A. ROLL CALL

B. REQUEST TO ADDRESS THE BOARD

C. APPROVAL OF MINUTES
   - Approval of Minutes from May 21, 2018

D. MONTHLY REPORTS
   - Financial
     o Discuss Investment Options for Cash Reserves
   - Plant Operations
   - Field Operations
   - Engineering
   - Human Resources & Safety
   - General Manager’s
     o Approval of Revisions to the Wastewater and Pump Station Technical Manual

E. BUSINESS
   - Action Report #2018-14 – Annual Chemical Bids
   - Action Report #2018-16 – Wathen Lane Bridge Project – Water Line Relocation

F. EXECUTIVE SESSION – Requested
   - To discuss matter which might lead to the appointment, discipline, or dismissal of an individual employee pursuant to KRS 61.810 (1) (f)

E. BUSINESS (continued)
   - Resolution #2018-17 – Annual Merit Adjustment for Chief Financial Officer
REQUEST TO ADDRESS THE BOARD
ACTION MINUTES OF MEETING
May 21, 2018
A. ROLL CALL

Present at the meeting was Commissioner Paul Bird, Chairman, who presided over the meeting, along with Commissioners George Jones, John Henderson, Gary Jennings, and Julie Wischer. General Manager, Tom Williams and Eric Shappell, Attorney were also present. Other staff members present were Kevin Roberts, Buzzy Newman, Todd Bowley, John Baker, Tim Fischbeck, Kathy Ambrose and Patty Brown. Also in attendance were Mayor Steve Austin, Donna Stinnett, Public Information Officer and Daniel Depinet, Doheny Representative. No members of the media were present.

B. REQUEST TO ADDRESS THE BOARD - None

C. RECOGNITION FOR 25 YEARS OF SERVICE

- Jeff Roberts – April 20, 1993 – Automation Manager
- Richard Basham – May 10, 1993 – Utility System Crew Leader

The board recognized Jeff Roberts and Richard Basham for 25 years of service to the utility. They were unable to attend the meeting, but the board asked staff to relay their appreciation and congratulations to them. They will also receive a jacket/hoodie and a certificate.

D. APPROVAL OF MINUTES

- Approval of Minutes from April 16, 2018

Minutes were approved as submitted.

E. MONTHLY REPORTS

- Financial – Reviewed and approved as submitted.

Todd Bowley reviewed the financials with the board. Monthly revenues were still trending above budget at $1.67 million bringing them up to $16.8 million for the year. Expenses were also under budget at $14.9 million as compared to $15.7 million budgeted. Chemicals, repairs and maintenance continue to trend over budget along with contractual expenses due to the sewer inspection work that was completed. At present operating income is $2 million as compared to the $370,000 budgeted amount. Usage trends are continuing as they have been with residential down slightly, while industrial and commercial are up. Overall for the year there is a decrease in cash of $690,000.

Commissioner Jennings asked if consideration should be given to investing any surplus money at this time. The board discussed this idea and Mr. Bowley said at present the money
is earning a small interest amount in the checking account. He said he will look into rates for short term CD’s and report back to the board next month.

- **Plant Operations** – Reviewed and approved as submitted.
- **Field Operations** – Reviewed and approved as submitted.
- **Engineering** – Reviewed and approved as submitted.
- **Human Resources** – Reviewed and approved as submitted.
- **Safety Report** – Reviewed and approved as submitted.
- **General Manager’s** – Reviewed and approved as submitted.

Tom Williams reviewed the GM report with the board. He noted that the 4th and Alvasia Stormwater Project ended up costing more than expected and would need to be capitalized. An Action Report for this will be prepared and presented to the board in the June meeting.

- Policy D-860, Revision 4, Water/Wastewater Operators – Special Requirements
- Policy D-100, Revision 3, Travel, Training, Related Expenses & Compensation

Tom Williams reviewed the two policy revisions with the board. He noted the changes were minimal. The Water/Wastewater Operators – Special Requirements was changed to add eligible employees in other classifications as designated by the General Manager. The Travel, Training, Related Expenses and Compensation was revised to define out of town training as travel of more than 50 miles from the employees work location, and what hourly employees called in on their day off get paid. Motion was made and approved to accept both policy revisions as submitted.

**F. BUSINESS**

- **2018-2019 Budget Review and Approval**

  Todd Bowley summarized the 2018-2019 budget for the board. The commissioners received the proposed budget for review earlier last week. The detailed information is included in the Executive Summary for reference. The Operating Budget includes estimated revenues of $20,630,740., which shows an increase of approximately 7.16% from last year based on the fixed charge rates for water and wastewater services, effective July 1, 2018 and 2019. The new fixed charge that goes into effect July 1, 2018 is expected to bring in about $1,050,000 for the year. Operating expenses are budgeted at $18,914,387., a 1.08% increase. The employee number will be reduced to 101 full time equivalents, including some unfilled positions, which equates to 85 full-time employees.

  The capital budget for the year includes a total allocation of $3,000,000 for capital projects and new equipment. Of that total, $1,144,351 is obligated to completion of the South Wastewater Treatment Plant Basins project. Additionally, $221,000 is being allocated to other projects that are planned or ongoing, leaving $1,634,649 in unobligated funds for various projects in our Capital Improvement Plan. A capital lease will be entered into for a new Vactor Truck, which is a
way to spread a large expenditure over time. He noted that the operating margin included in this budget remains thin. Cash Reserves are expected to reduce by approximately $1.2 million during the fiscal year, despite the fixed charges being added and the reduction of expenses.

Commissioner John Henderson questioned the decrease in pension costs and wondered if that figure was correct. Staff explained that although the pension percentage increased from 19.18% to 21.48%, the reduction in positions lowered the total. Some commissioners also had concerns about the repair/maintenance category being a lower amount and were cautious about underbudgeting.

Tom Williams pointed out that the salary schedule is based on a 2.1% cost of living adjustment and up to a 1% merit adjustment for employees. He also stated that this budget shows the pilot payment to the City remaining at $400,000. After this boards approval of the proposed budget it will be given to the City Commission for their review and approval. The first reading is planned for June 12th and the second reading June 26th.

After discussion, motion was made and approved to accept the 2018-2019 Budget as presented and deliver it to the City Commission for their approval.

- **Action Report #2018-12 – Vacuum Truck Lease**

  Todd Bowley reviewed Action Report #2018-12, Vacuum Truck Lease with the board. He asked the board to look at the bid results that were included. The low bidder for both purchase and lease was Jack Doheny. With a 5-year lease, monthly payments total $230,613 for the term of the lease and a balloon payment the 6th year of $179,500, making the total lease cost $410,113. The total price to purchase was $359,000. The leasing option is being considered because of the limited cash flow the utility has and this would allow payments to be made over an extended period of time. The cost of leasing as opposed to buying will be an additional $50,000. Mr. Daniel Depinet, a Doheny representative, attended the meeting and said that after the fifth year you can decide to pay the balloon payment or trade the vehicle in. Maintenance is not included in the lease and for trade in it would have to be in operating condition and pass a DOT inspection. After discussion, motion was made and approved to accept Action Report #2018-12 for Vacuum Truck Rental awarding to Jack Doheny who had the lowest evaluated proposal as detailed in the action report.

- **Action Report #2018-13 – Sewer Parts for Inventory**

  After review and discussion, motion was made and approved to accept Action Report #2018-13 - Sewer Parts for Inventory awarding to the low bidder, Core & Main, in the amount of $19,470.23, as detailed in the action report. The bid tabulation is attached. The initial bid term is one year (May 21, 2018 – May 20, 2019) with the ability to renew for two additional one-year terms.

  The board members commended Purchasing Manager, Kathy Ambrose for her work in procurement and expressed that she does an excellent job.

**G. EXECUTIVE SESSION – None Requested**

Motion was made and approved to adjourn.

The next regularly scheduled monthly meeting will be held on Monday, June 18, 2018.
FINANCIAL REPORT
Financial Summary

For the Eleven Months Ended May 31, 2018
Henderson Water Utility
Operating Revenues and Expenses Summary
For the Eleven Months Ended May 31, 2018

<table>
<thead>
<tr>
<th>May Actual</th>
<th>May 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>
</tr>
<tr>
<td>Water Sales</td>
<td>$597,090</td>
<td>$606,281</td>
<td>$7,109,484</td>
<td>$6,933,242</td>
</tr>
<tr>
<td>Water Penalties</td>
<td>3,239</td>
<td>2,417</td>
<td>42,258</td>
<td>26,583</td>
</tr>
<tr>
<td>Water Fees</td>
<td>3,720</td>
<td>4,167</td>
<td>30,716</td>
<td>45,833</td>
</tr>
<tr>
<td>Wastewater Services</td>
<td>922,898</td>
<td>855,172</td>
<td>10,262,037</td>
<td>9,779,482</td>
</tr>
<tr>
<td>Wastewater Penalties</td>
<td>3,978</td>
<td>3,208</td>
<td>52,888</td>
<td>35,292</td>
</tr>
<tr>
<td>Wastewater Fees</td>
<td>28,696</td>
<td>17,292</td>
<td>321,218</td>
<td>190,208</td>
</tr>
<tr>
<td>Stormwater Impact Fee</td>
<td>60,121</td>
<td>61,840</td>
<td>674,571</td>
<td>673,400</td>
</tr>
<tr>
<td><strong>Total Operating Revenues</strong></td>
<td>1,619,742</td>
<td>1,550,377</td>
<td>18,493,172</td>
<td>17,684,041</td>
</tr>
</tbody>
</table>

