

**MINUTES OF THE REGULAR BI-MONTHLY MEETING OF DIRECTORS
OF THE WATER WORKS BOARD OF THE CITY OF BIRMINGHAM
March 15, 2018**

The regular bi-monthly meeting of the directors of The Water Works Board of the City of Birmingham was held on Thursday, March 15, 2018 at 9:00 a.m., in the principal office of the Board, 3600 First Avenue North, Birmingham, Alabama.

The following Directors were present: Tommy Joe Alexander, Deborah Clark, Butch Burbage, Sherry Lewis, Ronald A. Mims, William Muhammad, Brett King and Brenda Dickerson. Director George Munchus was not present.

The meeting was also attended by: Mac Underwood, General Manager; Michael Johnson, Sonny Jones and Darryl Jones, Assistant General Managers; Grace Amison, Executive Assistant to the Board of Directors; Anitra Hendrix, Executive Assistant to the General Manager; George Anderson, Ben Sorrell, Michael Griffin, Jonathan Harris, Barry Williams, Scott Starkey, Paul Lloyd, LaTasia Sanford, Brent McCoy, Nancy Lambert, LyTonja Levert, Jerry Cox, Jeremy Hawkins, Michael Walton, and Hubert Shikle, Board Employees; Mary Thompson, K. Mark Parnell, Parnell Thompson, LLC; Kelvin Howard, Kelvin Howard, LLC; Jesse Lewis, Dorian Kendrick, Bre Rudolph, LeBaron Marks, and Tommy Palladino, Agency 54; Patrick Flannelly and Brian Ruggs, ARCADIS; Theo Johnson, Volkert, Inc.; Olivia Martin, State of Alabama; Keith Andrews, Sperry Commercial; Leonette Slay, League of Women Voters; Ricky Jones and Brad Stevens, Jones Utility; Walter Lewis, Piper Jaffrey; Matthew Arrington, Terminus Securities; Laurie Kirkland; Betty Shikle; Isaac Ballad and Nelda Thompkins.

Inasmuch as eight of the directors were present; Chairman Alexander declared a quorum in attendance.

Chairman Alexander called the meeting to order at 9:00 a.m. and Mr. George Anderson opened with prayer.

Following, the General Manager asked the board to adopt a resolution expressing its condolences in the death of employee Franklin Turk who passed away on February 28, 2018, as set forth in agenda item 1. On a motion duly made and seconded, the following resolution was adopted:

“WHEREAS, Franklin DeMonte Dennis Turk passed away on Wednesday, February 28, 2018, wherein The Water Works Board of the City of Birmingham (hereinafter known as the “Board”) mourns the death of Franklin DeMonte Dennis Turk; and

WHEREAS, Franklin DeMonte Dennis Turk had been a dedicated and valued employee of the Board since October 6, 2014; and

WHEREAS, This Board wishes to pause from its Board of Directors’ Meeting on Thursday, March 15, 2018, to convey its respect and deepest sympathy to the family, friends and co-workers of Franklin DeMonte Dennis Turk; and

NOW, THEREFORE, BE IT RESOLVED, That The Water Works Board of the City of Birmingham does hereby perpetuate the memory of Franklin DeMonte Dennis Turk, who was a Utility Worker I on the Valve Crew in the Distribution Department of the Engineering and Maintenance Division, and hereby expresses its condolences to his family, friends, and co-workers.

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 that a copy be presented to the Turk family.

Resolution No.7721 is hereby adopted by unanimous vote.”

