

**MINUTES OF THE REGULAR MEETING BOARD OF DIRECTORS' MEETING AND
PUBLIC HEARING REGARDING ACTION THAT WILL INCREASE WATER RATES
November 9, 2017**

The regular meeting of the directors of The Water Works Board of the City of Birmingham and a Public Hearing were held on Thursday, November 9, 2017 at 5:30 p.m., at 3600 First Avenue North, Birmingham, Alabama.

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

Inasmuch as eight Directors were present, a quorum was in attendance.

The meeting was also attended by: Mac Underwood, General Manager; Darryl Jones, Assistant General Manager of Operations and Technical Services; Sonny Jones, Assistant General Manager of Engineering and Maintenance; Michael Johnson, Assistant General Manager of Finance and Administration; Tammy Wilson, Executive Assistant to Assistant General Managers, Sonny Jones and Darryl Jones; Grace Amison, Executive Assistant to the Board of Directors; George Anderson, Shelia Patterson and Rick Jackson, Board Employees; Mark Parnell and Mary Thompson, Parnell Thompson, LLC; Kelvin Howard, Kelvin Howard, LLC; Je'Don Holloway-Talley, Dorian Kendrick and Bre Rudolph, Agency 54; Jerry Jones, ARCADIS; David Merrida, Birmingham Construction Industry Authority; Peiffer Brandt, Raftelis Financial Consultants; Gregory Jones, The Jones Group; Matthew Arrington, Terminus Municipal Securities; Nelda Thompkins and Isaac Ballard, retirees; Josh Newton, Valerie Johnson and Yvonne Jones, WBRC; Hannah Ward, Fox 6; Carlos Chaverst, Outcast Voters League; S. Lewis, Human Capital Services; C. Wilkson, Human Resources Management; L. W. Stay, League of Women Voters; Iva Williams, Debra Taylor, David Russell, Cynthia Hildreth, Charles Jeffries, Kimberly Weldon, Loretta Knight, Chris Huff, Sheila Turner, Sammy Rolley, Tommy Williams, Brenda P. Jong, Pat Bell, Sandra Tollins, Mildred H. Bennett, LeDarrus Hilliard, Cedric Harhea, Andrew Brodnax, Christine Flowers-Brewer, Gladys M. Ching, G. H. Craig, Melissa Wise, Lewanna D. Robinson, Robert Walker, Frances Pope, Loraine Barker, LaJune White, Janice Bledsoe-Fisher, Melvin Williams, Clay Sage, Yvonne Jones, Geraldine Ko, Anita Waites, Carolyn Hammill, Roderick Huff, Renitta C. Mew and Val User, citizens.

Chairwoman, Sherry Lewis called the meeting to order at 5:30 p.m. and welcomed the meeting body. General Manager, Mac Underwood, called on Information Technology Manager, George Anderson to open the meeting with prayer.

Following, GM Underwood announced that pursuant to Act No. 2015-164, Section (4c), the BWWB is holding a Public Hearing to consider taking action consistent with Resolution No. 4166 which was adopted on December 22, 2003 as amended (i.e., adoption of the Rate Stabilization and Equalization Procedure (RSE Model) that will result in a rate increase, as set forth in agenda item 1. At 5:33 p.m. Director Muhammad entered the meeting. Following, the General Manager recognized Chairwoman Lewis who welcomed everyone to the meeting. Chairwoman Lewis added that the public would have an opportunity to speak this evening for up

to 3 minutes if they sign up to do so. The proposed rate increase for 2018 will be 2.9% which is an average of \$1.00 to \$1.50 increase on customer's bills. Staff will provide specifics on why The Birmingham Water Works Board (BWWB) is raising rates. This rate increase is down from 3.9% which was originally proposed. Chairwoman Lewis stated this is now a nine-member board and introduced the BWWB Board Members. She pointed the Water Works Board served five counties and over 600,000 customers. Chairwoman Lewis thanked the Board and staff for working diligently on the proposed 2018 budgets. She added that the Board had budget workshops on September 22, 2017, October 4, 2017, October 19, 2017, and November 6, 2017. Following, the General Manager recognized Assistant General Manager Michael Johnson of the Finance and Administration Division and Chief Financial Officer to present the proposed 2018 budgets.

