

**Minutes Of
Engineering And Maintenance Committee Meeting
Of The Water Works Board
Of The City Of Birmingham
October 10, 2017**

An Engineering and Maintenance Committee Meeting of The Water Works Board of the City of Birmingham was held on Tuesday, October 10, 2017, at 12:30 p.m., in the principal office of the Board, 3600 First Avenue North, Birmingham, Alabama, 35222, to discuss engineering and maintenance issues.

The following Committee members were present: Brett A. King and Sherry W. Lewis. Other Board Members present were: Tommy Joe Alexander, Butch Burbage, Deborah Clark, Brenda J. Dickerson, William R. Muhammad and George Munchus who do not serve on the Committee.

The meeting was also attended by: Mac Underwood, General Manager; T. M. “Sonny” Jones, Assistant General Manager of Engineering and Maintenance; Darryl R. Jones, Assistant General Manager of Operations and Technical Services; Mark Parnell and Mary Thompson, Parnell Thompson, LLC; Brian Ruggs, Patrick Flannelly, Dustin Harris and Jerry Jones, ARCADIS; David Merrida, Birmingham Construction Industry Authority; Kelvin Howard, KWH, LLC; Jesse Lewis and Dorian Kendrick, Agency 54; Birmingham City Police officer; Stephen Franks, Engineer; Jeremy Millwood, IT Specialist; Terrell Jones, Security Superintendent; Rick Jackson, Public Relations Specialist; Floyd Stephens, Water Treatment Manager; Darin Roberson, Superintendent Shades Mountain Filter Plant; Olivia Martin, State Attorney General’s Office; Derrick Murphy, Gresham, Smith and Partners; Grace Amison, Executive Assistant to the Board of Directors; Tammy Wilson, Executive Assistant to T. M. “Sonny” Jones and Darryl R. Jones.

Chair of the Committee, Director Brett King called the meeting to order at 12:34 p.m.

Following, agenda item 1 was a request for the Committee to discuss Shades Mountain Filter Plant Phase (SMFP) II Upgrade proposal. A presentation was given by ARCADIS. Patrick Flannelly of ARCADIS stated that he took on the role of independent engineer for the Birmingham Water Works Board (BWVB) from 2004 through 2013 and then Jerry Jones took over the role. Much of the previous work performed on SMFP was under his tenure Mr. Flannelly stated. Mr. Flannelly stated he had not spoken to the Board in the past on anything more important than this topic. Mr. Flannelly stated that the treatment plants are the most important part of the company’s mission to deliver safe quality drinking water to its customers and the filters are at the heart of that. SMFP is the largest of the BWVB’s treatment plants and the largest drinking water plant in the state of Alabama. A site overview diagram was used to discuss the proposed project. The West filter building was last upgraded in 1963 and the East filter building was last upgraded in 1973. Most of the contaminants are removed in

these buildings. There is an abandoned piece of property next to the existing two filter buildings where the proposed filter building will go in. The driver for the project is regulatory in nature. The list of contaminants has increased over time and will continue to do so. A pilot was done in 2002 to prepare this filter plant for the next generation of drinking water requirements. There are filter design challenges, operational challenges, the infrastructure condition and the rehabilitation challenge driving the project as well according to Mr. Flannelly. This plant (SMFP) needs to be operational at all times, as compared to other plants in the system where water can be provided to customers from several other treatment plants. All of the hard work is happening beneath the basin in the filter buildings. Display boards with photographs displayed corrosion and leaks currently in the plant. Director Alexander asked if the leaks can be repaired. Mr. Flannelly stated there are many patches and some filters have been taken out of service. The project consists of a new building with 23,000 square feet, an operating pipe gallery, laboratory, 16 filters, an upgraded recycle pump station, site work and grading and a backup emergency power generator. The filter building will have operating space, laboratory space and a break room. There are sixteen new filters, stainless steel underdrains, a gravity fed backwash system and associated troughs, piping, valves and other appurtenances. Some discussion occurred regarding power outages. Mr. Flannelly stated it is best practice to have back-up generators in place. The top gallery looks like basins full of water; it is a 2-story building. Much of the cost is in the basin, which a 3-D model photograph displayed. The recycle pumping station will include three new 250 HP pumps and it doubles the station capacity. There will be two 2,500 KW generators capable of running the entire plant. Director Dickerson asked how long it has been known that a back-up generator was needed. Mr. Flannelly responded about 5 or 6 years ago it was identified. Director Alexander asked how about the cost of the two generators. Mr. Flannelly responded about \$4 million combined. Director Munchus asked if the generators would be purchase in the open market. Mr. Flannelly stated one contractor would do the work. Mr. Flannelly stated he did not believe there is a manufacturer that large in Birmingham, but they would be purchased in North America. The presentation was turned over to Jerry Jones. Director Munchus asked about the electrical work and who would perform it. Jerry Jones responded by local sub-contractors. Jerry Jones talked about the bidding history associated with the project. May of 2016 we went out for bids and we received two bids but the project was not awarded. Director Muhammad stated he understood that the HUB participation was not as high as the Board wanted. Director Alexander stated he understood the original bid was \$39 million and now it is \$49 million. Chairwoman Lewis stated the BWWB asked for an extension on the bid and then the Board still refused to award the bid. Chairwoman Lewis said there were few things that she was deeply disturbed about and this was one of them. Director Muhammad responded that she should not be deeply disturbed about Board members voting the way they want to. Chairwoman Lewis said she was deeply disturbed with the process and that this is costing ratepayers \$10 million more. Jerry Jones stated in January of 2017, we went back out to bid the SMFP Project and we received no bids. In April of 2017, pursuant to the Public Works Law, we invited four firms to submit informal bids on the work and in June we received one informal bid from BL Harbert International at \$51.4 million. This has been negotiated to \$49.9 million. Director Alexander asked what would happen if the Board did not do the work. Director King asked if Jerry Jones could

