

FINANCE & BUSINESS REPORT
January 2015
Dale Langferman
Manager of Finance & Business Operations

The year 2014 has ended and below is a recap of how we financially finished the year.

	<u>2013</u>	<u>2014</u>	<u>%</u>
INCOME			
Water	4,713,431	4,673,850	(.8%)
Wastewater	11,292,325	11,085,449	(1.8%)
EXPENSES			
Water	4,463,250	4,742,898	6.9%
Wastewater	9,531,270	9,574,678	.5%
CASH			
Water	4,143,121	4,675,460	12.9%
Wastewater	18,329,253	17,555,491	(4.2%)

Income was down just slightly. This would be the result of weather or consumer conservation efforts. Expenses were higher due to the change in how we handle the cost of new meters. We began expensing new meters in 2014, but in prior years they had been capitalized. Finally, we had a long anticipated increase in water cash as sewer continues to decrease due to large capital projects.

On January 1st our new fee schedule became effective. We had a few meters purchased at year-end to avoid the increase, but have not had a lot of complaints. As of this writing, we have only had one turn off for non-payment cycle.

As always, let me know if you have any questions.

Water Income Comparison						
Y T D as of 12/31/14						
	2014 Plan	2013 Actual	2014 Actual	2013 Act. Vs 2014 Act. Diff	2014 Plan vs 2014 Actual Diff	Fav/(unfav)
Residential	\$ 2,149,000	\$ 2,255,628	\$ 2,212,893	\$ (42,735)	\$ 63,893	3.0%
Industrial	\$ 738,000	\$ 727,459	\$ 751,167	\$ 23,708	\$ 13,167	1.8%
Fire Prot.	\$ 651,600	\$ 654,412	\$ 683,302	\$ 28,890	\$ 31,702	4.9%
Commercial	\$ 445,000	\$ 410,959	\$ 384,376	\$ (26,583)	\$ (60,624)	-13.6%
Spec. Contr.	\$ 195,000	\$ 189,918	\$ 192,294	\$ 2,376	\$ (2,706)	-1.4%
Other	\$ 449,427	\$ 450,171	\$ 449,818	\$ (353)	\$ 391	0.1%
Total	\$ 4,628,027	\$ 4,688,547	\$ 4,673,850	\$ (14,697)	\$ 45,823	1.0%

Figure 1a: Water Income Table

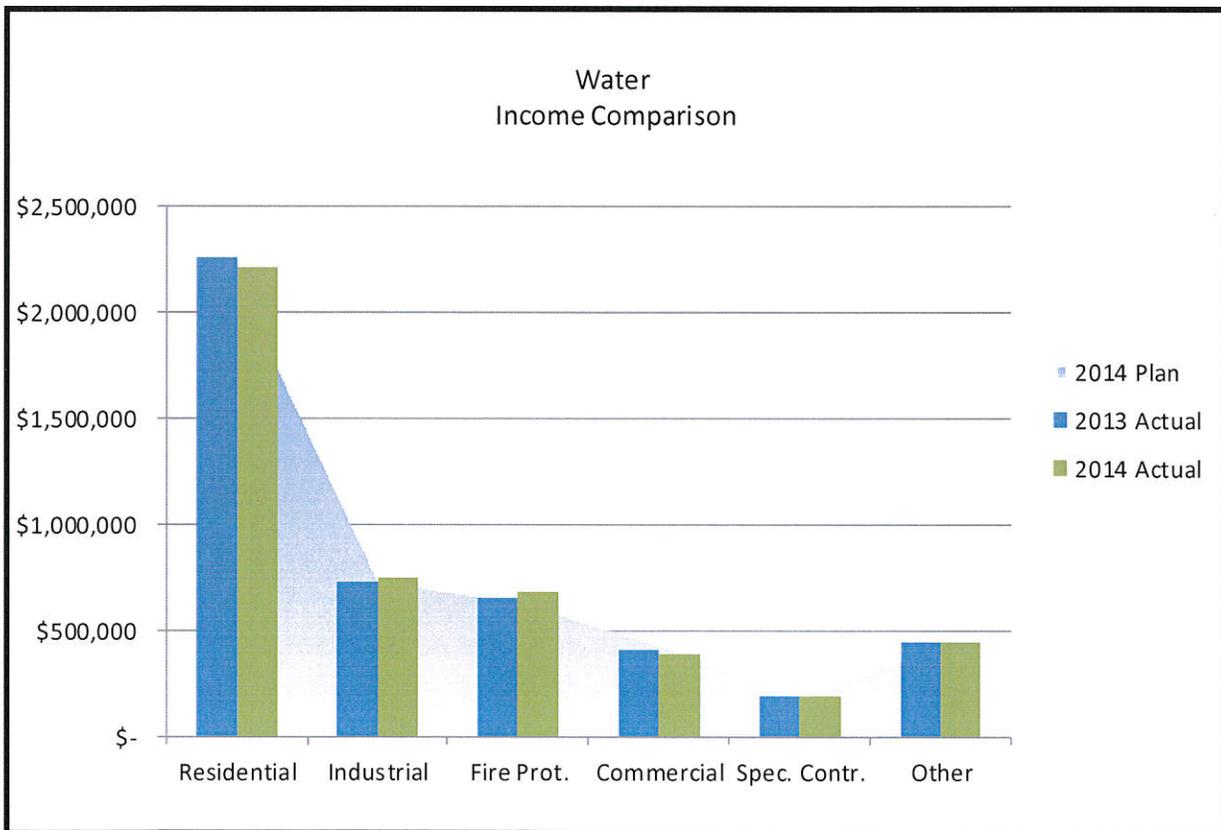


Figure 1b: Water Income Chart

Wastewater Income Comparison							
Y T D as of 12/31/14							
	2014 Plan	2013 Actual	2014 Actual	2013 Act. Vs 2014 Act. Diff	2014 Plan vs 2014 Actual Diff	Fav/(unfav)	
Residential	\$ 6,535,000	\$ 6,502,857	\$ 6,444,629	\$ (58,228)	\$ (90,371)	-1.4%	
Industrial	\$ 2,231,251	\$ 2,462,143	\$ 2,398,773	\$ (63,370)	\$ 167,522	7.5%	
Fire Prot.	\$ -	\$ -	\$ -	\$ -	\$ -		
Commercial	\$ 1,327,000	\$ 1,239,097	\$ 1,233,245	\$ (5,852)	\$ (93,755)	-7.1%	
Spec. Contr.	\$ 557,000	\$ 486,711	\$ 458,847	\$ (27,864)	\$ (98,153)	-17.6%	
Other	\$ 496,940	\$ 594,461	\$ 549,955	\$ (44,506)	\$ 53,015	10.7%	
Total	\$ 11,147,191	\$ 11,285,269	\$ 11,085,449	\$ (199,820)	\$ (61,742)	-0.6%	

