

LEAVENWORTH WATER DEPARTMENT

MINUTES OF A MEETING OF THE BOARD OF DIRECTORS

HELD ON FEBRUARY 11, 2013

A regular meeting of the Board of Directors of the Leavenworth Water Department was held at 5:00 PM on Monday, February 11, 2013 at the Leavenworth Water Department located at 601 Cherokee, Leavenworth, Kansas 66048.

ATTENDANCE

Directors in Attendance

Howard Kirk, Chairman
Thomas Koch, Vice Chairman
Dr. Paul Kittle, Assistant Secretary
Michael Bogner, Secretary
Teresa Wood, Member

Directors Absent (Excused)

Staff in Attendance

John Kaufman, Department Manager
Lesia Hegeman, Finance Manager
Dennis Baragary, Sr., Distribution Manager
Patrick Garrett, Jr., Distribution Supervisor
Jeff Arnold, Plant Superintendent
James Adams, North Plant Superintendent
Gary Simanowitz, South Plant Superintendent

Others in Attendance

None

CALL TO ORDER

Chairman Kirk called the meeting to order noting that a quorum was present.

MINUTES

Upon motion of Director Bogner, seconded by Director Wood the minutes were modified to state the Board unanimously voted nay to additional MARC contribution citing that the Corps of Engineers is responsible to fix the river degradation problem; the reference to Howard Kirk attending the meeting by Skype was corrected because he was present; and the word "female" be deleted in reference to the staff engineer position, then adopted, it was ...

RESOLVED (No. 14140), that the minutes of the January 28, 2013 Board Meeting are hereby approved.

PUBLIC COMMENT

None

BOARD MEMBER ITEMS

Director Kirk requested a policy for appointing a new Waterworks Board member.

CONSIDERATION OF
PAYROLL
DISBURSEMENTS

Upon motion of Director Kittle, seconded by Director Wood, and unanimously adopted, it was ...

RESOLVED (No. 14141), that the regular payroll for the period ending February 15, 2012 amounting to gross pay of \$74,301.07 (composed of Federal Tax Withheld - \$7,827.90; FICA Withheld - \$5,454.79; State Tax Withheld - \$2,568.02; KPERS Withheld - \$3,162.56; P.E.D.C. - \$1,939.83; Insurance - \$2,226.96; United Way - \$90.50; EQ-Flex - \$2,470.04; Misc. - \$1,015.00; Direct Deposits - \$47,545.47, and including the following overtime amounts: Distribution – 61 hours @ \$1,787.87, North Plant – 5 hours @ \$146.55 and South Plant – 8 hours @ \$242.64 be approved and disbursements made from the Revenue Fund for their respective amounts.

CONSIDERATION OF
REGULAR CLAIMS

Upon motion of Director Kittle, seconded by Director Wood, and unanimously adopted, it was

RESOLVED (No. No. 14142), that the Board approved the Claims on the Revenue fund totaling \$140,514.95, and the checks be drawn on the Revenue Fund for their respective amounts.

CONSIDERATION OF
SPECIAL CLAIMS

Upon motion of Director Wood, seconded by Director Bogner, and unanimously adopted, it was ...

RESOLVED (No. 14143), that the Board approved the Special Claims on the Revenue fund totaling \$230,252.15, and the checks be drawn on the Revenue Fund for their respective amounts.

CONSIDERATION OF
SPECIAL/SPECIAL CLAIMS

Upon motion of Director Kittle, seconded by Director Wood, and unanimously adopted, it was ...

RESOLVED (No. 14144), that the Board approved the Special/Special Claims on the Revenue fund as follows: University of Saint Mary \$1,500.00; Westar \$34,993.75; County Treasurer Office \$1,016.00; Knox Company \$184.00; and Kansas Gas Service \$4,105.93 that checks be drawn on the Revenue Fund for their respective amounts.

CONSIDERATION OF
FINANCIAL AND
INVESTMENT REPORT

None presented.

CONSIDERATION OF
UPDATED 2013
SCHEDULE OF EVENTS
(CONSENT AGENDA)

The updated schedule of events were presented and discussed.

ADMINISTRATION
UPDATES

HR Update

A draft job description of the GIS Technician position is being prepared based on information obtained from the City.

Staff Engineer Resumes and Interviews

An interview was completed with Kayla Manning for the staff engineer position on Thursday, February 7th. Board member Mike Bogner and HR consultant Tim Huston participated in the interview with John Kaufman.

