

**BUSINESS OFFICE, 4725 MOFFETT ROAD, MOBILE, ALABAMA**  
**November 9, 2020**

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

**PRESENT:**

Mr. Walter Bell, Chair  
Ms. Sheri N. Weber, Vice Chair  
Mr. Thomas Zoghby, Secretary-Treasurer  
Ms. Barbara Drummond, Commissioner  
Mr. Kenneth Nichols, Commissioner  
Ms. Maria Gonzalez, Commissioner  
Mr. Raymond L. Bell, Jr., Commissioner

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

Chair Bell called the meeting to order and gave the invocation. **Committee Reports** was next and Commissioner Zoghby provided a report on the Finance Committee meeting that was held this morning prior to the Board meeting. The committee reviewed the proposed 2021 Budget, which the full Board will go over in detail at the upcoming Board Retreat.

The October 2020 Financials were reviewed and the committee discussed the path moving forward with the gathering of a team to begin the bond refinancing process. The committee will have those recommendations and present them to the Board at the upcoming retreat. He concluded his report and said the information received from the auditors presented well and the committee will go into further detail during the retreat.

Commissioner Nichols gave a report on the Search Committee and stated on October 27, 2020 interviews both in person and virtual were held with the 10 candidates as provided by the Mobile County Personnel Board for the position of Water and Sewer Director. The interviews went well and the committee will be meeting this week for discussion and the task of assembling a short list. The committee will be conducting a second round of interviews with a mixture of both internal and external candidates from the list provided. Commissioner Nichols concluded his report by saying he would prefer to conduct the second round of interviews with the candidates in person.

**Visitors** was next and Mr. Hyland read the following Resolution for Retiree into record:

**WHEREAS, MR. KARLOS T. MCCANTS**, Equipment Operator II, began his employment with the Board of Water and Sewer Commissioners on September 5, 1995, as an hourly employee, became classified on June 22, 1996, and has worked continuously since; and

**WHEREAS**, he served the System faithfully for over 25 years, performing his duties with the highest quality, working in a cooperative spirit with his fellow employees, and

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF WATER AND SEWER COMMISSIONERS OF THE CITY OF MOBILE** that **MR. KARLOS T. MCCANTS**, whose retirement was effective November 1, 2020, be recognized and commended for his years of service to the Board of Water and Sewer Commissioners of the City of Mobile and to the citizens of Mobile.

**ADOPTED this 9th Day of November, 2020.**

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**Minutes of the meeting of the Board November 9, 2020, continued**

Mr. Hyland noted his appreciation for Mr. McCants' over 25 years of service to the community and the Board. He would like to wish him a long, healthy and happy retirement.

The **Minutes of October 12, 2020** were presented for approval and the Recording Secretary stated to the accuracy. Commissioner Zoghby moved for approval and Commissioner Nichols seconded. The motion then carried with the unanimous vote of the Board.

**Bids and Purchasing** was next:

**Item 4A            Constantine Engineering Project No. 100316.32 B051A01 System Rehab – Phase I**

|                          |                      |                         |                      |
|--------------------------|----------------------|-------------------------|----------------------|
| Original Estimate:       |                      | Current Estimate:       |                      |
| Construction:            | \$1,188,000.00       | Construction:           | \$ 981,120.00        |
| Engineering:             | <u>\$ 162,000.00</u> | Engineering:            | <u>\$ 162,000.00</u> |
| Total Original Estimate: | \$1,350,000.00       | Total Current Estimate: | \$1,143,120.00       |

Mr. Cote addressed the Board and said this project is located at Mobile Street. The engineers estimate is \$981,120.00 and there were six bidders with the apparent low bidder being Gulf Coast Underground, LLC in the amount of \$771,955.20.

**Item 4B            Dewberry Project No. 50108991 [Re-bid] Duncan Street Water & Sewer Improvements**

|                                     |                    |                            |                     |
|-------------------------------------|--------------------|----------------------------|---------------------|
| Original Estimate:                  |                    | Current Estimate:          |                     |
| Construction:                       | \$500,000.00       | Construction:              | \$794,295.28        |
| Eng. (8.7%) & CEI (not in original) | \$ 43,500.00       | Eng. (7.20%) & CEI (5.80%) | \$103,258.39        |
| ADEM/City Fee:                      | <u>\$ 3,025.00</u> | Geotech/ADEM/City Fee:     | <u>\$ 25,433.50</u> |
| Total Original Estimate:            | \$546,525.00       | Total Current Estimate:    | \$922,987.17        |

Mr. Cote continued and said the engineers estimate for this project is \$794,295.28 and there were three bidders. The apparent low bidder was Grant Nichols Construction, Inc. in the amount of \$695,367.84.

