

**MINUTES OF THE REGULAR BI-MONTHLY MEETING OF DIRECTORS
OF THE WATER WORKS BOARD OF THE CITY OF BIRMINGHAM
January 25, 2018**

The regular bi-monthly meeting of the directors of The Water Works Board of the City of Birmingham was held on Thursday, January 25, 2018 at 9:00 a.m., in the principal office of the Board, 3600 First Avenue North, Birmingham, Alabama.

The following Directors were present: Tommy Joe Alexander, Deborah Clark, Butch Burbage, Sherry Lewis, Ronald A. Mims, William Muhammad, George Munchus, Brett King and Brenda Dickerson.

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

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

Chairman Alexander called the meeting to order at 9:04 a.m. and Mr. George Anderson opened with prayer.

Following, the General Manager asked the board to adopt resolutions commending the Employees of the Year for 2017 and Employees of the Month for January 2018, as set forth in agenda items 1.1 through 1.3. Paul Lloyd, Human Resources Manager, stated the Employees of the Year for 2017 were LaTasia Sanford and Brent McCoy. He stated LaTasia Sandford was recognized for her work with assisting the Kirkland family during the preparations of the former employee's funeral arrangements. Mr. Lloyd stated Brent McCoy, Board Employee, was recognized for assisting an individual after witnessing them in a car accident. Chairman Alexander commended each employee on their accomplishment. 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. Ronald A. Mims, that the Board hereby recognizes and commends LaTasia Sanford, as the Finance and Administration Division's Employee of the Year for 2017, on having achieved outstanding job performance, attendance, and work above expected levels;

BE IT FURTHER RESOLVED, that a copy of this resolution be spread upon the minutes of the Water Works Board of the City of Birmingham and a copy presented to LaTasia Sanford. Resolution No.7693 is hereby adopted by unanimous vote.”

“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. Ronald A. Mims, that the Board hereby recognizes and commends Brent McCoy, as the Engineering and Maintenance Division’s Employee of the Year for 2017, on having achieved outstanding job performance, attendance, and work above expected levels;

BE IT FURTHER RESOLVED, that a copy of this resolution be spread upon the minutes of the Water Works Board of the City of Birmingham and a copy presented to Brent McCoy. Resolution No.7694 is hereby adopted by unanimous vote.”

Following, Mr. Lloyd stated the Employees of the Month for January 2018 were recognized for improving the process for tracking and payment of chemicals at BWWB treatment plants. He indicated because of these employees, this resulted in savings of \$82,000. Chairman Alexander expressed his gratitude to the employees. 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. Ronald A. Mims, that the Board hereby recognizes and commends Nancy Lambert and LyTonja Levert, as the Finance and Administration Division’s Employees of the Month and Jerry (Wendell) Cox, Jeremy Hawkins, Michael Walton, and Hubert (Bill) Shikle, as the Operations and Technical Services Division’s Employees of the Month for January 2018, on implementing a change in the chemical process which improved the efficiency and accuracy of chemicals inventory, pricing, and budgeting;

BE IT FURTHER RESOLVED, that a copy of this resolution be spread upon the minutes of the Water Works Board of the City of Birmingham and a copy presented to the employees named above.

Resolution No.7695 is hereby adopted by unanimous vote.”

Following, the General Manager asked the board to approve minutes from the Regular Board of Directors’ Meeting held August 24, 2017, as set forth in agenda item 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. Brett King, that the Board

hereby approves minutes of Regular Board of Directors' Meeting held August 24, 2017. Resolution No. 7696 is hereby adopted by unanimous vote.”

Following, the General Manager asked the board to approve payments of invoices for professional services, as set forth in agenda items 3.1 through 3.4. The General Manager indicated staff had reviewed the invoices and recommended them for approval. Director Dickerson questioned whether the overhead cost of 161.2 percent on Volkert’s invoice is considered normal. Theo Johnson, Volkert, stated the overhead rate is from the Alabama Department of Transportation and it is used by them to calculate reimbursement payments. Director Dickerson questioned whether the rate varies. Mr. Johnson responded no, it set for this particular project. Director Dickerson questioned whether the rate is set by ALDOT. Mr. Johnson responded Volkert provides ALDOT with the overhead rate and regardless of the rate it is reimbursable. Director Munchus questioned whether profit is included. Mr. Johnson responded yes. Director King stated staff needs to ensure invoices are being reviewed for accuracy. Assistant General Manager Sonny Jones stated there is a process in place to review each invoice. He indicated if there is an amount that looks out of line he will not approve it. 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. Ronald A. Mims, that the Board hereby authorizes staff to execute payment to the following:

3.1	<u>Carl Dalton NeSmith, Jr., LLC</u> For retainer fee for January 2018	\$ <u>500.00</u>
3.2	<u>The Jones Group, LLC</u> For professional services rendered for January 2018	\$ <u>7,500.00</u>
3.3	<u>Agency 54</u>	
	3.3.1 For professional services rendered for October 2017	\$ <u>25,000.00</u>
	3.3.2 For professional services rendered for November 2017	\$ <u>25,000.00</u>
3.4	<u>Volkert, Inc.</u> For professional services rendered for October 2017	\$ <u>31,846.02</u>

Resolution No. 7697 is hereby adopted by unanimous vote.”

