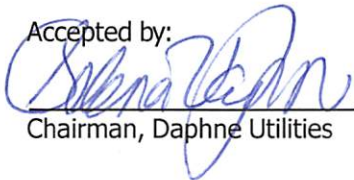


Accepted by:  
  
Chairman, Daphne Utilities



# APPROVED MINUTES

## Utilities Board Meeting

Council Chambers, Daphne City Hall ♦ June 30, 2021 ♦ 5:00 p.m.

### I. Call to Order

The regular June 2021 Board meeting for the Utilities Board of the City of Daphne was held on June 30, 2021, in the Council Chambers at Daphne City Hall and called to order at 5:05 p.m. by Chairwoman Selena Vaughn, followed by the Roll Call:

### II. Roll Call

**Members Present:** Selena Vaughn, Chairwoman  
Tim Patton, Vice Chairman  
Mayor Robin LeJeune, Board Member

**Members Absent:** Billy Mayhand, Secretary/Treasurer  
Councilman Doug Goodlin, Board Member

**Others Present:** Jerry Speegle – Board Attorney – arrived at 5:17 pm  
Scott Polk – General Manager  
Bobby Purvis – Operations Manager  
Teresa Logiotatos – Finance Manager  
Lori Wilson – Executive Assistant

**Others Absent:** Drew Klumpp – Administrative Services Manager  
Samantha Coppels – Communications Manager

### III. Pledge of Allegiance

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

### IV. Approval of Minutes

#### A. Utilities Board Meeting Minutes May 26, 2021

The Chairwoman requested any additions, corrections, or deletions for the submitted minutes for the May 26, 2021, Daphne Utilities Board meeting.

With no additions, deletions, or corrections, the Chairwoman declared that the submitted May 26<sup>th</sup> minutes would stand approved.

### V. OLD BUSINESS – None

## VI. NEW BUSINESS –

### A. **Authorization to Approve** Changes to the Existing Company Procedure: Daphne Utilities Property Disposal (**Board Action: MOTION**)

Mrs. Marinda Turner, Daphne Utilities' Buyer, explained that the requested changes to the existing policy as requiring additional clarification after a recent GovDeals situation whereby no bids were received on some Daphne Utilities' surplus; the existing policy does not address what is to be done with the surplus when it is not sold or picked up. She noted that certain metals such as brass and aluminum are handled differently by being disposed of at a scrap yard.

Mr. Tim Patton commented that he had some questions relating to owner identification and discussed changes and clarifications with Scott Polk and Marinda Turner and was satisfied afterward noting the changes and clarifications would be made.

*MOTION by Tim Patton to approve the Authorization to Approve Changes to the Existing Company Procedure for Disposal of Daphne Utilities' Property with grammatical corrections and clarifications; Motion was Seconded by Mayor Robin LeJeune.*

Discussion then took place.

Mayor Robin LeJeune questioned if the existing policy proposed donating the surplus before auctioning, noting that the City of Daphne practices this prospect of possibly donating to schools or police precincts and the like. Mrs. Turner explained her previous unsuccessful efforts in surplus donation. Mayor LeJeune pointed out that the existing policy does not specify attempting to donate the surplus before auctioning. Scott Polk pointed out that the legal guidance we received is that due to our charter organization is the City, we are required to first obtain City Council approval for any disposal of any surplus property. Mayor LeJeune clarified his inquiry that after obtaining City Council approval, the surplus property could then be donated before being auctioned to which Mr. Polk noted that Mr. Speegle should be advised and if acceptable, an amendment to the policy could be made at next month's board meeting. Mayor LeJeune offered to rescind his "Second" [to the Motion], or pass it now and amend it next month.

Mr. Jerry Speegle arrived – 5:17pm; after being updated of the current circumstances, Mr. Speegle advised that if the City Council approved the surplus for sale on GovDeals.com and it did not sell and want to dispose of the surplus another way, Daphne Utilities would need to, by statute, have the City Council approve another disposition. He instructed that there is an overlay of Attorney General opinions that state we are prohibited in giving away property. Mr. Speegle instructed that as long as the surplus had not sold after being offered for sale, disposing of property that has no value would come within the purview of the general manager as a day-to-day decision and that he would review the statute and ordinances and resolutions.