**Item 4C            M5712-2690 2021 Annual Access Road Contract  
Construction and Sewer Easement Maintenance**

|                          |                     |                         |                     |
|--------------------------|---------------------|-------------------------|---------------------|
| Original Estimate:       |                     | Current Estimate:       |                     |
| Construction:            | \$1,200,000.00      | Construction:           | \$1,200,000.00      |
| Engineering:             | <u>\$ 75,000.00</u> | Engineering:            | <u>\$ 75,000.00</u> |
| Total Original Estimate: | \$1,275,000.00      | Total Current Estimate: | \$1,275,000.00      |

The engineers estimate for this project is \$1,200,000 and there were three bidders. Mr. Cote said the apparent low bidder was James H. Adams & Son Construction Co., Inc. in the amount of \$1,113,444. He asked the Board to give the Director the authority to award this project upon review and recommendation by the engineer and approval from our DBE Manager. The anticipated budget for this project in 2021 is \$750,000; therefore the award will be limited to that budgeted amount.

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

**Item 4D            M5712-2695 2021 Annual Contract for Manhole Rehabilitation**

|                          |                    |                         |                    |
|--------------------------|--------------------|-------------------------|--------------------|
| Original Estimate:       |                    | Current Estimate:       |                    |
| Construction:            | \$500,000.00       | Construction:           | \$530,000.00       |
| Engineering:             | <u>\$ 5,000.00</u> | Engineering:            | <u>\$ 5,000.00</u> |
| Total Original Estimate: | \$505,000.00       | Total Current Estimate: | \$535,000.00       |

**Minutes of the meeting of the Board November 9, 2020, continued**

This bid has three schedules with schedules 1 and 2 dealing with but not limited to cementitious repair of the manhole, street repair, restoring property, and traffic safety control. Mr. Cote provided two different low bids because the project can be awarded based on a combination of the low bids.

He continued and said for Schedule 1 and 2 the apparent low bidder is Gulf Coast Underground, LLC in the amount of \$382,230. Schedule 3 is for urethane lining of manholes and the apparent low bidder is Slaughter Construction Company in the amount of \$74,360. The total engineers estimate is \$530,000 and the total of the bids presented is \$456,590.

**Item 4E M5712-2696 2021 Annual Contract for Cured-In-Place Pipe Rehabilitation of Large Diameter Sanitary Sewer Mains**

|                          |                    |                         |                    |
|--------------------------|--------------------|-------------------------|--------------------|
| Original Estimate:       |                    | Current Estimate:       |                    |
| Construction:            | \$2,400,000.00     | Construction:           | \$2,400,000.00     |
| Engineering:             | <u>\$ 8,000.00</u> | Engineering:            | <u>\$ 8,000.00</u> |
| Total Original Estimate: | \$2,408,000.00     | Total Current Estimate: | \$2,408,000.00     |

Mr. Cote continued addressing the Board and said the engineers estimate for this project is \$2,400,000. There were five bidders and the apparent low bidder was S & P Liner, LLC in the amount of \$2,757,200. We ask for approval of a Directors award for this item and note that the budget is anticipated to be \$500,000 for the upcoming year. Upon review and recommendation by the engineer and approval from the DBE Manager, the award will not exceed that amount.

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

**Item 4F M5712-2697 2021 Annual Contract to Install and Replace Sewer Laterals and Related Sewer Mains within Rights-of-Way**

|                          |                    |                         |                    |
|--------------------------|--------------------|-------------------------|--------------------|
| Original Estimate:       |                    | Current Estimate:       |                    |
| Construction:            | \$500,000.00       | Construction:           | \$600,000.00       |
| Engineering:             | <u>\$ 8,000.00</u> | Engineering:            | <u>\$ 8,000.00</u> |
| Total Original Estimate: | \$508,000.00       | Total Current Estimate: | \$608,000.00       |

Mr. Cote said the engineers estimate for this project was \$500,000 and there were three bidders with the apparent low bidder being D.O.T. Construction Services, Inc. in the amount of \$621,837.50.

**Item 4G M5712-2702 Hauling and Disposal of Treatment Plant Biosolids**

|                          |                    |                         |                    |
|--------------------------|--------------------|-------------------------|--------------------|
| Original Estimate:       |                    | Current Estimate:       |                    |
| Construction:            | \$1,000,000.00     | Construction:           | \$1,000,000.00     |
| Engineering:             | <u>\$ 6,000.00</u> | Engineering:            | <u>\$ 6,000.00</u> |
| Total Original Estimate: | \$1,006,000.00     | Total Current Estimate: | \$1,006,000.00     |

Mr. Cote said this item is where our contractors haul sludge from the plants and do land application. There was one bidder, Denali Water Solutions in the amount of \$1,640,000. The engineers estimate is \$1,000,000.

**Item 4H M5712-2703 2021 Annual Contract for Cleaning & Video Inspection of Various Sanitary Sewer Segments**

|                          |                    |                         |                    |
|--------------------------|--------------------|-------------------------|--------------------|
| Original Estimate:       |                    | Current Estimate:       |                    |
| Construction:            | \$1,000,000.00     | Construction:           | \$1,000,000.00     |
| Engineering:             | <u>\$ 6,000.00</u> | Engineering:            | <u>\$ 6,000.00</u> |
| Total Original Estimate: | \$1,006,000.00     | Total Current Estimate: | \$1,006,000.00     |

## Minutes of the meeting of the Board November 9, 2020, continued

Mr. Cote presented information on this item to the Board and said the engineers estimate is \$1,000,000. There were three bidders and the apparent low bidder was Smith Industrial Services in the amount of \$930,000.

