

Beulah Utilities District
Minutes of Regular Board of Directors Meeting
April 21, 2015
5320 Lee Road 270 Valley, AL 36854
6:00 pm CST

The Board of Directors of Beulah Utilities District met in a regular meeting on April 21, 2015 at the Beulah Water Department.

1. **WELCOME**

Chairman Sims welcomed those in attendance.

2. **CALL TO ORDER**

Chairman Sims called the meeting to order.

3. **ROLL CALL**

The following Board Members were present: Dan Roberts, James Majors, Shane Franks and Lamar Sims. Chairman Sims stated that Mr. Leon McCloskey had resigned from the Board and would not be in attendance.

Visitors in Attendance - See attached Visitor Sign In Sheet.

4. **DECLARE QUORUM**

After the roll was called, Chairman Sims declared that a quorum was present.

5. **ADOPT AGENDA**

Chairman Sims presented the proposed agenda for adoption. Mr. Roberts motioned to adopt the agenda. Motion was seconded by Mr. Franks and the agenda was unanimously adopted.

6. **APPROVAL OF PREVIOUS MEETING MINUTES** March 17, 2015

Chairman Sims asked for approval of the minutes from the March 17, 2015 Regular Meeting. Mr. Franks motioned to approve the minutes. Motion was seconded by Mr. Majors and unanimously adopted and the minutes were approved.

7. **APPROVAL OF FINANCIAL STATEMENTS**

Chairman Sims reviewed the Financial Statements for March 2015 as well as for the year to date. Mr. Roberts asked what the \$30,000.00 expense for the Highway 29 Water Tank Improvements was. Chairman Sims stated that it was an expense carried forward from East Alabama and that it was not related to any of the improvement projects proposed at the March meeting.

Mr. Majors motioned to approve the financial statements. Motion was seconded by Mr. Roberts. The motion was unanimously adopted and the Financial Statements were approved.

Ms. Carolyn Lott, address not given, expressed concern about the state of the Water Department's finances.

8. **OLD BUSINESS**

a. GMC System Update

- i. Mr. Josh Pierce from the District's engineering firm Goodwyn, Mills & Cawood, Inc., was recognized to update the Board on the Lee Road 379/380 Loop Project. He informed the Board of the estimate of the cost of the project and stated that a bid package was ready to be put together.

Mr. Franks motioned to approve putting a bid package together and accepting bids for the project. Motion was seconded by Mr. Roberts.

Mr. Dave Jacobs, 996 Lee Road 380, was recognized and expressed concern about the publishing of the in-house bid estimate information on the District's website as it would give potential bidders an idea of what the District was expecting to pay for the project and would possibly prevent them from giving as low a price as they could. Chairman Sims responded that it was unfortunate that the information was put on the website and that it would be taken down after the meeting.

The motion was unanimously approved by the Board.

- ii. Mr. Pierce also updated the Board on the bid process for the Storage Tank and Lee Road 270 Water Main Project. He said they were putting together proposals for the installation of 10" and 12" pipe. He stated that he would have a report/bid for the project by the June or July meeting.

Mr. James Hudmund, 580 Lee Road 272, asked that the benefits of the projects be put in writing. Chairman Sims stated that the engineer's report on the projects would be placed on the website.

Fire Chief Jacob Geiger voiced his concern about the specifications calling for a fire hydrant to be placed every 2,000' as it would cause the District to take a hit on its ISO rating. He said that a 12" main with a hydrant every 1,000' would help the District improve its ISO rating.

b. Policy and Procedure

Chairman Sims briefed everyone on the new Fire Department Charges. He stated that these fees were set sufficiently above cost to ensure that expenses were covered if not everyone paid.

Mr. Franks motioned to approve the fire new rates. Motion was seconded by Mr. Roberts.

Ms. Carolyn Lott, address not given, was recognized and expressed her displeasure at having to pay more just because other people might not pay.

Mr. Larry Daniel, 725 Lee Road 342, asked why he was being charged three fire charges on his property. He was told that Chief Geiger would be out to his property to investigate if he was being overcharged.

Motion was approved unanimously and the new rates were adopted.

Mr. Houston Black from Clearwater stated that the 20 day time period in Sections 8 and 13 in the Water Department Policy Manual needed to be changed to 25 days. Mr. Franks motioned to approve the changes. Motion was seconded and unanimously approved.

Chairman Sims announced that the Human Resource Manual for the Fire Department had been completed. Mr. Franks motioned to adopt the manual. Motion was seconded by Mr. Roberts and unanimously approved and the Manual was adopted.

9. NEW BUSINESS

a. Resignation of Board Member/Citizen Interest Form

Chairman Sims announced that Mr. Leon McCloskey had resigned from the Board. He stated that citizens interested in filling the vacant seat should fill out an Interested Citizens Form, which could be obtained from Houston Black, and return it to the County Commission Office at the Lee County Courthouse.

b. New Resolution for Employee Benefit Packages

Chairman Sims stated that almost a year ago, the Board had approved a benefit package for the firemen, which included participation in the State Retirement Plan. He said that in order to get the plan in place, the Board was required to pass two resolutions. The first resolution adopts the Employees' Retirement System of Alabama as the official retirement plan of the District and sets out the eligibility and contribution requirements. The second resolution authorizes the District to create a tax shelter for those employees entering into the Employees' Retirement System. Mr. Roberts motioned to pass the resolutions. Motion was seconded by Mr. Franks and unanimously approved and the resolutions were adopted.

