

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

The regular monthly meeting of the Lake Village Water Association, Inc. was held at 12:00 p.m. on the 9th day of December 2025 via Zoom webinar.

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

Vice President Carey moved to approve the minutes of the November 13, 2025 meeting. Director Hughes seconded the motion. Motion carried.

President Boyd presented the invoices for approval. Sanford stated that the payment made to AY Landscaping and Construction is for service line replacements and will be reimbursed from the Water Loss Surcharge account once approved by the PSC. Director Hughes moved to approve the invoices as presented. Secretary/Treasurer Gross seconded the motion. Motion carried.

Sanford presented the Financial Report for November, providing details of the monthly income and expenses, stating that the finances continue to look good. Sanford reported that water sales were \$142,618.14. Sanford reported a Gross Profit for the month in the amount of \$115,668.23, with a monthly Net Income of \$41,109.28. Sanford noted that Water Sales for the year exceed the budget by \$104,721.09, NTC sales are under budget by \$11,701.00, Water Purchased is over budget by \$20,023.24 and the YTD Total Expense is under budget by \$43,319.35. Lastly, Sanford stated that the YTD Net Income is \$132,848.78.

Sanford reported that the Association purchased 13,213,045 gallons during the last reading period and sold 11,300,400 gallons. Sanford stated that the Non-Revenue Water volume for the month was 13.1%. Sanford went on to note that after accounting for the leak volume, the Association can account for all but 2% of the water purchased. Sanford stated that 3 main line repairs and 1 service line repair were made during the period.

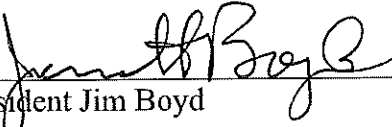
Sanford presented a draft of the 2026 Operating Budget for consideration. Sanford stated that the budget includes \$2,101,400 in revenue for the upcoming year. Sanford stated that Monson informed him that she is considering retirement in mid-2026. Sanford stated that when Monson retires, the salary budget will need to include funds to train a new employee alongside Monson her for a few months. Director recommended that Sanford include three months salary for a new employee in addition to the salary total in the proposed budget. Director Hager moved to approve the proposed budget as presented. Vice President Carey seconded the motion. Motion carried.

Sanford reported that the Ison Lane Standpipe Rehabilitation Project is complete and the tank is back online. Sanford presented an invoice in the amount of \$78,820.00 from Currens Construction for approval. Vice President Carey moved to approve payment of the invoice. Secretary/Treasurer Gross seconded the motion. Motion carried. Sanford presented a draw in the amount of \$72,589.00 to be presented to the KIA Cleaner Water Program grant. Sanford

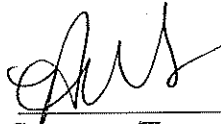
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noted that the draw will close out the grant. Vice President Carey moved to approve the draw as presented. Secretary/Treasurer Gross seconded the motion. Motion carried.

Vice President Carey 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 at 12:00 p.m. on the 13th day of November 2025 via Zoom webinar.

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

Vice President Carey moved to approve the minutes of the October 21, 2025 meeting. Director Hager seconded the motion. Motion carried.

President Boyd presented the invoices for approval. Director Hughes questioned the payment to Main Water Utility Service for \$3,000. Sanford stated that the invoice is for master meter testing at all of the sites and that the testing is required to be completed annually. Director Hughes moved to approve the invoices as presented. Secretary/Treasurer Gross seconded the motion. Motion carried.

Sanford presented the Financial Report for October, providing details of the monthly income and expenses, stating that the finances continue to look good. Sanford reported that water sales were \$161,213.48. Sanford reported a Gross Profit for the month in the amount of \$105,738.95, with a monthly Net Income of \$25,448.49. Sanford noted that Water Sales for the year exceed the budget by \$92,103.82, NTC sales are under budget by \$4,679.92, Water Purchased is over budget by \$27,510.84 and the YTD Total Expense is under budget by \$42,746.66. Lastly, Sanford stated that the YTD Net Income is \$102,720.33.

Sanford reported that the Association purchased 17,616,478 gallons during the last reading period and sold 14,228,700 gallons. Sanford stated that the Non-Revenue Water volume for the month was 18.2%. Sanford went on to note that after accounting for the leak volume, the Association can account for all but 5% of the water purchased. Sanford stated that 3 main line repairs and 9 service line repairs were made during the period.

Sanford reported that the rehab work on the Ison Lane Standpipe is complete and the tank is currently empty while the coating cures. Sanford noted that a handful of customers in the vicinity of the tank have reported lower than normal pressure during peak usage periods, but overall, the pressures within the distribution system have been good.

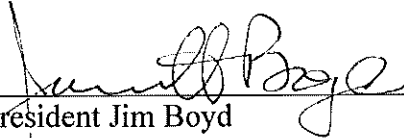
Sanford stated that the Cost of Service Study is nearing completion and a draft should be available for review soon.

Sanford reported that the kickoff meeting with Waterworth has been held and he will begin working with the team to build the database. Sanford noted that five years of financial data will be uploaded to provide historical data to start. Sanford stated that the Waterworth staff are planning to do a work session in January or February to present the platform to the board.

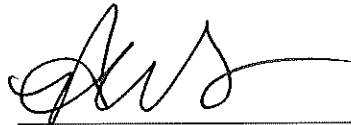
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Sanford stated that each year the board considers a Christmas bonus for the staff. Vice President Carey moved to give each staff member a \$750.00 Christmas bonus. Director Hager seconded the motion.

Vice President Carey 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 at 12:00 p.m. on the 21st day of October 2025 at the Association office located at 801 Pleasant Hill Drive.

President Jim Boyd called the meeting to order. Present is Vice President Kenny Carey, Director Jeff Hughes, Director Thomas Hager, Attorney Chris Tucker, Liz Dienst, Rita Monson, Mike Sanford, and Adam Bracken with Waterworth via Zoom Webinar.

Vice President Carey moved to approve the minutes of the September 9, 2025 meeting. Director Hughes seconded the motion. Motion carried.

Sanford introduced Adam Bracken with Waterworth, stating that Bracken is going to demonstrate the Waterworth Continuous Utility Rate Management software. Bracken reviewed the software and the many features that could assist the Association with tracking revenue, expenses, inflation, capital planning, and financing. The software will forecast the need for rate adjustments and the timing of the adjustments as well as continually monitor the Association's overall financial health. Director Hager stated that the software provides a good high level overview of the Association's financial position. Director Hughes agreed that the software is a good tool and questioned the amount of upfront data that will be needed to present historical data from the beginning. Bracken stated that he and Sanford planned to go back to 2021 to capture financial data that was prior to the most recent rate adjustment in 2022. Sanford questioned whether Bracken would provide monthly reports to the board. Bracken stated that monthly reports will be provided via Zoom any time that reporting is requested. Director Hager questioned the length of the contract. Bracken stated that the contracts are renewed annually and can be extended or terminated at the end of the 12-month term. Director Hughes stated that the software would be useful for an initial term but may not be necessary every year, every three to five years. Director Hughes questioned whether the Association would need the software continually. Dienst stated that the need would be based on the projects and changes that are planned. Bracken stated that the Association could use it for one year and then determine whether it is a good fit. Director Hager stated that for \$5,000 per year, the Association should consider the software to see what the past and future trends look like. Director Hager moved to execute the one year contract with Waterworth. Director Hughes seconded the motion. Motion carried.

