

REGULAR MEETING OF TAHLEQUAH MUNICIPAL UTILITY BOARD

APRIL 19, 2019

Mr. Herb Rozell, Chairman, called the meeting to order at 9:00AM in the Board Room of the Utility Building at 710 West Choctaw Street beginning with the Salute to the American Flag. All Board Members and Legal Counsel were present, with the exception of Mr. Highers. Mr. Rozell entertained a motion to excuse his absence, so moved by Mr. Spears and seconded by Mr. Wright.

Roll Call: AYE: Mr. Spears, Mr. Wright, and Mr. Rozell

NAY: None.

Other Attendees: Mr. Mike Doublehead, General Manager, Ms. Gail Dotson, Office Manager, Mr. Gary Stephens, Electric Superintendent, Mr. Frank Macario, Water Distribution Director, Mr. Darrell Curtis, Wastewater Treatment Plant Foreman, Mr. Nick Grogan, Wastewater Collections Foreman, Ms. Latosha Steeley, Executive Assistant, Ms. Beth Bailey, Accountant, Mr. Mike Richardson/Mr. Larry Setters, Special Services, Mr. Thom Cole, IT Manager, Mr. Arlis Collins/Mr. Max Taylor, WTP Foreman, Mr. Matt Wilson, Purchasing Agent, Mr. Jay Updike with HUB, Mr. Jerry Cook with GRDA, Mr. Chuck Paine/Mr. Pete Towne with Gallagher Insurance, Mr. Ed Brocksmith with Save the Illinois River, and Ms. Dana Eversole.

CONSENT AGENDA:

These items are placed on the Consent Agenda so that Board Members of Tahlequah Municipal Utility Board, by unanimous consent, can designate routine items to be approved by one motion. Any item proposed on the Consent Agenda not meeting with approval of all Board Members may be tabled until next Regular Board Meeting.

1. Approve minutes of March 15, 2019 Regular Board Meeting.

Mr. Wright made a motion to approve the Consent Agenda and seconded by Mr. Spears.

Roll Call: AYE: Mr. Rozell, Mr. Spears, and Mr. Wright

NAY: None.

REGULAR AGENDA:

1. Discussion & Possible Action to accept the resignation of Dr. Isabel Baker – Mr. Doublehead stated a copy of the letter received from Dr. Isabel is in the Board Packet. In her letter, she states for personal and health issues it is in her best interest she should resign.

Mr. Rozell recommended for the Board to write a letter of appreciation for her services and wish her well.

Mr. Wright made a motion to accept the resignation of Dr. Isabel Baker and seconded by Mr. Spears.

Roll Call: AYE: Mr. Spears, Mr. Wright, Mr. Rozell

NAY: None.

2. General Manager's Report – No report.
3. Attorney's Report – No report.
4. New Business, if any, which has arisen since the posting of the agenda and could not have been anticipated prior to the time of posting. – There was no new business for discussion.

Adjournment – Mr. Rozell entertained a motion to adjourn the meeting, so moved by Mr. Wright and seconded by Mr. Spears.

Roll Call: AYE: Mr. Spears, Mr. Wright, and Mr. Rozell

NAY: None.

Meeting adjourned at 9:04AM.


Chairman

REGULAR MEETING OF TAHLEQUAH PUBLIC WORKS AUTHORITY BOARD

APRIL 19, 2019

Mr. Herb Rozell, Chairman, called the meeting to order at 9:05AM in the Board Room of the Utility Building at 710 West Choctaw Street. All Board Members and Legal Counsel were present, with the exception of Mr. Highers. Mr. Rozell entertained a motion to excuse his absence, so moved by Mr. Wright and seconded by Mr. Spears.

Roll Call: AYE: Mr. Spears, Mr. Wright, and Mr. Rozell

NAY: None.

Other Attendees: Mr. Mike Doublehead, General Manager, Ms. Gail Dotson, Office Manager, Mr. Gary Stephens, Electric Superintendent, Mr. Frank Macario, Water Distribution Director, Mr. Darrell Curtis, Wastewater Treatment Plant Foreman, Mr. Nick Grogan, Wastewater Collections Foreman, Ms. Latosha Steeley, Executive Assistant, Ms. Beth Bailey, Accountant, Mr. Mike Richardson/Mr. Larry Setters, Special Services, Mr. Thom Cole, IT Manager, Mr. Arlis Collins/Mr. Max Taylor, WTP Foreman, Mr. Matt Wilson, Purchasing Agent, Mr. Jay Updike with HUB, Mr. Jerry Cook with GRDA, Mr. Chuck Paine/Mr. Pete Towne with Gallagher Insurance, Mr. Ed Brocksmith with Save the Illinois River, and Ms. Dana Eversole.

