



## Manager's Agenda

### **Board Meeting**

July 16, 2007

#### ➤ **DOCUMENTS ATTACHED**

- Agenda
- Meeting Minutes
  - *June 18, 2007, regular monthly* (Board Agenda)
- Claim & Transfer Dockets
  - *June 2007* (Board Agenda)
- Monthly Financial Charts
  - *June 2007* (Board Agenda)
- Website Comment; customer via JNRU.org
  - *Customer complaint about "Customer Service"* (Manager's Agenda)
- Formal Comments; Tri-County Water District
  - *Manager's comments provided to IDEM during public comment period.*
- Document; Manager's notes
  - *Notes showing timeline of SBRs' in/out-of-service periods.*
- Letter; IDEM
  - *IDEM's response to the "Anticipated Bypass Report"* (Manager's Agenda)
- Letter; Manager's follow-up
  - *Letter dated July 6, 2007 responding to IDEM's letter with a status update.*

#### ➤ **GENERAL INFORMATION**

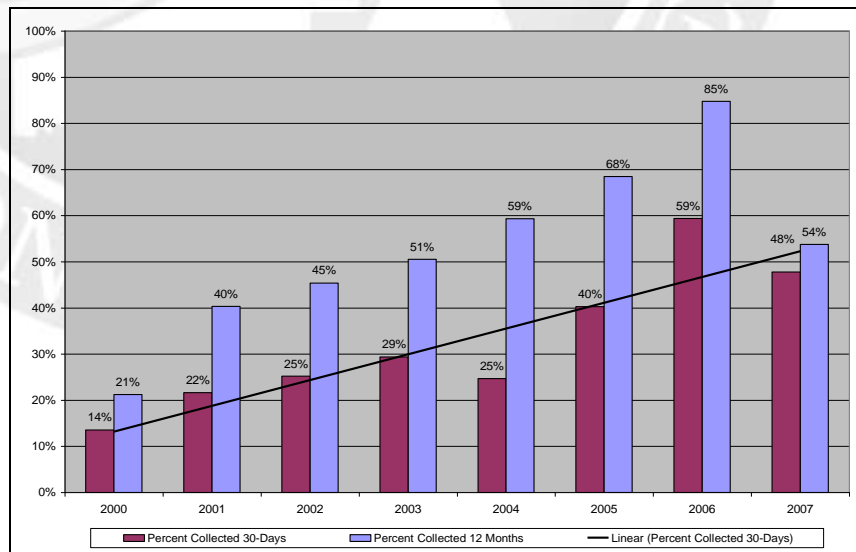
- Common Water/Sewer Department Issues:
  - **www.JNRU.org**
    - Recent updates/additions
      - Financial reports being reorganized
      - 2007 Summer Watering Program (Updated)
      - Surrounding Rates being placed on site with referenced rate ordinances/documents for other communities.
    - Upcoming Additions (Still to come..., but under construction behind the scenes)



- IDEM documents that show the progression of the Districts formation, board member appointments, and Agreed Orders.
- Engineering Reports for the Phase 1 Sewer Expansion, Hayden Sewer Project, Wastewater Treatment Plant Project, and the CSL Sewer Project.
- From the Manager... (I'm not even going to talk about it...)
  - Articles coming slow ...next topic: "Those !@#%\$^&\* Availability Fees", as customers' are calling them.

■ **Availability Fees**

- Collections thru LIENS; In 2006, liens were still only being placed on availability accounts that were more than one billing in arrears, simply because of the large backlog of outstanding accounts to process. In 2007, we planned to file liens on all accounts over 90-days. Procedurally, the steps in applying a lien are to research the account history, prepare account information for legal notifications, and send 60-day and 90-day letters, then Lien Notification letters once the liens are recorded. June 17, 2007 is the date that Availability accounts became 60-days in arrears. Availability accounts that were approximately 45 days in arrears are shown in the chart below:



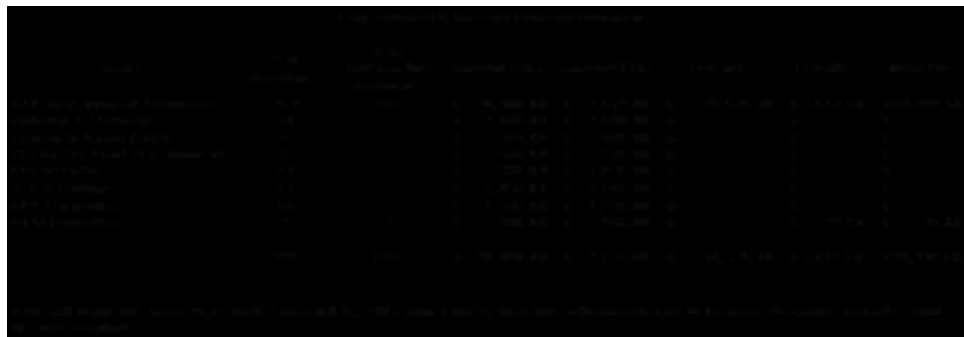
- Collections v. Budgets; The District needs to collect these revenues in order to meet budget forecasts for 2007. Availability Fees have



