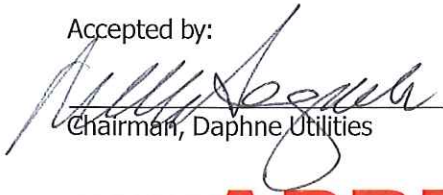


Accepted by:

  
Chairman, Daphne Utilities



# APPROVED MINUTES

## Utilities Board Meeting

Council Chambers, Daphne City Hall ♦ October 26, 2016 ♦ 5:00 p.m.

### I. Call to Order

The regular October 2016 Board meeting for the Utilities Board of the City of Daphne was held on October 26, 2016 at 5:00 p.m. in the Council Chambers at Daphne City Hall and called to order by Chairman Randy Fry, proceeded by the Roll Call:

### II. Roll Call

#### Members Present:

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

#### Members Absent:

#### 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  
Melinda Immel – Volkert & Associates  
Robbie Strom – HMR

#### 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 September 28, 2016:

The Chairman requested any additions, corrections, or deletions for the submitted Minutes from the September 28, 2016 Utilities Board Meeting.

**MOTION by Robert Segalla to approve the submitted Minutes for the September 28, 2016 Utilities Board meeting; SECONDED by Mayor Dane Haygood.**

AYE: Fry, Haygood, Mayhand, Segalla, Vaughn

NAY:

ABSENT:

ABSTAIN:

**MOTION CARRIED**

V. OLD BUSINESS – None

VI. NEW BUSINESS –

A. Re-Elect Officer Position (BOARD ACTION: Motion)

Chairman Fry announced that he would be resigning at the end of this meeting as Chairman and nominated Bob Segalla as Chairman

*MOTION by Randy Fry to nominate Robert Segalla as Chairman.*

AYE: Fry, Haygood, Mayhand, Vaughn

NAY:

ABSENT:

ABSTAIN: Segalla

**MOTION CARRIED**

B. Proposed FY17 Budget – (Board Action - MOTION)

Chairman Fry requested any additions or updates from Danny Lyndall. Mr. Lyndall stated no additions or further questions were asked and respectfully requested the submitted budget be adopted for the coming year. Chairman Fry asked for questions or a motion.

*MOTION by Robert Segalla to accept the FY17 Budget. Seconded by Selena Vaughn.*

AYE: Fry, Haygood, Mayhand, Segalla, Vaughn

NAY:

ABSENT:

ABSTAIN:

**MOTION CARRIED**

VII. BOARD ATTORNEY'S REPORT

Mr. Speegle had nothing further to add to his report but announced that an Executive Session would be needed in order to discuss potential litigation and claims it could lead to litigation and also Item 3 of his report to discuss the current contract with Spanish Fort Water Authority. He explained that he has had discussions with Danny Lyndall about this situation and has spoken with Shawn Alves who represents Spanish Fort Water Authority. He explained his report shows that Daphne Utilities has been paying Spanish Fort Water for billing our sewer customers 10% of total billings and 5% of capacity fees and basing the sewer charges on the customer's water usage. He stated that we would like the Board's authority to begin negotiations on a date to terminate the agreement and to start billing our sewer customers a flat fee and referred to Danny Lyndall on managing this transaction and notifying the Spanish Fort customers as to the change, suggesting a January 1<sup>st</sup> billing cycle. He noted that this billing agreement termination would save Daphne Utilities approximately \$100,000 per year. Mr. Lyndall pointed out that the \$100,000 is for monthly billing of 1,187 customers. Mayor Haygood asked if there was any historical perspective with fixed fees for sewer bills and public response to such. Mr. Lyndall explained the situation when the sewer flat fee went in to effect with Park City sewer customers in 2010/2011, as well as with Belforest Water customers with very little public backlash, although Daphne Utilities was also dealing with sewer customer disconnects for aged receivables in the approximate range of \$60,000-\$70,000. He clarified that the flat fee amount is being examined due to the fact that there are several larger-sized homes and businesses with larger bills than a typical customer in Daphne so the flat rate might be higher. Mr. Speegle indicated that there may not even be a significant difference with the separate billing for the customer, and noted that an agreement was presented to Spanish Fort Water Authority without consideration on their part. Mr. Lyndall pointed out some of the larger commercial customers and gave assurance that we would work some means to collect the water consumption to lieu of a flat fee sewage rate. Mr. Speegle reminded the Board that a motion authorizing a notice of termination of the agreement would be needed and the specifics of the sewer flat rate fee for the Spanish Fort customers could be presented at a later date.



