

**MINUTES OF THE REGULAR BI-MONTHLY MEETING OF DIRECTORS
OF THE WATER WORKS BOARD OF THE CITY OF BIRMINGHAM
February 28, 2019**

The regular bi-monthly meeting of the directors of The Water Works Board of the City of Birmingham was held on Thursday, February 28, 2019, at 11:30 a.m., at 3600 First Avenue North, Birmingham, Alabama.

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

The meeting was also attended by: Michael Johnson, Interim General Manager; TM “Sonny” Jones, Assistant General Managers; Grace E. Amison, Executive Assistant to the Board of Directors; Vanessa Washington, Executive Assistant to IGM Michael Johnson, Mark Parnell and Mary Thompson, Parnell Thompson, LLC; Kelvin Howard, KWH, LLC.; Martha Bozeman, Greg Jones, and Tommy Palladino, Agency 54; Brian T. Ruggs, ARCADIS US, Inc.; Theo Johnson, Volkert; Kayla Currie, AGO; Kim Bivins, BCIA; Chandra Abesingha, CE Associates; Ken King, City of Birmingham; Derrick Murphy, AWPM; Niki Hollis and Angela Huguley, Black Diamond Paving, LLC.; Maurika McKenzie, Nehemiah Engineering; Bill Bryant, Dominick Feld Hyde; John Huddleston, Fox 6; Stephen Quinn, ABC 33/40; Toby Carter, CBS 42; George Anderson, Rick Jackson, Paul Lloyd, Cherita King, Joyce Perry, Ben Sorrell, Steve Franks, Jeff Cochran, Barry Williams, Geoff Goodwin, Jonathan Harris, Johnnie Mayfield, Drusilla Hudson, Shirley Russell and BWWB Security, Board Employees; Isaac Ballard and Nelda Thompkins, Retirees.

Inasmuch as a majority of Board members were present, a quorum was in attendance. Chairman Burbage called the meeting to order at 11:30 a.m. and reminded everyone to place their cellphones on silent. Following, George Anderson, I.T. Manager opened the meeting with prayer.

Next, IGM Johnson asked the Board to adopt a resolution commending Call Center Rep II Bilingual Nancy Cardona as Employee of the Month for February 2019 from the Finance and Administration Division, as set forth in agenda item 1. 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 recognizes and commends Nancy Cardona, as the Finance and Administration Division’s Employee of the Month for February 2019, 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 Nancy Cardona. Resolution No.8023 is hereby adopted by unanimous vote.”

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Cherita King, HR Talent Management Officer, spoke about Ms. Cardona outstanding customer service, professionalism and integrity. Ms. Cardona thanked everyone for receiving the February 2019 Employee of the Month award.

Following, as requested by Director Alexander, IGM Johnson provided an update on the chemical accident that occurred at Shades Mountain Filter Plant (SMFP). He stated approximately 50-55 individuals were transported to area hospitals with no life-threatening injuries. He indicated staff made the call to Rocky Ridge Fire & Rescue based on BWWB's plan for a chlorine leak at a site. Other entities also responded, including Birmingham Fire & Rescue, Mountain Brook, Vestavia, Pelham and Homewood. The BWWB's Incident Management Team all assembled on the site. Rocky Ridge Fire & Management was the primary lead. SMFP is currently operating well but the Ferric Building has not been turned over to BWWB, because the level of chemicals/vapor in the building is beyond what can be handled at this point. The feeders are on and feeding the chemicals to treat water. He stated as an immediate plan of action, in the future, a dual signoff on chemicals delivered to plants will be implemented. Dr. Dickerson asked IGM Johnson to explain what specifically happened. IGM Johnson explained that the chemicals ferric sulfate & sodium hypochlorite were accidentally mixed together causing a chemical reaction. Each chemical has a separate delivery site; however, the sodium hypochlorite was accidentally delivered to the ferric sulfate site. According to IGM Johnson, the accident is still being investigated for further details. Director Clark asked if the board would be provided a full report from the Safety Director on what happened, and the associated costs. IGM Johnson responded yes and indicated the HR Department would also be involved. Dr. Dickerson asked if there were any injuries. IGM Johnson stated the individuals were treated for inhaling fumes from the chemical mix. Chairman Burbage asked if there were any more questions, after there were none, he asked IGM Johnson to proceed with the agenda.

