

**MINUTES OF THE REGULAR BI-MONTHLY MEETING OF DIRECTORS  
OF THE WATER WORKS BOARD OF THE CITY OF BIRMINGHAM  
June 28, 2018**

The regular bi-monthly meeting of the directors of The Water Works Board of the City of Birmingham was held on Thursday, June 28, 2018, at 9:00 a.m., at 3600 First Avenue North, Birmingham, Alabama.

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

The meeting was also attended by: Mac Underwood, General Manager; 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 and Mary Thompson, Parnell Thompson, LLC; Kelvin Howard, KWH, LLC.; Dorian Kendrick, Jesse Lewis, Tommy Palladino and Martha Bozeman, Agency 54; Patrick Flannelly and Brian T. Ruggs, ARCADIS US, Inc.; Theo Johnson, Volkert; Olivia Martin, AGO; Matthew Arrington, Terminus; Walter Lewis, Piper Jaffray; Chandra Abesingha, CE Associates; Kim Bivins, BCIA; Bryce Holcomb and Guy Logan, Citigroup; James White and Jim White, Banks, Finley & White; Yvonne Davis, Yvonne Green-Davis, P.C.; Sarah Stokes, SELC; Joyce Dupree, Michael Parker, John Dansby, Barry Williams, Rosalind Jones, Ben Sorrell, Shirley Russell, George Anderson, Michael Griffin, Rick Jackson, and BWWB Security, Board Employees; Nelda Thompkins, Visitor.

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

Next, GM Underwood asked the Board to adopt a resolutions commending BWWB Competition Teams: Top Ops Team – 1<sup>st</sup> Place Finish, Men’s Blue Tapping Team – 1<sup>st</sup> Place Finish, Meter Madness Team – 1<sup>st</sup> Place Finish, Ladies Tapping Team – 4<sup>th</sup> Place Finish, Men’s Red Tapping Team – 5<sup>th</sup> Place Finish, and Fire Hydrants Team – First Competition for their efforts at AWWA 2018 Annual Conference, as set forth in agenda item 1. GM Underwood indicated management recommends approval of said items. On a motion duly made and seconded, the following resolutions were adopted:

“WHEREAS, The Water Works Board of the City of Birmingham has supported its Top Ops Team at various levels of competition since 2004; and

WHEREAS, members of the 2018 Top Ops Team are Stan Brock, Scotty Gormley and Derrick Stephens; and

WHEREAS, on June 14, 2018, the Top Ops Team competed in the American Water Works Association’s National Top Ops Competition in Las Vegas, Nevada, finishing in first place; and

WHEREAS, the Board is proud and desires to commend the 2018 Top Ops Team for the outstanding manner in which it performed, and

NOW, THEREFORE, BE IT RESOLVED, on a motion duly made by Dr. George Munchus and seconded by Ms. Deborah Clark, that the Water Works Board of the City of Birmingham does hereby commend each member of the 2018 Top Ops Team for competing at the National Top Ops Championship at the American Water Works Association’s National Top Ops Competition.

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 each member of the team. Resolution No. 7806 is hereby adopted by unanimous vote.”

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“WHEREAS, The Water Works Board of the City of Birmingham has supported its Pipe Tapping Teams at various levels of competition since 1988; and

WHEREAS, members of the 2018 Men’s Blue Tapping Team are Johnny Bittles, Todd Stewart, Jerry Storey and Lakell Freeman, Coach; and

WHEREAS, on June 14, 2018, the Men’s Blue Tapping Team competed in the American Water Works Association National Tapping Team Competition in Las Vegas, Nevada, finishing in first place; and

WHEREAS, the Board is proud and desires to commend the 2018 Men’s Blue Tapping Team for the outstanding manner in which it performed, and

NOW, THEREFORE, BE IT RESOLVED, on a motion duly made by Dr. George Munchus and seconded by Ms. Deborah Clark, that the Water Works Board of the City of Birmingham does hereby commend each member of the 2018 Men’s Blue Tapping Team for its first-place finish at the National Tapping Team Championship at the American Water Works Association Annual Conference & Exposition.

