



Accepted by:

Robert Segalla
Chairman, Daphne Utilities

Daphne Utilities

APPROVED MINUTES

Utilities Board Meeting

City of Daphne Council Chambers ♦ August 28, 2013 ♦ 5:30 p.m.

I. Call to Order

The regular August 2013, Board meeting for the Utilities Board of the City of Daphne was held on August 28, 2013 and called to order by Chairman Robert Segalla, at 5:30 p.m. Chairman Segalla announced that Mayor Haygood and Councilman Fry were currently in a meeting but would later arrive and in time for the public hearing for the rate increase.

II. Roll Call

Members Present: Robert Segalla, Chairman
Fenton Jenkins, Vice Chairman
Randy Fry, Secretary/Treasurer – arrived 5:45 pm
Lon Johnston
Dane Haygood, Mayor – arrived 5:45 pm

Others Absent:

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

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 July 31, 2013:

The Chairman inquired if there were any corrections noted for the submitted Minutes from the July 31, 2013, Utilities Board meeting. No corrections were made.

MOTION BY Lon Johnston to approve the Minutes for July 31, 2013 as submitted; Seconded by Fenton Jenkins.

AYE: JENKINS, JOHNSTON, SEGALLA

ABSENT: FRY, HAYGOOD

ABSTAIN:

MOTION CARRIED

V. Old Business

Discussion of Utility rates – to be addressed at the 6:00 pm Public Hearing.

VI. New Business - None

VII. BOARD ATTORNEY'S REPORT

Mr. Speegle had nothing to add to his report but requested an executive session, to take place after the Public Hearing.

VIII. FINANCIAL REPORT

Teresa Logiotatos advised the Board of additional sewer customers on the Allocation of Support report and gave an explanation. She also highlighted areas from the Estimated Monthly Expenditures/Cash Payment report. She answered various questions from the board, particularly regarding items listed under Inventory.

IX. GENERAL MANAGER'S REPORT

A. GM Report

Rob McElroy informed the Board that Daphne Utilities' received a Best Operated Plant award from the AWPCA Conference in Montgomery. He answered questions from the Board about the grease recycling program. Mr. Lyndall answered a question from Chairman Segalla relative to the purchase of 2 natural gas powered vehicles, which were quoted higher than expected. Mr. Lyndall advised that only one is being purchased and should be in before the end of the fiscal year.

Deloris Brown had nothing further to add to her report but updated the Board and audience on Art Anderson's, Waste Water Treatment Plant Supervisor, condition after surgery.

Drew Klumpp had nothing to add to his report.

Danny Lyndall notified the Board that the Daphne Utilities' Natural Gas Department received the safety award from the Alabama Natural Gas Association reflecting the safest operating natural gas system in the state. Mr. McElroy answered questions from the photographs in the report.

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

Ray Moore of HMR had nothing further to add to his report.

X. PUBLIC PARTICIPATION – The Chairman offered Public Participation on the topics previously discussed.

XI. BOARD COMMENTS – None

The Chairman then recessed the meeting until 6:00 pm.

Mayor Dane Haygood and Councilman Randy Fry arrived at the meeting at 5:45 pm.

The Chairman reconvened the meeting at 6:00 PM.

XII. PRESENTATION OF UTILITY RATES INCREASES – 6:00 PM

General Manager Rob McElroy delivered a presentation to the Board and the audience on the justification of the utility rate increases. Volkert's Melinda Immel explained the concerns of Daphne Utilities' aging infrastructure, maintaining regulatory compliance and the necessity for the proposed consecutive rate increases. Pfil Hunt with Gardner Michael Capital addressed the Board to confirm support of the proposed rate increases and explained the financial obligations that Daphne Utilities must sustain. Rob McElroy ended the presentation with a brief review of Daphne Utilities' history and the obstacles that have been overcome.

XIII. PUBLIC PARTICIPATION The Chairman offered the floor to public participation.

Willie Williams, 1513 Pollard Road, Daphne, addressed the Board opposing the proposed rate increases due to the economic struggles in the community.

MOTION BY Lon Johnston to AMEND the previously approved RESOLUTION 2013-04 to read RESOLUTION 2013-05; Seconded by Mr. Jenkins.

AYE: ABSENT: ABSTAIN:

MOTION BY Mayor Dane Haygood to table RESOLUTION 2013-05; Seconded by Mr. Johnston.

AYE: FRY, HAYGOOD, JENKINS, JOHNSTON, SEGALLA ABSENT: ABSTAIN: MOTION CARRIED

MOTION BY Lon Johnston to reconsider and amend RESOLUTION 2013-04 previously passed tonight and amend it as RESOLUTION 2013-05; Seconded by Mr. Jenkins. Chairman Segalla requested a roll-call vote:

AYE: SEGALLA, JENKINS, JOHNSTON NAY: FRY, HAYGOOD, ABSENT: ABSTAIN: MOTION CARRIED

The Chairman called for a motion to adjourn to executive session for discussion of personnel issues.

MOTION BY Lon Johnston to adjourn to Executive Session for 30 minutes as certified by Jerry Speegle to discuss pending legal claims and the reputation and character of employees; Seconded by Mayor Dane Haygood.

AYE: Fry, Haygood, Jenkins, Johnston, Segalla, NAY: ABSENT: ABSTAIN: MOTION CARRIED

The meeting adjourned for Executive Session at 7:12 pm.

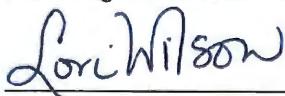
X. ADJOURNMENT –

MOTION BY Chairman Segalla to adjourn the meeting; Seconded by Lon Johnston

AYE: Fry, Haygood, Jenkins, Johnston, Segalla, NAY: ABSENT: ABSTAIN: MOTION CARRIED

The meeting adjourned after Executive Session at 7:35pm.

Preceding minutes submitted to the Daphne Utilities Board by:



Lori Wilson, Executive Assistant, Daphne Utilities