

Regular Meeting September 3, 2015

Chairman O'Neil Robinson called the regular meeting of the Board of Water and Sewer Commissioners of the City of Saraland, Alabama, to order at 6:30 P.M. at the Saraland Water Service conference room with the following Board Members present:

Present:
Mr. H. O'Neil Robinson
Mr. Jackie R. Haines
Mr. James E. Davis
Mr. Ron K. Mitchell

Absent:
Mr. Allen K. Wine

Mr. Raymond Bell, Board Attorney, and Mr. Darryl Russell, Board Engineer, were present.

Mr. Haines opened the meeting with prayer.

The minutes of the August 20, 2015 meeting were approved by signature.

Committee Reports:

Mr. Davis reported, since the last Board Meeting; the men have resolved 11 Complaint Cards and worked 19 Alabama 811 locates. The complaint card database is updated through September 3, 2015. Mrs. Robinson negotiated an earlier start date to begin receiving locate notifications from Alabama 811 via email. We received our first locate via email on August 20, 2015.

Mr. Mitchell reported, since the last Board Meeting; the Badger representative has completed the laptop training for inside and outside employees. Mr. Mitchell asked Mr. Hennis the percentage of radio read meters in the system. Mr. Hennis responded 40% of the system has radio read meters. The men have asphalted the water line tie-in site on Hummingbird Drive. They have installed ten ¾" radio read meters. The men are working on the fire hydrant painting project. Mr. Mitchell stated the fire hydrants are being painted yellow instead of red and white. Mr. Mitchell, also, gave the Secretary / Treasurer's report; we do not have any CDs maturing at this time.

Mr. Haines reported, since the last Board Meeting; we had the hydraulic cylinder from the Vermeer rebuilt and Mr. Vaughn has installed the rebuilt cylinder, so the Vermeer is ready for use.

Mr. Robinson presented Mr. Wine's report. Since the last Board Meeting; everything in the office is running smoothly. The office staff is busy preparing for the 2014 – 2015 fiscal year audit.

Chairman Robinson recognized the guest in attendance. Mayor Howard Rubenstein and Call News reporter, Emmett Burnett. Mayor Rubenstein stated he just came as a citizen sitting in on the Water Board meeting. Mr. Robinson stated the Board has invited Mr. Burnett to our meeting to help get the word out about our takeover of Saraland Sewer Department. Mr. Robinson explained the Board has conducted a feasibility study, the Board accepted the proposal from Mayor Rubenstein and the City Council; so the Board will take over Saraland Sewer Department effective October 1, 2015 contingent on signature on all paperwork. Mr. Robinson stated there will be hurdles to overcome after the takeover, but Saraland Water and Sewer Service will face each one as a team. Mr. Robinson added the main concern of the Board is our customers, quality service and keeping the cost as low as possible. Mr. Robinson asked

the Board if they had anything to add. Mr. Haines stated he has a statement regarding the takeover and he asked the Board to review the statement before it is posted on the website.

Mr. Robinson acknowledged Mr. Larry Wettermark partner to Mr. Andy Rutens attorney for the City of Saraland. Mr. Wettermark stated he is assisting with the takeover agreement.

Old Business:

Mr. Robinson opened discussion on the tank maintenance. Mr. Hennis reported we received the loan and it has been deposited in the general fund. Mr. Robinson reported he and Mr. Mitchell met with Mr. Hudson, Regions loan manager, to sign the documents for a 5 year loan at 2.15% interest. Mr. Robinson asked Mr. Mitchell to explain the line of credit they discussed with Mr. Hudson. Mr. Mitchell explained it is a \$500,000.00 line of credit for equipment, emergencies or if there is a downfall in the economy. Mr. Mitchell requested this item be placed on the agenda for the next Board meeting. Mr. Robinson asked Mr. Hennis if all of the tanks will be done at the same time. Mr. Hennis stated they will be done one at a time starting with the reservoir.

Mr. Robinson opened discussion on the chemical bid proposal. Mr. Hennis stated the chemicals are not on the State Bid list. Mr. Russell reviewed the chemical list with Mr. Bell and it is acceptable for Mr. Hennis to solicit bids directly from suppliers. Mr. Bell reported there is a threshold of spending to allow the Superintendent to solicit prices from vendors for the chemicals as they are needed to guarantee we get the best prices at the time.

Mr. Robinson opened discussion on updating the signature cards at Regions Bank for all bank accounts. Mrs. Robinson stated she could not submit the signature cards to Regions, because Mr. Wine was unable to sign the other signature cards. Mrs. Robinson suggested the Board do the signature cards without Mr. Wine's signature and when Mr. Wine returns or another member is appointed re-do the signature cards again. Mr. Robinson instructed Mrs. Robinson to request signature cards for the four (4) Board Members present and update the cards with the full Board at a later time.

