

**MINUTES OF THE REGULAR BI-MONTHLY MEETING OF DIRECTORS
OF THE WATER WORKS BOARD OF THE CITY OF BIRMINGHAM
September 30, 2015**

The regular bi-monthly meeting of the directors of The Water Works Board of the City of Birmingham was held on Wednesday, September 30, 2015 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 W. Lewis.

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; Paul Lloyd, George Anderson, Ben Sorrell, Iris Fisher, Floyd Stephens, Lila Baldwin, Scott Starkey, Steve Franks, Jeff Cochran, Lorenzo Clay, Kristie Curtis, Joyce Dupree, Ellan Hawkins, Johnnie Mayfield, Ed Travis; Shelia Patterson, Doug Stockham and Reginald Nall, Board Employees; Charlie Waldrep, Kelvin Howard, Mary Thompson and K. Mark Parnell, Waldrep, Stewart & Kendrick; Courtney French, Fuston, Petway & French, LLP; Dorian Kendrick and Brandon Wilson, The Lewis Group; Jerry Jones and Trisha Brown, ARCADIS; Kirk Mills and Theo Johnson, Volkert, Inc.; Chandra Abesingha, CE Associates; David Merrida, Birmingham Construction Industry Authority; Dan Meadows, S. S. Nesbitt & Company; Matthew Arrington, Terminus Municipal Advisors, LLC; Paul Simmons, Blue Cross & Blue Shield of Alabama; Nicole Perry, Creative Benefits Solutions; Ricky Jones and Keith Day, Jones Utility; Yohance Owens, Village Creek Society; John Ray, KHAFRA; Louis Kelker, Principal Financial Group.

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

Chairman Mims called the meeting to order at 9:01 a.m. and Assistant General Manager Darryl Jones opened with prayer.

Following, the General Manager recognized the employee of the month for September 2015, as set forth in agenda item 1. Paul Lloyd, Human Resources Manager, stated Lila Baldwin has worked in the Call Center for 21 years. He stated Ms. Baldwin was nominated for her work with the University of Alabama at Birmingham (UAB). He stated several employees from UAB have praised Ms. Baldwin for the work she has done with them over the years. Assistant General Manager Michael Johnson stated the work done in the Call Center can be very stressful and said Ms. Baldwin always remain calm when dealing with customers. Johnnie Mayfield, Board Employee, stated Ms. Baldwin has made a tremendous impact with the work she does and she is an asset to BWWB. Following, Chairman Mims expressed his gratitude to the employee for his hard work. 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, that5 the Board hereby recognizes and commends Lila Baldwin, as the Finance and

Administration Division's Employee of the Month for September 2015, on having achieved outstanding job performance, attendance, and work above expected levels;

RESOLVED FURTHER, that the Board and the General Manager are hereby authorized to sign a formal resolution, the wording of which will carry out the intent herein, and an official resolution will be presented to the employee named above.

Resolution No. 6991 is hereby adopted by Directors Mims, McKie, Munchus and Lewis.”

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Following, the General Manager asked the board to adopt a resolution recognizing Putnam Filter Plant as the recipient of the American Water Works Association's (AWWA) Partnership for Safe Water Ten-Year Directors' Award. Assistant General Manager Darryl Jones stated Putnam Filter Plant has been a leader for 10 years and deserves this award for the hard work done by employees. On a motion duly made and seconded, the following resolution was adopted:

“WHEREAS, The Water Works Board of the City of Birmingham supports its various water treatment plants; and

WHEREAS, Putnam Filter Plant has received recognition from the American Water Works Association (AWWA) Partnership for Safe Water and was awarded the “Ten Year Directors Award” plaque given to treatment plants that have met the strict treatment requirements of Partnership Phase III for 10 years in a row in recognition for the plant's commitment to superior water quality; and

WHEREAS, on Monday, June 8, 2015 at the annual national conference in Anaheim, California, the Putnam Filter Plant received this recognition from the AWWA Partnership for Safe Water; and

WHEREAS, the Board is proud and desires to commend Superintendent Michael Morris and the operations and maintenance staff of the Putnam Filter Plant for the outstanding manner in which they operate this facility with professionalism and excellence.

NOW, THEREFORE, BE IT RESOLVED, on a motion duly made by Mr. George Munchus and seconded by Mr. Kevin B. McKie that the Water Works Board of the City of Birmingham does hereby commend the superintendent and plant staff for their excellence in operation in maintaining superior water quality and achieving the performance goals.

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 superintendent and the operations and maintenance staff of Putnam Filter Plant.

Resolution No. 6992 is hereby adopted by Directors Mims, McKie, Munchus and Lewis.”

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Director Ann Florie arrived to the meeting at 9:14 a.m. Following, as there was no old business to discuss the General Manager asked the board to approve minutes of the Board of Directors' meetings, as set forth in agenda item 4. Mr. Underwood stated staff had reviewed the

minutes 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. George Munchus and seconded by Mr. Kevin B. McKie, that the Board hereby approves minutes of the Regular Board of Directors’ Meeting held August 12, 2015; Informational Board of Directors’ Meeting held August 19, 2015; and Regular Board of Directors’ Meeting held August 26, 2015. Resolution No. 6993 is hereby adopted by unanimous vote.”

