

**MINUTES OF THE
HARDIN COUNTY WATER DISTRICT NO. 2
BOARD OF COMMISSIONERS' MEETING
September 19, 2017**

The Board of Commissioners of Hardin County Water District No. 2 held its regular monthly meeting on September 19, 2017 at 4:00 p.m. at the Reesor Customer Service Center, 360 Ring Road, Elizabethtown, Kentucky. Present were Commissioners Mike Bell, Tim Davis, John Effinger, Morris L. Miller, and Cordell Tabb. Also present were General Manager James R. Jeffries, Scott Clark, Amber Pike, Shaun Youravich, Damon Talley, Mark Sneve, and Vaughn Williams. Chairman Bell declared that a quorum was present and called the meeting to order.

VISITORS

No visitors were present.

SPECIAL RECOGNITION

Chairman Bell announced that the District had recently been recognized for placing second in the KRWA Best Tasting Water contest at the KRWA Annual Conference held in Lexington. The Commissioners congratulated District Staff for this achievement.

MINUTES & FINANCIAL REPORT

The Minutes of the August 15, 2017 meeting were reviewed. Motion was made by Commissioner Tabb and seconded by Commissioner Miller to approve the Minutes as prepared. Motion carried unanimously.

The Financial Report for the month of August was reviewed. Motion was made by Commissioner Miller and seconded by Commissioner Effinger to accept the Financial Report as presented and to authorize payment of the bills that are due and payable at this time. Motion carried unanimously.

REPORTS

1. **Engineering Reports.** Vaughn Williams and Shaun Youravich presented the engineering report for water. Mark Sneve presented the engineering report for wastewater.
 - A. **Engineering Reports – Water.** Vaughn Williams presented an update on the status of the White Mills WTP Rehab Project. He anticipates RD approving the plans and specifications within the next two (2) weeks so the Project can be advertised for bids in late September. Shaun Youravich presented status reports on various water projects (**see New Business Item 1 for Board Action**).
 - B. **Engineering Reports – Wastewater – Nolin River Watershed.** Mark Sneve presented a status report on the Nolin River Watershed Wastewater Project.
2. **Departmental Reports.** General Manager Jeffries presented the Departmental Reports.

OLD BUSINESS

1. **Nolin Wastewater Project.** Attorney Damon Talley reported that the PSC Application for a Certificate of Public Convenience and Necessity to construct the Nolin River Watershed Wastewater Project was filed with the PSC on August 21, 2017. The PSC issued a “No Deficiency” letter and assigned Case No. 2017-264 to the case. He still anticipates receiving PSC approval on or before November 9, 2017.
2. **Leak Detection Equipment.** The Commissioners reviewed the Bid Tabulations for the leak detection equipment that was advertised for bid pursuant to action taken by the Board on August 15, 2017. Upon recommendation by District Staff, motion was made by Commissioner Miller and seconded by Commissioner Davis to take the following actions: (a) to declare the bid submitted by FlowNetworx, Inc. in the total amount of \$34,450.00 (combined amount for all three (3) items) to be the lowest and best bid for the leak detection equipment; (b) to award the leak detection equipment contract to FlowNetworx, Inc.; and (c) to

authorize District Staff to execute the appropriate purchase orders and other documents necessary to facilitate the purchase of the leak detection equipment. Motion carried unanimously.

NEW BUSINESS

1. City Springs Rehab Project. Upon recommendation of District Staff, motion was made by Commissioner Miller and seconded by Commissioner Effinger to engage the services of Kenvirons to perform the necessary engineering services for the City Springs Rehab Project. Motion carried unanimously.

2. Highway 62 West Reinforcement Project. General Manager Jeffries presented an overview of the proposed Highway 62 West Water Line Reinforcement Project and the need for the Project. Motion was made by Commissioner Tabb and seconded by Commissioner Effinger to authorize District Staff to develop a formal plan for the Project, to recommend a preferred route, and to commence acquiring easements using past District practices. All this preliminary work will be done by District Staff. Motion carried unanimously.