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Following, the General Manager asked the Board to adopt resolutions authorizing retirement benefits from the Board’s Retirement Trust Fund for Joyce Jordan, Steven Hawkins and Stephen Waid, as set forth in agenda item 2. On a motion duly made and seconded, the following resolutions were adopted:

“WHEREAS, Joyce Jordan, an employee of The Water Works Board of the City of Birmingham ("the Board"), is retiring, effective April 1, 2018, at an age of 66, and

WHEREAS, Joyce Jordan has 22 years and 11 months of continuous service with the Board at her retirement date, and in accordance with the terms of the Trusteed Pension Plan, is entitled to receive a monthly Retirement payment from the Board’s Retirement Trust Fund in the amount of \$3,874.33; and

NOW, THEREFORE, BE IT RESOLVED By the Board of Directors of The Water Works Board of the City of Birmingham, on motion duly made by Mr. Brett King and seconded by Dr. Brenda Dickerson, that the Trustee be, and is hereby instructed to pay monthly benefit payments of \$3,874.33 to Ms. Jordan from the Board’s Retirement Trust Fund, in accordance with the terms of the Pension Plan, with the first payment to be made April 1, 2018.

Resolution No. 7722 is hereby adopted by unanimous vote.”

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“WHEREAS, Joyce Jordan, an employee of The Water Works Board of the City of Birmingham, is retiring, effective April 1, 2018, after 22 years and 11 months of service with the Board; and

WHEREAS, management has informed the Board of Joyce Jordan’s efficiency, reliability, and loyal service which contributed to the effective operation and growth of The Water Works Board of the City of Birmingham; and

WHEREAS, Joyce Jordan, leaves behind a record which deserves a sincere word of gratitude for a job well done; and the Board does hereby express its best wishes for many happy years ahead.

NOW, THEREFORE, BE IT RESOLVED, By the Board of Directors of the Water Works Board of the City of Birmingham, Joyce Jordan is hereby commended for her efficiency, reliability, and loyal service to the Board.

BE IT FURTHER RESOLVED, that in recognition of Joyce Jordan's services to the Board, a copy of this resolution be spread upon the minutes of The Water Works Board of the City of Birmingham and an official resolution presented to Ms. Jordan.

Resolution No. 7723 is hereby adopted by unanimous vote.”

“WHEREAS, Steven Hawkins, an employee of The Water Works Board of the City of Birmingham ("the Board"), is retiring, effective April 1, 2018, at an age of 60, and

WHEREAS, Steven Hawkins has 30 years of continuous service with the Board at his retirement date, and in accordance with the terms of the Trusteed Pension Plan, is entitled to receive a monthly Retirement payment from the Board's Retirement Trust Fund in the amount of \$3,613.40; and

NOW, THEREFORE, BE IT RESOLVED By the Board of Directors of The Water Works Board of the City of Birmingham, on motion duly made by Mr. Brett King and seconded by Dr. Brenda Dickerson, that the Trustee be, and is hereby instructed to pay monthly benefit payments of \$3,613.40 to Mr. Hawkins from the Board's Retirement Trust Fund, in accordance with the terms of the Pension Plan, with the first payment to be made April 1, 2018.

Resolution No. 7724 is hereby adopted by unanimous vote on.”

“WHEREAS, Steven Hawkins, an employee of The Water Works Board of the City of Birmingham, is retiring, effective April 1, 2018, after 30 years of service with the Board; and

WHEREAS, management has informed the Board of Steven Hawkins' efficiency, reliability, and loyal service which contributed to the effective operation and growth of The Water Works Board of the City of Birmingham; and

WHEREAS, Steven Hawkins, leaves behind a record which deserves a sincere word of gratitude for a job well done; and the Board does hereby express its best wishes for many happy years ahead.

NOW, THEREFORE, BE IT RESOLVED, By the Board of Directors of the Water Works Board of the City of Birmingham, Steven Hawkins is hereby commended for his efficiency, reliability, and loyal service to the Board.

BE IT FURTHER RESOLVED, that in recognition of Steven Hawkins' services to the Board, a copy of this resolution be spread upon the minutes of The Water Works Board of the City of Birmingham and an official resolution presented to Mr. Hawkins.

Resolution No. 7725 is hereby adopted by unanimous vote.”

