

Lake Village Water Association, Inc.
801 Pleasant Hill Drive
Post Office Box 303
Burgin, Kentucky 40310

The regular monthly meeting of the Lake Village Water Association, Inc. was held at 12:00 p.m. on the 14th day of December 2023 at the Association office located at 801 Pleasant Hill Drive in Burgin, Kentucky.

President Jim Boyd called the meeting to order via Zoom. Present are: Vice President Kenny Carey via Zoom, Secretary/Treasurer Andrea Gross, Director Jeff Hughes via Zoom, Director Thomas Hager, Attorney Chris Tucker via Zoom, Liz Dienst, Rita Monson, and Mike Sanford.

Director Hughes moved to approve the minutes from the November 14, 2023 meeting as presented. Director Hager seconded the motion. Motion carried.

Secretary/Treasurer Gross moved to approve the invoices as presented. Vice President Carey seconded the motion. Motion carried.

Sanford presented the Financial Report for November. Sanford provided details of the monthly income and expenses, stating that both compared favorably to the budget. Sanford reported a Gross Profit for the month in the amount of \$102,999.90, with a Net Income of \$40,489.70. Sanford reported that the Year-to-Date Net Income is \$214,569.12, with a Year-to-Date budget of \$188,743.50. Sanford went on to report that cash balances at Farmers National Bank were approximately \$497,000 and included approximately \$220,000 in Contract 14 funds. Lastly, Sanford noted that the Regions Bank sinking funds had an approximate \$120,000 earmarked for KRWFC semi-annual payments.

Sanford reported that the Association purchased 16,801,350 gallons during the last reading period and sold 13,032,400 gallons, of which 1,553,900 gallons can be accounted for by 9 service line repairs. Sanford stated that prior to accounting for the leaks, the Non-Revenue Water volume was 21% and that after accounting for the leak volume, 7% of the water purchased is unaccounted for.

President Boyd questioned whether the Directors would be interested in discussing the monthly Director Fee paid to the Board members. President Boyd stated that it has been a few years since the fee was discussed. Vice President Carey noted that everything has gone up over the years and everyone does a great job serving. Sanford stated that he obtained fee information from neighboring water utilities and that Garrard County Water Association and South Woodford Water District pay board members \$300 monthly, South Anderson Water District and North Mercer Water District pay \$500 monthly and Parksville Water District board members are not compensated. Sanford noted that the workload on the board members has increased in recent years and that everyone spends more time in the board meetings. Vice President Carey suggested increasing the monthly compensation by \$50 per month to \$500 monthly. Director Hager questioned whether the board members can look at the Association members in the eye and justify the increase, noting that the water rates have increased numerous times over the past year. Director Hughes noted that the last increase to the Director Fee was in 2020 and since then the Association has made a lot of progress with projects and other improved systems and

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processes. Director Hager noted that increasing the monthly fee by the proposed \$50 would average out to approximately 3% per year since the fee was last raised. Vice President Carey moved to increase the Monthly Director Fee to \$500. Director Hughes seconded the motion. Motion carried.

Sanford presented a draft of the proposed 2024 Operating Budget for consideration. Sanford reviewed the proposed Income for the budget which included Revenue in the amount of \$1,992,511. Sanford's proposal included an annual budget for Water Costs in the amount of \$625,000, which includes the known rate increases from the City of Harrodsburg and 5% reduction in costs due to water loss reduction efforts. Sanford proposed \$898,425 in operating expenses that will include salaries for seven full time employees, with 5% adjustments in pay, as well as a 10% annual SEP contribution. Sanford noted that all other budget allocations were based on actual expenses from the previous two years, allowing for slight increases in allocations for Utilities and Postage. Sanford noted that the proposed budget includes the new Rural Development debt service payment in the amount of \$81,504, due on May 25th of each year. Sanford stated that the proposed budget includes a Net Income of \$130,118. President Boyd noted that the Director Fees will need to be adjusted to reflect the increase. Director Hughes suggested increasing the Water Costs to cover an anticipated rate increase from the City of Harrodsburg. Sanford stated that the current City of Harrodsburg rate ordinance allows for a Cost of Living increase each July. President Boyd stated that the \$130,000 Net Income is adequate. Director Hughes stated that he does not want the Association to be back where we were a couple of years ago financially. Sanford reminded the Board that the Order in the Alternate Rate Filing application included recovering Depreciation to the extent of \$190,000 annually. Secretary/Treasurer Gross questioned the length of time it takes to get PSC approval on an increase from the City of Danville or the City of Harrodsburg. Sanford stated approximately 90 days from the time the notice is received. Director Hager noted that whatever the increase is, it will be a wash due to the PSC application and will not affect the bottom line. Sanford noted that he would like to set back \$10,000 monthly into the Depreciation Account if possible. Director Hager moved to approve the proposed budget with a revision to the Director Fees, an increase in the Water Cost to plan for the anticipated City of Harrodsburg rate increase and include \$10,000 to the Depreciation Account. Secretary/Treasurer Gross seconded the motion. Motion carried.

Dienst presented an update on the Contract 14 Distribution System Improvement Project. Dienst stated that the contractor is now on Montgomery Lane, which is the last section to be installed under the contract. Dienst went on to note that the contractor is currently planning to have the work completed by mid-February and that the Substantial Completion date is February 4th. Sanford stated that the contractor is doing a great job and progressing well. Director Hughes stated that the work along Burgin Road and Montgomery Lane looks great. Director Hughes questioned whether notice was sent to the Hill property. Sanford stated that written notice was sent to the property owner, and he will be working with the property owner to relocate the building as soon as possible. Vice President Carey questioned whether Mr. Fraley has begun making payments. Sanford stated that he has been billed the full \$1,200 for the water bill and

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that no payment has been received to date. Sanford stated that he will continue to keep the board updated on the matter.

Sanford presented RD Draw No. 6 in the amount of \$220,475.16 for approval. Sanford noted that \$186,590.26 will be paid to Lagco, Inc., \$21,583.91 will be paid to Strand Associates and \$12,300.99 will be paid to the Association for service line material reimbursement. Director Hager moved to approve the draw as presented. Director Hughes seconded the motion. Motion carried.

Sanford presented the Kentucky Infrastructure Authority Conditional Supplemental Commitment Letter for approval. The Commitment Letter represents a \$35,000 increase to Grant Number 22CWW003. Director Hager moved to authorize execution of the Commitment Letter. Secretary/Treasurer Gross seconded the motion. Motion carried.

Sanford presented Exhibit 1 Certification of Project Profile Review and Update for approval. Vice President Carey moved to approve execution and submittal to KIA. Director Hager seconded the motion. Motion carried.

Sanford presented Exhibit 4 Resolution by the Lake Village Water Association Accepting the Supplemental Grant for approval. Secretary/Treasurer Gross authorized approval and execution of the Resolution authorizing Vice President Carey as the Authorized Official on the grant. Director Hughes seconded the motion. Motion carried.

Sanford presented the Certificate of Recording Officer to be executed by Secretary/Treasurer Gross for consideration. Director Hager moved to approve the Certificate as presented and authorize execution by Secretary/Treasurer Gross. Vice President Carey seconded the motion. Motion carried.

Sanford stated that he will forward the Opinion of Legal Counsel to Tucker for preparation and submittal to KIA.

Sanford and Dienst presented the revised Contract 15 Project scope for consideration by the board. Sanford stated that to accommodate the DWSRF application deadline the project scope had to be revised to include all sections of the distribution system that could be replaced pending funding allocations. Sanford stated that he and Dienst recommend adding the sections from Contract 14 that were removed due to funding constraints to the current Contract 15 scope to provide the option to construct portions or all the sections depending on funding. Sanford stated that portions of US 127, Burkin Road, Wildwood Road, and Palisades Road will be added to the current Contract 15 scope that includes Waterworks Road, Sunrise Shores, Lakeview Point and Dix Dam Road. Sanford and Dienst reported that the new Total Project Cost is approximately \$4,600,000, but the scope can be reduced later to what the Association can afford to install. Dienst noted that including all the sections will allow for the Environmental Report and Clearinghouse process to be completed on every section. Dienst noted that if a section is not

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included in the beginning it is difficult to add it back in after the project has been released for bids. All agreed to proceed as recommended by Dienst and Sanford.

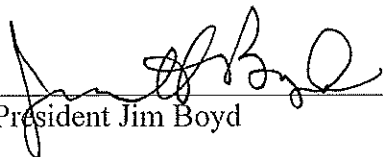
Sanford reported that the Public Service Commission issued the approval to complete Project 1 of the Service Line Replacement Program. Sanford noted that the approval includes the use of \$30,000 in Surcharge Funds to replace service lines along Hughley Lane and Paradise Camp Road.

Sanford reported that the Kentucky Utilities Water Main Relocation Project is complete and in service.

Vice President Carey moved to enter Executive Session to discuss legal matters. Secretary/Treasurer Gross seconded the motion. Motion carried.

Vice President Carey moved to return to open session at 2:40 pm. Secretary/Treasurer Gross seconded the motion. No action was taken.

Director Hager moved to adjourn the meeting. Vice President Carey seconded the motion. Meeting adjourned.



President Jim Boyd



Secretary/Treasurer Andrea Gross

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The regular monthly meeting of the Lake Village Water Association, Inc. was held at 12:00 p.m. on the 14th day of November 2023 via Zoom webinar.

President Jim Boyd called the meeting to order. Present: Vice President Kenny Carey, Secretary/Treasurer Andrea Gross, Director Jeff Hughes, Director Thomas Hager, Attorney Chris Tucker, Rita Monson, and Mike Sanford.

Director Hager moved to approve the minutes from the October 10, 2023 meeting as presented. Vice President Carey seconded the motion. Motion carried.

Secretary/Treasurer Gross moved to approve the invoices as presented. Director Hager seconded the motion. Motion carried.

Sanford presented the Financial Report for October. Sanford provided details of the monthly income and expenses, stating that both compared favorably to the budget. Sanford stated that sales will begin to decline going into the winter months and that income is on budget or exceeding the Year-to-Date budget. Sanford reported a Gross Profit for the month in the amount of \$102,977.52, with a Net Income of \$51,910.15. Sanford reported that the Year-to-Date Net Income is \$190,231.92, with a Year-to-Date budget of \$156,649.00. Sanford noted that Miscellaneous Income was higher than normal this month due to two return payments that totaled \$9,978.00 that had to be put back into the billing software and accounted for. Sanford reported that a credit card payment was received from the owner and the account has a zero balance.

Sanford reported that the Association purchased 17,833,082 gallons during the last reading period and sold 13,060,700 gallons, of which 2,200,700 gallons can be accounted for by 7 service line repairs and 3 main line repairs. Sanford stated that prior to accounting for the leaks the Non-Revenue Water volume was 25% and that after accounting for the leak volume, 12% of the water purchased is unaccounted for. Sanford stated that flushing along US 127 associated with the new water main installation, as well as service line installations and flushing occurred during the period, which increased the water purchase volume for the period.

