A G E N D A
(Revised)
HENDERSON WATER & SEWER COMMISSION
(270) 826-2421
October 21, 2019
Monday @ 4:30pm

A. ROLL CALL

B. REQUEST TO ADDRESS THE BOARD
   • Update on Frontier Village, 996 Homestead
   • Update on Pleasantview Subdivision

C. RECOGNITION FOR 20 YEARS OF SERVICE
   • Rick Green – Utility System Worker II – Oct. 13, 1999

D. APPROVAL OF MINUTES
   • Approval of Minutes from September 23, 2019 Regular Meeting

E. MONTHLY REPORTS
   • Financial
   • Plant Operations
   • Field Operations
   • Engineering
   • Human Resources & Safety
   • General Manager’s
     o Revision 1, Policy H-100, Development Standards – Adoption of Technical Standards for Water, Wastewater and Stormwater – Special Policies Related to Development & Acceptance of Improvements

F. BUSINESS
   • Resolution #2019-35 – Approval of Memorandum of Understanding with Ellis Park in Henderson County, Kentucky
   • Resolution #2019-36 – Recommending Changes to the Henderson County Sewer Use Ordinance

G. EXECUTIVE SESSION – None Requested
REQUEST TO ADDRESS THE BOARD

- Update Frontier Village, 996 Homestead
- Update Pleasantview Subdivision
RECOGNITION FOR 20 YEARS OF SERVICE

• Rick Green – Utility System Worker II  
  (October 13, 1999)
ACTION MINUTES OF MEETING
September 23, 2019
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, Todd Bowley, Bart Boles Kathy Ambrose, and Patty Brown. Others in attendance were Public Information Officer, Donna Stinnett. Additional visitors included Magistrate Keith Berry, Brian McDaniel, Vivian Middleton and other residents from Pleasantview Subdivision. There were also members of the media present representing Channel 44 and Channel 25.

B. REQUEST TO ADDRESS THE BOARD

• Vivian Middleton – Sewer Charge Issue

Vivian Middleton appeared before the Board to voice her complaint that the residents of Pleasantview Subdivision are being treated unfairly because of the fixed sewer charge of $65 that is applied to their Henderson County Water District bill each month. Other residents of the subdivision were also present and supported the proposal made by Ms. Middleton to apply the same sewer rate for Pleasantview residents that HWU applies to other customers that are located outside the City limits of Henderson. A petition was also made available showing that other residents who could not attend the meeting supported their request.

Tom Williams explained that when the developer of the subdivision decided to stop operating the private sewer system in 2000, the Division of Water stepped in and requested that HWU take over the operations. Henderson County Water District agreed to add the sewer charge to their billing, but at that time they did not have the software capability to bill according to water usage so the flat charge of $25 per month was added. HWU spent about $900,000 to run a line out to take care of the additional sewer load. In 2013, it was discovered that the rate for the Pleasantview customers had not been raised over the years even though the rates for City customers had increased. The fixed rate increase started at $48, then $61, and increased by 5.85% over the next few years. It eventually was above $70, but after reevaluation, it was lowered to $60 and was recently raised to $65 in July. He stated that since Mrs. Middleton’s inquiry the situation has been discussed and Pete Conrad with HCWD believes they now have the capability to charge the sewer rate according to water usage.

After much discussion, the Board agreed that this was a reasonable request and if HCWD has the ability to do the calculations needed this would be acceptable. Mr. Williams noted that there will be 20 to 30 Pleasantview customers that will have a higher sewer bill when this is implemented and some of the increases will be substantial when bills are figured according to water usage.

Motion was made by Commissioner Gary Jennings to apply the same sewer rates to Pleasantview customers as all other customers located outside the City limits. This motion is
subject to Henderson County Water District’s ability to perform this function with their
current software that will calculate the sewer rate according to the customers water usage.
The motion was seconded by Commissioner Julie Wischer, with all Commissioners voting Aye.
No opposition. Motion carried.

The Board thanked the group for their attendance and explained that it might take a few
months before the new rates will take effect.

- **Brian McDaniel – Vine and Green Water Line Repair Issue**

  Brian McDaniel appeared before the Board to voice his complaint that when the water main
break at Vine and Green Street was repaired, he lost 1 to 2 days business income because his
drive through was blocked during the repair. He felt that the utility should have
communicated better and coordinated the second repair with him. Tom Williams explained
that when the first repair was made in April the proper parts were not available and had to
be ordered. The repair was made as best possible with the parts available. The hole was
filled back in so business could continue until a final repair was made. When the parts came
in the repair was completed. Mr. McDaniel said there was construction going on to his
building and if he knew the line was going to be dug up again it could have been coordinated
with the construction.

  Mr. McDaniel also asked about a change in his site plan for the new construction but was
informed that the Planning Commission is the agency involved in this, not the water utility.
He asked if another leak occurs and a repair has to be made that affects the rain garden
area will the utility pay for the damage. Mr. Williams indicated that if any damage is done
the area will be restored.

  The Board apologized for the inconvenience caused by the repair and thanked Mr. McDaniel
for his attendance at the meeting.

C. **PRESENTATION** – Group did not arrive, no presentation was given.

- Kentucky League of City Financial Investment Services

D. **APPROVAL OF MINUTES**

- Approval of Minutes from August 19, 2019

  Motion was made by Commissioner Julie Wischer, seconded by Commissioner John
  Henderson to approve the minutes for the August 19, 2019 board meeting as presented.
  Motion passed with all commissioners voting aye, no opposition.

E. **MONTHLY REPORTS**

- Financial – Discussed and approved as submitted.

  Todd Bowley reviewed the written report and stated that August was a pretty good month.
The usage trend is still down overall compared to last year but the percentages improved
quite a bit in industrial and commercial from the one month of July. It is expected to smooth
out as the year goes on. He stated that New World has been in to help fix the software
issues with reporting and hopefully by next month things will be resolved. The capital
spending report was reviewed and it was noted that the final numbers for fiscal year ended June 30, 2019 are included. The end result was about $60,000 that was not allocated of the $3 million. The cash flows are positive with Cash being around $9 million but this will change in October when the debt payments and other capital expenditures are taken out.

- **Plant Operations – Discussed and approved as submitted.**

  Kevin Roberts reviewed the Plant Operations report and noted that staff is keeping an eye on the algal bloom that has been spotted traveling down the Ohio River. He said that things are running pretty smooth right now.

- **Field Operations – Discussed and approved as submitted.**

  The group reviewed the Field Operations report. Tom Williams pointed out the picture of the crew down in the hole repairing the line under pressure on Vine Street. Todd Bowley explained the unaccounted-for water chart in the report. He said it appears the trend is improving but this month shows that more water was sold than produced, which is not possible. It probably has to do with how the City post adjustments and some other factors. There is some improvement since Josh Thompson has reworked some of the reports, but it will probably continue to run between 18% and 20% due to the age of the North system’s infrastructure.

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

  The group reviewed the Engineering report. Mr. Williams noted that the Green River Road Tank is practically done and has the HWU logo on the side of it. There are some projects that have been completed and some new ones added.

- **Human Resources & Safety – Discussed and approved as submitted.**

  Tom Williams advised that there seems to be a hiring surge right now with 3 Utility System Worker I positions being filled and one Water Operator position.

- **General Manager’s**

  The General Manager’s report was reviewed and discussed by the Board. The Cityworks annual renewal cost was unchanged at $30,000 and provides software maintenance for this vital component of HWU operations.

  The next item discussed was the sludge hauling and disposal section. The sludge hauling went up slightly and disposal went up significantly. This situation will require revisiting the sludge study that was done a few years ago and looking at any new drying technology that might have been developed since then. The sludge is 80% to 85% water now and the ability to make it dryer will reduce the weight which should lower costs. The PFOS issue will be something that might have to be dealt with also. The study effort will give an update on where technology may have improved and decisions can be made accordingly if the numbers work out. All aspects will have to be considered. The cost of the study will be $7,500. When the study is completed the Board will be updated with the new information.
Motion was made by Commissioner Julie Wischer, seconded by Commissioner John Henderson to approve monthly reports as submitted. All Commissioners voted aye, with no opposition.

F. BUSINESS


After discussion, motion was made by Commissioner John Henderson, seconded by Commissioner Julie Wischer to approve Action Report #2019-28 – Sellars Ditch Water Line Crossing – Directional Drilling as detailed in the action report. Total costs for this project are estimated at $129,588 which includes a contingency for the low bidder, Mofield Bros. Construction, whose bid was $94,735. This expenditure will be taken from the “Unallocated Capital Projects” budget for FY 2019-2020. $75,000 had already been included in the Budget for this project. This company has not done work for HWU before, but they have good references. The bid results are included in the report and are available upon request. All commissioners voted aye, with no opposition. Motion carried.

- Action Report #2019-29 – Sludge Hauling

After discussion, motion was made by Commissioner John Henderson, seconded by Commissioner Gary Jennings, to approve Action Report #2019-29 – Sludge Hauling, with the bid going to low bidder Hazex, Inc. as detailed in the action report. The hauling bid is being issued for two years, September 24, 2019 to August 31, 2021, with two, 2-year renewal options made available in the specifications, when mutually agreeable. The pricing came in the same for the NWWTP and 6.4% higher at the SWWTP. Complete bid summaries are available for review. All commissioners voted aye, with no opposition. Motion carried.

- Action Report #2019-30 – Sludge Disposal

After discussion, motion was made by Commissioner John Henderson, seconded by Commissioner Gary Jennings to approve Action Report #2019-30 for Sludge Disposal, as detailed in the action report. Kevin Roberts reported the actual disposal cost at the landfill went up by 70%, adding $321,000 to the budgeted costs. The bid submitted by Advanced Disposal was for $30 per ton for sludge from both wastewater plants and the same unit price for Dry Bed Waste. The contract will have a two-year term, September 1, 2019 – August 31, 2021 with the option of two, 2-year renewals, if mutually agreeable. All commissioners voted aye, with no opposition. Motion carried.