“WHEREAS, Stephen Waid, an employee of The Water Works Board of the City of Birmingham ("the Board"), is retiring, effective April 1, 2018, at an age of 49, and

WHEREAS, Stephen Waid has 31 years and 5 months of continuous service with the Board at his retirement date, and in accordance with the terms of the Trusteed Pension Plan, is entitled to receive a monthly Retirement payment from the Board's Retirement Trust Fund in the amount of \$5,225.29; and

NOW, THEREFORE, BE IT RESOLVED By the Board of Directors of The Water Works Board of the City of Birmingham, on motion duly made by Mr. Brett King and seconded by Dr. Brenda Dickerson, that the Trustee be, and is hereby instructed to pay monthly benefit payments of \$5,225.29 to Mr. Waid from the Board's Retirement Trust Fund, in accordance with the terms of the Pension Plan, with the first payment to be made April 1, 2018.

Resolution No. 7726 is hereby adopted by unanimous vote.”

WHEREAS, Stephen Waid, an employee of The Water Works Board of the City of Birmingham, is retiring, effective April 1, 2018, after 31 years and 5 months of service with the Board; and

WHEREAS, management has informed the Board of Stephen Waid's efficiency, reliability, and loyal service which contributed to the effective operation and growth of The Water Works Board of the City of Birmingham; and

WHEREAS, Stephen Waid, leaves behind a record which deserves a sincere word of gratitude for a job well done; and the Board does hereby express its best wishes for many happy years ahead.

NOW, THEREFORE, BE IT RESOLVED, By the Board of Directors of the Water Works Board of the City of Birmingham, Stephen Waid is hereby commended for his efficiency, reliability, and loyal service to the Board.

BE IT FURTHER RESOLVED, that in recognition of Stephen Waid's services to the Board, a copy of this resolution be spread upon the minutes of The Water Works Board of the City of Birmingham and an official resolution presented to Mr. Waid.

Resolution No. 7727 is hereby adopted by unanimous vote.”

Following, the General Manager asked the Board to adopt a resolution authorizing surviving spouse monthly retirement benefits from the Board's Retirement Trust Fund for Ms. Maureen McClellan, as set forth in agenda item 3. On a motion duly made and seconded, the following resolution was adopted:

“WHEREAS, James K. McClellan, a retiree of The Water Works Board of the City of Birmingham (“The Board”), passed away on February 28, 2018; and

WHEREAS, James K. McClellan was receiving, up until the time of his death, monthly retirement benefits from the Board's Retirement Trust Fund in the amount of \$2,435.58, and under the terms of the Board's Retirement Plan, his spouse is now entitled to receive 50% of that monthly benefit until such time as she either remarries or passes away; and

WHEREAS, the surviving spouse, Maureen H. McClellan will begin receiving her surviving spouse monthly benefit of \$1,217.79, effective March 1, 2018.

NOW, THEREFORE, BE IT RESOLVED By the Board of Directors of The Water Works Board of the City of Birmingham, on motion duly made by Mr. Brett King and seconded by Mr. William Muhammad, that the Trustee be, and is hereby instructed to pay a pension benefit of \$1,217.79 per month to Maureen H. McClellan from the Board's Retirement Trust Fund, in accordance with the terms of the Trustee Pension Plan, with the payment to be effective March 1, 2018.

Resolution No. 7728 is hereby adopted by unanimous vote.”

Following, the General Manager asked the board to approve Director King's mileage expense reimbursement for February 2018 and Director Dickerson's actual travel expenses for the 2018 Utility Management Conference, as set forth in agenda item 4. On a motion duly made and seconded, the following resolutions were 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 Muhammad and seconded by Dr. Brenda Dickerson, that the following board member(s) be reimbursed for his mileage expense reimbursements as follows:

- Brett King for mileage expense reimbursement for February 2018 in the amount of \$67.58 (as listed on the attached Travel and Business Expense Reimbursement).

