

**MINUTES OF THE REGULAR BI-MONTHLY MEETING OF DIRECTORS
OF THE WATER WORKS BOARD OF THE CITY OF BIRMINGHAM
February 8, 2018**

The regular bi-monthly meeting of the directors of The Water Works Board of the City of Birmingham was held on Thursday, February 8, 2018, at 9:00 a.m., at 3600 First Avenue North, Birmingham, Alabama.

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

The meeting was also attended by: Mac Underwood, General Manager; Michael Johnson, T. M. “Sonny” Jones, and Darryl Jones, 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, Agency 54; Patrick Flannelly and Brian T. Ruggs, ARCADIS US, Inc.; David Merrida, BCIA; Olivia Martin, A.G. Office; Theo Johnson, Volkert; Chandra Abesingha, CE Associates; Brandon McCray, Birmingham City Council, Donna Startley, Ott Startley, and Joseph Robinson, Startley General Contractors; Joseph Robbins, L&N Development; Rick Jackson, George Anderson, Paul Lloyd, Ben Sorrell, Michael Griffin, Barry Williams, Rosalind Jones, John Reymann, Brian Hicks, and Terrell Jones, Board Employees; and 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 9:00 a.m. Following, George Anderson, I.T. Manager opened the meeting with prayer.

Next, GM Underwood asked the Board to approve minutes, as set forth in agenda item 1.1 and 1.2, 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 September 14, 2017
- Regular Board of Directors’ Meeting held October 26, 2017

Resolution No. 7704 is hereby adopted by unanimous vote.”

* * * * *

Next, GM Underwood asked the Board to approve Director King’s mileage expense reimbursement for January 2018 in the amount of \$101.37, as set forth in agenda item 2. He indicated 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, 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 Mr. William “Butch” Burbage and seconded by Dr. Brenda J. Dickerson, that the following board member(s) be reimbursed for his mileage expense reimbursements as follows:

- Brett King for mileage expense reimbursement for January 2018 in the amount of \$101.37 (as itemized on the attached Expense Report).

Resolution No. 7705 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, Abstained; and Director Muhammad, Abstained.”

* * * * *

Next, GM Underwood asked the Board to approve payments of invoices for professional services, as set forth in agenda items 3.1 through 3.6. GM Underwood indicated management had reviewed the invoices and recommended them for approval. On a motion duly made and seconded, the following resolutions 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:

- 3.1 Terminus Municipal Advisors, LLC
For professional services rendered for January 2018 \$ 6,500.00

- 3.2 American Water Works Association (AWWA)
For AWWA corporate membership subscription renewal -
April 1, 2018 through March 31, 2019 \$ 21,224.00

- 3.3 Agency 54
For professional services rendered for December 2017 \$ 25,000.00

- 3.4 Water Research Foundation (WRF)
For WRF corporate membership renewal of subscription to
the Drinking Water Research Program - January 2018 through
December 2018 \$ 75,360.35

- 3.5 Parnell Thompson, LLC
For professional services rendered for January 2018 \$97,831.25

- 3.6 ARCADIS US., Inc.

For professional services rendered per December 2017 Progress Report (December 2017)

\$162,226.77

Resolution No. 7706 is hereby adopted by unanimous vote.”

Next, GM Underwood asked the Board to award bids, as set forth in agenda items 4.1 through 4.3., respectively. He indicated management recommends approval of items 4.1 through 4.3. Dr. Munchus inquired whether said items went before a Committee. GM Underwood clarified that many of the items that are bid do not go through Committee. Dr. Munchus inquired about the criteria for determining which bid items are presented before the Committee. GM Underwood stated that normally annual bid items are not brought before the Committee; however, larger dollar amount items such as chemicals are brought before the Committee for approval. Then, Dr. Munchus asked if it was known whether the bidders made a good faith effort to comply with the HUBE policy. Per GM Underwood, each bidder indicated they were a direct manufacturer or supplier; GM Underwood stated he does not know if the bidders made a good faith effort. Director Lewis asked if BWWB was getting the best fire hydrants with modern technology. Per AGM Sonny Jones, Mueller fire hydrants are top of the line in addition to also being the low bidder. Then, on a motion duly made and seconded, the following resolution was adopted:

“BE IT RESOLVED By The Water Works and Sewer 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 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:

