

Hardin County Water District No. 1
Minutes of Special Meeting
of the Board of Commissioners

May 23, 2016

Chairman William Gossett called the meeting to order at 11:31 A.M. with Commissioners John Tindall, Jim Shelton, Ron Hockman, and Howard Williams in attendance. Staff present included Jim Bruce, General Manager; Brett Pyles, Operations Manager; Scott Schmuck, Finance & Accounting Manager; Daniel Clifford, Engineering Manager; Leslie Daugherty, Distribution Specialist; Tim Osborne, Distribution Supervisor; Paul Montgomery, Distribution Operator; Dustin Humphrey and David Wilson, Attorneys.

Chairman Gossett opened the floor for public comment. There were no public comments offered and the floor was closed to public comment.

Mr. Bruce noted that there was a new employee present, and Chairman Gossett invited Mr. Osborne to introduce him. Mr. Osborne introduced Paul Montgomery as a new Distribution System Operator for County Water and provided a brief background. The Board welcomed Mr. Montgomery, who then exited the meeting with Mr. Osborne.

Chairman Gossett asked for a motion to accept the minutes from April 19, 2016. Commissioner Williams made a motion to accept all presented minutes. The motion was seconded by Commissioner Shelton and the motion passed.

Mr. Schmuck presented the April 2016 Treasurer's report and noted that all five funds show positive net income. He mentioned that the county water fund was \$8,000 ahead of projections for this year and \$24,000 ahead from this time last year. He also made note that Radcliff sewer was \$43,000 behind projections for this year but still over \$200,000 ahead from this time last year. Interdepartmental transfers were briefly discussed. Commissioner Shelton asked about the trade-in valve on the backhoe that was replaced, and Mr. Bruce and Mr. Pyles explained the values and prices of the old and new backhoes. Secretary Hockman asked about the difference in the grant balance for Constantine Road project and Mr. Bruce and Mr. Clifford explained that known costs such as inspections and easements had been removed in order to get a more accurate calculation of cash available for construction. Commissioner Williams made a motion to approve the April 2016 Treasurer's Report. Commissioner Shelton seconded the motion and the motion passed.

Board Monitoring Reports: Mr. Bruce presented the General Manager's Report. He briefly mentioned the Millpond tank site as it will be discussed in this week's city council meeting. He explained that there would eventually be a signed agreement setting the terms of the site exchange. Mr. Clifford also mentioned that the District would still require a geological study to confirm that the site is suitable for a water tank.

Commissioner Shelton asked for an update on the Rural Development loan. Mr. Bruce explained that Meade County is still proceeding with their application. He mentioned that the City of Brandenburg was looking into building a new tank and they had contacted the District about touring Pirtle Spring Water Treatment Plant to learn more about switching to chloramines. He also mentioned that the chloramine building at Pirtle is near completion and that the staff would soon attend training on the conversion to a chloramine treatment system.

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Secretary Hockman asked about the employee that left and Mr. Bruce explained that he quit suddenly and has not been heard from. Mr. Bruce also mentioned that a new employee, Matthew Whelan, has been hired for the Ft. Knox Distribution office and he will be starting soon. Secretary Tindall questioned Mr. Pyles about the employee who needed to complete forms for access to Fort Knox and Mr. Pyles answered that it had been resolved.

Mr. Pyles presented the Operations Managers Report. There was a brief discussion about the Quiggins project and the Wilma lift station. The District will be doing a smoke test in the Wilson Road / Cement Lift Station area, which any smoke release will be documented with photos.

Mr. Clifford presented the Engineering Manager Report and updated the Board on the tree removal for the LWC interconnect project. HCWD1 was contacted by a property owner who thought the District had trespassed on his property and removed several trees. Upon further investigation, it was found that the land was actually owned by CSX Railroad according to a plat that Mr. Clifford had found which showed that the transaction occurred in the 1800's. The findings were discussed with the owner and he then agreed with the District's evidence and dropped his claim.

There was a brief discussion about responding to situations on Fort Knox. The District is usually the first point of contact when the Fort Knox personnel find issues with construction related sites. Most often, the issue is not the District's responsibility but the District always responds promptly and accordingly.

Constantine County Expansion Phase 2 Project: Mr. Bruce presented the two bids received for the Constantine County Expansion project. There was a brief discussion about the possibility to award additional roads after the initial roads on the bid forms were completed. Mr. Wilson advised the Board to proceed as the motion suggested, and that should this be a future option, he would investigate and advise the Board on the best legal options and basis for adding more roads. Mr. Bruce also explained that the contractor is being paid by the foot of pipe installed, which will be confirmed by HCWD1 in field measurement since the bids were based on estimated footage. Secretary Hockman made a motion to authorize staff and legal counsel to execute an agreement with the low bidder, Salmon Construction, to construct water main extensions for six roads of the Constantine County Expansion Project – Phase 2, at the earliest convenience. Treasurer Tindall seconded the motion and the motion passed.

Uniforms for Employees: Mr. Bruce presented a slide presentation showing the history of providing uniforms and different costs and cost savings by self-providing uniforms versus leasing them. The Board discussed some logistical concerns and Mr. Pyles and Mr. Bruce answered their questions. Treasurer Tindall made the motion to authorize staff to purchase needed uniforms for operations employees, purchase washers and dryers and other start-up items for total cost not to exceed \$16,000 and once obtained, to terminate the uniform rental agreement with UniFirst. Commissioner Williams seconded the motion and the motion passed.

Revised FMLA Policy: Mr. Bruce presented the item. Treasurer Tindall asked if this new policy would bring the District into full compliance with FMLA law and Mr. Humphrey confirmed that it indeed would. There was a brief discussion about unpaid leave versus paid leave. Treasurer Tindall made the motion to approve an update to Personnel Policy No. 71, Family Medical Leave, per the

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recommendation of staff and legal counsel, with any changes as directed by the Board, and to implement changes at the earliest convenience. Secretary Hockman seconded the motion and the motion passed.

Closed Session: Mr. Bruce noted the need for a closed session to discuss both personnel and litigation. Secretary Hockman made a motion to enter into closed session in order to discuss the issues in accordance with KRS.61.810.1.c, litigation and KRS 61.810.1.f. personnel. Treasurer Tindall seconded the motion and the motion passed. Mr. Bruce and Mr. Schmuck remained and all other staff exited the room. Chairman Gossett reconvened open session at 12:45 PM.

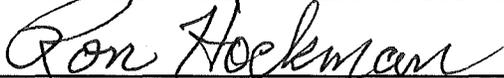
Adjourn: Being no further business before the Board, Secretary Hockman made a motion to adjourn at 12:45 PM. Motion was seconded by Commissioner Shelton and motion passed.

(Minutes submitted by Leslie Daugherty, Distribution Specialist)

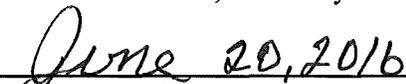
APPROVAL OF MINUTES

I hereby certify that the foregoing minutes were duly approved by the Board of Commissioners of the Hardin County Water District No. 1 at a meeting held on the date shown below:

HARDIN COUNTY WATER DISTRICT No.1



Mr. Ron Hockman, Secretary



Date Approved