

Accepted by:

  
Chairman, Daphne Utilities



# APPROVED MINUTES

## Utilities Board Meeting

Council Chambers, Daphne City Hall ♦ June 29, 2016 ♦ 5:00 p.m.

### I. Call to Order

The regular June 2016 Board meeting for the Utilities Board of the City of Daphne was held on June 29, 2016 at 5:00 p.m. in the Council Chambers at Daphne City Hall and called to order by Chairman Robert Segalla, proceeded by the Roll Call:

### II. Roll Call

**Members Present:**

Robert Segalla, Chairman  
Randy Fry, Vice Chairman  
Billy Mayhand, Secretary/Treasurer  
Selena Vaughn, Board Member

**Members Absent:**

Mayor Dane Haygood, Board Member

**Others Present:**

Jerry Speegle – Board Attorney  
Danny Lyndall – General Manager  
Van Baggett – Operations Manager  
Drew Klumpp – Administrative Services Manager  
Teresa Logiotatos – Finance Manager  
Lori May-Wilson – Executive Assistant  
Robbie Strom – HMR  
Tim Patton – Volkert & Associates

**Others Absent:**

Melinda Immel – Volkert & Associates  
Ray Moore – HMR

### 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, 2016:

The Chairman requested any additions, corrections, or deletions for the submitted Minutes from the May 25, 2016 Utilities Board Meeting.

**MOTION by Billy Mayhand to approve the submitted Minutes for the May 25, 2016 Utilities Board meeting; SECONDED by Randy Fry.**

**AYE:** Fry, Mayhand, Segalla,

**NAY:**

**ABSENT:** Haygood

**ABSTAIN:** Vaughn

**MOTION CARRIED**

## V. OLD BUSINESS

### A. MoU between The City of Daphne and The Utilities Board of the City of Daphne regarding Whispering Pines Low Pressure Sewer System (Board Action: Motion)

Danny Lyndall explained that the enclosed Memorandum of Understanding document was for the purchase of the materials relating to the remaining pockets of low-pressure sewer areas and had been prepared by attorneys from the City of Daphne and the Utilities Board of the City of Daphne. The Chairman requested that when the Agreement is signed that it should be returned to Mr. Speegle for delivery to the City of Daphne's attorney. He then called for Motion for approval.

***MOTION by Randy Fry to approve the submitted Memorandum of Understanding between The City of Daphne and The Utilities Board of the City of Daphne regarding Whispering Pines Low Pressure Sewer System; SECONDED by Billy Mayhand.***

Billy Mayhand questioned if the figures he received were for materials or materials and labor; it was determined that figures in question were previously derived from the engineering firm of HMR, representing an estimate of labor and materials. Mr. Lyndall estimated labor cost less than \$100,000 due to the fact that it would be in-house. Mr. Mayhand requested to have this particular cost tracked and report the total cost at the end of the project.

***MOTION by Randy Fry to approve the submitted Memorandum of Understanding between The City of Daphne and The Utilities Board of the City of Daphne regarding Whispering Pines Low Pressure Sewer System; SECONDED by Billy Mayhand.***

AYE: Fry, Mayhand, Segalla, Vaughn

NAY:

ABSENT: Haygood

ABSTAIN :

**MOTION CARRIED**

## VI. NEW BUSINESS –

### A. Commitment to Maintain Community Development Block Grant (CDBG) Funded Sewer Facilities (Board Action: Resolution)

Danny Lyndall explained that the CDBG grant is a grant that the City of Daphne is applying for to help with assistance in connecting new sewer customers on the new Whispering Pines sewer project and then introduced Cara Stallman, the City's grant firm, to give further details. Ms. Stallman clarified that this grant was denied last year when the City applied due to Daphne's prosperity but re-applied this year for the hook-ups only for the low to moderate income households with 19 on low-pressure and 16 on gravity within the project system. She stated that the Resolution was for Daphne Utilities to maintain and continue to be a partner in the project. Mr. Lyndall also commented that Daphne Utilities signed the same Resolution for last year's application and that it is an acknowledgement of ownership and maintenance once the project is completed.

***MOTION by Randy Fry to approve Resolution 2016-04 - Commitment to Maintain Community Development Block Grant (CDBG) Funded Sewer Facilities; SECONDED by Selena Vaughn.***

AYE: Fry, Mayhand, Segalla, Vaughn

NAY:

ABSENT: Haygood

ABSTAIN :

**MOTION CARRIED**

Mr. Fry thanked Ms. Stallman for her help and assistance and confirmed the City Council passed the Resolution for the 10 percent matching funds.



**B. Approval of Purchase Requisition #P50-051816 for the Purchase of AMR System Base Stations for \$173,128.31 to H-D Supply (Board Action: Motion)**

Danny Lyndall advised that the submitted purchase requisition is before the board for approval due to the amount and in order to move forward with the radio-read meter project that had been included in the CIP for several years. He stated that he expects it to be underway this year and completed by next fiscal year. Drew Klumpp commented that this will include water and gas meters for full automatic read.

