

**GROVE MUNICIPAL SERVICES AUTHORITY
REGULAR MEETING
TUESDAY, JULY 16, 2019
4:30 PM
MINUTES**

The Grove Municipal Services Authority met in regular session on Tuesday, July 16, 2019 at 4:30 PM with Vice-Chairman, Marty Follis presiding. Members present were Berwin Kock, Ivan Devitt (arrived @ 4:45 PM) and Don Nielsen. Chairman, Andy Stewart was absent. Also present was General Manager, Bill Keefer; Attorney, Darren Cook; Public Works Director, Jack Bower; City Treasurer, Lisa Allred; Assistant General Manager, Debbie Bottoroff and City Clerk, Bonnie Buzzard.

Nielsen made the motion to approve the minutes from the previous meeting. Seconded by Kock. AYE: Kock, Nielsen and Follis. NAY: None. Motion carried.

Nielsen made the motion to approve the purchase order register. Seconded by Kock. AYE: Kock, Nielsen and Follis. NAY: None. Motion carried.

Follis opened the floor for discussion with respect to bids for surplus scrape metal. Superintendent, Deric Douthit addressed the Board to report that he collected the latest market bid proposals on this item from the following individuals:

- Commercial Metal Scrap – Joplin Missouri
 - \$75.00 per ton – provide either an open topped semi-trailer or a 40 yard roll off container for the staff to load, and would deduct a \$250 freight fee for each trip. The first load would have a \$500 freight fee; one trip for the container and then another trip for the pull.
- Briscoe Scrap Metal – Quapaw, Oklahoma
 - \$70.00 per ton, and GMSA would have to delivery it over to the site.
- Steel City Metals – Afton, Oklahoma
 - \$70.00 per ton – that includes them delivering a semi-trailer for the staff to load and once it is loaded we call and they will come over and pick it up.

Douthit added that he would strip the brass and copper from the metal prior to sending it out for scrapping. Douthit entertained questions, comments and concerns from the Board and Staff. Follis made the motion to award the bid proposal to Steel City Metals of Afton, OK. Seconded by Nielsen. AYE: Kock, Nielsen and Follis. NAY: None. Motion carried.

Follis opened the floor for discussion with respect to sewer rates and the gas and water meter fee schedule. Keefer reported that during the work session for the proposed 2019-2020 GMSA budget, there was some discussion in regards to the revenue generated by the sewer utility as compared to the costs to operate the system including collection, treatment, capital costs and debt payments. Keefer reported that on average there is between a \$500,000 and \$700,000 annual shortfall of revenue generated by the sewer utility when compared to its expenses, which is covered by additional revenue generated by the water and gas utilities. Keefer noted that previously Staff had proposed adding \$1 or \$2 to the minimum versus increasing the cost per 1,000 gallons to ensure that the additional revenue could be counted on for budget purposes. This would generate approximately \$25 - \$50,000 in additional annual revenue. This could be coupled with a small increase in the cost

per 1,000 gallons in the range of \$0.10 to \$0.15 per 1,000 gallons which would generate an estimated \$25,000 per year. Keefer added that the biggest impact would be to remove the 1,000 gallons from the base/minimum charge and include that amount in what is charged the \$3.00 per 1,000 gallons which could raise approximately \$75,000 per year. Keefer and Staff entertained questions, comments and concerns in detail from the Board regarding the following three options for the Board to review and consider:

1. Increase the base up to \$3.00 to the minimum versus increasing the cost per gallon plus increase up to \$25.00 to cover sewer loss over the next five (5) years.
2. Increase the base rate and per 1,000 gallons plus cost up to \$25.00 to cover sewer loss over the next five (5) years
3. Increase the cost per 1,000 and leave cost where its currently at

Keefer then introduced and briefly discussed with the Board the proposed new gas and water meter fee schedule. Devitt made the motion to approve the new gas & water meter fee schedule as presented, and to authorize the Staff to prepare a cost comparison spreadsheet of the three (3) different options discussed to sewer rates for the Board to consider at their next meeting. Seconded by Kock. AYE: Kock, Devitt, Nielsen and Follis. NAY: None. Motion carried.

Follis opened the floor for discussion with respect to approval of contract amendments to the Natural Gas Service Agreements. Keefer reported that at the time of releasing the meeting packets the Staff had only received two executed amended contract(s) from Blue Energy and Simmons Food. Since that time the Staff has received two (2) other contract amendments from the City of Fairland and Jay. Kock made the motion to approve the contract amendments pertaining to the Natural Gas Service Agreements as presented. Seconded by Devitt. AYE: Kock, Devitt, Nielsen and Follis. NAY: None. Motion carried,

Follis opened the floor for discussion with respect to the sale of one (1) used vaccon combination sewer maintenance/hydro-excavator truck. Keefer reported that the Staff once again advertised for seal bids for this item and again no bids were received. Keefer respectfully requested Vehicle Maintenance Superintendent, Dale Younger to research other revenues to dispose of this vehicle. Younger reported that he has researched the possibility and cost of on line sales through websites such as:

- ✓ Equipmenttrader.com - will advertise for \$80 / 8 weeks
- ✓ Machinerytrader.com - will advertise for \$440 / 4 weeks
- ✓ Ironplanet - will advertise for \$500 plus 5% of sale

Younger reported that there are auctions sites available as well but strongly discouraged that. Younger entertained questions, comments and concerns from the Board and Staff. Devitt made the motion to authorize the Staff to place the used vaccon combination sewer maintenance/hydro-excavator truck on Equipmenttrader.com with a starting bid price of \$100,000 and authorized the Staff to negotiate bids down to \$75,000. Seconded by Nielsen. AYE: Kock, Devitt, Nielsen and Follis. NAY: None. Motion carried,

Kock made the motion to approve the denial of a claim from Carl Gerks as recommended by OMAG. Seconded by Nielsen. AYE: Kock, Devitt, Nielsen and Follis. NAY: None. Motion carried,

At 5:34 PM Kock made the motion to adjourn. Seconded by Nielsen. AYE: Kock, Devitt, Nielsen and Follis. NAY: None. Motion carried.