

A G E N D A

HENDERSON WATER & SEWER COMMISSION **(270) 826-2421**

November 17, 2014
Monday @ 4:30pm

A. ROLL CALL

B. INVOCATION

C. APPROVAL OF MINUTES

- Approval of Minutes from October 20, 2014

D. MONTHLY REPORTS

- Financial
- Operations
- Engineering
- Human Resources
- Safety Report
- General Manager's
 - Policy and Procedures Manual Documents for Board Review and Approval
 - Travel, Training, Related Expenses & Compensation (Revision)
 - Phones & Pagers (Revision)
 - Boot & Clothing Allowance (Revision)
 - Time Clock Policy – Hourly Employees (Revision)

E. BUSINESS

- Action Report #2014-49 – Annual Renewal of Service Contracts – Hach Company
- Action Report #2014-50 – Annual Maintenance Agreement – Wonderware Software
- Action Report #2014-51 – S. Main Street & Drury Lane Stormwater Improvements
- Action Report #2014-52 – Tapping Machines

F. EXECUTIVE SESSION

- To discuss matters in that open discussion would jeopardize the siting, retention, expansion, or upgrading of a business pursuant to KRS 61.810 (1) (g)

ACTION MINUTES OF MEETING
October 20, 2014

ACTION MINUTES
OCTOBER 20, 2014
HENDERSON WATER & SEWER COMMISSION

A. ROLL CALL

Present at the meeting was Commissioner Paul Bird, Chairman, who presided over the meeting; along with Commissioners John Henderson, Gary Jennings, and Julie Wischer. Commissioner George Jones was unable to attend the meeting. Tom Williams, General Manager, and Eric Shappell, Attorney, were also in attendance. Staff members present included Leason Neel, Rodney Michael, Jeremy Duncan, John Baker, Greg Nunn, and Patty Brown. Also attending were, City Manager, Russell Sights, Mayor, Steve Austin, City Commissioner, Tom Davis, and Brian Crafton with Myriad CPA Group. There were no media representatives present.

B. INVOCATION – John Baker

C. PRESENTATION

- Myriad CPA Group, LLC presentation on 2013-2014 Audit of Financial Statements

Brian Crafton with Myriad CPA Group, LLC, appeared before the board to present the findings on the Audited Financial Statements for Henderson Water Utility for the fiscal year ended June 30, 2014. Hard copies of the report were distributed to the board members who had previously received copies to review on Friday, October 17th.

The report revealed that HWU's total assets increased from the previous year by 11.5% from \$80,456,693 to \$89,669,827 primarily due to the borrowing of funds in order to complete the laying of new gravity wastewater lines around the City proper and to begin the modification and expansion of the City's wastewater treatment plant. Operating revenues increased by \$707,623 or 4.2% from \$17,024,717 to \$17,732,340 due primarily to a 5.85% rate increase on non-contractual customers that went into effect in July 2013 partially offset by weather-related decreased residential usage. Operating expenses increased by \$1,068,307 or 7.6% from \$14,087,149 to \$15,155,456 due primarily to higher depreciation, chemical and repair expenses. Income before contributions and transfers decreased by \$560,113 or 27.4% from \$2,045,097 to \$1,484,984 due to the combined effect of the increase in operating revenues and operating expenses partially offset by higher interest expense due to the increase in long term debt.

Mr. Crafton reviewed the report with the board and advised that it represents an unmodified opinion which basically means the financials presented to them were fair and consistent and they agree with how they were presented. He commented that it is a clean audit and that there were no issues found with internal controls. He stated that the Henderson Water Utility looks to still be in really good shape and said that he is available for questions concerning the report at any time. Copies of the 2013-2014 Financial Audit are available upon request at the HWU Administrative Office.

Motion was made and approved to accept the 2013-2014 Audit as presented.

D. APPROVAL OF MINUTES

- Approval of Minutes from September 15, 2014

Minutes were approved as submitted.

E. MONTHLY REPORTS

- Financial – *Discussed and approved as submitted.*

Leason Neel noted that everything is running pretty close to budget so far this year and that an updated Cash Flow Projection is included in the financials this month.

- Operations – *Discussed and approved as submitted.*

During the review of the Operations Report, Commissioner Tom Davis commented that the operations of HWU's system and everything else that goes along with it aided the City in getting an upgrade to the fire rating which was discussed at the last City Commission meeting. He noted that the upgrade moved the City to a "2" and there are only 750 fire departments in the entire United States that have that rating.

- Engineering – *Discussed and approved as submitted.*
- Human Resources – *Discussed and approved as submitted.*

Tom Williams advised that the Utility is currently up to full staff except for 1 operator and that position is in the process of being filled.

- Safety Report – *Discussed and approved as submitted.*
- General Manager's – *Discussed and approved as submitted.*
 - Policy and Procedures Manual Documents for Board Review and Approval
 - Installation and Acceptance of Residential Driveway Culverts
 - Use and Distribution of the HWU Policy and Procedure Manual
 - Water/Wastewater Operators – Special Requirements

Tom Williams reviewed the policies included in the report and after discussion of each policy, motion was made and approved to accept the three policies as submitted.

F. BUSINESS

- Resolution #2014-44 – Job Classifications and Pay Grade Revisions

Approved Resolution #2014-44 for Job Classification and Pay Grade Revisions which included: 1) A revised HWU Job Classification for the position of Water Treatment Operator I (changes to job requirements); 2) A revised HWU Job Classification and Grade Schedule reflecting a change for the position of Water Treatment Operator II (change from

Grade 16 to 18); 3) A new Job Classification for the position of Treatment Intern, to provide cooperative educational opportunities for college students who might wish to pursue careers in Water or Wastewater treatment; and 4) A revision to the Schedule of Budgeted positions, adding two (2) Treatment Intern positions, and adding an additional HWU Automation Specialist position to allow short-term over-staffing in anticipation of impending retirement. After discussion, motion was made by Commissioner Gary Jennings and seconded by Commissioner John Henderson to approve Resolution #2014-44 as presented with roll call vote: Commissioner Paul Bird (aye); Commissioner George Jones (absent); Commissioner John Henderson (aye); Commissioner Gary Jennings (aye); and Commissioner Julie Wischer (aye). Resolution passed and will be delivered to the City of Henderson for their approval also.

- Action Report #2014-45 – US 60 West Water Booster Station

After discussion, Action Report #2014-45 was approved as presented for US 60 West Water Booster Station located in the corner of Fairmont Cemetery to be completed as an unbudgeted capital expense in the estimated amount of \$185,000 and will be appropriated from the “Special Projects” line item in the 2014-15 FY Capital Budget.

- Action Report #2014-46 – Consultant Services – Fats, Oils and Grease Program

After discussion, approved Action Report #2014-46 for Consultant Services as presented, which will include setting up and enforcing programs to control Fats, Oils and Grease (FOG). Hall Environmental Consultants will continue to perform services for us under the previously issued RFP for Pretreatment Consultant Services for the current fiscal year along with the added FOG program duties. The services to be performed by Hall are an unbudgeted operating expenditure, and will be paid from the Contractual Services account. These expenditures will be offset by continued savings from not filling the Pretreatment position. The costs of both pretreatment and FOG services will not exceed \$35,500 for the current fiscal year. The purchase of the Linko software FOG Module will be funded from the “Unidentified Capital Projects” line item in the 2014-2015 Capital Budget in the amount of \$9,905.

- Action Report #2014-47 – Safety Equipment – Confined Space Entry System

After discussion, approved Action Report #2014-47 as presented for Safety Equipment-Confined Space Entry System, in the amount of \$7,752. Quotes were obtained from 3 sources and the low quote was from Stagg Safety Equipment, Inc., in Evansville. This is an unbudgeted expenditure and \$8,000 will be taken from the “Unidentified Capital Projects” line in the FY 2014-25 capital budget.

- Action Report #2014-48 – SOC and NWTP Paving

After discussion, approved Action Report #2014-48, as presented, for SOC and NWTP Paving. This is a revision of Action Report #2014-17, originally approved on May 19, 2014. The additional amount of \$16,991 for Preparation Cost at Both Locations brings the Project Total to \$52,741. The additional amount will be appropriated from the “Unidentified Capital Projects” line item in the 2013-2014 budget.

G. EXECUTIVE SESSION – None Requested

No Executive Session was requested and motion was made and approved to adjourn.

The next regular monthly board meeting will be held on Monday, November 17, 2014.

