A. ROLL CALL

B. INVOCATION – Kathy Ambrose

C. APPROVAL OF MINUTES
   • Approval of Minutes from August 15, 2016

D. MONTHLY REPORTS
   • Financial
   • Operations
     • IT Presentation – Tim Fischbeck
   • Engineering
   • Human Resources
   • Safety Report
   • General Manager’s
     • Approval of Revision to Policy C-100 Phones and Pagers

E. BUSINESS
   • Action Report #2016-21 – North Wastewater Treatment Plant Upgrade
   • Action Report #2016-22 – Replacement for Damaged Crew Truck
   • Action Report #2016-23 – Emergency SAN Hardware Upgrade
   • Action Report #2016-24 – Sludge Hauling and Disposal
F. EXECUTIVE SESSION – *Requested*

- To discuss matter regarding proposed or pending litigation, pursuant to KRS 61.810 (1) (c).
- To discuss matter which might lead to the appointment, discipline, or dismissal of an individual employee pursuant to KRS 61.810 (1) (f).
ACTION MINUTES OF MEETING
August 15, 2016
A. ROLL CALL

Present at the meeting was Commissioner Paul Bird, Chairman, who presided over the meeting, along with Commissioners George Jones, John Henderson, and Gary Jennings. Commissioner Julie Wischer was unable to attend the meeting. General Manager, Tom Williams and Eric Shappell, Attorney were also present. Other Staff members present were Rodney Michael, Kevin Roberts, Todd Bowley, Ken Ferry, Kathy Ambrose, John Baker, Tim Fischbeck, Jeremy Duncan, and Patty Brown. Also in attendance were Assistant City Manager, Buzzy Newman; and Laura Arcchiardo with “The Gleaner”.

B. INVOCATION – Jeremy Duncan

C. APPROVAL OF MINUTES

- Approval of Minutes from July 18, 2016

Minutes were approved as submitted.

D. MONTHLY REPORTS

- Financial – Discussed and approved as submitted.

Todd Bowley reviewed the financial statements with the board. He noted that water usage was up for the month compared to last year. He asked that the board look at the 2016 Audit Plan documents and asked that they approve that Chairman Paul Bird and he sign the engagement letter for Myriad CPA Group to conduct the audit at a cost of $40,000 which is the same amount it has been the past few years. Motion was made and approved to have Chairman Paul Bird and Todd Bowley sign the engagement letter for Myriad CPA Group to conduct the yearly audit at the cost of $40,000.

- Operations – Discussed and approved as submitted.

Rodney Michael noted that the MS4 inspection by the KY Division of Water was conducted last week. This inspection usually takes place every 5 years. He said that John Baker always prepares well for these inspections and HWU received an A+. John Baker also gave praise to Ken Ferry for his participation in the MS4 program.
• Engineering – *Discussed and approved as submitted.*

*Tom Williams discussed the engineering report with the board. He advised that the North Water Treatment Plant project is close to wrapping up and may be complete by the end of September. He noted that M. Bowling Contractors did a good job.*

*He also advised that the Finley Addition sewer project is basically complete and the City is moving forward with annexation. He also indicated that the North Main Street project is underway and will possibly be completed by the end of October.*

*In response to a question concerning the North Wastewater Treatment Plant Headworks project, Mr. Williams explained that the project has taken a lot longer than expected mostly due to the contractor not pouring concrete in the winter months. He said that everything that has started up so far at the plant has worked fine and everyone is pleased with the way it operates. There will be penalties for the delay and those will be negotiated in the future.*

• Human Resources – *Discussed and approved as submitted.*

• Safety Report – *Discussed and approved as submitted.*

• General Manager’s – *Discussed and approved as submitted.*

*Tom Williams advised that KDOW has contacted HWU stating that they are ready to meet to discuss the draft permit for the North Wastewater Treatment Plant. It is complicated because it includes CSO’s and the Long Term Control Plan completion being worked into the new permit. They are communicating with us and this is a very good sign.*

*Mr. Williams asked that the board review the minor editorial changes that were made to the Enforcement Response Plan. There is one for sewer users and MS4 and one for the industrial pretreatment program. These documents were sent to the board members earlier by email. Motion was made and approved to adopt the Enforcement Response Plan as presented.*

*The board also discussed the purchase of a new vehicle to replace the truck that was totaled in an accident in July. Staff recommended that this vehicle be replaced as soon as possible. Tom Williams stated that costs for this replacement will be brought to the board in the next couple of months for their approval.*

*Motion was made and approved to accept the monthly reports as submitted.*
E. BUSINESS

- Resolution #2016-19 – Approval of Requests for Wastewater Service Outside the City Limits in Finley Addition

  Tom Williams reported that this is a continuation of the resolutions from the last couple of months for five more property owners who are requesting wastewater service outside the city limits in the Finley Addition. After discussion, motion was made and approved to accept Resolution #2016-19 – Approval of Requests for Wastewater Service Outside the City Limits in the Finley Addition. Motion to approve was made by Commissioner, Gary Jennings, seconded by Commissioner, John Henderson, with roll call vote as follows: Commissioner Paul Bird, Aye; Commissioner George Jones, Aye; Commissioner John Henderson, Aye; Commissioner Gary Jennings, Aye; Commissioner Julie Wischer, Absent. Resolution passed. This resolution will also be taken before the City Commission for their approval.

- Action Report #2016-20 – Trench Protection Boxes – SOC

  After discussion, motion was made and approved to accept Action Report #2016-20 for purchase of Trench Protection Boxes from Hamlin Equipment Rental for the price of $36,013.20. This amount will be taken from the Unidentified Capital Project Budget.

F. EXECUTIVE SESSION – None Requested

  Motion was made and approved to adjourn.

  The next regularly scheduled meeting will be held on Monday, September 19, 2016.
FINANCIAL REPORT
## Henderson Water Utility
### Operating Revenues and Expenses Summary
#### For the Two Months Ended August 31, 2016

<table>
<thead>
<tr>
<th></th>
<th>August Actual</th>
<th>August Budget</th>
<th>Year to Date Actual</th>
<th>Year to Date Budget</th>
<th>Fiscal Year Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OPERATING REVENUES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water Sales</td>
<td>$695,206</td>
<td>$682,588</td>
<td>$1,396,253</td>
<td>$1,365,176</td>
<td>$7,556,325</td>
</tr>
<tr>
<td>Water Penalties</td>
<td>2,670</td>
<td>2,370</td>
<td>5,197</td>
<td>4,739</td>
<td>28,435</td>
</tr>
<tr>
<td>Water Fees</td>
<td>3,610</td>
<td>4,022</td>
<td>5,430</td>
<td>8,044</td>
<td>48,265</td>
</tr>
<tr>
<td>Wastewater Services</td>
<td>981,234</td>
<td>972,751</td>
<td>1,943,550</td>
<td>1,945,501</td>
<td>10,768,458</td>
</tr>
<tr>
<td>Wastewater Penalties</td>
<td>4,505</td>
<td>3,161</td>
<td>8,294</td>
<td>6,322</td>
<td>37,932</td>
</tr>
<tr>
<td>Wastewater Fees</td>
<td>22,117</td>
<td>15,800</td>
<td>22,217</td>
<td>31,599</td>
<td>189,595</td>
</tr>
<tr>
<td><strong>Total Operating Revenues</strong></td>
<td>1,709,342</td>
<td>1,680,691</td>
<td>3,380,941</td>
<td>3,361,382</td>
<td>18,629,010</td>
</tr>
</tbody>
</table>

| **OPERATING EXPENSES** |               |               |                     |                     |                    |
| Salaries and Wages    | 303,672       | 351,654       | 648,960             | 703,307             | 4,571,497          |
| Payroll Taxes         | 21,344        | 25,556        | 45,289              | 51,113              | 332,233            |
| Health Insurance      | 96,192        | 122,778       | 214,312             | 245,556             | 1,473,333          |
| Pension Benefits      | 53,667        | 65,689        | 116,673             | 131,378             | 853,956            |
| Workers Compensation  | 6,110         | 8,320         | 16,772              | 20,246              | 121,475            |
| Other Employee Benefits | 973         | 2,105         | 2,299               | 4,211               | 27,000             |
| Car Allowance         | 1,350         | 2,250         | 2,700               | 4,500               | 27,000             |
| **Electricity**       | 141,883       | 145,684       | 281,883             | 291,368             | 1,748,205          |
| Natural Gas           | 146           | 500           | 396                 | 1,000               | 37,050             |
| Chemicals             | 113,233       | 94,188        | 205,726             | 188,375             | 1,130,250          |
| Inventory Expense     | 13,029        | 15,775        | 26,394              | 31,550              | 189,300            |
| **Fuel**              | 8,219         | 10,123        | 16,772              | 20,246              | 121,475            |
| Tools & Small Equipment | 5,267     | 16,363        | 18,942              | 32,725              | 196,350            |
| Safety Supplies       | 572           | 5,517         | 4,613               | 11,033              | 66,200             |
| **Clothing/Cleaning Allowance** | -       | -             | -                   | -                   | 19,525             |
| Vehicle Repair        | 3,193         | 4,183         | 7,181               | 8,367               | 50,200             |
| Other Equipment Repair | 17,659   | 16,233        | 33,392              | 32,467              | 194,800            |
| Other Structures Repair | 77,488  | 28,350        | 103,681             | 106,000             | 340,200            |
| SCADA Expense         | 4,787         | 3,743         | 8,305               | 7,486               | 44,914             |
| Administrative Services | 53,000   | 53,000        | 106,000             | 106,000             | 636,000            |
| **Contractual Services** | 70,379   | 92,783        | 160,946             | 185,567             | 1,113,400          |
| **Contractual Labor** | 19,586        | 17,183        | 34,586              | 34,367              | 206,200            |
| **Professional Services** | 450        | 2,917         | 2,950               | 5,833               | 35,000             |
| **Equipment Rental**  | 5,727         | 5,351         | 10,687              | 10,703              | 64,215             |
| **Audit Expense**     | -             | -             | -                   | -                   | 21,000             |
| Trust Fees            | -             | 500           | -                   | 1,000               | 6,000              |
| Public Contributions  | -             | 3,958         | 3,000               | 7,917               | 47,500             |
| **Insurance**         | -             | -             | 687                 | -                   | 292,005            |
| **Technology Expense** | 12,804     | 15,837        | 26,091              | 31,673              | 190,040            |
| Office & Field Supplies | 20,656  | 17,560        | 33,964              | 35,121              | 210,724            |
| Telephone             | 4,584         | 6,137         | 10,399              | 12,275              | 73,647             |
| Medical Exams         | 485           | 500           | 485                 | 1,000               | 6,000              |
| Travel and Training   | 1,211         | 6,322         | 4,981               | 12,644              | 75,866             |
| Dues and Subscriptions | 311        | 1,598         | 1,349               | 3,196               | 19,178             |
| **Printing**          | 574           | 967           | 574                 | 1,933               | 11,600             |
| Miscellaneous         | 392           | 679           | 912                 | 1,358               | 8,150              |
| Depreciation          | 249,909       | 291,667       | 499,817             | 583,333             | 3,500,000          |
| **Total Operating Expenses** | 1,308,852     | 1,435,969     | 2,663,677           | 2,888,578           | 18,038,112         |
| **Operating Income**  | $400,490      | $244,722      | $717,264            | $472,804            | $590,898           |
Henderson Water Utility
Variance Analysis
For the Two Months Ended August 31, 2016

