

**MINUTES OF THE
BULLOCK PEN WATER DISTRICT
JUNE 2025 MEETING**

The June 2025 meeting of the Bullock Pen Water District was called to order on June 30, 2025, at the hour of 1:00 p.m. Those in attendance were Chairman Charles Givin, Superintendent Paul Harp, Commissioners Bryan Slaughter, William Wethington, Andrea Walton, and Rodger Bingham. Also present were Counsel Thomas R. Nienaber, HMB Professional Engineers, Inc., Mr. Benton Hanson, Kentucky Engineering Group, Mr. Ryan Carr and Matt Baker, Amy Ruark and Ashley Dyer.

The first order of business was a request to be heard from a group of citizens generally residing in the area around Bullock Pen Lake. These citizens (approximately 30 in all) requested information regarding the District's plans to construct a Water Treatment Plant ("WTP Project"), and how that Project would affect Bullock Pen Lake. Chairman Givin announced that the room was approved by the local Fire Marshal for a maximum capacity of 30 visitors over and above District Commissioners and representatives. After the meeting was called to order, the room capacity exceeded the allowable capacity. Chairman Givin announced that the meeting would need to be continued until a later date to a larger venue. At that time, several citizens voluntarily exited the room. Chairman Givin assured everyone that no one had to leave and that if they did so it was voluntary. The meeting then continued. Chairman Givin gave a brief opening statement regarding the WTP Project. Chairman Givin reported that the pool level of Bullock Pen Lake since the dam remediation project was completed is a steady 761 feet. Chairman Givin and Superintendent Harp then gave a brief history of the lake levels over the last 4-5 years since the dam has been repaired. Visitor Knight stated that they live on the lake near the dam. Mrs. Knight stated that she heard that the State filed a Complaint against Bullock Pen and that Bullock Pen was fined. She believes it had something to do with "algae issues." Commissioner Bingham announced to the visitors that they could attend a meeting conducted by Kentucky Department of Fish and Wildlife ("F&W") which is currently scheduled for July 15, 2025, at 6:00 p.m., at the Grant County Library, 201 Barnes Road, Williamstown, Kentucky. Commissioner Bingham stated that the purpose of the Public Meeting was for Fish & Wildlife to take comments regarding the District's request to withdraw water from Bullock Pen Lake. Commissioner Slaughter announced and explained that the District is indeed governed by the Public Service Commission ("PSC") and that F&W governs Bullock Pen Lake. Several of the visitors announced that they heard that water levels at Bullock Pen Lake were going to be drastically lowered by the Project. Some heard the lake was going to be drained altogether. Some visitors announced that they had called the District headquarters and requested agendas for the meeting which were not made available. Visitor Ballard stated that they had no information about the WTP Project and that they only heard of it by virtue of an article which appeared in the *Grant County News*. It was announced that someone heard Bullock Pen had already purchased land. Several visitors complained as to why they were not notified earlier. Visitor Ballard stated that it was her opinion that it would be more cost effective if the District would purchase water rather than produce water from the new WTP Project. Chairman Givin stated that the District's Financial Analysis would indicate that the District can produce water less expensively than purchasing water. Commissioner Bingham stated that the District's engineering firm has

