

LEAVENWORTH WATER DEPARTMENT

MINUTES OF A MEETING OF THE BOARD OF DIRECTORS

HELD ON JULY 22, 2013

A regular meeting of the Board of Directors of the Leavenworth Water Department was held at 5:00 PM on Monday, July 22, 2013 at the Leavenworth Water Department located at 601 Cherokee, Leavenworth, Kansas 66048.

ATTENDANCE

Directors in Attendance

Greg Kaaz, Vice Chairman
Teresa Wood, Assistant Secretary
Richard Gervasini, Secretary
Howard Kirk, Member

Directors Not in Attendance (Excused)

Michael Bogner, Chairman

Staff in Attendance

John Kaufman, Department Manager
Kayla Manning, Staff Engineer
Jeff Arnold, Water Treatment Manager
Gary Simanowitz, South Plant Superintendent
Jim Adams, North Plant Superintendent
Dennis Baragary, Sr., Water Distribution Manager

Others in Attendance

None

CALL TO ORDER

Vice Chairman Kaaz called the meeting to order at 5:10 PM noting that a quorum was present.

ROLL CALL, ANNOUNCEMENT OF QUARUM

Quorum Present

REQUESTS, COMMENTS, PETITIONS BY MEMBERS OF THE PUBLIC

None

BOARD MEMBER ITEMS OUTSIDE OF EXECUTIVE SESSION

Director Wood: All but one eligible board member signed the checking account signature documents. A resolution from the board is needed stating the Board's new policy regarding the authorized signatures on the checking account. The approved board minutes citing the pertinent Board resolution will serve this purpose.

Director Kirk: An executive session is needed at the next board meeting to discuss matters pertaining to the Board.

Director Kaaz:

1. A board member should review the consent agenda prior to the board meeting.
2. He will seek more information from the Finance Manager on Investment underwriting.
3. A study should be performed to compare the cost of on-site lime residuals disposal vs pond storage and hauling to a agricultural land as a soil amendment.

Discussion Concerning Shawnee Street: The Board directed the general Manager to inform the City that the Board would pay for no more than 40% of the total cost reconstruct Shawnee Street from the west side of 4th Street to the west side of 5th Street as presently proposed by the City. Director Kaaz, noting a potential conflict of interest, did not participate in the discussion or directive from the Board.

APPROVE MINUTES OF JULY 8, 2013

Upon motion of Director Kirk, seconded by Director Gervasini, that the minutes were adopted it was....

RESOLVED (No. 14228), that the minutes of the July 8, 2013 Board Meeting is hereby approved, with a change proposed by Director Kaaz that the entire consent agenda can be approved in a single motion.

CONSIDERATION OF CONSENT AGENDA FOR:

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

A. PAYROLL DISBURSEMENTS

RESOLVED (No. 14229), that the Board approved:

B. PAYMENT OF CLAIMS

C. UPDATED SCHEDULE OF EVENTS

A. The regular payroll for the period ending July 31, 2013 amounting to gross pay of \$77,928.28 (composed of Federal Tax Withheld - \$8,078.03; FICA Withheld - \$5,708.14; State Tax Withheld - \$2,662.91; KPERS Withheld - \$3,351.17; P.E.D.C. - \$2,954.83; Insurance - \$2,524.04; United Way - \$98.75; EQ-Flex - \$2,898.32; Misc. - \$47.50; Rent; \$217.50; Garnishment \$755.00 and Direct Deposits - \$48,632.06, and including the following overtime amounts: Distribution - 64.5 hours @ \$2,079.68; North Plant - 28 hours @ \$775.79; South Plant - 34 hours @ \$1,049.16 be approved and disbursements made from the Revenue Fund for their respective amounts.

B. The Regular Claim \$253,991.01, Special Claims \$0.00, and the Special/Special Claims as follows: Brenntag Mid-South Inc. \$1,341.90, County Treasurer's office \$343.00, Lesia Hegeman \$1,105.14, SASI \$485.49, CNS, LLC \$557.71, Hohenschild Welders Supply Co. \$100.00, and The News Inc. \$219.00 and checks be drawn on the Revenue Fund for their respective amounts.

