

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

**November 27, 2018 @ 6:00 P.M.**

The meeting was called to order at the Rockwood City Hall at 6:00 P.M. with Chairman Darryl Meadows presiding. Commissioners Loren Bone and Joe Moore were present; Commissioners Aylor Evans and Dudley Evans were absent. Commissioner Dudley Evans arrived at 6:45pm.

**Public Comment:** None.

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

**Approval of financials for October 2018:** Daniel Peterson reported that water and sewer revenues for October were \$330,954; expenses were \$224,004. Year to date, water and sewer revenue exceeded expenses by \$104,860. Gas operating revenues totaled \$133,647; operating expenses not including the cost of gas were \$76,020. Year to date, gas expenses exceeded revenue by \$152,535. Commissioner Moore made a motion to accept the financials as presented and Commissioner Bone seconded. The motion passed unanimously.

**General Manager's Report:** Kim Ramsey reported that City Council has approved the purchase of the Henderson property. A change order has been received on the filter rehab at the WTP in the amount of \$25,372. The original bid was \$63,700 and \$100,000 was included in the budget for the project. Commissioner Moore made a motion to amend the agenda to add proposed change order and Commissioner Bone seconded. The motion passed unanimously. Commissioner Moore then made a motion to authorize the GM to execute the change order up to the amount of \$25,372 and Commissioner Bone seconded. The motion passed unanimously.

**OLD BUSINESS:**

- a. **I&I report:** Commissioners received a written report.

**EXECUTIVE SESSION:** City Attorney Greg Leffew requested this session to discuss the lawsuit for water theft against the railroad contractor. Upon return, Commissioner Bone made a motion to allow Mr. Leffew to negotiate a settlement and Commissioner Moore seconded. The motion passed unanimously.

**NEW BUSINESS:**

- a. **Consideration and approval of Resolution for property purchase for the Operation Center site:** Greg Williams, son of the owner of the Williams tract, has established a price of \$20,000 for the property at 205 S Front St. that was appraised at \$10,000. Condemnation of the building would cost around \$5,000. Commissioner Bone made a motion to amend the Resolution to state an offer of \$15,000 or it will be

condemned and Commissioner Moore seconded. The motion passed unanimously. Commissioner Bone then made a motion to approve the amended Resolution and Commissioner Moore seconded. The motion passed unanimously.

- b. Consideration and approval of FY17/18 audit – Nicole Swint/Daniel Peterson:** Ms. Swint indicated that the audit found no deficiencies in internal controls and that RWSG is in stable financial condition overall. Ms. Ramsey commended the work of Joan Kerley and Daniel Peterson. Commissioner Bone made a motion to accept the audit as presented and Commissioner Moore seconded. The motion passed unanimously.
- c. Update of gas purchasing status – Earl Burton:** Mr. Burton stated that all indications are that natural gas prices will trend upward for the winter months. Currently, prices per dekatherm are running over \$4.00. Cost of our gas in storage is currently at \$3.18 and will be combined with the higher purchase price to give customers less of an increase. Hedging could decrease cost by as much as 30% and that will be revisited in February.
- d. Consideration and approval of contract for sewer improvements for Tarwater Street:** KUB has already taken bids for pipe bursting within its system and, according to Mr. Leffew, we can tag on to this as long as the bid price is honored. Hurst Excavating has agreed to honor those prices which will allow us to rehab the gravity line along the area that the City is preparing to improve. Total cost of the pipe bursting is \$226,360. Commissioner Dudley Evans made a motion to approve and Commissioner Moore seconded. The motion passed unanimously.
- e. Consideration and approval of Resolution for CDBG application 2019 for sewer system improvements:** The City has agreed to allow RWSG to apply for this grant. Basins 1 and 8 repair estimates are over \$2M. A grant in the amount of \$525,000 would require a match by RWSG of \$78,448. The Resolution is the first step in the application process to proceed with receiving funding. Commissioner Bone made a motion to approve the Resolution and Commissioner Moore seconded. The motion passed unanimously.
- f. Discussion of draft Private Lateral Program (PLP) policy:** Numerous locations were found during the sewer system evaluation that are significant contributors to the I&I problems. Since these are on private property, RWSG would charge the customer to correct the problem. Chairman Meadows appointed Commissioner Bone and Ms. Ramsey, and members of Ms. Ramsey's choice to a committee to discuss the issues involved and bring ideas to the January meeting.
- g. Consideration and approval of purchase of 2 Ford Escape SUV (4-wheel drive):** Jerry Duncan Ford has proposed a slightly less price than the State bids. Total bid is \$21,796 each and \$66,000 was budgeted. Commissioner Evans made a motion to approve and Commissioner Bone seconded. The motion passed unanimously.

- h. Consideration and approval of employee Christmas bonuses:** Commissioner Evans stated that he would prefer to increase last year's bonuses. He then made a motion to give all full-time employees \$350 and all permanent part-time \$200. Commissioner Moore seconded. The motion passed unanimously.
  
- i. Consideration and approval of December Meeting schedule:** Commissioners agreed that no meeting will be held in December unless a called meeting is needed.

All Commissioners wished Commissioner Dudley Evans well since this was his last RWSG Board meeting. He was presented with a gift from the Board and employees. After a brief communication from board members, the meeting was adjourned at 7:25 PM by motion of Commissioner Dudley Evans and seconded by Commissioner Bone.

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Darryl Meadows, Chairman

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Joan Kerley, Secretary