CONSENT AGENDA:

These items are placed on the Consent Agenda so that Board Members of Tahlequah Public Works Authority, by unanimous consent, can designate routine items to be approved by one motion. Any item proposed on the Consent Agenda not meeting with approval of all Board Members may be tabled until next Regular Board Meeting.

1. Approve minutes of March 15, 2019 Regular Board Meeting.
2. Approve regular claims.
3. Approve debit card expenditures.

The itemized list of claims for a total of \$1,342,488.93 is as follows:

PAID INVOICES/AND INVOICES TO BE APPROVED

03/14/2019 through 04/18/2019

AT&T	\$240.70
AT&T Long Distance	\$27.76
Alerus Financial	\$500.00
American Municipal	\$314.14
Aramark (uniforms)	\$746.15
Arvest Equipment Finance	\$1,461.99
BancFirst	\$2,534.80
Caselle, INC	\$2,543.00
Cintas Corporation	\$473.44
City, Light & Water	\$2,700.00
Compu-Time Corp.	\$255.00
Cox Business	\$2,178.62
Dana Boren	\$1,000.00
Government Account (Pikepass)	\$19.50
Lake Region Electric	\$7,676.61
Northeast Okla Public Facilities Auth	\$5,848.81
Oklahoma Municipal	\$2,817.00

Oklahoma Water Resource	\$957.88
Oklahoma Rural Water Association	\$250.00
Tahlequah Cable Television	\$194.36
Tahlequah Daily Press	\$19.43
Tahlequah Public Works Authority	\$73,675.58
Bill Knight Ford	\$37,732.00
US Postmaster	\$2,179.43
Andrew Wilcoxon	\$1,020.00
Wight Office Machines	\$164.34
Itron, INC.	\$4,414.42
Verizon Wireless	\$895.71
Dish	\$163.50
AT&T	\$696.67
AT&T (Tenkiller T-Line)	\$810.40
Aramark (uniforms)	\$190.10
Arvest Equipment Finance	\$567.62
Arvest Bank Loan	\$5,523.91
APAC-CENTRAL, INC.	\$465.78
BancFirst	\$2,890.09
Cintas Corporation	\$1,420.17
City, Light & Water	\$70,614.90
City of Tahlequah - City Treasurer	\$173,430.19
CNA SURETY	\$1,475.09
Department of Environmental	\$248.00
Employee Benefits	\$352.00
Gerald Halpain	\$600.00
Grand River Dam Authority	\$800,759.75
JD Young	\$105.60
Lake Region Electric	\$108.94
NCL of Wisconsin	\$3,453.02
Oklahoma Tax Commission	\$44.00
Tahlequah Public Works Authority	\$7,187.86
Tommy Nix Auto Group	\$91.16
Shelly Turtle	\$70.00
US Postmaster	\$2,138.27
Wight Office Machines	\$109.00
Green Country Shredding	\$175.00
Payroll	\$300,705.99
Less	\$184,748.75
TOTAL	\$1,342,488.93

Mr. Rozell entertained a motion to approve the Consent Agenda, so moved by Mr. Wright and seconded by Mr. Spears.

Roll Call: AYE: Mr. Spears, Mr. Wright, and Mr. Rozell

NAY: None.

REGULAR AGENDA:

1. Introduction of Guests – Mr. Rozell welcomed Mr. Ed Brocksmith, Mr. Chuck Paine, Mr. Pete Towne, and Mr. Jerry Cook.
2. Discussion & Possible Action to accept the resignation of Dr. Isabel Baker – Mr. Doublehead stated it has been a pleasure to have Dr. Baker on the Board and will be missed.

Mr. Rozell commented that it has been a pleasure to work with now and in the past.

Mr. Spears made a motion to accept the resignation of Dr. Isabel Baker and seconded by Mr. Wright.

Roll Call: AYE: Mr. Spears, Mr. Wright, Mr. Rozell

NAY: None.

