

Jackson County Water and Sewerage Authority

Meeting Minutes August 13, 2015

Chairman Ehrhardt called the August 13, 2015 Jackson County Water and Sewerage Authority Board Meeting to order at 6:09p.m.

Members present included Chairman Dave Ehrhardt, Vice Chairman Shade Storey, Board Member Pat Bell and Board Member Dylan Wilbanks.

Also present: Attorney Paul Smart, Finance Director Judy Smith, Authority Engineer Joey Leslie, Water/Wastewater Manager Mark Dudziak, CIO/GIS Analyst Mike Johnson and Board Secretary Karen Johnson. Visitors included Mark Beardsley, Main Street Newspapers, Rick Shmurak and Amanda Sutter, Walton Development, various residents of South Jackson and Randy Logan, GMA

Approval of Minutes

Vice Chairman Storey made a motion to approve the July 9, 2015 board meeting minutes.

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

Old Business

Mark Ballman, 3189 Winder Highway – Billing Dispute

Engineer Leslie stated that this billing dispute was discussed at the last meeting and was tabled. He stated that Mr. Ballman said there was no evidence of a leak and that he and his wife were out of town during the time period in question. Engineer Leslie said this billing dispute was put through our standard policy including having the meter tested. He said the meter tested accurate and it was determined the water went through the meter.

Engineer Leslie said, as requested by the board, further research was done and we found no evidence of a cross connection or that the other two tenants had high usage. He stated the meter was put into Mr. Ballman's name on February 6th but the owner Mr. Patel requested the meter be installed on January 29th. That is when the meter started to register. Engineer Leslie stated our e-coder data appears to be correct. He explained a new meter has been installed at the request of the customer and the board.

Engineer Leslie said staff recommendation is to offer Mr. Ballman a one-time leak adjustment. He said the e-coder graph could be used as evidence of a leak in lieu of a plumbers receipt.

Chairman Ehrhardt discussed the Authority's policy and the result of the meter test. He said we should adhere to our policy and offer him a one-time leak adjustment.

Member Wilbanks made a motion to authorize a one-time leak adjust for Mr. Ballman.

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

Walton Development Preliminary Application Staff Recommendation

At the July meeting, Mr. Shmurak of Walton Development came before the board asking them to consider providing another will-serve letter for the Belle Spring tract they are developing. He said they need this letter in order to apply for a Georgia Ready Site Certification.

Engineer Leslie explained current Authority standards require board approval for any preliminary application exceeding 6,000 gallons per day. Engineer Leslie explained the process for submitting the application. He reminded the board that in our standards it states that if the board does not render a decision at the regular scheduled meeting they must make a decision at the next meeting.

Engineer Leslie discussed the proposed development including the proposed peak flows and averages (198,278 gallons per day). He said our current average use for JCWSA is approximately 1.3 million gallons per day with our peak in the summer months at approximately 3.8 million gallons per day. Engineer Leslie said our daily allocation at Bear Creek is 13 million gallons per day. He said the new development would be a very large user and it would constitute 15% of our current daily usage and 1.5% of our allocation. He said the Authority does have the capacity to serve this development.

Engineer Leslie said this topic was tabled at our last meeting. He said the Authority attorney asked that the will-serve letter be tied more closely with the application. Engineer Leslie discussed the draft letter and pointed out that Item #8 carefully ties the letter back to the application. He explained that the letter states over the next two years we intend to provide the development water. He said however there are quite a few provisions that they will have to meet. (See letter for provisions.)

Engineer Leslie stated that in 2013 the Authority gave Walton Development a will-serve letter that was good for two years. He explained our previous standards did not require them to provide us with the flow.

Member Bell was concerned we would have to fulfill the letter of intent if we did not have the water to do so. Engineer Leslie explained about the Upper Oconee drought contingency plan where everyone would have to reduce flows.

Chairman Ehrhardt asked about a time-frame for development. Mr. Shmurak said he can't speculate at this time.

Chairman Ehrhardt opened the meeting up for public comments. A lengthy discussion ensued among the Board, staff and residents of the South Jackson community.

Attorney Smart pointed out that before we started providing water the developer would have to sign a water services contract agreement.

Member Wilbanks asked how many letters of intent that are this size we could expect to get in one year. Engineer Leslie stated it all depends on development.

Chairman Ehrhardt stated that the Authority reviews its flows and financials every month to be prepared for requests. He said we are here to provide a service to the community. He stated if we don't use the water it stays in the reservoir therefore we are not paying for it.

Engineer Leslie said we issued Walton a water availability letter for this project but they need the will-serve letter in order to apply for a Georgia Ready Site Certification.

Engineer Leslie said JCWSA has enough information to determine that we have the flow make this decision.

Finance Director Smith stated that in the event of a drought, any waters we are presently using and have committed to serve are used in the calculation for our allocation under the drought management plan. She said committed flow would help the Authority in the event of a drought, it would preserve more water for our customers.

