

BUSINESS OFFICE, 4725 MOFFETT ROAD, MOBILE, ALABAMA
July 13, 2020

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. Kenneth Nichols, Chair	Mr. Charles E. Hyland, Jr., Director
Mr. Walter Bell, Vice Chair [via teleconference]	Mr. Douglas L. Cote, Assistant Director
Ms. Sheri N. Weber, Secretary-Treasurer [via teleconference]	Mr. Bud McCrory, Assistant Director
Mr. Maynard V. Odom, Commissioner [via teleconference]	Mr. Bradley Dean, Attorney
Ms. Barbara Drummond, Commissioner [via teleconference]	
Mr. Thomas Zoghby, Commissioner [via teleconference]	
Ms. Maria Gonzalez, Commissioner [via teleconference]	

Chair Nichols called the meeting to order and gave the invocation. **Committee Reports** was next; Chair Nichols continued and mentioned that a Property Committee meeting was conducted prior to the Board meeting today. The Ziebach Property was the topic of discussion and the Board and staff will have further dialogue today during the Executive Session.

Commissioner Zoghby gave a report on the Finance Committee meeting that was held on June 30, 2020. The committee reviewed the current financial information year to date, there were not any significant changes in the data, and everything seems to be on track. The committee briefly examined the investment review; staff is continuing to follow the investment policy and the protocols put in place last year. The main item for the committee was the various influences that may hit MAWSS and how we might choose to adjust rate increases approved for the next five years. In 2021, the rate increase will be as high as 6.5%. During this uncertain period and the resulting financial pain customers are going through, we may need to analyze and consider if it would be prudent and/or necessary to implement a 6.5% increase in one year.

Commissioner Zoghby continued and said we have asked our financial consultants to provide MAWSS with different scenarios detailing if we do not implement the rate increases at the approved percentages. We have asked for three different scenarios, viewing the program with the 6.5% increase intact, another with a 3.5% increase and another option with a 0% increase. It is understood that it will be for 2021, but we would like a five-year projection.

We would like to see ways that make each scenario balance out. One option may be to push some of the construction projects and not complete them as scheduled. Commissioner Zoghby said they have asked Mr. Cote to review the projects and see which ones might be adjustable in order to help with this situation so that we do not have to place the large rate increases as tentatively approved.

The City of Prichard is looking at ways to wean themselves from MAWSS in 2023. Whether or not that occurs, we should prepare ourselves and see how it may affect our revenue strain and our costs. We also reviewed preliminary revenue costs in regards to Prichard and we have requested the true net cost if MAWSS loses revenue from Prichard in 2023.

As we review our projects and potentially move some around, the Clean Water Act lawsuit is on the horizon and we must remain cognizant of projects that need completion in order to satisfy the demands of the lawsuit.

Commissioner Zoghby stated he is certain we will need a Board Retreat before the end of the year in order to review the financial data and have further discussion.

Minutes of the meeting of the Board July 13, 2020, continued

Commissioner Odom questioned not having a contract with the City of Prichard. Is MAWSS just selling them water? Mr. Hyland said that is correct, MAWSS has not had a contract with the City of Prichard for many years. Commissioner Odom referenced a previous meeting with the City of Prichard a few years ago, we discussed a contract, but we did not follow through.

Commissioner Odom continued and suggested contacting the City of Prichard and possibly offering a good faith contract that would be more favorable to them versus them seeking another source for their water supply needs. We could decide on a contract term and offer a lower rate than what they have currently. Mr. Hyland responded and stated that since the Prichard Board went for their bond issue in December 2019, we have not had any additional conversations with them. In 2019, MAWSS met with the Director of the City of Prichard several times offering assistance in a number of different ways; however, we did not specifically mention the possibility of a contract. If the Board desires, he will contact the City of Prichard and arrange a meeting with members of both Boards in order to discuss a possible contract.

Mr. Hyland continued and said he is unsure how that would work since they have already completed a bond issue, but he is willing to make the effort. Commissioner Odom said he thinks it would be a good idea to present the option of a contract to them; the bond issue would be a determination for someone else. A long-term contract would be in their best interest.

Commissioner Zoghby responded to Commissioner Odom and stated that the information requested from our financial advisors on the net cost for MAWSS to deliver to Prichard will be very important to have for any negotiations. The option of a long-term contract may not be feasible when you associate what happened with Spanish Fort. These are all good points, but we do need more information and although they may not be able to drill the wells, they will more than likely spend the money from the bond issue to conduct studies. If negotiations do materialize, MAWSS will need to have all of the information regarding the actual costs to deliver to Prichard.

