

**MINUTES OF THE
BULLOCK PEN WATER DISTRICT
DECEMBER 2017 MEETING**

The December 2017 meeting of the Bullock Pen Water District was called to order on December 21, 2017, at the hour of 1:00 p.m. at the District Headquarters, 1 Farrell Drive, Crittenden, KY 41030. Present at the meeting were Chairman Bobby Burgess, Commissioners Andrea Walton, Rodger Bingham, William Wethington, and Charles Givin. Also present were Superintendent William Catlett, Amy Ruark, Ashley Dyer, Counsel Thomas R. Nienaber, and Kerry Odle of HMB Professional Engineers, Inc.

The first order of business was a review of the November 2017 Minutes. After discussion, upon motion of William Wethington and second by Charles Givin, it was unanimously,

“RESOLVED: that the November 2017 Minutes of the Bullock Pen Water District be approved as attached.”

The next order of business was a review of the November 2017 Profit and Loss and Warrants. Commissioner Givin inquired about the charges for uniform supplies with Cintas. Superintendent Catlett reported that the District is going to discontinue its uniform supply service with Cintas. The District has decided to purchase their own uniforms. Superintendent Catlett reported that in the long-run, significant savings would be realized. Chairman Burgess inquired as to whether or not the arrearage payment for undercharged electric bills with Owen County Rural Electric has been paid in full. Amy Ruark indicated that there are a few months left on that payment schedule. After discussion, upon motion of Charles Givin and second by Andrea Walton, it was unanimously,

“RESOLVED: that the November, 2017 Profit and Loss and Warrants be approved as attached.”

The next order of business was a report by HMB Professional Engineers, Inc., Mr. Kerry Odle, as follows:

1. Mr. Nienaber inquired as to whether or not there has been any action by the Kentucky Legislature relating to the Public Service Commission’s directive that individual sanitary sewer treatment package plants be taken over by existing sewer districts or other utility providers. Mr. Odle reported that the proposed legislation is still in Committee. It is expected that a proposed Bill will be released in the near future.

The next order of business was a report by Counsel Thomas R. Nienaber as follows:

1. Mr. Nienaber inquired as to whether or not there has been any activity by Kentucky relating to the Bullock Pen Lake Dam Project. Superintendent Catlett reported that he had received a phone call from Mr. Robert Porter requesting an update. Mr. Porter stated he would

inquire in Frankfort to see if there is any activity on the dam project. Mr. Porter would report to Superintendent Catlett.

2. Mr. Nienaber reported that there has been no activity in the Supreme Court relating to the August *Properties, LLC v. Burgin, Case No. 2015-CA-001570-DG* decision. Mr. Nienaber will report at the next meeting.
3. Mr. Nienaber reported on the status of the pass-through rate increase for the District. He reported that Peggy Gamble of Morris & Bressler routed the attached Application with supporting financial analysis. Mr. Nienaber reviewed with the Commissioners that report. Based upon the rate increases the District received from the City of Williamstown, City of Walton, Northern Kentucky Water District, and Boone County Water District, the pass-through rate increase would amount to .18¢ per thousand gallons. This would generate approximately \$59,000.00 in additional annual revenue. After considerable discussion, upon motion of Roger Bingham and second by William Wethington, it was unanimously,

“RESOLVED: that Bobby Burgess be and he is hereby authorized to submit to the Public Service Commission the attached Pass-Through Rate Increase Application.”

4. Commissioner Givin inquired as to whether or not the District could issue a “Performance Bonus” for District employees who have worked tirelessly on the Grant County Sanitary Sewer District Water Treatment Plant Reconstruction. Mr. Nienaber recommended that if the District was going to approve a Performance Bonus, it should be recommended by the District for final approval by the Grant County Sanitary Sewer District. Superintendent Catlett reported that the replacement Sanitary Sewer Treatment Plant is far more efficient and economical to operate. This is in large part due to the tireless efforts of various District employees. Superintendent Catlett noted that during this critical time, the Grant County Sanitary Sewer District was not issued one citation or deficiency notice. This incredible performance is due for the most part to the efforts of District personnel. Superintendent Catlett noted that in addition to District personnel performing their regular work for the Bullock Pen Water District, they were also able to totally reconstruct the Sanitary Sewer Treatment Plant without any significant interruption. Moreover, District personnel were able to provide skills, talent, and expertise in areas such as roofing, electrical, plumbing, and the like, which saved the Grant County Sanitary Sewer District and the District significant sums of money and allowed for the reconstruction of the Sanitary Sewer Treatment Plant in a much more efficient manner. These extraordinary services provided by District personnel were clearly over and above those services and responsibilities as set forth in their respective job descriptions. Commissioner Wethington asked if there was overtime paid to District personnel or if services were provided as regular time. Superintendent Catlett noted that minimal overtime was paid to District personnel. Notwithstanding, District personnel were able to perform their regular functions in addition to those additional services regarding the replacement of the Sanitary Sewer Treatment Plant. Superintendent Catlett also noted that all time expended by District personnel would

be reimbursed by the insurance company. Commissioner Bingham noted that the District and the Grant County Sanitary Sewer District saved considerable money by replacing the Sanitary Sewer Treatment Plant while constructing a much more efficient and economical plant. Superintendent Catlett stated that he would like to recognize five (5) employees who provided significant services to the project with a \$500.00 Performance Bonus and three (3) other employees who provided lesser services with a \$250.00 Performance Bonus for a total of \$3,250.00. Mr. Nienaber reported that any Performance Bonus provided would be reimbursed to the District by the Grant County Sanitary Sewer District pursuant to the terms of the District's Management Agreement. After considerable discussion, upon motion of Rodger Bingham and second by Andrea Walton, it was unanimously,

