

**MINUTES OF THE REGULAR MEETING OF DIRECTORS
OF THE WATER WORKS BOARD OF THE CITY OF BIRMINGHAM
July 27, 2017**

The regular meeting of the directors of The Water Works Board of the City of Birmingham was held on Thursday, July 27, 2017 at 9:00 a.m., at 3600 First Avenue North, Birmingham, Alabama.

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

Inasmuch as all 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; Paul Lloyd, Floyd Stephens, Robert Lang, Rhonda Lewis, George Anderson, Rick Jackson, Michael Griffin and Barry Williams, Board Employees; Mark Parnell and Mary Thompson, Parnell Thompson, LLC; Jesse Lewis, Dorian Kendrick and Bre Rudolph, The Lewis Group; Theo Johnson, Volkert & Associates, Inc.; Brian Ruggs, ARCADIS; Chandra Abesingha, CE & Associates, Inc.; Rick Jones and Brad Stevens, Jones Utility Contracting; Dan Meadows, S. S. Nesbitt; Derrick Murphy, Gresham, Smith and Partners; Olivia Martin, State Attorney General's Office; Jim Watterson, American Cast Iron Pipe; David Merrida, Birmingham Construction Industry Authority; Ken Delap, Lake Purdy Concessions; Jeff Drew, Alexander Insurance Agency; Donald Seay and Marietta Seay, parents of Brandon Seay.

General Manager, Mac Underwood, called the meeting to order at 9:01 a.m. and welcomed the meeting body. Information Technology Manager, George Anderson opened the meeting with prayer.

Next, GM Underwood asked the Board to adopt a resolution commending the Employee of the Month for July 2017, as set forth in agenda item 1.1. Brandon Seay, Field Service Technician from the Area Field Service Department in the Finance and Administration Division helped with the SAP transition and delivered great customer service. Michael Johnson added that Brandon Seay adapted to the new system and set an example for all employees. Chairwoman Lewis recognized Brandon Seay's parents in the audience and thanked them for being present in support of their son.

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 Dickerson, that the Board hereby recognizes and commends Brandon Seay, as the Finance and Administration

Division's Employee of the Month for July 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 Brandon Seay.

Resolution No. 7548 is hereby adopted by unanimous vote.”

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Following, Paul Lloyd asked the Board to recognize Derrick Gooden for receiving C2EP's Professional Operator Certification awarded at the 2017 AWWA Annual Conference, as set forth in agenda item 1.2. This is the highest award that an operator can receive. Mr. Lloyd stated that Derrick Gooden teaches the Birmingham Water Works Board (BWWB) certification classes adding that they are offered externally to other water facilities as well. Chairwoman Lewis stated this also helps get the BWWB recognized on a national level. Assistant General Manager Michael Johnson noted that Derrick Gooden had received his Master's Degree while working at the BWWB. GM Underwood confirmed with each degree earned as an employee a 5% increase is given.

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 Ms. Deborah Clark, that the Board hereby recognizes and commends Derrick Gooden on having achieved outstanding job performance, attendance, and work above expected levels upon receiving his Professional Operator Certification. The Professional Operator (PO) is the designation awarded to C2EP-certified water environment industry operators signifying they have met the most rigorous standards of their profession.

Resolution No. 7549 is hereby adopted by unanimous vote.”

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Next, GM Underwood asked the Board to rescind resolutions authorizing monthly retirement benefits from the Board's Retirement Trust Fund for Odell Allen, Distribution Maintenance Worker, Distribution Department and commending Mr. Allen for his years of service, as set forth in agenda 2. GM Underwood explained after Mr. Allen turned in his intent letter that he decided to continue working and Staff would like to allow him to do so.

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 rescinds resolutions authorizing monthly retirement benefits from the Board's Retirement Trust Fund for Odell Allen, Distribution Maintenance Worker (DMW), Distribution Department and commending Mr. Allen for his years of service.

Resolution No. 7550 is hereby adopted by unanimous vote.”

