

**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