Figure 2a: Wastewater Income Table

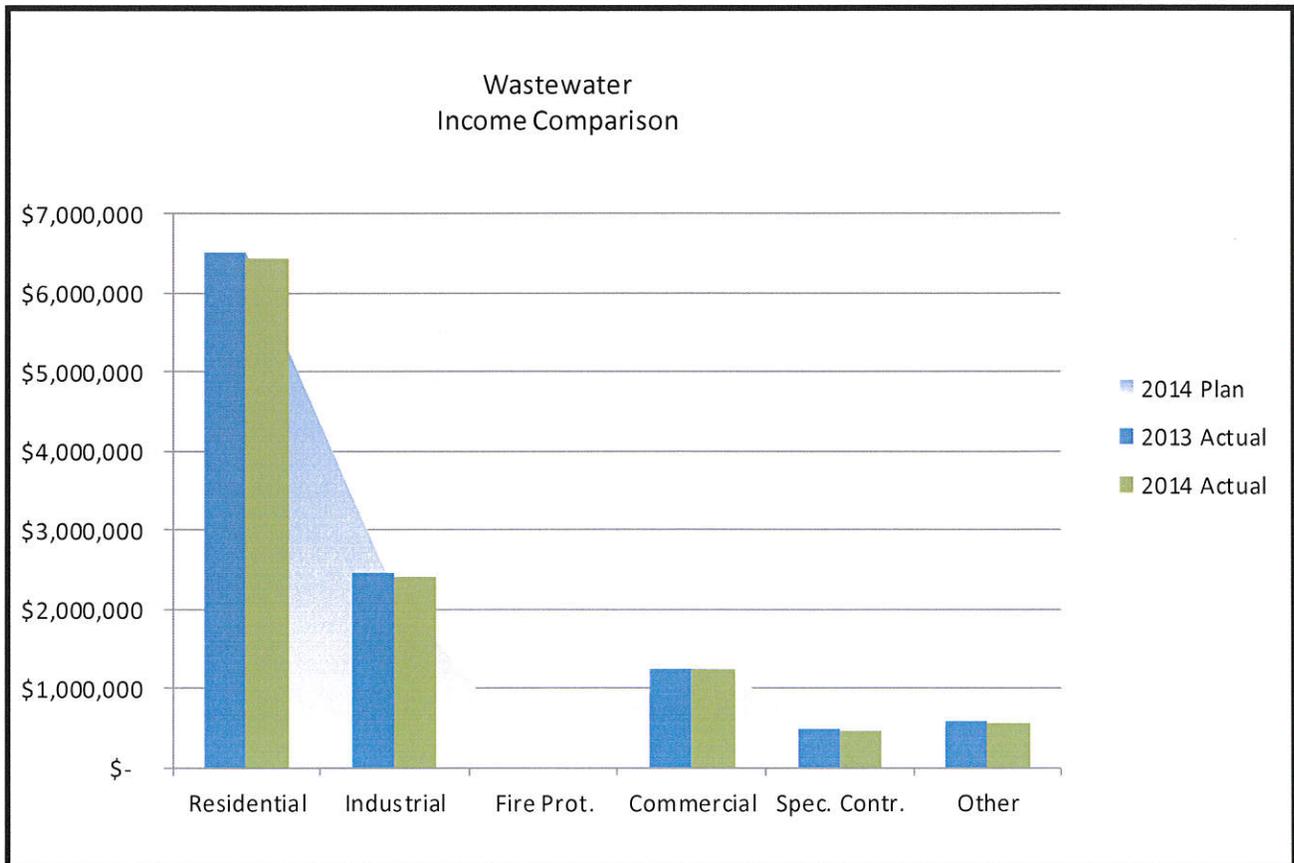


Figure 2b: Wastewater Income Chart

Water Expense Comparison							
Y T D as of 12/31/14							
	2014 Plan	2013 Actual	2014 Actual	2013 Act. Vs 2014 Act. Diff	2014 Plan vs 2014 Actual Diff	Fav/(unfav)	
Personnel	\$ 1,694,275	\$ 1,621,859	\$ 1,726,287	\$ (104,428)	\$ (32,012)	-1.9%	
Supplies	\$ 622,883	\$ 542,475	\$ 761,617	\$ (219,142)	\$ (138,734)	-22.3%	
Utilities	\$ 537,364	\$ 558,591	\$ 575,440	\$ (16,849)	\$ (38,076)	-7.1%	
Maintenance	\$ 309,105	\$ 290,234	\$ 307,187	\$ (16,953)	\$ 1,918	0.6%	
Other	\$ 406,080	\$ 401,996	\$ 414,391	\$ (12,395)	\$ (8,311)	-2.0%	
Depreciation	\$ 972,381	\$ 1,011,654	\$ 957,976	\$ 53,678	\$ 14,405	1.5%	
Interest	\$ -	\$ 9,441	\$ -	\$ 9,441	\$ -	#DIV/0!	
Total	\$ 4,542,088	\$ 4,436,250	\$ 4,742,898	\$ (306,648)	\$ (200,811)	-4.4%	

