



# Daphne Utilities

## **APPROVED MINUTES**

### **Utilities Board Meeting**

**City of Daphne Council Chambers ♦ June 27, 2012 ♦ 5:00 p.m.**

#### **I. Call to Order**

The regular June 2012, Board meeting for the Utilities Board of the City of Daphne was held on June 27, 2012 and called to order by Chairman Robert Segalla, at 5:01 p.m.

#### **II. Roll Call**

**Members Present:** Robert Segalla, Chairman  
Fenton E. Jenkins, Vice Chairman  
Lon Johnston  
Bailey Yelding, Mayor

**Others Absent:** Ron Scott, Secretary/Treasurer

**Others Present:** Jerry Speegle – Board Attorney  
Rob McElroy – General Manager  
Danny Lyndall – Operations Manager  
Teresa Logiotatos – Finance Manager  
Drew Klumpp – Administrative Services Manager  
Lori May-Wilson – Executive Assistant  
Melinda Immel – Volkert & Associates  
Ray Moore - HMR

**Others Absent:** Deloris Brown – Human Resources 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 May 30, 2012:**

The Chairman inquired if there were any corrections noted for the submitted Minutes from the May 30, 2012, Utilities Board meeting. No corrections were made.

***MOTION BY Lon Johnston to approve the Minutes for May 30, 2012; Seconded by Mayor Yelding.***

**AYE: JENKINS, JOHNSTON, SEGALLA, YELDING**

**ABSENT: SCOTT**

**ABSTAIN:**

**MOTION CARRIED**

**V. Old Business**

Rob McElroy made the presentation for the "Skye's the Limit" Environmental Achievement Award to Josh Gregorius, an upcoming senior at Daphne High School.

**VI. New Business**

**A. Presentation of Audit – Tara J. Harville w/Robertson, Andreoli & Covington, P.C.**

Teresa Logiotatos gave a brief review of the financials for May 2012 before introducing Tara Harville of Robertson, Andreoli & Covington for the audit review. Ms. Harville examined the audit report and answered questions for the Board. Mr. Johnston expressed his concern regarding the delivery timeframe of the audit in case of issues that would need to be addressed in a timely manner. He also highlighted a few points about the audit and commended the staff on reduction of manpower, refinancing at lower interest rates, inventory control for materials, large-scale grants and the 2011 rate increase. He also pointed out the harmful effects on our financials of the negative economy, negligible capacity and connection fees, large capital expenses exceeding our income and the cost of continued imposed regulations. He expressed his concern for the future of Daphne Utilities and suggested undertaking a new rate study to prepare for rate changes. Chairman Segalla thanked Robertson, Andreoli for the nice job they do for Daphne Utilities as well as Teresa Logiotatos and her staff for making the preparation of the audit easier. Mayor Yelding added that the report was put together well.

**VII. BOARD ATTORNEY'S REPORT**

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

**VIII. FINANCIAL REPORT**

Presented at the start of the audit report.

**IX. GENERAL MANAGER'S REPORT**

**A. GM Report**

Rob McElroy had nothing further to add to his report.

Danny Lyndall advised the Board that a practice-run of the hurricane plan relating to pumps, generators, and small hand-tools took place over the weekend. (5:27 pm - Mayor Yelding stepped out of the meeting.)

Chairman Segalla asked about interference from the recent utility powerlines construction and our lift-stations. Mr. Lyndall stated that those areas are being monitored and addressed as necessary. Chairman Segalla also stated that he is asked frequently about the green paint on the Lake Forest manholes. Mr. Lyndall explained that the entire system is being re-mapped and verified.

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

Doug Bailey of HMR had nothing further to add to the report.

**X. BOARD ACTION – None.**

**XI. PUBLIC PARTICIPATION – None.**

**XII. BOARD COMMENTS – None.**

**XIII. ADJOURNMENT –**

*MOTION BY Lon Johnston to adjourn the meeting; Seconded by Fenton Jenkins.*

**AYE:** JENKINS, JOHNSTON, SEGALLA

**ABSENT:** SCOTT, YELDING (for adjournment)

**ABSTAIN:**

**MOTION CARRIED**

The meeting adjourned at 5:29 pm.