Commissioner Drummond asked if the project assessment will include capital projects or is the assessment restricted to projects within the Master Plan. Mr. Cote responded and said it will include both capital and Master Plan projects. If we pull monies from capital projects or pay go, it will lessen the impact to our Master Plan projects than if we pull monies from our debt service or Operations and Maintenance, which ultimately ends up in the debt service. There is a 20:1 ratio on available funds through SRF versus what we do not receive in revenue. For example, if you take \$1 million dollars out of the pay go capital, we can reduce the projects in pay go capital by that amount. If we remove \$1 million dollars from debt service, we will lose \$20 million dollars in the SRF loan.

Commissioner Drummond said she understands that we have the SRF loans tied up in the projects as well as other funding outside of MAWSS, what will the effect be? Mr. Cote responded and said the way he is looking at the information is to see if we can sustain the reduction in our rate increases through our pay go so that we can attempt to keep our SRF intact.

There were no **Visitors** present.

The **Minutes of June 1, 2020** were presented for approval and the Recording Secretary stated to the accuracy. Commissioner Odom moved for approval and Commissioner Gonzalez seconded. The motion then carried with the unanimous vote of the Board.

Bids and Purchasing was next:

Item 4A Dewberry Project No. 50108991 Duncan Street Water & Sewer Improvements

Original Estimates:

Construction:	\$500,000.00
Engineering: Eng. (8.7%) & CEI (Not in Original)	\$ 43,500.00
ADEM/City Fee:	<u>\$ 3,025.00</u>
Total Original Estimate:	\$546,525.00

Minutes of the meeting of the Board July 13, 2020, continued

Current Estimates:

Construction:	\$771,417.50
Engineering: Eng. (7.20%) & CEI (5.80%)	\$100,284.28
Geotech/ADEM/City Fee:	<u>\$ 25,433.50</u>
Total Current Estimate:	\$897,135.28

Mr. Cote addressed the Board and said there were two bidders today for the referenced project. The first bidder was W. R. Mitchell Contractor, Inc. and there were some irregularities in their bid. It appears they did not sign the SSO Notification nor did they sign that they received Addendum Number 2. There was a new consultant reading the bid so the documents might have been missed during his search for them within the bid packet. The engineers will verify the bid to be certain. The amount of the base bid was \$877,012.00

The second low bidder was Construction Labor Services, Inc. in the amount of \$1,042,432.00

Item 4B Goodwyn Mills Cawood Project No. CMOB200010 – Hillsdale/USA Football Stadium Sewer Upgrades

Original Estimates:		Current Estimates:	
Construction:	\$183,016.75	Construction:	\$179,496.00
Engineering:	<u>\$ 57,754.00</u>	Engineering:	<u>\$ 56,874.00</u>
Total Original Estimate:	\$240,770.75	Total Current Estimate:	\$236,370.00

There were four bidders for this project and the apparent low bidder was Grant Nichols Construction in the amount of \$115,972.69. Mr. Cote asked the Board to approve the Director having the authority to award the project after review of the bid by both the engineer and our DBE Manager with recommendation of the award.

Commissioner Drummond moved for approval with a question and Commissioner Odom seconded. Commissioner Drummond expressed her pleasure with the bid coming in so far under the budgeted amount and then asked if there will be any repairs made to other areas besides the stadium, areas that could impact the surrounding community. Mr. Cote responded yes, it will include areas in and around the stadium and in Hillsdale. Commissioner Drummond asked if it includes only the property owned by USA.

Mr. Russell [via teleconference] said Hillsdale property owned by USA and served by this line will benefit the most, but there are other parcels not owned by USA on the line and they will also receive benefits. The USA Campus (*west side*) which was deemed close to capacity with the outfall sewer will have the biggest gain from the upgrade. The motion then carried with the unanimous vote of the Board.

Item 4C Volkert Project No. 1025611 – C. C. Williams Digester Seal Replacements & Structural Repairs

Original Estimates:		Current Estimates:	
Construction:	\$250,000.00	Construction:	\$235,000.00
Engineering:	\$ 31,250.00	*Engineering:	<u>\$ 56,250.00</u>
(CEI – TBD)	<u>\$ 18,750.00</u>	Total Current Estimate:	\$291,250.00
Total Original Estimate:	\$300,000.00	*Increase in engineering estimate due to Addition of CEI to project.	