C. The Updated Schedule of Events noting the 35th anniversary of Pat Garrett on July 24th and the County Fair in Tonganoxie beginning July 30th.

PRESENTATION AND CONSIDERATION OF JUNE

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

FINANCIAL STATEMENT AND INVESTMENT REPORT

RESOLVED (No. 14230), that the Board approved the June Financial Statement and Investment Report

CONSIDERATION OF RPZ VALVE REPLACEMENT FOR NORTH PLANT

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

RESOLVED (No. 14231), that the Board approved the purchase and installation of a replacement RPZ valve for the North Plant chlorine gas feed system.

CONSIDERATION OF DONATION TO RICHARD ALLEN CULTURAL CENTER FOR EDUCATIONAL PURPOSES

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

RESOLVED (No. 14232), that the Board approved the donation of \$1,000 to the Richard Allen Cultural Center for the purchase of 10 jazz music tickets for use by Water Department staff using money held in the Tower Fund.

OVERVIEW OF BOARD POLICIES AND REGULATIONS

Statutory Authority

The Waterworks Board is authorized by state statute to adopt its own rules and regulations to protect the rights and property vesting in the City of Leavenworth and to adopt rules of procedure (policies) in the conduct of its business. The applicable statute language is presented below:

- K.S.A. 13-2414a.(c): *“Any agreement entered into by the Leavenworth waterworks board, all rules and regulations adopted by such board and any other action taken by the board prior to the effective date of this act are hereby ratified and deemed valid.”*
- K.S.A. 13-2417: *“... The board shall adopt its own rules of procedure and keep a record of its proceedings. ...”*
- K.S.A. 13-2418: *“The waterworks board may establish all reasonable rules and regulations to protect the rights and property vested in the city and under control of the board. ...”*

Since 1938 when the Waterworks Department was formed, the Board has adopted and modified numerous policies and regulations, which are summarized in Attachment A. Organization the Board’s policies should be by policy number.

Policy Statements

Policies are created by governing bodies of organizations. A policy statement conveys the course of action or practice of a business or organization. It is used to communicate the organization's procedure on a given topic -- from privacy policies to safety, computers, accounting, regulatory compliance, travel expenses, and so forth. In general, policies are meant to address internal business practices and the general audience is the organization employees and governing body. Policies intended for external audiences are also common. The Water

Department has both internal and external policies. Policy statements are dependent on the needs at the time they are made. Therefore, policy statements may be adjusted as needs change.

Regulations

A regulation is an official rule, law, or order stating what may or may not be done or how something must be done. It is an order issued by a government department or agency that has the force of law. It is a rule designed to control the conduct of those to whom it applies – generally parties who are external to the department or agency, such as residential developers and water customers. Regulations are official rules and must be followed. Governing bodies establish regulations and provide for public comment on proposed new regulations or regulation changes through a public hearing process. The Water Department is not required by statute or state rule to conduct public hearings for regulations and rate setting and therefore, has not done so. WaterOne, for example, conducts public hearings before it sets new water rates.

The Water Department's rules and regulations cover a number of topics including:

- Water service applications
- Tampering with water mains and other property
- Interruption (suspension) of water service
- Taps to mains
- Ownership of water pipe and appurtenances
- Abandonment of service and lines
- Furnishing water lines
- Fee for water installation and service
- Number of units served by a single meter
- Repair and adjustments
- Turn-on and termination of service
- Deposits and billings

The rules and regulations do not address the following additional topics:

- Definitions
- Severability
- Control and operation of facilities
- Control of works
- Inclusions of service from outside the City
- Requirements for water service and multiple taps
- Tap purchase agreements
- Easements
- Taps and tap equivalents
- Main construction
- Cross connection and backflow control
- Conveyance and acceptance procedure
- Responsibility for repairs and maintenance
- Water conservation
- Miscellaneous prohibitions
- Violations, penalties, and complaints

The Water Department also needs a set of technical specifications for its horizontal infrastructure. The Staff Engineer has been tasked with developing set of technical specifications for the Water Department.

