

**MINUTES OF THE REGULAR BI-MONTHLY MEETING OF DIRECTORS
OF THE WATER WORKS BOARD OF THE CITY OF BIRMINGHAM
August 28, 2019**

The regular bi-monthly meeting of the directors of The Water Works Board of the City of Birmingham was held on Wednesday, August 28, 2019 at 11:00 a.m., in the principal office of the Board, 3600 First Avenue North, Birmingham, Alabama.

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

The meeting was also attended by: Michael Johnson, General Manager; Sonny Jones, and Derrick Murphy, Assistant General Managers; Grace Amison, Executive Assistant to the Board of Directors; Anitra Hendrix, Executive Assistant to the General Manager; George Anderson, Rick Jackson, Paul Lloyd, the Call Center Department, the Electrical & Maintenance Department, the Customer Support Services Department, the EnviroLab Department, the Industrial and Commercial Accounts Department, the Business Systems/Operations Department, the Internal Audit Department, and the Security Department, Board Employees; K. Mark Parnell and Mary Thompson, Parnell Thompson, LLC; Kelvin Howard, Kelvin Howard, LLC; Tommy Pallandino, Agency 54; Patrick Flannelly and Brian Ruggs, ARCADIS; Matthew Arrington, Terminus Municipal Advisors; Walter Lewis, Piper Jaffrey; Kenyatta Uzzel, PoliHire; Mark Johnson, Creative Benefits; Dorian Kendrick, Message Point Media; Yvonne Green Davis, Yvonne Green Davis, LLC; Olivia Martin, State of Alabama Attorney General; Tyrome Bivins, Volkert, Inc.; Kim Baylor Bivins and Michael Bell, Birmingham Industry Construction Authority; Tim Rogers and Phillip Moultrie, Valent Group; David Russell; Nelda Thompkins; Priscilla Lowry.

Inasmuch as seven of the directors were present; Chairman Burbage declared a quorum in attendance.

Chairman Burbage called the meeting to order at 11:06 a.m. Mr. George Anderson opened the meeting with prayer.

Following, the General Manager asked the Board to adopt a resolution commending the Employees of the Month for May 2019, as set forth in agenda item 1. Paul Lloyd, Board Employee, stated these employees were nominated for the great work they did in assisting another employee during an emergency at Shades Mountain Filter Plant. He stated their quick response assisted in ensuring the employee's safety. On a motion duly made and seconded, the following resolutions were 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 Mr. Ronald A. Mims, that the Board hereby recognizes and commends Lorenzo Clay, John Gilreath, Timothy Harris, Drusilla Hudson, LaTonya Hughes, Jarod Johnson, Stacy Littleton, Jordan Mitchell, Gary Mizzell, Eddie Reaves III and James Smith, of the Operations and Technical Services Division; Johnathan Bittles, Jaquice Boyd and Jeffery Cochran of the Engineering and Maintenance Division; and Joyce Perry of the Finance and Administration Division as the Employees of the Month for August 2019, 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 the employees named above.

Resolution No. 8140 is hereby adopted by unanimous vote.”

Following, the General Manager asked the board to hear an update from POLIHIRE regarding executive searches for an Assistant General Manager, Operations and Technical Services and an Assistant General Manager, Finance and Administration, as set forth in agenda item 2. Kenyatta Uzzel, POLIHIRE, gave an overview of applications received for each position. Director Tommy Joe Alexander arrived at the meeting at 11:15 a.m. He stated potential candidates for each position will be presented at the first board meeting in October 2019. Director Muhammad questioned how many candidates for the Assistant General Manager of Operations and Technical Services position has a professional engineer license. Mr. Uzzel responded all of the candidates has a professional engineer’s license. Director Muhammad stated he will not support these positions.

Following, the General Manager asked the board to approve payments of invoices for professional services, as set forth in agenda items 3.1 through 3.2. The General Manager indicated staff had reviewed the invoices and recommended them 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. Brett King, that the Board hereby authorizes staff to execute payment to the following:

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| 3.1 | <u>Raftelis Financial Consultants, Inc.</u>
For professional services rendered for July 2019 | <u>\$ 26,402.08</u> |
| 3.2 | <u>Parnell Thompson, LLC</u>
For professional services rendered for July 2019 | <u>\$ 111,082.50</u> |

Resolution No. 8141 is hereby adopted by unanimous vote.”