Chairman Ehrhardt asked how we would handle multiple letters as far as ranking them. Engineer Leslie said the board handles each request as they come in so it would be on a first come first served basis.

Member Wilbanks pointed out that if we turned down this request that we would probably have to turn down every other development of this type as well and he said he is not sure that is responsible for our rate payers.

Chairman Ehrhardt reiterated that the Authority's jurisdiction is to provide water. It is Jackson County's responsibility to determine zoning.

Attorney Smart stated that there has been mention of adding language that the capacity be held for two years but not beyond. He said there was also mention of adding force majeure language and if a motion is made to include that in the motion as well.

Chairman Ehrhardt asked if it is spelled out that the developer would have to come back before the board to request additional capacity. Attorney Smart said it is limited to the application that is submitted and the application is tied to the 198, 278 gallons.

Member Bell made a motion to deny the request for the will-serve letter. The motion was not seconded.

Member Wilbanks made a motion to approve providing Walton Development with a will-serve letter as presented but with the following additional language added: capacity be held for two years but not beyond and force majeure.

Vice Chairman Storey seconded the motion. The motion carried with Member Bell voting no, Chairman Ehrhardt, Vice Chairman Storey and Member Wilbanks voting yes.

New Business

GMA Presentation of Proposed Authority Pension Plan

Mr. Randy Logan of GMA stated that the Authority management requested that GMA conduct a feasibility study for the JCWSA to determine what the cost will be to provide a defined benefit plan for its employees. He stated the following reasons that this is a much needed and desired benefit for the employees.

1. Employee retention.
2. Employees could look forward to retirement realistically.
3. Other area water/sewer authorities provide a defined benefit plan for their employees.

Mr. Logan presented the study noting that the recommended contribution for 2016 is \$126,672. He pointed out that there will be no cost adjustments such as COLA to require larger contributions.

Finance Director Smith stated that she is confident the cash needed for the annual contribution is available.

Chairman Ehrhardt asked the board to review the information in order to discuss it at a future meeting.

Mark Dodd Road Neighborhood Water Line Extension

Engineer Leslie presented a request for water from a resident living on Mark Dodd Road. He gave a brief explanation of our Neighborhood Water line policy.

He said a cost estimate was prepared to provide service to three new customers, running a four-inch main line approximately 2330 feet.

Engineer Leslie said the total cost estimate is \$34,603. He said policy allows for \$8,840 per connection. He said this line extension fails to meet the policy falling short by \$8,083. Engineer Leslie said petitioner Mr. Sven Olsson has been made aware of the shortfall and is willing to make up the difference.

Engineer Leslie stated staff believes JCWSA has adequate funds in capital reserve for this project.

Engineer Leslie did caution the board that construction costs are very unpredictable now. He said contractors are very busy and he has done his best to inflate the estimate.

Chairman Ehrhardt asked what happens if the project comes in under budget. Engineer Leslie said he believes Mr. Olsson would expect a refund of the difference.

Member Wilbanks stated he felt that wasn't fair if we are willing to make up the difference if the project goes over. I was discussed that Mr. Olsson be charged a fixed fee of \$8,083.00 and not be offered a refund if the project bids under estimate.

Chairman Ehrhardt asked Attorney Smart if there were any legal ramifications of allowing the customer to make up the difference.

Attorney Smart said he feels we would have to be very upfront and lay out the parameters. He said he thinks this type of situation was contemplated when this policy was adopted and it is well within the confines of the policy.

Vice Chairman Storey made a motion to approve the Mark Dodd Road Neighborhood Water Line Extension

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

Whitetail Road Neighborhood Water Line Extension

Engineer Leslie presented a request for water from Mr. David Lindsey for Whitetail Drive. He stated Mr. Lindsay's well is going dry and he is begging for water.

He said a cost estimate was prepared to provide service to two new customers, running a four-inch main line approximately 650 feet.

Engineer Leslie said the total cost estimate is \$16,683. He said policy allows for \$8,840 per connection so the JCWSA allowable cost to the project would be \$17,680.

Engineer Leslie stated staff believes JCWSA has adequate funds in capital reserve for this project.

Engineer Leslie said these projects are under \$100,000 so legally we don't have to bid it out. He said he typically will contact three companies for prices.

Chairman Ehrhardt said it would be good to combine the two project to go out for bid.

Vice Chairman Storey made a motion to approve the Whitetail Road Neighborhood Water Line Extension

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

Managers Report

Engineer Leslie showed the board pictures of the Talmo Pump Station project. He said we've turned it on and it works wonderful. He said we are pumping about 600 gallons a minute with one pump and around 1100 gallons a minute with two pumps. He said we can now fill the Talmo tank rapidly. He said it saves water we can use to send to Braselton.

Engineer Leslie showed pictures of the wastewater plant and said the building materials were delivered today and we are on schedule. He said All South has been great to work with.

With there being no further business to discuss, the meeting was adjourned at 9:00 p.m.

Karen Johnson, Board Secretary