A.

ROLL CALL

B.

INVOCATION

C.

REQUEST TO ADDRESS THE BOARD

D.

APPROVAL OF MINUTES

- Approval of Minutes from July 17, 2017

E.

MONTHLY REPORTS

- Financial
- Operations
- Engineering
- Human Resources
- Safety Report
- General Manager’s

F.

BUSINESS

- Resolution #2017-25 – Recommending Revisions to the City Code of Ordinance Chapter 23
- Resolution #2017-26 – Authorizing Lease Agreement with Habitat of Humanity of Henderson, Kentucky, Inc., and Recommending
- Action Report #2017-27 – Janitorial Services
- Action Report #2017-28 – Hauling Services
- Action Report #2017-29 – Hackberry Neighborhood Water Main Replacement (Walk in)

G.

EXECUTIVE SESSION – None Requested
Request to Address the Board
ACTION MINUTES OF MEETING
July 17, 2017
A. ROLL CALL

Present at the meeting was Commissioner Paul Bird, Chairman, who presided over the meeting, along with Commissioners George Jones, and Gary Jennings. Commissioners John Henderson and Julie Wischer were 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, William “Buzzy” Newman, John Baker, Kathy Ambrose, Tim Fischbeck, Jeremy Duncan, and Patty Brown. Also in attendance were Mayor Steve Austin, Donna Stinnett, and Mike Vickers. There were no members of the media present.

B. INVOCATION – Rodney Michael

C. REQUEST TO ADDRESS THE BOARD - None

D. APPROVAL OF MINUTES

- Approval of Minutes from June 19, 2017

Minutes were approved as submitted.

E. MONTHLY REPORTS

- Financial – Discussed and approved as submitted.

Todd Bowley reviewed the financial statements with the board. He stated that the June 30th numbers are preliminary numbers and will not be finalized until the fiscal year end books are closed probably sometime in August. This gives time to receive June invoices from vendors and other financial information that will be needed from the City and the auditors. The numbers do include an estimate of what the expenses and revenue might be. Overall, year to date, the revenue budget was exceeded by $200,000. The volumetric for the year is about 1.81% below the previous year which is mostly in residential and industrial usage. There is about $6.8 million in cash at the end of June, which is down about $1.5 million from June of last year.

  o Myriad 2017 Engagement Letter & Pre-Audit Communication with Governance

After review, Motion was made and approved to authorize Paul Bird, chairman of the board, to sign the 2017 engagement letter with Myriad for auditing services in the amount of $20,000. Todd Bowley noted that it has been 5 years since the utility sent out proposals or bids for auditing services, so there is a possibility that this will be addressed in the spring.

Mayor Steve Austin addressed the board concerning the State Pension Plan. The State Pension Board reported that the growth for the pension plan has been way overstated. They have lowered the discount rate by 1.5%, which is probably still not a large enough decrease.
At this time, they are proposing that the pension rate that the cities and counties pay monthly, which will include HWU, go up significantly. Presently the rate is 19.1% and they are wanting to raise it to around 30%. This will present a large financial burden on most entities involved. The Kentucky League of Cities group is approaching the legislature and asking them to consider a gradual increase over a longer period, instead of the entire increase in one year. There is also an effort being made by the Kentucky League of Cities to have the CERS funds separated from the KERS funds. The CERS plan, which includes the cities and counties, is much better funded than the KERS, which includes state employees and teachers. Mayor Austin said he will try to keep everyone updated on this situation.

- Operations – Discussed and approved as submitted.

Rodney Michael answered questions concerning the report. He said the Clay Street project at the railroad tracks has finally finished up. The original method of putting stents in didn’t work so another method was used of lining the pipe. The cost is estimated to be around $80,000.

The board members and staff congratulated Rodney Michael on his upcoming retirement and wished him well. They thanked him for his long, outstanding service to the utility and expressed their appreciation for all he has done.

- Engineering – Discussed and approved as submitted.

- Human Resources – Discussed and approved as submitted.

- Safety Report – Discussed and approved as submitted.

- General Manager’s – Discussed and approved as submitted.

  Tom Williams reviewed the GM report and noted that it was decided not to move forward with the bid for utility locates. The City is going to bid that for the gas department and we will see how that works for them and make a decision on what we will do sometime in the future.

  o Policy F-500 Fats, Oils & Grease Management Revision 1

    Motion was made and approved to accept Revision 1 for Policy F-500 - Fats, Oils & Grease Management with the changes noted in the document. One change was in the design of the grease interceptor drawing.

  Mr. Williams requested that there be another $75,000 allocated for Small Project Construction Services which was approved earlier by the board in Action Report 2017-10. The $50,000 has already been used and this additional amount is needed for more projects. Motion was made and approved to allocate an additional $75,000 in the current budget year under Action Report 2017-10 for Small Projects Construction Services.

  He also highlighted the tentative Three-Year Strategic Plan for projects listed in the report.
F. BUSINESS

- **Action Report #2017-20 – South Elm Street Water Main Replacement**

  After discussion, motion was made and approved to accept Action Report #2017-20 – South Elm Street Water Main Replacement, which includes replacement of 2 blocks of water lines from Washington Street to Clay Street. The additional amount needed for completion is $147,225 and will be taken from the “Unidentified Capital Projects” line item in the 2017-18 budget.

- **Action Report #2017-21 – Sludge Disposal**

  After discussion, motion was made and approved to accept Action Report #2017-21 – Sludge Disposal to award the bid to Advanced Disposal, in the amount of $16.79 per ton.

  Mayor Steve Austin reported that later this year the City’s CDD (Construction/Demolition Debris) landfill will be full and there are no options for another one at this time, because of no available space and permit costs. All the CDD will have to be hauled to the Daviess County landfill at $25 per ton. Cities and counties are bound to take care of solid waste, regardless. The city will probably have to start charging a fee for disposal.

  Buzzy Newman reported that HWU plans to stockpile the CDD material that is generated throughout the system at the NWWTP. At a given time, when enough material is available, a crusher will be brought in so that the material can be repurposed. The wood debris will also be managed at the NWWTP. This will hopefully minimize the impact of the closure of the City’s CDD landfill.


  After discussion, motion was made and approved to accept Action Report #2017-22 – Trihalomethane Rapid Response Analyzer (THM-RR) for purchase at the cost of $56,000 as a sole source to Foundation Instruments.

- **Action Report #2017-23 – South WWTP – Extended Aeration Basins Improvement Project**

  After discussion, motion was made and approved to accept Action Report #2017-23 – South WWTP – Extended Aeration Basins Improvement Project awarding the bid to low bidder, M. Bowling, Inc., of Henderson in the amount of $3,182,150 for 3 basins. The total cost of the project is projected to be $3,460,351. Appropriation of $2,200,000 of these costs will be taken from the “Unallocated Capital Funds” budget for this fiscal year.

- **Action Report #2017-24 – Canoe Creek Water Line Crossing – US41A (Walked in)**

  After discussion, motion was made and approved to accept Action Report #2017-24, Canoe Creek Water Line Crossing – US41A for a total estimated project cost of $65,125 to repair the US 41A crossing that has been undercut by the creek channel. This was declared an emergency. This was awarded to A & S Services in the amount of $42,978.40 for boring a pipe under the creek. The project cost will be taken out of the “Unidentified Capital Projects” in the capital budget.
• Consent to Annexation of Property on Borax Drive, Parcel #46-65, #46-58, #46-64 & #46-55

*After discussion, motion was made and approved to have the Consent to Annexation of Property on Borax Drive, Parcel #46-65, #46-58, #46-64 & #46-55 signed by the proper representative.*

**G. EXECUTIVE SESSION – Requested**

• To discuss matter regarding future acquisition of real property, in that publicity would likely affect the value of the property, pursuant to KRS 61.810 (1) (b)

• *Motion was made and approved to go into Executive Session to discuss matter regarding future acquisition of real property, in that publicity would likely affect the value of the property, pursuant to KRS 61.810 (1) (b).*

*Upon return from Executive Session, motion was made and approved to Adjourn.*

*The next regularly scheduled meeting will be held on Monday, August 21, 2017.*
FINANCIAL REPORT
Henderson Water Utility

Financial Summary

For the Month Ended July 31, 2017
## Operating Revenues and Expenses Summary

**For the Month Ended July 31, 2017**

### Operating Revenues

<table>
<thead>
<tr>
<th>Item</th>
<th>July Actual</th>
<th>July Budget</th>
<th>Year to Date Actual</th>
<th>Year to Date Budget</th>
<th>Fiscal Year Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Natural Gas</td>
<td>250</td>
<td>500</td>
<td>250</td>
<td>500</td>
<td>37,050</td>
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<td>Salaries and Wages</td>
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<td>357,424</td>
<td>330,739</td>
<td>357,424</td>
<td>4,646,506</td>
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<td>Payroll Taxes</td>
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<td>27,284</td>
<td>24,656</td>
<td>27,284</td>
<td>354,693</td>
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<td>Health Insurance</td>
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<td>124,111</td>
<td>122,113</td>
<td>124,111</td>
<td>1,489,333</td>
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<tr>
<td>Pension Benefits</td>
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<td>67,591</td>
<td>65,037</td>
<td>67,591</td>
<td>878,685</td>
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<tr>
<td>Workers Compensation</td>
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<td>25,000</td>
<td>24,055</td>
<td>25,000</td>
<td>100,000</td>
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<tr>
<td>Other Employee Benefits</td>
<td>1,273</td>
<td>2,151</td>
<td>1,273</td>
<td>2,151</td>
<td>25,811</td>
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<td>Car Allowance</td>
<td>1,800</td>
<td>1,800</td>
<td>1,800</td>
<td>1,800</td>
<td>16,650</td>
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<td>Electricity</td>
<td>150,696</td>
<td>156,358</td>
<td>150,696</td>
<td>156,358</td>
<td>1,876,291</td>
</tr>
<tr>
<td>Stormwater Impact Fee</td>
<td>55,081</td>
<td>55,000</td>
<td>55,081</td>
<td>55,000</td>
<td>735,240</td>
</tr>
<tr>
<td>Total Operating Revenues</td>
<td>1,839,425</td>
<td>1,780,038</td>
<td>1,839,425</td>
<td>1,780,038</td>
<td>19,252,610</td>
</tr>
</tbody>
</table>