Figure 3a: Water Expense Table

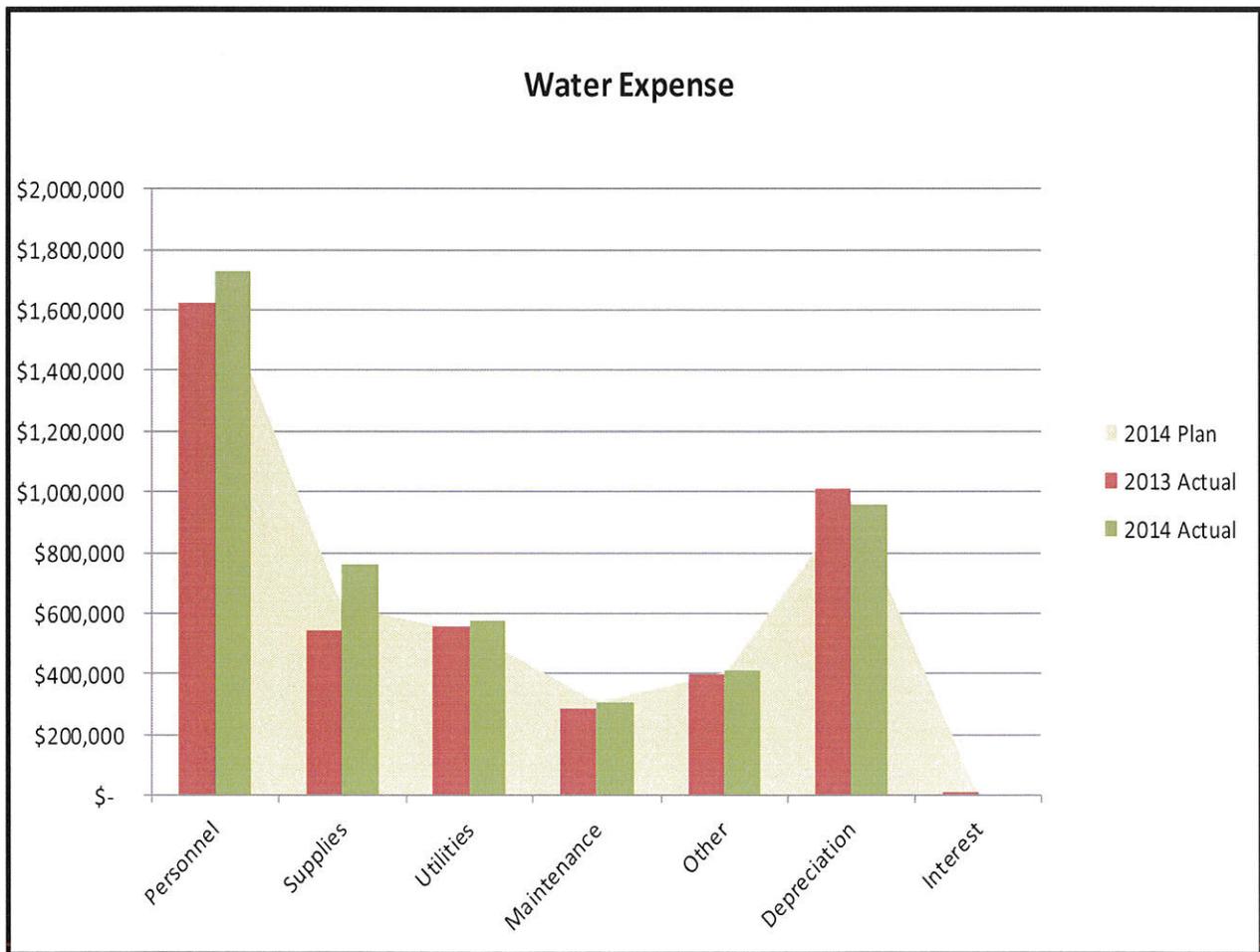


Figure 3b: Water Expense Chart

Wastewater Expense Comparison						
Y T D as of 12/31/14						
	2014 Plan	2013 Actual	2014 Actual	2013 Act. Vs 2014 Act. Diff	2014 Plan vs 2014 Actual Diff	Fav/(unfav)
Personnel	\$ 2,396,064	\$ 2,343,978	\$ 2,352,902	\$ (8,924)	\$ 43,162	1.8%
Supplies	\$ 319,691	\$ 370,633	\$ 336,376	\$ 34,257	\$ (16,685)	-5.2%
Utilities	\$ 809,488	\$ 850,437	\$ 906,224	\$ (55,787)	\$ (96,736)	-12.0%
Maintenance	\$ 150,222	\$ 139,062	\$ 158,215	\$ (19,153)	\$ (7,993)	-5.3%
Other	\$ 599,448	\$ 675,762	\$ 633,425	\$ 42,337	\$ (33,977)	-5.7%
Depreciation	\$ 3,011,792	\$ 2,943,615	\$ 3,111,072	\$ (167,457)	\$ (99,280)	-3.3%
Interest	\$ 2,076,470	\$ 2,207,783	\$ 2,076,464	\$ 131,319	\$ 6	0.0%
Total	\$ 9,363,176	\$ 9,531,270	\$ 9,574,678	\$ (43,408)	\$ (211,502)	-2.3%

