

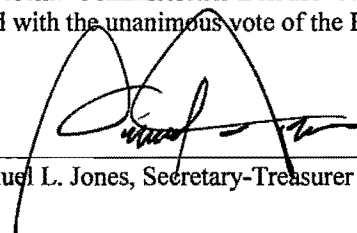
Minutes of the meeting of the Board June 5, 2017, continued

- E. **Ext. 1 Annual Contract MAWSS 16013 – MJ DI Pipe and Fittings**
Contract Extension Period: 7/1/17 – 6/30/18 Est. Value - \$54,000
Current Contract Holder: HD Supply
- F. **Ext. 1 Annual Contract MAWSS 16015 – Cam Lock Retainer Glands**
Contract Extension Period: 8/1/17 – 7/31/18 Est. Value - \$20,000
Current Contract Holder: HD Supply
- G. **Sensitive Positions**
- H. **McCrorry & Williams Project Status Report – April 28, 2017 and May 30, 2017**
- I. **Red Cross Blood Drive –June 7, 2017**
- J. **In-Kind & Contributions Requests**
 - 1. Africatown Bridge Challenge
 - 2. The Wave Transit System's 2017 Transit Awareness Day School Supplies Drive

Commissioner Bell asked how the annual contracts being renewed fit into the DBE Policy. Have we looked at how we will deal with this without having to rebid the contracts. Mr. McCrorry said Policy 16-01 relates to Public Works. Mr. Hyland said Policy 17-01 deals with most of our annual contracts and we're looking at it. It doesn't fall under the same requirements as Policy 16-01.

There being no further business to come before the Board, at 3:07 p.m., Commissioner Odom moved to adjourn and reconvene in **Executive Session**. Commissioner Weber seconded. The motion then carried with the unanimous vote of the Board.

At 3:27 p.m., the meeting reconvened with all members present. Commissioner Bell moved to adjourn and Commissioner Nichols seconded. The motion then carried with the unanimous vote of the Board. The next regular meeting is scheduled for July 10, 2017, at 2 p.m.



 Samuel L. Jones, Secretary-Treasurer

**BUSINESS OFFICE, 4725 MOFFETT ROAD, MOBILE, ALABAMA
JULY 10, 2017**

The Board of Water and Sewer Commissioners of the City of Mobile met this Monday in their regular session at 2:00 p.m. at MAWSS' Park Forest Plaza.

PRESENT:

Dr. James E. Laier, Chair
Ms. Barbara Drummond, Vice Chair
Ms. Sheri N. Weber, Commissioner
Mr. Maynard V. Odom, Commissioner
Mr. Walter E. Bell, Commissioner
Mr. Kenny Nichols, Commissioner

Ms. Jackie McConaha, Attorney for the Board
Mr. Charles E. Hyland, Jr., Director
Mr. Douglas L. Cote, Assistant Director
Mr. Bud McCrorry, Assistant Director

ABSENT:

Mr. Samuel L. Jones, Secretary-Treasurer

Minutes of the meeting of the Board July 10, 2017, continued

Chair Laier called the meeting to order and Commissioner Drummond gave the invocation. The **Financial Report** was next and Comptroller Collena Matz said this is the first report for 2017. We are reporting on the months of January-March. The last Financial Report was to review the Audit and the approval of the CAFR. She said we are a little under budget for this year. Our Revenues thus far are \$24 million and Expenses are \$13 million with a final net income of \$10.8 million. However, that's slightly under budget as far as the Net Income number budgeted for 2017. This is a budget for the first 3 months of the year, meaning we budget in 1/12 increments so this is 3/12 of the budget. Even though we are under budget on revenues and we did not have a rate increase for 2017, consumption is slightly down for the first part of the year.

Ms. Matz said the next slide represents a breakdown of those revenue dollars. As you can see, the Water Sales and Sewer Sales, as well as the Other Revenue, are pretty comparable across the board whether you are comparing to the budget or to the prior year. All of these numbers are just through March. The Other Revenue represents mainly investment earnings as well as other rental income for tower rental, things of that nature.