Following, the General Manager asked the board to take bids on various items, as set forth in agenda items 4.1 through 4.9. On a motion duly made and seconded, the following resolutions were 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 Mr. Ronald A. Mims, that the Board hereby authorizes staff to take bids on the following:

- 4.1 Uniforms for Board's field employees, for an annual estimated supply, at an estimated out-of-pocket cost to the Board of \$59,750.15, as recommended by the Engineering and Maintenance Committee.
- 4.2 Meter Adapters, for an annual estimated supply, to replenish stock in the Warehouse to be used throughout the distribution system, at an estimated out-of-pocket cost to the Board of \$86,454.91, as recommended by the Engineering and Maintenance Committee.
- 4.3 Full Circle Repair Clamps, for an annual estimated supply, to replenish stock in the Warehouse, at an estimated out-of-pocket cost to the Board of \$96,069.41, as recommended by the Engineering and Maintenance Committee.
- 4.4 Installation of seventeen (17) water sampling stations located at fire stations in the City of Birmingham and surrounding municipalities for State of Alabama mandated water samples, at an estimated out-of-pocket cost to the Board of \$96,560.00, as recommended by the Engineering and Maintenance Committee.
- 4.5 ThermoFisher Scientific™ Dionex™ ICS-6000 HPIC™ System, for the EnviroLab at an estimated out-of-pocket cost of \$134,678.40, as recommended by the Engineering and Maintenance Committee.
- 4.6 Corporation Stops, for an annual estimated supply, to replenish stock in the Warehouse at an estimated out-of-pocket cost to the Board of \$157,920.00, as recommended by the Engineering and Maintenance Committee.
- 4.7 Replacing Hardware used for handling core networking functions in the IT Department, at an estimated out-of-pocket cost to the Board of \$230,000.00 to \$294,000.00, as recommended by the Engineering and Maintenance Committee.
- 4.8 Asphalt HOT Mix for permanent and patch paving jobs within the limits of the Birmingham Water Works for one (1) year at an estimated out-of-pocket cost to the Board of \$1,134,250.00, as recommended by the Engineering and Maintenance Committee.
- 4.9 Customer Bill Printing to be used for a re-designed customized bill image, the printing of the bill image and the associated United States Postal Service postage expense at \$1,250,000.00 per year for a 3-year contract at a total out-of-pocket estimated cost of \$3,750,000.00, as recommended by the Communications Committee.

Resolution No. 8142 is hereby adopted by unanimous vote.”

Following, the General Manager asked the board to enter into a standard Reimbursable Agreement with Jefferson County Commission; and to authorize the General Manager and/or

Assistant General Manager to execute said agreement, 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 Mr. William R. Muhammad, that the Board hereby enters into a standard Reimbursable Agreement with Jefferson County Commission; and to authorize the General Manager and/or Assistant General Manager to execute the agreement; and take bids for the extension of mains along Berrywood Road and McCombs Mill Road in the City of Pinson in unincorporated Jefferson County, Alabama, at an estimated cost of \$226,750.00, less estimated Jefferson County Commission reimbursement totaling \$226,750.00, no out-of-pocket cost to the Board, as recommended by the Engineering and Maintenance Committee. Resolution No. 8143 is hereby adopted by unanimous vote.”

Following, the General Manager asked the board to enter into an Alabama Department of Transportation (ALDOT) Supplemental Agreement (SAHD No.2); and to authorize the General Manager and/or Assistant General Manager to execute said agreement, as set forth in agenda item 6. 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 enters an Alabama Department of Transportation (ALDOT) Supplemental Agreement (SAHD No. 2); and authorizes the General Manager and/or Assistant General Manager to execute the agreement; and authorizes staff to take bids for the relocation of BWWB facilities in conflict with ALDOT Project No. STPBH 7020(601) along Patton Chapel Road from Crayrich Drive to Chapel Lane located in Jefferson County, Alabama, at an estimated cost of \$1,283,692.08, less estimated ALDOT reimbursement totaling \$1,283,692.08, at no out-of-pocket cost to the Board, as recommended by the Engineering and Maintenance Committee. Resolution No. 8144 is hereby adopted by unanimous vote.”

Following, the General Manager asked the board to award bids on various items, as set forth in agenda items 7.1 through 7.2. Director Clark requested clarification regarding the Historically Underutilized Business (HUB) participation. The General Manager stated the services and supplies measured falls under the HUB category. He then recognized Michael Bell, Birmingham Construction Industry Authority, to speaker. Mr. Bell stated the subcontractor is counted at 100 percent, dealers are counted at 60 percent, and manufacturing representatives are counted at their commission. He stated this contractor is providing manufacturing representative service; therefore, it involves a sub-contractor. Director Clark questioned what the HUB participation should be listed as. Mr. Bell responded he does not know their commission rate. Director Clark indicated they should not be listed as HUB subcontractor participation at 50 percent. Mr. Bell stated the national practice is to not count it as such. Director Clark then asked the General Manager to explain why BWWB is not following what is accepted nationally regarding the HUB. The General Manager stated the amount BWWB pays to the vendor is being followed by the way the policy is written. Director Clark stated the impression is the board is not sensitive to this. Director George Munchus arrived at the meeting at 11:24 a.m. Director Clark

stated the board needs to address this issue and see how other companies handle this. 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 Mr. Ronald A. Mims, that the Board hereby authorizes staff to award bids on the following, as recommended by the Engineering and Maintenance Committee:

- 7.1 Mark Johnson Construction, the lowest responsible and responsive bidder, to replace the Chloride Scrubbers at the Putnam Filter Plant and the Carson Filter Plant to replace the hazardous liquid type existing scrubbers, at a total out-of-pocket cost to the Board of \$550,000.00, as recommended by the Engineering and Maintenance Committee.

