**Berea Utility Advisory Board**

**Meeting Minutes**

**February 27, 2018**

**Conference Room in the BMU Building**

Present: Josh Bills, Diane Zekind, Ed Fortner, Rodney Short, Robert Gunkler

1. Introductions – Welcome Jordan Williamson, with Hitachi, to serve out remainder of William Suters term

Jordan – Attended the University of Pikeville. Worked for Division of Water and Surface Water as well as storm water and waste water for coal mines. She keeps up with energy and water at Hitachi.

1. Wholesale Power Updates – May 2019 purchasing power from American Municipal Power out of Ohio. Benefit from economy of scale, been around since 70’s, with currently hundreds of members. A 5-year deal. Available to help guide and advise for 2024. Start planning for that today.

Cost of service study every 3 to 5 years. No electric increases since 2012. Paul Garcia will get with Ed Fortner in the next 30 days. Ed with Paul wants to review our PCA and where we are. What are we going to do with our retail rates? Cap rates where they are at the end of this term and keep them where they are.

What does this mean going into this five year contract? Savings of about $2 million a year. What do we do with that $10 million? Ed is asking BUAB members to give that some thought and give some advice on what we should do. Cap it or bank that money? Pay off the bond early? There would be penalties for early pay off. Look into short-term & long-term bonds, early penalty bonds and bonds you can pay off early without penalty. Help shape what we are going to do.

Paul Garcia is looking at comprehensively but may have some questions for BUAB with the Cost of Service study. KYMEA is currently working on a mock bill to serve as an example for KU bills. KYMEA is a possible option in 2024. We will look at the bigger picture and what kind of availability. Too much variability. What are we going to do in 2024? Ed Fortner is treasurer of KYMEA. Both AMP contract and bonds mature in 2024. Another big variable in these rates.

1. Project Updates – Several sewer projects ongoing. 25 N active right now. All road projects start with utility relocations. Already a couple of manholes and couple hundred feet of line. A 12” sewer main crossing Glades. Getting a better design by making these field decisions. BMU GIS department locating exposed features, to give as-builts. Upgrade at pump station.
2. Review BUAB Charge – One idea could be on BUAB Charge and Membership, put a link to the City Board and Commission page.
3. Other Business – LuAnn will be starting with us in March for taking minutes.

We will schedule a tour of the water and sewer plants. Group visit time/day or schedule after the March meeting for water and sewer plant. Water treatment improvements in 2010 were designed to help in treatment of algae. BMU shortage of raw water supply was discussed. Raise dam 6 feet to increase capacity from 650 million gallons to 1 billion. Looking to NRCS grant funding to complete the Owsley Fork Project. We need approval and money for approximately a $12 million project. NRCS money is federal.

The 10” of rain this month could be a record.