Our customer trend for the last few years has been slowly ticking up. As you can see for 2016, that's the year to date ending number, we have a slight uptick of 539. The next slide is a breakdown of our Operating Expenses. We've broken this down between Labor, Contractual Expenses and Operating and Supplies. The numbers are pretty well comparable. We do have some additional Overtime costs which are increasing the labor costs. The next slide breaks down that labor. We do have a little bit of additional premium pay or overtime, which includes overtime, standby and holiday from what was budgeted. Not very much changed. The next slide is breakdown of those Net Income dollars and what we have available for Debt Service or for Capital Paygo funds. As you can see, between the 2016 and 2017 actual, the Capital Paygo is down which is as predicted per the budget. We are pretty well in line with our budget and that's due to the flat revenue.

Commissioner Weber asked about the Overtime and if that is going to be the trend since we are over budget. Mr. Cote said some of the overtime is the result of emergency circumstances, such as when we had to respond to the Spanish Fort water line break, issues with Tropical Storm Cindy where we had to check the collection system, etc. That's some of what drives Overtime and he thinks it's more in line with some of those issues. Commissioner Weber also noted our customer base is up, yet our Revenue is down and, she said, that's a little disappointing. Mr. Hyland said, historically, when we have heavier rains, we tend to see consumption drop off some. Commissioner Weber said this period ended in March and she didn't remember it being particularly rainy. With higher customer numbers, she would think our revenues would track accordingly. Mr. Hyland said we are mirroring what others in the country see where there continues to be conservation and a drop in consumption over all. He doesn't think that's unusual since he believes we are somewhere around 10 inches over what we normally are on rain.

Commissioner Bell asked Ms. Matz to speak to the Debt Service in terms of we show \$500,000 more in Debt Service this year than budget and over \$1 million more than last year. Ms. Matz said this slide does not represent actual dollars paid. The Net Income is actual dollars but the other two graphs are based on once we meet our debt service assuming every additional dollar goes to capital. These are not going to be the actual final numbers because that's not going to be determined until the end of the year once we've met all of our Reserve requirements. This is just a snap shot for where we predict we're going to end up. The Net Income is the actual dollars through March. Beyond that, it is not the final snapshot because we just take every dollar and put it in one of those buckets of the Net Income. The difference on the Debt Service as far as the uptick between 2016 and 2017, we have a new SRF bond issue that was closed in August. For the prior year, we only had one-half of that payment and now for all future years, you have a whole year's payment because it's paid twice per year.

Commissioner Bell asked if Ms. Matz is telling him that these are the Financial Reports but they're not actual numbers. Ms. Matz said this graph is just assuming that each one of the Net Income dollars went to either Debt Service or Capital. The blue columns are actual numbers; the red and the green are assumptions as far as how would we spend those dollars. Commissioner Bell asked if it's done like that in the future, please notate that it's not actual dollars because if he reads a Financial Report, he thinks that's the actual dollars that have been spent for the first quarter. Ms. Matz said she can add a footnote.

Minutes of the meeting of the Board July 10, 2017, continued

There were no **Committee Reports** and no **Visitors** who signed in requesting to speak. The **Minutes of May 4, 2017 and June 5, 2017** were presented for approval and the Recording Secretary stated to the accuracy. Commissioner Drummond moved for approval and Commissioner Odom seconded. The motion then carried with the unanimous vote of the Board.

Bids & Purchasing was next and Mr. Cote said we had six construction contract bid openings today and we would appreciate the authorization of Director's awards upon approval and recommendation by the consulting engineers and our Supplier Diversity Program Manager. Commissioner Odom moved for approval of Director's awards and Commissioner Drummond seconded. Mr. Cote said he will recap each.

Mr. Cote said on the Hillcrest Shopping Center Sewer Line Replacement, we had 4 bidders and Ballcon was the apparent low bidder with a total bid amount of \$88,597. The bid opening results are entered here for the record:

AL 17028, Hillcrest Shopping Center Sewer Line Replacement

<u>Bidders</u>	<u>Total Bid Amount</u>	ORIGINAL ESTIMATE
Ballcon	\$ 88,597.00	Construction: \$ 90,000
Construction Labor Services	\$ 95,967.64	Engineering: \$ 13,300
W. R. Mitchell Contractor, Inc.	\$ 99,109.00	Total Original Estimate: \$103,300
Dortch, Figures & Sons, Inc.	\$102,494.00	CURRENT ESTIMATE
		Construction: \$110,000
		Engineering: \$ 16,280
		Total Current Estimate: \$126,280