Mr. Cote addressed the Board and said we did not receive any bids for this project, he is unsure why this happened because it is a smaller project with specialized work. The consultants will speak with the contractors and report back to us their findings. The project will be rebid at a later date.

Minutes of the meeting of the Board July 13, 2020, continued

Item 4D IFB 20-017 Engine Driven Standby Pump

Mr. Cote said there were four bidders for this purchase and the low bidder was Hydro Service in the amount of \$53,307.85 and we ask the Board for approval of this purchase. Commissioner Odom moved for approval and Commissioner Drummond seconded. The motion then carried with the unanimous vote of the Board.

Item 4E IFB 20-018 Annual Contract for Aggregates [Various Size Limestone]

Mr. McCrory said there were two bidders for this annual contract, the low bidder was Martin Marietta with an estimated value of \$450,000.00 and we ask the Board to approve this annual contract. Commissioner Weber moved for approval and Commissioner Odom seconded. The motion then carried with the unanimous vote of the Board.

Item 4F IFB 20-019 Flow Monitors

Mr. Cote addressed the Board and said these flow monitors are used within our sanitary sewer system to measure flow rates. This is an important monitoring system because we rely on the data especially during periods of heavy rainfall, addressing SSO's and identifying priorities in the collection system. There were three bidders for this purchase and the low bidder was ADS in the amount of \$367,950.00 and we ask for the Board's approval. Commissioner Odom moved for approval and Commissioner Weber seconded. The motion then carried with the unanimous vote of the Board.

Item 4G Sole Source Repair on #2 Primary Clarifier at Wright Smith WWTP

This purchase is for a drive assembly that goes in the #2 clarifier at the referenced facility. Ovivo USA, LLC is the manufacturer of both the assembly and the equipment it will be placed in. Mr. Cote asked the Board to approve this sole source purchase in the amount of \$41,447.00. Commissioner Drummond moved for approval and Commissioner Bell seconded. The motion then carried with the unanimous vote of the Board.

Item 4H Sole Source Repair for Secondary Clarifiers at C. C. Williams WWTP

Mr. Cote continued addressing the Board and said this item is similar to Item 4G with the exception that it is for the Williams WWTP. The purchase is for the sole source repair of the secondary clarifiers at the referenced plant and Ovivo USA, LLC is the manufacturer of both the drive and the clarifier arms the drive goes into. The purchase includes three drive assemblies; one has already been replaced at the Williams Plant, but we have three others that require repairs and we ask the Board to approve this purchase in the amount of \$214,000.00. Commissioner Odom moved for approval and Commissioner Bell seconded. The motion then carried with the unanimous vote of the Board.

Item 4I Sole Source Purchase of Electrical Parts

These electrical parts are level sensors that are used in the lift station wet wells. The wet wells operate on water surface elevations and the level sensors are used to control the pumps. The supplier is Endress & Hauser/Trinova and Mr. Cote asked the Board to approve the purchase in the amount of \$33,025.69. Commissioner Bell moved for approval and Commissioner Odom seconded. The motion then carried with the unanimous vote of the Board.

Item 4J Co-op Purchase of a 2020 Ford F-150 Pickup Truck Fleet Vehicle

Mr. McCrory addressed the Board and said three separate vendors were contacted, two responded and National Auto Fleet Group was the low bidder in the amount of \$28,639.68. We will be adding a conversion kit for propane gas to this vehicle and will run a pilot test to determine the feasibility of moving forward with our fleet vehicles. We request Board's approval of the purchase. Commissioner Drummond moved for approval and Commissioner Odom seconded.

Minutes of the meeting of the Board July 13, 2020, continued

Chair Nichols mentioned that he noticed in the agenda packet that this is an unbudgeted purchase. Mr. McCrory responded and said yes it is unbudgeted, the vehicle was totaled in an accident and since we are self-insured, the cost falls to MAWSS. The motion then carried with the unanimous vote of the Board.

Item 4K Co-op Purchase of a Caterpillar 306 Excavator 2020

Mr. McCrory continued and said we received three bids for this item and the low bidder was Thompson Tractor in the amount of \$71,222.24 and we ask the Board to approve the purchase of this item. Commissioner Zoghby moved for approval and Commissioner Drummond seconded. The motion then carried with the unanimous vote of the Board.