President Boyd presented the invoices for approval. Sanford noted that Staton Brothers was paid \$22,610 for the Lexington Road bore to A.T. Dean Road, Harper cashed in accumulated vacation time, payment was made to Toyota on Nicholasville in the amount of \$4,500 for various repairs to the 2021 Tacoma and AY Landscaping was paid \$3,090 for completing two bores and service line replacements on Paradise Camp Road. Director Hughes moved to approve the invoices as presented. Vice President Carey seconded the motion. Motion carried.

Sanford presented the Financial Report for September, providing details of the monthly income and expenses, stating that the finances continue to look good. Sanford reported that

water sales were \$196,163.05. Sanford reported a Gross Profit for the month in the amount of \$149,450.70, with a monthly Net Income of \$69,009.51. Sanford noted that Water Sales for the year exceed the budget by \$77,778.43, NTC sales are under budget by \$4,484.68, Water Purchased is over budget by \$6,426.90 and the YTD Total Expense is under budget by \$46,370.73. Lastly, Sanford stated that the YTD Net Income is \$92,581.37.

Sanford reported that the Association purchased 22,348,908 gallons during the last reading period and sold 17,689,900 gallons. Sanford stated that the Non-Revenue Water volume for the month was 18.5%. Sanford went on to note that after accounting for the leak volume, the Association can account for all but 12% of the water purchased. Sanford stated that 2 main line repairs that accounted for most of the water loss and 4 service line repairs were made during the period. Sanford went on to note that the water mains were heavily flushed on A.T. Dean Road and Coghill Lane to obtain samples for the new extensions, and both contributed to the water loss. Sanford reported that the YTD water loss percentage is 9.2%.

President Boyd provided an update on the health insurance matter, stating that the United Healthcare premium was more than double the current Anthem premium and that we need to take care of the employees that cannot afford prescriptions. President Boyd recommended paying up to deductible, if necessary, until changes can be made at renewal. Director Hager suggested looking into IRS regulation to see if there is a limit that the Association can directly contribute to healthcare costs for the staff. Director Hager recommended contacting the CPA about the limits. Sanford stated that he will contact Kerbaugh, Rodes and Butler about the matter.

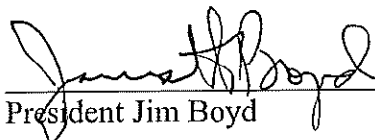
Sanford reported that the staff are ready to go on the Ison Lane Standpipe Project and that we are waiting for Currens Construction to schedule the work.

Sanford stated that the Cost of Service Study is nearing completion and the report should be ready for the November board meeting.

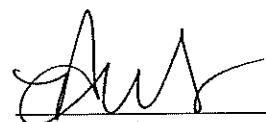
Sanford noted that Veterans Day is November 11th and the office is closed. Sanford questioned whether the regular monthly meeting should be rescheduled to another day. All agreed that a Zoom meeting on November 13th at 12:00 pm would be good.

President Boyd suggested buying each staff member a coffee cup with the utility logo. Sanford stated that he will look around and see what options there are and proceed with the order.

Director Hager moved to adjourn the meeting. President Boyd 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 9th day of September 2025 at the Association office located at 801 Pleasant Hill Drive.

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

Director Hager moved to approve the minutes of the August 12, 2025 meeting. Director Hughes seconded the motion. Motion carried.

Director Hughes moved to approve the invoices as presented. Vice President Carey seconded the motion. Motion carried.

Sanford presented the Financial Report for August, providing details of the monthly income and expenses, stating that the finances continue to look good. Sanford reported that water sales were \$194,242.57. Sanford reported a Gross Profit for the month in the amount of \$151,808.32, with a monthly Net Income of \$63,857.47. Sanford noted that Water Sales for the year exceed the budget by \$34,517.35, NTC sales are under budget by \$5,303.32, Water Purchased is under budget by \$5,560.08, YTD Total Expense is under budget by \$47,004.04. Lastly, Sanford stated that the YTD Net Income is \$82,371.75.

Sanford reported that the Association purchased 19,980,146 gallons during the last reading period and sold 17,853,400 gallons. Sanford stated that the Non-Revenue Water volume for the month was 9.6%. Sanford went on to note that after accounting for the leak volume, the Association can account for all but 3% of the water purchased. Sanford stated that 2 main line and 6 service line repairs were made during the period. Sanford reported that the YTD water loss percentage is 7.82%.

Sanford provided the following project updates: Ison Lane Standpipe Rehabilitation Project- the Public Service Commission issued an Order approving the project and use of the Cleaner Water Program grant to fund the project; A.T. Dean Road Water Main Extension- Sanford reported that the Lexington Road bore is complete and that the main is currently being pressure tested. Coghill Lane Water Main Extension- Sanford stated that the project is complete and the water main has been placed into service. Cost of Service Study- Sanford reported that the study is near completion and a draft should be available for review soon.

Sanford presented an invoice from Staton Brothers Construction in the amount of \$22,610 for approval. The invoice is for the Lexington Road bore at A.T. Dean Road. Vice President Carey moved to approve the invoice as presented. Secretary/Treasurer Gross seconded the motion. Motion carried.

Sanford presented an amendment to the Management Agreement with the Mercer County Sanitation District that will increase the annual fee from \$45,000 to \$60,000 to be paid monthly.

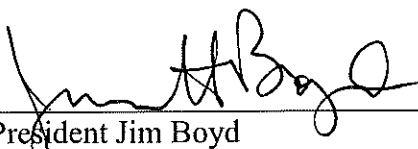
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Sanford went on to note that the District budgeted for and approved the increase. Sanford stated that the agreement is renewed every five years. Secretary/Treasurer Gross questioned Sanford on how he arrived at the \$15,000 increase. Sanford stated that the increase was allocated to offset an additional employee to provide services to the District, possibly an Assistant Director. Sanford stated that the District is growing, and the needs are changing and will continue to change over the next few years. Director Hager questioned whether the fee can be changed at any time or only at renewal. Sanford stated that the language allows for negotiations and amendments at any time. Director Hager questioned whether the District would be agreeable to a three year renewal period instead of a five year period to allow for the fee to be looked at more frequently. All agree that the shorter term is more appropriate due to the District's change in operations. Director Hager moved to authorize President Boyd to execute the Agreement with the revisions noted. Vice President Carey seconded the motion. Motion carried.

