

## **MINUTES**

### **MONTEAGLE PUBLIC UTILITY BOARD MEETING**

**April 14, 2009**

**PRESENT:** Charles Rollins  
Dean Lay  
Lex Orr  
Bud Knott  
Marilyn Nixon

**This meeting of the Monteagle Public Utility Board was called to order at 10:00 am by Mayor Charles Rollins.**

**The following items were discussed:**

- 1. RESOLUTION 2009-134B (Rate Structure) – The council discussed the fact that the city will not be able to get our SRF loan unless we support a 19% increase in water rates between 2011 and 2012. Ald. Orr asked if the 14% increase shown for the 2009 budget year reflects the rate increase we have already done and Anthony Pelham said that, according to what he has been told, it does. Ald. Orr said it would be good to have that in writing so we could be sure we will not be hit with a request for another rate increase this year. Ald. Lay read the letter of April 8, 2009, from Dale Hager with SRF about the increase of 19%. He discussed the money we are putting into the sinking fund and asked if we should question their figures. Ald. Nixon asked if it was correct that we must pass this resolution or we will not qualify for the loan. Mr. Pelham told her she was correct. Ald. Lay noted that the loan request is for \$6.2 million. He stated that we have the option to buy down the loan with money from the General Fund. He said, if we adopt this resolution today, in 2011 when it is to go into effect, we would have the option at that time to pay some of the loan off from the General Fund. Mr. Pelham said he felt we needed to be willing to pass this resolution and hope that we will not have to put the increase into effect in 2011. Ald. Lay said we need to let people know that on July 1, 2011, our rates could be increased 18%, or more if the economy gets worse.**

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**Mr. Pelham told the council that we are at significant risk of losing our funding if the resolution is not passed. There was a discussion on stimulus money that may be coming to Monteagle, but it was reported that there is nothing in place yet. Ald. Nixon made a motion to approve Resolution 2009-134B. Ald. Knott seconded the motion. It passed 3/2 on roll call vote with Ald. Lay and Mayor Rollins voting no.**

- 2. HAND HELD METER READER – Tabled until we get some prices.**
- 3. WATER DEPOSITS – Ald. Orr said he would get with the city recorder and work on putting something together on deposits. There was a discussion on a current customer who has a large returned check with us and has no deposit. Ald. Lay asked how returned checks are handled and the city recorder said she sends a letter to the writer of the check giving them ten days to pick up the check with cash, money order, certified check, or cashier's check. Ald. Lay said he didn't feel this was fair to the customers on the shut off list. Ald. Orr made a motion to no longer send out a letter giving ten days pick up a bad check. Ald. Knott seconded the motion. The city recorder asked if the motion should include what to do about a returned check and Ald. Lay said they would address that issue next. The motion then passed 5/0.**
- 4. UTILITY MODEL – Mayor Rollins presented a proposal for who will be working in the Street Department and Kevin Gilliam presented one showing the "chain of command" for the Utility Department. The problem is that both department layouts included all of the employees. Ald. Lay noted that all of the employees worked in both departments up until now and it was not an issue. But now that we have a new Utility Manager he needs to know what employees he is in charge of. Ald. Orr said we have two situations. The first is that we are trying to divide utility and roads and the second is that we are duplicating employees. There was a discussion on the fact that the utility funds underwrite all of the street work.**

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**There was a lengthy discussion on the need for the new utility manager to be in control of the day-to-day supervision of the utility employees. Ald. Orr asked the mayor if he is willing to allow the utility manager to lay out the work on a daily basis. The mayor said he would support someone doing this 100% as long as it works. If it doesn't work, then he said he would have to do something about it. Ald. Lay said he would assume that, if there was a clear violation of the council's policy, then it would be brought up at a meeting. Ald. Orr made a motion to restructure the street and utility department into two separate divisions and follow the manager's model as presented by Kevin Gilliam, with work to be done on who is in which department and the understanding that the names on the model would change and to put Kevin Gilliam in a management position to operate the department day-to-day and report to the city council and that the utility director be given a bound copy of all city ordinances, policies, procedures, and resolutions that are in our system today pertaining to utilities effective today. Ald. Nixon seconded the motion and it passed 5/0 on roll call vote. It was noted that this puts the utility manager in charge of the daily operations for the utility department. Ald. Lay asked how we should let the employees know we have changed the way we operate. Ald. Orr suggested having a meeting with the street and utility employees to notify them that the utility manager is in charge. Ald. Nixon made a motion to call all of those employees together for a meeting at 1:00 and explain the new procedures. Ald. Orr seconded the motion and it passed 5/0.**

- 5. CITY WATER/WELLS – The Minutes of the September 25, 2007, meeting were read showing that the council had approved allowing customers to dig wells during the drought with the understanding that they would be required to go back on the city water after the drought was over.**
- 6. CUSTOMER BILLING REVIEW – Ald. Nixon announced that this had been turned over to the city attorney for review. At this time,**

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**Angela Carter from the Hidden Creek Apartments asked if she could address the council about the 18 minimum bills they pay. She said that only seven of the units are inhabitable. There was a discussion on the customer putting in their own meters. Ron Buffington from the Monteagle Assembly asked if the ordinance passed a year or so ago would apply to this customer. The council agreed to look into Ms. Carter's situation and discuss it at a future date.**

