



Daphne Utilities

APPROVED MINUTES

Utilities Board Meeting

City of Daphne Council Chambers ♦ January 6, 2010 ♦ 5:00 p.m.

I. CALL TO ORDER

The January 6, 2010 (for December 2009), regular Board meeting for the Utilities Board of the City of Daphne was called to order by Chairman Robert Segalla, at 5:05 p.m.

II. ROLL CALL

Members Present: Robert Segalla, Chairman
Ron Scott, Vice Chairman
Lon Johnston, Secretary Treasurer

Others Absent: Fred Small, Mayor
Fenton E. Jenkins

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 – Administrative Services Manager
Lori Scharles – Executive Assistant
Melinda Immel – Volkert & Associates

Others Absent: Ray Moore – HMR

III. PLEDGE OF ALLEGIANCE

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

IV. **BOARD COMMENTS** – Lon Johnston acknowledged and thanked Ron Scott for his rigorous defense of Daphne Utilities at the recent Daphne City Council meeting.

V. APPROVAL OF MINUTES

a. **Utilities Board Minutes from December 2, 2009:**

The Chairman inquired if there were any corrections noted for the Minutes from the December 2, (for November), 2009, Utilities Board meeting. Mr. Johnston identified one misspelled word.

MOTION BY Ron Scott to approve the Corrected Minutes for December 2, 2009; Seconded by Lon Johnston.

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

VI. Old Business

a. *Property Investigation*

Mr. Speegle updated the Board on the status of the bankruptcy proceedings for the Daphne Mazda property. He advised that the attorney for the property owner has filed a motion to the bankruptcy court to approve the sale on the terms that Daphne Utilities proposed and signed the contract. He stated that he thought there was a 75% chance that Vision would approve the proposal.

b. *Items in Abeyance:*

1. **Gas Franchise Agreement** – No current information was reported.
2. **19 Acres – Daphne Utilities property** – Mr. McElroy informed that this is part of the aid package to the City of Daphne although nothing has been signed with the City.
3. **Sewer Cut-off** – Drew Klumpp updated the Board that seven customers affected by the sewer cut-off have fallen delinquent and have been turned over to Mr. Speegle, who advised that he will be sending a letter to the customers.

VII. New Business

a. *ADEM Pre-Application for CWSRF and DWSRF – Board Action –*

Mr. McElroy suggested this issue be discussed during Mrs. Immel report for Volkert & Associates.

b. *Creation of New Customer Class Water and Sewer Rate – Board Action*

Chairman Segalla stated that an email was sent from Daphne City Council President Gus Palumbo accepting the proposal and that he had no issues with the proposal. Mr. McElroy elaborated that of all the items in the Daphne aid proposal, that this particular item required board action.

VIII. BOARD ATTORNEY'S REPORT

Mr. Speegle had nothing further to add to his report.

IX. FINANCIAL REPORT

Teresa Logiotatos reviewed the November 2009 financials, the 2nd month in the fiscal year. She had nothing to highlight that was outside the normal course of operations. She reported that the net income was reflecting higher than budgeted, that the revenues were down but that the expenses were even lower which leads to the net income being higher than what is anticipated.

X. GENERAL MANAGER'S REPORT

a. *GM Report*

Mr. McElroy had nothing further to add to his report. Chairman Segalla commended Woodrow Maye and Jerry Stanton for receiving complimentary letters from our customers.

Deloris Brown had nothing further to add to her report.

Drew Klumpp had nothing further to add to his report.

b. *Operations Report*

Danny Lyndall reported to the Board that we have experienced two water-main breaks and commended our crews for their dedication to serving our customers.

Melinda Immel of Volkert & Associates gave a brief explanation to the Board for the request of the Clean Water and Drinking Water SRF pre-application.

HMR was not present.

XI. Board Action –

- A. Resolution 2009-10 – Approval of ADEM Pre-Application for CWSRF and DWSRF

MOTION BY Ron Scott to approve Resolution 2009-10 – Approval of ADEM Pre-Application for CWSRF and DWSRF; Seconded by Lon Johnston.

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

B. Resolution 2009-11 – Approval of Creation of New Customer Class Water and Sewer Rate

MOTION BY Ron Scott to approve Resolution 2009-11- Approval of Creation of New Customer Class for Water and Sewer Rates; Seconded by Lon Johnston.

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

XII. PUBLIC PARTICIPATION – none

XIII. BOARD COMMENTS – comments made earlier in the meeting; Additionally, Ron Scott commended the electronic bill he received. He also remarked that Daphne Utilities should be emphasizing the great values we have in comparing our sewer rates to other providers.

XIV. ADJOURNMENT–

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

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

The meeting adjourned at 5:26 p.m.