

**MINUTES OF THE
HARDIN COUNTY WATER DISTRICT NO. 2
BOARD OF COMMISSIONERS' MEETING**

April 20, 2021

The Board of Commissioners of Hardin County Water District No. 2 held its regular monthly meeting on April 20, 2021 at 4:00 p.m. at the Reesor Customer Service Center, 360 Ring Road, Elizabethtown, Kentucky. Present were Commissioners Mike Bell, Tim Davis, John Effinger, Morris L. Miller, and Cordell Tabb. Also present were Amber Pike, Forrest Pollock, Shaun Youravich, Jarrod Benningfield, Vaughn Williams and Damon Talley. Chairman Bell declared that a quorum was present and called the meeting to order.

VISITORS

There were no visitors.

SPECIAL RECOGNITION

Chairman Bell announced that the Kentucky Division of Water recently presented its AWOP award to the White Mills Water Treatment Plant. This is the tenth consecutive year that the White Mills Water Treatment Plant has received this award.

MINUTES & FINANCIAL REPORT

The Minutes of the March 16, 2021 Board meeting were reviewed. Motion was made by Commissioner Tabb and seconded by Commissioner Effinger to approve the Minutes as prepared. Motion carried unanimously.

The Financial Report for the month of March was reviewed. Motion was made by Commissioner Davis and seconded by Commissioner Miller to accept the Financial Report as presented and to authorize payment of the bills that are due and payable at this time. Motion carried unanimously. The Commissioners also reviewed the status of the District's various investment accounts and the long-term debt payment requirements.

REPORTS

1. **City Springs Raw Water Intake Project.** Vaughn Williams presented a status report for the City Springs Raw Water Intake Project. The Project is approximately 95% complete. The March 15, 2021 start-up of the pumps was successful. He recommends reducing the retainage to \$40,000. (See Old Business, Item 2 for Board Action)
2. **Downtown Tank Project.** Vaughn Williams reported that the Transportation Cabinet has declined to issue the requested encroachment permits to permit the proposed water transmission main to be installed under U.S. Highway 31-W as originally planned. He will revise the plans and submit them to DOW.
3. **Customer Service & Operations Facility Project.** Jarrod Benningfield reported that the contractors are making excellent progress on the Project. The concrete slab for the Customer Service Building has been poured. The Equipment Building is under roof.
4. **Departmental Reports.** Shaun Youravich and Amber Pike presented the Departmental Reports.
5. **Project Reports.** Forrest Pollock presented a status report on various small projects which the District is constructing “in house.”

OLD BUSINESS

1. **Jenkins-Essex Pay Request.** Upon recommendation of General Manager Youravich, motion was made by Commissioner Davis and seconded by Commissioner Miller to approve and authorize payment of Pay Request No. 9 submitted by Jenkins-Essex in the amount of \$400,201.40 and direct pay vendors totaling \$67,373.19 as itemized on the Direct Pay Summary for the proposed Customer Service and Operations Facility Project. Motion carried unanimously.
2. **City Springs Raw Water Intake Project.** Upon recommendation of Kenvirons, motion was made by Commissioner Tabb and seconded by Commissioner Miller to reduce the retainage amount to \$40,000. Motion carried unanimously.

NEW BUSINESS

1. WTP Capital Item Bid Request. Upon recommendation of General Manager Youravich, motion was made by Commissioner Miller and seconded by Commissioner Effinger to authorize District Staff to advertise for bids for replacing the valve actuators in Filter Bank # 2 at the White Mills WTP. The bid will be for materials only. The District Staff will perform the installation. Motion carried unanimously.

2. 2020 Audit Report. The Commissioners reviewed the Audit Report for the 2020 calendar year. The Audit Report was prepared by Heartland CPAs and Advisors, PLLC. The Audit Report contains an unmodified (“clean”) opinion. Motion was made by Commissioner Davis and seconded by Commissioner Tabb to accept the Audit Report. Motion carried unanimously.

3. LWC Wholesale Rate Increase. Amber Pike reminded the Commissioners that the annual Louisville Water Company (LWC) wholesale rate increase has been submitted to the PSC by LWC. It is scheduled to take effect on July 1, 2021. The Commissioners discussed the feasibility of protesting the rate increase or filing a Purchased Water Adjustment (PWA) Application with the PSC to “pass through” the rate increase to the District’s customers. Chairman Bell instructed District Staff to calculate the financial impact of the proposed LWC wholesale rate increase on the District and for the Commissioners to be prepared to take any necessary action at the May Board meeting.