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Following, the General Manager asked the Board to postpone voting on the resolution authorizing monthly retirement benefits for Vickie Callins, as set forth in agenda item 5, until the end of the meeting. Next, the General Manager asked the board to reimburse the Operating Account for capital expenditures for the period ended August 31, 2015, from Schedule No. IV (Cash Basis) in the amount of \$376,812.82, as set forth in agenda item 6. On a motion duly made and seconded, the following resolution was adopted:

“WHEREAS, ARCADIS US, Incorporated, in a Certificate dated September 25, 2015, certified that during the period ending August 31, 2015 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 \$376,812.82 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. George Munchus and seconded by Mr. Kevin B. McKie, that the Trustee be, and is hereby instructed to immediately transfer \$376,812.82 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. 6994 is hereby adopted by unanimous vote.”

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Following, the General Manager asked the board to approve payments of invoices for professional services, as set forth in agenda items 7.1 through 7.3. 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. George Munchus and seconded by Mr. Kevin B. McKie, that the Board hereby authorizes staff to execute payments to the following:

- 7.1 The Jones Group, LLC.

	For professional services rendered for September 2015	<u>\$ 5,000.00</u>
7.2	<u>Waldrep, Stewart & Kendrick, LLC</u> For professional services rendered for August 2015	<u>\$ 103,490.26</u>
7.3	<u>ARCADIS, U.S., Inc.</u> For professional services rendered per August's 2015 Progress Report (August 2015)	<u>\$ 503,076.07</u>

Resolution No. 6995 is hereby adopted by unanimous vote.”

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Following, the General Manager requested the Board to approve actual travel expenses for Director Munchus for the 2015 Alabama Water Resources Conference, as set forth in agenda item 8. 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. 6837 adopted by the Board of Directors on December 23, 2014, approval was given to attend the 2015 Annual Alabama Water Resources Symposium Conference, scheduled September 9 - 11, 2015, in Orange Beach, 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. Kevin B. McKie and Mrs. Ann D. Florie, that the following board member be reimbursed for his actual expenses pertaining to said conference as follows:

- George Munchus for total expenses including conference registration, round trip mileage for business use of personal automobile, lodging (room and tax only), and business meals in the amount of \$1,019.90 (as itemized on the attached Travel and Business Expense Reimbursement form).

Resolution No. 6996 is hereby adopted by a roll call vote: Director Mims, Yay; Director McKie, Yay; Director Florie, Yay; Director Munchus, Yay; and Director Lewis, Yay.”

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Following, the General Manager asked the board to take bids on the replacement of various pipe located in the City of Birmingham and the City of Tarrant; and the replacement of the sedimentation dredge and update of the cable moving system located at Shades Mountain Filter Plant, as set forth in agenda items 9.1 through 9.3. Director Munchus questioned whether the project at Shades Mountain Filter Plant is reimbursable. Assistant General Manager Sonny Jones replied no. Mr. Sonny Jones stated there is about a half mile of 2” galvanized steel pipe that must be replaced. Director Lewis questioned whether the projects are being done in the order

they are listed on the schedule for replacement projects. Mr. Sonny Jones responded yes. Doug Stockham, Board Employee, stated this pipe is causing maintenance and water quality issues in the area in which it is located in. He stated these projects are near the top of the list of scheduled replacement projects. The General Manager added the pipe has excessive breaks with one line having at least forty breaks. Mr. Sonny Jones then recognized Jeff Cochran, Board Employee, to present information regarding the sedimentation dredge replacement at Shades Mountain Filter Plant. Mr. Cochran stated the original dredge was purchased in 1998 and because of its age, there is a lot of downtime due to maintenance issues. He indicated the dredge removes sedimentation material from the water. He stated if the sedimentation material can't be pumped out, it can flow into the filters which would result in a violation. Director Munchus questioned whether there will be a single source manufacturer. Mr. Cochran responded no, and stated at least two manufacturers would probably bid. Director Lewis questioned whether the dredge would be brand new. Mr. Cochran responded yes. Subsequently, 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 authorizes staff to take bids on the following:

- 9.1 For the replacement of approximately 2,585’ of 2” unlined cast iron pipe and 2” galvanized steel pipe; 560’ of 6” unlined cast iron pipe; and 350’ of 8” unlined cast iron pipe with approximately 2,680’ of 8” DICL pipe; 1,300’ of 6” DICL pipe and related appurtenances; and 39 water services along Gadsden Street; Hale Avenue; Jefferson Boulevard; Center Avenue; Main Street / Old Pinson Highway; and Depot Street located in the City of Birmingham and the City of Tarrant, Alabama at an estimated out-of-pocket cost to the Board of \$608,100.00.
- 9.2 For the replacement of the sedimentation dredge and to update the cable moving system at Shades Mountain Filter Plant, at an estimated out-of-pocket cost to the Board of \$675,000.00.
- 9.3 For the replacement of approximately 2,540’ of 2” unlined cast iron pipe and 2” galvanized steel pipe; and 1,300’ of 8” unlined cast iron pipe with approximately 1,380’ of 8” DICL pipe; 1,360’ of 6” DICL pipe; 780’ of 4” DICL pipe and related appurtenances; and 110 water services along 9th Avenue, North; 10th Avenue, North; 10th Court, North; 11th Place, North; 12th Street, North; 13th Street, North; and 13th Place, North located in the City of Birmingham, Alabama at an estimated out-of-pocket cost to the Board of \$724,000.00.

