

**MINUTES OF THE REGULAR BI-MONTHLY MEETING OF DIRECTORS
OF THE WATER WORKS BOARD OF THE CITY OF BIRMINGHAM
May 8, 2019**

The regular bi-monthly meeting of the directors of The Water Works Board of the City of Birmingham was held on Wednesday, May 8, 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 King was absent.

The meeting was also attended by: Michael Johnson, General Manager; TM “Sonny” Jones, Assistant General Manager; Grace E. Amison, Executive Assistant to the Board of Directors; Vanessa Washington, Executive Assistant; Mark Parnell, Parnell Thompson, LLC; Kelvin Howard, KWH, LLC.; Martha Bozeman, Agency 54; Brian Ruggs, ARCADIS; Theo Johnson, Volkert; Olivia Martin AGO; Kim Bivins, BCIA; Chandra Abesingha, CE Associates; Angela Huguley, Black Diamond Paving; Ken King, City of Birmingham; Walter Lewis, Piper Jaffray; Andre’ Pettus, E.W. Moon; Connie Harris, Sheppard-Harris and Associates; Larry Dancy, The Salvation Army; George Anderson, Rick Jackson, Ben Sorrell, Barry Williams, Ed Travis, Paul Lloyd, Jonathan Harris, Drusilla Hudson, John Reymann, and BWWB Security, Board Employees; Isaac Ballard and Nelda Thompkins, Retirees.

Inasmuch as a majority of the Board members were present, a quorum was in attendance. Chairman Burbage called the meeting to order at 11:30 a.m. He turned the meeting over to GM Michael Johnson, who opened the meeting with prayer.

Next, GM Johnson asked the Board to approve the Regular Board of Directors’ minutes for February 28, 2019, 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 Mr. Ronald A. Mims and seconded by Dr. George Munchus, that the Board hereby approves minutes of the following meetings:

- Regular Board of Directors’ Meeting held February 28, 2019

Resolution No. 8075 is hereby adopted by unanimous vote.”

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Next, GM Johnson asked the Board to approve the following said directors' mileage expense reimbursement as set forth in agenda item 2.1 and 2.2, respectively. [NOTE: A roll call vote is required.] On a motion duly made and seconded, a “roll call” vote of the directors was taken, and the following resolution was adopted:

“WHEREAS, the Board of Directors has adopted a Travel Expense Reimbursement Policy, as amended; and

WHEREAS, in accordance with Act No. 2015-164, approval is requested for the following mileage expense reimbursement.

NOW, THEREFORE, BE IT RESOLVED, on a motion made by Dr. George Munchus and seconded by Mr. Tommy J. Alexander, that the following board member(s) be reimbursed for his and/or her mileage expense reimbursements as follows:

- Brett A. King for mileage expense reimbursement for attending to business of the Board for April 2019 in the amount of \$107.88 (as listed on the attached Travel and Business Expense Reimbursement).

Resolution No. 8076 is hereby adopted by a roll call vote: Director Alexander, Yes; Director Clark, Yes; Director Dickerson, Yes; Director Burbage, Yes; Director Mims, Yes; Director Lewis, Yes; Director Munchus, Yes; and Director Muhammad, Yes.”

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“WHEREAS, the Board of Directors has adopted a Travel Expense Reimbursement Policy, as amended; and

WHEREAS, in accordance with Act No. 2015-164, approval is requested for the following mileage expense reimbursement.

NOW, THEREFORE, BE IT RESOLVED, on a motion made by Dr. George Munchus and seconded by Mr. Ronald A. Mims, that the following board member(s) be reimbursed for his and/or her mileage expense reimbursements as follows:

- Sherry W. Lewis for mileage expense reimbursement for attending to business of the Board on April 17, 2019 in the amount of \$34.22 (as listed on the attached Travel and Business Expense Reimbursement).