Commissioner Nichols commented that the low bidders on Item 4F and Item 4H appear to involve contractors that MAWSS has recently stepped away from; does Mr. Cote have any thoughts concerning that? Mr. Cote responded and said (*Item 4F*) D.O.T Construction are able to bid and staff will review their bid and qualifications after the information is received. (*Item 4H*) Smith Industrial Services has not been barred from performing work for MAWSS. They have worked with MAWSS for well over ten years.

Commissioner Nichols clarified and said he may have confused the familial relationship in regards to the owner of Roto-Rooter. Mr. Cote agreed and said Smith Industrial Services is owned by a different individual.

Chair Bell stated the bid for Item 4G was much higher than the estimate, about 60%. Mr. Cote responded and said staff will review the bid to determine why it came in so high and also why only one bid was received for the project. Denali Water Solutions is performing the work for 2020 and without looking at the unit pricing, Mr. Cote said he is unsure what drove the prices for their bid. The acreage involved may be further out of the city which would cost more to haul the sludge.

Commissioner Drummond questioned if the Board awards the project, where will the funds come from to cover the overage. Mr. Cote responded and said it will be reviewed to see if changes will have to be made to the budget. This item is typically paid for out of the O & M Budget, as it is an operations expense. We will see what has been identified for 2021 and determine if we need to make adjustments.

Commissioner Zoghby asked if this is related to the debris hauling and Mr. Cote said he does not think so, they will have to review the unit pricing and define which items drove the pricing up.

Commissioner Drummond inquired if after review, does Mr. Cote anticipate a re-bid and if so, does he feel the price will be even higher? Mr. Cote answered and said staff needs to determine why there were not other bidders. There were two potentials that did not submit a bid. We can speak with them to see what is happening in the market and why they chose not to bid on this item. That will help in determining if a re-bid is justifiable.

Commissioner Nichols asked if Mr. Cote could expound as to why there were not any local bidders for this item. Mr. Cote said this is specialty work and a number of processes have to be certified through ADEM. The hauler has to locate the property and negotiate with the farmers where the sludge will be applied. The regulatory requirements are quite lengthy and local bidders may decide they would rather not bid.

**Item 4I**            **IFB 20-041 Septic Tank Cleaning**  
Supplier: Southern Grease Hauling  
Value: \$37,370

Mr. Cote reviewed this item for the Board. MAWSS has an obligation to the property owners in Copeland Island to periodically clean their septic tanks. We ask the Board to approve this contract in the amount of \$37,370. Commissioner Drummond moved for approval with a question and Commissioner Bell seconded.

Commissioner Drummond asked if the costs have increased for this item. Mr. Cote said he does not have the numbers for last years bid, but he recalls the range being \$35,000 to \$36,000. Chair Bell said based on information in the report, Copeland Island has 220 tanks that MAWSS has to clean. Mr. Cote said that number sounds correct. The motion then carried with the unanimous vote of the Board.

**Legal** was next and Attorney Dean said there is one matter that will be appropriate for discussion in an Executive Session; he will need approximately 15 minutes.

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

**Minutes of the meeting of the Board November 9, 2020, continued**

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

**Item 7A M5712-2692 2021 Annual Contract for Manhole Frame & Cover Replacement**

Mr. Cote stated this project was bid at the October 12, 2020 Board meeting. The low responsive and responsible bidder was Harwell & Company, LLC in the amount of \$143,857.50 and we ask the Board to award this project. Commissioner Nichols moved for approval and Commissioner Bell seconded. The motion then carried with the unanimous vote of the Board.

**Item 7B M5712-2693 2021 Annual Contract for Street and Sidewalk Repairs**

Mr. Cote continued, this project was bid at the October 12, 2020 Board meeting and the low responsive and responsible bidder was Harwell & Company, LLC in the amount of \$1,947,730. We ask the Board to award this project. Commissioner Bell moved for approval and Commissioner Gonzalez seconded.

Commissioner Nichols reiterated from the last Board meeting and said this is an item that has consistently run over the projected costs on an annual basis from a budgetary standpoint. Mr. Cote responded and said staff has increased the numbers and they were presented to the committee this morning during the Finance Committee meeting.

Mr. McCrory commented that the number for 2021 is \$2,700,000. The motion then carried with the unanimous vote of the Board.

**Item 7C M5712-2694 2021 Annual Contract for Cured-In-Place Pipe Rehabilitation of the Public Portion of Sanitary Sewer Laterals**

Mr. Cote asked the Board to award this project, which was bid at the October 12, 2020 Board meeting with the low responsive and responsible bidder being BLD Services LLC in the amount of \$297,025. Commissioner Drummond moved for approval and Commissioner Weber seconded. The motion then carried with the unanimous vote of the Board.

