

# LEAVENWORTH WATER DEPARTMENT

## MINUTES OF A MEETING OF THE BOARD OF DIRECTORS

HELD ON OCTOBER 14, 2013

A regular meeting of the Board of Directors of the Leavenworth Water Department was held at 5:00 PM on Monday October 14, 2013 at the Leavenworth Water Department located at 601 Cherokee, Leavenworth, Kansas 66048.

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### ATTENDANCE

#### Directors in Attendance

Michael Bogner, Chairman  
Greg Kaaz, Vice Chairman  
Richard Gervasini, Secretary  
Howard Kirk, Member, Member (by Skype)

#### Directors Absent (Excused)

Teresa Wood, Assistant Secretary

#### Staff in Attendance

John Kaufman, Department Manager  
Lesia Hegeman, Finance Manager  
Kayla Manning, Staff Engineer  
Jeff Arnold, Water Treatments Plants Manager  
James Adams, North Plant Superintendent  
Gary Simanowitz, South Plant Superintendent  
Dennis Baragary, Sr., Distribution Manager  
Patrick Garrett, Jr., Distribution Supervisor  
Sue Barnes, Administration

#### Others in Attendance

Peter Robertson, Attorney, Crow & Associates  
Michael Crow, Attorney, Crow & Associates

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### CALL TO ORDER

Chairman Bogner called the meeting to order at 5:00 PM.

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### ROLL CALL, ANNOUNCEMENT OF QUORUM

Chairman Bogner noted that a quorum was present.

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### REQUESTS, COMMENTS, PETITIONS BY MEMBER OF THE PUBLIC

None

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### BOARD MEMBER ITEMS OUTSIDE OF EXECUTIVE SESSION

Director Kaaz:

- Requested that a permanent sign or plaque be placed by the north entrance doorbell for use by the public after 5 PM when

the north exterior door is locked or when “ADA people” come up to the north public doors; [so] they can ring the doorbell for assistance. The sign would state: “For ADA assistance ring the doorbell,” because we do not have ADA doors. This will help customers who are in a wheel chair or otherwise need assistance. The sign could also state that for after-hours public access during board meetings, the doorbell could be rung by the public. *Management responded that a [paper] notice is always posted at the door next to the doorbell with instructions to ring the doorbell for access, but that a permanent sign would be posted for the public. [During board meetings, the north public access door could be left open and a bell could be rung inside for escorted access to the board meeting room.]*

- If a customer in a wheel chair comes to the office, they cannot get through the door. A push-button system may impact the existing two-door airlock.
- Concerning the fire at 1917 Pine Ridge, he would like to stay abreast of the test with the Fire Department. *Management responded that a test of the new hydrant near the Zeck residence earlier in the day (October 14<sup>th</sup>) was conducted by the Fire Department and revealed a steady flow of 530 gallons per minute. The Fire Department was satisfied with the results. [The test stressed the importance of Fire Department communication with the Water Department before opening a hydrant in the Pine Ridge area to ensure that fire flows are continuous and adequate.]*
- Asked if the Water Department has a tickler system that comes up every 18 months to two years to retrain the Fire Department on the use of fire hydrants at Pine Ridge. *Management responded that the Water Department has an annual training session with the entire Fire Department to review proper operation of the fire hydrants to prevent water hammer, operation of hydrants at Pine Ridge and other high-elevation areas to ensure steady fire flows, and emergency response at the water treatment plants. The Fire Department flow-tests every hydrant every three years in the City and follows the procedures outlined in the annual training sessions.*
- Asked about other areas in the City of Leavenworth where “we” are concerned that we have [comparatively] low pressure to fight a fire. *Management responded [that areas of concern include] on the top of Pilot Knob, above the Ohio booster pump station [west and southwest] – Ridge Road area, and Havens Park.*
- Requested a list of the areas that have comparatively low pressure, because we have a responsibility to provide fire protection. The Board needs to know of these areas and what can be done to remedy the problem. He would like the cost and maybe it ties into a master plan. *Management responded that a new booster pump station along 20<sup>th</sup> Street is needed to address the situation and would be addressed by a master plan. The cost is not known at this time.*

Director Gervsini:

- Asked how difficult it would be to modify the doors to install an “ADA button.”

