

**MINUTES OF THE REGULAR BI-MONTHLY MEETING OF DIRECTORS
OF THE WATER WORKS BOARD OF THE CITY OF BIRMINGHAM
October 27, 2021**

The regular bi-monthly meeting of the directors of The Water Works Board of the City of Birmingham was held on Wednesday, October 27, 2021, at 11:30 a.m., in-person and electronically [via teleconference/telephone-Public].

The following Directors were present via a roll call: Ronald A. Mims, George Munchus, Lucien Blankenship, William “Butch” Burbage, Jr., Tom Henderson, Dalton NeSmith, Chris Rice and Larry Ward. Director Huffman attended via phone call.

Others present: Michael Johnson, General Manager; Iris Fisher, Derrick Murphy and Jeffrey Thompson, Assistant General Managers; Cynthia Williams, Board Administrator; Anitra Clark, Corporate Governance Specialist; Vanessa Washington, Executive Assistant; Rick Jackson, Colandus Mason, Tim Garrett, Rosalind Jones, Terrell Jones, Jeff Wade and Charles McGee, Board Employees; K. Mark Parnell, Parnell Thompson Law, LLC; Byron Perkins, Perkins Law, LLC; Kelvin Howard, KWH, LLC; Tommy Palladino, Agency 54; Michael Bell, BCIA; Phillip Moultrie, Valent Group; Jeff Drew, Alexander Insurance Agency and Brian Hamilton, AG Gaston.

Inasmuch as all Board members were present, a quorum was declared in attendance.

Chairman Mims called the meeting to order at 11:36 a.m. AGM Iris Fisher opened the meeting with prayer.

Chairman Mims stated a director requested to table agenda item 14, which is the approval of the budgets, for two weeks. Chairman Mims also requested that item 19 be tabled. Afterwards, Director Huffman stated that she was instructed she could not vote by phone. Director Huffman inquired as to when did this decision happen since she has attended board meetings where board members have been allowed to vote by phone. Attorney Parnell stated that board members can participate in the in-person board meetings over the phone but cannot *vote* by phone based on the Open Meetings Act because that person would not be considered as part of the quorum. Per Attorney Parnell, voting over the phone is allowed in Electronic Meetings. Director Blankenship stated that it is his understanding of the governor’s order that Director Huffman can vote in the meeting; however, he would like to know or see the rule that states otherwise. Attorney Parnell stated that an Attorney General’s Opinion may be necessary. Per Director Blankenship, if the authority is not before the board then Director Huffman should be allowed to vote. Attorney Parnell stated that his advice is only his recommendation and Director Huffman could vote if she chose to do so. Afterwards, directors revisited whether agenda item 14 should be tabled. There was some discussion on said matter; however, directors decided to leave said item on the agenda. Thus, Chairman Mims called for a motion and second to approve the amended agenda to correct the language in agenda item 11 by rewording its verbiage and to table agenda item 19. Director Blankenship made a motion to approve the amended agenda and Director 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. Lucien B. Blankenship and seconded by Dr. George Munchus that the Board hereby approves the Regular Board of Directors’ Meeting Agenda, as amended, by re-wording agenda item 11 to include the verbiage “not to exceed” rather than “in the amount of” and to table agenda item 19. Resolution No. 8899 is hereby adopted by unanimous vote.”

Next, Chairman Mims requested approval of the minutes, as set forth in agenda item 1. Director Munchus made a motion to approve the item and Director Burbage 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 Dr. George Munchus and seconded by Mr. William “Butch” Burbage, that the Board hereby approves minutes of the following:

- July 28, 2021 Regular Board of Directors’ Meeting
- August 11, 2021 Regular Board of Directors’ Meeting
- September 8, 2021 Regular Board of Directors’ Meeting

Resolution No.8901 is hereby adopted by Directors Mims, Munchus, Burbage, Huffman, Henderson, NeSmith, Rice and Ward. Director Blankenship abstained.”

Following, Chairman Mims proceeded to the report of officers. Director Munchus asked AGM Murphy about the missing allocated resources listed on page 3 of the handout entitled *Preliminary FY2022 Capital Budget Memo & Plan* (a copy of which is on file with the Board meeting book), which AGM Murphy confirmed that there is no allocation of resources budgeted for those items nor a need at the present time.

Next, Chairman Mims proceeded to unfinished business, which there was none.