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Following, GM Underwood asked the Board to approve payments of invoices, as set forth in items 3.1 through 3.4. GM Underwood indicated management has reviewed the referenced invoices and recommends them for approval. Director Dickerson stated item 3.2, The Jones Group submitted an invoice that was very puny, adding it needed more detail. GM Underwood stated that Mr. Jones is available to meet with any Board Members. Director Dickerson stated item 3.3, the Raftelis Financial Consultants, Inc. invoice needed more detail also. Some discussion occurred surrounding the Turn-off Analysis work mentioned in their invoice. Director Dickerson asked if the results could be made available to the Board. GM Underwood responded that the report is still in progress, but what is available at this point can be shared with the Board. Chairwoman Lewis stated normally Peiffer Brandt, with Raftelis comes before the Board and makes a presentation and asked Director Dickerson if she wanted something written. Director Dickerson responded yes. Director Dickerson stated item 3.4, the Agency 54 invoice provided a summary report with their last invoice and asked if a summary could be made available again this month. Dorian Kendrick responded yes. Director Dickerson asked if the invoices could be voted on separately. Chairwoman Lewis responded absolutely.

Next, GM Underwood asked the Board to approve an invoice for professional services rendered for June 2017 from Dominick, Feld Hyde, P. C. as set forth in agenda item 3.1.

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 Dominick, Feld Hyde, P.C.
- For professional services rendered for June 2017 \$ 1,384.80

Resolution No. 7551 is hereby adopted by unanimous vote.”

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Following, GM Underwood asked the Board to approve an invoice for professional services rendered for July 2017 from The Jones Group, P. C., as set forth in agenda item 3.2.

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. Ronald A. Mims, that the Board hereby authorizes staff to execute payment to the following:

3.2 The Jones Group
For professional services rendered for July 2017 \$ 7,500.00

Resolution No. 7552 is hereby adopted by Directors Lewis, Alexander, Clark, King, Burbage, Mims, Munchus and Muhammad; Director Dickerson voted No.”

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Next, GM Underwood asked the Board to approve an invoice for professional services rendered for June 2017 from Raftelis Financial Consultants, Inc., as set forth in agenda item 3.3.

On a motion duly made and seconded, the following resolution was adopted:

“BE IT RESOLVED By The Water Works Board of the City of Birmingham (“the Board”), on a motion duly made by Mr. George Munchus and seconded by Mr. Ronald A. Mims, that the Board hereby authorizes staff to execute payment to the following:

3.3 Raftelis Financial Consultants, Inc.
For professional services rendered for June 2017 \$ 13,421.89

Resolution No. 7553 is hereby adopted by unanimous vote.”

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Following, GM Underwood asked the Board to approve an invoice for professional services rendered through May 2017 from Agency 54, as set forth in agenda item 3.4.

On a motion duly made and seconded, the following resolution was adopted:

“BE IT RESOLVED By The Water Works Board of the City of Birmingham (“the Board”), on a motion duly made by Mr. George Munchus and seconded by Mr. Ronald A. Mims, that the Board hereby authorizes staff to execute payment to the following:

3.4 Agency 54
For professional services rendered for May 2017 \$ 25,000.00

Resolution No. 7554 is hereby adopted by unanimous vote.”

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Next, GM Underwood asked the Board’s approval to take bids for the customer bill printing service, as set forth in agenda item 4. Also, agenda item 9, a request to accept a month-to-month billing arrangement with Pinnacle Data Systems for bill printing services until a new bid is issued and awarded, was voted on at the same time.

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 Mrs. Brenda J. Dickerson, that the Board hereby authorizes staff to take bids for the customer bill printing service.

Resolution No. 7555 is hereby adopted by unanimous vote.”

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“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 Mrs. Brenda J. Dickerson, that the Board hereby authorizes Staff to enter into a month-to-month billing arrangement with Pinnacle Data Systems for customer bill printing services until a new bid is issued and awarded.

Resolution No. 7556 is hereby adopted by unanimous vote.”

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Following, GM Underwood asked the Board to award a bid to Landscape Unlimited of AL, the lowest and responsive bidder, for estimated quantities of Landscaping for the Distribution Department, at an estimated annual out-of-pocket cost to the Board of \$202,744.00, as set forth in agenda item 5.1.

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 Board hereby authorizes staff to award bids on the following:

- 5.1 Landscape Unlimited of AL, the lowest responsible and responsive bidder, for estimated quantities of Landscaping for the Distribution Department, at an estimated annual out-of-pocket cost to the Board of \$202,744.00. [NOTE: The only bidder to respond.] [NOTE: The subcontractor participation is 22%.]

Resolution No. 7557 is hereby adopted by unanimous vote.”

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Next, GM Underwood asked the Board to award a bid to American Suncraft Construction Company, the lowest responsible and responsive bidder, for Maintenance Repairs and Painting the inside and outside of the two 500,000 gallon Sipsey Site #3 raw water tanks located in a hunting area at the end of Jett Road near Gardendale, Alabama, at an out-of-pocket cost to the Board of \$718,900.00, as set forth in agenda item 5.2.

