

**MINUTES OF THE REGULAR BI-MONTHLY MEETING OF DIRECTORS
OF THE WATER WORKS BOARD OF THE CITY OF BIRMINGHAM
November 20, 2018**

The regular bi-monthly meeting of the directors of The Water Works Board of the City of Birmingham was held on Tuesday, November 20, 2018, at 9:00 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., Ronald A. Mims, Sherry W. Lewis, Brett A. King, George Munchus, and William R. Muhammad.

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.; Dorian Kendrick, Martha Bozeman and Tommy Palladino, Agency 54; Patrick Flannelly and Brian T. Ruggs, ARCADIS US, Inc.; Theo Johnson, Volkert; Kayla Currie, AGO; Kimberly Cook, City of Vestavia Hills; Alan Wood, S.S. Nesbitt; Nicole Perry and Kristy Sheffer, Creative Benefit Solutions; Amble Johnson, SELC; Don Mosely and Earl Hilliard, Jr., City of Birmingham; Paul Lloyd, Rosalind Jones, Michael Parker, Steve Franks, Barry Williams, Ben Sorrell, George Anderson, Rick Jackson, Drusilla Hudson, John Dansby, Keith Witt, Ike Square, Geoff Goodwin, Derrick Maye, Johnathan Harris, Nikki Hardrick, Susie Cooper, Jonathan Hasberry, Herman Jones, and BWWB Security, Board Employees.

Inasmuch as all of the Board members were present, a quorum was in attendance. GM Underwood called the meeting to order at 9:02 a.m. Following, George Anderson, I.T. Manager opened the meeting with prayer.

Next, GM Underwood asked the Board to adopt resolutions commending Field Service Technician Eddie Spearman from the Finance and Administration Division and BWWB Meter Madness Team Coach Donald Templeton from the Operations and Technical Services Division as Employees of the Month for November 2018 as set forth in agenda item 1. GM Underwood indicated that management has reviewed the items 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. George Munchus and seconded by Dr. Brenda J. Dickerson, that the Board hereby recognizes and commends Eddie Spearman, as the Finance and Administration Division’s Employee of the Month for November 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 Eddie Spearman.

Resolution No. 7931 is hereby adopted by unanimous vote.”

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“BE IT RESOLVED By the Water Works Board of the City of Birmingham (“the Board”), on a motion duly made by Dr. George Munchus and seconded by Dr. Brenda J. Dickerson, that the Board hereby recognizes and commends the 2018 Meter Madness Coach, Donald Templeton for his 1st Place Finish at the AWWA 2018 Annual Conference as Employee of the Month for November 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.

Resolution No. 7932 is hereby adopted by unanimous vote.”

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Next, GM Underwood asked the Board to adopt a resolution authorizing monthly retirement benefits from the Board's Retirement Trust Fund for Walter Scott, SCADA Analyst, SCADA Department, for 30 years and 3 months of service, as stated on the respective calculation, effective December 1, 2018, and commending Mr. Scott for his years of service, as set forth in agenda item 2. GM Underwood indicated that management has reviewed the items and recommends them for approval. On a motion duly made and seconded, the following resolution was adopted:

“WHEREAS, Walter Scott, an employee of The Water Works Board of the City of Birmingham ("the Board"), is retiring, effective December 1, 2018, at an age of 55; and

WHEREAS, Walter Scott has 30 years and 3 months of continuous service with the Board at his retirement date, and, in accordance with the terms of the Trusteed Pension Plan, Mr. Scott is entitled to receive a monthly retirement payment from the Board’s Retirement Trust Fund in the amount of \$6,102.99; 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. George Munchus and seconded by Mr. Ronald A. Mims, that the Trustee be, and is hereby instructed to pay monthly benefit payments of \$6,102.99 to Mr. Scott, beginning December 1, 2018, from the Board’s Retirement Trust Fund, in accordance with the terms of the Pension Plan.

Resolution No.7933 is hereby adopted by unanimous vote.”

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“WHEREAS, Walter Scott, an employee of The Water Works Board of the City of Birmingham, is retiring, effective December 1, 2018, after 30 years and 3 months of service with the Board; and

WHEREAS, management has informed the Board of Walter Scott'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, Walter Scott, 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, Walter Scott is hereby commended for his efficiency, reliability, and loyal service to the Board.