analyzed the efficiency of a WTP Project versus purchasing water. Commissioner Bingham stated that HMB Professional Engineering, Inc. (“HMB”) most recent cost estimate for infrastructure improvements required if the District elected to purchase water wholesale from BFWC is approximately \$18,000,000. Visitor Ballard is very concerned about her property value if the lake is drained. Ballard also has issues with fire protection. Visitor Ballard requested a final resolution of the fire protection issue. Commissioner Walton gave a brief history of the District. She informed the visitors that all of the Commissioners at the District are customers of Bullock Pen. Bullock Pen is a rural water district and that fire hydrants are concerns for all customers. Commissioner Walton related her personal fire issue which recently occurred at her home. Commissioner Walton stated that water purchase versus the WTP Project would not solve the fire protection issue. Commissioner Walton stated that she has been a Board member for 18 years. She explained that the District is controlled by the PSC and that the District answers to the PSC. Chairman Givin stated that the WTP Project has been in the preliminary study phase for 2 years plus. He stated that the District does not have any control over the dam project. The dam project was 100% controlled by F&W. Chairman Givin related briefly the history of meetings between F&W and the District. Chairman Givin stated that the District has been monitoring lake levels on a monthly basis since the dam remediation project was completed. Chairman Givin stated that there has been misinformation being distributed which stated the District was going to unreasonably drain Bullock Pen Lake. Chairman Givin and Commissioner Walton assured the visitors that the District is not going to drain Bullock Pen Lake. Commissioner Wethington explained that the District is controlled by and subject to F&W and PSC as it relates to Bullock Pen Lake. The District is legally bound to follow all rules and the District must do what F&W says. He informed everyone that F&W owns Bullock Pen Lake and not the District. Commissioner Wethington informed the visitors that the District will need to enter into an agreement with F&W regarding the withdrawal of water from Bullock Pen Lake and that the District must follow the terms of that agreement. He also stated that the District and F&W have had a great partnership working with each other over the last 60 plus years.

The visitors wanted to know where the F&W lake analyses are. Commissioner Wethington also explained a brief history of the District’s role as an entity providing fire protection. He explained that the District’s infrastructure system will not handle fire protection in most areas. Chairman Givin also addressed fire protection. The District water lines are there to assist in fire protection but not provide a primary means of fighting fires. Commissioner Wethington stated that the District is in the process of obtaining financial analyses to ensure that the District does what is best for its customers. A visitor asked if the WTP Project is to cover future growth and expansion in the District’s area. Superintendent Harp reported that at this time, the District’s primary concern is servicing customers that the District has at this time. One visitor referred to the January 2024 Minutes. Again, visitors requested copies of the financial analyses. Mr. Nienaber explained the Open Records Request system. Anybody wanting public records may make a formal request for those records. Mr. Nienaber explained that “oral requests” for documentation and public records will not be honored. Mr. Nienaber explained that it is in everyone’s best interest to request documents in writing. Visitors were informed that an Open Records Request for documents is on the District website. Mr. Nienaber stated that if a request is made for public records and those public records are subject to an Open Records Request, the District will honor that request. Commissioner Bingham stated that everyone in the room and

the District members are all neighbors. The District would not do anything that was not in the best interest of District customers. Visitor Hammonds inquired as to whether or not the District could save water that pours over the spillway at the dam. Another visitor inquired as to whether or not Bullock Pen Lake could be enlarged. A visitor inquired as to when the District is required to stop withdrawing water from Bullock Pen Lake. Chairman Givin explained the current situation with F&W. The District may withdraw up to 1,500,000 gallons per day until the lake level reaches 759 feet. At that time, the District may only withdraw 500,000 gallons per day. Commissioner Bingham stated that if lake levels got too low, the District would stop withdrawing water altogether. Commissioner Slaughter stated that “we are all in this together” and the District would not do anything that would adversely impact District customers. One visitor inquired as to what the water level is on the intake valve. Superintendent Harp didn’t know. Engineer Carr stated that the current intake valve is approximately 8 feet below the surface.

