



Daphne Utilities

APPROVED MINUTES

Utilities Board Meeting

City of Daphne Council Chambers ♦ October 31, 2007 ♦ 5:00 p.m.

I. CALL TO ORDER

The October 31, 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

Others Absent: Fenton E. Jenkins

Others Present: Jerry Speegle – Board Attorney
Rob McElroy – General Manager
Teresa Logiotatos – Finance Manager
Drew Klumpp – Adm. Services Manager
Lori Scharles – Executive Assistant
Melinda Immel, Engineer– Volkert
Ray Moore, Engineer – HMR

Others Absent: Danny Lyndall – Operations Manager
Deloris Brown – Human Resources Manager

III. PLEDGE OF ALLEGIANCE

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

NOTE: Drew Klumpp arrived at 5:04 pm.

IV. APPROVAL OF MINUTES

a. *Utilities Board Minutes from September 26, 2007:*

The Chairman inquired if additions, deletions or corrections were recommended for the Minutes from the September 26, 2007, Utilities Board meeting. Chairman Segalla requested a correction to be made reflecting Mr. Scott's late arrival notation instead of noting him absence.

MOTION BY Mayor Small to approve the Utilities Board of the City of Daphne minutes from the regular Board meeting conducted September 26, 2007; Seconded by Mr. Johnston.

AYE: SEGALLA, JOHNSTON, SMALL, SCOTT

ABSENT: JENKINS MOTION CARRIED

V. OLD BUSINESS

a. Park City Service Agreement:

Mr. McElroy advised the Board that a reply letter from Park City's Attorney Tim Grogan was received and has proposed revisions to the contract. He stated that he and Mr. Speegle will review the letter in detail and prepare a response.

b. Land Swap / Surplus Sale:

Mr. Speegle indicated that this item has been completed. Chairman Segalla stated that this item could be removed from the agenda.

c. Rick Fine Agreement:

Mr. McElroy informed the Board that Mr. Fine declined to enter into the option agreement formally as presented. Chairman Segalla advised Mr. McElroy to be aware that Mr. Fine does not attempt to advertise the property.

d. Step-by-Step Hiring Procedure

Cedric Goodloe addressed the Board that Mrs. Brown and he had met with the managers and conducted an orientation of the Step-by-Step Hiring Procedures. Chairman Segalla requested this item to be carried forward and to include the Procedure in the Board packet for review in order to be voted upon.

e. Items in Abeyance:

1. **Gas Franchise Agreement** – this item is a discussion for the City Council. Mr. Speegle stated that he has talked to the City Attorney, Jay Ross, and has received information from him and that while Mr. Ross is working on the issue, has not given a final opinion on where he stands. Mr. Scott indicated that he had emailed Mr. Ross regarding this issue and anticipates this issue to be discussed at an upcoming City Council meeting. Mr. Scott also informed the Board and staff that sewer was becoming available at County Highway 64 from Baldwin County Sewer Service and questioned the City right-of-way. Mayor Small noted that the City right-of-way begins on Hwy. 64 just to the east of County Road 13. Mr. Scott noted that sewer was being installed in front of Austin Business Park. Mayor Small stated that he would check on this matter. A discussion took place regarding a sewer franchise.
2. **19 Acres** – no new development.
3. **Daphne High School Stadium** – Mr. McElroy reported that discussions regarding the Agreement continue with Doug Gresham and others at the Stadium, and Daphne Utilities' banner will be displayed at the upcoming football games. A discussion ensued relative to the usage and capacity readings of the Stadium.

VI. NEW BUSINESS

a. FY 2008 Budget Consideration (discussion held until end of meeting in anticipation of Mr. Jenkins arrival)

Mr. Johnston updated the Board members of the recent Finance Committee meeting and recommended to the full Board for approval of the Budget as presented with the requested revisions. Mr. Scott commended the staff on the presentation of the Budget and the explanations. Further discussions took place relative to deferred maintenance, rate increases and rate study.

MOTION BY Mayor Small to approve the 2007/ 2008 BUDGET as presented with the requested revisions. Seconded by Mr. Scott.

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

b. Wells 10 and 11 Construction Updates

Mr. McElroy advised the Board of a 30-inch, City-installed pipe aimed directly at the wells that are currently being drilled causing stormwater from fertilized and pesticided fields to wash over the well-head. He indicated that the pipe in on school property and that contact was made with Melvin McCarley for direction of a solution but that Mr. McCarley was unable to act on the problem. Chairman Segalla expressed concerns of contaminating the water supply at these two wells and suggested that necessary arrangement need to be taken. Mrs. Immel explained this issue and how to correct the problem. The Board suggested that a letter to the School Board be written about this problem.

VII. BOARD ATTORNEY'S REPORT

Mr. Speegle commented that Alabama Title completed the title search for the Utilities Board properties and forwarded a hard copy to the main office for review.

VIII. FINANCIAL REPORT

Teresa Logiotatos reviewed the Financial Report for October, 2007, for the Board. Mr. Scott and Mayor Small commended the staff for the 20% increase on sales. Mr. Scott also commented that money should be spent on deferred maintenance and re-investing on the known infrastructures that are in need of maintenance. Mr. Johnston pointed out that this was a key topic of discussion at the Finance Committee meeting as well as the need to define how much area is yet to be covered on sewerage that will bring in capacity fees (Chairman Segalla reminded that these specific capacity fees in which Mr. Johnston referred had been frozen at the time the Ordinance to do the City and are substantially less than today's capacity fees.)

IX. GENERAL MANAGER'S REPORT

a. GM Report

Mr. McElroy notified the Board of a problem occurring with Well #5, but that the staff and Volkert are investigating to correct the problem and at this time, no water shortages are being contributed to the problem. He pointed out to the Board of the new bottled water to be used for upcoming community events and also mentioned upcoming Board meeting dates conflicting with a holiday. The Board suggested the December meeting be held after January 5, 2008.

b. Operations Report

Nothing further was added to the Operations Report.

Mrs. Immel explained the distributed Proposed Amendment to the standard specifications and that approval action should be included in the November agenda.

Mr. Moore advised the Board that HMR now has ready for review the sewer-mapping proto-types and will be forwarding this to Danny Lyndall.

X. BOARD ACTION – None

XI. PUBLIC PARTICIPATION – None

XII. BOARD COMMENTS – None

XIII. ADJOURNMENT:

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

AYE: ALL IN FAVOR NAY: NONE OPPOSED ABSENT: JENKINS MOTION CARRIED

The meeting adjourned at 6:07 p.m.