/05/24	GEW	Prepare Open Records Act Request and file with PSC	1.40	327.00	$ 457.80
08/08/24	GEW	Prepare Notice to PSC that Billing Corrections have been performed and report the amount of billing corrections to wholesale and retail customers	0.60	327.00	196.20
08/12/24	GEW	Telephone call from J.E.B Pinney re: Mountain District's Open Records Act Request and proposed resolution to request	0.20	327.00	65.40
08/22/24	GEW	Email to T. Olson re: conference with PSC staff re:revenue discrepancy	0.10	327.00	32.70
08/27/24	GEW	Email to J E.B. Pinney re: conference with PSC Staff.	0.10	327.00	32.70
		SUBTOTAL	**2.40**		**$784.80**

EXPENSES AND OTHER SERVICES

***note: all copies are billed at .10/page unless otherwise indicated*

DATE	DESCRIPTION	AMOUNT
	SUBTOTAL	**0.00**
GRAND TOTAL:		**$784.80**

ATTORNEY/PARALEGAL SUMMARY

TIMEKEEPER	RANK	HOURS	RATE	AMOUNT
G. E Wuetcher	Of Counsel	2.40	327.00	$784.80

STOLL · KEENON · OGDEN
PLLC
300 West Vine Street
Suite 2100
Lexington, Kentucky 40507-1801
(859) 231-3000
Tax Id # 61-0421389
September 16, 2024

Mountain Water District
tolson@mtwater.org
chatfield@mtwater.org

INVOICE NO.: 1055698
SKO File No.: 121807/176385

PAYMENT REMITTANCE

Payments via regular mail:

STOLL · KEENON · OGDEN PLLC
P.O. Box 11969
Lexington, Kentucky 40579-1969

Payments via ACH or EFT:

Stoll Keenon Ogden PLLC IOLTA Account
Fifth Third Bank, Cincinnati OH
ABA/Bank Routing Number: 042101190
Account Number: 7381347322

Please reference your account and invoice numbers.
Email remittance to payments@skofirm.com

Re: General Regulatory Matters

Our Reference: 121807/176385/GEW/2404

Fees rendered this bill	$ 784.80
Total Current Charges This Matter	**$ 784.80**

*PLEASE INDICATE INVOICE NUMBER 1055698 ON PAYMENT

STOLL · KEENON · OGDEN
PLLC
300 West Vine Street
Suite 2100
Lexington, Kentucky 40507-1801
(859) 231-3000
Tax Id # 61-0421389
October 9, 2024

Mountain Water District
tolson@mtwater.org
chatfield@mtwater.org

INVOICE NO.: 1057809
SKO File No.: 121807/176385

PAYMENT REMITTANCE

Payments via regular mail:

STOLL · KEENON · OGDEN PLLC
P.O. Box 11969
Lexington, Kentucky 40579-1969

Payments via ACH or EFT:

Stoll Keenon Ogden PLLC IOLTA Account
Fifth Third Bank, Cincinnati OH
ABA/Bank Routing Number: [redacted]
Account Number: [redacted]

Please reference your account and invoice numbers.
Email remittance to payments@skofirm.com

Re: General Regulatory Matters

Our Reference: 121807/176385/GEW/2404

Fees rendered this bill	$ 3,825.70
Total Current Charges This Matter	**$ 3,825.70**

*PLEASE INDICATE INVOICE NUMBER 1057809 ON PAYMENT

STOLL · KEENON · OGDEN
PLLC
300 West Vine Street
Suite 2100
Lexington, Kentucky 40507-1801
(859) 231-3000
Tax Id # 61-0421389
October 9, 2024

Mountain Water District
tolson@mtwater.org
chatfield@mtwater.org

INVOICE NO.: 1057809
SKO File No.: 121807/176385

MATTER NAME: General Regulatory Matters

TOTAL FEES FOR PROFESSIONAL SERVICES PER ATTACHED	3,825.70
TOTAL CHARGES FOR EXPENSES AND OTHER SERVICES PER ATTACHED	0.00
INVOICE TOTAL	$ 3,825.70
TOTAL BALANCE DUE	**$3,825.70**

*PLEASE INDICATE INVOICE NUMBER 1057809 ON PAYMENT

BILL DATE: October 9, 2024

Mountain Water District
tolson@mtwater.org
chatfield@mtwater.org

General Regulatory Matters

LEGAL FEES

DATE	IND	DESCRIPTION OF SERVICE	HOURS	RATE	AMOUNT
09/02/24	ESC	Began reviewing billing analyses and Commission Orders from 2022 general rate cases to prepare to cover upcoming informal conference with Commission Staff	0.40	320.00	$ 128.00
09/03/24	GEW	Review email from T. Olson re: rescheduling of conference with PSC Staff; prepare e-mail to J. Pinney (PSC Staff) advising of need to reschedule conference re: Mountain Water District's record request	0.10	327.00	32.70
09/13/24	GEW	Telephone call to J. Pinney re: conference with PSC Staff; e-mail to T. Olson re: confirmation of new conference date/time	0.20	327.00	65.40
09/16/24	ESC	Attended call with Mountain Water District and G. Wuetcher to discuss informal conference; prepared for informal conference by reviewing case record	1.60	320.00	512.00
09/16/24	DRT	Reviewed PSC Orders and revised Orders in Mountain Water District's Rate cases to prepare for the Informal Conference' conferred with Emily Choi;ldress re the Informal Conference scheduled for September 17, 2024	0.00	0.00	0.00
09/16/24	GEW	Video conference with client to discuss preparations for conference with PSC staff	0.80	327.00	261.60
09/17/24	DRT	Attended Informal Conference in Frankfort with PSC Staff, client representatives, and Emily Childress to discuss possible causes of revenue shortfall (No Charge)	0.10	420.00	42.00

DATE	IND	DESCRIPTION OF SERVICE	HOURS	RATE	AMOUNT
09/17/24	ESC	Attended informal conference between Mountain Water District staff and Public Service Commission Staff regarding inadequate revenue collections under current rate design; traveled to and from Frankfort to attend informal conference	3.10	320.00	992.00
09/18/24	ESC	Corresponded with G. Wuetcher and Tammy Olson re next steps following informal conference with Public Service Commission Staff regarding inadequacy of current rate design	1.70	320.00	544.00
09/18/24	ESC	Prepared filings and correspondence to Public Service Commission regarding updates to contact information for Mountain Water District personnel	0.90	320.00	288.00
09/19/24	ESC	Prepared Mountain Water District's Response to Commission Staff's First Request for Information in water surcharge monitoring Case No. 2023-00351 for filing	1.50	320.00	480.00
09/19/24	ESC	Corresponded with G. Wuetcher and Tammy Olson re next steps to address undercollection of revenues under current rate design	0.40	320.00	128.00
09/20/24	ESC	Finalized Mountain Water District's Response to Commission Staff's First Request for Information in water surcharge monitoring Case No. 2023-00351 for filing; corresponded with Tammy Olson re same	0.30	320.00	96.00
09/23/24	ESC	Prepared and filed entry of appearance of counsel and notice regarding update to electronic service distribution list in Kentucky Public Service Commission Case No. 2022-00366	0.80	320.00	256.00
		SUBTOTAL	**11.90**		**$3,825.70**

EXPENSES AND OTHER SERVICES

***note: all copies are billed at .10/page unless otherwise indicated*

DATE	DESCRIPTION	AMOUNT
	SUBTOTAL	**0.00**

*PLEASE INDICATE INVOICE NUMBER 1057809 ON PAYMENT

DATE	DESCRIPTION	AMOUNT
GRAND TOTAL:		**$3,825.70**

ATTORNEY/PARALEGAL SUMMARY

TIMEKEEPER	RANK	HOURS	RATE	AMOUNT
E. Childress	Associate	10.70	320.00	$3,424.00
D. R Talley	Of Counsel	0.10	420.00	$42.00
G. E Wuetcher	Of Counsel	1.10	327.00	$359.70

MICHAEL R. SPEARS, CPA, PSC
CERTIFIED PUBLIC ACCOUNTANT
P. O. BOX 1270
PRESTONSBURG, KY 41653

MOUNTAIN WATER DISTRICT PSC FILING
PO BOX 3157
PIKEVILLE, KY 41501

Client #: 33051

Invoice # 26553 January 31, 2024

For Professional Services Rendered:

RATE STUDT MEETING	180.00
Total Due	$180.00

MICHAEL R. SPEARS, CPA, PSC
CERTIFIED PUBLIC ACCOUNTANT
P. O. BOX 1270
PRESTONSBURG, KY 41653

MOUNTAIN WATER DISTRICT
P. O. BOX 3157
PIKEVILLE, KY 41501

Client #: 33050

Invoice # 26552 January 31, 2024

For Professional Services Rendered:

MOHTHLY, BUDGET AND SUBMISSION

Total Due $2,833.00

==========

MICHAEL R. SPEARS, CPA, PSC
CERTIFIED PUBLIC ACCOUNTANT
P. O. BOX 1270
PRESTONSBURG, KY 41653

MOUNTAIN WATER DISTRICT
P. O. BOX 3157
PIKEVILLE, KY 41501

Client #: 33050

Invoice # 26648 February 29, 2024

For Professional Services Rendered:

BUDGET, MONTHLY AND SURCHARGE MEETINGS	5,154.00
Total Due	$5,154.00

POSTED

MICHAEL R. SPEARS, CPA, PSC
CERTIFIED PUBLIC ACCOUNTANT
P. O. BOX 1270
PRESTONSBURG, KY 41653

MOUNTAIN WATER DISTRICT
P. O. BOX 3157
PIKEVILLE, KY 41501

Client #: 33050

Invoice # 26752 March 31, 2024

For Professional Services Rendered:

MONTHLY ACCOUNTING SERVICES FOR MARCH	2,928.00

Total Due	$2,928.00

POSTED

MICHAEL R. SPEARS, CPA, PSC
CERTIFIED PUBLIC ACCOUNTANT
P. O. BOX 1270
PRESTONSBURG, KY 41653

MOUNTAIN WATER DISTRICT
P. O. BOX 3157
PIKEVILLE, KY 41501

Client #: 33050

Invoice # 26994 May 31, 2024

For Professional Services Rendered:

MONTHLY & PRE AUDIT WORK	3,826.00
Total Due	$3,826.00

MICHAEL R. SPEARS, CPA, PSC
CERTIFIED PUBLIC ACCOUNTANT
P. O. BOX 1270
PRESTONSBURG, KY 41653

MOUNTAIN WATER DISTRICT
P. O. BOX 3157
PIKEVILLE, KY 41501

Client #: 33050

Invoice # 26994 May 31, 2024

For Professional Services Rendered:

MONTHLY & PRE AUDIT WORK	3,826.00
Total Due	$3,826.00

137,180.24
8,750.00

MICHAEL R. SPEARS, CPA, PSC
CERTIFIED PUBLIC ACCOUNTANT
P. O. BOX 1270
PRESTONSBURG, KY 41653

MOUNTAIN WATER DISTRICT
P. O. BOX 3157
PIKEVILLE, KY 41501

June 30, 2024

Statement

Client #: 33050

			Charge	Credit	Balance
05/31/24	Invoice #	26994	3,826.00		
04/29/24	Receipt			75.00-	
	Unpaid Balance				3,751.00
06/30/24	Invoice #	27031	8,526.00		
	Unpaid Balance				8,526.00
Balance Due					$12,277.00

0 - 30	31 - 60	61 - 90	91 - 120	>120	Total
12,277.00	0.00	0.00	0.00	0.00	12,277.00

Amount due is payable upon receipt of invoice. Amount past due will incur a monthly finance charge of 0.00 percent.

MICHAEL R. SPEARS, CPA, PSC
CERTIFIED PUBLIC ACCOUNTANT
P. O. BOX 1270
PRESTONSBURG, KY 41653

Client #: 33051

MOUNTAIN WATER DISTRICT PSC FILING
PO BOX 3157
PIKEVILLE, KY 41501

June 30, 2024

Statement

Beginning Balance			$167.00
Date	Invoice #	Amount	
No Invoices This Period			0.00
No Payment or Other Credits This Period			0.00-
Balance Due			$167.00

0 - 30	31 - 60	61 - 90	91 - 120	>120	Total
167.00	0.00	0.00	0.00	0.00	167.00

Amount due is payable upon receipt of invoice. Amount past due will incur a monthly finance charge of 0.00 percent.

MICHAEL R. SPEARS, CPA, PSC
CERTIFIED PUBLIC ACCOUNTANT
P. O. BOX 1270
PRESTONSBURG, KY 41653

Client #: 33051

MOUNTAIN WATER DISTRICT PSC FILING
PO BOX 3157
PIKEVILLE, KY 41501

June 30, 2024

Statement

Beginning Balance			$167.00
Date	Invoice #	Amount	
No Invoices This Period			0.00
No Payment or Other Credits This Period			0.00-
Balance Due			$167.00

0 - 30	31 - 60	61 - 90	91 - 120	>120	Total
167.00	0.00	0.00	0.00	0.00	167.00

Amount due is payable upon receipt of invoice. Amount past due will incur a monthly finance charge of 0.00 percent.

VANOVER, HALL & BARTLEY, P.S.C.
ATTORNEYS AT LAW

JIM G. VANOVER
ADAM S. HALL
ALEXANDER C. WARD*

126 TRIVETTE DRIVE, SUITE 302
PIKEVILLE, KY 41501

TELEPHONE 606-437-4003
FAX 606-437-7847
E-MAIL: attorneys@vhblaw.com
*ADMITTED IN KY AND WV

MOUNTAIN WATER DISTRICT JANUARY 2024 INVOICE (BY HOUR)

1-3-24 PHONE CALL WITH TIM CAMPOY - .25

1-3-24 PHONE CALL WITH TAMM OLSON - .25

1-3-24 PHONE CALL WITH RANDY TACKETT - .25

1-4-24 PHONE CALL WITH RANDY TACKETT - .17

1-5-24 PHONE CALL WITH STEVEN BAILEY - .25

1-5-24 PHONE CALL WITH GERALD WEUTCHER – NO CHARGE

1-9-24 CASE SEARCH 2019-2023 - .33

1-8-24 GETTING COPIES OF MWD LITIGATION FOR LAST 5 YEARS - .50

1-9-24 MEETING WITH RANDY TACKETT AND TAMMY OLSON – 1.0

1-10-24 PREPARE ORR - .75

1-18-24 REVIEW OF EMAIL ON CASE 23-CI-01030 - .25

1-18-24 REVIEW OF STATUS OF EC/PSC – NO CHARGE

1-23-24 EMAIL & TELEPHONE CONFERENCE WITH PC ATTORNEY REGARDING PSC - .20

1-24-24 REVIEW OF WORKER'S COMP MOTION & ORDER, EMAIL - .50

1-24-24 PHONE CALL WITH RANDY TACKETT - .25

1-25-24 BOARD MEETING – 2.0

6.95 Hours x $165.00 per Hour = $1,146.75

ADDITIONAL CHARGES

TOTAL January Charges: $ 1,146.75

TOTAL OF ALL 3 INVOICES $21,694.45

VANOVER, HALL & BARTLEY, P.S.C.
ATTORNEYS AT LAW

JIM G. VANOVER
ADAM S. HALL
ALEXANDER C. WARD *

126 TRIVETTE DRIVE, SUITE 302
PIKEVILLE, KY 41501

TELEPHONE 606-437-4003
FAX 606-437-7847
E-MAIL: attorneys@vhblaw.com
* ADMITTED IN KY AND WV

MOUNTAIN WATER DISTRICT NOVEMBER 2023 INVOICE (BY HOUR)

11-2-23 REVIEW OF ANALYSIS OF THE PSC ORDER ON SEWER RATES - .20

11-3-23 PROCUREMENT CODE ISSUE - .20

11-3-23 REVIEW PFC ORDER - .25

11-7-23 EMAIL TAMMY OLSON - .10

11-7-23 STATUS REPORT ON COURT OF APPEALS ACTION - NO CHARGE

11-8-23 REVIEW OF GRINDER PUMP/CUSTOMER ISSUE - .50

11-20-23 REVIEW OF EMAILS (2) REGARDING GRINDER PUMP/SEWAGE ISSUE - .50

11-29-23 LETTER FOR PEACH ORCHARD PROJECT - .50

11-30-23 REVIEW OF GRANT, DRAFT LETTER - .50

11-30-23 BOARD MEETING – 2.5

5.25 Hours x $165.00 per Hour = $866.25

ADDITIONAL CHARGES

TOTAL November Charges: $ 866.25

VANOVER, HALL & BARTLEY, P.S.C.
ATTORNEYS AT LAW

JIM G. VANOVER
ADAM S. HALL
ALEXANDER C. WARD *

126 TRIVETTE DRIVE, SUITE 302
PIKEVILLE, KY 41501

TELEPHONE 606-437-4003
FAX 606-437-7847
E-MAIL: attorneys@vhblaw.com
* ADMITTED IN KY AND WV

MOUNTAIN WATER DISTRICT DECEMBER 2023 INVOICE (BY HOUR)

12-8-23 REVIEW OF EMAIL REGARDING GRINDER PUMP ISSUE – NO CHARGE

12-11-23 SPECIAL BOARD MEETING - .33

12-12-23 REVIEW OF FISH TRAP PROJECT DOCUMENTS - .40

12-21-23 PHONE CALL WITH RANDY TACKETT - .50

12-21-23 BOARD MEETING - 1.40

12-27-23 ZOOM CONFERENCE WITH STEVE CAUDILL - .25

12-28-23 PHONE CALL WITH TAMMY OLSON - .17

12-29-23 SPECIAL BOARD MEETING – 1.08

4.13 Hours x $165.00 per Hour = $681.45

ADDITIONAL CHARGES

TOTAL December Charges: $ 681.45

VHBW

VANOVER, HALL, BARTLEY & WARD, P.S.C.
ATTORNEYS AT LAW

JIM G. VANOVER
ADAM S. HALL
ALEXANDER C. WARD *

225 HAMBLEY BOULEVARD
PIKEVILLE, KY 41501

TELEPHONE 606-437-4003
FAX 606-437-7847
E-MAIL: attorneys@vhblaw.com
* ADMITTED IN KY AND WV

MOUNTAIN WATER DISTRICT JANUARY 2024 – MAY 2024 INVOICE (BY HOUR)

FEBRUARY

02/01/2024: METERS, COUNSEL OPINION LETTER - .50

02/12/2024: EMAIL, PSC - .25

02/14/2024: EMAIL, EMPLOY INCIDENT - .50

02/21/2024: AF-FF LITIGATION - .25

02/28/2024: PC WATER LINE EXHIBIT - .25

02/29/2024: BOARD MEETING – 3.25

TOTAL: 5hr x $165.00 = $825.00

MARCH

POSTED

03/04/2024: PFAS SETTLEMENT REVIEW - .50

03/04/2024: ORR LETTER - .25 (discuss)

03/13/2024: PFAS AMEND - .25

03/19/2024: FISHTRAP HYDRALIC PROJECT - .50

03/20/2024: ORR LETTER-DRAFT - .50

03/25/2024: REVIEW SUBPOENAS FOR INFORMATION - .50

03/25/2024: ORR EMAIL – NO CHARGE

03/28/2024: BOARD MEETING – 1.25

TOTAL: 3.75hr x $165.00 = $618.75

APRIL

04/01/2024: LEAD SERVICE LINE EXHIBIT - .25

04/02/2024: CIT PROJECT - .25

04/05/2024: ORR EMAIL (2) - .25

04/05/2024: REVIEW NAPOLI SHKOL LETTER - .25

04/05/2024: ORR COMMENTS – NO CHARGE

04/08/2024: REVIEW OF PSC RESPONSE - .50

04/15/2024: UPDATE ON MATTERS - .50

04/19/2024: PSC OPINION REVIEW - .50

04/25/2024: BOARD MEETING – 2.00

TOTAL: 4.5hr x $165.00 = $742.50

MAY

05/13/2024: HICKMAN PREP – 1.0

05/16/2024: REVIEW DOCUMENTS WITH KEVIN LOWE - .25

05/17/2024: TELEPHONE CONFERENCE WITH KEVIN LOWE - .25

5/20/2024: COURT APPEARANCE – SERVICE ISSUE – 1.00

05/29/2024: DISCOVERY PREP – .50

05/30/2024: BOARD MEETING – 1.75

TOTAL: 4.75hr x $165.00 = $783.75

ADDITIONAL CHARGES

TOTAL Charges for February 2024-May 2024: $2970.00

Jim G. Vanover, Esq.

VHBW

VANOVER, HALL, BARTLEY & WARD, P.S.C.
ATTORNEYS AT LAW

JIM G. VANOVER
ADAM S. HALL
ALEXANDER C. WARD*

225 HAMBLEY BOULEVARD
PIKEVILLE, KY 41501

TELEPHONE 606-437-4003
FAX 606-437-7847
E-MAIL: attorneys@vhblaw.com
*ADMITTED IN KY AND WV

MOUNTAIN WATER DISTRICT JUNEc 2024 INVOICE (BY HOUR)

JUNE

6/5/2024: Review of Engagement Letter - .50

6/17/2024: Bid Opening - .25

6/17/2024: Email Regarding Bids – NO CHARGE

6/18/2024: Tammy Olsen Telephone Conference - .25

6/21/2024: Tammy Olsen Telephone Conference - .25

6/24/2024: Fishtrap RD Opinion of Counsel - .25

6/24/2024: Email Review - NO CHARGE

6/25/2024: Mountain Water District Meeting – 1.25

6/27/2024: B.O.C. meeting – 2.0

6/27/2024: Labor Law Meeting – 1.00

6/27/2024: Review of Regulations - .50

POSTED

TOTAL: 6.25hr x $165.00 = $1031.25

ADDITIONAL CHARGES

TOTAL Charges for June 2024: $1031.25

Jim G. Vanover, Esq.

VHBW

VANOVER, HALL, BARTLEY & WARD, P.S.C.
ATTORNEYS AT LAW

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MOUNTAIN WATER DISTRICT JULY 2024 INVOICE (BY HOUR)

JULY

7/2/2024: Meeting with Co-Counsel - .75

7/2//2024: Meeting with Tammy Olsen & R.T. – 1.00

7/3/2024: Review of Retention Document - .30

7/8/2024: Telephone Conference with Bill Hickman - .25

7/9/2024: Conference with Bill Hickman - .25

7/10/2024: Agreement Review OOC Letter - .75

7/10/2024: Review of Proposed Discussion - .25

7/17/2024: Gravel Bid Opening – NO CHARGE

7/18/2024: Peach Orchid Closing - .25

7/25/2024: Addendum Review - .25

7/25/2024: Deed Receipt - .25

7/25/2024: Board Meeting - . 2.50

7/25/2024: Litigation Review - .50

7/30/2024: Document Inquiry - .25

7/31/2024: Email – NO CHARGE

TOTAL: 7.55hr x $165.00 = $1,245.75

ADDITIONAL CHARGES

TOTAL Charges for July 2024: $1,245.75

Jim G. Vanover, Esq.

VHBW

VANOVER, HALL, BARTLEY & WARD, P.S.C.
ATTORNEYS AT LAW

JIM G. VANOVER
ADAM S. HALL
ALEXANDER C. WARD *

225 HAMBLEY BOULEVARD
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TELEPHONE 606-437-4003
FAX 606-437-7847
E-MAIL: attorneys@vhblaw.com
* ADMITTED IN KY AND WV

MOUNTAIN WATER DISTRICT NOVEMBER 2024 INVOICE (BY HOUR)

NOVEMBER

11/5/2024: Melissa Wright Email (review of documents) – .50

11/5/2024: Telephone Conference with Tammy Olsen - .25

11/6/2024: Email with Tammy Olsen– .25

11/14/2024: Review of WLP documents – .50

11/18/2024: Document Review/Prep - .75

11/19/2024: Email with Tammy Olsen on W/E lists - .25

11/19/2024: Legal Research - .50

11/20/2024: Communication with O.C. - .50

11/22/2024: Email with Tammy Olsen – .25

11/25//2024: Email with O.C. – .25

11/25/2024: MWD Bid Opening – .25

TOTAL: 4.25hr x $165.00 = $701.25

Jim G. Vanover, Esq.

CORS&BASSETT
ATTORNEYS AT LAW LLC

201 E. FIFTH STREET, SUITE 900 // CINCINNATI, OHIO 45202
513.852.8200 // CORSBASSETT.COM

DATE: August 13, 2024
BILLING ATTORNEY: AMH
INVOICE # 2356540

Mountain Water District
tolson@mtwater.org

For professional services rendered through July 31, 2024 in connection with the following matters:

RE: Employment

POSTED

PROFESSIONAL SERVICES--

DATE	ATTORNEY	HOURS	DESCRIPTION OF SERVICES	AMOUNT
07/08/24	AMH	1.70	Prepared for and participated in phone call with the client regarding exempt/non-exempt classifications based on job descriptions.	552.50
			TOTAL PROFESSIONAL SERVICES	552.50
			Employment Total	552.50

SUMMARY OF PROFESSIONAL SERVICES

	HOURS	RATE	AMOUNT
Alison M. Huenefeld	1.70	325.00	$552.50
	1.70		$552.50

INVOICE SUMMARY

INVOICE TOTAL	$552.50
PRIOR BALANCE	$0.00
TOTAL BALANCE DUE	**$552.50**

SAMANTHA HATCHER SMITH, P.S.C.
ATTORNEY AT LAW
P.O. BOX 1018
PIKEVILLE, KENTUCKY 41502
(606) 432-4260

Vanover, Hall, Bartley & Ward
225 Hambley Blvd.
Pikeville, KY 41501
Attn: Jim Vanover

RE: JAMES JACK HAMILTON LIVING TRUST DATED 2/25/01

For services rendered: July 16, 2024

For examination of the records in the office of the
Pike County Clerk.....$150.00

Copy Expense.....$ 82.00

TOTAL OF STATEMENT **$232.00**

THANK YOU!

RICHARD F. PAULMANN, CPA LLC
CERTIFIED PUBLIC ACCOUNTANT
7514 EAST ORCHARD GRASS BLVD.
CRESTWOOD, KY 40014
(502) 550-1568
e-mail: Richardpaulmann@twc.com

INVOICE FOR SERVICES

September 5, 2024

Professional Services Rendered:

Audit of financial statements December 2023.
Mountain Water District
½ due at completion of field work
Per agreement dated March 13, 2024 $ 9,000

Thank you for you patronage

I now accept Visa and Master Card

MOUNTAIN WATER DISTRICT
PO Box 3157
Pikeville, KY 41502

Community Trust Bank
042102694

84638

Check date: 09/06/24

Pay to the order of: RICHARD F. PAULMANN, CPA $ ********9,000.00

Nine Thousand And 00/100 Dollars********

RICHARD F. PAULMANN, CPA
7514 E. ORCHARD GRASS BLVD
Crestwood, KY 40014

⑈0000084638⑈ [redacted]

From: MOUNTAIN WATER DISTRICT
To: RICHARD F. PAULMANN, CPA
Memo: 1/2 2023 audit

Check Date: 09/06/24
Check Number: 84638

Payable Detail

Date	Reference	PO Number	Amount	Discount	Amount Paid
09/05/24	2023-1		9,000.00	0.00	9,000.00

Payment Detail

Date	Reference	Type	Discount	Amount Paid
09/06/24	84638	AP check	0.00	9,000.00

YTD Amount Billed	YTD Disc Taken	YTD Amount Paid		
9,000.00	0.00	9,000.00	**Current Pay**	9,000.00

From: MOUNTAIN WATER DISTRICT
To: RICHARD F. PAULMANN, CPA
Account:

Check Date: 09/06/24
Check Number: 84638

Payable Detail

Date	Reference	PO Number	Amount	Discount	Amount Paid
09/05/24	2023-1		9,000.00	0.00	9,000.00

Payment Detail

Date	Reference	Type	Discount	Amount Paid
09/06/24	84638	AP check	0.00	9,000.00

YTD Amount Billed	YTD Disc Taken	YTD Amount Paid		
9,000.00	0.00	9,000.00	**Current Pay**	9,000.00

MOUNTAIN WATER DISTRICT
PO Box 3157
Pikeville, KY 41502

Community Trust Bank
042102694

84701

Check date: 09/26/24

Pay to the order of: RICHARD F. PAULMANN, CPA $ ********9,000.00

Nine Thousand And 00/100 Dollars********

RICHARD F. PAULMANN, CPA
7514 E. ORCHARD GRASS BLVD
Crestwood, KY 40014

Tammy Olson

⑈00000847 0⑈ [redacted]⑈

From: MOUNTAIN WATER DISTRICT
To: RICHARD F. PAULMANN, CPA
Memo: balance owed on audit 2023

Check Date: 09/26/24
Check Number: 84701

Payable Detail

Date	Reference	PO Number	Amount	Discount	Amount Paid
09/26/24	092624		9,000.00	0.00	9,000.00

Payment Detail

Date	Reference	Type	Discount	Amount Paid
09/26/24	84701	AP check	0.00	9,000.00

YTD Amount Billed	YTD Disc Taken	YTD Amount Paid		
18,000.00	0.00	18,000.00	**Current Pay**	9,000.00

From: MOUNTAIN WATER DISTRICT
To: RICHARD F. PAULMANN, CPA
Account:

Check Date: 09/26/24
Check Number: 84701

Payable Detail

Date	Reference	PO Number	Amount	Discount	Amount Paid
09/26/24	092624		9,000.00	0.00	9,000.00

Payment Detail

Date	Reference	Type	Discount	Amount Paid
09/26/24	84701	AP check	0.00	9,000.00

YTD Amount Billed	YTD Disc Taken	YTD Amount Paid		
18,000.00	0.00	18,000.00	**Current Pay**	9,000.00

MOUNTAIN WATER DISTRICT
General Ledger
January 1, 2024 - December 31, 2024

Date	Reference	Journal	Description	Beginning Balance	Current Amount	Period End Balance
6225.08 rate study				0.00		
01/30/24	26553		Michael Spears, CPA		167.00	
06/01/24	1035898		Stoll-Keenon-Ogden		752.10	
11/01/24	1060327		Stoll-Keenon-Ogden		1,960.00	
			Totals for 6225.08		2,879.10	2,879.10
			Report Total			2,879.10

OUT OF BALANCE

Net Profit/(Loss)

Current Period	0.00
Year-to-Date	(2,879.10)

Distribution count = 3

MOUNTAIN WATER DISTRICT
General Ledger
January 1, 2024 - December 31, 2024

Date	Reference	Journal	Description	Beginning Balance	Current Amount	Period End Balance
6850.00	**Rate Study Expense**			0.00		
06/01/24	995533		Stoll-Keenon-Ogden		1,505.35	
06/01/24	1028284		Stoll-Keenon-Ogden		555.90	
06/01/24	1030202		Stoll-Keenon-Ogden		7,521.00	
06/01/24	1034806		Stoll-Keenon-Ogden		1,994.70	
10/10/24	1057809		Stoll-Keenon-Ogden		3,825.70	
			Totals for 6850.00		15,402.65	15,402.65
			Report Total			15,402.65

OUT OF BALANCE

Net Profit/(Loss)

Current Period	0.00
Year-to-Date	(15,402.65)

Distribution count = 5

MOUNTAIN WATER DISTRICT
General Ledger
January 1, 2024 - December 31, 2024

Date	Reference	Journal	Description	Beginning Balance	Current Amount	Period End Balance
6330.08	**CONTRACT SERVICE - LEGAL**			0.00		
01/31/24	Nov,dec, january		Vanover, Hall and Bartley, PSC		2,694.45	
05/31/24	MAY2024		Vanover, Hall and Bartley, PSC		2,970.00	
06/30/24	063024		Vanover, Hall and Bartley, PSC		1,031.25	
07/30/24	073124		Vanover, Hall and Bartley, PSC		1,245.75	
08/06/24	2356540		CORS 7 BASSETT ATTORNEYS AT LAW		552.50	
08/26/24	071624		Samantha Hatcher Smith, P.S.C.		232.00	
12/01/24	120124		Vanover, Hall and Bartley, PSC		701.25	
12/03/24	5220		City of Pikeville		537.00	
			Totals for 6330.08		9,964.20	9,964.20
			Report Total			9,964.20

OUT OF BALANCE

Net Profit/(Loss)

Current Period	(1,238.25)
Year-to-Date	(9,964.20)

Distribution count = 8

MOUNTAIN WATER DISTRICT
General Ledger
January 1, 2024 - December 31, 2024

Date	Reference	Journal	Description	Beginning Balance	Current Amount	Period End Balance
6701.00	**OTHER LEGAL PSC EXPENSE**			0.00		
01/01/24	1030198		Stoll-Keenon-Ogden		143.00	
01/01/24	1033279		Stoll-Keenon-Ogden		39.00	
03/07/24	1039050		Stoll-Keenon-Ogden		1,700.40	
04/04/24	1036009		Stoll-Keenon-Ogden		664.00	
04/04/24	1038595		Stoll-Keenon-Ogden		4,897.00	
04/04/24	1043978		Stoll-Keenon-Ogden		2,646.50	
09/16/24	1055698		Stoll-Keenon-Ogden		784.80	
11/01/24	1060330		Stoll-Keenon-Ogden		3,912.50	
11/07/24	5153		City of Pikeville		537.00	
			Totals for 6701.00		15,324.20	15,324.20
			Report Total			15,324.20

OUT OF BALANCE

Net Profit/(Loss)

Current Period	0.00
Year-to-Date	(15,324.20)

Distribution count = 9

MOUNTAIN WATER DISTRICT

Response to Commission Staff's First Request for Information
Case No. 2025-00327

Question No. 1-6

Responding Witness: Carrie Hatfield

Q-1-6. Provide the following information:

a. A detailed analysis of charges booked for advertising expenditures during the test year. Include a complete breakdown of Account No. 660 – Advertising Expenses, and any other advertising expenditures included in any other expense accounts, as shown in Schedule C1. The analysis should specify the purpose of the expenditure and the expected benefit to be derived.

b. An analysis of Account No. 675 – Miscellaneous General Expenses for the test year. Include a complete breakdown of this account as shown in Schedule C2 and provide detailed workpapers supporting this analysis. At a minimum, the analysis should show the date, vendor, reference (i.e., voucher no., etc.), dollar amount, and brief description of each expenditure of $500 or more, provided that lesser items are grouped by classes as shown in Schedule C2.

c. An analysis of Accounts No. 433 and 434 – Extraordinary Income and Extraordinary Deductions for the test year. Include a complete breakdown of this account as shown in Schedule C3, and provide detailed workpapers supporting this analysis. At a minimum, the analysis should show the date, vendor, reference (i.e., voucher no., etc.), dollar amount, and a brief description of each expenditure of $500 or more, provided that lesser items are grouped by classes as shown in Schedule C3.

A-1-6. a. See Attachment 1-6a.

b. See Attachment 1-6b.

c. Mountain Water District did not record any extraordinary income or deductions during the test period.

Attachment 1-6a

Schedule C1

Mountain Water District
Case No. 2025-00327

Analysis of Advertising Expenses
(Including Account No. 660)
For the 12 Months Ended December 31, 2024

Line No.	Item (a)	Sales or Promotional Advertising (b)	Institutional Advertising (c)	Conservation Advertising (d)	Rate Case (e)	Other (f)	Total (g)
1.	Newspaper		3,124.80			143.00	3,267.80
2.	Magazines and Other						
3.	Television						
4.	Radio						
5.	Direct Mail						
6.	Sales Aids						
7.	Total		3,124.80[1]			143.00[2]	3,267.80
8.	Amount Assigned to Kentucky Jurisdictional						

[1]Institutional Advertising consists of ads for procurement and regulatory compliance such as Vehicle Bids, Requests for Qualifications and Proposals for projects, as well as annual rate publication as required by regulations. The benefit to be derived from these expenses would be compliance with regulatory agencies and procurement laws.

[2]Other costs consists of subscription renewals to the *Appalachian News Express* and public service announcements regarding the District's rate costs. The benefit to be derived from these costs would be to maintain the ability to utilize the services of the newspaper and to keep our customers informed.

Attachment 1-6b

6752.08 EDUCATION, DUES, MEETINGS, INSURANCE

Date	Reference			Payee	Description			
01/03/24	12638			SOUTHEAST KY CHAMBER OF	Dues		835.00	
01/05/24	123123			JAMEY KEATHLEY	Mileage		420.00	
01/08/24	01082024			Flora Newsome	Mileage		93.60	
01/23/24	626509			WALMART / CAPITAL ONE	Food for safety meeting		87.74	
01/23/24	01302024			JAMEY KEATHLEY	Mileage		397.88	
02/01/24	626509			WALMART / CAPITAL ONE	Food for safety meetings		203.82	
02/06/24				Highlands ARH Regional Medical Center	CPR Training		125.00	
02/12/24	7002172855			American Water Works Assoc.	Dues		252.00	
02/15/24	02152024			FLORA A. NEWSOME	Mileage		100.21	
02/16/24	7002173263			American Water Works Assoc.	Dues		252.00	
02/20/24	032024			Highlands ARH Regional Medical Center	CPR Training		75.00	
02/23/24	022324			TAMMY E. OLSON	Mileage		181.20	
02/27/24	02272024			CHRIS BILITER	meals		30.00	
02/27/24	02272024			Jamie Stacy	meals		30.00	
02/29/24				First Bankcard	Hotel Expense		325.00	
03/05/24	03052024			Silena McCown	Mileage		130.35	
03/05/24	03052024			MITCHELL TAYLOR	mileage/meals		210.31	
03/05/24	03052024			JAMEY KEATHLEY	Mileage		501.48	
03/05/24	03052024			Brad Taylor	Meal reimb.		10.38	
03/05/24	03052024			KEVIN LOWE	Mileage		41.92	
03/05/24	03052024			James Mullins	Meals		30.00	
03/08/24	01			Pike County Fiscal Court	Yearly Subscription RAVE		5,024.71	
03/12/24	03122024			Flora Newsome	Mileage		93.60	
03/15/24	03152024			Jacob Lockard	meals		30.00	
03/15/24	03152024			Melissa Watson	Mileage		341.88	
03/28/24	032824			CARRIE HATFIELD	Mileage		77.72	
03/31/24				First Bankcard	Hotel Expense		226.28	
03/31/24	9			First Bankcard	Hotel Expense		460.55	
03/31/24	9			First Bankcard	Hotel Expense		484.10	
04/01/24	032824			JAMEY KEATHLEY	Mileage		353.36	
04/01/24	INV2024377			High Tide Technologies	Yearly Subscription		1,840.00	
04/08/24	04082024			Silena McCown	Mileage		120.52	
04/08/24	04082024			KEVIN LOWE	Mileage		41.92	
04/10/24	1655108586			WALMART / CAPITAL ONE	Food for safety meeting		77.02	
04/16/24	36741649			Encova	workers comp insurance		6,336.00	
04/19/24	04192024			Flora Newsome	Mileage		105.11	
04/24/24	042424			KENTUCKY STATE TREASURER	commissioner training		375.00	
04/30/24	8			First Bankcard	Hotel Expense		284.48	
05/01/24	84603			Eastern Telephone	IT work on server		1,182.25	
05/01/24	05012024			KEVIN LOWE	Mileage		18.31	
05/01/24	05012024			Silena McCown	Mileage		113.97	
05/06/24	05062024			JAMEY KEATHLEY	Mileage		552.16	
05/07/24	626509			WALMART / CAPITAL ONE	Food for safety meeting		79.24	
05/29/24	05292024			KEVIN LOWE	Mileage		18.34	

[redacted]

05/31/24				First Bankcard	Meal at training		38.53	
06/01/24	626509			WALMART / CAPITAL ONE	Food for safety meeting		149.06	
06/01/24	605611178			Occupational Health Centers	Training		1,479.00	
06/01/24	605917347			Occupational Health Centers	Training		1,479.00	
06/03/24	06032024			JAMEY KEATHLEY	Mileage		431.20	
06/03/24	06032024			Silena McCown	Mileage		136.90	
06/05/24	06052024			Flora Newsome	Mileage		106.11	
06/27/24	063024			CARRIE HATFIELD	Mileage		124.45	
06/30/24				First Bankcard	Hotel Expense		338.54	
06/30/24				First Bankcard	HR Reference guide		19.99	
07/01/24	626509			WALMART / CAPITAL ONE	Food for safety meeting		159.86	
07/02/24	07012024			KEVIN LOWE	Mileage		19.65	
07/02/24	07092024			Melissa Watson	Mileage		353.05	
07/12/24	07122024			Silena McCown	Mileage		62.23	
07/12/24	07122024			Burt Melton	Meals/mileage		181.24	
07/12/24	07122024			Paul Chaney	Meals/mileage		162.31	
07/12/24	07122024			Gerald Justice	Meals/mileage		181.79	
07/12/24	07122024			FLORA A. NEWSOME	Mileage		106.11	
07/31/24				First Bankcard	Ky Rural Water annual conference		2,363.73	
07/31/24	12			First Bankcard	DW Treatment IVA Renewal		262.89	
08/02/24	08022024			JAMEY KEATHLEY	Mileage		343.00	
08/02/24	08022024			Silena McCown	Mileage		134.28	
08/06/24	1657444674			WALMART / CAPITAL ONE	Food for safety meeting		90.50	
08/19/24	08192024			Flora Newsome	Mileage		123.80	
08/30/24				First Bankcard	Ky Rural Water		1,126.98	
08/30/24				First Bankcard	commissioner training & hotel exp		744.60	
09/01/24	083024			JAMEY KEATHLEY	Mileage		458.64	
09/09/24	09092024			KEVIN LOWE	Mileage		20.96	
09/09/24	09092024			Silena McCown	Mileage		94.90	
09/19/24	09192024			TAMMY E. OLSON	Mileage		91.84	
09/25/24	09252024			Flora Newsome	Mileage		141.48	
09/26/24	09262024			Melissa S Wright	Meals/mileage		273.53	
09/30/24				First Bankcard	Training/hotel expense		1,971.91	
09/30/24	093024			JAMEY KEATHLEY	Mileage		425.88	
10/01/24	093024			CARRIE HATFIELD	Mileage		111.89	
10/04/24	10042024			Michelle Huffman	Mileage		23.10	
10/07/24	10072024			Silena McCown	Mileage		95.70	
10/09/24	10092024			KEVIN LOWE	Mileage		20.96	
10/10/24	626509			WALMART / CAPITAL ONE	Food for safety meeting		96.33	
10/10/24	626509			WALMART / CAPITAL ONE	Food for safety meeting		67.63	
11/01/24	626509			WALMART / CAPITAL ONE	Food for safety meeting		98.95	
10/28/24	102824			Melissa Watson	Mileage		375.97	
10/28/24	102824			Brandon Belcher	meals reimb.		69.78	
10/28/24	10282024			FLORA A. NEWSOME	Mileage		135.59	
10/28/24	10282024			Travis Stacy	Training WTP		234.35	
10/29/24	102924			Highlands ARH Regional Medical Center	CPR Training		175.00	
10/31/24	103124			JAMEY KEATHLEY	Mileage		551.88	

11/06/24	11062024			Silena McCown	Mileage		115.50	
11/20/24	112024			Highlands ARH Regional Medical Center	CPR Training		125.00	
11/22/24	11365			KENTUCKY RURAL WATER	On Site Training		2,000.00	
11/22/24	11938			KENTUCKY RURAL WATER	On Site Training		3,000.00	
11/26/24	112624			Highlands ARH Regional Medical Center	CPR Training		100.00	
12/03/24	121624			Highlands ARH Regional Medical Center	CPR Training		150.00	
12/04/24	12042024			Michelle Huffman	Mileage		28.42	
12/04/24	12042024			Silena McCown	Mileage		111.35	
12/05/24	12052024			KEVIN LOWE	mileage		20.31	
12/05/24	12052024			Brandon Belcher	meals reimb.		554.79	
12/07/24	626509			WALMART / CAPITAL ONE	food for safety meeting		110.08	
12/12/24	12122024			Flora Newsome	Mileage		129.68	
12/16/24	INV1684379			HR Direct	HR posters		94.99	
12/16/24	INV1684379			HR Direct	HR posters		94.99	
12/17/24	13090			SOUTHEAST KY CHAMBER OF	Dues		835.00	
12/31/24				JAMEY KEATHLEY	Mileage		356.44	
12/31/24				First Bankcard	Ky Rural Water /HR Training		557.70	
				Totals for 6752.08			47,208.73	47,208.73

Date	Reference		Description	Amount
01/10/24	24966		Nexbillpay	12.5
01/24/24			CTB-Bank fees for direct deposit	103.42
01/31/24			Peoples-JANUARY SERVICE CHARGE	7.5
02/10/24	25146		Nexbillpay	35
02/26/24			CTB-bank fees for direct deposit-Payroll	101.47
02/29/24			Peoples-FEBRUARY SERVICE CHARGE	7.5
02/29/24			Truist Bank-MAINTENANCE FEE	12
03/07/24	bankfees		CTB-bank direct deposit fees	101.47
03/10/24	25815		Nexbillpay	77
03/21/24			CTB-STOP PAYMENT FEE	20
03/21/24			Truist Bank SERVICE CHARGE	12
03/31/24			Peoples-MARCH SERVICE CHARGE	7.5
04/04/24			CTB-direct deposit fees	101.56
04/10/24	26711		Nexbillpay	74.5
04/30/24			Peoples-SERVICE CHARGE	7.5
05/07/24			CTB-bank fees for direct deposit	101.74
05/20/24			REFUND from Truist Bank	-4.28
06/05/24			CTB-direct deposit fees	108.04
06/05/24	27833		Nexbillpay	61
07/09/24			CTB-direct deposit fees	102.37
07/10/24	28899		Nexbillpay	62
08/07/24			CTB-direct deposit fees	102.37
09/24/24			CTB-direct deposit fee	102.46
10/04/24			CTB-direct deposit fees	102.64
11/06/24	31438		Nexbillpay	41.5
11/07/24			CTB-direct deposit fee	69.85
12/09/24			CTB-direct deposit fees	63.46
12/10/24	32696		Nexbillpay	49
12/31/24	29660		Nexbillpay	44.5
12/31/24	AU32		Record activity with Regions Bank	450
12/31/24	AU39		r/c 1250	1,219.34

6758.09 SETTLEMENT EXPENSES

Date	Reference				Payee		
05/29/24	DOW22-3-				KENTUCKY STATE TREASURER	Violation for gas line damages	1,500.00
07/24/24	55206				KENTUCKY STATE TREASURER	Violation DOW WWTP	1,250.00
07/24/24	55627				KENTUCKY STATE TREASURER	Violation for gas line damages	2,000.00
09/10/24	84645				James and Shirley Ratliff	Fence repair	50

MOUNTAIN WATER DISTRICT
PO Box 3157
Pikeville, KY 41502

Community Trust Bank
042102694

84499

Check date: 07/24/24

Pay to the order of: KENTUCKY STATE TREASURER $ ********2,000.00

Two Thousand And 00/100 Dollars********

KENTUCKY STATE TREASURER

⑈000008449⑈ ⑆042102694⑆ 0109988001⑈

From: MOUNTAIN WATER DISTRICT
To: KENTUCKY STATE TREASURER
Memo: Violation o gas line damages / Incident number 55627

Check Date: 07/24/24
Check Number: 84499

Payable Detail

Date	Reference	PO Number	Amount	Discount	Amount Paid
07/24/24	55627		2,000.00	0.00	2,000.00

Payment Detail

Date	Reference	Type	Discount	Amount Paid
07/24/24	84499	AP check	0.00	2,000.00

YTD Amount Billed	YTD Disc Taken	YTD Amount Paid	**Current Pay**	2,000.00
22,384.58	0.00	334,061.02		

From: MOUNTAIN WATER DISTRICT
To: KENTUCKY STATE TREASURER
Account:

Check Date: 07/24/24
Check Number: 84499

Payable Detail

Date	Reference	PO Number	Amount	Discount	Amount Paid
07/24/24	55627		2,000.00	0.00	2,000.00

Payment Detail

Date	Reference	Type	Discount	Amount Paid
07/24/24	84499	AP check	0.00	2,000.00

YTD Amount Billed	YTD Disc Taken	YTD Amount Paid	**Current Pay**	2,000.00
22,384.58	0.00	334,061.02		

Andy Beshear
Governor

Rebecca W. Goodman
Secretary
Energy and Environment Cabinet

Commonwealth of Kentucky
Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, Kentucky 40602-0615
Telephone: (502) 564-3940
psc.ky.gov

Angie Hatton
Vice Chairman

Mary Pat Regan
Commissioner

July 16, 2024

Mountain Water District
6324 Zebulon Highway
Pikeville, KY 41501

Re: Violation of Kentucky Underground Facility Damage Prevention Act Incident Number 55627

LEGAL NOTICE OF GAS LINE DAMAGE

Dear Mountain Water District:

The Kentucky Public Service Commission (Commission) received the attached report on May 19, 2023, regarding damage by Mountain Water District to a natural gas facility owned and/or operated by Kentucky Frontier Gas, LLC. The Gas Excavation Damage Report (Damage Report) from Kentucky Frontier Gas, LLC indicates that on **April 19, 2023**, Mountain Water District violated the Underground Facilities Damage Prevention Act at KY Rt. 194, Phelps, KY 41553 by **failing to contact the Kentucky Contact Center (811) prior to excavation.**

Under the Kentucky Underground Facility Damage Prevention Act (Act), KRS 367.4901 through KRS 367.4917, the Commission has jurisdiction to investigate and assess civil penalties for any violation of the Act that results in excavation damage to underground facilities used to transport gas or hazardous liquid subject to federal pipeline safety laws, 49 U.S.C. secs. 60101 et seq. The Commission regulates the safety of jurisdictional natural gas pipelines in the Commonwealth pursuant to KRS 278.495 and 49 CFR Parts 190, 191, 192 and 195.

KRS 367.4917 provides that a person who commits a violation of the Act shall be subject to a civil penalty not to exceed $250 for the first violation, $1,000 for the second violation, and $3,000 for the third and any subsequent violation. If the violation results in damage to an underground pipeline used to transport gas or hazardous liquid, the violator is subject to an additional civil penalty not to exceed $1,000 per violation.

Based upon the allegations contained in the Damage Report and the Commission's records of prior underground facility damage, Commission Staff has determined that:

1. This incident is the second incident of damage to an underground facility involving Mountain Water District within the past 365 days.

2. The statutory provision that Mountain Water District is alleged to have violated is:

   KRS 367.4911(1)(a) Each excavator, or person responsible for an excavation, planning excavation or demolition work shall, not less than two (2) full working days nor more than ten (10) full working

days prior to commencing work, unless a future start date is agreed upon as provided in KRS 367.4917(7), notify each affected operator's designated protection notification center of the excavator's intended work and work schedule.

3. The civil penalty for this alleged violation is **$2,000.00.**

RESPONSE REQUIRED FOR RESOLUTION

There are two options you may choose from to resolve this violation. *Please select a method of resolution listed below:*

1. **Dispute the Alleged Violation:** Mountain Water District has the right to dispute the allegations made by Kentucky Frontier Gas, Inc. If you have additional facts or evidence that you wish to provide to dispute the allegations made in the Damage Report, please contact Eric V. Tout, Division of Inspections at ericv.tout@ky.gov or 502-782-2622, prior to paying the civil penalty.

2. **Penalty Payment**: This incident may be resolved by Mountain Water District paying the full amount of the civil penalty listed above. *Payment of the penalty will not be considered an admission of willfully violating any provision of the Act.*

If Mountain Water District does not wish to dispute the alleged violation, Mountain Water District should submit payment, within 30 days of the date of this letter, in the amount of **$2,000.00**.

Payment of the penalty will not be considered an admission of willfully violating any provision of the Act.

If Mountain Water District would like to pay via electronic payment, please contact Andrea Wise at andrea.wise@ky.gov or (502) 782-2656 to have a digital invoice issued. If submitting payment by mail, please send a cashier's check or money order, made payable to **Kentucky State Treasurer**, to the address listed below:

Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602

Please include the Incident Number 55627 on the cashier's check or money order submitted for payment or any email request for invoice.

*Checks made payable to any other payee besides the **Kentucky State Treasurer** or without the **Incident Number** cannot be processed and will be returned, thus delaying the resolution of this matter.*

ADMINISTRATIVE PROCEEDING

If Mountain Water District does not, **within 30 days** of the date of this letter, pay the proposed civil penalty in full or provide the Division of Inspections with additional information that relieves Mountain Water District of responsibility for the damage, the Commission will institute an administrative proceeding against Mountain Water District.

The Administrative Proceeding will include a formal hearing in front of the Commission, during which Mountain Water District will have the opportunity to present evidence, call witnesses, and cross examine witnesses called by the Division of Inspections. Failure to participate in these proceedings may result in a default judgement against Mountain Water District for the full amount of the proposed civil penalty. Pursuant to Kentucky law, **all business entities, including limited liability companies, must be represented at the administrative proceeding by legal counsel licensed to practice law in Kentucky**.

If you have questions regarding the Administrative Proceeding, please contact Jessica Norris-Canfield, the attorney representing the Division of Inspections, at 502-791-0493 or jnorriscanfield@ky.gov.

Sincerely,

Michael C. Nantz
Director, Division of Inspections

Attachment

Number of Customers out:

Was gas or hazardous liquids contained in the underground facility? * 3/2020

Was gas or hazardous liquids released into the atmosphere?

Locate Request Ticket No.:

Type of equipment involved:	Select Detail
Distance from the nearest communication terminal:	Measure
Depth of damage from the surface:	Measure
Excavator:	Utility

Excavator Address:

First Name:	Dillon
Last Name:	Cole
Organization ID:	
Company:	Mountain Water District
Phone:	606-625-2663
Email:	
Address:	6324 Zebulon Highway
City:	Pikeville
State:	Kentucky
Zip:	41501
Confirm Code:	

Excavation Damage: No notification made to the One Call Center

Description of Incident	While digging to uncover a water line, the excavator operator for Mountain Water District broke a Kentucky Frontier Gas 1 1/2" PE main gas line.

Summary Information

5/19/2023

Full details such as the cause	Mountain Water District had a crew digging for a water line, during excavation a Kentucky Frontier Gas 1 1/2" PE main gas line was broken. Upon arrival, the field technician shut off a critical valve to control the leak, this resulted in the loss of gas flow to 12 customers. The construction crew for KFG replaced the section of pipe at the break and then restored gas to the customers.
Extent of the damage	The line damage required 6 feet of replacement line to be installed.
Cost of the damage	$0.00
Steps taken to prevent re-occurance	The Kentucky Frontier Gas technician spoke with the field foreman about the importance of calling 811 for safety and legal reasons.
Amount billed to excavator	$0.00

Mountain Water District

WORK ORDER 279502

Account #		**Order Date**	4/19/2023
Name	JONES AND WEST FUNERAL	**Status**	WATER LOSS
Address	ABV NEXT DRIVEWAY E Phelps, Ky.	**Scheduled**	04/19/23 01:38 PM
Telephone	37035 Hwy 194 Job#	**Order Type**	MAIN LINE LEAK-2" & OVER
Description			
Comment			
Requested By	SM	**Assigned To**	POND CREEK CREW
		Completed By	MELISSA WATSON
Start Date	04/19/23 08:00 AM	**Completed Date**	04/19/23 03:00 PM

Notes REPAIRED A 6" MAIN LINE LEAK.
WATER LOSS: 15X1440X19 410,400 GALLONS MM - WP

Total Employee Cost	$1,105.79	**Comments**
Total Equipment Cost	$438.40	
Total Inventory Cost	$269.60	
Miscellaneous Costs	$3,221.07	
Total Order Cost	$5,034.86	

Inventory Item	Unit Of Measure	Quantity Ordered	Quantity Used	Item Cost	Total Cost
6 RC DI 6" X 15" REPAIR CLAMP DI (WRAP	EA EACH	2	2	$98.35	$196.70
6PVC17 6" PVC PIPE SDR 17	EA EACH	6	6	$12.15	$72.90

Hit gas line here?!

Signature _____

Mountain Water District

WORK ORDER 279513

Account #	1008-50190-002	**Order Date**	4/20/2023
Name	[redacted]	**Status**	THREE - FIVE WORKING
Address	37003 ST HWY 194 E PHELPS, KY 41553	**Scheduled**	04/20/23 08:46 AM
Telephone	[redacted] **Job #**	**Order Type**	MAINTENANCE-WEEDS,CLEAN,

Description LEAK WAS REPAIRED AT THIS LOCATION AND DIRT WAS PUT ON HER PROPERTY

Comment EITHER WANTS DIRT MOVED OR GRAVEL PLACED OVER DIRT SHE DRIVES A CAMERO

Requested By MKW **Assigned To** POND CREEK CREW **Completed By** MELISSA WATSON

Start Date 04/20/23 08:00 AM **Completed Date** 04/20/23 12:00 PM

Notes PUT 7 TON PEE GRAVEL DOWN
PO# 16978 FROM BRAD HAMILTON - $424.00

Total Employee Cost	$216.32	**Comments**
Total Equipment Cost	$59.40	
Total Inventory Cost	$0.00	
Miscellaneous Costs	$424.00	
Total Order Cost	$699.72	

Signature _____

Mountain Water District

WORK ORDER 279544

Account #		**Order Date**	4/19/2023
Name	SMITH FORK OF PHELPS	**Status**	WATER LOSS
Address		**Scheduled**	04/19/23 01:56 PM
Telephone	**Job #**	**Order Type**	MAIN LINE LEAK-2" & OVER
Description			
Comment			
Requested By	MKW	**Assigned To**	GRAPEVINE CREW
		Completed By	MELISSA WATSON
Start Date	04/19/23 08:00 AM	**Completed Date**	04/19/23 12:00 PM

Notes REPAIRED A 6" MAIN LINE LEAK.
WATER LOSS: 20,000 GALLONS MM - META
PO# 16960 - 5 TON FILL DIRT (JASON EVANS) $222.50

Total Employee Cost	$372.08	**Comments**
Total Equipment Cost	$239.20	
Total Inventory Cost	$125.68	
Miscellaneous Costs	$379.47	
Total Order Cost	$1,116.43	

Inventory Item	Unit Of Measure	Quantity Ordered	Quantity Used	Item Cost	Total Cost
6 RC PVC 6" X 15" REPAIR CLAMP PVC (WRAP	EA EACH	1	1	$125.68	$125.68

or here?!

Signature _____

MOUNTAIN WATER DISTRICT
PO Box 3157
Pikeville, KY 41502

Community Trust Bank
042102694

84354

Check date: 05/29/24

Pay to the order of: KENTUCKY STATE TREASURER $ ********1,500.00

One Thousand Five Hundred And 00/100 Dollars********

KENTUCKY STATE TREASURER

Tammy Olson

⑈0000084354⑈ ⑆042102694⑆ 0⑈0998800 1⑈

From: MOUNTAIN WATER DISTRICT
To: KENTUCKY STATE TREASURER
Memo: Case No. DOW 22-3-0263 PHELPS FREEBURN WWTP

Check Date: 05/29/24
Check Number: 84354

Payable Detail

Date	Reference	PO Number	Amount	Discount	Amount Paid
05/29/24	DOW22-3-0263		1,500.00	0.00	1,500.00

Payment Detail

Date	Reference	Type	Discount	Amount Paid
05/29/24	84354	AP check	0.00	1,500.00

YTD Amount Billed	YTD Disc Taken	YTD Amount Paid		
2,125.00	0.00	67,154.47	**Current Pay**	1,500.00

From: MOUNTAIN WATER DISTRICT
To: KENTUCKY STATE TREASURER
Account:

Check Date: 05/29/24
Check Number: 84354

Payable Detail

Date	Reference	PO Number	Amount	Discount	Amount Paid
05/29/24	DOW22-3-0263		1,500.00	0.00	1,500.00

Payment Detail

Date	Reference	Type	Discount	Amount Paid
05/29/24	84354	AP check	0.00	1,500.00

YTD Amount Billed	YTD Disc Taken	YTD Amount Paid		
2,125.00	0.00	67,154.47	**Current Pay**	1,500.00

Andy Beshear
GOVERNOR

ENERGY AND ENVIRONMENT CABINET
DEPARTMENT FOR ENVIRONMENTAL PROTECTION
300 Sower Boulevard
Frankfort, Kentucky 40601
Phone: (502) 564-2150
Fax: 502-564-4245

Rebecca W. Goodman
SECRETARY

Anthony R. Hatton
COMMISSIONER

April 22, 2024

Certified Mail No. 7022 2410 0002 0877 7351
Emailed to: tolson@mtwater.org

Tammy Olson
Mountain Water District
PO Box 3157
Pikeville, KY 41502

Re: AI Name: Pike Co Phelps Freeburn WWTP
AI No.: 15669
Case No.: DOW-22-3-0263
Activity No.: ERF20220001
Facility ID: KPDES No. KY0104442
Pike County

DEMAND FOR CIVIL PENALTY

Dear Ms. Olson:

The Kentucky Department for Environmental Protection has determined that Mountain Water District violated KRS Chapter 224 and the regulations promulgated pursuant thereto at the Phelps Freeburn Wastewater Treatment Plant. Notices of Violation were issued on January 17, 2020; July 21, 2021; September 24, 2021; January 18, 2022; May 5, 2022; October 10, 2022; March 21, 2023, for the following violation:

- KRS 224.70-110: No person shall, directly or indirectly, throw, drain, run or otherwise discharge into any of the waters of the Commonwealth, or cause, permit or suffer to be thrown, drained, run or otherwise discharged into such waters any pollutant, or any substance that shall cause or contribute to the pollution of the waters of the Commonwealth in contravention of the standards adopted by the cabinet or in contravention of any of the rules, regulations, permits, or orders of the cabinet or in contravention of any of the provisions of this chapter.

Mountain Water District has addressed the violation to the satisfaction of the Cabinet. No further remedial measures are required.

CIVIL PENALTY

Kentucky Revised Statutes provide that violators shall be liable for a civil penalty not to exceed the sum of twenty-five thousand dollars ($25,000) for each day during which such violation occurs. The Department will settle for a civil penalty in the amount of **one thousand five hundred dollars ($1,500)** due within **thirty (30) days** of receipt of this letter for the violation listed above.

GENERAL INFORMATION

The penalty shall be paid by certified check, cashier's check, or money order payable to the **"Kentucky State Treasurer"**. Note **"Case No. DOW-22-3-0263"** on the instrument of payment. All correspondence, reports, cost recovery payments, and penalty payments shall be submitted to the following address:

ATTN: Tevis Woolery
Division of Enforcement
300 Sower Blvd.
Frankfort, Kentucky 40601

The Department accepts conformance with the items listed above to satisfy its claims, charges and demands for the violation specified herein. Failure to comply fully with all the terms of this Demand Letter may result in additional enforcement action, which could include the assessment of the maximum civil penalties allowed under Kentucky Revised Statutes. This Demand Letter addresses only those matters specifically referred to in this document, and in no way waives any obligations or liabilities that may result from any other activities.

If you have any questions, please contact Tevis Woolery of my staff at 502-782-6767 or tevis.woolery@ky.gov.

Sincerely,

Brian Osterman, Director
Division of Enforcement

ABO/ptw

MOUNTAIN WATER DISTRICT
PO Box 3157
Pikeville, KY 41502

Community Trust Bank
042102694

84500

Check date: 07/24/24

Pay to the order of: KENTUCKY STATE TREASURER $ ********1,250.00

One Thousand Two Hundred Fifty And 00/100 Dollars********

KENTUCKY STATE TREASURER

⑈0000084500⑈ ⑆042102694⑆ 0109988001⑈

From: MOUNTAIN WATER DISTRICT
To: KENTUCKY STATE TREASURER
Memo: violation of gas line damages/incident number 55206

Check Date: 07/24/24
Check Number: 84500

Payable Detail

Date	Reference	PO Number	Amount	Discount	Amount Paid
07/24/24	55206		1,250.00	0.00	1,250.00

Payment Detail

Date	Reference	Type	Discount	Amount Paid
07/24/24	84500	AP check	0.00	1,250.00

YTD Amount Billed	YTD Disc Taken	YTD Amount Paid		
22,384.58	0.00	335,311.02	**Current Pay**	1,250.00

From: MOUNTAIN WATER DISTRICT
To: KENTUCKY STATE TREASURER
Account:

Check Date: 07/24/24
Check Number: 84500

Payable Detail

Date	Reference	PO Number	Amount	Discount	Amount Paid
07/24/24	55206		1,250.00	0.00	1,250.00

Payment Detail

Date	Reference	Type	Discount	Amount Paid
07/24/24	84500	AP check	0.00	1,250.00

YTD Amount Billed	YTD Disc Taken	YTD Amount Paid		
22,384.58	0.00	335,311.02	**Current Pay**	1,250.00

Andy Beshear
Governor

Rebecca W. Goodman
Secretary
Energy and Environment Cabinet

Commonwealth of Kentucky
Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, Kentucky 40602-0615
Telephone: (502) 564-3940
psc.ky.gov

Angie Hatton
Vice Chairman

Mary Pat Regan
Commissioner

July 16, 2024

Mountain Water District
6324 Zebulon Highway
Pikeville, KY 41501

Re: Violation of Kentucky Underground Facility Damage Prevention Act Incident Number: **55206**

LEGAL NOTICE OF GAS LINE DAMAGE

Dear Mountain Water District:

The Kentucky Public Service Commission (Commission) received the attached report on November 2, 2022, regarding damage by Mountain Water District to a natural gas facility owned and/or operated by Kentucky Frontier Gas, LLC. The Gas Excavation Damage Report (Damage Report) from Kentucky Frontier Gas, LLC indicates that on **September 28, 2022**, Mountain Water District violated the Underground Facilities Damage Prevention Act at Doyle Mountain, Huddy, KY by **failing to contact the Kentucky Contact Center (811) prior to excavating.**

Under the Kentucky Underground Facility Damage Prevention Act (Act), KRS 367.4901 through KRS 367.4917, the Commission has jurisdiction to investigate and assess civil penalties for any violation of the Act that results in excavation damage to underground facilities used to transport gas or hazardous liquid subject to federal pipeline safety laws, 49 U.S.C. secs. 60101 et seq. The Commission regulates the safety of jurisdictional natural gas pipelines in the Commonwealth pursuant to KRS 278.495 and 49 CFR Parts 190, 191, 192 and 195.

KRS 367.4917 provides that a person who commits a violation of the Act shall be subject to a civil penalty not to exceed $250 for the first violation, $1,000 for the second violation, and $3,000 for the third and any subsequent violation. If the violation results in damage to an underground pipeline used to transport gas or hazardous liquid, the violator is subject to an additional civil penalty not to exceed $1,000 per violation.

Based upon the allegations contained in the Damage Report and the Commission's records of prior underground facility damage, Commission Staff has determined that:

1. This incident is the first incident of damage to an underground facility involving Mountain Water District within the past 365 days.

2. The statutory provision that Mountain Water District is alleged to have violated is:

KRS 367.4911(1)(a) Each excavator, or person responsible for an excavation, planning excavation or demolition work shall, not less than two (2) full working days nor more than ten (10) full working days prior to commencing work, unless a future start date is agreed upon as provided in KRS 367.4917(7), notify each affected operator's designated protection notification center of the excavator's intended work and work schedule.

3. The civil penalty for this alleged violation is $1,250.00.

RESPONSE REQUIRED FOR RESOLUTION

There are three options you may choose from to resolve this violation. *Please select a method of resolution listed below:*

1. **Dispute the Alleged Violation:** Mountain Water District has the right to dispute the allegations made by Kentucky Frontier Gas, LLC. If you have additional facts or evidence that you wish to provide to dispute the allegations made in the Damage Report, please contact Eric V. Tout, Division of Inspections at ericv.tout@ky.gov or 502-782-2622, prior to paying the civil penalty.

2. **Penalty Payment**: This incident may be resolved by Mountain Water District paying the full amount of the civil penalty listed above. *Payment of the penalty will not be considered an admission of willfully violating any provision of the Act.*

If Mountain Water District does not wish to dispute the alleged violation, Mountain Water District should submit payment, within 30 days of the date of this letter, in the amount of $1,250.00.

3. **Training & Reduced Penalty:** If this letter indicates this is Mountain Water District's first alleged violation of the Act, Mountain Water District should register to attend a training course that if completed will **reduce the civil penalty amount due to $250.** *Payment of the reduced penalty will not be considered an admission of willfully violating any provision of the Act.*

To register for the training course, go to https://psc.ky.gov/classSignUp. You will need your incident number: **55206** and assigned key: **11784** to register for the next available training date. Please understand that this training will be required as a contingency for the reduced penalty amount.

If the excavator would like to pay via electronic payment, please contact Andrea Wise at andrea.wise@ky.gov or (502) 782-2656 to have a digital invoice issued. If submitting payment by mail, please send a cashier's check or money order, made payable to **Kentucky State Treasurer**, to the address listed below:

Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602

Please include the Incident Number 55206 on the cashier's check or money order submitted for payment or any email request for invoice.

TEAM KENTUCKY

*Checks made payable to any other payee besides the **Kentucky State Treasurer** or without the **Incident Number** cannot be processed and will be returned, thus delaying the resolution of this matter.*

ADMINISTRATIVE PROCEEDING

If Mountain Water District does not, **within 30 days** of the date of this letter, pay the proposed civil penalty in full, or complete the course and pay the reduced penalty, or provide the Division of Inspections with additional information that relieves Mountain Water District of responsibility for the damage, the Commission will institute an administrative proceeding against Mountain Water District.

The Administrative Proceeding will include a formal hearing in front of the Commission, during which Mountain Water District will have the opportunity to present evidence, call witnesses, and cross examine witnesses called by the Division of Inspections. Failure to participate in these proceedings may result in a default judgement against Mountain Water District for the full amount of the proposed civil penalty. Pursuant to Kentucky law, **all business entities, including limited liability companies, must be represented at the administrative proceeding by legal counsel licensed to practice law in Kentucky**.

If you have questions regarding the Administrative Proceeding, please contact Jessica Norris-Canfield, the attorney representing the Division of Inspections, at 502-791-0493 or jnorriscanfield@ky.gov.

Sincerely,

Michael C. Nantz
Director, Division of Inspections

Attachment

Gas Excavation Damage Report

Kentucky Frontier Gas, LLC

Submitted 11/2/2022 Incident ID: 55206

Set back to Edit | Staff Edit

Print (PDFForm.aspx?Rpt=GasInvestigation&IG=55206)

Reported By:

Name:	Heather Slone
Phone:	606-886-2431 ext 1
Email:	hmusic@kyfrontiergas.com

Gas Line Incident Occured:

Date:	9/28/2022
Time:	3:30 PM

Details:

Reported Date:	11/2/2022 1:51 PM

Incident Location Address:

Location:	37.60218 -82.27315
Address:	Doyle Mountain
City:	Huddy
State:	KY
County:	Pike
Zip:	0
Confirm Code:	

Description of Incident	1" PE service line damaged during excavation work performed by the field crew for Mountain Water District.

Summary Information

11/2/2022

Full details such as the cause	Mountain Water District's construction crew were digging in the area of a 1"PE Kentucky Frontier Gas service line. Upon contact with the gas line, the tooth of the excavator broke through the surface causing a release of gas into the air. Upon arrival, the Kentucky Frontier Gas field technician squeezed off the line resulting in the loss of 2 gas customers. The damaged section of the line was replaced by electrofusion and pressure tested, gas service was restored to the customers. After repairs were made it was determined that there was not an 811 ticket called in for the dig site.
Extent of the damage	The area of damage was minimal
Cost of the damage	$185.00
Steps taken to prevent re-occurance	Kentucky Frontier Gas field technicians spoke with the supervisor about the 811 laws and unsafe digging practices.
Amount billed to excavator	$0.00

Mountain Water District

WORK ORDER 269341

Account #	0312-02500-001	**Order Date**	9/3/2022
Name	[redacted]	**Status**	WATER LOSS
Address	62 N Railroad St Huddy, KY 41535	**Scheduled**	09/14/22 08:39 AM
Telephone	[redacted] **Job #**	**Order Type**	SERVICE LINE LEAK-1" & UNDER

METER#	ERT/INTERNAL ID#	READING	LOCATOR TAG	READING IN / OUT
WT 52239267		24959	312-00320	

Description

Comment

Requested By TH **Assigned To** POND CREEK CREW **Completed By** SILENA MCCOWN

Start Date 09/15/22 12:00 PM **Completed Date** 09/15/22 05:00 PM

Notes PUT 3/4" WRAP ON IT
WL - 5500 GALS
MM - WILLIAMSON I

Total Employee Cost	$270.40	**Comments**
Total Equipment Cost	$31.50	
Total Inventory Cost	$19.11	
Miscellaneous Costs	$58.67	
Total Order Cost	$379.68	

Inventory Item	Unit Of Measure	Quantity Ordered	Quantity Used	Item Cost	Total Cost
3/4 repair clamp 3/4" repair clamp	EA EACH	1	1	$19.11	$19.11

Why 3 times in 2 months?

Signature _____

Mountain Water District
WORK ORDER 269997

Account #	0312-02500-001	**Order Date**	9/27/2022
Name	[redacted]	**Status**	WATER LOSS
Address	62 N Railroad St Huddy, KY 41535	**Scheduled**	09/27/22 11:28 AM
Telephone	[redacted] **Job #**	**Order Type**	SERVICE LINE LEAK-1" & UNDER

METER#	ERT/INTERNAL ID#	READING	LOCATOR TAG	READING IN / OUT
WT 52239267		25789	312-00320	

Description
Comment
Requested By KB **Assigned To** POND CREEK CREW **Completed By** MELISSA WATSON

Start Date 09/27/22 01:00 PM **Completed Date** 09/27/22 03:00 PM

Notes REPAIRED A SMALL SPLIT IN LINE.
WATER LOSS: 5,000 GALLONS MM - WILLIAMSON 1

Total Employee Cost	$213.96	**Comments**
Total Equipment Cost	$98.90	
Total Inventory Cost	$19.11	
Miscellaneous Costs	$38.83	
Total Order Cost	$370.80	

Inventory Item	Unit Of Measure	Quantity Ordered	Quantity Used	Item Cost	Total Cost
3/4 repair clamp 3/4" repair clamp	EA EACH	1	1	$19.11	$19.11

Hit gas line?!

Signature _____

Mountain Water District
WORK ORDER 272636

Account #	0312-02500-001	**Order Date**	11/21/2022
Name	[redacted]	**Status**	WATER LOSS
Address	62 N Railroad St Huddy, KY 41535	**Scheduled**	11/21/22 01:11 PM
Telephone	[redacted] **Job #**	**Order Type**	SERVICE LINE LEAK-1" & UNDER

METER#	ERT/INTERNAL ID#	READING	LOCATOR TAG	READING IN / OUT
WT 52239267		27708	312-00320	

Description LEAK IS AT 66 STACY DRIVE
Comment
Requested By MKW **Assigned To** POND CREEK CREW **Completed By** MELISSA WATSON
Start Date 11/23/22 08:00 AM **Completed Date** 11/23/22 12:00 PM

Notes REPAIRED LEAK IN DRIVE AND INSTALLED GRAVEL.
PO# 16429 4 TON GRAVEL - $141.00
5X21X1440 151,200 GALLONS MM - WILLIAMSON 1

Total Employee Cost	$216.32	**Comments**
Total Equipment Cost	$25.20	
Total Inventory Cost	$19.11	
Miscellaneous Costs	$1,315.25	
Total Order Cost	$1,575.88	

Inventory Item	Unit Of Measure	Quantity Ordered	Quantity Used	Item Cost	Total Cost
3/4 repair clamp 3/4" repair clamp	EA EACH	1	1	$19.11	$19.11

Signature _____

MWD - OPERATING ACCOUNT
MOUNTAIN WATER DISTRICT
PO Box 3157
Pikeville, KY 41502

Community Trust Bank
042102694

84645

Check date: 09/10/24

Pay to the order of: James and Shirley Ratliff $ **********50.00

Fifty And 00/100 Dollars********

James and Shirley Ratliff

⑈000008464 5⑈ ⑆042102694⑆ 0109988001⑈

From:
MOUNTAIN WATER DISTRICT
PO Box 3157
Pikeville, KY 41502

Check Date: 09/10/24
Check Number: 84645
Total Payment: 50.00

Year to Date Paid:

Memo:
for damages to fence

From:
MOUNTAIN WATER DISTRICT
PO Box 3157
Pikeville, KY 41502

Check Date: 09/10/24
Check Number: 84645
Total Payment: 50.00

Year to Date Paid:

Memo:
for damages to fence

WAIVER & RELEASE

KNOW ALL MEN BY THESE PRESENTS:

The undersigned, James Ratliff and Shirley Ratliff, his wife, (GRANTORS) by this release does hereby forever grant unto Mountain Water District (DISTRICT), a complete and full release from any and all past, present and future claims which are known or unknown that arise out of, or in any way connected with the damage to the fence located at 3926 Poorbottom Road, Elkhorn City, Ky. 41522 on or about September 10, 2024. fence repair

The undersigned, James Ratliff and Shirley Ratliff, his wife, (GRANTORS) herby agree to indemnify and hold harmless the Mountain Water District for any damages due to the above related damage and accept payment of fifty dollars, ($50.00) in reimbursement expenses for the repair of said fence.

This release shall be binding on the undersigned's heirs, executors, successors and assigns. The undersigned has read this foregoing release and understands the contents and consequences of this agreement. This release contains the entire agreement between and among the parties hereto and there are no other agreements.

Executed this _____day of _____, 20____.

_____
James Ratliff

_____
Shirley Ratliff

WITNESS:

_____
MWD Representative

_____
Date

Prepared by:
Tammy Olson
Mountain Water District
PO Box 3157
Pikeville, Ky. 41502

MOUNTAIN WATER DISTRICT

Response to Commission Staff's First Request for Information
Case No. 2025-00327

Question No. 1-7

Responding Witnesses: Mike Spears/Carrie Hatfield

Q-1-7. Provide the following information concerning the costs for the preparation of this case:

a. A detailed schedule of expenses incurred to date for the following categories:

(1) Accounting;

(2) Engineering;

(3) Legal;

(4) Consultants; and

(5) Other Expenses (Identify separately).

b. For each category identified in Item 7.a., the schedule should include the date of each transaction, check number or other document reference, the vendor, the hours worked, the rates per hour, amount, a description of the services performed, and the account number in which the expenditure was recorded. Provide copies of contracts or other documentation that support charges incurred in the preparation of this case. Identify any costs incurred for this case that occurred during the test year.

c. An itemized estimate of the total cost to be incurred for this case. Expenses should be broken down into the same categories as identified in Item 7.a., with an estimate of the hours to be worked and the rates per hour. Include a detailed explanation of how the estimate was determined, along with all supporting workpapers and calculations.

d. Provide monthly updates of the actual costs incurred in conjunction with this rate case, reported in the manner requested in Items 7.a. and 7.b., and a cumulative total of cost incurred to date for each category. Updates will be due when the utility files its monthly financial statements with the Commission, through the month of the public hearing.

A-1-7. a. See Attachment 1-7a.

b. See Attachment 1-7a. Mountain Water District did not incur any expenses for the current rate case during the test period.

c. See Attachment 1-7c.

d. Mountain Water District will file monthly updates of rate case expenses. As Mountain Water District did not applied for a rate adjustment using a forecasted test period, it is not required to file monthly financial statements with the Public Service Commission.

Attachment 1-7a

Mountain Water District
Case No. 2025-00327

Analysis of Cost of Case No. 2025-00327

As of December 10, 2025

Line No.	Item	Amount
1.	**Accounting**	**$ 9,140.00**
2.	**Engineering**	**$ 0.00**
3.	**Legal**	**$ 5,076.00**
4.	**Consultants**	**$35,910.00**
5.	**Other Expenses**	**$ 0.00**
6.	**Total**	**$50,126.00**

Individual Expenses to Date:

Invoice	Date	Vendor	Nature of Expense	Check No.	Amount
27884	06/30/2025	Mike Spears, CPA	Accounting	85510	$ 5,740.00
27954	07/31/2025	Mike Spears, CPA	Accounting	85635	$ 2,380.00
28012	08/31/2025	Mike Spears, CPA	Accounting	85723	$ 1,020.00
1077713	05/09/2025	Stoll Keenon Ogden PLLC	Legal	85374	$ 360.00
1079829	06/05/2025	Stoll Keenon Ogden PLLC	Legal	85512	$ 324.00
1093885	11/10/2025	Stoll Keenon Ogden PLLC	Legal		$ 4,392.00
25-1	06/02/2025	JS Lawless Consulting	Consulting	85468	$ 2,460.00
25-2	07/07/2025	JS Lawless Consulting	Consulting	85611	$ 9,735.00
25-3	08/05/2025	JS Lawless Consulting	Consulting	85723	$15,450.00
25-4	09/01/2025	JS Lawless Consulting	Consulting	85803	$ 4,140.00
25-5	10/08/2025	JS Lawless Consulting	Consulting	85882	$ 2,355.00
25-6	11/03/2025	JS Lawless Consulting	Consulting		$ 1,770.00
TOTAL					**$50,126.50**

MOUNTAIN WATER DISTRICT
PO Box 3157
Pikeville, KY 41502

Community Trust Bank
042102694

85512

Check date: 07/29/25

Pay to the order of: Stoll-Keenon-Ogden $ **********324.00

Three Hundred Twenty-Four And 00/100 Dollars********

Stoll-Keenon-Ogden
P.O. Box 11969
Lexington, KY 40579-1969

Tammy Dow

⑈000008551 2⑈ ⑆[redacted]⑆

From: MOUNTAIN WATER DISTRICT
To: Stoll-Keenon-Ogden
Memo: 2025 rate study

Check Date: 07/29/25
Check Number: 85512

Payable Detail

Date	Reference	PO Number	Amount	Discount	Amount Paid
06/05/25	1079829		324.00	0.00	324.00

Payment Detail

Date	Reference	Type	Discount	Amount Paid
07/29/25	85512	AP check	0.00	324.00

YTD Amount Billed	YTD Disc Taken	YTD Amount Paid		
4,757.60	0.00	4,757.60	**Current Pay**	324.00

From: MOUNTAIN WATER DISTRICT
To: Stoll-Keenon-Ogden
Account:

Check Date: 07/29/25
Check Number: 85512

Payable Detail

Date	Reference	PO Number	Amount	Discount	Amount Paid
06/05/25	1079829		324.00	0.00	324.00

Payment Detail

Date	Reference	Type	Discount	Amount Paid
07/29/25	85512	AP check	0.00	324.00

YTD Amount Billed	YTD Disc Taken	YTD Amount Paid		
4,757.60	0.00	4,757.60	**Current Pay**	324.00

STOLL · KEENON · OGDEN
PLLC
300 West Vine Street
Suite 2100
Lexington, Kentucky 40507-1801
(859) 231-3000
Tax Id # 61-0421389
June 5, 2025

Mountain Water District
tolson@mtwater.org
chatfield@mtwater.org

INVOICE NO.: 1079829
SKO File No.: 121807/186641

PAYMENT REMITTANCE

Payments via regular mail:

STOLL · KEENON · OGDEN PLLC
P.O. Box 11969
Lexington, Kentucky 40579-1969

Payments via ACH or EFT:

Stoll Keenon Ogden PLLC IOLTA Account
Fifth Third Bank, Cincinnati OH
ABA/Bank Routing Number: [redacted]
Account Number: [redacted]

Please reference your account and invoice numbers.
Email remittance to payments@skofirm.com

Re: 2025 Water Rate Adjustment

Our Reference: 121807/186641/GEW/2404

Fees rendered this bill	$ 324.00
Total Current Charges This Matter	**$ 324.00**
Balance as of 05/09/25	$360.00
Less credits (payments, adjustments)	$0.00
Balance due on prior billings	**$360.00**
Total Amount Due This Matter	**$684.00**

*PLEASE INDICATE INVOICE NUMBER 1079829 ON PAYMENT

STOLL · KEENON · OGDEN
PLLC
300 West Vine Street
Suite 2100
Lexington, Kentucky 40507-1801
(859) 231-3000
Tax Id # 61-0421389
June 5, 2025

Mountain Water District
tolson@mtwater.org
chatfield@mtwater.org

INVOICE NO.: 1079829
SKO File No.: 121807/186641

MATTER NAME: 2025 Water Rate Adjustment

TOTAL FEES FOR PROFESSIONAL SERVICES PER ATTACHED	324.00
TOTAL CHARGES FOR EXPENSES AND OTHER SERVICES PER ATTACHED	0.00
INVOICE TOTAL	$ 324.00

BALANCE DUE from previous statements:

Bill Date	Invoice	Outstanding Amount
05/09/25	1077713	360.00

Total Balance Due on Previous Statements:	$ 360.00
TOTAL BALANCE DUE	**$684.00**

*PLEASE INDICATE INVOICE NUMBER 1079829 ON PAYMENT

BILL DATE: June 5, 2025

Mountain Water District
tolson@mtwater.org
chatfield@mtwater.org

2025 Water Rate Adjustment

LEGAL FEES

DATE	IND	DESCRIPTION OF SERVICE	HOURS	RATE	AMOUNT
05/15/25	GEW	Telephone call with S. Lawless re: inclusion of wage/benefits in revenue requirement of potential employee hire to perform leak detection work	0.50	360.00	$ 180.00
05/16/25	GEW	Prepare and send email to T. Olson re: use of surcharge proceeds to hire additional water loss detection employees	0.20	360.00	72.00
05/29/25	GEW	Research for S. Lawless re: PSC approval of District's existing debt	0.20	360.00	72.00
		SUBTOTAL	**0.90**		**$324.00**

EXPENSES AND OTHER SERVICES

***note: all copies are billed at .10/page unless otherwise indicated*

DATE	DESCRIPTION	AMOUNT
	SUBTOTAL	**0.00**
GRAND TOTAL:		**$324.00**

ATTORNEY/PARALEGAL SUMMARY

TIMEKEEPER	RANK	HOURS	RATE	AMOUNT
G. E Wuetcher	Of Counsel	0.90	360.00	$324.00

MOUNTAIN WATER DISTRICT
PO Box 3157
Pikeville, KY 41502

Community Trust Bank
042102694

85374

Check date: 06/03/25

Pay to the order of: Stoll-Keenon-Ogden $ ********1,569.90

One Thousand Five Hundred Sixty-Nine And 90/100 Dollars********

Stoll-Keenon-Ogden
P.O. Box 11969
Lexington, KY 40579-1969

⑈0000085374⑈ [redacted]

From: MOUNTAIN WATER DISTRICT
To: Stoll-Keenon-Ogden
Memo:

Check Date: 06/03/25
Check Number: 85374

Payable Detail

Date	Reference	PO Number	Amount	Discount	Amount Paid
05/12/25	1077709		1,209.90	0.00	1,209.90
05/12/25	107713		360.00	0.00	360.00

Payment Detail

Date	Reference	Type	Discount	Amount Paid
06/03/25	85374	AP check	0.00	1,569.90

YTD Amount Billed	YTD Disc Taken	YTD Amount Paid		
4,335.60	0.00	4,335.60	**Current Pay**	1,569.90

From: MOUNTAIN WATER DISTRICT
To: Stoll-Keenon-Ogden
Account:

Check Date: 06/03/25
Check Number: 85374

Payable Detail

Date	Reference	PO Number	Amount	Discount	Amount Paid
05/12/25	1077709		1,209.90	0.00	1,209.90
05/12/25	107713		360.00	0.00	360.00

Payment Detail

Date	Reference	Type	Discount	Amount Paid
06/03/25	85374	AP check	0.00	1,569.90

YTD Amount Billed	YTD Disc Taken	YTD Amount Paid		
4,335.60	0.00	4,335.60	**Current Pay**	1,569.90

STOLL · KEENON · OGDEN
PLLC
300 West Vine Street
Suite 2100
Lexington, Kentucky 40507-1801
(859) 231-3000
Tax Id # 61-0421389
May 9, 2025

Mountain Water District
tolson@mtwater.org
chatfield@mtwater.org

INVOICE NO.: 1077713
SKO File No.: 121807/186641

PAYMENT REMITTANCE

Payments via regular mail:

STOLL · KEENON · OGDEN PLLC
P.O. Box 11969
Lexington, Kentucky 40579-1969

Payments via ACH or EFT:

Stoll Keenon Ogden PLLC IOLTA Account
Fifth Third Bank, Cincinnati OH
ABA/Bank Routing Number: [redacted]
Account Number: [redacted]

Please reference your account and invoice numbers.
Email remittance to payments@skofirm.com

Re: 2025 Water Rate Adjustment

Our Reference: 121807/186641/GEW/2404

Fees rendered this bill	$ 360.00
Total Current Charges This Matter	**$ 360.00**

*PLEASE INDICATE INVOICE NUMBER 1077713 ON PAYMENT

STOLL · KEENON · OGDEN
PLLC
300 West Vine Street
Suite 2100
Lexington, Kentucky 40507-1801
(859) 231-3000
Tax Id # 61-0421389
May 9, 2025

Mountain Water District
tolson@mtwater.org
chatfield@mtwater.org

INVOICE NO.: 1077713
SKO File No.: 121807/186641

MATTER NAME: 2025 Water Rate Adjustment

TOTAL FEES FOR PROFESSIONAL SERVICES PER ATTACHED	360.00
TOTAL CHARGES FOR EXPENSES AND OTHER SERVICES PER ATTACHED	0.00
INVOICE TOTAL	$ 360.00
TOTAL BALANCE DUE	**$360.00**

*PLEASE INDICATE INVOICE NUMBER 1077713 ON PAYMENT

BILL DATE: May 9, 2025

Mountain Water District
tolson@mtwater.org
chatfield@mtwater.org
,

2025 Water Rate Adjustment

LEGAL FEES

DATE	IND	DESCRIPTION OF SERVICE	HOURS	RATE	AMOUNT
04/17/25	GEW	Attend video conference to discuss cost of service study for upcoming rate application	1.00	360.00	$ 360.00
		SUBTOTAL	**1.00**		**$360.00**

EXPENSES AND OTHER SERVICES

***note: all copies are billed at .10/page unless otherwise indicated*

DATE	DESCRIPTION	AMOUNT
	SUBTOTAL	**0.00**
GRAND TOTAL:		**$360.00**

ATTORNEY/PARALEGAL SUMMARY

TIMEKEEPER	RANK	HOURS	RATE	AMOUNT
G. E Wuetcher	Of Counsel	1.00	360.00	$360.00

STOLL · KEENON · OGDEN
PLLC
300 West Vine Street
Suite 2100
Lexington, Kentucky 40507-1801
(859) 231-3000
Tax Id # 61-0421389
November 10, 2025

Mountain Water District
tolson@mtwater.org
chatfield@mtwater.org

INVOICE NO.: 1093885
SKO File No.: 121807/186641

PAYMENT REMITTANCE

Payments via regular mail:	STOLL · KEENON · OGDEN PLLC P.O. Box 11969 Lexington, Kentucky 40579-1969
Payments via ACH or EFT:	Stoll Keenon Ogden PLLC IOLTA Account Fifth Third Bank, Cincinnati OH ABA/Bank Routing Number: [redacted] Account Number: [redacted] Please reference your account and invoice numbers. Email remittance to payments@skofirm.com

Re: 2025 Water Rate Adjustment

Our Reference: 121807/186641/GEW/2404

Fees rendered this bill	$ 3,888.00
Total Current Charges This Matter	**$ 3,888.00**
Balance as of 10/09/25	$540.00
Less credits (payments, adjustments)	$-36.00
Balance due on prior billings	**$504.00**
Total Amount Due This Matter	**$4,392.00**

*PLEASE INDICATE INVOICE NUMBER 1093885 ON PAYMENT

MOUNTAIN WATER DISTRICT
PO Box 3157
Pikeville, KY 41502

Community Trust Bank
042102694

85510

Check date: 07/29/25

Pay to the order of: Michael Spears, CPA $ ******11,090.00

Eleven Thousand Ninety And 00/100 Dollars********

Michael Spears, CPA
PO Box 1270
Prestonsburg, KY 41653-5270

"000008 55 10"

From: MOUNTAIN WATER DISTRICT
To: Michael Spears, CPA
Memo:

Check Date: 07/29/25
Check Number: 85510

Payable Detail

Date	Reference	PO Number	Amount	Discount	Amount Paid
06/30/25	27883		5,350.00	0.00	5,350.00
06/30/25	27884		5,740.00	0.00	5,740.00

Payment Detail

Date	Reference	Type	Discount	Amount Paid
07/29/25	85510	AP check	0.00	11,090.00

YTD Amount Billed	YTD Disc Taken	YTD Amount Paid		
34,817.00	0.00	39,866.00	**Current Pay**	11,090.00

From: MOUNTAIN WATER DISTRICT
To: Michael Spears, CPA
Account:

Check Date: 07/29/25
Check Number: 85510

Payable Detail

Date	Reference	PO Number	Amount	Discount	Amount Paid
06/30/25	27883		5,350.00	0.00	5,350.00
06/30/25	27884		5,740.00	0.00	5,740.00

Payment Detail

Date	Reference	Type	Discount	Amount Paid
07/29/25	85510	AP check	0.00	11,090.00

YTD Amount Billed	YTD Disc Taken	YTD Amount Paid		
34,817.00	0.00	39,866.00	**Current Pay**	11,090.00

MICHAEL R. SPEARS, CPA, PSC
CERTIFIED PUBLIC ACCOUNTANT
P. O. BOX 1270
PRESTONSBURG, KY 41653

Rate Study

MOUNTAIN WATER DISTRICT PSC FILING
PO BOX 3157
PIKEVILLE, KY 41501

Client #: 33051

Invoice # 27884 June 30, 2025

For Professional Services Rendered:

MONTHLY ACCOUNTING SERVICES FOR JUNE	5,740.00
Total Due	$5,740.00

MOUNTAIN WATER DISTRICT
PO Box 3157
Pikeville, KY 41502

Community Trust Bank
042102694

85635

Check date: 08/27/25

Pay to the order of: Michael Spears, CPA $ ********4,780.00

Four Thousand Seven Hundred Eighty And 00/100 Dollars********

Michael Spears, CPA
PO Box 1270
Prestonsburg, KY 41653-5270

Tammy Dixon

⑈000008563 5⑈ [redacted]

From: MOUNTAIN WATER DISTRICT
To: Michael Spears, CPA
Memo:

Check Date: 08/27/25
Check Number: 85635

Payable Detail

Date	Reference	PO Number	Amount	Discount	Amount Paid
07/31/25	27954		2,380.00	0.00	2,380.00
07/31/25	27953		2,400.00	0.00	2,400.00

Payment Detail

Date	Reference	Type	Discount	Amount Paid
08/27/25	85635	AP check	0.00	4,780.00

YTD Amount Billed	YTD Disc Taken	YTD Amount Paid		
39,597.00	0.00	44,646.00	**Current Pay**	4,780.00

From: MOUNTAIN WATER DISTRICT
To: Michael Spears, CPA
Account:

Check Date: 08/27/25
Check Number: 85635

Payable Detail

Date	Reference	PO Number	Amount	Discount	Amount Paid
07/31/25	27954		2,380.00	0.00	2,380.00
07/31/25	27953		2,400.00	0.00	2,400.00

Payment Detail

Date	Reference	Type	Discount	Amount Paid
08/27/25	85635	AP check	0.00	4,780.00

YTD Amount Billed	YTD Disc Taken	YTD Amount Paid		
39,597.00	0.00	44,646.00	**Current Pay**	4,780.00

MICHAEL R. SPEARS, CPA, PSC
CERTIFIED PUBLIC ACCOUNTANT
P. O. BOX 1270
PRESTONSBURG, KY 41653

MOUNTAIN WATER DISTRICT PSC FILING
PO BOX 3157
PIKEVILLE, KY 41501

Client #: 33051

Invoice # 27954 July 31, 2025

For Professional Services Rendered:

PSC	2,380.00
Total Due	$2,380.00

MICHAEL R. SPEARS, CPA, PSC
CERTIFIED PUBLIC ACCOUNTANT
P. O. BOX 1270
PRESTONSBURG, KY 41653

MOUNTAIN WATER DISTRICT
P. O. BOX 3157
PIKEVILLE, KY 41501

Client #: 33050

Invoice # 27953 July 31, 2025

For Professional Services Rendered:

MONTHLY ACCOUNTING SERVICES FOR JULY	2,400.00

Total Due	$2,400.00

MOUNTAIN WATER DISTRICT
PO Box 3157
Pikeville, KY 41502

Community Trust Bank
042102694

85739

Check date: 10/07/25

Pay to the order of: Michael Spears, CPA $ ********1,020.00

One Thousand Twenty And 00/100 Dollars********

Michael Spears, CPA
PO Box 1270
Prestonsburg, KY 41653-5270

Tammy Allen

"000085739" [redacted]

From: MOUNTAIN WATER DISTRICT
To: Michael Spears, CPA
Memo:

Check Date: 10/07/25
Check Number: 85739

Payable Detail

Date	Reference	PO Number	Amount	Discount	Amount Paid
08/31/25	28012		1,020.00	0.00	1,020.00

Payment Detail

Date	Reference	Type	Discount	Amount Paid
10/07/25	85739	AP check	0.00	1,020.00

YTD Amount Billed	YTD Disc Taken	YTD Amount Paid		
44,760.00	0.00	49,809.00	**Current Pay**	1,020.00

From: MOUNTAIN WATER DISTRICT
To: Michael Spears, CPA
Account:

Check Date: 10/07/25
Check Number: 85739

Payable Detail

Date	Reference	PO Number	Amount	Discount	Amount Paid
08/31/25	28012		1,020.00	0.00	1,020.00

Payment Detail

Date	Reference	Type	Discount	Amount Paid
10/07/25	85739	AP check	0.00	1,020.00

YTD Amount Billed	YTD Disc Taken	YTD Amount Paid		
44,760.00	0.00	49,809.00	**Current Pay**	1,020.00

MICHAEL R. SPEARS, CPA, PSC
CERTIFIED PUBLIC ACCOUNTANT
P. O. BOX 1270
PRESTONSBURG, KY 41653

MOUNTAIN WATER DISTRICT PSC FILING
PO BOX 3157
PIKEVILLE, KY 41501

Client #: 33051

Invoice # 28012 August 31, 2025

For Professional Services Rendered:

PSC	1,020.00
Total Due	$1,020.00

MOUNTAIN WATER DISTRICT
PO Box 3157
Pikeville, KY 41502

Community Trust Bank
042102694

85468

Check date: 07/08/25

Pay to the order of: J S Lawless Consulting, PLC $ ********2,460.00

Two Thousand Four Hundred Sixty And 00/100 Dollars********

J S Lawless Consulting, PLC

⑈0000085468⑈ [redacted]

From: MOUNTAIN WATER DISTRICT
To: J S Lawless Consulting, PLC
Memo: cost of service study for april and may 2025

Check Date: 07/08/25
Check Number: 85468

Payable Detail

Date	Reference	PO Number	Amount	Discount	Amount Paid
05/15/25	25-1		2,460.00	0.00	2,460.00

Payment Detail

Date	Reference	Type	Discount	Amount Paid
07/08/25	85468	AP check	0.00	2,460.00

YTD Amount Billed	YTD Disc Taken	YTD Amount Paid		
2,460.00	0.00	2,460.00	**Current Pay**	2,460.00

From: MOUNTAIN WATER DISTRICT
To: J S Lawless Consulting, PLC
Account:

Check Date: 07/08/25
Check Number: 85468

Payable Detail

Date	Reference	PO Number	Amount	Discount	Amount Paid
05/15/25	25-1		2,460.00	0.00	2,460.00

Payment Detail

Date	Reference	Type	Discount	Amount Paid
07/08/25	85468	AP check	0.00	2,460.00

YTD Amount Billed	YTD Disc Taken	YTD Amount Paid		
2,460.00	0.00	2,460.00	**Current Pay**	2,460.00

INVOICE

J S Lawless Consulting, PLLC
17111 Mallet Hill Drive
Louisville, Kentucky 40245

Phone: (502) 418-8255
E-mail: jslawlessconsulting@gmail.com

Invoice No. 25-1
Date: 6/2/2025

Services provided to:
Mountain Water District
6324 Zebulon Hwy
Pikeville, Kentucky 41501

Reference:
Cost of Service
Study 2024 Test Year
April and May 2025

Month	Date	DESCRIPTION	Hours
April	17	Initial Conference Call w/ Team	1.6
April	25	Call Olson / Call Lowe	0.5
May	5	Document Review: PSC Cases, T/B, Billing Info., Employee Wages	2.4
May	6	Call Olson: COSS, System Map, Inch Mile Mains	0.7
May	6	Call Lowe and Hatfield: Wages, Debts, Billing Analysis	0.8
May	7	Document Review and Study Revenue Shortfall from Rates of Prior PSC Order	4.7
May	8	Call Lowe: Billing Prior PSC Case	0.4
May	8	Call Olson: Billing Prior PSC Case, Wholesale Distribution System	0.5
May	12	Document Review, Billing Analysis	1.3
May	15	Call Wuetcher: Debts, Prior PSC Order	0.5
May	17	Email Hatfield, Revenue, Billing Analysis	0.4
May	27	Email Hatfield, G/L Sales Revenue	0.4
May	30	Document Review, Revenue, Billing Analysis	1.2
May	30	Document Review: Billing Records, Ampston Reports	1.0
		Total Hours	16.4
		Times: Contract Rate	$ 150.00
		Invoice Total	$ 2,460.00

MOUNTAIN WATER DISTRICT
PO Box 3157
Pikeville, KY 41502

Community Trust Bank
042102694

85611

Check date: 08/22/25

Pay to the order of: J S Lawless Consulting, PLC $ ********9,735.00

Nine Thousand Seven Hundred Thirty-Five And 00/100 Dollars********

J S Lawless Consulting, PLC

⑈000008561⑈ [redacted]

From: MOUNTAIN WATER DISTRICT
To: J S Lawless Consulting, PLC
Memo:

Check Date: 08/22/25
Check Number: 85611

Payable Detail

Date	Reference	PO Number	Amount	Discount	Amount Paid
07/07/25	25-2		9,735.00	0.00	9,735.00

Payment Detail

Date	Reference	Type	Discount	Amount Paid
08/22/25	85611	AP check	0.00	9,735.00

YTD Amount Billed	YTD Disc Taken	YTD Amount Paid		
27,645.00	0.00	12,195.00	**Current Pay**	9,735.00

From: MOUNTAIN WATER DISTRICT
To: J S Lawless Consulting, PLC
Account:

Check Date: 08/22/25
Check Number: 85611

Payable Detail

Date	Reference	PO Number	Amount	Discount	Amount Paid
07/07/25	25-2		9,735.00	0.00	9,735.00

Payment Detail

Date	Reference	Type	Discount	Amount Paid
08/22/25	85611	AP check	0.00	9,735.00

YTD Amount Billed	YTD Disc Taken	YTD Amount Paid		
27,645.00	0.00	12,195.00	**Current Pay**	9,735.00

INVOICE

J S Lawless Consulting, PLLC
17111 Mallet Hill Drive
Louisville, Kentucky 40245

Phone: (502) 418-8255
E-mail: jslawlessconsulting@gmail.com

Mail payment to:
Jack Scott Lawless
P.O.Box 172
16207 Eastwood Cut Off Road
Eastwood, Kentucky 40018

Invoice No. 25-2
Date: 7/7/2025

Services provided to:
Mountain Water District
6324 Zebulon Hwy
Pikeville, Kentucky 41501

Reference:
Cost of Service
Study 2024 Test Year
June 2025

Month	Date	DESCRIPTION	Hours
June	3	Call Olson: Billing Analysis, G/L	0.3
June	5	Debt, Tap-ons, Records Prev. PSC Case	2.5
June	8	G/L, T/B Review: Revenue, Debt, Filing Documents	6.9
June	9	Call Hatfield: Wages, Employee Benefits	0.9
June	10	Call Lowe and Reveiw: Billing Analysis Cycle Reports, Revenue	2.7
June	11	Record Review, email Hatfield and Spears.	1.5
June	12	eMail Hatfield, Spears and Review Employee Benefits, Accts Receivable, Reveneue	1.4
June	14	Billing Analysis Water	1.9
June	15	Billing Analysis Water	8.7
June	16	Billing Analysis Water, Wages and Benefits	5.0
June	17	Billing Analysis Water	2.0
June	18	Billing Analysis Water	1.8
June	19	Billing Analysis Water	4.0
June	22	Billing Analysis Water	1.2
June	23	Billing Analysis Water	4.4
June	24	Call Lowe, Water Billing Analysis, Sewer Revenue Normalization	4.9
June	25	Call Olson and Lowe, review water loss reports,miles of main, water and sewer revenue	4.1
June	26	Water Workpaper Template, Revenue Adjustments	3.4
June	27	Call Olson, Lowe, Hatfield, Reconcile T/B to Annual Reports	2.1
June	28	Review Annual Reports, T/B, G/L, Water & Sewer Workpaper Temps, Debt, Revenue Report	5.2
Tota Hours			64.9
Times: Contract Rate			$ 150.00
Invoice Total			$ 9,735.00

MOUNTAIN WATER DISTRICT
PO Box 3157
Pikeville, KY 41502

Community Trust Bank
042102694

85723

Check date: 10/01/25

Pay to the order of: J S Lawless Consulting, PLC $ ******15,450.00

Fifteen Thousand Four Hundred Fifty And 00/100 Dollars********

J S Lawless Consulting, PLC

⑈000008 5 7 2 3⑈ [redacted]

From: MOUNTAIN WATER DISTRICT
To: J S Lawless Consulting, PLC
Memo: Cost of Service Study

Check Date: 10/01/25
Check Number: 85723

Payable Detail

Date	Reference	PO Number	Amount	Discount	Amount Paid
08/05/25	25-3		15,450.00	0.00	15,450.00

Payment Detail

Date	Reference	Type	Discount	Amount Paid
10/01/25	85723	AP check	0.00	15,450.00

YTD Amount Billed	YTD Disc Taken	YTD Amount Paid		
31,785.00	0.00	27,645.00	**Current Pay**	15,450.00

From: MOUNTAIN WATER DISTRICT
To: J S Lawless Consulting, PLC
Account:

Check Date: 10/01/25
Check Number: 85723

Payable Detail

Date	Reference	PO Number	Amount	Discount	Amount Paid
08/05/25	25-3		15,450.00	0.00	15,450.00

Payment Detail

Date	Reference	Type	Discount	Amount Paid
10/01/25	85723	AP check	0.00	15,450.00

YTD Amount Billed	YTD Disc Taken	YTD Amount Paid		
31,785.00	0.00	27,645.00	**Current Pay**	15,450.00

INVOICE

J S Lawless Consulting, PLLC
17111 Mallet Hill Drive
Louisville, Kentucky 40245

Phone: (502) 418-8255
E-mail: jslawlessconsulting@gmail.com

Mail payment to:
Jack Scott Lawless
P.O.Box 172
16207 Eastwood Cut Off Road
Eastwood, Kentucky 40018

Invoice No. 25-3
Date: 8/5/2025

Services provided to:
Mountain Water District
6324 Zebulon Hwy
Pikeville, Kentucky 41601

Reference:
Cost of Service
Study 2024 Test Year
July 2025

Month	Date	DESCRIPTION	Hours
July	1	Workpaper/Report: Debts, Revenue	5.4
July	2	Workpaper/Report: Revenue	1.4
July	3	Workpaper/Report: Revenue and Revenue Adjustments	0.8
July	7	Workpaper/Report: Revenue, Other Revenue | General Ledger Review	6.5
July	8	Workpaper/Report: Other Revenue, Wages | General Ledger Review	3.7
July	9	Workpaper/Report: Other Revenue, Meter Taps, Wages, Insurance, Plant	3.5
July	10	Workpaper/Report: Other Revenue, Wages, Capitalization	3.0
July	11	Workpaper/Report: Other Revenue, Materials and Supplies, Purchased Power, Wages	6.7
July	12	Workpaper/Report: Benefits, Purchase Power, Water Loss, Mat. and Supp., Transportation	6.7
July	13	Workpaper/Report: Depreciation, Short-Term Debts, Wages	9.6
July	14	Workpaper/Report: Wages and Wage Allocations	4.6
July	15	Workpaper/Report: Benefits, Wage Allocations	1.5
July	16	Workpaper/Report: Insurance, Retirement, Commissioner Wages, Sewer Depreciation	6.8
July	19	Workpaper/Report: Short-Term Debt, Materials and Supplies, Rate Case Expenses	5.7
July	20	Workpaper/Report: Transportation, Mics. Expenses, Interest Income	2.1
July	21	Workpaper/Report: Material and Sup., Depreciation, Plant - Inch Mile Allocation Factors	4.1
July	22	Sewer Depreciation | Workpaper/Report: Water Loss Surcharge	2.8
July	23	Workpaper/Report: Liability Insurance, Workers Comp, PSC Fee, Bad Debt, Misc. Exps.	4.5
July	24	Workpaper/Report: Wholesale allocation	3.9
July	25	Workpaper/Report: Wholesale allocation and rate calculation	2.8
July	26	Workpaper/Report: Depre, Rate Allocations and Calculations, Interest Income, Other Rev.	5.3
July	27	Workpaper/Report: Water Rate Calculations	4.4
July	28	Workpaper/Report: Water Rate Calculations	4.7
July	31	Workpaper/Report: Water Rate Calculations	2.5
Tota Hours			103.0
Times: Contract Rate			$ 150.00
Invoice Total			$ 15,450.00

INVOICE

J S Lawless Consulting, PLLC
17111 Mallet Hill Drive
Louisville, Kentucky 40245

Phone: (502) 418-8255
E-mail: jslawlessconsulting@gmail.com

Mail payment to:
Jack Scott Lawless
P.O.Box 172
16207 Eastwood Cut Off Road
Eastwood, Kentucky 40018

Invoice No. 25-4
Date: 9/1/2025

Services provided to:
Mountain Water District
6324 Zebulon Hwy
Pikeville, Kentucky 41501

Reference:
Cost of Service
Study 2024 Test Year
August 2025

Month	Date	DESCRIPTION	Hours
August	1	Workpaper/Report: Rate Calculations	3.0
August	2	Workpaper/Report: Rate Calculations	7.9
August	3	Workpaper/Report: Rate Calculations	3.3
August	4	Workpaper/Report: Rate Calculations	5.8
August	7	Workpaper/Report: Rate Calculations	1.5
August	12	Workpaper/Report: Rate Calculations	1.0
August	24	Revise Workpapers/Reports	0.5
August	25	Revise Workpapers/Reports	2.6
August	26	Revise Workpapers/Reports	1.0
August	29	Revise Workpapers/Reports	1.0
Tota Hours			27.6
Times: Contract Rate			$ 150.00
Invoice Total			$ 4,140.00

MOUNTAIN WATER DISTRICT
PO Box 3157
Pikeville, KY 41502

Community Trust Bank
042102694

85882

Check date: 11/21/25

Pay to the order of: J S Lawless Consulting, PLC $ ********2,355.00

Two Thousand Three Hundred Fifty-Five And 00/100 Dollars********

J S Lawless Consulting, PLC

Connie Hall Reed
Tammy Olson

⑈000008588 2⑈ [redacted]

From: MOUNTAIN WATER DISTRICT
To: J S Lawless Consulting, PLC
Memo:

Check Date: 11/21/25
Check Number: 85882

Payable Detail

Date	Reference	PO Number	Amount	Discount	Amount Paid
10/08/25	25-5		2,355.00	0.00	2,355.00

Payment Detail

Date	Reference	Type	Discount	Amount Paid
11/21/25	85882	AP check	0.00	2,355.00

YTD Amount Billed	YTD Disc Taken	YTD Amount Paid		
35,910.00	0.00	34,140.00	**Current Pay**	2,355.00

From: MOUNTAIN WATER DISTRICT
To: J S Lawless Consulting, PLC
Account:

Check Date: 11/21/25
Check Number: 85882

Payable Detail

Date	Reference	PO Number	Amount	Discount	Amount Paid
10/08/25	25-5		2,355.00	0.00	2,355.00

Payment Detail

Date	Reference	Type	Discount	Amount Paid
11/21/25	85882	AP check	0.00	2,355.00

YTD Amount Billed	YTD Disc Taken	YTD Amount Paid		
35,910.00	0.00	34,140.00	**Current Pay**	2,355.00

INVOICE

J S Lawless Consulting, PLLC
17111 Mallet Hill Drive
Louisville, Kentucky 40245

Phone: (502) 418-8255
E-mail: jslawlessconsulting@gmail.com

Mail payment to:
Jack Scott Lawless
P.O.Box 172
16207 Eastwood Cut Off Road
Eastwood, Kentucky 40018

Invoice No. 25-5
Date: 10/8/2025

Services provided to:
Mountain Water District
6324 Zebulon Hwy
Pikeville, Kentucky 41501

Reference:
Cost of Service
Study 2024 Test Year
September 2025

Month	Date	DESCRIPTION	Hours
Sept.	1	Revise Water and Sewer Reports, Compare Rev. Require. Using Operating Ratio	1.7
Sept.	25	Prepare for, travel and attend Board Meeting	9.5
Sept.	29	Prepare Customer Notice, Tariff Sheets, Testimony	3.5
Sept.	30	Prepare Customer Notice, Tariff Sheets, Testimony	1.0
Tota Hours			15.7
Times: Contract Rate			$ 150.00
Invoice Total			$ 2,355.00

INVOICE

J S Lawless Consulting, PLLC
17111 Mallet Hill Drive
Louisville, Kentucky 40245

Mail payment to:
Jack Scott Lawless
P.O.Box 172
16207 Eastwood Cut Off Road
Eastwood, Kentucky 40018

Phone: (502) 418-8255
E-mail: jslawlessconsulting@gmail.com

Invoice No. 25-6
Date: 11/3/2025

Services provided to:
Mountain Water District
6324 Zebulon Hwy
Pikeville, Kentucky 41501

Reference:
Cost of Service
Study 2024 Test Year
October 2025

Month	Date	DESCRIPTION	Hours
Oct.	1	Review PSC Depreciation Documents, Prepare Testimony	1.3
Oct.	2	Prepare Testimony, Tariff Sheets, Customer Deposits	2.0
Oct.	4	Review PSC Depreciation Documents, Prepare Testimony	2.7
Oct.	6	Prepare Testimony, Compile Application Documents	3.0
Oct.	7	Prepare Testimony, Compile Application Documents	1.5
Oct.	8	Prepare Application Exhibits for Filing	1.3
Tota Hours			11.8
Times: Contract Rate			$ 150.00
Invoice Total			$ 1,770.00

Attachment 1-7c

ESTIMATED RATE CASE EXPENSE

LEGAL EXPENSE	
Phase of Case	**Expected Hours**
Preparation of Application/Other Preparatory Actions	25
Discovery – Initial Request (Prior to Filing)	20
First Request After Filing	15
Second Request After Filing	15
Preparation/Representation at Hearing	30
Post-Hearing/Other Procedural Matters	10
Total Hours	115
Total Estimated Cost @ $360/Hour	$41,400

CONSULTANT	
Phase of Case	**Expected Hours**
Prepare Rate Study/Assist Preparation of Application	200
Assist in Preparation of Responses to Discovery Request	25
Preparation For Testimony At Hearing/Appearance At Hearing	25
Total Hours	250
Total Estimated Cost @ $150/Hour	$37,500

ACCOUNTANT	
Phase of Case	**Expected Hours**
Assist in Preparation of Rate Study/Application	40
Assist in Preparation of Responses to Discovery Requests	40
Preparation For Testimony At Hearing/Appearance At Hearing	20
Total Hours	100
Total Estimated Cost @ $150/Hour	$15,000

MOUNTAIN WATER DISTRICT

Response to Commission Staff's First Request for Information
Case No. 2025-00327

Question No. 1-8

Responding Witness: Mike Spears

Q-1-8. Provide the following information with regard to uncollectible accounts for the three most recent calendar years:

a. Reserve account balance at the beginning of the year;

b. Charges to the reserve account (accounts charged off);

c. Credits to reserve account;

d. Current year provision;

e. Reserve account balance at the end of the year; and

f. Percent of provision to total revenue.

A-1-8. See Attachment 1-8.

Attachment 1-8

MOUNTAIN WATER DISTRICT
UNCOLLECTIBLE ACCOUNTS

	12/31/2021	12/31/2022	12/31/2023
BALANCE BEGINNING OF THE YEAR	38,000.00	37,000.00	36,000.00
		.	
ACCOUNTS CHARGED OFF		.	
		.	
CREDITS TO RESERVE ACCOUNT	(1,000.00)	(1,000.00)	-
		-	
CURRENT YEAR PROVISION	-	-	4,000.00
RESERVE ACCOUNT BALANCE AT THE END OF THE YEAR	37,000.00	36,000.00	40,000.00
		.	
PERCENT OF PROVISION TO TOTAL REVENUE	0.436%	0.419%	0.456%

MOUNTAIN WATER DISTRICT

Response to Commission Staff's First Request for Information
Case No. 2025-00327

Question No. 1-9

Responding Witness: Mike Spears

Q-1-9. Provide the following:

a. A list of all outstanding issues of long-term debt as of the end of the latest calendar year together with the related information as shown in Schedule D1.

b. An analysis of short-term debt as shown in Schedule D2 as of the end of the latest calendar year.

A-1-9. a. See Attachment 1-9a.

b. See Attachment 1-9b. Unless otherwise noted, the listed debt instruments are notes payable within two years. Such notes may be renewed for additional terms or new notes payable within two years may be issued to refund the note. However, in no instance, will the aggregate time of the initial note and renewal or refunding notes exceed six years.

Attachment 1-9a

MOUNTAIN WATER DISTRICT
SCHEDULE OF OUTSTANDING LONG TERM DEBT
FOR THE YEAR ENDED DECEMBER 31, 2024

LINE NO.	DESCRIPTION	TYPE OF DEBT ISSUE	ORIGINAL ISSUE AMOUNT	DATE OF ISSUE	DATE OF MATURITY	12/31/2024 OUTSTANDING BALANCE	INTEREST RATE	COST RATE AT ISSUE	COST RATE @ MATURITY	BOND RATING	TYPE	ANNUALIZED COST
1	Rural Development (Russell Fork WTP	RD LOAN	800,000	2002	2042	498,000	3.25	3.25	3.25	UNRATED	BOND PAYABLE	16,185.00
2	Rural Development)Belfry)	RD LOAN	3,653,000	2020	2060	3,444,000	1.75	1.75	1.75	UNRATED	BOND PAYABLE	60,270.00
3	Rural Dev(Radio Read)	RD LOAN	3,150,000	2020	2060	2,912,500	1.50	1.50	1.50	UNRATED	BOND PAYABLE	43,687.50
4	KIA Shelby Phase III	KIA LOAN	375,000	2009	2031	127,455	1.00	1.00	1.00	UNRATED	ASSISTANCE AGREEMENT	1,274.55
5	KIA (Douglas) Our Amortization	KIA LOAN	3,472,921	2015	2038	2,488,924	0.75	0.75	0.75	UNRATED	ASSISTANCE AGREEMENT	18,666.93
6	KIA (Grinder Units)	KIA LOAN	300,000	2016	2037	199,668	0.75	0.75	0.75	UNRATED	ASSISTANCE AGREEMENT	1,497.51
7	Kentucky Rural Water	BOND REFINANCE	5,580,000	2022	2045	5,025,000	2.2 - 5.2	5.20	2.64	UNRATED	ASSISTANCE AGREEMENT	261,300.00

Attachment 1-9b

MOUNTAIN WATER DISTRICT
SCHEDULE OF SHORT TERM DEBT
FOR THE YEAR ENDED DECEMBER 31, 2024

DESCRIPTION	TYPE OF INSTRUMENT	ORIGINAL ISSUE AMOUNT	DATE OF ISSUE	DATE OF MATURITY	12/31/2024 OUTSTANDING BALANCE	NOMINAL Int Rate	EFFECTIVE Int Rate	ANNUALIZED Int Cost
CTB Vehicle 167	TERM NOTE	39,325	2021	2025	4,326	3.00	3.00	130
CTB Vehicle 168	TERM NOTE	30,021	2021	2025	6,558	3.00	3.00	197
CTB Vehicle 169	TERM NOTE	30,021	2021	2025	7,793	3.00	3.00	234
CTB Vehicle 170	TERM NOTE	29,711	2021	2025	6,491	3.00	3.00	195
CTB Vehicle 171	TERM NOTE	58,892	2021	2025	14,135	3.00	3.00	424
CTB JD Excavator	TERM NOTE	76,250	2021	2025	18,301	3.00	3.00	549
CTB Takeuchi mini excavator	TERM NOTE	51,500	2021	2025	12,360	3.00	3.00	371
CTB 2007 Dump Truck	TERM NOTE	34,722	2023	2025	6,161	7.50	7.50	462
CTB Vehicle 172	TERM NOTE	28,771	2022	2026	8,140	3.00	3.00	244
CTB Vehicle 173	TERM NOTE	29,020	2022	2026	8,211	3.00	3.00	246
CTB Vehicle 174	TERM NOTE	27,155	2022	2026	7,683	3.00	3.00	230
CTB Vehicle175	TERM NOTE	27,155	2022	2026	7,683	3.00	3.00	230
CTB Vehicle 176	TERM NOTE	27,133	2022	2026	7,677	3.00	3.00	230
CTB Vehicle 177	TERM NOTE	49,911	2022	2026	14,121	3.00	3.00	424
CTB Booster Pump Relocation	TERM NOTE	210,620	2022	2028	113,022	3.00	3.00	3,391
CTB AEP LINE OF CREDIT	TERM NOTE	160,548	2018		21,454	5.50	5.50	1,180
CTB LINE OF CREDIT FEMA REC	TERM NOTE	-		2025	192,677	7.50	variable	14,451
CTB Vehicle 178	TERM NOTE	52,325	2023	2027	32,437	7.50	7.50	2,433
CTB Vehicle 179	TERM NOTE	34,116	2023	2027	25,277	8.00	8.00	2,022
CTB Vehicle 180	TERM NOTE	54,596	2024	2028	46,607	7.75	7.75	3,612
CTB Vehicle 181	TERM NOTE	49,936	2024	2028	42,628	7.75	7.75	3,304
CTB Vehicle 182	TERM NOTE	41,121	2024	2028	35,104	7.75	7.75	2,721
CTB Vehicle 183	TERM NOTE	38,726	2024	2028	37,343	7.75	7.75	2,894
CTB Utility Trailer	TERM NOTE	19,099	2024	2028	16,355	8.50	8.50	1,390
CTB Side by Side	TERM NOTE	18,843		2025	2,517	7.60	7.60	191

1-MOUNTAIN WATER DISTRICT

Response to Commission Staff's First Request for Information
Case No. 2025-00327

Question No. 1-10

Responding Witness: Jack Scott Lawless

Q-10. Describe in detail how the test year capitalization rate was determined. If different rates were used for specific expenses (i.e., payroll, clearing accounts, depreciation, etc.), indicate the rate and how it was determined. Indicate all proposed changes to the capitalization rate and how the changes were determined.

A-10. If "capitalization rate" refers to Mountain Water District's capital structure, the question is neither relevant nor applicable as Mountain Water District's application for rate adjustment is based upon debt service coverage methodology, not a rate of return methodology.

If "capitalization rate" refers to how Mountain Water District capitalizes expenses, Mountain Water District has no predetermined capitalization rate. An employee's labor is charged to either expense or capital based on the activity performed. Non-labor costs are charged to capital or operating expense based on the type of activity (i.e., in support of a capital project or normal operating expenses).

MOUNTAIN WATER DISTRICT

Response to Commission Staff's First Request for Information
Case No. 2025-00327

Question No. 1-11

Responding Witness: Mike Spears

Q-1-11. Provide a calculation of the rate or rates used to capitalize interest during construction for the three most recent calendar years. Explain each component entering into the calculation of the rate(s).

A-1-11. Mountain Water District has not capitalized interest during construction for the three most recent calendar years.

MOUNTAIN WATER DISTRICT

Response to Commission Staff's First Request for Information
Case No. 2025-00327

Question No. 1-12

Responding Witness: Carrie Hatfield

Q-1-12. State whether any changes have been made to the utility's internal accounting manuals, directives, and policies and procedures since the utility's most recent rate case. If so, provide each item that was changed and identify the changes.

A-1-12. Mountain Water District's most recent rate case concluded in October 2023. Since that case, it has made minor revisions to its Employee Handbook. A copy of the revised Employee Handbook is attached to this response as Attachment 1-12. Revisions are highlighted in yellow. Deletions are noted in red.

MOUNTAIN WATER DISTRICT

Response to Commission Staff's First Request for Information
Case No. 2025-00327

Question No. 1-13

Responding Witness: Tammy Olson

Q-13. Provide the utility's long-term construction planning program.

A-13. For an overview of its long-term construction plan, see Mountain Water District's Capital Improvements Plan, which was filed as an exhibit to the District's Application in Case No. 2022-00366. For construction that will be financed with the proceeds of the District's Water Loss Surcharge, see the District's Motion to Amend Qualified Infrastructure Improvement Plan, which was filed in Case No. 2023-00331.

MOUNTAIN WATER DISTRICT

Response to Commission Staff's First Request for Information
Case No. 2025-00327

Question No. 1-14

Responding Witnesses: Mike Spears/Jack Scott Lawless

Q-1-14. Provide a copy of the utility's most recent depreciation schedule. The schedule should include a list of all facilities by account number, service life and accrual rate for each plant item, the methodology that supports the schedule, and the date the schedule was last updated.

A-1-14. A copy of Mountain Water District's most recent depreciation schedule was provided with Mountain Water District's Application as Exhibit 15. The depreciation schedule used by the District's consultant to prepare the cost-of-service study is contained in the spreadsheet labeled "Depreciation Water" in the Excel workbook **1-33_Workpapers.xlsx**, which is filed separately with this Response.

MOUNTAIN WATER DISTRICT

Response to Commission Staff's First Request for Information
Case No. 2025-00327

Question No. 1-15

Responding Witness: Carrie Hatfield

Q-1-15. Provide a complete description of the utility's Other Post-Employment Benefits package(s) provided to its employees.

A-1-15. Mountain Water District employees are provided Other Post-Employment Benefits ("OPEBs") through the County Employees Retirement System Non-Hazardous, a cost-sharing multiple-employer defined benefit pension plan administered by the County Employees Retirement System ("CERS"), an agency of the Commonwealth of Kentucky. Under the provisions of KRS 78.782, the CERS Board of Trustees administers CERS and has the authority to establish and amend benefit provisions. CERS provides hospital and medical insurance for eligible members receiving benefits from the pension plan.

MOUNTAIN WATER DISTRICT

Response to Commission Staff's First Request for Information
Case No. 2025-00327

Question No. 1-16

Responding Witnesses: Carrie Hatfield/Jack Scott Lawless

Q-1-16. Provide a complete description of the financial reporting and ratemaking treatment of the utility's pension costs.

A-1-16. A description of Mountain Water District's financial reporting of its employee pension costs is set forth in Note 9 of the Independent Auditors' Report and Financial Statements for the Year Ended December 31, 2024. This Note is attached as Attachment 1-16. A complete copy of the Audit Report is found at Exhibit 14 of Mountain Water District's Application.

For the ratemaking treatment of Mountain Water District's pension costs, see Mountain Water District's Application, Exhibit 18 at pages 27-29.

Attachment 1-16

MOUNTAIN WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024
(CONTINUED)

NOTE 9 - PENSION PLAN

Plan description

The District participated in the District Employee Retirement Systems, a cost sharing multiple-employer Public Employee Retirement System, which covers its paid employees who have achieved at least one year, of service credit. For the fiscal year ended December 31, 2024 the District's covered payroll for nonhazardous positions was $2,781,357 CERS issues a publicly available financial report included in the Kentucky Retirement Systems Annual Report that includes financial statements and the required supplementary information for CERS.

That report may be obtained by writing to Kentucky Retirement Systems, Perimeter Park West, 1260 Louisville Road, Frankfort, 40601, or by calling (502)564-4646 or at https://kyret.ky.gov.

Benefits provided

Benefits under the plan will vary based on final compensation, years of service and other factors as fully described in the plan documents.

Contributions

Funding for CERS is provided by members, who contribute 5% nonhazardous (6% for employees hired after September 1, 2008) of their salary through payroll deductions and by employers of members who contribute 26.95% nonhazardous (21.17% - pension, 5.78% insurance) of the member's salary. The contribution requirements of CERS are established and may be amended by the CERS Board of Trustees.

As of December 31, 2024, the District reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2024. An expected total pension liability as of June 30, 2024 was determined using standard roll-forward techniques. The District proportion of the net pension liability was based on contributions to CERS during the fiscal year ended June 30, 2024.

MOUNTAIN WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024
(CONTINUED)

NOTE 9 - PENSION PLAN(CONTINUED)

For the year ended December 31, 2024, the District recognized pension expense of $242,851 for nonhazardous. At December 31, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Nonhazardous		
Difference between expected actual experience $	$ 239,878	$ 223,913
Changes in assumptions..	-0-	
Net difference between projected and actual earnings on investments…	340,364…	…659,007
Changes in proportion and differences between District District contributions and proportionate share of contributions	78,101	11,919
District contributions subsequent to The measurement date		
TOTAL	$ 658,343	.$894,839

At December 31, 2024, the District reported deferred outflows of resources for District contributions subsequent to the measurement date of -0-. These contributions will be recognized as a reduction of the net pension liability during the year ended December 31, 2024.

Deferred outflows and inflows related to differences between projected and actual earnings on plan investments are netted and amortized over a closed five year period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions are amortized over the average service life of all members. These will be recognized in pension expense as follows:

MOUNTAIN WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024
(CONTINUED)

NOTE 9 - PENSION PLAN (CONTINUED)

Year ending December 31:	
2025	$ (129,908)
2026	86,916
2027	(122,490)
2028	(71,014)
TOTAL	$ (236,496)

Actuarial Methods and Assumptions

Total pension liability for CERS was determined by applying procedures to the actuarial valuation as of June 30, 2024. The financial reporting actuarial valuation as of June 30, 2024, used the following actuarial methods and assumptions:

Valuation Date	June 30, 2024
Measurement Date	June 30, 2024
Experience Study	July 1, 2013 – June 30, 2018
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	20% of the difference between the market value of assets and the expected actuarial value of assets is recognized
Amortization Method	Level Percent of Pay
Amortization Period	26 years, closed
Payroll Growth Rate	2.00%
Investment Return	6.25%
Inflation	2.30%
Salary Increases	3.30% to 11.55%, varies by service for nonhazardous 3.05% to 18.55%, varies by service for hazardous
Mortality	RP-2000 Combined Mortality Table, projected to 2013 with Scale BB (set back 1 year for females)

There have been no changes in plan provisions since June 30, 2024. However, the Board of Trustees has adopted new actuarial assumptions since June 30, 2024. These assumptions are documented in the report titled "Kentucky Retirement Systems 2024 Actuarial Experience Study for the Period Ending June 30, 2024". The total pension liability as of June 30, 2024 is determined using these updated assumptions.

The long-term expected rate of return was determined by using a building block method in which the best estimate ranges of expected future real rates of returns are developed

MOUNTAIN WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024
(CONTINUED)

NOTE 11 - PENSION PLAN(CONTINUED

for each asset class. The ranges are combined by weighting the expected future real rate of return by the target asset allocation percentage. The target allocation and best estimates of arithmetic real rate of return for each major asset class is summarized in the table below. The current long-term inflation assumption is 2.30% per annum for both the non-hazardous and hazardous system.
class.

These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

	Target Allocation	Long Term Nominal Rate of Return
US Equity	21.75%	5.70%
Non-U.S Equity	21.75%	6.35%
Private Equity	10.00%	9.70%
Specialty Credit/High Yield	15.00%	2.80%
Core Bonds	10.00%	0.00%
Opportunistic	0.00%	0.00%
Real Estate	10.00%	5.40%
Opportunistic	00.00%	0.00%
Real Return	10.00%	4.55%
Cash Equivalent	1.50%	0.00%
TOTAL	100.00 %	

Discount rate - The discount rate used to measure the total pension liability was 6.25%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at statutory contribution rates. Projected inflows from investments earnings were calculated using the long-term assumed investment return of 6.25%. The long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

MOUNTAIN WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024
(CONTINUED)

NOTE 9 - PENSION PLAN(CONTINUED)

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 6.25%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 - percentage-point lower (5.25%) or 1 - percentage-point higher (7.25%) than the current rate:

	Current 1% Decrease (5.5%)	Discount Rate (6.5%)	1% Increase (7.5%)
Mountain Water's Share Of the net pension liability	$6,389,094	$4,955,977	$3,766,892

Benefits: The Insurance Fund pays a prescribed contribution for whole or partial payment of required premiums to purchase hospital and medical insurance. The Insurance Fund pays the same proportion of hospital and medical insurance premiums for the spouse and dependents of retired hazardous members killed in the line of duty. As a result of House Bill 290 (2004 Kentucky General Assembly), medical insurance benefits are calculated differently for members who began participating on, or after, July 1, 2003. Once members reach a minimum vesting period of 10 years, non-hazardous employees whose participation began on, or after, July 1, 2003, earn $10 per month for insurance benefits at retirement for every year of earned service without regard to a maximum dollar amount. Hazardous employees whose participation began on, or after, July 1, 2003 earn $15 per month for insurance benefits at retirement for every year of earned service without regard to a maximum dollar amount. Upon death of a hazardous employee, the employee's spouse receives $10 per month for insurance benefits for each year of the deceased employee's earned hazardous service. This dollar amount is subject to adjustment annually, which is currently 1.5%, based upon Kentucky Revised Statutes. The Kentucky General Assembly reserves the right to suspend or reduce this benefit if, in its judgment, the welfare of the Commonwealth so demands.

MOUNTAIN WATER DISTRICT

Response to Commission Staff's First Request for Information
Case No. 2025-00327

Question No. 1-17

Responding Witness: Carrie Hatfield

Q-1-17. Provide detailed descriptions of all early retirement plans or other staff reduction programs the utility has offered its employees during either the test year or intends to offer. Include all cost-benefit analyses associated with these programs.

A-1-17. No such plans or programs have been offered or are planned.

MOUNTAIN WATER DISTRICT

Response to Commission Staff's First Request for Information
Case No. 2025-00327

Question No. 1-18

Responding Witness: Carrie Hatfield

Q-1-18. Provide all current labor contracts and the most recent labor contracts previously in effect.

A-1-18. Mountain Water District has no written labor contracts with its employees or with any union. It uses Manpower Group to fill positions. Its current contracts with Manpower are attached to this Response as Attachment 1-18.

Attachment 1-18

Manpower®

PERMANENT HIRING POLICY

It is the policy of Manpower to advise all clients desiring to interview and/or permanently hire any temporary employee referred to them by Manpower of our policy regarding permanent placements.

The permanent hiring of Manpower associates can be accomplished in one of three ways:

Temporary to Permanent
Allow Manpower to select and assign an associate based on the job description provided by the client at an agreed upon hourly bill rate. The client will utilize the services of the Manpower associate for a minimum period of 520 hours. Should the original associate not work out, they will be replaced and the amount of time the associate worked would be credited toward the 520 hours. At the conclusion of the 520 hour period, a conversion fee in the amount of $200.00 will be charged to transfer the associate from Manpower's payroll to the client's payroll.

Temporary to Permanent (under 13 weeks)
Should the client decide to hire the Manpower associate prior to completion of the 520 hour period, the following prorated fee schedule, which represents a percentage of the direct hire fee, will apply.

Time on Assignment	Prorated Fee Structure	Example using Annual Salary of $25,000
0 – 31 days	100% of fee	$25,000 x 20% x 100% = $5,000
31-60 days	75% of fee	$25,000 x 20% x 75% = $3,750
61-90 days	50% of fee	$25,000 x 20% x 50% = $2,500
91+ days	$200 transfer fee	

Direct Hire
The client notifies Manpower "up-front" of their desire to hire a Manpower referred applicant full-time immediately with no period of hourly temporary work through Manpower. The client will then be charged a fee computed by calculating 20% of the full time salary to be paid to the individual being hired (e.g. 20% x $25,000 = $5,000).

I have been advised of Manpower's permanent hiring policy and agree to abide by the policy should I desire to hire a Manpower referred applicant on a full-time basis.

Mountain Water District
Client Name

Roy B Sawyers
Client Representative Signature

ROY B SAWYERS
Client Representative Printed Name

10/21/19
Date

Manpower

Paula Halm
Manpower Representative Signature

Paula Halm
Manpower Representative Printed Name

10/28/19
Date

Revised: 7/29/14

BUSINESS CREDIT APPLICATION

Manpower

Dear Manpower Client:

The National Council on Compensation Insurance (NCCI) workers compensation class system requires temporary help services to assume our clients' workers compensation class codes when calculating our premium.

We must have this information in order to code your business correctly in our computer system. The four digit class code assigned to your business can be found on the policy your company carries for West Virginia Workers Compensation. If you do not know what your classification code is, please contact your insurance agent.

We appreciate your prompt attention in providing us with this information.

Sincerely,

MANPOWER

Please complete and return to Manpower.

Client Name Mountain Water District

Address P.O. Box 3157 P.Keville KY
City State

Workers' Compensation Class Code Clerical - 8810, Water - 7520, Waste water - 7580
Mechanic - 8380

Type of Business/Code Description Water/Sewer Utility - NON-profit

FEIN or Policy # 61-1098805

Roy B Sawyers District Manager 10/21/19
Print Name Title Date Signed

Roy B Sawyers
Customer Signature

Manpower Office Use Only

Code Obtained From: _____

Manpower Office Location: _____

MOUNTAIN WATER DISTRICT

Response to Commission Staff's First Request for Information
Case No. 2025-00327

Question No. 1-19

Responding Witness: Carrie Hatfield

Q-1-19. Provide the information requested in Schedule H for budgeted and actual numbers of full- and part-time employees, regular wages, overtime wages, and total wages by employee group, by month, for the three most recent calendar years, and the test year. Explain any variance exceeding 5 percent.

A-1-19. See Attachment 1-19. Mountain Water District's budget is based upon projected annual expenses, not monthly expenses. Mountain Water District does not develop a monthly budget. The monthly budgeted amounts shown in Attachment 1-19 were derived by dividing the annual budgeted amount by 12 months. As a result, variances of five percent or more for a month are common. Many of the variances resulted from unexpected events, such as the significant rain events in eastern Kentucky that have caused major floods and required significant increase in field work to repair damage and restore service.

Attachment 1-19

Schedule H
Mountain Water District Case No. 2025-00327
Monthly Payroll Variance Analysis
Workpaper Reference No.(s): ____

As of 12/31/2024

Month.	Employee Group	Number of Full-Time Employees		Number of Part-Time Employees		Monthly Budget	Monthly Actual	Variance Percent
		Budgeted	Actual	Budgeted	Actual	Total	Total	Total
JAN	Admin	7	7	0	1	42,487.58	32025.48	(0.25)
	Customer Service	12	12	0	1	28,095.58	27685.24	(0.01)
	Water	39	39	0	0	153,537.17	135138	(0.12)
	Sewer	10	10	0	0	31,270.42	33011.27	0.06
Feb	Admin	7	7	0	0	42,487.58	32132.14	(0.24)
	Customer Service	12	12	0	0	28,095.58	28745.1	0.02
	Water	39	39	0	0	153,537.17	133998.18	(0.13)
	Sewer	10	10	0	0	31,270.42	32871.86	0.05
March	Admin	7	7	0	0	42,487.58	32035.71	(0.25)
	Customer Service	12	12	0	0	28,095.58	28324.88	0.01
	Water	39	40	0	0	153,537.17	163180	0.06
	Sewer	10	10	0	0	31,270.42	32987.84	0.05
April	Admin	7	7	0	0	42,487.58	32080.87	(0.24)
	Customer Service	12	12	0	0	28,095.58	27192.47	(0.03)
	Water	39	40	0	0	153,537.17	134383	(0.12)
	Sewer	10	10	0	0	31,270.42	33463.36	0.07
May	Admin	7	7	0	0	42,487.58	48088.48	0.13
	Customer Service	12	13	0	0	28,095.58	40879.81	0.46
	Water	39	37	0	0	153,537.17	201141	0.31
	Sewer	10	10	0	0	31,270.42	49271.04	0.58
June	Admin	7	7	0	0	42,487.58	32052.78	(0.25)
	Customer Service	12	12	0	0	28,095.58	28846.87	0.03

	Water	39	37	0	0	153,537.17	144003	(0.06)
	Sewer	10	10	0	0	31,270.42	34237.3	0.09
July	Admin	7	7	0	0	42,487.58	32172.3	(0.24)
	Customer Service	12	11	0	0	28,095.58	29999.14	0.07
	Water	39	38	0	0	153,537.17	143005	(0.07)
	Sewer	10	10	0	0	31,270.42	33274.19	0.06
August	Admin	7	7	0	0	42,487.58	32197.07	(0.24)
	Customer Service	12	11	0	0	28,095.58	31937.94	0.14
	Water	39	38	0	0	153,537.17	145327	(0.05)
	Sewer	10	10	0	0	31,270.42	33993.17	0.09
Sept	Admin	7	7	0	0	42,487.58	32187.86	(0.24)
	Customer Service	12	11	0	0	28,095.58	29718.8	0.06
	Water	39	38	0	0	153,537.17	143676	(0.06)
	Sewer	10	10	0	0	31,270.42	33333.19	0.07
Oct.	Admin	7	7	0	0	42,487.58	32168.61	(0.24)
	Customer Service	12	11	0	0	28,095.58	28443.38	0.01
	Water	39	38	0	0	153,537.17	142676.92	(0.07)
	Sewer	10	10	0	0	31,270.42	34412.44	0.10
Nov	Admin	7	7	0	0	42,487.58	48214.55	0.13
	Customer Service	12	13	0	0	28,095.58	41381.94	0.47
	Water	39	38	0	0	153,537.17	217413.96	0.42
	Sewer	10	10	0	0	31,270.42	49696.77	0.59
Dec	Admin	7	7	0	0	42,487.58	33264.07	(0.22)
	Customer Service	12	12	0	0	28,095.58	28963.02	0.03
	Water	39	40	0	0	153,537.17	153271.85	(0.00)
	Sewer	10	10	0	0	31,270.42	35767.89	0.14

Schedule H
Mountain Water District Case No. 2025-00327
Monthly Payroll Variance Analysis
Workpaper Reference No.(s): ____

As of 12/31/2023

Month.	Employee Group	Number of Full-Time Employees		Number of Part-Time Employees		Monthly Budget	Monthly Actual			Variance Percent
		Budgeted	Actual	Budgeted	Actual	Total	Reg.	OT	Total	Total
JAN	Admin	7	7	0	0	53,117.00	30804.59	141.15	30945.74	(0.42)
	Customer Service	12	10	0	0	23,326.83	25427.19	316.13	25743.32	0.10
	Water	39		0	0	93,221.67	107522.3	5200.87	112723.2	0.21
	Sewer	10	9	0	0	32,153.58	27844.25	178.52	28022.77	(0.13)
Feb	Admin	7	7	0	0	53,117.00	30818.31	244.82	31063.13	(0.42)
	Customer Service	12	10	0	0	23,326.83	24243.86	890.57	25134.43	0.08
	Water	39		0	0	93,221.67	106265.7	1351.6	107617.3	0.15
	Sewer	10	9	0	0	32,153.58	27172.15	216.21	27388.36	(0.15)
March	Admin	7	7	0	0	53,117.00	30833.46	62.78	30896.24	(0.42)
	Customer Service	12	10	0	0	23,326.83	24467.57	437.63	24905.2	0.07
	Water	39		0	0	93,221.67	106485.7	3579.01	110064.7	0.18
	Sewer	10	9	0	0	32,153.58	27881.01	296.09	28177.1	(0.12)
April	Admin	7	7	0	0	53,117.00	30855.55	299.18	31154.73	(0.41)
	Customer Service	12	11	0	0	23,326.83	25606.2	472.88	26079.08	0.12
	Water	39		0	0	93,221.67	106017.6	5255.13	111272.7	0.19
	Sewer	10	9	0	0	32,153.58	27495.74	290.1	27785.84	(0.14)
May	Admin	7	7	0	0	53,117.00	30810.8	82.71	30893.51	(0.42)
	Customer Service	12	11	0	0	23,326.83	26398.75	459.75	26858.5	0.15
	Water	39		0	0	93,221.67	105698	5843.11	111541.1	0.20
	Sewer	10	9	0	0	32,153.58	27572.18	448.05	28020.23	(0.13)
June	Admin	7	7	0	0	53,117.00	46154	259.77	46413.77	(0.13)
	Customer Service	12	11	0	0	23,326.83	39766.17	865.13	40631.3	0.74

	Water	39		0	0	93,221.67	156116.8	6958.36	163075.2	0.75
	Sewer	10	9	0	0	32,153.58	41402.99	446.1	41849.09	0.30
July	Admin	7	7	0	0	53,117.00	29735.28	49.68	29784.96	(0.44)
	Customer Service	12	11	0	0	23,326.83	23989.38	465.01	24454.39	0.05
	Water	39		0	0	93,221.67	102212.2	4507.14	106719.3	0.14
	Sewer	10	9	0	0	32,153.58	26356.56	41.27	26397.83	(0.18)
August	Admin	7	7	0	0	53,117.00	29722.17	181.51	29903.68	(0.44)
	Customer Service	12	11	0	0	23,326.83	22162.47	808.15	22970.62	(0.02)
	Water	39		0	0	93,221.67	100506.6	8778.87	109285.5	0.17
	Sewer	10	9	0	0	32,153.58	26558.59	134.1	26692.69	(0.17)
Sept	Admin	7	7	0	0	53,117.00	29714.17	131.55	29845.72	(0.44)
	Customer Service	12	11	0	0	23,326.83	22733.47	369.01	23102.48	(0.01)
	Water	39		0	0	93,221.67	102709.5	5130.03	107839.5	0.16
	Sewer	10	9	0	0	32,153.58	26904.33	93.58	26997.91	(0.16)
Oct.	Admin	7	7	0	0	53,117.00	29752.37	99.62	29851.99	(0.44)
	Customer Service	12	11	0	0	23,326.83	24209.22	328.13	24537.35	0.05
	Water	39		0	0	93,221.67	102148	8603.33	110751.3	0.19
	Sewer	10	9	0	0	32,153.58	27812.67	291.86	28104.53	(0.13)
Nov	Admin	7	7	0	0	53,117.00	29752.35	87.06	29839.41	(0.44)
	Customer Service	12	11	0	0	23,326.83	24169.47	397.89	24567.36	0.05
	Water	39		0	0	93,221.67	103793	6229.77	110022.8	0.18
	Sewer	10	7	0	0	32,153.58	27411.69	144.02	27555.71	(0.14)
Dec	Admin	7	7	0	0	53,117.00	45605.04	376.66	45981.7	(0.13)
	Customer Service	12	11	0	0	23,326.83	37957.46	519.75	38477.21	0.65
	Water	39		0	0	93,221.67	170510.5	7889.65	178400.1	0.91
	Sewer	10	10	0	0	32,153.58	45886.17	258.24	46144.41	0.44

Schedule H
Mountain Water District Case No. 2025-00327
Monthly Payroll Variance Analysis
Workpaper Reference No.(s): ____

As of 12/31/2022

Month.	Employee Group	Number of Full-Time Employees		Number of Part-Time Employees		Monthly Budget	Monthly Actual	Variance Percent
		Budgeted	Actual	Budgeted	Actual	Total	Total	Total
JAN	Admin	7	7	0	0	52,138.00	48764.55	-6.47%
	Customer Service	11	12	0	0	28,641.00	21722	-24.16%
	Water	30	12	0	0	97,379.00	86158.15	-11.52%
	Sewer	9	9	0	0	35,173.00	29702.91	-15.55%
Feb	Admin	7	7	0	0	52,138.00	49488.17	-5.08%
	Customer Service	11	12	0	0	28,641.00	21554.41	-24.74%
	Water	30	31	0	0	97,379.00	84468.53	-13.26%
	Sewer	9	9	0	0	35,173.00	29794.95	-15.29%
March	Admin	7	7	0	0	52,138.00	49511.62	-5.04%
	Customer Service	11	11	0	0	28,641.00	21483.06	-24.99%
	Water	30	32	0	0	97,379.00	85746.41	-11.95%
	Sewer	9	9	0	0	35,173.00	29939.74	-14.88%
April	Admin	7	7	0	0	52,138.00	49451.24	-5.15%
	Customer Service	11	11	0	0	28,641.00	21449.74	-25.11%
	Water	30	32	0	0	97,379.00	82835.93	-14.93%
	Sewer	9	9	0	0	35,173.00	29344.45	-16.57%
May	Admin	7	7	0	0	52,138.00	49473.55	-5.11%
	Customer Service	11	11	0	0	28,641.00	21663.43	-24.36%
	Water	30	31	0	0	97,379.00	82835.93	-14.93%
	Sewer	9	9	0	0	35,173.00	29344.45	-16.57%
June	Admin	7	7	0	0	52,138.00	49473.55	-5.11%
	Customer Service	11	11	0	0	28,641.00	22122.39	-22.76%

	Water	30	30	0	0	97,379.00	88759.89	-8.85%
	Sewer	9	9	0	0	35,173.00	30141.64	-14.30%
July	Admin	7	7	0	0	52,138.00	69931.18	34.13%
	Customer Service	11	11	0	0	28,641.00	32419.71	13.19%
	Water	30	30	0	0	97,379.00	131554.45	35.10%
	Sewer	9	9	0	0	35,173.00	44641.04	26.92%
August	Admin	7	7	0	0	52,138.00	45765.61	-12.22%
	Customer Service	11	11	0	0	28,641.00	22332.89	-22.02%
	Water	30	31	0	0	97,379.00	45917.59	-52.85%
	Sewer	9	9	0	0	35,173.00	21467.49	-38.97%
Sept	Admin	7	7	0	0	52,138.00	95748.45	83.64%
	Customer Service	11	11	0	0	28,641.00	30706.88	7.21%
	Water	30	31	0	0	97,379.00	95748.45	-1.67%
	Sewer	9	9	0	0	35,173.00	30706.88	-12.70%
Oct.	Admin	7	7	0	0	52,138.00	4859.7	-90.68%
	Customer Service	11	10	0	0	28,641.00	21464.55	-25.06%
	Water	30	29	0	0	97,379.00	80406.46	-17.43%
	Sewer	9	9	0	0	35,173.00	29266.05	-16.79%
Nov	Admin	7	7	0	0	52,138.00	46332.73	-11.13%
	Customer Service	11	10	0	0	28,641.00	21571.05	-24.68%
	Water	30	31	0	0	97,379.00	82696.39	-15.08%
	Sewer	9	10	0	0	35,173.00	30850.7	-12.29%
Dec	Admin	7	7	0	0	52,138.00	70455.12	35.13%
	Customer Service	11	10	0	0	28,641.00	31194.42	8.92%
	Water	30	33	0	0	97,379.00	143610.47	47.48%
	Sewer	9	10	0	0	35,173.00	47916.85	36.23%

MOUNTAIN WATER DISTRICT

Response to Commission Staff's First Request for Information
Case No. 2025-00327

Question No. 1-20

Responding Witness: Carrie Hatfield

Q-1-20. For each employee group, state the amount, percentage increase, and effective dates for general wage increases and, separately, for merit increases granted or to be granted in the past two calendar years and the test year.