Resolution No. 6997 is hereby adopted by unanimous vote.”

Following, the General Manager asked the board to award bid to Vision Security Technologies to replace all badge readers, as set forth in agenda item 10.1. Assistant General Manager Darryl Jones stated this work is specialized and the bid came in considerably lower than expected. Director Munchus questioned whether a local company won the bid. Scott

Starkey, Board Employee, responded yes and stated they are located in Pelham, AL. 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 authorizes staff to award bid to the following:

- 10.1 Vision Security Technologies, the lowest responsible and responsive bidder, to replace all badge readers, PLCs, and software at an out-of-pocket cost to the Board of \$336,664.14. [NOTE: The only bidder to respond.]

Resolution No. 6998 is hereby adopted by unanimous vote.”

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Following, the General Manager asked the board to adopt a revised Flame Retardant (FR) Garment and Personal Protective Equipment (PPE) Company Policy, as set forth in agenda item 11. The General Manager stated new PPE requirements were issued in 2012. Chairman Mims questioned whether these uniforms are used at BWWB plants. Assistant General Manager Darryl Jones responded yes and stated these uniforms are for employees that work with high voltage electricity. 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 adopts a revised Flame Retardant (FR) Garment and Personal Protective Equipment (PPE) Company Policy to regulate and monitor employees who are required to wear FR garments and use PPE as required by NFPA 70E-2012 and OSHA requirements that relate to NFPA 70E-2012. Resolution No. 6999 is hereby adopted by unanimous vote on.”

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Following, the General Manager asked the board to adopt a resolution to participate in the Grants Mill Road Corridor Study and to authorize the Chairman of the Board of Directors and/or the General Manager to execute the cost sharing agreement, as recommended by the Business and Economic Development Committee, as set forth in agenda item 12. The General Manager referred to a map and stated Grants Mill Road has been widened from Highway 78 to I-459. He stated ten municipalities including Jefferson County and the City of Birmingham are interested in further widening the road to Highway 119. Chairman Mims left the meeting at 9:27 a.m. The General Manager stated the widening would result in a four lane highway. He stated the area could be developed with more housing and businesses. He stated BWWB owns a lot of the property near Lake Purdy. He stated participation in this study could result in several potential new customers for BWWB. Chairman Mims returned to the meeting at 9:29 a.m. Director Florie questioned whether the area would be developed with housing. The General Manager stated the development would more than likely be housing. Director Florie questioned what other utilities could service that area besides BWWB. The General Manager stated the City of Leeds could pick up a lot of those customers. Director Florie then questioned who the developers for the area are. The General Manager stated property is owned by the University of Alabama, a country club, and USX. He stated he is not aware of any potential new development at this time; however, there has been growth in the area. Director McKie questioned whether the study would

include potential development for housing or is it mainly a road and traffic study. The General Manager stated it is a road and traffic study. Director Florie questioned how this study will benefit BWWB. The General Manager stated if the road is widened there is a possibility of new development in the area and BWWB can service that area. He indicated if BWWB participates in the study, then there is a chance to pick up new customers. He stated installing pipe before the road is paved will result in less cost. Director Florie questioned by participating in the study does it meet BWWB's corporate purpose. Board Attorney Mark Parnell stated there are three reasons to participate in this study: 1) Watershed Protection Policy due to Lake Purdy, 2) New development and 3) Carson Loop. Director Florie questioned who the consultant for this project is. The General Manager stated he believes the City of Birmingham has chosen Volkert & Associates to conduct the study; however, there has not been an official announcement. Director Florie then questioned what will be the source of the \$60,000 that BWWB is to contribute. The General Manager stated there is \$3-\$4 million in reserves for economic development. Director Munchus commended staff for good leadership to be involved in this project. Assistant General Manager Sonny Jones stated it is critical to be involved with this project to know where the road will cross Lake Purdy. Director Florie stated she will vote yes on this item; however, she did not like the way this project has been handled by staff and consultants. Director McKie questioned whether other municipalities who may have potential to benefit from this project are contributing to the study. The General Manager stated the cities of Leeds and Irondale are the closest; however, they are not participating in the study. Board Attorney Charlie Waldrep stated the City of Irondale does not have a water authority only a water department. He stated the City of Leeds was not invited to participate in the study. Director Lewis questioned how long will the study be. Mr. Waldrep stated 18 to 24 months. Director McKie questioned whether any other municipalities, besides the City of Birmingham, have agreed to participate in this study. The General Manager stated everyone involved was in agreement; however, the resolutions and agreements had not been approved. Director Florie stated the City of Birmingham thought all of municipalities involved had been informed and approved of the study; however, this item was never presented to the Board. She stated when items such as this are presented without following a process it makes her believe there is something wrong with it. She indicated she would not like for future projects to be handled in this way. Director McKie questioned whether there is a potential for the cost to increase. Mr. Waldrep stated if all of the municipalities do not approve of the study there will not be one conducted. Director McKie then questioned whether BWWB contribution will guarantee a seat at the table. The General Manager responded yes. On a motion duly made and seconded, the following resolution was adopted:

“WHEREAS, The CITY OF BIRMINGHAM, ALABAMA (“Birmingham”), a municipal corporation, the CITY OF HOOVER, ALABAMA (“Hoover”), a municipal corporation, the CITY OF IRONDALE, ALABAMA (“Irondale”), a municipal corporation, the CITY OF LEEDS, ALABAMA (“Leeds”), a municipal corporation, the CITY OF MOUNTAIN BROOK, ALABAMA (“Mt. Brook”), a municipal corporation, the CITY OF VESTAVIA HILLS, ALABAMA (“Vestavia”), a municipal corporation, The Water Works Board of the City of Birmingham (“BWWB”), an Alabama Public corporation, JEFFERSON COUNTY, ALABAMA (“Jeff. Co.”) and SHELBY COUNTY, ALABAMA (“Shelby Co.”) desire to enter into an Agreement to fund a study of the Grants Mill Road Corridor (“Grants Mill Road Corridor Study”).

WHEREAS, the purpose of this Study is to consider alternative corridors to realign Grants Mill Road from SR-119 to I-459 with a new facility capable of carrying the design year projected traffic volumes at speeds of 55 mph (the “Project”);

WHEREAS, the study will look at multiple corridors, each approximately 1000 feet wide, for possible alternative locations;

WHEREAS, the desired outcome of the study is to present a preferred alternate route for the potential relocation of Grants Mill Road between I-459 and SR-119 (“Cahaba Valley Road”);

WHEREAS, the Project encompasses multiple jurisdictions, including Birmingham, Hoover, Irondale, Leeds, Mt. Brook, Vestavia, Jeff. Co. and Shelby Co.;

WHEREAS, the parties desire to divide the Preliminary Engineering and Consultant costs of the Project as follows: Birmingham will contribute the sum of \$560,000 and each other entity will contribute the sum of \$60,000. Payments will be due in two (2) equal installments in FY 2014-2015 and FY 2015-2016. The first payment will be due and payable in the calendar month following the execution of the Agreement and the second payment will be due and payable one (1) year thereafter by each governmental entity that is a party hereto. The payment due from each governmental entity may be adjusted downward after the selection of the firm that will complete the Grants Mill Road Corridor Study has been made and the cost of same ascertained; however, the reduction shall be limited on a pro rata basis (1/9th) of \$60,000;

WHEREAS, the Alabama Legislature adopted Alabama Code §41-16-50(b) which provides in pertinent part, that:

(b) The governing bodies of two or more contracting agencies, as enumerated in subsection (a), or the governing bodies of two or more counties, or the governing bodies of two or more city or county boards of education, may provide, by joint agreement, for the purchase of labor, services, or work, or for the purchase or lease of materials, equipment, supplies, or other personal property for use by their respective agencies. The agreement shall be entered into by similar ordinances, in the case of municipalities, or resolutions, in the case of other contracting agencies, adopted by each of the participating governing bodies, which shall set forth the categories of labor, services, or work, or for the purchase or lease of materials, equipment, supplies, or other personal property to be purchased, the manner of advertising for bids and the awarding of contracts, the method of payment by each participating contracting agency, and other matters deemed necessary to carry out the purposes of the agreement. Each contracting agency's share of expenditures for purchases under any agreement shall be appropriated and paid in the manner set forth in the agreement and in the same manner as for other expenses of the contracting agency. The contracting agencies entering into a joint agreement, as herein permitted, may designate a joint purchasing or bidding agent, and the agent shall comply with this article. Purchases, contracts, or agreements made pursuant to a joint purchasing or bidding agreement shall be subject to all terms and conditions of this article;

WHEREAS, the Alabama Legislature adopted Alabama Code §11-102-1 which provides that:

Except as otherwise provided in this chapter or as otherwise prohibited by law, any county or incorporated municipality of the State of Alabama may enter into a written contract with any one or more counties or incorporated municipalities for the joint exercise of any power or service that state or local law authorizes each of the contracting entities to exercise individually. For purposes of this chapter, it is sufficient if each of the contracting entities has the authority to exercise or perform the power or service which is the subject of the contract regardless of the manner in which the power or service shall be exercised or performed, provided that at least one of the contracting parties has the authority to exercise the power or service in the manner agreed upon by the parties. The joint contract may provide for the power or service to be exercised by one or more entities on behalf of the others or jointly by the entities;

WHEREAS, Act 1969-916 of the Acts of Alabama authorizes Jeff. Co. and the municipalities other governmental subdivisions and public corporations in Jeff. Co. to make the most efficient use of their powers by enabling them to cooperate with the state, the federal government and with each other on a basis of mutual advantage and thereby to provide services and facilities in a manner and pursuant to forms of governmental organization that will accord best with geographic, economic, population and other factors influencing the needs and developments of the county and municipalities and other governmental units and agencies therein; and

WHEREAS, all parties find that it is in the public interest that the parties enter into a Cost Sharing Agreement in accordance with Alabama Code §41-16-50(b), §11-102-1, *et seq.*, and Act 1969-916 of the Acts of Alabama, in order to fund a study of the Grants Mill Road Corridor the purpose of determining possible solutions to the traffic congestion existing in the U.S. Highway 280 corridor between SR 119 and I-459 by considering alternative corridors to realign Grants Mill Road from SR-119 to I-459 with a new facility capable of carrying the design year projected traffic volumes at speeds of 55 mph.