**7. MANAGER'S REPORT –**

**A. RESOLUTION 2009-135 – This resolution establishes a fee of \$350.00 for an irrigation tap. Ald. Orr made a motion to approve Resolution 2009-135. Ald. Nixon seconded the motion and it passed 5/0. B. DYE TESTING – It was reported that the flow will have to go down before the dye is put into the water. Ald. Orr asked Mr. Gilliam to contact Dr. Urban with this information. C. TDEC MEETING – We still have to do a single habitat biological survey. We were going to ask the University of the South to do this work, but TDEC was not comfortable with this, so Griggs & Maloney will give us a proposal on doing this. Anthony Pelham noted that Arcadis was charging about \$6000.00 to do this. Mr. Gilliam will get a proposal from Griggs & Maloney and have it ready by the 20<sup>th</sup>.**

**8. OVERTIME PAY FOR POLICE OFFICERS – It was reported that the police officers had some overtime when the EQ tank ruptured at STP #1. The officers apparently had expected to be paid overtime for everything over 40 hours. They were paid according to FLSA which says police officers get overtime after 86 hours in a two-week pay period. The council did not make a change in the way the officers were paid for this work.**

**This meeting was not adjourned, but recessed until 10:00 AM on Monday, April 20<sup>th</sup>.**

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### **MONTEAGLE PUBLIC UTILITY BOARD MEETING**

**April 20, 2009**

**(Reconvened from April 14, 2009)**

**PRESENT:**       **Charles Rollins**  
                  **Dean Lay**  
                  **Lex Orr**  
                  **Bud Knott**  
                  **Marilyn Nixon**

**This meeting of the Monteagle Public Utility Board was reconvened at 10:04 am by Mayor Charles Rollins, and is a continuation of the meeting of April 14, 2009.**

**The following items were discussed:**

**1. HABITAT RESOLUTION 2009-135A– Kevin Gilliam informed the Board that we have to do a habitat assessment and a semi-quantitative assessment for TDEC before we can proceed with some of our sewer work. We had planned to ask the University of the South to do this survey, but TDEC was not comfortable with this so he has asked Griggs & Maloney for a proposal. They have given us a cost of \$6450.00. He said the study has to be done in the spring and in the fall and he is not sure if this is for just the spring survey or will include the fall as well. He said we were originally supposed to do more than one year, but Angela Young told him that if we could get one good set of fall and spring testing done, they would consider this finished. Ald. Lay suggested that we go ahead and approve this amount now and, if it does not include the fall testing, then we can approve that amount later on. Ald. Orr made a motion to approve the \$1800.00 for the habitat assessment and the \$4650.00 for the semi-quantitative assessment for a total of \$6450.00. Ald. Knott seconded the motion and it passed 5/0 on roll call.**

**2. MONTEAGLE SUNDAY SCHOOL ASSEMBLY – Mr. Gilliam said that the city attorney asked him to get some figures together on the water and sewer systems at the Assembly. He said Anthony Pelham has been**

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**working on this and would be here shortly to give us a report. Mr. Gilliam recommended to the council that any action on the system at the Assembly be delayed until after the court hearing tomorrow.**

- 3. POLICIES – TAUD has a disk the city can purchase for \$100.00 with various policies that pertain to utility districts. They also have a book for managers and commissioners for \$75.00. He recommended delaying any action on policies until we can purchase TAUD’s disk and review it to see if there is anything we can use on it. The council agreed to this, but noted that they would like to have a workshop on policies when the disk arrives.**
- 4. SPRINT – Mr. Gilliam said he has obtained a copy of the contract with Sprint covering the cell tower antenna they have on our water tank. They are wanting to have a subcontractor do some work on the antenna, but the contract does not cover anything about subcontractors. The mayor mentioned that the last time Sprint did any work on the antenna they burned the epoxy off of the inside of the tank. Ald. Orr made a motion to authorize Kevin Gilliam to meet with Bill Killian and Hailey Engineering and study the contract. Ald. Nixon seconded the motion and it passed 5/0.**
- 5. FIRE DEPARTMENT – There was a discussion about Kevin Gilliam answering fire calls for the Sewanee Fire Department when he is on the job for Monteagle. Ald. Knott said he needed to let someone know when he answered fire calls in Sewanee. Ald. Orr made a motion to allow Kevin Gilliam to go to fires in Sewanee at his discretion as long as he advises the city that he is going to a fire. Ald. Knott seconded the motion and it passed 5/0.**

**The meeting was recessed at 10:35 to wait for Anthony Pelham. Ald. Lay had to leave the meeting at this time.**

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**At 10:47 am the meeting reconvened with Mayor Rollins, Ald. Orr, Ald. Knott, and Ald. Nixon in attendance.**

**Anthony Pelham was present to discuss the estimated value of the Monteagle Sunday School Assembly's water and sewer system. The Assembly has approached the city to take over their system by way of settling the court case where they have sued us over our rate structure for billing customers with master meters. Attached to these Minutes is a copy of the figures he provided. He said he felt the Assembly's system would need a lot of work to bring it up to the standard's of a utility district. He felt the system would have a negative value to the city. The mayor asked Mr. Pelham for his opinion and he said he did not feel taking over the Assembly's system was in the best interest of the city in its current condition. He said, if the city did consider taking over the system, the Assembly should pay the city a sum of money sufficient to cover the cost of upgrading the system which, in his opinion, would cost several hundred thousand dollars. The council took no action on taking over the water and sewer system of the Monteagle Assembly. Ald. Orr asked Mr. Pelham about the de-watering boxes. Mr. Pelham said he is waiting on the contractor's drawings.**

**The meeting adjourned at 11:14 am.**

**Respectfully submitted,**

  
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**Joy Sturtevant, City Recorder**