

**Minutes from the Commission Meeting held on
February 10, 1997**

The Mayor and Board of Commissioners of the Town of Englewood met in regular session Monday, February 10, 1997 in the Assembly Room at City Hall.

The Mayor called the meeting to order with Commissioners Davis, Raper, Brock, and Middleton present. Invocation was given by Commissioner Davis.

The Mayor then read a letter from Librarian Delores Masengil officially stating her resignation. Ms. Masengil was then given a plaque from the Board in appreciation of 20 1/2 years of service as Librarian.

Motion was then made by Middleton, seconded by Brock to accept the January 1997 minutes. All ayes.

Concerning the outside water rate, the Mayor stated that the outside rate was presently set at 250% of the inside rate. Primarily this was due to the fact that money was being taken from the water to finance default of the sewer rates in town. The State of Tennessee passed a law that in 1997 that each department had to be independent. They could not take from one to be used in the other. It was delayed so in January we had to make that correction. That brought into line that we need to get our water lines back in order now. What we are planning on doing is to lower the rates for the outside customers in Englewood. We would hope this could go into affect July 1, 1997 and we hope to be within a year of that point to get those rates back to a rate of no more than 150%. This will help those who have been paying primarily for Englewood sewage. The state requires us to do that and the action on the sewage has been taken. The Mayor then asked the other Board members to go ahead with a discussion concerning this subject.

The Mayor stated that the outside rates on water was raised to cover Englewood's sewage. Last year the City of Englewood was notified that the sewage was taking approximately \$22,000.00 from the water to make the sewer break even.

Commissioner Davis stated that the outside water rates were raised to help pay for work on the Water Plant which was in the process of being closed down by the State. The city didn't have enough money to repair it therefore; the rates were raised. At the time the rate was raised by 2 1/2 times. Commissioner Davis stated that he had voted against this action. He felt that it was too much at one time. He then stated that since that time the rates had been raised inside the city to make it more equitable and we are looking at some tremendous expenses on the present agenda to repair the water tank. Commissioner Davis informed the Board that he had many friends and relatives that lived outside of town, but he felt that this should be tabled to work session before any action was taken. He felt that expenses concerning the water tank should be studied.

Commissioner Middleton stated that the formula set up by the bonding indebtedness was that the sewer rates had to be at 140% of the water rate. When we went through a water rate increase a few years ago the sewer rate was left as it was and raised the water rate. In the interim we wound up with a deficit in the sewer. Both reports (water and sewer) to bonding indebtedness were combined and it did not divide water versus sewer. Now that is separate and it can be seen. The law plainly states that each one has to carry. We put it back to where the bonding indebtedness says it has to be at 140% of water. Commissioner Middleton then stated that the Board did not want to charge anyone unfair rates; that the previous Board was not trying to hurt anyone, but that the outside water rates were unfair and we are trying to balance them out. He then stated that he agreed with Commissioner Davis that this should go to work session. The reason July 1 date was set is to give enough time to work this out, but it needs to go to work session. He stated that the Board wanted everyone to know that they were working on this.

Public Works Director Joe Cline then stated that when this was done on 1993, the city had \$30,000.00 in unpaid bills. The Commission at the time made a good faith promise to the citizens outside of town that they would lower these rates back as soon as possible. There might be a temporary cash flow problem at this time due to the fact that money had to be spent on the Water Rehab Project. He stated that if a firm commitment is made and we figure the upcoming budget on that revenue we can do it. (Commissioner Middleton stated that he agreed to this). Cline said that he agreed with the Mayor that this was a good faith gesture to these customers that had paid this rate. He stated that he was not going to say that the previous Board was wrong because they had to make a decision and it got the town out of debt. The city owed inside and outside customers to operate as efficiently as it can.

Mayor Simpson said that he concurred. He stated that he felt that a gesture should be made to the outside customers to show that we were in line with trying to get their rates within reason as compared to other customers in the system. He informed the Board that this could be effective July 1 and that the city could not go wrong by making this gesture of lowering the rate to 200% at this point. This was where we should be.

Ms. Dean key was present on behalf of several outside customers. She stated that the outside customers had no objection to a higher rate and that they wanted to thank the Board for considering lowering the rate. She also was concerned about the quality of the water and source of the water.

Motion was then made by Middleton, seconded by Brock that the outside water rate be reduced by 25%, leaving open the effective date until July 1, 1997. Davis-Nay, Raper-Aye, Brock-Aye, Middleton-Aye, Mayor Simpson voted Nay due to the fact that he felt that it wasn't enough. Davis stated that he still felt that it should have gone to work session.

Middleton stated that he was not trying to plug in an exact per cent or date, that it just needed to be put on record an intent to do this.

Mr. Cline then stated that an inspection of the Water Plant had recently been made. The State inspector's spent almost a week at the plant. We have no major problem there only small repair and maintenance. There is no big major costs. The State has tested our water recently for every herbicide and pesticide known. There is no contamination. Another round of testing was done during this last inspection. The creek may look muddy and dirty, but when we treat that water it meets the same standards as anyone else's water. We are proposing to put a new water tank in the Cumberland Hills area and we want to do some line improvements out there. I think the system is getting better.

The Board was informed that a bid had been received for the window that is to be placed at the counter in City Hall. A motion was then made by Davis, seconded by Brock to get another bid and take the lowest of the tow. All ayes.

Motion was made by Middleton, seconded by Brock to table the water tank repair until the work session. All ayes.

Motion was made by Middleton, seconded by Brock to approve the capital outlay note to make application for a loan to repair the water tank. This will be a resolution. All ayes.

Motion was made by Simpson, seconded by Middleton, to table recording system to work session. All ayes.

The Board was then presented bids on repair of City Hall's roof:

Ed Nation.....	\$5,000.00
Gary Wilcox.....	9,000.00
Joe Christman.....	5,600.00

Motion was made by Middleton, seconded by Raper to accept the bid from Joe Chrisman for \$5,600.00. All ayes.

The Board was then presented gas line bids on lines needing replacement on Hwy 39 to just past the Medical Center, plus the line on Pine Street. Two bids were presented from Buster Evans and Roy Hutsell. Motion was then made by Commissioner Middleton, seconded by Davis to accept the bid from Buster Evans-2" plastic gas line installation @ \$3.20 per foot-service line installation @ \$1.25 per foot-bored installation (punches) @ \$7.00 per foot. All ayes.

Joe Cline then informed the Board that the City had to notify gas customers that they are responsible for their gas line from the meter on, also that permits on installation of gas needed to be kept on file. Motion was made by Middleton, seconded by Brock to discuss this at work session. All ayes.

The Board then discussed gas rates. Motion was made by Middleton, seconded by Brock to reduce gas rates by 10% due to reserve. All ayes.

Motion was made by Middleton, seconded by Brock to hire Jackie Pippin as Librarian. All ayes.

Motion was made by Davis, seconded by Middleton to hire Janet Holcomb as meter reader. All ayes.

Joe Cline then asked that the Board delay hiring the maintenance worker due to last minute applications being made. The Board agreed.

Motion was made by Middleton, seconded by Davis to accept monthly billing errors in the amount of \$264.63. All ayes.

Motion was made by Middleton, seconded by Davis to authorize the Mayor to sign the Waste Oil Grant. All ayes.

The Board then discussed problems arising from late hours at the game room and parking lot behind stage. This will be discussed at work session.

Motion was made by Middleton, seconded by Davis to adjourn the meeting. All ayes.

Edward Simpson
Mayor

Deborah Morgan _____
Recorder