

# Jackson County Water and Sewerage Authority

## Meeting Minutes

January 9, 2014

Chairman Ehrhardt called the January 9, 2014 Jackson County Water and Sewerage Authority Board Meeting to order at 6:00 p.m.

Members present included Chairman Dave Ehrhardt, Vice Chairman Shade Storey, Board Member Pat Bell, Board Member David Lathem and Board Member Joe Hicks. Also present: Manager Eric Klerk, Attorney Paul Smart, Engineer Joey Leslie, Water/Wastewater Manager Mark Dudziak, CIO/GIS Analyst Mike Johnson, Finance Director Judy Smith and Board Secretary Karen Johnson. Visitors included Katie Cofer Main Street Newspapers and Tom Crow BOC Chairman.

### Approval of Minutes

Member Bell made a motion to approve the December 12, 2013 board meeting minutes and the December 30, 2013 called meeting minutes.

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

### New Business

#### *Election of Officers*

Chairman Ehrhardt said it is the time of year to elect the following positions: Chairman, Vice Chairman, Treasurer and Secretary.

Attorney Smart said the floor is open for nominations for each position.

Chairman: Dave Ehrhardt was nominated by Shade Storey and seconded by Pat Bell. The motion carried with no objection and all board members present voting.

Vice Chairman: Shade Storey was nominated by Dave Ehrhardt and seconded by David Lathem. The motion carried with no objection and all board members present voting.

Secretary: Karen Johnson was nominated by Shade Storey and seconded by Pat Bell. The motion carried with no objection and all board members present voting.

Treasurer: Judy Davis was nominated by Pat Bell and seconded by Dave Ehrhardt. The motion carried with no objection and all board members present voting.

### *BOC Chairman Tom Crow - Annexation*

BOC Chairman Tom Crow stated on December 20, 2013 the BOC received a letter from the City of Arcade informing the county that they would be annexing property in the South Jackson area. Chairman Crow said he wanted JCWSA to be aware of this because it will have an impact on the water authority due to utilities in the area. He asked the Authority for any assistance they might be able to offer in regards to this matter.

Several residents of the South Jackson area in attendance voiced their concern and disapproval of the annexation.

Member Bell asked if this would be a conflict with HB 489. Chairman Crow said not at this time because they are not currently proposing a water system.

Manager Klerk pointed out on a map how heavily invested (several million dollars) the Authority is in that area. He clarified that the City of Arcade has a conditional permit from the EPD to build and operate a wastewater treatment plant. He said the Authority found out about this long after the fact and they are likely claiming sewer service by virtue of the state permit. Manager Klerk said in September Arcade advertised in the newspaper for someone to fund, design, build and operate their entire sewer system. He said he did not know if Arcade has taken any action. Manager Klerk said operating a sewer system is expensive and usually subsidized by a water system. He stated that in the future Arcade could possibly have a competing water/sewer system with us.

Chairman Ehrhardt pointed out the potential impact this could have on the Authority and stated we need to protect our infrastructure.

Manager Klerk said we have given Arcade several "willingness to serve" letters with the most recent letter dated March of 2013. The letter has a two year expiration date. He said we have never been provided with any information on conditions outlined in these letters from Arcade. Manager Klerk said we have stated our position as the water and sewer provider for that area as far back as 2006.

Chairman Crow asked the residents opposing the annexation to express their opposition with the City of Arcade.

### *Proposed Fire Line Usage Charge Policy*

Manager Klerk said the Authority staff has come up with a plan on forming a policy for fire line metering problems. He stated the billing dispute with First Industrial Realty is what created this issue. Manager Klerk pointed out until this dispute, we were not aware that there was this much usage on fire lines. He said you would typically only see usage when the line is tested or there is a fire. He said we've found by-pass meters in some locations that were turned off and this has been corrected. Manager Klerk explained how we currently bill for fire lines and discussed the proposed changes to our fire line billing. Engineer Leslie explained how fire lines operate and are tested.

Member Bell asked if we will notify customers regarding the change. Manager Klerk said the effected customers will be given plenty of advanced notice. He said we will put an ad in the news paper, bill inserts, etc.

Manager Klerk said this policy would ensure that everyone is billed equally, assist us in conservation efforts, track unaccountable water and penalize customers that are using their fire line improperly. He said it could also enable us to yield more money in the future but the policy does what it's supposed to do, it should stay flat. He said we are hoping to encourage customers into compliance by having it set up this way. Manager Klerk said it would also help us keep the cost of our connection fees down.

A discussion ensued on the dollar amount for the penalty imposed. Chairman Ehrhardt asked the Authority staff to develop a policy to be presented as a draft at the next board meeting.

#### *Approval of Akers Road Water Line Extension*

Manager Klerk stated currently three (3) people have signed up and paid for service. He said we are under our \$8,340 per connection policy (presently at \$6,663 per connection).

Chairman Ehrhardt asked how many additional potential customers we could have. Engineer Leslie said seven (7).

Member Lathem made a motion to approve the Akers Road Water Line Extension as presented.

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

## **Old Business**

#### *First Industrial Realty Billing Dispute*

Manager Klerk said Water/Wastewater Manager Dudziak and Engineer Leslie met with First Industrial's building maintenance and their sprinkler system company. Karen Glover (First Industrial Realty) didn't show up for the meeting.

Manager Klerk said it was determined that; the meter tested accurate (\$500 for the test), the opportunity for meter usage was there, water did go through the meter and there is a history of "more than normal" usage. He stated and showed the board that our other fire line customers have significantly less usage.

Manager Klerk said he recommends we require First Industrial Realty pay the invoice but we waive all penalties. He stated this would make a total due of about \$7,983.02.

Member Bell asked if the tenant was able to explain the water usage. Engineer Leslie said they have one hydrant that is not even alarmed and they don't monitor this hydrant. Water/Wastewater Manager Dudziak said this hydrant shows a lot of usage on it.

Manager Klerk said they were reluctant to let us look around the buildings. Engineer Leslie said the sprinkler company for First Industrial tests only once a year.

Member Bell asked if they have been using water since this billing dispute. Finance Director Smith said their bills have gone back to standard usage.

Chairman Ehrhardt said he feels we should treat this like any other residential dispute.

Vice Chairman Storey made a motion to deny the billing dispute but waive the penalties.

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

With there being no further business to discuss, the meeting was adjourned at 7:28 p.m.

Karen Johnson  
Board Secretary