

JOINT POWERS WATER BOARD MINUTES
Regular Meeting of
April 24, 2006
6:00 PM JPWT Plant Board Room

6:00 PM **Call to Order** by Chairperson Joyce Paullin

Board Members Present: Jerry Zachman, Joe Hagerty, Gerhardt Kottke, John Vetsch (6:04), Don Peterson

Board Members Absent: None

Staff Present: Chris Catlin, H.R. Green, Kelly Browning, Veolia Water NA, Shelly Keyes, Veolia Water NA

Staff Absent: None

MOTION BY PETERSON, SECOND BY HAGERTY TO ADOPT THE AGENDA AS PRESENTED. MOTION CARRIED UNANIMOUSLY.

There was no one present under the **Citizen Forum**.

MOTION BY KOTTKE, SECOND BY ZACHMAN TO APPROVE THE MINUTES OF THE MARCH 27, 2006 REGULAR MEETING. MOTION CARRIED UNANIMOUSLY.

MOTION BY HAGERTY, SECOND BY KOTTKE, TO APPROVE THE CONSENT AGENDA AS PRESENTED. MOTION CARRIED UNANIMOUSLY.

Under **Unfinished Business**, Browning introduced Steve McDonald of Abdo, Eick & Meyers and explained McDonald was available to answer any further questions the Board had regarding whether additional years' WAC fees should be audited. Zachman asked if all processes discussed at the March meeting had been implemented. Browning explained most procedures had been implemented back in November. WAC calculations are reviewed by JPWB staff/engineering and either accepted as a regular WAC fee based on the SAC manual or returned for the alternative WAC fee process application. WAC fee payments have been standardized so that each city submits information in the same format and Joint Powers staff can tie out permits and payments every month. In addition, an annual WAC fee audit will be completed along with the regular audit.

McDonald explained the annual WAC audit will be similar to the audit performed this year with focus on matching payments and permits. McDonald added the reasonableness test which Joint Powers staff applied to 2001/2002 WAC fees provides an accurate "big picture" comparison of water connections to revenues received. Variances are most likely timing differences between permits being issued by each city and money being received by Joint Powers in the next year. McDonald stated the key to the reasonableness test was the use of source documents provided by each city, and on the basis of the reasonableness test, he recommended no additional audits are necessary. General discussion followed regarding whether each city and their staff would be satisfied with the findings. McDonald commented that every small city has unique procedures so it's very important to get processes in place that can be monitored in spite of any software or employee changes, which seemed to be lacking with Albertville's bookkeeping errors. McDonald added the current processes will accomplish that goal.

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Browning asked the Board to take formal action regarding whether additional audits are needed and provide the basis for their decision. Zachman asked if the reasonableness test was a reliable decision-making tool and McDonald explained the methodology behind the test was solid, based on the fact that data from each city was used.

Peterson expressed concern whether the St. Michael City Administrator would be satisfied with the Board decision and stated that in the future, if city staff has concerns regarding payments or documentation, he would like to see the issue brought to the Board, by the Board Members, instead of a letter being sent. Vetsch added he felt some unfair statements were made and then retracted, causing hard feelings. Zachman replied he thought the statements made were between the city administrators in the course of conducting daily business, while the letter addressed St. Michael's concern over a significant amount of money. Peterson agreed the amount was significant but commented that instead of having the city administrator write a letter, St. Michael Board Members could just bring the administrator's concerns directly to the Board. Browning added that quarterly JP staff/city staff meetings should take care of communication issues between all staff. Additional discussion followed. MOTION BY HAGERTY, SECOND BY KOTTKE TO ACCEPT THE AUDITOR'S OPINION THAT NO FURTHER AUDITS ARE NECESSARY (AT THIS TIME) ON THE BASIS OF THE REASONABLENESS TEST. MOTION CARRIED UNANIMOUSLY.

There was no **New Business**.

Under **Engineering**, there were no discussion items.

Under **Operations/Office**, Browning requested Board approval to reschedule spring hydrant flushing for completion with the fall hydrant flushing. Browning explained the new equipment startup at the water plant and the Highway 241 project have required additional staff scheduling to handle those workloads, making it difficult to schedule hydrant flushing. In addition, staff did not feel it appropriate to flush hydrants during sprinkling restrictions. Zachman asked if the flushing was to clear the lines and Browning explained that with the current water quality, the main reason for hydrant flushing is to exercise the hydrants and perform minor maintenance or necessary larger repairs. Peterson asked if there was a safety concern associated with rescheduling the hydrant flushing and Browning noted the regular hydrant schedule is above industry standard. There are no hydrants in the Joint Powers system which are not operational and all hydrants have been operated within the last year. Catlin added hydrant maintenance has been a high priority with Browning's staff and he is comfortable with the schedule change from an engineering point of view. After further discussion, Board Members agreed by consensus to allow the spring hydrant flushing to be completed with the regularly scheduled fall hydrant flushing.

MOTION BY PETERSON, SECOND BY KOTTKE TO APPROVE THE LIST OF CLAIMS AS PRESENTED. MOTION CARRIED UNANIMOUSLY.

MOTION BY KOTTKE, SECOND BY ZACHMAN TO ADJOURN AT 6:22 P.M. MOTION CARRIED UNANIMOUSLY.

Recording Secretary