Figure 4a: Wastewater Expense Table

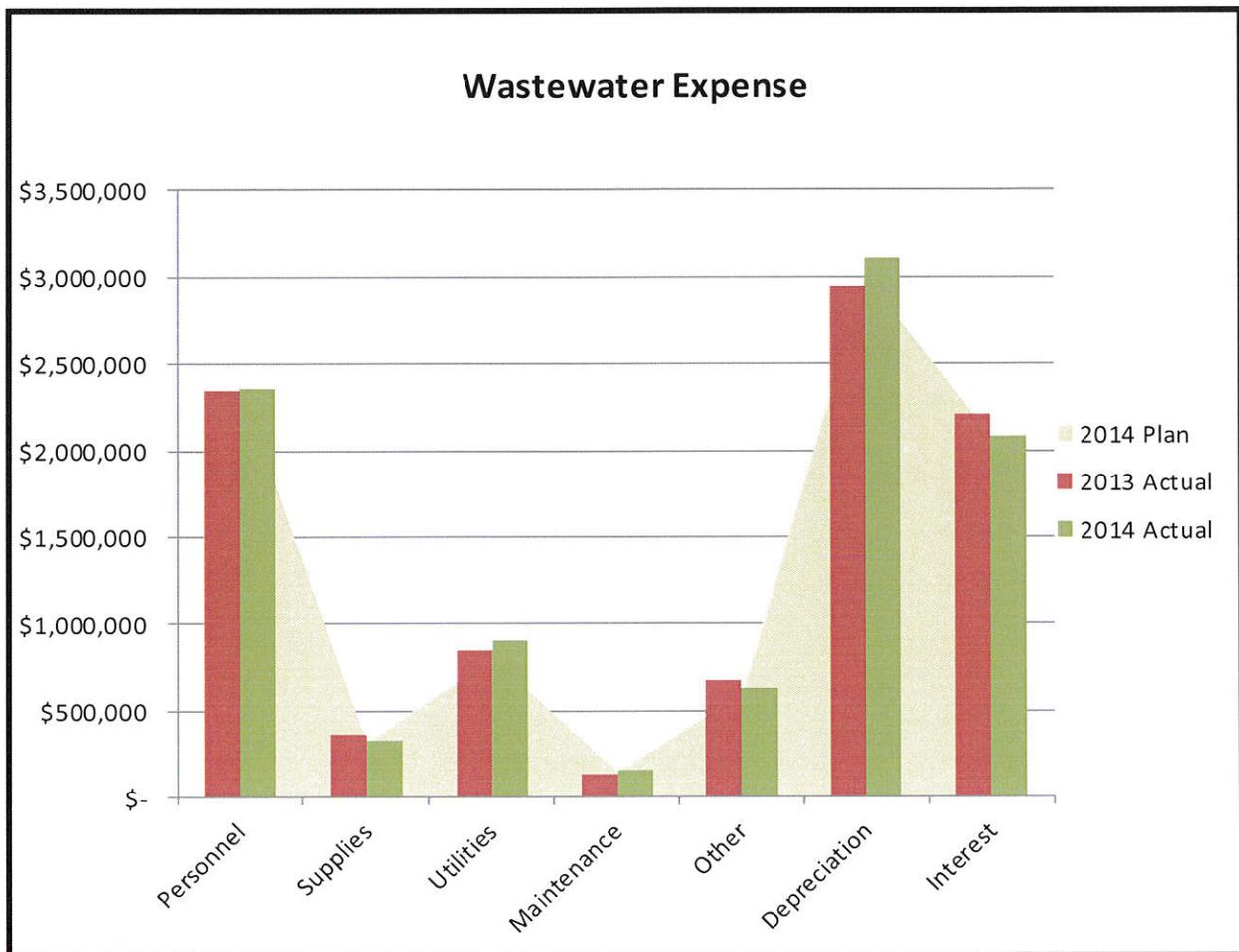


Figure 4b: Wastewater Expense Chart

Cash Analysis 2014		
	Water	Sewer
Beginning Cash 1/1/14		
Oper	1,886,910.03	1,356,515.70
Deposits	106,751.58	180,184.12
Bond Reserve		3,800,000.00
B & I		4,079,110.67
Depreciation	2,149,459.25	8,913,442.97
Beg Balance	4,143,120.86	18,329,253.46
Income	5,107,028.36	11,162,438.38
Operating Expense	(4,016,490.06)	(4,515,108.13)
Capital Expenditures	(463,284.72)	(1,465,599.00)
Debt Payments		(5,773,055.02)
Other (Inc)/Exp	(94,914.26)	(182,439.15)
	4,675,460.18	17,555,490.54
Ending Cash 12/31/14		
Oper	1,903,424.67	1,967,547.62
Deposits	110,900.72	189,502.98
Bond Res	-	3,767,062.00
B & I	-	4,014,936.33
Depreciation	2,661,134.79	7,616,441.61
End Balance	4,675,460.18	17,555,490.54
Net Change in Cash	532,339.32	(773,762.92)

Figure 5a: Cash Analysis Table

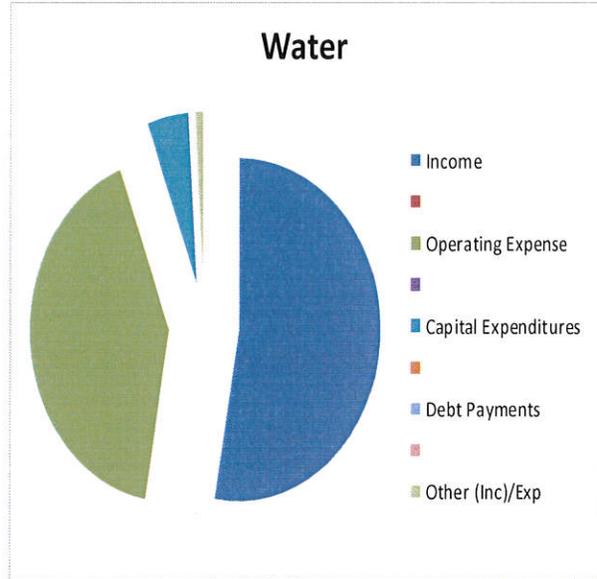


Figure 5b: Water Cash Chart

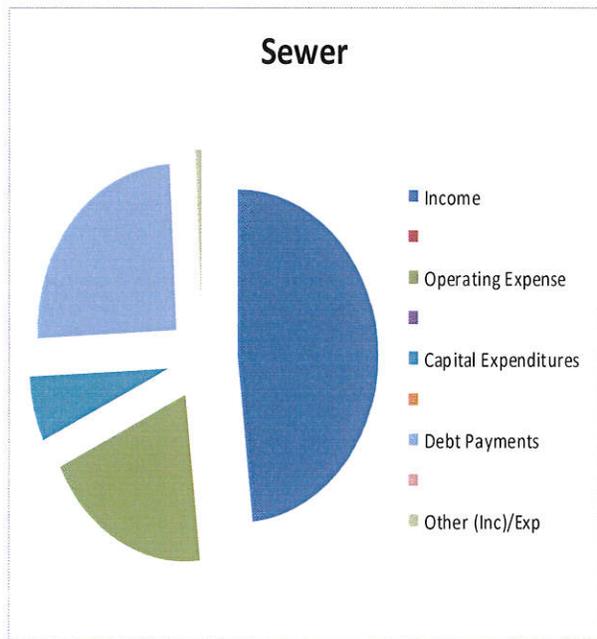


Figure 5c: Sewer Cash Chart

**Columbus City Utilities
Balance Sheet**

	12/31/2013	3/31/2014	6/30/2014	9/30/2014	12/31/2014
Water					
Total Current Assets	2,566,863	2,623,454	2,684,263	2,864,233	2,479,472
Total Restricted Assets	2,256,210	2,427,997	2,515,474	2,712,910	2,772,036
Net Fixed Assets	37,276,492	37,097,224	37,023,819	36,888,762	36,495,567
Total Other Assets	38,965	47,472	26,193	17,077	36,957
Total Water Assets	42,138,530	42,196,147	42,249,749	42,482,982	41,784,032
Total Current Liabilities	244,366	278,151	273,146	292,182	307,028
Total L/T Liabilities	-	-	-	-	-
Total Capital	41,894,164	41,917,996	41,976,603	42,190,800	41,477,004
Total Water Liabilities	42,138,530	42,196,147	42,249,749	42,482,982	41,784,032
Wastewater					
Total Current Assets	2,361,059	2,366,699	2,796,859	3,358,611	2,962,550
Total Restricted Assets	17,011,270	13,544,005	14,442,371	14,227,829	15,598,843
Net Fixed Assets	115,146,470	114,737,396	114,541,386	114,053,897	113,822,044
Total Other Assets	489,891	476,169	449,129	418,835	475,301
Total Wastewater Assets	135,008,690	131,124,269	132,229,745	132,059,172	132,858,738
Total Current Liabilities	5,012,358	848,634	1,317,031	805,134	5,392,795
Total L/T Liabilities	70,916,000	70,916,000	70,916,000	70,916,000	66,968,000
Total Capital	59,080,332	59,359,635	59,996,714	60,338,038	60,497,943
Total Wastewater Liabilities	135,008,690	131,124,269	132,229,745	132,059,172	132,858,738

