



Daphne Utilities

APPROVED MINUTES

Utilities Board Meeting

City of Daphne Council Chambers ♦ July 23, 2008 ♦ 5:00 p.m.

I. CALL TO ORDER

The July 23, 2008, regular Board meeting for the Utilities Board of the City of Daphne was called to order by Chairman Robert Segalla, at 5:01 p.m.

II. ROLL CALL

Members Present: Robert Segalla, Chairman
Ron Scott, Vice Chairman
Lon Johnston, Secretary Treasurer
Fred Small, Mayor
Fenton E. Jenkins – arrived at 5:23

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 – Adm. Services Manager
Lori Scharles – Executive Assistant
Melinda Immel - Volkert
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 June 25, 2008:

The Chairman requested any additions, deletions, or corrections for the Minutes from the June 25, 2008, Daphne Utilities Board meeting. No comments were given.

MOTION BY Mr. Johnston to approve the Utilities Board of the City of Daphne minutes from the regular Board meeting conducted June 25, 2008; Seconded by Mr. Scott.

AYE: SEGALLA, SCOTT, SMALL, JOHNSTON

ABSENT: JENKINS

MOTION CARRIED

Chairman Segalla amended the agenda in order to address the discussion of Item C2 under Old Business – 19 Acres, Daphne Utilities property.

V. OLD BUSINESS

a. *Park City Service Agreement*

Jerry Speegle advised the Board that he has been working with Rob McElroy and Danny Lyndall and moving forward on the post-policy change and that it is ready for review by the Board. He explained that the proposal states briefly that if the sewer customer does not pay the sewer bill after an initial warning and an arranged time to pay, Daphne Utilities will cut the sewer off. He stated that this will mainly affect the sewer-only customers because the water will also be cut off for water and sewer customers if their bill is not paid. After Chairman Segalla recommended meeting once more with the Park City Water Board, Mr. McElroy explained that the issue is getting that Board to sit down to talk about this problem without concentrating on the issues of the past. Mr. Scott stated that Councilman Lake asked that the Utilities meet with the Park City Community and asked if that had been done. Mr. McElroy confirmed that he and Deloris Brown had met with citizens representing the Park City Community as well as speaking to Councilman Lake concerning this issue asking his assistance in this matter. Mr. McElroy stated that Councilman Lake remarks that he will look into the situation and see what he can do. Mr. Scott reiterated that whatever policy is put in place is not Park City specific but would apply to any resident. Mr. McElroy confirmed. Chairman Segalla expressed the Board's patience on this issue that has dated back to 2006 and conveyed his concerns of the legality issue that could be highlighted in a court setting; he asked Mr. Speegle's opinion. Mr. Speegle stated that his opinion is that Daphne Utilities has done everything possible to come to a resolution with directors of the Park City Water Board and just can't get anywhere. He also stated that Councilman Lake had an opportunity to assist and those efforts can continue, but to continue to spend more time attempting to gain cooperation with the Park City Water Board would be unproductive. Mayor Small questioned the reconnect fee and the labor involved in reconnection once a customer's bill is up-to-date. Mr. McElroy and Mr. Lyndall explained the process and that the reconnect fee has not been determined as yet. Chairman Segalla stated that if there is a fee that will cost the Utilities money to disconnection or reconnection, this fee needs to be passed on. Mayor Small asked about an ordinance to ticket the customer and require them to appear before the judge first. Mr. Speegle stated that there is an Ordinance 2007-10 which is part of the current proposal, to refer those to the City's Code Enforcement Officer to start proceedings to motivate tenants and owners. Mayor Small suggested having the proper criteria for the ticketing process. Mr. Speegle further commented that the proposal will include that the City pass an Ordinance allowing the Utilities to have a lien on the property for the disconnect charges. Mr. Johnston commented that the past ticketing process has not been overly successful in that approach. He stated that this issue has been before the Utilities Board long enough and that something decisive is required and that the policy needs to be a general policy and rigorously enforced. Mr. Johnston questioned the garbage issue if someone is cut off and still owes for garbage collection. Mr. McElroy stated that the garbage is part of the unpaid bill and until that is paid and the bill would not be differentiated. Chairman Segalla stated that the Utilities provides a service to the City by collecting the payment of the garbage bill, and asked if the Utilities can enforce collection of the garbage bill or if that is a City ordinance that should be enforced by the City and recommended that it is prepared correctly. Mr. Speegle stated that it is the Board's decision to try the Code Enforcement Officer under the 2007-10 Ordinance or move forward with the policy and set disconnect/reconnect fees and get started immediately. Mr. Scott commented that it is disappointing that by the refusal of the Park City Water Board to cooperate with Daphne Utilities, the residents of Park City are at a disservice and should be emphasized. He stated that in the minutes of the Baldwin County Commission meeting of July 2007, the County Commissioners informed the Park City Water Board that they are doing their citizens a disservice. Mr. Lyndall advised that a Resolution will be prepared for review at the August, 2008, board meeting. Mayor Small suggested and Mr. Speegle confirmed that a notice will be sent to those residents affected by this proposal. Chairman Segalla asked if amnesty is part of the proposal to which Mr. McElroy explained that it was included one of the iterations presented to the Park City Water Board that was refused. He further justified that this was money owed to Daphne Utilities. Mayor Small stated that he felt it would send a negative message to the rest of the residents of Daphne if some residents had their delinquencies waived. Mr. McElroy clarified that this was an incentive to absorb the system which is not currently being considered. Chairman Segalla asked for review of the whole package at the next board meeting. Mr. Johnston requested that a reasonable time period should be included in the mailed notification to correct the delinquencies