BE IT FURTHER RESOLVED, that in recognition of Walter Scott'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. Scott.

Resolution No. 7934 is hereby adopted by unanimous vote."

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Next, GM Underwood asked the Board to approve the Operating and Maintenance (O&M) Budget for fiscal year 2019 totaling \$103,000,000.00, as set forth in agenda item 3.1; to approve the Capital Budget for fiscal year 2019 totaling \$63,893,797.00, as set forth in agenda item 3.2; and to approve the amendment of Resolution No. 6569 to provide within five (5) years from the date hereof, that the Board's Capital Improvement Program, through Pay-As-You Go (PAYGO) funds, will reach the target of paying for 50% of its capital projects through cash reserves and paying for 50% of its capital projects through debt financing, as set forth in agenda item 3.3, respectfully. A handout entitled *Birmingham Water Works Board FY 2019 Budget Summary as of November 20, 2018 (a copy of which is on file with the Board meeting book)* was distributed to support discussion of items. However, Dr. Munchus asked to vote on the item separately, because he wants to table item 3.3. Director Lewis asked GM Underwood to provide specific details on the new budget he proposed. He reviewed some specific reduced budget line items with the board such as the lobbyist, consultants, and legal. Director Lewis expressed concerns about the proposed budget reduction not presented from the beginning. In addition to the excess in the proposed budget, it does not have anything for the customers water rate increase. Director Lewis indicated that the proposed FY 2019 budgets needed for further review for more budget cuts. She made a motion to send agenda item 3.1 and 3.2 to the Executive Committee. Dr. Munchus seconded the motion. Following, there was much discussion about the Board's longevity pay policy and merit raises. The board also discussed in-depth, possible changes to PAYGO and the impact on customer water rates. Director Lewis made a motion to vote on the agenda 3 items separately. Dr. Munchus seconded the motion.

Next, GM Underwood asked for a roll call vote to table agenda item 3.1, requesting the board to approve the Operating and Maintenance (O&M) Budget for fiscal year 2019 totaling \$103,000,000.00. In a 5 to 4 roll call vote, said item was tabled. 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 item 3.1, the Operating and Maintenance Budget for fiscal year 2019 totaling \$103,000,000.00, be tabled. Resolution No. 7935 is hereby adopted by a roll call vote: Director Burbage, No; Director Muhammad, No; Director King, No; Director Dickerson, Yes; Director Munchus, Yes; Director Mims, Yes; Director Clark, Yes; Director Lewis, Yes; and Chairman Alexander, No.”

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Next, GM Underwood asked for a roll call vote to table agenda item 3.2, requesting the board to approve the Capital Budget for fiscal year 2019 totaling \$63,893,797.00. In a 5 to 4 roll call vote, said item was tabled. 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 item 3.2, the Capital Budget for fiscal year 2019 totaling \$63,893,797.00, be tabled. Resolution No. 7936 is hereby adopted by a roll call vote: Director Burbage, No; Director Muhammad, No; Director King, No; Director Dickerson, Yes; Director Munchus, Yes; Director Mims, Yes; Director Clark, Yes; Director Lewis, Yes; and Chairman Alexander, No.”

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Next, GM Underwood asked for a roll call vote to table agenda item 3.3, requesting the amendment of Resolution No. 6569 to provide within five (5) years from the date hereof, that the Board’s Capital Improvement Program, through Pay-As-You Go (PAYGO) funds, will reach the target of paying for 50% of its capital projects through cash reserves and paying for 50% of its capital projects through debt financing. In a 5 to 4 roll call vote, said item failed to be tabled.

Following, Director King made a motion to approve agenda item 3.3. Chairman Alexander seconded the motion. The item passed in a 7 to 2 roll call vote. On a motion duly made and seconded, the following resolution was adopted:

“WHEREAS, on October 24, 2013, Resolution No. 6569 was adopted by The Water Works Board of the City of Birmingham (the “Board”) and established its Reserve Fund Policies, its RSE Targets, and its Capital Improvement Program financing target; and,

WHEREAS, the Board now desires to amend its Capital Improvement Program financing goals to fund 50% of the System’s Capital Improvement Program through Pay-As-You-Go (PAYGO) funds.

