

Jackson County Water and Sewerage Authority

Meeting Minutes

March 12, 2015

Chairman Ehrhardt called the March 12, 2015 Jackson County Water and Sewerage Authority Board Meeting to order at 6:07 p.m. Members present included Chairman Dave Ehrhardt, Board Member Joe Hicks, Board Member Pat Bell and Board Member Dylan Wilbanks. 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, Meter Reader/ Technician Tony Smith, and Board Secretary Karen Johnson. Visitors included Katie Cofer, Main Street Newspapers, Chip McGaughey, EMI, Steve Burke, Customer and Robert Bowman, Developer

Chairman Ehrhardt welcomed new Board Member Dylan Wilbanks.

Approval of Minutes

Member Bell made a motion to approve the February 5, 2015 work session minutes.

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

Member Hicks made a motion to approve the February 12, 2015 board meeting minutes.

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

New Business

Steve Burke Billing Dispute

Manager Klerk stated staff followed general protocol for addressing Mr. Burke's billing dispute. He explained the events that led up to the billing dispute; basically a large quantity of water was used over two billing cycles. He said the meter was pulled and tested for accuracy and there is not a problem with the meter.

Meter Reader Tony Smith was the technician on duty for the events and confirmed Manger Klerk's accounting of the events.

Mr. Burke presented his side of the story to the Board stating he did not use that much water and didn't know where the water went. He stated he did not have a leak.

Several scenarios as to what could have happened to the water were presented to Mr. Burke but he disagreed with them. Member Hicks said he understands Mr. Burke's point but the meter was tested and the results are accurate. Chairman Ehrhardt said we have a responsibility to our rate payers and trust our meters.

A leak adjustment and payment plan was offered by the Board to Mr. Burke.

Cash in Escrow in Lieu of Maintenance Bond for Project Initial Acceptance Periods

Manager Klerk said a cash deposit with a general agreement and a resolution has been presented in lieu of a maintenance bond for a project falling under the Authority's initial acceptance period.

Finance Director Smith said cash will be deposited into a non-bearing interest account in our current bank (Mountain Valley) and administered by JCWSA. She stated any maintenance that would need to be done would be paid for out of this account if the Project's Owner/Developer was unresponsive in addressing corrective maintenance.

Attorney Smart said the amount of cash is the same as a maintenance bond would be.

Mr. Bowman (developer) explained why his bank required cash instead of a maintenance bond.

Member Hicks asked why a non-interest bearing account? Attorney Smart responded that accruing interest can cause an administrative burden and liability.

Manager Klerk said that if Mr. Bowman still doesn't have 75% occupancy in two years then he has the option to renew the maintenance agreement but otherwise he would get the money back.

Manager Klerk stated that Attorney Smart and the attorney from Mr. Bowman's bank worked together on this agreement.

Attorney Smart said the Board would be approving this agreement for future use as well by amending the Standards and Specifications and allowing Manager Klerk to execute any future agreements.

Member Wilbanks made a motion to approve the resolution to Amend Standard Specifications to Provide for Payment in Cash In Lieu of Maintenance Bond.

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

Member Wilbanks made a motion to approve the Agreement for the Deposit of Cash Security Funds to Insure Correction of Defective Water/Sanitary Sewer Improvements.

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

Staff Recommendation for Award of MOWWTP Sludge Dewatering Facility

Manager Klerk said the Authority had a public bid opening this week for construction of Sludge De-watering facilities at the MOWWTP. He said Mr. McGaughey (EMI) has the letter of recommendation of award for the project and that his information in EMI's letter with his recommendation corresponded to Authority Engineer Leslie's presentation being shown tonight.

Engineer Leslie stated that EMI completed the design under last year's budget. He said we had seven contractors purchase plans and we received five bids. He said the low bid is from Lanier Contracting at \$834,793.08.

Mr. McGaughey said this bid does exceed the Authority's budget of \$750,000 even though the project is simple, consisting of basically a pre-engineered metal building and the solids dewatering screw press equipment. Mr. McGaughey said after review of the bid and various discussions with Authority staff, it appears the labor cost to construct the building has greatly increased in recent years. He stated the only explanation they have is an improving economy which has resulted in a greater demand on construction firms. Mr. McGaughey said he worked with Engineer Leslie to negotiate a change order with Lanier Contracting and the screw press manufacturer, Huber Technology to provide some changes that would reduce the construction costs by approximately \$35,452.

Engineer Leslie said staff recommendation is to award Lanier Contracting the project with Change Order #1 for the total amount of \$799,341.08. He said there will be costs for construction observation and it will be done in-house. He said there is a construction contingency of 10% on the project as well.

Finance Director Smith said the \$134,000 difference will come from our capital reserves.

Member Wilbanks asked about adding future capacity. Manager Klerk said this building would accommodate another screw press. He said we currently have a half a million gallon per day in permitted capacity. He said we could go back to EPD after project completion and possibly get an increase in 250,000 gallons per day in permitted capacity after this project is completed.

Member Bell made a motion to approve awarding the contract for the MOWWTP Sludge Dewatering Facility to Lanier Contracting for \$834,793.08 with Deductive Change Order Number One for \$35,452 for a total contract of \$799,341.08, authorizing Manager Klerk to execute the contract.

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

Member Bell made a motion to approve supporting costs of construction observation and the ten percent contingency for a total not- to-exceed of \$884,275.08.

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

Managers Report

Manager Klerk discussed what occurred during the recent ice storm. He said we had power outages; the main treatment plant was out and all of our major pumping stations were without power as well. He said we ran our back up diesel pumps and generators for, in some cases, two consecutive days and praised staff for their efforts in keeping any our customers from losing water.

Chairman Ehrhardt said the Board congratulates the staff for what we did to keep the water system up and running.

Water/Wastewater Manager Mark Dudziak said next year's CCR (JCWSA's Water Quality Report) has been sent to the printers. It should be mailed to customers toward the end of April.

With there being no further business to discuss, the meeting was adjourned at 7:57 p.m.

Karen Johnson
Board Secretary