



# Daphne Utilities

## APPROVED MINUTES

### Utilities Board Meeting

City of Daphne Council Chambers ♦ May 30, 2007 ♦ 5:00 p.m.

#### I. CALL TO ORDER

The May 30, 2007, regular Board meeting for the Utilities Board of the City of Daphne was called to order by Chairman, Mr. Segalla, at 5:00 p.m.

#### II. ROLL CALL

**Members Present:** Robert Segalla, Chairman  
Ron Scott, Vice Chairman  
Lon Johnston, Secretary Treasurer  
Fred Small, Mayor  
James "Bo" White

**Members Absent:**

**Others Present:** Rob McElroy – General Manager  
Danny Lyndall – Operations Manager  
Jerry Speegle – Board Attorney  
Rebecca Williamson  
Cedric Goodloe  
Lori Scharles – Executive Assistant  
Melinda Immel, Engineer– Volkert  
Tim Patton, Engineer – Volkert  
Ray Moore, Engineer – HMR

**Others Absent:** Deloris Brown – Human Resources Manager  
Teresa Logiotatos – Finance Manager

#### 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 April 25, 2007**

The Chairman inquired if corrections or editorial editing was recommended for the Minutes from the April 25, 2007, Utilities Board meeting. The Chairman requested a spelling correction of Mr. Lon Johnston's last name on Page 3 of the April 25, 2007, minutes.

**MOTION BY Mr. Johnston to approve the Utilities Board of the City of Daphne minutes from the regular Board meeting conducted April 25, 2007; Seconded by Mayor Small.**

**AYE: ALL IN FAVOR**

**NAY: NONE OPPOSED**

**MOTION CARRIED**

## V. OLD BUSINESS

### a. *Park City Agreement:*

Mr. Speegle notified the Board that the proposed agreement was forwarded to Park City and advised that Mobile attorney Mr. Tim Grogan is the new council for them and would be reviewing the agreement. Chairman Segalla inquired if Mr. Grogan had a problem with our agreement to sell Park City water. Mr. Speegle advised that Mr. Grogan has never seen the agreement. Mr. Scott asked if collection problems are a major part of the agreement. Mr. Speegle responded that it is a major motivator to enter into the proposed agreement to continue to provide services including billing, and also to include the authority to cut off water service for non-payment of entire bill. Mr. Scott asked if a timeline was given. Mr. Speegle stated that Mr. McElroy would make the decision when enough time has been given to consider the agreement and if an when it appears that Park City does not want to work with Daphne Utilities, at that time Park City Water will be responsible for reading their own meters, line repairs, and ultimately sewer disconnects to force a decision. Mr. Scott reminded that six months has elapsed with this agreement and that a deadline needs to be in place for a decision on the agreement. Mr. McElroy explained that since Park City does have new counsel, adequate time for review should be given. Mr. Scott suggested that action be taken in 90 days. Mr. Johnston remarked that the Utilities Board Attorney should indicate to Park City that the Board is expecting action on this within the 90 days. Mr. Speegle agreed and said he would pass that message along.

### b. *Land Swap / Surplus Sale:*

Mr. Speegle stated that all the necessary paperwork has been sent to the closing agent and expects the transaction to close within the next week. Chairman Segalla remarked that a few topics of discussion were missing, such as the 19 acres – Utilities Board Property that was placed on hold but was still active. Mr. McElroy stated that this item is on hold until the other issue has been resolved. Chairman Segalla also stated that the other topic he wanted to continue to appear on the agenda was the Gas Franchise.

## VI. NEW BUSINESS

No New Business discussed for this meeting.

## VII. BOARD ATTORNEY'S REPORT

Mr. Speegle stated that there were some issues to review in executive session. He also notified the Board that the boundaries with Belforest Water System have been adjusted by agreement and that he is in the process of drafting a petition to the Circuit Court to change the Belforest boundary line order to include the last agreement. He stated that since the boundary agreement was entered as a court order, the Judge would have to change it. He said that the representative for Belforest suggested to ask the Judge to grant Daphne Utilities and Belforest Water System authority to change the boundaries by agreement.

## VIII. FINANCIAL REPORT

Rebecca Williamson reviewed the highlights of the Financial Reports. Vice Chairman Scott suggested that the Financial Highlights accurately reflect the detailed figures as well as a more detailed explanation of the negative and positive variances for Total Expenses under "Budgetary Comments". Chairman Segalla asked about the Restricted Assets – Inventory – Gas Appliances. Mrs. Williamson responded that she would investigate and advise the Board via e-mail. Vice Chairman Scott made favorable comments regarding the remainder of the Financials. Mr. McElroy reviewed the detailed Natural Gas Services hand-out with the Board.

## IX. GENERAL MANAGER'S REPORT

### a. *GM Report*

Mr. McElroy informed the Board of the Water Conservation Plan – Phase I enacted in May. He provided and explained a detailed graph of past and current Water Demand for Daphne and informed the Board that new wells should be planned and prepared for with the water demand that the City of Daphne's growth will be facing. Mr. Johnston inquired as to agreements with neighboring municipalities in instances of emergencies. Mr. McElroy informed him that he has been in contact with the Fairhope Utilities director to work out an agreement that addresses water emergencies, as well as other areas. Chairman Segalla stated that the feeling of the Board is not to bundle utilities in any situation.

Mr. McElroy also informed the Board that positive media coverage still continues, most recently with WKRG's

County Road 5. Chairman Segalla suggested that the Water Conservation Plan may need small revisions. Vice Chairman Scott asked that customers be informed of future actions and plans to address Water Conservation measures and stressed improving communications with the community. Mr. Johnston inquired as to what is planned for pay practices in order to avoid loss of personnel. Mr. McElroy explained that annual pay raise evaluations take place in September to be effective for November, but that he was unaware of salary pressures causing employee loss. Mr. Johnston added that he is more attentive to this situation after incidents occurring with the Fire Department and Police Department. Mr. McElroy assured him that Daphne Utilities is running a good operation with a team that works well together and opportunities for advancement. Chairman Segalla agreed with approving comments. Vice Chairman Scott asked when work on the budget will begin. Mr. McElroy stated that work begins typically around August.

Vice Chairman Scott then referred back to the discussion of additional wells and the cost of a well. Melinda Immel explained the various costs incurred involved in drilling for a well.

**b. Operations Report**

Mr. Lyndall informed the Board that long-time employee, Vanna Trott, passed her Grade II Certification. He also praised Larry Jackson for taking action with a contractor on a building site to avoid damage to a water line and effecting water service to neighboring businesses. Chairman Segalla expressed appreciation for Mr. Jackson's foresight and Ms. Trott's determination. He also commented on the landscaping at the Eastern Shore Centre and the partnership with them to maintain the landscaping.

Melinda Immel reviewed the Volkert status report with the Board.

Ray Moore also reviewed the HMR status report with the Board. He also informed the Board and Utilities staff of plans for Spanish Fort to install a new tank in their area.

X. **BOARD ACTION** – None

XI. **PUBLIC PARTICIPATION** – None

XII. **BOARD COMMENTS** – None

XIII. **EXECUTIVE SESSION**

*MOTION BY Vice Chairman Scott to go into Executive Session to discuss pending legal matters at 6:00 pm. Seconded by Secretary Johnston. Executive Session concluded at 6:40 pm.*

**AYE: ALL IN FAVOR                      NAY: NONE OPPOSED                      MOTION CARRIED**

XIV. **ADJOURNMENT**

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

**AYE: ALL IN FAVOR                      NAY: NONE OPPOSED                      MOTION CARRIED**

**The meeting adjourned at 6:41 pm.**