3. Discussion & Possible Action to approve financial report for March 2019 – Ms. Beth Bailey, Accountant, reported the Electric Department revenue was \$1,344,995.28; operating expenditures were \$1,143,536.74 leaving a net income of \$201,458.54. The Water System and Water Treatment Plant operating revenue was \$261,406.86; operating expenditures for the Water Department were \$294,159.26; the operating expenditures for the Water Treatment Plant were \$158,610.08 leaving a net loss of \$191,362.48. The Sewer System & Wastewater Treatment Plant operating revenue was \$231,655.84; the operating expenditures for the Sewer Department expenditures were \$141,522.84; expenditures for the Wastewater Treatment Plant were \$181,173.61 leaving a net loss of \$91,040.61. Warehouse expenditures was \$53,727.95 and was reallocated to Electric, Water, and Sewer. Administrative revenue was \$16,995.65 and was also reallocated to Electric, Water, and Sewer. The Administration operating expenditures were \$181,638.40 and also reallocated to Electric, Water, and Sewer leaving a net operating loss of \$164,642.75. The non-operating revenue for Administrative was \$268,533.64. The non-operating expenditures were \$70,614.90 leaving a net income of \$197,918.74 for Administration. Total net income for all departments is \$116,974.19.

Capital Expenditures for March in the Electric Department was zero; Water Department was zero; Sewer Department was \$328.00; Wastewater Treatment Plant was zero; Administration was \$2,507.77; Warehouse was zero, and Water Treatment Plant was \$37,732.00 making a total for Capital Expenditures of \$40,567.77.

Pages 35-45 were the aging report, write-offs & collections for the month, the monthly Water/Electric/Sewer reports, GRDA reports, and current lease purchases.

Ms. Bailey noted this month Board members have a copy of the Investment Report.

Mr. Wright asked if the billing error they were notified of reflected in this Financial Report. Ms. Bailey stated this Financial Statement reflects the correct numbers after the billing error was corrected. He further asked if there was a procedure in place in the system that denotes if there is a higher than normal usage. Ms. Bailey replied not within the system, but the Billing Department has taken extra measures to checking accounts to avoid another occurrence in the future.

Mr. Rozell entertained a motion to approve the financial report for March 2019, so moved by Mr. Wright and seconded by Mr. Spears

Roll Call: AYE: Mr. Wright, Mr. Rozell, and Mr. Spears

NAY: None.

4. Discussion & Possible Action to approve Health Insurance coverage for 2019-2020 – Mr. Chuck Paine passed out a binder for all Board Members explaining the coverages for 2019-2020. He stated

Community Care started out with a 13% increase and he has been able to negotiate it down to a 9% increase. There are two plans in place currently. The first one is with Insure Oklahoma which is for employees who qualify based off income and family size. Last year the reimbursement from Insure Oklahoma was approximately \$140,000.00. The second plan represents what 90% of employees are on. It is a higher \$6,350.00 deductible plan where the employees pay the first \$1,000.00 of the deductible and the other \$4,000.00 is reimbursable to the employee.

Mr. Paine explained the second page covers the HMO plan Community Care provides. He explained the HMO plan is where the employee picks a primary care physician and able to see any specialist of their choice. By adding this product, it will reduce the renewal rate down to 6%.

The third page covers the proposal from Blue Cross Blue Shield. He stated the Blue Cross and Blue Shield is the plan he is recommending TPWA to move to. This plan is almost identical to the plan TPWA currently has with Community Care but with a few differences.

Mr. Rozell asked what the overall savings would be by switching back to Blue Cross Blue Shield. Mr. Paine replied it would be a 2.5% difference or a \$75,000.00 savings a year. Mr. Rozell further asked if by switching would there be a problem with a member who is currently using the plan. Mr. Paine stated there has not been any in the past and does not anticipate any this time if the Board decides to change. He further stated another benefit for switching to Blue Cross Blue Shield for example if a member needed to visit the Mayo Clinic in Florida or elsewhere the member will be able to use their plan due to Blue Cross having a nationwide network.

Mr. Paine concluded his presentation briefly informing the Board he also received quotes from United Health Care which came in 16% higher on their PPO Plan and slightly lower on their HMO Plan but is very restricted. Aetna declined a quote due to them not being able to be competitive. In closing he recommended to stay with MetLife for Dental and Vision.

Mr. Towne briefly spoke about the voluntary benefits available to the employees. His recommendation would be to switch from Aflac to Guardian. In his opinion, Guardian will provide the employees more money in their pocket.

Mr. Rozell entertain a motion to approve the Health Insurance Coverage through Blue Cross Blue Shield of Oklahoma for 2019-2020, so moved by Mr. Wright and seconded by Mr. Spears.