Dienst provided an update on the Contract 14 Distribution System Improvement Project, stating that the contractor is currently on Burgin Road. Dienst noted that there was an issue with access to a property along Burgin Road and that the easement is full of personal property including a storage building. Sanford stated that the property owner was not cooperative at the moment, but he will work with the property owner to discuss the matter. Sanford stated that there are a couple of options to move forward that need to be discussed. Sanford stated that the project budget is tight, and the Association will deplete the contingency funds and possibly have to make a cash contribution to complete the current project scope. Dienst noted that the bore costs are expensive under the current contract and that stopping at Moore Lane and adding the section later will keep the project on budget. Dienst went on to state that the asphalt driveway bore unit prices were left out of the budget when sections were removed due to funding and that the contractor did provide a concrete driveway cost. Dienst stated that when the driveway bore costs are added back to the project the budget becomes much tighter. Director Hughes stated

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that we need to try and not miss this in the future and stated that the property owner needs to remove the building from the easement. Director Hughes suggested sending a letter to notify the property owner. Director Hughes questioned whether the letter should come from Tucker or Sanford. Sanford recommended that he communicate with the property owner at this time. Director Hughes stated that the Association does not want to set a precedent in this case. Sanford stated that he will get the building moved if we are going through the property. Sanford went on to note that the discussions on property access were beginning at the same time that the budget discussions were beginning and that is how he and Dienst arrived at the recommendation. Sanford stated that the section of main from Moore Lane east to Burgin is a low maintenance section of water main. Sanford confirmed that the section is not prone to leaks on the main or service lines. Sanford went on to note that removing the section of main from the current project and adding it later will allow the Association to go into the last 12,000 feet of construction with approximately \$70,000 in contingency funds which is a much better position to be in with the length of 8" water main left to be installed. Sanford stated that once the Montgomery Lane construction is complete, a discussion can be had on how to move forward if contingency funds remain in the project budget.

Sanford presented RD Draw No. 5 in the amount of \$105,325.58 for approval. Sanford noted that \$95,850.53 will be paid to Lagco, Inc., \$2,995.00 will be paid to Strand Associates and \$6,480.05 will be paid to the Association for service line material reimbursement. Vice President Carey moved to approve the draw as presented. Secretary/Treasurer Gross seconded the motion. Motion carried.

Sanford presented a Cleaner Water Program Grant Increase Request for Grant Number 21CWW149 in the amount of \$14,752 for approval. Sanford stated that since the project bids came in over budget, KIA will consider a 10% increase in the grant allocation. Director Hughes moved to approve the request as presented. Vice President Carey seconded the motion. Motion carried.

Sanford presented a second Cleaner Water Program Grant Increase Request for Grant Number 22CWW003 in the amount of \$20,247 for approval. Director Hager moved to approve the request as presented. Secretary/Treasurer Gross seconded the motion. Motion carried.

Sanford reported that the US Environmental Protection Agency and the Kentucky Division of Water have released guidance for utilizing a Statistical Method approach to complete the Lead and Copper Rule Service Line Inventory. Sanford stated that the method can be used if no lead has been found in the distribution system thus far and that the method will allow for a smaller number of the service line material to be verified based on specific parameters. Sanford noted that the guidance was just released and that he will begin work soon.

Sanford presented a roof repair quote from Devine Roofing to replace the roof on the office building. Sanford stated that the quote was for \$17,400. Director Hughes stated that the bid seemed reasonable. Director Hughes and Vice President Carey suggested getting a couple of more bids to compare the price. Director Hager questioned whether there is specific guidance to follow for the bids. Sanford stated that there would be if the estimated cost was \$20,000 or

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more. Vice President Carey suggested Billy Collins for a second quote and offered to contact Mr. Collins. Director Hughes recommended Ron Shearer and Phillip Hockensmith for quotes. Sanford stated that he will work with staff to obtain the quotes.

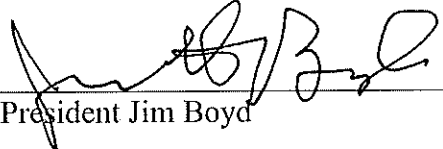
Sanford stated that each year the Board considers a Christmas bonus for the staff and questioned whether the Board would like to contribute this year. Sanford noted that the 2022 bonus for the staff was \$600 per staff member. Vice President Carey stated that the staff do a great job and deserve the bonus and that he is in favor of an increase to \$700. Director Hager stated that everything has gone up and suggested a bonus in the amount of \$750 per staff member. Director Hughes noted that the year has been very busy for the staff. Vice President Carey moved to give each staff member a \$750 bonus. Director Hager seconded the motion. Motion carried. Sanford thanked the Board and stated that all the staff are very devoted to the Association and deserve the bonus for their hard work.

Sanford questioned whether the Board would like to meet in person or via Zoom for the December meeting. Director Hager suggested an in person meeting since the annual budget will be presented and discussed. All agreed to meet in person for the meeting.


Director Hughes questioned whether the storage tank cleaning and inspection had been scheduled. Sanford stated that the inspections are being completed now and the report will be provided in December.

Director Hughes questioned the status of the Shakertown Standpipe demolition. Sanford stated that Division of Water approval is not needed and that only a notification to update the distribution system infrastructure is necessary. Sanford went on to state that he is currently working to figure out what is needed to obtain Public Service Commission approval to remove the tank. Director Hughes suggested recycling the steel from the tank. Director Hughes also recommended recycling the roof metal as well when it is removed to offset some of the expense associated with the projects.

President Boyd moved to adjourn the meeting. Vice President Carey seconded the motion. Meeting adjourned.



President Jim Boyd



Secretary/Treasurer Andrea Gross

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The regular monthly meeting of the Lake Village Water Association, Inc. was held at 12:00 p.m. on the 10th day of October 2023 via Zoom webinar.

President Jim Boyd called the meeting to order. Present: Vice President Kenny Carey, Secretary/Treasurer Andrea Gross, Director Jeff Hughes, Director Thomas Hager, Attorney Chris Tucker, Rita Monson and Mike Sanford.

Vice President Carey moved to approve the minutes from the September 12, 2023 meeting as presented. Secretary/Treasurer Gross seconded the motion. Motion carried.

Director Hughes moved to approve the invoices as presented. Director Hager seconded the motion. Motion carried.

Sanford presented the Financial Report for September. Sanford provided details of the monthly income and expenses, stating that both compared favorably to the budget. Sanford went on to note that sales are exceeding the budget and that the rate adjustment for the Purchase Water Adjustment has not gone into effect. Sanford noted that the Toyota truck purchase can be found in Transportation Expense, while the loan proceeds can be found in Other Income. Sanford noted that Water Costs included the recent rate increase from the City of Harrodsburg and were over budget by \$5,254.67. Sanford reported a Gross Profit for the month in the amount of \$108,609.66, with a Net Income of \$30,456.29. Sanford reported that the Year-to-Date Net Income is \$144,950.92, with a Year-to-Date budget of \$121,404.50. Sanford reported that the Association's cash balance at Farmers National Bank is \$762,768 and that \$565,192 will be paid out for Contract 14 project related payments. Sanford stated that as of today, outstanding Receivables totaled \$163,388 and most of the income will be deposited by October 15th.

Sanford reported that the Association purchased 19,888,848 gallons during the last reading period and sold 15,339,300 gallons, of which 1,431,400 gallons can be accounted for by 10 service line repairs and 4 main line repairs. Sanford stated that prior to accounting for the leaks the Non-Revenue Water volume was 17% and that after accounting for the leak volume, 10% of the water purchased is unaccounted for. Sanford stated that flushing along South Buster Pike, as well as service line installations and flushing occurred during the period, which increased the water purchase volume for the period. Sanford stated that leak detection is ongoing.

Sanford stated that Contract 14 construction continues to go well, and that the contractor has completed US 127. Sanford noted that clean up and restoration looks great along the route and that construction activity has begun on the Burgin Road portion of the project. Sanford went on to note that the existing water main along US 127 needs to be abandoned and that the work is scheduled for later in the week. Sanford reported that the construction along Burgin Road will take approximately 8 weeks to complete and that the contractor is currently on schedule. Sanford shared a report from Dienst that indicated that 41.9% of the contract has been completed and 40% of the funds have been paid out. Director Hughes questioned whether Lagco, Inc. was

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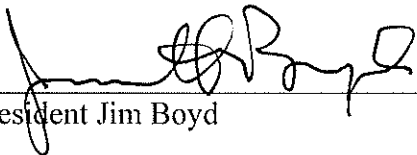
responsible for leaks and material once the contract was complete. Sanford stated that the contractor provides a 12 month warranty on the material and labor. Sanford went on to note that the service line work being completed by AY Landscaping and Construction also has a 12 month warranty. Director Hughes suggested in the future budgeting for the water cost associated with flushing in order to recover the expense through the project.

Sanford presented RD Draw No. 4 in the amount of \$565,192.15 for approval. Sanford noted that \$535,869.64 will be paid to Lagco, Inc., \$22,190.01 will be paid to Strand Associates and \$7,132.50 will be paid to the Association for service line material reimbursement. Vice President Carey moved to approve the draw as presented. Director Hughes seconded the motion. Motion carried.

Sanford presented an invoice from AY Construction and Landscaping in the amount of \$19,660 for the service line installations along US 127. Sanford stated that the invoice will be presented to KIA as Draw No. 2. Secretary/Treasurer Gross moved to approve the payment as presented. Vice President Carey seconded the motion. Motion carried.

Director Hughes questioned whether there was an update on the office building roof repair. Sanford stated he is waiting on a contractor to provide an estimate and will hopefully have it ready to review at the November board meeting.

Director Hager moved to adjourn the meeting. Secretary/Treasurer Gross seconded the motion. Meeting adjourned.



President Jim Boyd



Secretary/Treasurer Andrea Gross

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The regular monthly meeting of the Lake Village Water Association, Inc. was held at 12:00 p.m. on the 12th day of September 2023 at the Association office located at 801 Pleasant Hill Drive, Burgin, Kentucky.

Vice President Kenny Carey called the meeting to order. Present: President Jim Boyd, Secretary/Treasurer Andrea Gross, Director Jeff Hughes, Director Thomas Hager, Attorney Chris Tucker, Rita Monson, Liz Dienst, and Mike Sanford.

President Boyd moved to approve the minutes from the August 15, 2023 meeting as presented. Director Hager seconded the motion. Motion carried.

Secretary/Treasurer Gross moved to approve the invoices as presented. Director Hughes seconded the motion. Motion carried.

Sanford presented the Financial Report for August. Sanford provided details of the monthly income and expenses, stating that income met or exceeded the monthly budget for all categories, with total sales of \$157,102.29. Sanford went on to note the Billing Adjustment for \$7,869.15, stating that a second payment from the Texas company was made in error and that the first transaction is still in the process of being returned but no information on where to send the payment has been provided. Sanford noted that Water Costs were under budget and that all expenses were routine and compared favorably to the monthly budget. Sanford reported a Gross Profit for the month in the amount of \$120,742.57, with a Net Income of \$53,705.30 for the month. Sanford reported that for the Year-to-Date, Income is exceeding the budget by \$55,747.58, Water Costs are below the budget by \$8,653.10, and Expenses are exceeding the budget by \$27,892.09 due to material and wages exceeding the budget thus far. Sanford stated that the Net Income for the year is \$114,494.63, exceeding the Year-to-Date budget by \$22,734.63. Lastly, Sanford noted that all loan and grant income will be recorded in Construction in Process with all of the project expenses in order to separate all project related transactions from the operating budget. All agreed that the finances look great.

