

The meeting was called to order at 1:00 p.m. by the Board Chairman, Horace Harrod. Present were Board members-Art Henson and James Griffin, Accountant-Stan Clark, Attorney-Carl Horneman, and from Veolia Water –Ed Basquill, Kevin Gibson and Andrea Matz.

1. **Minutes** - The minutes from the June 16, 2016 Regular Board Meeting were emailed for review in advance and presented in the meeting packet for approval.

A motion was made by Art Henson and seconded by James Griffin to approve the minutes of the June 16, 2016 Regular Board Meeting as presented. The motion carried unanimously.

2. **Financial Review / Payables Request**

Stan Clark presented the sewer financial statement for June 2016 and current payables request first.

A motion was made by Art Henson and seconded by James Griffin to approve the sewer financial statement for June 2016 and current payables in the amount of \$824,419.82. The motion carried unanimously.

Next, Mr. Clark reviewed the stormwater financial statement and current payables request.

A motion was made by Art Henson and seconded by James Griffin to approve the stormwater financial statement for June 2016 and current payables in the amount of \$83,593.85. The motion carried unanimously.

- **Auditor Selection** – Mr. Clark reviewed his efforts to find a new auditor after the firm OCEA used for several years discontinued its government audit services. Mr. Clark recommended Ross & Co.

A motion was made by Art Henson and seconded by Horace Harrod to engage Ross & Co. to perform the annual audit for OCEA's fiscal year ending June 30, 2016 for the sum of \$14,750.00. The motion carried unanimously.

3. **Public Comment 1** – Several customers (list attached) from the Heather Hill subdivision attended the meeting to express their concerns over rising rates for sewer service. The Chairman explained in detail the need for sewer rate increases and the history of how OCEA got where it is today. The Chairman informed the group that OCEA only has approximately 6,000 customers and also answered questions about refinancing options and ways to generate more revenue for OCEA. The Chairman closed with statements to inform the group that OCEA is not making a profit, but must have rates high enough to pay expenses.

4. **Operations Report** –The Operations Report for the previous month was sent to the Board members in advance of the meeting for review as presented in the meeting binder.

- **Rate Increase Resolution #7142016**

A planned sewer rate increase was advertised in the Oldham Era on June 9, 2016 after the Oldham County Fiscal Court approved OCEA's budget for fye 6/30/17. After allowing over 30 days for a public comment period, the Board resolved to increase the sewer rates as published.

A motion was made by Art Henson and seconded by James Griffin to approve a sewer rate increase of 5% plus \$2.77/month to the capital surcharge. The motion carried unanimously.

- Sewer Capacity Fee – calculation discussion

Ed Basquill discussed the need to re-calculate the capacity fee to be paid by new customers. The Board instructed that re-calculation should be performed after the results of the annual audit are delivered. In the meantime, the Board would like to review research on how other systems calculate capacity fees.

- KIA Loan Invitation – Project #A17-028 & KEG Proposal for Admin. Services

A motion was made by Art Henson and seconded by James Griffin to accept the KIA invitation to apply for SRF funding in the amount of \$6,300,000 for Orchard Grass Ph. 3 Project #A17-028, and accept the proposal from Kentucky Engineering Group to provide administrative services for said project in the amount of \$30,000, as well as authorize the Chairman to execute all related project documents. The motion carried unanimously.

The Chairman also commented that he would obtain Fiscal Court's approval before executing any loan documents.

- Easement Request at Orchard Grass Pump Station – LG&E

LG&E requested an easement from OCEA on the property at the Orchard Grass pump station. The Board requested Jacobi, Toombs, and Lanz verify current recorded easement information is correct.

A motion was made by Horace Harrod and seconded by James Griffin to approve the easement requested by Louisville Gas & Electric on the Orchard Grass pump station property subject to JTL review. The motion carried unanimously.

The Board discussed a problem with sewer lines being outside easements on school property in Buckner which were installed by a contractor during the decommissioning of Buckner Municipal WWTP.

A motion was made by Horace Harrod and seconded by James Griffin to approve JTL to locate sewer lines vs. easements on Oldham County School property in Buckner in an amount not to exceed \$20,000. The motion carried unanimously.

5. Capital Projects Report

- Hagerty Consulting Task Orders 15, 16, 22 and 23.

Jim Hagerty attended the meeting and presented several task orders for approval for capital projects he is working on. In addition to the following motions, the Chairman asked for a summary of the task orders versus budget.

A motion was made by Art Henson and seconded by Horace Harrod to approve Hagerty Consulting Task Order 15, Revised Amendment 1 in the amount of \$66,900. The motion carried unanimously.

A motion was made by James Griffin and seconded by Art Henson to approve Hagerty Consulting Task Order 16, Amendment 1 in the amount of \$14,265. The motion carried unanimously.

A motion was made by James Griffin and seconded by Horace Harrod to approve Hagerty Consulting Task Order 22 in the amount of \$99,000. The motion carried unanimously.

A motion was made by Art Henson and seconded by James Griffin to approve Hagerty Consulting Task Order 23 in the amount of \$50,500. The motion carried unanimously.

Mr. Hagerty also advised the Board that Dugan & Meyers has requested a retainage reduction on the SORF project.

A motion was made by Horace Harrod and seconded by Art Henson to authorize a reduction in retainage for Dugan & Meyers to 2 ½% of the total contract. The motion carried unanimously.

- Moody Lane Project Discussion – Kendall Wiehe of K. Wiehe Construction attended the meeting to advise the Board of a problem with the Moody Lane project. While in the process of construction, a 12” gas main was discovered and blocks the way for installation of the box culverts. The gas line should have been discovered when the utilities were located but it was not. Kevin Gibson will be working with engineers to come up with options so the project can be completed.

6. **Correspondence Review** - All incoming and outgoing correspondence since the last monthly meeting was emailed in advance to the Board and presented in the meeting binder. The Board members reviewed the correspondence and responded to a request for an exception to policy and provide a sewer credit due to filling a pool.

A motion was made by Art Henson and seconded by James Griffin to deny the request for an exception to policy and no sewer credit due to filling a pool will be provided at 1212 Nightingale Lane. The motion carried unanimously.

7. **Public Comment** – There were no comments from the public.

Announcement of Next Meeting Date – The Chairman informed that he has a conflict with the next scheduled OCEA Board meeting date. A revised date of August 16, 2016 was chosen.

Adjournment

A motion was made by Art Henson and seconded by James Griffin to adjourn the regular session at 4:10 p.m. and return for Executive Session after a 5-minute break. The motion carried unanimously.

EXECUTIVE SESSION

This session is called pursuant to KRS 61.815 et seq. The closed session concerns exceptions outlined in KRS 61.810(1)(c) allowing for discussion of proposed or pending litigation by a public agency to be conducted in private session.

After Executive Session, the Chairman called regular session back to order at 4:25 p.m.

A motion was made by Art Henson and seconded by James Griffin to adjourn the meeting at 4:30 p.m. The motion carried unanimously.