| **OPERATING EXPENSES** | | | | |
| Salaries and Wages | 281,016 | 357,424 | 3,970,876 | 4,289,082 | 4,646,506 |
| Payroll Taxes | 21,051 | 27,284 | 299,444 | 327,409 | 354,693 |
| Health Insurance | 107,819 | 124,111 | 1,205,559 | 1,365,222 | 1,489,333 |
| Pension Benefits | 53,267 | 67,591 | 754,090 | 811,094 | 878,685 |
| Workers Compensation | (810) | - | 99,988 | 100,000 | 100,000 |
| Other Employee Benefits | 930 | 2,151 | 18,721 | 23,660 | 25,811 |
| Car Allowance | 900 | 1,350 | 14,850 | 15,300 | 16,650 |
| Electricity | 165,666 | 156,358 | 1,726,076 | 1,719,933 | 1,876,291 |
| Natural Gas | 2,470 | 1,500 | 22,183 | 36,550 | 37,050 |
| Chemicals | 86,466 | 94,018 | 1,167,650 | 1,154,202 | 1,248,220 |
| Inventory Expense | 15,591 | 22,342 | 72,766 | 245,766 | 268,108 |
| Fuel | 8,531 | 7,554 | 97,865 | 83,096 | 90,650 |
| Tools & Small Equipment | 4,088 | 13,356 | 100,182 | 146,919 | 175,275 |
| Safety & Clothing Supplies | 1,633 | 3,988 | 26,011 | 43,863 | 47,850 |
| Lab Supplies and Testing | 73,207 | 29,405 | 331,211 | 323,452 | 308,857 |
| Clothing/Cleaning Allowance | - | - | 27,825 | 29,250 | 29,250 |
| Vehicle Repair | 3,916 | 4,600 | 53,097 | 50,600 | 55,200 |
| Other Equipment Repair | 19,774 | 21,717 | 221,586 | 238,883 | 245,600 |
| Other Structures Repair | 18,440 | 36,896 | 252,799 | 405,854 | 442,750 |
| SCADA Expense | 1,212 | 4,494 | 21,567 | 49,435 | 53,929 |
| Administrative Services | 53,333 | 53,333 | 586,667 | 586,667 | 640,000 |
| Contractual Services | 15,357 | 20,683 | 275,391 | 227,508 | 392,190 |
| Contractual Labor | 6,741 | 17,992 | 120,595 | 197,908 | 215,900 |
| Sludge Hauling and Disposal | 50,736 | 59,167 | 622,198 | 650,833 | 710,000 |
| Professional Services | 1,527 | 2,542 | 29,245 | 29,250 | 30,500 |
| Equipment Rental | 7,467 | 3,926 | 55,738 | 43,189 | 47,115 |
| Audit Expense | - | - | 20,000 | 21,000 | 21,000 |
| Public Contributions | - | - | 2,250 | 2,250 | 3,000 |
| Insurance | - | - | 278,168 | 285,000 | 285,000 |
| Technology Expense | 14,808 | 16,469 | 138,768 | 181,162 | 197,631 |
| Office & Field Supplies | 12,184 | 11,433 | 101,848 | 125,761 | 137,194 |
| Telephone | 5,683 | 7,203 | 62,019 | 79,234 | 86,437 |
| Medical Exams | - | 500 | 5,067 | 5,500 | 6,000 |
| Travel, Training & Education | 5,210 | 6,637 | 46,817 | 73,005 | 79,642 |
| Dues and Subscriptions | 1,000 | 1,518 | 15,604 | 16,701 | 18,219 |
| Advertising and Printing | 435 | 1,521 | 6,337 | 16,729 | 18,250 |
| Miscellaneous | - | 679 | 4,992 | 7,471 | 8,150 |
| Depreciation | 304,598 | 293,750 | 3,350,579 | 3,231,250 | 3,525,000 |
| **Total Operating Expenses** | 1,344,446 | 1,473,741 | 16,204,379 | 17,239,195 | 18,711,936 |

| Operating Income (Loss) | $275,296 | $76,636 | $2,288,793 | $444,845 | $540,674 |
Operating Revenues
Actual $18,493,172
Budgeted 17,684,041
Favorable (Unfavorable) Variance $809,131
Percentage Difference 4.58%

Billable Gallons
Through 5/31/18 2,232,381,225
Through 5/31/17 2,177,478,814
Difference 54,902,411
Percentage Difference 2.52%

Operating Expenses
Actual $16,204,379
Budgeted 17,239,195
Favorable (Unfavorable) Variance $1,034,816
Percentage Difference 6.00%

Breakdown of Volumetric Differential For Year to Date Ended

<table>
<thead>
<tr>
<th></th>
<th>May-18</th>
<th>May-17</th>
<th>Differential %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>533,098,328</td>
<td>540,057,751</td>
<td>-1.29%</td>
</tr>
<tr>
<td>Industrial (includes IP)</td>
<td>425,283,180</td>
<td>411,050,806</td>
<td>3.46%</td>
</tr>
<tr>
<td>Commercial (includes Tyson &amp; HCWD)</td>
<td>1,273,999,717</td>
<td>1,226,370,257</td>
<td>3.88%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,232,381,225</strong></td>
<td><strong>2,177,478,814</strong></td>
<td><strong>3.88%</strong></td>
</tr>
</tbody>
</table>

Notes

Revenue Summary:
Revenues continue to trend above budget for year to date. Usage trend continues with overall increase. Increase in commercial and industrial usage being offset by reductions to residential users.

Expense Summary:
Expenses were under the monthly allocated budget totals; expenses year-to-date remain under budget, as well, by approx. 6.0%.
For year-to-date, chemicals, electricity, fuel, contractual services and professional services are continuing to trend over budget, but overall expenses remain under budget.

Summary:
Cash flow for month was good, due to timing of month end for transfer of funds from City. Payable increase due to PILOT bill received late May, funds were transferred in early June.
Henderson Water Utility
Capital Expenditures Report
For the Eleven Months Ended May 31, 2018

<table>
<thead>
<tr>
<th>Project #</th>
<th>Project No.</th>
<th>Appropriations</th>
<th>Appropriations</th>
<th>Appropriations</th>
<th>Budget Balance</th>
<th>Activity</th>
<th>Activity</th>
<th>Activity</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Prior Years FY 2018</td>
<td>Fiscal Year Total</td>
<td>Beginning</td>
<td>Current MTD</td>
<td>Current YTD</td>
<td>Project to Date</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Countryview Stormwater - City Contrib</td>
<td>1802-0053</td>
<td>14-53</td>
<td>-</td>
<td>200,000</td>
<td>-</td>
<td>-</td>
<td>24,793</td>
<td>29,346</td>
<td>59,052</td>
</tr>
<tr>
<td>Countryview Subdivision - HWU portion</td>
<td>1802-0053</td>
<td>14-53</td>
<td>-</td>
<td>200,000</td>
<td>-</td>
<td>-</td>
<td>24,793</td>
<td>29,346</td>
<td>59,052</td>
</tr>
<tr>
<td>Atkinson Park Watershed</td>
<td>1802-0058</td>
<td>15-14</td>
<td>-</td>
<td>213,500</td>
<td>-</td>
<td>50,000</td>
<td>263,500</td>
<td>(7)</td>
<td>210,561</td>
</tr>
<tr>
<td>College Tank Project</td>
<td>1802-0059</td>
<td>17-08</td>
<td>-</td>
<td>30,000</td>
<td>412,552</td>
<td>-</td>
<td>442,552</td>
<td>-</td>
<td>28,656</td>
</tr>
<tr>
<td>SWTP Building</td>
<td>1802-0065</td>
<td>GM Rpt</td>
<td>-</td>
<td>17,000</td>
<td>-</td>
<td>-</td>
<td>12,820</td>
<td>-</td>
<td>12,820</td>
</tr>
<tr>
<td>S Main St Sewer</td>
<td>1802-0067</td>
<td>16-15</td>
<td>-</td>
<td>66,000</td>
<td>-</td>
<td>-</td>
<td>66,000</td>
<td>-</td>
<td>44,458</td>
</tr>
<tr>
<td>S Elm Water Lines</td>
<td>1802-0067</td>
<td>17-20</td>
<td>-</td>
<td>51,315</td>
<td>95,910</td>
<td>-</td>
<td>147,225</td>
<td>-</td>
<td>122,698</td>
</tr>
<tr>
<td>SWWTP Clarifier Project</td>
<td>1802-0070</td>
<td>16-21</td>
<td>-</td>
<td>51,315</td>
<td>95,910</td>
<td>-</td>
<td>147,225</td>
<td>-</td>
<td>122,698</td>
</tr>
<tr>
<td>Clay St Sewer Repair Project</td>
<td>1802-0071</td>
<td>17-02</td>
<td>-</td>
<td>58,800</td>
<td>23,241</td>
<td>-</td>
<td>82,041</td>
<td>-</td>
<td>72,866</td>
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<tr>
<td>Rivendale Stormwater Project</td>
<td>1802-0072</td>
<td>GM Rpt</td>
<td>-</td>
<td>10,000</td>
<td>-</td>
<td>-</td>
<td>10,000</td>
<td>-</td>
<td>7,688</td>
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<tr>
<td>SWWTP Basin Renovations</td>
<td>1802-0073</td>
<td>17-23</td>
<td>-</td>
<td>116,000</td>
<td>2,000,000</td>
<td>1,144,351</td>
<td>3,460,351</td>
<td>136,201</td>
<td>1,671,563</td>
</tr>
<tr>
<td>Fiber Optic Connect to City</td>
<td>1802-0074</td>
<td>17-12</td>
<td>-</td>
<td>30,000</td>
<td>(7,250)</td>
<td>-</td>
<td>22,750</td>
<td>-</td>
<td>16,261</td>
</tr>
<tr>
<td>Emergency Generator System</td>
<td>1802-0075</td>
<td>17-11</td>
<td>-</td>
<td>20,000</td>
<td>-</td>
<td>-</td>
<td>20,000</td>
<td>-</td>
<td>4,335</td>
</tr>
<tr>
<td>Green River Rd Tank Project</td>
<td>1802-0076</td>
<td>17-15</td>
<td>-</td>
<td>23,000</td>
<td>-</td>
<td>-</td>
<td>21,751</td>
<td>-</td>
<td>15,699</td>
</tr>
<tr>
<td>S Main St Water Main Project</td>
<td>1802-0077</td>
<td>17-15</td>
<td>-</td>
<td>68,000</td>
<td>-</td>
<td>-</td>
<td>68,000</td>
<td>-</td>
<td>62,308</td>
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<tr>
<td>Current Fiscal Year Capital Projects</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Canoe Creek 41A Crossing</td>
<td>1802-0078</td>
<td>17-24</td>
<td>-</td>
<td>50,888</td>
<td>-</td>
<td>50,888</td>
<td>-</td>
<td>50,730</td>
<td></td>
</tr>
<tr>
<td>Hackberry- South Main Water Line</td>
<td>1803-0079</td>
<td>17-29</td>
<td>-</td>
<td>235,000</td>
<td>-</td>
<td>235,000</td>
<td>-</td>
<td>23,781</td>
<td></td>
</tr>
<tr>
<td>Old Cordyn Rd Sewer Extension</td>
<td>1802-0080</td>
<td>GM Rpt</td>
<td>-</td>
<td>72,140</td>
<td>-</td>
<td>-</td>
<td>72,140</td>
<td>-</td>
<td>72,140</td>
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<tr>
<td>Door Access Security Upgrades</td>
<td>1802-0082</td>
<td>17-40</td>
<td>-</td>
<td>15,000</td>
<td>-</td>
<td>-</td>
<td>15,000</td>
<td>-</td>
<td>14,759</td>
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<tr>
<td>HCC Water Line Extension</td>
<td>1802-0083</td>
<td>18-03</td>
<td>-</td>
<td>100,000</td>
<td>-</td>
<td>-</td>
<td>100,000</td>
<td>-</td>
<td>10,074</td>
</tr>
<tr>
<td>SWWTP Backwash Pumps Proj</td>
<td>1802-0084</td>
<td>GM Rpt</td>
<td>-</td>
<td>50,000</td>
<td>50,000</td>
<td>-</td>
<td>50,000</td>
<td>-</td>
<td>12,115</td>
</tr>
</tbody>
</table>