Resolution No. 8077 is hereby adopted by a roll call vote: Director Alexander, Yes; Director Clark, Yes; Director Dickerson, Yes; Director Burbage, Yes; Director Mims, Yes; Director Lewis, Yes; Director Munchus, Yes; and Director Muhammad, Yes.”

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Next, GM Johnson asked the Board to approve payments of invoices for professional services, as set forth in agenda items 3.1 through 3.3, respectively. 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 authorizes staff to execute payments to the following:

- 3.1 Terminus Municipal Advisors, LLC
For professional services rendered for April 2019 \$6,500.00

- 3.2 The Jones Group, LLC
For professional services rendered for April 2019 \$7,500.00

- 3.2 Agency 54
For professional services rendered for March 2019 \$ 22,500.00

Resolution No. 8078 is hereby adopted by unanimous vote.”

Next, GM Johnson asked the Board, to reimburse the Operating Account for capital expenditures made for the periods ended March 31, 2019, from Schedule No. IV (Cash Basis), in the total amount of \$2,253,431.95, as set forth in agenda item 4. On a motion duly made and seconded, the following resolution was adopted:

“WHEREAS, ARCADIS US, Incorporated, in a Certificate dated April 30, 2019, Certified that, during the period ending March 31, 2019, there were expenditures for the cost of system improvements, which were paid from the Operating Account and reimbursement of that account is now due in the preliminary amount of \$2,253,431.95 and;

WHEREAS, transfers to the Operating Account can be made from any, or a combination, of the following: the 2002 Construction Fund, the Improvement Fund, and/or the Revenue Account.

NOW, THEREFORE, BE IT RESOLVED By The Water Works Board of the City of Birmingham, on a motion duly made by Dr. George Munchus and seconded by Dr. Brenda J. Dickerson, that the Trustee be, and is hereby instructed to immediately transfer \$2,253,431.95 to the Operating Account from any, or a combination, of the following: The 2002 Construction Fund, the Improvement Fund, and/or the Revenue Account.

Resolution No. 8079 is hereby adopted by unanimous vote.”

Next, GM Johnson asked the Board to award bids, as set forth in agenda items 5.1 through 5.5, respectfully. Dr. Munchus requested to vote separately on agenda item 5.1, 5.3, and 5.4. Agenda items 5.2 (award bid to Thompson Tractor Co.) and 5.5 (award bid to Enterprise Rent-A-Car) were voted on together. Regarding agenda item 5.5, Director Mims asked whether it would be more beneficial for the company to purchase a van as opposed to renting from Enterprise Rent-

A-Center. Per GM Johnson, BWWB would have limited use for a purchasing a van, because the vans are only used during the school programs. Chairman Burbage stated a previous discussion on said item indicated a van purchase would be a \$30,000/\$40,000 investment per van that would not be utilized for 40 weeks out of the year. Therefore, it would be more economical to rent the vans. 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 Ms. Deborah Clark 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:

5.2 Thompson Tractor Co., **the lowest responsible and responsive bidder**, for a Hydraulic Caterpillar Excavator, at an estimated cost to the Board of \$98,465.00, as recommended by the Engineering and Maintenance Committee; and **to authorize** the General Manager and/or the Assistant General Manager to execute a contract per Bid Specifications and Conditions. [NOTE: The Historically Underutilized Business (HUB)’s subcontractor participation is 0% (Direct Manufacturer/Supplier of Tractor Equipment).]

5.5 Enterprise Rent-A-Car, **the lowest responsible and responsive bidder**, for rental of ten 15-passenger vans to transport participants in the Young Water Ambassadors Program at an estimated cost to the Board of \$54,183.00, as recommended by the Engineering and Maintenance Committee; and **to authorize** the General Manager and/or the Assistant General Manager to execute a contract per Bid Specifications and Conditions. [NOTE: The only bidder to respond. The Historically Underutilized Business (HUB)’s subcontractor participation is 0% (Supplier – 2018 supplier is Enterprise Rent-A-Car).]