### Operating Expenses

<table>
<thead>
<tr>
<th>Item</th>
<th>July Actual</th>
<th>July Budget</th>
<th>Year to Date Actual</th>
<th>Year to Date Budget</th>
<th>Fiscal Year Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary &amp; Wages</td>
<td>20,870</td>
<td>21,717</td>
<td>20,870</td>
<td>21,717</td>
<td>245,600</td>
</tr>
<tr>
<td>Tools &amp; Small Equipment</td>
<td>12,111</td>
<td>13,356</td>
<td>12,111</td>
<td>13,356</td>
<td>175,275</td>
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<td>Tools &amp; Small Equipment</td>
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<td>3,988</td>
<td>3,840</td>
<td>3,988</td>
<td>47,850</td>
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<td>Lab Supplies and Testing</td>
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<td>29,405</td>
<td>19,107</td>
<td>29,405</td>
<td>208,857</td>
</tr>
<tr>
<td>Clothing/Cleaning Allowance</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>29,250</td>
</tr>
<tr>
<td>Vehicle Repair</td>
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<td>4,600</td>
<td>4,534</td>
<td>4,600</td>
<td>55,200</td>
</tr>
<tr>
<td>Other Equipment Repair</td>
<td>20,870</td>
<td>21,717</td>
<td>20,870</td>
<td>21,717</td>
<td>245,600</td>
</tr>
<tr>
<td>Other Structures Repair</td>
<td>14,858</td>
<td>14,858</td>
<td>14,858</td>
<td>14,858</td>
<td>442,750</td>
</tr>
<tr>
<td>SCADA Expense</td>
<td>2,536</td>
<td>2,536</td>
<td>2,536</td>
<td>2,536</td>
<td>53,929</td>
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<td>Administrative Services</td>
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<td>53,337</td>
<td>53,337</td>
<td>53,337</td>
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<td>Contractual Services</td>
<td>11,354</td>
<td>11,354</td>
<td>11,354</td>
<td>11,354</td>
<td>392,190</td>
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<td>Contractal Labor</td>
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<td>15,851</td>
<td>15,851</td>
<td>15,851</td>
<td>215,900</td>
</tr>
<tr>
<td>Sludge Hauling and Disposal</td>
<td>61,785</td>
<td>59,167</td>
<td>61,785</td>
<td>59,167</td>
<td>710,000</td>
</tr>
<tr>
<td>Professional Services</td>
<td>2,500</td>
<td>2,542</td>
<td>2,500</td>
<td>2,542</td>
<td>30,500</td>
</tr>
<tr>
<td>Equipment Rental</td>
<td>3,770</td>
<td>3,926</td>
<td>3,770</td>
<td>3,926</td>
<td>47,151</td>
</tr>
<tr>
<td>Audit Expense</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>21,000</td>
</tr>
<tr>
<td>Public Contributions</td>
<td>-</td>
<td>250</td>
<td>-</td>
<td>250</td>
<td>3,000</td>
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<tr>
<td>Insurance</td>
<td>687</td>
<td>687</td>
<td>687</td>
<td>687</td>
<td>285,000</td>
</tr>
<tr>
<td>Technology Expense</td>
<td>14,223</td>
<td>16,469</td>
<td>14,223</td>
<td>16,469</td>
<td>197,631</td>
</tr>
<tr>
<td>Office &amp; Field Supplies</td>
<td>9,976</td>
<td>11,433</td>
<td>9,976</td>
<td>11,433</td>
<td>137,194</td>
</tr>
<tr>
<td>Telephone</td>
<td>4,855</td>
<td>7,203</td>
<td>4,855</td>
<td>7,203</td>
<td>86,437</td>
</tr>
<tr>
<td>Medical Exams</td>
<td>-</td>
<td>500</td>
<td>-</td>
<td>500</td>
<td>6,000</td>
</tr>
<tr>
<td>Travel, Training &amp; Education</td>
<td>2,246</td>
<td>6,637</td>
<td>2,246</td>
<td>6,637</td>
<td>79,642</td>
</tr>
<tr>
<td>Dues and Subscriptions</td>
<td>1,099</td>
<td>1,518</td>
<td>1,099</td>
<td>1,518</td>
<td>18,219</td>
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<td>Advertising and Printing</td>
<td>1,000</td>
<td>1,521</td>
<td>1,000</td>
<td>1,521</td>
<td>18,250</td>
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<tr>
<td>Miscellaneous</td>
<td>477</td>
<td>679</td>
<td>477</td>
<td>679</td>
<td>8,150</td>
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<tr>
<td>Depreciation</td>
<td>290,226</td>
<td>293,750</td>
<td>290,226</td>
<td>293,750</td>
<td>3,525,000</td>
</tr>
<tr>
<td>Total Operating Expenses</td>
<td>1,400,306</td>
<td>1,508,191</td>
<td>1,400,306</td>
<td>1,508,191</td>
<td>18,711,936</td>
</tr>
</tbody>
</table>

**Operating Income (Loss)**

<table>
<thead>
<tr>
<th></th>
<th>July Actual</th>
<th>July Budget</th>
<th>Year to Date Actual</th>
<th>Year to Date Budget</th>
<th>Fiscal Year Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Income</td>
<td>439,119</td>
<td>439,119</td>
<td>439,119</td>
<td>439,119</td>
<td>540,674</td>
</tr>
</tbody>
</table>
Henderson Water Utility
Variance Analysis
For the Month Ended July 31, 2017

**Operating Revenues**
- Actual: $1,839,425
- Budgeted: $1,780,038
- Favorable (Unfavorable) Variance: $59,387
- Percentage Difference: 3.34%

**Billable Gallons**
- Through 7/31/17: 223,018,074
- Through 7/31/16: 218,424,547
- Difference: 4,593,527
- Percentage Difference: 2.10%

**Operating Expenses**
- Actual: $1,400,306
- Budgeted: $1,508,191
- Favorable (Unfavorable) Variance: $107,885
- Percentage Difference: 7.15%

**Breakdown of Volumetric Differential For Month Ended**

<table>
<thead>
<tr>
<th></th>
<th>Jul-17</th>
<th>Jul-16</th>
<th>Differential %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>57,117,787</td>
<td>55,595,007</td>
<td>2.74%</td>
</tr>
<tr>
<td>Industrial (includes IP)</td>
<td>43,090,885</td>
<td>38,903,132</td>
<td>10.76%</td>
</tr>
<tr>
<td>Commercial (includes Tyson &amp; HCWD)</td>
<td>122,809,402</td>
<td>123,926,408</td>
<td>-0.90%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>223,018,074</strong></td>
<td><strong>218,424,547</strong></td>
<td><strong>2.10%</strong></td>
</tr>
</tbody>
</table>

**Notes**
Due to billing issues at City, exact consumption data for entire month was unavailable. No issues with bills mailed to customers, issues relates to reporting only. Estimations were made based on information provided by City. Overall usage was above previous months and years usage but do not feel the increases noted are accurate. Year-to-date figures in future will be more accurate measure.

**Revenue Summary:**
As noted usage was increased in month, likely due to normal seasonal variations. This along with the 5.85% rate increase and implementation of the Stormwater Impact Fee resulted in an approx. $150k increase in revenues from last month.

**Expense Summary:**
Nothing significant to note in only one month’s expense. Expenses overall were under the monthly allocated budget totals.

**Special:**
Still working to revise the Capital Spending Report. Updated report will be provided at the meeting.
Henderson Water Utility
Financial Statements
For the Month Ended July 31, 2017
Henderson Water Utility
Statement of Net Position
July 31, 2017

ASSETS AND DEFERRED OUTFLOWS

Current assets:
- Cash $7,026,236
- Unrestricted Investments $55,741
- Accounts receivable $1,947,023
- Inventories $937,974
- Other current assets $52,152
Total current assets $10,019,126

Noncurrent assets:
- Construction in progress $1,885,248
- Utility plant and equipment, net of accumulated depreciation $80,327,407
- Other assets $30,127
Total noncurrent assets $82,242,782

Deferred outflows of resources $2,052,846
Total assets and deferred outflows $94,314,754

LIABILITIES AND DEFERRED INFLOWS

Current liabilities:
- Accounts payable $409,362
- Retainage payable $38,136
- Deposits payable $87,243
- Accrued liabilities $1,902,457
Total current liabilities $2,253,613

Noncurrent liabilities:
- Accrued pension liability $8,132,373
- Long-term debt $35,032,480
Total noncurrent liabilities $43,164,853

Deferred inflows of resources -
Total liabilities and deferred inflows $47,855,664

NET POSITION

Net investment in capital assets $44,956,689
Restricted for debt service -
Unrestricted $1,502,401
Total net position $46,459,090
Henderson Water Utility
Statement of Revenues, Expenses, and Changes in Net Position
For the Month Ended July 31, 2017

<table>
<thead>
<tr>
<th></th>
<th>July Actual</th>
<th>July 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>$740,286</td>
<td>$710,977</td>
<td>$740,286</td>
<td>$710,977</td>
<td>$7,626,070</td>
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<tr>
<td>Wastewater services and fees</td>
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<td>1,014,061</td>
<td>1,044,058</td>
<td>1,014,061</td>
<td>10,891,300</td>
</tr>
<tr>
<td>Stormwater impact fee</td>
<td>55,081</td>
<td>55,000</td>
<td>55,081</td>
<td>55,000</td>
<td>735,240</td>
</tr>
<tr>
<td><strong>Total operating revenues</strong></td>
<td>1,839,425</td>
<td>1,780,038</td>
<td>1,839,425</td>
<td>1,780,038</td>
<td>19,252,610</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>569,673</td>
<td>605,361</td>
<td>569,673</td>
<td>605,361</td>
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<tr>
<td>Contractual services</td>
<td>148,597</td>
<td>157,642</td>
<td>148,597</td>
<td>157,642</td>
<td>2,056,705</td>
</tr>
<tr>
<td>Supplies and materials</td>
<td>163,563</td>
<td>180,663</td>
<td>163,563</td>
<td>180,663</td>
<td>2,068,210</td>
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<tr>
<td>Utilities expense</td>
<td>150,946</td>
<td>156,858</td>
<td>150,946</td>
<td>156,858</td>
<td>1,913,341</td>
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<tr>
<td>Repairs and maintenance</td>
<td>42,798</td>
<td>67,707</td>
<td>42,798</td>
<td>67,707</td>
<td>797,479</td>
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<tr>
<td>Other services and expenses</td>
<td>34,503</td>
<td>46,210</td>
<td>34,503</td>
<td>46,210</td>
<td>839,523</td>
</tr>
<tr>
<td>Depreciation</td>
<td>290,226</td>
<td>293,750</td>
<td>290,226</td>
<td>293,750</td>
<td>3,525,000</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td>1,400,306</td>
<td>1,508,191</td>
<td>1,400,306</td>
<td>1,508,191</td>
<td>18,711,936</td>
</tr>
<tr>
<td><strong>Operating income (loss)</strong></td>
<td>439,119</td>
<td>271,847</td>
<td>439,119</td>
<td>271,847</td>
<td>540,674</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>8,660</td>
<td>2,083</td>
<td>8,660</td>
<td>2,083</td>
<td>25,000</td>
</tr>
<tr>
<td>Other income</td>
<td>4,566</td>
<td>625</td>
<td>4,566</td>
<td>625</td>
<td>7,500</td>
</tr>
<tr>
<td>Interest expense</td>
<td>(77,378)</td>
<td>(77,379)</td>
<td>(77,378)</td>
<td>(77,379)</td>
<td>(898,035)</td>
</tr>
<tr>
<td>Amortization expense</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total nonoperating revenues (expenses)</strong></td>
<td>(64,152)</td>
<td>(74,671)</td>
<td>(64,152)</td>
<td>(74,671)</td>
<td>(865,535)</td>
</tr>
<tr>
<td><strong>Income (loss) before capital contributions and distributions</strong></td>
<td>374,967</td>
<td>197,177</td>
<td>374,967</td>
<td>197,177</td>
<td>(324,861)</td>
</tr>
<tr>
<td>Capital contributions</td>
<td>-</td>
<td>20,833</td>
<td>-</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><strong>Change in net position</strong></td>
<td>$374,967</td>
<td>$218,010</td>
<td>$374,967</td>
<td>$218,010</td>
<td>$474,861</td>
</tr>
</tbody>
</table>
## Henderson Water Utility
### Statement of Cash Flows
#### For the Month Ended July 31, 2017

