

**MINUTES OF THE
HARDIN COUNTY WATER DISTRICT NO. 2
BOARD OF COMMISSIONERS**

January 19, 2010

The Board of Commissioners of Hardin County Water District No. 2 held its regular monthly meeting on January 19, 2010 at 5:00 p.m. at the Reesor Customer Service Center. Present were Commissioners Michael L. Bell, Tim Davis, John Effinger, Morris L. Miller and Cordell Tabb. Also present were General Manager James R. Jeffries, Scott Clark, Shaun Youravich, and Damon Talley. Chairman Bell declared that a quorum was present and called the meeting to order.

VISITORS

No visitors were present.

MINUTES & FINANCIAL REPORT

The Minutes of the December 15, 2009 meeting were reviewed. Motion was made by Commissioner Tabb and seconded by Commissioner Davis to approve the Minutes as prepared. Motion carried unanimously.

The Financial Report for the month of December was reviewed. Motion was made by Commissioner Tabb and seconded by Commissioner Davis to accept the Financial Report as presented and to authorize payment of the bills that are due and payable at this time. Motion carried unanimously.

REPORTS

1. Engineering Report. General Manager Jeffries presented the engineering report for water and wastewater. He reported that approximately 20,000 feet of 24” water transmission main had been installed by the District’s staff during 2009 as part of the Glendale Project.

2. Departmental Reports. General Manager Jeffries presented the departmental reports.

OLD BUSINESS

1. LWC Connection Project \$500,000 Grant. Attorney Talley reviewed the provisions of the proposed Resolution and KIA Grant Assistance Agreement for the LWC Connection Project \$500,000 Grant. Motion was made by Commissioner Miller and seconded by Commissioner Davis to adopt the Resolution accepting the grant award and approving the Grant Assistance Agreement for the LWC Connection Project. Motion carried unanimously. A copy of the Resolution is attached hereto.

2. Wastewater Engineering Study \$600,000 Grant. Attorney Talley reviewed the provisions of the proposed Resolution and KIA Grant Assistance Agreement for the Wastewater Engineering Study \$600,000 Grant (KIA Project ID# 330N-2007). Motion was made by Commissioner Tabb and seconded by Commissioner Effinger to adopt the Resolution accepting the grant award and approving the Grant Assistance Agreement for the Wastewater Engineering Study. Motion carried unanimously. A copy of the Resolution is attached hereto.

3. Phase IV Project. General Manager Jeffries reported that construction of the Valley Creek Tank and the Valley Creek Pump Station is well ahead of schedule. He also discussed the need to solicit bids for the 8” water line and other materials which will be installed by the District’s staff as part of the Valley Creek Pump Station Project. Motion was made by Commissioner Davis and seconded by Commissioner Miller to authorize District Staff to advertise for bids for the 8” water line and other materials needed for this Project. Motion carried unanimously.

4. Major Medical Insurance Policy Revision. Motion was made by Commissioner Tabb and seconded by Commissioner Miller to approve the proposed revisions to **District Policy 003 I. Major Medical Insurance.** Under the revised policy, the District will no longer pay the health insurance premium for an employee's spouse if that spouse is afforded health insurance through the spouse's employment or retirement benefit plan. Motion carried unanimously. The revised policy shall become effective immediately, but the District employees shall have until June 1, 2010 to comply with the revised policy.

5. Accounting Manager Status. Commissioner Miller presented a status report on the District's efforts to hire an Accounting Manager. The District plans to interview applicants interested in the Accounting Manager position.

NEW BUSINESS

1. 2009 Review. General Manager Jeffries presented the 2009 Operations Review. He has been invited to present the Operations Review at the next Hardin Fiscal Court Meeting.

2. Check-Out Program. General Manager Jeffries explained the purpose of, and need for, the proposed Check-Out Program. If adopted by the Board, the Check-Out Program would enable the General Manager to allow employees to voluntarily take time off without pay under certain qualifying conditions. Motion was made by Commissioner Effinger and seconded by Commissioner Tabb to accept General Manager Jeffries' recommendation and to approve the Check-Out Program. Motion carried unanimously. The Check-Out Program will be inserted into the Employee Handbook as Policy 028.

3. WTP Chemical Bid Authorization. Shaun Youravich informed the Commissioners that under the provisions of the existing chemical supply contracts, the District has the option of renewing each contract for an additional year if the vendor agrees to maintain the same unit prices. Most of the vendors have agreed to honor the 2009 bid prices for an additional year. It will be necessary, however, to solicit bids for fluoride and chlorine. Motion was made by Commissioner Davis and seconded by Commissioner

Miller to take the following actions: (a) to declare it to be in the District's best interest to renew all current chemical supply contracts for an additional one-year term for each instance in which the supplier maintains its 2009 unit prices; (b) to authorize District Staff to advertise for bids for fluoride and chlorine; (c) to authorize District Staff to advertise, as necessary, for any other chemicals to be used at the Water Treatment Plant during 2010; and (d) to authorize District Staff to take any and all other appropriate actions necessary to implement this decision. Motion carried unanimously.

4. Pear Orchard Tank Access. General Manager Jeffries presented a request from Matt Hobbs, who owns property adjacent to the District's Pear Orchard Tank. Currently, the District gains access to the Pear Orchard Tank via an Ingress and Egress Easement which follows Mr. Hobbs' driveway. In addition, the District has a Utility Easement which crosses another portion of Mr. Hobbs' property. There are no overhead or underground utility lines located on the Utility Easement. Mr. Hobbs desires to construct a new house on his property and the existing Utility Easement prevents him from constructing the house at his preferred site. Mr. Hobbs proposes to consolidate the Utility Easement with the Ingress and Egress Easement and to widen the Ingress and Egress Easement by 15 feet. Motion was made by Commissioner Tabb and seconded by Commissioner Effinger to take the following actions: (a) to tentatively approve relocating the Utility Easement if all other issues are resolved to the District's satisfaction; (b) to authorize General Manager Jeffries to continue negotiating with Mr. Hobbs; and (c) to withhold final approval pending the outcome of the negotiations. Motion carried unanimously.

5. Committee Assignments. Chairman Bell announced committee assignments for 2010. The committee assignments are:

Finance Committee:	Morris L. Miller and John Effinger
Insurance & Employee Benefits:	Tim Davis and Cordell Tabb
Ex-officio members:	Chairman and General Manager

ADJOURNMENT

There being no further business to come before the meeting, motion was made by Commissioner Davis and seconded by Commissioner Effinger to adjourn the meeting. Motion carried unanimously.

HARDIN COUNTY WATER DISTRICT NO. 2

BY: _____
Morris L. Miller, Secretary

Date Approved: _____

BY: _____
Michael L. Bell, Chairman

**MINUTES OF THE
HARDIN COUNTY WATER DISTRICT NO. 2
BOARD OF COMMISSIONERS**

February 16, 2010

The Board of Commissioners of Hardin County Water District No. 2 held its regular monthly meeting on February 16, 2010 at 5:00 p.m. at the Reesor Customer Service Center. Present were Commissioners Michael L. Bell, Tim Davis, John Effinger, Morris L. Miller and Cordell Tabb. Also present were General Manager James R. Jeffries, Scott Clark, Shaun Youravich, Carlos Miller, and Damon Talley. Chairman Bell declared that a quorum was present and called the meeting to order.

VISITORS

Marty Finley with the News-Enterprise was present.

MINUTES & FINANCIAL REPORT

The Minutes of the January 19, 2010 meeting were reviewed. Motion was made by Commissioner Tabb and seconded by Commissioner Davis to approve the Minutes as prepared. Motion carried unanimously.

The Financial Report for the month of January was reviewed. Motion was made by Commissioner Tabb and seconded by Commissioner Davis to accept the Financial Report as presented and to authorize payment of the bills that are due and payable at this time. Motion carried unanimously.

