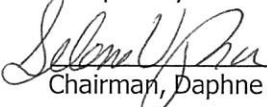


Accepted by:  
  
Chairman, Daphne Utilities



# **APPROVED MINUTES**

## **Utilities Board Meeting**

**Council Chambers, Daphne City Hall ♦ August 30, 2023 ♦ 5:00 p.m.**

### **I. Call to Order**

The regular August 2023 Board meeting for the Utilities Board of the City of Daphne was held on August 30, 2023 in the Council Chambers at Daphne City Hall and called to order at 5:00 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

**Members Absent:**

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

**Others Absent:** Teresa Logiotatos – Finance Manager

Mrs. Wilson stated two reminders – to speak into the microphones when speaking and that the Board officer elections will be on the September agenda - for the Board.

### **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 July 26, 2023**

The Chairwoman requested any additions, corrections, or deletions for the submitted minutes of the July 26, 2023, Daphne Utilities Board meeting.

With no additions, corrections or deletions for the submitted minutes of the July 26, 2023 Daphne Utilities Board meeting, the Chairwoman announced the minutes would stand approved.

**V. OLD BUSINESS – None**

**VI. NEW BUSINESS –**

**A. Discussion – Tap fees for City of Daphne Animal Shelter**

Chairwoman Vaughn summarized the discussion as the dispute over capacity fees due from the City's Contractor for the new animal shelter facility.

Mayor LeJeune stated that his understanding was a bit different in that the City reached out to the Utilities, explained their situation while compiling their items to budget for the animal shelter project, sent a set of plans so that the Utilities could see what was going on with that, and after reaching out received a verbal confirmation that there would not be a tap fee. He continued that the City then asked for a written email stating that confirmation to keep on file and then did not hear anything further believing all was okay until a letter was received by the contractor, and the City was not informed. Mayor LeJeune stated that some time went by and it was the City's understanding there was a discussion at the May 31<sup>st</sup> meeting, in which the Mayor was absent, and thereby an email dated after that meeting notifying Mr. Polk that the City was not obligated to pay the Daphne Utilities tap fees. He indicated that is where the situation remained until the contractor received the letter dated May 31<sup>st</sup>.

Chairwoman Vaughn inquired as to who the plans were given at the Utilities; Mr. Bobby Purvis noted that he looked to find the Utilities plans that changed to the 2" and requested to explain his email. He noted that his discussion with Mr. Troy Strunk at the May 31<sup>st</sup> meeting verified that the same meter and tap were to be used, explaining when he wrote the email that he was clear to say there will be no tap fees if you use the same tap and same existing meter, which was his understanding of the discussion he had with Mr. Troy Strunk on May 31<sup>st</sup> and was not made aware of the upsize to 2".

Mr. Troy Strunk, Executive Director, City Development for the City of Daphne, asked Mr. Purvis if he had a copy of the plans and opportunities for him and his staff to review them; Mr. Purvis acknowledged that he did but that the plans that he had did not have it. Mr. Strunk also noted that the plans were sent to Mr. Purvis when they were working through the easement back in 2022. Mr. Purvis confirmed that he did have the plans but if the 2" meter size was indicated on the plans, he did not observe it.

Chairwoman Vaughn asked when the plans came for construction permit if that is when Alex Godfrey reviews and approves them. Mr. Godfrey confirmed that he receives the plans and based his capacity fee letter from those plans, noting the feasibility review is beforehand through Johnny Grimes who attends the Planning Commission meetings. Mr. Godfrey stated that the general contractor contacted him May 30<sup>th</sup> with a set of plans and he reviewed the plans, noticed the 2" connection and based the capacity fees from that. Mr. Strunk asked if Mr. Godfrey was in the position to review the plans or Drew [Klumpp, the previous Administrative Services Manager], who reviewed the plans first. Mr. Godfrey responded that when he received the plans on May 30<sup>th</sup>, he was in his [current] position and did not know who reviewed the plans prior to him. General Manager Scott Polk responded that Daphne Utilities does not have a record of reviewing the plans indicating there was a change in the water meter, not implying that it does not exist but that Daphne Utilities does not have a record of it.

Mr. Strunk asked if the plans were provided in 2022 at the initial beginning of construction or the design process; Mr. Polk answered that Daphne Utilities does not have a copy or record of receipt otherwise we would be able to identify that there would be a change. Mr. Godfrey added that if

they were given to operations to review, that would have no bearing on capacity fees unless they were given directly Drew [Klumpp] or himself, depending on what timeframe that would have been.

