

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

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

The meeting was called to order in the Rockwood City Hall Council Room at 6:00 P.M. with Chairman Darryl Meadows presiding. Commissioners Loren Bone, Dudley Evans and Joe Moore were present. Commissioner Tim Couch was absent.

Public Comment: None.

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

Approval of financials for September, 2017: Accountant Daniel Peterson reported that water and sewer revenues for the month were \$354,333.00, expenses were \$226,403.00, and considering depreciation, and non-operating revenues and expenses, the September water and sewer revenues exceeded expenses by \$70,859.00. Year to date, water and sewer revenue exceeded expenses by \$120,399.00. Gas operating revenues totaled \$125,953.00. Gas operating expenses not including the cost of gas were \$81,181.00. Considering depreciation and non-operating revenues and expenses, the Gas Department's September expenses exceed revenues by \$47,493.00. Year to date, gas expenses exceeded revenues by \$118,246.00, which the accountant reported was common for this time of year. Commissioner Evans made a motion to accept the financials as presented by Daniel Peterson, and Commissioner Moore seconded. The motion passed unanimously.

General Manager's Report: Kim Ramsey reported that the Front Street sewer project is nearing completion and substantial completion is anticipated by the end of October. She also reported that questionnaires have been sent to residents in the Eagle Furnace area to determine whether there is an interest in expanding gas service to that area. A new employee, Christie Carr, has joined the staff as a customer service clerk in the front office, and her training is going well.

OLD BUSINESS:

- a. **Report on I & I:** A written report was provided to all Commissioners.
- b. **Consideration and approval of a request for proposal - IP voice phone system.** It was reported that the committee to study phone bids, consisting of Commissioner Bone, Commissioner Evans and General Manager Ramsey met and examined at length the three (3) phone bids presented at last month's regular meeting. The committee recommended that the lower bid from Taylor Telecom be accepted. Commissioner Moore made a motion to accept the bid of Taylor Telecom, seconded by Commissioner Evans. The roll being called, Commissioners Bone, Evans, Meadows and Moore all voted aye, so the motion passed unanimously.

NEW BUSINESS:

- a. Consideration and approval of gas plan for winter season 2017 through 2018:** Earl Burton of Tennessee Energy Consultants presented a plan for the winter 2017-2018 season. His recommendations included locking in the gas pricing for JAT Supply in the range of \$3.20 per Dekatherm, avoiding potential pricing volatility for winter and using storage only for incremental supply during colder weather. Upon motion of Commissioner Evans seconded by Commissioner Bone, the roll being called, Commissioners Bone, Evans, Meadows and Moore voted to accept Earl Burton's aforesaid recommendations. The motion passed unanimously.
- b. Report and approval of gas rates for winter season:** Accountant Daniel Peterson presented an executive summary of gas rates based on billed Dekatherms during the last fiscal year. His recommendation included a demand rate per Dekatherm of \$2.16, a base rate of \$4.22 and an ACA of \$0.72. Based on these recommendations, the combined PGA rate would be \$8.76 per Dekatherm for the 2017-2018 fiscal year. The combined PGA rate per Therm for inside the City limits would be \$0.88, and the combined PGA rate for Therm outside the City limits would be \$1.13. Upon motion of Commissioner Bone, seconded by Commissioner Moore, the roll being called, Commissioners Bone, Evans, Meadows and Moore voted aye. The motion passed unanimously.
- c. Consideration and approval of request for proposals for Sanitary Sewer Evaluation Survey:** General Manager Ramsey explained that bids had been solicited for sanitary sewer evaluation with CCTV manhole inspections and smoke testing, because contracting this work out would be a more cost effective way to evaluate the sewer system, so the utility can prioritize and perform preventive maintenance. She reported that the utility does not have manpower and all the equipment necessary to properly evaluate the sewer system. Purchasing the necessary equipment is cost prohibitive. The contractor would inspect the system as directed by the utility, and any repairs and maintenance would be performed by the utility. The following bids were received for a one (1) year contract with the potential of four (4) one (1) year renewals:

UIS	\$99,800.00
PCI	\$110,943.60
CES	\$128,855.00

Upon motion of Commissioner Evans, seconded by Commissioner Bone, the roll being called, the following commissioners voted to accept the low bid of UIS: Commissioner Bone, Commissioner Evans, Commissioner Meadows and Commissioner Moore. The motion passed unanimously.

d. Consider meeting schedule for November and December, 2017:

Commissioner Evans moved that the November meeting be held on November 20 at 6:00 PM, and a decision about the December meeting be made at the November 20 meeting. Upon the motion being seconded by Commissioner Moore, the motion passed unanimously.

After a brief communication from board members, the meeting was adjourned at 6:55 PM.



Darrell Meadows, Chairman

Darryl

Greg Leffew, Acting Secretary