Policy Review

The Board desires to review an existing policy during each Board meeting. A list of the Board’s policies and rules and regulations were presented to the Board along with a copy of the Board’s Deposit and Investment Policy for review.

ADMINISTRATION REPORT

Human Relations Update

1. **South Plant Operator Position.** Five candidates have been selected for interviews, including a military veteran. Interviews will be conducted in the coming week or two.
2. **Other HR Tasks.** There is nothing new to report at this time.

Software and Computers

The General Manager’s laptop computer is 5 years old and needs to be replaced before the end of July to obtain the Windows 7 operating system.

Presentation of Draft Policy and Procedures

There is nothing new to report at this time.

**CONSIDERATION OF LAPTOP
COMPUTER REPLACEMENT
FOR GENERAL MANAGER**

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

RESOLVED (No. 14233), that the Board approved the purchase of a replacement Dell Laptop computer through CNS, LLC for use by the General Manager at a cost not to exceed \$4,500.

PROJECTS UPDATE

Water Diversion and Treatment Projects

1. **Radial Collector Well Feasibility Study**
An RFP developed by Black and Veatch is being reviewed by staff for the 2014 Capital Improvement Plan.
2. **Southern Star Gas Line Installation**
Final draft report was completed by Black and Veatch. Proposed lease agreements for construction and operation of the pipelines is being reviewed with legal counsel.

There is nothing new to report at this time on the following projects:

- *Lime Residuals Disposal*
- *Well Cleaning RFP*
- *South Plant VFD Study*
- *Backup Generators*
- *North Plant Head Gate*
- *Booster Pump Station VFD Installation*

Water Distribution Projects

1. **Shawnee Street Main Replacement**
Street restoration is underway between 3rd Street and 4th Street. Crews are preparing the next section headed eastward on

Shawnee starting mid-block between 2nd Street and 3rd Street. Utility locates were requested and excavation of utilities and service connections will begin soon. When the current section is finished, replacement of the water main will continue along Shawnee eastward to Esplanade and along Esplanade south to Delaware Street.

2. Delaware Street (from 13th Street to 16th Street)

Design specifications for the main replacement project are in progress and will be completed following completion of the water main extension specifications for the new Animal Control Facility.

3. 16th and Choctaw Water Main

This project is part of the Delaware Street project, above.

4. 3rd Street at Three-Mile Creek

This project involves suspending pipe from the bridge to replace the pipe removed when the Three-Mile Creek trail was installed. A review of the structural analysis and conceptual completed by BG Consultants is pending.

5. KDOT Facility (16490 Springdale Road)

This project is pending a response from RWD-5 concerning supplying additional water to the KDOT facility. A request was made by KDOT to the Water Department for a new line capable of providing fire protection and sufficient capacity for a new KDOT wash-bay facility. RWD-5 currently provides water service to this KDOT property, while the adjoining property (also owned by KDOT) is served by the Water Department.

6. Stove Factory Lofts Water Mains and Hydrants

Site plans are expected soon. The City is meeting on the project on July 18th. More information may be available after the meeting.

A tee will be installed at the planned water main service tap beneath 2nd Street. The water main is 10-inch cast iron pipe. The tee will enable easy access to the main from both the east and west sides of the 10-in line, because future redevelopment of the property on the west side of 2nd Street is planned by the project developer, Foutch Brothers.

7. Radio-Read Meter Installations

Installation of new radio read meters is continuing.

8. GIS and Field Devices

A planning session with Kim Andrews (an ESRI civil engineer) is being re-scheduled to discuss options for field use. The GIS system will play an important role in developing an asset management plan for the water distribution system.