Mr. Cote said the second project was the Childers Street Sewer Repair project. We had 3 bidders and the apparent low bidder is CLS with a bid amount of \$122,928.34. Commissioner Nichols said in looking back in the differences between the current estimate vs. the original, now it's obviously bid and we have an actual contract amount, but there's a fairly large discrepancy there percentagewise. He asked if there is any idea why. Engineer III Calressia Clark said when we went to the City to get permitted, they required us to resurface the entire block and add a couple of lateral replacements so that's the additional cost. The bid opening results are entered here for the record:

Driven 17010, Childers Street Sewer Repairs

<u>Bidders</u>	<u>Total Bid Amount</u>	ORIGINAL ESTIMATE
W. R. Mitchell	\$154,418.50	Construction: \$ 79,528.00
Ballcon, Inc.	\$132,402.00	Engineering: \$ 16,281.18
CLS	\$122,928.34	Total Original Estimate: \$ 95,809.18
		CURRENT ESTIMATE
		Construction: \$167,773.00
		Engineering: \$ 37,018.00
		Total Current Estimate: \$204,791.00

Mr. Cote said the 3rd project is the Wright Smith WWTP Primary Digester Cleaning. We had 3 bidders; the low apparent bidder was Denali Water Solutions at \$199,750.00. The bid opening results are entered here for the record:

CMOB170025, Wright Smith WWTP Primary Digester Cleaning

<u>Bidders</u>	<u>Total Bid Amount</u>	ORIGINAL ESTIMATE
Denali Water Solutions	\$199,750.00	Construction: \$430,000.00
GreenSouth Solutions LLC	\$304,500.00	Engineering: \$ 18,000.00
SEMS	\$519,010.00	Total Original Estimate: \$ 448,000.00
		CURRENT ESTIMATE
		Construction: \$430,000.00
		Engineering: \$ 18,000.00
		Total Current Estimate: \$448,000.00

Minutes of the meeting of the Board July 10, 2017, continued

Mr. Cote said the 4th project is the Eslava Creek Pump Station By-Pass Improvements. We had 2 bidders and the apparent low bidder is W. R. Mitchell Contractors at \$745,743.00. The bid opening results are entered here for the record:

M5712-2577, Eslava Creek Pump Station By-Pass Improvements Rebid

		ORIGINAL ESTIMATE
		Construction: \$725,000.00
		Engineering: \$ 50,000.00
		Total Original Estimate: \$ 775,000.00
		CURRENT ESTIMATE
<u>Bidders</u>	<u>Total Bid Amount</u>	Construction: \$725,000.00
Ballcon	\$771,710.00	Engineering: \$ 50,000.00
W. R. Mitchell Contractor, Inc.	\$745,743.00	Total Current Estimate: \$775,000.00

Mr. Cote said the 5th bid was for the Gaillard PS Generator Installation. We had 3 bidders and the apparent low bidder is Sycamore Construction at \$1,191,250.00. The bid opening results are entered here for the record:

MM378692GG, Gaillard PS Generator Installation (Rebid)

		ORIGINAL ESTIMATE
		Construction: \$2,370,000.00
		Engineering: \$ 284,400.00
		Total Original Estimate: \$2,660,000.00
		CURRENT ESTIMATE
<u>Bidders</u>	<u>Total Bid Amount</u>	Construction: \$2,317,400.00
Ballcon, Inc.	\$1,288,850.00	Engineering: \$ 278,088.00
Moody Electric	\$1,267,657.94	Total Current Estimate: \$2,600,000.00
Sycamore Construction	\$1,191,250.00	

Mr. Cote said the final construction bid was the Springhill 30" Water Main Abandonment project. We had two bidders and the apparent low bidder was W. R. Mitchell, Contractor, at \$474,195.00. The bid opening results are entered here for the record:

V044417, Springhill 30" Water Main Abandonment (Rebid)

		ORIGINAL ESTIMATE
		Construction: \$350,000.00
		Engineering: \$ 56,450.00
		Total Original Estimate: \$406,450.00
		CURRENT ESTIMATE
<u>Bidders</u>	<u>Total Bid Amount</u>	Construction: \$444,500.00
Construction Labor Services	\$515,070.63	Engineering: \$ 70,268.00
W. R. Mitchell Contractor, Inc.	\$474,195.00	Total Current Estimate: \$514,768.00

The motion for approval of Director's awards on each of these projects, following review and recommendation by the consulting engineers and Supplier Diversity Program Manager, then carried with the unanimous vote of the Board.