Roll Call: AYE: Mr. Rozell, Mr. Spears, and Mr. Wright

NAY: None.

5. Discussion & Possible Action regarding Economic Development Rider Service Agreement with GRDA – Mr. Jerry Cook stated GRDA has excess compacity that is being underutilized. The GRDA Board has adopted by recommendation of the staff to offer a limited time compacity agreement. The agreement is set up where cities can sign up for one of two programs. EDRS 1 has an opportunity for communities to apply for a \$1.50 demand credit on any new manager 500kw business. This plan is for cities who are recruiting and expanding in industrial parks or large businesses. The EDRS 2 is for any new load, whether it is a business or residential, that starts in the month of the acceptance of this agreement will be credited a \$1.50 per kw.

Mr. Cook's recommendation would be to accept the Economic Development Rider Service Agreement II.

Mr. Rozell entertained a motion to approve the Economic Development Rider Service Agreement WP-EDSR-II with GRDA, so moved by Mr. Wright and seconded by Mr. Spears.

Roll Call: AYE: Mr. Spears, Mr. Wright, and Mr. Rozell

NAY: None.

6. Discussion & Possible Action to approve Roof Replacement on The Light Plant Building at 625 W. Keetoowah Street – Mr. Doublehead stated two bids were submitted from ABBCO Roofing with a bid of \$58,750.00 and Today's Roofing bid at \$58,150.00. Mr. Doublehead asked Mr. Mike Richardson if both companies were qualified bidders and meet all the bid requirements. Mr. Richardson replied both bidders were qualified but he did not add the bonding on the requirements.

Mr. Rozell asked why bonding requirements were not included in the sealed bid. Mr. Richardson said they were able to get a better price without requiring a bond. Mr. Harvey stated in the competitive bidding act when the amount exceeds \$50,000.00 companies are required to be bonded. Mr. Harvey recommend tabling the agenda item and begin the bid process over and require bonding.

Mr. Rozell entertained a motion to table the action to approve Roof Replacement on The Light Plant Building at 625 W. Keetoowah Street, so moved by Mr. Wright and seconded by Mr. Spears.

Roll Call: AYE: Mr. Spears, Mr. Wright, and Mr. Rozell

NAY: None.

7. Discussion & Possible Action to approve Disbursement Request #5 from DWSRF for Reimbursement of Expenses for Engineering and Inspection Services (Holloway, Updike and Bellen, Inc.) totaling \$14,800.00 – Mr. Updike explained these expenditures reflect the monthly bill for the Construction Phase and Inspection Services for both Water Treatment Plants.

Mr. Rozell entertained a motion to approve Disbursement Request #5 from DWSRF for Reimbursement of Expenses for Engineering and Inspection Services totaling \$14,800.00, so moved by Mr. Spears and seconded by Mr. Wright.

Roll Call: AYE: Mr. Spears, Mr. Wright, and Mr. Rozell

NAY: None.

8. Discussion & Possible Action to approve Contractors Application for Payment #1 from DWSRF for Reimbursement of Expenses for Huffman Construction, LLC totaling \$275,894.44 – Mr. Updike stated this is the first payment request from Huffman Construction for the Teehee Water Plant. Huffman Construction has mobilized and has the foundation for the storage building formed and ready to pour concrete. They have also installed some chemical feed and electrical lines.

Mr. Rozell entertained a motion to approve Contractors Application for Payment #1 from DWSRF for Reimbursement of Expenses for Huffman Construction, LLC totaling \$275,894.44, so moved by Mr. Wright and seconded by Mr. Spears.

Roll Call: AYE: Mr. Wright, Mr. Rozell, and Mr. Spears

NAY: None.

9. Discussion & Possible Action to approve Invoice #4 to HUB for Engineering services for Wastewater Treatment Plant Improvements totaling \$25,050.00 – Mr. Updike explained this invoice reflects the amounts invoiced in March for Engineering Services on the Preliminary Design for the Wastewater Treatment Plant. He expects the final design to be finished within the next three months.

Mr. Wright made a motion to approve Invoice #4 to HUB for Engineering services for Wastewater Treatment Plant Improvements totaling \$25,050.00 and seconded by Mr. Spears.

Roll Call: AYE: Mr. Rozell, Mr. Spears, and Mr. Wright

NAY: None.

10. Discussion & Possible Action to approve Invoice #5 to HUB for Engineering services for Wastewater Treatment Plant Improvements totaling \$26,000.00 – Mr. Updike stated this Invoice reflects 20% of the cost of the Final Design for the Wastewater Treatment Plant Improvements.

