

**MOREHEAD UTILITY PLANT BOARD
BOARD MEETING @ 12:00PM
May 30, 2017**

Place of Meeting

A board meeting of the Morehead Utility Plant Board was held Tuesday, May 30, 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 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

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 April 18, 2017 Special Board Meeting Minutes

A motion was made by Glen Teager, and seconded by Porter Daily to approve the minutes of the special board meeting held on April 18, 2017. The motion was unanimously approved.

Approval April 25, 2017 Regular Board Meeting Minutes

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

Approval May 2, 2017 Special Board Meeting Minutes

A motion was made by Porter Daily, and seconded by Glen Teager to approve the minutes of the special board meeting held on May 2, 2017. The motion was unanimously approved.

Accept April 2017 Financial Reports

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

- (1) The water revenues are \$20,000 (-0.7%) under budget and sewer revenue is under budget by \$137,000 (-4.5%). Both water and sewer sales are experiencing some decreased industrial consumption, with sewer tap fees through April about \$91,000.00 more than budgeted for the year.
- (2) The WTP expenditures are \$157,000 (10.7%) under budget. Chemicals are \$123,000 and utilities are \$28,000 under the year to date budget coupled with plant repairs at \$38,000 over budget are the primary variances affecting the status through 10 months.
- (3) The WWTP expenses are 5.8% or (\$73,000) over budget. Several categories are over budget including about \$32,000 in repairs and maintenance related to the plant and \$91,000 lift stations. These are offset somewhat by under budgeted utilities.
- (4) The maintenance department expense is 3.9% (\$48,000) under budget for the year to date.
- (5) The gas department is contributing more than budgeted margin year to date and the timing difference should have recovered by the May report. The industrial customers help to stabilize this segment even in a mild winter.
- (6) Capital expenditures have been restricted for the remainder of the year due to under budgeted revenue. \$711,000 (61%) of the budgeted \$1,127,000 in capital projects has been expended year to date.

The net variance to operating revenue and expense budget has continued in a positive trend over the last three months and is better than budgeted by about \$135,000. There should be some continued improvement toward the end of the fiscal year.

A motion was made by Glen Teager, and seconded by Jeff Barker to approve financial reports for April 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 5.679 million gallons. She reports that the High Service pump #2 had been repaired by PumpTech and reinstalled on 4-18 they are now in use and functioning properly. She also reports that they plan to switch from chlorine to sodium hydrochloride next week. See the April 2017 WTP Report for additional information.

Wastewater Treatment Plant (WWTP)-

The General Manager reports that the WWTP had their biannual toxic scan on influent and effluent flows and biosolids by Hall Environmental. See the April 2017 WWTP Report for additional information.

Maintenance Department-

The General Manager reports that maintenance department has completed general operations and maintenance. See attached April 2017 Maintenance Department Report for additional information.

Administration Department-

The Administrative Department reports a water loss of 7.12% for April 2017 and the yearly average is 11.46%. Automatic bank draft payments are at 1155. Ms. McGrath-Rosas reports that new software is complete and waiting on the radio read meters to be installed and tested. See the Administrative Office April 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 Authorization Resolution KIA Draw Request

Ms. McGrath-Rosas informs that board that this resolution is required from the KIA for MUPB to be reimbursed for the approximant \$106,000 that has been spent on engineering fees over the last two years. This is for the sewer extension project on KY 158. The total amount in the first draw is \$241,921.45.

A motion was made by Porter Dailey and seconded by Glen Teager to approve the authorization resolution KIA draw request. The motion was unanimously approved.

Approve Service Contract with Rowan Water

The general manager reports that Rowan Water is getting a Rural Development loan and with that their loan company needs to confirm that MUPB will be selling them water for the next 40 years. Mr. Teager ask why there is no limitations or amounts on this agreement. Ms. McGrath-Rosas explains that this was only done to satisfy the needs of their loan and it does not affect any prior agreements.

A motion was made by Glen Teager and seconded by Jeff Barker to approve the authorization resolution KIA draw request. The motion was unanimously approved.

Approve to Move or Cancel June 2017 Board Meeting

Ms. McGrath-Rosas explains that she will be on vacation on the week of the scheduled meeting and is asking that the meeting either be moved or cancelled.

A motion was made by Porter Dailey and seconded by Jeff Barker to approve to cancel the June meeting. The motion was unanimously approved.

Approve to Move Monthly Meetings to Quarterly Meetings

Ms. McGrath-Rosas explains to the board that if they could go to quarterly meeting that it would give a better view of the financials and she would still provide a monthly report to both the board and the city. However, Glen Teager states that he feels more comfortable with monthly meeting with the upcoming rate increase and such. Jeff Barker agrees with Mr. Teager. At this time, the approval of quarterly meetings has been tabled.

Ratify Payment of Monthly Bills

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

A motion was made by Porter Daily, seconded by Tracy Williams to ratify payment of monthly bills for April 2017. The motion was unanimously approved.

Meeting Adjourned

A motion was made by Glen Teager , seconded by Jeff Barker to adjourn the meetings.

Meeting Adjourned at 12:31p.m.
The next meeting is on July 25, 2017 at noon.

Russ Ward, Chairman

Holly McGrath- Rosas, General Manager