

**MINUTES OF THE  
BULLOCK PEN WATER DISTRICT  
SEPTEMBER 2018 MEETING**

The September 2018 meeting of the Bullock Pen Water District was called to order on September 20, 2018, 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 Charles Givin, Rodger Bingham, and Andrea Walton. Also present were Superintendent William Catlett, Amy Ruark, Kerry Odle of HMB Professional Engineers, Inc., HR Director Ashley Dyer, and Counsel Thomas R. Nienaber. Commissioner William Wethington was absent.

The first order of business was a review of the August 2018 Minutes. After discussion, upon motion of Charles Givin and second by Rodger Bingham, it was unanimously,

“RESOLVED: that the August 2018 Minutes of the Bullock Pen Water District be approved as attached.”

The next order of business was a review of the August 2018 Profit and Loss and Warrants. After discussion, upon motion of Rodger Bingham and second by Charles Givin, it was unanimously,

“RESOLVED: that the August 2018 Profit and Loss and Warrants be approved as attached.”

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

1. Mr. Odle reported that he was contacted by a representative of the Division of Water stating that a public meeting was scheduled to be held at the City of Crittenden City Hall on Friday, October 5, 2018, at 7:00 p.m. The purpose of this meeting was to discuss the status of the Bullock Pen Lake Dam Project. Mr. Odle stated that he had contacted representatives from DOW for confirmation of this meeting. At this time, no confirmation has been received. Mr. Odle stated that he would like to visit DOW with Superintendent Catlett to review the plans for the dam remediation project prior to any meeting. Superintendent Catlett reported that he too heard that there was a public meeting scheduled for October 5, 2018. Superintendent Catlett has tried to obtain confirmation from DOW of this meeting without success. Superintendent Catlett reported that the City of Crittenden informed him that the City Hall was reserved by DOW for October 4, 2018, and not October 5, 2018. Mr. Nienaber suggested that a representative of the District attend that meeting. He also recommended that confirmation of the meeting be obtained as quickly as possible. Once confirmation is made, the District should put the meeting notice on its website and post notices throughout the District headquarters.

2. Mr. Odle reported that Kentucky Rural Development (“KRD”) has announced approximately \$120,000,000 for funding of public projects in the upcoming fiscal year. The State Revolving Fund (“SRF”) has announced several million dollars available for funding of public projects as well. KRD’s interest rates are currently in the 3.5% to 3.75% range and require 40 year financing. Mr. Odle reported that the District should begin thinking about any projects they may want to undertake in order to submit applications for these funds. Mr. Odle reported that there is some grant money available. However, grants are generally reserved for counties who meet low income household requirements. Grant County, Kentucky, has for several years now not been able to meet those requirements. Commissioner Givin opined as to what projects the District should be thinking about. He suggested that providing new access lines to NKWD to provide new sources of water delivery. Superintendent Catlett suggested the construction of a new treatment plant. Superintendent Catlett indicated that it would be favorable for the District if a new plant with a 1,800,000 per day capacity could be constructed. Everyone’s concern with a new treatment plant involves the District’s ability to withdraw water from Bullock Pen Lake. This is controlled by the Kentucky Division of Fish and Wildlife who has previously stated that the District cannot take any more water out of Bullock Pen Lake over the currently permitted 900,000 gpd. Superintendent Catlett reported that currently the District is producing 500,000 to 600,000 gpd from Bullock Pen Lake. If the District could increase that production to 1,800,000 gpd, the District could realize considerable savings considering the District can currently produce water at a cost of approximately \$1.50 per thousand gallons while purchasing water from NKWD (the District’s primary water source) is approximately \$3.50 per thousand gallons. After discussion, it was suggested that Kerry Odle report at the next meeting as to any additional projects and provide more information on the availability of funds from SRF and KRD.