Operating Revenues
Actual $ 3,380,941
Budgeted 3,361,382
Favorable (Unfavorable) Variance $ 19,559
Percentage Difference 0.58%

Billable Gallons
Through 8/31/2016 433,120,350
Through 8/31/2015 429,497,660
Difference 3,622,690
Percentage Difference 0.84%

Operating Expenses
Actual $ 2,663,677
Budgeted 2,888,578
Favorable (Unfavorable) Variance $ 224,901
Percentage Difference 7.79%

Breakdown of Volumetric Differential For Two Months Ended

<table>
<thead>
<tr>
<th></th>
<th>Aug-16</th>
<th>Aug-15</th>
<th>Differential %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>106,469,994</td>
<td>112,987,382</td>
<td>-5.77%</td>
</tr>
<tr>
<td>Industrial</td>
<td>184,422,893</td>
<td>177,891,844</td>
<td>3.67%</td>
</tr>
<tr>
<td>Commercial</td>
<td>142,227,463</td>
<td>138,618,434</td>
<td>2.60%</td>
</tr>
<tr>
<td>Total</td>
<td>433,120,350</td>
<td>429,497,660</td>
<td>0.84%</td>
</tr>
</tbody>
</table>

Notes
Revenue Summary:
Revenues slightly over budget for current year-to-date. Rate increase of 5.85% effective July 1 along with increased overall usage compared to last year has resulted in increase of approx. $125k compared to Aug 2015 YTD and positive results compared to budget.

Expense Summary:
Expenses continue under budget primarily due to payroll and depreciation expenses being lower than expected. Overall payroll expenses and utilities have increased from prior year due to increases in utility rates and usage and increases in wages and benefit rates.
### Construction In Progress:

<table>
<thead>
<tr>
<th>Description</th>
<th>Beginning Balance</th>
<th>Current MTD Activity</th>
<th>Current YTD Activity</th>
<th>Project to Date Balance</th>
<th>Fiscal Year Budget</th>
<th>Total Capital Budget</th>
<th>Action No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>US 60 Reimbursable</td>
<td>43,498</td>
<td>88</td>
<td>88</td>
<td>43,585</td>
<td>65,000</td>
<td>1,000</td>
<td>16-08</td>
</tr>
<tr>
<td>US 60W Water Booster Station</td>
<td>246,326</td>
<td>-</td>
<td>-</td>
<td>246,326</td>
<td>-</td>
<td>185,000</td>
<td>06/16 GMR</td>
</tr>
<tr>
<td>NWWT Headworks Project</td>
<td>13,374,886</td>
<td>7,800</td>
<td>7,800</td>
<td>13,382,686</td>
<td>100</td>
<td>13,630,139</td>
<td>13-24</td>
</tr>
<tr>
<td>NWTP Rehab</td>
<td>1,543,166</td>
<td>18,530</td>
<td>18,530</td>
<td>1,561,696</td>
<td>100</td>
<td>1,661,226</td>
<td>15-11</td>
</tr>
<tr>
<td>SWTP Rehab</td>
<td>676,092</td>
<td>-</td>
<td>-</td>
<td>676,092</td>
<td>170,000</td>
<td>625,100</td>
<td>15-09</td>
</tr>
<tr>
<td>Countryview Subdivision Stormwater</td>
<td>49,585</td>
<td>-</td>
<td>-</td>
<td>49,585</td>
<td>400,000</td>
<td>400,000</td>
<td>14-53</td>
</tr>
<tr>
<td>Frontier Tank Project</td>
<td>555,786</td>
<td>-</td>
<td>-</td>
<td>555,786</td>
<td>35,000</td>
<td>655,800</td>
<td>15-13</td>
</tr>
<tr>
<td>Atkinson Park Watershed</td>
<td>146,369</td>
<td>2,175</td>
<td>2,175</td>
<td>148,544</td>
<td>64,000</td>
<td>198,500</td>
<td>15-14</td>
</tr>
<tr>
<td>College Tank</td>
<td>12,799</td>
<td>2,934</td>
<td>2,934</td>
<td>15,733</td>
<td>15,000</td>
<td>15,000</td>
<td>15-27</td>
</tr>
<tr>
<td>Vine Street Tank</td>
<td>33,000</td>
<td>4,427</td>
<td>4,427</td>
<td>37,427</td>
<td>890,700</td>
<td>1,083,000</td>
<td>16-06</td>
</tr>
<tr>
<td>Finley Addition</td>
<td>6,657</td>
<td>2,541</td>
<td>2,541</td>
<td>11,237</td>
<td>13,000</td>
<td>20,000</td>
<td>15-30</td>
</tr>
<tr>
<td>Clarifier Paint &amp; Pipe</td>
<td>185,715</td>
<td>-</td>
<td>-</td>
<td>185,715</td>
<td>100</td>
<td>215,000</td>
<td>16-05</td>
</tr>
<tr>
<td>North Main Street Pressure</td>
<td>24,128</td>
<td>48,233</td>
<td>56,030</td>
<td>80,158</td>
<td>165,000</td>
<td>315,000</td>
<td>16-07</td>
</tr>
<tr>
<td>SWTP Building</td>
<td>8,225</td>
<td>-</td>
<td>-</td>
<td>8,225</td>
<td>9,000</td>
<td>17,000</td>
<td>-</td>
</tr>
<tr>
<td>Sugar Creek Bank</td>
<td>6,849</td>
<td>4,358</td>
<td>5,364</td>
<td>12,213</td>
<td>43,000</td>
<td>50,000</td>
<td>16-13</td>
</tr>
<tr>
<td>S Main St Sewer</td>
<td>28,209</td>
<td>17</td>
<td>17</td>
<td>28,225</td>
<td>66,000</td>
<td>66,000</td>
<td>16-15</td>
</tr>
<tr>
<td>Misc Stormwater Projects</td>
<td>-</td>
<td>574</td>
<td>574</td>
<td>574</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Special Projects</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,401,359</td>
<td></td>
</tr>
<tr>
<td><strong>Total Construction In Progress</strong></td>
<td>16,941,290</td>
<td>91,675</td>
<td>102,517</td>
<td>17,043,807</td>
<td>3,334,359</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Buildings and Improvements:

<table>
<thead>
<tr>
<th>Description</th>
<th>Beginning Balance</th>
<th>Current MTD Activity</th>
<th>Current YTD Activity</th>
<th>Project to Date Balance</th>
<th>Fiscal Year Budget</th>
<th>Total Capital Budget</th>
<th>Action No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Admin Bldg Improvements</td>
<td>269,525</td>
<td>-</td>
<td>3,344</td>
<td>272,869</td>
<td>100</td>
<td>280,000</td>
<td>15-25</td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Total Buildings and Improvements</strong></td>
<td>269,525</td>
<td>-</td>
<td>3,344</td>
<td>272,869</td>
<td>100</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Equipment and Vehicles:

#### Equipment:
- Wonderware Historian
  - Beginning Balance: 48,443
  - Current MTD Activity: 48,443
  - Current YTD Activity: 48,443
  - Project to Date Balance: 48,443
  - Fiscal Year Budget: 53,928
  - Total Capital Budget: 53,928
  - Action No.: 16-14
- Trench Protection Boxes
  - Beginning Balance: 48,443
  - Current MTD Activity: 48,443
  - Current YTD Activity: 48,443
  - Project to Date Balance: 48,443
  - Fiscal Year Budget: 36,013
  - Total Capital Budget: 36,013
  - Action No.: 16-20

#### Vehicles:
- **Total Equipment and Vehicles**
  - Beginning Balance: -
  - Current MTD Activity: 48,443
  - Current YTD Activity: 48,443
  - Project to Date Balance: 48,443
  - Fiscal Year Budget: 89,941
  - Total Capital Budget: 89,941

### Total Capital Expenditures

<table>
<thead>
<tr>
<th>Description</th>
<th>Total Capital Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$ 17,210,816</td>
</tr>
<tr>
<td></td>
<td>$ 140,118</td>
</tr>
<tr>
<td></td>
<td>$ 154,304</td>
</tr>
<tr>
<td></td>
<td>$ 17,365,119</td>
</tr>
<tr>
<td></td>
<td>$ 3,424,400</td>
</tr>
</tbody>
</table>
## Henderson Water Utility
### Statement of Net Position
#### August 31, 2016

### Assets and Deferred Outflows

<table>
<thead>
<tr>
<th>Current assets:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$ 9,891,419</td>
</tr>
<tr>
<td>Unrestricted Investments</td>
<td>35,766</td>
</tr>
<tr>
<td>Restricted Investments</td>
<td>594,222</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>527,250</td>
</tr>
<tr>
<td>Inventories</td>
<td>1,030,522</td>
</tr>
<tr>
<td>Other current assets</td>
<td>31,142</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>$12,110,321</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Noncurrent assets:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction in progress</td>
<td>17,043,807</td>
</tr>
<tr>
<td>Utility plant and equipment, net of</td>
<td></td>
</tr>
<tr>
<td>accumulated depreciation</td>
<td>64,297,652</td>
</tr>
<tr>
<td>Other assets</td>
<td>118,305</td>
</tr>
<tr>
<td><strong>Total noncurrent assets</strong></td>
<td>$81,459,764</td>
</tr>
</tbody>
</table>

| Deferred outflows of resources           | 1,340,953 |

| **Total assets and deferred outflows**   | $94,911,038 |

### Liabilities and Deferred Inflows

<table>
<thead>
<tr>
<th>Current liabilities:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable</td>
<td>105,949</td>
</tr>
<tr>
<td>Retainage payable</td>
<td>477,082</td>
</tr>
<tr>
<td>Deposits payable</td>
<td>84,160</td>
</tr>
<tr>
<td>Accrued liabilities</td>
<td>2,141,723</td>
</tr>
<tr>
<td>Current portion of long-term debt</td>
<td>2,251,146</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>$5,060,060</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Noncurrent liabilities:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Accrued pension liability</td>
<td>6,734,694</td>
</tr>
<tr>
<td>Long-term debt</td>
<td>37,781,093</td>
</tr>
<tr>
<td><strong>Total noncurrent liabilities</strong></td>
<td>$44,515,787</td>
</tr>
</tbody>
</table>

| Deferred inflows of resources           | -     |
| **Total liabilities and deferred inflows** | $49,575,847 |

