

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

The regular bi-monthly meeting of the directors of The Water Works Board of the City of Birmingham and Public Hearing was held on Thursday, November 8, 2018 at 5:30 p.m., in the principal office of the Board, 3600 First Avenue North, Birmingham, Alabama.

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

The meeting was also attended by: Mac Underwood, General Manager; Darryl Jones, Michael Johnson and Sonny Jones, Assistant General Managers; Grace Amison, Executive Assistant to the Board of Directors; Anitra Hendrix, Executive Assistant to the General Manager; George Anderson, Rick Jackson, Terrell Jones, Corey Richardson, Alan Jackson, Nick Norman, Eddie Gray, TaDarrious Little, Lakell Freeman, Austin Trammell, Derrick Maye, Roderick Gray, Ben Sorrell, Steve Franks, Rhonda Brooks, Herman Jones, Harvey King, Darrell Grey, Jermaine Morton, Eddie Spearman, Curtis Taylor, Damien Adams, Charles Lomax, Darnell Hubbard, Amber Hasberry, Johnathan Hasberry, Joyce DuPree, Vickie Huggins, Edward Norfleet, John Dansby, Ray Lassiter, Brian Hicks, Derek Robinson, Drusilla Hudson, Anita Black, Anthony Rowell, Roosevelt Banks, David Brown, Douglass Stockham, Raymond Childs, Brady Walker, Nick Blackman, James Hervey, Craig Miller, Darius Dorsey, Malcom Turk, Stanley Pressley, David Quinn, Daniel Melton, Tracy Myricks, Ronnie Lumpkin, Reginald Davis, Doris Brown, Roderick Kennedy, Doyle Cherry, Tony Smith, Nick Cates, Tracy Clements, Barry Wright, DeAndre Todd, Alfred Hudson, Steven Debrow, Edward Witt, Jeremiah Polk, John Reymann, Barry Williams, Paul Lloyd, Tim Garrett, and Cherita King, Board Employees; K. Mark Parnell, Mary Thompson, Parnell Thompson, LLC; Kelvin Howard, Kelvin Howard, LLC; Dr. Jesse Lewis, Dorian Kendrick and Thomas Pallandino, Agency 54; Patrick Flannelly and Brian Ruggs, ARCADIS; Matthew Arrington, Terminus Municipal Advisors; Peiffer Brandt, Raftelis Financial Consultants; Yvonne Green Davis, Yvonne Green Davis, P.C.; Derrick Murphy, All World; Greg Jones, Jones Group, LLC; Madison Neal and J. Pn, WBRC; Kayla Currie, State of Alabama Attorney General; Earl Hilliard, Jr., City of Birmingham; Ty Wallace, On Call Contractors; Issac Ballard, Tanya Johnson, Shayla Allen, Karen Harper, Bill Thomaston, KiKiarna Lee, Carolyn Gipson, Cynthia Johnson, Barbara Phillips, Brenda Mixon, Dale Hendricks, Vicki Jones, Frances Payne, Florence Blair, Brenda Ward, Linda Grant, Carl Grant, Sr., Shirley Hicks 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 5:33 p.m. Mr. George Anderson opened the meeting with prayer.

Following, the General Manager stated Pursuant to Act No. 2015-164, Section (4c), the BWWB is holding a Public Hearing to consider taking action consistent with Resolution No. 4166 which was adopted on December 22, 2003 as amended (i.e., adoption of the Rate Stabilization and Equalization Procedure (RSE Model)) that will result in a rate increase. The General Manager then