NOW THEREFORE, on a motion made by Mr. Brett A. King and seconded by Mr. Tommy J. Alexander be it resolved as follows:

Resolution No. 6569 is amended to provide within five (5) years from the date hereof, that the Board’s Capital Improvement Program through, Pay-AS-You-Go (PAYGO) funds, will

reach the target of paying for 50% of its capital projects through cash reserves and paying for 50% of its capital projects through debt financing.

Resolution No. 7937 is hereby adopted by a roll call vote: Director Burbage, Yes; Director Muhammad, Yes; Director King, Yes; Director Dickerson, Yes; Director Munchus, No; Director Mims, Yes; Director Clark, Yes; Director Lewis, No; and Chairman Alexander, Yes.”

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Next, GM Underwood asked the Board to adopt a resolution to allow employees to sell up to four weeks of accrued/unused vacation of each employee’s vacation in excess of two weeks balance as of November 30, 2018 in December, as set forth in agenda item 4. The item was adopted with a 6 to 3 roll call vote. 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. Brett A. King and seconded by Dr. Brenda J. Dickerson, that the employees of the Water Works Board have worked diligently throughout the year to: a) maintain system operations, b) manage operating cost at approximately \$4.5 million dollars under budget (including healthcare costs being under budget by \$2.1 million), c) implementation of Jefferson County Sewer Collection Agreement that generated additional revenue, which resulted in an additional \$2.4 million through September 30, 2018, d) overall system is \$6 million over original projections, and e) completing capital projects planned in the 2018 capital budget. Further, in accordance with the Board’s Salary Administration plan and to show employee appreciation for a job well done, the Board hereby approves and authorizes the officers and general manager to execute any documents necessary to allow employees to sell up to 4 weeks of accrued/ unused vacation time in excess of 2 weeks in December 2018. The vacation buy back cost will not exceed \$500,000.00, and BWWB overall operating expenses will remain under budget.

Resolution No. 7938 is hereby adopted by a roll call vote: Director Burbage, Yes; Director Muhammad, Yes; Director King, Yes; Director Dickerson, No; Director Munchus, Yes; Director Mims, Yes; Director Clark, No; Director Lewis, No; and Chairman Alexander, Yes.”

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Next, GM Underwood asked the Board to approve payments of invoices for professional services, as set forth in agenda item 5.1 and 5.2, respectfully. 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 authorizes staff to execute payments to the following:

5.1	<u>Raftelis Financial Consultants, Inc.</u>	
5.1.1	For professional services rendered for July 2018	<u>\$15,602.99</u>
5.1.2	For professional services rendered for August 2018	<u>\$28,995.42</u>

5.1.3 For professional services rendered for September 2018 \$28,391.71

5.2 Parnell Thompson, LLC.
For professional services rendered for October 2018 \$93,135.50

Resolution No. 7939 is hereby adopted by unanimous vote.”

Next, GM Underwood asked the Board to approve the 2019 Stop Loss Insurance coverage renewal at an annual premium in the amount of \$449,147.00 for FY 2019, as recommended by the Human Resources Committee; and to authorize the General Manager and/or Assistant General Manager to execute the necessary documents to effectuate said Agreement, as set forth in agenda item 6. 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. George Munchus, that the Board hereby approves the 2019 Stop Loss Insurance coverage renewal at an annual premium in the amount of \$449,147.00 for FY 2019, as recommended by the Human Resources Committee; and to authorize the General Manager and/or Assistant General Manager to execute the necessary documents to effectuate said Agreement. Resolution No. 7940 is hereby adopted by unanimous vote.”

Next, GM Underwood asked the Board to approve the 2019 Post 65 Health Insurance renewal at an annual premium of \$1,036,453.00 for FY 2019, as recommended by Human Resources Committee; and to authorize the General Manager and/or Assistant General Manager to execute the necessary documents to effectuate said Agreement., as set forth in agenda item 7. 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. George Munchus, that the Board hereby approves the 2019 Post 65 Health Insurance renewal at an annual premium of \$1,036,453.00 for FY 2019, as recommended by Human Resources Committee; and to authorize the General Manager and/or Assistant General Manager to execute the necessary documents to effectuate said Agreement. Resolution No. 7941 is hereby adopted by unanimous vote.”