***MOTION by Billy Mayhand to approve Purchase Requisition #P50-051816 for the Purchase of AMR System Base Stations for \$173,128.31; SECONDED by Randy Fry.***

Danny Lyndall responded to Mr. Fry's inquiry of how much was budgeted for this project, estimating \$2 million and expected it to stay within budget. Mr. Klumpp explained that once the project is complete, the ongoing maintenance of the system will be similar to what is currently in place. Mr. Lyndall included that it will provide real-time meter readings and be able to better track unaccounted for water to find lost revenue.

***MOTION by Billy Mayhand to approve Purchase Requisition #P50-051816 for the Purchase of AMR System Base Stations for \$173,128.31; SECONDED by Randy Fry.***

**AYE:** Fry, Mayhand, Segalla, Vaughn

**NAY:**

**ABSENT:** Haygood

**ABSTAIN :**

**MOTION CARRIED**

**C. Park City Water Authority's Water Purchase Agreement**

Danny Lyndall recapped for the Board the approaching expiration of the water purchase agreement with the Park City Water Board and the ongoing conversation for renewal. Chairman Segalla recommended that any rate-adjustment notifications be given less than a 6-month delay prior to initiation, which is currently in place. Mr. Speegle advised that he will be creating a new agreement for the water purchase. Chairman Segalla also pointed out that reading the meters and/or Daphne Utilities' obligation to replace meters in the Park City Water Authority territory and advised to strengthen this regulation. Mr. Lyndall clarified that reading the meters would only be associated with sewer consumption and for no other reason related to their water service. He informed the Board that while no action is required at this Board meeting, Board action will be necessary in the future.

**VII. BOARD ATTORNEY'S REPORT**

Mr. Speegle had nothing to add to his report but requested Executive Session to discuss pending and anticipated litigation for a duration of approximately 30 minutes.

**VIII. FINANCIAL REPORT**

Teresa Logiotatos reviewed financial highlights for the month of May, advising that the Net Income budget appears on track but capital expenses could slightly affect that figure, as well as projects affecting cash funds. She referred to the Allocation of Support report for Sewer's Net Profit (Loss), advising that the principal payments on the bonds that do not appear on the report and Sewer gets approximately 80% of those; Mr. Lyndall followed by pointing out that sewer is a break-even business, and these figures can be misleading due to the large debt related to our sewer system. Mrs. Logiotatos finished by reviewing the check history report for the Board. Mr. Fry inquired about the Rate Setting Classification seminar. Mrs. Logiotatos explained that she would be creating a graph incorporating industry-standard indicators to share with the Board.

**IX. GENERAL MANAGER'S REPORT**

**A. GM Report**

Danny Lyndall referred to Samantha Coppels who announced Daphne Utilities' award for Best Team Campsite 2016 for Relay for Life and reported the large turn-out for the games at the Daphne Utilities' campsite. Mr. Lyndall had nothing further to add to his report.

**B. Operations Report**

Van Baggett announced the awards bestowed on Daphne Utilities from the Alabama Water and Pollution Control Association, as well as report positive feedback from our ADEM representative of the new D'Olive Lift Station "fish camp".

**C. Engineering & Consulting Reports**

Robbie Strom from HMR updated the Board on the progress of the Douglas Road Water Storage Facility, Olde Towne/6<sup>th</sup> Street Water Treatment Facility and the unsewered Daphne areas projects.

Tim Patton from Volkert briefed the Board on the submitted report, updating on the progress of the Proposed Water System for the US90 at Jubilee Shopping Center site.

**X. BOARD ACTION –**

**A. MoU between The City of Daphne and The Utilities Board of the City of Daphne regarding Whispering Pines Low Pressure Sewer System (Board Action: Motion)**

Previously addressed under "Old Business".

**B. Commitment to Maintain Community Development Block Grant (CDBG) Funded Sewer Facilities (Board Action: Resolution)**

Previously addressed under "New Business".

**C. Approval of Purchase Requisition #P50-051816 for the Purchase of AMR System Base Stations for \$173,128.31 to H-D Supply (Board Action: Motion)**

Previously addressed under "New Business".

**XI. EXECUTIVE SESSION –** Adjourn to Executive Session 5:35pm.

**XII. PUBLIC PARTICIPATION –** None.

**XIII. BOARD COMMENTS –** None.

**XIV. ADJOURNMENT –** Board members reconvened from Executive Session at 6:03pm

**MOTION BY** *Billy Mayhand to adjourn.*

**AYE:** *Fry, Mayhand, Segalla, Vaughn*

**NAY:**

**ABSENT:** *Haygood*

**ABSTAIN:**

**MOTION CARRIED**

The meeting adjourned at 6:03pm.

Preceding minutes submitted to the Daphne Utilities Board by:



Lori Wilson, Executive Assistant, Daphne Utilities