presented an overview of the fiscal year 2019 budget presentation and introduced Board Directors and Executive Management. Assistant General Manager Darryl Jones gave an overview of the system including its water sources, BWWB having award winning treatment plants; lake capacities, including raw and finished water, and serving 600,000 customers. Director Munchus questioned what happens with surplus water. Mr. Darryl Jones responded the water goes down the river and ends up in Mobile Bay. Next, Assistant General Manager Michael Johnson gave an overview of effective utility management, including an overview of the attributes. He indicated the Rate Stabilization Equalization (RSE) Model helps to determine rate increases. He stated rates are set annually. Director Dickerson requested Mr. Johnson to explain PAYGO. Mr. Johnson explained a company does not want to borrow money all of the time; therefore, PAYGO is in-house money. He indicates this keeps BWWB from borrowing money. Director Dickerson then requested Mr. Johnson to explain debt service. Mr. Johnson explained debt service is borrowing money to fund capital programs. He then gave an overview of the current policies and stated rates have been significantly less than industry average. Chairman Alexander requested Mr. Johnson to explain how capital funds are used. Mr. Johnson explained capital money replaces pipe within the system, and regulatory compliance requirements. He indicated there is \$69 million in the reserve fund, has 279 days of cash on hand and BWWB has a strong bond rating. Chairman Alexander questioned the difference between a Aa2 and Aa3 rating. Director Muhammad responded thousands and thousands of dollars. Mr. Johnson responded interest costs. Chairman Alexander questioned whether Aa3 was better, and Mr. Johnson responded yes. Mr. Johnson then gave an overview of the proposed Operating and Maintenance budget. He stated the board challenged staff to find ways to reduce the budget. He stated the goal is to fund operations, the capital program, ensure regulatory compliance, and comply with financial policies. He stated the proposed budget for 2019 is \$104 million and stated the budget for 2018 was \$99.9 million. He stated the proposed budget for 2019 includes \$4.8 million for the Jefferson County Sewer allocation. Director Munchus questioned the reason for changing to a fee for service from a reimbursement agreement with Jefferson County. The General Manager stated a new agreement was negotiated with Jefferson County that brings in revenue at \$13.5 million and requires that the BWWB recognize expenses associated with agreement. He indicated BWWB is netting \$9.5 million more than it was previously receiving. He stated the previous agreement was based on joint service cost and the current agreement is based on the total amount billed for Jefferson County. Mr. Johnson stated the proposed budget for 2019 includes a 2 percent Cost of Living Adjustment and a full merit. He stated the budget was increased for bad debt expenses. Mr. Johnson stated the demand for water use is down due to residents being more economical and the industrial industry is down. He stated the projected residential consumption for 2019 is 12.9 million ccf. Chairman Alexander questioned whether the cost of service study was complete. The General Manager responded yes and stated a letter was sent to the board that included the recommended rates for 2018 which was 2.9 percent and for 2019 it is 3.9 percent. Mr. Johnson then gave an overview of O & M expenses. Director Mims questioned whether the revenue from Jefferson County is included. Mr. Johnson responded yes and stated the budget includes rate increase money and the revenue generated from Jefferson County. Director Munchus questioned whether the budget would end up being net or gross. The General Manager responded \$104 million is a net budget and indicated a gross budget is the result of not capitalizing O & M. Director Muhammad questioned whether approving a net budget and it ends up being a gross budget whether that extra money would come back to the Board for approval. Chairman Alexander responded additional money would have to come back to the Board. Board Attorney Mark Parnell stated new money came back to the Board from Jefferson County. Subsequently, Mr. Johnson gave an overview of the impact of proposed rates, indicating the need for a rate increase. He stated

the proposed rate increase is 3.9 percent for water which would cover costs related to revenue requirements including PAYGO funding, debt service and reserve funds. Director Mims questioned what the 2018 Capital budget was. Assistant General Manager Sonny Jones responded \$65 million. Mr. Johnson then gave an overview of the amount of PAYGO that would be generated in 2019 at \$29 million. Director Munchus questioned whether less money could be borrowed with a 4 percent rate increase. Mr. Johnson responded yes, that is what is projected. He then gave an overview of the benefits of increased PAYGO. Director Munchus questioned whether this would get BWWB to an AAA rating. The General Manager responded over time it would. Director Muhammad stated it is not about AAA rating, but it's about eliminating debt and not going to the market at all. He indicated if BWWB maintain 2 percent O & M and 4 percent revenue increase, then within 15 years there will not be a need to go to the market.