<table>
<thead>
<tr>
<th></th>
<th>July</th>
<th>Year to Date</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CASH FLOWS FROM OPERATING ACTIVITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receipts from customers</td>
<td>$1,342,581</td>
<td>$1,342,581</td>
</tr>
<tr>
<td>Payments for goods and services</td>
<td>(414,035)</td>
<td>(414,035)</td>
</tr>
<tr>
<td>Payments for employees</td>
<td>(571,473)</td>
<td>(571,473)</td>
</tr>
<tr>
<td>Net cash provided (used) by operating activities</td>
<td>357,073</td>
<td>357,073</td>
</tr>
<tr>
<td><strong>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Distribution to City of Henderson</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net cash provided (used) by noncapital financing activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acquisition and construction of capital assets</td>
<td>(131,228)</td>
<td>(131,228)</td>
</tr>
<tr>
<td>Principal payments on long-term debt</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Interest payments on long-term debt</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Bond proceeds, net of closing costs</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Capital contributions</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net cash provided (used) by capital and related financing activities</td>
<td>(131,228)</td>
<td>(131,228)</td>
</tr>
<tr>
<td><strong>CASH FLOWS FROM INVESTING ACTIVITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment and other income received</td>
<td>13,226</td>
<td>13,226</td>
</tr>
<tr>
<td>Investments proceeds</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Investments purchases</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net cash provided (used) by investing activities</td>
<td>13,226</td>
<td>13,226</td>
</tr>
<tr>
<td><strong>Net increase (decrease) in cash</strong></td>
<td>239,071</td>
<td>239,071</td>
</tr>
<tr>
<td><strong>Cash, beginning of period</strong></td>
<td>6,787,165</td>
<td>6,787,165</td>
</tr>
<tr>
<td><strong>Cash, end of period</strong></td>
<td>$7,026,236</td>
<td>$7,026,236</td>
</tr>
<tr>
<td>Construction In Progress:</td>
<td>Budget</td>
<td>Cost Activity</td>
</tr>
<tr>
<td>--------------------------</td>
<td>--------</td>
<td>---------------</td>
</tr>
<tr>
<td>Project #</td>
<td>No.</td>
<td>Appropriations</td>
</tr>
<tr>
<td>Misc Stormwater Projects</td>
<td>1802-0015</td>
<td>17-10</td>
</tr>
<tr>
<td>US 60 Reimbursable</td>
<td>1802-0019</td>
<td>16-08</td>
</tr>
<tr>
<td>SWTP Rehab</td>
<td>1802-0051</td>
<td>15-09</td>
</tr>
<tr>
<td>Countryview Subdivision - HWU portion</td>
<td>1802-0053</td>
<td>14-53</td>
</tr>
<tr>
<td>Countryview Stormwater - City Contrib</td>
<td>1802-0053</td>
<td>14-53</td>
</tr>
<tr>
<td>Atkinson Park Watershed</td>
<td>1802-0058</td>
<td>15-14</td>
</tr>
<tr>
<td>College Tank Project</td>
<td>1802-0059</td>
<td>17-08</td>
</tr>
<tr>
<td>SWTP Building</td>
<td>1802-0065</td>
<td>GM Rpt</td>
</tr>
<tr>
<td>S Main St Sewer</td>
<td>1802-0067</td>
<td>16-15</td>
</tr>
<tr>
<td>S Elm Water Lines</td>
<td>1802-0069</td>
<td>17-20</td>
</tr>
<tr>
<td>NWWTP Clarifier Project</td>
<td>1802-0070</td>
<td>16-21</td>
</tr>
<tr>
<td>Clay St Sewer Repair Project</td>
<td>1802-0071</td>
<td>17-02</td>
</tr>
<tr>
<td>Riverdale Stormwater Project</td>
<td>1802-0072</td>
<td>GM Rpt</td>
</tr>
<tr>
<td>SWWTP Basin Renovations</td>
<td>1802-0073</td>
<td>17-23</td>
</tr>
<tr>
<td>Fiber Optic Connect to City</td>
<td>1802-0074</td>
<td>17-12</td>
</tr>
<tr>
<td>Emergency Generator System</td>
<td>1802-0075</td>
<td>17-11</td>
</tr>
<tr>
<td>Green River Rd Tank Project</td>
<td>1802-0076</td>
<td>17-15</td>
</tr>
<tr>
<td>S Main St Water Main Project</td>
<td>1802-0077</td>
<td>17-17</td>
</tr>
<tr>
<td>Total Construction In Progress</td>
<td>2,596,326</td>
<td>3,163,481</td>
</tr>
<tr>
<td>Buildings and Improvements:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Previous Fiscal Year Initiated Projects</td>
<td></td>
<td></td>
</tr>
<tr>
<td>NWTP Office/Lab Remodel</td>
<td>1804-0016</td>
<td>17-13</td>
</tr>
<tr>
<td>NWWTP Demolition of Old Headworks</td>
<td>1804-0017</td>
<td>17-16</td>
</tr>
<tr>
<td>Current Fiscal Year Capital Projects</td>
<td>1802-0078</td>
<td>17-24</td>
</tr>
<tr>
<td>Total Buildings and Improvements</td>
<td>50,100</td>
<td>-</td>
</tr>
<tr>
<td>Equipment and Vehicles:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equipment:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>THM-RR Lab Equipment</td>
<td>1700-0061</td>
<td>17-22</td>
</tr>
<tr>
<td>Vehicles:</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Equipment and Vehicles</td>
<td>56,000</td>
<td>-</td>
</tr>
<tr>
<td>Total Capital Expenditures</td>
<td>$2,646,426</td>
<td>$3,219,481</td>
</tr>
</tbody>
</table>

Notes:
(1) Project being fully reimbursed by KY Dept of Transportation, no budgeted appropriation.
(2) Project being funded 50% by City of Henderson, no budgeted appropriation. Project total $400,000
OPERATIONS REPORT
General Operations:

A. Treatment Plants – Overview:

1. Regulatory:

   When testing for Disinfection By-Products, municipalities have to sample within a specific week of a specific month during each quarter. Both of our water plants sell to other providers, like Henderson County Water District and Sebree. These systems are called “Consecutive Systems” and have an assigned schedule for testing as well.

   For our North Treatment Plant, there is a span of two weeks between when we pull our samples and when HCWD pulls theirs. Our goal is to provide the lowest DBP levels that we can at the HCWD master meters. This means that we are feeding an increased dosage of Powdered Activated Carbon for two weeks after we have pulled our own samples. During the August and November sampling, this equates to a large amount of extra expense for carbon.

   This past month, a formal request was approved by the KY Division of Water that moves our sample schedule to within 1 week of HCWD’s sampling schedule. This aligns us better with them and will significantly reduce our treatment costs during the two months mentioned above.

2. Operational & Financial:

   SWTP Water Supply: Under normal conditions, our North and South water treatment plants treat water independently, meaning one has very little impact on the other. However, with the College Tank being out of service, and this having a large impact on HCWDs system and thus pulling much harder from the South system, we are discovering “perfect-storm gaps” in Big Rivers’ ability to supply the SWTP with the amount of water we need. This effectually reduces, even more, the amount of water that we can consistently supply to new customers.

   In the past, the SWTP has been able to treat a little greater than 4 MGD (approximately 4.32 MGD). This has provided an extra boost when we’ve needed it. Lately, during summer months primarily, we have struggled to consistently maintain a flow of slightly less than 4 MGD. Much of this seems to be due to Big Rivers’ use of more water for their cooling towers.

   We are not currently having a supply issue, but it does identify a potential supply shortfall that we hadn’t considered in the past. When the hotter months demand that Big Rivers uses more water for their cooling towers this lessens the consistent supply available that they can provide to us. If you add to this the need for HCWD to pull more water from our South System, whether because we have a North system tank out of service, or because they are flushing their lines more to reduce water age during the hotter months, this further reduces our ability to supply additional customers.

   Currently, our operators are managing the tanks and water levels very well. We will continue to keep a close watch on this.
3. **System Water Quality:**

   **Water Quality Calls:** There was one (1) water quality call taken in July.

   a. **3390 Zion Road**

      Customer reported that the water smelled and tasted bad. The customer took a sample of it to work the following morning where co-workers agreed the water tasted bad. A sample was pulled from the outdoor house spigot due to customer not available to meet for indoor sampling. This sample did not smell nor taste abnormal. Bacteriological testing and chemistries were normal. The customer was informed of our results and stated that the smell and taste had vanished. It was advised to flush all faucets in the house to make sure that fresh water was coming in at all faucets.

4. **Personnel:**

   **Staffing Levels:**

   a. **Water Quality:** Full operational staff.

   b. **North Water:** Full operational staff.

   c. **North Wastewater:** There is one vacancy due to one of our treatment operators transferring to maintenance.

   d. **South Water:** Full operational staff.

   e. **South Wastewater:** One of two vacancies has been filled. An exam was given a couple of weeks ago, and interviews will be scheduled this month.

   f. **Environmental Compliance & Pretreatment:** Full operational staff.

   g. **Plant & Pump Station Maintenance:** There are two vacancies that are waiting to be filled by two wastewater plant operators who have transferred to maintenance. We cannot move them to their new positions until we obtain adequately trained operators to fill their vacancies.

   h. **Treatment Intern:** We have not received any applications for this position.
5. **Projects:**

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

**Water Quality Lab Remodel:** This is now in the final stages. Before (bottom left) and after (bottom right) pictures are below. The pictures don’t do justice to the difference. It’s hard to make cinder block look good. New flooring, countertops, and a drop ceiling with lighting were installed. The existing cabinets were repainted. It is a much cleaner and professional look.

![Before and After Pictures of Water Quality Lab Remodel](image)

Required bacteriological monthly testing and boil water advisory samples were delivered to Owensboro Municipal for analysis and processing.

**Training:** Heather King attended the Analysts Training Certification Course and has achieved certification for working in the Water Quality Lab. She scored the highest in the class.

**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 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.

   **Community Outreach:** Water treatment plant tours were placed on hold while the Water Quality Lab was being remodeled. We have been contacted for at least one tour to be scheduled in the coming months.

2. **Operations & Projects:**

   **Treatment Challenges:** Treatment this month focused heavily on Disinfection-By-Products. This is normally the hardest time to treat for DBPs, but this year has been more difficult than normal resulting in feeding more treatment chemical than normal.

   We recently learned that the Powdered Activated Carbon we use will be in very limited supply for the rest of the year. Brenntag has exhausted their supply. Because of this, we have stockpiled a
supply as we have been able to find it from other vendors. We’re doing this because we know it works with our feed system. However, the shortage has also caused us to begin looking harder at alternatives, which has proven to be beneficial in identifying alternative products that we can begin using.

Plant Optimization: Optimization this month has focused on Disinfection-By-Products, but also on the process and testing needed to be done to evaluate new treatment chemicals for the plant. The skills learned in the process continue to be honed and will be used throughout multiple projects and operations in general in the future.

