

**MINUTES OF THE REGULAR BI-MONTHLY MEETING OF DIRECTORS
OF THE WATER WORKS BOARD OF THE CITY OF BIRMINGHAM
April 26, 2018**

The regular bi-monthly meeting of the directors of The Water Works Board of the City of Birmingham was held on Thursday, April 26, 2018, at 9:00 a.m., at 3600 First Avenue North, Birmingham, Alabama.

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

The meeting was also attended by: Mac Underwood, General Manager; TM “Sonny” Jones, Darryl Jones, and Michael Johnson, Assistant General Managers; Grace E. Amison, Executive Assistant to the Board of Directors; Vanessa Washington, Executive Assistant to AGM Michael Johnson, Mark Parnell, Parnell Thompson, LLC; Kelvin Howard, KWH, LLC.; Jesse Lewis and Dorian Kendrick, Agency 54; Patrick Flannelly and Brian T. Ruggs, ARCADIS US, Inc.; Theo Johnson and John Smith, Volkert; Dara Nail, AGO; Matthew Arrington, Terminus; Chandra Abesingha, CE Associates; Paul Lloyd, Charlotte Harris, Cherita King, Barry Williams, Ben Sorrell, George Anderson, Michael Griffin, Rick Jackson, John Dansby, Jonathan Harris, Michael Parker, Chris Landrum, and BWWB Security, Board Employees; Isaac Ballard, Retiree.

Inasmuch as a majority of Board members were present, a quorum was in attendance. GM Underwood called the meeting to order at 9:01 a.m. Following, George Anderson, I.T. Manager opened the meeting with prayer. At 9:02 a.m., Director Munchus entered the meeting.

Next, GM Underwood asked the Board to adopt resolutions commending the following employees, as set forth in agenda item 1.1, as Employees of the Month for April 2018 from the Operations and Technical Services Division: Reservoir Supervisor Emanuel Washington II (Inland Lake Dam), Purification Maintenance Worker Kerry Thomas (Inland Lake Dam), Operator Trainee Raymond Mahaffey (Cane Creek Pump Station), Raw Water Technician David Gantt (Robinwood), Utility Worker Carl Calvert (Distribution Department), Pump Station Operator Gregory Doty (Inland Lake Dam) and DMWII Nicholas Cates (Distribution 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 Mr. Ronald A. Mims and seconded by Dr. George Munchus, that the Board hereby recognizes and commends Emanuel Washington II, Kerry Thomas, Raymond Mahaffey, David Gantt, Carl Calvert, Gregory Doty and Nicholas Cates as the Operations and Technical Services Division’s Employees of the Month for April 2018, on having achieved outstanding job performance, attendance, and work above expected levels;

RESOLVED FURTHER, that the Board and the General Manager are hereby authorized to sign a formal resolution, the wording of which will carry out the intent herein, and a copy of

which will be presented to the employees named above. Resolution No. 7769 is hereby adopted by Directors Alexander, Clark, Dickerson, Mims, Munchus, and Muhammad.”

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Next, the employees of the month introduced themselves to everyone. AGM Darryl Jones spoke briefly on the project at Inland Lake that resulted in the group being chosen as April 2018 Employees of the Month. Afterwards, he thanked the employees for their hard work. Dr. Munchus inquired about the time of year for valve testing. Per AGM Darryl Jones, two valve tests are done a year. A wet test is done during the spring when the lake is full and overflowing and a dry test is done during the winter.

Following, Chairman Alexander announced it was time to enter Executive Session to discuss pending litigation. Attorney Mark Parnell stated other attorneys were present and would need an update on the pending litigation. He indicated he would anticipate that the Executive Session may last 45 minutes to an hour and does not anticipate any action taken after said session. Director Mims asked who requested Executive Session. Dr. Munchus stated it was not requested by him. Also, Director Muhammad asked if they could enter Executive Session at the end of the meeting, because of the public attendees. Director Clark stated Executive Session does not need to be at the end of the meeting, because attorneys are present and they were going to do other things they needed to do after the meeting. Then, Dr. Munchus asked Attorney Mark Parnell several questions about his association/interactions with the Cory Watson firm which, Attorney Parnell answered. Following, Attorney Parnell stated he has certified the Executive Session; therefore, the Board needs to take a 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 Ms. Deborah Clark, that the Board hereby approves an Executive Session to discuss a pending litigation matter. Resolution No. 7770 is hereby adopted by Directors Alexander, Clark, Dickerson, Mims, Munchus, and Muhammad.”