Resolution No. 7729 is hereby adopted by a roll call vote: Chairman Alexander, Yes; Director Clark, Yes; Director Dickerson, Yes; Director Burbage, Yes; Director Mims, Yes; Director Lewis, Yes; Director Muhammad, Yes; Director King, Abstained.”

“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 2018 – Utility Management Conference – AWWA - WEF Conference scheduled February 19 – 23, 2018, in San Antonio, TX; 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 Mr. William Muhammad and seconded by Mr. Brett King, that the following board member(s) be reimbursed for her actual expenses pertaining to said conference as follows:

- Brenda J. Dickerson for total expenses including conference and workshop registration, airline ticket, lodging (room and tax only), business meals and other in the amount of \$2,810.45 (as listed on the attached Itemized Travel and Business Expense Reimbursement).

Resolution No. 7730 is hereby adopted by a roll call vote: Chairman Alexander, Yes; Director Clark, Yes; Director Dickerson, Yes; Director Burbage, Yes; Director Mims, Yes; Director Lewis, Yes; Director Muhammad, Yes; Director King, Yes.”

Following, the General Manager asked the board to approve payments of invoices for professional services, as set forth in agenda items 5.1 through 5.8. The General Manager indicated staff had reviewed the invoices and recommended them for approval. After the motions had been made, Director Dickerson questioned what is the case related to item 5.1. Board Attorney Mark Parnell responded Brian Levine and stated the lawsuit is regarding a license transfer in 2013. Director Dickerson requested history regarding payments made to Carl Dalton NeSmith, Jr. The General Manager stated he would provide that information. Director Burbage stated the documentation attached to NeSmith’s invoice does not match the invoice amount. Director Lewis then made a motion to amend the motion to table item 5.1 until staff provides further information. 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 Ms. Deborah Clark, that the Board hereby tables approving payment of the following:

5.1	<u>Carl Dalton NeSmith, Jr., LLC</u> For retainer fee for March 2018	\$ <u>500.00</u>
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Resolution No. 7731 is hereby adopted by unanimous vote.”

Next, Director Dickerson stated she reviewed the invoice for Parnell Thompson, LLC and indicated the math is incorrect by \$500.00. Mr. Parnell stated he would review the invoice for its accuracy. Director Dickerson then questioned if the summary of general file billings included on Parnell Thompson’s invoice is the same as general fees. Mr. Parnell responded yes. Director Dickerson then requested Parnell Thompson make a quarterly presentation of present cases and their status. Director Burbage left the meeting at 9:15 a.m. Mr. Parnell stated the board could be updated at the next board meeting. Director Muhammad questioned Mr. Parnell whether there was a case involving an on-call contractor. Mr. Parnell stated a letter had been received from the attorney for Startley General Contractors threatening a lawsuit. Director Mims then made a motion to move item 5.8 to the end of the agenda 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. Brenda Dickerson, that the Board hereby moves item 5.8, Parnell Thompson, LLC, to the end of the meeting. Resolution No. 7732 is hereby adopted by unanimous vote.”

Next, the General Manager asked the board to approve agenda items 5.2 through 5.7. 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 Mr. William R. Muhammad, that the Board hereby authorizes staff to execute payment to the following:

5.2	<u>Dominick Feld Hyde, P.C.</u>	
5.2.1	For BWWB OPEB Plan performed February 19, 2018	\$ <u>284.80</u>
5.2.2	For BWWB Pension Plan performed February 5, 2018 through February 6, 2018	\$ <u>747.60</u>
5.2.3	BWWB Cafeteria Plan performed February 2, 2018 through February 23, 2018	\$ <u>888.00</u>
5.3	<u>Terminus Municipal Advisors, LLC</u>	
	For professional services rendered for February 2018	\$ <u>6,500.00</u>
5.4	<u>The Jones Group, LLC</u>	
	For professional services rendered for March 2018	\$ <u>7,500.00</u>
5.5	<u>Birmingham Construction Industry Authority, Inc.</u>	
5.5.1	For professional services rendered for November 2017	\$ <u>2,000.00</u>
5.5.2	For professional services rendered for December 2017	\$ <u>2,000.00</u>
5.5.3	For professional services rendered for January 2018	\$ <u>2,000.00</u>