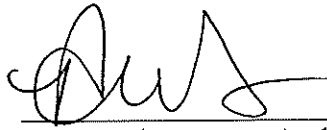
Sanford presented the Waterworth Utility Rate Management Software for review. Sanford stated that he has been working with Adam Bracken to review the software and whether it is a good fit for the Association. Sanford stated that software will assist the Association with revenue and expense forecast, capital planning, and debt management. The proposal includes the initial set up of the software platform and continuous support for one year for a total cost of \$5,000. Sanford stated that the software would be useful for any utility to continually assess the rates and where they will be in the future. Sanford stated that trying the software for one year to determine how useful it is would be ideal. Sanford went on to note that Mt. Sterling is the closest client to the Association. Sanford stated that he will contact Mt. Sterling for feedback on the software. Director Hager questioned whether there will be data from previous years included in the initial start up to show trends over the past few years. Sanford suggested having Bracken do a demo at the October meeting to give everyone the opportunity to ask questions.

Sanford stated that he has been invited to attend the National Association of Developmental Organizations Annual Meeting in Salt Lake City, Utah on October 13-14. Sanford stated that he will be representing the Bluegrass Area Development District and that the ADD will cover all expenses for the conference. Sanford stated that the October board meeting is during the conference and requested that the meeting date be moved. All agreed to change the meeting date to October 21st at 11:30 am.

Vice President Carey 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 August 2025 at the Association office located at 801 Pleasant Hill Drive.

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

Vice President Carey moved to approve the minutes of the July 8, 2025 meeting. Secretary/Treasurer Gross 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 July, providing details of the monthly income and expenses, stating that the finances continue to look great. Sanford reported that water sales were \$185,345.51. Sanford reported a Gross Profit for the month in the amount of \$143,635.64, with a Net Income of -\$51,378.37 due to the July 1st debt service payments posting at RWFA. Sanford noted that Water Sales for the year exceed the budget by \$18,561.11, NTC sales are under budget by \$9,506.32, Water Purchased is under budget by \$12,529.79, YTD Total Expense is under budget by \$23,558.72. Lastly, Sanford stated that the YTD Net Income is \$60,183.32.

Sanford reported that the Association purchased 16,997,185 gallons during the last reading period and sold 16,518,000 gallons. Sanford stated that the Non-Revenue Water volume for the month was 2.1%. Sanford went on to note that after accounting for the leak volume, the Association can account for all the water purchased. Sanford stated that 1 main line and 3 service line repairs were made during the period. Sanford reported that the YTD water loss percentage is 7.28%.

Sanford reported that Mercer County Emergency Management held a meeting with the water providers to discuss the use of Hyper Reach for emergency and public notifications. Sanford stated that he will be working staff to promote signing up for the service. Sanford went on to note that there is no charge to the Association for the service.

President Boyd provided an update on the health insurance matter, stating that the policy has not been changed yet and that there did not appear to be a policy that Anthem would allow the Association to change to. President Boyd went on to state that he did not get response from the Med-Gap carrier and will continue to try and get information on the coverage. Sanford questioned whether to continue to try and push for a change. Secretary/Treasurer Gross questioned whether the HMO option was looked at. President Boyd stated that Agent Link stated that there was not an HMO to change to. Sanford stated that he has one employee that has stopped taking medication due to the cost. Director Hughes stated that the Association will not allow its employees to go without needed medications and that the Association saved money

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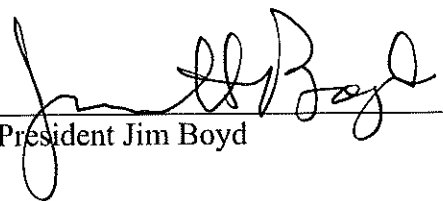
with the change and should try and cover the cost until a solution can be found. President Boyd suggested contacting Humana and United Healthcare for quotes. All agreed that the new policy should be in place before notice is given to Anthem. Director Hager moved to cover expenses for employees that have medication that is not covered under the Anthem policy on a month to month basis with a purchase receipt. Vice President Carey seconded the motion. Motion carried.

Sanford provided the following project updates: Sanford stated the PSC issued a Data Request for the Ison Lane Standpipe Rehabilitation Project and that the response was prepared and submitted to the Commission. Sanford stated that he is watching daily for approval to proceed with the project. Sanford stated that the water main has been installed along A.T. Dean Road and that the bore and wet tap on Lexington Road will be completed soon. Sanford stated that water main extension along Coghill Lane is near completion and that approximately 200 feet of main is remaining. Sanford stated that he is hopeful that the water main will be filled and flushed on Wednesday. Lastly, Sanford stated that the Cost of Service Study is underway, and all the information requested has been sent to Sam Reid.


Sanford stated that the meter reading system has been upgraded and that Whitenack will read for the first time on the new system on Wednesday. Sanford and Whitenack stated that they are hopeful that meter reading will be completed within 6-8 hours.

Sanford stated that the Association will pay off the 2023 Toyota Tacoma in September and that he would like to purchase another truck to add to the fleet. Sanford stated that pricing is similar to what was paid for the 2023 model. Sanford stated that he will look around for options and present them to the board for consideration. Director Hager suggested emailing the board if a truck is found. Vice President Carey moved to authorize Sanford to purchase a truck with approval from the board. Secretary/Treasurer Gross seconded the motion. Motion carried.

Vice President Carey 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 7th day of July 2025 at the Association office located at 801 Pleasant Hill Drive.

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

Director Hughes moved to approve the minutes of the June 10, 2025 meeting. Vice President Carey 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 June, providing details of the monthly income and expenses, stating that the finances continue to look great. Sanford reported that water sales were \$163,066.12. Sanford reported a Gross Profit for the month in the amount of \$142,657.95, with a Net Income of \$68,231.90. Sanford noted that Water Sales exceed the YTD budget by \$7,470.21, NTC sales are under budget by \$9,677.60, Water Purchased is under budget by \$18,595.87. YTD Total Expense is under budget by \$41,448.03. Lastly, Sanford stated that the YTD Net Income is \$65,651.05.

Sanford reported that the Association purchased 14,727,513 gallons during the last reading period and sold 14,136,300 gallons. Sanford stated that the Non-Revenue Water volume for the month was 3.4%. Sanford went on to note that after accounting for the leak volume, the Association can account for all the water except 1%. Sanford stated that 3 service line repairs were made during the period. Sanford reported that the YTD water loss percentage is 8.25%.

Sanford presented the 2024 Financial Audit for review. Sanford noted that the 2024 report looks similar to the 2023 report and that both years look very good. Sanford did state that the expenses did increase from 2023 to 2024, along with revenue, but the Net Income and available cash decreased from 2023 to 2024. Director Hughes noted that a regular increase in expenses will prompt the board to look at the rates to maintain the cash available for unforeseen expenses. Sanford stated that he felt that the audit supported the need for the rate study being prepared. Sanford went on to note that the Association has projected in previous conversations that an Alternate Rate Filing application would likely be necessary in 2026.

President Boyd provided an update on the health insurance matter, stating that Anthem responded that the policy could only be changed to a policy that provided less benefits at a lower monthly premium. President Boyd stated that Sanford has selected a couple of policies to see if the change can be made. Secretary/Treasurer Gross questioned whether a supplemental plan could be added that would offset the cost of prescriptions. Sanford stated that he agrees and questioned whether anyone on the board had an HMO policy. Secretary/Treasurer Gross and

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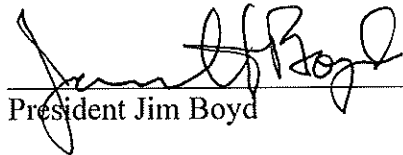
Director Hughes both have had an HMO policy, and the coverage was good. Sanford stated that he and President Boyd will continue working on a solution with Anthem.