Office Renovation

Renovation of the General Manager's Office was completed and office furniture was ordered. All work was professionally completed by Dave Fleming with some assistance from other Water Distribution staff.

PROJECT UPDATES

Stage 2 Disinfection Byproduct Study

The Black & Veatch draft report is in preparation.

Radial Collector Well Feasibility Study

A meeting was held with Jeff Hensen, PE of Black & Veatch, Jeff Arnold, Gary Simanowitz, Jim Adams, Dennis Baragary, and John Kaufman to discuss the feasibility of constructing a nominal 6-MGD (or larger) radial collector well for the North water treatment plant. Jeff Hensen has designed a number of high-capacity radial collector wells in the Kansas City and Omaha areas and is working on a similar project in Lincoln, Nebraska. Alternative sites will be considered including near the Missouri River intake structure and between the North and South water treatment plants on private property northeast of the City wastewater treatment plant. A radial collector well at the later location could potentially serve both water treatment plants. Black & Veatch will send the Water Department a draft scope of work the week of February 11, 2013.

Southern Star Gas Line Installation

Southern Star's preliminary design for the installation of two 18-inch steel high-pressure (500-psi) natural gas lines beneath the Missouri River was completed by their consultant, G. Jason Watkins of Hatch Mott MacDonald (SSCGP) in Lexington, KY. A copy of the design is attached for review and comment. The lines are to be installed by horizontal directional drilling beginning on the North Plant property and extending east beneath the chlorine contact basin and clear well and the Missouri River. After reaming, the pipe will be pulled from the east side of the river. Once the engineering design is agreed to, Clark Cooney SSCGP's land representative, will be involved directly with the Water

Department on easement negotiations.

Black & Veatch, who designed the chlorine contact basin and clear well, was requested to develop a scope of work to evaluate the potential impact (or risk) of the project on the Water Department’s infrastructure. A copy of their project scope of work is attached and will cost nearly \$40,000, all of which would be billed to Southern Star. JR Reilly and Mike Crow were also contacted about agreement language.

GIS System

The GIS system is completed sufficiently to be launched for use in the field. Main break information is being added to the data base. When ready, the GIS information will be stored on the new server. A plan will be developed to access the GIS system in the field through a secure web site using rugged tablets. A new computer with greater RAM will be purchased to run the GIS system.

North Plant Head Gates

The North Plant head gates will be installed in mid-February, provided weather conditions are favorable.

Plant Security Gates

The new treatment plant security gates are fully operational. Special gate locks were ordered for the Fire Department.

Other Projects

The status of other projects is summarized below.

Main Replacements	Project Status
• Shawnee Street (from Esplanade to 6 th Street) and Esplanade (from Shawnee to Delaware)	The project will resume when the weather warms.
• Delaware Street (from 13th Street to 16th Street)	The project will begin in the spring or summer.
• 16th Street (from Santa Fe to Thornton Street)	The project will begin in the spring or summer.
• Miami Street (from 8 th Street to 10 th Street)	The project will begin in the spring or summer.
• Franklin Street (from Ohio to Kansas)	The project will begin in the spring or summer.
• 3 rd Street at Three-Mile Creek	The project will begin in the spring or summer.
• 17 th and Thornton 6-Inch Water Main	The project will begin in the spring or summer.
• Stove Factory Lofts Water Mains and Hydrants	There is no project schedule.
City Road and Bridge Projects	Project Status
• 2 nd Avenue and Limit Street Bridge Replacement and Road Realignment	A draft KDOT 1304 form was prepared and submitted to the City for comment.
• Limit Street Bridge Replacement at 15 th Street and Road Widening from 15 th to 20 th Street	City condemnation of private land is pending.
• 2 nd Street Bridge Replacement	EPA/KDHE approval of the construction work is pending due to contaminated soil.
• Storm Sewer Upgrade, Curb, and Sidewalk 2 nd Street Bridge Replacement from 13 th St. Terrace to 17 th Street	Nothing to report at this time.
• City Sidewalk and Street Overlay Projects	Nothing to report at this time.
Other Projects	Project Status
• Radio-Read Meter Installations	Delivery of about half of the meters is anticipated in March.

CONSIDERATION OF
KRWA ANNUAL
CONFERENCE BUDGET

Upon motion of Director Kirk, seconded by Director Kittle and unanimously adopted, it was ...