- 4.1 Mueller Co., **the lowest responsible and responsive bidder** for Fire Hydrants, at an estimated out-of-pocket cost to the Board of \$259,514.28; and **to authorize** the General Manager and/or the Assistant General Manager to execute a contract per Bid Specifications and Conditions.
- 4.2 Ferguson WW, **the lowest responsible and responsive bidder** for Gate Valves (Annual), at an estimated out-of-pocket cost to the Board of \$345,239.95; and **to authorize** the General Manager and/or the Assistant General Manager to execute a contract per Bid Specifications and Conditions.
- 4.3 General Machinery Company, Inc., **the lowest responsible and responsive bidder** for a Motor Control Center, MCC, for Cane Creek Warrior Pump Station, at an actual out-of-pocket cost to the Board of \$57,800.00; and **to authorize** the General Manager and/or the Assistant General Manager to execute a contract per Bid Specifications and Conditions.

Resolution No. 7707 is hereby adopted by Directors Alexander, Clark, Dickerson, Burbage, Mims, Lewis, and Muhammad. Director Munchus abstained from voting.”

Next, GM Underwood asked the Board to approve a three (3) year agreement with The

Segal Company (Segal) to conduct annual actuarial valuations for the Pension and Other Post Employment Benefits (OPEB) Plans and provide annual summary letters/reports for employees and retirees of the BWWB, as set forth in agenda item 5. Dr. Munchus asked if this item went before a Committee, length of time BWWB has been doing business with Segal, and asked about Segal's efforts for participation in the HUBE program. GM Underwood clarified that this item did not go to a Committee, because Segal provides routine professional services yearly and the agreement is approved by the Board. Per GM Underwood, Segal has been providing this service since he's been at BWWB. In addition, Segal is very responsive to the Board's needs. He also explained to the Board that there are no local firms that provide actuarial services, and that HUBE participation is zero. 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 approves and authorizes the General Manager and/or the Assistant General Manager to enter into an agreement with The Segal Company (Segal) to conduct annual actuarial valuations for the Pension and Other Post Employment Benefits (OPEB) Plans and provide an annual summary for employees and retirees of the BWWB at an estimated annual cost of \$71,000 for year one (which includes a one-time implementation fee of \$6,000 for first year work under GASB 74 and 75 for 2018); Year 2 - \$66,788; Year 3 - \$68,625 for a total estimated three (3) year cost of \$206,413. Resolution No. 7708 is hereby adopted by unanimous vote.”

* * * * *

Next, GM Underwood asked the Board to approve expenditures with Layne/Vertiline c/o Dowdy & Associates, a sole source provider, to repair a Cahaba Pump Station spare river pump, as set forth in agenda item 6. Director Muhammad asked if it was proper procedure for the Chairman to make a motion. The roundtable answer was yes. Thus, 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. Tommy J. Alexander and seconded by Mr. William “Butch” Burbage, that the Board hereby approves expenditures with Layne/Vertiline c/o Dowdy & Associates, a sole source provider to repair a Cahaba Pump Station spare river pump at a total out-of-pocket cost to the Board of \$161,250.00. This amount is 27% of the cost of new pump. [NOTE: This expenditure is exempt from bidding under the Alabama Competitive Bid Law because it is a sole source provider.] Resolution No. 7709 is hereby adopted by unanimous vote.”

* * * * *

Next, GM Underwood asked the Board to approve the Revised Jefferson County Sewer Collection Agreement which is a five (5) year agreement effective April 1, 2018 and to authorize the General Manager and/or the Assistant General Manager to execute said agreement, as set forth in agenda item 7. Per GM Underwood, this item has been previously presented in Committee, and management recommends Board approval of said item. There was a motion to approve agenda item 7 by Director Tommy Joe Alexander and seconded by Director Deborah Clark. Then, Director Clark indicated the agreement requests the Board to authorize the General Manager and/or

Assistant General Manager to execute agreement; however, she prefers the Chairperson and First Vice Chairperson of the Board to execute said agreement. Per Board's Attorney Mark Parnell, the Chairman is already listed on the agreement, the motion would have to be amended to include the Vice Chairman. Afterwards, the motion was amended by Director Tommy Joe Alexander and seconded by Director Deborah Clark to authorize the Chair and Vice Chair to execute said agreement. Following, Dr. Dickerson stated she had questions regarding the agreement. Per Dr. Dickerson, she is still gathering information on this agreement and would like to table agenda item 7. Subsequently, a substitute motion was made by Dr. Brenda J. Dickerson and seconded by Dr. George Munchus to table item 7. GM Underwood explained to the Board that they would be giving up \$400,000 a month by delaying agreement. There was more discussion on this agreement among the Board such as hiring employees, cost, and profit involved. GM Underwood asked for a vote on the substitute motion to table item 7. The substitute motion to table item 7 failed by a 4 to 4 vote. Next, there was a vote to approve the original item. The motion to approve the original item also failed by a 4 to 4 vote.

