

Jackson County Water and Sewerage Authority

Work Session

November 6, 2014

Chairman Ehrhardt called the meeting to order at 6:04 p.m. Members present included Chairman Dave Ehrhardt, Vice Chairman Shade Storey, Board Member David Lathem, Board Member Pat Bell and Board Member Joe Hicks. Also present: Manager Eric Klerk, Attorney Paul Smart, Finance Director Judy Smith, Authority Engineer Joe Leslie, CIO/GIS Analyst Mike Johnson, Water/Wastewater Manager Mark Dudziak and Board Secretary Karen Johnson. Visitors included Alex Pace, Main Street News.

Agenda Items

Authority Personnel Manual

Chairman Ehrhardt said he met with Manager Klerk and in order to move this along he asked him to remove the General Time and add back in random drug testing for all employees.

Manager Klerk explained the two significant changes to the personnel policy manual. He said we had proposed to change Vacation and Sick time to General Time but in order to move ahead we can go back to the original vacation/sick policy. The other change is the existing policy on random drug testing of all employees to random drug testing on employees with safety sensitive positions. Manager Klerk said those two issues seemed to be the two sticking points with the manual.

Attorney Smart explained there is a lot of case law supporting random testing for only safety sensitive positions. He said in a governmental work place, employees have certain rights and there has to be justification of drug testing. Attorney Smart said the exception is an employee that works in a safety sensitive position. He said case law does not support random testing for non-safety positions such as front office personnel.

Attorney Smart said that the case law does not support drug testing for cash handling positions either. He explained all employees could still be tested under reasonable suspicion.

Vice Chairman Storey said he felt the "lottery" system of testing is fairer than reasonable suspicion. He asked staff to check with our insurance carrier about the effects of removing the random testing.

Manager Klerk said other changes to the policy were cleaning up conflicting language and formatting.

No action was taken. This item will be considered at the November 13th board meeting.

Authority Standards and Specifications

Chairman Ehrhardt said Manager Klerk and staff have been working on modifying the Authority's standards and specifications.

Manager Klerk discussed some of the following concerns regarding the proposed changes.

- Proposes that dead-ends at Cul-de-sacs will again be allowed. (Policy already in place that developer has to provide an easement for sewer.)
- Proposes a storage study required for greater than 100 ERU's: This was previously proposed at 10 ERU's. Manager Klerk said the Board needs to be kept in the loop and any project that is 3,000 gallons or more should be brought before the Board. He said right now we only have to bring it to the Board if the project's anticipated use is over 50,000 gallons per day. The Board agreed it should be a shared commitment.
- Proposes a 4-Year maximum bond on pump stations/generators: Pump stations formerly required a 5-year maintenance and warranty. This has been changed to a 2-year maintenance and warranty, renewable one-time for a total of a 4-year maintenance warranty. The renewal is not required if Certificates of Occupancies are issued for 75% of the subdivision. Manager Klerk said the County's UDC requires 100% bonding and we are trying to get our standards and specs unified with them. Engineer Leslie stated we researched typical bond amounts. Engineer Leslie said we can change the percentage if that is what the Board wants but there is a lot of work/development coming and he doesn't want to put this off much longer. The Board asked staff to look at other surrounding counties our size to see what they do. Manager Klerk questioned why we have to be different if Jackson County itself requires 100% bonding. He said we need to mirror the UDC wherever possible.
- Proposes to remove the proposed E-3 drawing on looping lines: Drawing E-3 has been removed including references to it in the specification's text.
- Staff has added back in recommended sewer pump manufacturers: Four acceptable sewer pump manufacturers have been included.

No action was taken. This item will be considered at the November 13th board meeting.

Proposed 2013 Operating Budget

Manager Klerk pointed out in the budget narrative the two big operating increases stem from two GDOT projects we have to do and tank maintenance and painting. He explained that as these are not system upgrades they are not capital items and are therefore in the operating budget. He discussed the on-going repair and maintenance issues with Bear Creek.

Manager Klerk said he is asking for three additional employees. They will be strictly field water employees. He said overtime is partly the reason for three but it's more of an operating and timing issue. He explained that we currently have four people and discussed their duties, pointing out we are spread very thin more times than not. Manager Klerk discussed multiple scenarios where we were left short and fell significantly behind in work completed due to a shortage of field personnel.

Chairman Ehrhardt pointed out a survey mentioned in the proposed budget that compares local governments across the U.S.; the average percentage total of budget spent on salaries and benefits is approximately 41%. This was compared to the percentage to the Authority's spending at 20.29% (including the three new proposed employees).

Manager Klerk said his point is that we keep pushing basic preventative maintenance items further and further out and we continue to grow.

Manager Klerk continued to discuss various points about the budget. Chairman Ehrhardt mentioned other income and expenses, "non-operating" had decreased. Manager Klerk said this was due to inter-government exchange which included the Bear Creek debt payment. He said we will no longer be receiving the \$400,000 from Jackson County that previously had been given to us in lieu of SPLOST money to help cover our sewer debt. Manager Klerk added that we had not received, and will not receive, that money in 2014 either.

Chairman Ehrhardt pointed out the rate increase sheet that included a 7% increase. Finance Director Smith pointed out a proposed senior rate for the 2015 year that we have not previously had. She said our last rate analysis recommended increase was 7.7%. For rate comparison purposes she said we are right in the middle with our neighboring water systems.

Chairman Ehrhardt asked when our last rate increase was. Finance Director Smith said 2012. She said there was a rate increase approved for 2011 through 2013. There should have been a percentage applied for each year and there was for 2011 and 2012 but not 2013. Additionally, the rate analyst's recommendation for 2012 was not fully implemented. Finance Director Smith referenced the Authority's "CAFR". Prior to that, the last increase was 2007.

Member Lathem questioned whether we really needed an additional three employees. Manager Klerk said "yes" and pointed out it would take months to even find and hire qualified people. He said we would be lucky to even get all three in 2015.

No action was taken. This item will be considered at the November 13th board meeting.

Executive Session

Chairman Ehrhardt said there is a need for an Executive Session regarding land purchase and litigation. The Board went into Executive Session at 7:45 p.m. and came out at 8:33.

No action was taken.

Chairman Ehrhardt adjourned the meeting at 8:35 pm.

Karen Johnson,
Board Secretary