

October 15, 1997

A regular meeting of the Northern Kentucky Water Service District was held on October 15, 1997 at 3:00 p.m. at the Edgewood office. All Commissioners except Mr. Hatfield were present. Also present were Mr. Willaman, Mr. Barrow, Mr. Pangburn and several District staff members.

On motion of Mr. Veatch, seconded by Mr. Hemmer, the minutes of the meeting on August 29, 1997 were approved. On the motion of Mr. Keeney, seconded by Mr. Veatch, the minutes of the meeting on September 9, 1997 were approved. The minutes of the special meeting on September 18, 1997 were approved on the motion of Mr. Veatch, seconded by Mr. Keeney.

The Board discussed correspondence received over the previous month, including a notice of violation from the Kentucky Department for Environmental Protection concerning the reporting of the chlorine gas release on April 16, 1997. Ms. Bari Joslyn and Mr. Pangburn explained the District's response.

Mr. Terrell Ross of Ross, Sinclair & Associates was also present, and he and Mr. Barrow presented a summary of the savings and restructuring of financial affairs associated with the Series 1997 Refunding Bonds. Mr. Ross also informed the Board of the assignment of A2 to the District's bonds by the Moody's Rating Committee.

Mr. Willaman reported that the District closed on the purchase of the property at 666 Alexandria Pike on October 8, 1997. Mr. Willaman also reported on the Residential Rate Comparison Study for the month of September 1997.

John Walker, certified public accountant, was also present and presented his report and recommendations regarding the District's internal control structure. The Board discussed the recommendations and directed that all persons possessing a signature stamp maintain personal custody of the stamp and that such requirement be included in a new accounting procedures manual for the District.

On motion of Mr. Hemmer, seconded by Ms. Almoslechner, the Board approved a new open records policy.

Mr. Willaman and Mr. Richard Harrison presented an update on the District's application for a \$1 million block grant. Mr. Willaman and Mr. Harrison also presented the Jack Gemmer & Sons time and equipment bid, the sole bid of its kind received by the District. On motion of Mr. Keeney, seconded by Mr. Veatch, the Board accepted the Jack Gemmer & Sons bid for time and equipment work for one year.

Mr. Willaman presented updates on the main replacement program, current projects and future projects. Mr. Willaman also reported that he will meet with the Public Service Commission on October 21, 1997 to discuss District projects and bond anticipation notes.

Mr. Willaman presented a report on the full time, part time and temporary employees of the District from January 1994 through October 1997. On motion of Mr. Veatch, seconded by Ms. Almoslechner, the Board approved the hiring of regular, full-time employees to fill the positions of drafter, meter shop clerk, plant maintenance employee and customer service representative.

Mr. Willaman presented for discussion possible procedures for the future retention of professional services and also the District's upcoming professional service needs. On motion of Mr. Keeney, seconded by Ms. Almoslechner, the Board approved the continued use of Shandwick U.S.A. to finish the customer service booklet with oversight by Mr. Tom Howell. The Board also agreed that the firm of Rankin, Rankin & Company will be invited to submit a proposal for auditing services for 1997. It was also agreed that responses to the requests for proposal for the Newport Pump Station will be provided to subcommittee for evaluation.

Mr. Willaman reported that the Public Service Commission accepted and approved the Safety Manual submitted by the District on September 24, 1997. Ms. Christina Verst reported that several options are being considered with respect to a safety consultant for the District.

Mr. Barrow reported that a preliminary estimate for a cost of service study to be performed by an outside firm ranges from approximately \$35,000.00 to \$40,000.00. Mr. Barrow also reported that he hopes to have firmer proposals by the next Board meeting.

After discussion, the Board agreed that Mr. Willaman should obtain Northern Kentucky Water Service District identification badges for the Commissioners and District staff.

Mr. Pangburn briefly discussed the various circumstances in which the Public Service Commission would cease, or continue, to regulate the District.

The Board and staff generally discussed plans for the November 5, 1997 ribbon cutting ceremony for the new Ohio River Pump Station.

Mr. Willaman reported to the Board that the District had requested information from Black & Veatch regarding the tree farm proposal.

On motion of Mr. Keeney, seconded by Ms. Almoslechner, the Board approved adjustments of 3.7% and 4.1% in the established wage ranges and the actual rate of compensation paid, respectively.

The Board discussed several conservation program concerns presented by Mr. Willaman. Mr. Willaman will continue to work on these issues.

On motion of Mr. Hemmer, seconded by Mr. Keeney, the Board approved the expenditures of the District for the month of August 1997.

Dr. Sommerkamp announced that the next regularly scheduled meeting of the Board will take place on Tuesday, November 18, 1997 at 4:00 p.m. There being no further business to come before the Board, the meeting was adjourned.