A-1-20. **Members of Board of Commissioners:** No salary increases occurred in 2023 or 2024.

Water Department Employees:

a. Effective January 11, 2022, the hourly wage rate of all employees whose hourly wage rate was less than $12.00 was increased to $12.00.

b. Effective January 11, 2022, all employees' wages were increased by an average 8.48 percent.

c. In 2023 there was no general wage increase. Some employees received merit wage increases by increasing their skill levels (e.g., obtaining a higher operator certification) or through a change in their job position.

d. Effective January 3, 2024, the hourly wage rate of all employees increased an average of 12.5 percent.

e. Effective December 22, 2024, the hourly wage rate of all employees increased an average of 4.3 percent.

Customer Service Employees:

a. Effective January 11, 2022, the hourly wage rate of all employees whose hourly wage rate was less than $12.00 was increased to $12.00.

b. Effective January 11, 2022, all employees' wages were increased by an average 11.44 percent.

c. In 2023 there was no general wage increase. Some employees received merit wage increases by increasing their skill levels (e.g., obtaining a higher operator certification) or through a change in their job position.

d. Effective January 3, 2024, the hourly wage rate of all employees increased an average of 12.5 percent.

e. Effective December 22, 2024, the hourly wage rate of all employees increased an average of 4.01 percent.

Wastewater Employees:

a. Effective January 11, 2022, the hourly wage rate of all employees whose hourly wage rate was less than $12.00 was increased to $12.00.

b. Effective January 11, 2022, all employees' wages were increased by an average 8.91 percent.

c. In 2023 there was no general wage increase. Some employees received merit wage increases by increasing their skill levels (e.g., obtaining a higher operator certification) or through a change in their job position.

d. Effective January 3, 2024, the hourly wage rate of all employees increased an average of 12.5 percent.

e. Effective December 22, 2024, the hourly wage rate of all employees increased an average of 4.01 percent.

Administrative Employees:

a. Effective January 11, 2022, all administrative employees, except the District Manager and Operations Manager, received a wage or salary increase of 2.43 percent.

b. No annual wage increases were granted in 2023.

c. Effective January 3, 2024, the hourly wage rate of all employees increased an average of 3.0 percent.

d. Effective December 22, 2024, the hourly wage rate of all employees increased an average of 7.25 percent.

MOUNTAIN WATER DISTRICT

Response to Commission Staff's First Request for Information
Case No. 2025-00327

Question No. 1-21

Responding Witness: Carrie Hatfield

Q-1-21. For the test year and three most recent calendar years, provide a schedule reflecting the job title, duties and responsibilities of each executive officer, the number of employees who report to each officer, and to whom each officer reports, and the percentage annual increase and the effective date of each increase. For employees elected to executive officer status since the test year in the utility's most recent rate case, provide the salaries for the persons they replaced.

A-1-21. See Attachment 1-21.

Attachment 1-21

2022					
Name	**Title**	**Number of Employees Who Report To**	**Reports To**	**Annual Increase (%)**	**Effective Date of Increase**
Roy Sawyers	General Manager	6	Board of Commissioners	0.0	Not Applicable
David Taylor	Operations Manager	9	General Manager	0.0	Not Applicable
Jamey Keathley	Wastewater Manager	9	General Manager	5.5	01/11/2022

2023					
Name	**Title**	**Number of Employees Who Report To**	**Reports To**	**Annual Increase (%)**	**Effective Date of Increase**
Tammy Olson	General Manager	6	Board of Commissioners	0.0*	Not Applicable
David Taylor	Operations Manager	9	General Manager	0.0	Not Applicable
Jamey Keathley	Wastewater Manager	9	General Manager	0.0	Not Applicable
*Ms. Olson appointed General Manager after Mr. Sawyers retired. Her salary was the same as Mr. Sawyers.					

2024					
Name	**Title**	**Number of Employees Who Report To**	**Reports To**	**Annual Increase (%)**	**Effective Date of Increase**
Tammy Olson	General Manager	6	Board of Commissioners	3.5	01/01/2024
David Wolford	Operations Manager	9	General Manager	12.0*	01/01/2024
Jamey Keathley	Wastewater Manager	9	General Manager	3.5	01/01/2024
*Mr. Wolford served as Acting Operations Manager during a portion of 2023. His salary was increased to the Operations Manager’s level in July 2023.					

MOUNTAIN WATER DISTRICT

GENERAL MANAGER POSITION

GENERAL DESCRIPTION OF DUTIES:

The employee serves at the pleasure and direction of the Board of Commissioners and their primary duties are as follows:

- Coordination of all Board Communication
- Serve as an agent of the Board in implementing the Board's policies and procedures and reporting on same to the Board, including all procurement related activities pursuant to Board policy
- Oversight of daily operations and construction projects to ensure all activities are performed according to the District's policies and procedures and in accordance with state regulatory requirements
- Coordination and planning of capital asset management, infrastructure maintenance, and the general maintenance of the water and wastewater systems
- Oversee the preparation of reports and the distribution of information to the Board of Commissioners for each monthly meeting in order to assure that they have an accurate and comprehensive overview of the status of the District's operations, level of customer satisfaction and progress of expansion and/or upgrade projects.

POSITION REQUIREMENTS:

- Four year college diploma preferred; with at least two years of experience in a comparable position involving management, operations, accounting or utility construction
- Basic understanding of the District's legal structure and operations as well as regulatory requirements affecting water districts in Kentucky
- Demonstrated effective oral and written communication skills and the ability to independently compose routine written communications
- Demonstrated capacity to routinely interact well with others, in a civil and professional manner
- Excellent PC skills with knowledge of MS Word, Excel and other dedicated software programs used routinely in utility operations
- Ability and willingness to travel in the District and across Kentucky, as may be required to represent the District's interests
- Must be able to handle diverse tasks simultaneously and work effectively with interruption while consistently meeting or exceeding position goals

Mountain Water District

Operations Manager

The position shall include but not limited to the following:

- Oversee and coordinate daily operations of production and distribution of water service with department heads
- Oversee all pre and post construction projects performed within the District's system boundaries for compliance with MWD policies and specifications
- Delegates all customer calls 24/7 of incoming customer calls to Water Treatment Plant Personnel
- Maintain all SCADA software and hardware for filed system and Water Treatment Plant

Requirements:

- High school diploma or GED
- Knowledge of hydraulics and the water system
- 2 to 4 years of Management Experience preferred
- Ability to learn and work with computers
- Clean driving record
- Applicant must submit to and pass a pre-employment drug screening

MOUNTAIN WATER DISTRICT

POSITION: Wastewater Manager

DUTIES: Oversee daily Operations and Maintenance of extended aeration wastewater treatment plants. Oversee collection of samples as required by Ky PDES permit. Operate wastewater plants in efficient and cost effective manner.

REQUIREMENTS:

- Education — High School graduate or GED.
- Certification — Current certification as a wastewater treatment plant operator - class II or higher.
- Other — Three or more years experience operating a class II or larger plant.

  Ability to diagnose complex treatment processes and apply advanced technological wastewater methodologies to correct extended aeration treatment inefficiencies.

MOUNTAIN WATER DISTRICT

Response to Commission Staff's First Request for Information
Case No. 2025-00327

Question No. 1-22

Responding Witness: Carrie Hatfield

Q-1-22. Provide, in the format provided in Schedule I, the following information for the utility's compensation and benefits, for the three most recent calendar years and the test year. Provide the information individually for each corporate officer and by category for Directors, Managers, Supervisors, Exempt, Non-Exempt, Union, and Non-Union Hourly. Provide the amounts, in gross dollars, separately for total company operations and jurisdictional operations.

a. Regular salary or wages.

b. Overtime pay.

c. Excess vacation payout.

d. Standby/Dispatch pay.

e. Bonus and incentive pay.

f. Any other forms of incentives, including stock options or forms of deferred compensation (specify).

g. Other amounts paid and reported on the employees' W-2 (specify).

h. Healthcare benefit cost.

(1) Amount paid by the utility.

(2) Amount paid by the employee.

i. Dental benefits cost.

(1) Amount paid by the utility.

(2) Amount paid by the employee.

j. Vision benefits cost.

(1) Amount paid by the utility.

(2) Amount paid by the employee.

k. Life insurance cost.

(1) Amount paid by the utility.

(2) Amount paid by the employee.

l. Accidental death and disability benefits.

(1) Amount paid by the utility.

(2) Amount paid by the employee.

m. Defined Benefit Retirement cost.

(1) Amount paid by the utility.

(2) Amount paid by the employee.

n. Defined Contribution – 401(k) or similar plan cost. Provide the amount paid by the utility.

o. Cost of any other benefit available to an employee, including fringe benefits (specify).

A-1-22. See Attachment 1-22.

Attachment 1-22

Schedule I
Mountain Water District
Case No. 2025-00327
Analysis of Compensation and Benefit Data, in gross dollars For the 12 Months Ended 12/31/2024

Employee Categories	Compensation by Category [1]	Safety Bonus	Vehicle Allowance	Overtime	On Call	Called out	Subtotal AllCor	Healthcare		Dental		Life/STD/LTD		CERS Retiren		Total Compensation and Benefits	
								Utility	Employees	Utility	Employee	Utility	Employee	Utility	Employee	Utility	Employee
Corporate Officers																	
Paul Chaney	$6,000.00	$0.00		$0.00	$0.00	$0.00	$6,000.00	0	0	0	0	0	0	0	0	$6,000.00	
Gerald M Justice	$6,000.00	$0.00		$0.00	$0.00	$0.00	$6,000.00	0	0	0	0	0	0	0	0	$6,000.00	
Burt Melton	$6,000.00	$0.00		$0.00	$0.00	$0.00	$6,000.00	0	0	0	0	0	0	0	0	$6,000.00	
Myrtle Runnion	$6,000.00	$0.00		$0.00	$0.00	$0.00	$6,000.00	0	0	0	0	0	0	0	0	$6,000.00	
Randy Tackett	$6,000.00	$0.00		$0.00	$0.00	$0.00	$6,000.00	0	0	0	0	0	$0.00	0	0	$6,000.00	
Total Amount	**$30,000.00**	**$0.00**		**$0.00**	**$0.00**	**$0.00**	**$30,000.00**									**$30,000.00**	
Total KY																	
Corporate Officers																	
General Manager	$93,660.06	$150.00	$9,000.00	$0.00	$0.00	$0.00	$102,810.06	10018	310.92	231.6	33.8	486.96	$1,598.35	319.92	6,168.66	$104,716.50	$8,111.73
W/Operations Manager	$72,924.00	$250.00	$0.00	$0.00	$0.00	$0.00	$73,174.00	0	0	0	0		$0.00	273.84	3,921.76	$73,197.84	3921.76
WW/Operations Manager	$69,871.36	$250.00	$9,000.00	$0.00	$0.00	$0.00	$79,121.36	10018	1659.37	283.56	247.26	347.88	$907.92	18,466.93	3,277.58	$98,987.69	6092.13
CFO	$73,588.30	$150.00	$0.00	$0.00	$0.00	$0.00	$73,738.30	10018	310.92	308.16	672.1	382.44	$358.80	17,210.52	3,679.48	$101,507.38	5021.3
Office Manager	$68,874.52	$150.00	$0.00	$0.00	$0.00	$0.00	$69,024.52	19648.9	2816.84	283.56	247.26	324.72	$0.00	16,110.32	3,451.20	$105,242.04	6515.3
Compliance Manager	$51,318.52	$150.00	$0.00				$51,468.52	10018	310.92	231.6	33.8	267.48	$795.60	12,012.75	3,079.08	$73,848.31	4219.4
Total Amount	**$430,236.76**	**$1,100.00**	**$18,000.00**	**$0.00**	**$0.00**	**$0.00**	**$449,336.76**	**59720.8**	**5408.97**	**1338.48**	**1234.22**	**1809.48**	**$3,660.67**	**64,394.28**	**23,577.76**	**$557,499.76**	**$33,881.62**
							$0.00									$0.00	
Salary Supervisors	$135,525.13	$400.00	$9,000.00	$0.00	$0.00	$0.00	$144,925.13	29595.1	2791.88	474.96	579.6	716.4	$559.00	33,825.53	6,575.25	$200,137.14	10505.73
Hourly Employees	$2,245,336.02	$12,271.02	$0.00	$120,460.03	$22,800.35	$30,819.01	$2,257,607.04	611861	58293.3	13029.32	10592.41	4506.89	$4,219.67	519,933.92	137,848.82	$3,394,666.83	210954.18
Total Amount	**$2,380,861.15**	**$12,671.02**	**$9,000.00**	**$120,460.03**	**$22,800.35**	**$30,819.01**	**$2,402,532.17**	**611861**	**58293.3**	**13029.32**	**10592.41**	**5223.29**	**$10,477.47**	**553,759.45**	**144,424.07**	**$3,594,803.97**	**$223,787.23**
							$0.00										
Total for All Categories	**$2,841,097.91**	**$13,771.02**	**$27,000.00**	**$120,460.03**	**$22,800.35**	**$30,819.01**	**$3,055,948.32**	**701177**	**66494.1**	**13029.32**	**12406.23**	**7032.77**	**$14,697.14**	**618,153.73**	**168,001.83**	**$4,152,303.73**	**513010.38**

Schedule I
Mountain Water District
Case No. 2025-00327
Analysis of Compensation and Benefit Data, in gross dollars For the 12 Months Ended 12/31/2023

Employee Categories	Compensation by Category [1]	Safety Bonus	Vehicle Allowance	Overtime	On Call	Called out	Subtotal AllCo	Healthcare		Dental		Life/STD/LT		CERS Retire		Total Compensation and Benefits	
								Utility	Employee	Utility	Employee	Utility	Employee	Utility	Employee	Utility	Employee
Corporate Officers (Individually)																	
Paul Chaney	$6,000.00	$0.00		$0.00	$0.00	$0.00	$6,000.00	0	0	0	0	0	0	0	0	$6,000.00	
Gerald M Justice	$6,000.00	$0.00		$0.00	$0.00	$0.00	$6,000.00	0	0	0	0	0	0	0	0	$6,000.00	
Johnny Denison	$3,500.00	$0.00		$0.00	$0.00	$0.00	$3,500.00									$3,500.00	
Burt Melton	$1,700.00	$0.00		$0.00	$0.00	$0.00	$1,700.00	0	0	0	0	0	0	0	0	$1,700.00	
Myrtle Runnion	$6,000.00	$0.00		$0.00	$0.00	$0.00	$6,000.00	0	0	0	0	0	0	0	0	$6,000.00	
Randy Tackett	$6,000.00	$0.00		$0.00	$0.00	$0.00	$6,000.00	0	0	0	0	0	$0.00	0	0	$6,000.00	
Total Amount	**$29,200.00**	**$0.00**		**$0.00**	**$0.00**	**$0.00**	**$29,200.00**									**$29,200.00**	
Corporate Officers (Collectively)																	
General Manager 01/01/23-06/30/23	$49,099.96		$4,500.00	$0.00	$0.00	$0.00	$53,599.96	0	0	141.78	158.47	232.44	$1,281.50	14,359.43	2,230.02	$70,563.63	
General Manager 07/01/23-12/31/23	$49,249.96	$150.00	$4,500.00	$0.00	$0.00	$0.00	$53,899.96		155.48	231.6	16.9	159.5	$399.10	14,439.80	2,955.06	$68,730.86	$3,526.54
W/Operations Manager	$88,424.96	$250.00	$9,000.00	$0.00	$0.00	$0.00	$97,674.96	0	0	190.8	430.3	460.32	$239.20	26,167.12	4,433.80	$124,493.20	5103.3
WW/Operations Manager	$65,300.30	$250.00	$9,000.00	$0.00	$0.00	$0.00	$74,550.30	12689.16	1980.42	308.16	515.84	324.6	$1,037.18	19,972.03	3,277.58	$98,594.25	6811.02
CFO	$68,634.02	$150.00	$0.00	$0.00	$0.00	$0.00	$68,784.02	7409.88	310.92	308.16	672.1	345.84	$358.80	18,427.24	3,439.24	$95,125.14	4781.06
Office Manager	$64,368.72	$150.00	$0.00	$0.00	$0.00	$0.00	$64,518.72	14169	2624.08	283.56	74.85	324.6	$239.98	17,284.57	3,226.04	$96,430.45	6164.95
Compliance Manager01/01/23-06/30/2023	$31,746.26		$0.00				$31,746.26	3704.94	155.48	231.6	33.8	159.5	$399.10	8,504.82	1,904.76	$44,347.12	2493.14
Compliance Manager07/01/2023-12/31/2023	$23,910.64	$150.00	$0.00				$24,060.64	3704.94	155.48	231.6	0	110.45	$415.20	6,445.85	1,443.68	$34,403.48	2014.36
Total Amount	**$440,734.82**	**$1,100.00**	**$27,000.00**	**$0.00**	**$0.00**	**$0.00**	**$468,834.82**	**41677.92**	**5381.86**	**1927.26**	**1902.26**	**2117.25**	**$4,370.06**	**119,155.00**	**22,910.18**	**$605,612.25**	**$34,564.36**
							$0.00									$0.00	
Salary Supervisors	$95,559.74	$400.00		$0.00	$0.00	$0.00	$95,959.74	7409.88	680.56	474.96	16.9	489.53	$973.78	25,707.61	6,575.25	$129,641.72	8246.49
Hourly Employees	$1,793,758.68	$11,267.66	$0.00	$83,906.43	$15,020.55	$28,537.24	##########	512720.2	58293.3	13029.32	10592.41	4005.21	$7,177.11	446,164.46	137,848.82	$2,769,677.85	213911.62
Total Amount	**$1,889,318.42**	**$11,667.66**	**$0.00**	**$83,906.43**	**$15,020.55**	**$28,537.24**	##########	**520130.1**	**58293.3**	**13029.32**	**10592.41**	**4494.74**	**$10,477.47**	**471,872.07**	**144,424.07**	**$2,899,319.57**	**$223,787.23**
							$0.00										
Total for All Categories	**$2,359,253.24**	**$12,767.66**	**$27,000.00**	**$83,906.43**	**$15,020.55**	**$28,537.24**	##########	**561808**	**64355.7**	**13029.32**	**12511.57**	**6611.99**	**$15,821.31**	**591,027.08**	**167,334.25**	**$3,504,931.83**	**511404.07**

Schedule I

Mountain Water District
Case No. 2022-00366

Analysis of Compensation and Benefit Data, in gross dollars
For the 12 Months Ended December 31, 2022

Employee Categories	Compensation by Category		Subtotal All	Healthcare		Vision		Dental		Life/STD/LTD/ADD		CERS_KyRetirement		Vehicle Allowance	Safety Bonus	Total Compensation and Benefits	
	Regular	Overtime	Compensation	Utility	Employee	Utility	Employee	Utility	Employee	Utility	Employee	Utility	Employee	Contribution		Utility	Employee
Corporate Offices (Individually)																	
Paul Chaney	$ 6,000.00	$ -	$ 6,000.00	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 6,000.00	$ -
Johnny Denison	$ 6,000.00	$ -	$ 6,000.00	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 6,000.00	
Gerald Justice	$ 2,700.00	$ -	$ 2,700.00	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,700.00	
Myrtis Runyon	$ 6,000.00	$ -	$ 6,000.00														
Randy Tackett	$ 6,000.00	$ -	$ 6,000.00	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 6,000.00	$ -
Kevin Varney	$ 2,000.00	$ -	$ 2,000.00	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 3,500.00	
Total Amount	$ 28,700.00	$ -	$ 28,700.00	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 28,700.00	$ -
Total KY Jurisdictional																	
Corporate Officers (Collectively)																	
Total Amount	$ 28,700.00	$ -	$ 28,700.00	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 28,700.00	$ -
Total KY Jurisdictional	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
All Other Employee Categories (Separate by Category)																	
General Manager	$ 89,200.02	$ -	$ 89,200.02	$ -	$ -	$ -	$ 184.16	$ 245.40	$ 316.94	$ 484.88	$ 2,116.55	$ 23,663.75	$ 4,219.43	$ 8,999.90	$ 150.00	$ 122,723.95	$ 6,787.08
W.Operations Manager	$ 88,424.96		$ 88,424.96	$ 16,087.98	$ 2,318.55	$ -	$ 222.30	$ 320.40	$ 461.30	$ 460.32	$ 239.98	$ 23,489.97	$ 4,502.93	$ 8,999.90	$ 250.00	$ 138,027.53	$ 7,522.76
WW Operations Manager	$ 65,300.30	$ -	$ 65,300.30	$ 11,466.60	$ 1,980.42	$ -	$ 145.60	$ 308.16	$ 515.84	$ 324.24	$ 767.52	$ 16,490.50	$ 3,202.20	$ 8,999.90	$ 250.00	$ 108,139.70	$ 6,811.58
CFO	$ 68,634.02	$ -	$ 68,634.02	$ 6,766.09	$ 810.96	$ -	$ 76.70	$ 38.16	$ 545.89	$ 345.84	$ 199.16	$ 17,595.46	$ 3,439.24	$ -	$ 150.00	$ 98,529.57	$ 4,571.95
Office Manager	$ 64,518.72	$ -	$ 64,518.72	$ 6,766.09	$ 810.96	$ -	$ 123.11	$ 265.16	$ 154.55	$ 324.72	$ 288.98	$ 16,504.38	$ 3,225.04	$ -	$ 150.00	$ 88,529.07	$ 4,054.64
Compliance Manager	$ 63,492.52	$ -	$ 63,492.52	$ 11,466.60	$ 1,852.00	$ -	$ 140.30	$ 196.56	$ 431.48	$ 319.92	$ 1,090.44	$ 16,241.98	$ 3,818.52	$ -	$ 150.00	$ 91,864.58	$ 7,332.74
Total Amount	$ 439,570.54	$ -	$ 439,570.54	$ 52,553.36	$ 6,772.89	$ -	$ 842.17	$ 1,370.84	$ 2,426.00	$ 2,259.92	$ 4,653.63	$ 113,980.04	$ 22,408.36	$ 26,999.70	$ 1,100.00	$ 637,814.40	$ 37,103.05
Salary Supervisors	$ 563,489.47	$ -	$ 563,489.47	$ 92,504.86	$ 14,900.38	$ -	$ 1,246.66	$ 2,344.44	$ 2,848.83	$ 2,667.84	$ 5,797.61	$ 151,396.19	$ 33,649.10	$ -	$ 3,000.00	$ 815,352.80	$ 57,195.92
Non-Union Hourly	$ 1,290,497.17	$ 104,048.89	$ 1,394,546.06	$ 284,142.49	$ 19,506.67	$ -	$ 3,628.72	$ 6,335.36	$ 3,922.75	$ 4,829.09	$ 12,727.63	$ 351,793.36	$ 76,238.29	$ -	$ 8,367.14	$ 1,402,913.20	$ 112,395.34
						$ -	$ 3,628.72	$ 6,335.36	$ 3,922.75	$ 4,829.09	$ 12,677.63	$ 351,793.36	$ 76,238.29	$ -	$ 8,367.14	$ 371,324.95	$ 92,988.67
Total KY Jurisdictional																	
Total for All Categories																	
Total Amount	$ 1,008,010.01	$ 104,048.89	$ 2,426,256.07	$ 145,058.22	$ 21,678.27	$ -	$ 5,717.55	$ 10,050.64	$ 9,197.58	$ 9,736.85	$ 23,128.87	$ 617,169.59	$ 132,295.75	$ 26,999.70	$ 12,467.14	$ 3,247,738.21	$ 192,013.02

Schedule I

Mountain Water District
Case No. 2022-00365

Analysis of Compensation and Benefit Data, in gross dollars
For the 12 Months Ended December 31, 2021

Employee Categories	Compensation by Category		Subtotal All	Healthcare		Vision		Dental		Life/STD/LTD/ADD		CERS_KyRetirement		Vehicle Allowance	Safety Bonus	Total Compensation and Benefits	
	Regular	Overtime	Compensation	Utility	Employee	Utility	Employee	Utility	Employee	Utility	Employee	Utility	Employee	Contribution		Utility	Employee
Corporate Offices (Individually)																	
Paul Chaney	$ 1,700.00	$ -	$ 1,700.00	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,700.00	$ -
Kelsey Friend	$ 3,500.00	$ -	$ 3,500.00	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 500.00	
Johnny Denison	$ 6,000.00	$ -	$ 6,000.00	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 6,000.00	
Myrtle Runyon	$ 3,600.00	$ -	$ 3,600.00														
Randy Tackett	$ 6,000.00	$ -	$ 6,000.00	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 6,000.00	$ -
Kevin Varney	$ 6,000.00	$ -	$ 6,000.00	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 3,500.00	
Total Amount	$ 26,800.00	$ -	$ 26,800.00	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 26,800.00	$ -
Total KY Jurisdictional																	
Corporate Officers (Collectively)																	
Total Amount	$ 26,800.00	$ -	$ 26,800.00	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 26,800.00	$ -
Total KY Jurisdictional	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
All Other Employee Categories (Separate by Category)																	
General Manager	$ 92,630.79	$ -	$ 92,630.79	$ -	$ -	$ -	$ 139.32	$ 245.40	$ 329.13	$ 508.80	$ 577.54	$ 23,663.75	$ 4,639.04	$ 9,346.05	$ 150.00	$ 126,544.79	$ 5,885.03
W.Operations Manager	$ 91,825.92		$ 91,825.92	$ 5,682.24	$ -	$ -	$ 230.85	$ 320.40	$ 645.17	$ 415.32	$ 214.71	$ 23,483.97	$ 4,603.58	$ 9,346.05	$ 250.00	$ 131,323.90	$ 5,468.46
WW Operations Manager	$ 64,405.92	$ -	$ 64,405.92	$ 10,033.08	$ 2,056.59	$ -	$ 151.20	$ 328.08	$ 585.68	$ 285.12	$ 727.39	$ 16,490.50	$ 3,232.80	$ 9,346.05	$ 250.00	$ 101,138.75	$ 6,703.66
CFO	$ 68,838.25	$ -	$ 68,838.25	$ 6,012.12	$ 922.92	$ -	$ 79.65	$ 328.08	$ 535.68	$ 288.72	$ 137.74	$ 17,595.46	$ 3,448.41	$ -	$ 150.00	$ 98,212.68	$ 4,525.40
Office Manager	$ 64,560.32	$ -	$ 64,560.32	$ 6,012.12	$ 922.92	$ -	$ 139.32	$ 294.60	$ 190.35	$ 286.44	$ 791.81	$ 16,504.38	$ 3,235.52	$ -	$ 150.00	$ 87,807.88	$ 4,679.92
Compliance Manager	$ 63,681.52	$ -	$ 63,681.52	$ 10,033.08	$ 2,056.59	$ -	$ 151.20	$ 198.56	$ 482.49	$ 280.32	$ 873.02	$ 16,241.98	$ 3,829.89	$ -	$ 150.00	$ 90,580.46	$ 7,398.19
Total Amount	$ 445,942.72	$ -	$ 445,942.72	$ 37,772.64	$ 4,759.02	$ -	$ 891.54	$ 1,710.12	$ 2,718.50	$ 2,064.72	$ 3,322.21	$ 113,980.04	$ 22,990.24	$ 28,038.15	$ 1,100.00	$ 630,608.39	$ 34,681.51
Salary Supervisors	$ 509,256.18	$ -	$ 509,256.18	$ 60,155.64	$ 9,882.55	$ -	$ 1,216.83	$ 1,889.01	$ 2,203.53	$ 2,431.68	$ 3,814.36	$ 120,487.91	$ 30,555.59	$ -	$ 2,400.00	$ 706,630.42	$ 46,456.68
																$ -	
Non-Union Hourly	$ 1,218,042.81	$ 100,669.09	$ 1,318,711.90	$ 269,760.73	$ 26,502.35	$ -	$ 3,670.38	$ 9,432.39	$ 4,630.01	$ 7,090.14	$ 11,048.28	$ 264,372.47	$ 78,858.71	$ -	$ 7,338.51	$ 1,326,050.41	$ 113,039.35
																	$ -
Total KY Jurisdictional																	
Total for All Categories																	
Total Amount	$ 2,200,041.71	$ 100,669.09	$ 2,390,710.80	$ 97,928.73	$ 14,641.57	$ -	$ 2,108.37	$ 3,599.13	$ 4,922.03	$ 4,496.40	$ 7,136.57	$ 244,477.95	$ 58,545.83	$ 28,038.15	$ 10,338.51	$ 2,690,089.22	$ 82,354.37
Total KY Jurisdictional																	

MOUNTAIN WATER DISTRICT

Response to Commission Staff's First Request for Information
Case No. 2025-00327

Question No. 1-23

Responding Witness: Carrie Hatfield

Q-1-23. For each benefit listed in Item 22 above for which an employee is required to pay part of the cost, provide a detailed explanation as to how the employee contribution rate was determined.

A-1-23. The Personnel Committee discusses, reviews, and develops the employee contribution rate. It presents its recommendations regarding the rate to the Board of Commissioners for the Board's review and final approval.

MOUNTAIN WATER DISTRICT

Response to Commission Staff's First Request for Information
Case No. 2025-00327

Question No. 1-24

Responding Witness: Carrie Hatfield

Q-1-24. Provide a listing of all health care plan categories, dental plan categories, and vision plan categories available to corporate officers individually and to groups defined as Directors, Managers, Supervisors, Exempt, Non-Exempt, Union, and Non-Union Hourly employees (e.g., single, family, etc.). Include the associated employee contribution rates and employer contribution rates of the total premium cost for each category, and each plan's deductible(s) amounts.

A-1-24. See Attachment 1-24. The insurance plans offered are available to all full-time employees. All employees are subject to the listed rates.

Attachment 1-24

INSURANCE PLANS OFFERED TO EMPLOYEE

Medical Insurance Plans

Option 1 — Core Plan — Anthem PPO Option 14 RXT Tl-Blue Access

Option 2 Buy Up — Anthem PPO Option 21 TXT2-Blue Access

Dental Insurance Plans

Option 1 — Standard PPO — Anthem Dental

Option 2 — Enhanced PPO — Anthem Dental

Vision Insurance

Anthem Blue View Vision Opt 26

Medical Insurance

Who is Eligible and When:

All full time employees working 30 hours per week are effective the 31st day of employment.

Benefits You Receive:

All deductibles, copays, and coinsurance apply toward the Out-of Pocket Maximum including prescription drugs. Deductibles apply only to covered services listed with a percentage. Network and Non Network coinsurance and Out of Pocket Maximums are separate and do not accumulate toward each other.

Employer Pays:

Mountain Water District's contribution is 100% of employee only coverage of Core plan. The cost for your portion of the premium is conveniently payroll deducted before taxes are taken out of your check through the Section 125 Pre-Tax Plan.

This chart shows the cost for each Medical plan.

CORE Opt 11 AEE9	Anthem Monthly Premiums	Mountain Water Monthly Contribution	Employee Monthly Cost	Employee Bi-Weekly Cost
Employee Only	$828.85	$828.85	$0.00	$0.00
Employee + Spouse	$1,823.48	$1,637.41	$186.07	$85.88
Employee + Child(ren)	$1,574.82	$1,463.17	$111.65	$51.53
Family	$2,652.33	$2,298.82	$353.51	$163.16
Buy Up Opt 5 AEFY	**Anthem Monthly Premiums**	**Mountain Water Monthly Contribution**	**Employee Monthly Cost**	**Employee Bi-Weekly Cost**
Employee Only	$860.74	$834.83	$25.91	$11.96
Employee + Spouse	$1,893.64	$1,658.90	$234.74	$108.34
Employee + Child(ren)	$1,635.41	$1,470.38	$165.04	$76.17
Family	$2,754.38	$2,367.96	$386.43	$178.35

Anthem BlueCross BlueShield

This chart gives a side-by-side look at the amounts you pay when you use either the Core or Buy Up Plan.

Plan Feature	Core In-Network	Buy Up In-Network
Deductible	$2,000 single $4,000 family Embedded	$750 single $2,250 family
Coinsurance	20%	20%
Out-of-Pocket	$4,500 single $9,000 family	$4,000 single $8,000 family
Office Visit	$20 PCP / $50 SCP	$20 PCP / $50 SCP
Preventive Care Services	Covered in Full	Covered in Full
Emergency Services	$300 copay + 20% Waived if admitted	$300 copay + 20% Waived if admitted
Facility Services	Deductible then 20%	Deductible then 20%
Urgent Treatment	$20 copay	$20 copay
Outpatient Therapies	$20 PCP / $50 SCP	$20 PCP / $50 SCP
X-Ray and Laboratory Services	Deductible then 20%	Deductible then 20%
Mental Health & Substance Abuse Services Outpatient Inpatient	 $20 copay Deductible, then 20%	 $20 copay Deductible, then 20%
Prescription Drug Coverage Level 1 Prescription Drug Coverage Level 2	$10/$35/$75/25% to $350 $20/$45/$85/25% to $450	$10/$35/$75/25% to $350 $20/$45/$85/25% to $450
Prescription Drug Mail Order	$20/$88/$188/25% to $350	$20/$88/$188/25% to $350

Anthem Virtual Visits can be accessed on Anthem's mobile app, Sydney

- 24/7 access to doctors
- Doctors can answer questions, make diagnosis and prescribe medication
- $20 Copay
- Non-urgent matters like skin irritations, sinus infection, bronchitis, etc.

Anthem BlueCross BlueShield

Dental Insurance PPO Plan

Who is Eligible and When:

All full time employees working 30 hours per week are effective the 31st day of employment.

Benefits You Receive:

There are 2 dental plans offered with Anthem Dental, you pick the dental plan that is best for you and / or your family. Anthem Dental allows you to see any dentist or specialist in the Anthem Dental Network. See your benefit summary or certificate for details.

Employer Pays:

Mountain Water District's contribution is 100% of employee only coverage on the Standard Plan. The cost for your portion of the premium is conveniently payroll deducted before taxes are taken out of your check through the Section 125 Pre-Tax Plan.

This chart shows the cost for each dental plan.

Standard PPO	Anthem Monthly Premiums	Mountain Water Monthly Contribution	Employee Monthly Cost	Employee Bi-Weekly Cost
Employee Only	$19.30	$19.30	$0.00	$0.00
Employee + Spouse	$38.90	$23.63	$15.28	$7.05
Employee + Child(ren)	$43.60	$15.90	$27.70	$12.78
Family	$68.66	$25.68	$42.98	$19.84
Enhanced PPO	**Anthem Monthly Premiums**	**Mountain Water Monthly Contribution**	**Employee Monthly Cost**	**Employee Bi-Weekly Cost**
Employee Only	$22.12	$19.30	$2.82	$1.30
Employee + Spouse	$44.23	$23.63	$20.60	$9.51
Employee + Child(ren)	$51.75	$15.90	$35.85	$16.55
Family	$81.68	$25.68	$56.00	$25.85

Anthem BlueCross BlueShield

This chart shows how services are covered under each dental plan.

Standard PPO	Anthem Dental	
	In Network	Out of Network
Preventive Services Exams, xrays, cleanings, fluoride treatment, sealants, space maintainers	Covered in Full	Covered in Full
Basic Services Fillings, extractions and oral surgery	Deductible, then 20%	Deductible, then 20%
Major Services Bridges, dentures, crowns, veneers, onlays, implants, endodontics and periodontics	Deductible, then 50%	Deductible, then 50%
Orthodontia, dependents through age 19, lifetime maximum of $1,000	50%	50%
Annual Deductible	$50 Ind / $150 Fam	$75 Ind / $225 Fam
Annual Maximum	$1,500 per covered person	

Enhanced PPO	Anthem Dental	
	In Network	Out of Network
Preventive Services Exams, xrays, cleanings, fluoride treatment, sealants, space maintainers	Covered in Full	Covered in Full
Basic Services Endodontics, periodontics, fillings, extractions and oral surgery	Deductible, then 20%	Deductible, then 20%
Major Services Bridges, dentures, crowns, veneers, implants and onlays	Deductible, then 50%	Deductible, then 50%
Orthodontia, dependents through age 19, lifetime maximum of $1,500	50%	50%
Annual Deductible	$50 Ind / $150 Fam	$75 Ind / $225 Fam
Annual Maximum	$1,500 per covered person	

Anthem BlueCross BlueShield

Vision

Who is Eligible and When:
All full time employees working 30 hours per week are effective the 31st day of employment.

Benefits You Receive:
The Anthem vision plan provides coverage for in Network providers and out-of-network providers. To obtain a list of participating providers, please visit www.anthem.com or call 1-866-723-0515.

Employer Pays:
This is a voluntary benefit. The cost for you and your dependents is conveniently payroll deducted before taxes are taken out of your check through the Section 125 Pre-Tax Plan.

Blue View Vision Opt 26	Anthem Monthly Premiums	Mountain Water Monthly Contribution	Employee Monthly Cost	Employee Bi-Weekly Cost
Employee Only	$6.39	$0.00	$6.39	$2.95
Employee + Spouse	$11.18	$0.00	$11.18	$5.16
Employee + Child(ren)	$12.14	$0.00	$12.14	$5.60
Family	$18.53	$0.00	$18.53	$8.55

This chart shows how the plan works and how each type of service is covered.

In Network Services	Amount You Pay
Routine Eye Exam Once every 12 months	$10 copay
Lens Once every 12 months	$20 copay
Eyeglass Frames Once every 24 months	$130 allowance, then 20% off any remaining balance
Contact Lens Elective Conventional Lenses Elective Disposable Lenses Non-Elective Lenses	 $130 allowance, then 15% off any remaining balance $130 allowance Covered in Full

Anthem BlueCross BlueShield

MOUNTAIN WATER DISTRICT

Response to Commission Staff's First Request for Information
Case No. 2025-00327

Question No. 1-25

Responding Witness: Carrie Hatfield

Q-25. Provide each medical insurance policy that the utility currently maintains.

A-25. See Attachment 1-24.

MOUNTAIN WATER DISTRICT

Response to Commission Staff's First Request for Information
Case No. 2025-00327

Question No. 1-26

Responding Witness: Carrie Hatfield

Q-1-26. Provide a listing of all life insurance plan categories available to employees. Include the associated employee contribution rates and employer contribution rates of the total premium cost for each plan category.

A-1-26. See Attachment 1-26. Mountain Water District provides each full-time employee with a $50,000 minimum, or up to one year's annual salary term life insurance policy at no cost to the employee. It also provides long-term disability insurance to all full-time employees at no cost to the employee. Full -time employees may also purchase short-term disability insurance. The District does not contribute to the cost of short-term disability insurance.

Attachment 1-26

Voluntary Short Term Disability Insurance

Who is Eligible and When:
All full time employees working 30 hours per week are effective the 31st day of employment.

Benefits You Receive:
Mountain Water District offers all full-time employees short-term disability income benefits. In the event you become disabled from a non-work-related injury or sickness, disability income benefits are provided as a source of income.

Employer Pays:
This is a voluntary benefit. The cost for you is conveniently payroll deducted after taxes are taken out of your check.

	Short-Term Disability
Benefits Begin	Accident - 0 day Sickness –7th day
Benefits Payable	26 weeks
Percentage of Income Replaced	60% of weekly salary
Maximum Benefit	$500 per week

AGE	STD rate per $10 of weekly benefit
0-24	$.313
25-29	$.486
30-34	$.637
35-39	$.486
40-44	$.335
45-49	$.400
50-54	$.486
55-59	$.586
60+	$.691

Mutual of Omaha

STD Cost Calculation: To calculate your cost for this coverage per pay period, please complete the following calculation:

_____ X .60 = _____
Your Gross Weekly Earnings — Your Weekly Benefit

_____ ÷ 10 _____ X _____ = _____
Your Weekly Benefit — Your rate — Monthly Cost

_____ X 12 _____ ÷ 26 = _____
Monthly Cost — Annual Cost — # Paychecks — Cost per Pay

Long Term Disability Insurance

Who is Eligible and When:
All full time employees working 30 hours per week are effective the 31st day of employment.

Benefits You Receive:
Mountain Water District provides full-time employees with long-term disability income benefits, and pays the full cost of this coverage. In the event you become disabled from a non- work-related injury or sickness, disability income benefits are provided as a source of income.

Employer Pays:
Long Term Disability is provided to all full time employees at no cost to the employee.

	Long-Term Disability
Benefits Begin	180 days
Benefits Payable	Social Security Full Retirement Age
Percentage of Income Replaced	60% monthly salary
Maximum Benefit	$5,000 per month
Minimum Benefit	$100 per month

Mutual of Omaha

Life and AD&D Insurance

Who is Eligible and When:

All full time employees working 30 hours per week are effective the 31st day of employment.

Benefits You Receive:

Basic Life & AD&D Insurance

Mountain Water District provides full-time employees with 1 times annual earnings, minimum of $50,000 and maximum of $100,000, of group life and accidental death and dismemberment (AD&D) insurance, and pays the full cost of this benefit. Contact Human Resources to update your beneficiary information.

Voluntary Life Insurance

Employees who want to supplement their group life insurance benefits may purchase additional coverage. When you enroll yourself and/or your dependents in this benefit, you pay the full cost through payroll deductions.

Employee Benefit	Increments of $10,000, $10,000 is the minimum benefit not to exceed 5 x employee's annual base salary to a maximum of $500,000
Guarantee Issue	$120,000
Reduction Schedule	Age 70 - 65%, Age 75 – 45%, Age 80 – 30%, Age 85 – 15%, Age 90 – 15%
Spouse Benefit	Increments of $5,000, up to 100% of employee's amount, $5,000 is the minimum benefit and the maximum is $250,000
Guarantee Issue	$25,000
Child Benefit	Live birth to 6 months $250; 6 months to age 19 (25 full time student) $10,000

Employee and Spouse Rate per $1,000 of Life Insurance and AD&D										
Age	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64	65-69	70+
Life	$.067	$.087	$.101	$.132	$.398	$.508	$1.070	$1.702	$2.762	$3.037
Dependent Children	Life and AD&D $10,000 guarantee issue is $1.00 per pay period									

Mutual of Omaha

Employee Assistance Programs

Who is Eligible and When:
All full time employees working 30 hours per week are effective the 31st day of employment.

Benefits You Receive:
The Employee Assistance Program is offered to all employees and immediate family members of Mountain Water District through Mutual of Omaha. It is a completely confidential counseling program that covers:

- In-Person help for short-term issues, 3 sessions per household, per calendar year

- Toll-free phone access and web access 24/7

- Financial Consultations and Referrals

- Substance abuse and other addictions

- Elder care resources

- Healthy lifestyles

- Job-related concerns such as emotional well-being, work & life transitions

You can call toll free at 800-316-2796, or you can visit www.mutualofomah.com/eap.

Employee Pays:
The Employee Assistance Program is paid 100% by Mountain Water District.

Mutual of Omaha

The information in this Benefits Summary is presented for illustrative purposes and is based on information provided by the employer. The text contained in this Summary was taken from various summary plan descriptions and benefit information. While every effort was taken to accurately report your benefits, discrepancies or errors are always possible. In case of discrepancy between the Benefits Summary and the actual plan documents, the actual plan documents will prevail. All information is confidential, pursuant to the Health Insurance Portability and Accountability Act of 1996. If you have any questions about this summary, contact Human Resources.

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MOUNTAIN WATER DISTRICT

Response to Commission Staff's First Request for Information
Case No. 2025-00327

Question No. 1-27

Responding Witness: Carrie Hatfield

Q-1-27. Provide a listing of all retirement plans available to employees. Include the employee contribution rates, if any, and employer contribution rates of the total cost for each plan category.

A-1-27. The County Employee Retirement System is the only retirement plan available for Mountain Water District employees. The category (or tier) that the employee qualifies for determines the employee's contribution rate. If the employee falls within the Tier I category, the employee contributes 5 percent of his or her wages or salary. If the employee is a Tier 2 or 3, his or her contribution is 6 percent. Beginning July 1, 2026, Tier 1 employees with a participation date between July 1, 2003 and August 31, 2008 will pay a contribution rate of 6 percent. As of July 1, 2025, the employer's rate is 18.62 percent of the employee's wages or salary. The previous employer contribution rate was 19.71 percent.

MOUNTAIN WATER DISTRICT

Response to Commission Staff's First Request for Information
Case No. 2025-00327

Question No. 1-28

Responding Witness: Carrie Hatfield

Q-1-28. Concerning employee fringe benefits:

a. Provide a detailed list of all fringe benefits available to the utility's employees. Indicate any fringe benefits that are limited to management employees.

b. Provide comparative cost information for the 12 months preceding the test year and the test year. Explain any changes in fringe benefits occurring over this 24-month period.

A-1-28. a. See Attachment 1-28a. There are no fringe benefits provided only to management employees.

b. See Attachment 1-28b. The only changes in fringe benefits are noted in attachment.

Attachment 1-28a

[redacted]

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:

Full Years of Continuous Employment	Earned Vacation
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.

Attachment 1-28b

Anthem/Health Insurance Standard Plan

CorePlan	Test Period Monthly	Current Monthly Premiums	ER Monthly	Current ER Monthly Contribution	EE Monthly	Current EE Monthly Contribution	Core Monthly Increase (Decrease)
Emp Only	$594.80	$919.50	$594.80	$919.50	$0.00	$0.00	$324.70
Emp+SP	$1,308.56	$2,022.91	$1,122.49	$1,836.8.4	$186.07	$186.07	$714.35
Emp+CH	$1,130.12	$1,747.06	$1,018.47	$1,635.41	$111.65	$111.65	$616.94
Fam	$1,903.35	$2,942.41	$1,549.84	$2,588.90	$353.51	$353.51	$1,039.06

Anthem /Health Insurance Buy UP

Buy Up 6C%	Test Period Monthly	Current Monthly Premiums	ER Monthly	Current ER Monthly Contribution	EE Monthly	Current EE Monthly Contribution	Buyup Monthly Increase (Decrease)
Emp Only	$643.40	$949.78	$617.49	$923.87	$11.96	$25.91	$306.38
Emp+SP	$1,415.49	$2,089.52	$1,180.75	$1,854.78	$108.34	$234.71	$674.03
Emp+CH	$1,222.46	$1,804.58	$1,057.43	$1,639.50	$76.17	$165.04	$582.12
Fam	$2,058.89	$3,039.30	$1,672.47	$2,652.88	$178.35	$386.43	$980.41

Anthem/Dental Standard Plan

CorePlan	Test Period Monthly	Current Monthly Premiums	ER Monthly	Current ER Monthly Contribution	EE Monthly	Current EE Monthly Contribution	Core Monthly Increase (Decrease)
Emp Only	$19.30	$19.30	$19.30	$19.30	$0.00	$0.00	$0.00
Emp+SP	$38.90	$38.90	$23.63	$23.63	$15.28	$15.28	$0.00
Emp+CH	$43.60	$43.60	$15.90	$15.90	$27.70	$27.70	$0.00
Earn	$68.66	$68.66	$25.68	$25.68	$42.98	$42.98	$0.00

Anthem /Dental Buy up

Buy Up 6C	Test Period Monthly	Current Monthly Premiums	ER Monthly	Current ER Monthly Contribution	EE Monthly	Current EE Monthly Contribution	Buyup Monthly Increase (Decrease)
Emp Only	$22.12	$22.12	$19.30	$19.30	$2.82	$2.82	$0.00
Emp+SP	$44.23	$44.23	$23.63	$23.63	$20.60	$20.60	$0.00
Emp+CH	$51.75	$51.75	$15.90	$15.90	$35.85	$35.85	$0.00
Fam	$81.68	$81.68	$25.68	$25.68	$56.00	$56.00	$0.00

Boot Allowance

Test Year	Current Amount
$150.00	$300.00

MOUNTAIN WATER DISTRICT

Response to Commission Staff's First Request for Information
Case No. 2025-00327

Question No. 29

Responding Witness: Tammy Olson

Q-1-29. State whether the utility, through an outside consultant or otherwise, performed a study or survey to compare its wages, salaries, benefits, and other compensation to those of other utilities in the region, or to other local or regional enterprises.

a. If comparisons were performed, provide the results of the study or survey, including all workpapers and discuss the results of such comparisons. State whether any adjustments to wages, salaries, benefits, and other compensation in the rate application are consistent with the results of such comparisons.

b. If comparisons were not performed, explain why such comparisons were not performed.

A-1-29. Mountain Water District has previously attempted to survey businesses in the region. These entities included: Pikeville Medical Center, Pike County Board of Education, Community Trust Bank, the University of Pikeville, Appalachian Regional Hospital, Walmart, Hobby Lobby, Kellogg Company, and Diversified Energy Company PLC. Most declined to provide any information regarding the benefits that they provided their employees.

a. Mountain Water District has previously consulted the Kentucky Rural Water Association's Compensation and Benefit Survey.

b. Mountain Water District could not make any comparisons with local and regional entities because of employers' unwillingness to provide information regarding their employee compensation and benefits.

MOUNTAIN WATER DISTRICT

Response to Commission Staff's First Request for Information
Case No. 2025-00327

Question No. 1-30

Responding Witness: Carrie Hatfield

Q-1-30. Regarding the utility's employee compensation policy:

a. Provide the utility's written compensation policy as approved by the board of commissioners.

b. Provide a narrative description of the compensation policy, including the reasons for establishing the policy and the utility's objectives for the policy.

c. Explain whether the compensation policy was developed with the assistance of an outside consultant. If the compensation policy was developed or reviewed by a consultant, provide any study or report provided by the consultant.

d. Explain when the utility's compensation policy was last reviewed or given consideration by the board of commissioners.

e. Explain whether the utility's expenses for wages, salaries, benefits, and other compensation included in the test year and any adjustments to the test year, are compliant with the board of commissioners' compensation policy.

A-1-30. a. See Attachment 1-30.

b. Mountain Water District's compensation policy was established by the Personnel Committee as appointed by the Board of Commissioners to outline a policy of fair and equitable compensation for both hourly and salary employees, their benefits, and classifications.

c. Mountain Water District did not use any outside consultant to develop its compensation policy.

d. The Personnel Committee reviews compensation policy and proposes any revisions. The Board of Commissioners reviews proposed changes in December of each year.

e. All wages, salaries, benefits, and other compensation included in the test year and all proposed adjustments thereto are compliant with approved compensation policy of the Mountain Water District Board of Commissioners.

Attachment 1-30

CLASSIFICATION PLAN

Allocations

1. In the classification plan authorized by the Mountain Water District:
    A. Each position shall, on the basis of the duties and responsibilities for the position, be allocated to an appropriate class;
    B. A class may include either a single position or two or more positions.

Written Position Descriptions

1. Each class shall have a position description that includes:
    A. A concise, descriptive title;
    B. A description of the duties and responsibilities of positions in the class; and
    C. A statement of minimum qualifications for each position.

2. All positions in a single class shall be sufficiently alike to permit:
    A. The use of a single descriptive title for the class;
    B. A concise, general description of the duties of each position in the class;
    C. A description of the same qualification(s) for each position;
    D. The use of the same tests of competence for each position; and
    E. The application of the same pay range to each position
    F. Regular Review and Evaluation

At least once each year, at budget time, the District Manager or his/her designee may review the classification of positions and may recommend combining classes, establishing new ones, or abolishing unnecessary classes as the needs of the service require.

COMPENSATION PLAN

Hourly (Non Exempt) Employees

1. All hourly employees shall be compensated for their services on a bi-weekly schedule with the weekly period beginning at 12:00 am Sunday and ending at 11:59 pm Saturday, seven days later.

2. The payroll checks will be issued on the last regular work day of the week following the end of the pay period.

3. The normal workweek for hourly employees will be forty (40) hours per week, but may be increased or decreased by the District Manager, depending on the work load of Mountain Water District.

4. An hourly employee whose duties require an irregular work schedule shall work according to the schedule recommended by the supervisor of his department.

5. All hourly employees will be required to work such additional hours as may reasonably be required to continue essential services to the public that are being provided by the Mountain Water District.

6. The time worked by all hourly employees shall be submitted to their immediate supervisor at the end of each payroll period, entered on a time card provided by the Mountain Water District. At the end of the pay period, the time card must be signed by the employee and the supervisor. Any discrepancy in the time worked must be brought to the supervisor's attention at that time.

7. Overtime for hourly employees is work in excess of forty (40) hours in any one week as defined previously. Work done up to forty (40) hours per week shall be paid at the regular hourly rate. Hours *worked* in excess of forty (40) hours in one work week will be paid at the rate of one and one-half (1.5) times the regular hourly rate. The hours *worked* shall not include holiday pay, sick pay, vacation pay,

or days paid for inclement weather when the District is closed (unless actually called out to work during that time).

Salary (Exempt) Employees

1. All Salary employees are compensated for their services on a bi-weekly schedule with the weekly period beginning at 12:00 a.m. Sunday and ending at 11:59 pm Saturday, seven days later.

2. All Salary employees shall be considered on duty seven days a week, and shall work the hour's necessary to perform their job in an efficient manner and provide the customers of the Mountain Water District with adequate service within water utility standards or guidelines that their job is supposed to provide.

3. All Salary employees of the Mountain Water District may be suspended from their duties with pay by the District Manager for documented and substantiated cause. Such suspension or dismissal shall be effective immediately upon written notification to the employee. The District Manager can only be suspended with pay by the Board of Commissioners. This can only be done with documented and substantiated cause.

4. No Salary employees shall be absent from work for more than five (5) consecutive working days, except vacation leave, without proof that the employee was absent due to a personal medical reason requiring the services of a physician; and a written statement from a physician stating that the employee was unable to work.

5. Salary employees who are absent from work for more than five (5) consecutive working days without the requisite proof noted herein shall not receive compensation in excess of five days and shall be subject to dismissal.

6. Total compensation for the entire period of disability from all sources including workman's compensation if applicable, except private insurance plans carried by the employee, shall not exceed the total compensation that the employee would have received from the Mountain Water District, even if some of the compensation is received later in the form of a claim against a third party.

Hours of Work

1. The Mountain Water District's workweek will begin at 12:00 am. each Sunday and end at 11:59 pm each Saturday.

2. Full-time employees shall work 30 or more hours per week.

3. An employee whose duties require an irregular work schedule shall work according to a schedule determined by the District Manager.

Overtime

1. In order to determine whether an employee will receive overtime pay for hours worked in excess of forty (40) hours per week, each class shall be declared "exempt" or "non-exempt" in accordance with provisions of existing labor laws. Exempt employees shall not be compensated monetarily for overtime worked unless required by law.

2. Non-exempt employees shall receive overtime pay at the rate of one and one-half (1.5) times the hourly wage for actual hours worked in excess of forty (40) hours in any work week. Non-exempt employees who work all seven (7) days of the work week shall be paid one and one-half (1.5) times their regular hourly rate of pay for all hours worked on the seventh day if cumulative hours worked for the week exceeded forty (40).

3. Time off with pay (such as vacation, personal, holiday, or sick leave) shall not be considered as hours worked for overtime pay purposes.

4. Overtime work shall be approved in advance by the District Manager. In case of extenuating circumstances, this requirement may be waived by the District Manager.

5. Overtime shall be kept at a minimum consistent with maintenance of essential Mountain Water District services and available financial resources.

GENERAL SCHEDULING POLICY

All Mountain Water District employees designated as "call-out" or "on-call" employees shall be available for work (on- call) as follows:
Monday through Friday: ***4:30 PM until 8:00AM the following day.***
Saturday and Sunday: ***24 hours each day.***
Holidays (as stipulated in the MWD handbook): ***24 hours each week.***

Each designated on-call employee will have one weekend per month when they are not on-call (i.e.: from Friday evening at 4:30 PM until the following Monday morning at 8:00 AM) Likewise, each on-call employee will be scheduled for one day per week when they are not on call (i.e.: from 4:30 PM on the evening they are scheduled to be off until 7:00 AM of the next morning). The schedule for "off" weekends and "off" days during the week shall be determined by the District Manager or Operations Manager.

COMPENSATION PLAN: HOURLY PAID EMPLOYEES

1. *GUARANTEED "ON-CALL" PAY: Each hourly paid employee designated as ":on-call" shall be paid a guaranteed gross amount of pay each week equivalent to 12 hours of regular time at his or her established rate of pay. This amount will be paid to each "on-call" employee regardless of the number of hours he/she actually works in a given week.'*
2. *Other than the guarantee "on-call" pay, hourly compensated on-call employees shall be paid pursuant to standard Mountain Water District policies regarding pay for hourly employees, including compensation for hours actually worked payment for holidays, vacation, sick and personal leave time.*
3. *OVERTIME PAY: Overtime pay for "on-call" employees shall be calculated in the same manner that overtime pay is calculated for all other Mountain Water District hourly paid employees-specifically, any hours actually worked in a given week in excess of 40 hours shall be paid at the rate of one and one half times the employee's regular rate of pay. "Guaranteed Pay" (12 hours per week) shall NOT be included in calculating overtime pay for any week " Holiday Pay" (eight hours) shall be added to regular hours worked in the calculation of overtime hours for any week in which a holiday occurs.*

COMPENSATION PLAN: SALARIED EMPLOYEES

1. *Salaried on- call employees will not be paid any "Guaranteed" on-call pay unless required by law.*
2. *Salaried on –call employees are expected to work, on the average, a minimum of 40 hours per week.*
3. *Salaried on-call employees shall be paid for holidays, vacation, sick, and personal time in the same manner as all other Mountain Water District salaried employees.*

SCHEDULING TIME OFF

All on-call employees shall schedule time off in accordance with standard Mountain Water District polices, it will be the responsibility of the District Manager or Operations Manager to schedule substitute on-call personnel (if necessary) and to specify with the requesting employee when and for how long they will not be on call. That determination shall be made primarily based on the amount of time the employee requests to be off for either paid or unpaid leave. Generally, if an employee requests an 8 hour block of time off, he/she will be relieved of on-call responsibilities for the day (for multiple days) that is requested (including weekends and holidays).

ACCRUAL OF PAID LEAVE FOR ON-CALL EMPLOYEES

"On-call " employees shall accrue vacation, sick and personal leave at the same rate as all other full time Mountain Water District employees.

Compensation Review

At least once each fiscal year the District shall:

A. Review the salary rates, the compensation policies, and the professional development of the Mountain Water District employees.
B. Analyze fluctuations in the cost of living;
C. Examine the salary range for each class of positions to ascertain whether minimum and maximum salaries should be raised or lowered for a particular position or class during the amendment to the compensation plan;
D. Upon the basis of the compensation, analysis and examination, submit to the Board of Commissioners recommendations for amendment to the compensation plan.

Salary Increases

1. The annual budget may include any salary increase for the budget year effective January1, annually, subject to availability of revenues.
2. Each employee will be eligible for a performance raise. This performance raise is based solely on performance and can range from zero (0) percent or above.
3. .Individual adjustments may be made by Mountain Water District during the year as necessary, subject to availability of revenues and current budget..
4. Persons employed less than one (1) year are not eligible for the salary increase; however new employees may be granted an increase in pay by the Mountain Water District Management upon Satisfactory completion of the probationary period.

Reclassification

1. Reclassification of an employee's position from one class to another of comparable pay range shall effect no change in salary for the employee.

2. An employee whose position is reclassified from one class to a higher class shall enter the higher class at its minimum salary, unless this minimum is lower than, or the same as, the employee's salary at the time the reclassification is effected:
   A. If that salary exceeds the minimum, the employee shall continue to receive the higher salary until such time as the minimum is changed or a pay increase is granted in accordance with the personnel plan; and
   B. If that salary is the same as the minimum, the *District Manager*, shall determine what salary the employee shall receive in the reclassified position within the range established for the reclassified position.

3. An employee whose position is reclassified from one class to a lower class shall:

A. If the employee's salary at the time the reclassification is effected does not exceed the maximum salary for positions of the lower class, retain that salary; and
B. If the employee's salary at the time the reclassification is effected exceeds the maximum, receive only the maximum salary.

4. Whenever the District Manager submits to the Board of Commissioners a recommendation that a position be reclassified to a class that requires a higher salary, the District Manager shall also submit with it an estimate of the financial requirements and other implications of the salary increase.

5. In the event an employee is demoted, the District Manager shall set that employee's salary within the salary range of the class to which the employee has been demoted.

6. For an employee transferred from a position in one class to a position in an equivalent class, the transfer shall effect no change in the rate of compensation.

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).

2. When any holiday listed above falls on Saturday or Sunday, Mountain Water District shall determine whether the preceding Friday or the following Monday shall be considered as the holiday. However, if Christmas Day falls on Monday the preceding Friday will be designated as the Christmas Eve holiday. In addition to the above, any day may be designated as a holiday by proclamation of the–District Manager.

3. Hourly employees regularly scheduled to work on a holiday because of the essential nature of their job, shall have the choice of being paid for the holiday or have the day added to their accumulated vacation time. If they elect to be paid, then their time will be turned in at eight (8) hours, in addition to the time actually worked, and if the additional time worked makes the time accumulated for any one week exceed forty (40) hours, then they shall be compensated at one and one-half times (1.5) their hourly rate for all time worked over forty (40) hours.

4. When an employee schedules a vacation day in the same week as a holiday then, for the purposes of over-time calculation, the vacation time will not be counted. If any employee misses work for any reason other than a scheduled vacation or personal leave day then no time shall be counted for the missed day for the purposes of calculating overtime. Further any day missed immediately preceding or

MOUNTAIN WATER DISTRICT

Response to Commission Staff's First Request for Information
Case No. 2025-00327

Question No. 1-31

Responding Witness: Carrie Hatfield

Q-1-31. To the extent not provided in the responses above, provide all wage, compensation, or employee benefits studies, analyses, or surveys conducted since the utility's last rate case or that are currently utilized by the utility.

A-1-31. See response to Question 1-29.

MOUNTAIN WATER DISTRICT

Response to Commission Staff's First Request for Information
Case No. 2025-00327

Question No. 1-32

Responding Witness: Kevin Lowe

Q-1-32. Provide the average number of customers on the utility's system (actual and projected), by rate schedule, for the test year and the three most recent calendar years.

A-1-32. See table below. The table reflects actual customer count only as Mountain Water District does not project customer counts.

Rate	2022	2023	2024 (Test Year)
3/4-Inch Meter	16,524	16,135	16,287
3/4-Inch Meter (Multiple Users)	668	640	635
1-Inch Meter	59	58	74
2-Inch Meter	55	54	54
3-Inch Meter	9	9	9
4-Inch Meter	8	7	8
6-Inch Meter	4	5	5
Mingo County	1	1	1
Martin County	1	1	1
Elkhorn City	1	1	1
Jenkins	0	0	0
TOTAL:	**19,352**	**18,934**	**19,099**

MOUNTAIN WATER DISTRICT

Response to Commission Staff's First Request for Information
Case No. 2025-00327

Question No. 33

Responding Witness: Jack Scott Lawless

Q-1-33. To the extent not already provided, provide a copy of each cost of service study, billing analysis, and all exhibits and schedules that were prepared in the utility's rate application in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

A-1-33. An electronic copy of the consultant's workpapers in Excel spreadsheet labeled as **1-33_Workpapers.xlsx** is filed separately with this Response. It includes most schedules and tables found in the cost-of-service study.

MOUNTAIN WATER DISTRICT

Response to Commission Staff's First Request for Information
Case No. 2025-00327

Question No. 1-34

Responding Witnesses: Mike Spears/Jack Scott Lawless/Kevin Lowe

Q-1-34. To the extent not already provided, provide all workpapers, calculations, and assumptions the utility used to develop its test period financial information in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

A-1-34. The following materials are filed separately with this Response:

1-34_CustomerDepositJustification.xls
1-34_TrialBalance-ReconciledToAnnualReports.xlsx
1-34_Water Billing Analysis Workpapers.xlsx
1-43a_GeneralLedger-BalanceSheetAccts.xls
1-43a_GeneralLedger-Income StatementAccts.xls
1-43a_TrialBalanceWorksheet-CSACC01.xls

MOUNTAIN WATER DISTRICT

Response to Commission Staff's First Request for Information
Case No. 2025-00327

Question No. 1-35

Responding Witness: Kevin Lowe

Q-1-35. Provide the total amount collected for each nonrecurring charge and the number of occurrences for each nonrecurring charge that was assessed during the test year that is listed in the current tariff. If the revenue consists of occurrences for any nonrecurring charge that was zero, include that charge and indicate that zero occurrences and zero revenue was received.

A-1-35. See table below.

Charge	G/L #	Total Occurrences	Total Amount ($)
Connection/Turn On-Water	4741-00	1207	17,501.50
Connection/Turn On Charge (After Hours)	4741-00	68	3,445.00
Disconnection Charge	4741-00	1517	21,996.50
Hydrant Installation Charge	1035-04	0	
Meter Re-read Charge	4741-00	15	217.50
Meter Test Charge	4741-00	2	25.00
Reconnection Fee	4741-00	1462	21,521.50
Returned Check Fee	1411-00	469	703.50
Service Call/Investigation	4741-00	0	0.00
Service Call/Investigation (After Hours)	4741-00	0	0.00
Termination Charge	4741-00	0	0.00
Turn On Charge	4741-00	15	217.50
Unauthorized Service Investigation	4741-00	25	325.00
Water Deposit	2350-00	1233	92,475.00
Commercial Water Deposit	2350-00	46	6,900.00
3/4-Inch x 5/8-Inch Tap Fee	2711-00	109	129,862.50
Tap Fee Greater than 3/4-Inch at Cost	2711-00	2	7,962.42

MOUNTAIN WATER DISTRICT

Response to Commission Staff's First Request for Information
Case No. 2025-00327

Question No. 1-36

Responding Witness: Kevin Lowe

Q-1-36. Provide updated cost justification sheets for all nonrecurring charges listed in Mountain District's tariff.

A-1-36. See Attachment 1-36. For calculation of customer deposit, see Exhibit 21 of Mountain Water District's Application. Mountain Water District requests that, if the Public Service Commission adjusts any existing non-recurring charge, it round the revised charge to the nearest dollar amount.

Attachment 1-36

NONRECURRING CHARGE COST JUSTIFICATION

Type of Charge: CONNECTION/TURN-ON CHARGE

1. Field Expense:

   A. Materials (Itemize)

_____	$_____
_____	_____
_____	_____

   B. Labor (Time and Wage)

1 HOURS @ $25.73/HOUR	$ 25.73
Total Field Expense	**$ 25.73**

2. Clerical and Office Expense

A.	Supplies	$ 1.60
B.	Labor	$ 15.05
	Total Clerical and Office Expense	**$ 16.65**

3. Miscellaneous Expense

A.	Transportation	$ 14.00
B.	Other (Itemize)	
	_____	_____
	_____	_____
	_____	_____
	Total Miscellaneous Expense	**$ 14.00**

Total Nonrecurring Charge Expense **$ 56.38**

NONRECURRING CHARGE COST JUSTIFICATION

Type of Charge: SAME DAY COMMECTION CHARGE AFTER 3:00 PM

1. Field Expense:

A.	Materials (Itemize)	
	_____	$_____
	_____	_____
	_____	_____
B.	Labor (Time and Wage)	
	1 HOUR AT OT RATE OF $38.97	$38.97
	Total Field Expense	**$ 38.97**

2. Clerical and Office Expense

A.	Supplies	$ 1.60
B.	Labor	22.52
	Total Clerical and Office Expense	**$ 24.12**

3. Miscellaneous Expense

A.	Transportation	$ 14.00
B.	Other (Itemize)	
	_____	_____
	_____	_____
	_____	_____
	Total Miscellaneous Expense	**$ 14.00**

Total Nonrecurring Charge Expense **$ 77.09**

NONRECURRING CHARGE COST JUSTIFICATION

Type of Charge: DISCONNECTION CHARGE

1. Field Expense:

   A. Materials (Itemize)

_____	$_____
_____	_____
_____	_____

   B. Labor (Time and Wage)

1 HOURS @ $25.73/HOUR	$ 25.73
Total Field Expense	**$ 25.73**

2. Clerical and Office Expense

A. Supplies	$ 1.60
B. Labor	$ 15.05
Total Clerical and Office Expense	**$ 16.65**

3. Miscellaneous Expense

A. Transportation	$ 14.00

   B. Other (Itemize)

_____	_____
_____	_____
_____	_____
Total Miscellaneous Expense	**$ 14.00**

Total Nonrecurring Charge Expense	**$ 56.38**

NONRECURRING CHARGE COST JUSTIFICATION

Type of Charge: HYDRANT INSTALLATION

1. Field Expense:

   A. Materials (Itemize)

1- 5 ¼" HYDRANT 3' BURY/6" SHOE	$ 3740.00
1- 6X6 TAP SLEEVE	435.31
1- 6" TAP VALVE	979.00
1- 6" MJ GATE VALVE	979.00
8- 6" DI PIPE	148.00
5- 6" DI RESTRAINT KIT	219.65

   B. Labor (Time and Wage)

6 HOURS AT $76.83	460.98

Total Field Expense **$ 6961.94**

2. Clerical and Office Expense

   A. Supplies $ 1.60

   B. Labor 15.05

Total Clerical and Office Expense **$ 16.65**

3. Miscellaneous Expense

   A. Transportation (2 Trucks @ 30 Mile Each) $ 42.00

   B. Other (Itemize)

EQUIPMENT (EXCAVATOR) 4 HR	$160.00

Total Miscellaneous Expense **$ 202.00**

Total Nonrecurring Charge Expense **$ 7180.59**

NONRECURRING CHARGE COST JUSTIFICATION

Type of Charge: REREAD METER FEE

1. Field Expense:

   A. Materials (Itemize)

_____	$_____
_____	_____
_____	_____

   B. Labor (Time and Wage)

3/4 HOUR AT $25.73	$19.48
Total Field Expense	**$ 19.48**

2. Clerical and Office Expense

A.	Supplies	$ 1.60
B.	Labor	8.49
	Total Clerical and Office Expense	**$ 10.09**

3. Miscellaneous Expense

A.	Transportation	$ 14.00
B.	Other (Itemize)	
	_____	_____
	_____	_____
	_____	_____
	Total Miscellaneous Expense	**$ 14.00**

Total Nonrecurring Charge Expense **$ 43.57**

NONRECURRING CHARGE COST JUSTIFICATION

Type of Charge: Meter Test Charge

1. Field Expense:

A.	Materials (Itemize)	
	_____	$_____
	_____	_____
	_____	_____
B.	Labor (Time and Wage)	
	1 HOURS @ $25.73/HOUR	$ 25.73
	Total Field Expense	**$ 25.73**

2. Clerical and Office Expense

A.	Supplies	$ 1.60
B.	Labor	$ 15.05
	Total Clerical and Office Expense	**$ 16.65**

3. Miscellaneous Expense

A.	Transportation	$ 14.00
B.	Other (Water Used for Testing-100 gallons @$1.23/1,000)	$ 0.12
	_____	_____
	_____	_____
	_____	_____
	Total Miscellaneous Expense	**$ 14.12**

Total Nonrecurring Charge Expense **$ 56.50**

NONRECURRING CHARGE COST JUSTIFICATION

Type of Charge: RECONNECTION CHARGE

1. Field Expense:

   A. Materials (Itemize)

_____	$_____
_____	_____
_____	_____

   B. Labor (Time and Wage)

1 HOURS @ $25.73/HOUR	$ 25.73
Total Field Expense	**$ 25.73**

2. Clerical and Office Expense

A.	Supplies	$ 1.60
B.	Labor	$ 15.05
	Total Clerical and Office Expense	**$ 16.65**

3. Miscellaneous Expense

A.	Transportation	$ 14.00
B.	Other (Itemize)	
	_____	_____
	_____	_____
	_____	_____
	Total Miscellaneous Expense	**$ 14.00**

Total Nonrecurring Charge Expense **$ 56.38**

NONRECURRING CHARGE COST JUSTIFICATION

Type of Charge: Return Check Charge

1. Field Expense:

   A. Materials (Itemize)

   _____ $_____
   _____ _____
   _____ _____

   B. Labor (Time and Wage)

   _____ $_____

   Total Field Expense **$_____**

2. Clerical and Office Expense

   A. Supplies $ 1.60

   B. Labor $ 7.53

   Total Clerical and Office Expense **$ 9.13**

3. Miscellaneous Expense

   A. Transportation $_____

   B. Other (Itemize) $_____

   _____ _____
   _____ _____
   _____ _____

   Total Miscellaneous Expense **$_____**

Total Nonrecurring Charge Expense **$ 9.13**

NONRECURRING CHARGE COST JUSTIFICATION

Type of Charge: SERVICE CALL/INVESTIGATION CHARGE

1. Field Expense:

   A. Materials (Itemize)

   _____ $_____
   _____ _____
   _____ _____

   B. Labor (Time and Wage)

   1 HOURS @ $25.73/HOUR $ 25.73

   Total Field Expense **$ 25.73**

2. Clerical and Office Expense

   A. Supplies $ 1.60

   B. Labor $ 15.05

   Total Clerical and Office Expense **$ 16.65**

3. Miscellaneous Expense

   A. Transportation $ 14.00

   B. Other (Itemize)

   _____ _____
   _____ _____
   _____ _____

   Total Miscellaneous Expense **$ 14.00**

Total Nonrecurring Charge Expense **$ 56.38**

NONRECURRING CHARGE COST JUSTIFICATION

Type of Charge: Service Call/Investigation After Hours

1. Field Expense:

A.	Materials (Itemize)	
	_____	$_____
	_____	_____
	_____	_____
B.	Labor (Time and Wage)	
	2 HOURS @ $38.97/HOUR	$77.94
	Total Field Expense	**$ 77.94**

2. Clerical and Office Expense

A.	Supplies	$ 2.60
B.	Labor	$ 15.05
	Total Clerical and Office Expense	**$ 17.65**

3. Miscellaneous Expense

A.	Transportation	$ 14.00
B.	Other (Itemize)	
	_____	_____
	_____	_____
	_____	_____
	Total Miscellaneous Expense	**$ 14.00**

Total Nonrecurring Charge Expense **$ 109.59**

NONRECURRING CHARGE COST JUSTIFICATION

Type of Charge: TERMINATION CHARGE

1. Field Expense:

   A. Materials (Itemize)

_____	$_____
_____	_____
_____	_____

   B. Labor (Time and Wage)

1 HOURS @ $25.73/HOUR	$ 25.73
Total Field Expense	**$ 25.73**

2. Clerical and Office Expense

A. Supplies	$ 1.60
B. Labor	$ 15.05
Total Clerical and Office Expense	**$ 16.65**

3. Miscellaneous Expense

A. Transportation	$ 14.00
B. Other (Itemize)	
_____	_____
_____	_____
_____	_____
Total Miscellaneous Expense	**$ 14.00**

Total Nonrecurring Charge Expense	**$ 56.38**

NONRECURRING CHARGE COST JUSTIFICATION

Type of Charge: TURN-ON CHARGE

1. Field Expense:

   A. Materials (Itemize)

_____	$_____
_____	_____
_____	_____

   B. Labor (Time and Wage)

1 HOURS @ $25.73/HOUR	$ 25.73
Total Field Expense	**$ 25.73**

2. Clerical and Office Expense

A. Supplies	$ 1.60
B. Labor	$ 15.05
Total Clerical and Office Expense	**$ 16.65**

3. Miscellaneous Expense

A. Transportation	$ 14.00
B. Other (Itemize)	
_____	_____
_____	_____
_____	_____
Total Miscellaneous Expense	**$ 14.00**

Total Nonrecurring Charge Expense	**$ 56.38**

NONRECURRING CHARGE COST JUSTIFICATION

Type of Charge: INVESTIGATION CHARGE WHEN UNAUTHORIZED USAGE IS DISCOVERED

1. Field Expense:

   A. Materials (Itemize)

PLUG	$ 33.85

   B. Labor (Time and Wage)

2 HOURS @ $28.13/HOUR	$56.26
Total Field Expense	**$ 90.11**

2. Clerical and Office Expense

A.	Supplies	$ 2.60
B.	Labor	$ 15.05
	Total Clerical and Office Expense	**$ 17.65**

3. Miscellaneous Expense

A.	Transportation	$ 14.00
B.	Other (Itemize)	
	Total Miscellaneous Expense	**$ 14.00**

Total Nonrecurring Charge Expense **$ 121.76**

MOUNTAIN WATER DISTRICT

Response to Commission Staff's First Request for Information
Case No. 2025-00327

Question No. 1-37

Responding Witness: Kevin Lowe

Q-1-37. Provide cost justification sheets to support any proposed new nonrecurring charges.

A-1-37. Not applicable. Mountain Water District has not proposed any new nonrecurring charges. For calculation of customer deposit, see Exhibit 21 of Mountain Water District's Application.

MOUNTAIN WATER DISTRICT

Response to Commission Staff's First Request for Information
Case No. 2025-00327

Question No. 1-38

Responding Witness: Kevin Lowe

Q-1-38. Provide updated cost justification sheets to support each Meter Connection/Tap-on Charge listed in Mountain District's tariff.

A-1-38. See Attachment 1-38.

Attachment 1-38

AVERAGE METER CONNECTION EXPENSE
COST JUSTIFICATION

Name of Utility MOUNTAIN WATER DISTRICT

The following is an itemization of expenses for providing a metered service connection.

A. Meter Size

5/8-Inch ☐ 3/4-Inch **x** 1-Inch ☐ 1 1/2 -Inch ☐ 2-Inch ☐

Other (specify) _____

B. Materials Expense

		Unit Quantity	Cost	Total Cost
1.	Water Meter	1	$153.01	$153.01
2.	Meter Yoke	INCLUDED IN PREFAB METER BOX		
3.	Corporation Stop	1	$36.65	$36.65
4.	Meter Box and Top	1	$406.81	$406.81
5.	Miscellaneous Fittings	2	$0.98	$1.96
6.	Other (Itemize)			
	8 X ¾" BRASS SADDLE-PVC	1	$76.81	$76.81
	REGULATOR ADAPTER	2	$26.80	$26.80
	¾" REGULATOR	1	$64.65	$64.65

TOTAL MATERIALS EXPENSE (add total cost) $766.69

C. Service Pipe Expense

Type of Service Pipe PE TUBING Size of Service Pipe ¾"

		Unit Quantity	Cost	Total Cost
1.	Short Side Service	20	$0.32	$6.40
2.	Long Side Service	50	$0.32	$16.00

AVERAGE SERVICE PIPE EXPENSE (add total cost and divide by 2) $11.20

D. Installation Labor Expense

		Total Hours	Hourly Rate	Total Cost
1.	Short Side Service	2	$76.83	$153.66
2.	Long Side Service	6	$76.83	$460.98

AVERAGE INSTALLATION LABOR EXPENSE (add total cost and divide by 2) $307.32

E. Installation Equipment Expense

		Total Hours	Hourly Rate	Total Cost
1.	Short Side Service	2	$40.00	$80.00
2.	Long Side Service	6	$40.00	$240.00

AVERAGE INSTALLATION EQUIPMENT EXPENSE (add total cost and divide by 2) $160.00

F. Installation Miscellaneous Expense

		Total Hours	Hourly Rate	Total Cost
1.	Inspection	1/2	$35.00	$17.50
2.	Site Clean-Up	1/2	$35.00	$17.50
3.	Other			
	STRAW & SEED LABOR	1/2	$35.00	$17.50
	STRAW & SEED			$15.00

AVERAGE INSTALLATION MISCELLANEOUS EXPENSE (add total cost) $67.50

G. Overhead Expense

1. Installation expense ($534.82) times overhead rate (15%) $80.22

H. Administrative Expense

1. Office expense for establishing a new account and billing record. $15.05

I. Total Expenses

Materials Expense	$766.69
Service Pipe Expense	11.20
Installation Labor Expense	307.32
Installation Equipment Expense	160.00
Installation Miscellaneous Expense	67.50
Overhead Expense	80.22
Administrative Expense	15.05

TOTAL CONNECTION EXPENSE **$1407.98**

MOUNTAIN WATER DISTRICT

Response to Commission Staff's First Request for Information
Case No. 2025-00327

Question No. 1-39

Responding Witness: Tammy Olson

Q-1-39. Provide an overview of any actions planned or taken by Mountain District to reduce its water loss, including any water loss reduction plan.

A-1-39. For an overview of its plan to reduce its water loss, see Mountain Water District's Capital Improvements Plan, which was filed as an exhibit to the District's Application in Case No. 2022-00366. For the District's immediate action plan, which will be financed with the proceeds of the District's Water Loss Surcharge, see the District's Motion to Amend Qualified Infrastructure Improvement Plan, which was filed in Case No. 2023-00331.

Pike County Fiscal Court in 2022 allocated to the District $1,331,000 of American Rescue Plan Act ("ARPA") funds that the Kentucky General Assembly allocated to Pike County Fiscal Court to use at its discretion. The District used these monies to fund the Water Loss Prevention Program Phase I – Contract #1 Project (WRIS No. WX21195027). The project involves telemetry installation for 22 water storage tanks and pump stations, and tank road work and fencing to secure those tanks. This telemetry will enable the District to remotely monitor master meter flow rates and reduce the time necessary to respond to water leaks. The project also involves the installation of 22 master meters to quantify and facilitate identification of water loss zones. Work on the project began in Spring 2023 and is continuing.

The Kentucky Infrastructural Authority ("KIA") awarded the District a grant of $1,926,262 under the Kentucky Cleaner Water Program. The grant (Grant No. 22CWW069) funded the District's Capital Infrastructure Replacement Project (WRIS No. WX21195063). The project involves multiple water line replacements throughout the District's territory at locations that were susceptible to repetitive leaks due to aging infrastructure, poor installation practices, poor topsoil conditions, and challenging terrain Approximately 20,365 linear feet of six-inch ductile iron water main, and 1,982 linear feet of six-inch polyvinyl chloride water main will be installed. Project construction has not yet commenced.

With the proceeds from the District's Water Loss Surcharge, the District has hired two (2) additional daytime leak detection employees and purchased vehicles and equipment to equip these employees. It has also purchased acoustic leak detection equipment, a correlator, and equipment for its leak detection crews. In 2026, the District will begin the replacement of aging water lines in the Burning Fork area and US 460 areas that are prone to recurring water leakage.

MOUNTAIN WATER DISTRICT

Response to Commission Staff's First Request for Information
Case No. 2025-00327

Question No. 1-40

Responding Witness: Kevin Lowe

Q-1-40. Refer to Mountain District's Tariff, PSC Ky. No. 3, 2nd Revised Sheet No. 15, Rules and Regulations, Billing.

a. Provide the date that Mountain District's billing cycle begins (meter read date).

b. State whether the date that the billing cycle begins is the date that would be best stated as the effective date of any order the Commission issues concerning rates in this case.

A-1-40. a. Mountain Water District has six billing cycles. Each cycle's metering reading date is shown below.

Cycle	Meter Read Date (Day of Month)
1	2nd
2	4th
3	11th
4	17th
5	22nd
6	29th

b. As Mountain Water District has six billing cycles, it is not possible to synchronize the effective date of a Commission decision on the District's application with the District's billing cycles.

MOUNTAIN WATER DISTRICT

Response to Commission Staff's First Request for Information
Case No. 2025-00327

Question No. 1-41

Responding Witness: Kevin Lowe

Q-1-41. Provide the number of occurrences and dollar amounts for late fees that were recorded during 2023 and 2024, and 2025 year-to-date.

A-1-41. See table below.

Month	2023		2024		2025	
	$	Number	$	Number	$	Number
January	16,205.55	3,424	17,625.08	3,116	26,296.02	3,275
February	21,111.77	3,302	25,715.12	4,025	23,178.27	2,944
March	14,569.83	2,794	22,978.07	3,790	20,137.63	2,808
April	16,350.68	3,226	13,063.75	1,799	19,373.64	2,821
May	15,914.72	3,163	22,006.21	2,933	17,887.94	2,751
June	18,112.86	3,724	19,148.86	2,887	16,893.55	2,708
July	16,044.60	3,290	17,728.08	2,684	22,330.03	3,140
August	16,772.33	3,360	21,084.23	3,144	20,298.05	2,898
September	16,249.52	3,304	21,339.91	3,079	19,190.39	2,907
October	16,706.58	3,252	18,825.56	2,857	21,411.65	2,960
November	16,339.51	3,442	19,178,10	2,990		
December	16,017.01	3,363	18,166.07	3,003		
	200,394.96	39,644	236,868.94	36,307	206,997.17	29,212

MOUNTAIN WATER DISTRICT

Response to Commission Staff's First Request for Information
Case No. 2025-00327

Question No. 1-42

Responding Witness: Legal Counsel

Q-1-42. Provide proof of customer notice as required by 807 KAR 5:076(5)(4).

A-1-42. On December 2, 2025, Mountain Water District filed proof of customer notice in accordance with 807 KAR 5:001, Section 17(3).

807 KAR 5:076(5)(4) is not applicable. Because its annual revenues from water sales exceed $5,000,000, Mountain Water District may not file an application under 807 KAR 5:076.

MOUNTAIN WATER DISTRICT

Response to Commission Staff's First Request for Information
Case No. 2025-00327

Question No. 1-43

Responding Witnesses: Carrie Hatfield/Mike Spears/Tammy Olson
Jack Scott Lawless/Melissa Wright

Q-1-43. Provide copies of each of the following, and when appropriate, provide in Excel spreadsheet format with all formulas, rows, and columns unprotected and fully accessible:

a. The general ledger and trial balance in Excel spreadsheet format with all transactions for the year ended December 31, 2024.

b. The general ledger and trial balance through current year October 31, 2025.

c. Provide a cross reference that matches each test year general ledger account to each revenue and expense line reported in the Schedule of Adjusted Operations and reconcile each amount that does not match.

d. Adjusted Trial Balance showing unaudited account balances, audit adjustments, and audited balances for the Test Year.

e. A document listing the job titles, hours worked, job description, and pay rates for each employee during the test year and for those currently employed. Employee names should be redacted from all documents for all individual employee related requests.

f. A list that describes all employee benefits, other than salaries and wages, paid to, or on behalf of, each employee for each of the previous five years.

g. A document listing the name of all commissioners for 2023, 2024, and 2025 to date, and state, individually, the total amount of each benefit paid to, or on the behalf of, each commissioner during each year (i.e., wages, health insurance premiums, life insurance premiums, FICA , etc.).

h. Minutes from Mountain District's commissioner meetings for the calendar years 2023, 2024, and 2025 to date. Consider this a continuing request through the date of issuance of Commission Staff's Report.

i. Fiscal Court minutes approving each commissioner's appointment and compensation.

j. A document confirming all commissioners have completed their required initial and 2024 commission approved training.

k. Refer to the Application, Exhibit 6, References. Provide all workpapers used to generate the proposed adjustments.

A-1-43. a. See **1-43a_GeneralLedger-BalanceSheetAccts.xls**, **1-43a_GeneralLedger-Income StatementAccts.xls**, and **1-43a_TrialBalanceWorksheet-CSACC01.xls** filed separately with this Response.

b. The requested materials were filed separately with this Response as **1-43b_GeneralLedger.xls** and **1-43b_TrialBalance.xls**.

c. See **1-34_TrialBalance-ReconciledToAnnualReports.xlsx** filed separately with this Response.

d. See **1-43a_TrialBalanceWorksheet-CSACC01.xls.**

e. See Attachment 1-43e.

f. For the last 5 years Mountain Water District has provided each employee with medical and dental insurance. The District provides health insurance for its employees and pays some or most of the cost for this insurance. The table shows the portion of the cost of the health insurance coverage that the District contributes. The District offers two versions of health insurance coverage: CORE and BUY-UP. The CORE version has a higher deductible and more limited coverage than the BUY-UP version.

Persons Covered	Employer Contribution (% of Total Cost)	
	CORE	BUY-UP
Employee Only	100.00	97.30
Employee/Spouse	90.00	88.76
Employee/Children	93.6	90.84
Employee Family	88.0	87.30

The District also provides dental insurance to its employees at no cost. Employees desiring coverage for family members must contribute towards the cost of this insurance.

Mountain Water District pays the cost of basic life insurance policy in the amount of $50,000 or one-year's salary, whichever is greater. It also provides long-term disability insurance to all full-time employees at no cost and offers the opportunity for employees to purchase short-term disability insurance. Mountain Water District also provides pension and retirement health insurance through the Kentucky County Employees Retirement System. The Kentucky Public Pensions Authority determines the employer and employee contributions for those benefits.

All full-time employees accumulated paid vacation leave based upon the number of years of continuous employment and paid sick leave based upon each biweekly

period worked. Mountain District provides each full-time employee with four (4) paid personal leave days annually and twelve (12) paid holidays. Full-time employees also may use up to three (3) days of bereavement leave without loss of pay in the case of the death of an immediate family member.

Mountain Water District provides each full-time employee with a $25.00 gift card at Thanksgiving and Christmas.

g. See Attachment 1-43g.

h. See Attachment 1-43h.

i. See Attachment 1-43i.

j. Commissioners Grondall Potter and James Slone were initially appointed on June 3, 2025 and August 5, 2025, respectively. Commissioner Potter attended initial commissioner training on October 21-22, 2025 at Pine Mountain State Resort Park. Commissioner Slone attended initial commissioner training on December 2-3, 2025 at the Public Service Commission's offices in Frankfort, Kentucky. Written documents evidencing their attendance have yet not been issued.

Commissioners Myrtle Runyon and Burt Melton attended 2024 water management training on June 18-19, 2024 at Carter Caves State Resort Park. The Public Service Commission certified their attendance for 6 hours of instruction in its Order of July 12, 2024 in Case No. 2024-00209.

Commissioner Randy Tackett attended 2024 water management training on September 24-25, 2024 at Pine Mountain State Resort Park. The Public Service Commission certified his attendance for 12 hours of instruction in its Order of October 21, 2024 in Case No. 2024-00322.

Commissioner Burt Melton attended initial water management training on December 5-6, 2023 in Frankfort, Kentucky. The Public Service Commission certified his attendance for 12 hours of instruction in its Order of February 7, 2024 in Case No. 2023-00410.

Commissioners Myrtle Runyon and Randy Tackett completed their initial commissioner training on October 3-4, 2022 through videoconference training which the Public Service Commission provided. The Public Service Commission Staff certified their attendance for 12 hours of instruction in its letter of March 9, 2023, which is filed in Case No. 2023-00021.

k. See response to Question 1-33.

Attachment 1-43e

Employee Job Title	Regular Hours	Current Hourly Rate
WTP Operator Trainee	2080	$22.00
WTP Operator Class III	2080	$22.66
WTP Operator Class III	2080	$22.00
WTP Operator Class IV	2080	$24.84
Field Supervisor / DW III	2080	$25.83
Equipment Operator	2080	$20.60
Water Utility Tech	2080	$15.12
Field Supervisor / DW III	2080	$29.66
Equipment Operator	2080	$20.60
Water Utility Tech	2080	$15.12
Night Leak Supervisor	2080	$25.65
Equipment Operator	2080	$20.60
Water Utility Tech	2080	$14.49
Field Supervisor	2080	$25.02
Equipment Operator	2080	$20.60
Water Utility Tech	2080	$15.12
Construction Supervisor/DW III / CDL	2080	$29.78
Equipment Operator	2080	$21.63
Equipment Operator	2080	$21.63
Water Quality Compliance Tech Supervisor	2080	$19.81
Water Quality Compliance Tech	2080	$16.30
GIS Tech	2080	$18.63
GIS Tech	2080	$18.63
Maintenance Supervisor	2080	$27.28
Maintenance Tech	2080	$16.50
Maintenance Tech.	2080	$15.50
Night Shift & Leak Detect Supvr / WTP Oper	2080	$26.84
Day Shift Leak Detection Tech	2080	$21.00
Night Shift Leak Detection	2080	$15.00
Day Shift Leak Detection Tech	2080	$15.50
Day/Night Shift Leak Detection Tech	2080	$20.60
Night Shift Leak Detection	2080	$15.00
Day Shift Leak Detection Tech	2080	$15.00

Employee Job Title	Regular Hours	Current Hourly Rate
Day Shift Leak Detection Tech	2080	$20.60
Day Shift Leak Detection Tech	2080	$15.00
Supervisor	2080	$23.20
Meter Service Tech	2080	$18.06
Meter Service Tech	2080	$13.50
Meter Service Tech	2080	$14.00
Meter Service Tech	2080	$13.50
Meter Service Tech	2080	$13.50
WWTP Chief Operator II	2080	$25.40
WWTP Operator II / WW Collection I	2080	$20.50
WWTP Operator II / WW Collection II	2080	$20.50
WWTP Operator / WW Collection II	2080	$18.50
WWTP Operator II / CDL	2080	$20.85
WW Utility Tech	2080	$14.00
WW Utility Tech	2080	$19.10
WW Utility Tech	2080	$15.12
WW Equipment Operator	2080	$16.09
Customer Service Clerk	2080	$18.09
Customer Service Clerk	2080	$15.18
Customer Service Clerk	2080	$14.00
Customer Service Clerk	2080	$14.00
Customer Service Clerk	2080	$14.00
HR Spec. /AP Asst.	2080	$19.49
Administrative Asst.	2080	$18.64
Safety Director	2080	$20.00
Warehouse Clerk	2080	$18.63
Fleet Garage Mech.	2080	$16.56
Warehouse Clerk	2080	$19.49
WTP Supervisor	2080	$69,000.00
GSI Manager	2080	$93,774.71
Operations Manager	2080	$90,000.00
WW Ops Mgr/Fleet Mgr/DW III/ WWTP Opr I/WW	2080	$72,316.95

Employee Job Title	Regular Hours	Current Hourly Rate
Customer Service Manager	2080	$45,204.64
District Manager	2080	$96,938.10
Chief Financial Officer	2080	$76,008.71
Compliance / Office Mgr.	2080	$52,959.53
Office / Billing Mgr.	2080	$71,285.12

Employee Title	Job Description
Utility Maintenance Tech	Performs routine maintenance on Regulators and Pump Stations
Equipment Operator	Operates District Equipment such as backhoes, excavators, etc.
WM Operations Trainee	Day-to-day operations of an Actiflo water plant, including control samples and analysis
ARC-GIS Tech.	Works in the field using GPS and other equipment to map District's water and sewer systems
Water Quality Compliance Supervisor	Inspection, testing, and monitoring of the distribution of water system
ARC-GIS Tech.	Works in the field using GPS and other equipment to map District's water and sewer systems
Mechanic	Daily Fleet Maintenance
Warehouse Clerk	Responsible for ordering all parts utilized for daily operations.
Equipment Operator (After Hours)	Operates District Equipment such as backhoes, excavators, etc. (after hours)
Water Utility Tech	Performs daily field labor
Meter Service Tech	Meter reading and customer relations service work
HR Specialist /AP assistant	Payroll, Human Resource functions, assists the CFO in Accounts payable
Equipment Operator	Operation of the Districts Equipment such as backhoe and excavator.
Water Utility Tech. (After Hours)	Performs daily field labor after hours
Meter Service Tech	Meter reading and customer relations service work
Customer Service Clerk	Provides customer services to District customers; backup cashier
Meter Service Tech	Meter reading and customer relations service work
Meter Service Tech	Meter reading and customer relations service work
Meter Service Tech	Meter reading and customer relations service work
Meter Service Tech	Meter reading and customer relations service work
Meter Service Tech	Meter reading and customer relations service work
ARC-GIS Tech.	Works in the field using GPS and other equipment to map District's water and sewer systems
Billing Clerk	Performs Billing and customer service functions
Water Quality Compliance Tech	Flush and samples water to ensure regulatory compliance
Water Utility Tech	Performs daily field labor
Leak Detection Technician Day shift	Tracks water loss within the system to determine the location of system leaks
Administrative Assistant	Switchboard operator, maintains compliance files and inspections.
Equipment Operator	Operates District Equipment such as backhoes, excavators, etc.
Equipment Operator	Operates District Equipment such as backhoes, excavators, etc.
Water Treatment Operator class III	Day-to-day operations of an Actiflo water plant, including control samples and analysis
Water Utility Tech	Performs daily field labor
Leak Detection Technician Day Shift	Tracks water loss within the system to determine the location of system leaks
Leak Detection Technician Day shift	Tracks water loss within the system to determine the location of system leaks
Water Treatment Operator class III	Day-to-day operations of an Actiflo water plant, including control samples and analysis
Customer Service Clerk	Provides customer services to District customers
Leak Detection Technician	Tracks water loss within the system to determine the location of system leaks
Safety Director	Responsible for maintaining workplace safety
Water Treatment Plant Operator	Day-to-day operations of an Actiflo water plant, including control samples and analysis
Water Treatment Operator class IV	Day-to-day operations of an Actiflo water plant, including control samples and analysis
Water Utility Tech-After hours	Performs daily field labor
Water Utility Tech-After hours	Performs daily field labor
Customer Service Clerk	Provides customer services to District customers
Equipment Operator	Operates District Equipment such as backhoes, excavators, etc..
Cashier	Processed both in person payments and mail in payments
Warehouse Clerk	Responsible for ordering all parts utilized by the daily operations.
Equipment Operator	Operates District Equipment such as backhoes, excavators, etc.
Equipment Operator	Operates District Equipment such as backhoes, excavators, etc.
Meter Service Tech	Meter reading and customer relations service work
Water Utility Tech	Performs daily field labor
Wastewater Treatment Plant Opr.	Day-to-day operations of a wastewater plant including control samples and analysis

Employee Title	Job Description
Wastewater Treatment Plant Opr.	Day-to-day operations of a wastewater plant including control samples and analysis
Wastewater Utility Tech.	Performs daily field labor
Wastewater Utility Tech.	Performs daily field labor
Wastewater Treatment Plant Opr.	Day-to-day operations of a wastewater plant including control samples and analysis
Wastewater Treatment Plant Opr.	Day-to-day operations of a wastewater plant including control samples and analysis
Wastewater Utility Tech.	Performs daily field labor
Wastewater Utility Tech.	Performs daily field labor
Maintenance Tech.	Performs maintenance on Electrical devices
Meter Supervisor	Manages the day-to-day activities of meter field services
Night Shift Supervisior	Supervises night crew
Chief Financial Manager	Manages District's financial matters and supervises HR
Field Supervisor	Supervises the daily operation of the Grapevine Area.
Office/Billing Manager	Manages the Office and oversees the billing department
Field Supervisor	Supervises the construction crew
Field Supervisor	Supervises the daily operation of the Marrowbone area
District Manager	Manages and oversee the entire District
Field Supervisor	Supervises the daily operations of the Pond Creek area.
Field Supervisor	Supervises the daily operations of the Shelby Valley area.
Maintenance Supervisor	Supervises the Maintenance Dept
ARC-GIS Coordinator	Oversees and coordinates the ARC/GIS Mapping System.
Operations Manager	Oversees and coordinates daily operations and production of water services
Compliance Manager	Oversees District compliance with regulations and statutes; assists District Manager
Customer Service Manager	Oversees Customer Service Department
Wastewater Supervisor	Supervises day-to-day activities of wastewater field services
Wastewater Plant Manager	Manages day-to-day activities of wastewater plants

Attachment 1-43g

COMMISSIONER COMPENSATION (2023 – 2025)

Year	Commissioner	Position	Salary	FICA Taxes	Insurance*	Total**
2023	Johnny Dennison	Chair	$3,500.00	$267.75	None	$3,767.75
	Randy L. Tackett	Vice Chair/Chair	$6,000.00	$459.00	None	$6,459.00
	Myrtle Runyon	Secretary/Treasurer	$6,000.00	$459.00	None	$6,459.00
	Burt Melton	Commissioner	$1,700.00	$130.05	None	$1,830.05
	Gerald Justice	Commissioner	$6,000.00	$459.00	None	$6,459.00
	Paul Chaney	Commissioner	$6,000.00	$459.00	None	$6,459.00
2024	Randy L. Tackett	Chair	$6,000.00	$459.00	None	$6,459.00
	Gerald Justice	Vice Chair	$6,000.00	$459.00	None	$6,459.00
	Paul Chaney	Secretary	$6,000.00	$459.00	None	$6,459.00
	Myrtle Runyon	Treasurer	$6,000.00	$459.00	None	$6,459.00
	Burt Melton	Commissioner	$6,000.00	$459.00	None	$6,459.00
2025	Randy L. Tackett	Chair	$6,000.00	$459.00	None	$6,459.00
	Gerald Justice	Vice Chair	$3,500.00	$267.75	None	$3,767.75
	Paul Chaney	Secretary	$3,500.00	$267.75	None	$3,767.75
	Myrtle Runyon	Treasurer	$6,000.00	$459.00	None	$6,459.00
	Burt Melton	Vice Chair/ Commissioner	$5,500.00	$420.75	None	$5,920.75
	James Slone	Secretary	$1,200.00	$ 91.80	None	$1,291.80
	Grondall Potter	Commissioner	$1,600.00	$122.40	None	$1,722.40

Attachment 1-43h

MOUNTAIN WATER DISTRICT
BOARD OF COMMISSIONERS REGULAR MEETING

January 26th, 2023
5:00 PM

ATTENDEES
Kristi Strouth, Appalachian News Express
Tim Campoy, EDC
Stephen Caudill, Bell Engineering
Mike Spears, Spears Management, CPA
Mike Hill, Summit Engineering
Jim Vanover, Vanover, Hall, & Bartley
Roy Sawyers, District Manager
Tammy Olson, Office/Compliance Manager
Kevin Lowe, Office/Billing Manager
Carrie Hatfield, Chief Financial Officer

PLEDGE OF ALLEGIANCE
Vice Chairman Tackett led the assembly in the Pledge of Allegiance.

PRAYER
District Manager, Roy Sawyers, led the assembly in an opening prayer.

CALL TO ORDER AGENDA ITEM I
The Mountain Water District Board of Commissioners' Regular Meeting was held on Thursday, January 26th, 2023, at 5:00 PM.

Commissioners present for the meeting were as follows:

Johnny Denison, Chairman
Randy Tackett, Vice Chairman
Myrtle Runyon, Secretary
Paul Chaney, Commissioner
Mitch Justice, Commissioner

ELECTION OF OFFICERS
Chairman Denison nominated Commissioner Myrtle Runyon to the Treasurer's position on the Board of Commissioners. Commissioner Chaney made the motion to that effect. Commissioner Tackett seconded the motion. Commissioner voting as follows:

Commissioner Denison	Aye
Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-01-001

Chairman Denison nominated Commissioner Paul Chaney to serve as the Secretary for the Board of Commissioners. Commissioner Runyon made the motion. Commissioner Justice seconded the motion. Commissioner voting as follows:

Commissioner Denison	Aye
Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-01-002

Chairman Denison stated that due to time restraints, he will be stepping down in his role as Chairman and nominated Commissioner Randy Tackett to serve in the role as Chairman of the Board of Commissioners. Commissioner Runyon made that motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Denison	Aye
Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-01-003

Commissioner Tackett nominated Chairman Denison to serve in the role of Vice Chairman of the Board of Commissioners. Commissioner Runyon made the motion. Commissioner Justice seconded the motion. Commissioner voting as follows:

Commissioner Denison	Aye
Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-01-004

Ms. Olson clarified that these position changes would take effect as of the February meeting. Chairman Denison confirmed that as correct.

VISITORS

Chairman Denison inquired if there were any visitors for today's meeting. There were none.

APPROVAL OF MINUTES AGENDA ITEM II

After review of the minutes, Chairman Denison requested a motion to approve the minutes of the special meeting held on December 21st, 2022 as presented. Commissioner Justice made the motion. Commissioner Tackett seconded the motion. Commissioner voting as follows:

Commissioner Denison	Aye
Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-01-005

FINANCIAL REPORT – MIKE SPEARS, CPA AGENDA ITEM III

Mr. Spears stated that Cash in bank at the end of the month was $137,046. Accounts receivable was $1,399,528. Plant in service was $168,848,250. Accounts Payable, they have heard him say "thirty days payable is thirty days payable. We are not anymore. That justifies some of the other things we are doing but we had major flooding events last year. Chairman Denison stated that this should be resolved by the end of next month. Mr. Spears stated that it normally runs around $272,000. Chairman Denison stated that the expenditures we had, due to the FEMA disasters that we had, were about $400,000. Mr. Spears stated that it was probably over that. Chairman Denison inquired what the January event was. Ms. Olson stated that $167,000 was what we asked for reimbursement for, but there was more than that in labor that wasn't eligible. Chairman Denison clarified that expenditures were at least $500,000 for both flood events. Mr. Spears confirmed that as correct. Ms. Olson stated that she has been here 20 years in June and she has never seen a year where we had 3 disasters in one year. Commissioner Tackett clarified that FEMA won't reimburse us 100% either. Ms. Olson stated that is correct. The federal share is typically 75%, a state share of 13% and our share is 12%. They will not pay any labor that is during regular business hours because they say you are going to be paying for that anyway. They will consider any overtime for reimbursement. Chairman Denison stated that we are waiting on the EKSAFE funding that we applied for in the amount of $300,000. Ms. Olson stated that we are just waiting for the state to sign off and she said the worst case scenario would be about 2 weeks from the date that we submitted the contract and are looking at about the first week of February to receive it. Mr. Spears stated that that funding will be used due to liquidity issues. That will be paid back by any FEMA money that we receive. Chairman Denison clarified that it was due in June of 2024. Ms. Olson confirmed that it is due by that date and they are expecting any funds that we get from FEMA will go toward the repayment of that. Revenue for the month was $894,320. Utility operating expenses was $1,240,642. The net income/net loss was $369,319. Included in that loss number is depreciation in the amount of $335,997. Operating income was negative for the month in the amount of $346,321 which includes depreciation. Cash increased $36,451 for the month. The current operating account balance is $91,781 as of the end of December. KIA and RD Reserves are fully funded with $862,951 and $871,398 in those accounts respectively. The O & M reserve account is $100,000 since we took some of that out to help cover some of the flooding repair expenses. We have $70,300 each month that we transfer to the sinking fund to cover the debt service. Mr. Spears stated that his favorite pages to look at are pages 15 through 18. These just give a good look back at what has happened and compare to see if anything is out of line. After further discussion, Chairman Denison requested a motion to approve the financial report for the month of December as presented. Commissioner Runyon made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Denison	Aye
Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-01-006

- **Approval of Application for EKSAFE funding due to July 2022 flooding** – Chairman Denison requested a motion to approve to submit the application for the EKSAFE Funding. Commissioner Runyon made the motion. Commissioner Justice seconded the motion. Commissioner voting as follows:

Commissioner Denison	Aye
Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-01-007

PAYMENT OF BILLS AGENDA ITEM IV

After review of the payables data and any Commissioner questions answered, Chairman Denison requested a motion to approve the payment of the bills as presented. Commissioner Tackett made the motion to approve the payment of the bills as presented. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Denison	Aye
Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-01-008

CUSTOMER ADJUSTMENTS AGENDA ITEM V

Copies of the customer adjustments for December were in the packets of information given to the Commissioners for the meeting. After review and discussion, Chairman Denison requested a motion to approve the customer adjustments as presented in the amount of twelve thousand, two hundred and sixty-six dollars, and thirty-three cents ($12,266.33). Commissioner Justice made the motion. Commissioner Tackett seconded the motion. Commissioner voting as follows:

Commissioner Denison	Aye
Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-01-009

CONSTRUCTION REPORT AGENDA ITEM VI

Update by Tim Campoy, Environmental Design Consultants.

1. **Phelps Hydrology Study -** Mr. Campoy stated that he is happy to report that the power company made the power drop on the 8th of December. Unfortunately, it was the wrong voltage. The contractor got Kentucky Power back out there and paid some fee and within 3 days they had it corrected. MWD, H2O and EDC did the testing of the pumps last week. They worked good and everything was fine. They put the old pump station out of service and the new one has been running for a week now. A walk-out was completed with the contractor on January 23rd and there were six items identified on a punch list. Five of those were being corrected the next day and by Wednesday were done. One item is waiting on Generac to test the generator. We are anticipating a week or two for them to come and complete that. There is a final invoice prepared for the last $8,000 plus retainage which totals to $121,311. The engineer is asking that the board approve to pay that pending this last item on the punch list. Chairman Denison requested a motion to approve the final payment of $121,311 pending the completion of the punch list. Commissioner Tackett made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Denison	Aye
Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-01-010

Mr. Sawyers stated that there is probably about $215,000 left over in the project and he would like authorization to request that the funding agency allow MWD to spend that remaining funds on PLC upgrades for the Phelps/Freeburn WWTP and the rest for the purchase of grinder units for that area. That would save about $25,000 a month for about 6 months. In the past they have approved stuff like this and he will draft a letter once he gets the final quote on the PLC upgrades. Commissioner Denison requested a motion to authorize the District Manager to request from the funding agency (KIA) to be allowed to spend the remaining funds in the Phelps Hydrology Study and Upgrades project and to move forward with the plan pending KIA approval. Commissioner Chaney made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Denison	Aye
Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-01-011

2. **Kimper DOT Relocation Project** – Mr. Campoy stated that they are sort of stuck on anything they can do until the Transportation Cabinet moves the project forward.

Update by Bell Engineering/EDC –Stephen Caudill/Tim Campoy

1. **Fishtrap Hydraulic Modification Project –** Mr. Campoy stated that they had a meeting with a local contractor who does directional drilling. The project is set just below the dam on the Levisa Fork just before it goes into the Russell Fork and we have to cross the Levisa there. It is not a major river crossing but it is steep and so when we picked back up on the project today and have learned that we can get the directional drilling done. It is right beside the bridge and will be kind of tight right there. They are moving forward with that project and have to deal with CSX over there and make sure whether or not they still own that property. If they do, then we need to put a permit together with them. All of the tracks are gone and the only ones still there are at the road crossing. They left those down for some reason. Mr. Sawyers stated that Sharon Hall has requested some documents be signed and one of those will be for Jim Vanover to sign for the Right of Way and that is one of things we talked about over there at the meeting was the right of way that the state has with the bridge plus what the right of way would be now if we had to work on that section near the railroad. Mr. Campoy stated that tomorrow they will be working on that right of way to make sure we are staying in the right of way as much as possible and won't need another easement. Mr. Caudill stated that the project is being held up with environmental and letter of conditions from RD. Last week we got an update on the letter of conditions and there were 5 engineering remaining items on that that need to be addressed. Two of them he has already taken care of and the three remaining ones deal with the permitting that Mr. Campoy was talking about. Once they have all permits in hand they can complete the submittals back to RD.

2. **Water Loss Reduction Plan, Phase 1 –** Mr. Caudill stated that the contracts have been prepared for the contractors that submitted bids and legal counsel has reviewed those and there is something he needs to check on and after that, the contracts can be sent out for execution. They have reached out to contractors negotiating prices for the items where no bids were received. These included the transport of the Kendrick Fork and Right Fork of Greasy Creek tanks and rehabilitation of the Old House and Poorbottom water storage tanks. They are hoping that the pricing will be back in the next one to two weeks and then we should be able to move forward with that also. The District has ordered the items that the District got the bids on and it should be in later this year. Mr. Sawyers stated that David Taylor told him that he has ordered the equipment and some of it is four to six weeks out for delivery. He isn't sure if he has ordered it all or not. We are using MicroComm as a

sub and they will have to have the equipment in for the SCADA. He will work up a timeline for the board for finalization of the project.

Update by Mike Hill, Summit Engineering:

1. **Maynard Fork Water Line Extension –** Mr. Hill stated that as of yesterday the Fiscal Court received a draw for the first allocation of the Cleaner Water funding, which is the $1.6 M. They are also telling us that the additional allocation of $700,000 or so will be available by the time we need it so we can go ahead with the bidding process.

2. **Brushy Fork/Sycamore Water Line Extension –** The funding Memorandum of Agreement was signed at the October board meeting and the engineer is waiting on final approval/signature from the KIA Director in order to advertise the project for bid.

Chairman Denison requested a motion to accept the engineering reports as presented. Commissioner Runyon made the motion. Commissioner Tackett seconded the motion. Commissioner voting as follows:

Commissioner Denison	Aye
Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-01-012

Chairman Denison requested a motion to authorize the District Manager to sign all forms and documentation necessary for the Maynard Fork Water Line Extension project. Commissioner Chaney made the motion. Commissioner Justice seconded the motion. Commissioner voting as follows:

Commissioner Denison	Aye
Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-01-013

Chairman Denison requested a motion to authorize the District Manager to sign all forms and documentation necessary for the Brushy Fork/Sycamore Water Line Extension project. Commissioner Runyon made the motion. Commissioner Tackett seconded the motion. Commissioner voting as follows:

Commissioner Denison	Aye
Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-01-014

PROJECT DRAWS:

Mrs. Hatfield stated that one of the draws needs to be updated. The $8,000 draw for EDC should be changed to H2O Construction and be changed to the amount of $121,311.00 which is their final amount for the project plus retainage. Chairman Denison requested a motion to approve the Project Draws as presented pending the completion of the punch list items for the Phelps Hudrology Study Project. Commissioner Runyon made the motion to approve the draws as presented. Commissioner Justice seconded the motion. Commissioner voting as follows:

Commissioner Denison	Aye
Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-01-015

PROJECT DRAWS:

WATER LOSS REDUCTION PLAN

Bell Engineering	**ARPA Funds**	**$ 636.12**
$636.12	**Engineering Services**	

PHELPS HYDROLOGY STUDY AND UPGRADES PROJECT

EDC	**KIA Grant Funds**	**$ 5,747.50**
$5,747.50	**Engineering Services**	
~~**EDC**~~ **H2O Construction**	**KIA Grant Funds** ~~**$ 8,000.00**~~	**$121,311.00**
~~**$8,000.00**~~ **$121,311.00**	~~**Engineering Services**~~ **Contract Construction**	

MANAGER'S REPORT – Report by Roy Sawyers, District Manager

1.) **Funding Update –** Mr. Sawyers stated that we have discussed the EKSAFE funds and the other funding has been discussed with the project updates.

2.) **Water Loss Update** –Mr. Sawyers stated that the water loss for December using the MWD form was 31.55% and the PSC form was 33.0%. We mentioned last month in the meeting that this was anticipated because of the arctic weather event that this number would be up this time. It will take a couple of months to get it staggered back down to where we were at. Commissioner Tackett stated that he looked at the annual water loss report that Ms. Olson sent them. Page 47 is the way it looks as of today. The one cell that cannot be populated is because it is a PSC generated form and she couldn't change anything. That 27.8% number is what will be reported on our PSC annual report. Chairman Denison stated that is down about 8 or 9 percent from the previous years. Ms. Olson confirmed that as correct and stated that we started out at about 36 to 38 percent when we returned to in-house management.

3.) **Daily Operations Update –** Mr. Sawyers stated that the Daily Operations Summary doesn't really have a lot of changes.

4.) **FEMA Project Update (DR 4643; DR 4663) -** Mr. Sawyers stated that he met with Mr. Keene with Tierney Land about the property at Pegs Branch where we want to relocate the Belfry lot. He made us an offer of $28,000 for the property. Commissioner Runyon inquired what he thought about that. Mr. Sawyers stated that it is convenient and close to the plant there and if we can park our

equipment up there…and the price is not bad because they previously offered it to us in about 2013 for $23,000 at that time. It is grown up and we would need to clean it off and has some work to do to it. The other thing he likes about it is that we have a tiny office trailer over there that keeps getting flooded and what he would like to do here if they will allow us to is to build a post building up, where we can park equipment in it, store tools, and have an office for the crew to meet there. We have looked all along US 119 trying to find something and this is as inexpensive as we can find. Some properties were as high as $140,000. Mr. Sawyers stated that he needs to get up with FEMA and see how we can move on this because he doesn't know how long they will set on that offer and when we can get the funding to do so. Commissioner Tackett inquired how big the tract of land is. Mr. Sawyers stated that it has a private road to it and can't remember the size whether it is an acre or two. Commissioner Tackett stated that he has known Rick Keene for a long time and can talk to him about that. Ms. Olson stated that the only thing with this is that it is a mitigation project because of where the current trailer is on the creek bank behind the court house at Belfry and has been flooded multiple times. Right now it is in such bad shape that the ceiling is starting to crack and fall in just from the water damage. They are going to want us to front the money and then reimburse us. All of our projects from the January flooding of 2022 have been submitted and are now in what they call the CRC which is the division of FEMA that obligates the money. So, everything is to that point in the process. She thinks the total of all of what was submitted for the January flooding was about $167,000. Our acceptance approval letter for the Belfry lot mitigation project was for $75,000 but we were told that was a place holder number and the reimbursement would be based on what we spend to relocate the lot including fencing, the cost of the office building, property, septic…whatever is needed. This is mitigation funds. As long as we turn in quotes, they will consider the amount. For the July of 2022 flooding, she is working with Chayla Brant on that. She has submitted all of the information for the emergency work and she is working on the summaries right now. That will be our first project to get submitted which will be the emergency work and should be submitted to the CRC within the next few weeks. She is still getting permanent stuff in from where they did the permanent work, did all of the bores and hauled all of the gravel…and as soon as all of that is together she will get the permanent work projects submitted as well and will put a personal deadline on herself of getting it done by the end of February.

5.) Rate Study Update – Mr. Sawyers stated that he spoke with Gerald Wuetcher who has filed another 30 day extension. He said he would get up with Connie Allen to finalize those dates. His goal was to have it ready for board review by the 15th of February.

Commissioner Tackett stated that he had a question on the Water Production Report. He inquired if the electric cost is based on unit cost per kilowatt hour and the next column is the cost. Ms. Olson stated that she receives four Kentucky Power bills from Carrie each month that are for the water plant and intake. There is also one for the security light there. She adds those together, the KW's and KWH's (not the KVARs because those are calculated differently) but adds the others and enters that number in the unit amount. Then she adds the cost of the four bills together and inputs it into that cost cell so it is what we are actually paying. She manually enters that amount of the actual bills. It used to be a formula but she figured it would be more accurate to actually put there what we were actually spending, so she changed it from a formulated cell to the actual number. Commissioner Tackett inquired about the column called "Maintenance". He stated that the unit cost said $477 and the unit number was 3. He asked her to clarify where those numbers were from. Ms. Olson stated that she gets a report from the billing department that lists every work order that was done at the water treatment plant for the month and gives a cost total at the bottom, which includes labor, materials, vehicles and equipment…all of that. For the month of December there were only 3 work orders and they totaled $477. When she enters that at the top, it populates to go into the total average cost per 1,000 gallons. Every month that will be different depending on how many work orders were issued for the plant itself. That could be something as small as changing a light bulb to something as major as changing out a pump or PLC. Sometimes it could be as much as $15,000 a month depending on what work is done at the water plant.

Mr. Sawyers stated that was all for the Manager's Report.

Chairman Denison requested a motion to approve the Manager's Report as presented. Commissioner Justice made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Denison	Aye
Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-01-016

NEW BUSINESS

1. Executive Session
    a. Pursuant to KRS 61.810 (1)(c) to discuss the District's litigation strategy with regard to current and potential litigation and the District's contracts.

    Chairman Denison requested a motion to convene into executive session to discuss items as listed on the agenda. Commissioner Tackett made the motion. Commissioner Justice seconded the motion. Commissioner voting as follows:

Commissioner Denison	Aye
Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-01-017

Chairman Denison requested a motion to reconvene into regular session. Commissioner Justice made the motion. Commissioner Tackett seconded the motion. Commissioner voting as follows:

Commissioner Denison	Aye
Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-01-018

Mr. Sawyers stated that Mingo County PSD has respectfully requested that the district do away with their late fees that have accumulated since 2016 for the amount of $6,838.28 in late fees because their due date comes before their board meeting. She has addressed that issue with her board where it will be reoccurring expense and she will be paying it prior to the meeting from this point forward. Chairman Denison inquired If a resolution needs to be done for this issue. Mr. Vanover advised that if they agree to wipe it off the books, it would be appropriate to approve a resolution. Chairman Denison stated that he did not have an issue with that. It is the same thing we do with other vendors when their bills are due before the meeting. Chairman Denison requested a motion to approve the accrued late fees be forgiven from the account of Mingo County PSD and they will be paying prior to the meeting as a reoccurring expense going forward. Commissioner Tackett made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Denison	Aye
Commissioner Tackett	Aye
Commissioner Runyon	Aye

Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-01-019

Mr. Sawyers stated that our February meeting is in a short month and would be February 23rd. There is also a holiday that week. In order for it to work out better for Ms. Olson and Mrs. Hatfield to get all of their numbers and a more accurate month for reports, he proposed that we move the meeting to February 28th. Chairman Denison inquired if that will create a problem with Mr. Wuetcher filing the rate application. Mr. Sawyers stated that we will have to have a special meeting prior to the rate application being submitted anyway. Commissioner Tackett inquired if the board should go ahead and schedule a date for the special meeting prior to the 15th to approve the schedules. Chairman Denison inquired if we could have it on the 13th. After further discussion, it was approved to hold the February meeting on the 28th and a special meeting to approve the rate schedules for the rate application on February 13th, both at 5:00 pm.

COMMISSIONER COMMENTS

Chairman Denison inquired if there were any further comments. There were none.

ADJOURN MEETING

Chairman Denison requested a motion to adjourn today's regular meeting. Commissioner Justice made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Denison	Aye
Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-01-020

MOUNTAIN WATER DISTRICT
BOARD OF COMMISSIONERS SPECIAL MEETING

February 13th, 2023
5:00 PM

ATTENDEES
Kristi Strouth, Appalachian News Express
Mike Spears, Spears Management, CPA
Jim Vanover, Vanover, Hall, & Bartley
Tammy Olson, Office/Compliance Manager
Kevin Lowe, Office/Billing Manager
Carrie Hatfield, Chief Financial Officer

PLEDGE OF ALLEGIANCE
Chairman Tackett led the assembly in the Pledge of Allegiance.

PRAYER
District Manager, Roy Sawyers, led the assembly in an opening prayer.

CALL TO ORDER
The Mountain Water District Board of Commissioners' Special Meeting was held on Monday, February 13th, 2023, at 5:00 PM.

Commissioners present for the meeting were as follows:

Randy Tackett, Chairman
Johnny Denison, Vice Chairman
Myrtle Runyon, Treasurer
Paul Chaney, Secretary
Mitch Justice, Commissioner

APPROVAL OF RATE CASE DOCUMENTS AND SUBMITTAL OF APPLICATION AGENDA ITEM I
Chairman Tackett stated the Board has been provided a copy of the rate study that has been formed over the last six months and everyone has had a change to review it. He opened the floor for any questions regarding the rate study. Commissioner Justice stated that he just wanted to make sure he understood everything and inquired if he was reading it right, that the Public Service Commission will have thirty (30) days to issue an order on the proposed rate and if they don't suspend it within that time, the rates will take effect. Chairman Tackett stated that is the way he takes it. He inquired from Mr. Wuetcher if that is correct. Mr. Wuetcher stated that is correct. Once the application is filed the Commission has thirty (30) days from the date of filing to go ahead and decide whether to suspend the rate and investigate, and that is the way the statute is written. But almost in every instance the Commission will go ahead and suspend the rate. When the District decides to move forward and with the amount of money involved, he can't see it not going ahead and suspending the rate. Even in cases where they have told the utilities to come in and the amount of the increase is small, they will still go ahead and suspend it, just as a matter of course. Commissioner Justice stated that he just wanted to make sure he had a clear understanding of that since he is the new Commissioner around here. Chairman Tackett stated that he would like to read the resolution out loud and he read the entire resolution in the presence of all attendees. A copy of the resolution is included in the record of this meeting at the office of Mountain Water District. Upon reading the resolution aloud, Chairman Tackett requested a motion to approve the resolution as presented approving the rate case documents and to file the rate adjustments for water and sewer service requests, along with the request for a surcharge,

with the Public Service Commission. Commissioner Denison made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Denison	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-02-001

Chairman Tackett stated that a press release has been prepared and signed by all of the members of the Board to be published in the Appalachian News Express.

APPROVAL OF ADVERTISEMENT FOR RFQ FOR ENGINEERING SERVICES – CAPITAL INFRASTRUCTURE WATER MAIN REPLACEMENT PROJECT AND PEACH ORDARD WATER LINE EXTENSION AGENDA ITEM II

Chairman Tackett stated that the money has been appropriated for this project and this will be to provide engineering services and go ahead and design each of the projects. He requested a motion to approve the advertisement for the Request for Qualifications for Engineering Services for these projects. Commissioner Chaney made the motion. Commissioner Justice seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Denison	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-02-002

ADJOURN MEETING

Chairman Tackett requested a motion to adjourn today's special meeting. Commissioner Justice made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Denison	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-02-003

MOUNTAIN WATER DISTRICT
BOARD OF COMMISSIONERS REGULAR MEETING

February 28th, 2023
5:00 PM

ATTENDEES
Gary Slone, Appalachian News Express
Tim Campoy, EDC
Stephen Caudill, Bell Engineering
Mike Spears, Spears Management, CPA
Mike Hill, Summit Engineering
Jim Vanover, Vanover, Hall, & Bartley
Roy Sawyers, District Manager
David Taylor, Operations Manager
Tammy Olson, Office/Compliance Manager
Kevin Lowe, Office/Billing Manager
Carrie Hatfield, Chief Financial Officer

PLEDGE OF ALLEGIANCE
Chairman Tackett led the assembly in the Pledge of Allegiance.

PRAYER
District Manager, Roy Sawyers, 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, February 28th, 2023, at 5:00 PM.

Commissioners present for the meeting were as follows:

Randy Tackett, Chairman
Johnny Denison, Vice Chairman
Paul Chaney, Commissioner
Mitch Justice, Commissioner

Commissioner Runyon was absent for this meeting due to illness.

Chairman Tackett confirmed that Vice Chairman Denison would be conducting the meeting today.

VISITORS
Vice Chairman Denison inquired if there were any visitors for today's meeting. There were none.

APPROVAL OF MINUTES AGENDA ITEM II
After review of the minutes, Vice Chairman Denison requested a motion to approve the minutes of the special meeting held on January 26th, 2023 as presented. Commissioner Tackett made the motion. Commissioner Justice seconded the motion. Commissioner voting as follows:

Commissioner Denison	Aye
Commissioner Tackett	Aye
Commissioner Runyon	Absent
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-02-004

FINANCIAL REPORT – MIKE SPEARS, CPA AGENDA ITEM III

Mr. Spears stated that Cash in bank at the end of the month was $220,013.70. Accounts receivable was $1,466,951. Plant in service was $168,867,255. Accounts Payable for the month of January was $723,357. Keep in mind that we got the $300,000 in from the EKSAFE funding. Equity is $67,528,626. Revenue for the month was $999,515. Utility operating expenses was $1,146,231. The net income/net loss was $182,983. Included in that loss number is depreciation in the amount of $335,997. Operating income was negative for the month in the amount of $146,715 which includes depreciation. Cash increased $109,711 for the month. The current operating account balance is $201,307 as of the end of January. KIA and RD Reserves are fully funded with $863,000 and $871,000 in those accounts respectively. The O & M reserve account is $100,000. We are making our sinking fund transfers of $70,300 to pay our bond payments at the end of the year. Mr. Spears stated that his favorite pages to look at are pages 15 through 18. He called the board's attention to several items on the budgeted vs. actual sheets such as revenues, water purchases, and electrical expenses. After further discussion, Vice Chairman Denison requested a motion to approve the financial report for the month of January as presented. Commissioner Tackett made the motion. Commissioner Justice seconded the motion. Commissioner voting as follows:

Commissioner Denison	Aye
Commissioner Tackett	Aye
Commissioner Runyon	Absent
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-02-005

PAYMENT OF BILLS AGENDA ITEM IV

After review of the payables data and any Commissioner questions answered, Vice Chairman Denison requested a motion to approve the payment of the bills as presented. Commissioner Justice made the motion to approve the payment of the bills as presented. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Denison	Aye
Commissioner Tackett	Aye
Commissioner Runyon	Absent
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-02-006

CUSTOMER ADJUSTMENTS AGENDA ITEM V

Copies of the customer adjustments for January were in the packets of information given to the Commissioners for the meeting. After review and discussion, Vice Chairman Denison requested a motion to approve the customer adjustments as presented in the amount of twenty thousand, four hundred and two dollars, and two cents ($20,402.02). Commissioner Tackett made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Denison	Aye
Commissioner Tackett	Aye
Commissioner Runyon	Absent
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-02-007

CONSTRUCTION REPORT AGENDA ITEM VI

Update by Tim Campoy, Environmental Design Consultants.

1. **Phelps Hydrology Study -** Mr. Campoy stated that the lift station has been in operation about 6 weeks now and all of the items on the punch list have been taken care of. He has a letter of release stating that the contractor has fulfilled his obligations and a certificate of substantial completion based on the January 19th date that needs signature by the Chairman. Also, the contractor's release and final waiver. Mr. Sawyers confirmed that the punch list is complete. Mr. Campoy confirmed that as correct. The final invoice was confirmed to be paid at the last board meeting. Mr. Sawyers stated that he has made multiple calls and sent emails to the KIA director regarding the utilization of the additional funds for the project and has not gotten any answers yet from them on how to proceed with the funds. He will keep pushing and try to get that authorized. Mr. Sawyers stated that he needed as-built plans on the project from EDC and Mr. Campoy stated that he would get those to him.

2. **Kimper DOT Relocation Project** – Mr. Campoy stated that they have received some information from the KDOT this month that the CAD files they have been needing to start are in and they go through a process with KDOT where they provide them some paperwork which is part of the engineering services agreement, so they are in the process of doing that.

Update by Bell Engineering/EDC –Stephen Caudill/Tim Campoy

1. **Fishtrap Hydraulic Modification Project –** Mr. Campoy stated that they are teamed with Bell Engineering on this project, and they have been working on getting the final touches on the permit for the KDOW, KDOT, Corps of the Engineers, and CSX. They have one spot that requires a whole lot of stuff all at one time. They are working on those and getting those wrapped up. They have met with Mr. Sawyers and Mr. Taylor earlier today and gotten some details worked out and they have more to work out with the KDOT and are trying to set up a meeting with them.

2. **Water Loss Reduction Plan, Phase 1 –** Mr. Caudill stated that the project schedule has been prepared and pre-construction meetings begin in April. The District has already ordered approximately $420,000 worth of equipment and portions of that have already started coming in but some still has some lead time. They have reached out to all contractors for availability for pre-construction meetings. They have also reached out to contractors to negotiate pricing for items where no bids were received. We received a quote for rehabilitation and repainting of a few tanks, (Old House and Poorbottom tanks) for $83,950. Because of the cost, and for comparison's sake, they are also reaching out just to see what the cost of two (2) new tanks would be as opposed to repairing the old ones, just in case that may be a better dollar value. They hope to have that answer shortly also. They are still waiting on pricing for transporting the last two tanks and should have that soon as well. Commissioner Tackett stated that the county has a trailer that sits on their lot most of the time and it has a 40 ft bed on it. He thinks that is something the county would want to help us with instead of us having to get someone else to come in and do it. Mr. Sawyers stated that he would look into that and see.

Update by Mike Hill, Summit Engineering:

1. **Maynard Fork Water Line Extension –** Mr. Hill stated that the bid results were not unlike what we were expecting. There is a tabulation sheet for this project that he handed out. The low bidder for Maynard Fork was Jones Contracting with a bid of $224,400. There was a bid of spread amongst everyone who bid and the highest bid was $317,250. The available construction budget for this project was right at $150,000 so there is about a $75,000 shortfall. The county is going to evaluate that and see what options they have available to bring more funds to the project.

2. **Brushy Fork/Sycamore Water Line Extension –** Mr. Hill had given the Board another packet of information for this project regarding the bids. We received three bids, and the low bidder was BOCA Enterprises. That is the contractor that did the pump station projects in the Kimper area a few years ago. This project was split up into a base bid and two alternates. The spread of the three bids was about 10% and was pretty tight on this one. The base bid came in at $1,522,668. Mr. Sawyers stated that if the board does a resolution he would like the language to state that the board is awarding the base bid pending Mr. Hill, himself, and Sharon Hall seeing if they can come up with some additional funding. Mr. Hill stated that there are additional funds to award the base bid and alternate #2 but not alternate #1. Mr. Sawyers stated that part of the problem is that the time the cost estimates were done, the costs have increased on everything. Mr. Sawyers stated that 4" was supposed to run about $25-$28 about 3 weeks ago and it ended up being $30-35. Mr. Hill showed the board the mapping of the project area and what was included in the base bid and alternates #1 and #2. Mr. Hill stated that with the funding available we can do the base and alternate #2 which allows a scope that we can do and also pick up the most customers. Mr. Sawyers clarified that we have enough funding to do everything except the two forks of Sycamore. Mr. Hill confirmed that as correct as well as another part of Brushy that he showed on the map. After discussion, Vice Chairman Denison requested a motion to award the construction bid for the Brushy/Sycamore Water Line Extension for the base bid and alternate #2 to BOCA Enterprises pending the District Manager, Mr. Hill and Mrs. Hall finding additional funding for alternate #1. Commissioner Chaney made the motion. Commissioner Justice seconded the motion. Commissioner voting as follows:

Commissioner Denison	Aye
Commissioner Tackett	Aye
Commissioner Runyon	Absent
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-02-008

PROJECT DRAWS:

Ms. Olson stated that on the Water Loss Reduction Plan, Phase 1 draws, we have separated the engineering from the materials part because Mrs. Hatfield said that it was different pot of money that engineering is coming out of. Chairman Tackett inquired if all of this stuff has already come in. Mr. Taylor stated that we have been invoiced but some of the lead times are out there, but most of what we have seen will be in before April with the exception of the cellular telemetry which will be in April. They are saying that they can possibly put all boxes together in four months. So we have a lot to do before then…Mag Meters, tank sites, road work, chain link…which is what Mr. Caudill was referring to on needing the middle of March to coordinate. Chairman Tackett confirmed that we weren't going to pay for it until we receive it. Mr. Taylor inquired if they want to do half up front and half after. Mrs. Hatfield inquired if they would let us do it that way with two checks? Mr. Taylor stated that he was trying to simplify the materials by bulking all of the orders out. They will check into being able to pay that way. Vice Chairman Denison inquired if we needed a draw for Mr. Spears' payment from the line of credit. Mrs. Hatfield stated that it was on there last month. Mr. Sawyers stated that she can't pay these yet until we get approval from ARPA and Compass. Mrs. Hatfield stated that the only one that is going to be paid now is the engineering which has already been approved. We will submit the invoices to Compass and when we get the approval, they send

them to Frankie at the PCFC and he will cut the check. Vice Chairman Denison requested a motion to approve the Project Draws as presented and as approved by the funding agencies. Commissioner Justice made the motion to approve the draws as presented. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Denison	Aye
Commissioner Tackett	Aye
Commissioner Runyon	Absent
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-02-009

PROJECT DRAWS:

WATER LOSS REDUCTION PLAN, PHASE 1

Bell Engineering	**ARPA Funds**	**$ 3,442.13**
$3,442.13	**Engineering Services**	
Siemens	**ARPA Funds**	**$ 56,289.20**
$56,289.20	**Materials**	
Grott Locksmith	**ARPA Funds**	**$ 1,156.20**
$1,156.20	**Materials**	
Cogar Manufacturing, Inc.	**ARPA Funds**	**$ 106,216.00**
$106,216.00	**Materials**	
Appalachian Wireless	**ARPA Funds**	**$ 28,599.56**
$28,599.56	**Materials**	
Gilson Engineering	**ARPA Funds**	**$ 8,314.24**
$8,314.24	**Materials**	

BRUSHY/SYCAMORE WATER LINE EXTENSION

Summit Engineering	**KIA Grant Funds**	**$ 45,200.00**
$45,200.00	**Engineering Services**	

RATE STUDY

Stoll, Keenon, Ogden	**Line of Credit**	**$ 327.00**
$327.00	**Legal Services**	

MANAGER'S REPORT – Report by Roy Sawyers, District Manager

1.) **Funding Update –** Mr. Sawyers stated that we are currently working on the funding through the projects that we currently have going. He hasn't pushed anything out of the ordinary right now and might need to sit down with Sharon Hall in the next few weeks about anything new that is available or coming up.

2.) **Water Loss Update** –Mr. Sawyers stated that the water loss for January using the MWD form was 16.96% and the PSC form was 18.4%. Vice Chairman Denison inquired if it had ever been that low. Ms. Olson stated that it has but it is rare. Mr. Taylor stated that it is possibly for the same reason, because of those offsets, like the produced and purchased is in real time and the billing is a different time of the month and they are always chasing each other. What you are seeing is really representative of December. You would really need to match the December production and sales for produced and purchased with the sales of what we got, or at least some of it. Ms. Olson stated that her produced and purchased numbers are per month so it would be January's because it comes from the bills and from the MOR. But the sales might go from the middle of the month to the middle of the month or something like that. But that number that we are always looking at which is the pure number of purchased and produced minus sales, has come down to 37%. It used to be way up near 49% to 50% and he has brought that down to closer to 37% which is phenomenal. That is the hard number to move and he has brought it down like 12% in the last few years. Vice Chairman Denison stated to Mr. Taylor "good work…keep it up." Mr. Taylor stated that February has had some hits with some high sales which, if we are selling it we have to buy it. We got hit with a ninety over at Phelps that blew out at the mouth of Smith Forth that cost us about a half a million gallons of water.

3.) **Daily Operations Update –** Mr. Sawyers stated that the Daily Operations Summary doesn't have a lot of changes.

4.) **FEMA Project Update (DR 4643; DR 4663) -** Mr. Sawyers stated that he will let Ms. Olson give the update on that, but before that, we still need to address the offer of Tierney with regards to that property over there at Pegs Branch to relocate the Belfry satellite office. If he remembers correctly, they have offered $28,000 for the property and he believes Chairman Tackett had stated that he would call Rick Keene and talk about that a little bit. Chairman Tackett stated that he had not done that yet. Mr. Sawyers stated that we could meet out there one day if he wanted to. Ms. Olson stated that she knows things are really tight right now, but that trailer really needs to be moved before another flood comes. Mr. Sawyers stated that if we purchase that property, we are looking at another several months before it is finalized. It took a long time to finalize the one where the Belfry WWTP is. Ms. Olson stated that she thinks the mineral rights was the hold up with that one. Mr. Sawyers stated that he doesn't care to set up a meeting at the property. Ms. Olson inquired if they wanted to do a resolution to approve it or wait another month or two. Mr. Sawyers inquired if they wanted them to talk to Rick Keene and see where we can go from there. Chairman Tackett stated that he would like to talk to Rick first and see if we can negotiate some on the price. Ms. Olson stated that she doesn't have a lot of updates for the FEMA projects right now. The one for 4643, they have been sending some requests for information. They still want some bore site coordinates and things as that. She had to do a stream permit application which has been done. This is the January of 2022 flood. These projects are in CRC, which means they are in final review for obligation. That is when they get picked apart and start asking detailed questions. She has been responding to those for the last month. Vice Chairman Denison inquired what the amount of that was. Ms. Olson stated that she thinks that combined total requested was about $160,000. We received $31,000 last week on that. The July flood is going to be closer to $350,000 to $400,000 with all of the combined projects. That is still in process of being submitted to the CRC. The EKSAFE funding did not include the January flooding. She is thinking that even though this is FEMA reimbursement money doesn't mean it has to be paid back to the stated because it wasn't included in the legislation that set up the EKSAFE funding for the July flooding. Mr. Spears stated that we may need to make a phone call to clarify that is the case.

5.) **Rate Study Update –** Mr. Sawyers stated that he spoke with Gerald Wuetcher and asked him for a status update. His email response was that the applications were filed on the evening of February 17th and very early on February 18th. PSC staff issued deficiency notices in both cases. MWD promptly filed a response on February 23rd. The PSC has advised that the application for the sewer service was accepted on February 23rd and indicated that staff is expected to act shortly on the District's response to deficiencies noted in the application for adjustment of water rates. The District is preparing a response to PSC staff first request for information which must be filed by March 6th, 2023. The Board should anticipate the board issuing an order before March 30, 2023 suspending the proposed rate adjustments for further investigation.

6.) **Lead Service Line Inventory –** Mr. Sawyers stated that he has sent out data on this previously. We have to do an inventory of the system on the customer's side. From the District's perspective he doesn't agree with it because we shouldn't be responsible for what is on the customer's side. But the government wants us to research and find out what each customer has on their side as far as lead service lines. We have contacted Joe Burns with KRWA and see what they have available and they have come up with an app on the phone with a survey. We will send out a post card with a bar code on it and they will be able to scan it and fill out their survey on their phone and answer the survey of what is on their side. If someone lacks the technology to do this, there will be information on the card to call the District and we will send them a form to fill out to respond to the survey. It is just that we are trying to do the survey as cheap as possible and not spend a bunch on money on this. BSADD contacted him and wanted to do a project for $1M to do this. His thought is just a simple survey. Ms. Olson stated that the alternative is to hire someone and go house to house and talk to the state plumbing inspector and go through 16,000 taps worth of plumbing permits. Mr. Sawyers stated that if we can the majority of the information gathering through the survey, it will save us money. Commissioner Justice inquired if they have indicated with these people who have lead lines. Ms. Olson stated that they are going to make them replace it. Page 54 and following are some pages that she included in their packet from the EPA to give background information on the Lead Service Line Inventory and we have to have it completed by October of 2024. It is going to be a big project so we really need to start looking into it and seeing how we are going to handle it. Chairman Tackett inquired what percentage of participation that we can expect from the survey. Ms. Olson stated that Joe Burns did not tell her that, but she thinks that in this county since we have so many people on fixed incomes that don't really do technology, she would think maybe 30-40 % might be a high number of the people who would do the app. We may get a few more who would actually ask for the paper copy and turn it in, but there still may be upwards of 50% or more that we will have to do house to house. Commissioner Justice stated that we can include the survey in the bills and that will keep the costs down. That way they can scan the code or return the paper, whichever they chose. Ms. Olson stated that would eliminate a step and is a good idea. She stated that regardless, if we have to hire someone to go out and do the house to house and the rest of them, that will save us money the more that we can get back in. Mr. Sawyers stated that we have look into how the District is going to pay for this. BSADD has already put us in for $1M for this project looking for grant funding. It is so open ended that you don't know if you'll be in somebody's yard digging or crawling under the floors or what. Mr. Taylor stated that they have been on this for several years in the making with this and as operators we have been expressing the same thing, that if we dig up on their side and we expose it and cover it back up, there is going to be a lot of liability and people saying "well it wasn't leaking and my bill wasn't high until you all dug it up." Ms. Olson stated that is why we would like to hire someone to do it who would carry their own insurance and any liability would fall back on them and not the District. They could do phone calls or use whatever method they felt was better to get it completed.