Item G was **IFB 17-020, Annual Contract - Powder Activated Carbon (PAC)**. Mr. McCrory said this was a little different but it is also an annual contract so it was decided to bring it before the Board based on the dollar value. We received 5 bids. Annual contracts are a little different than public works contracts because you have to be sure the apparent low bidder meets all the qualifications and specifications. Mr. Hyland said pending that review and a recommendation, this will be brought back to the next meeting for Board approval.

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Mr. Cote reviewed Item H on the agenda:

IFB 17-017, Annual Contract for Corrosion Control Chemicals (2 bids) Est. Value - \$117,360
 Contract Period: 8/1/17-7/31/18 with two possible one year extensions
 Low responsive bidder: Carus Corporation

Mr. Cote said these are the chemicals used in the distribution system to control lead and copper leaching into the water. Based on staff's recommendation, Commissioner Odom moved for approval and Commissioner Weber seconded. The motion then carried with the unanimous vote of the Board.

Item I was:

IFB 17-019 Purchase Philadelphia Mixer Gearbox (1 bid, 5 N/B) Value - \$83,980
 Responsive bidder: Philadelphia Mixing Solutions

Based on staff's recommendation, Commissioner Odom moved for approval and Commissioner Bell seconded. The motion then carried with the unanimous vote of the Board.

Mr. Cote said Item J will be held over until the next meeting. It's entered here for the record:

IFB 17-021, Purchase Trailer-Mounted Backup Pump (7 bids, 4 N/B) Value - \$41,932
 Low Responsible Bidder: Jim House & Associates

Mr. Cote reviewed Item K on the agenda:

Emergency Sole Source Purchase – Parts & Repair for Screwpress Value - \$33,315
 Sole Source Provider: Huber Technology

Mr. Cote said, just as a reminder, we are leasing a belt press at the Williams plant for dewatering purposes. As he mentioned previously, the screw press is one of our pieces of equipment that needs to be repaired and rebuilt. This is the purchase of the parts necessary to repair that piece of equipment. Based on staff's recommendation, Commissioner Odom moved for approval and Commissioner Drummond seconded. The motion then carried with the unanimous vote of the Board.

Mr. McCrory reviewed Item L:

Co-op Purchase of Felling Trailer FT50-3-LP Value - \$30,076
 Co-op Provider: National Joint Powers Association (NJPA)

Based on staff's recommendation, Commissioner Odom moved for approval and Commissioner Nichols seconded. The motion then carried with the unanimous vote of the Board.

Mr. McCrory reviewed Item M:

Purchase of Upgrade for our Avaya Phone System Value - \$225,856
 Provider: Carousel/CIT Bank, NA

Mr. McCrory said this is an upgrade to our current phone system. We were losing local support with that system and this upgrade will also give us additional features. We are looking at a chat online feature which will be linked to our current system through our website as well as other recording and tracking features for the program. Based on staff's recommendation, Commissioner Odom moved for approval. Commissioner Drummond seconded and asked

Minutes of the meeting of the Board July 10, 2017, continued

if there is a maintenance contract associated with this. IT Director Mahir Butt said the value includes maintenance for 5 years. The motion then carried with the unanimous vote of the Board.

Legal was next and Attorney McConaha said we need a short Executive Session to discuss a property purchase matter that involves a price. She expects that would take approximately 10 minutes.

Unfinished Business was next with **MAWSS Policy 16-01, Disadvantaged Business Enterprise Policy for Public Works Act Contracts**. Mr. Hyland asked that this item be held over until the next meeting.

New Business was next with **Resolutions for Art Contest Winners. Public Affairs Manager Barbara Shaw** said it's her pleasure to share the winners of the 2017 "Fun with Water" Watercolor Contest. Each year, we encourage students in grades K-12 to paint a watercolor of their favorite activity involving water. The idea is to get them thinking about the importance that clean water plays in their daily lives. This year, we received just under 300 entries featuring a wide variety of activities. All the work was displayed at the Shoppes of Bel Air where community judges have an opportunity to view and score them. The scores are then totaled to determine winners in each grade category and to determine one overall winner. We certainly want to thank our judges for their services. Judges for this year's contest were Joe Emer, co-host of Studio 10; Kelly Jones, FM Talk 106.5; Sherri Bumpers, Alabama Media Group; Paula Kiszla, Mobile artist and art instructor; Amberly Harris, Cumulus Broadcasting; Shelby Mitchell, 95 KSJ.