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 Ms. Brenda J. Dickerson, that the Board hereby authorizes staff to award bids on the following:

- 5.2 American Suncraft Construction Company, the lowest responsible and responsive bidder, for Maintenance Repairs and Painting the inside and outside of the two 500,000 gallon Sipsey Site #3 raw water tanks located in a hunting area at the end of Jett Road near Gardendale, Alabama, at an out of -pocket cost to the Board of \$718,900.00. [NOTE: The HUB subcontractor participation is 28%.]

Resolution No. 7558 is hereby adopted by unanimous vote.”

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Following, GM Underwood asked the Board to award a bid to Tate Contracting & Excavating Inc., the lowest responsible and responsive bidder, for estimated quantities of Standard Patch Paving replacement at an annual estimated cost out-of-pocket cost to the Board of \$1,388,137.50, as set forth in agenda item 5.3.

On a motion duly made and seconded, the following resolution was adopted:

“BE IT RESOLVED By The Water Works Board of the City of Birmingham (“the Board”), on a motion duly made by Mr. George Munchus and seconded by Ms. Brenda J. Dickerson, that the Board hereby authorizes staff to award bids on the following:

- 5.3 Tate Contracting & Excavating Inc., the lowest responsible and responsive bidder, for estimated quantities of Standard Patch Paving replacement at an annual estimated cost out-of-pocket cost to the Board of \$1,388,137.50. [NOTE: The HUB subcontractor participation is 100%.]

Resolution No. 7559 is hereby adopted by Directors Lewis, Alexander, Clark, Burbage, Mims, Munchus, Muhammad and Dickerson; Director King abstained.”

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Next, GM Underwood asked the Board to award a bid to Empire Pipe, the lowest responsible and responsive bidder, for 2” FM Static FlowMeters, per bid specifications dated July 6, 2017, at an annual estimated out-of-pocket cost to the Board of \$1,400,400.00, as set forth in agenda item 5.4.

On a motion duly made and seconded, the following resolution was adopted:

“BE IT RESOLVED By The Water Works Board of the City of Birmingham (“the Board”), on a motion duly made by Mr. George Munchus and seconded by Ms. Brenda J. Dickerson, that the Board hereby authorizes staff to award bids on the following:

5.4 Empire Pipe, the lowest responsible and responsive bidder, for 2” FM Static FlowMeters, per bid specifications dated July 6, 2017, at an annual estimated out-of-pocket cost to the Board of \$1,400,400.00.

Resolution No. 7560 is hereby adopted by Directors Lewis, Alexander, Clark, Burbage, Mims, Muhammad and King; Directors Munchus and Dickerson voted no.”

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Following, GM Underwood asked the Board to award a bid to American Cast Iron Pipe, the lowest responsible and responsive bidder, for estimated annual quantities of Pipe (Slip joints, Pressure class pipe and M.J. Fittings), at an estimated out-of-pocket cost to the board of \$2,500,708.40, as set forth in agenda item 5.5.

On a motion duly made and seconded, the following resolution was adopted:

“BE IT RESOLVED By The Water Works Board of the City of Birmingham (“the Board”), on a motion duly made by Mr. George Munchus and seconded by Ms. Brenda J. Dickerson, that the Board hereby authorizes staff to award bids on the following:

5.5 American Cast Iron Pipe, the lowest responsible and responsive bidder, for estimated annual quantities of Pipe (Slip joints, Pressure class pipe and M.J. Fittings), at an estimated out-of-pocket cost to the board of \$2,500,708.40.

Resolution No. 7561 is hereby adopted by Directors Lewis, Alexander, Clark, King, Burbage, Mims, Muhammad and Dickerson; Director Munchus abstained.”

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Next, GM Underwood asked the Board to approve changes to Amendment 1 of the Retiree Medical Plan (BWVB) and Retiree Medical Plan (IWB), as recommended by the Human Resources Committee, which would amend the plan regarding Dependent Eligibility requirements (24-month rule) and amend the plan regarding Dependent Spouse, as set forth in agenda items 6.1 and 6.2.