REPORTS

1. Engineering Report. General Manager Jeffries presented the engineering report for water and wastewater. Carlos Miller summarized the status of the various water projects.

2. Departmental Reports. General Manager Jeffries presented the departmental reports.

OLD BUSINESS

1. LWC Connection Project. The Commissioners reviewed the status of the easement acquisition process. General Manager Jeffries announced that a communication meeting has been scheduled with representatives of LWC for March 10, 2010.

2. Accounting Manager. General Manager Jeffries presented the final report and recommendation of the Employment Committee to hire Michael Newport as the Accounting Manager. Motion was made by Commissioner Miller and seconded by Commissioner Davis to accept the recommendation and to authorize General Manager Jeffries to extend an Offer of Employment to Michael Newport as Accounting Manager for the District. The Offer of Employment will detail Mr. Newport's salary and benefits. Motion carried unanimously.

3. WTP Chemical Bid Award. The Commissioners reviewed the bid tabulation for the WTP Chemical Bids. Motion was made by Commissioner Tabb and seconded by Commissioner Effinger to take the following actions: (a) to declare the bid of JCI Jones to be the lowest and best bid for chlorine; (b) to award the chlorine contract to JCI Jones; (c) to declare the bid of Brenntag to be the lowest and best bid for HFS (fluoride); (d) to award the HFS contract to Brenntag; and (e) to authorize District staff to execute the necessary documents with the vendors which submitted the winning bids. Motion carried unanimously.

4. Phase IV Project. Carlos Miller and General Manager Jeffries reported that the Valley Creek Tank has been erected and all welds are completed. Construction of the tank is still well ahead of schedule. The concrete floor for the Valley Creek Pump Station has been poured, but inclement weather has delayed further progress.

5. Valley Creek Road Water Line Bid Award. The Commissioners reviewed the bid tabulation for the 10,000 feet of 8” water line. Motion was made by Commissioner Tabb and seconded by Commissioner Miller to take the following actions: (a) to declare the bid of Consolidated Pipe & Supply Co. in the amount of \$70,900.00 to be the lowest and best bid; (b) to tentatively award, upon concurrence by RD, the pipe contract to Consolidated Pipe & Supply Co.; and (c) to authorize District staff to execute the necessary documents with Consolidated Pipe & Supply Co. upon concurrence by RD. Motion carried unanimously.

6. Warehouse Material Bid Award. Motion was made by Commissioner Davis and seconded by Commissioner Effinger to take the following actions:

- a) To declare the lowest bid submitted on each bid item to be the lowest and best bid for that particular item of material;
- b) To award the bid for each particular item to the vendor submitting the lowest bid for that item; and
- c) To authorize General Manager Jeffries or other appropriate personnel to execute the necessary documents with the vendors which submitted the winning bids.

Motion carried unanimously.

NEW BUSINESS

1. Uniform Contract Extension. Motion was made by Commissioner Tabb and seconded by Commissioner Davis to take the following actions: (a) to exercise the option contained in the existing contract with E-town Laundry which enables the District to extend the contract for an additional year at the existing prices; (b) to extend the Uniform Contract with E-town Laundry for one (1) additional year; and (c) to authorize District staff to execute the necessary documents. Motion carried unanimously.

2. 1996 International Dump Truck Replacement. District staff explained the urgent need to replace the District's 1996 International dump truck. The dump truck is used to pull a trailer hauling heavy construction equipment. The dump truck lacks sufficient power for its current use and has a multitude of mechanical problems. This has caused safety concerns.

Because of the new emissions limits for diesel trucks, all manufacturers have ceased making diesel trucks of comparable size to the District's 1996 International truck. Consequently, most dealers are out of stock. It will be several months before manufacturers start producing diesel trucks with engines that meet the new emissions limits. At this time, it is impossible to order a 2011 model which complies with the new emissions limits. Research by District staff indicates that dealers will not start taking orders for 2011 models until early summer with delivery in late 2010 at the earliest. Thus far, the District staff has located only two (2) new trucks of comparable size on dealers' lots. Therefore, District staff requests the District to authorize the purchase of one of these trucks.

Attorney Talley then explained the legal procedure that would need to be followed by the District before the District could purchase a truck from a dealer without preparing bid specifications and advertising in the newspaper as required by KRS Chapter 424. Based upon the advice of Attorney Talley, the recommendations of District staff, safety concerns and the limited supply of new diesel trucks comparable to the 1996 International truck which needs to be replaced, Chairman Bell declared that an emergency exists with respect to the purchase of a replacement truck. Based upon the Certificate of Emergency declared by Chairman Bell, Attorney Talley opined pursuant to

the provisions of KRS 424.260(4), that it will not be necessary for the District to advertise in the newspaper before purchasing a replacement truck.

In recognition of the Certificate of Emergency declared by Chairman Bell and in reliance upon the legal opinion of Attorney Talley, motion was made by Commissioner Tabb and seconded by Commissioner Miller to authorize District staff to purchase either the 2011 (pre-emissions model) International Durastar 4400 single axle diesel truck or the 2010 Hino 338 single axle diesel truck; to equip the truck with a Tractor package; and to have a ten cubic feet dump body provided and installed by J. Edinger. The total cost shall not exceed \$85,000. Motion carried unanimously.

3. Accounting Software. District staff discussed the need for accounting software replacement and upgrades. Motion was made by Commissioner Effinger and seconded by Commissioner Davis to accept the Accounting Software proposal from LBMC Technologies, LLC in the approximate amount of \$17,900.00 and to authorize District staff to purchase the accounting software and maintenance from LBMC Technologies, LLC. Motion carried unanimously.

4. Computer Equipment. Upon recommendation by District staff, motion was made by Commissioner Effinger and seconded by Commissioner Davis to accept the proposal from Dell in the amount of \$7,034.94 and to authorize District staff to purchase the requested computer equipment. Motion carried unanimously.

5. Valley Creek Directional Bore Bid Rejection. Motion was made by Commissioner Davis and seconded by Commissioner Effinger to reject the sole bid received for the Valley Creek Directional Bore since the bid far exceeds the budgeted amount; to instruct the engineering firm to redesign the creek bore; and to direct District staff to re-advertise the project once the new design is complete. Motion carried unanimously.

ADJOURNMENT

There being no further business to come before the Board, motion was made by Commissioner Miller and seconded by Commissioner Tabb to adjourn the meeting. Motion carried unanimously.

HARDIN COUNTY WATER DISTRICT NO. 2

BY: _____

Morris L. Miller, Secretary

Date Approved: _____

BY: _____

Michael L. Bell, Chairman

**MINUTES OF THE
HARDIN COUNTY WATER DISTRICT NO. 2
BOARD OF COMMISSIONERS' MEETING**

March 16, 2010

The Board of Commissioners of Hardin County Water District No. 2 held its regular monthly meeting on March 16, 2010 at 5:00 p.m. at the Reesor Customer Service Center. Present were Commissioners Michael L. Bell, Tim Davis, John Effinger, Morris L. Miller and Cordell Tabb. Also present were General Manager James R. Jeffries, Scott Clark, Michael Newport, Shaun Youravich, Mark Sneve and Damon Talley. Chairman Bell declared that a quorum was present and called the meeting to order.

VISITORS

Brian S. Woosley with Stiles, Carter & Associates was present.

MINUTES & FINANCIAL REPORT

The Minutes of the February 16, 2010 meeting were reviewed. Motion was made by Commissioner Davis and seconded by Commissioner Miller to approve the Minutes as prepared. Motion carried unanimously.

The Financial Report for the month of February was reviewed. Motion was made by Commissioner Tabb and seconded by Commissioner Effinger to accept the Financial Report as presented and to authorize payment of the bills that are due and payable at this time. Motion carried unanimously.

REPORTS

1. Engineering Report. General Manager Jeffries presented the engineering report for water and wastewater. Mark Sneve summarized the status of the various wastewater projects.