7.) **Purchase Request – UTV** – Mr. Sawyers stated that he would like a resolution approved for the purchase of a UTV. We need it in order to access these tanks and do some of the work on the tank roads. Vice Chairman Denison inquired how much we are talking about. Mr. Sawyers stated probably somewhere between $15,000 and $20,000. It does not need to be a monster, just something with a bed on the back of it. A two-seater with a bed on it is all that we need. Mr. Taylor stated that what we want to do is leapfrog to the tank sites and try to get some of the work done while the dozer and chain link people are going. We need to stay ahead of them, so that is what this is about. Mr. Spears stated that he would recommend not going with a mule because he has one and they are so low that they don't have the ground clearance. Commissioner Justice inquired if they are looking at one with a cab to be used in wintertime. Mr. Sawyers stated that he would rather not look at pricing a cab. A nice warm coat would take care of that. Mr. Taylor stated that they had to do to central last night to get an update on Microsoft Update and you have to drive to the top of the hill and walk in and if that happens in the winter…we have rented them before. Mr. Sawyers stated that we will also need a small trailer. The good thing about a small trailer is that we can put tools on the trailer and put that up there too. Chairman Tackett stated that his insurance

people said that just buying an ATV is nothing, but what it did to the insurance is…Mr. Sawyers stated that we can assign certain people to use it, such as the supervisors, and maybe it won't hit us so hard on insurance. Vice Chairman Denison inquired where they are going to store it. Mr. Sawyers stated that he would say here on the lot. It would be locked up and there is a 6' fence all the way around the garage. Mr. Taylor stated that it could be reduced to only two or three people using it, and that is the maintenance department. Mr. Sawyers stated that is what he told the insurance company that we would assign certain people to use it and not just anybody get on it. We could also maybe provide something from a safety class from the safety director and that might benefit us some on insurance. Chairman Tackett stated that he would say that it is on in our insurance plan now, but will have to contact them and have that added and see what the difference in the rate would be. Mrs. Hatfield stated that she has spoken to Barry, our insurance rep, and asked him and he didn't seem to think it would make a difference on the policy. Mr. Spears stated that he has $10,000 on his and it is $140 a year. It is very minimal. Vice Chairman Denison inquired if Mr. Sawyers would get them some prices before they approve it. Mr. Taylor inquired if that would carry over to the end of next month then, and then it would be April or May before we make the purchase and get it. The only reason he says that is that they are trying to expedite and get ahead of the contractor with the tanks. Vice Chairman Denison inquired if he knew already where to get one. Mr. Taylor stated that he doesn't but he thinks what Mr. Sawyers is wanting to do, is go ahead and get what we need. Mr. Sawyers stated that he is just trying to get the ball rolling to get it here in time. If we wait until next month's meeting, it would be the end of March. It would just benefit us to have it in order to this ARPA stuff worked on. Mr. Taylor stated that they can do it pending someone on the board to make the final approval. Mr. Sawyers stated that they can pick two board members and they can move forward with their final approval. Commissioner Justice stated that in the long run, with a cab, with everyone getting sick and stuff, it may save money with a cab depending on the difference in pricing of one to do the job. Vice Chairman Denison requested a resolution to authorize Mr. Sawyers to purchase a new UTV upon the condition of final approval by Commissioners Tackett and Chaney. Commissioner Tackett made the motion. Commissioner Justice seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Denison	Aye
Commissioner Runyon	Absent
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-02-010

8.) Pike TV – Mr. Sawyers turned this item over to Chairman Tackett. The Chairman stated that this is regarding Pike TV, Channel 99, and they record all of the Pike County Fiscal Court meetings and play them back numerous times. It was just something he has been thinking about in order for the board to have more transparency and be able to reach more of our customers, because he is sure our customers are going to have a lot of questions going forward about our rates, and try to be more transparent. He was wondering what the board thinks about having Pike TV come in and record our board meetings and play them back at the same time they are playing back the fiscal court meetings. Pike TV has said that they are all for it and will come in and do it. We may have to buy some additional equipment. He stated that he always thought they had microphones. Ms. Olson stated that we do. They are under the table. The are plugged into he head there on the table that has been here longer than she has. The recorder died and so we bought a second one and it has not been hooked up yet because she isn't that tech savvy to know how, but we do have those things. Chairman Tackett stated that it was just an idea he had to be more transparent with our customers and he is sure we are going to get all kinds of questions. Through the meetings, we may be able to give out information that will answer some of their questions. Commissioner Justice stated that he thinks it is a good idea. Chairman Tackett stated that there is pros and cons to it and we need to weigh those and see if we think we would be better off. Ms. Olson inquired if they gave him any idea on what kind of equipment we would have to purchase because sound equipment is very expensive. Chairman Tackett stated that they said they would come in and look but they may already have what we need, but if we don't have it, he would show us what

we needed. Vice Chairman Denison stated that he thinks we need to talk to Commissioner Runyon, list the pros and the cons of it, and see where we stand. Chairman Tackett agreed and the matter was tabled to the next meeting.

9. Selection of Infrastructure and Personnel Committees – Mr. Sawyers stated that in years past, we have set up committees. We have had a personnel committee in order to come up with better ideas to address employee issues or anything in the employee handbook. He would like a couple of board members to be part of that committee and since it is personnel, he would definitely make sure that Mrs. Hatfield is involved and probably Tammie Fields and one of them (Management). Another committee would be an infrastructure committee which would review issues regarding infrastructure and sit down and rank the problems we are having in the system and make recommendations of how to address key issues. Also review any issues Mr. Taylor sees in regard to distribution, plant, or anything we need to focus on and making those lists and addressing those key problems. Vice Chairman Denison inquired what time frame we are talking about. Mr. Sawyers stated the committees would probably meet once a quarter maybe, not unless something urgent needs their attention. Vice Chairman Denison recommended Chairman Tackett and Commissioner Justice for the Infrastructure Committee. For the Personnel Committee, it was suggested that Vice Chairman Denison and Commissioner Runyon would be on the Personnel Committee. Mr. Taylor stated that he would get Commissioner Justice a copy of his infrastructure presentation that he gave in December and will cover a lot of ground and catch him up on where we are. A lot of what we are doing with the funding is the infrastructure rehab and replacement that is needed.

Mr. Sawyers stated that the rest was standard items on the list. One thing he wants to read to the board is something that he just got issued from the Virginia Department of Health. This is a health advisory regarding potential threats of raw sewage in a portion of the Levisa River from Oakwood downstream to the Kentucky state line in Buchanan County, approximately 26 miles. Swallowing contaminated water can cause gastrointestinal illnesses, with vomiting, diarrhea, nausea, abdominal pain or fever. Contact with contaminated water can also cause infections of the ears, nose, throat and skin. For your safety, humans and pets should avoid contact with affected portions of the Levisa River until the sewer mains have been repaired and the advisory is lifted. Vice Chairman Denison clarified that that doesn't apply to us because our plant is on the Russell Fork. Mr. Sawyers stated that is correct and we are on the Russell Fork, but we purchase water from Pikeville and that is the Russell Fork and Levisa combined, which makes the Big Sandy, as they call it. He has already forwarded this to Donnie Slone at UMG and he thanked him for sending it to him and he said they would closely monitor it. We also have our own bacteriological sampling that we do. That is all for the Manager's Report.

Chairman Tackett stated that he had a quick question. He stated that where it shows the District sold 77.7 million gallons of water in January, which was a 14% increase over December. We treated 2 million gallons of sewage which was an increase of 15% over December. He was thinking a lot of the water we lost, is part of that big increase that customers lost through frozen and busted lines. Ms. Olson stated that if it went through their meter, then it is included in that percentage. Chairman Tackett stated that he was just wondering, because of the increase in sewage as well. Mr. Sawyers stated that you sometimes have infiltration from the storms and the rain as well. If you take a grinder in a low lying area or a manhole, they take on more water. That may be part of the problem them. Ms. Olson stated that your sewer bill is based on your water, so if it went through their meter, that is why the sewer and water increases are about the same. Those numbers come from the billing system based on what was billed not necessarily what was actually treated.

Vice Chairman Denison requested a motion to approve the Manager's Report as presented. Commissioner Justice made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Denison	Aye
Commissioner Tackett	Aye
Commissioner Runyon	Absent
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-02-011

NEW BUSINESS

1. RFQ – Capital Infrastructure Replacement Project/Peach Orchard - Possible Selection of Committee for Engineering Firm Selection
   Mr. Sawyers stated that the RFQ for this project has been advertised and we need to appoint a committee to review the submittals and make a recommendation to the Board. They are supposed to be received by March 8th. The recommendation was made for Chairman Tackett, Commissioner Chaney, Mr. Sawyers and Mr. Taylor would be the committee to review the submittals. That was agreed upon by the board. Ms. Olson stated that we will receive them on March 8th and then you would have between then and the March 30th board meeting to review them and meet for discussion and recommendations.

2. Executive Session
   a. Pursuant to KRS 61.810 (1)(c) to discuss the District's litigation strategy with regard to current and potential litigation and the District's contracts, as well as KRS 61.810 (1)(f) to discuss a specific personnel matter.

   Vice Chairman Denison requested a motion to convene into executive session to discuss items as listed on the agenda. Chairman Tackett made the motion. Commissioner Justice seconded the motion. Commissioner voting as follows:

Commissioner Denison	Aye
Commissioner Tackett	Aye
Commissioner Runyon	Absent
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-02-012

Vice Chairman Denison requested a motion to reconvene into regular session. Chairman Tackett made the motion. Commissioner Justice seconded the motion. Commissioner voting as follows:

Commissioner Denison	Aye
Commissioner Tackett	Aye
Commissioner Runyon	Absent
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-02-013

COMMISSIONER COMMENTS

Chairman Denison inquired if there were any further comments. There were none.

ADJOURN MEETING

Vice Chairman Denison requested a motion to adjourn today's special meeting. Commissioner Tackett made the motion. Commissioner Justice seconded the motion. Commissioner voting as follows:

Commissioner Denison	Aye
Commissioner Tackett	Aye
Commissioner Runyon	Absent
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-02-014

MOUNTAIN WATER DISTRICT
BOARD OF COMMISSIONERS SPECIAL MEETING

March 8th, 2023
3:00 PM

ATTENDEES
Kristi Strouth, Appalachian News Express
Roy Sawyers, District Manager
David Taylor, Operations Manager
Tammy Olson, Office/Compliance Manager
Kevin Lowe, Office/Billing Manager
Carrie Hatfield, Chief Financial Officer

CALL TO ORDER
The Mountain Water District Board of Commissioners' Special Meeting was held on Wednesday, March 8th, 2023, at 3:00 PM.

Commissioners present for the meeting were as follows:

Randy Tackett, Chairman
Johnny Denison, Vice Chairman
Myrtle Runyon, Treasurer
Paul Chaney, Secretary
Mitch Justice, Commissioner

AGENDA ITEM I
SELECTION OF SEARCH COMMITTEE
Chairman Tackett stated that the Board has been made aware of Roy Sawyers', District Manager, resignation from the District effective on or about July 31,. 2023. However, he plans to have a medical procedure on or about April 17th, 2023 and we really need to get his replacement hired as soon as possible. The only item on the agenda today is to appoint a search committee to find his replacement. He thinks everyone has been provided with a copy of the resolution to appoint a search committee, and he proceeded to read it aloud. (A copy is attached with these minutes in the record of these proceedings.) The resolution named Chairman Tackett and Vice Chairman Denison as members of the committee and recommended that the suitable candidate for the position shall be a graduate of accredited college of engineering with a minimum of 5 years of experience in a supervisory role or have significant engineering experience in a supervisory position, and also gives the committee authority to negotiate the benefits package for the candidates, subject to full board approval. He inquired if there were any comments or questions. Operations Manager, David Taylor, stated that one of criteria was a graduate with an engineering degree and then an "or" beside of that. He inquired if that was for the supervisory thing or was this being where it does require a college education now. Chairman Tackett stated that we need to find someone with an engineering degree. We keep three engineers at our meetings all of the time, and he hopes that having an engineer on staff would reduce some of those costs associated with that. Mr. Taylor stated that he agrees about an engineering position is needed, but this is a general manager position and inquired if they were trying to combine those two positions. Chairman Tackett stated that they were trying to combine the two positions into one, yes. Mr. Taylor stated that it would be like a spokesperson / engineer. Vice Chairman Denison stated that it would be a manager position. Chairman Tackett inquired if the board members had any questions. There were none from the board members. Mr. Taylor continued by saying that he was trying to clarify this because the way it is set up, no one at Mountain Water District can currently apply for this position if they do not have an engineering degree. Chairman Tackett stated that going forward, he thinks that they would like to have someone in that position that does have an engineering degree. Mr. Taylor stated that confuses him a little bit because he doesn't think that an engineering degree trumps experience. It may

sound like a conflict coming from him, who is interested in the position, but the decision they are getting ready to make will lay groundwork for the next 10 to 15 years of Mountain Water's direction, and he doesn't know if hiring outside…when we do promotions at Mountain Water, we always offer in-house promotions first before considering hiring from outside. It is such a big system and the hydraulics are crazy in some spots, but water engineering…and he wished Tim or Shawn or one of them was here…it is basically and altimeter, a flow chart and a calculator is all water is. But he just wanted to put that on the record. Commissioner Runyon stated that she is inclined, if there is someone in-house who is qualified for the position, she would rather promote from within, and that has always been her stance on the subject. Chairman Tackett clarified if everyone thinks that we do not need an engineer at Mountain Water District. Vice Chairman Denison stated that he thinks we do. Commissioner Runyon stated that she thinks we do, yes, or experience. Chairman Tackett stated that the qualifications for the candidate that he read was that the candidate shall be a graduate of an accredited college of engineering with a minimum of 5 years of experience in a supervisory role, or have significant engineering experience in a supervisory position. He thinks our first candidate that we would rather hire would be someone with an engineering degree. If it comes up that we can't afford that position or can't find someone with an engineering degree to fill that position, then we would go to someone…and the last line in that resolution's qualifications…Vice Chairman Denison stated that he doesn't think that the resolution dictates our hiring of an engineer. Chairman Tackett stated that to him it is an either/or. Mr. Taylor stated that he didn't want to be misunderstood and he totally agrees that we need an engineer on staff but as far as a general manager, the way he has always seen the Board's duties and a general manager's duties is that is the bridge between what goes on at MWD and the Board. The Board gets to hear what goes on about once a month and that person is the link between the two and is very important to the future of the District. It would be very hard for him to believe that someone who doesn't know the PSC, EPA, the AWWA or a water system could come in and make good decisions, because the general manager is who gives the Board the information they need to make good decisions. Vice Chairman Denison stated that all of that would be determined in the interview process. Mr. Taylor stated that this is not his first rodeo, so to speak, and he was trying to be a kind of watch dog and wanted to make sure this going in the right direction. Chairman Tackett stated that he appreciated the comments, and they are duly noted. Commissioner Chaney inquired if there were any interested parties so far, Chairman Tackett stated that is why he wants the authorization of the Board to search for qualified applications. Once those are identified, then they can be brought in before the full board for interviews. Commissioner Runyon stated that she just wanted the committee to be clear on what they are looking for. Chairman Tackett stated that they are looking for someone with an engineering degree and 5 years of experience in a supervisory role, or someone who has significant engineering experience and experience in a supervisory position. That is what he thinks they are looking for. Ms. Olson clarified that they don't necessarily need an engineering degree, as long as they have engineering experience with reading plans, hydraulic modeling and the utility system. Chairman Tackett stated that is correct. They would prefer someone with a degree in engineering from an accredited engineering college, or, if they can't find someone with those qualifications who is interested in the position, find someone who has extensive engineering experience and in a supervisory role. You can be a good engineer with experience and not have a degree. The "or" part covers that. He knows a lot of people who are very good at engineering who don't have a degree. Mr. Taylor stated that he completely misunderstood the situation then, because he thought the Board was looking for someone with a PE who could save the District on some of the outsourced spending that we do on engineering fees. From what he is hearing, the committee is just looking for an engineer with 5 years of experience and with no mention of water system experience. Vice Chairman Denison stated that information would come out in the interviews. Commissioner Justice stated that from what he understands that we are looking for someone with an engineering degree unless we find someone that is more suitable for the position. That doesn't lock us into requiring an engineer for the position. Vice Chairman Denison stated that is correct. Chairman Tackett stated that all this resolution is for to authorize them to go out and find people and if we can find 3 to 5 people who show an interest in it, then we will go from there as a full board. Vice Chairman Denison stated that he believes that if one of t hose candidates is not an engineer and impresses the board to the extent that they can do a better job than the engineer, he thinks the board has the right to approve that particular individual as the manager. Mr. Taylor apologized for all of the questions and stated that he hasn't seen the resolution in person and he was sorry if he wasted their time. Chairman Tackett stated that it was not a problem and that is what they are here for. This is a decision that will affect the Mountain Water District for hopefully for the next ten to fifteen years. We don't want to be changing general managers every two years or when the politics change in the county. We want to get an effective leader who can lead the Mountain Water District through the next ten or fifteen years because we are going to have some very big projects come up in the future that is going to affect how we operate, and we are looking for someone who can carry us through the next ten or fifteen years. Ms. Olson inquired if the board would like to appoint someone outside of the board to the committee to assist with the newspaper advertisements, communications with Manpower, or other items such as social media advertisements.

Chairman Tackett stated that he would hope that anyone that they direct to do some things such as advertisements and such would help them as much as possible. Whether they need to actually be on the committee, he doesn't think that is necessary, but he is certainly not opposed. They showed the resolution to legal counsel who has said he is fine with it the way it is. Mr. Sawyers stated that when he was hired for the administrator position, there were about 30 applications and that was narrowed down to 7 and those were interviewed by 2 board members, legal counsel, and accounting. They narrowed it down to three candidates and those three were then evaluated by the Board. Chairman Tackett inquired how long that process took. Mr. Sawyers stated that it was a long time ago and he wasn't sure how long that took. Vice Chairman Denison stated that it is assumed that any help that they ask for from staff will be given. Mr. Sawyers confirmed that as correct. After all comments were made and all questions answered, Chairman Tackett requested a motion to approve the resolution as presented. Commissioner Justice made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Denison	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-03-001

ADJOURN MEETING

Chairman Tackett requested a motion to adjourn today's special meeting. Commissioner Runyon made the motion. Commissioner Justice seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Denison	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-03-002

MOUNTAIN WATER DISTRICT
BOARD OF COMMISSIONERS REGULAR MEETING

MARCH 30th, 2023
5:00 PM

ATTENDEES
Chris Dempsey, MWD
Jamey Stacy, MWD
Timmy Lucas, MWD
David Wolford, MWD
Jason Sesco, MWD
Tyler Elswick, MWD
Kris Dills, MWD
Jason Blackburn, MWD
Nick Robinson, MWD
Todd Sesco, MWD
Dylan Cole, MWD
Jamey Keathley, MWD
Jonathan Joyce, MWD
Doug Scalf, MWD
Brandon Beckett, MWD
Tammie Fields. MWD
Tim Campoy, EDC
Tom Jones, Bell Engineering
Carolyn Jones, Guest
Mike Spears, Spears Management, CPA
Mike Hill, Summit Engineering
Jim Vanover, Vanover, Hall, & Bartley
Roy Sawyers, District Manager
David Taylor, Operations Manager
Tammy Olson, Office/Compliance Manager
Kevin Lowe, Office/Billing Manager
Carrie Hatfield, Chief Financial Officer

PLEDGE OF ALLEGIANCE
Vice Chairman Denison led the assembly in the Pledge of Allegiance.

PRAYER
District Manager, Roy Sawyers, led the assembly in an opening prayer.

CALL TO ORDER AGENDA ITEM I
The Mountain Water District Board of Commissioners' Regular Meeting was held on Thursday, March 30th, 2023, at 5:00 PM.

Commissioners present for the meeting were as follows:

Johnny Denison, Vice Chairman
Myrtle Runyon, Treasurer
Paul Chaney, Secretary

Chairman Tackett and Commissioner Justice was absent for this meeting. Vice Chairman Denison conducted the meeting in the absence of Chairman Tackett.

VISITORS

Vice Chairman Denison inquired if there were any visitors for today's meeting. He recognized Jamey Keathley, MWD Wastewater Manager, as the spokesperson for a group of MWD employees who were in attendance with concerns regarding the General Manager transition. Mr. Keathley stated that he is the Wastewater Manager for the District and has been here 31 years. We have several staff members with us today and they are wanting to express concerns regarding the recent announcement with the leaving of the District Manager, Roy Sawyers. Concerns include making sure that the new administrator will continue with the intentions along with the Board regarding the proposed staff compensation updates, and that the District will continue the process in a positive direction with regard to the infrastructure replacement, the rehabilitation from the ARPA funded project, adequate staffing for the District, and the maintenance of the system. They would appreciate if the Board would elaborate on the status of the selection process and the direction they are looking into going for the plan for the future position. They thank the Board for their support and if they have any questions, they are here to answer them and are very concerned with the direction is going. Vice Chairman Tackett stated that he can address part of that. Number one they have five (5) applications that they will do interviews for on Monday evening. One of their number one priorities is to make sure of the continuation of what Mr. Sawyers and the Commissioners have done. Of course, the rate study, and all of that hinges on what the PSC comes back with the rates. They have submitted the rate study to them and they are thinking it is probably going to be August or September before they know anything. Another one of their priorities is that when they interview those candidates, is to make sure that our employees are taken care of. That is the Board's goal. Mr. Keathley stated that is a lot these employee's concern. These guys work hard for what they do. Vice Chairman Denison stated that they know that and they appreciate it. The employees have done an excellent job and he knows they have been short handed. That is one of the problems that they have been trying to address with the increase in salaries. But the problem has been our cash flow, so the rate study should take care of that, so we should be able to hire more employees and give some of our current employees some decent raises. Mr. Sawyers stated that the Board also passed a policy that we will go for a rate increase every 3 years. Vice Chairman Denison confirmed that this Board has done that. Mr. Keathley stated that will be good for everyone in general. Vice Chairman Denison stated that way, we won't be constrained in our cash to be able to give livable wages. Mr. Keathley stated that is what most of these guys are concerned about and everything is going up but the pay day and they are nervous about…he has done this 31 years and we have had a management company in here…he stated that he could have retired 4 years ago had that not happened. There are several other employees in the same situation. He is getting closer to get some of that retirement back after 31 years here and he is a little nervous too about the direction things are going to go. Vice Chairman Denison stated that they are not looking at hiring a management company. He is speaking for himself and there are 5 Board members and two are not present tonight, but there is nothing more important to them as a Board than their employees. They realize that. They were planning the rate study more than two years ago, but they wanted to get our numbers where we had a normal year of operating expenses to make sure that we go the raises that we deserved in this District. Then, of course, the pandemic hit, and the expenses were up. Then the PSC ordered a rate increase when we refinanced some bonds. That rate increase is now in process. The PSC has it under review. We are just waiting on correspondence from them and hopefully, typically it takes about 5 or 6 months but they are expecting to hear something in August or September. Mr. Keathley stated that is all they can ask for. They know what situation the District has been under, and you know, everyone gets concerned, especially with change. Vice Chairman Denison stated that he can guarantee them that this Board will not hire someone that don't take the employees at face value. Mr. Keathley stated that they would hope that the Board would look in-house and hope that they make a good decision and that is all we can base it on and all that the Board can base it on, making a good decision. Vice Chairman Denison inquired if he could have Ms. Olson make 5 copies of his statement for the Board members. Mr. Keathley gave his written statement to Ms. Olson and stated that is all he has and if they have any questions, they are happy to help. Vice Chairman Denison asked each one to get up and introduce themselves. Each employee present did so. Vice Chairman Denison stated that this appreciates what they do and they know that they do a great job and do it under constraints from a materials standpoint and money to be able to do the infrastructure. This Board is trying to address that and in the only ways they can address, with a rate increase. They actually put in the rate study the proposed rate increases to get additional funding to give those raises. They were always that unless it was know and measurable, that they had to be given before. But that is not the case and those additional funds for the wage increases are included in the rate study. So they should be in a tremendously better financial position if that is approved by the PSC. Mr. Spears stated that he might mention the money that was spent the last year because of the flooding. Vice Chairman Denison stated that killed us. We spend over a half a million dollars for repairs and that came directly out of the Districts funds and we have to wait for FEMA to reimburse us and that takes a long amount of time

and we are still in a cash flow issue. That is why we have not been able to give raises or buy new vehicles or do the repairs and maintenance that is necessary, but he thinks this will be solved when we get this rate increase. Mr. Sawyer stated that he would like to commend the staff and stated that he doesn't think you will find any better crew or staff working in the whole state of Kentucky. There is nobody with the size of the infrastructure we have and the way they moved during the flood and the work they did, it is unreal what they have accomplished and he is proud of each and every one of them. Commissioner Runyon inquired if one of them lives up Runyon's Branch. She sees a Mountain Water truck up there a lot. Mr. Keathley stated that it is one of our Wastewater Plant Operators that runs our Belfry Plant and lives up there. Vice Chairman Denison inquired if there any further questions or comments. Mr. Taylor stated that he would like to add that he is proud of the guys for coming and showing support and concerns for the future of the District. He also commended this current Board as well, because out of all of the Board's we have had over the years, he has done multiple PowerPoint presentations and this is the first Board that has actually directly attacked capital infrastructure and the needed repairs and the plan we are working on. We have really made some headway on that. Vice Chairman Denison stated that they welcome their attendance. Mr. Sawyers stated that they don't have to wait until every blue moon to come in here, they are welcome to come to every meeting and see what is going on. Mr. Spears stated that there is also a surcharge application in the rate study to address infrastructure as well. Mr. Sawyers stated that there are two funding scenarios we are working on and one is already being worked. They have already seen the side by side they got which will help with that perspective as well. There being no further comments or questions, the meeting moved forward.

APPROVAL OF MINUTES AGENDA ITEM II

After review of the minutes, Vice Chairman Denison requested a motion to approve the minutes of the special meeting held on February 13th, 2023 as presented. Commissioner Chaney made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Denison	Aye
Commissioner Tackett	Absent
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Absent

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-03-003

Vice Chairman Denison requested a motion to approve the minutes of the special meeting held on February 28th, 2023 as presented. Commissioner Chaney made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Denison	Aye
Commissioner Tackett	Absent
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Absent

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-03-004

FINANCIAL REPORT – MIKE SPEARS, CPA AGENDA ITEM III

Mr. Spears stated that Cash in bank at the end of the month was $62,818. Accounts receivable was $1,525,186. Plant in service was $169,015,057. Accounts Payable for the month of February was $351,633. Equity position is $67,205,391. Revenue for the month was $892,095. Utility operating expenses was $1,177,032. The net income/net loss was $327,237. Included in that loss number is depreciation in the amount of $335,997. Operating income was negative for the month in the amount of $294,936 which includes depreciation. Cash decreased $156,994 for the month. Basically, a lot of that was due to paying

down the previous accounts payable from the EKSAFE funds. The current operating account balance is $51,593 as of the end of FEbruary. KIA and RD Reserves are fully funded with $863,206 and $871,617 in those accounts respectively. The O & M reserve account is $100,000. We are making our sinking fund transfers of $70,300 to pay our bond payments at the end of the year. Mr. Spears stated that his favorite pages to look at are pages 15 through 18. He called the board's attention to several items on the budgeted vs. actual sheets such as revenues, water purchases, and electrical expenses, and stated that it was a low water month since it was only 28 days. Each day lost in the billing cycle is equal to about $30,000. After further discussion, Vice Chairman Denison requested a motion to approve the financial report for the month of February as presented. Commissioner Runyon made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Denison	Aye
Commissioner Tackett	Absent
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Absent

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-03-005

PAYMENT OF BILLS AGENDA ITEM IV

After review of the payables data and any Commissioner questions answered, Vice Chairman Denison requested a motion to approve the payment of the bills as presented. Commissioner Runyon made the motion to approve the payment of the bills as presented. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Denison	Aye
Commissioner Tackett	Absent
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Absent

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-03-006

CUSTOMER ADJUSTMENTS AGENDA ITEM V

Copies of the customer adjustments for February were in the packets of information given to the Commissioners for the meeting. After review and discussion, Vice Chairman Denison requested a motion to approve the customer adjustments as presented in the amount of thirty thousand, eight hundred and two dollars, and eighty-one cents ($30,802.81). Commissioner Chaney made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Denison	Aye
Commissioner Tackett	Absent
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Absent

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-03-007

CONSTRUCTION REPORT AGENDA ITEM VI

Update by Tim Campoy, Environmental Design Consultants.

1. **Kimper DOT Relocation Project** – Mr. Campoy stated that this job is going down Johns Creek near the old McCoy Elkhorn prep plant goes on up past Kellogg's. There is a considerable amount of water line relocation and all the appurtenances to go along with that. They have provided the

DOT a rough layout, rough construction estimate and fee estimate for engineering and inspection services. They are waiting on comments and discussion from the KDOT on that prior to entering into an engineering services contract with them. Once that is done, they will actually start the design work on that. This project is fully funded by the Transportation Cabinet. They still submit invoices to the District and the DOT provides the money back to the District.

Update by Bell Engineering/EDC –Tom Jones/Tim Campoy

1. **Fishtrap Hydraulic Modification Project –** Mr. Campoy stated that they are teamed with Bell Engineering on this project, and they have permit approved by Division of Water for the river crossing where they are crossing the Levisa Fork as it comes out of Fishtrap. The plans are submitted to the Corps of Engineers and they are sitting on someone's desk and we are waiting for them to be reviewed. The encroachment permit has been submitted to the Transportation Cabinet and they recently changed their rules on how they go about doing this and they have comments that they are working on submitting back to them. As far as easements, we are on Transportation Cabinet's right of way for about 95% of the project. There is one place where the old railroad bed used to be that we have been told has been purchased by an individual and Mr. Vanover has been helping to locate that individual and see about getting an easement. The District already has water line and valve pit on that property and we are just tying into it, but it will be a new disturbance, so that is where we are.

2. **Water Loss Reduction Plan, Phase 1 –** Mr. Jones stated that the pre-construction meeting was held on March 21st and work on the roadways to the individual tank sites has begun. As each tank road is completed the other contractors will move in to begin fencing, installation of telemetry and hydroseeding. They anticipate the fencing to begin in April. The first construction draw request for submittal to Compass Municipal Advisors has been prepared in the amount of $172,474.49 and the entirety of that amount is payable to Mountain Water District for the purchase of telemetry and master meters.

Update by Mike Hill, Summit Engineering:

1. **Maynard Fork Water Line Extension –** Mr. Hill stated that at the last meeting, they had just opened bids on both Maynard Fork and Brushy/Sycamore projects, we were looking at a funding shortfall on both of those. Sharon Hall has stated that bid results plus their recommendation for additional funding has resulted in the fiscal court approving Coal Severance funds for both projects. The Maynard Fork project will receive $74,100 and the Brushy Sycamore project will receive $454,700. They are just waiting on approval and signatures to move forward at this time. Vice Chairman Denison inquired if that will fund alternate #2. Mr. Hill stated that it will be alternate #1 on Brushy Sycamore project. Maynard Fork was awarded to Jones Contracting contingent upon the additional funds being available. They are waiting on confirmation of that so they can schedule a pre-construction meeting and get the contract signed at that time. The contractor has indicated he can be ready to start construction within 6 weeks and he thinks that is a reasonable time frame for these things to fall into place.

2. **Brushy Fork/Sycamore Water Line Extension –** Mr. Hill stated that likewise, they are waiting on the additional Coal Severance funds and since that project has already been awarded, he has had that contracts signed by the contractor Boca Enterprises for the District to sign. They have already submitted some shop drawings, ordered pipe, and they are indicating it will be about 60 days for them to have material on the ground and have manpower ready to mobilize to get started. We gave them a fairly aggressive time frame on this for 150 days total, so he can't fault them too much because they want to make sure they have adequate manpower to get started.

Vice Chairman Denison requested a motion to approve the Engineering Report as presented. Commissioner Chaney made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Denison	Aye
Commissioner Tackett	Absent
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Absent

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-03-008

PROJECT DRAWS:

Vice Chairman Denison inquired from Mr. Sawyers where we were on the ARPA funds. Mr. Sawyers stated that we have engineering in place and what we have done as of now is to put together the invoices and had Mr. Caudill do the pay request and it was sent to RJ Palmer and Brian Bowman. He told Mr. Caudill to give them ten days to get it back to us for submittal to the fiscal court. Vice Chairman Denison stated that we are going on two years working on this. Mr. Sawyers confirmed that as correct. It was approved by the fiscal court in September of 2021. Vice Chairman requested a motion to approve the Project Draws as presented and as approved by the funding agencies. Commissioner Chaney made the motion to approve the draws as presented. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Denison	Aye
Commissioner Tackett	Absent
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Absent

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-03-009

PROJECT DRAWS:

WATER LOSS REDUCTION PLAN, PHASE 1

Bell Engineering	**ARPA Funds**	**$ 2,293.50**
$2,293.50	**Engineering Services**	
State Electric	**ARPA Funds**	**$ 11,864.91**
$11,864.91	**Materials for Telemetry**	
Northside Plumbing	**ARPA Funds**	**$ 7,584.80**
$7,584.80	**Materials for Zone Meters**	
Gilson Engineering	**ARPA Funds**	**$ 1,757.63**
$1,757.63	**Materials for Zone Meters**	

BRUSHY/SYCAMORE WATER LINE EXTENSION

Summit Engineering	**KIA Grant Funds**	**$ 10,000.00**
$10,000.00	**Engineering Services**	

PHELPS HYDROLOGY STUDY AND UPGRADES PROJECT			
H2O Construction	**KIA Grant Funds**	**$**	**3,805.09**
$3,805.09	**Reimb. For Power Drop**		
Mike Spears, CPA	**KIA Grant Funds**	**$**	**4,000.00**
$4,000.00	**Administration**		

MANAGER'S REPORT – Report by Roy Sawyers, District Manager

1.) **Funding Update –** Mr. Sawyers stated that we have submitted ARPA funding invoices to RJ Palmer (Compass Municipal) through Steve Caudill. On the capital replacement Peach Orchard main line replacement, he hasn't heard anything as far as the funding coming down yet, as you know, tonight we will be selecting an engineering firm to begin the design work as well as an administrator to do the pay requests and paperwork for the funding.

2.) **Water Loss Update** –Mr. Sawyers stated that the water loss for February using the MWD form was 21.02% and the PSC form was 22.3%. He went back and looked at last year's average and on the MWD form it was 24.28% for 2022 and the PSC form was 27.58% for 2022. As of right now our average so far this year, using the MWD form is 18.98% and the PSC form was 20.35%. Vice Chairman Denison stated that he will say again that they are doing a great job on that. Mr. Sawyers stated that going from 2021 to 2022 is where we starting to see a big difference in the balance. The MWD form and PSC form are getting closer and have stayed there. So our staff has done an excellent job addressing leaks and part of that situation is what we implemented in house is to make sure that we replaced everything from the main line to the base. Vice Chairman Denison inquired that there are some numbers there for tank loss that we haven't had in a while and what that was from. Mr. Taylor stated that they had some telemetry failure that overflowed a tank. Vice Chairman Denison inquired if that would have affected 2 months. Mr. Taylor stated that that was probably a drop in the bucket. Vice Chairman Denison confirmed his response.

3.) **Daily Operations Update –** Mr. Sawyers stated that the Daily Operations Summary is in their packet.

4.) **FEMA Project Update (DR 4643; DR 4663) -** Mr. Sawyers stated that he will turn this item over to Ms. Olson who does such a great job keeping it going and getting us our money. Ms. Olson stated that she is please to report that we have received all of our funding back from the January, 2022 flooding event. We had four eligible projects and the total received was $146,558.85 out of a total of $167,000 that was requested. Of course, there is a percentage of that total that is our local share that was not going to be reimbursed anyway. That money has been received by Ms. Hatfield and we are hoping to utilize some of that for the Belfry Lot relocation because it has already been received it goes toward that flooding damage. Vice Chairman Denison inquired from Ms. Hatfield if that is in the general operating account now. She confirmed that as correct. Ms. Olson stated that on the July flooding, the grant coordinator left to take another position within FEMA and she has a brand new one, which will be her 3rd since the July disaster and she meets with him tomorrow here at the District to get that rolling again. It has been a little over a month since anything has been able to be submitted.

5.) **Rate Study Update –** Mr. Sawyers stated that we met our deadline on the first request for information and they are digesting what we have sent them before they start sending more requests. Vice Chairman Denison inquired from Mr. Sawyers when Mr. Wuetcher anticipates we can expect that ruling from the PSC. Mr. Sawyers stated that he has not heard Mr. Wuetcher say a date on that. Mr. Spears stated that he believes August or September is a bit optimistic. Mr.

Sawyers inquired what the maximum time they have is. Ms. Olson stated that they have 10 months to make a decision. Mr. Sawyers stated that it was submitted the middle of February. Vice Chairman Denison stated that they denied our request to begin the rate now. Ms. Olson confirmed that as correct and stated that they suspended any change in the rates until August. Mr. Sawyers stated that is their standard practice. Vice Chairman Denison stated that he understands that other Districts have gotten it in a reasonable time. Mr. Spears stated that he believes the earliest we would be able to institute the rates would be August if you want to implement them early, but he suspects it will be early 2024 before we actually see cash flow from the increase.

6.) **Pike TV –** Mr. Sawyers stated that this item will be stricken from the agenda.

7.) **Southern Corrosion Contract Extension Request** – Mr. Sawyers stated that he just wanted to let the Board know that he will have to extend our extension for Southern Corrosion probably until next spring when the rate increase is evident in the cash flow. Vice Chairman Denison inquired what kind of shape is that leaving some of our tanks. Mr. Sawyers stated that we will be okay until next spring. Ms. Olson stated that since this is a contract issue, we will need a resolution to that effect. Mr. Sawyers stated that some tank rehab is included in one of the projects we have this year as well. Vice Chairman Denison requested a motion to extend the contract with Southern Corrosion until next spring (2023). Commissioner Runyon made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Denison	Aye
Commissioner Tackett	Absent
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Absent

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-03-010

8.) **UTV Purchase Update –** Mr. Sawyers stated that he wanted to let the Board know that he called and spoke to Commissioner Chaney and Chairman Tackett both about providing them the numbers for the UTV and both were agreeable to going ahead and move forward on the one we selected. We have it already purchased it and there is a picture of the UTV and the trailer in your packet. The staff wanted to thank you all for moving quickly on this and helping us out.

9.) **Dump Truck Bid Award–** Mr. Sawyers stated that he has bidded out for a dump truck and it is in their packet of information starting on page 54. The current truck we have has several issues and we have a truck leased by the month right and are paying about $3,000 a month to rent it. Vice Chairman Denison inquired how long we have been doing that. Mr. Sawyers we have been doing that for a little while. Chairman Denison inquired what the payment would be on the new truck. Ms. Hatfield stated that it will be $2,600 she thinks. Mr. Sawyers stated that the rental truck is about $3,000 and the bids ranged from $35,000 up to almost $80,000. It is a varied range but you are looking at almost half of the rental payment, if not 2/3rd. Vice Chairman Denison clarified how long they had been renting it. Mr. Sawyers stated it had been since the July flooding. We had been trying to use ours during that period and it won't run. We have done multiple repairs on it. Vice Chairman Denison stated that common sense will tell you that if the payment is lower in buying one than renting one, then it is more cost effective. Mr. Sawyers stated that there were 3 bids submitted and he is not making any recommendations right now. What he would like to do is that the Board go ahead, pending the approval of two Commissioners, that once staff has evaluated the trucks, that the Board gives permission to go ahead and make the purchase. Vice Chairman Denison requested a motion that upon the approval of Commissioner Tackett and Commissioner Chaney, the District Manager is authorized to proceed with the purchase of a dump truck. Commissioner Runyon made the motion, Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Denison	Aye
Commissioner Tackett	Absent
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Absent

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-03-011

Mr. Sawyers stated that Chairman Tackett already knows about this issue that he is going to mention. The District provided a budget back last November to purchase some additional vehicles. Just for the Board's knowledge, when we looked into purchasing a new dump truck, a new one would run anywhere from $135,000 to $150,000 and it is over a year out to get it. We couldn't afford to wait that long or even make it that long and that is the reason why we needed to move ahead on it. On the other trucks, we provided in the budget to purchase a 3500 series utility truck, one 2500 series and two regular pickup trucks, a mini excavator and trailer, when we had the cash flow to move forward with them. We have broken these out into quarters to try to space them out if we do order them, so it won't be such a cash burden. Right now we are having issues with a 2500 series truck. It is not supposed to be purchased until the 3rd quarter but they do have a 3500 series utility truck in the 2nd quarter. What he is afraid of is on the 3500 series, if they take 6 months or up to a year to get them in…he knows during Covid, we ordered vehicles in May and didn't received them until December of that year. Pending Mr. Spears' and Ms. Hatfield's review of the debt and cash flow, he requested that the Board allow the District to bid the 3500 series and the 2500 series utility truck. The time frame that we are looking at for the 2500 series is 3 to 6 months. We could use one right now but we will just have to make what repairs we can to it and make do. Vice Chairman Denison requested a motion to approve the District Manager to advertise and purchase a 3500 series and 2500 series utility trucks, pending Mr. Spears' and Ms. Hatfield's approval after review of debt and cash flow. Commissioner Runyon made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Denison	Aye
Commissioner Tackett	Absent
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Absent

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-03-012

Mr. Sawyers stated that you have your standard information on the rest of the Manager's Report, the sampling and so forth, just to let you know on the customer count for water, in February of 2021 it showed that we had 16,665 customers, as opposed to February of 2023 we have 16,170. That is over 200 customers missing and that kind of gives you an idea of where some of our cash flow disappears to over time. That is all for the Manager's Report. Vice Chairman Denison requested a motion to approve the Manager's Report as presented. Commissioner Runyon made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Denison	Aye
Commissioner Tackett	Absent
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Absent

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-03-013

NEW BUSINESS

1. **RFQ Award for Engineering Services – Capital Infrastructure Replacement Project/Peach Orchard**

Mr. Sawyers stated that there were four people given scoring sheets and the total on the scoring was Bell/EDC – 399, Summit Engineering -392. Vice Chairman Denison requested a motion to award the engineering services for the Capital Infrastructure Replacement Project/Peach Orchard Water Line Extension to Bell Engineering in association with Environmental Design Consultants. Commissioner Chaney made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Denison	Aye
Commissioner Tackett	Absent
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Absent

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-03-014

2. **RFQ Award for Administration Services – Capital Infrastructure Replacement Project/Peach Orchard**
   Mr. Sawyers stated that there was only one submittal received for this item and that was the Pike County Fiscal Court, Sharon Hall. Vice Chairman Denison requested a motion to approve to award the Pike County Fiscal Court, Sharon Hall, the administration services for this project. Commissioner Chaney made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Denison	Aye
Commissioner Tackett	Absent
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Absent

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-03-015

3. **Executive Session**
   a. Pursuant to KRS 61.810 (1)(c) to discuss the District's litigation strategy with regard to current and potential litigation and the District's contracts, as well as KRS 61.810 (1)(f) to discuss a specific personnel matter.

   Vice Chairman Denison stated that there are no items that are necessary to discuss in Executive Session at this time.

COMMISSIONER COMMENTS

Chairman Denison inquired if there were any further comments. There were none.

ADJOURN MEETING

Vice Chairman Denison requested a motion to adjourn today's special meeting. Commissioner Runyon made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Denison	Aye
Commissioner Tackett	Absent
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Absent

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-03-016

MOUNTAIN WATER DISTRICT
BOARD OF COMMISSIONERS SPECIAL MEETING

April 3rd, 2023
5:00 PM

ATTENDEES
Robert Maynard, Applicant
Sam Billiter, Applicant
JC Varney, Applicant
Jim Vanover, Vanover, Hall, Bartley & Ward
Mike Spears, Spears CPA, PSC
Roy Sawyers, District Manager
David Taylor, Operations Manager
Tammy Olson, Office/Compliance Manager
Carrie Hatfield, Chief Financial Officer

CALL TO ORDER
The Mountain Water District Board of Commissioners' Special Meeting was held on Monday, April 3rd, 2023, at 5:00 PM.

Commissioners present for the meeting were as follows:

Randy Tackett, Chairman
Johnny Denison, Vice Chairman
Myrtle Runyon, Treasurer
Paul Chaney, Secretary
Mitch Justice, Commissioner

AGENDA ITEM I
EXECUTIVE SESSION

a. Pursuant to KRS 61.810 (1)(f) to discuss a specific personnel matter.

Chairman Tackett requested a motion convene into executive session pursuant to KRS 61.810 (1)(f). Commissioner Denison made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Denison	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-04-001

Chairman Tackett requested a motion to reconvene into regular session. Commissioner Justice made the motion. Commissioner Denison seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Denison	Aye

Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-04-002

ADJOURN MEETING

Due to the late hour, the decision was made to convene another special meeting to be held on Monday, April 10th, 2023.

Chairman Tackett requested a motion to adjourn today's special meeting. Commissioner Justice made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Denison	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-04-003

MOUNTAIN WATER DISTRICT
BOARD OF COMMISSIONERS SPECIAL MEETING

April 10th, 2023
5:00 PM

ATTENDEES
Kristi Strouth, Appalachian News Express
Jim Vanover, Vanover, Hall, Bartley & Ward
Roy Sawyers, District Manager
Tammy Olson, Office/Compliance Manager
Carrie Hatfield, Chief Financial Officer
Kevin Lowe, Office/Billing Manager

PLEDGE OF ALLEGIANCE
Chairman Tackett led the assembly in the Pledge of Allegiance.

PRAYER
Roy Sawyers gave the invocation.

CALL TO ORDER
The Mountain Water District Board of Commissioners' Special Meeting was held on Monday, April 10th, 2023, at 5:00 PM.

Commissioners present for the meeting were as follows:

Randy Tackett, Chairman
Johnny Denison, Vice Chairman
Myrtle Runyon, Treasurer
Paul Chaney, Secretary
Mitch Justice, Commissioner

AGENDA ITEM I
EXECUTIVE SESSION

a. Pursuant to KRS 61.810 (1)(f) to discuss a specific personnel matter.

Chairman Tackett requested a motion convene into executive session pursuant to KRS 61.810 (1)(f). Commissioner Denison made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Denison	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-04-004

Chairman Tackett requested a motion to reconvene into regular session. Commissioner Justice made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Denison	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-04-005

AGENDA ITEM 2
POTENTIAL SELECTION OF CANDIDATE FOR GENERAL MANAGER POSITION

Chairman Tackett stated that after much deliberation, he would like to go over each one of the people that were interviewed for the position of General Manager last week.

Chairman Tackett requested a motion to make the offer of the General Manager position to Mr. Sam Billiter. Seeing no motion made, Chairman Tackett requested a motion to offer the General Manager position to Mr. Robert Maynard. No motion again was made and Chairman Tackett requested a motion to offer the position to Ms. Tammy Olson. Commissioner Denison made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Denison	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-04-006

Chairman Tackett stated that the offer of the General Manager position to Ms. Tammy Olson is contingent upon her accepting the position with the salary and benefits package that was discussed last week. He inquired if she would accept the position. Ms. Olson stated that she will and she appreciates the faith that this Board has in her and will do everything she can to make sure that the District progresses and is successful well into the future. She thanked the Board. Chairman Tackett stated that there is not a doubt in his mind that she will do that.

AGENDA ITEM 3
PAY REQUEST – SALT RIVER ENGINEERING

Chairman Tackett stated that there is a pay request from Salt River Engineering requesting that we make an installment on the charges for the rate case. He inquired if Mrs. Hatfield had a total on that. Mrs. Hatfield stated that it was thirteen thousand, two hundred and fifty dollars ($13,250). Chairman Tackett requested a motion to approve the draw request for $13,250 for Salt River Engineering. Commissioner Chaney made the motion. Commissioner Denison seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Denison	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-04-007

ADJOURN MEETING

Chairman Tackett requested a motion to adjourn today's special meeting. Commissioner Runyon made the motion. Commissioner Justice seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Denison	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-04-008

MOUNTAIN WATER DISTRICT
BOARD OF COMMISSIONERS SPECIAL MEETING

April 17th, 2023
5:00 PM

ATTENDEES
Jim Vanover, Vanover, Hall, Bartley & Ward
Tammy Olson, Office/Compliance Manager

PLEDGE OF ALLEGIANCE

PRAYER

CALL TO ORDER
The Mountain Water District Board of Commissioners' Special Meeting was held on Monday, April 17th, 2023, at 5:00 PM via Zoom Meetings.

Commissioners present for the meeting were as follows:

Randy Tackett, Chairman
Johnny Denison, Vice Chairman
Myrtle Runyon, Treasurer

Commissioner Chaney and Commissioner Justice were absent for the meeting.

Chairman Tackett stated that since this a zoom meeting, they will skip the pledge and prayer and get directly into the meeting.

AGENDA ITEM I
EXECUTIVE SESSION

a. Pursuant to KRS 61.810 (1)(c) to discuss potential litigation and the District's contracts and KRS 61.810 (1)(f) with regard to a specific personnel matter.

Chairman Tackett requested a motion convene into executive session pursuant to KRS 61.810 (1)(f) & (c). Commissioner Denison made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Denison	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Absent
Commissioner Justice	Absent

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-04-009

Chairman Tackett requested a motion to reconvene into regular session. Commissioner Denison made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Denison	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Absent
Commissioner Justice	Absent

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-04-010

AGENDA ITEM 2
SELECTION OF PSC LEGAL COUNSEL REPRESENTATION

Chairman Tackett stated that there has been a law suit filed in the Kentucky Court of Appeals by the City of Pikeville that names Mountain Water District as a defendant. He requested a motion to retain the services of Stoll, Keenon, & Ogden, PLLC to represent the District in this matter. Commissioner Runyon made the motion. Commissioner Denison seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Denison	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Absent
Commissioner Justice	Absent

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-04-011

AGENDA ITEM 3
VARIOUS SIGNATORY AUTHORITY FOR GENERAL MANAGER

Chairman Tackett stated that there are other items on the agenda that he would like to table until the next regular meeting. Ms. Olson stated that there is an issue with being able to sign checks. If they can go ahead and have a quick motion to authorize the Acting General Manager to have the same signatory authority as the previous General Manager with regard to bank accounts. Chairman Tackett made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Denison	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Absent
Commissioner Justice	Absent

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-04-012

ADJOURN MEETING

Chairman Tackett requested a motion to adjourn today's special meeting. Commissioner Denison made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Denison	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Absent
Commissioner Justice	Absent

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-04-013

MOUNTAIN WATER DISTRICT
BOARD OF COMMISSIONERS REGULAR MEETING

APRIL 27th, 2023
5:00 PM

ATTENDEES
Kristi Strouth, Appalachian News Express
Tim Campoy, EDC
Stephen Caudill, Bell Engineering
Mike Spears, Spears Management, CPA
Mike Mullins, Summit Engineering
Jim Vanover, Vanover, Hall, & Bartley
Tammy Olson, Acting General Manager
Carrie Hatfield, Chief Financial Officer

PLEDGE OF ALLEGIANCE
Chairman Tackett led the assembly in the Pledge of Allegiance.

PRAYER
Commissioner Myrtle Runyon led the assembly in an opening prayer.

CALL TO ORDER AGENDA ITEM I
The Mountain Water District Board of Commissioners' Regular Meeting was held on Thursday, April 27th, 2023, at 5:00 PM.

Commissioners present for the meeting were as follows:

Randy Tackett. Chairman
Johnny Denison, Vice Chairman
Myrtle Runyon, Treasurer
Paul Chaney, Secretary
Mitch Justice, Commissioner

VISITORS
Chairman Tackett inquired if there were any visitors for today's meeting. There were none.

APPROVAL OF MINUTES AGENDA ITEM II
After review of the minutes, Chairman Tackett requested a motion to approve the minutes of the special meeting held on March 8th, 2023 and the regular meeting of March 30th, 2023 as presented. Commissioner Denison made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Denison	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-04-014

FINANCIAL REPORT – MIKE SPEARS, CPA AGENDA ITEM III

Mr. Spears stated that Cash in bank at the end of the month was $286,852.69. Accounts receivable was $1,370,903.86. Plant in service was $169,078,326.58. Accounts Payable for the month of March was $292,944.30. Equity position is $96,380,376.90. Revenue for the month was $855,374.60. Utility operating expenses was $1,077,372.36. The net income/net loss was $253,801. Included in that loss number is depreciation in the amount of $335,997. Operating income was negative for the month in the amount of $221,997 which includes depreciation. Cash increased $218,453.74 for the month. The current operating account balance is $271,908 as of the end of March. KIA and RD Reserves are over funded and the O & M reserve account balance is $100,000. We are making our sinking fund transfers of $70,300 to pay our bond payments at the end of the year. Mr. Spears stated that basically everything for the month to look at are on pages 15-19. Total sales of $855,000 is the lowest month we have had in the last rolling 12 months. We are coming out of the low water months and you will see it pick up in the rolling 12 months in May, June, and July when we get into the $900,000 months. In the operating expenses…water purchases for Williamson was $38,929 for the month. For Pikeville, it was $54,626. Electrical expense is on the next page was down, but we talked last month about having three months in a row of having high electric bills and were kind of expecting a lower month. Mrs. Hatfield stated that the surcharge may have come off as well. The general R & M on the last page is up pretty significantly. Reordering pipe and restocking is the reason. Mrs. Hatfield stated that some of that had been on backorder and they invoice it after it comes in even though it was ordered months ago. After further discussion, Chairman Tackett requested a motion to approve the financial report for the month of March as presented. Commissioner Runyon made the motion. Commissioner Justice seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Denison	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-04-015

PAYMENT OF BILLS AGENDA ITEM IV

After review of the payables data and any Commissioner questions answered, Chairman Tackett requested a motion to approve the payment of the bills as presented. Commissioner Runyon made the motion to approve the payment of the bills as presented. Commissioner Denison seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Denison	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-04-016

CUSTOMER ADJUSTMENTS AGENDA ITEM V

Copies of the customer adjustments for March were in the packets of information given to the Commissioners for the meeting. After review and discussion, Chairman Tackett requested a motion to approve the customer adjustments as presented in the amount of thirteen thousand, five hundred and eighty-four dollars, and fifty-six cents ($13,584.56). Commissioner Chaney made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Abstained
Commissioner Denison	Aye
Commissioner Runyon	Aye

Commissioner Chaney	Aye
Commissioner Justice	Abstained

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-04-017

CONSTRUCTION REPORT AGENDA ITEM VI

Update by Tim Campoy, Environmental Design Consultants.

1. **Kimper DOT Relocation Project** – Mr. Campoy stated that they got everything in the Transportation Cabinet as far as their engineering and inspection estimates and construction estimates for a construction layout. They have been waiting for the KDOT to provide comments or send a contract. Ms. Olson stated that she has a contract that was received and she sent to Mr. Vanover for review. It is their standard contract between MWD and KDOT. Mr. Vanover confirmed that he had reviewed the contract and it was acceptable to sign. Ms. Olson stated that they will need to approve that tonight by resolution. It starts on page 38 if the Board would like to review it, but legal counsel has reviewed it and found it acceptable. Chairman Tackett requested a motion to approve the contract with the Transportation Cabinet for the Kimper DOT Relocation Project as presented. Commissioner Denison made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Denison	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-04-018

Update by Bell Engineering/EDC –Stephen Caudill/Tim Campoy, EDC

1. **Fishtrap Hydraulic Modification Project –** Mr. Campoy stated that they have gotten all of the project plans in to every agency now and last month he mentioned some comments received from the Transportation Cabinet, and those have been addressed and returned. Those are being reviewed in Frankfort. They are still waiting on the Corps of Engineers and they have been dealing with a single land owner who….the District already has an operating line and valve pit on his property….but by his purchase of some excess CSX property, it became his. They are working on some language and he and Mr. Vanover met earlier and the property owner is amenable to it, but just wants something a little bit different than the standard easement language with regard to some ingress and egress for a road on the property. Fortunately, this is the only easement we need for the project.

2. **Water Loss Reduction Plan, Phase 1 –** Mr. Caudill stated that the biggest challenge so far has been getting the construction funds flowing, by far. We had a pre-construction meeting for the project in late March and work on the roadways and individual tanks has begun. The process was that as each tank roadway was completed, other contractors would move in and complete the fencing. The District would do the telemetry and finally would be the hydroseeding. They worked with the District and submitted the first pay request to Compass Municipal Advisors in the amount of $172,474.49 and entirely payable to the District for purchase of telemetry and master meter

equipment. In talking to Mrs. Hatfield, these vendors are contacting her and Mr. Taylor constantly. Initially the project administrator, who is the attorney working with Compass Municipal, indicated that we should have the money by the end of April. We have temporarily slowed down the work because we don't want to get out too far over our skis until we have the funds flowing. Today, he got a call and said that he needed 3 more documents to finish his efforts for reviewing and moving along the pay estimates. Ms. Olson got him one of the documents which was minutes from the December 22nd, 2022 meeting and Mrs. Hatfield got him the other documents relating to the vendors, and the third document was a resolution which was on the agenda for this meeting, but he said he no longer needed that to process the pay request. Hopefully, we will get that money within the next few days and these vendors can get paid and we can move forward with the project. He will continue to contact them daily to move this along as much as possible.

3. **Capital Infrastructure Replacement Project/Peach Orchard Water Line Extension –** Mr. Caudill stated that they have prepared a contract for engineering services and have forwarded a copy of Ms. Olson and Mr. Vanover. He and Mr. Vanover have been working on it some today and as soon as he is okay with he will forward it to the District for signature. Chairman Tackett requested a motion to approve the engineering contract with Bell Engineering for the Capital Infrastructure Replacement Project/Peach Orchard Water Line Extension pending approval of legal counsel. Commissioner Denison made the motion. Commissioner Justice seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Denison	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-04-019

Update by Mike Mullins, Summit Engineering:

1. **Maynard Fork Water Line Extension –** Mr. Mullins stated that the Notice of Award was issued to Jones Contracting on March 9, 2023 and the pre-construction meeting was held this past Tuesday. He has copies of the minutes of that meeting for everyone to review. The contracts have been executed and the Notice to Proceed was issued for Tuesday, May 9th, which is the day that the contractor plans to mobilize at the site. The date of substantial completion is set for July 23, 2023 and final completion date is set for August 7, 2023. Material submittals have already been submitted and reviewed by Summit.

2. **Brushy Fork/Sycamore Water Line Extension –** Mr. Mullins stated that the contractor agreement with BOCA Enterprises has been executed and they have received their bonds and insurance certificate and material submittals have been received. Construction is anticipated to start in the next 45 days once the pipe orders are delivered. The Notice to Proceed and the start of the 150 day time line will be issued once the material deliveries can be better predicted, likely sometime in June. The Fiscal Court application for the $454,700 needed to fully fund the project, including contingency, has been approved and is in process. Once the Coal Severance funds are available, a change order will be prepared to add Alternative #1 to the remainder of the extension.

   Ms. Olson stated that she has 2 things to add to that. On Maynard Fork, if you will look at page 67 in your packet, this is a letter that we sent to RD committing to a 20% match for the funds. Our match is $40,196 and at the pre-construction that Mrs. Hatfield and she attended, they said that those funds will be the first to be drawn down, so the District will need to make a determination tonight as to where those funds will come from; the line of credit, the reserve or the operating account. As you can see, she has put on the bottom that the ARC money originally awarded was $160,686, we committed to a 20% match of $40,196, and we needed some Coal Severance funds from the Fiscal Court to make up the budget short fall after bidding where the cost of parts and

appurtenances had increased, in the amount of $74,100. The total project was $274,982. We will need to make a determination tonight of where they want Mrs. Hatfield to pull those funds from for those draws. Chairman Tackett clarified that their options were from the line of credit, the operating account or possibly the RD reserve account. Mr. Spears recommended a resolution if they wanted it to come from the RD reserve account. Chairman Tackett requested a motion to approve to utilize the RD reserve funds for the $40,196 match for the Maynard Fork Water Line Extension Project. Commissioner Runyon made the motion. Commissioner Denison seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Denison	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-04-020

On the Brushy/Sycamore Project, page 68, Ms. Olson stated that there is a resolution sent from Sharon Hall that KIA has requested to complete the documents for that project. Her only question is that on section 2, who the Board wants to designate to execute the documents and if they want her to sign, then her name will go on there, as the resolution gives authorization for the Board's designated person to sign project documents. Chairman Tackett read the resolution into the record and it is included in the Board meeting documents for this date. Chairman Tackett requested a motion to approve the KIA resolution as presented for the Brushy/Sycamore Water Line Extension. Commissioner Justice made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Denison	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-04-021

Chairman Tackett requested a motion to approve the Engineering Report as presented. Commissioner Justice made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Denison	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-04-022

PROJECT DRAWS:

Chairman Tackett requested a motion to approve the Project Draws as presented and as approved by the funding agencies. Commissioner Justice made the motion to approve the draws as presented. Commissioner Denison seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Denison	Aye
Commissioner Runyon	Aye

Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-04-023

PROJECT DRAWS:

WATER LOSS REDUCTION PLAN, PHASE 1		
Bell Engineering	**ARPA Funds**	**$ 4,984.41**
$4,984.41	**Engineering Services**	
Lowe's	**ARPA Funds**	**$ 4,548.03**
$4,548.03	**Materials for Stands for Telemetry**	
Consolidated Pipe	**ARPA Funds**	**$ 16,335.37**
$16,335.37	**Mag Meter Supplies**	
RATE STUDY		
Stoll, Keenon, & Ogden	**Line of Credit Funds**	**$ 23,218.15**
$23,218.15	**Rate Study Services**	

MANAGER'S REPORT – Report by Tammy Olson, Acting General Manager

1.) **Funding Update –** Ms. Olson stated that she has one additional project that should like the Board to consider. On page 71 of the packet…she knows that they board has heard her and Mr. Sawyers talk about the Lead Service Line Inventory that is required by the EPA where we are going to have to inventory and know what material is on the customer's side of every connection that we have in the system and it is due by October of 2024. We have made multiple attempts to get them to understand that all utilities in the state are not supposed to do anything beyond the meter and they don't care. They still want it done by the utilities. EPA overrides the PSC on that and have said they want it done. It is a health and safety issue and they are requiring all water districts to do this. What we have don't so far…working with the Kentucky Rural Water Association, is to issue a QR code on our website and on handouts that we are giving the customers and paper surveys as well. The QR code with your phone will take you directly to a digital copy of the survey where the homeowner can go on there and tell us their information, what type of residence they have, and what material they have coming into their home, whether it is plastic, PVC, lead, copper, etc. We are getting a decent response on those, but even KRWA said not to expect more than 5 or 10 percent of your customer base to answer those. So, outside of those, the other 90 percent we have to find out. Chairman Tackett inquired what is the acceptable percentage of our customers that we can get on that. Ms. Olson stated that Mr. Burns is saying that what he has seen with other systems who are doing the survey is 5 to 10 percent of people returning these surveys. Of those that don't return the surveys, we have to have someone who can be in the field and go under the home and physically check, or dig up the line where it enters the home. It is going to be a huge project. So, the EPA has provided funding for large systems like the District. Smaller systems, the ones that have less than 10,000 connections get a lot more help, but because of our size, they are not giving us any kind of grant money. This is loan funding, low interest, and is 49% forgivable, which means we would pay 51% and they would forgive the other 49%. She and Mr. Sawyers have been working with Joe Burns at Kentucky Rural Water and they have come up with a plan. Mr. Sawyers original submission of this project to enter it into the portal was $1M with a vague project profile and no specific plan, which was going to be worked on in the back end when we knew more. Mr. Burns has said the Linda Bridwell, the Executive Director of the PSC, is on the board who is deciding who gets these funds from EPA and she likes to see a plan. So, we developed a plan that includes KRWA's asset management ARC GIS program that we have been wanting to implement for several

years. We actually went to Carter County and saw the software in action which digitally maps the system and has a lead service line inventory component to it, and that makes it qualify for these funds. We would have, if you look on page 72, not only all of the components for that system but would also include the ipads to run it in the field, 3 temp workers who would go out and do the leg work (paid for by these funds at a 49% forgivable loan), we would get 3 vehicles that after the project we would get to keep (we budgeted $50,000 each for those and they would pay 49% of that, and we would keep them as an asset when this is completed.) At the end of it, we would have our system mapped in layers. We already have all of our meters mapped because we did that when we did the AMR project. Those are already in our billing system and can be pulled over into this system. The total of this project is $435,719. Mr. Burns expects the project to take about 8 months to complete with the 3 people that we have budgeted and the vehicles. But again, we would be on the hook for 51% of that. She would need to get the board's approval to move forward with that. If we have to do it ourselves, we would still have to hire the people, buy the trucks, assume that liability of going under the homes and doing it. It has to be done and it is ugly to get it done, and we don't have the manpower currently to do it. This would be the best option, plus at the end of it, we would have additional assets and a digitally mapped system that we can constantly add to until it is all mapped that can be used in the system. It can also be integrated with our billing system so that we can see work orders, disconnections and reconnections in real time…it is a wonderful system. We went and saw it in action at Carter County and they use it every day and it is amazing what they can do with it. Mr. Spears inquired what the annual renewal is…is that the program. Ms. Olson stated that is the ARC GIS licenses for that. We still would have to do the annual renewal payments for the system. They are giving us a total of $3,000 so $250 into $3,000 would be the number of licenses that comes with this. We are getting 4 ipads to run it with. There is a week's worth of training, data conversion. Chairman Tackett clarified that these would be temporary hires. Ms. Olson confirmed that as correct and that it will be understood by them that they will be temporary until this job is done. The only thing with that is, if we find somebody to do all of this that is proficient in IT, we can always bring them over and have them run this system for us and train our employees to use it and keep it updated. We have always needed an asset management system but they have always been so expensive we couldn't bring one in here. KRWA was going to implement it a couple of years ago with some grant funding they received, but they lost that grant and it didn't get renewed. This is our best way to get the system, and get the lead service line inventory done by October of 2024. Mr. Spears stated that we would have provide employees to go with them to help them know where to go. Ms. Olson stated that honestly, if we give them route sheets with addresses, GPS should take them there. We might have to have someone escort them in the beginning to just help them get acclimated. Chairman Tackett clarified that she said we would be hiring 3 to do this work. Ms. Olson stated that it would be 3 temp employees and 3 vehicles, and those vehicles will be ours as assets at half price, at 49% forgivable cost once this over. Chairman Tackett stated that the project budget says 4 temp employees and 4 vehicles. Ms. Olson stated that they discussed 3 but 4 will get it done faster if we get approved for this project. Chairman Tackett inquired where we get the people. Ms. Olson stated that it would be through Manpower. All they need to do is know how to do a GPS and the surveys and how to determine the material. Even the survey we have has pictures of what to look for and how to determine what material it is. So, it wouldn't take more than a day of training for them to understand what they are looking for. Chairman Tackett stated that if you are talking about 4 people, you couldn't put one person with them, and all 4 wouldn't be working together. Ms. Olson stated that is correct and we would given them route sheets and training. We shouldn't have to have an employee with them. We will give them an identification badge and will do RAVE calls to whatever area they are going into to let the public know that they are an authorized representative of the District. Chairman Tackett stated that we already have the GPS coordinates for each of the meters we have installed. Ms. Olson stated that we can give them that or a route sheet with an address and they can use the GPS on their phone to take them wherever they need to go. Chairman Tackett stated that you know we are going to have some people who don't want us on their property. Ms. Olson stated that is true and would be true if we were to use our own employees as well. That is why we really need to start this out with an educational push and start letting people know, if we are going to do this, what is coming. We are doing it right now on our website and with the paper surveys. She does want to put it in the newspaper to let people know what is required and what is happening and who is requiring it. Mr. Spears inquired if we know any details yet of the forgivable portion of the loan…if we have to meet any kind of threshold or anything like that. Ms. Olson stated that she has just been told by Big Sandy ADD that it is 51%/49%. That is the way the EPA set that low interest loan fund up, to help larger systems. Commissioner Runyon inquired if a response from the customer would eliminate the need for the home visit. Ms. Olson stated that if they returned a survey, we can skip that

property. She has an administrative site that she can go to and see how many have submitted and where they are located. When these new people go into the field, we can give them a route sheet with those marked off that can be skipped, so they would only need to go to the ones that did not respond. Commissioner Justice clarified that he understood her to say that districts with 10,000 or less customers, they are actually providing grant funding for them, but larger districts are not eligible for that. Ms. Olson confirmed that was her understanding that small systems will be given more aid. Commissioner Justice stated that sounds discriminatory to him. Ms. Olson stated that she believes so as well, and when she went to the training for this…and it isn't just this issue. They offer more grant funding to smaller systems for other things as well. Chairman Tackett stated that this loan, even with the 49% forgivable part, that is still 51% of $435,000 so you are still looking at more than $220,000 that the District has to come up with. He inquired if that is something we can amend our rate study to include. Ms. Olson stated that we could talk to Gerald Wuetcher and see if we can amend our request and maybe put it in the rate study. We don't have to approve this today, but if we do decide to do it, she will need to make sure she gets in touch with Matt at BSADD. Chairman Tackett stated that it is a mandatory thing…Ms. Olson stated that he is correct. For compliance, either we do this or we try to do it in-house and she doesn't see how we can do it all in-house within the next 18 months. Chairman Tackett stated that right now we are estimating that it will take 4 individuals and 4 vehicles to go out and do the work and are anticipating that we will get 5-10 percent back from the surveys. Commissioner Denison inquired what the threshold percentage is to satisfy the EPA for the LSL. Ms. Olson stated that they want 100% responses. Commissioner Runyon inquired what happens if a customer won't let us on their property. Ms. Olson stated that we have to put in some kind of response. If they won't let us on their property, we can put in there "unknown" but there will be penalties that will come back on us. We are not 100% sure what that is yet...it will either be additional sampling, or it will be some kind of a compliance change. They may bump us on our lead and copper sampling, to where instead of every 3 years, we have to do it annually, or something like that. Mr. Vanover stated that we have this survey where they can self-report and send back. Can we take the survey to the customer and have them respond to a person, as opposed to having them there to go under the house or digging up the area. Ms. Olson stated that you can do that if they know what material their service line. A lot of them don't know and it has to be verified. They do ask for photographic evidence. Chairman Tackett stated that we have verification of what is coming out of our meters. Ms. Olson stated that it isn't the same thing. You still have to dig around the meter because of the way the connection is inside, you can't just look in the base and see it, because she already asked that question as well. You have to dig down on the side of the base and see what is coming out. Chairman Tackett inquired if we go into the house or under the crawl space or the basement or whatever, and see what line is coming into the house, can we make the assumption that that is the same line that is coming in from the meter, or do we have to dig the whole line up and see what the whole line is. Ms. Olson stated that they are not asking for that much detail, just what is coming into the home. Chairman Tackett stated that they are estimating that it will take about 8 months to complete. Ms. Olson stated that is the estimate of 8 months from when we get started and in some cases, it will take as much as 3-6 months to get a vehicle in, so we need to know soon if they are going to award us the money. We don't know yet if we will be awarded the money yet, she just wanted them to be aware that is how it is set up through EPA funds, it goes through a committee, this is in the WRIS portal through BSADD. After further discussion, the board elected to table this issue until the May meeting.

2.) **Water Loss Update** –Ms. Olson stated that the water loss for March using the MWD form was 27.25% and the PSC form was 31.3%. She spoke to David Taylor about why it had gone up and he said it was the difference in the water usage and produced and purchased. If she looks at it, it looked about the same but he did say that he went back and wrote this down for the first quarter back to 2019, and if you look at the quarterly average in 2019 it was 40.4%, in 2020 it was 35.9%, in 2021 it was 28.3%, last year it was up because of the flooding but now we are at 24% for a quarterly average. We are still trending the right way if you look at the first quarter numbers. It was up a bit this month and has some to do with the timing of when we are seeing the reports on the sales versus the production numbers.

3.) **Daily Operations Update –** Ms. Olson stated that the Daily Operations Summary is in their packet. She didn't do a lot with that this month and will do more with that for upcoming meetings. There is not a whole lot of change there this time.

4.) **FEMA Project Update (DR 4643; DR 4663) –** Ms. Olson stated that we have gotten all of the money that we are going to get right now from FEMA on the January 2022 flooding. The outstanding project that we have right now is the Belfry Lot relocation. Chairman Tackett stated that he did speak with Rick Keene who is the representative for the Tierney Land Company. He first asked if they would donate that land because it is something that will benefit the community and they said no, they won't do that. He then suggested that they agree to the original price that they first quoted and Mr. Keene got back with him yesterday and said no, it will be the original price plus the add on for the CPI. Ms. Olson stated that we are looking at $28,000 for the Peg's Branch property. It is a small piece of property that is adjacent to the WWTP. It is large enough to put a trailer up there for the field satellite office and storage. Chairman Tackett inquired if they knew what was originally paid for the plant location. Ms. Olson stated that she was thinking between $250,000 and $300,000 for all of it. There were multiple parcels from the Board of Education and Tierney Land. Commissioner Justice asked what the acreage is on that property. Ms. Olson stated that it isn't even a full acre. We did receive over $140,000 of FEMA funds from the area's flooding. She knows that it was put into the operating account and it has been used up but we did get money for that. Chairman Tackett stated that it will come out of our pocket now. Ms. Olson stated that it will. Chairman Tackett clarified that we submitted that to FEMA with a price. Ms. Olson stated that we did for Hazard Mitigation funds. That particular part of it hasn't been ruled on yet as to if they will reimburse us for the relocation. We were approved to submit a benefit cost analysis on that and she believes it was $75,000, what they were allowing us to move it. But that has stalled out and she isn't sure which it is, but thinks it is called 404 funding and is separate from FEMA. We have been informed from BSADD that the representative for that project with the mitigation program will not be reviewing these projects again until August. Ms. Olson stated that her biggest issue right now is that she has a crew that is reporting to the trailer that has been flooded multiple times. It is full of mold, the floors are soft, the roof is leaking. She has already told them, for safety purposes, don't go in there and have lunch or whatever, and if you have to go to the restroom in there, go in and come right back out. Don't spend any time in there. She just doesn't want them breathing all of that in there. Chairman Tackett inquired what kind of structure is there currently. Ms. Olson stated that it is a small trailer with one bathroom and she thinks it is small with less than 800 square feet. This last flood damaged the fence as well and it needs fixed, even if we don't go anywhere. Chairman Tackett clarified that the $75,000 includes the property as well. Ms. Olson stated that it includes everything to move it. She stated that Eric Ratliff has told her that Stacy Smith with that 404 Mitigation Program that has this project and she has had it for months and Mr. Ratliff is not getting any feedback from her right now. There have been other disasters in other places that she has been sent to, and she is working on those and hasn't come back to ours yet. Chairman Tackett inquired if the trailer is salvageable at all. Ms. Olson stated that it is not, from her understanding. This last flood took out all of the underpinning, the floors are too soft to walk much on, and there is mold coming out of the ceiling above the door. Everything is leaking as well. She doesn't think it is even worth anything for salvage value. After further discussion, this item was tabled until the next meeting.

5.) **Rate Study Update –** Ms. Olson stated that she talked to Gerald Wuetcher this morning. The request for information on the water side has been submitted. We do have a new deadline of May 8th to submit the sewer side and we are all boots on the ground and getting that done between all of us that can do it. We will get it done by that date. Mr. Wuetcher has apologized for missing that and that is not normal for him. Even the PSC knows that because they have worked with him in the past. He had a lot on his plate. We all did with the water RFI at the time as well.

6.) **Authorization to Advertise for Bid – Annual Pavement Replacement –** Ms. Olson stated that we do this every year. This year she is not sure that we are going to get anyone to hold the price and may have to bid it a little bit differently. She has spoken to Mr. Sawyers a bit on that and she has it scheduled to go into the paper tomorrow, but we do need to get that out there. The current bid ran out this month. Chairman Tackett stated that he doesn't see why we wouldn't go ahead and put it out to bid. He requested a motion to authorize to Advertise for Bid Pavement Replacement Services and to award the bid pending review by Chairman Tackett and Commissioner Justice. Commissioner Runyon made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Denison	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-04-024

7.) **Potential Change to May Meeting Date**– Ms. Olson stated that we don't do this every year, but this year is a perfect storm. We have multiple people who are scheduled off during the May meeting and we have graduations happening during that week and the rate case going on. Chairman Tackett stated that he will be gone the 24th through the 27th out of town with his sister. Ms. Olson stated that the suggestion that was made was to hold the meeting on May 30th or May 31st. Chairman Tackett stated that he is good with Tuesday, May 30th. It was decided that the May meeting would be held at 5 pm on Tuesday, May 30th.

Ms. Olson stated that Jamey Keathley came into her office today and…we just purchased the used dump truck and we have our old one across the road that is taking up a lot of space over there, it runs but we were putting a lot of money into it before we purchased the used one. The county, a lot of times, takes their surplus equipment to auction in Tennessee. They are under the same procurement law that we are, and they usually get more out of their equipment than if they advertised it for sale locally. She spoke to Mr. Vanover and he will check into it to make sure that we are allowed under procurement law to do the auction and may get more out of it doing it that way. She would like to get authorization to go ahead and sell it, per Mr. Vanover's recommendation of which option to go with. Chairman Tackett clarified that we have the one we just bought. Ms. Olson stated that there are some repairs that are being done to it because when we got it, they had some things that needed to be fixed and they are doing it all over there at Boyd Cat, so we should have it within the next few days per Jamey Keathley. The current dump truck will run but it won't haul anything. There are still some repairs that need to be done to it. Chairman Tackett inquired how we would get it to Tennessee. Ms. Olson stated that we can either haul it or it is capable of being driven, just not hauling anything. Chairman Tackett stated that we need to be realistic about what we are going to get for it, before we decide to get it to Tennessee. Ms. Olson stated that we can set a reserve if we run it in the paper. We can probably do that at auction she would think. Commissioner Justice inquired if we have a system in place where we can pull up something in the system that will show us an average maintenance cost for each vehicle vs. replacement. Ms. Olson stated that we do not have that digitally right now. This asset management program that she mentioned earlier will have that capability. We would be able to enter layers of vehicle maintenance per vehicle in there and let it do that calculation. We can also install GPS on our vehicles and be able to see in real time where everybody is at, if we wanted to go that route. It is not a mandatory part of it but is an option. Ms. Olson stated that she does reports every month on paper based on work orders and purchase orders. She inquired if the board wanted to table that this month or what direction would the Board like to go with this. Chairman Tackett stated that he would prefer to advertise it for bid with a reserve and see what we can get locally. That would save us what it would cost to get it down to the auction in Tennessee. Ms. Olson clarified that they wanted to advertise to sell as surplus with a reserve of….Commissioner Justice stated that we would have to make the reserve below the fair market value on it but at least we wouldn't get 3 people bid and then just give it away. You would want a reserve price.

Ms. Olson stated that you have your standard information for the month of March. Our illegals were really low this time. We only found 7 and the fees assessed were really small amounts. Chairman Tackett stated that last time we talked about losing our meters at an alarming rate. We talked about the RG3 company and that they have already had a lawsuit filed against them in Texas. His concern is if we should file a pre-emptive lawsuit against them since we are having the problems that we are having out of them. Ms. Olson stated that we are not the only system having those issues. What we are coming to understand is that their turnaround time is about 3 months. If we submit them in April, we will get those meters back repaired or new ones in about 3 months. We are sending back 50 to 100 a month. They are having supply chain issues

with getting their plastic parts from China and Europe. Once we get them back in, they are doing fine. Commissioner Justice clarified that the question is if the ones that they are sending back to us having the same problems. Ms. Olson stated not that she is aware of. She will talk to Brian Bentley but she is not aware of that being an issue. What is happening is that the digital parts inside are either scrambling, are going blank, or not sending the reading. It is causing additional labor that has to go out and clean up the routes for the problem meters. The problem is, and she is getting this information directly from RG3 themselves in the letter they sent back, that Badger, Mueller and the other AMR companies' turnaround time is 6-12 months. They are giving us 3 months and they are working as hard as they can to get them done. She doesn't know how true that is and she doesn't know how to verify it, but that is what RG3 is saying. They are still providing warranty service, even though their turnaround time is slow. It is just the tops we are sending back which is a box about 18X18X12. Southern Water is having the same issue and she did get an email this week from Erin Donges, who is our inspector with the PSC, and she asked if we were having issues with our meters. So, she is hearing from other systems across the state that are having issues. Mrs. Hatfield stated that what she is concerned about is what if they go bankrupt. Ms. Olson stated that Mr. Bentley has said the same. Right now, what she has suggested that we purchase a few manual badger meters, that when they can read at all and can't get new ones to put back in, to put in something they can read. We can estimate, she thinks, once a quarter, on the bills but that causes a lot of internal billing issues as well. If we at least have something in there that they can read, at least we can do an accurate billing. That may be something we have to do until they can get this supply chain back under control. Chairman Tackett inquired what Mr. Vanover's recommendation would be. Mr. Vanover stated that he would rather talk about that in executive session under potential litigation.

Ms. Olson stated that is all for the Manager's Report. Chairman Tackett requested a motion to approve the Manager's Report as presented. Commissioner Denison made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Denison	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-04-025

NEW BUSINESS

1. **Authorization for Acting General Manager to Sign Project Documents –** Ms. Olson stated that what the Board gave authorization for at the special meeting was for the bank, loan documents and checks and they are still processing that, and we said that we would do the projects at a later time because we were in a time crunch that night. Mrs. Hatfield stated that the board should watch for an email for them to sign for all of the accounts again. Chairman Tackett requested a motion to authorize Tammy Olson, Acting General Manager, to sign project documents. Commissioner Denison made the motion. Commissioner Justice seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Denison	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-04-026

2. Executive Session

a. Pursuant to KRS 61.810 (1)(c) to discuss the District's litigation strategy with regard to current and potential litigation and the District's contracts, as well as KRS 61.810 (1)(f) to discuss a specific personnel matter.

Chairman Tackett requested a motion to convene executive session pursuant to KRS 61.810 (1)(c) and (1)(f). Commissioner Justice made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Denison	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-04-027

Chairman Tackett requested a motion to resume into regular session from executive session where matters pursuant to KRS 61.810 (1)(c) and (1)(f) were discussed. Commissioner Denison made the motion. Commissioner Justice seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Denison	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-04-028

COMMISSIONER COMMENTS

Chairman Tackett inquired if there were any further comments. There were none.

ADJOURN MEETING

Chairman Tackett requested a motion to adjourn today's meeting. Commissioner Justice made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Denison	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-04-029

MOUNTAIN WATER DISTRICT
BOARD OF COMMISSIONERS SPECIAL MEETING

MAY 30th, 2023
5:00 PM

ATTENDEES
Kristi Strouth, Appalachian News Express
Tim Campoy, EDC
Stephen Caudill, Bell Engineering
Mike Spears, Spears Management, CPA
Mike Hill, Summit Engineering
Jim Vanover, Vanover, Hall, & Bartley
Tammy Olson, Acting General Manager
David Taylor, Operations Manager
Carrie Hatfield, Chief Financial Officer
Kevin Lowe, Office/Billing Manager
Melissa Wright, Customer Service Manager

PLEDGE OF ALLEGIANCE
Chairman Tackett led the assembly in the Pledge of Allegiance.

PRAYER
Commissioner Myrtle Runyon 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, May 30th, 2023, at 5:00 PM.

Commissioners present for the meeting were as follows:

Randy Tackett, Chairman
Johnny Denison, Vice Chairman
Myrtle Runyon, Treasurer
Paul Chaney, Secretary
Mitch Justice, Commissioner

VISITORS
Chairman Tackett inquired if there were any visitors for today's meeting. There were none.

APPROVAL OF MINUTES AGENDA ITEM II
After review of the minutes, Chairman Tackett requested a motion to approve the minutes of the special meetings held on April 3rd, April 10th, and April 17, 2023, and the regular meeting of April 27th, 2023, as presented. Commissioner Denison made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Denison	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-05-001

FINANCIAL REPORT – MIKE SPEARS, CPA AGENDA ITEM III

Mr. Spears stated that Cash in bank at the end of the month was $152,826. Accounts receivable was $1,492,498. Plant in service was $169,163,432. Accounts Payable for the month of April was $272,498. Equity position is $96,290,772. Revenue for the month was $887,850. Utility operating expenses was $1,050,699. The net income/net loss was $196,376 and year to date is $954,656. Included in that loss number is depreciation in the amount of $335,997 and year to date is $1,343,996. Operating income was negative for the month in the amount of $162,849 which includes depreciation. Cash decreased $106,181 for the month. Commissioner Denison inquired if the revenue was substantially less than what we normally have in the month of May. Mrs. Hatfield confirmed that as correct. Commissioner Denison inquired if that was due to the advance from BSADD. Mrs. Hatfield stated that is not the case. Commissioner Denison clarified that he was talking about the money that came in to help people pay their utility bills. Mr. Lowe stated that he would say that most of that has been used up at this point. We haven't received any since last fall. Mrs. Wright stated that we did receive some after the first of the year that was a small amount and wasn't near what we received in the fall. Mr. Lowe stated that he would say that most of those credits have been used up. Commissioner Denison inquired if it was due to the billing. Mr. Lowe stated that we have checked the number of days in the billing cycle and they are all 30 or 31 days, so that is not it. Mrs. Hatfield stated that she wasn't sure where the issue is with the revenue. Commissioner Denison inquired if May was going to be lower. Mrs. Hatfield stated that it will be lower than the previous May but that is typical. Ms. Olson inquired if we have lost customers in this past year. Mr. Spears stated that it was about the same. Ms. Olson stated that it went from 16,530 in April of 2022 to 16,469 in April of 2023, so we lost 61 customers during that same time last year, so that is some of the revenue difference. Commissioner Denison inquired what the revenue was for last April. Mr. Spears stated that last April was $896,000. Ms. Olson stated that is pretty close in the difference in the two years of revenue and the difference in the customers. Usually we start in May, seeing the increased usage. Memorial Day is usually warm. May has been a little colder than normal so we may not see that bump in revenue until June. Mr. Spears stated that for May, June and July we should see revenue in the $900,000's. The current operating account balance is $141,244 as of the end of April. We are fully funded in our reserve accounts with $863,372 and $833,000. That is basically financials and called their attention to the last two pages of the financial report. After further discussion, Chairman Tackett requested a motion to approve the financial report for the month of April as presented. Commissioner Runyon made the motion. Commissioner Justice seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Denison	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-05-002

- Vehicle #167 – Renewal of Note (1st Renewal/Balance - $20,195.09) – Ms. Olson stated that this would be the first renewal on this note if the board chooses to do so. Mr. Spears clarified with Mrs. Hatfield what the payment is on that note. Mrs. Hatfield stated that she didn't have that information in front of her, but they are maintaining the 3% rate. Mr. Spears recommended that with the cash flow situation to roll it over. Those are financed on a four-year term and this would be the first roll over. Chairman Tackett made the motion to approve to roll over the note for vehicle #167 in the amount of $20,195.09 for a two-year term. Commissioner Justice made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Denison	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-05-003

- KIA Bond Payments Due June 1, 2023 – After review of the list of bond payments due June 1, 2023, Chairman Tackett requested a motion to approve the payment of the bond payments that are due June 1st. Commissioner Runyon made the motion. Commissioner Denison seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Denison	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-05-004

- Discussion of Financial Institution Risk Exposure - We requested RD Reserves to see what our pledge receivables were, and Chairman Tackett called and they were talking to Commissioner Denison about it also. Then Ms. Olson and he talked about these small banks failing and how we are covered, as a Board, and our cash balances. We have always been fully covered with the bank with FDIC, $250,000 coverage for the accounts, but in addition to that, the bank pledges securities on our behalf that also…for anything other than $250,000, those pledged securities cover that portion…whatever is not FDIC. It appears we are covered now. It is a really complex calculation with the auditors, and he doesn't know how in depth they go. Chairman Tackett stated that there have been three major banks fail this year and if you look at some of the stock prices of some of the regional banks, they have tanked also. So, his question to Mr. Spears was what kind of protection we have if our accounts are only insured by the FDIC for $250,000, should we be doing something to protect ourselves? The chances of it happening are remote but are still there. Should we be doing something to protect ourselves or are we protected already? Mr. Spears stated that what he has provided the board members was from Community Trust and we asked for that as of March 31st. He has also gotten People's Bank for the same time period. Your auditors will do that as of December 31st. It is a little bit of a complex…for the auditors because they look at the high balances each day. They are looking at a lot more than he has looked at here, but we are typically well over it. Mr. Spears reviewed the pledged securities from Community Trust Bank with the board. He stated that the top section is $731,000 and the second section has securities pledged as well. Basically, we have $1.8M securities pledged over and above (and these are set aside in our name). Chairman Tackett inquired what would happen to the market values column if Community Trust did have issues. Mr. Spears stated that those are very different. There is Fannie Mae stuff in there and others. Commissioner Denison stated that those are outside securities and should not change a lot. Mr. Spears confirmed that as correct. He stated that he thinks that we have enough excess coverage to cover the District, about $1.2M or $1.3M. If you look at the People's security pledge, it shows you at the bottom that the total pledged for Mountain Water District specifies those pledged to us and that balance is $692,000. With the $250,000 FDIC, you are at $940,000. We only have one account at Peoples which is the RD Reserve in the amount of $871,833. We are probably $70,000 or $80,000 above that and the account balance is not going to change much. He feels like right now we are okay. Before he did this exercise, he told Chairman Tackett that the auditors do this every year and make sure that we don't have any money out there that is susceptible due to a bank crash. We will continue to monitor it but as long as we are covered with these pledges, we should be good. But that over and under changes every day but he thinks we are in good shape.

PAYMENT OF BILLS AGENDA ITEM IV

Chairman Tackett inquired when the health insurance renews again. Mrs. Hatfield stated that it renews as of November 1st and the broker will probably start requesting quotes at the end of July. Chairman Tackett inquired where we stand with RG3 meters right now. Ms. Olson stated that we had 300 meters outstanding at the time that Brian Bentley made contact with the distributor who had been off for a while. The promise was made that RG3 would send us 150 meters in two successive weeks. He lived up to that promise and we got 300 new ones. We have sent back a few more shipments since then and the turnaround time has not improved yet, but we did get 300 in to give us some breathing room. Chairman Tackett clarified that they are warrantying the meters but there wasn't any agreement that we signed that said that they would cover our labor, so we are still out that amount. Ms. Olson stated that we are using additional labor where we are having to manually read some meters and the shipping is at our cost. That is correct. Chairman Tackett clarified with Mr. Vanover that there is nothing we can do about that. Mr. Vanover stated that it doesn't look like it, no. Mr. Taylor stated that he thinks the most worrisome thing is the failure rate this early. Ms. Olson stated that RG3 doesn't seem to be worried about a 1%-5% failure rate. If it is a small system that only has 1,000 meters, that is not a whole lot, but for us, with the number of connections that we have, that is working into 100 to 150 every 6 weeks or so and is an issue for us. Mr. Taylor stated that when the meter reading crew comes upon a blank one that is not reading, they are having to go back and manually read it and it is slowing our process of reading, and if it is at 1%-5% now, what is it going to be in 5 years? Mr. Spears inquired if the ones they are getting back failing at a similar rate. Ms. Olson stated that Mr. Bentley has not mentioned anything about having any issues with the replacements we are getting back as far as any failures. She will check with Mr. Bentley on that for the next meeting. After further review of the payables data and any Commissioner questions answered, Chairman Tackett requested a motion to approve the payment of the bills as presented. Commissioner Denison made the motion to approve the payment of the bills as presented. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Denison	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-05-005

CUSTOMER ADJUSTMENTS AGENDA ITEM V

Copies of the customer adjustments for April were in the packets of information given to the Commissioners for the meeting. Mr. Lowe stated that the number of the account adjustments are average but there are two large adjustments on there that are held over from the freeze that are just now taking their adjustments, The bills for those two adjustments were high and from January. They have 90 days from the date of the last bill affected to claim the adjustment and these fell in that time frame. After review and discussion, Chairman Tackett requested a motion to approve the customer adjustments as presented in the amount of thirty-one thousand, nine hundred and fifty-two dollars, and fifteen cents ($31,952.15). Commissioner Justice made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Denison	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-05-006

CONSTRUCTION REPORT AGENDA ITEM VI

Update by Tim Campoy, Environmental Design Consultants.

1. **Kimper DOT Relocation Project** – Mr. Campoy stated that the Transportation Cabinet has agreed for the engineer to get started with the project and have provided the drawings that they needed to work with, and they have begun with that and have submitted a small invoice this month for that work. There is still quite a bit to be done but they are working on the design drawings at this time.

Update by Bell Engineering/EDC –Stephen Caudill/Tim Campoy, EDC

1. **Fishtrap Hydraulic Modification Project –** Mr. Campoy stated that where they were last month is that everything was approved except for the encroachment permit, which they have now. The Corps of Engineers is still holding on to the plans and they are in line for review. The easement has been signed by the property owner that was needed for the property adjacent to the old Millard Bridge and he needs approval by the board to execute the easement by the District so he can get that back to them. Chairman Tackett requested a motion to approve the execution of the easement for the property adjacent the old Millard bridge for the Fishtrap Hydraulic Modification Project as drafted by MWD legal counsel. Commissioner Denison made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Denison	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-05-007

2. **Water Loss Reduction Plan, Phase 1 –** Mr. Caudill stated that a pre-construction was held in March and work on the roadways and tank sites had begun with the intent that when that work was completed, other contractors could move in and begin work on the fencing, telemetry and hydroseeding. The work has been substantially slowed while we are trying to get the funds flowing on this project and as you know, that has been the most difficult part of this project. One of the things that Compass Municipal required the District to do, although they made the District bid it as a contractor, they wanted evidence that the District went out and solicited bids independently, which we never ask a contractor to do. But in order to make that work, they required the District to solicit bids for components that were incorporated into the District's bid from last March. An Advertisement for Bids was placed in the Appalachian News Express on May 19th and bids were received at 10 am this morning at Mr. Vanover's office. No bids were received other than the ones that were used by the District for preparing their original submittal in November of 2020. They were $194,500 by MicroComm for radio telemetry, $32,363.32 by Gilson Engineering for the enclosures for the mag meters, mag meter electronics and poke mount kits, $56,259.20 for the mag meters and remote electronics, and $52,800 from Electro Quip for the cellular telemetry equipment. Again, these are not new bids. All of this was incorporated into the District's bid last November. These are not additional funds that are needed, it is just the steps that the administrator of the funds required us to do. Since this morning, copies of the tear sheet and the publisher's affidavit were forwarded to Compass Municipal, along with results of the bid. A couple of things are needed. We need a resolution to retroactively approve the advertisement for those components, and also in an abundance of caution, we also need a resolution approving those equipment supplier's bid. These are the ones that the District is standardized on and these are the ones that Mr. Taylor and Mr. Sawyers used to prepare the bid back in November. There are no changes in money or anything,

just a formal approval of the suppliers. As we are trying to get money flowing and Mrs. Hatfield sends requests for payments, they are forwarding those on to Compass Municipal and asking them to process them. So far, the total payment requests have totaled approximately $273,000 with what they submitted earlier today and as of now, the District still does not have access to those funds. Hopefully completing this part of it will enable them to move that process along. Chairman Tackett clarified that the $172,474 had been received. Mr. Caudill stated that the District has not gotten anything as of yet. Commissioner Runyon stated that it looks like what we are talking about is repairing roadways and installing telemetry equipment. Are we talking about the water storage tanks as well? Mr. Caudill stated that it includes booster pump stations as well. What we are doing is installing two types of telemetry. On the ones that are the larger tanks with more customers on them, we are using the radio telemetry provided by MicroComm. Because it is more costly, we are only using that on the bigger tanks and bump stations that supply the most customers. On the smaller ones that may only have a 5,000- or 10,000-gallon tank at the head of a hollow, we are installing cellular telemetry, which are considerably less expensive but maybe not quite as reliable. So, it is kind of a compromise there. Commissioner Runyon inquired if we were ever going to be able to repair or replace our aging tanks that are out there. Mr. Caudill stated that as far as this project, we do hope to do 2 of these tanks. Mr. Taylor stated that these 2 have deteriorated to the point that they are leaking. The others that Commissioner Runyon are talking about, we don't have a plan in place for those yet. Chairman Tackett clarified that the tanks we are replacing now are the ones that we have already. Mr. Taylor stated not exactly, we did the two replacements at Kendrick Fork and Right Fork of Greasy but we also advertised a bid for rehabilitation of welding, painting and sandblasting on site. That was half the cost of replacing the new ones and fixing up the road and getting the new one in there and getting the old one out and trying to scrap it. We had two replacements and two rehabilitations. Mr. Caudill stated that they were working within the funding that was available. Mr. Taylor stated that as it pertains to this funding and the water loss type of project, the cellular telemetry will allow us to remotely control the pump stations and tanks without overflowing them to not lose that water. What she is referring to is a capital infrastructure replacement of the smaller storage tanks. Chairman Tackett requested a motion to approve retroactively the Advertisement for Bids for the District's portion of the Water Loss Reduction Plan project as required by Compass Municipal and published on May 19th, 2023. Commissioner Justice made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Denison	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-05-008

Chairman Tackett requested a motion to approve the award of the bids for the Water Loss Reduction Plan project as discussed and presented by Bell Engineering. Commissioner Dennison made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Denison	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-05-009

3. **Capital Infrastructure Replacement Project/Peach Orchard Water Line Extension –** Mr. Caudill stated that Mr. Vanover has completed his review of the contract and it is ready for signature, as it was approved at the previous meeting pending legal counsel review and approval. There was a meeting earlier today on the project and they are working in the plan sheets for the project. As soon as they are all completed, they will schedule a meeting with the District to make sure we are in agreement and do the scope of work that the District wants. Ms. Olson stated that

for the Capital Infrastructure Replacement project, we have already completed the KIA form requirements, but Peach Orchard has to be done separately and those forms have been provided by Sharon Hall. They are directly from KIA and Mr. Vanover has reviewed everything that we received and those start on page 64 of the packet. The forms include the needed signatures from the engineers, the District and legal counsel. She requested authorization to execute those documents. There is a resolution that is required to be specifically passed which is in the document on page 67 and is the same resolution that was executed for the Capital Infrastructure Replacement project and KIA is requesting the same resolution and agreements for Peach Orchard. All of these are specific to the Peach Orchard part of the project. Chairman Tackett read the KIA resolution as incorporated into the record of the meeting and requested a motion to approve the KIA conditional commitment letter and all documents as presented, as well as the Resolution read in the meeting and incorporated into the record of the meeting, for the Peach Orchard Water Line Extension project. Commissioner Chaney made the motion. Commissioner Justice seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Denison	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-05-010

Update by Mike Hill, Summit Engineering:

1. **Maynard Fork Water Line Extension –** Mr. Hill stated that as of today, Jones Contracting is 24% of the way through their contract time and are on schedule and on budget. He predicts that by the time it is time to meet again they will have all of the 4" line in the ground and will be doing customer hookups at that point. We currently have 19 customer sign-ups and are requesting one more out of the 20 they predicted. There is one house up there that is not occupied, so 19 is probably where we will end up. Commissioner Runyon inquired out of curiosity if the lady that they heard about that was carrying water from her well was one of the signups. Mr. Hill stated that he is sure she is because we have all of them but the one property that is unoccupied. Ms. Olson inquired what the time the progress was on June 7th. Mr. Hill stated that it will be at 1:30.

2. **Brushy Fork/Sycamore Water Line Extension –** Mr. Hill stated that materials have been ordered and he would anticipate a 1st of July time frame for issuing the Notice to Proceed. They will firm that up as they get a better idea of the delivery date for the materials. BOCA is ready to start as soon as the materials are available. They have 150-day contract time, so if they do start by the 1st of July, they should be done by Thanksgiving. The additional $454,700 from Coal Severance funding is in place now, so it is appropriate to execute a change order to add the Alternate 1 to the project. The original bid was awarded on the base bid plus Alternate 2. We can now add the Alternate 1 part of the project with a change order since the funding is available. Alternate 1 adds the remainder of Brushy Road/Mills Road section of the project and increases the contract price by $552,550 which is the contractor's bid price for that alternate and does not change the contract time. Chairman Tackett requested a motion to approve change order #1 adding Alternate 1 to the scope of work for the project in the amount of $552,500. Commissioner Denison made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Denison	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-05-011

Ms. Olson stated that she wanted to say that she had two employees that were absolutely phenomenal, that went to the Gulnare Volunteer Fire Department this past week and did signups for this project as a courtesy. They ended up with 67 signups, which is a little more than half of the expected total signups. It will be decided at the next project meeting as to when the cutoff date for signups will be, but we are more than halfway there. She is so pleased with the ladies that went and did the signups and the public was so happy. You could just see it when they came in. They were so excited. There were people there who were 60, 70, 80, or 90 years old, who have never had water service in their entire lives up there and they were just so happy to be there and to sign up for the service. The deadline for signups will be determined at the next progress meeting, but they are thinking about 30 days and to get that actually done before we actually start getting pipe in the ground and set meters. We would like to have a firm list for the contractor. Chairman Tackett inquired if it was advertised that our people were going to be there. Ms. Olson stated that we did put it in the newspaper, we did a Rave Notification and the Gulnare VFD put it on their marquee, and we had a very good turnout. We had a lot of people who were working that day who sent word ahead by relatives that they would come into the office to sign up and we have had 18 to 20 additional people who have come into the office to sign up as well. We are getting a very good response on signups. The potential total signups were 111 and we are already at 85 or so between what we did in the field and in the office. The residents are very happy and this is wonderful. The Board has really done something for that community, and they are so thankful.

Chairman Tackett requested a motion to approve the Engineering Report as presented. Commissioner Justice made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Denison	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-05-012

PROJECT DRAWS:

Chairman Tackett requested a motion to approve the Project Draws as presented and as approved by the funding agencies. Commissioner Runyon made the motion to approve the draws as presented. Commissioner Denison seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Denison	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-05-013

PROJECT DRAWS:

WATER LOSS REDUCTION PLAN, PHASE 1

Bell Engineering	**ARPA Funds**	**$**	**1,680.59**
$1,680.59	**Engineering Services**		
Consolidated Pipe	**ARPA Funds**	**$**	**4,063.85**
$4,063.85	**Mag Meter Supplies**		
Consolidated Pipe	**ARPA Funds**	**$**	**2,340.82**
$2,340.82	**Mag Meter Supplies**		

Lowe's	**ARPA Funds**	**$ 508.32**
$508.32	**Lumber for Stands**	

RATE STUDY

Stoll, Keenon, & Ogden	**Line of Credit Funds**	**$ 2,727.50**
$2,727.50	**Rate Study Services**	

KDOT KY 194 RELOCATION PROJECT – KIMPER AREA

EDC	**KDOT Funds**	**$ 4,400.00**
$4,400.00	**Engineering Services**	

MANAGER'S REPORT – Report by Tammy Olson, Acting General Manager

1.) **Funding Update –** Ms. Olson stated that they board has heard from the engineers regarding the KIA funding and the ARPA funding. Then the only outstanding item that was tabled at the last meeting was the Lead Service Line Inventory project. We have not heard yet from BSADD if we have been awarded that money yet, but she did include a copy of the project profile and the project budget in the Board's packet. They are on pages 46 and 47. The Board has heard us talk previously about the Lead Service Line Inventory project that is due by October of 2024. It is a compliance issue and is not an option. Whether we do it through this project or in-house, it still has to be done. The thing is that is if we try to do it in-house, we don't have the manpower for that and will have to hire some people, we will have to provide vehicles, we will take on the liability of having people go house to house, go under the houses and dig on the property and that kind of thing. This particular project includes and Asset Management Program that KRWA is working with a software company to create. It has been installed at several other water systems across the state. We went to Carter County and viewed theirs which is in full working order and it is amazing. It is actually a real time based asset management program that has a Lead Service Line Inventory component. This project will hire 4 temporary employees to do the work, will include vehicles which the District will keep as an asset after the project is completed, and has an eight-month turnaround time to get this done. As far as the project itself, the money has been made available through EPA. She believes it is being administered by KIA. There is a board there who is determining who gets the funding. The program is 49% forgivable, which means that the District would have to commit to paying 51% of the project total which is $435,719.11 and 49% of that total will be forgiven. It will be around $220,000 that the District will have to commit to if we are awarded the project. Chairman Tackett inquired if this was included in the rate study. Ms. Olson stated that it was not, and she spoke to Gerald Wuetcher about amending the rate case. He had responded that any amendments that we make to the rate case at this point will restart the time. We do not want to do that, and she spoke to Mr. Spears about coming up with some options of where the money can come from. She inquired if Mr. Spears wanted to speak to that. Mr. Spears stated that we could possibly use some of the excess reserve funds and tap into that, and he thinks that would be a viable reason to do so. We also have a line of credit with enough available in it. We could do that and pay that back off in the future if we had to. Commissioner Denison clarified that the rate increase should be fully phased in by January. Mr. Spears agreed that is correct. Ms. Olson stated that would help with the cost of that. There are pros and cons to this. We have to do it either way. And if we try to do it in-house, we won't have an asset management program or vehicles at the end. Commissioner Denison inquired what the due date was again. Ms. Olson stated that it is due in October of 2024. Commissioner Denison clarified that the project is an eight-month turnaround. Ms. Olson confirmed that as correct and we are already 3-6 months out on getting vehicles. So, if we do get awarded the money we will have to move pretty quickly in ordering the vehicles, because they won't be able to start until we get those in. Chairman Tackett inquired what is required of us to get into this program. Ms. Olson stated that we had to do the project profile and the budget which are in their packet. We had to have it entered into the WRIS portal, which BSADD working with Mr. Sawyers and herself have already done. This project is already before the KIA commission. If they had

awarded it before the Board approved it, we could always reject it, but we wanted to get in line for the funding just in case the Board wanted to go forward with this option. All we need now is if the Board wants to do that, we need a resolution approving the project and committing to the 51% of the project. Chairman Tackett commented why wouldn't we want to do it. Ms. Olson stated absolutely. Chairman Tackett stated that we have no options. We have to do the inventory. Ms. Olson stated that she is aware that the Board is not wanting to acquire further debt at this time, but this is something that is compliance related and we really don't have a choice. The only choice we have is to try to do it in-house and we don't get as many benefits if we try to do it that way. Mr. Spears inquired if she thought we would have to send out our employees with the new hires initially to get them started. Ms. Olson stated that she really didn't think so. She thinks if we hire Manpower people, they are going to be local and with a GPS, we will probably have our Safety Director train them some on the project areas, and then with the GPS they will go house to house with route sheets. The survey that we have and are using is out there and explains the process and she thinks we can train them in a day or two and show them what it looks like and what they are looking for. Chairman Tackett clarified that there is a form that an individual can fill out. Ms. Olson stated that there is, and they can take those into the field. If they don't do that…her only issue is that when we get to the end of it, if we send people out, they are going to want photographic evidence. That is already something they are asking for. KRWA has said that if you do this survey, either in person or through the mail, they will forgo the picture. Chairman Tackett inquired if we anticipate anyone having any lead service lines. He feels certain we are not going to have any problems with our main lines, but this is on the customer's side from the meter to the house. Ms. Olson stated that old infrastructure that was installed prior to the lead ban, there could be some out there, but this is not something we have ever done or asked for because it wasn't the District's concern of what was on the customer's side. Now the EPA has made it our business and we don't have a choice but to find out. She can't say if there is any out there at this point. Mr. Spears inquired what happens if we find lead on somebody's side. Are we going to force them to redo it? What if they can't afford it? Ms. Olson stated that is a question that we have asked and her understanding from BSADD is that it is a possibility that the government will provide funding to those individuals to rerun their line. It is not something that the District will have to do, but if they refuse, they can't be forced to do that, but the District could be under some kind of penalty. Right now, we only have to test for lead and copper every 3 years on the customer's side. They may reduce that monitoring to once a year, once every 6 months, they may require additional sampling that we don't do right now…or any other penalty that they can put on us until we convince those customers to change that. Commissioner Denison inquired from Mr. Vanover if there is a waiver that they have to sign. Mr. Vanover stated that he hasn't seen anything like that. Ms. Olson stated that they absolutely refuse to let us on the property, we have to mark them as unknown and that becomes a penalty on us. Which there is going to be some of those, and we understand that. Commissioner Denison inquired if that would not be a liability issue possibly. Mr. Vanover stated that it would possibly be and they could possibly draft something that they could sign. Ms. Olson stated that as far as proof they have refused the survey, to make them sign that and then we will mark them as unknown, and we bear the consequences of that. We can draft something like that up and it will be part of the training we provide. Chairman Tackett stated that he thinks what Commissioner Denison is talking about is the way they are going to allow us to get on their property to look for what type of service lines they have. Mr. Vanover stated that would be part and parcel of the waiver, because if they said no, that ends it. You can't say well we are going to go ahead and check it. Ms. Olson stated that what she thinks what is being said is that if they give us permission and we go on their property, can they come back and say "well, while you were under my house, you damaged this or that and that is on you," or if we have to dig it up and we don't replace it exactly the way they want, are we liable to fix it over and over indefinitely. She thinks what is being said is a waiver anytime that we come on the customer's property for this project that says they won't hold the District liable for any damage due to collecting this information. Chairman Tackett clarified if the only place we will be able to see their service is where it goes into the house and where it leaves the meter. We aren't being tasked with checking the entire line, are we? Ms. Olson stated that no we aren't. They are only requiring us to check…they aren't specifying where we have to check it, but the training that she took shows it being checked under the crawl space, in the basement or under the house. Chairman Tackett inquired that it's not just where it enters the house. Ms. Olson stated that she is sure it can be tested there if we have to dig it out. But most of them find it easier just to look under the house with a flashlight. They don't have to dig up anything, all they have to do is go under there with a flashlight and tell if it is galvanized, lead, pvc or whatever, mark it on the form and leave. They can dig it out at the meter and look, but you can't see it just by looking down into the meter base from what she is being told. It is too far down in the base and would have to be dug out outside the base to look

and see what is stubbed out. It is under the meter and probably debris, is what she is being told. The question was asked if Kentucky Rural Water had any suggestions on this. Ms. Olson stated that their biggest position was to try the surveys first and don't expect more than 5-10 percent responses. The last time she checked it last week, we had 350-400 responses returned so far out of 16,500 customers. We are giving them out as people come into the office and we haven't put it in the paper yet. Chairman Tackett inquired how big of a form it is. Ms. Olson stated that it is an 8.5 X 11 two-sided sheet. Chairman Tackett inquired what it would cost to send it out in everyone's bill. Ms. Olson stated that it would be minimal, but we have CCRs in the bills right now, so we wanted to wait until all of those cycles got finished because of that and then we will put those into the bills. Chairman Tackett inquired if instead of putting them in the bills, if we can put out PSAs on the radio and media to let everyone know that we have put a flyer in the mail. Ms. Olson stated that we can also put it in the newspaper. The flyer that KRWA provided has a QR code that can be scanned with the phone that will take you directly to a digital copy of the survey, and we can also include our contact information if they want a copy of the survey mailed to them. Chairman Tackett stated that everyone that we can get filled out this way, saves us money. Ms. Olson confirmed that as correct, that is one less residence that we would have to go to. Chairman Tackett clarified that if we have information as unknown, we get penalized. Ms. Olson stated that they look at that as if it is positive for lead if you put unknown. They treat it as if it is a lead positive response. And it is not just active customers. It is all connections. If we have a meter that is inactive or a connection that is in the ground but not active, we still have to document it, such as abandoned house or whatever. As long as they have a service line that runs into a meter base, even if it is empty, we have to check that. They will have to check PVA records and other agencies to try to track down property owners. It will be a big undertaking to get this completed. Commissioner Chaney inquired how long we have to accomplish this. Ms. Olson stated that it is due in October of 2024, so approximately 18 months from now, and 8 months is the anticipated time to get it done with the project as submitted. After discussion about the number of surveys that could be completed in a day, Ms. Olson stated that the workday could be adjusted to have a workday be 12-8 during daylight hours to catch people home that work during the day. Chairman Tackett inquired when we can get started on this. Ms. Olson stated that we haven't been notified yet that we are a recipient of the funding, she just doesn't want it to come down as them offering it to us and we haven't decided where that money is coming from, and the Board not yet approved to move forward with it. She knows that Linda Bridwell, the Executive Director of the PSC, is on that board who decides who gets offered this funding, and she likes to see the detailed project profiles and cost estimates, as the District has provided, and we are crossing our fingers that they will award it to us. Chairman Tackett stated that he believes they need to go ahead and approve the project and not until February of 2024 to get started. He requested a motion to approve the Lead Service Line Inventory project if it is awarded to the District and to approve the commitment of the 51% of the cost with a 49% forgivable amount and get started as soon as possible if the District is awarded the funding. Commissioner Justice made the motion. Commissioner Denison seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Denison	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-05-014

2.) **Water Loss Update** –Ms. Olson stated that the water loss for April using the MWD form was 16.59% and the PSC form was 19.1%. Commissioner Tackett inquired if there was a weighted average for the year to date. Ms. Olson stated that on page 57, it shows that from January through April the average is 22.78%. If you compare that to the last 9 years, it is way below the annual average for all of those years, so we are on a good track. She inquired if anyone had any questions for Mr. Taylor on water loss. There were none.

3.) **Daily Operations Update –** Ms. Olson stated that the summary begins on page 59. Going forward, she will try to update that much better. There has not been a whole lot of change because of all of

the projects with the Water Loss Reduction Plan, the Capital Infrastructure and those kinds of things we have been concentrating on, but she will do a better job of updating those in the coming months. Our TTHM average for the first quarter of 2023, which was January through March, was all in compliance below the .08 level. Those are all good numbers. Chairman Tackett stated that there is one chart that he gets on his computer, which is the produced and purchased summary, that is hard to read. It prints out better than it shows on the computer. Ms. Olson stated that it is on page 54 of their packet. This gives the produced number…and sometimes when she tries to download something from the dropbox from the plant, it wants her to actually download it before opening, so he may want to check and see if there is something in the upper left-hand corner that gives the option to download it. Commissioner Justice stated that he has found that even in some of the items he creates himself to work at home, there is a formatting problem that he hasn't been able to figure out. Some things will format perfectly, and others will not. Chairman Tackett stated that the purchases from Pikeville look to be the lowest we have purchased this year. He inquired if there is a reason for that. It looks like it is trending down, and he inquired if we anticipated that continuing. And Williamson looked to be about the same. Ms. Olson stated that a lot of the reason Pikeville purchases have been up is that we have had a lot of rain this spring and when the turbidity of the river gets up really high, we have had some issues with keeping the plant online with adding more sand and more chemicals and sometimes we have to buy more from Pikeville to compensate for the reduced production at the plant. She thinks we are finally at the point where we are getting that under control and were able to minimize purchases there. That is really a question for Mr. Taylor, but she would tend to think that since we are trending down, that especially over the summer, barring any rain events or disasters, we should be able to maintain that at least. She doesn't know if this is the bare bones of what he can do right now or not but we can hope. On page 53 it shows that we only went over the minimum 316,000 gallons in the amount $714.00 over the minimum bill which is excellent. After further discussion, Ms. Olson called their attention to the Operations Summary that doesn't have a lot of changes. The main thing is the rate study. We have received our second request for information and those who are responsible for responding to those questions, met on May 24th via Zoom and are confident that we will be able to meet the deadline of June 5th for the second set of responses. Chairman Tackett stated that he thinks it will go a long way with the PSC by not having to ask for an extension of time and he appreciates the hard work that everyone is putting into it to get it done, as well as Connie Allen who had a full plate and still got her responses done over the weekend. Chairman Tackett stated that going back to the Lead Service Inventory is going to cost us about a quarter of a million dollars and if we file an amendment to our rate case with the PSC, it starts the clock over. Ms. Olson confirmed that as correct. From the date they accepted the rate case which would have been in February, it would restart as of the date the amendment was accepted by the Commission. Mr. Spears stated to keep in mind that if we borrow the money for that $225,000 we will still have to come up with the debt service on that. Otherwise, it is a one-time expenditure. Ms. Olson stated that also, as the Board saw earlier with the KIA bond payments, we have two aging off in December of this year and two aging off in December of 2024, which will open up those amounts. Commissioner Denison commented that is if we don't borrow any more money. Ms. Olson stated exactly. Chairman Tackett stated that he was wondering if the cost benefit of the $220,000 or $240,000, whatever the amount is, if we are delayed 3 months in our rates…is that worth it or not. Ms. Olson stated that Gerald Wuetcher stated that because it is a future expense, that they don't consider that known and measurable. Commissioner Denison stated that it is not true. Ms. Olson stated that is what Mr. Wuetcher and he didn't think it was able to be included and didn't recommend it because it would put us even farther behind with the rate case. Mr. Spears stated that it would delay it four months, and we would lose every bit of that with the delay. Chairman Tackett stated that say we delay it 3 months…Mr. Spears stated that their increase is approximately $2M per quarter…Chairman Tackett stated that if the end of when we thought we were going to get a rate increase…if we borrow $250,000 for 3 months, the only thing we would be out would be the time variance. Mr. Spears stated that it would be losing 3 months of revenue. Commissioner Denison inquired what that revenue number would be. Mr. Spears stated that if we delay it, we delay the whole filing for 3 months. Debt service…we are probably looking at 10 years for $25,000 a year, or somewhere in that neighborhood on that type of loan. Ms. Olson stated that if we are awarded that, it is not like we made monthly payments on that, right? It would be twice a year that we would pay the debt service on it, in December and June. Ms. Olson inquired if the PSC requirement to get a Certificate of Convenience and Necessity is a $500,000 limit or is it $250,000? Mr. Spears stated that he is not sure but they would go through the process of getting it approved if we go through them (KIA). Ms. Olson stated that we will check on that.

4.) **FEMA Project Update (DR 4643; DR 4663) –** Ms. Olson stated that with 4643, it has already been paid out to us as we talked about last month. We tabled the decision to purchase the Belfry Lot relocation property at Pegs Branch until this month. She inquired if that was something they wanted to address at this time. Commissioner Runyon inquired if there were other properties that were considered for the location. Ms. Olson stated that we did initially, but settled on this piece of property because it was right next to our current property and is an ideal location. The current trailer that they are reporting to is just in such bad shape, and health wise, is not safe. Once we decide to lock down that piece of property, we have to start looking at if we are going to build a pole barn type building with storage or try to find a trailer similar to the size of the one we have. Commissioner Runyon inquired what size is the one we have now. Ms. Olson stated that she didn't really know. It is fenced but there is very little room for parts storage. Chairman Tackett stated that the main reason we are moving though is to get it away from the creek. Ms. Olson stated that it has been flooded multiple times. Chairman Tackett stated that the current property is not worth a whole lot because of where it is. Ms. Olson stated that she is not even sure we own it. It may be a lease from the fiscal court because it is right behind the courthouse. Ms. Olson stated that this would be step 1. After acquiring the property, we will be that much closer to finding something to put on it, and then fence it, and make sure that it has gravel and security. Chairman Tackett inquired if FEMA was going to help out with that. Ms. Olson stated that FEMA has paid us everything they are going to on this project. This project does have 404 Mitigation money applied for, which is separate from FEMA, however, the lady that is in charge of this particular project has been moved off to several different disasters since this one, and her understanding from Eric Ratliff at BSADD is that she will not be revisiting these projects until August. We cannot depend on them anytime soon for the summer. There is a possibility we will get refunded. The project amount was $75,000 total but there is no guarantee that after they revisit it again in August that they will approve the project. It is really up to us to do what needs to be done now. FEMA has already given us the money that we were eligible for and we had to use that to pay our back bills from the flooding. Chairman Tackett clarified that we are using that area now behind the courthouse. Ms. Olson stated that we are still using it. She has asked them not to go in there unless they absolutely have to because it is moldy, it is damp, the floor is soft, the roof is leaking, and it is in bad shape. Commissioner Justice stated that if we put it off longer, he doesn't want to pay that amount either, but if we have no other place and that property is perfect for our needs, if you add the potential amount of money we could lose by the liability of health with an employee being injured or getting sick, then we should go ahead and move on it. If we put it off on down the road we will have winter set in, and that will delay it even until spring of getting a building there that we need. Ms. Olson stated that we also don't know how long that Tierney Land will hold this price. Commissioner Justice stated that he would rather go ahead and do it so we can get it underway. After further discussion, Chairman Tackett requested a motion to approve the purchase of the Pegs Branch property in the amount of $28,000 for the relocation of the Belfry Satellite Lot and for District legal counsel to approach Tierney Land Company and negotiate the purchase. Commissioner Runyon made the motion. Commissioner Justice seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Denison	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-05-015

5.) **Rate Study Update –** Ms. Olson stated that she has already discussed this item regarding the second request for information which is due June 5, 2023.

6.) **Annual Pavement Replacement –** Ms. Olson stated that we only got one bid in and the total for the sites we bid was over $60,000. She recommended that the Board reject that bid and allow her to readvertise it. Commissioner Justice inquired what the total area was for the pavement bid. Ms. Olson stated that normally when we bid this out is that they bid it based on depth and square

footage and they will set a price. Last year the asphalt companies they were using raised the prices on their asphalt several times, so the ones that had set a bid price were losing money as the year went on because their cost was going up but their bid price to us was staying the same. We were told by contractors that if we did it that way again, we weren't going to get anybody to bid it. So, she put a call in to the Supervisors and got all of their bid sites to date, listed all of those on the bid form, advertised it in the newspaper, and all the ones she contacted in the region, even as far out as Prestonsburg and other places, didn't bid it. The amount that was bid, in her opinion, was over half more than it should have been. Ms. Olson stated that she did the math and took the square footage…let's say he did a site at Marrowbone…and the square footage divided by the total was around $18/sq ft. Then she did the same thing with a site over at Pond Creek and it was $10/sq ft and that is farther from the plant, so she couldn't make any sense out of it. But she will make them a copy and let them look at it. Ms. Olson stated that he didn't say at what depth he would be doing it. Her recommendation would be to readvertise because we don't know if it is a competitive bid because we didn't get any other bids. Chairman Tackett requested a motion to reject the bid received and authorize the District Manager to rebid the annual pavement replacement bid. Commissioner Denison made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Denison	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-05-016

7.) **Authorization to Bid – Annual Horizontal Drilling Services**– Ms. Olson stated that it is time to bid our annual horizontal drilling services which is our boring services for the year. She stated that she needs a resolution authorizing her to advertise for bid. Chairman Tackett requested a motion to authorize the General Manager to advertise for bid the horizontal drilling services for the 2023-2024 annual term. Commissioner Runyon made the motion. Commissioner Denison seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Denison	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-05-017

8.) **Authorization to Bid – Annual Gravel and Material Hauling Services –** Ms. Olson stated that she needed authorization to advertise for bid our annual gravel and hauling services. Commissioner Denison inquired if we were going to do that in quadrants. Ms. Olson stated that it was done that way in the past and it was so complicated as far as someone getting different bids for each quadrant and getting our employees to understand who to call in what area, and it just happened to work out that we did have one on one side and one on the other and then there was a different one for dirt and a different one for other materials. She stated that she will get with some of them and come up with the best way to advertise it. Chairman Tackett requested a motion to authorize the District Manager to advertise for bid the annual gravel and material hauling services. Commissioner Justice made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Denison	Aye

Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-05-018

Ms. Olson stated that you have your standard information for the month of April as far as total taps, illegals, payment report, customer count and sampling.

Ms. Olson stated that is all for the Manager's Report. After review of the summary Manager's Report, Chairman Tackett requested a motion to approve the Manager's Report as presented. Commissioner Justice made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Denison	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-05-019

NEW BUSINESS

1. **Wolfpit Industrial Park Project – Authorization to sign time extension request (Retroactively) –** Ms. Olson stated that Sharon Hall with the fiscal court communicated with us between board meetings that this project needed a time extension request and since we are the co-applicants on that project, they needed it done really soon as time was running out. She stated that she needs retroactive approval and authorization to sign the time extension request that we were asked to sign by the fiscal court for the Wolfpit Industrial Park Project. Chairman Tackett requested a motion to retroactively approve the District Manager the time extension request for the Wolfpit Industrial Park Project. Commissioner Denison made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Denison	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-05-020

2. **Vehicle Allowance for Management Staff –** Chairman Tackett stated that we pay a vehicle allowance for the District Manager, Operations Manager and the Wastewater Manager. They have been talking about doing away with that and purchasing vehicles for those people to drive for company business and is something that the Board needs to discuss. We need to do a cost analysis and see what the allowance is costing us now versus what it would cost to provide vehicles that MWD would own. Ms. Olson stated that she has drafted something that is sort of rudimentary. She hasn't costed it out as far as a monthly cost spreadsheet but is just some talking points for vehicle purchase or vehicle allowance to keep it the way it is. It is just something to look at and not something the Board asked for, just something that she did to look at some pro vs con points regarding this issue. She inquired if this was something that the Board wanted to table until the next meeting. Commissioner Denison inquired if vehicle purchase…on the insurance costs, would we not have fleet insurance that should not raise that much. Ms. Hatfield stated that they provided a vehicle average per vehicle. Commissioner Denison

clarified that if we have vehicles on it, he assumes their premium does not go up since we have fleet insurance. Ms. Hatfield stated that typically not, but when we renew it would be recalculated. Ms. Olson stated that number is based on the number of vehicles in the current fleet. They took the total cost of the District's liability and a total cost of the physical damage allowance and divided that by the number of vehicles we have in the fleet. Commissioner Runyon stated that she thinks it might go up a little because they base that on how many vehicles and whether you need full coverage or liability. They do take that into consideration. Chairman Tackett stated that if we purchase new vehicles, we want full coverage on them as opposed to a vehicle that is 12 years old in the fleet. Commissioner Denison clarified that we couldn't get a definite answer because we are looking at adding about 4 more vehicles anyway for the LSL project. Chairman Tackett stated that total we would be adding 7 vehicles to it. Chairman Tackett recommended that this item be tabled until the next meeting to give the Board a chance to review the handout and gather more information.

3. PawPaw Creek – Letter of Intent – Ms. Olson stated that we have gotten a request from the Governor's office which came down through the fiscal court, who passed it on to us from the residents at PawPaw Creek. She has discussed it with Sharon Hall and they are thinking that there was the possibility pre-law mining in that area and the fiscal court wants us to apply for AML funding for that area. Residents there personally cannot do that. It has to be done on their behalf. Commissioner Denison clarified that AML provides 100% funding. Ms. Olson stated that they do provide all of the funding. If they do an evaluation of the area and find that it was affected by pre-law mining, they will fund the project 100%, however, we have to authorize Sharon Hall to do the application and we have to provide a letter of intent, which she can draft and sign. We are being told that pre-law mining very possibly was done in that area and that AML may cover it, but we need a letter of intent for them to go out and do an evaluation. If they do find it, they cover it 100% but we have to be the ones to ask for the evaluation. Chairman Tackett requested a motion to authorize Sharon Hall with the Pike County Fiscal Court to do the application to Abandoned Mine Lands to evaluate the PawPaw area and for the District Manager to send a Letter of Intent with the application as required. Commissioner Runyon made the motion. Commissioner Denison seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Denison	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-05-021

4. Billing Software – Ms. Olson stated that our current billing system software, we have had for approximately 19-20 years. Mr. Lowe stated that we have worked with the same company for going on 20 years. Ms. Olson stated that it is becoming obsolete, and they have notified us that they will not be doing any further support after December 31st, 2023. That is something that we have started looking at, getting more information, and getting demonstrations of some new software options set up that are as good or better than what we have. She turned the item over to Mr. Lowe at this time. Mr. Lowe stated that he spoke to Joe Burns with KRWA and asked for some recommendations of what other Districts in the state are using. He came back with 5 different ones that he didn't necessarily recommend, but just knows that a lot of District's are using them. We have looked through those and have scheduled 2 demos currently but so far, those companies can't get us in for a demo until the end of July. Mr. Spears inquired if he has spoken to any other District's who have changed to or are using these systems. Mr. Lowe stated that the software people he has talked to say that they are getting a lot of calls from United Systems customers because we are all going through the same thing. Any that we choose will be able to transfer our data over to the new system, but there will be…one of them he spoke to said that the price that we pay will depend on how much data we want to convert over. For example, they will give you three years' worth of data and if you want more than that, you will pay up to $8,000 for each year extra that you want the history on. Our current provider reached out a couple of years ago, just to try to sell their version that is current now, and at that time they gave us a quote of $71,000 to switch from the old version to the new version. With the current customer discount, they dropped the price to $40,000. One of the other companies he has set a demo with said that until we did the demo he could not give us a set price, but without even knowing what we have he said it probably be around $40,000.

The quote from our current provider is two years old and we don't know what the cost is now. Mr. Spears inquired how that will affect Chapman Printing. Mr. Lowe stated that they should be able to work with anything we go with. Ms. Olson stated that the ones we have looked at can do anything our current system can do plus extra, like real-time work order capability. It will talk to this ARC GIS program we are looking at. We won't know everything it is capable of until we see the actual demos, but from the brochures that we saw, it does have additional capabilities than what we can do now. Commissioner Justice stated that one thing he can tell us about, even if we can access the old software, because he has gone through this in education quite a bit, when they stop providing service for that software in December, even if you have access to that (which you may want to check on), as long as that program is working fine you can access it, but once a problem occurs you can't retrieve it and that company is not going to help you and will be up to us to retrieve it. That is something to be thinking about in that transition. Second of all, he inquired if we have spoken to any other water districts that are using some of this new software. Mr. Lowe stated that he has not yet, because he wanted to do the demos first and see what options they have. Commissioner Justice stated that his recommendation would be to at least reach out to some of those people eventually. Demos don't always match the reality of the situation. Talk to people that actually use it. Some of the systems that don't look near as good may turn out to be the better ones. He would recommend finding out who some of their customers are after the demo and contact some of them. Ms. Olson stated that is a great idea and we should speak to Carter County who have the ARC GIS system and see what software they use with it. Mr. Lowe stated that KRWA also said that once we narrow it down, they can provide some contact information for who else is using it. Ms. Olson stated that they just wanted to make the Board aware that this issue is coming and is something that is going to be a large expense and will need to be done by the end of the year.

5. Executive Session

a. Pursuant to KRS 61.810 (1)(c) to discuss the District's litigation strategy with regard to current and potential litigation and the District's contracts, as well as KRS 61.810 (1)(f) to discuss a specific personnel matter.

Chairman Tackett requested a motion to convene executive session pursuant to KRS 61.810 (1)(c) and (1)(f). Commissioner Justice made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Denison	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-05-022

Chairman Tackett requested a motion to resume into regular session from executive session where matters pursuant to KRS 61.810 (1)(c) and (1)(f) were discussed. Commissioner Denison made the motion. Commissioner Justice seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Denison	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-05-023

COMMISSIONER COMMENTS

Chairman Tackett inquired if there were any further comments. There were none.

ADJOURN MEETING

Chairman Tackett requested a motion to adjourn today's meeting. Commissioner Runyon made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Denison	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-05-024

MOUNTAIN WATER DISTRICT
BOARD OF COMMISSIONERS REGULAR MEETING

JUNE 29th, 2023
5:00 PM

ATTENDEES
Jacky D. Smith, Phelps Customer
Kristi Strouth, Appalachian News Express
Tim Campoy, EDC
Mike Spears, Spears Management, CPA
Mike Hill, Summit Engineering
Jim Vanover, Vanover, Hall, & Bartley
Tammy Olson, Acting General Manager
Mr. Taylor, Operations Manager
Carrie Hatfield, Chief Financial Officer
Kevin Lowe, Office/Billing Manager
Melissa Wright, Customer Service Manager

PLEDGE OF ALLEGIANCE
Chairman Tackett led the assembly in the Pledge of Allegiance.

PRAYER
Commissioner Myrtle Runyon led the assembly in an opening prayer.

CALL TO ORDER AGENDA ITEM I
The Mountain Water District Board of Commissioners' Regular Meeting was held on Thursday, June 29th, 2023, at 5:00 PM.

Commissioners present for the meeting were as follows:

Randy Tackett, Chairman
Johnny Denison, Vice Chairman
Myrtle Runyon, Treasurer
Paul Chaney, Secretary
Mitch Justice, Commissioner

VISITORS
Chairman Tackett inquired if there were any visitors for today's meeting. The Board recognized Jacky Darrell Smith. Mr. Smith explained his interest with paying the bill, he is a retired Road Commissioner for the County. Mr. Smith stated he purchased the house from Mr. Casebolt, which was the previous owner of Phelps Funeral Home, a few years back. He currently has the house rented. He looked for a water meter and was unable to locate it, so he was under the impression the house connected to well or the City system due to hitting a pipe in yard. Last year an employee of MWD tested the water and informed the renter it was not MWD water, so Mr. Smith assumed that the house was connected to another water source. Mr. Smith has allowed the renter to use a hotel room until the issue is resolved. Mr. Smith has talked to MWD staff and provided the paperwork requested to prove ownership of the property. Mr. Smith stated he wanted to pay what he felt was his expense but does not feel he needed to be penalized for other fees due to him being unaware water was connected to MWD. Mr. Smith explained that he has had renters damage the meter base in the past and he has paid for damages for other properties of his. Mr. Smith is asking for forgiveness on the fees. He also stated he has reported leaks to the District previously in trying to save the District money. Chairman Tackett stated he has listened to Mr. Smith and explained that MWD is governed by a Tariff that is approved by the Public Service Commission. He explained if something is in the tariff, we can do it; if not in the Tariff we cannot do it. When we have issues like this, MWD must follow the Tariff.

Mr. Smith asked if it is fair for him to have to pay for someone's theft. Chairman Tackett explained to be fair to all customers, we must follow the Tariff. Chairman Tackett explained meter is attached to property and property owner is responsible. MWD must go by the fees that the PSC has set. Mr. Smith asked if all Board members agreed, Commissioner Denison stated if it is stated in our Tariff, we must abide by it even if we do not agree. Chairman Tackett asked if any other Board member had an opinion, Commissioner Justice stated we must abide by the Tariff even we don't personally want to. Chairman Tackett explained that Mr. Lowe had stayed within Tariff rules and guidelines. Commissioner Justice stated MWD is legally bound by the Tariff and if we go against it, we can get in trouble. Mr. Smith stated he was hoping for some help on the bill but understood that sometimes you cannot, and he will get back with us to pay the amount Mr. Lowe gave him. Chairman Tackett invited Mr. Smith to come back anytime to attend meetings.

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 May 30th, 2023, as presented. Commissioner Denison made the motion. Commissioner Justice seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Denison	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-06-001

FINANCIAL REPORT – MIKE SPEARS, CPA AGENDA ITEM III

Mr. Spears stated that Cash in Bank at the end of the month was $106,941. Accounts receivable was $1,063,451. Plant in place was $169,132,389. Accounts Payable for the month of May was $329,998. Equity position is $65,776,884. Mr. Spears referred to the balance sheet, Cash in Bank has gone up, last year to this year, 249,000 to 160,000 this year. Accounts Receivable went up, that can partially be explained because we made yearly adjustments for the days that were not billed, that were in that period and that was part of the 300. Commissioner Denison stated Accounts Payable was up. Mr. Spears stated he does not think we are any further behind at this point, also part of this is due to inflation that has hit us. Operating Revenue was $920,425. Utility Operating Expenses $1,076,786. Loss for the month $189,964, included in the loss was Deprecation Expenses $335,997. Negative operating income included $156,360. The Net Cash decrease was $45,905. The current Operating account as of May, was $91,237. Mr. Spears also stated we are fully funded in all Reserves. O&M Reserves and funded for transfers. Commissioner Denison asked through this period last year, how many months had three payrolls. Mrs. Hatfield stated typically two, this year is June and December which will cause increase for retirement expense to be higher, adjustments have been made for correction of what was owed to CRS in June, correction was from December or January accrual. Retirement expense looks high due to three pay period months, had correction and back to normal accrual in June. Mr. Spears stated September 2020 was the highest month we've had, June of last year (2022) had rate study expenses in them. He also stated we are getting back to our high-water usage months with hopes to alleviate some of cash flow problems. He also stated we understand we are running on short time with rate study ongoing. Water bills, City of Pikeville $45,914, City of Williamson $41,932. Electric Bills were $102,476. Looking back at last year, July, August, and September, we are getting back into higher months of electric bills, but we can't consolidate due to amounts fluctuating. Everything looked normal, along with that, the audit shall be ready for auditors within the next week or so. Mr. Spears stated we have bond payments due, RD this time, will also need financials approved.

After further discussion, Chairman Tackett requested a motion to approve the financial report for the month of May as presented. Commissioner Denison made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Denison	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-06-002

- RD Bond Payment Approval - Ms. Olson stated we still need RD Bond approval, noted Commissioner Denison stepped out. Chairman Tackett stated bond payments are due July 1st, money was available for payments.
  After further discussion, Chairman Tackett requested a motion to approve the RD Bond payments due July 1st as presented. Commissioner Chaney made the motion. Commissioner Justice seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Denison	Stepped out
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-06-003

PAYMENT OF BILLS AGENDA ITEM IV

Chairman Tackett inquired on Dave's Septic Tank Service, Mr. Taylor explained that MWD had to repair leak at Upper Chloe, and couple days later customer called about their septic. Ms. Olson explained that MWD caused damage to customers' septic when we repaired the leak and we had to repair customers septic. Chairman Tackett inquired on Endress Hausher, Mrs. Hatfield stated she received bill today for wastewater treatment plant flow meter that was purchased in March and delivered in April, company had been sending invoice to wrong email address. New vendor, $6,000 is cost of meter and $2100 is for warranty. Chairman Tackett asked how long warranty is, Mrs. Hatfield stated should be at least five-year warranty but will verify info. Ms. Olson stated $2100 is start up and on-site support as well as two years' additional warranty. Mr. Taylor stated the standard warranty is usually twelve months, but that's Jamey's area and he will know. Chairman Tackett inquired on Pike County Landfill if that's sewage treatment plant, sludge, Ms. Olson stated that it's dried-out material taken there.
After further discussion, Chairman Tackett requested a motion to approve the payment of bills for the month of June as presented. Commissioner Runyon made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Denison	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-06-004

CUSTOMER ADJUSTMENTS AGENDA ITEM V

Copies of the customer adjustments for May were in the packets of information given to the Commissioners for the meeting. Mr. Lowe stated there are forty-five adjustments but three of those are large adjustments, over $11,000 for those three adjustments. Chairman Tackett inquired on Mac Ropani's adjustment.
Mr. Lowe explained that the adjustment was for three months because that's all we are allowed to adjust for. Mr. Taylor stated that was the second leak Mr. Ropani had repaired, MWD has checked his meter several times due to excessive water usage and checked for leaks on the customer side, that area (Pike Central) is not on telemetry. Ms. Olson stated that large meters can flow more water than ¾" meter.
Chairman Tackett requested a motion to approve the Customer Adjustments for May 2023 to be approved. Commissioner Denison made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Denison	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-06-005

CONSTRUCTION REPORT AGENDA ITEM VI

Update by Tim Campoy, Environmental Design Consultants.

1. **Kimper DOT Relocation Project** – Mr. Campoy stated they have continued to work on relocation plans now that everything has been received from the Transportation Cabinet. Looking like this month we should have plans together to meet with Ms. Olson and Mr. Taylor to make any necessary changes, then once that's complete then we can revise the estimate and ship it to them.

Update by Bell Engineering/EDC –Tim Campoy, EDC

1. **Fishtrap Hydraulic Modification Project –** Mr. Campoy stated he wished he could report something but was unable to at this time. He has called and emailed the reviewer at COE, and it is still in stacks. Everything is approved.

2. **Water Loss Reduction Plan, Phase 1 –** Mr. Campoy read the report from Mr. Caudill, due to Mr. Caudill being ill and unable to attend. Mr. Campoy stated that the pre-construction meeting was held in March and work on the roadways and tank sites had begun with the intent that when that work was completed, other contractors could move in and begin work on fencing, telemetry and hydroseeding. The sum of the draw request today is $274,907.78. Representatives of Compass Municipal Advisors forwarded the approval information to the Pike Fiscal Court on June 21st, 2023, the District received check in that amount on June 23rd, 2023. Vendors are being paid this week and work then can resume. Chairman Tackett inquired how many access roads are completed at this time, Mr. Campoy replied he is unsure. Ms. Olson asked Mr. Taylor how many tank sites have been completed thus far. Mr. Taylor replied they have worked on six, then were stopped due to red tape. All of which are in Shelby Valley area. Chairman Tackett asked if once roads are built to each site, what is next step. Mr. Taylor replied, chain link fence. Hamilton Fence has been given green light to begin. Ms. Olson stated we received a check from the Fiscal Court on Thursday and put it in the bank on Friday so we could start paying vendors and work could proceed. We will contact Hamilton Fence as tank roads are ready. Mr. Taylor stated as of this past Monday, we are ready to go, and he has contacted Steve to let him know. He continued, we have fencing plus hydro seeding spots to take care of, then we can do electronics and then start on cellular stuff. As far as cellular, boxes are being built, and modems are to be shipped so they can be tested. Micro Comm has shipped some stuff and will ship the rest. He continued, that included radio and everything else next week. Chairman Tackett asked if all parts are the same and Mr. Taylor explained, everything is standardized and the same.
    a. Ms. Olson stated there are a few more items with that and we could continue meeting and then return to this. Ms. Olson stated, Sub Award Resolution referred to page 43 in packet, this was the resolution that Pike Fiscal Court passed for the Sub Award Agreement for funding that had already been signed by the Judge. Ms. Olson referred to page 44 in packet, was Resolution that had been sent to us from Compass. She continued, that the District needed to approve Sub Award Agreement. She referred to page 46 in packet, which was the from Compass. Also needs to approve where we are working with the Fiscal Court on the money for this project. She stated we needed approval for Sub Award Resolution as prepared on page 44 as well as needed Approval of Sub Award Agreement, referred to page 46 in packet. Ms. Olson stated once these are approved and signed these can be sent to RJ Palmer. She explained that the Resolution approved the Agreement in which

the Judge had already signed Agreement, but we needed to sign. Chairman Tackett read aloud the Sub Award Resolution 23-06-006, all referred to page 44 in packet.
Chairman Tackett requested a motion to approve the Sub Award Resolution and the Sub Award Agreement as presented for June 2023 to be approved. Commissioner Denison made the motion. Commissioner Justice seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Denison	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-06-006

b. On the same Project, Water Loss Reduction Plan, Ms. Olson stated two more items to discuss. One is water storage tanks at Douglas. We had contacted contractors in the past but had issues with things, such as roads or inadequate equipment. We received two quotes from companies that stated they could do the work. One quote was from Robertson Wrecker Service, his total for Kendrick Fork was $5100. Greasy Creek, which included the removal of old tank and replaced with new tank is $6800. That was a combined total of $11,900. The other quote was from Kens Towing, quotes were in packet, Greasy was $7500 and Kendrick Fork was $5750, for a total of $13,250. Ms. Olson stated Robertson Wrecker was the lowest cost between the two and recommended we awarded that work for those two tank sites to Robertson Wrecker Service. Chairman Tackett inquired what type of equipment Robertson Wrecker Service and Ken's Towing had that was able to move tanks. Ms. Olson explained that Robertson Wrecker Service had recently purchased a roll back, and he wasn't able to quote before due to the lack of equipment and but was now capable. Chairman Tackett explained that the County had a 'land all' tractor trailer set. It was a flatbed trailer that let down, about 40ft long, and it could hold an entire tank. Mr. Taylor stated the problem with that was being able to get to head of hollow at some locations. He stated the county would move those for us, his concern was if Ronnie and Ken could do it, then why couldn't the County move it. Ms. Olson asked for a contact person at the County and said she would contact them. Commissioner Denison stated that it was Fabian. Chairman Tackett stated, Reggie is whom he talked with and felt that the County should help us all they can, especially if they can save us money. Ms. Olson stated that the District may have to reimburse them for their labor and equipment. Chairman Tackett, stated maybe in payment in liu of fixing breaks they have caused, they (the County) can haul tanks for us. Ms. Olson stated we could review the ones we have billed for now are just the tip of the iceberg of what they have, and then they would expect that for all of them. The tanks were delivered in January 2022, so it has been a year & half of trying to get this taken care of. Mr. Taylor stated at the time, Ronnie told us he could move the one at Kendrick Fork for $500, then he found out he couldn't lift it once he tried, his truck came up off the ground. He continued that Beefhide has a 30,000-gallon tank similar to that, it is the biggest and heaviest tank you can get, it was taken on rollback all the way to the head of Lick Fork of Beefhide. Chairman Tackett asked how much was hanging off the end, Mr. Taylor said a lot and he rode the top of it to keep it from catching TV lines and other stuff, and they even took out a few mailboxes. Mr. Taylor stated a roll back could do it; we just needed one big enough for the tanks. He stated the problem with trailer was the length of truck and trailer combined was not able to make the curves it needed to make. Chairman Tackett asked if anyone took Fabin to look at these places, Ms. Olson stated she wasn't aware that the County was willing to help so she has not spoken with anyone regarding this. Mr. Taylor stated he spoke with Fabin early last year and when he went to locations, he (Fabin) said there's no way he could get his truck and trailer to either of the locations. Ms. Olson confirmed to Mr. Taylor that he had spoken with Fabin, Mr. Taylor confirmed Fabin was not willing to try to help MWD move the tanks. Mr. Taylor stated he tried to get a third quote from someone Tom Wright had referenced but has not heard back from them. Ms. Olson stated we could move on with definite quotes for now or can table this to next month to see if we can get a third quote to see if these are competitive. Chairman Tackett asked if these are ready to move now, Ms. Olson stated yes all was ready. Chairman

Tackett asked Mr. Taylor if both tanks being replaced are in bad need of replacing and if we are losing water now. Ms. Olson asked if both tanks were leaking and Mr. Taylor explained that one tank was leaking had been repaired, the one at Old House Blackberry, which was on ARPA part of rehabilitation. The Poor Bottom was still leaking. Commissioner Denison asked about one that he had received complaints on, Mr. Taylor explained that was overflow and that cannot be regulated until it was cellular. Ms. Olson explained these two tank replacements are part of Water Loss Replacement program but originally no one had been interested but now we do and are able to move forward. She continued to explain that this was part of ARPA funds and would be paid from those funds. Chairman Tackett stated we need to move forward.
Chairman Tackett requested a motion to approve Ronnie Roberston Trucking to move two tanks that is located at Douglas to Kendrick Fork site and Right Fork of Greasy, which one will be removed and then replaced with new tank to be approved. Commissioner Denison made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Denison	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-06-007

c. On the last item for this project, Ms. Olson stated that she received information for the telemetry project. Big Sandy Two-Way has a tower in the Dorton area that we need to use to install telemetry, the three repeaters. Mr. Taylor explained that it is for Southeastern part of Pike that would help with Shelby Valley and Marrowbone on the telemetry because our County radio system is on top of Bent Mountain and a lot of things on that side of the county has a hard time reaching that far and this repeater would help with that. He continued to say, it is high enough to talk to Bent Mountain from the top of Flatwoods. Ms. Olson referred to page 80 in packet, copy of the lease agreement with Big Sandy Two Way, she explained there was an annual fee for each, there's three we would be charged for. One was $1500, which was the highest one and then one $1200 for the next two down on the pole. She stated that this needed approval. Ms. Olson did have Mr. Vanover look over the lease agreement, the only comment he had was it had a statement about it could be canceled by either party with a sixty-day written notice, even though it was an annual contract. Ms. Olson stated this was the same as with our other contract with Big Sandy Two Way. Ms. Olson stated there were two we already had there, and they were obsolete for the radio, and we paid $1200 for each, so we would have those taken off, that would save us $2400. Then we would be adding $3900 a year, so it was the difference of additional $1500 for three instead of two.