Director Bogner:

- If the doors are to be ADA compliant, then they must meet all the conditions of ADA compliance. He does not think the doors are ADA compliant.
- Requested how much effort is required to make the doors ADA compliant and that this information be presented at the next board meeting. *[A review of the two north doors by the City building inspector indicated that both door openings are properly sized and both doors are fully ADA compliant. Push buttons are not required, but could be added at considerable expense and would likely impact the existing airlock. The doors were installed by Kaaz Construction.]*
- Asked if we should not wait for a master plan to address low pressure in the system on the west side of the City. We should identify the problem areas now. *Management responded that we can prepare a map that identifies the high-elevation / low pressure areas. [The City has an ISO rating of 2 due in large part to the City fire-flow system – hydrants and pressure.]*

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**APPROVE MINUTES OF  
SEPTEMBER 23, 2013**

Upon motion from Director Kaaz, seconded by Director Gervasini the minutes were corrected to show Howard Kirk as absent, then the minutes unanimously adopted, it was ...

**RESOLVED (No. 14262)**, that the minutes of the September 23, 2013 Board Meeting are hereby approved.

Howard Kirk:

- Stated that he likes the notes, but asked how long it takes to prepare all the comments. *Management responded about four days.*

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**CONSIDERATION OF CONSENT  
AGENDA FOR:**

Upon motion from Director Kaaz, seconded by Director Gervasini, and unanimously adopted, it was ...

**RESOLVED (No. 14263)**, that the Board approved:

**A. PAYROLL DISBURSEMENT**

A. The payroll for the period ending October 15, 2013 amounting to gross pay of \$78,382.68 (composed of the following withholdings and deductions) Federal Income Tax - \$8,128.64; FICA- \$5,748.07; State tax - \$2,686.55; KPERS - \$3,299.36; Insurance - \$185.81; United Way - \$98.75; Eq-flex - \$2,931.69; PEDC - \$2,929.83; Garnishment - \$755.00; Rent - \$217.50; Misc - \$47.50; and Direct Deposit - \$51,353.98, and including the following overtime amounts: Distribution – 61 hours @ \$1,916.34; North Plant – 11 hours @ \$296.66; South Plant – 36 hours @ \$1,119.98 be approved and disbursements made from the Revenue Fund for their respective amounts.

**B. PAYMENT OF CLAIMS**

B. The Regular Claims \$115,376.73; the Special Claims \$247,819.15; and Special/Special Claims as follows: AT&T \$537.64; AT&T Mobility \$828.92; Kansas Gas Service \$194.46; Westar Energy \$35,218.77; SASI \$1,014.50; Postmaster

\$3,000.00; AT&T \$162.35; Home Depot \$206.78; Tractor Supply Company \$246.98 and checks be drawn on the Revenue Fund for their respective amounts.

**C. UPDATED SCHEDULE OF EVENTS**

C. The Updated Schedule of Events.

**D. THANKSGIVING TURKEY / HAM PURCHASE**

D. The Board approved expenditure of up to \$635.00 for the purchase of Thanksgiving turkeys or hams for the staff.

**E. CHRISTMAS LUNCH BUDGET**

E. The Board approved \$2,320.00 for the 2013 Christmas luncheon, gift certificates and prize drawings.

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**CONSIDERATION OF UNITED WAY DONATION** (Considered Separately from the Other Consent Agenda Items)

Director Kaaz:

- Requested agencies soliciting support by and through United Way be limited to a one (1) time annual contribution. He does not want “double-dipping” requests for funds.
- Suggested the dollar for dollar match be up \$5,000. The previous cap was \$2,500.

Director Bogner:

- Requested to know why Management recommended doubling the contribution to United Way. *Management responded that the [non-operating] Tower Fund grew substantially [about \$15,000] in recent weeks from the easement negotiated with Southern Star Gas Company and that many financially-strapped customers need help paying their water, sewer, and trash bill.*
- Asked how many charities receive donations from the Water Department. *Management responded year-to-date support has been restricted to five local organization totaling \$4,000 in support of Leavenworth Public School Education Foundation, University of St Mary, Caritas Clinics, Leavenworth Historical Society, and the Richard Allen Cultural Center.*

Upon motion from Director Kaaz, seconded by Director Gervasini, and unanimously adopted, it was ...