Resolution No. 8080 is hereby adopted by unanimous vote.”

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Next, GM Johnson asked the Board to award bid to Brentwood Industries, as set forth in agenda items 5.1. Dr. Munchus inquired as to the location of the corporate office for the Tube Settler Media, which GM Johnson replied the corporate office location is in Reading, Pennsylvania. 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. 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:

5.1 Brentwood Industries, **the lowest responsible and responsive bidder**, for estimated quantities of Tube Settler Media at an estimated cost to the Board of \$236,040.00, as recommended by the Engineering and Maintenance Committee; and **to authorize** the

General Manager and/or the Assistant General Manager to execute a contract per Bid Specifications and Conditions. [NOTE: The only bidder to respond. The Historically Underutilized Business (HUB)'s subcontractor participation is 0% (Direct Manufacturer/Supplier of Tube Settler Media).]

Resolution No. 8081 is hereby adopted by unanimous vote.”

Next, GM Johnson asked the Board to award bid to American Filter Service Corp., as set forth in agenda items 5.3. Dr. Munchus inquired as to the location of the corporate office for the American Filter Service Corp, which GM Johnson replied the corporate office location is in Dallas, Pennsylvania. Dr. Munchus noted for the record that American Filter Service Corp. is a Supplier and a Woman Business Enterprise. He also inquired whether the company has a local presence in Jefferson County, which GM Johnson answered no. 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. Tommy J. Alexander and seconded by Ms. Deborah Clark, 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:

5.3 American Filter Service Corp, **the lowest responsible and responsive bidder**, for estimated quantities of Filter Media for the Filter Plants at an estimated cost to the Board of \$51,298.04, as recommended by the Engineering and Maintenance Committee; and **to authorize** the General Manager and/or the Assistant General Manager to execute a contract per Bid Specifications and Conditions. [NOTE: The Historically Underutilized Business (HUB)'s subcontractor participation is 100% (Supplier-Women's Business Enterprise/white woman owned).]

Resolution No. 8082 is hereby adopted by Directors Burbage, Muhammad, Mims, Clark, Lewis, and Alexander. Directors Dickerson and Munchus voted no.”

Next, GM Johnson asked the Board to award bid to Black Diamond Paving, LLC., as set forth in agenda items 5.4. Dr. Munchus inquired as to whether Tate Contracting (current Supplier), have expended the \$2.4 million for the fifteen-month period. GM Johnson indicated yes. Following, Dr. Munchus inquired about whether Black Diamond Paving, LLC was able to perform the work and not exceed the \$954,625.00 in a twelve-month period. GM Johnson explained that this item is a unit price bid that will be tracked and would be bid again before exceeding the \$954,625.00. Then, Angela Hughley, Black Diamond Paving, LLC. indicated that their office in is in Dora, Alabama – Jefferson County. 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. Tommy J. Alexander and seconded by Mr. William R. Muhammad, 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:

5.4 Black Diamond Paving, LLC., **the lowest responsible and responsive bidder**, for estimated quantities of Standard Patch Paving/Longitudinal Transverse Replacement at an annual estimated cost to the Board of \$954,625.00, as recommended by the Engineering and Maintenance Committee; and **to authorize** the General Manager and/or the Assistant General Manager to execute a contract per Bid Specifications and Conditions. [NOTE: The Historically Underutilized Business (HUB)’s subcontractor participation is 100% (Supplier- Women’s Business Enterprise/white woman owned). Tate Contracting is current supplier. Current billings at \$2.4 million.]

Resolution No. 8083 is hereby adopted by Directors Burbage, Muhammad, Munchus, Mims, Lewis, and Alexander. Directors Dickerson and Clark opposed.”