get through the presentation first. Jerry Jones stated 267 HUB subcontractors were solicited, with 26 bids received. The HUB participation is now at 20.4% in lieu of 6.5% which was the percentage in 2016 according to Jerry Jones. The dollar amount translates into \$10.1 million in HUB participation in lieu of \$2.8 million in 2016 Jerry Jones stated. A total of 16 HUB's will be utilized compared to 5 in 2016. Director Muhammad stated it appears that it has been put out among the current Board that two Board members voted against this project originally. Director Muhammad stated it was him and Director Munchus. Director Muhammad stated he was only voting against not following the process that the BWWB had in place with its minority participation program. GM Underwood explained the percentages and that the item died last year on a two to two vote with Directors Muhammad and Munchus voting no and Directors Lewis and McKie voting yes at the August 25th Board Meeting. Staff asked the contractor to extend the bid and we brought it back to the Board to be considered and the Board did not vote stating the contractor bid has run out according to GM Underwood. Director Muhammad stated the attorneys informed them that the bid ran out. GM Underwood stated Staff was given an extension and the Board chose not to bring it back for a vote. GM Underwood stated from a management standpoint Staff recommends approval of the project as the BWWB cannot operate properly without it. Jerry Jones stated he believed the numbers with the market the way it is today are reasonable. Patrick Flannelly stated if you look at the bids, we expected the bids to come in around these amounts. BL Harbert International was in a competitive situation the first time and we suspect the second time they knew they were not Patrick Flannelly stated. Director Munchus stated risk management and risk mitigation should be the driver on all of this and he stated he would continue to bring it up. Director Munchus asked if this is the second project at SMFP recently. AGM Sonny Jones stated there was a clearwell project. Director Munchus asked who the contractor was on the project. AGM Sonny Jones responded BL Harbert. Director Munchus asked if anyone was present from BL Harbert or Brassfield & Gorrie. No one responded. Director Munchus stated he looks at this \$49 million expenditure as an investment. Director Munchus stated he did not understand why bids are awarded to the lowest bidder. Chairwoman Lewis stated there is a bid law and that is the process this Board follows and the bidders must be qualified. This was a bid process and to suggest that we are not going for quality is incorrect Chairwoman Lewis stated. Director King stated as a Board we need to decide if as a Board we are going to approve the Shades Mountain Filter Plant Phase (SMFP) II Upgrade proposal. Director Muhammad stated no law could force him to vote any way other than the way he wanted to vote. Director Muhammad asked how much was budgeted for the project. Jerry Jones responded \$45 to \$50 million. Director Muhammad asked what happened to the \$25 million in surplus in the Capital fund. Director Muhammad stated the bid amount was budgeted. Chairwoman Lewis asked Director Muhammad if he was buying a car that was listed for \$50,000, but they would sell it for \$30,000, if he would pay \$50,000 for it just because that is how much he had. Chairwoman Lewis asked the Committee to move on. The Committee agreed to move the item to the full Board and Director King encouraged everyone to vote the way they wanted. Chairwoman Lewis reminded everyone that this is a negotiated bid.

Next, GM Underwood asked the Board members to sign a resolution regarding a AWWA national campaign on "A Day Without Water". Rick Jackson presented a video

in conjunction with the campaign. Rick Jackson stated that campaign is asking local people to go an hour without water Thursday, October 12th. The BWWB will include messaging to coincide with the campaign relaying the value of water according to Rick Jackson.

As there was no further business to be brought before the Committee the meeting was adjourned at 1:31 p.m.

_____/S/
Mac Underwood
General Manager

_____/S/
Brett A. King, Esq.
Secretary-Treasurer