Following, the General Manager asked the board to take bids on two separate contractors to provide on call water utility repair service, as set forth in agenda item 4. The General Manager stated in 2016 the bid was awarded to the lowest responsible contractors. He stated the board requested on call work be rotated. He stated there was an Engineering and Maintenance Committee meeting in October 2017 and the committee recommendation was to reissue this bid and award it to the low bidder. He indicated staff was requesting this bid be awarded to the two

lowest bidders so there can be a back- up contractor. Director King then made a motion to vote on said item. Director Munchus stated he would like to make a substitute motion to send this item back to committee to be tabled because he did not think the committee recommended said item. There was discussion regarding the motion before the board. Director Muhammad stated Director Munchus made a substitute motion and he seconded the motion. Board Attorney Mark Parnell stated the substitute motion was before the board. Director Lewis requested clarification of the vote. Director Munchus stated the vote is to send said item to the committee for further review. Director Lewis stated the discussion in the committee was Director Munchus wanted to rotate between two contractors and she wanted the lowest bidder to get the work. The General Manager requested Director Munchus restate his substitute motion. Director Munchus stated he would like for this item to go back to the Engineering and Maintenance Committee. Director Lewis requested a roll call vote. Director King questioned Assistant General Manager Sonny Jones what is being done with on-call contractors. Mr. Sonny Jones stated there are three (3) contractors that were awarded this contract two years ago and there are three departments that utilize them. He stated they are rotated in the following sequence: 1, 2, 3; 1, 2, 3; 1, 2, 3. He indicated not every contractor is equal, and one contractor only has one crew; therefore, staff has to make sure that crew is free when they get to contractor "2". Director Lewis questioned whether they are paying different amounts. Mr. Sonny Jones stated there are three different amounts. Director Munchus stated the prices are currently fixed and if this item goes out to bid the price will increase. Mr. Parnell stated Mr. Sonny Jones made a statement saying the contracts were currently expired so it needs to be bid. He indicated the opinion of the attorneys is the board cannot rotate between contractors. He stated the work would go to the lowest bidder and if they cannot perform the work, then you would go to the next contractor; however, you do not rotate. Director Muhammad stated the board got a previous opinion stating the work could be rotated. Chairman Alexander stated it's no good to put a bid out and get the lowest bidder; then choose to award a higher bid from another contractor, that's not legal. Director Munchus stated that is subject to interpretation. Mr. Parnell stated the overriding objective of the bid law is to get quality service that you want at the lowest price. He stated if the board rotates they are guaranteeing that you are not getting lowest price. Director Munchus questioned whether the board can set the price. Mr. Parnell responded no and stated it has to be bid. Director Munchus then questioned can the board not negotiate lower prices once it receives the bids. Mr. Parnell stated the board can only do that if it receives no bids or one bid. The General Manager stated this item has been discussed roughly three or four times within the past year. He stated it has been reviewed by the attorneys and staff; and indicated this item has been reviewed to clear up any issues the board may have with the bid. Director Muhammad stated he was not at the October 5, 2017 committee meeting and questioned what is the percentage the number one bid would receive. Mr. Sonny Jones stated they would receive 100 percent of the work first. Director Dickerson questioned how does staff know the work a primary bidder can't perform. Mr. Sonny Jones stated the primary bidder is always contacted first and they will state whether they can perform the work. Chairman Alexander then called for a roll call vote on the substitute motion. Director Munchus substitute motion was to refer this item back to the Engineering and Maintenance Committee. Directors Muhammad, Munchus, and Mims voted yes; Directors Burbage, King, Dickerson, Clark, Lewis and Chairman Alexander voted no; therefore, the motion failed. Director King then made a motion to take bids on said item with the work being assigned to the low bidder first and second low bidder if bidder #1 was not available. Director Lewis then requested a roll call vote. On a motion duly made and seconded, the following resolution was adopted:

“BE IT RESOLVED By The Water Works Board of the City of Birmingham (“the Board”), on a motion duly made by Mr. Brett A. King and seconded by Mr. Tommy Joe Alexander, that the Board hereby authorizes staff to take bids on two contractors (the lowest responsible and responsive bidders) to provide on-call water utility repair service throughout the Board’s distribution system. Resolution No. 7698 is hereby adopted by a roll call vote: Directors Alexander, Clark, Dickerson, Burbage and Mims voted “Yes,” respectively; Directors Munchus and Muhammad voted “No” respectively.”

