

**Hardin County Water District No. 1
Minutes of Special Meeting
of the Board of Commissioners**

April 25, 2017

Chairman William Gossett called the meeting to order at 11:34 A.M. with Commissioners John Tindall, Jim Shelton, Howard Williams and Ron Hockman in attendance. Staff present included Jim Bruce, General Manager; Brett Pyles, Operations Manager; Daniel Clifford, Engineering Manager; Scott Schmuck, Finance & Accounting Manager; Amanda Spalding, Pirtle Spring Water Treatment Plant Supervisor; Patrick Flanagan, Human Resource Specialist; Andrea Palmer, Executive Assistant; and David Wilson, Attorney. Lunch was provided for the Board and staff.

An invocation was given by Secretary Hockman. Commissioner Williams thanked the Board for their thoughts and prayers for his family. Chairman Gossett opened the floor for public comment. There were no public comments offered and the floor was closed to public comment.

Mr. Bruce noted that there was a new employee present and asked Mr. Schmuck to introduce him. Mr. Schmuck introduced Mr. Pat Flanagan as the new Human Resource Specialist and gave a brief educational and employment history on Mr. Flanagan. The Board introduced themselves and welcomed him. Mr. Flanagan exited the meeting.

Chairman Gossett asked for a motion to accept the minutes presented. Commissioner Williams made a motion to accept the minutes from the March 21 regular meeting with changes as noted. The motion was seconded by Commissioner Shelton and the motion passed.

Mr. Schmuck presented the treasurer's report and noted that two of the five funds reflect a net loss while the other three show a positive net income for the month. He added that county water year to date revenue is down 2.7% compared to last year. He stated that Meade County Water District has purchased 12.6 million gallons less year to date, which is having an effect on water revenue. He noted some other elevated expenses in different funds such as chemical use due to rain, advertising due to flushing and the General Manager in Training advertisements, and legal due to the Ft. Knox sewer contract termination negotiations. He added that the District did receive a refund on the Fort Knox Water repair and maintenance limit account for just under \$10,000. Mr. Bruce announced that the county water increase will go in effect the second cycle in May, and discussion ensued.

There was brief discussion regarding the Rural Development (RD) project and the upcoming effects of selling MCWD 100% of their water. Commissioner Shelton had questions regarding the RD project, and Mr. Bruce answered those.

Board Monitoring Reports: Mr. Bruce presented the General Manager's Report and offered to answer questions. He informed the Board that the bids for the second phase of the 1882/144 project had not yet gone out but that they should be out within the next month.

Commissioner Williams had questions about the Fort Knox wastewater positions, and Mr. Bruce answered.

Mr. Pyles presented the Operations Manager's Report and answered questions regarding the upcoming 313 expansion and any effects it might have on water and sewer service.

Mr. Clifford presented the Engineering Manager's Report and offered to answer questions. Secretary Hockman noted that the odor from the Lincoln Trail lift station seemed stronger than normal. Mr. Clifford answered that the Lincoln Trail lift station project is at 30% design and will be sent to the Division of Water for approval. He noted that an odor control solution is being considered with the final design currently underway.

Commissioner Williams asked for an update on the Radcliff Veterans Nursing Home. Mr. Pyles answered that the vault had been dug and was being delivered the next day. He noted that staff was hoping to finish installation by the end of that week. Commissioner Shelton asked if the nursing home will still have issues, and Mr. Bruce answered that the architects had decided to upsize some lines, which will hopefully remove some of the bottleneck and flow restrictions and help with the current issues.

There was discussion regarding the City of West Point and how the District might be able to serve them water through the Louisville Interconnect.

Continued

Consent Agenda: Treasurer Tindall made a motion to approve Change Order No. 6 to Cleary Construction for the LWC Interconnect Project for changes to the site and grading at the pump station required for adding drainage and better finished elevation height. Commissioner Shelton provided his thoughts on the cost noting that he thought the unit prices were high, but were within reason. Mr. Bruce reviewed the total of all change orders compared to the total contract amount, and that the majority had all been reimbursed by the Louisville Water Company. Secretary Hockman seconded the motion and motion passed.

Small Business Support Resolution: Mr. Bruce presented the item and offered to answer questions. Secretary Hockman made a motion to adopt and approve resolution 03-2017, supporting further efforts to engage small business contractors, sub-contractors and consultants to increase small business participation on Ft. Knox water and wastewater related contracts with the purpose to increase progress toward the set aside goals. Commissioner Williams seconded the motion and motion passed.

Gray Lane Development Discussion: Mr. Clifford presented the item. Mr. Wilson explained the legal rights the District held based on the purchased water development easements in place on these parcels. He noted that the District had condemned these properties in the early 1980's and had paid the owners to obtain these rights, which were still in place and valid. After discussion, Mr. Wilson suggested sending a letter to all involved notifying them of the easements on the properties in question which the consensus of the Board was to do the same.

City of West Point - Wholesale User Agreement Discussion: Mr. Bruce explained that the City of West Point has asked for a wholesale interconnect tap and staff would like to offer them the option of financing the connection. Secretary Hockman made a motion to authorize staff and legal counsel to offer the City of West Point a financing option as a means to pay for a new wholesale interconnect for the City, for no more than five years and include an interest component and if requested by the City, to bring back the agreement for Board approval along with the new Wholesale User Agreement before executing either document. Treasurer Tindall seconded the motion and motion passed.

Job Description - Ft. Knox Systems Director: Mr. Bruce presented the proposed job description for the Fort Knox Systems Director and answered all Board questions. He explained that normally the Board does not approve job descriptions or updates, but since this was a new key position, he wanted to make sure the Board agreed with the duties and responsibilities. Commissioner Williams made a motion to approve the proposed new job description for the Ft. Knox Systems Director position. Commissioner Shelton seconded the motion and motion passed.

Closed Session: Mr. Bruce noted the need for a closed session to discuss both litigation and personnel. Secretary Hockman made a motion to enter into closed session in order to discuss a litigation matter, as prescribed in KRS 61.810.1.c, and also to discuss a personnel matter as prescribed in KRS 61.810.1.f. The motion was seconded by Commissioner Shelton and passed. Chairman Gossett reconvened open session at 1:30 P.M.

Adjourn: Being no further business before the Board, Commissioner Shelton made a motion to adjourn at 1:30 P.M. Motion was seconded by Commissioner Williams and motion passed.

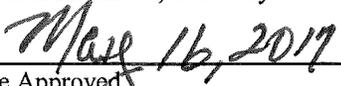
(Minutes submitted by Andrea Palmer, Executive Assistant)

APPROVAL OF MINUTES

I hereby certify that the foregoing minutes were duly approved by the Board of Commissioners of the Hardin County Water District No. 1 at a meeting held on the date shown below:

HARDIN COUNTY WATER DISTRICT No.1


Mr. Ron Hockman, Secretary


Date Approved