

**MINUTES OF THE REGULAR BI-MONTHLY MEETING OF DIRECTORS
OF THE WATER WORKS BOARD OF THE CITY OF BIRMINGHAM
May 31, 2018**

The regular bi-monthly meeting of the directors of The Water Works Board of the City of Birmingham was held on Thursday, May 31, 2018, at 9:00 a.m., at 3600 First Avenue North, Birmingham, Alabama.

The following Directors were present: Tommy J. Alexander, Deborah Clark, Ronald A. Mims, Brett A. King, George Munchus, and William R. Muhammad. Directors William “Butch” Burbage, Jr. and Brenda J. Dickerson were 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.; Dorian Kendrick, Bre Rudolph, and Tommy Palladino, Agency 54; Patrick Flannelly and Brian T. Ruggs, ARCADIS US, Inc.; Theo Johnson, Volkert; Dara Nail, AGO; Matthew Arrington, Terminus; Walter Lewis, Piper Jaffray; Matt Adams, Raymond James; Chandra Abesingha, CE Associates; Ashley Harrell, Elijah Long, and Daniel Reeves; Southland International Trucks; David Merrida Sr., BCIA; Paul Lloyd, Brian Hicks, Steve Franks, Tim Garrett, Michael Parker, John Dansby, Geraldine Davis, Marsha Hammonds, Barry Williams, Ben Sorrell, George Anderson, Michael Griffin, Rick Jackson, Greg Henry, and BWWB Security, Board Employees.

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. At 9:03 a.m., Director Lewis entered the meeting.

Next, GM Underwood asked the Board to adopt a resolution commending Technical Support Analyst Tim Garrett as Employee of the Month for May 2018 from the Finance and Administration Division, as set forth in agenda item 1.1. The General Manager indicated staff 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 Mr. Ronald A. Mims and seconded by Dr. George Munchus, that the Board hereby recognizes and commends Tim Garrett, as the Finance and Administration Division’s Employee of the Month for May 2018, 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 Tim Garrett. Resolution No. 7792 is hereby adopted by unanimous vote.”

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Then Human Resources Manager Paul Lloyd introduced Tim Garrett, May 2018 Employee of the Month. He also read words of appreciation from Executive Assistant to the Board of Directors Grace Amison, thanking Tim Garrett for his teamwork and support provided to the Executive Department. IT Manager George Anderson and AGM Michael Johnson also expressed their gratitude for the work exhibited by Tim Garrett.

Following, the Board members indicated that the Attorneys were in attendance, and it was time to enter Executive Session. Attorney Mark Parnell stated two outside Attorneys (Maynard Cooper & Gale, P.C. & Cory Watson, P.C.) were present to give an update to the Board on pending litigation. Attorney Mark Parnell certified pending litigation as the purpose to enter Executive Session. He anticipated that Executive Session may last approximately 30 minutes and does not anticipate any action taken after said session. Per Attorney Parnell, the Board needs to make the motion and 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 Dr. George Munchus and seconded by Mr. Ronald A. Mims, that the Board hereby approves an Executive Session to discuss a pending litigation matter. Resolution No. 7793 is hereby adopted by unanimous vote.”

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At 9:10 a.m., the Board and Board’s Attorneys entered Executive Session. Subsequently, at 10:28 a.m., a motion was made and seconded to end Executive Session; hence, the Board reopened the meeting.

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Next, GM Underwood asked the Board to approve minutes, as set forth in agenda items 2.1 through 2.3, respectively. GM Underwood indicated that management 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 meetings:

- Regular Board of Directors’ Meeting held February 8, 2018
- Regular Board of Directors’ Meeting held March 15, 2018
- Regular Board of Directors’ Meeting held March 22, 2018

Resolution No.7794 is hereby adopted by Directors Alexander, Mims, Lewis, King, Munchus, and Muhammad. Director Clark abstained.”

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Next, GM Underwood asked the Board to approve payments of invoices for professional services, as set forth in agenda items 3.1 through 3.3, respectively. GM Underwood indicated management had reviewed the invoices and recommended them for approval. Dr. Munchus

requested to vote separately on the invoices. 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 payment to the following:

- 3.1 Volkert, Inc.
For professional services rendered for March 2018 \$20,872.90

Resolution No. 7795 is hereby adopted by unanimous vote.”

“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 Mr. Ronald A. Mims, that the Board hereby authorizes staff to execute payment to the following:

- 3.2 Cory Watson, P.C.
For professional services rendered for May 2018 \$46,249.00

Resolution No. 7796 is hereby adopted by unanimous vote.”

“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 Mr. Ronald A. Mims, that the Board hereby authorizes staff to execute payment to the following:

- 3.3 Parnell Thompson, LLC
For professional services rendered for April 2018 \$104,267.27

Resolution No. 7797 is hereby adopted by unanimous vote.”