**RESOLVED (No. 14264)**, that the Board approved to match the employees’ contribution up to \$5,000.00, with monies split 60/40 between Catholic Charities and Salvation Army, respectively. Funds will be earmarked to assist City of Leavenworth customers in paying their water bills. Funds will be withdrawn from the Tower Fund.

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**EXECUTIVE SESSION**

Upon motion from Director Kaaz, seconded by Director Gervasini, and unanimously adopted, it was ...

**RESOLVED (No. 14265)**, at 5:25 PM, the Board recessed the regular board meeting and entered into executive session for 30 minutes to discuss personnel matters.

Upon motion from Director Kaaz, seconded by Director Gervasini, and unanimously adopted, it was ...

**RESOLVED (No. 14266)**, at 6:14PM, the Board ended the executive session and reconvened the regular board meeting.

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**CONSIDERATION OF FAIRFIELD  
INN TAP PURCHASE  
AGREEMENT**

Upon motion from Director Kaaz, seconded by Director Gervasini, and unanimously adopted, it was ...

**RESOLVED (No. 14267)**, that the Board approved the tap purchase agreement between the Leavenworth Water Department and Leavenworth Partners I, LP.

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**CONSIDERATION OF BOOSTER  
PUMP STATION PLC AND  
NETWORK EQUIPMENT  
UPGRADE**

Director Kaaz:

- Asked about the flow meter vault. *Management responded that it allows the pumps to shut off completely when the demand flow drops to a certain point, but it is not needed for the existing booster pump station. It would be better used at a new booster pump station.*
- Suggested that next to the fire station may be a good location for a new booster pump station. *Management responded that certain houses would have to be isolated because of the high pressure.*
- Asked if the Water Department has a contact at FCC to ask about the micro-wave license. It could be viewed as a life-safety issue [for fire-fighting]. *Management responded that the Water Department's SCADA/communication consultant, Pedrotti, has been in contact with the FCC and life-safety could be discussed.*

Director Bogner:

- Asked when a new booster pump station is needed. *Management responded in about 10 years and at a different location to link all the lines along 20<sup>th</sup> Street and to provide for zoning.*
- Asked about the cost of a new booster pump station. *Management responded that the cost is not known yet.*
- Asked if a piece of City property nearby could be used for a booster station.

Director Gervasini:

- Asked about how much property is needed for a booster pump station. *Management responded about 300 feet by 100 feet if a reservoir is included.*
- Asked about the status of the pending FCC license. *Management responded that we are still waiting on the license.*

Upon motion from Director Gervasini, and Director Kaaz, and unanimously adopted, it was ...

**RESOLVED (No. 14268)**, that the Board approved the bid from R.E. Pedrotti Company, to upgrade the existing PLC and network equipment for the Ohio Street booster pump station in the amount of \$21,345.00. Management informed Board the existing PLC and network equipment is currently utilized as a soft start, but once the SCADA upgrade is completed it can be used as a VFD.

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**CONSIDERATION OF SOUTH  
PLANT HIGH-SERVICE PUMP AC  
REPAIR**

Management stated the high-service pump chiller is grandfathered for repair under KDHE requirements as it currently exists. Director Kirk left the meeting at 6:25 PM and returned at 6:30 PM.

Upon motion from Director Gervasini, and Director Kaaz, with Director Kirk abstaining (as he stepped away temporarily), it was adopted ...

**RESOLVED (No. 14269)**, that the Board approved the bid from US Engineering in the amount of \$9,315.00 to repair the high-service pump air conditioning unit.