Next, GM Underwood asked the Board to adopt a resolution to rescind Resolution No. 7312 requiring management to rotate on-call contractors between three (3) contractors and to continue following Resolution No. 7115 awarding bids to three (3) separate contractors with work being awarded to the lowest responsive and responsible bidder in accordance with the original bid specifications, as set forth in agenda item 8. The Board's Attorney Mark Parnell gave his opinion on the legal problems involving the rotation of work to the contractors under the current on-call contractors' agreements; therefore, he recommended not rotating the contractors. Then, Dr. George Munchus made a motion for agenda item 8 and it was seconded by Dr. Brenda J. Dickerson. Director Muhammad expressed his concerns and his interpretation of this issue and read into the record a portion of the bid specifications from the October 13, 2015 bid specifications. Director Clark also expressed concerns about possible violations just being brought to surface, discrepancies, and not receiving all the facts on issues to make informed decisions. GM Underwood stated that in the past, bids were being awarded to the lowest responsive and responsible bidder. Then, the previous Board received an opinion from Fuston, Pettway, and French stating that in rotating the contractors the work was legal. However, management and staff's recommendation has always been that on-call contractors not be rotated and work should continue being awarded to the lowest bidder as it had always been done. Nevertheless, based on the opinion of Fuston, Pettway, and French, the previous Board authorized management and staff to start rotating the on-call contractors. GM Underwood explained that there had been two or three Engineering and Maintenance Committee meetings as far back as March or April of 2017 where the opinion was that the rotation should be stopped, and the contract should be rebid but every time the issue of rebidding the contract was discussed the Board tabled the item and sent it back to the committee for further discussion. After much discussion on this item, the Board voted on agenda item 8. The motion to rescind Resolution No. 7312 failed by a 4 to 4 roll call vote as follows: Director Alexander, Yes; Director Clark, Yes; Director Dickerson, No; Director Burbage, Yes; Director Mims, No; Director Lewis, Yes; Director Munchus, No; and Director Muhammad, No. Director Muhammad requested to see the contracts for the three on-call contractors being rotated. Following, Dr. Munchus read a resolution that he wrote. Dr. George Munchus made a motion to hire a legal counsel to help resolve all matters pertaining to the bid law and it was seconded by Dr. Brenda J. Dickerson. Then, Dr. Munchus asked for a roll call vote on the resolution. On a motion duly made and seconded, the following resolution was adopted by a unanimous roll call vote:

“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 and empowers The Board Chair and The Board Vice Chair to recommend legal counsel to help resolve all matters pertaining to the bid law. Resolution No. 7710 is hereby adopted by unanimous 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.”

* * * * *

Next, GM Underwood asked the Board to approve a resolution authorizing the General Manager to authorize any improvement or repair request from a Licensee at Inland Lake for repairing or replacing certain items which will be made at no additional cost to the Board and does not increase the gross square footage of the existing cabin or associated structures such as piers, docks or boat houses; as recommended by the Engineering and Maintenance Committee, as set forth in agenda item 9. On a motion duly made and seconded, the following resolution was adopted:

“WHEREAS, the Residential Site Agreement Licensee’s (Licensee) occupying and using private camps on property owned by The Water Works Board of the City of Birmingham (Board), surrounding Inland Lake may wish to make certain repairs in accordance with the requirements of the Residential Site Agreement (RSA) to their private camp building and appurtenances that are located adjacent to Inland Lake which is owned by the Board; and,

WHEREAS, some repairs by Licensee will not result in additional gross square footage of all existing structures in accordance with the requirements of the RSA but are only returning the existing structures or improvements to a state that is deemed to be safe and secure to the Licensee, while not expanding the size and shape of existing structures in any way; and,

WHEREAS, these certain repairs will be made at no cost to the Board and are borne entirely by the Licensee.

NOW THEREFORE, on a motion made by Dr. George Munchus and seconded by Mr. Ronald A. Mims it is hereby resolved as follows:

1. The General Manager is hereby authorized to review, evaluate and approve any repair and improvement requests from the Licensees for repairing or replacing certain items, which will be made at no additional cost to the Board and shall not increase the gross square footage of existing private camp structures or improvements in size or shape in any way. All to be in accordance with the RSA.

