

Minutes of January 28, 2008

Regular meeting was called to order at 7:00 p.m. in the business office at the Wastewater Treatment Plant. Present were Directors Kraynek, Ball, Dill, Schwartz, and O'Brien. Also present were Superintendent Mike Kelley and Secretary Jodi Mitchell.

1. Minutes of November 26, 2007

MOTION Schwartz/Kraynek: To approve the minutes of November 26, 2007, noting one typographical error on page 3.

ROLL CALL VOTE: AYES: Directors Kraynek, Schwartz and O'Brien

NOES: None

ABSENT: None

ABSTAIN: Directors Dill and Ball

Minutes of December 17, 2007

Typographical Correction: The spelling of Schwarz was changed to Schwartz in the roll call votes on pages 2, 3, 4 and 5

MOTION Schwartz/Kraynek: To accept the minutes as amended.

ROLL CALL VOTE: AYES: Directors Kraynek, Schwartz, Ball and O'Brien

NOES: None

ABSENT: None

ABSTAIN: Directors Dill

2. Communications

3. Public Comment

4. New Business

a. Wendy Boise, CPA

Presentation of 2006/2007 Annual Audit

Wendy Boise presented the 2006/2007 Annual Audited Financial Statements of the MCCSD. Overall, Wendy thought the District was financially solid, and the cash flow from operations was positive.

Wendy was pleased that the District started a plan for infrastructure and equipment replacement by doing a study of current replacement costs. She suggested that the District's plan be carried one step further by analyzing the amount by which the replacement costs would continue to escalate to determine how much the District should have in its reserves for those anticipated replacements. This analysis would require assumptions and constant annual review.

Wendy noted that due to the housing market and the state budget, the District's investment portfolio won't look as good next year. Property tax revenues and investment income would likely decrease, and it would be a tough year to set additional money aside for capital replacement.

Any increase in the annual budget would create a shortfall. Any increase in the equipment replacement fund would require introduction and adoption of an Ordinance to increase current monthly fees.

Director Schwartz asked if it would make sense to take pre-emptive action to repair areas within the District which may be prone to failure due to the age of the plant. Mike stated that the collection system was sound and the lines were cleaned and videotaped annually. Point repairs were made when necessary. The District would be adopting the FOG (Fat Oil and Grease) Program which is part of the Sewer Management Plan; an unfunded mandate ordered by the State. The program would attempt to eliminate grease from the sewer system. The District was also proceeding with a major repair to the collection line on Little Lake Road, and the outfall was recently repaired and videotaped.

Superintendent Kelley would prepare an equipment replacement list and a cost escalation schedule for Wendy's review.

5. Water Management

a. Administrative Groundwater Extraction Permit Approval

1. Devon King Billings, 10750 Lansing Street, APN 119-140-34

On December 21, 2008, administrative approval was issued to Devon King Billings, following the sale of real property. A 620 gallon per day allotment was established, according to the maps provided, for a 4-bedroom single family residence, a 1-bedroom second residence, and a guest cottage. The Board of Directors inquired about the property's use; specifically the guest cottage, which was labeled bedroom #5 on the floor plan. It was the Board's understanding that bedroom #5 was a shed, and questioned whether a second residence had been established on the parcel. The Board instructed staff to make inquiry with the County Planning & Building Department to determine the property use allowed. The application approval and allotment would be changed to reflect the current and present use on the property.

2. Patrick Flanagan, 45100 Ukiah Street, APN 119-232-10

Administrative approval was given to Patrick Flanagan, following the sale of real property. Mr. Flanagan established a Groundwater Extraction Permit for one 3-bedroom single family residence and issued an allotment of 260 gallons per day.

b. Hydrological Study Approval Extension

1. Steven Schumer, 10475 Hill Road, APN 119-120-67

The Board reviewed an application submitted by Steven Schumer for a Hydrological Study Approval Extension. Mr. Schumer's Hydrological Study approval would expire on January 28, 2008.

MOTION Schwartz/Dill: To accept the Hydrological Study Approval Extension Application from Mr. Schumer for property at 10475 Hill Road, and renew the permit approval for a period of two years.

ROLL CALL VOTE: AYES: Directors Kraynek, Schwartz, Ball, Dill and O'Brien

NOES: None

ABSENT: None

ABSTAIN: None

c. Discussion Regarding Meter Reading Compliance

The Board discussed meter reading compliance. It was reported that there were more than thirty property owners who were not submitting regular monthly water meter readings. Numerous letters have been sent to these individuals requesting monthly meter readings. Regular monthly meter readings are necessary to track water use month to month to determine extraction trends throughout the year. When a property owner only submits meter readings once a year, or quarterly, the District was unable to determine if the owner was over pumping the well during the dry summer months. Some residents may feel that readings were no longer needed, since the Stage 1 Water Shortage may soon be over.

Staff prepared a letter for property owners that have not sent in the required readings. The District would establish a process to encourage owners to submit monthly meter readings. Owners would be asked to submit a meter reading, and offer the District's service to have District personnel read the meter each month for their convenience, and a charge would be added to their billing statement. If a property owner refused to submit the requested information, District personnel would inform the property owner that District personnel would enter the property to read the meter, and bill the owner for the cost of the service. If

the property owner refused to allow District personnel to enter the property to read the meter, the issue would be referred to Legal Counsel to proceed with legal enforcement of the Ordinance.

