

Board of Public Utilities

McPherson, Kansas

2006 – The Year In Review

Reflections from the General Manager

This past year has been an excellent one for the BPU. Sales were up significantly. Primarily due to the refinery's expansion and upgrade that was completed this past winter, but also due to a continuing growth in our community. The general upturn of the economy certainly didn't hurt either and in most cases our industrial customers saw a good year as well. The old saying that when our customers do well, we do well is certainly true.

Our employees continue to amaze me with their abilities. Challenges, (not problems) are solved quickly and efficiently and outage times are kept to a minimum. McPherson has become the envy of most other municipals, investor owned and rural electric cooperatives.

The primary reasons for our success is the capable and talented employees doing their jobs day in and day out. It is a pleasure to work with a group of people who take pride in the work they do, and the service they provide to our customers.

Rick

EMPLOYEE NEWS

Dean Dent retired from the BPU on September 21 after completing 27 years of service. Dean most recently worked as a meter reader in the data processing department.

Mike Prieb began employment July 3 in the electric production department. Mike previously worked for the utility during the summers of 2004 and 2005.

Curtis Linscheid joined the data processing department as a meter reader on July 14. Curtis came to the BPU from Certainteed Corporation.

POWER PLANT #1

One of the items utilities struggle with is what to do with valuable but retired assets. An example of this is Power Plant #1 located at 414 W. Elizabeth.

Constructed in the 1930's, PP#1 provided reliable power to the community for many years, but was constructed at a time when fuel was plentiful and inexpensive. As fuel became more expensive the use of the plant diminished over time until it was retired in 1996. Environmental problems such as asbestos plagued the plant for years as the BPU struggled with how to resolve the problems as well as what to do with the plant. This past year the Board made the decision to proceed with the possibility of converting the plant into office space for the utility as well as making an application to the Kansas State Historical Society to list the building on the state historical register.

Work will continue at the facility over the next several years and a decision should be made within the next six months to determine the historical listing of the building.



The End of An Era

At the stroke of midnight on January 1, 2007 the steam unit at Power Plant #2 was retired from service. This unit was first put online when the plant was built in 1963. At the time of construction, the steam plant was state-of-the art and served the utility well for more than 40 years. Although the steam unit had been called on for operation as recent as last summer, the required start up time of nearly 16 hours was excessive compared to 6 minutes for one of the gas turbines. Other factors including heat rate, maintenance costs and replacement parts played in to the decision to remove the plant from service.

Seven Superintendents have been in charge of the operations of the steam plant and numerous operators have kept logs on the hours of production.

As we say good-bye to an era of performance, we will miss the rumbling of the unit, the hissing of the boiler, and even the moans and groans from the maintenance department as they worked diligently to bring the unit on line burning #6 fuel oil. Farewell old girl, you have served the utility, and our community well.

Water Rates

During the last six months of 2006, BPU staff members began the process of reviewing current water rates which has been in effect since September, 1993. Due to recent large expenditures associated with the water distribution and production departments, and anticipated capital improvement projects, the Utility will need to increase current rates for both residential and commercial customers. New rates will be implemented within the first six months of 2007.

Water Meter Change Out Continues

In May of 2000 the Utility began a program to change out all water meters that recorded usage in cubic feet to meters that recorded in gallons. When the program started there were approximately 5,500 meters registering water in cubic feet. To-date, 4,094 meters have been replaced with gallon meters. In addition, all new water service requests have gallon meters installed. The reason for the change out was due primarily to industry standards and the ability for customers to better understand their usage.

Nitrate Contamination

In November, 2006 Burns and McDonnell Engineering Company completed a Water Master Plan for the Utility. The main goal of the Plan was to determine the best approach in dealing with the nitrates in water wells #2, #3, #4, and #5.

Three treatment processes were investigated in detail. A Nitrate Removal Plant for Wells #2 thru #5, a Central Treatment-Blending Plant, and a Central Treatment - Reverse Osmosis Plant. Burns & McDonnell's recommendation is to install a Blending Plant. The Nitrate Removal Plant would only remove nitrates and only treat water from Wells #2 thru #5 and consequently was not recommended. The Blending Plant will allow the Utility to place Wells 2 and 3 back in service and set the system up so a reverse osmosis plant could be added in the future which would remove almost any contaminant that might show up.

The estimated cost of the Plant is \$12,000,000. Design is scheduled to start in the summer of 2007 with construction to follow in the spring of 2008. The Plan also recommended that a new one- million gallon water tower be installed south of the cemetery and a 12-inch line on Haight Street from Chestnut to Elm be replaced with a 20-inch line.

Planning Ahead

During 2006, the BPU made application to the Kansas Water Office to take water from Kanopolis Reservoir. Currently, seven other agencies have made application for Kanopolis Water. Although there is no immediate plan to purchase the water, by making application the utility has laid the groundwork for an additional water supply, should it become necessary

So How Much Water Do We Have?

Currently, the BPU has water rights on file with the Kansas Department of Agriculture that allow for pumping of 4605 acre feet of water (1,500,548,460 gallons) per year. In 2006, the utility pumped a total of 1,479,829,000 gallons. The maximum pumping day was 9,965,000 gallons.