On a motion duly made and seconded, the following resolution was adopted:

“Whereas, the Board sponsors two retiree medical plans (the “Retiree Medical Plans”) providing eligible retirees of the Board (“Retirees”) and their respective covered dependents (“Dependents”) with certain post-employment health care and welfare benefits as specified in the Board’s written policies, plan documents and/or applicable agreements;

Whereas, one of the Retiree Medical Plans covers Retirees who were formerly employed by the Industrial Water Board (“IWB”) and the Dependents of such Retirees (such Retirees who

were formerly employed by the IWB and their Dependents are sometimes referred to respectively as “IWB Retirees” and “IWB Dependents”, and collectively as “IWB Participants”);

Whereas, the other Retiree Medical Plan covers all Retirees and Dependents who are not IWB Participants; Whereas the two Retiree Medical Plans are known, respectively, as the:

- The Water Works Board of the City of Birmingham Retiree Medical Plan
- The Water Works Board of the City of Birmingham Retiree Medical Plan (IWB Participants)

Whereas, the eligibility and participation requirements of each of the Retiree Medical Plans are set forth in the following documents (“Supplemental Plan Documents”):

- Supplemental Plan Document (Eligibility and Participation Requirements Amended and Restated effective January 1, 2015) of The Water Works Board of the City of Birmingham Retiree Medical Plan,
- Supplemental Plan Document (Eligibility and Participation Requirements Amended and Restated effective January 1, 2015) of The Water Works Board of the City of Birmingham Retiree Medical Plan (IWB Participants),

Whereas, each of the Supplemental Plan Documents defines “Dependent Spouse” as the Retiree’s opposite sex spouse to whom the Retiree is legally married;

Whereas, each of the Supplemental Plan Documents includes a requirement that in order to be eligible under the applicable Retiree Medical Plan a Dependent must have been covered as a Dependent under the Board’s Active Medical Plan at the time of the Retiree’s retirement (and, for non-IWB Participants, such coverage must have been continuous for a prior period of up to 24 months);

Whereas, the Board desires to amend the Retiree Medical Plans as follows:

- A. To provide that the term “Dependent Spouse” shall mean the spouse to whom the Retiree is legally married.
- B. Instead of requiring prior coverage under the Active Medical Plan a Dependent can be eligible if at the time of the Retiree’s retirement (and, if applicable, for the required prior continuous period) the Dependent has other “Creditable Coverage” defined as following:

“Creditable Coverage” shall mean health insurance coverage under any one or more of the following: the Active Medical Plan or any other group health plan, including COBRA coverage; individual health insurance; student health insurance; Medicare; Medicaid; CHAMPUS and

TRICARE; the Federal Employees Health Benefits Program; Indian Health Service; the Peace Corps; a Public Health Plan (any plan established or maintained by a State, the U.S. government, a foreign country); Children's Health Insurance Program (CHIP); or a state health insurance high risk pool.

- C. To provide a methodology for an enrollment of a Dependent after the Retiree's retirement if he/she loses the Creditable Coverage he/she had at the time of the Retiree's retirement.
- D. To provide that a non-IWB Dependent will be ineligible to participate under the Retiree Medical Plan if at the time of such Retiree's retirement (or any time thereafter) such Dependent is eligible for, but does not participate in, his/her employer's health plan if the employer's health plan provides for any employer contributions on behalf of such Dependent.

NOW THEREFORE, BE IT RESOLVED by the Board of Directors, on motion duly made by Mr. George Munchus and seconded by Mr. William R. Muhammad, that the Board hereby amends and restates the eligibility and participation requirements of the Retiree Medical Plans in accordance with the following documents, copies of which were presented to the Board:

- **“Amendment Number One to the Supplemental Plan Document (Eligibility and Participation Requirements Amended and Restated effective January 1, 2015) of The Water Works Board of the City of Birmingham Retiree Medical Plan”**
- **“Amendment Number One to the Supplemental Plan Document (Eligibility and Participation Requirements Amended and Restated effective January 1, 2015)” of The Water Works Board of the City of Birmingham Retiree Medical Plan (IWB Participants)”**

BE IT FURTHER RESOLVED, that except as otherwise expressly provided in the respective Amendment Number One the date hereof shall be the effective date of the aforesaid amendments (the “Amendment One Adoption Date”).

BE IT FURTHER RESOLVED by the Board of Directors that the General Manager or Assistant General Manager of the Board are hereby authorized and directed to (i) execute and deliver to the Administrator of the aforesaid Retiree Medical Plans one or more counterparts thereof as hereby amended and (ii) take whatever actions and execute whatever documents are deemed necessary and proper in order to implement the Retiree Medical Plans and comply with applicable law, including any notices or other documents, as the case may be, required to be delivered to employees.

