

JACKSON COUNTY WATER AND SEWERAGE AUTHORITY

WORK SESSION

March 4, 2010

Chairman Pugh called the meeting to order at 5:35 p.m. Members present included Chairman Randall Pugh, Vice Chairman Dave Ehrhardt, Board Member Shade Storey, Board Member Andy Goodman 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, Finance Director Judy Davis and Board Secretary Karen Johnson. Visitors included Merritt Melancon with The Athens Banner Herald, Claire Davis with The Paper and Consulting Engineer Rob McPherson.

AGENDA ITEMS DISCUSSED

Collection of Sewer Tap Fees and Maintenance Fees

Chairman Pugh explained that over the years there have been developers that have developed residential subdivisions. There were commitments on their behalf to pay JCWSA over a period of time with the intent of paying future tap fees that reserve sewer capacity for that development. Due to the economy some of those subdivisions were never developed and some of those tap and maintenance fees have come due.

Manager Klerk said that a policy for tap reservation and payment was established by the board in April of 2006. The policy states that JCWSA will collect a \$10 a month maintenance fee on empty lots once those lots stayed empty for three or more years. Manager Klerk said there are Wastewater Treatment Services agreements signed by developers that wanted sewer capacity. He explained that a minimum number of sewer taps are prepaid by developers upon the signing of the Agreement. He pointed out two different signed agreements that have balances due. Pendergrass Townhomes owes for 68 taps at \$5,000 a tap and this came due on or before January 29, 2008. The Knight Group owes for 170 taps at \$5,000 per tap. This balance is due on or before June 20, 2010. Chairman Pugh asked if either one of these developments are active. Manager Klerk said Pendergrass Townhomes is not active. He said Wescott Place (Knight Group) is an active development.

Attorney Smart said the contracts state you have three years to pay any tap fees that aren't paid up front. The consequences for not paying any remaining fees in the three years is any tap fees that have not been paid are subject to current tap fee rates in effect at the time of payment. He said that sets the remedy. He stated the Authority is released from being obligated to provide that additional capacity beyond the initial, or up front, capacity purchased. Attorney Smart said if we did sue for unpaid fees that the Authority would have to provide capacity.

Chairman Pugh asked if we would be in a position with a new owner of these properties to execute a new agreement. Attorney Smart said that is correct. He also stated the maintenance fees would apply to the new owner.

Chairman Pugh asked what the maintenance fee is for. Manager Klerk said the sewer stub outs periodically need some maintenance as they are prone to damage.

It was discussed how to possibly collect the maintenance fees going forward. Manager Klerk said this needs to be addressed now. He said it would take a lot of research to determine who owns the lots now since the tax maps can be up to two years behind.

Manager Klerk recommended to the board to follow through on collection of the maintenance fees. Member Goodman asked if a property can be sold if there is a lien on it. Attorney Smart said he did not know if we would be able to put a lien on the properties. He recommended putting out a public notice and notifying the current property owner.

Manager Klerk said the new buyers would have to come to JCWSA for water service and Attorney Smart said this would be a prime time to receive payment.

This matter will be put on the agenda for a resolution at next week's board meeting.

No action was taken.

Final review of Draft Hoschton Agreement

Chairman Pugh said we are now to the point where we are ready to review the final operating agreement between the Authority and Hoschton.

Manager Klerk said Mayor Denney and the Hoschton City Council will be attending next week's board meeting. He said it will be up to the board to decide the date of the approval for the final contract. Manager Klerk said we wanted to have it effective April 1st but Hoschton's board meeting is not until April 6th. He asked if the board would be comfortable making it effective April 1st but not signed by Hoschton until April 6th. Attorney Smart said we could make it contingent upon their signature.

Chairman Pugh pointed out there was only one change from the previous draft. He asked Manager Klerk if he is comfortable with the \$75,000 annual fee. Manager Klerk said he went through all the details he could think of and the Authority came out basically breaking even. He said the only additional monies would be for after hour's and emergency services. He stated this is a year-to-year renewable contract. Chairman Pugh asked Wastewater Manager Dudziak if he saw any pitfalls. Wastewater Manager Dudziak said as long as they keep up with their capitol expenses he is comfortable with the agreement.

Chairman Pugh said this matter would be tabled and put on the agenda for next week's meeting.

No action was taken.

Executive Session

Chairman Pugh said there is a need for an Executive Session for a personnel matter.

Member Goodman made a motion to go into Executive Session at 6:15 pm. Member Neelagaru seconded the motion.

Member Storey made a motion to come out of Executive Session at 6:45 pm. Vice Chairman Ehrhardt seconded the motion.

No action was taken.

Chairman Pugh adjourned the meeting at 6:46 pm.

Karen Johnson,
Board Secretary