

**MOREHEAD UTILITY PLANT BOARD  
BOARD MEETING @ 12:00PM  
April 24, 2018**

**Place of Meeting**

A board meeting of the Morehead Utility Plant Board was held Tuesday, April 24, 2018 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  
Heather Neff-Perkins, Board Member

**Also, Present**

Holly McGrath-Rosas, General Manager  
Benita Hammonds, Administrative Manager  
Larry Tackett, Operations Manager  
Kevin Mayhorn, Financial Coordinator  
Earl Rogers, Attorney  
Billy Winkleman, Consultant  
Tim Eldridge, CPA  
Heidi Lynn, Kentucky League of Cities  
Brad Stacy, Morehead News

**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 March 27, 2018 Board Meeting Minutes**

A motion was made by Jeff Barker, and seconded by Tracy Williams to approve the minutes of the board meeting held on March 27, 2018. The motion was unanimously approved.

## **Approval of March 28, 2018 Special Board Meeting Minutes**

A motion was made by Glen Teager and seconded by Heather Neff-Perkins to approve the minutes of the special board meeting held on March 28, 2018. The motion was unanimously approved.

## **Accept March 2018 Financial Reports**

Holly McGrath-Rosas, General Manager, goes over the financial highlights for March 2018. This includes:

- (1) Water and sewer service revenue nets together is \$87,000 (1.5%) below budgeted amounts year to date. Water revenue is over budget, while Sewer revenue is under budget.
- (2) The WTP expenditures are \$129,000 (8.9%) below budget. Chemicals account for \$100,000 of that amount while several other accounts continue to be under budget through 9 months.
- (3) The WWTP expenses are 13.1% or (\$157,000) over year to date budget. Lift Station expense and utilities account for about \$111,000 of the amount while maintenance and pre-treatment costs add another \$43,000 exceeding their year to date budgeted amounts.
- (4) The maintenance department is about \$4,200 (.35%) under budgeted expense year to date. This calculation excludes any variance between the actual and budgeted cost of purchased gas since it directly relates to the current unit price of natural gas.
- (5) The margin on the gas sold for the year is favorable to budget by about \$202,000. This reflects a somewhat colder more extended winter this year. It appears this margin should hold up for the remainder of the year.
- (6) \$593,000 (48%) of the budgeted \$1,235,000 in capital projects have been expended. In addition over \$937,000 has been spent to date toward the KY 158/801 sewer extension project and \$146,000 has been spent towards preliminary planning and design of new water projects.
- (7) Overall through 9 months of the year, operations show a favorable variance of actual to budget for net income by approximately \$249,000.

A motion was made by Jeff Barker, and seconded by Tracy Williams to approve financial reports for February 2018. The motion was unanimously approved.

## **Reports-General Manager**

### **Water Treatment Plant (WTP)-**

Ms. McGrath-Rosas states that the maximum daily treated for the month of March was 5.58 million gallons. (75%) and a daily average of 5.31 million gallons (71%) The General Manager also informed the board that they replaced an original High Service pump at the WTP that had been in operation of over 50 years. See the April 2018 WTP Report for additional information.

### **Wastewater Treatment Plant (WWTP)-**

The General Manager reports that Pat Crum is retiring on June 30, 2018 after 28 years of service. Ms. McGrath-Rosas also informs the board that we replaced the Haydite Media for the ATAD biofilter. See the April 2018 WWTP Report for additional information.

### **Maintenance Department-**

The General Manager reports that the maintenance department is running as normal. Ms. McGrath-Rosas informs the board that water loss is higher than normal because the 10" main water line going out KY 801 South is not being metered and the water being used at the WWTP belt press is not being metered. MUPB is preparing to install a master meter on KY 801 South as soon as possible. See attached April 2018 Maintenance Department Report for additional information.

### **Administration Department-**

The Administrative Department reports a water loss of 25.25% for March 2018 the yearly average is 15.13%. Automatic bank draft payments are at 1221. The General Manager states that service orders completed has increase due to radio read meters being installed. See the Administrative Office April 2018 Report for additional information.

A motion was made by Glen Teager and seconded by Heather Neff-Perkins to accept the General Managers report. The motion was unanimously approved.

### **Kentucky League of Cities Benefit Presentation-**

Heidi Lynn, KLC presented to the board the new insurance rates for MUPB that go into effect July, 1 2018. Ms. Lynn informs the board that MUPB staff and Management has been educating employees on how and when to use their health insurance. She states that MUPB employees has only used approximately 33% of the budgeted HRA funds. MUPB employees has also been using Healthiest You to help save on the cost of insurance. Heidi Lynn informed the board that due to this effort that MUPB's rate is only increasing 5.7%. 2016 rate increase was 13%. Also in an effort to try to save more MUPB is also offering a second option that employees can choice from.

No Motion was taking on this Item.

## **New Business**

### **Award the Water Tank Maintenance Contract**

The General Manager presents to the Board the Water Tank Maintenance Contract offered by Suez. Ms. McGrath-Rosas asks the board to Award the Water Tank Maintenance Contract to Suez.

A motion was made by Tracy Williams and seconded by Heather Neff-Perkins to award the Water Tank Maintenance Contract to Suez. The motion was unanimously approved.

### **Request to Advertise for Qualifications (RFQ) for Engineering Services for the KY 801/MMRC Sewer Expansion Project.**

The General Manager ask the board for permission to Advertise for Qualifications (RFQ) for Engineering Services for the KY 801/MMRC Sewer Expansion Project. Tracy Williams ask the expected cost for Phase 1 upgrade. Ms. McGrath-Rosas said that the estimated cost is \$4 million.

A motion was made by Tracy Williams and seconded by Heather Neff-Perkins to award the Water Tank Maintenance Contract to Suez. The motion was unanimously approved.

### **Approve 2018-2019 Operating Budget**

The General Manager presents to the Board the 2018-2019 Operating Budget. Glen Teager informs the General Manager and Board Members that the Kentucky State Retirement increase will be in a five year phase, and the budget presented includes all the increase and needs to be corrected.

A motion was made by Glen Teager to approve the 2018-2019 Operation Budget pending corrections to the salaries and benefits and seconded by Tracy Williams. The motion was unanimously approved.

### **Approve Rate Structure for Water and Sewer**

Tim Eldridge, CPA presents to the board the Rate Structure for the 2018-2019 operating year. Mr. Eldridge informs the board that the water rate increase is still on schedule with the 5 years rate increase plan, but the sewer rate must increase to the 5 year rate this year. Tracy Williams stated that this is something that has to be done and should have been done a long time ago.

A motion was made by Heather Neff-Perkins and seconded by Tracy Williams to approve the Rate Structure for Water and Sewer. The motion was unanimously approved.

### **Ratify Payment of Monthly Bills**

Mr. Mayhorn, presented the board with checks that had been written for the months and ask if there is any questions.

A motion was made by Jeff Barker, seconded by Tracy Williams to ratify payment of monthly bills for March 2018. The motion was unanimously approved.

### **Old Business**

None

### **Meeting Adjourned**

A motion was made by Jeff Barker, seconded by Heather Neff- Perkins to adjourn the meetings.

Meeting Adjourned at 1:24 p.m.  
The next meeting is on May 29, 2018 at noon.

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Russ Ward, Chairman

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Holly McGrath- Rosas, General Manager