

**MOREHEAD UTILITY PLANT BOARD
BOARD MEETING @ 12:00PM
May 2, 2017**

Place of Meeting

A Special board meeting of the Morehead Utility Plant Board was held Tuesday, May 2, 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
Charles Derrickson, Board Member
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 12:08
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.

New Business

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

General Manger, Holly McGrath-Rosas ask for approval to construct a New Water Treatment Plant and all it entails to come online in 2022. Porter Daily questions the timing of completion. Glen Teager asks for a friendly amendment to remove the completion date of 2022.

A motion was made by Glen Teager, seconded by Porter Daily to approve Construction of New Water Treatment Plant and All It Entails. The motion was unanimously approved.

Approve Sewer Capacity Study Phase 1 (4 Million Dollars)

Charles Derrickson asks how MUPB came up with the amount of work that needs to be done. Ms. McGrath-Rosas explains to the Board that Kentucky Environmental Group completed a Sewer Capacity Study and explained the locations, needed repairs, and the cost involved.

A motion was made by Charles Derrickson, seconded by Jeff Barker to approve sewer capacity study phase 1. The motion was unanimously approved.

Approve Rate Structure to Support Projects

Tim Eldridge, CPA explains to the board the rate structure and rate increase that is needed to fund the projects. He informs the board that due to their recommendation at the prior meeting he changed the rate increase to be more consistent over the next five years instead of having a larger increase in the first year and smaller increase in the following 4 years. Porter Daily expresses his concern with funding the reserve in the five year plan. Mr. Eldridge explains that funding the reserve over five years would help keep rates lower the first year. Mr. Eldridge also explains that with keeping the rate increase consistent each year is not enough in sewer to cover the budget and MUPB would have to pull from the reserves to cover the sewer. Jeff Barker requests that the sewer rate be increased so that MUPB would not have to pull from the reserve. Glen Teager suggests that if approved, the rate increase should be revisited each year and not approved for 5 years. Porter Daily agrees that the rate increase should only be approved for the 2017-2018 budget year only and revisit the rate increase on a yearly basis.

A motion was made by Glen Teager, to increase the water rates \$4.54 in city on 4000 gallons, and increase sewer rates \$2.74 in city on 4000 gallons starting in the 2017-2018 budget year with the understanding that we have a 5 year rate structure that will be re-evaluated each year and seconded by Jeff Barker. The motion was unanimously approved.

Recommend Engineers for WTP Project

Holly McGrath-Rosas explains to the board that the committee evaluated 6 engineers and selected Eclipse Engineering as the Engineer for the WTP Project.

A motion was made by Porter Daily, seconded by Charlie Derrickson to approve Eclipse Engineering as Engineer for WTP Project. The motion was unanimously approved.

Approve 2017-2018 Operating Budget

Holly McGrath-Rosas presents to the board the 2017-2018 MUPB operation budget. Ms. McGrath-Rosas goes over the highlights. The General Manager explains her plan to have a outsource company to conduct an employee salary and benefits compensation study in the 2017-2018 budget year. Glen Teager said he is glad to see that being done and expresses his concerns with the rising cost of benefits.

A motion was made by Porter Daily, seconded by Charlie Derrickson to approve 2017-2018 Operating Budget. The motion was unanimously approved.

Old Business

N/A

Meeting Adjourned

Meeting Adjourned at 1:33 pm.
The next meeting is on May 30, 2017 @ 12:00p.m.

Russ Ward, Chairman

Holly McGrath- Rosas, General Manager