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At 9:11 a.m., the Board and Board’s Attorneys entered Executive Session. At 9:12 a.m., Director King entered the Executive Session and, and Director Lewis entered the Executive Session at 9:20 a.m. Subsequently, 10:11 a.m., Chairman Alexander asked for a motion to end Executive Session. The motion was made by Director Mims and seconded by Director Munchus. Thus, the Board reopened the meeting.

Next, GM Underwood asked the Board to approve payments of invoices for professional services, as set forth in agenda items 2.1 through 2.3, respectively. GM Underwood indicated management had reviewed the invoices and recommended 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 Mr. Ronald A. Mims and seconded by Dr. George Munchus, that the Board hereby authorizes staff to execute payments to the following:

- 2.1 Dominick Feld Hyde, P.C.
For professional services rendered for March 2018 \$814.00

- 2.2 Volkert, Inc.
For professional services rendered for February 2018 \$4,945.00

- 2.3 ARCADIS U.S., Inc.
For professional services rendered per February 2018 Progress Report (February 2018) \$127,822.94

Resolution No. 7771 is hereby adopted by unanimous vote.”

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Next, GM Underwood asked the Board to authorize the General Manager and/or Assistant General Manager to execute the Alabama Department of Revenue (ADOR) Form ST:PAA1 to appoint the General Contractor (B. L. Harbert International) for the Shades Mtn. Filter Improvements project in accordance with ADOR Rule 810-6-3-.69.02 as its agent to order and pay for necessary materials that will be incorporated into the project as set forth in agenda item 3. Afterwards, a motion was made and seconded to discuss said item. Then, Dr. Munchus asked how did the Alabama Department of Revenue (ADOR) get involved. GM Underwood stated the handout entitled “*ADOR Sales & Use Tax Exemption for SMFP*” (a copy of which is on file with the Board meeting book) explains ADOR involvement. Per GM Underwood, in 2013 legislature passed a change to the tax-exempt law and rules and regulation for governmental entities. Thus, in 2017 ADOR decided that BWWB did not qualify for that exemption. However, in 2018 the Alabama legislature passed a new bill that allowed BWWB the tax-exempt status. Therefore, B.L. Harbert must be appointed to be BWWB’s purchasing agent to allow BWWB to get the tax-exempt status. Thus, all equipment purchased for SMFP will be tax-exempt from sales tax. 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. Brett A. King, that the Board hereby authorizes the General Manager and/ or Assistant General Manager to execute the Alabama Department of Revenue (ADOR) Form ST:PAA1 to appoint the General Contractor (B. L. Harbert International) for the Shades Mtn. Filter Improvements project in accordance with ADOR Rule 810-6-3-.69.02 as it’s agent to order and pay for necessary materials that will be incorporated into the project. Resolution No. 7772 is hereby adopted by Directors Alexander, Lewis, Clark, King, Munchus, Muhammad, and Dickerson. Director Mims abstained from voting.”

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Next, GM Underwood asked the Board to table agenda item 4, relative to a no-cost Real

Estate Sales Agreement to exchange property with Fleming Branch, LLC. Per GM Underwood, management has a detailed report to provide to the Board; however, the report is only 90% complete. Therefore, the report will be provided at the next Engineering and Maintenance Committee Meeting along with said tabled item. 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 Board hereby tables agenda item 4, relative to a no-cost Real Estate Sales Agreement to exchange property with Fleming Branch, LLC. Resolution No. 7773 is hereby adopted by unanimous vote.”

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Next, GM Underwood asked the Board to take bids, as set forth in agenda items 5.1 and 5.2, respectively. Director Lewis requested to vote on said items separately. Dr. Munchus concurred. Then, Director Clark stated agenda item 5.2 has not been before the Committee, and it is inappropriate to be on the agenda.