- Resolution #2019-31 – Statement on Provision of Wastewater Service to Ellis Park in Henderson County, Kentucky

Tom Williams explained that there has been much discussion through the years for service to Ellis Park. When the new owners took over early this year, they inquired about sewer service being provided by HWU. They have their own water system. At that time, it was believed that Evansville was not interested in serving them, but after some discussion between the County Judge and Evansville authorities they indicated they would be willing to serve Ellis Park. This resolution is basically saying that HWU does not have a problem with Evansville serving Ellis Park with wastewater thus avoiding running a line under the river. After
discussion, motion was made by Commissioner John Henderson, seconded by Commissioner Gary Jennings to approve Resolution 2019-31 Statement on Provision of Wastewater Service to Ellis Park in Henderson County, Kentucky, as detailed in the resolution. Roll call vote was taken as follows: Commissioner Paul Bird, aye; Commissioner George Jones, aye; Commissioner John Henderson, aye; Commissioner Gary Jennings, aye; and Commissioner Julie Wischer, aye. No opposition, resolution approved.

G. 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)

Motion was made by Commissioner George Jones to enter into Executive Session to discuss matters which might lead to the appointment, discipline, or dismissal of an individual employee pursuant to KRS 61.810 (1) (f). Motion was seconded by Commissioner Julie Wischer, with all commissioners voting aye. No opposition. Motion carried.

Return to open session.

F. BUSINESS (Continued)

- Resolution #2019-32 – Annual Merit Adjustment for Director of Operations

After discussion, motion was made by Commissioner Gary Jennings, seconded by Commissioner Julie Wischer, to approve Resolution #2019-32 – Annual Merit Adjustment for Director of Operations as detailed in the resolution. This increases the base salary of Kevin Roberts, Director of Operations, by the 1% full merit allowed, effective September 1, 2019 as recommended by the General Manager, Tom Williams, who reports he has done an excellent job since taking over this position. Roll call vote as follows: Commissioner Paul Bird, aye; Commissioner George Jones, aye; Commissioner John Henderson, aye; Commissioner Gary Jennings, aye; Commissioner Julie Wischer, aye. Resolution approved, no opposition.

- Resolution #2019-33 – Annual Merit Adjustment for General Manager

After discussion, motion was made by Commissioner Gary Jennings, seconded by Commissioner Julie Wischer, to approve Resolution #2019-33 – Annual Merit Adjustment for General Manager as detailed in the resolution. This increases the base salary of Tom Williams, General Manager, by the 1% full merit allowed, effective October 1, 2019 as recommended by the Commissioners of HWU, who agree he has done an excellent job. Roll call vote as follows: Commissioner Paul Bird, aye; Commissioner George Jones, aye; Commissioner John Henderson, aye; Commissioner Gary Jennings, aye; Commissioner Julie Wischer, aye. Resolution approved, no opposition.
Resolution #2019-34 – Annual Merit Adjustment for Project Engineer

After discussion, motion was made by Commissioner Gary Jennings, seconded by Commissioner Julie Wischer, to approve Resolution #2019-34 – Annual Merit Adjustment for Project Engineer as detailed in the resolution. This increases the base salary of Bart Boles, Project Engineer, by the 1% full merit allowed, effective August 1, 2019 as recommended by the General Manager, Tom Williams, who reports he has done an excellent job and will continue learning more about this position and HWU’s operations over the next few years. Roll call vote as follows: Commissioner Paul Bird, aye; Commissioner George Jones, aye; Commissioner John Henderson, aye; Commissioner Gary Jennings, aye; Commissioner Julie Wischer, aye. Resolution approved, no opposition.

Motion to adjourn by Commissioner Julie Wischer, seconded by Commissioner Gary Jennings, with all commissioners voting aye. No opposition. Meeting adjourned.

The next regularly scheduled meeting will be held on Monday, October, 21, 2019.
FINANCIAL REPORT
Financial Summary

For the Three Months Ended September 30, 2019
Henderson Water Utility  
Operating Revenues and Expenses Summary  
For the Three Months Ended September 30, 2019

<table>
<thead>
<tr>
<th></th>
<th>September Actual</th>
<th>September Budget</th>
<th>Year to Date Actual</th>
<th>Year to Date Budget</th>
<th>Fiscal Year Budget</th>
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<tr>
<td><strong>OPERATING REVENUES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Water Sales</td>
<td>$ 808,215</td>
<td>$ 830,667</td>
<td>$ 2,412,232</td>
<td>$ 2,429,700</td>
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<td>8,750</td>
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<td>Water Fees</td>
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<td>2,500</td>
<td>25,135</td>
<td>7,500</td>
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<td>3,251,149</td>
<td>3,289,650</td>
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<td>3,125</td>
<td>20,797</td>
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<td>Wastewater Fees</td>
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<td>78,259</td>
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<td>Stormwater Impact Fee</td>
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<td>61,270</td>
<td>186,144</td>
<td>183,810</td>
<td>735,240</td>
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<td>Stormwater Penalties</td>
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<td>417</td>
<td>1,794</td>
<td>1,250</td>
<td>5,000</td>
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<tr>
<td>Stormwater Fees</td>
<td>-</td>
<td>125</td>
<td>-</td>
<td>375</td>
<td>1,500</td>
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<td>Total Operating Revenues</td>
<td>2,020,088</td>
<td>2,060,687</td>
<td>5,991,576</td>
<td>5,990,410</td>
<td>22,219,240</td>
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| **OPERATING EXPENSES** |                  |                  |                     |                     |                    |
| Salaries and Wages    | 316,582          | 337,450          | 1,135,136           | 1,181,075           | 4,386,850          |
| Payroll Taxes         | 23,756           | 24,452           | 84,689              | 85,582              | 317,875            |
| Health Insurance      | 107,214          | 130,500          | 336,674             | 391,500             | 1,566,000          |
| Pension & OPEB Benefits| 74,489         | 75,231           | 259,656             | 263,308             | 978,000            |
| Workers Compensation  | 10,457           | 8,833            | 29,374              | 44,167              | 106,000            |
| Other Employee Benefits| 1,203          | 1,714            | 3,009               | 5,141               | 20,564             |
| Car Allowance         | 900              | 900              | 2,700               | 2,700               | 10,800             |
| Electricity           | 232,065          | 178,716          | 536,555             | 536,149             | 2,144,595          |
| Natural Gas           | 81               | 300              | 408                 | 900                 | 26,250             |
| Chemicals             | 101,197          | 110,150          | 344,572             | 450,450             | 1,441,800          |
| Inventory Expense     | 27,280           | 15,417           | 83,081              | 46,250              | 185,000            |
| Fuel                  | 7,800            | 9,525            | 21,882              | 28,575              | 114,300            |
| Tools & Small Equipment| 7,580           | 8,051            | 26,839              | 24,153              | 96,610             |
| Safety & Clothing Supplies| 2,504        | 3,271            | 10,162              | 9,813               | 39,250             |
| Lab Supplies and Testing| 24,066         | 34,739           | 85,112              | 104,218             | 416,870            |
| Clothing/Cleaning Allowance | -              | -                | -                   | -                   | 27,575             |
| Vehicle Repair        | 2,289            | 5,433            | 16,297              | 16,300              | 65,200             |
| Other Equipment Repair| 8,445           | 23,033           | 45,658              | 69,100              | 276,400            |
| Other Structures Repair| 17,098        | 31,488           | 72,794              | 94,463              | 377,850            |
| SCADA Expense         | 2,770            | 3,563            | 3,637               | 10,689              | 42,754             |
| Administrative Services| 54,167         | 55,833           | 162,497             | 167,500             | 670,000            |
| Contractual Services  | 28,001           | 28,037           | 73,927              | 84,111              | 336,442            |
| Contractual Labor     | 4,064            | 12,225           | 10,768              | 36,675              | 94,700             |
| Sludge Hauling and Disposal| 48,310         | 72,917           | 170,563             | 218,750             | 875,000            |
| Professional Services | 4,131            | 2,917            | 9,612               | 8,750               | 35,000             |
| Equipment Rental      | 5,524            | 4,270            | 11,156              | 12,810              | 51,240             |
| Audit Expense         | -                | -                | 4,750               | 4,750               | 23,500             |
| Insurance             | 78,579           | 75,000           | 156,870             | 150,000             | 300,000            |
| Technology Expense    | 11,097           | 15,929           | 31,570              | 47,786              | 191,142            |
| Office & Field Supplies| 15,279         | 9,723            | 24,782              | 29,170              | 116,680            |
| Telephone             | 7,104            | 5,394            | 14,367              | 16,183              | 64,733             |
| Medical Exams         | 446              | 629              | 510                 | 1,888               | 7,550              |
| Travel, Training & Education| 4,692         | 5,857            | 18,586              | 17,572              | 70,288             |
| Dues and Subscriptions| 2,219           | 1,519            | 3,706               | 4,558               | 18,233             |
| Advertising and Printing| 167             | 583              | 1,261               | 1,749               | 6,995              |
| Miscellaneous         | 1,310            | 856              | 2,032               | 2,569               | 10,277             |
| Depreciation          | 322,500          | 322,500          | 967,500             | 967,500             | 3,870,000          |
| Total Operating Expenses | 1,555,366     | 1,616,955        | 4,762,692           | 5,136,849           | 19,434,323         |
| Operating Income (Loss)| $ 464,722       | $ 443,731        | $ 1,228,884         | $ 853,561           | $ 2,784,917        |
Operating Revenues
Actual $ 5,991,576
Budgeted 5,990,410
Favorable (Unfavorable) Variance $ 1,166
Percentage Difference 0.02%

Billable Gallons
Through 9/30/19 659,550,718
Through 9/30/18 687,029,085
Difference (27,478,367)
Percentage Difference ‐4.00%

Operating Expenses
Actual $ 4,762,692
Budgeted 5,136,849
Favorable (Unfavorable) Variance $ 374,157
Percentage Difference 7.28%

Breakdown of Volumetric Differential For Year to Date Ended

<table>
<thead>
<tr>
<th></th>
<th>Sep-19</th>
<th>Sep-18</th>
<th>Differential %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>143,552,736</td>
<td>151,144,994</td>
<td>‐5.02%</td>
</tr>
<tr>
<td>Industrial (includes IP)</td>
<td>127,713,969</td>
<td>137,601,517</td>
<td>‐7.19%</td>
</tr>
<tr>
<td>Commercial (includes Tyson &amp; HCWD)</td>
<td>388,284,013</td>
<td>398,282,574</td>
<td>‐2.51%</td>
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<tr>
<td>Total</td>
<td>659,550,718</td>
<td>687,029,085</td>
<td>‐4.00%</td>
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</tbody>
</table>

Notes
Revenue Summary:
Revenues for year to date are in line with budget for fiscal year. Monthly sales were under budget due to consumption levels.