Next, Assistant General Manager Sonny Jones presented the proposed 2019 Capital budget. He gave an overview of the current system assets and value. He stated four treatment plants must be maintained, 4,000 miles of water mains, 1,000 miles of service lines, 51 distribution pump stations, 73 potable and raw water tanks, 52,000 valves, and 15,000 hydrants. He stated the assets are valued at \$1.1 billion and it would cost \$6 billion to replace the system brand new. He stated the median reinvestment on water supplies is 1.3 percent which means \$78 million should be invested in the system annually for maintenance of existing assets. He then gave an overview of the capital planning strategy and projects. Director Munchus questioned whether BWWB is spending enough on the Capital budget. Mr. Sonny Jones responded no and stated that he is judging that against the AWWA Qual-Serve median for R&R. He stated a plan was put together several years ago to make improvements to the system. He stated all clear wells have been updated, filter rehabilitation has been completed at Putnam, Western, Shades Mountain filter plants, additional sources of supply have been completed for Carson Loop Phases 1-6, dam rehabilitation has been completed at Shades Mountain and Inland Lake. He indicated distribution system pipe updating is ongoing. He stated there is 300 miles of galvanized steel and 253 miles of unlined cast iron pipe in the system. He then gave an overview of the breakdown of Capital budget costs. Following, Assistant General Manager Michael Johnson gave an overview of recognition the Board has received including awards from the American Water Works Association (AWWA), the Association of Metropolitan Water Agencies (AMWA), and Top 125 Training. He stated BWWB made a presentation before bond rating agencies in October 2018 regarding \$86 million bond issue. He indicated Moody's and Standard & Poor's rated BWWB at AA2, which is a very good rating. Chairman Alexander stated the Board went to the bond agencies and they indicated that the management team is AAA rated. Mr. Johnson stated excerpts from the Moody's rating report and stated the goal is to fund more capital expenditures internally so debt can be decreased. He stated sizeable decreases in debt will increase the bond rating.

Following, the General Manager recognized speakers. Speakers included three customers who spoke regarding issues with their water bill and were directed to on site Customer Service Supervisors to resolve their issues. Ty Wallace, On-Call Heating & Air, stated he was following up on a request Director Lewis made for him to meet with Chairman Alexander, Director Munchus and the General Manager. He stated there has not been a resolution and a demand letter was sent to Mr. Parnell requesting the documentation they received from the State regarding their license. Mr. Parnell stated he has been in communication with Mr. Wallace's attorney and requested communication be kept between the attorneys until the issue is resolved. He indicated Mr. Wallace's attorney informed him that he spoke with Mr. Wallace regarding communicating with the Board. He stated he received a letter from Mr. Wallace's attorney and he will forward the

Board a copy of his response. Director Lewis stated since an attorney is involved, the Board can't discuss this issue directly with Mr. Wallace. Director Munchus stated he was in the meeting with Chairman Alexander, the General Manager and Mr. Wallace. He stated the General Manager stated he would send On-Call a letter stating why their contact was terminated. Mr. Parnell stated when he received a letter from Mr. Wallace's attorney, it was his recommendation to let him respond. He indicated that he stopped all communication between the General Manager and Mr. Wallace. He stated the idea is to get this resolved favorably so that it does not result in litigation. Mr. Parnell stated he offered to meet with Mr. Wallace's attorney. Mr. Wallace then tried to address the Board. Mr. Parnell stated he can't communicate with Mr. Wallace because he has representation and he recommended the Board not have any communication with Mr. Wallace. Director Munchus questioned whether a response was given to Mr. Wallace as to why his contract was terminated and given a cease and desist order. Mr. Parnell stated Mr. Wallace's contract had not been terminated nor was he given a cease and desist order. He stated Mr. Wallace was told to stop work until it was determined whether he would violate the General Contractor's License Board's law. He stated a meeting will be held on November 14, 2018 with the General Contractor's License Board to get a resolution on this issue.