### Net Position

| Net investment in capital assets         | 41,427,525 |
| Restricted for debt service              | 594,222 |
| Unrestricted                             | 3,313,444 |

<p>| <strong>Total net position</strong>                   | $ 45,335,191 |</p>
<table>
<thead>
<tr>
<th></th>
<th>August Actual</th>
<th>August Budget</th>
<th>Year to Date Actual</th>
<th>Year to Date Budget</th>
<th>Fiscal Year Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OPERATING REVENUES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water sales and fees</td>
<td>$ 701,486</td>
<td>$ 688,980</td>
<td>$ 1,406,880</td>
<td>$ 1,377,959</td>
<td>$ 7,633,025</td>
</tr>
<tr>
<td>Wastewater services and fees</td>
<td>1,007,856</td>
<td>991,711</td>
<td>1,974,061</td>
<td>1,983,423</td>
<td>10,995,985</td>
</tr>
<tr>
<td>Total operating revenues</td>
<td>1,709,342</td>
<td>1,680,691</td>
<td>3,380,941</td>
<td>3,361,382</td>
<td>18,629,010</td>
</tr>
<tr>
<td><strong>OPERATING EXPENSES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries, wages, and benefits</td>
<td>483,308</td>
<td>578,352</td>
<td>1,058,964</td>
<td>1,173,343</td>
<td>7,383,118</td>
</tr>
<tr>
<td>Contractual services</td>
<td>149,142</td>
<td>171,735</td>
<td>315,169</td>
<td>343,469</td>
<td>2,081,815</td>
</tr>
<tr>
<td>Supplies and materials</td>
<td>140,320</td>
<td>141,965</td>
<td>272,447</td>
<td>283,929</td>
<td>1,723,100</td>
</tr>
<tr>
<td>Utilities expense</td>
<td>142,029</td>
<td>146,184</td>
<td>282,279</td>
<td>292,368</td>
<td>1,785,255</td>
</tr>
<tr>
<td>Repairs and maintenance</td>
<td>103,127</td>
<td>52,510</td>
<td>152,559</td>
<td>105,019</td>
<td>630,114</td>
</tr>
<tr>
<td>Other services and expenses</td>
<td>41,017</td>
<td>53,559</td>
<td>82,442</td>
<td>107,118</td>
<td>934,710</td>
</tr>
<tr>
<td>Depreciation</td>
<td>249,909</td>
<td>291,667</td>
<td>499,817</td>
<td>583,333</td>
<td>3,500,000</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>1,308,852</td>
<td>1,435,969</td>
<td>2,663,677</td>
<td>2,888,578</td>
<td>18,038,112</td>
</tr>
<tr>
<td>Operating income</td>
<td>400,490</td>
<td>244,722</td>
<td>717,264</td>
<td>472,804</td>
<td>590,898</td>
</tr>
<tr>
<td><strong>NONOPERATING REVENUES (EXPENSES)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment income</td>
<td>4,840</td>
<td>2,083</td>
<td>9,232</td>
<td>4,167</td>
<td>25,000</td>
</tr>
<tr>
<td>Other income</td>
<td>14,595</td>
<td>-</td>
<td>14,990</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Interest expense</td>
<td>(85,967)</td>
<td>(82,617)</td>
<td>(171,935)</td>
<td>(165,235)</td>
<td>(991,409)</td>
</tr>
<tr>
<td>Amortization expense</td>
<td>(329)</td>
<td>(329)</td>
<td>(658)</td>
<td>(659)</td>
<td>(3,951)</td>
</tr>
<tr>
<td>Total nonoperating revenues (expenses)</td>
<td>(66,861)</td>
<td>(80,863)</td>
<td>(148,371)</td>
<td>(161,727)</td>
<td>(970,360)</td>
</tr>
<tr>
<td>Income (loss) before capital contributions and distributions</td>
<td>333,629</td>
<td>163,858</td>
<td>568,893</td>
<td>311,077</td>
<td>(379,462)</td>
</tr>
<tr>
<td>Capital contributions</td>
<td>37,062</td>
<td>20,833</td>
<td>43,335</td>
<td>20,833</td>
<td>250,000</td>
</tr>
<tr>
<td>Distribution to City of Henderson</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(400,000)</td>
</tr>
<tr>
<td>Change in net position</td>
<td>370,691</td>
<td>184,692</td>
<td>612,228</td>
<td>331,910</td>
<td>(529,462)</td>
</tr>
<tr>
<td>Net position, beginning of period</td>
<td>44,964,500</td>
<td>44,891,015</td>
<td>44,722,963</td>
<td>44,722,963</td>
<td>44,690,962</td>
</tr>
<tr>
<td>Net position, end of period</td>
<td>$ 45,335,191</td>
<td>$ 45,075,707</td>
<td>$ 45,335,191</td>
<td>$ 45,054,873</td>
<td>$ 44,161,500</td>
</tr>
</tbody>
</table>
Henderson Water Utility
Statement of Cash Flows
For the Two Months Ended August 31, 2016

CASH FLOWS FROM OPERATING ACTIVITIES
Receipts from customers $ 2,533,335 $ 4,023,441
Payments for goods and services (666,027) (1,079,494)
Payments for employees (483,308) (1,059,058)
Net cash provided (used) by operating activities 1,384,000 1,884,889

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES
Distribution to City of Henderson - -
Net cash provided (used) by noncapital financing activities - -

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES
Acquisition and construction of capital assets (148,794) (376,663)
Principal payments on long-term debt - -
Interest payments on long-term debt - -
Bond proceeds, net of closing costs - -
Capital contributions 37,062 43,335
Net cash provided (used) by capital and related financing activities (111,732) (333,328)

CASH FLOWS FROM INVESTING ACTIVITIES
Investment and other income received 19,435 24,222
Investments proceeds - -
Investments purchases (29,707) (59,314)
Net cash provided (used) by investing activities (10,272) (35,092)

Net increase (decrease) in cash 1,261,996 1,516,469
Cash, beginning of period 8,629,423 8,374,950
Cash, end of period $ 9,891,419 $ 9,891,419
OPERATIONS REPORT
General Operations:

A. Treatment Plants – Overview:

1. **Regulatory**: Disinfection By-Product testing was conducted in the month of August for both water treatment plants. This is our worst month for testing conditions, meaning that it yields our historically highest levels of DBPs. While our North Plant tests every quarter and uses these results as a 4-Quarter running annual average, the South Plant only tests once in August, making it a pass/fail test during our worst possible conditions.

   The South Plant exceeded the maximum contaminant level (MCL) for Haloacetic Acids (HAA5). The MCL is 60 mg/L, and our result was 61 mg/L. Many factors contributed to this, but we believe the main one was weather. July had a major rainfall event just about every week causing the South water plant to be in a constant state of adjusting chemicals. Additionally, the rain elevated the organic content in the raw water. Minimizing the organic content at the beginning of our treatment process is critical to minimizing the formation potential of DBPs in the distribution system, and we were unable to minimize the organic content to the normal level of treatment. There are other factors, but suffice it to say, we are addressing them.

   This exceedance will not result in a violation or the requirement to issue a Public Notification. It does, however, require us to go on an increased monitoring schedule, where we test each quarter and establish a 4-quarter running annual average. If we exceed that, there will be a violation issued. If we meet it, we will go back to reduced monitoring (1x per year in August). We already test each quarter for in-house information so there will be no additional cost associated with this new schedule.

   In the bigger picture, this exceedance emphasizes our need for better testing capability. Last year, you were advised that we would be looking towards the purchase of a piece of lab equipment that could enable us to obtain DBP results in hours rather than weeks, a gas chromatograph (GC). Other capital projects as well as other considerations put this purchase on hold. We are gathering the proper information to purchase a GC at the beginning of the calendar year through our capital budget.

2. **Operational & Financial**:

   **SWWTP Loading**: The problems we’ve had over the past couple of months due to higher organic loading by Tyson have begun to subside, and the plant is improving steadily. Several procedures and analytical tools are being implemented that will help us in the future in predicting and adjusting during these events. While we don’t like being tested by fire, the operations staff have obtained experience that could not be taught otherwise. The process of identifying and assessing all associated costs to Tyson is underway. It deserves to be noted that we were patient and financially conservative in our response to and treatment of this upset.

   **SWWTP Basin Liner**: A liner failure has occurred in one of the basins at this plant. We believe that it was caused by a connection on a 12” diesel pump. The pump was being used in circulating water and air in the basin due to the higher organic loading from Tyson. Plans are to drop the basin
below the detached liner, try to pump out the water that has collected underneath the liner, and then repair the liner. If this doesn’t work, we will move the aeration equipment from this basin to a basin that is currently out of service and put it in service while more extensive repairs are made.

**Budget:** As does nearly every July, expenses exceeded the budget. Chemicals were high due to 1) preparing for DBP testing this month, which required additional orders of carbon; 2) we’re always making up from running leaner than normal during the last month of a fiscal year; and 3) additional quantities of sludge have been hauled from both plants. Expenses will normalize out over this month and the next.

3. **System Water Quality:**

**Water Quality Calls:** There were 6 water quality calls received this past month due to distribution problems associated with the Vine Street Tank being out of service. A press release was issued as well as a CodeRED notification to customers in the affected service area. At the treatment plant, operators increased the chlorine and phosphate feed rates. This is as much as could be done from a plant operations standpoint.

The addresses responded to and investigated by the Water Quality Specialist were:

- 329 Jefferson Street on 8/25/2016
- 320 Jefferson Street on 9/1/2016
- 220 Jefferson Street on 9/1/2016
- 610 MLK Drive on 9/1/2016
- 240 Dixon Street on 9/6/2016

There were numerous additional samples taken at locations near these addresses.

The nature of the complaints at each address were similar. All of our analytical results were negative for bacteriological contamination.

4. **Personnel:**

**Certifications & Licenses:** Water Quality Specialist Ashley Cooper obtained her Class 4 Distribution license.

**Staffing Levels:**

a. North Water: Full operational staff. The exam for the Water Quality Specialist is being revised and should be submitted this month.

b. North Wastewater: Full operational staff.
c. South Water: Interviews were started last week for one vacant WTO1 position. We hope to have this position filled by the end of the month.

d. South Wastewater: Full operational staff.

e. Environmental Compliance & Pretreatment: Currently at full operational staff.

f. Plant Maintenance: There is one vacant WTO2 position. An exam will be prepared and administered.

g. Pump Station Maintenance: A resignation letter was received from Brad Pendergraft. His last day was 9/16/2016. He had been with us for about 5 years and took a position with Indiana American Water in Newburgh, IN. Interviews for two vacant positions were conducted last week. We hope to have the positions filled by the end of the month.

h. Treatment Intern: The intention is to fill this position during the holiday break. Paperwork will be submitted in November.

5. Projects:

Plant Beautification Efforts: This effort is continuing throughout the plants on an on-going basis.

