

# Jackson County Water and Sewerage Authority

## Meeting Minutes

November 13, 2014

Scan Date: 1-20-2015

Scan By: CS

Chairman Ehrhardt called the November 13, 2014 Jackson County Water and Sewerage Authority Board Meeting to order at 6:05 p.m. Members present included Chairman Dave Ehrhardt, Vice Chairman Shade Storey, Board Member David Lathem and Board Member Pat Bell. Also present: Manager Eric Klerk, Attorney Paul Smart, Finance Director Judy Smith, Authority Engineer Joe Leslie, CIO/GIS Analyst Mike Johnson and Water/Wastewater Manager Mark Dudziak. Visitors included Alex Pace, Main Street News.

### Approval of Minutes

The October 9, 2014 minutes will be approved at a later date.

Member Bell made a motion to approve the November 6, 2014 work session meeting minutes.

Vice Chairman Storey seconded the motion. The motion carried with no objection and all board members present voting.

### Old Business

#### *Authority Personnel Policy Manual*

Manager Klerk said the issue of random drug testing seemed to be the sticking point with the Board. He stated the proposed policy authorizes random drug testing on employees with safety sensitive positions only. Attorney Smart said case law supports this position.

Manager Klerk stated he was asked to look at the affect on our insurance. He read the following statement from the Authority insurance agent. *"This change will not impact the drug free program and credit you get on the workers compensation policy. And I agree with the change as a wise move. The only requirements on the workers compensation drug free credit is that new hires be drug tested and that post accident drug testing be done."*

Attorney Smart said legally this is the way to go. He stated that is where the law is. Attorney Smart stated this is the soundest legal policy. He said we will still test all employees upon hiring and under reasonable suspicion.

Finance Director Smith explained that currently random drug testing is done on a quarterly basis. She said typically three names are randomly pulled as well as the employees that hold CDL's.

Member Bell made a motion to approve the revised Authority Personnel Policy Manual as presented with the random drug testing for safety personnel only.

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

### *Authority Standards and Specifications*

Chairman Ehrhardt said there have been modifications presented to the Board regarding the Authority Standards and Specifications. He said he has been contacted by the development community asking for more time to review those changes. Chairman Ehrhardt said he feels we should give them another couple of weeks to look over the changes. He said that if they have any comments or requests to submit them to the Authority in writing within two weeks and we can act on it at our next board meeting.

Manager Klerk said staff was asked to do an analysis on the proposed bonding requirements as part of the Standards. He passed out a spreadsheet with the information. The Board discussed comparison of bonding requirements with other Georgia entities.

Manager Klerk said at this time, the Authority's bonding is based on \$20.00 per lineal foot with a minimum bond amount of \$20,000. He added that the Unified Development Code specifies \$15.00 per lineal foot of paved roadway.

Engineer Leslie stated the maintenance bond begins at the completion of construction of the project and the passing the Authority's inspection for the initial acceptance period.

Further discussion was tabled for review.

## **New Business**

### *Proposed 2013 Operating Budget*

Manager Klerk pointed out the following: The Georgia DOT and tower painting projects hit the operating budget. They are maintenance projects so that is why they are in the operating budget instead of the capital budget. He also pointed out that we are no longer getting the subsidy for sewer debt service from Jackson County Government. Manager Klerk said he is asking for three new employees for the water department. He said this is due in part to having the ability to operate and function in a timely manner as well as the overtime issue. Manager Klerk explained that we currently have four people and discussed their duties, pointing out we are spread very thin more times than not. He discussed multiple scenarios such as system leaks, water valves and fire hydrant repairs; subsequently we were left short and fell significantly behind in work completed due to a shortage of field personnel. Manager Klerk said our system is getting older and the maintenance is going to accumulate.

Chairman Ehrhardt said he spent some time with Manager Klerk looking at and discussing the budget. He said unfortunately we have to have a rate increase to be better prepared for the increase in customers and flow, such as adding needed staff and still meet our debt requirements. He said we can't fall behind in our debt service.

Chairman Ehrhardt discussed the need for three new employees and suggested changing it to two new employees and see how that goes.



Manager Klerk said his recommendation is three and he feels comfortable with that, but did say however finding three new people in one year would probably be difficult. He said two new employees would be okay. Chairman Ehrhardt stated we are charged to deliver safe water to this county and would hope we could get the two new people on board soon.

Chairman Ehrhardt asked if it would be possible to modify the rate increase. Finance Director Smith said "yes" and suggested 6% instead of 7%.