- 7.2 To two (2) contractors to purchase nine (9) replacement vehicles as follows, as recommended by the Engineering and Maintenance Committee:
 - Kenworth of Birmingham, the lowest responsible and responsive bidder, for Eight (8) Heavy Weight Vehicles, at a total out-of-pocket cost to the Board of \$1,106,990.83.

 - Long Lewis Ford, the lowest responsible and responsive bidder, for one (1) F-550 Crew Cab vehicle, at an out-of-pocket cost to the Board of \$54,720.00.

Resolution No. 8145 is hereby adopted by Directors Burbage, Mims, Alexander, Munchus, King, and Muhammad voting yes; and Director Clark voted no.”

Following, the General Manager asked the board to approve a right-of-way agreement with Armstrong Pump and Service Company, Inc.; and to authorize the General Manager and/or Assistant General Manager to execute said agreement, as set forth in agenda item 8. 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 Mr. George Munchus, that the Board hereby approves a right-of-way agreement with Armstrong Pump and Service Company, Inc., at an out-of-pocket cost to the Board of \$62,000.00; and authorizes the General Manager and/or the Assistant General Manager to execute the agreement, as recommended by the Engineering and Maintenance Committee. Resolution No. 8146 is hereby adopted by unanimous vote.”

Following, the General Manager asked the board to approve the FY 2020 health insurance plan design, premium rates, COBRA rates and an agreement with freshbenies, as set forth in agenda item 9. 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 Mr. George Munchus, that the Board hereby approves the FY 2020 health insurance plan design, premium rates, COBRA rates and an agreement with freshbenies (telehealth - for an approximate cost of \$93,024 in 2020), and approves the General Manager or Assistant General Manager to effectuate the necessary documents. Former IWWB Employees & Under 65 IWWB Retirees BCBS health insurance plan design and premium rates will not change with the exception of adding the freshbenies service, as recommended by the Human Resources Committee. Resolution No. 8147 is hereby adopted by unanimous vote.”

Following, the General Manager asked the board to approve Birmingham Water Works joining the First Responder Network Authority (“FirstNet”), as set forth in agenda item 10. 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 Mr. George Munchus, that the Board hereby approves Birmingham Water Works joining the First Responder Network Authority ("FirstNet") Wireless Network, as recommended by the Engineering and Maintenance Committee. Resolution No. 8148 is hereby adopted by unanimous vote.”

Following, the General Manager asked the board to approve renewal of a 24-month agreement with Message Point Media to provide communication services and support, as set forth in agenda item 11. 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 Mr. George Munchus, that the Board hereby approves renewal of a 24-month agreement with Message Point Media, a sole source provider, to provide communication services and support as part of the BWWB employee and customer engagement strategy for the period September 1, 2019 through August 31, 2021 at an estimated cost for year one of \$40,200.00 and year two of \$37,210.00 for a total estimated cost of \$77,410.00, as recommended by the Communications Committee. Resolution No. 8149 is hereby adopted by unanimous vote.”

Following, the General Manager asked the board to approve an agreement to grant permission for BWWB to grant access to a 1994 Tracker Pontoon Boat located at Inland Lake for use by the Pine Mountain, Remlap and Allgood Volunteer Fire Departments, as set forth in agenda item 12. Director Clark suggested giving the volunteer fire departments a boat and the board receive a tax credit. The General Manager stated staff does not recommend giving nor selling a boat. Director Alexander stated the board could buy another boat. The General Manager indicated the board does not need to purchase another boat. Director Clark questioned the board’s liability for allowing these departments to use the boat. Director King stated the fire department’s access to the boat would only be in an emergency and he indicated the language in the agreement is clear that the board would not be liable. Director Clark stated she hasn’t received feedback from the

discussion in the Engineering and Maintenance Committee to let the fire departments have the boat for liability purposes. Director King stated there are issues with giving away an asset. He indicated allowing the fire departments access to the boat is the least expensive solution. Director Clark stated the item may need to go back to Committee. 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. George Munchus, that the Board hereby approves an agreement to grant permission for BWWB to grant access to a 1994 Tracker Pontoon Boat located at Inland Lake for use by the Pine Mountain, Remlap and Allgood Volunteer Fire Departments to fight fires and conduct emergency rescue operations; and authorizes the General Manager and/or the Assistant General Manager to execute said agreement. Resolution No. 8150 is hereby adopted by Directors Burbage, Munchus, Mims, Alexander, Muhammad and King; Director Clark abstained from voting.”