4. Executive Session. Motion was made by Commissioner Tabb and seconded by Commissioner Effinger to go into Executive Session to discuss real property acquisition and sale, pending litigation, potential litigation, and personnel matters involving one or more specific employees. Motion carried unanimously.

* * * EXECUTIVE SESSION DISCUSSION * * *

Motion was made by Commissioner Tabb and seconded by Commissioner Effinger to return to open session. Motion carried unanimously. Chairman Bell announced that it would not be necessary to take action concerning any of the matters discussed in Executive Session.

ADJOURNMENT

There being no further business to come before the meeting, motion was made by Commissioner Miller and seconded by Commissioner Effinger to adjourn the meeting. Motion carried unanimously.

HARDIN COUNTY WATER DISTRICT NO. 2

BY: _____
Morris L. Miller, Secretary

Date Approved: _____

BY: _____
Michael L. Bell, Chairman

RESOLUTION NO. 2021-05-01

**A RESOLUTION OF THE BOARD OF COMMISSIONERS
OF THE HARDIN COUNTY WATER DISTRICT NO. 2
ADJUSTING WATER RATES AND CHARGES TO OFFSET
THE LOUISVILLE WATER COMPANY WHOLESALE
RATE INCREASE**

WHEREAS, the Louisville Water Company (“LWC”) provides wholesale water service to Hardin County Water District No. 2 (“District”);

WHEREAS, on March 30, 2021 the LWC filed an application with the Kentucky Public Service Commission (“PSC”) seeking to increase the wholesale water rate that LWC charges the District from \$2.41 to \$2.46 per 1,000 gallons and seeking to increase the monthly meter fee that LWC charges the District (See PSC Case TFS2021-00115);

WHEREAS, based upon the water purchases from LWC during the previous 12 months and the increased monthly meter fee at the master meter location, the estimated annual increased cost to the District will be **\$14,722**;

WHEREAS, prudent financial management dictates that the District take immediate action to adjust its retail rates commensurate with LWC’s wholesale rate increase; and

WHEREAS, KRS 278.015 and 807 KAR 5:068 provide the legal mechanism for the District to increase its water rates commensurate with LWC's wholesale rate increase via a Purchased Water Adjustment ("PWA");

NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE BOARD OF COMMISSIONERS OF HARDIN COUNTY WATER DISTRICT NO. 2 AS FOLLOWS:

Section 1. The facts, recitals, and statements contained in the foregoing preamble of this Resolution are true and correct and are hereby affirmed and incorporated as a part of this Resolution.

Section 2. The PWA factor is **\$0.01** per 1,000 gallons;

Section 3. All tiers of water usage set forth in the District's existing tariff shall be increased by **\$0.01** per 1,000 gallons, subject to any minor adjustment that may be made by the PSC.

Section 4. The monthly water rates to be charged to and collected from the customers and users of the water system of the District shall be as set forth in **Appendix A**, which is attached hereto and is incorporated herein by reference as a part of this Resolution. The rates and charges set forth in **Appendix A** are subject to any minor adjustment that may be made by the PSC. These monthly rates and charges shall be in effect for all water service rendered on and after July 1, 2021.

Section 5. The General Manager is hereby authorized and directed to execute and file the PWA Application, Tariff Sheet, and all other documents that may be required by the PSC.

Section 6. The General Manager, all appropriate District Staff, and the District's attorney are hereby further authorized and directed to take any and all other actions and to execute and deliver any and all other documents as may be reasonably necessary to implement the PWA.

Section 7. This Resolution shall take effect upon its adoption.

ADOPTED BY THE COMMISSION OF HARDIN COUNTY WATER DISTRICT NO. 2 at a meeting held on May 18, 2021, signed by the Chairman, and attested by the Secretary.

ATTEST:

Michael L. Bell, Chairman

Morris L. Miller, Secretary

CERTIFICATION

I, Secretary of the Hardin County Water District No. 2 (the “District”), do hereby certify that the foregoing is a true copy of a Resolution duly adopted by the Commission of the District at a meeting properly held on May 18, 2021, signed by the Chairman of the Commission, attested by me as Secretary, and now in full force and effect.

WITNESS my hand this 18th day of May, 2021.

Morris L. Miller, Secretary