Sanford reported that the Association currently has \$295,889 in cash, which includes \$104,084.02 in RD loan funds to pay for Contract 14 related expenses. Sanford went on to note that as of today, there is \$138,347 in outstanding Receivables still to come in, mostly by the end of the week.

Sanford reported that the Association purchased 18,271,537 gallons during the last reading period and sold 15,139,900 gallons, of which 1,386,600 gallons can be accounted for by 14 service line repairs. Sanford stated that prior to accounting for the leaks the Non-Revenue Water volume was 15% and that after accounting for the leak volume, 7% of the water purchased is unaccounted for. Sanford stated that he is glad to see Non-Revenue percentage at 15% and that staff are doing a great job working to reduce the water loss.

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Dienst stated that Contract 14 construction is going well, and that the contractor is working on US 127. Dienst noted that she had to work through an issue with restraints along US 127 being left out and that the contractor will have to add the restraints at a couple of locations along South Buster Pike. Dienst stated that she is tracking the progress of the contractor and that they seem to be running approximately one week behind. Dienst went on to note that 10.1% of the project is complete and 24% of the contract time has lapsed. Dienst stated that she will continue to monitor progress and communicate with the contractor regarding the schedule. Lastly, Dienst reported that Vector Engineering is on site providing RPR services and the transition has gone well. Dienst stated that she is communicating regularly with the inspector. Sanford stated that the contractor has received many compliments thus far in the project. Director Hughes stated that he is somewhat concerned that the contractor is behind schedule. Dienst noted that often getting the project started and getting in a routine slows the contractor down at the beginning of a project and hopefully they will make the time up.

Sanford presented RD Draw No. 3 in the amount of \$104,084.02 for approval. Sanford noted that \$73,942.59 will be paid to Lago, Inc. and \$30,141.43 will be paid to Strand Associates. Director Hughes moved to approve the draw as presented. Secretary/Treasurer Gross seconded the motion. Motion carried.

Sanford presented an invoice from AY Construction and Landscaping in the amount of \$10,000 for the service line installations along South Buster Pike. Sanford stated the invoice will be presented to KIA as Draw No. 1. Secretary/Treasurer Gross moved to approve the payment as presented. Director Hager seconded the motion. Motion carried.

Director Hughes moved to approve KIA Draw No. 1 in the amount of \$10,000. Secretary/Treasurer Gross seconded the motion. Motion carried.

Sanford stated that he has been contacted by property owners along US 127 concerning the installation of a fire hydrant or fill point. Sanford went on to note that the Association does not have fire hydrants due to the inability to meet the flow rate requirement but does have a handful of designated fill points throughout the distribution system. Secretary/Treasurer Gross questioned the cost. Sanford stated that he will research the cost if the board would like more information. Director Hager questioned whether there is an equity issue with just placing one in the US 127 area since all of the Association members would like to have a fill point in the vicinity of their property. Director Hager suggested looking at the entire distribution system to determine if there are other locations that would be suitable for a fill point. Sanford stated that he will take a look at the distribution system, contact the fire districts and research the costs. Sanford stated he will work with Dienst on the hydraulic information and will report back as soon as the information is ready to pass along.

Sanford stated that the Association needs to proceed with Contract 15 to stay on schedule with the allocated funding and Qualified Infrastructure Improvement Plan approved by the Public Service Commission. Dienst noted that procurement of Engineering Services was completed with the broader project that was prepared in the PER which includes Contracts 14, 15

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and 16. Sanford noted that the project has a Cleaner Water Program grant in the amount of \$72,589 for planning and design. Lastly, Sanford noted that the project will be included in the upcoming Drinking Water State Revolving Fund Intended Use Plan that will be released at any time. Sanford stated that he and Dienst will take a look at the project scope to determine if changes to the planned project need to be made.

Sanford stated that the Service Line Replacement Project is ready to begin and that the Water Loss Surcharge funds have accumulated to \$32,532.62. Sanford noted that the surcharge funds are accumulating at approximately \$3,700 monthly. Sanford stated that he and the staff are working to determine whether the initial project should replace all of the service lines along Hughley Lane or portions of Paradise Camp Road that are prone to leaks. Sanford noted that all of them will eventually be replaced but reducing water loss in the area is the priority and reducing quickly is the intent of the project. Sanford recommended submitting a request to the Public Service Commission to use the funds to replace approximately 30 service lines at a total cost of approximately \$30,000. Director Hager moved to submit a request to the Public Service Commission to use \$30,000 for the service line replacements. Secretary/Treasurer Gross seconded the motion. Motion carried.

Sanford reported that he is working with AGE Engineering and Kentucky Utilities on a water main relocation project located at E.W. Brown Generating Station. Sanford stated that the relocation is necessary in order for the Battery Solar Storage Facility to be constructed. Sanford noted that the project is a component of the large scale solar project that is proposed for Mercer County and is currently being considered by the Public Service Commission. Sanford stated that the design for the project has received approval by the Kentucky Division of Water.

Sanford reported that the Purchase Water Adjustment application has been approved by the Public Service Commission and will increase water rates for all users by \$0.15 per 1,000 gallons purchased. Sanford noted that the Order issued by the Public Service Commission states that the approved rates shall be published in the local newspaper. Sanford stated that the public notice will be in the Harrodsburg Herald on September 14th. Sanford questioned whether the board would like a notice to be mailed to all Association members. Sanford stated that the cost to mail the notice would be approximately \$2,500. All agreed that including the public notice in the newspaper and placing the new rates on the website is good and it saves the Association members the cost of mailing the notice to all 2,500 members.

Sanford presented potential changes to the water supply for consideration to offset the recent 6.5% rate increase from the City of Harrodsburg. Sanford noted that the Public Service Commission has approved the rate increase and the rates are in effect. Sanford provided an overview of the impact of providing service from the City of Danville to the US 127 corridor and the Bright Leaf area instead of the City of Harrodsburg. Sanford stated the 2,551,000 gallons of water was purchased during the last billing period from the City of Harrodsburg, through the Moore Lane master meter. Of the 2,551,000 gallons purchased, 1,221,000 gallons were used by the US 127 and Bright Leaf service area. Sanford stated that while the area can be serviced by the City of Danville water supply, the change has the potential to affect the Montgomery Lane

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Storage Tank turnover rate. Sanford reported that currently the tank fills every 33 hours and removing 1,221,000 gallons of water from the zone will affect the turnover of the tank and has the potential to adversely affect water quality over time. Sanford stated that an increase in water age results in an increase in disinfection byproducts, which the Association does not currently have issues with and that all sampling is well below the MCL as established by the EPA. Sanford stated that the other option to purchase from the City of Danville is through the KY33 master meter, but the Northpoint Training Tank makes that option not viable. Sanford noted that hydraulically the source can serve most of the distribution system, but filling the NTC tank will create periodic pressure issues for a large portion of the distribution system. Lastly, Sanford stated that changing the source for the US 127 corridor and Bright Leaf area will result in savings of \$735 monthly or approximately \$9,000 annually. Sanford noted that the increase from the City of Harrodsburg will result in an additional \$16,500 annually in water costs, so making the change will not offset all of the additional expense. Sanford stated that submitting a second Purchase Water Adjustment application to the Public Service Commission will result in an increase of \$0.11 per 1,000 gallons purchased for all water customers. Director Hager pointed out that creating potential water quality issues is not an option and recommended submitting the application to the Public Service Commission. Sanford agreed and stated that he will prepare the application and will also make the water source change while monitoring the tank turnover. All agreed that trying to save the Association members money is always a priority and if the tank doesn't turn over properly the area can be switched back to the City of Harrodsburg water source. Director Hager moved to submit the Purchase Water Adjustment application to the Public Service Commission. Secretary/Treasurer Gross seconded the motion. Motion carried.

Sanford presented three proposals to inspect and clean the four water storage tanks owned by the Association. Sanford stated that Complete Restoration submitted a proposal for \$3,800, Preferred Tank and Tower submitted a proposal for \$4,000 and SE Diving Services, LLC submitted a proposal for \$16,200. Sanford stated that the larger quote includes cleaning and the other two are inspection only. Sanford stated that in the past, the tanks did not require much sediment removal and the cost should be minimal. Sanford went on to note that he is waiting for a proposal from Caldwell Tanks and should have it in the coming days. Director Hughes moved to authorize Sanford to proceed at his discretion once the fourth proposal is received. Director Hager seconded the motion. Motion carried.

Sanford reported that the Shakertown Standpipe has reached the end of its useful life and dismantling the tank is likely the best option versus rehabilitation. Sanford noted that the tank has a capacity of 47,000 gallons and was necessary to meet the minimum storage requirement until the Association assumed ownership of the Northpoint Training Center Elevated Tank. Dienst questioned whether the tank controlled the Shakertown Booster Pump Station. Sanford stated that the tank was used to control the BPS, but the controls were moved to the Ison Lane Standpipe when it was constructed. Dienst questioned whether there would be enough storage without the tank. Sanford stated that the Association needs approximately 550,000 gallons of storage per day and currently has 1,100,000 gallons of storage. Dienst stated that the Division of Water and Public Service Commission will likely have to approve the decommissioning of the

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tank. Sanford stated that he and Dienst will research the necessary steps to decommission the tank and present the findings to the board as soon as possible.

Sanford reported that the Napoli Shkolnik PFAS Class Action lawsuit has entered into the settlement phase with Dupont and 3M with 16 other defendants left to negotiate with. Sanford stated that he attended a recent webinar concerning the settlement and that the claimants eligible for expense reimbursement must be a producer and have a source contaminated with PFAS. Sanford stated that since the Association purchases 100% of the water for the customers the PFAS regulation impacts the City of Danville and the City of Harrodsburg only. Sanford also noted that public notice requirements would be the only impact to the Association if either of the two cities detect PFAS and are unable to remove the contaminant from the drinking water. Sanford stated that he confirmed the PFAS regulation requirements with Ariana Lageman at the Kentucky Rural Water Association and that currently the Association is not impacted by the current EPA regulation or any proposed EPA regulations pertaining to PFAS in drinking water.

Sanford presented a Cleaner Water Program Grant Reallocation Request from the City of Burgin that would reallocate \$29,000 from the city's CWP Round 2 allocation to the cost overrun on the project that is using the CWP Round 1 allocation for funding. Sanford noted that there is no impact to the Association and that all utilities in the county must approve the request. Director Hughes moved to approve the request as presented. Secretary/Treasurer Gross seconded the motion. Motion carried.

Sanford presented a request from Darryl Fraley, 100 Hughley Lane, for assistance with the water bill. Sanford noted that Tucker communicated with Mr. Fraley requesting that \$2,053 be paid to recover the cost of the purchased water that went through the meter. Sanford went on to state that he met with Mr. Fraley at which time he indicated that he cannot afford to pay the amount requested and has requested further assistance to resolve the matter. All agreed that there must be some form of payment for the water that went through the meter. Sanford noted that 48 months of minimum bills is approximately \$1,400. Director Hughes suggested leaving the request at \$2,053 to cover the water costs and placing it on payments. Monson stated that the current policy for payment plans is 6 or 12 months and that the plan should be consistent with others on a payment plan. Director Hager recommended \$100 per month for the next 12 months in addition to the current bill for the service. Sanford agreed to communicate with Mr. Fraley regarding the proposed payment plan.

