

Accepted by:

  
Chairman, Daphne Utilities



# **APPROVED MINUTES**

## **Utilities Board Meeting**

**Council Chambers, Daphne City Hall ♦ May 28, 2025 ♦ 5:00 p.m.**

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

The regular May 2025 Board meeting for the Utilities Board of the City of Daphne was held on May 28, 2025, in the Council Chambers at Daphne City Hall and called to order at 5:01 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

**Members Absent:** Councilman Joel Coleman, Board Member

**Others Present:** Jerry Speegle – Board Attorney  
Scott Polk – CEO/General Manager  
Alex Godfrey – Chief Operations Officer  
Lexus Carlee – Chief Finance Officer  
Samantha Coppels – Chief Communications Officer  
Kelly DeLaney – Customer Service 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 April 30, 2025**

The Chairwoman requested any additions, corrections, or deletions for the submitted minutes of the regular Daphne Utilities Board meeting of April 30, 2025.

With no additions, deletions or corrections, the Chairwoman declared that the submitted minutes of the regular Daphne Utilities Board meeting of April 30, 2025, would stand approved.

V. OLD BUSINESS –

A. None

VI. NEW BUSINESS –

- A. **Resolution 2025-02 – Resolution** to Amend 2019-01, 2003-01 and 1994-07 Relating to Additional Charges and Miscellaneous Service Fees (**Board Action: MOTION TO APPROVE Resolution 2025-02**)

CEO/GM Scott Polk advised that the only change for this Resolution is the fee for reconnection of delinquent account customers that frequently request last-minute reconnection after hours.

*MOTION by Mr. Tim Patton to approve the presented Resolution 2025-02 [to Amend 2019-01, 2003-01 and 1994-07 Relating to Additional Charges and Miscellaneous Service Fees]; the Motion was seconded by Mr. Billy Mayhand.*

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

- B. **Resolution 2025-03 – Resolution** Authorizing the Purchase of Natural Gas from Southeast Energy Authority; Approving the Execution and Delivery of a Gas Supply Agreement and Other Documents Relating to Said Purchase; Consenting to the Assignment of Certain Obligations Under the Gas Supply Agreement in Connection with the Issuance of Bonds by Southeast Energy Authority and Addressing Related Matters (**Board Action: MOTION TO APPROVE Resolution 2025-03**)

Scott Polk informed the Board members that the Southeast Energy Authority is a cooperative district, primarily municipal utilities that go together and issue bonds to pre-purchase gas through the Southeast Energy Authority, usually doing so by using the buying power of all the municipalities and other organizations that have good credit ratings to get gas at a less expensive level. He further explained that when it is referred to a pre-paid agreement, it does not mean that it is being paid in advance, but they are using our credit rating to get bond allowing them to purchase gas for themselves and in turn pass it on to Daphne Utilities. He explained that the submitted agreement simply authorizes himself and Lexus Carlee to review any potential agreement as long as they give us a 42cent discount per million btu's and if does not reach that threshold of providing that discount, we would not enter into the agreement. He added that Daphne Utilities already pays 3¢ to SEAGas who actually purchases the gas for us, which would be removed from normal charges and added into the agreement so when we have an overhead cost, SEAGas is rolled in so we save additional money. He noted that typically BP will give Daphne Utilities an 8¢ discount because we are a municipality, Southeast Energy Authority has asked them to roll that discount into any prepay discounts as well, making a minimum discount Southeast Energy expects to get is 42¢ per million btu's if they do not get that contract, it will be null and void and we still do not have to enter into that contract, obviously having Jerry [Speegle] review anything they present to ensure that it's a fair and equitable contract; he noted that the benefit of this contract is that Daphne Utilities would get gas cheaper because they use the buying power of numerous municipalities and other sound organizations in order to buy a bond to purchase the gas and they also carry all the overhead costs making it cheaper for Daphne Utilities and either pass that on to the customers or have discussions about what to do with any potential savings. He pointed out that currently we are set up to pass those savings on to the customers.

Mr. Polk then answered questions from the Board members related to this presented contract.



