



Daphne Utilities

APPROVED MINUTES

(corrected)

Utilities Board Meeting

City of Daphne Executive Chambers ♦ June 24, 2009 ♦ 5:00 p.m.

I. CALL TO ORDER

The June 24, 2009, regular Board meeting for the Utilities Board of the City of Daphne was called to order by Chairman Robert Segalla, at 5:00 p.m.

II. ROLL CALL

Members Present: Robert Segalla, Chairman
Ron Scott, Vice Chairman – left the meeting at 6:24 pm
Lon Johnston, Secretary Treasurer
Fenton E. Jenkins

Others Absent: Fred Small, Mayor

Others Present: Jerry Speegle – Board Attorney
Danny Lyndall – Operations Manager
Teresa Logiotatos – Finance Manager
Deloris Brown – Human Resources Manager
Tammy Canupp – Administrative Services Supervisor
Lori Scharles – Executive Assistant
Melinda Immel – Volkert & Associates
Ray Moore – HMR

Others Absent: Rob McElroy – General Manager
Drew Klumpp – Adm. Services 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 April 29, 2009:*

The Chairman stated there were no additions, deletions, or corrections for the Minutes from the April 29, 2009, Utilities Board meeting. Mr. Johnston commented that his request in the minutes for information regarding the Utilities' bank dealings had been accomplished.

MOTION BY Mr. Johnston to approve the April 29, 2009; Seconded by Mr. Scott.

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

There were no minutes for May, 2009, due to the Board meeting being cancelled.

The Chairman then re-arranged the agenda in order to accommodate the early departure of Vice-Chairman Scott.

V. BOARD ACTION

a. Resolution 2009-05 - AMENDMENT TO RESOLUTION 1991-21; Deposit Rates for New Service

Mr. Lyndall explained that this amendment was a change to the deposit rates for new services and affects the minimal commercial user non-food establishment with a 1” meter or smaller.

MOTION BY Ron Scott to adopt Resolution 2009-05 – Amendment to Resolution 1991-21; Deposit Rates for New Service; Seconded by Mr. Johnston.

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

b. Resolution 2009-06 – Red Flag Rule – Identity Theft Prevention Policy

Mr. Lyndall explained that this is a federal regulation for protection of identity theft.

MOTION BY Ron Scott to adopt Resolution 2009-06 – Red Flag Rule – Identity Theft Prevention Policy; Seconded by Mr. Johnston.

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

c. Resolution 2009-07 – AMENDMENT TO RESOLUTION 2007-01 – Service Rates for Sewer Only Customers

Mr. Lyndall emphasized that a corrected copy was distributed prior to the start of the meeting. He explained that the resolution is to adopt a flat rate for sewer for customers that do not have a metered water connection with Daphne Utilities.

MOTION BY Lon Johnston to adopt Resolution 2009-07 – Amendment to Resolution 2007-01-Service Rates for Sewer Only Customers; Seconded by Mr. Jenkins.

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

d. Resolution 2009-08 – AMENDMENT TO RESOLUTION 2009-01; Capacity Fee Calculations

Mr. Lyndall clarified that this Resolution is to amend the January Resolution adopting the policy for calculating household equivalents based on meter size to now be calculated based on connection size to our main or the service line size.

MOTION BY Ron Scott to adopt Resolution 2009-08 – AMENDMENT TO RESOLUTION 2009-01–Capacity Fee Calculation; Seconded by Mr. Johnston.

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

e. Motion to Accept Bid & Award Contract for Headworks Renovations at Waste Water Treatment Plant

Melinda Immel explained to the Board the tabulation of bids for the award of the contract for the Headworks Renovations project at the Waste Water Treatment Plant.

MOTION BY Lon Johnston to accept the bid of \$2,643,250.00 and award the contract for the Headworks Renovations project at the Daphne Utilities Waste Water Treatment Plant to Ballcon, Inc.; Seconded by Mr. Jenkins.