Sanford presented a pressure complaint from Don Smith regarding the pressure at the Paradise Camp Condominiums. Smith stated that recently there have been three hot water valves and a pool valve that came off due to high water pressure. Sanford stated that Association staff recorded pressure at the pool to be 114 psi and 90 psi coming into the property. Sanford went on to note that regulation requires that the Association maintain a minimum pressure of 30 psi and must reduce the pressure if the pressure exceeds 155 psi. Director Hughes recommended that a pressure reducing valve be installed on the main coming into the property and that the same circumstances were present when he owned and operated Royalty's Marina. Director Hughes went on to state that the PRV corrected the pressure issues. Sanford agreed with Director

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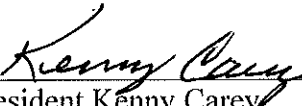
Hughes and stated that the PRV expense would have to be paid for by the HOA since the pressures are within the range defined by the regulation. All agreed to offer to install the PRV on the Association's main if the HOA would like to pay for the installation costs.

Sanford presented a request to purchase a 2023 Toyota Tacoma for consideration. Sanford stated that he had located three truck options with a cost of approximately \$37,000 before taxes and fees. Sanford stated that adding the truck to the fleet will allow for each distribution staff member to perform work for the Association independently and efficiency and productivity will increase. Sanford recommended obtaining a loan from Farmers National Bank for 24 months. Sanford stated that the Association will make a cash contribution to the purchase and obtain a loan for the balance. Director Hughes moved to obtain a loan to cover the cost of the 2023 Toyota Tacoma from Farmers National Bank and to authorize Vice President Kenny Carey to execute the necessary loan documents on the Association's behalf. Secretary/Treasurer Gross seconded the motion. Director Hager abstained from the vote. Motion carried.


Sanford presented a request to cover the cost of Evan May and John Whitenack's cell phone bills. Sanford stated that both staff members stayed on their family plans when hired and that the Association provides a cell phone to all distribution staff members. Director Hager recommended covering the cost not to exceed the cost of adding them to the current Association plan. Secretary/Treasurer Gross moved to provide reimbursement for the monthly cell phone bills. Director Hughes seconded the motion. Motion carried.

Director Hughes questioned the status of the Lead & Copper Service Line Inventory Project. Sanford stated that he and the staff are trying to work it in, but the workload has prevented progress. Sanford stated that the additional truck will help and that there still may need to be an additional staff member to complete the survey.

Director Hager moved to adjourn the meeting. President Boyd seconded the motion. Meeting adjourned.



Vice President Kenny Carey



Secretary/Treasurer Andrea Gross

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The regular monthly meeting of the Lake Village Water Association, Inc. was held at 12:00 p.m. on the 15th day of August 2023 at the Association office via Zoom webinar.

Vice President Kenny Carey called the meeting to order. Present: President Jim Boyd, Secretary/Treasurer Andrea Gross, Director Jeff Hughes, Director Thomas Hager, Attorney Chris Tucker, Rita Monson, Liz Dienst, and Mike Sanford.

President Boyd moved to approve the minutes from the July 11, 2023 meeting as presented. Director Hughes seconded the motion. Motion carried.

Director Hager moved to approve the invoices as presented. Secretary/Treasurer Gross seconded the motion. Motion carried.

Sanford presented the Financial Report for June. Sanford provided details of the monthly income and expenses, stating that the Gross Profit for the month was \$117,116.03, pointing out that Water Costs were under budget by \$377.22. Sanford stated that the Net Income for the month was a loss of \$80,675.92 due to paying off the \$105,000 Contract 14 design loan with the Kentucky Rural Water Finance Corporation and the annual Rural Development loan payment in the amount of \$28,044. Sanford stated that the budgeted Net Income for the year was \$59,665.50 and the actual Net Income to date, including the RD reimbursement is \$170,659.56. Sanford noted that 1 new tap was received during the month of July. Secretary/Treasurer Gross questioned why the Net Income was higher than the budget. Sanford stated that the RD reimbursement and increased water sales were the main reason, but he will review the report to make sure everything is reflected properly. Director Hughes noted that expenses were over budget by \$18,000 and questioned whether we needed to adjust in the future to make sure everything is accounted for in the operating budget. Sanford noted that the main contributor is the salaries and that everyone has been working overtime to get all of the work done. Sanford went on to note that when budgeting, he was somewhat conservative but will adjust going forward.

Sanford reported that the Association purchased 18,243,943 gallons during the last reading period and sold 15,298,600 gallons, of which 1,082,800 gallons can be accounted for by 6 service line repairs and 6 main line repairs. Sanford stated that prior to accounting for the leaks the Non-Revenue Water volume was 16% and that after accounting for the leak volume, 10% of the water purchased is unaccounted for. Sanford stated that leak detection continues to be a daily priority for staff.

Dienst stated that Contract 14 construction is going well and that construction along South Buster Pike is complete. Dienst went on to note that the contractor has relocated to US 127 and is approximately 100 feet past the tie in at Faulkner Station Road. Vice President Carey questioned whether the contractor was on schedule. Dienst stated that the contractor is a little behind schedule and will likely take the entire length of time to complete the project. Sanford noted that he estimated that the contractor is running approximately 10 days behind the schedule

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that was presented at the progress meeting. Dienst stated that the schedule will be discussed at each progress meeting.

Dienst reported that Strand is proposing a change to the RPR services for the Contract 14 Project due to staffing issues and potential cost overruns on the project. Dienst stated that she had discussed with Sanford the option of subcontracting the RPR to Vector Engineering and that subcontracting the services to Vector would reduce the cost of the RPR services for the project and allow for Robert Burnette to return to the office to complete work that he had started prior to being assigned to the Contract 14 project. Dienst noted that the contractor is working 48 hours per week and the budget allows for 40 hours per week of RPR services and that there will be an impact on the project budget if changes are not made. Director Hughes questioned whether the invoicing would still come from Strand and whether payments would be made to Strand. Dienst stated that all billing would still come from Strand and that the Association would not notice any changes other than the person that is on site. Sanford noted that the individual with Vector Engineering will report to Dienst and that Dienst will provide oversight to the individual. Dienst stated that the change will be made soon if the Association is okay with subcontracting the service to Vector Engineering.

Sanford presented Requisition Certificate No. 2 in the amount of \$145,119.05 for approval. The draw includes payment to Lago, LLC for \$105,953.78, Strand Associates for \$14,744.36 and the Association for \$24,420.91. Director Hager moved to approve the Requisition Certificate as presented. Director Hughes seconded the motion. Motion carried.

Sanford stated that he has been working with the Financial Analyst at the Public Service Commission on the Purchase Water Adjustment application. Sanford reported that the Association can expect approval of a Purchase Water Adjustment in the amount of \$0.15 per 1,000 gallons with an effective date of October 4, 2023 to coincide with the effective date of the Phase 2 rates.

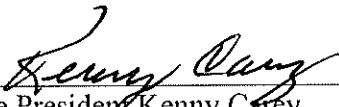
Sanford reported that the Public Service Commission recently approved the additional 6.5% whole rate adjustment from the City of Harrodsburg. Sanford noted that the financial portion of the application has been completed and that the Association would need to raise rates an additional \$0.11 per 1,000 to offset the increase. Sanford stated that the increased cost for water purchased from the City of Harrodsburg will be approximately \$16,679 annually. Sanford stated that North Mercer Water District is also receiving the rate increase and has filed an application with the Commission to increase the rates to offset the increase. Director Hughes stated that the board had discussed purchasing more water from the City of Danville and less from the City of Harrodsburg to offset the increase. Director Hughes questioned whether Tucker sent the rate increase letter to the City of Harrodsburg. Tucker stated that the letter will go out within the week. Sanford agreed to put together the options to purchase more water from the City of Danville and forecast the volumes and costs associated with the changes.

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Vice President Carey questioned Tucker about the Fraley water bill. Tucker stated that certified mail was sent, but Mr. Fraley had not reached out. Vice President Carey stated that he didn't want the matter to be forgotten about.

Sanford stated that the roof in the garage area has a small leak and that a contractor has provided an estimate for a foam covering over the existing metal roof. Sanford stated that the estimate is approximately \$25,000 and he would work to get other options for the repair. Sanford suggested pricing a new metal roof. Director Hughes agreed and stated that the price seemed expensive for the foam cover. Vice President Carey stated that the leak needs to be fixed and more options and pricing are needed. Director Hughes suggested Ron Shearer of Nicholasville and Hockensmith locally. Sanford stated that he and the staff will work on potential options for consideration.

President Boyd moved to adjourn the meeting. Director Hager seconded the motion. Meeting adjourned.



Vice President Kenny Carey



Secretary/Treasurer Andrea Gross

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The regular monthly meeting of the Lake Village Water Association, Inc. was held at 12:00 p.m. on the 11th day of July 2023 at the office via Zoom webinar.

Vice President Kenny Carey called the meeting to order. Present: President Jim Boyd, Secretary/Treasurer Andrea Gross, Director Jeff Hughes, Director Thomas Hager, Attorney Chris Tucker, Rita Monson, Liz Dienst, and Mike Sanford.

Director Hager moved to approve the minutes from the June 13, 2023 meeting as presented. Director Hughes seconded the motion. Motion carried.

Director Hughes moved to approve the invoices as presented. Secretary/Treasurer Gross seconded the motion. Motion carried.

Sanford presented the Financial Report for June. Sanford provided details of the monthly income and expenses, stating that the Gross Profit for the month was \$114,284.95, pointing out that Water Costs were over budget by \$654.54. Sanford stated that the Net Income for the month was \$40,784.50. Sanford stated that the budgeted Net Income for the year was \$159,310.02 and the actual Net Income to date, including the RD reimbursement is \$257,574.50. Sanford went on to note that sales are increasing with the warmer months and also the rate adjustment is noticeable within the revenue. Sanford noted that 6 new taps were received during the month of June. Sanford also noted that the Mercer County 911 Fee is being billed to each customer and starting to come in. Director Hughes reiterated that the funds collected should go directly to the Fiscal Court and not Bluegrass 911. Sanford stated that the check will be sent to the Fiscal Court with a report indicating the amount of fees collected and charged. Sanford noted that Miscellaneous Income includes the reimbursement from Rural Development and the funds were posted to Other Income. Sanford recommended moving the reimbursement to Other Income in order to properly reflect the funds in the Financial Statement. Director Hager moved to place the reimbursement in Other Income. Director Hughes seconded the motion. Motion carried.

Sanford reported that the Association purchased 18,361,709 gallons during the last reading period and sold 14,279,800 gallons, of which 2,198,800 gallons can be accounted for by 12 service line repairs and 3 main line repairs. Sanford stated that after accounting for the leak volume, 10% of the water purchased is unaccounted for. Sanford stated that leak detection continues to be a daily priority for staff.