**Item 7D Volkert Project No. 335323 Eslava Lift Station Surge Tanks – Final Change Order No. 4**

Mr. Cote requested approval of this change order in the amount of \$4,012.50. Commissioner Drummond moved for approval and Commissioner Gonzalez seconded.

Chair Bell clarified that this request is due to the cumulative amount of the change orders for the entire project surpassing the percentage of the Directors authority to approve. The motion then carried with the unanimous vote of the Board.

**Item 7E Facilities for Acceptance – Chaparral Subdivision – Sewer Facilities  
Value: \$117,195.02**

Mr. Cote asked the Board to accept these facilities contingent upon staff receiving the proper documentation for acceptance. Upon receipt of the documentation, staff will notify the Board. There were errors within the paperwork regarding the easement permittee or the wrong party. Staff has contacted the developer and requested they make those corrections. Mr. Russell said as of today, the corrected paperwork has not been received.

Mr. Cote continued and said rather than waiting until the December 21 Board meeting, we ask the Board to allow staff to accept the facilities once the proper paperwork has been received.

Commissioner Drummond moved for approval of conditional acceptance of the facilities until staff has received all supporting documentation after which they will notify the Board that all is in order. If documentation is not received before the December 21 Board meeting, this item will be brought back to the Board. Commissioner Weber

**Minutes of the meeting of the Board November 9, 2020, continued**

seconded. Chair Bell said the reason we are giving this a conditional approval is because we do not want to stand in the way of construction, but we do need all required information. The motion then carried with the unanimous vote of the Board.

**Item 7F           Brown and Caldwell Task Order for Additional Hydraulic Modeling Proposal limited to SWAT Modeling on an as-needed basis over a three year period**

Mr. Cote said we ask for approval of this item for additional hydraulic modeling as we work through the design of the Eslava SWAT Facility and as we near completion of the Three Mile Creek SWAT Facility. Brown and Caldwell compiled studies that resulted in the hydraulic capacities that were needed in order to address ongoing SSO issues on the Three Mile Trunk Sewer. They are the engineering firm that did the hydraulic modeling for us a number of years ago when we got started with the designs of our SWAT Facilities. The hydraulic modeling for these facilities is the only work Brown and Caldwell does for MAWSS at this time and these projects were not included in the engineering services agreement. They have agreed to do some additional tasks on an as needed basis under the terms of the contract they had with MAWSS in the past.

This will be for a three-year period and it is anticipated that we will not exhaust the requested amount of \$49,743; it should be less than that, but to prevent coming back to the Board on a number of occasions, we ask for approval of this task order for Brown and Caldwell in this amount.

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

**Item 7G           Spanish Fort Rate Discussion**

Mr. Hyland asked Chair Bell to hold this item for Executive Session.

**Item 7H           Bonus Incentive Program Distribution (BIP)**

Mr. McCrory shared his screen, showing a chart with the BIP amounts for 2017-2020. This incentive falls under HR 95-7 and it is our current Board policy. Staff does this each year to determine the amount that can be distributed to employees and there are 16 measurable goals that we try to achieve. The total base amount is \$125,000 and employees have an additional \$112,847 that can be added to the base amount of \$125,000. The goals were met in some areas, but not in all. The total BIP amount is \$237,847 and we ask the Board to approve this amount for distribution among eligible employees. Commissioner Drummond moved for approval and Commissioner Gonzalez seconded.

Chair Bell questioned the retired employees amount, is it prorated for the length of time they were with MAWSS during 2020? Mrs. King replied that yes, the amount for retirees is prorated based on the number of months they were employed during the bonus year. The motion then carried with the unanimous vote of the Board.

**Item 7I           Proposed MAWSS Incentive Pay and Compensation Policy HR 19-1 (MIP)**

Mr. McCrory continued and stated that this policy has been submitted to the Human Resources Committee and it will replace the current HR 95-7 (BIP) policy. At the October 28, 2020 Human Resources Committee meeting, staff was given permission to present the MIP to the full Board for approval and we ask the Board to approve policy HR 19-1. Commissioner Bell moved for approval and said he is pleased to note that staff placed the changes recommended by the committee into HR 19-1. Commissioner Zoghby seconded and said he feels that the intention of the MIP will be a more productivity-based option than the BIP.

Mr. McCrory replied that yes, the intent of policy HR 19-1 is to reward on an individual basis as employees meet certain goals. Commissioner Drummond asked if staff would have the same standards as under policy HR 95-7 with policy HR 19-1. As stated, some departments did not reach their goals under the BIP; will the same measurements be used with the MIP?

## Minutes of the meeting of the Board November 9, 2020, continued

Mr. McCrory responded and said no, those goals will now be individual based goals for each department. Each department will have the ability to apply the goals towards the MIP if they choose. We will continue to track all goals on behalf of metrics throughout the organization, which will create a dashboard for everyone. The accomplishment of meeting a goal will no longer apply to the entire organization, it will only apply to the department that met the goal.