Unallocated Capital Funds
- Prior Fiscal Year Carryover
- Current Fiscal Year 2018
- [0]

Total Construction In Progress
2,615,326 3,130,981 1,301,558 7,147,865 1,865,571 175,557 3,280,949 5,146,521

Buildings and Improvements:
- Previous Fiscal Year Initiated Projects
- SWWTP Office/Lab Remodel
- SWWTP Demolition of Old Headworks

Current Fiscal Year Capital Projects

Total Buildings and Improvements
50,100 - - - 50,100 16,920 - - 31,640 48,560

Equipment and Vehicles:
- Equipment
- THM-IR Lab Equipment
- Spruce Drive Pump Station Motor
- CityWorks Upgrade
- PS Pump Replacements
- SWWTP Gas Chlorinator System

Total Equipment and Vehicles
- 88,500 - - - 88,500 - - - 83,493 83,493

Total Capital Expenditures
$ 2,665,426 3,219,481 1,301,558 7,286,465 $ 1,882,493 175,557 3,398,083 5,278,574

Capital Appropriations
FY 2018 Budgeted $ 2,901,200
FY 2017 Carryover 318,281
Total Available $ 3,219,481

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
3. Gaslight project - reclassified budget from approved Misc Stormwater projects, was separated for accounting and tracking purposes
4. Work ordered in April, funds appropriated in prior year allocations.
5. Small Capital item purchased, appropriated from unallocated funds
6. Project fully reimbursed by KCTCS, no budgeted appropriation.
7. Ongoing projects that will have additional funds appropriated in FY 2019, to date unknown final costs.
8. Repair project that escalated to capital. BAR presented in May after completion will allocate from FY19 funds.
Financial Statements

For the Eleven Months Ended May 31, 2018
Henderson Water Utility
Statement of Net Position
May 31, 2018

### ASSETS AND DEFERRED OUTFLOWS

**Current assets:**
- Cash $6,587,582
- Designated Cash for Contractual Adjustments $838,434
- Unrestricted Investments $55,741
- Restricted Investments
- Accounts receivable $674,007
- Inventories $937,974
- Other current assets $89,135

**Total current assets** $9,182,873

**Noncurrent assets:**
- Construction in progress $5,146,521
- Utility plant and equipment, net of accumulated depreciation $77,243,170
- Other assets $17,515

**Total noncurrent assets** $82,407,206

**Deferred outflows of resources** $2,052,846

**Total assets and deferred outflows** $93,642,925

### LIABILITIES AND DEFERRED INFLOWS

**Current liabilities:**
- Accounts payable $574,542
- Retainage payable $276,833
- Deposits payable $111,057
- Accrued liabilities $2,100,425
- Current portion of long-term debt
- **Total current liabilities** $3,062,857

**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** $46,227,710

### NET POSITION

**Net investment in capital assets** $47,374,726
- Restricted for debt service
- Unrestricted $40,489

**Total net position** $47,415,215
## Henderson Water Utility

**Statement of Revenues, Expenses, and Changes in Net Position**

*For the Eleven Months Ended May 31, 2018*

<table>
<thead>
<tr>
<th></th>
<th>May Actual</th>
<th>May 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>$604,049</td>
<td>$612,865</td>
<td>$7,182,458</td>
<td>$7,005,658</td>
<td>$7,626,070</td>
</tr>
<tr>
<td>Wastewater services and fees</td>
<td>953,572</td>
<td>875,672</td>
<td>10,636,143</td>
<td>10,004,982</td>
<td>10,891,300</td>
</tr>
<tr>
<td>Stormwater impact fee</td>
<td>60,121</td>
<td>61,840</td>
<td>674,571</td>
<td>673,400</td>
<td>735,240</td>
</tr>
<tr>
<td>Total operating revenues</td>
<td>1,619,742</td>
<td>1,550,377</td>
<td>18,493,172</td>
<td>17,684,041</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>464,173</td>
<td>579,911</td>
<td>6,363,528</td>
<td>6,931,767</td>
<td>7,511,678</td>
</tr>
<tr>
<td>Contractual services</td>
<td>135,161</td>
<td>157,642</td>
<td>1,709,834</td>
<td>1,755,063</td>
<td>2,056,705</td>
</tr>
<tr>
<td>Supplies and materials</td>
<td>189,516</td>
<td>170,663</td>
<td>1,823,510</td>
<td>2,026,547</td>
<td>2,068,210</td>
</tr>
<tr>
<td>Utilities expense</td>
<td>168,136</td>
<td>157,858</td>
<td>1,748,259</td>
<td>1,756,483</td>
<td>1,913,341</td>
</tr>
<tr>
<td>Repairs and maintenance</td>
<td>43,342</td>
<td>67,707</td>
<td>549,049</td>
<td>744,772</td>
<td>797,479</td>
</tr>
<tr>
<td>Other services and expense</td>
<td>39,520</td>
<td>46,210</td>
<td>659,620</td>
<td>793,313</td>
<td>839,523</td>
</tr>
<tr>
<td>Depreciation</td>
<td>304,598</td>
<td>293,750</td>
<td>3,350,579</td>
<td>3,231,250</td>
<td>3,525,000</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>1,344,446</td>
<td>1,473,741</td>
<td>16,204,379</td>
<td>17,239,195</td>
<td>18,711,936</td>
</tr>
<tr>
<td>Operating income (loss)</td>
<td>275,296</td>
<td>76,636</td>
<td>2,288,793</td>
<td>444,845</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>10,565</td>
<td>2,083</td>
<td>95,503</td>
<td>22,917</td>
<td>25,000</td>
</tr>
<tr>
<td>Other income</td>
<td>100,209</td>
<td>625</td>
<td>125,591</td>
<td>6,875</td>
<td>7,500</td>
</tr>
<tr>
<td>Interest expense</td>
<td>(73,500)</td>
<td>(73,565)</td>
<td>(823,751)</td>
<td>(824,470)</td>
<td>(898,035)</td>
</tr>
<tr>
<td>Total nonoperating revenues (expenses)</td>
<td>37,274</td>
<td>(70,857)</td>
<td>(602,657)</td>
<td>(794,678)</td>
<td>(865,535)</td>
</tr>
<tr>
<td>Income (loss) before capital contributions and distributions</td>
<td>312,570</td>
<td>5,780</td>
<td>1,686,136</td>
<td>(349,833)</td>
<td>(324,861)</td>
</tr>
<tr>
<td>Capital contributions</td>
<td>34,260</td>
<td>20,833</td>
<td>36,893</td>
<td>229,167</td>
<td>250,000</td>
</tr>
<tr>
<td>Distribution to City of Henderson</td>
<td>(400,000)</td>
<td>(400,000)</td>
<td>(400,000)</td>
<td>(400,000)</td>
<td>(400,000)</td>
</tr>
<tr>
<td>Change in net position</td>
<td>$ (53,170)</td>
<td>$ (373,387)</td>
<td>$1,323,029</td>
<td>$ (520,666)</td>
<td>$ (474,861)</td>
</tr>
<tr>
<td>Net position, beginning of period</td>
<td>47,468,385</td>
<td>45,944,907</td>
<td>46,092,186</td>
<td>46,092,186</td>
<td>46,092,186</td>
</tr>
<tr>
<td>Net position, end of period</td>
<td>$47,415,215</td>
<td>$45,571,520</td>
<td>$47,415,215</td>
<td>$45,571,520</td>
<td>$45,617,325</td>
</tr>
</tbody>
</table>
### Henderson Water Utility