Chairman Tackett requested a motion to approve D&L Towers, LLC for the use of their communication tower. Commissioner Runyon made the motion. Commissioner Justice seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Denison	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-06-008

3. **Capital Infrastructure Replacement Project/Peach Orchard Water Line Extension –** Mr. Campoy stated, plan sheets were being cut and they are putting preliminary specs together, that one was moving along. Mr. Campoy stated that was all he had currently. Chairman Tackett asked about when was Peach Orchard project to begin. Mr. Campoy responded that it could possibly be a couple months to early fall, and that is assuming there are no issues with COE or anyone else.

Update by Mike Hill, Summit Engineering:

1. **Maynard Fork Water Line Extension –** Mr. Hill stated that as of today, Jones Contracting was 50% of the way through their contract time and has passed that in terms of progress. They had most of the main line installed, they are working on the two-inch line at the head of the hollow and are now finishing up the four-inch line at the mouth of the project. He predicted they should be ready to pressure test after July 4Th, but that may be pushed to the next week. Chairman Tackett inquired on the pressure test to confirm it would be done before the project was completed. Mr. Hill explained pressure tests would be done before making any customer connections so if there are any issues they could be tracked. Chairman Tackett asked if the lines would be covered then tested, and if there was a problem then the line be uncovered. Mr. Hill stated they would check lines and test. Ms. Olson stated MWD wants to have someone present when pressure was being checked. Ms. Olson stated there was a change order for the Maynard Fork project and MWD did not have to sign off for any changes to be made to the project. She also stated she had attended the progress meeting and she was aware of the changes that have been made in the field (see copy of change order on page 62 in packet). She stated that the District was staying up to date on the project but the Fiscal Court got to sign off on any changes and that was how the funding was done through the Fiscal Court. Mr. Hill stated that there would be a second change order done at the end of the project to balance quantities. Such as one inch pipe, originally intended to use inch and a quarter but that was not standardized pipe size that MWD did not use that, so they changed it to two inch and that would be listed on next change order. We currently have 19 customers that have signed up and were requesting one more out of the 20 that was predicted. There was one house up there that was not occupied, no one was able to contact him but anticipate setting him a meter base. Chairman Tackett asked if this water would be coming from Pikeville. Mr. Taylor confirmed it would be coming from Pikeville. Mr. Hill stated that the next progress meeting would be July 12th and was expected to have the contractor's pay request. Mr. Hill stated as of now they were on track to be finished by August 7th, if they were able to get the equipment back from repair, it would be time pressing but doable.

2. **Brushy Fork/Sycamore Water Line Extension –** Mr. Hill stated that there had been a delay in the Notice to Proceed due to the pipe having been ordered and having taken an extended time to arrive. The contractor, BOCA was expected to arrive the week of July 10th, then they would set a Notice to Proceed date to be July 10th. Ms. Olson stated that a copy of the Approval to Proceed was on page 62 (in packet). Mr. Hill stated that the July 10th start date would put the substantial completion date as November 21st, and final completion would be December 6th. Ms. Olson stated we needed a resolution to approve the Notice to Proceed, and it was up to the Boad if they wanted to sign if or if they would allow the General Manager to sign it. Chairman Tackett confirmed completion date would be Dec 6th, Ms. Olson confirmed number of those signed up to be 90 or 91. They are really pleased with the number of sign-ups. Ms. Olson stated we needed approval for authorizing the Chairman or District Manager to issue the Notice to Proceed to the contractor effective July 10th. Two options were prepared (page 62); one with the Chairman's name on it and one with the District Managers' name on it.
   Chairman Tackett requested a motion to approve the Change Order for Maynard Fork Water Supply Line for the amount stated. Commissioner Denison made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Denison	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-06-009

a. Chairman Tackett referred to page 62, the Notice to Proceed, this was to allow the District General Manager to sign any documents necessary, to approve Ms. Olson to sign on behalf of the Mountain Water District.

Chairman Tackett requested a motion to approve Ms. Olson to sign Notice to Proceed Brushy Fork/ Sycamore Water Line Extension on behalf of Mountain Water District. Commissioner Runyon made the motion. Commissioner Justice seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Denison	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-06-010

Engineering Report:

Chairman Tackett requested a motion to approve the Engineering Report as presented by Mr. Campoy and Mr. Hill. Commissioner Justice made the motion to approve. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Denison	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-06-011

PROJECT DRAWS:

Ms. Olson stated that there was one change that was mentioned by Mrs. Hatfield. Mrs. Hatfield stated that we thought there would be invoices ready, but it had taken so long to get the funds in that they put us (MWD) on a cash only basis. We received a quote but that did not include shipping, she also stated we needed to approve it, then send it to the attorney, then on to the courthouse. Mr. Taylor stated it was roughly $5,000, it was for wall brackets that were needed for mounting transmitters for mag meters that go on pump stations for ARPA. He stated we cannot really do without them as far as the installation. He also commented that we needed to get the process moving to have it ready for the next meeting, so it was not delayed any longer. Ms. Olson stated the problem was the final amount was not listed due to shipping costs not stated. Chairman Tackett suggested approving as it was with added shipping charges pending. Mrs. Hatfield stated that on the Maynard Fork Project, she had discussed with Commissioner Denison, about taking the funds from the other reserve account (one that has $100,000 in it) to pay our part of this project, which is $40,172. The thought of that was to pay ourselves back so much each month. Ms. Olson stated that the funding agency required our share and the Fiscal Court share to be spent first and the Fiscal Court is paying the vendors.

Chairman Tackett requested a motion to approve the Project Draws as presented and shipping cost pending for the brackets. Commissioner Runyon made the motion to approve the draws as presented. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Denison	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-06-012

PROJECT DRAWS:

WATER LOSS REDUCTION PLAN, PHASE 1		
Bell Engineering	**ARPA Funds**	**$ 3843.15**
$3843.15	**Engineering Services**	
Appalachian News Express	**ARPA Funds**	**$ 378.00**
$378.00	**Bid Advertising**	
TOTAL		**$ 4221.15**
RATE STUDY		
Stoll, Keenon, & Ogden	**Line of Credit Funds**	**$ 3,713.65**
$3,713.65	**Rate Study Services**	
Stoll, Keenon, & Ogden	**Line of Credit Funds**	**$ 11,706.00**
$11,706.00	**Rate Study Services**	
Michael Spears	**Line of Credit Funds**	**$ 475.00**
$475.00	**Rate Study Services**	
Michael Spears	**Line of Credit Funds**	**$ 2 ,855.00**
$2,855.00	**Rate Study Services**	
TOTAL		**$ 18,749.65**
KDOT KY 194 KELLOGG PROJECT		
EDC	**KDOT Funds**	**$ 4,000.00**
$4,000.00	**Engineering Services**	
TOTAL		**$ 4,000.00**
MAYNARD FORK WATERLINE PROJECT		
Pike County Fiscal Court	**O&M Reserve Funds**	**$ 40,172.00**
$40,172.00	**Reimb for contractor**	
TOTAL		**$ 40,172.00**

MANAGER'S REPORT – Report by Tammy Olson, Acting General Manager

1.) Funding Update – Ms. Olson stated that the only update that was available right now, other than one from the engineers, was the Lead Service Line inventory Project. She stated that she attended the BSADD Water Management Council meeting this week and said the Division of Water had ranked all the projects that had been submitted for the Lead Service Line Inventory Project, they should know within next few weeks if MWD would be awarded any funding. We are still waiting to hear back from them, and so is every other utility in the state. They have been ranked by the Division of Water and the KIA Board for the final decision. Chairman Tackett requested to further the discussion on this, the form was very simple to complete and for that, the amount of money we would be requesting, compared to the number of customers we have, comes out to about $25-$30 per customer. He suggested that we need to think outside the box to get these forms completed for no charge. Maybe have the staff to

complete their family members' forms. Ms. Olson stated we have not been pushing it that much, mainly just the customers coming to the office and a few online. Chairman Tackett suggested that we could offer the employees an incentive to have them completed. He also suggested maybe to credit the customer bill by $5 if they complete form. Commissioner Denison interrupted by saying we could not do that; we could not credit the customers' account for anything as such. Ms. Olson stated that she had mentioned that to Gerald Wuetcher, and he said he would not recommend the credit unless it was listed in our tariff, and it is not listed. In order to do so, then MWD would have to make an amendment to the tariff, and we could not do that right now. Commissioner Denison asked if we could pay employees $5 per form. Ms. Olson explained that she was not sure how that would work. That would be part of the District's labor policy that was not governed by the PSC and that it would be like a bonus. She also added that we do a safety bonus for the employees. The Board would have to approve anything new, then we could make it a policy and put it in the policy book so that we could inform the employees. Chairman Tackett inquired how hard would it be to track the completion of each form. He stated employees would make $100 for twenty forms completed and that would save the District $500. Chairman Tackett thought we may had been overconfident in when we could start the project and how many crews we would have. Each crew would have to get so many per day. His concern was that he was afraid we would not be able to get it all completed. Commissioner Runyon inquired on the form, asked if it needed to be signed, she asked if we could call each customer instead of going door to door. Ms. Olson stated that there was a QR code on the form that the customers could use their phones for, and it would automatically submit their information directly to the dashboard. Mr. Taylor inquired about the response we had received from the online survey that went out when it first started. He stated it did require photos. He said his was completed on March 29th and was visible on the dashboard. Mr. Lowe stated that we had roughly 400 completed forms. Ms. Olson stated that we have been receiving completed forms every day, she takes them to Flora every day to be logged in. Mr. Taylor stated that it was an easy application, but he also understands why people turn it off when asked for a photo. Ms. Olson stated that the paper form does not require a photo but required the customer signature. Chairman Tackett asked if photos are required, Ms. Olson stated it was required if completed online. But if the customer came to the office and completed the form, then when Mrs. Newsome logged them in, it would ask for a photo. So, she has a picture of her name badge saved that she uploads when required. Ms. Olson said she spoke with KRWA, and they said that was fine, that it showed that an employee was verifying information and entered the information for the customer. Mr. Lowe stated that when he completed his form online that he googled 'water pipe' and uploaded that photo to submit for him. Ms. Olson stated that the biggest thing about the Lead Service Inventory funding is that at the end of the project we will have the asset management program, which would be beneficial to us. Mr. Wuetcher did not recommend us giving customers $5 off bills because we have 16,576 customers and giving a $5 discount on each bill would be $82,000 in less revenue. Ms. Olson stated she did not feel that the District could afford to offer employee incentives for $5 each form due to the lack of cash flow. Mr. Taylor asked if employees are out after hours are they allowed to use company vehicles, Chairman Tackett replied, no use of company vehicle and that would be on their own time. Ms. Olson stated that the employees would be doing this on their own personal time and using their personal vehicle. They would not be representative of the District because this would open the District up to liability. Chairman Tackett stated forms would need to be verified before incentive was paid to make sure it was a valid customer, and that form was not duplicated, then it would be one off the list. Commissioner Justice stated it would take extra time to verify info. Chairman Tackett thought it would be a great incentive to offer to the employees and also help the District save money long term, Commissioner Denison also stated it was great idea.

2.) **Water Loss Update –** Ms. Olson explained that the water loss summary was on page 63 (packet). The Mountain Water form which was accounted for vs unaccounted for water was 18.28% for the month of May. The PSC form was 23% for the month of May. That summary has been updated see attached graphs on following pages. She stated that for the most part it looked good. Mr. Taylor stated so far for the month of June both of our purchase contracts would be under twenty-one million, this was the lowest June on record so far. Chairman Tackett asked if sales had gone down, Mr. Taylor stated sales had gone down but it also had much to do with the finding and repairing of leaks. Mr. Taylor stated that the biggest problem with May was there were some issues at the water plant and they were not able to produce as much water and that was our cost difference in purchasing water. Chairman Tackett asked if there was anything we could do that was not being done now so that we could possibly replace more of the Pikeville purchased water with the Williamson purchased water. Mr. Taylor explained the project he planned to do at Greasy, was to put customers on the high side of the pumping station so we could pull a little more, unsure of gallon per minute until project was complete. Ms. Olson mentioned Big Creek and asked if that was

fixed, and the loop was reestablished. Mr. Taylor confirmed it was. Commissioner Denison inquired that the water sold for April and May, the produced and purchased was up, what accounted for the difference because sales were down. Mr. Lowe explained it was due to reading dates. Our sales are the reading dates which are different than the water purchase dates with Pikeville and Williamson. Chairman Tackett stated next month it should equal out. Chairman Tackett emphasized he recommended us to purchase more water from Williamson rather than from Pikeville, but to also remember we must keep Pikeville at a required minimal of 20 million, so we are not paying for something we are not using. Mr. Taylor stated he would shift the water to ensure we are not using too much under. Chairman Tackett asked if the read dates affected that, Mr. Taylor explained read dates had a lot to do with it, and it is about 600,000 to 800,000 gallons per day and that it is hard to get exact 20 million but he followed up with Pikeville to check their read dates so he could compensate for that. Chairman Tackett stated is hard to obtain but it is our goal. Mr. Taylor explained, we maximize production water first, then we maximize what we purchase.

3.) **Daily Operations Update -** Ms. Olson explained the summary was on page 73 (packet). Daily Operations has been updated a little this time, but we also have some ongoing projects that have not moved forward a whole lot and there are not a lot of changes.

4.) **FEMA Projects Update (DR 4643 ; DR 4663)**

a. **Belfry Lot Relocation Property** was the only thing outstanding from the January 2022 floods. Mr. Vanover gave an update on the property purchase. Mr. Vanover stated we had received all the details of the purchase of the property worked out with Mr. Keene. Mr. Vanover stated he compared the deed and approved it. It was then sent to their folks and expected to have it back anytime or even possibly have back now. Then we could schedule a date to exchange payment for the deed. Commissioner Runyon inquired on the final purchase price; Mr. Vanover replied $28,000. Ms. Olson stated she looked at previous minutes and did not see where the Board had decided where that money was coming from, asked if it was to be out of the reserve funds. Commissioner Denison asked Mrs. Hatfield if she had enough money in a checking account to pay for property. Mrs. Hatfield stated she did not have enough money in there at this moment. Chairman Tackett and Commissioner Denison thought closing date was previous Friday. Mr. Vanover stated he would be meeting with Mr. Keene tomorrow (Friday) on a different issue and he had not mentioned anything about having the deed. Commissioner Denison stated to take funds out of O&M funds and to stretch out repayment a little more until rate increase took effect. Ms. Olson stated we did receive $4,000 to $5,000 from FEMA for repairs to the current property. We requested money to move the lot but that is not FEMA, that would be state mitigation money. If we do not make any repairs on that property, we will have to reimburse money back to FEMA. That money could not be used on the new property, because quotes they got was when they did the site visit, they came up with that number because we had insurance and they subtracted that amount off. Ms. Olson stated that Jamey Keathley did go out and got quotes for the repairs, such as fix underpinning, flooring and roof. The total would be $3825 and they gave us the money and we will have to show in an audit that the FEMA money was spent on that lot. These repairs would be able to fix it so that it can be usable until we get another site going and completed. Ms. Olson stated these people will even cut out the mold and fix it. Webb Construction is the company who sent the quote and will be doing the work and will have the invoices to send to FEMA, and by doing so we would not have to reimburse any money. This would benefit the District so that we can continue to use that property until we can get to a safer location, out of flood plain. Mr. Taylor asked if they could use the wastewater plant, Ms. Olson said she did go look and the wastewater plant is already being used for storage and parts. She stated she was able to walk around in there but there was not a lot of space. Wastewater supervisor stated there was not enough room in the building and on the lot for more equipment storage. Ms. Olson stated we had already spent the funds on other bills and if we do not make the repairs, we will have to pay the money back to FEMA. Ms. Olson asked if we needed a motion to approve taking $28,000 from the O&M Reserve. Mrs. Hatfield stated she did not think we did in the previous draws. Chairman Tackett stated we did need to establish a plan to pay funds back instead of six months make it twelve months. Ms. Olson and Mrs. Hatfield discussed doing the repayment over twelve months being the least impactful. Chairman Tackett asked if that was close to $68,000 to $69,000 that we would try to put back in the O&M account within next twelve months, and it was confirmed to being that amount.

Chairman Tackett requested a motion that we pull purchase price of Belfry Water Plant lot and along with the $40,172 toward the Maynard Line Extension Project to take that amount from the O&M account and replace that money back to the O&M account within the next twelve months. Commissioner Denison made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Denison	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-06-013

5.) **Rate Study Update –** Ms. Olson stated she had heard back from Gerald Wuetcher. Basically, he said we did get the request for information responses in by the deadline of June 5th. That the next scheduled event date for a procedural hearing on both the water and sewer rates has not been given. He thinks they may issue another request for information for both water and sewer within the next week or so to clarify issues to avoid having hearing. Mr. Wuetcher just submitted a quarterly report regarding a rate case on what it is costing the District. He had to submit the invoices for the rate case. So as of now, we are waiting for the scheduled hearing or for them to send another set of requests for information.

6.) **Annual Pavement Replacement Bid Award –** Ms. Olson referred to pages 76 and 77 (packet). She stated back in May when we bid these out, we only received one bid and we felt it was higher than what it should have been and didn't have any other bids to compare it to, so therefore we rejected (all) bids and rebid them. This time we received two bids, and a few more sites were added to the list. One bid received was from Kendrick Paving for $70,240 and one bid from Mingo Paving for $43,375. Ms. Olson stated the re-issuing the bid, we saved the District $27,000 in paving cost on the specific list. She stated that we would be making several lists over the next few months, because as we repaired lines, we would have new sites to do pavement repairs. Ms. Olson recommended that the Board approve Mingo Paving. No references were required on the bid process. It only specifies if the customer is not satisfied, he will go back and fix it, even if it is at his expense until they are satisfied. They discussed the depth of blacktop is three to four inches in depth as a guide for costing. Not all would need to be four inches thick, some may need three and some only two, so the cost would be based on an average of three inches in thickness.
Chairman Tackett requested a motion that on the recommendation of the General Manager, we award Mingo Paving & Sealing, LLC the pavement replacement for list of sites listed in report. Commissioner Chaney made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Denison	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-06-014

7.) **Annual Gravel and Materials Hauling Bid –** Ms. Olson stated we had two bids received for Zone 2. We did those a little differently this time. It was based on a ten-ton haul for two zones. Zone one was west of Meta and Zone 2 is for the east side. Both bids received were for Zone 2. We did not receive any for Zone 1. Referring to the spreadsheet for Zone 1, Ace Transport is the overall best bid. A&H Supply did add $75 per hour charge in addition to their higher milage rate. The only thing they were cheaper on was sandstone, but we rarely use sandstone. We mainly use limestone, in which A&H is higher on, plus extra hourly fee and higher haul off fee if we asked them to remove material from the site. Ms. Olson recommended we award ACE Transport the bid for Zone 2. She stated that for Zone 1, we did not receive any bids, but DD&K, whom we are currently using, was interested. On the day of the bid, he was working with us on a repair and was not able to make it

to Mr. Vanover's office to submit his bid. Ms. Olson stated she had discussed this with Mr. Vanover, since we had bid for the work and had complied with procurement policy for the District and the state, we can negotiate with DD&K for that, but he would need to complete the bid form. Commissioner Denison asked who was a former employee that had done this in the past. Ms. Olson stated that was Nichols Contracting and he inquired a couple of days ago from her if the bid was this Wednesday or last, and he got those days confused and missed the bid date. She stated there was not anything we could do about that because we have two competitive bids for that side. Chairman Tackett asked about the haul bill for ACE Transport. He listed a haul bill as $39.50 times ten equals $390 instead of $395. Ms. Olson replied, he gave us a discount on some and Ms. Olson stated she would verify the amounts, but it looked like he had discounted several things. Ms. Olson stated we did not have any bids for Zone 1, but now that we have complied with the procurement law, we can negotiate with whomever we want.
Chairman Tackett requested a motion to allow the District Manager and legal counsel the right to negotiate for Zone 1 for sand, gravel, topsoil and haul. Commissioner Justice made the motion. Commissioner Denison seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Denison	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-06-015

Chairman Tackett requested a motion to award the bid from ACE Transport for Zone 2. Commissioner Runyon made the motion. Commissioner Denison seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Denison	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-06-016

8.) 3500 Series Truck Bid – Ms. Olson stated that we only received one bid, from Walter's Ford, page 79 (packet), we found out that Ford had closed their state pricing for 3500's and they are unable to order anymore and probably will not open that back up until at least in December. She recommended that we reject (all) bids because the price is too high, and that the state contract is closed at this time for Ford's and requested authorization to bid at this time. She explained that we could get an F-150 at the state discounted price because we had a state contract number for the dealership, but we need a 3500 series truck due to the utility bed and the hauling ability. Ms. Olson stated she sent bids to about fifteen dealerships and Walter's was the only one that responded. Mr. Taylor stated we currently did not have a spare truck that could haul 10,000 pounds. Even if we did get one, they would have to order it and that could be three to six months out so that's why we was trying to get this approved. Ms. Olson stated she would expand our region on the bids if needed to be. Regardless of the brand it would be equivalent to a Ford 3500 size.
Chairman Tackett requested a motion to reject the bid as received and follow the District Manager's advice to rebid. Commissioner Denison made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Denison	Aye

Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-06-017

Manager's Report

Ms. Olson stated that you have your standard information for the month of May. Nine paid taps were completed in the month of May, 47 total paid taps have been completed since January 1st. Changed out ninety-eight meters in May, had 5 illegals, processed 16,100 payments, either in the office, online or by phone. Also listed is disconnections, reconnections, and sampling info.
Ms. Olson stated that is all for the Manager's Report. After reviewing the summary of the Manager's Report, Chairman Tackett requested a motion to approve the Manager's Report as submitted. Commissioner Justice made the motion. Commissioner Denison seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Denison	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-06-018

NEW BUSINESS

1. **Vehicle Allowance for Management Staff –** Chairman Tackett stated he wanted to know what everyone thought was best for allowance for the District Manager, Operations Manager, and the Wastewater Manager. In the past and up to this point, we have always had an allowance for the selected management to use the vehicle for company use as well as personal use. He stated there are a couple of options we have; one is to provide a vehicle…a company purchased vehicle, and the other is to continue with the vehicle allowance that we have been doing. He wanted to review what would be best for the District and best for the management staff. Commisonner Denison commented he first thought it would be best for the District to buy a vehicle but had changed his mind. He stated that at the current allowance rate of $750 per month, he was unsure the District could maintain the repairs, maintenance and insurance on the vehicle and cost of the vehicle for that. Commissioner Justice stated he had always been more toward providing company vehicles but as now with our cash flow problem, he was not sure if the District could do so. Mrs. Hatfield stated if it was a company vehicle then there would be an added cost of fuel due to each one would need a Fleet card for gas. She stated the fuel bill would increase. Commissioner Runyon inquired on how the current system worked, for those that use it. Are they satisfied with it or would they recommend changing it. Mr. Taylor stated it was a 50/50 deal. At the time it was offered, it was dual purpose, due to one factor for him that his hours are erratic. He did not have to worry about being out of town and then have to drive home to get his company vehicle then back to the job site. He stated this way (with the allowance) he can always be mobile. The other is the cash flow issue, he stated he does all his vehicle maintenance, oil changes, brake pads, car insurance and the milage is $0.27 cents a mile and that barely compensates the fuel cost these days. He stated he wanted what was best for the District. Commissioner Tackett asked if he was reimbursed for any of those costs, Mr. Taylor replied that no, that he paid those out of pocket with vehicle allowance check. Mrs. Hatfield stated the milage rate has increased but the District had not changed it in the past due to financial status. Commissioner Denison and Commissioner Justice discussed with the cash flow problem it needs to be kept the same. Commissioner Denison suggested that those vehicles needed the Mountain Water logo on them such as a magnetic when they were being used for work purposes and employee protection so customers could identify them. Ms. Olson stated the employees had name badges and MWD shirts and did not think any of them would have an issue with MWD magnetic on vehicles during business hours and business use. Commissioner Runyon

inquired on allowable cost per mile, Mrs. Hatfield stated we had not changed our rates compared to the Federal government, our rate had been kept at $0.28 per mile. Mr. Vanover asked about insurance coverage. Ms. Olson stated employees paid for insurance but if anything happened while they were conducting District business, then Mountain's insurance would cover it, but any other time it is on their personal insurance. Mr. Vanover stated he wanted to make sure that MWD had insurance coverage that would cover a vehicle during the scope of employment. Upon further discussion the Board stated that employees needed to state that the vehicle was used for work and personal usage to cover the District. Mrs. Hatfield and Ms. Olson stated they would check insurance policies for definite answers and put them in next month's agenda to verify. This would be discussed in July's meeting to check on the insurance. Mrs. Hatfield stated she received a response back from the insurance agent, it stated that if employee is injured, they would be covered on workers compensation, the vehicle would need to be listed on the policy to have full coverage for auto damage, however the other party in the accident could file against general liability. Mr. Vanover stated the other parties' damage would not be limited by liability coverage on the vehicle, their damages could exceed that. Commissioner Denison asked Mrs. Hatfield to confirm if it was covered under the umbrella, she stated she would confirm the information.

2. **Wolfpit Industrial Park Project –** Ms. Olson stated that she had attended the progress meeting on the 27th. They stated they have inadequate funding at this time to build the wastewater treatment plant that they intend to build. In the meantime, they had decided to install a 5,000-gallon holding tank that the District would have to maintain and pump frequently once a new tenant goes in. Ms. Olson stated we did not have a part in that decision-making process but instead of a septic tank with leach bed, this is a holding tank. Once it hits that 5,000-gallon mark, we will have to go pump it, whether it is every three days or five weeks. She stated that we had a pumper truck, but we must pay to take it to be treated. Ms. Olson stated that the County is the recipient of the funding and the District is sub-recipient and not in any of the decision making processes. They assumed that we would take care of it because we agreed to be the owner of facilities once they were constructed. As of now the only tenant they have scheduled is a small tenant that was only getting a ¾" meter, meaning that their bill would be less than $100 a month. Ms. Olson stated that she informed them that we were not a fire protection district, and we would not be responsible for the fire suppression line. We would install a master meter there so when the tank was filled each time, the Fiscal Court would pay us for the water they used. It will be non-potable water because it may sit in tank for year or longer before it was used or turned over. She further explained, we were not in the business of fire suppression and would not be taking on the liability of that. Ms. Olson also stated it was in the mapping, those statements were there, that the District would maintain a potable water line but not fire suppression. On July 18th, Ms. Olson had scheduled a site visit with David Wolford and Jamey Keathley, to be able to visibly see the site with the engineer.
3. **Executive Session**
    a. No executive session was held during the meeting.

COMMISSIONER COMMENTS

Chairman Tackett inquired if there were any further comments. There were none.

ADJOURN MEETING

Chairman Tackett requested a motion to adjourn today's meeting. Commissioner Denison made the motion. Commissioner Justice seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Denison	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-06-019

MOUNTAIN WATER DISTRICT
BOARD OF COMMISSIONERS REGULAR MEETING

July 27th, 2023
5:00 PM

ATTENDEES
Kristi Strouth, Appalachian News Express
Mike Spears, Spears Management, CPA
Tim Campoy, EDC
Mike Hill, Summit Engineering
Stephen Caudill, Bell Engineering
Jim Vanover, Vanover, Hall, & Bartley
Tammy Olson, General Manager
David Taylor, Operations Manager
Kevin Lowe, Office/Billing Manager
Melissa Wright, Compliance Manager

PLEDGE OF ALLEGIANCE
Chairman Tackett led the assembly in the Pledge of Allegiance.

PRAYER
Commissioner Myrtle Runyon led the assembly in an opening prayer.

CALL TO ORDER AGENDA ITEM I
The Mountain Water District Board of Commissioners' Regular Meeting was held on Thursday, July 27th, 2023, at 5:00 PM.

Commissioners present for the meeting were as follows:

Randy Tackett, Chairman
Johnny Denison, Vice Chairman
Myrtle Runyon, Treasurer
Paul Chaney, Secretary
Mitch Justice, Commissioner

VISITORS
Chairman Tackett inquired if there were any visitors for today's meeting. There were none.

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 June 29th, 2023, as presented. Commissioner Denison made the motion. Commissioner Justice seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Denison	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-07-001

FINANCIAL REPORT – MIKE SPEARS, CPA AGENDA ITEM III

Mr. Spears stated that Cash in Bank at the end of the month was $197,484. Accounts receivable was $1,416,007. Plant in place was $169,499,879. Accounts Payable for the month of June was $315,084. Equity position is $65,512,427. Revenue for the month was $934,814. Operating expenses for the month were $1,208,563. Loss for the month $274,041 included in the loss was Deprecation Expenses $335,997. Negative operating was $273,750. The current Operating account balance as of end of June was $184,446, that's the account that Carrie works out to pay bills. R&D Reserves was $866,881 and $874,142 respectively. R&M Reserves $32,177. Making transfers to the debt service. Mr. Spears also stated that June had had three payrolls. Mr. Spears referred to page 15 in the packet, it has information on the expenses. Mr. Spears stated the next couple of months would be the higher revenue months. Water purchased from Williamson was $46,950. Water purchased from Pikeville was $56,961. Electric bills were $110,461, it was $102,000 for the month of May. Mr. Spears stated the District had a larger loss due to having three payrolls in the month of June. Mr. Spears stated that he would be turning over information for the audit that will be due September 3rd, 2023. Ms. Olson inquired about the water purchased from Pikeville, she stated she may be a month behind. Mr. Spears stated it was a month behind it was and would be confirmed. Mr. Taylor stated that June payment was for month of May water usage. Ms. Olson stated she would check it with Mrs. Hatfield when she returned to the office.

After further discussion, Chairman Tackett requested a motion to approve the financial report for the month of June as presented. Commissioner Denison made the motion. Commissioner Justice seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Denison	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-07-002

PAYMENT OF BILLS AGENDA ITEM IV

Ms. Olson stated page 21 is Cash Disbursement and Vendor Report starts on page 26. Chairman Tackett inquired on listed item on page 29. Ms. Olson stated that it was for hauling MWD dump truck that was broke down. Ms. Olson stated Mingo paving had completed some sites and was pleased with their work. She stated they were very professional and prompt with the time of job completion. Chairman Tackett stated that Judge Jones had commented to him about the District cutting across county roads in several places and not repairing them. Chairman Tackett stated he told Judge Jones that he needed to contact someone from the District when that happened so the road could be repaired. Ms. Olson stated she asked Field Maintenance if they knew of any and was told there was one and it was on the current paving replacement list to be repaired. Chairman Tackett inquired on Tallman Equipment, Mr. Taylor was unaware of what it was and so was Ms. Olson. Ms. Olson stated she would talk with Mrs. Hatfield when she came back to the office. Commissioner Runyon inquired on the University of Kentucky fee. Ms. Olson explained that the DOT required that the District's employees be certified in flagging and signage while working on roadways. She stated employees had been scheduled for training at the Natural Bridge for one day training course and the District had to pay for that.

After further discussion, Chairman Tackett requested a motion to approve the payment of bills for the month of July as presented. Commissioner Runyon made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Denison	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-07-003

Executive Session
Chairman Tackett requested motion to move to Executive Session. Commissioner Denison made the motion. Commissioner Justice seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Denison	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-07-004

Reconvene from Executive Session
Chairman Tackett requested motion to reconvene from Executive Session. Commissioner Denison made the motion. Commissioner Justice seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Denison	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-07-005

Chairman Tackett stated that on pages 50-52, there is a motion that had been prepared by Gerald Wuetcher that he was ready to submit to the Public Service Commission to waive our right to a hearing on the District's Rate Case that was before the PSC now. Chairman Tackett stated the motion included to cancel the already scheduled hearing. He also stated that motion stated if we waived our right to the hearing then they agreed to request a decision on the Rate Case by October 2nd, 2023.
Chairman Tackett requested a motion to give Mr. Wuetcher authority to submit the waiver to the Public Service Commission. Commissioner Denison made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Denison	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-07-006

CUSTOMER ADJUSTMENTS AGENDA ITEM V

Copies of the customer adjustments for June were in the packets of information given to the Commissioners for the meeting. Mr. Lowe stated there were 47 adjustments for the month, which was close to average. But one of those was a large adjustment of $5578.61 for one residential customer. Mr. Lowe stated that the amount of adjustment is almost half of the total monthly adjustments. Chairman Tackett inquired on if customer was paying bill or if customer was aware of high-water usage. Mr. Lowe stated that it was the Districts' employee that found that the customer was using excessive water and turned the water meter off and had the office contact customer letting them know what was going on. Mr. Lowe stated that after the adjustment the customer still owed $1200, and the customer was aware of the balance. Commissioner

Denison inquired on Jack Hamilton listed on adjustment list, asked why account was still in Jack's name. Mr. Lowe stated that Ms. Olson had dealt with someone about that account and the name had been changed from Jack Hamilton's name. Ms. Olson stated that Mr. Vanover had contacted her about a phone call he received from the Hamilton's that complemented Ms. Olson's professionalism and generosity. Mr. Vanover confirmed that he had talked to the Hamilton's, and they were pleased with the outcome.
Chairman Tackett requested a motion to approve the Customer Adjustments for June 2023 to be approved in the amount of $12,399.21. Commissioner Runyon made the motion. Commissioner Justice seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Denison	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-07-007

CONSTRUCTION REPORT AGENDA ITEM VI

Update by Tim Campoy, Environmental Design Consultants.

1. **Kimper DOT Relocation Project** – Mr. Campoy stated they have continued to work on relocation plans now that everything has been received from the Transportation Cabinet. This project consisted of about three miles of water line relocation for road improvements. He also stated this project was funded by the Transportation Cabinet. Mr. Campoy stated he had a pay request from the Transportation Cabinet for Ms. Olson to sign for $13,442.12. Ms. Olson explained that this was the total amount to date.
2. **Fishtrap Hydraulic Modification Project –** Mr. Campoy stated they have tried to contact the Corps of Engineers and have been unable to get any response from them.

Update by Bell Engineering/EDC Steve Caudill, EDC

1. **Water Loss Reduction Plan, Phase 1 –** Mr. Caudill stated that a considerable amount of time and work had passed since June that venders had been paid. He also stated that there were two new invoices, one was for roadway work and one for telemetry. As roadways are completed then fencing will start. Hamilton Fencing will contact Mr. Taylor when they start. Mr. Caudill stated that once fencing was completed then hydroseeding would start. Mr. Caudill stated that when the project was bid on, there were two tanks that did not receive any bids for the rehabilitation, one tank at Poorbottom and the other at Old House. Mr. Caudill stated that he and Mr. Taylor had received two quotes on those repairs. One quote from SC Diamond and one from Southern Corrosion and will have recommendation on that for August meeting.
2. **Capital Infrastructure Replacement Project/Peach Orchard Water Line Extension** – Mr. Caudill stated that he was working with Sharon Hall on some administration issues. He stated she will forward information as received. Mr. Caudill that Mr. Vanover had reviewed the contract and found it acceptable. Mr. Caudill asked if the Board would allow Tammy to sign those. Mr. Caudill stated that plan sheets had been prepared and preparation of permits had begun. Chairman Tackett inquired on how much longer before that project would be completed and hoped to be by the fall for the design. Mr. Caudill stated once everything was approved then work would start. Ms. Olson stated that the design plan had to be completed and submitted then the approval stuff that had been asked for by the funding agent other legalities had to be approved and signed to Summit for bid. Mr. Caudill stated he would expedite the plan design. Mr. Caudill stated that these are ARPA Funds, out of caution, to have the Board approve the contract allowing Chairman Tackett to sign in case they request the minutes of the meeting.
   Chairman Tackett requested a motion to approve the Engineer Agreement for Capital Infrastructure Replacement Project and Peach Orchard for Bell Engineering. Commissioner Denison made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Denison	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-07-008

Update by Mike Hill, Summit Engineering:

1. **Maynard Fork Water Line Extension –** Mr. Hill stated that the main line had been completed and would be tested this week. He stated that if everything was good as expected, then meters could be installed the next week. At the last meeting due to rain and delay of materials, the completion date had been extended by twelve days, making the completion date August 4th. Chairman Tackett inquired about 18 customers signed up. Ms. Olson stated that there were twenty, one house is to be demolished and the other had been unable to contact them. She stated that was why she changed to eighteen.
2. **Brushy Fork/Sycamore Water Line Extension –** Mr. Hill stated that there had been a delay in the Notice to Proceed due to the pipe having been ordered and having taken an extended time to arrive. The contractor, BOCA was expected to arrive the week of July 10th, then they would set a Notice to Proceed date to be July 10th. Mr. Caudill stated they had moved equipment and material but had not started to lay pipe on Sycamore side. He then stated that another crew would come in within a couple weeks to start on Brushy side. He stated that they had a Preconstruction Meeting on July 12th and Progress Meetings were to be the third Wednesday of each month. Mr. Caudill continued to state that they had set August 15th, 20203 as last day for signups for the project and they had about 90 that had signed up. Chairman Tackett asked if they have 90 to sign up, would they install meter tap as they laid line. Mr. Caudill stated that the District does not allow dry taps, but it would be easier if was able to do so. Ms. Olson stated that they did not recommend dry taps because it was a new line and the line needed to be tested before teeing off with taps. Chairman Tackett asked if other people on list could be contacted before project went any further. Mr. Caudill stated that possibly could take more sign ups once the project was started. Ms. Olson stated that we could do a press release, RAVE calls and post at local fire departments. Mr. Caudill stated the reason for the cutoff date is to encourage people to sign up in advance.
   Chairman Tackett requested a motion to accept the Engineer Report as submitted. Commissioner Justice made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Denison	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-07-009

PROJECT DRAWS:

Chairman Tackett read aloud Project Draws listed on page three of the packet. No one had any questions or comments.
Chairman Tackett requested a motion to approve the Project Draws as listed. Commissioner Chaney made the motion to approve the draws as presented. Commissioner Justice seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Denison	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-07-010

**Commissioner Runyon asked to be excused due to family emergency*

PROJECT DRAWS:

WATER LOSS REDUCTION PLAN, PHASE 1		
Big Sandy Two Way	**ARPA Funds**	**$ 5,317.96**
$5,317.96	**Antennas**	
DD&K Construction	**ARPA Funds**	**$ 3,425.00**
$3,425.00	**Worked on Tank Road**	
TOTAL		**$ 8,742.96**
RATE STUDY		
Stoll, Keenon, & Ogden	**Line of Credit Funds**	**$ 791.50**
$791.50	**Rate Study Services**	
Michael Spears	**Line of Credit Funds**	**$ 225.00**
$225.00	**Rate Study Services**	
TOTAL		**$ 1016.50**
KDOT KY 194 KELLOGG PROJECT		
EDC	**DOT Funds**	**$ 13,442.12**
$13,442.12	**Engineering Services**	
TOTAL		**$ 13,442.12**

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

1.) **Funding Update –** Ms. Olson stated that the only update that was available right now, other than one from the engineers, was the Lead Service Line inventory Project. She stated that she had emailed back and forth with BSADD and had been no movement with EPA funds with KIA. Those projects are still being scored. She stated that one good thing was Pike County ranks in low income category and the District could score fifty points due to Pike County being 80% below the state average with population. She stated that she and Chairman Tackett had talked with Judge Jones about improvements that were needed at the water treatment plant. Judge Jones directed Sharon Hall to research grant opportunities to help the District to move forward with some improvements needed. Chairman Tackett stated that the County is to receive seven million dollars and the Judge stated they would help the District find grants that would allow the District to make an estimated $2.4 million in repairs to the water system. Ms. Olson stated that the list sent to Judge Jones was prioritized. She stated that maybe if they were unable to get all the funding then maybe they could help with some of the top priority items listed. Chairman Tackett stated that he understood that we would not receive the amount of funds that we hope for.

2.) **Water Loss Update –** Ms. Olson explained that for the water loss update, the Mountain Water form was 14.95% for the month of June. She also stated that the MWD form allows us to account for the fact that we know where the water was used. The PSC form is more revenue based was 19.3% for the month of June. Ms. Olson stated that the PSC amount was an excellent number toward our goal of 15%. Ms. Olson stated that the District did receive a Notice of Violation this month on the bulk tanks. New tanks were delivered, and a company will be in to plumb those. She stated our three year round of Lead & Copper monitoring was now in effect, it started in July and would continue until September 30th. She stated that our water quality technicians are prepared for those. She stated that the District is

required to test thirty water samples from residents and that they have agree to do this. We take them the supplies and pick it back up. Ms. Olson stated that the normal monthly reports are on pages 38, 39 and following, the PSC and MWD report can be reviewed there. Chairman Tackett inquired if the District had more line flushing in the summer months compared to the winter months. Ms. Olson stated that the District did flush water lines more in the summer months. She also stated that water turnover for TTHM's was necessary when the temperatures are higher, so the District would flush more to remove those. Ms. Olson explained on the MWD form, that the hydrant flushing cell was 6995 and next month that number is expected to be higher due to line breaks, extra flushing for sampling due to higher temperatures. She explained that the District had more boil water advisories this month and needed more flushing.

3.) **Daily Operations Update -** Ms. Olson stated the Daily Operations had continued with nightly leak detection and daily maintenance. She also stated that the transition had gone smoothly in the office, between the General Manager position, Compliance Manager and Customer Service Manager. She stated everyone had been training and all had been smooth so far. She also stated that the Billing system and phone system will need to be upgraded with in the next six to eight months. The billing system will be obsolete, and support would stop at the end of December. She stated the phone system would also. She stated those are expensive items and we need to see where those funds would come from. Mr. Lowe stated that we did a demo with our current billing provider of their new version, that the provider stated if we signed a contract that we would be at least six months out. Mr. Lowe stated that once support stopped on our current version, then we would be vulnerable to viruses and there would be no updates. The program would work but not be protected. Mr. Lowe stated that we had viewed some and are waiting for quotes from the four we had watched demos on. Chairman Tackett inquired about the $10,000 quote and Mr. Lowe explained that was for a rate structure change, but he thought they misinterpreted and they were preparing a new quote for that as well.

4.) **FEMA Projects Update (DR 4643 ; DR 4663)**

a.) **Belfry Lot Relocation Property** Ms. Olson stated that on the January 2022 floods, we had received all that as was expected. The Belfry lot relocation property, transaction was complete. The deed had been recorded. Ms. Olson stated that she had instructed David Wolford and Jamey Keathley to be in charge of the scheduling time and equipment to clear property and get it prepared. She stated that the District did spend the funds and made repairs to the current Belfry lot so it would be safe and able to be used until the new location was ready. She also stated that the District needed to see where the funds for the new structure would be coming from in the near future. Ms. Olson stated she just received from the emergency work from the July 2022 flooding the award for the work in the amount of $51,879.88, that was from FEMA. Ms. Olson explained that the District did apply for the EK Safe money, $300,000 and all of that had to be paid back. This was the first payment and after this payment we would only owe $249,000.

5.) **Rate Study Update –** Ms. Olson stated we had replied to the last RFI, it was completed on time. It was very limited and was turned in as requested.

6.) **Authorization to Bid Mid-Size Pick Up Truck –** Ms. Olson stated that she needed the authorization to bid a mid-size vehicle, and it was in the budget. She stated that last month the 3500 series truck was discussed, and the Board authorized to reject the $84,000 bid, the only bid that we received, and re bid. Ms. Olson stated that she discussed it with Mr. Keathley, and he stated that the state price contract for large trucks was on hold until December or later. Ms. Olson recommended that be put on hold until the state price contract is opened back up and the Board authorize the bid of the mid-size truck, which would be 1500 series, a Nissan or Toyota Tacoma, which those would be used for meter reader or supervisor truck. Ms. Olson stated that these trucks would not be used for hauling anything. Chairman Tackett requested a motion to Authorize Ms. Olson to bid a Mid-Size Pick Up Truck. Commissioner Justice made the motion. Commissioner Denison seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Denison	Aye
Commissioner Runyon	Absent
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-07-011

7.) **Authorization to Advertise for Bid Pavement Replacement Sites #2 –**Ms. Olson stated that we did that once already this summer for site list #1. She stated that Site list #2 was being compiled and

would be ready by Monday and would be ready to bid out. She stated she needed authorization to bid for a second set of sites.

Chairman Tackett requested a motion to Authorize to Ms. Olson to Advertise for Bid Replacement Sites #2. Commissioner Chaney made the motion. Commissioner Justice seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Denison	Aye
Commissioner Runyon	Absent
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-07-012

Ms. Olson stated that the authorization to award the Bid for Horizontal Drilling would be tabled for the August 2023 meeting. She also continued with the Operating Report, and stated that there were seven paid taps completed for the month of June. 1,788 payments were made in the month of June. The District sold 68,738,640 gallons of water in the month of June and the total billed for water was $732,683.46. The District treated 8,778,215 gallons of sewage in the month of June and total billed for sewage was $181,461.44. She also stated that illegals and meter changeouts were listed in the summary, pages 4 and 5 of packet.

Chairman Tackett requested a motion to accept the Manager's Report that was presented by Ms. Olson. Commissioner Denison made the motion. Commissioner Justice seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Denison	Aye
Commissioner Runyon	Absent
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-07-013

COMMISSIONER COMMENTS

Chairman Tackett inquired if there were any further comments. There were none.

ADJOURN MEETING

Chairman Tackett requested a motion to adjourn today's meeting. Commissioner Justice made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Denison	Aye
Commissioner Runyon	Absent
Commissioner Chaney	Aye
Commissioner Justice	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-07-014

MOUNTAIN WATER DISTRICT
BOARD OF COMMISSIONERS REGULAR MEETING

August 31st, 2023
5:00 PM

ATTENDEES
Kristi Strouth, Appalachian News Express
Mike Spears, Spears Management, CPA
Tim Campoy, EDC
Mike Hill, Summit Engineering
Stephen Caudill, Bell Engineering
Jim Vanover, Vanover, Hall, & Bartley
Tammy Olson, General Manager
Carrie Hatfield, Chief Financial Officer
Kevin Lowe, Office/Billing Manager
Melissa Wright, Compliance Manager

PLEDGE OF ALLEGIANCE
Chairman Tackett led the assembly in the Pledge of Allegiance.

PRAYER
Commissioner Myrtle Runyon led the assembly in an opening prayer.

CALL TO ORDER AGENDA ITEM I
The Mountain Water District Board of Commissioners' Regular Meeting was held on Thursday, August 31st, 2023, at 5:00 PM.

Commissioners present for the meeting were as follows:

Randy Tackett, Chairman
Myrtle Runyon, Treasurer
Paul Chaney, Secretary
Mitch Justice, Commissioner
Burt Melton, Commissioner

Chairman Tackett recognized new Board Commissioner, Burt Melton. He explained to all present that Mr. Melton was the replacement for Mr. Denison. Chairman Tackett asked Commissioner Melton to introduce himself. Commissioner Melton stated his name and residence, stated he had lived in Pike County his entire life. He stated he had different jobs, one being at Scott Branch Mine, then became a Field Representative for United Mine Workers. He stated he then became District Executive Board Member for the Mine Workers; he held those two positions for about 22 years. He stated he then went to work for the County as Commissioner of Public Works. He worked under two different Judge Executive's, one being Judge Deskins and the other being Judge Gibson. Commissioner Melton stated that he was proud to be a member of the District's board and hoped to be a positive figure and he looked forward to working with everyone.

VISITORS
Chairman Tackett inquired if there were any visitors for today's meeting. There were none.

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 July 27th, 2023, as presented. Commissioner Justice made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-08-001

FINANCIAL REPORT – MIKE SPEARS, CPA AGENDA ITEM III

Mr. Spears stated that Cash in Bank at the end of July was $183,013. Accounts receivable was $1,451,448. Plant in Place was $169,484,313. Accounts Payable for the month of July was $414,459. Equity position is $95,191,899. Mr. Spears stated that our Payables are increasing and that's some to do with the Rate Study. Revenue for the month was $906,963. Utility Operating expenses for the month were $1,084,773. Loss for the month, $207,408, included in the loss was Deprecation Expenses $335,997, which is a noncash expenditure. Operating income was negative in the amount of $177,810, it also includes depreciation. Cash decrease for the month was $14,171. The current Operating account balance as of the end of July was $175,304. We are currently funded in the reserves. KIA Reserve was $874,142 and the RD Reserves was $869,635. O&M Reserve balance was $32,177. He stated we would transfer $78,000 to the sinking fund to make sure we had enough money to pay our debt service.

Mr. Spears referred to page fifteen of the Financial Report, he stated that it was the list of the last twelve months of Revenues and Expenses. He then continued to page sixteen; he discussed the Water purchased from Pikeville and Williamson, those numbers had gone down and looked better for the District. Chairman Tackett stated that when the District negotiated a rate with Pikeville, that brought on the rate increase that would have been granted regardless. He also stated at that time our break-even amount was around 24 million gallons per month. Chairman Tackett commended the District for good work of keeping the purchased amount under or close to 20 million gallons per month. Chairman Tackett stated that the District would be saving money by reducing amount purchased. He stated that the monies saved needed to be set aside for repairs to the water plant. Mr. Spears stated in the past few months that the District's payables had increased and had a lot to do with rate study and those expenses. Chairman Tackett stated that until the District received the rate increase, then the savings from Pikeville would help cash flow. Mr. Spears stated that the District is about 45 days out on payables. Mr. Spears stated that the electrical expenses were normally high but have looked better in the past few months. Chairman Tackett explained to Commissioner Melton that Mr. Spears had been in his position with the District now for 27 years and he had good knowledge of what was going on and knowledgeable of the District's finances. Ms. Olson stated that she had learned something from the testimony for the rate case, which was about depreciation. She stated that in Connie Allen's testimony, Ms. Allen stated that she calculated 100% of our depreciation in the rates. Public Service Commission Chairman Chandler stated that it was fine that water district's be able to set that aside to fund improvements to the District. Ms. Olson stated that was something that needed to be talked about in the future depending on what the PSC decided. Mr. Spears stated that the Districts debt service in the study with repair and maintenance was not far from what was asked for, 1.4% principle/interest payment on debt and 1.2% put back for repair and maintenance. Chairman Tackett agreed that money needed to be set aside for repairs to plant, he stated it needed major repairs.

After review and discussion of the financial report, Chairman Tackett requested a motion to accept the financial report for the month of July as presented. Commissioner Runyon made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-08-002

PAYMENT OF BILLS AGENDA ITEM IV

Ms. Olson stated that page 15 is the Cash Disbursement. Payable and payment list started on page 21. Chairman Tackett inquired on ACE Transport, Ms. Olson explained that was contractor that hauled material such as rock, dirt and gravel for east side of the county. Chairman Tackett asked about Hamilton Fence Company if that was for where they started doing work under the ARPA plan. Mrs. Hatfield stated that was for the new fencing at the Belfry lot, for repairs to the trailer and fencing that was paid for by FEMA. Chairman Tackett inquired about PACE Analytical, he asked if they were the only company in area that was available to do our water samples. Ms. Olson stated the only other one was Mineral Labs, they were located in Salyersville, KY. She stated she had gotten quotes and Mineral Lab was going to charge a higher collection fee because the District was so far away. She stated that PACE was the only testing lab in Pike County and was cheaper because they did not charge high collection fees. Chairman Tackett asked if we were still sending meter tops back to RG3 Meter for replacement and if it was being monitored. Ms. Olson stated that Brian Bentley was taking care of that and that we received 50 new tops yesterday, August 30th, and some last week. Ms. Olson stated that it was being tracked and logged. She also stated that the meters that were sent for the Brushy Maynard Fork project had brass bottoms and Mr. Bentley had already ordered new bottoms to replace them once cold temps begin.

After further discussion, Chairman Tackett requested a motion to accept the payment of bills for the month of August as presented. Commissioner Justice made the motion. Commissioner Melton seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-08-003

CUSTOMER ADJUSTMENTS AGENDA ITEM V

Copies of the customer adjustments for July were in the packets of information given to the Commissioners for the meeting, beginning on page 32. Mr. Lowe stated there were 46 adjustments for the month, which was on our average. He stated they were all normal this month, the largest was $791 which included sewer but nothing outrageous like last month.

Chairman Tackett requested a motion to approve the Customer Adjustments for July, 2023 in the amount of $8,395.22. Commissioner Chaney made the motion. Commissioner Justice seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-08-004

CONSTRUCTION REPORT AGENDA ITEM VI

Update by Tim Campoy, Environmental Design Consultants.

Kimper DOT Relocation Project – Mr. Campoy stated they have continued to work on the design layouts for the relocation plans and planned to meet in September with Mr. Taylor and Ms. Olson to get their input to make any modifications they see necessary to be made and recalculate construction cost estimate to submit to the Transportation Cabinet. Once plans are sent to them, they will review the plans, then notify the District as to when and if they (Transportation Cabinet) would have it built as prior to or as a part of the road construction. Mr. Campoy stated it was completely up to the Transportation Cabinet as to when or how they wanted to start the construction.

Update by Bell Engineering/EDC Steve Caudill, P.E. / Tim Campoy, P.E.

1. **Fishtrap Hydraulic Modification Project –** Mr. Campoy stated that after five months we had finally received an approval from the ACOE to cross the river with directional drilling. He also said that by doing so it opened a way to obtain permission from the funding agency to advertise for construction. Mr. Campoy also stated that we had a request from the ACOE to approve the District to advertise for construction pending the funding agency. Ms. Olson requested that the Board approve her to be able to sign the Jurisdictional Determination, so she could submit it and get approval to bid out.
   Chairman Tackett requested a motion to Advertise the Project for Construction upon receiving permission from the funding agency and to allow Ms. Olson to sign the Preliminary Jurisdictional Determination (page 35). Commissioner Runyon made the motion. Commissioner Melton seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-08-005

2. **Water Loss Reduction Plan, Phase 1 –**Mr. Caudill stated that he continued to forward invoices to Compass Municipal as they came in. He stated that they forwarded work for the six tank roads this month and for some telemetry accessories. Mr. Caudill stated he had received invoices today, August 31st, for four more tank roads and those would be sent to Compass also. He stated that the replacement tank for Kendrick Fork area had been relocated to site. He stated that the tank for Right Fork of Greasy was scheduled for today, August 31st, he had not heard back from anyone if the relocation was finalized or not. He stated that Hamilton Fence Company had begun to install the fences. As soon as the fencing was completed, telemetry would be installed and then the hydroseeding to finish the project. Mr. Caudill stated that two tanks that required some repairs and painting, those being located at Poorbottom and Old House, he stated that SC Diamond would be starting on those repairs within the next several weeks. Chairman Tackett asked if once fencing was completed, would anyone be following up to verify invoice cost. Mr. Caudill stated that EDC would be checking that and making measurements to ensure accuracy. Ms. Olson stated that Mr. Taylor informed her that Booker Fork and Lizzie Fork fencing was completed for inspection.

3. **Capital Infrastructure Replacement Project/Peach Orchard Water Line Extension** –Mr. Caudill stated that KIA indicated that the grant process on their side had not started at this time. He stated that he would continue to work with the County and KIA to get the grants fully implemented so the funds could be used. He stated that in the meantime, still finalizing the preliminary engineering report and work on project plan specs. He stated that we could not start construction until grants are in place.

Update by Mike Hill, Summit Engineering:

1. Maynard Fork Water Line Extension – Mr. Hill stated that the Maynard Fork Water Line Extension was now completed. He stated they held a "final punch list" meeting on August 23rd. He stated that Ms. Olson and Mr. Jonathan Joyce attended. Rural Development sent a representative and Sharon Hall from the County attended also. Mr. Hill stated they didn't find any issues that needed to be corrected. He stated that the project had been declared completed. Ms. Olson stated that the Final Acceptance Report was on page 52 in the packet. Mr. Hill stated that it established the warranty start date, by accepting as completed, the warranty start date would be August 22nd, 2023, which was the day the contractor completed the work. Ms. Olson stated that the Final Acceptance Report stating the warranty date, she would like a resolution for the Board to accept. Mr. Hill stated there were 18 final signups and those customers had connected to the water line on their side. Chairman Tackett asked if we were getting those customers to complete lead survey. Mrs. Wright stated that when they did the signups, they had the customers to complete that form while completing other paperwork. Chairman Tackett stated that the EPA has now requested that all customers complete the lead survey.

Chairman Tackett requested a motion to accept to allow Ms. Olson to sign The Final Acceptance Report and the Acceptance of the Project. Commissioner Justice made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-08-006

2. **Brushy Fork/Sycamore Water Line Extension –** Mr. Hill stated that the contractor is BOCA Construction, they have worked on both sides of the project. He stated that on the Sycamore side, they had about 2500 feet or so of line installed and that line was laid in rock, so it was going much slower than expected. He stated that on the Brushy Fork side, they had about 4,000 feet of line installed. Mr. Caudill stated that sometime in September they would bring in another two crews and that would accelerate the progress. He stated that they had a pipe yard established on the Sycamore side to store pipe and materials. He stated that the tractor trailer driver tried to deliver material to the Brushy side and was unable to do so, he had been delivering material to one side. Chairman Tackett inquired if the line was PVC, Mr. Hill stated yes it was. But there was one area that had a slide and ductile iron would be used there. Chairman Tackett inquired on the longevity of the ductile iron pipe for our climate area. Mr. Hill said he would check on it, but he had not seen any issues with ductile iron, but he had seen issues with steel pipe. He stated that there was a Progress Meeting on August 23rd, some issues were discussed such as switching the copper pipe to polyethene pipe, which is what the District mainly used, unless in high pressure area. By doing so, there would be cost savings on the project.
   Mr. Hill stated that the fire department asked for two fire hydrants on the Brushy side of the project, those were not included in the Project cost. He stated that with the cost savings on the pipe might balance out the cost of the hydrants. Mr. Hill said he would get prices and let the Board know. Ms. Olson stated that she and Mr. Joyce looked at the modifications and they agreed with those changes. Chairman Tackett asked about the number of signups. Ms. Olson said they needed some contact information for them to notify them about signups. Mr. Lowe stated that they requested justification sheets on the cost of new taps and in the sheets, he submitted he was told the cost should be $1200 per tap, we are currently charging $825. Chairman Tackett suggested we try to contact those customers. Mr. Hill stated as of now the substantial completion date was unchanged as November 21st, which meters could be installed, and the final completion would be December 6th. Ms. Olson stated that on page 39 of the packet, Sharon Hall had sent the KIA issued Supplemental Commitment Letter for the additional $708,000 on the project. Ms. Olson stated that she also needed approval for the Resolution, page 47 of the packet, on the project funding. She stated that was standard on KIA funding. She also needed the approval for her to sign documents on the project. Ms. Olson stated that this could be referenced to information in the packet.
   Chairman Tackett requested a motion for approval of the Commitment Letter, exhibit 4, located on pages 47 & 48. Commissioner Runyon made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-08-007

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

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-08-008

PROJECT DRAWS:

Chairman Tackett inquired on the ARPA funds; Mrs. Hatfield stated the District had not received any since June. Mr. Caudill stated that they had not processed any of the District's invoices. Mrs. Hatfield stated if the invoices were processed now, that the District would not receive any funds until mid-September. Chairman Tackett inquired if the contractors were working with us on payment. Mrs. Hatfield stated that one contractor had contacted her about their payment, and she explained to him that we had not received funds to make payments. She also stated the District needed to have a meeting to update the contractors with what the status of payment was. Mr. Caudill stated that he had hoped after the first submittal it would go smoother, but he would contact them to follow up. Chairman Tackett read aloud the Project Draws listed on page three of the packet. No one had any questions or comments.
Chairman Tackett requested a motion to approve the Project Draws as listed. Commissioner Justice made the motion to approve the draws as presented. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-08-009

PROJECT DRAWS:

WATER LOSS REDUCTION PLAN, PHASE 1

DD&K Construction	**ARPA Funds**	**$**	**13,290.00**
Consolidate Pipe & Constructions	**ARPA Funds**	**$**	**2,080.00**
Averys	**ARPA Funds**	**$**	**3,000.00**
TOTAL		**$**	**18,370.00**

RATE STUDY

Stoll, Keenon, & Ogden	**Line of Credit Funds**	**$**	**13,962.90**
Michael Spears	**Line of Credit Funds**	**$**	**180.00**
TOTAL		**$**	**14,142.90**

BRUSHY/SYCAMORE WATERLINE EXT		
Summit	**KIA Funds**	**$ 17,500.00**
BOCA	**KIA Funds**	**$ 514,804.91**
TOTAL		**$ 532,304.91**

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

1.) Funding Update –

a. Lead Service Line Inventory Project – Ms. Olson stated she had heard Sandy Williams speak at the conference she had attended, and Ms. Williams had stated that she had been asked about funding for this project, EPA monies that the KIA is administering. Ms. Olson stated that she had been informed that we should hear something by the end of the week, which is tomorrow, she stated she hoped to hear something by next week. Ms. Olson stated that she did ask about the Certificate of Convince of Necessity when the District borrowed money; did the District have to go through the PSC for approval. Mrs. Hatfield and Mr. Spears had previously discussed that and they stated that KIA applied for the CPCN if needed. Ms. Olson stated that this was a $400,000 plus project and at least 49% would be forgiven once approved. We may get more forgiven due to the income base being lower than the state average. Chairman Tackett asked when deadline on project was. Ms. Olson stated October 16th, 2024. Ms. Olson stated she did not have a definite number of completed surveys but was sure it was making progress. She stated she had been waiting for a response before we made any more plans to launch an awareness campaign. She stated she hoped to have more information by next Board meeting. Chairman Tackett stated he hoped to have at least twenty completed forms by next meeting and challenged everyone to do the same. He stated that we did need to make sure that the homeowner signed the form. Mr. Campoy suggested that sports seasons are starting, may want to have tables set up and help customers get the forms completed. Commissioner Runyon stated that the form did require an account number. Ms. Olson stated that we needed the customer to list the account holders' name, service location and signature and the office staff could complete the rest. Ms. Olson stated that we would come up with a plan to increase the number of completed surveys.

2.) Water Loss Update – Ms. Olson explained that for the water loss update, the Mountain Water form was 12.5% for the month of July. She also stated that the MWD form allows us to account for the fact that we know where the water was used. The PSC form is more revenue based and was 17.3% for the month of July. Ms. Olson stated that those numbers were excellent, and we had been doing that consistently. She stated that on the PSC yearly average, she referred to page 62 of the packet, our numbers were 21.53% for the first seven months of the year. Chairman Tackett stated that the District had done really well on water loss reduction and guys needed to be commended for their work. Ms. Olson stated that the weather and temperature played a big factor in water loss due to possibly having major weather catastrophe, in the event of bad weather the water loss would increase. She stated that things had changed. David Wolford was appointed as the day manager, and he had been coordinating the flood work. Ms. Olson stated that this was one of the best field crews that the District has had in several years. Ms. Olson commented to Chairman Tackett' comment about the fire dept had been noted and would be addressed to them to get their usage reported. Chairman Tackett stated by them not reporting their monthly usage, affected the District's water loss. Ms. Olson also stated that the PSC had done an inspection back in 2015-2016 and recommended that the District send an invoice to each facility. She stated that she sent them a few times in the past to notify the non-reporters. Ms. Olson stated that the District would start contacting the fire departments and requesting their monthly usage. She also stated that she and Mrs. Wright would implement the charges and contact the departments. Ms. Olson stated that the water usage the fire departments was included in the 'other' section of the PSC form. Once they are invoiced and the department contacts the office, then the invoice is forgiven and they would not be charged. Ms. Olson stated that she would contact the Fiscal Court to attend a meeting to address the issue of the fire departments not reporting their usage monthly.

3.) Daily Operations Update - Ms. Olson stated the Daily Operations had not changed much due to not having a lot of funding. She also stated that the TTHM's were out of compliance at Ramey's, this was

the first excursion in over 18 months. She stated that her and Mr. Taylor talked with the man that took the samples and he would be getting another sample today, to be logged in for August. Ms. Olson stated that she had contacted the Division of Water, but no one had responded, but if we were not allowed to use that sample, then we would just lose the cost of sampling. Chairman Tackett inquired if the quality of water purchased from Pikeville had been getting better. Ms. Olson stated that it had been trending upward the last few months, she was not sure if they had cut back on carbon filters. She also stated that she did not know if they were out of compliance with the Division of Water but our samples had been tested higher than normal. Chairman Tackett stated that he would contact Pikeville to check their sample results. Ms. Olson stated that the higher weather temperatures did play afactor on that as well.

4.) **FEMA Projects Update (DR 4643 ; DR 4663) -** Ms. Olson stated that Category F work is still being worked on by the FEMA representative, everything has been submitted. She also stated that the District has received the funds for Emergency work. Ms. Olson inquired if the $50,000 had been submitted back to EKSAFE on the July flooding. Mrs. Hatfield replied that the District had paid back what had been received at this time. Chairman Tackett inquired on the funds, Ms. Olson explained that the funds were an advance from the state to help fund the repairs, for a total of $300,00 but everything that was received back from the July flooding was to be paid directly back to that amount. After further discussion, it was discussed, that once the District received a check from FEMA, the District had 30 days to send payment. Ms. Olson stated the update for the Belfry lot, the District received $4800 from the January flood and the District had to spend that amount on repairs to that lot. She also explained that if money was not spent on the Belfry lot, then the District would have to reimburse FEMA. She explained that improvements were made to the current trailer there to make it more usable and safer for the staff. Repairs were made to flooring, roof, fencing and various other things to make a safer environment.

5.) **Rate Study Update –** Ms. Olson stated the hearing was held on August 16th. She stated that she felt that the hearing went well for the District. She stated that Chairman Tackett was present at the hearing, and he was knowledgeable of it. She stated that the District did request for an expedited decision by October 2nd, and now we had to wait to see if the PSC agreed with that decision in the next order.

6.) **Legislative Update –** Ms. Olson stated that now for the construction projects for water and sewer, the law had changed. She stated that any contractor who bought any parts for any projects would be tax exempt, they would need to send us a form to complete. That any project that the District had done this year, we would need to apply to get sales tax refunded. She stated that this was a correction to what should have been done previously instead of charging sales tax. Ms. Olson stated that she had checked the Brushy projects, and as of now the contractor had spent $28,130 just on sales tax and this would be a savings for future projects. Ms. Olson also stated that our procurement level had been increased to $40,000 due to inflation, It's currently at $30,000. Now if the District did anything that would cost more than $40,000, that would have to be bid out. She stated that would save money on advertising and time for any future purchases under $40,000. Ms. Olson stated that there was one other change, a change in the Documentation of the Domicile, the DOD form for landlords. She stated that now if one had a mobile home park with 15 trailers, the landlord would only need to sign one form if all on one meter, with the specification of how many units are connected to meter. Previously it was one form per unit connected to one meter, now it is one form per meter just list the number of units.

7.) **Renewal of General Liability –** Ms. Olson referred to the form on page 72 of the packet and referred to Mrs. Hatfield to explain. Mrs. Hatfield explained that HCC is the District's current General Liability provider, they had increased the renewal by $28,019. She stated that we did receive other quotes, one being from Travelers Insurance and the other from KY League of Cities. She stated that Travelers came in at an increase of $11,021 above our current cost, but their policy was more for public entities. Travelers covered things like theft, hiring and firing and they offered more coverage options than what we currently had. Mrs. Hatfield stated the only thing Travelers did not provide that HCC did was flood coverage for areas that's not listed in flood plain. She also stated that although it was listed on our policy, the District had not been able to use it at any time in the past when it flooded. She stated that HCC would not cover the repairs to that office trailer. She stated that KY League of Cities came in at $29,822 higher than current cost, this was for a twelve-month period, but they did leave out six vehicles and three pieces of equipment that was not included in that quote. She stated that would increase that quote by an extra $8,000. Mrs. Hatfield stated that Guard Insurance and Liberty Insurance refused to give quotes for the District at this time. She stated that hopefully next year one accident would be off the record policy. Mrs. Hatfield stated that she and Commissioner Runyon suggested to go with

Travelers Insurance. Commissioner Runyon stated that the Travelers Insurance agent stated that they would not lose us (the District) in the future to rates.
Chairman Tackett requested to accept and approve Travelers Insurance for the District's General Liability Insurance. Commissioner Justice made the motion. Commissioner Melton seconded the motion.
Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-08-010

8.) **Authorization to Award Bid for Horizontal Drilling Services –** Ms. Olson referred to page 73 in the packet and explained that the way the District structured the bids was the way it was done several years ago. She stated that we requested a rock price per foot, a dirt price per foot and a daily rate for dirt. She stated that she had done cost average for an example to compare the pricing. She stated she had reviewed previous invoices for the previous year to verify costs and check the daily rate. There were no invoices for daily rates. Mrs. Hatfield stated that BOCA would allow the District to make monthly payments if needed and other contractors would not. She said that was really helpful for the District especially during disaster events. Ms. Olson suggested that the District award the bid to BOCA Enterprises for the 2023 to 2024 term. Chairman Tackett inquired on the daily rate. Ms. Olson stated that neither would honor the daily rate due to liability and cost of labor. She stated there were too many unknowns when boring and, in the future, the daily rate would be omitted from the bid spec sheet. She stated that BOCA was cheaper in per foot prices.
Chairman Tackett requested a motion to award the Bid for Horizontal Drilling Services to BOCA Enterprises. Commissioner Runyon made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-08-011

9.) **Authorization to Advertise for Bid Pavement Replacement Sites #2 –**Ms. Olson explained that the District changed how they advertised for pavement replacement this year because the pavement contractors informed her that they would not hold an annual bid price. She stated that was due to the fluctuating cost of asphalt at this time and the location. She stated they wanted specific sites with measurements so they could calculate a more accurate cost. Ms. Olson explained that this was the second site list for the year with locations and measurements. She stated the first list was almost completed. She stated that we received one bid, which was from Mingo Paving with a total of $31,587.50 for all site list #2. She stated that from what we had heard from employees and customers, that this company had done good work and was prompt in doing so because so far everyone had been pleased with their work. Chairman Tackett inquired about complaint he had received earlier about the County stating the District dug up their blacktop and had not replaced it. Ms. Olson stated she had inquired about that, and that location was on site list #2 to be completed. Chairman Tackett requested that Ms. Olson contact Fabian with the PCFC to verify that location was on site list #2 and assure him it would be taken care of.
Chairman Tackett requested a motion to award the Bid for Pavement Replacement Site List #2 to Mingo Paving & Sealing. Commissioner Chaney made the motion. Commissioner Justice seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-08-012

10.) **Authorization to Award Bid Mid-Size Pick Up Truck –** Ms. Olson referred to page 75 of the packet, bid tab for Mid-Size Pick up Truck. She stated that we had scaled back specifications due to the cost. She stated that we advertised for bids and Mrs. Wright had sent out ten packets and we only received two bids. One from Pop's Chevrolet, that bid was for 2023 Chevy Colorado 4X4 for the price of $35,584. The other bid was from Walter's Toyota for a 2023 Toyota Tacoma 4x4 for the price of $34,116.22. Ms. Olson stated that these trucks would not be used for hauling. Trucks would be used for meter reading or supervisors use. Chairman Tackett inquired on where they purchased the decals from. Mrs. Hatfield stated that those were ordered from Quick Signs, they did the door decals and the information on the tailgate.
Chairman Tackett requested a motion to award the Bid for a Mid-Size Pick Up Truck to Walter's Toyota. Commissioner Melton made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-08-013

11.) **Pawpaw Creek Area AML Application –** Ms. Olson stated that she had several customers who contacted the Fiscal Court and wanted water in the Pawpaw Creek area. She stated that the District did not have any infrastructure in that area, the closest was in Buchanan County, VA. She stated that they did not have any plans for expansion. Sharon with PCFC had contacted Abandon Mine Lands to see if they would fund a project in that area. She stated that the application would be completed by the Fiscal Court but the District had to sign the application, she referred to pages 76-77 in the packet to review a basic application for Pawpaw Creek area. Ms. Olson stated that the application would allow AML to do a study of the residents in that area. This did not commit the District to any obligations but the District did need to sign the application. Ms. Olson stated that this should connect on to the end of the Districts' main line, the study would test pressure and distance. Chairman Tackett asked if the application committed the District to any obligation. Ms. Olson stated the application did not but only to allow a study to be done. She stated that if it went to Buchanan County, then it would be double regulated, one for Virgina and one for Kentucky. Mr. Vanover stated that some of the wording did need to be reviewed and verified more before agreeing to sign the application. Chairman Tackett stated that the study would determine the amount of pressure on MWD main line and what would be needed to provide water to the 22 customers in Pawpaw Creek area. Mr. Caudill stated that first the area needed to be checked to determine if it was an AML area before the study could be done. He stated that if it was pre- law the project would be funded, if it was post law then the enforcement agency should have a bond. Mr. Caudill stated that if the area was AML eligible then the project would be fully funded. He also stated that in the past AML had done studies and the water agencies would not provide the services, so now they request the letter of commitment up front. After further discussion, it was decided that if the wording were changed in section two then the District would sign the commitment letter. Ms. Olson stated that if AML funded the project, there would be no cost to the District, would be adding 22 new customers.
Chairman Tackett requested a motion that pending changes to the document, pages 76-77, to approve the Letter of Intent for the AML Project in the Pawpaw Creek area. Commissioner Runyon made the motion. Commissioner Justice seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-08-014

12.) Authorization to Advertise the Project for Construction for the Fish Trap Hydraulic Modification Project – Ms. Olson stated that this was covered un the Construction Report.

13.) Billing Software – Ms. Olson stated that Mr. Lowe would be explaining the options for the new billing software. Mr. Lowe handed out packets that contained quotes and information from several software companies. Mr. Lowe explained the four cost comparisons listed on the hand out. He stated that we had watched demos from four different software companies, one of which stated that they could not provide us with the services we had requested for the mobile work order system, so they are not listed on the comparison sheet. He stated that two of the four listed on the sheet are from the same company, one being more detailed than the other. Mr. Lowe stated that Frey Municipal Software did not integrate with the asset management program that Ms. Olson wanted to implement in the future. Ms. Olson stated that Frey had too many options and was not user-friendly for our office staff. Mr. Lowe stated that the top two listed were whom the District currently had as software provider, which is United Systems Software. One of those quotes, top right in the amount of $366,240.00 was their top-of-the-line program that United offered. It included everything from printing bills to phone service and IT services. Mr. Lowe stated that the first listing was with United Software, it was the newer version, USS-G5 software. He stated that was everyone's favorite because they were familiar with the company and the District would be able to keep all of the data. He explained that Ampstun was second choice, they charge $16,000 for the first year and then charge $3,000 per each additional year of data imported. Mr. Lowe stated that it was recommended to import at least three years of data, which would be $6,000 more. Mr. Lowe stated that United G5 was preferred but would be willing to change to Ampstun if needed. He stated that it was six months wait in scheduling. Mr. Spears suggested that if we changed to a new software company, we needed to have the auditors to do a test as the conversion began to make sure there were no errors. He stated it would save time at the end of the year and money upfront, but if we chose to keep United then there should not be any problems. Commissioner Justice stated that the first two years, the cost would be the same, that the extra cost would start on the third year with the USS-G5. Upon further discussion, the Board of Commissioners decided to stay with United Systems-G5.
Chairman Tackett requested motion to approve the United Systems G5 as the new Billing Software. Commissioner Runyon made the motion. Commissioner Justice seconded the motion.

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-08-015

Manager's Report (continued) – Ms. Olson read aloud the monthly Report for the month of July. She stated that 62 meters were changed out for various reasons. Eight accounts were found to be illegal with a total assessed fee of $9400. Chairman Tackett inquired on the meter change outs, he stated that those were due to meter failure. Mr. Spears inquired if RG3 was complying with replacements. Mrs. Wright stated there were 150 still out that we were waiting to be replaced. Ms. Olson stated that the District was keeping up with the returns. Ms. Olson continued with the report, of 15,444 payments processed for the month of July. She referred to the amount of water treated, and amount of water sold along with customer count. Ms. Olson asked if anyone had any questions regarding the Manager's Report. There were none.

Chairman Tackett requested a motion to approve the Manager's Report as presented. Commissioner Justice made the motion. Commissioner Melton seconded the motion.

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-08-016

Executive Session

Chairman Tackett requested motion to move to Executive Session. Commissioner Justice made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-08-017

Reconvene from Executive Session

Chairman Tackett requested motion to reconvene from Executive Session. Commissioner Justice made the motion. Commissioner Melton seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-08-018

Chairman Tackett requested motion that pending approval from Legal Counsel, we enter a Class Action Lawsuit concerning PFAS testing, otherwise known as 'Forever Chemicals'. Commissioner Justice made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-08-019

Chairman Tackett requested motion to authorize the Districts' Legal Counsel in the Rate Study, Gerald Wuetcher to file a final brief before the PSC. Commissioner Runyon made the motion. Commissioner Justice seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-08-020

COMMISSIONER COMMENTS

Chairman Tackett inquired if there were any further comments. There were none.

ADJOURN MEETING

Chairman Tackett requested a motion to adjourn today's meeting. Commissioner Justice made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-08-021

MOUNTAIN WATER DISTRICT
BOARD OF COMMISSIONERS REGULAR MEETING

September 28, 2023
5:00 PM

ATTENDEES
Mike Spears, Spears Management, CPA
Tim Campoy, EDC
Mike Hill, Summit Engineering
Tom Jones, Bell Engineering
Tammy Olson, General Manager
Carrie Hatfield, Chief Financial Officer
Kevin Lowe, Office/Billing Manager
Melissa Wright, Compliance Manager

PLEDGE OF ALLEGIANCE
Chairman Tackett led the assembly in the Pledge of Allegiance.

PRAYER
Commissioner Myrtle Runyon led the assembly in an opening prayer.

CALL TO ORDER AGENDA ITEM I
The Mountain Water District Board of Commissioners' Regular Meeting was held on Thursday, September 28th, 2023, at 5:00 PM.

Commissioners present for the meeting were as follows:

Randy Tackett, Chairman
Myrtle Runyon, Treasurer
Paul Chaney, Secretary
Mitch Justice, Commissioner
Burt Melton, Commissioner

VISITORS
Chairman Tackett inquired if there were any visitors for today's meeting. There were none.

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 August 31st, 2023, as presented. Commissioner Runyon made the motion. Commissioner Melton seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-09-001

FINANCIAL REPORT – MIKE SPEARS, CPA AGENDA ITEM III
Mr. Spears stated that Cash in Bank at the end of August was $49,090.55. Accounts receivable was $1,385,176. Plant in Place was $169,611,429. Accounts Payable for the month of August was $334,910. Equity position is $66,782,878. Mr. Spears stated that our Payables are increasing and that's some to do

with the Rate Study. Revenue for the month was $859,917, he referred to page 15 of the packet. He stated that August was the lowest month of the past twelve months. Utility Operating expenses for the month were $1,091,415. Loss for the month, $261,233, included in the loss was Deprecation Expenses $335,997, which is a noncash expenditure. Operating income was negative in the amount of $231,149, it also includes depreciation. Cash decreased for the month was $133,923. The current Operating account balance as of August 31st, 2023, was $41,736. We are currently funded in the reserves. KIA Reserve was $872,397 and the RD Reserves was $874,142. O&M Reserve balance was $32,177. He stated we would transfer $78,000 to the sinking fund to make sure we had enough money to pay our debt service. He referred to page 16 of the packet, the expenses for the month, water purchased from Williamson was $41,965 and water purchased from the City of Pikeville was $46,320. He also stated that with Williamson the District had a quarterly true up in September, which would catch up with any overages and shortages on minimum water purchases. He then continued with electrical expenses, $80,743, he stated that was usually low and was the lowest electrical expenses for the year. He stated that next month would be higher. Mr. Spears stated that Manpower was up for the month of August, and this was due to them having five paydays for their employees instead of four, they pay weekly. R&M had $64,000, which was a higher month. Mrs. Hatfield stated that the staff had ordered some pumps. Mr. Spears stated that other than the items he mentioned above, everything looked normal. Chairman Tackett inquired on the general R&M telemetry, was that the new telemetry at the new sites. Mrs. Hatfield stated that it was not for the new sites, it was for the radio repairs, it would be noted if it was the new telemetry. Chairman Tackett inquired on cash flow amount of negative of $133,000, he asked if that amount would continue being that high. Mr. Spears stated that he did not think it would, he referred to page four of the packet and explained the Cash Flow Statement. He stated that $99,000 was Construction Advances. He also stated that cash had been tight all year. Mr. Spears asked Ms. Olson if we had repaid the note payable payment for the loan from the flood. Ms. Olson stated that the District had received $50,000 and that had been paid toward the loan. Mr. Spears explained to Commissioner Melton about how the FEMA funding worked and how the District managed those funds for repayment of those loans. Chairman Tackett inquired on the audit. Mr. Spears stated that he had contacted them, and it was not ready for the meeting time. He stated that in the future we needed to explain to auditors that we needed the audit completed by the scheduled September meeting. Mr. Spears stated that there was no need to schedule a special meeting to approve the audit, and it would be available for approval by the October meeting.

After review and discussion of the financial report, Chairman Tackett requested a motion to accept the financial report for the month of August as presented. Commissioner Justice made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-09-002

PAYMENT OF BILLS AGENDA ITEM IV

Ms. Olson stated that page 20 is the Cash Disbursement. Payable and payment list started on page 25. Mrs. Hatfield stated that there was an error on RG3 when the list was printed for the packet, she stated she had corrected it. The amount listed was $11,331 and that was an invoice number, the corrected amount was $2,233. Chairman Tackett inquired on the increased amount for Lowe's. Mrs. Hatfield stated that the night crew needed some new tools, and other crews needed grass seed and straw. Chairman Tackett asked about S4 Water Sales. Mrs. Hatfield stated that was for filter media rehab at the water treatment plant. It was discussed that Pike County Landfill was where the District hauled sludge to.

Chairman Tackett requested a motion to accept the payment of bills for the month of September as presented. Commissioner Runyon made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-09-003

CUSTOMER ADJUSTMENTS AGENDA ITEM V

Copies of the customer adjustments for August, pages 32-33 of the packet. Mr. Lowe stated there were 56 adjustments for the month, and it was higher this month mostly due to one adjustment. He stated that there was one large adjustment this month for $32,035.46 which included sewer. Mr. Lowe explained that the biggest portion of the adjustment was due to the sewer adjustment and that was adjusted to the customers' average. He stated that no one lived at the residence and after the adjustment the customer was set up on an installment plan. Ms. Olson stated that the one adjustment was for $32,000 and if we took that one away it would be within the average.
Chairman Tackett requested a motion to approve the Customer Adjustments for August 2023 in the amount of $43,014.17. Commissioner Justice made the motion. Commissioner Melton seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-09-004

CONSTRUCTION REPORT AGENDA ITEM VI

Update by Tim Campoy, Environmental Design Consultants

1. **Kimper DOT Relocation Project** – Mr. Campoy stated he wanted to remind everyone that this project was funded by the Transportation Cabinet. It was for widening the road from US 119 Ramp located at RT 194 Ramp and extended past the Kellogg's Factory. He stated that on September 20th, he, Ms. Olson, Mr. Taylor and one other gentleman met and reviewed preliminary plans that were provided to the Transportation Cabinet. He stated at this time that it would be the responsibility of the construction contractor to complete the project, it would not need to be bid out. Mr. Campoy stated that he did not have time for of when the project would be completed.

Update by Bell Engineering/EDC Steve Caudill, P.E. / Tim Campoy, P.E.

1. **Fishtrap Hydraulic Modification Project –** Mr. Campoy stated that EDC is partnered with Bell Engineering on the project. He stated that this month they had prepared all the bid documents that were necessary to be sent to the funding agency for approval. Steve Caudill, Bell Engineering had the information and would forward it to the funding agency when it became available.
2. **Water Loss Reduction Plan, Phase 1 –**Mr.Tom Jones stated that invoices have continued to be forwarded to Compass Municipal as they were received. He stated that the replacement tanks for Kendrick Fork and Right Fork of Greasy had been relocated to the sites and fencing had started, also telemetry boxes are being installed on the sites. He stated that as of last week work had been completed on 18 of the 22 tank sites. Mr. Jones stated that repairs to Poorbottom and Old House tanks should begin within the next month.
3. **Capital Infrastructure Replacement Project/Peach Orchard Water Line Extension** –Mr. Jones stated that they are working with the County and KIA to get the grants fully implemented so that funds could be used. He stated that in the meantime, the preliminary engineering report had been finalized and had continued to work on project plan specs and permit specs. Chairman Tackett inquired if they had set deadline, Mr. Jones explained they had not. Ms. Olson stated that the District was waiting on the contract from the funding agency before we could move forward. He stated that we could not start construction until grants were in place. Ms. Olson stated that this would add about 19 to 20 new customers.

Update by Mike Hill, Summit Engineering:

1. **Maynard Fork Water Line Extension –** Mr. Hill stated that the Maynard Fork Water Line Extension was now completed and accepted as of August 14th. Ms. Olson stated there was some funding left over from that project, $11,000 or so. She had talked with Sharon Hall and inquired if the District could use the remaining funds to purchase new meters, and that had been determined. Mr. Hill stated that the project would be eliminated from next month's engineering report. Chairman Tackett inquired on the number of customers being billed. Ms. Olson stated that the customers that did not have the meter installed would be billed starting November 2023.
2. **Brushy Fork/Sycamore Water Line Extension –** Mr. Hill stated that the project was moving along as of last week. On the last pay request they were about 35% completed by the total dollar amount. He stated that rock excavation was slowing down work on the Sycamore side of the mountain. He presented a map of the project, stating that the blue line on the map was the completed and the red line was in progress. Mr. Hill stated the project completion date would need to be changed and a change order was in the packet for review and approval. He stated that the number of potential customers was 111, of those, 98 had signed up and two had been rejected. Mr. Hill stated that they would try to contact the other potential customers before final completion. He stated that the Change Order, page 35 of the packet, stated that a 60-day extension was needed to be approved and signed. Mr. Hill explained the Change Order, the cost changes and material changes. Mr. Hill stated that all the pipes had tracer wire and were being covered as completed. With the extension, it would change the dates of completion to January 20th, 2024, with final completion of February 4th, 2024. Chairman Tackett inquired on the fire hydrants, it was explained that those would be used mainly for flushing but in the event of a fire, the fire departments would be able to get water from them.
   Chairman Tackett requested a motion for the approval of the Change Order for Brushy Sycamore Water Line Extension, located on page 35. Commissioner Runyon made the motion. Commissioner Justice seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-09-005

Chairman Tackett requested a motion to accept the Engineer/Construction Report as submitted. Commissioner Justice made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-09-006

PROJECT DRAWS:

Chairman Tackett inquired on the Robertson Wrecker Service, if that was the tank replacement. Ms. Olson stated that it was for the tank replacement. Mrs. Hatfield stated that Robertson had to subcontract some of the moving due to the size of the tanks not fitting their rollback.
Chairman Tackett requested a motion to approve the Project Draws as listed. Commissioner Chaney made the motion to approve the draws as presented. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-09-007

PROJECT DRAWS:

WATER LOSS REDUCTION PLAN, PHASE 1

Robertson Wrecker Service	**ARPA Funds**	**$**	**11,900.00**
State Electric	**ARPA Funds**	**$**	**45.99**
Bell Engineering	**ARPA Funds**	**$**	**711.00**
DD&K Construction	**ARPA Funds**	**$**	**6900.00**
TOTAL		**$**	**19,556.99**

RATE STUDY

Salt River Engineering	**Line of Credit Funds**	**$**	**13,250.00**
Stoll, Keenon, & Ogden	**Line of Credit Funds**	**$**	**24,132.60**
Michael Spears	**Line of Credit Funds**	**$**	**3,066.00**
TOTAL		**$**	**40,448.60**

BRUSHY/SYCAMORE WATERLINE EXT

Summit	**KIA Funds**	**$**	**17,500.00**
BOCA	**KIA Funds**	**$**	**241,029.18**
TOTAL		**$**	**258,529.18**

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

1.) Funding Update –

a. Lead Service Line Inventory Project – Ms. Olson referred to pages 36 &37 in the packet. She stated she had sent emails that explained the good news about the funds for the Lead Service Line Inventory Project. That project would install updated software for the mobile work orders, new inventory system that would be online, have tablets with real time work orders for the field crews. She stated that the funding for this project was supposed to be 49% forgivable, and that the District would be responsible for $200,000. She stated that KIA had agreed to pay 100% of this project due to the county's income median being below the state's average income level. Ms. Olson stated that the District would not be responsible for any repayment of the loan, it would be fully funded. Chairman Tackett inquired on what was included in the funding. Ms. Olson stated that included tablets, two vehicles, training, and software for the project. Chairman Tackett inquired on the deadline of the project, if we would be able to have it completed by the requested time. Ms. Olson stated she felt it would be, she stated we may need to adjust the work schedule to accommodate customers' work schedule. Mrs. Hatfield stated that the weekends would be best for the customers. Ms. Olson stated that we could adjust the work schedule to four ten-hour shifts if needed. She also stated that the project budget included four vehicles, four contract employees and tablets for each. Ms. Olson stated that we could not start the project until we received the funding. Chairman Tackett asked if the District had considered

offering incentives to employees to get forms completed. Ms. Olson explained that she thought of different incentives for the employees but once she found out it was 100% funded, she decided to wait due to the cash flow being low right now. Ms. Olson stated she would like to have the survey form updated to eliminate the option unknown before we started going door to door.

2.) **Water Loss Update –** Ms. Olson explained that for the water loss update, she referred to pages 45 & 46 of the packet. She stated she liked the MWD forms the best. She stated the Mountain Water form was 15.13% for the month of August. She also stated that the MWD form allows us to account for the fact that we know where the water was used. The PSC form is more revenue based and was 21.7% for the month of August. Ms. Olson stated that those numbers were excellent, and we had been doing that consistently. She stated that the District was up to 58% of total water produced. She explained that the purchased amount from Pikeville was 20% and 22% from Williamson. She referred to page 41 for the Pikeville purchased amount. She stated that Mrs. Wright noticed that Island Creek was down and verified with our master meter readings and it should be higher next month. Ms. Olson stated that we would check when the next billing was received. Commissioner Justice stated that he commended the Districts employees for their hard work to get water loss down.

3.) **Daily Operations Update -** Ms. Olson stated the Peytons Creek line replacement was completed, and we are working with the County on having the road re-paved. Ms. Olson stated that we had received a few complaints but more compliments overall, commended our staff and foreman in the area. She also stated that the District had flu shots scheduled for October 10th, for the employees. She stated that the Pike County Health Department would be at the District and employees needed to bring copy of insurance card.

4.) **FEMA Projects Update (DR 4643 ; DR 4663) -** Ms. Olson stated that they had assigned another PDMG, she had a zoom meeting with them and the final Category F is almost completed. She stated that she and Mrs. Wright would be reviewing the final list, that she knew there were some boring invoices that were not included and some other items. She also stated that the District had received the funds for the Emergency work. Ms. Olson stated the $50,000 had been submitted back to EKSAFE for the July 2022 flooding.

5.) **Rate Study Update –** Ms. Olson stated she had talked with Gerald Wuetcher today. We received a link of the hearing along with the transcript. Mr. Wuetcher contacted the Executive Director of the Public Service Commission today but had not heard back from her. She stated that we had asked for a decision by October 2nd, but as soon as we heard from them, she would pass along the information. Chairman Tackett explained that when he attended the PSC training, they had encouraged the water districts to ask for water loss reduction when they did their rate increase. Ms. Olson stated that the District was unique, as most districts are flat areas and the District had more obstacles to overcome with the terrain. There are some new commissioners with the PSC, and we hope they understand the mountain area problems. Ms. Olson stated that an expedited decision was requested but unsure whether it would be granted or not.

6.) **Personnel Committee -** Ms. Olson stated that we needed to update the new Personnel Committee, being that Johnny Dennison is no longer on the board, he was part of the committee. She stated that the salary employees had complained about working long hours and not being compensated due to being salary instead of hourly. She also stated that hourly employees had been given more pay increases than the salary employees. Ms. Olson stated that after so many hours of overtime, the hourly employees would be making more than the salary employees. Mrs. Hatfield stated that this committee does not meet often, just a few times a year, like when reviewing raises, promoting employees and if there was an employee issue that needed to be discussed. The Board of Commissioners decided to appoint Commissioner Runyon, Commissioner Melton, Commissioner Justice as an alternate, General Manager Ms. Olson, Chief Financial Officer Mrs. Hatfield, and CPA Mr. Spears.

7.) **Discussion of Staffing Plan-** Ms. Olson referred to pages 50-54 in the packet. She stated that KRWA had an apprenticeship program, that began in 2019. She stated that they had projected that 30 to 50% of Operations Specialist would retire within the next decade in the state of Kentucky. With this program, KRWA would help with training and recruitment. She stated that right now it takes four years to get an employee trained and certified. Ms. Olson explained that the District had fewer sewer customers than water customers, and are not required to have as many wastewater employees certified. The District was only required to have Class 2 for the wastewater, but Class 4 for the water. Commissioner Melton asked being the District is paying for the training and certifications, could we require the employee to sign a contract to work so many years or repay for the training. Ms. Olson stated that had been discussed and should be implemented. Mrs. Hatfield explained that now, when someone gets their CDL, it's a class course that's expensive. Ms. Olson discussed that in the future she would like to go to local schools to educate students about the District, water production, water conversation and

general knowledge of how the District operated. Commissioner Justice recommended that we contact vocational schools about possibly offering some training courses for Operations Specialists.

8.) **The Official Custodian of Records Update-** Ms. Olson referred to pages 55 & 56 of the packet. She stated that she had been the Custodian of Records since 2009 and would like to appoint Mrs. Wright as the Custodian of Records to take care of the Open Records Requests. Ms. Olson recommended that the Board approve Mrs. Wright as the Custodian of Records and update the District's Open Records Policy. Chairman Tackett inquired on the cost of paper and the amount we could charge. After further discussions this issue was tabled to the October 2023 meeting to verify cost of supplies.

9.) **Billing Software –** Ms. Olson explained that in the last Board Meeting on August 31st, the Board approved United Systems G5 as our new billing software. After further discussion with United Systems, we learned that the cost was going to be more for the mobile work order program than quoted, and they do not work well with other companies on letting others access their system to install other programs. Mr. Lowe stated that by adding the mobile work order, it would increase the up-front cost by $19,000 and the monthly cost would increase $400 extra per month. Mr. Lowe stated that United Systems had the lowest up-front cost but the highest monthly cost. He also explained that United Systems would not integrate with the GIS system that was being funded for the District. Mr. Lowe said that Ampstun was close to being fully integrated with the ERSI system. Ms. Olson asked that the Board reverse their decision on approving USS G5 as the new billing software and approve Ampstun as the new billing software. Ms. Olson stated that the Ampstun had higher up-front cost, but the monthly cost was lower. Mr. Lowe stated that after eight months the District would save money with Ampstun and they were the second choice.

Chairman Tackett requested a motion to rescind the motion that was approved at the August Board Meeting that we purchase the United Systems G5 Billing Software because of misquote of cost. Commissioner Justice made the motion. Commissioner Melton seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-09-008

Chairman Tackett requested a motion to approve the purchase of the Ampstun Billing Software. Commissioner Melton made the motion. Commissioner Justice seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-09-009

10.) **Mountain Water District Website-** Ms. Olson explained the District's website had not been updated for past three to six months and was currently maintained by United Systems. She stated that the links still worked but the news feed part did not. United Systems would not allow anyone but themselves to be admins to update the news feed. Mr. Lowe said the quote was $5,000 per year for United Systems to update the site, they would also charge a fee for every time a change needed to be made. Ms. Olson stated that NexBill Pay, which was our card processing company, offered a website service and sent quotes. Mr. Lowe discussed the quotes, the upfront cost to set up the site with NexBill Pay was $700, compared to United Systems of $5,000. He stated that the annual maintenance was $500 compared to $5,000, and with NexBill Pay he would have admin control to make changes himself. Where United Systems would charge $175 per hour to make the changes. Commissioner Justice inquired about the fillable forms if we could add extra if needed. Mr. Lowe stated that they did not mention that he was given two options, no fillable forms or two fillable forms. Ms. Olson stated that we

did not have any forms on our site now and this would be an upgrade as to what we currently have. Ms. Olson stated that she had approved that request due to saving the District money. Mr. Lowe stated that the District would keep the same web address.

11.) Phone System – Ms. Olson stated that our current phone system would soon be obsolete, she referred to page 58 of the packet. She stated that the latest quote was from Eastern Telephone, we currently use them for some IT issues, and they also do our system back-ups. She stated that they offered a phone system option, that the total up front charge would be $1800 and $675 per month. Mr. Lowe stated that the quote page had other options listed that the District would not need. Mr. Lowe explained that we would rent the new phones so if they broke or had any issues, they would replace them at no charge. Commissioner Justice asked if we could get at least one more quote just to make sure they were the better option. Chairman Tackett suggested that we table the Phone System to the October meeting.

12.) Health Insurance Renewal – Ms. Olson explained that our current health insurance plan is scheduled to expire October 31st. She referred to page 60 of the packet, she stated that Commissioner Runyon, Mrs. Hatfield, and Ms. Fields had met with the insurance provider to get the quotes. Mrs. Hatfield explained the insurance packet, she stated that dental and vision cost was a locked rate and would not change. She explained that the medical insurance would be increased by 15% but the employee cost would remain the same, she referred to pages 62 & 63 of the packet. Mrs. Hatfield stated that there was a quote for another optional buy up plan but some of the cost was increased such as emergency room visit and total out of pocket. She stated that if the District kept the same policy we had, the Districts cost would increase 15% but it was better coverage than the other quotes and would be better for the employees. She said the increased cost would be $6,157 per month for the current policy. Commissioner Melton asked if the District could afford the extra cost, if so he wanted to keep the current plan so that the employees had the better coverage policy. He also stated he would not vote to decrease the employees' benefits, he felt they were essential. Commissioner Justice agreed that health insurance was important to the employees, and he thought the District should keep the same coverage. Commissioner Melton asked if the District's employees were aware of the hospitals' financial aid programs that were available and if not, he would recommend to make them aware of it. Chairman Tackett asked if employees were compensated for not signing up on health insurance. Mrs. Hatfield stated not right now, but they had discussed it in the past but had not decided on anything.

Chairman Tackett requested a motion to accept the Health Insurance Renewal to retain Anthem/BCBS as Health Insurance provider as presented and shown on pages 61 – 65 of the packet. Commissioner Melton made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-09-010

13.) Authorization to Advertise for Bid Pavement Replacement Sites #3 –Ms. Olson stated that this would be the last pavement bid for the year of 2023. She stated that this list would compile until mid-October.

Chairman Tackett requested a motion to Authorize to Advertise for Bid for Pavement Replacement Site List #3. Commissioner Justice made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-09-011

14.) KIA – 2023 Call for Projects – Ms. Olson stated that the KIA Call for Projects had set a time frame of between September 26th to December 15th,as the only time the District could apply for funding. She referred to pages 66 – 68 of the packet, that listed some water and sewer projects and would like the Board to allow the District to apply for some of the funding. Ms. Olson explained that the rate would be based on the County's income median, which was below the state average. She also said that this could be tabled until the December meeting but wanted the Commissioners to review those items listed. Ms. Olson explained some of the projects she had listed, such as the water treatment plant, a line extension at Three Mile, the package waste-water plants and several more sewer projects. She discussed the Collins HWY Sewer Extension, she stated that Jamey Keathley recommended this project because if the District ran less than one mile of sewer line and add those customers to the main, then we could eliminate the Branham Heights package plant and that would save the District money. Ms. Olson stated that she was aware that the Board did not want to take any more loans, but these would be very low interest loans because they were based on the County's median income rate.

15.) Wolfpit Industrial Park Amendment- Ms. Olson stated that the money came from the Pike County Fiscal Court, because that was what the funding agency required. She stated that once it was completed it was required that the District maintain it. She referred to page 71 of the packet and asked for approval for her to sign the six-month extension, making the completion date of September 2024. Chairman Tackett inquired on what was the up-to-date completion on the project. Ms. Olson stated that all the main line was installed, the upgrades to the tank and pump station were completed. She stated that the fire suppression line and telemetry was on the next phase. She stated that there was funding awarded from KDPI in the amount of one million dollars to complete the project. She said that included the wastewater treatment plant and the District would have to maintain it. She explained that the KDPI Funding Agency would advocate for businesses to come to our area. She also said that if the Rate Case Structure was approved ,then industrial customers would be billed differently and would be more revenue for the District.

Chairman Tackett requested a motion to Authorize the General Manager, Tammy Olson to sign the Extension Request on the Wolfpit Industrial Park Amendment shown on page 69 -71 of the packet. Commissioner Justice made the motion. Commissioner Melton seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-09-012

Manager's Report (continued) – Ms. Olson stated the monthly Report for the month of August was listed. She then referred to the amount of water treated, the amount of water sold along with customer count, number of customers disconnected for nonpayment. She also stated that it listed the number of payments paid at office, online, and by mail. Ms. Olson asked if anyone had any questions regarding the Manager's Report. There were none.

Chairman Tackett requested a motion to approve the Manager's Report as presented. Commissioner Melton made the motion. Commissioner Justice seconded the motion.

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-09-013

NEW BUSINESS

Executive Session

Chairman Tackett requested motion to move to Executive Session. Commissioner Justice made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-09-014

Reconvene from Executive Session

Chairman Tackett requested motion to reconvene from Executive Session. Commissioner Melton made the motion. Commissioner Justice seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-09-015

COMMISSIONER COMMENTS

Chairman Tackett inquired if there were any further comments. There were none.

ADJOURN MEETING

Chairman Tackett requested a motion to adjourn today's regular meeting. Commissioner Runyon made the motion. Commissioner Melton seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-09-016

MOUNTAIN WATER DISTRICT
BOARD OF COMMISSIONERS REGULAR MEETING

October 26, 2023
5:00 PM

ATTENDEES
Mike Spears, Spears Management, CPA
Tim Campoy, EDC
Mike Hill, Summit Engineering
Tom Jones, Bell Engineering
Frank Dawahare, Eastern Telephone
Jim Vanover, Vanover Hall Bartley & Ward
Tammy Olson, General Manager
David Taylor, Operations Manager
Carrie Hatfield, Chief Financial Officer
Kevin Lowe, Office/Billing Manager
Melissa Wright, Compliance Manager

PLEDGE OF ALLEGIANCE
Chairman Tackett led the assembly in the Pledge of Allegiance.

PRAYER
Commissioner Myrtle Runyon led the assembly in an opening prayer.

ELECTION OF OFFICERS
Chairman Tackett suggested to postpone Election of Officers to another date so that all Commissioners could be present.

CALL TO ORDER AGENDA ITEM I
The Mountain Water District Board of Commissioners' Regular Meeting was held on Thursday, October 26th, 2023, at 5:00 PM.

Commissioners present for the meeting were as follows:

Randy Tackett, Chairman
Myrtle Runyon, Treasurer
Paul Chaney, Secretary
Mitch Justice, Absent
Burt Melton, Absent

VISITORS
Chairman Tackett inquired if there were any visitors for today's meeting. There were none.

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 September 28th, 2023, as presented. Commissioner Chaney made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Absent
Commissioner Melton	Absent

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-10-001

FINANCIAL REPORT – MIKE SPEARS, CPA AGENDA ITEM III

Mr. Spears stated that he thought the auditors were scheduled to present the audit but was unsure of why they did not show but he would contact them to follow up. He also stated that the District was not in any danger of receiving any penalties. Mr. Spears stated that Cash in Bank at the end of September was $137,500. Accounts receivable was $1,390,511. Plant in Place was $170,209,840. Accounts Payable for the month of September was $310,565. Equity position is $66,630,803. Revenue for the month was $909,476, he referred to page 15 of the packet. He stated that August was the lowest month of the past twelve months. Utility Operating expenses for the month were $1,060,142. Loss for the month, $171,395, included in the loss was Deprecation Expenses $335,997, which is a noncash expenditure. Operating income was negative in the amount of $150,665. Cash increased for the month was $88,410, which was artificial number. The current Operating account balance as of September 30th, 2023, was $128,973. We are currently funded in the reserves. KIA Reserve was $882,800 and the RD Reserves was $875,079. O&M Reserve balance was $32,798. He stated we would transfer $78,000 to the sinking fund to make sure we had enough money to pay our debt service. He referred to page 16 of the packet, the expenses for the month, water purchased from Williamson was $42,650 and water purchased from the City of Pikeville was $45,200. He continued with electrical expenses on page 17, $114,635. Mr. Spears stated that Manpower was back down closer to normal for the month of September, $29,028. Office Expense was $21,491 for the month of September, which was lower than August. Mr. Spears stated that the Residential Sewer Revenue was up to $139,019 for the month. Mr. Spears stated that other than the items he mentioned above, everything looked normal. Chairman Tackett inquired on the Office Expenses; Mrs. Hatfield explained that it was how the postage was keyed from Chapman Printing. Mr. Spears explained that August's Office Expenses were low but if we added the two together it would balance out as normal. Mr. Spears explained that the District should take the quarterly interest on the reserve accounts and transfer to Operating Account to help purchase pumps for wastewater. Ms. Olson explained that the District's wastewater lift stations needed a new pump at the station. She also stated that the Phelps/Freeburn Treatment plant needed a new control panel. She explained these items had not been replaced or updated since being installed. She also stated that if the control panel was to fail, the District would have to maintain the plant manually by keeping an employee around the clock. Mr. Spears stated that the District needed to have a budget committee meeting before the next meeting, he stated that the budget meeting would be more detailed than what he presented at the monthly meetings. Mr. Spears stated that the deadline for the budget was January 15th, 2024. After further discussion they selected the Budget Committee, that includes Chairman Tackett, Commissioner Melton, Commissioner Chaney as an alternate, Ms. Olson, Mr. Taylor, Mrs. Hatfield and Mr. Spears.

Chairman Tackett requested a motion to transfer the interest that has been accruing quarterly on the non-operating revenue as shown on page 3 of the Financial Report, to date is $39,000 to be transferred to Operating Account to purchase items needed for Wastewater repairs and updates. Also, approval to transfer $20,000 from O&M account pending receipt of the Wastewater pump and control board. Commissioner Runyon made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Absent
Commissioner Melton	Absent

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-10-002

Mr. Spears referred to pages 17-19 of the packet to review the refinancing of the three auto loans. Mrs. Hatfield explained that the payment would remain the same as well as the interest rate of three percent and the payout would be in two years and would not need to be refinanced again.

Chairman Tackett requested a motion to approve the motion to roll over the payments for another two-year term for vehicles #168, #169 & #170, pages 17,18 & 19 of the packet. Commissioner Chaney made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Absent
Commissioner Melton	Absent

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-10-003

After review and discussion of the financial report, Chairman Tackett requested a motion to accept the financial report for the month of September as presented. Commissioner Runyon made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Absent
Commissioner Melton	Absent

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-10-004

PAYMENT OF BILLS AGENDA ITEM IV

Ms. Olson stated on page 25 was the Cash Disbursement. Payable and payment list started on page 30 of the packet. Chairman Tackett asked about Grott Locksmith Center. Ms. Olson explained it was for the locks that are used for the District's gates at the facilities, that have flat keys and are not to be duplicated. She stated that being the keys could not be duplicated we had to order them when we needed more. She also stated that when the locks were changed the field staff had work orders issued so the locks would be costed out and accounted for.

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

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Absent
Commissioner Melton	Absent

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-10-005

CUSTOMER ADJUSTMENTS AGENDA ITEM V

Copies of the customer adjustments for October, pages 37-39 of the packet. Mr. Lowe stated there were fifty-eight adjustments for the month, which was somewhat higher than our average of forty-five. Mr. Lowe stated the adjustments were average and normal this month.

Chairman Tackett requested a motion to approve the Customer Adjustments for October 2023 in the amount of $11,222.68. Commissioner Runyon made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Absent
Commissioner Melton	Absent

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-10-006

CONSTRUCTION REPORT AGENDA ITEM VI

Update by Tim Campoy, Environmental Design Consultants

1. **Kimper DOT Relocation Project** – Mr. Campoy stated he wanted to remind everyone that this project was funded by the Transportation Cabinet. He stated that they have continued to prepare plans and would meet with Ms. Olson and Mr. Taylor before finalizing them to make sure there are no changes to be made.

Update by Bell Engineering/EDC Steve Caudill, P.E. / Tim Campoy, P.E.

1. **Fishtrap Hydraulic Modification Project –** Mr. Campoy stated that EDC is partnered with Bell Engineering on the project. He stated that Steve Caudill had contacted Rural Development and should have approval to advertise for bid within the next two weeks. Mr. Campoy stated that the Board had already approved them to advertise for bid. Chairman Tackett inquired if once this project was completed would it allow the District to push more our water to other side of the county. Mr. Taylor stated it would possibly help and eliminate some lines on the higher elevations.
2. **Water Loss Reduction Plan, Phase 1 –**Mr. Tom Jones stated that invoices have continued to be forwarded to Compass Municipal as they were received. He stated that the replacement tanks for Kendrick Fork and Right Fork of Greasy had been relocated to the sites and fencing had started by Hamilton Fence, also telemetry boxes are being installed on the sites. SE Diving shall begin painting and repairing the Poorbottom and the Old House Tanks in November. Ms. Olson stated that the Kendrick Fork had been replaced last week, we had issued a boil water advisory, tied the lines in and all was good.
3. **Capital Infrastructure Replacement Project/Peach Orchard Water Line Extension** –Mr. Jones stated that they are working with the County (Sharon Hall) and KIA (Julie Bickers) to get the grants fully implemented so that funds could be used. He stated that in the meantime, the preliminary engineering report had been finalized and had continued to work on the project plan specs and the permit applications. Ms. Olson stated that to get grant money the board had to approve the official agreement. She stated we needed a motion to accept the grant, approve the agreement and to amend the budget and designate an authorized official to sign documents.

Chairman Tackett requested a motion to accept the grant, approve the agreement and to amend the budget and authorize the District's General Manager, Tammy Olson to sign the documents. Commissioner Runyon made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Absent
Commissioner Melton	Absent

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-10-007

Update by Mike Hill, Summit Engineering:

1. **Brushy Fork/Sycamore Water Line Extension –** Mr. Hill stated that there are 102 signed up as of now, four had refused service or were vacant houses. He stated there are about three to four that indicated that they wanted service but had not signed up yet. He stated that those numbers may decrease due to customers finding out they had to pay minimum bill regardless of if they connected to base or not. He stated that the maps that were handed out showed the progress on the project, one for Brushy and one for Maynard Fork. Chairman Tackett mentioned that AML had contacted Ms. Olson about five families in the Brushy area that their wells had been contaminated. Ms. Olson explained that these families were in the section where the lines had already been installed. Mr. Hill stated that if the Board would approve the project in two phases, they could possibly have those five customers ready by the November meeting and then the bases could be set by mid-December. He stated that the first phase would consist of about 21,000 feet, which included five customers that were in desperate need of water that was discussed earlier. The second phase would consist of the remainder of the completed project on the Brushy / Sycamore side of the project.

Chairman Tackett requested a motion to accept the Brushy Fork/Sycamore Water Line Extension Project in two phases. Commissioner Chaney made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Absent
Commissioner Melton	Absent

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-10-008

2. **Maynard Fork Water Line Extension –** Mr. Hill stated that the Maynard Fork Water Line Extension was now completed and accepted as of August 14th. Ms. Olson stated there was some funding left over from that project, $11,000 or so and those funds could be used to purchase additional meters for the District. She had talked with Sharon Hall and stated that the District could use the remaining funds to purchase new meters. Mr. Hill stated that half of the eighteen customers had connected their homes to the meter base. He also stated that the project would be eliminated from next month's engineering report. Mr. Hill stated that a Change Order would need to be approved by the Board to use the extra funds to make the meter purchase. He stated he would have for the November meeting.

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

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Absent
Commissioner Melton	Absent

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-10-009

PROJECT DRAWS:

Chairman Tackett asked if anyone had any questions about the Project Draws. There were none.

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

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Absent
Commissioner Melton	Absent

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-10-010

PROJECT DRAWS:

WATER LOSS REDUCTION PLAN, PHASE 1		
MicroComm	**ARPA Funds**	**$ 140,000.00**
Lowes	**ARPA Funds**	**$ 600.04**
Justice Supply	**ARPA Funds**	**$ 68.88**
Advanced Auto	**ARPA Funds**	**$ 290.63**
Bell Engineering	**ARPA Funds**	**$ 1108.50**
TOTAL		**$ 142,068.05**
RATE STUDY		
Stoll, Keenon, & Ogden	**Line of Credit Funds**	**$ 7,815.30**
TOTAL		**$ 7,815.30**
BRUSHY/SYCAMORE WATERLINE EXT		
Summit	**KIA Funds**	**$ 17,500.00**
BOCA	**KIA Funds**	**$ 433,876.98**
TOTAL		**$ 451,376.98**

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

1.) **Phone System –** Ms. Olson stated that Mr. Frank Dawahare was representing Eastern Telephone. She stated that Mr. Lowe would explain this as she referred to pages 41 of the packet for the quoted information. Mr. Lowe continued with the quotes and services offered. Mr. Lowe stated that Eastern was the lowest of quotes, compared to Inter Mountain Cable's quote. Ms. Olson stated that Eastern Telephone had good support service in the past and they had more options that would help the office staff take care of customer calls. Chairman Tackett asked how long the wait time would be on getting new phone system installed. Mr. Dawahare stated about three weeks and would have everything changed over and updated by the end of December. Mr. Dawahare stated that most all phone services are digital now, he stated that the hard line phone systems are almost obsolete and would be by the year of 2025. Mr. Lowe explained that our current phone system would be obsolete by December 31st. Mr. Dawahare stated that he would allow the District to make two installments on the upfront cost, one in January and the other payment in February.

Chairman Tackett requested a motion to approve Eastern Telephone as the District's phone service provider to begin on December 1st, 2023. Commissioner Runyon made the motion to approve. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Absent
Commissioner Melton	Absent

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-10-011

2.) **Funding Update –**
   a. **Lead Service Line Inventory Project –** Ms. Olson stated that KIA had agreed to pay 100% of this project due to the county's income median being below the state's average income level. She stated that she was waiting on KIA for funds so we could begin the project. She stated that she was waiting for the funding agreement to be finalized for the funds to be released.

3.) **Water Loss Update –** Ms. Olson explained that for the water loss update, she stated the forms started on page 47 the packet. She stated the Mountain Water form was 20.12% for the month of September. She also stated that the MWD form allows us to account for the fact that we know where

the water was used. The PSC form is more revenue based and was 22.6% for the month of September. Ms. Olson stated that those numbers were still excellent numbers, and we had been doing that consistently. She stated that our night crew and day crew had worked really hard to get those numbers down and was doing a great job on maintaining them.

4.) **Daily Operations Update -** Ms. Olson referred to page 56 of the packet. She said that had not changed much and would not until we were able to get some Capital Infrastructure replaced. She continued with our TTHM's was out of compliance at Ramey's Market for the last quarter. Ms. Olson explained that if we could afford the carbon filters to strip all chemicals from the water, then the water would require to be retreated. She stated that would be expensive but would help with our compliance numbers, but time and temperature played a huge part in the levels being high. Ms. Olson stated that we had taken three samples for three months in a row for the first quarter and all three samples were high. Ms. Olson stated that we would issue a public notice in the bills.

5.) **FEMA Projects Update (DR 4643 ; DR 4663) -** Ms. Olson stated that they had been assigned another PDMG, and the final Category F is almost completed. She stated that she and Mrs. Wright would be reviewing the final reports to be submitted. She also stated that the District had received the funds for the Emergency work. Ms. Olson stated the $50,000 had been submitted back to EKSAFE for the July 2022 flooding. She stated that she would give another update in the November meeting.

6.) **Rate Study Update –** Ms. Olson stated she had talked with Gerald Wuetcher and we would have a decision by Tuesday, October 31st, but no later than Wednesday, November 1st. She stated that the final order had been prepared for final reviewing and we were waiting for the decision via email.

7.) **The Official Custodian of Records Update-** Ms. Olson stated that she had been the Custodian of Records since 2009, this was tabled from September's meeting and referred to page 59 of the packet. She stated that the question from last month was about the cost of the copies and materials used. She continued that nothing had changed in the cost. Ms. Olson stated she would like to appoint Mrs. Wright as the Custodian of Records to take care of the Open Records Requests. Ms. Olson recommended that the Board approve Mrs. Wright as the Custodian of Records and update the District's Open Records Policy.

Chairman Tackett requested a motion to approve Melissa Wright as the Official Custodian of Records for Mountain Water District and update the Open Records Policy. Commissioner Chaney made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Absent
Commissioner Melton	Absent

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-10-012

8.) **Update Special Use Permit for WTP Lagoons –** Ms. Olson stated that Chairman Tackett was aware of the lagoon issue that the District at the Water Treatment Plant. She stated that the District had two lagoons there that our backwash is discharged into. She continued with the two lagoons, they are side by side, are now overgrown and had been for several years. She stated that the lagoons were overgrown with cat tails and had been flooded in the past. Now that vegetation had grown the original depth and slopes of the lagoons had filled in through the years and they would need to be dipped out and rehabilitated to get them back to where they could perform the function like they did when they were originally installed. Ms. Olson also stated that right now the District was out of compliance with backwash for total suspended solids, amount of chlorine in backwash. Ms. Olson stated that the District needed to obtain a special usage permit to haul the revue to the area behind the lagoons. She stated the lagoons needed dipped, cleaned, and dried to be reused. Mr. Taylor stated that it was a TCLP Procedure, a test to verify that it could be reused. Ms. Olson stated that once the District received the test results, then it could be submitted to the Division of Waste to obtain the permit. Chairman Tackett inquired if there was an estimated time of receiving test results. Mr. Taylor said he did ask and was not given an estimated time.

9.) **Workers Compensation Insurance Renewal** – Ms. Olson referred to page 60 of the packet, she then let Mrs. Hatfield explain in more detail. Mrs. Hatfield stated that the District was currently with Encova and once they received quotes, Encova was the lowest of the options. Mrs. Hatfield stated that our insurance had decreased with Encova on the current quote.

Chairman Tackett requested a motion to continue with Encova Workers Compensation Insurance. Commissioner Runyon made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Absent
Commissioner Melton	Absent

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-10-013

10.) **Award Bid for Pavement Replacement, Site List #3 –** Ms. Olson referred to page 64 of the packet, she stated that this was the last pavement replacement for the year of 2023. Chairman Tackett inquired if Site List #3 included all the County roads that needed to be repaired. Ms. Olson stated that there were few on the last list and the remainder was on Site List #3.

Chairman Tackett requested a motion to award the bid for Pavement Replacement, Site List #3 to the low bidder pending bid opening. Commissioner Chaney made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Absent
Commissioner Melton	Absent

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-10-014

11.) **Advertise for Bid for Bypass Pump for Wastewater –** Ms. Olson stated the Phelps Hydrology Project had upgraded the lines, upgraded the lift stations in the Phelps area. She stated that there was an amount of funds remaining from that project, in the amount of $213,483. She stated that Jamey Keathley had made a list of needed items to keep on hand and things that needed to be repaired. She stated that the money had to be spent on lift stations and lines in the Phelps area. Ms. Olson stated that the bypass pump was about $60,000 and would need to be bid out.

Chairman Tackett requested a motion to approve the Advertise for Bid for Wastewater Bypass Pump. Commissioner Chaney made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Absent
Commissioner Melton	Absent

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-10-015

12.) **Employee Holiday Gift Cards –** Ms. Olson stated that the District always provided the employees with holiday gift cards from Food City in the amount of $25 each, one for Thanksgiving and one for Christmas.

13.) **Holiday Dinner for Employees –** Ms. Olson stated that the District had holiday dinners for the employees each year. She stated those were scheduled for November 14th, and December 14th.

Chairman Tackett requested a motion to approve the Holiday Gift Cards for the employees in the amount of $25 each and holiday dinners for Thanksgiving and Christmas. Commissioner Runyon made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Absent
Commissioner Melton	Absent

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-10-014

14.) Meeting Dates for November and December – Ms. Olson stated that November's meeting would not need to be changed, that would remain on November 30th. She stated that December would need to be changed and suggested December 21st, 2023.

Chairman Tackett requested a motion to approve replace the December 28th Meeting to Thursday, December 21st, 2023. Commissioner Runyon made the motion. Commissioner Chaney seconded Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Absent
Commissioner Melton	Absent

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-10-017

15.) Potential Time Change for Regular Monthly Meetings – Ms. Olson stated that there seem to be more items on the agenda and with the upcoming time change everyone would be late going home during the winter months. She asked if they would consider changing the time to later in the afternoon, if possible, but to keep meeting on the last Thursday of each month. Chairman Tackett asked if this could be tabled to the November meeting so all the Board members could be present to discuss changing time.

MANAGER'S REPORT (continued)

Ms. Olson explained the remainder of the Manager's Report, such as delinquents, customer count, gallons sold, meters changed, bacteriological samples, payments made, etc.
Chairman Tackett requested a motion to accept the Manager's Report as presented. Commissioner Chaney made the motion. Commissioner Runyon seconded Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Absent
Commissioner Melton	Absent

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-10-018

NEW BUSINESS

Executive Session

Chairman Tackett requested motion to move to Executive Session. Commissioner Runyon made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Absent
Commissioner Melton	Absent

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-10-019

Reconvene from Executive Session

Chairman Tackett requested motion to reconvene from Executive Session. Commissioner Chaney made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Absent
Commissioner Melton	Absent

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-10-020

COMMISSIONER COMMENTS

Chairman Tackett inquired if there were any further comments. There were none.

ADJOURN MEETING

Chairman Tackett requested a motion to adjourn today's regular meeting. Commissioner Chaney made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Absent
Commissioner Melton	Absent

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-10-021

MOUNTAIN WATER DISTRICT
BOARD OF COMMISSIONERS REGULAR MEETING

November 30th, 2023
5:00 PM

ATTENDEES
Mike Spears, Spears Management, CPA
Tim Campoy, EDC
Mike Hill, Summit Engineering
Stephen Caudill, Bell Engineering
Jim Vanover, Vanover Hall Bartley & Ward
Tammy Olson, General Manager
Carrie Hatfield, Chief Financial Officer
Kevin Lowe, Office/Billing Manager
Melissa Wright, Compliance Manager
Gary Slone, Appalachian News Express
Rocky Taylor, City of Elkhorn
Mike Taylor, City of Elkhorn
Nathan Bryant, City of Elkhorn
Kiera Bryant, City of Elkhorn
Mike Stacy, City of Elkhorn

PLEDGE OF ALLEGIANCE
Chairman Tackett led the assembly in the Pledge of Allegiance.

PRAYER
Commissioner Myrtle Runyon led the assembly in an opening prayer.

ELECTION OF OFFICERS
Chairman Tackett suggested to postpone the Election of Officers to the December 21st meeting to see if all Commissioners would be present.

CALL TO ORDER AGENDA ITEM I
The Mountain Water District Board of Commissioners' Regular Meeting was held on Thursday, November 30th, 2023, at 5:00 PM.

Commissioners present for the meeting were as follows:

Randy Tackett, Chairman
Myrtle Runyon, Treasurer
Paul Chaney, Secretary
Mitch Justice, Absent
Burt Melton, Commissioner

VISITORS
Chairman Tackett inquired if there were any visitors for today's meeting. There were five visitors from the City of Elkhorn that were concerned about the water rates they would be charged beginning in December. Mr. Mike Taylor stated that the residents of City of Elkhorn would not be able to pay the rates and they were elderly and on a fixed income. He also stated that the City of Elkhorn did not have that many customers to compensate for the significant rate increase. Mr. Mike Taylor suggested that a survey should have been conducted before the rate increase was implemented. Mr. Mike Taylor also continued with the water quality was poor and customers were unable to drink it. Ms. Olson inquired as to why the water was undrinkable and stated that according to the KY Division of Water, the water at Elkhorn is top quality water. Mr. Mike Taylor stated that his customers could not stand to drink the water. Chairman Tackett asked if he was attending for water quality or rate increase, if it was for water quality that someone needed to contact

Mountain Water District office and have the lines flushed, that was a fixable issue. Mr. Mike Stacy stated he was a Commissioner for the City of Elkhorn, and he was concerned about the rate increase. Mr. Mike Stacy also stated that they had so many that were unable to pay their bill now and there would be no way they could pay the new rate. He said their customers were at poverty level and elderly. He also asked if they could negotiate a contract like Mountain Water had with Pikeville City Utility. Ms. Olson stated that Mountain Water District did not sale water to Pikeville City Utility. She implemented that Mountain Water District purchased water from them. Commissioner Runyon inquired if any of them drank the tap water. Mr. Mike Taylor abruptly stated that he did not, neither did the customers. Mr. Mike Stacy stated that the water did have a strange taste to it but stated he drank it through a filter on his refrigerator. Ms. Olson asked about the smell if it was chlorine. Both Mr. Mike Taylor and Mr. Mike Stacy stated that yes it was a strong chlorine odor. Ms. Olson stated that was chlorine, which was a disinfectant, and the Elkhorn City master meter was close to the plant, and she continued with as the water flows at a distance the chlorine dissipates. Chairman Tackett restated that at any time there was problem with water quality to make sure they contacted someone at the District. He continued with the rate increase information. He explained that the District had the cost of service study performed on the District, the test year was July 1st, 2021 to June 30th, 2022, after most of the effects of COVID. He continued with the District's cash flow was down, worst it had been in years, the District was struggling finically with inflation and by doing so, the District had to apply for rate increase. He explained that the District had a cost of study performed, hired an attorney to make sure everything was completed accurately. He stated that the Public Service Commission regulated the District and the rates that were set for Elkhorn City were set by the PSC. The District had no say or idea of how the PSC established those rates. He continued to say that once the PSC set those rates the District had to charge them. Chairman Tackett also explained that the District would work with Elkhorn City Utilities until the issue could be resolved. Mr. Rocky Taylor stated that the 26% rate increase was his biggest concern for attending the meeting. Mr. Nathan Bryant asked if Elkhorn City Utility could have the same rate as Pikeville City. Ms Olson stated that Mountain Water District did not sale water the City of Pikeville, that Mountain Water District purchased water from them. She also explained that she had tried to get answers from the PSC on how and why they changed the wholesale rate but was unable to get any information. She also stated she had talked with Gerald Wuetcher and he recommended that we negotiate a contract with Elkhorn City and write a letter stating that both parties agree on that rate and submit to PSC for approval, change our tariff sheets, she stated that was one potential option. His other option was to attend a PSC hearing and discuss rate negotiating. Ms. Olson assured Elkhorn City Utility Board that Mountain Water District would work with them on their bill until something got changed to help them. She always stated once she received more definite information about what to do that, she would contact them and would keep them updated. Mr. Mike Stacy explained that he appreciated the District's board listen to them and the offer to help. Ms. Olson stated she would talk with Mr. David Taylor about the chlorine odor and taste of it in their water. Mr. Mike Stacy stated that he was recently made aware of the issue, he stated that the customers had just recently complained to him about the taste and smell of the water. Chairman Tackett advised them in the future to contact our office and request for the lines to be flushed. Mr. Mike Stacy stated that he would explain the information to the City of Elkhorn's customers.

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 October 26th, 2023, as presented. Commissioner Runyon made the motion. Commissioner Melton seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Absent
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-11-001

FINANCIAL REPORT – MIKE SPEARS, CPA AGENDA ITEM III

Mr. Spears stated that he had contacted the auditors, and they were scheduled to present the audit but was unsure of why they did not show but he would contact them to follow up and suggested a special meeting to be held for the presentation. He also stated that the District was not in any danger of receiving any penalties, but the auditors was notified in advance of the scheduled meeting date of November 30th.

Mr. Spears stated that Cash in Bank at the end of October was $115,408. Accounts receivable was $1,394,180. Plant in Place was $170,604,329. Accounts Payable for the month of November was $346,405. Equity position is $66,387,688. Revenue for the month was $887,013, he referred to page 15 of the packet. Utility Operating expenses for the month were $1,086,105. Loss for the month, $230,030, included in the loss was Deprecation Expenses $335,997, which is a noncash expenditure. Operating income was negative in the amount of $199,091. Cash increased for the month was $4,783, which was artificial number. The current Operating account balance as of October 31st, 2023, was $199,091. We are currently funded in the reserves. KIA Reserve was $877,858 and the RD Reserves was $882,800. O&M Reserve balance was $32,798, he stated that was one balance that needed to be reestablished for safety net. He stated we would transfer $78,000 to the sinking fund to make sure we had enough money to pay our debt service. He referred to page 15 of packet for the General Liability Insurance of $46,000, he stated that we had to pay a $25,000 down payment. He continued that in September they did not draft out the $10,000 monthly payment until fist of October and the October payment of $10,000 was also drafted on the first. He explained that was why it was higher this month than normal. He stated it was timing issue of their payment withdrawals. He referred to page 16 of the packet, the expenses for the month, water purchased from Williamson was $37,685 and water purchased from the City of Pikeville was $45,200. He continued with electrical expenses on page 17, $114,635. He stated that R&M was higher this month. Ms. Olson stated that was from items being ordered back in February and just now received them. Mr. Spears stated that other than the items he mentioned above, everything looked normal. Mr. Spears stated that the Personnel Committee had met earlier in the month and then prior to the meeting and the total of the package that was agreed on was $530,000 annually. He stated that that amount included everything from workers comp, insurance, retirement, and wages. Chairman Tackett inquired on the amount. Mr. Spears stated it was $44,000 per month. Chairman Tackett asked if that was the amount that was in line of what was discussed previously. Mr. Spears stated that adjustments had been made in two departments, equipment operators and water treatment plant operators. He stated that were two key departments with a lot of employee turnover and if we lost a WTP operator then the District would be out of compliance. Ms. Olson stated that we had two in training, and it took five years or more to get one trained and certified. Ms. Olson stated that we had to rearrange schedules to keep the water plant in compliance. Mr. Spears stated that once a level of certification was achieved then the employee received a small incentive. Ms. Olson explained that the WTP operator position was a knowledgeable, prestigious position compared to most field positions. Mr. Spears stated that equipment operators had left to go to the state or county to work for more money. Chairman Tackett stated that the District's employees needed a raise and these would begin on January 1st, 2024. Mr. Spears stated that the District had not given any raises in the past couple of years. Mr. Spears stated that the Board needed to schedule a special meeting for the audit presentation and would also have a Budget Meeting. Special Meeting was agreed for Monday, December 11th at 5:00pm.

Chairman Tackett requested a motion to approve the Wage Increase as agreed on by the Personnel Committee. Commissioner Runyon made the motion. Commissioner Chaney seconded the motion.

After review and discussion of the financial report, Chairman Tackett requested a motion to accept the financial report for the month of October as presented. Commissioner Melton made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Absent
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-11-002

After discussion of the Wage Increase Authorization as recommended by the Personnel Committee. Chairman Tackett requested a motion to approve the Wage Increase Authorization as recommended. Commissioner Runyon made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Absent
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-11-003

Ms. Olson referred to pages 17-19 of the packet to review the loans to be refinanced, two equipment loans and one truck loan. He stated that the interest rates would remain at three percent. Mrs. Hatfield explained that the payment would remain the same as well as the interest rate of three percent.
Chairman Tackett requested a motion to approve to Refinance Three Loans: Equipment and Auto (pages 17,18 & 19 of the packet). Commissioner Melton made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Absent
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-11-004

Ms. Olson stated that the KIA Bond Payments were due on December 1st, 2023. Mrs. Hatfield stated that the highlighted section would be paying the last payment on that loan, she referred to page 20 of the packet. Chairman Tackett requested a motion to approve the payment of the KIA Bond Payments in the amount of $294,318.69. Commissioner Chaney made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Absent
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-11-005

PAYMENT OF BILLS AGENDA ITEM IV

Ms. Olson stated on page 21 was the Cash Disbursement. Payable and payment list started on page 26 of the packet. Chairman Tackett inquired about BATES Security. Mrs. Hatfield stated that BATES Security used to be ABCO Security but had changed their name. Ms. Olson stated that it was for security systems for the office and garage. Commissioner Melton inquired on who was approved to make purchases at Lowe's. Mrs. Hatfield stated that supervisors were the only ones approved to make purchases at Lowe's. Chairman Tackett asked if there were any additional questions on the payment of bills for the month of November.
Chairman Tackett requested a motion to approve the payment of bills for the month of November as presented. Commissioner Melton made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Absent
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-11-006

CUSTOMER ADJUSTMENTS AGENDA ITEM V

Copies of the customer adjustments for November, page 34 of the packet. Mr. Lowe stated there were a few more customers on the adjustment list, but the dollar amount was close to last month's and within the average. Commissioner Melton about leak adjustment policy. Ms. Olson explained that customers are entitled to a yearly leak adjustment, she stated that it was not annually, it went by calendar year of twelve months. She continued to explain that customers could adjust up to three consecutive months and could

sign installment payment plan if needed. Chairman Tackett explained that information was in the tariff, he stated that the tariff explained the District's regulations for customer adjustments and fees that could be charged.

Chairman Tackett requested a motion to approve the Customer Adjustments for November 2023 in the amount of $11,057.57. Commissioner Chaney made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Absent
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-11-007

CONSTRUCTION REPORT AGENDA ITEM VI

Update by Tim Campoy, Environmental Design Consultants

1. **Kimper DOT Relocation Project** – Mr. Campoy stated he wanted to remind everyone that this project was funded by the Transportation Cabinet. He stated that they had continued to prepare plans and had met with Ms. Olson and Mr. Joyce and made changes. He stated those changes had been sent to David Skeens at the Transportation Cabinet to be reviewed. He continued that EDC would make those modifications and submit. He suggested that Chairman Tackett or Ms. Olson compose a letter with a list of preferred contractors and submit to the Transportation Cabinet. He stated that the funding was already available. Ms. Olson explained to Commissioner Melton that any time he wanted to view the plans for this project that Mr. Campoy would provide those for his review. Ms. Olson stated that she would provide the letter to the Transportation Cabinet with the preferred contractors.

Update by Bell Engineering/EDC Steve Caudill, P.E. / Tim Campoy, P.E.

1. **Fishtrap Hydraulic Modification Project –** EDC is sub-consultant to Bell Engineering on the project. All permits have now been approved by the various agencies and EDC has prepared the bid documents and all necessary items for the funding agency. He stated that all easements are in place. The information has been provided to Bell Engineering for submission to the agency. Bell Engineering is following up with Rural Development on permission to advertise the project for bid. The Division of Water Permit to Construct, the Transportation Cabinet Encroachment Permit, the Division of Water Stream Crossing Permit and the Corps of Engineers Permit have been issued. The needed easement has been recorded. The project has been forwarded to Rural Development with a request to advertise for bids. Awaiting letters that will allow BELL Engineering to request permission to bid. Mr. Caudill stated that because of the timing of this project, there are two additional letters. One was a waiver stating that this project was not subject to bother requirements, such as Build America, Buy America, that information was included in the infrastructure build. He continued that the second letter stated that not subject to the American Iron and Steel. He stated that they had been waiting for that one to come to the Morehead office. Mr. Caudill stated that he would contact Ms. Olson with the updated information and scheduled bid date for the project once permission had been granted.
2. **Water Loss Reduction Plan, Phase 1 –**Mr. Steve Caudill stated that invoices have continued to be forwarded to Compass Municipal as they were received. He stated that the replacement tanks for Kendrick Fork and Right Fork of Greasy had been relocated to the sites and fencing had started by Hamilton Fence, also telemetry boxes are being installed on the sites, and road work had continued. He stated that they needed to schedule SE Diving to get started painting and repairing the Poorbottom and the Old House Tanks, but due to colder temperatures it might need to be rescheduled until Spring during warmer temperatures. He continued that the paint had to be cured, such as being applied and dried during certain temperatures.
3. **Capital Infrastructure Replacement Project/Peach Orchard Water Line Extension** –Mr. Caudill stated that the preliminary engineering report had been finalized and had continued to work on the project plan specs and the permit applications. He stated that he had talked with Sharon Hall, he continued stating that line replacement had to go on one contract with its own specifications and the Peach Orchard Project had to go to a separate set of plans and specifications, and this was because of the funding of the project. He stated that he and Mr. Campoy would be doing a field review verification next week with the entire project. He also stated that he would contact Mr. Taylor to do a

hydrant flow test to calibrate the hydraulic model for the DOW submittal. Once that was completed, he would contact Ms. Olson to schedule to go over the projects. Ms. Olson stated that Sharon Hall had explained to her that being the project was funded by supplemental funds, that the Peach Orchard had to have its own Assistance Agreement, separate from the Capital Infrastructure Replacement Project, and a resolution, she referred to pages 38 and 53 of the packet. She stated that those agreements had been reviewed and approved by legal counsel. Ms. Olson stated that these were the same standard contracts that were used by KIA. Ms. Olson stated that she requested approval of the Grant Assistance agreement, the amendment to the budget and authorize her to sign the Grant Assistance Agreement for Peach Orchard documents. Chairman Tackett inquired if the District would be responsible for any funding on this project. Ms. Olson stated the District would not be responsible for any funding for the Peach Orchard Project.

Chairman Tackett requested a motion to accept the Grant Assistance Agreement, amend the budget, and authorize the District's General Manager Tammy Olson, to sign the Grant Assistance Agreement for the Peach Orchard Project. Commissioner Melton made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Absent
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-11-008

Update by Mike Hill, Summit Engineering:

1. **Brushy Fork/Sycamore Water Line Extension –** Mr. Hill stated that there are 102 signed up as of now, four had refused service or were vacant houses. He stated there are about three to four that indicated that they wanted service but had not signed up yet. He stated that those numbers may decrease due to customers finding out they had to pay minimum bill regardless of if they connected to base or not and the rates being changed. He stated that the focus had been getting line laid for first segment of the project, 28 customers including the five that were being assisted by AML for their emergency situation and meters would be installed next week. He stated that a final punch list had been reviewed before the meeting and only some small things needed to be fixed, such as minor clean up. He stated that the first segment could be considered completed and a Final Acceptance Report would need to be signed. He stated that about 60% of the project had been completed and it should be completed as scheduled. He stated that a change order would be needed for an automatic flushing hydrant and chlorine booster on the Brushy side, it was about ten miles from the tank, and this would help with keeping the water chlorinated. Ms. Olson stated that because this project required more money to complete, the same Grant Assistance Agreement and Resolution, that had been reviewed by legal counsel, page 56 and 73 of the packet.

   Chairman Tackett requested a motion to approve the Grant Assistance Agreement and Resolutions as approved by legal counsel. Chairman Tackett made the motion. Commissioner Melton seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Absent
Commissioner Melton	Aye

   Upon Commissioner voting, the motion was carried and passed.
   Resolution 23-11-09

2. **Maynard Fork Water Line Extension –** Ms. Olson stated that Maynard Fork was left on the agenda because there were some remaining funds that needed to be spent**.** Mr. Hill stated that the $11,914.25 remaining and those funds could be used to purchase additional meters, boxes, valves or anything related to original project needs for the District. Tammy Olson, the District's General Manager had already been approved to expend those funds. Chairman Tackett sated we did not need resolution.

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

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Absent
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-11-010

PROJECT DRAWS:

Ms. Olson stated there was a Draw that was omitted in error, for EDC, in the Cookie Factory area in the amount of $11,174.04. She stated that DOT funded this project, but EDC needed to be reimbursed and that amount needed to be added to the total. Chairman Tackett asked if anyone had any further questions about the Project Draws. There were none.
Chairman Tackett requested a motion to approve the Project Draws as listed. Commissioner Chaney made the motion to approve the draws as presented. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Absent
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-11-011

PROJECT DRAWS:

BRUSHY / SYCAMORE WATERLINE EXT		
Summit	**KIA Funds**	**$ 4,453.24**
BOCA	**KIA Funds**	**$ 314,809.69**
TOTAL		**$ 319,262.93**
BRUSHY / SYCAMORE WATERLINE EXT		
Summit	**Coal Severance**	**$ 2,546.76**
TOTAL		**$ 2,546.76**
RATE STUDY		
Stoll, Keenon, & Ogden	**Line of Credit Funds**	**$ 555.90**
TOTAL		**$ 555.90**
WATER LOSS REDUCTION PLAN, PHASE I		
Consolidated Pipe	**ARPA Funds**	**$ 1,928.19**
DD & K	**ARPA Funds**	**$ 29,200.00**
Hayes Pipe Supply	**ARPA Funds**	**$ 3,397.53**
Lowes	**ARPA Funds**	**$ 257.11**
Northside Plumbing	**ARPA Funds**	**$ 248.60**
Siemens	**ARPA Funds**	**$ 8317.10**
State Electric	**ARPA Funds**	**$ 5093.55**
TOTAL		**$ 48,442.08**

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

1.) Funding Update –

a. Lead Service Line Inventory Project – Ms. Olson stated that the application had been received and referred to page 76 of the packet for the resolution that had to be returned along with the application. She stated that Sandy Williams and she did not recommend that the District make any purchases or any interim financing until everything was finalized. She recommended that the Board accept the resolution to begin the application process. Ms. Olson stated that this would be one hundred percent funded.

Chairman Tackett requested a motion to accept the Resolution as referred to on page 76 of the packet. Commissioner Melton made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Absent
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-11-012

2.) Water Loss Update – Ms. Olson explained that for the water loss update, she stated the forms started on pages 79 – 87 of the packet. She stated the Mountain Water form was 22.27% for the month of October. She also stated that the MWD form allows us to account for the fact that we know where the water was used. The PSC form is more revenue based and was 24.7% for the month of October. Ms. Olson stated that those numbers were still excellent numbers, and we had been doing that consistently. She stated that our night crew and day crew had worked really hard to get those numbers down and was doing a great job on maintaining them. She stated that she had been in contact with Nee Jackson about getting the fire department reports and he had helped with that. Chairman Tackett inquired on the surge charge. Mr. Lowe stated he had contacted United Systems, and they were working on getting the program completed. He also stated that if an account had two meters, they would be charged two surcharges. Chairman Tackett asked if the District had set up separate account at the bank for the surcharge to deposited to. Mrs. Hatfield stated she had started those accounts, but the Board members needed to follow the links that was sent to their emails to complete the process of the bank accounts.

3.) Daily Operations Update - Ms. Olson stated that nothing had really changed regarding the daily operations. She stated that the Southern Corrosion tank contract was put on hold until the rate case was completed and we needed to follow up to see when that needed to start.

4.) Wage Increase Authorization – Mr. Spears explained in the Financial Report that the proposed and agreed on wage increases was a little more than originally calculated but the Personnel Committee made a few changes to equipment operators and water treatment plant operators in hopes to prevent turnover in the future.

Chairman Tackett requested a motion to approve the Wage Increase effective January 1st, 2024, as approved by the Personnel Committee. Commissioner Runyon made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Absent
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-11-003

5.) Retroactive Approval for 3500 Series Truck – Ms. Olson referred to page 91 of the packet. She continued that the Board had approved a 3500 Series Truck back in the summer and we only received

one bid from Walters for $85,000 and the Board agreed to reject their bid. She stated that she had looked at other options, she stated that she had talked with legal counsel and the KY Procurement Cabinet. She stated that the District had adopted the KY Procurement Code that we could choose from a list of vendors and get three quotes. She stated that to save on the budget, they had decided to go with a gasoline engine, and it would save the District $20,000. Ms. Olson stated they felt that the gasoline engine would be sufficient and gasoline would also be cheaper to maintain than diesel. Ms. Olson stated that the Board would need to approve the bid for the 2024 Chevy 3500 Series Truck from Bob Hook Chevrolet.
Chairman Tackett requested a motion to Retroactively Approve the purchase of the 2024 Chevrolet 3500 Series Truck from Bob Hook Chevrolet for the amount of $54,574. Commissioner Melton made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Absent
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-11-013

6.) **Adward Bid for Bypass Pump for Wastewater –** Ms. Olson stated the Phelps Hydrology Project had $209,000 funds remaining to use. She referred to page 92 of the packet for bid information, she stated that Wascon, Inc. was the only one that met all the bid specifications. She recommended that we award the Bid to Wascon, Inc. for Bypass Pump in the amount of $83,294.18 and use the remaining Project funds to pay for it.
Chairman Tackett requested a motion to Award the for Bid for Wastewater Bypass Pump to Wascon, Inc. in the amount of $83,294.18. Commissioner Chaney made the motion. Commissioner Melton seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Absent
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-11-014

7.) **Potential Time Change for Regular Monthly Meetings –** Chairman Tackett asked if this could be tabled to the December meeting pending Commissioner Justice being able to attend and all Board members could be present to discuss changing time.