2. Departmental Reports. General Manager Jeffries presented the departmental reports.

OLD BUSINESS

1. LWC Connection Project. General Manager Jeffries and Damon Talley summarized the March 3, 2010 meeting with Louisville Water Company (LWC) representatives. A tentative Timeline for the LWC Project was also discussed. It is anticipated that officials (Chairman & General Manager) of both Districts No. 1 and No. 2 will meet with LWC officials within the next 30 days. The Commissioners also reviewed the status of the easement acquisition process.

2. Rineyville Wastewater Project. Upon recommendation of Mark Sneve and General Manager Jeffries, motion was made by Commissioner Miller and seconded by Commissioner Davis to authorize Aerial Photography for the proposed routes of the wastewater collection and transmission lines. Motion carried unanimously.

Motion was made by Commissioner Miller and seconded by Commissioner Davis to accept the December 2009 Rineyville Sewer Preliminary Engineering Report prepared by Strand Associates, Inc. Motion carried unanimously.

3. Glendale Sewer PER. Mark Sneve distributed copies of the draft Glendale Sewer Preliminary Engineering Report (PER). He summarized the PER and answered questions from the Commissioners. No action was taken.

NEW BUSINESS

1. 2009 Audit Review. Brian Woosley of Stiles, Carter & Associates, the accounting firm which prepared the District's Audit, reviewed the Audit Report for the 2009 calendar year. Motion was made by Commissioner Miller and seconded by Commissioner Tabb to accept the 2009 Audit Report. Motion carried unanimously.

2. Joint Resolution - LWC. The Commissioners reviewed the proposed Joint Resolution of Hardin County Water Districts No. 1 and No. 2 pledging to cooperate in efforts to obtain a supplemental source of drinking water from LWC. Motion was made by Commissioner Miller and seconded by Commissioner Davis to adopt the Joint Resolution. Motion carried unanimously. (District No. 1 also adopted the Joint Resolution on March 16, 2010). The Joint Resolution is attached to these Minutes.

3. Valley Creek Conventional Bore Bid Award. The Commissioners reviewed the bid tabulation for the Valley Creek conventional bore. Motion was made by Commissioner Tabb and seconded by Commissioner Davis to take the following actions: (a) to declare the bid of Twin States Utilities & Excavation, Inc. in the amount of \$83,880.00 to be the lowest and best bid; (b) to award the contract to Twin States Utilities & Excavation, Inc.; and (c) to authorize District staff to execute the necessary documents with Twin States Utilities & Excavation, Inc. Motion carried unanimously.

4. In-Service Training. Upon recommendation of General Manager Jeffries, motion was made by Commissioner Effinger and seconded by Commissioner Miller to authorize one-half day of In-Service Training for District Staff on April 2, 2010. Motion carried unanimously.

5. Septic Systems. Commissioner Miller distributed information concerning groundwater contamination from failing septic systems in Hardin County. He urged the Commissioners to review the information so this topic could be discussed at a future meeting.

ADJOURNMENT

There being no further business to come before the meeting, motion was made by Commissioner Effinger and seconded by Commissioner Davis to adjourn the meeting. Motion carried unanimously.

HARDIN COUNTY WATER DISTRICT NO. 2

BY: _____
Morris L. Miller, Secretary

Date Approved: _____

BY: _____
Michael L. Bell, Chairman

**MINUTES OF THE
HARDIN COUNTY WATER DISTRICT NO. 2
BOARD OF COMMISSIONERS' MEETING**

April 20, 2010

The Board of Commissioners of Hardin County Water District No. 2 held its regular monthly meeting on April 20, 2010 at 5:00 p.m. at the Reesor Customer Service Center. Present were Commissioners Michael L. Bell, Tim Davis, John Effinger, Morris L. Miller and Cordell Tabb. Also present were General Manager James R. Jeffries, Scott Clark, Michael Newport, Shaun Youravich, Carlos Miller and Damon Talley. Chairman Bell declared that a quorum was present and called the meeting to order.

VISITORS

Tim Hinson of Sonora and Mr. & Mrs. William Parker of Elizabethtown were present. Mr. Hinson addressed the Board concerning the Rineyville Wastewater Project. Mr. & Mrs. Parker addressed the Board concerning a billing issue.

SPECIAL RECOGNITION

Chairman Bell informed the Commissioners that General Manager Jeffries had recently been appointed by Hardin County Judge/Executive Berry to the Steering Committee of the Hardin County Vision Project.

MINUTES & FINANCIAL REPORT

The Minutes of the March 16, 2010 meeting were reviewed. Motion was made by Commissioner Davis and seconded by Commissioner Effinger to approve the Minutes as prepared. Motion carried unanimously.

The Financial Report for the month of March was reviewed. Motion was made by Commissioner Tabb and seconded by Commissioner Effinger to accept the Financial Report as presented and to authorize payment of the bills that are due and payable at this time. Motion carried unanimously.

REPORTS

1. Engineering Report. General Manager Jeffries presented the engineering report for wastewater. Carlos Miller summarized the status of the various water projects.

2. Departmental Reports. General Manager Jeffries presented the departmental reports.

OLD BUSINESS

1. LWC Connection Project. General Manager Jeffries reported that representatives of District No. 1 and District No. 2 recently met with Louisville Water Company (LWC) concerning water quality research performed by LWC's staff. The feasibility of having an independent expert perform a Mixing Study was also discussed. The Commissioners also reviewed the status of the easement acquisition process.

2. Rineyville Wastewater Project. No action was taken.

3. Glendale Sewer PER. No action was taken.

4. Valley Creek Conventional Bore. General Manager Jeffries reported that Twin States Utilities & Excavation, Inc. has successfully completed the bore under Valley Creek.

NEW BUSINESS

1. Go Blue Campaign. Scott Clark explained the Go Blue Water Protection & Conservation Campaign to be undertaken by the District and distributed copies of the brochure.

2. Insurance Bids. The Commissioners reviewed the Bid Tabulation of the various bids submitted for Health Insurance, General Liability, Automobile, Property, Casualty and other miscellaneous insurance coverages. Motion was made by Commissioner Davis and seconded by Commissioner Tabb to take the following actions: (a) to declare the bid of Curneal & Hignite, Inc. to be the lowest and best overall bid; (b) to award all insurance coverages to the carriers for whom bids were submitted by Curneal & Hignite, Inc.; and (c) to authorize the General Manager to execute any and all documents necessary to secure the insurance coverages. All insurance policies will commence upon the expiration of the current policies and will extend through December 31, 2011. Motion carried unanimously.

3. Recycling Initiative. General Manager Jeffries reported that the District's Safety Committee had recommended a more comprehensive recycling initiative which will include cardboard and plastic. Motion was made by Commissioner Tabb and seconded by Commissioner Miller to take the following actions: (a) to accept the recycling initiative recommendation of the Safety Committee; (b) to instruct District Staff to incorporate the Safety Committee's recommendation into the District's existing recycling policy and prepare a recommended, revised policy for consideration by the Board; and (c) to commend the Safety Committee for its environmental awareness. Motion carried unanimously.

4. E-Town Loop, Phase V Bid Authorization. Motion was made by Commissioner Miller and seconded by Commissioner Effinger to authorize District Staff to advertise for pipe and other needed materials for the E-Town Loop, Phase V Project. Motion carried unanimously.

ADJOURNMENT

There being no further business to come before the meeting, motion was made by Commissioner Effinger and seconded by Commissioner Miller to adjourn the meeting. Motion carried unanimously.

