

JACKSON COUNTY WATER AND SEWERAGE AUTHORITY

WORK SESSION

November 5, 2009

Chairman Pugh called the work session to order at 5:35 p.m. Members present included Chairman Randall Pugh, Vice Chairman Dave Ehrhardt, and Board Member Shade Storey. 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 Rob McPherson, Prime Engineering and Mark Beardsley with The Main Street News.

New Business

Peede Billing Dispute

Manager Klerk reviewed the Peede billing dispute giving the details of their complaint. He said Engineer Alke included the conservation pricing in his write up. The high usage coincides with previous years but the rates are higher. Manager Klerk said the Authority had the meter tested by the meter representative and it was functioning properly. Water Manager Jenkins explained that the radio transponder on the meter was not working properly. He said the meter head (transponder) was changed due to age. The customer thinks there was something wrong with the meter and claims that is why we changed the head; therefore she feels her billing is incorrect. Chairman Pugh asked where her billed usage was derived from. Water Manager Jenkins said the manual read on the meter was used in the re-reads and tracked the usage correctly, independent of the transponder.

This item will be moved to the agenda for the November 12th board meeting.

No action was taken.

Draft of the 2010 Proposed Budget

Manager Klerk complimented Finance Director Davis on the narrative she prepared for the proposed 2010 budget. He said the budget is about 1% less than last year with no capital projects or purchases. There might be one exception under capital projects for the purchase of a software upgrade if the back-up of data in the network continues to be an issue.

Chairman Pugh said there is a contingency for \$97,965 to cover any unforeseen expenditures. Board Member Storey asked if the increase in health benefits was due to the increase in premium. Finance Director Davis replied yes. She stated that premiums across the board nationally are increasing around 12% and we are happy our increase is only 8%.

Chairman Pugh asked if the board had any questions to contact Manager Klerk or Finance Director Davis prior to the board meeting on the 12th and encouraged the board members to review the information before voting next week.

This item will be moved to the agenda for the November 12th board meeting.

No action was taken.

Write Down of Non Collectible Receivables

Chairman Pugh said we have not written down any non collectibles in some time. He said we have had some success with our collections but we need to get these off our books. Finance Director Davis said the entire amount of approximately \$160,000 is one to four years old and anything over 90 days is turned over for collections. Manager Pugh said we should write non collectibles off sooner and not wait so long. He said a time frame for writing off bad debt should be established. Vice Chairman Ehrhardt asked how much is in the reserve account. Finance Director Davis said just under \$200,000.

This item will be moved to the agenda for the November 12th board meeting.

No action was taken.

Fire Hydrant Rental Rate Increase

Manager Klerk said the cost of large hydrant meters are over \$2,000 dollars and he is requesting the board raise the meter deposit from \$500 to \$750 for 1" meters and from \$1,000 to \$1,500 for 2-1/2" standard hydrant meters. Manager Klerk commented that the hydrant meter program does not generate a positive income for the Authority due to the expensive repairs usually required for these meters before they pay for themselves. The Authority makes these meters available more or less as a public service to those needing bulk water.

This item will be moved to the agenda for the November 12th board meeting.

No action was taken.

Connection Fee Payment Policy

Chairman Pugh explained some of the exceptions that have been made in the past with purchasing a water meter connection. He stated we might need a more formal written policy. Manager Klerk said having a policy in writing would simplify things and make the process consistent for the customer service department. Chairman Pugh asked who determines the guidelines. Finance Director Davis said Barbara Lester in customer service handles all new water contracts and she is responsible for making sure the guidelines are met. Chairman Pugh felt that \$25.00 down was a little low. Wastewater Manager Dudziak suggested \$75.00 for a down payment. Vice Chairman Ehrhardt asked how many of these do we have a year. Manager Klerk said five to six a year. Chairman Pugh said he was okay with the \$25.00 down payment.

He asked what kind of documentation we would require. Finance Director Davis said a copy of the person's tax return. Member Storey asked if a person was close to the poverty line would they still qualify. Finance Director Davis said yes if they are within a couple of hundred dollars. Water Manager Jenkins asked if this is restricted to the applicant's personal residence. Finance Director Davis said that should be a criteria and it will be added to the policy.

Chairman Pugh said to move this to the agenda for the November 12th board meeting.

No action was taken.

Old Business

Chris Jones Billing Dispute

Engineer Alke gave a demonstration of how a fire hydrant meter works and explained the air test that was performed on the meter. He stated air flow can change a meter reading. Manager Klerk said we should have been clearer on telling the customer to close the valve when they are transporting it, he did not see a problem with giving Mr. Jones a break. Chairman Pugh asked Attorney Smart if the board needs to approve this issue. Attorney Smart said yes since an exception is going to be made. Chairman Pugh suggested we contact Mr. Jones and let him know the proposed adjustment to his bill. Vice Chairman Ehrhardt agreed that we should contact him prior to the board meeting to let him know what we are proposing. Water Manager Jenkins said he will contact Mr. Jones with the proposed adjustment.

Chairman Pugh said to move this to the agenda for the November 12th board meeting.

No action was taken.

Executive Session

Chairman Pugh said there needs to be an Executive Session regarding a personnel matter and potential litigation.

Member Storey made a motion to go into executive session at 6:30 p.m. Vice Chairman Ehrhardt seconded the motion.

Vice Chairman made a motion to go come out of executive session at 7:22 p.m. Member Storey seconded the motion.

No action was taken.

Chairman Pugh adjourned the meeting at 7:24 p.m.

Karen Johnson
Board Secretary