

**MINUTES OF THE  
BULLOCK PEN WATER DISTRICT  
JULY 2020 MEETING**

A Special Meeting of the Bullock Pen Water District was called to order on July 23, 2020, at the hour of 1:00 p.m. The Special Meeting was conducted by video and audio teleconference which originated at the District Headquarters, 1 Farrell Drive, Crittenden, KY 41030. The Special Meeting was called pursuant to Senate Bill 150 and KRS 61.823. The Special Meeting was SB 150 and KRS 61.823 compliant. Prior to beginning the Meeting, Chairman Burgess announced that the Special Meeting was properly noticed with the appropriate agenda. Those in attendance were Chairman Bobby Burgess, Commissioners Charles Givin, William Wethington, Andrea Walton, and Rodger Bingham. Also present were Superintendent William Catlett, Office Manager Amy Ruark, HR Director Ashley Dyer, Kerry Odle of HMB Professional Engineers, Inc., and Counsel Thomas R. Nienaber. All “social distancing” guidelines were followed.

The first order of business was approval of the June 2020 Minutes. After discussion, upon motion of Charles Givin and second by Andrea Walton, it was unanimously,

“RESOLVED: that the June 2020 Minutes of the Bullock Pen Water District be approved as attached.”

The next order of business was a review of the June 2020 Profit and Loss and Warrants Statement as attached. After discussion, upon motion of Charles Givin and second by William Wethington, it was unanimously,

“RESOLVED: that the June 2020 Profit and Loss and Warrants Statement as attached are approved .”

The next order of business was a presentation by Mr. Dudley W. Magee, 329 Robertson Road, Williamstown, Kentucky (Pendleton County) requesting water service. Mr. Magee submitted a plat (attached) of the property recently purchased by him on Robertson Road. Mr. Magee requested water service for 1 personal residence and related farming activity, plus one fire hydrant. The line would be approximately 2,700 feet from Knoxville Road. Mr. Magee stated that there are currently 4 homes in that area that could benefit from this requested line extension. Commissioner Givin explained the District’s policy regarding water line extensions. Mr. Magee explained that he had met with the Pendleton County Judge Executive who advised Mr. Magee to make a presentation to the District. Mr. Magee indicated that the closest connection to the existing District line would be on Knoxville Road. Commissioner Givin explained to Mr. Magee all of the District rules and regulations regarding water line extensions. Mr. Magee asked if he could restrict or charge additional homeowners if they were to tap into the line after it is installed. Mr. Nienaber explained that once the line is dedicated to the District, customers could not be charged for a tap-in other than ordinary and customary tap-in fees, etc. Mr. Nienaber also explained the engineering and easement requirements. Superintendent Catlett gave his opinion

and indicated that given the length of the line extension, it should be built per our specs and regulations. A 4" line would be recommended. Mr. Nienaber inquired as to whether or not this area is currently in the District territory. If not, Pendleton County Fiscal Court approval would be needed. After a lengthy presentation, Mr. Magee stated that he would get back to the District.

The next order of business was a report by Chairman Burgess as follows:

1. Chairman Burgess stated that the Stewartsville and Verona water towers are in need of painting and/or repair. Superintendent Catlett reminded everyone that both towers were inspected approximately 18-24 months ago. That report indicated that both towers would be in need of painting within the next 3 to 5 years. Superintendent Catlett reported that both towers are in the District's 3 to 5 year plan. Superintendent Catlett reported that the Verona tower is in more immediate need of repair and attention. The Stewartsville tower would probably need just an exterior painting. Kerry Odle indicated that given the location of the Stewartsville tower, the exterior painting project would need to be skirted. This would add approximately \$60,000.00 to the cost of the project. Commissioner Wethington stated that the District should begin the process of obtaining bids. Commissioner Givin suggested that the District proceed with one tower at a time. Kerry Odle projected that the total cost for both towers would be around \$500,000.00. After considerable discussion, upon motion of Charles Givin and second by Rodger Bingham, it was unanimously,  
  
"RESOLVED: that the District obtain bids for the exterior painting and/or repair of the Verona tower for review at the next meeting."
2. Chairman Burgess inquired as to the use of the District credit card. Chairman Burgess indicated that he wants a monthly report on all credit card purchases. Commissioner Givin stated that as Treasurer, he reviews them each month and approves all credit card purchases. To date, Commissioner Givin has found no irregularities in credit card use. Superintendent Catlett stated that the District uses a credit card very sparingly. The District protocol for credit card use requires two employees to authorize a credit card purchase. Both Amy Ruark and Superintendent Catlett stated that if someone has a problem with credit card use, they will cease using those cards in the future. Amy Ruark reviewed with the Commissioners the District's policy on credit card use. She reported that each month, credit card purchases are monitored and reviewed by Commissioner Givin and Peggy Gamble. All credit card statements are supplemented with receipts documenting every credit card use.
3. Chairman Burgess inquired as to the amount of water the District is dumping during the warmer summer months. Chairman Burgess thinks that the Saddlebrook area needs to be looked at as a possible loop line project. Superintendent Catlett stated that the Saddlebrook loop line would not benefit the District at all. Even if that line were to be looped, the District would still have to dump approximately the same amount of water. Superintendent Catlett stated that there are other areas that are more critical. Specifically,

he stated that the Twin Bridges area is a high priority for a loop line project. Mr. Odle reported that during the Phase XIV project, there were a number of loop line projects identified. Those include White Chapel, Eckler, Mills Road, and Vallandingham Road. Mr. Odle stated that the project profiles for these loop lines was completed in 2016. To the best of his recollection, the cost of those loop line projects would be \$750,000.00 in 2016 dollars. Current cost estimates would probably need to add 25%. Kerry Odle and Superintendent Catlett stated that they would review the old loop line project profile list, update it and report at the next meeting.

