

Beulah Utilities District
Minutes of Regular Board of Directors Meeting
February 21, 2017
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 February 21, 2017 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: Linda Holt, James Majors, Shane Franks, Lamar Sims and Dan Roberts.

Visitors in Attendance - See attached Visitor Sign In Sheet.

Chairman Sims announced that Dan Roberts would be rotating off of the Board and that this would be his final meeting as a Director. He asked everyone to stand and thank Mr. Roberts for his forty plus years of service to the District. Chairman Sims said that a reception for Mr. Roberts was being planned.

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. Franks motioned to adopt the agenda. Motion was seconded by Ms. Holt and the agenda was unanimously adopted.

6. **APPROVAL OF PREVIOUS MEETING MINUTES** January 17, 2017

Chairman Sims asked for approval of the minutes from the January 17, 2017 Regular Meeting. Mr. Majors motioned to approve the minutes. Motion was seconded by Mr. Franks and the minutes were unanimously approved.

7. **APPROVAL OF FINANCIAL STATEMENTS**

Chairman Sims reviewed the January financial statements. He stated that there were some questions he had about the depreciation adjustments in the financial statements that he hoped the auditors would address in their report so he asked to delay approval of the financials until after the audit report. Mr. Franks felt that it would be beneficial to hear the audit report before approving the financials.

8. **OLD BUSINESS**

A. System Improvements (various projects)

Mr. Black stated that the engineers had begun the process of putting together the Engineering Report and that it would take about three months to complete. He said that the District did sign a grant application for approximately \$25,000 which would help cover the cost of the Engineering Report process.

Chairman Sims noted that interest rates were rising and that the Board needed to ensure that the process was completed as quickly as possible. Ms. Holt asked if there was a point at which the District would need to scale back the scope of the improvement projects so as to avoid the District taking out a loan it could not afford to pay back. Mr. Black said that would be a question the auditors could help answer. Chairman Sims asked Mr. Black to work with the auditors to identify that point.

B. Asset – Land 4 acres by the Baptist Church Cemetery

Mr. Stephen Clay from the District's attorneys that the appraisal was still in progress. Chairman Sims stated that there was a lot of interest in the property and that once the appraisal was in, the Board could determine what to do next.

9. **NEW BUSINESS**

A. Financial Audit Report FY2016

Chairman Sims recognized Mr. Jeff Hilyer from Hilyer & Associates, CPAs to present the Board with the Audit Report for Fiscal Year 2016. Mr. Hilyer thanked the Board for allowing them to perform the audit and he praised the cooperation of Houston Black in working with the audit staff. He then introduced Ms. Jackie Moon and asked her to go over the details of the audit.

Ms. Moon stated that the District showed an overall loss of approximately \$89,000 for the fiscal year ending August 31, 2016. She noted that this was not caused by the operation of the district but was affected by the work done to identify the District's older assets to enable them to be fully depreciated and taken off of the books. She also said that work was done to review accounts receivable

and write off older accounts and bad debt with no chance of collection. She stated that otherwise the District had a clean audit report with prior years' findings removed.

Ms. Moon then answered various questions from Board members concerning the audit report.

Chairman Sims stated that the Board would need to vote on retaining Hilyer & Associates, CPAs to conduct the next fiscal year audit. Mr. Franks motioned to retain Hilyer & Associates, CPAs to conduct the next fiscal year audit for the District. Motion was seconded by Mr. Majors and unanimously approved.

Chairman Sims then asked for approval of the financial statements for January. Mr. Majors motioned to approve the January financial statements. Motion was seconded by Mr. Franks and the financial statements were unanimously approved.

B. Credit Card Application for Fire & Water Department

Chairman Sims stated that the District had several credit cards it was currently using and that it would be beneficial to consolidate all of the various credit cards into one credit card for the Water Department and another card for the Fire Department. Mr. Black was recognized and said that he had an application in with Auburn Bank for the two cards. He said that both would have a \$5,000 credit limit and that the Board would need to approve the credit limit in order for the Bank to proceed in issuing the card. In response to questions from the Board, Mr. Black stated that all current purchasing policies would remain in place with the new cards.

Ms. Holt motioned to approve obtaining from Auburn Bank a credit card for the Water Department with a \$5,000 credit limit and a credit card for the Fire Department with a \$5,000 credit limit. Motion was seconded by Mr. Majors and unanimously approved.

C. Fire Dept. Report

Chief Padgett was recognized to give a report on the Fire Department. He said the department responded to 57 total calls in January.

He announced that two volunteers were in the Volunteer 160 course. He stated the two had recently gone to Dadeville for live fire demonstration training. He said both volunteers were doing well. He also announced that Assistant Chief Simpkins had gone to shadow an Assistant Chief in the Dekalb County, GA Fire Department. He said that it was a wonderful opportunity for him to see a different perspective of fire service.

He informed the Board of upcoming community activities and announced a new volunteer with the Department. He said that the manufacturer of the portable defibrillators came out to do some preventative maintenance on them to ensure they were operating properly. The Chief said the department would soon be taking part in a response training exercise for the new pipeline being constructed in the area. He said that several volunteers were passing the driver/operator task book checklist to enable them to drive the District's trucks. He mentioned that the department would also be meeting with representatives from the Red Cross and the Bridge Church to begin a program to provide and install smoke detectors in local residences.

Chief Padgett said he was in the process of reviewing the Fire Department Human Resources manual and was identifying changes to bring before the Board. Chairman Sims mentioned that a Special Meeting may need to be called to discuss these changes.

Chairman Sims apologized for failing to get the review of Fire Department salaries on the agenda. He said he would make sure it was on the March meeting agenda and that the Board was provided with the appropriate information.

D. Clearwater Solutions Report

Mr. Black was recognized to provide the Clearwater Solutions Report.

He said that there were three qualifying rate adjustments for the month:

Ray Murphy	\$157.85
Kytymat, Inc.	\$1,018.51
Pattie Morse	\$204.05

Ms. Holt motioned to approve the adjustments. Motion was seconded by Mr. Franks and the adjustments were unanimously approved.

He announced the winner of the leak incentive program for January.

He then briefed the Board on Clearwater's activities over the prior month.

Mr. Black reminded the Board that due to the month of February being short, the water loss figure for the month would likely be high. He said that many service lines were made of poor pipe and that when the workers find leaks in those lines, they would pull up the entire line and replace it with better pipe. Mr. Black said that small service line breaks are difficult to find.

10. **OTHER BUSINESS**

Chairman Sims stated that there was currently a proposed bill in the Alabama legislature this legislative session that would exempt the District from sales and use taxes. He encouraged the Board members to contact the local legislators and ask them to support the bill.

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

None

Chairman Sims stated that the next Regular Meeting would be at 6:00pm C.S.T. on March 21, 2017.

There being no further business, Mr. Franks motioned to adjourn. Motion was seconded by Ms. Holt and unanimously approved and the meeting was adjourned at 6:45 p.m. C.S.T.

Signed _____

