

**MOREHEAD UTILITY PLANT BOARD
BOARD MEETING @ 12:00PM
March 28, 2017**

Place of Meeting

A board meeting of the Morehead Utility Plant Board was held Wednesday, March 28, 2017, at 12:00 p.m. at the office of the Morehead Utility Plant Board 135 South Wilson Ave, Morehead, KY.

Board Members Present

Porter Dailey, Chairman
Russ Ward, Vice Chairman
Glen Teager, City Council Representative
Jeff Barker, 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
Lincoln Caudill, Deputy Judge Executive (arrived at 12:11pm)

Call to Order & Confirmation of Quorum

Vice 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 1, 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 March 1, 2017. The motion was unanimously approved.

Accept February 2017 Financial Reports

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

- (1) The water revenues are \$26,000 (-1.1%) under budget and sewer revenue is under budget by \$64,000 (2.6%). Both water and sewer sales are experiencing some decreased industrial consumption.
- (2) The WTP expenditures are \$78,000 (6.7%) over budget. Chemicals are \$88,000 under the year to date budget along with several other line items which have some positive variance.

These amounts are offset by higher than expected plant repair and maintenance resulting in the current total amounts under budget.

- (3) The WWTP expenses are 9.8% or (\$97,000) over budget. Several categories are over budget including about \$70,000 in repairs and maintenance related to the plant and lift stations.
- (4) The maintenance department expense is 2.1% (\$20,000) over budget for the year which includes \$17,000 of employee training in the gas department higher than the year to date budgeted amounts as well as higher system repairs than anticipated.
- (5) The gas department is contributing about \$38,000 less than budgeted margin year to date and timing is recovering somewhat as we have moved to very mild weather out of a very mild winter. We're getting late in the season and unless a very sharp cold spell, gas will likely end the year below budgeted net margins.
- (6) \$677,000 (60%) 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 is negative year to date by about \$133,000. Which has improved from last month due to some reversal of the seasonal margin shortfall in the gas department in addition to some curtailed operating expenses.

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

Russ Ward recognizes that Lincoln Caudill has joined the meeting. Mr. Caudill speaks to the board briefly about projects that may be upcoming in regards to Cranston Road and possible sewer extensions. Ms. McGrath-Rosas states that they will look into it. Billy Winkleman informs Mr. Caudill that they have looked at this in the past and it was around \$500,000 at that time. However, with the possible change of Route 377 that may be revisited.

Reports-General Manager

Water Treatment Plant (WTP)-

Ms. McGrath-Rosas states that the maximum daily treated for the month was 5.7 million gallons or 73%. She also reports that the WTP made revisions to their Risk Management Plan. See the March 2017 WTP Report for additional information.

Wastewater Treatment Plant (WWTP)-

The General Manager reports that the WWTP has installed new pumps for the Flannery pump station along with a new transducer. See the March 2017 WWTP Report for additional information.

Maintenance Department-

The General Manager reports that maintenance department repaired three 10” water main breaks on 801 South. They also repaired the auto flusher at Rodburn Hollow. She also reports that the maintenance department completed one water tap and one gas tap. They also done one grinder tap. See attached March 2017 Maintenance Department Report for additional information.

Administration Department-

The Administrative Department reports a water loss of 10.67% for February 2017 and the yearly average is 11.35%. Automatic bank draft payments are at 1142. Ms. McGrath-Rosas reports that new software is up and running will expect CDPPro. See the Administrative Office March 2017 Report for additional information.

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

New Business

Approve Vehicle Donation to Chamber

MUPB acquired the 2004 Ford truck for operations; due to age and maintenance costs it is now the best interests of the Board to surplus and replace it; it is determined that it shall be transferred without compensation to the Morehead-Rowan County Chamber of Commerce for economic development purposes for which the Chamber was statutorily created under KRS 102.00 pursuant 82.083(4)(b).

A motion was made by Porter Dailey, seconded by Glen Teager to approve WTP for Engineering. The motion was unanimously approved.

Board Restructure

Porter Dailey informed the board that he spoke with both the MUPB General Manager and the Mayor of Morehead and has submitted his resignation as chairman effective Friday March 31, 2017. Due to medical issues he feels like it is in the best interest of the board that he step down as chairman but still remain a board member. Mr. Dailey states that since he is vacating the chairman position that Russ Ward who is vice-chair will now become chairman. It was also discussed that a vice-chair should be elected now due to the regular officers not been elected until June. Mr. Daily nominated Jeff Barker as vice chair and Glen Teager seconded the nomination. Porter Dailey made a motion to elect Jeff Barker as vice-chair and the motion was seconded by Glen Teager. Mr. Teager shows his appreciation for the time that Porter Dailey has spent as chairman and looks forward to him continuing to serve as a board member. Russ Ward also shows his appreciation to Mr. Dailey for both his leadership and dedication to MUPB and the board members.

A motion was made by Porter Dailey, seconded by Glen Teager to approve the board restructure. The motion was unanimously approved.

Ms. McGrath-Rosas now ask the board that they have a special called meeting on April 18, 2017 @ 12:00pm so that she can present the projected 2017-2018 budget. This meeting will be a workshop meeting that will then be placed on the April 25, 2017 meeting.

A motion was made by Jeff Barker to accept the special called meeting and was seconded by Porter Dailey. The motion was unanimously approved.

Ratify Payment of Monthly Bills

Kevin Mayhorn, Financial Coordinator reviewed with the board several checks that were written which included ARC Randolph & Associates and Red Bud Supply. He explained to the board what services were provided to MUPB in exchange for these payments.

A motion was made by Charles Derrickson, seconded by Porter Dailey to ratify payment of monthly bills for February 2017. The motion was unanimously approved.

Old Business

N/A

Meeting Adjourned

Meeting Adjourned at 12:36p.m.
The next meeting is on April 25, 2017 @ 12:00p.m.

Russ Ward, Chairman

Holly McGrath- Rosas, General Manager