

**MINUTES OF A REGULAR SCHEDULED MEETING
OF
THE UTILITIES BOARD
OF
THE CITY OF GULF SHORES
April 30, 2020**

The Directors of The Utilities Board of the City of Gulf Shores met at 8:30 a.m.

Upon roll call, the following answered present via phone conference:

Michael Diehl, Chairman
John McCormick, Vice-Chairman
Billy Adcock, Secretary
Tom Giles, Treasurer
Philip Harris, Member
Robert Craft, Member
Greg Kennedy, Member

Also, present in the Boardroom were Brian Hess, General Manager; Rhonda Butler, Chief Financial Officer; Julie Phillips, HR Officer; Jim Morris, WRF Manager; Tommy Segars, FSC Manager; Steve Readman, FSW Supervisor; and Albert Bonifay, WTP Manager.

Mr. Diehl announced that the Board Meeting has been properly advertised. Upon roll call of members, the Board Chairman announced that a quorum is present and declared the meeting open for the transaction of business.

Upon presentation of the minutes for the Regular Scheduled Meeting held on January 23, 2020, Mr. Giles made a motion to approve the minutes as presented; Mr. McCormick seconded motion. Motion carried unanimously.

Mr. Morris reported that Phase I of the WRF Lab Modification Project is complete. The contractor has moved to Phase 2. Completion of Phase 2 is anticipated in May. The contract allows for GSU to collect liquidated damages because of the contractor going past the allowable day count for the project. This amount of approximately \$19,000 is being retained until a decision by the Board can be made. As there is no monetary damage that has been created to GSU by the delay, only inconvenience, staff does not believe the liquidated damages should be assessed for the project. Board action would be to waive applying liquidated damage assessments for Phase 1 of the Lab Modification Project. GSU was not responsible for any of the delays on the project. The contractor has issues with getting subcontractors in on a timely manner. Mr. Morris stated there was some issue with the ceiling and the contractor will correct the ceiling if GSU waives the liquidated damages. It was discussed that GSU would like to keep a working relationship with the contractor for future projects.

Mr. Kennedy made a motion to approve an agreement with the contractor that if the ceiling tile is replaced to our satisfaction then GSU will not charge the company for liquidated damages; Mr. McCormick second motion. Motion carried unanimously.

Mr. Morris reported that the Basin Diffuser Assemblies Project is complete and operational.

Mr. Segars reported the COGS County Road 8 Improvement Project is waiting for road paving completion for acceptance of project. Utility infrastructure is complete and operational.

Mr. Segars reported that there is no news to report on the ALDOT-Foley Bch Express Connector SH 180.

Mr. Hess reported that Goodwyn, Mills & Caywood continue to work on the plans for the State Park 16" Water Line. Following meetings with the State Park and Fish and Wildlife, GMC has been working on revising plans to complete the engineering design. This project is estimated to cost approximately \$2 million and the engineering task order for the complete design and construction phase services was previously approved for \$228,413. The bids should be out for bid in May.

Mr. Bonifay reported that the Removal and Reinstallation of New Filter Media at WTP #3 Project is complete and operational as of February 24, 2020. Currently waiting on the advertisement for completion by contractor. There has been no turbidity and the iron removal has improved. During the project, staff noticed pressure issues at North Craft Farms. Mr. Bonifay is looking at adding another tank in that area between County Road 6 and County Road 8.

Mr. Hess reported that authorization for task order under the contract with GMC in the amount of \$11,250 for design and bidding of the Well #8 Rehabilitation. This was previously presented to the Board via email to get the project moving forward. The design specifications are complete and the project is advertised for bid with bids being taken on May 7th. The estimated cost of construction for rehabilitation of the well is approximately \$75,000. The contract for the construction of the project is anticipated for Board consideration at the May meeting. This project will help restore water supply to the system. Board action to approve the task order for design and bidding with GMC in the amount of \$11,250.

Mr. Harris moved to approve the Engineering Contract for Well #8; Mr. Giles seconded. Motion carried unanimously.

