

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

The December 2018 meeting of the Bullock Pen Water District was called to order on December 21, 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, William Wethington, and Andrea Walton. Also present were Superintendent William Catlett, Kerry Odle of HMB Professional Engineers, Inc., HR Director Ashley Dyer, and Counsel Thomas R. Nienaber. Amy Ruark was absent.

The first order of business was a review of the November 2018 Minutes. Commissioner Givin noted that there were a few revisions to the Minutes relating to personnel matters. After discussion, upon motion of Charles Givin and second by Rodger Bingham, it was unanimously,

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

The next order of business was a review of the November 2018 Profit and Loss and Warrants. After discussion, upon motion of William Wethington and second by Andrea Walton, it was unanimously,

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

Commissioner Bingham inquired as to the expenditure to Neptune Meters. Superintendent Catlett reported that this expenditure is part of the ongoing purchase of meters for the District’s meter replacement program.

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

1. Mr. Odle reported on the status of the Bullock Pen Lake Dam Project. Superintendent Catlett reported that the bid has been let on the construction project. Work on the dam should begin around February, 2019. Mr. Odle reported that he has not made contact with Kentucky Fish & Wildlife Department regarding the District’s request to take more water from the Bullock Pen Lake. Mr. Odle stated that he left a voicemail and noone has responded at this time.
2. Mr. Odle gave a brief report on the Raw Water Intake Improvement Project. He estimates the construction project to cost around \$400,000.00. Mr. Odle did report that there are available funds through either KIA or Rural Development. As to the status of the Water Treatment Plant Improvement Project, Mr. Odle stated that the District should

not consider anything in that regard until a commitment is obtained from Kentucky Fish and Wildlife Department allowing the District to withdraw more water from Bullock Pen Lake.

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

1. Mr. Nienaber reported on his investigation into Christina Belew. Superintendent Catlett reported that he has informed the Grant County Sheriff's Department of the suspected water/meter theft issues going on at 425 Independence Pike, Dry Ridge, Kentucky. Superintendent Catlett reported that Ms. Belew contacted the District requesting new water service to that location. Superintendent Catlett reported that water service would not be installed at the location until:
 - (a) Ms. Belew provides the District proof of real estate ownership and/or a Lease; and
 - (b) A \$100.00 deposit. Mr. Nienaber reported that his investigation of the State of Kentucky's website for the Kentucky Court of Justice indicates that there is currently an outstanding arrest warrant for Ms. Christina Belew.
2. Mr. Nienaber inquired as to the status of the Anderson Road Project. Superintendent Catlett stated that he had not heard from Mr. David Mann. At this time, there is no activity on this Project.

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

1. Superintendent Catlett reviewed with the Commissioners his Superintendent's Report as attached.
2. Superintendent Catlett reported on the possible theft of a meter in Verona at the Robinson Property. Mr. Nienaber indicated that if a meter was unlawfully taken from the District's water line, the cost of replacing that meter should be charged to the responsible party.
3. Superintendent Catlett reported that he has reached out to Grant County officials for the purposes of establishing a new protocol to deal with water theft.

The next order of business was a report by Mr. Greg Pridemore, Area Specialist of the United States Department of Agriculture Rural Development ("RD"). A summary of his Report follows:

1. RD has funding amounts available statewide that would be more than adequate to address any funding request that the District might submit.
2. Financing is now available on a 40 year term basis (or less). Rates are currently set at 4.25% as of January 1, 2019. Rates are "locked-in" for an applicant on the "Obligation Date". This date is determined at the time an applicant is approved for financing. Mr. Pridemore could not give a firm estimate as to how long it would take for the District to lock-in an interest rate.

- This would depend upon the amount of “due diligence” the District would need to undertake prior to obtaining a firm loan commitment. This process could take up to six (6) months.
3. The first step in the loan process would be for the District to send a letter of opinion from the District’s counsel that the District is a properly organized and operating governmental entity.
 4. Financing is offered in the form of “Revenue Bonds”.
 5. Loans require that the District establish a “Restricted Fund” which must be funded at the rate equal to 10% of an annual payment for a period of 10 years. This Restricted Fund must be maintained by the District during the entire term of the loan. Withdrawals from the Restricted Fund may only be made upon the approval of RD.
 6. Loans would require environmental reports and archaeological reports.
 7. Construction projects would require DOW approval.
 8. Approved loans are for a fixed rate during the loan term.
 9. Refinancing of current loans are allowed with a cap of 50% of the total loan requested.
 10. The Kentucky Public Service Commission has a 30 day review period. The Public Service Commission cannot reject a loan approved by RD. The Public Service Commission’s role is simply that of reviewing the RD approved loan.
 11. Construction projects funded by RD financing do not require “prevailing wage” rates.
 12. While grants are available through RD, they are subject to income eligibility requirements. Given the past history of Grant County, Kentucky, it does not appear as though the District would be eligible for grants.
 13. If the District submits a proposed rate increase with the loan application which is subsequently approved by RD, the Public Service Commission must approve the rate increase.

Mr. Pridemore suggested that since the District does not have a prior loan history with RD, the District should go ahead and submit to RD its request for Certification that the District is duly formed and properly operating under Kentucky law. Mr. Pridemore stated that he would provide counsel Thomas R. Nienaber RD’s form Certification Request. After discussion, upon motion of Charles Givin, and second by Rodger Bingham, it was unanimously,

“RESOLVED: that counsel Thomas R. Nienaber be and he is hereby authorized to submit to the United States Department of Agriculture Rural Development the necessary paperwork to obtain the proper Certification for qualification of loan approval with RD. Any and all other District representatives be and the same are hereby authorized to execute any and all documentation necessary to obtain such Certification.”

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

1. Ms. Dyer reported that the next monthly meeting is scheduled for January 17, 2019. There being no conflicts, the meeting will take place on January 17, 2019, at 1:00 p.m. There being no further business to conduct, upon motion and second, the meeting was adjourned.

BULLOCK PEN WATER DISTRICT

BY: Bobby Burgess
BOBBY BURGESS, CHAIRMAN

ATTEST:

Wm. M. Wethington
WILLIAM WETHINGTON, SECRETARY