MANAGER'S REPORT (continued)

Ms. Olson explained the remainder of the Manager's Report, such as delinquents, customer count, gallons sold, meters changed, bacteriological samples, payments made, etc. She stated that there were twelve accounts found connected illegally for the month of October. She stated we had processed 1,690 payments processed for the month of October; those payments were either paid by mail. Phone, online or at the office. She also stated that there were 3234 water customers who were disconnected for non-payment. Commissioner Melton inquired on the illegal hookups, he inquired on how that was possible. Ms. Olson stated that straight pipes were used, cut hoses, etc., she stated that the customers were creative.

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

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Absent
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-11-015

NEW BUSINESS

Executive Session

COMMISSIONER COMMENTS

Chairman Tackett inquired if there were any further comments. Mr. Hill asked that the Board make resolution to accept Segment One of the Brushy Line (five customers) and the warranty begin as of November 30th, 2023. Chairman Tackett explained the acceptance to Commissioner Melton as to why the project was divided into segments to help those in need of water.

Chairman Tackett requested a motion to accept Segment One of the Brushy Line and warranty begin as of November 30th, 2023. Commissioner Melton made the motion. Chairman Tackett seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Absent
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-11-016

ADJOURN MEETING

Chairman Tackett requested a motion to adjourn today's regular meeting. Commissioner Melton made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Absent
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-11-017

MOUNTAIN WATER DISTRICT
BOARD OF COMMISSIONERS SPECIAL MEETING

December 11th, 2023
5:00 PM

ATTENDEES
Mike Spears, Spears Management, CPA
Tammy Olson, General Manager
Carrie Hatfield, Chief Financial Officer
Melissa Wright, Compliance Manager
David Taylor, Operations Manager
Don Wallen, Wallen, Puckett & Associates

PLEDGE OF ALLEGIANCE
Chairman Tackett led the assembly in the Pledge of Allegiance.

PRAYER
Commissioner Chaney led the assembly in an opening prayer.

CALL TO ORDER
The Mountain Water District Board of Commissioners' Special Meeting was held on Monday, December 11th, 2023, at 5:00 PM.

Commissioners present for the meeting were as follows:

Randy Tackett, Chairman
Paul Chaney, Secretary
Burt Melton, Commissioner

APPROVAL OF FINANCIAL AUDIT YEAR ENDED DECEMBER 31ST, 2022
Mr. Wallen explained the Mountain Water District Financial Audit. He stated that the audit resulted in an unmodified opinion, which is referred to as a clean opinion. He continued that the District's financial statements were presented according to the AICPA standards. He stated they performed tests, grant agreements that applied to Mountain water and did not find any instances or violations of noncompliance. He stated that the District was in compliance with the KY State Laws and regulations as well with the grant requirements. The Net Position was $68,688,000, that was a healthy position to be in, that means that total assets minus total liability. The District did refinance some long term debt of $5,880,000 that resulted in a savings of $1,128,000 with a net position of $686,565 for Capital Assets. Income Statement for Operating expenses was at a loss of $2,581,000 and the larger expense, which is a noncash expense, is deprecation of $4,331,00. Deprecation represents a reduction of the total assets. Grant receipts were $4,00,00 was less than the previous year. Cash Balance decreased by $251,000, and end of year balance of over $3,000,00 which consists of certain funds such as bonds, etc. The Operating Revenue was $247,00 more than what was budgeted for, the Operating Expenses were $4,000,000 more than what was budgeted for. The Net Budget deficit was $170,000. Mr. Wallen remarked that the District did a great job planning their budget, especially with inflation. Net Retirement Liability and the Post Employee Benefits Liability was a liability that the District did not have to pay but had to be listed on the balance sheet. As long as the State Kentucky made deposits and covered the retirement the District would not have to pay. Mr. Wallen stated that the only thing that was down was the Grant income, but that was understandable because those were not always available. Mr. Wallen said the District did really well on their budget, and the practices that were being used were also good. He had no suggestions on any changes that needed to be made nor were there any problematic areas. Mr. Wallen stated that if anyone had any questions or concerns, they were welcome to contact his office or stop by and he would discuss any concerns. He also apologized for being late on the presentation of the audit, it had been a miscommunication.

Chairman Tackett requested a motion to accept the Financial Audit as presented by Don Wallen. Commissioner Chaney made the motion. Chairman Tackett seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Absent
Commissioner Chaney	Aye
Commissioner Justice	Absent
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-12-001

ADJOURN MEETING

Chairman Tackett requested a motion to adjourn today's special meeting. Commissioner Melton made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Absent
Commissioner Chaney	Aye
Commissioner Justice	Absent
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-12-002

MOUNTAIN WATER DISTRICT
BOARD OF COMMISSIONERS SPECIAL MEETING

December 21st, 2023
5:00 PM

ATTENDEES
Mike Spears, Spears Management, CPA
Tim Campoy, EDC
Mike Mullins, Summit Engineering
Tom Jones, Bell Engineering
Jim Vanover, Vanover Hall Bartley & Ward
Tammy Olson, General Manager
Carrie Hatfield, Chief Financial Officer
Kevin Lowe, Office/ Billing Manager
Melissa Wright, Compliance Manager

PLEDGE OF ALLEGIANCE
Chairman Tackett led the assembly in the Pledge of Allegiance.

PRAYER
Commissioner Myrtle Runyon led the assembly in an opening prayer.

ELECTION OF OFFICERS
Chairman Tackett suggested to postpone the Election of Officers to January 25th, 2024 meeting to see if all Commissioners would be present.

CALL TO ORDER AGENDA ITEM I
The Mountain Water District Board of Commissioners' Special Meeting was held on Thursday, December 21st, 2023, at 5:00 PM.

Commissioners present for the meeting were as follows:

Randy Tackett, Chairman
Myrtle Runyon, Treasurer
Paul Chaney, Secretary
Mitch Justice, Absent
Burt Melton, Commissioner

VISITORS
Chairman Tackett inquired if there were any visitors for today's meeting. There were none.

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 November 30th, 2023, and special meeting held on December 11th, 2023, as presented. Commissioner Melton made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Absent
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-12-003

FINANCIAL REPORT – MIKE SPEARS, CPA **AGENDA ITEM III**

Mr. Spears stated that that Cash in Bank at the end of November was $40,904. Accounts receivable was $1,446,632. Plant in Place was $171,273,296. Accounts Payable for the month of December were $406,058. Equity position is $66,129,711. Revenue for the month was $886,581, he referred to page 15 of the packet. Utility Operating expenses for the month were $1,122,894. Loss for the month, $256,312, included in the loss was Deprecation Expenses $335,997, which is a noncash expenditure. Operating income was negative in the amount of $256,313. Cash increased for the month was $74,653, is low due to KIA payments and will have RD in due January 1ST but they would withdraw the funds on the 31st of December. The current Operating account balance as of November 30th, 2023, was $37,532. We are currently funded in the reserves. KIA Reserve was $885,686 and the RD Reserves was $882,800. O&M Reserve balance was $32,798, he stated that was one balance that needed to be reestablished for safety net. He stated we would transfer $40,000 to the sinking fund to make sure we had enough money to pay our debt service. He referred to page 15 of packet for the for the Total Sales were $866,680for the month of November, that was a low water month and one of the lowest three months of the year. He referred to page 16 of the packet, the expenses for the month, water purchased from Williamson was $38,437 and water purchased from the City of Pikeville was $45,200. He continued with electrical expenses on page 17, $102,531, which was on the lower end again. He continued that all looked within norma rang. He stated that R&M was higher this month. He continued that the last rolling ten months had been about $75,000 to $80,000 each month. Mr. Spears continued that the General R&M was $32,000 and he explained that Mrs. Hatfield was good at going the those and finding items to be capitalized. Accounts Payable was up a little this time and would be due to R&M increase. He said Cash in Bank was average compared to last year.
After review and discussion of the financial report, Chairman Tackett requested a motion to approve the financial report for the month of November as presented. Commissioner Melton made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Absent
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-12-009

Mr. Spears continued by explaining the budget for the upcoming year, stating the Budget Committee had met twice. He explained that the is projected and when unexpected things happen, we would adjust. He explained how they determined the Budget, to take the last rolling ten months of this year and last two months of the previous year to get total amount projected. Mr. Spears stated that there were a few adjustments listed and he continued to explain those. He continued that the payroll taxes increased due to pay raises. He explained the second adjustment was on payroll would be due to wage increases less Manpower. The third item that increased was health insurance. He stated that lab testing expenses had decreased. He stated that electrical expenses had increased eleven percent as projected. The next decrease would be eliminating the rate study cost of $84,000. The next increase would be Manpower of $42,332 and that is part of the payroll increase, the District had to increase their wages along with the District's employees. Retirement expenses are based on payroll amount, the District is currently paying 23% but that will decrease in July to 19%. The higher priced items are R&M, they are spread among different categories. Last year the District spent $984,000 and for the upcoming year it is budgeted at $10.5 million, and a lot of that is based on materials cost has increased and there are some small ticket items that were presented that were not included in the budget. Overall, there is a $53,000 decrease in interest. Show loss of $1.8 million, depreciation of $4 million, leaving the cash flow at $2.2 million. There are some other items that did six-year projection, with two-year ballon, total of $139,891 that is based on six years at six percent. Capital Proceeds, s tap fees $100,00 and will probably be higher. Any grant funds will be spent for capital or plant, that is hard to get accurate number on. The Fishtrap Project once it's complete the District will have to match and same at Maynard Fork. Current long-term debt with interest included in the expense but principal payments are not, principal payments are $1,121,005 due in 2024. Have also included $300,000 to be put back for safety net in case of major events. Mr. Spears stated that once the Board approved the budget, he would submit it to the DOT website. He stated again that the budget is projected amounts based on the District's history.

Chairman Tackett requested a motion to accept the 2024 Budget as presented. Commissioner Melton made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Absent
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-12-010

Ms. Olson referred to page 19 of the packet to review the auto loan that needed to be refinanced. Mrs. Hatfield explained that the payment or the interest rate would not change. She explained that the loans would be renewed with the same interest rate of 3.99% as previously.
Chairman Tackett requested a motion to approve to Refinance Auto Loan (page 19 of the packet). Commissioner Runyon made the motion. Commissioner Melton seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Absent
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-12-004

Ms. Olson stated that the Rural Development Bond Payments were due in January 2024. Mrs. Hatfield referred to page 20 of the packet that listed the amounts of each.
Chairman Tackett requested a motion to approve the payment of the Rural Development Bond Payments in the amount of $213,172.75. Commissioner Melton made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Absent
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-12-005

PAYMENT OF BILLS AGENDA ITEM IV

Ms. Olson stated on the Payable and Payment List started on page 21 of the packet. Chairman Tackett inquired about Morelli's. Ms. Olson stated that was the Christmas dinner for the employees. Commissioner Melton inquired on Pikeville payment. Ms. Olson stated that was for the Pikeville purchased water and that was the required minimum amount. Chairman Tackett asked if there were any additional questions on the payment of bills for the month of December, there were none.
Chairman Tackett requested a motion to approve the payment of bills for the month of November as presented. Commissioner Runyon made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Absent
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-12-006

CUSTOMER ADJUSTMENTS AGENDA ITEM V

Copies of the customer adjustments for December, pages 32-34 of the packet. Mr. Lowe stated the amount was higher this month, but it was for Pike County Housing in the amount of $11,162. He explained that was the difference in the increase.

Chairman Tackett requested a motion to approve the Customer Adjustments for November 2023 in the amount of $20,004.54. Commissioner Melton made the motion. Chairman Tackett seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Absent
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-12-007

CONSTRUCTION REPORT AGENDA ITEM VI

Update by Tim Campoy, Environmental Design Consultants

1. **Kimper DOT Relocation Project** – Mr. Campoy stated he wanted to remind everyone that this project was funded by the Transportation Cabinet. He stated that all the final adjustments had been amended and was now in the hands of the KDOT Dept to be finalized.

Update by Bell Engineering/EDC Steve Caudill, P.E. / Tim Campoy, P.E.

1. **Fishtrap Hydraulic Modification Project –** Mr. Campoy stated that RD had requested information such as maps and easements. He stated that it had been placed on hold due to an employee being off with COVID. Mr. Campoy stated that he hoped that he would be back to work and have those ready for Ms. Olson within next couple weeks.
2. **Water Loss Reduction Plan, Phase 1 –**Mr. Tom Jones stated that invoices have continued to be forwarded to Compass Municipal as they were received. He stated that the replacement tanks for Kendrick Fork and Right Fork of Greasy had been relocated to the sites, the road work is being done and fencing had started by Hamilton Fence, also telemetry boxes are being installed on the sites, and road work had continued. He stated that they needed to schedule SE Diving to get started painting and repairing the Poorbottom and the Old House Tanks, but due to colder temperatures it might need to be rescheduled until Spring during warmer temperatures. He continued that the paint had to be cured, such as being applied and dried during certain temperatures.
3. **Capital Infrastructure Replacement Project/Peach Orchard Water Line Extension** –Mr. Jones stated that the preliminary engineering report had been finalized and had continued to work on the project plan specs and the permit applications. The pelimary engineering report has been finalized. He continued that they had started to work on the permit applications. The Project would be divided into two plan sets to facilitate the funding. Portion one would be Peach Orchard and portion two would be Peach Orchard Line Replacement. He continued that once the layout specifications were completed, they would set up a meeting with the District for review.

Update by Mike Hill, Summit Engineering:

1. **Brushy Fork/Sycamore Water Line Extension –** Mr. Mike Mullins There are 104 signups, with 111 estimated and bid in the project. There are about 10 homes that have refused service or are vacant. The contractor has completed all the water mains along Sycamore Road and Line Fork. They have completed the 6" water main along Brushy Road and are currently on track to finish the 4" water main on Mills Road the week of December 18th. The contractor is approximately 75% through the contract time. A monthly progress meeting is scheduled for December 19th. The contractor is currently on schedule. There is approximately $93,362.35 remaining in contingency. Summit obtained a budget estimate for a chlorine booster from a supplier. The estimated amount is $114,780 for the materials. This does not include the installation costs. It is unlikely that a chlorine booster would be feasible with the contingency funds available. The contractor is working on a change order proposal to add an automatic flushing hydrant. Anticipate that the automatic flushing hydrant will be feasible the contingency funds. Invoices have been submitted for approval. M. Olson explained that keeping chlorine in that area would be difficult. She continued that the automatic flusher would help to flush more through the line to keep water turned over. She stated that they were trying to get those items in the budget. Mr. Taylor explained that it would be costly to get the pump coronated with the flusher;

he stated that it was too large of line distance and not enough people using to keep water turned over.

2. **Maynard Fork Water Line Extension –** Ms. Olson stated that Maynard Fork was left on the agenda because there were some remaining funds that needed to be spent in the amount of $14,679.25 and those funds could be used to purchase additional meters, boxes, valves or anything related to original project needs for the District. She continued that once that invoice was received then at the next meeting would close this and be removed from the project list.

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

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Absent
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-12-008

PROJECT DRAWS:

Chairman Tackett reviewed the Projects Draws aloud. He inquired about USBT. Mrs. Hatfield stated it was a new vendor that was telemetry related. Chairman Tackett asked if anyone had any further questions about the Project Draws. There were none.
Chairman Tackett requested a motion to approve the Project Draws as listed. Commissioner Runyon made the motion to approve the draws as presented. Chairman Tackett seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Absent
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-12-011

PROJECT DRAWS:

BRUSHY / SYCAMORE WATERLINE EXT		
Summit	**KIA Funds**	**$ 6,125.00**
BOCA	**KIA Funds**	**$ 241,932.35**
TOTAL		**$ 248,057.35**
WATER LOSS REDUCTION PLAN, PHASE I		
Hamilton Fence CO	**ARPA Funds**	**$ 6,369.54**
DD & K	**ARPA Funds**	**$ 5,300.00**
USBPT	**ARPA Funds**	**$ 3,555.00**
TOTAL		**$ 15,224.54**

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

1.) Funding Update –

a. Lead Service Line Inventory Project – Ms. Olson stated that the application had been submitted and had received a response from KIA that it was. Ms. Olson stated that now the District had to wait for KIA to approve the application and they may request more information.

2.) Water Loss Update – Ms. Olson explained that for the water loss update, she stated the forms started on pages 39 & 40 of the packet. She stated the Mountain Water form was 25.43% for the month of November. She also stated that the MWD form allows us to account for the fact that we know where the water was used. The PSC form is more revenue based and was 25.7% for the month of November. Ms. Olson stated that although those numbers were a little higher than last months that were still excellent numbers. Mr. Taylor explained that the temperatures were a large factor in the increased numbers. Ms. Olson explained that the TTHM's were up and there would be a public notice issued due to the District received a violation.

3.) Daily Operations Update - Ms. Olson stated that nothing had really changed regarding the daily operations. She stated that the ARPA Funds had taken over mostly on that. She continued that page 48 listed the tanks that needed to be painted. She explained that Southern Corrosion tank contract was put on hold until the rate case was completed and we needed to follow up to see when that needed to start on those.

4.) Award Bid for Wastewater Pumps, Controllers, etc. – Ms. Olson stated the Phelps Hydrology Project had $209,000 funds remaining to use .and she had worked with KIA about spending remainder of funds without it going back to the state. She stated that we had to purchase items that were directly related to the original project. There were some pumps that the District needed and those items had to bid out due to being over the procurement law of $40,000. She explained that the pump was $89,704 and was the only item that had to be bid out. She continued that the District only received one bid and that was from Wason, Inc.

Chairman Tackett requested a motion to Award the Bid for Wastewater Pumps to Wascon, Inc in the amount of $89,704.66. Commissioner Runyon made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Absent
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-12-012

5.) Phone App- Ms. Olson stated that the District had been looking into phone apps and updating our communication with customers. Mr. Lowe explained we had viewed demos with these two companies. One was felt to be more superior and user friendly than the other, but he also stated the price reflected those differences. The differences in the phone app quotes that the District had received. He explained that the one we preferred, the first-year cost would be $10,995, the next two years would be $8,995 per year, the total for three years would be $28,995. He explained the other demo that was viewed would be $18,500 for three years. He stated that the last bill that was paid for the RAVE System $4700 per year, but we had not found out the price for 2024. He continued that we would have to keep the RAVE System after 2024 because the companies are 60 plus days out. The app that was preferred did not require the RAVE System but the lesser one would. Ms. Olson explained cancelling the RAVE System would offset the cost of the preferred system. Mr. Lowe explained he felt it would improve communication with the customers. Ms. Olson stated that we would have complete control of what would be posted for customers to see. Mr. Lowe stated that we could send notifications for delinquent accounts, boil water advisories and scheduled outages. Ms. Olson explained that our app would be designed for the District and no other entity would be able to share it. Upon further discussion it was decided to table this to January's meeting.

6.) Potential Time Change for Regular Monthly Meetings – Chairman Tackett asked if this could be tabled to the December meeting pending Commissioner Justice being able to attend and all Board members could be present to discuss changing time.

MANAGER'S REPORT (continued)

Ms. Olson explained the remainder of the Manager's Report, such as delinquents, customer count, gallons sold, meters changed, bacteriological samples, payments made, etc. She stated that there were seven accounts found connected illegally for the month of November. She stated we had processed 1,610 payments processed for the month of November; those payments were either paid by mail, phone, online or at the office. She also stated that there were 217 water customers who were disconnected for non-payment. The District had seven paid water taps completed in November and 95 for the year.
Chairman Tackett requested a motion to accept the Manager's Report as presented. Commissioner Chaney made the motion. Commissioner Runyon seconded Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Absent
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-12-013

NEW BUSINESS

Executive Session

COMMISSIONER COMMENTS

Chairman Tackett inquired if there were any further comments. There were none.

ADJOURN MEETING

Chairman Tackett requested a motion to adjourn today's special meeting. Commissioner Runyon made the motion. Commissioner Melton seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Absent
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-12-014

MOUNTAIN WATER DISTRICT
BOARD OF COMMISSIONERS SPECIAL MEETING

December 29th, 2023
3:00 PM

ATTENDEES
Tammy Olson, General Manager
Melissa Wright, Compliance Manager
Jim Vanover, Vanover Hall Bartley & Ward
Kristi Strouth, Appalachian News Express

CALL TO ORDER
The Mountain Water District Board of Commissioners' Special Meeting was held on Friday, December 29th, 2023, at 3:00 PM.

Commissioners present for the meeting were as follows:

Randy Tackett, Chairman
Myrtle Runyon, Treasurer
Paul Chaney, Secretary
Mitch Justice, Commissioner
Burt Melton, Commissioner

AGENDA ITEM I

City of Elkhorn City Water Department – Teleconferenced Attorney Gerald Wuetcher regarding Elkhorn City Water rates that were implemented by the PSC in rate case that was settled in October 2023. Mr. Wuetcher stated that when the District made the motion with the PSC, in that motion the District specifically said that they were going to invite the members of Elkhorn City Council to attend or join the video conference. He stated that the PSC rejected that motion to allow any representatives from Elkhorn City present. He stated that Elkhorn City was not a party of the case and only intervening parities can attend the conference. Ms. Olson stated to the Board that Mr. Wuetcher wanted to know if he needed to proceed with an appeal to have Elkhorn City council present at video conference. The Board discussed that it was not necessary to have Elkhorn City Council present. Mr. Wuetcher explained that the meeting was a closed meeting and only representatives from the District could be present and if they did show up the PSC would shut down the conference. Mr. Wuetcher stated that Elkhorn City may need to file a complaint against the District with the PSC about the increased rate and then they would be allowed to be present. Chairman Tackett inquired if Mr. Wuetcher would recommend making a motion for the PSC to reconsider its decision on allowing them to present. Mr. Wuetcher did not recommend making a motion for reconsideration and he also stated that the rate case was considered being closed without Elkhorn City intervening or contacting the PSC about the proposed rate increase. He stated that if the District and Elkhorn City could agree on a rate then Elkhorn City could file a motion with the PSC to open a case. Mr. Wuetcher continued with questions that the District needed to ask the PSC at the video conference. He suggested that the District inquire on how they determined the rate for Elkhorn and state that they were aware that the PSC preferred rate increases in phases. Mr. Wuetcher explained for every dollar that was discounted with Elkhorn City, then the PSC would pass along that loss to the District's other customers. Ms. Olson explained that the plant needed some repairs and felt that Elkhorn City should share the expense of those repairs due to treating the water that was sold to them. She explained the current rate and the projected rate increase of 27%. Ms. Olson explained that on the test year with the amount of water purchased from Pikeville, the amount of water purchased from Williamson and if the District could maintain the water loss reduction as it has been, then the savings would offset the rate of 27%. She explained that the District's staff had done a great job of maintaining the low water loss percentage, said they had repaired numerous

water lines and repaired so many leaks. Chairman Tackett asked if the District asked for reduction now for Elkhorn City, if that would affect us when we proposed rate increase in three years. Mr. Wuetcher explained that the District needed to explain the severe consequences of high bills with Elkhorn City and if they could not pay then they would stop paying or just make partial payments. He said to express the possibility of loss of revenue and there needed to be a more sustainable rate for them to pay their monthly bill. He also explained that if Elkhorn City could not pay then the District would be making a motion with the PSC to disconnect them. Ms. Olson explained that Elkhorn City serviced a nursing home, a school and several hundred customers and disconnecting their water would be detrimental to the customers. Chairman Tackett explained that the ideal situation would be to lower Elkhorn City rates and adjust the other rates to compensate for the loss of revenue that was projected. Mr. Wuetcher explained that if the wholesale rate were reduced than projected in test period, that's revenue the District would not receive and would need to be made up another way. He explained that if the wholesale rates were reduced then the retail rates would be increased to adjust for the difference. Commissioner Melton expressed his concerns of the District passing along the difference to their retail customers. Commissioner Justice asked if Elkhorn City could increase their rates to pay their bill. Chairman Tackett stated that they just had a rate increase for their customers but was unsure of how much. Commissioner Justice stated that he felt that Elkhorn City needed to have their rates similar to the District's, even if they needed another increase. He stated that he felt that it was unfair for the District's customers to pay more to compensate for their decrease. Ms. Olson asked the Board if any would like to attend the video conference but could not have more than two because then it would be considered a meeting. Ms. Olson asked Mr. Wuetcher how often it occurred that a rate case would be closed, would the PSC reopen to change the rate for the customer. Mr. Wuetcher said that did not happen often but needed to focus on the hardship of Elkhorn City not paying any monthly payments and that Elkhorn City had to protest the rates. He stated that Elkhorn City had to present their case to the PSC so that the PSC would see that Elkhorn was concerned. He continued that it would be better if Elkhorn City would take the lead and then the District could step in to help. Mr. Wuetcher stated that Elkhorn City needed to express their concerns and outrage of the wholesale rate increase of 200% and have their attorney submit a letter to the PSC. Ms. Olson asked Chairman Tackett if he could attend the conference, she stated that Mr. Wuetcher stated it would be good to have at least one board member present. Mr. Wuetcher stated that it would be best to ask the PSC how they determined the wholesale rate and express the District's concerns about Elkhorn City not paying, which would lessen the District's revenue. He stated not to specify a certain rate, he explained not to mention numbers but give options but not to speak of specifics. He also stated that Elkhorn City needed to step up and express their concerns. Commissioner Melton inquired if the rate case was conducted privately or if it was public. Ms. Olson stated that it was public, it was published in the paper, several of the District's staff members had to testify but she also mentioned that the wholesale rate was not mentioned by anyone. She explained it was an oversight by all until Elkhorn City's bill was issued due to them being the District's biggest wholesale consumer. Mr. Wuetcher explained that he felt that the wholesale rate was completely an oversight on PSC's behalf, and no one noticed the wholesale rate within enough time to have it reviewed. After further discussion, Chairman Tackett confirmed he would attend the video conference on Tuesday, January 3rd, 2024, at the office along with Ms. Olson.

ADJOURN MEETING

Chairman Tackett requested a motion to adjourn today's special meeting. Chairman Tackett made the motion. Commissioner Justice seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 23-12-015

MOUNTAIN WATER DISTRICT
BOARD OF COMMISSIONERS REGULAR MEETING

January 25th, 2024
5:00 PM

ATTENDEES
Mike Spears, Spears Management, CPA
Mike Hill, Summit Engineering
Stephen Caudill, Bell Engineering
Jim Vanover, Vanover Hall Bartley & Ward
Tammy Olson, General Manager
Carrie Hatfield, Chief Financial Officer
Kevin Lowe, Office/Billing Manager
David Taylor, Operations Manager
Gary Slone, Appalachian News Express

PLEDGE OF ALLEGIANCE
Chairman Tackett led the assembly in the Pledge of Allegiance.

PRAYER
Commissioner Myrtle Runyon led the assembly in an opening prayer.

ELECTION OF OFFICERS FOR THE BOARD OF COMMISSIONERS
Randy Tacket was nominated by as the Chairman and accepted the position as the Chairman of the Board. Commissioner Runyon requested a motion to appoint Randy Tackett as Chairman of the Board. Commissioner Runyon made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-01-001

Mitch Justice was nominated as the Vice Chairman and accepted the position as the Vice Chairman of the Board. Chairman Tackett requested a motion to appoint Mitch Justice as Vice Chairman of the Board. Chairman Tackett made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-01-002

Paul Chaney was nominated as the Secretary and accepted the position as the Secretary of the Board. Chairman Tackett requested a motion to appoint Paul Chaney as Secretary of the Board. Chairman Tackett made the motion. Commissioner Justice seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-01-003

Myrtle Runyon was nominated and accepted as Treasurer. Chairman Tackett requested a motion to appoint Myrtle Runyon as the Treasurer of the Board. Commissioner Justice made the motion. Commissioner Melton seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Justice	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-01-004

CALL TO ORDER AGENDA ITEM I

The Mountain Water District Board of Commissioners' Regular Meeting was held on Thursday, January 25th, 2024, at 5:00pm

Commissioners present for the meeting were as follows:

Randy Tackett, Chairman
Mitch Justice, Vice Chairman
Myrtle Runyon, Treasurer
Paul Chaney, Secretary
Burt Melton, Commissioner

VISITORS

There were none.

APPROVAL OF MINUTES AGENDA ITEM II

After review of the minutes, Chairman Tackett requested a motion to approve the minutes of the Special Meeting held on December 21st, 2023 and for the Special Meeting held on December 29th, 2023, as presented. Commissioner Melton made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-01-005

FINANCIAL REPORT – MIKE SPEARS, CPA AGENDA ITEM III

Mr. Spears stated that Cash in Bank at the end of October was $115,408. Accounts receivable was $1,394,180. Plant in Place was $170,399. Accounts Receivable for the month of January were $1,597,566. Plant in Place was $171,753,921. Accounts Payable was $702,029, which was a higher-than-normal amount. Mrs. Hatfield explained that it was due to the paving company finishing up the paving replacement before the plant closed. WASCON had some invoices due, and the new billing software was included in this month. Equity position is $96,259. Revenue for the month was $1,035,715, he referred to page 15 of

the packet. Utility Operating expenses for the month were $1,199,384. Loss for the month, $185,370, included in the loss was Deprecation Expenses $335,997, which is a noncash expenditure. Operating income was negative in the amount of $163,668. Cash increased for the month was $62,751, which is an artificial number. The current Operating account balance as of December 31st, 2023, was $102,917. We are currently fully funded in the reserves. KIA Reserve was $883,618 and the RD Reserves was $819,701. O&M Reserve balance was $33,187, he stated that was the account that we needed for safety net and would start putting funds in there withing next couple months. He stated we would transfer $78,000 to the sinking fund to make sure we had enough money to pay our debt service. He referred to page 16 of the packet, the expenses for the month, water purchased from Williamson was $35,561. and water purchased from the City of Pikeville was $45,301. He continued with electrical expenses on page 17, $109,000 for the month. General R&M, Telemetry was a little higher this month, $87,192. He continued with that everything looked normal.

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

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-01-006

Ms. Olson referred to pages 16 through 27 of the packet to review the four auto loans to be refinanced. She stated that nothing would change on each of the loans. Mrs. Hatfield explained that all four payments would remain the same as well as the interest rate of three percent for each of the four loans.

Chairman Tackett requested a motion to approve to Refinance Four Auto Loans: (pages 16 - 27 of the packet) for vehicles # 173, #174, #175, #177. Commissioner Justice made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-01-007

Ms. Olson referred to pages 28 through 30 of the packet to review the FEMA Project-BPS to be refinanced. She stated that nothing would change on each of the loans. Mrs. Hatfield explained that the payment would remain the same and the interest rate would also remain the same at three percent for the loan.

Chairman Tackett requested a motion to approve to Refinance FEMA Project-BPS Loan: (pages 28-30 of the packet) for the McVeigh BPS. Commissioner Chaney made the motion. Commissioner Justice seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-01-008

PAYMENT OF BILLS AGENDA ITEM IV

Ms. Olson stated the payment of bills started on page 31 with the Cash Disbursement. Payable and Payment List started on page 37 of the packet. Mrs. Hatfield stated that on page 44 was an Aging Schedule for the past few months. Chairman Tackett inquired on payment to HACH Company in the amount of

$6,088.50. Mrs. Hatfield explained that was for equipment being repaired. Chairman Tackett asked about the more than three months for Justin Collier. Mrs. Hatfield explained that was a HR Issue that had already been resolved and needed to be removed the list, it was an oversight on her behalf.
Chairman Tackett requested a motion to approve the payment of bills for the month of January 2024 as presented. Commissioner Runyon made the motion. Commissioner Tackett seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-01-009

CUSTOMER ADJUSTMENTS AGENDA ITEM V

Copies of the customer adjustments for December see page 45 of the packet. Mr. Lowe stated the number of adjustments was 45, which was average, and the total amount adjusted was less than last month.
Chairman Tackett requested a motion to approve the Customer Adjustments in the amount of $7,334.27. Commissioner Chaney made the motion. Commissioner Justice seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-01-010

CONSTRUCTION REPORT AGENDA ITEM VI

Update by Steve Caudill, Environmental Design Consultants

1. **Kimper DOT Relocation Project** – Mr. Caudill started by stating that EDC had made the final modifications to the construction plans and cost estimates had been completed and EDC had submitted them to the KYTC and had to wait for final approval.

Update by Bell Engineering/EDC Steve Caudill, P.E. / Tim Campoy, P.E.

1. **Fishtrap Hydraulic Modification Project –** EDC is sub-consultant to Bell Engineering on this project. All permits have now been approved by the various agencies and EDC has prepared the bid documents and all necessary items for the funding agency. This information has been provided to Bell Engineering for submission to the agency. Rural Development has been provided with documentation requested on easements and rights of way. Continue to wait for permission to advertise the project for bid. The Division of Water Permit to Construct, Transportation Cabinet Encroachment Permit, the Division of Water Stream Crossing Permit and the Corps of Engineers Permit have been issued. The needed easement has been recorded. Project has been forwarded to RD with a request to advertise for bids. RD has completed its plan review at the state level and provided waivers concerning Build America Buy America and American Iron and Steel requirements. Working with RD to secure permission to bid.
2. **Water Loss Reduction Plan, Phase 1 –** Mr. Steve Caudill stated that all the invoices had continued to be forwarded to Compass Municipal to be processed on a monthly basis. The replacement tanks for Kendrick Fork and the Right Fork of Greasy Creek had been relocated to the sites. He stated that DD&K had finished the road work was put on hold for now pending weather. Hamilton Fence continues to install the fences, four fences are now installed and will continue as weather permits. Repair/painting of the Poorbottom and Old House Tanks will be completed when the weather warms up. Telemetry had started, not all materials had been delivered but as they are received, they are installed. Chairman Tackett asked if photos had been taken of the before and after completion. Mr.

Caudill stated that he would get pictures to show the improvements and updates once they were completed.

3. **Capital Infrastructure Replacement Project/Peach Orchard Water Line Extension** –Mr. Caudill stated that they were currently working with the county (Sharon Hall) and the Kentucky Infrastructure Authority (Julie Bickers) in an effort to get the grants fully implemented so funds could be drawn. The Preliminary Engineering report has been finalized and have continued to work on the project plans and specifications along with the permit applications. The project had been divided into two different plan sets and specifications to facilitate funding. Portion 1 would be Peach Orchard and Portion 2 would be the line replacement. Peach Orchard preliminary layout and specifications are completed. Have driven lines to confirm alignments. Will provide Peach Orchard plans this week for MWD review. The plans for Peach Orachard had been reviewed by Mountain Water District and would be submitted to the Division of Water. Ms. Olson referred to page 48 of the packet, the Conditional Commitment Letter that had been received from Kentucky Infrastructure Authority. She stated that this was a standard letter that has been received every time the District has received funding for this type of project. She continued that this letter had previously been signed by Johnny Dennison and Roy Sawyers, but they requested current signatures due to the changes of the Chairman and the Districts' General Manager. Chairman Tackett inquired on completion date of the project. Mr. Caudill stated at least couple to three months before final completion.
   Chairman Tackett requested a motion to authorize to accept the Conditional Commitment Letter and to authorize Chairman Tackett to sign the document. Commissioner Justice made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-01-011

Update by Mike Hill, Summit Engineering:

Brushy Fork/Sycamore Water Line Extension – Mr. Hill stated there are 104 signups, with 111 estimated and bid in the project. There are about 10 homes that had refused service or are vacant. The contractor had completed all the main lines in the project (Sycamore Road, Long Fork, Brushy Road, and Mills Road). They have successfully pressure tested all lines. They will disinfect the lines prior to placing them in service. There are twenty-one-meter bases left to install on the Sycamore side. The contractor is approximately 94% through the contract time. The project is behind the original completion date due to the weather. A Change Order is included in the packet to be reviewed and approved. A monthly progress meeting was held on January 23rd. The contractor is working on a change order proposal to add two automatic flushing hydrants, one for each side. The contractor has asked for an extended completion date of two weeks, but Mr. Caudill wanted to ask for 28 days to ensure the work is completed. The original completion was originally set for February 4th but recommended to extend it. It was anticipated that after the change order for the automatic flushing hydrants, there will be at least $80,000 remaining in contingency. Invoices have been submitted for approval. Chairman Tackett requested a motion to accept the Change Order #2 as presented. Commissioner Runyon made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-01-012

Maynard Fork Water Line Extension – This project has been completed and been accepted by MWD for operation as of August 14th, 2023, which is also the start of the one-year warranty period. As of the last report, approximately half of the 18 customers have connected their homes and had their meter

installed. The project finished at $14,679.25 under budget. The project will be submitted for close out when the additional funds are approved for expenditure on additional meters for the Maynard Fork area. RD has requested those be advertised for bid by the District before they approve the purchase. Ms. Olson stated that Maynard Fork was left on the agenda because there were some remaining funds that needed to be spent**.** Ms. Olson stated that the District was working with Shaon Hall to get the funding agency to allow the District to purchase meters, gaskets and other various items. But now the agency is saying they want those items to be bid out, Ms. Olson explained that we only use RG3 meters, and it would not make sense to bid those to another company. Mrs. Hall was still working with the agency to see what the District would be allowed to purchase with the remaining funds of $11,914.25.
Chairman Tackett requested a motion to accept the Engineer/Construction Report as submitted. Commissioner Melton made the motion. Commissioner Justice seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-01-013

PROJECT DRAWS:

Mr. Lowe stated that Mrs. Hatfield had to step out but wanted him to explain that on the Water Loss Reduction Plan, Hamilton Fencing was omitted in error. Need to add draw for Hamilton Fence in the amount of $6,194.42, which changed the total to $10,530.25. Chairman Tackett asked if anyone had any further questions about the Project Draws. There were none.
Chairman Tackett requested a motion to approve the Project Draws as corrected. Commissioner Runyon made the motion to approve the draws as corrected. Commissioner Tackett seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-01-014

PROJECT DRAWS:

WATER LOSS REDUCTION PLAN, PHASE I		
DD & K	**ARPA Funds**	**$ 2,053.00**
DD & K	**ARPA Funds**	**$ 2,053.00**
State Electric	**ARPA Funds**	**$ 429.83**
****Hamilton Fence**	**ARPA Funds**	**$ 6,194.42**
TOTAL		**$ 10,730.25**
PHELPS HYDROLOGY PROJECT		
Maryland Biochemical Company	**KIA Funds**	**$ 27,146.00**
TOTAL		**$ 27,146.00**
BRUSHY / SYCAMORE WATERLINE EXT		
BOCA	**Coal Severance**	**$ 166,429.33**
Summit	**Coal Severance**	**$ 4,375.00**
TOTAL		**$ 170,804.33**

KIMPER DOT RELOCATION PROJECT			
EDC	**Line of Credit Funds**	**$**	**3,240.00**
TOTAL		**$**	**3,240.00**

****Correction**

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

1.) **Funding Update –**
   a. **Lead Service Line Inventory Project** – Ms. Olson stated that she had Big Sandy Ad and talked with Matt, he then contacted KIA for an update. KIA is administering the funds for the EPA and the EPA had not given any direction of when funds would be administered but it may be March before we heard back from them. Ms. Olson also explained that KRWA was at the District for water training and one of the trainers, Arianna, she was previously employed at the Division of Water but is now employed with KRWA. She stated that the new rule was to allow the use of water samples instead of door-to-door interaction. By doing that it would reduce our completion tremendously. The District would had a number of water samples to take based on number of connections. Main lines would need to be sampled and documented also. Ms. Olson stated that the District still needed to plan on going forward with the full project in being that the project would be fully funded. She will update as more information is received.

2.) **Water Loss Update –** Ms. Olson explained that for the water loss update, she stated the forms started on pages 57-59 of the packet. She stated the Mountain Water form was 22.50% for the month of December. She reminded us that the MWD form allows us to account for the fact that we know where the water was used. The PSC form was more revenue based and was 27.5% for the month of December. She stated that Annual Water Loss was on page 58, she stated that the numbers all year were excellent, and we had been maintaining this consistently each month. She continued that the annual average for 2022 was 27% and for 2023 was 22%, that's a decrease of fiver percentage on the annual average. Ms. Olson commended Mr. Taylor and the leak detection crew for their efforts and Mr. Wolford and the day shift for helping make repairs. Ms. Olson stated the Annual Water Loss Summary was the PSC form and their number is always higher than the MWD percentage. She explained page 62 of the packet, the Annual Water Loss Percentage from 2015 to present. She commended the District's staff and their efforts to get the water loss under control. Mr. Taylor said it took some time to get the staff to understand that it may take longer to replace the line and to do a quick repair. Once they realized it was more effective for the long term, they began replacing lines instead of a quick repair. He said once they started doing that then the water loss percentage started to decrease.

3.) **Daily Operations Update -** Ms. Olson stated the surcharge was now in place and being implemented with the new billing software company. She stated there was a report for the PSC that would be due by Februaty 28th, to outline the new plan for the reduced amount of the surcharge that would be received. Once the plan was determined then it would be submitted to Gerald Wuetcher to be put into corrected format. Commissioner Justice inquired about automatic billing payments. Mr. Lowe commented that we did not have plans on doing that for a couple of reasons. Ms. Olson explained that by making automatic payments if a customer's bill was substantially higher than normal then those funds would be automatically deducted from the payor's account and may result in overdrafts or low funds. Mr. Lowe continued that if customer had leak, or misread meter it would be deducted also and may cause hardships on the customer. Ms. Olson explained that TTHM's were out for the third quarter and would be also for the fourth quarter. She explained that the District sent public notice and would be working on the next notice for the fourth quarter. More than likely the first quarter of 2024 would be out of compliance. Each TTH violation is five points and once it gets to 15 then the District would go to enforcement with the Division of Water and our problem site was 907 of having high levels of TTHM's. Chairman Tackett explained that him and Ms. Olson had a meeting with City of Pikeville explaining to them that our levels are higher than normal and out of compliance. He stated they had suggested some ideas and tried to get a solution to help keep the District in compliance with TTHM. He assured the Board that the issue had been addressed and were working to get resolved. Ms. Olson stated that it was not the entire system, but it was the purchase point in Elkhorn and all those customers had to be notified. Mr. Taylor discussed the freezing temperatures that just passed. He stated that the District had learned a lot over the past couple of years, repairing water lines and

insulating bases and managing levels of tanks was hectic but paid off in the long run. He stated that production was good on the Pikeville side, but Williamson had some issues on their end and had to shut off our valves. Once they did that the District had to switch to Pikeville for the difference to keep customers in water supply. Mr. Taylor stated that the yearlong improvements were a testament during this time of the positive efforts.

4.) **Phone App**- Ms. Olson stated that this was discussed last month and the District had been looking into phone apps and updating our communication with customers. She stated that we had looked at a couple companies for the apps and pricing. Mr. Lowe explained we had viewed demos with two companies. One was felt to be more superior and user friendly than the other, but he also stated the price reflected those differences. Ms. Olson stated that the upgraded package would integrate with our billing software. Mr. Lowe reviewed some of the features of the apps and made comparisons between the two, he continued with the cost and benefits. The differences in the phone app quotes that the District had received. He explained that the one we preferred, the first-year cost would be $10,995, the next two years would be $8,995 per year, the total for three years would be $28,995. He explained the other demo that was viewed would be $18,500 for three years. He stated that the last bill that was paid for the RAVE System $4700 per year, but we had not found out the price for 2024. He continued that we would have to keep the RAVE System after 2024 because the companies are 60 plus days out. The app that was preferred did not require the RAVE System, but the lesser one would. Ms. Olson explained cancelling the RAVE System would offset the cost of the preferred system. Mr. Lowe explained he felt it would improve communication with the customers. Ms. Olson stated that we would have complete control of what would be posted for customers to see. Mr. Lowe stated that we could send notifications for delinquent accounts, boil water advisories and scheduled outages. Ms. Olson explained that our app would be designed for the District and no other entity would be able to share it. She explained that the app would help with customer communication and inform them of things going on such as projects, outages, boil water advisories, etc. Commissioner Justice asked about the disconnection ratio of the number of customers. He stated he thought it could possibly save the District money in several ways, such as fewer delinquent notices and disconnections. Ms. Olson stated that one company included a marketing package such as a QR code and advertisement for the new options. Mr. Lowe asked the Commissioners' to review the package before the next meeting. Upon further discussion it was decided to table it to February's meeting.

7.) **Potential Time Change for Regular Monthly Meetings –** Ms. Olson stated that at one time the meeting use to be held on the last Wednesday at 10:00am and the Board at that time could not make that time and it was changed to the last Thursday at 5:00pm. Commissioner Runyon asked if 4:00 would be beneficial for the others. Commissioner Justice stated that 4:00 would be the better option for him due to his job requirements. Commissioner Runyon stated that we could try that for a while and then revisit if needed to be. After further discussion, it was decided to change the time to 4:00pm on the last Thursday of each month.

Chairman Tackett requested a motion to accept the Time Change of the Regular Monthly Meetings to the last Thursday of each month at four o'clock in the afternoon. Commissioner Melton made the motion. Commissioner Justice seconded Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-01-015

MANAGER'S REPORT (continued)

Ms. Olson explained the remainder of the Manager's Report, such as delinquents, customer count, gallons sold, meters changed, bacteriological samples, payments made, etc. She stated that there were seven accounts found connected illegally for the month of December. 5,147 payments processed for the month of December; those payments were either paid by mail, phone, online or at the office. 152 water customers who were disconnected for non-payment. 95 meters changed out for various reasons. Five paid completed taps for the month of December. 52 total bacteriological samples were taken during the month of December. Chairman Tackett requested a motion to accept the Manager's Report as presented. Commissioner Runyon made the motion. Commissioner Melton seconded Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-01-016

NEW BUSINESS

Executive Session

COMMISSIONER COMMENTS

Chairman Tackett inquired if there were any further comments. There were none.

ADJOURN MEETING

Chairman Tackett requested a motion to adjourn today's regular meeting. Commissioner Melton made the motion. Commissioner Justice seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-01-017

MOUNTAIN WATER DISTRICT
BOARD OF COMMISSIONERS REGULAR MEETING

February 29th, 2024
4:00 PM

ATTENDEES
Mike Spears, Spears Management, CPA
Stephen Caudill, Bell Engineering
Tim Campoy, EDC
Jim Vanover, Vanover Hall Bartley & Ward
Tammy Olson, General Manager
Carrie Hatfield, Chief Financial Officer
Kevin Lowe, Office/Billing Manager
David Taylor, Operations Manager
Melissa Wright, Compliance Manager

PLEDGE OF ALLEGIANCE
Chairman Tackett led the assembly in the Pledge of Allegiance.

PRAYER
Commissioner Myrtle Runyon led the assembly in an opening prayer.

CALL TO ORDER AGENDA ITEM I
The Mountain Water District Board of Commissioners' Regular Meeting was held on Thursday, February 29th, 2024, at 4:00pm

Commissioners present for the meeting were as follows:

Randy Tackett, Chairman
Mitch Justice, Vice Chairman
Myrtle Runyon, Treasurer
Paul Chaney, Secretary
Burt Melton, Commissioner

VISITORS
There were none.

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, January 25th, 2024. Commissioner Justice made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-02-001

FINANCIAL REPORT – MIKE SPEARS, CPA AGENDA ITEM III
Mr. Spears stated that Cash in Bank at the end of January was $125,325. Accounts Receivable were $1,735,163. Plant in Place was $172,068,853. Accounts Payable was $619,654, was a higher-than-normal amount. Equity was $95,963,113. Revenue for the month of January was $1,089,496, he referred to page

15 of the packet. Utility Operating expenses for the month were $1,086,753. Loss for the month, $28,235, included in the loss was Deprecation Expenses $335,997, which is a noncash expenditure. Operating income was negative in the amount of $2,743. Cash increased for the month of January was $17,925, had paid down account payables. The current Operating account balance as of January 31st, 2024, was $122,043. We are currently fully funded in the reserves. KIA Reserve was $891,701 and the RD Reserves was $886,701. O&M Reserve balance was $33,187. He stated we would transfer $48,000 to the sinking fund to make sure we had enough money to pay our debt service. He continued that Retirement was up in January because December had three payrolls. Accounts receivable had increased about $330,000 and revenue increased by about $200,000, he explained that was concerning that both amounts increased and would be watching those amounts next month. He referred to page 16 of the packet, the expenses for the month, water purchased from Williamson was $34,048, and water purchased from the City of Pikeville was $45,200. He continued that it would take a few months to get the payables down and hoped that the rate increase would help with that.
Chairman Tackett requested a motion to accept the financial report as presented. Commissioner Justice made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-02-004

Mr. Spears referred to page 44 of the packet to review the auto loan, truck #176 to be refinanced. He stated that nothing would change on the loan. He also explained that the payment would remain the same as the interest rate of three percent would remain the same for the loan.
Chairman Tackett requested a motion to approve to Refinance the Auto Loan for Vehicle #176: (page 44 of the packet) for vehicle #176. Commissioner Melton made the motion. Commissioner Justice seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-02-002

Mr. Spears referred to page 45 of the packet to review the Line of Credit Renewal. He suggested rolling this loan to a term loan so that the line of credit would be open in case there would be some unexpected major expenses. The interest rate was not a fixed rate with the open line of credit and if switched to term note that payments would be applied more to principle instead of interest. He stated that this was used for the rate study expenses and for some telemetry items. He continued that if we went to a term loan that the interest rate may be lower than the rate on the line of credit loan.
Chairman Tackett requested a motion to Accept the terms for the Line of Credit as presented. Commissioner Runyon made the motion. Commissioner Melton seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-02-003

PAYMENT OF BILLS AGENDA ITEM IV

Ms. Olson stated the payment of bills started on page 13 with the Cash Disbursement. The Payable and Payment List started on page 18 of the packet. Chairman Tackett asked if there were any questions. There were none.

Chairman Tackett requested a motion to approve the payment of bills for the month of February 2024 as presented. Commissioner Justice made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-02-005

CUSTOMER ADJUSTMENTS AGENDA ITEM V

Copies of the customer adjustments for January 2024 see pages 29-31 of the packet. Ms. Olson stated some of the listed adjustments were for large amounts but those were for businesses or large residential customers. Chairman Tackett asked if there were any questions about the adjustments. There were none. Chairman Tackett abstained from the motion due to having an adjustment listed for January. Chairman Tackett requested a motion to approve the Customer Adjustments in the amount of $15,171.82. Commissioner Chaney made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Abstained
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-02-006

CONSTRUCTION REPORT AGENDA ITEM VI

Update by Tim Campoy, Environmental Design Consultants

1. **Kimper DOT Relocation Project** – Mr. Campoy stated that they had completed the final modifications to the construction plans and the cost estimates. They have been submitted to the KYTC. Now continue to wait for the final review and approval. He continued that KYTC has had the plans for two months but had not given any indication of when work could begin.

Update by Bell Engineering/EDC Steve Caudill, P.E. / Tim Campoy, P.E.

1. **Fishtrap Hydraulic Modification Project** – Rural Development has been provided with all the required documentation and must wait for permission to advertise the project for bid. All permits and easements had been obtained and submitted to the Division of Water Permit to Construct, Transportation Cabinet Encroachment Permit, the Division of Water Stream Crossing Permit and the Corps of Engineers Permit have been issued. The needed easement has been recorded. Project has been forwarded to RD with a request to advertise for bids. RD has completed their plan review at the state level and provided waivers concerning Build America Buy America and American Iron and Steel requirements. Working with RD to secure permission to bid. All engineering related items have been submitted to RD. He continued that he would resend everything again and would request a meeting to get more information.
2. **Water Loss Reduction Plan, Phase 1 –** Invoices have continued to be forwarded to Compass Municipal for processing on a month-to-month basis. The replacement tanks for Kendrick Fork and the Right Fork of Greasy Creek have been relocated to the sites. Hamilton Fence continues to install the fences. Mr. Caudill stated he would follow up to make sure the work was completed. Recently installed Telemetry sites that have been programmed and are operational. Micro-Comm: Runyon's

Branch School BPS. This completes the Micro-Comm part. Electro-Quip: Booker Fork BPS, Booker Fork Tank, Lizzie Fork BPS, Lizzie Fork Tank, Sugar Camp BPS, Sugar Fork Tank, Kendrick Fork BPS, and Kendrick Fork Tank. He continued that Electro-Quio had completed eight out of the forty-four that was listed. He also said that he would send a second list to be reviewed to begin work.

3. **Capital Infrastructure Replacement Project/Peach Orchard Water Line Extension** – Preliminary Engineering report has been finalized and are continuing to work on the project plans and specifications along with the permit applications. The project has been divided into two different plan sets and specifications to facilitate funding. Portion 1 will just be Peach Orchard and Portion 2 will be the line replacement. Peach Orchard plans and specifications are completed. Now requested permission to bid when DOW permit is issued. Mr. Caudill continued that the Peach Orchard Portion 1 was completed and submitted to DOW for approval. He also recommended that the District accept Portion 1 of the Peach Orchard Project and begin advertising for bids when funding had been approved.

   Chairman Tackett requested a motion to approve the Peach Orchard Water Line Extension Portion 1 of the project and advertise for bid projects pending funding approval. Commissioner Chaney made the motion. Commissioner Justice seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-02-007

Update by Matt Jolly, Summit Engineering:

1. **Brushy Fork/Sycamore Water Line Extension –** Mr. Hill and Mr. Jolly were not present at the meeting but sent their report to be presented by Ms. Olson. Ms. Olson continued that there was102 signups, with 111 estimated and bid in the project. There were about 10 homes that have refused service or are vacant. The contractor has completed all the main lines, meter bases, and service line installation in the project and cleaned up the areas. They have successfully pressure tested all lines. Disinfection will be scheduled based on MWD's intention to accept the lines and place into service. The contractor has placed an order for two automatic flushing hydrants for the ends of the lines, the auto flushers are expected to be delivered mid-April. They are anticipated to arrive in the next couple of weeks. Summit is currently preparing plans for a chlorine booster, which will be submitted to the Division of Water for permit approval prior to ordering the materials. After installing the flushing hydrants and purchasing the materials for the chlorine booster, we estimate $101,960 remaining in construction and contingency. Recommend the Board to authorize Ms. Olson to declare the project substantially complete and accept the new water lines into the system after the final walk out of the project. A monthly progress meeting was held on February 27th. Invoices have been submitted for approval. She continued that a final punch list was scheduled for March 4th, 2024. It was also recommended that the Board authorize Ms. Olson to sign the Final Acceptance Report of Phase 2 once it has been completed.

   Chairman Tackett requested a motion to authorize the Ms. Olson to sign the Final Acceptance Report for Phase 2 as presented. Commissioner Justice made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-02-008

2. **Maynard Fork Water Line Extension** – Ms. Olson explained that this was left on the list due to the remaining funds. This project is completed and was accepted by MWD for operation as of August 14th, 2023, which is the start of the one-year warranty period. As of the last report, approximately half of the 18 customers have connected their homes and had their meter installed. The project finished at $14,679.25 under budget. The project will be submitted for close out when the additional funds are approved for expenditure on additional meters for the Maynard Fork area. RD has requested those be advertised for bid by the District before they approve the purchase.

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

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-02-009

PROJECT DRAWS:

Mrs. Hatfield explained that there was an error and the need to make a correction on the Kimper DOT Project, those funds are not Line of Credit Funds, those would be DOT Funds to pay EDC. Chairman Tackett asked if anyone had any further questions about the Project Draws. There were none.
Chairman Tackett requested a motion to approve the Project Draws as corrected. Commissioner Justice made the motion to approve the draws as corrected. Commissioner Melton seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-02-010

PROJECT DRAWS:

WATER LOSS REDUCTION PLAN, PHASE I		
State Electric	**ARPA Funds**	**$ 1,020.07**
State Electric	**ARPA Funds**	**$ 814.71**
State Electric	**ARPA Funds**	**$ 235.05**
Hamilton Fence	**ARPA Funds**	**$ 6609.14**
Hamilton Fence	**ARPA Funds**	**$ 6734.88**
Bell Engineering	**ARPA Funds**	**$ 744.00**
TOTAL		**$ 16,157.85**
PHELPS HYDROLOGY PROJECT		
Wascon	**KIA Funds**	**$ 89,704.66**
TOTAL		**$ 89,704.66**
BRUSHY / SYCAMORE WATERLINE EXT		
BOCA	**Coal Severance**	**$ 240,714.32**
Summit	**Coal Severance**	**$ 8,750.00**
Pike Co Fiscal Court	**Coal Severance**	**$ 4,500.00**
TOTAL		**$ 253,964.32**

KIMPER DOT RELOCATION PROJECT			
EDC	***DOT Funds****	**$**	**3,240.00**
TOTAL		**$**	**3,240.00**

Correction

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

1.) **Funding Update –**
   a. **Lead Service Line Inventory Project –** Ms. Olson stated that she had talked with John Brady with KIA, he stated that our loan was on the agenda for the March 7th meeting. We should hear back from them after March 7th. She continued that once we heard from KIA then we could begin with the project requirements. She stated that the staff was going to begin work on the project beginning Monday, March 4th with sampling.

2.) **Water Loss Update –** Ms. Olson explained that for the water loss update, she stated the forms started on pages 32-40 of the packet. She stated the numbers were up some this time as compared to last previous months. The Mountain Water form was 34.21% for the month of January. She reminded us that the MWD form allows us to account for the fact that we know where the water was used. The PSC form was more revenue based and was 35.8% for the month of January. Mr. Taylor explained that the main reasons for the numbers being high this month was due to the cold spell and how the produced and purchased dates coincided. Hopefully those numbers will go down next month. Ms. Olson stated that included in the packet were different water loss reports, produced and purchased reports that the Board of Commissioners could review.

3.) **Daily Operations Update -** Ms. Olson stated that a month ago the new billing software, Ampstun. It has been a challenge and stressful for the staff. Regardless of the company the transition would been difficult due to being web based and the format. She continued that she would like to get the field staff iPad's so the workorders could be completed immediately and on the customer's account. Once the RGIS program begins the field staff will need iPad's to utilize that program. She explained that she felt this would be more cost effective and productive for the staff due to everything being completed in real time. Chairman Tackett asked about staff accountability. Ms. Olson explained that we now had a daytime field manager, and he was great at following up with the field staff to make sure work was completed. She explained that the iPad's would make it easier for the field staff to complete work orders due to having drop down boxes and having to type in the field note areas. Mr. Lowe explained that once the filed staff saved the worked order it would be posted to customer account and office staff would not need to contact them to get information. He explained that he had received positive feedback from the field so far with the new work order system. He also stated that this had GPS coordinates and it would show where the meter base location was. Ms. Olson stated that in the January meeting the regular monthly meeting time had changed to 4:00. Anytime that happened then the bylaws would need to be changed also. Bylaws have been amended to list the new time change listed on page 46. She requested authorization to approve the amended bylaws for time change. She stated that we had to notify PSC, update the website and other listings we posted meeting times.

Chairman Tackett requested a motion to approve the amendment to the Bylaws for the time change for the regular monthly meeting as presented. Commissioner Tackett made the motion. Commissioner Justice seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-02-11

4.) **Advertise for Bid for Two Budgeted Pickup Trucks –** Ms. Olson explained that this was for two of the four trucks that were in our budget for the year. Our fleet had some older, high mileage trucks and some of those needed to be replaced. The high mileage trucks would be used as spares as needed. She stated that we budgeted for two 2500 series trucks and two 1500 series trucks.

Chairman Tackett requested a motion to approve the Advertise for Bid Tow Budgeted Pickup Trucks. Commissioner Runyon made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-02-012

5.) **Selection of Auditor –** Ms. Olson stated that we had a year to year with the last auditors, Wallen & Puckett and they had done the District's audit for the past two years. Previously Richard Palman completed the audits for several years. The audit for the year of 2023 would start in July or August. Chairman Tackett commented on Mr. Palman's audit presentation and his paperwork was full of typos and common errors. Mr. Spears stated that he had told him that many times, but his numbers were always correct. He continued that anytime any of Mr. Palman's audits were submitted to the Federal Clearing House and within two hours they were approved, he stated the audits did satisfy the needs of the government. Commissioner Runyon inquired if his audits were presented in a timely manner. Mr. Spears stated that they were always on time. Mr. Spears recommended that once the District selected an auditor to do a two year agreement. Ms. Olson stated that the District would do an informal RFQ to three auditors for two year contract to see if any of them would be interested in submitting a bid.

6.) **Purchas of Large Hauling Trailer –** Ms. Olson stated that the District's large hauling trailer was purchased about 20 years ago and was in need of repairs. The District needed a larger trailer to haul the excavator. The one that is currently being used was maxed out on weight compacity for the excavator. She stated we needed one to exceed the weight of the excavator. She stated that we had got quotes, listed on page 58 of the packet. She said we could keep the old trailer for smaller hauls and short distances. She explained that she felt the one we used now was hazardous and was not safe to haul the excavator. She continued that the old trailer could be repaired and made safer for smaller loads and could be used as a spare.

Chairman Tackett requested a motion to authorize the General Manager, Tammy Olson to make purchase of the Large Hauling Trailer. Commissioner Melton made the motion. Commissioner Justice seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-02-013

7.) **Amendment to PFAS Legal Agreement –** Ms. Olson explained that PFAS Legal Agreement was on page 51 of the packet. She continued that PFAS chemical was a forever chemical and it was used in hundreds of products. PFAS was not filterable and the only way to remove it from water was to use a carbon filter and that would be a huge expense for the District. By using a carbon filter, it would take everything out of the water, then would have to start over treating the water. She stated that now they had come to a settlement by paying over a ten-year period. The law firm (Shkolnik) wanted their fees first then the District would get their part. The firm was recommended through KRWA to represent the District and they represented other utilities. After further discussion, Mr. Vanover recommended asking what the other clients were doing and if the settlement amount was a lump sum or installments. Originals have been sent to Jim Vanover for review and his approval. Ms. Olson stated that we had

some samples done and there were some detections but not a high number and that may affect the amount that will be received. The Board recommended following Mr. Vanover's recommendations and will approve contingent legal counsel.

Chairman Tackett requested a motion to approve the General Manager, Tammy Olson to sign the PFAS Legal Agreement, pending legal counsel approval after review. Commissioner Justice made the motion. Commissioner Tackett seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-02-014

8.) **Phone App**- Ms. Olson stated that this was discussed last month and recommend to table this to a later date due to having so many other projects going on with the field and office. She didn't want to overwhelm them any more than they currently are. Once everyone settles in with the other new projects that we will re-visit this for further discussion.

MANAGER'S REPORT (continued)

Ms. Olson explained the remainder of the Manager's Report, such as delinquents, customer count, gallons sold, meters changed, bacteriological samples, payments made, etc. She stated that there were seven accounts found connected illegally for the month of January. 14,541 payments processed for the month of January; those payments were either paid by mail, phone, online or at the office. 104 water customers who were disconnected for non-payment. 77 meters changed out for various reasons. Three paid completed taps for the month of January. 52 total bacteriological samples were taken during the month of January, 27 special and two fluoride samples.

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

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-02-015

NEW BUSINESS

Executive Session

Chairman Tackett requested a motion to go to Executive Session. Commissioner Runyon made the motion. Commissioner Melton seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-02-016

Chairman Tackett requested a motion to reconvene from Executive Session. Commissioner Justice made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-02-017

Chairman Tackett requested a motion to authorize the Chairman, General Manager and Legal Counsel be authorized to negotiate issues concerning the water quality with the City of Pikeville and to precede with the Open Records Request to the City of Pikeville. Commissioner Melton made the motion. Commissioner Justice seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-02-018

COMMISSIONER COMMENTS

Chairman Tackett inquired if there were any further comments. There were none.

ADJOURN MEETING

Chairman Tackett requested a motion to adjourn today's regular meeting. Commissioner Melton made the motion. Commissioner Justice seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-02-019

MOUNTAIN WATER DISTRICT
BOARD OF COMMISSIONERS REGULAR MEETING

March 28th, 2024
4:00 PM

ATTENDEES
Mike Spears, Spears Management, CPA
Stephen Caudill, Bell Engineering
Tim Campoy, EDC
Mike Mullins, Summit
Jim Vanover, Vanover Hall Bartley & Ward
Terry May, Appalachian News-Express
Tammy Olson, General Manager
Carrie Hatfield, Chief Financial Officer
Kevin Lowe, Office/Billing Manager
David Taylor, Operations Manager
Melissa Wright, Compliance Manager

PLEDGE OF ALLEGIANCE
Chairman Tackett led the assembly in the Pledge of Allegiance.

PRAYER
Commissioner Myrtle Runyon led the assembly in an opening prayer.

CALL TO ORDER AGENDA ITEM I
The Mountain Water District Board of Commissioners' Regular Meeting was held on Thursday, March 28th, 2024, at 4:00pm

Commissioners present for the meeting were as follows:

Randy Tackett, Chairman
Mitch Justice, Vice Chairman
Myrtle Runyon, Treasurer
Paul Chaney, Secretary
Burt Melton, Commissioner

VISITORS
There were none.

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, February 29th, 2024. Commissioner Melton made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-03-001

FINANCIAL REPORT – MIKE SPEARS, CPA AGENDA ITEM III

Mr. Spears stated that Cash in Bank at the end of February was $53,447. Accounts Receivable were $1,770,961. Plant in Place was $172,313,079. Accounts Payable was $569,179, still a little higher-than-normal amount. Equity was $95,864,850. Revenue for the month of February was $972,369, he referred to page 15 of the packet. Elkhorn City Utility (Public Authority Metered Sales) showed a credit this month and that was due to having to make the adjustment for the rate change. He explained that the District had not seen the full effect of the rate increase because of so many different things factoring in since it took effect. Such as extra expenses such as new billing software and extra expenses due to cold temperature months. Utility Operating expenses for the month were $1,168,648. Loss for the month, $226,814, included in the loss was Deprecation Expenses $335,997. Operating income was negative in the amount of $196,279. Cash decreased for the month of February was $72,680. The current Operating account balance as of February 29th, 2024, was $52,260. We are currently fully funded in the reserves. KIA Reserve was $891,701 and the RD Reserves was $886,70, respectfully. O&M Reserve balance was $33,187. We transferred $48,000 to the sinking fund to make sure we had enough money to pay our debt service. He referred to page 16 of the packet, the expenses for the month, water purchased from Williamson was $77,059, that was a high number but that was during the time of the cold spell and people had busted pipes and water leaks. Water purchased from the City of Pikeville was $65,582.94 and that was a higher-than-normal amount but the same applied as with Williamson, it was during the cold spell with more water leaks. He then referred to page 17 for the electrical expenses were $142,198, which was up a little compared to previous months but not so much compared to this time of the year due to cold weather. Chairman Tackett inquired on the FEMA funding. Ms. Olson explained that FEMA had been requesting more information about crayfish/crawdads which were considered an endangered species. She stated that she had contacted them explaining that during an emergency event that the District did not assess the areas for endangered species because of the necessity of providing water services to the customers. The District had customers for whom water was essential for, such as dialysis and various reasons. She stated they did withdraw the last RFI and now the project had been finalized and was in CRC status, which was final status. Hopefully we would hear back from them within the next few weeks with the amount that we would receive on the almost $300,000 project.

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

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-03-002

PAYMENT OF BILLS AGENDA ITEM IV

Ms. Olson stated the payment of bills started on page 15 with the Cash Disbursement and then the Payable and Payment List follows in the packet. Chairman Tackett asked if there were any questions. There were none.

Chairman Tackett requested a motion to approve the payment of bills for the month of March 2024 as presented. Commissioner Runyon made the motion. Commissioner Melton seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-03-003

CUSTOMER ADJUSTMENTS AGENDA ITEM V

Copies of the customer adjustments for February 2024 begin on page 29 of the packet. Mr. Lowe stated that the monthly average was about 45 adjustments per month, but this month there were 112 and that was due to the extremely cold temps causing leaks and people left their water running during that time. Ms. Olson explained that the main reason for the increased number of adjustments was how the billing cycles fell for the months of the extreme cold temps causing frozen and busted water lines. Chairman Tackett asked if there were any questions about the adjustments. There were none.

Chairman Tackett requested a motion to approve the Customer Adjustments in the amount of $29,144.43. Commissioner Justice made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-03-004

CONSTRUCTION REPORT AGENDA ITEM VI

Update by Tim Campoy, Environmental Design Consultants

1. **Kimper DOT Relocation Project** – Mr. Campoy stated that they had completed the final modifications to the construction plans and the cost estimates, and they had been submitted to the KYTC. Now continue to wait for the final review and approval.

Update by Bell Engineering/EDC Steve Caudill, P.E. / Tim Campoy, P.E.

1. **Fishtrap Hydraulic Modification Project** – Mr. Caudill stated that EDC wass sub-consultant to Bell Engineering on this project. Rural Development has been provided with all the required documentation and had to continue to wait for permission to advertise the project for bid. The Division of Water Permit to Construct, Transportation Cabinet Encroachment Permit, the Division of Water Stream Crossing Permit and the Corps of Engineers Permit have been issued. The needed easement had been recorded. The Project had been forwarded to RD with a request to advertise for bids. RD had completed the plans to review at the state level and provided waivers concerning Build America Buy America and American Iron and Steel requirements. Continued to work with RD to secure permission to bid and all engineering related items had been submitted to RD.
2. **Water Loss Reduction Plan, Phase 1 –** Mr. Caudill stated that the Invoices have continued to be forwarded to Compass Municipal to be processed on a monthly basis. The replacement tanks for Kendrick Fork and the Right Fork of Greasy Creek had been relocated to the sites. Hamilton Fence continues to install the fences. Telemetry sites are continuing to be installed and programmed. He continued that he had reached out to the Contractor about restarting the repair/painting of the Poorbottom and Old House Tanks and they will send a schedule next week when they would start.
3. **Capital Infrastructure Replacement Project/Peach Orchard Water Line Extension** –
   Mr. Caudill stated that the Preliminary Engineering report had been finalized and continued to work on the project plans and specifications along with the permit applications. The project had been divided into two different plan sets and the specifications to facilitate funding. Portion 1 will just be Peach Orchard and Portion 2 will be the line replacement. The Peach Orchard plans and specifications had been completed and had been submitted to the Division of Water (DOW). The District would be able to bid the project as soon as DOW permit is obtained. He continued that the Grant Assistance Agreement would need to be signed for this project. This project would supply about twenty households. He also recommended that the Boad authorize Chairman Tackett to sign the Grant Assistance Agreement for the Capital Infrastructure and Resolution that is shown on page 71-72 of the packet. Ms. Olson stated that this was the final stage of being able to get funding for this project. It had been signed several years but they wanted a new one with the current Chairman and Secretary's signature.
   Chairman Tackett requested a motion to authorize him to sign the Assistance Agreement for Capital Infrastructure Water Main Line and the Resolution. Commissioner Runyon made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-03-005

Update by Mike Mullins, Summit Engineering:

1. **Brushy Fork/Sycamore Water Line Extension –** Mr. Mullins stated that the project was completed and had been accepted by MWD. Several of the meter bases were missing the s-bars that were required for meter installation. Summit is checking all the meter bases and was coordinating with the contractor to have them installed. The two automatic flushing hydrants for the ends of the lines at Brushy & Sycamore that were approved in Change Order #2 had been ordered by the contractor. However, they were not expected to arrive until April. The Division of Water construction permit application for the chlorine booster had been submitted. Now anticipate permit approval in early May. Once the permit was approved, the chlorine booster would be included in the final change order in May. Ms. Olson stated that all the samples came back good and the District had begun installing meters in bases that had their plumbing permits.
   Chairman Tackett requested a motion to accept the Engineer/Construction Report as submitted. Commissioner Melton made the motion. Commissioner Justice seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-03-006

PROJECT DRAWS:

Mrs. Hatfield explained that we need to make a correction on the ARPA Funds, an invoice was submitted late, brought in today, but needed payment. The invoice was for Hamilton Fence in the amount of $3498.72 and that would bring the total amount for ARPA Funds to $12,307.85. Chairman Tackett asked if anyone had any further questions about the Project Draws. There were none.
Chairman Tackett requested a motion to approve the Project Draws as corrected. Commissioner Runyon made the motion to approve the draws as corrected. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-03-007

PROJECT DRAWS:

WATER LOSS REDUCTION PLAN, PHASE I		
State Electric	**ARPA Funds**	**$ 956.40**
State Electric	**ARPA Funds**	**$ 541.01**
State Electric	**ARPA Funds**	**$ 1,885.72**
Hamilton Fence	**ARPA Funds**	**$ 4,694.00**
Big Sandy Two Way	**ARPA Funds**	**$ 782.00**
***Hamilton Fencing**	**ARPA Funds**	**$ 3,498.72***
TOTAL		**$ 12,307.85**
PHELPS HYDROLOGY PROJECT		
Wascon	**KIA Funds**	**$ 85,005.91**
Mike Spears	**KIA Funds**	**$ 4,000.00**
TOTAL		**$ 89,005.91**

Correction

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

1.) **Funding Update –**

a. **Lead Service Line Inventory Project** – Ms. Olson stated that the project had been approved in the KIA meeting earlier in March. This project was for $435,720, grant but was one hundred percent forgivable because Pike County qualified low on the income average. Ms. Olson stated that there was a Commitment Letter, pages 36-41, that required Chairman Tackett's signature and needed to be approved by the Board. The letter was shown on page 36 of packet for review. She said once this was signed then we could proceed with ordering items to begin the RGIS Program. Mrs. Hatfield asked the Board members if they had received the email from Community Trust Bank requiring their electronic signatures. If they had not received them then they need to contact her on Monday. Ms. Olson stated that until the bank received all the signatures that we could not make deposits or any other transactions on this account for these funds.

Chairman Tackett requested a motion for the Board of Commissioners to authorize himself to sign the Conditional Commitment Letter for the Lead Service Line Project. Commissioner Melton made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-03-008

2.) **Water Loss Update –** Ms. Olson explained that for the water loss update, one month would show high and the next would compensate to balance it to more average amount. She stated the numbers were up some this time as compared to last previous months. The Mountain Water form was 10.9% for the month of February. She reminded us that the MWD form allows us to account for the fact that we know where the water was used. The PSC form was more revenue based and was 12.8% for the month of February. Mr. Taylor explained that the numbers were lower this month was due to when the cold spell happened and how the produced and purchased dates coincided. He said if both months were combined and averaged out, then they would be at regular monthly average. Ms. Olson explained the report on the water loss summary and the yearly average so far. She continued that the percentages did average out to be more normal. Ms. Olson stated that included in the packet were different water loss reports, produced and purchased reports that the Board of Commissioners could review. The cost for producing water use to be around $0.89 to $0.99 and now with the increased rates with the power company and the increased cost of supplies now is up to $1.26 per thousand gallons for the District to produce.

3.) **Daily Operations Update -** Ms. Olson stated that the field staff had been using the iPad's and so far, they seemed pleased with the new program. She continued that there had been several positive comments and have been finding and fixing glitches. Once the RGIS program began the field staff would need them to utilize that program and this has been a jumpstart on getting things prepared. The District currently has an office employee on medical leave and is due to return at the end of April. During COVID, we had to lay off an office employee and have not replaced them but will need to hire someone.

4.) **Award Bid for Two Budgeted Pickup Trucks –** Ms. Olson explained that this was for two of the four trucks that were in our budget for the year. Our fleet had some older, high mileage trucks and some of those needed to be replaced. The high mileage trucks would be used as spares when needed. She stated that we budgeted for two 2500 series trucks and two 1500 series trucks. She explained the Bid Tab Sheet on page 54, explaining the cost of each. She recommended to award the bid for the ¾ ton truck to Dan Cummins Auto Group in the amount of $49,914.00 and the ½ ton truck to Thornhill Auto Group in the amount of $41,099.00. She also stated that those two trucks were on the lot waiting to be picked up.

Chairman Tackett requested a motion to approve to Award the for Bid for the two trucks. Pickup Trucks. Award the bid for the ¾ ton truck to Dan Cummins Auto Group in the amount of $49,914.00. Award the Bid for the ½ ton truck to Thornhill Auto Group in the amount of $41,099.00.

Commissioner Justice made the motion. Commissioner Melton seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-03-009

5.) **Approval of the Conditional Commitment Letter for the Lead Service Line Project –** This was discussed and approved during the Lead Service Line Inventory presentation given by Ms. Olson.

Chairman Tackett requested a motion for the Board of Commissioners to authorize himself to sign the Conditional Commitment Letter for the Lead Service Line Project. Commissioner Melton made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-03-008

6.) **Approval of the Grant Assistance Agreement for Capital Infrastructure Water Main Replacement -** This was discussed and approved during the Construction Report during the Capital Infrastructure Project Report / Peach Orchard Water Line Extension presented by Mr. Caudill.

Chairman Tackett requested a motion to authorize himself to sign the Assistance Agreement for Capital Infrastructure Water Main Line and the Resolution. Commissioner Runyon made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-03-005

7.) **Conflict of Interest Forms –** Ms. Olson explained this was a procurement policy. All commissioners are to review the list of the District's vendors and sign the attached form stating that they would not discuss any of the District's finances with any of the vendors' employees. All commissioners will need to have the forms signed and returned at next month's (April) meeting.

8.) **Commissioner Training for 2024 –** Ms. Olson explained that all commissioners were required to have at least one day (six hours) of PSC training per calendar year. Previous years this was offered as an online class but are no longer offering them on page 82 of the packet listed the available training dates, time, and location of scheduled training classes. She suggested all commissioners review the schedule and contact Mrs. Wright to have that scheduled for them. Commissioner Runyon stated that she wanted to attend the training at Carter Caves.

9.) **Advertise for Bid for Pavement Replacement List #1 –** Ms. Olson explained that the District now has a list of pavement replacements that needed to be bid out. Contractors in the past suggested that we bid on this by list due to the cost of asphalt prices fluctuating throughout the year. This would be the first list of the year and was mainly county roads that needed to be repaired. Those would be fixed first as top priority.

Chairman Tackett requested a motion to authorize to advertise for bid for Pavement Replacement List #1. Commissioner Justice made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-03-010

MANAGER'S REPORT (continued)

Ms. Olson explained the remainder of the Manager's Report, such as delinquents, customer count, gallons sold, meters changed, bacteriological samples, payments made, etc. She stated that there were seven accounts found connected illegally for the month of February. 13,539 payments processed for the month of February; those payments were either paid by mail, phone, online or at the office. 73 water customers who were disconnected for non-payment. 12 meters changed out for various reasons. Three paid and completed taps for the month of February. 54 total bacteriological samples were taken during the month of February, 18 special and two fluoride samples. Commissioner Runyon asked how the billing software transition was going. Ms. Olson stated that it had been an adjustment for the staff, but things are going better now. It took a few billing cycles to get the glitches out and to get the iPad's set up for the field. The software company has been helpful in answering our questions and helping the staff. The RGIS program is currently working with Ampstun and within the next year will be combined and integrated together.

Chairman Tackett requested a motion to accept the Manager's Report as presented. Commissioner Melton made the motion. Commissioner Chaney seconded Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-03-011

NEW BUSINESS

Executive Session

COMMISSIONER COMMENTS

Chairman Tackett inquired if there were any further comments. There were none.

ADJOURN MEETING

Chairman Tackett requested a motion to adjourn today's regular meeting. Commissioner Justice made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-03-012

MOUNTAIN WATER DISTRICT
BOARD OF COMMISSIONERS REGULAR MEETING

April 25th, 2024
4:00 PM

ATTENDEES
Mike Spears, Spears Management, CPA
Stephen Caudill, Bell Engineering
Matt Jolly, Summit Engineering
Jim Vanover, Vanover Hall Bartley & Ward
Terry May, Appalachian News-Express
Tammy Olson, General Manager
Carrie Hatfield, Chief Financial Officer
Kevin Lowe, Office/Billing Manager
Melissa Wright, Compliance Manager

PLEDGE OF ALLEGIANCE
Chairman Tackett led the assembly in the Pledge of Allegiance.

PRAYER
Commissioner Myrtle Runyon led the assembly in an opening prayer.

CALL TO ORDER AGENDA ITEM I
The Mountain Water District Board of Commissioners' Regular Meeting was held on Thursday, March 28th, 2024, at 4:00pm

Commissioners present for the meeting were as follows:

Randy Tackett, Chairman
Mitch Justice, Vice Chairman
Myrtle Runyon, Treasurer
Paul Chaney, Secretary
Burt Melton, Commissioner

VISITORS
There were none.

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, March 28th, 2024. Commissioner Chaney made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-04-001

FINANCIAL REPORT – MIKE SPEARS, CPA AGENDA ITEM III

Mr. Spears said that Cash in Bank at the end of March was $90,090. Accounts Receivable were $1,694,737. Plant in Place was $172,783,323. Accounts Payable was $439,044, which was about $150,000 less than last month. Equity was $96,082,133. Cash increased for the month of March by $36,643, was a little different due to construction funds coming through. The cash increase would not rise until the account payables went down. Commissioner Runyon asked if the funding progress was going as expected or slower than expected. Mr. Spears said that he felt it was on track and would continue to increase as the payables decrease. Revenue for the month of March was $940,335, he referred to page 15 of the packet. Utility Operating Expenses for the month were $1,032,189. Loss for the month, $113,190, included in the loss was Deprecation Expenses of $335,997. Operating income was negative in the amount of $91,853.52. The current Operating account balance as of March 31st, 2024, was $81,744. We are currently fully funded in the reserves. KIA Reserve was $900,593 and the RD Reserves was $892,257, respectfully. O&M Reserve balance was $33,518, we have not started putting money back in the account but would as soon as the accounts payable came down some more. Transferred $48,000 to the sinking fund to make sure there was enough funds to pay the debt service. He referred to page 16 of the packet, the expenses for the month, water purchased from Williamson was $30,522, which was back to the normal amount used. Water purchased from the City of Pikeville was $45,667 and that was back to normal usage as compared to previous months. He then referred to page 17 for the electrical expenses of $117,496, looked more normal this time. Ms. Olson explained that sewer R&M would probably increase because two pumps at the Belfry WWTP went down, very unusual that both went down at the same time. She said that those pumps cost $18,000 each, one was able to get back on and the other was not. Those pumps were the pumps that were installed when the plant was built. She stated that the District would purchase one and then would order another one for standby. Commissioner Melton asked if the old pumps could be rebuilt for reuse. Ms. Olson stated that she would check with the distributor and compare the cost of rebuilding the pumps if that was possible. Commissioner Melton stated that he had noticed that the electrical expenses were the highest expense for the District, and asked if there was anything that could be changed to decrease that cost. Mrs. Hatfield explained that amount for all of the District's facilities. Included pump stations, water plant, tanks, telemetry and all offices and other facilities. Ms. Olson stated that the operations manager ran the pumps more during off-peak times to help reduce electrical costs. Commissioner Runyon asked if we were able to install solar panels at some of the sites. Ms. Olson stated that there was some solar energy used for telemetry and a few other things. She continued that the District does keep a check on that and used solar when possible.

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

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-04-002

PAYMENT OF BILLS AGENDA ITEM IV

Ms. Olson stated the payment of bills was listed on page 14 with the Cash Disbursement and then the Payable and Payment List began on page 20 of the packet. Chairman Tackett asked if there were any questions. There were none.

Chairman Tackett requested a motion to approve the payment of bills as submitted. Commissioner Justice made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-04-003

CUSTOMER ADJUSTMENTS AGENDA ITEM V

Copies of the customer adjustments for March 2024 begin on page 27 of the packet. Mr. Lowe stated that the monthly average was about 45 adjustments per month, but this month there were 121, that was more than last month's total. He continued that this was the most leak adjustments in one month since 2018. The higher number of adjustments was due to the cold temperatures that caused leaks and people also left their water running during that time. He stated that some people did not know they had a leak until they received their bill and then had to wait until the next billing to get the adjustment. He continued that he expected the number of adjustments to be less for the month of April. Chairman Tackett asked if there were any questions about the adjustments. There were none.

Chairman Tackett requested a motion to approve the Customer Adjustments in the amount of $45,707.86. Commissioner Melton made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-04-004

CONSTRUCTION REPORT AGENDA ITEM VI

Update by Steve Caudill, Environmental Design Consultants

1. **Kimper DOT Relocation Project** – Mr. Campoy was not present at the meeting; Mr. Caudill presented his report. Had completed the final modifications to the construction plans and the cost estimates and those had been submitted to the KYTC. According to the KYTC representative and the April 5th correspondence with Ms. Olson, the tentative release date for the project would be July 15th, 2025. Continue to wait for the final review and approval, as it appeared that it would be a while before that happened. Ms. Olson stated that this item would be removed from the agenda until the District was able to obtain more information.

Update by Bell Engineering/EDC Steve Caudill, P.E.

1. **Fishtrap Hydraulic Modification Project** – Mr. Caudill stated that EDC is a sub-consultant to Bell Engineering on this project. Bell had provided additional information to Rural Development this week and were expected to receive permission to advertise the project for bid soon. The Division of Water Permit to Construct, Transportation Cabinet Encroachment Permit, the Division of Water Stream Crossing Permit and the Corps of Engineers Permit had been issued. The required easement had been recorded. Finalizing with RD all the items for bidding.
2. **Water Loss Reduction Plan, Phase 1 –** Mr. Caudill stated that Hamilton Fencing had installed the fences at the tank sites. The invoices had begun to be sent to Compass Municipal for processing on a monthly basis. The replacement tanks for Kendrick Fork and the Right Fork of Greasy Creek had been relocated have continued to be installed and programmed, master meters had been installed. Repairs and painting of the Poorbottom and Old House tanks had resumed. Currently reviewing the remaining funds for the water treatment plant repairs. Appeared to have five to six sites remaining to complete. He had contacted SC Diving to begin painting the tanks, they had not responded to him but would follow up with them. The PCFC had approved the District to use the remainder of the funds to purchase items for the water treatment plant. Ms. Olson stated that original plans were rushed due to funding deadlines and did not require as much to be spent on those items because the work was completed in-house by the District's staff instead of being contracted out. By doing the work in-house, that allowed some funds to be saved. The PCFC judge had approved the District to purchase water loss related items with the remainder funds. Had to wait for RJ Plamer to approve it at Compass. She said that the District would follow the procurement guidelines when purchases were being made. The PCFC judge requested to view water loss reports before he made his decision. After he reviewed the reports, he was pleased with the progress and approved the District to use the remainder funds for more updates.

Chairman Tackett requested a motion to authorize pending funding to advertise for bid any items above procurement needed for the water treatment plan pending approval of stakeholders. Commissioner Justice made the motion. Commissioner Melton seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-04-005

3. **Capital Infrastructure Replacement Project/Peach Orchard Water Line Extension** – Mr. Caudill stated that the Peach Orchard plans and specifications had been completed and had been submitted to the Division of Water (DOW). The project would bid as soon as the DOW permit was approved. Continued to work on the remainder of the sites and prepared DOW and KYTC permit applications for them. These would be bid as a separate contract. A meeting will be held with MWD personnel to review alignments in the field.

Update by Matt Jolly, Summit Engineering:

1. **Brushy Fork/Sycamore Water Line Extension –** The project is completed and has been accepted by MWD. The contractor had installed the two automatic flushing hydrants and the two air release valves, and they finished the cleanup and the paving. Now they were waiting for the delivery of the valve markers. The Division of Water construction permit application for the chlorine booster had been submitted in March to the DOW. Once the permit was approved, the chlorine booster would be included in the final change order. Once the booster was ordered, the delivery time would be about four weeks and the contractor would install those.
Chairman Tackett requested a motion to accept the Engineer/Construction Report as submitted. Commissioner Runyon made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-04-006

PROJECT DRAWS:

The project draws were listed on page 3. Chairman Tackett asked if anyone had any questions about the Project Draws. There were none.
Chairman Tackett requested a motion to approve the Project Draws as presented. Commissioner Justice made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-04-009

PROJECT DRAWS:

WATER LOSS REDUCTION PLAN, PHASE I

State Electric	**ARPA Funds**	**$**	**1,436.32**
State Electric	**ARPA Funds**	**$**	**632.32**
Fastenal	**ARPA Funds**	**$**	**66.37**
Lowes	**ARPA Funds**	**$**	**696.00**
Lowes	**ARPA Funds**	**$**	**136.60**
TOTAL		**$**	**2,967.61**

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

1.) **Funding Update –**
   a. **Lead Service Line Inventory Project –** Ms. Olson said that this project was for the $435,720 grant but was one hundred percent forgivable because Pike County qualified low on the income average. She said she had spoken to Julie Bickers earlier. Ms. Bickers had told her that the DOW was scheduled to meet next week to review the guidance documents. Once they met and reviewed the documents, then she would be able to give a timeline of when the funds would be deposited. Ms. Olson explained that the guidance document would show how the funds would be spent and the DOW would have to review that first. She said once this was signed then we could continue with ordering items to begin the RGIS Program. Ms. Olson continued that a bank account had already been set up so when the funds become available that could be deposited.

2.) **Water Loss Update –** Ms. Olson explained the water loss update, listed on pages 43 and 44. The Mountain Water form was 22.38% for the month of March. The PSC form was more revenue based and was 23.9% for the month of March. The PSC form yearly average was 24.17% and closed out the year of 2023 at 22.74%, which was an excellent number. Ms. Olson explained the water loss summary and the yearly average was good so far. The cost for the District to produce water this month was $1.04 per thousand gallons. The purchased water has been monitored and has been kept below or close to the minimum amount required and Mr. Taylor said the District was on track for the month of April for the purchased water.

3.) **Daily Operations Update -** Ms. Olson stated that the District had a scheduled personnel meeting for Wednesday, May 1st at 3:00pm. She continued that they needed to discuss some issues with staff as well as the upcoming change to overtime for salaried employees. She continued that the staff seemed to be adjusting to the new billing software and things were going more efficiently. She stated that six more iPad's had arrived and were being set up for more field staff. She continued that there had been several positive comments but still had some glitches to be worked out. Commissioner Justice commended the District's field staff for their work and efforts. He stated that he had seen the field staff out several times and they had been working, he was very pleased when he saw that. Ms. Olson stated that the District's staff was exceptional and she was very pleased with all the staff and the knowledge they had about the District. Commissioner Melton asked if the District had considered employee contracts for those that the District paid for their training and certification. Ms. Olson said that would be something that needed to be reviewed in the future but agreed that needed to do.

4.) **Approval of the Contract Agreement for FEMA** – Ms. Olson explained this agreement, listed on page 49, had already been signed in the past by previous administration but FEMA had requested updated signatures from the current administration. The District was required to sign a contract for the January 2022 flood and was required an updated contract for the July 2022 flood. The total amount that was listed for $650 million dollars was the total of everyone in the state of Kentucky that had filed a claim with FEMA. This project, the flood of July 2022 was a three hundred-thousand-dollar project, and this needed to be signed to receive the final payment. Ms. Olson recommended that the Board authorize Chairman Tackett to sign the contract modifications due to administration changes in order for the District to receive the funds.

Chairman Tackett requested a motion to authorize himself to sign the FEMA contract modifications due to administration change. Commissioner Melton made the motion. Commissioner Justice seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-04-010

5.) **Award Bid for Pavement Replacement List #1 –** Ms. Olson stated that the pavement bid tab sheet was listed on page 67. Only had two contractors to submit bids for this list. Contractors in the past suggested that the District bid on the pavement replacement by list due to the cost of asphalt prices fluctuating throughout the year. This would be the first list of the year 2024 and had several county roads that needed to be repaired and those would be fixed first as top priority. Ms. Olson recommended that the Board award the paving bid site list one to Mingo Paving, LLC for $26,040.
Chairman Tackett requested a motion to award the bid for Pavement Replacement List #1 to Mingo Paving for $26,040. Commissioner Runyon made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-04-011

6.) **Selection of Auditor –** Ms. Olson stated that at last month's meeting the commissioner was given packets with the auditor information that was received when the District made the request for information. Received information from three auditors/firms. Mrs. Hatfield said that Mr. Spears recommended at least a two-year contract with whomever was decided on. Commissioner Justice questioned the price difference on one of the submittals. Ms. Olson explained the difference was for one being for a single audit and the higher price was for a double audit. Ms. Olson said that if the Board wanted to discuss this with Mr. Spears before a decision was made that this could be tabled until next month's meeting. Commissioner Justice made some comments about the different firms, he had made some highlights throughout his packets. After further discussion, it was decided to table this item until the May meeting. Ms. Olson stated that Mr. Spears could make a recommendation evaluation and send the Board of Commissioners an email with the information.

MANAGER'S REPORT (continued)

Ms. Olson explained the rest of the Manager's Report, such as delinquents, customer count, gallons sold, meters changed, bacteriological samples, payments made, etc. There was one account found to be connected illegally for March. 15,717 payments were processed for March; those payments were either paid by mail, phone, online or at the office. 73 water customers were disconnected for non-payment. 20 meters were changed out for various reasons. 13 paid and completed taps for March. 52 total bacteriological samples were taken during March, 23 special and two fluoride samples. Ms. Olson also reminded the Board of Commissioners to return the Conflict-of-Interest forms as soon as possible. Also, the Commissioners have been scheduled for their yearly training for the requested times. Once more information was received, Mrs. Wright would forward that information to them.
Chairman Tackett requested a motion to accept the Manager's Report as presented. Commissioner Runyon made the motion. Commissioner Justice seconded Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-04-012

NEW BUSINESS

Executive Session

Chairman Tackett requested motion to convene to Executive Session. Commissioner Justice made the motion. Commissioner Melton seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-04-007

Reconvene from Executive Session

Chairman Tackett requested motion to reconvene from Executive Session. Commissioner Melton made the motion. Commissioner Justice seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-04-008

COMMISSIONER COMMENTS

Chairman Tackett inquired if there were any further comments. Commissioner Melton said that he wanted to make a statement, make some public comments. He asked Chairman Tackett if he had a personal conflict with him. He said he knew what it was about; it was during another meeting when he had asked Mr. Taylor a question and Chairman Tackett answered in his place. He felt that Chairman Tackett was jumping in, and that Chairman Tackett thought that he could say or do whatever he wanted in the meetings. He continued that he may be 67 years old, and it had been about five years since he last fought with anyone, but it did not bother him to do so again. Commissioner Melton said that he had tried to resolve those issues previously outside, and Chairman Tackett refused. He continued that he knew that Chairman Tackett did not want him or Commissioner Justice on the Board. He said they needed to get the issues resolved one way or another. Chairman Tackett said that he did shake his hand and he did not have any issues with Commissioner Melton. Commissioner Justice apologized for jumping in earlier in the meeting on a motion. Commissioner Melton said he was not apologizing for anything until Chairman Tackett did and that he was being rude. Chairman Tackett explained that he was voted in as the Chairman and his job was to conduct the meetings as they needed to be and that was the way he would continue to do so for the District. Commissioner Melton said that if conducting the meeting was the only job he had to do and if Chairman Tackett continued to conduct the meetings as he had been then they would have problems. Chairman Tackett asked if that was a threat and Commissioner Melton said it was not a threat, that it was a promise. Chairman Tackett asked Commissioner Melton if he had talked with him outside and if they had shaken hands. Commissioner Melton said yes, they had but Chairman Tackett's comments while doing so was rude and his handshake was not sincere. He said that Chairman Tackett told him that he didn't need any new friends and he did not need anything from anyone, he felt that Chairman Tackett was not sincere about it and that Chairman Tackett thought that he was above everyone else. Commissioner Runyon spoke up and said that this was not going in the right direction and needed to stop. Commissioner Melton agreed and said he wanted it to stop. Commissioner Runyon said that this meeting should never have been conducted in this way and she had never heard any accusations of the things that was said. Commissioner Melton said those were not accusations that those were facts and Chairman Tackett knew that they were. She said that she had

included herself in the conversation because the meetings had always been conducted in a professional and peaceful manner. Commissioner Melton said that he wanted the meetings to be conducted professionally and peacefully but Chairman Tackett had a chip on his shoulder, and he needed to lose that. Chairman Tackett said that he did not know what Commissioner Melton wanted him to do. Commissioner Melton said all he wanted was for Chairman Tackett to not interrupt him while he was talking and shake hands instead of acting like he was trying to avoid him. Chairman Tackett said he barely made it in today in time for the meeting. Commissioner Melton said that Chairman Tackett had made comments about him being late one time in the past and that Chairman Tackett had been late twice. After further discussion, Chairman Tackett requested a motion to adjourn the meeting.

ADJOURN MEETING

Chairman Tackett requested a motion to adjourn today's regular meeting. Commissioner Chaney made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-04-013

MOUNTAIN WATER DISTRICT
BOARD OF COMMISSIONERS REGULAR MEETING

May 30th, 2024
4:00 PM

ATTENDEES
Jim Vanover, Vanover Hall Bartley & Ward
Mike Spears, Michael Spears, CPA, PSC
Stephen Caudill, Bell Engineering
Matt Jolly, Summit Engineering
Tim Campoy, EDC
Tammy Olson, General Manager
Carrie Hatfield, Chief Financial Officer
David Taylor, Operations Manager
Melissa Wright, Compliance Manager

PLEDGE OF ALLEGIANCE
Chairman Tackett led the assembly in the Pledge of Allegiance.

PRAYER
Commissioner Myrtle Runyon led the assembly in an opening prayer.

CALL TO ORDER AGENDA ITEM I
The Mountain Water District Board of Commissioners' Regular Meeting was held on Thursday, May 30th, 2024, at 4:00pm

Commissioners present for the meeting were as follows:

Randy Tackett, Chairman
Mitch Justice, Vice Chairman
Myrtle Runyon, Treasurer
Paul Chaney, Secretary
Burt Melton, Commissioner

VISITORS
There were none.

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, April 25th, 2024. Commissioner Runyon made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-05-001

FINANCIAL REPORT – MIKE SPEARS, CPA AGENDA ITEM III

Mr. Spears presented the financial report with the following information from the financial summary handout. Cash in Bank at the end of April was $181,032. Accounts Receivable were $1,674,095. Plant in Place was $173,144,575. Accounts Payable was $480,481, which had increased a little from last month. Equity was $96,304,453. Revenue for the month of April was $1,025,575, he referred to page 15 of the packet. Utility Operating Expenses for the month were $1,118,271. Loss for the month, $112,401, included in the loss was Deprecation Expenses of $335,997. Operating income was negative in the amount of $92,695. Cash increased for the month of April by $84,948, that had increased some from March. The current Operating account balance as of April 30th, 2024, was $176,370. We are currently fully funded in the reserves. KIA Reserve was $900,593 and the RD Reserves was $895,124, respectfully. O&M Reserve balance was $33,518, we have not started putting money back in the account but would as soon as the accounts payable came down some more. Transferred $48,000 to the sinking fund to make sure there were enough funds to pay the debt service and there is one more sinking fund payment to be made. Revenue was over a million dollars, a little slower than expected but will get to where we need to be. He referred to page 16 of the packet, the expenses for the month, water purchased from Williamson was $32,961, which was back to the normal amount used. Water purchased from the City of Pikeville was $46,203 and that was back to normal usage as compared to previous months. He then referred to page 17 for the electrical expenses of $115,973, looked more normal this time. R&M had increased due to the purchase of the pump for the Belfry WWTP to replace the one that went down, the pump cost $18,000.

Chairman Tackett asked Mr. Spears if the revenue had increased as projected. Mr. Spears replied that revenue had not increased as expected or as projected, but there were several large expenses that hit at one time, and it would take longer than expected to see the increase in revenue.

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

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-05-002

Ms. Olson stated that the KIA Bond Payments were due on June 1st, 2024. Ms. Olson referred to page 13 of the packet that listed the amounts of each, and that this would be the last payment for one of the bonds. Mrs. Hatfield stated that this was the final payment for one of the bonds; Feds Creek last payment on June 1st, last payment for South Williamson will be paid in December.

Chairman Tackett requested a motion to approve the payment of the KIA Bond Payments due June 1st, 2024. Commissioner Chaney made the motion. Commissioner Melton seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-05-003

PAYMENT OF BILLS AGENDA ITEM IV

Ms. Olson stated the payment of bills was listed on page 14 with the Cash Disbursement and then the Payable and Payment List began on page 20 of the packet. Ms. Olson said that the $17,000 item purchased from WASCON was for the pump for the Belfry WWTP that needed to be replaced. She explained that the pumps had been rebuilt a couple times previously and it was suggested to purchase a new one. Chairman Tackett asked if there were any questions. There were none.

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

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-05-004

CUSTOMER ADJUSTMENTS AGENDA ITEM V

Copies of the customer adjustments for April 2024 begin on page 30 of the packet. Ms. Olson stated that the monthly average was about 45 adjustments per month, and this month there were 52, and everything looked normal for the month, nothing extremely high. Chairman Tackett asked if there were any questions about the adjustments. Commissioner Justice stated that he would abstain from voting on the adjustments due to Stone Heritage being on the list and he had done some work for them several years ago.
Chairman Tackett requested a motion to approve the Customer Adjustments in the amount of $13,360.69. Commissioner Melton made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Abstained
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-05-005

CONSTRUCTION REPORT AGENDA ITEM VI

Update by Bell Engineering/EDC Steve Caudill, P.E.

1.) **Water Loss Reduction Plan, Phase 1 –** Mr. Caudill stated that the invoices had been sent to be forwarded to Compass Municipal to be processed on a monthly basis. The replacement tanks for Kendrick Fork and the Right Fork of Greasy Creek had been relocated to the sites. Hamilton Fence continued to install the fences as the sites were ready. Telemetry sites were continued to be installed and programmed and master meters were installed. SE Diving was to start repair/painting of the Poorbottom and Old House Tanks on June 17th. Discussed items that were needed for the water treatment plant updates so that the remaining funds could be used.

2.) **Capital Infrastructure Replacement Project/Peach Orchard Water Line Extension** – Mr. Caudill stated that the Peach Orchard plans and specifications were complete and had been submitted to the Division of Water (DOW). He continued that he had reached out to both the reviewer and the head of the department and requested a status update but was informed that permits were delayed because of staff shortage. Would be able to bid on the project as soon as DOW permit approval is obtained. Would continue to work on the remaining sites and prepare the DOW and KYTC permit applications for them. Should get DOW approval very soon and once its received then we could bid the project.

3.) **Fishtrap Hydraulic Modification Project** – EDC is sub-consultant to Bell Engineering on this project. Additional information was provided to Rural Development by Bell at the end of April. Still had to wait for permission to advertise the project for bid. The Division of Water Permit to Construct, Transportation Cabinet Encroachment Permit, the Division of Water Stream Crossing Permit and the Corps of Engineers Permit had been issued. The needed easement had been recorded. Now had to wait for RD permission to bid. Ms. Olson stated that a resolution was needed to approve the mitigation measures of the Fishtrap Hydrology Project, which began on page 38 of the packet. The Mitigation Measures was the only thing that was specified that needed to be approved, it was listed on page 43, number 21 (Mitigation Measures), items A through F of the packet.
Chairman Tackett requested a motion to approve the resolution for the Mitigation Measures of the Fishtrap Hydrology Project that were listed on page 43, number 21, items A - F of the packet.

Commissioner Justice made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-05-006

Update by Matt Jolly, Summit Engineering:

1.) **Brushy Fork/Sycamore Water Line Extension –** Mr. Jolly stated that the project was completed and had been accepted by MWD. The only remainder work was the chlorine booster. A DOW permit application was submitted in March. Once the permit is approved, the chlorine booster will be included in the final change order. Per discussions with the Division of Water permit reviewer, review times are longer than usual due to a shortage of employees and a high volume of permit submittals. It may be 30 to 60 days before a permit is issued. The plans for the chlorine booster have been sent to the contractor. They are currently working on a preliminary cost proposal for the change order. Ms. Olson explained that the chlorine boosters were an add on due to the distance and kept getting low chlorine detection due to the distance.

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

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-05-007

PROJECT DRAWS:

The project draws were listed on page 3 of the packet. Ms. Olson explained that this was the remainder funds for KIA for the Phelps Hydrology Project and the District was approved to spend these funds but had to be on items pertaining to the project. Chairman Tackett asked if anyone had any questions about the Project Draws. There were none.
Chairman Tackett requested a motion to approve the Project Draws as presented. Commissioner Melton made the motion. Commissioner Justice seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-05-008

PROJECT DRAWS:

PHELPS HYDROLOGY PROJECT

USA Bluebook	**KIA Funds**	**$**	**7,626.51**
TOTAL		**$**	**7,626.51**

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

1.) **Funding Update –**
   a. **Lead Service Line Inventory Project –** Ms. Olson said that this project was a frustrating project. All paperwork has been submitted and the bank accounts are ready. She explained that due to the statical method we would have time to complete the project by the deadline. Once it was approved then money would be available at once and can begin the project and on the RGIS Program.

2.) **Water Loss Update –** Ms. Olson explained the water loss update, listed on pages 43 and 44. The Mountain Water form was 18.46% for the month of April, which was more accounted for form. She reminded everyone that the PSC form was more revenue based and was 19.9% for the month of April. She stated that Mr. Taylor told her that next month would be different due to the storms and power outages and having to purchase more water from either Williamson or Pikeville.

3.) **Daily Operations Update -** Ms. Olson stated that staff had done well with the transition to the new billing and phone system. We hired one new billing clerk because there is one off on medical leave. She also said that we hired two but one worked for couple of weeks and did not come back so we will need to hire another to replace her. She explained that the hiring was going through Big Sandy Community Action, and they pay half their salaries for the first three months. Chairman Tackett asked how did the process work with Community Action. Ms. Olson explained that we take applications in house and decide who we want to hire then we contact Community Action. They set up appointments for them to come in and complete paperwork, they also do the drug screening and background check. Although we had to train plan, we had to send them copy of plan and submit invoices to get paid. She continued that the surcharge is going as expected, we had billed around $105,000 and had collected about $93,000. She explained that they did get approval to build the funds then start water loss projects. Mrs. Hatfield explained that the reason for the offset was how the cycles were billed, they would be billed this month but not due until next month and there would be no way to get those numbers to match up.

4.) **RG3 Meter Reading/Replacement Issues –** Ms. Olson stated that this was an ongoing issue, within the first three years of their meters installed, we had one percent failure rate. They do warranty them, we had to send them back to be rebuilt, but the time of receiving them back had been getting longer. Use to have monthly to two-month turnaround, now RG3 told that they were unable to get parts to repair the meters sent back and had no time frame of when they would be available. Right now, the biggest problem was that the meter would not transmit the reading, so the meter reader had to access the meter base to get the reading. She continued that we had to hire another employee for the meter department to help. Now, our failure has almost reached three percent, being at a 2.5% failure rate. The meter reading and billing was the heart of the system. She stated that we had scheduled meetings with other meter companies, one with Badger scheduled for next week. Ms. Olson stated that she had contacted the CEO, Lee Gregory, and his response was, 'he was proud of his company and how they had dealt with the problem so far. He did not give any indication of any of when this issue of shortage of parts would be resolved or how long this would last. She continued that we needed to check other options with other companies. May have to use two different software to read the meters.
   Mr. Spears asked if the meters would read or just not transmit. Ms. Olson stated that it was both and we have to manually read the meters. Mr. Taylor said on the weekends the crews use regulators until Monday morning and then they contact the office to have a meter put in. Ms. Olson explained that the problem is that RG3 meters will only work with their software and that was pretty much that way with others. She continued that MWD was the largest customer that RG3 has, and our failure rate means we had more defective meters than other utilities. The CEO, Lee Gregory, said he was confident that his company could weather this storm and make it. Mr. Taylor suggested that in the future we may need to look at meters that had leak detectors on them and all we had to do would print reports to help find single service line leaks. Ms. Olson said that she just wanted to make the Board aware of the issues we were having with the meters, RG3, and we may have to consider getting a new meter company.

5.) **Annual Pavement Bid –** Ms. Olson stated that previously pavement replacement was bid by the year, then had some contractors complain that they could not keep their price the same throughout the year due to the cost of asphalt increasing multiple times. That is when we started bidding by site lists each quarter but now the contractors felt that the price was more stable and felt that it could be bid as an annual bid. Ms. Olson also explained that it would be in the best interest of the customers if we could bid this as an annual bid instead of each quarter. She continued that for example when a leak was repaired in May, then the paving repairs may not get done until October because of having to wait until the end of the quarter and having to wait for it to be bided again. Some of the customers were not

happy with waiting so long. We could not get repairs done in a timely manner because of having to wait for the quarter to close and then the bid process. She continued that she had discussed this with the supervisors, and they all felt it would be best if the District went back to annual pavement bids. She suggested authorization to bid the pavement as an annual bid, from June of 2024 to May of 2025. Chairman Tackett requested a motion to bid Pavement Replacement as an annual bid for 2024. Commissioner Runyon made the motion. Commissioner Justice seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-05-009

6.) **Selection of Auditor –** Ms. Olson stated that this matter had been discussed at the last two meetings. She stated that we received three responses from the RFQ, Richard Paulmann, Kelley Galloway Smith & Goolsby and Wallen, Puckett & Associates. She reminded them that Wallen & Puckett was the firm that did the audit last time. Mr. Spears stated that a decision needed to be made because the auditors would soon get started on their paperwork. He continued that he could not make a recommendation due to being his peers. He explained that using a firm that had never completed an audit for the District, it would be more work for them and the District's staff. By using a firm that has completed previous audits then it would be less work for everyone. Mr. Spears did state that all three firms were capable and qualified of completing the District's audit properly and could not go wrong with any of the three firms. Commissioner Justice made some comments about the different firms that he had highlighted and discussed the pricing that they had listed in the packet. Ms. Olson stated that the District had used Richard Paulmann several times in the past and felt that he completed a thorough audit. Mrs. Hatfield said that Richard Paulmann went to the field and viewed equipment that was listed, he visited the plants and at times he even took pictures to attach to the audit. Ms. Olson explained that this was a service to the District and did not require it to be bid out. However, we did send a request for qualifications, so we did not have to select the lowest price. After further discussion, it was decided that the Board would approve Richard Paulmann to complete the District's audit for 2023 and 2024, the next two years.
Chairman Tackett requested a motion to approve Richard Paulmann as the District's auditor for the next two years. Commissioner Melton made the motion. Commissioner Justice seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-05-010

MANAGER'S REPORT (continued)

Ms. Olson explained the rest of the Manager's Report, such as delinquents, customer count, gallons sold, meters changed, bacteriological samples, payments made, etc. There were four accounts found to be connected illegally for April. 16,445 payments were processed for April; those payments were either paid by mail, phone, online or at the office. 215 water customers were disconnected for non-payment; six sewer customers were disconnected for non-payment in April. Nineteen meters were changed out for assorted reasons. Thirteen paid and completed taps for April. Twenty-seven total bacteriological samples were taken during April 27 special and two fluoride samples.
Chairman Tackett requested a motion to accept the Manager's Report as presented. Commissioner Runyon made the motion. Commissioner Justice seconded Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-05-011

NEW BUSINESS

Executive Session

Chairman Tackett requested motion to convene to Executive Session. Commissioner Melton made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-05-012

Reconvene from Executive Session

Chairman Tackett requested motion to reconvene from Executive Session. Commissioner Justice made the motion. Commissioner Melton seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-05-013

COMMISSIONER COMMENTS

Chairman Tackett stated that no action was taken during Executive Session. Chairman Tackett inquired if there were any comments or questions. There were none.

ADJOURN MEETING

Chairman Tackett requested a motion to adjourn today's regular meeting. Commissioner Runyon made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-05-014

MOUNTAIN WATER DISTRICT
BOARD OF COMMISSIONERS REGULAR MEETING

June 27th, 2024
4:00 PM

ATTENDEES
Jim Vanover, Vanover Hall Bartley & Ward
Mike Spears, Michael Spears, CPA, PSC
Stephen Caudill, Bell Engineering
Tim Campoy, EDC
Tammy Olson, General Manager
Carrie Hatfield, Chief Financial Officer
Kevin Lowe, Billing/Office Manager
David Taylor, Operations Manager
Melissa Wright, Compliance Manager

PLEDGE OF ALLEGIANCE
Chairman Tackett led the assembly in the Pledge of Allegiance.

PRAYER
Commissioner Myrtle Runyon led the assembly in an opening prayer.

CALL TO ORDER AGENDA ITEM I
The Mountain Water District Board of Commissioners' Regular Meeting was held on Thursday, June 27th, 2024, at 4:00pm

Commissioners present for the meeting were as follows:

Randy Tackett, Chairman
Mitch Justice, Vice Chairman
Myrtle Runyon, Treasurer
Paul Chaney, Secretary
Burt Melton, Commissioner

VISITORS
There were none.

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, May 30th, 2024. Commissioner Justice made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-06-001

FINANCIAL REPORT – MIKE SPEARS, CPA AGENDA ITEM III

Mr. Spears presented the financial report with the following information from the financial summary handout. Cash in Bank at the end of May was $184,833; Accounts Receivable was $1,591,908; Plant in Place was $173,237,441. Accounts Payable was $410,040, which had decreased a little from last month; Equity was $96,067,460; Revenue for the month of May was $1,026,923; Utility Operating Expenses for the month were $1,192,293. Loss for the month, $197,527, included in the loss was Deprecation Expenses of $335,997. Operating income was negative in the amount of $165,370. Cash increased for the month of May by $3,800, that had decreased some from April. The current Operating account balance as of May 31st, 2024, was $165,370. We are currently fully funded in the reserves. KIA Reserve was $900,593 and the RD Reserves was $898,160, respectfully. Transferred $48,000 to the sinking fund to make sure there were enough funds to pay the debt service. He referred to page 15 of the packet, to review the Total Sales, last month they were $1,025,575 and this month they were $1,026,923, he continued that some things were concerning him about the billing. The rate increase should be bringing in around three million dollars and has only brought in two million. Mr. Spears recommends that the District to have Mr. Lowe send the monthly usage to the rate study expert, Connie Allen, and have them calculate what the totals should be. He continued that with the new billing software and the troubles that had been incurred since the change, he recommended paying the cost to verify the numbers. Chairman Tackett said that there was a lot of changes at one time. Mr. Spears stated that when that happened that opened up to mistakes. He said he was not comfortable with the revenue so far. Mrs. Hatfield stated that there were some issues with the meters and that may affect the cash flow. Ms. Olson that the PSC did cut the fees down to nearly nothing and that would affect the revenue. He said he would contact them to see if she would do that and use her spread sheet that was used to calculate the rate and to get a total. Mr. Spears then referred to page 16 of the packet, the expenses for the month, water purchased from Williamson was $38,265. Water purchased from the City of Pikeville was $46,296. He then referred to page 17 for the electrical expenses of $120,338, which was average; the R&M was down during the month. He continued that everything looked good other than his concerns with the billing. Mr. Spears explained that the Federal Labor Laws have changed, and they were complex laws. He recommended contacting legal counsel, a labor attorney with our questions and concerns. He continued that the law was very complex with high amounts of penalties, he recommended that Ms. Olson and Mrs. Hatfield to be available for the conference call.

Chairman Tackett asked Mr. Spears if the revenue had increased as projected. Mr. Spears replied that revenue had not increased as expected or as projected, but there were several large expenses that hit at one time, and it would take longer than expected to see the increase in revenue.

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

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-06-005

Chairman Tackett requested a motion to authorize Connie Allen with Salt River & Associates, to review the District's sales and receivables with what it should be and compare to where the District is, to make sure everything was being billed correctly. Commissioner Runyon made the motion. Commissioner Melton seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-06-002

Chairman Tackett requested a motion to authorize Tammy Olson, General Manager and Mike Spears, CPA to meet with labor attorney about the new federal labor laws and obtain advice on what the District should do. Commissioner Justice made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-06-003

Mr. Spears stated that the RD Bond Payments are due on July 1st, 2024. Ms. Olson referred to page 13 of the packet that listed the amounts of each.
Chairman Tackett requested a motion to approve the payment of the RD Bond Payments due July 1st, 2024. Commissioner Runyon made the motion. Commissioner Justice seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-06-004

PAYMENT OF BILLS AGENDA ITEM IV

Ms. Olson stated the payment of bills was listed on page 14 with the Cash Disbursement and then the Payable and Payment List began on page 24 of the packet. Chairman Tackett inquired about the payment to Jonathan Potter in the amount of $5,000. Mrs. Hatfield stated it was for concrete repairs that was damaged by repairing water leaks on three different customers' property. Ms. Olson explained that was for concrete repairs that the District had been damaged and there was not a contractor for that because it was normally blacktop. She continued that the jobs had been completed and customers were satisfied. This did not require a bid because it was under the required procurement amount. Chairman Tackett asked if there were any questions. There were none.
Chairman Tackett requested a motion to approve the payment of bills as submitted, listed on pages of 18 to 24 of the packet. Commissioner Justice made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-06-006

CUSTOMER ADJUSTMENTS AGENDA ITEM V

Copy of the customer adjustments for May 2024 are on pages 25 to 27 the packet. Mr. Lowe stated that the adjustments were at the monthly average amount and there were not any abnormal adjustments listed. Chairman Tackett asked if there were any questions about the adjustments. There were none.
Chairman Tackett requested a motion to approve the Customer Adjustments in the amount of $13,420.92. Commissioner Melton made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-06-007

CONSTRUCTION REPORT AGENDA ITEM VI

Update by Bell Engineering/EDC Steve Caudill, P.E.

1.) **Fishtrap Hydraulic Modification Project** - EDC is sub-consultant to Bell Engineering on this project. The funding agency had asked that the Opinion of Counsel be updated, though no additions or deletions have been made to the project. Continue to wait for permission to advertise the project for bid. The Division of Water Permit to Construct, Transportation Cabinet Encroachment Permit, the Division of Water Stream Crossing Permit and the Corps of Engineers Permit have been issued. Received an email on June 4th stated that the file was being sent to the state office ASAP to get approval to advertise. Received an email from RD on June 24th requesting an updated Opinion of Council, even though nothing has changed. They have also asked for an updated signature by the District Manager, anytime there are updates or changes then a new signature will be needed. Ms. Olson stated that on page 50 was a copy for review, she had already signed it and needed Commissioner Chaney to sign also. Once it was signed then Mr. Vanover would review it before it was submitted. Mr. Caudill stated that nothing had changed regarding the document, and it had been signed and submitted several times in the past.

Chairman Tackett requested a motion to authorize Tammy Olson to sign the updated Right of Way Certification for the Fistrap Project. Commissioner Justice made the motion. Commissioner Melton seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-06-008

2.) **Water Loss Reduction Plan, Phase 1 –** Telemetry sites have continued to be installed and programmed. Master meters have been installed. The District has received eight additional telemetry units that can be installed. Have been waiting for SE Diving to resume repair and painting of the Poorbottom and Old House Tanks. Mr. Caudill stated that he had contacted SE Diving several times to schedule the time for the tanks to be painted. As of now they assured us that they would be here on July 8th. Invoices have been sent to Compass Municipal for processing on a monthly basis. The replacement tanks for Kendrick Fork and the Right Fork of Greasy Creek have been relocated to the sites. They are supposed to be onsite this week. Currently reviewing utilizing remaining funds at the water treatment plant. Chairman Tackett inquired on how many telemetry units had been installed. Mr. Caudill said about forty plus six to eight radios. He stated that this should completely eliminate the tanks running over or going dry, this would help tremendously with water loss. Mr. Taylor stated that the biggest asset to this would be customer service, it could be monitored more and prevent issues. Mr. Caudill stated that there were remaining funds for this project, the District had received permission from the Administration of Funds, Compass Municipal and PCFC to use the remaining funds to purchase items for booster pumps and components. He and Mr. Taylor had discussed that the only item to bid on would be the VFD's. Ms. Olson stated that she would like to form a committee, herself, Mr. Taylor, Commissioner Tackett, David Wolford and Brad Taylor to review submittals. She stated that the VFD's would be close to the procurement law but to be safe they would be bid. Mr. Taylor stated that when the bid specifications were issued to have it include freight/shipping. Bids were normally good for ninety days from most vendors. Ms. Olson stated that these were items that are needed to improve and repair the booster pumps stations.

Chairman Tackett requested a motion to authorize the bid of components for BPS from the remaining ARPA Funds and to form a committee of names listed above to review and score the submittal. Commissioner Chaney made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-06-009

3.) **Capital Infrastructure Replacement Project/Peach Orchard Water Line Extension** – Peach Orchard plans and specifications are complete and have been approved by the Division of Water (DOW). Have planned to advertise for bid on June 28th and planned bid opening date is July 18th. Continuing to work on the remainder of the sites and are preparing DOW and KYTC permit applications for them. Commissioner Melton asked if the customer could be notified that work was in progress and they would be getting water service in their area. Ms. Olson stated that she and Mr. Lowe would get the customers' information and send them letters so they could be informed of the updates.

Update by Matt Jolly, Summit Engineering

1.) **Brushy Fork/Sycamore Water Line Extension –** Mr. Jolly was not present at the meeting; Ms. Olson presented his report. The only remaining work is the chlorine booster station. A DOW permit application was submitted in March. Once the permit is approved, the chlorine booster will be included in the final change order. Per discussions with the Division of Water permit reviewer, review times are substantially longer than usual due to a shortage of employees and a high volume of permit submittals. It may be thirty to sixty days before a permit will be issued. The plans for the chlorine booster have been sent to the contractor. They are currently working on a preliminary cost proposal for the change order. Ms. Olson stated there were some remaining funds from the project, but she did not have a list of items with cost estimates once she received more information.
Chairman Tackett requested a motion to accept the Engineer/Construction Report as submitted. Commissioner Runyon made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-06-010

PROJECT DRAWS:

The project draws were listed on page 3 of the packet. Chairman Tackett asked if anyone had any questions about the Project Draws. There were none.
Chairman Tackett requested a motion to approve the Project Draws as presented. Commissioner Justice made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-06-011

PROJECT DRAWS:

KDOT KY 194 KELLOGG PROJECT		
EDC	**DOT Funds**	**$ 1,800.00**
TOTAL		**$ 1,800.00**

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

1.) **Funding Update –**
   a. **Lead Service Line Inventory Project** – Ms. Olson stated that this project had been a process, this was the first time that the EPA had funded a project, and they did not know what to do. She continued that the Assistance Agreement had been drafted but not approved. Once the Assistance Agreement has been received there will be a special meeting to have it signed if received before next month's scheduled meeting. She continued that the funding agency had given the District a waver for an extension. They did approve for the RGIS program to set up, they would not deny any reimbursements. Ms. Olson said that when the project began, she had allowed four trucks and now was told that they could not, the trucks had to be leased or rented. She continued that the District had to get started with the project because the final deadline would be October 16th, 2024, they informed her that deadline would not be extended. She continued that there were eighteen other water districts that were in the same situation as we were and had not received any funding. Again, once the Assistance Agreement was received and signed the money would be available at once and the District could begin the project. The leasing possibility was discussed, the trucks would only be for three months, most leases were for at least one year or more. The trucks would probably be rented from a rental company. Ms. Olson said she had talked with Julie Bickers several times and she had been informative about the status.

2.) **Water Loss Update –** Ms. Olson explained the water loss update, began on page 32. The Mountain Water form was 28.08% for May, which was more accounted for form. She reminded everyone that the PSC form was more revenue based and was 30.4% for May. Also, there was a spike in the cost of production because May had three pay periods. Mr. Taylor stated that he had expected the numbers to be higher this month than last because of the storms and power outages. He continued that those numbers would be higher next month due to people using more water. The county and state departments had broken some lines doing their repair work. People are filling pools and pressure washing the next couple months. He also explained that the purchased water was real time and sales were delayed because of the billed dates and due dates.

3.) **Daily Operations Update -** Ms. Olson explained that there was not much to report on daily operations. All was going well; the field staff were using the iPad and adjusting well to the new billing system.

4.) **Retroactive Approval of Time Extension of the Wolfpit Industrial Project –** Ms. Olson explained that PCFC sent her a letter that needed Board of Commissioner's approval for her to sign for an extension for the Wolfpit Industrial Park project until May 27th, 2025.
Chairman Tackett requested a motion to approve Tammy Olson to sign the extension for the Wolfpit Industrial Park Project. Commissioner Melton made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-06-012

5.) **Southern Corrosion Amendment –** Chairman Tackett recommended the approval of the Seventh Amendment of the Water Tank Agreement for Southern Corrosion. The amendment was shown on page 49 of the packet for review, he continued that the cost had slightly increased.

Chairman Tackett requested a motion to approve the Seventh Amendment of the Water Tank Agreement for Southern Corrosion. Commissioner Runyon made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-06-013

6.) **Authorization to Advertise for Bid Annual Gravel and Material Hauling Services –** Chairman Tackett requested a motion for authorization to Advertise for Bid the Annual Gravel and Material Hauling Services. Commissioner Justice made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-06-014

7.) **Authorization to Advertise for Bid Four Trucks for Lead Service Line Inventory Project –** Chairman Tackett requested a motion for authorization to Advertise for Bid to Lease or Rent Four Trucks for the Lead Service Line Inventory Project. Commissioner Runyon made the motion. Commissioner Melton seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-06-015

8.) **Award Bid for Annual Pavement Replacement –** Ms. Olson explained that the Pavement Replacement was bid out and two bids were received, one from Kendrick Paving and the other from Mingo Paving. She continued that Kendrick Paving underpriced the larger jobs on his bid, his smaller jobs were more expensive. He knew that the District did not have that many larger jobs so he lowered those amounts to the minimums. Commissioner Runyon asked if the District had previous experience with Kendrick Paving. Ms. Olson explained that yes, they had, and we received negative comments. Commissioner Melton stated that if Kendrick did poor quality of work, then he would not recommend the District to approve him. She said she had contacted Kendrick Paving and questioned him about his prices for a 50 x 10 (500 sq ft) area, four inches thick, if it would be $1500, his response was 'I can work with you on that'. The District had contracted Kendrick Paving in the past and his company did not do quality work, customers were not satisfied and in some cases Mingo Paving had to go back and redo their work. By doing that, the District paid twice for one job and the District cannot afford to do that. Ms. Olson explained that the field supervisors and customers were not pleased with Kendrick Paving in the past. Mingo Paving was lower on the smaller jobs but as the sizes increased then the price increased as to be expected. Mingo Paving did good quality work and had not received a complaint or had to go back to redo for any reason. Ms. Olson said for example, there was a job at Appalachian Plaza, Kendrick paved it, and it was terrible. Mingo Paving had to dig up the blacktop and resurface, that was an extra expense of $18,000 that had been paid to Kendrick Paving. Mingo Paving has been the contract for the past year and so far, we have not had any complaints about them. Mr. Taylor suggested when this was bid again to list in the bid specifications that the District would use a scoring system, which included past jobs and reviews. Mr. Vanover explained that before any bid could

be rejected, there had to be good cause for that, needed proof. These two bids were compliant with how it was bid. He recommended for the next paving bid there needed to be extra criteria on specifications such as scoring and bond requirements. Mr. Campoy explained that when contractors had bonds or insurance that they calculated that expense in the price when placing the bid. Ms. Olson explained that the bid specs listed proof of liability insurance required but nothing about bonds. Ms. Olson stated that she would contact each contractor and ask for more specific pricing on the bid list and confirm their pricing. After further discussion the Board of Commissioners recommend to table this for the July meeting.

MANAGER'S REPORT (continued)

Ms. Olson stated that the Commissioners could review the delinquents, customer count, gallons sold, meters changed, bacteriological samples, payments made, etc. There were six accounts found to be connected illegally for May. 16,275 payments were processed for May; those payments were either paid by mail, phone, online or at the office. 215 water customers were disconnected for non-payment; zero sewer customers were disconnected for non-payment in May. Twelve meters were changed out for assorted reasons. Thirteen paid and completed taps for May. Fifty-two total bacteriological samples were taken during May, nine special and two fluoride samples.
Chairman Tackett requested a motion to accept the Manager's Report as presented. Commissioner Justice made the motion. Commissioner Runyon seconded Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-06-016

NEW BUSINESS

Executive Session

a. Pursuant to KRS 61.810 (1)(c) to discuss the District's litigation strategy with regard to current and potential litigation and the District's purchased water contracts.

- No Executive Session was needed at this time.

COMMISSIONER COMMENTS

Chairman Tackett asked if there were any comments or questions. There were none.

ADJOURN MEETING

Chairman Tackett requested a motion to adjourn today's regular meeting. Commissioner Chaney made the motion. Commissioner Justice seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-06-017

MOUNTAIN WATER DISTRICT
BOARD OF COMMISSIONERS SPECIAL MEETING

July 10th, 2024
1:00 PM

ATTENDEES
Tammy Olson, General Manager
Melissa Wright, Compliance Manager

PLEDGE OF ALLEGIANCE
Vice Chairman Justice led the assembly in the Pledge of Allegiance.

PRAYER
Commissioner Myrtle Runyon led the assembly in an opening prayer.

CALL TO ORDER
The Mountain Water District Board of Commissioners' Special Meeting was held on Wednesday, July 10th, 2024, at 1:00pm

Commissioners present for the meeting were as follows:

Mitch Justice, Vice Chairman
Myrtle Runyon, Treasurer
Paul Chaney, Secretary
Burt Melton, Commissioner

AGENDA ITEM:

1. **Approval of the Assistance Agreement for the Lead Service Line Inventory –** Ms. Olson explained the resolution that was shown on page 2 that needed to be approved and signed by Chairman Tackett and Commissioner Chaney. Commissioner Justice read aloud the resolution as presented to the Board of Commissioners. Ms. Olson explained that the agreement would be a DocuSign document once it was received. Commissioner Chaney gave Ms. Olson his permission to DocuSign his name. She continued that Jim Vanover, legal counsel had reviewed, approved and submitted a Legal Opinion Letter also. Once those two items were signed and sent, then she would receive a link for the DocuSign documents. Once that is completed then the funds will be able to be received. She continued that this was a one hundred percent forgivable loan due to the median income in the county being so low. The District needed the funding in order to complete the project and this was a required nationwide project for all water utilities. After further discussion, Commissioner Justice asked if anyone had any questions. There were none.
   Vice Chairman Justice requested a motion for the Approval of the Assistance Agreement for the Lead Service Line Inventory. Commissioner Runyon made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Absent
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

   Upon Commissioner voting, the motion was carried and passed.
   Resolution 24-07-001

2. **Authorization to Advertise for bid the purchase of an Excavator and Meters with the remaining funds from the Brushy Project –** Ms. Olson explained that there were remaining funds from the Brushy Project. She continued that she had spoken to Sharon Hall, PCFC, and the funding agency, she was informed that the District could spend the funds on items that were related to the project. Ms. Olson referred to page 56 of the packet with the items listed to be purchased from the funds, she explained that the cost of the mini-excavator and the trailer were estimated prices but would cost around those amounts. She continued that RG3 was now manufacturing a transmitter, Tesla Solo, for the meters to help make them more readable, they would then be an analog meter. The transmitter would attach to the meter and had an identification number, if the meter did not radio read then the field technician could manually read the meter. She continued that they, RG3, agreed to give the District five hundred transmitters to replace the meter tops that had been sent back for replacement, these would still be under the current warranty. Lee Gregory, RG3's CEO, assured the District that there would not be a shortage of the transmitters and would not have the problems that we had encountered with the meter tops in the past. Ms. Olson continued that after the listed items were purchased, there would be a small amount of funds remaining and those funds would be used to purchase part, service/main line and fittings for stock.
   Vice Chairman Justice requested a motion for the authorization to advertise for bid the purchase of a Min-Excavator, a Trailer, Meters and stock items with the remaining funds from the Brushy Project. Commissioner Melton made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Absent
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

   Upon Commissioner voting, the motion was carried and passed.
   Resolution 24-07-002

3. **Approval of Revised Overtime Policy –** Ms. Olson stated that at the last Board of Commissioners meeting and the Board approved for the District to contact a labor attorney regarding the change to the Federal Labor Law that changed how salaried employees are to be paid. She explained that the District had eight salaried employees that the new law would affect. Utility companies had more of a grey area of their workers because the salaried field supervisors did more than just paperwork and coordinate jobs, all of them got in the ditch and worked alongside of their crew. The office salaried employees would not change, and the upper management field staff would remain salary. The eight salaried employees would be changed to hourly. Their salaries would be calculated at an hourly rate. She explained that she had talked to the Daytime Operations Manager and Nighttime Operations Managers to watch all overtime and it was to be kept as low as possible but understood that the District had to operate. Commissioner Melton asked if Ms. Olson spoke with the attorney. Ms. Olson said she did, along with other supervisors. The labor attorney recommended changing the questioned salaried employees to hourly because as a utility company, it had to run twenty-four hours a day, seven days a week and there was so much grey area in their job duties. Ms. Olson explained that most of the salaried employees would be satisfied with the change because they had complained in the past about not being paid overtime, especially during major weather events. She felt the change would be acceptable to the affected employees.
   Vice Chairman Justice requested a motion to approve the revised overtime policy and approve to change the affected salaried employees to hourly that was recommended by the labor attorney because of the Federal Labor Law change. Commissioner Runyon made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Absent
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

   Upon Commissioner voting, the motion was carried and passed.

Resolution 24-07-003

ADJOURN MEETING

Vice Chairman Justice requested a motion to adjourn today's special meeting. Commissioner Melton made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Absent
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-07-004

MOUNTAIN WATER DISTRICT
BOARD OF COMMISSIONERS REGULAR MEETING

July 25th, 2024
4:00 PM

ATTENDEES
Jim Vanover, Vanover Hall Bartley & Ward
Mike Spears, Michael Spears, CPA, PSC
Stephen Caudill, Bell Engineering
Tim Campoy, EDC
Matt Jolly, Summit Engineering
Tammy Olson, General Manager
Carrie Hatfield, Chief Financial Officer
Kevin Lowe, Billing/Office Manager
David Taylor, Operations Manager
Melissa Wright, Compliance Manager

PLEDGE OF ALLEGIANCE
Chairman Tackett led the assembly in the Pledge of Allegiance.

PRAYER
Commissioner Myrtle Runyon led the assembly in an opening prayer.

CALL TO ORDER AGENDA ITEM I
The Mountain Water District Board of Commissioners' Regular Meeting was held on Thursday, July 25th, 2024, at 4:00pm

Commissioners present for the meeting were as follows:

Randy Tackett, Chairman
Mitch Justice, Vice Chairman
Myrtle Runyon, Treasurer
Paul Chaney, Secretary
Burt Melton, Commissioner

VISITORS
John and Ladonna Epling arrived to discuss an invoice their company, Bill Epling & Sons Logging, had received for water line damage. Mr. Epling stated that he contacted 811 on each project to make sure everything was ok before he began to dig on any job. However, he explained that Mountain Water District was not listed on 811 and he did not contact them. His company was logging in the Phelps area on a hill where MWD water tank was and broke a water line. He said that he did not know where the water lines were and when MWD staff arrived they said they did not know the location of the water lines. Ms. Epling stated that their concerns were about the dollar amount they were charged for the water loss and felt that the staff did not respond quickly enough. Mr. Taylor reviewed the past telemetry data on his phone, at 10:42am the tank level was at twenty-four feet, it updates every six to seven minutes and the next read was zero. Explained that the time of the tank drop to the time of the tank filling back up was one hour fifteen minutes, which was a good response time. Mr. Epling said when MWD did arrive at the location, he asked about turning the water off and he was told to let the tank run empty. He explained that that was a two hundred-thousand-gallon tank, even when tank was empty the pumps did not know that and did not automatically shut off, they had to be manually turned off. The tank was almost at full capacity when the break occurred. Ms. Olson explained to them that no utility was required to participate with 811, the District chose not to because 811 charged a fee for us to go mark our lines. Chairman Tackett explained that the District was regulated by the PSC and had to follow the tariff. He continued that if it was stated in the tariff, then that was what the District had to follow. Commissioner Justice also explained that he understood it was a large amount but there was nothing that the District was able to adjust off. She wanted to know how

the amount to charge was calculated. Mr. Taylor explained that it consisted of the amount of gallons that were lost and amount of gallons was used to flush the area. Ms. Olson explained that when an incident of that type, there was more than just repairing the leak. The area had to be flushed, water samples had to be taken and sent to lab for testing and a boil water advisory had to be issued. Commissioner Melton asked if a payment plan would help and Ms. Epling said that she really did not need a payment plan, she was concerned with the amount of water loss. Ms. Olson explained that a payment plan was ok with her, but the amount would change. Chairman Tackett agreed that they could sign an installment billing and allow them to make payments on the invoice. Commissioner Justice explained that it was in the tariff and the District had to follow those regulations. Commissioner Melton explained that this would set the president for the future for other businesses, if we adjusted one and then we would have to adjust all others. Ms. Olson gave them her direct number, told them if they needed anything or had any questions to contact her and she would assist them in any way possible. They understood and agreed to contact Ms. Olson to set up the installment plan.

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, June 27th, 2024 and for the Special Meeting held on Wednesday, July 10th, 2024. Commissioner Melton made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-07-005

FINANCIAL REPORT – MIKE SPEARS, CPA AGENDA ITEM III

Mr. Spears presented the financial report with the following information from the financial summary handout. Cash in Bank at the end of June was $164,598; Accounts Receivable was $1,535,201; Plant in Place was $173,621,310. Accounts Payable was $476,905; Equity was $95,766,370; Revenue for the month of June was $1,125,753, which has increased some from last month; Utility Operating Expenses for the month was $1,139,508. Loss for the month, $34,250, included in the loss was Deprecation Expenses of $335,997. Operating income was negative in the amount of $13,756, this was the lowest it has been in long time. Cash decreased for the month of June by $19,091. The current Operating account balance as of June 30th, 2024, was $159,464. We are currently fully funded in the reserves; KIA Reserve was $909,574 and the RD Reserves was $901,105, respectfully. Transferred $48,000 to the sinking fund to make sure there were enough funds to pay the debt service. He referred to page 15 of the packet, to review the Total Sales, last month they were $1,026,923 and this month they were $1,125,752. Mr. Spears then referred to page 16 of the packet, the expenses for the month. Water purchased from Williamson was $39,857. Water purchased from the City of Pikeville was $50,732. He then referred to page 17 for the electrical expenses of $132,078; the R&M was down during the month. He continued that everything looked good other than his concerns with the billing. He continued that at the last monthly meeting, the Board authorized him and Ms. Olson to contact Connie Allen about the rates and verify the numbers. Now he would like for the Board to authorize him and Ms. Olson to contact Gearld Wuetcher and have him to request the calculation from the PSC. He continued that the minimum bill was eliminated and went to a meter charge and bill by metric usage. Ms. Allen explained that by eliminating the minimum bill that would affect the Districts revenue. Ms. Olson explained that the minimum was a guaranteed income for the District and now the District was not receiving that, the minimum went from $27 to $8.99 for the customers that did not use any water. Mr. Spears explained that the PSC had the calculation spreadsheet, and he would like to see it and to see how they projected the Districts revenue. He explained the rate increase should be bringing in around three million dollars a year and at this pace it would only bring in close to two million. Mr. Spears recommended that the Board authorize him and Ms. Olson to contact Gerald Wuetcher about the rate increase and compare the numbers. Chairman Tackett asked if anyone had any questions on the finical report. There were none.

Chairman Tackett requested a motion to authorize Mr. Spears and Ms. Olson to contact Gerald Wuethcher and Connie Allen, who filed the rate increase with the PSC, to contact the PSC and have them to review

the calculations to verify they are correct. Commissioner Justice made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-07-006

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

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-07-007

PAYMENT OF BILLS AGENDA ITEM IV

Ms. Olson stated the payment of bills began on page 17 -20 with the Cash Disbursement and then the Payable and Payment List began on page 21-29 of the packet. Chairman Tackett asked if there were any questions. There were none.
Chairman Tackett requested a motion to approve the payment of bills as submitted. Commissioner Melton made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-07-008

CUSTOMER ADJUSTMENTS AGENDA ITEM V

Copy of the customer adjustments for June 2024 listed on pages 30 to 33 the packet. Mr. Lowe stated that there was about a fifty percent increase in the number of adjustments for the month of June. He continued that there was one large adjustment that was listed, but it also looked like the customer had a leak for several months. Commissioner Justice asked if when a customer requested an adjustment, did the District investigate of what happened. Mr. Lowe explained no, the District does not question the customer just as long as they are eligible for the adjustment and can provide a receipt of purchased parts for the repair. Each customer was entitled to an adjustment once every twelve months, rolling twelve months not yearly, then up to three months could be adjusted. Chairman Tackett asked if there were any more questions. There were none.
Chairman Tackett requested a motion to approve the Customer Adjustments as submitted, in the amount of $20,443.27. Commissioner Justice made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-07-009

CONSTRUCTION REPORT AGENDA ITEM VI

Update by Bell Engineering/EDC Steve Caudill, P.E.

1.) **Fishtrap Hydraulic Modification Project** – Mr. Campoy explained that EDC was a sub-consultant to Bell Engineering on this project. The funding agency gave permission to advertise the project for bid, this date had been long time coming. The advertisement would run in the Appalachian News-Express on July 26, with the bids due to be submitted by 2:00PM on August 15th, at the office of Vanover, Hall, Bartley & Ward, the bids would be opened and read aloud at that time. The project was uploaded to Lynn Imaging for distribution on July 22nd. He explained on the Kimper DOT Relocation Project that last month the pay application was signed for the Transportation Cabinet, but the form was wrong. They had sent the form twice and now that it had been corrected and it would need to be signed. Ms. Olson explained that the Draw had already been approved just the corrected form needed to be signed.

2.) **Water Loss Reduction Plan, Phase 1 –** Mr. Caudill stated that the replacement tanks for Kendrick Fork and the Right Fork of Greasy Creek had been relocated to the sites. Telemetry sites had continued to be installed and programmed. SE Diving were to repair and paint the Poorbottom and Old House Tanks. He stated that they are working on another project on the coast and once that was completed, they would be here, hoped it would be about three weeks. The administrator of the funds (Compass Municipal) and the County gave the District permission to use the remaining funds at the water treatment plant and on the booster pump station components. Ms. Olson said that she had not seen a response to approve the Water Treatment Plant upgrades, only saw they approved booster pump stations because it was in the original scope of the project. Mr. Caudill stated that he would check on that before the next meeting. Mr. Taylor stated that pumps and VFD's were approved but not anything for the water treatment plant upgrades. The bidding documents for VFD's were being completed and once they were completed, he would send them to Ms. Olson and Mr. Taylor to review and then to advertise.

3.) **Capital Infrastructure Replacement Project/Peach Orchard Water Line Extension** – Mr. Campoy stated that EDC was a sub-consultant to Bell Engineering on this project. EDC met with David Taylor in July and reviewed the District's needs for the proposed waterline replacement projects at Smith Fork, Dorton Hill and Big Branch. The preliminary plans had been drawn up and were working on the engineer's estimate of probable cost. Once that was completed, they would meet again with the District personnel, Ms. Olson and Mr. Taylor, for review and approval before bidding. The bid opening for the Peach Orchard Water Line Extension Project was held on July 18th. Six contractors took out plan sets and two bids were received, and a copy of the bid tabulation was included in the packet, page 34. One bid from Precision Contracting in the amount of $651,194 and the other from Jones Contracting in the amount of $925,550. The lowest bid exceeded the amount of the available funds, the project budget was $313,000. Several options to move the project forward had been reviewed, including the possibility to obtain additional funding and to modify the project alignment. Mr. Caudill recommended the District to reject both bids. He had met with Sharon Hall (PCFC) before the meeting, and she had contacted Julie Bickers (KIA). Ms. Bickers was able to add ten percent to the budget which brought the total project budget to $344,000. He said they discussed some options and would continue to work on finding funding. He continued they had continued to work on the rest of the Capital Improvement Projects. Mr. Caudill stated the lines at Pike Central and Adams Branch had been laid out and reviewed by Mountain Water District personnel. An opinion of probable construction cost was being prepared for this work. Ms. Olson stated there was a request from Sharon Hall to bid those as separate contracts. Mr. Caudill stated that he and Mr. Campoy would discuss the options and what would be the best way to bid this and let Ms. Olson know their recommendation.

- **Award Bid for Peach Orchard Water Line Extension Project -** Mr. Caudill explained that there were two bids that came in for this project and both bids were a significant amount above the allowed amount for the project funding. One bid from Precision Contracting in the amount of $651,194 and the other from Jones Contracting in the amount of $925,550. The lowest bid exceeded the amount of the available funds, the project budget was $313,000. Several options to move the

project forward have been reviewed, including the possibility to obtain additional funding and to modify the project alignment. He recommended that the District reject both bids, modify the plans and rebid the project and contact Sharon Hall with the Pike County Fiscal Court to see if there was any funding that could help with the difference so the project could be completed.

Chairman Tackett requested a motion to reject both bids and authorize Mr. Caudill, Ms. Olson and Mr. Taylor to modify the plans and rebid the project; to contact Sharon Hall to check for additional funding. Commissioner Justice made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-07-010

Update by Matt Jolly, Summit Engineering

Brushy Fork/Sycamore Water Line Extension – Mr. Jolly stated the only remaining work was the chlorine booster. A DOW permit application was submitted in March. Once the permit was approved, the chlorine booster would be included in Change Order #3, page 35 of the packet. The contractor had submitted a cost proposal of $57,774 for the chlorine booster. Summit had requested a contract addendum to add a design fee and inspection fee for the chlorine booster. The additional inspection fee of $7,500 and design fee of $8,000 was needed due to the changes to the contract time. He stated they had a contractor on the job for the additional eighty-eight days beyond the original contract and requested an additional $25,000 for doing so. He recommended releasing all payments to the Contractor except for a $10,000 retainage. The Contractor's pay request and Summit's invoice were attached. Ms. Olson stated that after Change Order #3 and the engineering contract addendum, there was $142,660.75 remaining in the project budget. The District had been approved to purchase meters and some other items. A breakdown of the project budget was shown on pages 36 - 37 of the packet. Ms. Olson explained the breakdown of the budget on page 36 and the Change Order #3 shown on page 35. She said that Mr. Vanover had reviewed the addendum and approved it to be signed.

Chairman Tackett requested a motion to authorize Ms. Olson to sign the addendum to Change Order #3. Commissioner Runyon made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-07-011

Chairman Tackett asked if there were any questions. Mr. Taylor asked if the District would be installing the chlorine booster or if the contractor would install them. Mr. Jolly replied that the contractor would install them. Chairman Tackett asked if there were any more questions. There were none.