Sanford provided the following project updates: Sanford stated that the amended Ison Lane Standpipe Rehabilitation Project application has been submitted to the PSC and no Deficiency Letter has been received. Sanford went on to note that the water main extension along A.T. Dean Road was about to start and that the work will be completed by Casey Watts. Sanford also reported that the water main extension along Coghill Lane will be underway soon and that the property owner has a bid from Shouse Construction and that the contractor is known by Monty Rhody, the design engineer for the property owner. Lastly, Sanford reported that the Rate Study is underway and that items are being prepared and sent to Sam Reid and Bob Miller.

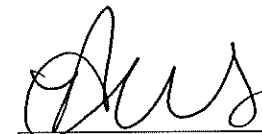
President Boyd questioned the status of the Wilkinson Farm Industrial Park project. Sanford stated that progress is being made but that he had not attended meetings in a while. Sanford stated that he is available if the city or county need assistance, but he has stepped back on his involvement.

Director Hughes questioned whether the proposed Herrington Lake Force Main Project would include Normans Camp Road and Beams Drive. Director Hughes stated property owners are talking about the project, and some are assuming that it is. Sanford stated that the phase that is currently funded does not include Normans Camp, but the District will eventually get there. Sanford stated that the current phase travels east from the City of Burgin and provides service to the Chimney Rock, Ashley Camp and Herrington Woods areas.

Vice President Carey 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 at 12:00 p.m. on the 10th day of June 2025 at the Association office located at 801 Pleasant Hill Drive.

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

Director Hager moved to approve the minutes of the May 20, 2025 meeting. 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 noted that the invoices from AY Landscaping and Construction are for 6 asphalt repairs throughout the distribution system and 2 road bores.

Sanford presented the Financial Report for May, providing details of the monthly income and expenses, stating that the finances continue to look great. Sanford reported that water sales were \$154,858.79. Sanford reported a Gross Profit for the month in the amount of \$114,691.18, with a Net Income of -\$33,159.66. Sanford noted that the loss for the month is due to the annual Rural Development payment in the amount of \$81,504 being paid and the loss for the month is expected. Sanford noted that Water Sales exceed the YTD budget by \$13,565.10, NTC sales are under budget by \$5,755.28, Water Purchased is under budget by \$4,700.83. YTD Total Expense is under budget by \$39,391.23. Lastly, Sanford stated that the YTD Net Income is \$60,394.61.

Sanford reported that the Association purchased 14,227,094 gallons during the last reading period and sold 13,589,600 gallons. Sanford stated that the Non-Revenue Water volume for the month was 3.1%. Sanford went on to note that after accounting for the leak volume, the Association can account for all the water except 1%. Sanford stated that 1 main line and 3 service line repairs were made during the period. Sanford reviewed the percentages from previous months, stating that the non-revenue water loss for March was 17.4% and 6.83% for April. Lastly, Sanford reported that the YTD non-revenue water loss percentage is 9.1%.

Sanford provided an update on the Ison Lane Standpipe Rehabilitation Project, stating that the Public Service Commission contacted Tucker to inform him that a deficiency notice would be issued because the application needs a Declaratory Order, not a CPCN order. Sanford stated that he and Tucker are working on the application and will get it resubmitted within the time frame ordered by the PSC.

Sanford stated that Jason Tyler with Whitaker Bank contacted him about presenting a banking proposal to the Association. Sanford stated that he met with Tyler and explained that the Association currently has accounts at Farmers National Bank and that we are pleased with the services being provided but would present the opportunity to the Board for consideration. All agreed that Farmers National Bank is doing a great job meeting the Association's needs and

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appreciates Whitaker Bank's interest in doing business, but no changes will be made to the accounts at this time. Sanford stated that he will contact Tyler and pass along the comments.

Sanford stated that the 2024 financial audit is complete and looks very good. Sanford went on to note that the audit looks similar to the 2023 report. Sanford stated that the report will be reviewed at the July board meeting.

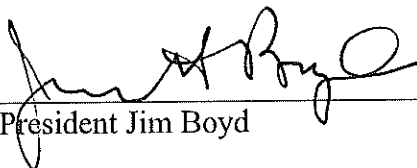
Director Hughes stated that he and Sanford spoke last month after the meeting about the Association's metering and the issue with Sensus and Citco phasing out the iPerl meters and replacing them with the iPerl+. Sanford stated that he and staff met with the manager of Citco and discussed the issue and that a solution is being proposed to accommodate the iPerl and iPerl+ metering systems. Sanford stated that an upgrade to the meter reading device is the first step to converting the system to the new software. Sanford stated that he will hopefully have more information in the coming weeks.

Sanford stated that staff have ran into issues with the new Anthem health insurance policy, specifically coverage when filling prescriptions. Sanford stated that the new plan does not provide coverage for prescriptions that staff have been filling for years. All agreed that having a plan that provides good coverage is important. Sanford stated that he and President Boyd will contact Anthem to see what the issue is and what options are available to resolve the issue. Sanford stated that he will contact the Board if a special-called meeting is necessary for decisions related to the policy.

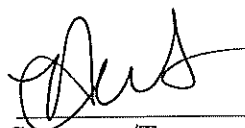
Dienst questioned the status of the Contract 15 Distribution System Improvement Project. Sanford stated that he had spoken to Rural Development and that the PER will be provided to start the application process. Sanford went on to note that the Cost of Service Study is about to begin and will help the Board decide how large the project will be based on the findings of the study and what the rate adjustment might look like.

Director Hughes noted that the Association requested that the storage building be moved on Burgin Road in October 2023 and the building still has not been moved. Director Hughes questioned whether Tucker should prepare a letter and give them 30 days to move it. Sanford agreed to contact the property owner again on the matter. Sanford stated that if there is a leak under the building, staff will move the building to repair the leak.

Director Hughes 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 20th day of May 2025 via Zoom.

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

Director Hughes moved to approve the minutes of the April 8, 2025 meeting. 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 noted that the Consolidated Pipe expenses were reimbursed by the Water Loss Surcharge funds.

Sanford presented the Financial Report for April, providing details of the monthly income and expenses, stating that the finances continue to look good going into the second quarter. Sanford reported that water sales were \$158,997.18. Sanford reported a Gross Profit for the month in the amount of \$125,476.98, with a Net Income of \$53,434.01. Sanford noted that Water Sales exceed the YTD budget by \$27,667, NTC sales are under budget by \$2,630.34, Water Purchased is under budget by \$6,921.31, YTD Total Expense is under by \$15,454.64. Lastly, Sanford stated that the YTD Net Income is \$45,821.96 ahead of the YTD budget.

