

WaterOne Meets with South Asian Water Professionals

On December 8, 2006, water professionals from South Asia visited WaterOne's treatment facilities. The group included representatives from Bangladesh, India, Nepal, and China.



The international group was here under the auspices of the International Water Management Institute, and was hosted by The University of Kansas. They spent three weeks on a guided tour throughout the state of Kansas to study various water related topics, including groundwater management, water supply and treatment, irrigation, and emerging treatment and distribution technologies.

Developing a safe, adequate water supply in South Asian countries is an ongoing challenge. Population density is a major factor in their countries and their water systems must be able to serve populations in the millions. Obstacles include inadequate infrastructure, poor water quality, and limited supply in some regions.

WaterOne Hosts Planning Meeting

WaterOne played host at a planning meeting on December 14, 2006 for representatives from area utilities, city planning offices, builders, developers and engineering firms. Approximately 40 participants attended the breakfast meeting.

The purpose of the event was to discuss how the various entities can work together to streamline the planning and permitting process required for new construction. Participants submitted suggestions and a list of recommendations was developed for further action.

A steering committee was formed to follow up on specific recommendations and to explore additional ideas. These include working with MARC to facilitate focus groups; utilizing the internet to improve communications and provide status updates on the review process; and developing a centralized clearing-house for contact information.



Project Updates

WaterOne has many water main projects under construction throughout its service area.

For a current listing of these projects, please go to: www.waterone.org and click on the Communications link.



WaterOne Governing Board

Terry Frederick, Chairman
Rob Olson, Vice Chairman
Dick Noon, Member
Bob Reese, Member
Jim Vader, Member

Joe Vaughan, Member
Dick Weisser, Member

Mike Armstrong, General Manager

The Water Board meets the second Tuesday of each month at 7:00 p.m. at the Byron N. Johnson Administrative Headquarters and Service Center, 10747 Renner Boulevard, Lenexa. The meeting agenda can be accessed at www.waterone.org.

The *Pipeline* is published for our business and community partners. Email questions or comments about the Pipeline to ekoutelas@waterone.org or contact the Communications Department at 913-895-5540.

WaterOne

News from Water District No. 1 of Johnson County



Chairman's Corner

50 Years of Service is Golden

Terry Frederick
Board Chairman

As we embark on a new year, I would like to make you aware that 2007 marks the 50th anniversary of our utility. Since 1957, we have been serving this thriving county and the majority of its cities.

WaterOne has played an important role in the development of this thriving community; without dependable water service it could not have flourished as it has. One of the hallmarks on which we pride ourselves is our commitment to long-range planning. This planning has served the community well for the past 50 years.

As the year comes to an end, please know that I am honored to serve the community as the Chairman of the WaterOne Board. Each year brings its share of challenges and this year has been no exception. I am proud to work with fellow board members who are committed to high principles of public accountability and service. The Board working with the District's General Manager and professional staff are dedicated to meeting the needs of our customers now and in the future.

The Board has just approved the 2007 Annual Budget and I am pleased to say the budget is on target with previous financial projections. As a result of our commitment to hold the line on expenses, we were able to meet our projected capital and operating budgets, even in the face of double-digit inflation in some areas. As we go forward, we will continue to work diligently on your behalf.

May you have a prosperous New Year, and here's to the next 50 years!

PIPE



2007 Annual Budget Approved

The Governing Board of WaterOne approved the utility's 2007 Annual Budget at its December 13, 2007 monthly Board meeting. The \$80 million budget is on track with previous financial projections and reflects the utility's commitment to allocate resources wisely while maintaining high levels of service. It also funds capital improvements designed to meet the District's projected long-range growth and infrastructure renewal.

A 5.1% rate increase, effective January 1, 2007, was approved to support the 2007 Budget. It is always the objective of WaterOne to keep rate impacts to a minimum and to 'smooth' rate increases over multiple years to avoid rate spikes. The 2007 increase translates into an approximate increase of \$1.49 per month for the typical residential customer.

In preparing the 2007 Budget, the utility was faced with several financial challenges including double digit inflation in some areas. Rapidly rising material costs, increased power cost projections, and funding for capital improvements were all factors that impacted the budget.

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Bonds to be Issued in 2007 for Phase V

WaterOne anticipates issuing bonds in March, 2007 to finance construction of its Phase V Missouri River Expansion and other related improvements. The expansion will be financed primarily through the sale of water revenue bonds. It is anticipated the 2007 bond issue will be \$175-\$180 million.

Population projections included in a 2003 update to the utility's Master Plan indicated additional capacity will be required to meet the needs of WaterOne's growing customer base. Based on the 2003 Master Plan data, WaterOne began financial planning to finance the expansion which includes construction of a new treatment plant and 60" transmission main in Wyandotte County.

Construction will begin in Spring, 2007, with completion scheduled in 2009.



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WINTER, 2007

Construction Started on Kansas River Improvements

Construction has begun on a new low water weir that is being built across the Kansas River, near WaterOne's Kansas River Intake. The purpose of the weir is to divert water into the intake structure. The new weir replaces the existing rock jetty that has served the utility for more than 30 years. The rock jetty will remain in place; however, it will serve no functional purpose once the weir is completed.

One of the main sources of drinking water for WaterOne is the intake on the Kansas River. The existing rock jetty has required ongoing repairs and maintenance throughout recent years. A major breach occurred along the jetty in March, 2004, and emergency repairs totaling \$1.7 million were required to repair the breach and keep the intake operational.

Continuing degradation of the river bed was a major contributing factor in the March, 2004 breach along the jetty. In a detailed engineering study, it was determined that the jetty would likely incur ongoing breaks and costly repairs in the future, and that a permanent, long-term solution was needed. Various alternatives were evaluated, and a low water weir was recommended as the best permanent solution at the least long-term cost.