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

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-07-012

PROJECT DRAWS:

The project draws were listed on page 3 of the packet. Chairman Tackett asked how much more fencing needed to be completed. Mr. Caudill replied there were one or two sites remaining. Chairman Tackett asked if anyone had any questions about the Project Draws. There were none.
Chairman Tackett requested a motion to approve the Project Draws as presented. Commissioner Chaney made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-07-013

PROJECT DRAWS:

WATER LOSS REDUCTION PLAN

State Electric	**ARPA Funds**	**$ 103.50**
State Electric	**ARPA Funds**	**$ 329.17**
State Electric	**ARPA Funds**	**$ 613.86**
Hamilton Fence	**ARPA Funds**	**$ 5,030.56**
Hamilton Fence	**ARPA Funds**	**$ 5,874.80**
Hamilton Fence	**ARPA Funds**	**$ 18,291.14**
TOTAL		**$ 30,243.03**

WATER LOSS REDUCTION PLAN

Bell Engineering	**ARPA Funds**	**$ 19,003.51**
TOTAL		**$ 19,003.51**

Brushy/Sycamore Waterline Extension

Summit	**Coal Severance Funds**	**$ 8,750.00**
BOCA	**Coal Severance Funds**	**$137,180.26**
TOTAL		**$145,930.26**

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

1.) **Funding Update –**
   a. **Lead Service Line Inventory Project –** Ms. Olson stated this project was moving forward. KIA had contacted her to get quotes for the RGIS program, there was not much to get on that because not many companies offer it. She had contacted KRWA and Rusty with the software and said they would be at the office within the next week or so to begin to install the RGIS program and for training.
   b. **Authorization to Apply for KY WWATERS Grant Funding –** Ms. Olson explained this was a new grant funding opportunity that just became available this week, it was similar to the LEAD Service Line funding. This would be a forgivable loan due to the county's low-income median. She contacted Big Sandy, and they had seventy-five million dollars available for distribution throughout the state. The deadline for applying for these funds was on August 15th, 2024, she referred to pages 39-42 of the packet with a list of things the District could use the funds for. The funds could be used for various things, such as debt service, water plant

upgrades, other water line extension projects such as additional funds for the Peach Orchard Water Line Extension Project. She explained there were not many restrictions on how the funds could be used. She stated the District had some small bond payments that could be paid in full by these funds, and they did not give a limit on the amount of funds that could be requested. Although they may not agree to the all the funds requested, we could still apply. Ms. Olson asked how the Board wanted her to apply for those funds, separate applications or all in one. Commissioner Runyon stated she felt we needed to be aggressive and asked for a higher amount. Ms. Olson said when completing the application, she had to list items or projects in priority order, so if all funds were not approved, they would know how the funds would be used. The funding board would review all the things listed and the more boxes that were checked, the better the chances are to get more funds.

Chairman Tackett requested a motion to approve Ms. Olson to apply for grant funding through KIA for KY WWATERS Grant Funding for water treatment plant repairs, debt service and for additional funds for the Peach Orchard Water Line Extension Project. Commissioner Melton made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-07-014

2.) **Water Loss Update –** Ms. Olson explained the water loss updates. The Mountain Water form was 21.87% for June, which allowed the District to account for more water loss. The PSC form was more revenue based and was 23.7% for June. She explained the purchases were higher again. Mr. Taylor explained that was carried over from last month of how they bill and we billed. As of now water loss is within the annual average.

3.) **Daily Operations Update -** Ms. Olson explained there was not much to report on daily operations. All was going well; the field staff was using the iPad's and adjusting well to the new billing system. Chairman Tackett asked if any of the iPad's had been lost or damaged. Ms. Olson explained not as of right now, the staff had done great with them so far. Turnover is down compared to last year; the office had some employees to take medical leave and had to hire some office staff. These employees are being hired through the Big Sandy program and by doing so it saved the District some money. Ms. Olson explained to the Board of Commissioners if they had any questions or concerns about anything, they could contact her or Ms. Wright. Also, if they wanted to visit the water treatment plant to call and schedule a time for that as well. Mr. Spears asked Ms. Olson to explain the update on the RG3 meters. She explained that in last month's meeting she stated that RG3 meters had a failure rate of at least two percent. She and Mr. Bentley meet with RG3, CFO, Lee Gregory, and decided to purchase the updated Tesla meters, which were an analog meter that could be read manually. She explained she used the remaining funds from the Brushy project to purchase the new meters and updated licenses. The ones that were returned as a replacement would be replaced at no charge under the warranty. She explained this was the best alternative for the District to take because the ones that were returned, RG3 could not get the parts to repair them. Ms. Olson explained to the Board that the District had scheduled demonstrations with Meuller and Badger Meters. The cost of each was $160,000 to $180,000 to get the software and five hundred meters. If we did that then we would be using two different systems to read and import. Ms. Olson felt that by purchasing the analog meters and transmitters from RG3 would be more beneficial and most cost effective for the District.

4.) **Authorization to Advertise for Bid Horizontal Drilling Services –** Ms. Olson explained that once a year the District advertised for bid for horizontal drilling fand boring services for the next year, that's an annual bid that is due in August.

Chairman Tackett requested a motion approve the authorization to advertise for bid Horizontal Drilling Servies. Commissioner Melton made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye

Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-07-015

5.) **Authorization to Engage with Gerald Wuetcher in PSC Inquiry –** Ms. Olson explained this was addressed under the finical report. After further discussion the Board agreed to authorize Mr. Spears and Ms. Olson to contact Gerald Wuetcher and Connie Allen, who filed for the rate increase with the PSC, to contact the PSC and have them to review the calculations to verify they are correct.
Chairman Tackett requested a motion to authorize Mr. Spears and Ms. Olson to contact Gerald Wuetcher and Connie Allen, who filed the rate increase with the PSC, to contact the PSC and have them to review the calculations to verify they are correct. Commissioner Justice made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-07-006

6.) **Award for Bid Annual Gravel and Material Hauling Services –** Ms. Olson stated the bid tabulation was listed on page 58 &59 of the packet. The District divided the county into two zones, one for the Pond Creek, Phelps area and the other for the Shelby Valley, Marrowbone areas. She continued that DD&K had placed bids for both zones, one and two. His bid was a significant amount less than ACE Transports bid. After reviewing the bid tabulation, she stated that DD&K kept the bid same as it was last year, ACE Transport increased their price significantly. Ms. Olson recommended awarding the bid to DD&K for both zones, one and two. She explained that DD&K was dependable and would take calls on the weekends and all hours of the night.
Chairman Tackett requested a motion for authorization to Award the Bid for the 2024-2025 Annual Gravel and Material Hauling Services to DD&K for both zones, Zone 1 and Zone 2. Chairman Tackett made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-07-016

7.) **Award Bid for Annual Pavement Replacement –** Ms. Olson explained this was tabled from last month's meeting, that the Pavement Replacement was bid out and two bids were received, one from Kendrick Paving and the other from Mingo Paving, pages 60 – 67 of the packet. She continued that on page 67 was a spreadsheet showing most of the jobs were two hundred square feet or less. She continued that Kendrick Paving underpriced the larger jobs on his bid, his smaller jobs were more expensive. He knew the District did not have many of the larger jobs so he lowered those amounts to the minimums. She referred to pages 62-66 of the packet, there was copy of invoice from 2022 for a job that Kendrick Paving had completed at the Appalachian Plaza. The District had received several complaints from customers and businesses that the pavement was damaging vehicles. The District had Mingo Paving to redo the job in 2023, they had to dig up the pavement and repave the area, therefore the District had to pay for the job twice. She continued that she had contacted Kendrick Paving and questioned him about his prices for a 10 x 50 (500 sq ft) area, four inches thick, if it would be $1500, his response was 'I can work with you on that'. She contacted Mingo Paving and asked the same question, his response was '$3850 would be the maximum but it could be less than that'. The District had contracted Kendrick Paving in the past and his company did not do quality work, customers were not satisfied and in some cases Mingo Paving had to go back and redo their work costing the District more money. Ms. Olson explained that the field supervisors and customers were not pleased with Kendrick Paving in the past. Mingo Paving was lower on the smaller jobs but as the sizes increased then the price increased as to be expected. Mingo Paving did good quality work and had

not receive any complaints or had to go back to redo for any reason. Ms. Olson recommended that the Board of Commissioners award the bid for the 2024-2025 Annual Paving Bid to Mingo Paving, LLC.

Chairman Tackett requested a motion award bid for Annual Pavement Replacement to Mingo Paving, LLC. Commissioner Melton made the motion. Commissioner Justice seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-07-017

MANAGER'S REPORT (continued)

Ms. Olson stated that the Commissioners could review the delinquents, customer count, gallons sold, meters changed, bacteriological samples, payments made, etc. There were three accounts found to be connected illegally for June. 15,033 payments were processed for June; those payments were either paid by mail, phone, online or at the office.

Chairman Tackett requested a motion to accept the Manager's Report as presented. Commissioner Chaney made the motion. Commissioner Melton seconded Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-07-018

NEW BUSINESS

Executive Session

a. Pursuant to KRS 61.810 (1)(c) to discuss the District's litigation strategy with regard to current and potential litigation and the District's purchased water contracts.

- No Executive Session was needed at this time.

COMMISSIONER COMMENTS

Chairman Tackett asked if there were any comments or questions. There were none.

ADJOURN MEETING

Chairman Tackett requested a motion to adjourn today's regular meeting. Commissioner Melton made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-07-019

MOUNTAIN WATER DISTRICT
BOARD OF COMMISSIONERS REGULAR MEETING

August 29th, 2024
4:00 PM

ATTENDEES
Jim Vanover, Vanover Hall Bartley & Ward
Mike Spears, Michael Spears, CPA, PSC
Stephen Caudill, Bell Engineering
Tim Campoy, EDC
Mike Mullins, Summit Engineering
Tammy Olson, General Manager
Carrie Hatfield, Chief Financial Officer
Kevin Lowe, Billing/Office Manager
David Taylor, Operations Manager
Melissa Wright, Compliance Manager

PLEDGE OF ALLEGIANCE
Chairman Tackett led the assembly in the Pledge of Allegiance.

PRAYER
Commissioner Myrtle Runyon led the assembly in an opening prayer.

CALL TO ORDER AGENDA ITEM I
The Mountain Water District Board of Commissioners' Regular Meeting was held on Thursday, August 29th, 2024, at 4:00pm

Commissioners present for the meeting were as follows:

Randy Tackett, Chairman
Mitch Justice, Vice Chairman
Myrtle Runyon, Treasurer
Paul Chaney, Secretary
Burt Melton, Commissioner

VISITORS
There were none.

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, July 25th, 2024. Commissioner Runyon made the motion. Commissioner Justice seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-08-001

FINANCIAL REPORT – MIKE SPEARS, CPA AGENDA ITEM III

Mr. Spears presented the financial report with the following information from the financial summary handout. Cash in Bank at the end of the month was $230,244; Accounts Receivable was $1,469,517; Plant in Place was $173,935,814. Accounts Payable were $616,550; Equity was $95,978,502; Revenue for the month of was $1,091,746, which decreased from last month; Utility Operating Expenses for the month were $1,150,669. Loss for the month, $89,436, included in the loss was Deprecation Expenses of $335,997. Operating income was negative in the amount of $58,922. Cash decreased for the month of July by $64,501. The current Operating account balance as of 31st, 2024, was $219,404, had increased some. Currently fully funded in the reserves; KIA Reserve was $909,574 and the RD Reserves was $901,105, respectfully. $48,000 transferred to the sinking fund to make sure there were enough funds to pay the debt service. He referred to page 15 of the packet, to review the Total Sales, last month they were $1,125,752 and this month they were $1,091,746. Mr. Spears then referred to page 16 of the packet, the expenses for the month. Water purchased from Williamson was $35,599. Water purchased from the City of Pikeville was $60,061. He then referred to page 17 for the electrical expenses of $107,903, which decreased from last month, but would soon be in high usage months; the R&M was up a little during the month. He continued that everything looked good other than his concerns with the billing. He continued to only see 2.2% compared to a 2.3% increase in revenue from the rate increase, and it was concerning. Unsure if it was due to PSC calculations or how the software has been billing. He continued that he and Ms. Olson planned to meet with the PSC to discuss the new rates. He felt there was an error somewhere but was not sure and definitely needed to find it to correct it. Chairman Tackett asked when the District was going to begin to put funds back into the O&M account. Mr. Spears explained that Mrs. Hatfield could answer that better, but he was certain it would be soon. 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 Chaney made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-08-002

PAYMENT OF BILLS AGENDA ITEM IV

Ms. Olson stated the payment of bills began on page 15 with the Cash Disbursement and then the Payable and Payment List began on page 20 of the packet. Chairman Tackett asked about the water purchases from City of Pikeville and City of Williamson. Pikeville's usage was still a little high and wanted to know if we could pull water from Williamson to help reduce Pikeville's purchases. Mr. Taylor explained that the usage should go down this month and start trending down for the next few months and hopefully closer to their minimum. Chairman Tackett asked about Bassett Attorney; Mrs. Hatfield replied that was for the labor law attorney when the labor laws changed. Mrs. Hatfield explained that Pike County Solid Waste was for the county to empty all of the District's dumpsters. Pike County Landfill was for the waste sludge. Chairman Tackett asked if anyone had anyone questions. There were none.

Chairman Tackett requested a motion to approve the payment of bills as submitted. Commissioner Justice made the motion. Commissioner Melton seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-08-003

CUSTOMER ADJUSTMENTS AGENDA ITEM V

Copy of the customer adjustments for July 2024 began on page 30 of the packet. Mr. Lowe stated that there was more than double the number of adjustments, but the total was still average. Commissioner Justice stated that he would abstain from this motion due to having a relative on the list. Chairman Tackett asked if there were any more questions. There were none.

Chairman Tackett requested a motion to approve the Customer Adjustments as submitted, in the amount of $24,138.60. Commissioner Runyon made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Abstain
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-08-004

CONSTRUCTION REPORT AGENDA ITEM VI

Update by Bell Engineering/EDC Steve Caudill, P.E.

1.) **Fishtrap Hydraulic Modification Project** – Mr. Campoy, EDC was a sub-consultant to Bell Engineering on this project. He handed out the bid tabulation for the project. The bid opening for the project was held at 2 pm on August 15th. The District received six bids for this project, which was a phenomenal number of bids, they were submitted on August 15 at the offices of Vanover, Hall, Bartley and Ward. He explained that Barrett Clark was the lowest bid, $607,788, but they could not provide any projects they had completed similar to his project. He did not recommend awarding the bid to them due to possible lack of experience with a project of this size. The bids ranged from a high of $1,087,500.00 to a low of $607,788.00. There was an addition error, math error on Jone's Contracting bid and he had been contacted and confirmed the correction, there is a signed statement on file that states the corrected amount. Ms. Olson explained that on page 36 of the packet, was a letter of engineer's recommendation that confirmed the approved math correction and recommended Jone's Contracting to award the bid. Mr. Campoy said they had done work for the District in the past and did quality work. Then, on August 22, EDC met with Tammy Olson and Jim Vanover to discuss the findings of EDC's bid examination. As described in the handout, the Engineer's Recommendation for Bid Award, the project be awarded to the second lowest bidder, Jones Contracting, LLC for the sum of $781,115.00, which is within the construction budget of $837,597.00. The Fiscal Court is now working with the funding agency to obtain approval to award the project.

- **Award Bid for Fishtrap Hydraulic Modification Project** -Chairman Tackett requested a motion to award bid to Jones Contracting, pending match money approval, for Fishtrap Hydraulic Modification Project. Commissioner Runyon made the motion. Commissioner Justice seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-08-005

- **Retroactive Approval for Funding Match Letter for Fishtrap** - Ms. Olson explained that this project required a funding match of twenty percent. She said the District agreed to that when the project first began, our part would be $167k from the District's O&M account. She had contacted Sharon Hall, PCFC, about finding some help to assist the District with that. Sharon Hall was able to find some GRNT funding that required a two percent match of the $167k, being $3,287 as the Ditsrict's portion of the match. Ms. Olson recommended the

board to retroactively approve of Mrs. Hall to apply for the GRNT Funding match to complete the project, letter on page 37 of the packet.

Chairman Tackett requested a motion for retroactive approval for funding match letter for Sharon Hall, PCFC, to contact the GRNT Funding and Tammy Olson to commit the district to the match amount of two percent for the Fishtrap Hydraulic Modification Project. Commissioner Chaney made the motion. Commissioner Melton seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-08-006

2.) **Water Loss Reduction Plan, Phase 1 –** Mr. Caudill stated the replacement tanks for Kendrick Fork and the Right Fork of Greasy Creek have been relocated to the sites. The telemetry sites have continued to be installed and programmed. SE Diving was to repair and paint the Poorbottom and Old House Tanks. The administrator of the funds (Compass municipal) and the County gave permission to use the remaining funds for booster pump station components. The bidding documents for the VFDs and pumps had been finalized and would be advertised for bids at any time.

3.) **Capital Infrastructure Replacement Project/Peach Orchard Water Line Extension** – Mr. Caudill said that EDC was a sub-consultant to Bell Engineering on this project. EDC met with District personnel in July and reviewed the district's needs for the proposed waterline replacement projects at Smith Fork, Dorton Hill and Big Branch. The preliminary plans had been drawn up and now had completed the engineer's estimate of probable cost. Will schedule a meeting with Tammy Olson and staff to review these as soon as possible. The bid opening for the Peach Orchard Water Line Extension Project was held on July 18th. Two bids were received. The low bid was submitted by Precision, Inc. of Whitesburg, Kentucky in the amount of $651,149.20. The other bid was submitted by Jones Contracting, LLC of Lackey, Kentucky in the amount of $925,550.00. Both bids exceeded the amount of available funds for construction which was based on the project profile originally prepared in 2017. He continued that they had coordinated with Mountain Water District personnel and made several modifications that should bring the project to budget. The project may then be rebid. Continued to work on the remainder of the Capital Improvement Projects. The lines at Pike Central, Adams Branch, Smith Fork, Dorton Hill and Big Branch had been laid out and reviewed by Mountain Water District personnel.

- **Authorization to Execute Request for Additional Funding –** Ms. Olson explained that Sharon Hall had contacted her about the application for the Cleaner Water Grant Increase. The grant would allow an extra ten percent increase in funding of $31,300 and that would be for the Peach Orchard Project.

Chairman Tackett requested a motion for Tammy Olson to retroactively file application with Cleaner Water Grant to request additional funding for the Peach Orchard Water Line Extension Project. Commissioner Justice made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-07-007

Update by Mike Mullins, Summit Engineering

Brushy Fork/Sycamore Water Line Extension – Mr. Mullins stated the only remaining work was the chlorine booster. A DOW permit application was submitted in March. Per discussions with the Division of Water permit reviewer, review times were longer than usual due to a shortage of employees and a high volume of permit submittals. The plans for the chlorine booster have been sent to the contractor.

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

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-08-008

PROJECT DRAWS:

The project draws were listed on page 3 of the packet. Mrs. Hatfield stated that on the Fishtrap Hydraulic Modification, the ARC Funds were for Bell Engineering. Chairman Tackett asked if anyone had any questions about the Project Draws. There were none.
Chairman Tackett requested a motion to approve the Project Draws as presented. Commissioner Runyon made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-08-009

PROJECT DRAWS:

Water Loss Reduction Plan

State Electric	**ARPA Funds**	**$ 585.62**
Hamilton Fence	**ARPA Funds**	**$ 6,286.00**
Hamilton Fence	**ARPA Funds**	**$ 9,452.38**
Hamilton Fence	**ARPA Funds**	**$ 3,957.50**
MicroComm	**ARPA Funds**	**$ 54,500.00**
Bell Engineering	**ARPA Funds**	**$ 2,232.00**
TOTAL		**$ 74,781.50**

Fishtrap Hydraulic Modification

Bell Engineering	**ARC Funds**	**$ 53,140.00**
TOTAL		**$ 53,140.00**

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

1.) **Funding Update –**
   a. **Lead Service Line Inventory Project –** Ms. Olson stated that the District had started with the project. Had received the funding and started with training programs and ordered IPad's and other items to start. She stated that she had appointed David Taylor over the project, and he had sone well and had progressed really well with the project. Mr. Taylor has completed nearly seventy percent of the project in the first week after training.

2.) **Water Loss Update –** Ms. Olson explained the water loss updates. The Mountain Water form was 26.72% for July, which allowed the District to account for more water loss. The PSC form was more revenue based and was 28.8% for July. She explained the purchases were higher again. Mr. Taylor explained that was carried over from last month of how they bill and we billed. He stated that those numbers would trend down as the weather cools. As of now water loss is within the annual average.

3.) **Daily Operations Update -** Ms. Olson explained there was not much to report on daily operations. All was going well; the field staff were using the iPad's and adjusting well to the new billing system. Ampstun, the new billing software company, was still working on some issues and hope to soon have those resolved.

4.) **Renewal of General Liability Insurance –** Mrs. Hatfield gave out a handout with insurance information listed. She explained that there would be an increase in the amount and the general liability coverage would increase. She explained that some would not give a quote because there were three outstanding claims on our policy. She and Commissioner Runyon recommended that the District renew Travelers Insurance at the monthly installment plan listed.
Chairman Tackett requested a motion to approve the renewal of General Liability Insurance with Travelers Insurance until August of 2025. Commissioner Melton made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-08-010

5.) **Authorization to Advertise for Bid Two Vehicles**- Ms. Olson explained that in the yearly budget the District budgeted for five vehicles this year and has purchased two and needed to purchase two more. One being a mid-size truck and the other being a utility vehicle.
Chairman Tackett requested a motion to authorize to advertise for bid two vehicles. Commissioner Justice made the motion. Commissioner Melton seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-08-011

6.) **Award Bid for Horizontal Drilling Services –** Ms. Olson explained that once a year the District advertised for bid for horizontal drilling fand boring services for the next year, that's an annual bid that is due in August. Only two bids were received and explained the bid tab on page 58 with the cost of drilling and boring. She recommended that the District award the bid to Precision, Inc.
Chairman Tackett requested a motion award the bid for Horizontal Drilling Servies to Precision, Inc. Commissioner Melton made the motion. Commissioner Justice seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-08-012

7.) **Authorization to Advertise for Bid Chemicals for Water Treatment Plant** – Ms. Olson explained that the District used various chemicals to treat the water and some were costly. Mr. Taylor explained that it had been a long process to reach the levels to where they were and if any of the chemicals are changed, the tank had to be drained and cleaned before using them. Even though they may be the same name but a different brand could be blended differently and not mix well with the others. He recommended only bidding chlorine, fluoride and maybe a few other chemicals. Mr. Vanover is going to check the procurement law on the chemicals and what should be and could be bid out. After further discussion, it was decided for this to be tabled for next month's board meeting.

8.) **Discussion of Future Infrastructure Plans** – Chairman Tackett is concerned about the District's future and thought that plans for future infrastructure needed to be discussed. He explained that the contract with Pikeville would expire in ten years for now in 2034; Williamson was longer theirs was about thirty years and the District needed to have plans on how they planned to move forward when the time arrived. He wanted the District to be self-sufficient and not have to rely on purchased water. He suggested that need to consider some options, such as renegotiating the contract with the City of Pikeville; constructing a new plant to replace Pikeville purchased water; or changing and reconstructing the current system. He continued that there were many factors in discussing this. Mr. Caudill stated that he and Mr. Campoy discussed the options, they felt that needed to check possible future available funding, cost of new construction vs renegotiating the contract. Mr. Campoy stated the placement of the tank was a difficult task because he had to consider a water source large enough to meet the demands. They agreed the most neutral location would be the Fishtrap area. Chairman Tackett stated there was a ground water source in the Sidney area that had produced 2,000 to 2,500 gallon per minute and the water was clear and almost at drinking level. Mr. Campoy stated the better option for a water source would be the Levisa Fork River and said the only other option for a water source would be the Tug River. Commissioner Melton asked if the current plant could be upgraded to eliminate Pikeville, but by doing that it would cost the District more in several ways such as employees to staff both plants, chemicals and other required items. Another concern is that City of Pikeville may not renew our contract in ten years they may not be able to sale the District water. Mr. Taylor explained that more water could be produced but more water tanks would be needed for water storage and more pumps, chemicals, etc. Recommended getting the cost to redo the contract with Pikeville, the cost of new construction of a new water plant and cost of upgrades to the plant we currently have. Mr. Spears stated by building a new plant would have a lot of debt service to the District, for example if the new plant cost $12 million the monthly payment would be close to $50,000 per month for forty years. Ms. Olson stated that she had not dealt with ground water much, what would happen if there was a newly constructed water plant, what would happen if the water source went dry, the District could not afford to pay the debt and have to purchase water. Chairman Tackett said to start developing a history by doing water samples. He stated he had a sample of the water tested for drinking water standards and the only thing it tested for was magnesium and that was the only thing so far that would require treatment. This ground water source was about 200 to 250 feet below the surface. He suggested to contact Division of Water to see what they needed, checking the water for the next several years. Mr. Campoy suggested to purchase an auto sampler to take the random samples. Mr. Taylor stated that right now the District was at maximum capacity for production due to storage. The tanks would fill up and the pumps would pull the water to send to various places but eventually all lines would get full. Chairman Tackett said that there were many things to discuss and encouraged everyone to think of questions and ways to improve the District's water production or if would be more cost effective to renegotiate the contract with the City of Pikeville within reasonable amount. He wanted to hear ways and ideas to help make the District as self-sufficient as possible and to improve the District in the future.

MANAGER'S REPORT (continued)

Ms. Olson stated that the Commissioners could review the delinquents, customer count, gallons sold, meters changed, bacteriological samples, payments made, etc. There were 14 accounts found to be connected illegally. Seven meters that were changed out.
Chairman Tackett requested a motion to accept the Manager's Report as presented. Commissioner Melton made the motion. Commissioner Justice seconded Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-08-013

NEW BUSINESS

Executive Session

a. Pursuant to KRS 61.810 (1)(c) to discuss the District's litigation strategy with regard to current and potential litigation and the District's purchased water contracts.

- No Executive Session was needed at this time.

COMMISSIONER COMMENTS

Chairman Tackett asked if there were any comments or questions. There were none.

ADJOURN MEETING

Chairman Tackett requested a motion to adjourn today's regular meeting. Commissioner Runyon made the motion. Commissioner Melton seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-08-014

MOUNTAIN WATER DISTRICT
BOARD OF COMMISSIONERS REGULAR MEETING

September 26th, 2024
4:00 PM

ATTENDEES
Mike Spears, Michael Spears, CPA, PSC
Tim Campoy, EDC
Matt Jolly, Summit Engineering
Tammy Olson, General Manager
Carrie Hatfield, Chief Financial Officer
Kevin Lowe, Billing/Office Manager
David Taylor, Operations Manager
Melissa Wright, Compliance Manager
David Wolford, Daytime Operations Manager
Richard Paulmann, Richard Paulmann CPA, LLC

PLEDGE OF ALLEGIANCE
Chairman Tackett led the assembly in the Pledge of Allegiance.

PRAYER
Commissioner Myrtle Runyon led the assembly in an opening prayer.

CALL TO ORDER AGENDA ITEM I
The Mountain Water District Board of Commissioners' Regular Meeting was held on Thursday, September 26th, 2024, at 4:00pm

Commissioners present for the meeting were as follows:

Randy Tackett, Chairman
Mitch Justice, Vice Chairman
Myrtle Runyon, Treasurer
Paul Chaney, Secretary
Burt Melton, Commissioner

VISITORS
There were none.

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, August 29th, 2024. Commissioner Justice made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-09-001

FINANCIAL REPORT – MIKE SPEARS, CPA **AGENDA ITEM III**

Mr. Spears presented the financial report with the following information from the financial summary handout. Cash in Bank at the end of August was $225,159; Accounts Receivable was $1,431,279; Plant in Place was $174,018,154. Accounts Payable was $542,671, decreasing slowly; Equity was $95,833,918; Revenue for the month of August was $1,080,408; Utility Operating Expenses for the month of August was $1,131,880. Loss for the month, $82,469, included in the loss was Deprecation Expenses of $335,997. Operating income was negative in the amount of $51,472. Cash decreased for the month of August by $5,084, cash flow is down because of paying bills and there are not any construction projects going on. The current Operating account balance as of August 31st, 2024, was $216,718. Currently fully funded in the reserves; KIA Reserve was $909,574 and the RD Reserves was $901,105, respectfully. Transferred $48,000 to the sinking fund to make sure there were enough funds to pay the debt service. He referred to page two to compare the accounts payable to last year. Last year, 2023 the accounts payable was $333,306 and this year it was $542,671, we had more cash to pay down bills. He referred to page 15 of the packet, to review the Total Sales, last month they were $1,091,746 and this month they were $1,080,408, he stated that hopefully once the PSC reviewed the rate study, then that amount would increase. Mr. Spears then referred to page 16 of the packet, the expenses for the month. Water purchased from Williamson was $44,446, which had increased some from July. Water purchased from the City of Pikeville was $57,964, that decreased some from July. He then referred to page 17 for the electrical expenses of $121,275, which was an average bill, there would be some higher months due to the billing; the R&M was up again in August due to paving invoices that were just received that needed to be paid. He continued that everything looked good and looked as if things were going in the right direction. He continued that by eliminating the minimum bill and changing to volume metric rate that would affect the billing and revenue. Ms. Olson explained that she had spoken with Emily, and was informed the PSC would be sending a request for information and MR. Lowe had been working to get the information ready so it could be submitted back to the PSC quickly. They explained that the PSC was open and understood what the District was concerned about. 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 Melton made the motion. Commissioner Justice seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-09-002

- **Audit Presentation -** Mr. Richard Paulmann, represented Richard Paulmann, CPA, LLC presented the District's audit report for the year of 2023. He began by referring to page one, second paragraph of the report of audit that he distributed. He explained this was the yellow book unmodified opinion letter, continued to second paragraph which stated an opinion. In Mr. Paulmann's opinion the financial statements referred to above present fairly, in all material respects, the respective financial position of the Mountain Water District as of December 31st, 2023. He preceded to page six for the basic finials, if one was small business owner they would have to follow this was similar to a balance sheet accrual based that the CPA would prepare. Total assets were $2,019,000, that included net allowance of $108,000; inventory was $530,000. Restricted cash was $3,335.000; Capital assets were $85,656,00, total tie out on page 27 completed with ins and outs; Construction in progress was $2,988,000, completed tie out on page 30, that was an increase of $2,593,000 from previous year; Other assets was $242,000; Total assets was $94,243,000, which was a decrease of $790,000 from previous year; Deferred pension contributions, completed tie out on page 17 of report for the amount of $1,149,000, page 22 , for amount of $1,664,000 and that gave a total of assets of $2,813,000 that was related to the pension. Liabilities, page 7; Accounts payable was $963,000, increased $308,000 from previous year; Other accrued interest was $159,000; Customer deposits was $594,000, increased $112,000 from previous year; Total current liabilities were $3,000,000, increased $295,000 from previous year. Long term liabilities, Long term bonds was $11,890,000, completed tie out page 31; Pension

liability was $5,310,000, completed tie out on page 20; Benefits, was ($114,000) owed to the District, completed tie out on page 25; Long term leases was $3,789,000, completed tie out on page 36; Advances for construction was $2,891,000, completed tie out on page 37; Total long term liabilities was $24,083,000 and Total liabilities was $27,084,000. Deferred pension investment earnings and deferred benefits completed tie out on page 22. The reason for this format was for companies to know how to appropriate in the future. Net position, Capital assets was $71,598,000 fixed assets was already spent; Restricted for construction was $460,000; Depreciation, maintenance and replacement was $1,812,000; Customer deposits was negative ($155,000) because of the ins and outs of the liability assets; Sinking fund was $620,000; Unrestricted deficit was $8,700,000, was increased by $2,297,000 from previous year; Total net position was $65,637,000. Referred to page 8 of report for Profit and loss began with Operating revenue; Metered sales-residential was $6,527,000; Metered sales commercial was $940,304; Sewage revenue was $2,037,000; Metered sales-multi was $311,000; Metered sales public authority was $491,000; Other water service revenue was $218,000; Service connection fees was $142,000; Metered sales-industrial was $57,000; Fire protection was $1500; Total operating revenue was $10,725,00, was decreased by $113,000 from previous year. Operating expenses, Depreciation was $4,331,000; Water purchases was $1,107,000; Wages was $1,690,000, decreased from last year; Employee benefits was $593,000; Legal services was $338,000; Retirement expenses was $591,000; Repairs and maintenance was $820,000; Utilities was $1,378,087, decreased $265,000 from last year; Insurance was $197,000; Total operating expenses was $13,431,000, gave loss of $2,706,000 from previous year. Non-operating expenses, Interest income was $74,000; Interest expenses was $454,000; Total non-operating expenses was $505,000; Loss before capital contributions was $3,212,00. Referred to page 9 with Capital contributions and changes in net assts, Grants was $160,000; Change in net position was negative $3,051,000; Total net position at end of the year was $65,637,00 and this tied into page 7 of the report. Cash flow from operating activities was $414,000; Increase in customer deposits was $61,500; Grants was $168,000; Advances for construction was $2,505,000; Equipment was $671,000; Construction in progress was $1,255,000; Interest payments was $454,000; Cash used financing activities was $320,751,000; Interest income was $75,515,000; Total restricted cash was $3,213,000. Referred to page 17, with Deferred outflows were tied to page 6 and the Deferred inflows were tied to page 7; everything except for the contributions was pulled from the state chart. Page 18 listed with the Pension plan method and assumptions. Page 19 listed the Rate of return that was expected to make. Page 20 listed the Pension plan that showed how sensitive it was to interest rate change, even at a one percent it would make a signific difference in the amount. Page 22, listed the Deferred outflows in the amount of $1,068,730, completed tie out on page 6; Deferred inflows, completed tie out on page 7. Mr. Paulmann then continued through the report explaining pages 22 through 38, and page 39 was the Internal control report, and he stated that the District had nothing to report. Mr. Paulmann then referred to the Report to Management, page 1, the estimate of the depreciable or fixed assets based on the estimated life of the assets. Page 3 this was a requirement of the audit, it was a report between himself and the Board of directors. Page 4 was the same, solely for the information and use of the Board of directors. Listed there was a list of items the District may want to review such as all tanks should be locked off and cameras in place. Customer deposits held should be kept with information included. Be considerate of possible inflation if Reconciliation bill passes. Treasury inflation protected securities adjust with inflation and add security. Chairman Tackett asked about the wages, it was less that previous year. Mrs. Hatfield thought it may have been because of the employee turnover the District experienced before the increased wages. Mr. Spears stated he thought it was a grouping error, because the materials and supplies were increased. He recommended approving the audit with the correction of the wages because it would not affect the total amount at the bottom of the page. Mr. Spears explained that he would research it and make the corrections and reprint the audit report on page 8.

Chairman Tackett requested a motion to approve the District's Annual Audit 2023 that was presented by Richard Paulmann pending correction made on the employee wages amount and the packet be updated. Commissioner Runyon made the motion. Commissioner Justice seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-09-003

PAYMENT OF BILLS AGENDA ITEM IV

Ms. Olson stated the payment of bills began on page 14 with the Payable and Payment List and then the Cash Disbursement packet. began on page 17 with payables list started on page 18 of the of the packet. Chairman Tackett asked about the water purchases from City of Pikeville and City of Williamson. Pikeville's usage was still a little high and wanted to know if we could pull water from Williamson to help reduce Pikeville's purchases. Mr. Taylor explained that the usage should go down this month and start trending down for the next few months and hopefully closer to their minimum. Chairman Tackett asked about Bassett Attorney; Mrs. Hatfield replied that was for the labor law attorney when the labor laws changed. Mrs. Hatfield explained that Pike County Solid Waste was for the county to empty all of the District's dumpsters. Pike County Landfill was for the waste sludge. Chairman Tackett asked if anyone had anyone questions. There were none.
Chairman Tackett requested a motion to approve the payment of bills as submitted. Commissioner Runyon made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-09-004

CUSTOMER ADJUSTMENTS AGENDA ITEM V

Copy of the customer adjustments for August 2024 began on page 27 the packet. Mr. Lowe stated that there were 105 adjustments this month compared to 119 for last month, the graph shows the last 32 months and August was the third highest month for the past few years. Ms. Olson stated that she had noticed most adjustments were for one month instead of three, people are being more cautious about their water bill and repairing their leaks. Chairman Tackett asked if there were any more questions. There were none.
Chairman Tackett requested a motion to approve the Customer Adjustments as submitted, in the amount of $33,638.80. Commissioner Chaney made the motion. Commissioner Justice seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-09-005

CONSTRUCTION REPORT AGENDA ITEM VI

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

1.) **Fishtrap Hydraulic Modification Project** – Mr. Campoy began with EDC was a sub-consultant to Bell Engineering on this project. There were two issues that came about when we tried to gain approval of the funding agency to provide the Notice of Award to the Jones Contracting, that have resulted in the need to rebid the project. A miscommunication had occurred to the construction budget for the project ($693,056 vs $837,597 previously reported). Jones' bid of $781,115 was over budget. In addition, the federal wage rate requirement language had been mistakenly omitted from the bid package. EDC and MWD have developed a plan that should result in lowering the bids to be within budget by utilizing MWD labor and equipment as "in kind" services to install certain materials bought through the project funding. Him, Ms. Olson and Mrs. Sharon Hall, PCFC and discussed the modifications that had been made to the plans, which would be sent to the funding agency next week, where are expected to receive approval. Awaiting permission to issue the Notice of Award. He explained that 4900ft of PVC line would be purchased through the project and then MWD staff would install the line, the project is about two and half months out to begin. He stated that PCFC had secured some funding for the District. Ms. Olson stated the funding agency approved the match for this project of 89%; funded amount of $164,000 out of $167,000 and the amount the District would be responsible for about $3,000. Chairman Tackett inquired about buying materials. Mr. Wolford stated that the District would only install what were capable of doing. Things such as boring, there were three road bores needed, and some other things would still be contracted out. Ms. Olson stated the project did not need to be submitted to DOW because the scope of the project had not changed. Mr. Campoy stated the hydraulic modifications would be contracted out. He continued they planned to re-advertise the bid next week or so and hoped to have a bid tab by next month's meeting. By the District doing the "in kind" it allowed the project to get within the budget. Mr. Campoy requested approval to rescind the recommendation to award the project to Jones due to not sending an award letter.
Chairman Tackett requested a motion to approve to accept Mr. Campoy's recommendation to rescind, reject the previous bids and to authorize the engineers to rebid the project for the Fishtrap Hydraulic Modification Project. Commissioner Justice made the motion. Commissioner Tackett seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-09-006

Mr. Campoy stated he had received some emails earlier about the Kimper DOT Project, they still seem to be on schedule for July 2025.

2.) **Water Loss Reduction Plan, Phase 1 –** Mr. Campoy explained he would present Mr. Steve Caudill's report because he was unable to attend. The replacement tanks for Kendrick Fork and the Right Fork of Greasy Creek had been moved to the sites. Telemetry sites have continued to be installed and programmed. SE Diving has not returned to complete repair/painting of the Poorbottom and Old House tanks. SE Diving was contacted and recommended the weather window for this work was closing quickly. SE Diving indicated they would be onsite the week of September 30th to begin work but they remained in a liquidated damages situation on another tank, and it is unknown if they will actually return on this date. There have been discussions about the District self-performing the work. The VFDs and Pump Station components were advertised for bids. No vendors requested bid documents. Since the project was advertised and no bids were received, the District may wish to move forward with negotiations pending legal council approval. Ms. Olson stated the procurement law that once an item was advertised for bid and no bids were received then vendors could be contacted to get quotes. Ms. Olson requested a motion to approve her obtaining quotes for the VFD's and pumps that were previously advertised for bid and no bids were received.

Chairman Tackett requested a motion to allow MWD personnel under direction of Ms. Olson to obtain quotes for the VFD's and pump station components that were previously bided out and did not receive any bids. Commissioner Runyon made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-09-008

3.) **Capital Infrastructure Replacement Project/Peach Orchard Water Line Extension** – Mr. Campoy explained that EDC is a sub-consultant to Bell Engineering on this project. On Sept 10th, they had met with Ms. Olson and the District's staff about the Smith Fork, Dorton Hill and Bigg Branch line relocations. He continued several changes had been made and now was changing the cost estimates. Planned to meet with Ms. Olson and the District's staff next week to discuss the order of which project to start with and how to bid on the project. He recommended combining all three into one bid and instructing the order of completion. The requested plan modifications and associated cost estimates have been prepared. He continued that he planned to schedule a meeting with Ms. Olson and staff for final review and approval, and at that time, they should also establish bid procedures and schedule. Ms. Olson stated the Capital Infrastructure Project consisted of water lines that were constantly leaking and required continuous repairs. The Peach Orchard plans have been revised and will be reviewed with Mountain Water District next week. The project may then be rebid. The plans for the lines at Pike Central and Adams Branch have been revised per MWD personnel comments, modified and the revised plans will be forwarded to MWD for final review.

- **Resolution for Grant Assistance for Peach Orchard WL Extension –** Ms. Olson referred to page 33 – 35 of the packet for a copy of the grant assistance agreement that was needed to help fund the project. This project came in over budget and Sharon Hall, PCFC was able to find some available funding to help and the resolution signed and submitted. Ms. Olson requested a resolution to allow her to sign the resolution for the project and the opinion of counsel letter. Chairman Tackett read aloud the resolution and ask if there were any questions. There were none.
  Chairman Tackett requested a motion to authorize Tammy Olson to sign the contract for the Peach Orchard Water Line Extension Project. Commissioner Melton made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-09-007

Update by Matt Jolly, Summit Engineering

Brushy Fork/Sycamore Water Line Extension – Mr. Jolly stated the only remaining work was the chlorine booster. The DOW permit for the chlorine booster was approved on August 24th. The Contractor had ordered materials for the chlorine booster. Materials were expected to arrive the 2nd week of October. The construction is expected to be completed by the end of October. Ms. Olson stated we should know what the balance of the project is at the end of October and if there are any then had to decide how to spend the remainder funds.

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

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-09-009

PROJECT DRAWS:

The project draws were listed on page 3 of the packet. Chairman Tackett asked about the tree cutting services; Mr. Wolford explained that was to allow sunlight for solar panels at the telemetry sites. Chairman Tackett asked on what was Seiler, several replied this was for the gps units that was used in the field and uploaded information back to RGIS program to map the system. Commissioner Chairman Tackett asked if anyone had any questions about the Project Draws. There were none.
Chairman Tackett requested a motion to approve the Project Draws as presented. Commissioner Melton made the motion. Commissioner Justice seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-09-010

PROJECT DRAWS:

Water Loss Reduction Plan

Clean Cut Tree Service	**ARPA Funds**	**$ 5,300.00**
Clean Cut Tree Service	**ARPA Funds**	**$ 700.00**
TOTAL		**$ 6,000.00**

Lead Service Line Inventory Project

Seiler	**$ 3,347.73**
Seiler	**$ 924.52**
ESRI	**$ 2,300.00**
Best Buy	**$ 3,075.96**
Amazon	**$ 172.01**
KY Rural Water Association	**$ 12,160.00**
Seiler	**$ 27,749.05**
Appalachian Wireless	**$ 282.92**
TOTAL	**$ 50,012.19**

Brushy Project

Summit	**$ 33,000.00**
RG3	**$ 17,338.40**
TOTAL	**$ 50,338.40**

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

1.) **Funding Update –**

a.) **2025 – 2026 Call for Projects – Top 5 Rankings DUE –** Ms. Olsin explained that she had received some emails regarding the Copper Project for KIA/SRF Funding, as she reminded the Board those were loan programs and not grant programs. This was due to the District being part of the area that Big Sandy Area Development manages. Each county in their region, five or six counties, had to submit five projects. That's five water projects and five sewer projects that BSAD would rank them. That meant that the District would have to compete with the City of Pikeville, City of Elkhorn and Pike County Fiscal Court for the funding. They had looked at the portal at our projects and some had already been completed but sent over some that had not been looked at and some were water line extensions. Ms. Olson suggested reviewing the Marrowbone/Ashcamp Connector, this would help the District with distributing more of our water over to that area and hopefully help with the TTHM problems. It would help with water quality, create a loop in case of disasters to pump water around the hill. Chairman Tackett asked if the loop would help lessen purchased water from Pikeville; Ms. Olson replied yes it would and help with TTHM problem, we could use more of our fresh water and cut back on purchases with City of Pikeville. The second project would be water loss prevention, phase one, contract two. Contract one was already in progress, that was currently funded by ARPA. Contract two had a project listed for $1.5 million dollars; included upgrades to the Harless treatment plant improvements, replacing aging and failing infrastructure. Although, we may need to get an updated cost because this was priced in 2022. The third project was the water plant project for infrastructure. There were two projects in the portal for sewer, phase one and phase two for small package plants. One project would replace Keene Village and Stone Heights and the other would replace Daniels Creek and Modern plants. Chairman Tackett asked how old those plants were. Mr. Taylor stated those used to be County owned and estimated them being installed in the early 1980's. Ms. Olson stated they were 5,000-to-10,000-gallon tanks and as they aged the discharge ability had diminished. She stated that if the Board did not to accrue more loans and debt services, then this would be tabled until next year. She stated the Marrowbone/Ashcamp Connector project would be the most important in her opinion, this would help the District in many ways. The cost estimate would have to be revised due to inflation, this needed to be done as soon as possible so it could get submitted. This did not require a resolution, just wanted the Boards permission to move forward with it.

2.) **Water Loss Update –** Ms. Olson explained the water loss updates. The Mountain Water form was 16.85% for August, which allowed the District to account for more water loss. The PSC form was more revenue based and was 24.6% for August. As of now water loss is within the annual average, currently at 24% overall average. Hopefully once the Burning Fork line is replaced and the Pike Central project is completed then water loss should decrease more.

3.) **Daily Operations Update -** Ms. Olson explained she had met with the PSC meeting; they were open-minded about the investigation, now had to wait to see if they want the District to file a motion or if they would send request for information. Once we heard back from them, she would update as she got information. Mr. Taylor gave the update on the lead service line project; the District had 16,500 meters, had under 3,500 that were unknown. Those were constructed sometime between 1971 – 1988 and there was no way to prove the type of water line they had. Did make the assumption anything constructed after 1990, assumed was non lead lines. If we were able to use the statical method we would only have to access 350-meter bases, meaning we would have to physically go to 350 residents and verify their water lines, but had to wait for the DOW to approve it. Ms. Olson stated funds were received mid-August and had the RGIS software installed and in less than a month, Mr. Taylor had majority completed.

4.) **Award Bid for Two Vehicles –** Ms. Olson referred to the bid tab listed on page 54, only received one bid per vehicle. The Toyota Tacoma at Walters for $38,704 with the trade in, was on the lot ready to be picked up. The trade in was a 2012 Chevy Colorado that the frame was rusted and broke, they allowed $1,000 trade-in value. The Chevy 2500HD from Bob Hook for $55,389 was on order and would take up to 75 days to become available. There was another truck that was offered for trade-in, but they offered $700, and we declined that offer. The Board agreed to purchase the vehicles from stated dealers. Commissioner Melton felt that it would be best to buy a diesel engine instead of a gasoline engine. He felt the diesel engine would be more durable for hauling purposes and would last longer. Mr. Wolford explained that the District had good service the gasoline engines in the past when

hauling the excavator. He felt a gasoline engine would be sufficient and was more cost effective than a diesel engine. After further discussion, Ms. Olson assured them when the next heavy duty series truck was to be bid out, it would be advertised as a diesel engine and a gas engine for cost comparison. These trucks would be financed through Community Trust Bank for a two-year term. Mrs. Hatfield stated there was one truck that would be paid off by the end of the year. Mr. Wolford explained that new vehicles were needed because there were several trucks that had 200,000 miles or more. What we do is take the new one and give it to the meter department and then take them to be listed as a spare.

Chairman Tackett requested a motion to purchase the Toyota Tacoma at Walters for $38,704 and the Chevy 2500HD from Bob Hook for $55,389. Commissioner Melton made the motion. Commissioner Justice seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-09-011

5.) **Authorization to Advertise for Bid 3/4 Ton Utility Bed Truck -** Ms. Olson explained in the yearly budget, the District budgeted for five vehicles this year, and has purchased two and had just awarded the bid for two more, but had one more to be bid on. She wanted to remind them that this truck would have to ordered and this would complete the five that was budgeted for at the beginning of the year. Ms. Olson stated the District did have a diesel mechanic and if we did purchase a diesel engine we would have to take it somewhere to have serviced or any maintenance and issues. As discussed previously, the 3/4-ton truck would be advertised as a diesel engine and a gasoline engine for cost comparison.

Chairman Tackett requested a motion to authorize to advertise for bid ¾-Ton Utility Bed Truck as a diesel with gasoline alternate. Commissioner Justice made the motion. Commissioner Melton seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-09-012

6.) **Amendment to Financial Award for Wolfpit-** Ms. Olson referred to page 55 of the packet for copy of amendment. She explained this was to extend the time of completion until February 27th,2025, no funding amounts had changed. Ms. Olson explained this needed to be retroactively approved because she had already signed the amendment. She continued that Sharon Hall, PCFC had to submit the paperwork before the meeting date.

Chairman Tackett requested a motion to retroactively approve Ms. Olson to sign the Amendment to Financial Award time extension to February 27th, 2025 for the WolfPit Project. Commissioner Runyon made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-09-013

7.) **Engineer Selection for the Smith Fork of Meta DOT Bridge Replacement Project –** Ms. Olson stated that David Skeens with KDOT, contacted her about the bridge project. The state department would be replacing the bridge and there were water lines in the area that needed to be moved and replaced. This was a service that did not need to bid and the District would not be responsible for any charges. Normally in the past, the commissioners would write down their choice and pass to chairman to read aloud. Chairman Tackett explained that in the past the District had worked with EDC, Summit, and Bell Engineering. Bell Engineering was not a local company, and they normally have EDC take care of anything locally that needed to be taken care of. After reading of the votes, Chairman Tackett announced that EDC had received most votes for this project. Mr. Campoy thanked the Board for their recommendation.
Chairman Tackett requested a motion to approve EDC as the engineer for the Smith Fork of Meta DOT Bridge Replacement Project. Commissioner Justice made the motion. Commissioner Melton seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-09-014

8.) **VFD Pumps and Motor Bid –** Ms. Olson explained this was advertised for bid and no bids were received. Under the procurement process by advertising for bid and not receiving any bids, the District can now get quotes on the items needed. Ms. Olson requested a resolution for the Board to give her permission to get quotes for the VFD items.
Chairman Tackett requested a motion to allow Ms. Olson to obtain quotes for the VFD's and pumps that were previously bided out and did not receive any bid. Commissioner Runyon made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-09-008

9.) **Renewal of Health Insurance –** Ms. Olson referred to page 57-58 of the packet with an email with information about the health care renewal, she then called for Mrs. Hatfield to discuss the options. Mrs. Hatfield referred to pages 59-66 of the packet with the renewal quotes and information, that began on page 62, she, Commissioner Runyon had zoom meeting with Darrell, Insurance Agent. She stated he warned them at the beginning of the meeting that all insurances had an increase of 8% or more in the premium, which was expected. Darrell had contacted different agencies, United Healthcare, they were significantly higher, and Cigna declined to quote. The reason for the increase was the twelve-month period that just ended in July, the District had paid $668,000 in premiums and accumulated $830,000 in claims, which resulted in a loss of -124%. Anthem originally came in with an increase of twenty-five percent but was able to negotiate down to twenty percent. However, after today they agreed to decrease to eighteen percent of an increase. She explained that the District had an employee that had some severe medical issues and today (September 26, 2024) was the last day that the employee could sign up for medical insurance, we were certain he would not because he had another source of coverage. Once he did not sign up then the District would have an eighteen percent increase. She referred to page 61 of the packet, explained the CORE Plan in the first column, the Renewal, was the current plan we currently had. There was another plan quoted that was cheaper, but the deductible was higher and other services were higher or not covered. If we renewed that policy the employees currently have, would keep the same coverage as they previously had. She and Commissioner Runyon felt that was the best policy because it helped the employees. Commissioner Melton stated if the District could afford the increase he would like to retain the same coverage for the employees. He continued the District had good employees and needed to keep them. Commissioner

Justice agreed that the cost of health care has increased to where no one could afford it, and it was hard to retain good employees because of increased costs. Ms. Olson stated that basically no one else would quote the District, expect the company we currently have. Commissioner Melton also commented that he felt the Board should approve what was best for the employees. He stated that would be one way to lose employees was to cut their insurance and benefits, he said he would never be for cutting their benefits. Mrs. Hatfield stated the dental insurance, Anthem, increased five percent, was going to try to get that rate locked in and if so, it would not increase next year. The vision insurance stayed the same, so did the life insurance. If this was approved today, we could schedule meeting on same day as monthly safety meeting so all employees would be present to complete their paperwork. Chairman Tackett requested a motion to approve the new rates with Anthem as the health insurance renewal and retain current policy. Commissioner Melton made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-09-015

MANAGER'S REPORT (continued)

Ms. Olson stated that the Commissioners could review the delinquents, customer count, gallons sold, meters changed, bacteriological samples, payments made, etc. She continued that there was an increased number of bacteriological samples and those had been double checked and were correct. Mr. Wolford stated eighteen main lines, and fifty-two service lines were repaired. Chairman Tackett asked if those were broken by the county; Mr. Wolford explained they do call sometimes when they were working, and we were able to have someone on site, but most were leaks that we located.
Chairman Tackett requested a motion to accept the Manager's Report as presented. Commissioner Justice made the motion. Commissioner Chaney seconded Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-09-016

COMMISSIONER COMMENTS

Chairman Tackett asked if there were any comments or questions. There were none.

ADJOURN MEETING

Chairman Tackett requested a motion to adjourn today's regular meeting. Commissioner Melton made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-09-017

MOUNTAIN WATER DISTRICT
BOARD OF COMMISSIONERS REGULAR MEETING

October 31st, 2024
4:00 PM

ATTENDEES
Mike Spears, Michael Spears, CPA, PSC
Tim Campoy, EDC
Steve Caudill, Bell Engineering
Matt Jolly, Summit Engineering
Jim Vanover, Vanover, Hall, Bartley & Ward Law Firm
Tammy Olson, General Manager
Carrie Hatfield, Chief Financial Officer
Kevin Lowe, Billing/Office Manager
David Taylor, Operations Manager
Melissa Wright, Compliance Manager
David Wolford, Daytime Operations Manager
Jamey Keathley, Wastewater & Fleet Manager
Jason, Sesco, Shelby Valley Supervisor
Terry May, Appalachian News-Express

PLEDGE OF ALLEGIANCE
Chairman Tackett led the assembly in the Pledge of Allegiance.

PRAYER
Commissioner Myrtle Runyon led the assembly in an opening prayer.

CALL TO ORDER AGENDA ITEM I
The Mountain Water District Board of Commissioners' Regular Meeting was held on Thursday, September 26th, 2024, at 4:00pm

Commissioners present for the meeting were as follows:

Randy Tackett, Chairman
Mitch Justice, Vice Chairman
Myrtle Runyon, Treasurer
Paul Chaney, Secretary
Burt Melton, Commissioner

VISITORS
There were two visitors that attended the meeting, Jody, and Misty Dotson. Mrs. Dotson explained that she had a petition from her area of customers wanting to connect to our service. She stated this area was located in Kentucky, about half a mile near the Virginia state line. Mr. Dotson stated that the state lines crossed in several places but not at their location. Ms. Olson asked Mr. Taylor if he was aware of this location and he said he was, that the District services five or seven customers through Buchanan County Water. Chairman Tackett asked for a copy of the petition. The location is normally called Papaw, but it is called Rockhouse. Chairman Tackett stated he would inquire on funding to see if line extension was possible. Mr. Dotson stated a new coal mine had recently opened in the area and their well water had got worse and smelled like sulfur, they had purchased two water filters in less than ten years. Chairman Tackett and Ms. Olson assured them they would check on funding opportunities to provide them water service, including AML. Mr. and Mrs. Dotson were very appreciative of the Board's response and thanked them for their time. Mr. Taylor asked them to step into his office so he could get more information from them about their exact location and the location of the residents that signed the petition. Ms. Olson discussed with Commissioner Justice that she would contact Sharon Hall at the PCFC to help acquire 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, September 26th, 2024. Commissioner Runyon made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-10-001

FINANCIAL REPORT – MIKE SPEARS, CPA AGENDA ITEM III

Mr. Spears began with the audit that was presented at last month's meeting by Richard Paulmann, he stated that page 37 had an error on the wages. He continued that Mr. Paulmann had the wages grouped wrong but the total amount at the bottom of page was correct. He explained that the error should have been caught and corrected before Mr. Paulmann presented the audit last month. He felt that the Board needed to make a resolution and approve the audit as a reissue due to the corrections being made. He assured the Board that he had gone through the audit and checked everything again to make all was correct and that was the only error that was found. Mr. Spears also suggested to have Ms. Olson send Mr. Paulmann a letter that expressed the concerns and disappointment the District had with the error in the audit report and he needed to reassure the District he would proofread and double check future audits before they were presented.

Chairman Tackett requested a motion to accept the reissue of the audit ending December 31st, 2023 with the stipulation the general manager write a letter to auditor expressing the Districts' concerns and disappointment of the error in the audit report as presented. Commissioner Justice made the motion. Commissioner Melton seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-10-002

Mr. Spears then continued with the Financial Report. Cash in Bank at the end of September was $295,538; Accounts Receivable was $1,451,976; Plant in Place was $174,128,495; Accounts Payable was $542,671, had some large bills that came in and was due at the end of the month; Equity was $95,738,166; Revenue for the month of September was $1,058,923; Utility Operating Expenses for the month of September was $1,106,228. Loss for the month, $75,173, included in the loss was Deprecation Expenses of $335,997. Operating income was negative in the amount of $47,305. Cash increased for the month of September by $70,379, The current Operating account balance increased as of September 30th, was $283,144. Currently fully funded in the reserves; KIA Reserve was $918,595 and the RD Reserves was $910,097, respectfully; O&M Reserve was $34,188. Transferred $48,000 to the sinking fund to make sure there were enough funds to pay the debt service. Chairman Tackett asked if there were any reason the cash had increased. Mr. Spears explained that was because of the non-cash expenses and debt service. He referred to page 4 of the Statement of Cash Flow and explained the Depreciation and Amortization for the month that ended September 30th, was $335,996; Capital Expenses was $110,340; and Notes Payable Repayments was $69,556.83. He referred to page 15 of the packet, to review the Total Sales, last month they were $1,080,408 and this month they were $1,058,923, he stated he felt that there was an issue with how the PSC calculated the rate study. Then referred to page 16 of the packet, the expenses for the month; water purchased from Williamson was $39,404, which had decreased some from August; water purchased from the City of Pikeville was $52,348, that decreased some from August. He then referred to page 17 for the electrical expenses was $100,047, which was a little lower than last month; the R&M was up again in September due to paying off some bills and received late invoices that were paid. He continued that

everything looked good and looked as if things were going in the right direction other than the projected revenue. 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 Chaney made the motion. Commissioner Justice seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-10-003

PAYMENT OF BILLS AGENDA ITEM IV

Ms. Olson stated the payment of bills began on page 23 with the Payable and Payment List and then the Cash Disbursement began on page 29 of the packet. Ms. Olson explained that they had scheduled a budget meeting tentatively for November 12th. Mr. spears stated that this would be the first of several and would mainly discuss things that they knew had increased, but there would be more meetings before it would be presented. Ms. Olson also explained that a personnel meeting needed to be scheduled soon. Chairman Tackett asked about Modern Edge Construction; Mrs. Hatfield explained that was for concrete repairs for customers driveways the District damaged to repair leaks. Chairman Tackett asked if were back on track with Southern Corrosion. Mrs. Hatfield explained the last bill was for three months and one was received last week was for November and now all should be back to normal. She explained that were two large dollar items on there this month and the telemetry panel finally came in that was ordered eleven months ago for Phelps and that was the reason for the increased amount. Commissioner Melton inquired about the $1500 payment for Jerry & Loretta Robinette; Mrs. Hatfield explained that was an easement that was to be paid yearly for property rental for the telemetry site at top of Bent Mountain where the water tank was located. Chairman Tackett asked if anyone had anyone questions or comments on the payment of bills. There were none.
Chairman Tackett requested a motion to approve the payment of bills as submitted. Commissioner Runyon made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-10-004

CUSTOMER ADJUSTMENTS AGENDA ITEM V

Copy of the customer adjustments for September 2024 began on page 17 the packet. Mr. Lowe stated that there were 82 adjustments this month compared to 115 for last month, the total amount decreased about two thousand dollars. Ms. Olson stated that again she had noticed most adjustments were for one month instead of three months and felt that people were being more cautious about their water bill and repairing their leaks. Commissioner Justice stated he would abstain from this motion because he was affiliated with the church that was on the adjustment list. Commissioner Melton inquired on the total amount of adjustments was so high; Mr. Lowe explained that some of that was for sewage adjustments; sewer rates were higher than water rates and that could be adjusted to customers average which would give them a higher adjustment amount. Mr. Spears explained that he had water leak and he was unable to locate the leak for some time and by the time he found it, his bill was over $1000; he stated that when a customer received their bill, the leak would be over a month into the billing and then once the leak was located and repaired it would be two to three months into the billing. Chairman Tackett asked if there were any more questions. There were none.
Chairman Tackett requested a motion to approve the Customer Adjustments as submitted, in the amount of $32,081.65. Commissioner Tackett made the motion. Commissioner Melton seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Abstain
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-10-005

CONSTRUCTION REPORT AGENDA ITEM VI

Update by Bell Engineering/EDC Tim Campoy, P.E./ Steve Caudill, P.E.

1.) **Fishtrap Hydraulic Modification Project** – Mr. Campoy began by stating EDC was a sub-consultant to Bell Engineering on this project. As discussed in the September meeting, EDC and MWD had developed a plan that was believed to lower the bids to be within budget by utilizing MWD labor and equipment as "in kind" services to install certain materials purchased through the project funding. Modifications were made that reflected this concept had been made to the plans, and they were submitted back to the funding agency on October 1st, requested approval to readvertise the project for bid. He stated he had reached out to the contact multiple times and had not received a response. Still waiting for permission from the funding agency to rebid the project. He stated it could not be started until the approval to rebid the project was received and this had been submitted one month ago; he stated that the only thing that changed was the District would provide services to install the water line. He stated that this was approved at last month's board meeting as contingent to reject the bids.

Mr. Campoy stated he had received some emails earlier about the Kimper DOT Project, they still seem to be on schedule for July 2025.

2.) **Water Loss Reduction Plan, Phase 1 –** Mr. Caudill explained the replacement tanks for Kendrick Fork and the Right Fork of Greasy Creek had been relocated to the sites. Telemetry sites continued to be installed and programmed. After repeated efforts to get SE Diving onsite to repair/paint the Poorbottom and Old House Tanks, the District advised SE Diving that their services were no longer needed. The District had proceeded by using in-house personnel to perform this work. The District had begun painting them, the Poorbottom had be painted and relocated. After No bids were received for the VFDs, the District obtained three quotes to move the project forward with the low quote provided by Service Pump and Supply. He stated the remaining funds ($508,747,95) are slated to be used for booster pump station and water treatment plant components, along with costs incurred by the District associated with the Poorbottom and Old House Tanks. Ms. Olson stated she had not received a definite 'yes' on water treatment plant items and was asked if the District had submitted everything needed to use the remaining funds; she could not answer the amount of remaining funds until she received confirmation on the water plant items. The Poorbottom tank was not repairable, and the Old House tank needed a permanent fix before it got worse, it had a small hole in it and would not take a lot to repair. Chairman Tackett asked if there was a time limit or deadline on using the remainder funds; Ms. Olson stated the funds had to be obligated by December 31st and it was hard to obligate the funds because the District did not know the amount of the funds. Mr. Caudill recommended asking for an extension for spending the funds until they responded with remainder dollar amount.

3.) **Capital Infrastructure Replacement Project/Peach Orchard Water Line Extension** – Mr. Campoy stated that EDC was a sub-consultant to Bell Engineering on this project. EDC met with District personnel on October 15th to receive comments on the second draft of the plans for the proposed waterline replacement projects at Smith Fork, Dorton Hill and Big Branch. The requested plan modifications and associated cost estimates were approved by Tammy Olson and staff for submittal to KDOW. Each set of plans was assembled and submitted to the KDOW on October 25th. Each required a permit and had a different reviewer. The Big Branch job had a few things to be worked out and would meet on Tuesday to review those. The general idea at our meeting was to bid the three jobs together in anticipation of receiving better unit pricing and therefore lower bids than if the jobs were bid separately. He stated that he had coordinated with Mountain Water District

personnel to make several modifications that should bring the Peach Orchard Project within budget. An in-person meeting was held on October 15th to review these changes. He continued that the revised plans have been forwarded to the District. He did not think it would be approved before next month's meeting because the highway department would take longer. Mr. Caudill requested a resolution to authorize Bell Engineering to rebid the Peach Orchard Project. He said he would request another resolution to bid Pike Central, Admas Brach and Twon Mountain Road at a later date.

Chairman Tackett requested a motion to authorize Bell Engineering to rebid the Peach Orchard Water Line Extension Project. Commissioner Tackett made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-10-006

- **Assistance Agreement for Peach Orchard WL Extension –** Ms. Olson referred to page 39 of the packet to review the resolution for the Peach Orchard Water Line Assistance Agreement and the opinion letter of counsel on page 59. She continued that this was the same letter that was approved and signed at last month's Board meeting (September), all was sent to Sharon Hall, PCFC, for final submittal. For some reason, Julie Bickers with KIA contacted the District and explained could not be dated prior to the assistance agreement which was signed on September 30th and requested an updated agreement. The opinion letter had been sent to legal counsel to be reviewed and signed; Mr. Vanover had completed that with the corrected date of today's meeting date to be submitted. By doing that would make them post KIA signature. She continued this was the same thing that was approved at the September meeting only with today's date.

Chairman Tackett requested a motion to authorize Tammy Olson to sign the Assistance Agreement for the Peach Orchard Water Line Extension Project. Commissioner Tackett made the motion. Commissioner Justice seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-10-007

4.) **Smith Fork of Meta DOT Bridge Replacement Project –** Mr. Campoy explained that EDC was selected by the MWD Board to provide engineering services on this project at the September meeting. He continued that he had contacted the utilities relocation representative at the KDOT to inform him of the selection and still has not received a response. As of right now they have not been provided with any information to prepare the preliminary estimates for the work. Ms. Olson explained that the water lines had been located, she and the area supervisor had met with the state engineer for them to be located.

Update by Matt Jolly, Summit Engineering

Brushy Fork/Sycamore Water Line Extension – Mr. Jolly stated the only remaining work was the chlorine booster. The contractor had ordered the materials. The supplier initially gave a shipment date of October 18th. However, they informed the contractor the shipment had been delayed until October 31st. The contractor was planning to begin installation immediately once the materials were received. Ms. Olson explained the project had to be completed before all the funds

could be used; the funding agency did allow the District to purchase meters but could not purchase anything else until the project was completed. Chairman Tackett asked if anyone had any questions on the Engineering Report. There were none.
Chairman Tackett requested a motion to accept the Engineer/Construction Report as submitted. Commissioner Melton made the motion. Commissioner Justice seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-10-008

PROJECT DRAWS:

The project draws were listed on page 3 of the packet. Chairman Tackett asked if that would be the last payment for Hamilton Fencing; Mr. Caudill replied they were now completed. Chairman Tackett inquires on the RG3 purchases; Ms. Olson explained those were purchased from the remaining funds from the Brushy project and that was the only thing that we could purchase until the project was completed. Chairman Tackett asked if anyone had any questions about the Project Draws. There were none.
Chairman Tackett requested a motion to approve the Project Draws as presented. Commissioner Runyon made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-10-009

PROJECT DRAWS:

Water Loss Reduction Plan

Bell Engineering	**ARPA Funds**	**$ 12,534.99**
Big Sandy Two-Way Comm	**ARPA Funds**	**$ 797.00**
Hamilton Fence	**ARPA Funds**	**$ 5,567.76**
Hamilton Fence	**ARPA Funds**	**$ 13,807.96**
State Electric Supply	**ARPA Funds**	**$ 1,479.60**
State Electric Supply	**ARPA Funds**	**$ 485.74**
State Electric Supply	**ARPA Funds**	**$ 797.21**
State Electric Supply	**ARPA Funds**	**$ 1,746.96**
State Electric Supply	**ARPA Funds**	**$ 896.19**
State Electric Supply	**ARPA Funds**	**$ 1,700.85**
TOTAL		**$ 39,814.26**

Brushy Project

RG3	**$ 5,083.92**
RG3	**$ 6,429.46**
RG3	**$ 2,603.92**
TOTAL	**$ 13,937.30**

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

1.) **Funding Update –** Ms. Olson stated that at last month's meeting they had discussed some projects for the KIA/SRF Project Rankings, the District had three that was submitted to PCFC, which was our 'wish list'. She saw what the judge executive of PCFC submitted to Big Sandy Area Development for the Pike County rankings and nothing the District asked for was on his list. The judge submitted for line extensions at Left Fk Three Mile, Penny Bottom and Willard Drive. She continued that she may contact the judge, discuss those projects, and see if they could be completed in-house. She continued that she did submit the application for the KY WWATERS Grant funding, one capital item and one non-capital project. The capital project was water treatment plant items that were critically needed; non-capital item was to pay debt service; she continued she would update the Board as she received information back from them.

2.) **Water Loss Update –** Ms. Olson explained the water loss updates, the percentage was up some this month. The Mountain Water, page 61, form was 23.22% for September, this form allowed the District to account for more water loss. She explained that the PSC form had similar numbers compared to the MWD form but the accounted for and unaccounted for was different because the PSC form does not allow us to include water loss from line leaks, only breaks and the PSC form was more revenue based; that is about six percent difference in the forms. Page 62 of the packet the PSC form was 29.9% for September, as of now the water loss on the PSC form is within the annual average, currently at 25% overall average. The biggest hit we had was in January when the temperatures were below freezing but then had a low month in February to offset. Chairman Tacket asked about accumulating money in the water loss reduction forms, asked if the District had spent any funds on that; Ms. Olson replied those funds would not be spent until next year, 2025. The first project that was planned was the main line replacement at Burning Fork, that project would have to be contracted due to the length of the line. The project would consume most of the funds, not leaving enough for any more projects until 2026. She explained that those funds were in a separate bank account and she and Mrs. Hatfield uploaded those to the PSC case file monthly.

3.) **Daily Operations Update -** Ms. Olson explained she had not been updating these reports very much because there were so many repairs and maintenance that were completed monthly along with the daily maintenance. The staff worked hard and been very productive in the field and office. She stated that they had a meeting with Ampstun to give a list of things that needed finished or adjusted to accommodate the staff, they took the list and have been working on those things.

4.) **Renewal of Workers Compensation Insurance and Cyber Insurance –** Ms. Olson referred to page 76 of the packet and Mrs. Hatfield explained the benefits. She explained she had good news, that both policies had decreased; the workers' compensation decreased by $7,192 with Encova. She stated that we received a quote from another company, Kime, their quote was over $7,000 more than what we are paying now. Encova was our current provider, and their annual quote was $58,005. The cyber insurance decreased also; she reminded them that a few years ago the amount was around $18,000 due to the incidents the District had. The amount decreased some last year and more this year, the annual quote was $6,178 and that included little more coverage than previously. Mrs. Hatfield stated that the field staff had done really well to work safely and avoided accidents, the District had one incident but it did not affect our policy because it was considered an unavoidable incident, had filed staff to get bee stung and he was unaware that he was allergic to them, but he got treated and now he was cautious and more prepared. Commissioner Justice asked if the coverage changed any, and the coverage did not change. Mrs. Hatfield said that the insurance was due on the first of the month and would be paid as soon as it was approved. Ms. Olson stated that she and Mr. Taylor had been contacted by homeland security; he explained that the company would come in and go through our system and check for vulnerabilities, then advise how to correct it and there was funding available if needed.

Chairman Tackett requested a motion to retain Encova Insurance for Worker's Compensation Insurance and renew cyber insurance same as previous year. Commissioner Melton made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-10-010

5.) **Award Bid for 3/4 Ton Utility Bed Truck -** Ms. Olson explained last month it was discussed to advertise for bid the ¾ ton truck with diesel as gas alternate, there were several bid packets sent out and one bid was received, she referred to page 88. The bid was from Thornhill Automotive, and they only bid one, gas; she explained that this bid was considered non-responsive according to the procurement law. The District then got quotes from another dealership, this quote was on the state price contract; if vehicle was listed as state price contract it did not require to be bid. Bob Hook sent quotes for diesel and gas; the diesel was $64,049 and the gas was $55,350. She stated that this was the last of the four vehicles that were in the yearly budget. The District had purchased diesel engines in previous years then the cost increased significantly. She and Mr. Keathley, the fleet manager, had discussed the pros and cons of each. Commissioner Justice asked which engine had the District had the best service from; Mr. Keathley explained that he could not answer that because there had been good and bad in all of them; at one time the District had some Ford diesels and had a lot of problems with the engines and the board at that time suggested to start purchasing gasoline engines. The cost of the diesel repairs were more expensive. He stated that recently we recently had issues with both Chevy and Ford; had turbo to go out in a Chevy 2500 that had to be replaced and on the newer Ford F250 the emissions system went down and the warranty just ended; Walters Ford quoted about $10,000 estimate; then contacted a private mechanic and the cost was about $1200; the truck was repaired and seemed to be running good now. Mr. Keathley explained that he understood that the diesel engines had more torque when hauling and towing heavy loads; this truck would be used occasionally for towing. There were some heavy-duty gasoline trucks in the fleet that were used daily for towing and have done well with it. Commissioner Melton asked about how often the trucks were serviced and how many drivers were for the trucks. Mr. Keathley explained that all trucks were scheduled for service and maintenance every five thousand miles and had one daily driver with an occasional alternate. Ms. Olson stated the District did not have a diesel mechanic and if we did purchase a diesel engine, we would have to take it somewhere to have it repaired. Mr. Keathley said he felt diesel was the better engine for towing but also understood the extra cost. He suggested that the board standardize anything above mid-size, to advertise for diesel or decide what truck would mostly be used for to determine the engine. Ms. Olson explained that the bid was advertised as diesel with gas alternate and the one bid that was received did not comply with the bid; as discussed previously, the 3/4-ton truck was advertised as a diesel engine and gasoline engine for cost comparison. She confirmed with Mr. Vanover that the bid received from Thornhill Automotive could be rejected as non-responsive and accept the quote from Bob Hook; Mr. Vanover confirmed that it could be. Ms. Olson suggested the Board reject the bid from Thornhill Automotive and then do another resolution to accept the quote from Bob Hook for the Chevy 2500 diesel truck; she reminded them that Bob Hook was listed on the state price contract and did not require to be bid. Mr. Keathley stated that the truck had to be ordered and would take up to three months to arrive. Commissioner Melton recommended the diesel engine for more durability and especially with the price being so competitive. Chairman Tackett stated he did not want to standardize anything above a mid-size because the District could get quotes through the state price contract at any time, Mr. Keathley agreed that it could be bid as either then could check the state price then decide. Mrs. Hatfield stated that the District would have two trucks paid off by January of 2025 and just paid off one in October.
Chairman Tackett requested a motion to reject the bid from Thornhill Automotive Group as a non-responsive bid. Commissioner Melton made the motion. Commissioner Justice seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-10-011

Chairman Tackett requested a motion to accept quote from Bob Hook Chevrolet to purchase a diesel ¾ ton truck for $64,049. Commissioner Justice made the motion. Commissioner Melton seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-10-012

6.) **Authorization to Advertise for Surplus vehicle #124** – Ms. Olson explained this was a 2009 Chevy Silverado utility bed truck the district tried to trade in previously and was only offered $750 trade value. Mr. Keathley said he felt the truck was valued at least $1500 to $2,000. He stated the truck did run and had been maintained through the years, but it was fifteen years old and did have few issues but nothing major; had some rust but still had a lot of running left in the truck. Ms. Olson explained the frame on the truck was rusted and she and Mr. Keathley felt it was unsafe for the District, as a business, to use even as a spare. Ms. Olson stated that bid would stipulate the reserve amount. Mr. Wolford asked if there was another way to advertise these bids other than the newspaper. Ms. Olson explained that we were required to advertise in the largest circulating paper in the area and could be posted on social media or webpages as a secondary. Mr. Wolford reminded the Board that this was the truck that he talked about in last month's meeting that a hitch could not be used on because of the frame rust and the liability it would impose on the District.
Chairman Tackett requested a motion for authorization to advertise for surplus bid, vehicle #124, with minimum reserve of $1500.00 and to accept the highest bid. Commissioner Justice made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-09-013

7.) **Meeting Date for November and December –** Ms. Olson explained as all was aware the meeting was always held on the last Thursday of the month and in November that would be Thanksgiving Day and in December it was fall on the day after Christmas. She suggested scheduling November's meeting for Tuesday, November 26th at 4:00pm and December's meeting to be scheduled for Thursday, December 19th at 4:00pm. All was in favor of this and agreed. No motion was needed, these two meetings would be considered a special meeting due to being conducted on a different scheduled day.

MANAGER'S REPORT (continued)

Ms. Olson stated to the Commissioners they could review the attached reports in the packets that showed the delinquents, customer count, gallons sold, meters changed, bacteriological samples, payments made, etc. on following reports in packet.
Chairman Tackett requested a motion to accept the Manager's Report as presented. Commissioner Runyon made the motion. Commissioner Melton seconded Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-10-014

NEW BUSINESS

Executive Session

a. Pursuant to KRS 61.810 (1)(c) to discuss the District's litigation strategy with regard to current and potential litigation and the District's purchased water contracts.

Chairman Tackett requested a motion to go to Executive Session. Commissioner Runyon made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-10-015

Chairman Tackett requested a motion to go to reconvene from Executive Session. Commissioner Runyon made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-10-016

COMMISSIONER COMMENTS

Chairman Tackett asked if there were any comments or questions. There were none.

ADJOURN MEETING

Chairman Tackett requested a motion to adjourn today's regular meeting. Commissioner Melton made the motion. Commissioner Justice seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-10-017

MOUNTAIN WATER DISTRICT
BOARD OF COMMISSIONERS SPECIAL MEETING

November 26th, 2024
4:00 PM

ATTENDEES
Mike Spears, Michael Spears, CPA, PSC
Tim Campoy, EDC
Matt Jolly, Summit Engineering
Mark Stephens, Summit Engineering
Tammy Olson, General Manager
Carrie Hatfield, Chief Financial Officer
Kevin Lowe, Billing/Office Manager
David Taylor, RGIS Coordinator
Melissa Wright, Compliance Manager
David Wolford, Daytime Operations Manager
Jonathan Joyce, Grapevine Supervisor
Jason, Sesco, Shelby Valley Supervisor
Terry May, Appalachian News-Express
Kevin Prater, Prater Construction

PLEDGE OF ALLEGIANCE
Chairman Tackett led the assembly in the Pledge of Allegiance.

PRAYER
Commissioner Myrtle Runyon led the assembly in an opening prayer.

CALL TO ORDER AGENDA ITEM I
The Mountain Water District Board of Commissioners' Regular Meeting was held on Thursday, October 31st, 2024, at 4:00pm

Commissioners present for the meeting were as follows:

Randy Tackett, Chairman
Mitch Justice, Vice Chairman
Myrtle Runyon, Treasurer
Paul Chaney, Secretary
Burt Melton, Commissioner - Absent

VISITORS
There were none.

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 31st, 2024. Commissioner Runyon made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Absent

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-11-001

FINANCIAL REPORT – MIKE SPEARS, CPA AGENDA ITEM III

Mr. Spears explained the Financial Report as followed: Cash in Bank at the end of October was $177,246; Accounts Receivable was $1,451,382; Plant in Place was $174,408,427; Accounts Payable was $595,299; Equity was $95,670,098; Revenue for the month of October was $1,018,864; Utility Operating Expenses for the month of October was $1,277,487; Loss for the month, $288,491, included in the loss was Deprecation Expenses of $335,997. Operating income was negative in the amount of $258,622; Cash decreased for the month of October, $118,292, The current Operating account balance as of October 31st, was $161,015. Currently fully funded in the reserves; KIA Reserve was $918,595 and the RD Reserves was $910,097, respectfully; O&M Reserve was $34,188. Transferred $48,000 to the sinking fund to make sure there were enough funds to pay the debt service. Chairman Tackett asked about the decrease in cash, Mr. Spears explained it included construction accounts and everything. Mr. Spears everything looked good, and all had been consecutive all year. He then referred to page 4 of the financial packet, the Statement of Cash Flow and explained the for the month that ended October 31st the Net Income (Loss) was $288,491; Depreciation and Amortization was $335,996; Other Assets (Construction Accounts) was $154,901; Accounts Payable was $32,819; Accrued Interest was $31,716; Advances for Construction was $197,056; Tap on Fees $17,137; Total Adjustments was $516,152; Capital Expenditures was $50,450; Construction in Progress was $229,481; Net Cash / Investing Activities was - $279,932; Notes Payable Repayments was $66,021; Cash and Cash Equivalents (Restricted Cash Flow) was $118,292. He referred to page 15 of the packet, to review the Total Sales, last month they were $1,080,408 and this month they were $1,018,864, he stated he felt that there was an issue with how the PSC calculated the rate study but had heard back from them. He continued that water usages would be declining through the colder months and that would cause the revenue to decline also. Then referred to page 16 of the packet, the expenses for the month; water purchased from Williamson was $40,594, true up month (every quarter); water purchased from the City of Pikeville was $54,696; Chemicals was $36,201. He then referred to page 17 for the electrical expenses was $177,393, was higher this month because a statement should had been keyed as September 30th instead of October 1st for $29,000, last month's electrical expenses should had been around $129,000 and about $150,000 for this month; the R&M was up again in October at $53,053 He continued that everything looked good and looked as if things were going in the right direction other than the projected revenue. Chairman Tackett asked when would the District be eligible for another rate study and use 2024 as the test year; Mrs. Hatfield stated would not be until 2026 because of the sewer, the last rate increase was to be completed in three phases and the last phase would be billed at the end of 2025. Mr. Lowe stated that phase two of the sewer would begin in December of 2024 and phase three would begin in December 2026. Mr. Spears explained the first step was to find a rate study expert and contact an attorney. Ms. Olson stated the District had ninety days from the last date of the test year to file. She would contact some rate study experts and do a request for information to have when the District was ready to begin their rate study. 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 Justice made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Absent

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-11-002

- **KIA Bond Payments –** Ms. Olson referred to page 16 to review the KIA Bonds. Those payments were due on December 1st for the amount of $120,058.18. Mrs. Hatfield stated that the District had already paid a couple of bonds in full and this would be the last payment on the South Williamson Sewer Phase 3 Project. R&D will be paid off when bonds are due again.
  Chairman Tackett requested a motion to approve the payment of the KIA Bond Payments for the total of $120,058.18 and the final payment of the South Williamson Sewer Project Phase 3. Commissioner Runyon made the motion. Commissioner Tackett seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Absent

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-11-003

PAYMENT OF BILLS AGENDA ITEM IV

Ms. Olson stated the payment of bills began on page 17 with the Payable and Payment List and then the Cash Disbursement began on page 22 of the packet. Chairman Tackett inquired on several payments, Mrs. Hatfield explained those payments; Bates Security, was the security alarm system for the office, garage and water plant, that was an annual payment; Food City payment; was for the Thanksgiving and Christmas gift cards for the staff; Lowes, was for tools and supplies, and fittings for field staff; Morelli's was for thanksgiving luncheon. Chairman Tackett asked if anyone had anyone questions or comments on the payment of bills. There were none.
Chairman Tackett requested a motion to approve the payment of bills as submitted. Commissioner Chaney made the motion. Commissioner Justice seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Absent

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-11-004

CUSTOMER ADJUSTMENTS AGENDA ITEM V

Copy of the customer adjustments for October 2024 began on page 29 the packet. Chairman Tackett asked how often someone could get an adjustment; Mr. Lowe explained a billing history was printed and reviewed before the adjustment was completed to verify there had not been one within the past twelve months. After the board reviewed the adjustments, Chairman Tackett asked if there were any questions. There were none.
Chairman Tackett requested a motion to approve the Customer Adjustments as submitted, in the amount of $20,562.87. Commissioner Runyon made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Absent

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-11-005

CONSTRUCTION REPORT AGENDA ITEM VI

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

1.) **Fishtrap Hydraulic Modification Project** – EDC was a sub-consultant to Bell Engineering on this project. Determined the funding agency had sent information to their review engineer and hopefully it would be passed soon. As discussed in the September meeting, EDC and MWD had developed a plan that was believed will result in lowering the bids to be within budget by utilizing MWD labor and equipment as "in kind" services to install certain materials purchased through the project funding. Modifications reflected this concept had been made to the plans, and they were submitted back to the funding agency on October 1st, requested approval to readvertise the project for bid.

Had continued to reach out to our contact multiple times and had only learned that it is in their engineer's hands. Await permission from the funding agency to rebid the project.
Mr. Campoy stated on the Kimper DOT Project, the transportation cabinet accepted all of the plans and cost estimates. This would be part of the construction project for the highway, which meant that EDE would not be able to bid on the project, the transportation department would contract a sub engineer to complete the work and would not be familiar with the system. This project would not be bid out individually and recommended that the District prepare a letter to David Skeens with preferred contractors that were familiar with the District's system and then suggest whom the District would prefer.

2.) **Water Loss Reduction Plan, Phase 1 –** Mr. Campoy stated the replacement tanks for Kendrick Fork and the Right Fork of Greasy Creek had been relocated to the sites. Telemetry sites were continued to be installed and programmed. The District had proceeded with utilizing in-house personnel to repaint the Poorbottom and Old House Tanks. After no bids were received for the VFDs, the District obtained three quotes to move the project forward with the low quote provided by Service Pump and Supply. The remaining funds were being used for booster pump station and water treatment plant components, along with costs incurred by the District associated with the Poorbottom and Old House Tanks.

- **Poorbottom Tank –** Ms. Olson explained when this project was bid out, SE Diving had submitted a bid to work on two tanks and the bid was extremely high. Once bid was to work at Poorbottom, they started on that tank in October 2023. They began sand blasting and cut some holes in the tank and then left. They (SE Diving) kept telling the District that they would be returning to complete the job, we had contacted them multiple times to verify if they would be back and when. Referred to pages 33 – 35 of the packet with photos of the tank. The District contacted SE Diving and explained to them their services were no longer needed. They caused more damage to the tank by what they did and by leaving it to be exposed to the weather elements. Now the tank had larger holes and more rust. The District brought the old tank from Wolfpit to Douglas, primed, painted and made minor repairs to it. Wolfpit got a larger tank with that project was started and we kept the one that was previously there. Mr. Wolford explained that he and other workers washed the tank, inside and out, primed and then painted, he said the tank looked good and was still in good condition to use at Poorbottom, it had already been moved to the site and was in use with no issues as of now. The old tank that had been waiting for SE Diving was in extremely poor condition and would need several repairs before and it could be used. Ms. Olson said SE Diving had not invoiced any fees for the tank, because what they did, she felt compromised the tank more than helping. The sand blasting took off the protective covering and allowed more rust and corrosion, they also had cut large hole in end of tank. Mr. Keathley had someone to contact him about the tank, they wanted to purchase it for five hundred dollars and would be used as drain material. The tank was a twenty-foot tank and some of the rusted areas were rusted all way through. Commissioner Justice suggested documenting the damage and taking photos of the tank in case SE Diving tried to invoice for any repairs. Ms. Olson felt that SE Diving would not invoice for any services regarding the tank. She asked for the Boards permission to sale the tank, the purchaser would move the tank themselves, the District would not be responsible for transportation. Commissioner Justice just reiterated his statement of documenting. Chairman Tackett asked if the tank could be repaired and reused; Mr. Wolford said that it would cost more to repair it then would be questionable whether it would be usable. If the District had to haul the tank off, the wrecker bill would be $3,000 plus the cost of repairs. Ms. Olson did not recommend scrapping because of the cost of the haul bill. She explained the District had old meters and other scrap that was not advertised and did not require to be. Chairman Tackett requested for the tank to bid as surplus to make sure the District was following policy and to be fair to the public. Ms. Olson requested a resolution to advertise as surplus and to accept the highest bid.
  Chairman Tackett requested a motion to authorize to advertise the used tank located at Douglas for surplus and to accept the highest offer. Commissioner Tackett made the motion. Commissioner Justice seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Absent

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-11-006

3.) **Capital Infrastructure Replacement Project/Peach Orchard Water Line Extension** – Mr. Campoy stated that EDC was 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). The revised project is under review by the Division of Water. An in-person meeting was held on October 15th to review the lines at Pike Central, Adams Branch, Smith Fork, Dorton Hill and Big Branch. Modifications discussed during the meeting were made and revised plans forwarded to the District. Plans were submitted to the KDOW on October 25th, approvals had been received from the Drinking Water Branch for both Smith Fork and Big Branch but are still waiting for a notice on Dorton Hill, should be within a couple of weeks. Big Branch and Smith Fork are still under review by the Stream Crossing Branch. As noted at the October meeting, planned to bid the three jobs together in anticipation of receiving lower bids than if the jobs were bid separately. Coordinated with Mountain Water District personnel and made several modifications that should bring the Peach Orchard Project within budget. Work has continued on the permit submittals.

4.) **Smith Fork of Meta DOT Bridge Replacement Project –** EDC was selected by the MWD Board to provide engineering services on this project at the September meeting. The utilities relocation representative at the KDOT has contacted EDC to confirm the selection but is yet to provide any information with which to prepare preliminary estimates for the work. Mr. Campoy stated he had spoken with David Skeens, he confirmed that EDC had been acknowledged as the engineer, but had not provided anything to begin work with.

Update by Matt Jolly, Summit Engineering

Brushy Fork/Sycamore Water Line Extension – Mr. Jolly stated the contractor had obtained the flow meter that would be used for the chlorine booster. They were still waiting for receipt of the other materials. The supplier had told the contractor that the remaining materials had been shipped. The supplier told him it should be received by November 18th. As of November 25th, the contractor had not received them. They had planned to begin installation at once upon receipt of the materials. Ms. Olson explained this had taken longer than expected and one of the reasons was the DOW required a permit, and the contractor would not order the materials until the permit was approved. Once everything was approved then the contractor would begin immediately. Mr. Jolly stated he would continue to follow up on the delivery of the chlorinator. Ms. Olson stated there would be remaining funds but could not spend those funds until the project was completed. The project would not be completed until the chlorine booster was installed. But the District had been allowed to purchase meters and few other items until it was completed.

Chairman Tackett 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 submitted. Commissioner Justice made the motion. Commissioner Runyon

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Absent

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-11-007

PROJECT DRAWS:

The project draws were listed on page 3 of the packet. Chairman Tackett asked if that would be the last payment for Hamilton Fencing; Mr. Caudill replied they were now completed. Chairman Tackett inquires on the RG3 purchases; Ms. Olson explained those were purchased from the remaining funds from the Brushy project and that was one of the few things we could purchase until the project was completed. She continued

this was for one hundred meters, transmitters, and license, this was the final shipment as of now. Chairman Tackett asked if anyone had any questions about the Project Draws. There were none.
Chairman Tackett requested a motion to approve the Project Draws as presented. Commissioner Runyon made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Absent

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-11-008

PROJECT DRAWS:

Water Loss Reduction Plan

DD&K	**ARPA Funds**	**$ 2,990.00**
Justice Supply	**ARPA Funds**	**$ 316.82**
Robertson Wrecker	**ARPA Funds**	**$ 5,750.00**
Shermin Williams	**ARPA Funds**	**$ 2,444.57**
Shermin Williams	**ARPA Funds**	**$ 74.78**
Service Pump & Supply	**ARPA Funds**	**$ 9,244.00**
State Electric	**ARPA Funds**	**$ 683.88**
State Electric	**ARPA Funds**	**$ 966.65**
State Electric	**ARPA Funds**	**$ 1,265.44**
State Electric	**ARPA Funds**	**$ 961.90**
State Electric	**ARPA Funds**	**$ 393.85**
Lowes	**ARPA Funds**	**$ 1,131.89**
TOTAL:		**$23,233.78**

KDOT / 194 Kellogg's Project

EDC	**DOT Funds**	**$ 6,600.00**
TOTAL:		**$ 6,600.00**

Brushy Project

RG3	**KIA Funds**	**$ 7,000.00**
RG3	**KIA Funds**	**$ 6,249.46**
RG3	**KIA Funds**	**$ 5,083.99**
TOTAL:		**$18,333.45**

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

1.) **Funding Update –** Ms. Olson began with the KY WATTERS application which was the same type of funding as the Lead Service Line Inventory funding. Pike County's home median income was below the state average, the District qualified for one hundred percent forgivable funding on this grant. Applied for two projects, one for capital project and one for non-capital project; the capital project was for water treatment plan improvement; the non-capital project was to pay debt service. She then referred to page 35a of packet, there is a chart and the District was listed at the top of page two, the capital project requested 2.4 million dollars for water treatment plant and the non-capital requested 1.15 million dollars for debt service. The districts that were highlighted in green, the general assembly considered them one hundred percent forgivable. Now these projects would be submitted to the general assembly for approval, the District ranked 65 by weighted score on both and there was good chance that at least one would be approved. On December 1st, the general assembly will have more information, and this will be updated in December's meeting.
2.) **Water Loss Update –** Ms. Olson explained the water loss updates; the percentage was up again this month. The Mountain Water form was 29.86% and the PSC form was 34.0% for. As of now the water loss was a little higher than annual average, currently at 26.47% overall average, but was still below 2022 average. Chairman Tackett asked if we had hit a wall on water loss. He continued that the surcharge funds were not available to be spent for water loss prevention. Ms. Olson explained that the field staff were working hard and had been repairing many leaks but there may be a time that the

District could not flush enough. She had planned to buy some items with the surcharge funds for leak detection and hopefully find smaller leaks and planned to hire a couple of people. Mr. Wolford explained to the board the field staff were always repairing leaks and finding leaks. Now the leaks were smaller leaks than before, and those small leaks were harder to find because of the sign of our system. Commissioner Justice commented that the lower we can get the water loss percentage would help the District, such as rates and wages. Ms. Olson continued that water loss would always be a battle for the District because of the size of the system. The District would use the most cost effective way to spend the surcharge funds that included more equipment and staff for leak detection.

3.) **Daily Operations Update -** Ms. Olson announced the class one employees were now class three. The water treatment plant was now fully staffed and the District was back in compliance. The alternate staffing planned was no longer in effect. She stated there was one operator that would be testing for class four this spring, but there was a coupe other that were class four that could alternate if needed in sickness or emergencies.

4.) **Retroactively Approve Thanksgiving Gift Cards / Approve Christmas Gift Cards –** Ms. Olson explained that this was missed in the October meeting. However the Thanksgiving cards had been distributed to the employees, she requested for those to be retroactively approved and Christmas cards to be approved.
Chairman Tackett requested a motion to retroactively approve the Thanksgiving Gift Cards and approve the Christmas Gift Cards. Commissioner Justice made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Absent

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-11-009

5.) **ARPA Funds Amendment –** Ms. Olson explained the water loss reduction project through the ARPA Funds that began during COVID, the funds were gave to the county. Judge Jones awarded the District a million dollars. Those funds were spent on tank replacements, telemetry, fencing to secure the tank sites. There were some funds remaining on this project because the District cut expenses on unnecessary things like hydro-seeding. The scope of the project had to be revised and submitted to PCFC, referred to page 55-68 for the Sub Award Agreement, Judge Jones approved it and signed off on it. The District needed to have the chairman to s approve and sign the resolution on page 69 and the Sub Award Agreement. Once those were signed it would be sent to Compass Municipal to get those funds committed. The funds would be used to purchase a fusion machine, VFD's, pumps and motors for booster pump stations. The remaining amount was over three hundred thousand dollars, two hundred thousand for the water plant and ninety-three thousand would be used for VFD's, pumps and motors for booster pump stations. The funds had to be committed by the end of December 2024. Mr. Vanover reviewed and approved; he stated it was standard agreement.
Chairman Tackett requested a motion to approve the Resolution Sub-Award Agreement regarding the ARPA Funds. Commissioner Runyon made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Absent

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-11-010

6.) **Wolfpit Grant Application -** Ms. Olson stated that Sharon Hall sent an email with a packet of information for KDPI Grant Application to complete the project. This was due by 5:00pm that day, Ms. Olson contacted the chairman to get his approval on signing and then asked for the board's approval. This was a grant application to help fund the wastewater plant and finish the project for the county.

Chairman Tackett requested a motion for to retroactively approve the grant application and authorize Tammy Olson to sign the Wolfpit Grant Application. Commissioner Chaney made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Absent

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-11-011

7.) **Master Meter at Prater Drive –** Ms. Olson explained to the board that the Public Service Commission had opened a jurisdictional case with regard to Village View Town Homes and Prater Drive along US HWY 119, being investigated because they provided water to individual residents through a master meter they would be considered a utility themselves. Those master meters were serviced by MWD The PSC had questioned. Chairman Tackett stated that Mr. Prater approached him about the concerns and asked if the MWD possibly consider take over the water distribution and the sewer plant that was in question. He explained to him that he was welcome to come to the meeting and address the board, and all board members had to vote not just one. Mr. Kevin Prater was present at the meeting and addressed the Board of Commissioners about the District accepting the water distribution and sewer plant at Prater Drive into the District, this was installed about fifteen to twenty so years ago and that Mr. Will Brown gave him the wastewater plant at that time, but he did not have any paperwork. He began by stating that he had a sewer plant that served about twenty houses, and he was being charged about $450 per month. The master meter served ten houses on Prater Drive, and he charged those residents a bill for sewer because they had induvial meters through the master meter. Ms. Olson explained that in 2012 there was a line extension that ran up Prater Drive, a master meter was set, and then induvial meters were set to service Zebulon Heights. The people on Boulder East were being serviced by the master meter that Mac Roopani, Village View had, a four-inch master meter that sat at the bottom of the hill. That line ran up the hill by the apartments then around the ridge to Mr. Prater's house to service those at Boulder East. She continued that both had their own master meter that was serviced by MWD to supply individuals with water service, except those six residents that MWD set bases for when line extensions were completed and accepted by MWD. Chairman Tackett asked if those meters had been changed out; Ms. Olson replied they were changed out when MWD did the system wide meter change out. Commissioner Justice asked who ran the line; Ms. Olson explained the first line extension was for Jeff Settles, Classic Pools, he wanted service for his business. Mr. Prater completed the construction and was engineered by EDC; Mr. Campoy approved the construction before MWD accepted it into the system. When that extension was completed, the line was connected then went up the hill to a switch back and anything that Mr. Prater had was replaced and the old line was capped off. That is how MWD acquired the six meters and set the four-inch master meter to service Zebulon Heights. Ms. Olson explained there were two master meters, one a four inch at bottom of hill at Village View, none of that line past the master meter belonged to MWD, there was a pump station on the hill that belonged to Mac Roopani, Village View (Twin Diamond). MWD adopted the line that now ran up by Classic Pools up to Prater Drive and a two-inch master meter that Mr. Prater serviced Zebulon Heights with. Ms. Olson questioned the wastewater plant; Mr. Prater stated that Mr. Brown gave it to him and did not know where he got it. He said he had numbers on it but did not have the final paperwork on it. Ms. Olson asked if he had a permit for the wastewater plant, he stated again he sent in numbers but had not received anything else. He said he had been receiving paperwork with Will Brown, but all the paperwork stopped when Mr. Grondal Potter cut the water off on the right side; Ms. Olson said she was not familiar with any of that. Chairman Tackett asked if he was sampling and submitted results; Mr. Prater said he was but had not received anything. MS. Olson stated that if had a permit he had to submit DMR reports and those were completed online. Mr. Prater explained that he would like to give it away, MWD could bill those customers. Commissioner Justice asked why Mr. Prater wanted to give it away; Mr. Prater replied that he was not making any money from it, and it had cost him more money than it was worth. Twin Diamond had started to bill him a $450 monthly pump house fee and he had spread it among the seven individual residents and that was how the complaints began. He continued that the individuals that MWD serviced would pay anything on the sewer. Ms. Olson explained that because the PSC had opened a case, it was active and MWD was a party to that case, she did not recommend doing anything because it would be a conflict. She

continued that MWD had scheduled depositions and completed requests for information and the District had been made a party to this legal case to determine if they were legally considered a utility or not. The regulations stated more than fifteen or more people for twenty or more days in the year would determine a lot. Chairman Tackett asked how many customers Mr. Prater serviced; he replied twenty-two, that was water and sewer, but MWD took six when line extension was completed. He stated that Twin Diamond (Village View) sent him a letter stated he had to pay $450 per month for use of the pump station; he then charged the seven residents and that was why they got mad and contacted the PSC. Commissioner Justice stated that he understood that Mr. Prater wanted MWD to take over the pump station, but it was not on his property and legally that could not be done. Chairman Tackett stated he could give an answer right now because there was more investigation to do before the board would even think about agreeing to. Ms. Olson added that being MWD was a named a party in the lawsuit she felt that all needed to wait until the PSC decided what they were going to do. After that MWD would revisit it and there would be several things that had to be checked before the board would consider a decision. Mr. Prater thanked the board for listening to him and he would keep them updated and revisit later. Chairman Tackett advised Mr. Prater to keep MWD updated about the PSC decision and after it was settled it could be discussed.

8.) **Cyber Security –** Ms. Olson stated that Chairman Tackett requested for this to be added to the agenda. She and Mr. Taylor had talked with CSISA, Cyber Security Infrastructure Security Agency, and are scheduled to be at the District on January 22nd, to complete a security and vulnerability assessment on the infrastructure in the field. Mr. Taylor explained that first they would look at the cyber things, such as telemetry; he said that there was an open site at central but that had been closed and not all knew about it. He asked them to look at the infrastructure, which would be free of charge, then they would give a diagnosis report to look at the water treatment plant, storage tanks, raw water treatment facility to get an idea of any vulnerabilities. They could draft a report that was good for five years if the District did decide to submit to homeland security. Chairman Tackett said he was concerned and to make our system as less hack proof as possible, he was concerned the water treatment plant was to get hacked and the chemicals were to be manipulated, how could we manage that and if it could be avoided. Mr. Taylor said that because the District had always struggled financially through the years, we were an analog system in a digital world and that gave some security. The water treatment plant was a standalone system, him nor anyone could get online nor on their phones and adjust chemicals, those had to be manually done at the plant. That was not considered online, the water plant was not that updated and sophisticated. He assured the board that the water plant could not be hacked. The office system had been compromised before and after that there was a full security assessment done, made changes and upgrades Ms. Olson continued that things were as secure as possible, but nothing was one hundred percent hackproof. Mr. Lowe said that anytime anyone at the office tried to log on to their computers they had an authenticator that was only on one phone. Mrs. Hatfield explained that the District had been hit with the ransom wear virus, and the cyber insurance took care of that, we had to pay the deductible and then we switched companies. Ms. Olson explained that the water plant could not be manipulated online; Mr. Taylor stated that there was no need in the plant going online because there was someone there 24/7; the central computer was in the water plant, Electro quip; telemetry had a static Ip which was a vulnerability, MicroComm, that was updated. Mr. Taylor reassured the board the water plant was secure because it was analog. Ms. Olson reminded them the cyber insurance was recently renewed, and servers were monitored and updated daily.

9.) **Fluoride Regulations –** Ms. Olson stated that she had researched fluoridation, and it had been around since 1951. The fluoride regulations had always been mandated by the population of the water utility, if the utility had a population of three thousand or more it was mandated for them to use fluoride. There were some studies conducted on fluoride stating that long term effects could cause several issues, including neurological. House Bil 141 had been proposed this year, it amends KRS 211.190 that required the fluoridation in the systems of population of over three thousand to be optional. The last action was in March but had not been finalized and it would be changed once finalized. Until then we still had to monitor it, test it and keep adding it to the system. As of now must monitor House Bill 141 then make adjustments as required. Ms. Olson explained the public had more options to obtain fluoride than were available many years ago.

MANAGER'S REPORT (continued)

Ms. Olson stated to the Commissioners could be reviewed at their leisure the attached reports in the packets that showed the delinquents, customer count, gallons sold, meters changed, bacteriological samples,

payments made, etc. on following reports in packet. Next month's report will list the number of leaks that were repaired for the month.
Chairman Tackett requested a motion to accept the Manager's Report as presented. Commissioner Runyon made the motion. Commissioner Justice seconded Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Absent

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-11-012

COMMISSIONER COMMENTS

Chairman Tackett asked if there were any comments or questions. There were none.

ADJOURN MEETING

Chairman Tackett requested a motion to adjourn today's regular meeting. Commissioner Justice made the motion. Commissioner Tackett seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Absent

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-11-013

MOUNTAIN WATER DISTRICT
BOARD OF COMMISSIONERS SPECIAL MEETING

December 19th, 2024
4:00 PM

ATTENDEES
Mike Spears, Michael Spears, CPA, PSC
Tim Campoy, EDC
Stephen Caudill, Bell Engineering
Jim Vanover, Vanover, Hall, Bartley & Ward Law Firm
Matt Jolly, Summit Engineering
Tammy Olson, General Manager
Carrie Hatfield, Chief Financial Officer
Kevin Lowe, Billing/Office Manager
David Taylor, RGIS Coordinator
Melissa Wright, Compliance Manager
David Wolford, Daytime Operations Manager
Jonathan Joyce, Grapevine Supervisor
Jason, Sesco, Shelby Valley Supervisor
Nick Robinson, Warehouse/Inventory Clerk
Jason Blackburn, Water Quality Tech
Kristopher Dills, Nightshift Supervisor
Daniel Caudill, Nightshift Equipment Operator
Jamey Keathley, Wastewater Supervisor

PLEDGE OF ALLEGIANCE
Chairman Tackett led the assembly in the Pledge of Allegiance.

PRAYER
Commissioner Myrtle Runyon 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 Thursday, December 19th, 2024, at 4:00pm

Commissioners present for the meeting were as follows:

Randy Tackett, Chairman
Mitch Justice, Vice Chairman
Myrtle Runyon, Treasurer
Paul Chaney, Secretary
Burt Melton, Commissioner

VISITORS
Chairman Tackett noticed several new faces that appeared to be employees of the district, he asked if each one would introduce themselves. They began as; Kris Dills, Leak Detection/Night Shift Supervisor; Jason Sesco, Shelby Valley Supervisor; Nick Robinson, Warehouse/Inventory Clerk; Jonathan Joye, Grapevine Supervisor; Jamey Keathley, Wastewater Supervisor; Daniel Caudill, Night Shift Operator. Chairman Tackett was pleased with them attending the meeting and expressed he had invited them at the Christmas luncheon. By doing so, he hoped the employees would learn more about the district and about the duties of the board members when they attended the meetings.

APPROVAL OF MINUTES AGENDA ITEM II

After review of the minutes, Chairman Tackett requested a motion to approve the minutes of the Special Meeting held on Thursday, November 26th, 2024. Commissioner Melton made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-12-001

FINANCIAL REPORT – MIKE SPEARS, CPA AGENDA ITEM III

Mr. Spears explained the Financial Report as followed: Cash in Bank at the end of November was $144,886; Accounts Receivable was $1,479,915; Plant in Place was $174,544,271; Accounts Payable was $541,934; Equity was $95,536,108; Revenue for the month of November was $994,190; Utility Operating Expenses for the month of November was $1,125,110; Loss for the month, $160,141, included in the loss was Deprecation Expenses of $335,997. Operating income was negative in the amount of $130,920; Cash decreased for the month of November, $32,360; the current Operating account balance as of November 30th, was $129,658. Currently fully funded in the reserves; KIA Reserve was $915,595 and the RD Reserves was $915,264, respectfully; O&M Reserve was $34,188. Transferred $69,000 to the sinking fund to make sure there were enough funds to pay the debt service, had to transfer extra funds this time to cover the bond payments. Mr. Spears everything looked good, and all had been consecutive all year. He referred to page 15 of the packet, to review the Total Sales, last month was $1,018,864 and this month was $994,190, it was lower this month than previously. He continued that water usages would be declining through the colder months and that would cause the revenue to decline also. Then referred to page 16 of the packet, the expenses for the month; water purchased from Williamson was $39,061; water purchased from the City of Pikeville was $50,187; Chemical cost was down, $7,757.40. He then referred to page 17 for the electrical expenses was $121,454, which was about average; R&M was down in November at $19,040. He continued that everything looked good, and nothing was out of the ordinary. Chairman Tackett inquired on the water sales for City of Pikeville, he noticed the amount were lower this month. Ms. Olson explained that the numbers that were discussed in the financial was for the previous month, like October and the reports in the packet showed the current gallons purchased and the gallons sold; November was the second lowest month so far for 2024; November was colder than normal, and the customer count was down and some of that was because of customers going south for the winter, they left earlier than usual. 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 Justice made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-12-002

- **RD Bond Payments –** Ms. Olson referred to page 16 to review the RD Bond payments. These payments were due on January 1st for the amount of $214,617.25. Mr. Spears explained the money had already been transferred because the payments were automatically drafted from our account.

Chairman Tackett requested a motion to approve the payment of the RD Bond Payments for the total of $1214,671.25. Commissioner Chaney made the motion. Commissioner Melton seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye

Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-12-003

- **Approval of the 2025 Budget -** Mr. Spears discussed the budget report; Commissioner Melton and Chairman Tackett was on the budget committee, and they had met several times to discuss the budget. He explained this was projected and when unexpected things happened, it would be adjusted. He explained how they determined the budget, to take the last rolling ten months of this year and last two months of the previous year, twelve months to get total amount projected; then adjust for unknown factors. Mr. Spears stated there was one change, there was more money for the capital projects than what were listed. He continued that the footnotes had not been completed yet, Ms. Olson had sent him the capital items list, he stated there would be another committee meeting to verify and finalize the changes to make sure everyone was aware of them. Ms. Olson confirmed that there would be three vehicles paid for in full this year. Mr. Spears recommended approving the Budget Report for 2025 as presented pending review of the Capital Projects list. The deadline to be submitted to the state would be January 15th and if it were not approved today then a special meeting would have to be called for approval. The extra $995,000 in depreciation would help fund some projects on the list; the new pay rates were included, and the repair and maintenance would be increased to one million dollars. The final budget would be retroactively approved at the February meeting. Chairman Tackett stated that he was good with what was discussed at the last committee meeting. Chairman Tackett asked if anyone had anyone questions about the presented budget. There were none.
  Chairman Tackett requested a motion to approve the 2025 Budget pending review of the Capital Projects List. Commissioner Melton made the motion. Commissioner Justice seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

  Upon Commissioner voting, the motion was carried and passed.
  Resolution 24-12-004

PAYMENT OF BILLS AGENDA ITEM IV

Ms. Olson stated the payment of bills began on page 17 with the Payable and Payment List and then the Cash Disbursement began on page 23 of the packet. Chairman Tackett inquired about the Manpower payment; Mrs. Hatfield explained that was for one employee; Ms. Olson explained there was an error on paperwork that he had started working before it was signed therefore were unable to use Big Sandy, but instead started him with Manpower, he was the only employee with them. Chairman Tackett asked about the Pond Creek Que was for hams and turkeys for the Christmas luncheon and Food City was for the side dishes for the luncheon. Chairman Tackett asked if anyone had anyone questions or comments on the payment of bills. There were none.
Chairman Tackett requested a motion to approve the payment of bills as submitted. Commissioner Justice made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-12-005

CUSTOMER ADJUSTMENTS AGENDA ITEM V

Copy of the customer adjustments for November 2024 began on page 27; Mr. Lowe explained the number of adjustments were down to forty-eight this month and that was remarkably close to the average, there was nothing unusual on this month's list. Chairman Tackett inquired on the adjustment for the Pike County Fiscal Court, it was discussed it was the Community Center located on HWY 194 W. After the board reviewed the adjustments, Chairman Tackett asked if there were any questions. There were none.
Chairman Tackett requested a motion to approve the Customer Adjustments as submitted, in the amount of $14,974.92. Commissioner Runyon made the motion. Commissioner Melton seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-12-006

CONSTRUCTION REPORT AGENDA ITEM VI

Update by Bell Engineering/EDC Tim Campoy, P.E. / STEVE CAUDILL, P.E.

1.) **Fishtrap Hydraulic Modification Project** – Mr. Campoy stated that EDC was sub-consultant to Bell Engineering on this project. As discussed in the September meeting, EDC and MWD had developed a plan that was believed to result in lowering the bids to be within budget by utilizing MWD labor and equipment as "in kind" services to install certain materials purchased through the project funding. Modifications reflected this concept had been made to the plans and were submitted back to the funding agency on October 1st, have requested approval to readvertise the project for bid. He continued that we now had to wait for permission from the funding agency to rebid the project and was now in the hands of the review engineer.

2.) **Water Loss Reduction Plan, Phase 1 –** Mr. Caudill stated the replacement tanks for Kendrick Fork and the Right Fork of Greasy Creek had been relocated to the sites. Telemetry sites have been installed and programmed; the District had used in-house personnel to repaint the Poorbottom and Old House Tanks. He continued that after there were no bids received for the VFDs, the District then obtained three quotes to move the project forward with the low quote, this was provided by Service Pump and Supply. The remaining funds were being used to purchase equipment identified by the District and to pay for the costs incurred by the District associated with the Poorbottom and Old House Tanks. The team has worked to get all the invoices submitted so the project can be closed.

3.) **Capital Infrastructure Replacement Project/Peach Orchard Water Line Extension** – Mr. Campoy explained that EDC was 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). Approvals had been received from the Drinking Water Branch for all three projects; Big Branch and Smith Fork had to be reviewed by the Stream Crossing Branch, that was received today and would be submitted to the Corps of Engineers by tomorrow; had coordinated with Mountain Water District personnel to make several modifications that should have brought the Peach Orchard Project within budget; the revised project remained under review by the Division of Water. He continued that an in-person meeting would be held to review the lines at Pike Central, Adams Branch, Smith Fork, Dorton Hill and Big Branch; the modifications that was discussed during the meeting were made and revised plans forwarded to the District; the permit submittals were being finalized. Mr. Caudill stated that he and Mr. Wolford had made some modifications to the Pike Central and Adams Branch plans and would resend the final plans.

- **Engineer Forms for Capital Infrastructure and Peach Orchard –** Ms. Olson referred to page 31 & 32; the funding agency had old forms with the former chairman's signature, they required updated forms. These forms needed to be signed by the current chairman and resubmitted; page 31 was Peach Orchard and page 32 was Capital Infrastructure Replacement Project;

these forms had been reviewed by legal counsel and previously approved. Chairman Tackett asked if the tank at Douglas was included in these funds; Mr. Wolford explained that it was, and that tank was originally located at Poorbottom; funds was appropriated to refurbish the two tanks but the Poorbottom tank was in poor condition it was decided not refurbished it; the other tank would be refurbished and relocated to Forest Hills. Chairman Tackett stated that him and Mr. Wolford met with Southern Corrosion about having the Poorbottom tank refurbished but had not received the quote yet.

Chairman Tackett requested a motion to authorize himself to sign the resolution for the Peach Orchard Project and Capital Infrastructure as shown on page 31 & 32 of the packet. Commissioner Runyon made the motion. Commissioner Melton seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-12-007

4.) **Smith Fork of Meta DOT Bridge Replacement Project –** Mr. Campoy stated that EDC was selected by the MWD Board to provide engineering services on this project at the September meeting. A site meeting was scheduled for December 11th by the KYTC but was postponed due to weather conditions; they had not rescheduled the meeting.

Update by Matt Jolly, Summit Engineering

Brushy Fork/Sycamore Water Line Extension – Mr. Jolly stated the contractor had received all the materials for the chlorine booster. The inspector met with the contractor this week to confirm the layout; planned to meet with Brad Taylor on Monday to coordinate the power drop; the contractor planned to begin on December 26th. Ms. Olson contacted Jonathan Joyce about the round vault, and he had no problem with having that installed. Mr. Jolly explained to BOCA the importance of getting this project completed.

Chairman Tackett 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 submitted. Commissioner Chaney made the motion. Commissioner Melton. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-12-008

PROJECT DRAWS:

The project draws were listed on page 3 of the packet. Chairman Tackett inquired on ISCO; Mrs. Hatfield explained that was for the fusion machine that was ordered, that was approved in August and was recently delivered. Mr. Wolford explained this was a portable fusion machine that could go up to an eight-inch pipe and explained. Chairman Tackett asked if anyone had any questions about the Project Draws. There were none.
Chairman Tackett requested a motion to approve the Project Draws as presented. Commissioner Justice made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye

Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-12-009

PROJECT DRAWS:

Water Loss Reduction Plan

Cogar Manufacturing	**ARPA Funds**	**$ 5,417.15**
Greg's Audio	**ARPA Funds**	**$ 599.88**
Service Pump & Supply	**ARPA Funds**	**$ 93,588.80**
State Electric	**ARPA Funds**	**$ 505.79**
State Electric	**ARPA Funds**	**$ 406.73**
State Electric	**ARPA Funds**	**$ 772.02**
State Electric	**ARPA Funds**	**$ 666.50**
State Electric	**ARPA Funds**	**$ 1,684.93**
State Electric	**ARPA Funds**	**$ 300.22**
ISCO	**ARPA Funds**	**$ 11,144.60**
Bell Engineering	**ARPA Funds**	**$ 4,947.50**
TOTAL:		**$ 120,034.12**

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

1.) **Funding Update –** Ms. Olson began with the KY WATTERS application which was the same type of funding as the Lead Service Line Inventory funding. Pike County's home median income was below the state average, the District qualified for one hundred percent forgivable funding on this grant. Applied for two projects, one for capital project and one for non-capital project; the capital project was for water treatment plan improvement; the non-capital project was to pay debt service. She then referred to page 35a of packet, there is a chart and the District was listed at the top of page two, the capital project requested 2.4 million dollars for water treatment plant and the non-capital requested 1.15 million dollars for debt service. Those projects were submitted to the general assembly for approval, the District ranked 65 by weighted score on both and there was good chance that at least one would be approved; they were submitted to the general assembly on December 1st. She sent letters to all the legislators and asked them if they could help with making the decision about those funds being approved. Ms. Olson stated that ARPA Funds had been discussed, and changes made to the water plants items and the VFD's; that scope was approved by the PCFC and the board; are currently getting quotes for those items.

2.) **Water Loss Update –** Ms. Olson explained the water loss updates; reports begin on 38 of the packet; the percentage was up again this month. The Mountain Water form was 30.33% and the PSC form was 32.5% for November that was less than last month at 34%. As of now the water loss was a little higher than annual average, currently at 27.1% overall average, but was still below 2022 average; last year, 2023, finished at 22%. The amount sold was lower in November also and that was a major factor in water loss. The number of leaks repaired in December was down because of the weather temperature being so cold. The surcharge was in place this year 2024, was the accrual year for the funds; planned to repair leaks in the first year (2025) and the second year planned to begin with line replacements. Had to submit monthly progress reports to the PSC of how the funds were spent. Mr. Lowe stated the district started billing the surcharge around March 2024 due to the change of the billing software. She continued that she felt it would be best to buy some new more updated leak detection tools to help improve locating smaller leaks. Ms. Olson explained that when it rained it was difficult to leak detect and if there was snow on the ground leak detection was affected. The supervisors could monitor the telemetry and check daily master meter reads to make sure there was no major decrease in tank levels. Mr. Wolford explained that the system had been tightened up significantly in the last few years and the small leaks now were going to be extremely hard to locate, and he felt that it would be best if we could hire two more daytime employees for leak detecting. Commissioner Justice asked about safety protection for nighttime leak detectors; Mr. Lowe stated had ordered snake chaps in the past; Mr. Dills said they did have snake chaps, each had headlamps,

reflective vest, identification badges and other things to use to help with safety. Mr. Jason Blackburn asked the board if there was any way they would consider increasing the current boot allowance to twice a year. Currently the personnel policy stated that field employees were given a boot allowance, they could purchase one pair of boots and be reimbursed up to one hundred fifty dollars with receipt of purchase once every twelve months. Mr. Keathley explained that chlorine and other chemicals affected the threads and leather on the boots; at times boots do not last long; he continued that boots my last six months, sometimes not that long. It was discussed that the field staff wanted to increase the amount up to two hundred dollars and be allowed reimbursement every six months if it was needed. It was discussed that several times one pair of boots every twelve months was not enough and boots were expensive. Ms. Olson stated that there would be a personnel meeting scheduled in January to review the personnel policy and revise the boot allowance to twice a year. Mrs. Hatfield stated thirty out of fifty-three field employees had submitted for reimbursement this year, 2024. Ms. Olson explained that this would be a policy change, and she would rather have approval. Mr. Spears stated that the personnel policy needed to be reviewed and discussed changes; he suggested increasing the amount to two hundred dollars now, then revising the policy at the personnel meeting in January. Chairman Tackett requested that everything be done at one time and make the changes at that time.

3.) **Daily Operations Update -** Ms. Olson stated the daily operations reports needed to be updated, Mrs. Wright updated the TTHM's and a few other items listed; Mr. Wolford needed to review and update the field information. The District was under enforcement with the DOW because of the TTHM violations for the purchased water from the City of Pikeville. She explained that once the official letter was received from the DOW, she prepared a response letter to make counteroffer on penalty amount; she asked that the penalty amount be decreased from $25,000 down to $3,500, she had not heard back from DOW rather they would accept the lesser amount or not; or they would give a suggested amount. Once the penalty amount was decided on, the clock would start for the District and would begin the corrected action plan; the penalty would be due within fifteen days of the letter and corrected action plan would be due in thirty or sixty days. Even though it was not the fault of the District, we still had to pay a penalty and follow corrective action plan; so basically, the District would be penalized for something that was out of our control. The District was in compliance with the corrective action plan, she explained the hold study that was done by David Messer and he led the DOW to believe it was a fifty- fifty issue. She explained that at the Grapevine sample site, it was our produced water and was sent to a location that was seven miles farther away from the source and went through twice as many tanks and that water was always in compliance. She tried to convince the DOW that it was the District's fault, but they (DOW) saw it as if the water was on your side, it was your responsibility. The most promising solution was to the Ashcamp connector project would be approved so the District could pump our produced water to them. The City of Pikeville was under the same guidelines as we were, but the problem was their routine sample sites were not as far out as ours and they did not need to add extra treatment, and they were always in compliance. The purchased water would be out of compliance with TTHM's before it got to our sample site or purchase point. The DOW was aware of them adjusting the carbon but could not penalize them because they were in compliance with their samples.

4.) **Millard ATC Sewer Request –** Ms. Olson explained that the Millard Vocational School was being renovated and the PCBOE, Freddie Bowling, had contacted her and wanted to run a force main sewer line to the Daniels Branch package plant. The Daniels Branch package plant is close to fifty years old and was in need of repairs just to operate now; it currently serviced the trailer park which only had eight or ten trailers and the plant struggled to take care of it. The Daniels Branch package plant was one of the four waster water plants that the District had requested funds for to make repairs or replace the plant. She explained to Mr. Bowling that the plant would not handle any more than it already had. Ms. Olson suggested not approving the PCBOE to connect to the Daniels Branch package plant and wanted them to be aware of what had been discussed with Mr. Bowling. She referred to page 52 of the packet of a map from the school to Daniels Branch package plant was about three-quarter of a mile, that did not seem like a long distance, but the plant was in degrading condition it would not be able to handle any more flow. Mr. Keathley stated that he and Ms. Olson had a conference call with Mr. Mike Hill with Summit, and explained to him even if the plant was completely rebuilt it was not big enough to handle any extra flow. He felt that if the plant were rebuilt for the school other residents and businesses in the area would want to connect with it and if that happened it would require a larger plant. Ms. Olson said this was not the only option they had but this was the easiest option for them and wanted to make the board aware of want had been decided.

5.) **Employee Compensation –** Ms. Olson referred to page 53 of the packet for the summary of three different options for the personnel committee had to choose from for the employee annual wage increase. She explained that it was decided to make adjustments in certain departments such as

wastewater department and office staff, those several departments that were lower paid and did not receive a good increase last year, which was the wastewater and billing department. Last year the biggest bump went to operators and water treatment plant operators. She explained that Mr. Spears agreed that it would be within the budgeted limit for payroll with the increase. Ms. Olson explained that Commissioner Melton was in agreement with the proposed pay increase because he felt that the employees were an important asset to the District. The personnel committee agreed and recommended option three for a three and half wage increase. Mr. Spears explained that this needed to be effective on the first paycheck of January 2025 and that would include eight days from December 2024, start paying the new rate on December 22nd, this would be known and measurable and would not future rate study case.

Chairman Tackett requested a motion for the approval of option three of the proposed wage increase of three and half percent (page 53), increase would take be effective on the first pay period of January 2025, the begin date would be December 22, 2024. Commissioner Justice made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-12-010

6.) **Amend Customer Billing Statement to Accept Payment for Specialty Funds** - Ms. Olson explained that Chairman Tackett had requested to discuss this; this would be optional for when customers paid their bills, they could donate to the charity fund to help the less fortunate in our area to pay their water bills or if someone had a hardship it would be used for their assistance. Chairman Tackett explained that Commissioner Melton approached him with the question as to if the District could do so. Ms. Olson explained this would be a customer assistance fund that would help the most vulnerable customers. Chairman Tackett said he felt it would be a wonderful option if the District was allowed to do so; he referred to how KY Power had it listed on their billing statements. Ms. Olson explained the power company was different than we were and was allowed to do collections for charities. She and Mr. Lowe had contacted Daniel Henton from the PSC to see if the District was able to offer this option to the customers; Mr. Lowe stated he had received a response from the PSC and was advised that the only cases that were found was Martin County Water and Louisville Water Works ; Martin County Water had submitted a request for a surcharge for assistance several years ago and the PSC still had not ruled on it; Louisville Water Works was considered a private company and was not regulated by the PSC guidelines. He continued that most of the companies that had this implemented were private companies and not a nonprofit utility like the District. Ms. Olson explained it would be extra expense to the District, would need a separate bank account just for those funds; Ampstun, the billing software company would charge a significate fee to add to billing and payment options; Champion Printing would charge extra for having to use front and back of the billing statement. Mr. Henton (PSC) recommended if the District was interested in the customer payment assistance funding to open a new case and to request a change to the billing and to amend the tariff. Ms. Olson stated that she had contacted PCFC, Big Sandy Ad, and various places to check funding guidelines. Mr. Spears explained that it would be difficult for the billing clerk that keyed mail payments to determine if the customer were paying extra on their bill or if it would be for a charity fund. He recommended if the District decided to do this then there needed to be a committee established to discuss and vote on which customer needed the assistance. Ms. Olson explained that as information was received, she would update the board.

MANAGER'S REPORT (continued)

Ms. Olson stated to the Commissioners more information on managers' report that could be reviewed at their leisure the had reports in the packets that showed the delinquents, customer count, gallons sold, meters changed, bacteriological samples, payments made, etc. on following reports in packet. The number of repaired leaks was added to the report, for the month of November there were seventy leaks repaired. Chairman Tackett inquired on how a meter could get busted; Ms. Olson explained several ways such as freezing temperatures, or base being ran over by large vehicle or the customer tampering or intentionally causing damage. In November there were seven accounts found to be connected illegally which resulted in 281,068 gallons of water lost, a total of $3,914.52 in costs and fees assessed; once the fees and water

usage was paid that could be used on the PSC water loss form, but only the paid illegals. She continued that the number of payments and payment types were listed, the number of gallons of water and sewer the District sold for the month.
Chairman Tackett requested a motion to accept the Manager's Report as presented. Commissioner Melton made the motion. Commissioner Runyon seconded Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-12-011

NEW BUSINESS

Executive Session

a. **Pursuant to KRS 61.810 (1)(c) to discuss the District's litigation strategy with regard to current and potential litigation and the District's contracts, as well as KRS 61.810 (1)(f) to discuss a specific personnel matter.**

Chairman Tackett requested motion to convene to Executive Session. Commissioner Justice made the motion. Commissioner Tackett seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-12-012

Reconvene from Executive Session

Chairman Tackett requested motion to reconvene from Executive Session. Commissioner Justice made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-12-013

COMMISSIONER COMMENTS

Commissioner Melton spoke a few words that he had enjoyed serving on the board with the other commissioners; although him and Chairman Tackett had a conflict at the beginning but that had been discussed and resolved. He felt the commissioners had done a respectable job representing the District and discussed issues or concerns in a business manner. Mr. Vanover also stated that he has served on several boards in the past and there were few boards that took the job serious; one board was Mountain Comprehensive Care, and the other board was the District; he continued that these were the only two boards that really cared and was concerned with the well-being of the represented business. He felt that the commissioners and the District did a respectable job of maintaining everything. Chairman Tackett asked if there were any comments or questions. There were none.

ADJOURN MEETING

Chairman Tackett requested a motion to adjourn today's special meeting. Commissioner Justice made the motion. Commissioner Melton seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 24-12-014

MOUNTAIN WATER DISTRICT
BOARD OF COMMISSIONERS REGULAR MEETING

January 30th, 2025
4:00 PM

ATTENDEES
Jim Vanover, Vanover, Hall, Bartley & Ward Law Firm
Tim Campoy, EDC
Stephen Caudill, Bell Engineering
Mark Stephens, Summit Engineering
Tammy Olson, General Manager
Carrie Hatfield, Chief Financial Officer
Kevin Lowe, Billing/Office Manager
David Taylor, RGIS Coordinator
Melissa Wright, Compliance Manager
David Wolford, Operations Manager
Nick Robinson, Warehouse/Inventory Clerk
Daniel Caudill, Nightshift Equipment Operator
Kristopher Dills, Nightshift Supervisor
Brandon Beckett, Maintenance Crew Operator
Jonathan Joyce, Grapevine Supervisor
Jason Blackburn, Water Quality Tech
Jason, Sesco, Shelby Valley Supervisor
Jamey Keathley, Wastewater Supervisor
Doug Scalf, Pond Creek Supervisor
Brayden Newsome, Grapevine Crew
Ryan Scarberry, Nightshift Crew
Jennifer Bevins, Visitor

PLEDGE OF ALLEGIANCE
Chairman Tackett led the assembly in the Pledge of Allegiance.

PRAYER
Commissioner Myrtle Runyon led the assembly in an opening prayer.

CALL TO ORDER AGENDA ITEM I
The Mountain Water District Board of Commissioners' Regular Meeting was held on Thursday, January 30th, 2025, at 4:00pm

Commissioners present for the meeting were as follows:

Randy Tackett, Chairman
Mitch Justice, Vice Chairman
Myrtle Runyon, Treasurer
Paul Chaney, Secretary
Burt Melton, Commissioner

VISITORS
Jennifer Bevins attended the meeting to discuss her water bill and reversal of August 2024 leak adjustment. She had a copy of billing history and explained she has had several water leaks over the past year causing significantly large water bills and requested a leak adjustment in August 2024 for $342.27 and would not be eligible for another until August 2025; once she repaired that leak and another leak in October and was able to installment plan for that bill. Ms. Bevins explained that she knew her lines were old because they were installed when the water service was first installed in her area and that was many years ago. She has

bought new water lines to have all her water lines replaced but had to wait for better weather. She explained that during the freeze she had a water line burst, it was in the backyard and said no one saw it until couple weeks later so by that time it had already run a large amount of water through the meter. MWD staff had checked the pressure and regulator, all was good. Ms. Bevins explained the leak was behind her house and no one had been out there so the leak went unnoticed. Ms. Olson explained that Ms. Bevins was asking the board for the August 2024 adjustment to be applied back to her account and allow her to have an adjustment on the current bill of $2,114. The board of commissioners listened to Ms. Bevins with compassion and understanding the circumstances. Chairman Tackett explained to her about guidelines in the tariff and the district had to follow what was in the tariff and what the district did for one customer, it had to do all customers. Mr. Lowe explained the installment billing could be revised to twenty-four months if she needed it. Ms. Bevins currently has an installment billing for the leak she had a couple of months ago but she agreed to revise the installment billing. Ms. Bevins thanked the board of commissioners for listening and understanding of her issue.

APPROVAL OF MINUTES AGENDA ITEM II

After review of the minutes, Chairman Tackett requested a motion to approve the minutes of the Special Meeting held on Thursday, December 19th, 2024. Commissioner Runyon made the motion. Commissioner Justice seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-01-001

FINANCIAL REPORT – CARRIE HATFIELD, C.F.O AGENDA ITEM III

Mrs. Hatfield explained the Financial Report as followed: Cash in Bank at the end of December was $299,811; Accounts Receivable was $1,538,409; Plant in Place was $174,677,423; Accounts Payable was $740,988, this was higher than normal but that was mostly because the meeting was early in December because of the holidays and several of December's payables did not show on December's report; Equity was $95,698,377; Revenue for the month of December was $1,121,121 and YTD was $12,573,913; Utility Operating Expenses for the month of December was $1,191,116; Loss for the month, $92,949 and YTD was $1,456,233, included in the loss was Deprecation Expenses of $335,997. Operating income was negative for $69,994; Cash increased for the month of December, $154,924 and that was higher than December; the current Operating account balance as of December 31st was $295,931. Currently fully funded in the reserves; KIA Reserve was $917,695 and the RD Reserves was $926,278, respectfully; O&M Reserve was $34,474; will transfer $41,000 to the sinking fund to make sure there were enough funds to pay the debt service. She then referred to page 15 of the packet, to review the Total Sales, in December was $1,121,121, it was higher this month than previously. Then referred to page 16 of the packet, the expenses for the month; water purchased from Williamson was $32,907, was lower than previous; water purchased from the City of Pikeville was $51,118, about average. She then referred to page 17 for the electrical expenses were $137,230, which was about higher this month because of the cold temperatures; R&M was higher in December at $58,700; she explained that Auto & Transportation Expenses (fuel) were down this month at $13,945 and that was good. She continued that everything looked good, and nothing was out of the ordinary. Chairman Tackett inquired on the water sales for City of Pikeville and Williamson; Ms. Olson explained that the numbers that were discussed in the financial report was for the previous month, such as the November bill being paid; the reports in the packet showed the current gallons purchased and the gallons sold for December. 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 Melton made the motion. Commissioner Justice seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-01-003

- **Retroactively Approval of the 2025 Budget** – Mrs. Hatfield presented copies of the final budget, she explained that the only thing that needed to be corrected was the format; the totals and numbers did not change. The budget had already been submitted to the state as required by January 15th, 2025.

Chairman Tackett requested a motion to retroactively approve the 2025 Budget as presented. Commissioner Chaney made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-01-002

PAYMENT OF BILLS AGENDA ITEM IV

Ms. Olson stated the payment of bills began on page 16 with the Cash Disbursement and the Payable and Payment List began on page 21 of the packet. Chairman Tackett inquired about the Hendrickson Enterprises; Mrs. Hatfield replied it was for the chemicals; Commissioner Melton asked about Ampstun, it was explained that was the billing software program; he then questioned the amounts paid to City of Pikeville and Williamson, estimated $90,000 per month and totaled about one million dollars yearly; he expressed that the money spent could be used to build or expand our facilities; he suggested to consider alternate solutions and pricing. Ms. Olson explained it had been considered and was in future plans as time nears the end of the contracts; the district had to have forty-year or long-term contracts to qualify for Rural Development Loans. Chairman Tackett explained to be approved for the funding to purchase meters, RD required long term contracts, the district then renewed contract with Williamson to assure the loan would be approved. Chairman Tackett asked if anyone had anyone 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 Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-01-004

CUSTOMER ADJUSTMENTS AGENDA ITEM V

Copy of the customer adjustments for December 2024 began on page 29-30; Mr. Lowe explained the number of adjustments were down to forty-one this month and that was close to the average, there was nothing unusual on this month's list; he stated that the numbers would more than likely increase next month or two due to cold temperatures causing leaks. After the board reviewed the adjustments, Chairman Tackett asked if there were any questions. There were none.

Chairman Tackett requested a motion to approve the Customer Adjustments as submitted, in the amount of $11,133.30. Commissioner Justice made the motion. Commissioner Melton seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-01-005

CONSTRUCTION REPORT AGENDA ITEM VI

Update by Bell Engineering/EDC Tim Campoy, P.E. / Steve Caudill, P.E.

1.) **Fishtrap Hydraulic Modification Project** – Mr. Campoy explained that EDC is a sub-consultant to Bell Engineering on this project; As discussed in the September meeting, EDC and MWD had developed a plan that was believed to lower the bids to get the project within budget, would utilize MWD labor and equipment as 'in kind' services to install certain materials purchased through the project funding. Modifications reflected this and had been made to the plans, and they were submitted back to the funding agency on October 1st, requested approval to readvertise the project for bid. He continued that he had contacted the review engineer two weeks ago and understood the situation with this project, they agreed to move this project up the priority list. Attempted to make contact for an update this week and have been unsuccessful. He continued that now we had to wait for permission from the funding agency to re-bid the project.

2.) **Kimper DOT Line Relocation Project at Kellogg's –** Mr. Caudill stated the KYTC has accepted the final construction plans, the cost estimates and the District's technical specifications. The KYTC planned to include the waterline relocation work as a part of the overall road contract. There has been no change in the status of this project.

- **Approval of the DOT Contract for the Kimper DOT Line Relocation** – Ms. Olson referred to pages 32-56 of the packet for a copy of the DOT Contract that she was requesting approval to sign. She reminded the board this was a fully funded project and would not cost the district any money and it was listed on the contract that the district's responsibility was zero.

Chairman Tackett requested a motion to approve the General Manager, Tammy Olson, to sign the DOT Contract for the Kimper DOT Line Relocation. Commissioner Tackett made the motion. Commissioner Melton. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-01-006

3.) **Capital Infrastructure Replacement Project/Peach Orchard Water Line Extension** – Mr. Caudill explained the waterlines and related appurtenances will be replaced and/or relocated at Smith Fork (Phelps), Dorton Hill and Big Branch (Marrowbone). Approval has been received from the Drinking Water Branch for all projects. The Smith Fork job has also received approval from the Stream Crossing Branch, while the Big Branch requires a Water Quality Certification due to Marrowbone Creek being considered an 'impaired stream,' his approval is expected in about two weeks. Smith Fork and Big Branch have also been submitted to the USA Corp of Engineers where they are still under review. Also, have coordinated with Mountain Water District personnel to make modifications that should bring the Peach Orchard Project within budget. He continued that the revised project that has been approved by the Division of Water and is ready for rebid. An in-person meeting was held to review the lines at Pike Central and Adams Branch. The modifications that were discussed during the meeting were made and revised plans have been sent to the District. He continued that the plans are ready to be submitted to the Division of Water. Ms. Olson asked if there may be any way these would be ready for bid before the February 28th meeting, both Mr. Campoy and Mr. Caudill agreed they would not. Commissioner Melton asked if someone could contact the customers in the Peach Orchard area and give them an update of what was going on and why the project was not moving forward. Mr. Caudill informed him he would take care of that.
Chairman Tackett requested a motion to approve the authorization to bid the revised plans for the Peach Orchard Project pending funding. Commissioner Melton made the motion. Commissioner Chaney. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-01-007

4.) **Smith Fork of Meta DOT Bridge Replacement Project –** Mr. Campoy stated that EDC was selected by the MWD Board to provide engineering services on this project at the September 2024 meeting. He stated they were on site this week and had one plan sheet, he has requested a more detailed plan sheet so it could be determined where to move the water line. From there, EDC, with input from MWD, will prepare a preliminary water line relocation plan and cost estimate, as well as an engineering budget for submission to KYTC. Once these are approved, EDC finalized the plans and specifications for bidding.

5.) **Water Loss Reduction Plan, Phase 1 (ARPA Funds)** – Mr. Caudill stated the replacement tanks for Kendrick Fork and the Right Fork of Greasy Creek have been relocated to the sites. Telemetry sites are continuing to be installed and programmed. The District has used in-house personnel to repaint the Poorbottom Tank and materials have been purchased to repaint the Old House Tank. After no bids were received for the VFDs, the District obtained three quotes to move the project forward with the low quote provided by Service Pump and Supply. The remaining funds were being used to purchase equipment identified by the District and to pay for costs incurred by the District associated with the Poorbottom and Old House Tanks. Chairman Tackett asked about the Kendrick Fork and Right Fork of Greasy Creek tanks, if they were in use because the past several monthly reports had only stated they had been relocated. Mr. Caudill explained those tanks had been relocated and were in full use.

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

Brushy Fork/Sycamore Water Line Extension – Mr. Stephens stated there was a long delay to get the approval from the DOW, then had to wait for the parts to arrive because the contractor did not order them until it was approved. Due to the weather conditions the concrete pad was not able to pour because of the freezing weather and the new power drop had not been done either. It was discussed this project had been close to one year of completion and still was not closed. Mr. Stephens apologized for the delay and understood the aggravation to the district for the extended wait time.

Chairman Tackett 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 submitted. Commissioner Justice made the motion. Commissioner Runyon. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-01-008

PROJECT DRAWS:

The project draws were listed on page 3 of the packet. Chairman Tackett inquired on ISCO; Mrs. Hatfield explained that was for the fusion machine that was ordered, that was approved in August and was recently delivered. Mr. Wolford explained this was a portable fusion machine that could go up to an eight-inch pipe and explained. Chairman Tackett asked if anyone had any questions about the Project Draws. There were none.

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

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-01-009

PROJECT DRAWS:

Water Loss Reduction Plan

Bell Engineering	**ARPA Funds**	**$**	**623.00**
TOTAL:		**$**	**623.00**

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

1.) **Funding Update –** Ms. Olson stated the past week had been a little nerve wrecking because of the government freeze and thankfully that had been lifted because that would have affected the districts project funds and grants, as of now as far we know everything would move forward. Still had not heard from KYWATTERS funding agency; had applied for two projects, one for capital project and one for non-capital project; the capital project was for water treatment plan improvement; the non-capital project was to pay debt service and this funding would be one hundred percent forgivable because Pike County's home median income was below the state average. The capital project requested 2.4 million dollars for water treatment plant and the non-capital requested 1.15 million dollars for debt service. She expressed the necessity of water plant items such as pumps and motors to keep daily operations and the plant needed more updates and repairs.

2.) **Water Loss Update –** Ms. Olson explained the water loss updates; reports begin on thirty-eight of the packet; the percentage was up again this month. The Mountain Water form was 33.6% and the PSC form was 35.9% for December, those percentages were higher than previous. The annual water loss average was 27.8%, but was still below 2022 average; last year, 2023, finished at 22%. Ms. Olson explained water loss was always a constant battle, because of leaks and breaks. Once all the telemetry was installed then we would be able to monitor tank levels in real time and would help eliminate overflow. The amount sold was lower in December also and that was a major factor in water loss. The number of leaks repaired in December was down because of the weather temperature being so cold. The surcharge was in place this year 2024, was the accrual year for the funds; planned to repair leaks in the first year (2025) and the second year planned to begin with line replacements. Mr. Wolford explained during the freezing temperatures, MWD was lucky and did not have any issues. The only issue that occurred was when the county road contractor broke the line at Beefhide and caused the tank to drain. Mr. Taylor explained he felt that the homeowners had made updates on their side to prepare for freezing temps. Ms. Olson stated she felt that the staff had done an excellent job in trying to monitor and maintain the system.

3.) **Daily Operations Update -** Ms. Olson explained she did update the daily operations report; the only thing that was not updated was the PRV Pits and those would be included in some upcoming funding meetings. The District was under enforcement with DOW because of the TTHM violations for the purchased water from the City of Pikeville. She prepared a response letter to make counteroffer on penalty amount; she asked that the penalty amount be decreased from $25,000 down to $3,500; the DOW did not accept that offer, they came back with a minimal penalty of $12,500; now had to wait for the final response to begin the corrective action plan. Had met with David Messer at the water plant but was not sure of the idea he had about using ferric sulfur to reduce the ph or the carbon. The plan he suggested was very costly and not guaranteed to work. The district has an active flow water plant, which is a faster treatment plant. She stated that they would consider other organics that would work best in active flow system. The district would be changing to Mineral Labs for water samples testing beginning on February 1st and they explained they would advise on something that might would help. She explained the hold study that was done by David Messer and he led DOW to believe it was a fifty-fifty issue. She explained that at the Grapevine sample site, it was our produced water and was sent

to a location that was seven miles farther away from the source and went through four more tanks; that water was always in compliance, but time and temperature was a key factor; the distance to Elkhorn and the turnover on water took a lot of time. According to David Messer that was not something that could be considered because the water at Grapevine could have a faster turnover time than Elkhorn. The most promising solution would be the Ashcamp connector project so the District could pump our produced water to them. The City of Pikeville was under the same guidelines as we were, but the problem was their routine sample sites were not as far out as ours and they did not need to add extra treatment, and they were always in compliance. The purchased water would be out of compliance with TTHM's before it got to our sample site or purchase point. She reminded them of having a personnel committee meeting as soon as possible to review the personnel policy.

4.) **Authorization to Advertise for Bid Two Pick-up Trucks** – Ms. Olson explained that in the new yearly budget included five trucks, and these trucks would be two of five. She felt the district needed to get these bids out because most dealerships would have to order them and that could take some time. Mr. Keathley explained that it was a slow process of getting any vehicle.
Chairman Tackett requested a motion for the approval to advertise for bid two pickup trucks. Commissioner Melton made the motion. Commissioner Justice seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-01-010

5.) **Authorization to Advertise for Bid Two Storage Building** – Ms. Olson explained this was for the Belfry location at Pegs Branch and the Marrowbone lot at Harless Creek (WTP), these buildings were included in the budget. She felt this needed to be started so they could begin construction in the spring. These building would be used for storage for equipment and other items at satellite locations. The quotes came in at over $40,000 so they required bidding. These are pole-bran style buildings that are framed with concrete floors, insulation, and garage doors.
Chairman Tackett requested a motion for the approval to advertise for bid two storage buildings. Commissioner Melton made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-01-011

6.) **Schedule Commissioner Training for 2025 -** Ms. Olson referred the commissioners to page 76 of the packet to review the dates and locations of the 2025 Commissioner Training. She recommended that they contact Mrs. Wright with their requested time and location. Commissioner Justice, Melton and Chaney said they would attend the Carter Caves location.