Statement of Cash Flows

For the Eleven Months Ended May 31, 2018

<table>
<thead>
<tr>
<th></th>
<th>May</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>$ 2,500,407</td>
<td>$ 19,613,205</td>
</tr>
<tr>
<td>Payments for goods and services</td>
<td>(671,742)</td>
<td>(6,424,703)</td>
</tr>
<tr>
<td>Payments for employees</td>
<td>(465,523)</td>
<td>(6,378,828)</td>
</tr>
<tr>
<td>Net cash provided (used) by operating activities</td>
<td>1,363,142</td>
<td>6,809,674</td>
</tr>
</tbody>
</table>

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES**

Distribution to City of Henderson

Net cash provided (used) by noncapital financing activities

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES**

Acquisition and construction of capital assets | (179,120) | (3,280,680) |
Principal payments on long-term debt | - | (2,253,613) |
Interest payments on long-term debt | - | (894,918) |
Proceeds from sale of capital assets | 59,000 | 69,545 |
Capital contributions | 34,260 | 36,893 |
Net cash provided (used) by capital and related financing activities | (85,860) | (6,322,773) |

**CASH FLOWS FROM INVESTING ACTIVITIES**

Investment and other income received | 51,775 | 151,950 |
Investments proceeds | - | - |
Investments purchases | - | - |
Net cash provided (used) by investing activities | 51,775 | 151,950 |

Net increase (decrease) in cash | 1,329,057 | 638,851 |
Cash, beginning of period | 6,096,959 | 6,787,165 |
Cash, end of period | $ 7,426,016 | $ 7,426,016 |
PLANT OPERATIONS REPORT
General Operations:

A. Treatment Plants – Overview:

1. Regulatory:

Lead & Copper Testing: This is being scheduled to take place in August. Right now, we are working on pre-notification letters to the customer addresses that comprise our sampling plan. There could be many who have moved into an address after our last testing who may not know that they are part of our sampling site plan, or what they should do.

Consumer Confidence Report: This annual report has been completed by Water Quality Specialist, Heather King. Customers should be getting notified of how they can access it via their utility billing this month. For the past several years we have used e-notification by placing a QR code that directs the customer directly to the CCR on our website. Alternatively, the website link is also provided.

2. Operational & Financial:

South Wastewater Aeration Basin - Air Supply (no connection to the band, except to say that we hope this basin design is still going strong after 45 years!): It’s rare that you get to really see the result of improvements that are made in wastewater treatment. Part of the reason is that it’s a biological (translation = slow) process. However, we have been in the distinct position of operating outside of the range of our limitations for the last year and a half, so we have the benefit of seeing some pretty good before and after results of what these new basins are going to do for us. In a treatment process where oxygen is required for living organisms to thrive, the difference is like, well, trying to function and thrive under water without a good, reliable oxygen supply!

North Water Treatment 3rd Basin - An Under-Cover Success!: One of the final phases of the Improvement Project at the NWTP was to cover the 3rd Basin, which serves as a settling basin. In June 2016, the basin was cleaned out, covered, and placed in operation. The basin consists of tube settlers which provide a lot of surface area for algae to grow. In turn, this leads to higher organics, more required disinfection and higher levels of Disinfection By-Products. To mitigate this, it was necessary to empty the basin annually and clean it out. Sometimes twice.

Last month, we took the cover off to clean it, mainly out of nervousness and concern that at the very least, accumulated sediment at the bottom would need to be cleaned out. Where there were
usually multiple mats of algae on the tube settlers, they were nearly as clean as when the basin was placed into service 2 years prior. We’re pretty happy with these results.

3. **System Water Quality:**

   **Water Quality Calls:** One water quality complaint call was taken this past month.
   - 1449 Corporate Park: This was at the new Municipal Service Center. Crews advised that water from a frost-free hydrant, used for filling coolers, tasted like water from a garden hose. I grew up drinking water from a garden hose, so I’m kind of partial to it. Chemistries and bacteriological testing all returned normal results.

   **Water Quality Laboratory Audit:** The triennial laboratory audit is scheduled for the 18th and 19th. This is the most extensive audit that the lab goes through and is conducted by the Kentucky Division of Water.

4. **Personnel:**

   **Staffing Levels:**
   a. Water Quality: Full operational staff.
   b. Distribution System Operator: Full operational staff.
   c. North Water: Full operational staff.
   d. North Wastewater: Full operational staff.
   e. South Water: Full operational staff.
   f. South Wastewater: Full operational staff.
   g. Environmental Compliance & Pretreatment: Full operational staff.
   h. Plant & Pump Station Maintenance: Full operational staff.
   i. Treatment Intern: This position was not filled this year due to lack of applications. We would like to explore broadening this position into partnering with HCHS as a mentoring and career-prep opportunity.

5. **Projects:**

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

   **B. North WTP:**

   1. **Treatment Quality:**

      **Water Quality Goals:** All regulatory goals were met.
2. **Operations & Projects:**

   **Treatment Challenges:** Quarterly Disinfection By-Product compliance testing has been received, and the results are in a good range. The results are good enough to put us in a good position as we head into our most challenging quarter, when water is at the hottest temperature.

   **Plant Optimization:** Plant staff has been working to extend the hours on filters between washes. This will cut down on process water being lost. We are seeing good initial results, with a 25% increase in run hours with no obvious decrease in water quality. We are going to continue to push towards increasing this percentage. Staff is also working to keep the chemical usage as low as they can, without compromising quality.

   **Maintenance:** Work is on-going on numerous items that require staff attention.

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

   ![Graph showing water treated and water pumped data trend](image)

   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. Effluent quality continues to be very good.

   **Biosolids Quality & Hauling:** Hazex’s hauling has greatly improved this past month.

   **Reports:** All reports have been submitted.

2. **Operations & Projects:**

   **Budget:** The following report continues to be the case. Fuel costs are up slightly due to excessive use of heavy equipment by plant personnel and HWU Crew personnel working on the construction demolition of older plant sections. Sludge disposal is still under budget for the year. Dewatering chemical will be over for the remainder of the fiscal year due to the need to feed bleach frequently and additional polymer use.

   **Personnel:** We are in the process of hiring a temporary worker to assist with the sludge press operation.
**Maintenance:** Work on replacing airlines has been completed. There are diffusers in the digesters that need to be replaced and clarifier actuators to adjust next.

**Drying Beds:** Sludge and material has been removed from beds 3 – 6. We are awaiting a decision on the drainage system.

**UV System:** The bar screen has been placed in the UV channel and is working well. It has been painted and load limits stenciled on it.

**Clarifier Rehab:** Painting on the old Clarifiers has been completed despite several weather delays. Grout-work is finished and re-use water is going into #1 at this time for evaluation.

**D. South WTP:**

1. **Treatment Quality:**

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

2. **Operations & Projects:**

   **Treatment Challenges:** Bid invitations were sent out for Powdered Activated Carbon. We are awaiting results for this.

   **Water Leak:** *Imagine what havoc steel-clawed moles could create!* A water leak was discovered in the front yard of the plant on the 10” line going back to BREC. The leaking pipe looked like one of these creatures took a swipe at it, but it was probably a piece of equipment that did it when an anchor-bolt was placed by Kenergy a while back, and it just finally deteriorated through.

   On a similar note, Beech Grove advised us of having lower than normal pressure since the beginning of Spring. This suggests a leak on the line going from Chamberlain Tank, but nothing has been discovered so far.

   **Maintenance:** Ongoing work and needs are being addressed.

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

   ![Graph of SWTP Treated (MGD) and SWTP Pumped (MGD) from May 2016 to May 2018]

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

1. Treatment Quality:

**Effluent Quality:** All treatment goals were met. The newest basin is operating extremely well.

**Biosolids Quality:** Quality continues to improve, but we need to move more, and Hazex has been requested to provide two trailers a day, as they can.

2. Operations & Projects:

**Personnel:** Jeremy Duncan began at the plant and is learning quickly. He has had previous training in wastewater treatment so this helps him.

**Aeration Basin Repairs:** Construction on the rehab of #5 Basin is progressing very well. Staff is investigating the possibility of allowing MBI to begin work on EAB #6. This would mean that we would be operating on only two basins for a period of time, but would shorten the overall completion date of the project. We believe that EAB #4 is operating so well that this might be possible.

**Sludge Hauling:** This has been a consistent month on both our side and Hazex’s.

F. Plant & Pump Station Maintenance:

1. **Gardenmile Pump Station:** Check valves for this station have been repaired, and a new pump has been installed. It is now back in full service.

2. **CSO Basin:** Waiting on some extended dry weather to install the pumps and lift rails.

3. **NWWTP LPS (Local Pump Station):** A new pump has been installed, as well as a phase monitor replaced. It is now back in full service.

4. **NWTP Backwash Actuator:** The actuator that controls the backwash volume flow malfunctioned this past month. The gear box has been removed, and we are in the process of getting quotes for replacement. This is a large actuator so it will not be a small cost.

5. **Admin Building Fountain:** The pump for the fountain must be replaced. It has been ordered and will be installed when it arrives. This is a specialty pump and took a bit of effort to locate a replacement.

6. **Pump Station Control Panels:** With the help of the Automation Department, an effort is underway to begin replacing our pump station control panels. Some of these panels are in poor shape and contain a lot of extraneous wiring, switches, etc. from past years and different control panel builders. The new panels are going to be very simple inside. This will not only improve the aesthetic quality at some of the stations but will also help in troubleshooting when there are problems. *(No Change)*

7. **North Pump Stations:** We are in the process of evaluating each station so that levels can be adjusted to operate more efficiently. This is an ongoing process. Carriage Park PS, Hazex PS, Henderson Apts PS, Green Valley PS, Golden Corral PS, Spruce Drive PS, The Hills PS, Methodist Hospital PS, and Bob Romans PS were adjusted this past month.
8. **South Plants:** Most of the lights have been repaired that were in critical need. Others will be repaired in the Spring. *(No Change)*

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

1. **Industrial Pretreatment Activity:** Industrial User Permit applications have been sent to each Industry. Applications will be reviewed, and new 2018-2019 permits will be issued August 1, 2018.

