

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

**July 27, 2021**

Chairman William Gossett called the meeting to order at 11:30 A.M. with Commissioners John Tindall, Jim Shelton, Howard Williams and Ron Hockman in attendance. Staff present included Stephen M. Hogan, General Manager; Brett Pyles, Fort Knox Systems Director; Daniel Clifford, Engineering Manager; Justin Metz, Operations Manager; Nora Gocking, Executive Assistant; and Dustin Humphries, Attorney. Scott Schmuck, Finance & Accounting Manager was present via teleconference. Terry Owens, Radcliff City Council; Gina Clear, Reporter for The News Enterprise, and Pete Countryman were present as guests. Lunch was provided for Board, staff and guests.

Chairman Gossett asked Commissioner Williams to give an invocation. Chairman Gossett opened the floor for public comment. Ms. Terry Owens, Radcliff City Council, thanked the Board for their service and appreciated the opportunity to attend the meeting. No other comments were made and Chairman Gossett closed the floor.

Chairman Gossett asked for a motion to accept the minutes as presented. Commissioner Williams made a motion to accept the minutes from the June Regular Meeting. The motion was seconded by Commissioner Shelton and the motion passed.

Mr. Schmuck presented the Treasurer's Report via teleconference and answered all Board questions to satisfaction. Commissioner Shelton made a motion to accept the June Treasurer's Report. The motion was seconded by Commissioner Williams and passed.

**Board Monitoring Reports:** Mr. Hogan presented the General Manager's Report and offered to answer questions.

Mr. Metz presented the Operations Report. There was brief discussion of pipeline leading from Pirtle Spring Water Treatment Plant and the increased usage at Fort Knox with the summer cadet program. Mr. Metz answered all Board questions to satisfaction.

Mr. Clifford presented the Engineering Manager's Report and offered to answer questions. There was brief discussion regarding the progress of the Muldraugh Water Treatment Plant and bringing the tanks at Fort Knox online.

**Brett Pyles Retirement Resolution:** Mr. Hogan read aloud the Resolution regarding the retirement of Brett Pyles, Fort Knox Systems Manager. Treasurer Tindall made a motion to approve Resolution 07-2021 addressing the service and retirement of Brett Pyles, as written. Commissioner Williams seconded the motion and motion passed. Mr. Hogan and Chairman Gossett presented the framed resolution to the retiree and took photos with him.

**Renewal of \$5.0M Line of Credit:** Mr. Schmuck presented the item via teleconference and offered to answer any Board questions. Secretary Hockman made a motion to approve authorizing the General Manager to sign all documents necessary to execute the renewal of the Line of Credit and make draws in accordance with The Cecilian Bank's terms. Commissioner Shelton seconded the motion and motion passed.

**RD Loan Resolution 1780-27:** Chairman Gossett explained that Resolution 1780-27 was a formality of the existing RD Loan Application. Secretary Hockman stated that he will sign as requested if the Resolution passed, however, he said he was not in agreement with the RD Loan. Discussion ensued regarding the need for the project and the terms of the loan. Mr. Hogan reminded the Board that the potential Rate Adjustment would have an impact of approximately \$9.00 per customer that averages 3,000-4,000 gallons per month. Treasurer Tindall stated that he wanted the public to consider that the District's rates have been significantly lower than others and the rate adjustment will be comparable to other water utilities in the area.

Treasurer Tindall made a motion to approve Resolution 1780-27 as written. The motion was seconded by Commissioner Williams. Motion passed with Secretary Hockman opposing.

Terry Owens, Radcliff City Council, asked and was granted permission to once again address the Board. She asked how will the Board ensure the information on the need for the project and impact to the customer would get out to the public? Treasurer Tindall stated that he hoped the news media would assist in relaying the truth of the need and the impact to customers. Treasurer Tindall continued, "Water is a necessity of life. We as a district have tried extremely hard to provide the right quantity at the right price at the right time to serve all our customers." Mr. Hogan added that there were certain

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documents that must be made public as the process continued and for customers to keep an eye on the local paper and the District's website and social media.

Chairman Gossett once again thanked the members of the public for attending the meeting.

**Adjourn:** Being no further business before the Board, Secretary Hockman made a motion to adjourn at 12:41 P.M. Motion was seconded by Treasurer Tindall and motion passed.

