



Daphne Utilities

APPROVED MINUTES

Utilities Board Meeting

City of Daphne Council Chambers ♦ January 28, 2009 ♦ 5:00 p.m.

I. CALL TO ORDER

The January 28, 2009, 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

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

Others Absent: Ray Moore – HMR

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 7, 2009 (December 2008 meeting):

The Chairman stated there were no additions, deletions, or corrections for the Minutes from the January 7, 2009, Utilities Board meeting.

MOTION BY Mr. Johnston to approve the January 7, 2009; Seconded by Mayor Small.

AYE: JENKINS, JOHNSTON, SCOTT, SEGALLA, SMALL

ABSENT:

MOTION CARRIED

b. Utilities Board Minutes from January 12, 2009 Special Meeting:

The Chairman stated there were no additions, deletions, or corrections for the Minutes from the January 12, 2009, Utilities Board special meeting.

MOTION BY Mayor Small to approve the January 12, 2009; Seconded by Mr. Johnston.

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

V. OLD BUSINESS

a. 19 Acres – Daphne Utilities property – no new information was reported.

b. Items in Abeyance

- 1. Gas Franchise Agreement – no new information was reported.**
- 2. Capacity Fee Study – Mr. McElroy stated this will be reported on along with the rate study being currently reviewed.**
- 3. Park City Service Agreement – Mr. McElroy updated the Board regarding the Northfork Apartment complex that an agreement had been signed by Park City Water Authority and advised that signature by Daphne Utilities Board is requested at this meeting.**

VI. New Business

a. Resolution to Amend Certain portions of Resolution 1986-3, which was adopted by the Utilities Board on September 1, 1986; and Resolution 2003-01, which was adopted by the Utilities Board on September 1, 2003.

Mr. Lyndall explained to the Board the necessity of amending the method of calculating commercial capacity fees. A discussion followed regarding the calculation method relative to different meter sizes. It was agreed to approve the Resolution as presented and if necessary, amend it accordingly.

b. Proposed Wastewater Legislation

Mr. Lyndall addressed the Board regarding the information on the Proposed Wastewater Legislation that will be introduced at the Regular Session as written will impact Daphne Utilities, if passed. Mayor Small suggested Mr. McElroy and Mr. Lyndall attend the “Coffee with the Mayor” event the next day in order to possibly discuss this piece of legislation with Randy Davis and Joe Faust. Chairman Segalla advised that he thought the purpose of the legislation is well-intended, but the application is inadequate and expressed his disapproval of the legislation. Mayor Small reiterated the impact this will have on Daphne Utilities as well as the Daphne Planning Commission.

VII. BOARD ATTORNEY’S REPORT

Mr. Speegle had nothing further to add to his report. Mr. Johnston inquired as to the remaining issues with the Park City Water Authority. Mr. McElroy advised that with the help of Alabama Rural Water Association and ADEM, the subject of the joint billing will be forthcoming. Mr. Johnston stated that it is disappointing that at 37 months from the first entry that this topic continues to be discussed. Mr. McElroy stated that a sewer cutoff policy will be in draft form for February’s Board meeting and that working out the joint billing with Park City Water does not address the sewer problems that exist even in the Belforest area. Mr. Jenkins asked if there is a way to know what amount customer owes. Mr. McElroy explained that our office knows exactly what they owe and a policy is already in place for cutoff for Daphne Utilities water customers. He further explained that the intent is to have a similar policy apply for sewer customers as water customers, which is generally 3 months. Mr. Scott stated that the Daphne City Council passed a resolution at a most recent council meeting that calls for a letter from the City attorney to be distributed to delinquent account holders relative to past-due garbage bills allowing for payment arrangements within a certain period of time and that citations are issued for non-compliance.

VIII. FINANCIAL REPORT

Teresa Logiotatos reviewed the financial report for December 2008 with the Board and noted that the Utilities are very close to the projected budget on the net income for year to date. She stated that there are no other issues of concern other than the two discussed last month relating to the decreased interest income and capacity fees and that both categories were being monitored. She compared the figures for sewer, water, irrigation and gas revenues without including capacity fees from October through December 2008 to present figures and noted that these metered services are higher than last year. She had nothing further to highlight. Mayor Small inquired about increased bank charges. She indicated that the interest income that previously covered these charges in addition to earning an income has decreased and is becoming an expense but has not become a large amount at this point.

IX. GENERAL MANAGER’S REPORT

a. GM Report

Rob McElroy had nothing further to add to his report

b. Operations Report

Danny Lyndall had nothing further to add to his report. Mr. Johnston asked what happens when a grease-trap violation occurs. Mr. Lyndall explained that a previously-passed resolution relative to the grease-trap ordinance allowed for fines as well as for cutting off the water for non-compliance, however none of these actions have been required.

Melinda Immel of Volkert & Associates updated the Board regarding the stimulus package and her contact with Congressman Bonner’s office. She stated that the legislative body is creating the funds and where those funds will be allocated. She indicated that her sources have indicated that these funds will be channeled through ADECA.

Mr. Lyndall addressed the Board on behalf of HMR’s Ray Moore who was unable to attend the meeting.

X. PUBLIC PARTICIPATION – none

XI. BOARD ACTION –

- a. Resolution 2009-01 – Amend Certain Portions of Resolution 1986-3, which was Adopted by the Utilities Board on September 1, 1986; and Resolution 2003-01, which was Adopted by the Utilities Board on September 1, 2003.**

MOTION BY Mayor Fred Small to approve Resolution 2009-01, to Amend Certain Portions of Resolution 1986-3, which was Adopted by the Utilities Board on September 1, 1986; and Resolution 2003-01, which was Adopted by the Utilities Board on September 1, 2003. Seconded by Ron Scott.

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

- b. RESOLUTION 2009-02 – Vote to Approve Park City Water Sale Agreement**

Chairman Segalla commented to highlight the consistent cooperation of Daphne Utilities with the Park City Water Authority;

MOTION BY Ron Scott to approve the Park City Water Sale Agreement; Seconded by Mayor Fred Small.

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

XII. BOARD COMMENTS –

Chairman Segalla also gave a timeline of the documented support given by Daphne Utilities to Park City Water Authority. Mayor Small suggested enlightening the Daphne City Council with this information at an upcoming Council work session.

Mr. Scott suggested to the Board that a new member manual be available for future board members relating to liability insurance, duties, etc. Chairman Segalla agreed and stated that he would compile information he has assembled during his terms on the Board and will have it distributed. Mr. McElroy informed the board that a binder of information containing board policies, Alabama Open Meetings Act, Certificate of Incorporation and Bylaws and previous resolutions have been provided to Mr. Bo White and Mr. Jenkins at the start of their terms. Chairman Segalla stated that he would provide the information he had available. Mr. Jenkins stated that he did receive the information provided by Mr. McElroy but that personal liability was not included in that information. He also restated his view on the implementation of the employee suggestion boxes and that the Human Resources department should administer this procedure. Mr. McElroy advised that he previously met with all the Supervisors discussing this course of action and that it is a continuing dialog with them and that the boxes will be installed by the next board meeting.

XIII. ADJOURNMENT–

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

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

The meeting adjourned at 6:05 p.m.