Senator Jay Williams took the floor to make a presentation. He reported that the Kentucky General Assembly enacted legislation which encouraged rural water districts to consolidate and “regionalize.” He stated that the District cannot produce water as cheaply as NKWD or BFWC can sell water to the District. This is common sense and based on the element of “economy of scale.” Senator Williams has many issues with the District’s preliminary study done by KEG. Senator Williams stated that 38% of the water produced by the District is dumped. He stated that a new WTP Project will not reduce dumping water. He stated that the District’s underlying Financial Analysis is flawed. Senator Williams requested to see the District’s spreadsheet and information used in conducting our Financial Analysis. He reported that if the District entered into an agreement with BFWC, the District would not have to dissolve. Senator Williams stated that infrastructure costs and infrastructure improvements would be paid by BFWC if the District were to purchase water from BFWC. Superintendent Harp and Chairman Givin stated that is simply not true. Senator Williams reported that if the District would increase valve sizes at US 42, the District could provide fire protection for its customers. Senator Williams also stated that in purchasing water from BFWC, the District would naturally need to include loop lines which could save the District significant water dumping. Senator Williams stated that Bullock Pen Lake has shallows where fish breed and withdrawing water from Bullock Pen Lake would destroy wildlife in the area. He also stated that the Bullock Pen Creek Ecosystem below the dam would be destroyed. Senator Williams then made references to the Public Service Commission Order relating to the District’s purchase of the Catlett Property. Senator Williams implied that the District has violated that Order. Mr. Nienaber responded stating that the District has not violated the PSC Order. Again, Chairman Givin informed the visitors that there is going to be a public meeting conducted by F&W on July 15, 2025, at 6:00 p.m., at the Grant County Public Library. He encouraged everyone to attend.

The next order of business was a review of the May 2025 Minutes. After discussion, upon motion of Bryan Slaughter and second by Andrea Walton, it was unanimously,

“RESOLVED: the May 2025 Minutes be and the same are hereby approved as attached.”

The next order of business was a review of the May 2025 Profit and Loss Statement and Warrants. Commissioner Bingham inquired as to the payments made to KLC for insurance costs. Ms. Ruark reported that payment is made every 6 months. After discussion, upon motion of Rodger Bingham and second by Andrea Walton, it was unanimously,

“RESOLVED: the May 2025 Warrants and Profit and Loss Statement be and the same are hereby approved as attached.”

The next order of business was a report by Counsel Thomas R. Nienaber as follows:

1. Mr. Nienaber reported that there has been no activity in the Garrison litigation since the last meeting.
2. Mr. Nienaber reported that he has been in contact with Mr. Bill Knoebel, Assistant Boone County Attorney regarding the Katie Drive Project. Mr. Nienaber was contacted by Mr. Knoebel in an effort to move the project along. Boone County Fiscal Court is requesting that residents on Katie Drive be permitted to sign a Consent & Release (attached) in order to obtain water service. The Consent and Release would be signed in lieu of a formal Easement at this time. Mr. Knoebel explained that the Fiscal Court is currently in the process of having the Easements surveyed. It will take some time to complete that aspect of the project. Therefore, the Fiscal Court is asking the District to accept a Consent and Release until the formal Easements can be prepared and signed. Mr. Nienaber said that this suggested resolution is acceptable to him. Mr. Nienaber stated that residents on Katie Drive could indeed obtain water service and have a meter set upon signing the attached Consent and Release; signing a formal Water User Agreement; and paying their tap-in fee. Mr. Nienaber requested the District to pass a resolution approving that process. After discussion, upon motion of Bryan Slaughter and second by Rodger Bingham, it was unanimously,

“RESOLVED: the Katie Drive Project customers may sign a Consent and Release (attached) in order to obtain water service. Once a customer signs the Consent and Release, a Water User Agreement, and pays the tap-in fee, the District would then be authorized to install a water meter.”

3. Mr. Nienaber reported that the Belden Gaines proceeding pending before the Public Service Commission has been resolved in the District’s favor. Amy Ruark reported that Mr. Gaines came to the office and paid his water bill of approximately \$1,700.00. Mr. Nienaber was pleased to receive that favorable decision.
4. Mr. Nienaber reported that the Napoli & Shkolnik firm has forwarded the District various documents relating to a proposed settlement with 3M in the PFAS MDL litigation. Mr. Nienaber stated that Napoli & Shkolnik are requesting participants and the District in the MDL litigation to agree to take structured payments in a lump sum form at a discounted rate. For example, if a plaintiff in the MDL litigation is awarded \$10,000.00 payable in

\$1,000.00 annual installments for 10 years, under the new program suggested by Napoli & Shkolnik, a participating plaintiff (e.g., the District) could take a one-time immediate payment of \$4,000.00 (present cash value). Mr. Nienaber cautioned everyone that while this program is being offered for plaintiffs, including the District, there has been no formal decision as to how much money each plaintiff will receive from the 3M settlement. That will be decided at a later date. Mr. Nienaber could not give any indication as to how much money the District will receive from that litigation, if any at all. After considerable discussion, upon motion of Andrea Walton and second by Rodger Bingham, it was unanimously,

“RESOLVED: that the District execute the Letter of Intent Accelerated Payment Opportunity in the 3M settlement of the PFAS MDL litigation.”

