



Daphne Utilities

APPROVED MINUTES

Utilities Board Meeting

City of Daphne Council Chambers ♦ September 26, 2007 ♦ 5:00 p.m.

I. CALL TO ORDER

The September 26, 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
Fenton E. Jenkins

Others Absent:

Others Present: Jerry Speegle – Board Attorney
Rob McElroy – General Manager
Deloris Brown – Human Resources Manager
Drew Klumpp – Adm. Services Manager
Rebecca Williamson – Accounting Assistant
Lori Scharles – Executive Assistant
Melinda Immel, Engineer– Volkert
Ray Moore, Engineer – HMR

Others Absent: Danny Lyndall – Operations Manager
Teresa Logiotatos – Finance Manager

III. PLEDGE OF ALLEGIANCE

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

The Chairman then revised the order of the agenda.

IV. APPROVAL OF MINUTES

a. *Utilities Board Minutes from August 29, 2007:*

The Chairman inquired if additions, deletions or corrections were recommended for the Minutes from the August 29, 2007, Utilities Board meeting. Chairman Segalla requested that the Motion to enter into Executive Session on Page 4 be corrected to reflect that Motion was made by Mr. Johnston.

MOTION BY Mayor Small to approve the Utilities Board of the City of Daphne minutes from the regular Board meeting conducted August 29, 2007; Seconded by Mr. Johnston.

AYE: SEGALLA, JOHNSTON, SMALL, JENKINS

ABSENT: SCOTT

MOTION CARRIED

Note: Mr. Ron Scott arrived at the meeting at 5:05pm.

V. NEW BUSINESS

a. Introduction of New Board Member – Fenton E. Jenkins:

Chairman Segalla introduced and welcomed Fenton E. Jenkins as the replacement Board member for Bo White.

b. Presentation to James “Bo” White:

Chairman Segalla thanked Bo White for serving as a Utility Board member and congratulated him on his appointment to Daphne Fire Chief. Mr. McElroy then presented Mr. White with a plaque in appreciation of his support, dedication and hard work while serving as a Daphne Utilities Board member.

c. Presentation by Jim Sisson of Vantage Associates:

Mr. Jim Sisson of Vantage Associates presented to the Board his findings of the recent research he conducted for Daphne Utilities in defining the objectives and goals for the management and supervisory staff. He highlighted that the intent of the research was to communicate, share and gain feedback from the management and supervisory staff on the 2008 Strategic Plan that had been previously drafted, and to plan for the future of Daphne Utilities and make appropriate changes to the Strategic Plan in order to grow in a positive direction. He commented that he felt that Daphne Utilities is further along in the cultural change that is necessary for growth. Chairman Segalla suggested Mr. Sisson should plan for another visit in a year’s time to follow up.

d. Election of Board Officers:

Chairman Segalla called for nominations for the position of Chairman. Mr. Johnston suggested Chairman Segalla remain in the position for the upcoming year. Mr. Scott called for discussion whereby he commended Chairman Segalla for his dedication to the position and commented that the Board should keep in mind of a replacement that would be able to have the “hands-on” interaction required. Chairman Segalla remarked that he subscribed to Mr. Scott’s concerns of the lack of involved citizens. Mr. Scott pointed out that the vote for Chairman Segalla’s nomination was unanimous. Chairman Segalla recommended that the officers of the Board remain as is, no other nominees were given.

MOTION BY Mayor Small to continue the current officers in their positions for the up-coming year.

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

VI. OLD BUSINESS

a. Park City Service Agreement:

Mr. Speegle advised the Board that he was awaiting a letter from Park City’s Attorney Tim Grogan requesting the Attorney General’s opinion on liability and that other than that, nothing has transpired.

b. Land Swap / Surplus Sale:

Mr. Speegle suggested this item be removed as the he had received the deed today and will be recorded the following day.

c. Rick Fine Agreement:

Mr. McElroy informed the Board that he had transferred negotiations with Mr. Fine to Mr. Speegle, who stated that he had nothing further to add to his report other than that Mr. Fine has refused the offer.

MOTION BY Mr. Johnston to close the deal as presented to Mr. Rick Fine. Seconded by Mayor Small. Motion was amended to include a closing letter with a 48-hour response to Mr. Fine from Mr. Speegle on behalf of the Board.