*MOTION by Tim Patton to approve the Authorization to Approve Changes to the Existing Company Procedure for Disposal of Daphne Utilities' Property with grammatical corrections and clarifications; Motion was Seconded by Mayor Robin LeJeune.*

**AYE:** LeJeune, Patton, Vaughn

**NAY:** **ABSENT:** Goodlin, Mayhand

**ABSTAIN:** **MOTION CARRIED**



**B. Authorization for Sale of Trucks and Equipment on GovDeals** (Board Action: MOTION)

*MOTION by Mayor Robin LeJeune to approve the Authorization for Sale of Trucks and Equipment on GovDeals; Motion was Seconded by Tim Patton.*

**AYE:** LeJeune,Patton,Vaughn    **NAY:**    **ABSENT:** Goodlin,Mayhand    **ABSTAIN:**    **MOTION CARRIED**

**C. Recommendation for Bid Award** – for Sewer Line Repairs from Hurricane Sally to: A-Long Boring in the amount of \$349,200.00 (Board Action: MOTION)

Mr. Scott Polk advised that these were the issues as a result of Hurricane Sally, a majority of which would be covered under FEMA and matching funds, however it was determined that some of the deterioration and erosion was done prior to Hurricane Sally for which Daphne Utilities would have to shoulder those costs. He emphasized that these sewer repairs, located in the Lake Forest area, urgently need to be restored due to the sewer spill risk to the environment.

Mr. Bobby Purvis noted that he thought the bid price was very good considering some of the areas are grave and we are eager to get this work complete.

Mrs. Marinda Turner answer questions from the Board regarding the FEMA funds that would be applicable. She commented that, at this time, we do not have a firm percentage or number and that the particular sites and work details will play a factor in that determination.

*MOTION by Tim Patton to approve the Sewer Line Repairs from Hurricane Sally to A-Long Boring in the amount of \$349,200.00; Motion was Seconded by Mayor Robin LeJeune.*

**AYE:** LeJeune,Patton,Vaughn    **NAY:**    **ABSENT:** Goodlin,Mayhand    **ABSTAIN:**    **MOTION CARRIED**

**D. Recommendation for Bid Award** – (Volkert Project #408220 Phase A) for Access Road for Proposed Diamante Well to: Rob Middleton Construction LLC in the amount of \$89,530.39 (Board Action: MOTION)

Mrs. Melinda Immel with Volkert explained to the Board that this was the first phase of the Diamante Well Project in that new subdivision, which is for construction of an access road to allow the well-driller to reach the site, noting that the bids were close in tabulation.

*MOTION by Tim Patton to approve the Access Road for Proposed Diamante Well to Rob Middleton Construction LLC in the amount of \$89,530.39; Motion was Seconded by Mayor Robin LeJeune.*

**AYE:** LeJeune,Patton,Vaughn    **NAY:**    **ABSENT:** Goodlin,Mayhand    **ABSTAIN:**    **MOTION CARRIED**

**E. Recommendation for Bid Award** – (Volkert Project #) for Construction of Raw Water Main for Diamante Well to: Underground, Inc. in the amount \$277,790.00 that is for the Total Base Bid + Alternate No. 2 (Board Action: MOTION)

Mrs. Melinda Immel with Volkert clarified this bid as for the raw water line that will connect the well to the existing Trojan Treatment Facility for which the Malbis easement was obtained that will be on the east side of the Alabama Power easement running up to the Trojan Facility. She commented that although the bids obtained for this project were close,



she is comfortable with the prices received and requested to award the project based on the base bid and the additive alternate number 2 with the differences being a 10" versus 12" line size.

*MOTION by Tim Patton to approve the Construction of Raw Water Line Main for Diamante Well to Underground, Inc. for the base bid and the additive alternate number 2 for the total amount of \$277,790.00; Motion was Seconded by Mayor Robin LeJeune.*

**AYE:** LeJeune, Patton, Vaughn

**NAY:**

**ABSENT:** Goodlin, Mayhand

**ABSTAIN:**

**MOTION CARRIED**

## **VII. BOARD ATTORNEY'S REPORT**

Mr. Speegle had no new or remaining matters to report.

## **VIII. FINANCIAL REPORT**

Teresa Logiotatos advised the Board that we are closing out the 9<sup>th</sup> month and beginning the budget process. She highlighted for the Board: the Net Income and Budgeted Income on the Financial Summary, the revenue variance on the Combined Income Statement, the Cash Flow Statement, and various checks from the Check History Report.

## **IX. GENERAL MANAGER'S REPORT**

### **A. GM Report**

General Manager Scott Polk thanked the Board members for their flexibility adding the last minute bid to the agenda. He advised that the legal easement aspects with Alabama Power may not be as big a concern as first thought since Alabama Power realized we are a public utility. He gave an update on: the natural gas lines upgrades in the Daphmont area, the tertiary filter at the WRF, the grit removal system upgrades, and the discolored water issues in the Olde Town Daphne/Montrose areas and the steps to correct these issue. He answered questions from the Board regarding this ongoing issue and a discussion followed.

