

## Jackson County Water and Sewerage Authority

### Meeting Minutes

June 11, 2015

Chairman Ehrhardt called the June 11, 2015 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 Joe Hicks, Board Member Pat Bell and Board Member Dylan Wilbanks. Also present: Attorney Paul Smart, Finance Director Judy Smith, Authority Engineer Joe Leslie and Water/Wastewater Manager Mark Dudziak. Visitors included Alex Pace, Main Street Newspapers.

### Approval of Minutes

Member Bell made a motion to approve the April 9, 2015 board meeting minutes.

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

Chairman Ehrhardt discussed a few items regarding the Authority's year-to-date budget.

### New Business

1. a. City of Jefferson, Parks Creek Reservoir Allocation Agreement
- b. City of Jefferson, Parks Creek Reservoir Resolution Approving Allocation Agreement

Attorney Smart stated the Authority has not yet entered into an agreement with Jefferson on the Parks Creek Reservoir, but as part of the process Jefferson is undertaking issuance of bonds in the amount of 9.5 million dollars with 8 million dollars of the proceeds going to the land purchase for the Parks Creek Reservoir. He stated that per IRS code, in order for Jefferson to issue the bonds, it has to enter into an allocation agreement with all participants in the project. Attorney Smart said the Authority would have a 25% allocation of the capacity, but would only have 22% allocation of the debt service, if the agreement to do so was negotiated successfully, as stated in the allocation agreement. He said Jefferson has asked the Authority to approve an allocation agreement and a resolution approving/acknowledging the Parks Creek Reservoir Allocation Agreement.

Attorney Smart said this agreement and resolution will not commit the Authority to any monetary obligation at this point, but will simply acknowledge the allocation. He stated it will not add anything to the Authority's bottom line.

Finance Director Smith said the reservoir and treatment plant will belong to the city. She said the Authority is simply buying an allocation of the capacity from the reservoir and treatment plant. She stated there will be some on-going, or M&O, costs that will be covered in the agreement.

Member Bell asked how the M&O costs will be allocated to each participating member. She recommended that the costs be allocated to each member using a calculation of the amount of water used at that date and not strictly per the allocation to each member. Engineer Leslie stated that this could certainly be addressed during the negotiation process and made note of Mrs. Bell's recommendation.

Vice Chairman Storey asked if there was a minimum purchase of water. Engineer Leslie said he did not see a minimum purchase when he looked at the agreement.

Vice Chairman Storey made a motion to authorize the Board Chairman to execute the Parks Creek Reservoir Allocation Agreement as presented on behalf of the Authority.

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

Vice Chairman Storey made a motion to authorize the Board Chairman to execute and the Board Secretary to attest the Resolution Providing for the Allocation of Bonds as presented.

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

### **Executive Session**

Vice Chairman Storey made a motion to go into Executive Session for pending litigation at 6:25 p.m.

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

Member Bell made a motion to come out of Executive Session at 6:55 p.m.

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

No action was taken.

### **Managers Report**

Engineer Leslie updated the Board on several of the Authority's current projects.

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

Karen Johnson  
Board Secretary