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 each member of the team. Resolution No. 7807 is hereby adopted by unanimous vote.”

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“WHEREAS, The Water Works Board of the City of Birmingham has supported its Meter Madness Team at various levels of competition since 2010; and

WHEREAS, a member of the 2018 Meter Madness Team is Joshua Templeton; and

WHEREAS, on June 12, 2018, Joshua Templeton competed in the American Water Works Association Annual Conference & Exposition Meter Madness Competition in Las Vegas, Nevada, finishing in first place; and

WHEREAS, the Board is proud and desires to commend National Champion Meter Madness Team Member, Joshua Templeton for the outstanding manner in which he performed; and

NOW, THEREFORE, BE IT RESOLVED, on a motion duly made by Dr. George Munchus and seconded by Ms. Deborah Clark, that the Water Works Board of the City of Birmingham does hereby commend Joshua Templeton, a member of the 2018 Meter Madness Team for his first-place finish at the American Water Works Association Meter Madness Competition.

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 Mr. Templeton.

Resolution No. 7808 is hereby adopted by unanimous vote.”

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“WHEREAS, The Water Works Board of the City of Birmingham has supported its Pipe Tapping Teams at various levels of competition since 1988; and

WHEREAS, members of the 2018 Ladies’ Bama Belles Tapping Team are April Nabors, Tamara Robinson, Frerica Smith and Timothy Harris, Coach; and

WHEREAS, on June 14, 2018, the Ladies’ Bama Belles Tapping Team competed in the American Water Works Association National Tapping Team Competition in Las Vegas, Nevada, finishing in fourth place; and

WHEREAS, the Board is proud and desires to commend the 2018 Ladies’ Bama Belles Tapping Team for the outstanding manner in which it performed, and

NOW, THEREFORE, BE IT RESOLVED, on a motion duly made by Dr. George Munchus and seconded by Ms. Deborah Clark, that the Water Works Board of the City of Birmingham does hereby commend each member of the 2018 Ladies’ Bama Belles Tapping Team for competing at the National Tapping Team Championship at the American Water Works Association Annual Conference & Exposition.

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 each member of the team. Resolution No. 7809 is hereby adopted by unanimous vote.”

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“WHEREAS, The Water Works Board of the City of Birmingham has supported its Tapping Team at various levels of competition since 1988; and

WHEREAS, members of the 2018 Men’s Red Pipe Tapping Team are Lorenzo Clay, Johnathan Bittles, Paul Bethune and Jonathan Harris, Coach; and

WHEREAS, on June 14, 2018, the Men’s Red Pipe Tapping Team competed in the American Water Works Association’s National Pipe Tapping Competition in Las Vegas, Nevada, finishing in fifth place; and

WHEREAS, the Board is proud and desires to commend the 2018 Men’s Red Pipe Tapping Team for the outstanding manner in which it performed; and

NOW, THEREFORE, BE IT RESOLVED, on a motion duly made by Dr. George Munchus and seconded by Ms. Deborah Clark, that The Water Works Board of the City of Birmingham does hereby commend each member of the 2018 Men’s Red Pipe Tapping Team for competing at the American Water Works Association’s National Pipe Tapping Competition.

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 each member of the team. Resolution No. 7810 is hereby adopted by unanimous vote.”

