

**MINUTES OF THE REGULAR BI-MONTHLY MEETING OF DIRECTORS
OF THE WATER WORKS BOARD OF THE CITY OF BIRMINGHAM
August 30, 2018**

The regular bi-monthly meeting of the directors of The Water Works Board of the City of Birmingham was held on Thursday, August 30, 2018, at 11:30 a.m., at 3600 First Avenue North, Birmingham, Alabama.

The following Directors were present: Tommy J. Alexander, Deborah Clark, Brenda J. Dickerson, William “Butch” Burbage, Jr., Sherry W. Lewis, and William R. Muhammad. Director Brett A. King was absent.

The meeting was also attended by: Mac Underwood, General Manager; TM “Sonny” Jones, Darryl Jones, and Michael Johnson, Assistant General Managers; Grace E. Amison, Executive Assistant to the Board of Directors; Vanessa Washington, Executive Assistant to AGM Michael Johnson, Mark Parnell, Parnell Thompson, LLC; Kelvin Howard, KWH, LLC.; Jesse Lewis, and Tommy Palladino, Agency 54; Patrick Flannelly and Brian T. Ruggs, ARCADIS US, Inc.; Theo Johnson, Volkert; Kayla Currie, AGO; Matthew Arrington, Terminus; Walter Lewis, Piper Jaffray; Matt Adams, Raymond James; Kim Bivins, BCIA; Chandra Abesingha, CE Associates; Jason Grubbs, Frazer Lanier; Alston Ray, Butler Snow; Otis Stewart, The Stewart Firm; Mike Hall, Burr & Forman; Sarah Stokes, SELC; Don Mosely and Earl Hilliard, Jr., City of Birmingham; Beth Stewart, Latanya Scott, David Butler, and Trae Watson, Cahaba River Society; Steve Brannon, Audrey Wallace, and Ty Wallace, On Call HVAC; Dennis Pillion, AL.com; Steve Franks, Barry Williams, Ben Sorrell, George Anderson, Rick Jackson, Drusilla Hudson, John Dansby, Ken DeLap, and BWWB Security, Board Employees; Isaac Ballard and Nelda Thompkins, Retirees; Peggy Gargis, W. Mike Howell, Betty Shikle, Visitors.

Inasmuch as a majority of Board members were present, a quorum was in attendance. GM Underwood called the meeting to order at 11:30 a.m. Following, George Anderson, I.T. Manager opened the meeting with prayer.

Next, GM Underwood asked the Board to adopt resolutions commending the following employees, as set forth in agenda item 1.1, as Employees of the Month for August 2018 from the Engineering and Maintenance Division: Superintendent-Electrical Casey Rogers, Industrial Control Master Electricians Brent McCoy, Jacky Atwell, and Jason Phillips, Industrial Control Journeyman Charles McGee, Building Maintenance Electrician Journeyman Donald Hicks, Superintendent – Mechanical Russell Jennings, Machinist Brent Zeanah, Senior Maintenance Mechanic Johnny Bittles, Maintenance Mechanic II Dusty Murphy, and Maintenance Mechanic I Andrew Smith; and from the Operations and Technical Services Division: SCADA Manager Luther Austin, SCADA Analysts Walter Scott and Trey Finch, SCADA Analyst Trainee Kyle Sigman, PFP Senior Operator Hubert Shikel, and PFP Operator III Eric Hill. On a motion duly made and seconded, the following resolution was adopted:

“BE IT RESOLVED By the Water Works Board of the City of Birmingham (“the Board”), on a motion duly made by Dr. Brenda J. Dickerson and seconded by Ms. Deborah Clark, that the

Board hereby recognizes and commends Casey Rogers, Brent McCoy, Jacky Atwell, Charles McGee, Jason Phillips, Donald Hicks, Russell Jennings, Brent Zeanah, Johnny Bittles, Dusty Murphy, Andrew Smith, Luther Austin, Walter Scott, Trey Finch, Kyle Sigman, Hubert Shikle, and Eric Hill, as the Engineering & Maintenance and Operations & Technical Services Divisions Employees of the Month for August 2018, on having achieved outstanding job performance, attendance, and work above expected levels;

BE IT FURTHER RESOLVED, that a copy of this resolution be spread upon the minutes of the Water Works Board of the City of Birmingham and a copy presented to each employee.

Resolution No. 7864 is hereby adopted by unanimous vote.”

