



## Manager's Agenda

### **Board Meeting**

November 19, 2007

#### ➤ **DOCUMENTS ATTACHED**

- Agenda
- Meeting Minutes (Board Agenda)
  - August 20, 2007, monthly (revised)
  - October 15, 2007, monthly
  - November 7, 2007, executive
  - November 14, 2007, executive
- Claim & Transfer Dockets (Board Agenda)
  - October 2007
- Monthly Financial Charts (Board Agenda)
  - October 2007
- Ordinances (Mary Ann Gay will provide at meeting) (Board Agenda)
  - Asset Capitalization (5K)
  - Credit Card Policy
  - Water Dept.; Customer Deposits (2-year standard)
- Resolutions (Mary Ann Gay will provide at meeting) (Board Agenda)
  - Board Resignations
  - Manager's Employment Agreement; Buy-out & Renewal (see attachment)
- Document; Utility Manager (Board Agenda)
  - E-mail to Ed Whitaker referencing Severance Pay memo
  - Memo: Utility Manager's Employment Agreement; Buy-out and Renewal
  - Mgr's Agenda dated July 8, 2004 referencing inclusion of "Severance Pay" via legal opinions and responses.
  - Employment Agreement dated May 15, 2006 (current)
  - Employment Agreement dated November 19, 2007 (proposed)
- 2008 Budget (Board Agenda)
  - Budget documents for each department
- Document; 2006/2007 write-off list (Board Agenda)
  - Charts listing customer accounts with balances and reasons for being written off.
- Memo; Manager/Treasurer
  - Re. 2007 Paving Project, A cooperative project between JNRU and CSL
- Letter; from CSL Manager, Dave Maynard (original presented on June 18, 2007)
  - Letter explaining billing for "Dedicated Assessments"



- Quote, United Rental
  - *Trenching / Shoring Equipment*
- Letter, State Department of Health
  - *Letter addressing the fact that Jennings Water, Inc. has stopped adding fluoride to their drinking water.*
- Letter #5; Utility Manager
  - *Letter dated October 18, 2007, status update to IDEM regarding the “anticipated bypass”.*

➤ **GENERAL INFORMATION**

- Common Water/Sewer Department Issues:
  - **District Status**
    - **FINANCIAL CRISIS (Crisis-Causing Factors):**
      - Sewer debt; *still no relief in sight.*
      - Loss of customers; *six years of 2-3% loss of customers, although the current year is fairly stable.*
      - Loss of revenues; *customers are still not paying “Availability Fees” and new owners are worsening the trend at a devastating rate.*
      - High cost of purchased water; *still approximately 2-6 times higher than that of nearby utilities surveyed.*
      - Engineering studies; *high cost of completing multiple preliminary engineering reports.*
    - **BOARD POSITION POINTS**
      - No more rate increases; *this JNRU board will not raise rates simply to continue offsetting the financial crisis onto the CSL customer base.*
      - Debt relief; *must have to make rates reasonable.*
      - Grants; *no success with STAG, Lottery, or Rural Development grants. These will take a enormous amount of time and cooperative effort between State, County, District and legislators to accomplish. Not likely to accomplish prior to a default of the sewer bonds.*
      - Repairs; *SBR #1 was repaired as outlined in prior reports and letters to IDEM.*
      - CY 2008 Budget; *a preliminary 2008 Budget is prepared for board review and approval.*



- Staffing; *this JNRU board is doing all that it can to retain current employees and keep them informed of the imminent board-level changes.*
- Resignation; *the JNRU board is planning to resign effective March 1, 2008 seeing as how there has been no sign of financial relief to date.*
- **FINANCIAL OPTIONS:**
  - Raise Rates; *to the degree necessary to pay the SRF Sewer Bonds (and re-fund the DSR), operate and maintain the sewer utility, and complete necessary improvement projects.*
  - Don't Raise Rates; *don't pay the SRF sewer Bonds until the District receives debt relief or forgiveness.*
  - Don't Raise Rates; *pay the SRF Sewer Bonds (and re-fund the DSR), and operate and maintain the sewer utility by "cutting expenses".*
- **Resolutions**
  - **RESOLUTION 2007-1: BOARD RESIGNATIONS**
    - Effective date
    - Authorize someone to pay District bills
    - Specify whether Sewer Bond transfers are to be kept locally or with the Bank of New York (the current paying agent).
    - Specify that District staff or authorized payer for the District maintain a two-month cash-operating account balance when determining how much to pay toward SRF sewer bond payments or simply to pay the SRF bonds as required by bond ordinance.
    - Repair projects; priorities, equipment (i.e. Shoring equipment, backhoe, boring machine, etc...) and manpower.
  - **RESOLUTION 2007-2: MANAGER'S EMPLOYMENT AGREEMENT**
    - Buy-out and renewal; see attachments



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▪ **Ordinances**

- ORDINANCE 2007-3: ASSET CAPITALIZATION; establish a capitalization minimum limit, \$5,000 recommended based on prior policy.
- ORDINANCE 2007-4: CREDIT CARD POLICY; establish a process by which credit cards are used.
- ORDINANCE 2007-5: WATER DEPARTMENT, CUSTOMER DEPOSITS; establish a specific time limit for converting unclaimed water deposits to the utility operating fund.