Next, Assistant General Manager Michael Johnson pointed out that there several parts to the proposed 2018 budgets. He introduced Assistant General Manager Darryl Jones of Operations and Technical Services Division who would be providing a system overview. He indicated he would be presenting the proposed 2018 Operating and Maintenance (O&M) budget and some information on consumption. Also, he introduced Assistant General Manager Sonny Jones of Engineering and Maintenance Division who would be presenting the proposed 2018 Capital budget.

Following, Assistant General Manager Darryl Jones explained that the raw and finished water system consists of 4 raw water intakes, 3 raw water boosters, 20 raw water storage tanks, 4 water treatment plants and 51 storage tanks. The total raw water capacity is 289 MGD and the total industrial usage maximum capacity is 35 MGD. The total finished water capacity is 189 MGD and there is a 65 MGD raw water surplus in most cases Darryl Jones stated. Michael Johnson stated that the framework the BWWB uses to run the system is Effective Utility Management (EUM) which was established by the American Water Works Association (AWWA) in collaboration with other water industry advocates. There are 10 attributes of EUM that indicate a well-run system and we are dealing with financial viability tonight according to Michael Johnson. The BWWB strategic plan is a source of projects that support EUM Michael Johnson stated. The Board adopted a Rate Stabilization and Equalization Model (RSE) in 2003 which requires annual updates to rates according to the RSE Model and it is based on the approved budget and capital improvement plan. Annual updates to the RSE Model are driven by maintaining operating results that are consistent with the RSE targets and minimums which is an objective process. The first input is our Operating Budget, next our Capital Improvement Plan, both Board approved, and last our Projected Water Consumption. Outputs include a proposed rate increase, multi-year rate projections and estimated financial performance. RSE targets have a maximum and a minimum. The Board's policies and goal include keeping rate increases below the industry average, O & M increases of less than 5% and the Board had a goal of 25% of the Capital Budget being funded from PAYGO by 2017. The 2018 budget is smaller than last year's, according to Michael Johnson. We have about 240 days of operating expenses on hand. The Board maintains very strong bond ratings additionally. The budget process consists of individual department meetings with a focus on individual line item variances. The value of the process is enhanced by month to month monitoring and meetings with managers to discuss variances which is embraced by organizational leadership and enhanced by the SAP budget module. The key budget assumptions are that BWWB budgets to meet operational needs, capital needs and financial targets. The proposed budget for

this year is \$99,910,242.00 which is less than last year and a -0.45% decrease in the budget and it includes a cost of living of 1.7% and a full merit based on performance reviews. Director Dickerson asked if longevity was in the budget. Michael Johnson responded yes. Michael Johnson discussed some of the variances in the 2018 budget. Michael Johnson talked about why demand is important, explaining that revenue requirements divided by the customer demand equal water rates. To be considered are declining per capita demand and conservative estimates for all classes. We have seen a decline in consumption for the last 20 years according to Michael Johnson. The projected difference at the end of 2017 less the 3.9% rate increase for residential will be about -2.05% under, non-residential will be about -11.92% under and raw water will be about -5.18% under. The 2018 consumption projection is -2.21%. Director Dickerson asked Michael Johnson to explain why consumption is down. We have a rate consultant who looks at rainfall over the last few years and we can project what consumption will be according to Michael Johnson. Workshops were held and the proposed 2018 budget came down to a rate increase of 2.9% from 3.9%. The total revenue per official statement definition is \$179,903,000.00. O & M expenses are \$99,910,242.00. Total revenue requirements are \$179,265,372.00. The surplus deficit is \$637,628.00. The total debt service coverage is 1.26 with a target of 1.20. The impact on residential customers based on 4,500 gallons per month is about \$1.18 and based on 7,500 gallons per month is \$1.50 per month. If things stay the way they are now we can see that the rate increases projected through 2023 will not fluctuate and they should remain steady at 3.9%. The 2.9% rate increase is needed to adequately fund daily operating costs, fund the Capital Budget, pay annual debt service, estimate consumption, demonstrate sound fiscal planning, maintain bond ratings and maintain adequate reserves.