Mr. Hess reported that the City is annexing a City owned fire station facility along County Road 6 (Oak Road West) into the City limits. Well #6 property is adjacent to the City owned property. They inquired as to whether GSU would like to piggyback on their action to bring the properties into the City limits. Staff believes this is a good idea and is seeking Board concurrence to annex Well #6 property into the Gulf Shores city limits. Board action to approve the annexation of Well #6 property into the city limits of Gulf Shores. This will be beneficial down the road for the land swap. All legal aspects will be handled by the COGS Planning Department and Donald Stewart, legal representation for both entities.

Mr. Giles moved to authorize the annexation of the Well #6 Property; Mr. McCormick seconded. Motion carried unanimously.

Mr. Hess reported that the Utilities Systems 2020 Master Plan provides a future planning analysis of infrastructure needs based on growth and current system capacities. The analysis will look at both water and sewer and provide vital information for planning and capital needs. The last Master Plan was conducted in early 2007 by GMC. This Task Order is with GMC to conduct the analysis and reporting in the amount not to exceed \$227,000. A portion of the cost (\$57,000) is to collect survey data for approximately half of the sanitary sewer manholes in order to incorporate precise flow data for the sewer system analysis. An existing water model developed by GMC for the previous study may be updated with current information to complete the study. This project is budgeted in the 2020 Capital Plan at \$250,000. Board action is to approve the Task Order with GMC for a not-to-exceed amount of \$227,000. It was recommended by the Board that GSU has a clear understanding of the project since it was GMC who overstated the growth on the Fort Morgan Road project.

Mr. Kennedy moved to accept the 2020 Master Plan Update Plan by GMC; Mr. Craft seconded. Motion carried unanimously.

Mr. Segars reported requested approval for Bid No. 2020-2A - Lift Station Electrical Control Panels Removal and Re-Installation is part of the Hurricane Preparedness contract. These bids are taken prior to the start of the hurricane season in order to have a contract in place for dealing with lift station panel removals, inspection of the sanitary system and cleaning of the mains. Board action on this item is to approve the contract with A&B Electric in the amount of \$5,890. This is the same cost for the service as the 2019 bid. Two bids were sent out. A&B Electric was the only bid received. Staff recommends the acceptance of the bid from A&B Electric.

Mr. Kennedy moved to accept Bid No. 2020-2A in the amount of \$5,890.00 from A&B Electric; Mr. McCormick seconded. Motion carried unanimously.

Mr. Segars requested approval for Bid No. 2020-2B - Video Inspection of Gravity Sewer Lines is part of the Hurricane preparedness contract. Board action for this item is to approve the contract with Smith Industrial Service, Inc. in the amount of \$51,000 which is about \$2,500 more than in 2019. Three bids were sent out. SIS was the only bid received. Staff explained that during a hurricane, the scope of work is beyond the work of one camera truck. Mr. Segars reminded the Board that FEMA recommended getting bid quotes prior to hurricane season.

Mr. Harris moved to accept Bid No. 2020-2B in the amount of \$51,000 from SIS; Mr. Giles seconded. Motion carried unanimously.

Mr. Segars requested approval for Bid No. 2020-2C - Cleaning of Gravity Sewer Lines is part of the Hurricane preparedness contract. Board action on this item is to approve the contract with Smith Industrial Service, Inc. in the amount of \$107,080.00, which is about \$30,000 more than the cost in 2019. Three bids were sent out. SIS was the only bid received. Mr. Segars spoke with the representative about the increased amount which is due to the increased cost of material; however, SIS is willing to do the additional work of cleaning 20 wet wells.

Mr. Kennedy moved to accept Bid No. 2020-2C not to exceed in the amount of \$107,080 from SIS; Mr. McCormick seconded. Motion carried unanimously.

Mr. Segars is seeking approval for the purchase of one (1) Dodge 2500 4wd crew cab truck. This will be purchased from Tallassee Automotive through the Alabama State Bid List at a not-to-exceed cost of \$34,000. We have experienced maintenance and safety issues with the F150 trucks towing trailers, excavators and trenchers. This ¾ ton pickup purchase will allow for more safely towing some of the larger equipment and trailers. This proposed truck will replace a 2008 Ford F150. This purchase is also included in the Capital Budget for 2020. It was recommended by the Board that staff look at a diesel. Mr. Segars informed the Board that the diesel engine has an additional cost of approximately \$8,000.

Mr. Kennedy moved to approve not to exceed \$42,000 so staff can make the decision regarding a diesel engine. Mr. Harris seconded. Motion carried unanimously.