5.5.4	For professional services rendered for February 2018	<u>\$ 2,000.00</u>
5.6	<u>Agency 54</u> For professional services rendered for January 2018	<u>\$ 25,000.00</u>
5.7	<u>Volkert, Inc.</u> For professional services rendered for November 2017	<u>\$ 32,840.71</u>

Resolution No. 7733 is hereby adopted by Directors Alexander, Clark, Dickerson, Mims, King, Lewis and Muhammad.”

Following, the General Manager asked the board to award bid to Global Construction & Engineering, Inc., the lowest responsible and responsive bidder, as set forth in agenda item 6. Director Burbage returned to the meeting at 9:19 a.m. Director Muhammad questioned what is Global Construction’s HUB status. Assistant General Manager Sonny Jones stated the owner is Singh Kahlon and he is believed to be middle eastern; however, the company qualifies as a minority owned business. Director Muhammad stated being middle eastern does not qualify the company to be an underutilized business. He then questioned whether the company was certified. Mr. Sonny Jones stated the company was certified by Birmingham Construction Industry Authority (BCIA). Director Muhammad stated the underutilized policy needs to be revisited because it is not connected to race or gender. The General Manager stated staff is complying with the current policy; however, the board may want to change the definition in the policy. Director Muhammad stated he doesn’t think he wants to change it. Mr. Parnell stated the definition of underutilized business in the policy was created by Director Munchus when the policy was redrafted. Mr. Parnell stated in the policy the HUB is defined by ownership, minority, sex, and nationality. Director Lewis stated this item should be sent to the Engineering and Maintenance Committee for discussion. 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 King and seconded by Dr. Brenda Dickerson, that the Board hereby authorizes staff to award bid to Global Construction & Engineering, Inc., the lowest responsible and responsive bidder, for the replacement of approximately 210’ of 1.5” galvanized steel pipe, 3,195’ of 2” unlined cast iron pipe / 2” galvanized steel pipe; and 750’ of 6” unlined cast iron pipe with approximately 5,000’ of 6” DICL pipe and related appurtenances and 55 water services located in Simmons Street; Charles Street; Washington Street; Carver Street; Jackson Street and Mills Street located in the Dolomite Community of the City of Birmingham, Alabama at a bid amount of \$538,055.00; plus estimated cost of materials and Water Board labor in the amount of \$315,166.13; for an estimated out-of-pocket cost to the Board of \$853,221.13. Resolution No. 7734 is hereby adopted by unanimous vote.”

Following, the General Manager asked the board for a two-week delay in approving agreements with Hamilton Lane to authorize the investment of The Water Works Board of the City

of Birmingham (BWVB) Pension System Funds and OPEB Trust Funds into a Private Markets Opportunity Fund LP, as set forth in agenda items 7.1 through 7.2. Director Dickerson questioned whether Hamilton Lane wanted to transfer \$10 million of the pension fund along with another \$15 million and \$3.1 million. The General Manager stated up to 10 percent of the Pension plan would be invested and 10 percent of the OPEB plan would be invested in private market equity. He indicated the Pension plan is \$149 million and the OPEB plan is \$31 million. He stated the two-week delay would allow for all of the documentation to be completed. Director Muhammad stated it was brought to his attention by pensioners that they were leery of this transaction due to the Wakpamni investment. He indicated he assured them that this was a different transaction. He stated there should be communication with the pensioners and he stated he was told in the past there was a Pension committee. Director Lewis stated the Board directed staff to provide information and letters to all pensioners and a meeting was held with retirees regarding Wakpamni investments. She indicated the Board has been transparent. Director Muhammad stated the pensioners are concerned; however, he does not have an issue with the transaction. Director Lewis questioned Director Muhammad as to whether he directed the pensioners to contact staff regarding their issues. Director Muhammad responded no. Director Lewis stated the pensioners need to go through the process. 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 Muhammad and seconded by Mr. Ronald Mims, that the Board hereby tables agreements with Hamilton Lane authorizing the investment of The Water Works Board of the City of Birmingham (BWVB) Pension System Funds and OPEB Trust Funds into the Hamilton Lane Private Markets Opportunity Fund LP and:

- 7.1 To authorize Morgan Stanley to transfer up to \$15 million of BWVB’s Pension System Funds from various equity investments into the Hamilton Lane Private Markets Opportunity Fund LP.
- 7.2 To authorize Morgan Stanley to transfer up to \$3.1 million of BWVB’s OPEB Trust Funds from various equity investments into the Hamilton Lane Private Markets Opportunity Fund LP.

Resolution No. 7735 is hereby adopted by unanimous vote.”

Following, the General Manager asked the board to hear division reports, as set forth in agenda item 8. Assistant General Manager Michael Johnson then presented the Finance and Administration Division fiscal report as of December 2017. Mr. Johnson stated the number of customers were 192,636 with a revenue of \$12.3 million. He stated the year-to-date revenue was \$6.2 million under budget and expenditures was \$9.0 million under budget which resulted in a \$2.7 million surplus; the O&M health care costs was \$4 million under budget; and the reserve fund balance was \$103 million. Director Dickerson questioned the reason for overtime being over budget. Mr. Johnson responded part of the overtime is related to the capital budget. Director Lewis then requested a report of overtime including the division and departments. Next, Mr. Johnson stated the paygo reserves were \$103 million and indicated a need to go to the bond market soon. Director Muhammad questioned whether there was a surplus of money from capital projects. Mr. Johnson responded no and stated the money in question is related to the operating budget. He

stated based on the policy, it states 25 percent of the capital program should be funded by paygo. The General Manager stated money that is not used for a capital project is simply rolled over to the next year and next project, there is no surplus. Mr. Johnson indicated the Operating and Maintenance budget and the Capital budget are kept separate. Director Muhammad stated he does not understand where the money goes. Director Lewis then gave an explanation as to how the budgets work. The General Manager stated the budget does not increase instead the unused capital money gets “pushed out” and used for the next years capital program. Chairman Alexander questioned the length of time it takes to get a bond. The General Manager responded 90 days and indicated the reserve money is drawn down until bond issue is complete and then the operating funds are reimbursed. Chairman Alexander then requested staff to research to see what the rate is for the bond market. Director Clark requested a report of completed capital projects and the funds related to them. Subsequently, Mr. Johnson stated HUB participation for the year was \$17.7 million which reflects 89.5 percent of the yearly goal being met; and there were 39,212 HomeServe policies.

Following, Assistant General Manager Sonny Jones presented the Engineering and Maintenance Division report as of December 2017. Mr. Sonny Jones stated \$54.8 million was spent of the \$61 million budget. He then gave an overview of current projects regarding electrical work at Inland Lake Marina, Carson Loop 6C, 6D, 8A and 8C, Shades Mountain Filter Plant dredge replacement and HVAC updates at the Main Campus. He stated System Development replaced 64,000 feet of pipe; Distribution Department repaired 6,247 leak orders and there are currently 324 leaks outstanding. Chairman Alexander questioned whether new lines being installed results in less leaks. Mr. Sonny Jones responded yes. Director Clark questioned how can this be addressed. Mr. Sonny Jones stated mains are being replaced. Next, Mr. Sonny Jones stated System Development completed \$7.6 million with HUBs; and Engineering completed \$8.98 million with HUBs. Director Lewis left the meeting at 10:06 a.m.