Following, Director King made a motion to discuss agenda item 5.1 and Dr. Munchus seconded the motion. Dr. Munchus asked if the City of Centerpoint was contributing any money towards this Replacement Project, which GM Underwood answered no. Next, Dr. Munchus asked if this project could have been done on the program for on-call contractors for a faster response time due to the seriousness of the matter. GM Underwood answered that this is a System Development project and that these type projects are bid. In addition, it was not an emergency. Therefore, 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. George Munchus, that the Board hereby authorizes staff to take bids for the replacement of approximately 1,620’ of 2” unlined cast iron pipe/ 2” galvanized steel pipe with approximately 1,960’ of 8” DICL pipe and related appurtenances; and 26 water services along 2nd Terrace, NW and Maple Way, NW located in the City of Centerpoint, Alabama at an estimated out-of-pocket cost to the Board of \$431,200.00. The Replacement Project Break Rate is 161. Resolution No. 7774 is hereby adopted by unanimous vote.”

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Next, GM Underwood indicated the Board’s request to refer agenda item 5.2, relative to proposed renovations in the Engineering and Business System area on the first floor, to the Engineering and Maintenance Committee. On a motion duly made and seconded, agenda item 5.2 was tabled and referred to said Committee, the following 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 Board hereby tabled agenda item 5.2, relative to proposed renovations in the Engineering and

Business System area on the first floor, and referred to the Engineering and Maintenance Committee. Resolution No. 7775 is hereby adopted by unanimous vote.”

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Following, GM Underwood asked the Board to award bid to Warren Truck and Trailer of Birmingham, the lowest responsible and responsive bidder, for (5) new Auto Cranes and accessories, per Specifications and Conditions as listed in bid documentation BI 18-05-04, at an out-of-pocket cost to the Board of \$76,506.00; 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)’s subcontractor participation is 0% (Direct Manufacturer)], as set forth in agenda item 6. GM Underwood indicated management recommends said item for approval. Director Mims inquired as to what happens with the current Auto Cranes. Per GM Underwood, the Cranes that are in good condition may possibly be transferred to another truck. However, the current trucks are 350 trucks, thus, the current Cranes will not fit on the new 550 trucks. 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 Board hereby awards bid to Warren Truck and Trailer of Birmingham, the lowest responsible and responsive bidder, for (5) new Auto Crane and accessories, per Bid Specifications and Conditions as listed in bid documentation BI 18-05-04, at an out-of-pocket cost to the Board of \$76,506.00; and authorizes the General Manager and/or the Assistant General Manager to execute a contract per Bid Specifications and Conditions. [NOTE: The Historically Underutilized Business (HUB)’s subcontractor participation is 0% (Direct Manufacturer).] Resolution No. 7776 is hereby adopted by Directors: Alexander, Lewis, Clark, King, Mims, Muhammad, and Dickerson. Director Munchus voted no.”

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Next, GM Underwood asked the Board to clear the hiring for the positions listed on the attached document as stated in the resolution adopted by the Board on April 12, 2018, as set forth in agenda item 7. Director Lewis made the motion to move the item for discussion and Dr. Munchus seconded the motion. GM Underwood explained that the handout items listed 2 through 6 (*a copy of which is on file in the Board meeting book*) listing job candidates for hire and the corresponding Personnel Action Request Forms (PARF’s) had been uploaded into the Diligent meeting book. Per GM Underwood, handout items 7 through 10 job candidates PARF’s had not been uploaded into the Diligent meeting book, but was added on the handout, because staff has completed the interviews and are ready to offer positions. Next, Dr. Munchus stated that it was clear and his interpretation is the Board was to be informed. Dr. Dickerson stated it was inappropriate to bring agenda item 7 to the Board and it should be removed from the Agenda. Per Director Lewis, the Board never asked for names and pay of potential job candidates. Director Lewis stated that it was wrong and an attack on the Board. Per Director Lewis, this is an extreme case, because the Board only wanted to be informed. Then, Dr. Dickerson stated it is beyond the scope of what the Board requested. Director Lewis stated she will not read said handouts, because she will not be accused of being involved in the day-to-day operations. The Board is not trying to be a part of the day-to-day operations. They only wanted general information. The information received was not what was intended. Following, Dr. Munchus stated the resolution should have