Next, Director Muhammad stated the board should adopt a policy to be more efficient and eliminate debt. He stated he does not believe the Board has ever had a debt elimination program. He stated the Board goes to the bond market every 2 years and the Board's debt is a problem for rating agencies. He stated the Board is cutting back on O&M expenses. He stated within 5 years BWWB could have enough cash on hand to pay for half of its Capital projects. He indicated within 15 years BWWB could be debt free and have 100 percent PAYGO but to do that rates have to be raised to keep up. He gave an overview of the costs associated with increases in groceries and stated employees want a COLA because they are subject to these increases. He indicated he is for the people and this will be the first budget he has voted on since he's been on the Board. He stated he realized there must be a vision that includes a long-term plan to eliminate debt. Chairman Alexander stated the COLA is currently at 2 percent; however, he recommends a 2.9 percent COLA in the budget. Director Lewis stated she thought they were not presenting recommendations at this time and only hearing from the public. She indicated she had recommendations to make to the budget as well. Chairman Alexander stated that was his recommendation. Director Mims stated he would like to make a motion to table items 2 and 3 and sent these items back to the Finance Committee because there are changes that need to be made to the budget. Director Muhammad stated he would like to make friendly amendment to the motion and send these items to the Executive Committee. Chairman Alexander stated he believed that was a good amendment because it involves all directors. On a motion duly made and seconded, the following resolutions were adopted:

“WHEREAS, The Water Works Board of the City of Birmingham (the “Board”) properly noticed and conducted a public hearing on Thursday, November 8, 2018, at 5:30 p.m., pursuant to Ala. Code § 11-50-303(c) (1975); and,

WHEREAS, the Board has prepared its 2018 Operating and Maintenance (O&M) Budget with expenditures totaling \$104,000,000.00; and,

WHEREAS, the Board desires to approve as part of its O&M Budget a combined 4.20 percent compensation adjustment, comprised of a Merit Raise of no more than 2.20 percent of the

gross labor budget not to exceed \$860,078.00 and a cost of living adjustment of no more than 2.00 percent of the gross labor budget not to exceed \$820,649.00.

WHEREAS, the Board has prepared its Capital Budget for the Board for 2019 in the amount of \$65,893,797.00; and,

WHEREAS, the Board intends to timely amend the PAYGO Policy to reach a level of fifty percent (50%) of the capital budget.

NOW, THEREFORE, BE IT RESOLVED By the Board, on a motion duly made by Mr. Ronald A. Mims and seconded by Ms. Sherry W. Lewis as follows:

1. The Board hereby approves its O & M Budget totaling \$104,000,000.00 for 2019; and,

2. As part of the of O & M Budget, the Board hereby approves a combined 4.20 percent compensation adjustment comprised of a merit of no more than 2.20 percent of the gross labor budget not to exceed \$860,078.00 and a cost of living adjustment of no more that 2.00 percent of the gross labor budget not to exceed \$820,649.00; and

3. The Board hereby approves its Capital Budget for the Board for 2019 in the amount of \$65,893,797.00; and,

4. In accordance with Ala. Code § 11-50-303(c) (1975) and Resolution No. 4166, which was adopted on December 23, 2003, as amended, (adoption of the Rate Stabilization and Equalization Procedure (RSE Model)), notice is hereby given that approval of the O & M Budget along with the contemporaneous approval of a Capital Budget, and the amendment to the PAYGO Policy to reach fifty percent (50%) of the capital budget will result in a rate adjustment of 3.9% and said rate adjustment will be effective January 1, 2019.

Resolution No. 7918 is hereby tabled by unanimous vote on November 8, 2018.

“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 Ms. Sherry W. Lewis, that the employees of the Water Works Board have worked diligently throughout the year to: a) maintain system operations, b) manage operating cost at approximately \$4.5 million dollars under budget (including healthcare costs being under budget by \$2.1 million), c) implementation of Jefferson County Sewer Collection Agreement that generated additional revenue, which resulted in an additional \$2.4 million through September 30, 2018, d) overall system is \$6 million over original projections, and e) completing capital projects planned in the 2018 capital budget. Further, in accordance with the Board’s Salary Administration plan and to show employee appreciation for a job well done, the Board hereby approves and authorizes the officers and general manager to execute any documents necessary to allow employees to sell up to 4 weeks of accrued/ unused vacation time in excess of 2 weeks in December 2018. The vacation buy back cost will not exceed \$500,000.00, and BWWB overall operating expenses will remain under budget. Resolution No. 7919 is hereby tabled by unanimous vote.”

