

## Jackson County Water and Sewerage Authority

### Work Session

February 7, 2013

Chairman Ehrhardt called the meeting to order at 5:30p.m. Members present included Chairman Dave Ehrhardt, Vice Chairman Shade Storey, Board Member Dean Stringer, and Board Member Pat Bell. Also present: Manager Eric Klerk, Attorney Paul Smart, Finance Director Judy Davis, Authority Engineer Joe Leslie, CIO/GIS Analyst Mike Johnson, Wastewater Manager Mark Dudziak and Board Secretary Karen Johnson. Visitors included Tom Crow, BOC, Mark Beardsley Main Street News, Tom Bessmer, Traditions Property Manager and Chris Hanke, Traditions Broker.

### Agenda Items

#### *Water Line Extension Policy (amendment)*

Manager Klerk stated the packet contains a draft resolution for a water line extension policy. He stated this policy is for residents whose wells have run dry or their water is not adequate to meet their needs. Manager Klerk stated Engineer Leslie, our attorney and he put together a new policy that is designed to dovetail our existing Neighborhood Water Line Policy. He explained how the policy would work, using an "Adjusted Connection Baseline" figure of \$8,340.00 per connection. In calculating water line costs, any line installation above the "Adjusted Connection Baseline" figure established would not be brought before the Board for consideration. Manager Klerk further explained that the "Adjusted Connection Baseline" assumes a twenty-year payback on proposed lines factoring in the amount an average residential customer pays and the average cost of Authority water.

Chairman Ehrhardt asked why we are not calculating earnings on deposits. Engineer Leslie said the interest was so minimal he did not figure that in the calculation. Chairman Ehrhardt said eventually the interest rate would come back and we probably should include it.

Manager Klerk said there will need to be a slight change to the existing Neighborhood Water Line Policy so that there would be no policy conflicts. He said the language changes are minor and are in Section 2 "Applicability" but will need to be approved by the Board.

Engineer Leslie stated the two neighborhoods needing water are in the board packets and are still calling him begging for water. Engineer Leslie presented highlights of the proposed Roquemore Road and Rambler's Inn projects.

Member Bell asked if we have the funds to do both projects. Manager Klerk said "yes" we do. He stated that, with Board approval, we can use any left-over 2005 SPLOST money for the Highway 129 portion from Highway 330 to Roquemore Road (that line being 12" ductile iron) and then use money from the Water Capital Reserves for the Roquemore Road line and the Ramblers Inn Road line.

Member Bell asked how much money is left in our SPLOST fund. Finance Director Davis said after the Wheeler Cemetery Pump Station project that we are currently working on is finished, we will have \$96,709 assuming all the numbers for this project come in within the \$355,000 budgeted amount.

Chairman Ehrhardt inquired how much we had in Water Capital Reserves. Finance Director Davis said currently \$1,750,934.

Member Bell asked about the proposed Ramblers Inn Road water line. Specifically she asked if those residents are interested in fire protection and are the proposed figures based on that. Manager Klerk stated the residents did not express an interest in fire protection and the figures do not include fire protection. Member Stringer said we should make sure the customers are aware they would not have fire protection. Engineer Leslie said that could be included in their water service contract.

Finance Director Davis stated the cost to do both projects are projected to be \$229,670 and would come out of the Water Capital Reserves.

The Board stated they would like to move forward with these projects after the Water Line Extension Policy is approved..

No action was taken. This item will be considered at the February 14<sup>th</sup> board meeting.

#### *Highway 124 (Traditions) Water Tower Logo*

Chairman Ehrhardt explained the history behind the water tower at this location. Due to the fact that Chairman Ehrhardt is a resident of Traditions, he recused himself from voting on this item.

Chairman Ehrhardt introduced Tom Bessmer and Chris Hanke representing Traditions. Mr. Hanke stated he is a broker for the Traditions community. He explained that the Traditions logo on the water tower was a selling point to prospective buyers. Mr. Hanke said the residents believed the tank was a community landmark and many were not aware that it belongs to the Authority.

Chairman Ehrhardt discussed the expired 8-year Water Tank Agreement between Bluegreen Communities (Traditions) and the Authority's Highway 124 water tower, and the Utility Service Company 10-year Maintenance contract the Authority has on the Highway 124 water tower that is due to expire in June. Chairman Ehrhardt then gave the floor to Tom Bessmer, the property manager of Traditions.

Mr. Bessmer thanked the Authority for allowing them to have the Traditions logo on the Authority water tower in the past years. He said they would like to renew the contract for another ten years. Mr. Bessmer stated he'd been quoted a cost of \$16,000 to \$20,000 to paint the tank and add the Traditions logo.

Manager Klerk stated the cost to paint the tank would be considerably more than \$20,000.

Member Bell pointed out the Bluegreen Water Tank Agreement, Section (4), states at the end of the maintenance contract; they are supposed to repaint the tower with the JCWSA logo on it.

Member Bell asked if Bluegreen is responsible for painting the tank with JCWSA logo. Member Bell also asked if the terms of the Agreement, even though it expired in May of 2011, were still enforceable. Attorney Smart said he felt that we would still be within the time frame for taking action if the Board so desired. The issue of who the responsible party is now since Bluegreen may be out of the picture would need to be looked into further.

No action was taken. This item will be considered at the February 14<sup>th</sup> board meeting.

#### *Rate Analysis*

Manager Klerk briefly explained the history of our rate analysis's and Cybergov Consultant's role in the process over the years. He stated the proposed contract for the rate analysis is slightly above his spending limit and would need Board approval to execute it.

Chairman Ehrhardt asked how this quote compared to the 2010 quote. Finance Director Davis said it is less than \$1,000 increase.

Member Bell asked how often a rate analysis is done. Finance Director Davis replied every three years.

Chairman Ehrhardt said since we did not implement the last recommended rate increase he feels we should do a rate analysis.

No action was taken. This item will be considered at the February 14<sup>th</sup> board meeting.

#### **Executive Session**

Chairman Ehrhardt said there is a need for an Executive Session regarding a personnel matter.

Member Bell made a motion to go into executive session at 6:45 p.m.

Vice Chairman Story seconded the motion. The motion carried with no objection and all board members present voting.

Member Bell made a motion to come out of executive session at 7:03 p.m.

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

Chairman Ehrhardt adjourned the meeting at 7:05 pm.

Karen Johnson,  
Board Secretary