Next, Assistant General Manager of Engineering and Maintenance, Sonny Jones was introduced to walk through the Capital Improvement Plan. Sonny Jones stated his goal is to maintain existing assets with a value of \$1.1 billion at their peak performance levels. There are 4 treatment plants, 45 distribution pump stations, 4,000 miles of distribution piping, 2,000 miles of service lines and over 200,000 connections. Additionally, the BWWB maintains 51 distribution storage tanks, 48,000 valves, 13,500 hydrants, 5 dams and 19 pressure gradients. The Capital Program from 2001 – 2017, a 17-year average equals \$41.7 million. For the 2018 Capital Budget Staff is asking for \$63,983,510.00 Sonny Jones stated. The top five budgeted projects are Shades Mountain Filter Plant Filter Improvements at \$16M, Carson Loop Phase 6C at \$6.0M, SAP Implementation (Phase 3.0 – Human Resources) at \$2.0M. Lake Purdy Dam Rehabilitation at \$1.5M and Water and Service Laine Replacement at \$14M. We have other significant maintenance projects along with main replacements. Sonny Jones provided photographs of old galvanized pipe needing replacement. Assistant General Manager of Operations and Technical Services, Darryl Jones talked about System Recognition. The BWWB received the 2012 “Platinum Award for Sustained Competitiveness Achievement” from the Association of Metropolitan Water Agencies, the organization’s top management achievement award, for its long-term excellence in utility management. Carson, Putnam and Western Filter Plants have received the “Directors Award” from the Partnership for Safe Water for the last 10 years. Shades Mountain Filter Plant is a 1st year recipient of the “Directors Award” and Western Filter Plant received the “10-Year Directors Award” in 2017. All four BWWB water filtration facilities have received the “Optimized Plant Award” from the EPA and ADEM for excellence in operations. The BWWB received the “Best Operated Plant Award” from Alabama Water and Pollution Control Association for Shades Mountain Filter Plant in their category in 2017 and the “Award of Excellence” from

AWPCA for Carson Filter Plant in 2017. The BWWB Training and Organizational Development team received the Training Magazine's Top 125 Award in each of the last five years. AGM Michael Johnson stated Moody's reviews our financial condition and they have complimented the BWWB's operations and debt service coverage ratios. Standard & Poor's has applauded the BWWB for being a very strong enterprise with strong operational management practices and policies.

Following, Chairwoman Lewis opened the floor for the public to make comments. Sheila Turner commented that the presentation was outstanding. Ms. Turner stated she was a landlord and the sewer portion of her bill is much greater than the water portion. Ms. Turner said she did not agree with the rate increase and suggested the Board go back and possibly do better at reducing the rate increase even more. Kimberly Weldon stated the presentation was very good and thanked Staff. Ms. Weldon stated she was concerned with what she heard on the news, which was that the BWWB was not looking at any other sources of revenue. Ms. Weldon complained about her bill to Customer Service and stated she had not received a bill in 3 months. Ms. Weldon stated she had never seen a meter reader in her neighborhood. GM Underwood stated that Customer Service personnel was on-site this evening to help resolve these issues. Charles Jeffries asked if he would have a chance to review the budget. Chairwoman stated the budget was not approved yet, but it would be on the company website following its approval. Chairwoman Lewis asked Staff to provide Mr. Jeffries a copy of the 2018 proposed budget for his review. David Russell stated he would like to address the black folks on the Board as he had something to do with getting them on the Board. Since black leadership has been on the Board which was 2000, we have had over a 400% rate increase according to Mr. Russell. Mr. Russell stated he expected better from black folks and it is worse now than when the Board was made up of white folks. Mr. Russell stated this Board is somewhat responsible for the crime in our city. Mr. Russell said he would like the Board to reconsider raising the water rates. Carolyn Hammill stated she opposed the rate increase because of people living on Social Security and the impoverished in Birmingham. We have ever rising inflation and Ms. Hammill stated she hoped the Board would go back and look at the rate increase. Robert Walker stated that there are less citizens in Birmingham now than ever before. Mr. Walker questioned if people downtown were getting better rates than others. Mr. Walker stated the rate increase will increase charges at restaurants, day cares, car washes and other business which will impact citizens. Mr. Walker stated he knew employees of the BWWB who brag about the overtime they get. Ms. Weldon re-addressed Chairwoman Lewis thanking her and stating that Customer Service had helped her understand her bill. Christine Flowers stated she understood budgets. Ms. Flowers stated she was present to represent the senior citizens of Birmingham. Ms. Flowers stated senior citizens were cutting back on their water usage. Ms. Flowers asked if exceptions could be made for senior citizens' water bills. Ms. Flowers stated the city and county gave up their longevity. Iva Williams stated the Board did not care and he could break it down to the vote. Mr. Williams stated some did not deserve to be on the Board. Mr. Williams asked when General Manager Mac Underwood would be fired. Mr. Williams suggested the Board find a different source of revenue and he stated the Board was lazy. Isaac Ballard asked if he could speak to item 8 on the agenda. Chairwoman Lewis responded yes. Yvonne Jones asked how many sewer charges are on bills. Chairwoman Lewis stated there is Customer Service personnel on site and she directed Ms. Jones to speak to them regarding her bill.