***MOTION by Robert Segalla to allow Danny Lyndall and Jerry Speegle to agree on a termination date and authorize them to write a letter of termination to the City of Spanish Fort. Seconded by Billy Mayhand.***

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

**NAY:**

**ABSENT:**

**ABSTAIN:**

**MOTION CARRIED**

## **VIII. FINANCIAL REPORT**

Teresa Logiotatos reviewed financial highlights for the month of September pointing out the end of the fiscal year, a few changes in the financial summary that provide a few more details, the Statement of Cash Flows, and the Check History Report. Mr. Segalla commended Mrs. Logiotatos and her staff on the budget.

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

### **A. GM Report**

Danny Lyndall highlighted the remaining dates of the Utilities Board meetings noting that typically we forego the December meeting. Chairman Fry announced that a decision would be made at the November Board meeting. Mr. Lyndall pointed out that he omitted an employee in the picture of the Prodissee Pantry donation on the back of the board book and wanted to recognize Frank Penn. Samantha Coppels announced the Field Services department as the winner of the Utilities' canned food drive for the Prodissee Pantry.

### **B. Operations Report**

Van Baggett pointed out the increase in the average water pumped due to customers demanding more for lawn irrigation, recognized Mr. Eddie Ferguson in the temporary role as main contact at the Water Reclamation Facility, and announced the new Facilities Support Manager as Tim Cameron who will be starting on Monday, October 31. He also let the Board know of the pumpkin decorating contest between the departments to foster competition and give our customers the opportunity to pick the best decorated.

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

Melinda Immel from Volkert had nothing to add to her report, but thanked the Board and Daphne Utilities for their continued support of the Daphne Elementary fall festival.

Robbie Strom from HMR had nothing further to add to the submitted report. Mr. Segalla complimented the 6<sup>th</sup> Street Water Treatment Facility; Mr. Lyndall announced there would be a dedication and groundbreaking.

## **X. BOARD ACTION – Previously addressed under new business.**

**A. Re-elect Officer Position** (BOARD ACTION: Motion)

**B. Proposed FY17 Budget** (BOARD ACTION: Motion)

## **XI. PUBLIC PARTICIPATION**

## **XII. BOARD COMMENTS**

Mr. Segalla expressed his appreciation to Mr. Randy Fry and all his work as a public servant. Mr. Mayhand echoed the gratitude.

## **XIII. EXECUTIVE SESSION – Mr. Speegle verified the purpose of Executive Session for discussing potential litigation and claims that may lead to litigation for a duration of approximately 30-45 minutes.**

All were in favor to adjourn to Executive Session at 5:28 pm.

The meeting reconvened from Executive Session at 5:57pm.

A discussion followed regarding the natural gas situation with the City of Fairhope.

***MOTION by Robert Segalla to authorize Jerry Speegle to file suit against the City of Fairhope to protect our rights in regard to the jointly-owned natural gas pipelines with the City of Fairhope. Seconded by Selena Vaughn.***

***MOTION by Mayor Dane Haygood to amend the Motion to limit the filing to occur no sooner than January 1<sup>st</sup> to give an opportunity for further discussions with the new administration in the City of Fairhope.***

There was no Second to this amendment and no agreement to amend the Motion. No further discussion took place on this issue.

***MOTION by Robert Segalla to authorize Jerry Speegle to file suit against the City of Fairhope to protect our rights in regard to the jointly-owned natural gas pipelines with the City of Fairhope. Seconded by Selena Vaughn.***

AYE: Fry, Mayhand, Segalla, Vaughn

NAY: Haygood

ABSENT:

ABSTAIN:

**MOTION CARRIED**

***MOTION by Robert Segalla to authorize Jerry Speegle to continue negotiations with Algae Systems until an impasse is reached and to then authorize him to file suit; Second by Billy Mayhand.***

AYE: Fry, Haygood, Mayhand, Segalla, Vaughn

NAY: ABSENT:

ABSTAIN:

**MOTION CARRIED**

#### XIV. ADJOURNMENT –

***MOTION by Billy Mayhand to adjourn.***

The meeting adjourned at 6:05pm.

Preceding minutes submitted to the Daphne Utilities Board by:



Lori Wilson, Executive Assistant, Daphne Utilities