3. Average Water Treated and Water Pumped Data Trend:

![Graph showing NWTP Treated and NWTP 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 EFF could be better, but taking two aeration basins out of service is a long process and will continue another 2 – 3 weeks. Elevated temperatures, elongated detention times, low flow and the necessity of using a much too large clarifier also contribute to a small degradation in quality. The EFF was well within limits and still high quality in appearance.

   Biosolids Quality: Sludge solids remain at good quality.

   Reports: All reports have been submitted.

2. Operations & Projects:

   UV Disinfection & Algae Abatement: An algae abatement trial using Hydrogen Peroxide will begin in the latter part of this month. Algae has become a larger problem since moving away from chlorine to UV disinfection, particularly on the clarifier weirs. We are hoping that H2O2 will prove to mitigate the algae formation but also to serve as a catalyst for better UV disinfection. This, in turn, has the potential to lower electrical costs attributed to the UV system.

   Personnel: We are currently in the process of interviewing/hiring for an operator vacancy.

   Construction: Work on this project has stalled due to waiting on delivery of clarifier mechanisms.
D. South WTP:

1. **Treatment Quality:**

   **Water Quality Goals:** All monthly regulatory goals were met.

2. **Operations & Projects:**

   **Personnel:** Our newest operator, Daryl Jarrett, has moved to night shift and is continuing his training. He is working out well.

   **Treatment Challenges:** As stated above, under Section B.2, we are preparing for a supply shortage on the powdered activated carbon we use. The use of this carbon at this plant is more critical than at the North Plant due to different conveyance limitations. The current carbon characteristically does not clog the feed lines whereas most other carbons do. We are running multiple tests to find an alternative carbon that will equal the performance of what we currently use. In the meantime, we have been stockpiling what we can find from other suppliers.

   **Projects:** A retaining wall/planter is being built to help keep the hill around the cone effluent pipe from washing out (pictured right). This is a large part of what has caused the drainage issue at the back of the filter building. This is all being done by Nancy Parker and the South Plant Operators.

   **Maintenance:** Much is being done on a daily basis but nothing of note to report.

3. **Average Water Treated and Water Pumped Data Trend:**

![Graph showing average water treated and water pumped data trend from July 2015 to July 2017.]

**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 for July were met despite being hit with a high organic release from Tyson. The plant is still recovering. Resulting from this, weekly communication meetings
have been established between Tyson personnel and the SWWTP Chief Operator. There is also a protocol in place for Tyson staff to immediately notify the plant if there are future releases. This should give us time to redirect this flow to an empty basin for storage instead of receiving it into the treatment plant.

**Bio Solids Quality:** Sludge solids are also compromised due to the high organic release from Tyson. This just has to slowly work through the system until efficient operations are re-established. It’s not ideal for day to day operations, but it is **GREAT** experience (that we would never want to intentionally cause) for our new operators.

2. **Operations & Projects:**

   **Personnel:** A new Operator started on August 7\(^{th}\) and is currently training on dayshift.

   **Aeration Basin Repairs:** # 4 aeration basin has been drained, and the liner is being removed. The air header has been isolated, and the electrical has been disconnected. Everything is moving forward.

3. **Plant & Pump Station Maintenance:**

1. **Personnel:** Two Maintenance Tech positions are vacant. One will be filled at the beginning of the new fiscal year. The other position (assigned to press operations at the NWWTP) will be filled as soon as we get other, more critical positions filled at the SWWTP. One MT crew member is still on Workers’ Comp. (**No Change**)

2. **CSO Basin:** Pump #1 is back and needs to be installed. Ashby Electric is ending their repair operation; we were told that this was their last repair. Pump #2 has FAILED. We are in the process of getting new discharge elbows installed in the wet-well. We will install Pump #1 back in service and get Pump #2 to the repair shop for inspection.

3. **North Pump Stations:** We are in the process of evaluating each station so that levels can be adjusted to allow the station to operate more efficiently. This is an ongoing process that lags at times due to being short-staffed. We’ve adjusted two stations since the last report - Brenntag and Fair Street. (**No Change**)

4. **2\(^{nd}\) St Pump Station:** Drive has been installed, and Pump #1 is back in service. We had Galloway remove the transformer mounted in the panel and re-install it on the wall outside the panel. This opened up more room in the cabinet and will allow the panel to stay cooler, especially when BOTH pumps are running.

5. **SWTP:** KM Specialty was awarded the NEW VFDs. Galloway will program and install the drives. Work has started and should be completed soon.

6. **SWWTP:** A new drive has been ordered and received for sludge press #1 VFD. We are working with Galloway on getting this installed and programmed.

7. **NWWTP:** RAS #2 was repaired by KM Specialty and re-installed. After the Techs left, we found problems with the pump. The pump was not pumping and drawing high amps. They sent another Tech over the following week and have determined there is a problem with the motor. They pulled the pump out of service and took it back to their shop. We are waiting results of their inspection.
8. NWWTP: We replaced the rubber flaps that hang down and guide the sludge to the truck. We also purchased a mirror to be installed on the conveyor to assist the loaders and drivers while filling up the trucks.

9. NWWTP: Demo has been completed on the old headworks building as far as Hazex is concerned. The next step is metal removal and general cleanup. We have to repair the old gas line that fed the old building and get it buried.


11. NWTP/SWTP: Installed NEW motors on the Porta-Pac machines at both plants (Carbon Feed). The motor drives the auger that feeds the Carbon. The new motors increased the HP from 1HP to 2HP and also increased the speed from 1750 rpm to 3450 rpm. This will allow the plants to feed more Carbon per day. So far everything is working GREAT!!

G. Pretreatment Program & FOG Services:

1. Industrial Pretreatment: 2017/2018 permits have been mailed to the industries in the Industrial Pretreatment Program. The new permits are valid until July 31, 2018.

2. Quarterly Compliance Sampling: This is scheduled for this month.

3. FOG Program: Nothing to report.

H. Automation Department:

1. (No Change) The new US 60 West Water Booster Station has been tested. Automation components are functioning properly. It was observed that local area water pressure decreased to an unsatisfactory level whenever a pump was running, even after utilizing soft-start and throttling flow with valves. We are in the process of analyzing the water model for improved piping scenarios and have obtained pricing information for the possibility of using variable frequency drives.

2. (No Change) We continue to install 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. The pressure sensor information is transferred from SCADA to a GIS website at http://gis.hkywater.org/wpressescada.html. PLCs have been programmed for 36 locations and will be activated as sensors are installed.

3. (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.

4. (Ongoing) We continue to install amperage meters on our pump station motors. We are updating each station with newer technology digital relays as well as installing current transformers.

5. We are currently evaluating several different methods of remote monitoring and communication, including cellular service and solar power. Our current primary means of remote monitoring
requires an electrical service providing power to monitoring equipment and radio communications. This often limits us when needing to monitor locations where City power is not readily accessible. Remote monitoring, independent of City power, is becoming essential due to our water pressure sensor grid, various stormwater locations, and the occasional need to monitor an obscure location.

6. We have completed installation of equipment at the 3rd Street CSO Basin so that any overflow is recorded in real-time via SCADA.

7. We recently supplied a calendar year of NWWTP influent flow information and 3rd Street Basin CSO pump runtime data to Strand Engineering.

8. We have removed all communications equipment from the College Tank and assisted the Henderson Fire Department and Henderson Municipal Power and Light in doing the same.
I. SOC General / HWU General:

1. CSO Discharge Events – Trending Downward

   Another fiscal year has ended, and we are making final changes to the CSO Consent Judgment Annual Report, which is due on September first.

   As part of the report, we analyzed the trend in Combined Sewer Overflow discharges from our permitted locations, and plotted the results in two trend graphs. The graphs show our progress in reducing the amount of raw sewage that flows into the Ohio River and into Canoe Creek during wet weather. The graphs are shown below.
2. **Hyper-Reach — The Replacement for CodeRED:**

On July 1, 2017, the **Hyper-Reach Emergency Communications Network** went live in Henderson County, replacing CodeRED, which had been used for several years.

The new Hyper-Reach system spans almost any form of communication you can think of — text, telephone by voice, email and even TTY/TDD for the hearing impaired.

HWU made use of Hyper-Reach on Tuesday, August 8. We sent out a voice message to a targeted area near South Main Street, notifying our customers of potential problems with water pressure. The system worked well, although not all phone calls to customers in the target area were actually received. There were 67 customer phones in the target area.

- 33 calls successfully answered and the message received
- 23 calls were not answered after multiple tries over 24 hours
- 8 calls resulted in an unknown error after multiple attempts
- 3 calls failed because of congestion

All “land lines” in Henderson County are automatically included in the Hyper-Reach database. Cell phone numbers are NOT automatically included in the Hyper-Reach database. Customers with cell phones must “opt in” to be included in the Emergency Communications Network.

Unfortunately, CodeRED declined to provide Hyper-Reach with the database of cell phone numbers of those who enrolled in the service. All cell phone users in Henderson County will need to re-register with Hyper-Reach. HWU’s website at www.hkywater.org contains a link to the Hyper-Reach sign-up. Other local websites with Hyper-Reach sign-up links include www.hendersonky.us, www.cityofhendersonky.org and www.hendersonema.org.

Customers can also “opt in” by calling **270-594-5839**. An automated system will walk you through the sign-up process.

HWU will advertise Hyper-Reach on social media and in the October utility bill flyers that are sent out to 16,000 customers each month.

3. **Online Form to Submit Water Quality Complaints**

HWU water customers now have another way to report issues with their tap water. Customers can now send us, via a link on our website at www.hkywater.org, comments on water quality issues.

Water quality issues that can be reported on the form include:

- Water pressure Issues
- Taste and Odor Issues
- Miscellaneous Issues
- Appearance Issues
- Illness Issues
- Suspicious Activities

Customers will receive a confirmation e-mail from us, notifying them that we have received their message. And customers can always call us at **270-826-2824**, where they will be able to talk to a real, live person.

