

JACKSON COUNTY WATER AND SEWERAGE AUTHORITY

MEETING MINUTES

May 13, 2010

Chairman Pugh called the meeting to order at 6:04 p.m. Members present included Chairman Randall Pugh, Board Member Shade Storey and Board Member Dr. Neelagaru. Also present: Manager Eric Klerk, Attorney Paul Smart, CIO/GIS Analyst Mike Johnson, Wastewater Manager Mark Dudziak, Finance Director Judy Davis and Board Secretary Karen Johnson. Visitors included Mark Beardsley with The Main Street News and Consulting Engineer Rob McPherson.

APPROVAL OF MINUTES

Member Storey made a motion to approve the minutes of the April 8, 2010 regular meeting and the May 6, 2010 work session minutes as presented.

Member Neelagaru seconded the motion. The motion carried with no objection with all board members present voting.

NEW BUSINESS

Wastewater Treatment Services Contracts

Chairman Pugh stated there were two Wastewater Treatment Services Contracts that were discussed in the work session. The first change he reviewed was in the residential contract regarding the development of a schedule that would tie the number of residential wastewater taps purchased by a developer/owner to the number of years the Authority would allow to complete the residential homes.

Manager Klerk said Section 21 and the referenced "Exhibit "B" is where the schedule is addressed. He stated in the event that any of the purchased residential wastewater taps are not utilized within the construction completion window, the developer will be required to pay a capacity renewal fee of 50% of the original tap fee for each unused residential wastewater tap. In order to hold onto the remaining capacity, the developer would have 60 days to pay the 50% fee. Manager Klerk said he felt 50% was fair but the board could change the percentage amount if so desired. Chairman Pugh asked if that renewal would be for an additional two years. Manager Klerk said that is how he interprets it. Attorney Smart agreed and said some language could be added to clarify it.

Member Storey asked if this was based on a completed house. Manager Klerk said “yes”, that is defined under Section 21. It states “a Residential Wastewater Tap shall be considered to be utilized if a certificate of occupancy has been issued for a home located on the Tract”.

Chairman Pugh clarified with Manager Klerk and Attorney Smart that we are willing to renew the contract at the original tap fee for in accordance with completion window within the schedule, from two up to five years. Remaining taps that may need to be purchased after said completion window would be at the tap fee in existence at the time the request is made.

Chairman Pugh asked if this was the only change. Attorney Smart said there was a slight change in paragraph three.

Member Neelagaru asked how many times a developer could repurchase the tap at the 50% rate. Manager Klerk recommended one time.

Manager Klerk briefly reviewed the changes in the non-residential contract stating the impression he got at the work session was that the board was comfortable with the three year timeframe. Chairman Pugh agreed.

Chairman Pugh asked Attorney Smart if this contract would be legal if the property changed ownership. Attorney Smart said there is some language in the contract that addresses this. He said we could the record the contract.

Member Neelagaru made a motion to table the Water Treatment Services Contracts until the June board meeting.

Member Storey seconded the motion. The motion carried with no objection with all board members present voting.

Medical Need for Water Service Policy Revision

Finance Director Davis stated that several items in the policy were clarified. She said the word “doctor “was changed to “physician” throughout the document. As to the question “what is the poverty line?” she stated we use the numbers from the Health and Human Services Department. Finance Director Davis said under item #4 there is a separation between a new and existing customer. Finance Director Davis briefly discussed the remaining changes to the policy.

Member Neelagaru made a motion to approve the resolution for the Medical Need for Water Service Policy.

Member Storey seconded the motion. The motion carried with no objection with all board members present voting.

OLD BUSINESS

Acceptance of 2009 CAFR

Member Storey made a motion to approve the 2009 CAFR.

Member Neelagaru seconded the motion. The motion carried with no objection with all board members present voting.

MANAGER'S REPORT

Manager Klerk brought the water loss report to the board's attention. He stated purchased and billed water were up significantly in April and water loss was up too at 8.6%. Manager Klerk explained that when the water purchased and water loss simultaneously increases, it historically indicates problems with our large meters starting to show wear. He stated that the Water Manager is going to do some meter repair and replacement on the large and wholesale meters in the system, and this should bring the water loss percentage down. In addition, a small amount of the water loss could be due to vacant meters, which presently total over 100. These meters will be pulled.

Manager Klerk said the number of water customers increased by 65 in the month of April. He also said that our costs of purchasing water from Bear Creek go down significantly when our purchased water amounts increase.

With there being no further business to discuss, the meeting was adjourned at 6:49pm.

Karen Johnson
Board Secretary