

**Minutes of the meeting of the Board July 8, 2019, continued**

Drummond moved for approval and Commissioner Odom seconded. The motion then carried with the unanimous vote of the Board.

Acting Chair Nichols said he will now accept a motion to allow staff to make an offer on the 2 acres adjacent to the new Highway 98. Commissioner Drummond moved for approval and Commissioner Odom seconded. The motion then carried with the unanimous vote of the Board.

Next, Acting Chair Nichols said he will accept a motion to allow staff to accept the offer from ALDOT on the .3 acres adjacent to Glenwood Road. Commissioner Odom moved for approval and Commissioner Zoghby seconded. Commissioner Drummond abstained. The motion carried with the aye votes of Commissioners, Odom, Zoghby, Bell, and Acting Chair Nichols.

There being no further business to come before the Board, Commissioner Odom moved to adjourn and Commissioner Drummond seconded. The motion then carried with the unanimous vote of the Board. The next regular meeting is scheduled for Monday, August 5, 2019 at 2 p.m.




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Walter Bell, Secretary-Treasurer

**BUSINESS OFFICE, 4725 MOFFETT ROAD, MOBILE, ALABAMA  
August 5, 2019**

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:**

Mr. Samuel L. Jones, Chair  
Mr. Kenneth W. Nichols, Vice Chair  
Mr. Walter Bell, Secretary-Treasurer  
Mr. Maynard V. Odom, Commissioner  
Ms. Sheri N. Weber, Commissioner  
Mr. Thomas Zoghby, Commissioner

Mr. Charles E. Hyland, Jr., Director  
Mr. Douglas L. Cote, Assistant Director  
Mr. Bud McCrory, Assistant Director  
Mr. Bradley Dean, Attorney

**ABSENT:**

Ms. Barbara Drummond, Commissioner

Chair Jones called the meeting to order and Commissioner Odom gave the invocation. **Committee Reports** was next and Mr. Hyland said the Finance Committee met on July 30, 2019 at 9:30 a.m. and there were a number of topics discussed including the Master Plan loan consolidation for implementation. This included a review of the fifteen year financial model and a discussion about exceedance of the budget on several projects. After the discussion, the following items were agreed to:

Staff will provide the committee with projections of future estimates for the next five years based on scenarios. This was reviewed during the pre-meeting.

Staff will closely monitor changes in project costs and make adjustments as necessary.

The committee agreed to add in \$6 million dollars to the Clean Water SRF application and \$2 million dollars to future Drinking Water SRF application to address the project exceedances.

Staff will also request approval of the primary Clean Water SRF application at the August 5<sup>th</sup> Board Meeting.

In addition, the Drinking Water SRF loan that will be closing today was reviewed and discussed in the meeting.

Mr. Hyland stated he also had two representatives from Regions Bank give an update on the OPEB Trust and Investments as of June 30, 2019. There was general discussion about the investments and the report itself. Also discussed was reviewing the Board Policy concerning this trust. That is something staff will bring back to the committee.

The committee also reviewed the MAWSS quarterly investment report and agreed to review the internal board policies on cash reserves. The committee reviewed a draft of changes to the MAWSS investment policy and staff will come back with additional changes. A review was conducted of a draft ten-year MAWSS financial summary spreadsheet which shows a variety of information. Staff will make several additional changes and this will be brought back to the full Board prior to the budget workshop.

Finally, staff reviewed potential changes in the Board's Water and Sewer Availability policy and the committee agreed to a path forward by advertising the potential changes and then bringing that back to the committee and then the Board for approval. Chair Jones asked if there was any discussion on the report.

Commissioner Odom answered that the HR Committee had a meeting today and discussed some policy additions and changes to several different policies which will be brought back to the committee and the Board for approval. One of them being the Telecommuting Policy, which will be a new policy, the Summer Employment policy will have some changes and also changes will be made to the Performance Improvement/Discipline Policy.