Councilwoman Angie Phillips noted that while there is a review process, there seems to be a question as to who and what was reviewed; she expressed her concern that even though there is something in writing from the operations manager, that there are no qualifiers identified. She explained her reasoning and stated that we need to stand behind our word. Mr. Bobby Purvis clarified that his email was based on verbal communication and did not think it was vague, in answer to Mayor LeJeune's questioning.

Chairwoman Vaughn stated that with all the great things happening and to come in the city, we need to talk about processes going forward, making sure we are knowledgeable of communication chain. Tim Patton gave suggestions for documentation forms and more formality. Mr. Purvis confirmed that the process is straightforward when going through the planning commission.

Councilwoman Angie Phillips agreed with what Chairwoman Vaughn was referring to when the City's project does not go through the planning commission that it is received in a different format and maybe it does need to have some formality to it. Mr. Purvis concurred that the process could be more formal but felt it would not have made a difference in this situation. Mr. Patton disagreed, stating that Mr. Strunk and the Daphne City Development would have identified the line size needed and number of fixtures that were in the existing facility and what is required and would have seen that. Mr. Polk added that he did research the route of the plans, noting that the first set of plans were received in May that indicate the water line and throughout all of our files he did not could not find where it indicated a 2" water meter, pointing out that the May plans were dated February 2023 which is about the same time as the communication occurred so we did not know this in order to be able to process the request for the capacity fees until we received a copy in May.

Mr. Strunk addressed the Board assuring that the conversations that had been had, clarification and requesting communication had been consistent for quite a while, and noting that the plan had been approved through the City planning commission in November 2022 and, if the communication was proper, should have been submitted to Daphne Utilities at that time which is then when the review probably should have occurred, afterward speaking to Bobby [Purvis] and Drew [Klumpp] in February 2023 about the tap fees, emphasizing on two occasions having had those conversations and that the planning commission approved this as a City project in November 2022.

Mr. Bobby Purvis explained the process that follows receiving the copy. Mr. Polk followed up that there is no discussion about capacity fees but to ensure that we can service the proposed plan, but when the contractor moves forward with breaking ground and to get the land disturbance permit is when they contact Daphne Utilities about what the capacity fees will be.

Chairwoman Vaughn commented since we're all on the same team we need to communicate in all that we do and follow the processes. She asked what is it that the City is asking of Daphne Utilities.

Mayor LeJeune responded that he is in a difficult position representing the City and Daphne Utilities at the exact time but that the City's standpoint is that they do not owe the capacity fees.

Mr. Patton commented that he read the Attorney General's opinion from four years ago dealing with the park but found from the [Alabama] League of Municipalities a list of various scenarios and read them for the DU attorney, Mr. Jerry Speegle.

Mr. Speegle advised that this entity is organized under a separate statute and there are plenty of Attorney General opinions that state that contributions could not even been made a local school to help refurbish their playground. We asked the Attorney General this question, and they simply

ignored that part of the request but what we've done in the past with the City is get reasonable compensation for whatever it is we are transferring and this has been done countless times.

Chairwoman Vaughn asked what the budget for the animal shelter. Mayor LeJeune confirmed \$6.5[million]. Chairwoman Vaughn stated that her concern is that the issues regarding waiving capacity fees keep reoccurring on various project, these fees are used specifically for capital improvement projects and questioned if those capacities are increased for the animal shelter and the City does not pay those fee then that capital improvement money still comes from our citizens whether it comes out of their tax dollars being spent on the animal shelter or it's taken from the Daphne Utilities' budget which is below what the animal shelter costs, she questioned with all the things the City comes up for with change orders and we have a mistake, whether it's communication and this is an issue, is this part of the ongoing pushback to not pay capacity fees.

Councilwoman Phillips commented she did not believe this to be the same issue because the City reached out to find out what the fee would be and was told that there would not be a tap fee. She noted, however, that after reading the email string again, she questioned whether the City knew that the project would require a larger meter, emphasizing that the email states "existing meter". Chairwoman Vaughn stated that every City project should be treated like a contractor and everything needs to be clarified and in writing, so moving forward the City is affirming that they do not want to pay the capacity fees whether there is a misunderstanding or not.

Mayor LeJeune stated that he cannot speak for the City Council as he is not part of the Council and can only speak as the Mayor and as such, it is a very difficult situation for him to be in as well as for Board Member Phillips; though he makes numerous daily decisions while wearing both hats, he commented that he has not been spoke of favorably at this facility and that is okay because he signed up for it and because he has to represent both entities. He continued that he had been very consistent on how he dealt with the Utilities Board in making hard decisions, voting for the [rate] increase because it was the right thing for the Utilities. He reiterated that it is a difficult position for him to be in because of the responsibilities to both entities and must weigh the benefits on both sides. He stated that himself as representing the City is purely his opinion and has nothing to do with the Council because they have to make their vote or Councilwoman Phillips because he has not discussed this [with her]; he stated that the City, as his understanding, was not going to pay the tap fee and that could be wrong because the Council makes that decision but from the Mayor standpoint, they are not going to pay the tap fees.