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**DISCUSSION OF RWD-8  
PIPELINE INSTALLATION**

The Board discussed the water-service agreement between RWD-8 and the Lansing School District; the pipeline design; RWD-8 request for \$100,000 funding; amortization of payment; a verbal offer from Lan-Del District to purchase from RWD-8 the rights to serve the new Lansing high school; timing of water-line construction; water purchase discussions with Consolidated RWD-1; agreement between Consolidated RWD-1 and BPU; Lan-Del's service area and ability to amend district lines; Water Department's easements along 159<sup>th</sup> Street; easements; possible ownership of the planned water line by the Water Department; and, potential delivery of water to Suburban Water.

Director Kaaz:

- Would like to see an economic analysis of investing in the RWD-8 design (payback). *Management agreed and will begin working on an analysis once the basic terms of an agreement are put to paper.*
- Stated that the water line can be constructed in about 3 weeks.

Director Bogner:

- Our long-range plan should include the already-planned water line down 159<sup>th</sup> Street.
- Asked if RWD-8 has provided a written proposal for funding of its new pipeline; he would like to see a proposal. *Management responded not yet.*
- Asked about the cost to upgrade the booster pump station. *Management responded that this is not yet known.*

Director Gervasini:

- Asked about how much water will be used by the new high school each year. *Management responded that a 2-inch meter and a few small irrigation meters would be sufficient [similar to Leavenworth High School.]*

Director Kirk:

- Asked when the high school construction will start. *Management responded that construction started. Water to the construction site is requested by summer.*
- Asked how long it will take to construct the water line.
- Suggested we sit and wait to see what develops with Lan-Del.

**CONSIDERATION OF POLICY PRECEDURES**

Director Bogner recommended that Management and staff review and update all policies and that they become a formal part of the operating procedures for the Water Department. *Management responded that staff will provide a master list with dates and resolution numbers, research and format policies and procedures. [This will take some time.]*

Director Kirk:

- Concurred with the procedure, but is concerned with the time requirement for staff.
- “Decollation” is needed by three people.
- The Board wants a book with all the policies in it – “like the Army.”

Director Bogner:

- Requested staff to report to the Board on how long it will take to complete the task.
- Would like a book of policies “like the Army.”

Director Gervasini:

- We need a master list and dates of the policies.

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**CONSIDERATION OF MIP INVESTMENT POLICY**

Upon motion from Director Kaaz, and Director Gervasini, and Director Kirk abstained, the motion unanimously adopted, it was ...

**RESOLVED (No. 14270)**, that the Board approved the MIP investment policy resolution and affix signatures of Board Chairman Bogner, General Manager John Kaufman and Finance Manager Lesia Hegeman.

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**CONSIDERATION OF INVESTMENT POLICY**

Upon motion from Director Gervasini, and Director Kaaz, and Director Kirk abstained, the motion unanimously adopted, it was ...

**RESOLVED (No. 14271)**, that the Board approved the revised investment policy as presented.

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**CONSIDERATION OF HEALTH AND SAFETY MANUAL**

Director Kaaz:

- Recommended the approval of the Health and Safety Manual be tabled pending completion of certain sections, which are under internal review.
- A safety coordinator is needed.
- Is concerned about electrical safety – wants the manual to address electrical safety.

The Board agreed to table approval of the Health and Safety Manual pending further management review of:

- Section 5.2 Hazard Communication and Chemical Safety
- Section 5.6 Welding and Hot Work
- Section 7.2 Job-Specific Training
- Section 14.0 Excavation and Trenching Safety
- Section 15.0 Fall Protection

- Section 16.0 Working Near Traffic

And completion of the following sections, which are under study:

- Section 7.4 Retraining (Remedial Training)
- Section 9.3 Written PPE Program
- Section 10.0 Respiratory Program
- Section 11.0 Hearing Conservation Program

**PRESENTATION AND  
DISCUSSION OF REVISED DRAFT  
EMPLOYEE MANUAL**

Director Bogner:

- Questioned if the document was an addendum or the whole policy document. *Management responded that the draft document is the entire policy [redlined].*
- Asked that we check with the City of Leavenworth and what their [Substance Abuse Policy] states. Our policy would be easier to defend if it mimics the City's "tested" policy. *Management responded that the City's policy was followed closely in developing the Water Department's policy, but this will be rechecked.*
- Wants to table both the Employee Manual and the Substance Abuse Policy. *[Management indicated the Substance Abuse Policy was already approved by the Board.]*
- It is best to cross-reference the safety policy rather than repeat it in another policy.