Mr. Polk concluded with notifying the Board members that there had been no further discussions with D.R. Horton regarding gas lines in Jubilee Farms.

### **B. Operations Report**

Operations Manager, Mr. Bobby Purvis, advised the Board of some new employees start with Daphne Utilities, and that the Daphne Utilities Leadership Class has started a new class. He answered questions from Board members.

### **C. Engineering & Consulting Reports**

Mrs. Melinda Immel with Volkert gave a few final announcements regarding upcoming bids.

Mr. Ray Moore with GMC gave an update to the Board on Well #15 and Olde Town Daphne Raw Water Conversion.

## **X. PUBLIC PARTICIPATION – at 6:01 pm the Chairwoman opened the floor for Public Participation.**

Mr. Steve Olen, (Daphne City) Councilman District 2, addressed the Board to summarize some facts that had been presented to Daphne Utilities and then an assessment of that and Daphne Utilities' response. He stated that to date, Daphne Utilities has received emails from 70 different households or families accompanied with explicit photos with another 15 or so households who have posted on Olde Town Daphne Facebook. He emphasized to the Board members and

Daphne Utilities management need to put themselves in the shoes of these [effected] people because there are people who are getting brown water in their home that they do not want to drink, bathe their kids or themselves in it, cook with it, and there are other consequences for these people that do not seem to have made the impression it should have made on Daphne Utilities, except for one Board member who said this was not acceptable. He stressed that he is frustrated, and these [effected] people are beyond frustrated. He gave several examples of emails that had been sent to Mr. Polk, Mr. Purvis and Mrs. Vaughn, stating that a flushing credit doesn't scratch the surface of what these people are dealing with and reiterated that they should not be charged when they are not getting what they are entitled to even though they are paying monthly for a product that isn't what they're buying and it isn't what [Daphne Utilities Board and management staff] are getting in your homes.

He then gave an assessment of two points from which Daphne Utilities Board and management staff should be looking: Would you want, would you accept, would you put up with this brown water in your tub, in your sink; would you put up with your fixtures stained, your linens stained, your clothes stained, having to replace them, having to buy new ones, having to buy water from Kentwood and other services and hopefully you wouldn't put up with that. But you are imposing this on all these people and haven't talked about doing anything to remedy that or at least compensate them for it, at a minimum.

He stated his next point was that the residents of Olde Town Daphne want is action, they want something to happen; it's been 2 months not one thing has changed for them, except for getting worse.

He recapped a management report stating the root cause of this problem is Well #13, which he was informed went on line in 2017 and noted that some of the emails that had been forwarded stated that the problem had been ongoing for 8 years, 15 years, 9 years, 6 years and so on. He commented that if these statements are true, then it does not reconcile saying that Well #13 is the root of the problem. But as it stands now, this has gone on for 2 months and some are making statement that they should go to the media and he doesn't want that. He suggested the City of Daphne select a company to test the water, not whoever has worked for Daphne Utilities for all these years, testing the water that comes out in these people's homes. He declared from the perspective of the people that he represents, Daphne Utilities has failed miserably and totally in terms of showing these people a genuine commitment to changing this and permanently solving the problem. Thank you.

Chairwoman Vaughn invited any other attendees to address the Board.

With no additional participants, Chairwoman Vaughn closed Public Participation at 6:11 pm.

**XI. BOARD ACTION** – Previously addressed.

**XII. BOARD COMMENTS** –

Mayor LeJeune commented that he understands the frustration and requested legal for the next meeting what ability we have for some of these issues that are not just water credits, or is it a wait for someone to sue us type thing or is there something we can do ahead of that, just what are our legal remedies we may have at our disposal to help with some of these issues, or do we have the ability to just stop charging for the water for this list; what can we do to help with some of these issues. He requested an opinion as to legally what we could do. He wanted information about Well #13 and all the issues that had been stated. Mayor LeJeune acknowledged that Daphne Utilities is trying to do the best they can for the whole community, even with tackling spills and surprised that none of the residents are present, leaving it on the shoulders of Councilman Olen.

Mr. Tim Patton did not have anything to add except to know what our options are for reimbursement and if anyone's claim had been denied.

Chairman Vaughn reiterated that we need to find a way to have residents to reach out directly at the time it's happening to help in solving the issue; she acknowledged that it is a multi-level issue and that the well is only one part of it but hopeful for progress in determining a solution. She expressed support for the staff for making the water for our customers better.

### **XIII. ADJOURNMENT**

With no further discussions, the Chairwoman called for adjournment at 6:18pm.

The meeting adjourned at 6:18pm.

Preceding minutes submitted to the Daphne Utilities Board by:

  
Lori Wilson, Executive Assistant, Daphne Utilities