

**MOREHEAD UTILITY PLANT BOARD
BOARD MEETING @ 12:00PM
September 29, 2015**

Place of Meeting

A board meeting of the Morehead Utility Plant Board was held Tuesday, September 29, 2015, at 12:00 p.m. at the office of the Morehead Utility Plant Board 135 S Wilson Ave, Morehead KY.

Board Members Present

Porter Dailey, Chairman
Russ Ward, Vice Chairman
Charles Derrickson, Board Member
Jeff Barker, Board Member

Also Present

Billy Winkleman, Interim General Manager/Secretary
Jim Neill, Technical Support
Larry DeHart, Morehead News
Earl Rogers-Attorney

Absent

Glen Teager, City Council Representative

Call to Order & Confirmation of Quorum

Chairman, Porter Dailey, declared a quorum and called the meeting to order at 12:00 p.m. Mr. Dailey welcomed Larry DeHart, from the Morehead News, to the meeting.

Approval of August 25, 2015 Board Meeting Minutes

A motion was made by Charles Derrickson, and seconded by Jeff Barker to approve the minutes of the board meeting held on August 25, 2015. The motion was unanimously approved.

Approval of August 28, 2015 Special Board Meeting Minutes

A motion was made by Charles Derrickson, and seconded by Porter Dailey to approve the minutes of the “special” board meeting held on August 28, 2015. The motion was unanimously approved.

Approval of September 2, 2015 Special Board Meeting Minutes

A motion was made by Charles Derrickson, and seconded by Porter Dailey to approve the minutes of the “special” board meeting held on September 2, 2015. The motion was unanimously approved.

Accept August 2015 Financial Report

Interim General Manager, Billy Winkleman reported that the water revenue has increased by \$65,000 (13.2%) and sewer revenue by \$94,000 (19.2%) compared to the prior year as well as 111% and 113% of budget respectively.

The gas department margin is about \$47,000 year to date and about \$20,000 less than the prior year. There were no significant budget variances in gas department operating expenses other than the purchased gas which relates directly to the gas revenue and the price of natural gas.

The water system and plant expenses are up 28% (\$80,000). The majority of that difference is from one category. The chemical expenses at the WTP are \$58,000 higher than last year and over budget by \$28,000. Chemicals are generally a seasonal purchase and tend to stabilize over the year; however with the excessive rain this year, a much higher concentration of chemicals have been needed to properly treat the water taken into the system from the river. Overall the water system and plant are 8% over budget. There does not appear to be any other material variances to budget for the year in the water system and plant.

The sewer department expenses are 4% (\$12,000) over budget and reflect about 49,000 (19%) above the prior year's expense. The category creating the most material variance from the budget is lift station expense in the amount of \$30,000 over the year to date budget. These expenses can fluctuate greatly from month to month, however; the grinder pumps have continued to create somewhat more maintenance than expected and as replacements and repairs are made, newer technology is being used to avoid some of the additional costs.

The General and Administrative expenses have increased \$12,000 from the prior year and are at only 93% of the budgeted amounts.

The total operating expenses were about \$17,000 over budget when factoring out the variance in actual gas purchased to budget. The water and sewer revenue are about \$120,000 over the year to date revenue budget. The August financial statements reflect a bottom line positive variance to the operating budget in the amount of about \$120,000. For additional information see the attached reports.

A motion was made by Jeff Barker, and seconded by Charles Derrickson to accept the August 2015 financials. The motion was unanimously approved.

Reports-General Manager

The Interim General Manager, Billy Winkleman, reviewed the Administrative Department report. He pointed out the revenue received is from insurance reimbursement from the 2015 Flood. The balance of expense reimbursed from the 2010 Flood and 2015 Flood should come from FEMA. See September 2015 Administrative Department for additional information.

Russ Ward, Vice-Chairman entered the meeting at this time.

The WWTP discovered a failed winch originally purchased from Trojan for the Ultra-Violet (UV) System. While conducting a site visit, Trojan's representative discovered that the unit was not repairable due to obsolete parts and a replacement winch would have to be purchased at a cost of about \$30,000. Dennis Skaggs, WWTP Supervisor, and Tim Sargent, WWTP Maintenance Coordinator researched and discovered that Morehead Machining could fabricate the two parts needed to repair the

winch for only \$1500. This cost saving shows how the staff continues to strive to get the better price and solution for every situation. The Chairman praises and shows appreciation by thanking the employees and Morehead Machining on behalf of the board. Additional information is attached in the WWTP report.

The Maintenance Department had three gas taps this month. They were residential size taps. The Chairman asked if we could supply the board with a list of customers where gas is available to hook onto MUPB gas. Jim Neill, Computer Technical Support, responded that he would attempt to compile the information requested. Additional information is in the September 2015 Maintenance Monthly Report.

The Interim General Manager pointed out that Nathan Hall, with the Division of Forestry, dozes sludge on WTP land farm at no cost to MUPB. For many year the Division of Forestry has performed these services to provide dozer training for their personnel. See additional information on the September 2015 WTP Monthly Report.

A motion was made by Russ Ward, and seconded by Charles Derrickson to accept the General Managers Report. The motion was unanimously approved.

New Business

Approve WWTP Flood Rebuild Recognition Plaque

Chairman Dailey requested that the WWTP memorialize the 2010 Flood Rebuild project with a Plaque. He felt that all those involved in getting this accomplished should be recognized. Those to be recognized include the five Morehead Utility Plant Board Members, employees, engineers, contractors, and the City Council. He is recommending a ceremony for recognition of service to present this plaque. Jeff Barker suggested to hang pictures of before and after the flood around the plaque.

A motion was made by Russ Ward, seconded by Jeff Barker to approve the WWTP Flood Rebuild Recognition Plaque. The motion was unanimously approved.

Ratify Payment of Monthly Bills

A motion was made by Charles Derrickson, seconded by Russ Ward to ratify payment of monthly bills for August 31, 2015 as presented. The motion was unanimously approved.

GM Search

The Chairman indicated that following the search process for a new General Manager the top candidate recommended to hire is Holly Rosas from Midland, Texas. She is currently the Assistant Director of Utilities with the City of Midland Texas, Public Utilities since 2012. Her prior experience is Superintendent of Sanitary Sewer Collections and Environmental Compliance with the City of West Palm Beach Florida, Public Utilities from May 2007 through June 2012. She has had ten years of experience in public utilities. He believes that she would be very beneficial to the MUPB organization. The compensation package will be a base salary of \$86,000, which is less than her current salary. Morehead Utility Plant Board will also give her \$500 a month vehicle allowance and reimburse her for moving expenses.

A motion was made by Russ Ward, seconded by Charles Derrickson to authorize the Chairman to offer the General Manager's position to Holly McGrath Rosas and negotiate the final compensation package. The motion was unanimously approved.

Meeting Adjourned

Meeting Adjourned at 12:48p.m.

Porter Dailey, Chairman

Billy Winkleman, Interim General Manager