

METROPOLITAN LYNCHBURG MOORE
UTILITY DEPARTMENT
BOARD MEETING
OCTOBER 8, 2024

The Metro Utility Board meeting scheduled for October 8, 2024, at 6:00 P.M. was called to order by Barry Posluszny, Vice Chairperson. Members' present: Glen Thomas, Charles Johnston, Darrel Richards, and Greg Guinn.

Visitors: Moore County News, Lynchburg Times, Kenneth Fly, Rance Fry.

September 10, 2024, board meeting minutes were not provided due to technical difficulties with the recording. Barry Posluszny provided an overview of the September 2024 board meeting for minutes to be generated and approved at the November 12, 2024, board meeting.

Kenneth Fly: Late fee assessment. Mr. Fly explained a recent situation in which he received an automated phone call stating his bill was past due resulting in him visiting Metro Utility Department to inquire about the late charge. Mr. Fly explained that he had not received a bill and voiced his concern about having to pay a late charge. He stated after he left the water department, he visited the Post Office to determine if they were having issues delivering bills. The Post Office staff told Mr. Fly they've heard complaints from individuals not receiving their water bills. He asked the Post Office why that is and they explained they weren't sure because they received mail in bulk and separate it out to appropriate location. Mr. Fly continued detailing his visit to the Water Department where he asked office staff how many late charges were charged in September 2024. Office staff explained that over 200 customers were assessed late charges in September. Mr. Fly expressed his concern in customers being charged late charges when they may not be receiving a bill. He had received his most recent bill in the mail on October 8th and brought it with him to the meeting. Mr. Fly mentioned that he noticed there was not a post mark on the bills; therefore, there is no way for him to know when the bills were mailed. Barry Posluszny asked Mr. Fly if this was the first time he had not received a bill in which Mr. Fly responded this was probably the third time this year he has not received a bill from the Metro Utility Department. Darrel Richards asked if there are usually two hundred people who receive late charges each month. Katie Goodwin responded there are usually two to three hundred penalties that we put on accounts every month. Mr. Johnston stated that would be about right. He stated Monster Broadband had close to the same number of customers and that's approximately how many late fees they would assess each month. Katie Goodwin stated typically the week before lock-offs, M.U.D staff calls around 160 customers reminding them their bills are due. The question was asked how many people a month do we hear from stating they do not receive a bill. Katie Goodwin said there were plenty of people who state they never received a bill, or they will receive them after the penalties have already been added to the account. Charles Johnston asked why there wouldn't be a post mark on the bills. Barry Posluszny explained that mail sent in bulk does not receive post marks. Mr. Fly asked if we knew how much it cost per customer to outsource the billing. Mr. Johnston explained he recently conducted his own research to

determine the cost difference in outsourcing the printing and mailing of bills verses in house processing. To his surprise, the cost difference each month was very close in outsourcing the process and conducting it in-house. Mr. Greg Guinn mentioned that the cost didn't take into consideration the manpower we would need in office to conduct this process. Mr. Glen Thomas made mention that he spoke with the Post Office also and he received the same information as Mr. Fly in that the complaints they received were regarding water bills. Mr. Thomas mentioned that M.U.D's due date is the 15th but Duck Rivers due date is the 20th. He stated it might make a difference if our customers had an extra 5 days to pay their bills before penalties are assessed. Greg Guinn asked if we were to look back for several months, do the same customers receive penalties each month. Katie Goodwin confirmed that most months penalties are assessed to the same accounts. Darrel Richards asked out of the customers who received penalties how many complain about the penalties being assessed? Katie responded that very few complain. Katie also went on to explain that M.U.D staff were aware of the delay in delivery of the September bills. She stated customers didn't begin to receive bills until the 9th of September; therefore, a decision was made to allow customers until the 19th of September to pay their bill without penalty. Mr. Fly said it doesn't matter how long you wait to put penalties on if people aren't getting their bill. Mr. Thomas verified that Mr. Fly never received his September 2024 bill. Mr. Posluszny explained that we have been aware of the delay in customers receiving their bills, even though he personally has not received bills until a day or two before they are due. He went on to explain that he signed up to receive automated notifications when the bills are completed on the last business day of the month. Mr. Thomas asked if we could extend the due date by 5 days to combat the issue of the delay in the receiving bills. Katie Goodwin stated she wasn't opposed to that possibility. Mr. Posluszny asked if we had a policy stating that the bills had to be due on the 15th of the month or if we could change the due date. He left the final decision up to the office staff if we thought the customers would benefit from extending the due date by 5 days.

