

Decatur City Council Special Meeting

Friday, September 22, 2017

The Decatur City Council met in special session Friday, September 22, 2017 at 4:00 p.m. in the Decatur Municipal Building Conference Room.

I. Call Meeting to Order

Mayor Bob Tharp called meeting to order at 4:00 pm with a quorum present.

Alderman Answering Roll Call:

Sandy Duncan, Robin Holt, James Jessen, Linda Martin, Ladale Clayton, and Bill Montgomery

Others in attendance: Mayor Bob Tharp, Recorder/Treasurer Kim Wilkins, City Attorney Michael Nutt
ESI Engineering firm Tim Mayes, and Mark Johnson

II. Water/Sewer Project with Simmons

Simmons wants to move to Y City. There had been some discussion of different land opportunities, but no decision was ever made. Weeks went by without a word of Simmons plans. Simmons then met with the Mayor on Tuesday, September 19, 2017 and in that session they asked for the rates on the water and sewer, the BOD's on the plant, and they asked us to look at changing rates to them. On September 21, 2017, the Mayor met with David Jackson, the president with Simmons. Simmons's mission is that they need us to reduce the rates, and that they needed an answer by the end of business today, Friday, September 22, 2017 because the governor is going to make an announcement Monday, September 25, 2017.

At the current rate today of what we charge them for the use of 8.5 million gallons per week, the annual cost for them is \$3,354,780. In the new plant they are planning to use 12 million gallons per week, the annual cost would be \$3,744,000. Currently with the water and sewer rate combined, our rate to Simmons is \$7.59/1000. If Simmons chose Siloam their combined rate would be \$4.40/1000 making their annual cost \$2,745,600. If we dropped our rate to \$6.00 combined water and sewer rates, the annual cost to Simmons would be \$3,744,000; approximately \$1M more than Siloam.

Michael Nutt read a proposal stating that the City of Decatur will reduce the water and sewer rates applicable to Simmons Foods when their new facility on Highway 59/Y City Road is operational and is meeting 2.4 million gallons metered flow per day. The new rate will become \$6/1000 gallons of water and wastewater use combined.

The challenge will be if Gentry will release the water. If Gentry does not release the water, then this proposal will not work. If Gentry says no, then it will go before the 2-Ton board thru arbitration and they will have the final say on who gets the water sales.

Alderman Bill Montgomery made the following motion: The City of Decatur will reduce the water and sewer rates applicable to Simmons Foods, Inc., when their new facility on Highway 59/Y City Road is operational

and is meeting 2.4 million gallons metered flow per day. The new rate will become \$6.00 per 1000 gallons of water and wastewater use combined. This motion reflects what the city council indicated their desire was during public hearings for the current water rates to consider lowering rates in the future. This motion is subject to the limitations, restrictions, and requirements imposed by the City's bond ordinances, to all necessary public hearings, a new rate ordinance being passed, and the City of Gentry releasing the rights to water sales to the new plant location to Decatur. Linda Martin seconded motion. Council was polled: Sandy Duncan-No, Robin Holt-Yes, James Jessen-Yes, Linda Martin-Yes, Ladale Clayton-Yes, and Bill Montgomery-Yes. The motion passed 5-1.

A motion to adjourn was made by Alderwoman Linda Martin, and was seconded by Ladale Clayton. The meeting adjourned at 4:47 pm.

III. Adjournment

A motion to adjourn was made by Alderwoman Linda Martin, and was seconded by Ladale Clayton. The meeting adjourned at 4:47 pm.

(Mayor Robert W Tharp)

(Recorder/Treasurer Kim Wilkins)