Next, GM Underwood asked the Board to approve the Amendment to the Services Agreement with Creative Benefits to provide Wellness Coordinator services at an amount not to exceed \$48,000.00 for FY 2019, as recommended by Human Resources Committee; and to authorize the General Manager and/or Assistant General Manager to execute the necessary documents to effectuate said Agreement, as set forth in agenda item 8. 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. George Munchus, that the Board hereby approves the Amendment to the Services Agreement with Creative Benefits to provide Wellness Coordinator services at an amount not to exceed \$48,000.00 for FY 2019, as recommended by Human Resources Committee; and to authorize the General Manager and/or Assistant General Manager to execute the necessary documents to effectuate said Agreement. Resolution No. 7942 is hereby adopted by unanimous vote.”

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Next, GM Underwood asked the Board to approve a resolution authorizing Executive Management and the Board of Directors to meet with retirees in December and June of each year to share information regarding the single-employer defined benefit pension plan and the single-employer defined benefit Other Post-Employment Benefit Plan, as recommended by the Human Resources Committee, as set forth in agenda item 9. On a motion duly made and seconded, the following resolution was adopted:

“Whereas, the Retirement Plan for Employees of The Water Works Board of the City of Birmingham (“The Plan”) is a single employer defined benefit pension plan to provide retirement benefits to eligible employees;

Whereas, there was 305 Retired Participants and Beneficiaries as of December 31, 2017; 626 Fully Vested and Non-Vested Active Participants; and 5 Inactive Participants as of December 31, 2017 (collectively the “Retirees”);

Whereas, the Board sponsors a single-employer defined benefit Other Post-Employment Benefit Plan (the “OPEB Plan”) to provide for medical and dental insurance coverage to eligible Retirees and their dependents;

Whereas, the Board desires to receive input from the Retirees through duly elected and appointed representatives of the Retirees.

Now, therefore, be it resolved on a motion duly made by Mr. Ronald A. Mims and seconded by Dr. George Munchus that is Resolved as follows:

1. The Board will hold two meetings a year with the Retirees for the purpose of sharing information about the Plan. Said meeting will occur during the months of December and June. The time and place of such meeting will be provided to the Retirees.

2. During the meeting held in December of each year, those Retirees present will be asked to nominate individual Retirees that are willing to be liaisons to the Board regarding the Plan. At this meeting, the Retirees will be asked to vote on said nominees. The two nominees that receive the highest number of votes will be recognized by the Board as authorized liaisons between the Retirees and the Board regarding the Plan.

3. The Retiree liaisons will be notified of committee and board of directors' meetings where the Plan and OPEB Plan are being discussed and will be allowed to participate in the discussions and to provide the Board with input concerning the Plan.

4. The Retiree liaisons will not be members of the Retirement Committee as defined for by the Plan.

Resolution No. 7943 is hereby adopted by unanimous vote and will remain in effect until rescinded by the Board.”

Next, GM Underwood asked the Board to approve the Amendment to the Services Agreement with Abacus Health Solutions, LLC. to provide additional services for the Diabetes Rewards Program at an annual cost of approximately \$7,200.00 for FY 2019, as recommended by the Human Resources Committee; and to authorize the General Manager and/or Assistant General Manager to execute the necessary documents to effectuate said Agreement, as set forth in agenda item 10. 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. George Munchus, that the Board hereby approves the Amendment to the Services Agreement with Abacus Health Solutions, LLC. to provide additional services for the Diabetes Rewards Program at an annual cost of approximately \$7,200.00, as recommended by the Human Resources Committee; and to authorize the General Manager and/or Assistant General Manager to execute the necessary documents to effectuate said Agreement. Resolution No. 7944 is hereby adopted by unanimous vote.”