3. Lewis Lane Project. General Manager Jeffries presented the proposed Lewis Lane Water Line Project. Motion was made by Commissioner Tabb and seconded by Commissioner Effinger to authorize the construction of the Lewis Lane Water Line Project and to authorize General Manager Jeffries to execute the standard Water Line Extension Agreement for this Project. Motion carried unanimously.

4. Nolin Wastewater Bid Tabs. Mark Sneve presented the preliminary Bid Tabulations for the four (4) contracts, which comprise the Nolin Watershed Wastewater Project. The total of all four (4) contracts is \$12,267,985. The Commissioners also reviewed Mr. Sneve's September 14, 2017 letter comparing the actual bids to the Engineer's Opinion of Probable Construction Cost. He also provided additional background information about some of the contractors. Because of the magnitude of this Project and the District's unfamiliarity with some of the contractors, the Commissioners instructed District Staff to evaluate the financial condition and to investigate the experience of the apparent low bidders concerning construction of projects similar to the Nolin Wastewater Project.

5. Nolin Wastewater Accounting Matters. General Manager Jeffries explained the process whereby the District must first pay the Nolin Wastewater Project invoices and then seek reimbursement from the BRAC Grant. To date, the District's Water Division has transferred approximately \$150,000 to the District's Sewer Division to facilitate payment of Project expenses. He estimates that the District will probably need to temporarily transfer up to \$500,000 to the Sewer Division. All of these funds will be transferred back to the Water Division once the Project is completed. Based upon recommendation of District Staff, motion was made by Commissioner Tabb and seconded by Commissioner Davis to authorize the temporary transfer of up to \$500,000 from the Water Division to the Sewer Division. Motion carried unanimously. Chairman Bell then directed District Staff to prepare an accounting of all Water Division funds that have been temporarily transferred to the Sewer Division for payment of the Nolin Wastewater Project. The need to prepare a Promissory Note to document the future transfer of funds and to ensure that these funds are repaid was also discussed.

6. Haycraft Improvement Project. General Manager Jeffries discussed the City of Elizabethtown's request for the District to install certain water line improvements to enhance fire flow in the Haycraft area. This project will not benefit the District. Therefore, the City will reimburse the District 100% of the costs of this project. Motion was made by Commissioner Tabb and seconded by Commissioner Miller to take the following actions: (a) to authorize the District to construct the Haycraft Improvement Project; (b) to approve the standard Keep Cost Agreement with the City; and (c) to authorize General Manager Jeffries to execute the Agreement. Motion carried unanimously.

7. Nolin Legal Services. Damon Talley discussed the legal services performed by Stoll Keenon Ogden, PLLC (SKO) to prepare and file the District's PSC Application for a Certificate of Public Convenience and Necessity (CPCN) and supporting Exhibits. The Commissioners had previously been provided a copy of SKO Invoice #862855 dated September 15, 2017. Motion was made by Commissioner Davis and seconded by Commissioner Miller to approve and authorize payment of SKO Invoice #862855. Motion carried unanimously.

8. Executive Session. Motion was made by Commissioner Tabb and seconded by Commissioner Effinger to go into Executive Session to discuss real property acquisitions, pending litigation, potential litigation, and personnel matters involving one or more specific employees. Motion carried unanimously.

***** EXECUTIVE SESSION DISCUSSION *****

Motion was made by Commissioner Miller and seconded by Commissioner Tabb to return to open session. Motion carried unanimously. Chairman Bell announced that it would not be necessary to take action at this time concerning any of the matters discussed during the Executive Session.

ADJOURNMENT

There being no further business to come before the meeting, motion was made by Commissioner Miller and seconded by Commissioner Davis to adjourn the meeting. Motion carried unanimously.

HARDIN COUNTY WATER DISTRICT NO. 2

BY: _____
Morris L. Miller, Secretary

Date Approved: _____

BY: _____
Michael L. Bell, Chairman