Sanford reported that the Association purchased 15,988,566 gallons during the last reading period and sold 14,473,000 gallons. Sanford stated that the Non-Revenue Water volume for the month was 7%. Sanford went on to note that after accounting for the leak volume, the Association can account for all the water except 3%. Sanford stated that 2 main line and 2 service line repairs were made during the period. Director Hughes commented that he called a leak in on Normans Camp Road and that the repair took 11 days to be made. Sanford stated that he will check on why the repair took so long and that staff typically get to leaks immediately when reported or as soon as possible.

Sanford stated that the Association received the health insurance renewal from Anthem and the renewal includes a 30% increase in the premium. Sanford stated that he had spoken to President Boyd about the increase and according to Agent Link, premiums increased across all carriers. Sanford stated that the increase is approximately \$1,100 per month to renew the current policy. Sanford noted that the policy came with several pages of options for the renewal to control the costs. Sanford noted that the Association pays 100% of the premium for health insurance. Director Hager suggested sharing the increase with the staff members if they are willing to pay to keep the same policy. Director Hager stated that it is important for the staff to have good health insurance coverage. Sanford stated that there is a policy that increases the Out of Pocket and copays slightly and offers different hospital stay coverage and will increase the premium slightly from the current plan. Vice President Carey suggested discussing the plan with

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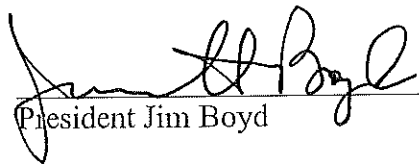
President Boyd and making the change if the plan is a good fit for the Association. Director Hager moved to authorize the renewal of the Anthem policy. Director Hughes seconded the motion. Motion carried.

Sanford stated that he reached out to Judge Executive Steele about the emergency notification system that Mercer County uses and learned that the Association can use the existing system. Sanford stated that the system is called Hyper Reach Mass Notification System and is designed to have multiple agencies within the county operate under the same program. Sanford stated that Judge Steele is arranging a meeting with the appropriate county officials to discuss the Association's use of the system.

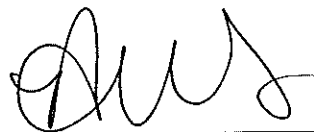
Sanford stated that Steve Keisler contacted him via email requesting information on the Gwinn Island Marina account. Sanford stated that he informed Mr. Keisler that all communication must go through Tucker on any matter related to the Gwinn Island Marina service line.

Sanford reported that the PSC application for the Ison Lane Standpipe Rehabilitation Project is ready to upload to the Commission once it has been signed by President Boyd. Vice President Carey thanked Sanford for his work on the application.

Secretary/Treasurer Gross 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 at 12:00 p.m. on the 8th day of April 2025 at the Association office.

Vice President Kenny Carey called the meeting to order. Present is Secretary/Treasurer Andrea Gross, Director Jeff Hughes via Zoom, Attorney Chris Tucker, Rita Monson, and Mike Sanford.

Director Hughes moved to approve the minutes of the March 11, 2025 meeting. Secretary/Treasurer Gross seconded the motion. Motion carried.

Vice President Carey presented the monthly invoices for consideration. Director Hughes inquired about the Harris invoices. Sanford stated that one of the invoices was for the annual support fee and the other invoice is for paper bills for the monthly water bills and reminders. Director Hughes questioned the Citco invoice for \$4,823.00. Sanford stated that the invoice is also for annual support and that he is currently holding the payment to determine whether the support is necessary. Sanford went on to note that he and staff are unsure if Citco will be able to provide ample support for the meters and meter reading equipment. Sanford stated that the Ay Landscaping and Construction invoice is for the main relocation at the Dollar Store located on Chimney Rock Road. Sanford went on to note that the Dollar Store reimbursed the invoice once the project was completed. Secretary/Treasurer Gross moved to approve the invoices as presented. Director Hughes seconded the motion. Motion carried.

Sanford presented the Financial Report for March, providing details of the monthly income and expenses, stating that the finances continue to look good. Sanford reported that water sales were \$143,889.01. Sanford reported a Gross Profit for the month in the amount of \$156,695.02, with a Net Income of \$76,616.62. Sanford noted that the Gross Profit and Net Income includes the reimbursement for the Dollar Store project in the amount of \$51,912.60. Sanford went on to state that the tap fees received are for new construction in The Hunt Farm development. Lastly, for the Income portion of the report, Sanford stated that he and Monson are still working on posting the 911 collection fee. Sanford reported that water costs were over budget by \$4,697.86, salaries are approximately \$4,000 under budget, Miscellaneous General Expense was over budget due to the Citco invoice and Office Supplies was over budget due to the Harris invoices. Lastly, Sanford reported that the financial performance is very good ending the first quarter and the Association is approximately \$40,000 ahead of the YTD budget.

Sanford reported that the Association purchased 15,312,524 gallons during the last reading period and sold 12,397,800 gallons. Sanford stated that the Non-Revenue Water volume for the month was 18%. Sanford went on to note that after accounting for the leak volume, the Association can account for all the water except 10%. Sanford stated that 8 service line repairs were made during the period.

Sanford provided an update on the recent water emergency because of the flooding, stating that the City of Harrodsburg nearly ran out of water due to the plant being offline because of the Kentucky River water level. Sanford stated that he was present at the Emergency

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Operations Center for daily meetings throughout the emergency and that all the Association's water was being supplied from the City of Danville. Sanford went on to state that he worked with the City of Danville to supply water through the Lake Village distribution system to the City of Harrodsburg, but the river receded, and the plan was not implemented. Sanford stated that meetings will be held in the coming months to discuss the emergency response and assess factors that can be improved and document actions that were successful. Sanford noted that communication to the public has the greatest room for improvement and that it was difficult with all the utilities communicating different information to their customers. Secretary/Treasurer Gross suggested looking into a One Call system. Sanford stated that he will contact the schools to see what type of system they have in place. Director Hughes suggested doing an assessment of the overall incident to determine where improvements can be made. Sanford agreed and will communicate with the staff to complete the assessment.

Sanford stated that he is working with Brandon Doyle at Rural Development on the Contract 15 project and that the process has changed due to a reduction in staffing and funds availability. Sanford stated that all projects are being reviewed by the national office and will be slower than previous projects.

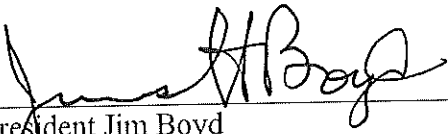
Sanford presented an email from Steve Keisler, 1143 Gwinn Island Road, demanding reimbursement for the expense that he incurred repairing Gwinn Island Marina's service line that is located on his property. Sanford stated that he and Tucker met on site with Keisler, his wife, Kevin Cooley, and Wanda Dry, Cooley's attorney, to discuss relocation of the water line to the utility easement or right-of-way. Sanford stated that Hensley Construction provided Cooley with a bid in the amount of \$8,100 to move the line to the utility easement. Sanford went on to note that Cooley has contacted Vantage Engineering to prepare the design plans and DOW construction application. Sanford stated that Cooley requested that the Association contact the Boyle County Road Department about encroaching upon the right-of way if necessary. All agreed that the expense for the water line repair and water line relocation is Cooley's responsibility and that Cooley should reimburse Keisler for the repair costs because the repair is beyond the meter and the Association does not own or maintain infrastructure beyond the meter anywhere in the distribution system. Director Hughes suggested sending the Water User Agreement and PSC tariff to Cooley and Keisler to state who is responsible for what maintenance. Tucker stated that Cooley must pay to relocate the water line. Tucker questioned whether the Association has the authority to turn off the water if the line is not moved. Director Hughes questioned whether the Association could give Cooley a deadline to have the water line relocated or at least have the process started. Sanford stated that if the bill is current and Cooley is abiding by the service requirements, the Association cannot just turn off the water. Vice President Carey requested that all communication regarding the water line go through Tucker from this point forward. Director Hughes agreed. Secretary/Treasurer Gross agreed. Tucker agreed to prepare a notice to be sent to Cooley and Keisler stating the Association's position on the matter.