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“WHEREAS, The Water Works Board of the City of Birmingham supports its Fire Hydrants Team at the national level; and

WHEREAS, members of the Birmingham Water Works Board’s 2018 Fire Hydrants Team are Dusty Murphy, Jordan White and Kyle Swinney, Coach; and

WHEREAS, the Birmingham Water Works Board’s 2018 Fire Hydrants Team competed for the first time in the American Water Works Association National Fire Hydrant Competition on June 14, 2018, in Las Vegas, Nevada; and

WHEREAS, the Board is proud and desires to commend the 2018 Fire Hydrants Team for the outstanding manner in which it performed, and

NOW, THEREFORE, BE IT RESOLVED, on a motion duly made by Dr. George Munchus and seconded by Ms. Deborah Clark, that the Water Works Board of the City of Birmingham does hereby commend each member of the 2018 Fire Hydrants Team for competing at the American Water Works Association Fire Hydrants Competition.

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 each member of the team. Resolution No. 7811 is hereby adopted by unanimous vote.”

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Next, GM Underwood asked the Board to a adopt resolution commending the following employees, as set forth in agenda item 2, as Employees of the Month for June 2018 from the Operation and Technical Services Division: Superintendent Will T. Moore II, Technical Service Coordinator I Tatiana Green, Water Quality Team Lead John Hairston, Water Quality Technician Ron Hudson, Water Quality Technician Mario Brewster, Water Quality Technician Andre Thompson, Water Quality Technician Michael Byers, Water Quality Technician Darren Blount, and Water Quality Technician A’khi King. GM Underwood indicated that management recommends approval of said items. On a motion duly made and seconded, the following resolution was adopted:

“BE IT RESOLVED By the Water Works Board of the City of Birmingham (“the Board”), on a motion duly made by Dr. George Munchus and seconded by Dr. Brenda J. Dickerson, that the Board hereby recognizes and commends Will T. Moore, Tatiana Green, John Hairston, Ron Hudson, Mario Brewster, Andre Thompson, Michael Byers, Darren Blount and A’khi King as the

Operations and Technical Services Division’s Employees of the Month for June 2018, on their outstanding work relating to a water main break in the Hoover Metropolitan Stadium (Regions Park) area causing water discoloration while the City of Hoover was hosting the 2018 South eastern Conference Baseball Tournament. The effort included well over 50 calls and responses to residential services who were affected as well. The Birmingham Water Works Board (BWWB) received a call from the Mayor of Hoover who personally expressed his appreciation for a job well done. The exceptional and professional teamwork and quick response ensured BWWB provided great service to its customers;

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 the employees named above. Resolution No. 7812 is hereby adopted by unanimous vote.”

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Director Lewis entered the meeting at 9:14 a.m. Next, GM Underwood asked the Board to approve and authorize the General Manager and /or the Assistant General Manager to accept a Scope of Services Agreement from Banks, Finley & White to complete a SOC-1 Audit for the period October 1, 2017 through September 30, 2018 at a cost not to exceed \$90,000.00, as recommended by the Executive Committee, and as set forth in agenda item 3. Following, Dr. Munchus asked the meaning of the abbreviation SOC-1. Director Clark stated it stands for Services and Organizations Control. Director Lewis asked why is the cost \$90,000 and the period is from October 1, 2017 through September 30, 20108. James White, Banks Finley & White explained that prior periods under previous scopes were \$75,000. However, Mr. White stated the increase was due to including other municipalities that BWWB services and an increase in the number of transactions for their review. GM Underwood explained the reason for the FY2019 SOC-1 audit. Director Lewis expressed concerns that the cost of the audit had increased, in addition, to the audit usually being done every other year. Also, Director Lewis advised GM Underwood the need to have a Finance Committee going forward if there is a change from the norm, so the Board can have advance knowledge of the change(s). 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 R. Muhammad, that the Board hereby approves and authorizes the General Manager and/or the Assistant General Manager to accept a Scope of Services Agreement from Banks, Finley & White to complete a SOC-1 Audit for the period October 1, 2017 through September 30, 2018 at a cost not to exceed \$90,000.00, as recommended by the Executive Committee.

Resolution No. 7813 is hereby adopted by Directors Alexander, Clark, Dickerson, Burbage, Mims, Munchus, and Muhammad. Director Lewis opposed the motion.”