2. **Violations:** Brenntag received a Notice Of Violation (NOV) for Zinc and Amenable Cyanide exceedances during the second quarter compliance sampling. They will be resampled for compliance and required to submit an explanation of the cause of this violation and corrective actions outlined to prevent recurrence by July 1, 2018.

3. **FOG Program Permit Applications:** Letters have been sent to Algonquins, Kelsey G’s Pizza & More, Medina’s Store, Metzger’s Tavern, and Brown Bag Burgers about the required grease control equipment (GCE). These restaurants are Class 3 Full Service Restaurants according to NAICS 722110 and require at least a one thousand (1,000) gallon grease interceptor. These restaurants currently have no GCE.

   We are currently working with Mark Greubel (local plumber), Cindy Leasor, Clinton Stratton (Headden Septic and Environmental), and Melvin Chambers (DarPro) for a Grease Control Equipment (GCE) solution for a restaurant that will be located in the old Soaper Building. We are finding this to be a consistent problem with full-service restaurants locating in certain areas of the downtown sector, where space is limited.

4. **FOG Program Impact:** We’ve heard from several on our Collections crew staff that they are seeing less call-outs due to grease in areas where there used to be problems and consistent calls. We’re working on gathering data together through Cityworks, or beginning to make it easier to do so, that will put metrics to this program.

**H. Distribution Operator Update:**

**Distribution System Flushing:** **CLARIFICATION** – The flushing performed by HFD was not a “complete” flushing in the sense that every hydrant was flushed, or even the hydrants that HWU would flush. What was meant is that this would serve as the sole multiple-staff and multiple-day effort that HWU has performed in the past. The Distribution System Operator will be focusing on the extremities (bad areas) of our system on a supplemental and more frequent schedule through the year.

*The Henderson Fire Department conducted a complete flushing of our system this past month. This is the first time that we have fully coordinated their efforts with ours. Our crews were not used at all, which was an overall savings of a week’s worth of manpower spent, but also a week’s worth of manpower not lost on work that’s in the queue.*

*It needs to be noted, as well, that with the coordination of effort also came the coordination of goals, meaning that water quality was a chief objective of the HFD. As a result, we received only one water quality call/complaint over the course of the entire flushing. This is outstanding.*

**DSO Certification:** The Distribution System Operator attended training this past month to become certified and licensed in Backflow and Cross Connection.
Grantwood Hills Subdivision Water Quality: It has been a persistent problem keeping good water quality and turnover in the back of this subdivision. We are currently investigating the reasons for this as well as potential solutions. (No Change)
Fats, Oils and Grease (FOG)

Many of the problems caused by FOG in the sewer system originate from fats, oils and grease that are poured down drains in homes. Although the wastewater collection system is owned, managed and maintained by HWU, the entire community of Henderson benefits from it being used responsibly. Through education and by adopting certain habits, it is easy to minimize FOG sources at home.

The Do's and Don'ts of FOG

Do!
- Place cooled oil and grease into trash bins or covered collection containers.
- Be aware of the “hidden oils” such as salad dressings, cheese, cookies, pastries, sauces and gravies.
- Scrape food scraps from dishes into trash bins.
- Manually wipe off all visible fats, oils, grease and food residue from dishes and cookware into trash bins.
- Use a strainer in the sink to collect excess food particles.
- Clean up grease spills with absorbent material and place into trash bins.
- Encourage neighbors to help keep fats, oils and grease out of the sewer system.

Don’t!
- Don’t pour oil or grease down the drain.
- Don’t scrape food scraps down the drain.
- Don’t pour liquid foods (syrups, batters, gravy, etc.) down the drain.
- Don’t run hot water over greasy dishes, pans or fryers – it will not prevent FOG from sticking to the inside of the pipes.
- Don’t use chemicals to remove grease clogs; they can damage the piping system.
- Don’t rely on a garbage disposal to get rid of grease.

For more info, call David Brister at 270-826-2824

Schedule a Tour of HWU for Your School or Organization

Henderson Water Utility is pleased to offer FREE plant tours for your school, club, group, or organization. Just give us a call at 270-826-2824.

Tours are available at our North Water Treatment Plant at 510 North Water Street, and at our North Wastewater Treatment Plant at 205 Drury Lane.

We are especially happy to offer tours for children.

Consumer Confidence Reports

NORTH Water Treatment Plant
Serving the City of Henderson and portions of Henderson County

2018 Henderson Water Utility North annual water quality report is available.

This report contains important information about your drinking water.

Please go to www.hkywater.org/ccr/north.pdf to view your 2018 annual water quality report or to request a paper copy call 270-826-2421.

SOUTH Water Treatment Plant
Serving the City of Sebree, Beech Grove, and portions of Henderson County

2018 Henderson Water Utility South annual water quality report is available.

This report contains important information about your drinking water.

Please go to www.hkywater.org/ccr/south.pdf to view your 2018 annual water quality report or to request a paper copy call 270-826-2421.

Henderson Water Utility urges you to sign up for FREE Hyper-Reach notifications on your mobile device by calling local Henderson phone number 270-594-5839 or by visiting http://tinyurl.com/hyper-reach-henderson

Be notified in an emergency such as a major water outage or boil water advisory.

Is your phone connected to a land line in Henderson County or in the City?
Great news: You’re already registered!
What is Stormwater?
Stormwater runoff occurs when precipitation from rain or melting snow flows over the ground. Impervious surfaces like driveways, sidewalks, streets, and rooftops prevent stormwater from naturally soaking into the ground. To manage this, communities have storm sewers that help to carry stormwater away from homes and businesses.

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

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

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

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

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

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

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

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

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

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

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

Understanding Stormwater
To find out more about stormwater, visit:

- Environmental Protection Agency: www.epa.gov/npdes/npdes-stormwater-program
- For Kids: www.epa.gov/watersense/watersense-kids
- Kentucky: http://water.ky.gov
- Henderson: www.hkywater.org
  E-mail: stormwater@hkywater.org
  Phone: (270) 826-2824

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

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

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

Remember that YOU are the SOLUTION to POLLUTION.
FIELD OPERATIONS REPORT
General Operations:

A. Overview:

1. Operational:

   Audubon Metals Sewer Project: Project complete.

   Storm water work along 4th Street near Alvasia is complete.

B. Automation Department:

1. **Beacon Meters: (No Change)** We are in the process of installing nine Beacon devices on water meters located at Gibbs Die Casting, Inc. Beacon devices attach to the Badger brand of water meters and transmit usage readings every night via cellular communications to a website hosted by Badger. We are provided an account and website access for the Beacon devices that we deploy. This allows us to remotely track daily water usage and to provide that information to customers. Knowing the daily water usage is often beneficial to industries in order to account for process performance and costs.

   We currently monitor sixteen locations with Beacon devices. The locations include meters at Beech Grove, Brenntag, Henderson County Water District, International Paper, and Tyson. Adding the nine devices at Gibbs will bring the total to twenty-five.

   Below is a graphic of the website depicting the combined monthly accumulated usage for all of the existing sixteen locations.
2. **SWWTP Automation**: We met with J.R. Wauford, Inc. on May 5th to discuss the SCADA upgrade project for the SWWTP. Wauford has created a set of plans and specifications. We will take bids on equipment but will install and integrate in-house. The project will include a new influent flowmeter and dozens of process control devices to be located at various points throughout the plant.

3. **Fair Street Booster Station**: *(No Change)* The master control center and SCADA for this station will be relocated to a building about 35 feet from the current position so that we can remove the existing brick building that is blocking access to the part of Canoe Creek Subdivision that will soon be developed. This project will require a new electrical meter service, a master control center with motor starters, and possibly a new building to house the controls. Electrical service for this project will be bid, as we estimate it to be close to $20,000.
C. SOC General / HWU General:

1. **Cityworks upgrade to version 15.2 went live on June 12**

   HWU began to use Cityworks Asset Management System (AMS) about three years ago, on May 7, 2015. Since that time, we have come to rely on Cityworks for its service request tracking, work order tracking, and inventory tracking.

   On Tuesday, June 12, we began using the new, improved version 15.2 of Cityworks.

   The transition to the new version went smoothly, thanks to all of the work done by staff to thoroughly test and debug the software prior to its implementation. Staff also ran parallel instances of the old and new versions, to verify accurate tracking.

   During the week of June 4-8, we held a dozen training sessions for our staff, to demonstrate the differences and additional capabilities of the new system. Over 30 field crews, plant operators, and office personnel all participated in the sessions. The training sessions were conducted by Tim Fischbeck, Kevin Sturgill, and Deniese Jones.