FINANCIAL REPORT

Henderson Water Utility
Financial Summary
For Four Months Ended October 31, 2014

Henderson Water Utility
Operating Revenues and Expenses Summary
For the Four Months Ended October 31, 2014

	October Actual	October Budget	Year to Date Actual	Year to Date Budget	Fiscal Year Budget
OPERATING REVENUES					
Water Sales	\$ 639,011	\$ 621,480	\$ 2,697,948	\$ 2,640,516	\$ 7,457,765
Water Penalties	6,007	2,324	13,089	9,298	27,893
Water Fees	1,945	3,947	9,531	15,789	47,367
Wastewater Services	913,899	888,940	3,771,736	3,697,603	10,067,281
Wastewater Penalties	9,009	3,045	19,629	12,181	36,543
Wastewater Fees	43,126	15,800	64,380	63,198	189,594
Total Operating Revenues	<u>1,612,997</u>	<u>1,535,537</u>	<u>6,576,313</u>	<u>6,438,585</u>	<u>17,826,443</u>
OPERATING EXPENSES					
Salaries and Wages	425,008	359,966	1,312,067	1,439,862	4,319,582
Payroll Taxes	30,015	26,160	93,121	104,642	313,925
Health Insurance	94,127	108,167	376,735	432,667	1,298,000
Pension Benefits	73,685	61,125	230,101	244,500	733,500
Workers Compensation	7,133	8,320	37,514	49,918	99,836
Other Employee Benefits	3,058	1,951	5,628	7,804	23,412
Car Allowance	1,800	1,350	7,200	5,400	16,200
Electricity	99,631	117,525	435,306	470,099	1,410,297
Natural Gas	160	200	577	1,000	32,050
Chemicals	96,753	89,321	359,315	357,283	1,071,848
Inventory Expense	19,914	13,333	52,632	53,333	160,000
Fuel	12,844	14,167	43,522	56,667	170,000
Small Equipment & Tools	6,093	10,325	34,468	41,300	123,900
Safety Supplies	1,786	4,333	8,697	17,333	52,000
Clothing/Cleaning Allowance	-	-	-	-	17,050
Vehicle Repair	2,629	5,850	12,597	23,400	70,200
Other Equipment Repair	20,084	25,000	120,013	100,000	300,000
Other Structures Repair	29,174	21,695	119,541	86,780	260,340
SCADA Expense	2,906	2,657	9,376	10,626	31,878
Administrative Services	48,333	49,917	193,336	199,667	599,000
Contractual Services	141,321	104,955	472,114	419,820	1,259,460
Professional Services	1,079	2,917	5,004	11,667	35,000
Equipment Rental	7,782	4,693	25,984	18,772	56,315
Audit Expense	20,000	20,000	20,000	20,000	20,000
Trust Fees	38	1,250	809	5,000	15,000
Public Contributions	-	3,958	1,250	15,833	47,500
Insurance	65,452	67,500	131,152	135,000	270,000
Technology Expense	11,941	10,917	32,108	43,667	131,000
Office & Field Supplies	16,707	14,688	60,519	58,750	176,250
Telephone	3,361	3,956	13,447	15,826	47,477
Medical Exams	868	500	1,727	2,000	6,000
Travel and Training	6,928	3,865	20,248	15,460	46,380
Dues and Subscriptions	1,383	1,194	3,697	4,776	14,327
Printing	183	358	1,478	1,433	4,300
Miscellaneous	200	596	936	2,383	7,150
Depreciation	258,333	258,333	1,033,333	1,033,333	3,100,000
Total Operating Expenses	<u>1,510,709</u>	<u>1,421,041</u>	<u>5,275,552</u>	<u>5,505,999</u>	<u>16,339,177</u>
Operating Income	<u>\$ 102,288</u>	<u>\$ 114,496</u>	<u>\$ 1,300,761</u>	<u>\$ 932,586</u>	<u>\$ 1,487,266</u>

**Henderson Water Utility
Variance Analysis
Four Months Ended 10/31/2014**

Actual Operating Revenues	\$ 1,612,997
Budgeted Operating Revenues	1,535,537
Favorable (Unfavorable) Variance	<u>\$ 77,460</u>
Percentage Difference	5.04%
Billable Gallons	
Through 10/31/2014	901,888,879
Through 10/31/2013	904,913,612
Difference	<u>(3,024,733)</u>
Percentage Difference	-0.33%
Actual Operating Expenses	\$ 1,510,709
Budgeted Operating Expenses	1,421,041
Favorable (Unfavorable) Variance	<u>\$ (89,668)</u>
Percentage Difference	-6.31%

Breakdown of Volumetric Differential For Four Months Ended :

	Oct-14	Oct-13	Differential %
Residential	222,897,331	221,102,403	0.81%
Industrial	394,871,711	405,824,411	-2.70%
Commercial	284,119,837	277,986,798	2.21%

Payroll related expense are over budget due to three payrolls in October.

Contract services contains approximately \$48,000 of temporary labor we budgeted as wage expense.

**Henderson Water Utility
Capital Expenditures Report
For the Four Months Ended October 31, 2014**

	Beginning Balance	Current MTD Activity	Current YTD Activity	Project to Date Balance	Fiscal Year Budget	Total Capital Budget	Action Report No.
Construction In Progress:							
Center & Julia	\$ 1,382,288		\$ -	\$ 1,382,288	\$ 100	2,520,000	08-03
Pump Station Modifications	27,545		-	27,545	100	110,000	13-14
NWWTP Headworks Project	5,496,283	1,040,069	2,084,500	7,580,783	8,200,000	13,630,139	13-24
NWTP Rehab	88,200		31,188	119,388	154,000	154,000	14-20 & 21
Green River Road Project	300,300	786	4,898	305,198	-	407,500	13-05& 07
SWTP Rehab	19,500	7,000	26,500	46,000	500,100	545,000	13-23&'14-37
Tiger Ditch Stormwater	10,925	22,281	50,083	61,008	100	98,000	13-38
Countryview Subdivision Stormwater	-		-	-	200,000	200,000	
Cooper Park Stormwater	-	351	351	351	-	-	14-30
Special Projects	-		-	-	939,507		
Total Construction In Progress	<u>7,325,041</u>	<u>1,070,487</u>	<u>2,197,520</u>	<u>9,522,561</u>	<u>9,993,907</u>		
Buildings and Improvements:							
SOC Bldg Roof	-		13,991	13,991	34,125	34,125	14-23
Blower Bldg # 1 Roof	-		-	-	100		
SOC Mechanic Shop	11,692	3,250	18,255	29,947	30,000	30,000	14-14
Paving	42,450		10,291	52,741	-	52,741	14-48
Total Buildings and Improvements	<u>54,142</u>	<u>3,250</u>	<u>42,537</u>	<u>96,679</u>	<u>64,225</u>		
Equipment and Vehicles:							
Generator	-		-	-	100		
Tapping Machines	-		14,715	14,715	15,350	15,350	14-32
Work Order Mgt. System	-	19,053	21,106	21,106	135,000	135,000	14-27
VFD Controls	-		-	-	100		
ISCO 2150 CSO Point Automation	-		205	205	100		
HVAC SPBldg NWWTP	-		-	-	100		
Portable Samplers	-	17,255	17,255	17,255	-	-	
Ford Escape (3)	-		-	-	69,015	69,015	14-42
Van	-		-	-	23,005	23,005	14-42
Pickup Truck	-		-	-	31,169	31,169	14-42
South WWTP ATV	-	10,024	10,024	10,024	10,424	10,424	14-35
Total Equipment and Vehicles	<u>-</u>	<u>46,332</u>	<u>63,305</u>	<u>63,305</u>	<u>284,363</u>		
Total Capital Expenditures	<u>\$ 7,379,183</u>	<u>\$ 1,120,069</u>	<u>\$ 2,303,362</u>	<u>\$ 9,682,545</u>	<u>\$ 11,030,900</u>		

Henderson Water Utility
Financial Statements
For Four Months Ended October 31, 2014

**Henderson Water Utility
Statement of Net Position
October 31, 2014**

ASSETS

Current assets:

Cash	\$ 6,139,333
Unrestricted Investments	2,100,877
Restricted Investments	1,366,089
Receivable-2014 Bonds	8,045,812
Accounts receivable	1,318,904
Inventories	923,759
Total current assets	19,894,774

Noncurrent assets:

Construction in progress	9,522,561
Utility plant and equipment, net of accumulated depreciation	66,587,763
Other assets	216,947
Total noncurrent assets	76,327,271

Total assets	\$ 96,222,045
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LIABILITIES

Current liabilities:

Accounts payable	\$ 979,474
Retainage payable	571,649
Deposits payable	78,764
Accrued liabilities	1,146,277
Current portion of long-term debt	933,553
Total current liabilities	3,709,717

Noncurrent liabilities:

Long-term debt	42,351,063
Total noncurrent liabilities	42,351,063

Total liabilities	46,060,780
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NET POSITION

Net investment in capital assets	41,088,467
Restricted for debt service	1,177,284
Unrestricted	7,895,514
	19,161,265

Total net position	50,161,265
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Total liabilities and net position	\$ 96,222,045
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Henderson Water Utility
Statement of Revenues, Expenses, and Changes in Net Position
For the Four Months Ended October 31, 2014