[Copies of the signed Resolutions are attached to these Minutes]

c. Fire Department Report

Chairman Sims reviewed the Fire Department budget and announced the changes made to it. Mr. Roberts motioned to approve the new budget. Motion was seconded by Mr. Majors.

Ms. Linda Holt, 315 Lee Road 377, asked if the fire fees were going up. Chairman Sims replied that they were not.

Ms. Carolyn Lott expressed concern that there would not be enough money left over from the Fire Department to support the Water Department if it continued to lose money. Chairman Sims stated that there were some initial startup costs related to the Water Department which would not be recurring and he encouraged Ms. Lott to contact the District's CPA for a more detailed explanation of the financial reports.

Motion was unanimously approved by the Board.

Chief Jacob Geiger was recognized to give the report on the Fire Department.

He stated that the Department ran 95 calls in March, 9 of which were house fires. He stated it was the busiest March in the Department's history.

Chief Geiger recognized the Lake Harding Homeowners Associations for their recent donation of \$5,000 to the Fire Department.

Chief Geiger also briefed the Board on the Fire Committee Meeting. He stated that the Committee discussed various ways to maximize the District's ISO points. He stated that the Committee also discussed replacement of the Fire Pickup truck as the current one was in need of \$6,800 and was scheduled to be replaced next fiscal year. Chief Geiger asked the Board if they would like to replace the pickup truck now. He stated that there is a Dodge Ram 1500 on the State bid list for a price of \$23,700 but that it would take 3-4 months for the truck to be delivered. He stated that there was a 2015 Ford F-250, with options, sitting on a dealership lot for a price of \$28,968.

Ms. Linda Holt asked how many trucks the Fire Department had. Chief Geiger replied that he and the Assistant Chief had a truck but that there was only one run-around truck.

Mr. Dave Jacobs asked if the F-250 could be used as an ISO improvement vehicle. Chief Geiger it would not improve the ISO rating as it could not carry a rated pump or tank.

Mr. Franks motioned to spend up to \$28,968 on a replacement pickup truck. Motioned was seconded by Mr. Roberts and unanimously approved by the Board.

b. ClearWater Solutions Report

Mr. Houston Black was recognized and informed the Board of a pay request submitted by the District's engineering firm in the amount of \$23,984.91. This pay request was for the Lee Road 262/263 Project. Mr. Pierce stated that the reason this request was submitted so long after the project was completed was because there was an issue with the Contractor providing as-built drawings as required by the contract. Mr. Franks motioned to pay the pay request. Motion was seconded by Mr. Roberts and unanimously approved.

Mr. Black briefed the Board on the requested bill adjustments for the prior month:

Tawana Porter	\$567.10
Sue Goodwin	\$320.20
Lois Randall	\$102.05
Faye Ham	\$137.10
Renee Mercer	\$278.50

Mr. Roberts motioned to approve the adjustments. Motion was seconded and unanimously approved.

Mr. Black then briefed the Board on Clearwater's activities over the past month.

Mr. Black requested that the Board purchase an Acoustic Leak Detector for \$2,599.95 from USA Bluebook. He said that this would help detect leaks in pipes which ran down the middle of a road and would prevent the District from having to tear up and replace more road than is absolutely necessary to find and fix the leak. Mr. Majors motioned to purchase the Detector for \$2,599.95. Motion was seconded by Mr. Roberts and was approved unanimously.

Mr. Black stated that Clearwater's total repair and maintenance expenditures in March were \$4,540.61

10. **OTHER BUSINESS**

Chairman Sims stated that it was time for the District to renew its insurance policy. Mr. Joe H. Hill from J. Smith Lanier & Co. was recognized to brief the Board on the proposed policy. He stated that May 9, 2015 was the date for renewal.

Mr. Roberts motioned to renew the insurance policy. Motion was seconded by Mr. Majors and unanimously approved.

11. **CITIZEN COMMUNICATIONS ON NON-AGENDA ITEMS**

Mr. Dave Jacobs was recognized and spoke about the Fire Department incentive program for ISO improvement.

Mr. James Hudmund was recognized and asked if he could mow the 4 acre field owned by the District so it could be used for baseball practice. Chairman Sims confirmed with Mr. Hudmon that if he did mow the property that there would not be a bill sent to the District. Several people raised concerns about the liability the District would incur if it allowed the public to use the field. Mr. Stephen Clay, from the Board's attorney's office, stated that the District would be liable for anything that happened to someone on the property if it were opened to public use.