MANAGER'S REPORT (continued)

Ms. Olson told the Commissioners more information on managers' reports that could be reviewed at their leisure. They had reports in the packets that showed the delinquents, customer count, gallons sold, meters changed, bacteriological samples, payments made, etc. on following reports in packet. She continued that the number of payments and payment types were listed, the number of gallons of water and sewer the District sold for the month. Chairman Tackett questioned the percentage on the gallons sold, Ms. Olson said that she would check to make sure it was calculated correctly.
Chairman Tackett requested a motion to accept the Manager's Report as presented. Commissioner Runyon made the motion. Commissioner Melton seconded Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-01-012

ADJOURN MEETING

Chairman Tackett requested a motion to adjourn today's special meeting. Commissioner Melton made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-01-013

MOUNTAIN WATER DISTRICT
BOARD OF COMMISSIONERS REGULAR MEETING

February 27th, 2025
4:00 PM

ATTENDEES
Jim Vanover, Vanover, Hall, Bartley & Ward Law Firm
Tim Campoy, EDC
Stephen Caudill, Bell Engineering
Mark Stephens, Summit Engineering
Tammy Olson, General Manager
Carrie Hatfield, Chief Financial Officer
Kevin Lowe, Billing/Office Manager
David Taylor, RGIS Coordinator
Melissa Wright, Compliance Manager
David Wolford, Operations Manager
Jamey Keathley, Wastewater Supervisor
Terry L. May, Appalachian News Express

PLEDGE OF ALLEGIANCE
Vice Chairman Justice led the assembly in the Pledge of Allegiance.

PRAYER
Commissioner Myrtle Runyon led the assembly in an opening prayer.

CALL TO ORDER AGENDA ITEM I
The Mountain Water District Board of Commissioners' Regular Meeting was held on Thursday, February 27th, 2025, at 4:00pm

Commissioners present for the meeting were as follows:

Randy Tackett - Absent
Mitch Justice, Vice Chairman
Myrtle Runyon, Treasurer
Paul Chaney, Secretary
Burt Melton, Commissioner

VISITORS
There were none.

APPROVAL OF MINUTES AGENDA ITEM II
After review of the minutes, Vice Chairman Justice requested a motion to approve the minutes of the Regular Meeting held on Thursday, January 30th, 2025. Commissioner Melton made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Absent
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-02-001

FINANCIAL REPORT – CARRIE HATFIELD, C.F.O **AGENDA ITEM III**

Mrs. Hatfield explained the Financial Report as followed: Cash in Bank at the end of January was $255,591; Accounts Receivable was $1,562,945; Plant in Place was $174,902,018; Accounts Payable was $652,894, this was less than previous month; Equity was $95,271,163; Revenue for the month of January was $1,172,323; Utility Operating Expenses for the month of January was $1,240,163; Loss for the month, $98,653, included in the loss was Deprecation Expenses of $335,997. Operating income was negative for $67,840; Cash decreased for the month of January, $44,219; the current Operating account balance as of January 31st was $251,415. Currently fully funded in the reserves; KIA Reserve was $926,278 and the RD Reserves was $920,034, respectfully; O&M Reserve was $34,474; will transfer $41,000 to the sinking fund to make sure there were enough funds to pay the debt service. She then referred to page 15 of the packet, to review the Total Sales, in January it was $1,172,323, it was higher this month than previously. Then referred to page 16 of the packet, the expenses for the month; water purchased from Williamson were $44,252, was higher than previous; water purchased from the City of Pikeville was $60,527, was higher than previous; Chemicals for the month was $19,317. She then referred to page 17 for the electrical expenses were $163,399, which was high again this month because of the cold temperatures; R&M was lower in January at $44,032. She continued that everything looked good, and nothing was out of the ordinary. Vice Chairman Justice asked if anyone had any questions on the finical report. There were none. Vice Chairman Justice requested a motion to accept the financial report as presented. Commissioner Chaney made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Absent
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-02-002

- **Renewal of Revolving Line of Credit –** Mrs. Hatfield referred to page 14 of the packet to review the revolving credit line, Mrs. Hatfield explained the interest rate would not change, the current balance on the account was $192,677, and the district used of this during emergency times, this would renew every two years.
  Vice Chairman Justice requested a motion to approve the renewal of the revolving line of credit. Commissioner Runyon made the motion. Commissioner Melton seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Absent
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

  Upon Commissioner voting, the motion was carried and passed.
  Resolution 25-02-003

- **Use of Excess Funds for Flood Repairs – Ms. Olson** explained the district had incurred a lot of extra cost because of the flood event and this would help cover those cost. The district had couple bores, may have couple more, employee overtime and other contractor related costs. These were funds that were excess reserve funds (KIA and RD Reserve) through the years, the projected extra cost would be about $400,000. Mrs. Hatfield stated that she had received an email confirmation that the funds were available and could be transferred to the operating account. Ms. Olson stated once the district received funds from FEMA or other disaster relief funds it could be put back if the board required.
  Vice Chairman Justice requested a motion to approve the CFO to transfer the reserve funds in the amount of $400,000 to the operating account to cover flood related costs. Commissioner Chaney made the motion. Commissioner Melton seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Absent
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-02-004

PAYMENT OF BILLS AGENDA ITEM IV

Ms. Olson stated the payment of bills began on page 16 with the Cash Disbursement and the Payable and Payment List began on page 19 of the packet. Vice Chairman Justice inquired on Aqua Aerobics; Mr. Keathley replied that was the Freeburn Wastewater Treatment Plant manufacture. Vice Chairman Justice asked if anyone had anyone questions or comments on the payment of bills. There were none.
Vice Chairman Justice requested a motion to approve the payment of bills as presented. Commissioner Runyon made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Absent
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-02-005

CUSTOMER ADJUSTMENTS AGENDA ITEM V

Copy of the customer adjustments for January 2025 began on page 26 of the packet; Mr. Lowe explained the number of adjustments and the amount doubled from last month; he stated that the numbers would be higher next month because of an extremely large adjustment for Parkview Nursing Home, their adjustment was over one hundred eighteen thousand dollars, but they were billed for over three million gallons of water in the month of January. Mrs. Hatfield stated she had already made an adjustment entry to balance the financials for the large amount. After the board reviewed the adjustments, Vice Chairman Justice asked if there were any questions. There were none.
Vice Chairman Justice requested a motion to approve the Customer Adjustments as submitted, in the amount of $22,192.82. Commissioner Melton made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Absent
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-02-006

CONSTRUCTION REPORT AGENDA ITEM VI

Update by Bell Engineering/EDC Tim Campoy, P.E. / Steve Caudill, P.E.

1.) **Fishtrap Hydraulic Modification Project** – Mr. Campoy explained that EDC was a sub-consultant to Bell Engineering on this project; As discussed in the September meeting, EDC and MWD had developed a plan that was believed to result in lowering the bids to be within budget by utilizing MWD labor and equipment as “in kind” services to install certain materials purchased through the project funding. Modifications reflecting this concept had been made to the plans and were submitted back to the funding agency on October 1st, requested approval to readvertise the project for bid. Finally received correspondence from the reviewer on February 19th, provided several comments. He continued that they addressed these and resubmitted the package on February 24th. Awaiting

permission from the funding agency to re-bid the project. Also reviewed comments have been received from Rural Development.

2.) **Kimper DOT Line Relocation Project at Kellogg's –** Mr. Caudill stated the KYTC had accepted the final construction plans, cost estimates and the District's technical specifications. The KYTC plans included the waterline relocation work as part of the overall road contract. There has been no change in the status of this project and it was in the Department of Transportation hands.

3.) **Capital Infrastructure Replacement Project/Peach Orchard Water Line Extension** – Mr. Campoy explained EDC was a sub-consultant to Bell Engineering on this project, waterlines and related appurtenances would be replaced and/or relocated at Smith Fork (Phelps), Dorton Hill and Big Branch (Marrowbone). Approval has been received for all the projects, from the Drinking Water Branch, the Stream Crossing Branch, and the Transportation Cabinet. Smith Fork and Big Branch have also been submitted to the USA Corp of Engineers and they were under review. Mr. Caudill stated the modifications should have brought the Peach Orchard Project within budget. The revised project had been approved by the Division of Water and permission has been requested by Sharon Hall from KIA to rebid the project. Mr. Caudill continued that an update would be mailed to the property owners as soon as the project was readvertised. The project submittals had been prepared for the Division of Water and KYTC submittals for Pike Central and Adams Branch.

- **Request Permission to Bid Peach Orchard -** Mr. Caudill explained the plans that had been modified to bring the project into budget; he requested approval from the board to rebid the revised plans for the Peach Orchard Project.
  Vice Chairman Justice requested a motion to approve the authorization to bid the revised plans for the Peach Orchard Project pending funding. Commissioner Melton made the motion. Commissioner Chaney. Commissioner voting as follows:

Commissioner Tackett	Absent
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

  Upon Commissioner voting, the motion was carried and passed.
  Resolution 25-02-007

3.) **Smith Fork of Meta DOT Bridge Replacement Project –** Mr. Campoy stated that EDC was selected by the MWD Board to provide engineering services on this project at the September 2024 meeting. Have currently prepared the preliminary water line relocation plan and cost estimate, as well as an engineering budget for submission to KYTC; this should be completed this week. Once these are approved, EDC will finalize the plans and specifications for bidding.

4.) **Water Loss Reduction Plan, Phase 1 (ARPA Funds)** – Mr. Caudill stated the work was complete except the work the District was self-performing. The telemetry sites continued to be installed and programmed. Mr. Wolford stated the telemetry had helped tremendously during the flood event. The District has used in-house personnel to repaint the Poorbottom tank and materials have been purchased to repaint the Old House tank when temperatures were appropriate. VFDs for the pump stations have been delivered. The remaining funds were used to purchase equipment identified by the District for the Water Treatment Plant.

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

Brushy Fork/Sycamore Water Line Extension – Mr. Stephens stated BOCA was onsite the week of February 10th to 14th. They had completed the conduits for the electrical and the communication cable between the concrete pad, power drop, and meter vault. He continued they had placed the concrete pad; the yard hydrant and hose mount were also installed. BOCA had discovered the chlorinator had not been shipped completed and had parts missing; their supplier opted to reorder the prefabricated chlorinator unit completed. BOCA was not given a definitive ship date but was checking on it. When a delivery date was received, BOCA would be able to move forward with the installation and startup quickly. Mr. Stephens that Summit would update MWD on the anticipated delivery date as soon as it was available. MWD, BOCA, and AEP would need to coordinate installation of the electric

meter and new power service for the chlorinator. The pole and meter base are installed. Again, Mr. Stephens apologized for the delay and understood the aggravation to the district for the extended wait time. Vice Chairman Justice if anyone had any questions about the Engineer/Construction Report. There were none.

Vice Chairman Justice requested a motion to accept the Engineer/Construction Report as submitted. Commissioner Runyon made the motion. Commissioner Chaney. Commissioner voting as follows:

Commissioner Tackett	Absent
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-02-008

PROJECT DRAWS:

The project draws were listed on page 3 of the packet. Ms. Olson explained there was only one draw this month, for Consolidated Pipe Supply for the lead service line inventory project. She continued that she had sent the information to the funding agency that was requested about the twenty-four-month vehicle lease; that project would not move forward until the funding was approved. Vice Chairman Justice asked if anyone had any questions about the Project Draws. There were none.
Vice Chairman Justice requested a motion to approve the Project Draws as presented. Commissioner Melton made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Absent
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-02-009

PROJECT DRAWS:

Lead Service Line Inventory Project

Consolidated Pipe & Supply	**KIA Funds**	**$ 2,292.50**
TOTAL:		**$ 2,292.50**

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

1.) **Funding Update –** Ms. Olson stated she had received some good news, the K.Y. WATTERS projects had been approved; the district was awarded approval for both projects; payoff debt service was over one million dollars and water treatment plant updates was about two million dollars. Still had to go before the legislative for final approval. She continued there were one hundred percent forgivable loans because of the counties' low-income median. The district received approval from the PSC allowing the district to spend the first year's surcharge money, they approved the revised plan that was submitted in December. The district will be purchasing new leak detection equipment, two new trucks and a tailer in year one of the surcharge money.

2.) **Water Loss Update –** Ms. Olson explained the water loss updates; reports begin on thirty-three of the packet; the percentage was up again this month. The Mountain Water form was 36.84% and the PSC form was 38.69% for January, those percentages were higher than previous. The total water produced and purchased was higher but the sales were not high enough to offset the difference for water loss. She explained that since the freeze, we had the flood event and next month's percentage would be high also.

3.) **Daily Operations Update -** Ms. Olson began by commending the staff for the tremendous work they did during the massive flooding and the minimal turnaround time for restoration. At the beginning of the flood event, the district had close to eleven thousand customers out of water and majority of the customers have been restored at this time. Mr. Wolford explained the barge pump in the river had flipped, it's a floating pump and the waters were so swift that all four tie downs were broken; was able to flip it back around and now had it attached to the crane truck so it could not float away until the water calmed down. He continued that there were river crossings that were washed out, main line creek crossings and several main eight-inch line breaks. The outages were county wide, not just on one side as they had been in the past. Also did not have night crew for several days because of the damage to roadways that had not been marked. Mr. Wolford explained to the board it was not a moan power issue, it was a water issue; it could get one area restored but the residents below would be pressure washing and cleaning, which would pull water from other areas. The field crew had a challenging time getting tanks filled and pumped out, it took time to get water pumped to the tanks and fill the lines. The field staff have completed emergency repairs and now have started on permanent repairs; she also stated that during this event the district paused delinquent disconnections, but plans to resume them as of April 1st, and the staff have done an excellent job in trying to monitor and maintain the system. She continued that the wastewater crew did an exceptional job, Mr. Keathley had always done an excellent job on making their repairs; Mr. Keathley stated all the lift station and package plants were back up within one week. He stated that now there were numerous grinder pumps that needed to be replaced. Many of those did not alarm until the water and power were restored to the homes. Ms. Olson explained to the board that she was looking for ways to help customers that had been affected by the flooding, ideals about decreasing the cost of services and making sign up for services more accessible for those affected; she suggested to maybe waive deposits and allow customers to complete new service by email. After further discussion, it was recommended to have the customers provide proof from FEMA that their residence had been affected.

4.) **Authorization to Award Bid for Two Pick-up Trucks** – Ms. Olson explained these were in the budget and were two of the five budgeted for. She referred to the bid tab on page 48; recommended the board to award the bid to Walters for the two Nissan Frontiers. She explained that the Toyota Tacoma's were on hold until August 2025 due to safety recall. Mr. Keathley explained that there was a trade in and $1500 rebate; the trade in truck was a Nissan with over two hundred thousand miles and he did not fell the Ford Maverick would hold up to the specs needed and they were all wheel drive instead of four wheel drive. Paul Miller Ford submitted a bid for Ford Rangers and Ford Mavericks but those cost more than the Frontiers. These two trucks would be used in the meter department and the Frontiers would be sufficient for their needs. Ms. Olson recommended the board award the bid to Walters Nissan for the two Frontiers: one in the amount of $34,959 and the other in the amount of $36,459.
Vice Chairman Justice requested a motion for the approval to award the bid for the two pickup trucks to Walters Nissan to purchase two Nissan Frontiers. Commissioner Melton made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Absent
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-02-010

5.) **Authorization to Award Bid for Two Storage Building** – Ms. Olson referred to page 49 for the bid tab on the storage buildings. She explained this was for the Belfry location at Pegs Branch and the Marrowbone lot at Harless Creek (WTP), these buildings were included in the budget, these buildings would be used for storage, equipment, and other items at the two satellite locations. Quotes were taken and they came in at over $40,000 so they required bidding, these would be pole-bran style buildings that are framed with concrete floors, insulation, and garage doors, the buildings would be built identically. Two bids were received, one for each location from the same contractor, JC Guttering, for $52,000 each.
Vice Chairman Justice requested a motion to award the bid for two storage buildings to JC Guttering. Commissioner Runyon made the motion. Commissioner Melton seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Absent
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-02-011

6.) **Approval of the Updated Personnel Policy –** Ms. Olson referred to page 50 of the packet to review the changes to the policy that was discussed and agreed with the personnel committee. The policy had not been revised since the transition in 2016, there had been some amendments in 2017, and 2018.Ms. Olson stated that mostly the changes were clarification changes and updated the boot allowance for the field staff had been increased to $200 twice a year; amended the maximum accrual of sick time to two hundred hours; added a holiday, Martin Luther King Day, this day was added because the banks and post offices were closed and also the county was closed that day. The sick time accrual was amended from 160 hours to two hundred hours. There were not any major updates, some revising and minor things to change. She stated the personnel committee, Commissioner Runyon and Commissioner Melton attended the meeting and agreed on those changes and needed the board's approval and resolution.

Vice Chairman Justice requested a motion for approval of the updated personnel policy. Commissioner Melton made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Absent
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-02-012

7.) **Authorization to Advertise for Surplus Truck #140, 2012 Chevy 2500 –** Ms. Olson explained this truck has some rust and frame damage, referred to page 53 for pictures of frame damage; she felt the truck was not safe for the district to use for hauling equipment and felt it would a liability to district if it was used. Truck #140 had been used as a spare but not everyday driving truck. Mr. Keathley stated he felt the truck would bring at least $2500, the utility bed was in good condition and was worth that much. The bid reserve was set at $2500 for the truck and sold as is.

8.) **Authorization to Advertise for Surplus 2005 Equipment Trailer** – Ms. Olson explained this trailer was not used any longer because of the one that was purchased last year, 2024, to haul the excavator. The trailer needed repairs because of the excavator being over the weight limit for trailer load and it was an old trailer that had lots of wear on it. Mr. Keathley explained the trailer would bring at least $3500 because they were selling in the marketplace for that amount or more. This would be sold as is also.

Vice Chairman Justice requested a motion to advertise for surplus truck #140, with a reserve of $2500, as is and the equipment trailer, with a bid reserve of $3500, as is. Commissioner Runyon made the motion. Commissioner Melton seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Absent
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-02-013

MANAGER'S REPORT (continued)

Ms. Olson continued with the request for information about the cost-of-service study, information began on page 56; she asked the board to review the submitted information and it would be discussed next month, March, meeting. She also explained that in the yearly budget it included some office building maintenance, received three quotes; within the next couple of weeks some of the flooring in the office would be replaced and some painting would be done. She continued to explain information on the managers' reports that could be reviewed at their leisure. They had reports in the packets that showed the delinquents, customer count, gallons sold, meters changed, bacteriological samples, payments made, etc. on following reports in packet. She continued that the number of payments and payment types were listed, the number of gallons of water and sewer the District sold for the month.
Vice Chairman Justice requested a motion to accept the Manager's Report as presented. Commissioner Chaney made the motion. Commissioner Runyon seconded Commissioner voting as follows:

Commissioner Tackett	Absent
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-02-014

Executive Session

a. **Pursuant to KRS 61.810 (1)(c) to discuss the District's litigation strategy with regard to current and potential litigation and the District's contracts, as well as KRS 61.810 (1)(f) to discuss a specific personnel matter.**

Convene to Executive Session

Vice Chairman Justice requested motion to convene to Executive Session. Commissioner Melton made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Absent
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-02-015

Reconvene from Executive Session

Vice Chairman Justice requested motion to reconvene from Executive Session. Commissioner Runyon made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Absent
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-02-016

COMMISSIONER COMMENTS

Vice Chairman Justice stated the board agreed for Tammy Olson and Jim Vanover to engage with Eva Par and Generac.

ADJOURN MEETING

Vice Chairman Justice requested a motion to adjourn today's Regular meeting. Commissioner Melton made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Absent
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-02-017

MOUNTAIN WATER DISTRICT
BOARD OF COMMISSIONERS REGULAR MEETING

March 27th, 2025
4:00 PM

ATTENDEES
Jim Vanover, Vanover, Hall, Bartley & Ward Law Firm
Mike Spears, Michael Spears CPA, PSC
Tim Campoy, EDC
Stephen Caudill, Bell Engineering
Matt Jolly, Summit Engineering
Tammy Olson, General Manager
Carrie Hatfield, Chief Financial Officer
Melissa Wright, Compliance Manager
David Wolford, Operations Manager
Jamey Keathley, Wastewater Supervisor
Jason Sesco, Shelby Valley Supervisor
Kris Dills, Night Shift Supervisor
Terry L. May, Appalachian News Express

PLEDGE OF ALLEGIANCE
Commissioner Melton led the assembly in the Pledge of Allegiance.

PRAYER
Vice Chairman Justice led the assembly in an opening prayer.

CALL TO ORDER AGENDA ITEM I
The Mountain Water District Board of Commissioners' Regular Meeting was held on Thursday, March 27th, 2025, at 4:00pm

Commissioners present for the meeting were as follows:

Randy Tackett - Absent
Mitch Justice, Vice Chairman
Myrtle Runyon, Absent
Paul Chaney, Secretary
Burt Melton, Commissioner

VISITORS
There were none.

APPROVAL OF MINUTES AGENDA ITEM II
After review of the minutes, Vice Chairman Justice requested a motion to approve the minutes of the Regular Meeting held on Thursday, February 27th, 2025. Commissioner Melton made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Absent
Commissioner Justice	Aye
Commissioner Runyon	Absent
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-03-001

FINANCIAL REPORT – MICHAEL SPEARS, CPA, PSC AGENDA ITEM III

Mr. Spears explained the Financial Report as followed: Cash in Bank at the end of February was $278,387; Accounts Receivable was $1,621,167; Plant in Place was $174,957,502; Accounts Payable was $651,593, this was less than previous month; Equity was $95,108,321; Revenue for the month of February was $1,074,539; Utility Operating Expenses for the month of February was $1,184,231; Loss for the month, $140,882, included in the loss was Deprecation Expenses of $335,997. Operating income was negative for $109,683; Cash decreased for the month of February, $27,257; the current Operating account balance as of February 28th was $273,286. Currently fully funded in the reserves; KIA Reserve was $926,278, this was before the funds were transferred to cover flood related expenses; the RD Reserves were $922,151, respectfully; O&M Reserve was $34,474; will transfer $41,000 to the sinking fund to pay the debt service. Ms. Olson explained the repairs cost more than calculated because of several large bores and extensive overtime, she asked the board to approve one more transfer of one hundred thousand dollars. Mr. Spears explained that if the amounts in the reserve accounts went under two hundred thousand dollars, the district would have to make monthly payments to stay above the required amount. He then referred to page 15 of the packet, to review the Total Sales, in February it was $1,074,538, it was lower this month than previous. Then referred to page 16 of the packet, the expenses for the month; water purchased from Williamson was $45,213, was higher than previous; water purchased from the City of Pikeville was $96,039, was higher than previous; the increased amount of purchased water was because of the flood event. He then referred to page 17 for the electrical expenses were $126,492, which was average month; R&M was lower in February at $28,936. He continued that everything looked good, and nothing was out of the ordinary. Vice Chairman Justice asked if anyone had any questions on the finical report. There were none.

Vice Chairman Justice requested a motion to accept the financial report as presented. Commissioner Melton made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Absent
Commissioner Justice	Aye
Commissioner Runyon	Absent
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-03-002

- Ms. Olson explained that during the flood event the district had several bores that had to be done for emergency repairs to have water restored to several areas and those bores were expensive; also, the district had excessive overtime because crews had to work more hours to make repairs for water restoration. She expressed the necessity of transferring one hundred thousand dollars from RD Reserves to the operating account to help cover food-related expenses.
  Vice Chairman Justice requested a motion to approve the CFO, Mrs. Hatfield, to transfer one hundred thousand dollars from RD Reserves to the operating account for flood-related expenses. Commissioner Chaney made the motion. Commissioner Melton seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Absent
Commissioner Justice	Aye
Commissioner Runyon	Absent
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-03-003

PAYMENT OF BILLS AGENDA ITEM IV

Ms. Olson stated the payment of bills began on page 15 with the Cash Disbursement and the Payable and Payment List began on page 20 of the packet. Vice Chairman Justice asked if anyone had anyone questions or comments on the payment of bills. There were none.

Vice Chairman Justice requested a motion to approve the payment of bills as presented. Commissioner Melton made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Absent
Commissioner Justice	Aye
Commissioner Runyon	Absent
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-03-004

CUSTOMER ADJUSTMENTS AGENDA ITEM V

Copy of the customer adjustments for February 2025 began on page 30 of the packet; Ms. Olson explained this was probably the largest dollar amount the district had for leak adjustments. Parkview Nursing Home had large adjustments but the majority was for sewer because the adjustment form allows for the sewer to be adjusted to the average monthly usage unlike the water. After the board reviewed the adjustments, Vice Chairman Justice asked if there were any questions. There were none.
Vice Chairman Justice requested a motion to approve the Customer Adjustments as submitted, in the amount of $154,544.47. Commissioner Melton made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Absent
Commissioner Justice	Aye
Commissioner Runyon	Absent
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-03-005

CONSTRUCTION REPORT AGENDA ITEM VI

Update by Bell Engineering/EDC Tim Campoy, P.E. / Steve Caudill, P.E.

1.) **Fishtrap Hydraulic Modification Project** – Mr. Campoy explained that EDC was a sub-consultant to Bell Engineering on this project. As discussed in the September meeting, EDC and MWD had developed a plan that was believed to lower the bids to be within budget by utilizing MWD labor and equipment as "in kind" services to install certain materials purchased through the project funding. He continued that they had addressed reviewer comments and resubmitted the package on February 24th. The reviewer had not responded to us. Now to wait for permission from the funding agency to re-bid the project.

2.) **Kimper DOT Line Relocation Project at Kellogg's –** Mr. Campoy stated the KYTC had accepted the final construction plans, cost estimates and the District's technical specifications. The KYTC planned to include the waterline relocation work as part of the overall road contract. He continued there had been no change in the status of this project.

3.) **Smith Fork of Meta DOT Bridge Replacement Project –** Mr. Campoy stated that EDC was selected by the MWD Board to provide engineering services on this project at the September 2024 meeting. Have currently prepared the preliminary water line relocation plan and cost estimate, as well as an engineering budget for submission to KYTC; this should be completed this week. Once these are approved, EDC will complete the plans and specifications for bidding.

- **Approval of the KYTC Contract of Engineering Services for Smith Fork Bridge Replacement –** Ms. Olson stated that legal counsel had reviewed and approved the contract. Vice Chairman Justice requested a motion to approve the General Manager, Tammy Olson, to sign the contract for the Smith Fork Bridge Replacement; legal counsel had reviewed contract. Commissioner Melton made the motion. Commissioner Chaney. Commissioner voting as follows:

Commissioner Tackett	Absent
Commissioner Justice	Aye
Commissioner Runyon	Absent
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-03-006

4.) **Capital Infrastructure Replacement Project/Peach Orchard Water Line Extension** – Mr. Campoy stated EDC was a sub-consultant to Bell Engineering on this project, where waterlines and related appurtenances will be replaced and/or relocated at Smith Fork (Phelps), Dorton Hill and Big Branch (Marrowbone). He continued that approval had been received for all projects, from the Drinking Water Branch, the Stream Crossing Branch, and the Transportation Cabinet; still had to wait for approvals for Smith Fork and Big Branch from the USA Corp of Engineers, they were still under review. Mr. Caudill explained that bids for the Peach Orchard Water Line Extension Project were opened on March 24th, 2025. There was a total of six (6) plan holders for the project but only one (1) bid submitted. He continued that the low bid was submitted by Precision, Inc. in the amount of $217,702.80 compared to an Opinion of Probable Construction Cost in the amount of $214,525.00. A copy of the Review of Bids letter was attached. The project plans, specs and permit applications were complete for the Division of Water and KYTC submittals for Pike Central and Adams Branch. He explained that Precision Inc could complete the project, the company had complimentary reviews and currently was the district's horizontal drilling/boring contractor right now.

- **Award Bid for Peach Orchard WL Extension -** Mr. Caudill explained the plans that had been modified to bring the project into budget; he explained that six plan holders were requested but only bid was submitted, Precision, Inc in the amount of $217,702.80, which was comparable to construction cost in the amount of $214,525. Search for information that was filed with KY Secretary of State indicated that Precision, Inc had been in business since 2007, address of business was in Whitesburg, KY. He continued that Precision, Inc was the company that did the bores for the district; other references were provided as well. They had completed work for Knot County Water line replacement, boring and drilling, They had completed water line extensions in Perry County and the City of Whitesburg, the references were reputable and their work was acceptable. Mr. Caudill recommended the board to award the bid to Precision, Inc the bid for the Peach Orchard WL Extension Project.

Vice Chairman Justice requested a motion to award the bid for the Peach Orchard WL Extension Project to Precision, Inc in the bid amount of $214,525. Commissioner Chaney made the motion. Commissioner Melton. Commissioner voting as follows:

Commissioner Tackett	Absent
Commissioner Justice	Aye
Commissioner Runyon	Absent
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-03-007

5.) **Water Loss Reduction Plan, Phase 1 (ARPA Funds)** – Mr. Caudill stated the work was completed except for the work the District was self-performing. The telemetry sites were installed and programming was being tweaked. He continued that the materials had been purchased to repaint the Old House Tank when the temperatures were appropriate; there is a hole in the tank that will be welded prior to repainting. The VFD's for the pump stations have been delivered. He stated the remaining funds were being used to purchase equipment identified by the District for the Water Treatment Plant.

Update by Summit Engineering, Matt Jolly, P.E.

Brushy Fork/Sycamore Water Line Extension – Mr. Jolly stated the chlorine booster unit has been delivered. The contractor confirmed their schedule to mobilize Friday, March 28th and complete the installation of the equipment and perform startup; the final site restoration and cleanup was to follow.

Vice Chairman Justice if anyone had any questions about the Engineer/Construction Report. There were none.
Vice Chairman Justice requested a motion to accept the Engineer/Construction Report as submitted. Commissioner Melton made the motion. Commissioner Chaney. Commissioner voting as follows:

Commissioner Tackett	Absent
Commissioner Justice	Aye
Commissioner Runyon	Absent
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-03-008

PROJECT DRAWS:

The project draws were listed on page 2 of the packet. Ms. Olson explained there was only one draw this month, for Bell Engineering for the Water Loss Reduction Plan Phase 1. She continued that she had sent the information to the funding agency that was requested about the twenty-four-month vehicle lease; that project would not move forward until the funding was approved. Vice Chairman Justice asked if anyone had any questions about the Project Draws. There were none.
Vice Chairman Justice requested a motion to approve the Project Draws as presented. Commissioner Chaney made the motion. Commissioner Melton seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Absent
Commissioner Justice	Aye
Commissioner Runyon	Absent
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-03-009

PROJECT DRAWS:

Water Loss Reduction Plan Phase 1

Bell Engineering	**ARPA Funds**	**$ 9,895.00**
TOTAL:		**$ 9,895.00**

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

1.) **Funding Update –** Ms. Olson stated the KY WATTERS projects had been approved; the district was awarded approval for both projects; payoff debt service was over one million dollars and water treatment plant updates was about two million dollars. Still had to go before the legislative for final approval. She continued there were one hundred percent forgivable loans because of the counties' low-income median. She stated the district had received approval, today, the ARPA funds for the trucks and extra staff for the phase I of the water loss reduction plan. The district would purchase new leak detection equipment, two new trucks and a tailer in year one of the surcharge money.

2.) **Water Loss Update –** Ms. Olson explained the water loss updates, the percentage down this month. The Mountain Water form was 28.14% and the PSC form was 28.9% for February. The numbers were lower and that was because of the substantial number of leak adjustments. Any time there is a major flood or freeze event it would increase the water loss. The flushing numbers had always been calculated by a formula and now with all the telemetry, the numbers are true and not calculated; real numbers were being used and those were not as high because of the leaks that had been repaired. Ms. Olson explained that the PSC set the water loss percentage and it was the same for all water utilities, regardless of the size. The district had a lot of aged infrastructure that needed to be replaced or repaired and the surcharge money would be spent to help bring the percentage down.

3.) **Daily Operations Update -** Ms. Olson stated the district had begun with phase two of the flood repairs, which was permanent work. The filed crews had slowed down on permanent repairs because of the county and state departments dredging creeks and ditches. She continued that the wastewater crew had been changing pumps and they now received those calls because people gone back to their homes. Mr. Keathley stated they had changed out over one hundred grinder pumps within two months. Ms. Olson stated that the district would resume with delinquent disconnects on April 1st, this was paused during the flood event.

4.) **Authorization to for General Manager, Tammy Olson, to sign FEMA Documents -** Ms. Olson explained this was not required, but she felt that it needed to be approved just in case something came up in the future she would have a signed resolution.
Vice Chairman Justice requested a motion to authorize the General Manager, Tammy Olson, to sign FEMA documents. Commissioner Melton made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Absent
Commissioner Justice	Aye
Commissioner Runyon	Absent
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-03-010

5.) **Authorization to Declare Melissa Wright as Applicants Agent for FEMA -** Ms. Olson explained that Mrs. Wright would be the district's liaison with FEMA and the state agency. Mrs. Wright would now manage providing project documentation and consults with FEMA and KYEM as project questions arise.
Vice Chairman Justice requested a motion to declare Melissa Wright as the district's applicant agent for FEMA. Commissioner Chaney made the motion. Commissioner Melton seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Absent
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Absent
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-03-011

6.) **Authorization to Advertise for Surplus Old Water Storage Tank -** Ms. Olson explained this was the old Poorbottom tank that was mentioned in the January meeting to surplus, but Chairman Tackett had requested to contact Southern Corrosion to get a quote to rehabilitate the tank. Him and Mr. Wolford met with a representative (Jason) at Douglas to look at the tank. The cost to restore the tank would be over ninety thousand dollars, a new tank with a warranty would cost about one-hundred fifty thousand dollars so there would not be much cost savings; also, the district did not need another tank right now. Mr. Wolford explained that there was a lot of money to pay out with no warranty and no guarantee that it would last for several years and the district does not need a tank right now. It was discussed that there would be a reserve set for five hundred dollars on the tank and the buyer would manage moving or hauling the tank and selling as is.
Vice Chairman Justice requested a motion for authorization to advertise for surplus the old water storage tank. Commissioner Melton made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Absent
Commissioner Justice	Aye
Commissioner Runyon	Absent
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-03-012

7.) **Selection of Cost of Study Firm –** Ms. Olson explained that the board had decided to perform a rate study every three years and wanted to do a cost-of-service study to see if a case was necessary. The last rate case was miscalculated and the district had gone back to the PSC to try to clarify some discrepancies; the PSC suggested to open new case because they would not re-open a closed case.

she had sent out three request for qualifications from three firms and received responses from two of them: JS Lawless Consulting, Mr. Lawless was now retired from the PSC and was familiar with what would be required. On the listed page were all his cases that he worked on while at the PSC. The cost of up to 250 hours is $37,500 and any after that would be prorated. The other quote received was from PDR Engineering, they also had excellent experience but not so much with districts, they had more experience with more municipalities or cities which are not regulated by the PSC. Their base price was $39,150 but did not include any exhibits or testimonies to where Lawless would not. Ms. Olson explained this did not mean that the district would need a rate case but a cost-of-service study would determine so. Ms. Olson recommended JS Lawless Consultants because of his past PSC experience and cost.

Vice Chairman Justice requested a motion for authorization to approve JS Lawless Consulting to complete the district's cost of service study to see if a new rate case was needed. Commissioner Melton made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Absent
Commissioner Justice	Aye
Commissioner Runyon	Absent
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-03-013

8.) **Authorization to Change Mountain Water District Logo –** Ms. Olson referred to page 55 of the packet with a picture of the new logo, this was not a drastic change in comparing it to the current logo, it still had the mountains and water. She stated the new logo had been used recently for the sign and area rug in the conference room and felt it gave the district a fresh start. This would be a slow phase to get everything up to date with the new logo because the billing statements and delinquent notices were pre-ordered so what was on hand had to be used first. Mr. Keathley stated he would start ordering emblems for the fleet stock with the new logo but it would take time to phase it in. Ms. Olson continued that what was on hand now with the current logo would be used and not wasted but as supplies were reordered it would be with the new logo. She stated she had talked with Chairman Tackett about this and he was fine with the change.

Vice Chairman Justice requested a motion for authorization to approve the change of the district's logo. Commissioner Melton made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Absent
Commissioner Justice	Aye
Commissioner Runyon	Absent
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-03-014

9.) **Approval of Flood Victims Adjustments –** Ms. Olson stated that she was notified one weekend about a post circulating on Facebook battering the district. The complaint was that an elderly lady who was raising her grandkids got flooded during the February flood event and lost everything. The lady was now living in a camper in a friends/relative's yard along with the grandkids. The lady's bill was little over thirty-six hundred dollars and not four thousand that was posted on social media. Ms. Olson explained that she had reached out to contact the lady and explained to her she would review the account on Monday morning and see what could be done to help her. She explained the billing clerks did not do anything wrong when calculating the adjustment and not to be upset with them for following the rules. Ms. Olson explained that the bill was over thirty-six hundred dollars and after the adjustment her balance was five hundred twenty-one dollars. The customer explained that she had no means of paying that because she lived on a very low, fixed income and was unaware of the leak until the FEMA representative came out to assess property damage and found the leak. Ms. Olson asked the board if there were any options that could be offered to customers in this situation. After much discussion,

there was not man options, other than payment plan to pay remaining balance or see if she could get an organization to help. Mr. Campoy, Mr. Caudill, and Mr. Spears said they would leave money to pay on the account to help the lady. Ms. Olson explained the district was regulated by the PSC and had to follow the tariff and unfortunately did not have many options.

10.) Authorization to Advertise for Bid Surcharge Project Vehicle & Equipment – Ms. Olson stated the PSC had allowed the district to start using the first year of the surcharge funds for water loss. The budget would allow the district to hire two field technicians, buy two trucks and a heavy-duty truck, equipment trailer and excavator along with new leak detection equipment. The heavy duty 3500 series truck could be bought at state prices and would not require a bid but the two midsize would require to be advertised for bid. The excavator would be bought through the state price and the equipment trailer would not require to be bid. Mr. Keathley had contacted dealerships to get information on the excavator and heavy-duty truck. He said that he would recommend buying the excavator that had the best warranty if it was a reputable brand. He had received quotes from three dealerships and was leaning towards the Caterpillar from Boyd Equipment. The 3500 series heavy-duty truck could be bought from Bob Hook Chevrolet by state price contract. Ms. Olson requested a resolution for authorization to bid the two mid-size trucks from the surcharge funds.
Vice Chairman Justice requested a motion to approve the authorization to bid surcharge vehicles and equipment. Commissioner Chaney made the motion. Commissioner Melton seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Absent
Commissioner Justice	Aye
Commissioner Runyon	Absent
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-03-015

Ms. Olson continued at last month's board meeting the board approved the district to build two pole barn style buildings for satellite locations at Belfry and Marrowbone. Currently at Marrowbone there is an office trailer, it is a small trailer that has one bathroom, the district will not have any use for it once the new building is built. Mr. Keathley recommended the district to surplus the office trailer and put a reserve on the bid; he said he would contact someone to get an idea of what to set the reserve at and the buyer responsible for moving it. The trailer would sell as is. Ms. Olson requested a resolution to advertise for surplus the office trailer at the Marrowbone location.
Vice Chairman Justice requested a motion to approve the authorization to advertise for surplus office trailer, as is. Commissioner Melton made the motion. Commissioner Chaney seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Absent
Commissioner Justice	Aye
Commissioner Runyon	Absent
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-03-016

Ms. Olson explained that she had received the approval from the funding agency and Compass Municipal to bid the items on the list for the updates and repairs for the water treatment plant. The water loss reduction (ARPA) had changed the scope of the project and by doing that it added up to 260k for water treatment plant upgrade/updates. Ms. Olson requested to bid the listed items for the water treatment plant which was approved by the funding agency and Compass Municipal. She continued with the procurement code; some items would require quotes and some would need to bid.

Vice Chairman Justice requested a motion to approve the authorization to advertise for bid items on the list for the water treatment plant approved by the funding agency and Compass Municipal for Phase I of the Water Loss reduction Plan. Commissioner Chaney made the motion. Commissioner Melton seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Absent
Commissioner Justice	Aye
Commissioner Runyon	Absent
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-03-017

MANAGER'S REPORT (continued)

Ms. Olson continued to explain information on the managers' reports that could be reviewed at their leisure. She continued with there was one paid tap completed in the month of February and thirty leaks were repaired but those did not include any flood repaired leaks. They had reports in the packets that showed the delinquents, customer count, gallons sold, meters changed, bacteriological samples, payments made, etc. in packet. She continued that the number of payments and payment types were listed, the number of gallons of water and sewer the district sold for the month and number of illegal hookups that were disconnected.
Vice Chairman Justice requested a motion to accept the Manager's Report as presented. Commissioner Melton made the motion. Commissioner Chaney seconded Commissioner voting as follows:

Commissioner Tackett	Absent
Commissioner Justice	Aye
Commissioner Runyon	Absent
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-03-018

COMMISSIONER COMMENTS

Vice Chairman Justice asked if anyone had any questions. There were none.

ADJOURN MEETING

Vice Chairman Justice requested a motion to adjourn today's Regular meeting. Commissioner Chaney made the motion. Commissioner Melton seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Absent
Commissioner Justice	Aye
Commissioner Runyon	Absent
Commissioner Chaney	Aye
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-03-019

MOUNTAIN WATER DISTRICT
BOARD OF COMMISSIONERS REGULAR MEETING

April 24th, 2025
4:00 PM

ATTENDEES
Jim Vanover, Vanover, Hall, Bartley & Ward Law Firm
Mike Spears, Michael Spears CPA, PSC
Shawn Hicks, EDC
Stephen Caudill, Bell Engineering
Mark Stephens, Summit Engineering
Tammy Olson, General Manager
Carrie Hatfield, Chief Financial Officer
Kevin Lowe, Office Manager
Melissa Wright, Compliance Manager
David Wolford, Operations Manager
Jamey Keathley, Wastewater Supervisor
Brayden Newsome, MWD Leak Detection

PLEDGE OF ALLEGIANCE
Chairman Tackett led the assembly in the Pledge of Allegiance.

PRAYER
Commissioner Runyon led the assembly in an opening prayer.

CALL TO ORDER AGENDA ITEM I
The Mountain Water District Board of Commissioners' Regular Meeting was held on Thursday, April 24th, 2025, at 4:00pm

Commissioners present for the meeting were as follows:

Randy Tackett - Chairman
Mitch Justice, Vice Chairman
Myrtle Runyon, Treasurer
Paul Chaney, Secretary - Absent
Burt Melton, Commissioner

VISITORS
There were none.

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, March 27th, 2025. Commissioner Melton made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Absent
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-04-001

FINANCIAL REPORT – MICHAEL SPEARS, CPA, PSC AGENDA ITEM III

Mr. Spears explained the Financial Report as followed: Cash in Bank at the end of March was $478,507; Accounts Receivable was $1,556,681; Plant in Place was $175,169,803; Accounts Payable was $522,720, was down this month; Equity was $94,667,216; Revenue for the month of March was $988,431; Utility Operating Expenses for the month of March was $1,335,924; Loss for the month was $347,493, included in the loss was Deprecation Expenses of $335,997. Operating income was negative for $109,683; Cash increased for the month of March, $200,119; the current Operating account balance as of March 31st was $462,505; Flood Expenses was estimated at $465,640, Mrs. Hatfield stated she had received another invoice, which brought the total to $510,041, she continued there would be more invoices received. The total amount transferred to cover flood expenses was $500,000, the district had exceeded that amount but hoped to get some funds reimbursed from FEMA. The district would not be able to recover 100% of the money spent. Currently fully funded in the reserves; KIA Reserve was $423,843, this was before the funds were transferred to cover flood related expenses; the RD Reserves were $933,129, respectfully; O&M Reserve was $34,729; will transfer $48,000 to the sinking fund to pay the debt service. He then referred to page 15 of the packet, to review the Total Sales, in March it was $988,431, it was lower again this month than previous. Then referred to page 16 of the packet, the expenses for the month; water purchased from Williamson was $35,371, was lower than previous; water purchased from the City of Pikeville was $89,064, was lower than previous. He then referred to the electrical expenses being $156,243, which was higher than the previous month. He 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 Justice made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Absent
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-04-002

- **Renew Auto Loan – Vehicle #178** – Mr. Spears explained it was time to rollover the auto loan for two years, this was the first two-year renewal. The loan balance was estimated to be about $29,200. Mrs. Hatfield explained everything would remain the same with Community Trust and the interest rate would stay the same at seven percent. If approved, the rollover would be effective on Monday.
  Chairman Tackett requested a motion to renew the auto loan for vehicle #173 with Community Trust Bank at the same rate as the current loan for the amount of $29,200. Commissioner Runyon made the motion. Commissioner Melton seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Absent
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-04-003

PAYMENT OF BILLS AGENDA ITEM IV

Ms. Olson stated the payment of bills began on page 15 with the Cash Disbursement and the Payable Payment List began on page 19 of the packet. Chairman Tackett inquired on the Cash Express payment; Mrs. Hatfield explained that was done in error but was not discovered until the check had been mailed, it was supposed to be a payroll garnishment; she continued it had been corrected and will begin to be deducted for employees' paycheck. Ms. Olson explained the DD&K was for flood repairs and Precision was for the boring that had to be done because of the flooding. It was explained that Univar was for wastewater chemicals. Chairman Tackett asked if anyone had anyone 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 Justice seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Absent
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-04-004

CUSTOMER ADJUSTMENTS AGENDA ITEM V

Copy of the customer adjustments for March 2025 began on page 29 of the packet; Mr. Lowe explained there were one hundred forty adjustments. He continued the largest amount was four thousand dollars, it was a water & sewer adjustment, the sewer adjusted off more than the water; the next amount was for thirty-one hundred dollars, it was for water & sewer also. Commissioner Melton asked about the charitable donation funds; Ms. Olson explained that she and Mr. Lowe had checked about this and contacted the PSC. Because the district was a non-profit organization, the PSC had to approve it; although it was a wonderful idea, still was not sure if the district would be able to do anything on the billing. Ms. Olson stated she would check on whether any organizations were available to help and if there were any local charities that would be willing to aid the customers in need. After the board reviewed the adjustments, Chairman Tackett asked if there were any questions. There were none.
Chairman Tackett requested a motion to approve the Customer Adjustments as submitted, in the amount of $55,125.90. Commissioner Melton made the motion. Commissioner Justice seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Absent
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-04-005

CONSTRUCTION REPORT AGENDA ITEM VI

Update by Bell Engineering/EDC Shawn Hicks, P.E. / Steve Caudill, P.E.

1.) **Fishtrap Hydraulic Modification Project** – Mr. Hicks stated that EDC is sub-consultant to Bell Engineering on this project. In the September meeting, it was discussed the EDC and MWD had developed a plan that was believed to result in lowering the bids to be within the budget by utilizing MWD labor and equipment as “in kind” services to install certain materials purchased through the project funding. Had addressed the funding agency reviewer comments and resubmitted the package on February 24th. He continued that the reviewer requested in March the responses to be resubmitted in a different file delivery system, which was done at once with receipt confirmed in writing. He continued they were still waiting for approval to advertise for re-bid the project from the funding agency.

2.) **Kimper DOT Line Relocation Project at Kellogg’s –** Mr. Hicks stated the KYTC had accepted the final construction plans, cost estimates and the District’s technical specifications. The KYTC plans included the waterline relocation work as part of the overall road contract. There has been no change in the status of this project.

3.) **Smith Fork of Meta DOT Bridge Replacement Project –** Mr. Hicks stated that EDC was selected by the MWD Board to provide engineering services on this project at the September 2024 meeting. EDC has currently prepared the preliminary water line relocation plan and cost estimate, as well as an engineering budget for submission to KYTC; this should be completed this week. Once these are approved, EDC will complete the plans and specifications for bidding. Mr. Hicks requested the board of commissioners to approve the KYTC Contract. Ms. Olson stated that in last month’s meeting, the board approved of the KYTC Engineer Contract, this was a different contract. This contract had to be signed to bid for the project.

- **Approval of the KYTC Contract for Smith Fork Bridge Replacement –** Ms. Olson stated that legal counsel had reviewed and approved the contract. This contract must be signed to

bid for the project. The contract that was approved at last month's meeting was for an engineering contract.
Chairman Tackett requested a motion to approve the General Manager, Tammy Olson, to sign the contract for the Smith Fork Bridge Replacement and allow for project to be bid once approved. Commissioner Justice made the motion. Commissioner Runyon. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Absent
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-04-006

4.) **Capital Infrastructure Replacement Project/Peach Orchard Water Line Extension** – Mr. Caudill explained EDC was a sub-consultant to Bell Engineering on this project, where waterlines and related appurtenances will be replaced and/or relocated at Smith Fork (Phelps), Dorton Hill and Big Branch (Marrowbone). Approval has been received for all projects, from the Drinking Water Branch, the Stream Crossing Branch, and the Transportation Cabinet. Still awaiting approvals for Smith Fork and Big Branch from the USA Corp of Engineers, where they are still under review. Contract documents have been prepared and sent to the Contractor for signature. After the contractor returns the contracts along with the bonds and insurance, Bell will review. The documents will then be sent to the District's legal council for final review. A preconstruction meeting will then be held and Notice to Proceed issued. Letters telling area residents that construction will be ongoing this spring/summer have been prepared and are being distributed. Project plans, specs and permit applications are complete for the Division of Water and KYTC submittals for Pike Central and Adams Branch.

5.) **Water Loss Reduction Plan, Phase 1 (ARPA Funds)** – Mr. Caudill stated the original scope of work was completed except for the work the District was self-performing. The cellular and radio telemetry units are installed; the materials were purchased to repaint the Old House Tank; the VFDs for the pump stations have been delivered. He continued the remaining funds have been used to purchase equipment identified by the District and at the direction of Compass Municipal, the District has been bidding the equipment.

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

Brushy Fork/Sycamore Water Line Extension – Mr. Stephens stated the contractor installed the chlorine booster skid unit inside of the enclosure. During installation it was discovered that the water meter transmitter had submerged in water without the necessary watertight seals, it was because of improper ditch drainage. The contractor, BOCA, has ordered a new transmitter with watertight connections. MWD and Summit met onsite to review remaining items for booster station. The list has been sent to the contractor, a schedule for the new transmitter was requested but not available at the time of the meeting. Summit would notify MWD as soon as it was available. The final site restoration and cleanup to follow startup of booster.
Chairman Tackett 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 submitted. Commissioner Melton made the motion. Commissioner Chaney. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Absent
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-04-007

PROJECT DRAWS:

The project draws were listed on page 3 of the packet. Ms. Olson explained the payment on the new excavator; the district currently had one that was twenty plus years old and the motor blew up; Mr. Keathley got quotes on having it repaired but it would cost around $8,000 and that was more than the machine would value at. This was the first excavator the district ever had. Ms. Olson explained there were some funds available and she got approval to purchase the excavator, but there were not enough funds to cover the total cost. Mr. Keathley had contacted Boyd CAT to see what the cost was for one, their quotes were for $59,000 with a seven-year warranty. Boy CAT are listed in the state price contract and two other quotes have been received. Mr. Keathley explained they did give a trade in value of $1,000 but he felt the broken-down machine could be surplus for more. Boyd CAT offered a lease option to pay so much down, sign a sixteen-month lease, at the end of the lease the district would be able to purchase the excavator for one dollar. The district would take the remaining funds and pay toward the new excavator, $23,399.36, sign the sixteen-month lease, $1634 per month for twenty-four months, and to purchase the machine for one dollar at the end of the lease term. Chairman Tackett asked if anyone had any questions about the Project Draws. There were none.
Chairman Tackett requested a motion to approve the Project Draws as presented and to approve to pay downpayment and sign the lease for the excavator at Boyd CAT. Commissioner Melton made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Absent
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-04-008

PROJECT DRAWS:

KDOT – Smith Fork of Meta		
EDC	**DOT Funds**	**$ 11,900.00**
Brushy		
Payment on New Excavator	**Coal Severance Funds**	**$ 23,399.36**
Total:		**$ 35,299.36**

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

1.) **Funding Update –** Ms. Olson stated the KY WATTERS projects had been approved; the district was awarded approval for both projects; payoff debt service was over one million dollars and water treatment plant updates was about two million dollars. KIA would be administering the funds when the approval process was finalized by the legislative. She continued this was a one hundred percent forgivable loan because of the counties' low-income median. She continued the district had received approval from the PSC to use surcharge funds for leak detection, the balance as of March 31st was close to $352,400. The district had advertised for bids the trucks and hired two new staff members and began to purchase leak detection equipment to begin phase I of the water loss reduction plan.

2.) **Water Loss Update –** Ms. Olson explained the water loss updates; the percentage was up this month. The Mountain Water form was 39.14% and the PSC form was 43.7% for March. The amount of purchased water was higher this time because of the flooding, when the purchased amount is up and the sold amount is down, the water loss number would inflate. Any time there is a major flood or freeze event it would increase the water loss percentages. Ms. Olson continued that also the district did not have telemetry on water storage tanks and the flushing numbers had always been calculated by a formula and were not true numbers. Most tanks now had telemetry and the numbers are true and not calculated; real numbers were being used and those were not as high because of the leaks that had been repaired. Ms. Olson explained that the PSC set the water loss percentage and it was the same for all water utilities, regardless of the size and the district had asked the PSC to change ours and it

was denied. The district has over one thousand miles of main line throughout Pike County and the terrain was unlike most other water utilities. She noted the district had a lot of aged infrastructure that needed to be replaced or repaired and the surcharge money would be spent to help bring the percentage down. Mr. Wolford added that the field crews were continuously finding and repairing water leaks, some leaks were hard to find because of the terrain. He added that the district would always battle water loss because of the size of the district throughout Pike County and the topography, but the field crews would not stop trying to make improvements for the district.

3.) **Daily Operations Update -** Ms. Olson stated the district had begun with phase two of the flood repairs, which was permanent work. The filed crews had slowed down on permanent repairs because of the county and state departments dredging creeks and ditches. She continued that the wastewater crew had been changing pumps and they now received those calls because people gone back to their homes. Mr. Keathley stated they had changed out over one hundred grinder pumps within two months. Ms. Olson stated that the district would resume with delinquent disconnects on April 1st, this was paused during the flood event.

4.) **Approval of PSC Attorney for Potential Rate Case -** Ms. Olson referred to page 54 and 55 of the packet to review the rates and engagement letter. She stated that Mr. Gearld Wuetcher with Stoll, Keenon & Ogden, was the district's attorney during the last rate case and she would recommend him for the potential rate case. She did say that Mr. Weuthcer would be retiring possibly next year because his wife has been ill. Mr. Wuethcher has been allowing another attorney to assist him with the districts rate case if he is unavailable. Ms. Olson stated that she would update the engagement letter and send it to the firm.
Chairman Tackett requested a motion to approve Stoll, Kennen & Ogden, Gerald Wuetcher as the districts PSC attorney. Commissioner Justice made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Absent
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-04-009

5.) **Authorization to Finance the Remainder Amount for Grapevine Excavator -** Ms. Olson explained this was discussed and approved at the same time as the Project Draws.

6.) **Existing Belfry Lot Property -** Ms. Olson explained that when the new budget was set for this year, there were two buildings that were approved. The district had bid those out and construction had begun; one located at Belfry and another at Marrowbone. The contractor has already started construction on the Belfry location. Through the years the county had allowed the district to put an office trailer with fenced in lot on their property at the Belfry Courthouse. This is an old office trailer office on their lot, the trailer had been flooded a couple of times in the past and some minor repairs have been made but was not worth moving or for surplus. Ms. Olson asked the board to approve the district to leave the office trailer on the fenced lot and allow the county to have the old office trailer with fenced lot, they would use it for storage. Ms. Olson stated that she would contact PCFC and let them know they could take back the property once the new building was completed.
Chairman Tackett requested a motion for approval for the general manager, Tammy Olson, to contact the PCFC and allow them to take back the property at the Belfry Courthouse. Commissioner Justice made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Absent
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-04-010

7.) Authorization to Award Bid – Surcharge Project Vehicles & Equipment – Ms. Olson referred to page 57 of the packet for the prices of the vehicles and equipment that was approved to be purchased with the surcharge funds. The 3500 series truck was with state price contract at Bob Hook, the excavator at Boyd CAT and that was under state price contract also. The two mid-size trucks were bided out and one bid was received, Walter's Toyota for two Nissan Frontier's. She explained that a new equipment trailer was needed for the new excavator and the district used the scrape funds to purchase it. Ms. Olson requested motion to award the bid for the two mid-size trucks to Walters Toyota, the excavator to Boyd CAT and the district to use scrape funds to purchase the new equipment trailer. Chairman Tackett requested a motion for authorization to award the bid for the surcharge project vehicles and equipment to Walter's Toyota and Boyd CAT, as listed above stated by Ms. Olson. Commissioner Melton made the motion. Commissioner Tackett seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Absent
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-04-011

8.) Authorization to Award Bidis – ARPA Funded WTP Items - Ms. Olson referred to pages 58 to 63 of the packet with bid tabs from various vendors for items needed for the water treatment plant upgrades and repairs. The district received permission from Compass Municipal, ARPA (COVID) funds from the PCFC, to purchase several items for the water treatment plant upgrades and repairs. Ms. Olson went through the packet and briefly stated the item, vendor, and price to the commissioners. The district would be purchasing an air scour/blower motor, an intake pump, filter media, VFD panel, air compressor and installing a roof ventilation system and high service a/c unit.
Chairman Tackett requested a motion for authorization to award bids of the ARPA funded WTP items to listed vendors with the lowest bid. Commissioner Justice made the motion. Commissioner Melton seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Absent
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-04-012

Ms. Olson stated that at last month's meeting, the board approved advertising for surplus an old water storage tank and the old office trailer at the Marrowbone lot, bid tabs on pages 64-65 of the packet. Received two bids on the water storage tank; Ronald Scott for $610; Kevin Prater for $1,015, he was the highest bidder. Received three bids on the office trailer; Ronnie Robertson for $3,000; Ronald Scott for $2660; Tom Wright for $3,000. Mr. Robertson and Mr. Wright submitted a bid for the same amount. Mr. Vanover recommended contacting each of them to have them to submit another bid more than their current amount and then award the highest bidder. Ms. Olson stated she would contact each of them first thing the next morning and give them a deadline.
Chairman Tackett requested a motion to approve the authorization to award the bid for the water storage tank to Kevin Prater for $1,015 and for Ms. Olson to contact Mr. Robertson and Mr. Wright to submit another bid for the office trailer. Commissioner Melton made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Absent
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-04-013

MANAGER'S REPORT (continued)

Ms. Olson continued to explain information on the managers' report. She briefly continued with some listed information such as twelve paid taps completed in the month of March; forty-five leaks were repaired; 188 meters were changed out; six accounts disconnected illegally. There were several reports in the packets that showed more information about the delinquents, customer count, gallons sold, meters changed, bacteriological samples, payments made, etc. in packet. She continued that the number of payments made and the payment types were listed, the number of gallons of water and sewer the district sold for the month and number of illegal hookups that were disconnected.
Chairman Tackett requested a motion to accept the Manager's Report as presented. Commissioner Justice made the motion. Commissioner Melton seconded Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Absent
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-04-014

Executive Session

a. Pursuant to KRS 61.810 (1)(c) to discuss the District's litigation strategy with regard to current and potential litigation and the District's contracts, as well as KRS 61.810 (1)(f) to discuss a specific personnel matter.

Convene to Executive Session

Chairman Tackett requested motion to convene to Executive Session. Commissioner Runyon made the motion. Commissioner Melton seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Absent
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-04-015

Reconvene from Executive Session

Chairman Tackett requested motion to reconvene from Executive Session. Commissioner Melton made the motion. Commissioner Justice seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Absent
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-04-016

COMMISSIONER COMMENTS

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

ADJOURN MEETING

Chairman Tackett requested a motion to adjourn today's Regular meeting. Commissioner Runyon made the motion. Commissioner Tackett seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Absent
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-04-017

MOUNTAIN WATER DISTRICT
BOARD OF COMMISSIONERS REGULAR MEETING

May 29th, 2025
4:00 PM

ATTENDEES
Jim Vanover, Vanover, Hall, Bartley & Ward Law Firm
Mike Spears, Michael Spears CPA, PSC
Tim Campoy, EDC
Stephen Caudill, Bell Engineering
Carrie Hatfield, Chief Financial Officer
Kevin Lowe, Office Manager
Melissa Wright, Compliance Manager
David Wolford, Operations Manager
Jamey Keathley, Wastewater Supervisor
Kristopher Dills, Night Shift Supervisor
Jason Sesco, Shelby Valley Supervisor
Brayden Newsome, Daytime Leak Detection
Todd Sesco, Daytime Leak Detection
Crit Justice, Meter Department Supervisor
Willard Slone, Visitor
Gena Justice, Visitor

PLEDGE OF ALLEGIANCE
Chairman Tackett led the assembly in the Pledge of Allegiance.

PRAYER
Commissioner Runyon led the assembly in an opening prayer.

CALL TO ORDER AGENDA ITEM I
The Mountain Water District Board of Commissioners' Regular Meeting was held on Thursday, May 29th, 2025, at 4:00pm

Commissioners present for the meeting were as follows:

Randy Tackett - Chairman
Mitch Justice, Vice Chairman - Absent
Myrtle Runyon, Treasurer
Paul Chaney, Secretary - Absent
Burt Melton, Commissioner

VISITORS
There were customers that attended the meeting with questions and issues concerning their water bills. Willard Slone took the floor to explain his issue. He stated that he had sold a house to his son and daughter-in-law who lived at, he kept the water in his name because they were told it would be several hundred dollars to have service transferred to their name. Mr. Slone also continued that he had requested the water service to be disconnected because they were moving; he then requested the security deposit to be refunded and was advised to come back in May, and he did as he was advised. He stated he had come to the office a couple of times; was told he would not receive the deposit refund and was not given any explanation. Said the billing clerk referred him to the customer service manager; she said he would not be receiving a deposit refund but did not explain why and he felt she was rude by the way she handled it. He also stated that the billing clerk was rude, he felt he had been treated wrong and deserved answers on why he would receive a deposit refund and why the cost was so much to have the water service transferred to his son's name. Ms. Olson explained the security deposit that was paid on his account should have been applied to his final bill then be refunded. He also stated that he had not received any red disconnect letter

of any kind in the past. Ms. Olson explained the billing dates, the day the bill was issued, the due date and the disconnect date. Mr. Slone then questioned why MWD workers were at the location taking the meter. It was explained they are pulling inactive meters to use throughout the system due to having a shortage of meters. Ms. Olson explained to Mr. Slone that she and Mrs. Wright would research the account and contact him with an explanation the next day. Mr. Slone then thanked the board for their time in listening to his issue and hoped to have this resolved.

Gena Justice took the floor to explain her issue with her bill. Ms. Justice explained she had a water leak in December 2024; she was not aware she had a leak until she got her bill. She then hired someone to come and check her lines and repair a water leak, a water leak was fixed on January 7th and 8th. Ms. Justice explained she had contacted the office and spoken with Hailey and it was recommended to wait until her meter was read later in January. Ms. Justice stated she called back on the day suggested by Hailey, January 30th. Hailey completed the leak adjustment for her and she paid the remaining of the balance. Ms. Justice then stated when she received the bill in February, it was higher than the bill in January and was flagged with a leak, she was certain that her repairman fixed the only leak she had. She then contacted the office and asked to speak with Melissa Wright, whom she said had had had many conversations about the issues and Mrs. Wright had put a hold on her account until it was resolved. Mrs. Wright issued a work order to have the meter tested and consumption analysis pulled from meter. Mr. Justice explained he was not able to pull consumption history because he was waiting for an update from RG3 and he had been waiting for several months. He stated there were no leaks in the base and no sign of leak in the meter base. Ms. Justice explained that Mrs. Wright had recommended her on several ways to check for leaks on her side. Ms. Justice stated she had her repairman to check and he insisted he did not find any leaks. She stated he dug the line up and checked several things but after he did so her leak stopped. Ms. Justice asked the board if they would consider allowing her to revise her leak adjustment and adjust another month. The earlier adjustment was for two months and are allowed to adjust up to three months. Ms. Olson explained the district's policy on leak adjustments and the billing clerk done what was needed based on the information she was given. Ms. Olson also explained that if the board approved to adjust her bill for one more month, a total of three months, she would not be able to obtain another leak adjustment until this time next year, it is a rolling twelve months, not calendar year. Chairman Tacket explained the districts tariff and explained the district was regulated by the PSC and the district was bound by the tariff. The district was allowed to make an adjustment on the customers' bill one time over a twelve-month period. He asked the board if they would object if the district could go back and adjust one month, which would be her third month; the board agreed to allow the district to adjustment one month and offer installment plan for Ms. Justice. Ms. Olson explained she would have Mr. Justice to test the meter and would follow-up with her with the results. Ms. Justice was appreciative of the board's decision and said she would contact Mrs. Wright to have the bill adjusted and get total balance due. Ms. Justice thanked the board for their help and time. Chairman Tackett requested a motion to make changes to Ms. Gena Justices' leak adjustment.

After further discussion, Chairman Tackett requested a motion in the case of Gena Justice to authorize the district to make changes to her leak adjustment, change from a two-month adjustment to a three-month leak adjustment. Commissioner Melton made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Absent
Commissioner Runyon	Aye
Commissioner Chaney	Absent
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-05-001

Ms. Olson addressed the board about Commissioner Chaney's health condition and asked the board to appoint a temporary secretary until Commissioner Chaney was able to return. The board voted to approve Commissioner Melton as the temporary secretary until Commissioner's Chaney's return and to also approve the April meeting retroactively.

Chairman Tackett requested a motion to approve Commissioner Melton as temporary secretary until Commissioner was able to return. Commissioner Tackett made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Absent
Commissioner Runyon	Aye
Commissioner Chaney	Absent
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-05-002

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, April 24th, 2025. Commissioner Melton made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Absent
Commissioner Runyon	Aye
Commissioner Chaney	Absent
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-05-003

FINANCIAL REPORT – MICHAEL SPEARS, CPA, PSC AGENDA ITEM III

Mr. Spears explained the Financial Report as followed: Cash in Bank at the end of April was $206,394; Accounts Receivable was $1,593,308; Plant in Place was $175,589,199; Accounts Payable was $535,717, was down this month; Equity was $94,651,145; Revenue for the month of April was $1,065,450; Utility Operating Expenses for the month of April was $1,226,740; Loss for the month was $193,872, included in the loss was Deprecation Expenses of $335,997. Operating income was a negative amount of $161,290; Cash decreased for the month of April, $272,113; the current Operating account balance as of April 30th was $201,641; Mrs. Hatfield stated she was still receiving invoices for flood related expenses, the total was about $510,041. Currently fully funded in the reserves; KIA Reserve was $424,905; the RD Reserves were $933,129, respectfully; O&M Reserve was $34,729; will transfer $41,000 to the sinking fund to pay the debt service. He then referred to page 15 of the packet, to review the Total Sales, in April it was $1,065,450, it was higher this month than previous. Then referred to page 16 of the packet, the expenses for the month; water purchased from Williamson was $43,732, was higher than previous; water purchased from the City of Pikeville was $68,450, was lower than previous. He then referred to the electrical expenses being $126,695, which had decreased from the previous month. He continued that everything looked good, and nothing was out of the ordinary. Chairman Tackett asked if Mr. Spears had been working on getting requested items to Mr. Lawless, he asked if things would be ready by July. Ms. Olson explained by September but the staff had been working with Mr. Lawless to get the requested reports promptly. Chairman Tackett stated he would like to do a partial filing and then submit the audit. Ms. Olson said she would check with Mr. Lawless and send him a letter of intent. 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 Tackett made the motion. Commissioner Melton seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Absent
Commissioner Runyon	Aye
Commissioner Chaney	Absent
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-05-004

- **KIA Bond Payments** – Mr. Spears stated the district had bond payments that were due on July 1st and needed to be approved, the amount of $114,846. Ms. Olson referred to page 15 for a copy of the KIA Bond Payments, she continued the total amount due by July 1st to be $114,846.00.

Chairman Tackett requested a motion to approve payment of the KIA Bond Payments in the amount of $114,846.00. Commissioner Tackett made the motion. Commissioner Melton seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Absent
Commissioner Runyon	Aye
Commissioner Chaney	Absent
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-05-005

PAYMENT OF BILLS AGENDA ITEM IV

Ms. Olson stated the cash disbursement began on page 16 with the payables on page 22 of the packet. Chairman Tackett inquired on Ferguson Water Works; Mrs. Hatfield explained that was for materials and supplies; Hendricks Enterprises was for chemicals. Commissioner Melton asked about the USA Blue Book; the district ordered wastewater supplies from them. Chairman Tackett asked if anyone had anyone 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 Tackett made the motion. Commissioner Melton seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Absent
Commissioner Runyon	Aye
Commissioner Chaney	Absent
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-05-006

CUSTOMER ADJUSTMENTS AGENDA ITEM V

Copy of the customer adjustments for May 2025 began on page 30 of the packet; Mr. Lowe explained there were eighty-three adjustments. He continued the amount was higher than this time last year. The largest amount was twenty-eight hundred dollars but that was a three-month adjustment for over two hundred seventy thousand gallons of water, it was a water & sewer adjustment, the sewer adjusted more than the water. Chairman Tackett asked if there was any way to add a column on the adjustment form to note the reason for the adjustment; Mr. Lowe stated he would add a column for next month's forms. Commissioner Melton asked about the charitable donation funds; Ms. Olson explained that she and Mr. Lowe had checked about this and contacted the PSC. Because the district was a non-profit organization, the PSC had to approve it; although it was a wonderful idea, still was not sure if the district would be able to do anything on the billing. Ms. Olson stated she would check on whether any organizations were available to help and if there were any local charities that would be willing to aid the customers in need. After the board reviewed the adjustments, Chairman Tackett asked if there were any questions. There were none.
Chairman Tackett requested a motion to approve the Customer Adjustments as submitted, in the amount of $27,917.79. Commissioner Tackett made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Absent
Commissioner Runyon	Aye
Commissioner Chaney	Absent
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-05-007

CONSTRUCTION REPORT AGENDA ITEM VI

Update by Bell Engineering/EDC Tim Campoy, P.E. / Steve Caudill, P.E.

1.) **Fishtrap Hydraulic Modification Project** – Mr. Campoy stated EDC was a sub-consultant to Bell Engineering on this project. As discussed in the September 2024 meeting, EDC and MWD had developed a plan that was believed to result in lowering the bids to be within budget by utilizing MWD labor and equipment as "in kind" services to install certain materials purchased through the project funding. Have addressed the funding agency reviewer comments and resubmitted the package on February 24th. The reviewer then requested in March the responses be resubmitted in a different file delivery system, which was done immediately with receipt confirmed in writing. Have contacted Rural Development several weeks ago and found that the project was assigned to a new reviewer due to personnel exiting their department. Still awaiting the review and approval of the advertisement to bid.

2.) **Kimper DOT Line Relocation Project at Kellogg's –** Mr. Campoy stated the KYTC had accepted the final construction plans, cost estimates and the District's technical specifications. The KYTC planned to include the waterline relocation work as part of the overall road contract. There was no change in the status of this project.

3.) **Smith Fork of Meta DOT Bridge Replacement Project –** Mr. Campoy explained that EDC was selected by the MWD Board to provide engineering services on this project at the September 2024 meeting. The KYTC approved the project for bidding in early May. The advertisement will be advertised in the News Express this weekend, with the pre-bid conference on June 9th, questions will be accepted until June 12th, the last addendum issued on June 13th and the bids due on June 17th by 2:00 pm at the law office of Jim Vanover. Ms. Olson explained that the district staff, Mr. Joyce, had met with the state engineers on site and uncovered the existing water line and marked where the new line would be installed.

4.) **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). Approval has been received for all projects, from the Drinking Water Branch, the Stream Crossing Branch, and the Transportation Cabinet. Still awaiting approvals for the Smith Fork and Big Branch from the USA Corp of Engineers, they still have them under review. The contract documents had been executed by the Contractor. The contractor has sent copies of his performance and payment bonds. These documents have been reviewed by the District's legal counsel and have been determined to be in order. The preconstruction meeting is scheduled for next Thursday (June 5th). Project plans, specs and permit applications are complete for the Division of Water and KYTC submittals for Pike Central and Adams Branch. Mr. Wolford asked if was possible to use the funds for Biggs Branch instead of Dorton Hill; he stated it would be more beneficial to the district to extend the Biggs Branch line. Mr. Caudill said he would contact Sharon Hall, PCFC, about changing the funds from Dorton Hill and to use the to extend Biggs Branch. Mr. Wolford explained the Dorton Hill project was not a priority type of project, it has not progressed any in couple of years so instead of leaving those funds idle, they could be used for Biggs Branch extension. By doing that it would help push more of our produced water over to Elkhorn and Ashcamp areas and lessen the amount of water we purchased from the City of Pikeville, the district would also be able to maintain TTHM compliance.

5.) **Water Loss Reduction Plan, Phase 1 (ARPA Funds)** – Mr. Caudill explained the original scope of work was complete except for the work the District was self-performing. Materials were purchased to repaint the Old House Tank. VFDs for the pump stations have been delivered. The remaining funds are being used to purchase equipment identified by the District. Ms. Olson explained that Brain Boldman suggested to bid all items regardless of the cost; the district had done so and the board had previously approved them.

Update by Summit Engineering

Brushy Fork/Sycamore Water Line Extension – Ms. Olson stated that Mr. Stevens had contacted her said he would be unable to attend, The update he sent was, Summit was still working with BOCA, They ordered a new sealed waterproof meter and it should be delivered next week.

Chairman Tackett 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 submitted. Commissioner Tackett made the motion. Commissioner Melton seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Absent
Commissioner Runyon	Aye
Commissioner Chaney	Absent
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-05-008

PROJECT DRAWS:

The project draws were listed on page 3 of the packet. Chairman Tackett questioned the Surcharge Account and the Mount Water District items listed; Mrs. Hatfield the surcharge was reimbursement for leak detection items that were ordered; Mountain Water District was reimbursement for labor; Walters Toyota was payment for the two new Nissan trucks that was approved last month; and Boyd CAT was for the excavator the district purchased; the trailer was purchased with the funds from the recycling account. Ms. Olson explained these items were approved for the project and the draws were reimbursement from surcharge funds to the district. Chairman Tackett asked if anyone had any questions about the Project Draws. There were none.
Chairman Tackett requested a motion to approve the Project Draws as presented. Commissioner Runyon made the motion. Commissioner Tackett seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Absent
Commissioner Runyon	Aye
Commissioner Chaney	Absent
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-05-009

PROJECT DRAWS:

DOT		
Bell Engineering	**ARPA Funds**	**$ 789.00**
Total:		**$ 789.00**
Lead Service Line Project		
Mountain Water District	**KIA Funds**	**$ 9,406.24**
Total:		**$ 9,406.24**
Surcharge Account		
Mountain Water District	**Surcharge Funds**	**$ 3,508.13**
Walters Toyota	**Surcharge Funds**	**$ 38,907.00**
Walters Toyota	**Surcharge Funds**	**$ 38,907.00**
Boyd CAT	**Surcharge Funds**	**$ 59,343.13**
Total:		**$140,665.26**

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

1.) **Funding Update –** Ms. Olson stated the KY WATTERS projects had been approved; the district was awarded approval for both projects; one was to pay off debt service, one million one hundred thousand dollars and the other was water treatment plant updates, two million four hundred thousand dollars, total approval amount was three million, six hundred thousand dollars. KIA would be administering the funds when the approval process was finalized by the legislative, waiting for them to send finalized assistance agreement, hope to have for the June meeting. She continued this was a one hundred percent forgivable loan because of the counties' low median home income so low. She continued the district had exceeded the five hundred thousand dollars amount for FEMA. Now the district was receiving invoices for pumps and other items that were damaged during the flood that had to be replaced. Tight now her and Mrs. Wright are working on the damage assessment, which needed gps

coordinates, thorough description of the incident and pictures of before and after, vehicle, equipment, and time. Now, FEMA wants to do a tabletop inspection of the permanent work. This would require photos, gps coordinates, pictures of before and after. Chairman Tackett asked of the total amount submitted to FEMA, how much of that would FEMA reimburse; Ms. Olson explained FEMA would only pay seventy-five percent, state paid twelve percent and the district would be responsible for thirteen percent of total amount approved by FEMA. As of now the work orders were being costed out by labor, vehicle, equipment and labor, and FEMA did not reimburse for any water loss or regular time worked. Even though the five hundred fifty thousand dollars totaled on work orders did not mean that FEMA would approve that much, they always discount the total submitted before reimbursement. The district would recover about eighty-seven percent of the finalized amount and it would take about one year to get the final total. Once everything was submitted then the permanent work could start; Mr. Wolford stated that most of the damaged service lines had not been replaced, they were waiting for the approval to begin permanent work. Ms. Olson stated that she hoped to have the assessment submitted by the end of next week.

2.) **Water Loss Update –** Ms. Olson explained the water loss updates; the percentage was still high this month. The Mountain Water form was 39.35% and the PSC form was 41.6% for April. The amount of purchased water has increased; when the purchased amount is up and the amount sold is down, the water loss will be higher. She also talked with daytime and nighttime leak detection to make sure they are thorough on leak detecting. Mr. Wolford stated the crews never stop looking for leaks and are always repairing leaks, this has never stopped and will always be an issue. Some leaks are easy to find and some are small, those are harder to find. Ms. Olson also explained that Mingo County PSD had a large leak on the master meter that provides water to the Delorme area. They are aware of it but have not tried to repair it. Spoke with the admin and he said they were waiting for the FEMA funding, so that will be a long time before it gets repaired. Also, the Pike Fiscal Court filled the pool at South Johnson Bottom, about two hundred thousand gallons. Any time there is a weather-related event it will increase the water loss percentages. Ms. Olson continued that also the district did not have telemetry on water storage tanks and the flushing numbers had always been calculated by a formula and were not true numbers. Most tanks now had telemetry and the numbers are true and not calculated; real numbers were being used and those were not as high because of the leaks that had been repaired. Ms. Olson explained that the PSC set the water loss percentage and it was the same for all water utilities, regardless of the size and the district had asked the PSC to change ours and it was denied. The district has over one thousand miles of main line throughout Pike County and the terrain was unlike most other water utilities. Mr. Wolford said to the board he said he did not want the water loss reports to reflect on the staff not repairing leaks, because they were. The biggest was the calculated numbers that were always used in the past and now they are not. He added that the district would always battle water loss because of the size of the district throughout Pike County and the topography, but the field crews would not stop trying to make improvements for the district. Mr. Dills spoke up to say last week, the night shift crew found and repaired several service line leaks that ran about forty to fifty gallon per minute. Commissioner Melton commended the staff for the excellent job they do and how well the system was kept.

3.) **Daily Operations Update -** Ms. Olson stated the district was now under the agreed order with the Division of Water and had agreed to pay the $12,500 penalty, instead of using DOW's method to eliminate the TTHM issue with the City of Pikeville. They have allowed the district to make three monthly payments on the penalty amount. The Corrective Action Plan was due on July 7th, 2025. Chairman Tackett asked if it could be figured out on how much water was MWD and how much was Pikeville; Ms. Olson said that was part of the corrective action plan that is needed and as of now she did not know exactly how that would be determined. Also, the district had to list everything that would be done to get back in compliance, the district would do another hold study and a water study. The district had received a notice of violation on the sewer package plants. Some of those were inherited and are old. The NOV was after the Keene Village was inspected for rust and holes. Mr. Keathley stated he had contacted someone to quote to do the repairs. Ms. Olson stated she had two projects in the KIA portal awaiting funding, one was to replace Keene Village and the other would be to replace Stone Heights in phase one of the project. On phase two would be to replace Modern Mobile Home and Daniels Creek package plants. The district has ten package plants, three large plants, Douglas, Belfry, and Phelps/Freeburn, and seven smaller package plants. The large plants treated the bulk of the customers in those areas; the smaller plants were inherited over time and the district does not own the property and are limited on what could be done at those sites. She stated there were many challenges to get new plants. Mr. Keathley stated he had quoted some package plants recently and the basic cost would be about one hundred fifty thousand dollars. Chairman Tackett asked about the

aerator systems; Mr. Keathley stated about ten thousand each and the district would be responsible to maintain them. Those had several regulations and regulations. Ms. Olson stated that she and Mr. Keathley were looking for options for the near future. Ms. Olson explained the barge pump went down today, after making it through the flood and being turned upside down. However, the plant was still running, can pumps were installed to keep the plant in service. The district had ordered another barge pump in April but it would be several months before receiving it. This was one of the items that was approved to be ordered with the ARPA Funds. Mr. Wolford said he would like Randy or anyone to look at damage to the catwalk and the pump, there needed to be a better, safer way to access the pump and to be able to make repairs on the pump. The old pump would be repaired and used until the new one was received. After further discussion, Ms. Olson asked Chairman Tackett to check his schedule and they would meet to go look at it.

4.) **Authorization to Advertise Surplus the Pond Creek Excavator -** Ms. Olson explained this was discussed at last month's meeting, it was quoted for trade in and offered one thousand dollars. The excavator was a 2006 model and the motor was torn up, Mr. Keathley thought it would be surplus for more. He stated that it had been used since 2006 and repairs had been made through the years, but the motor stopped working. He quoted it to have it repaired and it would cost about ten thousand dollars to repair and it was not worth the cost, he said if the machine were running it would sale for about eight to ten thousand dollars. Mr. Keathley recommended setting a reserve for three thousand dollars. Ms. Olson explained there was a utility truck that would need to be surplus also. This was a 2011 Chevy 2500 utility truck, the truck that was having transmission issues, the truck had been parked for a while. Mr. Keathley recommended putting a reserve of two thousand dollars for truck #133.
Chairman Tackett requested a motion to approve to advertise for surplus the 2006 Komatsu excavator with reserve of $3,000 and surplus truck #133, 2011 Chevy 2500 utility truck, with a reserve of $2,000. Commissioner Tackett made the motion. Commissioner Melton seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Absent
Commissioner Runyon	Aye
Commissioner Chaney	Absent
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-05-010

5.) **Benevolent Funds -** Ms. Olson stated that the board had discussed several times setting up something to help customers in need of paying their bills. She had spoken with Geral Wuetcher, PSC attorney, he explained the electric companies were allowed to do that but the water districts did not have the authority to collect those extra funds, emailed letter on page 49. He suggested for the district find some other funding options to help customers. Ms. Olson stated that she had contacted some, in the past the district has worked with BSADD, United Helping Hands. Also, LIHWHP helped during COVID but stopped the funding, she was recommended to send a letter to Hal Rogers, State Representative, a letter requesting to keep the funding for the customers. If this funding were to become available, the customer would contact them and then LIHWHP would contact the district for payment. Ms. Olson explained that the district was not allowed to do anything in house by the Kentucky statues. Chairman Tackett said he would check options and contact anyone to see if they could help the district get this approved or some kind of aid to help the people of Pike County. Commissioner Melton said he would also help, he felt there must be something somewhere available to help customers and there should be some way the district should be able to do so in house. Ms. Olson recommended that when the commissioners go to their training, they need to address their thoughts and concerns to the PSC attendees about the issue.

6.) **Approve Temporary Secretary –** Ms. Olson addressed the board about Commissioner Chaney's health condition and asked the board to appoint a temporary secretary until Commissioner Chaney was able to return. The board voted to approve Commissioner Melton as the temporary secretary until Commissioner's Chaney's return and to also approve the April meeting retroactively.
Chairman Tackett requested a motion to approve Commissioner Melton as temporary secretary until Commissioner was able to return. Commissioner Tackett made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Absent
Commissioner Runyon	Aye
Commissioner Chaney	Absent
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-05-002

MANAGER'S REPORT (continued)

Ms. Olson continued to explain information on the managers' report. She briefly continued with some listed information, such as stating the revenue was up for April for water and wastewater. There were several reports in the packets that had more information about the delinquents, customer count, gallons sold, meters changed, bacteriological samples, payments made, etc. in packet. She continued that the number of payments made and the payment types were listed, the number of gallons of water and sewer the district sold for the month and number of illegal hookups that were disconnected.
Chairman Tackett requested a motion to accept the Manager's Report as presented. Commissioner Runyon made the motion. Commissioner Melton seconded Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Absent
Commissioner Runyon	Aye
Commissioner Chaney	Absent
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-05-011

Executive Session

a. **Pursuant to KRS 61.810 (1)(c) to discuss the District's litigation strategy with regard to current and potential litigation and the District's contracts, as well as KRS 61.810 (1)(f) to discuss a specific personnel matter.**

Convene to Executive Session

Chairman Tackett requested motion to convene to Executive Session. Commissioner Tackett made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Absent
Commissioner Runyon	Aye
Commissioner Chaney	Absent
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-05-012

Reconvene from Executive Session

Chairman Tackett requested motion to reconvene from Executive Session. Commissioner Melton made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Absent
Commissioner Runyon	Aye
Commissioner Chaney	Absent
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-05-013

COMMISSIONER COMMENTS

Commissioner Melton asked about a customer's, James Slone, account that had contacted him a couple of different times. He explained the customer had paid two payments, the customer thought the meter was defective and wanted a refund. Ms. Olson explained she would research the account and contact the customer. Commissioner Melton also said that (James Slone) had stated the clerk/supervisor he spoke with was very rude to him. Ms. Olson assured him she would address the customer service staff complaints. Chairman Tackett asked if anyone had any questions. There were none.

ADJOURN MEETING

Chairman Tackett requested a motion to adjourn today's Regular meeting. Commissioner Runyon made the motion. Commissioner Melton seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Absent
Commissioner Runyon	Aye
Commissioner Chaney	Absent
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-05-014

MOUNTAIN WATER DISTRICT
BOARD OF COMMISSIONERS REGULAR MEETING

June 26th, 2025
4:00 PM

ATTENDEES
Jim Vanover, Vanover, Hall, Bartley & Ward Law Firm
Mike Spears, Michael Spears CPA, PSC
Tim Campoy, EDC
Mark Stephens, Summit
Tammy Olson, General Manager
Carrie Hatfield, Chief Financial Officer
Kevin Lowe, Office Manager
Melissa Wright, Compliance Manager
David Wolford, Operations Manager
Jamey Keathley, Wastewater Supervisor
David Taylor, RGIS Chief Coordinator
Kristopher Dills, Night Shift Supervisor
Crit Justice, Meter Department Supervisor

PLEDGE OF ALLEGIANCE
Chairman Tackett led the assembly in the Pledge of Allegiance.

PRAYER
Commissioner Runyon led the assembly in an opening prayer.

CALL TO ORDER AGENDA ITEM I
The Mountain Water District Board of Commissioners' Regular Meeting was held on Thursday, June 26th, 2025, at 4:00pm

Commissioners present at the meeting were as follows:

Randy Tackett - Chairman
Mitch Justice, Vice Chairman
Myrtle Runyon, Treasurer
Paul Chaney, Secretary - Absent
Burt Melton, Commissioner

VISITORS
There were none.

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, May 29th, 2025. Commissioner Runyon made the motion. Commissioner Justice seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Absent
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-06-001

FINANCIAL REPORT – MICHAEL SPEARS, CPA, PSC **AGENDA ITEM III**

Mr. Spears explained the Financial Report as followed: Cash in Bank at the end of May was $128,084; Accounts Receivable was $1,893,759; Plant in Place was $175,634,772; Accounts Payable was $667,497, was down this month; Equity was $93,734,612; Revenue for the month of May was $1,055,278; Utility Operating Expenses for the month of May was $1,300,122; Loss for the month was $272,323, included in the loss was Deprecation Expenses of $335,997; Operating income was a negative amount of $244,834; Cash decreased for the month of May, $78,309; the current Operating account balance as of May 31st was $115,566. Currently fully funded in the reserves; KIA Reserve was $425,987; RD Reserve were $933,129, respectfully; O&M Reserve was $34,729; transferred $41,000 to the sinking fund to pay the debt service. Mr. Spears explained the expenses were higher this month but that was because of the three pay periods in May and next month (June) retirement would be higher. He then referred to page 15 of the packet reviewing the Total Sales, in May it was $1,055,277, it was lower this month than previous but was more average; payroll taxes were higher in May because of the three pay periods. Then he referred to page 16 of the packet, the expenses for the month; water purchased from Williamson was $38,025, was lower than previous; water purchased from the City of Pikeville was $71,070, higher than previous but nothing to be concerned about. He then referred to the electrical expenses being $129,834, which was about average. He continued that everything looked good, and nothing was out of the ordinary and if the three pay periods in May were taken off then the totals would be within the average range. 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 Justice seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Absent
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-06-004

- **RD Bond Payments** – Mr. Spears stated the district had bond payments that were due on July 1st and needed to be approved for the amount of $58,638; Ms. Olson referred to page 16 in the packet for a list of the RD Bond Payments and the amounts. Mr. Spears explained the $41,000 that was transferred each month was set aside to cover these payments.
  Chairman Tackett requested a motion to approve payment of the RD Bond Payments as presented for the amount of $58,638.00. Commissioner Melton made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Absent
Commissioner Melton	Aye

  Upon Commissioner voting, the motion was carried and passed.
  Resolution 25-06-002

- **Southern Corrosion Contract-** Ms. Olson explained the district used Southern Corrosion in the past to clean the water tanks, but they had not cleaned any in a couple of years and the district still had to pay $17,000 a month because of a contract that was signed several years ago. When the contract was renegotiated, there were some tanks that needed to be cleaned but had been since then. Ms. Olson stated she had met with them and they sent a list of tank sites that were discussed in the contract and those have already been cleaned. So, in the last couple of years the district has paid them a monthly fee for no service. However, if the district were to contact them to clean a tank, they would charge a standard rate which would be more than $17,000. Mr. Spears recommended using ten thousand each month to help pay the rate case fees and put seven thousand for future repairs and when the rate increase took effect to put the entire amount ($17,000) to be used as a safety net for future unexpected expenses.
  Chairman Tackett requested a motion to cease payment to Southern Corrosion and to use $10,000 monthly for rate study expenses, and once rate study was completed to put $17,000 in account for

future repairs and maintenance. Commissioner Justice made the motion. Commissioner Melton seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Absent
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-06-003

PAYMENT OF BILLS AGENDA ITEM IV

Ms. Olson stated the cash disbursement began on page 17 with the payables on page 21 of the packet. Chairman Tackett asked if these could be added to the commissioner's packet that was sent prior to the meeting. Mrs. Hatfield stated it was possible, however whatever was keyed after that date would not be on list. Commissioner Melton asked about Northside Plumbing, which was for pipe fittings; Buchanan County Water, which is water for five customers that live in KY but beyond the district's service line but within their boundaries, MWD set meters and bill customers. Buchanan County maintained those service lines and billed MWD at a lower rate than what is billed to the customers. Chairman Tackett asked about the discount column on the report; Mrs. Hatfield explained that not many offers a discount and if they did, the discount would be deducted and not shown on the invoices. It was also discussed whether the district received any discounts for being a business or buying so much; most vendors did not offer the district any type of discount on purchases; only Thompson's Hardware and Lowe's were the only venders that offered any discounts. Chairman Tackett asked if anyone had anyone 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 Justice made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Absent
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-06-005

CUSTOMER ADJUSTMENTS AGENDA ITEM V

Copy of the customer adjustments for May 2025 began on page 28 of the packet; Mr. Lowe explained there were forty-eight adjustments. He continued the amount was lower than last year, and there were not any large adjustments this time. Commissioner Justice stated he would abstain from the motion because of his affiliation with a church listed on the adjustment sheet. Mr. Lowe explained to the board that beginning next month, a column has been added to the adjustment report to list the reason for the leak adjustment. After the board reviewed the adjustments, Chairman Tackett asked if there were any questions. There were none.
Chairman Tackett requested a motion to approve the Customer Adjustments as submitted, in the amount of $19,597.97. Commissioner Melton made the motion. Commissioner Tackett seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Abstained
Commissioner Runyon	Aye
Commissioner Chaney	Absent
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-06-006

CONSTRUCTION REPORT AGENDA ITEM VI

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

1.) **Fishtrap Hydraulic Modification Project –** Mr. Campoy explained that Mr. Caudill was unable to attend the meeting but he would present his report. He stated the funding agency provided approval to advertise the project for bid on June 5th. The project was advertised in the Appalachian News-Express weekend editions of June 14th and June 21st, as well as on the Lynn Imaging Website. The pre-bid meeting was scheduled for June 25th and the bid opening would be on July 23rd. Permission has been received from the funding agency to re-bid the project. Schedule as follows: June 13th – 1st Advertisement; June 20th – 2nd Advertisement; June 25th– Pre-Bid meeting at MWD office at 10:00 AM; July 9th, Cut-off date for questions; July 16th – Issue final addendum; July 23rd – Bid opening at Mr. Vanover's office at 2:00pm.

2.) **Kimper DOT Line Relocation Project at Kellogg's –** Mr. Campoy stated KYTC had accepted the final construction plans, the cost estimates and the District's technical specifications. The KYTC plans included the waterline relocation work as a part of the overall road contract. There has been no change in the status of this project.

3.) **Smith Fork of Meta DOT Bridge Replacement Project –** Mr. Campoy stated the bids were accepted on June 17th and bids were opened and read aloud at 2:00 PM at the law office of Mr. Jim Vanover. Of the seven (7) contractors' holding plans, four (4) submitted bids, with the lowest bid, were submitted by MGM Contracting, Inc. for the amount of $82,600. The other bids were from Precision, Inc. ($85,440); BOCA Enterprises ($97,650); and H2O Construction ($113,400). The Engineer's Estimate of Probable Cost was $92,627, after review of all bids, EDC recommends that the Notice of Award be issued to MGM Contracting, Inc.

Chairman Tackett requested a motion to approve of Notice of Award to MGM Contracting, Inc for $82,600. as submitted. Commissioner Runyon made the motion. Commissioner Justice. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Absent
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-06-007

4.) **Capital Infrastructure Replacement Project/Peach Orchard Water Line Extension** – Mr. Campoy stated that EDC was 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). Approval has been received for all projects, from the Drinking Water Branch, the Stream Crossing Branch, and the Transportation Cabinet. Still waiting for approvals for Smith Fork and Big Branch from the US Army Corp of Engineers, where they were still under review. The project plans, specs and permit applications were complete for the Division of Water and KYTC submittals for Pike Central and Adams Branch. A discussion was held at last month's board meeting concerning removing the Dorton Hill portion of the Capital Infrastructure Replacement Project and utilize the available funds to extend the Big Branch Project by adding additional six-inch ductile iron pipe as far as possible. This would allow for new ties-ins, gate valves, flush hydrants, and service reconnects, 2,500LF of additional ductile iron pipe could be added to the Big Branch Project. Mr. Campoy said he had reached out to the funding administrator, Sharon Hall, PCFC, to determine if this change in scope could be made. Assumed it was a possibility, revisions to the plans with resubmission to the Division of Water and Kentucky Transportation Cabinet would cost $27,000 in engineering fees. However, by changing the plans, if allowed, the district would not gain any new customers but it would reduce the amount of purchased water but would help with compliance. Mr. Campoy said he had contacted Sharon Hall, PCFC, about the change and she would contact KIA to verify before we could make changes. Mr. Campoy explained the biggest advantage to the district would be the Ashcamp connector would help reduce water purchases from the City of Pikeville. He explained that the district would gain in operations and maintenance and help with compliance issues with the City of Pikeville. The Peach Orchard Water Line Extension preconstruction meeting for the project was held on June 5th. The Notice to Proceed had been issued. Due to delays in the delivery of materials for the project, the contract time begins on August 4th, 2025.

5.) Water Loss Reduction Plan, Phase 1 (ARPA Funds) – Mr. Campoy said the original scope of the work had been completed except for the work the District is self-performing. The remaining funds had been used to purchase equipment identified by the District. Ms. Olson explained everything that was approved had been ordered, just waiting for delivery.

Update by Summit Engineering Mark Stephens. P.E.

Brushy Fork/Sycamore Water Line Extension – Mr. Stephens explained the contractor scheduled had a shutdown with MWD on Tuesday, June 25th to install the meter. Upon installation of the flow meter, the contractor would proceed with completing the installation and startup of the chlorine booster station. BOCA replaced the flow meter at their expense; the previous meter got damaged by the runoff water in the ditch near where the meter was installed and the meter was not sealed. Mr. Stephens explained the flow meter would control the dosing of the chlorine as needed.

Chairman Tackett 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 submitted. Commissioner Runyon made the motion. Commissioner Tackett seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Absent
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-06-008

PROJECT DRAWS:

The project draws were listed on page 3 of the packet. Chairman Tackett questioned the Surcharge Account and the Mount Water District items listed; Mrs. Hatfield the surcharge was reimbursement for leak detection items that was ordered; Mountain Water District was reimbursement for labor; Walters Toyota was payment for the two new Nissan trucks that was approved last month; and Boyd CAT was for the excavator the district purchased; the trailer was purchased with the funds from the recycling account. Ms. Olson explained these items were approved for the project and the draws were reimbursement from surcharge funds to the district. Chairman Tackett asked if anyone had any questions about the Project Draws. There were none.
Chairman Tackett requested a motion to approve the Project Draws as presented. Commissioner Runyon made the motion. Commissioner Melton seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Absent
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-06-009

PROJECT DRAWS:

DOT

Service Pump & Supply	**ARPA Funds**	**$ 47,045.00**
USBPT	**ARPA Funds**	**$ 7,047.12**
S4 Water Sales & Supply	**ARPA Funds**	**$ 37,995.00**
Total:		**$ 92,087.12**

Lead Service Line Project

Mountain Water District	**KIA Funds**	**$ 9,564.08**

Mountain Water District	**KIA Funds**	**$ 5,281.96**
Total:		**$14,846.04**

Water Loss Reduction Plan Phase 1

Bell Engineering	**ARPA Funds**	**$ 4,947.50**
Total:		**$ 4,947.50**

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

1.) **Funding Update –** Ms. Olson stated the KY WATTERS projects had been approved; the district was awarded approval for both projects; one was to pay off debt service, one million one hundred thousand dollars and the other was water treatment plant updates, two million four hundred thousand dollars, total approval amount was three million, six hundred thousand dollars. KIA was the administrator of the funds, waiting for them to send the finalized assistance agreement. She continued this was a one hundred percent forgivable loan because of the counties' low median home income so low. The window to apply ends August 31st; she suggested the district request funding for the Ashcamp connector; wastewater treatment plants, small package plants were in desperate need of replacing, had received violations for couple of them because they were rusted and had holes in them, they had not had many repairs made over the years. The total for these projects, Ashcamp connector, wastewater plants and the barge pump at the water treatment plant would be about six hundred to seven hundred thousand dollars. She explained the barge pump was in desperate need of repairs and if the district applied for FEMA to help fund this, it would take them over a year or longer to pay, so she recommended considering the new application. She explained KYWATTERS allowed two projects, one capital and one noncapital; would discuss more in the July meeting and have more information; the other project would have to be a non-capital project, such as debt service or engineering a new project, she suggested paying off the RG3 meter loan.

2.) **Water Loss Update –** Ms. Olson explained the water loss updates; the percentage were still high this month. The Mountain Water form was 41.05% and the PSC form was 44.3% for May, the amount of purchased water was high. The crew found some things to repair to shift more water to help with purchased water amounts. Leak detection was working day and night to find leaks to help with water loss. Now the summer months are here, the sale and usage would increase but that may also increase purchased water amounts. She said to the board the district was still working hard, if not harder than before, to get the percentages lowered. She and Mr. Taylor had discussed the comment of not having real numbers; the numbers that were used previously were educated, formulated, calculated numbers that she was unaware of how they were calculated but those numbers were legitimate numbers that were used before telemetry was installed. She stated she understood the concept of the calculations and they were figures. The crews were working together to locate and repair water leaks, but the lines were throughout the entire county which made it harder to find smaller leaks. She and Chairman Tackett explained they had reviewed the rates of the surrounding counties of Pike County, and MWD's rates were competitive with the others even after the last rate increase, although they were not as large of a system as MWD, MWD had been able to keep their rates competitive. Meaning the staff did an excellent job of maintaining the system the size of MWD.

3.) **Daily Operations Update -** Ms. Olson stated the district had received violations on the Keene Village and Maple Lane sewer package plants. Mr. Keathley had contacted someone about welding and patching the rusted hole, the welder was able to weld the T plate, although this was a temporary fix. He explained that these plants, all seven, were inherited and due to the lacking through the years the tanks had aged and minimal repairs. He suggested installing aerators for the customers instead of replacing the package plants. The plants were like an inground pool, about ten feet deep, twenty feet long and eight feet wide, it is hard to make repairs to something that is in the ground. Ms. Olson said as of now the district was fixing the rusted areas as needed and searching for funding. Mr. Keathley explained that the Branham's Heights plant could be eliminated by extending the force main and adding those customers to it. Aerators were discussed but some of the houses did not have enough yard space to install those. Ms. Olson stated she had two projects in the KIA portal awaiting funding, one was to replace Keene Village and the other would be to replace Stone Heights in phase one of the project. On phase two would be to replace Modern Mobile Home and Daniels Creek package plants. The district has ten package plants, three large plants, Douglas, Belfry, and Phelps/Freeburn, and seven smaller package plants. Mr. Keathley stated he had quoted some package plants recently and the basic cost would be about one hundred fifty thousand dollars. He explained the aerators would

cost about seventy-five hundred dollars each and the district would be responsible to maintain them; those had several regulations and regulations. Mr. Keathley presented pictures on his phone of the plants that received violations and what was repaired. Ms. Olson stated that she and Mr. Keathley were looking for options for the near future. He invited the commissioners to look at the plants if they had questions. After further discussion, this to be tabled for the July meeting. Ms. Olson said the district was out of compliance, again, with TTHM's and were beginning to receive them at another location, Bevins School. She explained the district had started a carbon trial and polymer feed trial; the chief plant operator had kept a record of the test samples and as of now the numbers had been low. All this information will be included in the corrective action plan along with water age study. was under a corrective action plan. Also, the district had to list everything that would be done to get back in compliance, the district would do another hold study and a water study. Ms. Olson explained FEMA cat b, emergency work, had been submitted. This did not include the list of permanent work that had not been completed, as of now the total amount was close to four hundred thirty-five thousand dollars. There were a lot of items that had been on the shelf or in stock and the district was not allowed to include those items in the cost. The district would receive reimbursement of at least 87% from FEMA, plus 12% from the state. The district could not submit any more work orders for reimbursement as of Sunday, June 22nd.

4.) **Authorization to Advertise for Bid Annual Gravel and Material Hauling Services –** Ms. Olson explained this was an annual bid for gravel and material hauling and requested approval to advertise for bid for the annual gravel/haul bid.
Chairman Tackett requested a motion to approve to advertise for bid the Annual Gravel and Material Hauling Services. Commissioner Justice made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Absent
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-06-010

5.) **Authorization to Advertise for Bid Annual Pavement Replacement –** Ms. Olson explained this was an annual bid for paving replacement where the district would have to cut blacktop to repair line leaks/breaks and requested approval to advertise for bid for the annual pavement replacement bid.
Chairman Tackett requested a motion to approve to advertise for bid the Annual Pavement Replacement Bid. Commissioner Melton made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Absent
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-06-011

6.) **Authorization to Surplus 2006 Redi-Haul Pull Behind Trailer –** Ms. Olson explained this was an old trailer that needed many repairs to make it safe for the district to use. Mr. Keathley said the axels were out and the trailer was bowed out on the sides; he felt the trailer was unsafe to haul equipment and the district had no use for the trailer; it would be and had been parked for some time now, it would be. Mr. Keathley recommended setting a reserve on the trailer for six hundred dollars. Ms. Olson requested approval to surplus the trailer with a six-hundred-dollar reserve.
Chairman Tackett requested a motion to approve to advertise to Surplus 2006 Redi-Haul trailer, with a reserve of six hundred dollar and sold as is. Commissioner Tackett made the motion. Commissioner Melton seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Absent

Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-06-012

7.) **Conflict of Interest Forms –** Ms. Olson referred to page 50 of the packet for the Conflict-of-Interest Forms for board members and vendors, these were required to be updated annually. She asked that each commissioner review, sign and return to Mrs. Hatfield as soon as possible. These forms were required from each of the commissioners and if they had any questions, they were welcome to contact her.

8.) **Ashcamp Connector Engineer Selection –** Ms. Olson stated this was discussed earlier in meeting and this would be a large project that could be done in house and need to be engineered but would be an expensive project. She would check to see if there are any funding availability that could be applied for. Ms. Olson suggested waiting to see if the funding agency would allow the district to extend the first part**.**

9.) **Water Meter Replacement –** Ms. Olson referred to page 52 of the page to review a list of meters and quotes for new water meters. She stated that RG3 was not upholding their warranty and having issues with getting parts to repair the meters and they had over four hundred meters for warranty repairs. Since January 2024, the district had returned two thousand meters to RG3 to be repaired through warranty; the loan was a RD Loan on forty-year terms with a balance of 2.8 million dollars. Last year the district met with some other meter company, RG3 then came back and said they had started making transmitters at a reasonable cost and now those are on backorder. RG3 was located in Longview, TX but the parts and components are manufactured worldwide. These meters have been in use for five years and are failing. She discussed page 52, the breakdown of cost, training, software, and any upgrades required to run their programs. If the district would phase in new meters, it would take several years to complete the meter replacement. Mr. Justice and Mr. Lowe had contacted some utilities that were provided on their reference list. Several of the utilities that were contacted spoke highly of the Neptune meters and would highly recommend them. Each said if their company had to replace their meters they would stay with Neptune meters. Ms. Olson explained the only concern with the Neptune meters was the pressure limit, 150psi, some areas throughout the county were doubled regulated because of high pressure. Ms. Olson suggested the board approves the district to begin phasing in new meters to replace RG3. During the meantime Mr. Justice planned to visit some of the utilities to look at the program. Neptune meters are manufactured in Alabama; everything was made in America. They were also commended for their excellent customer service. After further discussion, it was decided to table for the July meeting.

10.) **Barge Intake Proposal –** Ms. Olson referred to page 79 of the packet for an engineering quote, she also passed out pictures of the barge, they were taken after the February flood. It was discussed obtaining funding through FEMA, but that would take a long time to receive once it was to be approved. Hungate Engineering submitted a quote to prepare preliminary specs, two quotes, one was conceptual layout for $6,000 and the conceptual layout, preliminary engineering of $10,000. This was the pump that was flipped over in the river during the February flood and the crews had to hoist it back over, which was dangerous working conditions. This is a large pump and the district did not have a backup; it is currently being repaired and must use can pumps as a replacement to pump water into the plant. As of right now, Hungate Engineering along with Mr. Campoy, Ms. Olson and Mr. Wolford visited the barge pump area to discuss ideas. Mr. Campoy explained the ways this could be repaired, be safer to access and not turn upside down during high waters. He explained some of the plans to the board to give them a visualization of the work that needed to be done. Once the board approved a set of plans, Hungate would prepare a cost estimate. Ms. Olson said the barge pump was the main pump for the water plant and the water plant was the heart of the system. Anytime a staff member is working on the barge pump, they are required to wear life jackets.
Chairman Tackett requested a motion to approve Hungate Engineering to do a conceptual layout, preliminary engineering, and a cost estimate not to exceed $10,000. Commissioner Melton made the motion. Commissioner Tackett seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Absent
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-06-014

MANAGER'S REPORT (continued)

Chairman Tackett requested a motion to accept the Manager's Report as presented. Commissioner Justice made the motion. Commissioner Melton seconded Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Absent
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-06-015

Executive Session

a. Pursuant to KRS 61.810 (1)(c) to discuss the District's litigation strategy with regard to current and potential litigation and the District's contracts, as well as KRS 61.810 (1)(f) to discuss a specific personnel matter.

Convene to Executive Session

Chairman Tackett requested motion to convene to Executive Session. Commissioner Justice made the motion. Commissioner Melton seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Absent
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-06-016

Reconvene from Executive Session

Chairman Tackett requested motion to reconvene from Executive Session. Commissioner Justice made the motion. Commissioner Melton seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Absent
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-06-016

COMMISSIONER COMMENTS

Commissioner Melton explained that during his commissioner's training he inquired about the benevolent funds and it was recommended to contact Linda Bridwell to discuss the policy and procedure. Mr. Keathley asked to give the field staff the options to wear shorts during hot temperatures but still wear safety boots. Ms. Olson explained to him she did not recommend allowing the field staff to wear shorts would be a safety hazard. Chairman Tackett asked if anyone had any questions. There were none.

ADJOURN MEETING

Chairman Tackett requested a motion to adjourn today's Regular meeting. Commissioner Melton made the motion. Commissioner Justice seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Absent
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-06-017

MOUNTAIN WATER DISTRICT
BOARD OF COMMISSIONERS REGULAR MEETING

July 31st, 2025
4:00 PM

ATTENDEES
Jim Vanover, Vanover, Hall, Bartley & Ward Law Firm
Mike Spears, Michael Spears CPA, PSC
Tim Campoy, EDC
Mark Stephens, Summit
Logan Stevens, Bell Engineering
Tammy Olson, General Manager
Carrie Hatfield, Chief Financial Officer
Kevin Lowe, Office Manager
Melissa Wright, Compliance Manager
David Wolford, Operations Manager
Jamey Keathley, Wastewater Supervisor
Crit Justice, Meter Department Supervisor
Helen Kirk, Visitor

PLEDGE OF ALLEGIANCE
Chairman Tackett led the assembly in the Pledge of Allegiance.

PRAYER
Commissioner Runyon led the assembly in an opening prayer.

CALL TO ORDER AGENDA ITEM I
The Mountain Water District Board of Commissioners' Regular Meeting was held on Thursday, July 31st, 2025, at 4:00pm

Commissioners present at the meeting were as follows:

Randy Tackett - Chairman
Mitch Justice, Vice Chairman
Myrtle Runyon, Treasurer
Paul Chaney, Secretary - Absent
Burt Melton, Commissioner - Absent

VISITORS
Helen Kirk was present at the meeting to discuss an issue about the leak adjustment policy. She has rental property located at Allision Heights. The tenant had a leak and called the office requested leak adjustment because the leak had been repaired. The next billing went back to the average amount and then she received the June billing. The June billing increased by a significant amount, another leak was later found and repaired. Ms. Kirk explained that she had contacted the office to request an adjustment and was informed that she was only allowed one adjustment per twelve months. She understood the policy but her issue was the sewer, she wanted the sewer adjusted because it was not treated and thought her tenant should not be responsible for the sewer billing. Commissioner Tackett explained the tariff to Ms. Kirk and that if it was in the tariff, we had to abide by it, if not then the district was not allowed to do it. Ms. Kirk agreed but further questioned as to why the sewer could not be adjusted. Ms. Olson agreed to contact the PSC to ask if the district could adjust the extra month of sewer after the leak adjustment and once, she received a response from the PSC, she would contact Ms. Kirk. The board agreed that if the PSC allowed the district to adjust the sewer, they would approve the motion at the next meeting. Ms. Kirk was pleased with the response she had received and thanked the board for their time.

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, June 26th, 2025. Commissioner Justice made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Absent
Commissioner Melton	Absent

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-07-002

FINANCIAL REPORT – MICHAEL SPEARS, CPA, PSC AGENDA ITEM III

Mr. Spears explained the Financial Report as followed: Cash in Bank at the end of June was $145,844; Accounts Receivable was $1,952,399; Plant in Place was $175,626,017; Accounts Payable was $567,394, was down this month; Equity was $93,408,073; Revenue for the month of June was $1,118,226; Utility Operating Expenses for the month of June was $1,275,421; Loss for the month was $265,205, included in the loss was Deprecation Expenses of $335,997; Operating income was a negative amount of $157,195; Cash decreased for the month of June, $116,106, he referred to page 4, several payable items were paid; the current Operating account balance as of June 30th was $138,165. Currently fully funded in the reserves; KIA Reserve was $427,038; RD Reserve was $940,109, respectfully; O&M Reserve was $34,989; transferred $43,000 to the sinking fund to pay the debt service; also transferred $10,000 to O & M Reserve as discussed in last month's meeting when contract with Southern Corrosion was ended. Mr. Spears explained retirement was higher because of the three pay periods in May. He then referred to page 15 of the packet reviewing the Total Sales, in June it was $1,118,226, it was higher this month than earlier but was more average. Then he referred to page 16 of the packet, the expenses for the month; water purchased from Williamson was $39,082, was lower than earlier; water purchased from the City of Pikeville was $81,599, higher than earlier. He then referred to the electrical expenses being $161,062, which was higher than earlier. He 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 Justice seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Absent
Commissioner Melton	Absent

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-07-002

PAYMENT OF BILLS AGENDA ITEM IV

Ms. Olson stated the cash disbursement began on page 17 with the payables on page 21 of the packet. The board took a few moments to review the payment of bills and cash disbursement. Chairman Tackett asked if anyone had anyone 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 Justice made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Absent
Commissioner Melton	Absent

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-07-003

CUSTOMER ADJUSTMENTS AGENDA ITEM V

Customer adjustments for June 2025 were to be tabled to the August 2025 board meeting due to quorum not met, motion could not be voted on; Commissioner Justice requested to abstain from voting due to conflict of interest with a listed customer on the adjustment form.

CONSTRUCTION REPORT AGENDA ITEM VI

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

1.) **Fishtrap Hydraulic Modification Project –** Mr. Campoy explained that EDC was a sub-consultant to Bell Engineering on this project. The pre-bid meeting was held on June 25th and the bid opening was conducted on July 23rd at the offices of Jim Vanover. Five bids were received, four were within budget, the apparent low bidder being Precision, Inc. ($589,090.00). However, this bid was considered non-responsive and had been disqualified, as multiple required items were omitted from the bid, a Letter of Bid Rejection was sent to the low bidder, Precision, Inc. By letter dated July 28th, 2025, EDC recommended to the board the project be awarded to the next lowest bidder, BOCA Enterprises, Inc. for a sum of $601,850.00 and requests that the Notice of Award be executed. The funds available for construction, as provided by the Pike County Fiscal Court, are $630,051.00. Other bidders included Jones Contracting ($607,475.00), MGM Contracting ($619,440.00) and H2O Construction ($723,142.00). As a reminder, MWD would provide labor and equipment as "in kind" services to install certain materials purchased through the project funding. The funding agency is in concurrence with this recommendation. RD has provided three checklist items needed, two of which are being addressed by MWD and one of which Bell Engineering is working through. Bell Engineering and EDC will continue working with MWD and RD to satisfy all bid requirements. Next steps are to begin preparing contract documents for award to BOCA Enterprises Inc. We should have a better idea of the schedule of award at next month's meeting. Also, I requested resolution to submit letter to RD to increase the continency from ten percent to fifteen percent. The fifteen percent would be above the available funds of the total amount.
Chairman Tackett requested a motion to approve the Notice to Award to BOCA Enterprise for $601,850. Report as submitted. Commissioner Justice made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Absent
Commissioner Melton	Absent

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-07-004

Chairman Tackett requested a motion to approve the letter to Rural Development to increase the contingency to fifteen percent. Commissioner Justice made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Absent
Commissioner Melton	Absent

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-07-005

2.) **Kimper DOT Line Relocation Project at Kellogg's –** Mr. Campoy stated KYTC had accepted the final construction plans, cost estimates and the District's technical specifications. The KYTC plans 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.) **Smith Fork of Meta DOT Bridge Replacement Project –** Mr. Campoy stated this project was awarded to MGM Contracting, Inc. for a sum of $82,600 at the June board meeting. As the contractor had now provided the required performance bond, insurance, etc. Now asked that the contract document be executed and approved by the board.

- **Retroactive Approval of the Contract Notice to Proceed –** Ms. Olson explained she had to sign the Notice to Proceed had to be signed and dated prior to the meeting would need resolution for retroactive approval.
  Chairman Tackett requested a motion to retroactively approve the Contract Notice to Proceed for the Smith Fork of Meta DOT Bridge Replacement Project. Commissioner Tackett made the motion. Commissioner Justice. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Absent
Commissioner Melton	Absent

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-07-006

4.) **Capital Infrastructure Replacement Project/Peach Orchard Water Line Extension** – Mr. Campoy stated EDC was a sub-consultant to Bell Engineering on this project, where waterlines and related appurtenances will be replaced and/or relocated at Smith Fork (Phelps), Dorton Hill and Big Branch (Marrowbone). Approval has been received for each project from the Drinking Water Branch, the Stream Crossing Branch, and the Transportation Cabinet. Still waiting for approvals for Smith Fork and Big Branch from the US Army Corp of Engineers, where they were still under review. Bell Engineering was actively working on the design phase of Pike Central and Adams Branch project. Specs and KYTC permitting application are complete. Met with Tammy and Jonathan on-site July 16th, 2025, to review project. Finalizing site plans based upon the latest GIS information received and working towards submitting to the Division of Water. Discussions from the board took place concerning removing the Dorton Hill portion of the Capital Infrastructure Replacement Project and utilizing the available funds to extend the Big Branch Project by adding an additional six-inch ductile iron pipe as far as possible. Allowing new ties-ins, gate valves, flush hydrants, and service reconnects; 2,500 LF of additional ductile iron pipe could be added to the Big Branch Project. We have reached out to the funding administrator to determine if this change in scope could be made. Based on their response, it was going to cause significant delays to the project. As a result, the board decided to stay with the original design.

5.) **Raw Water Intake (Barge Pump)** – Mr. Campoy stated that EDC is working with Hungate Engineering and MWD personnel to develop alternative options in the operation of the primary raw water intake pump system. The best option to this point will be discussed. The first round of drawings had been reviewed and needed permission from the board to move forward. The plan set that was agreed on was the simple plan, the stationary plan set.
Chairman Tackett requested a motion to authorize to approve the concept from Hungate Engineering for the barge pump plans. Commissioner Runyon made the motion. Commissioner Tackett. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Absent
Commissioner Melton	Absent

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-07-007

6.) **Peach Orchard Water Line Extension -** Mr. Campoy explained the preconstruction meeting for the project that was held on June 5th. The Notice to Proceed had been issued to Precision Inc. Due to delays in the delivery of materials for the project, the contract time will begin on Monday, August 4th, 2025.

7.) **Water Loss Reduction Plan, Phase 1 (ARPA Funds) –** Mr. Campoy said the original scope of the work was completed except for the work the District was self-performing. The remaining funds were being used to purchase equipment identified by the District. EDC has completed the inspection services on this project.

Update by Summit Engineering Mark Stephens. P.E.

Brushy Fork/Sycamore Water Line Extension – Mr. Stephens stated the contractor, Summit, and MWD met on July 1st and completed the start-up of the chlorine booster unit. The contractor completed jobsite cleanup last week. Had worked through the final punch-list items and will be submitting the final paperwork to complete the project this month. Mr. Stephens stated that he had not talked with anyone from the church to verify the cleaning up on their property but would schedule a date to have that done.

Chairman Tackett 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 submitted. Commissioner Tackett made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Absent
Commissioner Melton	Absent

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-07-008

PROJECT DRAWS:

The project draws were listed on page 4 of the packet. Chairman Tackett reviewed and read aloud the project draws. Chairman Tackett asked if anyone had any questions about the Project Draws. There were none.

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

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Absent
Commissioner Melton	Absent

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-07-009

PROJECT DRAWS:

KDOT – Smith Fork of Meta

EDC	**DOT Funds**	**$5,100.00**
Total:		**$5,100.00**

Lead Service Line Inventory

Mountain Water District	**KIA Funds**	**$8,807.02**
Total:		**$8,807.02**

Water Loss Reduction Plan

Bell Engineering	**ARPA Funds**	**$1,914.00**
Total:		**$1,914.00**

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

1.) **Funding Update –** Ms. Olson stated the KY WATTERS application deadline was August 30th: would be applying for more funding, one capital project and one noncapital project. Had couple options for the capital project; the Ashcamp connector, or wastewater plants. The Ashcamp connector would connect from Big Branch to Ashcamp, allowing more of MWD water to be pumped to Elkhorn to eliminate purchased water from City of Pikeville, this would also help with keeping the district in compliance with DOW. The wastewater package had been receiving some violations for rusted holes, which was because them being so old and they were in separate need of repairs. The district had ten plants and seven package plants; as of now the district had contracted someone to weld and paint the holes to pass the violations but those were only temporary fixes, the package plants needed to be replaced. Chairman Tackett asked the district to look at the package plants at the old Sidney mine site, said they were no longer in use and could be purchased if the district could use them. Mr. Keathley said he would schedule a time to meet and go look at them but also had to get a contractor to move them and set back up. The Ashcamp connector cost had not been completed yet, not sure about the booster pump station and tank cost. MWD staff could do some work and save some money. This project would eliminate about four booster pump stations, which would save on power bills. Mr. Wolford was still working on prices for this project. He estimated the cost of the tanks and parts to be about $635,000, plus site work and engineering cost, would be close to a million-dollar project. Ms. Olson continued that if the Collins HWY project were to bid, it would require a contractor and engineering fees. By completing this project, it would eliminate two package plants and would need to determine the size of force main based on customer count. The non-capital project would be to pay off the debt of the RG3 meter loan. Ms. Olson said she would have the completed application for approval at the next meeting.

2.) **Water Loss Update –** Ms. Olson explained the water loss updates; the percentage were still high this month. The Mountain Water form was 37.11% and the PSC form was 40.2% for June, the amount of purchased water was high. She stated that all management had met to discuss ideas and options to help reduce water loss. One daytime area supervisor agreed to go back to night shift to work and help night shift crew to look for leaks and to help make repairs. In one night, they repaired six service line leaks, and hopefully water loss would soon start to go back down. The crew found some things to repair to shift more water to help with purchased water amounts. Leak detection was working day and night to find leaks to also help with water loss. All crews were working together to locate and repair water leaks; the staff was doing an excellent job of maintaining the system the size of MWD.

3.) **Daily Operations Update -** Ms. Olson explained FEMA cat b, emergency work, had been submitted and the crew were beginning to work on the permanent work that had not been completed. There were a lot of items that had been on the shelf or in stock and the district was not allowed to include those items in the cost. During the next several months they will be contacting us requesting more information and payment would take about a yar or so. She explained one daytime area supervisor agreed to go back to night shift to work and help the night shift crew to look for leaks and to help make repairs; this was completely voluntary but he felt he could help and make changes. Ms. Olson also explained that Williamson Water was having issues with their system and would shut the valves off that supplied water to the district. By them doing so, the district had to switch to the City of Pikeville water to supply customers in those areas with water. It was discussed that Commissioner Chaney and Commissioner Melton were not present at the meeting, so there needed to be an Acting Secretary appointed for today's meeting.
Chairman Tackett requested a motion to approve Vice Chairman Mitch Justice as Acting Secretary for today's meeting on July 31st, 2025. Commissioner Tackett made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Absent
Commissioner Melton	Absent

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-07-012

4.) **Authorization to Execute the KYWWATERS Assistance Agreement -** Ms. Olson explained this was a loan program with a one hundred percent forgivable loan for the district due to Pike County being a low-income county. A copy of the agreement started on page 45 of the packet and the resolution on page 66 for review. The capital project was approved for the water plant upgrades for the amount of 2.4 million dollars; the non-capital project was to pay off debt of 1.155 million dollars. She stated the funds were to be spent on specified items only. She requested a resolution to approve her to execute the KYWATTERS Assistance Agreement.
Chairman Tackett requested a motion to approve Tammy Olson, to execute the KYWATTERS Assistance Agreement to pay 1.155 million dollars of debt. Commissioner Tackett made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Absent
Commissioner Melton	Absent

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-07-013

Chairman Tackett requested a motion to approve Tammy Olson, to execute the KYWATTERS Assistance Agreement for 2.4 million dollars for water plant upgrades and rehab work, Commissioner Tackett made the motion. Commissioner Justice seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Absent
Commissioner Melton	Absent

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-07-014

5.) **Authorization to Award Bid Annual Gravel and Material Hauling Services –** Ms. Olson explained this was an annual bid for gravel and material hauling; only one bid was received for both zones and recommended to award the bid to DD&K.
Chairman Tackett requested a motion to approve to award the bid for the Annual Gravel and Material Hauling Services to DD&K. Commissioner Tackett made the motion. Commissioner Justice seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Absent
Commissioner Melton	Absent

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-07-015

6.) **Authorization to Award Bid Annual Pavement Replacement –** Ms. Olson explained this was an annual bid for paving replacement where the district would have to cut blacktop to repair line leaks/breaks and requested approval to advertise for bid for the annual pavement replacement bid. Only one bid was received, from Mingo Paving, they are who currently did the work for the district and did an excellent job,
Chairman Tackett requested a motion to approve to award the bid for the Annual Pavement Replacement to Mingo Paving & Sealing, LLC. Commissioner Runyon made the motion. Commissioner Justice seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Absent
Commissioner Melton	Absent

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-7-016

7.) **Approval of the FEMA DR 4860 Contract –** Ms. Olson explained that every entity had to execute a contract with FEMA for the disaster. The CAT B work was about $432,000 and the CAT F would be about $50,000 to $100,000. It would take about a year or so to receive final payment.
Chairman Tackett requested a motion to approve the FEMA DR 4860 Contract. Commissioner Tackett made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Absent
Commissioner Melton	Absent

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-07-017

8.) **Belfry Vocational Easement –** Ms. Olson explained this was the old Belfry Vocational School site beside the Belfry Public Library; the power company has purchased the property and currently building a sub-station. They paid to have the water line moved few hundred feet to accommodate them but the district had no easement on file. AEP sent an easement for approval but Ms. Olson explained that after Mr. Vanover reviewed it, they decided not to sign it. The easement stated that if AEP wanted the water lines moved for any reason, the district would be required to move them at the District's cost. Ms. Olson agreed that the district needed an easement but requested Mr. Vanover to redo the easement before signing.

9.) **Paving Issue –** Ms. Olson this was a complaint that came for the owner of the Pitstop Express at Dorton; the district had repaired a leak on the property back in 2017 and he wanted it repaired again but this time wanted the area concreted. Ms. Olson explained that she contacted him and explained that the district contracted those services out and they did not warranty them for that long and had not heard back from him.

10.) **Cyber Security** – Ms. Olson explained that in June she had received emails from KRWA and AWWA about securities being hacked. She had forward those to Mr. Lowe to contact Eastern Telephone to quote extra security. To get 24/7 monitories for up to fifteen devices, the cost would be about $66 per device. This would be AI and live monitoring with constant system analysis running. If it detects any fraud activity it would shut down system immediately and send an alert. After further discussion, it was suggested to get more information such as what happened if an attack were missing and if by having extra coverage it would reduce the cost of the district's cyber insurance.

11.) **Collins HWY Sewer Line Extension –** Ms. Olson explained this was discussed earlier and requested a motion to approve Summit Engineering for the preliminary plans and budget of seven thousand dollars for Collins HWY sewer line extension.
Chairman Tackett requested a motion to approve Summit Engineering for the preliminary plans and budget of seven thousand dollars for the Collins HWY Sewer Line Extension and Ashcamp Connector Project. Commissioner Tackett made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Absent
Commissioner Melton	Absent

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-07-010

12.) **Water Meter Replacement –** Ms. Olson referred to page 122 & 123 of the packet for cost estimate of meter replacement. There had been meter companies came to the district and demonstrate their meters and what each meter was cable of doing. The meter that everyone liked the most was the Kamstrup meter. This meter has leak detection option, gauged for up to 250psi and had very little failure rate. She explained that the district needed funding for this project and this would be a slow replacement project once it started. She would check with procurement law to make sure the project

did not need to bid out. She would also contact Mr. Wuetcher about if the district could possibly use the surcharge funds to pay for them because of the leak detection feature. The district would be completing the change outs in small areas until more funding became available for more to be purchased.

13.) **Ashcamp Connector -** Ms. Olson - this was discussed in the Engineer Report. Mr. Wolford had to verify prices and if size of tank and if any booster pump stations were needed. The district could do most of the work to save costs but would require an engineer. He estimated the cost of tank and parts to be about $635,000, plus engineer cost and site would bring it close to a one-million-dollar project. It was discussed that more definite numbers were needed for this project.
Chairman Tackett requested a motion for engineering selection to review the project and the lowest quote for preliminary design and budget for the Ashcamp Connector Project. Commissioner Tackett made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Absent
Commissioner Melton	Absent

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-07-011

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 Justice made the motion. Commissioner Runyon seconded Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Absent
Commissioner Melton	Absent

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-07-018

Executive Session

a. **Pursuant to KRS 61.810 (1)(c) to discuss the District's litigation strategy with regard to current and potential litigation and the District's contracts, as well as KRS 61.810 (1)(f) to discuss a specific personnel matter.**

Convene to Executive Session

Chairman Tackett requested motion to convene to Executive Session. Commissioner Justice made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Absent
Commissioner Melton	Absent

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-07-019

Reconvene from Executive Session

Chairman Tackett requested motion to reconvene from Executive Session. Commissioner Runyon made the motion. Commissioner Justice seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Absent
Commissioner Melton	Absent

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-07-020

COMMISSIONER COMMENTS

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

ADJOURN MEETING

Chairman Tackett requested a motion to adjourn today's Regular meeting. Commissioner Justice made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Absent
Commissioner Melton	Absent

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-07-021

MOUNTAIN WATER DISTRICT
BOARD OF COMMISSIONERS REGULAR MEETING

August 28th, 2025
4:00 PM

ATTENDEES
Jim Vanover, Vanover, Hall, Bartley & Ward Law Firm
Mike Spears, Michael Spears CPA, PSC
Tim Campoy, EDC
Mark Stephens, Summit
Logan Stevens, Bell Engineering
Lee Lowe, Bell Engineering
Tammy Olson, General Manager
Carrie Hatfield, Chief Financial Officer
Kevin Lowe, Office Manager
Melissa Wright, Compliance Manager
Jamey Keathley, Wastewater Supervisor
Crit Justice, Meter Department Supervisor
Jonathan Joyce, Area Supervisor
Jason Sesco, Shelby Valley Area Supervisor
Chris Dempsey, Wastewater Operator
Doug Scalf, Pond Creek Supervisor
Brayden Newsome, Daytime Leak Detection
Kristopher Dills, Nightshift Supervisor
Richard Paulmann, Richard Paulmann CPA, LLC

PLEDGE OF ALLEGIANCE
Chairman Tackett led the assembly in the Pledge of Allegiance.

PRAYER
Commissioner Runyon led the assembly in an opening prayer.

CALL TO ORDER AGENDA ITEM I
The Mountain Water District Board of Commissioners' Regular Meeting was held on Thursday, August 28th, 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
There were none.

Chairman Tackett began the meeting by reading a statement to introduce the two new commissioners, Mr. Jame Slone and Mr. Grondal Potter. Their duties were discussed and conflicts of interest such as the district having a contract with the City of Pikeville to purchase water. Pikeville City is currently being managed by Utility Management Group (UMG); UMG managed Mountain Water District in the past with Commissioner Potter being the district's manager. That would be a conflict of interest for Commissioner Potter; Chairman Tackett then asked Commissioner Potter if he thought he could give one hundred percent loyalty to Mountain Water District even though he was affiliated with the City of Pikeville. Commissioner Potter answered yes, he could do that and further explained that he wanted was best for Mountain Water because he and his wife had family living in Pike County and needed water, he wanted Mountain Water to keep

functioning and had their best interest in mind. Commissioner Slone said he would give one hundred percent loyalty to Mountain Water District. Chairman Tackett stated that Commissioner Potter would be asked to recuse himself with anything regarding the City of Pikeville; Commissioner Potter said he had no problem with doing that and had recuse himself with the board at the Breaks State Park, he understood the conflict of interest and had no problem in doing so.

ELECTION OF OFFICERS FOR THE BOARD OF COMMISSIONERS

Randy Tacket was nominated for the Chairman and accepted the position as the Chairman of the Board. Commissioner Runyon requested a motion to appoint Randy Tackett as Chairman of the Board. 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 25-08-001

Burt Melton was nominated as the Vice Chairman and accepted the position as the Vice Chairman of the Board. Chairman Tackett requested a motion to appoint Burt Melton as Vice Chairman of the Board. 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	Aye
Commissioner Potter	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-08-002

Myrtle Runyon was nominated as Treasurer and accepted the position as Treasurer of the Board. Chairman Tackett requested a motion to appoint Myrtle Runyon as the Treasurer of the Board. 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 25-08-003

James Slone was nominated as the Secretary and accepted the position as the Secretary of the Board. Mr. Spears asked Commissioner Slone to be on the Budget Committee, he felt by doing so, it would give Commissioner Slone a better understanding of the district's financials. Chairman Tackett requested a motion to appoint James Slone as Secretary of the Board. 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 25-08-004

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, July 31st, 2025. 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 25-08-005

FINANCIAL REPORT – MICHAEL SPEARS, CPA, PSC AGENDA ITEM III

Mr. Spears explained the Financial Report as followed: Cash in Bank at the end of July was $113,287; Accounts Receivable was $1,920,939; Plant in Place was $176,009,003; Accounts Payable was $703,674, was down this month; Equity was $93,305,730; Revenue for the month of July was $1,082,225; Utility Operating Expenses for the month of July was $1,289,164; Loss for the month was $239,330, included in the loss was Deprecation Expenses of $335,997; Operating income was a negative amount of $206,938; Cash decreased for the month of July, $32,309; the current Operating account balance as of July 31st was $107,000. Currently fully funded in the reserves; KIA Reserve was $428,125; RD Reserve was $940,108, respectfully; O&M Reserve was $34,989; 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 July it was $1,082,225. Then he referred to page 16 of the packet, the expenses for the month; water purchased from Williamson was $45,656; water purchased from the City of Pikeville was $79,181, was still up. Mr. Spears explained that Mingo County PSD had a major leak and had to wait for FEMA funding to repair it and they were supplied with water from MWD purchased from Pikeville, that was a lot of the increase in purchased water. He then referred to the electrical expenses being $151,166, he explained that some of the higher months were because of the consolidated bills, true up months. R&M was higher this month, $105,469 and that was because of the paving and gravel invoices that came due. The chemicals were higher, $23,938 and that was due to most chemicals are ordered quarterly in bulk. He 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 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 25-08-006

- **Approval of High Service Pump –** Ms. Olson explained the high service pump was the main pump and the district only had one and if the pump was to go down the district would be unable to pump water. The pump had been leaking for some time now and definitely needed to be replaced. It was bid out previously and did not receive any bids and then got quotes to repair it. WASCON sent a quote for repairs of $15,000 then they came to do look at it and realized it would be more than just repairing, the motor needed a full replacement. MWD personnel thought it was a seal that was leaking the way water was leaking at a steady flow. After looking at the pump, WASCON quoted for replacement of $128,000. Ms. Olson explained she hoped to use KY WWATERS funds and was informed that she could not. Mrs. Hatfield explained the debt payoff that was listed on the KY WWATERS was the original amount as of August 2024; the district had paid monthly payments and would have excess funds from that debt payoff of about $75,000. Ms. Olson explained again this was critical to the district and they had been looking for funding. Commissioner Potter said to contact whomever the pump would be purchased from and ask if the district could do a payment

plan, pay the $75,000 down payment and make monthly payments for couple months until it was paid; he stressed the pump was essential to the district. Once the pump was ordered it would take at least six weeks for the pump to arrive. Ms. Olson explained that she and Mrs. Hatfield would continue to look for other ways to fund this, if needed, use the reserve funds or the free line of credit or see if there were any remaining ARPA funds. Mr. Stephens recommended checking with KIA for funding opportunities. After further discussion, it was decided to allow the general manager to advertise for bid, visual inspection mandatory prior to bidding, award the bid and to purchase the high service pump, not to exceed $135,000.
Chairman Tackett requested a motion to approve the general manager, Tammy Olson, to advertise for bid the high service pump and a visual inspection would be mandatory prior to bidding. 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 25-08-007

Chairman Tackett requested a motion to approve the general manager, Tammy Olson, to award the bid and purchase the high service pump, not to exceed amount $135,000. Commissioner Runyon 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 25-08-008

- **Presentation of the 2024 Audit, Richard Paulmann -** Mr. Richard Paulmann, represented Richard Paulmann, CPA, LLC, presented the District's audit report for the year 2024. He began by referring to page one, second paragraph of the report of audit he distributed. He explained this was the opinion letter, continued to the second paragraph which stated an opinion. In Mr. Paulmann's opinion about the financial statements referred to above present fairly, in all material respects, the respective financial position of the Mountain Water District as of December 31st, 2024. He preceded to page six with a statement regarding the CERS Retirement System. He continued to page 7 with, if one was small business owner they would have to follow this was like a balance sheet accrual based that the CPA would prepare. Statement of Net Position; Cash & Cash Equivalent was $299,811, increased from 2023; Allowance for Delinquencies was $1,824,302, increased form 2023; Paid Expenses were $237,710, decreased from 2023. Page 29, Construction Funds totaled $331,778 and Restricted Cash listed was $3,664,384, increased from 2023; Notes to Financial Statements listed on page 31, Sewer Projects increased to $3,819,686, a tie out on page 7. He then referred to page 17, Note 9 – Pension Plan; Deferred Outflows was $658,343 and Deferred Inflows were $894,839; Post-Employment Benefits other than Pension; Deferred Outflows $381,925; Deferred inflows $533,438, total tie out on page 8. Continued to page 32, Bonds Payable, Less Current Portion ($459,600) and Long-Term Bonds Payable $11,419,900. See page 9 for Statement of Revenues, Expenses and Changes in Net Position; Metered sales-residential was $8,054,368; Metered sales commercial was $890,781; Sewage revenue was $2,362,512; Metered sales-multi was $2,362,512; Metered sales public authority was $481,158; Surcharge Revenue $334,649; Other water service revenue was $287,312; Service connection fees was $55,109; Metered sales-industrial was $88,316; Fire protection was $1463; Total operating revenue was $12,919,530, was increased by $2,194,000 from previous year. Operating expenses, Depreciation was $4,314,896; Water purchased was $1,080,266; Wages were $2,594,560; Employee benefits were $797,171; Legal services were $121,844; Retirement expenses were $281,875; Repairs and maintenance was $1,257,593; Utilities were $1,515,674, increased $138,000 from last year; Insurance was $152,677; Total

operating expenses was $13,941,443, gave an increase of $509,000 from previous year; Non-Operating Revenue, Interest Income $111,835; Interest Expense ($403,858), Total Non-Operating Revenue (308,252); Loss before Capital Contributions & other changes in Net Position ($1,330,165) a decrease from previous year. Shown on page 10, Capital Contributions and other changes in Net Assets, Gain from Pension $873,182; Government & State Grants $564,823; Customers through Tap-on fess $145,241; Total Capital Contributions $1,583,246; Change in net position $253,081; Net position beginning of the year $65,636,691, complete tie out on page 8. Cash flow from operating activities was $2,299,966; Increase in customer deposits was $52,081; Proceeds from Tap-on fees $145,241; Grants was $564,823; Advances for construction was $766,610; Equipment was $1,141,390; Construction in progress was $830,816; Principal Payment ($1,174,955) Interest payments was (403,858); Net Cash used by Capital & Related Financing ($1,943,745), a decrease from previous year. Interest income was $111,835; Total cash & cash equivalent, restricted cash & operating $ was $3,213,000; Cash & cash Equivalents, Petty Cash $320; Cash in Bank $299,491; Restricted Cash $3,782,091; Total $4,081,902, an increase from previous year. Referring to page 39, Report on Internal Control, this was required and found nothing. Mr. Paulmann then referred to the Report to Management, page 3 this was a requirement of the audit, it was a report between himself and the Board of directors; page 4 was the same, solely for the information and use of the Board of directors. He referred to the listed recommendations for strengthening internal control and operate more efficiently; listed were a few suggestions and this report is solely for information and use of the board of commissioners, management and others with MWD, it shall not be used by anyone other than those specified. He concluded that overall, in 2024the district totaled about $1.8 million more than 2023. Commissioner Melton commended the staff on their work and efforts, Chairman Tackett as if Mr. Spears and Ms. Olson had reviewed this, he felt it was too much to digest in little time. Mr. Spears said yes, it was reviewed previously. He recommended approving the audit as it was presented.

Chairman Tackett requested a motion to approve the District's Annual Audit 2024 that was presented by Richard Paulmann and to renew Mr. Richard Paulmann, Richard Paulmann, CPA, LLC. as the district's auditor for the next two years. Commissioner Tackett 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 25-08-009

Listed in the packet on page 17 was the Engagement Letter and rates listed on page 22 from Mr. Richard Paulmann for the next two years. Ms. Olson reviewed the rates and the letter with the board and requested the board to accept the engagement letter and rates.

Chairman Tackett requested a motion to accept the engagement letter from Jack Lawless shown on page 17 of the packet and rates shown on page 22 of the packet. 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 25-08-010

PAYMENT OF BILLS AGENDA ITEM IV

Ms. Olson referred to the packet, page 25 with the cash disbursement and page 30 with the payables. The board took a few moments to review the cash disbursement and payment of bills. Chairman Tackett asked if anyone had anyone 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 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 25-08-011

CUSTOMER ADJUSTMENTS AGENDA ITEM V

Customer adjustments for May 2025 were tabled from the July meeting due to quorum not met, motion could not be voted on; Commissioner Justice requested to abstain from voting due to conflict of interest with a listed customer on the adjustment form. Customer adjustments for June were $35,022.31 and July were $17,900.92. Commissioner Slone and Commissioner Potter abstained from voting on motion for June's adjustments. The Commissioners took few moments to review the adjustments. Chairman Tackett asked if anyone had any questions. There were none.
Chairman Tackett requested a motion to approve the Customer Adjustments for June 2025, as presented in the amount of $35,022.31. Commissioner Tackett made the motion. Commissioner Melton seconded the motion. Commissioner voting as follows:

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

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-08-012

Chairman Tackett requested a motion to approve the Customer Adjustments for July 2025, as presented in the amount of $17,900.92. Commissioner Runyon made the motion. Commissioner Melton seconded the motion. Commissioner voting as follows:

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

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-08-013

CONSTRUCTION REPORT AGENDA ITEM VI

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

1. **Fishtrap Hydraulic Modification Project –** Mr. Campoy began by stating that EDC was a sub-consultant to Bell Engineering on this project. At the July Board meeting, the project was awarded BOCA Enterprises for a sum of $601,850. The funds available for construction, as provided by the Pike County Fiscal Court, are $630,051. Kriby Bowling has signed the contract on behalf of BOCA and requested the board chairman and the secretary to execute it as well. Also, would like to request the board attorney to sign the Concurrence Letter required by Rural Development. A reminder that

MWD would provide labor and equipment as "in kind" services to install certain materials purchased through the project funding. Bell Engineering prepared a Final Engineering Report that had been approved by Rural Development. The contract documents have been prepared by EDC and will be issued to BOCA Enterprises Inc. and Mountain Water District. Once BOCA Enterprises Inc. had their bonds and insurance in place, a pre-construction meeting could be scheduled and BOCA Enterprises Inc. could be issued a Notice to Proceed with construction. Mr. Campoy stated the meeting could be scheduled by zoom if needed.
Chairman Tackett requested a motion to approve the Board Chairman and the Secretary to sign the contract requested by the funding agency for the Fishtrap Hydraulic Modification Project. Commissioner Potter 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 25-08-014

Chairman Tackett requested a motion to approve the Board Attorney, Jim Vanover, to sign the Concurrence Letter required by Rural Development for the Fishtrap Hydraulic Modification Project. 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 25-08-016

- **Authorization for the General Manager to Sign Documents for the Fishtrap Hydraulic Modification Project –** Mr. Campoy requested a resolution from the board to approve the general manager, Tammy Olson, to sign the documents for the construction to begin on the project.
  Chairman Tackett requested a motion to approve the general manager, Tammy Olson, to sign the documents for the Fishtrap Hydraulic Modification Project to begin construction. Commissioner Tackett 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 25-08-015

2. **Kimper DOT Line Relocation Project at Kellogg's –** Mr. Campoy stated KYTC had accepted the final construction plans, the cost estimates and the District's technical specifications. The 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 and the project is funded by the Transportation Cabinet.

3. **Smith Fork of Meta DOT Bridge Replacement Project –** Mr. Campoy stated the project was awarded to MGM Contracting, Inc. for a sum of $82,600 at the June board meeting, the contract has been signed and the materials have been ordered. The contractor is expected to begin work in about four weeks to move water lines and this project is also funded by the Transportation Cabinet.

4. **Capital Infrastructure Replacement Project/Peach Orchard Water Line Extension** – Mr. Campoy stated EDC was a sub-consultant to Bell Engineering on this project, waterlines and related appurtenances would be replaced and/or relocated at Smith Fork (Phelps), Dorton Hill and Big Branch (Marrowbone). All agency approvals have been received and EDC requested permission from the Board to advertise this project for bid. Bell Engineering was working on the design phase of Pike Central and Adams Branch project. The specs and KYTC permitting application were completed. Had met with Tammy and Jonathan on-site on July 16th, 2025 to review the project. Currently working to finalize the site plans based upon the latest GIS information received from MWD and working to submit to the Division of Water. Smith Fork, Dorton Hill, and Big Branch design have been completed and now have DOW and COE permits. KIA has given permission to proceed with bidding on these areas in advance of the Pike Central and Adams Branch project areas, if MWD wishes to do so. Also received approval from the funding agency to divide the projects. The remaining funds must be spent by December 2026.
   Chairman Tackett requested a motion to approve the general manager, Tammy Olson, to advertise for bid the Capital Infrastructure Improvements Project, Contract #1. 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 25-08-017

5. **Raw Water Intake (Barge Pump)** – Mr. Campoy stated EDC has been working with Hungate Engineering and MWD personnel to develop an alternative operations plan for the primary raw water intake pump system. As discussed at the July Board meeting, the preferred option was one that fixed the location of the pump within the existing structure and provided more ease of access. At last month's meeting the simple concept was approved, which was to remove the walk, fix the pump, remove the power lines above the ground, bury them underground and install a lift to pull pump so it could be worked on in the future. EDC and Hungate are working with a contractor, Haren Construction, who visited the site on August 25th, to develop a budgetary cost estimate. Haren Construction is a long-time company located in Knoxville, TN, they specialize in working with water and sewer utilities with eighty plus years of experience. They submitted a quote of $1.150 to $1.4 million dollars for the simple plan. Commissioner Potter stated that the DOW may require three to five-year data with water study. He explained he understood the urgency of the pump because the district had been using the can pumps until the main pump was repaired, this was the main pump for the system. After further discussion, the board decided to revisit this at the September meeting with funding ideas.

6. **Peach Orchard Water Line Extension -** Mr. Campoy began by stating the Peach Orchard Water Line construction began on Monday, August 4th, 2025. As of August 15th, the Contractor had installed 606 LF of 3-inch polyethylene pipe by the open cut method and completed both directional drills of 3-inch polyethylene pipe. Precision Inc. had submitted Pay Request No. 1, totaling $88,332, for execution at today's construction progress meeting. Currently 13.3% of the contract time has elapsed, with 40.6% of the work completed. A Request for Change Order Proposal was sent to Precision Inc. on Friday, August 22nd, for an added main line pressure reducing valve assembly (PRV). Once pricing is received, Change Order No. 1 could be submitted for approval.