Commissioner Drummond said this sounds great, does it mean we will look at individual employees versus individual departments? In essence, we will now be rewarding the employee that met higher expectations within the department. Mr. McCrory said that is correct. The MIP can apply to a group or an individual with management deciding how they want to assign the goal and the expectation to achieve it.

Chair Bell asked about the education eligibility and certificate incentive. When it comes to the 5% percentages for obtaining an Associate's Degree, Bachelor's Degree and/or a Master's Degree, is the incentive onetime or an ongoing salary increase? Mr. McCrory responded and said it is a onetime incentive (*pay increase*). Chair Bell asked for confirmation, it is a pay increase and not a bonus, correct? Mr. McCrory answered it is not a bonus. Just as a merit increase is given, the MIP will provide a onetime 5% salary increase for earning a degree. Chair Bell said he does not feel that an Associate's Degree should be the same incentive as a Master's Degree. Perhaps the incentive should be on a tiered scale rather than the same percentage across the board.

Commissioner Zoghby said his understanding is that the incentive would be a bonus and not a salary increase. To offer an incentive for any degree whether it applies to MAWSS or their current position is concerning. Mr. McCrory reassured that MAWSS has an education policy in place that states the degree must apply to a position within the company. MAWSS will not pay for a degree that is not applicable for skills needed within the company. All degrees must be preapproved prior to MAWSS accepting them for reimbursement or incentives.

Commissioner Bell said that is his understanding. The degree must be germane to job duties in respect to current positions and classifications within the organization. Commissioner Drummond asked if the institution the degree will be obtained from is approved prior to acceptance. Mr. McCrory responded yes it is, it must be an accredited university.

Commissioner Weber said she agrees with Chair Bell; different degrees requiring different lengths of time and energy to complete should be rewarded as such. Mr. McCrory explained that if your position requires a degree when you are hired, you are not being rewarded for having that degree. The MIP applies when an employee (*for example*) such as a field employee makes the effort to take classes and earn a degree. That was the purpose of the 5% incentive. There is the potential to earn a 15% increase, but if your job does not require all three degrees, the incentive can be adjusted and turned into 2.5% increments.

Chair Bell said we have an education policy that will reimburse an employee for their tuition. Mr. McCrory said that is correct and the recompense is 75% of the tuition. At this time, we have three employees that are utilizing that incentive. Commissioner Drummond asked Mr. McCrory to give the Board a report on the Education Policy. In her tenure on the Board, the program while it is a great benefit, the employees underutilize it. It is a good program that would apply to the employee while at MAWSS and to their future skillset.

She continued, in speaking about the associate degree, with a two-year college system in the State of Alabama and particularly locally with Bishop State, they are focusing on incentivizing the work force in Mobile County. It will provide a track where an individual can continue onward to the University of South Alabama and obtain a Bachelor's Degree. Chair Bell said he understands her sentiment, but he feels the incentive should not be the same for all degree levels. They should be incited to keep pressing towards a higher degree versus stopping because they received a 5% raise when they earned the Associate's Degree. Their education is being paid for at 75% of the cost (*a survey should be conducted to see why employees are not taking advantage of this*). There may be ways to improve on the current Education Policy/Program. It seems we may be double paying and expenses should always be reviewed.

## Minutes of the meeting of the Board November 9, 2020, continued

Commissioner Bell said in reference to the across the board 5% incentive, he reconciled that the individual earning an Associate's Degree would be earning a much lower salary than an individual working towards a Master's Degree. Ms. Washington stated that according to the rules of the Mobile County Personnel, yes it is listed at 5%, but an entity can approve up to 15% for a Master's Degree, which translates to 5% increments. MAWSS elected not to go that route because it is more money for someone obtaining a Master's Degree (*as Commissioner Bell stated, they are more than likely already earning a much higher salary*) to receive the incentive based on our budgetary constraints.

Chair Bell asked if this policy is *up to* 5% or is it 5% in total? Ms. Washington replied and said each degree can earn a 5% incentive. If an individual receives a Master's Degree, MAWSS can pay them up to 15% at one-time. Mr. McCrory corrected that statement and said that is not part of the policy, the incentive would be in 5% increments. If an employee chooses to use the program in order to receive the MIP incentive and earn all three degrees, in essence it would be a 15% incentive received over an eight to ten year period based on the length of time earning each degree requires.

Ms. Washington said that is what MAWSS chose to do in regards to HR 19-1. We changed that section of the policy that MAWSS is adopting from the Mobile County Personnel Board. MAWSS will only grant 5% per degree not up to 15%, we do not have that option because of our budget.

Mr. Hyland spoke and said an employee obtaining an Associate's Degree may add more value to this organization than an employee that attains their Master's Degree. All of the degrees are valuable, but if we are thinking that more entry-level employees will be seeking their Associate's Degree, the 75% reimbursement occurs only after they have successfully completed a semester. The employee has to pay out of pocket until they have passed the courses for the corresponding semester.

