

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

**June 29, 2021**

Chairman William Gossett called the meeting to order at 11:31 A.M. with Commissioners Jim Shelton, Howard Williams and Ron Hockman in attendance. Staff present included Stephen M. Hogan, General Manager; Scott Schmuck, Finance & Accounting Manager; Brett Pyles, Fort Knox Systems Director; Daniel Clifford, Engineering Manager; Justin Metz, County Systems Manager; Nora Gocking, Executive Assistant; and David Wilson, Attorney. Houston Daugherty, P.E., President | CEO for Cannon & Cannon, Inc. was present as a guest. Chairman Gossett informed the Board that Commissioner John Tindall would be a few minutes late, but would arrive shortly. Lunch was provided for Board and Staff.

Chairman Gossett asked Commissioner Williams to give an invocation. Chairman Gossett opened the floor for public comment. There was none 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 May Regular Meeting. The motion was seconded by Commissioner Shelton and the motion passed.

Mr. Schmuck presented the Treasurer's Report. There was brief discussion regarding the open positions and working with local colleges to recruit future employees. Mr. Metz said they have been working with The Handshake Program and recently hired an employee through that program. Commissioner Williams made a motion to accept the May Treasurer's Report. The motion was seconded by Secretary Hockman and passed.

Treasurer John Tindall entered the room at 11:41 am.

**Rural Development Application – Pirtle Spring Water Treatment Plant Improvements:** Mr. Hogan introduced Mr. Houston Daugherty, P.E., President | CEO of Cannon & Cannon, Inc and said he was available to answer any Board questions. Mr. Hogan presented the item. Chairman Gossett opened the floor to Treasurer Tindall. Treasurer Tindall asked Mr. Hogan to state for the record the need for the improvements to increase filtration capacity at Pirtle Spring WTP, increase raw water influent rate from Gray Lane Pump Station, and install a new booster pump station to service the Brizendine Tank. Mr. Hogan confirmed the project is needed and the plant has increasing need for capacity. Mr. Hogan stated the need was there before the improvements at Fort Knox were complete, but even though the process for the Rural Development Loan began two years ago, the information from USRDA was just received. Treasurer Tindall asked if the loan was necessary in order to fund the \$994,400 project or if there were any funds in reserves. Mr. Hogan confirmed the loan was necessary in order to fund the project. Treasurer Tindall asked if the rate adjustment was a requirement of the terms of the Rural Development Loan. Mr. Hogan confirmed that as part of the terms of the Rural Development Loan, a rate adjustment was required to adjust customer water bills to 1% of the Median Household Income (MHI) for Hardin County. Mr. Hogan said if we don't comply, we will not be able to proceed with the loan. Treasurer Tindall asked Mr. Daugherty if he saw any flaws in this process and if he thought this project was necessary. Mr. Daugherty stated that he had full confidence in this process and said, "Absolutely, this project is necessary for the sustainability of this water system."

Chairman Gossett opened the floor to Commissioner Shelton who said Treasurer Tindall had asked all of his questions and he was satisfied with the responses.

Chairman Gossett opened the floor to Secretary Hockman. Secretary Hockman expressed concerns regarding a memo that had been distributed to staff, asking that the matter be kept confidential until the Board voted on whether or not to proceed with the loan. He also expressed concern with the rate adjustment of 41.2% that is required as part of the terms of the loan and that the public needed to be made aware. Mr. Hogan reminded Secretary Hockman that the public will be notified as part of the terms of this loan and that staff was asking the Board to approve whether or not to proceed with the Rural Development Loan. Treasurer Tindall stated that the Board needed to be concerned with the longevity of the district and the future of the Hardin County Water District No. 1 water system. Treasurer Tindall also stated that the public had not been notified yet because no decision had been made.

Chairman Gossett opened the floor to Commissioner Williams who stated that he was in agreement with the project and wanted staff and the Board to communicate the need for the project with customers and explain the reason for the rate adjustment.

Commissioner Williams made a motion to authorize staff, legal counsel and engineer to submit an application to Rural Development to obtain a loan of up to \$994,400 including rate increase of 41.2% to repay the new debt service, for the Pirtle

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Spring Water Treatment Plant Improvements, Gray Lane Pump Station Improvements, and Brizendine Tank Booster Pump Station. Treasurer Tindall seconded the motion.

Chairman Gossett called for a rollcall vote and motion carried.

Chairman Gossett – Yes  
Treasurer Tindall – Yes  
Commissioner Shelton – Yes  
Secretary Hockman – No  
Commissioner Williams – Yes

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

Mr. Metz presented the Operations Report and 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 delays from suppliers.

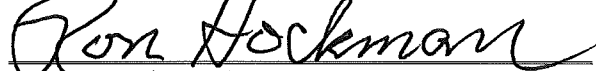
**Adjourn:** Being no further business before the Board, Secretary Hockman made a motion to adjourn at 12:28 P.M. Motion was seconded by Treasurer Tindall and motion passed.

(Minutes submitted by Nora Gocking, Executive Assistant)

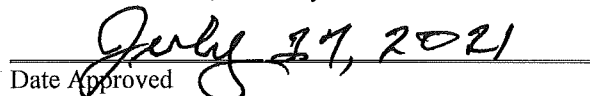
**APPROVAL OF MINUTES**

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



Mr. Ron Hockman, Secretary

  
Date Approved