Following, Assistant General Manager Darryl Jones presented the Operations and Technical Services Division report as of December 2017. Mr. Darryl Jones stated 37 billion gallons of water was delivered in 2017 and stated there was twenty more inches of rainfall in 2017 than normal. He stated there was 97 MGD of finished water and 111 MGD of raw water delivered in December 2017. Mr. Darryl Jones reported the rainfall for 2017 was 72 inches compared to the normal amount of 54 inches; and he indicated Lake Purdy and Inland Lake are both at full storage/capacity. He then gave an overview of raw water customers and stated U. S. Steel is not at full production. He indicated power costs were approximately \$1,000,000 under budget for 2017. Director Muhammad questioned whether there is a power savings account. Mr. Darryl Jones responded no and stated the money stays in the O & M budget.

Next, Director Dickerson questioned when was BWWB ranked in the Top 5 Water Systems in the U.S. The General Manager stated around 2004 or 2005. Director Dickerson then questioned was BWWB still ranked in the Top 5. Chairman Alexander responded no, but stated BWWB is in the Top 20. Director Dickerson indicated she did not see BWWB being ranked in the Top 25. Director Clark stated there are several good things about BWWB that needs to be communicated to the media. Chairman Alexander stated the Alabama Department of Environmental Management (ADEM) the state of Alabama can tell how good BWWB is because we have to report to them.

Next, Assistant General Manager Darryl Jones invited the Board to attend the annual Consumer Confidence Report event at the Cahaba Pumping Station on March 28, 2017. The

General Manager stated a community meeting will be held with the city of Hoover on March 15, 2018 at 6 p.m. at the Hoover Met. Director Clark requested that the Board be notified in advance of these types of meetings so they can be informed.

Following, Director King stated the invoice for Parnell Thompson, LLC needed to be voted on. The General Manager recognized Mr. Parnell to give an explanation regarding the error on their invoice. Mr. Parnell stated the first entry on the invoice was incorrect and going forward he will total each page to avoid confusion. He indicated the amount on the agenda is the correct amount 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 Mr. William Burbage, Jr., that the Board hereby authorizes staff to execute payment to the following:

5.8 Parnell Thompson, LLC
 For professional services rendered for February 2018 \$113,619.87

Resolution No. 7736 is hereby adopted by: Directors Alexander, Lewis, Burbage, Mims, and King voted “Yes,” respectively; Directors Dickerson and Muhammad voted “No” respectively; and Director Clark abstained from voting.”

Next, Chairman Alexander stated property is being researched to build a reservoir on the Cahaba River for the purpose of not running out of water. Director Muhammad stated when water overflows it does need to be stored somewhere. He then questioned whether the Cahaba River is overflowing this time of year. Mr. Darryl Jones responded yes, and the Little Cahaba River is running over 40 million gallons per day. Chairman Alexander offered suggestions of where a reservoir could be located. Director Dickerson questioned whether there is a need for a reservoir. Mr. Darryl Jones stated there is a need; however, he would like to finish the Carson Loop pipeline. Director Dickerson questioned how much would it cost to build a reservoir. Mr. Darryl Jones gave a rough estimate of \$50 to \$100 million. Director King stated he likes the idea of building the reservoir and indicated he would also like to explore residential development at Inland Lake.

Next, Director Dickerson questioned the General Manager whether he can write checks for professional services up to \$50,000. The General Manager responded no, and stated checks can be signed for public works projects up to \$50,000. Director Dickerson questioned whether there is a policy regarding this. The General Manager responded yes and stated he would forward a copy of the policy. Chairman Alexander stated there is a State law regarding this. Director Dickerson requested copies of the contracts and expenditures the General Manager has signed off on over the last five years including the dates, amounts and purpose.