Next, GM Underwood asked the Board to a FY 2018 Amendment to the Agreement and Statement of Work and a FY 2019 Amendment to the Agreement and Statement of Work with Harris, Rothenburg International Inc., d/b/a Humana Wellness to provide the Go365 Wellness Program at an estimated total cost of \$54,318.00 for FY 2018 and \$53,512.00 for FY 2019, as recommended by the Human Resources Committee; and to authorize the General Manager and/or Assistant General Manager to execute the necessary documents to effectuate said Agreement, as set forth in agenda item 11. 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. George Munchus, that the Board hereby approves the FY 2018 Amendment to the Agreement and Statement of Work and a FY 2019 Amendment to the Agreement and Statement of Work with Harris, Rothenburg International Inc., d/b/a Humana Wellness to provide the Go365 Wellness Program at an estimated total cost of \$54,318.00 for FY 2018 and \$53,512.00 for FY 2019, as recommended by the Human Resources Committee; and to authorize the General Manager and/or Assistant General Manager

to execute the necessary documents to effectuate said Agreement. Resolution No. 7945 is hereby adopted by unanimous vote.”

Next, GM Underwood asked the Board to approve option 3A as its amendment to the Nationwide 457 Deferred Compensation Fixed Annuity Contract; effective January 1, 2019, as recommended by the Human Resources Committee; and to authorize the General Manager and/or Assistant General Manager to execute the necessary documents to effectuate said Agreement, as set forth in agenda item 12. 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. George Munchus, that the Board hereby approves option 3A as its amendment to the Nationwide 457 Deferred Compensation Fixed Annuity Contract; effective January 1, 2019, as recommended by the Human Resources Committee; and to authorize the General Manager and/or Assistant General Manager to execute the necessary documents to effectuate said Agreement. Resolution No. 7946 is hereby adopted by unanimous vote.”

Next, GM Underwood asked the Board to award bids, as set forth in agenda item 13.1 through 13.11, respectfully. GM Underwood stated the bids were all chemical bids. He distributed a handout entitled *Birmingham Water Works Board Chemical Summary 2018-2019 (a copy of which is on file with the Board Meeting book)*. Then, AGM Darryl Jones reviewed the spreadsheet with the Board. Dr. Munchus stated his vote would be “no” on all items, 13.1 through 13.11. He expressed concerns about the Direct Manufacturers and if there was a robust Contract Compliance Program in place, there would be more participation. On a motion duly made and seconded, the following resolution was adopted:

“BE IT RESOLVED By The Water Works and Sewer Board of the City of Birmingham (“the Board”), on a motion duly made by Mr. Brett A. King and seconded by Dr. Brenda J. Dickerson, 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:

- 13.1 **Covia Lime, LLC-dba Southern Lime**, the lowest responsible and responsive bidder, for Bulk Hydrated Lime - BI18-05-16(A), at an estimated out-of-pocket cost to the Board of \$345,478.30; 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) subcontractor participation is 0% (Direct Manufacturer).]
- 13.2 **Kemira Water Solutions**, the lowest responsible and responsive bidder, for Ferric Sulfate - BI18-05-16 (B), at an estimated out-of-pocket cost to the Board of \$2,670,525.00; 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) subcontractor participation is 0% (Direct Manufacturer).]

- 13.3 **C&S Chemicals**, the lowest responsible and responsive bidder, for Dry Pounds of Liquid Aluminum Sulfate BI18-05-16(C), at an estimated out-of-pocket cost to the Board of \$834,120.00; 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) subcontractor participation is 0% (Direct Manufacturer).]
- 13.4 **Mosaic Global Sales, LLC**, the lowest responsible and responsive bidder, for Hydrofluosilicic Acid (Fluoride) BI18-05-16(D), at an estimated out-of-pocket cost to the Board of \$144,990.00; 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) subcontractor participation is 0% (Direct Manufacturer).]
- 13.5 **Harcros Chemicals**, the lowest responsible and responsive bidder, for Liquid Chlorine BI18-05-16(E), at an estimated out-of-pocket cost to the Board of \$145,200.00; 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) subcontractor participation is 0% (Distributor).]
- 13.6 **Chemrite**, the lowest responsible and responsive bidder, for Orthophosphoric Acid BI18-05-16(F), at an estimated out-of-pocket cost to the Board of \$21,450.00; 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) subcontractor participation is 0% (Supplier).]
- 13.7 **GEO Specialty**, the lowest responsible and responsive bidder, for Polyaluminum Chloride BI18-05-16(H), at an estimated out-of-pocket cost to the Board of \$8,250.00; 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) subcontractor participation is 0% (Direct Manufacturer).]
- 13.8 **Carus Corporation**, the lowest responsible and responsive bidder, for Potassium Permanganate BI18-05-16(H), at an estimated out-of-pocket cost to the Board of \$23,220.00; 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) subcontractor participation is 100% (Supplier).]
- 13.9 **Donau - dba Standard Purification**, the lowest responsible and responsive bidder, for Powdered Activated Carbon BI18-05-16(I), at an estimated out-of-pocket cost to the Board of \$46,900.00; 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) subcontractor participation is 0% (Direct Manufacturer).]
- 13.10 **Polytec, Inc.**, the lowest responsible and responsive bidder, for Liquid Calcium Hydroxide (Lime) BI18-05-16(J), at an estimated out-of-pocket cost to the Board of \$451,000.00; 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) subcontractor participation is 0% (Direct Manufacturer).]