6. Old Business ♦ None

7. Attorney ♦s Report

Attorney Jackson informed the District of a Notice of Trustee ♦s Sale he received by mail for property at 45116 Ukiah Street. He noted if the foreclosure went forward, it would affect the Certificate of Lien recorded against the property for \$787.20. Based on the notice of trustee ♦s sale there was a senior lien of approximately \$600,000.00, and the junior lien holder must ♦ buy out ♦ the senior lien holder in order to preserve its lien rights.

Secretary Mitchell noted there were three properties within the District that have been foreclosed upon, leaving the District over \$3,000 in debt for uncollectible monthly sewer use fees.

The Board discussed the options available to the District for collection of sewer use charges after they have become delinquent, which included making the unpaid charge a lien against the real property, disconnection of the premises from the sewer system, or collection by legal suit.

The Board discussed disconnection of a property from the sewer system when a property owner failed to pay the monthly sewer use fees. This was a concern to the Board because some establishments could easily accumulate a large sewer use balance over a period of months. The Board requested Attorney Jackson ♦s opinion regarding disconnection options and procedures, and also an opinion regarding tenant ♦s rights, and whether the District could collect monthly fees from a tenant, if the property owner refuses to pay for the service.

8. District Superintendent ♦s Report

Superintendent Kelley provided a Memo dated January 7, 2008 regarding the January 4 ♦ 5 power outage, and discussed the emergency generator, lift stations, communications, a truck crane, and improvements to the Main Street Lift station access road. Mike made recommendations for consideration; 1) installation of a new generator at the treatment plant that would automatically start and has the capacity to run the plant under a normal load, 2) install a generator at the Heeser Drive Lift Station, 3) improve access roads to the lift stations, 4) purchase a new crane for the service truck, and 5) upgrade the District ♦s existing radio system to improve emergency communications.

MOTION Dill/Schwartz: To start the process with other agencies regarding installation of a generator and housing at the Heeser Street ejector station, obtain a survey for road upgrades at the Heeser Street Ejector Station and Main Street Pumping Station, investigate an upgrade to the existing radio communication system, purchase a crane, and determine if a plant audit would be part of a generator sales proposal.

ROLL CALL VOTE: AYES: Directors Kraynek, Schwartz, Ball, Dill and O ♦ Brien

NOES: None

ABSENT: None

ABSTAIN: None

January Monthly Report

During the month of January, the treatment plant operated normally. Plant personnel performed routine plant maintenance and equipment repair. There was a significant power outage on January 4 ♦ 5 that did not cause any major damage to the system. Temporary pumps and emergency generators prevented sanitary sewer overflows at the lift stations and the plant during the outage although plant personnel had problems with the emergency equipment initially.

Aerator #1 and #2 have been rebuilt and will be reinstalled during February 2008.

No recycled water was transferred to the High School during the months of December 2007 and January 2008.

The District was modifying the new service truck. New emergency and work lights were being added to the truck. A rack had been ordered from Titan Enterprises that was made of aluminum. The lights would be mounted to the rack. Titan was also building vice and spare tire mounting brackets and a radio antenna bracket for the truck.

Staff took their regular monthly safety meeting online. The Safety Officer also conducted the monthly safety inspection of the plant.

9. Committee Updates

Superintendent Kelley requested that the plant operations committee meet prior to May to review the first two elements of the Sewer System Management Plan. Two Ordinances would require adoption for Sewer Use and Design, and FOG (Fats Oil and Grease).

The Finance Committee would also meet with staff to review the proposed 2008/2009 fiscal year budget for adoption prior to July 1, 2008. The proposed budget was normally reviewed at two public meetings prior to its adoption no later than June 30th.

10. District ♦s Secretary ♦s Report

Secretary Mitchell reported that the bulletin board had been removed outside the Post Office, so she was unable to post the agenda for the public meeting. She will search for a third posting place.

Secretary Mitchell reported that a \$60,000.00 Certificate of Deposit with Security Bank of Bibb County matured on January 19, 2008, at the rate of 5%. Bob Wheat with Edward Jones reinvested the funds at the rate of 4.3% with Washington Mutual to mature on 1/30/09. Since the District ♦s Money Market savings account held \$109,600.36, \$60,000 was invested into a new CD with Private Bank & TC/Chicago at the rate of 4.1% and maturing on 1/29/09. This left a \$49,000 balance in the District savings account. The next CD would mature on February 15 at 5.05% and February 29, 2008 at 3.45%.

Monthly Cash Disbursements

MOTION Schwartz/Dill: To approve total cash disbursements in the amount of \$59,064.28 for checks #8045 ♦ #8102, with the exception of voided check #8063.

ROLL CALL VOTE: AYES: Directors Kraynek, Schwartz, Ball, Dill and O ♦ Brien

NOES: None

ABSENT: None

ABSTAIN: None

Quarterly Report of Income and Expenses

The quarterly report of income and expenses ending December 31, 2007 reflected revenue of \$204,975 and expenses of \$146,660, leaving a net income for the current period of \$58,315. Total year-to-date revenue was 54% of the budgeted amount and expenses were 52%. A net income of \$14,578 was stated for the first 6 months of the fiscal year.

12. Matters from Board members

The meeting adjourned.

Respectfully submitted,

Jodi Mitchell
District Secretary