

**MINUTES OF A REGULAR SCHEDULED MEETING
OF
THE UTILITIES BOARD
OF
THE CITY OF GULF SHORES
May 28, 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:

Michael Diehl, Chairman
Billy Adcock, Secretary
Tom Giles, Treasurer

By phone conference:

John McCormick, Vice-Chairman
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 April 20, 2020, Mr. Giles made a motion to approve the minutes as presented; Mr. Adcock seconded motion. Motion carried unanimously.

A summary was provided with the information on items reported to the Board in Old and New Business.

Mr. Morris reported that Phase 1 of the WRF Lab Modifications is complete and the contractor has moved to Phase 2. Phase 2 consisted of wall demo and blockwork. Contractor has agreed to plumbing, painting, ceilings, and HVAC in exchange for no charges for liquidated damages.

Mr. Segars reported that 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. Segars reported that the engineers continue to work on the Goodwyn, Mills & Caywood - State Park 16" Water Line Project. GMC provided updated plans for GSU review and comment. Those review comments were presented to GMC last week. Next steps include submitting revised plans to ALDOT, ADCNR, and Fish and Wildlife for permitting. Timing for bidding the project is determined by turnaround time on receiving permits from the agencies.

Mr. Hess reported that the last month the Board approved the task order with GMC at the April 2020 meeting to begin the Master 2020 Plan update. The Utilities Systems Master 2020 Plan provides a future planning analysis of infrastructure needs based on growth and current system capacities. Staff is working with GMC to set up the initial information gathering for the project. Since the engineer has met with the Fish and Wildlife Department. There should not be any issues of the Fish and Wildlife Department signing off on the project. The Board mentioned that the State Park 16" water line is an important issue for the Board. Denise King is the Project Manager for this project.

Mr. Morris reported that the contractor for the Sludge Removal and Land Application is scheduled to start removing sludge in August after land permitting, soil and sludge testing are complete.

Mr. Morris provided a copy of the Municipal Water Pollution Prevention Annual Report (MWPP) to Board Members in their Board packets. The evaluation scored a total of 2 points out of a possible 783, with the lower the score the better. The WRF report grade then deems that GSU has provided "Actions as appropriate". The plant loadings are still well below permit maximums. This process was done three (3) years ago. In the past, land permitting was not required; however it is now part of the procedures. The land permit is issued by ADEM.

Mr. Kennedy moved to approve Resolution No. 235-20 States Board Action Related to the MWPP; Mr. Giles second. Motion carried unanimously.

Mr. Bonifay reported that GSU is requesting approval of a construction contract with Griner Drilling Services, Inc. to provide construction of the rehabilitation of Well #8. Bids were taken on May 7th with two (2) bidders submitting bids. Griner was the lowest and best at \$95,000. Staff had no complaints about the work completed by Griner. This project will help restore water supply to the system. Board action is to approve the bid with Griner Drilling Services, Inc. in the amount of \$95,000.

Mr. Kennedy moved to accept the Bid for Well #8 Rehabilitation from Griner Drilling Services, Inc. for \$95,000.

Mr. Segars presented Resolution #236-20 of 84 units for Project Acceptance of The Village at Craft Farms, Phase 1 (County Road 8) which has been constructed and approved by GSU for acceptance into the system. Resolution #236-20 will officially accept the improvements by the Board into the GSU water and sewer systems.

Mr. Craft moved to approve Resolution #236-20 for Project Acceptance of The Village at Craft Farms, Phase I; Mr. Adcock seconded motion. Motion carried unanimously.

Ms. Butler provided the Blue Cross Blue Shield Insurance Proposal documents for approval. This also include a rate history for that last Blue Cross Blue Shield renewal for July 2020 – June 2021 is increasing by 8.32% for the Blue Choice Platinum plan. The expected increase to the Board is approximately \$31,000 for the year. GSUB deals directly with Blue Cross Blue Shield to secure plans and pricing. Staff reached out to a third-party vendor to provide a cost comparison but did not receive a response. Staff compared the current Platinum plan, which the Board has provided for several years, to the Blue Access Gold plan. Dropping from the Platinum plan to the Gold plan would only decrease premiums by approximately 2.47% but the out of pocket expenses, deductibles and co-pays would increase significantly for employees. Deductibles would increase from \$100 for individuals and \$200 per family to \$600 for individuals and \$1,200 per family. Out of pocket would increase from \$4,000 for individuals and \$8,000 per family to \$6,000 for individuals and \$12,000 per family. Many co-pays would increase from \$150 to \$250. Due to the increased expense to employees that would result in dropping from the Platinum to Gold plan and due to the quality of coverage provided by Blue Cross Blue Shield, staff recommends approval of the Blue Choice Platinum plan renewal for 2020-2021.