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obviously been difficult to collect for years, but this year [REDACTED], a fairly new speculative buyer, has not paid many of the Availability Fees due by his corporation. His corporation account alone accounts for arrears totaling \$20,380.80, as shown in the chart below:



○ Water Department

▪ **Customers for lower purchased water rates...**

- Jennings Water, Inc. (JWI) board meeting... Dave Brinkman and I attended the June 4, 2007 JWI board meeting to address JWI's high price of wholesale water. The JWI board and attorney listened and responded on occasion, but most members held their thoughts. We presented a considerable amount of information for them to review and consider and didn't necessarily expect them to be able to provide the answers we're looking for without some consideration and private discussion of the information presented. The topics and information discussed are listed below:

○ **Poor Representation!!!**

- Letter designating Dave and I to represent JNRU at JWI board meetings.
- Limited access to JWI board meetings. The JNRU board must designate its official representative for attending JWI board meetings in the form of a letter; *the manager cannot attend without a board member being present.*
- Who on the JWI Board represents JNRU?
- One vote for JNRU, for its customers, has no representative effect on the JWI board.
- One vote keeps JNRU from having any influence on the cost of purchased water; JWI's *wholesale* rate



appears to be subsidizing the *residential* rate; and probably has for a couple of decades.

- Limited access to board meeting minutes; JNRU is required to schedule a time to review the JWI meeting minutes at the JWI office and cannot have copies; JWI commented, after consulting with legal council, that they do not want their meeting minutes to leave their office because someone might change them.
- JNRU customers approached JWI about attending board meetings, but were rejected as not being a JWI customer.
- **Wholesale Rate???**
  - JNRU appears to have no right to pursue alternative (*competition*) sources of water without the (*written*) threat of legal ramifications being brought on by JWI.
  - Surrounding Utilities Rate Tiers explained and discussed
  - JWI offering the City a wholesales rate as low as \$2.30/1,000 gallons v. JNRU rate of \$4.15/1,000 gallons. City rejected JWI offer referencing their own study indicating the acceptable rate would be approximately \$1.85/1,000 gallons.
  - JNRU customers organizing a petition for lower wholesale cost of water and delivering it to State Representatives Dave Cheatum (District 69) and Terry Goodin (District 66).
- **Next JWI board meeting; address the following...**
  - JWI's threat of litigation..., and our interest in avoiding litigation.
  - JNRU's intent to review the North Vernon water rate study and JWI's rate studies and proposals.
  - JNRU's willingness to complete a water rate study on its own, which would require certain types of information from JWI.



▪ **Consumer Confidence Reports (CCR)**

- The CCR is an annual water quality report; it is currently being prepared for mail delivery to customers prior to July 1, 2007.

○ Sewer Department

▪ **Wastewater Treatment Plant (WWTP)**

- One Violation in May: One E-coli violation occurred in May that was caused by a loss of suspended solids from the No.2 SBR; cause unknown. Subsequently, we diverted flows from the EQ basin into the West lagoon, cleaned the EQ basin and UV bulbs, and monitored the process closely for additional problems until returning effluent flow to Outfall 002.

▪ **IDEM Agreed Order; WWTP / CSERP**

- Pending funding to complete projects.
- “Anticipated Bypass Report”
  - Oral report
  - Written report
  - Coordination of meetings with all parties to identify an economically feasible solution that can be implemented to get the WWTP into full compliance.
- Alternatives, as outlined in the Preliminary Engineering Study (PER) titled “*Wastewater Treatment Plant Improvements Project*” dated December 2005.
  - Alternative #1; No Action; Take no action. Allow existing conditions to deteriorate.
  - Alternative #2; Repair Existing SBR Basin; Install cover, heat exchanger, blowers and submerged diffused aeration system for SBR #1, repair existing liner in both basins.
  - Alternative #3; Repair liner in SBR #2 basin, replace SBR #1 basin with concrete tankage, heat exchanger, blowers, and submerged diffused aeration system.
  - Alternative #4; Abandon plant, install pump station at plant site and forced main from plant to North Vernon.
- Cost to Implement Alternatives
  - Alternative #1: .....\$0.00
  - Alternative #2: .....\$2,270,000
  - Alternative #3: .....\$2,520,000
  - Alternative #4: .....\$5,156,000



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- **Grants; The process begins ...**
  - May 31, 2007; Meeting to discuss coordination of assignments and responsibilities:
    - See meeting minutes
    - Assignments
      - Prepare a Fact Sheet and Contact List

**DOCUMENTS TO REMEMBER (Signed)**

- Board Meeting Minutes approval
  - **May 31, 2007:** ..... (Monthly Meeting)
  - **May 31, 2007:** ..... (Grant Meeting)
- Claim Dockets
  - **May 2007**
- DMR/MRO signatures
  - **May 2007 Reports**