	October Actual	October Budget	Year to Date Actual	Year to Date Budget	Fiscal Year Budget
OPERATING REVENUES					
Water sales and fees	\$ 646,963	\$ 627,752	\$ 2,720,568	\$ 2,665,603	\$ 7,533,025
Wastewater services and fees	966,034	907,785	3,855,745	3,772,983	10,293,418
Total operating revenues	<u>1,612,997</u>	<u>1,535,537</u>	<u>6,576,313</u>	<u>6,438,586</u>	<u>17,826,443</u>
OPERATING EXPENSES					
Salaries, wages, and benefits	634,826	567,038	2,062,366	2,284,787	6,804,455
Contractual services	218,553	187,690	719,184	691,760	2,032,275
Supplies and materials	137,390	131,479	498,634	525,916	1,594,798
Utilities expense	99,791	117,725	435,883	471,100	1,442,347
Repairs and maintenance	54,793	55,202	261,527	220,808	662,418
Other services and expenses	107,023	103,574	264,625	278,296	702,884
Depreciation	258,333	258,333	1,033,333	1,033,333	3,100,000
Total operating expenses	<u>1,510,709</u>	<u>1,421,041</u>	<u>5,275,552</u>	<u>5,506,000</u>	<u>16,339,177</u>
Operating income	<u>102,288</u>	<u>114,496</u>	<u>1,300,761</u>	<u>932,586</u>	<u>1,487,266</u>
NONOPERATING REVENUES (EXPENSES)					
Investment income	2,303	2,083	10,454	8,333	25,000
Other income	2,400	-	5,281	-	-
Interest expense	(105,255)	(108,350)	(366,639)	(433,399)	(1,300,196)
Amortization expense	(1,874)	(3,750)	(8,506)	(15,000)	(45,000)
Total nonoperating revenues (expenses)	<u>(102,426)</u>	<u>(110,016)</u>	<u>(359,410)</u>	<u>(440,065)</u>	<u>(1,320,196)</u>
Income (loss) before capital contributions and distribution	(138)	4,480	941,351	492,521	167,070
Capital contributions	50,000	50,000	50,000	50,000	100,000
Distribution to City of Henderson	-	-	-	-	(400,000)
Change in net position	49,862	54,480	991,351	542,521	(132,930)
Net position, beginning of period	<u>50,111,403</u>	<u>49,686,970</u>	<u>49,169,914</u>	<u>49,198,928</u>	<u>49,169,914</u>
Net position, end of period	<u>\$ 50,161,265</u>	<u>\$ 49,741,450</u>	<u>\$ 50,161,265</u>	<u>\$ 49,741,449</u>	<u>\$ 49,036,984</u>

**Henderson Water Utility
Statement of Cash Flows
For the Four Months Ended October 31, 2014**

	October	Year to Date
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 1,954,897	\$ 6,664,885
Payments for goods and services	(381,498)	(2,049,855)
Payments for employees	(634,826)	(2,038,578)
	<u>938,573</u>	<u>2,576,452</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Distribution to City of Henderson	-	-
	<u>-</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(954,874)	(3,517,194)
Principal payments on long-term debt	(1,440,470)	(1,440,470)
Interest payments on long-term debt	(406,436)	(406,436)
Bond proceeds	-	-
Capital contributions	-	-
	<u>(2,801,780)</u>	<u>(5,364,100)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment and other income received	4,813	16,083
Proceeds from sales and maturities of investments	-	-
Purchase of investments	(29,334)	(117,348)
	<u>(24,521)</u>	<u>(101,265)</u>
Net cash provided (used) by investing activities	<u>(24,521)</u>	<u>(101,265)</u>
Net increase (decrease) in cash	(1,887,728)	(2,888,913)
Cash, beginning of period	<u>8,027,061</u>	<u>9,028,246</u>
Cash, end of period	<u>\$ 6,139,333</u>	<u>\$ 6,139,333</u>

Henderson Water Utility Cost of Service

**North Plant
Cost Analysis Per Unit Sold
Based on Twelve Month Period
July 2013-June 2014**

North Plant Cost of Service Through 06/30/14	Water	Wastewater	Stormwater
Operating Expenses	\$ 4,566,823	\$ 5,449,989	\$ 688,254
Non Operating Expenses	\$ 171,661	\$ 675,610	\$ 229,539
Total Audited Cost	\$ 4,738,484	\$ 6,125,599	\$ 917,793
Billed Throughput:			
Cubic Feet	232,997,028	171,459,855	171,459,855
Gallons	1,742,938,928	1,323,083,674	1,323,083,674
Audited Cost of Service Rates Per CCF	\$ 2.03	\$ 3.57	\$ 0.54
Audited Cost of Service Rates Per 1000 Gallons	\$ 2.72	\$ 4.63	\$ 0.69

**South Plant
Audited Cost Analysis Per Unit Sold
Based on Twelve Month Period
July 2013-June 2014**

South Plant Cost of Service through 06/30/14	Water	Wastewater
Operating Expenses	\$ 2,122,621	\$ 2,327,769
Non Operating Expenses	\$ 46,822	\$ 60,879
	\$ 2,169,443	\$ 2,388,648
Billed Throughput:		
Cubic Feet	106,639,799	95,595,956
Gallons	797,721,148	715,057,751
Audited Cost of Service Rates Per CCF	\$ 2.03	\$ 2.50
Audited Cost of Service Rates Per 1000 Gallons	\$ 2.72	\$ 3.34

**North Plant
Cost Analysis Per Unit Sold
Based on Twelve Month Period
July 2012-June 2013**

North Plant Cost of Service Through 06/30/13	Water	Wastewater	Stormwater
Operating Expenses	\$ 4,168,460	\$ 5,081,897	\$ 616,013
Non Operating Expenses	\$ 182,982	\$ 473,228	\$ 234,584
Total Audited Cost	\$ 4,351,442	\$ 5,555,125	\$ 850,597
Billed Throughput:			
Cubic Feet	240,378,862	176,870,706	176,870,706
Gallons	1,798,158,900	1,323,083,674	1,323,083,674
Audited Cost of Service Rates Per CCF	\$ 1.81	\$ 3.14	\$ 0.48
Audited Cost of Service Rates Per 1000 Gallons	\$ 2.42	\$ 4.20	\$ 0.64

**South Plant
Audited Cost Analysis Per Unit Sold
Based on Twelve Month Period
July 2012-June 2013**

South Plant Cost of Service through 06/30/13	Water	Wastewater
Operating Expenses	\$ 1,946,821	\$ 2,273,958
Non Operating Expenses	\$ 49,439	\$ 64,151
	\$ 1,996,260	\$ 2,338,109
Billed Throughput:		
Cubic Feet	104,575,095	94,222,538
Gallons	782,276,089	704,784,585
Audited Cost of Service Rates Per CCF	\$ 1.91	\$ 2.48
Audited Cost of Service Rates Per 1000 Gallons	\$ 2.55	\$ 3.32

OPERATIONS REPORT

Operations Report

11-17-2014



General Operations:

A. North WTP:

Treatment Quality:

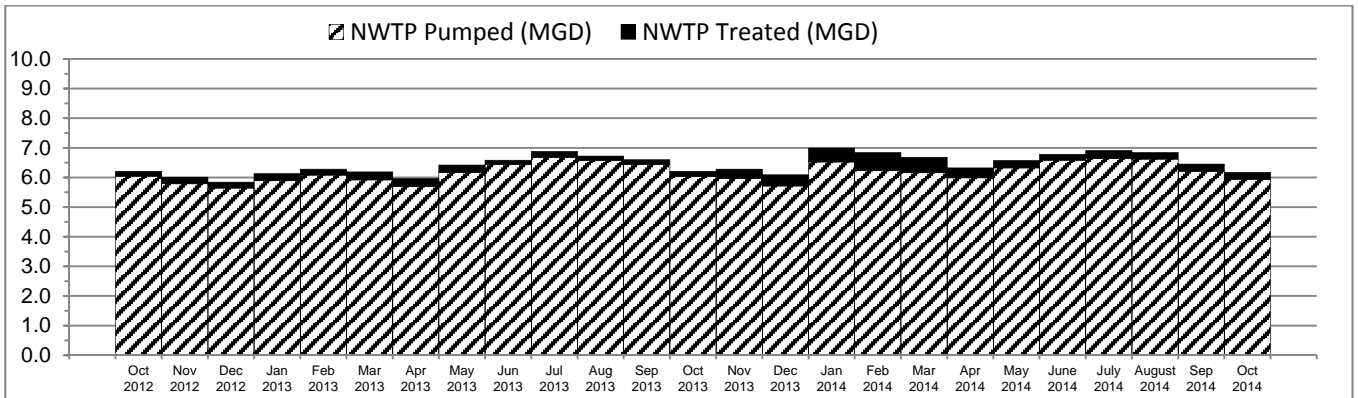
1. All regulatory treatment goals were met.
2. One water quality call was received and investigated at 1004 S. Elm Street. All lab analyses were normal. The customer was satisfied with the results and advised to contact us if further testing/investigation is desired.
3. Ashley Cooper will be attending the AWWA Water Technology Conference this week. Among other things, she will be sitting in on several workshops and seminars that revolve around some of the emerging issues that are getting a lot of media attention and sparking a lot of concern, i.e., ebola and *Naegleria Fowleri* (brain-eating amoeba).
4. The Director of Plant Operations and the Water Quality Specialist attended a webinar this past week on Ebola in Wastewater Operations. It brought attention to what is known and not known regarding the handling and inactivation of the Ebola virus in wastewater treatment. There is a lot that is not known but it is believed that Ebola is successfully inactivated in normal water and wastewater processes. The key to this success is the virus not being in direct contact with those processes. It is not known how long it can survive when it is not in direct contact (i.e., like within biomass or shielded by flocculation particles).