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Following, the General Manager asked the board to approve an agreement with On the Job Training (OJT) and Incumbent Worker Training Programs through the Workforce Innovation and Opportunity Act; and to authorize the General Manager and/or Assistant General Manager to execute said agreement, as set forth in agenda item 13. 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. George Munchus, and seconded by Mr. William R. Muhammad, that the Board hereby approves an agreement with On the Job Training (OJT) and Incumbent Worker Training Programs through the Workforce Innovation and Opportunity Act; and authorizes the General Manager and/or Assistant General Manager to approve the necessary agreements along with legal review, as recommended by the Human Resources Committee. Resolution No. 8151 is hereby adopted by unanimous vote.”

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Following, the General Manager asked the board to make decisions regarding an employee that is arrested and charged with a crime (whether the crime is a misdemeanor or a felony) and said employee maintains that they are innocent, said employee may not be placed on unpaid administrative leave or terminated; should that employee subsequently plead guilty or be found guilty of said criminal charge, then said employee is subject to having their employment terminated immediately; and the General Manager is hereby authorized and instructed to amend the Water Works Board Employee Hand Book and Manager Guide to comply with this resolution, as set forth in agenda item 14. Director Alexander stated he could not go along with this item because the board could be employing persons who have committed violent crimes. He indicated this employee would be seen representing the BWWB in their uniform. He stated if the crime committed is not violent, he might go along with it. Director Muhammad stated a person is innocent until they are proven guilty. A discussion then ensued. Director King questioned Director Mims whether he would make an amendment to his motion to include Director Alexander’s concern regarding violent crimes. Director Mims responded yes. Director Clark stated the policies should be objective and not subjective. She indicated there needs to be verbiage regarding this item provided by

experts in employment law. She stated she felt the item should be tabled until a concise way of dealing with this issue is established. Director Munchus stated management has maximum flexibility in using their own judgement in situations like this. He stated the employee may have to be reassigned to another department, but he feels the board should be sensitive to this item. Chairman Burbage questioned whether the current policy allows for the employee to be reassigned. The General Manager responded yes. A discussion then ensued. Mark Parnell, Board Attorney, questioned Grace Amison, Executive Assistant to the Board of Directors, what was the motion on the floor. Ms. Amison stated the motion was to approve what was read by the General Manager without additional language. Director Clark stated this item needs to be reviewed. Mr. Parnell stated the Board decides the policy and it can modify it if it wants to. Director Muhammad then requested a roll call vote. Chairman Burbage then asked for the directors to vote on the motion. The vote was as follows: Director Munchus, Yes; Director Mims, Yes; Director Clark, No; Director Burbage, No; Director King, No; Director Alexander, No; and Director Muhammad, Yes. The motion failed on a vote of 4 to 3.

Following, Chairman Burbage asked the board to discuss New Business, as set forth in agenda item 15. Matthew Arrington, Terminus Municipal Advisors, was recognized to discuss refunding debt opportunities. The General Manager stated the board has a debt reduction plan that includes refunding various outstanding bond issuances to take advantage of refundings. He stated the market has moved favorably over the past couple of months. Mr. Arrington stated the board's debt has been tracked since March 2019 to identify opportunities to refinance to save money. He indicated October 2019 would be a good time to go to the bond market. He indicated previous savings of \$8.3 million turned into \$45 million in savings. He stated the board will save money with the current rates. He stated this information was being presented to the board for information purposes and it could be discussed further at the upcoming Finance Committee meeting. He then gave an overview of a projected schedule of events. He indicated the board would have about a month to consider this. Director Munchus stated he is in favor of the refunding and suggested Securities Capital be included in the deal. Chairman Burbage stated the board had a good syndicate with the last bond deal. The General Manager stated a Finance Committee meeting had been scheduled for September 18, 2019. Director Munchus questioned whether that would be enough time to complete the bond deal and Mr. Arrington responded yes.

Next, the General Manager stated he had been contacted by the Birmingham Business Alliance (BBA) to be a board member. Director Munchus stated he hopes the General Manager would be added to the BBA's Executive Committee.

Next, an open forum discussion was held with BWWB Board of Directors, Senior Executive Management, and Employees from the Call Center, the Electrical & Mechanical, the Customer Support Services, the EnviroLab, the Industrial and Commercial Accounts, the Business Systems/Operations, the Internal Audit and Security departments.

As there was no further business before the Board, Chairman Burbage entertained a motion to adjourn the meeting. A motion was duly made and seconded, and the meeting adjourned at 1:14 p.m.

/s/
William Burbage, Jr.
Chairman/President

Attest:

/s/
Ronald A. Mims
Secretary-Treasurer