



JEFFERSON COUNTY RURAL WATER DISTRICT # 13

1951 Wellman Road
Lawrence, KS 66044

(785) 842-1502
FAX: (785) 842-6315

Email: jeffrwd13@hughes.net

Website: www.ifrwd13.com

To: R.W.D. #13 Water Patrons

May 01, 2012

Dear Friends,

Springtime is in the air, with all of the various activities that it brings to all of our families, it is time to pause again and review some of the goings on at R.W.D #13. During the February Annual Meeting of the District all of the current Board Members up for election retained their positions for additional three-year terms. The newly re-elected members are John Fales, George Pogge, and Debby Smith. Each one of them brings a different and needed approach to various District issues. John offers a strong position of advocating fiscal conservatism and offering innovative ideas, George offers a vast knowledge of the workings of government organizations having worked for Jefferson County and now for FEMA, Debby offers financial knowledge through her occupation as landlord/property manager and operation of the family farm/homestead. Your Rural Water District Board Members are not paid, they are your servants and these newly re-elected Board Members do their best to attend the meetings and serve our community. All of the leadership positions at the District remained the same with Mike Stieben, Chairman; John Fales, Vice-Chairman; Debby Smith, Secretary; and Jim Woods, Treasurer.

During the Annual Meeting our independent auditor Art White of Arthur White and Associates, LLC, reported on the finances of the District and the financial stability of the District. He reported that all necessary minimum account balances have been maintained and that the District has exceeded the required debt service coverage ratio of 1.25 for the years ending Dec. 31, 2010 and 2011 with debt service coverage ratios of 3.94 and 2.93 respectively. The District was able to do this while making the first payment on the \$2.3 million dollar loan for the water tower construction and new line improvements. I might add that this was accomplished without a water rate increase and the District has not had a water rate increase since February of 2007 and while giving the District staff a 2% rate increase. Please note that this has not been easy and there are no guarantees in the future because of the massive amount of new federal regulation coming out of the federal government which has caused the cost of energy production to sky rocket. Particularly impacting rates of energy is the latest cross state air pollution rule (CSAPR) in which EPA at the last minute changed key assumptions and modeling which resulted in much harsher and more expensive rules being implemented than those originally proposed. These types of regulations have caused multiple rate increases to be brought forward by Westar and other energy producers. In fact, the District Board did vote to take a position opposing the last Westar rate increase by sending a letter of opposition to the Kansas Corporation Commission. Currently the Obama Administration is refusing to authorize construction of any new coal-fired plants, including plants in western Kansas that had been in the works. As your Rural Water District's costs go up in this area it will become necessary to pass those costs on to patrons. With all of those concerns in mind the District is moving ahead with a proactive agenda to implement capital improvement projects on a pay as you go basis. I will be bringing a full report in a future newsletter on on-going capital improvements.

(Continued on back side)

In addition, the Board has established committees to review the employee manual, contractor and safety regulations, and rules and regulations. Once each committee completes their work I will report on any material changes that have been made. The District has installed a number of fire hydrants paid for by Sarcoxie Township. Part of the rules and regulations being developed will affect fire district and department use of the district fire hydrants. The hydrants themselves remain the property of R.W.D. #13. Our District Manager, Jerry Stewart, has worked with local fire department officials to identify appropriate locations for the new hydrants.

The staff and some members of the Board were able to attend the KRWA (Kansas Rural Water Association) conference in Wichita for important training opportunities. This is an annual conference and it allows some members of our staff to meet continuing education requirements. The organization also reports on changes in the regulations that affect water districts.

I would like to offer a special "thank you" to all of our District staff including Jerry Stewart, District Manager; Linda Lips, Office Manager; and Joe Osborn, Water Operator as well as the part-time staff of the District.

God bless,
Mike Stieben, Board Chairman

Message from the District Manager:

Hello,

Over the years I have been asked how we produce the water in our District. Our water is supplied to the District by two underground wells, approximately 80 feet deep. We pump the water over to the water plant located at 1915 E. 1600 Rd. Upon entering the plant, we dose the water with Cl₂ (chlorine gas) to start the disinfecting process. The water then flows through an aerator which pumps air into the water to remove any gases, then on to the rapid mixer. Inside the rapid mixer we blend in a polymer which helps take out any sediment that may be present, then the water pours into two large basins, one holds 50,000 gallons and the other 35,000 gallons. Within these basins we add hydrated lime to help soften the water, then we send the water through two secondary and smaller basins to blast it with CO₂ (carbon dioxide), this helps with the waters pH (degree of acidity or alkalinity). Once having passed through the secondary basins, it is on to the filtration system. Our filters, five in all, are gravity based about 14 feet high and filled primarily with anthracite, sand, and gravel. As the water slowly passes through the filters, any impurities that have not already been removed are captured and disposed of here, and then the water flows into the clearwells. The clearwells hold all the finished water and is pumped out to the water towers and patrons. This process happens several times daily, depending upon use. The main costs associated with production come from chemicals and utilities. The District has not had to raise water rates since 2007, all the while absorbing the ever rising costs of the chemicals and electricity. Westar is once again asking for a total of an 8% increase again this year. If anyone has any questions, you may call me anytime and I will be happy to answer what I can.

Jerry Stewart, District Mgr. 785-917-0510

Thank you!