It is critical that communication is present between hospital staff and the treatment facility if Ebola comes to town. Proper Bloodborne-Pathogen protocols must be strictly followed. Refresher training on BBP has been implemented at each treatment facility and safety supply orders (respirators, gloves, face-shields, aprons and Tyvek suits) are being processed so as to ensure having them on hand if needed.

Operations:

1. **Chlorine Dioxide Generator Update:** (Update): Chase Pump issued a full refund for both pumps that were purchased for this project. *Problems with the pump that pulls chemical out of the bottom of the bulk storage tank are still being worked through. The manufacturer desires to inspect the seals so these have been shipped to them. If this doesn't work, we will begin the process of being refunded the cost of the pumps and work towards a different solution.*
2. **Hach WIMS:** Thanks to Josh Thompson, a lot of progress has been made on getting all of the plants entering data into this software management system. While there's still a great deal of distance between what we are beginning to do and what we will be able to do, we are further along than I had projected we would be at this time.
3. **Personnel Update:** In regards to the WIMS data management system, the usefulness of any program is the data that is contained in it. In the purchase contract, we opted to have Hach representatives only program in one month's worth of data and then train us how to do this in-house. This has worked out well. Data entry into the system by the operators began in August of this year. We want to get the database populated for at least 3 years' worth of information. The best way to do this is to try to use one of the unfilled/unused temporary positions to hire a data entry clerk.
4. **Budget:**
 - a. Chemical expenditures were under budget for the month.

5. **Plant Maintenance Work:** A lot of cleanup and organizational work is being performed by plant maintenance staff around the plant.
6. **Chemical Building Insulation:** The insulation has been installed and clean-up work is currently in progress. As if on cue with winter approaching, both heaters in this building have stopped working. We are in the process of obtaining three quotes. However, with the new insulation, it is highly possible that only one heater will be needed, recovering what it cost to insulate the building.
7. Average water treated & water pumped data trend:



Note: These values are current readings, but the actual billed readings are approximately 45 days behind.

B. North WWTP:

Treatment Quality:

1. **Effluent Quality:** All regulatory treatment goals were met and the plant is running very well.
2. **Biosolids Quality:** No problems or complications.

Operations:

1. **Plant Update:** Construction at the plant is moving along and up out of the ground. This has brought a great deal more stability to the quality of operations at the plant.
2. **Influent Flow:** Influent flow has returned to a lower than normal and expected rate. As you can see from the chart above, the total gallons pumped out of the water plant is around 6 MGD. The average Influent to the wastewater plant is around 2.75 MGD.
3. **Personnel Update:** We have at least one operator that will be testing for his Class 4 Wastewater license this month.
4. **Budget:**
 - a. Chemical expenditures were under budget.
 - b. Fuel (Off-Road Diesel) was under budget.
 - c. Sludge Hauling and Disposal was under budget.

C. South WTP:

Treatment Quality:

1. All regulatory and in-house treatment goals were met.
2. Weather is beginning to have its effect on the quality of operations due to temperature fluctuations and declining water temperature.

Operations:

1. **Sodium Chlorite Tank Update: (No Change):** The progress of this project is waiting on the problems getting worked out with the pump at the North WTP. This replacement project is nearly complete. It will be an identical setup (smaller scale) to the North WTP. There has been a lot of work on this – all by plant staff.
2. **Personnel Update: (UPDATE):** A new operator began work today. He has enough educational background that he should be able to take the Class 4A exam after he has been here a year. This will allow him to promote into the WTO2 position.

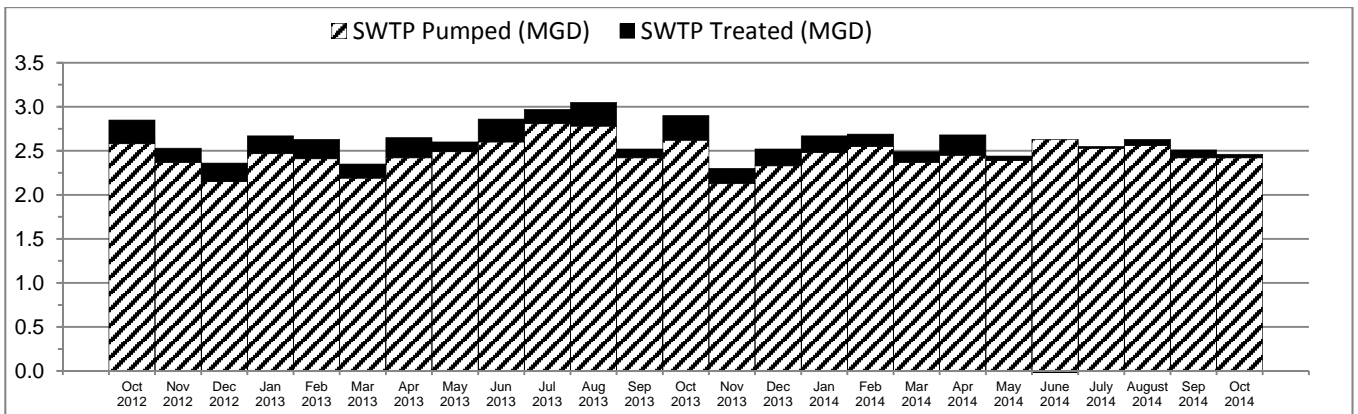
There is one open position left to fill and we will be back at full staff. The new operator was the only applicant to take the last exam so another exam will have to be administered.

The operator who would normally be on the relief operating shift has a medical condition that needs to be addressed as soon as staff returns to normal level.

3. Budget:

- a. Chemical expenditures were under budget.

4. Average Treated & Pumped water trend:



Note: These values are current readings, but the actual billed readings are approximately 45 days behind.

D. South WWTP:

Treatment Quality:

1. **Effluent Quality:** All reportable treatment goals were met.
2. **Biosolids Quality:** There has been a great deal of improvement with all of the airlines being repaired.

Operations:

1. **Personnel**: Randy Bentley, Maintenance Tech, passed the promotional exam for the Maintenance Tech 2 position and will be promoting soon.
2. **Budget**:
 - a. **Chemicals**: Chemicals were over budget this past month
 - b. **Sludge Hauling & Disposal**: This was under budget this past month.

E. Pretreatment Program:

1. **Pretreatment & FOG Services**: Golden Corral was visited this past month to discuss grease buildup issue in manhole directly behind their building. The owner was spoken with, literature was dropped off and she was advised that there would be a follow up visit in the coming months to perform a full inspection.

F. Automation Department:

1. **(No Change)** The Canoe Creek monitoring station located at Clay Street has been installed and is being continuously trended with SCADA. We are in the process of making the website more visually appealing as well as adding additional functionality. For a view, go to <http://storage.hkywater.org/scada/NewCCGraph.php>. The graphic depicts the past 24 hours of creek level data at Clay Street and Second Street overpass. You can also access this information from our website at www.hkywater.org.
2. Wayne Griffin and Jeff Roberts attended PLC and PAC (Programmable Logic Controller & Programmable Automation Controller) training the week of October 13th, in Nashville, TN. The class was very educational with a lot of information and learning packed into four days.
3. **(No Change)** We have begun installation of a new weather station located at our South Wastewater Treatment Plant. We will be recording live data with SCADA for temperature and for rainfall amount, duration and intensity.
4. We have installed six flow monitors within the Myrene Drive area in order to try and discover the location of I&I to the Myrene Drive Pump Station. These instruments will be in place until we have captured a few rainfall events for analysis.
5. We have finished incorporation into SCADA of six new turbidimeters at the NWTP. These instruments replace older equipment where turbidity levels were recorded through an independent system. The new instruments record into our SCADA Historian in real time and the information is linked to the WIMS software.
6. Pressure gauges have been installed on all of our North system tanks. These gauges are equipped with signal output to SCADA and serve as a backup to our level transducers.
7. We replaced the Remote Terminal Unit (RTU) Controller at the NWTP due to communications failures.
8. In conjunction with replacing the NWTP RTU Controller, we made software changes to the Human Machine Interface (HMI) that controls our water booster station located on Fair Street. These changes provide Operators additional feedback on the status of communication so that they can visually determine if radio signals have been sent and received.