Director Kaaz:

- Questioned the existing Substance Abuse Policy, which is referenced in the draft employee manual. *Management responded that the Substance Abuse Policy was approved by the Board and was thoroughly reviewed by Corporate Care doctors and an attorney to make sure the policy was consistent with applicable laws.*
- The policy should be amended; there are "things" that the Board needs to define ...
  - The definition of a reportable event [is too vague] ... if medical attention is needed away from the site or if personal property damage is over a specified limit. *[The definition of a reportable incident is identical to the definition found in the City of Leavenworth Substance Abuse Policy.]*
  - If an applicant tests positive test for drug test ... the employee can reapply in a year – this should not be allowed. *[The language in the Policy on this topic is the same as the language in the City of Leavenworth Substance Abuse Policy.]*
  - An employee should be terminated if tested positive during a random drug test. *[The language in the Policy on this topic is the same as the language in the City of Leavenworth Substance Abuse Policy.]*
  - The appeal process will not catch someone who tests positive for a narcotic drug, because the drug will leave the body quickly and a second test will be negative. The employee can take a second drug test. *[The policy states, the sample provided by the employee*



*(or applicant) is split into Samples A and B at the time of the initial test. Sample A is tested and Sample B is held in reserve for a subsequent test at the cost of the employee or applicant. There is no second sample taken at a later time for testing and appeal. Retesting, if any, only occurs on the original sample, per the policy.]*

- He will send management a list of all the comments he has on the Substance Abuse Policy and he will send a copy of [LEXECO's] substance abuse policy to management.
- The Water Department's policy is "pretty good" and did not see a lot of problems with it, but for some of the things discussed.
- Section 5 of the Draft Employee Manual refers to safety. This section should refer the reader to the safety manual, instead.
- Wants to know about the addendums recommended by HRS (progressive discipline, probation period, disability accommodation, and HIPAA). *Management responded that the recommended changes were just received and have not been reviewed.*
- A location for nursing mothers needs to be identified. *Management responded that locations in the Water Distribution break room and galley area at each [treatment] plant were so designated and will be included in the policy.*

*[Changes to the existing Substance Abuse Policy can be made as directed by the Board, but any substantive changes should be reviewed by the Water Department's consultant, Corporate Care, and legal counsel before they are finalized.]*

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## STAFF REPORTS

### ADMINISTRATION

#### Human Resources Update:

- Kris Wright's employment was terminated for driving a Water Department vehicle while distracted and/or impaired causing significant damage to the vehicle and minor damage to private property. The vehicle is being repaired with an insurance claim and the private property damage was repaired and repainted. An advertisement was placed in the local newspaper to fill the vacated position.

#### Director Bogner:

- Asked if Kris Wright was tested for drugs [and alcohol.] *Management responded yes, [after ascertaining that he did not have any injuries warranting medical attention]; he passed the tests.*
- A copy of the HRS contract was provided to the Board with an up-dated list of completed and suspended tasks.

#### Director Gervasini:

- The HRS contract expired, but we should provide a 30-day notice to terminate the agreement as per the contract.

#### Director Bogner:

- Is not in favor of renewing the HRS contract.

- He stated that Director Wood will provide HR services information used by County Club Bank; she will bring this information to the next board meeting.

Director Kirk:

- Our expectations [for HRS] were pretty high for little money. We need to understand that [an HR employee or another consultant] is going to cost some money.

Upon motion from Director Bogner, and Director Gervasini, unanimously adopted, it was ...

**RESOLVED (No. 14272)**, that the Board approved to terminate the Human Resources S, LLC contract with a 30-day written notice. The Board directed Management to seek an alternative means in providing HR services (maintain the original status quo, hire an HR staff person, or hire another consultant).

- There was nothing to report on software and computers.

