



Daphne Utilities

APPROVED MINUTES

Utilities Board Meeting

City of Daphne Council Chambers ♦ February 27, 2008 ♦ 5:00 p.m.

I. CALL TO ORDER

The February 27, 2008, regular Board meeting for the Utilities Board of the City of Daphne was called to order by Chairman Robert Segalla, at 5:00 p.m.

II. ROLL CALL

Members Present: Robert Segalla, Chairman
Ron Scott, Vice Chairman
Lon Johnston, Secretary Treasurer
Fenton E. Jenkins – arrived at 5:04 pm

Others Absent: Fred Small, Mayor

Others Present: Jerry Speegle – Board Attorney
Rob McElroy – General Manager
Danny Lyndall – Operations Manager
Teresa Logiotatos – Finance Manager
Deloris Brown – Human Resources Manager
Drew Klumpp – Adm. Services Manager
Lori Scharles – Executive Assistant

Tim Patton, Engineer - Volkert
Ray Moore, Engineer – HMR

Others Absent:

III. PLEDGE OF ALLEGIANCE

The Chairman led the Board and meeting attendees in the Pledge of Allegiance.

IV. APPROVAL OF MINUTES

a. *Utilities Board Minutes from January 2, 2008:*

The Chairman inquired if additions, deletions or corrections were recommended for the Minutes from the January 2, 2008, Utilities Board meeting. Chairman Segalla made one recommendation on page 3-VIII Financials to change the word “corruption” and then entertained a motion for approval.

MOTION BY Mr. Johnston to approve the Utilities Board of the City of Daphne minutes from the regular Board meeting conducted January 2, 2008; Seconded by Mr. Scott.

AYE: SEGALLA, SCOTT, JENKINS, JOHNSTON,

ABSENT: SMALL

MOTION CARRIED

b. Utilities Board Minutes from February 19, 2008. Special Meeting:

Chairman Segalla entertained a motion for approval.

MOTION BY Mr. Scott to accept the Utilities Board of the City of Daphne minutes from the Special meeting conducted February 19, 2008; Seconded by Mr. Jenkins.

AYE: SEGALLA, SCOTT, JENKINS ABSTAIN: JOHNSTON ABSENT: SMALL MOTION CARRIED

V. OLD BUSINESS

a. Park City Service Agreement:

Mr. Speegle informed the Board that after making the changes that Park City Attorney Tim Grogan requested, the Park City Water Authority would not approve of the agreement. Chairman Segalla stated that Daphne Utilities should proceed with the necessary action to collect the delinquent sewer fees from Park City Water customers'. Mr. Scott asked what the next action would be. Mr. McElroy explained that, using Mobile Area Water and Sewer Service's model, the homeowner would be given the option to authorize Daphne Utilities to install an in-line water cut-off valve on the homeowner's side of the meter, at no cost to the homeowner, and grant in writing for Daphne Utilities the right to turn off the water with Daphne Utilities valve if the homeowner does not pay the sewer. He explained that if the homeowner refuses this option, Daphne Utilities has the legal right to dig up the homeowner's sewer line and install an in-line cut-off valve on the sewer line, which would result in much more exorbitant fees for which the homeowner would be liable. Mr. McElroy further clarified that in cutting off the sewer would require Daphne Utilities to inform the Board of Health, which would result in the Board of Health to declare the home uninhabitable without sewer. Mr. Scott asked if Daphne Utilities has met with the leadership group from the community that frequently attends zoning meeting and suggested doing so. Mr. McElroy stated that he has plans to meet with the community. Mr. Scott also suggested getting the appropriate council member who represents that area involved in a dialog with the citizens of that community. Mr. Speegle explained that the contract with Park City is very simplistic and is binding until 2017 and as such, these contracts are the most difficult to break or cancel. Mr. Scott commented on the amount of time spent on this issue and urged to do whatever is necessary to resolve this debt. Mrs. Brown addressed the Board to recommend to them speaking to the residents to educate them of this situation, either by letter or a community meeting. Chairman Segalla agreed that the residents need to be aware of the legalities of the impending measures that will take place to settle the situation and suggested to work out the details with Mr. McElroy for such a meeting within 60 days.

b. Wells 10 & 11 Construction Update:

Mr. McElroy updated the Board regarding the stormwater run-off issues at the Daphne High School and Trojan Storage tank that the bids were awarded. He reiterated that we agreed with the School Board to split the actual construction cost in half with them for the relocation and it is moving forward.

c. Items in Abeyance:

1. **Gas Franchise Agreement** – no updated information.
2. **19 Acres** – no new development.
3. **Daphne High School Stadium** – Mr. McElroy informed the Board that he and several professionals have studied the 6-month collected data and formulated an agreed-upon methodology to determine the capacity fees for the Jubilee Stadium (Daphne High School Stadium) at \$13,250.00. He stated that he has sent written notification to Mike Keating of the Baldwin County Board of Education and that when the work is completed for the storm-water run-off project, payment will be made for the difference to Daphne Utilities.