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of The Water Works Board of the City of Birmingham as follows:

SECTION 1. Authorization

The Board of Directors of The Water Works Board of the City of Birmingham, Alabama are hereby authorized to enter into the Cost Sharing Agreement, in substantially the form attached hereto as Exhibit A, with Birmingham, Irondale, Leeds, Mt. Brook, Vestavia, Hoover, Jeff. Co. and Shelby Co., and containing the following terms:

- a. Birmingham will prepare the Request For Proposal (RFP) and the list of qualified consultants to receive the RFP. Birmingham will assume responsibility for the solicitation of proposals from qualified engineering consultants for the Project.
- b. Birmingham will select an engineering consultant, prepare the scope of work, and negotiate the fee for the production of construction plans. The selection will be made pursuant to the Alabama Department of Transportation's approved process for the provision of professional services.
- c. The aggregate cost of the Project shall not exceed \$1,040,000.00. Birmingham will contribute the sum of \$560,000.00 and each other entity will contribute the sum of

- \$60,000.00. Payments will be due in two (2) equal installments in FY 2015-2016 and FY 2016-2017. The first payment will be due and payable in the calendar month following execution of the Agreement and the second payment will be due and payable one (1) year thereafter by each governmental entity that is a party hereto. The payment due from each party may be adjusted downward after the selection of the Firm that will complete the Grants Mill Road Corridor Study has been made and the costs of the Project ascertained; however, any such reduction shall be limited on a pro rata basis (1/9th) of \$60,000.00.
- d. Each parties' share of expenditures for purchases under the agreement shall be appropriated and paid in the manner set forth in the agreement and in the same manner as for other expenses of the entity.
 - e. All advertising costs incurred by Birmingham on behalf of the Cost Sharing Agreement shall be paid in equal proportion from the funds provided by each party.
 - f. The Agreement shall be subject to all terms and conditions of the applicable Alabama Bid Laws.
 - g. Birmingham will assume responsibility for the management of the Project and will be the Project Coordinator.
 - h. The parties expressly agree that the parties do not assume any risk or future liability, or any future responsibility for any portion of Project not located within the party's jurisdiction.
 - i. Except as expressly provided in the Agreement, no party to the contract shall have any power to incur any debt which shall become the responsibility of any other contracting party.
 - j. Except as specifically provided in the Agreement, the execution of the Agreement or the performance of any act pursuant to the provisions thereof shall not be deemed or construed to have the effect of creating between the parties the relationship of principal or agent or of partnership or of joint venture.
 - k. Except as otherwise provided by law and as limited by the Agreement between the parties, any entity which contracts to perform or exercise any service or power pursuant to this chapter shall have the full power and authority to act within the jurisdiction of all contracting entities to the extent necessary to carry out the purposes of the contract.
 - l. The Cost Sharing Agreement shall not take effect until it has been approved by the governing body of each of the contracting municipalities. Approval by a municipal governing body shall be by adoption of an ordinance of general and permanent operation. Approval by a county governing body, other governmental subdivisions and public corporations shall be by adoption of a resolution. Each party to the Agreement shall also adopt all ordinances, resolutions, or policies necessary to authorize the other contracting entities to carry out their contractual duties and responsibilities.

- m. Prior its entry into force, the executed Agreement between the parties shall be filed by Birmingham with the Judge of Probate of Jefferson County, Alabama and with the Alabama Secretary of State.

SECTION 2. The provisions of this Ordinance are hereby declared to be severable. If any of these sections, provisions, sentences, clauses phrases, or parts is held to be unconstitutional or void, the remainder shall continue in full force and effect.

SECTION 3. This Ordinance shall become effective upon publication as required by statute.

NOW, THEREFORE, BE IT RESOLVED by The Water Works Board of the City of Birmingham, on a motion duly made by Mr. George Munchus and seconded by Mr. Kevin B. McKie, that the Board of Directors approve the Resolution for a Cost Sharing Agreement between The City of Birmingham; The City of Hoover; The City of Irondale, The City of Leeds; The City of Mountain Brook; The City of Vestavia Hills; The Birmingham Water Works Board of the City of Birmingham, Jefferson County, and Shelby County.

Resolution No. 7000 is hereby adopted by unanimous vote.”

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Following, the General Manager asked the board to approve an agreement with ServisFirst Bank to purchase property from BWWB adjacent to the Rosedale Pump Station and to authorize the General Manager and/or Assistant General Manager to execute said agreement, as recommended by the Business and Economic Development Committee, as set forth in agenda item 13. The General Manager stated ServisFirst Bank is requesting to purchase a little over half of an acre from BWWB behind the Rosedale Pump Station. He indicated BWWB does not need this property. He stated a 6-inch water main would need to be replaced and there would be room left on BWWB property to install a turn radius for tractor trailer access. The General Manager stated ServisFirst Bank is agreeing to pay for an appraisal in order to establish a selling price. Director Lewis questioned who will pay for the movement of the pipe. The General Manager stated ServisFirst Bank. He indicated the only cost to BWWB would be if a second appraisal of the property is needed. Director McKie questioned whether ServisFirst Bank would pay for the turn radius installation. The General Manager stated that cost would be handled by BWWB. He indicated if ServisFirst Bank’s development gets too close to BWWB property, they would need to build a retaining wall for BWWB. 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 approves and authorizes the General Manager and/or the Assistant General Manager to execute an agreement with ServisFirst Bank to purchase property from BWWB adjacent to the Rosedale Pump Station, as recommended by the Business and Economic Development Committee. Resolution No. 7001 is hereby adopted by unanimous vote.”