G. Customer Service:

Customer Service Calls and Work Orders (NORTH):

These are the customer calls we responded to and by no means represent all of the calls that came in. We provided the following services to customers last month:

Water Line and Service Maintenance	<u>Qty.</u>	Miscellaneous Services	<u>Qty.</u>
Water Main Repairs	1	Sink Hole Calls	4
Water Service Line Repairs	7	Inspect Misc. Items	24
Water Meter Inspection	12	Smoke Test Lines	7
Water Meter Changes	13	Camera Inspect Lines	20
Water Meter Repair	23		
Water Meter Disconnected	4	Regulatory Issues	<u>Qty.</u>
Water Meter Raised/Lowered	5	Downspout Removal Letters Mailed	7
Fire Hydrant Repairs	2	We have mailed out a total of 181	
Low Water Pressure Calls	3	downspout letters to date.	
Water Leak Calls	11	153 have complied and been	
Water Quality Calls	4	inspected.	
No Water Calls	0		
Shut Water off/Turn Water On Calls	6		
Install Temporary Hydrants	0		
Stormwater Maintenance	<u>Qty.</u>		
Storm line Repairs	1		
Storm Intake Repairs	0		
Stormwater Flooding Calls	0		
Clean/Unblock Intakes	2		
Pump Station Maintenance	<u>Qty.</u>		
Pump Station Repairs	2		
Pump Station Inspections	69		
Pump Station Cleaning	6		
Pump Station Maintenance	5		
Sewer Line and Service Maintenance	<u>Qty.</u>		
Sewer Main Repairs	2		
Sewer Service Line Repairs	2		
Sewer Manhole Repairs	2		
Sewer Main Cleaning	1		
Sewer Main Unblocking	2		
Sewer Overflow Calls	1		
Sewer Backup Calls	12		
Sewer Odor Calls	4		
Sewer Service Line Locates - Developer Installed	2		
New Services	<u>Qty.</u>		
Water Taps	0		
Sewer Taps	0		
Water Meter Installation	1		

H. SOC General:

1. We continue to work on the new Asset Management Program. We have had good cooperation from all groups and so far have been keeping up with the scheduled pace. We had another week of intense work with Timmons Group the end of October and I think have a good baseline for the software. Implementation of this software is very important to many aspects of our work.

I. Collection System:

1. The crews have been working on some water, sewer and stormwater repairs this month. This has been a pretty typical month for work in the system.
2. Brad Pendergraft, Maintenance Tech, passed the promotional exam for the Maintenance Tech 2 position and will be promoting soon.

J. Distribution System:

1. Other than normal activities we have been investigating some of the valve locations on the 16" main along 351.

K. Stormwater Phase II:

1. Ken Ferry and John Baker attended a quarterly meeting of KSA, The Kentucky Stormwater Association, on 10-23-2014 in Radcliff.

The meeting had presentations on a variety of topics, including:

- Radcliff City Hall project design - Eric Senn, PE, LEED AP, Land Design & Development, Inc., Toby Spalding, City Engineer, City of Radcliff
 - Radcliff City Hall BMP installation (outdoors) - Eric Senn, PE, LEED AP, Land Design & Development, Inc., Toby Spalding, City Engineer, City of Radcliff
 - KYR10 Permit Renewal Update/Changes – Abigail Rains, CFM, Kentucky Division of Water. The new KYR10 permit, which regulates erosion prevention and sediment control at construction sites, is expected to become effective on January 1, 2015.
 - Kentucky's TMDL Legislation: What Is It and How Does It Affect MS4s? - Scott Smith, Smith Management Group
 - KSA Business
2. Construction sites that disturb one acre or more of land are required to be covered by a KYR10 General Permit issued by the Kentucky Division of Water. Current interpretation of the MS4 General Permit is that local communities, like Henderson, must have their own permitting authority that is at least as strict as the requirements in KYR10. Kentucky has issued 25 general permits that cover 100 small MS4 communities.

Henderson Water Utility has developed a permitting system that requires local developers to first obtain KYR10 coverage, and then also comply with the City of Henderson's Erosion Control Ordinance. Local coverage, called HKYR10, is expected to be in place before the end of December.

L. Information System Department:

1. New camera installed by the back door of the Admin building and is in working order.
2. Update: Camera and network switch have been installed and are functional. Previously: Preparing to install a new network switch in the Mechanic's building at the SOC to serve the mechanic's needs as well as a new IP camera.

M. GIS Department: (No Change)

1. We are working on the new Cityworks Software to get our Asset information in the correct formats.
2. We now have a seasonal employee that is making some much needed data input to our maps. He is making all of the mark-up changes that the crews have made.
3. We continue to update GIS to reflect changes from recent construction projects and mapping projects.
4. We are assisting Strand in working with the Modeling Software for the Water System.

Henderson Water Utility
 October 2014 Door Tags

Date	Crew #	Address	Comments	Rodney's Comments
10/1/2014	124	905 N. Elm St.	Troy was very informative. He explained the purpose of the job and the future plans. This was very much appreciated. Thank you.	
10/7/2014	124	8 Phillips Ct.	No comments.	
10/9/2014	135	115 Myrene Dr.	The two men were very polite and helpful.	
10/16/2014	124	307 Center St.	No comments.	
10/23/2014	124	918 Ironwood	Very courteous and professional. Explained what the problem was and when it could be fixed.	
10/24/2014	124	1251 Huntspoint	The crew was very knowledgable and professional.	
10/28/2014	124	4131 Morris Dr.	You are lucky to have good workers. Thanks.	
10/28/2014	124	20 Pope St.	These guys were great. They went above and beyond. They were so nice, friendly and helpful. Got my line cleared and explained everything they did to me. Awesome service.	
10/31/2014	135	844 Pond St.	The man was very nice that I talked to. Thanks so much.	
				18 Service Request Tags Given Out
				12 Work Order Tags Given Out
				09 Door Tags Returned

ENGINEERING REPORT

Engineering Report 17 November 2014

1. North Wastewater Treatment Plant Upgrade Project

The North WWTP Improvements (Headworks) continues, with work on the new 160-foot diameter clarifier proceeding with floor and wall concrete pours. The very deep central pumping station is also moving ahead (at the rear of the picture below right). Getting structures up out of the ground before wet weather is of primary importance to a successful conclusion to this project in a reasonable amount of time.



At this point in the project, it appears that construction will run 8 to 10 weeks past the original scheduled end date. The only costs to us for that will be the costs of the consultant's construction engineering and inspection, which involves a person on site every day that work is performed. We will attempt to keep those costs to a minimum, but have the right to request that the contractor reimburse us for that through liquidated damages.

2. Janalee Drive Pump Station and Force Main Upgrade Project

Equipment for the Janalee Drive pump station, which we procured separately, arrived during the first week of October, so really heavy construction is under way on the main pump station upgrade contract. Contractor will be doing startup of the new systems the third week of November, with completion by the end of December. Cleaning of the wet well last week went well; hasn't been cleaned in several years.



Force main construction (by Scott & Ritter) is complete.

3. North Water Treatment Plant – Rehab and Basin Repair Project:

Design engineering for the critical improvements (flash mix repair, basin modifications, and leak repairs) has started, with 50% plans received and a review meeting last week. We will include the operators at this plant in a plan review, so that we can incorporate their ideas and suggestions.

4. Myrene Drive Sewer Pump Station:

A complete investigation of all the pump stations in the Atkinson Park sewer-shed is included in this study. Additional flow monitoring within the Myrene Drive sewer-shed is being performed by our staff; we are attempting to locate what appears to be substantial inflow during rainfall events. Preliminary report from Wauford delivered, has been reviewed by staff, and we have returned it for some revisions. It is clear from this review that the Atkinson Park pump station is overdue for renovation. We are having Wauford produce an estimate of those costs for inclusion in our strategic plan.

5. Water Model:

Strand Associates has completed setting up our water model for the North water distribution system. We are adding some planning-level modeling work to their scope, to confirm our direction on some water system projects that we have planned for the future, including the Riverport Loop, Craig Drive pressure improvements, and some modeling of disinfection by-products and water age in the system, which will be helpful from a regulatory standpoint.

6. Riverport Water Line Loop – Mosaic Project:

Project is a cooperative one between us and a local industry, and will enhance fire protection and advance our ultimate plans for this portion of our distribution system. We received bids for materials on October 10th, but will not expend any funds on this project until the easement and a cost-sharing agreement with Mosaic are finalized.

7. Bobby Gish (Admin) Building Roof:

We chose Hafer Associates of Evansville to assist us in replacing or repairing the roof on the Admin Building, and making some minor exterior repairs to the building, which is 24 years old and in need of some work. Initial meeting held on 7 October. We will bring any proposed repairs back to the Board for authorization. We are also seeking quotes on carpet replacement in some well-worn areas.

8. Frontier Tank Rehab and Painting Project:

Task Order with Wauford for design engineering on the Frontier Tank has been signed, and we are setting a kickoff meeting for late this year. The lateness of the timing means that the actual construction work will follow in the spring of 2015. This fits into our capital planning, which anticipates the first payment to the contractor in next fiscal year. Site visit with the engineer occurred on 10 November.

9. Work Order Management System - Cityworks:

Work is under way for this new system to replace our Hansen AMS, and some training on the new system has already begun. The implementation consultant (Timmons Group) was here for the start of extensive work during the second week of September, and again the last week of October. We hope to “go live” with this system early next year. At present, this is taking a lot of time and input from “front line” people that deal with the work order system extensively. As we’ve said, this system is vital for tracking our work, keeping up with expenses, and allocating costs to the contractual customers based on where work is performed.

We are also attempting to entice the City departments into committing to use this same system. If we could all use compatible software, we’d be able to exchange information easily, reference each other’s work, and streamline some of the communications and processes we use now.

10. South Water Treatment Plant – Rehab Project:

Contract signed to move forward with design of work at this plant in the coming fiscal year. Draft of new agreement with Big Rivers has been circulated internally and been forwarded to Big Rivers for negotiation. They anticipate having something back to us soon.