The Board certifies that attached hereto as **Exhibits A and B**, respectively, are true copies of the following documents approved and adopted in the foregoing resolutions:

- **“Amendment Number One to the Supplemental Plan Document (Eligibility and Participation Requirements Amended and Restated effective January 1, 2015) of The Water Works Board of the City of Birmingham Retiree Medical Plan”**
- **“Amendment Number One to the Supplemental Plan Document (Eligibility and Participation Requirements Amended and Restated effective January 1, 2015) of The Water Works Board of the City of Birmingham Retiree Medical Plan (IWB Participants)”**

Resolution No. 7562 is hereby adopted by Directors Lewis, Alexander, King, Burbage, Munchus, Muhammad and Dickerson; Director Clark voted no and Director Mims abstained.”

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Following, GM Underwood asked the Board to approve a proposal for a Problem Resolution Policy as submitted by Director Muhammad, and recommended by the Human Resources Committee, as set forth in agenda item 7. After Director Munchus made a motion, Director Muhammad made a substitute motion to table the item and to refer to the Human Resources Committee and Director Mims 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”), a substitute motion was made by Mr. William R. Muhammad and seconded by Mr. Ronald A. Mims, that the Board hereby tables the proposal for a Problem Resolution Policy and referred said item to the Human Resources Committee.

Resolution No. 7563 is hereby adopted by unanimous vote.

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Next, GM Underwood asked the Board to approve the issuance of an RFP to complete a Salary Survey to update the Board’s Salary Administration Plan, as set forth in agenda item 8 and recommended by the Human Resources Committee. 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 approves the issuance of a Request for Proposal (RFP) to complete a Salary Survey and update to the Board's Salary Administration Plan.

Resolution No. 7564 is hereby adopted by unanimous vote.”

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Following, GM Underwood asked the Board to reimburse the Operating Account for capital expenditures made for the period ended June 30, 2017, from schedule IV (Cash Basis), in the total amount of \$3,191,396.93, as set forth in agenda item 10.

On a motion duly made and seconded, the following resolution was adopted:

“WHEREAS, ARCADIS US, Incorporated, in a Certificate dated July 27, 2017, certified that during the period ending June 30, 2017 that there were expenditures for the cost of system improvements, which were paid out of the Operating Account and reimbursement of that account is now due in the preliminary amount of \$3,191,396.93 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. William R. Muhammad, that the Trustee be, and is hereby instructed to immediately transfer \$3,191,396.93 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. 7565 is hereby adopted by unanimous vote.”

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Next, AGM Michael Johnson presented the Finance and Administration Division report. AGM Johnson provided updates for his division through June 2017. Some discussion occurred regarding turn-offs and fees being charged. Revenue was down for the month of June and expenses were under budget. Net Operating Revenue came in under budget by almost \$1.6 million. Expenses were under budget. Net Operating Revenue was under budget by almost \$1.5 million. AGM Johnson stated we are expecting revenue in July to be under budget as well due to rain. Total Operating Net Revenue through June was under budget \$802,704.00, Operating Expenses were \$4,912,958.00 and Net Operating Revenue was over budget \$4,110,253.00. Under Large O & M Variances, Employee Health Cost was \$2,497,017.00, which was under budget YTD. Contractor Charges were \$413,551.00 over budget, Paving Charges were \$228,643.00 under budget, Chemical Costs were \$76,157.00 under budget and Labor Costs were under budget \$1,100,895.00 YTD. Customer Service has been open for extended hours along with SAP implementation ongoing resulting in increased overtime. Director Munchus stated he was surprised the overtime was not more than \$799,500.00. The Revenue Fund is a little over \$132 million. The BWWB had borrowed \$35 million less than what it normally borrowed the past two

times at the market. Director Alexander stated he recently learned that Executive Staff does not have vehicles and he asked why. Chairwoman Lewis stated Staff had a vehicle allowance, but it was taken away. GM Underwood stated Staff submits mileage reimbursement now. GM Underwood stated he would get a summary to the Board regarding prior vehicle allowances. Total HUB Consultants, which was cash out the door, was \$4,735,476.72 June YTD. Total Company Suppliers & Services was \$24,906,368.24 June YTD. The Total HUB Vendors was \$7,484,722.02 and Total Vendors combined was \$29,641,844.96. Director Munchus stated Staff was making progress. The number of Regular Employees currently is 668 compared to last year, which was 658. The Total Number of Active HomeServe Policies as of July 20th was 36,559. The Number of Customers was 23,855. AGM Sonny Jones stated he hoped to sit down with HomeServe when they are here for the H2O Golf Tournament urging them to offer 100% of their products to BWWB customers. Chairwoman Lewis stated she would like to hear from HomeServe on what they are actively doing. GM Underwood stated he would ask HomeServe to come and make a presentation to the September 14th Board Meeting.