Next, Director Munchus spoke about the ongoing Jefferson County Sewer collection contract and suggested finding additional money that way for the budget. Chairwoman Lewis stated there is a meeting scheduled next week with the County. Chairwoman Lewis stated there are some legal matters and this will be made public at the appropriate time. Director Munchus stated he had spoken to a Jefferson County Commissioner.

Following, Director Dickerson stated the longevity was missing from the budget and \$1.4 million dollars is proposed to be spent on it. Director Dickerson stated 20 employees received close to \$600,000.00 in overtime and over \$2 million total was spent on overtime. The merit amount is not known yet and these items were concerning to her, Director Dickerson stated.

Next, Director Muhammad stated public relations is a problem and he asked AGM Johnson if the 400% increase mentioned by a citizen was correct. AGM Johnson stated he was not sure where that figure came from. Director Muhammad stated rate increases from the county are painful, not just the BWWB. Director Alexander stated the Board is trying and asked everyone to give the Board a chance adding that next year they will work toward lowering the rate increase again. Director King stated he would like to speak on behalf of the entire Board in unison to say that everyone is looking out for the rate payer. Director King added this is not a segregated Board and it is painful to hear that. Chairwoman Lewis stated the Board has an old system and we are spending a lot of money to keep up with repairs. Chairwoman Lewis stated the BWWB must meet federal and state regulations as well. Chairwoman Lewis stated the Board worked hard to get the rate increase down and we are providing some of the best water in the country. Chairwoman Lewis stated the Board does not control the County side of things. The goal is to work to get the rate increases down and this will always be Chairwoman Lewis added. Chairwoman Lewis asked the public to trust this Board to do the work knowing that tough choices must be made sometimes.

Following, GM Underwood stated there is no special rate downtown. All residential customers rates are the same. GM Underwood stated the Board is not spending \$1 million more in security this year. After September 11 some added measures were put in place according to GM Underwood. Director Munchus asked for clarification of expenses moving from accounting to treasury. GM Underwood explained that when he came to the BWWB the Pension Plan in 2001 was about \$60 million and now it is about \$130 million. OPEB was not in place in 2001 and now it is about \$30 million. Also, there were no Reserves in 2001 and now there are \$130 million in Reserves and we are getting ready to spend \$70 million of that. As your cash balances increase you need more focus on cash balances and that is why a treasury management function was added. Director Munchus asked if the equities market can be used for reserves. Director Alexander responded no. Director Munchus stated we needed to get that law changed. GM Underwood stated that most public companies do not want to invest in the equities market. Director Dickerson questioned the \$793,000.00 increase in security. GM Underwood provided a handout (a copy is on file with the Board meeting book). GM Underwood stated there were transfers from other departments and there was a variance from last year to this year for this amount, not an increase in security. GM Underwood stated there were emails sent to the Board to this effect.

Next, GM Underwood requested the Board to approve its budgets for calendar 2018: The Operating and Maintenance Budget totaling \$99,910,242.00; and The Capital Budget totaling

\$63,983,510.00, as set forth in agenda item 2. On a motion duly made and seconded, the following resolutions were adopted:

“WHEREAS, The Water Works Board of the City of Birmingham (the “Board”) properly noticed and conducted a public hearing on Thursday, November 9, 2017, at 5:30 p.m., pursuant to Act No. 2015-164, Section 4(c); and,

WHEREAS, the Board has prepared its 2018 Operating and Maintenance (O&M) Budget with expenditures totaling \$99,910,242.00; and,

WHEREAS, the Board desires to approve as part of its O&M Budget a combined 3.82 percent compensation adjustment, comprised of a Merit Raise of no more than 2.12 percent of the gross labor budget not to exceed \$823,592.00 and a cost of living adjustment of no more than 1.7 percent of the gross labor budget not to exceed \$655,554.00.