There is nothing new to report at this time on the following projects:

- *16th Street (from Santa Fe to Thornton Street)(Combine with 17th and Thornton)*
- *17th and Thornton 6-Inch Water Main (planned for fall)*
- *Miami Street (from 8th Street to 10th Street)*

- *Franklin Street (from Ohio to Kansas)*
- *VA Water Main Connections and Metering*
- *Shop Area Security Fence and Gates (pending new FEMA flood map)*

City of Leavenworth Projects

1. City Animal Control Facility

A new water main is needed to provide water service to the City's new animal control facility near 3rd Street and Marion. Test pits revealed the existence of shallow landfill waste and black organic soil beneath the north half of 3rd Street. Soil samples were collected and sent to a lab for analysis to detect hazardous materials and petroleum hydrocarbons. The additional pipe, nitrile gaskets, and stainless steel fittings have been ordered. Meetings with City personnel have looked at multiple options to try to reduce cost. The City was requested to provide a large solid waste dumpster to place excavated landfill material and haul the dumpster contents to a landfill. The City has not yet responded to this request. To assure adequate fire capacity, a 6-inch water line will serve the building, and an 8-inch water line will be installed to the southern property boundary and fire hydrant.

2. Limit Street Bridge Replacement and Road Improvement (15th to 20th Street)

On the west side of 16th Street, the City's contractor (LEXECO) skillfully and successfully placed the City's new sanitary sewer lines over the top of the Water Department's new water main and at the crossings encased the sewer lines in concrete as per KDHE requirements.

3. 2nd Avenue and Limit Street Bridge Replacement and Road Realignment

Easements for construction and operation of the new 12-inch transmission line are being defined. Construction work has not been scheduled.

4. City Sidewalk and Street Overlay Projects

Some valve adjustments may be required along 10th Street between Michigan and Vilas.

There is nothing new to report at this time on the following projects:

- Fairfield Inn (Marriot-4th and Metropolitan)
- 2nd Street Bridge Replacement
- Stormwater Repairs and Improvements - 5th Ave and Prospect (design plans are expected in the fall which will be reviewed for infrastructure conflicts)
- Stormwater Repairs and Improvements - 18th Street North of Spruce (design plans are expected in the fall which will be reviewed for infrastructure conflicts)
- Ottawa 12th to 13th (settlement issues are to be addressed)
- Ottawa Street 13th Terr to 17th St (Total reconstruction, 2014)
- Hampton Inn - 4th and Choctaw
- Marion and Girard (utility relocates expected where located over collapsed arch)

- 4th and Poplar Geometric Improvements (estimate 2015)

Assess Management

As part of the budget and capital improvement plan for 2014 and employing the new GIS system, tabulations of the Water Department's pipeline infrastructure were developed and are attached with an accompanying map of water lines and historic main-break locations. According to the GIS system, there are about 185 miles of water mains in the City ranging in size from less than two inches to 24 inches. About 17 miles of water mains need to be replaced over the next few years, based on the number of water main breaks reported. More will be discussed during the Board meeting.

GENERAL MANAGER'S REPORT

Government Affairs

On July 17th, Jeff Arnold, Jim Adams, and Gary Simanowitz met with Mr. Jerry Diamantides, PhD., Senior Economist with David Miller & Associates to discuss the Corps study of channel degradation along the Missouri River from Kansas City to Omaha and the economic impacts to stakeholders along this reach of the river. Mr. Diamantides, who is a consultant to the Corps, stated that an unpublished Corps report indicates that the Missouri River is forecast to erode another 15 feet at Leavenworth if the Corps takes no corrective action to correct the degradation problem. If this occurs, the North Plant intake would no longer function and ground-water levels in the well field would also drop significantly, resulting in reduced well yields, increased pumping cost, and increased lime-softening cost. I indicated to Mr. Diamantides that the Water Department was considering the installation of a radial collector well and associated transmission lines. The approximate total cost could be as much as \$8M.