Following, the employees introduced themselves to the Board. Then, HR Partner Cherita King spoke of the group’s teamwork and the various issues in the water system that the group resolved because of a power outage. Ms. King congratulated the group on their efforts and informed the Board that the group listed totaled 245 years of service, which shows their continuity and dedication to the organization. Afterwards, AGM Darryl Jones and Chairman Alexander also thanked the group.

Next, GM Underwood asked the Board to adopt a resolution authorizing monthly retirement benefits from the Board's Retirement Trust Fund for John MacQueen, Wireless Communication Technician, SCADA Department, for 43 years and 2 months of service, as stated on the respective calculation, effective September 1, 2018, and commending Mr. MacQueen for his years of service, as set forth in agenda item 2. On a motion duly made and seconded, the following resolutions were adopted:

“WHEREAS, John MacQueen, an employee of The Water Works Board of the City of Birmingham ("the Board"), is retiring, effective September 1, 2018, at an age of 61; and

WHEREAS, John MacQueen has 43 years and 2 months of continuous service with the Board at his retirement date, and, in accordance with the terms of the Trusteed Pension Plan, Mr. MacQueen is entitled to receive a monthly retirement payment from the Board’s Retirement Trust Fund in the amount of \$4,786.55; and

NOW, THEREFORE, BE IT RESOLVED By the Board of Directors of The Water Works Board of the City of Birmingham, on motion duly made by Dr. Brenda J. Dickerson and seconded by Mr. William R. Muhammad, that the Trustee be, and is hereby instructed to pay monthly benefit payments of \$4,786.55 to Mr. MacQueen, beginning September 1, 2018, from the Board’s Retirement Trust Fund, in accordance with the terms of the Pension Plan.

Resolution No. 7865 is hereby adopted by unanimous vote.”

“WHEREAS, John MacQueen, an employee of The Water Works Board of the City of Birmingham, is retiring, effective September 1, 2018, after 43 years and 2 months of service with the Board; and

WHEREAS, management has informed the Board of John MacQueen’s efficiency, reliability, and loyal service which contributed to the effective operation and growth of The Water Works Board of the City of Birmingham; and

WHEREAS, John MacQueen, leaves behind a record which deserves a sincere word of gratitude for a job well done; and the Board does hereby express its best wishes for many happy years ahead.

NOW, THEREFORE, BE IT RESOLVED, By the Board of Directors of the Water Works Board of the City of Birmingham, John MacQueen is hereby commended for his efficiency, reliability, and loyal service to the Board.

BE IT FURTHER RESOLVED, that in recognition of John MacQueen’s services to the Board, a copy of this resolution be spread upon the minutes of The Water Works Board of the City of Birmingham and an official resolution presented to Mr. MacQueen.

Resolution No. 7866 is hereby adopted by unanimous vote.”

Next, GM Underwood asked the Board to approve minutes, as set forth in agenda item 3. GM Underwood indicated that management has reviewed the referenced minutes and recommends them for approval. On a motion duly made and seconded, the following resolution was adopted:

“BE IT RESOLVED BY The Water Works Board of the City of Birmingham (“the Board”), on a motion duly made by Dr. Brenda J. Dickerson and seconded by Ms. Deborah Clark, that the Board hereby approves minutes of the following meeting:

- Regular Board of Directors’ Meeting held April 26, 2018
- Regular Board of Directors’ Meeting held June 15, 2018

Resolution No.7867 is hereby adopted by unanimous vote.”

At 11:42 a.m. Director Mims entered the meeting. Next, GM Underwood asked the Board to approve payments of invoices for professional services, as set forth in agenda item 4.1 through 4.6, respectfully. GM Underwood indicated management had reviewed the invoices and recommended them for approval. Director Muhammad asked to vote on invoices separately. He requested to separate invoices, 4.1, 4.4. and 4.5. Therefore, a motion was made to approve 4.2, 4.3, and 4.6. On a motion duly made and seconded, the following resolution was adopted:

Book. Dr. Dickerson stated Parnell and Thompson has tried to make their invoices better. In addition, she still has issues with the general and employment general items on the invoices, although she does see a reduction in their invoices, which is great. However, she is unclear as to the reason for \$16,000.00 in fees for general and \$9,000.00 for employment general. Attorney Parnell explained that the billing has been done the same way since the firm prior to them billed. He stated that the general file is for short term matters that are not ongoing, or answering simple questions, but the employment general file captures: calls about employment related matters, EEO charges, and lawsuits to eliminated multiple files. Attorney Parnell stated that any Board member with questions or concerns about their bill should contact them, because they are more than happy to meet with them. After much discussion, Director Muhammad made a motion to approve the invoices for agenda items 4.1, 4.4, and 4.5. Director Burbage seconded the motion.