Next, IGM Johnson asked the Board to approve payments of invoices for professional services, as set forth in agenda item 2.1 through 2.4, 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 Mr. William R. Muhammad, that the Board hereby authorizes staff to execute payments to the following:

2.1 <u>Raftelis Financial Consultants, Inc.</u>	
For professional services rendered for January 2019	<u>\$13,971.25</u>
2.2 <u>Agency 54</u>	
For professional services rendered for December 2018	<u>\$25,000.00</u>
2.3 <u>Parnell Thompson, LLC.</u>	
For professional services rendered for January 2019	<u>\$94,039.21</u>
2.4 <u>ARCADIS U.S., Inc.</u>	
For professional services rendered per December 2018 Progress Report (December 2018)	<u>\$334,719.79</u>

Resolution No. 8024 is hereby adopted by unanimous vote.”

Next, IGM Johnson asked the Board to approve an easement agreement from Alabama Power Co. to replace a power line along Stonebrook Drive and a small portion of Bailey Road in Jefferson County near Lake Purdy, as set forth in agenda item 3. The replacement consists of removing one pole at the end of Stonebrook Drive altogether and placing 5 new poles along the rest of the route. Three poles will be on Stonebrook Drive (poles 1, 2 and 3), one will be at the intersection of Stonebrook Drive and Bailey Road (pole 4), and one will be on Bailey Road (pole 5). Pole number three (3) is the only pole that will be located on Board’s property; therefore, requiring an easement agreement, at no cost to the Board, as recommended by the Engineering & Maintenance Committee; and to authorize the Interim General Manager and/or the Assistant General Manager to execute the agreement. 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. Tommy J. Alexander and seconded by Mr. William R. Muhammad, that the Board hereby grants an easement agreement with Alabama Power Company to replace a power line along Stonebrook Drive and a small portion of Bailey Road in Jefferson County near Lake Purdy. The replacement consists of removing one pole at the end of Stonebrook Drive altogether and placing 5 new poles along the rest of the route. Three poles will be on Stonebrook Drive (poles 1, 2 and 3), one will be at the intersection of Stonebrook Drive and Bailey Road (pole 4), and one will be on Bailey Road (pole 5). Pole number three (3) is the only pole that will be located on Board’s property; therefore, requiring an easement agreement, at no cost to the Board, as recommended by the Engineering & Maintenance Committee; and to authorize the Interim General Manager and/or the Assistant General Manager to execute the agreement. Resolution No. 8025 is hereby adopted by unanimous vote.”

Next, IGM Johnson asked the Board, as set forth in agenda item 4, to approve an agreement with Business Systems and Operations, LLC (BSO), a HUB, to provide support for the SAP Finance module (FI) for the period March 1, 2019 through February 28, 2020, at an estimated out-of-pocket cost to the Board of \$582,440.00, as recommended by the Engineering & Maintenance Committee; and to authorize the Interim General Manager and/or the Assistant General Manager to execute the agreement. 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 and authorizes the Interim General Manager and/or the Assistant General Manager to enter into an agreement with Business Systems and Operations, LLC (BSO), a HUB, to provide support for the SAP Finance module (FI) for the period March 1, 2019 through February 28, 2020, at an estimated out-of-pocket cost to the Board of \$582,440.00, as recommended by the Engineering & Maintenance Committee.

Resolution No. 8026 is hereby adopted by unanimous vote.”