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Next, GM Underwood asked the Board to approve minutes of the March 29, 2018 Regular Board of Directors’ Meeting, as set forth in agenda item 4. GM Underwood indicated that management has reviewed minutes and recommends referenced minutes for approval. On a motion duly made and seconded, the following resolution was adopted:

“BE IT RESOLVED BY The Water Works Board of the City of Birmingham (“the Board”), on a motion duly made by Dr. George Munchus and seconded by Mr. Ronald A. Mims, that the Board hereby approves minutes of the following meeting:

- Regular Board of Directors’ Meeting held March 29, 2018

Resolution No. 7814 is hereby adopted by unanimous vote.”

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Next, GM Underwood asked the Board to approve the following directors’ actual travel expenses for the AWWA 2018 Annual Conference and Exposition held June 11 -14, 2018, in Las Vegas, Nevada, as set forth in agenda item 5 [NOTE: A roll call vote is required]. On a motion duly made and seconded, the following resolution was adopted:

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

WHEREAS, pursuant to Resolution No. 7683 adopted by the Board of Directors on January 11, 2018, approval was given to attend the AWWA - 2018 Annual Conference and Exposition scheduled June 11 – 14, 2018, in Las Vegas, Nevada; and

WHEREAS, in accordance with Act No. 2015-164, approval is requested for the following actual expenses relative to the above-referenced conference.

NOW, THEREFORE, BE IT RESOLVED, on a motion duly made by Dr. George Munchus and seconded by Mr. William R. Muhammad, that the following board member(s) be reimbursed for his or her actual expenses pertaining to said conference as follows:

- 5.1 Tommy Joe Alexander for total actual expenses including conference and workshop registration, airline fare, lodging (room and tax only), business meals and other in the amount of \$2,880.96 (as listed on the attached Itemized Travel and Business Expense Reimbursement).
- 5.2 Brenda J. Dickerson for total actual expenses including conference and workshop registration, airline fare, lodging (room and tax only), business meals and other in the amount of \$3,278.07 (as listed on the attached Itemized Travel and Business Expense Reimbursement).
- 5.3 Sherry W. Lewis for total actual expenses including conference and workshop registration, airline fare, lodging (room and tax only), business meals and other in the amount of \$2,690.98 (as listed on the attached Itemized Travel and Business Expense Reimbursement).
- 5.4 Ronald A. Mims for total actual expenses including conference and workshop registration, airline fare, lodging (room and tax only), business meals and other in the amount of \$2,798.53 (as listed on the attached Itemized Travel and Business Expense Reimbursement).

5.5 William R. Muhammad for total actual expenses including conference registration, airline fare, lodging (room and tax only), business meals and other in the amount of \$2,509.38 (as listed on the attached Itemized Travel and Business Expense Reimbursement).

Resolution No.7815 is hereby adopted by a roll call vote: Chairman Alexander, Yes; Director Clark, Yes; Director Dickerson, Yes; Director Burbage, Yes; Director Lewis, Yes; Director Munchus, Yes; and Director Muhammad, Yes; on agenda items 5.1 through 5.5., respectively. Director Mims voted Yes on agenda items 5.1, 5.2, 5.3, and 5.5. He abstained on agenda item 5.4.”

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Next, GM Underwood asked the Board to approve payments of invoices for professional services, as set forth in agenda items 6.1 through 6.5, respectively. GM Underwood indicated management had reviewed the invoices and recommended them for approval. Director Lewis requested that invoice 6.2 be separated from the other invoices. Following, GM Underwood asked for a motion on 6.1, 6.3, 6.4, and 6.5, 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 Dr. Brenda J. Dickerson, that the Board hereby authorizes staff to execute payments to the following:

6.1	<u>Raftelis Financial Consultants, Inc.</u>	
	6.1.1 For professional services rendered for April 2018	<u>\$24,687.79</u>
	6.1.2 For professional services rendered for May 2018	<u>\$29,977.96</u>
6.3	<u>Volkert, Inc.</u>	
	For professional services rendered for December 2017	<u>\$30,176.18</u>
6.4	<u>Parnell Thompson, LLC.</u>	
	For professional services rendered for May 2018	<u>\$86,647.00</u>
6.5	<u>ARCADIS U.S., Inc.</u>	
	For professional services rendered per April 2018 Progress Report (April 2018)	<u>\$281,159.80</u>

Resolution No. 7816 is hereby adopted by unanimous vote.”