Item 4L Annual Sole Source Contract for Hydra-Stop Insertion Valves [Budget Increase Request]

Mr. Cote addressed the Board and explained that these valves allow us to put in valves without shutting down a water line. Due to the number of right of way and street projects being performed by the City, and the replacement of water and sewer in those projects, MAWSS has to install a greater number of these valves than was anticipated at the beginning of 2019 to support the projects. The contractors working for the City pay MAWSS to install the valves, which is our revenue source when the valves go into the projects. We are asking for Board approval of an increase to the value of our spending authority from \$100,000.00 to \$220,000.00 for this purchase.

Commissioner Zoghby moved for approval and Commissioner Weber seconded. Commissioner Drummond asked for clarification on Mr. Cote's statement of the contractors paying MAWSS for the installation of the valves. Mr. Cote responded and said they pay MAWSS for the cost of the valves and labor expense to perform and complete the installation. MAWSS bills the contractors for our expenses. Those expenditures include the cost of the valve (*which depends on the valve size*) and the cost of labor to perform the installation. The valve expense varies depending on the sizes, which range from 4" up to 16". A 16" valve is the largest size we can install with this system. The motion then carried with the unanimous vote of the Board.

Legal was next and Attorney Dean said there were two legal matters that were appropriate for discussion in an Executive Session; he will need approximately 20 minutes.

There were no items of **Unfinished Business**, but Commissioner Drummond asked if staff has determined if Zoom calls will be operational in the near future. Mr. McCrory answered and said Zoom is available, but MAWSS utilizes the GoToMeeting program. The program is similar to Zoom and we are installing equipment in all of the conference rooms this week so the option will be available for use and hopefully at our next Board meeting we will have the opportunity to meet via video conference. Commissioner Drummond asked if the conference call option will still be available for those that do not want to do a video call and Mr. McCrory said it would still be available.

Commissioner Drummond continued and said she brings this up only because of the interference we are experiencing with the conference calls. She has been using Zoom quite often and it works well for her. Mr. Hyland said we will try the GoToMeeting program at the August 3rd meeting.

Commissioner Zoghby said he feels the Board Room would provide sufficient space for social distancing for those that would like to attend in person. Commissioner Drummond said she would normally agree with this, but the information she learned during a Zoom call with the state officers today shows the numbers in Montgomery, Jefferson County and Mobile are steadily climbing. Commissioner Zoghby said he understands, but he would appreciate another option for attendance during meetings.

Minutes of the meeting of the Board July 13, 2020, continued

New Business was next and they are as follows:

Item 7A Jacobs Project No. D3197100 Wright Smith Jr. WWTP Headworks Replacement

Mr. Cote presented this item to the Board and asked approval to award the referenced project to the low responsive and responsible bidder, The Creel Company in the amount of \$8,992,540.00. Commissioner Drummond moved for approval and Commissioner Gonzalez seconded.

Chair Nichols commented if everyone would notice in the agenda packet, this project came in at 23% higher or for reference, \$1.7 million more than the engineers estimate. This does not sit well with him and brings concern; it is a significant amount for this project. He continued and said the information needs to be discussed further for better understanding as to why this has occurred. In the past, he has requested that the consultants provide a detailed construction cost estimate with all submittal documents, and it was not included. How can we comprehend the discrepancy if we do not have a detailed cost estimate?

The consultant that completed the design on this project also designed the Master Plan and they should have a better handle on construction costs. This is the second time they have missed the mark. As a project that is not deemed an emergency, maybe we should try to hold off on approval until a deeper look has been taken into why this happened. We need to see if there are costs that can be cut or if this was an oversight.

Commissioner Drummond responded and said she does not have an issue with withdrawing her motion, and she feels Mr. Cote should be able to answer as to why we have this inconsistency with the pricing. We have had several projects come in much higher than anticipated due to a number of issues. This engineering firm (*Jacobs*) is normally very good with their recommendations and assessments.

Mr. Cote stated he did have a discussion with Jacobs Engineering regarding the cost of the project and in fact, they missed the expense of the demolition and removal of the existing facility. Chair Nichols responded and said yes, but they also missed the cost of hauling dirt on the Halls Mill Creek SWAT Project. This consultant is one of MAWSS' most trusted consultants and this is their second significant bust on a major design project. We are talking about \$1.7 million dollars that is unbudgeted, not estimated and it is very concerning.

Commissioner Drummond asked Mr. Cote if the engineering firm gave a reason for the discrepancy in the bid amount for this project. Mr. Cote answered and said it was predominately in the cost, they were well under estimate on the demolition and removal cost of the existing facility.