Next, Dr. Dickerson questioned whether the on-call bid had gone out. Chairman Alexander responded yes. Dr. Dickerson indicated Attorney Anthony Joseph was hired to evaluate or investigate the bid process. Dr. Dickerson questioned how does the Board proceed with the new bid when they haven’t heard back from the attorney who is investigating or evaluating the previous bid. Director King stated the Board decided to solicit bids for one low bidder, going forward, and

requested the past process be reviewed. He indicated the Board does not need an opinion to move forward with the bid. He stated he thought the Board wanted to know more about the companies the Board had done business with in the past and evaluate who the bid is awarded to in the future. He indicated staff was asked to get new bids out and the bidders are aware that the Board is seeking a low bid and the second low bid will be a backup. Director Clark questioned whether this item could be discussed in the Engineering and Maintenance Committee. Director King stated he thought the discussion would be more appropriate once the bids came back. Director Muhammad then made a motion to recall the on-call bid until the Board receives information from the evaluation of the on-call bid process and Dr. Dickerson seconded the motion. Director King stated he did not support recalling the bid because once the bids are received they could be rejected. Chairman Alexander stated he was also against rejecting the bid. Director Clark stated that once the bids come in, they will be evaluated, and discussions will help to determine how to proceed with the bid. She stated the Board needs to know what company is qualified to do the work within a certain timeframe and whether more than one company is needed. She indicated specific information is needed in order to make definite decisions. The General Manager stated the on-call bid is due on March 22, 2018; therefore, there will not be enough time to receive and evaluate the bids to add this item to the agenda for the Engineering and Maintenance Committee meeting agenda on March 27, 2018 and the March 29, 2018 Board agenda for approval. Director King stated the item could be added to the agenda as a discussion item. Assistant General Manager Sonny Jones stated the specifications are what drives the bid. He indicated the specifications are clear, to award the bid to one company that will be offered 100 percent of the work first. He indicated if the Board chooses to do something differently, the entire bid would have to be canceled, terminated and re-bid. Director Muhammad stated the specifications of the bid cannot be changed. Director King stated all bids do not have to be accepted. Director Muhammad stated he had been threatened to be sued in his individual capacity. He stated he had been told if the Board rejected a bid because of our personal opinion, and it was the low bidder, the Board is subject to being sued in their individual capacity. He indicated if the Board voted to hire an attorney to evaluate the on-call bid process then it should wait on an opinion. Director Clark questioned the Board's attorney if the Board was subject to personal liability. Board Attorney Mark Parnell stated there is no personal liability for the Board if it chose to reject the bids. Director Muhammad questioned what will happen if a low bid is rejected. Mr. Parnell stated the Board would comply with the bid law and would need to award the bid to the lowest bidder. He stated if the Board decides for business reasons to reject all bids then it would need to start the process all over. Director Muhammad stated he felt the Board was rushing the bid out. Assistant General Manager Sonny Jones stated the Board would need to extend the bid if they wanted to change the specifications. The Board then took a roll call vote on the motion. 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 Dickerson, that the Board hereby recalls the on-call bid until the Board receives information from the evaluation of the on-call bid process.

Resolution No. 7737 is hereby adopted by: Directors Muhammad, Dickerson, Mims and Clark voted “Yes,” respectively; Directors Alexander, King and Burbage voted “No” respectively.”

Following, Director King stated the Board needs to specifically state what it wants from Attorney Anthony Joseph. The General Manager stated Jones Utility is currently being used as the on-call contractor. Director Muhammad stated one contractor cannot be used exclusively when the Board hired three contractors. The General Manager stated if Jones Utility does not turn down the work, they will be used.

Following, Director Clark questioned whether the Board would be updated on Acculynk and Paymentus. Mr. Parnell stated that is one of the cases the Board would be updated on next week. Director Muhammad questioned whether the Board would receive a copy of the letter from Startley General Contracting. Mr. Parnell stated he forwarded a copy via email to all directors.

As there was no further business before the Board, Chairman Alexander entertained a motion to adjourn the meeting. A motion was duly made and seconded, and the meeting adjourned at 10:50 a.m.

Tommy Joe Alexander
Chairman/President

Attest:

William Burbage, Jr.
Secretary-Treasurer