



Daphne Utilities

APPROVED MINUTES

Utilities Board Meeting

City of Daphne Council Chambers ♦ July 27, 2011 ♦ 5:00 p.m.

I. Call to Order

The regular July, 2011, Board meeting for the Utilities Board of the City of Daphne was held on July 27, 2011 and called to order by Chairman Robert Segalla, at 5:02 p.m.

II. Roll Call

Members Present: Robert Segalla, Chairman
Fenton E. Jenkins, Vice Chairman
Lon Johnston, Secretary/Treasurer

Others Absent: Ron Scott
Fred Small, Mayor

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 – Administrative Services Manager
Lori Scharles – Executive Assistant
Arlene Ethier – Operations Assistant
Melinda Immel – Volkert & Associates
Tim Patton – Volkert & Associates
Doug Bailey – HMR
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 29, 2011:

The Chairman inquired if there were any corrections noted for the submitted Minutes from the June 29, 2011, Utilities Board meeting.

MOTION BY Lon Johnston to approve the submitted Minutes for June 29, 2011; Seconded by Fenton Jenkins.

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

V. Old Business

a. Central Services Building – Update

Danny Lyndall updated the board that the building is under construction, the slab has been poured, the metal framing is up and the contractors are working on the generator/electrical pad layouts on the outside of the building. Doug Bailey stated that HMR is starting advertising for bids for road construction and expects to have the permit in three weeks. Mr. Segalla reminded Mr. Bailey that they need to remain within budget.

b. Spanish Fort Sewer Franchise issues

No updated information was reported.

c. Bay Front Park Bathrooms

Rob McElroy stated that the bathrooms have been ordered and will be delivered in four weeks.

d. 19 Acres - Daphne Utilities property

Mr. Segalla asked Mr. Speegle if the papers have been filed. Mr. Speegle replied that all papers have been filed and recorded.

e. Items in Abeyance

1. Gas Franchise Agreement – No current information was reported.

VI. New Business

- a.** Rob McElroy gave a public presentation on the Proposed Rate Increase, outlining the reasons for the rate increase, which include maintaining our bond covenants and infrastructure needs in order to meet State and Federal regulatory requirements. Mr. McElroy stated that we are limiting expenses but the rate increase is still necessary in order to maintain the water and sewer system. Mr. Segalla noted that the water and sewer operational issues that existed for 10 years in the past were pre-2004. He asked that we prepare a Rate Resolution to be voted on at the next meeting. Mr. Johnston stated that the rate increase is necessary and well within the range of other utilities' rates.

MOTION BY Lon Johnston to prepare a Rate Resolution. Seconded by Fenton Jenkins.

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

VII. BOARD ATTORNEY'S REPORT

Mr. Speegle had nothing further to add to his report.

VIII. FINANCIAL REPORT

Teresa Logiotatos reviewed the financials for the Board members. She stated that monies at Compass Bank have been segregated into a construction fund to drawdown the construction of the Central Services Building.

IX. GENERAL MANAGER'S REPORT

a. GM Report

Rob McElroy had nothing further to add. Mr. Segalla complimented the employees on 102,000 safe working hours. Rob McElroy noted that the Customer Service report shows that the installation of the AMR radio read system is 40% complete.

b. Operations Report

Danny Lyndall had nothing further to add the Operations Report.

Melinda Immel of Volkert & Associates had nothing further to add to her report.

Doug Bailey from HMR had nothing further to add to his report.

X. BOARD ACTION - None

XI. PUBLIC PARTICIPATION - None

XII. BOARD COMMENTS - None

XIII. ADJOURNMENT -

MOTION BY Robert Segalla to adjourn the meeting. Seconded by Lon Johnston.

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

The meeting adjourned at 5:29 pm.