“BE IT RESOLVED By The Water Works Board of the City of Birmingham (“the Board”), on a motion duly made by Mr. William R. Muhammad and seconded by Mr. William “Butch” Burbage, Jr., that the Board hereby authorizes staff to execute payments to the following:

- 4.1 Emory Anthony Jr. Law Office
For professional services rendered from July 27, 2018
through August 16, 2018 \$2,970.00

- 4.4 Cory Watson, P.C.
For professional services rendered for May 23, 2018
through August 14, 2018 \$36,493.10

- 4.5 Parnell Thompson, LLC.
For professional services rendered for July 2018 \$84,459.31

Resolution No. 7869 is hereby adopted by unanimous vote.”

Following, under other business, Chairman Alexander announced it was time to enter Executive Session to discuss pending litigation. Attorney Mark Parnell indicated co-counsel was present. He certified pending litigation as the proper purpose for Executive Session. Attorney Parnell estimated Executive Session to last 45 minutes to an hour. On a motion duly made and seconded, the following resolution was adopted:

“BE IT RESOLVED By The Water Works Board of the City of Birmingham (“the Board”), on a motion duly made by Ms. Sherry W. Lewis and seconded by Mr. William R. Muhammad, that the Board hereby approves an Executive Session to discuss a pending litigation matter.

Resolution No. 7870 is hereby adopted by unanimous vote.”

At 11:54 a.m., the Board and Board’s Attorneys entered Executive Session. Director Munchus entered the Executive Session at 12:37 p.m. Attorneys with Cory Watson, P.C. departed

said session at 12:55 p.m. Subsequently, 1:02 p.m., the motion to end Executive Session was made by Director Lewis and seconded by Director Dickerson. Thus, the Board reopened the meeting.

Next, GM Underwood asked the Board to approve and authorize the General Manager and/or Assistant General Manager to enter into a 1-year Crosslab Silver extended service agreement with Agilent Technologies, a sole source provider, that will give necessary support to maintain the EnviroLab’s three gas chromatography mass spectrometry instruments at an out-of-pocket cost to the Board of \$28,922.40, as recommended by the Engineering and Maintenance Committee, and as set forth in agenda item 5. The service agreement will cover one 5973T GCMS System and two GCMS 5975 Turbo Systems. [NOTE: This expenditure is exempt from bidding under the Alabama Competitive Bid Law because it is a sole source provider]. On a motion duly made and seconded, the following resolution was adopted:

“BE IT RESOLVED By The Water Works Board of the City of Birmingham (“the Board”), on a motion duly made by Mr. Ronald A. Mims and seconded by Dr. Brenda J. Dickerson, that the Board hereby approves and authorizes the General Manager and/or the Assistant General Manager to enter into a 1-year Crosslab Silver extended service agreement with Agilent Technologies, a sole source provider, that will give necessary support to maintain the EnviroLab’s three gas chromatography mass spectrometry instruments at an out-of-pocket cost to the Board of \$28,922.40; and authorizes the General Manager and/or the Assistant General Manager to execute said agreement, as recommended by the Engineering and Maintenance Committee. [NOTE: This expenditure is exempt from bidding under the Alabama Competitive Bid Law because it is a sole source provider.]

Resolution No. 7871 is hereby adopted by unanimous vote.”

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Next, GM Underwood asked the Board to approve and authorize the General Manager and/or Assistant General Manager to enter into a 1-year basic service plan with Perkin Elmer, a sole source provider, that will give necessary support to maintain the EnviroLab’s Mercury Analyzer, Flame Auto-sampler, two gas chromatography instruments, and Totalchrom Workstation software at an out-of-pocket cost to the Board of \$16,512.00, as recommended by the Engineering and Maintenance Committee and as set forth in agenda item 6. [NOTE: This expenditure is exempt from bidding under the Alabama Competitive Bid Law because it is a sole source provider]. On a motion duly made and seconded, the following resolution was adopted:

“BE IT RESOLVED By The Water Works Board of the City of Birmingham (“the Board”), on a motion duly made by Mr. Ronald A. Mims and seconded by Dr. Brenda J. Dickerson, that the Board hereby approves and authorizes the General Manager and/or the Assistant General Manager to enter into a 1-year basic service plan with Perkin Elmer, a sole source provider, that will give necessary support to maintain the EnviroLab’s Mercury Analyzer, Flame Auto-sampler, two gas chromatography instruments, and Totalchrom Workstation software at an out-of-pocket cost to the Board of \$16,512.00; and authorizes the General Manager and/or the Assistant General Manager to execute said agreement, as recommended by the Engineering and Maintenance Committee.