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

VI. EXECUTIVE SESSION –

MOTION BY Ron Scott to go into Executive Session at 5:14 pm for discussion of pending litigation; Seconded by Mr. Johnston.

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

Executive Session adjourned at 5:32 p.m.

VII. Old Business

a. **Capacity Fee Study / Rate Study – Presentation by Blair Troutman with BlueWater Consulting**

Blair Troutman from BlueWater Consulting presented the Board with the findings and items of consideration of the Capacity Fee Study / Rate Study. His formal recommendations will be forthcoming at an upcoming board meeting.

b. **Sewer Only Cutoff Policy**

Mr. Lyndall reviewed with the Board a sample letter that will be mailed to our customers who are severely behind in payment on their account. A discussion followed regarding the amount to be charged for the disconnect fee.

MOTION BY Ron Scott to authorize Daphne Utilities' staff to charge a disconnect fee equal to the amount our outside contractors fee plus 8%; Seconded by Mr. Johnston.

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

Mr. Lyndall also highlighted for the Board two press releases developed by Strategy Public Relations relative to the Flat Sewer Fee.

c. **Items in Abeyance:**

1. **Gas Franchise Agreement** – Mr. Lyndall presented recent information regarding new connections to Daphne Utilities' gas system and suggested a stronger worded gas franchise agreement with the City of Daphne.
2. **19 Acres – Daphne Utilities property** – no new information was presented; Mr. Lyndall requested that it be dropped from the Agenda.
3. **Wastewater Legislation** – no new information was presented; Mr. Lyndall requested that it be dropped from the Agenda.

VIII. New Business

a. **Presentation by Baldwin County Home Builders Association**

Don Druse, representing the regulatory services of the Baldwin County Home Builders Association, addressed the Board to request the transfer of costs of the fees for utilities to the end of the job in lieu of the beginning of the job's construction as it is currently. Chairman Segalla replied that the request will be taken under advisement and a response will be forthcoming from Rob McElroy.

b. **Red Flag Rule – Identity Theft Prevention Program** – Previously discussed under Board Action.

c. **Service Rates for Sewer Only Customers** – Previously discussed under Board Action.

d. **Deposit Rates for New Service** – Previously discussed under Board Action.

e. **Amendment to Resolution 2009-01 Capacity Fee Calculations** – Previously discussed under Board Action.

IX. BOARD ATTORNEY'S REPORT

Mr. Speegle had nothing further to add to the submitted report.

X. FINANCIAL REPORT

Teresa Logiotatos reviewed the financial report with the Board. She noted that normal operations are occurring and highlighted the budget versus actual are converging getting closer to the budget figures.

Ron Scott left the meeting at 6:24 pm

XI. GENERAL MANAGER'S REPORT

a. **GM Report**

Danny Lyndall, on behalf of Rob McElroy, noted the award letter received from AWPCA and recognized Daphne Utilities' Wastewater Treatment Plant Manager, Jim Caudle, and Daphne Utilities' Maintenance Manager, Andrew Bolar, of their contribution to winning the Best Operated Plant Award for Mechanical Plant 4.1 - 4.5 MGD (Daphne Water Reclamation) and Ground Water 25,001 – 50,000 Population (Central Plant).

b. Operations Report

Danny Lyndall answered inquiries of concern of the lack of water to meet the demand. He explained that crews recently encountered numerous obstacles and emergencies but pulled together, along with Melinda Immel, to handle the crisis in a prompt and professional manner.

Melinda Immel of Volkert & Associates had nothing additional to include in her report.

Ray Moore of HMR had nothing additional to include in his report but introduced Doug Bailey with HMR who will be lending support of Mr. Moore.

XII. PUBLIC PARTICIPATION – none

XIII. BOARD COMMENTS – none

XIV. ADJOURNMENT–

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

AYE: SCOTT, SEGALLA, JENKINS, JOHNSTON

ABSENT: SMALL

MOTION CARRIED

The meeting adjourned at 6:31 p.m.