Vice Chairman Storey asked for clarification on revenues. Finance Director Smith explained her projected calculations and that she tries to be conservative on revenues and expenses.

Chairman Ehrhardt asked if we hire two additional people what our percentage of salaries and benefits will be. Finance Director Smith said 19.9% instead of 20.29%. Chairman Ehrhardt compared that to local governments across the U.S., stating the average percentage total of budget spent on salaries and benefits is approximately 41%.

Vice Chairman Storey asked if health insurance went up. Manager Klerk said it went up slightly. He said it was less than expected because we joined the Georgia Municipal Association and are part of a larger buying pool. Finance Director Smith said that line item also includes the accrued vacation payable.

Vice Chairman Storey made a motion to approve the 2015 proposed Authority Operating Budget with a 6% rate increase instead of a 7% rate increase and with two additional employees instead of three additional employees.

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

#### *Proposed 2013 Capital Budget*

Chairman Ehrhardt asked if there were any projects that could be moved to the following year. Manager Klerk responded by discussing the proposed projects and explaining why they were important to the Authority. He said if there is anything that can be sacrificed at this time that wouldn't affect us for a couple of years; they would be the East Jackson Pump Station Upgrade and the Georgia power Pump Station Upgrade.

Vice Chairman Storey asked about the request for new trucks. Water/Wastewater Manager Dudziak explained how the trucks would be disseminated and why the need for three additional trucks.

Member Bell made a motion to approve the 2015 proposed Authority Capital Budget with the removal of the East Jackson Tank/Pump Station Upgrade and the Georgia Power Tank/Pump Station Upgrade.

Vice Chairman Storey seconded the motion. The motion carried with no objection and all board members present voting.

## *Approval of On Demand Services Agreement*

Manager Klerk said this item ties into the Talmo Pump Station project. He said time is critical and, in May, the water consumption to Braselton will increase substantially. He said there is a long lead time when ordering pumps and you have to have all the engineering done to identify the pumps needed. He said Engineer Leslie put out a request for proposal (RFP) to our On Demand Engineers. Manager Klerk said we received a total of five responses and EMI was the lowest in costs and also very responsive. He said they have familiarity with our system and had no problem meeting our time line restrictions. Manager Klerk said he took the liberty of engaging them so we could have the work beginning immediately. He said the timeline is in the R.F.P. that Engineer Leslie sent out. Manager Klerk said the pumps need to be ordered before Christmas in order to be ready by next summer. He said what is needed from the Board by policy is to concur with staff's decision on choosing EMI. Manager Klerk said this project has to be done by next summer.

Chairman Ehrhardt asked when the completion date is. Water/Wastewater Manager Dudziak said June 12<sup>th</sup>.

Vice Chairman Storey made a motion to approve the On Demand Services Agreement with EMI and authorize Manager Klerk to sign and execute the contract.

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

## **Managers Report**

### WATER SYSTEM:

Talmo Pump Station design is already underway. Joey and Mike have been out doing flow tests for EMI. We are checking to see if we can save money using the pumps that were removed from the old Wheeler Cemetery Pump Station.

### WASTEWATER SYSTEM:

Presently our average daily flows at the MOWWTP are about 247,000 gallons per day, with peak flows over 300,000 gpd. The Authority has asked for, and expected to receive, a letter from TACG requesting capacity for a total of 125,000 gpd, which is another 60,000 gpd in capacity.

Concurrently with this request, the City of Jefferson has recently asked for up to 100,000 gpd capacity in our MOWWTP as early as this next spring. This stems from an intergovernmental agreement in effect since the year 2000.

Just today, 180 lots have been sold to a large national builder, not land speculator, at the "Seasons at Pendergrass" just north of I-85. All sewer has been paid for and approved (Authority owned). This equates to about 55,000 gpd for all 180 lots.

If these proposed flows happen, the plant will effectively be at its current permitted capacity.

In light of the above, in 2015 staff and I will be looking at implementing alternative capacity that would be cost very effective.

The most cost effective approach is to exercise our interest in the same intergovernmental agreement, and plan on getting all wastewater flow generated north of I-85 to Jefferson's I-85 wastewater plant. The Authority will still be looking at committing at least \$500,000.00 to this endeavor based on preliminary in-house engineering.

With there being no further business to discuss, the meeting was adjourned at 7:55 p.m.

Karen Johnson  
Board Secretary