Visitors was next with **Resolutions for Retirees** and Mr. Hyland read the following into record:

#### **RESOLUTION**

**WHEREAS, MS. DAWN M. PAYTON**, Equipment Operator II, began her employment with the Board of Water and Sewer Commissioners on June 2, 2001, as a classified employee, and has worked continuously since; and

**WHEREAS**, she served the System faithfully for over 18 years, performing her duties with the highest quality, working in a cooperative spirit with her fellow employees, and

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF WATER AND SEWER COMMISSIONERS OF THE CITY OF MOBILE** that **MS. DAWN M. PAYTON**, whose retirement was effective August 1, 2019, be recognized and commended for her years of service to the Board of Water and Sewer Commissioners of the City of Mobile and to the citizens of Mobile.

**ADOPTED this 5<sup>th</sup> day of August 2019.**

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Mr. Hyland said Ms. Payton worked primarily in Field Operations for most of her career and had her CDL license and operated equipment and drove trucks. She did a very good job for MAWSS and we certainly hope that she enjoys a very long, healthy and happy retirement.

Next, Mr. Hyland read the following into record:

#### **RESOLUTION**

**WHEREAS, MS. B. CAROL RAMBO**, Recording Secretary, began her employment with the Board of Water and Sewer Commissioners on June 22, 1992, as a classified employee, and has worked continuously since; and

**Minutes of the meeting of the Board August 5, 2019, continued**

**WHEREAS**, she served the System faithfully for over 27 years, performing her duties with the highest quality, working in a cooperative spirit with her fellow employees, and

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF WATER AND SEWER COMMISSIONERS OF THE CITY OF MOBILE** that **MS. B. CAROL RAMBO**, whose retirement was effective August 1, 2019, be recognized and commended for her years of service to the Board of Water and Sewer Commissioners of the City of Mobile and to the citizens of Mobile.

**ADOPTED this 5<sup>th</sup> day of August 2019.**

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Mr. Hyland said Ms. Rambo was unable to attend the meeting today, but she wrote Mr. Hyland an email and asked him to convey this to the Board. "Please express my appreciation to the Board for the resolution to be given to me. I am very grateful for the livelihood, benefits and opportunities available to me for the past 27 years. MAWSS truly has been a great place to work and I wish you all the best." Mr. Hyland continued by saying he did not have enough time to talk about all the good things Carol has done for this organization and for him personally. The last six or seven years that he has been in his position, he told Carol that he would not have survived without her. She has a wealth of knowledge and an unbelievable recall and could go back and remember where to look for things that she didn't know right off the bat what the answer was. She had a great deal of institutional knowledge, but was very gracious and very helpful to everyone and was a great help to me moving into this position. It certainly made for a transition that I would not have been able to do without her, so I certainly appreciate everything that she has done for MAWSS, for the community and for me personally and we certainly hope that Carol has a very long, happy and healthy retirement.

The **Minutes of July 8, 2019** were presented for approval and the Recording Secretary stated to the accuracy. Commissioner Odom moved for approval and Commissioner Bell seconded. The motion then carried with the unanimous vote of the Board.

**Bids and Purchasing** was next and Mr. Cote reviewed the following:

**Item 4A            C100316.24, 2018 Small Diameter Gravity Sewer CIPP**

Original Estimates:		Current Estimates:	
Construction:	\$1,200,000.00	Construction:	\$1,100,000.00
Engineering:	\$ <u>82,500.00</u>	Engineering:	\$ <u>82,500.00</u>
Total:	\$1,282,500.00	Total:	\$1,182,500.00

Mr. Cote said we had eight bidders and the apparent low bidder was SP Liner at \$794,825.00.

**Item 4B            C100316.27, Pine Run Subdivision Sewer Rehabilitation**

Original Estimates:		Current Estimates:	
Construction:	\$350,000.00	Construction:	\$300,000.00
Engineering:	\$ <u>33,797.82</u>	Engineering:	\$ <u>33,797.82</u>
Total:	\$383,797.82	Total:	\$333,797.82

Mr. Cote said we had six bids and three of them were not read because they were lacking sub-contracting plan documentation. The apparent low bidder was Suncoast Infrastructure, Inc. in the amount of \$216,065.00.

