

**MOREHEAD UTILITY PLANT BOARD  
BOARD MEETING @ 12:00PM  
November 28, 2017**

**Place of Meeting**

A board meeting of the Morehead Utility Plant Board was held Tuesday, November 28, 2017, 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

**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  
Jim Neill, Tech Support  
Lori Deerfield, Kelley, Galloway, Smith, Goolsby, PSC  
Tim Eldridge, CPA  
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 October 31, 2017 Board Meeting Minutes**

A motion was made by Glen Teager, and seconded by Jeff Barker to approve the minutes of the board meeting held on October 31, 2017. The motion was unanimously approved.

## **Approval of Kelley Galloway Smith Goolsby PSC Audit Report, Lori Deerfield**

Lori Dearfield, CPA from Kelley Galloway Smith Goolsby PSC goes over the audit report. She was pleased to present a clean audit for the 2016-2017 fiscal year. Mrs. Dearfield states that the financial statement disclosures are neutral, consistent, and clear, and that they encountered no significant difficulties in dealing with management in performing and completing their audit.

A motion was made by Glen Teager, and seconded by Tracy Williams to approve the audit report from Kelley Galloway Smith Goolsby PSC. The motion was unanimously approved.

## **Accept October 2017 Financial Reports**

Holly McGrath-Rosas, General Manager, goes over the financial highlights for October 2017. This includes:

- (1) Water and sewer revenue is 2.1 % (\$55,000) above the budgeted amounts.
- (2) The WTP expenditures are \$40,000 (6.8%) below budget. Chemicals account for \$31,000 of that amount.
- (3) The WWTP Lift Station expenses are 19.5% or (\$104,000) over year to date budget. Lift Station expense and utilities account for nearly \$80,000 of the amount exceeding their year to date budgeted amounts. We anticipate that these accounts should still annualize much closer to budget as we go through the year.
- (4) The maintenance department expense is 4.8% (\$25,000) over budget for the year with most of that variance due to system repair and maintenance which can also vary greatly over a short time period. We will continue to watch the maintenance projects closely in regard to budgeted amounts.
- (5) The margin on the gas sold for the year is favorable to budget by about \$68,000.
- (6) \$510,000 (41%) of the budgeted \$1,235,000 in capital projects have been expended.
- (7) Overall through 1/3 of the year, operations show a favorable variance of actual to budget for net income by approximately \$96,000.

A motion was made by Jeff Barker, and seconded by Glen Teager to approve financial reports for October 2017. The motion was unanimously approved.

## **Reports-General Manager**

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

Ms. McGrath-Rosas states that the maximum daily treated for the month was 6.14 million gallons. (82%) and a daily average of 5.27 million gallon (70%) She reports that the high service pump #2 was pulled and sent away for inspection and determined the pump needs replaced. The General Manager also informed the board that divers repaired a small leak inside the clear well. See the November 2017 WTP Report for additional information.

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

The General Manager reports that the WWTP had a power failure that caused SCADA system to go down. Fox Three, Inc. was able to get online and repair the system. See the November 2017 WWTP Report for additional information.

### **Maintenance Department-**

The General Manager reports that maintenance department has been working on GIS updates. Ms. McGrath-Rosa informs the board of two main line water breaks that has been repaired. One 6" main line on Vernon circle and one 8" main line on KY 826. See attached November 2017 Maintenance Department Report for additional information.

### **Administration Department-**

The Administrative Department reports a water loss of 11.04% for November 2017 and the yearly average is 12.91%. Automatic bank draft payments are at 1179. See the Administrative Office November 2017 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**

#### **Board member Resignation -**

Russ Ward, Board Chairman stated that Porter Dailey has resigned his position as Morehead Utility Plant Board Member. Dailey, who once served more than five years as plant board chair, resigned due to health reasons. We've known for a while about the ongoing health issues with Porter and so he has decided to step away, Ward said. His expertise and knowledge is something that we will greatly miss; however, we wish the best for him and his family."

No action was taken.

### **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 Glen Teager, seconded by Tracy Williams to ratify payment of monthly bills for November 2017. The motion was unanimously approved.

### **Meeting Adjourned**

A motion was made by Jeff Barker, seconded by Tracy Williams to adjourn the meetings.

Meeting Adjourned at 12:53 p.m.

The next meeting is on January 30, 2018 at noon.

---

Russ Ward, Chairman

---

Holly McGrath- Rosas, General Manager