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

1. Mr. Nienaber reported on the status of the Management Agreement Committee. Charles Givin gave a summary of the Committee Meeting which included Charles Givin, Ashley Dyer, Amy Ruark, Bill Catlett, and Danny Northcutt. He reported that the Management Committee met on September 10, 2018. A summary of the Management Committee meeting is attached. Commissioner Givin reported that the Committee was provided financial data from Superintendent Catlett and Ashley Dyer. Superintendent Catlett reported that he had conducted a survey of Bullock Pen Water District employee man-hours expended in performing day-to-day operations for the District. Ashley Dyer gave financial information regarding office rental figures for the Grant County area. Commissioner Givin reported that the Amended Management Agreement had not been modified since August 19, 2010. Although the previous Management Agreement provided for a monthly management fee of \$12,220.00, the District had been paying approximately \$9,300.00 per month, plus the \$750.00 per month rent. This change was apparently made due to office personnel changes. Commissioner Givin reported that the

analysis which the Committee conducted would indicate that the monthly combined management fee should be \$12,220.00 per month, plus a \$750.00 per month rental charge. Commissioner Givin also reported that given the financial data supplied by Superintendent Catlett and man hour expenditures, the \$12,220.00 per month charge is reasonable and warranted. It was noted that the Committee was informed by the District and Superintendent Catlett that the GCSSD lift stations will be included in a new telemetry system over the next 2 years or so. This conversion to a telemetry system would offer considerable savings for GCSSD and eliminate a considerable amount of man-hours currently needed to conduct inspections. GCSSD has committed to make that conversion no later than September 2020. This factor played a significant role in the Committee's decision to charge \$12,220.00 per month. After considerable discussion, Commissioner Givin summarized the recommendation of the Committee. Thereafter, upon Motion of Rodger Bingham and second by Andrea Walton, it was unanimously,

“RESOLVED as follows:

1. That the District be and the same is hereby authorized through its Chairman Bobby Burgess to enter into a Second Amended Management and Operational Services Agreement with the Bullock Pen Water District subject to the following conditions and revisions:
  - a. The previous Amended Management and Operational Services Agreement dated August 19, 2010, shall remain the same in all respects unless otherwise amended by this Resolution.
  - b. The District shall charge GCSSD a monthly management fee of \$12,220.00.
  - c. The District shall charge GCSSD as monthly rental the sum of \$750.00 per month.
  - d. The District shall review the Second Amended Management and Operational Services Agreement with GCSSD on or before February, 2020, and every other February thereafter.
  - e. GCSSD shall commit and agree to install and have fully operational a telemetry system for all GCSSD lift stations no later than September, 2020.”

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

1. Superintendent Catlett reviewed with the Commissioners his Supervisor's Report as attached.
2. Superintendent Catlett reported that the exposed water line at Eagle Creek experienced another issue on September 14<sup>th</sup>. On that date, a tree had fallen on the exposed water line

due to additional soil erosion over the preceding days. The tree was removed and some repairs were made in the area.

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

1. Ashley Dyer provided a worker's compensation premium summary as attached. Ms. Dyer reported that the District's worker's compensation insurance is up for renewal. Crawford Insurance provided a summary of costs as attached. It was recommended that the District increase its worker's compensation coverage to \$1,000,000. Ashley Dyer reported that the District's safety factor is improving which has resulted in greater savings. Currently, the District can secure complete worker's compensation insurance coverage through KEMI at an annual premium of \$10,505.70 with a \$1,000,000 coverage limit. This premium is lower than the previous year. After considerable discussion, upon motion of Andrea Walton and second by Charles Givin, it was unanimously,

"RESOLVED: that the District renew its insurance coverage through KEMI at an exposure coverage of 1,000,000 and not to exceed an annual premium of \$10,505.70."

2. Amy Ruark reported that the next meeting would be scheduled for October 18, 2018. Chairman Burgess announced that he was going to be out of town that day. After discussion, it was unanimously resolved that the District's regular meeting for October be held on October 17, 2018. Amy Ruark is hereby directed to make the appropriate notices of that change.

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

BULLOCK PEN WATER DISTRICT

BY: \_\_\_\_\_  
BOBBY BURGESS, CHAIRMAN

ATTEST:

\_\_\_\_\_  
WILLIAM WETHINGTON, SECRETARY