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Next, IGM Johnson asked the Board, as set forth in agenda item 5, to approve an agreement with Utegration to provide support for the Customer Relations and Billing Module (CRB) of SAP for the period May 1, 2019 through April 30, 2020; at an estimated out-of-pocket cost to the Board of \$526,751.00, as recommended by the Engineering & Maintenance Committee; and to authorize the Interim General Manager and/or the Assistant General Manager to execute the agreement. 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 and authorizes the Interim General Manager and/or the Assistant General Manager to enter into an agreement with Utegration to provide support for the Customer Relations and Billing Module (CRB) of SAP for the period May 1, 2019 through April 30, 2020; at an estimated out-of-pocket cost to the Board of \$526,751.00, as recommended by the Engineering & Maintenance Committee. Resolution No. 8027 is hereby adopted by unanimous vote.”

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Next, IGM Johnson asked the Board, as set forth in agenda item 6, in accordance with applicable IRS procedures, to approve the reimbursement of employees’ pension contribution overpayments of \$129,889.83 and interest in the amount of \$23,032.56 as soon as administratively practical; and to approve that no action will be taken to recover underpayments having determined that it would not be cost effective or administratively practical to do so; as recommended by the Human Resources Committee; and to approve the Interim General Manager or Assistant General Manager of the Board to authorize the necessary actions to implement the foregoing Resolution. On a motion duly made and seconded, the following resolution was adopted:

“WHEREAS, The Water Works Board of the City of Birmingham (“Board”) maintains the Retirement Plan for Employees of the Water Works Board of the City of Birmingham (“Plan”); and

WHEREAS, the Plan requires each Employee to contribute to the Plan through payroll deduction Seven Percent (7%) of the Employee’s Annual Earnings (as defined in the Plan);

WHEREAS, it was recently discovered that due to a certain coding errors in the payroll software used to effectuate the payroll deduction certain Employees had more than the required amount deducted (“Overpayments”) and certain Employees had less than the required amount deducted (“Underpayments”);

WHEREAS, the Overpayments and Underpayments occurred over several years beginning in 2008 and affected current and former Employees;

WHEREAS, in accordance with IRS procedures, the Overpayments must be repaid to the 199 current and 10 former Employees affected, and treated as wages subject to withholdings; and

WHEREAS, in accordance with IRS procedures the Board must pay interest on Overpayments to the affected current and former Employees calculated from the time the contributions were erroneously deducted from such Employee’s payroll;

WHEREAS, the total amount of Overpayments is \$129,889.83 and the total amount of interest due thereon is \$23,032.56;

WHEREAS, the total amount of Underpayments is \$126,122;

WHEREAS, the Board is entitled to recover the Underpayments from the 258 current and 103 former Employees affected, however it has determined that it would not be cost effective or otherwise administratively feasible to do so.

NOW THEREFORE, BE IT RESOLVED by the Board of Directors, on motion duly made by Dr. Brenda J. Dickerson and seconded by Dr. George Munchus; that:

- (i) in accordance with applicable IRS procedures, the Overpayments in the amount of \$129,889.83 and interest thereon in the amount of \$23,032.56 will be paid to the affected current and former Employees as soon as administratively practical, and
- (ii) the Board will take no action to recover the Underpayments, having determined that it would not be cost effective or otherwise administratively feasible to do so.

BE IT FURTHER RESOLVED by the Board of Directors that the Interim General Manager or Assistant General Manager of the Board is hereby authorized and directed to take whatever actions and execute whatever documents are deemed necessary and proper in order to implement the foregoing Resolution. Resolution No. 8028 is hereby adopted by unanimous vote.”