Sanford reported that the Mercer County Sanitation District received \$11.3 million in funding for the Herrington Lake Force Main Project and that implementation of the project is

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likely to require additional staffing in some form. Director Hughes questioned whether the District could afford to pay half of the salary of an assistant for Sanford. Sanford stated that he is currently looking at the options and will provide details as soon as possible.

Secretary/Treasurer Gross 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 at 12:00 p.m. on the 11th day of March 2025 via Zoom webinar.

President Jim Boyd called the meeting to order. Present are Vice President Kenny Carey, Secretary/Treasurer Andrea Gross, Director Jeff Hughes, Director Thomas Hager, Attorney Chris Tucker, Liz Dienst, Rita Monson, and Mike Sanford. Sanford introduced a guest, Kevin Cooley from Gwinn Island Marina.

Director Hughes moved to approve the minutes of the February 11, 2025 meeting. Director Hager seconded the motion. Motion carried.

Vice President Carey moved to approve the invoices as presented. Sanford stated that the AY Landscaping and Construction invoice was for a bore to repair a service line leak. Sanford went on to note that the Turf Pro invoice was for scraping the parking lot over the past month. Secretary/Treasurer Gross seconded the motion. Motion carried.

Sanford presented the Financial Report for February, providing details of the monthly income and expenses, stating that the finances continue to look good. Sanford reported that water sales were \$153,722.66. Sanford reported a Gross Profit for the month in the amount of \$104,889.47, with a Net Income of \$40,856.08. Sanford reported that water costs were over budget by \$3,839.67. Sanford went on to state that YTD Water Sales are ahead of the budget by \$19,696.63, Northpoint is ahead of the budget by \$1,618.20, Water Costs are under budget by \$6,776.39, leading to a Gross Profit that is currently \$27,636.20 ahead of the budget thus far in the year. Lastly, Sanford noted that expenses are under budget by \$4,568.35, resulting in a Net Income of -\$33,559.75, which Sanford noted is \$32,102.85 ahead of the YTD Net Income.

Sanford introduced Mr. Cooley to the board stating that Mr. Cooley had previously been before the board to request assistance with relocating his service line for Gwinn Island Marina. Sanford stated that Mr. Cooley filed a complaint with the Public Service Commission because the Association has not relocated his service line. Mr. Cooley stated that he, nor the Association have an easement on the Kiesler property. Secretary/Treasurer Gross questioned whether the line could be relocated when the sewer project is constructed. Sanford stated that it could be, but it is separate. Sanford stated that he will respond to the complaint and provide the Public Service Commission with all the details pertaining to the matter. Director Hager moved to wait and hear from the Public Service Commission before discussing the matter further. Secretary/Treasurer Gross seconded the motion. Motion carried. Sanford stated that he will inform the board via email or call a special meeting once comments from the Public Service Commission are received.

Sanford reported that the Association purchased 16,098,383 gallons during the last reading period and sold 14,664,500 gallons. Sanford stated that the Non-Revenue Water volume for the month was 14.2%. Sanford went on to note that after accounting for the leak volume, the Association can account for all the water except 8%. Sanford stated that 3 service line repairs and one main repair was made during the period.

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Sanford reported that he had a conversation with the North Mercer Water District concerning posting the 911 collection fee. Sanford stated the District calculates the 3% fee and deducts it from check, then posts under a separate income line item. Sanford recommended posting the collection fee the same way. President Boyd moved to proceed using the same procedure as the District. Director Hughes seconded the motion. Motion carried.

Sanford presented the SEP contribution options for consideration that ranged from 4% to 10% of the staff wages for 2024. Director Hughes questioned whether the staff made decisions regarding their contribution. Sanford stated that the board sets the percentage, and the funds are deposited into individual accounts. Sanford went on to note that a 9% contribution would be the amount that was budgeted for the SEP contributions. Director Hager recommended a 9% or 10% contribution based on good performance and a good year financially. Director Hughes suggested going forward to have an incentive. Director Hager suggested discussing the contribution rate in the fall so that staff will know what to expect. Director Hager moved to contribute 10% to the staff accounts. Secretary/Treasurer Gross seconded the motion. Motion carried.

Sanford presented a request from Jason Phillips, 779 Ashley Camp Road for a leak adjustment. Sanford stated that Monson did the leak adjustment on the \$8,800 water bill and that the bill was cut in half to approximately \$4,400 after the adjustment. Sanford stated that Mr. Phillips called and requested more help, stating that he does not live there, and the leak was fixed immediately after they were notified. Sanford stated that if a further adjustment is made, the Association must recover the cost of the water which is \$2,220. Director Hughes stated that he is good with adjusting the bill to only the water costs on one occasion. Secretary/Treasurer Gross recommended a policy that is case by case so that the Association can look back at how instances such as this were handled. Director Hager moved to charge for the only the water costs. Secretary/Treasurer Gross seconded the motion. Motion carried.

Sanford stated that the Ison Lane Standpipe Rehabilitation Project bid opening has occurred, and one bid was submitted for consideration. The bid, in the amount of \$78,820, was presented by Currens Construction Services, LLC. Sanford noted that a Cleaner Water Program grant in the amount of \$72,589 will cover most of the project and the Association will pay the balance on the project. Vice President Carey moved to award the contract to Currens Construction Services, LLC. Director Hughes seconded the motion. Motion carried.

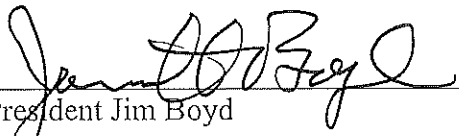
Sanford stated that he contacted Rural Development regarding the current interest rate to finance the Contract 15 Distribution System Improvement Project. Sanford reported that the current rate is 4.125%. Sanford presented project size options ranging from \$1,600,000 to the full \$4,600,000 project and the debt service obligation based on the current RD rate. Sanford presented a proposal from the Kentucky Rural Water Association to perform a Cost of Service Study for the retail and wholesale rates. Sanford stated that Bob Miller will perform the study at a cost not to exceed \$13,480. Sanford went on to note that the proposal includes the Cost of Service study, as well as preparation and submittal of the Alternate Rate Filing application to the Public Service Commission. Secretary/Treasurer Gross questioned whether the study would look at the rate being charged to Northpoint Training Center. Sanford stated that the study will

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include an analysis of the rate being charged to Northpoint Training Center. President Boyd stated that the Cost of Service study is needed now but is unsure about the timing of the ARF application. Sanford recommended requesting that the proposal split into two proposals, one for the study and second for the ARF application. Sanford stated that due to not yet knowing the timing and size of the Contract 15 project and the findings of the Cost of Service study, the amount of the RD loan application is hard to determine. Dienst recommended contacting RD and explaining the situation to gain advice on how to proceed. Director Hager moved to authorize Sanford to proceed with the Cost of Service study and to begin the RD application process. Director Hughes seconded the motion. Motion carried.