- 13.11 **DPC Enterprises**, the lowest responsible and responsive bidder, for Liquid Sodium Hypochlorite BI18-05-16(K), at an estimated out-of-pocket cost to the Board of \$412,794.00; 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) subcontractor participation is 0% (Direct Manufacturer).]

Resolution No. 7947 is hereby adopted by Directors Burbage, Muhammad, King, Dickerson, Mims, Clark, Lewis, and Alexander. Director Munchus voted no on the motion for items 13.1 through 13.11.”

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Following, there was a discussion on the details for some of the board members to visit Lake Purdy Dam prior to commencement of the proposed Engineering and Maintenance Committee Meeting on Monday, November 26, 2018 at the Cahaba Pump Station. Director Lewis asked that staff use BWWB’s drone during the visit at said lake.

Subsequently, agenda item 14 addressed new business and speakers. Director Muhammad asked if reducing the budget effected the RSE Policy. GM Underwood stated that the amended policy increases PAYGO to 50% is the driving factor for the 3.9% water rate increase. Per Mr. Flannelly, reducing the budget nor increased revenue influences the water rate increase. The water rate increase is built to get out of debt in the long term.

Next, Director Muhammad brought forth the issue of writing checks for Employee(s) of the month before board approval and reviewing the policy. GM Underwood stated that the control mechanism is that the check is held until the board approves the check, and if not approved the check is returned without being received by the employee. Then, Director Muhammad made a motion for the board to review the last Innovation Award and reimburse the employees that received the money at no fault of their own, because the investigation on the issue had been completed. Dr. Munchus seconded the motion. GM Underwood asked for a roll call vote to send the Innovation Award item to the full Board for approval. In a 6 to 3 roll call vote, said item failed to move forward to the full board. After the vote, the Board agreed to refer the Innovation Award to the Human Resources Committee.

Following, GM Underwood recognized the speaker Derrick Maye, Employee Association President. Mr. Maye stated he forwarded a letter to the board. In addition, he addressed the issues of the board’s concern on the amount of employees’ compensation. Mr. Maye stated based on information at said meeting, it is PAYGO that is the driving factor for the 3.9% water rate increase. The employees’ compensation does not affect the water rate increase. He stated that employees saved the board over \$1.5 million in health benefits; whereas, the employees merit is \$325,000. Mr. Maye spoke on the importance of Longevity Pay and the importance of keeping the employees motivated. He spoke on the value of keeping employees with BWWB instead of having them leave to go work for other companies. He indicated to the board that in terms of

employee compensation, the employees have worked hard and saved lots of money for the board. Mr. Maye asked the board to view Longevity as positive not a burden and that the longevity of employees is what helps keep the water safe. Then, he thanked the board for listening.

Following, under other new business, Attorney Mark Parnell requested to enter Executive Session to discuss the general reputation and character of an individual, which also included the impact of potential litigation. Then, he certified it as the proper purpose for an Executive Session. Attorney Parnell estimated Executive Session to last 15 to 30 minutes. 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. George Munchus and seconded by Mr. Ronald A. Mims, that the Board hereby approves an Executive Session to discuss the general reputation and character of an individual and the impact of potential litigation. Resolution No. 7948 is hereby adopted by unanimous vote.”

At 10:36 a.m., the Board and Board’s Attorneys entered Executive Session. Subsequently, at 11:37 a.m., the motion to end Executive Session was made by Director Lewis and seconded by Director Dickerson. Thus, the Board reopened the meeting.

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 11:37 a.m.

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

Attest:

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