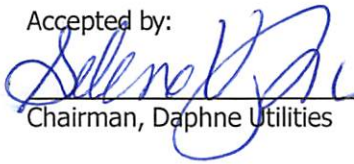


Accepted by:

  
Chairman, Daphne Utilities



# APPROVED MINUTES

## Utilities Board Meeting

Council Chambers, Daphne City Hall ♦ May 25, 2022 ♦ 5:00 p.m.

### I. Call to Order

The regular May 2022 Board meeting for the Utilities Board of the City of Daphne was held on May 25, 2022, in the Council Chambers at Daphne City Hall and called to order at 5:01 p.m. by Chairwoman Selena Vaughn, followed by the Roll Call:

### II. Roll Call

**Members Present:** Selena Vaughn, Chairwoman  
Tim Patton, Vice Chairman  
Billy Mayhand, Secretary/Treasurer

**Members Absent:** Mayor Robin LeJeune, Board Member  
Councilman Joel Coleman, Board Member

**Others Present:** Jerry Speegle – Board Attorney  
Scott Polk – General Manager  
Bobby Purvis – Operations Manager  
Teresa Logiotatos – Finance Manager  
Lexus Carlee – Finance Specialist  
Samantha Coppels – Communications Manager  
Lori Wilson – Executive Assistant  
Rebecca Williamson – Accounting Assistant

**Others Absent:** Drew Klumpp – Administrative Services Manager

### III. Pledge of Allegiance

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

The Chairwoman reorganized the agenda to accommodate anyone intending to address the Board during Public Participation ahead of the audit presentation.

### IV. PUBLIC PARTICIPATION – Chairwoman Vaughn opened Public Participation at 5:03 pm. With no participants, Chairwoman Vaughn opened and closed Public Participation at 5:04 pm.

### V. Approval of Minutes

#### A. Utilities Board Meeting Minutes April 27, 2022

The Chairwoman requested any additions, corrections, or deletions for the submitted minutes of the April 27, 2022, Daphne Utilities Board meeting.

With no additions, deletions, or corrections, the Chairwoman declared that the submitted April 27<sup>th</sup> minutes would stand approved.

## VI. OLD BUSINESS –

### **Utility Rates Discussion Utility Rates Discussion – RESOLUTION 2022-03 - to Adopt and Approve Increases in Water and Sewer Rates as Discussed**

Chairwoman Vaughn noted that although it was tabled last month due to the lack of all the board members, she expressed confidence in voting on the issue because a quorum was present, pointing out that all members had discussed this topic and had been an integral part at the work-session in developing the rates and the reason this was needed.

*MOTION by Tim Patton to approved RESOLUTION 2022-03 - Approve and Adopt Increases in Water and Sewer Rates [as submitted and] as Discussed; Motion was Seconded by Billy Mayhand.*

AYE: Mayhand, Patton, Vaughn NAY: ABSENT: Coleman, LeJeune ABSTAIN: **MOTION CARRIED**

Vice Chairman Tim Patton confirmed that it had been 7 years since the last increase in rates, noting that we do not need to be behind as what happened in the past due to the abundance of regulatory and infrastructure needs combined with the rising cost of products.

## VII. NEW BUSINESS –

### **A. Presentation of 2020/2021 Audit by Mike Andreoli of Robertson, Andreoli & Covington, PC**

Mr. Mike Andreoli of Robertson, Andreoli & Covington presented the 2020/2021 audit to the board members. He began his review commenting on: the Auditors' Report and the MD and A (Management's Discussion and Analysis); the Statements of Net Position; Statements of Revenue, Expenses and Changes in Net Position; Statements of Cash Flows; Notes to Financial Statements - Retirement Plan, Long-Term Debt indicating the two new bond issues Daphne Utilities had received; Departmental Statement of Revenue and Expenses. He concluded his review commenting on the letter on internal controls advising all looks good.

### **B. Recommendation for Bid Award - Country Club Drive Water Main Replacement Phase A – Wedgewood Dr. to Fairway Dr. (Volkert Contract No 408237-A) (Board Action – MOTION)**

Mr. Bobby Purvis gave some background detail, explaining that this water line had a failure two years ago and it was not able to be repaired due to the approximate 21' depth; he noted that a section was valved off and this project is to run a new water line to tie the two back in.

