



Daphne Utilities

APPROVED MINUTES

Utilities Board Meeting

City of Daphne Council Chambers ♦ March 3, 2010 ♦ 5:00 p.m.

I. CALL TO ORDER

The February 2010 regular Board meeting for the Utilities Board of the City of Daphne was held and called to order on March 3, 2010, by Chairman Robert Segalla, at 5:03 p.m.

II. ROLL CALL

Members Present: Robert Segalla, Chairman
Ron Scott, Vice Chairman
Lon Johnston, Secretary Treasurer
Fred Small, Mayor – arrived at 5:12 pm
Fenton E. Jenkins

Others Absent:

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
Doug Bailey – HMR
Ray Moore – HMR

Others Absent:

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 January 27, 2010:**

The Chairman inquired if there were any corrections noted for the Minutes from the January 27, 2010, Utilities Board meeting. No corrections, additions and/or deletions were noted.

MOTION BY Lon Johnston to approve the Minutes for January 27, 2010; Seconded by Ron Scott..

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

The Chairman then revised the Agenda to accommodate for public participation in the rate increase discussion.

V. PUBLIC PARTICIPATION –

Mr. McElroy gave a correlating presentation on the proposed rate increase. Chairman Segalla offered the podium to any public participants for comments.

Mayor Small arrived at 5:12 pm.

Larry Jackson, Daphne Utilities Field Supervisor, addressed the Board and thanked them for getting the necessities for Daphne Utilities to satisfy their customers.

Vice Chairman Scott commented that since this is a public hearing to inform the citizens of the proposed rate increase and will be voted on at the next board meeting and any public input will be heard.

VI. Old Business

a. Central Services Building (Property Investigation) – Update

Mr. Speegle updated the Board on the status of the bankruptcy proceedings for the Daphne Mazda property. He stated that the Vision Bank representative gave no indication of an acceptable purchase price. Mr. Speegle noted that nothing binding has been implemented that is not subject to this Board’s approval and that he has gone as far as he can with negotiations without the Board’s direction and that other property options may be available for review. Mr. McElroy re-examined the Utilities’ needs for Central Services. Chairman Segalla suggested the two other property proposals be presented to the board. Philip Hodgson with Coldwell Banker Real Properties presented the Riley Hall property to the Board. Paige Thatcher-Moore then presented another available property parcel on Well Road. Mr. Scott requested to suspend the meeting to hold an executive session to discuss pending real estate purchases.

MOTION BY Ron Scott to go into Executive Session at 5:38 pm for discussion of pending real estate purchases; Seconded by Lon Johnston.

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

Executive Session ended 5:53 p.m. and the regular Board meeting resumed.

MOTION BY Mayor Fred Small to authorize Jerry Speegle to notify Visions Bank that Daphne Utilities is no longer interested in the Mazda property; Seconded by Lon Johnston.

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

MOTION BY Ron Scott to authorize Mr. McElroy and his staff to investigate the two proposed properties presented at this Utilities Board meeting ; Seconded by Fenton Jenkins.

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

Chairman Segalla requested to hold a special meeting no longer than 14 days if possible.

b. Items in Abeyance:

- 1. **Gas Franchise Agreement** – No current information was reported.
- 2. **19 Acres – Daphne Utilities property** – No current information was reported.
- 3. **Sewer Cut-off** – No current information was reported.

VII. New Business

No new business was reported.

VIII. BOARD ATTORNEY’S REPORT

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

IX. FINANCIAL REPORT

Teresa Logiotatos updated the Board on the status of the Certificates of Deposits and the forthcoming action as recommended by the rate study program. She had nothing to add to her report.

X. GENERAL MANAGER'S REPORT

a. GM Report

Mr. McElroy highlighted the recent news article pertaining to Inc. Magazine's recognition of Daphne Utilities nomination as one of the Top Small Company Workplaces in America.

b. Operations Report

Danny Lyndall had nothing further to add to his report.

Melinda Immel of Volkert & Associates updated the Board on the status of the SRF application submitted to ADEM.

Doug Bailey from HMR updated the Board on the Creekside Sewer Main project.

XI. PUBLIC PARTICIPATION – none

- XII. BOARD COMMENTS –** Mr. Johnston asked for an update of the sewer disconnects for non-payment. Mr. McElroy responded that the one customer who refuses to connect involves the County Board of Health as well. Drew Klumpp also informed the Board that he is working with Jerry Speegle to contact those customers with promissory notes are being reminded of their obligations. Jerry Speegle commented to either file suit to collect on the promissory note or disconnect. He deferred to the Board to let him and the staff decide or give the Board their input in order to proceed. Mr. Scott recommended pursuing the legal process first.

XIII. ADJOURNMENT–

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

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

The meeting adjourned at 6:04 p.m.