Ms. Shaw displayed the winning artwork and said our youngest winner this year was Corynne Swan, from Old Shell Road Magnet School, for her painting "A Beautiful Day at the Beach." Corynne will be entering the 2nd grade next year and she said her painting is a picture of her with her little sister.

Ms. Shaw said Jalyn Johnson, of Council Traditional School gave us a look at "Fun Summer Birthdays." Jalyn will be in the 6th grade next year and, with a birthday this week, she said her painting is a picture of the family party that she plans to have.

Mia Bauer, from Dunbar Magnet School, was our middle school winner with "Underwater Adventure." Mia has had a very exciting year having won several art competitions. She is a very talented young lady and she will be in high school next year.

Ms. Shaw said one of our more memorable paintings was Jeremy Bankston's "Everything Is Coming Up Coral." Jeremy will be a junior at Theodore High School next year and said he was thinking outside the box when he painted this work. His mom said he spends most of his time doing art projects.

Ms. Shaw said our overall winner this year is Lindsey Imsand for her stunning painting called "A World Underwater." Lindsey is also a student at Theodore High School. She and her art teacher, Christy LeGros, will each receive a \$250 gift card to the stores of their choice at the Shoppes of Bel Air. Lindsey watched a watercolor technique on a youtube video to perfect her technique. She didn't want any brush strokes to show and her teacher said she worked on this painting for weeks.

Last Friday, our student winners were guests on Studio 10 and you can see that entire segment on our FaceBook page. Our awards ceremony will be Friday, August 4, at 6:30 p.m. at the Shoppes of Bel Air. We invite you to come and congratulate our young artists.

RESOLUTION

WHEREAS, Ms. Lindsey Imsand, Mr. Jeremy Bankston, Ms. Mia Bauer, Ms. Jalyn Johnson, and Ms. Corynne Swan entered Mobile Area Water and Sewer System's eleventh annual "Fun with Water" Watercolor Contest; and

WHEREAS, MAWSS launched the contest as a fun and educational way of teaching area youth about the importance a safe and reliable water supply plays in everyone's daily lives, and

Minutes of the meeting of the Board July 10, 2017, continued

WHEREAS, their entries “A World Underwater,” “Everything is Coming Up Coral” “Underwater Adventure,” “Fun Summer Birthdays,” “A Beautiful Day at the Beach,” depict their favorite summer activities involving water; and

WHEREAS, their paintings were judged by a panel of community judges to be the best in their divisions,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF WATER AND SEWER COMMISSIONERS OF THE CITY OF MOBILE that Ms. Imsand, Mr. Bankston, Ms. Bauer, Ms. Johnson, and Ms. Swan, be recognized and commended for their artwork that will brighten the walls of Mobile Area Water and Sewer System.

ADOPTED this 10th day of July 2017.

Item B was **Revision to Policy 96-6, Uniform Policy**. Mr. Hyland said staff recommends the Board approve the Policy with changes as presented by HR Officer Sharon King during the premeeting. Based on staff’s recommendation, Commissioner Odom moved for approval and Commissioner Nichols seconded. The motion then carried with the unanimous vote of the Board.

Item C was **Revision to Policy 97-1, Safety Shoe Policy**. Mr. Hyland said staff recommends the Board approve the Policy with changes as presented by HR Officer Sharon King during the premeeting. Based on staff’s recommendation, Commissioner Drummond moved for approval and Commissioner Odom seconded. The motion then carried with the unanimous vote of the Board.

Item D was **Facilities for Acceptance** and Water & Sewer Engineering Manager Daryl Russell said these two facilities were completed several years ago. They were not brought to the Board because the fees for development weren’t paid or the record plat was not signed and recorded. Those have been done now. From time to time, these may come up and we will bring them to the Board. This is somewhat of a rarity. Usually, the owners pursue these through completion as far as acceptance from MAWSS but in these cases, these were during times when the economy was down and the owners changed as far as who owned the property, and now they pursuing development of the facilities. Mr. Russell reviewed the following:

Inlets at Mon Luis - Water & Sewer Facilities

Value – Water	\$39,543	Value – Sewer	\$19,200
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Mr. Russell said this is a 22 lot subdivision, just north of Fowl River. Staff has reviewed these facilities and recommends acceptance by the Board. Based on staff’s recommendation, Commissioner Weber moved for approval and Commissioner Drummond seconded. The motion then carried with the unanimous vote of the Board.