Following, Chairman Mims proceeded to new business. GM Johnson requested the Board approve payment of invoice from Emory Anthony, Jr. for work performed August 11, 2021 through September 22, 2021, as set forth in agenda item two. Director Munchus made a motion to approve the item and Director Burbage 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 Dr. George Munchus and seconded by Mr. William “Butch” Burbage, that the Board hereby authorizes staff to execute payment to Emory Anthony, Jr., for work performed August 11, 2021 through September 22, 2021 in the amount of \$3,690.00. Resolution No. 8902 is hereby adopted by unanimous vote.”

Next, agenda items 3 through 7 were voted on together. Director Munchus asked that all items be read for the public. GM Johnson asked the board to approve payment of said invoices, as set forth in agenda item 3 through 7, respectively. Director NeSmith made a motion to approve said item, and Director Munchus seconded the motion. On a motion duly made and seconded the following resolutions were adopted:

“BE IT RESOLVED By The Water Works Board of the City of Birmingham (“the Board”), on a motion duly made by Mr. Dalton NeSmith and seconded by Dr. George Munchus, that the Board hereby authorizes staff to execute payment as follows:

- **Pat Lynch & Associates** for work performed September 1, 2021 through September 30, 2021 in the amount of \$10,000.00.
- **The Jones Group, LLC.**, for work performed in September 2021 in the amount of \$10,000.00.
- **Hilliard, Smith & Hunt, LLC.**, for work performed September 2021 in the amount of \$13,000.00.
- **Parnell Thompson, LLC.**, for professional services rendered September 2021 in the amount of \$28,493.88.
- **Raftelis Financial Consultants, Inc.**, for worked performed September 2021 in the amount of \$38,022.65.

Resolution No. 8903 is hereby adopted by Directors Mims, Munchus, Burbage, Henderson, NeSmith, Rice and Ward. Directors Blankenship and Huffman abstained.”

Following, agenda items 8 and 9 were voted on together. GM Johnson asked the board to approve the agreements, as set forth in agenda item 8 and 9, respectively. Director NeSmith made a motion to approve said items and Director Ward seconded the motion. On a motion duly made and seconded, the following resolutions were adopted:

“BE IT RESOLVED BY The Water Works Board of the City of Birmingham (“the Board”), on a motion duly made by Mr. Dalton NeSmith and seconded by Mr. Larry Ward, that the Board hereby approves the following agreements:

- **Kenneth O. Simon & Associates, LLC.**, as co-counsel, to provide legal services for its Water Infrastructure Finance and Innovation Act (WIFIA) program loan at a fee not to exceed \$55,000.00.
- **Dentons Sirote, PC.**, as co-counsel, to provide legal services for its Water Infrastructure Finance and Innovation Act (WIFIA) program loan at a fee not to exceed \$110,000.00.

Resolution No. 8904 is hereby adopted by Directors Mims, Munchus, Burbage, Henderson, NeSmith, Rice and Ward. Directors Blankenship and Huffman voted no.”

Next, GM Johnson requested the Board to approve the application fee of \$100,000.00 for its Water Infrastructure Finance and Innovation Act (WIFIA) program loan, as set forth in agenda item 10. Director Blankenship made a motion to approve the agenda item and Director NeSmith 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. Lucien Blankenship and seconded by Mr. Dalton NeSmith, that the Board hereby approves the application fee of \$100,000.00 for its Water Infrastructure Finance and Innovation Act (WIFIA) program loan. Resolution No. 8905 is hereby adopted by unanimous vote.”

Following, GM Johnson requested the Board to approve the Board's Property and Liability Insurance Plan (the Plan) for November 1, 2021 to October 31, 2022 in the amount of \$2,636,442.00 and payment of an Agency fee to Valent Group, LLC., in the amount of \$150,000.00 for broker of record services related to the Plan, at a cost not to exceed \$2,786,442.00, as set forth in agenda item 11. Mr. Moultrie answered questions about the insurance process and his contract terms. Director Ward made a motion to approve the agenda item and Director 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. Larry Ward and seconded by Dr. George Munchus, that the Board hereby approves the Board's Property and Liability Insurance Plan (the Plan) for November 1, 2021 to October 31, 2022 in the amount not to exceed \$2,636,442.00 and payment of an Agency fee to Valent Group, LLC., in the amount of \$150,000.00 for broker of record services related to the Plan, for a total cost of \$2,786,442.00; and authorizes the General Manager and/or Assistant General Manager to execute any necessary documents. Resolution No. 8906 is hereby adopted by unanimous vote.”