Dienst stated that Contract 14 construction is underway along South Buster Pike and going well. Dienst went on to note that Robert Burnette is on site providing inspection services for the project and that 2,279 feet has been installed to date, with 2,068 remaining along South Buster Pike. Dienst stated that the Association was able to avoid a change order to bore under the road that saved approximately \$30,000 by recommending an open cut instead of boring. Director Hughes questioned the depth of the main being installed. Dienst stated that the main is being installed 48" deep. Sanford noted that the contractor is currently on Mocks Creek Farm

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and the existing water main is as shallow as 9" in certain spots. Sanford went on to note that the contractor has a great crew on site and is doing an excellent job.

Sanford stated that the Association received one bid for the Service Line Replacement Project for Contract 14 from AY Contracting. The bid includes a price of \$545 for 35' or less and \$10.00 per foot in excess of 35' for service lines on the same side of the road and \$1,445 for 70' or less and \$10.00 per foot for service lines that require a bore. Sanford stated that the bid includes all labor and clean up and includes a one year warranty on the work performed. Sanford went on to note that the pricing from Lagco for the service line replacements were \$2,334 and \$5,510 respectively. Secretary/Treasurer Gross questioned whether the contractor was qualified as compared to Lagco. Sanford stated that staff are very familiar with AY Contracting and have used them in the past for road bores. Director Hughes questioned the number of service lines in the project. Sanford stated that along South Buster Pike, there are 9 service lines on the same side as the main and 5 that will require road bores. Sanford went on to note that along US 127, there are 12 service lines on the same side as the main and 3 that will require road bores, along Montgomery Lane there are 3 service lines on the same side as the main and 2 that will require road bores, and along Burgin road there are 25 service lines on the same side as the main and 13 that will require road bores. Director Hughes moved to accept the bid as received. Secretary/Treasurer Andrea Gross seconded the motion. Motion carried. Director Hughes questioned whether clean up will be included and inspected and that clean up is main complaint that he hears from the community. Sanford stated that clean up is included and staff will inspect the work once the contractor finishes each section of the work.

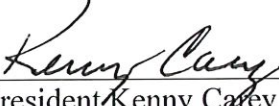
Sanford stated that the Purchase Water Adjustment for the City of Harrodsburg rate increase is prepared and ready to be submitted to the Public Service Commission upon approval. Sanford stated that the application as prepared results in an increase to the water rates in the amount of \$0.15 per 1,000 gallons purchased. Sanford went on to note that the increase recovers a 10.8% rate increase from the city and applies to all residential, commercial and wholesale customers. Director Hughes stated that he does not agree with the increase from the City of Harrodsburg or the lack of timing and notice from the city. Director Hughes noted, for example, that the increase to Northpoint Training Center is right in the middle of their fiscal year with no notice from the Association. Vice President Carey stated that the Association doesn't have a much of choice and that the Public Service Commission may frown on the decision. Secretary/Treasurer Gross agrees with Director Hughes. Secretary/Treasurer Gross questioned whether the increase could be combined with the Phase 2 increase in October. Director Hughes questioned whether the Association could purchase more water from the City of Danville to offset the increase. Sanford stated that certain areas must be served by the City of Harrodsburg due to hydraulics and to maintain an acceptable level of service, but areas such as the US 127 corridor could be switched over to the City of Danville. Director Hager stated that he will not agree to absorbing the rate increase from the City of Harrodsburg. Director Hughes moved to proceed with the Purchase Water Adjustment on the 10.8% increase from the City of Harrodsburg and to have Sanford perform the calculation on the pending 6.5% increase from the City of Harrodsburg. Secretary/Treasurer Gross seconded the motion. Motion carried.

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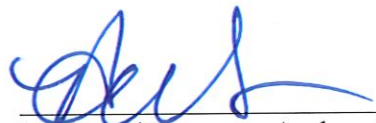
Director Hughes recommended communicating in writing to the City of Harrodsburg requesting that as much notice as possible be given ahead of rate increases in an effort to provide the Association with ample time to plan for our customers. Vice-President Carey agreed and asked Tucker to communicate with the city on the Board's behalf.

Director Hughes requested an update on the Lead Service Line Inventory project. Sanford stated that John Whitenack was hired and got off to a great start, but 5 days after he began his work, Josh Woods resigned from the Distribution Operator position. Sanford and staff agreed that moving Whitenack into the Distribution Operator role was better for the Association and Whitenack. Sanford stated that Whitenack was interested in the permanent position with the Association and is a great fit. Sanford stated that he will search for another individual to assist with the Lead Service Line Inventory. Lastly, Sanford noted that the survey and QR code has gone out and surveys are slowly coming in from the customers.

Director Hager moved to adjourn the meeting. Secretary/Treasurer Gross seconded the motion. Meeting adjourned.

 9/12/2023

Vice President Kenny Carey



Secretary/Treasurer Andrea Gross

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The regular monthly meeting of the Lake Village Water Association, Inc. was held at 12:00 p.m. on the 13th day of June 2023 at the office of the Association.

Vice President Kenny Carey called the meeting to order. Present: Secretary/Treasurer Andrea Gross, Director Jeff Hughes, Director Thomas Hager, Attorney Chris Tucker, Rita Monson, Liz Dienst, and Mike Sanford.

Director Hughes moved to approve the minutes from the May 9, 2023 meeting as presented. Secretary/Treasurer Gross seconded the motion. Motion carried.

Director Hager moved to approve the invoices as presented. Secretary/Treasurer Gross seconded the motion. Motion carried.

Sanford presented the Financial Report for May. Sanford provided details of the monthly income and expenses, stating that the Gross Profit for the month was \$104,517.22, pointing out that Water Costs were under budget by \$1,540.85. Sanford stated that the Net Income for the month was \$233,651.02 because of the Contract 14 expense reimbursement from RD in the amount of \$181,308.77. Sanford stated that the budgeted Net Income for the year was \$55,760.85 and the actual Net Income to date, excluding the RD reimbursement is \$35,557. Sanford went on to note that sales are increasing each month due to the season and will continue to increase until the September billing. Sanford noted that the surcharge income is now reflected as Equity instead of Income on the financial statement. Sanford reported that the checking and saving account balances are improving and that the balances should continue to increase as the year progresses. Secretary/Treasurer Gross inquired about how the additional employee for the Lead Service Line project will affect the budget and balances. Sanford stated that the Association will be fine due to the recent rate adjustments and RD project expense reimbursement.

Sanford presented a copy of the 2022 Financial Audit for review. Sanford stated that 2022 looked similar to 2021 due to the rate adjustments occurring late in the year. Sanford noted that the water loss percentage differed from the percentage that was calculated in house due to the difference in billing periods for late 2021 and 2022. Sanford noted that Cash at the End of Year was \$85,184. Lastly, Sanford stated that there were no material findings, and that the Association received a clean audit.

Sanford reported that the Association purchased 17,928,549 gallons during the last reading period and sold 13,425,000 gallons, of which 1,371,300 gallons can be accounted for by 7 service line repairs and one main line repair. Sanford stated that after accounting for the leak volume, 17% of the water purchased is unaccounted for. Sanford stated that leak detection continues to be a daily priority for staff.

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Sanford reported that the Association was notified of a residential development along Coghill Lane and Lexington Road that will result in 9 additional building lots. Director Hughes questioned whether the water mains will allow for adequate pressure in the area. Sanford stated that the property is surrounded by water mains, including a 4" main along Coghill Lane, a 6" main along Lexington Road and a 3" main along Lexington Road that follows the road down to the Palisades.

Sanford stated that the 2022 Consumer Confidence Report announcement will be mailed to all customers by July 1st.

Sanford reported that the QR code for the Lead Service Line Survey is ready to go and that he is working with the Harrodsburg Herald to determine the most effective and efficient way to get it to all customers. Sanford went on to state that he would like to combine the CCR language and QR code in the same mailer but is not sure if it is possible.

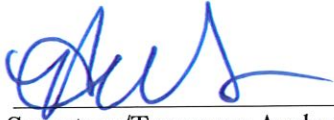
Dienst noted that the timeline for the Contract 15 Project included procurement by August to stay on schedule. Sanford stated that he will work with Dienst to determine the next steps on the project.

Director Hughes questioned Tucker on whether there was resolution to the Darrell Fraley matter regarding the water usage at 100 Hughley Lane. Tucker stated that Mr. Fraley has not contacted him regarding the matter and that he will send certified mail to Mr. Fraley.

Secretary/Treasurer Gross moved to adjourn the meeting. Director Hughes seconded the motion. Meeting adjourned.



Vice President Kenny Carey



Secretary/Treasurer Andrea Gross

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The regular monthly meeting of the Lake Village Water Association, Inc. was held at 12:00 p.m. on the 9th day of May 2023 at the office of the Association.

Vice President Kenny Carey called the meeting to order. Present: Secretary/Treasurer Andrea Gross, Director Jeff Hughes, Director Thomas Hager, Attorney Chris Tucker, Rita Monson, Liz Dienst, and Mike Sanford.

Director Hager moved to approve the minutes from the April 11, 2023 meeting as presented. Director Hughes seconded the motion. Motion carried.

Secretary/Treasurer Gross moved to approve the invoices as presented. Director Hager seconded the motion. Motion carried.

Sanford presented the Financial Report for April. Sanford provided details of the monthly income and expenses, stating that the Gross Profit for the month was \$90,631.35, pointing out that Water Costs were under budget by \$4,002.45. Sanford stated that the Net Income for the month was \$26,661.02. Sanford stated that the budgeted Net Income for the year was \$8,371.00 and the actual Net Income to date is a loss of \$16,861.02. Lastly, Sanford noted that the Net Income will become positive in May and should continue to be positive for the remainder of the year. Director Hughes questioned whether the bill for the Fraley property was paid. Tucker stated that he had contacted Mr. Fraley but did not hear back from him. Vice President Carey asked Tucker to follow up with Mr. Fraley in an attempt to recover the cost of the water that went through the meter. Sanford noted that the cost for the water from the City of Danville was \$2,053.00.

Sanford reported that the Association purchased 15,873,322 gallons during the last reading period and sold 13,011,900 gallons, of which 1,489,900 gallons can be accounted for by 4 service line repairs and two main line repairs. Sanford stated that after accounting for the leak volume, 8% of the water purchased is unaccounted for. Sanford stated that leak detection continues to be a daily priority for staff and for the past three months, the percentage has been trending downward each month.

Sanford stated that the preconstruction and RD preclosing is scheduled for May 25th at 2:00 pm. Sanford went on to note that Vice President Carey, Secretary/Treasurer Gross and Tucker are needed for the preclosing. Sanford stated that Vice President Carey will need to sign the closing documents since President Boyd is not available at this time. Sanford noted that the bylaws allow for the Vice President to carry out the duties of the President in the President's absence. Secretary/Treasurer Gross moved to authorize Vice President Carey to execute the closing documents. Director Hughes seconded the motion. Motion carried.

Sanford stated that the Authorized Official designated in Exhibit 4 of the Assistance Agreement with the Kentucky Infrastructure Authority also needed to be updated to reflect Vice President Carey as the Authorized Official for the grant documents. Director Hager recommended that Vice President Carey abstain from voting on the motion. All agreed.

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Director Hughes moved to designate Vice President Carey as the Authorized Official for the two KIA grants. Director Hager seconded the motion. Motion carried.