Following, the General Manager asked the board to approve minutes from Regular Board of Directors' Meetings, as set forth in agenda item 4. On a motion duly made and seconded, the following resolution was adopted:

“BE IT RESOLVED By The Water Works Board of the City of Birmingham (“the Board”), on a motion duly made by Mr. Ronald A. Mims and seconded by Dr. George Munchus, that the Board hereby approves minutes of Regular Board of Directors' Meeting held July 26, 2018; and Regular Board of Directors' Meeting held August 16, 2018. Resolution No. 7920 is hereby adopted by unanimous vote.”

Following, the General Manager asked the board to approve Director King’s actual mileage expense reimbursement for October 2018, as set forth in agenda item 5. 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. Ronald A. Mims and seconded by Dr. George Munchus, that the following board member(s) be reimbursed for his mileage expense reimbursements as follows:

- Brett King for mileage expense reimbursements for October 2018 in the amount of \$168.95 (as listed on the attached Itemized Travel and Business Expense Reimbursement).

Resolution No. 7921 is hereby adopted by a roll call vote: Chairman Alexander, Yes; Director Clark, Yes; Director Burbage, Yes; Director Munchus, Yes; Director Mims, Yes; Director Lewis, Yes; Director Muhammad, Yes; and Director Dickerson, Yes.

Following, the General Manager asked the board to approve Directors’ actual travel expenses for the 2018 AMWA – 2018 Executive Management Conference held October 14-17, 2018, in San Francisco, CA, as set forth in agenda items 6.1 through 6.3. 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, pursuant to Resolution No. 7683 adopted by the Board of Directors on January 11, 2018, approval was given to attend the AMWA - 2018 Executive Management Conference scheduled October 13 - 17, 2018, in San Francisco, California; 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 Dr. George Munchus and seconded by Mr. Ronald A. Mims, that the following board member(s) be reimbursed for his or her actual expenses pertaining to said conference as follows:

- Brenda J. Dickerson for total actual expenses including airline fare, lodging (room and tax only), business meals and other in the amount of \$3,401.58 (as listed on the attached Itemized Travel and Business Expense Reimbursement).
- William R. Muhammad for total actual expenses including airline fare, lodging (room and tax only), business meals and other in the amount of \$3,434.08 (as listed on the attached Itemized Travel and Business Expense Reimbursement).
- Brett A. King for total actual expenses including airline fare, lodging (room and tax only), business meals and other in the amount of \$3,181.44 (as listed on the attached Itemized Travel and Business Expense Reimbursement).

Resolution No. 7922 is hereby adopted by a roll call vote: Chairman Alexander, Yes; Director Clark, Yes; Director Burbage, Yes; Director Munchus, Yes; Director Mims, Yes; Director Lewis, Yes; Director Muhammad, Yes; and Director Dickerson, Yes.”

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Following, the General Manager asked the board to approve Directors’ actual travel expenses for the Alabama/Mississippi Section – American Water Works Association – 2018 Annual Conference held October 14-16, 2018, in Birmingham, AL, as set forth in agenda items 7.1 through 7.4. 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, pursuant to Resolution No. 7683 adopted by the Board of Directors on January 11, 2018, approval was given to attend the Alabama/Mississippi Section – American Water Works Association – Annual Conference 2018 scheduled October 14 - 16, 2018, in Birmingham, Alabama; 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 Dr. George Munchus, that the following board member(s) be reimbursed for his or her actual expenses pertaining to said conference as follows:

- Tommy Joe Alexander for total actual expenses including conference registration in the amount of \$275.00 (as listed on the attached Itemized Travel and Business Expense Reimbursement).
- Deborah Clark for total actual expenses including conference registration and parking in the amount of \$295.00 (as listed on the attached Itemized Travel and Business Expense Reimbursement).
- Ronald A. Mims for total actual expenses including conference registration and mileage in the amount of \$325.14 (as listed on the attached Itemized Travel and Business Expense Reimbursement).
- Sherry W. Lewis for total actual expenses including conference registration in the amount of \$275.00 (as listed on the attached Itemized Travel and Business Expense Reimbursement).

Resolution No. 7923 is hereby adopted by a roll call vote: Chairman Alexander, Yes; Director Clark, Yes; Director Burbage, Yes; Director Munchus, Yes; Director Mims, Abstain; Director Lewis, Yes; Director Muhammad, Yes; and Director Dickerson, Yes.

