

**MOREHEAD UTILITY PLANT BOARD
BOARD MEETING @ 12:00PM
August 29, 2017**

Place of Meeting

A board meeting of the Morehead Utility Plant Board was held Tuesday, August 29, 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
Glen Teager, City Council Representative
Tracy Williams, Board Member
Porter Dailey-Board Member

Also, Present

Holly McGrath-Rosas, General Manager
Benita Hammonds, Administrative Manager
Kevin Mayhorn, Financial Coordinator
Larry Tackett, Operations Manager
Billy Winkleman, MUPB Consultant
Jim Neill, Tech-Support
Earl Rogers, Attorney
Trevor Atkins, Center Point Energy (Left at 12:29)

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 July 25, 2017 Board Meeting Minutes

A motion was made by Glen Teager, and seconded by Jeff Barker to approve the minutes of the board meeting held on July 25, 2017. The motion was unanimously approved.

Approval of Gas Incentive Program-Trevor Adkins

Trevor Atkins with Center Point Energy explains the Gas Incentive Program and how it is funded. Holly McGrath-Rosas presents the board with a sample flyer that shows the different incentives that MUPB will be offering their customers. Glen Teager suggests that the flyer include new and existing customers, as well as that limited funds are available, Porter Dailey agrees.

A motion was made by Porter Dailey, and seconded by Glen Teager to approve the Gas Incentive Program, after the changes to the flyer were made. The motion was unanimously approved.

Accept July 2017 Financial Reports

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

- (1) Water and sewer revenue is 2.9% (\$18,000) below the budgeted amounts
 - (2) The WTP expenditures are \$23,000 (16%) below budget. Chemicals are still running below budgeted amounts.
 - (3) The WWTP expenses are 18.7% or (\$25,000) over budget. Lift Station expenses continue to be the primary category that is exceeding budget on a regular basis. We will continue to evaluate the budget amounts for these related categories.
 - (4) The maintenance department expense is 14.6% (\$19,000) under budget for the year with most of that variance due to system repair and maintenance and some personnel costs.
 - (5) The margin on the gas sold for the month is favorable to budget by about \$46,000.
 - (6) \$154,000 (12%) of the budgeted \$1,235,000 in capital projects have been expended.
- Overall July shows very strong with a net favorable variance of actual to budget for net income by \$58,000.

Please remember that these large percentage variances at the beginning of the year and especially for one month are to be expected and we will begin to see these normalize as we get a few months completed, however it's been a good start to the year.

A motion was made by Jeff Barker, and seconded by Tracy Williams to approve financial reports for July 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 5.58 million gallons. She reports that Jericho Sipple passed his Class IV Water Treatment test and is now a class IV operator. See the July 2017 WTP Report for additional information.

Wastewater Treatment Plant (WWTP)-

The General Manager reports that the WWTP had 2 different lift stations that were hit by lightning. The Dakota Station and The Leo Williams station. July 2017 WWTP Report for additional information.

Maintenance Department-

The General Manager reports that the maintenance department has completed general operations and maintenance. Ms. McGrath-Rosas reports that the Grassy Lick Gas Line extension will begin shortly. See attached July 2017 Maintenance Department Report for additional information.

Administration Department-

The Administrative Department reports a water loss of 8.65% for July 2017 and the yearly average is 11.22%. Automatic bank draft payments are at 1162. See the Administrative Office July 2017 Report for additional information.

A motion was made by Porter Dailey and seconded by Jeff Barker to accept the General Managers report. The motion was unanimously approved.

New Business

Ratify Payment of Monthly Bills

Mr. Mayhorn, presented the board with checks that had been written for the months and explained what those payments were for.

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

Meeting Adjourned

A motion was made by Jeff Barker, seconded by Porter Dailey to adjourn the meetings.

Meeting Adjourned at 12:59 p.m.

The next meeting is on September 26, 2017 at noon.

Russ Ward, Chairman

Holly McGrath- Rosas, General Manager