#### ENGINEERING

Director Bogner:

- Wants the water line near Bob Patzwald's house replaced or put into the long-range plan to replace it. *Management responded that his street is on a priority list based on the number of main breaks encountered.*

Director Gervasini:

- Asked if SSGC is running into problems with its drilling and pipeline project. *Management responded no.*

Staff Engineer Kayla Manning, PE, gave a power point presentation on project execution plan for 2014.

Director Bogner:

- Include an engineering/project execution option that does not include any new [Distribution] staff.
- The Board will likely not approve two additional staff for Distribution.
- The execution plan will have to be based on what our current capabilities are – current staff. In an ideal world, additional staff can be examined for Board consideration.
- We do not need full-time inspectors. *Management agreed.*
- Asked how big the valve [replacement] backlog is. *Management responded the number is about 6.*
- Asked about the total budget for the line replacement work.
- Would like a copy of the proposed 2014 CIP budget.

Director Kirk:

- The need for new staff is tied to the status of our existing employees who are nearing retirement age.

Director Kaaz:

- The [management] plan is that there will be no slimming down of staff [through retirement] because the new staff will be needed to free up others for construction observation.
- Projects will be offset; so, one inspector should be able to work all the contracted construction work.
- The proposed [CIP] budget includes funds for line replacement in 2014.

#### GENERAL MANAGER REPORT

Management reported that Pat McCool of the Kansas Rural Water Association (KRWA) was contacted to attend a Board Meeting to discuss water rates. No response was received from him.

Management reported on the language of special water rates for the City based upon a 1998 letter from the Water Department to the City Parks Department.

Director Bogner:

- Suggested that Mike McDonald or the City Clerk may have a copy of the special City water rate policy.
- We should revisit the policy of giving [some] free water to the City; he asked about the legal basis for the policy. *Management responded there is no such legal document. [However, state statute allows for a reduced water rate for municipal water use.] Prior boards put limits on free water use by the City to encourage water conservation. About \$10,000 of free water is given to the City each year. The City does not bill the Water Department for sewer service at the North Plant or the Administration office.*
- There should be something in writing about the policy to review.
- Asked about the status of capital projects that need to roll over to 2014.
- Requested a list of all city meters be sent to the Board members. *Management responded a summary would be forwarded reflecting historical usage for full pay, free and reduced rates; along with the Kansas Statute 13-2412; free use of water and discrimination unlawful. & Kansas Statute 13-2422 Same; rates for water.*

Director Gervasini:

- It is time to revisit the “free water” matter internally.
- Free water was granted for the dog park.

Management reported that the cost of the Shawnee Street restoration came in substantially under budget. An invoice for the new Animal Control Facility water line will be prepared and sent to the City when all the costs are in and tabulated.

Director Kaaz:

- Asked if we have a final cost on the Limit Street project (15<sup>th</sup> to 20<sup>th</sup> Street). *Management responded not yet.*

Management stated the last rate study analysis was conducted in 1974 by Black & Veatch in advance of the South Plant construction.

Board Bogner:

- Asked if it wasn't time to conduct a new rate study. *Management responded that a rate could be done, but the usage pattern has not changed much since the late 1970s. [Customers have not complained about rates and revenue has been stable and positive. Normally, a rate study is done if significant growth or population loss is occurring, there are customer complaints about the rates, or new debt service is anticipated for capital projects. It would be wise to complete the master plan, choose the desired capital projects, and determine the borrow amounts (if any) before embarking on a new rate study, which will be needed to establish rates and allocations to service the new debt.]*
- A third party is needed to conduct a rate study. The KRWA has experience in doing rate studies for other water companies our size and a lot larger. He wants to hear what they have to say.
- KRWA provides GIS services. It may be to our advantage to do away with our part-time [GIS] person and just hire KRWA full time to do our entire system, including "GPS'ing" valves and all. He will provide more information for the Board for their consideration and possibly bring that up next month. We do not need to do anything any time soon. It will provide continuity, as they (KRWA) will not be going away. If our [GIS] person leaves, he wants to know where we are going to be. He likes the idea of a third party providing that service.
- We will have to consider the costs of demolishing the old Ramada Inn.

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**ADJOURNMENT**

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

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Approved \_\_\_\_\_ 2013

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Michael Bogner, Chairman