NOW, THEREFORE, BE IT RESOLVED by the Board, on a motion duly made by Mr. William “Butch” Burbage and seconded by Mr. Tommy Joe Alexander as follows:

1. The Board hereby approves its O & M Budget totaling \$99,760,242.00 for 2018; and,
2. As part of the of O & M Budget, the Board hereby approves a combined 3.82 percent compensation adjustment comprised of a merit of no more than 2.12 percent of the gross labor budget not to exceed \$823,592.00 and a cost of living adjustment of no more that 1.7 percent of the gross labor budget not to exceed \$655,554.00; and
3. In accordance with Act No. 2015-164 and Resolution No. 4166, which was adopted on December 23, 2003, as amended, (adoption of the Rate Stabilization and Equalization Procedure (RSE Model)), notice is hereby given that approval of the O & M Budget along with the contemporaneous approval of a Capital Budget for the Board for 2018 in the amount of \$63,983,510, will result in a rate adjustment of 2.9% and said rate adjustment will be effective January 1, 2018.

Resolution No.7642 is hereby adopted by a roll call vote: Directors Lewis, Alexander, King, Clark, Burbage and Munchus voted yes. Directors Mims, Dickerson and Muhammad voted no.”

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“WHEREAS, The Water Works Board of the City of Birmingham (the “Board”) properly noticed and conducted a public hearing on Thursday, November 9, 2017, at 5:30 p.m., pursuant to Act No. 2015-164, Section 4(c); and,

WHEREAS, the Board has prepared its 2018 Capital Budget totaling \$63,983,510.00

NOW, THEREFORE, BE IT RESOLVED By the Board, on a motion duly made by Mr. William “Butch” Burbage and seconded by Mr. Tommy Joe Alexander as follows:

1. The Board hereby approves its Capital Budget totaling \$63,983,510.00 for 2018, and,
2. In accordance with Act No. 2015-164 and Resolution No. 4166, which was adopted on December 23, 2003, as amended, (adoption of the Rate Stabilization and Equalization Procedure (RSE Model)), notice is hereby given that approval of and the Capital Budget along with the contemporaneous approval of the O & M Budget for the Board for 2018 in the amount of \$99,910,242.00, will result in a rate adjustment of 2.9% and said rate adjustment will be effective January 1, 2018.

Resolution No. 7643 is hereby adopted by a roll call vote: Directors Lewis, Alexander, King, Clark, Burbage and Munchus voted yes. Directors Mims, Dickerson and Muhammad voted no.”

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Following, GM Underwood requested the Board adopt a resolution to allow employees to sell up to four weeks of accrued or unused vacation of each employee’s vacation balance as of November 30, 2017 as recommended by the Human Resources Committee, 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, on a motion duly made by Mr. George Munchus and seconded by Mr. Ronald A. Mims that the employees of the Water Works Board have worked diligently throughout the year to: a) maintain system operations, b) manage operating cost at approximately \$6.9 million dollars under budget, c) maintain labor costs at approximately \$1.4 million dollars under budget through September of 2017, d) implement SAP Customer Billing and Relationship System, e) manage extreme drought conditions that effected operations through the 1st quarter of 2017, and f) complete capital projects planned in the 2017 capital budget. Further, in accordance with the Board’s Salary Administration plan and to show employee appreciation for a job well done, the Board hereby approves and authorizes the officers and general manager to execute any documents necessary to allow employees to sell up to 4 weeks of accrued/ unused vacation time in excess of 2 weeks in December 2017. The vacation buy back cost will not exceed \$500,000.00.

Resolution No. 7644 is hereby adopted by unanimous vote.”

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Next, GM Underwood requested the Board approve Director King’s mileage expense reimbursement for October 2017 in the amount of \$132.68, as set forth in agenda item 4. On a motion duly made and seconded, the following resolution was adopted:

“WHEREAS, the Board of Directors has adopted a Travel Expense Reimbursement Policy, as amended; and

WHEREAS, in accordance with Act No. 2015-164, approval is requested for the following mileage expense reimbursement.