Expense Summary:
Total Expenses are under the monthly and YTD allocated budget totals. Electricity is over budget for month due to accrual of BREC costs for SWTP intake. Expense of $30k/mo is being accrued based on Feb-Jun 2019 billing received in September.

Usage Trend:
Usage trend continues to show decreases across all sectors. Will continue to monitor as months progress.

Summary:
Cash flow for month was positive, and should continue to increase until significant capital and debt activity occur. Work continues with City IT and Billing/Revenue personnel to finish resolving ongoing reporting issues. Software company was onsite last month and significant changes to the software setup were made which should improve operations going forward once information/procedures is reconciled between HWU and City. Audit work will begin this week and should be presented at November meeting.
### Construction In Progress:

**Project #** | **Report No.** | **Prior Years Appropriations** | **FY 2020 Appropriations** | **Future Year Appropriations** | **Total Budget** | **Beginning Balance** | **Current MTD Activity** | **Current YTD Activity** | **Project to Date Balance** | **Remaining Capital Budget**  
--- | --- | --- | --- | --- | --- | --- | --- | --- | --- | ---  
Center & Julia Stormwater Phase 3B | 1802-0007 19-02/Budget | 85,700 | 15,000 | - | 100,700 | 67,788 | - | - | 67,788 | 32,913  
SWTP Rehab | 1802-0051 15-09 | 860,239 | - | - | 860,239 | 857,739 | - | - | 857,739 | 2,500  
Countryview Subdivision- HWU portion | | | | Budget | 290,000 | 100,000 | - | 390,000 | 301,235 | 669 | 15,036 | 316,271  
Countryview Stormwater- City Contrib | | | | Budget | - | - | - | 390,000 (1) | 301,235 | 669 | 15,036 | 316,271  
Countryview Subdivision Stormwater | 1802-0053 18-21 | 290,000 | 100,000 | - | 390,000 | 602,471 | 1,337 | 30,071 | 632,542 | 147,458  
Atkinson Park Watershed (Myrene Dr) | 1802-0058 15-14/Budget | 763,500 | 202,121 | - | 965,621 | 322,846 | 36,310 | 36,310 | 359,156 | 606,465  
S Elm Water Lines | 1802-0069 17-20/Budget | 235,559 | 25,000 | - | 260,559 | 218,449 | - | - | 218,449 | 42,110  
NWWT Clarifier Project | 1802-0070 16-21 | 836,977 | - | - | 836,977 | 811,977 | - | - | 811,977 | 25,000  
Riverdale Stormwater Project | 1802-0071 19-14 | 112,000 | - | - | 112,000 | 9,623 | 9,950 | 96,594 | 106,217 | 5,783  
Emergency Generator System | 1802-0075 17-11/Budget | 20,000 | 20,000 | - | 40,000 | 11,410 | - | - | 11,410 | 28,590  
Green River Rd Tank Project | 1802-0076 19-13/Budget | 23,000 | 375,774 | - | 398,774 | 27,039 | 153,342 | 253,940 | 280,979 | 117,795  
S Main St Water Main Project | 1802-0077 17-15/Budget | 68,000 | 20,000 | - | 88,000 | 73,308 | - | - | 73,308 | 14,692  
SWTP Backwash Pumps Proj | 1802-0084 GM Rpt/Budget | 50,000 | - | - | 50,000 | 23,530 | - | - | 23,530 | 26,470  
Chestnut and Norris Stormwater | 1802-0089 18-36/Budget | 16,500 | 150,000 | - | 166,500 | 16,303 | 50 | 50 | 16,353 | 150,148  
Bentley Hughes Pump Station | 1802-0090 18-36/Budget | 20,725 | 160,000 | - | 180,725 | 20,715 | - | - | 20,715 | 160,010  
Judson Place Stormwater | 1802-0091 18-36/Budget | 19,400 | 25,000 | - | 44,400 | 19,366 | - | - | 19,366 | 25,035  
Atkinson & Clay Stormwater | 1802-0092 18-36/Budget | 25,400 | 25,000 | - | 50,400 | 25,386 | - | - | 25,386 | 25,015  
Custom Resins/Riverport Water Line | 1802-0093 18-34 | 25,035 | - | - | 340,000 (2) | 330,582 | - | 788 | 331,370 | 8,630  
Seifars Ditch Water Line Crossing | 1802-0094 18-36/Budget | 5,200 | 75,000 | - | 80,200 | 5,118 | - | - | 5,118 | 75,083  
SWTP Big River Water Lines | 1802-0096 19-21 | - | 145,000 | - | 145,000 | 7,200 | - | 23,400 | 30,600 | 114,400  
Borax Drive | 1802-0097 GM Rpt | 10,000 | - | - | 10,000 (3) | 7,640 | - | - | 7,640 | 2,360  
Sand Lane Pump Station | 1802-0098 19-04/Budget | - | 90,000 | - | 90,000 | 2,460 | - | 40,590 | 43,050 | 46,950  
Ohio Drive Widening | 1802-0099 GM Rpt | 20,000 | - | - | 20,000 (4) | 19,919 | - | 411 | 20,330 | (330)  
Washington-Vine Water Line | 1802-0100 19-04/Budget | 27,275 | 70,600 | - | 97,875 | 24,948 | 2,665 | 9,243 | 34,191 | 63,684  
4 Star Tank Rehab Project | 1802-0101 Budget | - | 19,500 | - | 19,500 | 10,875 | - | - | 10,875 | 8,625  
**Current Fiscal Year Capital Projects**  
IP Sewer Pump Station | 1802-0102 Budget/19-04 | - | 14,250 | - | 14,250 | - | - | - | - | 14,250  
Clay-Dixon Stormwater Separation | 1802-0103 Budget | - | 125,000 | - | 125,000 | - | - | - | - | 125,000  
Fair Street Water Booster Station | 1802-0104 Budget/19-12 | - | 75,000 | - | 75,000 | - | - | - | - | 75,000  
9th Street Water Main Replacement | 1802-0105 19-18 | - | 100,000 | - | 100,000 | - | - | - | - | 125,000  
NWTP High Service Pump #3 | 1802-0106 19-20 | - | 45,000 | - | 45,000 | - | 892 | 41,619 | 41,619 | 3,381  
Kreage Dr Stormwater Project | 1802-0107 19-26 | - | 30,000 | - | 30,000 | - | 13,007 | 13,807 | 13,807 | 16,193  
Residential Water Meter Proj FY20 | 1802-0108 19-25 | - | 150,000 | - | 150,000 | - | - | - | - | 150,000  
**Unallocated Capital Funds**  
Current Fiscal Year 2019 | | | | | 1,253,729 | | | | | 1,253,729  
Misc Stormwater & Small Sewer Projects | | | | | Budget | | | | | 100,000  
**Total Construction In Progress** | | | | | 3,514,510 | | | | | 3,410,974  
--- | | | | | 6,276,720 | | | | | 6,219,690  
--- | | | | | 575,354 | | | | | 4,092,043  
--- | | | | | 2,037,219 | | | | | 2,037,219

---

*Henderson Water Utility*  
**Capital Expenditures Report**  
*For the Three Months Ended September 30, 2019*
Henderson Water Utility  
Capital Expenditures Report  
For the Three Months Ended September 30, 2019

<table>
<thead>
<tr>
<th>Buildings and Improvements:</th>
<th>Budget</th>
<th>Cost Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Previous Fiscal Year Initiated Projects</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SOC Admin Office Renovations 1804-0020 GM Rprt</td>
<td>10,000</td>
<td>-</td>
</tr>
<tr>
<td><strong>Current Fiscal Year Capital Projects</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Buildings and Improvements</strong></td>
<td>10,000</td>
<td>-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Equipment and Vehicles:</th>
<th>Equipment:</th>
<th></th>
<th></th>
<th>Vehicles:</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Equipment:</strong></td>
<td>NWTP Water Purification 1700-0066</td>
<td>N/A</td>
<td>6,440</td>
<td>-</td>
<td>-</td>
<td>6,440</td>
<td>571</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Sewer Line Rapid Assess Tool (RAT) 1700-0067</td>
<td>19-17</td>
<td>-</td>
<td>26,320</td>
<td>-</td>
<td>26,320</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>VFD Control Pumps 1700-0030</td>
<td>N/A</td>
<td>-</td>
<td>9,971</td>
<td>-</td>
<td>9,971</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>JD Gater- SWWTP 1700-0069</td>
<td>N/A</td>
<td>-</td>
<td>12,948</td>
<td>-</td>
<td>12,948</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

| **Vehicles:** | Ford F-250 & Ford F-150 Trucks 1800 | 19-07 | 77,000 | - | - | 77,000 | - | 44,240 | 78,997 | 78,997 | (1,997) |
|                | Fleet Vehicles 1800 Budget | - | 100,000 | - | 100,000 | - | - | - | 100,000 |

| **Total Equipment and Vehicles** | 83,440 | 149,239 | - | 232,679 | 571 | 44,240 | 133,246 | 133,817 | 98,862 |

| **Total Capital Expenditures** | $3,607,950 | $3,560,213 | $ | $ | $ | $ | $ | $ |

<table>
<thead>
<tr>
<th>Capital Appropriations</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2020 Budgeted</td>
<td>$3,500,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY 2019 Carryover</td>
<td></td>
<td>60,213</td>
<td></td>
<td>Unallocated funds from FY2019 budget</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Available</strong></td>
<td>$3,560,213</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Notes:
1. Project being funded 50% by City of Henderson, no budgeted appropriation. Project total $400,000
2. Delta Regional Auth Grant of $314,965 awarded towards this project, HWU funds allocated of $25k for total project budget. Project will be closed in early FY20
3. Project expenditures will possibly be reimbursement by City from Industrial Park funds.
4. City Project to widen Ohio Drive, relocation of lines, hydrants, etc. No Reimbursement
Financial Statements

For the Three Months Ended September 30, 2019
**ASSETS AND DEFERRED OUTFLOWS**

Current assets:
- Cash $8,813,268
- Designated Cash for Contractual Adjustments, net (estimate) $542,099
- Unrestricted Investments $50,390
- Accounts receivable $1,875,837
- Unbilled revenue $1,528,172
- Inventories $789,154
- Other current assets $103,376
  - Total current assets $13,702,296

Noncurrent assets:
- Construction in progress/Current year capital expenditures $4,234,402
- Utility plant and equipment, net of accumulated depreciation $78,965,477
- Other assets $192,818
  - Total noncurrent assets $83,392,697