“RESOLVED as follows:

1. The District recommend to the Grant County Sanitary Sewer District that a one-time Performance Bonus be paid to five (5) employees nominated by Superintendent Catlett each to receive \$500.00; and three (3) employees nominated by Superintendent Catlett each to receive a \$250.00 Performance Bonus. Performance Bonuses would be subject to regular withholding;
2. Payment of the Performance Bonus is subject to approval by the Grant County Sanitary Sewer District with the Performance Bonuses being assessed as extra costs pursuant to the terms of the Management Agreement between the Districts;
3. Payment of the Performance Bonuses is subject to confirmation by Counsel Thomas R. Nienaber.”

The next order of business was a report by Superintendent Catlett as follows:

1. Superintendent Catlett reviewed with the Commissioners his monthly Superintendent Report as attached.
2. Superintendent Catlett reported on issues regarding Freedom Lane. He reported that a resident on Freedom Lane had passed away with a new resident taking occupancy of the deceased's resident home. A new meter was requested. In reviewing the situation, Superintendent Catlett confirmed that two residences were being serviced by one meter unbeknownst to the District. Superintendent Catlett checked with the Public Service Commission if the District could go back any period of time for billing adjustment purposes to reflect two residences being served by one meter. The Public Service Commission informed Superintendent Catlett that the District could go back 24 months. Superintendent Catlett requested direction from the District as to how far back the District should go in

rebilling the customers. After considerable discussion, upon motion of Charles Givin and second by Andrea Walton, it was unanimously,

“RESOLVED: that the District go back 12 months for rebilling of multi-meter families. If any resident resided on a “dual meter” as a new customer less than 12 month then the District would only rebill those customers for that period of time of actual residence.”

3. Superintendent Catlett reported that representatives from Kentucky Rural Water made a “electric analysis” of the treatment plant for purposes of recommending energy saving action. Superintendent Catlett reported that the representative indicated the Treatment Plant is running at top efficiency at this point.

4. Superintendent Catlett reported on the status of the truck purchase. Superintendent Catlett went through the State bidding program and received three (3) bids: (A) Ford pick-up truck, \$30,417.00 (±\$300.00); (B) Dodge truck, \$30,607.00; and (C) Chevrolet truck, \$32,730.00. Superintendent Catlett reviewed the bids as attached. He indicated that the bids were for a 4-ton, 4-wheel, V8 Automatic Gas Engine Truck. After discussion, Superintendent Catlett recommended that the District purchase either the Dodge or Ford truck. Thereupon, upon motion of Charles Givin and second by Rodger Bingham, it was unanimously,

“RESOLVED: that Superintendent Catlett be and he is hereby authorized to purchase the Ford truck for \$30,417.00 (± \$300.00).”

5. Superintendent Catlett reported on the Health Insurance Wellness Program. Superintendent Catlett recommended that the District give “incentives” to employees for obtaining “Silver Status” and/or “Gold Status” under the current insurance carrier’s Wellness Program. In doing so, the District could realize significant savings on its health insurance costs. After discussion, upon motion of Charles Givin and second by William Wethington, it was unanimously,

“RESOLVED as follows:

1. Any District employee who attains “Silver Status” under the health insurance carrier’s rules and regulations on or before July 1, 2018, shall receive a \$75.00 incentive; and
 2. Any District employee attaining “Gold Status” under the health insurance carrier’s rules and regulations on or before September 1, 2018, shall receive an additional \$50.00 incentive.”
6. Superintendent Catlett reported that on-site Biometric Screening will take place at the District January 10, 2018. The cost of the service to the District would be \$280.00.

Superintendent Catlett requested that this cost be paid by the District. After considerable discussion, upon motion of Charles Givin and second by Rodger Bingham, it was unanimously,

“RESOLVED: that the District pay for the cost of the Biometric Screening not to exceed \$280.00 total.”

The next order of business was a report by Amy Ruark and Ashley Dyer as follows:

1. Amy Ruark presented to the District the proposed Budget as submitted by Morris & Bressler with recommended changes. Mr. Nienaber reported that formal action is required on the Budget. After discussion, upon motion of Charles Givin and second by Andrea Walton, it was unanimously,

“RESOLVED: that the District’s proposed Budget, as amended, be and the same is hereby approved.”

2. Amy Ruark reported to the District the increased contributions of the District to the State Pension Fund.
3. Amy Ruark reviewed with the Commissioners the proposed salary review increases recommended by the salary committee (see attached report and analysis). Proposed salary increases were recommended as set forth in the attached Summary. Ms. Dyer reported that the committee placed more emphasis on performance versus tenure in arriving at the proposed salary increases. Ms. Dyer also reviewed with the Commissioners a second spreadsheet that details the District’s “cost” for employees based upon wages, FICA contributions, healthcare benefits, pension contributions, HRA contributions, and the like. After discussion, upon motion of William Wethington and second by Andrea Walton, it was unanimously,

“RESOLVED: that District employees receive pay increases per the attached recommendation of the salary committee.”

4. Amy Ruark reported that the next meeting is scheduled for January 18, 2018.

There being no further business to conduct, upon motion and second, same was adjourned.

BULLOCK PEN WATER DISTRICT

BY: _____
BOBBY BURGESS, CHAIRMAN

ATTEST:

WILLIAM WETHINGTON, SECRETARY