NOW, THEREFORE, BE IT RESOLVED, on a motion made by Mr. Tommy Joe Alexander and seconded by Mr. William “Butch” Burbage, that the following board member(s) be reimbursed for his mileage expense reimbursements as follows:

Brett King for mileage expense reimbursement for October 2017 in the amount of \$132.68 (as itemized on the attached Expense Report).

Resolution No. 7645 is hereby adopted by a roll call vote as follows: Chairman Lewis, Aye; Director Alexander, Aye; Director Clark, Aye; Director Burbage, Aye; Director Mims, Abstained ; Director Munchus, Abstained; Director Muhammad, Abstained; Director Dickerson, Aye; and Director King, Abstained.”

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Following, GM Underwood requested the Board approve payment of invoices, as set forth in agenda items 5.1 through 5.4. GM Underwood indicated management had reviewed the invoices and recommended them for payment. After responding to Director Dickerson’s inquiry whether the invoice summary relative to the Board’s attorneys was included in Diligent, Chairwoman Lewis called for a vote. n 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. Tommy Joe Alexander, that the Board hereby authorizes staff to execute payments to the following:

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|-----|--|--------------|
| 4.1 | Carl Dalton NeSmith Jr., LLC
For professional services rendered for November 2017 | \$ 500.00 |
| 4.2 | Terminus Municipal Advisors, LLC
For professional services rendered for October 2017 | \$ 6,500.00 |
| 4.3 | Raftelis Financial Consultants, Inc
For professional services rendered for September 2017 | \$ 35,656.37 |
| 4.4 | Parnell Thompson, LCC
For professional services rendered for October 2017 | \$109,681.85 |

Resolution No. 7646 is hereby adopted by unanimous vote.”

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Following, GM Underwood requested the Board approve retaining Lowenstein Sandler to represent the Water Works Board in Hartford Fire Insurance Co. v. Marti P. Murray, as Receiver for Atlantic Asset Management; US District Court, New York as recommended by the General Manager and legal counsel, Parnell Thompson, LLC, as set forth in agenda item 6. Director

Muhammad made a substitute motion to table item 6. Attorney Parnell pointed out that the main motion had not been made; therefore, there is no substitute motion. Attorney Parnell stated this item is regarding a federal lawsuit in which an answer is due Tuesday and an email was sent to the Board with an explanation. Director King stated it made sense to him. Director Muhammad withdrew his substitute motion. Subsequently, Chairwoman Lewis called for a motion to approve item 6. On a motion duly made and seconded, the following resolution was adopted:

“BE IT RESOLVED BY The Water Works Board of the City of Birmingham (“the Board”), on a motion duly made by Mr. Tommy Joe Alexander and seconded by Mr. William “Butch” Burbage, that the Board hereby approves retaining Lowenstein Sandler to represent the Water Woks Board in Hartford Fire Insurance Co. v. Marti P. Murray, as Receiver for Atlantic Asset Management; US District Court, New York as recommended by the General Manager and legal counsel, Parnell Thompson, LLC.

Resolution No. 7647 is hereby adopted by Directors Lewis, Alexander, Clark, King, Dickerson, Burbage and Mims. Director Munchus abstained and Director Muhammad voted no.”

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Next, GM Underwood requested the Board approve medical stop loss insurance with Lloyd’s of London for the period January 1, 2018 through December 31, 2018 at an estimated annual premium cost of \$447,595.44, 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. William Muhammad and seconded by Mr. George Munchus, that the Board hereby approves medical stop loss insurance with Lloyd’s of London for the period January 1, 2018 through December 31, 2018 at an estimated annual premium cost of \$447,595.44 as recommended by the Human Resources Committee; and to authorize the General Manager and/or Assistant General Manager to execute the necessary documents to effectuate agreement.

Resolution No. 7648 is hereby adopted by unanimous vote.”