Low Water Levels On Missouri River Pose Challenge

WaterOne is continuing to monitor record low river levels at the utility's Missouri River intake. The U.S. Army Corps of Engineers (Corps) announced plans earlier this fall to cut back significantly on its water releases from upstream reservoirs. That action, coupled with unprecedented, long-term drought conditions and continued degradation of the river channel, has resulted in record river lows during the past several months.

Low water levels have caused concern for WaterOne. Although the utility does have low water equipment and pumps installed that are designed to function during low river flows, these pumps have not,



The first of 18 circular cells, 54.5 ft. in diameter on the Kansas River.

When complete, the weir will help ensure an abundant supply of water to the WaterOne service area. The weir will be constructed of 18 circular sheet cells, 54.5 ft in diameter that will span the width of the Kansas River. The cells are driven to bedrock, filled with compacted sand and capped with concrete. The work also includes the construction of a canoe portage around the weir on the north bank of the Kansas River.

The cost for this project is \$12,533,300.00. WaterOne received \$500,000 in funding from the federal government in 2005 as part of an EPA grant for the project. It is hoped that additional state and/or federal funding may be obtained in 2007 to offset construction costs. Completion of the project is scheduled for May, 2008.

WaterOne Is No. 1 in Taste!

as yet, had to be utilized. That could change, however, if the river level continues to drop and the emergency equipment is needed to continue production. "We were about a quarter of a foot away from that point," Tom Schrempp, WaterOne Director of Production, said recently.

The Corps of Engineers is releasing just enough water from upstream reservoirs to keep the intakes on the Missouri Rivers flowing. However, further proposed reductions could result in such extremely low river levels that the pumps might be inadequate. The utility has maintained an ongoing dialogue with the Corps to express concerns about the low river levels and to explore viable solutions.

Water samples were submitted by various public water utilities throughout the state. Blind taste testing and judging was conducted by a broadly represented panel from water agencies, academia, business, and media.

When the results were tallied, WaterOne's water was pronounced *No. 1* in taste!

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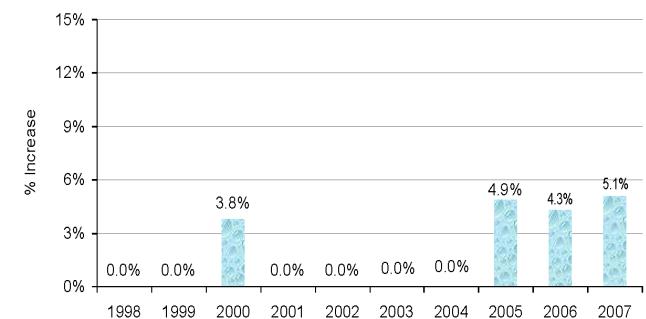
Another challenge was meeting additional staffing needs to address customer growth and service issues. By adding only positions necessary to meet water source, delivery and operational needs, additional personnel were kept to projected levels.

The utility has a stable rate history and record of service. We are working hard to make every dollar count. Consider the following:

- * Only four rate increases have been implemented in the last 10 years;
- * More customers are served today on a per-employee basis than 10 years ago;
- * Average rate increases have remained lower than the area's CPI;
- * WaterOne rates are competitive with other area water utilities.

More budget highlights can be viewed at www.waterone.org

Only 4 Rate Increases in 10 Years



Value Engineering Process Results in Cost Savings for the Utility

A Value Engineering workshop was held at WaterOne in October, 2006, facilitated by RSR Solutions, Kansas City. The purpose of the workshop was to evaluate the engineering design of the new Phase V Water Treatment Plant that will be constructed in Wyandotte County, beginning in 2007. This 'peer review' process is common on large engineering projects to insure the project is delivered at the lowest possible cost and to identify potential cost savings measures and/or efficiency alternatives.

A 7-member review panel comprised of professional engineers, university engineering professors, and WaterOne staff completed

Phase V Construction Scheduled to begin in 2007

WaterOne has continued to meet with property owners in Wyandotte County where a new WaterOne treatment plant will be constructed. Construction will begin in Spring, 2007. Construction of a 17-mile 60" transmission main through Wyandotte County is also scheduled to begin in 2007. The pipeline will run from the new treatment facility to a WaterOne reservoir and pump station to be located near K-7 and 79th Street in Johnson County.



Left to right: local landowner discusses plans with Mike Armstrong, General Manager

The new facility, scheduled to be on-line in 2009, will add an additional 15 million gallons per day to WaterOne's treatment, pumping and storage capacity. The facility can be expanded for more capacity as the water demands and population served by WaterOne increases.

Easement and right-of-way acquisitions are currently in progress with property owners along the pipeline route.



Architectural illustration of new treatment facility

The new facility will be located near the Missouri River, on Sam Clark Lane, in northern Wyandotte County. It is being designed by Black & Veatch, consulting engineers for WaterOne. It was WaterOne's goal to have a facility that would be compatible with the rural landscape of the area, and this is reflected in the facility's unique design, shown above. Additional information about Phase V can be found under *Phase V Expansion* on WaterOne's website: www.waterone.org.

an extensive design review of the proposed facilities over a three-day period. As a result of the team's analyses, various alternative design solutions were submitted to WaterOne staff and Board. Several of these recommendations were ultimately adopted and will be incorporated into the final design, saving the utility approximately \$1 million.

A similar review was performed last year on the design for the Kansas River jetty improvements. Suggestions from that review resulted in savings to WaterOne of approximately \$500,000 and also led to WaterOne applying for and receiving a \$500,000 federal EPA grant.