

JACKSON COUNTY WATER AND SEWERAGE AUTHORITY

WORK SESSION

June 3, 2010

Chairman Pugh called the meeting to order at 5:31 p.m. Members present included Chairman Randall Pugh, Vice Chairman Dave Ehrhardt, Board Member Andy Goodman, Board Member Shade Storey and Board Member Dr. Neelagaru. Also present: Manager Eric Klerk, Attorney Paul Smart, CIO/GIS Analyst Mike Johnson, Chief Engineer Fred Alke, Wastewater Manager Mark Dudziak, Water Manager Stacy Jenkins, Finance Director Judy Davis and Board Secretary Karen Johnson. Visitors included Mayor Jerry Baker, Maysville, Chip McGaughey, EMI, Mark Beardsley with The Main Street News and Consulting Engineer Rob McPherson.

Chairman Pugh introduced Maysville City Mayor Jerry Baker and City Engineer Chip McGaughey with EMI. He said they are here to discuss potential service area issues that affect the City of Maysville and JCWSA. Chairman Pugh gave a brief explanation of the purpose of HB489. He said there are some service areas that are in question. He also stated the JCWSA is not a party in the negotiations with the county and cities on the service areas. Chairman Pugh said that Mayor Baker would like to explain Maysville's position on their service area.

Mayor Baker said he is requesting Bob Mann Road to be included in the Maysville service area. Chip McGaughey said the Bob Mann Road area became a part of Maysville's service area in 2004. Chairman Pugh said to Mayor Baker that bottom line, the reason he has come before the board is to ask for JCWSA's consent to the proposed amount that Maysville has provided to the county for approval in the 489 negotiations. Mayor Baker said he did not want to cut through property lines and wanted to negotiate on that. Chairman Pugh stated that the JCWSA is not in a position to negotiate service boundaries. He said we are not a legal entity involved in the 489 negotiations. Chairman Pugh said we are not in a position to provide concurrence. Chip McGaughey said they are approaching the board to get consensus to the change realizing that JCWSA does not have a say in HB489 but wanted to discuss it and not just take over territory without any discussions.

Chairman Pugh stated that JCWSA wants to maintain a good relationship with Maysville and the other municipalities. He said when he looks at the map of Maysville's request it is obvious that their request would increase the service area for Maysville and decrease the service area for JCWSA. Mayor Baker agreed with Chairman Pugh's statement. Chairman Pugh asked Mayor Baker if he would consider a "swap" of service territory so that everyone would come out a winner. He said we have sat down with other cities and swapped service areas because it made sense to do so. Chairman Pugh said to Mayor Baker "since you are asking us to concur with a process that takes service area away from JCWSA and gives it to Maysville, are you willing to sit down with the county and say yes, we will swap service area". Mayor Baker said he would have to look at it but he wanted everyone to come out beneficial especially Maysville. He also said he wants to keep Bob Mann Road and that is the main reason he is here today. Chairman Pugh asked Mayor Baker even if we were in a position to agree, what is the benefit to JCWSA, the rate payers and bondholders. Mayor Baker said he could ask the same question back.

He said “Maysville does not need to stay as we are, we have got to expand”. Mayor Baker said when the map was turned in regarding Bob Mann Road everyone agreed to that. Manager Klerk said JCWSA did not agree to it. Mayor Baker said “according to HB489 – I have got to stay with that”. Chip McGaughey said another reason for their request is to keep the delivery area from cutting across property lines and so that their projects are certified in accordance with HB489.

Chairman Pugh said he can understand Maysville’s desire to serve the growth but one problem that comes with encroaching on JCWSA service area is that there are bonds that have been issued predicated on that service area and future revenue stream to meet the debt service payments on those bonds. He also explained that JCWSA was chartered by the State of Georgia and that charter makes it clear that the board has a legal fiduciary responsibility to protect the interests of the bond holders and is specific that we do not have the authority to jeopardize that revenue stream which means we are not in a position to give up that service area. Chairman Pugh said he could not accept the personal liability that could come from a suite against him from the bondholders if he agreed to support an agreement that would give up a service area that has a revenue stream that is necessary to support those bonds. Chairman Pugh said after the HB489 service area agreements were reached with the county and cities, as long as we could swap service areas without jeopardizing our rights and revenue stream to service those bonds, then that would probably be okay. Member Goodman asked if it would be appropriate for Mayor Baker to work up a proposal that might be acceptable to both parties. Chairman Pugh said JCWSA does want to work with Maysville and hopes they want to work with us and make both water systems successful. Chairman Pugh stated he did want to make it clear that JCWSA was not in a position to negotiate.

AGENDA ITEMS DISCUSSED

Wastewater Treatment Services Contract

Manager Klerk asked the board to focus on Section 21 of page five. He explained the changes to that section and how those changes addressed the two questions from the previous meeting.

This matter will be put on the agenda for next week’s board meeting.

No action was taken.

On-Demand Consultant Recommendations

Engineer Alke explained the process for selecting proposals for on demand engineering services. He stated this year we had ten applicants that we know well. The applicants were rated on certain characteristics by JCWSA managers. Engineer Alke collected the data from the managers and used that data to score each applicant. The top four applicants are Brown & Caldwell, Engineering Management Inc., Sweitzer Engineers, Inc. and Wood Brothers & Scott, Inc. Chairman Pugh said he felt the process looked objective.

This matter will be put on the agenda for next week’s board meeting.

No action was taken.

Manager Klerk passed out a letter he received from The Knight Group. The letter is regarding wastewater taps at Westcott Place that have not been purchased yet. They are requesting a new agreement that would extend the June 20, 2010 deadline.

Chairman Pugh asked if the new policy would apply to this. Manager Klerk said we could respond to them with if it is not paid by June 20th then they would lose the capacity. However they are welcome to come in and purchase them using the new guidelines we are adopting.

Attorney Smart said if the board held to the position that when June 20th came around and the reservation expired then any new taps could be bought under the new contract at the prevailing rate at that time. Manager Klerk said the intent of having a new agreement was so we would not be holding all that capacity. Chairman Pugh said that since this letter just came in today that he would like for Manager Klerk and Attorney Smart to review it before any decision is made.

Manager Klerk informed the board about a water leak in a water main in Hoschton over the Memorial Holiday. Also, he showed the board a jar of water that was perfectly clear that came out of the Hoschton plant. He said we are above EPD limits.

Chairman Pugh closed with a comment on his appreciation of CIO/GIS Analyst Johnson's contributions with the service area maps.

Chairman Pugh adjourned the meeting at 6:40 pm.

Karen Johnson,
Board Secretary