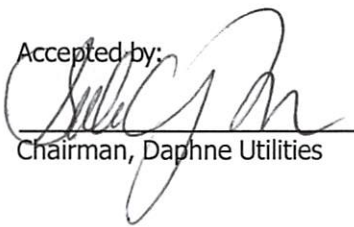


Accepted by:

Chairman, Daphne Utilities



APPROVED MINUTES

Utilities Board Meeting

Council Chambers, Daphne City Hall ♦ March 26, 2025 ♦ 5:00 p.m.

I. Call to Order

The regular March 2025 Board meeting for the Utilities Board of the City of Daphne was held on March 26, 2025, in the Council Chambers at Daphne City Hall and called to order at 5:00 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
Councilman Joel Coleman, Board Member
Mayor Robin LeJeune, Board Member

Members Absent:

Others Present: Jerry Speegle – Board Attorney
Scott Polk – CEO/General Manager
Lexus Carlee – Chief Finance Officer
Alex Godfrey – Chief Operations Officer
Samantha Coppels – Chief Communications Officer
Lori Wilson – Executive Assistant
Kelly DeLaney – Customer Service Manager

Others Absent:

III. Pledge of Allegiance

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

IV. Approval of Minutes

Utilities Board Meeting Minutes February 26, 2025

The Chairwoman requested any additions, corrections, or deletions for the submitted minutes of the regular Daphne Utilities Board meeting of February 26, 2025.

With no additions, deletions or corrections, the Chairwoman declared that the submitted minutes of the regular Daphne Utilities Board meeting of February 26, 2025, would stand approved.

V. OLD BUSINESS –

A. None

VI. NEW BUSINESS –

A. Proposal for Water Reclamation Facility Improvements – Preliminary Engineering - Krebs Engineering, Inc. – Task Order No. 25301 in the amount of \$189,900.00 (Board Action: MOTION TO APPROVE PROPOSED TASK ORDER #25301 in the amount of \$189,900.00)

CEO/GM Scott Polk reminded board members of this project being discussed at the work session and that it was budgeted for the current year. Mr. Polk offered to answer any questions concerning the proposal.

Mayor LeJeune apologized for being unavailable to attend the previous meetings to discuss this proposed project and had a few questions, asking if there were any further discussions on these two proposals after the one work session. Mr. Polk responded that he received comments for clarification on some issues in the task order and that the task order had been adjusted for those clarifications. He commented that the [WRF] plant is comfortable with this task order as well. Mr. Tim Patton shared his comments and concerns regarding the Krebs task order with the Board members.

Following a discussion, the members decided to move forward with the proposed task order submitted by Krebs Engineering, Inc.

MOTION by Mr. Tim Patton to approve the submitted Proposal for Water Reclamation Facility Improvements – Preliminary Engineering - Krebs Engineering, Inc. – Task Order No. 25301 in the amount of \$189,900.00; the Motion was seconded by Councilman Joel Coleman.

AYE: Coleman, LeJeune, Mayhand, Patton, Vaughn

NAY:

ABSENT:

ABSTAIN:

MOTION CARRIED

VII. BOARD ATTORNEY'S REPORT

Mr. Speegle added to his submitted report in case his email was not received that he had the Tonsmeire Corporation's deposition set for tomorrow, however he received a telephone call advising him that Mr. Tonsmeire had surgery related to his throat and requested to continue the deposition, to which Mr. Speegle agreed.

VIII. FINANCIAL REPORT

Finance Manager Lexus Carlee highlighted for the Board: increase in total assets, money market balance, increased inventory value, revenue, expenses, net income over budget projections for the year, and sewer, gas and irrigation revenues performing over budget with water performing slightly under budget. She noted some construction expenses beginning to request payment and that they were included in the capital improvement plan. She offered to answer any questions from the Board.

Mr. Polk commented on the very narrow variance for the month for the net income, reaffirming that our budgeting process is working month to month and applauded the financial staff.