Mr. B.J. Crenshaw, 52 Lee Road 965, was recognized and asked for a time frame on the Lee Road 379/380 Loop Project and also inquired about the status of the other improvement projects. Chairman Sims informed him of what was discussed previously in the meeting.

Chairman Sims stated that the next Regular Meeting would be at 6:00pm on May 19, 2015.

There being no further business, Mr. Franks motioned to adjourn. Motion was seconded by Mr. Roberts and unanimously approved and the meeting was adjourned at 7:21 p.m. C.S.T.

Signed _____

RESOLUTION NO _____

WHEREAS, under the provisions of Act 515 of the 1945 Legislature, as amended, the employees of the Beulah Utilities District are eligible to participate in the Employees' Retirement System of Alabama, and

WHEREAS, it is desirable that public employees of the Beulah Utilities District be covered under an annuity and pension plan, and

WHEREAS, Beulah Utilities District agrees regular full-time and certain part-time employees should be allowed to participate in the Employees' Retirement System of Alabama,

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Beulah Utilities District that the Employees' Retirement System of Alabama is hereby adopted as the official retirement plan for all regular full-time and certain part-time employees of the Beulah Utilities District, who are otherwise eligible to participate in said System.

BE IT FURTHER RESOLVED that upon the approval of the Employees' Retirement System of Alabama, that the following provisions be included:

1. All positions on a full normal working time basis, as well as part-time employees who work at least 20 hours per week and earn no less than the prevailing minimum wage, shall be eligible for participation. Temporary employees are not eligible.
2. The Beulah Utilities District agrees to certify as creditable prior service all service rendered to the Beulah Utilities District prior to April 21, 2015 by individuals in the employ of Beulah Utilities District on April 21, 2015 and who are eligible and elect to join the Retirement System within 1 year of April 21, 2015.
3. The Beulah Utilities District agrees to make contributions upon member earnable compensation at the rate as determined by the Actuary of the Employee's Retirement System for the following:
 - a) Normal rate for current service;
 - b) Accrued liability rate for prior service and service not funded by the normal rate;
 - c) Administrative cost rate for System operational cost, and
 - d) Pre-retirement death benefit rate for pre-retirement death benefit cost.
4. The Beulah Utilities District agrees to pay for the initial cost of a preliminary valuation by the Actuary to determine the accrued liability on account of prior service and to pay any other cost for Special Services of the Actuary.

5. The Beulah Utilities District agrees to submit all information as required by the Employees' Retirement System relative to its employees.

I, Lamar Sims, Chairman, Beulah Utilities District Board of Directors, hereby certify that the above is a true and correct copy of a Resolution passed at a regular meeting held on April 21, 2015.

By 
Lamar Sims, Chairman

TAX SHELTER PLAN RESOLUTION

WHEREAS, the Board of Directors of the Beulah Utilities District wish to provide maximum benefits to its employees within the limits of its budget; and

WHEREAS, employees of the Beulah Utilities District are members of the Employee's Retirement System of Alabama and under the current mandatory contribution procedure each member employee has five percent (5%) [six percent (6%) for certified Firefighters/Law Enforcement Officers] of his compensation deducted and paid into the Employees' Retirement System of Alabama; and those contributions so deducted are currently fully taxable as income to the employee under federal tax laws; and

WHEREAS, §414(h)(2) of the Internal Revenue Code provides that such contributions may be excluded from the employee's gross income if these contributions are "picked-up" by the employer;


NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Beulah Utilities District that the salary of each employee who participates in the Employees' Retirement System shall be adjusted so that the Beulah Utilities District, as employer, shall pay on behalf of each and every one of such employees for each and every payroll period beginning on or after April 21, 2015, that employee's contribution to the Employees' Retirement System of Alabama as required by §36-27-24 of the Code of Alabama 1975; that such payment on behalf of each employee of that employee's contribution to the Employees' Retirement System of Alabama shall be in lieu of any deduction from the employee's salary of said contribution; and

BE IT FURTHER RESOLVED that the employee contributions which are "picked-up" will continue to be designated employee contributions for purposes of the Employees' Retirement System of Alabama; that the employee contributions which are "picked-up" shall be a part of the employee's compensation for determining the amount of the contribution to be so "picked-up"; that the total amount of the contribution of each member employee to the Employees' Retirement System of Alabama shall not be reduced by this Resolution; that the amount of the retirement allowance of each member shall not be affected by this Resolution; that no other changes in the method of computation and transmittal of these "picked-up" employee contributions shall be affected hereby; and that the total amount paid to and on behalf of each member employee will not be increased hereby.

BE IT FURTHER RESOLVED that the system whereby the employee's contributions to the Employees' Retirement System of Alabama is "picked-up" shall apply equally to each and every such employee who participates in the Employees' Retirement System; that no such employee shall be given any option concerning this "pick-up"; that this system of "pick-up" shall be mandatory on all such employees.

CERTIFICATION

I, Lamar Sims, Chairman, Beulah Utilities Board of Directors, hereby certify that the foregoing is a true and correct copy of the Resolution passed on April 21, 2015.


Lamar Sims, Chairman