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Next, GM Underwood asked for a motion and any discussion on agenda item 6.2 requesting the Board to approve Birmingham Business Alliance (BBA) allowance invoice payment in the amount of \$30,000.00 for the 2018 annual membership. Director Clark made a motion and Dr. Dickerson seconded the motion to discuss item 6.2. Director Lewis voiced concerns regarding the benefits that BWB receives for \$30,000.00 and asked for an explanation. GM Underwood stated there are quarterly board meetings. There was also discussion of the invoice being late and whether BWB membership had lapsed. Per Director Clark the Birmingham Business Alliance website does not list a \$30,000.00 membership, it lists other increments that explains those increments;

therefore, this causes her concern. GM Underwood stated the BBA asked certain people to increase their contributions. A letter was addressed to the previous Board approximately year 2012 or 2013 to increase its contributions. Then, Director Clark inquired as to what did BWWB get for increasing its contribution and a breakdown of the \$30,000.00. Per Director Clark there are several discrepancies. GM Underwood stated he could invite BBA to the next meeting to explain everything which Dr. Munchus agreed. Director Lewis stated the Board should also receive a report stating the benefits of what's going on in Birmingham. After much discussion, the Board agreed to table 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 Dr. Brenda J. Dickerson and seconded by Dr. George Munchus, that the Board hereby tables item 6.2, the payment of Birmingham Business Alliance invoice for 2018 annual membership.

Resolution No. 7817 is hereby adopted by unanimous vote.”

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Next, GM Underwood asked the Board to approve the purchase and installation of twelve (12) employee work area cubicles for the Customer Support Services Department in the amount of \$17,272.44, as recommended by the Engineering and Maintenance Committee, and as set forth in agenda item 7. GM Underwood indicated that management recommends approval. On a motion duly made and seconded, the following resolution was adopted:

“BE IT RESOLVED By The Water Works Board of the City of Birmingham (“the Board”), on a motion duly made by Dr. George Munchus and seconded by Mr. Ronald A. Mims, that the Board hereby approves the purchase and installation of twelve (12) employee work area cubicles for the Customer Support Services Department in the amount of \$17,272.44, as recommended by the Engineering and Maintenance Committee.

Resolution No. 7818 is hereby adopted by Directors Alexander, Clark, Burbage, Mims, Lewis, Munchus, and Muhammad. Director Dickerson opposed the motion.”

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Next, GM Underwood asked the Board to award bids, as set forth in agenda item 8.1 through 8.5, respectfully. GM Underwood proceeded with agenda item 8.1 which asked the Board to award bid to CJ Pressure Washing, Inc., the lowest responsible and responsive bidder for estimated quantities of Pressure Washing, at an estimated annual out-of-pocket cost to the Board of \$500,000.00, as recommended by the Engineering & Maintenance Committee; and to authorize the General Manager and/or the Assistant General Manager to execute a contract per Bid Specifications and Conditions. However, Director Clark requested to vote on the items separately. GM Underwood asked for the motion and second on agenda item 8.1. Director Muhammad made the motion and Dr. Munchus seconded. Following, Director Clark asked how much BWWB spent on pressure washing last year. John Dansby answered and indicated CJ Pressure Washing is paid per job. Director Clark inquired if BWWB had considered purchasing their own pressure washer and doing the work in-house. Per Mr. Dansby, there are certain



obstacles such as licenses and permits for running the water through the sewer system and violations. 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. William R. Muhammad and seconded by Dr. George Munchus, 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 CJ Pressure Washing, Inc., the lowest responsible and responsive bidder for estimated quantities of Pressure Washing, at an estimated annual out-of-pocket cost to the Board of \$500,000.00, as recommended by the Engineering & 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%.]