2. Said repairs and improvements shall include but not be limited to improvements such as (1) upgrading, replacing or repairing doors, windows, carpeting, etc.; (2) upgrading, replacing or repairing the kitchen appliances and appurtenances, providing that the existing septic system is sized to accommodate any increase in occupancy, bathrooms or fixture unit counts; (3) upgrading, replacing or repairing bathroom fixtures and equipment, providing that the existing

septic system is sized to accommodate any increase in occupancy, bathrooms or fixture unit counts; (4) replacing or repairing boat docks and boat houses to no more than the original size; and (5) making any general improvements to the personal property and improvements that do not increase the camping or storage square footage in any way, all in accordance with the RSA.

Resolution No. 7711 is hereby adopted by unanimous vote.”

* * * * *

Next, GM Underwood asked the Board to approve an amendment to the 2018 operating budget in the amount of \$510,000 for salaries and benefits to fund one 7-person construction crew whose primary duty will be to lay replacement mains pipe, as set forth in agenda item 10. Dr. Munchus expressed his concerns about the number of people being hired. Per Dr. Munchus, there needs to be a hiring freeze. Director Burbage asked for resolution clarification on the verbiage regarding operating/capital budget. GM Underwood explained that positions are budgeted in the operating budget and are transferred to the capital budget as expenses occur. Therefore, net cost to the operating budget is zero. Next, 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 approves and authorizes the General Manager and/or the Assistant General Manager to accept an amendment to the 2018 operating budget in the amount of \$510,000 for salaries and benefits to fund one 7-person construction crew whose primary duty will be to lay replacement pipe, as recommended by the Engineering and Maintenance Committee. Resolution No. 7712 is hereby adopted by Directors Alexander, Clark, Dickerson, Burbage, Mims, Lewis, and Muhammad. Director Munchus abstained.”

* * * * *

Subsequently, under new business, Dr. Munchus motioned to postpone upcoming training for Board members. He also asked if other business programs were considered and the cost for the training. GM Underwood provided those answers to him. Then, Chairman Alexander, stated all Board members should take the training. There was further discussion on schedules conflicting with the proposed dates for the training. Therefore, GM Underwood asked the Directors to provide availability dates to the Executive Assistant to the Board for Strategic Planning. Director Clark stated the best time for this type of training is when a new Board is selected. She also indicated that the agencies should properly vet the people they appoint on Boards for education, intellect, and expertise for the responsibilities before them and possibly the agencies could incur the cost of training the individuals instead of BWWB. Dr. Dickerson left the room at 10:30 a.m. Dr. Munchus stated he supported Director Clark’s suggestions. Director Clark suggested to vote to postpone training until GM Underwood obtain more information for the Board. Dr. Dickerson returned to the room at 10:33 a.m. Next, under new business, Director Muhammad stated that it is not proper for the General Manager and the Chair to place items on the Agenda and that it is not proper for the General Manager to present new business. Per Director Lewis, staff has brought forth items in the past deemed to be an emergency that the Board needed to be notified about that’s not on the

Agenda. These items are usually presented under New Business. Director Muhammad asked GM Underwood to present any new business he has through the Chairman. GM Underwood agreed to do so. In addition, as new business, Director Muhammad stated he had concerns relative to the treatment of Board Members. Per Director Muhammad, he sent an email but received no response.

Afterwards, GM Underwood announced that there were two speakers and advised that there is a three-minute time limit to speak. The first speaker, Joseph Robbins of L&N Development LLC stated he was a combat veteran that was medically discharged. He asked if BWWB has any work set aside for disabled veterans or service connected disabled small businesses. Mr. Robbins stated that his company can perform surveying, inspections, and construction. GM Underwood stated BWWB does not have any work specifically set aside for disabled companies; however, he asked Mr. Robbins to meet with AGM Sonny Jones and Chief Engineer Ben Sorrell for help in learning BWWB's purchasing process. He was thanked for his services by several Board members. Next speaker was Donna Startley of Startley General Contractors. Ms. Startley expressed concerns of being laid off and other issues as an on-call contractor. Director Muhammad indicated the need to investigate the matter further. Then, Director Lewis requested GM Underwood to immediately provide a list of the jobs and stated that there will be a meeting if necessary concerning the issues Ms. Startley addressed.

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 10:50 a.m.

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

Attest:

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