



Daphne Utilities

APPROVED MINUTES

Utilities Board Meeting

City of Daphne Council Chambers ♦ April 29, 2009 ♦ 5:00 p.m.

I. CALL TO ORDER

The April 29, 2009, regular Board meeting for the Utilities Board of the City of Daphne was called to order by Chairman Robert Segalla, at 5:07 p.m.

II. ROLL CALL

Members Present: Robert Segalla, Chairman
Ron Scott, Vice Chairman
Lon Johnston, Secretary Treasurer
Fenton E. Jenkins

Others Absent: Fred Small, Mayor

Others Present: Jerry Speegle – Board Attorney
Rob McElroy – General Manager
Danny Lyndall – Operations Manager
Teresa Logiotatos – Finance Manager
Drew Klumpp – Adm. Services Manager
Lori Scharles – Executive Assistant
Cedric Goodloe – Benefits Coordinator
Melinda Immel – Volkert & Associates
Tim Patton – Volkert & Associates
Ray Moore – HMR

Others Absent: Deloris Brown – Human Resources 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 March 25, 2009:**

The Chairman stated there were no additions, deletions, or corrections for the Minutes from the February 25, 2009, Utilities Board meeting.

MOTION BY Mr. Johnston to approve the March 25, 2009; Seconded by Ron Scott.

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

V. OLD BUSINESS

a. Capacity Fee Study / Rate Study

Mr. McElroy advised the Board that the Work-session held Wednesday, April 22, 2009, regarding the capacity fee and rate study was informative and a teleconference will be coordinated for Mayor Small and Fenton Jenkins in order for Blair Troutman to update them to prepare for the May Board meeting that will be held on June 3, 2009. Ron Scott commented that the Board is preparing to make a philosophical change whereby a policy will be implemented to not cross subsidized lines.

b. Park City Water Authority – Joint Billing Agreement

Mr. McElroy had no new additional information regarding the Joint Billing Agreement and stated that it should be removed from the Agenda. Chairman Segalla agreed.

c. Wastewater Legislation

Mr. McElroy reported that he will be traveling to Montgomery with an Eastern Shore Chamber delegation and will follow-up with the Board at the next Board meeting.

d. Sewer Only Cutoff Policy

Drew Klumpp addressed the Board of the procedures that are being developed in the form of disconnect letters as well as a “sewer only” application that will be reviewed by Jerry Speegle prior to distribution to avoid any legal complications. A detailed discussion took place with the Board regarding procedural correspondence.

e. Items in Abeyance

1. **Gas Franchise Agreement** – no new information was reported.
2. **19 Acres – Daphne Utilities property** – no new information was reported.

VI. New Business

a. Presentation by Greg Strachan from Bryant Bank – Mr. Strachan introduced Bryant Bank to the Board and discussed the benefits of banking with them.

b. Audit Report – Michael Andreoli with Robertson, Andreoli & Covington, P.C., presented and discussed the audit report for Daphne Utilities to the Board.

c. MWPP – Danny Lyndall explained to the Board that the annual NPDES permit required this resolution regarding the Municipal Water Pollution Prevention Program

MOTION BY Mr. Scott to approve Resolution 2009-04 - Municipal Water Pollution Prevention (MWPP) Program; Seconded by Lon Johnston.

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

VII. BOARD ATTORNEY’S REPORT

Mr. Speegle had nothing further to add to the submitted report, but reviewed the public record issues associated with Northfork legal issue.

VIII. FINANCIAL REPORT

Teresa Logiotatos reviewed the March 2009 financial report for with the Board. She discussed the Certificates of Deposit that will be maturing and the inopportune time to re-invest. She also emphasized that the interest income and capacity fees may not be as positive this year as anticipated. Mr. Johnston requested information for an upcoming meeting on how many banks Daphne Utilities has business dealings with and the criteria for doing business with a prospective bank. Mr. McElroy requested an extension of a year for Robertson, Andreoli & Covington, P.C. to continue the annual audit due to the possibility of rate changes and long-range planning. The Board expressed their responsibility to decide the auditor of the Utilities’ audit.

MOTION BY Mr. Scott to continue for the next audit period to use the services of Robertson, Andreoli & Covington, P.C. with notice to firm that this may not always be the case and for a review a year from now; Seconded by Fenton Jenkins.

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

IX. GENERAL MANAGER’S REPORT

a. GM Report

Rob McElroy informed that all the managers and supervisors have been advised that Daphne Utilities had been selected in the top 35 of the Wall Street Journal’s Review of Small Business in America. He had nothing further to add to his report.

b. Operations Report

Danny Lyndall had nothing further to add to his report.

Melinda Immel of Volkert & Associates had nothing further to add to her report.

Ray Moore of HMR had nothing to add to his report.

Cedric Goodloe presented an overview of Daphne Utilities’ safety and training as compiled by the Daphne Utilities Safety Committee. Fenton Jenkins inquired about supervisory job openings. Mr. McElroy and Mr. Goodloe explained the hiring procedures for supervisory and non-supervisory procedures.

X. PUBLIC PARTICIPATION – None

XI. BOARD ACTION – None

XII. BOARD COMMENTS – Fenton Jenkins asked about the status of the suggestion box. Mr. McElroy answered that the suggestion boxes have been in place for a couple of months with only 2 responses and both items have been addressed.

XIII. ADJOURNMENT–

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

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

The meeting adjourned at 6:37 p.m.