Dr. Munchus asked if other employees and retirees could come to the General Manager or HR Department if she has questions or concerns. IGM Johnson answered yes and indicated that a comprehensive study had been done regarding agenda item 6. Director Mims inquired whether there had been any employee(s) that received duplicate pension over-payments after leaving the company with retirement, became employed by the company again, and then left. IGM Johnson stated the employee would be a rehire; therefore, he has no knowledge of a situation happening. HR Manager Paul Lloyd stated a situation happened two years ago, but the issue was forwarded to the attorneys to assist in collecting the money. He stated the employee made pension contributions into the pension plan. The employee withdrew the pension when she left, returned to work again for BWWB and left for a second time. The balance in the system displayed the original amount from the first hire date instead of resetting from the rehire date. Director Clark asked IGM Johnson to investigate the situation and provide the board with a complete report.

Next, IGM Johnson asked the Board to exercise its bid option, as set forth in agenda item 7; to extend a 12-month contract with Hill’s Janitorial Services, the lowest responsible and responsive bidder for Janitorial Services, per bid awarded November 9, 2017, at an estimated out-of-pocket cost to the Board of \$115,440.00, as recommended by the Engineering & Maintenance Committee; and to authorize the Interim General Manager and/or the Assistant General Manager to execute a contract per Bid Specifications and Conditions. Hill’s Janitorial Service, Inc. is a HUB company. 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 Dr. George Munchus, that the Board hereby exercises its bid option to extend a 12-month contracts with Hill’s Janitorial Services, the lowest responsible and responsive bidder, Janitorial Services, per bid awarded November 9, 2017, at an estimated out-of-pocket cost to the Board of \$115,440.00, as recommended by the Engineering & Maintenance Committee; and to authorize the Interim General Manager and/or the Assistant General Manager to execute a contract per Bid Specifications and Conditions. Hill’s Janitorial Service, Inc. is a HUB company. Resolution No. 8029 is hereby adopted by unanimous vote.”

Next, IGM Johnson asked the Board to take bids, as set forth in agenda items 8.1 through 8.3, 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 Dr. Brenda J. Dickerson and seconded by Mr. William R. Muhammad, that the Board hereby authorizes staff to take bids on the following, as recommended by the Engineering and Maintenance Committee:

- 8.1 A caterpillar 308E2 SB Mini Excavator to be used by the Distribution Construction Department’s Pipe Laying Crew, for excavations to make replacements and repairs to pipeline.
- 8.2 A HVAC Maintenance Agreement for service needed at the Main Campus and at all plant sites, in addition to quarterly services for SCADA Cabinets and Information Technology Cabinets at all plant sites.
- 8.3 An estimated Forty-One (41) replacement automobiles. The goal is to replace 1/7 of the fleet every year. BWWB currently has 355 vehicles in its fleet.

Resolution No. 8030 is hereby adopted by unanimous vote.”

Next, IGM Johnson asked the Board to award bids, as set forth in agenda items 9.1 through 9.5, respectfully. Dr. Munchus indicated he wanted to discuss agenda item 9.2 and 9.3; therefore, the items were voted on separately. 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 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:

9.1 Mueller Co., **the lowest responsible and responsive bidder**, for estimated quantities of Gate Valves (Annual), at an estimated out-of-pocket cost to the Board of \$298,806.53, as recommended by the Engineering & Maintenance Committee; and **to authorize** the Interim 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. 8031 is hereby adopted by unanimous vote.”

Chairman Burbage asked for a motion and second for further discussion of agenda item 9.2. Dr. Munchus expressed concerns about the HUB subcontractor participation being 0%. He stated the manufactures participation is understandable, but he has concerns about the Suppliers continuing to ignore BWWB’s 30% HUB participation goal. Per Dr. Munchus, he will be voting no. The item passed with a 6 to 2 vote.

“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 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:

9.2 Ferguson Waterworks, **the lowest responsible and responsive bidder**, for estimated quantities of Fire Hydrants (Annual), at an estimated out-of-pocket cost to the Board of \$ \$223,298.58, as recommended by the Engineering & Maintenance Committee; and **to authorize** the Interim 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% (Supplier).]

Resolution No. 8032 is hereby adopted by Directors Burbage, Clark, Dickerson, Mims, Alexander, and Lewis. Directors Munchus and Muhammad voted no.”