[NOTE: This expenditure is exempt from bidding under the Alabama Competitive Bid Law because it is a sole source provider.]

Resolution No. 7872 is hereby adopted by unanimous vote.”

Next, GM Underwood asked the Board to take bids, as set forth in agenda items 7.1 through 7.4. Director Lewis requested to separate item 7.3 for discussion, and Dr. Munchus seconded. Therefore, a motion was made to approve agenda items 7.1, 7.2, and 7.4. On a motion duly made and seconded, the following resolution was adopted:

“BE IT RESOLVED By The Water Works Board of the City of Birmingham (“the Board”), on a motion duly made by Ms. Sherry W. Lewis and seconded by Dr. Brenda J. Dickerson, that the Board hereby authorizes staff to take bids on the following, as recommended by the Engineering and Maintenance Committee:

- 7.1 To Upgrade the HVAC at the BWW Customer Service Center Building for an estimated out-of-pocket cost to the Board of \$360,000.00.
- 7.2 Western Filter Plant New Pump Building HVAC Replacement for an estimated out-of-pocket cost to the Board of \$175,000.00.
- 7.4 To purchase and install a Standby power generator set and automated transfer switch, located at Homewood Pump Station, 717 Broadway Street, Birmingham AL for an estimated out-of-pocket cost to the Board of \$128,900.00.

Resolution No. 7873 is hereby adopted by unanimous vote.”

Next, GM Underwood asked the Board to take bids, as set forth in agenda item 7.3 for sinkhole remediation alongside our Lake Purdy Well Site access driveway for an estimated probable cost of repairs to the Board of approximately \$275,000.00 to \$300,000.00 in labor, equipment and materials, as recommended by the Engineering and Maintenance Committee. Director Lewis asked which well was involved. GM Underwood, AGM Sonny Jones, and Engineer Steve Franks explained the sink hole remediation situation. Director Lewis expressed concerns on the benefits of continuing with the wells and costs. She asked if BWWB was continuing with the wells and if so, what are the benefits. Per Director Lewis, she would like to see a report providing the information. Dr. Dickerson also expressed concerns with the wells. Patrick Flannelly of ARCADIS stated he would evaluate any direct link to the use of the wells and to the sink holes and provide the recommendations. AGM Darryl Jones recommendation is that BWWB should keep the wells. AGM Darryl Jones explained to the Board members that the benefits of the wells are seasonal. Mr. Flannelly concurred that the well problems should be fixed. Then, Dr. Dickerson inquired about the cost for maintaining the wells. After much discussing on the wells and sink holes, a geological report, the cost paid out for sinkholes remediation, and cost for maintaining the wells was requested

to be provided in a comprehensive report. On a motion duly made and seconded, the following resolution was adopted:

“BE IT RESOLVED By The Water Works Board of the City of Birmingham (“the Board”), on a motion duly made by Ms. Sherry W. Lewis and seconded by Mr. Ronald A. Mims, that the Board hereby authorizes staff to take bids on the following, as recommended by the Engineering and Maintenance Committee:

- 7.3 Sinkhole remediation alongside our Lake Purdy Well Site access driveway for an estimated probable cost of repairs to the Board of approximately \$275,000.00 to \$300,000.00 in labor, equipment and materials.

Resolution No. 7874 is hereby adopted by unanimous vote.”