Chair Nichols stated it seems the firm is at fault here and this is the second time they missed the mark, yet we engaged them to design our Master Plan. Commissioner Drummond said it concerns her knowing they have previously made mistakes but we have this project on the agenda today for approval. She continued and said she will withdraw her motion for approval. Mr. Cote said as mentioned in his memo in the agenda packet, even though there is a discrepancy in the estimate it does not mean the price is not valid. The pricing is valid from a market standpoint at this time. The project can be rebid, but that does not bring the guarantee of a lower price. Commissioner Drummond asked if there is urgency for the project to be awarded and Mr. Cote responded we can put it off until the next Board meeting and it will not cause a problem. We are contemplating these projects for the Clean Water Act litigation, so we do not want to postpone them too long. He continued and said we can certainly look at this problem with the pricing issue and bring it back to the Board.

Chair Nichols said he knows Jacobs Engineering recommendation was to rebid and that Mr. Cote concurred with the recommendation. If we rebid this, he personally does not know the outlook of pulling contractors capable of completing the project. He asked Mr. Cote if he felt we would receive increased participation with a rebid and/or better pricing. Mr. Cote answered and said we can always try but it will depend on the availability of the contractors. If we rebid, the consultant will go back and review the unit pricing that came in with the project and will adjust their estimate accordingly.

Minutes of the meeting of the Board July 13, 2020, continued

The estimate may come in higher and with a rebid, you will be bidding against a higher estimate. Mr. Cote concluded his response and said he does not know if MAWSS will gain anything from a rebid.

Chair Nichols asked Mr. Cote if he thinks there is an opportunity to revisit or revalue engineering items on this project. Mr. Cote answered and said with the number of additive alternates on this project, we may be able to remove something. For example, there is a screen listed with an approximate value of \$300,000.00; it is a fine screen and it removes the snails that come from the discharge of our trickling filters. The installation of the fine screen can be postponed until after we watch how the headsails function without the screening. If they function well without the screening, then we will not install it. If it creates a problem for the headsails, then the screening will have to be installed as a separate project at a later date.

Commissioner Bell said if you end up having to do the install later, it seems the bid we have on the table right now is not going to change; you would just be taking out an item you wanted to install in the first place.

Mr. Cote said there is a deductive alternate that references not demolishing the entire structure and leaving a portion of it buried and there is another \$300,000.00 that is not shown that can come out of the project if we shallow the demolition up to five or six feet below ground surface.

Commissioner Weber said after reviewing her information, she does not think a rebid would be the best option. Her unease is not with The Creel Company; her concern is with Jacobs Engineering. They have two strikes and we should carefully look over future projects we consider them for in the future. Their mistakes have been very costly.

Commissioner Bell asked if the firm has Errors & Omissions Insurance and Chair Nichols answered that this error would not fall under Errors & Omissions Insurance because it is not an actual constructed project. Chair Nichols said he is expressing his frustration about a second costly mistake and the consultant has not suffered any consequences due to making those mistakes. MAWSS has to absorb the cost again, as we did with the Halls Mill Creek SWAT Project.

Mr. Hyland assured that a meeting will be scheduled with Jacobs Engineering to discuss these issues and we will revisit future project assignments to them. Commissioner Weber asked if there are other consultants we can engage and Mr. Hyland responded yes, there are other consultants we can use.

Commissioner Bell suggested extending an invitation for Jacobs Engineering to address the Board and provide an explanation for these mistakes. Commissioner Drummond agreed with this suggestion. She then asked Mr. Cote to confirm if the project is not urgent, how long can we postpone. Mr. Cote responded that holding until the next Board meeting should not be a problem, but we should not wait much longer than that. Commissioner Drummond asked if the costs would change if we wait until the next Board meeting and Mr. Cote answered that we have sixty days to award the project to the contractor unless he will agree to hold his prices for a longer period.

Commissioner Drummond said a meeting with Jacobs Engineering is in order; the Board needs clarification and Jacobs Engineering needs to understand these mistakes are not acceptable. Chair Nichols asked if the pre-bid conference for the project was mandatory or optional, because based on the bidders list that Jacobs Engineering provided, the meeting was mandatory. There are eight prime contractors listed which indicates they attended a pre-bid meeting, but only two contractors submitted bids. This means there was 25% participation at the pre-bid meeting, is that indicative of the market or the type of project?

Mr. Cote responded and said J & P Contractors, Inc. who did the Williams Headworks Clarifiers and the Halls Mill SWAB; were recently awarded another large plant project, and that is why they did not bid this project.