RESOLVED (No. 14145), that the Board approved the expenditure of up to \$4,000 for staff to attend the 2013 KRWA annual conference in Wichita, Kansas.

CONSIDERATION OF
EMPLOYEE BENEFIT
PACKAGE

The Board discussed elements of the employee benefit package, options for changes, and potential costs. Action on elements of the employee benefit package was tabled and will be considered in future Board meetings.

CONSIDERATION OF PIPE
BURSTING MACHINE
PURCHASE

The agenda item was tabled until a future Board meeting pending receipt of a bid from another manufacturer.

CONSIDERATION OF
VALVE INSERTION
MACHINE PURCHASE

Upon motion of Director Kittle, seconded by Director Bogner and unanimously adopted, it was ...

RESOLVED (No. 14146), that the Board approved the purchase of an EZ₂TM valve-insertion machine from Water Products, Inc in the amount of \$70,075.16.

CONSIDERATION OF
STORAGE BUILDING
DOOR IMPROVEMENTS

Upon motion of Director Wood, seconded by Director Bogner and unanimously adopted, it was ...

RESOLVED (No. 14147), that the Board approved the low bid from Brunson Builders in the amount of \$8,050.00 to enlarge the entrance doors of the recently-acquired storage building.

CONSIDERATION OF
PARTICIPATION IN CITY
CONGRESSIONAL
MEETINGS

Upon motion of Director Kittle, seconded by Director Wood and adopted with Directors Bogner and Koch voting nay, it was ...

RESOLVED (No. 14148), that the Board directed the General Manager to attend and participate in the planned City of Leavenworth Congressional meetings in Washington, DC from March 3rd to 6th with travel and lodging expenses to be paid from the Tower Fund.

MANAGER'S REPORT

Meeting with Region 7 EPA Concerning NPDES Permits for Lime Residuals

Tom Shremp of Water One reported that he visited with Karen Flournoy, Director of EPA's Water, Wetlands, and Pesticides Division at Region 7 in Lenexa, Kansas. She responded to MRPWSA's recent

letter requesting a meeting about the discharge of lime residuals into the Missouri River. She informed Tom that EPA is willing to set up a meeting and have a number of key staff attend. The meeting will likely occur several from now. EPA is communicating with the state agencies and MRPWSA may receive feedback from them.

Missouri River Degradation Study

MARC was informed that the Waterworks Board declined to contribute an additional \$5,000 to complete the project due to other financial commitments.

Upcoming Events

Education Foundation Breakfast. The Leavenworth Education Foundation breakfast and meeting will be held at 7 AM on March 5, 2013 at the Leavenworth High School. The Water Department recently donated \$500 to the Education Foundation and is eligible to send four people to the breakfast event. Please let Sue Barnes know if you would like to attend the breakfast and meeting.

Military & Business Social. The Chamber of Commerce is hosting a Military and Business Social on February 6, 2013 from 5 to 6:30 PM at the Potawatomie Family of Companies on 313 South 2nd Street in Leavenworth. Please let Sue Barnes know if you would like to attend this event.

Missouri River Corps, Coast Guard and Navigators Meeting. The Corps, Coast Guard, and Missouri River commercial navigators are hosting an annual meeting at the auditorium of the National Weather Service Training Center near Kansas City Airport on February 13th from 8 AM to 4:30 PM to discuss flows and navigation issues on the Missouri River. John Kaufman will attend this meeting on behalf of the Water Department.

County Hazard Mitigation Meeting

As a representative of the Water Department, John Kaufman will participate in a County Hazard Mitigation Plan meeting on February 15th from 9 AM to noon at Chuck Magaha's Leavenworth County Emergency Management office. According to Chuck Magaha, the plan was designed to assist the County in planning for mitigation projects within the community and improve the County's capability in applying for FEMA funding for these projects. The County's plan will be incorporated into a regional plan to include Johnson and Wyandotte Counties in the near future. However, this will have no affect on the County's plan as it will continue to serve Leavenworth County.