**Item 4C            V1025605, 2019 Annual Electrical Maintenance Contract**

Original Estimates:		Current Estimates:	
Construction:	\$285,000.00	Construction:	\$285,000.00



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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 4F** was reviewed by Mr. Cote and is entered here for the record:

**IFB 19-011 Construction and Installation of a Liquid Lime Slurry System**  
(1 bid) Value - \$526,395

Mr. Cote asked that the Board approve the award in the amount of \$526,395; but before doing so he would note that MAWSS received a letter from Applied Specialties, Inc. The letter is basically a request that we consider them as an alternative to the bidder and they allege that they can provide their services and their products at a lesser cost than CAL-FLO who is the contractor or the vendor for whom the single bid was received. He has asked David Stejskal with Jacobs [they primarily wrote the specifications and have reviewed this request] to address the Board on Applied Specialties request as an alternate.

Mr. Stejskal said that Applied Specialties primary reference was that the specifications did not allow them to bid the project. They referenced the equipment was designed, and while we did design around CAL-FLO's system which is not uncommon, we did not sole source them in the option of other suppliers. Applied Specialties was not qualified, mainly because the lime that they provide is based on a quick lime which would not allow our specifications because the quick lime process is a more grittier process than regular lime and it will often settle out into a facility which is one of the main reasons you want to get away from your current quick lime process was that settling effect. The lime we specified makes it better and more effectively useful. I suspect they were not qualified, not because of the equipment, but the lime they were attempting to buy. We did mention on one vendor that bid on this, Ms. Russell did send it out to all of your typical lime suppliers and we had no questions during the bids except for one of your suppliers asked a question about hoping to bid the job. Applied Specialties did not make any reference to us during the design or during the bid process as to include their product so we do not see the merit to their claim that they were not allowed to bid this job.

Commissioner Bell said you mentioned it is not the equipment but the ultra lime. Mr. Stejskal said with the equipment they could have met our specifications, but the lime they provide in our specifications it says you can not provide lime that is made of quick lime and their product is made of quick lime so they don't comply with the specification. Commissioner Bell said they say they are using it in many other facilities. Mr. Stejskal said they do claim that but he is not familiar with a facility that uses their product. He is not familiar with the product they use, and he has not designed a facility that uses their product and he has not asked them directly which facility they have used it in. Commissioner Bell asked if they offered to give reference. Mr. Stejskal replied that all he received was the letter and the Board received a copy as well. That was all they have provided to us. He went on to say that in cost comparison the value they say for annual costs is actually more than the unit cost of the bid. The bid price is lower than what Applied Specialties is claiming their costs would be for the material.

Commissioner Bell asked how long the bid was for and Mr. Cote said it is initially a one-year bid to get the equipment and product in place and then there is an annual renewal of it for three years in regard to the chemical.

Chair Jones asked if there was any further discussion. Based on staff's recommendation, Commissioner Nichols moved for approval and Commissioner Zoghby seconded. The motion then carried with the unanimous vote of the Board.

**Item G** was reviewed by Mr. Butt and is entered here for the record:

**Cloud Storage Service for Enquesta CIS Environments**  
Value - \$35,000

Based on staff's recommendation, Commissioner Bell moved for approval and Commissioner Nichols seconded. Commissioner Bell asked Mr. Butt if this was going to Oracle and what has been their instances of 'hacking',

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Mr. Butt said yes, the Oracle Cloud and while he is unaware of any major incidences with the Oracle Cloud, he will research it and get the information to Commissioner Bell.