Deferred outflows of resources $3,322,643

  - Total assets and deferred outflows $100,417,636

**LIABILITIES AND DEFERRED INFLOWS**

Current liabilities:
- Accounts payable $361,252
- Retainage payable $19,121
- Accrued expenses $634,778
- Accrued interest payable $343,457
- Other accrued liabilities $1,185,528
  - Current portion of long-term debt $2,354,090
  - Total current liabilities $4,898,226

Noncurrent liabilities:
- Deposits payable $140,333
- Accrued pension liability $9,938,648
- Accrued OPEB liability $2,897,354
- Equipment notes payable $267,646
- Long-term debt $30,656,858
  - Total noncurrent liabilities $43,900,839

Deferred inflows of resources $1,363,133

  - Total liabilities and deferred inflows $50,162,198

**NET POSITION**

Net investment in capital assets $50,460,808
Unrestricted $(205,370)

  - Total net position $50,255,438
## Henderson Water Utility
### Statement of Revenues, Expenses, and Changes in Net Position
#### For the Three Months Ended September 30, 2019

<table>
<thead>
<tr>
<th></th>
<th>September Actual</th>
<th>September 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>$819,417</td>
<td>$836,083</td>
<td>$2,453,433</td>
<td>$2,445,950</td>
<td>$8,965,000</td>
</tr>
<tr>
<td>Wastewater sales and fees</td>
<td>1,138,001</td>
<td>1,162,792</td>
<td>3,350,205</td>
<td>3,359,025</td>
<td>12,512,500</td>
</tr>
<tr>
<td>Stormwater fees</td>
<td>62,670</td>
<td>61,812</td>
<td>187,938</td>
<td>185,435</td>
<td>741,740</td>
</tr>
<tr>
<td>Total operating revenues</td>
<td>2,020,088</td>
<td>2,060,687</td>
<td>5,991,576</td>
<td>5,990,410</td>
<td>22,219,240</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>534,601</td>
<td>579,080</td>
<td>1,851,238</td>
<td>1,973,472</td>
<td>7,386,089</td>
</tr>
<tr>
<td>Contractual services</td>
<td>144,197</td>
<td>176,199</td>
<td>443,273</td>
<td>533,346</td>
<td>2,137,882</td>
</tr>
<tr>
<td>Supplies and materials</td>
<td>170,427</td>
<td>181,153</td>
<td>571,648</td>
<td>663,458</td>
<td>2,321,405</td>
</tr>
<tr>
<td>Utilities expense</td>
<td>232,146</td>
<td>179,016</td>
<td>536,963</td>
<td>537,049</td>
<td>2,170,845</td>
</tr>
<tr>
<td>Repairs and maintenance</td>
<td>30,602</td>
<td>63,517</td>
<td>138,386</td>
<td>210,551</td>
<td>785,898</td>
</tr>
<tr>
<td>Other services and expenses</td>
<td>120,893</td>
<td>115,492</td>
<td>253,684</td>
<td>271,475</td>
<td>762,204</td>
</tr>
<tr>
<td>Depreciation</td>
<td>322,500</td>
<td>322,500</td>
<td>967,500</td>
<td>967,500</td>
<td>3,870,000</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>1,555,366</td>
<td>1,616,955</td>
<td>4,762,692</td>
<td>5,136,849</td>
<td>19,434,323</td>
</tr>
<tr>
<td>Operating income (loss)</td>
<td>464,722</td>
<td>443,731</td>
<td>1,228,884</td>
<td>853,561</td>
<td>2,784,917</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>17,488</td>
<td>8,333</td>
<td>54,238</td>
<td>25,000</td>
<td>50,000</td>
</tr>
<tr>
<td>Other income</td>
<td>979</td>
<td>833</td>
<td>13,630</td>
<td>2,500</td>
<td>10,000</td>
</tr>
<tr>
<td>Interest expense</td>
<td>(70,138)</td>
<td>(70,138)</td>
<td>(210,458)</td>
<td>(210,459)</td>
<td>(860,842)</td>
</tr>
<tr>
<td>Total nonoperating revenues (expenses)</td>
<td>(51,671)</td>
<td>(60,971)</td>
<td>(142,590)</td>
<td>(182,959)</td>
<td>(800,842)</td>
</tr>
<tr>
<td>Income (loss) before capital contributions and distributions</td>
<td>413,051</td>
<td>382,760</td>
<td>1,086,294</td>
<td>670,602</td>
<td>1,984,075</td>
</tr>
<tr>
<td>Grants and Capital contributions</td>
<td>-</td>
<td>20,833</td>
<td>43,789</td>
<td>62,500</td>
<td>250,000</td>
</tr>
<tr>
<td>Distribution to City of Henderson</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(400,000)</td>
</tr>
<tr>
<td>Change in net position</td>
<td>$413,051</td>
<td>$403,593</td>
<td>$1,130,083</td>
<td>$733,102</td>
<td>$1,834,075</td>
</tr>
<tr>
<td>Section</td>
<td>September</td>
<td>Year to Date</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>--------------------------------------------------------</td>
<td>-----------------</td>
<td>------------------</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>CASH FLOWS FROM OPERATING ACTIVITIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receipts from customers</td>
<td>$1,866,381</td>
<td>$6,013,990</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payments for goods and services</td>
<td>(723,360)</td>
<td>(1,833,214)</td>
<td></td>
<td></td>
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<tr>
<td>Payments for employees</td>
<td>(535,501)</td>
<td>(1,853,938)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net cash provided (used) by operating activities</td>
<td>607,520</td>
<td>2,326,838</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Distribution to City of Henderson</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net cash provided (used) by noncapital financing activities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acquisition and construction of capital assets</td>
<td>(292,007)</td>
<td>(988,458)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from issuance of debt</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Principal payments on long-term debt</td>
<td>(4,738)</td>
<td>(14,172)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest payments on long-term debt</td>
<td>(840)</td>
<td>(2,563)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from sale of capital assets</td>
<td>-</td>
<td>11,500</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants and Capital contributions</td>
<td>-</td>
<td>43,789</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net cash provided (used) by capital and related financing activities</td>
<td>(297,585)</td>
<td>(949,904)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>CASH FLOWS FROM INVESTING ACTIVITIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment and other income received</td>
<td>18,467</td>
<td>56,368</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net cash provided (used) by investing activities</td>
<td>18,467</td>
<td>56,368</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net increase (decrease) in cash</td>
<td>328,402</td>
<td>1,433,302</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash, beginning of period</td>
<td>9,026,965</td>
<td>7,922,065</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash, end of period</td>
<td>$9,355,367</td>
<td>$9,355,367</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
General Operations:

A. Treatment Plants – Overview:

1. Operational:

   **Harmful Algal Bloom Update:** For the past two months we have been closely monitoring an Algal Bloom as it moved down the Ohio River. It appeared that the bloom had stalled in the Louisville area, but on Friday, October 11th, there were satellite images indicating to ORSANCO the presence of the Harmful Algal Bloom (HAB) in the Cannelton Pool of the Ohio River, which has its lowest area about 30 miles upstream of our intake. Operations staff continued to visually inspect the river throughout the weekend with no indication of algae. On Monday when the Water Quality Specialist began the sampling procedure, a small amount of the algae was visible at Hayes Boat Ramp.

   The water quality specialist immediately began testing for cyanobacteria and found that it was present in the algae at Hayes Boat Ramp. Operations staff immediately put into motion our plan for removing these toxins from the drinking water. Testing was also conducted on the water entering the plant and leaving the plant. These tests showed that the toxin was present, but it was below the regulatory limit of 0.3 parts per billion. Staff immediately contacted the Kentucky Division of water to inform them of the results. Kentucky Division of water dispatched staff to do additional testing the next morning, which were conducted at the state lab. Water Quality staff
also sampled at the same time, doing tests in-house and sending them to an outside lab as well. This additional testing showed the results to all be well below the regulatory limit and very close to the lower detection limit of 0.15 parts per billion.

<table>
<thead>
<tr>
<th>Date</th>
<th>Location</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>10/14/2019</td>
<td>In House Results</td>
<td>0.201 ppb</td>
</tr>
<tr>
<td>10/15/2019</td>
<td>In House Results</td>
<td>&lt;0.150 ppb</td>
</tr>
<tr>
<td>10/15/2019</td>
<td>State Lab Results</td>
<td>&lt;0.150 ppb</td>
</tr>
<tr>
<td>10/15/2019</td>
<td>Outside Lab Results</td>
<td>&lt;0.150 ppb</td>
</tr>
</tbody>
</table>

Henderson Water Utility staff continues to monitor this situation, treat as if we have it entering the plant, and test our waters to ensure that the water produced is safe for our community.

2. **System Water Quality:**

**Water Quality Calls:** There were two water quality calls in September.

On September 5th, the customer at 2470 Wood Drive Apt C reported a sulfur-like smell from her water. Her son had become ill after drinking the water, and they wanted to ensure the water was not the cause. All testing results were normal including chemistries and Bac-T, though after flushing, the smell was still present in the laundry room. The customer was assured the water was not the issue and would be contacting the apartment maintenance to investigate in-apartment issues.

On September 26th, the customer at 947 Villagebrook Drive reported a musty smell to her water and requested the water be sampled. The Water Quality Specialist took samples and informed the customer that with low river and rain levels there is sometimes a musty smell, and that the utility is working to alleviate it as soon as possible. Results from the chemistries and Bac-T samples were normal. The customer was happy to hear the water was safe.

3. **Personnel:**

**Staffing Levels:**

a. **Water Quality:** Currently we have an open position for a water quality specialist at the Drinking Water Lab, due to the resignation of Heather King.

b. **North Water:** Joni Wright has been interviewed and selected for the relief shift operator position. She will begin employment on October 28th.

c. **North Wastewater:** Full operational staff.

d. **South Water:** Full operational staff, with Lindsey Cardwell training as the relief operator.

e. **South Wastewater:** Full operational staff.

f. **Environmental Compliance & Pretreatment:** The position is currently unfilled, after David Brister’s retirement, though the workload is being handled by an outside contractor and in-house staff.

g. **Plant & Pump Station Maintenance:** Fully Staffed.
h. Treatment Intern: This position is currently unfilled.

4. 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:

Plant Operations: September may have been one of the hottest and driest months ever recorded, resulting in the plant having to feed additional carbon to help ward off any taste and odor problems. We have continued monitoring and testing the blue-green algae which could contain toxic cyanobacteria. This bloom has been affecting people upstream of us in the Louisville/Cincinnati area. Until the sighting on October 14th, mentioned earlier, we had had no indication of the algae in our area.