Columbus City Utilities
 2014 Actual
 Water

12/31/2014

	Project Name	Budget	Committed	Paid	Balance
Distribution					
W1	Line Extensions/Relocations	10,000	6,205	6,205	3,795
W2	Valve Replacement	45,000	18,504	18,504	26,496
W3	Jack Hammers	2,500	0	0	2,500
W4	Pump replacements	15,000	0	0	15,000
W5	Locators	3,000	8,274	8,274	(5,274)
W6	Directional Drill	10,000	9,348	9,348	652
W7	Pavement Saw	1,500	1,403	1,403	97
W8	Portable Radios	5,000	4,010	4,010	990
WTP					
W9	Valves and Piping Rehab & Replace	45,000	38,012	33,084	6,988
W10	Paint plant facilities	50,000	13,768	13,768	36,232
W11	Concrete Rehab./ Brick Rehab.	15,000	521	521	14,479
W12	Metering Upgrades	30,000	32,011	31,311	(2,011)
W13	Rehab Wells @ WTP#2	50,000	7,495	7,397	42,505
W14	Booster Station Upgrade/Replacement	10,000	2,481	1,878	7,519
W15	Automation	20,000	21,873	19,990	(1,873)
W16	Rotork Valving	150,000	148,501	148,501	1,499
W17	WTP Pump & Motor Rehab	7,500	19,967	4,424	(12,467)
Engineering(water)					
W18	Misc Safety & Maint.	7,500	0	0	7,500
W19	Rocky Ford relocation	60,000	0	0	60,000
W20	Indiana Ave. Relocation	25,000	0	0	25,000
Information Systems(water)					
W21	NASERV3 Hard Drive addition	2,000	0	0	2,000
W22	Webserv Replacement	7,000	7,442	7,442	(442)
W23	Brower Server replacement	7,000	0	0	7,000
W24	PC's--replacement	1,500	1,594	1,594	(94)
W25	Printer/MFP replacements/upgrades	1,000	0	0	1,000
W26	Exchange upgrade (hardware, software, gordons)	9,000	5,767	5,767	3,233
W27	Wonderware Systems Platform -WP2 & Collection	10,000	2,400	0	7,600
W28	inHance iRemote for Work Orders	10,000	3,000	3,000	7,000
W29	PC software upgrades(Windows)	2,000	0	0	2,000
W30	Upgrade Server OS Software (2008)	4,000	0	0	4,000
W31	Backup Software upgrades	3,000	3,451	3,451	(451)
W32	Crystal Reports (software, license, training)	1,000	0	0	1,000
W33	LAN Connections/Communications	5,000	8,572	8,572	(3,572)
W34	Wireless Communications	1,000	0	0	1,000
W35	Rewire Project/Wire Cabinet	10,000	9,620	9,620	380
W36	IVR system	25,000	7,765	5,765	17,235
W37	Watchguard Firewall replacement	5,000	0	0	5,000
W38	SQL Server software upgrade	4,000	0	0	4,000
W39	Sharepoint intranet setup	2,000	0	0	2,000
Quality Control(water)					
W40	Carpeting	15,000	6,285	6,285	8,715
W41	Replace Lab Cabinets	20,000	0	0	20,000
W42	Safety Training Supplies	2,000	0	0	2,000
Vehicles(water)					
W43	Dist. Serv. Body 2003 #123	45,000	48,854	48,854	(3,854)
Contingency					
W44	Contingency	37,675	25,153	14,829	12,522
Totals Water		791,175	462,275	423,796	328,900
CARRYOVER			69,589	41,223	41,223

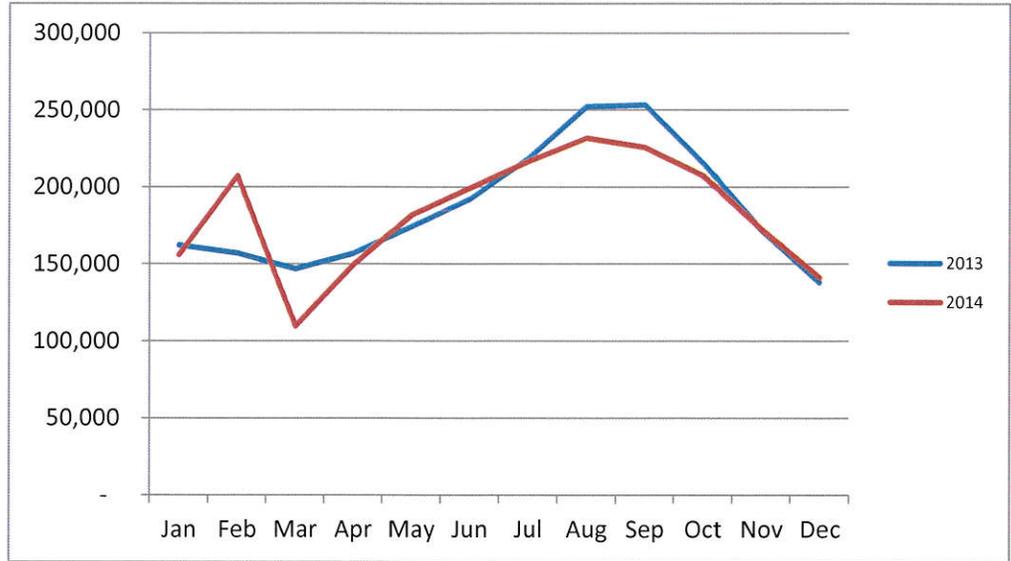
Columbus City Utilities
 2014 Actual
 Wastewater

12/31/2014

	Project Name	Budget	Committed	Paid	Balance	
Collection						
S1	Third St LS replacement (Design)	150,000	140,215	83,985	9,785	
S2	Line Extensions	40,000	2,165	0	37,835	
S3	LS Rehabilitations	50,000	29,637	23,740	20,363	
S4	Water Hose Replacement for Vactor	2,000	1,661	1,661	339	
S5	Pipe Saw/Cut Off Saw Replacement	3,000	1,598	0	1,402	
S6	Hydraulic Pump (Lift Station Bypass)	30,000	0	0	30,000	
S7	Excavation Upgrade (Combo Unit)	11,000	8,956	8,956	2,044	
WWTP Equip and Rehab.						
S8	Garden City WWTP Misc Eqp Replacement	10,000	25,778	25,778	(15,778)	
S9	Haw Creek Headworks/Mariah Misc Eqp Repl	10,000	0	0	10,000	
Engineering(Wastewater)						
S10	Safety & Misc. Maint	7,500	0	0	7,500	
S11	Indiana Ave. Relocation	25,000	0	0	25,000	
S12	Dunn Stadium Sewer	85,000	41,561	24,895	43,439	
S13	Southside Odor Control	80,000	5,412	5,412	74,588	
S14	Haw Creek Weir Repl (Design)	70,000	0	0	70,000	
Administration						
S15	Paint Walls	10,000	877	877	9,123	
S16	Windows	2,000	3,960	3,960	(1,960)	
S17	HVAC Upgrades	100,000	0	0	100,000	
Information Systems(Wastewater)						
S18	NASERV3 Hard Drive addition	2,000	2,240	2,240	(240)	
S19	Websevr Replacement	7,000	4,646	4,646	2,354	
S20	Broswer Server replacement	7,000	0	0	7,000	
S21	PC's--replacement	1,500	0	0	1,500	
S22	Printer/MFP replacements/upgrades	1,000	0	0	1,000	
S23	Exchange upgrade (hardware, software, gordons)	9,000	6,302	6,302	2,698	
S24	Wonderware Systems Platform -WP2 & Collection	10,000	2,400	0	7,600	
S25	inHance iRemote for Work Orders	10,000	4,340	3,000	5,660	
S26	PC software upgrades(Windows)	2,000	0	0	2,000	
S27	Upgrade Server OS Software (2008)	4,000	0	0	4,000	
S28	Backup Software upgrades	3,000	3,451	3,451	(451)	
S29	Crystal Reports (software, license, training)	1,000	0	0	1,000	
S30	LAN Connections/Communications	5,000	8,572	8,572	(3,572)	
S31	Wireless Communications	1,000	0	0	1,000	
S32	Rewire Project/Wire Cabinet	10,000	9,620	9,620	380	
S33	IVR system	25,000	4,000	2,000	21,000	
S34	Watchguard Firewall replacement	5,000	0	0	5,000	
S35	SQL Server software upgrade	4,000	0	0	4,000	
S36	Sharepoint intranet setup	2,000	0	0	2,000	
Quality Control						
S37	Automatic Samplers	3,000	0	0	3,000	
S38	Rotary Evaporator	8,000	3,821	3,821	4,179	
S39	HVAC POP replacement	20,000	13,574	0	6,427	
Vehicles						
S40	WWTP - Pickup	2000 #204	25,000	17,111	17,111	7,889
S41	Mobile Crane	1994 #293	180,000	177,200	177,200	2,800
S42	Coll - 4WD Pickup	2002 #215	30,000	23,134	23,134	6,866
S43	Coll - TV Truck	2005 #254	250,000	205,531	0	44,469
S44	Admin - SUV	2002 #501	30,000	21,267	21,267	8,733
Contingency						
S45	Contingency	67,050	87,422	86,629	(20,372)	
Total Wastewater		1,408,050	856,450	548,256	551,600	
CARRYOVER			1,170,816	1,006,684		