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Next, GM Underwood asked the Board to award bids, as set forth in agenda item 8.1 through 8.5, respectfully; as recommended by the Engineering and Maintenance Committee. Dr. Munchus requested the record to show an “no” vote from him on all items 8.1 through 8.5. On a motion duly made and seconded, the following resolution was adopted:

“BE IT RESOLVED By The Water Works Board of the City of Birmingham (“the Board”), on a motion duly made by Dr. Brenda J. Dickerson and seconded by Mr. Ronald A. Mims, that the Board hereby authorizes staff to execute purchase orders and/or contracts for procurement of materials, services and supplies needed for the operation, construction, and maintenance of the water system to the following:

- 8.1 Data Blue, the lowest responsible and responsive bidder, for a new SCADA Data Server System with off campus back up to Data Blue for \$243,987.52. Data Blue was the only vendor to submit a bid for this project, and their submission meets all the criteria specified for this project. BWWB labor cost is \$30,000.00 and with a contingency budget of \$25,000.00, which makes the total estimated out-of-pocket cost to the Board \$298,987.52, as recommended by the Engineering and Maintenance Committee; and to authorize the General Manager and/or the Assistant General Manager to execute a contract per Bid Specifications and Conditions. [NOTE: The Historically Underutilized Business (HUB)’s subcontractor participation is 0%].
- 8.2 Consolidated Pipe, the lowest responsible and responsive bidder, for estimated quantities of Meter Boxes and Lids, at an estimated out-of-pocket cost to the Board of \$149,686.50 based on the unit prices listed on the evaluation, as recommended by the Engineering & Maintenance Committee; and to authorize the General Manager and/or the Assistant General Manager to execute a contract per Bid Specifications and Conditions. [NOTE: The Historically Underutilized Business (HUB)’s subcontractor participation is 0% (Direct Manufacturer).]
- 8.3 Ferguson Waterworks, the lowest responsible and responsive bidder, for estimated quantities of Meter Adapters (Annual), at an estimated out-of-pocket cost to the Board of

\$86,454.91 based on the unit prices listed on the evaluation, as recommended by the Engineering & Maintenance Committee; and to authorize the General Manager and/or the Assistant General Manager to execute a contract per Bid Specifications and Conditions. [NOTE: The Historically Underutilized Business (HUB)'s subcontractor participation is 0% (Direct Manufacturer).]

- 8.4 G&C Supply, the lowest responsible and responsive bidder, for estimated quantities of Corporation Stops (Annual), at an estimated out-of-pocket cost to the Board of \$157,920.00 based on the unit prices listed on the evaluation, as recommended by the Engineering & Maintenance Committee; and to authorize the General Manager and/or the Assistant General Manager to execute a contract per Bid Specifications and Conditions. [NOTE: The Historically Underutilized Business (HUB)'s subcontractor participation is 0% (Direct Manufacturer).]
- 8.5 Consolidated Pipe, the lowest responsible and responsive bidder, for Full Circle Repair Clamps (Annual), at an estimated out-of-pocket cost to the Board of \$96,049.41 based on the unit prices listed on the evaluation, as recommended by the Engineering & Maintenance Committee; and to authorize the General Manager and/or the Assistant General Manager to execute a contract per Bid Specifications and Conditions. [NOTE: The Historically Underutilized Business (HUB)'s subcontractor participation is 0% (Direct Manufacturer).]

Resolution No. 7875 is hereby adopted by Directors Alexander, Clark, Dickerson, Burbage, Mims, Lewis, and Muhammad. Director Munchus voted no.”

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Next, GM Underwood asked the Board to exercise its bid option, as set forth in agenda item 9.1 and 9.2, respectfully; as recommended by the Engineering and Maintenance Committee. GM Underwood advised the Board of its right to extend the contract for a 12-month period, cancel with a 30-day written notice, or rebid; therefore, management recommends approval of said item. Following, the board members voted in favor with “aye”, except for Dr. Munchus who opposed with a “no” vote for agenda items 9.1 and 9.2. On a motion duly made and seconded, the following resolution was adopted:

“BE IT RESOLVED By The Water Works Board of the City of Birmingham (“the Board”), on a motion duly made by Ms. Sherry W. Lewis and seconded by Ms. Deborah Clark, that the Board hereby exercises its bid option to extend the contract for 12-months; and to authorize the General Manager and/or Assistant General Manager to execute contracts with the following:

- 9.1 American Cast Iron Pipe, the lowest responsible and responsive bidder, for estimated annual quantities of Pipe (Slip joints, Pressure class pipe and M.J. Fittings), per bid awarded July 27, 2017, at an estimated out-of-pocket cost to the board of \$2,500,708.40, as recommended by the Engineering & Maintenance Committee; and to authorize the General Manager and/or the Assistant General Manager to execute a contract per Bid Specifications and Conditions. [NOTE: The Historically Underutilized Business (HUB)'s subcontractor participation is 0% (Direct Manufacturer).]