Commissioner Weber questioned in-house costs before going to the Cloud. Will this substantially save money? Mr. Butt said currently we have to purchase hardware like servers and storage systems to actually host the system internally in our data sound. When we move into the Cloud, they purchase the hardware and the software, we just pay a recurring fee for yearly use. Commissioner Weber said that is \$75,000 and Mr. Butt said that was correct. Commissioner Weber asked how does that compare to what we have been spending. Mr. Butt responded that would be in addition to our yearly maintenance costs. If you take the yearly costs of maintenance and divide it by the hardware purchase costs it would come out to be a little less. Mr. McCrory asked Commissioner Weber if she was asking comparable costs to what we are currently spending in-house. By the time we pay in-house staff and maintenance costs, we are at \$75,000; an annual price to store on the Cloud would be the cheaper alternative.

The motion then carried with the unanimous vote of the Board.

**Legal** was next and Attorney Dean said there are a few legal matters that are appropriate to be discussed in **Executive Session**. Approximately 30-40 minutes will be needed.

There were no items of **Unfinished Business**.

**New Business** was next and they are as follows:

Mr. Asarisi reviewed **Item 7A AL17024, Re-Bid 48" Butterfly Valve Replacement at the East Reservoir, with Change Order #2 in the amount of \$61,021.81** - Based on the engineers' recommendation, Commissioner Odom moved for approval and Commissioner Bell seconded. The motion then carried with the unanimous vote of the Board.

Mr. Lomax reviewed **Item 7B M5712-2610, 2018 Annual Manhole Frame & Cover Replacement – Subcontractor for Approval** – he said it is important to note that J Moore Construction (Jeremy) used to work for Mr. Doug Harwell and he mentored him into that position and helped him start his own company and to be able to provide this DBE service. Commissioner Bell moved for approval and Commissioner Nichols seconded. The motion then carried with the unanimous vote of the Board.

He also reviewed **Item 7C M5712-2612, 2018 Annual Street & Sidewalk Repairs – Subcontractor for Approval** – he said Harwell and Company LLC is asking for J Moore Construction Company LLC to be added to the list of approved sub-contractors. Commissioner Bell moved for approval and Commissioner Nichols seconded. The motion then carried with the unanimous vote of the Board.

Mr. Hyland said **Item 7D is the Clean Water SRF Master Plan Resolution or Application** – in the agenda package starting on page fifty-six there is some information that Mr. Cote has submitted and the first page is an explanation of what needs to be approved today. The next eight or nine pages is information that was covered during the Finance Committee Report on July 30, 2019. On page sixty-six it starts the SRF Clean Water Loan Application and the two things that we need to ask the Board to approve today would be first approving the submitting of the primary application for the 2019 Master Plan Clean Water SRF Loan for ADEM, the 2019 assistance request is in the amount of \$32,250,000. This amount is \$6,000,000 more than what was submitted to ADEM back when we did the pre-application, but as Mr. Cote mentioned in the pre-meeting, that \$6,000,000 is due to the estimates on the exceedances we had with the project to start with. So if the Board would consider, we would like to ask the Board to approve submitting this primary application to ADEM in the amount of \$32,250,000. Chair Jones asked if Item D was the primary application. Mr. Hyland and Mr. Cote responded yes it was. Commissioner Bell said the Finance Committee reviewed this at their latest meeting and he recommends approval. Commissioner Odom seconded. Commissioner Weber wanted to express her concern about moving forward on this being that as a Board it has not been decided how we are going to go about funding this and a decision has not been made on that, it

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concerns her greatly. Chair Jones said he thinks what we are trying to do is meet the application process deadline, you do have a period in which you have to submit. Mr. Cote said that is correct and he will say however that he did talk to ADEM this morning and if we wish to postpone to the September 2019 Board meeting to approve this and discuss the means of acquiring the revenue, we can do that. But we would have to move very quickly as staff has to get everything in place to close in November. They can do that, but it would be at a much accelerated rate.

\*Commissioner Nichols stepped out of the meeting at 2:45 p.m.