B. North WTP:

1. Treatment Quality:

Water Quality Goals: All regulatory and Partnership for Safe Water treatment goals were met.

Distribution: We are currently looking to install additional sampling sites in our distribution system so as to get a better representation and understanding of the water quality in our entire system. Currently, we are required by KDOW to have 30 regulatory sampling sites. We believe that it is necessary to add to this number even though regulations do not require us to.

2. Operations & Projects:

Treatment Challenges: The plant has run very well this month now that construction is substantially complete. With all three basins back online and now covered, the detention time through the plant is considerably less than it was before construction. Modifications made to the plant have worked out well for operations due to the plant reacting much faster to changes in raw water conditions that require chemical adjustments. While this requires the operators to be more proactive in their decision making, it is a positive change.

Construction: Construction is now substantially complete. Bowling Inc. has been busy with all of the required clean up. The lime silo behind the plant was removed which makes a considerable improvement to the aesthetics of the plant. Bringing the older portions of the plant up to the same standard of aesthetics will be the new focus moving forward.
Plant Optimization: Plant optimization meetings resumed this month and will be conducted each month. This month the operators reviewed and discussed the effects that construction changes have made on the operations of the plant and its effect on our optimization strategy. This was largely focused on detention time, and how to calculate detention time through the plant as needed. Next on the agenda will be filter evaluations and the Partnership Optimization Report.

Hach WIMS National Conference: The Chief Operator attended a National Users Conference for our operations software program (Hach WIMS) the first week of September. This was a high-level conference that focused on enhancing user experiences and planning towards future innovation. Josh Thompson has brought back a lot of ideas and a new bag of tricks to help us enhance the way that we utilize this very powerful software. A short presentation of this software will be on a future meeting agenda.

3. Budget:

Chemicals: Chemicals were over budget due to DBP testing preparation and fiscal year transitioning.

Monthly Total O&M: The NWTP was slightly over budget for the month.

4. Average Water Treated and Water Pumped Data Trend:

![Graph showing average water treated and pumped data trend]

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

C. North WWTP:

1. Treatment Quality:
Effluent Quality: All regulatory treatment goals were met. The new UV system is maintaining acceptable E. coli results despite some minor issues which TrojanUV is looking into this week.

Biosolids Quality: Sludge solids are remaining around good to excellent quality (14 – 16%).

Reports: All reports have been submitted for the month.

2. Operations & Projects:

UV Disinfection: Minor issues continue to persist. TrojanUV personnel will return in September to investigate further. For a technology and company that is widely regarded as the top of the line, our experience with them has not matched their reputation or their advertising.

Maintenance: Equipment maintenance continues plus another round of aeration basin work. Our staff is assisting SWWTP on a digester rehab project. Some major work on the older sludge press will take place this month.

Construction: Codell Construction is finishing revised punch list items and looking to exit the job shortly. Bowling will be starting up on the Clarifier rehab project shortly.

Sludge Hauling: All is well.

Treatment Challenges: Operators continue to deal with algae buildup and cleanup. This is a considerable challenge. Wauford is working on technical specifications for the installation of a removable screen prior to the UV Influent Channel that will assist in this.

3. Budget:

Chemicals: Chemical expenditures were over budget for the month.

Fuel: Under budget for the month.

Solids Management: Under budget for the month.

Monthly Total O&M: Monthly O&M total expenditures were under budget.

D. South WTP:

1. Treatment Quality:

Water Quality Goals: All monthly regulatory goals were met. As mentioned in the Overview Section, we were out of compliance on our Disinfection By-Product testing for Haloacetic Acids.

Distribution: The Director of Plant Operations spoke with KDO in reference to our DBP sample site. It was discovered that Beech Grove Water System includes this same site for their distribution testing. KDO has requested that this site be moved to an unshared location. We will likely move it to the vicinity of the Tyson Hatchery.

2. Operations & Projects:

Personnel: Interviews to fill a WTO1 vacancy at this plant were conducted last week. We hope to have the position filled by the end of the month.
Treatment Challenges: Severe weather makes stability an erratic and elusive target at this plant. The weather during the past couple of months has caused several treatment upsets which directly limits our ability to meet treatment goals. While there is little that can be done to change the weather, we are looking into several different ways to stabilize the treatment processes to minimize the negative effects.

Projects: Winterization efforts have started at the plant. This has required extra effort and expense due to the reinstallation of what needed to be torn out and down for the Cone rehab and painting project.

Maintenance: Maintenance projects continue to be addressed. Most of them have been only minor repairs.

3. Budget:

Chemicals: Chemicals were over budget for the month due to DBP preparation and fiscal year transition.

Monthly Total O&M: Total O&M expenditures were over budget for the month; however, this will level out over the next couple of months.

4. Average Water Treated and Water Pumped Data Trend:

![Average Water Treated and Water Pumped Data Trend](image)

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

E. South WWTP:

1. Treatment Quality:

Effluent Quality: All treatment goals were met in August.

Biosolids Quality: Sludge solids are remaining around good to excellent quality (14 – 16%).

Reports: All reports have been submitted for the month.

2. Operations & Projects:

Personnel: One of our operators will be scheduling FMLA leave in August to assist in the recovery of his wife after surgery. The remaining operators will cover as needed.
**Digester Repair:** Repairs to the #2 digester are almost complete. They should be finished by the end of the week of September 11.

**Headworks Building Repair:** Work will be starting to enclose the Mag Hydroxide slurry containment and pumping stations in this building. We will leave the rest of the building as-is until Spring, but the plan is to permanently enclose the front part of the building and eliminate the rest of the building over the headworks channel. This will mitigate H2S deterioration and damage.

3. **Budget:**

   **Chemicals:** Over budget for the month.

   **Solids Management:** Over budget for the month.

   **Monthly Total O&M:** Total monthly expenditures were over budget.

F. **Pump Station Maintenance:**

   **Personnel:** Interviews were conducted last week. We hope to be back to full staff (4 Maintenance Techs) by the end of the month.

   **North Fork PS:** Pump #1 is being repaired. We are still waiting on the bar screen technician.

   **CSO Basin:** Pump #1 has been delivered to Ashby Electric for repair.

G. **Plant Maintenance:**

   **Office Space:** New offices are now occupied. Only a few cosmetic touches remain undone. Jerry Basham is looking to expand our parking area.

   **Security Cameras:** This work continues at the treatment plants, particularly at the South Wastewater plant. This location needs cameras in place that will assist in operational monitoring. NWTP 6th Street entrance camera is now in service.

   **Training Classes:** New material from HCC is being reviewed. Specific training in the areas of aeration blowers, electrical valve actuators, and pump maintenance is being investigated. I met with Randy Owens concerning a time schedule. HCC is ready at any time. I told Randy, with new personnel coming onboard, we would wait to schedule until everyone is in place. The same applies to training with Action Automation.

   **SWWTP Digester:** Work is nearly complete on the #2 digester rebuild. Expected completion is September 13, 2016.

   **Maintenance Staff:** With M.J. Hyson’s retirement, we are short one maintenance tech. The hiring process is on going.

   **NWTP:** The new carbon feed line installation is complete.

H. **Pretreatment Program & FOG Services:**

   **Tyson Foods:** Work with Tyson continues as we determine the costs and ways for preventing future plant upsets.
Pretreatment Semi-Annual Report: Submitted to the Kentucky Division of Water. The division has determined that the report is in compliance with the elements required in 40 CFR Part 403 and HWU’s KPDES permit.

Cross Connection and Backflow Prevention: Tim Fischbeck is developing a database that will help with the development and tracking of the Backflow Prevention and Cross-Connection Control program.

FOG Program: FOG permits issued to Long John Silver’s, Grandy’s, Kentucky Fried Chicken, Applebee’s, Pizza Hut, Shoney’s Restaurant, Mr. B’s Pizza and Wings, Taco Bell, McDonalds (South Green St.), McDonalds (Highway 41 N.), Taco John’s, Rally’s Hamburgers, Denny’s, Arby’s, Spudz-N-Stuff, Tokyo Teppanyaki, Burger King, Tumbleweed Southwest Grill, Wendy’s, Firedome Pizza and Wings, and Lombardi’s New York Pizza.

Applebee’s, Kentucky Fried Chicken, Grandy’s, and Long John Silver’s have been inspected and found compliant with the FOG policy.

I. Automation Department:

1. **(No Change)**: We have completed automation for the new water booster station. It is ready for final testing and to be placed into operation.

2. **(No Change)**: We have ordered equipment for measuring and reporting, via SCADA, pump amperage at each station. This will enable us to establish some baseline performance for normal operation of each pump motor, and should provide early indication of potential problems. We have installed meters for six pump stations to date.

3. We have been installing pressure sensors around our north water system in order to assist in water modeling, water quality control, and to enhance our pressure monitoring. Installation requires setting a pit, tapping a water line, running conduit and wiring, and integrating into a nearby SCADA panel, usually a pump station. We have 13 sensors installed so far, with the latest located at International Paper, Airport, and Atkinson Park pump stations. The pressure sensor information is transferred from SCADA to a GIS website at [http://gis.hkywater.org/wpressurescada.html](http://gis.hkywater.org/wpressurescada.html). PLCs have been programmed for 36 locations and will be activated as sensors are installed.

4. The NWWTP is running fully on the new system. We have integrated the control systems into our existing, and nearly everything appears to be operating as expected, with a few punch list items left such as flow totalizing. However, it appears there is a problem maintaining steady, clean power. HMP&L has been contacted and is in the process of testing.

5. The NWWTP Chief Operator has requested an additional Operator Interface Terminal (OIT) for the UV system to be installed in the operations office. This OIT will replicate the one located in the UV building and will allow operators to utilize the same screens and menu systems. Since we have a spare/backup OIT for the UV system, we have set it up and programmed it to be identical. Monitoring and control of the UV system can be achieved from either OIT.

6. **(No Change)**: A new magnetic flowmeter has been installed at the Third Street CSO Basin in order to record the volume of captured combined sewer being pumped to the NWWTP. The flowmeter has been incorporated into SCADA and continuously trended. We have yet to record any flow data from the Basin due to an apparent blockage in the force main that was discovered as a result of
installing the flowmeter. Crews are working to either clear the obstruction or to determine the reason why we cannot pump through the force main.

7. HMP&L has made changes to our point-to-point communications between various locations, and after some initial hiccups, it appears that all is well and functioning properly within the North facilities and the South facilities, but not from North to South or vice-versa. IT and HMPL are working to resolve this problem.

8. **(No Change):** New Historian server software has arrived and will be installing the new server over the next couple of weeks.

9. A new Wonderware application has been installed for the Director of Plant Operations.

10. A new Wonderware application has been installed for the SOC. A new computer was also installed which replaced our last holdout of Windows XP with Windows 7. This computer controls & monitors various functions of the 3rd Street CSO Basin rainfall, SOC Security, and will be the local application host for the new mobile communications software (Win-911). Replacing this computer will also enable us to update/upgrade the Maintenance SCADA computer.

