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TRANSMITTED VIA E-MAIL: Sam.Hall@dot.gov

December 23, 2010

Mr. Sam Hall
U.S. Department of Transportation
Pipeline and Hazardous Materials Safety Administration
Office of Pipeline Safety, PHP-20
2180 Adventure Lane
Maidens, VA 23102

RE: Kansas Municipal Utilities
Grant Agreement: DTPH56-09-G-PHPT19

Dear Mr. Hall:

On behalf of Kansas Municipal Utilities, we are submitting the Final Report for the Technical Assistance Grants Program as required at the end of the grant period in accordance with Grant Agreement No. DTPH56-09-G-PHPT19. As indicated in the grant agreement, the final report is to be delivered via email in electronic format to the Agreement Administrator (AA) and the Agreement Officer's Technical Representative (AOTR). Also, the grant agreement indicates that the Federal Financial Report (SF-425) and a break down of costs for each object code category should be submitted to the AOTR as well. If you have questions or require additional information, please contact our office.

Thank you for your assistance.

Sincerely,

A handwritten signature in black ink, reading "Bradley J. Mears". The signature is fluid and cursive, with a long, sweeping underline that extends to the right.

Bradley J. Mears
Director of Operations

Attachments: Final Report
Federal Financial Report (SF-425)
Costs by Object Code



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U.S. Department of Transportation
Pipeline and Hazardous Safety Administration (PHMSA)

Emergency Technical Assistance Project

Technical Assistance Grants Program – Final Report
Agreement No.: DTPH56-09-G-PHPT19

December 2010

U.S. Department of Transportation
Pipeline and Hazardous Safety Administration (PHMSA)

Emergency Response Technical Assistance Project

Technical Assistance Grants Program – Final Report
Agreement No.: DTPH56-09-G-PHPT19

Background

Kansas Municipal Utilities (KMU) was awarded a Technical Assistance Grant from the U.S. Department of Transportation Pipeline and Hazardous Safety Administration (PHMSA) for an Emergency Response Technical Assistance Project targeted toward municipal gas utilities in Kansas.

The State of Kansas has experienced a number of disasters and emergency situations over the last several years that have caused significant damage to the unity infrastructure of communities, utilities, and other organizations across the state. These situations demonstrated the need for a more effectively coordinated effort to respond to emergencies impacting utilities, specifically municipal natural gas utilities.

As the statewide association for municipally-owned and –operated utilities in Kansas, KMU was awarded a \$50,000 Technical Assistance Grant by PHMSA to work with the municipal natural gas utilities to provide technical assistance to aid them in preparing to respond to emergency situations.

Under the proposal, KMU was to provide technical assistance to aid communities that own and operate municipal natural gas systems to review and develop emergency response plans and to promote participation in the Kansas Mutual Aid Program for Utilities (KSMAP), a statewide mutual aid program to aid in a utility's response to natural gas emergencies with proper equipment and trained, qualified personnel. The technical assistance is primarily targeted toward many very small systems that could be considered at somewhat higher risk with limited staffing and resources.

Project Goal and Objectives

The project goal was to provide direct technical assistance to help prepare the 65 gas systems in Kansas classified as municipal systems for emergency or disaster response affecting the natural gas pipeline and distribution systems. The project goal was to target 100 percent participation in the KSMAP mutual aid program for Kansas utilities. The objectives were to review each system's emergency response plans and to help guide the systems through the registration in the mutual aid program.

From information received from the state's regulatory agency, Kansas has 65 gas systems that were considered municipal systems. As KMU representatives contacted each of the systems, they found that four of those systems had been sold to investor-owned gas utilities citing the increasing cost and complexity of regulatory compliance for the very small gas systems.

Project Results

Emergency Response Plans

KMU staff worked with the municipal gas systems to review their emergency operations plans. In reviewing the plans, KMU staff found that most systems had good quality plans in place that had been reviewed and updated on a fairly recent basis. The state's regulatory agency has placed a strong emphasis on emergency planning and had provided regulatory leadership to encourage the development of emergency plans. As the plans were reviewed, staff members were looking for a number of key components including: emergency notification lists; current maps of key valve locations and system components; description and location of key equipment; written procedures for leak reports and service disruptions; checklist for emergency situations; incident reporting requirements; written procedures for restoring as service; procedures for investigating incidents; and an education and training plan. For those systems that would join the statewide mutual aid program, they were encouraged to incorporate that contact information into their plans.

Training

In an effort to educate municipal utility systems regarding emergency response plans and utility coordination, KMU partnered with state agencies and other statewide utility organization to conduct nine workshops across the state with three in Western Kansas (Cimarron, Oakley and Russell) , three in Central Kansas (Winfield, McPherson, and Clay Center) and three in Eastern Kansas (Coffeyville, Garnett, and Holton). Since many municipalities have faced reduced or restricted travel, the travel was offered at regional sites to allow access for as many participants as possible. The training emphasized the importance of emergency response plans, the availability of a statewide mutual aid program for utilities, and tabletop exercises on disaster situations. The nine workshops provided training to 122 participants from utility systems around the state. The program allowed the different utility systems to learn what is involved in coordinating their responsibilities in a disaster with other affected utility systems including natural gas.