KDHE Asset Management Workshop. The Kansas Department of Health and Environment (KDHE) Capacity Development Program, in partnership with Wichita State Environmental Finance Center (EFC) and Kansas Municipal Utilities (KMU), are sponsoring an "A.M. Kan Work!" Workshop on water utility asset management. The workshop is free and will occur on February 26th in St. Mary's, Kansas (near Topeka). John Kaufman will attend this workshop, which will focus on implementation of new administrative systems and management tools for utilities to adapt to increased regulatory requirements and environmental complexities. The workshop will address:

- New and stricter regulatory requirements;
- Population changes;
- Service demands;
- Limited water supplies;
- Variable climate conditions;
- Aging infrastructure;
- Increased energy costs; and
- Limited state and federal funding.

Asset Management is a relatively new KDHE program for Kansas and Kansas utilities, particularly for water systems. According to KDHE, “A.M. KAN WORK!” provides a structured program for helping water utilities achieve sustainability through sound management practices. The workshop is to assist utility systems in defining the investment priorities for the level of service expected by its customers. Asset Management provides the tools needed to actively and consistently analyze current operations and future needs to develop robust management systems and well-designed infrastructure plans to meet the increasing challenges.

KDHE Utility Rate Setting and Financial Planning Workshop. The Kansas Department of Health and Environment (KDHE) Capacity Development Program, in partnership with Wichita State Environmental Finance Center (EFC), Ranson Financial Consultants, and Kansas Municipal Utilities (KMU), are sponsoring a workshop on rate setting and financial planning. The workshop is free and will occur on February 27th in St. Mary’s, Kansas (near Topeka). John Kaufman will attend the workshop, which will provide participants with an understanding of major considerations when setting rates; rate structure options and pricing objectives; financial planning considerations; and strategies for communicating rate information to the utility board and community.

Adaption Strategies and Information Needs in Response to Extreme Events Workshop. A free workshop sponsored by NOAA, EPA, WERF, WaterRF, CTC, and Nobis will held on February 19th and 20th to discuss how water utilities and other stakeholders in the Lower Missouri River Basin region planned for, responded to, and learned from specific extreme events to engage participants and exchange knowledge. The workshop will be held at the Johnson County Administration Building in Olathe, Kansas. John Kaufman will attend this workshop.

KRWA Conference. The Kansas Rural Water Association Conference will be held in Wichita from March 26th to 28th. Please let Sue Barnes know if you would like to attend.

AWWA Annual Convention and Exposition (ACE13). ACE13 will be in Denver, Colorado from June 9th to 13th. Please let Sue Barnes know if you would like to attend.

City Congressional Meetings. The City plans to visit the Kansas congressional delegation from March 3rd to 6th. A copy of the City’s meeting schedule is attached. The City plans to meet with the Bureau of Prisons, Senators Pat Roberts and Jerry Moran, Congresswoman Lynn Jenkins, and Congressmen Kevin Yoder. The City’s meeting agenda is in preparation and my include the planned new federal penitentiary, Centennial Bridge replacement, MO Highway 92 realignment to I-29, and Fort Leavenworth. Water issues to be discussed include water supply to the planned new penitentiary, Missouri River Basin drought conditions, potential EPA plans to restrict the discharge of lime residuals into Missouri River, and pending infrastructure funding legislation.

Web Site

A secure portal was created on the Water Department web site for use by the Board to access and review current and past board packet information. Board members will be provided with a user name and password.

Water Department v Bettis Asphalt

On behalf of the Water Department, Crow and Associates filed a lawsuit against Bettis Asphalt last fall for damages incurred when the contractor operated a fire hydrant without permission and caused catastrophic failure of the water main due to water hammer. In summary, we are seeking monetary damages for illegal use of the fire hydrant, repair of the broken pipe, repair of public property, reimbursements to the Colliers, and attorney’s fees (if allowed). The cost of damages total more than \$20,000.

Crow and Associates received discovery requests from Bettis that must be answered before the end of