Commissioner Drummond asked about the material that says *'from a regulatory perspective, there is a need to keep this wastewater project moving forward'*. Will we be penalized from a regulatory agency if there is a halt to the project? Mr. Cote responded and said no, there is not a problem if we delay until the next Board meeting that is scheduled for August 3, 2020. As Chair Nichols mentioned, we do have an Infrastructure Committee, it may be appropriate for them to meet with Jacobs Engineering.

Minutes of the meeting of the Board July 13, 2020, continued

Commissioner Zoghby said we have mentioned mistakes with two projects, but the real issue will be the projects within the Master Plan where we have five years of activity where we have strategic planning mapped out, rate increases, etc. We should have enough contingencies built in for projects going under budget as well as over budget; projects should not come in over budget all the time. We need to reassess the long-range plan or we will put ourselves in a position where it will not be feasible to throw increases to our rate holders.

Chair Nichols said he agrees with Commissioner Zoghby. He addressed Commissioner Drummond and asked if she was withdrawing her motion to approve and she responded that she respectfully withdraws her motion to approve until the August 3, 2020 Board meeting. Commissioner Gonzalez withdrew her second to the motion to approve. Commissioner Drummond moved to hold this item over until the August Board meeting. Commissioner Odom seconded.

Commissioner Drummond asked if a decision has been made on whether we will have Jacobs Engineering address the Board or meet with the Infrastructure Committee. Chair Nichols said we can discuss the specifics of that via email.

The motion to hold Item 7A over for consideration until the August 3, 2020 Board meeting then carried with the unanimous vote of the Board

Item 7B Proposed Changes to Policy and Procedure Manual Provision of Water/Wastewater Service Section 2

Mr. McCrory said proposed changes to the Policy and Procedure Manual Section 2 and Section 7 were introduced at the June 1, 2020 Board meeting. The changes have been advertised and we have not received any comments during the comment period. We ask the Board to approve these changes to our Policy and Procedure Manual as submitted. Commissioner Odom moved for approval and Commissioner Bell seconded. The motion then carried with the unanimous vote of the Board.

Item 7C Resolution for Retiree COLA 1998 Legislature Section 2 of Act 272

During the Board Budget Workshop on November 4, 2019, there was discussion regarding the addition of a Retiree COLA to the 2020 Budget. The consensus among the Board was to move forward with the 1998 COLA. This will affect 37 retirees with an annual cost of \$39,000.00. The amount was added into the approved 2020 Budget. Mr. Hyland said it is time to send a Resolution to the Retirement Systems of Alabama in order to implement this COLA for October 1, 2020 and we ask the Board to approve this Resolution. Commissioner Zoghby asked if this is what was agreed to and what was placed in the budget. Mr. Hyland responded yes it is. Commissioner Odom moved for approval and Commissioner Zoghby seconded. The motion then carried with the unanimous vote of the Board.

Item 7D June 2020 Financial Report

Mr. McCrory presented a brief overview of the through June 2020 Financial Report of which a copy is included in the Board's information. Page 1 shows expenses and net income, revenues as discussed are up 2.8% compared to 2019 actual and down approximately 1% compared to our 2020 budget. Expenses are down 2.8% and down 8.9% to budget. Our net income is in the positive of 9.5% and 9.1%. As mentioned previously, at this time of COVID-19 we are sustaining quite well as a utility. Turning the page, you will see a breakdown of the revenues. It shows water sells, sewer sells and all other revenue. Water service sells are up when compared to both. Sewer sells are up when compared to 2019, but down just slightly when compared to 2020 budget. All other revenue when you look at the 2019 actual compared is down and we contribute this to investment earnings from the 2019 actual to the 2020 actual.

We are up when compared to the budget, this is credited to the \$250,000 Alum Lawsuit payment contributing to the substantial difference in the 2020 budget and the 2020 accrued.

Minutes of the meeting of the Board July 13, 2020, continued

The next page breaks down labor costs, which include contractual expenses and operational supplies. Labor costs are down slightly for the 2019 actual and considerably down for the 2020 budget. Contractual expenses are also down as well as operating supplies and materials.

Labor costs comparisons shows regular pay is up slightly for the 2019 actual to the 2020 accrued, but is down when compared to budget. Premium pay is down when compared to both. We appreciate the efforts from all of the staff on these numbers.

Taxes and fringe benefits are down as well. Payroll, FICA and Pension are down by \$194,000; which is lower than was estimated and health insurance is down by \$163,000. Premium pay is down by \$66,000 for the year.