![One of a dozen Cityworks Upgrade Training Sessions](image)

2. **Utility Bill Inserts for June 2018**

   HWU provides utility bill tri-fold flyers three times each year: March, June, and October. The June utility bill insert will highlight CCRs (Consumer Confidence Reports) of our water treatment plants. We will also highlight our FOG (Fats, Oils, and Grease) program, and a reminder to sign up for the Hyper-Reach emergency communications phone network at **270-594-5839**, to receive phone call and text notifications in the event of a targeted boil water advisory or other emergency. An overview of our MS4 (Stormwater) program appears on the back page of the flyer. A copy of the utility bill insert is attached to the end of this Field Operations Report.
D. 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>5</td>
</tr>
<tr>
<td>Water Service Line Repairs</td>
<td>5</td>
<td>Sewer Service Line Repairs</td>
<td>1</td>
</tr>
<tr>
<td>Water Meter Inspection</td>
<td>34</td>
<td>Sewer Manhole Repairs</td>
<td>2</td>
</tr>
<tr>
<td>Water Meter Changes</td>
<td>12</td>
<td>Sewer Main Cleaning</td>
<td>3</td>
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<tr>
<td>Water Meter Repair</td>
<td>6</td>
<td>Sewer Main Grease Removal</td>
<td>0</td>
</tr>
<tr>
<td>Water Meter Disconnected</td>
<td>8</td>
<td>Sewer Overflow Calls</td>
<td>1</td>
</tr>
<tr>
<td>Water Meter Reposition</td>
<td>0</td>
<td>Sewer Backup Calls</td>
<td>7</td>
</tr>
<tr>
<td>Water Meter Box Cleaned</td>
<td>0</td>
<td>Sewer Blocked Calls</td>
<td>0</td>
</tr>
<tr>
<td>Water Meter Locate</td>
<td>1</td>
<td>Sewer Odor Calls</td>
<td>2</td>
</tr>
<tr>
<td>Water Meter Leak Detection</td>
<td>9</td>
<td>Sewer Service Line Locates</td>
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</tr>
<tr>
<td>Water Meter Disconnected</td>
<td>4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fire Hydrant Repairs</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Low Water Pressure Calls</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water Leak Calls</td>
<td>16</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water Quality Calls</td>
<td>2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>No Water Calls</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Turn Water Off/On Calls</td>
<td>13</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Install Temporary Hydrants</td>
<td>5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stormwater Maintenance</td>
<td>Qty.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Storm line Repairs</td>
<td>5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Storm Intake Repairs</td>
<td>0</td>
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<td></td>
</tr>
<tr>
<td>Stormwater Flooding Calls</td>
<td>10</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clean/Unblock Intakes</td>
<td>5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pump Station Maintenance</td>
<td>Qty.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pump Station Repairs</td>
<td>2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pump Station Inspections</td>
<td>7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pump Station Cleaning</td>
<td>8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pump Station Maintenance</td>
<td>25</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| New Services                      | Qty. | Miscellaneous Services | Qty. |
| Water Taps                        | 3    | Sink Hole Calls         | 11   |
| Sewer Taps                        | 0    | Inspect Misc. Items     | 2    |
| Sewer Tap Locates                 | 2    | Smoke Test Lines        | 0    |
| Water Meter Installation          | 3    | Camera Inspect Lines    | 6    |

| Regulatory Issues                 | Qty. |                                  |      |
| Downspout Removal Letters Mailed  | 1    |                                  |      |
| Downspout Letters Mailed To Date  | 228  |                                  |      |
| Downspout Removal Requests:       | 222  | Total Complied and Re-inspected |      |

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.
E. **Collection System:**

No report this month.

F. **Distribution System:**

The Hackberry project should be complete this week. All services are now connected. After the affected driveways are replaced and landscaping is done, this project will be finished.

The HCC water main extension project is now tied in and awaiting pressure testing and disinfection. Crews should have this completed this week which will allow them to focus on the service lines. That is all that is left to do on this project.

G. **Stormwater Projects:**

Tree trimming crews completed trimming a ditch line that is between 14th St. and Harding Ave. We also cleaned up the ditch that runs inside of Hercules property at the end of 8th St. There was one section we could not get into, so we are contacting tree trimmers to remove grown up trees.

The initial phase of the Countryview Stormwater project is now completed. Bowling Construction put the finishing touches on the project the week of June 4th-8th.
**H. Stormwater Phase II:**

1. **MS4 KYG2000 General Permit:**

   A new 5-year KYG2000 General Permit is now in effect, as of May 1, 2018. The new permit is scheduled to expire on April 30, 2023. We have submitted the required NOI (Notice of Intent) to be covered under the new permit.

   The next permit requirement is the submission of a revised SWQMP, or Stormwater Quality Management Plan, which is due in six months.

   The SWQMP is a major document with the overall goal of reducing the discharge of pollutants into the municipal separate storm sewer system (MS4) to the Maximum Extent Practicable (MEP). All regulated MS4s must include best management practices (BMPs) in the SWQMP to address minimum requirements and performance standards.

2. **KSA Annual Conference:**

   KSA, the Kentucky Stormwater Association, will hold its Annual Conference in Owensboro on June 27-29, 2018. There will be eight plenary sessions where all of the attendees meet in one large conference room. Additionally, there will be approximately two dozen breakout sessions, where attendees can pick and choose a track that meets their interests and needs.

   HWU staff will attend and participate in the conference.

**I. Information Technology Department:**

Cityworks 15.2 Upgrade: (Update) We went live with Cityworks 15.2 on Tuesday 6/12/2018. Thank you to the implementation team for the many hours of testing and reporting that they did during the month-long testing period. A few issues were discovered, triaged, and corrected as soon as possible. We offered several training opportunities the week of June 4 to demonstrate the greatest differences between the old version and the new. Over 30 people attended. The primary differences are the improved Map, the Equipment/Labor/Materials (ELM) module, and the Respond web app. We will continue to monitor Cityworks and correct any remaining issues that may be found. In addition, we will provide more training as needed.

May 16 Lightning Strike: A severe thunderstorm rolled through the area on Wednesday 16 May. Lightning struck the SOC and the Atkinson Park Booster Station and damaged a large amount of electronic equipment. Damaged/destroyed equipment included all SOC network switches, SOC phone switch, several phones, an engineering plotter, a couple PCs, and some SCADA equipment. We replaced the main network switch that morning and the phone switch the next morning. Customer calls were answered at the Admin building. A complete inventory has been taken for an insurance claim. The total cost of damaged/destroyed equipment is between $19,160 and $29,127 (dependent upon whether some of the equipment can be repaired). During the event we logged 70 man-hours.

Friday 1 June Power Outage: On Friday 1 June, a large area of the City experienced a power failure. The Admin building, SOC, and NWTP were affected. At the Admin building, the power failure lasted between 20 and 25 minutes. The servers and network equipment were powered by battery backup systems, and all equipment remained up and running; however, if the power had remained off for another few minutes the batteries would likely have been depleted. The SOC battery...
backup unit depleted before the power came back on. This highlights the need for backup generators.

New Firewalls: On Tuesday 29 May we installed two new Palo Alto firewalls. These two firewalls replace a single 8-year-old Palo Alto firewall. The new firewalls are configured in a high availability mode, which means that if one fails the other one will automatically take over. The two new firewalls were approximately the same cost to purchase new as the cost of annual maintenance on the old firewall.

J. GIS Department:

No report this month.
ENGINEERING REPORT
1. **South Wastewater Treatment Plant – Repair and Rehab of Extended Aeration Basins:**

The first basin (#4) is in service and performing well. Work is progressing on Basin 5, and has picked up, due to better weather. Effluent structures are complete, and the rock for the bottom has been completed, as well as the underdrain system. We hope to see the concrete bottom poured by the end of June or first week of July.

*Basin 5 receiving Rock Underlayment*

We’re about 301 days into a one-year contract. There have been a number of legitimate weather days, above what would be normal for a year, that we will be discussing with the Contractor, Mark Bowling, as we bring this project closer to completion.

**SCADA/Grant Project:** The grant we received from Delta Regional Authority ($285k) will not be used on the basins proper, but we have identified other needs at the plant that were not addressed in the rush to get the basin project underway. This will include reworking the existing belt presses, which we can do in the range of $50k (versus $250k for a new press), and some work related to automation (flow meters, other monitoring equipment) which will make the plant easier to operate. Plans are complete, and we received one bid on the equipment ($129,210.41), and bids on electrical installation are due on the 27th. Sludge press renovation bids due on July 11th, and we plan to bring the entire package to you for award at the July Board meeting. Total cost of the grant project will be approximately $535,000.

2. **Atkinson Park Sewershed Study - Myrene Drive Sewer Pump Station:** (no change since last report)

Phased in five sections, design of these projects is on hold. We have several easements appraised and have six signed on the Myrene FM portion of the work, and two on the Atkinson Park FM, from the Hospital, just north of 14th Street. Easement offers on the North Elm Street portion of the Myrene force main segment have all been signed.

The construction of a revamped Myrene Drive pump station will hopefully be bid in early 2019. This will 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 2020 at the earliest. All easements for this segment signed and recorded.

3. **North Wastewater Treatment Plant – Clarifier Repairs:**

   This project has included replacement of the metal rotating mechanisms on the two older clarifier units, as well as new weirs and scum boxes. Mark Bowling (MBI) is the contractor. Painting is complete; only startup, training and final cleanup remain.

   When these units are on-line, we will be able to complete some warranty work on the third clarifier that was constructed on the larger Headworks project (Codell).

   This project had a scheduled completion date of 28 September 2017, and has run considerably beyond that, on the order of 37 weeks. Liquidated damages specified in the contract are $1,000 per week, so this will amount to a substantial penalty. We are in discussion with the Contractor on this matter, and will report our resolution to you, probably next month.

4. **Countryview Subdivision Stormwater Project:**

   Some tree clearing adjacent to the subdivision has been performed, along with ditch construction on the outfall for the first phase. HWU Staff working on plans & bids and we are hoping to start construction on a further part of this project, this fiscal year. Have also received a Stream Construction Permit as required by KDOW (project area is in the flood plain) and the local Flood Plain permit that parallels the State permit and have received our permit from the Corps of Engineers for the outfalls to Canoe Creek. A lightly attended public informational meeting was held on April 12th.

   Bids on the first big phase are due on 18 July, and we’ll bring award of a contract to you at the August Board meeting.

5. **South Main Street Water Transmission Main – Hancock to Yeaman:**

   Strand Associates has prepared plans for this project, and we held a review meeting on 17 October. This project is estimated at $1.5 million and will be critical if a large water user locates in the South/College pressure zone (Riverport, KY 425 area). At this point, funds for this project are planned for FY 2020, and our model shows it to be a priority, even without new industrial use in the South/College pressure zone. We added some work on Oriole Drive to this project, which has caused a delay in final plan development. Final review plans are in our hands now, and we will be wrapping up the planning phase shortly.