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Following, GM Underwood requested the Board approve an agreement with AmWins for Post 65 Retiree/Spouse supplemental medical and prescription drug coverage in the amount of \$1,043,000.00 including absorbing the additional cost of the coverage in excess of \$1,000,00.00 (\$43,000.00), as set forth in agenda item 8. Retiree Isaac Ballard asked if this agreement replaced what happened in 2008. GM Underwood responded no. The General Manager explained that the Board has placed a cap on what it would pay for post-65 insurance, and he pointed said item is to cover the post-65 employees’ insurance. He pointed out that said item does not change what was approved in 2008 to eliminate those employees who did not have 25 years of service. He added

that said item only affect the post-65 retirees, effective January 1, 2018. 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. Tommy Joe Alexander, that the Board hereby approves an agreement with AmWins for Post 65 Retiree/Spouse supplemental medical and prescription drug coverage in the amount of \$1,043,000.00, including absorbing the additional cost of the coverage in excess of \$1,000,000 (\$43,000.00), as recommended by the Human Resources Committee; and to authorize the General Manager and/or Assistant General Manager to execute the necessary documents to effectuate agreement.

Resolution No. 7649 is hereby adopted by Directors Lewis, Alexander, King, Burbage, Dickerson, Munchus and Muhammad. Director Mims abstained and Director Clark voted no”.

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After adoption of the above-referenced resolution, Director Munchus asked the General Manager to revisit said item relative to what the cost would be if the Board wanted to go back to cover employees such as Mr. Ballard. The General Manager indicated that he would revisit the 2008 numbers for said item.

Next, GM Underwood requested the Board approve for under 65 Retirees covered under the BWWB’s health insurance plan to be included in the BWWB Gym Membership Program at an estimated annual cost of \$9,504.00, as set forth in agenda item 9. The General Manager gave an explanation relative to gym membership for under 65 retirees wherein he pointed out that the rate would be same as other employees and that said retirees’ gym membership would help reduce the Board’s health cost. On a motion duly made and seconded, the following resolutions were adopted:

“BE IT RESOLVED BY The Water Works Board of the City of Birmingham (“the Board”), on a motion duly made by Mr. George Munchus and seconded by Mr. William R. Muhammad, that the Board hereby approves for Under 65 Retirees covered under the BWWB's health insurance plan to be included in the BWWB Gym Membership Program at an estimated annual cost of \$9,504.00 as recommended by the Human Resources Committee.

Resolution No. 7650 is hereby adopted by Directors Lewis, Alexander, King, Burbage, Munchus and Muhammad. Director Mims abstained and Directors Lewis and Clark voted no”.

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Following, GM Underwood requested the Board approve an agreement (subject to final review by the attorneys) with Human Resources Management (HRM), Inc. and Human Capital Services (HCS), LLC., to perform Compensation Services as described in response to RFP #17-01-02 at a cost of \$154,375.00, as recommended by the Human Resources Committee, and to

approve the General Manager and/or Assistant General Manager to execute agreement, as set forth in agenda item 10. Director Munchus stated this was a joint venture, a black firm and a white firm. Director Muhammad stated he would like to thank Paul Lloyd for putting this together. 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. William R. Muhammad and seconded by Mr. George Munchus, that the Board hereby authorizes Staff to enter into agreement (subject to final review by the attorneys) with Human Resources Management (HRM), Inc. and Human Capital Services (HCS), LLC., to perform Compensation Services as described in response to RFP #17-01-02 at a cost of \$154,375.00, as recommended by the Human Resources Committee, and to approve the General Manager and/or Assistant General Manager to execute agreement.

Resolution No. 7651 is hereby adopted by unanimous vote.”

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Next, GM Underwood requested the Board award a bid to Hill’s Janitorial Service, Inc. for janitorial services at an estimated out-of-pocket cost to the Board of \$115,440.00, as set forth in agenda item 11. Director Muhammad asked if the company was certified. AGM Johnson 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. Brett King and seconded by Mr. George Munchus, that the Board hereby awards a bid to Hill's Janitorial Service, Inc., the lowest responsible and responsive bidder, for Janitorial Services, at an estimated out-of-pocket cost to the Board of \$115,440.00.

Resolution No. 7652 is hereby adopted by unanimous vote.”

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As there was no further business before the Board, a motion was duly made and seconded, and the meeting was adjourned at 7:23 p.m.

/s/
Sherry W. Lewis
Chairwoman/President

Attest:

_____/s/
Brett A. King, Esq.
Secretary-Treasurer