HARDIN COUNTY WATER DISTRICT NO. 2

BY: _____
Morris L. Miller, Secretary

Date Approved: _____

BY: _____
Michael L. Bell, Chairman

**MINUTES OF THE
HARDIN COUNTY WATER DISTRICT NO. 2
BOARD OF COMMISSIONERS' MEETING**

May 18, 2010

The Board of Commissioners of Hardin County Water District No. 2 held its regular monthly meeting on May 18, 2010 at 5:00 p.m. at the Reesor Customer Service Center. Present were Commissioners Michael L. Bell, Tim Davis, John Effinger, Morris L. Miller and Cordell Tabb. Also present were General Manager James R. Jeffries, Scott Clark, Michael Newport, Shaun Youravich, and Damon Talley. Chairman Bell declared that a quorum was present and called the meeting to order.

VISITORS

No visitors were present.

MINUTES & FINANCIAL REPORT

The Minutes of the April 20, 2010 meeting were reviewed. Motion was made by Commissioner Davis and seconded by Commissioner Effinger to approve the Minutes as prepared. Motion carried unanimously.

The Financial Report for the month of April was reviewed. Motion was made by Commissioner Tabb and seconded by Commissioner Effinger to accept the Financial Report as presented and to authorize payment of the bills that are due and payable at this time. Motion carried unanimously.

REPORTS

1. Engineering Report. General Manager Jeffries presented the engineering report for water and wastewater.

2. Departmental Reports. General Manager Jeffries presented the departmental reports.

OLD BUSINESS

1. LWC Connection Project. Attorney Talley and General Manager Jeffries updated the Commissioners on the status of the easement acquisition process.

2. Rineyville Wastewater Project. Motion was made by Commissioner Tabb and seconded by Commissioner Effinger to authorize Chairman Bell to execute the Standard Form of Agreement for Engineering Services (RD Form & EJCDC E-510) with Strand Associates, Inc. and to authorize Strand to proceed with the design phase of the Rineyville Sewer Project. Motion carried unanimously.

3. Glendale Sewer PER. The Commissioners reviewed the Glendale Sewer Preliminary Engineering Report (PER) prepared by Strand (the PER had been presented to the Board at its March 16, 2010 meeting). Motion was made by Commissioner Tabb and seconded by Commissioner Effinger to accept the PER. Motion carried unanimously.

4. Potential Bond Refunding. Commissioner Miller reported that market conditions for refunding the District's 1999A Bonds have continued to improve. He plans to notify the District's Financial Advisor to proceed with the proposed refunding, unless market conditions deteriorate.

NEW BUSINESS

1. Dupree Fund. Commissioner Miller summarized the opportunity for the District to invest in Kentucky municipal bond issues through the Dupree Kentucky Tax-Free Income Fund Series (KYTFX). Attorney Talley opined that the Dupree Fund KYTFX meets the eligibility requirements set forth in the District's Investment Policy and KRS 66.480(1) (j) for investment of a portion of the District's non-restricted reserve funds. Motion was made by Commissioner Miller

and seconded by Commissioner Davis to authorize the Treasurer to open an investment account with Dupree Mutual Funds on behalf of the District and to further authorize the Treasurer to invest up to \$1,000,000 in the Dupree Fund KYTFX. Motion carried unanimously.

2. Vanguard Fund Investment. Motion was made by Commissioner Miller and seconded by Commissioner Effinger to invest up to \$1,500,000 in additional non-restricted reserve funds in the Vanguard Fund VFIJX. Motion carried unanimously.

3. Backhoe Purchase. Upon recommendation of District Staff, motion was made by Commissioner Tabb and seconded by Commissioner Davis to authorize the purchase of a Caterpillar Model 420E Backhoe Loader from Whayne Supply for the sum of \$76,550 utilizing the State Master Bid Contract. Motion carried unanimously.

4. WTP Intake Improvement. District Staff explained the need to raise the elevation of the WTP Intake structure to avoid future flood damage. Motion was made by Commissioner Tabb and seconded by Commissioner Miller to accept the proposal from Wilson Manufacturing and Design, Inc. in the amount of \$5,250 for constructing and installing the platform for the WTP Intake Improvement Project. Motion carried unanimously.

5. Defibrillator Kits. Motion was made by Commissioner Davis and seconded by Commissioner Miller to authorize the purchase two (2) Defibtech brand automatic external defibrillator kits from AED at an approximate cost of \$1,245.00 each. Motion carried unanimously.

6. Executive Session. Motion was made by Commissioner Davis and seconded by Commissioner Effinger to go into Executive Session to discuss personnel matters involving one or more specific employees. Motion carried unanimously.

***** EXECUTIVE SESSION DISCUSSION*****

Motion was made by Commissioner Tabb and seconded by Commissioner Miller to return to Open Session. Motion carried unanimously.

7. Wage Adjustments. Motion was made by Commissioner Davis and seconded by Commissioner Tabb to take the following actions: (1) to make a COLA adjustment of \$0.31 per hour for all hourly employees; (2) to make a 4%

merit matrix adjustment for hourly employees; (3) to increase the salaries of the three (3) departmental managers as recommended by General Manager Jeffries; (4) to increase the salary of General Manager Jeffries as noted in his personnel file; and (5) to make all adjustments effective with the first pay period in July. Motion carried unanimously.

ADJOURNMENT

There being no further business to come before the meeting, motion was made by Commissioner Davis and seconded by Commissioner Tabb to adjourn the meeting. Motion carried unanimously.

HARDIN COUNTY WATER DISTRICT NO. 2

BY: _____
Morris L. Miller, Secretary

Date Approved: _____

BY: _____
Michael L. Bell, Chairman

**MINUTES OF THE
HARDIN COUNTY WATER DISTRICT NO. 2
BOARD OF COMMISSIONERS' MEETING**

June 15, 2010

The Board of Commissioners of Hardin County Water District No. 2 held its regular monthly meeting on June 15, 2010 at 5:00 p.m. at the Reesor Customer Service Center. Present were Commissioners Michael L. Bell, Tim Davis, John Effinger, Morris L. Miller and Cordell Tabb. Also present were General Manager James R. Jeffries, Scott Clark, Michael Newport, Shaun Youravich, Carlos Miller, Mark Sneve and Damon Talley. Chairman Bell declared that a quorum was present and called the meeting to order.

VISITORS

No visitors were present.

MINUTES & FINANCIAL REPORT

The Minutes of the May 18, 2010 meeting were reviewed. Motion was made by Commissioner Tabb and seconded by Commissioner Effinger to approve the Minutes as prepared. Motion carried unanimously.

The Financial Report for the month of May was reviewed. Motion was made by Commissioner Tabb and seconded by Commissioner Effinger to accept the Financial Report as presented and to authorize payment of the bills that are due and payable at this time. Motion carried unanimously.

REPORTS

1. Engineering Report. Carlos Miller presented the engineering report for water. Mark Sneve presented the engineering report for wastewater.

2. Departmental Reports. General Manager Jeffries presented the departmental reports.

OLD BUSINESS

1. LWC Connection Project. Attorney Talley and General Manager Jeffries updated the Commissioners on the status of the easement acquisition process. In addition, Carlos Miller was instructed to proceed with designing the proposed route for the water line.

2. Rineyville Wastewater Project. Mark Sneve presented an overview of the engineering design activities to be performed by Strand Associates, Inc. (Strand) during the design phase of the Rineyville Wastewater Project. He also presented a proposed schedule for completing the design.

3. 2010A Bond Resolution. Attorney Talley reviewed the provisions of a proposed Resolution concerning the 2010A Bonds. Commissioner Effinger introduced, caused to be read in full, and moved immediate adoption of a proposed Resolution identified by its title or caption as follows:

RESOLUTION OF THE COMMISSION OF HARDIN COUNTY
WATER DISTRICT NO. 2 RELATING TO THE SALE OF
HARDIN COUNTY WATER DISTRICT NO. 2 WATER SYSTEM
REFUNDING REVENUE BONDS, SERIES 2010A

The motion for the adoption of the Resolution was seconded by Commissioner Miller. After full discussion, Chairman Bell put the question to vote. Motion carried unanimously.

Chairman Bell then announced that the motion was carried and the Resolution was duly adopted. He signed it as evidence of his approval, caused it to be attested by the Secretary-Treasurer, and announced that it was in full force and effect.