read “informed” and that’s what he thought it had said. Director Lewis indicated that the resolution was worded as “cleared”, however, an email was sent in advance to change the wording to “inform”. Then, Attorney Mark Parnell stated the resolution would need to be amended to say “informed” instead of “cleared”. Director Lewis had dialogue with Attorney Parnell to express her concerns that resolution wording indicated operations information. Afterwards, Director Clark stated that in a previous resolution the Board asked to be informed of hiring and terminations as it related to an internal investigation the Board was going through so no retaliatory actions would be taken against any employees. Following, Dr. Dickerson and Director Lewis requested agenda item 7 to be removed. Subsequently, Director Lewis asked Attorney Parnell the proper and legal way to remove resolution for agenda item 7. Director Lewis amended her motion to remove item 7 from the agenda because it is not the information requested nor the intent of the Board of Directors. Dr. Munchus second the motion. On a motion duly made and seconded, the following resolution was adopted:

“BE IT RESOLVED By The Water Works Board of the City of Birmingham (“the Board”), on a motion duly made by Ms. Sherry W. Lewis and seconded by Dr. George Munchus, that the Board hereby removes agenda item 7. Resolution No. 7777 is hereby adopted by unanimous vote.”

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Dr. Munchus asked GM Underwood if the resolution needed to be changed because of the word “informed” which he indicated yes. Dr. Munchus made a motion to change the word “cleared” to the word “informed” on the resolution that passed on April 12, 2018. Director King 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. Brett A. King, that the Board hereby amends Resolution No. 7765 adopted on April 12, 2018, to replace the word “cleared” to “informed”. Resolution No. 7778 is hereby adopted by Directors: Alexander, Clark, King, Mims, Munchus, Muhammad, and Dickerson. Director Lewis abstained from voting.”

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Next, GM Underwood asked the Board to hear the 2018 First Quarter Division Reports from Finance and Administration, Engineering and Maintenance, and the Operations and Technical Services Division, as set forth in agenda item 8. AGM Michael Johnson presented the first quarter reports for the Finance & Administration Division on customer account billings, operating revenues and operating expenses, and Operating and Maintenance (O&M) variances. Dr. Munchus had questions such as if on-call contractors’ dollars were part of Capital or O&M which AGM Johnson replied that leak repairs are operating but could flow over to Capital depending on the work and he also had questions about the health care and the programs. AGM Michael Johnson also updated the Board on PayGo cash reserves and Homeserve. Afterwards, AGM Michael Johnson concluded his presentation. Then, Director Lewis asked when would HomeServe be coming to BWWB, because the Board requested Homeserve to come since they were requesting an increase. Per AGM Sonny Jones, he has not received a date yet from them. Rick Jackson stated they are waiting on a Communications meeting to be scheduled. Dr. Munchus asked if HomeServe was doing their own marketing which was answered yes. Next, Sonny Jones

presented the Engineering and Maintenance Division report. He stated that currently the Capital Budget is about 3 million dollars short of the projections for the capital plan due to Shades Mountain Filter Plant, but that is expected to change at the end of the year. In addition, he highlighted various other capital projects and their status. During AGM Sonny Jones presentation of Distribution Department Highlights, Dr. Dickerson asked about the content of *other*. AGM Sonny Jones gave some examples of what *other* included and indicated that he would provide the Board with a list of the break down for those items and everything that Distribution does. After presenting photos of Shades Mountain Filter Plant, he concluded his presentation. Next, AGM Darryl Jones presented his presentation for the Operations and Technical Services Division. He gave a report on finished and raw water pumpage. In addition, AGM Darryl Jones presented information updating the Board on the status of BWWB power consumption and chemicals. Then, AGM Darryl Jones concluded his presentation. Following, BWWB's Public Relations Specialist Rick Jackson invited the Board members to BWWB's school program Honors and Fun Day at 10:00 a.m. on May 11, 2018 at the McWane Science Center.

Subsequently, under new business, Dr. Munchus asked GM Underwood to provide a list of the numbers for all the accounts that are currently shut-off by email. He also asked which accounts were shut-off for non-payment of water vs. non-payment of sewer. GM Underwood stated the water and sewer is paid as a combined bill. Per GM Underwood, water nor sewer is cut-off individually, accounts are shut-off because of water and sewer. GM Underwood agreed to provide the information to Dr. Munchus pertaining to the end of April 2018 within a few days. In addition, there were no speakers present.

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 10:55 a.m.

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

Attest:

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