

Clinton-Newberry Natural Gas Authority
Board of Directors Regular Meeting
March 5, 2024

The Clinton-Newberry Natural Gas Authority Board of Directors met on Tuesday, March 5, 2024 in a regular meeting at 6:00pm in the Newberry Office Conference Room. Members present were Board Chair Mr. Foster Senn, Board Vice-Chair Mr. Randy Randall, Board Secretary Mr. Danny Cook, Board Member Mr. Gary Kuykendall, Board Member Mr. Lemont Glasgow, Board Member Mr. Gregg Summer, Board Member Mr. David DuBose, Authority General Manager Mr. James Capps, and Authority Finance Director Mr. Phillip Allison. Authority Counsel Mr. Frank Partridge, Authority Assistant General Manager Mr. Bob Simpson, Mr. David Painter, and Mr. Patrick Castaneda were also in attendance.

Mr. Senn established the presence of a quorum and called the meeting to order.

Mr. Kuykendall gave the invocation.

There were no requests for public comment.

The next item on the agenda was the approval of the minutes from the January 30, 2024 regular meeting. Mr. Randall moved to approve the minutes as presented. Mr. Glasgow seconded the motion. There was no discussion and the motion was unanimously adopted.

The next item on the agenda was the review of the January 2024 Operating Report. Mr. Capps reviewed the report with the Board, highlighting various revenues and expenses for the month.

The next item on the agenda was the consideration of funding for the West Fraser Kiln project. Mr. Capps recommended to the Board to approve up to \$163,000.00 to be transferred from the Expansion Fund to the Gross Revenue Fund to reimburse the Gross Revenue Fund for expenses associated with establishing new service to the West Fraser Kiln constructed on their property in Newberry, with any excess to remain in the Expansion Fund. Mr. Cook moved to approve the recommendation. Mr. Summer seconded the motion. There was brief discussion and the motion was unanimously adopted.

The next item on the agenda was the consideration of funding for a project overage on the Outback Drive project. \$30,000 had been set aside previously for expenses related to this, but a small overrun occurred during construction. Mr. Capps recommended to the Board to approve up to \$2,600.00 to be transferred from the Expansion Fund to reimburse the Gross Revenue Fund for these expenses, with any excess to remain in the Expansion Fund. The project is now complete and there will be no more expenses related to it. Mr. Summer moved to approve the recommendation. Mr. Glasgow seconded the motion. There was no discussion and the motion was unanimously adopted.

The next item on the agenda was a review of the progress made on the Authority's new GIS mapping system. Mr. Castaneda and Mr. Painter presented a demonstration of the features and benefits obtained so far and gave an update on future progress plans.

The next item on the agenda was a review of the current Gas Rates and Consideration of a Rate adjustment. Due to the warmer weather patterns and other considerations through the winter of 2023-2024, the revenues realized by the Authority were not consistent with anticipated levels. In order to maintain levels of service and system maintenance it is apparent that an unavoidable increase in rates will be required. Mr. Capps recommended to the Board that the present margin of 69 cents on Residential and Small Commercial service be increased by 21 cents

per therm, with Industrial rates to be set at the General Manager's determination based on industry trends and customer usage history. This increase would be effective with usage from March 1, 2024 through October 31, 2024. Due to the rate increase, the Authority will freeze and decrease certain expenses. The Board expressed much hesitation but unanimously agreed that revenues were not meeting expectations to satisfy the Authority's expenses. Further, the Board unanimously expressed that hopefully the increase may be reversed in the future. It was noted that as the weather warms through the Spring and Summer, customer usage would be decreasing and that the impact on customer billings should be minimized. Mr. Randall moved to accept Mr. Capps's recommendation. Mr. Glasgow seconded the motion. After discussion, the motion was unanimously adopted.

The next item on the agenda was an Executive Session for discussion of Authority Employment Matters. Mr. Cook moved to enter Executive Session. Mr. DuBose seconded the motion. There was no discussion and the motion was unanimously adopted. After a time, Mr. Glasgow moved to resume Open Session. Mr. DuBose seconded the motion. There was no discussion and the motion was unanimously adopted. During Executive Session, the Board received information and took no action. No member wished to take action on the item discussed in Executive Session.

The next item on the agenda was the announcement of the next regular meeting. The next meeting is scheduled for March 26, 2024, at 6:00pm in the Clinton Office Conference Room.

With no more business to come before the Board, Mr. Kuykendall moved to adjourn the meeting. Mr. DuBose seconded the motion. There was no discussion, and the motion was unanimously adopted. The meeting was adjourned at 7:50pm.


Chair / Vice-Chair


Secretary