Thanks to Tim Fischbeck for creating the online water quality complaint form.
J. Customer Service: Customer Service Calls and Work Orders (NORTH):

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>
<th>Sewer Line and Service Maintenance</th>
<th>Qty.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water Main Repairs</td>
<td>3</td>
<td>Sewer Main Repairs</td>
<td>2</td>
</tr>
<tr>
<td>Water Service Line Repairs</td>
<td>4</td>
<td>Sewer Service Line Repairs</td>
<td>2</td>
</tr>
<tr>
<td>Water Meter Inspection</td>
<td>33</td>
<td>Sewer Manhole Repairs</td>
<td>2</td>
</tr>
<tr>
<td>Water Meter Changes</td>
<td>8</td>
<td>Sewer Main Cleaning</td>
<td>3</td>
</tr>
<tr>
<td>Water Meter Repair</td>
<td>5</td>
<td>Sewer Main Grease Removal</td>
<td>0</td>
</tr>
<tr>
<td>Water Meter Disconnected</td>
<td>1</td>
<td>Sewer Overflow Calls</td>
<td>1</td>
</tr>
<tr>
<td>Water Meter Reposition</td>
<td>2</td>
<td>Sewer Backup Calls</td>
<td>11</td>
</tr>
<tr>
<td>Water Meter Box Cleaned</td>
<td>4</td>
<td>Sewer Blocked Calls</td>
<td>1</td>
</tr>
<tr>
<td>Water Meter Locate</td>
<td>1</td>
<td>Sewer Odor Calls</td>
<td>5</td>
</tr>
<tr>
<td>Water Meter Leak Detection</td>
<td>9</td>
<td>Sewer Service Line Locates</td>
<td>4</td>
</tr>
<tr>
<td>Water Meter Consumption Check</td>
<td>11</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fire Hydrant Repairs</td>
<td>3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Low Water Pressure Calls</td>
<td>7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water Leak Calls</td>
<td>21</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water Quality Calls</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>No Water Calls</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Turn Water Off/On Calls</td>
<td>10</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Install Temporary Hydrants</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>Total</strong></td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Stormwater Maintenance</th>
<th>Qty.</th>
<th>New Services</th>
<th>Qty.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Storm line Repairs</td>
<td>1</td>
<td>Water Taps</td>
<td>2</td>
</tr>
<tr>
<td>Storm Intake Repairs</td>
<td>1</td>
<td>Sewer Taps</td>
<td>1</td>
</tr>
<tr>
<td>Stormwater Flooding Calls</td>
<td>0</td>
<td>Sewer Tap Locates</td>
<td>3</td>
</tr>
<tr>
<td>Clean/Unblock Intakes</td>
<td>4</td>
<td>Water Meter Installation</td>
<td>3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Pump Station Maintenance</th>
<th>Qty.</th>
<th>Miscellaneous Services</th>
<th>Qty.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pump Station Repairs</td>
<td>13</td>
<td>Sink Hole Calls</td>
<td>4</td>
</tr>
<tr>
<td>Pump Station Inspections</td>
<td>2</td>
<td>Inspect Misc. Items</td>
<td>4</td>
</tr>
<tr>
<td>Pump Station Cleaning</td>
<td>4</td>
<td>Smoke Test Lines</td>
<td>1</td>
</tr>
<tr>
<td>Pump Station Maintenance</td>
<td>1</td>
<td>Camera Inspect Lines</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>Total</strong></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Regulatory Issues</th>
<th>Qty.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Downspout Removal Letters Mailed</td>
<td>1</td>
</tr>
<tr>
<td>Downspout Letters Mailed To Date</td>
<td>226</td>
</tr>
<tr>
<td>Downspout Removal Requests: Total Complied and Re-inspected</td>
<td>219</td>
</tr>
</tbody>
</table>

**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.
K. Collection System:

1. We are currently focusing on the normal maintenance calls that we receive.

L. Distribution System:

1. Jefferson Street (Main St. to Elm St.) Installation has been completed on the new 2-inch water line. Jefferson Street (Elm St. to Green St.) Plans are being developed to replace the water line and discontinue the current tie-ins along Green Street.

2. South Elm Street Water Line Extension Plans are being finalized to extend the water line from the Clay Street connection-point to Washington Street.

3. A&S Services has directional-drilled a new water main under Sellars Ditch at the 41A crossing. Crews are in the process of air-testing and disinfecting this main to get it in to service this week. We will discontinue the old main under to creek due to it being exposed in the flow channel.

4. South Main Street (Yeaman to Drury Lane) Water Line Replacement: We are in the process of seeing if it is feasible to directional-drill S. Main St. from Chapelwood Apartments to 1750 S. Main St. This is due to there being many concrete and blacktop driveways and several mature trees in the easement. This is all a part of the process of putting S. Main St. on the pressure side of the US 60 W. booster station.

5. South Main Street Development: Water and sewer work has been completed for the new housing development at South Main / Audubon Street.
6. Storm Water Projects:

- Kimsey Lane Drainage: Hazex has completed the first of three pipe crossings. Mark Bowling has installed the second and 3rd pipe crossings. Street repairs remain to be completed.

- Ditch Cleaning
  - Commonwealth Ditch cleaning has been completed utilizing Schneider Contracting.
  - Sinclair Drive: Tree clearing work in the main drainage ditch along Sinclair Drive has been completed.
  - Misc. Work Orders on drainage ditches have been completed by our dedicated storm water crew.

- Storm Water Piping
  - Gaslight Drive / Homestead: Work is ready to begin on the installation of 200 feet of 60-inch drainage pipe. We are currently waiting on the delivery of the pipe anchors. This project will begin the 1st phase of the storm water piping along Homestead Drive. Future phases will be completed as funds become available.

7. The College Tank is now out of service for painting. We were running Fair St. booster station to maintain pressure on the outer extremities of the distribution system. This caused a problem for us in the 1600 and 1700 block of S. Main St. We had 4 main breaks in about 5 days. After deliberating, we decided to run the system with just the small pump of the booster station. This seems to be working well. We have not had any more breaks since the adjustment.
M. Stormwater Phase II:

1. MS4 KYG2000 General Permit:

Kentucky MS4 communities are currently grandfathered under the 04-01-2010 version of MS4 KYG2000 General Permit. That permit expired over two years ago, on 03-31-2015.

A new Draft permit was released for a 30-day public comment period, which ended on August 3, 2017.

Staff at HWU are actively studying the new draft to make sure we remain in full compliance of the new rules and regulations.

2. KSA, the Kentucky Stormwater Association, held its three-day Annual Meeting on July 19-21, 2017, in Bowling Green. Staff from Henderson Water Utility participated in the meeting.

3. SESWA 12th Annual Regional Stormwater Conference

SESWA, the Southeast Stormwater Association, will hold its 12th Annual Regional Stormwater Conference on October 11-13, 2017, at The Galt House in Louisville, KY. Representatives from the U.S. EPA will participate in the conference. HWU staff will also attend the meeting.

N. Information Technology Department:

1. Water Complaint Form: We created and published a form (http://www.hkywater.org/submit-a-water-quality-complaint) that gives the customer an opportunity to submit a water quality complaint via our website. The form works on a computer, tablet, or smart phone. The completed form is emailed to a group of HWU personnel.

![Submit a Water Quality Complaint](image)

2. Fiber to City (BAR# 2017-12) UPDATE: The fiber is spliced at 3rd and Main. Telemax Services spliced the fiber in the County Courthouse yard. HMPL will complete the job between the Courthouse and the City building soon.

3. Participated in Tyler NewWorld Utilities Module (UM) discovery meetings and implementation. We are scheduled to go live with UM in February.

O. GIS Department:
1. Bill Keller completed ArcGIS Introduction 1 instructor-led online GIS training. This was a 2-day online course.

2. Warner Mattingly’s (Engineering Intern) last day was August 17th. We worked on fire hydrant inspections and water meter mapping as an intern.

3. The valve exercising crew has completed over 100 water valve inspections using Cityworks inspection forms and I Pads. In the GIS, we will sync the inspection tables with the water valve feature class to update attributes and display other information from the inspection (inspection date, etc.).
Henderson Water Utility  
July  
2017 Door Tags

<table>
<thead>
<tr>
<th>Date</th>
<th>Crew #</th>
<th>Address</th>
<th>Comments</th>
<th>Buzzy’s Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>7/5/2017</td>
<td>125</td>
<td>2006 Magnolia</td>
<td>Great work crew. They could all use a raise.</td>
<td></td>
</tr>
<tr>
<td>7/13/2017</td>
<td>124</td>
<td>2133 Old Madisonville Rd.</td>
<td>Did not have to do any work. Will be back next week.</td>
<td></td>
</tr>
<tr>
<td>7/27/2017</td>
<td>140</td>
<td>1956 Springfield Dr.</td>
<td>No comments.</td>
<td></td>
</tr>
<tr>
<td>7/28/2017</td>
<td>124</td>
<td>821 S. Main St.</td>
<td>Both Troy and Jansen were extremely helpful and so courteous. 5 star service!</td>
<td></td>
</tr>
<tr>
<td>7/10/2017</td>
<td>2718</td>
<td>Zion Rd.</td>
<td>No comments.</td>
<td></td>
</tr>
</tbody>
</table>

14 Service Request Tags Given Out  
02 Work Order Tags Given Out  
05 Door Tags Returned
ENGINEERING REPORT
1. **North Wastewater Treatment Plant:**  
   **Clarifier Repairs:** This project includes replacement of the metal rotating mechanisms on these two units, which we split out from the larger headworks project. Mark Bowling (MBI) is the contractor. Most work other than installation of the equipment has been completed. Shop drawings on the equipment have been received and reviewed, but we don’t yet have a delivery date.  
   **Plant Demolition:** The small project to demolish the old Headworks building superstructure is complete. Our crews are working intermittently to demolish old portions of the plant, including the old tertiary clarifiers and the effluent structure.

2. **South Wastewater Treatment Plant – Repair/Rehab of Extended Aeration Basins:**  
   Project awarded to M. Bowling, Inc., we have a signed contract, pre-construction meeting held on 7 August and they started work at the plant on August 9th. The contract requires one basin to be rehабbed and in service by the end of November. Have signed an agreement for additional Geotech work during construction with Sandy Greenbaum (out of Louisville).

3. **Atkinson Park Sewershed Study - Myrene Drive Sewer Pump Station:** (no change since last report)  
   Phased in five sections, design of these projects is progressing. We have several easements appraised, and have four signed on the Myrene FM portion of the work, and one on the Atkinson Park FM, from the Hospital, just north of 14th Street.  
   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, and we have met with all those and are adjusting our plans based on their concerns.  
   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 at the earliest. Have one easement for this segment signed and recorded.  
   Easement documents on the North Elm Street portion of the Myrene force main segment were appraised as both right of way and an easement, in anticipation of the City possibly wanting to team with us on property impacts in that section from Villa Drive to Springwood Drive.

4. **South Water Treatment Plant – Rehab Projects:** (no change since last report)  
   Several projects were included in a 2014 preliminary engineering report for the SWTP.  
   **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 in the year, if then. It’s possible this project segment will receive some outside funding.  
   **Raw Water:** Plans for the Raw Water & Effluent Lines Relocations have received KDOW 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.
5. **Emergency Generators:**
Kickoff of this project occurred on 2 June 2017. Making progress on setting the scope and potential costs for these improvements. Siting of generators has been reviewed by Plant Operators and comments have been resubmitted to the Engineering Firm. Cost estimates for each location are being developed.

6. **Future Water Distribution System Projects:**
Looking ahead to industrial development in the Riverport and other “south” areas of Henderson, we issued an RFP for engineering firms interested in design of a 20” water main located on S. Main Street from Hancock Street to Yeaman Avenue. This RFP also included painting of the Green River Road water tank. Award was made to Strand Associates, Inc., of Louisville, and we have signed task orders for both projects. Kickoff meeting on both projects held on 8 August.

7. **Countryview Subdivision Stormwater Project:**
Have received our permit from Texas Gas for crossings of their high-pressure main. HWU Staff working on plans and hoping to start construction on part of this project, this year. Have also received a Stream Construction Permit as required by KDO (project area is in the flood plain) and the local Flood Plain permit that parallels the State permit. Some tree clearing adjacent to the subdivision has been performed, in preparation for starting ditch construction on the outfall for the first phase.

8. **College Tank Painting:**
Contract awarded to Preferred Sandblasting and Painting (they painted the Vine Street tank last year). Contracts signed, pre-construction meeting held on July 11th. Contractor started work on August 1st. Some welding was performed at the end of last week. Inspector is looking at some advanced pitting that is present around the shell of the tank and determining the best method of repair.

