

**MOREHEAD UTILITY PLANT BOARD  
BOARD MEETING @ 12:00PM  
April 26, 2016**

**Place of Meeting**

A board meeting of the Morehead Utility Plant Board was held Tuesday, April 26, 2016, at 12:00 p.m. at the office of the Morehead Utility Plant Board 135 South Wilson Ave, Morehead KY.

**Board Members Present**

Porter Dailey, Chairman  
Russ Ward-Vice Chairman  
Jeff Barker-Board Member

**Board Members Absent**

Glen Teager, City Council Representative  
Charles Derrickson, Board Member

**Also Present**

Holly McGrath, Rosas, General Manager  
Billy Winkleman, Consultant  
Larry DeHart, Morehead News  
Earl Rogers, Attorney  
Tim Eldridge, Baldwin CPA  
Jim Neill-Technical Support  
Rhelda Toler, Administrative Assistant  
Kevin Mayhorn, Purchasing Agent

**Not Present**

Glen Teager, City Council Representative  
Charles Derrickson, Board Member

**Call to Order & Confirmation of Quorum**

Chairman, Porter Dailey, declared a quorum and called the meeting to order at 12:00 p.m.

**Approval of March 29, 2016 Board Meeting Minutes**

A motion was made by Russ Ward, and seconded by Jeff Barker to approve the minutes of the board meeting held on March 29, 2016. The motion was unanimously approved.

**Accept March 2016 Financial Report**

The General Manager, Holly Rosas goes over the financial highlights through March 2016. This includes:

- (1) The water and sewer revenue is 6.5% or \$298,000.00 above the budgeted amounts.
- (2) The WTP expenditures are \$16,000 under budget after some volatility in the first several months.
- (3) The WWTP expenses are 7% or \$72,000.00 over budget. The lift station expense is (\$39,000) and other repairs and maintenance (\$23,300) account for the majority of that coverage.
- (4) The water and sewer systems at the maintenance department, expenses are 2% over budget which mainly relates to allocation of maintenance personnel between water, sewer, and gas.
- (5) The gas department is currently contributing near the same margin as budgeted, however there are still some timing issues in comparability to the prior year which will be reflected in later months.
- (6) A total of \$603,000 (61.5%) of the budgeted \$980,000 has been spent in capital projects through March 2016
- (7) The net variance to operating revenue and expense budget is positive through nine months by \$459,000.00.

A motion was made by Jeff Barker, and seconded by Russ Ward to accept the March 2016 financials. The motion was unanimously approved.

### **Reports-General Manager**

Ms. Rosas reports that the WTP average daily water treated is (64%) and the overall yearly average is 70%. See the March 2016 WTP Report for additional information

She points out that Fouser Environmental Services has come in and performed an annual audit for the WWTP certified lab. They report that it is an excellent one and viewed as a “model lab”. See the March 2016 WWTP Report for additional information.

The General Manager reports that the gas department at the maintenance shop has installed one gas tap. See attached the March 2016 Maintenance Department Report for additional information.

The Administrative Department reports a water loss of 12.30% for March 2016 and the yearly average is 13.11%. Also MUPB has received some reimbursement from the 2015 Flood. The total received from FEMA (Federal Emergency Management Assistance Program) is \$33,992.84. See the Administrative Office March 2016 Report for additional information.

A motion was made by Russ Ward and seconded by Jeff Barker to accept the General Managers report. The motion was unanimously approved.

### **Approve 2016-2017 Budget**

Ms. Rosas presented an overview of the 2016-2017 Budget. This includes as follows:

1. Long Term Planning
2. Stabilization Charges
3. Cost of Living Increase for 45 Employees
4. Tap Fees and Sewer Dumping Charges

5. The proposed budget for 2016-2017
6. The proposed capital projects for the 2016-2017

The General Manger points out that MUPB must start putting money back into its depreciating assets. Currently MUPB have 86 million dollars of capital invested in our system, which includes the water plant, wastewater plant and the water, sewer and gas infrastructure. According to prior audit MUPB should be putting back 2.5 million back in the system a year.

Holly Rosas and Tim Eldridge, CPA, did a water and sewer rate analysis (Stabilization Charges.) After doing the calculations the rate proposal for both utilities are 4.375%.

A cost of living increase of 3% for 45 employees was added to the 2016-2017 Budget.

A motion was made by Jeff Barker, seconded by Russ Ward to approve the stabilization charge of 4.37% on both water and sewer rates along with the 3% pay increases for all employees.

She presented a proposal for increase in tap fees and sewer dumping fees. This includes:

	Current Fee	Proposed Fee
¾” Water Tap	\$500.00	\$800.00
¾” Gas Tap	\$300.00	\$700.00
4”-6” Residential Sewer	\$600.00	\$800.00
Residential Grinder	\$3,000.00	\$3,500.00
Extra Footage (1 ½” P.E.)	\$1.20	\$4.00
Extra Footage (¾” Copper)	\$1.20	\$6.50
Road Cuts	\$500.00	\$1,000.00
Septic Dumping Fees	\$.016 per gallon	\$.04 per gallon

Ms. Rosas points out that the last increase for ¾” residential water taps and residential grinders was 2009. The ¾” residential gas tap and 4’-6” residential sewer taps were increased in 1979.

The 2016-2017 Budget is based on the increases for all items covered in this 2016-2017 Budget Overview. She attached for any additional information.

A motion was made by Jeff Barker, seconded by Russ Ward to approve the increase for tap fees. The motion was unanimously approved.

A motion was made by Russ Ward, seconded by Jeff Barker to approve the increase on sewer dumping fees. The motion was unanimously approved.

A motion was made by Russ Ward and seconded by Jeff Barker to approve 2016-2017 Budget. The motion was unanimously approved.

**Ratify Payment of Monthly Bills**

A motion was made by Jeff Barker, seconded by Russ Ward to ratify payment of monthly bills for March 2016 as presented. The motion was unanimously approved.

**Meeting Adjourned**

Meeting Adjourned at 12:50p.m.

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Porter Dailey, Chairman

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Holly Rosas, General Manager