Resolution No. 7819 is hereby adopted by Directors Alexander, Clark, Dickerson, Burbage, Lewis, Munchus, and Muhammad. Director Mims abstained from vote.”

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Following, GM Underwood requested the Board to award bid to Warrior Tractor, the lowest responsible and responsive bidder, for one (1) New Caterpillar Backhoe Loader, per bid specification and conditions as listed in bid documentation BI 18-05-09 at an out-of-pocket expense to the Board of \$96,954.48, as recommended by the Engineering & Maintenance Committee; and to authorize the General Manager and/or the Assistant General Manager to execute a contract per Bid Specifications and Conditions, as set forth in agenda item 8.2. GM Underwood indicated management recommends 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 Ms. Sherry W. Lewis 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 Warrior Tractor, the lowest responsible and responsive bidder for one (1) New Caterpillar Backhoe Loader, per bid specification and conditions as listed in bid documentation BI 18-05-09 at an out-of-pocket expense to the Board of \$96,954.48, as recommended by the Engineering & 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).] Resolution No. 7820 is hereby adopted by unanimous vote.”

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Next, GM Underwood requested the Board to award bid to Thompson CAT, the lowest responsible and responsive bidder, for one (1) New Compact Hydraulic Excavator, per bid specification and conditions as listed in bid documentation BI 18-05-08 at an out-of-pocket expense to the Board of \$96,327.00, as recommended by the Engineering & Maintenance Committee; and to authorize the General Manager and/or the Assistant General Manager to execute a contract per Bid Specifications and Conditions, as set forth in agenda item 8.3. GM

Underwood indicated management recommends 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. William R. Muhammad 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 Thompson CAT, the lowest responsible and responsive bidder for one (1) New Compact Hydraulic Excavator, per bid specification and conditions as listed in bid documentation BI 18-05-08 at an out-of-pocket expense to the Board of \$96,327.00, as recommended by the Engineering & 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).]

Resolution No. 7821 is hereby adopted by unanimous vote.”

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Next, GM Underwood requested the Board to award bid to Tank Pro, Inc., the lowest responsible and responsive bidder, to make maintenance repairs and paint the inside and outside of the Sipsey Site #1, Site #4, and Site #5 Raw Water 500,000 Gallon Tanks, as recommend by the Engineering & Maintenance Committee; and to authorize the General Manager and/or the Assistant General Manager to execute a contract per Bid Specifications and Conditions. The out-of-pocket cost to the Board will be \$1,986,384.00 on the contract, as set forth in agenda item 8.4. GM Underwood indicated management has reviewed the item and recommends approval. Dr. Munchus made the motion and Dr. Dickerson seconded. In discussion, Chairman Alexander stated he is not against the item, he is for it; however, he would like to spread the money out over years instead of paying it out all at once. AGM Darryl Jones explained the last time the tanks were painted/repared, the cost, and the process. Following, Director Clark stated it had been previously discussed that relative to the litigations and investigations going on, that they were going to put a hold on awarding contracts that could be put on hold for a few more months to allow feedback on issues BWWB had relative to bidding and awarding contracts. After much discussion the Board voted on agenda item 8.4. The motion to approve item failed by a 4 to 4 roll call vote as follows: Directors Alexander, Yes; Lewis, No; Clark; No; Mims, Yes; Munchus, Yes; Dickerson, No; Muhammad, No; and Burbage, Yes.