Taking this tank out of service led to some issues with breaks along South Main Street in the 1600 and 1700 blocks, around Hackberry Street. This pointed up the need to complete a replacement of the ancient main in this area, which is the subject of an item below (new project, South Main Street Water Main – Drury to Yeaman).

9. **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, which gave us several options, and we are looking at two or three small projects that might have an impact. We met with Wauford on 26 May to discuss their draft report, and they have made minor changes to address our concerns; copies of the report are available for review on request. Neither of these projects is currently funded, so this project will be dropped from this report until we are ready to move forward.

10. **South Elm Street (Jefferson to Washington) Water Line:**
Preparing to work on the two blocks that run from Clay to Washington, where we will be able to connect to a 20” line laid during the Downtown project. We are also retiring a problematic old 4” line in Green Street that dead ends at Norris Lane, which will require work in the middle of Green Street to switch services over to another line. This is a good time to perform that work, as KYTC plans to repave Green Street through town sometime next year.
11. Riverdale Court: (no change since last report)
Investigation in this area off South Main Street revealed a previously unknown storm sewer pipe that ties into the Downtown Interceptor near the River. Taking that line off the Interceptor and running a separated storm line to the River will allow about 2 acres of area to be taken off the combined system, at relatively low cost, so we’re working on a plan.

12. Hackberry Neighborhood Water Main Replacement – Drury Ln to Yeaman Avenue: (new project)
This water line will replace an old cast iron main that provides inadequate pressure in this area of South Main Street. Part of this project will include converting this area to the College pressure zone, which will allow full utilization of the Booster Station we moved to the corner of Fairmont Cemetery. Materials for this project will be bid on September 13th, and we’ll have an Action Report on the agenda at the September meeting. We included an estimate of the cost of this project in our short-term projected project needs, as presented in the GM report last month. The 6” water main along this section of S. Main is one of our worst problem areas for leaks and main breaks, as well as having low pressure and flow issues.

13. Frontier Tank: (project revisited)
We’ve noticed a problem with a portion of the paint on the Frontier Tank. Near the top “knuckle” of the tank, there is an area where roller marks are visible, and the paint is discolored. We have a consultant coming in this week to look at this and determine if it is an application or product problem. Either way, will be a warranty repair.
HUMAN RESOURCE REPORT
HWU Human Resources Summary: August 21, 2017

Staffing Levels:

1. Utility System Worker II [1 position]: exam register was sent to department
2. Distribution System Operator [1 position]: exam register was sent to department
3. Wastewater Treatment Operator I [1 position]: 1 employee started on August 7th; another exam conducted on August 10th
4. Maintenance Technician I [2 positions]: 2 employees transferred on July 31st
5. Utility System Specialist [1 position]: interviews conducted on August 16th
6. Water Treatment Operator II [1 position]: exam register was sent to department
7. SOC – Seasonal Worker [5 positions]: no request for action
8. Treatment Plants – Seasonal Worker [2 positions]: staffing agency working to fill 1 position; no request for action for 2nd position

Safety Report (as of 7/31/2017):

<table>
<thead>
<tr>
<th></th>
<th>HWU</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hours Worked</td>
<td>91,360</td>
<td>+12,134</td>
</tr>
<tr>
<td>Total Cases</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>$ Days Away/Restricted Time Cases</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>$ Days Away From Work Cases</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>$ Actual # Days Away From Work</td>
<td>133</td>
<td>0</td>
</tr>
<tr>
<td>$ Transfer/Restricted Cases</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>$ Actual #Days Restricted Duty</td>
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<td>0</td>
</tr>
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<table>
<thead>
<tr>
<th>Incident Rates</th>
<th>HWU</th>
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<th>2012 NAICS 2213</th>
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<tr>
<td>Total Recordable Rate</td>
<td>6.57</td>
<td>-1.00</td>
<td>2.8</td>
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<tr>
<td>$ DART Incident Rate</td>
<td>2.19</td>
<td>-0.33</td>
<td>1.4</td>
</tr>
<tr>
<td>$ DAFW Rate</td>
<td>4.38</td>
<td>-0.67</td>
<td>0.8</td>
</tr>
<tr>
<td>$ Trans / Restrict. Rate</td>
<td>0.00</td>
<td>0.00</td>
<td>0.6</td>
</tr>
</tbody>
</table>

- 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: \[
\frac{\# \text{ Cases} \times 200,000}{\text{Employee Hours Worked}}
\]
- Change data compared to data at the end of the previous month.

- No recordable incidents in July.
- The July comprehensive fixed facility safety audits were conducted at the North Water and Wastewater Treatment Plants. No significant issues were identified at the North Water Treatment Plant. The only significant issue identified at the NWWTP is the removal of stairs at the abandoned clarifier; a work order was issued. Both locations were last audited in April 2017.

Other:

Upcoming City-wide Events:

- The MSDS Online roll-out with HWU tablets was completed by the IS Manager
- Coordinating the Respirator Fit Testing with State Fire Rescue for August 21 – 25
  Fit testing set-up at South Water Treatment Plant will occur on August 22 & 24
- Annual Drug & Alcohol Awareness training is scheduled for November 7, 9, and 14
SAFETY REPORT
A. Safety Committee:

There was a teleconference meeting and there were no safety concerns. Training was discussed.

B. Training

Training performed in July:

1. Safety meetings are continuing for the crews at the SOC.
2. Annual Blood borne Pathogen training is being completed at the plants
3. Fork Truck training was given to new water plant operator
4. Field crews had refresher training on Confined Space, BBP, Excavations, and PPE

C. Safety Inspections:

1. Administration Building
   - No issues found during visits.

2. Systems Operation Center (SOC):
   - No issues found.

3. 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 July were on the 5th, 10th, 14th, 19th, and 26th.

4. 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 July were on the 5th, 10th, 14th, 19th, and 26th.
5. WTP North:
   • See facility audit below.

6. WWTP North:
   • See facility audit below.

7. Water Distribution/ Collection System:
   • There were no major safety issues with employees observed during safety site visits and proper PPE and signage was being used.

D. Comprehensive Safety Audits:

1. North Water Treatment Plant:
   There were no major safety issues noted.

2. North Waste Water Treatment Plant:
   There were no major issues noted other than open access to stairs on the out of service clarifiers which have had the walk ways removed.

E. Recordable Injuries:

1. There were no recordable injuries in July.
GENERAL MANAGER’S REPORT
BUSINESS

- Resolution #2017-25 – Recommending Revisions to the City Code of Ordinance Chapter 23
- Resolution #2017-26 – Authorizing Lease Agreement with Habitat of Humanity of Henderson, Kentucky, Inc., and Recommending Approval to City of Henderson
- Action Report #2017-27 – Janitorial Services
- Action Report #2017-28 – Hauling Services
- Action Report #2017-29 – Hackberry Neighborhood Water Main Replacement
Resolution No. 2017 - 25

Recommending Revisions to the City Code of Ordinances Chapter 23

The following Resolution was duly adopted by the Board of Commissioners of the Henderson Water & Sewer Commission at a regular meeting held on Monday, 21 August 2017, at which meeting a quorum was present.

BE IT RESOLVED, that the Henderson Water and Sewer Commission by and through its Board of Commissioners under the authority granted to the Board of Commissioners under Chapter 23 Article II Division 3 Sections 23-36 through 23-45.1 of the City Code of Ordinances hereby recommends to the Board of Commissioners of the City of Henderson, Kentucky, that the City of Henderson enact and adopt revisions to portions of Article II, Division 1, Division 2A, and Division 3 of Chapter 23 of the City Code of Ordinances, commonly referred to as the “Sewer Use Ordinance”, incorporating revisions and additions to Establishing Service and Requiring Deposits; Charges Within the City Limits; Stormwater Utility; Employment of the General Manager and Management Employees; and, Procurement Powers of the Water and Sewer Commission; as well as minor semantic and grammatical changes as recommended by the staff of the Water and Sewer Commission, and herewith transmitted to the City by attachment to this resolution.

These changes will become effective upon the date of adoption by the Board of Commissioners of the City of Henderson, Kentucky, and publication as required KRS Chapter 424.

The General Manager is hereby authorized to deliver this Resolution to the City of Henderson.
IN WITNESS WHEREOF, having come before the Board of Commissioners on Monday, 21 August 2017, and upon Motion made by Commissioner ____________, and seconded by Commissioner ________________, the Board of Commissioners voted as follows:

<table>
<thead>
<tr>
<th></th>
<th>AYE</th>
<th>NAY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commissioner, Paul Bird</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commissioner, George Jones</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commissioner, John Henderson</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commissioner, Gary Jennings</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commissioner, Julie Wischer</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

___________________________
Tom Williams, P.E.
General Manager
Henderson Water Utility
ARTICLE II. WATER AND SEWER SERVICE

DIVISION 1. GENERALLY

Sec. 23-20. Administrative functions.
(1) Charges to be paid in advance. All charges other than actual metered usage are payable in advance. Where charges are assessed at "actual cost", any minimum charge shall be payable in advance.
(2) Establishing service and required deposits.
(a) The charges for establishing service and for temporarily disconnecting services shall be determined from time to time by the city board of commissioners and shall be kept on file in the city clerk's office.
(b) All customers who are not owners of real estate shall post a deposit of an amount equal to one-sixth (1/6) of the annual water and wastewater charges bill to the premises, with a minimum deposit of $40. The deposit will be based on the twelve (12) most recent months, whether consecutive or not, during which water consumption was actually recorded at the premises. If twelve (12) months of water consumption history has not occurred at the premises, or if the past consumption is not believed to be representative of future use, then an approximation of the amount projected over a twelve-month period shall be made and used to calculate the deposit. The deposit shall be pursuant to the provisions of section 23-99 of the Code of Ordinances.

(Ord. No. 06-11, 3-22-11)

Sec. 23-21. Charges within the city limits.
Water and wastewater services.
(a) All water utilized from the Henderson Water Utility system for any purpose shall be metered or identified, and appropriately charged for; except as further defined in this section.
(b) Water customers within the city limits of Henderson who are not contract customers shall be charged for all metered water usage the rates set forth in table A [attached to Ord. No. 07-17 on file in the clerk's office].
(c) Wastewater charges shall apply to all metered water service accounts where wastewater collection and treatment services are also provided to the customer. Wastewater contract customers are billed according to their contract and other exceptions are further defined in this section.
(d) Wastewater customers within the city limits of Henderson who are not contract customers shall be charged the wastewater rates established in table A [attached to Ord. No. 07-17 on file in the clerk's office] for their metered water usage.

Irrigation uses. Separate irrigation charges apply to any meter that is used solely for the irrigation of lawns, gardens, landscaped areas,
ARTICLE II – WATER AND SEWER SERVICE  
City of Henderson, Kentucky

orchards, and similar horticultural uses; or to private or residential swimming pools where the metered water is not returned to the Henderson Water Utility wastewater system.


No sewer or stormwater charges shall apply to irrigation uses.

Special uses--Temporary water service. Temporary water service to contractors, developers and others for construction purposes shall be metered with a temporary fire hydrant or construction meter permit issued in accordance with the policy of the Henderson Water Utility. All usage shall be charged based upon tier 1 in table A [attached to Ord. No. 07-17 [03-11] on file in the clerk's office] for all water consumed.