11. US 60 West Water Booster Station (South Pressure Zone): (no change since last report)

We have finalized plans for this building and the associated water line connections, which will be located on US 60 West near the Fairmont wastewater pump station at the South extremity of the cemetery. The foundation will be constructed in a manner that will allow us to replicate the Atkinson Park Booster Station building in the future, when funding is available. Has been submitted to KDOW for approval, and is the subject of an action report for this meeting.

12. Cooper Park Stormwater Project: (no change since last report)

The City applied for and received a grant for this project to address stormwater issues in an older subdivision at Clay Street and North Fork Canoe Creek. We have prepared preliminary plans and forwarded them to the City for discussions with KY EMA about the method of solving the problems we've found. As grant funds are received for reimbursement of our expenses that will offset some of the cost of additional work we may perform in this neighborhood. We have also prepared two easements for the outfall line from this neighborhood to the North Fork Canoe Creek.

13. Highway #41A South, Sewer System Project:

This project will ultimately serve Finley Addition and some other un-sewered areas just outside the City limits, but within our service territory. We have been in contact with HMPL about issues related to providing three-phase service to the three pump station sites; this is critical to our future maintenance and operational needs, and these costs will have to be paid as part of the County's project. The County is taking bids on this project on the 18th.

14. Countryview Subdivision Stormwater Project:

We have a joint project in the current budget to begin provision of storm sewers in this neighborhood, and had thought we could do the design engineering in-house. Due to workloads, that hasn't happened. With the City's concurrence, we've issued an RFP for a consultant to do the work of providing plan documents. It's likely this will stretch over several years, and the construction may be performed with our own forces. Selection of a consultant is the subject of an action report for this meeting.

HUMAN RESOURCE REPORT

HWU Human Resources Summary: November 17, 2014

Staffing Levels:

1. Automation Specialist [1 position]: Advertisement on November 23, exam scheduled December 11.
2. Utility System Worker III [1 position]: Offer is being extended to internal candidate.
3. Utility System Worker II [1 position]: Coordinating interview times with HWU management.
4. Utility System Worker I [1 position]: Waiting on results of candidate's pre-employment drug screen and physical.
5. SWTP Water Treatment Operator [2 positions]: One is scheduled to start November 17; coordinating another exam date with Civil Service Commission for last position.
6. Environmental Compliance & Pretreatment Coordinator [1 position]: Register forwarded to HWU staff; position on hold per HWU management
7. SOC Maintenance Technician II [5 positions]: Interviews of top 3 candidates were conducted on November 7.
8. SOC – Seasonal Construction Utility System Worker [2 positions]: No request for action.
9. SOC – Seasonal Worker [2 positions]: No request for action.

Safety Report (as of 10/31/2014):

	HWU	Change
Hours Worked	131,466	+ 13,776
Total Cases	6	0
↳ Days Away/Restricted Time Cases	4	0
↳ Days Away From Work Cases	3	0
↳ Actual # Days Away From Work	14	0
↳ Transfer/Restricted Cases	1	0
↳ Actual #Days Restricted Duty	2	0

Incident Rates	HWU	Change	2012 NAICS 2213
Total Recordable Rate	9.13	- 1.05	2.8
↳ DART Incident Rate	6.09	- 0.70	1.4
↳ DAFW Rate	4.56	- 0.53	0.8
↳ Trans / Restrict. Rate	1.52	- 0.18	0.6

- 2012 NAICS is the classification for Utilities: Water, Sewage, and other systems
- DART = Days Away, Restricted, or Transferred
- DAFW = Days Away From Work
- How incident rates are calculated: $[(\# \text{ Cases}) \times 200,000] / \text{Employee Hours Worked}$
- Change data compared to data at the end of the previous month.

- No recordable incidents in October.

Other:

- Upcoming City-wide training is planned in the coming months
 - Drug & Alcohol training is scheduled for early December, waiting on dates from EAP provider
- Kentucky OSH audit is in the planning process for early 2015

SAFETY REPORT

Safety Report

11-17-2014



A. Safety Committee:

The monthly safety committee meeting was cancelled due to city works training.

B. Training

Training performed in September:

1. Safety meetings are continuing for the crews at the SOC.
2. Lock Out/ Tag Out, Confined Space, and Trenching and shoring training was held with one distribution crew and one new temporary employees.

C. Safety Inspections:

1. Administration Building

- There were no major safety issues noted.

2. Systems Operation Center (SOC):

- There were no major safety issues noted.

3. WTP North:

- There were no significant safety issues found during periodic site visits. These visits unlike the complete audits below may not cover every area of the facility on the day visited. Site visit dates in October were on the 6th, 7th, 9th, 15th, 20th, 22th, 27th, and 30th.

4. WWTP North:

- There were no significant safety issues found during periodic site visits. These visits unlike the complete audits below may not cover every area of the facility on the day visited. Site visit dates in October were on the 6th, 7th, 8th, 9th, 14th, 20th, 22th, 27th, and 30th.

5. WTP South:

- See facility audit below.

6. WWTP South:

- See facility audit below

7. Water Distribution/ Collection System:

- There were no safety issues with employees observed during safety site visits and proper PPE and signage was being used.

D. Comprehensive Safety Audits:

1. WTP South:

There were a few minor issues noted during the audit.

2. WWTP South:

There were a few minor issues noted during the audit. These are in the process of being corrected.

E. Recordable Injuries:

1. There were no recordable injuries in October.

F. Misc:

1. The new confined space equipment should be arriving the week of November 10th.

GENERAL MANAGER'S REPORT

General Manager Report

17 November 2014

Operator Salaries

The changes we processed at our last meeting to Job Classifications and Pay Grades for Automation, Water Operators and Interns went to the City Commission for endorsement on 11 November. No problems so far and final approval should come next week. With that approval, we will move forward with the changes to the Operator positions as quickly as possible, and will test for the additional Automation position in early December.

HWU Policies

This month we are submitting four minor policy revisions. The first clarifies pay for training time that is paid to employees, either when out of town or when training occurs on their regular day off. This just puts down in writing policies that we've been using for some time.

The second revision is to add our vehicle mechanic to the list for the first tier of phone reimbursement for use of his personal phone during business hours.

Third, a minor revision to add an additional person to the list for a clothing allowance; already receives it, but was missed in the writing of the policy.

The last revision is to the policy for recording time for hourly workers. There has been some confusion on how a shift that extends across the boundary of a pay period or work week should be recorded, and this impacts how overtime and benefits are calculated. This came up as a result of our recent hydrant flushing exercise, and we will have to make some revisions to past pay periods, running back five years.

These little one-off exceptions and corrections to our procedures keep coming up as we distribute policies to all our employees, and someone says, "Hey, wait a minute!" But we're slowly getting everything accurately and correctly put down on paper, which in the long run is going to make for consistent enforcement of our rules.

Regulatory Items

New KPDES permit for both the South and North WWTPs are due, and the South permit has been advertised by KDOW for public comment. The North WWTP permit will likely be held up for some time, since it will involve termination of the Consent Judgment, folding some LTCP requirements into the new permit, and incorporation of the plant upgrade in new capacity and discharge limits.

We have no other regulatory matters outstanding at this time.

Subject	Number
Travel, and <u>Training, and Related Expenses & Compensation</u>	D-100

Effective Date	Revision No.	Revision Date
16 December 2013	<u>01</u>	<u>17 November 2014</u>

1.0 POLICY STATEMENT:

The Utility recognizes that employees traveling far from home to represent HWU’s business interests must forego their normal living accommodations. Accordingly, the Utility will make efforts to provide comfortable and secure accommodations for employee lodging, meals, ~~and~~ means of travel, and to compensate employees fairly for time spent in travel and training. ~~However, t~~These items are not intended to be perquisites and HWU reserves the right to deny reimbursement of expenses that are considered unreasonable. All travel arrangements and reimbursement requests shall be made according to these guidelines.

This procedure applies to all individuals who travel on business for the Henderson Water Utility.

2.0 PROCEDURES:

- a. **Cash Advances** - To help ensure accurate and timely expense report preparation and reduce the additional paperwork required to process and track advances, HWU discourages cash advances.
- b. **Air Travel** - The Administrative Assistants will make airline reservations based on cost and efficiency unless extenuating circumstances apply.

On occasion, employees may have no alternative but to book their own flight. If this is the case, employees must use regularly scheduled airlines and obtain the lowest (discount) fare available. This may mean that employees will fly at times that are not always the most convenient for them.

- c. **Lodging** – Employees making lodging arrangements should base selection on value and convenience.

If an employee is accompanied by a non-employee, such as family or friend requiring separate accommodations, the employee will be responsible for expenses related to the additional accommodations.

- d. **Reimbursement for Meals and Incidental Expenses:**

Expense reimbursement for travel lasting less than 12 hours: For employees traveling less than twelve hours, meals and miscellaneous expenses will be reimbursed according to actual expenses. Expenses should be reasonable and customary and supported by receipts. Specifically excluded are alcoholic beverages, entertainment, and any expenses incurred for other persons (unless

specifically authorized by the General Manager). Excessive expenses ~~will~~may be denied.

Per diem option for travel lasting more than 12 hours: Per diem is authorized when the travel period is more than twelve hours. Employees will receive current per diem rates, as listed on the US Government Services Administration website (www.gsa.gov) or on a current travel expense form.