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Following, the General Manager asked the board to approve an agreement with Pelham Water System to acquire 25 customers along Carl Raines Lake Road and River Park Road and to authorize the General Manager and/or Assistant General Manager to execute said agreement, as recommended by the Business and Economic Development Committee, as set forth in agenda item 14. The General Manager stated the 25 customers would tie into an existing BWWB line at no cost to BWWB. He stated the City of Pelham would have to get consent from those customers to move their service to BWWB. Director McKie questioned what the condition of the pipe for those 25 customers is. Assistant General Manager Sonny Jones stated the City of Pelham installed PVC pipe and it needs to be removed. Director McKie questioned the cost to replace the pipe. Doug Stockham, Board Employee, stated the cost is under \$10,000. Director McKie then questioned whether there is an opportunity to acquire new housing in the area. The General Manager responded yes, potentially. He indicated the area would not be developed quickly due to the river. 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 approves and authorizes the General Manager and/or Assistant General Manager to execute an agreement with Pelham Water System to acquire 25 customers along Carl Raines Lake Road and River Park Road, as recommended by the Business and Economic Development Committee. Resolution No. 7002 is hereby adopted by unanimous vote.”

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Following, the General Manager asked the board to review and approve 2016 Health Insurance Cost, Plan Design and Premium options, as set forth in agenda item 15. Paul Lloyd, Board Employee, presented the board with a handout. A copy is on file with said meeting book. Director Munchus questioned whether a recommendation would be presented or was this item for discussion only. The General Manager stated a recommendation had been made; however, there are additional options for the board to consider. He stated the total cost for Blue Cross/Blue Shield would be \$12.9 million for health care coverage. He then gave an overview of the current plan design. He stated the key part of the insurance is the deductibles. The General Manager presented a second option for Blue Cross/Blue Shield, which would increase the deductibles from the current plan for single coverage from \$500 to \$1,000 and family coverage from \$1,000 to \$2,000. He indicated the out-of-pocket costs for employee would increase also. He stated those changes would result in a total cost of \$12.5 million for health care coverage. He indicated the copays for emergency room visits, primary care and specialists increased under that plan. The General Manager then presented a third option for Blue Cross/Blue Shield based on a request from the Employee Association. He stated the deductibles would increase from the current plan for single coverage from \$500 to \$1,300 and family coverage from \$1,000 to \$2,600. He stated the out-of-pocket costs would increase along with copays for emergency room visits, primary care and specialists, which results in a total cost of \$12.1 million for health care coverage. He stated BWWB would pay less with employees paying more. The General Manager stated the fourth option for Blue Cross/Blue Shield would increase the deductibles from the current plan for single coverage from \$500 to \$2,000 and family coverage from \$1,000 to \$4,000. He stated the out-of-pocket costs would increase along with copays for emergency room visits, primary care and specialists, which results in a total cost of \$11.5 million for health care coverage.

Subsequently, Director McKie questioned the cost of stop loss for the past couple of years. The General Manager responded the stop loss is increasing due to claims exceeding the out-of-pocket maximum. He indicated the cost changes year to year. He stated S. S. Nesbitt & Company feels the stop loss will increase 50 percent to 100 percent. Dan Meadows, S. S. Nesbitt & Company, stated the percentage is an estimate and it's not the worst case scenario. He stated the stop loss for 2014 year was \$285,000. He stated year-to-date insurance claims have exceeded \$1 million. Director Florie questioned whether that amount could be negotiated. Mr. Meadows stated he would do his best to negotiate that number. He stated he would like for the stop loss to be negotiated for \$450,000. He indicated the biggest claim for stop loss has been a child that has been in the hospital for an extended period of time. Director Florie questioned when Mr. Meadows would have an estimate. Mr. Meadows responded within four to six weeks. The General Manager stated the property and casualty insurance renewal is due by November 1, 2015 and the stop loss insurance must be renewed by January 1, 2016. Mr. Lloyd stated the stop loss premium has been around \$300,000 for the past couple of years. The General Manager stated in 2013 there were twelve high claims with two of those claims exceeding the stop loss. He stated in 2014 there were ten high claims with three of those claims exceeding the stop loss. He stated currently there are two claims that have exceeded the stop loss with one of those claims being over \$1.1 million. He indicated the current claims that are contributing to cost exceeding the stop loss coverage are ongoing and the healthcare issues have not resolved themselves. He stated at one time another carrier dropped BWWB because of the number of claims it had. He indicated after the insurance carrier examined the history a few years later and noted a decrease in claims, they renewed the policy. He stated if the insurance carrier wants BWWB to increase its deductible amount, then BWWB will retain more of the cost.

