

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

November 22, 2016 @ 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, and Commissioner Tim Couch present; Commissioner Dudley Evans and Commissioner Joe Moore were absent. Commissioner Moore arrived immediately after Public Comment.

Public Comment: None.

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

Approval of October 2016 Financials: Joan Kerley reported that W/S revenue for the month was \$319,832; W/S expenses were \$213,456; and revenue exceeds expenses YTD of \$45,253. Gas revenue for the month was \$113,206; Gas expenses excluding gas cost was \$70,882; and expenses exceed revenue YTD of \$245,786. Commissioner Bone made a motion to accept the report as presented and Commissioner Couch seconded. The motion passed unanimously.

General Manager's Report: Kim Ramsey advised the Board that the clarifier project is completed and did not require as much grout as expected. The bleach project at the WTP should be completed in the next week. Permit renewal guideline for the WWTP have been met. The drought management plan has been submitted to the State but hopefully won't be needed due to our water source.

OLD BUSINESS:

- a. **Report on I/I:** A written report was provided to all Commissioners.
- b. **Executive Session – Greg Leffew:** Commissioners, Ms. Ramsey, and Mr. Leffew adjourned to a City Hall office for discussion.

NEW BUSINESS:

- a. **Consideration of offer from Fulghum MacIndoe and Adams & Sons:** Mike MacIndoe was present to discuss his stance regarding the discovery of elevation issues on the sewer project at Front St/Chamberlain Ave. He says there is a way to correct the problem with a collaborative effort from the contractor, RWSG, and his firm. Chairman Meadows asked if there is a specific monetary settlement that his firm is offering and his firm has accrued \$43,772 in labor charges on this project and an additional \$15,000 on non-related projects that he proposes be considered as equity on this project. The contractor has reduced his fees from \$340k to \$244k. RWSG would be responsible for the balance. Commissioner Bone asked what Fulghum MacIndoe is doing to avoid this problem in the

future. Mr. MacIndoe says that processes have been changed in his office and that he is working to avoid uncertainty on any future project. Commissioner Bone asked if the inspector that was provided by Fulghum MacIndoe should have discovered the problem earlier and he responded that he possibly should have. Commissioner Couch then made a motion not to accept the proposal and Commissioner Bone seconded. The motion passed unanimously. Commissioner Moore then made a motion to give Ms. Ramsey the authority to negotiate through December 31st based on discussion in the executive session and Commissioner Couch seconded. That motion also passed unanimously.

b. Update on natural gas – Earl Burton – natural gas consultant: Mr. Burton provided a handout to Commissioners and highlighted the following:

- Price is at \$2.45 to purchase for winter
- We have a contract to purchase 40% of our gas from Tennessee Energy Acquisition Corp.
- He is currently waiting to purchase gas because he believes the price will decrease
- RWSG currently maintains 125k Dth in storage
- JAT Oil will credit slightly more than \$62k for excess capacity sold
- Overall, gas price to customer should remain close to the same as last year

c. Consideration and approval of installation of Mission SCADA system at Water Treatment Plant: Mission is a sole source for monitoring equipment and has already been installed on water tanks and water pumps. That monitoring has gone well and we are now ready for the installation at the WTP. The total cost of the quote from Missions is \$22,961.00. Ms. Ramsey asked for approval to start in January and Commissioner Bone made a motion to accept the GM's recommendation and Commissioner Moore seconded. The motion passed unanimously.

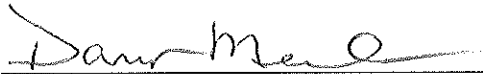
d. Consideration and approval of Agent of Record for employee benefits for 2017: Only one proposal was received and opened at 3:00 today – from our current Agent, Sarah McCoin. Ms. Ramsey recommended continuing with her as AOR since she has done an excellent job for employees and management. Commissioner Moore made a motion to approve and Commissioner Couch seconded. The motion passed unanimously.

e. Consideration of December 2016 meeting: In past years, no meeting has been held in December unless a need arises for an emergency meeting. Commissioner Bone made a motion to cancel the December meeting and Commissioner Couch seconded. The motion passed unanimously.

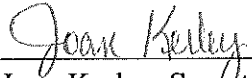
f. Consideration and approval of Christmas Bonus for full and part time employees: In 2015, the approved bonuses were \$275 for full time employees and \$125 for part time employees. Ms. Ramsey recommended \$285 for full time employees and \$125 for part time employees in 2016. Commissioner Moore made a motion for a \$300 bonus for full time employees and \$150 for part time employees and Commissioner Bone seconded. The motion passed unanimously.

Communications from Board members: All Commissioners thanked the employees and management.

Commissioner Bone made a motion to adjourn and Commissioner Couch seconded. The meeting adjourned at 6:51 p.m.



Darryl Meadows, Chairman



Joan Kerley, Secretary