Following, AGM Sonny Jones presented the Engineering and Maintenance Division report. AGM Sonny Jones provided updates for his division through June 2017. AGM Sonny Jones stated BWWB is on a track to spend \$54,606,011.00 of the \$61,196,973.00 budgeted for Capital Improvements. The Shades Mountain project started a little later than normal and therefore the numbers are down. Under Highlights, the Inland Marina is approximately 99% complete and the estimated completion date was in May. The Gardendale Tank has been under structural modifications and repainting and the total contractor cost was \$932,500.00. The Carson Loop 6C project includes 2,735 feet of 36" DICL pipe and the contractor is onsite. The estimated construction time is 4 months with a total CIP cost of \$1.39 million. The Shades Mountain Filter Plant Dredge Replacement is about to kick-off. It will include a new dredge and rail/cable system. The system removes settled sludge from the sedimentation basin. All equipment is onsite. The total CIP cost is \$675,000.00. Some discussion occurred surrounding the sludge having a market value. The Main Office HVAC Replacement is being handled in house and the total CIP cost is estimated at \$2.4 million. The Sipsey #3 Raw Water Tanks project bids were opened May 18, 2017 and the apparent low bidder was \$719,000.00. The estimated start date is July 1, 2017. Under System Development, the total feet of main replaced in 2017 so far is 24,359. Projects under construction total 21,857. Projects ready to be installed total 27,072. The HUB percentage from System Development for January 2016 through June 2017 was 42.15%. Leak orders completed total 463 for the month of June. The number of hydrants repaired or replaced was 65 and the average out of service time was 1 day. The number of valves exercised was 605 and the number of valves repaired or replaced was 26. Currently, overall outstanding leaks total 74 and the date of the oldest leak in the system was June 23, 2017.

Next, AGM Darryl Jones presented the Operations and Technical Services Division report. AGM Darryl Jones provided updates for his division through June 2017. Total Finished Water dropped from May to June because we started getting a lot more rain in June. Total YTD pumpage

through June 2017 was 18,122 million gallons. Monthly Raw Water pumpage YTD through June 2017 was 20,628 million gallons. We had 12 to 15 inches less rainfall than we did last year at this same time. Inland Lake is full. Lake Purdy is full and running over with a significant rain event yesterday and severe flooding in Vestavia as was reported on the news. We are matching up on pumpage compared to this time last year. Raw water sales are above sales last year at this time. We are basically trading water with US Steel and the making of steel on a major decline. On Power, we are about \$136,207.00 under budget for June 2017, making the YTD amount \$343,437.00 under budget. Chemical accounts are under budget by \$71,952.00 for June 2017, making the YTD amount \$76,157.00 under budget.

Following, GM Underwood asked if there was anything under new business. Director Alexander recognized Ken Delap who runs the boat launch at Lake Purdy adding that the Board does not have an active agreement with him. Some discussion occurred regarding bringing this item before the Engineering and Maintenance Committee.

Next, Director Munchus asked Chairwoman Lewis if she had heard anything from Michael Bell. Chairwoman Lewis stated she had not heard anything at all. Director Dickerson reminded the Board that they heard a presentation from the Atlanta firm, Cynthia Jones Parker, wondering where the Board was on that item. Chairwoman Lewis stated that is in Committee also. Director King stated he would not be available next Thursday for the Engineering and Maintenance Committee Meeting and asked if the meeting could be moved to Friday instead. The Committee agreed to reschedule the meeting to Friday, August 4th. Director Muhammad asked if the Board agendas could be completed 48 hours in advance. Chairwoman Lewis stated she would work with the General Manager and the Board's Assistant, Grace Amison on this. Director Munchus asked GM Underwood if Staff had finished vetting the proposal on the Finley Group. GM Underwood stated they had not completed the process adding that he would have a response to the Board before the next Board Meeting.

As there was no further business before the Board, a motion was duly made and seconded, and the meeting was adjourned at 10:15 a.m.

_____/s/
Sherry W. Lewis
Chairwoman/President

Attest:

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