Mr. Robinson opened discussion on the rate schedules for water and sewer. Mr. Mitchell stated he asked Mrs. Robinson and Mr. Hennis to do a comparison of utility companies in Mobile County to Saraland Water. Mr. Mitchell reported Saraland Water has the lowest rate. Mr. Mitchell stated we do the best we can to keep the rates as low as possible; however with the increased cost for chemicals, supplies and services, it is necessary to increase rates. Mr. Mitchell made a motion to increase the water rate 8% in addition to the automatic 2% for residential and commercial customers effective October 1, 2015. Mr. Haines seconded. The Board discussed the rate increase. Motion carried. Mr. Robinson asked for discussion on the rate schedule for sewer. Mr. Mitchell discussed the current sewer rate and the supplement from the City of Saraland for the general obligation warrants. Mr. Mitchell made the motion contingent on the successful transfer of assets in the takeover of Saraland Sewer to raise the sewer rate to 120% of the new water rate for residential and commercial customers effective October 1, 2015. Mr. Davis seconded. The Board discussed the increase. Motion carried. Mr. Bell suggested ratifying the motion at the first meeting in October 2015. Mr. Mitchell added even with the increases passed tonight we are still the lowest water rates and sewer rates in the County. Mr. Robinson explained the supplement from the City of Saraland will be used to pay the principal and interest of the general obligation warrants acquired while Saraland Sewer was run by the City of Saraland.

Mr. Robinson opened discussion on the Turnerville Water District Board meeting. Mr. Robinson reported he contacted Turnerville Water District and asked to be on the agenda for September 14, 2015. Mr. Robinson stated this is simply a meet and greet and to let them know we will be taking over Saraland Sewer Department.

New Business:

Mr. Robinson asked Mr. Hennis to discuss his budget. Mr. Hennis explained the budget to the Board and answered questions. The Board will review the budget in detail and take action at the next Board meeting.

Mr. Robinson opened discussion regarding the Hp estimate for credit card report modifications in the amount of \$1,912.50. Mrs. Robinson explained she has been working with Veronica, Hp representative, to customize the credit card payment reports to accommodate our needs. Our requested changes can be done; however there is a one-time fee of \$1,912.50. Mrs. Robinson explained the additional information contained in the new report and how it would protect our customers as well as our company. The Board had some concerns and asked questions and Mr. Bell and Mrs. Robinson addressed all of the concerns and questions. Mr. Haines made a motion to pay Hp \$1,912.50 for program modifications for credit card payment reports. Mr. Davis seconded. Motion carried.

Mr. Robinson opened discussion on the quote in the amount of \$1,000.00 from Southern Actuarial Services to perform the GASB 45. Mr. Robinson asked Mrs. Robinson to explain this to the Board. Mrs. Robinson reported the GASB 45 is done every two years to show the risk liability for post employee benefits. We have used Mr. Carr, Southern Actuarial Services, for several years and his fee has not increased over the years. The projection of risk liability is needed for the audit. Mr. Haines made a motion to pay Southern Actuarial Services \$1,000.00 to perform the GASB 45. Mr. Mitchell seconded. Motion carried.

Mr. Robinson opened discussion on the consideration of creating the: Sewer Superintendent, Assistant Sewer Superintendent, Treatment Plant Operator II, Lift Station Mechanic and three (3) Public Service Worker I positions in our jurisdiction with the Mobile County Personnel Board. Mr. Bell stated there is another position that needs to be considered. Mr. Bell explained the Mobile County Personnel Board will have one meeting before the October 1, 2015 takeover deadline and for those employees to transfer to our jurisdiction the Board must make those positions available. Mr. Bell explained the prior mentioned positions are currently held by Sewer Department employees; however the Treatment Plant Operator Trainee position is one we will need. Mr. Davis made a motion of common consent of the Board to add Treatment Plant Operator Trainee to the list of positions to be considered. Mr. Haines seconded. Motion carried. Mr. Davis made a motion to authorize Superintendent Chad Hennis to send a letter to the Mobile County Personnel Board requesting the identified positions be created for the Saraland Water and Sewer Board effective immediately. Mr. Haines seconded. Motion carried.

Mr. Robinson opened discussion on the invoices presented for ratification: McCrory & Williams, Inc. inv# 20157388, dtd 8/5/15 in the amount of \$3,124.00 re: clerical (July), McCrory & Williams, Inc. inv# 20157400, dtd 8/19/15 in the amount of \$945.00 re: Sewer System evaluation and treatment plant visit, McCrory & Williams, Inc. inv# 20157401, dtd 8/19/15 in the amount of \$5,840.00 re: Standard specifications development for construction of water distribution systems inclusive of approved maters, Mayer Electric Supply, inv# 19618744, dtd 8/26/15 in the amount of \$2,475.00 re: variable frequency drive for Norton Avenue Booster Pumping Station, iPromoteu inv#946098TRC, dtd 8/28/15 in the amount of \$1,857.79 re: Bill stock, McCrory & Williams, Inc. inv# 20157428, dtd 8/31/15 in the amount of \$2,156.00 re: clerical (August). Mr. Haines made a motion to pay the invoices presented for ratification. Mr. Mitchell seconded.

