

**MOREHEAD UTILITY PLANT BOARD
BOARD MEETING @ 12:00PM
April 25, 2017**

Place of Meeting

A board meeting of the Morehead Utility Plant Board was held Tuesday, April 25, 2017, at 12:00 p.m. at the office of the Morehead Utility Plant Board 135 South Wilson Ave, Morehead, KY.

Board Members Present

Russ Ward, Chairman
Jeff Barker, Vice Chairman-**Absent**
Glen Teager, City Council Representative
Charles Derrickson, Board Member-**Absent**
Porter Daily-Board Member

Also Present

Holly McGrath-Rosas, General Manager
Benita Hammonds, Administrative Manager
Kevin Mayhorn, Financial Coordinator
Larry Tackett, Operations Manager
Brad Stacy, Morehead News
Billy Winkleman, MUPB Consultant
Tim Eldridge, CPA
Alan Robinson, Eclipse Engineering

Call to Order & Confirmation of Quorum

Chairman, Russ Ward, declared a quorum and called the meeting to order at 12:00 p.m. He welcomed all visitors and staff.

Approval of March 28, 2017 Board Meeting Minutes

A motion was made by Porter Daily, and seconded by Glen Teager to approve the minutes of the board meeting held on March 28, 2017. The motion was unanimously approved.

Accept March 2017 Financial Reports

Holly McGrath-Rosas, General Manager, goes over the financial highlights for March 2017. This includes:

- (1) The water revenues are \$26,000 (-1.0%) under budget and sewer revenue is under budget by \$106,000 (3.8%). Both water and sewer sales are experiencing some decreased industrial consumption, with sewer tap fees through March about \$57,000.00 more than budgeted for the year.
- (2) The WTP expenditures are \$101,000 (7.8%) over budget. Chemicals are \$113,000 and utilities are \$26,000 under the year to date budget coupled with plant repairs at \$47,000 over budget are the primary variances affecting the status through 9 months.
- (3) The WWTP expenses are 9.8% or (\$109,000) over budget. Several categories are over budget including about \$37,000 in repairs and maintenance related to the plant and \$87,000 lift stations.
- (4) The maintenance department expense is 3.0% (\$34,000) over budget for the year to date.
- (5) The gas department is contributing about \$111,000 more than budgeted margin year to date and the timing difference have recovered more quickly due to the mild weather. April and May compared to budget may erode that margin based on historical amounts, however the industrial customers help to stabilize this segment even in a mild winter.
- (6) \$687,000 (61%) of the budgeted \$1,127,000 in capital projects has been expended and continuing capital expenditures during this fiscal year may need to be restricted due to the revenue being under budget.

The net variance to operating revenue and expense budget has turned positive through March and is better than budgeted by about \$27,000 which has continued to move to the right direction over the past few months.

A motion was made by Glen Teager, and seconded by Porter Dailey to approve financial reports for March 2017. The motion was unanimously approved.

Reports-General Manager

Water Treatment Plant (WTP)-

Ms. McGrath-Rosas states that the maximum daily treated for the month was 5.4 million gallons. She also reports that the 3 WTP employees received their Treatment Plant License. See the April 2017 WTP Report for additional information.

Wastewater Treatment Plant (WWTP)-

The General Manager reports that the WWTP has been working with Division of Water and Students from UK to conduct an Energy Assessment Study. See the April 2017 WWTP Report for additional information.

Maintenance Department-

The General Manager reports that maintenance department has completed general operations and maintenance. She also informs the Board that flushing of dead in lines has been completed in 6 areas. See attached March 2017 Maintenance Department Report for additional information.

Administration Department-

The Administrative Department reports a water loss of 15.84% for March 2017 and the yearly average is 11.57%. Automatic bank draft payments are at 1142. Ms. McGrath-Rosas reports that new software is up and running will expect CDPro. See the Administrative Office April 2017 Report for additional information.

A motion was made by Porter Daily and seconded by Glen Teager to accept the General Managers report. The motion was unanimously approved.

New Business

Approve Construction of New Water Treatment Plant and All It Entails to come online in 2022

Tim Eldridge explains the cost that would be involved with construction a New Water Treatment Plant. He presents to the board a 5 year plan to increase water and sewer rates to cover the cost of the New Plant. Glen Teager, states that he is 100% convinced that MUPB needs a new water plant but expresses his concerns with the larger increase in year 1 of the 5 year plan. Teager states that the rates should be more consistent each year. Porter Daily says, He wants to see the financial plan broke down and the amounts that will be passed onto MUPB customers and wholesale customers.

A motion was made by Glen Teager, seconded by Porter Daily to move this meeting to a special meeting on May 2, 2017. The motion was unanimously approved.

Ratify Payment of Monthly Bills

A motion was made by Glen Teager, seconded by Porter Daily to ratify payment of monthly bills for March 2017. The motion was unanimously approved.

Meeting Adjourned

Meeting Adjourned at 1:13p.m.

The next special meeting is on May 2, 2017 @ 12:00p.m.

Russ Ward, Chairman

Holly McGrath- Rosas, General Manager