Sanford stated that the Mercer County Sanitation District will have a Strand engineer assisting him on the Gwinn Island Sanitary Sewer Project very soon. Sanford stated that the Strand will provide the staff member to assist with easements and will be working out of the Lake Village WA office three days per week. Sanford stated that having the help will give an idea to what an assistant sharing some of the workload would be like.

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 11th day of February 2025 via Zoom webinar.

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

Director Hager moved to approve the minutes of the January 14, 2025 meeting. Vice President Carey seconded the motion. Motion carried.

Sanford reported that no nominations were received from the Association membership for the Board of Directors election. Sanford congratulated Vice President Carey, Secretary/Treasurer Gross, and Director Hughes on their upcoming reappointment.

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

Sanford presented the Financial Report for January, providing details of the monthly income and expenses, stating that the finances look good to start the year. Sanford reported that water sales were \$161,758.87. Sanford reported a Gross Profit for the month in the amount of \$131,880.70, with a Net Income of -\$72,824.35. Sanford noted that the loss was due to the January 1st debt service payments that were made. Sanford reported that water costs were under budget for the month. Lastly, Sanford reported that the 2021 Toyota Tacoma needs to have the engine replaced and that the staff have located an engine with 20,000 miles for \$2,650, with a 30 day warranty. Sanford noted that Toyota priced the engine at \$7,700 for only the block of the engine and that other components of the engine system would have to be installed on the new engine. Sanford stated that Thacker's Garage is performing the repair and should have the truck ready soon.

Sanford reported that the Association purchased 15,445,078 gallons during the last reading period and sold 14,664,500 gallons. Sanford stated that the Non-Revenue Water volume for the month was 4%. Sanford went on to note that after accounting for the leak volume, the Association can account for all the water that was purchased. Sanford stated that 5 service line repairs and one main repair was made during the period. Lastly, Sanford noted that the percentage was 20% lower than the same period in 2024.

Sanford reported that he had a conversation with Judge Executive Steele concerning invoicing the Mercer County Fiscal Court directly for the 911 collection fee. Sanford stated that the Fiscal Court cannot be invoiced and make payment to the Association because the 911 fee does not pass through the Fiscal Court and is paid directly to Bluegrass 911. Director Hughes asked how North Mercer Water District handles posting the collection fee. Sanford stated that he will contact the Water District to find out the process on their end. Vice President Carey moved to implement the same process as North Mercer Water District for posting the fee. Director Hughes seconded the motion. Motion carried.

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Sanford stated that the Ison Lane Standpipe Rehabilitation Project has been advertised and the deadline to submit bids for the project is February 26th at 3:00 pm.

Sanford presented the Annual Debt Service Forecast for various interest rates if the Contract 15 project is financed through Rural Development or with the Kentucky Infrastructure Authority. Sanford presented interest rates with annual debt service payments for 3-6% interest rates for 40 years with Rural Development and 2.75% for 20 years with the Kentucky Infrastructure Authority. All agreed that the lower interest rate financed through Rural Development has the least impact to the Association customers. Along with the interest rates and terms, Sanford forecasted the annual debt service payment for various loan amounts ranging from \$1,614,589 to the full project cost of \$4,614,589. Sanford stated that the project scope will be driven by how much of a rate increase the board chooses to implement and when the rate takes effect. Sanford went on to note that the minimum impact to the Association customers would be \$2.45 per customer, per month for a 3% interest rate at Rural Development on a \$1,614,589 project and the maximum impact would be to complete the full \$4,614,589 project at an interest rate on 6% with Rural Development financing. Sanford stated that the information found online concerning the current interest rate at Rural Development is out of date and he will contact Rural Development directly to find out the current rate. Lastly, Sanford noted that the project is ranked in the current Intended Use Plan at the Kentucky Infrastructure Authority. Secretary/Treasurer Gross questioned how the rate to Northpoint impacts the affordability of the project.

Sanford presented an analysis of the rate currently charged to Northpoint Training Center reporting that NTC purchased 56,135,000 gallons in 2024 and were charged \$267,202.60 for the water based on the wholesale rate of \$4.76 per 1,000 gallons. Sanford went on to note that the water cost from the City of Danville was \$135,285.35 and the debt service for the tank is \$28,044 annually. Sanford stated that he also included \$2,000 for the tank inspection that occurs every 3-5 years, for a total cost of \$163,329.35 annually to provide service to the property, resulting in an annual profit \$101,873.25. Sanford noted that all water provided to the property comes from the City of Danville. Sanford noted that the current wholesale rate has been adjusted by all Purchase Water Adjustments, the Alternate Rate Filing adjustment and all Rural Development rate increases that have impacted water rates. Sanford stated that when compared to the second highest water user, Kentucky Utilities, the rate seems disproportional. Sanford stated that Kentucky Utilities purchased 1,455,000 gallons at a cost of \$14,077.61, compared to 5,419,000 gallons at a cost of \$25,794.44 at the Northpoint Training Center. Vice President Carey stated that another meeting may be needed to discuss the rate and project. Secretary/Treasurer Gross stated that any amount of increase to the wholesale rate would offset the cost of the impact of the project on the residential and commercial customers. Director Hager recommended scheduling a meeting with Northpoint once all the information has been gathered. Sanford suggested looking at a Cost of Service Study to determine whether the rates being charged are appropriate. Sanford stated that no Cost of Service Study has been performed since he has been with the Association. All agreed that getting a proposal and cost estimate for a study is a needed. Sanford stated that he will have options for consideration at the March

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meeting. All agreed to table the discussion on Contract 15 until more information is obtained on rates.

Sanford presented a request for the board to look at the current holiday schedule for the Association. Sanford stated that the Association has veteran staff members and board members and does not recognize Veteran's Day in the holiday schedule. Sanford reported that the state calendar includes 4 holidays that the Association does not observe. President Boyd questioned how many days the Association observes. Sanford stated that the Association observes 10 holidays, including one day for the staff member's birthday. Director Hughes stated that he is good with the state holiday schedule, except for Juneteenth. Director Hager noted that Juneteenth is a federally observed holiday and that the banking sector observes all federal holidays. Secretary/Treasurer Gross agrees with all federal holidays. Vice President Carey suggested adding Good Friday and Veteran's Day to the holiday schedule. Secretary/Treasurer Gross recommended adding Sanford's original request for Veteran's Day. Vice President Carey moved to add Veteran's Day to the Association holiday schedule. Director Hager seconded the motion. Motion carried.

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 14th day of January 2025 via Zoom webinar.