Mr. Segars requested consideration of 12" CIPP Liner (Hwy 59). After completion of the filter media replacement at WTP #4, the backwashing of the media was completed and introduced into the sanitary system, as had been the practice previously. The backwash process was resumed after the utility main improvements were complete with the CR8 Improvement project. Staff discovered a sewer overflow in a manhole along SR59 that was caused when the backwash occurred. Investigation showed that the existing gravity sewer main under SR59 was scaled and restricted. Quotes were obtained to descale the pipe and insert a CIPP liner in order to restore design capacity flow to the pipe crossing. Board action on this item is to approve the construction to descale and CIPP line the pipe for an amount not-to-exceed \$32,000.

Mr. Morris requested approval for Bid No. 2020-3 - Sludge Removal and Land Application. The removal of sludge from the WRF was budgeted in this year's allocation for removal of approximately 700 dry tons of material to be land applied. Three (3) bids were sent out. The contractor with the low bid is Synagro in the amount of \$225,944, including mobilization, at a unit cost of \$295.00 per ton. Board action on this item is for approval of the contract. Mr. Morris confirmed that we are responsible for the materials until it is incorporated with soil. According to CR4503, a staff member will be on the site as the application is done. The budget amount was as \$350,000.

Mr. Giles moved to accept Bid No. 2020-3 in the amount of \$225,944 from Synagro; Mr. Adcock seconded. Motion carried unanimously.

Ms. Butler presented Resolution No. 234-20 Authorizing the General Manager to Surplus Personal Property. This is a standard process in order to surplus property of the company. The list of property is included. The 2008 Ford F150 surplus truck from FSC will not be on the list until the new vehicle is received.

Mr. Craft moved to accept Resolution No. 234-20 Authorizing the General Manager to Surplus Personal Property; Mr. Adcock seconded. Motion carried unanimously.

Ms. Phillips reported that a Safety Awareness Report had been sent to the Board Members and she would answer any questions.

Mr. Hess reported that two (2) new County subdivisions have requested approvals through County offices for plat approval. The first is Sugar Farms, a lot split into two lots, at Cortez Street and the second is Seaglade at St. Andrew's Bay, a 27 lot subdivision between Pontoon Lane and Triple Tail Lane, which was approved for connection by the Board in previous action. GSU has the ability to serve both subdivisions.

Mr. Hess reported via email updates to the Board, the staff has maintained a split shift work schedule in order to keep some staff isolated at home in order to prevent spread to all of our employees in case of an outbreak. The effect of continuing on split shift is that the workload is spread out over a longer period and delays some new water connections or other seasonal maintenance. This can be managed by bringing in the second shift and keeping them separated from the first shift, if required. We will continue to utilize the split shifts until around May 15th in line with the Safer at Home order or until guidelines from the Governor and State Health Department determine it is safe to resume a more normal operation. We will continue to have the drive through open with the lobby closed for the foreseeable future.

Mr. Hess also reported that placing information on our website related to bids and announcements, in addition to meeting notices. We will also follow up with meeting summaries in order to meet the standards required by the Governors proclamations regarding public meetings. The summary will be posted within 12 hours of the Board Meeting.

Mr. Giles reported that he was glad to see by the summary financial information showing little effect from the pandemic on the financial statements.

Ms. Butler reported that February and March financials were included in Board packets. Service revenues are ahead of last year and budget as of March 31, 2020. Net income is \$94,275 ahead of budget but \$340,913 behind prior year due to large connection fees realized in March of 2019. However, the master meter for Regency has been set in April 2020 so the Board will realize water connection fees of approximately \$208,000 from this project on the next financial statement. Preliminary reports for April indicate that service revenues may only be down by less than 5% from budget despite the Pandemic. Residential usage seems to be offsetting a large portion of the loss in revenue from commercial and condo meters for the billing period of March 15 – April 15. This is a better result than anticipated at this point.

No other Board reports.

With no additional business to conduct, Mr. Diehl stated that the next regularly scheduled meeting is May 28, 2020 at 8:30 a.m. Subsequently, he declared the meeting adjourned at 9:28 a.m.

S E A L

Brian Hess, General Manager

Michael Diehl, Chairman

Billy Adcock, Secretary