5. Mr. Nienaber reported that he has heard from Michael Scott at the Kentucky Department of Fish & Wildlife (“F&W”). Mr. Scott informed Mr. Nienaber that F&W plans to schedule a Public Meeting regarding the District’s request to withdraw water from Bullock Pen Lake. That Public Meeting is scheduled for July 15, 2025, at 6:00 p.m., at the Grant County Public Library, 201 Barnes Road, Williamstown, Kentucky. Mr. Nienaber stated that he has not yet received a copy of the formal Public Notice issued by F&W. As soon as that is received by the District, Mr. Nienaber recommended that the District put that Notice on the District’s website and post it conspicuously at the District headquarters. Mr. Nienaber also suggested that District representatives get together prior to July 15, 2025, to prepare for the public meeting. Superintendent Harp stated that he would schedule such a meeting.
6. Mr. Nienaber inquired as to the health insurance status. Ms. Dyer reported that the Commissioners unanimously voted by email to accept the KLC proposal for employee health care benefits. Mr. Nienaber suggested that the District pass a Resolution *nunc pro tunc*. After discussion, upon motion of Andrea Walton and second by Bryan Slaughter, it was unanimously,

“RESOLVED: that the District accept and adopt the KLC health insurance proposal for District employees recommended by the Health Insurance Committee as attached.”

7. Mr. Nienaber reported that Mr. Jerry Shelton informed him that his accounting firm could not conduct the District independent financial analysis regarding the WTP Project. After that information was related, Mr. Nienaber contacted KRWA once again. Mr. Robert Miller (the individual engaged by the District to conduct our COSS Study) indicated that he could prepare our independent financial analysis provided he engaged the services of a colleague for assistance. Mr. Miller stated that the financial analysis could be conducted in approximately 30 days. He offered an estimated budget of \$10,000.00. Mr. Nienaber stated that Robert Miller has experience testifying before the Public Service Commission.

Mr. Nienaber made it clear to Mr. Miller that PSC testimony would in all likelihood be necessary. Mr. Nienaber feels comfortable with Robert Miller and would recommend his engagement. After discussion, upon motion of Rodger Bingham and second by Bryan Slaughter, it was unanimously,

“RESOLVED: that the District engage the services of Robert Miller to prepare its independent financial analysis regarding the WTP Project.”

The next order of business was a report by Kentucky Engineering Group, Inc., Mr. Ryan Carr, as follows:

1. Mr. Carr reported that the Geotech report is complete. The structural engineering plans for the WTP Project are underway.

The next order of business was a report by HMB Professional Engineers, Inc., Mr. Benton Hanson, as follows:

1. Mr. Hanson completed a cost estimate for infrastructure improvements needed to be implemented if the District were to adopt a water purchase business model with Boone Florence Water Commission. The projected and estimated cost of that infrastructure improvement would be approximately \$18,475,000 as attached. Mr. Hanson reported that his GIS survey indicated that the length of the new infrastructure line would be approximately 12 miles. Commissioner Slaughter inquired as to how long it would take to implement the infrastructure improvements (from start to project completion) if a water purchase business model were adopted. Mr. Hanson estimated that from start to finish, it would take approximately 4 years.