11. A new SCADA control cabinet has been built for the Vine Street Tank. This cabinet will replace the current cabinet with updated controls.

12. New SCADA communications software has been ordered that will allow us to set up mobile notifications based upon alarm conditions. This will enable SCADA to automatically notify pump station maintenance personnel, in particular, especially during foul weather when the plant operators are typically very busy tending to issues in the plant and cannot always monitor the pump station status. The software will interface between our HMI (Wonderware) and a mobile application for smart phones and tablets. We are in the process of installing and configuring this software which consists of installation on a computer running a live Wonderware application and setup of a mobile communications server (see item 10).
J. SOC General:

1. Henderson Water Utility is making effective use of expanded outreach and public notifications. We have been posting notifications and updates on Facebook and Twitter for almost three years.

We have recently begun to use CodeRED, a kind of “Reverse 911” program to make targeted telephone calls to alert our citizens of areas of concern.

Our first CodeRED call was delivered on August 31, to a small area just west of South Green Street. Residents in that area might expect to experience low water pressure because of hydrant flushing and valve exercising.

Our second CodeRED call was delivered on September 8. Residents in a much larger area were experiencing problems that have been traced to the Vine Street Elevated Tank rehab project. With the Vine Street tank out of service, there have been changes to the water pressure, flow directions, and water chemistry in the Central part of Henderson. The purpose of the call was to notify customers in the targeted area that HWU is aware of the problem, and is doing all we can to mitigate water quality issues until the Vine Street tank can be returned to service in four to six weeks.

Of course, both CodeRED notification campaigns were part of a coordinated effort that included press releases to all media outlets, postings on Facebook, on Twitter, and on the HWU website.

![CodeRED Emergency Communications Network](image1)

Local land lines are already automatically included in the CodeRED Emergency Communications Network database, but cell phone numbers are ONLY included if you “Opt In” by signing up for the free service. Sign up for CodeRED at [http://tinyurl.com/HendersonKY-CodeRED](http://tinyurl.com/HendersonKY-CodeRED), or by calling the toll-free phone number listed for mobile device sign-ups: **1-866-939-0911**.

2. The fall leaf season is approaching. HWU will once again partner with the Public Works Department to vacuum up leaves that have been raked down to the curb.

3. HWU will have a tri-fold flyer to accompany the October 2016 Utility Bills. About 16,000 flyers will be mailed out to City of Henderson utility customers. See a preview of the Tri-fold flyer at the end of this Operations Report.

1. The tabulation below shows calls we responded to last month. This tabulation by no means represents all of the calls that came in. We provided the following services:

<table>
<thead>
<tr>
<th>Water Line and Service Maintenance</th>
<th>Qty.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water Main Repairs</td>
<td>17</td>
</tr>
<tr>
<td>Water Service Line Repairs</td>
<td>16</td>
</tr>
<tr>
<td>Water Meter Inspection</td>
<td>54</td>
</tr>
<tr>
<td>Water Meter Changes</td>
<td>8</td>
</tr>
<tr>
<td>Water Meter Repair</td>
<td>7</td>
</tr>
<tr>
<td>Water Meter Disconnected</td>
<td>2</td>
</tr>
<tr>
<td>Water Meter Reposition</td>
<td>3</td>
</tr>
<tr>
<td>Water Meter Box Cleaned</td>
<td>10</td>
</tr>
<tr>
<td>Water Meter Locate</td>
<td>1</td>
</tr>
<tr>
<td>Water Meter Leak Detection</td>
<td>12</td>
</tr>
<tr>
<td>Water Meter Consumption Check</td>
<td>5</td>
</tr>
<tr>
<td>Fire Hydrant Repairs</td>
<td>1</td>
</tr>
<tr>
<td>Low Water Pressure Calls</td>
<td>6</td>
</tr>
<tr>
<td>Water Leak Calls</td>
<td>43</td>
</tr>
<tr>
<td>Water Quality Calls</td>
<td>5</td>
</tr>
<tr>
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<td>Total Complied and Re-inspected</td>
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**HWU Service Call Summary**

- **1 - Water Line and Service Maintenance** (Total Calls in 18 Sub-Categories)
- **2 - Stormwater Maintenance** (Total Calls in 4 Sub-Categories)
- **3 - Pump Station Maintenance** (Total Calls in 4 Sub-Categories)
- **4 - Sewer Line and Service Maintenance** (Total Calls in 10 Sub-Categories)
- **5 - New Services** (Total Calls in 4 Sub-Categories)
- **6 - Miscellaneous Services** (Total Calls in 4 Sub-Categories)
- **7 - Regulatory Issues** (Downspout Letters Mailed)
2. Rolling 2-Year History of Monthly HWU Service Calls.
L. Collection System:

1. Repairs to the S. Main St. sewer failure are complete.

2. We worked this month on a couple of the neighborhood stormwater projects and ditch cleaning.

3. Due to the amount of rain, we have had more than the usual number of complaints about flooding and backups. All these are assessed, and added to the queue when there’s something we can do to alleviate a problem.

M. Distribution System:

1. We have had low pressure calls on South Elm, International Paper, Bob Posey and Alves St. We shut the valve at Old Madisonville Road to help with the pressure loss issues. We had water quality issues in a 4 block area at South Elm, but that was caused from a 4” clogged main and poor circulation in the area. We had low pressure at Brenntag, but that was because the 4” meter inlet screen was stopped up with PVC cuttings.

N. Stormwater Phase II:

1. The Kentucky Stormwater Association (KSA) will hold a Quarterly meeting in Bowling Green on October 5, 2016. The main topic of discussion will be “Pervious Pavement”. Pervious pavement is porous and allows rainwater to seep through the pavement and into the ground below, thus helping to improve stormwater quality. The meeting will feature discussions, an onsite pervious pavement demonstration, and a field trip to see other pervious pavement installations in Warren County. Ken Ferry and John Baker will attend the KSA meeting.
2. HWU will assist the Henderson County Cooperative Extension Service (CES) and the Tradewater & Lower Green River Watershed Watch with a Rain Barrel Workshop. The workshop will take place on Saturday, November 19, 2016. Our partnership will help the CES reach a wider audience, and will help HWU with additional public participation, awareness, participation, and outreach.

![Rain Barrel Workshop Poster]

O. Information Technology Department:

1. The Freeance software is implemented, and training is nearly complete. To date, all but two users have been trained. User response has largely been positive.

2. HWU is changing the way it distributes the mobile phone co-pay. Employees in qualifying classifications, as defined in policy number C-100, are entitled an allowance of a certain portion of their AT&T mobile phone bill. Currently, HWU pays the co-pay directly to AT&T on the employee’s behalf; however, we recently discovered that such payments are considered taxable by the IRS. Therefore, we have de-enrolled each employee from the AT&T co-pay program and will begin distributing the co-pay, as grossed-up taxable income, to eligible employees via the payroll process. AT&T has stated the de-enrollment process may take up to two billing cycles; therefore, we will monitor the bills to see when we need to begin the payroll process. Internal policies are being updated.

3. On 17 August we were notified that one of our Dell Compellent Storage Area Network (SAN) Shelves could no longer be covered by a Dell service contract due to its age. Therefore, we classified its replacement as an emergency and purchased a new Shelf. That new Shelf has been installed. In addition, the two host servers were scheduled to be replaced this year. To minimize cost, refurbished replacements have also been purchased, and they should arrive within the next few days. Most of this equipment was originally installed in 2010.

4. The Office 365 subscriptions have been purchased, and configuration and installation is underway.
P.  GIS Department:

1. We will be working with Pipelogix technical support to help get us going with the upgrade of our CCTV software (Pipelogy) to integrate with Cityworks and GIS. Reports, attribute information, condition scores, pictures, and videos will become more accessible through the GIS and Cityworks for viewing and analysis.

2. We currently have surveyed 92% (3029 out of 3286) of our wastewater manholes. We still have 257 manholes that need investigating of some type. Tony Samples is doing the GPS field work as well as updating the spatial and attribute (rim elevation) information in the GIS. Ron Bentley has also been helping out by investigating manholes that we could not locate. Based on his findings, we are removing the manholes from the GIS if they don’t exist.
Autumn Leaves and Yard Waste

Henderson Water Utility no longer provides leaf bags to Henderson households during the fall leaf season.

Instead, we will work with the City Public Works Department to use vacuum equipment to collect leaves that have been raked to the curb (but NOT into the street, which is against City code).

When your leaves are ready, call the Public Works Department at **270-831-1234** for pick up.

City vacuum crews will collect leaves from early November through December.

City crews will also pick up bagged leaves, but you must provide the bags. The Sanitation Department will collect up to 10 bags during their regular trash collection time.

Henderson Water Utility has primary responsibility for enforcement of standards under the Clean Water Act for storm water facilities and for pollution prevention. In line with those requirements published by the U.S. EPA and the Commonwealth of Kentucky, in 2012 the City adopted requirements that prohibit the deposit of any pollutants or yard waste on any street, alley or public way. This includes all streets and sidewalks within the City of Henderson. This provision is contained in City Code Chapter 23-27.4.

Yard waste includes grass clippings, debris from edging and trimming, and any other foreign material that might be deposited on a solid surface and then flushed into the stormwater systems. Grass clippings and debris that make their way into the stormwater system can cause clogs and blockages, and when that organic material rots and degrades, it can lead to pollution of surface water.

We are making you aware of this requirement, prior to beginning stricter enforcement activities. Violation of the ordinance requirements is punishable by a fine not to exceed five hundred dollars ($500.00) per day, or imprisonment for not more than one year, or both.

(Revised 09-15-2016)
When it Rains it Drains

What is Stormwater?
Stormwater runoff occurs when precipitation from rain or melting snow flows over the ground. Impervious surfaces like driveways, sidewalks, streets, and rooftops prevent stormwater from naturally soaking into the ground. To manage this, communities have storm sewers that help to carry stormwater away from homes and businesses.

Did you Know?
When it rains, the stormwater runoff is carried away by pipes and ditches of our storm sewers. These pipes and ditches are different than our regular sewers because the water goes directly into our streams, rivers, and lakes. Unlike sewage, stormwater runoff does not drain to a treatment plant.

As it flows, stormwater picks up debris, chemicals, dirt, and other pollution and carries it into our waterways where it can harm fish, frogs, and other aquatic plants and animals. This is the same water that we use for swimming, fishing, and drinking.

New Importance
Communities like Henderson are facing new federal regulations to reduce pollution. These regulations focus on improving the quality of our streams by reducing the amount of pollution carried by stormwater runoff into our waterways.