**Columbus City Utilities
WATER BILLED**

	<u>2013</u>	<u>2014</u>
Jan	162,225	155,914
Feb	156,834	207,198
Mar	146,663	109,634
Apr	156,702	149,370
May	174,263	181,888
Jun	192,112	199,299
Jul	218,504	216,653
Aug	252,053	231,746
Sep	253,183	225,739
Oct	215,562	207,475
Nov	172,159	172,635
Dec	137,742	141,082
Totals	2,238,002	2,198,633



	<u>2013</u>			<u>Billed</u>		<u>2013</u>		
	<u>Gallons</u>	<u>Dollars</u>	<u>\$/Gal.</u>	<u># of Accts</u>	<u># of Accts</u>	<u>Gallons</u>	<u>Dollars</u>	<u>\$/Gal.</u>
Jan	162,225	329,623	2.032	16,834	17,619	155,914	331,460	2.126
Feb	156,834	316,090	2.015	16866	17,615	207,198	388,376	1.874
Mar	146,663	305,279	2.081	16899	17,648	109,634	273,594	2.496
Apr	156,702	321,142	2.049	16991	17,648	149,370	312,766	2.094
May	174,263	342,749	1.967	17063	17,745	181,888	356,678	1.961
Jun	192,112	367,035	1.911	17043	17,827	199,299	373,732	1.875
Jul	218,504	398,829	1.825	17091	17,875	216,653	399,145	1.842
Aug	252,053	439,208	1.743	17198	17,918	231,746	417,964	1.804
Sep	253,183	447,775	1.769	17214	17,935	225,739	408,213	1.808
Oct	215,562	399,841	1.855	17256	18,005	207,475	388,106	1.871
Nov	172,159	342,774	1.991	17267	18,174	172,635	341,107	1.976
Dec	137,742	296,114	2.150	17254	18,040	141,082	303,404	2.151
Totals	2,238,002	4,306,459	1.924	17081	17,837	2,198,633	4,294,545	1.953

Columbus City Utilities
Other Payments
Payments Not Shown on Claims Schedule

Water		
Payroll	90,596.03	1,196,559.62
Health Insurance	21,245.29	242,849.23
Credit Card Fees	2,599.75	27,921.78
Clerk-Treas/Payroll Charges	1,200.00	4,800.00
	<u>115,641.07</u>	<u>1,472,130.63</u>
Wastewater		
Payroll	134,494.98	1,772,862.64
Health Insurance	24,466.31	300,295.58
Credit Card Fees	2,599.75	27,921.76
Clerk-Treas/Payroll Charges	1,200.00	4,800.00
	<u>162,761.04</u>	<u>2,105,879.98</u>

UTILITY ENGINEERING REPORT
January 2015
Ed Bergsieker
Manager of Engineering

Wastewater Collection

During the month of December, Collection crews responded to 25 possible main blockage calls in which 13 of those calls were blocked at the main. Crews spent many hours repairing a manhole and sanitary sewer main at 903 Lafayette Avenue. Several hours were also required in repairing a force main that was hit by a contractor at 5675 State Street. Collection crews assisted the business office with 93 door tags and 89 disconnects for non-payment. Normal daily duties and routine maintenance were also performed throughout the month as well.

Lift station crews responded to several pump issues in December. The pump at 46 West had to be replaced; sensors at 3rd street were hung up and had to be released; the pump interface had to be re-set at Walesboro; level sensors had to be cleaned at Bakalar South; and we pulled pump #2 at South Side to perform maintenance on the pump. Crews replaced worn parts and made adjustments to the actuator at Royal View. A new sump pump and float had to be installed at 4950 E. Base Road. Crews cleaned the wet wells and bar screens at 17th Street and 3rd Street lift stations several times during the month. Normal daily duties and routine maintenance were also performed throughout the month.

Water Distribution

During the month of December, Distribution crews spent several hours repairing main breaks at 4601 Central Avenue and 1714 Beam Road. Many hours were also required in repairing service line leaks at 1201 25th Street, 7th & Cottage Avenue, 3200 Hawthorne Drive and 1401 Lawton Avenue. Crews repaired a total of 6 meter pit leaks and adjusted a meter pit to grade located at 2617 13th Street. A meter pit was damaged and had to be replaced at 2553 Violet Way and a meter pit lid had to be replaced at 150 S. Brooks Street. Crews performed a 6" water tap at 3393 S. Country Brook Court for the new apartments that have been built. A hydrant flow test was performed on Cottage Avenue in between 10th and 11th Street.

Distribution crews installed a total of 15 new 5/8" services in December. A 2" service was also installed at 3393 S. Country Brook Court and a 6" service was installed at Columbus North High School. There were 4 meters changed out and replaced with new radio read meters and a total of 85 new automated meter reading units were also installed/replaced. Normal daily duties and general routine maintenance were also performed throughout the month.

Engineering

The Engineering Department did 19 tap inspections and 703 line locations in December. Subdivision development dramatically slowed down during the month. All 6 different developments in some stage of construction have either quit for the month or had reduced activity. These new developments will take off again when the weather breaks and will keep staff very busy. Staff attended meetings of the Bartholomew County Utility Coordinating Committee. Conversation focused around the upcoming Indiana Avenue project.

