



# Daphne Utilities

## **APPROVED MINUTES**

### **Utilities Board Meeting**

**City of Daphne Council Chambers ♦ September 26, 2012 ♦ 5:00 p.m.**

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

The regular September 2012, Board meeting for the Utilities Board of the City of Daphne was held on September 26, 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  
Danny Lyndall – Operations Manager  
Teresa Logiotatos – Finance Manager  
Deloris Brown – HR Manager  
Janice Daniel – Customer Service Representative  
Lori May-Wilson – Executive Assistant  
Melinda Immel – Volkert & Associates  
Ray Moore - HMR

**Others Absent:** Rob McElroy – General Manager  
Drew Klumpp – Administrative Services 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 August, 2012:**

The Chairman inquired if there were any corrections noted for the submitted Minutes from the August (September 12), 2012, Utilities Board meeting. No corrections were made.

***MOTION BY Lon Johnston to approve the Minutes for August (September 12), 2012; Seconded by Mayor Bailey Yelding.***

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

**ABSENT: SCOTT**

**ABSTAIN:**

**MOTION CARRIED**

**V. Old Business**

No old business to note.

**VI. New Business**

- A. Election of Utility Board officers (Board Action - Motion)
  - a) Chairman
  - b) Vice-Chairman
  - c) Secretary/Treasurer

Chairman Segalla called for nominations for officers for the Utilities Board of the City of Daphne.

***MOTION BY Lon Johnston to nominate those officers as currently occupying those positions; Seconded by Mayor Bailey Yelding.***

**AYE:** Jenkins, Johnston, Segalla, Yelding

**ABSENT:** Scott

**ABSTAIN:**

**MOTION CARRIED**

Elected positions are:

Chairman	Bob Segalla
Vice-Chairman	Fenton Jenkins
Secretary/Treasurer	Ron Scott

- B. Proposed lease of old Maintenance Facility property for high-tech water filtration research pilot project.

Mr. Jerry Speegle gave an overview of the pilot project for the Board and presented a draft lease. He recommended authorizing him and Mr. McElroy to negotiate the terms due to the fact that there is no lease payment because of the property improvements. A discussion took place regarding the lease. It was suggested and agreed that the Board review the lease and contact Mr. Speegle with any questions by Wednesday, October 3<sup>rd</sup>. Mr. Lyndall answered questions from the Board and confirmed that the company proposing the lease will be handling obtaining the appropriate permits from the City as well as from the Corps of Engineers. Chairman Segalla also made it known that the City Council will have to approve the lease also, which Mr. Speegle confirmed. Mr. Johnston questioned Melinda Immel of her knowledge of the project. She responded that she was aware of the project and actually advising Algae Systems of the permitting processes with the different agencies, Corps of Engineers, ADEM, etc. She advised that the company does have safety test measures of the bags in question. She reiterated that Volkert was assisting them in the permitting process.

***MOTION BY Lon Johnston to authorize the Utilities Board Attorney and General Manager to negotiate the final aspects of the lease agreement; Seconded by Fenton Jenkins.***

**AYE:**

**ABSENT:**

**ABSTAIN:**

Chairman Segalla asked to have the Motion include that all Board members speak to Jerry Speegle by Wednesday, October 3 whether there are changes or not so that Mr. Speegle will have heard from every Board member regarding the lease agreement.

Mr. Lon Johnston made an amendment to his Motion as follows:

***AMENDED MOTION BY Lon Johnston to authorize the Utilities Board Attorney and General Manager to negotiate the final aspects of the lease agreement with each Board member contacting Jerry Speegle with a YEA or NAY requiring a unanimous vote; Seconded by Fenton Jenkins.***

**AYE:** Jenkins, Johnston, Segalla, Yelding

**ABSENT:** Scott

**ABSTAIN:**

**MOTION CARRIED**

**VII. BOARD ATTORNEY’S REPORT**

Mr. Speegle had nothing to add to his report.

**VIII. FINANCIAL REPORT**

Teresa Logiotatos informed the Board that budget was not ready to be handed out at this board meeting but expected it to be reviewed by Rob McElroy and distributed soon after with a work session planned before the October board meeting. She reviewed various financial highlights for the Board. Mr. Lon Johnston suggested the Board consider a study for rate increases in light of the income reduction to be better prepared. Mrs. Logiotatos pointed out the study that was conducted and could certainly be reviewed and updated. Mr. Segalla suggested along with the rate study that temporary surcharges for projects be investigated. Mrs. Logiotatos noted that additional funding will undoubtedly be necessary. Mr. Johnston commented for the Board to consider a study for rate increases in light of the income reduction and the impending capital improvements to the system. Mrs. Logiotatos reminded the Board of the rate study that was produced for the previous rate increase that can be updated and that any capital expense projects will be funded out of the reserve funds after the balance of the state revolving loan money is allocated. Chairman Segalla asked to also investigate along with the rate study some temporary surcharges for capital improvements projects that would expire when the projects are completed. Mr. Lyndall gave an example of a \$50,000 repair cost from a recent water main break within our aging 50-year water system.

**IX. GENERAL MANAGER’S REPORT**

**A. GM Report**

Danny Lyndall reviewed the General Manager’s Report and re-introduced the Utilities’ most recent employees. Nothing further was added to the report. Chairman Segalla asked if defensive driving was part of safety training. Mrs. Deloris Brown advised that the “skip car” was expensive but in-house training was being implemented. Mr. Johnston questioned the “start” of fire hydrant maintenance and Mr. Lyndall advised him that the hydrant maintenance is a continual task.

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

Doug Bailey of HMR updated the Board on the paving of Well Road.

**X. BOARD ACTION –**

Accomplished under “New Business”.

**XI. PUBLIC PARTICIPATION – None.**

**XII. BOARD COMMENTS –**

Mr. Johnston commented on the fine performance of the Board members in their Officer capacities.

**XIII. ADJOURNMENT –**

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

**AYE:** Jenkins, Johnston, Segalla, Yelding

**ABSENT:** Scott

**ABSTAIN:**

**MOTION CARRIED**

The meeting adjourned at 5:29 pm.