On the next page, connection history has been increasing each month. After investigation and speaking with Mr. Russell, it seems we have had a number of irrigation meter requests and as mentioned last month, The Cottages at Schillinger Pointe are receiving new meters daily. This trend should continue for the next few months as the project is completed.

Mr. McCrory continued with the next page; it reviews overtime hours worked comparisons. We are down on the admin side, but up slightly on support. Transmission and collection is down, but wastewater, water supply and treatment is up. As a reminder, quarantine during COVID-19 will affect those three categories.

Bringing your attention to transmission and collection, they are down almost 2,000 hours for overtime hours worked. Staff will continue to implement changes in this area.

On the next page, you see that standby hours are up slightly in the admin area and down in support. Transmission and collection are down. Shift rotation and added night shifts have been implemented and it seems to be working well in this area. Wastewater treatment is down, water supply is up and water treatment is at a minimum of zero.

Item 7E Reports on COVID-19 Pandemic

Mr. Hyland addressed the Board and said on page 124 in the agenda packet is information he sent last week that was as of July 9, 2020. At that time there were ten MAWSS employees in quarantine and we had our fifth employee to test positive. We now have eight positive cases and there are twenty-one employees in quarantine, fortunately none have been hospitalized as a result of testing positive.

We are continuing staggered work schedules, social distancing and a number of employees are still working remotely. All employees have face masks and/or shields and they are reminded daily of the importance of continuing to utilize them and to maintain a schedule of sanitizing work stations/areas and washing their hands. As Commissioner Drummond mentioned earlier, there is an uptick in the number of cases in Mobile and hopefully the face mask ordinance will help slow this down. We are all concerned and staff is doing a good job of providing the resources for our employees to work in as safe an environment as possible.

Legislation has continued to pass at the federal level that will help public sectors, employers and utilities. Many have passed the House, but they have not been considered in the Senate. We are continuing to follow the legislation and are in continued contact with our representatives and the national organizations that we are members of to hopefully see something that will help defray some of the costs we have incurred during this pandemic.

As mentioned at our last meeting, we have opened a portion of our customer service lobby areas at the Springhill location and here at the Park Forest Payment Center. Social distancing protocols are being implemented to provide protection for our customers and our employees. It is working well and we will continue to monitor this on a regular basis.

Mr. Hyland said he would like to recommend that we continue with the suspension of delinquent cut-offs and the waiving of late fees through the end of July 2020. We have had this suspension in place since March 2020. This

Minutes of the meeting of the Board July 13, 2020, continued

was discussed during the Finance Committee meeting on June 30, 2020 and all committee members were in agreeance with this request being brought to the Board.

Mr. McCrory referenced page 125 of the agenda packet and said this is the same report that has been shown over the last four months. It shows our water revenue collected and comparing it to our water pumped on a weekly basis. The difference is approximately \$301,000 in the plus. If we remove the adjusted 3.9% it will show a small loss and bring it to \$284,000. We are down approximately 23 million gallons. It shows that we are not pumping as much water in the month of July 2020, it has been a very wet month. We will continue to track these numbers and submit a report to the Board until we are instructed otherwise.

Chair Nichols asked about our larger users, is there an update? Mr. McCrory said he reviewed the top six users and they are purchasing more water. He will put together a report and bring that information to the Board at the August meeting.

Commissioner Weber moved to continue the suspension of delinquent cut-offs and waiving late fees until the next Board meeting date of August 3, 2020. Commissioner Drummond seconded. The motion then carried with the unanimous vote of the Board.

Item 7F Resolution to allow Director of MAWSS Temporary Additional Authorizations during COVID-19 Event

Mr. Hyland addressed the Board with this item and directed attention to page 126 of the agenda packet. It is the resolution allowing temporary additional authorizations for the Director during this event. The Board originally approved the resolution on April 6, 2020. It was extended on May 4, 2020 and June 1, 2020 and he asks the Board to extend the resolution until our next Board meeting date of August 3, 2020. Commissioner Drummond moved for approval and Commissioner Gonzalez seconded. The motion then carried with the unanimous vote of the Board.