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Following, the General Manager asked the board to authorize and approve the renewal of Cisco SmartNet Service Maintenance for Cisco Network Security, Routing, Switching and Voice over IP Systems, as set forth in agenda item 5. George Anderson, Board Employee, stated this maintenance is needed to maintain the network. On a motion duly made and seconded, the following resolution was adopted:

“BE IT RESOLVED By The Water Works Board of the City of Birmingham (“the Board”), on a motion duly made by Mr. Brett King and seconded by Mr. George Munchus, that the Board hereby authorizes the General Manager and/or Assistant General Manager to approve renewal of Cisco SmartNet Service Maintenance for Cisco Network Security, Routing, Switching and Voice over IP Systems, used for the main campus and remotes sites, with Venture Technologies at an estimated out-of-pocket cost to the Board of \$71,455.21 for coverage from January 1, 2018 through December 31, 2019. Resolution No. 7699 is hereby adopted by unanimous vote.”

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Following, the General Manager asked the board approve and authorize to accept BECC, Inc’s. Fee Proposal for Professional Geotechnical Engineering & Testing for the Shades Mountain Filter Plant, as set forth in agenda item 6. Director Munchus made a motion to send this item to committee and Director Muhammad seconded the motion. The General Manager questioned Director Munchus if he wanted to tell the board his reason to send this item to committee. Director Munchus responded he would rather not say because of the sensitivity surrounding the concept of equal opportunity. Director Muhammad stated Director Munchus would have to give his reason in order for the item to be voted on. Director Munchus stated he would like to hear from the other firm that submitted a proposal because he thinks there was a difference in price. The General Manager stated staff received two proposals and it was reviewed by staff and the board’s independent engineer. He stated BECC was selected after both proposals were reviewed and it was determined who could perform the work. Patrick Flannelly, ARCADIS, U.S. Inc., stated this project is \$49 million for filters at Shades Mountain Filter Plant. He stated the filters hold water and are emptied and are then inspected several times. He indicated in order to perform this work there are certain types of certifications and experience needed. He indicated there was a gap in the second proposal received showing their lab did not have all the appropriate certifications to perform this work. Director King questioned who reviewed the proposals. Mr. Sonny Jones stated six licensed professional engineers on staff reviewed the proposals along with ARCADIS. Director Muhammad requested Mr. Flannelly to expound on the review process. Mr. Flannelly stated a design evaluation form was used and they were questioned whether they were familiar with the soils in the area, had they performed this type of testing in Birmingham, and what their total experience was in doing this type of project. He indicated the size and nature of the projects

were reviewed and it was determined that one firm failed to meet the qualifications. Director Dickerson indicated the evaluation summary is located in the Diligent meeting book. Director King questioned how time sensitive is this item. Mr. Flannelly stated they need to proceed now. Director Muhammad questioned whether Birmingham Construction Industry Authority was involved in the process. The General Manager stated he was not aware of BCIA being involved. Chairman Alexander then called for a roll call vote on the substitute motion which was to refer said item to committee. Chairman Alexander, Directors Lewis, Clark, Dickerson, King, and Burbage voted no; Directors Mims, Munchus and Muhammad voted yes. The item failed. Director King then made a motion to approve said item and Director Burbage seconded the motion. Director Lewis then requested a roll call vote. On a motion duly made and seconded, the following resolution was adopted:

“BE IT RESOLVED By The Water Works Board of the City of Birmingham (“the Board”), on a motion duly made by Mr. Brett A. King and seconded by Mr. William “Butch” Burbage, Jr., that the Board hereby approves and authorizes the General Manager and/or Assistant General Manager to accept a Fee Proposal of BECC, Inc. for Professional Geotechnical Engineering & Testing for the Shades Mountain Filter Plant Improvement Project at an estimated out-of-pocket cost to the Board of \$736,000.00. Resolution No. 7700 is hereby adopted by a roll call vote: Directors Alexander, Clark, Dickerson, Burbage, Mims, Lewis, and King voted “Yes”, respectively; Directors Munchus and Muhammad abstained, respectively, from voting.”