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Following, GM Johnson asked the Board to hear a presentation from the Help To Others (H2O) Foundation regarding services provided by the H2O Foundation, as set forth in agenda item 6. The following three handouts were provided for reference: (1) *Help to Others (H2O) Foundation Board of Directors* (2) *Help to Others (H2O) Foundation Presentation BWWB Board of Directors-May 8, 2019* (3) *Help to Others Foundation Statement of Financial Position (copies of which are on file in the Board meeting book)*. GM Johnson presented background information on the H2O foundation. He gave an introduction on the H2O Board Members. Also, GM Johnson acknowledged the presence of Mr. Larry Dansy, Salvation Army, who manages BWWB’s account and would also be presenting information on H2O. GM Johnson answered several questions from board members regarding: how the H2O board members are selected, timeframe to serve in the terms, and changes to the guidelines. He indicated to the board members that he would provide them with H2O by-laws. GM Johnson gave an overview on the H2O cash balances, expenses, and revenue. GM Johnson explained that there is a resolution stating that the company will give \$100,000.00 a year / one-twelfth of the \$100,000 per month to the foundation if there is a profit (revenue exceeds expenses) and only in the months were there was a profit. In addition, he stated that revenue is generated from BWWB, Customer donating, golf tournament, and interest income.

Several board members questioned the increased amount of \$216,666.58 BWWB contributed to the foundation in the year 2016. Ms. Connie Harris, H2O Secretary/Treasurer addressed the issue. She indicated that BWWB did not contribute any funds for the years 2014 and 2015; therefore, the company tried to catch up the months in 2016. The foundation was supposed to meet every quarter but met six months instead. Director Lewis asked if the board was notified of the additional funds used to catch up, was there another resolution, and what transpired? Director Lewis requested statements for the years 2014 and 2015, and documentation explaining the catch-up process in 2016, which GM Johnson agreed to provide. Following, Chairman Burbage noted that the operating cash increased, and the board should consider not having a stipulation on

the \$100,000.00 contribution. Dr. Munchus asked if BWWB could give more than \$100,000.00. Ms. Harris explained that even though the cash balance is significant, changing the guidelines could cause the money to be depleted. Then, there was a short discussion among the group on no contributions from Jefferson County. Per Attorney Mark Parnell, Jefferson County stated the law prohibits them from contribution. Dr. Munchus stated he wanted to ensure the Jefferson County Attorney gave a legal opinion on the matter before he goes before the Jefferson County Commission. Attorney Parnell stated he would ask for a written legal opinion. Next, Ms. Harris completed presenting information on the H2O Foundation Statement of Financial Position and Statement of Activities (periods ended December 2017 and December 2018) as there were no more questions.

Following, Larry Dansy, Salvation Army presented information to the group on the eligibility requirements for assistance from the H2O. He confirmed to Dr. Munchus that financial qualification is primarily determined by state guidelines. Mr. Dansy discussed recent changes to the Agreement and the application process. He also talked about the monthly appointment breakdown indicating the number of appointments, missed appointments, customers that did not qualify, customers assisted, and the amount of financial assistant. Dr. Munchus expressed concerns about ensuring customers are aware of the H2O Foundation and its services. He asked if Agency 54 or similar entity was assisting in making the program known. Director Muhammad stated an extensive PR campaign was needed and BWWB needed to do more with the program. Director Lewis clarified that BWWB is not part of the H2O Foundation. She stated it is a separate entity and H2O should take the lead on the matter. Per Director Lewis, BWWB position should be whether the company continues to contribute the \$100,000.00 or more than \$100,000.00.

Next, Director Mims made a motion for the board to increase its donation to one million dollars a year for the H2O Foundation. The motion was seconded by Dr. Munchus. Chairman Burbage stated the issue should go before the Finance Committee. Thus, Director Mims and Dr. Munchus withdrew their motions, respectively and the board agreed to forward the recommendation to the Finance Committee for review. After much discussion on increasing contribution, eligibility, PR expansion and possible changes for the H2O Foundation, the presentation was concluded.