10 Simple Steps to Improve the Quality of Our Streams
1. Don't dump anything down storm drains.
2. Use pesticides and fertilizers sparingly.
3. Put litter in its place.
4. Pick up after your pet.
5. Sweep driveways (do not spray wash).
6. Collect yard waste & keep it out of storm drains.
7. Use a car wash (they recycle dirty water).
8. Recycle used motor oil.
9. Check your car for leaks (fix them!).
10. Have your septic tank inspected every 3-5 years.

What's Happening?
Communities around the country are taking action to improve pollution controls. Some of the activities include:

- Increasing public awareness and involvement.
- Eliminating illegal connections and discharges to the storm sewer system.
- Increasing sediment controls at construction sites.
- Requiring controls in new development to remove pollutants from stormwater.
- Improving pollution prevention from community facilities such as maintenance garages, equipment areas, and work areas.

Did you Know…
Polluted stormwater runoff is a leading cause of impairment to unhealthy US waterways – nearly 40%.

Grass clippings left on the street or in the gutter become pollution in our ditches, creeks and rivers. Don't let your yard waste blow out into the roadway. Collect the yard waste for disposal if it does get off of your property.

At Home and at Work
There are many ways to reduce pollution at home and work, beginning with the 10 Simple Steps.

Businesses such as restaurants, automotive services, construction/development, landscaping and agriculture can also take steps to reduce runoff pollution, including:

- Promote recycling.
- Keep dumpster doors closed and covered to help keep them clean and avoid leaks.
- Use yard and de-icing chemicals sparingly.
- Cover or seed exposed soil so it doesn't erode.
- Dispose of hazardous materials (paint, chemicals) at proper facilities (not the trash).
- Store and apply manure away from waterways.

How Can You Help?
Get Involved – Show support and contact your local stormwater program for ways to volunteer.

Stay Informed – Take an active interest in our waterways. Find out what's threatening them and what's being done to protect them.

Do Your Part – Do not pollute, and report pollution entering our stormwater.

Remember that YOU are the SOLUTION to POLLUTION.

Understanding Stormwater
To find out more about stormwater, visit:

Environmental Protection Agency:
www.epa.gov/npdes/stormwater
www.epa.gov/owow/nps/

For Kids:
www.epa.gov/owow/nps/kids/

Kentucky:
www.water.ky.gov

Henderson:
www.hkywater.org
E-mail: stormwater@hkywater.org
Phone: (270) 826-2824

www.hkywater.org
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<th>Address</th>
<th>Comments</th>
<th>Rodney's Comments</th>
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<td>4/14/2016</td>
<td>124</td>
<td>914 Lovers Lane</td>
<td>Workers were great and courteous and fast on the job. I was pleased very well.</td>
<td>Received on 08/17/2016, but dated 04/14/2016.</td>
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<tr>
<td>8/15/2016</td>
<td>124</td>
<td>99 HWY 2084</td>
<td>Work was completed very fast and they did a great job.</td>
<td></td>
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<tr>
<td>8/17/2016</td>
<td>124</td>
<td>3147 Braxton</td>
<td>Said water meter okay, but water bill way too much for (2) 80 year old people.</td>
<td></td>
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<tr>
<td>8/24/2016</td>
<td>125</td>
<td>2708 Donaldson</td>
<td>Good job!!</td>
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<tr>
<td>8/29/2016</td>
<td>124</td>
<td>451 S. Alves St.</td>
<td>No comments.</td>
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27 Service Request Tags Given Out
04 Work Order Tags Given Out
05 Door Tags Returned
ENGINEERING REPORT
1. **North Wastewater Treatment Plant:**
   - **Headworks/Plant Upgrade:** Final inspection held on August 30th, and contractor is working on punch list items. The current penalty for liquidated damages is around $300,000, due to delays in completion beyond the original 18 month schedule (completion was supposed to be 22 October 2015). The new plant was running as a stand-alone unit in February 2016.

   Additional work on the plant will include the two projects listed below, and some additional paving that we’ll put off for a few months while the ground settles.

   - **Clarifier Repairs:** Bids for rehabbing the two older secondary clarifiers were received on August 23rd, and this project component is subject of an action report for this meeting. Based on the bids received, we believe it is more cost effective to replace the metal rotating mechanisms on these two units than to paint and repair them, and that is what is recommended in the action report. Replacement may mean that this project drags on a little longer, as the repair option has no time delay for equipment fabrication.

   - **Digester Building:** Wauford has prepared plans for upgrades in this building, bringing access up to code and reworking piping to make it simpler to operate and easier to maintain. We received KDOW approval for this project in early December 2015, but will likely not take bids until 2017-18.

2. **North Main Street Pressure Zone:**
   Work began on 25 July; kept getting delayed by other priorities and our short-handed-workforce situation. The section of pipe on 12th Street from Main to Merritt was installed as we did a stormwater pipe repair at 12th and Main, allowing us to only impact the hospital’s main employee entrance one time instead of twice. We hired Branson Surveys to lay out property lines and easement limits on this job, since this is one area where we can definitely not afford to stray off an easement and have to purchase property; $3k for some survey work is cheap insurance. The line is connected on the tank end, and work is now happening on Craig Drive.

3. **Atkinson Park Sewershed Study - Myrene Drive Sewer Pump Station:**
   Phased in five sections, design of these projects is progressing. We have several easements appraised and are starting to make property owner contacts. We’ve received a KYTC permit for the crossing of Green Street at 14th Street for the new Atkinson Park pump station force main.

   The construction of a revamped Myrene Drive pump station is being studied further, to see if there are better alternatives for location and/or arrangement of this station in a cramped location without much room to maneuver. This may require temporary easements from surrounding property owners.

   We have received the KDOW construction permit for the Spruce Drive portion of the project (which eliminates one pump station). This will not be bid until 2018. Have one easement for this project signed and recorded.

4. **South Water Treatment Plant – Rehab Projects:**
   Several projects were included in a 2014 preliminary engineering report for the SWTP.

   - **Membrane Filtration Plant:** Award of the membrane equipment was made to GE/Xenon, and they set up a pilot plant that has confirmed the choice of the equipment; that experiment is now concluded, and plant design is progressing. We received 75% plans and had a meeting to discuss and make sure
everything is on the right track. Automation department has begun review of electrical and control plans and specs.

**Update on Clearwell Project:** Bidding of the new 800,000 gallon prestressed tank is awaiting availability of funds, and we will likely not bid this until late next year. The current Clearwell, while it needs painting, is not a critical water-quality issue at the moment. KDOH has granted plan approval, including an exception for the clearwell being a single compartment.

**Raw Water:** Plans for the Raw Water & Effluent Lines Relocations have received KDOH review and approval. New agreement with Big Rivers has cleared the way to bid this project, probably next fiscal year, when capital funds are available.

**Repair of Metal Structures in the Current Plant:** This sub-project is now complete.

**Expanding/Dredging Lake – Backup Water Source:** On hold until we get a chance to do detailed design.

5. **Highway #41A South/Finley Addition Sewer System Project:** *(Project Complete)*

   Final change order and pay application submitted to the County. We should have numbers in hand soon for Todd to book this project as Contributed Capital. First reading of the City’s annexation ordinance has passed, and these customers will now be receiving a combined water/sewer bill at the City rates.

6. **Countryview Subdivision Stormwater Project:**

   We have a joint project with the City in the current budget to improve drainage by installing storm sewers in this neighborhood. The City committed $100,000 for each of the last two fiscal years, as did we. Easements will be a holdup, since we must cross property to get ditches out to the creek, which surrounds this neighborhood. Met with Corps of Engineers representative to determine needs for permitting of the outlets to the creek, and to avoid crossing wetland areas. Have submitted plans to Texas Gas for several crossings of their high pressure main, and met with their representative in the field on May 6th to discuss our crossings and the permits required. HWU Staff working on plan updates for first phase, hoping to start construction this fall.

7. **Vine Street Tank Painting:**

   Work on the exterior of this tank is progressing, with some blasting and priming complete, with the contractor arriving on-site August 16th and starting by installing the curtaining for containment. This tank does not require full containment since there is no lead paint, but the contractor is installing a curtain to cut down on fugitive emissions, potential problems with paint on cars, houses, etc. The first items worked on related to the radio room, equipment and conduit associated with radio repeater equipment for us, the Fire Department and the Housing Authority; these new rooms are largely complete.
We negotiated a reduction in price by deleting interior cleaning and painting, and funding for the remainder is set aside in this year’s capital plan. Painting contractor is Preferred Sandblasting and Painting from Shelbyville, Tennessee. Mark Bowling has subcontracted the building-related portion of the work, including a new piped mixing system on the inlet piping in the tank bowl. That work will be performed after the painting is complete.

8. **Graham Hill and Green River Road Pressure Zone Studies: (no change since last report)**
Have received a draft report from Strand on their Green River Road area study. Pointed out several options, and we are looking at two or three small projects that might have a big impact. Wauford’s Graham Hill study is held up by a data collection difficulty with the City’s meter data. Neither of these projects is currently funded, so there’s no urgency. Having plans for future projects like these, which probably need to be done at some point but aren’t critical, is a good idea, so we can use up excess funds as they become available, even if in small amounts.

9. **North Water Treatment Plant – Rehab and Basin Repair Project: (Project Complete)**
This project is largely complete, and will drop from future reports.

Shown at left, M. Bowling personnel removed the long-unused lime silo on August 26th. Rather than include that demolition in the project, we put the unit on GovDeals, and they paid us $1,501.

We have used this website extensively over the last few years to rid ourselves of items we no longer need or use, but that have residual value. That’s been 27 items and counting, in the last 12 months. Glenn Frields is the GovDeals guru.

10. **College Tank Painting:**
Strand has looked at the tank with staff, and we know the full scope of work for the painting, now. Plans and specs should follow on soon, but money for this project will not be available until the first of calendar year 2017. This project will be more challenging than the Vine Street painting project, from a systems-operation perspective.

11. **U.S. 60 West Water Booster Station: (no change since last report)**
Startup delayed due to other projects. We will delete this item from future reports.

12. **South Wastewater Treatment Plant – Repairs to Basin # 5 & 6 (no change since last report)**
Basin 6 of the South Wastewater Plant was taken out of service in 2008 due to a slope slip under the liner. Since that time, we’ve been able to get by without this basin, knowing that at some point we would need to bring it back up. That point is now, based on increases in biological loadings from Tyson. The slope failure in Basin 6 has shown no further signs of slippage, and over the last two months, the liner in Basin 5 is started leaking, so we are planning to move the equipment in Basin 5 over to Basin 6, then repair the liner in 5 and install new equipment there.

13. **U.S. 60 West Widening – KY 425 to Henderson Community College:**
Preliminary line and grade inspection held on May 13th. Qk4’s local office is handling the overall work, with assistance from Stigall Engineering on the gas line portions. Relocation plans were complete and in KYTC’s hands by August 1st as per the original schedule. We understand that actual work on the highway will begin in 2017. Dealings with college staff on locations for the lines and on an easement
document have been excellent, and we have received the easement document with signatures on their end, have processed it through the City, HMPL and HWU, and the easement is now ready to be recorded.