Next, GM Underwood requested the Board to award bid to Stone and Sons Electrical Contractors, Inc., the lowest responsible and responsive bidder, on the Inland Lake Dam Well Monitoring Instrumentation Project at a negotiated price, in accordance with the Alabama Public Works Law, because there was only one bid received; and to authorize the General Manager and/or the Assistant General Manager to execute the contract in accordance with the Contract Documents, as recommended by the Engineering & Maintenance Committee. The out-of-pocket cost to the Board will be \$350,669.75 on the contract, as set forth in agenda 8.5. GM Underwood indicated management recommends approval. Dr. Munchus made a motion and Director Muhammad seconded. In discussion, Director Muhammad went on record to state that the bid was a negotiated bid as was done for Shades Mountain Filter Plant. The bid was negotiated down by ARCADIS, and when no one bids the law states a bid can be negotiated; therefore, if someone

negotiates \$49 million, it had nothing to do with him and Dr. Munchus. Then, Dr. Munchus asked why there was only one bidder on this item. Patrick Flannelly, ARCADIS stated that the economy has improved and there is a lot of activity going around. 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 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 Stone and Sons Electrical Contractors, Inc., the lowest responsible and responsive bidder on the Inland Lake Dam Well Monitoring Instrumentation Project at a negotiated price, in accordance with the Alabama Public Works Law, because there was only one bid received; and to authorize the General Manager and/or the Assistant General Manager to execute the contract in accordance with the Contract Documents, as recommended by the Engineering & Maintenance Committee. The out-of-pocket cost to the Board will be \$350,669.75 on the contract. [NOTE: Stone and Sons Electrical Contractors was the only bidder, and their Historically Underutilized Business (HUB)’s subcontractor participation is 23%.]

Resolution No. 7822 is hereby adopted by unanimous vote.”

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Next, GM Underwood asked the Board to hear a review of the BWWB's Audit Report for the Year Ended December 31, 2017 from Banks Finley White & Company, as set forth in agenda item 9. AGM Michael Johnson stated Bank Finley White and Company (BFW&Co.) was present to give a report to the Board entitled “*Presentation of the Audit of the 2017 Financial Statements to the Board of the Birmingham Water Works*” (a copy of which is on file in the Board meeting book). Director Lewis asked James White, Banks Finley White & Company for the date the Audit was done. Per Mr. White, the audit began the middle of April and the end date would be June 29, 2018. Following, James White began his presentation. He gave an overview of the audit scope and responsibilities of BFW&Co. and BWWB management. Next, he discussed the statements of net position and statement of revenues, expenses, and changes in fund net position. Then, he explained the audit results would be an unmodified opinion on the financial statements. There were no material weaknesses in internal control over financial reporting nor was there any material non-compliance found by the audit. Regarding slide 6 of Mr. White’s presentation, Dr. Dickerson inquired about the statement that management has agreed with all corrected misstatements identified during the audit. Dr. Dickerson asked Mr. White if they would know what those issues were, and would he present that information to the Board which he answered yes. In addition, he stated the report would be discussed in more detail at the Finance Committee Meeting. Following, the discussion on communication with those charged with governance, Mr. White concluded his presentation. Director Lewis asked staff were they in agreement to which AGM Michael Johnson answered yes. Then, Director Muhammad asked why the item came to the Board before going to a Committee. GM Underwood explained that the timing of completion was the reason. Per GM Underwood, the audit report needs to be submitted to the Municipal Securities Rulemaking Board on tomorrow. Then, AGM Michael Johnson stated that once finished the audit is final. It has never been submitted to a Committee. The auditors have a significant duty to audit and BWWB relies on their opinion. Director Muhammad suggested that in the future it might to need to go to the Finance Committee first. Then, Director Lewis expressed concerns on the timing of receiving the

