

**MOREHEAD UTILITY PLANT BOARD
BOARD MEETING @ 12:00PM
March 27, 2018**

Place of Meeting

A board meeting of the Morehead Utility Plant Board was held Tuesday, March 27, 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
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
Lyle Hanna, Hanna Resource
Candra Bryant, Hanna Resource
Brad Stacy, Morehead News
Robert Sloss, Visitor

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 February 27, 2018 Board Meeting Minutes

A motion was made by Tracy Williams, and seconded by Heather Neff Perkins to approve the minutes of the board meeting held on February 27, 2018. The motion was unanimously approved.

Accept February 2018 Financial Reports

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

- (1) Water and sewer service revenue nets together within \$700.00 of budgeted amounts year to date. Water revenue is over budget, while Sewer revenue is under budget.
- (2) The WTP expenditures are \$104,000 (8.9%) below budget. Chemicals account for \$79,000 of that amount while several other accounts continue to be under budget through 8 months.
- (3) The WWTP expenses are 14.5% or (\$155,000) over year to date budget. Lift Station expense and utilities account for nearly \$92,000 of the amount while maintenance and pre-treatment costs add another \$42,000 exceeding their year to date budgeted amounts.
- (4) The maintenance department is about \$8,000 (.75%) over 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 \$116,000. This will still fluctuate until we get past winter temperatures, however it appears that the colder weather through January and February will increase the margins for the year.
- (6) \$519,000 (42%) of the budgeted \$1,235,000 in capital projects have been expended. In addition \$800,000 has been spent to date toward the KY 158/801 sewer extension project.
- (7) Overall through 8 months of the year, operations show a favorable variance of actual to budget for net income by approximately \$187,000.

A motion was made by Heather Neff Perkins, and seconded by Jeff Barker 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 February was 6.67 million gallons. (89%) and a daily average of 5.69 million gallons (76%). She reports that The Division of Water conducted a Sanitary Survey. The General Manager also informed the board that they installed a new motor on pump 1 at Quail Hollow pump station. See the March 2018 WTP Report for additional information.

Wastewater Treatment Plant (WWTP)-

The General Manager reports that the WWTP had two employees to pass their Class III collections exam. Ms. McGrath-Rosas also informs the board that Danny Brewer installed a new platform at the Mynhier Road sewer lift station. See the March 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 of one 10" main water break on 801 south that has been repaired. See attached March 2018 Maintenance Department Report for additional information.

Administration Department-

The Administrative Department reports a water loss of 7.06% for February 2018 the yearly average is 14.34%. Automatic bank draft payments are at 1221. See the Administrative Office March 2018 Report for additional information.

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

New Business

Presentation of Compensation Study by Hanna Resource Group

Lyle Hanna, President of Hanna Resource Group presents to the board the Compensation Study his company completed. Mr. Hanna informs the board that his company used Data for three different companies (Kenexa, ERI, and KLC) to gather the most accurate and up to date information. Hanna stated that the last compensation study that was completed for Morehead Utility Plant Board was in 1991. Mr. Hanna showed the board that MUPB is paying about 90 percent of the median (50%) market value, or about 45 percent of the whole market. Candra Bryant, Chief Operating Officer with Hanna Resource said that typically when companies want to pay competitively they usually pay the median of the market. Our study shows that there are 17 employees that fall sort of the median market, Bryant said. Its spread among all of the departments and that shortfall is about \$67,400, which means some positions are very substantially underpaid.

Holly McGrath-Rosas, General Manager said she would like to work the raises into the budget to be presented to the board during the next monthly meeting on April 24. It would then go before Morehead City Council for approval to be effective July 1. Ms. McGrath-Rosas said she didn't want her position considered in the study because she "wanted the focus to be fully on those who are underpaid." Russ Ward, Board Chairman and Heather Neff-Perkins, Board member both suggest that MUPB move forward with budgeting the \$67,400 to raise employees up the minimum in this year's budget.

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 Heather Neff Perkins to ratify payment of monthly bills for February 2018. The motion was unanimously approved.

Old Business

Earl Rogers, Attorney informed the board and staff that he is still working on the Storm Water Ordinance. The ordinance will be similar to the current sewer usage ordinance.

Tracy Williams, Board Member asked the General Manager about the progress with the 801 and MMRC sewer upgrade and expressed her concerns. Ms. McGrath-Rosas stated that MUPB is working to obtain funding from KIA and that this project would take approximately two years to complete.

Jeff Barker, Board Member stated that he would like to see the local Newspaper to do a story on MUPB employees and all the training and licensing that are required in order for them to safely and accurately supply Water, Gas, and Sewer utilities to the citizens of Rowan County.

Meeting Adjourned

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

Meeting Adjourned at 1:17 p.m.

The next meeting is on April 24 at noon.

Russ Ward, Chairman

Holly McGrath- Rosas, General Manager