14. Custom Resins Water Line: (no change since last report)
Custom Resins is expanding, and in order to provide fire suppression service to a new building, we would like to extend the “Mosaic” portion of the Riverport Loop water line (addressed in our strategic plan) to the Riverport. Have been in conversations with GRADD, Dept. of Local Government and Henderson County Fiscal Court about obtaining grant funds for this, since the extension is tied to economic development. If we can’t work out using grant funding on the water line, we may need to participate with Custom in upsizing a line that they would lay as part of their project.

15. Sugar Creek Sewer Line – Bank Stabilization:
Behind Grandy’s on US 41 North, an 18” gravity sewer line has been exposed by the avulsion of Sugar Creek. This line carries waste from a few hundred homes stretching all the way back into Frontier Subdivision, and from several of the restaurants along the Strip. Work on building this wall is complete, and it was built with large (3’ x 3’ x 6’) concrete blocks that the local concrete suppliers cast from left-over concrete. Weather has not cooperated, so this project got pushed back until the short dry period at the end of August. Sugar Creek is a major watershed for the north end, and flows swiftly after large rains. Very proud of staff and crews for their work on this and the innovative way it was accomplished.
HUMAN RESOURCE REPORT
HWU Human Resources Summary: September 19, 2016

Staffing Levels:

1. Utility System Worker I [2 positions]: 1 new employee started on September 6; 1 candidate sent for pre-employment drug screen & physical

2. Water Quality Specialist [1 position]: no one passed exam; waiting on direction from management

3. Receiving / Inventory Clerk [1 position]: exam given September 8th, scoring of exams is in process

4. Maintenance Technician I [1 position]: interviews were completed September 13th

5. South Water Treatment Operator I [1 position]: interviews were completed September 14th

6. South Water Treatment Operator II [1 position]: no candidates applied; management elected to not hire at this time

7. SOC – Seasonal Worker [4 positions]: no request for action

8. Treatment Plants – Seasonal Maintenance Worker [3 positions]: existing temporary staffing agency employee may fill 1 position; waiting on direction from department on how to proceed

Safety Report (as of 8/31/2016):

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<td>+ 12,732</td>
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<tr>
<td>❯ Days Away/Restricted Time Cases</td>
<td>7</td>
<td>+ 1</td>
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<tr>
<td>❯ Days Away From Work Cases</td>
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</tr>
<tr>
<td>❯ Actual # Days Away From Work</td>
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<tr>
<td>❯ Transfer/Restricted Cases</td>
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<td>❯ Actual # Days Restricted Duty</td>
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Incident Rates

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<tr>
<td>Total Recordable Rate</td>
<td>13.23</td>
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<tr>
<td>DART Incident Rate</td>
<td>14.97</td>
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<tr>
<td>DAFW Rate</td>
<td>4.99</td>
<td>- 1.21</td>
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<tr>
<td>Trans / Restrict. Rate</td>
<td>9.98</td>
<td>- 0.54</td>
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- 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: [# Cases] x 200,000 / Employee Hours Worked
- Change data compared to data at the end of the previous month.

- No recordable incidents in August; one employee is on modified duty.
- The August comprehensive fixed facility safety audits were conducted on the Administration and the SOC. No safety issues were identified at either location. Both locations were last audited in May 2016.

Other:

Upcoming City-wide Events:

- Flu shots are being scheduled for October.
- Annual drug and alcohol awareness training is being scheduled for November.
SAFETY REPORT
A. Safety Committee:

There was a safety committee meeting held by teleconference in August. There were no concerns.

B. Training

Training performed in August:

1. Safety meetings are continuing for the crews at the SOC.

2. The following training was provided for new employees. Confined Space, PPE, Excavations, LO/TO

C. The Safety Inspections:

1. Administration Building
   - See facility audit below.

2. Systems Operation Center (SOC):
   - See facility audit below.

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 August were on the 8th, 10th, 11th, 15th, 17th, 22nd, and 26th.

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 August were on the 8th, 10th, 11th, 15th, 17th, 22nd, and 26th.
5. **WTP South:**
   - 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 August were on the 9th, 10th, 11th, 15th, 18th, 23rd, and 26th.

6. **WWTP South:**
   - 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 August were on the 9th, 10th, 11th, 15th, 18th, 23rd, and 26th.

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. **Administration Building:**
      
      There were no issues noted.

   2. **Systems Operation Center:**
      
      There were no issues noted.

E. **Recordable Injuries:**

   1. There were no recordable injuries in August.
GENERAL MANAGER’S REPORT
Regulatory Issues

**LTCP/CJ Termination** and a **Local Plan Approval** agreed order are still outstanding. There’s been little motion on this front.

The South WWTP was hit with a Notice of Violation related to the problems we’ve had with slug loadings this summer. We do not expect this to lead to any fines or other enforcement action. Kevin Roberts and staff have been working closely with KDOW during this time to keep them informed of our problems.

Director of Engineering

We have extended the application period past the original 29 July deadline, trying to find more candidates from which to choose.

Policy Changes

The policy we’ve had for a cell phone “co-pay” will be changing, due to problems pointed up with the way we have been handling this. Our policy has been to pay an amount directly to the service provider, but our auditors now tell us this should be taxable, so we will now gross up the amount paid and put it on employee’s first paycheck of each month. By not paying the co-pay to the cell provider directly, this will allow our employees the freedom to choose a different provider, rather than be bound to the one provider who has a co-pay available (AT&T).

MS4 & Consent Judgment Services

We have an ongoing contract with Strand Associates that has taken us through the entire Long Term Control Plan, Consent Judgment and MS4 realm for several years. Now, we are using them for services related to the new KPDES permit, which is tied in with the termination of the Consent Judgment and the requirements of the CSO policy for post-construction monitoring. Just wanted to include a note here that we are near the dollar limit of the services we contracted for previously, and will be coming back to you perhaps next month to report on how this consulting arrangement moves forward and what the costs will be.

Their services have been invaluable during this whole process, and as you’re aware, we awarded design of the College Tank and some water modelling services to Strand, also. Very happy with their work for and with us.
**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 and maintain their phone coverage at the specified level.

**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 $35-40 applies to:

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

2.1.2 A data plan/phone co-pay of $60-70 (for those required to have access to email) applies to:

- General Manager
- Director of Plant Operations
- Chief Financial Officer
- GIS Manager
- Safety & Training Coordinator
- Utility System Superintendent
- Projects and Compliance Manager
- Pretreatment Coordinator
- Director of Field Operations
- Director of Engineering
- Chief Engineer
- IT Manager
- Automation Manager
- Asst. Utility System Superintendent
- Construction Inspector

2.2 Co-pays are paid directly to the phone vendor, up to the amounts listed above. They will be paid to the employee on the first paycheck of each month, 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.

2.42.5 Employees must immediately notify the IT Manager if their service is discontinued, so that the co-pay can be eliminated.

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 through the payroll system.

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

APPROVED:

Tom Williams, P.E.
General Manager
BUSINESS

- Action Report #2016-21 – North Wastewater Treatment Plant Upgrade
- Action Report #2016-22 – Replacement of Damaged Crew Truck
- Action Report #2016-23 – Emergency SAN Hardware Upgrade
- Action Report #2016-24 – Sludge Hauling and Disposal
Henderson Water Utility  
Action Report # 2016-21

To: Henderson Water & Sewer Commission  
From: Tom Williams, P.E., General Manager  
Subject: North Wastewater Treatment Plant (NWWTP) Plant Upgrade  
Project No: 1802-0035  
Date: 19 September 2016

Background:

- This Action Report is a revision and supplement to # 2011-21, which was approved on 22 August 2011, Action Report #2012-08, approved on 23 April 2012, and Action Report # 2013-24, approved on 16 September 2013.

- The North Wastewater Treatment Plant (NWWTP) Upgrade project was included in our Long-Term Control Plan for reduction of combined sewer overflows, which was approved by KDOW in April 2012. It was referred to in that plan as “WWTP Improvements (Headworks)”.

- In preparation for the renovation of Extended Aeration Basin #1 in 2011, staff conducted a process flow and technology assessment of the entire NWWTP, including the extended aeration basins, as part of the design of the Plant Upgrade. The Headworks design was predicated on the eventual size, capacity and treatment train of the plant for the long term needs of the Utility with a 10 to 20 year horizon, and we arrived at an eventual capacity of 36 million gallons per day (MGD) as a result of that comprehensive study.

- As part of the facilities assessment, we determined that in the interim period the design flow of the plant needed to be set at 25.5 million gallons per day (MGD), which will utilize the full design capacity of the three existing basins. These ultimate and interim recommendations were included in our Facilities Plan Update approved in July 2013.

- Final design of the NWWTP renovation project included the new Headworks, a new 160-foot diameter Final Clarifier, new sludge pumping facilities, splitter boxes, and an Ultraviolet (UV) Disinfection System, as well as extensive yard piping and site work.

- Bids were received on the Plant Upgrade project on 10 September 2013, and the work was awarded Codell Construction, Inc., of Winchester, KY, in an amount of $10,188,408. Codell’s portion of the work is now nearly complete.

New Developments:

- Some work on the old Final Clarifiers # 1 & 2 was included in the Headworks project, but they have shown additional deterioration in the last 3 years, and now require more extensive repairs to failed concrete, damaged weirs and baffles, and the center rotating sludge removal mechanisms, which are in bad condition. We contracted with J.R. Wau ford, the plant designer, to put all this work into a separate project.

- Some materials to be used on this project were purchased under the Codell contract, but we removed that by change order, stored those materials, and will furnish those to the contractor on the new project to install. This includes baffle plates and weirs.

- Bids were received on the Final Clarifier 1 & 2 project on 23 August 2016, and a complete tabulation of those bids is available for review. The apparent low bidder was M. Bowling Inc., of Henderson. We only received two bids, and Codell chose not to participate.
• We included an option in this project bid to replace the center, rotating, metal mechanisms on these clarifiers, allowing us to make an informed decision based on the ratio of repair costs to replacement costs. The following table shows the bid results for repairs vs. replacement:

| Option 1 - Renovate Existing Clarifier Equipment Including Electrical Work, Weirs, and Scum Baffles |
|---------------------------------------------------|------------------|------------------|
|                                             | M. Bowling | PPMI       |
| Paint Existing Equipment                     | $ 251,830.00  | $ 338,280.00   |
| Misc. Repair Work                             | $ 134,894.00  | $ 265,920.00   |
| Electrical Work                                | $ 84,261.00   | $ 145,750.00   |
| Repair Concrete and Replace Weirs              | $ 66,095.00   | $ 63,900.00    |
| **Totals**                                    | **$ 537,080.00** | **$ 813,850.00** |

| Option 2 - Replace Existing Clarifier Equipment Including Electrical Work, Weirs, and Scum Baffles |
|---------------------------------------------------|------------------|------------------|
|                                             | M. Bowling | PPMI       |
| Replace Equipment                              | $ 563,536.00  | $ 957,235.00   |
| Electrical Work                                | $ 84,261.00   | $ 145,750.00   |
| Repair Concrete and Replace Weirs              | $ 66,095.00   | $ 63,900.00    |
| **Totals**                                    | **$ 713,892.00** | **$ 1,166,885.00** |

• After review of these bids, we have determined and recommend to the Board that the best option is to install new equipment. The incremental cost of new vs. repair is less than 50% (713,892 divided by 537,080 = 1.33).