Only Henderson Water Utility personnel or those persons with approved and permitted metering devices may take water from fire hydrants or connections where permanent meters are not installed. It is unlawful for anyone other than Henderson Water Utility personnel to operate any valves connected to the distribution system.

No sewer or stormwater charges shall apply to temporary use water meters, unless it is installed to provide temporary service to a dwelling unit under construction.

Fire suppression system uses. Henderson Water Utility provides access and availability to the city water distribution system for commercial and industrial standby fire suppression systems. These fire lines shall be "separate" "closed" systems and utilized only for fire suppression. Utilization of water from the fire suppression system for any purpose other than fire suppression or system testing shall not be allowed and is illegal under this section.

A monthly standby service charge applies to each established fire suppression system. These charges are identified by "connection size" in table C [attached to Ord. No. [03-14]07-17 on file in the clerk's office].

Only city fire department personnel, Henderson Water Utility personnel or those persons with approved and permitted metering devices may take water from fire hydrants or connections where permanent meters are not installed.

Municipal uses. In order to provide accurate cost analysis and appropriate maintenance and operating records for bondholders and other interested parties, all municipal water uses will be metered or accounted for. This includes all domestic uses at city buildings and facilities, irrigation uses at city facilities, parks, and golf courses, and other municipal uses such as street sweeping and fire fighting.
Only city fire department personnel, Henderson Water Utility personnel or those persons with approved and permitted metering devices may take water from fire hydrants or connections where permanent meters are not installed.

The city's facilities shall be provided water for all approved municipal purposes without charge.

[City buildings and facilities shall pay sewer charges for all metered water usage.]

Henderson Area Rapid Transit (HART) and Henderson Municipal Power and Light (HMPL) shall be charged for water and sewer usage as established by separate resolution, contract or agreement.

Wastewater service only. All Henderson Water Utility Customers who do not have metered water service but do receive wastewater services shall be charged a flat rate per month for these services. The rates shall be as defined in table D [attached to Ord. No. 07-17 [03-11] and on file in the office of the clerk]. Stormwater charges shall not apply.

Stormwater charges. The combined system and the stormwater system are considered major operating components of the sanitary sewer system consequently, stormwater fees shall be a component of the first tier of the volumetric sewer rate as defined in table A and table B [both attached to Ord. No. 03-11 on file in the clerk's office]. Stormwater charges shall be charged at a flat rate per month for customers inside the City Limits, as shown in Table A. These charges are based on water meter size as a proxy for stormwater impacts.

(Ord. No. 06-11, 3-22-11)

Sec. 23-22. Charges outside city limits.

Rates for outside city limit customers are set forth in table B [attached to Ord. No. 07-17[03-11] and on file in the clerk's office]. Stormwater charges shall not apply.

(Ord. No. 06-11, 3-22-11; Ord. No. 19-11, § 2, 8-9-11)

Sec. 23-23. Establishment of other rates, fees and charges.

(1) Authority. The water and sewer commission shall have authority to establish specific service fees and charges, and to negotiate agreements and cost-sharing arrangements related to the provision of water and wastewater services for situations not specifically covered by this article.

(2) Special fees and charges. Fees for specific services such as drying bed fees, septic tank haulers fees, plan review fees, construction inspection fees, tap fees, wastewater pretreatment penalties and surcharges, and other similar service fees shall be [annually ] periodically reviewed and approved by the Henderson Water and Sewer Commission. These fees shall adequately reflect the current cost of providing the services plus an appropriate rate of return. Copies of the approved fees and charges shall be kept at the Henderson Water Utility Administration Office located 111 Fifth Street and shall also be kept on file in the city clerk's office.
(3) **Repairs and damages.** Repairs to any water utility property or equipment including but not limited to water meters, fire hydrants, water and sewer lines, and manholes damaged by the activities of other parties shall be charged to the responsible party at the actual cost to the Henderson Water Utility for making repairs or replacing the damaged facilities, plus fifteen percent (15%) for administrative costs.

(4) **Contract rates.** The water and sewer commission shall have authority to establish written agreements and/or cost-sharing arrangements with utility customers that have their own water distribution and/or wastewater collection systems or large commercial or industrial customers that have specific requirements or concerns that are not addressed by the standard city rate structure. Contract rates shall adequately reflect the actual cost of providing the services plus an appropriate rate of return on the utility's investment.

(Ord. No. 06-11, 3-22-11)

**Sec. 23-24. Reporting requirements.**

Henderson Water and Sewer Commission shall be responsible for presenting quarterly periodic reports to the city board of commissioners indicating the utility's financial condition, updates on regulatory issues, and progress on budgeted capital improvement and critical maintenance projects. At least annually, the utility will review their five-year master strategic plan for future capital improvement projects and provide the city commission the opportunity for input prior to budget adoption and project implementation.

(Ord. No. 06-11, 3-22-11)

**DIVISION 2A. STORM WATER UTILITY**

**Sec. 23-35.4. Reserved.**

**Sec. 23-35.5. Reserved.** [Storm water fees.

The combined system and the stormwater system are considered major operating components of the sanitary sewer system; consequently, stormwater fees shall be a component of the first tier of the volumetric sewer rate as defined in table A and table B of the rate ordinance [Ord. No. 03-11], a copy of which is on file in the city clerk's office.]

(Ord. No. 06-11, 3-22-11)

**Sec. 23-35.6. Reserved.**

**Sec. 23-35.7. Reserved.**

**Sec. 23-35.8. Reserved.** [Storm water management fund]Reserved.

[(a)——Fees collected pursuant to this division shall be used exclusively by HWU for the purpose of paying for all components and activities of the storm water management program.

(b)——Expenditures for purposes that are not related to the HWU management program shall not be permitted except as authorized by the city and HWU—]
ARTICLE II – WATER AND SEWER SERVICE  
City of Henderson, Kentucky

Sec. 23.35.9. **[Appeals]Reserved.**

  [(a) Any customer or property owner who believes that the storm water fee for their property has been assigned or computed incorrectly may petition in writing to HWU for a review of said charges.]

  [(b) HWU shall be responsible for establishing an appeal process to review and adjudicate appeals. Any credits authorized by the appeal process shall only be effective against billings subsequent to the date of authorization.]
HENDERSON WATER AND SEWER COMMISSION
RESOLUTION OF THE BOARD OF COMMISSIONERS

Resolution No. 2017 - 26
Authorizing Lease Agreement with
Habitat for Humanity of Henderson, Kentucky, Inc.,
And Recommending Approval to City of Henderson

The following Resolution was duly adopted by the Board of Commissioners of the Henderson Water & Sewer Commission at a regular monthly meeting duly held on Monday, 21 August 2017, at which meeting a quorum was present.

WHEREAS, the Water & Sewer Commission of the City of Henderson, doing business as the Henderson Water Utility (HWU), owns land near the intersection of Third and Clark Streets in Henderson, which is currently unused; and

WHEREAS, Habitat for Humanity of Henderson, Kentucky, Inc., (Habitat) has or will purchase property at 1030 Third Street for use as offices and a retail store; and,

WHEREAS, Habitat wishes to provide additional parking for its employees and patrons; and,

WHEREAS, HWU and the City support Habitat’s mission to provide affordable housing in the City of Henderson.

BE IT RESOLVED, that the Water and Sewer Commission of the City of Henderson, by and through its Board of Commissioners, does hereby approve a Lease Agreement and hereby requests that the City of Henderson, Kentucky, by and through the Board of Commissioners, adopt a Resolution approving said Lease Agreement with Habitat, and authorizing the Mayor to sign on behalf of the City.
The General Manager is authorized to deliver this Resolution to the City of Henderson, including a copy of the Agreement which is attached hereto.

_IN WITNESS WHEREOF_, having come before the Board of Commissioners on Monday, 21 August 2017, and upon Motion made by Commissioner ____________, and seconded by Commissioner ____________, the Board of Commissioners voted as follows:

<table>
<thead>
<tr>
<th></th>
<th>AYE</th>
<th>NAY</th>
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<tbody>
<tr>
<td>Commissioner, Paul Bird</td>
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<td>Commissioner, George Jones</td>
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<td>Commissioner, John Henderson</td>
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<td>Commissioner, Gary Jennings</td>
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<tr>
<td>Commissioner, Julie Wischer</td>
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</tr>
</tbody>
</table>

_________________________
Tom Williams, P.E.
General Manager
LEASE AGREEMENT

THIS LEASE AGREEMENT made this _____ day of_______________, 2017, between the City of Henderson, a City of the Home Rule Class of the Commonwealth of Kentucky, 222 First Street, Henderson, Kentucky 42420, and the Water and Sewer Commission of the City of Henderson, doing business as the Henderson Water Utility (HWU), 111 Fifth Street, Henderson, Kentucky 42420, (together, “Lessor”) and Habitat for Humanity of Henderson, Kentucky, Inc., 1030 Third Street, Henderson, KY 42420 (“Lessee”).

W I T N E S S E T H:

WHEREAS, Lessee has requested that Lessor allow it to lease the parking lot located near the Third Street Basin, located at the intersection of Third and Clark Streets, and,

WHEREAS, the Lessee and Lessor have reached an agreement authorizing the Lessee’s employees and customers to use the Parking Lot.

NOW, THEREFORE, in consideration of the covenants and agreements contained herein, the parties mutually agree as follows:

1. Premises: The Lessor leases to the Lessee the parking lot located near the Third Street Basin, located at the intersection of Third and Clark Streets, being more particularly shown as “HWU/Habitat Parking Lot” on the map included as Exhibit A to this Lease Agreement as hereinafter stated and for no other purpose than to allow Lessee’s employees, guests and customers to park on the lot in conjunction with Lessee’s normal operations.

2. Term: The term of this lease shall be for a period of one year commencing from the date of execution of this Lease Agreement. This lease shall automatically renew for an additional twelve-month term, subject to reasonable changes in lease terms by Lessor, unless either party gives the other party notice of its intent not to renew at least thirty (30) days prior to the expiration of the initial term or any additional twelve-month terms. In addition, either party may terminate this agreement, without cause, by giving thirty (30) days written notice to the other party and this lease shall automatically terminate should Lessee cease to use the leased premises for employee and/or customer parking. Further, the Lessee agrees to suspend this
lease any time that the Lessor gives notice for the need to use the parking lot temporarily.

3. **Rental:** Lessee agrees to pay to Lessor as rent for the premises the annual sum of $1.00 during the term of this lease or any renewal thereof.

4. **Maintenance:** Lessee shall inspect the parking lot and give the City notice of any defect or dangerous conditions. It shall be the Lessees’ responsibility to keep the parking lot cleared of any snow or ice. If either party or their agents/guests cause damage which would be beyond “normal wear and tear”, that party shall be responsible to fix the damage at their expense. Failure to do so by the Lessee shall cause this lease to terminate after reasonable notice has been given and the damage remains unfixed.

5. **Liability / Insurance:** Lessee shall indemnify, defend and save Lessor, its elected and appointed officials, employees and agents harmless from any and all claims, loss, costs or damage, including Lessor’s attorney’s fees and costs, that may arise out of or resulting from or in connection with this lease or the use of the leased premises by Lessee, or its agents, employees, guests, customers, or any other person using the premises; and Lessee agrees to deliver to Lessor upon execution of this lease executed copies of insurance coverage as follows:

   The Lessee shall, during the course of the lease and prior to commencing performance under this lease, secure Commercial General Liability insurance with a minimum of $1,000,000 Combined Single Limit for any one occurrence for bodily injury, personal injury and property damage. The insurance certificate shall show coverage limits for the following:

   a. General Aggregate
   b. Products/Completed Operations
   c. Personal & Advertising Injury
   d. Each Occurrence
   e. Medical Expenses (Any one person)
   f. Damage to Rented Premises (Each Occurrence)
A minimum $2,000,000 General Aggregate shall also be provided.