Following, the General Manager asked the board to approve payments of invoices for professional services, as set forth in agenda items 8.1 through 8.4. 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 Dr. George Munchus, that the Board hereby authorizes staff to execute payment to the following:

8.1	<u>Carl Dalton NeSmith, Jr., LLC</u> For retainer fee for November 2018	\$ <u>500.00</u>
8.2	<u>Terminus Municipal Advisors, LLC</u> For professional services rendered for October 2018	\$ <u>6,500.00</u>
8.3	<u>The Jones Group, LLC</u> For professional services rendered for November 2018	\$ <u>7,500.00</u>
8.4	<u>ARCADIS, U.S., Inc.</u> For professional services rendered for August 2018	\$ <u>324,231.36</u>

Resolution No. 7924 is hereby adopted by unanimous vote.”

Following, the General Manager asked the Board to take bids on the following, as recommended by the Engineering & Maintenance Committee, as set forth in agenda items 9.1 through 9.5. 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 Muhammad, that the Board hereby takes bids on the following:

- 9.1 To purchase two (2) 350-Horsepower Electric Motors located at Berry Road Pumping Station for a total out-of-pocket cost to the Board of \$125,600.00, as recommended by the Engineering & Maintenance Committee
- 9.2 To replace the existing Carson Filter Plant Liquid Chlorine Scrubber with a new Dry Chlorine Scrubber at an estimated total out-of-pocket cost to the Board of \$350,000.00, as recommended by the Engineering & Maintenance Committee.
- 9.3 To replace the existing Putnam Station Filter Plant Liquid Chlorine Scrubber with a new Dry Chlorine Scrubber at an estimated total out-of-pocket cost to the Board of \$350,000.00, as recommended by the Engineering & Maintenance Committee.
- 9.4 To replace the PVC Tube Settlers in Sedimentation Basins 3 & 4 at Western Filter Plant at an estimated total out-of-pocket cost to the Board of \$600,000.00, as recommended by the Engineering & Maintenance Committee.
- 9.5 To purchase and install a liquid lime process at the Carson Filter Plant at an estimated total out-of-pocket cost to the Board of \$700,000.00, as recommended by the Engineering & Maintenance Committee.

Resolution No. 7925 is hereby adopted by unanimous vote.”

Following, the General Manager asked the Board to award bids on the following, as recommended by the Engineering & Maintenance Committee, as set forth in agenda items 10.1 through 10.4. Director Muhammad requested the items be voted on separately. 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 Ms. Sherry W. Lewis and seconded by Mr. Tommy Joe Alexander, that the Board hereby awards bids on the following:

- 10.1 Galls, LLC, the lowest responsible and responsive bidder, for estimated quantities of Uniforms (Yearly) for Board's field employees, at an estimated out-of-pocket cost to the Board of \$59,861.25, and to authorize the General Manager and/or the Assistant General Manager to execute a contract per Bid Specifications and Conditions. [NOTE: The Historically Underutilized Business (HUB)'s participation is 0%.]

Resolution No. 7926 is hereby adopted by Directors Alexander, Mims, Lewis and Dickerson voted yes; Directors Clark, Muhammad and Munchus voted no.”

Director Munchus stated he would like for this item to be tabled and sent back to the Committee and Director Muhammad seconded the motion. Director Lewis questioned why this item needs to go back to committee. She stated this project affects Pratt City. Director Clark stated because of the minority participation. Mr. Sonny Jones stated the minority participation on this item is 26 percent. Director Munchus stated he would withdraw his motion. 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 Mr. Williams Muhammad, that the Board hereby awards bids on the following:

- 10.2 B & H Contracting, Inc., the lowest responsible and responsive bidder, for the replacement of approximately 2,580’ of 2” galvanized steel pipe/2” unlined cast iron pipe with approximately 150’ of 4” DICL pipe; 2,500’ of 6” DICL pipe and related appurtenances; and 16 water services along Avenue Y; 2nd Way; 2nd Place; Avenue X; and Alder Avenue located in the Pratt City Community of the city of Birmingham, Alabama at a bid amount of \$382,750.00; plus estimated cost of materials and Water board labor in the amount \$192,793.28; for an estimated out-of-pocket cost to the Board of \$575,543.28, as recommended by the Engineering & Maintenance Committee; and to authorize the General Manager and/or the Assistant General Manager to execute a contract per Bid Specifications and Conditions. [NOTE: The Historically Underutilized Business (HUB)’s participation is 26%.]