Next, GM Johnson requested the Board to adopt a resolution to allow employees to sell accrued/unused vacation time in excess of 80 hours in December 2021, as set forth in agenda item 12. Director Huffman made a motion to approve the agenda item and Director 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. Tereshia Huffman and seconded by Dr. George Munchus, that the employees of the Water Works Board have worked diligently throughout the year. 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 accrued/unused vacation time in excess of 80 hours

in December 2021; as recommended by the Executive Committee. Resolution No. 8907 is hereby adopted by unanimous vote.”

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Following, GM Johnson requested the Board to approve a resolution that establishes a Community Educational Program including funding, criteria, and restrictions so as to participate in such events and functions while carrying out its Corporate Purposes, as recommended by the Finance Committee, as set forth in agenda item 13. Director Nesmith made a motion to approve the agenda item and Director Huffman seconded the motion. On a motion duly made and seconded, the following resolution was adopted:

“WHEREAS, The Water Works Board of the City of Birmingham (the “Water Works Board”) is Alabama’s largest public water system providing water services to over 700,000 people in portions of Jefferson, Shelby, Blount, and St. Clair counties consisting; and,

WHEREAS, the service area of the Water Works Board has a major impact to the economic success and stability of the State of Alabama; and,

WHEREAS, as the largest water system in the State of Alabama, it is important that the Water Works Board: protect its water sources and its consuming public; obtain optimum utility management, water quality and system reliability; improve reliability of high-quality water; provide educational, scientific and technological information about the Water Works Board to its consuming public; ensure access to and the wise use of water resources and the protection of the environment; and, engage in such activities that are beneficial to the entire water system and that are otherwise necessary, appropriate and consistent with the Water Works Board’s corporate powers (all of which is hereinafter referred to as “Corporate Purposes”); and,

WHEREAS, from time to time there are opportunities for the Water Works Board to participate in events and functions beneficial to its entire service area to effectuate its Corporate Purposes; and,

WHEREAS, the Water Works Board desires to establish a policy regarding funding, criteria and restrictions, for the establishment of a Community Educational Program so as to participate in such events and functions while carrying out its Corporate Purposes; and,

WHEREAS, the Water Works Board has identified as a non-ratepayer funding source for this program certain non-water revenues generated by its Joint Billing and Collection Agreement with Jefferson County; and,

WHEREAS, said Joint Billing and Collection Agreement is authorized under the authority of Amendment 73 to the Alabama Constitution of 1901, 1949 Ala. Acts 619, 1953 Ala. Acts 616, and 1961 Ala. Acts 886; and,

WHEREAS, under said Joint Billing and Collection Agreement, Jefferson County pays the Water Works Board to assume Jefferson County’s sewer debt so that the Water Works Board can collect said sewer debt (said funding hereinafter referred to as “County Funds”).

NOW, THEREFORE, BE IT RESOLVED, on a motion made by Mr. Dalton NeSmith and seconded by Ms. Tereshia Huffman, the Water Works Board hereby establishes the following policy to establish its Community Educational Program, as follows:

1. Funding for the Community Educational Program must come from the County Funds which will not include any ratepayer funds from the Water Works Board’s ratepayers.
2. Funding for the Community Educational Program must be included in the Water Works Board’s approved annual Operational and Maintenance Budget.
3. Funding for the Community Educational Program shall not exceed the lesser of 20% of the County Funds or \$500,000 (hereinafter referred to as “Community Educational Program Funds”).
4. Any expenditure of the Community Educational Program Funds must be authorized by a resolution that sets forth the Corporate Purpose that will be addressed and approved by a roll call vote of 5 directors.
5. Each resolution authorizing any expenditure of the Community Educational Program Funds shall be posted on the Water Works Board’s website.

Resolution No. 8908 is hereby adopted by unanimous vote.”

Next, Pursuant to Ala. Code § 11-50-303 (c) (1975), GM Johnson requested the Board of Directors to recommend the 2022 Operations and Maintenance Budget and 2022 Capital Budget to be presented at a Public Hearing on November 10, 2021, at which time the Board will consider taking action to approve said budgets, either at that meeting following the public hearing or at a subsequent board of directors meeting, consistent with Resolution No. 4166 which was adopted on December 22, 2003 as amended (i.e., adoption of the Rate Stabilization and Equalization Procedure (RSE Model)) that determines whether a rate increase may be required, as set forth in agenda item 14. There was some discussion on being able to make changes to the budget. Director Blankenship made a motion to approve the agenda item, and Director Burbage 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. Lucien Blankenship and seconded by Mr. William “Butch” Burbage, that the Board hereby approves Pursuant to Ala. Code § 11-50-303 (c) (1975), the 2022 Operations and Maintenance Budget and 2022 Capital Budget to be presented at a Public Hearing on November 10, 2021, at which time the Board will consider taking action to approve said budgets, either at that meeting following the public hearing or at a subsequent board of directors meeting, consistent with

Resolution No. 4166 which was adopted on December 22, 2003 as amended (i.e., adoption of the Rate Stabilization and Equalization Procedure (RSE Model)) that determines whether a rate increase may be required. Resolution No. 8909 is hereby adopted by unanimous vote.”