Mr. McCrory said we have a small number of employees currently taking advantage of the incentive with a graduate every two to three years. He will provide a report to the Board and work on ways to encourage program participation. The motion then carried with the unanimous vote of the Board.

Chair Bell thanked staff for the discussion and said that in looking over the policy he appreciates all of the work the Human Resources Committee has done in order to present it to the Board. He will look forward to Mr. McCrory's report on the Education Policy and determining ways to have more employees involved.

### **Item 7J            Financial Report – October 2020**

Mr. McCrory continued and directed attention to his screen indicating the financial report for October 2020. While revenues are down, they are up from last year's accrued and down 5.3% compared to our budget. We are seeing a 4.7% residential increase but -13% on the commercial side. We are not selling as much water and it has led to the 5.3% deficit in our revenues.

Expenses are down 9.1% and 5.8% in comparison to previous years. That enables the offset of -1%. The efforts from staff and their conscientious methods led to these numbers coming down while still maintaining costs.

Water and sewer sells are slightly up from the 2019 actual, but as discussed, they are down from the 2020 budget. Sewer is up slightly from actual but down almost \$3,000,000 from budget revenues. All other revenues are down from 2019 actual and almost equal to the 2020 budget. The difference from 2019 and 2020 is our investments. Our returns were much higher in 2019 than in 2020.

Labor costs for 2020 for contractual expenses and operating supplies show labor is down from actual and budget. Contractual expenses are down from budget and actual. Operating supplies is down from actual but slightly up from budget. After research it was determined an additional \$350,000 was spent on COVID-19 related materials and equipment.

## **Minutes of the meeting of the Board November 9, 2020, continued**

Mr. Hyland mentioned they have inquired to see if there are any CARES Act funding that will be available to utilities on the national scale. Through the organizations that we are member of, we have researched to see if we can be a part of CARES Act funding from a legislative standpoint and although we have not been successful in that particular avenue, we continue to stay involved in those discussions.

Last month, we contacted Mr. Joe Bonner, Chief of Staff to see if some of the monies received by the State from the CARES Act could be diverted to assist utilities or our customers that are having difficulties paying their bills. Mr. Bonner said he has not been asked that question before and directed Mr. Hyland to Ms. Susan Wilhelm, Deputy Director of Finance at the State of Alabama. We have had several conversations and information has been forwarded to her for review. Our initial conversations were not indicative of a positive outcome for utilities or our customers receiving assistance.

Mr. Hyland continued and said he forwarded the \$350,000 COVID-19 expense documentation and is waiting to see if those costs can be given some type of consideration. We are not certain these efforts will bear fruit, but we are continuing with our requests for assistance to offset the added expenditures and lost revenue.

Mr. McCrory continued with his October 2020 Financial Report; labor cost comparisons are up slightly from 2019 to 2020 and down from the 2020 budget to the accrued. Premium pay is down from both the 2019 and the 2020 budget. Our taxes and fringes are down from both 2019 and 2020; contributed to lower Blue Cross Blue Shield claims.

There have been more than 51 new connections since October 2020 equal to a 24% increase. There are apartment complexes that are adding individual meter accounts and we hope to see this trend continue.

Overtime hours worked comparison; administration time is down, support is up slightly, transmission and collection is down, wastewater treatment, water supply and water treatment are up. Due to COVID testing and quarantine, we have had to pay other employees to cover for the employees that test positive or have to be quarantined.

Standby hours are up on administration, down on support, down on transmission and collection. Wastewater treatment, water supply and water treatment are up. Note that these are our emergency calls and response areas, but overall we are maintaining a lower balance than 2019.

### **Item 7K            Reports on COVID-19 Pandemic**

Mr. Hyland addressed the Board and stated that the report included in their packets indicated 13 employees quarantined at that time, but that number is changing rapidly. The report also indicated 27 employees to test positive since the beginning of the pandemic, but that number has also increased. Based on the increase in numbers, we are approaching 7% of our workforce affected since March 2020.

Even though we are taking all necessary steps to curb exposure, we will explore additional avenues to ensure that we are working safely and protecting our employees. We are also continuing testing services through our CareHere facility and the Civic Center location run by the University of South Alabama.

The lobby areas at both locations are open to the public with social distancing protocols remaining in place and it continues to flow very well.

Mr. McCrory referred to his presentation and said the chart indicated approximately 187 million gallons less water pumped compared from 2020 to 2019. Note the turnover began in June 2020 where the difference in water pumped became very noticeable. There was a 206 million gallon difference in water pumped from June 2020 to October 2020. We began collecting revenues this month and in tracking the numbers daily, it shows almost \$200,000 has been collected in revenues the first week compared to last year. The numbers are encouraging and we hope the trend will continue.

## Minutes of the meeting of the Board November 9, 2020, continued

The partnership with Alabama Power, which went into effect on October 27, 2020, is going well. We have eleven kiosks across four locations and from October 27, 2020 through November 3, 2020, 400 MAWSS customers used a kiosk at one of those locations to make a payment on their water bill. Both Alabama Power and MAWSS have advertised the new payment options via social media and we will continue to track the usage.