Sanford presented Exhibit 9, the Bid Package for Grant No. 21CWW149 for approval. Director Hughes moved to approve and submit Exhibit 9. Director Hager seconded the motion. Motion carried. Sanford presented the Exhibit 9 Clear Site Certificate for approval. Director Hughes moved to approve the motion. Director Hager seconded the motion. Sanford presented the Exhibit 9 Clear Site Certificate to be signed by Tucker. Director Hughes authorized submittal to KIA once the document is executed by Tucker. Director Hager seconded the motion. Motion carried. Sanford presented Exhibit 10, Certification Regarding Utility Accounting, Cost-Based Rates and Auditing for approval. Director Hughes moved to approve and authorize the execution of Exhibit 10. Director Hager seconded the motion. Motion carried.

Sanford presented the Kentucky Infrastructure Authority Grant Assistance Agreement for Grant No. 22CWW003 for consideration and approval. Director Hager moved to authorize execution of the agreement. Director Hughes seconded the motion. Motion carried.

Sanford presented the Exhibit 4 Resolution for Grant No. 22CWW003 approving the Grant Assistance Agreement and designating Vice President Carey as the Authorized Official for approval. Director Hughes moved to adopt the Resolution as presented. Secretary/Treasurer Gross seconded the motion. Motion carried.

Sanford presented the Certificate of Recording Officer for consideration and execution by Secretary/Treasurer Gross. Director Hager seconded the motion. Motion carried.

Sanford presented Exhibit 5 Opinion of Legal Counsel for approval. Director Hager moved to approve the submittal of Exhibit 5. Secretary/Treasurer Gross seconded the motion. Motion carried.

Sanford presented Exhibit 6A Engineering Services documentation and 6B Engineering Fee Confirmation for approval. Secretary/Treasurer Gross moved to approve the submittal of Exhibit 6A and Exhibit 6B. Director Hager seconded the motion. Motion carried.

Sanford presented Exhibit 7 Copy of eClearinghouse Endorsement Letter with Comments for approval. Director Hughes moved to submit Exhibit 7. Director Hager seconded the motion. Motion carried.

Sanford presented Exhibit 8 Copy of Division of Water Approval Letter for approval. Secretary/Treasurer Gross moved to submit Exhibit 8. Director Hager seconded the motion. Motion carried.

Sanford presented Exhibit 9, the Bid Package for Grant No. 22CWW003 for approval. Director Hughes moved to approve and submit Exhibit 9. Secretary/Treasurer Gross seconded the motion. Motion carried. Sanford presented the Exhibit 9 Clear Site Certificate for approval.

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Secretary/Treasurer Gross moved to approve the motion. Director Hager seconded the motion. Sanford presented the Exhibit 9 Clear Site Certificate to be signed by Tucker. Director Hughes authorized submittal to KIA once the document is executed by Tucker. Director Hager seconded the motion. Motion carried. Sanford presented Exhibit 10, Certification Regarding Utility Accounting, Cost-Based Rates and Auditing for approval. Secretary/Treasurer Gross moved to approve and authorize the execution of Exhibit 10. Director Hughes seconded the motion. Motion carried.

Sanford presented the Public Service Commission Order for Case No. 2023-00107, stating that the Commission approved the RD financing and the construction of the Contract 14 Project. Sanford went on to state that within 20 days the Association must respond with an explanation of why the RD rates found in the Letter of Conditions were not placed into service until the Phase 2 rates go into effect on October 4, 2023. Sanford stated that it was unknown how the Commission preferred that the Association handle the rates in the Letter of Conditions since the Phase 2 rates are higher than the rates found in the Letter of Conditions. Sanford recommended responding that the Association will place the rates found in the Letter of Conditions into effect for the four billing periods leading up to the effective date of the Phase 2 rates. Director Hager moved to place the rates found in the RD Letter of Conditions in effect pending concurrence from the Commission. Secretary/Treasurer Gross seconded the motion. Motion carried.

Sanford stated that he is still working with Farmers National Bank on the Interim Financing for the project and that the bank is showing concern over the lack of collateral available during the interim time period. Sanford stated that once everything is complete, if Farmers National Bank cannot provide the financing, RD will provide the interim financing for the funds. Sanford stated that documents may need to be executed by Vice President Carey. Director Hughes moved to authorize Vice President Carey to execute the loan documents. Secretary/Treasurer Gross seconded the motion. Motion carried.

Sanford presented RD Draw No. 1 in the amount of \$181,233.06 for approval. Director Hager moved to approve the draw as presented. Secretary/Treasurer Gross seconded the motion. Motion carried.

Dienst questioned whether Vice President Carey will be signing the change orders for the project or if Sanford will be signing. Director Hughes recommended setting a maximum amount that Sanford can sign for.

Sanford stated that the EPA Lead Service Line Inventory is due by October 24, 2024 and that he needs to hire someone to help with the inventory. Sanford stated that maintenance staff cannot pull away from the obligations that they currently have such water loss reduction, meter change outs and distribution system maintenance. Sanford recommended hiring someone on a contract basis, \$18.00 per hour with no benefits, pay mileage for use of the personal vehicle and offer a flexible schedule. Director Hager questioned whether the Association could afford to add additional staff. Sanford stated that the Association is in a position with recent rate adjustments

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and reimbursements to cover the additional staff costs. Sanford stated that he has a person in mind, but that the person has not committed at this time. All agreed that the inventory must get started. Sanford stated that he would proceed in that direction.


Sanford presented a Mercer County Fiscal Court ordinance related to the establishment of a new 911 fee that will be placed on all water bills in Mercer County effective July 1, 2023. Sanford stated that the fee will be \$1.00 per month, per meter. Director Hager questioned whether the Association has to charge and collect the fee. Director Hager recommended contacting the Public Service Commission to discuss the charge. Tucker also stated that he will contact County Attorney Ted Dean concerning the ordinance. Director Hughes questioned whether the Fiscal Court has the authority to require the Association to charge and collect the fees. Vice President Carey questioned the same.

Sanford presented the staff health insurance renewal from Anthem for consideration. Sanford stated that in the past Humana and United Healthcare have been significantly more expensive than the Chamber Advantage policy. Sanford went on to state that the premium increase for the existing policy is 12.01%. No changes will occur with the policy costs to the staff or the deductibles. Director Hager moved to approve the renewal as presented by Sanford. Secretary/Treasurer Gross seconded the motion. Motion carried.

Director Hager moved to adjourn the meeting. Director Hughes seconded the motion. Meeting adjourned.



Vice President Kenny Carey



Secretary/Treasurer Andrea Gross

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MINUTES OF ANNUAL MEETING
May 9, 2023

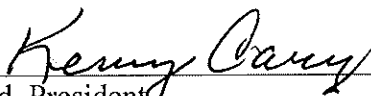
The annual meeting of the Lake Village Water Association, Inc. was called to order by Vice President Kenny Carey at 12:00 p.m. on the 9th day of April, 2023 at the Association office.

Attending the meeting were Vice President Kenny Carey, Secretary/Treasurer Andrea Gross, Director Jeff Hughes, Director Thomas Hager, Attorney Chris Tucker, Liz Dienst, Mike Sanford and Rita Monson.

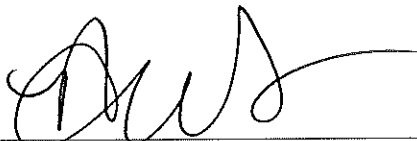
The first order of business was consideration of the minutes of the annual meeting of the membership on April 12, 2022. Director Hager moved to approve the minutes with a second by Secretary/Treasurer Gross. Motion carried.

The next order of business was to announce the results of the Board of Director's election. No nominations were received from the membership. Tucker reported that President Jim Boyd will be appointed to three year terms ending in April of 2026.

Secretary/Treasurer Gross moved to adjourn the meeting. Director Hughes seconded the motion. Meeting adjourned.



Jim Boyd, President



Andrea Gross, Secretary/Treasurer

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The regular monthly meeting of the Lake Village Water Association, Inc. was held via Zoom at 12:00 p.m. on the 11th day of April 2023.

Vice President Kenny Carey called the meeting to order. Present: Secretary/Treasurer Andrea Gross, Director Jeff Hughes, Director Thomas Hager, Attorney Chris Tucker, Rita Monson, Liz Dienst, and Mike Sanford.

Sanford noted that the board member nomination letters have not gone out to the members and will be mailed in the coming days. Sanford recommended moving the Annual Meeting to May 9th in order to have the nominations for the election. Sanford noted that Jim Boyd is the only Director with an expiring term. Director Hughes moved to hold the Annual Meeting on May 9, 2023. Secretary/Treasurer Gross seconded the motion. Motion carried.

Secretary/Treasurer Gross moved to approve the minutes from the February 9, 2023 and March 14, 2023 meetings as presented. Director Hager seconded the motion. Motion carried.

Director Hughes moved to approve the invoices as presented. Secretary/Treasurer Gross seconded the motion. Motion carried.

Sanford presented the Financial Report for March. Sanford provided details of the monthly income and expenses, stating that the Gross Profit for the month was \$70,745.55, pointing out that Water Costs were under budget by \$3,212.88. Sanford stated that the Net Income for the month was \$5,103.17. Lastly, Sanford stated that the budgeted Net Income for the year was a loss of \$13,286.49 and the actual Net Income to date is a loss of \$29,542.88.

Sanford reported that the Association purchased 12,286,227 gallons during the last reading period and sold 9,608,700 gallons, of which 2,423,700 gallons can be accounted for by 6 service line repairs and two main line repairs. Sanford stated that after accounting for the leak volume, 1% of the water purchased is unaccounted for. Sanford stated that leak detection continues to be a daily priority for staff. Sanford stated that staff are replacing a service line to a property on Shakertown Road that has been repaired 12-15 times in 15 years and is leaking again. Sanford also noted that Director Hughes called in a leak on Normans Camp Road and while on site a second leak was found. Lastly, Sanford reported that the percentage of non-revenue water was reduced by 11% from the previous period.

Sanford stated that all items have been submitted to the Kentucky Rural Water Finance Corporation for the interim financing for the Contract 14 project. Sanford went on to note that the project is still awaiting approval from the Public Service Commission. Sanford stated that there may be a need for a special meeting in order to execute documents related to the project and that a Zoom meeting for approval would be fine. Sanford went on to note that the customer notice is ready and will go out to the affected property owners within the month. Director Hughes questioned if the letter could be mailed with the nomination letter. Sanford stated that the notices can be mailed together. Sanford went on to note that there are 60 project letters that need to be mailed.

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Vice President Carey questioned whether the May meeting would be in person or via Zoom. Sanford noted that the May meeting will have the Annual Meeting as well as the regular monthly meeting. All agreed to have an in person meeting for the May meeting.

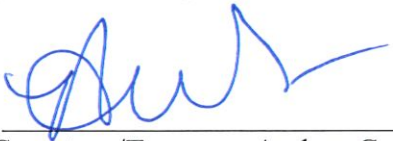
Secretary/Treasurer Gross reported to the board that she and Zack are involved in an awareness campaign to inform the community about the plans for utility scale solar projects within Mercer County. Secretary/Treasurer Gross noted that there will be a Community Meeting on Monday, April 17th at the Daynabrook Show Barn located on US 127. Secretary/Treasurer Gross stated that a new organization named Mercer Coalition for Responsible Development has been formed to advocate for responsible development within Mercer County. Secretary/Treasurer Gross invited the board to attend the meeting.