7. **Water Loss Reduction Plan, Phase 1 (ARPA Funds) –** Mr. Campoy said the original scope of the work was completed except for the work the District was self-performing. The remaining funds were being used to purchase equipment identified by the District. EDC had completed the inspection services on this project.

8. **Fistrap Road KY 1441 Raccoon Creek Bridge Replacement –** Mr. Campoy explained this was a new project listed and this project was to relocate waterlines to accommodate the replacement of an existing bridge on KY 1441. EDC had been on the preliminary plans and engineering the estimate for the submission to the KYTC representative.

Update by Summit Engineering Mark Stephens. P.E.

1. **Brushy Fork/Sycamore Water Line Extension** – Mr. Stephens stated the contractor had completed the site cleanup and the project was completed. Summit has submitted the final paperwork for processing. That included the contractor's final application for payment and the release of the lien, the final acceptance report, and Exhibit 11, Certification of Completion for the KIA Grant. He stated he had spoken with Mr. Robinette from the church and he was satisfied with the cleanup work and the gravel on the church's property. Mr. Stephens requested a resolution to allow the General Manager, Tammy Olson, to sign the close-out documents for this project.
   Chairman Tackett requested a motion to approve the general manager, Tammy Olson, to sign the close-out documents for the Brushy/Sycamore Water Line Extension Project. 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 25-08-019

2. **Collins HWY Sewer Line Extension (Branham Heights Package Plant Removal)** – Mr. Stephens explained that Summit had reviewed along with MWD, the preliminary layout of a 2" FM extension (approximately 3100ft) and grinder pump station to replace the existing Branham Heights Package Plant. This plant services four households. Summit will collect existing flow data and complete application for a KYDOW construction permit. He continued that footage was based on 3500ft (500ft rolls) with four-inch flow pipe and needed to get the flow data and the preliminary specs for the materials. Ms. Olson explained the package plants were old with rusted holes and the DOW had issued violations. Mr. Keathley stated he had someone to weld and patch them but that was only a temporary fix. Branham Heights services two homes with an average of $52 per month sewer bill, if the line could be running additional footage that would eliminate a package plant. Then extend the line to Daniels Creek and that would eliminate another package plant. Chairman Tackett asked what would happen to the package plants; Mr. Keathley stated the eliminated package plants would have to be drained, cut up and filled in. He said DOW would direct us on what to do when they were no longer in use. Ms. Olson explained that the district could use twenty-five thousand dollars from the sewer tap fee account, do the work in house and not have to bid it. Mr. Stephens said Summit Engineering would have their part completed within a month but DOW could take longer. Ms. Olson requested a resolution to approve the project and use twenty-five thousand dollars from the sewer tap fee account to fund the project.
   Chairman Tackett requested a motion to approve the Collins HWY Sewer Extension (Branham Heights Package Plant Removal) and to use twenty-five thousand dollars from the sewer tap fee account and to have Summit to complete the preliminary layout for the project. Commissioner Tackett 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 25-08-018

Chairman Tackett 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 submitted. 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 25-08-020

PROJECT DRAWS:

The project draws were listed on page 4 of the packet. Mrs. Hatfield explained there was an amendment that was requested for Bell Engineering for $3,178 and Precision Contracting for $88,332. The board of commissioners reviewed the project draws. Chairman Tackett asked if anyone had any questions about the Project Draws. There were none.
Chairman Tackett requested a motion to approve the Project Draws as amended. Commissioner Tackett 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 25-08-021

Brushy / Sycamore

BOCA	**Coal Severance**	**$25,405.26**
BOCA	**Coal Severance**	**$62,862.75**
Summit	**Coal Severance**	**$ 8,750.00**
Summit	**Coal Severance**	**$ 7,500.00**
Total:		**$104,518.01**

Brushy / Sycamore

BOCA	**KIA Funding**	**$111,775.00**
Pike CO Fiscal Court	**KIA Funding**	**$ 4,500.00**
Total:		**$116,275.00**

Lead Service Line

Mountain Water District	**KIA Funding**	**$ 12,429.92**
Seiler	**KIA Funding**	**$ 5,000.00**
ESRI	**KIA Funding**	**$ 2,300.00**
Total:		**$ 19,729.92**

Water Loss Reduction Phase 1

US Bearing & Power Transmission Corp	**KY WWATERS**	**$ 5,341.75**
Total:		**$ 5,341.75**

KY WATTERS Capital Project

Debt Payoff	**KIA Funding**	**$1,155,500**
Total:		**$1,155,500**

Amendment:

Water Loss Reduction Phase 1 -Peach Orchard

Bell Engineering	**ARPA**	**$ 3,178**
Precision Contracting	**ARPA**	**$ 88,332**
Total:		**$ 91,510.00**

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

1.) **Funding Update –** Ms. Olson stated the 2024 KY WWATERS funding had been finalized and hope to have the funds by September 15th; the two projects totaled 2.4 million dollars, but we may not receive that much on the next application. With the debt payoff, there would be funds remaining because of monthly payments paid since the application was filed. The remaining funds would be used to purchase the high service pump. The water treatment plant items will require an engineer and to be bid out. The 2025 KY WWATERS application deadline was August 29th and more funding was applied for; one capital project and one noncapital project. The non-capital project would be to pay off the loan for the RG3 Meters; capital project would be the Ashcamp connector. The total CAT B for FEMA totaled about $435,000, after the tabletop inspection was completed, it was estimated at two million dollars but, the amount would be nowhere near that amount. MWD had an estimate of close to two hundred thousand dollars. Once the district received payment of those funds, which would take about one year, the funds would go back to the reserve account.

2.) **Water Loss Update –** Ms. Olson explained the water loss updates; the percentage were still high this month. The Mountain Water form was 38.27% and the PSC form was 43.9% for July, those reports begin on page 47 of the packet. In 2024, the PSC water loss average was 27% but after the flood event it increased. The amount of purchased water increased and that affects the total percentage. Williamson had some issues and had to use more Pikeville water. MWD supplies water to a master meter at Delorme and they have a major leak that needed repairs but they were unable to until FEMA funds were received. She stated that all management had met to discuss ideas and options to help reduce water loss. One daytime area supervisor agreed to go back to night shift to work and help night shift crew to look for leaks and to help make repairs. The crew found some things to repair to shift more water to help with purchased water amounts. Mr. Sesco stated his crew, Shelby Valley, had repaired seventeen leaks in a short amount of time, service line and main line leaks. Leak detection has been working day and night to find leaks to also help with water loss. The primary cause of the leaks was due to aging infrastructure and water line not being bedded, it was laid on rocks and that makes it harder to locate leaks. All crews were working together to locate and repair water leaks; the staff was doing an excellent job of maintaining the system the size of MWD. Ms. Olson also explained that the City of Pikeville had master meter at Town Mtn and after it was tested, the master meter showed to be registering too fast, the City of Pikeville replaced or recalibrated the meter.

3.) **Daily Operations Update -** Ms. Olson explained one daytime area supervisor agreed to go back to night shift to work and help the night shift crew to look for leaks and to help make repairs; this was completely voluntary but he felt he could help and make changes. The district received three violations for the second quarter on TTHM's, this was majority of Pikeville water. Williamson Water had issues with their system and would shut the valves off that supplied water to the district. By them doing so, the district had to switch to the City of Pikeville water to supply customers in those areas with water. As a requirement of the Corrective Order, our water hold study and water age study are scheduled to meet next week to coordinate with staff.

4.) **Resolution to Approve the KY WWATERS Assistance Application for Capital and Non-Capital Projects -** Ms. Olson explained this was a loan program with a one hundred percent forgivable loan for the district due to Pike County being a low-income county. The capital project applied for will be the Ashcamp Connector; the non-capital project will be to pay off RG3 Meter loan. She requested a resolution to approve the assistance application for capital and non-capital projects.
Chairman Tackett requested a motion to approve to approve the 2025 KY WWATERS Assistance Application for Capital and Non-Capital Projects. 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 25-08-022

5.) **Authorization of RFQ Engineer for KY WWATERS Capital Project –** Ms. Olson stated this was required for water treatment plant items for the 2024 KY WWATERS Capital Project.
Chairman Tackett requested a motion for the authorization of RFQ Engineer for the 2024 KY WWATERS Capital Project. 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 25-08-023

6.) **Authorization to Approve the Rate Application and Notice of Intent to File –** Ms. Olson referred to page 64 of the packet to review the proposed cost of service study. She explained the district was recommended by the PSC to file another cost of service study because they, PSC, would not re-open a closed case. The last rate case was wrong, not sure if it was how the rates were structured but when it went to the PSC, they either did not understand it or they were who changed it. The district chose Jack (Scott) Lawless to complete the current cost of service study. Mrs. Hatfield had worked extensively on providing information requested by Mr. Lawless, as had Mr. Lowe. He had noticed the revenue from commercial sales had declined and lost revenue due to the minimum bill being eliminated. The listed percentage of increase is 25%, but the PSC would disallow employee insurance, the district pays full amount for employee insurance, and anything above the 15% required water loss. After the deductions, the increased amount would be closer to 13%. Ms. Olson stated the KY WWATERS debt payoff had not been deducted and she would have him to do that and the amount would decrease a little because the debt requirement would decrease. The rate structure on paper showed the district was asking for 23% increase but in reality, would get around 13%. Commissioner Melton asked if the board could have more time to review the paperwork, Ms. Olson and the board agreed to schedule a special meeting to discuss and decide. Commissioner Potter explained this was basically a correction from the last rate study, Commissioner Runyon agreed as well. After further discussion it was decided to schedule a special meeting to review the cost-of-service study. Each commissioner will be emailed a packet for review prior to the special meeting, it will be scheduled in ten days, September 9th at 4:00pm.
Chairman Tackett requested a motion to schedule a special meeting to review the Rate Application and Notice of Intent to File. 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 25-08-024

7.) **Renewal of General Liability Insurance –** Ms. Olson explained that Mrs., Hatfield and Commissioner Runyon met with Barry for quotes refer to pages 69-112 of the packet for quotes and coverage. Travelers Insurance quote came in at a 22% increase. Tokio Marine had some changes, such as more coverage on tanks, increased the deductible to ten thousand dollars, which is now standard, and offered flood coverage but not in flood prone area. Their recommendation would be to retain cover with Tokio Marine.
Chairman Tackett requested a motion to approve the Renewal of the General Liability Insurance with Tokio Marine. Commissioner Tackett 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 25-08-025

8.) **Authorization to Amend the Sewer Leak Adjustment –** Ms. Olson that a customer attended the meeting last month that had a water leak, got bill adjusted and then had another leak. The customer understood that she was only allowed one bill adjustment every twelve months but asked if the sewer could be adjusted. Ms. Olson contacted the PSC and was informed the language in the tariff could be changed electronically, the board had to approve it with a resolution and had to follow guidelines of publishing the notice and then file electronically non occurring tariff change with the PSC. This would allow us to adjust sewer only if a customer had another leak before the twelve months are up**.** A resolution was required to amend the sewer leak adjustment.
Chairman Tackett requested a motion for Authorization to Amend the Sewer Leak Adjustment. 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 25-08-026

9.) **Authorization to Bid Annual Horizontal Boring and Drilling -** Ms. Olson explained this was an annual bid the district bids out and requested authorization to advertise for bid the annual horizontal drilling and boring.
Chairman Tackett requested a motion for Authorization to Bid the Annual Horizontal Boring and Drilling Services. 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 25-08-027

10.) **Collins HWY Sewer Line Extension –** Ms. Olson explained this was discussed and approved during the Engineer Report.
Chairman Tackett requested a motion to approve the Collins HWY Sewer Extension (Branham Heights Package Plant Removal) and to use twenty-five thousand dollars from the sewer tap fee account and to have Summit to complete the preliminary layout for the project. Commissioner Tackett 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 25-08-018

11.) **Water Meter Replacement –** Ms. Olson explained that she had contacted Gerald Wuetcher to request a change to the surcharge projects. The Kamstrup had acoustic leak detector and would benefit the district in helping with water loss. Mr. Wuetcher advised to contact the PSC, he felt they would not agree to the change but to make sure the district could prove the new meter would help reduce water loss. Needed to justify the change request and submit, it may take a couple months to get an answer. The next two surcharge projects would be to replace the service line at Burning Fork and Oasis Pond Shop. These two projects would be placed on hold so the new meters could be purchased. Per the PSC as long as it was being replaced exactly as it was, no upgrades would not

need an engineer. As of now, the district was collecting about twenty-five to twenty-eight thousand dollars each month in surcharge funds. Couple months ago, a company came in and tested the large meters. The RG3 large meter did not read correctly, the meter would register ten gallon per minute but it really used thirty gallons per minute, the new meters would help with reducing water loss.
Chairman Tackett requested a motion to authorize the general manager, Tammy Olson, to work with Gerald Wuetcher to request a change to the surcharge funds and to place a hold on the two service line replacement projects. 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 25-08-028

12. **Ashcamp Connector -** Ms. Olson stated there were no updates at this time.

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 Tackett 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 25-08-029

COMMISSIONER COMMENTS

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

ADJOURN MEETING

Chairman Tackett requested a motion to adjourn today's Regular meeting. 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 25-08-030

MOUNTAIN WATER DISTRICT
BOARD OF COMMISSIONERS SPECIAL MEETING

September 9th, 2025
4:00 PM

ATTENDEES
Mike Spears, Michael Spears, CPA, PSC
Jim Vanover, Vanover, Hall, Bartley & Ward Law Firm
Tammy Olson, General Manager
Carrie Hatfield, Chief Financial Officer
Kevin Lowe, Billing/Office Manager
Melissa Wright, Compliance Manager
David Wolford, Daytime Operations Manager
Terry May, Appalachian News Express
Ronald Scott, Visitor

PLEDGE OF ALLEGIANCE
Chairman Tackett led the assembly in the Pledge of Allegiance.

PRAYER
Commissioner James 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, September 9th, 2025, at 4:00pm

Commissioners present for the meeting were as follows:

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

AGENDA ITEM #1: REVIEW AND APPROVAL OF RATE STUDY DOCUMENTS

Ms. Olson explained that Mr. Lawless was available by phone if needed. Chairman Tackett asked if any member of the board had any special issues or special questions that they'd like to ask. Commissioner Melton stated he had some concerns. He began by saying he doesn't know why the board was thinking about raising the rates on our communities. He thought the district was in pretty good financial situation. Every month, for that last for two years, he heard nothing but the district was in good shape. In that time the district had purchased new equipment, two new excavators and this year gave raises, justified raises no doubt. But again, someone had to explain the need for a rate increase on the people when they are already struggling. He continued with the power company getting ready to raise rates of about 15% on everyone, that's an astronomical amount of money. People were already choosing between their medicine, their food and a roof over their head. He stated he had always supported the board and had not voted no in the past, but unless someone could convince him of the need for this rate increase and convince him the district would be 'going belly under' if the rate increase did not pass, his vote would be 'no'. He continued with every month he had attended a meeting for the last two years and now this. Always heard good things about the district's financial situation and he was always pleased to hear that. Mr. Spears explained historically the board kept pushing off raises until it got to desperation time. Then once the rate case was filed it took about 18 months to get out of desperation. That was about the normal time a rate study would take to get it, sometimes it could go longer. Commissioner Melton continued by asking if the district was not in as good of shape as had been indicated the past two years. Mr. Spears explained the district's financials proved the district could not continue to give pay raises every year. The PSC recommends every

three years; by doing that, the district would not have 50% rate increases. The increases need to be smaller amounts rather than larger increases that people could not afford. At one time the district went 17 years without doing a rate increase and that just about put the district under. The last rate increase was expected to generate about three million dollars of revenue but only generated about two million. Not sure what happened but something went wrong with the calculations and the district did not get the increase that was expected. Chairman Tackett stated the district went back to the PSC and tried to get them to check their numbers again they wouldn't and advised the district to open new rate study. Mrs. Hatfield explained that just within the past few months, the district had quoted an item and they contacted us to inform us the price had increased almost $30,000 in three months due to the tariff changes. Chairman Tackett stated the biggest expense the district had was the power bills, exceeded over one hundred thousand dollars each month. Mr. Ronald Scott, county commissioner, expressed his concerns about the increase and understood the district had to operate but it would put a hardship on the people in the community.

Ms. Olson explained that since 2020 the cost to operate Mountain Water District, just maintain the infrastructure, had increased significantly. To file the last rate case that was filed, the district had to wait until there was a test year that was representative of a normal year because there were several years before that when things were not allowed, such as disconnecting non-payment, not allowed to charge late fees. Most of the revenue was slow coming in because people stopped paying bills and things happened when they were working from home and the bills stayed the same. There was a time when the district struggled to keep up with the bills. The district had no choice but to file the last rate case at the end of 2022, which was approved in February 2023, with a test year of last half of 2021 and first half of 2022. During that rate case, the engineer that was chosen changed the entire rate structure. The district went from a minimum bill with a 2,000-gallon minimum to a per meter charge with a volumetric rate. There were a lot of calculations in that case, it was complicated and by the time it went to the PSC, they even struggled with understanding it. When the PSC approved it in October of 2023, the district started reviewing the case along with the help of the PSC attorney and the board found some issues with it. They split the water rate into three phases which were not asked for and more than doubled the wholesale rate, which had to be revised. At the end of 2023 and into 2024, it was noticed that the projected revenue was not as much as needed. The concerns were addressed to the PSC; they refused to open a closed case and said the district would have to open a new rate study. Ms. Olson explained the sewer was not included in this, this was for water only. Sewer was ready for third phase of the increase. Also, the gentleman that did those calculations was no longer with the PSC and they did not have his paperwork to review. Ms. Olson continued explaining the district had high employee turnover because the district could not pay what Walmart or Lowe's was paying, or the state. The district had to adjust those to be able to stop the revolving turnover and keep the experienced staff. It was costing too much to keep retraining and those expenses were in new cost of service study. The board said several years ago that they would evaluate the rates every three years. The reason this happened about a year early was because of the miscalculation of the numbers from last year that the PSC didn't understand the complicated nature of the earlier cost of service study. Mr. Spears explained the last rate study was filed in December 2022, found some issues and was corrected in February 2023 and new rates took effect in October 2023. He continued the reason the district had been able to purchase new equipment and some extra needed items had been through grant funds and surcharge funds. Mr. Spears explained that those items were budgeted for, they had a previous note, once paid off and purchase new ones for replacement. As vehicles, once one is paid off, a new one would be budgeted for. Ms. Olson explained the overview of the rate study documents prepared by Jack (Scott) Lawless, a consultant with 26 years of experience at the Public Service Commission (PSC). Ms. Olson explained that the rate study showed a revenue requirement increase of $2,194,000, which includes a $1.3 million deficit carried forward from the previous rate case. She noted that the proposed increase for residential customers would be approximately 22.4%, but the PSC is likely to reduce this to around 12% due to adjustments for water loss and health insurance costs. The meter charge for residential customers with 3/4-inch meters would decrease from $8.99 to $8.95. The volumetric rate would increase from $0.01148 per gallon to $0.01471 per gallon, a 28.14% increase. Commercial customers with larger meters would see higher increases in their meter charges. The average residential bill for 3,100 gallons would increase from $44.77 to $54.80 under the full proposed increase. The meter charge for residential customers that have a three-quarter inch meter is going down from $8.99 to $8.95. Then it was shown that the larger the meter you have, the more the increase that was supposed to happen the last time and that did not happen. The larger customers are the commercial, which generally had more usage, and their meter charges are going up a little more than residential customers, which would go down $0.04 on the volumetric rate. Would be going from $11.48 per thousand or 01148 which is where it is now, to 01471 or $14.71 per thousand, which was an increase at 28.14% on the volumetrics. The less water used, the less the bill would be and the customer had control of that. The wholesale rate was going to 13.5%. As stated before, there are a few things that the PSC looked at. They had a rate making policy that limited certain things that could be recovered for,

part of that was any expenses that quantified above 15% water loss number and in 2024 the annual average was 28.59%. That would be 13% that would be deducted that was not included. Also on page 27, the PSC generally did agree with a nonprofit doing 100% of insurance to their employees, the district always done that. That was a benefit that helped the district retain employees, that saved on turnover. Referring to the footnote, generally singled out health plans, wanted to stay within 67% to 79% and the dental 40%; the district did 100%. For single employees that have a core plan now, if those employees choose to do the buy up plan to the next level of coverage or they add family members, then they pay a portion of that and it is no longer 100%. The entire cost of that was used for health insurance and to be on the recovery rate. She continued with between that amount that would be to automatically be discounted for the overage over the water loss and the insurance, it would be expected to go down about 10%. Referred back to the schedule on page 55. It showed the difference between the average bill for now and what it would be like with the new rates. The system average per household was 3,100 gallons now, it used to be higher but the customer count went down. On an average bill of about 3,100 gallons right now costs about $44.77; with the new rate, if the full 22% was allowed on the residential, would go up to $54.80. this was only based on the water side, did not include sewer. In the last rate case, average bill went from $8.99 plus the volumetric cost per gallon instead of the 2,000-gallon minimum, now on the bill that used less than 2,000 gallons would be $8.99 plus the gallons of water used above that. People on fixed incomes got a huge reduction with the last rate case due to not using much water. Even if $5 or $10 was added to the bill, it would still be less than what they were paying prior to the last rate case (current rates) because it went from $24 to $8.99 on the meter charge. The district was doing everything possible to keep the costs low for the customers, but with the inflation that was doubling the cost of our parts and pipe to double, a rate increase would be essential in the near future. Even with the newly proposed rate increase, the water bill would be the lowest bill that anybody had and that was why it was best to make small increases, it was easier for customers to adapt to.

Commissioner Melton asked if the district could negotiate the rate increase, if not and if it was already set in stone to go ahead and vote on it. Mr. Spears explained it could not be negotiated. It had already been lowered some because the district received the 1.1 million in KY WWATERS funds the drawback had been received, after that was deducted, it was reduced about 1%; automatically deduct the 13% overage on the water loss. Also, if the PSC did not approve the health insurance, it would decrease more. Mr. Spears stated that was why when he said instead of a 22% on the residential, it would be more like 12%; at least 10% to 12% and that would decrease the amount in half, from ten dollars down to five dollars. He continued with a cost-of-service study that was like a forensic audit that would be presented to the PSC, they would go through it with fine tooth comb and pick it apart. Then they would know what you need and what you did not need and you would get the difference. The PSC usually cut it in half and rarely ever expected them to increase the requested amount.

Mr. Wolford spoke up and stated that before the last rate increase that staff went three or four years and never got a raise because they said we had to wait until the rate increase was approved before any raises could be given a raise. The increased wages were included in the rate increase, the PSC said they could not approve pay raises because it was not known and measured. All those years we, the staff, did not get a pay raise and if we did receive any before, it would be about two percent increase. If the county got a three percent raise, MWD would get two percent, if we got anything in January of every year. MWD went all those years without a rate increase, without any type of pay raise, once we would get what was needed then the district gave those bigger pay raises, also most of the guys were making eight dollars an hour. He continued that he wanted to explain to Commissioner Melton the perspective from a MWD employee. Alos, MWD went without pay raises for a while and yes, the field staff did get some pay raises, but the highest employee is not $15.00 per hour. Field staff are hired for $13.50 per hour here. At one time the district had minimum bill of $24, then it went to eight to nine dollars and that took money away from the staff, the district still had all the same expenses but was a lesser wage. Commissioner Melton came on as board member at a time when more funding was received than the district ever had and been able to buy equipment and trucks. In a budget month year, there will be five listed trucks and you may only be able to buy two of them and be able to make the payments on. MWD had more trucks and stuff since Commissioner Melton's time on as a board member, last two years, than in fifteen or twenty years. Commissioner Melton stated what he remembered was when he was first introduced to MWD, he was asked what his agenda was. He replied to protect the employees and to make sure that when he left MWD they would be better off than they were when he came. The thought of a rate increase now is to make sure that if MWD had to buy the vehicles on our own, that we could do so and not have to depend on the funding. Mr. Wolford stated the surcharge that was added to the bill would only last three years and after that, MWD would lose those funds. We need to try to make longevity better so we can give a sustainable wage to keep people, because what we do now will still go up too long as we continue working here. Mr. Spears stated you have to be able to give pay

raises and buy vehicles, and that was what they proposed the first time around, but it never happened, now we (MWD) are trying to recover what we did not get last time.

Commissioner Slone stated that he wanted to know exactly how much increase the district was actually wanting, what was 'almost' 24%, then was told the PSC would only give half of it. He wanted to know how much the district would be getting. Commissioner Potter explained to Commissioner Slone and referred him to page 45. He continued with the district asking for a $2.12 million dollars revenue increase and part of that he explained the problems were in the revenue deficiency, $1.3 million dollars of this requested increase would be from that last rate study. What the district was informed that, they (PSC) found some errors and some of their former employees, the guy was no longer there to defend his numbers and really a mistake was made that the PSC did not want to admit to. Chairman Tackett stated that was why when we (MWD) went back to them (PSC) and told them how we were not getting the revenue that was instituted with the new rates and we weren't getting the revenue that we were supposed to get. We (MWD) went back to the PSC, explained that to them and they recommended, if you want another rate increase you would have to file a new rate request and they said the guy that did your rate case was no longer with the PSC and they had no access to his paperwork, he took his papers with him. That is what we were doing now, as they recommended, applying for new rate case. Ms. Olson explained that Mr. Scott Lawless completed the cost-of-service study, he was fairly confident that PSC would not give MWD credit for the thirteen percent above the water loss and would not change their policy about health insurance either. That was why Mr. Lawless state whatever numbers were listed here was revenue requirement; for the residential customers, if listed for 22.4%, it would be more like twelve percent increase, which would decrease that from nine dollars to four dollars. It would decrease the $10.03 down to five dollars. Commissioner Slone asked again, were they certain of that; Ms. Olson stated yes, Mr. Lawless had worked for the PSC for 26 years, that was exactly what we could expect.

Commissioner Melton stated the board needed to make a motion to end the debate and put up to vote so all could leave. He felt he had heard enough. Chairman Tackett asked if any visitors had to make any more comments. There were none. Chairman Tackett asked to make a motion that the board reviewed, discussed the cost-of-service study, also explained why some things were included and why some things was not, either go forward or stop.

Chairman Tackett requested a motion to approve the rate increase as shown in our commissioner's packet along with the extra three page (summary) that was provided that gave a synopsis of the cost-of-service study. Commissioner Tacket made the motion. Commissioner Potter seconded the motion. Commissioner voting as follows:

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

Upon Commissioner voting, the motion was failed from lack of majority.
Resolution 25-09-001

ADJOURN MEETING

Chairman Tackett requested a motion to adjourn today's special meeting. Commissioner Justice made the motion. Commissioner Melton seconded the motion. Commissioner voting as follows:

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

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-09-002

MOUNTAIN WATER DISTRICT
BOARD OF COMMISSIONERS REGULAR MEETING

September 25th, 2025
4:00 PM

ATTENDEES
Jim Vanover, Vanover, Hall, Bartley & Ward Law Firm
Mike Spears, Michael Spears CPA, PSC
Tim Campoy, EDC
Logan Stevens, Bell Engineering
Tammy Olson, General Manager
Carrie Hatfield, Chief Financial Officer
Melissa Wright, Compliance Manager
Jamey Keathley, Wastewater Supervisor
David Wolford, Operations Manager
Jason Sesco, Shely Valley Area Supervisor
Todd Sesco, Daytime Leak Detection
Terry May, Appalachian News-Express
Jack Scott Lawless, J.S. Lawless Consulting

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' Regular Meeting was held on Thursday, September 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

RATE CASE REVIEW

Chairman Tackett began by stating that at the Special Meeting, not all commissioners were present, the attending commissioners held a vote and the vote was deadlocked at two to two. Today, all the commissioners were present and wanted to discuss the rate case again. He continued that in an effort to answer any questions that anyone may have, MWD asked Mr. Scott Lawless to attend the meeting. Mr. Lawless completed the cost-of-service study and he could explain and answer any questions about the case study. Jack Scott Lawless attended today's meeting to discuss and answer questions about the cost-of-service study (proposed rate increase), he prepared a booklet for each commissioner and MWD administrative personnel for the meeting. He began by introducing himself and gave his education and work history. The presentation focused mainly on pages 5 and 45, which Mr. Lawless described as the backbone of the study. He explained that the district currently faces a revenue shortfall of $2.1 million, requiring approximately a 22.6% rate increase to meet operational needs. A significant portion of the shortfall stems from issues with the previous rate case. Mr. Lawless stated the thing about this case was MWD just had one of these about two years ago, there were some issues with that case and did not generate the revenues from the rates that were authorized by the PSC in that case. He detailed that $805,000 of the current

shortfall was directly attributable to revenue shortfall from the last case, where the PSC projected the district would generate $10.513 million but only received $9.7 million in 2024. MWD was about $2.1 million shy of that at the current rates. It looks like MWD needed about a 22% increase to the current rates to get to where it should have been. He continued that he explained that in the last case MWD asked for but was denied rate recovery of your all of your employee insurance coverage. He stated a positive incident that included a Franklin Circuit Court decision overturned the PSC's 2016 policy limiting health insurance benefits recovery: This morning the Franklin Circuit Court overturned PSC's 2016 opinion order. And when this application is filed, if board approved, that $214,000 should not be eliminated from the rate. Chairman Tackett asked how often rate reviews were done on an average and continued that MWD was behind and made a decision to do it more often, which is why we're doing it two years after we had one. Commissioner Potter inquired about the review timeline for PSC approval. Mr. Lawless responded that utilities were filing more often and explained that generally speaking, there were two classifications of utilities in this regard; you have those that file often and the ones that do not. The ones that do not file often have been admonished by the PSC and dubbed many of them as trouble utilities. Regarding timeline, Mr. Lawless indicated the process would take approximately six to ten months from filing, he added that if we started tomorrow by submitting the thirty-day notice requirement, the PSC had six months to issue a final order authorizing a rate or you can put the rate into effect subject to refund. MWD was not getting the revenue that was projected and MWD desperately needed the difference. The guy that had worked on the case that calculated the rates had left the PSC, he possibly retired and the PSC would not reopen the case. Not sure as to why, but that's a large reason why that we're here today. He continued that he hesitated to put that in the cost-of-service study, but in talking with MWD office staff, it was discussed that it probably should go in there to help show the bigger picture as to why asking for another so soon.

Commissioner Melton commented on the hardships it would incur regarding the impact on customers; he expressed strong concerns about the rate increase effect on low-income residents; he stated how many of how many people that were on food stamps in this county; continued with almost 12,000 families and 70% of those people have full time jobs; they have full time jobs and still cannot afford to feed their families. Ms. Olson explained on the previous rate case's impact on customers' water bill; she continued that Mr. Lowe checked the customers before this last rate in 2023, MWD had 4800 customers that got a rate reduction, that was 29% of MWD customers from the last case got a rate reduction because the PSC changed the minimum bill from $24.90 to $8.99 plus the volumetric rate. Commissioner Melton continued that now we're going to raise the water bill and the power company was going to raise the electric bills or at least it looked like their electric bill was going to be raised again. He said he would be there shouting like always to try to help the poor people as much as possible. He continued with talking about a 15% raise and about this time next year, these same people won't have their food stamps, they won't have their Medicaid; he continued it's all going to be gone and how do we expect these people to pay these bills. We use to be able to pass it on and pass it on because people could afford it, maybe at one time they could, he said he was not trying to be a hard case about it, but insisted with when he took this position as a commissioner, he said there's two things that he was going to try to protect' one was the employees of Mountain Water, to take care of them and the customers, he wanted to justify raising these rates on these people when they can't afford to pay the rate. Commissioner Melton then continued to address Commissioner Potter by asking him if he worked for the city of Pikeville. Commissioner Potter stated he worked for UMG (Utility Management Group). Commissioner Melton then asked what his job title was and if he could guarantee MWD that if this rate increase was put in effect if the City of Pikeville would not increase the rates of the purchased water. Commissioner Potter replied, he was the Special Projects Coordinator and Manager; he took care of Southern Water and Sewer District. Commissioner Melton then continued stating that Commissioner Potter did not need to vote on the rate case because it was a conflict of interest, even though he did not set the rate structure there but they still paid him his paycheck and felt Commissioner Potter would do whatever the City of Pikeville told him to do. Commissioner Potter replied by saying he had already explained himself and if people could not understand what his position was. Commissioner Melton then went on to say he wanted all commissioners asked about if there was any caucus made, any discussions, talked after the special called meeting dealing with this issue, he continued that each one of them needed to be asked if anybody talked about this other than here at this meeting. Commissioner Runyon spoke up by saying he had mentioned a bunch of problems, and there were bunch of problems in the world as much as we would love to but we could not fix them. She continued with what we were here to do was try to keep Mountain Water providing water for our customers. One of the important things was to take care of our employees, which had been a big thing for all of us and we all agreed to take care of them. Commissioner Runyon explained that MWD had to have the rates to pay their employees and provide them with good benefits.

Commissioner Melton then stated no one needed to be out discussing the rate case because of a lost vote, then try to reverse it because of the lost your vote, as he referred to Chairman Tackett. He then suggested

having a public meeting and letting the people of Pike County have a say. Chairman Tackett asked Commissioner Melton that he alluded earlier that you wanted each of the commissioners polled as to whether there were any discussions had; he stated he would clear that up without polling all the commissioners. He stated he called each individual commissioner to ask the same question of do you have any questions that I (Chairman Tackett) could clarify. Commissioner Melton stated he thought that could not be done and must be discussed in meetings. Chairman Tackett stated he was not going to discuss anything but wanted to know if any commissioners had any questions about the rate case or about anything that he may be able to help them understand.

Chairman Tackett asked if anyone had any additional questions. Commissioner Potter said he would like to ask Mr. Vanover a question; he continued asking Mr. Vanover if he saw any potential reason why he should recuse himself from voting on what needs to be done at Mountain Water District. He continued it did not make a difference what was going on at Pikeville, Southern Water, Elkhorn City or whatever; he wanted to know if there would be a reason he needed to recuse himself from voting. Commissioner Potter continued with he did not get paid by the City of Pikeville. Mr. Vanover replied that certainly there was not an issue on the rate request for rate review in this circumstance. The only circumstances he could see was if MWD were involved in negotiations with Pikeville, then I don't think you could be against Water District any kind of and would need to recuse yourself. Commissioner Potter said that what he told Chairman Tacket before and if it was anything like that he would recuse. He continued with right now he was focused; this was a Mountain Water issue with the rates and did not affect the City of Pikeville. Mr. Vanover told him he was correct. Commissioner Potter thanked him. Commissioner Melton then insisted that if this rate increase goes and it was approved, the first thing the City of Pikeville would do was to ask for a rate increase. Commissioner Potter told him he was aware of what he could do and that was what he planned to do. Mr. Vanover again said he did not have any problem voting on the rate case. Mr. Keatley spoke up and said he had been here 35 years, he saw a lot of things happening at MWD. MWD went many years without a rate increase and was so far below ground and struggled so badly. He commended this board for doing a good job and kept MWD on the right track, the power bill increase would affect MWD by forty to fifty thousand dollars a month. He continued that there were employees that needed raises and they were barely making it too. Yes, MWD gave a raise each year but the cost of living kept increasing. He continued that the cost of stuff that MWD bought every month has gone up drastically. Stuff that was getting for $8,000 was now $14,000. He said we could not change it or help but had to do whatever was best for MWD or it would sink. He continued that he had been at MWD for 35 years and was not a financial person by any means but had managed and watched; MWD had to go every so often for rate increase to keep moving forward, if not, it would put our head below water. MWD would be able to pay the employees or vendors, as of right now it was about fifty days out before paying bills to vendors. Used to pay them every 30 days but now had to stretch it because the revenue was not coming in, he compared it to the mine's shutting down. The increased cost has hurt MWD and everyone. understand that was something that most did not think about. Ms. Olson added that Mountain Water District was unique and was created under Kentucky Revised Statutes Chapter 74 as a nonprofit water utility. The rates that are needed to operate are only what were needed for operation, there was no profit margin built in, no extravagant spending. adopted the procurement policy of the state, which means that we procure everything. Large purchases are bid out and quotes on the smaller stuff. Our rates were comparable to all the other utilities in the region, even MWD had ten times more infrastructure to maintain. The board and management, Mountain Water, was very competent and respectful of how we manage this place and because of the size of our infrastructure comparative to other utilities in the state and the fact that our rates are comparable is a testament to that. MWD was nonprofit, so what was seen in the cost-of-service study has nothing extra built in, no profit. It was only what had been seen historically that was needed to keep the doors open, keep the staff paid, our vendors paid, our debt service paid, our utilities, electricity, and all that stuff paid. It was the base of what it cost MWD to operate now. If MWD operated at a loss or at a negative as things get increased and the revenue stayed the same, then eventually all would be doing was kick the can down the road and the next rate increase would be more. The only reason that it was 22% now was because of the last rate case calculations by the PSC were faulty. There was something wrong with that and MWD lost. That percentage of that $805,000 is added to this 22% that should have been in the last one.

Chairman Tackett explained that Mr. Lawless had got the amount by doing the cost-of-service studies, it would take a 22.6% increase to maintain things going forward. MWD could not wait until they hit rock bottom before making a request for a rate increase. Rate cases are never easy but it was the board that made the hard decision over the years that allowed MWD to be able to keep up with what we had so far. MWD understood that Pike County was a poor county, got a lot of elderly people on fixed income, people on Social Security, that was the reason why the last rate case focused on redoing the cost for the fixed income people and changing that dynamic so that the commercial customers were bearing more of the weight of

the cost because they were the ones that generally drive the larger costs. The calculations were wrong, had a rate reduction, for about 30%, 29% of our customers the last time, this would make up a little more of that, so MWD could have the revenue to operate at the level that was needed to correct that. Mr. Spears stated that If you took out the amount was supposed to have been given in the 2023 rate case, this time it would be about 15% increase and that was the shortfall from the last time, about 8% was what MWD would need. If the PSC's last case had been accurate, MWD would need a 15% increase, but in three years, you got to figure out what inflation had done know where the costs are. Chairman Tackett asked if there any further questions or comments about the rate case. He also commended Mr. Lawless on doing an excellent job of preparing and presenting the cost-of-service study. There were no questions or comments. He then stated he would like to make the motion that MWD approve the cost-of-service study prepared by Mr. Lawless and begin the process of submitting this to the Public Service Commission. He made the motion.

Chairman Tackett requested a motion to approve the cost-of-service study prepared by Mr. Lawless and begin the process of submitting this to the Public Service Commission. Commissioner Tackett made the motion. Commissioner Runyon seconded the motion. Commissioner voting as follows:

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

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-09-003

Chairman Tackett requested a motion to approve Gerald Wuetcher to file a letter of intent to the Public Service Commission. Commissioner Tackett made the motion. Commissioner Potter seconded the motion. Commissioner voting as follows:

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

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-09-004

VISITORS

There were none.

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, August 28th, 2025. 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 25-09-005

After review of the minutes, Chairman Tackett requested a motion to approve the minutes of the Special Meeting held on Tuesday, September 9th, 2025. Commissioner Potter made the motion. Commissioner Tackett seconded the motion. Commissioner voting as follows:

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

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-09-006

FINANCIAL REPORT – MICHAEL SPEARS, CPA, PSC AGENDA ITEM III

Mr. Spears explained the Financial Report as followed: Cash in Bank at the end of August was $185,651; Accounts Receivable was $1,886,443; Plant in Place was $176,110,938; Accounts Payable was $727,617; Equity was $93,149,405; Revenue for the month of August was $1,109,091; Utility Operating Expenses for the month of August was $1,300,279; Income (loss) for the month was $224,538, included in the loss was Deprecation Expenses of $335,997; Operating income was a negative amount of $191,187; Cash increased for the month of August, $109,966; the current Operating account balance as of August 31st was $176,728. Currently fully funded in the reserves; KIA Reserve was $429,217; RD Reserve was $940,108, respectfully; O&M Reserve was $54,988; 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 August it was $1,109,091. Then he referred to page 16 of the packet, the purchase water expenses for the month; water purchased from Williamson was $48,476; water purchased from the City of Pikeville was $80,248, was still up. He then referred to the electrical expenses being $153,050, he explained that the past twelve months the power bills had averaged about $142,000 each month. R&M was still up this month but less than last month, $88,050, most of the increase was because of the flood damage and was paving and gravel. He 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 Tackett 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 25-09-007

PAYMENT OF BILLS AGENDA ITEM IV

Ms. Olson referred to the packet, page 24 with the cash disbursement and page 28 with the payables. The board took a few moments to review the cash disbursement and payment of bills. Chairman Tackett asked if anyone had anyone 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 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 25-09-008

CUSTOMER ADJUSTMENTS AGENDA ITEM V

Customer adjustments for August 2025 began on page 37; the adjustment total for the month was $25,823.45. The Commissioners took few moments to review the adjustments. Chairman Tackett asked if anyone had any questions. There were none.

Chairman Tackett requested a motion to approve the Customer Adjustments for June 2025, as presented in the amount of $25,823.45. Commissioner Runyon 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 25-09-009

CONSTRUCTION REPORT AGENDA ITEM VI

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

1. **Fishtrap Hydraulic Modification Project** – Mr. Campoy began by explain that EDC was a sub-consultant to Bell Engineering on this project. At the July Board meeting, the project was awarded BOCA Enterprises for a sum of $601,850, everyone has signed the documents that were sent to Rural Development for review. Rural Development has requested that several items be included in the contract for reference. EDC has addressed these items and should resubmit the document this week.

2. **Kimper DOT Line Relocation Project at Kellogg's –** Mr. Campoy stated KYTC had accepted the final construction plans, the cost estimates and the District's technical specifications. The 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 and the project is funded by the Transportation Cabinet.

3. **Capital Infrastructure Replacement Project/Peach Orchard Water Line Extension** – Mr. Campoy explained EDC was a sub-consultant to Bell Engineering on this project, waterlines and related appurtenances would be replaced and/or relocated at Smith Fork (Phelps), Dorton Hill and Big Branch (Marrowbone). Following the board's approval at the August meeting, the advertisement for this project began on September 19th in the local newspaper and with Lynn Imaging. A mandatory pre-bid meeting is scheduled for September 30th, with bids due October 22nd at 2:00pm at Jim Vanover's office. Bell Engineering has been working on the design phase of Pike Central and Adams Branch project. The specs and KYTC permitting application are now completed. Also, met with David Wolford on site regarding the GIS information on Wednesday, September 17th; are working to finalize the site plans based upon the latest GIS information received from MWD and working towards submitting to Division of Water. Smith Fork, Dorton Hill, and Big Branch designs have been completed and DOW and COE permits obtained. The advertisement for this project began on September 19th. A pre-bid meeting is scheduled for September 30th, with bids due October 22nd at 2:00PM at Jim Vanover's office.

4. **Smith Fork of Meta DOT Bridge Replacement Project –** Mr. Campoy stated the project was awarded to MGM Contracting, Inc. for a sum of $82,600 at the June board meeting, the contract has been signed and the materials have been ordered. There have been delays in the materials being shipped and that has pushed the expected start time by two or three weeks. This project was also funded by the Transportation Cabinet.

5. **Raw Water Intake (Barge Pump)** – Mr. Campoy explained EDC has been working with Hungate Engineering and MWD personnel to develop an alternative operations plan for the primary raw water intake pump system. As discussed at the July Board meeting, the preferred option is one that fixes the location of the pump within the existing structure and provides more ease of access. A contractor familiar with Hungate estimated a cost range of $1.15MM to $1.5MM. There is no change in the status of this project. He continued that he would contact some other firms to see what they had to offer.

6. **Fishtrap Road KY 1441 Raccoon Creek Bridge Replacement –** Mr. Campoy explained this was a new project listed and this project was to relocate waterlines to accommodate the replacement of an existing bridge on KY 1441. EDC has worked with MWD area supervisor on the preliminary plans and engineering the estimate for the submission to the KYTC representative. He concluded that This was approved by the DOT and submitted to DOW. This job would be bid prior to construction.

7. **Peach Orchard Water Line Extension –** Mr. Campoy stated the Peach Orchard Water Line construction began on Monday, August 4, 2025. As of September 17th, the Contractor had installed 2,292 LF of 3-inch polyethylene pipe by open cut method, five-meter base were set, and completed both directional drills of 3-inch polyethylene pipe. Precision Inc. has submitted Pay Request No. 2, totaling $68,998.68, for execution at the construction progress meeting held last week. Currently 48.9% of the contract time has elapsed, with 75.8% of the work completed. A Request for Change Order Proposal was sent to Precision Inc. on Friday, August 22nd, for an added main line pressure reducing valve assembly (PRV). Pricing was received but the amount exceeded the available funding. MWD has approval from funding agency to self-perform the work and allow the project to remain within budget. It's critical that coordination takes place between Precision Inc. and MWD for when the PRV is installed as to avoid sending high pressure through the line up Peach Orchard Br. Bell Engineering was in the process of drafting easements for the properties where the PRV is to be installed. Met with David Wolford and discussed the PRV would be set on the state right of way and would not require easements and two more-meter bases would be set. Ms. Olson stated Core & Mains quote was less than $13,000, PRV was ordered today (9/25/2025) and would take about four to six weeks to come in.

8. **Water Loss Reduction Plan, Phase 1 (ARPA Funds) –** Mr. Campoy said the original scope of the work was completed except for the work the District was self-performing. The remaining funds were being used to purchase equipment identified by the District. EDC has completed the inspection services on this project.

Update by Summit Engineering

1. **Collins HWY Sewer Line Extension (Branham Heights Package Plant Removal)** – Mr. Stephens was not present at the meeting; Ms. Olson read aloud the updated project report. Summit has completed plans and hydraulic calculations for the sewer force main extension. Summit plans to schedule a meeting with MWD the week of September 29th to review final plans and calculations along with finalizing the DOW application. Upon MWD acceptance, Summit will submit to DOW for approval.

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 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 25-09-010

PROJECT DRAWS:

Water Loss Reduction Phase I

WASCON	**ARPA Funds**	**$40,371.00**
Total:		**$40,371.00**

Peach Orchard Water Line Extension

Precision Inc.	**KIA Funds**	**$68,998.68**

Bell Engineering	**KIA Funds**	**$45,070.00**
Total:		**$114,068.68**
Lead Service Line		
Mountain Water District	**KIA Funds**	**$9,199.04**
Total:		**$9,199.04**

The project draws were listed on page 3 of the packet. Chairman Tackett inquired about WASCON payment, it was explained it was for the barge pump that was ordered. The old pump was rebuilt and MWD got it back before the new one came in and would be kept as a backup. The board of commissioners reviewed the project draws. Chairman Tackett asked if anyone had any questions about the Project Draws. There were none.
Chairman Tackett requested a motion to approve the Project Draws as listed. 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 25-09-011

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

1.) **Funding Update –** Ms. Olson stated the 2024 KY WWATERS had been submitted back to KIA, now wait for permission to draw funds. Opened new application for 2025 with KY WWATERS funding, the deadline was August 29th. The capital project applied for was the Ashcamp Connector; the non-capital project was the RG3 loan payoff. It will be March 2026 before any response would be received, the two projects totaled 2.4 million dollars. The FEMA work orders and invoices have been submitted and most of the permanent work has been completed.

2.) **Water Loss Update –** Ms. Olson explained the water loss updates; the percentage for the MWD form was really good but the PSC form was still in the forties. The MWD form was 29.13% and the PSC form was 43.0% for August. In 2024, the PSC water loss average was 27% but after the flood event in February 2025 the percentages increased. The amount of purchased water was still up some and that affected the total percentages. The main reason why there was a huge difference in the percentages on the two forms was the MWD allowed to account for water loss on leaks and breaks, whereas PSC form only allowed for breaks. Also, Williamson had some system issues; they had leaks on their side and tank related issues. They would turn off the valves to MWD each night and MWD had to use more Pikeville water. MWD also supplies water to a master meter at Delorme (Mingo PSD); they had a major leak during the flood and they have recently repaired it, which will help with the percentage next month also. She continued that all management had met to discuss ideas and options to help reduce water loss. One daytime area supervisor agreed to go back to night shift to work to help night shift crew to look for leaks and to help make repairs. That has helped tremendously, they have found numerous leaks and the day crews have repaired them; Mrs. Wright stated that seventy-one leaks had been repaired in August. The crew found some things to help with the purchased water amounts and hope to see difference in water loss percentage next month. Leak detection was still working day and night to find leaks to also help with water loss. The primary cause of the leaks was due to aging infrastructure and water line not being bedded, it was put on rock bed and that makes it harder to locate leaks. All crews were working together to locate and repair water leaks; the staff was doing an excellent job of maintaining the system the size of MWD.

3.) **Daily Operations Update -** Ms. Olson stated again that one daytime area supervisor agreed to go back to night shift to work, to help the night shift crew to look for leaks and to help make repairs; this was completely voluntary but he felt he could help make changes and he did that. The district received three violations for the second quarter on TTHM's, this was majority of Pikeville water. Williamson Water had issues with their system and would shut the valves off that supplied water to the district. By

them doing so, the district had to switch to the City of Pikeville water to supply customers in those areas with water. As a requirement of the Corrective Order, our water hold study and water age study has been completed. FEMA has required a stream crossing permit for the Levisa Fork River because of crayfish. The permit has been applied for, KY Emergency Management, there are some new things that FEMA was requiring this time and was making it more difficult.

4.) **Renewal of Health Insurance –** Mrs. Hatfield referred to insert in the packet, began on page 58 with information regarding health insurance for the staff. She and Commissioner Runyon had met with McGriff and were given some quotes. One quote would decrease coverage and increase costs for employees; another quote would keep similar coverage at the same cost as an employee, but it would cost the district more. Mrs. Hatfield read aloud the plans, coverages and cost to the board; she recommended even though it would cost the district more, it would be best if the district retained same coverage for employees. Several employees work for the health insurance for them and their families and the district did not want to change anything for them.
Chairman Tackett requested a motion to approve to retain health insurance with Anthem, with the better coverage. 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 25-09-012

5.) **Renewal of Workers Comp Insurance –** Mrs. Hatfield referred to pages 64 of the packet for to view the quotes as this was an annual renewal. She and Commissioner Runyon had met to review the quotes/coverage and recommended to the board to retain workers' compensation coverage with Encova for the 2026 calendar year. She explained the cost had decreased because some claims had expired.
Chairman Tackett requested a motion to approve to retain Workers' Compensation Insurance with Encova. 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 25-09-013

6.) **High Service Pump Funding –** Ms. Olson explained the high service pump was the main pump and the district only had one and if the pump was to go down the district would be unable to pump water. The pump had been leaking for some time now and definitely needed to be replaced. This had been talked about for several months and it was emergent. MWD needs to figure out where the additional funds would be coming from, $79,000 from the debt service payoff with what was already paid in the last year on debt reduction and got back for this, that still had not been processed. Ms. Olson stated it was bid out and received one bid from Service Pump Supply, SPS, listed on page 66 of the packet, they bid $162,000 for the full high service setup from base to top. Buchanan Pump Supply did not bid, they sent letter saying they would not but did not elaborate. Contacted SPS and asked them if MWD could make payments and they agreed to pay half down and they would get it ordered. Would pay $16,200 a month through April to pay it off. However, we do not have that debt service money yet and suggested putting it on the line of credit that until the debt service payoff money posted, then just pay it all off. The line of credit was on the debt payoff, may have to pay a month or two interest on $81,000. It needed to be ordered because it would be 12 to 14 weeks at least lead time and need the backup in case something happened. Ms. Olson requested a resolution to approve use of $81,000 on line of credit to pay half down on the high service pump to get it ordered and then approve the payment plan that they suggested at $16,200 a month, that had no interest, that was a payment they were allowing

us to make for the next six months. After further discussion it was decided to keep from paying seven to eight percent interest on $81,000 for several months, to take $55,000 from the Reserve funds and $26,000 of the line of credit, totaling $86,000 and make payments of $16,200 a month until April 2026 for the remaining balance.

Chairman Tackett requested a motion to authorize the district to pay half down on the high service pump; use $55,000 from Reserve funds, use $26,000 of the line of credit, totaling $86,000 and make installment payments of $16,200 until April 2026 for the remaining balance.
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 25-09-014

7.) **Water Meter Replacement -** Ms. Olson explained still had issues with R3 meters. In last year's budget to spend about $5,000 a month on the top and the new solo meters. They covered parts of it under warranty as long as we bought the additional part that we needed to go with them and that was about $49 a piece. She stated she talked with Mr. Vanover about potential legal action but there were a lot of things that went into consideration. Talked with a lot to different vendors of different types of meters, Census, Badger, Neptune, Kamstrup and had them come in and do demonstrations and got references and quotes. One of them had a leak detection feature on them, they emit some sort of frequency that they listen to and you can determine whether there was a leak on the customer side or if it was on our side. The reports that are generated would help reduce leak or water loss. Revised a QIIP plan last year to go ahead and add some more people, equipment and new vehicles and things. Ms. Olson requested authorization to submit to the PSC a second revision that would ask them if MWD could purchase the meters with a leak detection feature out of the surplus money which would. Because of the leak detection, it was water loss related. Had built into the plan replacement at Burning fork and replacement at US 460 at Oasis Pawnshop but both of those were to be done by contractor, the cost of both of those was inflated because contractor price was more than what MWD could do in house. Have contacted Terry Humphries with Division of Water and asked if this was done in-house replacements with just the cost of the parts out of the surcharge would MWD need to have approval and did they have to be engineered. They responded by with no, it was considered maintenance, as long as you put it right back in as what you took out, it was considered replaced, did not approval or be engineered. Both of those projects could be done for less than $200,000 or somewhere around there and had around $600,000 built in for both of them. That money could be used on meters. But if the board agreed, it would like to work with Gerald Wucher on filing an amendment to the surcharge plans to include adding the cost of meters. Five hundred meters from Kamstrup for about $185,000 in the first year. That includes software, transmitters, five hundred meters, etc. Because we know that it would be over $40,000, this would have to be bided out even though got quotes from all these vendors, cannot do anything until official bids are received. But first, need to work with Gerald Wuetcher to get approval before putting them out to bid. Take the $5000 budget toward RG3 used for replacing solos could be used toward the new meter, it would take a while but would eventually get them changed out.

Chairman Tackett requested a motion to authorize the general manager, Tammy Olson, to work with Gerald Wuetcher to request a change to amend the QIIP, to place a hold on the two service line replacement projects. 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 25-09-015

8.) **Brushy Water Line Extension –** Ms. Olson explained the Brushy Water Line Extension, Phase II generated this project, it was being requested by residents in the Brushy area that were beyond the last waterline extension that was completed, this would add about thirty new customers. The residents had gone to the fiscal court who talked to Sharon Hall, PCFC grant administrator, and she was going to apply for grant funds to extend that Brushy line. It would be granting money, ARC money, and ARC required a 20% match. Sharon Hall has requested grant money to cover the match and this would not cost the district anything.

Chairman Tackett requested a motion for the general manager to sign the resolution requested from the funding agency for the Brushy Water Line Extension Phase 2, referred to page 69 of the packet. 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	Absent

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-09-016

9.) **Authorization to Advertise for Bid Three Mid-Size Trucks –** Ms. Olson explained these trucks were included in the annual budget, once we award the bid, the trucks will be ordered and it will take a while to get them in. Mrs. Hatfield explained by the time the new trucks were ready to pick up, the district would have couple auto loans paid in full. Ms. Olson requested motion to advertise for bid three mid-size trucks so the district could begin the process of ordering them.
Chairman Tackett requested a motion for authorization to bid three mid-sized trucks. 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	Absent

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-09-017

10.) **Authorization to Approve Horizontal Drilling Bid -** Ms. Olson explained this was an annual bid the district bids out; one bid was received for the annual horizontal drilling and boring. The only bid received was from BOCA Enterprises, Inc.
Chairman Tackett requested a motion for award the Annual Horizontal Boring and Drilling Services to BOCA Enterprises, Inc. 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 25-09-018

11.) **Engineer Selection for KY WWATERS Capital Project –** Ms. Olson stated this was required for water treatment plant items for the 2024 KY WWATERS Capital Project, two submitted information packets, Summit and Bell. A packet was given to each commissioner for review of the qualifications of engineers, along with a scoring page. She stated not everything on the list would be engineered but needed to make sure one was available for items that did. After adding up the total points from all commissioners, Bell Engineering had the most, although it was very close to the totals. Ms. Olson

requested a resolution to select Bell Engineering as the engineer for the KYWWATERS Capital Project.
Chairman Tackett requested a motion for the authorization of RFQ Engineer for the 2024 KY WWATERS Capital Project. Commissioner Tackett 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 25-09-019

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 Melton made the motion. Commissioner Potter 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 25-09-020

COMMISSIONER COMMENTS

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

ADJOURN MEETING

Chairman Tackett requested a motion to adjourn today's Regular meeting. 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 25-09-021

MOUNTAIN WATER DISTRICT
BOARD OF COMMISSIONERS REGULAR MEETING

October 30th, 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
David Wolford, Operations Manager
Jason Sesco, Shely Valley Area Supervisor
Kris Dills, Callout Crew Supervisor

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' Regular Meeting was held on Thursday, October 30th, 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
There were none.

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, September 25th, 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 25-10-001

FINANCIAL REPORT AGENDA ITEM III

Mrs. Hatfield presented the Financial Report date ended was September 30th, and she explained as followed: Cash in Bank at the end of September was $249,932; Accounts Receivable was $1,953,733; Plant in Place was $176,616,691; Accounts Payable was $758,371; Equity was $93,450,253; Revenue for the month of September was $1,135,769; Utility Operating Expenses for the month of September was $1,275,590; Income (loss) for the month was $167,318, included in the loss was Deprecation Expenses of $335,997; Operating income was a negative amount of $139,820; Cash increased for the month of September, $109,280, included projects; the current Operating account balance as of September 30th was $286,598. Currently fully funded in the reserves; KIA Reserve was $430,233; RD Reserve was $940,108, 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. She then referred to page 15 of the packet reviewing the Total Sales, in September it was $1,135,769. Then she referred to page 16 of the packet, the purchased water expenses for the month; water purchased from Williamson was $39,284, decreased a little; water purchased from the City of Pikeville was $85,389, and was still up. She then referred to the electrical expenses being $133,933; R&M had decreased some this month but was higher this month, $47,715, she continued the district was still receiving invoices for flood damage. She 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 25-10-002

- **Vehicle #179 Bank Loan Rollover** – Mrs. Hatfield explained it was time to rollover the auto loan for a 2023 Toyota Tacoma for another two years, this was the first two-year renewal and the interest rate would remain the same, 7.99%. The loan balance was $19,142.41. Mrs. Hatfield explained everything would remain the same with Community Trust and the interest rate would stay the same at seven percent. If approved, the rollover would be effective immediately.
  Chairman Tackett requested a motion to renew the auto loan for vehicle #179 with Community Trust Bank at the same rate as the current loan for the amount of $19,142.41. Commissioner Potter made the motion. Commissioner Tackett seconded the motion. Commissioner voting as follows:

Commissioner Tackett	Aye
Commissioner Justice	Aye
Commissioner Runyon	Aye
Commissioner Chaney	Absent
Commissioner Melton	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-10-003

PAYMENT OF BILLS AGENDA ITEM IV

Ms. Olson referred to the packet, page 20 with the cash disbursement and page 25 with the payables. The board took a few moments to review the cash disbursement and payment of bills. Chairman Tackett asked if anyone had anyone 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	Aye
Commissioner Potter	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 25-10-004

CUSTOMER ADJUSTMENTS AGENDA ITEM V

Customer adjustments for October 2025 began on page 36; the adjustment total for the month was $20,681.69. Mr. Lowe explained there were seventy-two adjustments in September, fourteen to fifteen adjustments were for only one month and the customer was aware they would not be eligible for another for twelve months. The Commissioners took few moments to review the adjustments. Chairman Tackett asked if anyone had any questions. There were none.
Chairman Tackett requested a motion to approve the Customer Adjustments for September 2025, as presented in the amount of $20,681.69. 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 25-10-005

CONSTRUCTION REPORT AGENDA ITEM VI

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

1. **Fishtrap Hydraulic Modification Project** – Mr. Campoy began to explain that EDC was 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. All signed documents were sent to Rural Development for review as required. Rural Development requested that several items be included in the contract for reference, EDC provided these items in the last week of September. In a follow-up email, learned the review personnel had been subject to the federal government furlough, so we are currently waiting for them to return to work.

2. **Kimper DOT Line Relocation Project at Kellogg's –** Mr. Campoy stated that 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** – Mr. Campoy explained EDC was 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 at 2:00pm at Jim Vanover's office. Upon detailed review of the bids, all were found to be complete and responsive. EDC recommended that the contract be awarded to Precision, Inc., for a sum of $750,300.00, which was within 4.3% of the engineer's estimate of probable cost. Other bids received were as listed: Jones Contracting, LLC ($769,782.50) as adjusted pursuant to a mathematical error, and H2O Construction ($836,072.25). Bell Engineering has worked on the design phase of the Pike Central and Adams Branch project. Specs and KYTC permitting application were complete. The site plans have been finalized based on the latest GIS and existing utility information received and working towards submitting to Division of Water.
   Chairman Tackett requested a motion to the award the projects of Smith Fork (Phelps), Dorton Hill and Big Branch (Marrowbone) to Precision, Inc. for the amount of $750,300. 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 25-10-006

4. **Smith Fork of Meta DOT Bridge Replacement Project –** Mr. Campoy stated this project was awarded to MGM Contracting, Inc. for a sum of $82,600 at the June board meeting. After some delays in material shipment, MGM Contracting began work on October 6th, and completed the job on October 24th, which was the same day as the final walkout with the contractor, MWD personnel and EDC. Any issues were addressed at that time; this project was DOT funded. Mr. Campoy explained that the time quoted on the original project was less than what it took to complete the project, DOT has requested a change order to approve the additional time to complete the work. The project would have a one-year warranty also.
Chairman Tackett requested a motion to approve Tammy Olson to sign the substantial completion of the Smith Fork of Meta DOT Bridge Replacement Project. 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 25-10-007

Chairman Tackett requested a motion to approve Change Order #1 for the additional $2100 for additional time worked to complete the project. 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 25-10-008

5. **Raw Water Intake (Barge Pump) –** Mr. Campoy explained that EDC had been working with Hungate Engineering and MWD personnel to develop an alternative operations plan for the primary raw water intake pump system. As discussed at the July board meeting, the preferred option was one that fixed the location of the pump within the existing structure and provided more ease of access. A contractor that was familiar with Hungate estimated a cost range of $1.15MM to $1.5MM. There has been no change in the status of this project.

6. **Fishtrap Road KY 1441 Raccoon Creek Bridge Replacement –** Mr. Campoy explained that this project was to relocate a waterline to accommodate the replacement of an existing bridge on KY1441. The mandatory pre-bid meeting was held at the MWD office on October 21st, while the bid opening was scheduled for November 3rd at 2:00pm at Jim Vanover's office, five contractors hold plans for this project.

7. **Water Loss Reduction Plan, Phase 1 (ARPA Funds) –** Mr. Campoy said the original scope of the work was completed except for the work the District was self-performing. The remaining funds were being used to purchase equipment identified by the District. EDC had completed the inspection services on this project.

8. **Peach Orchard Water Line Extension –** Mr. Campoy stated the Peach Orchard Water Line construction began on Monday, August 4th, 2025. However, no work was completed this past month and it 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.

- **Retroactive Approval for Quote from Core & Main to Purchase PRV –** Ms. Olson explained this was for the PRV that was previously quoted; received four quotes and the lowest quote was from Core & Main. The funding agency had requested for the PRV to be bid out although it was under the procurement amount. She requested retroactive approval from the board to approve the purchase.

Chairman Tackett requested a motion to retroactively approve the quote from Core & Main to purchase the PRV. 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 25-10-009

9. **KY WWATERS Capital Project (Water Treatment Plant Improvements) –** Mr. Campoy stated that 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.

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

1. **Collins HWY Sewer Line Extension (Branham Heights Package Plant Removal)** – Mr. Stephens explained that Summit Engineering had completed the preliminary plans and hydraulic calculations for the sewer force main extension. Summit and MWD walked the alignment with KYTC on October 16th to review and discuss encroachment permit applications. After the adjustments to the route were noted by MWD, Summit would add details to plans. Summit will finalize the plans, the calculations and complete the DOW application for approval.

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 25-10-010

PROJECT DRAWS:

Water Loss Reduction Pan Phase I

Elliot's	**ARPA Funds**	**$32,114.60**
Appalachian Wireless	**ARPA Funds**	**$ 1,299.98**
Total:		**$33,414.58**

Capital Infrastructure Project

Bell Engineering	**KIA Funding**	**$ 6,300.00**
Total:		**$ 6,300.00**

Lead Service Line		
Mountain Water District	**KIA Funding**	**$ 7,312.84**
Mountain Water District	**KIA Funding**	**$10,342.84**
Total:		**$17,655.68**
Smith Fork Bridge Waterline Relocation		
MGM Contracting	**DOT Funds**	**$80,720.00**
EDC	**DOT Funds**	**$ 9,210.96**
Total:		**$89,930.96**
Fishtrap Waterline Relocation		
EDC	**DOT Funds**	**$16,690.00**
Total:		**$16,690.00**

The project draws were listed on page 3 of the packet. The board of commissioners reviewed the project draws as listed. 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 25-10-011

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

1.) **Funding Update –** Ms. Olson stated the FEMA, both CAT B (emergency work) and CAT F work orders and invoices had been submitted; the permanent work had been completed and received the stream crossing permit; no update on when funds would be received. The KY WWATERS had opened a new application for 2025 and have submitted for a capital project and non-capital project; the application deadline was September 29th. The capital project applied for was the Ashcamp Connector; the non-capital project was the RG3 loan payoff. It will be March 2026 before any response would be received, the two projects totaled 2.4 million dollars. As far as funds received for the 2024 KY WWATERS projects had been issued, except for Rural Development (RD) and they were out due to the government shutdown. The call for project for the state and rank the submitted projects. Have submitted the Ashcamp Connector Project and Penny Bottom Line Extension to Big Sandy Area Development to get ranked. The Penny Bottom project was a low cost and about eighteen houses. The other projects applied for with BSADD were Tunnel Road, WW Package Plant upgrades for Keene Village, Stone Heights, and Belfry Phase II sewer extension. There were two projects submitted by the PCFC; Pawpaw line extension, this had not been designed and could go two ways, Rockhouse side or Lick Fork side. The other project was Brushy Phase 2; there were about five customers beyond the end of the line that was requesting water. Mr. Stephens stated he was unsure if that section had been designed in the original plans. Ms. Olson spoke with Sharon Hall (PCFC), explained to her that the district would agree to extend the line if she could get the project fully funded. She continued the county was pushing for this project to be completed. The lead service line project was completed and submitted last October (2024). David Taylor was managing that project and had two employees completing the site visits. The DOW allowed the district to do the random method and that method left 3500 unknowns and only had to do visual on about 350 sites. When completing the site visits, they had to schedule a time with the customer because they had to be home while doing the in-home visit. The MWD listed in the draws was for the reimbursement of their labor, mileage, and vehicle usage. Chairman Tackett asked if Mr. Taylor could do presentation and show the printed maps; Ms. Olson said he would be available to do so.

2.) **Water Loss Update –** Ms. Olson stated the water loss reports began on page 43 with the MWD reports and page 44 for the PSC report. The MWD form was 26.18% and the PSC form was 39.2%

for October, she remined the board the PSC form did not allow for line leak water loss. The amount of purchased water had decreased some, the crews had fixed about fifty-four service line leaks in October, which was excellent. The Town Mountain master meter had been repaired; it was registering faster. The Cowpen master meter has not been fixed yet, it was reading backwards. Ms. Olson explained the purchased water that was listed on the financial report was actually for water used in August; the financial report was for September.

3.) **Daily Operations Update -** Ms. Olson said the district had scheduled open enrollment for the employees for insurance renewal and there were some new options coming available for them. Nothing had really changed on the daily operations, the labor was stable, not had any issues with turnover lately. She stated everyone was working and doing an excellent job.

4.) **Authorization to Award Bid for Three Mid-Size Trucks –** Ms. Olson referred to page 58 of the packet for bid tabulation of the bids received, she continued with these trucks were included in the annual budget. Ms. Olson recommended awarding the bid to Walters Toyota, although their bid was not the lowest but had quick availability. Mr. Wolford and Mrs. Hatfield explained to the board that they were informed just before the meeting that one of field trucks was towed in because transmission went out. Mrs. Hatfield also explained that these were budgeted for this year and if the district waited until 2026 to purchase them it would look on record that the district budgeted for eight trucks, she recommended going ahead with the purchase to keep the budget aligned. It was further discussed and Commissioner Melton was not agreeable in purchasing the three new vehicles at this time and neither was Chairman Tackett. Ms. Olson requested this be tabled to the November meeting, she would ask Mr. Keathley to get more information on the vehicles that were being replaced and delivery dates of the new ones. Mr. Keathley, the fleet manager, was unable to attend this meeting but would be available for next months. She also asked if the district could purchase one from Walters to replace the one that had broken down.
Chairman Tackett requested a motion to approve the purchase of one truck now and table the other two until next meeting. Commissioner Melton made the motion. Commissioner Slone 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 25-10-012

5.) **Authorization to Advertise for Bid Dump Truck** – Ms. Olson explained to the board that the district got annual bids for gravel and dirt hauling, this has become a large expense to the district. The district felt it would be more cost savings for the district to purchase a used dump truck, one that did not require a CDL license and do the gravel haul in house. This would be a small dump truck, something to haul around five ton and any of the filed staff could run the truck. Although the district would continue to bid annual contracts when vendors to have as a backup. She explained that Mr. Keathley had looked at some and found some good deals on used ones, could buy one with low miles and good condition for forty thousand dollars. Ms. Olson explained that she had Mr. Lowe to do a cost analysis based on the past month and the savings would pay for the truck. It was discussed and Commissioner Potter spoke up to request a motion so the district could see if it would be cost effective.
Chairman Tackett requested a motion to authorize to advertise for bid a dump truck. 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 25-10-013

6.) **Authorization to Advertise for Bid Water Meters -** Ms. Olson stated she had contacted Compass Maniple to see if the district could use the remaining ARPA funds to purchase new water meters.

Some needed telemetry items would have to be purchased before doing so but were given approval to use the remainder funds. The district did a complete system replacement with RG3 meters from 2018 to 2020 and they began to fail quickly. As soon as a replacement shipment was received the district would be sending twice that many back for replacements. She felt it would be best if the district changed to a more reputable system instead of keeping spending money on RG3. In last year's budget, it was decided to spend about $5,000 a month on the top and the new solo meters. They covered parts of it under warranty if we bought the additional part that we needed to go with them and that was about $49 a piece. She continued that she and several other management had met and talked with different vendors about different types of meters, Census, Badger, Neptune, Kamstrup and had them come in and do demonstrations and got references and quotes. Will be to looking for a meter that had a leak detection feature on them, that would emit some sort of frequency to determine whether there was a leak on the customer side or if it were on our side. There would be reports generated and sent to leak detection to help reduce leak or water loss. She requested a resolution to advertise for bid water meters.
Chairman Tackett requested a motion to authorize to bid for water meters. 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 25-10-014

7.) **Employee Holiday Gift Cards from Food City –** Ms. Olson explained the district bought Food City gift cards for Thanksgiving and Christmas for the employees every year. She requested a resolution to approve the purchase of the food city holiday gift cards. Chairman Tackett requested a motion to approve the purchase of the employee gift cards from Food City for Thanksgiving and Christmas. 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 25-10-015

8.) **Date & Time for November and December Meetings –** Ms. Olson explained the meetings would need to be changed due to the holidays. It was discussed and agreed to schedule the November for Tuesday, November 25th at 4:00 and the December meeting for Monday, December 22nd at 4:00. Commissioner Potter asked if Mrs. Wright could send a calendar invite to everyone as a reminder; she agreed to do so.

9.) **Schedule Personnel & Budget Meeting -** Ms. Olson explained the district had a Personnel and Budget committee and since the new board members began those need to be updated. The Personnel committee would meet yearly to discuss employee raises and more so if there were any employee issues that required attention. The Budget committee will meet couple times to discuss the upcoming year budget and things that would need updated or replaced within the next year. Mrs. Hatfield spoke up and said that Commissioner Slone could not be on the Personnel Committee due to conflict with his grandson, Colton Slone, being employed by the district. Chairman Tackett then suggested that Commissioner Slone to be on the Budget committee. Commissioner Runyon then asked Commissioner Potter if he would be on the Personnel Committee with her; Commissioner Potter agreed. Ms. Olson said they would contact each member once a date and time was set for the meetings.
Chairman Tackett requested a motion to appoint Commissioner Runyon and Commissioner Potter to the Personnel Committer. Commissioner Slone and Commissioner Tackett to the Budget Committee. Commissioner Tackett 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 25-10-016

10.) **Telemetry Items –** Ms. Olson explained that when Appalachian Wireless changed their system to 5g, the district had to upgrade their modems. She had spoken with Brain Boldman and he has now requested the district to bid these items, although they were under the procurement amount. This would be for some new modems and few other items, all totaled less than $25,000, which was under the procurement amount. She requested a resolution to bid the telemetry items.
Chairman Tackett requested a motion to approve the advertisement for bid the telemetry items. 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 25-10-017

11.) **Paw Paw Water Line Extension –** Ms. Olson explained that Sharon Hall, PCFC, would get more information on this; needed to know the potential customers addresses and look to see if it would qualify for AML funding. She suggested for the PCFC apply for the analysis for verification.

She also stated the rate case was going to be advertised and filed on November 7th, it had to be advertised three times but could be filed on the first advertisement, she would update as it went along. Gerald Wuetcher was behind due to his wife's sickness but said he would get it started. Ms. Olson will update as information is received.

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 Melton made the motion. Commissioner Tackett 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 25-10-018

COMMISSIONER COMMENTS

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

ADJOURN MEETING

Chairman Tackett requested a motion to adjourn today's Regular meeting. 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 25-10-019

Attachment 1-43i

ORDER
OF THE
PIKE COUNTY FISCAL COURT

January 6, 2009

ORD. NO. 01.06.09.006

IN RE: AUTHORIZATION FOR SALARY RATE FOR MOUNTAIN WATER BOARD MEMBERS

Upon motion by Judge/Executive Wayne T. Rutherford and second by Magistrate Chris Harris, THE PIKE COUNTY FISCAL COURT HEREBY AUTHORIZES payment of $300 salary per person or $500 if the member has attended class, to be nunc pro tunc at the same rate as previously paid for many years until changed in the future by the Judge/Executive for members of the Mountain Water Board.

VOTE WAS TAKEN AS FOLLOWS:

Judge/Executive Wayne T. Rutherford	Yes
Magistrate Jeff Anderson	Yes
Magistrate Vernon "Chick" Johnson	Yes
Magistrate Leo Murphy	Yes
Magistrate Kenneth Robinson	Yes
Magistrate Hilman Dotson	Yes
Magistrate Chris Harris	Yes

MOTION PASSED BY UNANIMOUS ROLL CALL VOTE.

Wayne T Rutherford
PIKE COUNTY FISCAL COURT BY AND THROUGH
JUDGE/EXECUTIVE WAYNE T. RUTHERFORD

ATTEST:

Rose Farley
FISCAL COURT CLERK

ORDER
OF THE
PIKE COUNTY FISCAL COURT

AUGUST 24, 2022

ORD. NO. 08.24.22.006

IN RE: AUTHORIZATION OF THE SALARY RATE FOR MOUNTAIN WATER DISTRICT BOARD MEMBERS

Upon motion by Commissioner Ronnie Robertson and second by Commissioner Jason Tackett, THE PIKE COUNTY FISCAL COURT HEREBY AUTHORIZES the salary rate for the Mountain Water District Board members as set out in KRS 74.020 (6).

VOTE WAS TAKEN AS FOLLOWS:

Judge/Executive Ray S. Jones, II	Yes
Commissioner Ronnie Robertson	Yes
Commissioner Jason Tackett	Yes
Commissioner Brian Booth	Yes

MOTION PASSED BY UNANIMOUS ROLL CALL VOTE.

PIKE COUNTY FISCAL COURT BY AND THROUGH
JUDGE/EXECUTIVE RAY S. JONES, II

ATTEST:

FISCAL COURT CLERK

ORDER
OF THE
PIKE COUNTY FISCAL COURT

February 4, 2020

ORD. NO. 02.04.20.003

IN RE: APPROVAL OF APPOINTMENT TO THE MOUNTAIN WATER DISTRICT BOARD

Upon motion by Judge/Executive Ray S. Jones, II and second by Commissioner Jason Tackett, THE PIKE COUNTY FISCAL COURT HEREBY APPROVES the appointment of Randy Tackett to the Mountain Water District Board to fill the unexpired term of Eddie Hurley ending July 31, 2022.

VOTE WAS TAKEN AS FOLLOWS:

Judge/Executive Ray S. Jones, II	Yes
Commissioner Ronnie Robertson	Yes
Commissioner Jason Tackett	Yes
Commissioner Brian Booth	Yes

MOTION PASSED BY UNANIMOUS ROLL CALL VOTE.

PIKE COUNTY FISCAL COURT BY AND THROUGH
JUDGE/EXECUTIVE RAY S. JONES, II

ATTEST:

FISCAL COURT CLERK

ORDER
OF THE
PIKE COUNTY FISCAL COURT

AUGUST 9, 2022

ORD. NO. 08.09.22.006

IN RE: APPROVAL OF APPOINTMENTS TO THE MOUNTAIN WATER DISTRICT BOARD OF COMMISSIONERS

Upon motion by Judge/Executive Ray S. Jones, II and second by Commissioner Brian Booth, THE PIKE COUNTY FISCAL COURT HEREBY APPROVES the re-appointment of Randy Tackett and Myrtle Runyon to the Mountain Water District Board of Commissioners with their terms expiring on July 31, 2026.

VOTE WAS TAKEN AS FOLLOWS:

Judge/Executive Ray S. Jones, II	Yes
Commissioner Ronnie Robertson	Yes
Commissioner Jason Tackett	Yes
Commissioner Brian Booth	Yes

MOTION PASSED BY UNANIMOUS ROLL CALL VOTE.

PIKE COUNTY FISCAL COURT BY AND THROUGH
JUDGE/EXECUTIVE RAY S. JONES, II

ATTEST:

FISCAL COURT CLERK

ORDER
OF THE
PIKE COUNTY FISCAL COURT

AUGUST 1, 2023

ORD. NO. 08.01.23.002

IN RE: APPROVAL OF APPOINTMENT TO THE MOUNTAIN WATER DISTRICT BOARD

Upon motion by Judge/Executive Ray S. Jones, II and second by Commissioner Clinard "Bubby" Adkins, THE PIKE COUNTY FISCAL COURT HEREBY APPROVES the appointment of Burt Melton to the Mountain Water District Board with his term beginning August 1, 2023 through July 31, 2027.

VOTE WAS TAKEN AS FOLLOWS:

Judge/Executive Ray S. Jones, II	Yes
Commissioner Ronald Scott	Yes
Commissioner Clinard "Bubby" Adkins	Yes
Commissioner Orville Blackburn	Yes

MOTION PASSED BY UNANIMOUS ROLL CALL VOTE.

PIKE COUNTY FISCAL COURT BY AND THROUGH
JUDGE/EXECUTIVE RAY S. JONES, II

ATTEST:

FISCAL COURT CLERK

ORDER
OF THE
PIKE COUNTY FISCAL COURT

JUNE 3, 2025

ORD. NO. 06.03.25.003

IN RE: APPROVAL OF APPOINTMENTS TO THE MOUNTAIN WATER DISTRICT BOARD OF COMMISSIONERS

Upon Motion by Judge/Executive Ray S. Jones, II and second by Commissioner Jerry F. Lewis, THE PIKE COUNTY FISCAL COURT HEREBY APPROVES the re-appointment of Paul Chaney with a 4-year term expiring on July 31, 2029, and the appointment of Grondall Potter whose term will begin on August 1, 2025, with a 4-year terms ending on July 31, 2029. to the Mountain Water District Board of Commissioners.

VOTE WAS TAKEN AS FOLLOWS:

Judge/Executive Ray S. Jones, II	Yes
Commissioner Ronald Scott	Yes
Commissioner Clinard "Bubby" Adkins	Yes
Commissioner Jerry F. Lewis	Yes

MOTION PASSED BY UNANIMOUS ROLL CALL VOTE.

PIKE COUNTY FISCAL COURT BY AND THROUGH
JUDGE/EXECUTIVE RAY S. JONES, II

ATTEST:

FISCAL COURT CLERK

ORDER
OF THE
PIKE COUNTY FISCAL COURT

AUGUST 5, 2025

ORD. NO. 08.05.25.003

IN RE: APPROVAL OF AN APPOINTMENT TO THE MOUNTAIN WATER DISTRICT BOARD

Upon Motion by Judge/Executive Ray S. Jones, II and second by Commissioner Ronald Scott, THE PIKE COUNTY FISCAL COURT HEREBY APPROVES the appointment of James Slone to fill the vacancy left by the resignation of Paul Chaney to the Mountain Water District Board of Commissioners.

VOTE WAS TAKEN AS FOLLOWS:

Judge/Executive Ray S. Jones, II	Yes
Commissioner Ronald Scott	Yes
Commissioner Clinard "Bubby" Adkins	Yes
Commissioner Jerry F. Lewis	Yes

MOTION PASSED BY UNANIMOUS ROLL CALL VOTE.

Ray Slone

PIKE COUNTY FISCAL COURT BY AND THROUGH
JUDGE/EXECUTIVE RAY S. JONES, II

ATTEST:

Christine Dawson

FISCAL COURT CLERK

MOUNTAIN WATER DISTRICT

Response to Commission Staff's First Request for Information
Case No. 2025-00327

Question No. 1-44

Responding Witness: Carrie Hatfield

Q-1-44. Provide a copy of the most recent invoice received for all insurance policies provided to Employees.

A-1-44. See Attachment 1-44.

Attachment 1-44

ANTHEM BLUE CROSS AND BLUE SHIELD
PO BOX 4445
ATLANTA, GA 30302

Anthem

Group Name
MOUNTAIN WATER DISTRICT
Bill Entity
W26979V002
Invoice Number
001989065H

**********MIXED AADC 250
476 2 MB 0.672 3
MOUNTAIN WATER DISTRICT
CARRIE HATFIELD
PO BOX 3157
PIKEVILLE KY 41502-3157

WNJDUEVZ4 VJWW1 20251116 005501 Env [476] 1 of 6 B 4

Bill Period 12/01/2025 to 01/01/2026

Please Pay $98,242.73

by December 1, 2025

00550106010

Please refer to the Bill Summary section for a breakdown of your premium on the back of this page

EmployerAccess offers online payment options for convenience and flexibility. Make a one-time monthly payment, schedule an automatic monthly payment, or manage your payment information all in one place. Register or log in to employer.anthem.com. You will need your group number, tax ID number, and recent invoice number.

Use EasyPay if you don't have an EmployerAccess account and want to make a guest payment. To get started, visit easypay.anthem.com. You'll need a valid tax ID and case or group number to use this option. Customer service representatives can also use EasyPay to make payments on behalf of your group.

Please detach and return the bottom portion with your payment

Anthem

Group Name **MOUNTAIN WATER DISTRICT**
Amount due $98,242.73
By December 1, 2025

DO NOT SEND CASH

Quick one-time payment

Scan to pay

Amount Enclosed $

Please make check payable to ANTHEM BLUE CROSS AND BLUE SHIELD. Write your Bill Entity number on your check and remit to:

ANTHEM BLUE CROSS AND BLUE SHIELD
P.O. BOX 645438
CINCINNATI, OH 45264-5438

Bill Entity **W26979V002**
Invoice Number **001989065H**

111900100269797V002000000000700000001989065H2025120100000000098242737

Group Name: MOUNTAIN WATER DISTRICT / Bill Entity: W26979V002 / Group Contact: CARRIE HATFIELD
Invoice Number: 001989065H / Bill Period: 12/01/2025 to 01/01/2026 / Due Date: 12/01/2025
Premium Specialist: CENTRAL RGN CC / For Questions Call: (888) 290-9159

20251116 005501 Env [476] 2 of 6 B 4

PRODUCT SUMMARY DETAILS

Understanding the Contract Type Values

S = Subscriber Only
2P = Subscriber and Spouse
FAM = Family
DEP = One Dependent
DEPS = Two or more Dependents
S+DEP = Subscriber + One Dependent (No Spouse)
S+DEPS = Subscriber + Two or more Dependents (No Spouse)

Plan: W26979DC01 – DEN ESS CHOICE COMPLETE – CBR

Contract Type	Contract Count	Current Premium	Retroactive Premium	Total	Billing Rate
S	0	$0.00	$0.00	$0.00	$19.30
2P	0	$0.00	$0.00	$0.00	$38.90
S+DEP	0	$0.00	$0.00	$0.00	$43.60
FAM	0	$0.00	$0.00	$0.00	$68.66
S+DEPS	0	$0.00	$0.00	$0.00	$43.60
Total	0	$0.00	$0.00	$0.00	

Plan: W26979DC02 – DEN ESS CHOICE COMPLETE – CBR

Contract Type	Contract Count	Current Premium	Retroactive Premium	Total	Billing Rate
S	0	$0.00	$0.00	$0.00	$22.12
2P	0	$0.00	$0.00	$0.00	$44.23
S+DEP	0	$0.00	$0.00	$0.00	$51.75
FAM	0	$0.00	$0.00	$0.00	$81.68
S+DEPS	0	$0.00	$0.00	$0.00	$51.75
Total	0	$0.00	$0.00	$0.00	

Plan: W26979D001 – DEN ESS CHOICE COMPLETE – ACT

Contract Type	Contract Count	Current Premium	Retroactive Premium	Total	Billing Rate
S	13	$250.90	$12.22	$263.12	$19.30
2P	7	$272.30	$0.00	$272.30	$38.90
S+DEP	2	$87.20	$0.00	$87.20	$43.60
FAM	5	$343.30	$0.00	$343.30	$68.66
S+DEPS	0	$0.00	$0.00	$0.00	$43.60
Total	27	$953.70	$12.22	$965.92	

Group Name: MOUNTAIN WATER DISTRICT / Bill Entity: W26979V002 / Group Contact: CARRIE HATFIELD
Invoice Number: 001989065H / Bill Period: 12/01/2025 to 01/01/2026 / Due Date: 12/01/2025
Premium Specialist: CENTRAL RGN CC / For Questions Call: (888) 290-9159

VBDBVEVZ 00001 20251116 005501 Env [476] 3 of 6 B 4

Plan: W26979M004 – ANTHEM BLUE ACCESS PPO – ACT

Contract Type	Contract Count	Current Premium	Retroactive Premium	Total	Billing Rate
S	23	$21,844.94	$31.66	$21,876.60	$949.78
2P	10	$20,895.20	$2,089.52	$22,984.72	$2,089.52
S+DEP	2	$3,609.16	$0.00	$3,609.16	$1,804.58
FAM	6	$18,235.80	$3,039.30	$21,275.10	$3,039.30
S+DEPS	2	$3,609.16	$0.00	$3,609.16	$1,804.58
Total	43	$68,194.26	$5,160.48	$73,354.74	

Plan: W26979VC02 – BLUE VIEW VOLUNTARY – CBR

Contract Type	Contract Count	Current Premium	Retroactive Premium	Total	Billing Rate
S	0	$0.00	$0.00	$0.00	$6.39
2P	0	$0.00	$0.00	$0.00	$11.18
S+DEP	0	$0.00	$0.00	$0.00	$12.14
FAM	0	$0.00	$0.00	$0.00	$18.53
S+DEPS	0	$0.00	$0.00	$0.00	$12.14
Total	0	$0.00	$0.00	$0.00	

Plan: W26979V002 – BLUE VIEW VOLUNTARY – ACT

Contract Type	Contract Count	Current Premium	Retroactive Premium	Total	Billing Rate
S	30	$191.70	-$6.17	$185.53	$6.39
2P	15	$167.70	$0.00	$167.70	$11.18
S+DEP	2	$24.28	$0.00	$24.28	$12.14
FAM	11	$203.83	$0.00	$203.83	$18.53
S+DEPS	1	$12.14	$0.00	$12.14	$12.14
Total	59	$599.65	-$6.17	$593.48	
Total All Plans		$96,009.77	$2,232.96	$98,242.73	

Anthem Blue Cross and Blue Shield is the trade name of Anthem Health Plans of Kentucky, Inc. Independent licensee of the Blue Cross and Blue Shield Association. Anthem is a registered trademark of Anthem Insurance Companies, Inc.

Group Name: MOUNTAIN WATER DISTRICT / Bill Entity: W26979V002 / Group Contact: CARRIE HATFIELD
Invoice Number: 001989065H / Bill Period: 12/01/2025 to 01/01/2026 / Due Date: 12/01/2025
Premium Specialist: CENTRAL RGN CC / For Questions Call: (888) 290-9159

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216W23681	[redacted]	W26979D002	S	1	$22.12
216W23681	[redacted]	W26979M003	S	1	$919.50
199M54385	[redacted]	W26979D002	2P	2	$44.23
199M54385	[redacted]	W26979M004	2P	2	$2,089.52
199M54385	[redacted]	W26979V002	2P	2	$11.18
304M62951	[redacted]	W26979D002	FAM	3	$81.68
304M62951	[redacted]	W26979M004	2P	2	$2,089.52
453W12096	[redacted]	W26979D002	S	1	$22.12
453W12096	[redacted]	W26979M004	S	1	$949.78
453W12096	[redacted]	W26979V002	S	1	$6.39
678M56430	[redacted]	W26979D002	2P	2	$44.23
678M56430	[redacted]	W26979M004	2P	2	$2,089.52
044W13256	[redacted]	W26979D001	S	1	$19.30
044W13256	[redacted]	W26979M003	S	1	$919.50
044W13256	[redacted]	W26979V002	S	1	$6.39
265M56415	[redacted]	W26979D001	2P	2	$38.90
265M56415	[redacted]	W26979M004	2P	2	$2,089.52
884W09984	[redacted]	W26979D002	2P	2	$44.23
884W09984	[redacted]	W26979M003	2P	2	$2,022.91
884W09984	[redacted]	W26979V002	2P	2	$11.18
040M70297	[redacted]	W26979D001	S	1	$19.30
040M70297	[redacted]	W26979M003	S	1	$919.50
040M70297	[redacted]	W26979V002	S	1	$6.39
615M99664	[redacted]	W26979D002	S	1	$22.12
615M99664	[redacted]	W26979M004	S	1	$949.78
615M99664	[redacted]	W26979V002	S	1	$6.39
865W20548	[redacted]	W26979D002	S	1	$22.12
865W20548	[redacted]	W26979M003	S	1	$919.50
865W20548	[redacted]	W26979V002	S	1	$6.39
652M64272	[redacted]	W26979D002	2P	2	$44.23
652M64272	[redacted]	W26979M004	S	1	$949.78
270M61928	[redacted]	W26979D001	2P	2	$38.90
270M61928	[redacted]	W26979M003	2P	2	$2,022.91
138M89275	[redacted]	W26979D002	FAM	3	$81.68
138M89275	[redacted]	W26979M004	FAM	3	$3,039.30
141M58194	[redacted]	W26979D002	S	1	$22.12
141M58194	[redacted]	W26979M004	S	1	$949.78
176M60287	[redacted]	W26979D002	S	1	$22.12
176M60287	[redacted]	W26979M004	S	1	$949.78
405M60260	[redacted]	W26979D001	S	1	$19.30

Group Name: MOUNTAIN WATER DISTRICT / Bill Entity: W26979V002 / Group Contact: CARRIE HATFIELD
Invoice Number: 001989065H / Bill Period: 12/01/2025 to 01/01/2026 / Due Date: 12/01/2025
Premium Specialist: CENTRAL RGN CC / For Questions Call: (888) 290-9159

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624W07641	W26979V002	2P	2	$11.18
676M56252	W26979D002	S	1	$22.12
676M56252	W26979M004	S	1	$949.78
217W02710	W26979D001	S	1	$19.30
217W02710	W26979M003	S	1	$919.50
217W02710	W26979V002	S	1	$6.39
250W18497	W26979D002	S	1	$22.12
250W18497	W26979M004	S	1	$949.78
250W18497	W26979V002	S	1	$6.39
589W02709	W26979D001	S	1	$19.30
589W02709	W26979M004	S	1	$949.78
608W13391	W26979D002	S	1	$22.12
608W13391	W26979M004	S	1	$949.78
608W13391	W26979V002	S	1	$6.39
467W24890	W26979D001	S	1	$19.30
467W24890	W26979M004	S	1	$949.78
467W24890T	W26979V002	S	1	$6.39
530W20566	W26979D002	S	1	$22.12
530W20566	W26979M004	S	1	$949.78
707W16250	W26979D002	S+DEPS	3	$51.75
707W16250	W26979M004	S+DEPS	3	$1,804.58
707W16250	W26979V002	S+DEPS	3	$12.14
727M56527	W26979D001	FAM	3	$68.66
727M56527	W26979M004	2P	2	$2,089.52
687W09984	W26979D001	S	1	$19.30
687W09984	W26979M003	S	1	$919.50
687W09984E	W26979V002	S	1	$6.39
746W15909	W26979D002	S	1	$22.12
746W15909	W26979M003	S	1	$919.50
746W15909	W26979V002	S	1	$6.39
556M54631	W26979D002	S	1	$22.12
991M86746	W26979D001	FAM	3	$68.66
179M59378	W26979D001	FAM	4	$68.66
393W17753	W26979D001	S	1	$19.30
393W17753	W26979M003	S	1	$919.50
393W17753	W26979V002	S	1	$6.39
500M86725	W26979D002	FAM	3	$81.68
500M86725	W26979M004	FAM	3	$3,039.30
388M68684	W26979D002	2P	2	$44.23
388M68684	W26979M003	S	1	$919.50
388M68684	W26979V002	2P	2	$11.18
294M57855	W26979D002	2P	2	$44.23

Group Name: MOUNTAIN WATER DISTRICT / Bill Entity: W26979V002 / Group Contact: CARRIE HATFIELD
Invoice Number: 001989065H / Bill Period: 12/01/2025 to 01/01/2026 / Due Date: 12/01/2025
Premium Specialist: CENTRAL RGN CC / For Questions Call: (888) 290-9159

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223M56590	[redacted]	0001	W26979V002	2P	2	$11.18
457M70206	[redacted]	0001	W26979V002	FAM	3	$18.53
510M86725	[redacted]	0001	W26979V002	FAM	5	$18.53
098M63305	[redacted]	0001	W26979V002	S+DEP	2	$12.14
676M56252	[redacted]	0001	W26979V002	S	1	$6.39
727M56527	[redacted]	0001	W26979V002	S	1	$6.39
991M86746	[redacted]	0001	W26979V002	FAM	3	$18.53
179M59378	[redacted]	0001	W26979M004	S+DEPS	3	$1,804.58
179M59378	[redacted]	0001	W26979V002	FAM	4	$18.53
500M86725	[redacted]	0001	W26979V002	FAM	3	$18.53
294M57855	[redacted]	0001	W26979V002	2P	2	$11.18
327M66406	[redacted]	0001	W26979V002	S	1	$6.39
484M56209	[redacted]	0001	W26979V002	FAM	3	$18.53
985M54295	[redacted]	0001	W26979V002	FAM	3	$18.53
501M86725	[redacted]	0001	W26979V002	S	1	$6.39
114M56412	[redacted]	0001	W26979V002	S	1	$6.39
113M61328	[redacted]	0001	W26979M003	S	1	$919.50
113M61328	[redacted]	0001	W26979V002	S	1	$6.39
		Subtotal for Department No. 0001		32		$3,092.43

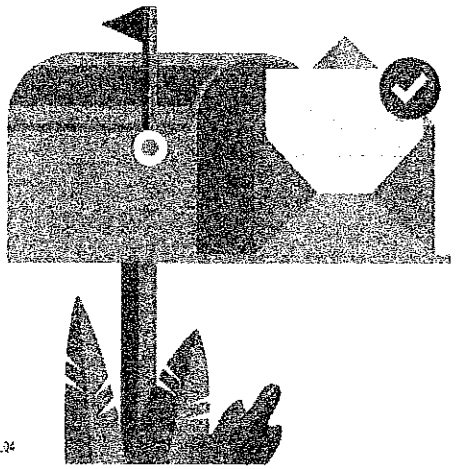
Total Subscribers 99 **Current Premium Subtotal $96,009.77**

Total Amount Due $98,242.73

Mutual of Omaha
Mutual of Omaha Plaza
Omaha, NE 68175

PERSONAL & CONFIDENTIAL
MOUNTAIN WATER DISTRICT
CARRIE HATFIELD
PO BOX 3157
PIKEVILLE KY 41502

Group ID: G000BYTN
Bill Group ID: 0001
Due Date: 12/01/2025
Nashville Group Office



676058_2_24

BILLING TIP

Please note, not all coverages have an open enrollment that allows changes without evidence of insurability. Please review your contract for the provisions that apply to your policy.

Mutual of Omaha

DETACH HERE AND RETURN THIS SLIP WITH YOUR PAYMENT

Billing Statement ***Premium Remittance Slip*** ***Invoice Number: 001986654561***

*Please make check or money order payable to **Mutual of Omaha**. Return this premium remittance with your payment to ensure proper credit.*

Mutual of Omaha

MOUNTAIN WATER DISTRICT
CARRIE HATFIELD
PO BOX 3157
PIKEVILLE KY 41502

Group ID: G000BYTN
Bill Group ID: 0001
Due Date: 12/01/2025
Nashville Group Office

MUTUAL OF OMAHA
PAYMENT PROCESSING CENTER
PO BOX 2147
OMAHA NE 68103-2147

TOTAL AMOUNT DUE: $ 2,951.00

126680 G000BYTN00018 9999999990 00002951002

690908 7561

Group ID:	**G000BYTN**	**Due Date:**	**12/01/2025**
Bill Group ID:	**0001**	**Billing Date:**	**11/13/2025**
Invoice Number:	**001986654561**	**Coverage Period From:**	**12/01/2025**
Nashville Group Office		**Through:**	**12/31/2025**

ACCOUNT SUMMARY

11/01/2025	PREVIOUS TOTAL DUE	3,422.55		
11/10/2025	PAYMENT	-3,422.55		
	OUTSTANDING BALANCE AS OF 11/13/2025		0.00	
	CURRENT PREMIUM DUE		2,951.00	
	TOTAL DUE		**$ 2,951.00**	**PLEASE PAY THIS AMOUNT**

PLEASE NOTE:

Our Employer Access portal allows you to easily find the functions you need to efficiently administer employee benefits. Through our portal, you can calculate your premiums, add new employees, view or request reports, access specific plan documents and pay your premium online. To register, visit www.mutualofomaha.com. Click sign-in, select Plan Administrator, then follow the process to create an account.

NOTICE: Your group policy(ies) will terminate if premium is not paid by the end of the grace period shown in your policy. If you elect not to pay premiums and allow coverage to terminate, please notify your covered employee/members immediately of the date when the group contract will terminate. We will not be liable for claims for losses incurred after such date (unless otherwise provided in the contract). If your employees/members are paying part of the premium and you continue to collect from them beyond the termination date, you may be solely liable for claims incurred after the policy termination date with respect to which contributions were collected. Information regarding your responsibilities in the event of termination due to nonpayment of premium, including a sample notice form for distribution to covered employees/members, can be found at www.mutualofomaha.com/forms or by calling your dedicated service team at the number listed below.

Have a question for us? Contact your dedicated service team at 1-800-769-7159 between 8:00 a.m. and 8:00 p.m. ET. For your convenience, information may be sent via email to Nashville.Service@mutualofomaha.com or faxed to 402-997-1992.

Only pay the premium for your group as billed. Adjustments for additions, changes and terminations will be reflected in a subsequent billing.

Please do not include correspondence or enrollment updates with premium payments.

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Group ID:	**G000BYTN**	**Due Date:**	**12/01/2025**
Bill Group ID:	**0001**	**Billing Date:**	**11/13/2025**
Invoice Number:	**001986654561**	**Coverage Period From:**	**12/01/2025**
Nashville Group Office		**Through:**	**12/31/2025**

ACCOUNT DETAIL

PLAN	PARTICIPANT/ FAMILY INDICATOR	CURRENT NUMBER OF PARTICIPANTS	VOLUME	CURRENT	ADJUSTMENT	NET
Life	Participant	70	3,752,000	547.78	-79.88	467.90
AD&D	Participant	70	3,752,000	131.36	-19.13	112.23
Life Vol EE	Participant	25	2,090,000	694.74	-573.12	121.62
Life Vol Sp	Spouse	21	710,000	220.35		220.35
Life Vol Dep	Dependent	20	200,000	40.00		40.00
AD&D Vol EE	Participant	25	2,090,000	62.70	-43.20	19.50
AD&D Vol Sp	Spouse	21	710,000	21.30		21.30
GF Life Vol EE	Participant	1	175,000	69.65		69.65
GF AD&D Vol EE	Participant	1	175,000	5.25		5.25
LTD	Participant	70	255,160.83	770.60	-22.83	747.77
STD Vol	Participant	49	22,295.44	1,036.36	89.07	1,125.43
CURRENT BILL TOTALS				$ 3,600.09	$ -649.09	$ 2,951.00
BALANCE CARRIED FORWARD						$ 0.00
TOTAL						$ 2,951.00

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Group ID:	**G000BYTN**	**Due Date:**	**12/01/2025**
Bill Group ID:	**0001**	**Billing Date:**	**11/13/2025**
Invoice Number:	**001986654561**	**Coverage Period From:**	**12/01/2025**
Nashville Group Office		**Through:**	**12/31/2025**

PARTICIPANT DETAIL

PARTICIPANT	ID	FAMILY INDICATOR	EFF DATE	PLAN	VOLUME	AMOUNT	ADJ	TOTAL
[redacted]	0039	Participant	11/19/25	Life	50,000	7.30		
		Participant	11/19/25	AD&D	50,000	1.75		
		Participant	11/19/25	LTD	2,426.67	7.33		
		Participant	11/19/25	STD Vol	336	21.40		
								37.78
[redacted]	3800	Participant	06/19/24	Life	50,000	7.30		
		Participant	06/19/24	AD&D	50,000	1.75		
		Participant	06/19/24	LTD	2,620.8	7.92		
		Retroactive Change	11/01/2025				0.85	
		Participant	06/19/24	STD Vol	362.88	11.36		
		Retroactive Change	11/01/2025				1.22	
								30.40
[redacted]	8764	Participant	05/21/25	Life	50,000	7.30		
		Participant	05/21/25	AD&D	50,000	1.75		
		Participant	05/21/25	LTD	2,600	7.85		
		Participant	05/21/25	STD Vol	360	11.27		
								28.17
[redacted]	5756	Participant	11/01/21	Life	50,000	7.30		
		Participant	11/01/21	AD&D	50,000	1.75		
		Participant	11/01/21	Life Vol EE	50,000	25.40		
		Spouse	11/01/21	Life Vol Sp	25,000	12.70		
		Participant	11/01/21	AD&D Vol EE	50,000	1.50		
		Spouse	11/01/21	AD&D Vol Sp	25,000	0.75		
		Participant	11/01/21	LTD	3,570.67	10.78		
		Retroactive Change	11/01/2025				1.36	
		Participant	11/01/21	STD Vol	494.4	24.03		
		Retroactive Change	11/01/2025				3.03	
								88.60
[redacted]	4436	Participant	11/01/21	Life	50,000	7.30		
		Participant	11/01/21	AD&D	50,000	1.75		
		Participant	11/01/21	Life Vol EE	150,000	76.20		
		Spouse	11/01/21	Life Vol Sp	25,000	12.70		
		Dependent	11/01/21	Life Vol Dep	10,000	2.00		
		Participant	11/01/21	AD&D Vol EE	150,000	4.50		
		Spouse	11/01/21	AD&D Vol Sp	25,000	0.75		
		Participant	11/01/21	LTD	3,749.2	11.32		
		Retroactive Change	11/01/2025				3.99	
		Participant	11/01/25	STD Vol	500	24.30		
		Retroactive Change	11/01/2025				7.97	
								152.78
[redacted]	7131	Participant	03/30/22	Life	50,000	7.30		
		Participant	03/30/22	AD&D	50,000	1.75		
		Participant	03/30/22	LTD	3,813.33	11.52		
		Retroactive Change	11/01/2025				3.14	
		Participant	03/30/22	STD Vol	500	24.30		
		Retroactive Change	11/01/2025				5.64	
								53.65
[redacted]	5460	Participant		Life				
		Retroactive Change	12/01/2024				-7.30	
		Retroactive Change	01/01/2025				-7.30	
		Retroactive Change	02/01/2025				-7.30	

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Group ID:	**G000BYTN**	**Due Date:**	**12/01/2025**
Bill Group ID:	**0001**	**Billing Date:**	**11/13/2025**
Invoice Number:	**001986654561**	**Coverage Period From:**	**12/01/2025**
Nashville Group Office		**Through:**	**12/31/2025**

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PARTICIPANT DETAIL

PARTICIPANT	ID	FAMILY INDICATOR	EFF DATE	PLAN	VOLUME	AMOUNT	ADJ	TOTAL
		Retroactive Change	03/01/2025				-7.30	
		Retroactive Change	04/01/2025				-7.30	
		Retroactive Change	05/01/2025				-7.30	
		Retroactive Change	06/01/2025				-7.30	
		Retroactive Change	07/01/2025				-7.30	
		Retroactive Change	08/01/2025				-7.30	
		Retroactive Change	09/01/2025				-7.30	
		Retroactive Change	10/01/2025				-7.30	
		Retroactive Change	11/01/2025				-7.30	
		Participant		AD&D				
		Retroactive Change	12/01/2024				-1.75	
		Retroactive Change	01/01/2025				-1.75	
		Retroactive Change	02/01/2025				-1.75	
		Retroactive Change	03/01/2025				-1.75	
		Retroactive Change	04/01/2025				-1.75	
		Retroactive Change	05/01/2025				-1.75	
		Retroactive Change	06/01/2025				-1.75	
		Retroactive Change	07/01/2025				-1.75	
		Retroactive Change	08/01/2025				-1.75	
		Retroactive Change	09/01/2025				-1.75	
		Retroactive Change	10/01/2025				-1.75	
		Retroactive Change	11/01/2025				-1.75	
		Participant		Life Vol EE				
		Retroactive Change	12/01/2024				-47.76	
		Retroactive Change	01/01/2025				-47.76	
		Retroactive Change	02/01/2025				-47.76	
		Retroactive Change	03/01/2025				-47.76	
		Retroactive Change	04/01/2025				-47.76	
		Retroactive Change	05/01/2025				-47.76	
		Retroactive Change	06/01/2025				-47.76	
		Retroactive Change	07/01/2025				-47.76	
		Retroactive Change	08/01/2025				-47.76	
		Retroactive Change	09/01/2025				-47.76	
		Retroactive Change	10/01/2025				-47.76	
		Retroactive Change	11/01/2025				-47.76	
		Participant		AD&D Vol EE				
		Retroactive Change	12/01/2024				-3.60	
		Retroactive Change	01/01/2025				-3.60	
		Retroactive Change	02/01/2025				-3.60	
		Retroactive Change	03/01/2025				-3.60	
		Retroactive Change	04/01/2025				-3.60	
		Retroactive Change	05/01/2025				-3.60	
		Retroactive Change	06/01/2025				-3.60	
		Retroactive Change	07/01/2025				-3.60	
		Retroactive Change	08/01/2025				-3.60	
		Retroactive Change	09/01/2025				-3.60	
		Retroactive Change	10/01/2025				-3.60	
		Retroactive Change	11/01/2025				-3.60	
		Participant		LTD				
		Retroactive Change	12/01/2024				-8.10	
		Retroactive Change	01/01/2025				-8.10	

Group ID:	**G000BYTN**	**Due Date:**	**12/01/2025**
Bill Group ID:	**0001**	**Billing Date:**	**11/13/2025**
Invoice Number:	**001986654561**	**Coverage Period From:**	**12/01/2025**
Nashville Group Office		**Through:**	**12/31/2025**

PARTICIPANT DETAIL

PARTICIPANT	ID	FAMILY INDICATOR	EFF DATE	PLAN	VOLUME	AMOUNT	ADJ	TOTAL
		Retroactive Change	02/01/2025				-8.10	
		Retroactive Change	03/01/2025				-8.10	
		Retroactive Change	04/01/2025				-8.10	
		Retroactive Change	05/01/2025				-8.10	
		Retroactive Change	06/01/2025				-8.10	
		Retroactive Change	07/01/2025				-8.10	
		Retroactive Change	08/01/2025				-8.10	
		Retroactive Change	09/01/2025				-8.10	
		Retroactive Change	10/01/2025				-8.10	
		Retroactive Change	11/01/2025				-8.10	
								-822.12
* [redacted]	2432	Participant	11/01/21	Life	50,000	7.30		
		Participant	11/01/21	AD&D	50,000	1.75		
		Spouse	11/01/21	Life Vol Sp	125,000	49.75		
		Spouse	11/01/21	AD&D Vol Sp	125,000	3.75		
		Participant	11/01/21	GF Life Vol EE	175,000	69.65		
		Participant	11/01/21	GF AD&D Vol EE	175,000	5.25		
		Participant	11/01/21	LTD	3,206.67	9.68		
		Retroactive Change	11/01/2025				-0.04	
		Participant	11/01/21	STD Vol	444	17.76		
		Retroactive Change	11/01/2025				17.76	
								182.61
[redacted]	1559	Participant	07/20/22	Life	50,000	7.30		
		Participant	07/20/22	AD&D	50,000	1.75		
		Participant	07/20/22	LTD	3,229.2	9.75		
		Retroactive Change	11/01/2025				3.47	
								22.27
[redacted]	5973	Participant	11/01/21	Life	50,000	7.30		
		Participant	11/01/21	AD&D	50,000	1.75		
		Participant	11/01/21	LTD	3,433.73	10.37		
		Retroactive Change	11/01/2025				0.35	
								19.77
[redacted]	7409	Participant		Life		0.00		
		Participant		Life Vol EE		0.00		
								0.00
* [redacted]	5476	Participant	11/01/21	Life	50,000	7.30		
		Participant	11/01/21	AD&D	50,000	1.75		
		Participant	11/01/21	LTD	3,378.27	10.20		
		Retroactive Change	11/01/2025				0.34	
								19.59
[redacted]	6642	Participant	09/01/22	Life	50,000	7.30		
		Participant	09/01/22	AD&D	50,000	1.75		
		Participant	09/01/22	LTD	3,570.67	10.78		
		Retroactive Change	11/01/2025				2.24	
								22.07
[redacted]	7948	Participant	11/17/24	Life	50,000	7.30		
		Participant	11/17/24	AD&D	50,000	1.75		
		Participant	11/17/24	LTD	2,511.6	7.59		
		Retroactive Change	11/01/2025				0.26	
		Participant	11/17/24	STD Vol	347.76	16.90		
		Retroactive Change	11/01/2025				0.57	

Group ID:	G000BYTN	Due Date:	12/01/2025
Bill Group ID:	0001	Billing Date:	11/13/2025
Invoice Number:	001986654561	Coverage Period From:	12/01/2025
Nashville Group Office		Through:	12/31/2025

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PARTICIPANT DETAIL

PARTICIPANT	ID	FAMILY INDICATOR	EFF DATE	PLAN	VOLUME	AMOUNT	ADJ	TOTAL
[redacted]	5176	Participant	07/17/24	Life	50,000	7.30		34.37
		Participant	07/17/24	AD&D	50,000	1.75		
		Participant	07/17/24	LTD	2,426.67	7.33		
		Retroactive Change	11/01/2025				0.26	
[redacted]	1554	Participant	11/01/21	Life	53,000	7.74		16.64
		Retroactive Change	11/01/2025				0.44	
		Participant	11/01/21	AD&D	53,000	1.86		
		Retroactive Change	11/01/2025				0.11	
		Participant	11/01/21	Life Vol EE	50,000	5.05		
		Spouse	11/01/21	Life Vol Sp	25,000	2.53		
		Dependent	11/01/21	Life Vol Dep	10,000	2.00		
		Participant	11/01/21	AD&D Vol EE	50,000	1.50		
		Spouse	11/01/21	AD&D Vol Sp	25,000	0.75		
		Participant	11/01/21	LTD	4,402.67	13.30		
		Retroactive Change	11/01/2025				1.15	
		Participant	11/01/21	STD Vol	500	24.30		
[redacted]	2827	Participant	11/01/21	Life	56,000	8.18		60.73
		Retroactive Change	11/01/2025				0.15	
		Participant	11/01/21	AD&D	56,000	1.96		
		Retroactive Change	11/01/2025				0.03	
		Participant	11/01/21	Life Vol EE	100,000	39.80		
		Spouse	11/01/21	Life Vol Sp	25,000	9.95		
		Dependent	11/01/21	Life Vol Dep	10,000	2.00		
		Participant	11/01/21	AD&D Vol EE	100,000	3.00		
		Spouse	11/01/21	AD&D Vol Sp	25,000	0.75		
		Participant	11/01/21	LTD	4,652.27	14.05		
		Retroactive Change	11/01/2025				0.41	
		Participant	11/01/21	STD Vol	500	20.00		
[redacted]	9929	Participant	11/01/21	Life	53,000	7.74		100.28
		Retroactive Change	11/01/2025				0.44	
		Participant	11/01/21	AD&D	53,000	1.86		
		Retroactive Change	11/01/2025				0.11	
		Participant	11/01/21	Life Vol EE	80,000	5.36		
		Spouse	11/01/21	Life Vol Sp	25,000	1.68		
		Dependent	11/01/21	Life Vol Dep	10,000	2.00		
		Participant	11/01/21	AD&D Vol EE	80,000	2.40		
		Spouse	11/01/21	AD&D Vol Sp	25,000	0.75		
		Participant	11/01/21	LTD	4,336.8	13.10		
		Retroactive Change	11/01/2025				1.21	
		Participant	11/01/21	STD Vol	500	24.30		
[redacted]	4013	Participant	11/01/21	Life	50,000	7.30		60.95
		Participant	11/01/21	AD&D	50,000	1.75		
		Participant	11/01/21	LTD	3,378.27	10.20		
		Retroactive Change	11/01/2025				0.34	
		Participant	11/01/21	STD Vol	467.76	32.32		
		Retroactive Change	11/01/2025				1.09	

Group ID:	**G000BYTN**	**Due Date:**	**12/01/2025**
Bill Group ID:	**0001**	**Billing Date:**	**11/13/2025**
Invoice Number:	**001986654561**	**Coverage Period From:**	**12/01/2025**
Nashville Group Office		**Through:**	**12/31/2025**

PARTICIPANT DETAIL

PARTICIPANT	ID	FAMILY INDICATOR	EFF DATE	PLAN	VOLUME	AMOUNT	ADJ	TOTAL
[redacted]	8866	Participant	11/01/21	Life	50,000	7.30		53.00
		Participant	11/01/21	AD&D	50,000	1.75		
		Participant	11/01/21	Life Vol EE	20,000	2.02		
		Spouse	11/01/21	Life Vol Sp	15,000	1.52		
		Dependent	11/01/21	Life Vol Dep	10,000	2.00		
		Participant	11/01/21	AD&D Vol EE	20,000	0.60		
		Spouse	11/01/21	AD&D Vol Sp	15,000	0.45		
		Participant	11/01/21	LTD	3,130.4	9.45		
		Retroactive Change	11/01/2025				0.61	
		Participant	11/01/21	STD Vol	433.44	21.07		
		Retroactive Change	11/01/2025				1.38	
[redacted]	8472	Participant	11/12/25	Life	50,000	7.30		48.15
		Participant	11/12/25	AD&D	50,000	1.75		
		Participant	11/12/25	LTD	2,686.67	8.11		
		Participant	11/12/25	STD Vol	372	18.08		
[redacted]	8095	Participant	11/01/21	Life	77,000	11.24		35.24
		Retroactive Change	11/01/2025				0.44	
		Participant	11/01/21	AD&D	77,000	2.70		
		Retroactive Change	11/01/2025				0.11	
		Participant	11/01/21	Life Vol EE	50,000	19.90		
		Spouse	11/01/21	Life Vol Sp	25,000	9.95		
		Dependent	11/01/21	Life Vol Dep	10,000	2.00		
		Participant	11/01/21	AD&D Vol EE	50,000	1.50		
		Spouse	11/01/21	AD&D Vol Sp	25,000	0.75		
		Participant	11/01/21	LTD	6,334.06	19.13		
		Retroactive Change	11/01/2025				0.65	
[redacted]	2308	Participant	12/20/23	Life	50,000	7.30		68.37
		Participant	12/20/23	AD&D	50,000	1.75		
		Participant	12/20/23	LTD	2,600	7.85		
		Retroactive Change	11/01/2025				0.78	
		Participant	12/20/23	STD Vol	360	17.50		
		Retroactive Change	11/01/2025				1.75	
[redacted]	0959	Participant	11/01/21	Life	50,000	7.30		36.93
		Participant	11/01/21	AD&D	50,000	1.75		
		Participant	11/01/21	LTD	2,631.2	7.95		
		Retroactive Change	11/01/2025				0.29	
		Participant	11/01/21	STD Vol	364.32	21.24		
		Retroactive Change	11/01/2025				0.77	
[redacted]	2476	Participant	11/01/21	Life	54,000	7.88		39.30
		Retroactive Change	11/01/2025				0.29	
		Participant	11/01/21	AD&D	54,000	1.89		
		Retroactive Change	11/01/2025				0.07	
		Participant	11/01/21	Life Vol EE	150,000	59.70		
		Dependent	11/01/21	Life Vol Dep	10,000	2.00		

Group ID:	**G000BYTN**	**Due Date:**	**12/01/2025**
Bill Group ID:	**0001**	**Billing Date:**	**11/13/2025**
Invoice Number:	**001986654661**	**Coverage Period From:**	**12/01/2025**
Nashville Group Office		**Through:**	**12/31/2025**

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PARTICIPANT DETAIL

PARTICIPANT	ID	FAMILY INDICATOR	EFF DATE	PLAN	VOLUME	AMOUNT	ADJ	TOTAL
		Participant	11/01/21	AD&D Vol EE	150,000	4.50		
		Participant	11/01/21	LTD	4,446	13.43		
		Retroactive Change	11/01/2025				0.39	
		Participant	11/01/21	STD Vol	500	20.00		
								110.15
[redacted]	7167	Participant	11/01/21	Life	50,000	7.30		
		Participant	11/01/21	AD&D	50,000	1.75		
		Participant	11/01/21	Life Vol EE	20,000	7.96		
		Spouse	11/01/21	Life Vol Sp	10,000	3.98		
		Dependent	11/01/21	Life Vol Dep	10,000	2.00		
		Participant	11/01/21	AD&D Vol EE	20,000	0.60		
		Spouse	11/01/21	AD&D Vol Sp	10,000	0.30		
		Participant	11/01/21	LTD	4,021.33	12.14		
		Retroactive Change	11/01/2025				2.42	
		Participant	11/01/21	STD Vol	500	20.00		
		Retroactive Change	11/01/2025				2.18	
								60.63
[redacted]	8436	Participant	11/01/21	Life	73,000	10.66		
		Retroactive Change	11/01/2025				0.44	
		Participant	11/01/21	AD&D	73,000	2.56		
		Retroactive Change	11/01/2025				0.11	
		Participant	11/01/21	Life Vol EE	120,000	60.96		
		Spouse	11/01/21	Life Vol Sp	25,000	12.70		
		Dependent	11/01/21	Life Vol Dep	10,000	2.00		
		Participant	11/01/21	AD&D Vol EE	120,000	3.60		
		Spouse	11/01/21	AD&D Vol Sp	25,000	0.75		
		Participant	11/01/21	LTD	6,026.41	18.20		
		Retroactive Change	11/01/2025				0.62	
		Participant	11/01/21	STD Vol	500	24.30		
								136.90
[redacted]	3176	Participant	11/01/21	Life	50,000	7.30		
		Participant	11/01/21	AD&D	50,000	1.75		
		Participant	11/01/21	LTD	2,788.93	8.42		
		Retroactive Change	11/01/2025				0.76	
		Participant	11/01/21	STD Vol	386.16	18.77		
		Retroactive Change	11/01/2025				1.71	
								38.71
[redacted]	6743	Participant	11/01/21	Life	50,000	7.30		
		Participant	11/01/21	AD&D	50,000	1.75		
		Participant	11/01/21	Life Vol EE	20,000	1.74		
		Participant	11/01/21	AD&D Vol EE	20,000	0.60		
		Participant	11/01/21	LTD	3,229.2	9.75		
		Retroactive Change	11/01/2025				0.33	
								21.47
[redacted]	3797	Participant	11/01/21	Life	72,000	10.51		
		Retroactive Change	11/01/2025				1.31	
		Participant	11/01/21	AD&D	72,000	2.52		
		Retroactive Change	11/01/2025				0.31	
		Participant	11/11/24	Life Vol EE	30,000	15.24		
		Spouse	11/11/24	Life Vol Sp	25,000	12.70		

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PARTICIPANT	ID	FAMILY INDICATOR	EFF DATE	PLAN	VOLUME	AMOUNT	ADJ	TOTAL
		Participant	11/11/24	AD&D Vol EE	30,000	0.90		
		Spouse	11/11/24	AD&D Vol Sp	25,000	0.75		
		Participant	11/01/21	LTD	5,940.43	17.94		
		Retroactive Change	11/01/2025				2.29	
		Participant	11/01/21	STD Vol	500	24.30		
								88.77
[redacted]	9014	Participant	11/01/21	Life	62,000	9.05		
		Retroactive Change	11/01/2025				0.14	
		Participant	11/01/21	AD&D	62,000	2.17		
		Retroactive Change	11/01/2025				0.03	
		Participant	11/01/21	Life Vol EE	50,000	25.40		
		Spouse	11/01/21	Life Vol Sp	25,000	12.70		
		Dependent	11/01/21	Life Vol Dep	10,000	2.00		
		Participant	11/01/21	AD&D Vol EE	50,000	1.50		
		Spouse	11/01/21	AD&D Vol Sp	25,000	0.75		
		Participant	11/01/21	LTD	5,161.87	15.59		
		Retroactive Change	11/01/2025				0.46	
		Participant	11/01/21	STD Vol	500	24.30		
								94.09
[redacted]	0543	Participant	12/20/23	Life	50,000	7.30		
		Participant	12/20/23	AD&D	50,000	1.75		
		Participant	12/20/23	LTD	2,620.8	7.92		
		Retroactive Change	11/01/2025				0.85	
								17.82
[redacted]	1523	Participant	06/05/24	Life	50,000	7.30		
		Participant	06/05/24	AD&D	50,000	1.75		
		Participant	06/05/24	LTD	2,426.67	7.33		
		Retroactive Change	11/01/2025				0.26	
		Participant	06/05/24	STD Vol	336	16.33		
		Retroactive Change	11/01/2025				0.58	
								33.55
[redacted]	8029	Participant	11/01/21	Life	50,000	7.30		
		Participant	11/01/21	AD&D	50,000	1.75		
		Participant	11/01/21	Life Vol EE	150,000	19.80		
		Spouse	11/01/21	Life Vol Sp	125,000	16.50		
		Dependent	11/01/21	Life Vol Dep	10,000	2.00		
		Participant	11/01/21	AD&D Vol EE	150,000	4.50		
		Spouse	11/01/21	AD&D Vol Sp	125,000	3.75		
		Participant	11/01/21	LTD	3,767.05	11.38		
		Retroactive Change	11/01/2025				0.94	
		Participant	11/01/21	STD Vol	500	16.75		
		Retroactive Change	11/01/2025				0.72	
								85.39
[redacted]	5309	Participant	11/01/21	Life	50,000	7.30		
		Participant	11/01/21	AD&D	50,000	1.75		
		Participant	11/01/21	LTD	2,825.33	8.53		
		Retroactive Change	11/01/2025				0.28	
								17.86
[redacted]	0115	Participant	11/01/21	Life	50,000	7.30		
		Participant	11/01/21	AD&D	50,000	1.75		
		Participant	11/01/21	Life Vol EE	120,000	12.12		

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PARTICIPANT	ID	FAMILY INDICATOR	EFF DATE	PLAN	VOLUME	AMOUNT	ADJ	TOTAL
		Participant	11/01/21	AD&D Vol EE	120,000	3.60		
		Participant	11/01/21	LTD	3,614	10.91		
		Retroactive Change	11/01/2025				2.39	
		Participant	11/01/21	STD Vol	500	24.30		
		Retroactive Change	11/01/2025				5.32	
								67.69
[redacted]n	1549	Participant	07/10/24	Life	50,000	7.30		
		Participant	07/10/24	AD&D	50,000	1.75		
		Participant	07/10/24	LTD	2,600	7.85		
		Retroactive Change	11/01/2025				0.78	
		Participant	07/10/24	STD Vol	360	11.27		
		Retroactive Change	11/01/2025				1.13	
								30.08
[redacted]	6873	Participant	11/03/21	Life	50,000	7.30		
		Participant	11/03/21	AD&D	50,000	1.75		
		Participant	11/03/21	LTD	3,570.67	10.78		
		Retroactive Change	11/01/2025				5.54	
		Participant	11/03/21	STD Vol	494.4	15.48		
		Retroactive Change	11/01/2025				7.97	
								48.82
[redacted]	2401	Participant	11/01/21	Life	50,000	7.30		
		Participant	11/01/21	AD&D	50,000	1.75		
		Participant	11/01/21	Life Vol EE	120,000	60.96		
		Spouse	11/01/21	Life Vol Sp	25,000	12.70		
		Dependent	11/01/21	Life Vol Dep	10,000	2.00		
		Participant	11/01/21	AD&D Vol EE	120,000	3.60		
		Spouse	11/01/21	AD&D Vol Sp	25,000	0.75		
		Participant	11/01/21	LTD	3,230.93	9.76		
		Retroactive Change	11/01/2025				0.33	
		Participant	11/01/21	STD Vol	447.36	21.74		
		Retroactive Change	11/01/2025				0.73	
								121.62
[redacted]	0076	Participant	11/01/21	Life	50,000	7.30		
		Participant	11/01/21	AD&D	50,000	1.75		
		Participant	11/01/21	LTD	3,570.67	10.78		
		Retroactive Change	11/01/2025				0.31	
		Participant	11/01/21	STD Vol	494.4	24.03		
		Retroactive Change	11/01/2025				0.70	
								44.87
[redacted]	6341	Participant	11/01/21	Life	97,000	14.16		
		Retroactive Change	11/01/2025				0.44	
		Participant	11/01/21	AD&D	97,000	3.40		
		Retroactive Change	11/01/2025				0.11	
		Participant	11/01/21	Life Vol EE	120,000	128.40		
		Dependent	11/01/21	Life Vol Dep	10,000	2.00		
		Participant	11/01/21	AD&D Vol EE	120,000	3.60		
		Participant	11/01/21	LTD	8,078.18	24.40		
		Retroactive Change	11/01/2025				0.83	
		Participant	11/01/21	STD Vol	500	29.15		
								206.49
[redacted]	7215	Participant	11/01/21	Life	69,000	10.07		

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PARTICIPANT DETAIL

PARTICIPANT	ID	FAMILY INDICATOR	EFF DATE	PLAN	VOLUME	AMOUNT	ADJ	TOTAL
			Retroactive Change	11/01/2025			2.77	
		Participant	11/01/21	AD&D	69,000	2.42		
			Retroactive Change	11/01/2025			0.67	
		Participant	11/01/21	LTD	5,750	17.37		
			Retroactive Change	11/01/2025			4.81	
								38.11
[redacted]	2149	Participant	12/20/23	Life	50,000	7.30		
		Participant	12/20/23	AD&D	50,000	1.75		
		Participant	12/20/23	LTD	2,870.4	8.67		
			Retroactive Change	11/01/2025			1.60	
								19.32
[redacted]	6760	Participant	11/01/21	Life	50,000	7.30		
		Participant	11/01/21	AD&D	50,000	1.75		
		Participant	11/01/21	LTD	3,310.67	10.00		
			Retroactive Change	11/01/2025			1.62	
								20.67
[redacted]	4750	Participant	04/23/25	Life	50,000	7.30		
		Participant	04/23/25	AD&D	50,000	1.75		
		Participant	04/23/25	LTD	2,340	7.07		
								16.12
[redacted]	0663	Participant	03/20/24	Life	50,000	7.30		
		Participant	03/20/24	AD&D	50,000	1.75		
		Participant	03/20/24	LTD	2,620.8	7.92		
			Retroactive Change	11/01/2025			0.85	
		Participant	11/01/25	STD Vol	362.88	11.36		
			Retroactive Change	11/01/2025			1.22	
								30.40
[redacted]	8737	Participant	12/07/22	Life	50,000	7.30		
		Participant	12/07/22	AD&D	50,000	1.75		
		Participant	12/07/22	LTD	3,229.2	9.75		
			Retroactive Change	11/01/2025			3.47	
		Participant	11/01/23	STD Vol	447.12	14.00		
			Retroactive Change	11/01/2025			4.99	
								41.26
[redacted]	7048	Participant	04/26/23	Life	50,000	7.30		
		Participant	04/26/23	AD&D	50,000	1.75		
		Participant	04/26/23	LTD	3,570.67	10.78		
			Retroactive Change	11/01/2025			2.93	
								22.76
[redacted]	1481	Participant	11/01/21	Life	62,000	9.05		
			Retroactive Change	11/01/2025			0.29	
		Participant	11/01/21	AD&D	62,000	2.17		
			Retroactive Change	11/01/2025			0.07	
		Participant	11/01/21	Life Vol EE	20,000	34.04		
		Spouse	11/01/21	Life Vol Sp	10,000	17.02		
		Dependent	11/01/21	Life Vol Dep	10,000	2.00		
		Participant	11/01/21	AD&D Vol EE	20,000	0.60		
		Spouse	11/01/21	AD&D Vol Sp	10,000	0.30		
		Participant	11/01/21	LTD	5,130.67	15.50		
			Retroactive Change	11/01/2025			0.42	
		Participant	11/01/25	STD Vol	500	34.55		

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PARTICIPANT	ID	FAMILY INDICATOR	EFF DATE	PLAN	VOLUME	AMOUNT	ADJ	TOTAL
								116.01
[redacted]	0648	Participant	11/01/21	Life	50,000	7.30		
		Participant	11/01/21	AD&D	50,000	1.75		
		Participant	11/01/21	Life Vol EE	120,000	8.04		
		Spouse	11/01/21	Life Vol Sp	25,000	1.68		
		Dependent	11/01/21	Life Vol Dep	10,000	2.00		
		Participant	11/01/21	AD&D Vol EE	120,000	3.60		
		Spouse	11/01/21	AD&D Vol Sp	25,000	0.75		
		Participant	11/01/21	LTD	3,553.33	10.73		
		Retroactive Change	11/01/2025				1.31	
		Participant	11/01/21	STD Vol	492	23.91		
		Retroactive Change	11/01/2025				2.91	
								63.98
[redacted]	5987	Participant	03/15/23	Life	50,000	7.30		
		Participant	03/15/23	AD&D	50,000	1.75		
		Participant	03/15/23	LTD	2,600	7.85		
		Retroactive Change	11/01/2025				0.49	
								17.39
[redacted]	8447	Participant	06/05/25	Life	50,000	7.30		
		Participant	06/05/25	AD&D	50,000	1.75		
		Participant	06/05/25	LTD	2,340	7.07		
								16.12
[redacted]	0353	Participant	11/01/21	Life	50,000	7.30		
		Participant	11/01/21	AD&D	50,000	1.75		
		Participant	11/01/21	Life Vol EE	100,000	6.70		
		Spouse	11/01/21	Life Vol Sp	25,000	1.68		
		Dependent	11/01/21	Life Vol Dep	10,000	2.00		
		Participant	11/01/21	AD&D Vol EE	100,000	3.00		
		Spouse	11/01/21	AD&D Vol Sp	25,000	0.75		
		Participant	11/01/21	LTD	3,640	10.99		
		Retroactive Change	11/01/2025				4.22	
		Participant	11/01/21	STD Vol	500	24.30		
		Retroactive Change	11/01/2025				9.22	
								71.91
[redacted]	6585	Participant	11/01/21	Life	54,000	7.88		
		Retroactive Change	11/01/2025				0.14	
		Participant	11/01/21	AD&D	54,000	1.89		
		Retroactive Change	11/01/2025				0.03	
		Participant	11/01/21	Life Vol EE	150,000	19.80		
		Spouse	11/01/21	Life Vol Sp	25,000	3.30		
		Dependent	11/01/21	Life Vol Dep	10,000	2.00		
		Participant	11/01/21	AD&D Vol EE	150,000	4.50		
		Spouse	11/01/21	AD&D Vol Sp	25,000	0.75		
		Participant	11/01/21	LTD	4,477.2	13.52		
		Retroactive Change	11/01/2025				0.39	
		Participant	11/01/21	STD Vol	500	16.75		
								70.95
[redacted]	7280	Participant	10/11/23	Life	50,000	7.30		
		Participant	10/11/23	AD&D	50,000	1.75		
		Participant	10/11/23	LTD	2,686.67	8.11		
		Retroactive Change	11/01/2025				1.04	

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PARTICIPANT	ID	FAMILY INDICATOR	EFF DATE	PLAN	VOLUME	AMOUNT	ADJ	TOTAL
[redacted]	6235	Participant	11/01/21	Life	50,000	7.30		18.20
		Participant	11/01/21	AD&D	50,000	1.75		
		Participant	11/01/21	Life Vol EE	100,000	8.70		
		Spouse	11/01/21	Life Vol Sp	25,000	2.18		
		Participant	11/01/21	AD&D Vol EE	100,000	3.00		
		Spouse	11/01/21	AD&D Vol Sp	25,000	0.75		
		Participant	11/01/21	LTD	3,927.73	11.86		
		Retroactive Change	11/01/2025				0.34	
		Participant	11/01/21	STD Vol	500	31.85		
[redacted]	6356	Participant	06/10/25	Life	50,000	7.30		67.73
		Participant	06/10/25	AD&D	50,000	1.75		
		Participant	06/10/25	LTD	2,860	8.64		
		Retroactive Change	11/01/2025				0.53	
		Participant	06/10/25	STD Vol	396	15.84		
		Retroactive Change	11/01/2025				0.96	
[redacted]e	5121	Participant	11/01/21	Life	50,000	7.30		35.02
		Participant	11/01/21	AD&D	50,000	1.75		
		Participant	11/01/21	LTD	3,466.67	10.47		
		Retroactive Change	11/01/2025				1.02	
		Participant	11/01/23	STD Vol	480	23.33		
		Retroactive Change	11/01/2025				2.28	
[redacted]	4416	Participant	12/07/22	Life	50,000	7.30		46.15
		Participant	12/07/22	AD&D	50,000	1.75		
		Participant	12/07/22	LTD	3,813.33	11.52		
		Retroactive Change	11/01/2025				3.14	
[redacted]	8233	Participant	09/26/24	Life	50,000	7.30		23.71
		Participant	09/26/24	AD&D	50,000	1.75		
		Participant	09/26/24	LTD	2,426.67	7.33		
		Retroactive Change	11/01/2025				0.26	
[redacted]	0753	Participant	11/01/21	Life	50,000	7.30		16.64
		Participant	11/01/21	AD&D	50,000	1.75		
		Participant	11/01/21	Life Vol EE	50,000	5.05		
		Spouse	11/01/21	Life Vol Sp	25,000	2.53		
		Dependent	11/01/21	Life Vol Dep	10,000	2.00		
		Participant	11/01/21	AD&D Vol EE	50,000	1.50		
		Spouse	11/01/21	AD&D Vol Sp	25,000	0.75		
		Participant	11/01/21	LTD	3,553.33	10.73		
		Retroactive Change	11/01/2025				1.31	
		Participant	11/01/21	STD Vol	492	23.91		
		Retroactive Change	11/01/2025				2.91	
[redacted]	0825	Participant	11/01/21	Life	57,000	8.32		59.74
		Retroactive Change	11/01/2025				0.14	
		Participant	11/01/21	AD&D	57,000	2.00		
		Retroactive Change	11/01/2025				0.04	

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		Participant	11/01/21	LTD	4,728.53	14.28		
		Retroactive Change	11/01/2025				0.41	
		Participant	11/01/21	STD Vol	500	20.00		
								45.19
[redacted]	0824	Participant	11/01/21	Life	50,000	7.30		
		Participant	11/01/21	AD&D	50,000	1.75		
		Participant	11/01/21	LTD	4,160	12.56		
		Participant	11/01/21	STD Vol	500	31.85		
								53.46
[redacted]	1791	Participant	11/01/21	Life	94,000	13.72		
		Retroactive Change	11/01/2025				0.14	
		Participant	11/01/21	AD&D	94,000	3.29		
		Retroactive Change	11/01/2025				0.03	
		Participant	11/01/21	LTD	7,814.56	23.60		
		Retroactive Change	11/01/2025				0.23	
		Participant	11/01/21	STD Vol	500	20.00		
								61.01
[redacted]	4566	Participant	01/04/23	Life	50,000	7.30		
		Participant	01/04/23	AD&D	50,000	1.75		
		Participant	01/04/23	LTD	3,570.67	10.78		
		Retroactive Change	11/01/2025				0.31	
		Participant	01/04/23	STD Vol	494.4	24.03		
		Retroactive Change	11/01/2025				0.70	
								44.87
[redacted]	3682	Participant	11/01/21	Life	50,000	7.30		
		Participant	11/01/21	AD&D	50,000	1.75		
		Participant	11/01/21	LTD	3,135.6	9.47		
		Retroactive Change	11/01/2025				0.34	
		Participant	11/01/21	STD Vol	434.16	30.00		
		Retroactive Change	11/01/2025				1.08	
								49.94
[redacted]	9435	Participant	08/28/24	Life	50,000	7.30		
		Participant	08/28/24	AD&D	50,000	1.75		
		Participant	08/28/24	LTD	2,426.67	7.33		
		Retroactive Change	11/01/2025				0.26	
		Participant	08/28/24	STD Vol	336	16.33		
		Retroactive Change	11/01/2025				0.58	
								33.55
[redacted]	5180	Participant	11/01/21	Life	66,000	9.64		
		Participant	11/01/21	AD&D	66,000	2.31		
		Participant	11/01/21	LTD	5,425.88	16.39		
		Participant	11/01/21	STD Vol	500	16.75		
								45.09
[redacted]	0892	Participant	03/12/25	Life	50,000	7.30		
		Participant	03/12/25	AD&D	50,000	1.75		
		Participant	03/12/25	LTD	2,340	7.07		
								16.12
[redacted]	4940	Participant	10/11/23	Life	50,000	7.30		
		Participant	10/11/23	AD&D	50,000	1.75		
		Participant	10/11/23	LTD	2,620.8	7.92		
		Retroactive Change	11/01/2025				0.85	

Group ID:	**G000BYTN**	**Due Date:**	**12/01/2025**
Bill Group ID:	**0001**	**Billing Date:**	**11/13/2025**
Invoice Number:	**001986654561**	**Coverage Period From:**	**12/01/2025**
Nashville Group Office		**Through:**	**12/31/2025**

PARTICIPANT DETAIL

PARTICIPANT	ID	FAMILY INDICATOR	EFF DATE	PLAN	VOLUME	AMOUNT	ADJ	TOTAL
								17.82
[redacted]	8117	Participant	11/01/21	Life	53,000	7.74		
		Retroactive Change	11/01/2025				0.15	
		Participant	11/01/21	AD&D	53,000	1.86		
		Retroactive Change	11/01/2025				0.04	
		Participant	11/01/21	Life Vol EE	100,000	39.80		
		Spouse	11/01/21	Life Vol Sp	50,000	19.90		
		Dependent	11/01/21	Life Vol Dep	10,000	2.00		
		Participant	11/01/21	AD&D Vol EE	100,000	3.00		
		Spouse	11/01/21	AD&D Vol Sp	50,000	1.50		
		Participant	11/01/21	LTD	4,413.29	13.33		
		Retroactive Change	11/01/2025				0.45	
		Participant	11/01/21	STD Vol	500	20.00		
								109.77
[redacted]	1392	Participant	12/15/21	Life	50,000	7.30		
		Participant	12/15/21	AD&D	50,000	1.75		
		Participant	12/15/21	Life Vol EE	50,000	6.60		
		Dependent	10/31/24	Life Vol Dep	10,000	2.00		
		Participant	12/15/21	AD&D Vol EE	50,000	1.50		
		Participant	12/15/21	LTD	3,749.2	11.32		
		Retroactive Change	11/01/2025				0.33	
		Participant	12/15/21	STD Vol	500	16.75		
								47.55

PARTICIPANT PREMIUM	$ 3,600.09
PARTICIPANT ADJUSTMENTS	$ -649.09
CURRENT PREMIUM	$ 2,951.00

MOUNTAIN WATER DISTRICT

Response to Commission Staff's First Request for Information
Case No. 2025-00327

Question No. 1-45

Responding Witnesses: Melissa Wright/Tammy Olson

Q-1-45. Provide a monthly breakdown in both gallons and dollar amount, of water purchased during the test year by vendor, identifying all vendors from whom Mountain District purchased water.

A-1-45. See Attachment 1-45.

Attachment 1-45

PURCHASED WATER SUMMARY
CITY OF PIKEVILLE
2024

MASTER METER	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	ANNUAL TOTALS
TOWN MTN	16,430,000	9,630,000	8,544,000	8,425,000	9,970,000	11,752,000	12,762,000	11,752,000	13,331,000	12,287,000	11,187,000	12,703,000	138,773,000
HURRICANE	1,687,000	1,324,000	1,408,000	1,592,000	1,511,000	1,572,000	1,710,000	1,573,000	1,668,000	1,701,000	1,797,000	1,896,000	19,439,000
COWPEN	3,343,000	2,639,000	2,808,000	2,821,000	2,912,000	3,381,000	3,295,000	3,126,000	3,333,000	3,332,000	3,298,000	3,343,000	37,631,000
CHLOE	2,014,000	1,783,000	1,828,000	1,364,000	1,578,000	1,689,000	1,754,000	1,893,000	1,760,000	1,460,000	916,000	1,758,000	19,797,000
INDIAN HILLS	3,684,000	3,812,000	4,928,000	4,922,000	4,940,000	5,853,000	4,622,000	3,633,000	3,006,000	2,463,000	4,475,000	5,033,000	51,371,000
ISLAND CREEK	1,451,000	709,000	588,000	1,023,000	1,135,000	1,891,000	1,102,000	786,000	656,000	591,000	595,000	1,667,000	12,194,000
MODERN MHP	179,000	154,000	166,000	172,000	214,000	217,000	213,000	215,000	180,000	175,000	184,000	207,000	2,276,000
HOOPWOOD	140,000	91,000	100,000	90,000	111,000	151,000	122,000	114,000	139,000	126,000	93,000	100,000	1,377,000
COON BRANCH	91,000	65,000	74,000	76,000	77,000	70,000	68,000	71,000	129,000	72,000	74,000	75,000	942,000
ANNUAL TOTAL	29,019,000	20,207,000	20,444,000	20,485,000	22,448,000	26,576,000	25,648,000	23,163,000	24,202,000	22,207,000	22,619,000	26,782,000	283,800,000
COST FOR 1ST 20,000,000	$45,200.00	$45,200.00	$45,200.00	$45,200.00	$45,200.00	$45,200.00	$45,200.00	$45,200.00	$45,200.00	$45,200.00	$45,200.00	$45,200.00	$542,400.00
GALLONS BEYOND 20,000,000 / MO	9,019,000	207,000	444,000	485,000	2,448,000	6,576,000	5,648,000	3,163,000	4,202,000	2,207,000	2,619,000	6,782,000	43,800,000
COST FOR GALLONS BEYOND 20,000,000	$20,382.94	$467.82	$1,003.44	$1,096.10	$5,532.48	$14,861.76	$12,764.48	$7,148.38	$9,496.52	$4,987.82	$5,918.94	$15,327.32	$98,988.00
TOTAL BILLED	$65,582.94	$45,667.82	$46,203.44	$46,296.10	$50,732.48	$60,061.76	$57,964.48	$52,348.38	$54,696.52	$50,187.82	$51,118.94	$60,527.32	$641,388.00

*** Pikeville wholesale rate increase from 1.97 with a 28,000,000 minimum to 2.26 with a 20,000,000 minimum took effect on December 11th, 2022.**

PURCHASED WATER SUMMARY
CITY OF WILLIAMSON, WV
2024

MASTER METER	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	ANNUAL TOTALS
WILLIAMSON 1 MM	20,215,000	18,035,000	16,681,000	18,464,000	19,337,200	17,285,000	21,819,500	19,405,500	19,670,000	19,079,000	15,985,100	21,512,900	227,489,200
WILLIAMSON 2 MM	2,916,200	2,298,900	1,972,700	2,446,200	2,442,700	2,167,300	2,466,000	2,127,000	2,513,000	2,266,000	1,997,000	2,669,000	28,282,000
MONTHLY TOTAL	23,131,200	20,333,900	18,653,700	20,910,200	21,779,900	19,452,300	24,285,500	21,532,500	22,183,000	21,345,000	17,982,100	24,181,900	255,771,200
MONTHLY TOTAL	$42,330,096.00	$37,211,037.00	$34,136,271.00	$38,265,666.00	$39,857,217.00	$35,597,709.00	$44,442,465.00	$39,404,475.00	$40,594,890.00	$39,061,350.00	$32,907,243.00	$44,252,877.00	$468,061,296.00

*Williamson wholesale rate 1.83 with a quarterly true up of 20,000,000 minimum.

MOUNTAIN WATER DISTRICT

Response to Commission Staff's First Request for Information
Case No. 2025-00327

Question No. 1-46

Responding Witnesses: Carrie Hatfield/Tammy Olson

Q-1-46. Provide the current rate charged by each vendor from whom Mountain District purchases water.

A-1-46. See below.

Vendor	Current Rate
City of Pikeville	$2.26 per 1,000 gallons* $537 per month (Rate Case Surcharge)
City of Williamson	$1.83 per 1,000 gallons**
* The contract with the City of Pikeville has a minimum monthly purchase requirement of 20,000,000 gallons. **The contract with the City of Williamson has a minimum monthly purchase requirement of 20,000,000 gallons with monthly purchases determined by quarterly sales.	