(Minutes submitted by Nora Gocking, 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

Ron Hockman  
Mr. Ron Hockman, Secretary

August 31, 2021  
Date Approved

**Hardin County Water District No. 1**

**RESOLUTION NO: 07-2021**

**A RESOLUTION OF THE HARDIN COUNTY WATER DISTRICT No. 1 BOARD OF COMMISSIONERS PERTAINING TO THE RECOGNITION OF EIGHTEEN YEARS OF DEDICATED SERVICE BY EMPLOYEE BRETT PYLES TO THE CUSTOMERS, TO THE GENERAL MANAGER AND TO THE BOARD OF COMMISSIONERS OF THE DISTRICT FROM OCTOBER 2003 UNTIL HIS RETIREMENT IN JULY 2021;**

Whereas; Brett has faithfully served the District and its customers from October 2003 until July 2021, and;


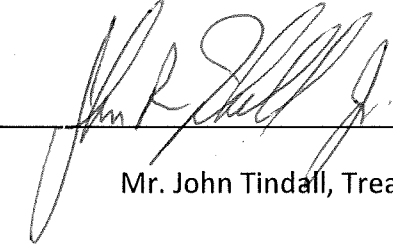
Whereas; during his career, Brett served first as Operations Manager for 14 years, and then as the Fort Knox Systems Director for 4 Years;

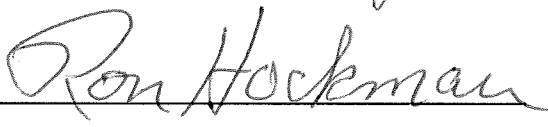
Whereas; Brett saw the District through the privatization contract of the Fort Knox Wastewater and Storm Water Utility in 2005, the acquisition of the Radcliff Wastewater Utility from the City of Radcliff in 2008, and the privatization contract of the Fort Knox Water Utility in 2012;

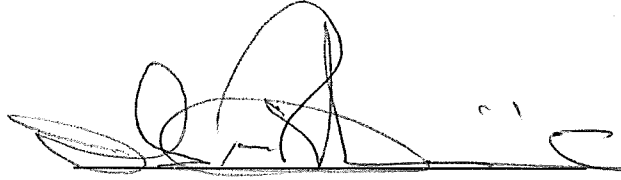
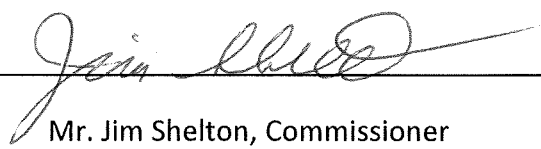
Whereas; During His Career, Brett earned his Class IV Distribution System Operator certification and his Class III Wastewater Collection System Operator certification. He oversaw the treatment of 19 Billion gallons of wastewater and 23 Billion gallons of water treated;

Now therefore; the District's Board of Commissioners expresses their gratitude and thanks to Brett Pyles for his service and further recognizes that the District, staff and its customers have clearly benefitted from his service and said thanks has been shown by the presentation of this resolution on this Twenty-Seventh of July, 2021.

This Resolution has been moved and duly seconded and by passing of a majority of the Board of Commissioners.

By:    
Mr. William Gossett, Chairman                      Mr. John Tindall, Treasurer

  
Mr. Ron Hockman, Secretary

   
Mr. Howard Williams, Commissioner                      Mr. Jim Shelton, Commissioner

**LOAN RESOLUTION**  
(Public Bodies)

A RESOLUTION OF THE Board of Directors

OF THE Hardin County Water District No. 1

AUTHORIZING AND PROVIDING FOR THE INCURRENCE OF INDEBTEDNESS FOR THE PURPOSE OF PROVIDING A PORTION OF THE COST OF ACQUIRING, CONSTRUCTING, ENLARGING, IMPROVING, AND/OR EXTENDING ITS

Operate water district to provide drinking water

FACILITY TO SERVE AN AREA LAWFULLY WITHIN ITS JURISDICTION TO SERVE.

WHEREAS, it is necessary for the Hardin County Water District No. 1

*(Public Body)*

(herein after called Association) to raise a portion of the cost of such undertaking by issuance of its bonds in the principal amount of

Nine Hundred Ninety-Five Thousand & 00 100

pursuant to the provisions of KRS 74; and

WHEREAS, the Association intends to obtain assistance from the United States Department of Agriculture, (herein called the Government) acting under the provisions of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) in the planning, financing, and supervision of such undertaking and the purchasing of bonds lawfully issued, in the event that no other acceptable purchaser for such bonds is found by the Association:

**NOW THEREFORE**, in consideration of the premises the Association hereby resolves:

1. To have prepared on its behalf and to adopt an ordinance or resolution for the issuance of its bonds containing such items and in such forms as are required by State statutes and as are agreeable and acceptable to the Government.
2. To refinance the unpaid balance, in whole or in part, of its bonds upon the request of the Government if at any time it shall appear to the Government that the Association is able to refinance its bonds by obtaining a loan for such purposes from responsible cooperative or private sources at reasonable rates and terms for loans for similar purposes and periods of time as required by section 333(c) of said Consolidated Farm and Rural Development Act (7 U.S.C. 1983(c)).
3. To provide for, execute, and comply with Form RD 400-4, "Assurance Agreement," and Form RD 400-1, "Equal Opportunity Agreement," including an "Equal Opportunity Clause," which clause is to be incorporated in, or attached as a rider to, each construction contract and subcontract involving in excess of \$10,000.
4. To indemnify the Government for any payments made or losses suffered by the Government on behalf of the Association. Such indemnification shall be payable from the same source of funds pledged to pay the bonds or any other legal ly permissible source.
5. That upon default in the payments of any principal and accrued interest on the bonds or in the performance of any covenant or agreement contained herein or in the instruments incident to making or insuring the loan, the Government at its option may (a) declare the entire principal amount then outstanding and accrued interest immediately due and payable, (b) for the account of the Association (payable from the source of funds pledged to pay the bonds or any other legally permissible source), incur and pay reasonable expenses for repair, maintenance, and operation of the facility and such other reasonable expenses as may be necessary to cure the cause of default, and/or (c) take possession of the facility, repair, maintain, and operate or rent it. Default under the provisions of this resolution or any instrument incident to the making or insuring of the loan may be construed by the Government to constitute default under any other instrument held by the Government and executed or assumed by the Association, and default under any such instrument may be construed by the Government to constitute default hereunder.
6. Not to sell, transfer, lease, or otherwise encumber the facility or any portion thereof, or interest therein, or permit others to do so, without the prior written consent of the Government.
7. Not to defease the bonds, or to borrow money, enter into any contractor agreement, or otherwise incur any liabilities for any purpose in connection with the facility (exclusive of normal maintenance) without the prior written consent of the Government if such undertaking would involve the source of funds pledged to pay the bonds.
8. To place the proceeds of the bonds on deposit in an account and in a manner approved by the Government. Funds may be deposited in institutions insured by the State or Federal Government or invested in readily marketable securities backed by the full faith and credit of the United States. Any income from these accounts will be considered as revenues of the system.
9. To comply with all applicable State and Federal laws and regulations and to continually operate and maintain the facility in good condition.
10. To provide for the receipt of adequate revenues to meet the requirements of debt service, operation and maintenance, and the establishment of adequate reserves. Revenue accumulated over and above that needed to pay operating and maintenance, debt service and reserves may only be retained or used to make prepayments on the loan. Revenue cannot be used to pay any expenses which are not directly incurred for the facility financed by USDA. No free service or use of the facility will be permitted.

*According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0121. The time required to complete this information collection is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.*

- 11. To acquire and maintain such insurance and fidelity bond coverage as may be required by the Government.
- 12. To establish and maintain such books and records relating to the operation of the facility and its financial affairs and to provide for required audit thereof as required by the Government, to provide the Government a copy of each such audit without its request, and to forward to the Government such additional information and reports as it may from time to time require.
- 13. To provide the Government at all reasonable times access to all books and records relating to the facility and access to the property of the system so that the Government may ascertain that the Association is complying with the provisions hereof and of the instruments incident to the making or insuring of the loan.
- 14. That if the Government requires that a reserve account be established, disbursements from that account(s) may be used when necessary for payments due on the bond if sufficient funds are not otherwise available and prior approval of the Government is obtained. Also, with the prior written approval of the Government, funds may be withdrawn and used for such things as emergency maintenance, extensions to facilities and replacement of short lived assets.
- 15. To provide adequate service to all persons within the service area who can feasibly and legally be served and to obtain USDA's concurrence prior to refusing new or adequate services to such persons. Upon failure to provide services which are feasible and legal, such person shall have a direct right of action against the Association or public body.
- 16. To comply with the measures identified in the Government's environmental impact analysis for this facility for the purpose of avoiding or reducing the adverse environmental impacts of the facility's construction or operation.
- 17. To accept a grant in an amount not to exceed \$ \_\_\_\_\_

under the terms offered by the Government; that the Chairman

and Secretary of the Association are hereby authorized and empowered to take all action necessary or appropriate in the execution of all written instruments as may be required in regard to or as evidence of such grant; and to operate the facility under the terms offered in said grant agreement(s).

The provisions hereof and the provisions of all instruments incident to the making or the insuring of the loan, unless otherwise specifically provided by the terms of such instrument, shall be binding upon the Association as long as the bonds are held or insured by the Government or assignee. The provisions of sections 6 through 17 hereof may be provided for in more specific detail in the bond resolution or ordinance; to the extent that the provisions contained in such bond resolution or ordinance should be found to be inconsistent with the provisions hereof, these provisions shall be construed as controlling between the Association and the Government or assignee.

The vote was:                      Yeas 4                      Nays 1                      Absent 0

IN WITNESS WHEREOF, the Board of Directors of the Hardin County Water District No. 1 has duly adopted this resolution and caused it

to be executed by the officers below in duplicate on this 27 July day of 2021

(SEAL)

Attest: Ron Hockman  
 Title Secretary

By William Gossett  
 Title Chairman