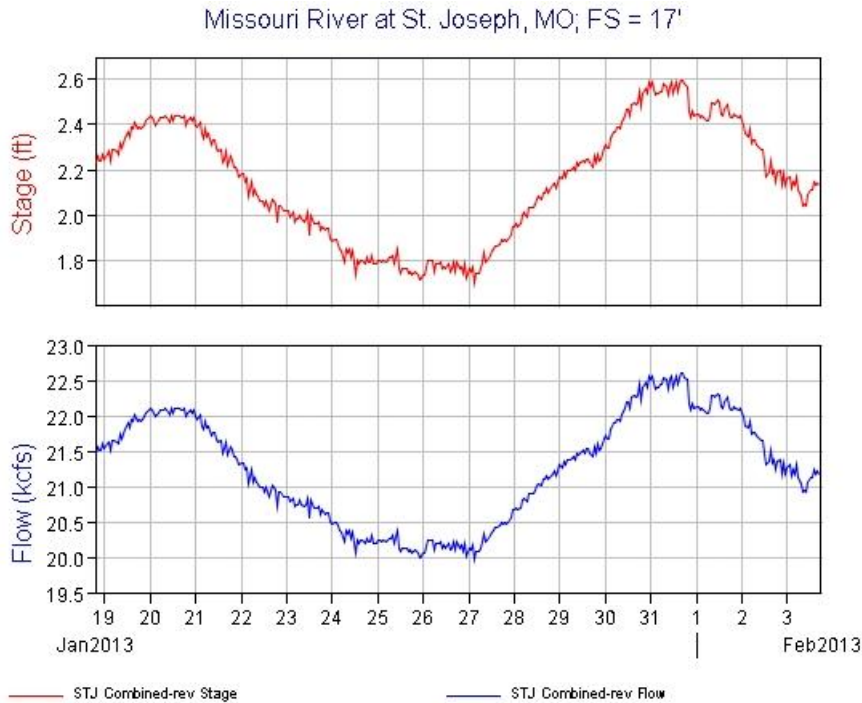
February, and a statement of monetary damages that must be provided by mid-February. Staff is working to develop the responses. A copy of the interrogatory requests is attached.

Water Treatment Plant Operations

During the month of January 2013, a total of 130,274,300 gallons were pumped into the water-distribution system from both treatment plants. Demand ranged from about 3.66 MDG to 4.74 MGD and averaged 4.20 MGD. This is a 7% increase over the volume pumped in January 2012, which was 121,623,700 gallons.

- a. **North Plant:** During the month of January 2013, the North Plant produced 65,333,000 gallons and met about 50% of the total system demand by producing from 2.07 to 2.15 MGD and averaging about 2.11 MGD. The new head gates for the north plant are scheduled to be installed in mid-February at which time the plant will be shut down and the basins will be cleaned. The west exterior submersible Flygt pump was successfully lowered into place at the intake by Douglas Pump Service and is operational.
- b. **South Plant:** During the month of January 2013, the South Plant produced 64,941,300 gallons and met about 50% of the total system demand by producing from 1.55 to 2.64 MGD and averaging more than 2.09 MGD. Douglas Pump Service is scheduled to install the new pumping equipment in Wells No. 4 and 6 in February.

The Corps recently increased the discharge from Gavins Point Dam to 16,000 cubic feet per second (cfs) and they plan to reduce the flow back to 14,000 cfs in the near future. At Sioux City, Iowa the USGS reported about 80% floating ice and large ice pans (200 feet across) floating down the river. The Corps reported the river is apparently flushing portions of an upstream ice bridge or blockage. Below are recent stage and flow hydrographs from St. Joseph, Missouri.



Water Distribution Operations

Since the previous Board meeting on January 28, 2013 the following water-distribution activities occurred:

- a. New Water-Service Connections: none
- b. Service Kills, Relocations or Repairs: none
- c. Valves and Fire Hydrants (new and replacements): none
- d. Waterline Breaks: 6 total, including a 1-inch galvanized line at 16th and Cherokee

2-inch (3)	4-inch (0)	6-inch (0)	8-inch (1)	10-inch (0)	12-inch (1)
1322 Olive 1810 Miami 2314 S. 16 th	none	none	775 Cherokee	none	Joint leak at 779 Hwy 5

Also, four customers reported frozen buried pipes on their side of the flow meter.

- e. Service Renewals without Main Replacements: none
- f. Service Transfers to New Replacement Mains: none
- g. Radio-Read Installations: none
- h. Large Meter Replacements: none
- i. Meter Relocations: none

EXECUTIVE SESSION

Upon motion of Director Kirk, seconded by Director Kittle and unanimously adopted, it was ...

RESOLVED (No. 14149), that the Board go into executive session for 30 minutes to discuss personnel matters.

Upon motion of Director Kirk, seconded by Director Wood and unanimously adopted, it was ...

RESOLVED (No. 14150), that the Board come out of executive session.

ADJOURNMENT

There being no further business to come before the Board, Chairman Kirk adjourned the meeting.

Approved _____ 2013

Howard Kirk, Chairman

Thomas Koch, Vice Chairman