Director Hughes stated that while in Florida he noticed the water utility draining and cleaning the water storage tanks and questioned whether the Association cleans the water storage tanks. Sanford stated that the tanks are cleaned and inspected every 3-5 years per the DOW regulation and that the tanks will be scheduled for cleaning in 2023.

Director Hager moved to adjourn the meeting. Director Hughes seconded the motion. Meeting adjourned.



President Jim Boyd



Secretary/Treasurer Andrea Gross

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The regular monthly meeting of the Lake Village Water Association, Inc. was held via Zoom at 12:00 p.m. on the 14th day of March 2023.

Vice President Kenny Carey called the meeting to order. Present: Secretary/Treasurer Andrea Gross, Director Jeff Hughes, Director Thomas Hager, Attorney Chris Tucker, Rita Monson, Liz Dienst, and Mike Sanford.

Director Hughes moved to approve the minutes from the January 31, 2023 and February 14, 2023 meetings as presented. Director Hager seconded the motion. Motion carried.

Director Hager moved to approve the invoices as presented. Director Hughes seconded the motion. Motion carried.

Sanford presented the Financial Report for February. Sanford provided details of the monthly income and expenses, stating that the Gross Profit for the month was \$92,279.49, pointing out that Water Costs were over budget by \$849.50. Sanford stated that the Net Income for the month was \$27,295.90. Lastly, Sanford stated that the budgeted Net Income for the year was a loss of \$42,222.66 and the actual Net Income to date is a loss of \$30,130.66.

Sanford reported that the Association purchased 18,817,966 gallons during the last reading period and sold 12,993.600 gallons, of which 3,347,412 gallons can be accounted for by 7 service line repairs and one main line repair. Sanford stated that after accounting for the leak volume, 12% of the water purchased is unaccounted for. Sanford stated that leak detection continues to be a daily priority and staff are continually working to locate leaks. Sanford stated that the Moore Lane zone is back to normal after the check valve repair.

Sanford presented a request to fund the employee SEP accounts for the 2022 year. Sanford stated that a contribution was not made for 2021 and that historically the percentage contribution has ranged from 4% to 10%. Sanford pointed out that Kim Todd retired with 35 years of service and worked in 2021 and questioned whether the board would like to include a contribution to her account in the 2022 contribution. Sanford stated a 4% contribution would be \$17,431 and a 10% contribution would be \$43,579 based on the 2022 staff salaries. Sanford went on to state that in order to stay on budget for the 2022 SEP allocation an 8.25% contribution can be made. Vice President Carey that it is very important to fund the accounts, but the question is at what level. Director Hughes stated that cost of living increased in 2022 by 8.7%, but financially the Association is probably in the 6% contribution range. Sanford noted that the rate adjustment is finally being felt from a cash flow perspective. Director Hughes noted that the Association pays 100% of all benefits and that he is uncertain about supporting an 8% contribution. Director Hager stated that he will support a 6% to 8% contribution for 2022 but does not support giving to the employee that retired in 2021 without giving to everyone. Sanford stated that the contribution for 2021 could be made with future contributions if the board wanted to try and make it up. Secretary/Treasurer Gross questioned whether Kim Todd would be included if the official decision was to make up 2021. Sanford recommended not combining 2021 and 2022 in a single contribution, due to cash flow. Director Hughes questioned Sanford

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on the Net Income at the end of 2022. Sanford stated that 2022 was a better year than 2021 and that total salaries increased due to payroll increases. Secretary/Treasurer Gross pointed out that an additional staff member was added in 2021 as well. Director Hughes suggested having a minimum and maximum contribution rate based on the financial performance of any given year. Director Hughes stated that this would give the board guidance on setting the percentages and being consistent from one year to the next.

Secretary/Treasurer Gross recommended moving forward with 2022 and getting back on track with annual contributions. Director Hager stated that since a contribution was missed, 8% would be appropriate for 2022. Director Hager moved to contribute 8% to the SEP accounts for 2022 wages earned. Director Hughes seconded the motion. Motion carried.

Dienst gave an update on the Contract 14 project stating that the Final Engineering Report has been updated and submitted to RD. Dienst went on to state that RD will issue a Letter of Concurrence to execute the contract. Sanford noted that the letter will be necessary to submit the PSC application. Dienst stated that in order to maintain the full depreciation coverage set forth by the PSC in the rate case, a 3.25% rate adjustment is necessary for the project. Sanford stated that the rate increase calculations will be included in the PSC application. Sanford questioned Tucker about his timeline on preparation of the application. Tucker stated that he can have the application prepared fairly quickly.


Sanford shared a complaint about the state fluoridization program that was received from Matthew Miller, an Association member that resides on Curdsville Road. Sanford stated that emails were sent but not received due to the inactivation of the Yahoo email account, due to hacking. Mr. Miller sent copies of the emails via US mail at which time Sanford replied to apologize via email. Mr. Miller stated that the addition of fluoride is harming the citizens of the water system and that all leadership should be held accountable for the harm. Sanford informed Mr. Miller that the Cabinet for Health and Family Services requires all public water systems in Kentucky to add fluoride through a regulation that has been in effect since 1928. Sanford went on to note that bills allowing water systems to have the choice of whether to add fluoride have been filed for the last several legislative sessions, including the current session.

Vice President Carey moved to enter into executive session at 12:43 p.m. to discuss a matter that would impact personnel and Association operations. The board returned to the regular meeting at 1:13 p.m.

Director Hughes moved to adjourn the meeting at 1:14 pm. Secretary/Treasurer Gross seconded the motion. Meeting adjourned.



President Jim Boyd



Secretary/Treasurer Andrea Gross

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A special meeting of the Lake Village Water Association, Inc. was held at 11:00 a.m. on the 9th day of February 2023.

President Jim Boyd called the meeting to order. Present: Vice President Kenny Carey via Zoom, Secretary/Treasurer Andrea Gross via Zoom, Director Jeff Hughes via Zoom, Director Thomas Hager, Attorney Chris Tucker via Zoom, Rita Monson, Liz Dienst, and Mike Sanford.

Dienst reported to the board that a meeting was held with Lagco to discuss the Contract 14 bid that was submitted. Dienst stated that a conversation was held regarding several unit prices contained in the bid, specifically directional drilling, service line installation, certain unit prices on valves and pipe pricing. Dienst stated that the contractor would be open to discussing a smaller project that would be closer to the secured funding amount. Dienst stated that the prices were compared to other projects in the region and were comparable to bids submitted for other similar projects.

Sanford presented a project that would reduce the total cost by approximately \$1,000,000 to \$3,500,000 that would remove the replacement of 127, remove Wildwood Road, remove the service line relocation on Moore Lane and remove the service lines from the contract. Sanford stated that the new service lines would be installed by a local contractor and administered outside of the contract with Lagco. Director Hager questioned whether all other pricing would remain the same. Dienst stated that Lagco was certain that the prices would remain the same.

Sanford presented a second project scope for consideration that would include replacement of South Buster Pike, Montgomery Lane, Burgin Road, 127 from the master meter to Faulkner Station Road and all service lines. The estimated cost for the project would be \$1,811,332 for the construction portion, \$349,463 for the engineering and \$185,605 for contingency funding. Sanford stated that the total project cost would be on budget at \$2,346,400. Vice President Carey questioned whether the sections being removed would be constructed in the future as a separate project. Sanford stated that the sections could be identified as a Contract 14 Phase 2 Project or incorporated into the Contract 15 scope.

Sanford stated that the project will require a rate adjustment and due to the recent order from the PSC on the rate case, the adjustment will be much lower than previously presented. Sanford stated that the rate adjustment is looking like 5-6% for the project with a separate alternate rate filing application in late 2024 or early 2025.

Director Hager agreed with Sanford that staying on budget with the reduced project and looking at rates in 2024 is the best option for the Association.

Director Hager moved to proceed with the recommended scope as presented by Sanford. Vice President Carey seconded the motion. All agreed. Motion carried.

Sanford stated that the RD Letter of Conditions requires interim financing for the loan. Sanford recommended using the Kentucky Rural Water Finance Corporation for the interim

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financing. Sanford went on to note that the KRWFC has been used on all previous projects where the financing was required. Vice President Carey moved to submit the application to KRWFC for interim financing. Secretary/Treasurer Gross seconded the motion. Motion carried.

Director Hager moved to execute the contract with Lagco and also execute a change order for portions of the project being removed from the scope. Vice President Carey seconded the motion. Motion carried.

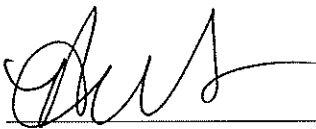
President Boyd moved to enter executive session at 11:47 a.m. to conduct Sanford's evaluation. Director Hager the motion. Motion carried.

The board returned to the special meeting at 12:15 p.m. President Boyd stated that the board is very happy with Sanford's job performance and that the past few years have had a lot of adversity to overcome, such as dealing with the Covid pandemic, staff changes and challenges with the Contract 14 project. Director Hughes went on to note that the Association did not have the best year financially due to the need for a rate increase and higher than anticipated water loss, but the instances were not related to anything that Sanford did not do and that the board appreciated Sanford's efforts to manage the issues for the Association. Director Hughes stated that the board is increasing Sanford's annual salary from \$99,282 to \$100,000 and would like to award Sanford with a one time 5% bonus.

Director Hager moved to adjourn the meeting at 12:25 pm. Secretary/Treasurer Gross seconded the motion. Meeting adjourned.



President Jim Boyd



Secretary/Treasurer Andrea Gross

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The regular monthly meeting of the Lake Village Water Association, Inc. was held via Zoom at 12:00 p.m. on the 14th day of February 2023.

President Jim Boyd called the meeting to order. Present: Vice President Kenny Carey, Secretary/Treasurer Andrea Gross, Director Jeff Hughes, Director Thomas Hager, Attorney Chris Tucker, Rita Monson, Liz Dienst, and Mike Sanford.

Vice President Carey moved to approve the minutes from the January 10, 2023 meeting as presented. Director Hughes seconded the motion. Motion carried.

Director Hager moved to approve the invoices as presented. Secretary/Treasurer Gross seconded the motion. Motion carried.

Sanford presented the Financial Report for January. Sanford provided detail of the monthly income and expenses, stating that the Gross Profit for the month was \$116,211.67, pointing out that Water Costs were over budget by \$1,992.11. Sanford stated that the Net Income for the month was a loss of \$56,226.58 due to debt service payments in the amount of \$108,145 made on January 1st. Lastly, Sanford stated that water usage was the highest he has seen for the month of January since he has been employed by the Association.

Sanford reported that the Association purchased 21,551,017 gallons during the last reading period and sold 16,887,300 gallons, of which 2,588,292 gallons can be accounted for by 18 service line repairs. Sanford stated that after accounting for the leak volume, 7% of the water purchased is unaccounted for. Sanford went on to state that staff are continuing to leak detect and have made great progress. Sanford pointed out that the KY 33 zone is the best it has been in three years. Sanford stated that leak detection within the Moore Lane zone led staff to determine that the check valve at the Moore Lane Pump Station had failed and water was flowing in both directions, ultimately charging twice for some volume of water throughout the month. Lastly, Sanford reported that a leak was found underneath KY 152 on the Howard property that was contributing heavily to water loss.

