

**REGULAR MEETING OF THE
ROCKWOOD WATER, WASTEWATER & NATURAL GAS BOARD**

January 24, 2017 @ 6:00 P.M.

The meeting was called to order at 6:00 p.m. with Chairman Darryl Meadows presiding. Roll call found Commissioner Loren Bone, Commissioner Tim Couch, Commissioner Dudley Evans, and Commissioner Joe Moore present.

Public Comment: None.

Approval of the November 2016 Minutes: Commissioner Moore made a motion to approve the minutes as presented and Commissioner Bone seconded. The motion passed unanimously.

Approval of November and December 2016 Financials: Daniel Peterson reported that W/S revenue for the month of November was \$413,672; expenses were \$195,330; and revenue exceeds expenses YTD of \$158,844. Gas revenue for the month was \$140,868; Gas expenses excluding gas cost was \$62,850; and expenses exceed revenue YTD of \$264,164.

W/S revenue for the month of December was \$207,700; expenses were \$244,496; and revenue exceeds expenses YTD of \$179,330. Gas revenue for the month was \$273,441; Gas expenses excluding gas cost was \$79,056; and expenses exceed revenue YTD of \$221,962.

Commissioner Evans made a motion to accept the report as presented and Commissioner Couch seconded. The motion passed unanimously.

General Manager's Report: Kim Ramsey reported that the 2.5% water rate increase passed City Council on first reading and second reading will be at Council meeting in February. The 18" sewer interceptor line has failed approximately 1800' from the WWTP. The sewer from that line is currently being pumped to a manhole using two large rented pumps at a cost of approximately \$10,000 per month. An estimate of \$1-1.5 million has been given to repair the collapsed line. A second 15" line runs parallel to this line that would likely be damaged during any excavation and that would also need to be replaced. Rather than replacing both lines, a 30" line would be installed to carry waste from both lines. Several options are being explored for financing. A Called Meeting will need to be scheduled for approval of bids. Financing would also need approval before presentation to City Council for approval.

OLD BUSINESS:

- a. **Report on I/I:** A written report was provided to all Commissioners.
- b. **Consideration and approval to extend authorization for GM to continue negotiations concerning Front Street sewer project and report at February meeting:** Commissioners originally gave approval for Ms. Ramsey to settle by December 31st. At this time, Fulghum MacIndoe has submitted a claim to their liability

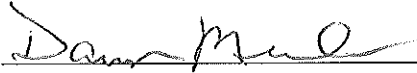
insurance so more time is need to settle. Commissioner Evans made a motion to give Ms. Ramsey the time required to settle the claim and Commissioner Moore seconded. The motion passed unanimously.

NEW BUSINESS:

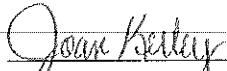
- a. **Presentation and approval of audit for FY 2015-16 – Parson’s & Wright:** Josh Stone presented the audit on behalf of Parson’s and Wright. Overall net position for W/S at June 30, 2016 was \$10.5 million and Gas was \$7.8 million. He noted that RWSG as whole is much more stable financially than it was a few years ago and that this is an excellent audit. There were no findings or management points found during this audit. Chairman Meadows asked if a rate increase would be needed during this FY and Mr. Stone did advise that it would needed for continued financial growth and to offset price increases of normal business expenses. Commissioner Evans added that he believes an increase of 1.5% each year should be considered.
- b. **Presentation of financial status report – Daniel Peterson:** Mr. Peterson updated Commissioners on the present financial status of the Utility. He noted that \$1.78 million in debt has been paid 2013 – 2016 and that debt was paid outside the scheduled payments. He also said that he feels the rate increase is necessary to continue the progress that is being made financially.
- c. **Consideration and approval of audit proposal for FY2016-17:** Parsons & Wright submitted a proposal of \$20,000 for the audit for the upcoming year. Any single audit would be \$1,200. Commissioner Evans made a motion to accept the proposal and Commissioner Bone seconded. The motion passed unanimously.
- d. **Consideration and approval of employee holiday schedule for 2017:** The schedule will be the same as was approved for City employees. Commissioner Bone made a motion to approve and Commissioner Moore seconded. The motion passed unanimously.

Communications from Board members: Commissioner Bone commented on the tough times that RWSG, management, and Commissioners had been thru financially but he believes we are going in the right direction. Commissioner Moore yielded the floor to Connie Jackson, 612 N Chamberlain Ave. She stated that someone had turned on her outside faucet causing her to have a high bill. She asked for special consideration for the sewer portion to be adjusted. Ms. Ramsey added that she had requested this through her and, since it is outside policy, she asked her to make her request to the Commissioner. Chairman Meadows stated that it will be researched and an answer provided to her.

Commissioner Evans made a motion to adjourn and Commissioner Bone seconded. The meeting adjourned at 7:10 p.m.



Darryl Meadows, Chairman



Joan Kerley, Secretary