Following, GM Johnson requested the Board to approve a Right-Of-Way Agreement with Jefferson County Sewer in the amount of \$1.00, as set forth in agenda item 15. Director Ward made a motion to approve the agenda item and Director 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. Larry Ward and seconded by Dr. George Munchus, that the Board hereby approves a Right-Of-Way Agreement with Jefferson County Sewer in the amount of \$1.00; and authorizes the General Manager and/or the Assistant General Manager to execute the agreement. Resolution No. 8910 is hereby adopted by unanimous vote.”

Next, GM Johnson requested the Board to review and determine to purchase or to forgo purchase of the structures and improvements on Lot 77 located at Inland Lake, held by Charles Wilson, per the recreational site agreement at a price of \$420,000.00. The Board must exercise its right of first refusal within 90 days of receipt of the sales contract, which was September 10, 2021; to purchase, as set forth in agenda item 16. Director Rice left the meeting at 12:12 p.m. Director NeSmith made a motion to approve the agenda item and Director 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. Dalton NeSmith and seconded by Dr. George Munchus, that the Board hereby approves the purchase of the structures and improvements on Lot 77 located at Inland Lake, held by Charles Wilson, per the recreational site agreement at a price of \$420,000.00. The Board must exercise its right of first refusal within 90 days of receipt of the sales contract, which was September 10, 2021; to purchase as recommended by the Engineering & Maintenance Committee. Resolution No. 8911 is hereby adopted by unanimous vote.”

Following, GM Johnson requested the Board to exercise its bid option for a second 1-year extension with two contractors (Advance Asphalt and Dunn Construction) to purchase Asphalt COLD Mix for temporary patching requirements for use throughout the BWWB service area for a one-year period, as set forth in agenda item 17. Director Ward made a motion to approve the agenda item and Director 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 Mr. Larry Ward and seconded by Dr. George Munchus, that the Board hereby

exercises its bid option for a second 1-year extension with two (2) contractors to purchase Asphalt COLD Mix for temporary patching requirements for use throughout the BWWB service area for a one-year period; and authorizes the General Manager and/or the Assistant General Manager to execute a signed bid extension contract, as recommended by the Engineering & Maintenance Committee as follows:

- **Advanced Asphalt**, the lowest responsible and responsive bidder, for delivery of Asphalt COLD Mix, at an estimated out-of-pocket cost to the Board of \$185,000.00.
- **Dunn Construction**, the lowest responsible and responsive bidder, for pick-up of Asphalt COLD Mix, at an estimated out-of-pocket cost to the Board of \$174,875.00.

[NOTE: Both are Direct Manufacturer(s) of Product.]

NO OF BID(S): 3 MINORITY VENDOR BID(S): Yes or No ✓ NEW VENDOR: Yes or No ✓

Resolution No. 8912 is hereby adopted by Directors Mims, Munchus, Blankenship, Burbage, Huffman, Henderson, NeSmith and Ward. Director Rice was not present for the vote.”

Next, GM Johnson requested the Board to exercise its bid option for a 1-year extension with Kelly Road Builders, the lowest responsible and responsive bidder, for estimated quantities of Standard Patch Paving / Longitudinal Transverse/Milling and Resurfacing - (items 4A- 4E), at an estimated out-of-pocket cost to the Board for \$640,800.00; as set forth in agenda item 18. Director Ward made a motion to approve the agenda item and Director 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 Dr. George Munchus and seconded by Mr. Dalton NeSmith, that the Board hereby exercises its bid option for a 1-year extension with Kelly Road Builders, the lowest responsible and responsive bidder, for estimated quantities of Standard Patch Paving / Longitudinal Transverse/Milling and Resurfacing - (items 4A- 4E), at an estimated out-of-pocket cost to the Board for \$640,800.00; and authorizes the General Manager and/or the Assistant General Manager to execute a signed bid extension contract, as recommended by the Engineering & Maintenance Committee.