Next, the General Manager then recognized Lorenzo Clay, Employee Association Member. Mr. Clay stated the Employee Association (EA) requested management to provide an option for Blue Cross/Blue Shield that would include \$10,000 for the out-of-pocket maximum for family coverage. He indicated most employees would like for Blue Cross/Blue Shield to be the insurance carrier. He stated every member of the EA was charged to ask their department which provider they would prefer. Director Munchus questioned whether employees have seen the options from United Healthcare. The General Manager stated employees have not seen all of the options from Blue Cross/Blue Shield and United Healthcare. He stated employees have seen Option 1 and Option 4 for Blue Cross/Blue Shield. He indicated he met with EA President Derrick Maye regarding the options. Mr. Lloyd stated employees also saw the options from United Healthcare. The General Manager added employees have also seen two options from United Healthcare. He clarified that employees had not seen Option 2 and Option 3 from Blue Cross/Blue Shield and United Healthcare; however, the EA President had seen those options. The General Manager stated open enrollment will be held early November 2015 with a 30 day deadline to complete. He stated he was not sure there would be enough time to present all of the options to the employees and make the deadline. He stated the board would need to vote based on their judgment in order to meet the deadline. Mr. Lloyd stated the best option for United Healthcare is Option 1 which has no increase in deductibles or out-of-pocket costs. Mr. Clay stated employees wanted to see another option from Blue Cross/Blue Shield that they would feel comfortable with. He stated employees felt the option from United Healthcare was satisfactory. Director Florie questioned Mr. Clay if he would like the opportunity to present the options to the EA. Mr. Clay responded yes. He stated the EA is not trying to hold up the decision and he understands there is a deadline. Director McKie stated the board needs to prepare for dealing with the cost of Cadillac Tax Penalty at \$2 million. He indicated employees need to be aware

that in two years the insurance plan will change drastically in order to avoid assuming all cost of the penalty. Director Lewis stated the board is considering the employees preference for insurance but the board also has to consider what is best for BWWB. She stated she is sensitive to the needs of all employees but she is also sensitive to the needs of the company. She stated the board has to consider how it will handle insurance, raises and longevity pay. She stated the company must be kept sound and it has to be balanced. She indicated the board needs to make a decision regarding the insurance and continuing to delay it will only make it worse for everyone. The General Manager stated the recommendation was for Option 1 from United Healthcare or Option 3 from Blue Cross/Blue Shield. Director McKie questioned whether the board could vote on this item at the upcoming Finance Committee Meeting. Mr. Parnell stated the vote would need to be done during a board of directors' meeting.

Subsequently, Director McKie questioned Mr. Clay to provide the board with feedback from the employees regarding their hesitance to leave Blue Cross/Blue Shield. Mr. Clay stated employees are comfortable with Blue Cross/Blue Shield. He stated employees had contacted their medical providers regarding United Healthcare and were told they do accept United Healthcare insurance; however, the medical providers were reluctant to say it. He stated employees do not want to deal with the potential hassle of United Healthcare in order to get certain procedures done. The General Manager stated BWWB is fully self-insured. He stated no other company has the kind of plan BWWB has with Blue Cross/Blue Shield. He stated United Healthcare was told to set up a plan that would be administered in the exact same way as the Blue Cross/Blue Shield plan. He stated some employees have heard that they will have to pay upfront for any services and United Healthcare will reimburse them. He indicated the BWWB plan is not set up that way; therefore, United Healthcare will administer the plan the same way it is administered now. He stated a Special Board of Directors' meeting could be held on October 6, 2015 to vote on the insurance carrier. A discussion then ensued regarding selecting a date and time for the Special Board of Directors' meeting. It was decided to have the meeting. 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 Mrs. Ann D. Florie, that the Board hereby tables approval of 2016 Health Insurance Cost, Plan Design and Premium options. Resolution No. 7003 is hereby tabled by Directors Mims, McKie, Florie and Munchus; and Director Lewis voted no.”

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Following, Director Lewis questioned who will explain the options to the employees. Mr. Clay stated he would take the options back to the EA who would then take the options back to their departments. Chairman Mims recommended management have a managers and supervisors' meeting this week so they can inform their employees of the options. The General Manager stated management will hold a managers and supervisors' meeting and meet with as many employees as they can. Chairman Mims stated he believes a lot of the questions from the employees could be answered by having the managers and supervisors' meeting. The General Manager stated the premiums for the retirees will increase by \$220 for family coverage. Director Lewis questioned who will inform the retirees of this increase. The General Manager stated the retirees would not be contacted. Director Lewis stated she would like for each line item to be clearly explained to the employees. Director McKie stated he was disappointed the board had to

instruct staff to look at several options for the insurance. The General Manager stated staff did look at several options and they presented the options that they thought were best for the system. He stated staff requested the board supply options they wanted staff to consider and they were included. He stated staff worked with Creative Benefits Solutions on several options and indicated the options presented were based on what was best for employees and the company. Nicole Perry, Creative Benefits Solutions, stated there was a budget target of \$11.9 million for the insurance which led to the options presented from Blue Cross/Blue Shield and United Healthcare. She stated these options were presented to the Human Resources Committee and in the employee meetings.