Mr. Hyland concluded his COVID-19 report and asked if there were any comments or questions. Chair Bell commented that there is an increase in exposure numbers for COVID-19. Do we have a secondary plan in place for employees moving forward during the upcoming winter months?

Mr. Hyland replied that staff has discussed a secondary plan and as we move towards flu season, we will not only reinforce current protocols but also review changes that will provide better protection for staff and the organization.

*\*(Late Agenda Addition)*

### **Item 7L M5712-2652 2019 Annual Contract for Cleaning & Video of 15” through 54” Various Sanitary Sewer Segments**

Mr. Cote addressed the Board with a late entry to the agenda. He stated our contractor, Granite Inliner LLC was lining sewer on the south side of Municipal (Langan) Park and they have run into a circumstance where the condition and quality of the pipe and debris is worse than anticipated. Staff would like to have our current annual cleaning and video contractor, Smith Industrial Services, perform heavy cleaning and hone some of the pipe so that Granite Inliner LLC can complete the lining.

The urgency is due to having a bypass in place while the contractor performs their work and delaying the work will lead to an increase in costs associated with the bypass. We are asking the Board to approve a change order in the amount of \$26,000 for Smith Industrial Services to move in to the project, heavy clean and hone the pipe enabling Granite Inliner LLC the ability to complete the lining of the sewer pipe. Commissioner Drummond moved for approval and Commissioner Gonzalez seconded.

Commissioner Nichols asked for clarification. Is this an existing project and not an issue that we can assign to the annual contract? Mr. Cote responded and said the cleaning work in question is one of the annual contractors. Granite Inliner LLC is the annual contractor for cured-in-place pipe rehabilitation work. The units of work in his contract do not include this level of pipe cleaning and honing. However, Smith Industrial Services, our annual contractor for cleaning and video, are capable of completing the work with the change order.

Chair Bell questioned the change order, it will go to Smith Industrial Services and not Granite Inliner LLC, is that correct? Mr. Cote responded that is correct. Commissioner Nichols asked the reason this cannot be accomplished with a task order under the annual contract. The unit pricing associated with the change order is probably a higher rate than the rates that were bid in their annual contract.

Mrs. Clark answered and said the contract bid three years ago and honing was not included. Smith Industrial Services does have the capability, hence our change order request to the current annual contract. The unit item is not in the original contract. Commissioner Bell noted that the information received via email from the Recording Secretary for this late agenda item indicates this is Change Order No. 1; should it indicate Change Order No. 2? Mr. Cote said that is correct, the memo should say Change Order No. 2. Mrs. Clark also affirmed, Change Order No. 1 was approved earlier this year and she will have the memo for this change order corrected.

Commissioner Nichols questioned if staff is certain that once the cleaning and honing is completed, will the pipe be viable or is it deteriorated to the point where it will need replacement in the future. Mr. Cote said his understanding is that once they clean and hone the pipe, it will be in good shape. The motion then carried with the unanimous vote of the Board.

**Minutes of the meeting of the Board November 9, 2020, continued**

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

**Item 8 Information Only**

- A. Sole Source Purchase of Flygt Pump Parts for Virginia St LS 154, Pump #3  
Supplier: Jim House & Associates  
Value: \$22,234
  
- B. 2020-2021 Annual Support – Laboratory Information Management System (LIMS)  
Supplier: Accelerated Technology  
Contract Period: 11/6/20-11/5/21  
2020 Value: \$21,705.12  
2019 Value: \$21,705.12
  
- C. Co-op Purchase of Thirty (30) OptiPlex 3080 Small Form Factor Workstations  
Supplier: Dell, Inc.  
Contract#: NCPA 01-42  
Value: \$17,070
  
- D. Ext 2 Annual Contract MAWSS 18015 – Mission ARC Couplings  
**(Third and Final Year)**  
Supplier: Consolidated Pipe  
Contract Period: 1/1/21 – 12/31/21  
2021 Est Value: \$100,000  
2020 Est Value: \$100,000
  
- E. Ext 2 Annual Contract MAWSS 18019 NL Brass Plumbing Fittings  
**(Third and Final Year)**  
Supplier: Consolidated Pipe  
Contract Period: 1/1/21-12/31/21  
2021 Est Value: \$186,000  
2020 Est Value: \$183,000
  
- F. Ext 2 Annual Contract MAWSS 18021 Tapping Sleeves  
**(Third and Final Year)**  
Supplier: Core & Main  
Contract Period: 12/1/20-11/30/21  
2021 Est Value: \$25,000  
2020 Est Value: \$20,000
  
- G. Ext 1 Annual Contract MAWSS 19016 – Security Guard Service  
**(Year Two)**  
Supplier: King Security Service  
Contract Period: 1/1/21-12/31/21  
2021 Value: \$142,023.00  
2020 Value: \$106,022.88
  
