



**January 7, 2019
Regular Board Meeting**

The Regular Meeting of Madison Utilities convened at the Madison Utilities' Office located at 101 Ray Sanderson Drive with Chairman Terris Tatum presiding. Vice Chairman Steve Haraway, Director Gerald Clark and Director Rob Szmyd were present. Director A. Keith Cook was absent. Also present were Secretary/Treasurer/General Manager Emory DeBord and Recording Clerk Jodie Parker.

Others present were Finance Manager Gary Sparks, Wastewater Manager Mark Bland, Water Manager Jason Leggett, and Customer Service Manager Misty Leftwich. Attorney Woody Sanderson was absent.

Chairman Terris Tatum called the Regular Board meeting to order at 5:31 p.m.

Registered Public in attendance: Tom Dyer from Dyer & Smith, LLC

1. PUBLIC COMMENTS

None

2. CURRENT AGENDA/MINUTES OF PREVIOUS MEETING

a. January 7, 2019 Current Agenda

The agenda for the January 7, 2019 Regular Meeting was presented to the Board. Vice Chairman Haraway moved to approve the January 7, 2019 Regular Meeting Agenda as submitted with corrections and additions; Director Clark seconded the motion. The motion was approved unanimously.

b. December 17, 2018 Regular Meeting Minutes

The minutes for the December 17, 2018 Regular Meeting were presented to the Board. Vice Chairman Haraway moved to approve the minutes for the December 17, 2018 Regular Meeting; Director Szmyd seconded the motion. The motion was approved unanimously.

3. PLATS/BONDS

a. Preliminary Project Approval

- i. Consolidated Pipe & Supply Co.
- ii. Family Security Credit Union
- iii. Home Place Park
- iv. Public Works Facility
- v. Town Madison Apartments

Director Clark moved to approve Consolidated Pipe & Supply Co, Family Security Credit Union, Home Place Park, the Public Works Facility, and Town Madison Apartments with one motion; Vice Chairman Haraway seconded the motion. The motion was approved unanimously.

b. Dedication and Improvements

None.

4. OLD BUSINESS

None.

5. NEW BUSINESS

a. Madison Utilities Annual Audit

Mr. Dyer of Dyer & Smith, LLC stated to the Board that the audit cycle had gone very smoothly and that Finance Manager Sparks had had an opportunity to review the draft of the audit. He added that it was important to note that there were no significant deficiencies and that if there had been he would have requested a meeting with the Board prior to this point. Mr. Dyer pointed out that the audit contained a lot of information and two things which may require further discussion in the future were how to capitalize interest on construction bonds and pension liability. He concluded by reassuring the Board that Madison Utilities is performing very well in terms of operations, which is consistent with audits of previous years, and that is something to be proud of.

Vice Chairman Haraway moved to accept the Annual Audit as presented; Director Szmyd seconded the motion. The motion was approved unanimously.

b. Option Year with Industrial Chemicals for Calcium Hypochlorite

Vice Chairman Haraway moved to approve the Option Year with Industrial Chemicals for Calcium Hypochlorite; Director Clark seconded the motion. The motion was approved unanimously.

c. Workers Compensation Insurance Policy and Resolution No. WWB-101-2019

Finance Manager Sparks briefly explained that the policy cost was relatively the same as last year primarily due to some significant events from a few years ago which are factored in for a set number of years. He added that if we can be incident free for the next couple of years, it will result in significant premium cost reductions. Director Clark moved to approve the Workers Compensation Insurance Policy and Resolution No. WWB-101-2019; Vice Chairman Haraway seconded the motion. The motion was approved unanimously.

d. Brenntag Option Year Clarification

Water Manager Leggett explained that the Brenntag Option Year Rollover, which was approved at the last Board meeting, listed the contract extension at an amount not to exceed \$51,138.80 when it should have been an amount not to exceed \$379,377.80. He added that he just wanted to clarify the actual amount of the rollover. Vice Chairman Haraway moved to ratify the clarification as presented; Director Clark seconded the motion. The motion was approved unanimously.

e. EOS Proposal – Valuation of Drake Well

Director Clark asked for some clarification on why a valuation of Drake Well would be necessary. General Manager DeBord explained that there had been some previous discussions with Attorney Sanderson and the attorney for the Drake family regarding the potential purchase of the well. He added that there would be some benefit to having a well that size as a backup in case it was ever needed but determining the value for potential or occasional use is something a professional engineering company could more adequately assess. Director Clark moved to approve the EOS proposal to perform a Valuation of Drake Well; Vice Chairman Haraway seconded the motion. The motion was approved unanimously.

f. Fuel Station Equipment Award of Bid and Resolution No. WWB-102-2019

Wastewater Manager Bland informed the Board that four bids were received and the bids were opened last Friday. He added that everything was in order and the lowest responsible bid was MECO out of Montgomery. The next bid will be for the labor portion of the fueling station project. Vice Chairman Haraway moved to approve the Fuel Station Equipment Award of Bid to MECO and Resolution No. WWB-102-2019; Director Clark seconded the motion. The motion was approved unanimously.

6. LEGAL

None.

7. **WATER REPORT**

Water Manager Leggett informed the Board that he currently has two Utility Worker II positions open and is in the process of conducting interviews.

8. **WASTEWATER REPORT**

Wastewater Manager Bland stated that due to all of the rain the progress has stalled on some of the current projects but the Town Madison Lift Station is almost out of the ground and the Clift Farms bid would be taking place at the end of the month.

9. **FINANCE REPORT**

Finance Manager Sparks distributed a chart showing information on the debt service coverage for the past six years. He explained that Madison Utilities typically has a coverage ratio in the 1.7 to 2.0 range and that there was a drop this year due to the 2017 bonds. The 2018 coverage ratio remains above the Indenture required 1.20 and is in compliance with our Bond Indentures. He added that this information is critical to how investors and bond rating agencies look at us and will need to be considered during the next borrowing and rate analysis.

10. **CUSTOMER SERVICE**

Customer Service Manager Leftwich reported that she is currently fully staffed.

11. **GENERAL MANAGER REPORT**

General Manager DeBord asked the Board members if they wanted to forego the January 22nd meeting since the audit had been completed and approved by the Board. Chairman Tatum replied that we should cancel the meeting and if something comes up a called meeting could be arranged; all Board members agreed.

12. **VICE CHAIRMAN HARAWAY**

Vice Chairman Haraway took a few moments to thank the water and wastewater crews who came and worked tirelessly to correct a pump failure which caused a significant problem.

13. **DIRECTOR COOK**

None.

14. **DIRECTOR CLARK**

Director Clark mentioned two areas where he noticed some work had been performed but sod was never replaced and he asked if the crews are behind schedule on restoration work. Water Manager Leggett stated that they have played a lot of catch up on the areas requiring Bermuda sod but that the lack of availability of zoysia and fescue, as well as wet weather conditions, have prevented them from completing some sod replacement. He added that if Director Clark will give him the addresses he will look into where they are on the list.

15. **DIRECTOR SZMYD**

None.

16. **CHAIRMAN TATUM**

None.

17. ADJOURNMENT

At 6:25 p.m. the Board agreed to adjourn.

Approved,



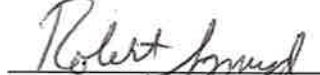
Terris Tatum, Chairman



Steve Haraway, Vice Chairman

Gerald Clark, Director

A. Keith Cook, Director



Rob Szmyd, Director

ATTEST:



Emory DeBord, Secretary/Treasurer