Attorney Talley and Commissioner Miller discussed the status of the proposed refunding of the 1999A Bonds. The proposed bond sale is scheduled for June 24, 2010 unless market conditions deteriorate.

4. Pipe Bid Award. The Commissioners reviewed the bid tabulation for the 16-inch diameter ductile iron pipe for the Glendale-Elizabethtown Loop, Phase V Project. Motion was made by Commissioner Tabb and seconded by Commissioner Davis to take the following actions: (a) to declare the bid of Consolidated Pipe & Supply Co. in the amount of \$131,821.60 to be the lowest and best bid; (b) to award the pipe contract to Consolidated Pipe & Supply Co.; and (c) to authorize District staff to execute the necessary documents with Consolidated Pipe & Supply Co. Motion carried unanimously.

5. Phase IV Bond Closing. Attorney Talley reminded the Commissioners that the 2007A Bond Closing (RD Bonds) for the Phase IV Project partially financed by RD is scheduled for July 1, 2010.

NEW BUSINESS

1. Wastewater Position. General Manager Jeffries presented, for discussion only, the possibility of creating a position for an Administrative Technician in the Wastewater Department. Initially, meeting with property owners and negotiating easements would be the primary duties of the person filling this position. The Commissioners will discuss this matter in more detail at a future meeting.

2. Office Carpet Replacement. Motion was made by Commissioner Davis and seconded by Commissioner Miller to take the following actions: (a) to approve the Letter of Request dated June 10, 2010 from Scott Clark concerning replacing carpet in certain portions of the Customer Service Center; (b) to accept the proposal from Corvin's Floor Coverings in the sum of \$7,649.18; and (c) to authorize District Staff to execute the necessary documents with Corvin's Floor Coverings. Motion carried unanimously.

3. Rotary Mower Purchase. Motion was made by Commissioner Davis and seconded by Commissioner Tabb to approve the request from District Staff and to authorize the purchase of a Woods Rotary Mower from Jacobi Sales, Inc. for the sum of \$2,840. Motion carried unanimously.

ADJOURNMENT

There being no further business to come before the meeting, motion was made by Commissioner Miller and seconded by Commissioner Effinger to adjourn the meeting. Motion carried unanimously.

HARDIN COUNTY WATER DISTRICT NO. 2

BY: _____
Morris L. Miller, Secretary

Date Approved: _____

BY: _____
Michael L. Bell, Chairman

**MINUTES OF THE
HARDIN COUNTY WATER DISTRICT NO. 2
BOARD OF COMMISSIONERS' MEETING**

July 20, 2010

The Board of Commissioners of Hardin County Water District No. 2 held its regular monthly meeting on July 20, 2010 at 5:00 p.m. at the Reesor Customer Service Center. Present were Commissioners Michael L. Bell, Tim Davis, John Effinger, Morris L. Miller and Cordell Tabb. Also present were General Manager James R. Jeffries, Scott Clark, Michael Newport, Shaun Youravich, Vaughn Williams, Mark Askin and Damon Talley. Chairman Bell declared that a quorum was present and called the meeting to order.

VISITORS

No visitors were present.

MINUTES & FINANCIAL REPORT

The Minutes of the June 15, 2010 meeting were reviewed. Motion was made by Commissioner Tabb and seconded by Commissioner Davis to approve the Minutes as prepared. Motion carried unanimously.

The Financial Report for the month of June was reviewed. Motion was made by Commissioner Tabb and seconded by Commissioner Davis to accept the Financial Report as presented and to authorize payment of the bills that are due and payable at this time. Motion carried unanimously.

REPORTS

1. Engineering Report. Vaughn Williams presented the engineering report for water. Shaun Youravich reported that the Valley Creek Tank and Pump Station have been placed into service. Mark Askin presented the engineering report for wastewater.

2. Departmental Reports. General Manager Jeffries presented the departmental reports.

OLD BUSINESS

1. LWC Connection Project. Vaughn Williams outlined the proposed terms of the draft proposal from LWC concerning the Mixing Study. The Commissioners once again emphasized the need to develop a definite timetable with achievable milestones to ensure the timely completion of this project. General Manager Jeffries will coordinate a meeting with management and engineers from both District No. 1 and No. 2 to finalize the parameters of the Mixing Study.

The Commissioners also reviewed the status of the easement acquisition process for this project.

2. 1999A Bond Refunding/Moody's Upgrade. General Manager Jeffries reported that Moody's Investors Service recently upgraded the District's financial rating from A1 to Aa3. Attorney Talley reported that the 2010A Bonds were sold on June 24, 2010. The Closing will take place on July 28, 2010. The outstanding 1999A Bonds will be refunded on July 29, 2010. As a result of the refunding, the District will achieve a total savings of \$1,283,778 after payment of all expenses associated with the sale of the 2010A Bonds. This represents an average annual savings of \$62,623 and a net present value benefit of 9.5%.

NEW BUSINESS

1. Customer Appreciation. District Staff announced that Customer Appreciation Day is scheduled for August 20, 2010.

2. Customer Deposits. Upon recommendation by District Staff and the District's auditor, motion was made by Commissioner Tabb and seconded by Commissioner Miller to transfer the sum of \$78,000 from the Customer Deposit account to the Operating and Maintenance account. This sum represents excess funds in the Customer Deposit account. Motion carried unanimously.

3. 2002A RD Bond Redemption. The Commissioners reviewed the savings that will result from redeeming the outstanding 2002A Bonds held by RD. The principal balance of the outstanding RD Bonds is \$948,500. The Bonds bear interest at a rate of 4.375% and the final maturity is January 1, 2042. There is no penalty for redeeming the Bonds. Motion was made by Commissioner Miller and seconded by Commissioner Davis to redeem the 2002A Bonds held by RD. Motion carried unanimously.

4. Economic Development Bonds. Commissioner Miller informed the Commissioners of his recent conversations with County Judge/Executive Berry concerning the possibility of the Hardin Fiscal Court transferring Hardin County's allocation of Recovery Zone Economic Development Bonds (Bonds) in the amount of \$2,655,000 to the District. Because of the time constraints on issuing the proposed Bonds, the "spend-down" requirements and other factors, the Commissioners agreed, by consensus, to forego the proposed Bond allocation from the Hardin Fiscal Court. Commissioner Miller will inform Judge Berry.

5. KRWA Voting Delegate. Motion was made by Commissioner Tabb and seconded by Commissioner Davis to designate General Manager James Jeffries as the District's voting delegate and Commissioner Bell as the alternate voting delegate to the KRWA Annual Business Meeting to be held in Louisville on August 24, 2010. Motion carried unanimously.

6. Surplus Equipment. Upon recommendation of District Staff, motion was made by Commissioner Davis and seconded by Commissioner Effinger to declare the vehicles and equipment itemized on the attached Schedule as surplus or obsolete vehicles and equipment and to authorize sale of the vehicles and equipment, except for the Trench Box, by sealed bids. Motion carried unanimously. Motion was made by Commissioner Davis and seconded by Commissioner Effinger to declare the bid of Trench Safety in the amount of \$5,000 to be the highest and best bid for the Trench Box and to authorize the sale of the Trench Box to Trench Safety. Motion carried unanimously.

ADJOURNMENT

There being no further business to come before the meeting, motion was made by Commissioner Davis and seconded by Commissioner Tabb to adjourn the meeting. Motion carried unanimously.

HARDIN COUNTY WATER DISTRICT NO. 2

BY: _____
Morris L. Miller, Secretary

Date Approved: _____

BY: _____
Michael L. Bell, Chairman

**MINUTES OF THE
HARDIN COUNTY WATER DISTRICT NO. 2
BOARD OF COMMISSIONERS' MEETING**

August 17, 2010

The Board of Commissioners of Hardin County Water District No. 2 held its regular monthly meeting on August 17, 2010 at 5:00 p.m. at the Reesor Customer Service Center. Present were Commissioners Michael L. Bell, Tim Davis, John Effinger, Morris L. Miller and Cordell Tabb. Also present were General Manager James R. Jeffries, Scott Clark, Shaun Youravich, Carlos Miller, Clay Kelly and Damon Talley. Chairman Bell declared that a quorum was present and called the meeting to order.