6. **Hackberry Neighborhood Water Main – Drury Ln to Yeaman Avenue:**

   This water line replaces an old cast iron main that provides inadequate pressure in this area of South Main Street and is one of our most troublesome areas in the Distribution network. We approved the action report for this project at the August meeting. Work in earnest on the first part of this project started on 27 February and is now largely complete, with only driveway paving and landscaping
remaining. The one remaining portion of this work that we are adding to the end of the project is to tie the S. Main area to a large diameter main that’s in an alley between Main and Green Streets.

There is another portion of this project, which runs along Drury Lane and ties into an existing main at the North WWTP, which we may do later if we decide to move the Hackberry area to the College pressure zone.

7. **South Elm Street (Jefferson to Washington) Water Line:**
This project will eventually resume with 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 have retired a problematic old 4” line in Green Street that dead ended at Norris Lane, which required work in the middle of Green Street to switch services over to another line. This was an appropriate time to perform that work, as KYTC plans to repave Green Street through town this summer, so patching we do will be overlaid then. We hope to restart the work along S. Elm soon, as the Hackberry and College projects are now (almost) complete.

8. **Community College Water Line:**
Project to loop existing water mains on the Henderson Community College campus, retiring some very old water lines, and improving water quality in four buildings, is nearly complete. The last section of line is installed, but not yet hot, awaiting some plumbing work on the College’s side of the meter.

We have collected data for this line’s location, as well as the existing line that runs around the Preston Arts Center, and have enlisted Branson Surveys to prepare an easement document that will dedicate those lines to us, clearing up confusion about ownership of some water mains that we have been maintaining, but to which we don’t have clear title.

9. **South Water Treatment Plant – Backwash Pump System:**
Operational review of the South WTP shows that the filters undergo backwash for extended periods, which reduces the production capacity of the plant. In a nutshell, the filters were designed to use clean water from the other filters to perform the backwash function. Since all the filters are at the same elevation, there is not sufficient “head” for the filters to quickly and efficiently clean themselves using this system.

To speed up the backwash process, we are looking at a pumped backwash system that will provide more head differential, speeding the process and allowing the filters to be returned to service much faster. J.R. Wauford has been retained to perform the preliminary engineering, and we think this project will cost around $400,000. May be a candidate project for another grant application or could be folded into the replacement of the Clearwell.

10. **Emergency Generators: (no change since last report)**
Kickoff of this project occurred on 2 June 2017. Siting of generators has been reviewed by Plant Operators and comments have been resubmitted to the engineering firm. Cost estimates for each location have been developed, and we are considering prioritization of the sub-projects.

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. Requires one easement, which we have not acquired.

Engineering Report
18 June 2018
12. Frontier Tank:
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. Repairs/repainting of a portion of the tank should be covered by the contractor’s warranty, and we understand the Contractor will be here early in July to do this remedial work.

13. Wathen Lane Bridge – Water Line Relocation: (new project)
This project will replace a substandard bridge north of Wolf Hills Boulevard with a large box culvert. The construction requires us to move an 8” water line, and only a portion of that cost will be reimbursed. We are engaging a subcontractor to do a directional drill to reduce costs and disturbance in the stream. This is the subject of an Action Report for this meeting.

14. Buildings at the SOC (Painting and Possible Construction): (new project)
The metal storage, garage and crew buildings at the Systems Operation Center are getting in pretty poor shape, with a lot of rusted siding, and now that the City has cleared the lots along the Second Street frontage, we are now visible from the main drag. Working on plans to paint the metal surfaces in the short term and looking at ideas to tear down some wooden and metal structures that are past their useful life and erect one or two metal buildings, possibly including one to house the Vactor trucks and the Wash Truck. Currently, the Vac trucks are located at the North WWTP when not in use, which means that a trip to Drury Lane is required when a crew is called in after hours. Locating those trucks at the SOC would cut our response time to overflows and be much more convenient for our crews.

15. North Water Treatment Plant Roof: (new project)
The last remaining original roof surface on the North WTP main building is on the high, three-story section. This was constructed around 1962, so we’ve gotten our money’s worth out of it, but judging from the pails on the third floor, it needs to be replaced. We’ve prepared specs and plans internally, and it will be bid on 11 July. Good news on this project is we had the existing roofing tested for asbestos, and the results were negative.
Staffing Levels:

1. Director of Field Operations [1 position]: Applications sent to department on May 30th

2. Utility System Worker I [1 position]: last candidate on register being reviewed

3. Utility System Worker II [no vacancy]: internal exam could not be given on March 15th, waiting on department on how to proceed

4. Wastewater Treatment Operator I [1 SWW position]: current employee moving into this position July 1st

5. Crew Leader [1 position]: no request for action

6. Maintenance Welder [1 position]: no request for action

7. Construction Inspector [1 position]: no request for action

8. SOC – Seasonal Worker [5 positions]: staffing agency was contacted for 2 positions; no request for action for other 3 positions

9. Treatment Plants – Seasonal Worker [2 positions]: no request for action

10. Seasonal Treatment Intern [1 position]: no request for action

Safety Report (as of 5/31/2018):

<table>
<thead>
<tr>
<th>Hours Worked</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>65,011</td>
<td>+ 13,394</td>
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<table>
<thead>
<tr>
<th>Cases</th>
<th>HWU</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Days Away/Restricted Time Cases</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>Days Away From Work Cases</td>
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<tr>
<td>Actual # Days Away From Work</td>
<td>237</td>
<td>0</td>
</tr>
<tr>
<td>Transfer/Restricted Cases</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>Actual # Days Restricted Duty</td>
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<td>+ 31</td>
</tr>
</tbody>
</table>

Incident Rates

<table>
<thead>
<tr>
<th>Rate</th>
<th>HWU</th>
<th>Change</th>
<th>2012 NAICS 2213</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Recordable Rate</td>
<td>6.15</td>
<td>- 0.77</td>
<td>2.8</td>
</tr>
<tr>
<td>DART Incident Rate</td>
<td>3.08</td>
<td>- 0.26</td>
<td>1.4</td>
</tr>
<tr>
<td>DAFW Rate</td>
<td>0.00</td>
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<tr>
<td>Trans / Restrict. Rate</td>
<td>3.08</td>
<td>0.6</td>
<td></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: [(# Cases) x 200,000] / Employee Hours Worked
- Change data compared to data at the end of the previous month.

- There was no recordable case in April. The one case waiting decision from workers’ compensation insurance carrier was determined not work related.

- The May comprehensive fixed facility safety audits were conducted at the South Water (SWTP) and Wastewater (SWWTP) Treatment Plants. There were no significant issues identified. Both locations were last audited in February 2018.

Other:

Upcoming City-wide Events:
GENERAL MANAGER’S REPORT
Regulatory Issues

The motion for LTCP/CJ Termination, along with an Agreed Order implementing the motion were processed by our Board in February and were passed by the City and forwarded back to Frankfort for final action.

We have received an award from the Kentucky – Tennessee Water Environment Federation for the “Outstanding Overflow Abatement” project for our completion of the Long-Term Control Plan and the pending termination of our Consent Judgement. Will be presented at the Water Professionals Conference in Nashville, on July 10th.

Budget - FY 2018-2019

The Budget for FY 2018-2019 received first reading approval from the City Board of Commissioners on 12 June, and second reading is coming on 26 June. Nothing like waiting until the last minute.

Discussions with the City about our PILOT (Payment in Lieu of Taxes) at a City work session on their budget resulted in an agreement to leave it at the current $ 400,000 annually, and to have an open discussion involving the City, HWU, HMPL and HMG, to determine the proper amounts for each Utility, taking into account the City’s needs. More on that as it develops.

Technical Standards Manual for Wastewater and Pump Station Facilities

We’ve been working internally for about three years to revise and update our Technical Standards for Water, Wastewater and Stormwater, and you adopted changes to the Potable Water Manual in June 2016. We have now completed a review of the Wastewater & Pump Station Manual and are ready for you to adopt those changes and move forward.

Most of the updates are changes to methods to reflect how we actually do things, as well as adding part numbers we now use, and a lot of re-formatting. There are no changes in these standards that would add costs to a contractor or developer installing sewer lines or a pump station.

With your approval, these revisions will be forwarded to the Planning Commission for adoption. They have some authority over construction standards, since KRS Chapter 100 under which the HCCPC is ordered contains provisions for subdivision regulations and specifications for physical improvements.

Collection of Past Due Charges

We have a residential customer who has fallen far behind on payment of water and wastewater charges, and who has ignored our attempts to negotiate a repayment schedule. I authorized shutting off this water service on 24 May, and we pulled the meter on 4 June. Eric has begun the process of filing an action in Circuit Court to recover the unpaid balance for water/wastewater, in an amount of $ 32,243.66. We will keep you up to date on the progress of this matter. This is the first time I can remember being in this position with any customer.
**Front Gate at the North WWTP – Drury Lane**

We took sealed quotes on a new electrically operated gate for the front of the North Wastewater Treatment Plant, the Drury Lane entrance. Low quote came in below the estimate ($12-15,000) at $10,807. There were four bidders. This is one of those important but often forgotten things that helps to secure our sites and prevents unwanted access and potential theft.

While this does not require your approval (under $20k) we report these small capital items to you regularly, since they will be reflected on the Capital Projects report that Todd prepares each month.
BUSINESS

- Action Report # 2018-14 – Annual Chemical Bids
- Action Report # 2018-16 – Wathen Lane Bridge Project – Water Line Relocation
Henderson Water Utility
Action Report 2018-14

To: Henderson Water & Sewer Commission
From: Kathy Ambrose, CPPO, CPPB Purchasing Manager
Subject: Annual Chemical Bids
Date: 18 June 2018

Background:
- These bids are for chemicals which are used to treat our water and wastewater throughout the year. These chemicals are the ones which have been determined to be non-sole-source.
- A total of nine (9) separate bids were issued and eight (8) potential vendors were notified of the bid opportunities, as well as the public notification via The Gleaner, Twitter, and Facebook.
- All nine (9) bids are ready to be awarded to established vendors who submitted the low bid with product, and which do not require additional testing to insure effectiveness.
- These bids are effective from 18 June 2018 through 18 June 2019, with the option for two, one-year renewals, if renewal is determined to be in the best interest of the Utility.