▪ **2008 Budget (preliminary)**

- “See attachment”

▪ **Write –off List**

- These accounts are uncollectible due to the reasons outlined below:
  - Unable to locate customer,
  - New property owners in arrears, and/or,
  - Deceased customer.
- Previous write-off lists primarily addressed “availability fee” accounts, not “inactive water/sewer” accounts. This write-off list is mostly inactive user accounts in arrears from 2006 and 2007.

▪ **[www.JNRU.org](http://www.JNRU.org)**

- Upcoming Additions:
  - STILL PENDING “Home Page”; the current *Home* page contains facts about JNRU and its website; this information will eventually be relocated to the navigational text list on the left-side of the screen so that recent/upcoming news-worthy activity can be presented here.
  - New photos will also be added to the homepage.

▪ **Quote; United Rental**

- Trenching/Shoring equipment (See attached quote)

▪ **Utility Office Entrance Road; paving costs**

- See attached MEMO



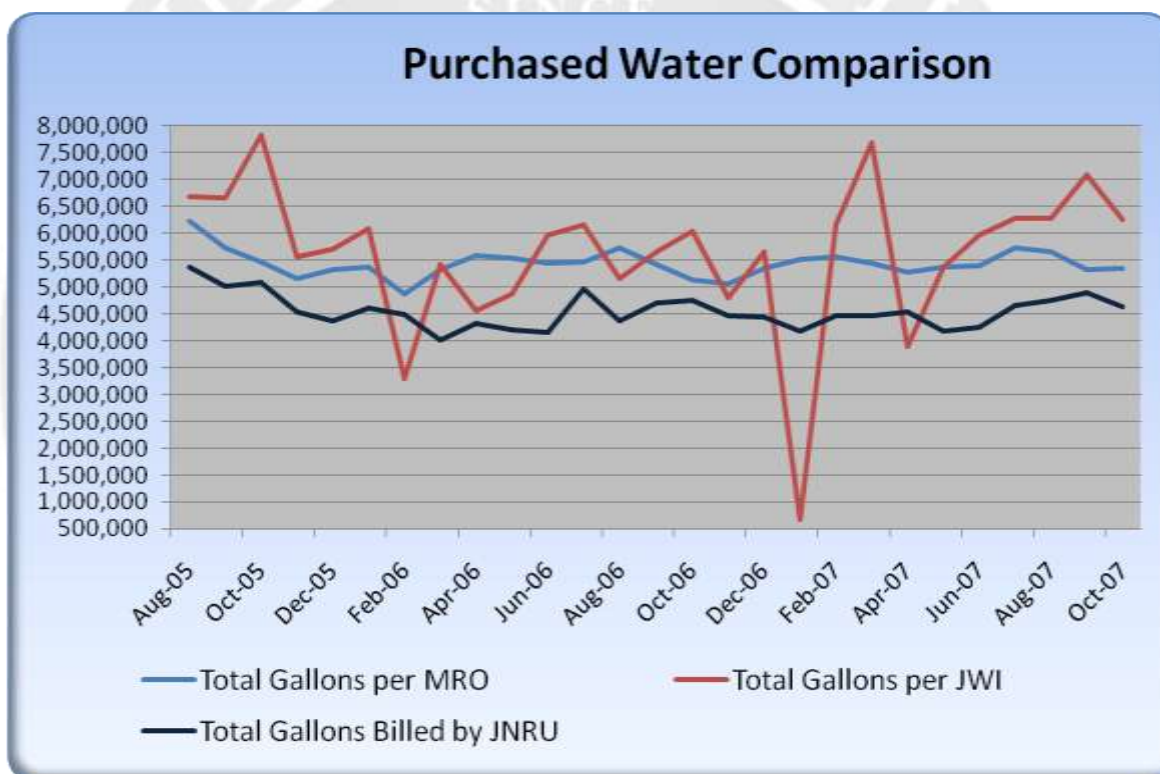
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○ Water Department

▪ **Jennings Water, Inc.**

- STATE DEPARTMENT OF HEALTH; letter stating their concern over Jennings Water, Inc. stopping water fluoridation. (See attached letter)
- BILLING HISTORY; tracking variations and looking for meter reading discrepancies, see chart below:



○ Sewer Department

▪ **Wastewater Treatment Plant (WWTP)**

- No Violations in October: we are currently emptying the lagoons and making process adjustments in preparation for winter operations.
- **WWTP Status Update #5**; this letter dated October 18, 2007 is the most recent update addressing the progress made over the past few months with regard to the “anticipated bypass”. (See attachment)



- **IDEM Agreed Order; WWTP / CSERP**
  - Pending funding to complete projects.
- **Debt Relief/Forgiveness**
  - State Revolving Fund (SRF) / Indiana Funding Agency (IFA) represented by Mr. Jim McGoff: I left a message for Mr. McGoff on November 13, 2007 requesting an update on the status of his efforts to coordinate special considerations for allowing the District some form of debt relief. Mr. McGoff's voicemail said that he would return to his office on Thursday, November 16, 2007.

➤ **DOCUMENTS TO REMEMBER (Signed)**

- Board Meeting Minutes approval
  - **August 20, 2007: .....(Revised)**
  - **October 15, 2007: ..... (Monthly Meeting)**
  - **November 7, 2007: .....(Executive Session)**
  - **November 14, 2007: .....(Executive Session)**
- Claim Dockets
  - **October 2007**
- DMR/MRO signatures
  - **October 2007 Reports**