VISITORS

No visitors were present.

MINUTES & FINANCIAL REPORT

The Minutes of the July 20, 2010 meeting were reviewed. Motion was made by Commissioner Tabb and seconded by Commissioner Miller to approve the Minutes as prepared. Motion carried unanimously.

The Financial Report for the month of July was reviewed. Motion was made by Commissioner Miller and seconded by Commissioner Davis to accept the Financial Report as presented and to authorize payment of the bills that are due and payable at this time. Motion carried unanimously.

REPORTS

1. Engineering Report. Carlos Miller presented the engineering report for water. Clay Kelly presented the engineering report for wastewater.

2. Departmental Reports. General Manager Jeffries presented the departmental reports.

OLD BUSINESS

1. LWC Connection Project. Carlos Miller summarized the recent meeting with management and engineers from both District No. 1 and No. 2 concerning the parameters of the Mixing Study. He plans to present additional information at the September Board Meeting. Also, a project timetable will be presented at the next meeting.

2. Rineyville Wastewater Project. Clay Kelly reviewed the surveying, preliminary site selection and preliminary design work that his firm has performed during the past month.

NEW BUSINESS

1. Key Oil Fuel Service Proposal. Motion was made by Commissioner Tabb and seconded by Commissioner Miller to accept the onsite Key Oil Fuel Service Proposal as presented and to authorize District staff to execute the necessary documents to facilitate the installation of the fuel servicing facilities at the Customer Service Center. Motion carried unanimously.

2. Generator Grant Application. Motion was made by Commissioner Davis and seconded by Commissioner Effinger to authorize District staff to apply for a \$100,000 Grant for an emergency generator. Motion carried unanimously.

3. Sealing and Striping Proposals. Motion was made by Commissioner Tabb and seconded by Commissioner Miller to authorize District staff to solicit proposals for sealing and striping the Customer Service parking lot. Motion carried unanimously.

4. Mud Splash Road Loop. Motion was made by Commissioner Davis and seconded by Commissioner Effinger to authorize District staff to advertise for bids for the 24" pipe and other materials for the Mud Splash Road Loop Project. Motion carried unanimously.

5. Executive Session. Motion was made by Commissioner Miller and seconded by Commissioner Effinger to go into Executive Session to discuss personnel matters involving one or more specific employees. Motion carried unanimously.

***** EXECUTIVE SESSION DISCUSSION*****

Motion was made by Commissioner Tabb and seconded by Commissioner Miller to return to Open Session. Motion carried unanimously. Chairman Bell announced that it would not be necessary to take any action at this time.

ADJOURNMENT

There being no further business to come before the meeting, motion was made by Commissioner Effinger and seconded by Commissioner Miller to adjourn the meeting. Motion carried unanimously.

HARDIN COUNTY WATER DISTRICT NO. 2

BY: _____
Morris L. Miller, Secretary

Date Approved: _____

BY: _____
Michael L. Bell, Chairman

**MINUTES OF THE
HARDIN COUNTY WATER DISTRICT NO. 2
BOARD OF COMMISSIONERS' MEETING
September 21, 2010**

The Board of Commissioners of Hardin County Water District No. 2 held its regular monthly meeting on September 21, 2010 at 5:00 p.m. at the Reesor Customer Service Center. Present were Commissioners Tim Davis, John Effinger, Morris L. Miller and Cordell Tabb. Also present were General Manager James R. Jeffries, Scott Clark, Shaun Youravich, Carlos Miller, Vaughn Williams, Mark Sneve and Damon Talley. Commissioner Morris L. Miller presided in the absence of Chairman Bell. Commissioner Miller declared that a quorum was present and called the meeting to order.

VISITORS

No visitors were present.

MEMORIAL TRIBUTE

General Manager Jeffries read a Memorial Tribute honoring former District employee, Arthur Hugh Gregory, III, who died on September 14, 2010. The tribute was written by Scott Clark, Customer Service Manager. By consensus, the Memorial Tribute shall be attached to the Minutes.

MINUTES & FINANCIAL REPORT

The Minutes of the August 17, 2010 meeting were reviewed. Motion was made by Commissioner Tabb and seconded by Commissioner Effinger to approve the Minutes as prepared. Motion carried unanimously.

The Financial Report for the month of August was reviewed. Motion was made by Commissioner Tabb and seconded by Commissioner Davis to accept the

Financial Report as presented and to authorize payment of the bills that are due and payable at this time. Motion carried unanimously.

REPORTS

1. Engineering Report. Carlos Miller and Vaughn Williams presented the engineering report for water. Mark Sneve presented the engineering report for wastewater.

2. Departmental Reports. General Manager Jeffries presented the departmental reports.

OLD BUSINESS

1. LWC Connection Project. Vaughn Williams reviewed the provisions of the draft Mixing Study Agreement with the Louisville Water Co. (LWC), Hardin County Water District No. 1 and Hardin County Water District No. 2. Motion was made by Commissioner Tabb and seconded by Commissioner Effinger to approve the Mixing Study Agreement as prepared. Motion carried unanimously.

The Commissioners also reviewed the status of the easement acquisition process for this project. In addition, the Commissioners summarized their discussions with property owners.

2. Key Oil Fuel Service. Operations Manager Shaun Youravich reported that the Commonwealth of Kentucky has issued a permit to Key Oil Company. This will enable Key Oil Co. to install the fuel tanks and other fuel servicing facilities at the District's Customer Service Center.

3. Phase IV Project. Carlos Miller reported that the Valley Creek Tank and Valley Creek Pump Station have been completed and are in operation.

4. Rineyville Wastewater Project. Mark Sneve presented a project progress report.

NEW BUSINESS

1. Shelton Road Generator. Operations Manager Shaun Youravich reported that the Caterpillar 175 kW generator for the Shelton Road Pump Station was ordered on 9-2-10 from Whayne Power Systems at a cost of \$73,457.00 by utilizing the State Master Bid Contract (KY MA 758 1000000210 1). It will be approximately 16-18 months before it will be delivered. The generator will be paid for from the KIA Grant funds remaining for the Hart County project.

2. Sealing and Striping Parking Lot. The Commissioners reviewed the three (3) proposals for sealing and striping the Customer Service Center parking lot. Motion was made by Commissioner Davis and seconded by Commissioner Effinger to take the following actions: (1) to accept the proposal from Tru-Seal Asphalt in the sum of \$9,000.00 to seal and stripe the Customer Service Center parking lot; and (2) to authorize District staff to execute the necessary documents. Motion carried unanimously.

3. E-Town Wholesale Rate. General Manager Jeffries reported that the newly calculated E-Town Wholesale Rate (using 2009 Audit data) is slightly more than the current rate, assuming E-Town does not lower its minimum monthly purchase amount. By consensus, the E-Town Wholesale Rate will remain unchanged at this time.

4. Collectorsolutions Contract. Administrative Manager Clark summarized the provisions of the proposed Agreement between Collectorsolutions, Inc. (CSI) and the District for the processing of monetary payments via credit/debit cards, e-checks and on-line payments. Motion was made by Commissioner Tabb and seconded by Commissioner Davis to approve the Agreement and authorize District staff to execute the Agreement and other necessary documents. Motion carried unanimously.

5. Web Pay Software. Motion was made by Commissioner Tabb and seconded by Commissioner Effinger to accept the proposal from Harris for providing iWeb and iCall software license, set-up and maintenance for the sum of \$7,725.00. Motion carried unanimously.