Commissioner Zoghby said we can wait until September because we have a pretty detailed workshop coming up where we are going to talk about some of the options that Commissioner Weber is talking about. Mr. Hyland said we had presented those options in the past, but Commissioner Weber is correct, we never decided which route to go as far as how to achieve that. Commissioner Zoghby said we have rate increases, rate structure changes, is it your thought and intent that at this next workshop we will come out with some clarity on that? Does it not have to go hand in hand with this loan approval? Mr. Cote said he thinks it certainly can and he would suggest that we postpone this until the September 2019 Board meeting and in that same agenda, ask the Board to approve the changes in rates that we are contemplating if that is possible. Commissioner Bell asked if there will be any difference in rate in the loan structure, will it still be the same loan. Mr. Cote said it will still be the same loan. The 2.2% that ADEM has offered to us will be locked in for the term of our Phase I which is through 2023 so we are safe with that. Commissioner Zoghby asked if this was just for the current year loan and Mr. Cote said yes, that is correct. This is a request they made when we made our initial submittal to them and they asked that we move a portion of this Clean Water SRF to 2019 to fit their needs and we agreed to do so. That is what is pushing us to get this done in 2019.

Commissioner Zoghby said we can finance some of the things that were talked, those five-year overlooking projections that we were requesting, that would be good information to have at this workshop to look at so we can really see how the whole picture fits together. He would suggest we delay.

Chair Jones said we have an action that was already approved, we were talking after the fact of the approval. Commissioner Zoghby said we had a motion and a second, but a request for discussion was not asked and we never voted on it. Commissioner Bell said we never voted on it. Commissioner Zoghby said you called for the vote and Commissioner Weber asked, but you never called for any questions. Chair Jones said it was already passed, do you remember me saying Commissioner Weber should have asked it earlier? That's why you asked that. Commissioner Zoghby said Commissioner Weber had a question and Chair Jones usually asks for questions, but this time you did not ask was there any discussion and went right to the vote. Commissioner Weber said she just wanted to say that. Commissioner Zoghby said he is fine if you want to go with it now, but we are going to have a very detailed discussion in September. Commissioner Bell said he made the motion and he is fine with waiting until September if it doesn't affect us in anyway with going forward with the application. Mr. Cote said moving it to September is fine, but he would caution moving it beyond September. Commissioner Bell said we need to know that there are committee members that will not be at the meeting in September at this point and time. That meeting is going to have to be pushed back and you can't push it forward because you are looking at Labor Day. Mr. Hyland said at the end of this meeting, he would like to ask the Board to consider moving the September Board Meeting from September 9<sup>th</sup> to the 16<sup>th</sup> and since we are missing some Board Members here, he will send that out. He will send an email confirming the change after he has checked with everybody. We will need to know something within the next few days. We do obviously need to have the discussion about how to achieve which route we want to go as far as the funding mechanism. We will have to, if the Board chooses to make a change to our rate schedule or our rate structure, that is something that will have to go through the advertising process to get input before the Board makes a final decision. He thinks we could meet and discuss this in September and make a decision about which way to go, but as far as making a final Board decision that might be difficult to do the advertising part of it. The discussions that have already been had, he thought we were going to move forward and try to get this loan at this amount. The questions was how were we going to repay it.

Commissioner Zoghby asked if this was going along the five-year plan and Mr. Cote that is correct. Commissioner Zoghby said he was good with going now and having a detailed discussion, if we are talking about going with the

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five-year plan, we need to start buttoning up. He is good with staying with, or if we need to re-vote he is fine. Chair Jones wanted to ask the Finance Committee Chair if they had discussed this and if he would make a recommendation. Commissioner Bell said thank you and that Commissioner Drummond is the Chair on the committee and we looked at it from the standpoint of several different pieces of revenue that were going to come into play. Mr. Cote stated there would be the AMI, there is the removal of the declining block and going with the constant rate structure, the water. There was also contemplation of the demand rate based on meter size as to fund infrastructure renewal. Those were the three revenue enhancement projects that we were contemplating. Mr. McCrory said along with the biometric rate increase and that is what the Board has to decide on, they have not been adopted.