The Bluffs at Cypress Creek – Water & Sewer Facilities

Value – Water	\$181,186	Value – Sewer	\$148,070
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Mr. Russell said The Bluffs at Cypress Creek is a 52 lot commercial subdivision, south of I-10 and east of Rangeline Road. Staff has reviewed the facilities and recommends acceptance. Based on staff’s recommendation, Commissioner Drummond moved for approval and Commissioner Odom seconded.

Commissioner Bell said if we had accepted them from year one, it seems there would have been a lot less liability on the facilities as opposed to ten years later. Mr. Russell said as far as the process, they had completed the process in construction, our staff had reviewed the facilities and found them in order in accordance with MAWSS’ specifications; however, the development fees were not paid by the owners until a later date. At that time, the owner did not pursue or ask that this be brought back to the Board so it went dormant and in holding. We had our staff go out and review again, and everything is in shape. On the Inlets of Mon Luis, some meter boxes were damaged and needed to be replaced. The owner has paid MAWSS to replace the meter boxes so, again, MAWSS is not incurring costs associated with bringing these back to the condition that they were originally. Commissioner Bell asked if

Minutes of the meeting of the Board July 10, 2017, continued

there was development there and have the facilities been used over this period of time. Mr. Russell said only in Mon Luis, there was one house built by a contractor. He was issued a contractor's meter so he could build the residence; he ultimately ended up moving in and the meter was never converted to a private meter. It existed as a contractor's meter for almost 10 years now. That is the only lot out of both developments that was ever developed. The motion then carried with the unanimous vote of the Board.

Item E was **Proposed Property Purchase**. Mr. Hyland said this is the item Attorney McConaha mentioned that will be discussed in Executive Session and Item F. **SRF Application** is on hold.

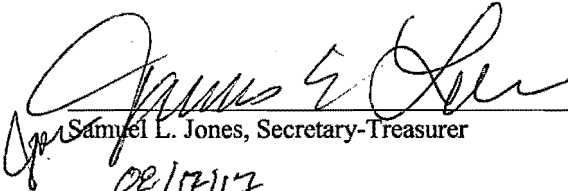
Items presented to the Board for **Information Only** were:

- A. **AL17038, Emergency Cimarron Ridge Apartments Sewer Replacement**, with tabulation of the June 5, 2017 bids and recommendation to award to the low bidder, Ballcon, Inc., for \$136,000. (Confirmation of Director's Award)
- B. **IFB 17-022 Emergency Dewatering Service (2 bids)** Est. Value – \$80,346
Low responsible bidder: Denali Water Solutions
- C. **Ext. 1 to MAWSS 16014 Contract for Cold Water Meters**
Contract Extension Period: 8/1/17 – 7/31/18 or estimated value of \$700,000
Current Contract Holders: Consolidated Pipe for Neptune Meters and HD Supply for Sensus Meters
- D. **Co-op Purchase of 2 Genie Light Towers w/Generators and Engines** Value - \$15,170
Co-op Provider: National Joint Powers Association (NJPA)
- E. **Sensitive Positions**
- F. **McCrary & Williams Project Status Report – 6/29/17**
- G. **Mott MacDonald Project Status Report – May 2017**
- H. **In-Kind & Contributions Requests**
 - 1. 2017 30th Anniversary Alabama Coastal Cleanup

At 3:20 p.m., Commissioner Weber moved to adjourn and reconvene in **Executive Session**. The motion carried with the unanimous vote of the Board.

At 3:47 p.m., the meeting reconvened. (Commissioner Weber had left the meeting at 3:33 p.m.) Commissioner Odom moved for approval of staff's recommendation to pursue the purchase of property as discussed, while also looking at the adjacent property. Commissioner Drummond seconded and the motion carried with the unanimous vote of the Board.

The meeting concluded at 3:47 p.m. The next regular meeting is scheduled for August 7, 2017, at 2 p.m. (The meeting was subsequently rescheduled for Monday, August 14, 2017, at 2 p.m.)



 Samuel L. Jones, Secretary-Treasurer
 08/17/17