- H. Ext 1 Annual Contract MAWSS 19017 – Liquid Oxygen  
**(Year Two)**  
Supplier: Matheson Trigas, Inc.  
Contract Period: 1/1/21–12/31/21  
2021 Est Value: \$69,000  
2020 Est Value: \$69,000

**Minutes of the meeting of the Board November 9, 2020, continued**

- I. Ext 1 Project No. M5712-2665 Odor Control Contract for Lift Stations **(Year Two)**  
Supplier: Evoqua Water Technologies  
Contract Period: 1/1/21 – 12/31/21  
2021 Est Value: \$394,090  
2020 Est Value: \$358,040
  
- J. Ext 2 Annual Contract Big Creek Lake Water Quality Monitoring Program from RFP 19-001  
**(Third and Final Year)**  
Supplier: RDH Environmental  
Contract Period: 1/1/21-12/31/21  
2021 Value: \$41,814  
2020 Value: \$41,814
  
- K. Annual Electrical Maintenance Contract Project – 1025605  
**(Year Two)**  
Supplier: A & B Electric Company  
Contract Value: \$254,749  
\*Funding will be the approved 2021 O&M Budget, not to exceed the amount of \$250,500 for line item 42278 – Plant Maintenance/Electrical Annual Contract
  
- L. Annual Plant Maintenance Contract – No. 644112  
Supplier: G. A. West & Company, Inc.  
**(Third and Final Year)**  
Contract Value: \$1,176,130.91  
\*Funding will be the approved 2021 O&M Budget, not to exceed the amount of \$790,000 for line item 42275 – Plant Maintenance Annual Contract
  
- M. Annual Painting Contract – M5712-2638  
**(Third and Final Year)**  
Supplier: Melvin Pierce Painting, Inc.  
Contract Value: \$126,070  
\*Funding will be the approved 2021 O&M Budget, not to exceed the amount of \$126,070 for line item 42279 – Plant Maintenance/Painting Annual Contract
  
- N. M5712-2657 Overlook Road Waterline Improvements  
Change Order #1 (FINAL)  
Contract Amount: \$1,160,464.00  
This Change Order Amount: -(\$18,429.50)  
Total Contract Amount: \$1,142,034.50  
Percentage of Contract Amount: -(1.59%)
  
- O. Sensitive Position Memo
  
- P. Disclosure of Property Purchase
  - 1. Mobile County Key No. 473017
  
- Q. Consultant Project Status Reports
  - 1. Asarisi & Associates, LLC – through September 2020
  - 2. CERM – through September 2020
  - 3. Constantine Engineering – through September 2020
  - 4. Dewberry – through September 2020
  - 5. Driven Engineering, Inc. – through September 2020
  - 6. GMC - through September 2020
  - 7. HDR – through September 2020

**Minutes of the meeting of the Board November 9, 2020, continued**

8. Isaiah Engineering, Inc. – through September 2020
9. Jacobs – through September 2020
10. McCrory Williams – through September 2020
11. Mobile Group, Inc. - through September 2020
12. Mott McDonald - through September 2020
13. Neel Schaffer, Inc. – through September 2020
14. Stantec - through September 2020
15. Volkert, Inc. – through September 2020

Commissioner Drummond questioned Item 8P, what piece of property is this referencing? Mr. Cote answered and said this is a small piece of property located at the Magnolia Golf Course and the cost was \$1,500.

Commissioner Drummond continued and asked if it would be possible to breakdown and show by percentages the projects assigned to each DBE contractor up to September 2020? She is pleased at the number of DBE's on this list under Item 8Q, and a report showing the work they received would be helpful. Mr. Cote said he will prepare that information and send it to her.

There being no further business to come before the Board at 3:30 p.m., Commissioner Weber moved to go into **Executive Session** and Commissioner Drummond seconded. Chair Bell thanked everyone and requested that staff disconnect from the videoconference.

*\*Commissioner Nichols departed the meeting at 3:45 p.m.*

At 3:50 p.m., the meeting reconvened. Mr. Hyland addressed the Board and stated as discussed during Executive Session, we request approval to submit a letter to Spanish Fort Water indicating an increase to their wholesale water rate. Based on the cost of service study that was conducted by Stantec and the cost of pipe repairs, their new rate will be \$4.83. Commissioner Weber moved for approval and Commissioner Zoghby seconded. The motion then carried with the unanimous vote of the Board present.

Commissioner Drummond moved for adjournment and Commissioner Zoghby seconded. Mr. Hyland expressed his appreciation to staff and the Board for easing into the transition of the virtual Finance Committee meeting today and the Board meeting. A Board Retreat will be scheduled for November 16, 2020 at 10:00 a.m. The retreat will be virtual and is expected to last approximately four hours; confirmation details will be forthcoming. The motion to adjourn then carried with the unanimous vote of the Board present.

The meeting concluded at 3:53 p.m.

The next regular meeting is scheduled for December 21, 2020 at 2 p.m.



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Thomas Zoghby, Secretary-Treasurer