Plant Projects: Operators have several projects on-going, including the upstairs tool room, downstairs bleach room, and finishing the filter evaluations.

3. Average Water Treated and Water 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.

Biosolids Quality & Hauling: Hazex continues to meet hauling demands, with sludge production continuing to be lower than normal.

2. Operations & Projects:

Operations: During the extreme heat and low flow conditions it is often difficult to coerce the plant to produce the best quality as solids management becomes difficult. However, this year we
have successfully maintained an excellent quality effluent with the constant attention provided by the operators and other staff.

**Diffusers**: The diffuser systems in digesters 1 and 4 are on the schedule for repairs. This maintenance began October 15th.

**UV System**: Repairs to power distribution cabinet “B” are scheduled for the 2nd week of October.

**Erosion & Drainage**: Areas in the plant are being corrected for drainage and/or erosion issues. This will be on-going for a while, but operators have made good progress this month.

**Clarifier #2**: The contractor is awaiting final approval from the engineers on raising the level of the center well, but all other repairs have been completed. Nothing new on this but would like to see movement soon.

**Demolition/Cleanup**: Work continues and is progressing steadily.

**D. South WTP:**

1. **Treatment Quality:**

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

2. **Operations & Projects:**

   **Treatment Challenges**: With continued dry weather, we have noticed some taste and odor compounds arising, causing an increase in Powdered Activated Carbon feed rates.

   **Secondary Cleaning**: Operations staff was able to do emergency patches on the tank in order to ensure it stops leaking, but JR Wauford is scheduled to inspect it for repair in the first week of November.

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

   ![Graph of SWTP Treated and Pumped Data Trend]

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

1. Treatment Quality:

   **Effluent Quality:** The plant continues to perform well, especially in the extreme heat and dry weather we have experienced. All regulatory goals were met.

   **Biosolids Quality:** With the dry hot weather, solids did increase in the plant, but we were able to remove them, though hauling and disposal was higher than normal. Staff continues to investigate the use of Geo Bags for our secondary wasting of the solids stored in the old aeration basins during the press renovation.

2. Operations & Projects:

   **Headworks Building:** Staff is working to clean and paint the exterior frame of the old headworks building to help with its aesthetic value and longevity, while maintenance staff has begun reskinning the interior portion of the chemical storage bay.

   **Lighting:** Maintenance staff recently repaired some of the exterior lighting in the basin areas of the plant. This lighting helps ensure all areas remain well-lit for the observation and safety of our night time staff.

F. Plant & Pump Station Maintenance:

   **NWTP High Service Pump #3:** Start-up occurred on Oct 2\textsuperscript{nd} and went very smoothly. The pump and motor ran perfectly in the middle of the pump curve. Though this project took longer than expected, the results have been very impressive.

   **RAS Pump VFDs:** The final VFD have been repaired, and the pump is ready for installation. Currently we are working with Bowling, Inc. to schedule this installation.

   **Cemetery Pump Station:** Repairs to this station have now been completed. After installation of the pump and a few adjustments, the system is now running with no leaks within the station.

   **Industrial Park Station:** Pump #2 has been installed, and we now have all three pumps back in service. Pump #1 and #2 are now Ebara Pumps and are showing excellent performance. Pump #3 is the original Hydromatic Pump, and its capacity has been dropping off as of the last year. This pump will need to be pulled and evaluated in the future.

   **NWWTP-Press Operation:** The disconnect switch located in the panel for press #1 was shocking the operators at times. A short in the switch was the culprit, and the switch was replaced with a non-conductive one. The press is back in service.

   **SWWTP-Plant Lighting:** The lighting around the plant was repaired, as needed, while we had a lift at our disposal.

G. Pretreatment Program & FOG Services:

   **Industrial Pretreatment Activity:** New permits are being issued this month. Industries are also being informed that we are implementing a set permit fee, to be paid annually, rather than equally allocating
the costs among each industry every quarter. This fee will be based on several factors and will be appropriately balanced.

FOG Program: No updates.

H. Distribution Operator Update:

Green River Road Tank: This project has wrapped up, and the tank was put back into service on Monday October 11th.

Fire Hydrant Flushing: Flushing has been completed. Results showed no problems in our distribution.

Fire Hydrant Painting: The contractor should begin painting soon, pending the completion of his current job.

Corrosion Control Monitoring: Two probe-type monitors have been purchased and will be placed at the NWTP and Vine Street Tank. These should give us insight on the impact our water has on the infrastructure.
FIELD OPERATIONS REPORT
General Operations:

A. Overview:

1. Operational:

Several of the past jobs that we’ve done have brought an awareness that hearing protection alone isn’t enough. Hearing protection is extremely important, since working in an environment pictured above can have a dB level higher than standing next to an airplane engine. But imagine not being able to communicate with one another in a high-risk, high-traffic work zone. In other words, and in the picture above, add an active backhoe, a water leak, and a deep hole...at night.

We have recently received a headphone communication set that’s pictured above, made by Sonetics. This provides both hearing protection and the ability to communicate with everyone in a headset that’s connected to a communication hub, hearing one another as plainly as if they were having a conversation in a library.

These aren’t cheap, but it eliminates the risk of “accidental accidents” from the daisy-chain-hand-signal method of communication. I could go into detail about what this looks like on a job-site, but just imagine a pilot trying to land a jet on an aircraft carrier where there are three flaggers giving three different sets of signals!

2. Personnel:

Specialist: Fully staffed.

Utility System Worker 1: One of our USW1s has submitted his resignation, with his last day being October 25th. Chad Basham was our Vactor truck operator, which is a critical and expensive piece
of equipment. We have an exam being scheduled and hope to have a replacement USW1 by mid-November. In the meantime, we’ll be trying to identify someone who will step into this role.

**Utility System Worker 2:** Fully staffed.

**Utility System Worker 3:** Fully staffed.

**Crew Leader:** Our newest Crew Leader, Wade Powell, started on October 14th. He comes to us from the County Water Department with a lot of water experience. This is one of the first times in a long time that we have tested, and hired, for this position from the outside. It’s a spot typically reserved for in-house promotions. At this time, no one on staff was ready for a Crew Leader position, so this worked out really well. It’s a big loss for County Water, but a boost for us.

**B. Automation Department:**

**Green River Road Tank:** The conduit that was damaged by the painting crew has been replaced, and a new style Milltronics unit and transducer have been installed. This new combo will give us a more accurate reading from empty to full (the old transducer was only able to read about 50’ from the top). Always a great view from the top of a tank!

![Tank Photos](image)

**NWTP:** The SCADA computer started giving us trouble around the first of the month. After a couple of unexpected shutdowns, we have them temporarily running on a stand-by SCADA computer while a new computer is configured and updated.

**NWWTP Dakota Reuse Pumps:** The original hand/off/auto switches were intermittently failing to send the correct signals to SCADA for the operators to know if they were running or not. These have been replaced with a better-quality switch and have been working great.

**Wireless Ethernet:** This system is still in the testing phase.

*Background Info:* Wireless ethernet was also added at the US 60 booster station to replace the radio ethernet that had been in use. We are looking at the possibility of adding it to North Fork and Janalee Drive pump stations. This will enable us to move away from leased fiber optic lines from HMPL.
Night-Time Construction Lighting: New lighting was budgeted for in this year’s capital budget. Our mechanics, Steve and Tommy, looked at a generator-powered light set that we’ve had for at least ten years, that was slated for auction. They obtained a cost to replace the gas-filled light bulbs with LEDs and replaced the old generator with a new one. Voila! New light set for a fraction of what we intended to spend. Pretty impressed with these guys.

A new light station like this is in the $12,000 - $20,000 range.

Total Cost for refurbishing this station was $525.53.
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>
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</thead>
<tbody>
<tr>
<td>Water Main Repairs</td>
<td>5</td>
<td>Sewer Main Repairs</td>
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<tr>
<td>Water Service Line Repairs</td>
<td>3</td>
<td>Sewer Service Line Repairs</td>
<td>1</td>
</tr>
<tr>
<td>Water Meter Inspection</td>
<td>38</td>
<td>Sewer Manhole Repairs</td>
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<tr>
<td>Water Meter Changes</td>
<td>19</td>
<td>Sewer Main Cleaning</td>
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<tr>
<td>Water Meter Repair</td>
<td>2</td>
<td>Sewer Main Grease Removal</td>
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<tr>
<td>Water Meter Disconnected</td>
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<td>Sewer Overflow Calls</td>
<td>3</td>
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<tr>
<td>Water Meter Reposition</td>
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<td>Sewer Backup Calls</td>
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<tr>
<td>Water Meter Box Cleaned</td>
<td>2</td>
<td>Sewer Blocked Calls</td>
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<tr>
<td>Water Meter Locate</td>
<td>0</td>
<td>Sewer Odor Calls</td>
<td>3</td>
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<tr>
<td>Water Meter Leak Detection</td>
<td>18</td>
<td>Sewer Service Line Locates</td>
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<td>Water Meter Consumption Check</td>
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<tr>
<td>Fire Hydrant Repairs</td>
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<td>Low Water Pressure Calls</td>
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<tr>
<td>Water Leak Calls</td>
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<tr>
<td>Water Quality Calls</td>
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<tr>
<td>No Water Calls</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Turn Water Off/On Calls</td>
<td>8</td>
<td></td>
<td></td>
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<tr>
<td>Install Temporary Hydrants</td>
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<td></td>
<td></td>
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<tr>
<td>Stormwater Maintenance</td>
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<td>New Services</td>
<td>Qty.</td>
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<td>Water Taps</td>
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<tr>
<td>Storm Intake Repairs</td>
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<td>Sewer Taps</td>
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<td>Sewer Tap Locates</td>
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<tr>
<td>Clean/Unblock Intakes</td>
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<td>Water Meter Installation</td>
<td>3</td>
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<tr>
<td>Pump Station Maintenance</td>
<td>Qty.</td>
<td>Miscellaneous Services</td>
<td>Qty.</td>
</tr>
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<td>Pump Station Repairs</td>
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<td>Sink Hole Calls</td>
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<td>Pump Station Cleaning</td>
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<td>Smoke Test Lines</td>
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<tr>
<td>Pump Station Maintenance</td>
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<td>Camera Inspect Lines</td>
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<tr>
<td>Clean/Unblock Intakes</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Downspout Removal Letters Mailed</td>
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<td>Regulatory Issues</td>
<td>Qty.</td>
</tr>
<tr>
<td>Downspout Letters Mailed To Date</td>
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<td>Downspout Removal Requests:</td>
<td>222</td>
</tr>
<tr>
<td>Total Complied and Re-inspected</td>
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<td></td>
<td></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.
E. **Collection System:**

We are conducting normal maintenance activity in the collections system.