9.2 For Delivery and Pickup of Asphalt Cold Mix

Advanced Asphalt, the lowest responsible and responsive bidder, for delivery, per bid awarded June 29, 2017, at an estimated annual out-of-pocket cost to the Board of \$185,000.00, and to authorize the General Manager and/or the Assistant General Manager to execute a contract per Bid Specifications and Conditions, as recommended by the Engineering & Maintenance Committee. [NOTE: The Historically Underutilized Business (HUB)'s subcontractor participation is 0% (Direct Manufacturer).]

Dunn Construction, the lowest responsible and responsive bidder, for pick-up, per bids awarded June 29, 2017, at an estimated annual out-of-pocket cost to the Board of \$174,875.00, as recommended by the Engineering & Maintenance Committee; and to authorize the General Manager and/or the Assistant General Manager to execute a contract per Bid Specifications and Conditions. [NOTE: The Historically Underutilized Business (HUB)'s subcontractor participation is 0% (Direct Manufacturer).]

Resolution No. 7876 is hereby adopted by Directors Alexander, Clark, Dickerson, Burbage, Mims, Lewis and Muhammad. Director Munchus voted no.”

Next, GM Underwood asked the Board to approve Butler Snow as Underwriter's Counsel for the 2018 Bond Issue, as set forth in agenda item 10. GM Underwood stated management recommends approval. However, Director Muhammad made a motion to include Otis Stewart's firm as the co-underwriter counsel. Dr. Munchus seconded the substitute motion. Matthew Arrington of Terminus explained that the role of underwriter's counsel during the bond issuance process is that they represent the underwriters and prepare the bond purchase agreement, which is the agreement between the underwriters and Board to purchase the debt of \$97 million. There was discussion whether Director Muhammad was also recommending Butler Snow as the lead underwriter counsel. Director Muhammad indicated he thought it was understood as so. Therefore, the motion was amended to approve Butler Snow as the Underwriter's Counsel and Otis Stewart as the co-Underwriter's Counsel for the 2018 bond issue by a roll call vote: Directors Dickerson, Mims, Munchus, and Muhammad voted Yes; Directors Alexander, Burbage, and Lewis voted No; and Director Clark Abstained. On a motion duly made and seconded, the following resolution was adopted:

“BE IT RESOLVED By The Water Works Board of the City of Birmingham (“the Board”), on a motion duly made by Mr. William R. Muhammad and seconded by Dr. George Munchus, that the Board hereby approves Butler Snow as Underwriters Counsel and Otis Stewart as Co-Underwriter's Counsel for the 2018 Bond Issue. Resolution No. 7877 is hereby adopted by a roll call vote: Chairman Alexander, No; Director Clark, Abstained; Director Dickerson, Yes; Director Burbage, No; Director Mims, Yes; Director Lewis, No; Director Munchus, Yes; and Director Muhammad, Yes.”

Next, GM Underwood asked the Board to approve said bond team’s allocation for the Series 2018 Bond transaction, as set forth in agenda item 11. Director Lewis asked how the \$97 million came about and how long will the money last. Mr. Arrington and GM Underwood answered the questions. Per Director Lewis, she is concerned about continuously going to the bond market. Also, the allocated amounts needed to be adjusted. Dr. Munchus stated that Piper Jaffray had 6 yes votes, therefore, they should get a 60% allocation as the lead. He asked Matthew Arrington had a lead ever taken a 60% allocation which, he answered yes (previously Raymond James). However, Mr. Arrington stated there were only four firms in that bond deal and those firms were not national firms. Per Director Lewis, Frazer Lanier and Securities Capital allocation amount should each be increased to 10% but she is not supportive of allocating 60% to Piper Jaffray. Director Muhammad stated he was in favor of Piper Jaffray and Raymond James receiving an increased allocation percentage. In addition, Raymond James was also considered as lead, so he has an issue with Citi receiving the same amount of money as them. There was a motion from Director Burbage and seconded from Dr. Dickerson to allocate to the 5-member syndicate as follows: Piper Jaffray-Senior, 40%; Raymond James - Co-Manager, 25%; Citi - Co-Manager, 25%; Frazer Lanier - Co-Manager, 5%; and Securities Capital - Co-Manager, 5%. A roll call vote was taken, and the motion failed as follows: Directors voted: Burbage, yes, Muhammad, no; Dickerson, no; Munchus, no; Mims, no; Clark, no; Lewis, no; and Alexander, yes.