Fenton Jenkins arrived at 5:23 pm.

b. *Revisions of Bylaws*

Mr. Speegle will include the clarification of the officer in the Bylaws in the August, 2008, board meeting.

c. *Items in Abeyance*

1. Gas Franchise Agreement – no update.
2. Capacity Fee Study – Call for work session – TABLED

Chairman Segalla mentioned that a topic that was previously on the agenda but was not on the agenda for this month was the Daphne High School stadium whereby Mayor Small was preparing to talk to the Quarterback Club. Mr. McElroy recapped that Daphne Utilities agreed to split with the Baldwin County Board of Education the \$19,000

construction on the storm water relocation then deduct our portion of this from the Capacity Fee on the stadium. He explained that he has had telephone messages from the Baldwin County Board of Education but is unclear if it is relating to this. Mayor Small stated that he would look into this matter.

3. 19 Acres – Daphne Utilities property

Chairman Segalla updated the board on this topic. He explained that 4 acres of the 19 that the Utilities was going to subdivide out and sell for residential lots, but because part of the property was wetlands, the Planning Commission denied that request until we could mitigate the fact that the wetlands was going to be filled so that it would be marketable and the Utilities has been working with Ray Moore of HMR who has been dealing with the U.S. Army Corps of Engineers to get a permit to fill 1.7 acres in order to dedicate 15 acres to a conservation trust for greenspace for all time. He further detailed that the Corps of Engineers mailing list was compromised and some of the adjacent property owners were not notified. Chairman Segalla stated that he received some telephone calls regarding this and advised that this has been on our agenda for 1-1/2 years and that the Utilities is not trying to hide anything. Mr. McElroy advised the Board that a letter has been received by an attorney regarding this matter, as well as a planned meeting with the property owner, Marie Bueche, representing the property owners association and a meeting with a representative of the Corps of Engineers. Chairman Segalla indicated that he had spoken with Mrs. Bueche regarding the conservation trust when the initial idea was forming, as well as Councilwoman Cathy Barnette. Ray Moore of HMR displayed to the Board and the public the area in question highlighting the wetlands.

VI. **NEW BUSINESS –**

a. ***Increase reconnection fee rates***

Drew Klumpp presented comparison information to the Board relating to the rates for disconnection and reconnection.

MOTION BY Mr. Johnston to approve the reconnection fee during working hours to \$40.00 and after working hours to \$50.00; Seconded by Mayor Small.

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

VII. **BOARD ATTORNEY’S REPORT**

Mr. Speegle had no further information to add to his report. Mr. Scott requested the final financial settlement as a result of a legal matter.

VIII. **FINANCIAL REPORT**

Teresa Logiotatos reviewed the financial report with the Board and explained the recent cross-training efforts involving her staff. She also advised the Board that the lower interest rates has effected the interested earned on the savings account and to keep that in mind in the coming months.

IX. **GENERAL MANAGER’S REPORT**

a. ***GM Report***

Rob McElroy reviewed the General Manager’s Report with the Board and advised that Deloris Brown had been named president of the Alabama Association of Public Personnel Administrators and that Drew Klumpp had completed his HR certification making 3 certified HR personnel within the Utilities. Mr. Johnston commended the Utilities for the outstanding job performance during a recent storm. Mr. Scott inquired about the generators on hand for the Utilities; Mr. Lyndall explained that Daphne Utilities currently has no portable generators but there are approximately eight permanently-mounted generators and that thirteen additional permanent generators are needed. Mr. Lyndall further explained that Volkert is assisting in applying for grant funds to assist in this matter. Chairman Segalla and Mayor Small praised the Utilities efforts for the refreshments provided during a recent visit by the Boston Crusaders drum and bugle corps.

b. ***Operations Report***

Mr. Lyndall updated the Board on the fire hydrant painting. Melinda Immel reviewed and discussed with the Board on the Water Distribution System Modeling.

X. **BOARD ACTION – None**

XI. **PUBLIC PARTICIPATION – None**

XII. BOARD COMMENTS –

Mr. Jenkins inquired as to the gas system initial hook-up; Mr. Lyndall explained that it is \$500 based on a graduated scale depending on the number of appliances that will be in the home. Mr. Jenkins asked if an installment plan was in place for that. Mr. McElroy stated that an installment plan for this fee is not currently offered but it could be considered as well as consider a baseline charge.

Chairman Segalla commented on a recent Daphne Utilities employees meeting how impressed he was at the pride the employees display. Mayor Small also conveyed appreciation for the Utilities' partnership with the Daphne High School.

XIII. ADJOURNMENT:

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

AYE: SEGALLA, SCOTT, SMALL, JOHNSTON, JENKINS

ABSENT:

MOTION CARRIED

The meeting adjourned at 6:10 p.m.