Mr. Billy Mayhand stated that he understands the City and the Utilities have to work together and this issue is just a communication blunder and for us to be able to continue a good relationship with the City and the Board, he felt we should compromise on this particular figure, if not the Board absorb it, because just at the last meeting with gave the City \$30,000 so this is another reach-out from the City to the Board in asking for the Board to forgive the tap fees, so for us to continue on this relationship, we can forgive it all or part in order to move forward and concentrate on the particulars, procedures and processes after this has been resolved so that it does not happen again.

Chairwoman Vaughn stated that procedures are not changing just reinstating that on both sides to follow the same rules as any other contractor and make sure all communication in writing by the appropriate person, and with that and Mr. Mayhand's comment called for comment or action.

Mr. Tim Patton stated that based on the information provided to the Board, the miscommunication that the Board has been made aware of, that the Board does not require these proposed capacity fees, that a payment not be made for these fees for this facility.



*MOTION by Vice Chairman Tim Patton that, because of the miscommunication between both entities and in an effort to continue a good working relationship, the Board does not require the City to make a monetary payment of the proposed capacity fees [for the Daphne Animal Shelter]; Motion was Seconded by Secretary/Treasurer Billy Mayhand.*

Chairwoman Vaughn added that certainly if there is anything the City is working on and the capacity is going to change, that there will be capacity fees in the future making it general knowledge that there will never be a time that the City would say that the capacity is increasing but there will not be a charge.

Mr. Tim Patton stated this could have easily happened with a developer or builder when they come in with an understanding of something, but they really don't but felt that the procedures needed to be amended when reviewing the plans with the exact amount of the capacity fees required or not and respond back in writing and what it is based on at the planning stage.

Councilwoman Phillips added that while she might should find it difficult to wear both hats, but when sitting in this chair she is just looking at this from a board member's perspective and what our operations manager put in writing and put aside the verbal conversations that happened and agreed that, going forward, some formal process needs to happen as suggested by Mr. Patton.

A further discussion took place about how the City was notified.

Chairwoman Vaughn advised there has been a Motion made and a Second and called for any further discussion or questions, then called for a vote on the Motion.

*MOTION by Vice Chairman Tim Patton that, because of the miscommunication between both entities and in an effort to continue a good working relationship, the Board does not require the City to make a monetary payment of the proposed capacity fees [for the Daphne Animal Shelter]; Motion was Seconded by Secretary/Treasurer Billy Mayhand.*

**AYE:** LeJeune, Mayhand, Patton, Phillips

**NAY:**

**ABSENT:**

**ABSTAIN:** Vaughn

**MOTION CARRIED**

**B. Recommendation for Motion to Approve – Requisition R10-080723; for the approval of Contract with Equix Energy Services, LLC for Relocation of Water and Gas at Lavendar Lane (Board Action – Motion)**

Mr. Polk stated that this really does not need Board approval but just to formally notify the Board that this is actually for a City project to relocate the utilities under Lavendar Lane; going through our contracted rates with our contractors we are able to get a better rate to save time and money for the City, in case it does exceed \$100,000, this is to give the Board advance notice but no Motion is required at this point.

- C. **Recommendation for Motion to Approve** – Requisition R10-/01/23GEN - for the purchase of WRF Generator Foundation and Installation from J&P Construction Co., Inc. in the amount of \$311,700.00; **(Board Action – Motion)**

Mr. Polk advised that this is part of a budgeted item to replace the generator at the Water Reclamation Facility, noting that it was advertised for bid and with no bidders, fortunately J&P Construction is on site working on another project and offered to do the work while there.

*MOTION by Councilwoman Angie Phillips to approve Requisition R10-/01/23GEN - for the purchase of WRF Generator Foundation and Installation from J&P Construction Co., Inc. in the amount of \$311,700.00; Motion was Seconded by Vice Chairman Tim Patton.*

AYE: LeJeune, Mayhand, Patton, Phillips

NAY:

ABSENT:

ABSTAIN: Vaughn

**MOTION CARRIED**

- D. **Recommendation for Motion to Approve** – Requisition R40-082523 – for the purchase of WRF Center Flow Screen and controls from Southern Water in the amount of \$443,780.00; **(Board Action – Motion)**

Mr. Polk explained that this to change the screens at the headworks at the WRF and scheduled to be in the CIP for FY24 however the supplier indicated that if we could issue a purchase order by September 20<sup>th</sup> that they would be able to give a discount and once passed that date, the rate would increase. He stated that it has been in the budget and CIP for several years, it is a planned project.