6. Transaction Fee. Motion was made by Commissioner Effinger and seconded by Commissioner Davis to adopt, subject to PSC approval, a Transaction Fee in the sum of \$2.50 per transaction for all customers who choose to pay the District via credit card, debit card, eCheck or by utilizing the District's website. Customers who pay by cash, check or automatic bank draft will not be charged a Transaction Fee. Motion carried unanimously.

7. Melrose Road. Commissioner Davis presented a petition for water service from 13 persons residing along Melrose Road in Hardin County. By unanimous consent, Melrose Road will be placed on the list of roads to be included in Phase VI of the District's 2020 Waterline Extension Program.

8. BRAC Grants. General Manager Jeffries presented the District Water and Wastewater Projects that have been approved for BRAC grants. The District will receive \$6,000,000 for the LWC Connector Project and \$16,000,000 for the Glendale Wastewater Project. In addition, BRAC has allocated \$495,000 for the Radcliff-Elizabethtown Waterline Interconnection Project.

9. Executive Session. Motion was made by Commissioner Tabb and seconded by Commissioner Effinger to go into Executive Session to discuss personnel matters involving one or more specific employees. Motion carried unanimously.

***** EXECUTIVE SESSION DISCUSSION*****

Motion was made by Commissioner Davis and seconded by Commissioner Tabb to return to Open Session. Motion carried unanimously. Commissioner Miller announced that it would not be necessary to take any action at this time.

ADJOURNMENT

There being no further business to come before the meeting, motion was made by Commissioner Effinger and seconded by Commissioner Davis to adjourn the meeting. Motion carried unanimously.

HARDIN COUNTY WATER DISTRICT NO. 2

BY: _____
Morris L. Miller, Secretary

Date Approved: _____

BY: _____
Michael L. Bell, Chairman

**MINUTES OF THE
HARDIN COUNTY WATER DISTRICT NO. 2
BOARD OF COMMISSIONERS' MEETING**

October 19, 2010

The Board of Commissioners of Hardin County Water District No. 2 held its regular monthly meeting on October 19, 2010 at 5:00 p.m. at the Reesor Customer Service Center. Present were Commissioners Michael L. Bell, Tim Davis, John Effinger, Morris L. Miller and Cordell Tabb. Also present were General Manager James R. Jeffries, Scott Clark, Shaun Youravich, Vaughn Williams, Mark Sneve and Damon Talley. Chairman Bell declared that a quorum was present and called the meeting to order.

VISITORS

No visitors were present.

MINUTES & FINANCIAL REPORT

The Minutes of the September 21, 2010 meeting were reviewed. Motion was made by Commissioner Tabb and seconded by Commissioner Davis to approve the Minutes as prepared. Motion carried unanimously.

The Financial Report for the month of September was reviewed. Motion was made by Commissioner Tabb and seconded by Commissioner Davis to accept the Financial Report as presented and to authorize payment of the bills that are due and payable at this time. Motion carried unanimously.

REPORTS

1. Engineering Report. Vaughn Williams presented the engineering report for water. Mark Sneve presented the engineering report for wastewater.

2. Departmental Reports. General Manager Jeffries presented the departmental reports.

OLD BUSINESS

1. LWC Connection Project. Vaughn Williams presented a status report on the joint efforts of the Louisville Water Co. (LWC), Hardin County Water District No. 1 and Hardin County Water District No. 2 concerning the Mixing Study. It may be necessary for the three (3) entities to engage the services of an independent expert to provide technical assistance. If so, the total cost will not exceed \$43,000. District No. 1 and District No. 2 have requested LWC to pay one-third (1/3) of the expert's fee, but LWC has yet to decide. The Commissioners questioned the necessity for hiring the independent expert and requested additional information before making a decision.

The Commissioners also reviewed the status of the easement acquisition process for this project. In addition, the Commissioners summarized their discussions with property owners.

2. Rineyville Wastewater Project. Mark Sneve presented a project progress report.

NEW BUSINESS

1. Tariff Revision. The Commissioners reviewed the proposed revisions to the District's Tariff. Motion was made by Commissioner Tabb and seconded by Commissioner Effinger to adopt the proposed revisions to the Tariff, subject to approval by the PSC, and to authorize the District's attorney and staff to submit the revised Tariff to the PSC for approval. Motion carried unanimously.

2. Surplus Equipment. Pursuant to previous Board action taken on July 20, 2010, sealed bids were received for surplus vehicles and equipment. The Commissioners reviewed the bid tabulations. Motion was made by Commissioner Davis and seconded by Commissioner Miller to take the following actions: (1) to declare the highest bid received on each item to be the best bid for that particular item; (2) to sell each item to the highest bidder; and (3) to authorize the General Manager, or his designee, to execute the necessary documents to transfer the vehicles and equipment. Motion carried unanimously.

3. Identity Theft Prevention Program Review. Administrative Manager Clark stated that, to date, there have been no known identity theft incidents or any sensitive data breaches. District Staff has conducted its annual review of the District's Identity Theft Prevention Program and has recommended that no changes be made to the Program. District Staff also noted that having the Identity Theft Prevention Program in place has assisted the District in collecting debts owed from prior accounts and has deterred the use of falsified lease documents by applicants for service. By consensus, the Commissioners accepted Staff's recommendation and the Program will not be revised at this time.

4. Wastewater Perimeter Program. Commissioner Miller and General Manager Jeffries reported on recent discussions with City of Elizabethtown ("City") officials, at their invitation, concerning the potential for providing wastewater service in areas outside the City's corporate limits. Motion was made by Commissioner Miller and seconded by Commissioner Tabb to engage Strand and Associates to perform a technical analysis ("Analysis") of the territory which lies within the City's wastewater planning area and is also within the Hardin County Water District No. 2's ("District No. 2") territorial boundaries, but is not currently served by the City (the "Perimeter Area"). The purpose of the Analysis is to facilitate the development of a Perimeter Program through which District No. 2 could offer wastewater service to customers within the Perimeter Area by contracting with the City for treatment of the wastewater effluent until such time as the City exercises its option to annex the Perimeter Area and to provide wastewater services directly to the customers. The Analysis will determine which portions of the Perimeter Area will be feasible for wastewater service based on existing City infrastructure, localized available transmission capacity of the City, current backfill potential in existing developments, probable future development opportunities, and other relevant factors. The Perimeter Program will ultimately provide a guideline by which property owners within designated portions of the Perimeter Area could obtain wastewater services from District No. 2. District No. 2's participation in the Analysis is contingent upon the City's willingness to pay one-half (1/2) of the cost. Motion carried unanimously.

5. Environmental Policy. Motion was made by Commissioner Davis and seconded by Commissioner Miller to adopt the proposed Environmental Policy. Motion carried unanimously.

6. Executive Session. Motion was made by Commissioner Effinger and seconded by Commissioner Miller to go into Executive Session to discuss personnel matters involving one or more specific employees and potential litigation. Motion carried unanimously.

***** EXECUTIVE SESSION DISCUSSION*****

Motion was made by Commissioner Tabb and seconded by Commissioner Davis to return to Open Session. Motion carried unanimously. Chairman Bell announced that it would not be necessary to take any action at this time.

ADJOURNMENT

There being no further business to come before the meeting, motion was made by Commissioner Miller and seconded by Commissioner Tabb to adjourn the meeting. Motion carried unanimously.

HARDIN COUNTY WATER DISTRICT NO. 2

BY: _____
Morris L. Miller, Secretary

Date Approved: _____

BY: _____
Michael L. Bell, Chairman

**MINUTES OF THE
HARDIN COUNTY WATER DISTRICT NO. 2
BOARD OF COMMISSIONERS' MEETING**

November 16, 2010

The Board of Commissioners of Hardin County Water District No. 2 held its regular monthly meeting on November 16, 2010 at 5:00 p.m. at the Reesor Customer Service Center. Present were Commissioners Michael L. Bell, Tim Davis, John Effinger, Morris L. Miller and Cordell Tabb. Also present were General Manager James R. Jeffries, Scott Clark, Shaun Youravich, Vaughn Williams, Mark Sneve and Damon Talley. Chairman Bell declared that a quorum was present and called the meeting to order.