GRW is continuing in designing the Stadler Lift Station and sanitary sewer extensions. We are substantially done with design, wrapping up some of the final details of the project along with acquiring all the necessary permits for the project.

We continue to coordinate with developers in the design of subdivision development. Utility corridors for all utility improvements continue to be a challenge, but we believe through our efforts we have developed guidelines to improve the construction of water and wastewater facilities. Our challenge right now is to encourage other utilities to occupy the designed utility corridor that has been outlined in the plans rather than trench in where they decide is best for them.

We are also in the process of advertising to fill to vacant positions. One position is Collection and the other one in Distribution. We are hoping to find individuals that bring a level of skill to the Utilities, but sometimes that becomes very difficult.

Water Treatment Plant

In our December 2014 safety/staff meeting, we focused on three (3) topics. They included: 1) a PAX webinar titled "*How to Keep Water Storage Tanks Ice-Free During the Next Polar Vortex*", 2) reviewed Material Safety Data Sheets ("*MSDS*") for Ascorbic Acid, and 3) creating and installing graphic signs showing minimum PPE required while working in chemical storage areas at Water Treatment facilities.

We continued our 2014 Maintenance Plan with painting the interior of Booster Station No. 2; installing HSP No. 3 pump and motor at WP1; installing new control-panel heaters in Tanks 4 and 5. Also we continued replacing well equipment with new water meters at Wells 9, 10, and 11 at WP2, and installing conduits and electrical wire from vault to pedestal.

Staff has stayed very busy with projects ranging from performing daily operations, sampling, testing, analysis, and documentation preventative maintenance work orders using eRPortal, winterization of all facilities, attending IRWA Annual Conference and developing 2015 goals – and all centered around December as a popular month for staff vacations.

WASTEWATER OPERATIONS REPORT
January 2015
Garry Pugh
Manager of Wastewater Operations

Wastewater Treatment

The wastewater treatment plant (WWTP) reuses some of the plant effluent wastewater as process rinse water and recirculation water through the heating system. To prevent algae growth in the piping system, commercial grade bleach (12.5%) is pumped into the system and a chlorine residual of 0.5 to 1.0 mg/l is maintained. This commercial grade bleach cost approximately \$435.00 per tote (230 gallons) when purchased.

The WWTP is currently running a trial where concentrated household grade bleach (8%) is used to maintain the same chlorine residual concentrations in the process rinse and heating system pipes. Initial test results indicate that the concentrated household grade bleach is maintaining the required chlorine residual. The WWTP will continue the test through January and will switch to household grade bleach if the required residual is maintained. This will result in a cost savings of \$400.00 per tote or \$2,400.00 per year.



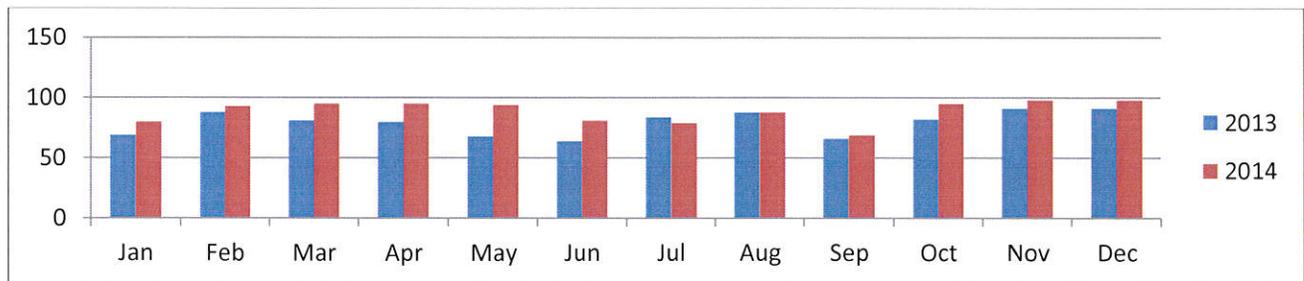
Bleach Tote

As bleach ages the concentration weakens as much as 35% or more due to the chlorine that tends to dissipate off to the atmosphere as a gas.

The WWTP employees will add small amounts of concentrated household bleach several times a month to keep the concentration at a working level and not allowing the concentration to weaken.

The WWTP employees spent 65 hours during December performing preventive maintenance duties.

Maintenance /Operator Dave Cooper announced he will be retiring on February 28, 2015. Dave has been employed at the WWTP for 21.5 years.



The WWTP achieved 98% Biological Phosphorus Removal during December 2014.

Safety

The CCU safety committee met on December 17. We continued discussion on the best way to provide CPR, First Aid and AED training to employees.

Two areas which we hope to provide training in 2015 are trench and traffic safety.

The final duct work remediation for the meter shop, collection and distribution area and break areas was completed. The final cost was approximately \$7000.

A review of the lock out tag procedures as given in the CCU occupational health and safety policy was reviewed. Some departments needed to budget money to significantly upgrade their program in 2015.

All departments now are conducting monthly safety meetings. As an example, the following is the minutes of the December meeting conducted at the Water Treatment Plant:

Safety/Staff Meeting (12-18-2014)

In our December 2014 safety/staff meeting, we focused on three (3) topics. They included: 1) a PAX webinar titled "*How to Keep Water Storage Tanks Ice-Free During the Next Polar Vortex*", 2) reviewed Material Safety Data Sheets ("*MSDS*") for Ascorbic Acid, and 3) creating and installing graphic signs showing minimum PPE required while working in chemical storage areas at Water Treatment facilities.

First, we watched a PAX webinar titled "***How to Keep Water Storage Tanks Ice-Free During the Next Polar Vortex***". After the training presentation, we discussed methods of preventing ice formation presented in the webinar and other methods used by CCU operators, including manual tank turnovers. We discussed the significance of monitoring tank levels in the winter and preventing overflow pipes from becoming blocked and/or freezing.

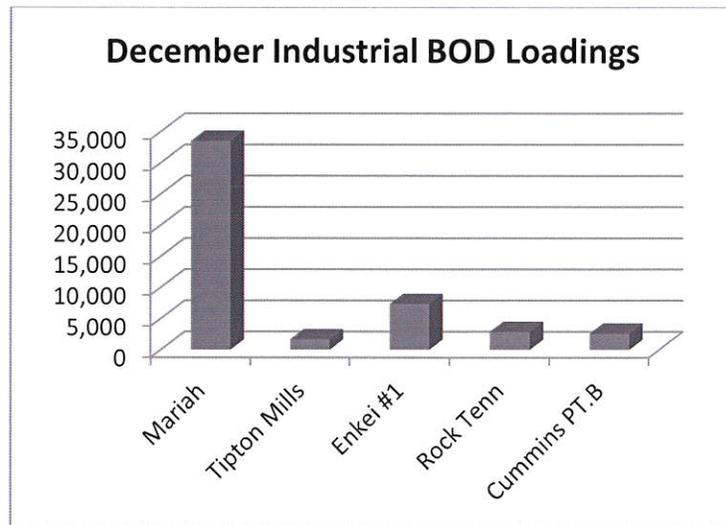
Second, Mr. John Wampler (*Maintenance Crew Chief*) passed out MSDSs for Ascorbic Acid. Mr. Wampler reviewed the MSDS for Ascorbic Acid. Operators use Ascorbic Acid in analytical tests that measure manganese in drinking water. Mr. Wampler explained information from each category of the MSDS. Some of the categories explained included Hazard Identification, First Aid Measures, and Personal Protective Equipment ("*PPE*") for exposure control.

