

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

**June 27, 2023 @ 6:00 P.M.**

The meeting was called to order at Rockwood City Hall at 6:00 P.M. with Chairman Loren Bone presiding. Commissioners Mark Clem, Larry Davis, Joe Moore, and Ronnie Thompson were present.

**Public Comment:** None

**Approval of May Minutes:** Commissioner Davis made a motion to approve the minutes as presented and Commissioner Thompson seconded. The motion passed unanimously.

**Approval of May financials:** Tausha Bruneel reported that water and sewer revenues for May were \$345,768; expenses were \$345,090. Year to date, water and sewer revenue exceeded expenses by \$355,041. Gas operating revenues totaled \$185,385; operating expenses not including the cost of gas were \$109,875. Year to date, gas revenue exceeded expenses by \$548,784. Commissioner Clem made a motion to accept the financials as presented and Commissioner Davis seconded. The motion passed unanimously.

**General Manager's Report:** Kim Leffew reported the ARP Grant for the Water Treatment Plant project has been approved and would hopefully be ready to bid in January 2024. The project is required to be completed by October 2026 and would consider including a penalty clause to prevent delay in the contract. We will start moving inventory over the next few weeks to the new operations building. There are some changes on the board with this meeting being Loren Bone's last meeting. City Council has appointed Paul Kamikawa to be his replacement effective July meeting. We have had 2 employees resign Sam Turek and Luke Crass and 1 employee, Joan Kerley, retire. The city and REU will be closing down for 2 days for the July 4<sup>th</sup> holiday so the utility will follow suit.

**OLD BUSINESS:**

- a. **No Old Business**


**NEW BUSINESS:**

- a. **Report for Natural Gas purchases for Winter 23-24 – Earl Burton:** We have had cheaper gas prices the last few months at around \$2. We are at 95% storage filled at around \$2 and we cannot fill it to 100% due to regulations. Earl gave the recommendation to hedge 50% at the current price, which is around \$3.60, and another 50% later if the price drops 10% more. Commissioner Thompson made a motion to hedge 50% at \$3.80 or lower and Commissioner Clem seconded. The motion passed unanimously.

- b. **Consider and approve contract for custodial services:** Commissioner Davis made a motion to defer to next month and Commissioner Thompson seconded. The motion passed unanimously.
- c. **Consider and approve change order for Horizon LLC – Pumphouse Sewer project:** The final change order amount for this project came in at \$19,749 and we will be asking the City to pay half. Commissioner Moore made a motion to approve and Commissioner Davis seconded. The motion passed unanimously.
- d. **Consider and approve update of wholesale contract for Roane Central Utility District and North Rhea Utility District:** Both of these companies are wholesale customers. We have not updated RCUD rates since 2011 and at that time, it was \$1.76 per 1,000 gallons. We have not updated NRUD since 2013 at which their rate was \$1.85 per 1,000 gallons. Recommendation to lock in for July 2023 consumption for 3 years with RCUD at \$2.05 per 1,000 gallons and for NRUD \$2.05 per 1,000 gallons. Commissioner Moore made a motion to approve and Commissioner Clem seconded. The motion passed unanimously.
- e. **Consider and approve Collection List dated 5/10/23:** Commissioner Clem made a motion to approve and Commissioner Davis seconded. The motion passed unanimously.
- f. **Consider and approve Capital Improvement Plan 2023- Six year plan:** Same plan as the budget workshop in May. Commissioner Moore made a motion to approve and Commissioner Thompson seconded. The motion passed unanimously.
- g. **Consider and approve Budget FY 23/24:** Shows some adjustments made from April projection numbers once the May financials were completed. For the Gas fund there was a change in Net Revenue balance down to \$156,205 and shows the loss of Alba and Horse Head. The Water fund Net Revenue went up to \$6,095 to include the new cross connection fee and the updating of the wholesale contracts and the loss of Alba and Horse Head. Commissioner Moore made a motion to approve the budget as is and to include a 5% pay increase with a \$750 Christmas bonus and Commissioner Davis seconded. The motion passed unanimously.

After a brief communication from board members, the meeting was adjourned at 7:08 PM by motion of Commissioner Clem and second by Commissioner Moore.

  
 \_\_\_\_\_  
 Mark Clem, Vice-Chairman

  
 \_\_\_\_\_  
 Tausha Bruneel, Secretary