Following, the General Manager asked the board to hear a presentation on the Historically Underutilized Business (HUB) Program, as set forth in agenda item 16. A copy of the presentation is on file with said meeting book. He then recognized Ed Travis, Board Employee, to make a presentation. Mr. Travis stated the HUB Program was approved by the board in 1989. He stated the purpose of the program is to assist ethnic or economically disadvantaged vendors, consultants and contractors. He stated BWWB's objective is to award 30 percent of available work to HUB vendors, consultants and contractors. He stated currently there is 8.8 percent of available work awarded to HUB vendors. Mr. Travis stated there are strategies being put in place to increase HUB participation. He stated the Information Technology department is working to enhance the BWWB website where a vendor will be able to register online to participate in the program. He stated all bids are posted on the BWWB website and they are sent to the City of Birmingham's Office of Economic Development, Alabama Department of Economic & Community Affairs and Birmingham Construction Industry Authority (BCIA). He stated the HUB Program also works directly with the Minority Supply Development Council and the Alabama Department of Transportation. He stated computer software is needed that can assist in measuring performance of vendors and track HUB contracts. He indicated currently staff has to rely on contractors to supply information regarding HUB participation on their sub-contracts. He stated the numbers generated internally are based on the vendors that are paid directly from BWWB. He stated there are several organizations BWWB should be a part of to increase HUB participation, such as the Association of General Contractors and the Homebuilders' Association. Mr. Travis stated BWWB will host semi-annual meet and greets with current and potential vendors. He stated professional consultants will be requested to have 30 percent HUB participation. Director Florie questioned if staff cannot track HUB participation internally how they know the number of participants. Mr. Travis responded the information is gathered from the vendor's invoice; however, some general contractors' payments to sub0contractors may not be captured. He stated staff would like to advertise the program via radio, print and digital advertising to reach potential vendors.

Next, David Merrida, BCIA, stated a one day workshop should be offered to vendors who currently work with BWWB to build relationships and to ensure goals are met. He stated a mentor/protégée partnership between general contractors and sub-contractors which could contribute to achieving the 30 percent HUB participation goal. He stated he would like for these workshops to begin November 2015. He indicated minority contractors need to be trained to turn in better bids and how to negotiate. Mr. Merrida stated a ten hour OSHA training was conducted in May 2015. He stated there is currently \$720 million in projects in the city of Birmingham. Mr. Merrida stated he feels BWWB should provide training to contracts to help them understand drawings and bid documents. Mr. Travis then gave an overview of the current HUB participants. He stated the goal is to increase the participants. Director Lewis requested in

the future she would like to see the current number of contractors. She then questioned has BWWB asked vendors how they can contribute to increasing the HUB program. Mr. Merrida stated having training sessions would aid in the increase. Director Lewis stated there are contractors that have a relationship with BWWB for many years and those contractors can be asked directly about how they intend to increase the participation. Assistant General Manager Sonny Jones stated he has asked contractor about increasing participation. He indicated Rast Construction is mentoring a minority construction company, the Jones Group. The General Manager stated some contractors may not be reporting all of their minority participation. He stated this is due to the main contractor receiving a payment from BWWB and then they are charged to pay their sub-contractor. He stated the goal is to increase the HUB program by 50 percent. He indicated there are purchases under \$15,000 and public works contracts under \$50,000 that do not have to bid. He stated these kinds of projects can be targeted for minority vendors. The General Manager stated there will be some projects or purchases that minority vendors will not qualify for.

Following, the General Manger asked the board to adopt a resolution authorizing monthly retirement benefits from the Board’s Trust Fund for Vickie Callins for 30 years of service, as set forth in agenda item 5. Assistant General Manager Michael Johnson stated the retirement calculation for Ms. Callins had to be adjusted from \$3,116.88 to \$3,275.50 due to back pay. On a motion duly made and seconded, the following resolutions were adopted:

“WHEREAS, Vickie Callins, an employee of The Water Works Board of the City of Birmingham ("the Board"), is retiring, effective October 1, 2015, at an age of 55; and

WHEREAS, Vickie Callins has 30 years of continuous service with the Board at her retirement date, and, in accordance with the terms of the Trusteed Pension Plan, Ms. Callins is entitled to receive a monthly Retirement payment from the Board’s Retirement Trust Fund in the amount of \$3,275.50; 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. George Munchus and seconded by Mr. Kevin B. McKie, that the Trustee be, and is hereby instructed to pay monthly benefit payments of \$3,275.50 to Ms. Callins, beginning October 1, 2015, from the Board’s Retirement Trust Fund, in accordance with the terms of the Pension Plan.

Resolution No. 7004 is hereby adopted by unanimous vote.”

“WHEREAS, Vickie Callins, an employee of The Water Works Board of the City of Birmingham, is retiring, effective October 1, 2015, after 30 years of service with the Board; and

WHEREAS, management has informed the Board of Vickie Callins’ 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, Vickie Callins, 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, Vickie Callins is hereby commended for her efficiency, reliability, and loyal service to the Board.

BE IT FURTHER RESOLVED, that in recognition of Vickie Callins' 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. Callins.

Resolution No. 7005 is hereby adopted by unanimous vote.”

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Following, the Chairman recognized visitors attending the meeting. Director Munchus questioned whether there are twelve engineering firms participating in the HUB program. The General Manager responded yes.

Following, Assistant General Manager Darryl Jones presented the board with a handout regarding security costs. He stated there was a request regarding guard service costs.

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 10:51 a.m.

/s/
Ronald A. Mims
Chairman/President

Attest:

/s/
George Munchus
Secretary-Treasurer