Next, Director Muhammad expressed his concerns on the policy requiring Board members to review the Parnell Thompson’s general services line item in their monthly invoice by coming to BWWB. He stated that the attorneys general services itemization should be included in Diligent for them to review. Per Attorney Parnell, the current process is a safety measure and involves attorney-client privilege. However, it is the Board’s decision. Director Lewis clarified that litigation information would not be included, only general services. Then, Director Muhammad made a motion that Parnell Thompson include general services details excluding litigation relative to their monthly invoice in Diligent. 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 Mr. Brett A. King, that the Board hereby approves including Parnell Thompson, LLC’s General Services details in Diligent excluding litigation relative to their monthly invoice. Resolution No. 7798 is hereby adopted by unanimous vote.”

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Next, GM Underwood asked the Board to award bid to VeriStor Systems, Inc., the lowest responsible and responsive bidder, for providing the HP Synergy Server hardware product for replacing the current server environment hardware at an estimated out-of-pocket cost to the Board of \$215,048.00; 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% (Supplier), as set forth in agenda item 4. IT Manager George Anderson gave an introduction on said 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. Ronald A. Mims 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, and award bid to VeriStor Systems, Inc., the lowest responsible and responsive bidder, for providing the HP Synergy Server hardware product for replacing the current server environment hardware at an estimated out-of-pocket cost to the Board of \$215,048.00; 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% (Supplier).] Resolution No. 7799 is hereby adopted by unanimous vote.”

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Next, GM Underwood asked the Board to ratify Emergency Work awarded to B&H Contracting to repair a water main break at 1759 Montgomery Highway in Hoover, Alabama on a 16" water main that was causing flooding in one lane of Highway 31 and a reduction in water services to several restaurants in the area at an estimated cost of \$18,000.00, as set forth in agenda item 5. 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 ratifies Emergency Work awarded to B & H Contracting Inc., to repair a water main break at 1759 Montgomery Highway in Hoover, Alabama on a 16" water main that was causing flooding in one lane of Highway 31 and a reduction in water services to several restaurants in the area at an estimated cost of \$18,000.00. Resolution No. 7800 is hereby adopted by unanimous vote.”

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Next, GM Underwood asked the Board to hear an update on the Inland Lake Dam Evaluation and Monitoring project and to discuss awarding the bid for Remote Well Monitoring Instrumentation at a negotiated bid of \$350,670.00 from Stone & Sons Electrical Contractors, Inc., as set forth in agenda item 6. The said item is for informational purposes only to the Board. A handout entitled *“Birmingham Water Works Board Dam Program/Inland Lake Dam Evaluation and Monitoring Program”* (a copy of which is on file with the Board meeting book) was provided to the Board. However, Director Lewis inquired to whether the said item had followed the process of being brought before the Engineering and Maintenance Committee before coming to the Board. After discussion among the Board members, Director Lewis made a motion to refer said item to the Engineering and Maintenance Committee. The motion was seconded by Director Muhammad. Dr. Munchus requested GM Underwood to provide the invitation to bid for said item.

Next, GM Underwood asked the Board to hear a presentation on the Independent Registered Municipal Advisors (IRMA) Rule from Terminus Municipal Advisors, as set forth in agenda item 7. Matthew Arrington of Terminus presented information on said item. Mr. Arrington advised the Board on the process of dealing with Underwriters. He stated that the Board should name a team of Underwriters, bond counsel, and attorneys approximately by July 4, 2018. After several questions from Board members, Mr. Arrington explained the Dodd-Frank Act, bond issues, reserves, and the reimbursement resolution. Then, Matthew Arrington concluded the presentation.

Subsequently, Dr. Munchus referred to agenda item 6, and asked GM Underwood if said item was an emergency matter which GM Underwood responded no. Afterwards, Dr. Munchus asked which agency in the State of Alabama handles the Dam Safety Program. Patrick Flannelly stated that Alabama is on the only state that does not have a formal Dam Safety Program; however, the Board has a Dam Safety Program that follows best practices.

Next, Director Muhammad asked for clarification on the budgeting and borrowing process. He asked whether the budget for capital budget projects were based on the Board’s ability to borrow money. AGM Michael Johnson explained the process includes borrowed money and PAYGO. Per Director Clark, information regarding BWWB’s financial standing should be brought before the entire Board. In addition, GM Underwood stated that BWWB goes to the bond market every two years to fund the capital budget program. Previously, the entire capital program was being funded out of bond issues. However, a policy was adopted to provide 25% of the funds to come from current operations (PAYGO) and the remaining 75% are borrowed funds. Dr. Munchus stated he would like for there to be two (2) public hearings per year instead of the one.

Following, Director Alexander acknowledged that the BWWB process for Jefferson County Sewer collection would begin the next day, and after speaking with everyone involved, BWWB is ready. The Board members asked if a vote was necessary to start the Jefferson County Sewer collection process tomorrow. No Board action necessary.

Then, Director Lewis expressed concerns about an ongoing situation with a customer’s having issues with water in the meter box, a high water bill, and communication with the customers. Next, Director Clark requested management to provide the Board with the specifics on the way each concern would be addressed internally relative to the JD Power Survey. Director

Clark requested that the information be provided to the Board by a June 15, 2018 deadline. 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 11:00 a.m.

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

Attest:

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