Third, we discussed creating new labels showing images of PPE (*i.e. safety glasses, aprons, gloves, respirators, etc.*) that staff is required to use in chemical storage and handling areas. New labels will promote uniform usage of PPE by staff while working with chemicals. Mr. Doug Fleming (*Operations Crew Chief*) volunteered to create and install graphic labels that are consistent with minimum requirements for PPE as stated in each chemical's MSDS. Mr. Fleming instructed staff to use, as a minimum, PPE shown on the graphic labels and to maintain labels in good condition.

Pretreatment

Sampling was conducted at PMG Indiana Corporation, Cummins Fuel Systems Plant Amchem Process, Cummins Fuel Systems Plant End of Pipe, Cummins Technical Center, Dorel Juvenile Group, and Enkei Area #1. Sampling was also conducted of the Clinton County Landfill leachate that is trucked to the WWTP. Various industrial locations were sampled and/or spot-checked. Industrial flow meter readings were taken on December 1st and December 8th.

The total BOD loading on the WWTP in December was 300,527 pounds. This was slightly higher than the previous month due to higher flow and steady concentration. The following graph depicts the BOD contributions from several industries.



Cummins Fuel Systems Plant (CFSP) continues to sample at the End of Pipe, as required by the CCU, as a follow-up to copper violations that occurred in late September. CFSP attributed the violations to the dismantling of boilers that occurred during that timeframe and does not believe it is an ongoing issue. Subsequent results have been in compliance. All results from late November through the third week of December were well below the discharge limit.

The environmental engineer from Cummins Plant One (CEP) informed pretreatment staff that the light duty diesel department is proposing to change the coolant used to machine the blocks and heads. The Safety Data Sheet (SDS) indicated that carbamate is a component of the coolant. A carbamate compound was responsible for the White River fish kill that occurred in 1999. The CEP WWTP treats some coolant as it is washed off the parts. This may or may not be a concern depending on the compound. The engineer plans to set up a meeting with a chemist from the coolant manufacturer to gain more information.

The NTN Driveshaft discharge permit was renewed for a five year term, effective January 12, 2015.

An annual pretreatment inspection was conducted at Cummins Fuel Systems Plant.

Laboratory Test Count

Analytes	# of Tests
Alkalinity	0
Amenable Cyanide	2
Ammonia Nitrogen	120
Bacteriological	180
Balance Check	28
Biochemical Oxygen Demand	574
Chlorine Residual	80
Conductivity/TDS	21
Dissolved Oxygen	30
E.coli	0
Fecals	0
Fluoride	163
Fume Hoods	19
Haloacetic Acids	0
Hardness	0
Heavy Metals	426
IOC's	0
Iron	0
Manganese	4
Nitrates	5
Oil & Grease	5
PCB's	0
Pesticides	0
pH	133
Phthalates	0
Potassium	1
Settleable Solids	7
Sulfides	4
Sulfates	0
SOC's	0
SVOC's	0
Temperature	220
TKN	1
Total Cyanide	0

Analytes	# of Tests
Total Phosphorus	33
Total Solids	1
Total Suspended Solids	140
Total Trihalomethanes	0
Total Volatile Solids	0
Turbidity	8
UCMR3	0
VOC's	0
Volatile Suspended Solids	5
Flatrock-Haw Creek BOD	2
Flatrock-Haw Creek Nitrate	2
Flatrock-Haw Creek Total Phosphorus	2
TENA- Ammonia	15
TENA- Bacteriological	2
TENA- BOD	20
TENA- E.coli	0
TENA-Nitrate	0
TENA- Total Suspended Solids	30
Industrial- Ammonia	5
Industrial- BOD	0
Industrial- Metals	8
Industrial- Total Phosphorus	5
Industrial- Total Suspended Solids	0
Industrial-pH	1
Industrial- Oil & Grease	1
Swimming Pools	0
Grand Total	2303

DIRECTOR'S REPORT
January 2015
Keith L. Reeves P.E.

Service Center HVAC - Stanley Steemer completed their work on the ductwork at the Service Center. The final price was considerably less than I was afraid it was going to be. They cleaned all mold from the affected ducts and spray encapsulated in all the ductwork in the rear building for around \$6,700.

Bond Refinancing - We were originally told that the Indiana Bond Bank had this on a "fast track" and all local approvals must be completed by the end of January 2015. So we sought Board approval before we actually had our hands on the ordinance document that required approval so that we could get it before the City Council early in January. We did not place the item on the City Council agenda for their January 5th meeting because we had not yet received the documentation from the Bond Bank's consultant, and at this writing we still have not received the documents. I am grateful to the Board for their action in December, and as soon as we receive the documents and confirm that they are what they have been represented to be, we'll send them to Stan Gamso and Jeff Logston for review, and then to the City Council for approval.

Confined Feeding Study Group - I want to thank the Board for their understanding of my absence from last month's meeting. I also had to cancel my presentation before the County's CAFA/CFO study group due to my illness. I am in the process of rescheduling. Currently, our well head protection measures prohibit CAFO/CFO operations taking place within the five year time of travel well protection zones. My presentation was going to (will) discuss the various soil types in Bartholomew County and how they affect water availability as well as risk of contamination.

2014 Annual Report - I am currently working on pulling together the figures for the department's annual report. I was hoping to have it completed, at least in draft form, by the Board meeting next Thursday (As I'm writing this, January's Board meeting has been cancelled). The Mayor has requested all department heads have their reports to her office by the end of the month, so I will still be pushing toward completion. Once I have a draft, I will send you each an electronic copy for review.

2015 Goals - I am also working with my supervisors to come with our list of 2015 goals. The effort is far from complete, but one topic I want to be at the forefront of our efforts is reviewing the proper measurement of water being produced and sold. Unaccounted for Water (UFW) is the difference between the water our plants measure and the water we eventually sell. Because of inherent inaccuracies and different reading schedules there's always a difference. In a "tight" system the difference is 10% or less. For the past several years ours has been twice that amount. In 2015, I plan to perform checks on our water plant meters, purchase leak detection equipment and check all of our river and creek crossings for leaks.