KMU also sponsored Operator Qualification (OQ) training in four locations across Kansas (Garnett, Chanute, Osage City, and Hesston). In addition to the OQ training, KMU and the Kansas Corporation Commission provided sessions on emergency response and the potential for mutual aid between municipal gas systems. Between the four training sessions, 56 representatives of natural gas systems participated in the workshops and the OQ training.

The KCC conducts an annual Kansas Pipeline Safety Seminar. As a part of the seminar, KMU conducted a session for gas systems on the opportunity to participate in the KSMAP mutual aid program. Approximately 30 seminar attendees participated in the session.

KMU was also asked to participate in the 2009 Pipeline Safety Trust Conference in New Orleans to present information on the Technical Assistance Grant awarded to KMU and other grant awardees.

Mutual Aid Program Participation

As KMU worked with communities across the state to encouraging participation of their natural gas utility in the KSMAP mutual aid program for utilities, the association experienced a mixed reaction from municipal gas systems on their involvement and participation in the program. Of the 61 remaining natural gas systems classified as municipal, KMU was only able to gain the participation of 27 systems in the program. Municipal utility systems in Kansas often consider themselves as both independent and self-sufficient. Even with the number of natural disasters and utility emergencies that have occurred over the last several years, a number of systems were either not interested or not willing to participate in the program. The reasons can be summarized as follows:

- Small systems with limited resources and personnel to assist other systems;
- The relatively rare impacts of these disasters on natural gas systems;
- Liability concerns from governing bodies; and
- Existing arrangements for mutual aid with other systems or wholesale suppliers.

Even though the participation of natural gas in the KSMAP mutual aid program did not attain the 100 percent participation level as the established goal, KMU still considers the inclusion of the 27 systems (or 42 percent) in the program as a valuable resource for program participants should an incident ever occur requiring additional emergency response. Although the grant period has expired, KMU and its staff are continuing to work with the municipal gas systems to gain the voluntary involvement of the other systems not participating in the program particularly since some systems continue in the review and approval process within their organization.

Emergency Coordination

Because of KMU's work on emergency preparedness with municipal utilities including natural gas systems, the association has also become more closely aligned with Kansas state agencies that are involved with and respond to emergency and disaster situations. Through the Kansas Division of Emergency Management (KDEM), KMU has been recognized as an active participant in emergency planning and preparation along with other state agencies including the Kansas Corporation Commission, the Kansas Department of Health and Environment, the Kansas Department of Transportation, and others. KMU participates as a member of the working group in the development and implementation of Emergency Support Functions for the State of Kansas in the areas of Energy and Utilities and Public Works and Engineering, as well as serving on the Kansas Hazard Mitigation Team.

Project Budget

The project budget and actual expenditures are summarized as shown below:

<u>Object Class Categories</u>	<u>Budget</u>	<u>Actual</u>	<u>Difference</u>
a. Personnel	\$30,000.00	\$30,972.79	\$ (972.78)
b. Fringe Benefits	\$ 7,500.00	\$ 7,770.36	\$ (270.36)
c. Travel	\$10,500.00	\$ 6,084.16	\$ 4,415.84
d. Equipment	\$ 1,500.00	\$ 1,486.48	\$ 13.52
e. Supplies	\$ 500.00	\$ 523.00	\$ (23.00)
TOTAL	<u>\$50,000.00</u>	<u>\$46,836.78</u>	<u>\$ 3,163.22</u>

Conclusion

Through the Technical Assistance Grant from PHMSA for the Emergency Response Technical Assistance Project, Kansas Municipal Utilities was able to work with municipal gas systems to improve their operations through emergency response planning, preparation, and training. In general, KMU staff found that the municipal gas systems had emergency response plans in place that incorporated the key areas of emphasis and most had been updated and revised on a fairly recent basis.

The training component of the project allowed KMU to educate municipal utility systems in cooperation with other state utility associations and state agencies to conduct a series of nine workshops. The workshop program allowed different utility systems to learn what is involved in coordinating their disaster response with other affected organizations, departments, and utility systems including natural gas. Additional training was offered through Operator Qualification (OQ) workshops to provide further education on emergency response and preparedness.

One of the primary objectives of the project was to include as many municipal natural gas utility systems in the statewide mutual aid program for utilities. KMU had assumed that virtually all of the systems would be willing participate in the mutual aid program, particularly since the Federal Emergency Management Agency (FEMA) was requiring mutual aid agreement to be in place prior to a disaster. However, KMU found that program participation was not as widely accepted as had been anticipated. Past experience has shown that interest in participation in a mutual aid program typically rises in the immediate aftermath of a disaster. KMU's efforts are to encourage utilities to plan in advance of a disaster or emergency rather than scrambling to deal with a situation in the aftermath. Even though the grant period has expired, KMU and its staff are continuing to work with the municipal gas systems in Kansas to gain the voluntary involvement of the remaining systems not participating in the program. With KMU's active role in the area of emergency response and mutual aid, the association is also more closely linked to the State's emergency response infrastructure making the planning, coordination, and response to emergencies and disasters involving municipal systems more effective.