information the day before and not having enough time to ask questions. Director Mims asked if there was a mandated date for the audit report which AGM Johnson answered June 30<sup>th</sup>. Next, Jim White, BFW&Co., stated that in relation to timing, the audit is ongoing, and information is reviewed all the way through the date issued. Per Mr. Jim White, there is no way to put a time limit on an audit for an organization the size of BWWB. Mr. Jim White explained that if something is viewed to be out of line or inconsistent with the previous years, the issue is reviewed further, because it is their duty and responsibility. He stated BFW&Co. will issue a report only on what is correct when giving their opinion. BFW&Co. has no problem coming to a Finance Committee Meeting; however, it will not change anything regarding their opinion. BWWB may or may not like their opinion, but BFW&Co.'s responsibility is to the public. Director Muhammad asked Mr. Jim White if his firm was taking responsibility for the Board getting the audit information the day before, which Mr. Jim White answered no. Mr. Jim White explained to the Board that the June 30<sup>th</sup> deadline need to be upheld to maintain the relationship with the bond holders. Per GM Underwood, BWWB is different in that it has a Pension Plan and an OPEB Plan. However, most cities in the State of Alabama are part of the Retirement System in Alabama. GM Underwood explained that the process involving the audit report includes the actuarial reports, which must be completed by Segal Advisors first. Next, Shephard Harris completes the OPEB and Pension Plan audit. Then, Banks Finley White and Company completes their audit and compiles the information into one audit report.

Subsequently, under new business, Chairman Alexander stated that Graysville buys water from BWWB and wants the company to consider providing a wholesale rate. They buy 800,000 gallons of water per day and would like a rate other than commercial. GM Underwood stated that a wholesale rate for wholesale customers will be covered in the Cost of Service Study. Next, under new business, Director Lewis expressed concerns about customer service and a customer water being turned off in error. She indicated more preventative controls and check and balances needs to be implemented. Per Director Lewis, she would like to see presentations showing where the errors have been corrected. Director Lewis requested to see a full report detailing corrections step by step. AGM Michael stated he has met with staff regarding the issue and has put together a presentation for improvements and would be happy to discuss with Board members. Then, Director Clark voiced concerns about multiple issues, such as, timeliness of receiving information, documents requested, customer service issues, etc. gives the impression that BWWB is incompetent. She also expressed concerns about the vote of Board members being discussed with vendors, because the majority rules when the Board votes. Director Clark inquired as to the information on the JD Power report and invoices requested that had not been received. GM Underwood stated that Rick Jackson has the JD Power summary document and AGM Michael Johnson spoke to the status of the requested invoices. Finally, under new business, Director Muhammad made a motion to the Board to hire Attorney Emory Anthony to represent the Board regarding the on-call contractors bid process and violation of HR and financial policies. Dr. Munchus seconded the motion. Director Burbage and Chairman Alexander expressed concerns that attorneys are already hired; therefore, it's a duplication of services/contract provided. Director Muhammad explained that the contract is not the same as previous attorneys. Per Director Muhammad, one attorney's role was to address the bid process and the other attorney's role was to address HR violations and financial policies. However, the previous attorneys retained to investigate whether violations of HR and financial policies occurred has been dismissed and the other attorney is in the middle of an investigation of the bid process and on-call contractors. Therefore, his resolution is a combination of the services. After

much discussion, the motion passed with Directors Burbage and Alexander opposing. 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. William R. Muhammad and seconded by Dr. George Munchus, that the Board hereby hires Attorney Emory Anthony to investigate all matters pertaining to the On-Call Contractors bid process and any violations of human resources and financial policies by the BWWB staff. Attorney Anthony is to be paid \$225.00 per hour at a cost not to exceed \$30,000.00 without Board approval.

Resolution No. 7823 is hereby adopted by Directors Alexander, Clark, Dickerson, Burbage, Mims, Lewis, King, Munchus, and Muhammad. Directors Alexander and Burbage opposed the motion.”

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As there was no speakers and 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 10:40 a.m.

\_\_\_\_\_/s/\_\_\_\_\_  
Tommy J. Alexander  
Chairman/President

Attest:

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