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

d. Pay Scale Adjustment

Mr. McElroy reported that upon meeting with the Finance Committee and determining that adjustments can be made on a "case by case" basis, but the Pay Scale Adjustment as a whole will be tabled until next year.

e. Step-by Step Hiring Procedure

Mr. McElroy reported that this is the current procedure and the question of classifying this as a procedure or policy change required Board action to ratify. Mrs. Brown commented that recommended changes relating to clarification of temporary positions and non-budgeted position at last month's Board meeting had been made. An updated copy was requested to be distributed to the Board for review and include on the Agenda for October, 2007, on which to be voted.

f. Items in Abeyance:

1. **Gas Franchise Agreement** – this item is a discussion for the City Council. Mr. Speegle explained that he has reiterated to City Attorney, Jay Ross, that the Daphne Utilities Board is quite interested in obtaining exclusive gas franchise agreement and is asking consideration from the Council to grant the request.
2. **19 Acres** – no new development.
3. **Daphne High School Stadium** – Mr. McElroy reported that water measurements are being performed as well as an advertising proposal had been forwarded to Doug Gresham of the Daphne Quarterback Club.

VII. BOARD ATTORNEY'S REPORT

Mr. Speegle commented the Verizon lease has been signed and the first payment is due October 1st. He also stated that the title search is on-going. Mr. Speegle explained that an Executive Session is needed to review pending litigation but advised that he had an upcoming trial that he was preparing for and requested to hold Executive Session before 6:30 pm.

VIII. EXECUTIVE SESSION

MOTION BY Mr. Scott adjourn to Executive Session for the purpose of discussing pending litigation. Seconded by Mr. Johnston. Executive Session concluded at 6:07 pm.

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

IX. FINANCIAL REPORT

Rebecca Williamson reviewed the financial report with the Board. Mr. Scott inquired to the loss relative to the net income for the month of August, 2007, and asked for details. Mr. Johnston requested that budget information be provided to the Board members after the recommended updates and also to include the long-range plan.

Mr. Speegle updated the Board regarding the Park City letter from Mr. Grogan that was just received. He stated that they have agreed to everything that was proposed, would like to request the Attorney General's office for an Opinion on the agreement, and have drafted a contract that will be delivered to Mr. Speegle in two weeks.

X. GENERAL MANAGER'S REPORT

a. GM Report

Mr. McElroy presented the plans for the lot behind the Daphne Utilities main office for the Board's review and recommendations.

b. Operations Report

In Danny Lyndall's absence, Kenneth Johnson reported to the Board his encounter with a commercial customer whereby during his routine monthly sampling, his readings were not corresponding with the facilities' readings. Mr. Johnson explained that he investigated the differences and contacted the grease hauling company to find that the person who supposedly pumped the commercial customer's grease trap in fact did not. Mr. Johnson stated that the program is effective and appreciated by the commercial customers.

Mr. Scott commented on the participation of the Daphne Dog Park and inquired as to signage. Mr. McElroy explained that appropriate Daphne Utilities' signs are in place.

Chairman Segalla began a discussion regarding a sewer backflow policy.

Mrs. Immel updated the Board of the recent bid award for the Construction of Treatment Facility for Well Nos. 10 and 11. Mr. McElroy commented that even though only 2 bids were received, the bids tabulations were comparable but both proposals were higher than estimated.

MOTION BY Mr. Scott approve the bid package for the Construction of Treatment Facility for Well Nos. 10 and 11 as submitted by The Creel Company, Inc. Seconded by Mr. Johnston.

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

Mrs. Immel also updated the Board on the progress of the Highway 90 Sewer Project and a discussion took place regarding the project.

Ray Moore reviewed the HMR status report with the Board.

- XI. **BOARD ACTION** – None
- XII. **PUBLIC PARTICIPATION** – None
- XIII. **BOARD COMMENTS** – None
- XIV. **ADJOURNMENT:**

MOTION BY Mr. Johnston to adjourn the meeting. Seconded by Mr. Scott
AYE: ALL IN FAVOR NAY: NONE OPPOSED MOTION CARRIED

The meeting adjourned at 6:43 pm.