Following, Director Lewis made a substitute motion and Dr. Dickerson seconded the motion to allocate to the 5-member syndicate as follows: Piper Jaffray-Senior, 40%; Raymond James - Co-Manager, 25%; Citi - Co-Manager, 15%; Frazer Lanier - Co-Manager, 10%; and Securities Capital - Co-Manager, 10%. A roll call vote was taken, and the motion passed as follows: Directors voted: Burbage, yes, Muhammad, yes; Dickerson, yes; Munchus, yes; Mims, yes; Clark, yes; Lewis, yes; and Alexander, yes. On a motion duly made and seconded, the following resolution was adopted:

“BE IT RESOLVED By The Water Works Board of the City of Birmingham (“the Board”), on a substitute motion duly made by Ms. Sherry W. Lewis and seconded by Dr. Brenda J. Dickerson, that the Board hereby approves its bond team allocation for the Series 2018 Bond transaction as follows:

<u>5-Member Syndicate</u>	<u>Role</u>	<u>Allocation</u>
1. Piper Jaffray	Senior	40%
2. Raymond James	Co-Manager	25%
3. Citi	Co-Manager	15%
4. Frazer Lanier	Co-Manager	10%
5. Securities Capital	Co-Manager	10%
Total		100%

Resolution No. 7878 is hereby adopted by a unanimous roll call vote: Chairman Alexander, Yes; Director Clark, Yes; Director Dickerson, Yes; Director Burbage, Yes; Director Mims, Yes; Director Lewis, Yes; Director Munchus, Yes; Director Muhammad, Yes.”

Next, GM Underwood asked the Board to suspend Section 5.6 of BWWB Employee Handbook in order to provide the Human Resources Committee time to review said policy, as set forth in agenda 12. Director Mims acknowledge he submitted the item and Attorney Mark Parnell stated he drafted the item for Director Mims. He stated Director Mims wanted to revisit the policy. Section 5.6 of the handbook policy establishes the policy and guidelines to assist employees in job transitions for injury or medical reasons. Attorney Parnell stated that the employee’s situation is that, he has applied for jobs; however, is unqualified for the job positions available. Per GM Underwood, an employee that sustained injuries was moved to another department. Therefore, he has received a 120-day notice, and he authorized Human Resources to extend it for another 30 days to allow the employee to find another job in another department. GM Underwood explained that allowing the employee to stay in the department indefinitely (an unbudgeted position), would be adding another budgeted position to the budget or that department. The goal is for him to find a budgeted position within the company. Director Clark expressed concerns of deviating from policies and changing them for a specific person or situation every time a situation comes up sets BWWB up for litigation. However, she has no problem with extending the 30 days. Per Director Mims, an employee should not be put on the street if she or he got injured working for BWWB. Then, Director Mims made a substitute motion to add a position, and Dr. Munchus seconded the motion. Dr. Dickerson clarified that the item is to review the policy not for one specific individual. After much discussion, Director Mims withdrew his motion. Then, Director Muhammad made the motion to approve agenda item 12 and Dr. Munchus seconded the motion. On a motion duly made and seconded, the following resolution was adopted:

“BE IT RESOLVED By The Water Works Board of the City of Birmingham (“the Board”), on a motion duly made by Mr. William R. Muhammad and seconded by Dr. George Munchus, that the Board hereby approves to suspend Section 5.6 of BWWB Employee Handbook in order to provide the Human Resources Committee time to review said policy.

Resolution No.7879 is hereby adopted by Directors Clark, Dickerson, Mims, Munchus, and Muhammad. Director Lewis abstained. Directors Alexander and Burbage voted no.”

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Next, GM Underwood asked the Board to hear a presentation from the Cahaba River Society regarding Alabama Department of Transportation's (ALDOT) proposed extension of Cahaba Beach Road, as set forth in agenda item 13. Then, Beth Stewart, Latonya Scott, and David Butler; Cahaba River Society, gave a presentation of their concerns on ALDOT building a road and bridge over the Little Cahaba River (*copies which are on file with the Board meeting book*). They expressed their concerns that the extension of Cahaba Beach Road would degrade the drinking water for the greater Birmingham area, affecting almost a million citizens. Also, concerns were that it would cause traffic issues, the cost and who will bear the cost, and destruction of the wilderness. However, their biggest concerns were the pollution impact during construction and the impact on the keeping the drinking water clean. Ms. Stewart stated the No Build alternative is the appropriate alternative. Dr. Munchus asked a question as to the developer involved. There was discussion of Drummond Company as a developer of Liberty Park. After continued discussion on the Cahaba Beach Road extension, Beth Stewart asked the Board to