After a brief discussion, Chairwoman Vaughn called for a motion.

*MOTION by Mr. Billy Mayhand to approve the presented Resolution 2025-03 [Resolution Authorizing the Purchase of Natural Gas from Southeast Energy Authority; Approving the Execution and Delivery of a Gas Supply Agreement and Other Documents Relating to Said Purchase; Consenting to the Assignment of Certain Obligations Under the Gas Supply Agreement in Connection with the Issuance of Bonds by Southeast Energy Authority and Addressing Related Matters]; the Motion was seconded by Mr. Tim Patton.*

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

**C. Recommendation for Bid Award – Maxwell Avenue Water Main Replacement (Volkert Project No. 408278) for a total bid amount of \$402,430.00 to A-Long Boring, Inc. (Board Action: MOTION TO AWARD)**

CEO/GM Scott Polk explained that: this was in the capital improvement plan and budgeted for \$400,000; this area has had repeated breaks with some older pipe along with some drainage issues; the goal is to locate newer pipe on one side it would save from repeated breaks along Maxwell Avenue, like what was experienced on Village Drive.

After brief discussion and questions answered, Chairwoman Vaughn called for a motion.

*MOTION by Mr. Tim Patton to accept the Recommendation for Bid Award – Maxwell Avenue Water Main Replacement (Volkert Project No. 408278) for a total bid amount of \$402,430.00 to A-Long Boring, Inc.; the Motion was seconded by Mr. Billy Mayhand.*

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

**VII. BOARD ATTORNEY'S REPORT**

Jerry Speegle had nothing to add to his submitted report but advised that after regular business has concluded that the Board hold an Executive Session; he then certified that the purpose of the session will be to discuss potential or possible litigation which may involve the Board.

**VIII. FINANCIAL REPORT**

Finance Manager Lexus Carlee highlighted for the Board: increase in total assets, revenue and expenses for the year are just slightly under projections; total net income for the year is over budgeted projections; net income for the month of April is above compared to an estimated net income budget. She reviewed some of the monthly cash payments for projects.

**GENERAL MANAGER'S REPORT**

**A. GM Report**

CEO/GM Scott Polk updated for the Board regarding: Daphne Utilities' work at the Pollard Road and CR64 intersection is technically completed; the 33% completed design of preliminary engineering draft for the WRF 20-year plan should be done by July 16<sup>th</sup>; the

Rehab of Well #2 is complete; thanked the Board members for approving the Maxwell Avenue Water Main Replacement project. He then commented on Items of Note relating to the Leadership Academy continuation, the summer interns and potential intern for the fall, kudos to Samantha Coppels for national industry press on the GOMESA Grant sanitary sewer upgrade project.

Communications Officer Samantha Coppels reported on all the events Daphne Utilities, in particular the Gas Department, participate in with the City of Daphne; grant projects; and the CCR.

**B. Operations Report**

Chief Operations Officer Alex Godfrey informed the Board about: the Daupler Answering System's first emergency event success; erosion area on US90 across from Hidden Creek Circle location involving exposure our gas main and sewer main in a similar situation from a few years ago; he answered questions from the Board members.

**C. Engineering & Consulting Reports** – nothing to add to the submitted reports

**IX. BOARD ACTION** – previously addressed.

**X. PUBLIC PARTICIPATION** – At 5:21pm, Chairwoman Vaughn opened and closed public participation noting that there was no involvement.

Chairwoman Vaughn called for a Motion for Executive Session

*MOTION by Mr. Tim Patton to recess for Executive Session as described by the Board Attorney at 5:22 pm; the Motion was seconded by Mr. Billy Mayhand.*

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

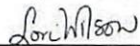
The Board reconvened from Executive Session at 5:47pm.

**XI. BOARD COMMENTS** – none

**XII. ADJOURNMENT**

With no additional comments, the Chairwoman Vaughn called for a motion to adjourn the meeting. Mayor Robin LeJeune made the Motion to Adjourn. The meeting adjourned at 5:47pm.

**Preceding minutes submitted to the Daphne Utilities Board by:**



Lori Wilson, Executive Assistant, Daphne Utilities