Community Relations

Invoice for Shawnee Street Repair. On July 18th, the Water Department received a letter via email from City Engineer, Mr. Michael G. McDonald, P.E. requesting that the Water Department pay for the replacement of Shawnee Street between the west side of 4th Street to west side of 5th Street. A copy of letter and accompanying cost estimate (\$170,089.75) and design drawing are attached. This matter will be discussed further during the Board meeting.

Southern Star Gas Pipeline Maintenance. During the week of August 13th, Southern Star Gas Company plans to excavate to its existing natural gas pipelines at the North Plant to perform maintenance work.

Security Cameras for Administration Office. I am looking into the feasibility and cost for the installation of security cameras for the administration office.

Legislation and Regulation Update

Critical Infrastructure Cybersecurity Project. On February 12, 2013, the President signed Executive Order 13636 to improve critical infrastructure cybersecurity at various public facilities, including water treatment plants. A copy of the Executive Order is attached. In recognition of the need to enhance cybersecurity, AWWA is developing a guidance document that will

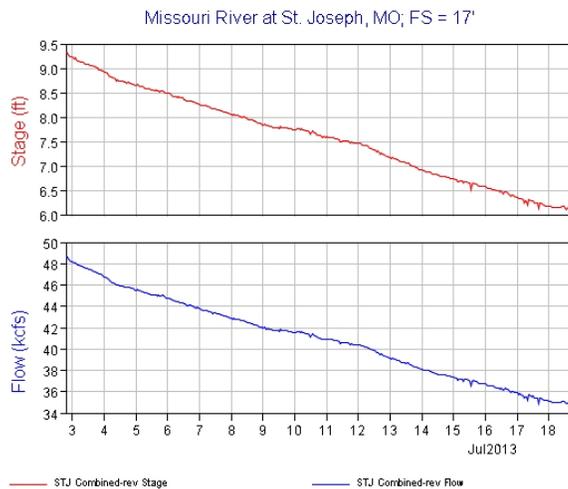
provide a consistent and repeatable recommended course of action to reduce vulnerabilities in process control systems for the water sector. One of the first tasks of this project is to determine the resources (standards, guidance, best practices, etc.) that water sector professionals currently utilize for securing their process control systems. This information will be used to develop guidance for the water sector, and following review by water sector subject matter experts, a final guide will be issued in October 2013.

Water Treatment Plant Operations

During the first 17 days of July, 2013, 111,337,800 gallons were pumped into the water-distribution system from both treatment plants. Demand ranged from about 5.27 MDG to nearly 7.91 MGD and averaged about 6.55 MGD. The total volume of treated water pumped into the water distribution system from both water treatment plants from January 1st through July 17th of 2013 was 873,652,800 gallons, or about 4.41 MGD average for the 198-day period.

- a. **North Plant:** During the first 17 days of July, 2013, the North Plant produced 58,164,000 gallons and met about 52% of the total system demand by producing from 3.18 to 4.27 MGD and averaging about 3.42 MGD for the period.
- b. **South Plant:** During the first 17 days of July, 2013, the South Plant produced 53,173,800 gallons and met about 48% of the total system demand by producing from 1.89 to 3.67 MGD and averaging about 3.13 MGD for the period.

The flow in the Missouri River at Leavenworth on July 18th was continuing to decline to about 35k cfs, as measured at St. Joseph, Missouri. Since the current discharge from Gavins Point Dam is about 23.5k cfs, then most of the remaining flow (11.5k cfs) at Leavenworth is from any recent rainfall and tributary flow into the Missouri River Basin below Gavins Point Dam and above Leavenworth.



Water Distribution Operations

Since the previous Board meeting on June 25, 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: five

2-inch (3)	4-inch (0)	6-inch (2)	8-inch (0)	10-inch (0)	12-inch (0)
Madison & Quincy, 2970 Goddard Cr., and 1424 Franklin	none	408 Lawrence Ave. and 927 6 th Ave.	none	none	none

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

ADJOURNMENT

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

Approved _____ 2013

Michael Bogner, Chairman

Richard Gervasini, Secretary