Chair Jones asked for a motion to hold **Item 7D** over until the September Board Meeting. Commissioner Bell moved for approval and Commissioner Weber seconded. The motion then carried with the unanimous vote of the Board present.

**Item 7E – Drinking Water SRF Loan** Mr. Hyland reviewed this information in the pre-meeting, this is the application that was approved in 2018. On page 115 in your agenda packet you will see a Resolution authorizing the issuance of the \$20,010,000 SRF Drinking Water Bond. That is one of the action items he would ask the Board to approve. This is the money that would be used to accelerate the AMI meter project. Commissioner Odom moved for approval and Commissioner Bell seconded. The motion then carried with the unanimous vote of the Board present.

Mr. Hyland continued and said the second item is on page 181 of your agenda packet. It is a certificate designating the loan recipient representative, and he would ask that the Board approve that and make Mr. McCrory the designated recipient for this particular loan. Commissioner Bell moved for approval and Commissioner Weber seconded. The motion then carried with the unanimous vote of the Board present.

**Item 7F – Holiday Schedule 2020** Mr. McCrory asked that the Board approve that as distributed in their packet. Commissioner Bell moved for approval and Chair Odom seconded. The motion then carried with the unanimous vote of the Board present.

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

- A. **M5712-2657, Overlook Road Water Line Improvements & Water Line Valve Replacement at Government Street & Royal Street**, with tabulation of the July 8, 2019 bids and recommendation to award to the low bidder, W. R. Mitchell Contractor, Inc., for \$1,160,464 for Base Bid only. (Confirmation of Director's Award)
- B. **Sole Source Purchase of Sensus M400 Base Station** Value - \$18,000  
Sole Source Provider: Core & Main
- C. **Co-op Purchase of a 2013 Refurbished Forklift** Value - \$24,000  
Co-op Provider: \$24,000
- D. **Ext. 2 Annual Contract MAWSS 17007 PVC Pipe, Fittings and Ball Valves**  
Contract Extension Period: 10/1/19 – 9/30/20  
Current Contract Holder: Consolidated Pipe
- E. **Disclosure of Property Purchase**
  - 1. Mobile County Keys 01847568 & 04006492
  - 2. Mobile County Key 977125

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3. Mobile County Key 835733
4. Mobile County Key 1003942 & 977241

Commissioner Odom asked if they would consider Tuesday, September 10<sup>th</sup> as a possible date for the September Board Meeting. He also stated that even with Monday, September 16<sup>th</sup> it would still meet the deadlines. Mr. Hyland said he will send that out in writing to see how it fits the Board Members schedule and if it doesn't we will come up with another date.

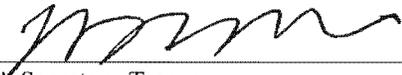
There being no further business to come before the Board, at 3:02 p.m., Commissioner Bell moved to adjourn and reconvene in **Executive Session**. Commissioner Weber seconded and the motion then carried with the unanimous vote of the Board present.

At 3:42 p.m., the meeting reconvened. Commissioner Bell moved to go back into regular session and Commissioner Odom seconded. Mr. Hyland said he would like to ask the Board to approve giving our attorney the authority to address acquiring easement acquisitions on the two properties that were previously discussed. Commissioner Bell moved for approval and Commissioner Odom seconded. The motion then carried with the unanimous vote of the Board present.

Mr. Hyland said the second item we would like the Board to give our attorney the authority to go up to the amount as discussed in the settlement of the injured case. Commissioner Bell moved for approval and Commissioner Odom seconded. The motion then carried with the unanimous vote of the Board present.

There being no further business to come before the Board at 3:44 p.m. Commissioner Bell moved to adjourn and Commissioner Odom seconded. The motion then carried with the unanimous vote of the Board present.

The next regular meeting is scheduled for Monday, September 9, 2019 at 2 p.m. which is subject to change once date confirmation has been received from the Board Members.

  
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Walter Bell, Secretary-Treasurer