A contract has been awarded to Mark Bowling, Inc. for the replacement of the Myrene Drive pump station. This is one of our old Cantex pump stations that has reached the end of its useful life and has been giving us regular problems. The limited space available for this project will make it especially challenging. The contractor has mobilized, and the preliminary work of relocating existing conflicting utilities and service lines is underway.

F. **Distribution System:**

The 9th Street water main project is nearly complete. The main pipeline has been installed and is in the process of being disinfected and tested before moving service lines to it.

G. **Stormwater Projects:**

The storm sewer replacement project at the end of Kresge Drive is complete. Approximately 90 feet of solid wall HDPE pipe was installed and somewhere near a barge-load of rock was placed to help prevent any future pipe or bank failures. This was a tricky project that required some creative thinking on the part of our field crews to accomplish. The adjacent property owners have expressed their gratitude for reclaiming and stabilizing their back yards.

H. **Stormwater Phase II:**

Now that we are entering the dry season, we are gearing up to conduct our annual dry weather screening. This is a DOW requirement for all MS4 communities that involves inspecting certain storm sewer outfalls when it hasn’t rained to look for non-stormwater discharges into our system.

A new requirement with this five-year permit cycle adds the mapping and dry-weather screening of all private storm sewer outfalls 12 inches or larger from industrial properties within the city. We expect this to more than double the number of outfalls we will have to inspect.

I. **Information Technology Department:**

**Solid State Drive (SSD) Storage (UPDATE):** We mentioned in the last report that we were gathering quotes to purchase faster hard drives for our Dell Storage Area Network (SAN). Our local reseller informed us that a SAN software upgrade may make the system perform more efficiently. That upgrade has been completed. We are waiting on enough post-upgrade data to see whether the upgrade has improved efficiency.

**Hach WIMS User Group:** On Wednesday 16 October, HWU hosted a WIMS Kentucky User Group Meeting at the Municipal Services Center. WIMS, short for Water Information Management Solution, is the software system used by HWU to optimize water operations and provides the tools needed for
calculations, electronic and paper reporting, analysis, and monitoring. We were happy to host WIMS users from around the Commonwealth and hope to be able to do it again.

J. GIS Department:

No updates to report.
ENGINEERING REPORT
### A. Water Projects

1. **South Water & Wastewater Plants – Influent/Effluent Lines and River Intake:**
   Plans to implement our 2014 study to reconstruct our potable influent and wastewater effluent lines, as well as modifications to the Big Rivers intake structure on the Green River are being developed. J.R. Wauford has completed pick-up survey work to make sure conditions haven’t changed since plans were drawn up and will ask for reapproval of a construction permit from DOW. When approval is received, we will plan for bidding and construction, probably in the spring, with some of the funding coming from next fiscal year.

   The intake modifications will take longer to design and permit, so will likely follow in a couple of years. Bart met with BREC and Wauford on-site on 14 May. That meeting led to some minor changes in layout of the new pumps. Design work has begun. Our relationship with BREC continues to be a good one. We’ve had contact with Kenergy about power service for our dedicated pumps, and have received an updated engineers estimate for both projects. The Influent/Effluent Lines are estimated at $1.5 million, the intake at $2.5 million.

2. **Green River Road Tank: (Project Complete)**
   Bids were opened for the Green River Road Tank on 17 April 2019, and the project was awarded to Tank Pro, Inc. Work moved along quickly, with a good, knowledgeable crew. Our new logo has been painted on the side of the tank that faces the City’s golf course. We contracted separately with a nationally licensed coatings inspection firm to assure that the work was done in accordance with the specifications, and they report that the work meets the specifications. Work is complete, and the tank was returned to service on 14 October.

3. **South Main Street Water Transmission Main – Hancock to Yeaman: (No change since last report)**
   Strand Associates has prepared plans for this project, which is estimated at $1.5 to 1.8 million and will be critical if a large water user locates in the South/College pressure zone (Riverport 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.

4. **South Water Treatment Plant – Backwash Pump System and New Clearwell: (No change)**
   This project came out of an operational review of the South WTP, which shows that the filters undergo backwash for extended periods, reducing the production of water for sale. To speed up the backwash process, we have designed a pumped backwash system that will provide more head differential, speeding the process and allowing the filters to be returned to service much faster after cleaning. Project will cost around $420,000, and is our next candidate project for a grant application, which will include the replacement of the Clearwell, at an additional $940,000.
5. **Residential Meter Replacement:**
   Board approval granted in August to move forward with replacement of up to 1,000 meters in this fiscal year. We have met with the City about changes that will be required to their software systems to accommodate the change to more modern, radio-read meters, and it appears that we can specify an interface device attached to the meter that will work with the system the City already uses, but we are holding off on making that change due to the increased costs of out-fitting the meters with a radio device. For the first batch of these new meters, they will continue to be read by “touch-read” equipment. Bids will be taken on the meters on 8 November.

6. **Sellars Ditch Water Main Crossing:**
   This bored replacement for a 10” main parallel to Old Madisonville Road was approved at the September meeting. We had a similar situation for a downstream crossing in 2017, parallel to U.S. 41A, and successfully bored that in an emergency situation. The current project involves similar work, as the existing main, circa 1967, has become exposed by erosion of the creek bank. Work on the crossing should take place in the next 6 to 8 weeks, and then we’ll be making connections on either end with our crews.

7. **South Water Treatment Plant – Painting/Repair of Secondary Clarifier:**
   The Secondary Clarifier at the South WTP still has its original coating and has developed a leak on the bottom. We have patched this in the past, but this leak and significant pitting throughout the tank have led us to plan a project to do a more thorough paint/repair project, as we did a few years ago on the cones. Will bid this work, as it should include blasting, significant metal repairs, and a coating system that needs to be applied by a contractor. We have retained J.R. Wauford to work up plans and specs on this project, as it will be nearly identical to the cones project we did in 2015/2016. An amount for design and bidding services will show up on the Capital budget report, before we bid this in about February, with an eye to performing the painting in the spring.

8. **Ninth Street Water Main – Green to Alvasia: (Project Complete)**
   Small water main project to reinforce our system was installed by our crews (photo at right). The recent construction of several duplexes along this street overtaxed our existing 2” line, and we are also using this opportunity to install additional hydrants in this area to increase fire protection. Work is complete.

B. **Wastewater Projects**

9. **Atkinson Sewershed Study - Myrene Drive & Atkinson Park Sewer Pump Station and Force Mains:**
   We have all the easements signed on the Myrene FM portion of the work. One that remains outstanding is on the Atkinson Park Medical Building, part of the Atkinson FM.

   Bids were received on the Myrene Pump Station on 6 February. A pre-construction meeting was held on April 25th, and construction activity began on site the first week of September, after the September 2nd notice to proceed. The long delay was due to our rejection of the first pump submittal, and the long lead time for pumps and equipment.
C. Stormwater and Separation Projects

10. Countryview Subdivision Stormwater Project: (No change since last report)

Bids on the first big phase were received 15 August 2018, and award of a contract with a reduced scope was negotiated with the low bidder, after the bids came in higher than anticipated. Work on the actual stormwater system has been completed, and we’re awaiting the City contractor for paving of the portions that have been completed.

Work has also begun on design of the next phase, with leading Qk4 that effort. Our plan is to design in this FY, and jointly fund with the City a next phase of construction in the 2020-2021 FY, probably bidding that in late spring 2020. We made a report to the City Commission on 13 August about the next phases, and the plans for paving on the streets impacted by the phase we just completed.

11. Atkinson Street Stormwater Project – Helm to Clay: (New Project)

We have designed a project to address standing water on the portion of Atkinson Street near the offices of Home Oil & Gas, which occurs during many rain events. Heavy traffic in this area throws water from the street up against and into Home Oil’s offices. The project separates a small area from the combined system, which is over-taxed during storms, and redirects the flow in a dedicated stormwater pipe to a ditch behind the Home Oil complex. Home Oil has dedicated an easement for this work, and we are working on specifications and bid documents in hopes of getting this done early in 2020.

12. Chestnut/Norris Stormwater Project:

This small stormwater project will allow us to separate 9.1 acres of land out of the combined sewer system. We contracted with Qk4, local engineering firm, to do survey and design work on this project. Drafting of the plans is now 95% complete. We will also be tying down easements on some existing lines where we haven’t found easements that were recorded, including portions of the 36” sewer that was re-routed around the front of the First Christian Church in the 1980’s. Plat of proposed easements has been prepared and is recorded; will now start the easement process in earnest.

13. Center & Julia Phase III-B Stormwater Project:

This stormwater project includes a crossing under the CSX tracks near the old depot. We have signed a task order with J.R. Wauford for updated survey and design work. We have provided insurance information to CSX for our permit, and have received a revised invoice, reflecting savings from insurance we already carry that was included on the first invoice; this cut the cost from about $ 40k to $ 20,400. The permit has a five-year time limit to start construction, so we’ve moved the project up in the Strategic Plan to accommodate that timeframe. Acquiring easements from adjacent property owners is going well; we have one signed and have contacted three others. The Kentucky Transportation Cabinet owns one small parcel near this project, and we are working with them to acquire that land outright. Completion of the project will be contingent on availability of funds.

Met with Wauford on September 3rd to discuss progress, and have submitted Stream Construction permit, as well as a nationwide permit for the U.S. Army Corps of Engineers.

D. General Administrative / SOC

14. Vactor and Wash Truck Garage at the SOC: (No change since last report)

Working on a plan to construct a 3-bay metal storage building at the SOC, so that the Wash Truck and the two Vac Trucks can be stored in one easily accessible place.
HUMAN RESOURCE & SAFETY REPORT
HWU Human Resources Summary: October 21, 2019

**Staffing Levels:**

1. Water Treatment Operator I [1 position]: new employee scheduled to start October 28th

2. Utility System Worker I [1 position]: waiting on candidate drug screen results

3. Utility System Crew Leader [1 position]: new employee started October 14th

4. Water Quality Specialist Lead [1 position]: register sent to dept

5. Environmental Compliance & Pretreatment Coordinator [1 position]: Current employees performing duties

6. Treatment Plants – Seasonal Worker [3 positions]: no request for action

**Safety Report (as of 9/30/2019):**

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<tr>
<th>Hours Worked</th>
<th>HWU</th>
<th>Change</th>
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- 2012 NAICS is the classification for Utilities: Water, Sewage, and other systems
- DART = Days Away, Restricted, or Transferred
- DAFW = Days Away From Work
- How incident rates are calculated: #(Cases) x 200,000 / Employee Hours Worked
- Change data compared to data at the end of the previous month.

