

Accepted by:

Chairman, Daphne Utilities



APPROVED MINUTES

Utilities Board Meeting

Council Chambers, Daphne City Hall ♦ January 25, 2023 ♦ 5:00 p.m.

I. Call to Order

The regular January 2023 Board meeting for the Utilities Board of the City of Daphne was held on January 25, 2023, in the Council Chambers at Daphne City Hall and called to order at 5:03 p.m. by Chairwoman Selena Vaughn, followed by the Roll Call:

II. Roll Call

Members Present: Selena Vaughn, Chairwoman
Tim Patton, Vice Chairman
Billy Mayhand, Secretary/Treasurer
Mayor Robin LeJeune, Board Member
Councilwoman Angie Phillips, Board Member – arrived at 5:04

Members Absent:

Others Present: Jerry Speegle – Board Attorney
Scott Polk – General Manager
Bobby Purvis – Operations Manager
Teresa Logiotatos – Finance Manager
Lexus Carlee – Finance Specialist
Drew Klumpp – Administrative Services Manager
Samantha Coppels – Communications Manager
Lori Wilson – Executive Assistant

Others Absent:

III. Pledge of Allegiance

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

IV. Approval of Minutes

Utilities Board Meeting Minutes November 30, 2022

The Chairwoman requested any additions, corrections, or deletions for the submitted minutes of the November 30, 2022, Daphne Utilities Board meeting.

With no additions, deletions, or corrections, the Chairwoman declared that the submitted July 27th minutes would stand approved.

Councilwoman Angie Phillips arrived at 5:04pm.

V. OLD BUSINESS –

A. Items in Abeyance:

1. Recommendation for Bid Award for: GOMESA – Windscape L.S. Force Main Extension (Volkert Project No. 408252 DU GL 1835 (Board Action – MOTION)

~~To accommodate for bidder participation, the bid date was postponed to Tuesday, October 25th; therefore, the bid tabulation and recommendation will be delayed and distributed as soon as it is available.~~ **TABLED FOR A LATER DATE**

GM Scott Polk explained that this project will be re-bid due to the initial bids received were too high.

VI. NEW BUSINESS

A. Motion to Approve Requisition R30-010623 for the Purchase of a 2023 Vermeer RTX450 Ride on Tractor Trencher w/accessories as per 1/3/2023 quote from Vermeer Southeast Sales in the amount of \$106,740.71. (Board Action – MOTION)

Operations Manager Bobby Purvis advised that this tractor is being replaced due to age and difficulty obtaining replacement parts and the budgeted new tractor is waiting to be delivered.

MOTION by Mayor Robin LeJeune to APPROVE Requisition R30-010623 for the Purchase of a 2023 Vermeer RTX450 Ride on Tractor Trencher w/accessories as per 1/3/2023 quote from Vermeer Southeast Sales in the amount of \$106,740.71; Motion was Seconded by Tim Patton.

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

B. Recommendation for Bid Award – Annual Contract for Manhole Rehabilitation – FY 22/23 (Volkert Project #408257) in the amount of \$256,800.00 to Slaughter Construction Company Inc. (Board Action – MOTION)

Volkert's Marcus Stacey noted that Slaughter Construction has had this contract in the past and has performed good work and recommended this project be awarded to them in the submitted bid amount.

MOTION by Councilwoman Angie Phillips to APPROVE the Annual Contract for the Manhole Rehabilitation- FY 22/23 to Slaughter Construction Company Inc. in the amount of \$256,800.00 ; Motion was Seconded by Billy Mayhand.

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

C. Tap Fees related to Tonsmeire Summer Oaks development - Revisit

Chairwoman Vaughn advised that all had been given the requested document that Mr. Speegle had prepared as if the Board were agreeable to fulfilling the stated bargain. A discussion took place regarding the duplicate document and any changes between the two.

MOTION by Mayor LeJeune to APPROVE the prepared Sewer Tap Agreement related to the Tonsmeire Summer Oaks development ; Motion was Seconded by Tim Patton.

Chairwoman Vaughn called for comments. Mayor LeJeune stated that the agreement had everything we had asked for; Tim Patton agreed that it resembled what was discussed; Billy Mayhand noted that he did not have much to say about the document because he was still in disagreement with the arrangement. Councilwoman Phillips had no comment on the document. Chairwoman Vaughn reiterated her position by clarifying the lack of salient details for deciding on this issue, the vulnerability of setting precedent for similar future issues, as well as the guidance from legal counsel, and asked for a vote on the matter. Mayor LeJeune agreed that it is a unique situation for Daphne Utilities; he stated that with the background history given and the adjustment to the request that there is some history that does give prudence in what the Board is doing as good faith for some of the things that happened before. Mayor LeJeune commented that the Board should protect against any future situations such as this with counsel's direction. Mr. Speegle noted that there is no way to control claims from third parties. Tim Patton remarked that after thorough review of numerous records, costs and estimated costs, subdivision plans and plats and considered why a force main of that size would be built just to serve part of a subdivision that was platted, and reviewed all of this as possible circumstantial evidence because the real evidence is that there is no written agreement. He also stated his past experience as a customer with Lake Forest Utilities and their carelessness of documentation. Mr. Patton summarized this to explain his examination of the issue and concluded with an analogy of a business trusting what the customer says.

Chairwoman Vaughn called for a roll call vote:

MOTION by Mayor LeJeune to APPROVE the prepared Sewer Tap Agreement related to the Tonsmeire Summer Oaks development; Motion was Seconded by Tim Patton.