Per diem calculation for one-day trips: For a day trip that is more than twelve (12) hours but less than twenty-four (24) hours, the authorized per diem shall always be three-fourths ($\frac{3}{4}$) of the applicable rate for the location, regardless of departure/arrival times.

Method for calculating per diem for multiple days: The first and last days of travel will always be reimbursed at three-fourths ($\frac{3}{4}$) of the applicable rate regardless of departure/arrival times, while any days in between are reimbursed at the full rate.

Because per diem rates are paid according to government guidelines, it is very important that employees receiving per diem (prior to departure) follow-up with the Finance department when the actual arrival and departure dates differ from the planned dates from which the per diem was paid.

e. Compensation for Time Spent in Training – Non-Exempt Employees

Non-exempt employees attending training that lasts longer than their regular shift will be compensated for overtime in accordance with Section 224 of the Employee Manual. This includes travel time to and from their assigned work location or to/from home. Employees are responsible for submitting proof of time spent in training and travel (course agenda, syllabus, or other documentation).

Non-exempt employees attending training on their regular day off will receive compensation for a minimum of an eight (8) hour shift on that day. They may also “flex” their time in order to preserve vacation or personal hours.

3.0 RESPONSIBILITY:

Each employee is responsible for proper documentation of expenses to be reimbursed, and for accurate accounting of time spent in training. The Chief Financial Officer shall be responsible for the overall coordination for this process of these requirements. Waiver of any of these provisions requires approval of the General Manager.

APPROVED:

Tom Williams, P.E.
General Manager

Subject <i>Phones and Pagers</i>	Number <i>C-100</i>
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Effective Date <i>18 August 2014</i>	Revision No. <u>01</u>	Revision Date <u>17 November 2014</u>
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1.0 POLICY STATEMENT: Some HWU employees are required to be available by phone during off-duty hours, or to use their personal phones during the normal course of business. HWU reimburses employees for this use under a “co-pay” arrangement with our selected phone vendor. To qualify for the co-pay arrangement, employees must have a phone plan with the HWU-selected vendor.

2.0 PROCEDURES:

2.1 Employees in the following classifications are authorized co-pays as follows:

2.1.1 A basic phone co-pay of \$ 35 applies to:

- | | |
|---------------------------|---------------------------------------|
| GIS Manager | Chief Operators (Water & Wastewater) |
| Automation Specialist | Pretreatment Coordinator |
| Utility System Specialist | Utility System Crew Leader |
| Maintenance Team Leaders | Maintenance Technicians (I, II & Sr.) |
| <u>Vehicle Mechanic</u> | |

2.1.2 A data plan/phone co-pay of \$ 60 (for those required to have access to email) applies to:

- | | |
|-------------------------------|---------------------------------|
| General Manager | Director of Field Operations |
| Director of Plant Operations | Director of Engineering |
| Chief Engineer | IT Manager |
| Safety & Training Coordinator | Automation Manager |
| System Superintendents | Projects and Compliance Manager |
| Construction Inspector | |

2.2 Co-pays are paid directly to the phone vendor, up to the amounts listed above, and are not taxable.

2.3 Employees in classifications subject to call-out will be provided with a “pager phone” that rotates among those on duty for call-outs. This phone and its charger are passed to the next person on call, each Monday morning.

2.4 HWU, in its sole discretion, has the authority to add or remove any individual employee from the eligible list for co-payment.

3.0 RESPONSIBILITY: Department Heads are responsible for ensuring that this policy is monitored and followed within each department. The IT Manager is responsible for keeping updated lists of employees in each category, and for setting up the co-pays with the selected vendor.

Exceptions to this policy shall be authorized by the General Manager.

APPROVED:

Tom Williams, P.E.
General Manager

Subject <i>Boot and Clothing Allowances</i>	Number <i>D-300</i>
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Effective Date <i>1 July 2014</i>	Revision No. 12	Revision Date <i><u>17 November 2014</u></i>
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1.0 POLICY STATEMENT: All employees who are required to wear safety boots, high-visibility clothing, or a uniform while performing their normal job duties shall be granted a boot and/or clothing allowance to ensure compliance with that requirement.

2.0 PROCEDURES: Employees in the following classifications are authorized allowances as follows:

2.1 An Annual Clothing Allowance of \$ 275 applies to:

Water and Wastewater Operators (Chief, I & II)	
Utility System Workers (I, II & III)	Automation Specialist
Utility System Specialist	Inventory Control Technician
Utility System Crew Leader	Maintenance Team Leader
Construction Inspector	Maintenance Technicians (I, II & Sr.)
Utility Locator/Geospatial Technician	Laboratory Technician
Welder/Fabricator	Vehicle Mechanic
Water Quality Specialist	Pretreatment Coordinator
<u>Safety & Training Coordinator</u>	

2.2 An Annual Boot Allowance of \$ 150 applies to:

Utility System Workers (I, II & III)	Maintenance Team Leader
Utility System Specialist	Maintenance Technicians (I, II & Sr.)
Utility System Crew Leader	Automation Specialist
Construction Inspector	Welder/Fabricator
Utility Locator/Geospatial Technician	Safety & Training Coordinator

2.3 An Annual Boot Allowance of \$ 100 applies to:

Water and Wastewater Operators (Chief, I & II)	
Engineering Technician	GIS Manager
Utility System Superintendent	Inventory Control Technician
Vehicle Mechanic	

2.4 Any employee in a classification listed under paragraph 2.3 and subject to being On-Call or Call-Out may receive the \$ 150 boot allowance, upon approval of the department head.

- 2.5** In addition to or in lieu of a clothing allowance, employees may be furnished from time to time with safety-related clothing (high visibility t-shirts, rain-suits, etc.), the full cost of which shall be paid by HWU.
- 2.6** Allowances shall be paid annually, on the first payroll date on or after 1 January each year.
- 2.7** No pro-ration of any allowance shall be made to a new employee entering service, with the first allowance payment to new employees being made on the next January payment date as above. New employees in classifications listed in sections 2.2 and 2.3 above will be allowed to purchase boots “on demand” through the normal claim voucher/purchase order process, with approval by the department head.
- 2.8** Allowances will be paid through the payroll system. In accordance with IRS regulations, allowance payments shall be treated as taxable wages and are subject to all withholding requirements. Allowances are not added to the employee’s base salary.
- 2.9** When determined by a department head to be necessary for safety, HWU employees who are not in one of the job classifications listed above may purchase safety boots “on demand” through the normal claim voucher/purchase order process. Such purchases shall be approved by the department head in advance.
- 2.10** HWU, in its sole discretion, has the authority to add or remove any individual employee from the eligible list for allowances.

3.0 RESPONSIBILITY: Department Heads are responsible for ensuring that this policy is monitored and followed within each department. Exceptions to this policy shall be authorized by the General Manager.

APPROVED:

Tom Williams, P.E.
General Manager

Subject <i>Time Clock Policy – Hourly Employees</i>	Number <i>D-820</i>
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Effective Date <i>27 January 2014</i>	Revision No. <i><u>01</u></i>	Revision Date <i><u>17 November 2014</u></i>
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1.0 POLICY STATEMENT: HWU hourly employees are required to clock in and out of work. This policy sets out standards for time-keeping and procedures for recording time and calculating hours worked.

2.0 PROCEDURES:

2.1 Recording of Time Worked (Clocking In/Out with Time Clock)

HWU employees work a variety of shifts at our facilities. Employees are normally assigned to an 8, 10 or 12 hour shift. Due to the number of employees attempting to clock in/out at the beginning/end of a shift, it is impossible to punch in/out at the exactly correct time. To accommodate this and properly pay an employee that may be affected by his/her position in line, when punching the time clock in/out during the period from 5 minutes before to 5 minutes after the shift change, the employee is considered to be clocked in/out at the correct beginning/end time. Pay for time worked shall be calculated as indicated below.

2.2 Recording of Time Worked (Time Card with no time clock)

Some hourly HWU employees work in a facility with no time clock. Those employees will record their actual shift time clock in/out manually on a time card that is reviewed and approved by their immediate supervisor. Pay for time worked shall be calculated as indicated below.

2.3 Pay for Time Worked

Pay is calculated for increments of time worked. The smallest increment of time calculated is six (6) minutes or one tenth of the hour.

Time recorded that falls somewhere between the six minute increments will be truncated to the lower six minute interval. For example, a timecard indicating that the employee worked an extended shift of thirty-nine (39) minutes over his normal shift would be paid for 36 minutes (six tenths (6/10)) of an hour. Time recorded as being 5 minutes before or after the scheduled beginning or end of shift will be considered to be clocked in/out at the beginning or end of the shift for pay calculation purposes.

Field employees that do not return to assigned facilities for the lunch period shall be considered as taking a ½ hour lunch period unless otherwise noted on the timecard by their immediate supervisor.

Due to the need for continuous, 24-hour manning and monitoring of the Treatment Plants, Plant Operators working a 12 hour shift are expected to take a ½ hour lunch break during their shift, and will be paid for that time.