Vice-Chairman's Report:

Mr. Davis reported the final stage of the mainframe and workstation upgrade has been completed. The EPSON track feed printer has been installed. The office staff appreciate the new printer. Mr. Davis commended the office staff for doing a great job. Mr. Davis reported he met with both the sewer team and water team. Mr. Davis expressed to all we will be one team working together. Mr. Davis stated some of the sewer employees have expressed some concerns regarding their jobs. Mr. Davis reassured them no one was in jeopardy of losing their jobs. Mr. Davis asked Mayor Rubenstein if this was correct. Mayor Rubenstein agreed with Mr. Davis. Mayor Rubenstein stated he, also, reassured the sewer employees.

Chairman's Report:

Mr. Robinson reported he and Commissioner Mitchell met today to discuss the October 1, 2015 takeover. They, also, discussed the sewer funds to be transferred over. Mr. Robinson asked Mr. Mitchell to follow up on the funds, files and assessment files. Mrs. Robinson is creating employee files for all of the sewer employees including tax forms, I-9, etc. Mr. Robinson stated Mr. Hennis has expressed some concern about the sewer system laterals. Mr. Hennis has inquired about purchasing a GPS. Mr. Robinson reported Mr. Vaughn was the only candidate to apply for the Water Service Operator II (Assistant Superintendent) position. Mr. Robinson reported Mr. Hennis and Mr. Vaughn are going to a sewer school; both water and sewer employees were offered the opportunity to attend the sewer school. Mr. Robinson would like to open a second Office Assistant III position to allow Mrs. McDuffie to apply for the position. Mr. Robinson opened discussion on the retainer fee and rate for our Board Attorney. The Board discussed the current fee and outside work above the allowance included in the retainer. Mr. Bell discussed the terms of the contract from 2012. Mr. Davis and the Board commended Mr. Bell for doing a great job for the Board of Water and Sewer Commissioners. Mr. Robinson discussed the billing fee charged by Turnerville Water District. Mr. Robinson stated he would like to have a kick-off get together on October 1, 2015 at 5:00 pm. We want Mayor Rubenstein, the City Council, the Board, all sewer employees and water employees to attend. Mr. Robinson stated he wants to use a CD to remodel the new shop next door. Mr. Robinson opened discussion on low income / disability discount application for sewer. Mr. Mitchell will have more information on the forms and qualifications at the next meeting.

Superintendent's Report:

Mr. Hennis reported he has been in contact with City Hall to coordinate the transfer of sewer phone numbers from the City of Saraland to the Board of Water and Sewer Commissioners. Mr. Hennis stated the sewer employees have been measured and the uniforms have been ordered. Mr. Hennis discussed the frontage assessments billing program with Mrs. Purvis at City Hall. Mr. Hennis provided Mr. Herring, Sewer Superintendent, a new email address. Mr. Hennis requested permission to purchase a GPS. Mr. Hennis will use the GPS to locate water valves, water meters, sewer laterals, etc. Mr. Hennis discussed the prices of the GPS and the program.

Attorney's Report:

Mr. Bell reported Mr. Rutens presented an initial draft for the takeover. Mr. Bell asked the Board to review the draft and come to the next meeting with their input. Mr. Bell anticipates having a final agreement for signature in two weeks. Mr. Bell thanked the Board for their comments earlier.

Engineer's Report:

Mr. Russell discussed the tank maintenance. Now that the funds have been secured he will have an agreement from American Tank Maintenance for signature before the next meeting. Mr. Russell, also, brought some floor plans for the new shop next door. Mr. Davis asked if Mr. Hennis was going to move the SCADA system next door. Mr. Hennis stated it will not be moved.

Mr. Haines inquired about the engineering for the sewer department.

Mr. Davis stated one of the sewer employees asked him if it was possible to give the sewer and water employees a discount on the water bills. This would be an incentive to work for Saraland Water and Sewer Service. Mr. Davis asked for this item to be on the agenda for the next meeting.

Correspondence:

Eml from Saraland Area Chamber of Commerce re: September 2015 Monthly Newsletter

Cpy of ltr to Mr. Herring, Sewer Superintendent, dtd 8/24/15, re: Employee Packets

Cpy of ltr from Mr. Dees, Personnel Board Director, dtd 8/25/15, re: Approval of Mr. Hennis special merit increase

Ltr from Aaron Oil, dtd 8/26/15, re: Crude Oil Current Market Conditions

Cpy of ltr to Mr. Dees, Personnel Board Director, dtd 8/28/15, re: Terrance Brown – Individual Merit Increase

Cpy of ltr from Mr. Hanson, Personnel Board Assistant Director, dtd 9/1/15, re: Merit Raise

There being no further business to come before the Board; Mr. Haines made a motion to adjourn the meeting. Mr. Davis seconded. Meeting adjourned at 7:54 P.M.

ATTEST:

RATIFIED AND APPROVED:
