

**MINUTES OF THE REGULAR BI-MONTHLY MEETING OF DIRECTORS
OF THE WATER WORKS BOARD OF THE CITY OF BIRMINGHAM
April 27, 2016**

The regular bi-monthly meeting of the directors of The Water Works Board of the City of Birmingham was held on Wednesday, April 27, 2016 at 9:00 a.m., in the principal office of the Board, 3600 First Avenue North, Birmingham, Alabama.

The following Directors were present: Ronald A. Mims, Kevin B. McKie, George Munchus and Sherry Lewis. Director Ann D. Florie 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, Stephen Franks, Paul Lloyd, Ricky Williams and Tim Fine, Board Employees; Courtney French and Sam Ford, Fuston, Petway & French, LLP; Jesse Lewis, Sr. and Dorian Kendrick, The Lewis Group; Jerry Jones and Jason Carter, ARCADIS; Kirk Mills, Allan Morris and Theo Johnson, Volkert, Inc.; Chandra Abesingha, CE Associates; Dan Meadows, S. S. Nesbitt & Company; H. B. Brantley; David Merrida, Birmingham Construction Industry Authority; John Ray, KHAFRA; Matthew Arrington, Terminus Municipal Advisors; Rodney Givens, Jackson & Tull.

Inasmuch as four of the directors were present; Chairman Mims declared a quorum in attendance.

Chairman Mims called the meeting to order at 9:07 a.m. and General Manager Mac Underwood opened with prayer.

Following, Chairman Mims recommended adding an invoice from P.F.N. Advertising to the agenda as item 6.4. 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. Kevin B. McKie and seconded by Mr. George Munchus, that the Board hereby amends the agenda to add P. F. N. Advertising for \$4,000.00 as 6.4 under invoices. Resolution No. 7166 is hereby adopted by unanimous vote.”

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Following, the General Manager asked the Board to adopt a resolution commending the Employee of the Month from April 2016, as set forth in agenda item 1. Paul Lloyd, Human Resources Manager, stated Ricky Williams works at the Mulberry Pumping Station. Mr. Lloyd stated there was an issue with a backup generator and Mr. Williams sought quotes to repair the generator. He stated the quotes received were very high and Mr. Williams informed his supervisor that he could repair the generator. He stated Mr. Williams made the repair and saved the company over \$6,000.00. Chairman Mims stated the Board appreciates Mr. Williams for his hard work. On a motion duly made and seconded, the following resolution was adopted:

“WHEREAS, the Board has established an Employee of the Month Program; and

WHEREAS, Ricky Williams has been selected as the Operations and Technical Services Division’s Employee of the Month for April 2016; and

WHEREAS, the Board desires to recognize and commend the employee who has been selected as Employee of the Month; and

NOW, THEREFORE, BE IT RESOLVED, on a motion duly made by Mr. Kevin B. McKie and seconded by Mr. George Munchus, that the Board hereby recognizes and commends Ricky Williams for having been selected as the Operations and Technical Services Division’s Employee of the Month for April 2016.

BE IT FURTHER RESOLVED, that in recognition of Ricky Williams, 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 Mr. Ricky Williams.

Resolution No. 7167 is hereby adopted by unanimous vote.”

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Following, the General Manager asked the Board to discuss Old Business, as set forth in agenda item 2. Director Munchus stated he would like to thank the Engineering department for compiling information he had requested regarding properties the Board owns. Director McKie requested that a list of 10 most valuable properties be compiled. He stated some items could be sold but there needs to be discussion. Jesse J. Lewis, The Lewis Group, stated the properties should be examined to determine whether the Board should keep or sell them. The General Manager stated there are recommendations in the report regarding what could be done with the properties. He stated the discussion should go to the Finance committee first before being presented to the full board. Director Munchus questioned whether the board’s independent engineer needs to be involved in the process. The General Manager stated the independent engineer would need to supply a letter to the Board stating that a property is surplus which would authorize the Board to sell a property. Director McKie stated some properties could be grouped and the list should be compiled by the properties that would take the longest to sell. Assistant General Manager Sonny Jones indicated the Board’s attorneys would also need to be involved in the process.

Following, the General Manager asked the Board to approve minutes of the Regular Board of Directors’ Meeting held March 24, 2016, as set forth in agenda item 3. 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. Kevin B. McKie and seconded by Mr. George Munchus, that the Board hereby approve minutes of the Regular Board of Directors’ Meeting held March 24, 2016. Resolution No. 7168 is hereby adopted by unanimous vote.”

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Following, the General Manager asked the Board to reimburse the Operating Account for capital expenditures made for the period ended March 31, 2016, from Schedule No. IV (Cash

Basis) in the total amount of \$3,653,233.36, as set forth in agenda item 4. On a motion duly made and seconded, the following resolution was adopted:

“WHEREAS, ARCADIS US, Incorporated, in a Certificate dated April 21, 2016, certified that during the period ending March 31, 2016 that there were expenditures for the cost of system improvements, which were paid out of the Operating Account and reimbursement of that account is now due in the preliminary amount of \$3,653,233.36 and;

WHEREAS, transfers to the Operating Account can be made from any, or a combination, of the following: the 2002 Construction Fund, the Improvement Fund, and/or the Revenue Account.

NOW, THEREFORE, BE IT RESOLVED By The Water Works Board of the City of Birmingham, on a motion duly made by Mr. Kevin B. McKie and seconded by Mr. George Munchus, that the Trustee be, and is hereby instructed to immediately transfer \$3,653,233.36 to the Operating Account from any, or a combination, of the following: The 2002 Construction Fund, the Improvement Fund, and/or the Revenue Account.

Resolution No. 7169 is hereby adopted by unanimous vote.”

Following, the General Manager asked the Board to approve director’s actual travel expenses for the 2016 National Forum of Black Public Administrators, as set forth in agenda item 5. After a motion was duly made and seconded, a roll call vote was called, and 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. 7082 adopted by the Board of Directors on December 21, 2015, approval was given to attend the 2016 National Forum of Black Public Administrators scheduled April 14 - 17, 2016, in Portland, OR; 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. George Munchus and seconded by Mr. Kevin B. McKie, that the following board member(s) be reimbursed for his actual expenses pertaining to said conference as follows:

- Ronald A. Mims for total expenses including conference registration, airline ticket, lodging (room and tax only), other incidental expenses, and business meals in the amount of \$1,660.06 (as itemized on the attached Travel and Business Expense Reimbursement form).

Resolution No. 7170 is hereby adopted on April 27, 2016 by a roll call vote: Chairman Mims, Aye; Director McKie, Aye; Director Munchus, Aye.”

Following, the General Manager asked the board to approve payments of invoices for professional services, as set forth in agenda items 6.1 through 6.4. The General Manager indicated staff had reviewed the invoices and recommended them for approval. Director McKie had a question regarding item 6.4. He asked how the 480 one minute radio spots would be used. Mr. Lewis stated the time can be used however the Board wants it used. Director Lewis arrived to the meeting at 9:23 a.m. Director McKie questioned whether the Board would be allowed to promote its interests in the spots. Mr. Lewis responded yes. Director McKie questioned whether there is an advertising copy available. Mr. Lewis responded not yet. Director McKie stated he would like a list of ideas and concepts the Board should promote. Director Lewis questioned whether the radio advertisements would be about the Birmingham Water Works. Director McKie responded yes and stated a copy will be written for the ads with tips. 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. Kevin B. McKie and seconded by Mr. George Munchus, that the Board hereby authorizes staff to execute payments to the following:

6.1	<u>Volkert, Inc.</u> For professional services rendered for March 2016	<u>\$11,517.50</u>
6.2	<u>Raftelis Financial Consultants, Inc.</u> For professional services rendered for March 2016	<u>\$13,507.45</u>
6.3	<u>Fuston, Petway & French, LLP</u> For professional services rendered through March 2016	<u>\$ 116,968.06</u>
6.4	<u>P. F. N. Advertising</u> For annual radio advertisement	<u>\$ 4,000.00</u>

Resolution No. 7171 is hereby adopted by unanimous vote.”

Following, the General Manager asked the board to take bids for replacement of 2-inch unlined cast iron pipe/2-inch galvanized steel pipe with 6-inch DICL pipe and related appurtenances; and 37 water services in the city of Centerpoint, AL, as set forth in agenda item 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. George Munchus and seconded by Mr. Kevin B. McKie, that the Board authorizes staff to take bids for replacement of approximately 2,080 feet of 2-inch unlined cast iron pipe/2-inch galvanized steel pipe with approximately 2,110 feet of 6-inch DICL pipe and related appurtenances; and 37 water services at 2nd Street NW and 27th Court NW located in the city of Centerpoint, Alabama, at an estimated out-of-pocket cost to the Board of \$390,350.00, as recommended by the Finance Committee. Resolution No. 7172 is hereby adopted by unanimous vote.”

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Following, the General Manager asked the board to take bids, as set forth in agenda items 8.1 through 8.2. 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. Kevin B. McKie, that the Board hereby:

- 8.1 Authorizes staff to take bids for the Shades Mountain Filter Plant (SMFP) Filter Upgrade Project at an estimated cost to the Board of \$45,000,000.00, as recommended by the Finance Committee.
- 8.2 Authorizes the General Manager and/or the Assistant General Manager to accept a scope of work from ARCADIS to provide construction phase services during the Shades Mountain Filter Plant Filter Upgrade Project at an out-of-pocket cost to the Board of \$3,600,000.00, as recommended by the Finance Committee.

Resolution No. 7173 is hereby adopted by unanimous vote.”

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Following, the General Manager asked the board to award bid to Complete Construction, LLC, as set forth in agenda item 9. Assistant General Manager Sonny Jones stated the marina at Inland Lake has to be rebuilt due to corrosion. He indicated the estimated cost to perform this work has been reduced by 30%. Director Lewis questioned what will be replaced at the marina. Ben Sorrell, Chief Engineer, stated the existing marina has experienced severe corrosion and is in dire need of replacement. Director Lewis questioned whether this is the marina that divers use. Mr. Sorrell responded yes. Director McKie questioned the completion date for the project. Mr. Sorrell responded 90 days. 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. Kevin B. McKie and seconded by Mr. George Munchus, that the Board hereby awards bid to Complete Construction, LLC, the lowest responsible and responsive bidder, for the Inland Lake Marina Replacement and Rehabilitation Project at an out-of-pocket cost to the Board of \$673,265.00. Resolution No. 7174 is hereby adopted by unanimous vote.”

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Following, the General Manager asked the board to accept the highest bid from Randolph and Randolph for the purchase of a 12.2 acre tract of timber, as set forth in agenda item 10. Director McKie questioned whether there were two bids for this item. Mr. Sorrell responded yes, there were two bids. 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. Kevin B. McKie and seconded by Mr. George Munchus, that the Board hereby accepts the highest bid from Randolph and Randolph for the purchase of a

12.2- acre tract of timber located at Putnam Filter Plant at a total net gain to the Board in the amount of \$12,812.00. Resolution No. 7175 is hereby adopted by unanimous vote.”

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Following, the General Manager asked the board to approve expenditures, 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. Kevin B. McKie and seconded by Mr. George Munchus, that the Board hereby approves expenditures with the following, as recommended by the Finance Committee:

- 11.1 GE Oil and Gas Bently Nevada, Inc. (located in Minden, NV), a sole source provider, to upgrade and replace the existing five (5), 7200 Series Bently Nevada Vibration Monitoring systems on five (5) pumps with two (2), 3500 Machinery Protection systems including wiring, hardware, software, and measurement devices at the Mulberry Raw Water Intake at an out-of-pocket cost to the Board of \$295,000.00. [NOTE: This expenditure is exempt from bidding under the Alabama Competitive Bid Law because it is a sole source provider.]
- 11.2 Flowserve, a sole source provider, to repair and refurbish Sipsey Pump Station’s No. 6 Pump to its original equipment manufacturer’s specification at a total out-of-pocket cost to the Board of \$405,592.88. [NOTE: This expenditure is exempt from bidding under the Alabama Competitive Bid Law because it is a sole source provider.]
- 11.3 Morrow Water Technologies/ITT Procast, a sole source provider, to repair and refurbish Cahaba Pump Station’s No. 16 Pump to its original equipment manufacturer’s specifications at a total out-of-pocket cost to the Board of \$640,000.00. [NOTE: This expenditure is exempt from bidding under the Alabama Competitive Bid Law because it is a sole source provider.]

Resolution No. 7176 is hereby adopted by unanimous vote.”

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Following, the General Manager asked the board to accept Inland Lake Lot 20-A License Holder’s request to install a lift, as set forth in agenda item 12. Director Lewis questioned whether this project will be monitor by BWW employees. The General Manager responded yes. 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. Kevin B. McKie and seconded by Mr. George Munchus, that the Board hereby accepts Inland Lake Lot 20-A License Holder’s request to install a lift from said lot’s boat dock to cabin. The lift will be approximately 140 feet from the shore to the cabin and will sit about 1 to 2 feet off the ground. There will be no requirements for removal of trees or rocks. The lift will be installed by Hill Hiker (a vendor) at no cost to the Board, as

recommended by the Finance Committee. Resolution No. 7177 is hereby adopted by unanimous vote.”

Following, the General Manager asked the board to accept a real estate offer from Pankey Properties to purchase 1/3 to 1/2 acre tract of surplus BWWB property at the intersection of Grants Mill Road and Rex Lake Road, 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. Kevin B. McKie and seconded by Mr. George Munchus, that the Board hereby accepts a real estate offer from Pankey Properties to purchase a 1/3 to 1/2 acre tract of surplus BWWB property at the intersection of Grants Mill Road and Rex Lake Road for \$25,000.00, as recommended by the Finance Committee. Resolution No. 7178 is hereby adopted by unanimous vote.”

Following, the General Manager asked the board to authorize the General Manager and/or the Assistant General Manager to execute the necessary documents to transfer the Recreational Site Agreement and Boathouse License Agreement on Lot 78 at Inland Lake, as set forth in agenda item 14. The General Manager stated there is a divorce decree concerning this lot which allows the Board to transfer the agreement from the husband to the wife. 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. George Munchus, that the Board hereby authorizes the General Manager and/or the Assistant General Manager to execute the necessary documents to transfer the Recreational Site Agreement and Boathouse License Agreement on Lot 78 at Inland Lake from the current licensee to his former wife per Consent Order in the Circuit Court of Jefferson County Alabama, Domestic Relations Division. Resolution No. 7179 is hereby adopted by unanimous vote.”

Following, the General Manager asked the board to authorize the General Manager and/or the Assistant General Manager to accept scope of services agreements from KHAFRA, as set forth in agenda items 15.1 through 15.2. The General Manager stated the board room needs to be expanded or relocated; therefore, KHAFRA needs to provide a scope of services to the Board. He stated the board room would need to be in place by January 2017. He stated KHAFRA will also perform an evaluation of the entire campus and look at building a new EnviroLab. Director McKie questioned the time of completion for item 15.1. John Ray, KHAFRA, stated it would take 2 weeks. Director Munchus questioned whether the Training Room could be used for board meetings. The General Manager stated due to the schedule of the Training Department, a portable dais would need to be set up for board meetings. He indicated the Training Department’s scheduled training would not be affected only if the board meetings have set times. 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. Kevin B. McKie and seconded by Ms. Sherry W. Lewis, that the Board hereby authorizes the General Manager and/or the Assistant General Manager to accept the following scopes of services agreements from KHAFRA:

- 15.1 To provide services related to the development of a study of options for expansion of the existing Board Room at a cost not to exceed \$10,000.00.
- 15.2 To provide services related to the development of a Long-Term Facility Plan Study for BWWB Main Campus for the next 30 years at a cost not to exceed \$32,000.00.

Resolution No. 7180 is hereby adopted by unanimous vote.”

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Following, the General Manager asked the board to hear division reports, as set forth in agenda items 16.1 through 16.3. Director McKie questioned whether the Division reports can be given quarterly. The General Manager stated the reports can be given quarterly. Assistant General Manager Michael Johnson stated overall revenue is up and expenses are little over budget for the month of March. He indicated that budgeted expenses are a little over \$2 million ahead of the projected amount year to date. He stated raw water is trending as it was projected. He stated consumption is up 2 percent and indicated the board is in “pretty good shape”.

As there was no further business before the Board, Chairman Mims entertained a motion to adjourn the meeting and a motion was duly made and seconded, and the meeting adjourned at 9:44 a.m.

/s/
Ronald A. Mims
Chairman/President

Attest:

/s/
George Munchus
Secretary-Treasurer