

**Northern Kentucky Water District
Board of Commissioners
Special Meeting
May 19, 2016**

A special meeting of the Board of Commissioners of the Northern Kentucky Water District was held on May 19, 2016 at the District's facility located at 2835 Crescent Springs Road in Erlanger, Kentucky. All Commissioners were present, except for Commissioner Spaulding. Also present were Matt Piccirillo, Mary Carol Wagner, Kyle Ryan, Jenna Canafax, Rusty Collinsworth, Jeff Schuchter, Lindsey Rechten, Jim Sparrow, CPA of Rankin & Rankin, and Brian Dunham.

Chairperson Macke called the meeting to order at 12:07 p.m., and Jim Sparrow, CPA and Jenna Canafax led the pledge of allegiance.

The Board reviewed correspondence received and articles published since the last regular Board meeting on April 21, 2016.

Mr. Jim Sparrow, CPA then addressed the Board and presented his firm's audit report for the District's most recently ended fiscal year. Mr. Sparrow noted that prior to this presentation, he had also met earlier in the week to review the report with the Treasurer, President/CEO and Vice President of Finance for the District. On motion of Commissioner Cunningham, seconded by Commissioner Wagner, and after discussion, the Commissioners unanimously accepted the December 31, 2015 audit report as presented.

On motion of Commissioner Sommerkamp, seconded by Commissioner Cunningham, the Commissioners, unanimously approved the minutes for the regular Board meeting held on April 21, 2016.

The Board was provided a copy of the District's check registers, which included the check number, check date, payee, check amount and description of the reason for each payment, detailing the District's expenditures for the period April 1, 2016 through April 30, 2016. It was noted that both the Chairperson and Treasurer of the District monitor the check register weekly. On motion of Commissioner Wagner, seconded by Commissioner Sommerkamp, and after discussion, the Commissioners unanimously approved the expenditures of the District for the month of April 2016.

On motion of Commissioner Collins, seconded by Commissioner Wagner, the Commissioners unanimously approved the District's acceptance of the engineering services agreement with Dixon Engineering, Inc. to design the Water Storage Tank Projects, with a total project budget of \$1,166,000, and authorized staff to execute the appropriate documents.

On motion of Commissioner Cunningham, seconded by Commissioner Collins, the Commissioners unanimously authorized the District's acceptance of the bid by and awarding a

contract to Moody's of Dayton for the Richardson Road and Ripple Creek Pump Stations Pump and Motor Replacement Project, with a total project budget of \$250,000, and authorized staff to execute the appropriate documents.

On motion of Commissioner Sommerkamp, seconded by Commissioner Wagner, the Commissioners unanimously authorized the District's acceptance of the bid by and awarding a contract to UCL, Inc. for the Industrial Tank Rehabilitation Project, with alternates bid one and two rejected, with a total project budget of \$416,000, and authorized staff to execute the appropriate documents.

On motion of Commissioner Collins, seconded by Commissioner Wagner, the Commissioners unanimously approved the District's acceptance of the bids by and awarding contracts to the various vendors highlighted on the attached bid tabulation for the purchase of the indicated water treatment chemicals, and authorized staff to execute the appropriate contract documents for a single one-year term.

On motion of Commissioner Wagner, seconded by Commissioner Cunningham, the Commissioners unanimously approved the District's entering into the engineering services agreement with Brandstetter Carroll, Inc. to design the Ann Street Water Main Replacement Project, and authorized staff to execute the appropriate documents.

On motion of Commissioner Collins, seconded by Commissioner Sommerkamp, the Commissioners unanimously approved the District's acceptance of the bid by and awarding a contract to Jack Gemmer and Sons, Inc. for the Aberdeen Road Water Main Replacement Project, with a total project budget of \$120,000, and authorized staff to execute the appropriate documents.

On motion of Commissioner Wagner, seconded by Commissioner Cunningham, the Commissioners unanimously approved the District's acceptance of the bid by and awarding a contract to Smithcorp, Inc. for the Riggs Avenue Phase I Water Main Replacement project, with a total project budget of \$240,000, and authorized staff to execute the appropriate contract documents.

On motion of Commissioner Wagner, seconded by Commissioner Cunningham, the Commissioners unanimously approved the District's acceptance of the bids by and awarding a contract to TMS Construction for Concrete Restoration, and authorized staff to execute the appropriate contract documents for a single one-year term, with a possible one-year extension.

On motion of Commissioner Sommerkamp, seconded by Commissioner Collins, the Commissioners unanimously approved the District's acceptance of the bid by and awarding a contract to Len Riegler Corporation, for the 2016 Asphalt Restoration Milling and Paving, with a total project budget of \$180,000, and authorized staff to execute the appropriate documents.

On motion of Commissioner Wagner, seconded by Commissioner Collins, the Commissioners unanimously approved the District's acceptance of the bids by and awarding a

contract to Lonkard Construction Company, for the Gaddis Drive Water Main Replacement project, with a total project budget of \$240,000, and authorized staff to execute the appropriate documents.

Ms. Rehtin reviewed with the Board the current and historical fiscal agent and bond counsel fees, as well as the fiscal agent and bond counsel fees being paid by similar Kentucky public agencies. After such discussion, on motion of Commissioner Sommerkamp, seconded by Commissioner Wagner, the Commissioners unanimously approved the District's adoption and authorization of the Series 2016 Bond Resolution prepared by the District's bond counsel for up to \$50,000,000 in General Revenue Bonds to refinance the 2006 and 2009 General Revenue Bonds, and the filing of an application to the Public Service Commission for the approval of the refunding, and authorized staff to execute the appropriate documents.

On motion of Commissioner Collins, seconded by Commissioner Wagner, the Commissioners unanimously approved the District's sale of the surplus Dixie Highway Property to GPS Hospitality Partners, LLC ("GPS") for \$850,000 pursuant to the terms and conditions of that certain purchase agreement between NKWD and GPS dated October 30, 2015 (as amended), the adoption of the additional specific resolutions prepared by Frost Brown Todd LLC, as attached, and that C. Ronald Lovan, as President/CEO of the NKWD, be and hereby is authorized to execute all the necessary documents and take any and all other actions as he may in his sole discretion deem necessary or appropriate to close on the sale of such property.

The Commissioners reviewed the District's financial reports and Department reports. As part of her report, Ms. Kramer reviewed with the Commissioners the status of on-going projects within the 2015 5-Year Capital Budget, including highlighting the change orders since the last Board meeting and highlighting the expenses incurred to date. Ms. Kramer also gave an update of Flint, Michigan related lead issues.

Other matters of a general nature were discussed.

On motion of Commissioner Wagner, seconded by Commissioner Cunningham, the Board unanimously agreed to go into executive session under the provisions of KRS 61.810(1)(c) to discuss pending or proposed litigation against or on behalf of the District and to protect the District's legal interests and strategy in connection with such litigation. The executive session commenced at 2:22 p.m. and ended at 2:49 p.m. The Board then came back into open session.

On motion of Commissioner Collins, seconded by Commissioner Sommerkamp, the meeting was adjourned at 2:50 p.m.

CHAIRMAN

SECRETARY