VI. NEW BUSINESS –

a. Proposed Advertising at Trojan Field:

Mr. McElroy advised that after reviewing the proposed advertising contract with Doug Gresham of the Daphne High School Quarterback Club, a counter-proposal of \$3,000/year for 5-year contract was offered to them. Mr. McElroy commented that the only issue to be resolved involved the placement of some of the Daphne Utilities' banners and that he and Mr. Gresham were planning to work out the details of this issue within the next two weeks. Chairman Segalla commented that a three-year contract is preferable but noted that Mr. McElroy did not need Board approval for this contract because it is within his authority. Mr. McElroy stated that this is within the budget and that the budget would not require amending.

VII. BOARD ATTORNEY’S REPORT

Mr. Speegle stated that Executive Session would be needed to discuss legal matters, and that he had nothing further to add to his report.

VIII. FINANCIAL REPORT

Teresa Logiotatos reviewed the Financial Report for January 2008. Mr. Scott questioned how the tap fees were determined. Drew Klumpp explained that the customer provides the data for projected consumption for which the tap fees are calculated and final adjustments are made when the actual usage is determined. Mrs. Logiotatos continued her review of the Financial Report and explained to Mr. Scott’s question of the Miscellaneous Payments that they are non-recurring payments and grouped in the category.

IX. GENERAL MANAGER’S REPORT

a. GM Report

Mr. McElroy pointed out for the Board of the additional publication exposure of the Lend-A-Hand program and thanked Mr. Scott for his assistance in this effort, and also noted the billing insert that was mailed to our customers. He continued informing the Board of the upcoming groundbreaking event at the Elizabeth Yelding Park located behind the Daphne Utilities’ main office. Chairman Segalla gave praise to the announcement of Daphne Utilities’ 100% drug-free drug screenings that were performed in February. Mr. Scott commented about the Lend-A-Hand program and comparisons to how other utilities enacted this program.

b. Operations Report

Mr. Lyndall reported to the Board of the updating of various buildings that include painting and landscaping, and also noted that a maintenance project at the Wastewater Reclamation plant concerning a leak was completed without expected delay. Chairman Segalla asked how much of the plant equipment break-down is due to faulty maintenance over the years to which Mr. Lyndall replied that much of the repairs are due to deferred maintenance because of the aged equipment that continues to be used. Chairman Segalla remarked of Kenneth Johnson’s activity with the Code Enforcement and asked him if he is getting good cooperation from the business owners. Mr. Johnson stated that he is getting “very good cooperation” and that it hasn’t been very hard to get them on board because they are very interested in environment. Chairman Segalla thanked and complimented him on a good job.

Mr. Tim Patton was present to review the Volkert Project Status Report. He elaborated on the status of the Production Wells project

Mr. Ray Moore was present to review and discuss with the Board the HMR Project Status Report.

X. BOARD ACTION – Mrs. Logiotatos briefly summarized and updated on the status of the Swap Agreement with AMBAC on the 2000 Series Bond. No Board Action was required.

XI. PUBLIC PARTICIPATION – Mr. Paul Soutullo addressed the Board to ask for assistance in obtaining reimbursement from a plumber who charged him for work on his tap that was already in place. He then notified the Board of property for sale that is not hooked up to the sewer after he had paid for the sewer connection and there is no enforcement of sewer connection. He wanted to bring that to the attention of the Board. Chairman Segalla stated that he was not able to give him legal advice or any official advise as a Utility Board member, but if it were his situation, he would consider small claims court. Mr. McElroy stated that connection or non-connection of the city sewer is a city ordinance and suggested Mr. Soutullo check with Mr. Kirby who is the enforcement arm of that ordinance, or the Mayor’s office.

XII. BOARD COMMENTS – None

XIII. EXECUTIVE SESSION –

MOTION BY Mr. Scott to go into Executive session to discuss legal matters at 5:55 pm. Seconded by Mr. Johnston. Executive session concluded at 6:10 pm.

AYE: SEGALLA, SCOTT, JOHNSTON, JENKINS

ABSENT: SMALL

MOTION CARRIED

XIV. ADJOURNMENT:

MOTION BY Mr. Scott *to adjourn the meeting. Seconded by Mr. Johnston.*

AYE: SEGALLA, SCOTT, JOHNSTON, JENKINS

ABSENT: SMALL

MOTION CARRIED

The meeting adjourned at 6:11 p.m.