[NOTE: Kelly Road Builders is 100% (DBE)2, 20% Minority Vendor Participation]

NO OF BID(S): 4 MINORITY VENDOR BID(S): Yes✓ or No NEW VENDOR: Yes or No ✓

Resolution No. 8913 is hereby adopted by Directors Mims, Munchus, Blankenship, Burbage, Huffman, Henderson, NeSmith and Ward. Director Rice was not present for the vote.”

Following, it was acknowledged that Agenda Item 19 was tabled at the beginning of the board meeting, as follows:

“BE IT RESOLVED By The Water Works Board of the City of Birmingham (“the Board”), on a motion duly made by Mr. Lucien Blankenship and seconded by Dr. George Munchus, that the Board hereby tables the following:

- Request Board to approve expenditures with SHI, a sole source provider, for COTC Software and Services from the Alabama State Bid List (master agreement 999 17000000186), to provide Microsoft services and support throughout the BWWB’s system, at an out-of-pocket cost to the Board of \$733,085.93, 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. 8900 is hereby adopted by unanimous vote”

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Following, agenda items 20 through 24 were voted on together. GM Johnson asked the board to approve expenditures with the sole source providers, as set forth in agenda items 20 through 24, respectively. Director Blankenship made a motion to approve the agenda item and Director Huffman 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. Lucien Blankenship and seconded by Ms. Tereshia Huffman, that the Board hereby approves expenditures with the following, as recommended by the Engineering and Maintenance Committee:

- **Alexander’s, Inc.**, a sole source provider, to provide an ACS Meter Reading Application, to be used throughout the Customer Support Services area, at an out-of-pocket cost to the Board of \$62,255.00. [NOTE: This expenditure is exempt from bidding under the Alabama Competitive Bid Law because it is a sole source provider.]
- **Aquametrology Systems**, a sole source provider [NOTE: This expenditure is exempt from bidding under the Alabama Competitive Bid Law because it is a sole source provider.]:
 - Aquametrology Systems Safeguard H2O Mobile Pilot Treatment System to be used at Carson and Shades Mountain Filter Plants, at an out-of-pocket cost to the Board of \$97,800.00.
 - Two (2) Aquametrology Systems TTHM-100 online analyzers to be used at Carson and Putnam Filter Plants, at an out-of-pocket cost to the Board of \$185,500.00.
- **Flowserve Pump Company/Jim House and Associates**, a sole source provider, for Byron Jackson Pumps to refurbish and install pump #2 (Byron Jackson 68-SX2 Vertical Turbine Pump) located at Mulberry Pump Station, at an out-of-pocket cost to the Board of \$591,339.60; and to refurbish and install pump #2 (Byron Jackson 32RXL Vertical Turbine Pump) located at Sipsey Pump Station, at an out-of-pocket cost to the Board of

\$790,567.20. [NOTE: This expenditure is exempt from bidding under the Alabama Competitive Bid Law because it is a sole source provider.]

- **Electric Machinery Company, WEG Group**, a sole source provider, to refurbish and install motor #2 (Synchronous 4,000 HP Motor) located at Mulberry Pump Station, at an out-of-pocket cost to the Board of \$104,400.00; and to refurbish and install motor #2 (Synchronous 1,750 HP Motor) located at Sipsey Pump Station, at an out-of-pocket cost to the Board of \$81,031.00. [NOTE: HUB Participation - Gulf Coast Electric is 80%. This expenditure is exempt from bidding under the Alabama Competitive Bid Law because it is a sole source provider.]

- **NOV Process and Flow Technologies US, Inc., Chemineer, Inc.**, a sole source provider, to replace and install shafts and impellers on the Rapid Chemical Mixers located at Shades Mountain Filter Plant, at an out-of-pocket cost to the Board of \$126,145.00. [NOTE: This expenditure is exempt from bidding under the Alabama Competitive Bid Law because it is a sole source provider.]

Resolution No. 8914 is hereby adopted by Directors Mims, Munchus, Blankenship, Burbage, Huffman, Henderson, NeSmith and Ward. Director Rice was not present for the vote.”

Following, it was acknowledged that there were no speakers.

As there was no further business before the Board, Director Blankenship made a motion to adjourn the meeting and Director Ward seconded the motion. The motion to adjourn was approved. Chairman Mims adjourned the meeting at 12:27 p.m.

_____/s/_____
Ronald A. Mims
Chairman

Attest:

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