Workers’ Compensation insuring the employers’ obligations under Kentucky Revised Statutes Chapter 342 at Statutory Limits and Employers’ Liability - $100,000 Each Accident/$500,000 Disease – Policy Limit/$100,000 Disease – Each Employee.

Commercial General Liability Coverages are to be written on an occurrence basis through an insurance company or companies lawfully authorized to do business in the Commonwealth of Kentucky with a Best’s rating of no less than A-.

The City of Henderson, its elected and appointed officials, employees, agents and successors and volunteers are added as “Additional Insured” as respects liability arising out of activities performed by or on behalf of the Lessee entering into this agreement including the Lessee’s general supervision of the premises owned, occupied or used by the Lessee. The coverage shall contain no special limitations on the scope of protection afforded to the City, its elected and appointed officials, employees, agents and successors and volunteers.

Lessee’s insurance coverage shall be primary insurance as respects liability arising out of activities performed by or on behalf of the Lessee including the Lessee’s general supervision of the premises owned, occupied or used by the Lessee. Any insurance or self-insurance maintained by the City, its elected and appointed officials, employees, agents and successors and volunteers shall be excess of Lessee’s insurance and shall not contribute to it.

Each insurance policy required shall be endorsed to state that coverage shall not be suspended, voided, canceled, reduced in coverage or in limits except after 30 days’ prior written notice by certified mail has been given to the City. Any deductibles or self-insurance retentions must be declared to and approved by the City. Certificates of Insurance shall be furnished to HWU, 111 Fifth Street, Henderson KY 42420, FAX: 270.826.2428.

6. **Assignment**: No portion of the leased premises shall be sublet or assigned and any attempt to sublet or assign this lease shall be of no force or effect and shall confer no rights upon any assignee or sublessee.
7. **Entire Agreement**: The parties acknowledge that this written agreement contains the entire agreement between them and it may be modified only in writing, signed by both parties.

    **IN WITNESS WHEREOF**, the parties have executed this instrument on the date written above subject to appropriate orders and resolutions.

**WATER AND SEWER COMMISSION**

**OF THE CITY OF HENDERSON, KENTUCKY**

By: _________________________ Attest: ______________________________
    R. Paul Bird, Jr., Board Chairman                       George Jones, III, Secretary

Date Signed: ____________

**CITY OF HENDERSON, KENTUCKY**

By: _________________________ Attest: ______________________________
    Steve Austin, Mayor                                Maree Collins, City Clerk

Date Signed: ____________

**HABITAT FOR HUMANITY OF HENDERSON, KENTUCKY, INC.**

By: _________________________ Attest: ______________________________

Date Signed: ____________
COMMONWEALTH OF KENTUCKY  )
COUNTY OF HENDERSON      ) SS

The foregoing instrument was subscribed and sworn to before me this ____ day of____________________, 2017, by R. Paul Bird, Jr., and attested to by George Jones, Ill.

_____________________________
NOTARY PUBLIC
My Commission Expires: ________

COMMONWEALTH OF KENTUCKY  )
COUNTY OF HENDERSON      ) SS

The foregoing instrument was subscribed and sworn to before me this ____ day of____________________, 2017, by Mayor Steve Austin and attested to by Maree Collins, City Clerk.

_____________________________
NOTARY PUBLIC
My Commission Expires: ________

COMMONWEALTH OF KENTUCKY  )
COUNTY OF HENDERSON      ) SS

The foregoing instrument was subscribed and sworn to before me this ____ day of____________________, 2017, by ________________________________ by and through __________________________, its ________________.

_____________________________
NOTARY PUBLIC
My Commission Expires: ________
Exhibit A - Habitat Parking Lease Area

1" = 50 feet

Lease Area
Henderson Water Utility
Action Report #2017 - 27

To: Henderson Water & Sewer Commission
From: Kathy Ambrose, Purchasing Manager
Subject: Janitorial Services
Date: 21 August 2017

Background:
- Since the retirement of HWU’s part-time custodian in 2011, we have used a cleaning service for the SOC and Administrative Office.
- This year we have added bi-monthly cleaning at the North WWTP.
- Consolidated Facility Services (CFS) has had the contract for the past 3 years.
- Although the bid for services was advertised in the Gleaner as well as on our website, and on social media, only one vendor, CFS, responded to the bid.
- The prices for the services will remain the same.
- The effective dates of this contract will be 1 September 2017 – 31 August 2018.

Budget/Financial Considerations:

<table>
<thead>
<tr>
<th>Location</th>
<th>Current Annual Cost</th>
<th>Proposed Annual Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bobby Gish Administration Building</td>
<td>$3,120</td>
<td>$3,120</td>
</tr>
<tr>
<td>SOC</td>
<td>$9,920</td>
<td>$9,920</td>
</tr>
<tr>
<td>WWTP</td>
<td>$1,040</td>
<td>$1,040</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$14,080</strong></td>
<td><strong>$14,080</strong></td>
</tr>
</tbody>
</table>

Legal Considerations:
- Procurements necessary for the completion of this work have and will follow the Kentucky Model Procurement Code.

Recommendations & Approvals:
- Staff recommends award of this contract to the only bidder, Consolidated Facility Services. Award will be for one year, with two, possible, 1-year renewals.
- Board approval authorizes the General Manager to initiate all work necessary to complete this contract, purchase orders, change orders, or other authorizations required to complete the purchase of these necessary services.

Respectfully Submitted:
Kathy Ambrose, CPPO, CPPB
Purchasing Manager

Approved for Submittal:
Tom Williams, P.E.
General Manager

Commission Action – 21 August 2017

PASSED: _______________  FAILED: _______________  TABLED: _______________
Henderson Water Utility
Action Report #2017 - 28

To: Henderson Water & Sewer Commission
From: Kathy Ambrose, Purchasing Manager
Subject: Hauling Services
Date: 21 August 2017

Background:
- HWU uses a contractor to haul rock, gravel, sand, construction materials, and drybed sludge. For the past several years, we have used the City’s hauling contract for these services.
- Last month we included drybed sludge in our sludge disposal contract, which was awarded to Advanced Disposal in Winslow, Indiana.
- Since our landfill location moved to Indiana, we decided that we should issue our own hauling bid so that we could pay vendors a fair amount for that service.
- Three vendors responded to the bid. Braco and Hazex responded with equal low bids, Schneider responded with a bid which was higher.
- It was the intent of HWU to award this contract to multiple vendors, and this was stated in the bid solicitation. The vendor with the lowest anticipated cost will be offered the job first. If that vendor is not able to provide service, the next lowest bidder will be contacted. This allows us maximum flexibility, since these services are needed sporadically and on no set schedule.
- The effective dates of this contract will be 22 August 2017 – 21 August 2018.

Budget/Financial Considerations:
- Services procured through this contract will be charged to the appropriate expense account.

Legal Considerations:
- Procurements necessary for the completion of this work have and will follow the Kentucky Model Procurement Code.

Recommendations & Approvals:
- Staff recommends award of this contract to multiple bidders, Hazex, Braco, and Schneider Farms and Excavating. A tabulation of bids is available on request.
- Board approval authorizes the General Manager to initiate all work necessary to complete this contract, purchase orders, change orders, or other authorizations required to complete the purchase of these necessary services.

Respectfully Submitted:
Kathy Ambrose, CPPO, CPPB
Purchasing Manager

Approved for Submittal:
Tom Williams, P.E.
General Manager

Commission Action – 21 August 2017

PASSED: ____________  FAILED: ____________  TABLED: ____________
Henderson Water Utility
Action Report # 2017 - 29

To: Henderson Water & Sewer Commission
From: Tom Williams, P.E., General Manager
Subject: Hackberry Neighborhood Water Main Replacement
Project No: 22.1802.0079
Date: 21 August 2017

Background:

- Some areas of Henderson are served by water mains that are nearly 100 years old. We are making a concerted effort to replace these mains as funds are available, to insure system reliability, improve pressure and flow, and reduce risk.
- One of our oldest and most troublesome lines runs along S. Main Street, from Drury Lane to Yeaman Avenue. In the area around Hackberry Street, we have repaired this line several times, and these repairs have occurred more frequently as time passes. Many of the fire hydrants in this area currently have low flow (red/orange tops).
- With the College Tank out of service for painting and repair, we have experienced a large number of leaks in the 1600 and 1700 blocks of S. Main. This appears to be due to pressure spikes. When a tank is online, it acts in some ways as a shock absorber; when tanks are out of service, we experience increased water hammer and/or pressure fluctuations within the system when the high service pumps are cycled on and off.
- Earlier this year, we brought the new US 60 West Water Booster Station on-line. This station was constructed with pumps that were moved from a location on the North end. When the Station started up, we experienced low water pressure on the suction side of the station, which led to some low-pressure problems around Bruce and Hackberry Streets.
- To solve the issue of low pressure on the upstream side of the booster station, we developed a plan to install a new main across our North WWTP property, and move the S. Main area to the pressure side of the new Booster Station, along with installing a new main from north of Drury Lane to the area near the Chapelwood Apartment complex. This will provide higher pressure and increased flow.
- The College Tank project has increased the urgency of this new project, and the first phase of this project, replacing a section of old main, needs to be performed now. Plans for this work were developed in-house.

Legal Considerations:

- Procurements necessary for the completion of this project have and will follow the Kentucky Model Procurement Code.
- There are twelve easements associated with this project, which we have discussed with you previously. Our attorney has begun the process of negotiating those, and roughly half of them have been negotiated and/or paid for, as of this date.
Budget/Financial Considerations:

- A summary of costs is presented here:

<table>
<thead>
<tr>
<th>Hackberry Neighborhood Water Main Replacement Project</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spending to Date – through 7.31.2017</td>
</tr>
<tr>
<td>Estimated cost for Materials from Inventory</td>
</tr>
<tr>
<td>Installation by HWU Crews</td>
</tr>
<tr>
<td>Street/Driveway Repairs</td>
</tr>
<tr>
<td>Landscaping</td>
</tr>
<tr>
<td>Contingency (8%)</td>
</tr>
<tr>
<td><strong>Total Estimate of Costs</strong></td>
</tr>
</tbody>
</table>

Recommendations & Approvals:

- Staff recommends additional appropriation in an amount of $235,000 from the “Unidentified Capital Projects” line item in the 2017-2018 Budget.
- This only completes a portion of the work on this project, in order to address the high number of leaks in the Hackberry area. There are several hundred additional feet of line to be laid to move this area to the South/College pressure zone; that work will be performed later, and will require further Board action.
- Board approval authorizes all work necessary to complete the scope of work for the first phase of 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 for Approval:

______________________________
Tom Williams, P.E.
General Manager

BOARD ACTION – 21 August 2017

PASSED:_______ FAILED:_______ TABLED:_______ DATE:_______
EXECUTIVE SESSION

- None Requested