Marcus Stacey with Volkert noted that W.R. Mitchell, Contractor, Inc. was the low bidder and recommended awarding the bid to them in the amount of \$114,615.00.

*MOTION by Tim Patton to Approve the Recommendation to Award the Volkert Contract No. 4082347-A project - Country Club Drive Water Main Replacement – Phase A Wedgewood Drive to Fairway Drive to the W.R. Mitchell, Contractor, Inc., in the amount of \$114,615.00; Motion was Seconded by Billy Mayhand.*

AYE: Mayhand, Patton, Vaughn NAY: ABSENT: Coleman, LeJeune ABSTAIN: **MOTION CARRIED**

## **VIII. BOARD ATTORNEY'S REPORT**

Mr. Jerry Speegle advised that since his submitted report, he has spoken to Jay Ross and Patrick Dungan regarding a proposed ordinance that he will review and recommend a few modifications to it.

## **IX. FINANCIAL REPORT**

Finance Specialist Lexus Carlee reviewed for the Board the revenue, expenses and net income year to date; gave an explanation about a question from last month's board meeting regarding the correlation on the charts for gas net income and purchases. She offered to answer any further questions from the Board.

## **X. GENERAL MANAGER'S REPORT**

### **A. GM Report**

General Manager Scott Polk updated the Board on: his conversation with Griner Drilling in expectations of starting to drill in August at the Diamante Well site targeting completion in December; the pre-construction meeting for Well #2-now #15 disclosed the beginning of construction on the raw water line in the next week but still anticipating when the driller will arrive; the completion of some engineering for the 4<sup>th</sup> Street sewer expansion and 3<sup>rd</sup> Street water expansion projects; the discussion with Paul Davis Architect and noted his compilation of the bid packet and pre-construction meeting for the remainder of the office renovation; and the status of the Grit Removal System project advancing position. He commended those who attended the "Inside Look" tour event and the ribbon cutting for the UV/tertiary filter project, noting the already positive results from venture.

Mr. Polk apprised the Board regarding: another meeting with developers that are planning a subdivision along Rigsby Road and are interested in Daphne Utilities providing sewer services for this project; the continued wait to receive communications from MAWSS or Spanish Fort Water on the suggestion to provide water to Spanish Fort Water; and the prospect of additional event tours being organized for the fall.

In conclusion, he echoed the remarks of the auditors, giving kudos to the accounting and operational staff. He also noted that representatives from Tonsmeire Properties were present at the meeting and confirmed forwarding their proposal to the Board for review and consideration.

### **B. Operations Report**

In answering questions from Mr. Patton regarding the possibility of the amount of additional water capacity from the two added wells, Mr. Purvis gave a detailed speculation.

Mrs. Samantha Coppels thanked the engineers for attending the "Inside Look" tour and their feedback. She mentioned the interns working for Daphne Utilities this summer.

Mr. Purvis also recognized the outstanding work from our Daphne Utilities Maintenance staff. Mr. Polk added that he was advised yesterday that Daphne Utilities will be receiving the GOMESA funding for the sewer overhaul on north Main Street to separate the lines coming from Windscape through Jubilee Point so that they do not merge in one manhole.

### **C. Engineering & Consulting Reports** – nothing further was added to the submitted reports.

## **XI. BOARD ACTION** – Previously addressed.



## XII. BOARD COMMENTS –

Mr. Billy Mayhand wanted to recognize the accounting staff for their diligent work.

Mr. Tim Patton expressed his appreciation for the “Inside Look” tour and all those who worked for this achievement.

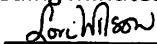
Chairwoman Vaughn thanked all those who worked to prepare and present the audit.

## XIII. ADJOURNMENT

With no further discussions, the Chairwoman called for adjournment at 5:32 pm.

The meeting adjourned at 5:32pm.

Preceding minutes submitted to the Daphne Utilities Board by:



Lori Wilson, Executive Assistant, Daphne Utilities