**Budget/Financial Considerations:**

• This Final Clarifier project requires an additional amount to be appropriated from the Special Projects (unidentified) line of the 2016-2017 Capital Budget.

<table>
<thead>
<tr>
<th>Previously Approved Total Project Budget – September 2013</th>
<th>$ 13,630,139</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spending to Date – Engineering, Geotechnical, Headworks Construction, Janalee Drive PS, Construction Engineering and Inspection (through August 2016)</td>
<td>$ 13,374,886</td>
</tr>
<tr>
<td>Total of Construction Bid for Final Clarifiers – (Low bid by M. Bowling)</td>
<td>$ 713,892</td>
</tr>
<tr>
<td>Estimated Remaining Spending on NWWTP (Construction: Codell + Inspection: Waфford)</td>
<td>$ 280,000</td>
</tr>
<tr>
<td>Project Contingency (6% of this Construction Bid)</td>
<td>$ 42,833</td>
</tr>
<tr>
<td><strong>New Total Estimated Project Costs</strong></td>
<td><strong>$ 14,411,611</strong></td>
</tr>
<tr>
<td><strong>Additional Appropriation required to Complete the Project</strong></td>
<td><strong>$ 781,472</strong></td>
</tr>
</tbody>
</table>

• We have not included any reduction in costs for this project that may come about as the result of liquidated damages being assessed against Codell for the delay in completion of the underlying project.
Legal Considerations:

- Procurements necessary for the completion of this project have/will follow the appropriate requirements of the Kentucky Model Procurement Code.
- Since the low bidder is a Kentucky resident corporation under KRS definitions, the requirements for reciprocal bid preference have no effect.

Recommendations & Approvals:

- Staff recommends that the Commission award this contract to M. Bowling Inc., in an amount of $713,892, and that the total authorized budget for this capital project, including the Headworks and Janalee Drive projects, increase to $14,411,611.
- 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, easement acquisition, or other authorizations required to complete the work without unnecessary delays.

Respectfully Submitted:

[Signature]

Tom Williams, P.E.
General Manager

BOARD ACTION – 19 September 2016

PASSED:_______ FAILED:_______ TABLED:_______ DATE:_______
Henderson Water Utility
Action Report # 2016-22

To: Henderson Water & Sewer Commission
From: Glenn Fields, Utility System Superintendent
Subject: Replacement of Damaged Crew Truck
Date: 19 September 2016

Background/Scope:
• On 6 July 2016, one of our crew trucks (# 140) was involved in an accident on US Hwy 60 East, when another vehicle ran a stop sign and brosided our truck. The truck was totaled, and the insurance payout was $13,442.40. This was a 2003 F-350; we have been replacing the F-350s with F-450s equipped with a crew cab, a more practical solution for our 3 and 4 man crews.
• A vehicle needed to replace truck #140 was not on the lot from the State’s “Bid List” vendor (Crossroads Ford-Lincoln in Frankfort); however Crossroads Ford-Lincoln will order a truck that meets our needs from the factory using bid list pricing. The new vehicle is a 2017 Ford F450 Super Duty Pickup Truck with crew cab, 4x4, 200” wheel base, 6.7L V8 Diesel engine. Delivery time is approximately 4 months after a PO is issued, at a cost of $59,709.

Budget/Financial Considerations:
• Our recent experience is that these bid list prices are lower than bids we get from local dealers, with quicker delivery. Service is still performed locally.
• Funds for this purchase will come from the insurance reimbursement, and the “Unidentified Capital Projects” line in the FY 2016-2017 Budget will make up the difference, with $ 48,000 set aside from that source, which includes a small contingency.

Legal Considerations:
• The Commonwealth of Kentucky Finance and Administration Cabinet takes competitive sealed bids for vehicles and those bids include co-operative language which allows municipalities to purchase from the resulting Master Agreement (bid award) at the State’s best price.
• This procurement method is in accordance with KRS 45A.365 of the Model Procurement Code.

Recommendations & Approvals:
• Board approval authorizes purchase of this vehicle from Crossroads Ford-Lincoln in Frankfort, including issuance of any purchase orders, change orders, or other authorizations required to complete the acquisition without delay.

Respectfully Submitted:

Glenn Fields
Utility System Superintendent

Approved for Submittal:

Tom Williams, P.E.
General Manager

BOARD ACTION – 19 September 2016

PASSED:_______ FAILED:_______ TABLED:_______ DATE:_______
Henderson Water Utility
Action Report #2016-23

To: Henderson Water & Sewer Commission
From: Timothy Fischbeck, Information Technology Manager
Subject: Emergency SAN Hardware upgrade
Date: September 19, 2016

Background:

- The current Compellent G3 Shelf and Servers were approved by the Board on September 20, 2010.
- We were notified on August 17, 2016, that the current Shelf will be End-of-Life soon, and that it would not be possible to cover it with a Dell service contract; therefore, the staff classified its replacement as an emergency.
- The Shelf was acquired from Pinnacle Computer Systems, Inc., acting as a sole source reseller.
- The servers, and associated HBA’s, were scheduled for replacement this fiscal year; therefore, to minimize cost, refurbished replacements have been purchased from the lowest bidders.

Policy Considerations:

- The recommended actions are within the Kentucky Model Procurement Laws and guidelines, as well as the HWU Purchasing Policy.

Budget/Financial Considerations:

- Funds for this purchase were taken from the Unidentified Capital Projects line in the budget.

<table>
<thead>
<tr>
<th></th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 each Dell Compellent SC200 SAN with 12 each 4TB drives</td>
<td>$17,008.00</td>
</tr>
<tr>
<td>3 each Refurbished Dell PowerEdge Servers</td>
<td>$5,310.00</td>
</tr>
<tr>
<td>3 each Q-Logic Fiber Channel HBAs</td>
<td>$816.93</td>
</tr>
<tr>
<td></td>
<td>Total Investment $23,134.93</td>
</tr>
</tbody>
</table>

Recommendations & Approvals:

- Staff recommends that the Henderson Water & Sewer Commission approve the purchase of the Compellent Shelf and Servers.
- This approval also authorizes the General Manager to initiate all work necessary to complete this project, including issuance of any additional purchase orders, change orders, or other authorizations required to complete the work without unnecessary delays.

Respectfully Submitted:

Timothy Fischbeck
Information Technology Manager

Approved for Submittal:

Tom Williams, P.E.
General Manager

BOARD ACTION – September 19, 2016

PASSED:_________ FAILED:_________ TABLED:_________ DATE:_________
Henderson Water Utility
Action Report # 2016-24

To: Henderson Water & Sewer Commission
From: Kevin Roberts, Director of Plant Operations
Subject: Sludge Hauling and Disposal
Date: 19 September 2016

Background:

- The most recently bid contracts for sludge hauling and disposal (separate items) became effective in May 2013 for hauling, and August 2014 for disposal. This includes the end product of the wastewater treatment process, but does not include other waste from those plants, made up of drying bed waste, screenings and grit; those items are disposed of separately.
- We have renewed the contract for sludge disposal for an additional year (Advanced Disposal at their Blackfoot Landfill in Southern Indiana), and have been pleased with the service provided.
- The hauling bid was originally for one year, with two one-year renewal options. We are at the end of that second renewal, and decided to go back to the market for bids, to insure our pricing is competitive and the best deal we can get for the Utility. In addition, these hauling bids have been based on a sliding scale for diesel fuel, and prices have gone so low that the current fuel price is below the lowest bid level we set up three years ago.
- We issued a hauling bid, with tighter specifications regarding service, setting a minimum daily/weekly target for the hauler so that we don’t run out of storage space, and requiring the hauler to pay the difference in hauling costs if we need another hauler to assist due to the approved hauler not providing the required level of service.
- Bids were received on 14 September 2016, with responses from three (3) companies.
- Cost per wet ton was solicited as separate items for North and South Plants so that distance from the plants to the various landfills would be accurately reflected in pricing. The bids are shown in the tables below:

<table>
<thead>
<tr>
<th>Vendor</th>
<th>NWWTP (est. 27,000 tons)</th>
<th>SWWTP (est. 8,000 tons)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hazex, Inc.</td>
<td>8.80</td>
<td>9.03</td>
</tr>
<tr>
<td>Alzey Express</td>
<td>26.95</td>
<td>No Bid</td>
</tr>
<tr>
<td>Naas</td>
<td>10.69</td>
<td>15.91</td>
</tr>
</tbody>
</table>

Budget Considerations:

- Current pricing is $9.93 at the North WWTP, $14.00 at the South WWTP, making these bids respectively 12% and 36% lower than the current pricing. Based on the estimated yearly tonnages at each plant, this will lead to savings of over $70,000 annually from what’s currently budgeted.
• The disposal renewal for Advanced Disposal includes an increase in costs of 5%, per the bid document, so their pricing is increasing from the former $15.23 per ton to $15.99 as of 19 August 2016. This increase will raise annual costs by $26,600, at the estimated tonnages.
• The net impact of changes in this cost center is an annual decrease of $43,670.

Policy Considerations:
• It is HWU’s established policy to take the bid(s) evaluated to be in the best interest of the Utility based upon the specifications set out in the bid document.

Legal Considerations:
• This procurement is in accordance with the Model Procurement Code (KRS 45A.365).

Recommendation:
• Staff recommends awarding the bid for Sludge Hauling to Hazex, Inc., of Henderson. Hazex is the incumbent hauler. Complete bid summaries are available for your review.
• The 2016-2017 Operating Budget accommodates these costs.
• Board approval authorizes the General Manager to initiate all purchase orders, or other authorizations required to complete the purchase of these services without unnecessary delays.

Respectfully submitted:

Kevin M. Roberts
Director of Plant Operations

Approved for submittal:

Tom Williams, P.E.
General Manager

Commission Action – 19 September 2016

PASSED: ______________  FAILED: ______________  TABLED: ______________
EXECUTIVE SESSION

- To Discuss Matter Regarding Proposed Or Pending Litigation, Pursuant To KRS 61.810 (1) (c).
- To Discuss Matter Which Might Lead To The Appointment, Discipline, Or Dismissal Of An Individual Employee Pursuant To KRS 61.810 (1) (f).