Mr. Wright made a motion to approve Invoice #5 to HUB for Engineering services for Wastewater Treatment Plant Improvements totaling \$26,000.00 and seconded by Mr. Spears.

Roll Call: AYE: Mr. Spears, Mr. Wright, and Mr. Rozell

NAY: None.

11. Discussion & Possible Action to Consider Amendment No. 1 to Agreement for Engineering Services with Holloway, Updike and Bellen, INC to prepare the Environmental Information Document as required by the Oklahoma Water Resources Board for the proposed improvements to the Wastewater Treatment Plant totaling \$22,500.00 – Mr. Updike stated he has meet with the Historical Society, Archeological Society, and the Cherokee Nation. A mitigation project was proposed to plant trees along the West side of the property. The Cherokee Nation liked the idea but requested a few changes. The original plan had Pine trees to be planted. Their recommendation was a combination of Oak and Pecan trees along with some Cane plants. Mr. Updike stated they have changed the design to meet the Nations request and has submitted it the Nation for their approval.

Mr. Updike further stated the Amendment is a requirement of the Oklahoma Water Resources Board for Applicants applying for Federal Money for the Improvements of Wastewater Treatment. This agreement will allow HUB to prepare the Environmental Information Document on behalf of TPWA. The outline they plan to follow is similar to what they have done in the past for other Wastewater Plant projects. His office will contact 26 different agencies to gather comments on the project along with a public hearing.

Mr. Rozell entertained a motion to approve the Amendment No. 1 to Agreement for Engineering Services with Holloway, Updike and Bellen, INC to prepare the Environmental Information Document as required by the Oklahoma Water Resources Board for the proposed improvements to the Wastewater Treatment Plant totaling \$22,500.00, so moved by Mr. Wright and seconded by Mr. Spears.

Roll Call: AYE: Mr. Spears, Mr. Wright, and Mr. Rozell

NAY: None.

12. EXECUTIVE SESSION: As provided for in the Open Meetings Act Title 25, Section 307b.3 regarding the purchase or appraisal of real property. RE: Young Property

Mr. Chaffin stated it was in his opinion and recommendation to enter into Executive Session for this topic.

Mr. Rozell entertained a motion to enter Executive Session at 10:15AM, so moved by Mr. Spears and seconded by Mr. Wright.

Roll Call: AYE: Mr. Spears, Mr. Wright, and Mr. Rozell

NAY: None.

At 10:39AM, Mr. Wright made a motion to enter Regular Session and seconded by Mr. Spears.

Roll Call: AYE: Mr. Wright, Mr. Rozell, and Mr. Rozell

NAY: None.

13. Possible Action on Executive Session item Purchase or appraisal of real property RE: Young Property – Mr. Rozell stated that no action was taken on the Young Property.

14. Engineer's Report – Mr. Updike stated his report consisted of information covered in agenda items number 7 through 11.

15. General Manager's Report – Mr. Doublehead began his report by thanking Mr. Rozell for his service on Tahlequah Public Works Authority Board. He presented the Board the Gold Medal Award that was accepted during the Oklahoma Rural Water Association Conference for the 2019 Best Tasting Water in the United States of America.

Mr. Doublehead also stated Mark Gish has recently been appointed to serve on the TPWA Board and will look for him to join during the May Meeting. Congratulations to Mr. Darrell Curtis for filling the roll and responsibilities of Wanda Jones as the Wastewater Superintendent. He would also like to congratulate David Lindsey and his wife on the birth of Ryan Keith, who was born on April 14, 2019.

To conclude his report Mr. Doublehead stated TPWA would not settle for being number 1 last year but will continue with the efforts to provide the community with the Best Water in the United States.

16. Attorney's Report – No report.

Mr. Rozell stated it has been a pleasure to work with good people. To the staff, it has been a great pleasure. He learned along time ago, if you have a successful business of any sort the staff people are the ones that makes the difference. Without a good staff you will accomplish nothing. In closing, he thanked the Board and Legal Counsel for all their hard work and friendship.

17. New businesses, if any, which has arisen since the posting of the agenda and could not have been anticipated prior to the time of posting – No new business.

Adjournment – Mr. Rozell entertained a final motion to adjourn, so moved by Mr. Wright and seconded by Mr. Spears.

Roll Call: AYE: Mr. Spears, Mr. Wright, and Mr. Rozell

NAY: None.

Meeting adjourned at 10:46AM.


Chairman