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Next, the General Manager asked the Board to adopt a resolution establishing its committees, as set forth in agenda item 7. Director King made a motion to approve the committees and Director Dickerson seconded the motion. Director King then questioned whether any director is on a committee they do not want to serve on. Director Lewis stated that is the Chairman’s decision. Director Muhammad stated he didn’t recall voting to approve the committees last year. Director Lewis indicated committees are voted on each year. The General Manager stated the list of committees was before the board and called for approval. The board approved the committees by unanimous vote. Next, Director Munchus questioned why there are only two members on the Communications Committee. The General Manager stated there were only two members last year and indicated Director Dickerson was on that committee and chose not to serve. Chairman Alexander then questioned the directors who would like to serve on the Communications Committee. Director Lewis stated the board voted to approve the committees. Director Muhammad stated the vote can be reconsidered. Director Munchus made a motion to reconsider the committees and Director Dickerson seconded the motion. Director Clark questioned why the board would reconsider this item when it has already been approved. Director Muhammad stated according to Robert’s Rules of Order, a director who voted in the affirmative could make a motion to reconsider said item. Director Munchus stated he would like to reconsider the item so that Director Dickerson can serve on the committee. Director Lewis stated she would like to be reconsidered to serve on the committee as well. A discussion then ensued. Subsequently, Chairman Alexander then asked for a vote to reconsider the item. 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 Mrs. Brenda J. Dickerson, that the motion be reconsidered to establish the Board’s 2018 committees, effective January 25, 2018 through December 31, 2018, with appointed presiding Board committee members, senior executive management and consultants to serve on the respective committees. Resolution No. 7701 is hereby adopted by a roll call vote: Directors Dickerson, Mims, Munchus, Muhammad and King voted “Yes”, respectively; Directors Alexander, Clark, Burbage and Lewis voted “No,” respectively.”

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Next, Director King questioned whether it is the tradition of the chairman to assign committees. Director Lewis stated ever since she has served on the board the chair has always assigned the committees. She stated directors are contacted via email regarding the committee and if they want to serve on a different committee, they must communicate that to the chair. Chairman Alexander stated he put Director Lewis on the Communications Committee and she declined to serve. Director Lewis stated she declined to serve on the committee because she was not asked; nor was there any discussion prior to being assigned to the committee. Director Dickerson stated she requested to serve on the Communications Committee because she saw there were only two members on that committee. Director Lewis indicated she would like to serve on the Communications Committee. Chairman Alexander stated Director Dickerson did not indicate she wanted to serve on the Communications Committee when they spoke. He indicated Director Dickerson requested to be on the Engineering and Maintenance Committee; therefore, he assigned her to that committee. Chairman Alexander stated Director Lewis will serve on the Communications Committee. He then called for the board to vote on the item. Director Muhammad then made a motion to approve the committees with the recommended changes and Director King seconded the motion. The following resolution was adopted:

“WHEREAS, on May 8, 1997, The Water Works Board of the City of Birmingham (“The Water Works Board”) adopted said committees for the purpose of working with staff in certain areas in helping the Board to establish overall policies.

WHEREAS, on January 25, 2018, on a motion duly made by Mr. William R. Muhammad and seconded by Mr. Brett A. King, that The Water Works Board hereby approves and establishes certain Board committees and membership on said committees.

NOW, THEREFORE, BE IT RESOLVED that The Water Works Board’s Committees and respective members shall be as reflected on the list of Board Committees attached hereto these minutes. Resolution No. 7702 is hereby adopted by unanimous vote.”

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Following, the Board moved to the next item on the agenda, New Business, as set forth in agenda item 8. The General Manager provided an update regarding the Jefferson County Mayor’s Association meeting held on January 17, 2018 attended Chairman Alexander and him. He stated they reviewed the letter stating the board’s position regarding legislation to bring the board under the Alabama Public Service Commission. Also, he indicated he, along with senior staff, met with Mayor Woodfin of the City of Birmingham regarding this issue. The General Manager indicated if the board were to come under the APSC, it would cost the board more money. Director Munchus

questioned whether he would be allowed to express his opinion to legislators if he agrees with the board coming under the APSC. Chairman Alexander stated Director Munchus could express his personal opinion; however, he cannot speak for the board. Director Muhammad stated he requested State Representative John Rogers to amend the legislation in an effort to “kill” the bill. A discussion then ensued. Chairman Alexander then made a motion for the board to oppose proposed legislation that would bring the Board under the APSC regulation, and Director Muhammad seconded the 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 Mr. Tommy Joe Alexander and seconded by Mr. William Muhammad, that the Board hereby states its opposition to proposed legislation in the State legislature which would cause the Board to be regulated by the Alabama Public Service Commission. Resolution No. 7703 is hereby adopted by: Directors Alexander, Clark, Dickerson, Burbage, Lewis, King, and Muhammad voted “Yes”; Directors Munchus and Mims abstained from voting.”

Following, Chairman Alexander then recognized the following speaker from the public: Velma Waldrip spoke regarding a rate payer bill of rights. Director Muhammad questioned Ms. Waldrip whether he paid her to attend the meeting. Ms. Waldrip responded no.

As there was no further business before the Board, Chairman Alexander entertained a motion to adjourn the meeting and a motion was duly made and seconded, and the meeting adjourned at 10:17 a.m.

Tommy Joe Alexander
Chairman/President

Attest:

William Burbage, Jr.
Secretary-Treasurer