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

Director Hughes moved to approve the minutes of the December 10, 2024 meeting. Secretary/Treasurer Gross seconded the motion. Motion carried.

Director Hughes inquired about the Strand invoices from the previous month. Sanford stated that the invoices are for Contract 15 design and the Shakertown Standpipe hydraulic analysis. Sanford noted that lab fees are also posted to Engineering Fees in the Profit and Loss report. Director Hughes moved to approve the invoices as presented. Vice President Carey seconded the motion. Motion carried.

Sanford presented the Financial Report for December, providing details of the monthly income and expenses, stating that the finances look great for end the year. Sanford reported that water sales were \$135,642.80. Sanford reported a Gross Profit for the month in the amount of \$102,707.76, with a Net Income of \$37,583.33. Sanford went to report the following figures for 2025: Sales to Customers were under budget by \$16,135.87, NTC Sales exceeded the budget by \$7,218.70, Penalties exceeded the budget by \$5,973.65, Tap Fees exceeded the budget by \$2,685.00, Water Costs exceeded the budget by \$2,762.78 and Gross Profit exceeded the annual budget by \$59,317.12. Sanford went on to provide the following comments regarding expenses: Maintenance of Mains- material exceeded the budget by \$15,824.30 due to leak repairs, the Meter Change-out Program and the Service Line Replacement Program, Salaries exceeded the budget by \$16,036.83, Staff benefits are under budget by \$4,105.83, Utilities are under budget by \$8,460.45 and Office Supplies exceeded the budget by \$4,344.26. Overall, Sanford stated that Total Expenses are under budget by \$94,780.08, leading to a Net Income of \$136,027.49 for the year. Lastly, Sanford reported that the Net Income is \$108,680.49 ahead of the budget of \$27,347.00.

Director Hughes questioned whether the Association is compensated for collecting the 911 Fee for the Fiscal Court. Sanford stated that the contract with the county allows for the Association to be compensated for 3% of the amount collected for the 911 Fee. Sanford went on to note that the Public Service Commission tariff for Rates and Charges does not allow for the Association to charge the fee. Director Hager questioned whether there was a regulatory penalty for collecting the fee. Sanford stated that historically, the PSC does not get in the middle of the issue because they do not regulate municipal government, and the fee is being imposed by the Fiscal Court. Director Hughes stated that the Association must collect the fee and should be compensated. Sanford noted that the fee doubled in November and the Association is collecting twice as much fee as was collected prior to the increase. Secretary/Treasurer Gross stated that she also agrees that the Association should be compensated. Secretary/Treasurer Gross

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recommended that Sanford contact Judge Executive Steele about invoicing for the service instead of deducting the collection fee from the check monthly.

Director Hughes inquired about the wholesale rate that is charged to Northpoint Training Center and whether it is a good time to look at the rate that is being charged. Sanford stated that they are charged a lower rate than residential and commercial customers, but the rate has been increased by the same percentage as the entire system with each PSC approved rate adjustment. Sanford stated he can calculate the cost of service to provide water to the prison and compare it against the revenue that is received to double check the rate. President Boyd questioned how many times the rate has been adjusted. Sanford stated that the rate has increased by \$1.56 per 1,000 gallons over the past 10 years.

Sanford reported that the Association purchased 13,274,988 gallons during the last reading period and sold 11,330,300 gallons. Sanford stated that the Non-Revenue Water volume for the month was 14.12%. Sanford went on to note that after accounting for the leak volume, the Association can account for all but 5% of the water that was purchased. Sanford stated that 5 service line repairs were performed. Sanford went on to state that the Annual Non Revenue Water percentage is 17.82%, down from 20.70% in 2023 and 27.02% in 2022. President Boyd inquired about the cost of the water that was lost over the last year. Sanford stated that the 17.82% of water that was not sold has a cost of \$88,048. Sanford stated that the winter months last year contributed the most to the water loss percentage and that we are headed into those months now. Director Hughes questioned whether there are any precautions that can be taken to prepare for the winter months. Sanford stated that he is not aware of anything that could be done that is not being done already through constant leak detection.

Sanford stated that Contract 15 design is near completion. Dienst stated that there are a handful of locations that need to be finalized including Dix Dam Road and that the timing of the project is determined by when the Board wants to increase rates for the project. Sanford stated that construction should begin in the fall of 2025 to stay on schedule with the Qualified Infrastructure Improvement Plan filed with the PSC. Sanford reminded the Board that no funding is committed to the project and that an RD application will need to be completed and that the process takes several months. Director Hughes stated that looking at the rate from the customer's perspective, there have been several rate increases over the past 3 years, including the 911 fee and addition of the surcharge. Sanford reminded the Board that the surcharge will not be charged after October 2026. Director Hager stated that the project cannot wait until 2026. President Boyd recommended a letter to the membership to explain the progress that has been made and the need for continued improvements to the water system. All agreed that providing information to the customer is necessary. Sanford questioned whether to do it now, in a few months or with the rate increase. All agreed that the notice should be sent to all customers when the rate adjustment will take effect in order for the notice to be timed with the rate adjustment. Director Hager recommended proceeding with the project and working towards getting the funding that is needed. Sanford stated that to do the funding application we need to know how much we are planning to borrow and whether to borrow from KIA or RD. Dienst stated that the Association is better off bidding all the work and removing portions to stay on budget versus

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breaking the project into phases. President Boyd agreed with Dienst. Director Hughes stated that the longer we wait, the more expensive the project is going to be. Sanford stated that he will present project options with various cost scenarios and funding options at the February meeting.

Sanford stated that the Ison Lane Standpipe Rehabilitation Project is ready to advertise for bids. Sanford stated that based on the quote that was received the Cleaner Water Program grant should cover the entire cost of the project. Vice President Carey moved to authorize Sanford to release an Advertisement to Bid for the project. Secretary/Treasurer Gross seconded the motion. Motion carried.

Director Hughes inquired about the status of the Montgomery Lane Tank Project, reminding the board that the \$90,000 included in the cost estimate can be removed. Sanford stated that the Association may be able to consider the Flex Term Loan Program with the Rural Water Financing Agency. Sanford went on to note that the Mercer County Sanitation District is preparing to do a loan, and the interest rate is 3.96% for 20 years and that the term is flexible to meet our operating budget.

Director Hughes noted that the storage building on Burkin Road still has not been moved as of late October. Sanford stated that the building is still in the same location as of this week.

Vice President Carey moved to enter executive session to conduct Sanford's annual performance evaluation. Secretary/Treasurer Gross seconded the motion. Motion carried.

Director Hughes moved to return to regular session. Vice President Carey seconded the motion. Motion carried. President Boyd thanked Sanford for his hard work over the past year and commended his efforts to reduce water loss and manage the operations resulting in a positive net income. President Boyd stated that Sanford will receive a permanent cost of living adjustment to his salary in the amount of 2.5% and will also receive a one time performance bonus in the amount of \$12,000. Sanford stated that working for the Board of Directors and the Association is a privilege and he is thankful every day for the opportunity. Sanford thanked the Board for the bonus and for all that they do.

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

President Jim Boyd

Secretary/Treasurer Andrea Gross