

**Jackson County Water and Sewerage Authority**  
**Meeting Minutes**  
**November 9, 2017**

Chairman Dylan Wilbanks called the November 9, 2017 Jackson County Water and Sewerage Authority Board Meeting to order at 6:00 p.m.

Members present included Chairman Dylan Wilbanks, Board Member Christopher Nichols, Board Member Jim Smith, and Board Member Don Clerici.

Also present: Attorney Paul Smart, Manager Eric Klerk, Authority Engineer Joey Leslie, Finance Director Judy Smith, CIO/GIS Analyst Mike Johnson, Wastewater Manager Mark Dudziak, Water Manager Harold Garrison, Engineer Nathan Hester, and Senior Accountant Hope Weeks. Visitors included Cindy Edge, Mainstreet Newspapers and Mark Tugman, Authority Customer.

**Approval of Minutes**

Member Nichols made a motion to approve the October 12, 2017 Board Meeting Minutes.

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

Finance Director Smith presented the financials.

**Visitor**

*Mark Tugman Billing Dispute*

Manager Klerk explained Mr. Tugman filed a billing dispute regarding the amount of water used and disputing the \$50.00 meter testing fee.

Manager Klerk stated the customer signs the acceptance of the \$50.00 meter testing fee when they fill out the billing dispute. He also explained the meter data logger report shows the water usage, and the meter testing report came back fine. Therefore the \$50.00 meter testing fee is justified.

Mr. Tugman presented his case to the Board stating he felt the meter report from Delta is not viable and can't prove the water went through the meter.

The Board stood by staffs' decision of assessing the \$50.00 meter testing fee.

**Old Business**

*Budget Presentation*

Manager Klerk reviewed the budget items that were presented at the October meeting. He explained that in the budget there is a proposed 1% rate increase for all classes of water and sewer customers, the reasons are debt service requirements because of new debt being issued as

well as taking on more of the Bear Creek debt. He said that the intergovernmental agreement between JCWSA and Jackson County says that we will pay the debt if we are able. We have been paying 50% of the debt for the last year and will now take on 65%. He said we are ethically bound to pay our fair share. Manager Klerk said we also pay ancillary costs at Bear Creek over and above usage charges.

He said there is an increase in operating costs such as field utilities because of new assets (new sewage pump and lift stations) and DOT projects.

Chairman Wilbanks asked if it was anticipated that we would have a 3% increase in the coming years and the 1% increase now would help mitigate that impact. Finance Director Smith said that is correct.

Manager Klerk pointed out that the inflation rate is running a little over 2% and our budget has only increased 1% this year.

Finance Director stated our budget in 2015 did not include a rate increase but 2016 did.

Chairman Wilbanks asked why we didn't have a rate increase in 2015. Finance Director stated the Board at that time chose not to have an increase.

Chairman Wilbanks asked why this year, if the inflation rate is 2%, we did not increase the rates by 2%. Finance Director Smith stated our analysis showed we could do a 1% increase and stay steady but increase the percentage over the next several years.

Finance Director Smith stated we are currently going through a study to look at our connection fees and this is a better way to cover some of our capital outlay costs.

Member Clerici asked if we don't raise the rates what is the impact. Finance Director Smith said the immediate impact to the operating budget would be very little but it would impact the future. The average user impact would only be about .27 cents a month. She stated a percentage or two at a time would hurt less than if you had to do a larger increase like 5 or 10%.

Member Clerici said he supports the budget but not the rate increase this year. He said he would support a 2% next year.

Member Nichols said to clarify the purpose of the 1%, this is to ensure we won't have to raise it more in the coming years.

Chairman Wilbanks stated regarding the 1% increase, since it doesn't impact the budget his feelings aren't necessarily strong for it but does not want to be in a position that we would have to do a 10% or so increase in the next few years. He said he is happy with the budget the staff has put together.

Finance Director stated we will have to raise the rates in the next two years. She stated any increase in revenue goes directly into capital reserves.

Member Nichols made a motion to approve the 2018 JCWSA budget minus the 1% rate increase.

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

Attorney Smart clarified the 1% rate adjustment is now zero.

## **New Business**

### *Recommendation of Award for Water SCADA*

Manager Klerk stated the Authority had started the RFQ process for the SCADA for our water system. He stated we received two complete responses.

Engineer Leslie stated we sent proposals to four firms. He said we had a mandatory pre bid meeting and only two firms attended, J.K. Duren and MR Systems. He said both firms submitted a scope of work based on our wishes explained to them in the pre bid meeting. Engineer Leslie stated this is very complicated and you have to spell out everything you want to get an accurate price.

He said both bids are very close but price is not the only thing we go by. He said for this project, staff feels MR Systems is most qualified.

Engineer Leslie said two items that are not totally necessary have been eliminated to stay within budget.

Member Clerici made a motion to approve the proposal from MR Systems in the amount of \$78,956.00 and allow Manager Klerk to execute this notice of award and other necessary contract documents

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

## **Managers Report**

Building Update – slab completed and building being delivered next week.

Next Board Meeting – possibly at the wastewater plant.

December Meeting – historically we do not have a December meeting.

Chairman Wilbanks stated he received a letter that the Authority's Comprehensive Financial Report for 2016 qualifies for the Certificate of Achievement for Excellence in Government Financial Reporting. He stated the Authority has received this award since 2007.

With there being no further business to discuss, the meeting was adjourned at 7:00 p.m.

Karen Johnson,  
Board Secretary