Mr. Kennedy moved to accept the 2020-2021 Blue Cross Blue Shield proposal for July, 2020 to June, 2021; Mr. Adcock seconded. Motion carried unanimously.

Ms. Phillips provided a copy of the Safety Awareness Report. The reports read as follows:

The Safety Committee Meeting for May was on “Temperatures Extremes”. We discussed some suggestions and I also provide the February 18, 2018 Safety Memo that discussed Heat Related Illnesses.

We also discussed continuing to practice social distancing with staff and customers. We are spraying and wiping down equipment, door handles, tables, furniture, etc. We reminded staff to continue to wash their hands regularly and use hand sanitizers. We have purchased masks, gloves, hand sanitizers, spray sanitizers to use on truck handles, steering wheels, etc. and Plexiglas has been ordered for each of the customer service stations. We have also ordered the hand sanitizers stands to have at doorways that are used regularly. Brian has also sent out a couple of memos to employees to inform them that we continue to follow CDC, State Health Department and local directives.

We had one incident, an employee was pushing a lawn mower out of the building and fell. I sent them to the Urgent Care. The employee went home for the day and was back to work the next day. Anytime an employee is hurt, we send them to urgent care to be seen. This way if any symptoms continue or present themselves later, we have already submitted a claim which protects our employees as well as our company.

There was one near miss, someone slipped on the rug that is located when you come into the administration side of the building. She did not fall and was not hurt. The rug was removed and the uniform service was contacted to provide a new rug.

Mr. Hess reported on the following topics:

The CIPP liner project for lining a 12” sewer main under SR59 was completed. Staff will test to determine if the capacity of the main has been restored once back washing of WTP #3 is resumed.

Training for Wastewater certifications had been taking place in the training room prior to the closings associated with COVID with one class remaining. Staff is now working to secure a larger room to accommodate resuming the training with the proper distancing between participants. The completion of the Wastewater Certification and the beginning of the Water Certification classes will continue in June.

As the COVID schedule and split shift changes were put in place, staff tracked all hours that were irregular due to workers being on different schedules. Staff will look into what hours may be reimbursable through Federal programs, but it will most likely be those associated with staff that was not able to work due to child care issues from school closings.

Flows from the WTP have been increased and the recent flows over the Memorial Day weekend were the highest four day total recorded at GSU, averaging just over 6.4 MGD. The 2019 Memorial Day weekend flows averaged 6.1 MGD. Much of the duration of the COVID timeframe with people at home showed an increase in the irrigation flows, helped by drought conditions. Water production has remained higher than normal throughout April and May.

Flows at the WRF in early May were 1.5-1.8 MGD during the week and 2.4-2.7MGD on weekends. Since the “Safer at Home Order” was lifted on May 15th, flows have been 2.7-3.0 MGD every day since. Memorial Day weekend flows were 3.2-3.4MGD and the WRF processed with no major issues and with full compliance to NPDES permit. Note: Last July 4th flows were 2.9-3.2MGD.

Ms. Butler reported that the Revenues are \$79,925 over budget and expenses are \$116,822 below budget resulting in Net Income from Operations exceeding budget by \$196,748 as of April 30, 2020. Total Net Income is \$340,542. Connection fees are \$705,005 which is \$103,005 ahead of budget due to Regency Condos water service coming online in April 2020. Connection fees are behind last year by \$236,414 but deferred connections are currently \$657,934 for fees that have been paid but not yet realized including \$208,000 in sewer connection fees for Regency Condos and approx. \$192,000 for water and sewer connections for Marabella which is currently under construction. Total Net Income is below last year by \$532,383 but ahead of budget by \$192,219 due to connection fees and budgeted repair and maintenance items including WTP # 3 filter media replacement and WRF Clarifier #2 recoating. May 2020 service revenues are on target to be higher than prior year.

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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 9:00 a.m.

S E A L

Brian Hess, General Manager

Michael Diehl, Chairman

Billy Adcock, Secretary