VISITORS

Robbie Wright and Darrell Morgan appeared before the Board and requested water service on St. John's Road near Spears Lane.

MINUTES & FINANCIAL REPORT

The Minutes of the October 19, 2010 meeting were reviewed. Motion was made by Commissioner Tabb and seconded by Commissioner Effinger to approve the Minutes as prepared. Motion carried unanimously.

The Financial Report for the month of October was reviewed. Motion was made by Commissioner Tabb and seconded by Commissioner Effinger to accept the Financial Report as presented and to authorize payment of the bills that are due and payable at this time. Motion carried unanimously.

REPORTS

1. Engineering Report. Vaughn Williams presented the engineering report for water. Mark Sneve presented the engineering report for wastewater.

2. Departmental Reports. General Manager Jeffries presented the departmental reports.

OLD BUSINESS

1. LWC Connection Project. Vaughn Williams presented a Mixing Study status report. Louisville Water Company (LWC) has orally indicated its willingness to pay one-third (1/3) of the independent expert's fee. Written confirmation is expected by the end of November.

Motion was made by Commissioner Miller and seconded by Commissioner Davis to engage the services of an independent expert to provide technical assistance, contingent upon participation by District No. 1 and LWC. District No. 2's maximum cost will be 1/3 of \$43,000. Motion carried unanimously.

The Commissioners also reviewed the status of the easement acquisition process for this project. In addition, the Commissioners summarized their discussions with property owners.

2. Kenvirons, Inc. Fee Proposal. The Commissioners reviewed the proposed Fee Proposal and Scope of Services to be performed by Kenvirons, Inc. concerning the Mixing Study and evaluation of other water supply alternatives. Motion was made by Commissioner Miller and seconded by Commissioner Effinger to accept the proposed Scope of Services and Fee Proposal and to engage the services of Kenvirons, Inc at a cost not to exceed \$15,000. Motion carried unanimously.

3. Rineyville Wastewater Project. Mark Sneve presented a project progress report.

NEW BUSINESS

1. Glendale Sewer Project. Motion was made by Commissioner Tabb and seconded by Commissioner Davis to authorize Strand & Associates to prepare a preliminary Scope of Engineering Services for the proposed Glendale Sewer Project for consideration by the District at its December 2010 Meeting. Motion carried unanimously.

2. 2011 Budget. General Manager Jeffries presented the proposed 2011 Operating Budget and 2011 Capital Budget. Motion was made by Commissioner Davis and seconded by Commissioner Tabb to adopt the proposed 2011 Operating Budget and the proposed 2011 Capital Budget recommended by District Staff. Motion carried unanimously.

3. Executive Session. Motion was made by Commissioner Miller and seconded by Commissioner Tabb to go into Executive Session to discuss personnel matters involving one or more specific employees. Motion carried unanimously.

***** EXECUTIVE SESSION DISCUSSION*****

Motion was made by Commissioner Tabb and seconded by Commissioner Miller to return to Open Session. Motion carried unanimously. Chairman Bell announced that it would not be necessary to take any action at this time.

ADJOURNMENT

There being no further business to come before the meeting, motion was made by Commissioner Davis and seconded by Commissioner Effinger to adjourn the meeting. Motion carried unanimously.

HARDIN COUNTY WATER DISTRICT NO. 2

BY: _____
Morris L. Miller, Secretary

Date Approved: _____

BY: _____
Michael L. Bell, Chairman

**MINUTES OF THE
HARDIN COUNTY WATER DISTRICT NO. 2
BOARD OF COMMISSIONERS' MEETING**

December 21, 2010

The Board of Commissioners of Hardin County Water District No. 2 held its regular monthly meeting on December 21, 2010 at 5:00 p.m. at the Reesor Customer Service Center. Present were Commissioners Tim Davis, John Effinger, Morris L. Miller, and Cordell Tabb. Also present were General Manager James R. Jeffries, Scott Clark, Shaun Youravich, Carlos Miller, Mark Sneve and Damon Talley. Commissioner Miller, who presided in the absence of Chairman Bell, declared that a quorum was present and called the meeting to order.

VISITORS

No visitors were present.

MINUTES & FINANCIAL REPORT

The Minutes of the November 16, 2010 meeting were reviewed. Motion was made by Commissioner Davis and seconded by Commissioner Tabb to approve the Minutes as prepared. Motion carried unanimously.

The Financial Report for the month of November was reviewed. Motion was made by Commissioner Davis and seconded by Commissioner Effinger to accept the Financial Report as presented and to authorize payment of the bills that are due and payable at this time. Motion carried unanimously.

REPORTS

1. Engineering Reports. Carlos Miller presented the engineering report for water. Mark Sneve presented the engineering report for wastewater.

2. Departmental Reports. General Manager Jeffries presented the departmental reports.

OLD BUSINESS

1. LWC Connection Project. Carlos Miller reported that the Louisville Water Company (LWC) has executed the Agreement to pay one-third (1/3) of the independent expert's fee. Shaun Youravich reported that the Mixing Study has commenced and that the second round of samples have been collected.

The Commissioners also reviewed the status of the easement acquisition process for this project.

2. Rineyville Wastewater Project. Mark Sneve presented a project progress report. Immediately prior to the meeting, he delivered the preliminary design plans to the District Staff for review.

3. Nolin River Watershed Project. Mark Sneve presented a preliminary outline which includes three (3) options for providing wastewater service for portions of the Nolin River Watershed. The preliminary cost estimates range from \$5,730,000 for Option 1 to \$17,570,000 if all three (3) options are constructed.

4. On-Site Fuel Tanks. Shaun Youravich reported that the on-site fuel tanks have been installed and are in operation.

5. Spears Lane Extension. In response to the request made by property owners at the November 16, 2010 meeting, District Staff prepared cost estimates for extending the existing water main along St. John's Road and down Spears Lane. The estimated project cost is \$32,400 if the work is performed by District Staff. By consensus, this proposed water line extension will be added to the list of roads under consideration as part of the Phase VI Project.

6. Phase VI Project. Carlos Miller presented a Preliminary Engineering Report (PER) for the proposed Phase VI Water System Extensions. The PER includes approximately 29 miles of proposed water line extensions at an estimated cost of \$4,105,000. The proposed Spears Lane extension is included in the PER.

NEW BUSINESS

1. Vehicle Purchases. The Commissioners reviewed District Staff’s Vehicle Purchase Request to replace units 3, 7, 13, and 19. Motion was made by Commissioner Davis and seconded by Commissioner Tabb to authorize the purchase of four (4) replacement vehicles by utilizing the State Master Bid Contract. The description and purchase prices of the vehicles are set forth below:

1 - 2011 Ford F-450 Extended Cab and Chassis:	\$ 37,179
1 – Utility Bed for F-450:	\$ 14,300
2 – 2011 Ford F-150 Crew Cab:	\$ 25,996 (each)
1 – 2011 Ford F-150 Standard Cab:	\$ 19,340

Motion carried unanimously

2. Aerial Photography. The Commissioners reviewed the Rineyville Wastewater Project aerial photography proposals. Motion was made by Commissioner Tabb and seconded by Commissioner Effinger to accept the proposal for aerial photography submitted by Photo Science in the amount of \$13,850. Motion carried unanimously.

ADJOURNMENT

There being no further business to come before the meeting, motion was made by Commissioner Tabb and seconded by Commissioner Davis to adjourn the meeting. Motion carried unanimously.

HARDIN COUNTY WATER DISTRICT NO. 2

BY: _____
Morris L. Miller, Secretary

Date Approved: _____

BY: _____
Michael L. Bell, Chairman