Jack Daniel assessment fee: Ronnie Cunningham stated he called our attorney, Michael Wall, to see if he had the later written to send to Jack Daniel's regarding the assessment fee. Mr. Wall responded that he wasn't clear if moving forward with the assessment fee had been approved at prior meetings. Ronnie looked back at the previous minutes and could not find a meeting where it was voted on to move forward. Mr. Glen Thomas stated he was under the impression that the Comptrollers office told us we needed to charge an assessment fee, but he was under the impression that we would be receiving a letter from them detailing the assessment fee. Darrel Richards asked what the assessment fee was for and Mr. Cunningham explained that since Jack Daniels was 55% of our business, it was recommended that we charge a fee to help fund the infrastructure of the lines and strain Jack Daniels places on our system. Barry Posluszny mentioned he wasn't sure how the amount of the fee was determined by staff. Greg stated that the amount of the fee was recommended by the state. Glen Thomas made a motion to approve getting Jack Daniels to pay an impact fee (\$396,000/per year). He stated he would also like to get a letter from the Comptrollers office making the recommendation of this fee assessment per the audit review. Greg Guinn seconded the motion. During further discussion, Mr. Thomas asked if this would be a fee charged for one year or would it continue in the coming years. Mr. Posluszny asked if the fee would be recalculated each year based on their usage or would

it be a static fee or \$396,000 each year. Mr. Cunningham is under the impression that it is a static fee that would remain the same. Mr. Guinn reiterated that all documentation supporting the decision of an impact fee should be submitted to Jack Daniel's along with the letter written by Attorney Wall. In the future, if there is an increase in the fee, it will be due to receiving additional recommendations from the state. At that time, the staff and board would review to make a final determination. No further discussion.

Roll Call Vote: Glen Thomas—Yes. Charles Johnston—Yes. Greg Guinn—Yes. Darrel Richards—Yes. Barry Posluszny—Yes.

Engineer's Report: Bryant was unable to attend the meeting. Ronnie Cunningham informed the board that Bryant would be meeting with Tullahoma and Winchester in the upcoming weeks about buying water. Mr. Cunningham also stated that a meeting with Rogers Hydrant was coming up regarding the Water Line Replacement in town and the potential of having to move the water line some due to a drainage tile. An update on Cates Booster Station was given. It was originally supposed to be up and running the week prior to the board meeting; however, there was a delay in getting the State's approval of the electrical inspection. The pre bid for the sewer project is scheduled for October 24, 2024, at 2:00 p.m. Opening bid is scheduled for November 5, 2024, at 2:00 p.m. Mr. Thomas asked where the money was coming from for that project. Mr. Cunningham stated that Mayor Stewart had everything approved to fund the project using ARPA funds. Greg Guinn asked which engineering company we were using for the project. It was explained that we have to complete the project with LJA Engineering. He asked if Bryant would help us with the project and Mr. Thomas explained he wouldn't be able to since we began the project with LJA Engineering.

Manager's Report: A sample work order for ¾" and 1" meter sets were given to each board member detailing the inventory cost for each. He explained that currently fee associated with this type of work order is \$150 for all meter sets. Mr. Cunningham explained that the cost of inventory has gone up and the fee we charge to set a meter doesn't cover the cost of inventory. Mr. Cunningham asked the board to raise the fee associated with setting a meter. Barry Posluszny left the final decision on price up to Ronnie. Mr. Cunningham agreed with a previous suggestion in making the ¾" meter set fee \$350.00 and the 1" meter set fee \$500.00. Greg Guinn made a motion to raise the meter set fee from \$150.00 to \$350.00 for ¾" meter and \$150.00 to \$500 for 1" meter. Charles Johnston seconded the motion. All in favor. None opposed.

Roll call vote: Glenn Thomas—Yes. Charles Johnston—Yes. Greg Guinn—Yes. Darrel Richards—Yes. Barry Posluszny—Yes.

Ronnie handed out the updated contract for The Retreat At Whiskey Creek revised by Attorney Michael Wall. Mr. Cunningham asked that each board member take the revised copy of the contract home to review and discuss so that it can be voted on at the November board meeting. Barry Posluszny asked if we had our meeting with eSource. Ronnie explained we had a meeting in September and also have an upcoming meeting in October regarding the distribution side of things. Greg also asked if we had ordered Kamstrup meters to begin changing the meters in town. Ronnie stated we had ordered and received 400 meters and began changing those out. Mr. Guinn asked if we could provide a certain

number of meters that have been changed out in town so that he can follow the curve in noticing if water loss begins to decrease. There was no further discussion regarding the manger's report.

Mr. Thomas asked for an update on the businesses being charged residential rates being changed to commercial rates. Barry explained we still needed to send out notices to these individuals informing them of the rate change. Katie Goodwin asked Mr. Thomas if he wanted office staff to come up with the letter to send to customers or is that something we needed Michael Wall to write for us. Barry Posluszny said he recalled a call with Mr. Wall where it was explained since M.U.D already has a policy detailing these rates, that office staff could write the letter in house. Glen Thomas also wanted to make a motion that we hire the county attorney as Metro Utility's attorney. Barry explained that Bonnie Lewis placed the utility under Michael Wall due to a conflict of interest in Metro Utility using the same attorney as the county general. Mr. Posluszny suggested that Mayor Stewart attend the next meeting to further discuss the topic.

Glenn Thomas had questions about a few line items provided on the profit & loss comparison report provided. Katie Goodwin stated she would investigate the questions he had and provide an explanation.

Election of new board officers:

Gleg Thomas nominated Barry Posluszny as Chairman.
All in favor- None opposed.

Barry Posluszny nominated Greg Guinn for Vice Chairman.
All in favor – None opposed.

With no further business, Charles Johnston made a motion to adjourn. Seconded by Greg Guinn. All in favor. None opposed.

The meeting was adjourned at 7:12 p.m.

Barry Posluszny, Chairman