	AYE	NAY	ABSTAIN
Selena Vaughn		X	
Tim Patton	X		
Billy Mayhand		X	
Mayor Robin LeJeune	X		
Councilwoman Angie Phillips		X	

The Motion was defeated.

VII. BOARD ATTORNEY'S REPORT

Mr. Jerry Speegle updated the Board about the [Daphne] Animal Shelter easement.

VIII. FINANCIAL REPORT

Finance Specialist Lexus Carlee reviewed the financials for December 2022 for the Board, highlighting: the effect of the recent rate increases, the revenue, expenses, net income and budgeted year-end income, and the check history report.

IX. GENERAL MANAGER'S REPORT

A. GM Report

General Manager Scott Polk began his update recognizing Cub Scout Pack #321 in attendance then continued to brief the Board on: the water production at the new wells at Diamante and the one across the street; the rebid for the GOMESA grant; the near completion

of the admin office remodel; the start of demolition work on the old salsnes at the water reclamation facility in preparation for the new grit removal system; the 5-Year Strategic Plan as well as employee meetings and a recent contract for Snapcomms, a communications app for employees; and lastly the employee performance evaluations was successfully completed.

Samantha Coppels briefed the Board on the summer intern program from the high school, as well as the Crawfish for the Classroom event. She answered a question from the Board about the grant money given and any updates.

B. Operations Report

Mr. Bobby Purvis updated the Board on: his attendance of the Youth Leadership program; the status of the current Leadership Academy group and invited board members to visit; detailed failures at the wastewater treatment plant and damage repairs in areas of the wastewater collection system and the continued rehab of the lift stations; completion of the natural gas replacement in the Daphmont area and preparation for the installation of gas lines in the French Settlement area.

C. Engineering & Consulting Reports –

Melinda Immel with Volkert addressed the Board detailing the extended timeline of the Diamante Well project.

- X. BOARD ACTION** – previously addressed; Chairwoman Vaughn announced that before moving on to Public Participation, she wanted to address the General Manager's performance review/annual merit increase; Tim Patton noted that the Board completed its review and proposed to make a motion.

MOTION by Tim Patton to grant the General Manager a 3% merit increase retroactive to January 5, 2023 Motion was Seconded by Billy Mayhand.

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

XI. PUBLIC PARTICIPATION –

Mr. Larry Chason addressed the Board expressing his disappointment after hearing the all Boards' perspectives, pointing out that he thought the entire burden should not be on Mr. Tonsmeire to bring in the contract, recollecting the details addressed previously to the Board relating to the [office] flood that destroyed his documentation, the recordkeeping by Lake Forest [utilities] that was not that good, and then making a decision based on the fact that there was not a paper [contract] but he emphasized that he did not have a piece of paper saying that he paid for any taps and in fact, he would establish that he built phase 1 and did not pay the City any sewer taps which would indicate that he put in the line in exchange for sewer taps or you would have a record that he paid the sewer taps. He stated that if operating based on the contract makes it or breaks it, he noted that Mr. Patton, Mr. Moore, himself and Mr. Coleman were all present in that timeframe, and Mr. Polk, Mrs. Phillips, Mr. Mayhand and Mrs. Vaughn were not. He declared that he was ready to swear to what he knows and completely believed that Mr. Tonsmeire is due 61 taps and agreed to reduce that and he wanted to continue to discuss this by any of the three that voted against this to bring this question back up, not at this time, and reaffirm what you affirmed when last everyone met. He stated it should not be about who is sitting on the Board right now, but that it should be about if you don't believe what they're saying, if you don't think it happened, and you can prove it by showing us that he paid for some taps, that there wasn't a flood and all of the things that they brought in in good faith. He expressed again his disappointment and hoped to hear from the Board and if not, he understood.

Chairwoman Vaughn backtracked to announce that Public Participation opened at 5:42pm and closed at 5:45pm.

XII. EXECUTIVE SESSION – Discuss General Manager performance review – previously addressed.

XIII. BOARD COMMENTS –

Mr. Tim Patton welcomed Mrs. Phillips to the Board, praised the Leadership Academy, and commended Mr. Scott Polk in his position of General Manager.

Mr. Billy Mayhand thanked Bobby Purvis for his management of the Leadership Academy; he welcomed everyone back for the new year; and he noted that although he may not say a lot and keeps the Board grounded, he'll be watching that 3% - and commended Mr. Scott Polk.

Mayor Robin LeJeune also applauded Mr. Scott Polk for his leadership; he mentioned that at a recent meeting he had with Riviera Utilities electric, he was surprised to learn in a casual discussion that developers are constructing new neighborhoods having no gas available at all and going electric only; he recalled mentioning trying to create some way of incentivizing our gas product and asked for Mr. Purvis to be able to report next month on ways to handle this. He also welcomed Councilwoman Phillips.

Councilwoman Angie Phillips acknowledged her satisfaction to be part of the [Utility] Board, noting all the information provided to her confirmed the serious work the Board undertakes, and she planned to accept that as well. She recognized the controversial decisions the Board, like the [City] Council, makes but will proceed with due diligence to hear what Mr. Chason has to say and thanked Chairwoman Vaughn for having a well-thought out discussion on the issue. She again expressed her appreciation for being part of this well-prepared Board.

Chairwoman Vaughn thanked everyone for participating and listening.

XIV. ADJOURNMENT

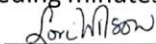
With no further discussions, the Chairwoman called for a motion for adjournment at 5:50pm.

MOTION by Mayor Robin LeJeune to adjourn; Seconded by Tim Patton.

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

The meeting adjourned at 5:50pm.

Preceding minutes submitted to the Daphne Utilities Board by:



Lori Wilson, Executive Assistant, Daphne Utilities