Budget Considerations:
- Purchases of these items are within the operating budget (chemicals). With variations up and down for individual items, the total impact averages out to nil.

Policy Considerations:
- It is HWU’s established policy to take the bid(s) evaluated to be in the best interest of the Utility based upon the specifications set out in the original bid document.
- The bids issued included co-operative language which would allow any Kentucky city or county agency to purchase directly from the document at the awarded bid prices.

Legal Considerations:
- This procurement is in accordance with KRS 45A.365 of the Model Procurement Code.
- Kentucky Preference Laws did not have any effect upon these bid results.

Recommendation:
- Staff recommends awarding the bids for treatment chemicals to the low bidders per the table attached. A bid summary is available for review.

Kathy Ambrose, CPPO, CPPB
Purchasing Manager

Tom Williams, P.E.
General Manager

Commission Action – 18 June 2018

PASSED: ___________   FAILED: ___________   TABLED: ___________
### Awarded Annual Chemical Bids

<table>
<thead>
<tr>
<th>Description</th>
<th>Current Price</th>
<th>New Price</th>
<th>Vendor</th>
<th>Difference %-age</th>
<th>Estimated usage (lbs)</th>
<th>Budget impact $ +/-</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chlorine 1 ton</td>
<td>$0.2425</td>
<td>$0.209</td>
<td>Brenntag</td>
<td>-13.81</td>
<td>42,000</td>
<td>(1,407.00)</td>
</tr>
<tr>
<td>Chlorine 150 lb</td>
<td>0.4685</td>
<td>0.459</td>
<td>Brenntag</td>
<td>-2.03</td>
<td>17,300</td>
<td>(164.35)</td>
</tr>
<tr>
<td>Bleach</td>
<td>0.087</td>
<td>0.0883</td>
<td>Brenntag</td>
<td>1.49</td>
<td>1,097,000</td>
<td>1,426.10</td>
</tr>
<tr>
<td>Sodium SilicoFluoride</td>
<td>0.54</td>
<td>0.6625</td>
<td>Brenntag</td>
<td>22.69</td>
<td>21,000</td>
<td>2,572.50</td>
</tr>
<tr>
<td>Acid Alum</td>
<td>0.1</td>
<td>0.1</td>
<td>Chemtrade</td>
<td>0.00</td>
<td>2,746,000</td>
<td>0.00</td>
</tr>
<tr>
<td>Fluoride</td>
<td>0.36</td>
<td>0.348</td>
<td>Brenntag</td>
<td>-3.33</td>
<td>28,000</td>
<td>(336.00)</td>
</tr>
<tr>
<td>50% Caustic</td>
<td>0.26</td>
<td>0.25</td>
<td>ADC</td>
<td>-3.85</td>
<td>468,000</td>
<td>(4,680.00)</td>
</tr>
<tr>
<td>25% Caustic</td>
<td>0.16</td>
<td>0.15</td>
<td>ADC</td>
<td>-6.25</td>
<td>119,000</td>
<td>(1,190.00)</td>
</tr>
<tr>
<td>Sodium Chlorite</td>
<td>0.5447</td>
<td>0.576</td>
<td>ID</td>
<td>5.75</td>
<td>118,500</td>
<td>3,709.05</td>
</tr>
</tbody>
</table>

**Total Impact** (69.70)
Henderson Water Utility
Action Report # 2018 - 15

To: Henderson Water & Sewer Commission
From: Tom Williams, P.E., General Manager
Subject: 4th & Alvasia Stormwater Project
Project No: 22-1802-0085
Date: 18 June 2018

Background:

- An ongoing drainage problem has existed in the block bounded by Alves, Third and Alvasia Streets, and the CSX railroad tracks, in an older area of Henderson. Investigation and remedial work over the years has never resulted in a lasting fix. The drainage issues negatively impacted some properties in this area, with water seeping under buildings and into crawl spaces.
- A renewed effort earlier this year revealed a long dis-used stormwater pipe that was mostly full of sediment, which drained this area towards the southeast, along 4th Street, to the vicinity of the 3rd Street Basin.
- Our efforts to clean this pipe and restore drainage extended across several months and led to the accumulation of labor, equipment and material charges in excess of the limits for capitalization of the project, and also of the limit that normally requires Board approval.
- The work is now complete.

Budget/Financial/Legal Considerations:

- Staff is bringing this forward for Board approval after-the-fact.

<table>
<thead>
<tr>
<th>4th &amp; Alvasia Stormwater Project</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labor and Materials to Date – through 6.11.2018</td>
</tr>
<tr>
<td>Additional amount necessary to complete Project</td>
</tr>
<tr>
<td><strong>Appropriation Required from 2018-2019 Budget</strong></td>
</tr>
</tbody>
</table>

Recommendations & Approvals:

- An appropriation of $ 45,707.08 from the “Unidentified Capital Projects” line item in the 2018-2019 Budget is required.
- Board approval authorizes all work necessary to complete the scope of work for this project, including issuance of any additional bids, purchase orders, engineering services, change orders, easement acquisition, or other authorizations required to complete the work without unnecessary delays.

Respectfully Submitted for Approval:

Tom Williams, P.E.
General Manager

BOARD ACTION – 18 June 2018
PASSED:_____ FAILED:_____ TABLED:_____ DATE:______
Henderson Water Utility
Action Report # 2018 - 16

To: Henderson Water & Sewer Commission
From: Tom Williams, P.E., General Manager
Subject: Wathen Lane Bridge Project – Water Line Relocation
Project No: 22-1802-0086
Date: 18 June 2018

Background:

- The City has pursued a project widen and improve Wathen Lane from US 60 East, north to the City Limits near Braxton Park. Traffic in this area has increased due to development, and as a cut-through for traffic bound for the twin bridges.
- The first portion of the work is replacement of the sub-standard bridge across a creek in the 6900 block, just north of Wolf Hills Boulevard. A further project to widen the road and install pedestrian facilities throughout this section is about to enter the design stage.
- Funding for the bridge improvement has now been programmed by the Kentucky Transportation Cabinet (KTC), and the design team has completed its work.
- We have worked up a plan (with the assistance of Dylan Ward, the City’s project manager) to relocate an 8” water line out of the way of the construction. Part of this plan includes directional drilling under the creek, which will be quicker, easier and have less impact on water quality in the stream.
- The City has obtained all easements necessary for this work.
- We obtained three quotes for the bore. The low quote was for $ 18,049 from A & S Services, the same firm we have used for other recent boring projects. This is subject to a caveat on pipe pricing (as we expect to see more often, with current turmoil in the markets for commodities).
- Our crews will be making tie-ins on either end to our existing line. We estimate our portion of this work to be approximately $ 15,500, but will budget $ 20k to include some contingency.

Budget/Financial/Legal Considerations:

- The total project budget for the water line relocation is thus:

<table>
<thead>
<tr>
<th>Wathen Lane Water Line Relocation Project</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Spending to Date – through 6.1.2018</td>
<td>$ 0</td>
</tr>
<tr>
<td>Costs for Directional Drilling (including contingency)</td>
<td>20,000</td>
</tr>
<tr>
<td>Costs for HWU Tie-Ins (including contingency)</td>
<td>20,000</td>
</tr>
<tr>
<td>Available Funds from City/KYTC</td>
<td>(20,000)</td>
</tr>
<tr>
<td>Appropriation Needed from our Capital Budget</td>
<td>$ 20,000</td>
</tr>
</tbody>
</table>

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

- An appropriation from the “Unidentified Capital Projects” line item in the 2018-2019 Capital Budget of $20,000 is required, to offset the portion that will not be reimbursed by the KYTC funding.
- Board approval authorizes all work necessary to complete the scope of work for this project, including issuance of any additional bids, purchase orders, engineering services, change orders, easement acquisition, or other authorizations required to complete the work without unnecessary delays.

Respectfully Submitted for Approval:

[Signature]

Tom Williams, P.E.
General Manager

BOARD ACTION – 18 June 2018

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

- To discuss matter which might lead to the appointment, discipline, or dismissal of an individual employee pursuant to KRS 61.810 (1) (f)
HENDERSON WATER AND SEWER COMMISSION
RESOLUTION OF THE BOARD OF COMMISSIONERS

Resolution No. 2018 - 17
Annual Merit Adjustment for Chief Financial Officer

The following Resolution was adopted by the Board of Commissioners of the Henderson Water & Sewer Commission at a regular monthly meeting held on Monday, 18 June 2018, at which meeting a quorum was present.

WHEREAS, in accordance with the terms of an Employment Agreement under which the Board of Commissioners of the Henderson Water and Sewer Commission (the “Commission”) employs Todd Bowley as Chief Financial Officer of the Henderson Water Utility, it is provided that the General Manager shall annually determine whether to increase the compensation paid to Mr. Bowley; and

WHEREAS, the General Manager has reviewed Mr. Bowley’s job performance and concluded that his performance warrants an increase to base salary.

BE IT RESOLVED, by the Commission that the base salary of Todd Bowley for his services as Chief Financial Officer be increased to $76,500, effective 1 June 2018.

Recommended by: _________________________
Tom Williams, P.E.
General Manager

IN WITNESS WHEREOF, having come before the Board of Commissioners on Monday, 18 June 2018, and upon Motion made by Commissioner ____________, and seconded by Commissioner ________________, the Board of Commissioners voted as follows:

<table>
<thead>
<tr>
<th>Commissioner</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>

___________________________
R. Paul Bird, Jr., Board Chairman
Henderson Water & Sewer Commission