



Committee Minutes January 19, 2023

CALL TO ORDER

Councilperson Travis Holleman called a meeting of the City of Clarksville Gas & Water Committee to order, on Thursday, January 19, 2023 at 4:34 p.m. A quorum was present.

ATTENDANCE

The following were in attendance:

Councilperson Travis Holleman, Councilperson Karen Reynolds, Councilperson Trisha Butler, Councilperson Dajuan Little, Mark Riggins, Patrick Chesney, Dawn Thomack, Brandy Jarrell, Camille Thomas, Jennifer Osteen and Brandy Slaughter.

ADOPTION OF MINUTES

Councilperson Travis Holleman made a motion to approve the October 20, 2022 committee meeting minutes. Councilperson Trisha Butler seconded, and the motion passed unanimously.

DEPARTMENT REPORTS

Camille Thomas introduced herself as the Purchasing Director of the City of Clarksville to the Committee since there were newly appointed members in attendance. She also gave a brief description of what she will present to the committee every month. She stated that monthly she will present to the committee everything that has been approved, bids, sole source, emergency purchases, professional services and they will receive that report in the meeting.

Camille Thomas reported the Bid-Summary for the month. The following bids and proposals were solicited, opened and were approved by the Purchasing Director. Approved bids were WWTP Thermal Dryer Improvements, Sango Water Systems Improvements, Pitts Trailers, Liquid

Blended Phosphate, and 20% Sodium Permanganate. There were a number of companies that initially showed interest in these projects, but later they did not respond or follow through with the rest of the process. Camille explained to the committee that this does happen, but Purchasing does their due diligence and follows through with the proper process.

Camille moved on to professional services. She stated that there are currently two to mention. Both of these are increases to projects that are currently in progress. Although Gas & Water is not required to report this, they choose to do so. The first one is the Waste Water Treatment Plant Thermal Dryer Project. The increase is for \$1, 586,565. The total contracted amount is now for the total \$3,906,831. Mark Riggins gave a further detailed explanation for the increase. A lot of it has to do with the design, which will also add a sludge screen building, a greater complexity of work, the projected time and overtime, and the length of the project has been extended.

The second one is another fee increase for North Clarksville Water Treatment Plant project from Smith Seckman Reid. The increased amount for this project is a total of \$6, 084,506 for a total contracted amount of \$15,226,006.10. The construction period of this project has also been extended from 31 months to 48 months. New structures have been added, as well as a second resident project representative.

The last item that Camille discussed was the surplus property that was sold on Gov Deals. The amount was \$1,255. A list of those items sold since the last meeting is in the packet the committee was given.

Dawn Thomack introduced herself to the committee. The first item she discussed was bad debt. In December ninety-four, accounts were sent to collections, which totaled just over \$15,000. For the month of December the accounts that were already in collections brought in \$1,992.04. There were 57 accounts wrote off totaling the amount of \$27,000.22. Dawn explained that once they are a year past due, the accounts are written off. They are still in collections, but they come off Gas & Water's books.

The next topic Dawn brought forward to the meeting was financials. Dawn explained to the group that the financials are broken up into the groups of Water, Wastewater, Gas, and then debt and cash. She explained the highlights on each area. She began with the Water department. The revenue for Water for the month of December was just under \$2.8 million, the operating expenses were just under \$2.7 million. This gave the income for operations an amount of \$97, 936. For the month of December, the Water department did show a loss of \$73,081, which was better than what had been budgeted. Year to date the revenue is \$19.2 million. Operating expenses are \$14.9 million. Income from operations are \$4.3 million. The other income and expense was \$3.5 million. Total income for year-to-date for Water is \$774,725.

Wastewater was next. For the month of December, the revenue was \$3.8 million. Operating expenses were \$2.9 million. Income from operations is \$898,000. The total income for

December was just under \$588,000. For year to date, revenue is \$25.1 million. Operating expenses are \$16.5 million. Income from operations are at \$8.5 million. Other expenses for year to date are \$1.9 million. This gives a total income year to date of \$6.6 million.

The Gas department's financials was discussed last. Dawn explained that Gas is different from Water and Sewer. She explained that in the months of November and December gas was bought to store for the colder months of January and February. There is an expense of gas in the months of November and December. The customer is not charged until the gas is used; therefore, the revenue will come in later in January and February. For the month of December, the Gas department had a revenue of just under \$4.5 million. The expenses were \$5.2 million. Income from operations is a loss of \$ 713,000. The Gas department does not have much debt or interest. A total loss for December is just under \$690,000. Year to date revenue is \$18.4 million. The revenue is over budget because the price of gas is higher. The expense line is also over budget, therefore they off set each other. Operating expenses for year to date are \$20.6 million. Year to date there is a loss from operations just under \$2.3 million. There is an overall year to date loss of \$2.2 million. Dawn stated that by the end of February she expects these numbers for the Gas department to look better.

Next, Dawn discussed the debt coverage for Gas & Water. She explained that our actual debt coverage ratio is 2.31; with the internal goal being 1.7. She stated that we are doing much better than the internal goal. This means that we have well over the amount of revenue that we are required to have to meet our debt commitments.

The final report that Dawn presented was the cash position. Dawn explained that the Water section may look strange, but to build the Water Plant, Gas and Water borrowed money, and issued bonds. That money has been invested. It is set up to where the investments will mature quarterly or in six months. She explained that Gas & Water is paying those bills, and then each quarter Dawn draws down from what was borrowed and puts it back into cash. She explained that on the charts presented, the red is a Aaa rating and green is a Aa rating. We try to stay above the red, but being above the green is good. Wastewater is well above that. Gas has dipped down due to buying gas, but should come back up in a couple of months.

Mark Riggins gave department reports. He briefly went through this report and explained that they are stats and ongoing projects that he likes to give to the committee members so they know what is going on within the Gas & Water department.

Mark Riggins then gave the Gas & Water Status Update. He informed the Committee that there is a possible policy change that Gas & Water is looking at making in regards to billing. Mark stated that a change in this policy does not require approval from the City Council or the Committee. However, he did want the Committee to be aware of the situation and the reasoning behind the policy change. Currently Gas & Water gives customers thirty days to pay their bill before services are turned off. The change would be to change it to twenty-five days, instead of thirty days. This would mean that the due date would go from twenty days to fifteen days. The customer will still have ten days beyond that to make a late payment. Currently

complaints we receive from the customer's about the current policy are if they wait until the last day to pay, they have already received their bill for the next month. Now they are two bills behind. What ends up happening, the customer still owes the amount from the first bill and must pay those charges by the date stated on the first bill to avoid shut off. The due dates on the new bill are only for the charges that were incurred on the new bill. This is confusing for many of the customers. This leads to another issue when a customer is cut off, the meter is read and that incurs another bill. Another issue is when a customer pays online; there is a software issue that we cannot do anything about. Every month the software updates and it does not show the previous balance they owe. For some reason it overwrites the system. Another issue is when they go online to pay, it does not show deposits. The customer may pay the amount on the bill, but the software puts the minimum deposit amount toward the deposit, so it does not reflect that the bill had been paid.

COMMITTEE ACTION REQUIRED

No action was required.

CITY COUNCIL ACTION REQUIRED

No action was required

ADJOURNMENT

The meeting was adjourned at 5:35 p.m.