Resolution No. 7927 is hereby adopted by unanimous vote.”

Director Munchus made a motion to table this item and Director Muhammad seconded the motion. Director Lewis stated this is a direct manufacturer of asphalt. Director Munchus stated he would withdraw his motion and Director Muhammad withdrew his second. 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 Mr. Ronald A. Mims, that the Board hereby awards bids on the following:

- 10.3 MidSouth Paving, the lowest responsible and responsive bidder, for Asphalt HOT Mix, BI18-05-15, for a one (1) year period, at an estimated out-of-pocket cost to the Board of \$1,134,250.00, as recommended by the Engineering & Maintenance Committee, and to authorize the General Manager and/or the Assistant General Manager to execute a contract per Bid Specifications and Conditions. [NOTE: The

Historically Underutilized Business (HUB)’s participation is 0%. Vendor is a direct manufacturer of Asphalt HOT Mix.]

Resolution No. 7928 is hereby adopted by Directors Alexander, Clark, Mims, Lewis and Dickerson voted yes; Directors Muhammad and Munchus voted no.”

Director Muhammad questioned whether the subcontractor would perform 48 percent of the work. Mr. Sonny Jones responded yes and stated Willoughby Contracting does not own trucks, so they have contracted with James Paving to do their hauling. 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. Brenda Dickerson and seconded by Mr. Tommy Joe Alexander, that the Board hereby awards bids on the following:

- 10.4 Willoughby Contracting Co., the lowest responsible and responsive bidder, for the replacement of approximately 3,175’ of 2” galvanized steel pipe / 2” unlined cast iron pipe and 1,060’ of 8” unlined cast iron pipe with approximately 1,040’ of 4” DICL pipe; 2,770’ of 6” DICL pipe; 410’ of 8” DICL pipe and related appurtenances; and 86 water services at 7th Ave; Cambridge St; Buffalo Pl; 5th Court; 6th Ct; Albany St; Buffalo St; Detroit St; and Slayden Ave located in the Wylam Community of the City of Birmingham, Alabama at a bid amount of \$781,851.40; plus estimated cost of materials and Water Board labor in the amount of \$446,701.20; for an estimated out-of-pocket cost to the Board of \$1,228,552.60, as recommended by the Engineering & Maintenance Committee; and to authorize the General Manager and/or the Assistant General Manager to execute a contract per Bid Specifications and Conditions. [NOTE: The apparent low bidder, Jones Utility and Contracting Company, Inc. was deemed non-responsible and rejected due to concerns with their integrity involving public contracts as raised by allegations in the ongoing lawsuit styled Startley General Contractors, Inc. et. al. v. The Water Works Board of the City of Birmingham, et. Al. The Historically Underutilized Business (HUB)’s participation is 48%]

Resolution No. 7929 is hereby adopted by Directors Alexander, Clark, Mims, Lewis, Munchus and Dickerson voted yes; Director Muhammad voted no.”

Following, the General Manager asked the Board to exercise its bid option to extend a 12-month contract with Wade, Sand & Gravel, as set forth in agenda item 11. 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 Dr. Brenda Dickerson and seconded by Mr. William Muhammad, that the Board hereby exercises its bid option to extend a 12-month contract with Wade, Sand & Gravel, the lowest responsible and responsive bidder, for estimated annual quantities of Crushed

Limestone-Backfill Materials, per bid awarded July 13, 2017, at an estimated out-of-pocket cost to the Board of \$562,218.00; and authorizes the General Manager and/or the Assistant General Manager to execute said contract, as recommended by the Engineering & Maintenance Committee. Resolution No. 7930 is hereby adopted by unanimous vote.”

Following, the General Manager asked the Board to discuss New Business as set forth in agenda item 12.

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 7:32 p.m.

/s/
Tommy Joe Alexander
Chairman/President

Attest:

/s/
William Burbage, Jr.
Secretary-Treasurer