4. Chairman Burgess inquired as to why there have been multiple employee departures within a short amount of time. He opined as to whether or not there is a personnel problem at the District. Commissioner Givin commented that in the last several years, there have only been 2 employees leaving, Suzanne Epperson by retirement and Crystal. Commissioner Givin gave a brief historical review of District employee departures. Chairman Burgess inquired as to whether or not there is a personnel problem at the District. Commissioner Givin and Bingham indicated that they have heard of no reports within or without the District about personnel problems. Amy Ruark and Superintendent Catlett stated the same.

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

1. Mr. Nienaber inquired as to the status of the Bullock Pen Lake Dam Remediation Project. Superintendent Catlett stated that work is progressing, however, it is behind schedule.

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

1. Kerry Odle gave a report on the water treatment plant project. He stated that the Department of Fish and Wildlife said that before they could consider the District's request to take more water from Bullock Pen Lake, the Division of Water study must be completed. Mr. Odle reported that the Division of Water said that there study would be complete within the next two weeks. He will keep the District informed as to any developments.

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 that a property owner developing his property on Walton Verona Road hit one of the District's main water lines. That property owner is in the process of lowering the water line in that area.

3. Superintendent Catlett reported that he is going to be retiring effective January 31, 2021. Superintendent Catlett added that he has enjoyed his 27 years at the District, but that he is ready to retire. Commissioner Givin inquired as to how the District would replace Superintendent Catlett. Mr. Catlett stated that there are very qualified employees within the District who could assume his responsibilities. Superintendent Catlett recommended that the District hire a Superintendent and Assistant Superintendent. Superintendent Catlett mentioned Brian and Paul as possible candidates. Commissioners Givin and Bingham both indicated that the District should look internally to fill these positions. Superintendent Catlett suggested that the District begin the process of finding a replacement so that he could work with the new candidates for a sufficient period of time prior to his formal departure. After considerable discussion, upon motion of Charles Givin and second by William Wethington, it was unanimously,

“RESOLVED as follows:

1. The District begin the process of hiring a Superintendent and Assistant Superintendent from within the District.
2. Ashley Dyer is directed to advertise the positions and request applications. Copies of all applications should be forwarded to each of the Commissioners. Applications are to remain confidential. As soon as applications are received, interviews should be scheduled for the next regular meeting of the District.
3. Ashley Dyer should also begin the process of hiring an entry level Field Technician. Request for applications and resumes should be advertised in the normal course.”

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

1. Amy Ruark reported that the retirement luncheon for Suzanne Epperson is Thursday, July 30, 2020 at noon. Anyone wanting to attend should notify Ms. Ruark. Ashley Dyer reported that the two new employees are doing very well and they are satisfied with their respective positions.
2. Amy Ruark reviewed with the Commissioners the recent water rate increase from the Boone County Water District effective July 1, 2020. The wholesale water rates are being increased from \$4.01 to \$4.11 per thousand gallons.
3. Ashley Dyer inquired as to the benefits and compensation committee. Andrea Walton, William Wethington, and Ashley Dyer will serve on that committee.
4. Amy Ruark gave a report on her investigation into available rates for certificates of deposit. Forcht Bank has the best rate which is 1% for an 11 month certificate of deposit.

The District currently has approximately \$500,000.00 for investment. Amy Ruark reported that Forcht Bank would provide an adequate pledge of collateral to secure the entire \$500,000.00 if the District were inclined. After discussion, upon motion of Rodger Bingham and second by Charles Givin, it was unanimously,


“RESOLVED: that Amy Ruark be and she is hereby authorized to purchase \$500,000.00 in certificates of deposit at Forcht Bank at an interest rate of at least 1% and for a term not to exceed 11 months, with a satisfactory pledge of collateral.”

5. Amy Ruark reported that the next regular meeting is scheduled for August 20<sup>th</sup>.

The next order of business was a report by VanGorder, Walker & Co., Inc., Mr. John Chamberlain, regarding the District’s December 31, 2019 Audited Financial Report. Copies of the proposed Financial Report were distributed by Mr. Chamberlain (attached), as well as a Financial Statement Summary (attached). Mr. Chamberlain reported that his Audited Financial Report represents an unmodified opinion. This is the highest level of assurance given. The proposed District Financial Statement presents fairly in all material respects, the respective financial position of the Bullock Pen Water District as of December 31, 2019. He reported that there are no matters involving internal control over financial reporting and operations which are to be considered material weaknesses or significant deficiencies in accordance with government auditing standards. He found no issues of noncompliance with bond covenants, debt agreements, and/or Kentucky law. Mr. Chamberlain reported that the District has sufficient cash and cash equivalents on hand to provide financial operations for the District for a period of at least 9 months. The norm is a 3 month period. He reported that the District’s capital assets are remaining constant with previous years. The District is making significant payments toward its long term debt. He indicated that within the next couple of years, the District will have retired the USDA 1982 Revenue Bond; the 2001 Series C Revenue Bond, the KIA 2002 Fund, and the KIA 2003 Fund. This would reduce the District’s long term debt obligation annual payment by approximately \$150,000.00 per year. Mr. Chamberlain noted that the District’s gap between revenues and expenses is narrowing. However, the District is still in a comfortable financial position. Overall, Mr. Chamberlain reported that the District is in a strong financial position. He also reported that the COVID-19 emergency has not had any significant effect upon the financial condition of the District. After discussion, Chairman Burgess requested that everyone review the Financial Statement and be prepared to take final action at the next meeting.

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