- 2 recordable/lost time/restricted cases occurred in September.

**Other:**

- 33 HWU employees are scheduled to attend 10-hour OSHA course on November 20th & 21st

**Upcoming City-wide Events:**

- Annual benefits open enrollment is scheduled for October 14th – 23rd
GENERAL MANAGER’S REPORT
Regulatory Issues

No change on the draft KPDES Permit for our North Wastewater Treatment Plant.

Habitat for Humanity of Henderson

In accordance with long-standing policy, we will be waiving tap fees for three houses to be constructed by Habitat at 218 South Adams Street, and 217 and 219 Letcher. The fees are $1,040 for the water tap, and $1,155 for the sewer tap, so the total waived equals $6,585.

Policy Revision

Making a few changes to one policy, Development Standards – Adoption of Technical Standards (Policy H-100), to incorporate the fact that we adopted new Tech Standards for Wastewater and Pump Stations in June of 2018; forgot to update this policy after that. Also, we are adding a line or two making clear the division of responsibilities for assets on the customer side, and that, although we sometimes use those assets (like flushing private hydrants) that doesn’t mean we claim ownership. As a for-instance, we are prohibited to work on the customer side of a water meter; that is solely the purview of a plumber.

Wonderware

Our annual renewal for Wonderware software and support arrived, and it’s $5,000 lower in cost than last year, at $24,382.28. In the past this has been renewed in an Action Report, but since it is an ongoing expense, is budgeted, and is under the new, higher “small purchases” limit of $30,000, we won’t do an Action Report, but are reporting here to have something in the record.

Wonderware is the Human-Machine Interface (HMI) linking instrumentation and process equipment (computers and machines) to operations and management personnel (mostly humanoids) and is an integral component of Utility operations. Annual maintenance of this software is required to protect our investment by staying current with updates, security patches, new version releases, receiving emergency support and maintaining compatibility with other software used by the Utility. InSource Software Solutions is our Wonderware vendor.

Sludge

Last month we told you about our plan to conduct a brief study of 3 or 4 options to reduce the volume of sludge produced, at a cost of $7,500. We also discussed the issues related to PFOA/PFAS in our sludge, and what impact that might have on future disposal costs. After we added the PFAS issue, cost went up to $10,000. We had a short kickoff meeting on this study on 18 October.

This study will give us an update on where the technology may have improved and inform future decisions on proceeding with a drying project, if the numbers work out.
**Lead/Copper Rule**

U.S. E.P.A. and AWWA (American Waterworks Association) published a Memorandum of Understanding about reduction of the potential for lead contamination in schools and childcare facilities on 3 October. The MOU outlines programs and initiatives that EPA and its partners are pushing to address this issue.

If you remember, we talked about this in an Operations report back in September of 2018. HWU partnered with Henderson County Schools to test, flush and retest in all the local schools, prior to the start of the 2018-2019 school year. The result of that was a program of flushing that the school system could perform every year, to alleviate problem areas, which were more prevalent in the outlying schools (Cairo, Niagara, Chandler), and in some of their older buildings (Central, Jefferson).

Just wanted to point out that your staff in Plant and Field Operations and our Laboratories strives to stay ahead of the curve.

Revisions to the Lead and Copper Rule were released for initial comment on October 10th, and we will work, once again, to implement any changes quickly and effectively.

**Ellis Park Utilities**

This project has had a lot of twists and turns, and we have files dating back to 1994 that discuss various permutations and schemes. In the latest twist, we thought last month that Ellis was going to get wastewater service from Evansville, and we processed a Resolution consenting to that. Right after that, things changed again, and we have a Memorandum of Understanding on the agenda tonight that spells out duties, expectations and risk-reduction strategies for building a wastewater pumping station and a force main from Ellis Park back into HWU’s wastewater system. The Resolution on the MOU will come up later, but a motion and vote to rescind the previous Resolution is probably in order, to clear up the record.

That’s not to say that things won’t change, again. This was always a fluid project.
1.0 POLICY STATEMENT: This policy documents adoption of HWU Technical Standards for the construction of Water, Wastewater and Stormwater facilities and systems. These Technical Standards summarize design criteria, equipment and material specifications, and include detailed instructions on installation, maintenance and acceptance of public improvements in each of these three areas.

The Technical Standards are approved by the HWU Board and subsequently adopted by the Henderson City-County Planning Commission. Special Policies as delineated below are solely the purview of the Water & Sewer Commission.

2.0 PROCEDURES: Technical Standards in specific areas, and their dates of approval by HWU are:

- Technical Manual Sanitary Sewer Wastewater and Pump Station Facilities Approved 27 April 2004
- Technical Storm Water Manual Approved 27 April 2004

Deviation from the standards in these manuals requires specific, written permission from the General Manager or his designee.

2.1 Special Policies: In some instances, special policies related to development and redevelopment are necessary. The following lists those policies.

2.1.1 Fire Hydrant Installation: When review of a private redevelopment project review shows the need for a new fire hydrant(s) due to hydrant spacing requirements or for increased fire protection, HWU will install one new hydrant at no cost to the developer. This will not apply to projects requiring line extensions, major subdivisions, or the creation of new lots where substantial public improvements are to be constructed by a developer.

2.1.2 Acceptance of Improvements: Upon completion and testing of new water, wastewater and stormwater lines and appurtenances, the Engineering Department will recommend acceptance by the Water & Sewer Commission by Resolution, which shall then be forwarded to the City Board of Commissioners for further action.

2.1.3 Ownership of Facilities: In general, all facilities, including pipes, fittings and fire hydrants, located on the customer side of a meter (water) or cleanout (wastewater) are the property of the customer. HWU will not perform maintenance on any facilities located on the customer side of a meter or cleanout.

When flushing hydrants located on the customer side of a meter, HWU will credit the customer for water used in such flushing upon request.
3.0 RESPONSIBILITY: The HWU Engineering Department is responsible for project and plan review to insure compliance with the Technical Manual requirements in each area, and for the general implementation of this policy including the Special Policies listed above.

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

APPROVED:

Tom Williams, P.E.
General Manager
BUSINESS

- Resolution # 2019-35 – Approval of Memorandum of Understanding with Ellis Park in Henderson County, Kentucky
- Resolution #2019-36 – Recommending Changes to the Henderson County Sewer Use Ordinance
Resolution No. 2019 - 35
Approval of Memorandum of Understanding with
Ellis Park in Henderson County, Kentucky

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
October 2019, 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), operates and maintains the North Wastewater Treatment
& Collection facilities serving industrial and municipal customers in the City of Henderson, and
areas outside the City Limits; and

WHEREAS, HWU was approached by Ellis Entertainment, LLC, (ELLIS) concerning
provision of wastewater service to the 231-acre horse racing and historical horse racing machine
facility operated by Ellis Entertainment, LLC, in Henderson County, Kentucky, at 3820 Hwy 41
North, PVA # 63-3, also known as Ellis Park; and,

WHEREAS, ELLIS subsequently sought to obtain wastewater services from the Evansville
Water and Sewer Utility (EWSU), which HWU endorsed in Resolution 2019 – 31 on 23 September
2019; and,

WHEREAS, ELLIS has determined that HWU can better provide said wastewater services,
and HWU has agreed in principle to do so.

BE IT RESOLVED, that the Water and Sewer Commission of the City of Henderson, by and
through its Board of Commissioners, does hereby adopt the Memorandum of Understanding
(MOU) attached hereto, delineating responsibilities of all parties to this arrangement, and hereby authorizes the General Manager to deliver said MOU to the City of Henderson, Henderson County Fiscal Court, and Ellis Entertainment for acceptance and signature.

IN WITNESS WHEREOF, having come before the Board of Commissioners on Monday, 21 October 2019, and upon Motion made by Commissioner ______________, and seconded by Commissioner ______________, the Board of Commissioners voted as follows:

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______________________________
Tom Williams, P.E.
General Manager
THIS MEMORANDUM OF UNDERSTANDING (MOU) made and entered into this ______ day of ____________, 2019 by and between THE CITY OF HENDERSON, KENTUCKY, (hereinafter “CITY”), the WATER & SEWER COMMISSION OF THE CITY OF HENDERSON, doing business as the HENDERSON WATER UTILITY (hereinafter “HWU”); HENDERSON COUNTY FISCAL COURT, (hereinafter “COUNTY”); and ELLIS ENTERTAINMENT, LLC, of Lexington, Kentucky, (hereinafter “ELLIS”); hereinafter collectively referred to as “THE PARTIES”.

WITNESSETH:

WHEREAS, ELLIS owns and operates a 231-acre horse racing and historical horse racing machine facility in Henderson County, Kentucky, at 3820 Hwy 41 North, PVA # 63-3, known as Ellis Park, under a license granted by the Kentucky Horse Racing Commission; and

WHEREAS, ELLIS intends to make substantial investments in the facilities at Ellis Park, including upgraded gaming facilities, restaurant(s), a hotel, and associated infrastructure, including upgrades to water and wastewater systems; and

WHEREAS, ELLIS has requested that their private wastewater collection system be connected to the wastewater system owned and operated by HWU, for treatment of the wastewater generated at Ellis Park; and

WHEREAS, the property being developed is outside of HWU’s service area, and HWU has no legal obligation to serve ELLIS’s property; and

WHEREAS, HWU has determined that its wastewater system has capacity to accept and treat the waste generated by ELLIS; and

WHEREAS, the CITY and COUNTY wish to facilitate the investment by ELLIS and associated economic development and job creation in the Henderson community by leveraging possible
grant opportunities from various Federal agencies; and

WHEREAS, the PARTIES wish to clarify through this MOU the duties of all parties related to the development and improvement of the Ellis Park Racing Facility in Henderson County, Kentucky;

NOW, THEREFORE, FOR AND IN CONSIDERATION OF THE PREMISES, the PARTIES agree as follows:

1. ELLIS, through a consulting engineering firm chosen and hired by ELLIS, will develop plans for a project to construct a wastewater pump station on ELLIS’s property, and a force main connection to the HWU wastewater system at a manhole upstream of the existing HWU Stratman Road pump station (hereinafter, the “PROJECT”). These plans will be submitted by ELLIS to the Division of Water for approval of a construction permit.