Sanford stated that he attended the North Mercer Water District board meeting to discuss the City of Harrodsburg Rate Case Surcharge. Sanford stated that Damon Talley was in attendance and stated that the City of Harrodsburg is entitled to actual rate case expense per PSC regulation, but not estimated expense. Talley advised both utilities to wait and see how the Commission responds before proceeding with any action in the case.

Sanford presented a contract for consideration with the Bluegrass Area Development District to provide mapping and GIS services to the Association. Sanford stated that the Association had always utilized Vanguard Mapping for GIS services, but Vanguard Mapping is no longer in business. Sanford stated that the contract is not to exceed \$12,000 annually and all of the work performed will be done under his direction. Secretary/Treasurer Gross moved to approve execution of the contract. Vice President Carey seconded the motion. Motion carried.

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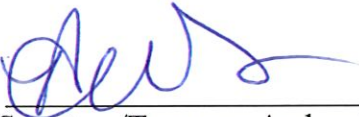
Sanford stated he and Dienst will be meeting with Lago, Inc. concerning the Contract 14 bid on February 15th at 2:00 pm.

President Boyd questioned whether the board is good to meet via Zoom for the March meeting. All agreed that a Zoom meeting in March would be good.

Director Hager moved to adjourn the meeting at 12:23 pm. Director Hughes seconded the motion. Meeting adjourned.



President Jim Boyd



Secretary/Treasurer Andrea Gross

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Burgin, Kentucky 40310**

A special called meeting of the Lake Village Water Association, Inc. was held at 801 Pleasant Hill Drive at 12:00 p.m. on the 31st day of January 2023.

President Jim Boyd called the meeting to order. Present: Vice President Kenny Carey, Secretary/Treasurer Andrea Gross, Director Jeff Hughes, Attorney Chris Tucker, Rita Monson, Liz Dienst, and Mike Sanford.

Sanford stated that the purpose of the meeting is to review the bid received for the Contract 14 Distribution System Improvement Project and to discuss how to proceed on the project. Sanford stated that the one bid was received from Lago, Inc. in the amount of \$4,518,775 and the project has a current construction budget of \$1,836,482. Sanford noted that based on current prices a bid close to \$3,600,000 was anticipated. Sanford stated that he has contacted Greg Pridemore with Rural Development and he suggested that the Association put together a plan to move forward, further stating that a request for additional funding would have an interest rate around 4%.

Dienst stated that two bids were expected, but only one bid was received. Dienst went on to note that any additional funding will have to comply with the Build America Buy America Act and the project cost will increase in order to comply with the requirements found in the bill.

Vice President Carey questioned Dienst on whether she had ever worked with Lagco Construction. Dienst stated that Strand has worked with Lagco, Inc. and that the contractor did a good job on the projects.

Sanford suggested having a meeting with the contractor to see if there are areas within the project scope where the costs can be reduced. President Boyd recommended that Sanford and Dienst meet with the contractor to see if the unit are negotiable. President Boyd also requested that Dienst compare the unit process in the bid with other bids received to see if the prices are comparable. Tucker questioned why Montgomery Brothers did not submit a bid. Dienst stated that she reached out to Ryan Montgomery and he stated that they are too busy to bid at the moment.

Sanford stated that the service line portion of the project could be installed by a local contractor and would result in savings that could be used for other sections of the project.

President Boyd questioned whether the board could meet in one week after Sanford and Dienst meet with Lagco, Inc. to discuss the unit prices. President Boyd recommended a hybrid meeting to have some members in person.

Sanford presented two proposed project scopes for the board to consider. Sanford stated that the first option removed US 127, Wildwood Road and the service lines from the scope and would require a request to Rural Development for an additional \$552,269. Sanford went on to note that the service lines would be added back into the project with the Association contracting them out to a local contractor. Sanford presented a second option for consideration that allow

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the project to be completed within the budget and no additional funding would be necessary. Sanford stated that the project scope would include South Buster Pike, Palisades Road, Burgin Road and Montgomery Lane. Sanford went on to state that the service lines would be replaced by a local contractor as in option one.

Secretary/Treasurer Gross questioned whether the bids were higher than anticipated due to the contractor complying with the Build America Buy America Act. Dienst stated that she and Sanford will question the contractor to find out.

Sanford stated that moving forward with portions of the project is ideal since it is so far along and partially funded. Dienst concurred, stating that the costs are going to continue to increase and all of the permitting and approvals have been extended for the project. Sanford noted that having Rural Development in the funding package will allow for the project to be approved within 30 days by the Public Service Commission.

Director Hughes stated that he hates feeling like the Association is backed into a corner, noting that a handful of the unit prices are extremely high such as the service lines and valves. Director Hughes stated that the unit prices as presented feels as if the Association is getting taken advantage of. Director Hughes noted the \$61.00 per foot on the 8" pipe installation, stating that the pipe cost can be found at around \$28.00 per foot. Dienst stated that the costs includes material, labor, clean up and also general condition items that were not a separate item so they had to be included in the unit prices.

President Boyd questioned whether everyone was good with Sanford and Dienst meeting with Lagco, Inc. to see what options we have to move forward.

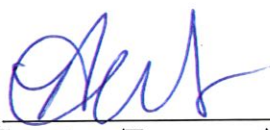
Director Hughes noted that Randy Green, Lagco, Inc owner may be the person who ultimately makes decisions for the contractor.

President Boyd suggested giving Sanford and Dienst some time to schedule a meeting with Lagco, Inc. and meeting again on February 9th at 11:00 am to discuss the outcome of the meeting. All agreed.

Secretary/Treasurer Gross moved to adjourn the meeting at 1:00 pm. Vice President Carey seconded the motion. Meeting adjourned.



President Jim Boyd



Secretary/Treasurer Andrea Gross

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The regular monthly meeting of the Lake Village Water Association, Inc. was held at 801 Pleasant Hill Drive at 12:00 p.m. on the 10th day of January 2023.

President Jim Boyd called the meeting to order. Present: Vice President Kenny Carey, Secretary/Treasurer Andrea Gross, Director Jeff Hughes via Zoom, Director Thomas Hager, Attorney Chris Tucker, Rita Monson, Liz Dienst, and Mike Sanford.

Director Hager moved to approve the minutes from the December 13, 2022 meeting as presented. Secretary/Treasurer Gross seconded the motion. Motion carried.

Vice President Carey moved to approve the invoices as presented. Secretary/Treasurer Gross seconded the motion. Motion carried.

Sanford presented the Financial Report for December. Sanford provided detail of the monthly income and expenses, stating that the Gross Profit for the month was \$76,916.75, pointing out that Water Costs were over budget by \$11,619.60. Sanford stated that the Net Income for the month was a loss of \$5,685.22. Lastly, Sanford stated that the Net Income for the year is a loss of \$32,900.56. Sanford stated that increased water cost is the main reason for the loss, as well as increased costs for material and services. Lastly, Sanford noted that staff salaries were over budget by 6% for the year.

Sanford reported that the Association purchased 16,486,539 gallons during the last reading period and sold 11,239,100 gallons, of which 1,975,900 gallons can be accounted for by 11 service line repairs. Sanford stated that after accounting for the leak volume, 19% of the water purchased is unaccounted for. Sanford went on to state that staff are continuing to leak detect and have made progress in the KY 33 zone.

Sanford reported that the City of Harrodsburg has submitted an application to the Public Service Commission requesting that a 36-month surcharge be added to the monthly water bill for the Association and North Mercer Water District to cover rate case expense, including anticipated legal fees. Director Hughes suggested requesting itemized invoices for charges that the city has incurred. Director Hager concurred. Sanford stated that the Association will have to object to the surcharge by submitting written notice to the Public Service Commission. President Boyd stated that the Association must be careful since the city is the water provider. Secretary/Treasurer Gross stated that there are not grounds for the city to pass along the legal fees to the Association customers. Sanford noted that he and the board have been invited to the upcoming North Mercer Water District board meeting which will be attended by Damon Talley with the Kentucky Rural Water Association. Sanford stated that Talley has agreed to represent North Mercer Water District in their objection to the surcharge. Director Hager recommended that Sanford attend the meeting and report back to the board. Sanford agreed to attend the meeting and welcomed Tucker to attend as well.

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Burkin, Kentucky 40310

Sanford stated that the pre-bid meeting for the Contract 14 project will be held on January 12th at 10:00 am via Zoom. Sanford went on to note that the bid opening is scheduled for January 26th at 11:00 am via Zoom. Sanford stated that the board will need to hold a special meeting to review the bids. President Boyd recommended January 31st at 12:00 pm. Sanford stated that a Zoom link will be provided for the meeting. All agreed that January 31st will work for the meeting.

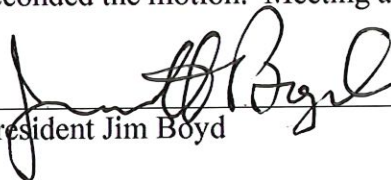
Sanford reported to the board that the Infrastructure Improvement Plan is due to the Public Service Commission by February 1, 2023. Sanford stated that the work orders revealed 243 leak repairs that contributed to water loss since January 1, 2020 and that 163 were service line repairs. Sanford went on to note that the leaks were separated by location before separating them further by Contract 13, 14 and 15 project scopes. Sanford recommends that a service line replacement program be implemented with the surcharge proceeds and should start in areas that were included in the Contract 13 project scope. Director Hager suggested securing funding for the service line replacements, then reimbursing the expense with surcharge proceeds. Sanford stated that he will work to find out what options are acceptable for use of the surcharge funds. Director Hughes thanked Sanford for his work, stating that the information was well done. Secretary/Treasurer Gross complimented Sanford on the work as well.

Sanford stated that the Mercer County Water Commission meeting has been postponed.

Sanford stated that the mapping software is not accessible due to the loss of Josh Duvall, the service provider for the software. Sanford stated that he is working with the Bluegrass Area Development District for a solution.

Dienst presented details of a proposed timeline for the Contract 15 project that would allow for the Association to meet the terms of the Grant Assistance Agreements with KIA. Dienst noted that the grant funds need to be fully expended by December 31, 2026. Dienst stated that the current project scope includes the replacement of approximately 38,100 feet of pipe and will have a construction period of 8-10 months, with 6 months of planning and design, along with 6 months to obtain easements, right of ways and permits. Sanford and Dienst recommended that discussions should take place on the project in August of 2023 to meet the terms of the Cleaner Water Program grant funding. Sanford stated that the timeline proposed by Dienst would allow the Association to stay on track with the Infrastructure Improvement Plan submitted to the Public Service Commission. Secretary/Treasurer Gross questioned who sets the timeline for the projects. Sanford stated that he and the board make the decisions related to the timing. Lastly, Dienst noted that if the grant funds are not used by the deadline, the funding will be lost.

Director Hager moved to adjourn the meeting at 1:50 pm. Vice President Carey seconded the motion. Meeting adjourned.



President Jim Boyd



Secretary/Treasurer Andrea Gross