It is entered here for the record:

**RESOLUTION TO ALLOW DIRECTOR OF MAWSS TEMPORARY ADDITIONAL
AUTHORIZATIONS DURING COVID-19 EVENT**

Whereas, both the State of Alabama and the City of Mobile have proclaimed that, due to the onset of the novel coronavirus known as COVID-19, a state of emergency exists; and

Whereas, in order to facilitate the continued daily operation of the Mobile Area Water and Sewer System some changes to normal procedures may be needed;

Be it Resolved by the Board of Water and Sewer Commissioners of the City of Mobile that the following temporary authorizations be given the Director of the Mobile Area Water and Sewer System during the COVID-19 event with the parameters given below:

1. The Board of Water and Sewer Commissioners of the City of Mobile Purchasing Policy 92-6 is temporarily amended to raise the Director's purchase approval to \$100,000. All purchases made with this temporary amendment will comply with all existing Board policies including the DBE policy. A list of all purchases made in excess of \$25,000 and approved by the Director under this amended temporary authorization will be sent to the Board on a weekly basis.

Minutes of the meeting of the Board July 13, 2020, continued

2. In the event the Board Chair or Secretary-Treasurer are not able to execute contracts the Director will be authorized to execute contracts with either party. A list of all contracts approved by the Director with either the Chair or Secretary-Treasurer under this temporary authorization will be sent to the Board on a weekly basis.

This Resolution, originally approved on April 6, 2020, extended on May 4, 2020 and June 1, 2020 is hereby extended and will expire August 3, 2020.

Mr. Hyland said he would like to let the Board know the authority of the resolution was used along with the Board Chair on July 9, 2020 to execute the Big Creek Lake Dam Gate Automation contract. The Board was notified by memo and it is included on page 206 of your agenda package.

Item 7G Ziebach Memorandum of Understanding [MOU]

Chair Nichols stated this item will be addressed during **Executive Session**.

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

8. Information Only

- A. Resolution of Reappointment of Commissioner Barbara Drummond
- B. IFB 20-023 Purchase of Aries Media Players and Installation
Supplier: RMG Enterprise Solutions, Inc.
Value: \$18,568
- C. Sole Source Purchase of Flygt Pump Parts for Kerr McGee LS094
Supplier: Jim House & Associates, Inc.
Value: \$18,276
- D. Sole Source Purchase of Leica GS 16 GPS Equipment
Supplier: Leica Geosystems
Value: \$21,678.40
- E. Sole Source Purchase of Sensus Repair Parts for Omni Meters
Supplier: Core & Main
Value: \$24,838.45
- F. Ext 2 Annual Contract 18011 for Corrosion Control Chemicals
Supplier: Carus, LLC.
Contract Period: 9/1/20-8/31/21 (Year 3)
2020 Est. Value: \$131,880
2019 Est. Value: \$131,880
- G. American Red Cross Blood Drive Memo July 2020
- H. Sensitive Position Memo
- I. Consultant Project Status Reports
 1. Asarisi & Associates, LLC – through May 2020
 2. Constantine Engineering, Inc. – through May 2020
 3. Corporate Environmental Risk Mgmt – through May 2020
 4. Dewberry – through May 2020

Minutes of the meeting of the Board July 13, 2020, continued

5. Driven Engineering, Inc. – through May 2020
6. GMC - through May 2020
7. HDR – through May 2020
8. Isaiah Engineering, Inc. – through May 2020
9. Jacobs – through May 2020
10. McCrory Williams – through May 2020
11. Mobile Group, Inc. - through May 2020
12. Mott McDonald - through May 2020
13. Neel Schaffer, Inc. – through May 2020
14. Stantec - through May 2020
15. Volkert, Inc. – through May 2020

Mr. Hyland congratulated Commissioner Drummond on her reappointment to the Board through February 2026.

There being no further business to come before the Board at 3:20 p.m., Chair Nichols thanked everyone and said the Board will transition to **Executive Session** and requested that staff disconnect from the teleconference. Commissioner Drummond moved to go into Executive Session and Commissioner Bell seconded. The motion then carried with the unanimous vote of the Board.

At 3:40 p.m., the meeting reconvened. Commissioner Bell moved to go back into regular session and Commissioner Odom seconded. The motion then carried with the unanimous vote of the Board.

Commissioner Odom moved to accept changes to the Memorandum of Understanding with the City of Mobile regarding the Ziebach property and allow staff to move forward as discussed during Executive Session. Commissioner Bell seconded and the motion then carried with the unanimous vote of the Board.

Commissioner Odom moved for adjournment and Commissioner Gonzalez seconded. The motion then carried with the unanimous vote of the Board and the meeting concluded at 3:42 p.m.

The next regular meeting is scheduled for August 3, 2020 at 2 p.m.



Sheri N. Weber, Secretary-Treasurer