Dr. Munchus asked if Comfort System USA was a local business within the State of Alabama. He asked if prime contractors were ignoring the 30% HUB participation or is there difficulty for them in finding small business. He inquired as to why the low goal of 30% continues to fail. AGM Sonny Jones stated the company is not a HUB, they have a local in town address

listed on file, and two HUB subcontractors were contacted. Per Chief Engineer Ben Sorrell, Therma Pro and Mayer Electric are the HUB subcontractors for Comfort System USA. Mr. Sorrell indicated that Mayer Electric is a HUB, because it is a woman owned business. Dr. Munchus stated he still had concerns on the program. Then, Director Clark requested IGM Johnson to provide a copy of the Minority Demographic Report to all board members, which he agreed. The item passed with a 5 to 3 vote.

“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. Tommy J. Alexander, 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:

9.3 Comfort Systems USA (MidSouth) Inc., **the lowest responsible and responsive bidder**, for the Western Filter Plant HVAC replacement project, at an estimated out-of-pocket cost to the Board of \$125,170.00, as recommended by the Engineering & Maintenance Committee; and **to authorize** the Interim 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 17%.]

Resolution No. 8033 is hereby adopted by Directors Burbage, Clark, Dickerson, Alexander, and Lewis. Directors Munchus, Mims, and Muhammad voted no.”

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Dr. Munchus asked about the HUB for The Smith Group & Associates, and whether the they were from Decatur, AL. Per Mr. Sorrell, the subcontractor is RPM Concrete & Construction from Birmingham, which is BCIA certified. The item passed with a 5 to 3 vote.

“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. Sherry W. Lewis, 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:

9.4 The Smith Group & Associates, LLC of Decatur, AL, **the lowest responsible and responsive bidder**, for the Customer Service Center HVAC upgrade, at an estimated out-of-pocket cost to the Board of \$184,000.00, as recommended by the Engineering & Maintenance Committee; and **to authorize** the Interim 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 13.5%.]

Resolution No. 8034 is hereby adopted by Directors Burbage, Clark, Dickerson, Alexander, and Lewis. Directors Munchus, Mims, and Muhammad voted no.”

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Next, IGM Johnson asked the Board to award bid to REV Construction, Inc., **the lowest responsible and responsive bidder**, for the replacement of approximately 1,750’ of 8” unlined cast iron pipe with approximately 1,750’ of 8” DICL pipe and related appurtenances; and 4 water services along Green Springs Highway between 17th Avenue North & 20th Avenue North located in the City of Birmingham, Alabama, at a bid amount of \$357,997.50; plus estimated cost of materials and Water Board labor in the amount of \$176,652.54; at an estimated out-of-pocket cost to the Board of \$534,650.04, as recommended by the Engineering & Maintenance Committee; and to authorize the Interim General Manager and/or the Assistant General Manager to execute a contract per Bid Specifications and Conditions, as set forth in agenda item 9.5. [NOTE: The Historically Underutilized Business (HUB)’s subcontractor participation is 17.4%.]

A motion was made by Mr. Tommy J. Alexander and seconded by Ms. Sherry W. Lewis. Per Director Muhammad stated Rev was an on-call contractor that had to compete with other companies with higher HUB participation, but 17% HUB participation appears to be enough. It is the company’s responsibility to encourage and motivate program participation. The program is a farce and unresponsive. BWWB does not have anything in place to ensure the HUB goal is met. Rev Construction competed to get higher participation when it was part of the on-call program. Dr. Munchus agreed. Per Dr. Munchus, the will to do is lacking, and it’s the culture. He stated you cannot get people out poverty if you do not include an entrepreneurship component. Dr. Munchus stated he will be voting no.