The next order of business was a report by Superintendent Harp as follows:

1. Superintendent Harp reviewed with the Commissioners his monthly Superintendent Report as attached.
2. Superintendent Harp reported that a new turn lane is being installed at the Verona Mudlick School. This will require the District to relocate one of its main transmission lines.
3. Superintendent Harp reported that the Elliston Bridge Project is now complete.
4. Superintendent Harp reported that there was a main water leak at Reeves Road which was successfully repaired.
5. Superintendent Harp shared with the Commissioners his revised financial spreadsheet comparing the WTP Project to the 100% water purchase business model. This updated

spreadsheet (attached) uses updated growth figures and the revised infrastructure cost estimate prepared by HMB.

6. Superintendent Harp reported that he has heard back from the mobile home parks regarding the relocation of meters which are currently situated under mobile home units. He reported that mobile home park management has contacted Superintendent Harp with a list of those units where water meters need to be relocated. This list is different than Superintendent Harp's list. Accordingly, Superintendent Harp is going to meet on-site with mobile home park management to review the situation and determine which units need to be relocated. Superintendent Harp did report that the mobile home park management acknowledged their obligation to relocate water meters where necessary.
7. Superintendent Harp reported that two new employees have been hired, Mr. Gary Spiegel and Mr. Jordan Coby. After discussion, upon motion of Andrea Walton and second by Bryan Slaughter, it was unanimously,

“RESOLVED: that the District confirms the employment of Gary Spiegel and Jordan Coby.”

The next order of business was a review of the District's annual financial audit conducted by Chamberlin Owen, Certified Public Accountants, Mr. John Chamberlin. Mr. Chamberlin shared with the Commissioners the attached Audit Letter dated May 29, 2025, and the Chamberlin Owen Report dated May 29, 2025. Mr. Chamberlin noted the Report recommended the District consider other banking alternatives in order to maximize the District's investment return for cash on hand. Amy Ruark reported that change has already been implemented. Mr. Chamberlin made a PowerPoint presentation (attached). He reported that the financial summary represents an overview of the 2024 financial performance for the District. His audit opinion is an unmodified opinion and given with the highest level of assurance. He reported that the financial statements of the District present fairly in all material respects the respective financial position of the Bullock Pen Water District as of December 31, 2024. The only issue noted was the District cash accounts were bearing interest between 0% and 1.26% annual interest. John Chamberlin recommended that the District reassign those cash balances to other accounts in order to obtain better interest rates. He reported that a conservative interest rate would be 3.5%. Amy Ruark reported that move has already been made with Forcht Bank accounts. Mr. Chamberlin reported that there were no matters involving internal control over financial reporting and operations which are deemed to be material weaknesses or significant deficiencies in internal controls. All financial analysis was conducted in accordance with government auditing standards. He reported that there were no issues of bond compliance with bond covenants, debtor agreements, and/or Kentucky Revised Statutes. Only one management comment was made this year (see above). Mr. Chamberlin reviewed with the Commissioners various aspects of the financial report including Cash Comparison (PowerPoint, page 2); Capital Asset Comparison (PowerPoint, page 3); Revenues and Expenses, Analysis of Income, and Analysis of Liability (PowerPoint, pages 3 and 4). Overall, Mr. Chamberlin reported that the District is in excellent financial condition. After discussion, Chairman Givin recommended that

all Commissioners review the attached Financial Audit Report over the next few days and be prepared at the next regular meeting to take final action on the Financial Audit.

The next order of business was a report by Amy Ruark and Ashley Dyer as follows:

1. Ms. Ruark reported that the Boone County Water District has lowered its rate being charged to the District for bulk water purchases. The rate has been reduced from \$4.31 per thousand gallons to \$4.28 per thousand gallons.
2. Ms. Ruark reported that it is no longer necessary to maintain the Money Market account with Forcht Bank since all of the accounts have the same interest rate. She plans to close that account.
3. Ms. Ruark reported that the next regular meeting is scheduled for July 17, 2025. She stated that Morris & Bressler will not have the monthly reports available for that date so the District can schedule its July meeting for July 17th.

There being no further business to conduct, upon motion and second, the meeting was adjourned.

BULLOCK PEN WATER DISTRICT

BY: 

CHARLES GIVIN, CHAIRMAN

ATTEST:



WILLIAM WETHINGTON, SECRETARY