GENERAL MANAGER'S REPORT

A. GM Report

CEO/GM Scott Polk reported to the Board regarding: the Pollard Road and CR64 intersection upgrade is nearing completion relative to the Daphne Utilities' responsibilities with communications continuing; appreciation for the attention given to the WRF 20-year plan previously discussed; rehab of Well #15 is getting closer completion, still addressing flow issues; and lastly, the rehab of the Tiawasee Creek sewer line with the streambed restoration has been completed and should be stable. He then referred to Chief Operations Officer Alex Godfrey.

B. Operations Report

Chief Operations Officer Alex Godfrey noted that a new generator at the WRF had been installed which was quite a process involving several departments working together ensuring the automatic transfer switch was installed with a glitch occurring the next day when a breaker blew in the UV system allowing 36 minutes of partially treated sewage to be released through the outfall, noting that it was reported. Mr. Polk added that the plant was shut down for 6-7 hours diverting flows and reroute flows to Plant 2. Mr. Godfrey confirmed Mr. Patton's question that they are ready for hurricane season.

Mrs. Samantha Coppels, Chief Communications Officer, commented on the upcoming internship program.

Mr. Polk noted that he and Mr. Godfrey met with Belforest Water regarding the Prospect Park (DISC project), advising that Belforest Water is not in a position to supply water to that area unless someone is willing to give a \$10million investment for them to build facilities in that area so their next step was to inquire about Daphne Utilities selling them water since we are right across the street. He stated that he conveyed to them that although Daphne Utilities has the ability to sell them water, it would probably not be likely that we would sell them water so they could in turn sell the water and raise rates and collect the tap fees and capacity fees for that area. He offered for them to return with a proposal involving sharing the capacity fees. He advised that after investigating the files, Daphne Utilities does not own the pipes and was not certain if Belforest Water owned the pipes either, stating this would make it an easier transition to us if Belforest was not able to serve the area pointing out the legal agreement that states Daphne Utilities has the first right to service making the issue becomes the infrastructure which he believed the City of Daphne or IDB owned but could not confirm without input from the City of Daphne.

Mr. Polk responded to Mr. Patton's inquiry about an agreement to sell water to Belforest advising that he reviewed the interconnect agreement with Belforest but the agreement had been expired for several years, of which he made them aware. Mr. Polk did confirm that he asked if the Belforest Water board was interested in a new agreement, during the time Daphne Utilities' made an agreement with Fairhope. He told the Board that he has not had any response from Belforest Water board regarding a new agreement.

Chairwoman Selena Vaughn remarked this issue should be resolved by this summer, inviting whomever needs to be involved to a meeting, and questioned how long Daphne Utilities waits for Belforest's response. Mayor LeJeune commented that 68 Ventures and the Church of the Highlands would have to put pressure on Belforest's response and he expressed his reluctance to just sell water without getting tap fees and capacity fees and for Belforest to make their decision on their own without bailing them out on their decision.

A discussion followed regarding the issue, concluding that Mayor LeJeune would discuss with the Industrial Development Board attorneys to determine what communication they have had with Belforest Water regarding the property.

Mr. Polk confirmed for Mr. Patton that Daphne Utilities does have sewer available there, gas could be easily available if needed. He also advised that one of the constraints of this situation is the value of the pipes that are in there were put in by a grant and it is uncertain if ownership of those has transferred over.

C. Engineering & Consulting Reports – nothing to add to the submitted reports

IX. BOARD ACTION – previously addressed.

X. PUBLIC PARTICIPATION – At 5:37pm, Chairwoman Vaughn opened and closed public participation noting that there was no participation.

XI. BOARD COMMENTS –

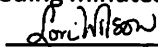
No comments from Councilman Joel Coleman, Mr. Mayhand and Mr. Tim Patton. Mayor LeJeune again expressed his regrets for his absence at the past few meetings and thanked everyone for doing a great job.

XII. ADJOURNMENT

With no additional comments, the Chairwoman Vaughn called for a motion to adjourn the meeting. Councilman Joel Coleman made the Motion to Adjourn.

The meeting adjourned at 5:38 pm.

Preceding minutes submitted to the Daphne Utilities Board by:



Lori Wilson, Executive Assistant, Daphne Utilities