watch the documentary film made about the project or to watch it online. Dr. Munchus asked Ms. Stewart if they were available to come out and show the film to students and residents, which she stated yes. Director Muhammad asked Ms. Stewart if she thought BWWB had the power to prevent the road extension. Per Ms. Stewart, the BWWB could say they do not wish for its land to be taken for construction in order to protection of its land. The road requires BWWB land for construction. In addition, GM Underwood distributed an email to Board members regarding *Cahaba Beach Road Update (a copy of which is on file with the Board meeting book)* and stated ALDOT also requested to make a presentation to the Board. Then, Attorney Mark Parnell spoke on the Board's options to oppose or consent, and the legal impact. Finally, the presentation was concluded.

Subsequently, agenda item 14 addressed new business and speakers. GM Underwood recognized the speaker Peggy Gargis. Ms. Gargis spoke on the issue of the extension of Cahaba Beach Road extension. She asked if the BWWB had assessed the susceptibilities of the drinking water sources for this proposed route. Then, Patrick Flannelly, ARCADIS, stated it had been reviewed. However, a detailed analysis cannot be completed, because they do not have all the information from ALDOT; therefore, the assessment had not been finalized to determine the impact or benefits to the BWWB and the customers. Following, speakers Steve Brannon and Ty Wallace, On Call HVAC, were acknowledged to speak. Mr. Brannon stated his company has been doing HVAC work for BWWB at all the facilities since last year. He expressed concerns regarding the contract for which his company submitted a bid. Per Mr. Brannon, he was informed the contract would be signed on July 1, then later the date had changed to August 1. Thus, after he sent an email, he was notified the bid had been cancelled and would be rebid. Mr. Brannon stated his company is the first minority company to win the contract. Next, GM Underwood asked for the other speaker to speak before addressing the issue. Ty Wallace, On Call HVAC, stated they were offered part but not the entire contract. Dr. Dickerson asked if they had been paid for work performed. Ty Wallace stated they received an email today about receiving payment after notifying GM Underwood. However, GM Underwood indicated that On Call Heating won bid #1, bid #3, and bid #4 as low bidder. Per GM Underwood, the company indicated they wanted a 3-year contract and to change the terms of the contract that allows the option for BWWB to terminate the contract for non-compliance. Attorney Mark Parnell stated the company received the standard contract. Director Clark expressed concerns on contradictory statements. Director Lewis asked if the bid for HVAC has been rebid, which GM Underwood answered no. Director Burbage left meeting at 2:26 and returned at 2:30 p.m. Director Lewis expressed her concerns and made a motion to delay rebidding the HVAC contract until the Board has had an opportunity to review all the documentation relative to the HVAC bid. Dr. Munchus seconded the motion. On a motion duly made and seconded, the following resolution was adopted:

“BE IT RESOLVED By The Water Works Board of the City of Birmingham (“the Board”), on a motion duly made by Ms. Sherry W. Lewis and seconded by Dr. George Munchus, that the Board hereby approves to delay rebidding the HVAC until the Board has had an opportunity to review all the documentation relative to HVAC bid.

Resolution No. 7880 is hereby adopted by unanimous vote.”

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Next, GM Underwood distributed a preliminary draft of the 2019 budget (*a copy of which is on file with the Board meeting book*). Director Clark requested GM Underwood to provide a list of every department that is over budget. In addition, she asked for the succession plan for three layers down as previously requested which GM Underwood provided to her. Director Mims left meeting at 2:34 p.m. Then, there was a discussion on setting a schedule for September meetings. Grace Amison, Executive Assistant to the Board of Directors proposed an Executive Committee Meeting to be held Wednesday, September 12, 2018 at 11:30 a.m. and asked if everyone agreed with that date and time. All present agreed except for Dr. Dickerson and Dr. Munchus. Then, GM Underwood stated Ms. Amison would send information.

As there was no further business to be brought before the Board, a motion to adjourn the meeting was duly made and seconded, and the meeting adjourned at 2:35 p.m.

_____/s/_____
Tommy J. Alexander
Chairman/President

Attest:

_____/s/_____
William "Butch" Burbage, Jr., CPA
Secretary-Treasurer