2. All costs for design engineering and permitting for the PROJECT will be paid directly by ELLIS.

3. As HWU will ultimately accept portions of the facilities into its system, assuming all obligations here are met, ELLIS agrees that HWU will perform a concurrent review of the plans for the PROJECT to ensure that the design of the facilities to be constructed will conform to the current version of HWU’s Wastewater and Pump Station Technical Standards. The PROJECT will not be accepted by HWU until all requirements of the Technical Standards are met. HWU also agrees to meet regularly with ELLIS and the consulting engineer during the design process to review plans, specifications, standards, and progress.

4. ELLIS understands that, if grant funds are to be used for any portion of the construction of this project, those funds must be routed through a local government entity, in
this case, either the COUNTY or CITY/HWU. This will require bidding and construction of the PROJECT to follow HWU’s procurement process, in conformance with the Kentucky Model Procurement Code as contained in KRS 45A.345 to 45A.460, including requirements for bonds, insurance, local permits and licenses, and contractor prequalification. Construction contracts for work financed by grant funds will require the payment of prevailing wages to personnel engaged in specific job categories working on the PROJECT.

5. ELLIS shall be solely responsible for funding the construction costs of the PROJECT, including all costs not offset by grant funds, and for obtaining any easements, rights of way, or permits required for construction of the PROJECT. After bids are received and before award of a construction contract, ELLIS shall pay said funds to CITY/HWU to be held in escrow, or provide a bond or other surety, representing that funds are available and held in escrow to cover all applicable direct construction costs, prior to HWU awarding a contract to the low evaluated bidder. ELLIS agrees to indemnify and hold CITY/HWU harmless from any and all costs associated with the design and construction of said PROJECT, with the exception of any costs CITY/HWU agree to accept herein.

6. HWU agrees to manage this procurement through bidding, construction, and startup, at no cost to ELLIS for time spent on the PROJECT by HWU engineering and management personnel.

7. HWU will assign an inspector of its sole choosing to the PROJECT to make periodic observations during construction, to provide certification of progress payments during construction, and to provide final certification that the PROJECT was constructed and installed in conformance with HWU and DOW standards and the approved construction drawings. A final
inspection will be made prior to putting the facilities in service, and prior to acceptance of any facilities. Access by the HWU inspector to the construction site and construction records shall be provided at all times.

8. Upon satisfactory completion of the work in accordance with HWU and DOW standards, HWU and the CITY will accept the PROJECT into the CITY/HWU wastewater system. Those portions of ELLIS’S wastewater collection system that currently exist on the Ellis Park property shall remain the property of ELLIS, and are not included in the PROJECT, nor will they be accepted into the HWU wastewater system.

9. Prior to the acceptance by HWU of the PROJECT, the PARTIES shall enter into an Agreement for the provision of wastewater pumping and treatment services to Ellis Park, which Agreement will set a volumetric or flat monthly rate, based on HWU’S total cost of pumping and treatment of waste from Ellis Park, including costs for labor and benefits, power, chemicals, wastewater collection and treatment, and sludge disposal costs. If a flat rate is charged, it shall be based on design flows for the pump station to be constructed on the PROJECT. Subject to negotiation of said Agreement, the PARTIES may consider entering into a cost-plus-percentage-markup fee arrangement.

10. Other items to be addressed in said Agreement will include provisions for control of infiltration and inflow from ELLIS’S existing sanitary sewers, provision for the control of fats, oils, and grease from any food preparation operation on ELLIS’S property, and adjustment of any fees or rates to address increases in cost or consumer inflation.

11. HWU policy allows a developer to enter into an agreement for future reimbursement of some costs, should other users connect to the PROJECT at a future date.
Should ELLIS enter into such a reimbursement agreement, said agreement shall comply with HWU Policy B-300, Financing of Extensions to the Water and Sewer Systems, and be in accordance with the requirements of Kentucky Revised Statutes Chapter 91A. Such reimbursement will be calculated on the actual cash outlay incurred by ELLIS on the PROJECT, minus any contribution of grant funds.

12. Upon completion of the PROJECT and acceptance by the CITY and HWU, CITY/HWU shall be the sole owner of the facilities constructed on the PROJECT and shall be solely responsible for all future maintenance associated therewith, excluding enlargement or upgrade of the facilities due to increased flow or loading caused by future development on the Ellis Park site, and also excluding any future replacement or repair of any aerial or subterranean crossing of the Ohio River, which will be the responsibility of ELLIS.

13. ELLIS agrees that it, or its successors or assigns, shall be solely responsible for enlargement or upgrade of the facilities due to increased flow or loading caused by future development on the Ellis Park site, and for future replacement or repair of any aerial or subterranean crossing of the Ohio River. To protect its interests, HWU will require ELLIS, or its successors or assigns, to purchase a bond from a reputable company with an A rating or above, which must be approved in writing by HWU, for at least $1,000,000.00 to cover these repair/replacement costs. This bonding requirement shall remain in place perpetually, unless the line is ever abandoned by the parties, at which time the restrictive covenant shall be released by HWU. The amount of the bond may be modified by HWU as increased costs and materials may require, no more than every five (5) years, and by no more than 10% each time. These obligations shall be placed of record in the Henderson County Clerk’s Office as a restrictive covenant to run
with the land, so any potential purchaser of the property understands this obligation.

14. As is required of all projects HWU accepts outside the current CITY boundaries, ELLIS agrees herein not to oppose annexation into the CITY if CITY’s territory ever expands to a parcel which is contiguous to that of ELLIS, which annexation would grant ELLIS the services of CITY, but also require ELLIS to pay CITY taxes. Approval and recordation of a formal Consent to Annexation by ELLIS shall be a precondition to signing of the Agreement mentioned above.

15. This Memorandum of Understanding shall be adopted by resolution of the Board of Commissioners of the CITY, by the WATER AND SEWER COMMISSION, and by the COUNTY FISCAL COURT, whereafter, upon signature by the Mayor of the CITY, by the Board Chairman of HWU, by the COUNTY Judge Executive, and by duly authorized officer(s) of ELLIS, this Memorandum of Understanding shall be in effect.

16. Non-payment of the monthly fee/bill, failure to pay for necessary repairs, maintenance, or replacement of the sewer line as is determined necessary by HWU, failure to pay the required bond set forth herein, and the filing of bankruptcy by the owner of the real property shall all be considered a breach of this agreement, and subject the service by HWU to be terminated.

17. In the event of non-compliance by ELLIS under this agreement, ELLIS shall have 60 days from the date of notification of non-compliance, to correct any breaches of this agreement. In the event the breach cannot be satisfied within that 60 day time frame, HWU shall have the right to cut off service to ELLIS if and until the breach has been resolved.

18. ELLIS hereby understands and agrees that in the event of a disruption in the sewer service provided by this line, HWU shall not be liable for any loss of business, loss of revenue, or
any damages from said interruption, including, but not limited to, any costs associated with the removal of sewage from the property. HWU does NOT carry business interruption insurance for its customers, and ELLIS is hereby placed on notice they are highly encouraged to obtain said insurance for themselves.

19. All obligations of HWU herein are contingent on the acquisition of the necessary easements/rights-of-way, and the ability of ELLIS or its successor to obtain the bonding necessary to meet the obligations herein.

20. The parties understand and agree that in addition to the obligations set forth herein, ELLIS will be obligated to enter into a service agreement with HWU upon the completion of construction of the sewer line, setting out further obligations and rates for the parties.

21. This agreement shall not be assignable without the written consent of HWU, unless said assignment is the sale of the real property affected herein. Any successor or assign shall be subject to all of the obligations of ELLIS herein.

WITNESS the hand of the CITY by and through its Mayor, and of HWU by through the Chairman of the WATER AND SEWER COMMISSION, effective this _____ day of ________________, 2019.

THE CITY OF HENDERSON, KENTUCKY

By: ___________________________
    Steve Austin, Mayor

WATER & SEWER COMMISSION
OF THE CITY OF HENDERSON
also known as the
HENDERSON WATER UTILITY
By: _________________________________
    R. Paul Bird, Jr.
    Board Chairman

WITNESS the hand of the COUNTY by and through its Judge Executive, effective this _____
day of ________________, 2019.

THE COUNTY OF HENDERSON, KENTUCKY

By: _________________________________
    Brad Schneider, Judge-Executive

WITNESS the hand of ELLIS ENTERTAINMENT, LLC., by and through
__________________________, effective this _____ day of ______________________, 2019.

ELLIS ENTERTAINMENT, LLC.

By: _________________________________

Title: ________________________________
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 October 2019, 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), operates and maintains Water and Wastewater Treatment, Distribution & Collection facilities serving industrial and municipal customers in the City of Henderson, and areas outside the City Limits; and

WHEREAS, Henderson County Fiscal Court has adopted an Ordinance regulating certain aspects of water and sewer use in areas served by HWU that lie outside the City limits; and

WHEREAS, HWU wishes to make changes to the said Ordinance, reflecting changes to local rules and regulations regarding backflow prevention, deposits for services, adoption of a surcharge for Chemical Oxygen Demand (COD), an increased maximum allowable concentration for COD, and new Local Limits for industries that discharge to the North and South Wastewater Treatment Plants, as well as other minor and semantic changes.

BE IT RESOLVED, that the Water and Sewer Commission of the City of Henderson, by and through its Board of Commissioners, does hereby request that the Henderson County Fiscal Court enact and adopt revisions to portions of the County Code of Ordinances, incorporating
changes as recommended by the staff of the Water and Sewer Commission, and herewith transmitted to the County by attachment to this resolution.

These changes will become effective upon the date of adoption by the Fiscal Court of Henderson County, Kentucky.

The General Manager is hereby authorized to deliver this Resolution to Henderson Fiscal Court.

**IN WITNESS WHEREOF,** having come before the Board of Commissioners on Monday, 21 October 2019, and upon Motion made by Commissioner ____________, and seconded by Commissioner ________________, the Board of Commissioners voted as follows:

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Tom Williams, P.E.
General Manager
EXECUTIVE SESSION

• None Requested