

Jackson County Water and Sewerage Authority

Called Meeting Minutes

December 30, 2013

Chairman Ehrhardt called the December 30, 2013 Jackson County Water and Sewerage Authority Called Board Meeting to order at 5:30 p.m.

Members present included Chairman Dave Ehrhardt, Vice Chairman Shade Storey, Board Member Pat Bell, Board Member David Lathem and Board Member Joe Hicks. Also present: Manager Eric Klerk, Attorney Paul Smart, Water/Wastewater Manager Mark Dudziak, CIO/GIS Analyst Mike Johnson and CSR Amy Bales (for Secretary Karen Johnson). Visitors included Mark Beardsley, Main Street Newspapers and Stacey Britt.

Topic:

Sewer Tap Donation

Manager Klerk stated that Stacey Britt approached him about a donation of sewer taps. He said that after the lawyers and accountants looked into the matter further, the suggestion was for the Authority to purchase the taps.

Manager Klerk stated that Mr. Britt originally paid around \$2,900.00 per tap and the Authority is purchasing them back for \$10.00 a tap. He said that we are not purchasing all the taps originally tied to the project, known as the Burnett Property. He said Mr. Britt's group purchased 470 taps in advance back in 2006 and the Authority would be purchasing 227 taps back from him. The taps are located in tract three and tract four of the original project containing four tracts.

Manager Klerk said tracts one and two are owned by Bowen and Hightower Builders. He said the original sewer agreement has been amended to specify that the remaining 243 taps in tracts one and two are specifically for Bowen and Hightower Builders.

Member Bell asked Mr. Britt why he wanted to give the taps back. He stated he would not need them and would like to sell the property some time.

Chairman Ehrhardt questioned if the property would be more valuable with the taps. Mr. Britt said that's possible if the property was developed as a sub division.

Member Bell asked how is the Authority protected if the property is sold to a buyer that thinks the taps go with the property. Attorney Smart said the amended agreement spells out that when the taps go back to the Authority they will be terminated and the Authority's obligation to provide that capacity is terminated as well. Manager Klerk said one advantage is that we would gain capacity at the wastewater plant, about 69,000 gallons per day. Chairman Ehrhardt said we would have committed capacity that would be released.

Attorney Smart said he prepared a notice to be recorded on the deed records that references the transaction that took place stating there are no sewer taps on this property.

Mr. Britt said he has spoken with Millard Bowen regarding this situation. Attorney Smart said there is an amendment to the contract that Bowen & Hightower Builders have to sign that addresses the remaining 243 taps. He said he does not have their signature as of now and in order for the transaction to be completed by year end, he told their attorney he will have to have the amended contract signed by December 31, 2013.

Attorney Smart said he has prepared a resolution that lays everything out. He stated, at the Boards request, he would add language that when Millard Bowen signs the agreement, he understands the Authority is only responsible for providing sewer capacity to the remaining tracts' boundary. Attorney Smart noted that the lender on the property has signed off on this agreement.

Vice Chairman Storey made a motion to approve the tap purchase resolution as presented, including the additional added language, and executed by the Authority Board. The motion further moves that Attorney Smart hold the documents and money until all documents have been executed by the appropriate parties.

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

Attorney Smart stated he would need the Chairman and Vice Chairman to sign the documents.

With there being no further business to discuss, the meeting was adjourned at 6:30 p.m.

Karen Johnson
Board Secretary