Subsequently, agenda item 7 addressed new business. First, Dr. Munchus requested BWWB to adopt a resolution opposing Sherman Industries plans to locate one or more concrete facilities of the Five Points Area. Director Lewis expressed concerns about the facility locating in a residential area with proximity to families. She also voiced concerns on the adverse effect it would have on the water/Valley Creek and air quality. Brian Ruggs, ARCADIS, also voice concerns Sherman Industries would have on the community and environment. On a motion duly made and seconded, the following resolutions were adopted:

“WHEREAS, Sherman Industries plans to relocate one or more concrete facilities to the Five Point area of the City of Birmingham; and

WHEREAS, the location where Sherman Industries plans to relocate said faculties is in an area that would have a potential adverse environmental impact on a portion of The Water Works Board of the City of Birmingham’s service area and customers; and.

WHEREAS, large segments of the community and the City of Birmingham are in opposition of the relocation of these facilities to the Five Points area; and

NOW, THEREFORE, on a motion made by Dr. George Munchus and seconded by Ms. Sherry W. Lewis it is hereby Resolved as follows:

Due to potential negative environmental impacts caused to portions of the Water Works Board’s service area and customers, the board of directors for the Water Works Board hereby oppose Sherman Industries plans to locate one or more concrete facilities to the Five Points area.

Resolution No. 8084 is hereby adopted by unanimous vote.”

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Next, under new business, Director Muhammad inquired whether BWWB had a settlement policy. Attorney Parnell stated the matter is best discussed in Executive Session. Then, Director Muhammad expressed concerns on the Jefferson County town hall meeting. Per Director Muhammad, it was detrimental to BWWB. Therefore, he suggested BWWB has its own town hall meeting. Also, under new business, he stated, the Board needs a Comprehensive Public Relations and Marketing Plan. Director Muhammad stated BWWB needs to go to the communities and explain things to the customers. He discussed concerns of BWWB being linked with Jefferson County Sewer. After some discussion, it was decided a Comprehensive Public Relations and Marketing Plan should be addressed through a BWWB Communications Committee Meeting. Following, Rick Jackson, Public Relations Specialist announced the end of the year school program. He invited the board members to come out and speak to the kids. He stated it would be Friday, May 10, 2019 from 9:30 a.m. to 1:30 p.m. at the McWane Science Center. Lastly, under new business, Director Mims stated Grace Amison, Executive Assistant to the Board of Directors job position needed to be discussed due to her impending retirement. Chairman Burbage stated he has met with Ms. Amison and has information she compiled relative to her job position. Per Chairman Burbage, he will distribute the information to the board members. He informed the board that the Executive Assistant to the Board position would be discussed in the May 29, 2019 Executive Committee Meeting. Then, GM Johnson stated the board received an update on SMFP operations and an email stating the legal status for the chemical accident; therefore, an Executive Session may not be necessary unless the board has questions. However, Director Muhammad stated his question is on the board’s settlement policy. He asked whether a settlement has to be approved by the board. Per Attorney Parnell, lawsuits regarding board approval is based on the amount. If the amount is within the General Managers spending authority, the General Manager would be the one to approve it. Dr. Munchus asked if a board member disagrees with the terms and condition of the agreement, would it be discussed in Executive Session or do they have the authority to settle it without input from the board. Attorney Parnell stated that if the board has questions regarding a matter to communicate their concerns to him. Director Muhammad stated the board needs to look at the settlement policy and should give consideration that the policy probably should not be determined by the monetary value, if it eliminates the board members knowledge of a lawsuit existence. He stated the by-laws states the General Manager can spend up to a certain amount of money; and the board can request a report of the spending. However, the

board would not know about settlements under \$50,000.00. Thus, the settlement policy needs to be reviewed. Director Lewis inquired if there was a written policy. Attorney Parnell stated there is no official written policy, it is geared towards the spending authority of the General Manager. After indicating a written settlement policy is needed, the board agreed to send the item to the May 29, 2019 Executive Committee Meeting for further discussion.

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 1:07 p.m.

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

Attest:

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