*MOTION by Councilwoman Angie Phillips to approve Requisition R40-082523 – for the purchase of WRF Center Flow Screen and controls from Southern Water in the amount of \$443,780.00; Motion was Seconded by Secretary/Treasurer Billy Mayhand.*

AYE: LeJeune, Mayhand, Patton, Phillips

NAY:

ABSENT:

ABSTAIN: Vaughn

**MOTION CARRIED**

- E. **Recommendation for Award for** – USHwy90 Emergency Repairs for Exposed Utilities (Sawgrass Consulting) – Harwell & Company LLC in the amount of \$134,623.60; **(Board Action – Motion)**

Mr. Scott Polk detailed this project and advised that we were a GOMESA grant for this project provided no work is done until the actual GOMESA paperwork is completed and signed off on.

*MOTION by Vice Chairman Tim Patton to approve USHwy90 Emergency Repairs for Exposed Utilities (Sawgrass Consulting) – Harwell & Company LLC in the amount of \$134,623.60; Motion was Seconded by Secretary/Treasurer Billy Mayhand.*

AYE: LeJeune, Mayhand, Patton, Phillips

NAY:

ABSENT:

ABSTAIN: Vaughn

**MOTION CARRIED**



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

Mr. Jerry Speegle had nothing to report but was available for questions.

## **VIII. FINANCIAL REPORT**

Finance Specialist Lexus Carlee reported for the Board on: revenue year to date, metered services over expected budget, year-to-date expenses are under budget, total net income for the year over projections. She noted that on the cash flow statement, a large amount of money was spent on the capital improvement projects and offered to answer any questions from the Board.

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

### **A. GM Report**

General Manager Scott Polk reported on: continued progress on the Grit Removal System project at the WRF and still on target for completion in September; Village Drive water main replacement moving forward and scheduled to be completed by the end of September; updated progress of rehab of Well #2, now Well #15, the Diamante Well project; notification of budget review meeting with the rate increase included and a 20% rate increase for the AMIC insurance; receiving the Alabama League of Municipalities President's Risk Management Award for 2018-2022 commending Mr. Bobby Purvis, Mr. Danny Wilson and our staff for their efforts in focusing to reduce accidents and risks; collaboration with the City of Fairhope on a water interconnect agreement; issues with the anode bed at the animal shelter.

Samantha Coppels advised that Daphne Utilities was mentioned in the media regarding the City of Fairhope water interconnect, and she published a statement as well.

### **B. Operations Report**

Mr. Bobby Purvis commended the water distribution department for their diligent efforts in dealing with recent water issues. He then announced the promotion of Mr. Bruce Watson from lead operator at the Water Reclamation Facility to Wastewater Collection Manager.

**C. Engineering & Consulting Reports** – nothing to add to the submitted reports. Mr. Polk complimented Mrs. Melinda Immel and the staff at Volkert in coordinating with ADEM to receive the ARPA grants.

**X. BOARD ACTION** – previously addressed.

## **XI. PUBLIC PARTICIPATION**

Chairwoman Vaughn announced Public Participation at 6:12 pm.

Mr. Steve Olen addressed the Board to compliment Mr. Bobby Purvis and his diligent professionalism and focus regarding the water issues on Village Drive.

Chairwoman Vaughn closed Public Participation at 6:14pm.

## **XII. BOARD COMMENTS –**

Mr. Billy Mayhand congratulated Mr. Bruce Watson and commented on the relationship with the City and Daphne Utilities in finding a way to work together.

Councilwoman Phillips echoed all the previous comments and congratulated on the award previously mentioned.

Mr. Tim Patton commented on the great people we have working with Daphne Utilities and the long-range planning that has occurred.

Mayor Robin LeJeune congratulated Mr. Bruce Watson.

### XIII. ADJOURNMENT

Chairwoman Vaughn called for a motion to adjourn the meeting.

*MOTION by Secretary/Treasurer Billy Mayhand to adjourn the meeting; Motion was Seconded by Vice Chairman Tim Patton.*

**AYE:** LeJeune, Mayhand, Patton, Phillips

**NAY:**

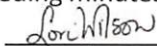
**ABSENT:**

**ABSTAIN:** Vaughn

**MOTION CARRIED**

The meeting adjourned at 6:17pm.

Preceding minutes submitted to the Daphne Utilities Board by:



Lori Wilson, Executive Assistant, Daphne Utilities