Following, Director Muhammad stated his “yes” and “no” vote is not determined by the law, and he will not be forced to vote in a way he believes to be socially irresponsible. Chairman Burbage commented that they must operate under the provisions and prevail of the state law. Preference items cannot be used as a reason to get around the prevailing law. Per Chairman Burbage, bid procedures are being followed based on the bid law. However, you cannot reject something because it does not meet a personal criterion; it must be based on business criterion. Dr. Munchus stated, they are working within the confines of the law, but business owners should want to be more pro-active in diversifying their business practices. He is not advocating violating the law. Following, AGM Jones stated he respectfully disagrees with Director Muhammad and Dr. Munchus. He stated the will to meet HUB participation is within the company, him and his employees. Other organizations the size of BWWB has a department devoted to a HUB program. He asked the Board to consider staffing someone (2-person department) that experienced and can work 40 hours a week on matching the company with HUBs. He is not trying to get rid of BCIA. Dr. Munchus expressed concerns of an in-house person being ineffective, but a contract compliance could possibly work and is long overdue. Several members expressed views and concern. Dr. Dickerson stated she believes an in-house person is possible; however, she will be voting no, because the bid is a construction bid. Director Lewis stated the company needs to do better with the HUB participation. She stated there are other companies like BCIA. The goal of BCIA was to lead the charge on the HUB participation 30% goal. She has not heard what BCIA is

doing for over a year. It may be possible to have someone inside and outside the company to focus on the issue. Director Clark stated there are some changes that can be made within quickly. IGM Michael commented, given the bid law constraints, the focus has been on being proactive and the internal plan. Per Dr. Munchus, BWWB needs to increase its investment in Birmingham Business Alliance (BBA). Chairman Burbage asked for an up or down vote on said item. The motion failed with a 4 to 4 vote.

Next, IGM Johnson asked the Board to discuss proposals relative to considering two search firms for recruitment to fill the General Manager position, as set forth in agenda item 10. Chairman Burbage stated he asked for the item to be placed on the agenda. He suggested narrowing the firms down to two for a presentation. Chairman Burbage indicated the company needs to fill the General Manager and Assistant General Manager position quickly. He stated there needs to be a full management staff in place. Following, Director Muhammad expressed concerns on spending \$100,000 on a search firm when there is an internal candidate. He stated if the board wants to bring someone in he will not vote against it. Dr. Munchus stated he will be voting no, because it is a waste of time and money. There was a discussion to narrow the search firms down to two out the four choices for recruitment to fill the General Manager position: Polihire (Washington, DC), Isaacsons Miller (Boston), N2Growth (Atlanta), and Reaction Search International (Atlanta). Dr. Dickerson expressed concerns about Polihire fee structure of requiring 15% of the first annual salary and open fee for expenses for candidates travel. Per Chairman Burbage, a contract would be negotiated which would address her concerns. Director Clark made a motion to invite the search firms (1) Polihire and (2) Isaacsons Miller to make presentations. Director Lewis seconded the motion. The motion failed with a 4 to 4 vote. Next, Director Mims made a motion for the search firms Polihire and N2Growth. Dr. Dickerson seconded the motion. The motion passed with a 6 to 2 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. Ronald A. Mims and seconded by Dr. Brenda J. Dickerson, that the Board hereby approves the search firm Polihire and N2Growth for consideration for recruitment to fill the General Manager position. Resolution No. 8035 is hereby adopted by Directors Burbage, Clark, Dickerson, Mims, Alexander, and Muhammad. Directors Munchus and Lewis voted no.”