The division of the hour into tenths follows this scheme:

0/10th – 1 minute to 5 minutes
1/10th – 6 minutes to 11 minutes
2/10th – 12 minutes to 17 minutes
3/10th – 18 minutes to 23 minutes
4/10th – 24 minutes to 29 minutes
5/10th – 30 minutes to 35 minutes
6/10th – 36 minutes to 41 minutes
7/10th – 42 minutes to 47 minutes
8/10th – 48 minutes to 53 minutes
9/10th – 54 minutes to 59 minutes
10/10th – 60 minutes

2.4 Recording Time Across Payroll Periods

When a shift extends beyond the end of a work week or a pay period, all hours for that shift shall be recorded for all calculation purposes as having occurred during the work week or pay period in which the employee clocked in.

3.0 RESPONSIBILITY: Hourly employees are responsible for accurately recording their shift start and end times on timecards. Supervisors and timekeepers are responsible for calculating hours worked and recording that information on timecards in accordance with the above standards. Department heads are responsible for ensuring that work hours are properly reported and recorded for the payment of appropriate regular and overtime compensation; and for ensuring overall compliance with the provisions of this policy.

APPROVED:

Tom Williams, P.E.
General Manager

BUSINESS

- Action Report #2014-49 – Annual Renewal of Service Contracts – Hach Company
- Action Report #2014-50 – Annual Maintenance Agreement – Wonderware Software
- Action Report #2014-51 – S. Main Street & Drury Lane Stormwater Improvements
- Action Report #2014-52 – Tapping Machines

Henderson Water Utility Action Report # 2014-49

To: Henderson Water & Sewer Commission
From: Kevin Roberts, Director of Plant Operations
Subject: Annual Renewal of Service Contracts – Hach Company
Date: 17 November 2014

Background:

- Henderson Water Utility has invested many thousands of dollars for the special instrumentation used at our water treatment facilities.
- Hach is the product brand which is predominant at our facilities. This is because of the exceptional quality of their product as well as standardization around one make of equipment.
- Annual calibration and maintenance of this equipment is required in order to maintain the accuracy of the equipment, the warranty, as well as reducing the cost of emergency repairs to the equipment.
- Hach does not recognize or authorize any other service organization to perform repairs or re-calibrations on this equipment. Unauthorized repairs may result in voiding the instrument warranty. These service contracts have been renewed annually in this same manner for several years.
- The total cost of these contracts is \$51,169.00 (NWTP: \$28,290.00, SWTP: \$22,879.00). This is an increase of 6.4% (\$3,073.00) from last year, which is due to a combination of normal annual increases and new/additional equipment.

Budget Considerations:

- The costs of these service contracts are within the approved FY 2015 budget.
- The cost of any repair parts is within the facilities individual equipment repair budgets.

Policy Considerations:

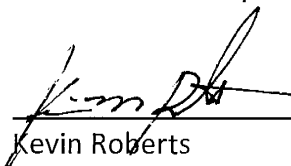
- The services listed have been determined to be a single or sole source purchase as outlined in Section 45A.380 of the Kentucky Revised Statutes.

Legal Considerations:


- This procurement is in accordance with KRS 45A.365 of the Model Procurement Code.

Recommendation:

- Staff recommends awarding the service contracts for instrumentation calibrations to Hach Company. Copies of the proposed contracts are available upon request.



Kevin Roberts
Director of Plant Operations



Tom Williams, P.E.
General Manager

Commission Action – 17 November 2014

PASSED: _____

FAILED: _____

TABLED: _____

Henderson Water Utility Action Report # 2014-50

To: Henderson Water & Sewer Commission
From: Jeff Roberts, Automation Manager
Subject: Annual Maintenance Agreement – Wonderware Software
Date: 17 November 2014

Background:

- Henderson Water Utility utilizes Wonderware, an industry-leading software platform providing operations and management with the means to supervise and control our treatment processes, continuous data collection and security.
- Wonderware is the Human-Machine Interface (HMI) linking instrumentation and process equipment (computers and machines) to management (mostly humans), and is an integral component of utility operations.
- Annual maintenance of this software is required in order to protect our investment by staying current with updates, security patches, new version releases, receiving emergency support and maintaining compatibility with other software used by the Utility. InSource Software Solutions is our Wonderware vendor.
- This agreement has been renewed annually in this same manner for several years.
- The total cost of the annual maintenance agreement is \$ 21,434.39.

Budget Considerations:

- The cost of the maintenance agreement is within the approved FY 2015 budget.

Policy Considerations:

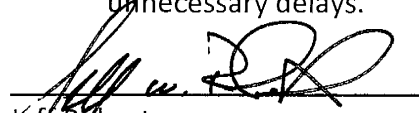
- The services listed have been determined to be a single or sole source purchase as outlined in Section 45A.380 of the Kentucky Revised Statutes.

Legal Considerations:


- This procurement is in accordance with KRS 45A.365 of the Model Procurement Code.

Recommendation:

- Staff recommends renewing the annual maintenance agreement with InSource Software Solutions.
- Board approval authorizes all work necessary to complete the scope of work, including issuance of any additional bids, purchase orders, engineering services, change orders, easement acquisition, or other authorizations required to complete the work without unnecessary delays.



Jeff Roberts
Automation Manager



Tom Williams, P.E.
General Manager

Commission Action – 17 November 2014

PASSED: _____ FAILED: _____ TABLED: _____

Henderson Water Utility

Action Report #2014-51

To: Henderson Water & Sewer Commission
From: Rodney Michael, Director of Field Operations
Subject: S. Main Street & Drury Lane Stormwater Improvements
Date: 17 November 2014

Background:

- We sold a portion of the Griffin Property on S. Main Street earlier this year, and have been working cooperatively with the new owners of the development at Hackberry Street and S. Main to improve drainage along S. Main, and to align our Canoe Creek & Janalee Drive force mains to minimize interference with drainage or development.
- We also leased a large portion of the remainder of the Griffin property to the Henderson County Jailer, and that's worked out well for them and for us.
- In conjunction with the City and Public Works, we cleared trees along S. Main Street, to remove some hazards and allow us to improve drainage further.
- We now want to perform the last phase of our work in this area, constructing a new stormwater line running to the north along Drury Lane, to allow low areas adjacent to S. Main Street to properly drain. This work will be performed by our forces, and the estimated cost is \$ 35,000, including materials and labor. It will include piping, excavation, seeding and erosion control, and the estimate includes a small contingency.
- The City is considering a project to add curbs & gutters, sidewalks, and other improvements along portions of the S. Main corridor, and our work needs to be completed first for that to proceed.

Legal Considerations:

- Procurements necessary for the completion of this project have and will follow the Kentucky Model Procurement Code.

Recommendations & Approvals:

- This project is an unbudgeted capital expense, and will be appropriated from the "Unidentified Capital Projects" line item in the 2014-2015 FY Capital Budget, as we have recently done with other capital projects. Total appropriation will be \$ 35,000.
- Board approval authorizes the General Manager to initiate all work necessary to complete this work, including issuance of any bids, purchase orders, engineering services, task orders, change orders, or other authorizations required.

Respectfully Submitted:



Rodney Michael
Director of Field Operations

Approved for Submittal:



Tom Williams, P.E.
General Manager

Commission Action – 17 November 2014

PASSED: _____ FAILED: _____ TABLED: _____

Henderson Water Utility Action Report #2014-52

To: Henderson Water & Sewer Commission
From: Rodney Michael, Director of Field Operations
Subject: Tapping Machines
Date: 17 November 2014

Background:

- We have tapping machines which are used to make taps on our large (4"-12") water lines. Currently, if we need to install a new valve into a line, we have to shut the line down and remove a section of the pipe. Purchasing an Insta-Valve adapter kit will allow us to install valves in a 4"-12" pipe without cutting out sections of the pipe which means less extensive digging, less inconvenience for the customers and no boil water advisory.

Budget/Financial Considerations:

- Funds for these machines will be taken from the "Unidentified Capital Projects" line in the FY 2014-15 Capital budget.

Proposed Budget	
Upgrade from 1"-1 ¼" Line stopping to 4"-12"	\$ 5,334.
Upgrade from 1"-1 ¼" Side Tapping to 4"-12"	\$ 4,105.
Insta-Valve adapter kit, Linestop 4"-12"	\$ 12,871.
Project Contingency 5% (includes estimated freight)	\$ 1,000.
Total from Unidentified Capital Projects	\$ 23,310.

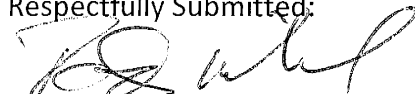
Legal Considerations:

- Procurements necessary for the completion of this purchase have and will follow the Kentucky Model Procurement Code.

Recommendations & Approvals:

- Board approval authorizes all work necessary to complete the scope of work for this project, including issuance of any additional bids, purchase orders, engineering services, change orders, or other authorizations required to complete the work without unnecessary delays.

Respectfully Submitted:



Rodney Michael
Director of Field Operations

Approved for Submittal:



Tom Williams, P.E
General Manager

Commission Action – 17 November 2014

PASSED: _____ FAILED: _____ TABLED: _____

EXECUTIVE SESSION

- To discuss matters in that open discussion would jeopardize the siting, retention, expansion, or upgrading of a business pursuant to KRS 61.810 (1) (g)