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Subsequently, agenda item 11 addressed new business and speakers. IGM Johnson stated he would like to present information to the board about being selected number seven by the Top 125 Training Program at the next board meeting. Next, Dr. Dickerson stated that the organizational chart was restructured to accommodate a Treasury Department. However, the Treasury Department was not approved by the board. As a result, Dr. Dickerson made a motion to immediately dissolve the Treasury Department. Director Mims seconded the motion. Chairman Burbage asked Attorney Parnell whether approval from the board is required to create a new department. Attorney Parnell stated there was not enough information to give an answer at that moment, because he had no knowledge on how the Treasury Department was created. IGM Johnson explained that over the years, the board’s pension, OPEB, reserves, debt services, and operating budget transactions grew. Therefore, in consulting with a financial advisor, looking at how banking has changed and the level of activity, the recommendation was presented to search

for a Treasurer (cash investment management). Per IGM Johnson, several positions were eliminated to allow room in the budget for the Treasurer. He has not known a previous situation where board approval was needed if something was already included in the budget or voted on. Dr. Dickerson stated the position is understood; however, an organizational change to restructure must come to the board for approval, and she has a copy of the by-laws. Director Lewis indicated her concerns for the structure change. IGM Johnson stated that by Treasurer taking over some responsibilities of the Finance, AGM enhanced internal controls with separate functions that manage cash away from those that write checks and does reconciliation. Director Alexander asked what happens if the board dissolves the Treasury Department. IGM Johnson replied that it would merge with the Accounting Department, which is the closest function and things would return to the way they were. After much discussion on topic, there was a unanimous vote to immediately dissolve the Treasury Department. 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 approves to dissolve the Treasury Department immediately. Resolution No. 8036 is hereby adopted by unanimous vote.”

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Following under new business, Dr. Munchus asked Attorney Parnell to coordinate with the law firm representing the board’s employees in the Startley Lawsuit to meet with the board for an update. An update was also requested from the Corey Watson Law Firm. Next, Chairman Burbage asked the directors to make their selection for March’s meetings and return them to Grace Amison, Executive Assistant to the Board of Directors before leaving. Director Muhammad stated the board does not need to delay the Lake Purdy Dam issue. There would be a disaster if something happened to Dam. Afterwards, Director Muhammad asked for an Executive Session to discuss a topic related to general reputation and character. Director Alexander, also, indicated he would like an Executive Session and would inform Attorney Parnell the purpose of his request. IGM Johnson recognized the speaker Isaac Ballard, Retiree. Mr. Ballard stated that in a Executive Committee Meeting last week, presentations were made to the board on the Pension and OPEB program. He stated during the meeting a representative from Morgan Stanley, made a recommendation to look at private market placement. Per Mr. Ballard, the retirees are 100% against it. The alternative markets are very risky and not guaranteed. He stated the retirees are asking that the board not consider investing in private market firms. Dr. Munchus asked if there was a conflict of interest involving Morgan Stanley. Mr. Ballard read information stating that “in the course of ordinary business, Morgan Stanley may be in direct conflict with its clients regarding funds being handled for client.” Then, Dr. Munchus asked Mr. Ballard was it his understanding that Morgan Stanley receives a fee from Hamilton and Lane. Mr. Ballard stated yes, their fees are compounded over a quarterly period. Director Alexander left the meeting at 12:57 p.m. to discuss his reason with Attorney Parnell for an Executive Session. Director Mims inquired about the resolution to be drafted for a town hall meeting with all employees. There was a short discussion. Director Alexander returned to meeting at 1:00 p.m.

Next, Director Muhammad made a motion to enter Executive Session to discuss general reputation and character of certain individuals. Dr. Dickerson seconded the motion. At 1:02 p.m., the Board and Board's Attorneys entered Executive Session. 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. William R. Muhammad and seconded by Dr. Brenda J. Dickerson, that the Board hereby approves an Executive Session to discuss general reputation and character of certain individuals. Resolution No. 8037 is hereby adopted by Directors Clark, Dickerson, Mims, Alexander, Lewis, Munchus, and Muhammad. Chairman Burbage voted no.”

Subsequently, at 1:27 p.m., the motion to end Executive Session was made by Director Lewis and seconded by Director Muhammad. 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 1:27 p.m.

_____/s/_____
William “Butch” Burbage, Jr., C.P.A.
Chairman/President

Attest:

_____/s/_____
Ronald A. Mims
Secretary-Treasurer