

**MINUTES OF THE REGULAR MEETING OF DIRECTORS
OF THE WATER WORKS BOARD OF THE CITY OF BIRMINGHAM
June 16, 2017**

The regular meeting of the directors of The Water Works Board of the City of Birmingham was held on Friday, June 16, 2017 at 9:00 a.m., at 3600 First Avenue North, Birmingham, Alabama.

The following Directors were present: Tommy Joe Alexander, Brett A. King, William “Butch” Burbage, Jr., George Munchus, William R. Muhammad and Brenda J. Dickerson. Sherry W. Lewis, Ronald A. Mims and Deborah Clark were not in attendance.

Inasmuch as six 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; Tammy Wilson, Executive Assistant to Assistant General Managers, Sonny Jones and Darryl Jones; Grace Amison, Executive Assistant to the Board of Directors; Tim Garrett, Floyd Stephens, Scott Starkey, Rick Jackson, Michael Griffin and Barry Williams, Board Employees; Kelvin Howard, Kelvin Howard, LLC; Mark Parnell and Mary Thompson, Parnell Thompson, LLC; Dalton NeSmith, Carl Dalton NeSmith, Jr. LLC; Jesse Lewis, The Lewis Group; Theo Johnson, Volkert & Associates, Inc.; Jerry Jones and Brian Ruggs, ARCADIS; Chandra Abesingha, CE & Associates, Inc.; Rick Jones and Brad Stevens, Jones Utility Contracting; Dan Meadows, S. S. Nesbitt; Sarah Killom and John Thompson, WVTM; Teco Stephens, KenTec Services; Derrick Murphy, Gresham, Smith and Partners; Nelda Thompkins, BWWB retiree; LeDon Holloway, Agency 54; Lee Quinn, A. G. Gaston; Carlos Chaverst, Outcast Voters League; Brona DiSalva and Debra Taylor.

General Manager, Mac Underwood, called the meeting to order at 9:04 a.m. and welcomed the meeting body. Assistant General Manager, Darryl Jones opened the meeting with prayer.

Next, GM Underwood asked the Board to adopt resolutions authorizing monthly retirement benefits for Creola Lee, Administrative Assistant II in the Executive Department, for 8 years and 8 months of service, as stated on the calculation, effective July 1, 2017 and commending Ms. Lee for her years of service, as set forth in agenda item 1.1. On a motion duly made and seconded, the following resolution was adopted:

“WHEREAS, Creola Lee, an employee of The Water Works Board of the City of Birmingham, is retiring, effective July 1, 2017, after 8 years and 8 months of service with the Board; and

WHEREAS, management has informed the Board of Creola Lee’s efficiency, reliability, and loyal service which contributed to the effective operation and growth of The Water Works Board of the City of Birmingham; and

WHEREAS, Creola Lee, leaves behind a record which deserves a sincere word of gratitude for a job well done; and the Board does hereby express its best wishes for many happy years ahead.

NOW, THEREFORE, BE IT RESOLVED, By the Board of Directors of the Water Works Board of the City of Birmingham, Creola Lee is hereby commended for her efficiency, reliability, and loyal service to the Board.

BE IT FURTHER RESOLVED, that in recognition of Creola Lee's services to the Board, a copy of this resolution be spread upon the minutes of The Water Works Board of the City of Birmingham and an official resolution presented to Ms. Lee.

Resolution No. 7493 is hereby adopted by unanimous vote."

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"WHEREAS, Creola Lee, an employee of The Water Works Board of the City of Birmingham ("the Board"), is retiring, effective July 1, 2017, at an age of 65; and

WHEREAS, Creola Lee has 8 years and 8 months of continuous service with the Board at her retirement date, and, in accordance with the terms of the Trusteed Pension Plan, Ms. Lee is entitled to receive a monthly Retirement payment from the Board's Retirement Trust Fund in the amount of \$737.46; and

NOW, THEREFORE, BE IT RESOLVED By the Board of Directors of The Water Works Board of the City of Birmingham, on motion duly made by Dr. George Munchus and seconded by Dr. Brenda J. Dickerson, that the Trustee be, and is hereby instructed to pay monthly benefit payments of \$737.46 to Ms. Lee, beginning July 1, 2017, from the Board's Retirement Trust Fund, in accordance with the terms of the Pension Plan.

Resolution No. 7494 is hereby adopted by unanimous vote."

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Following, GM Underwood asked the Board to adopt resolutions authorizing monthly retirement benefits for Sharon Poston, Backflow Specialist in the System Development Department, for 25 years of service, as stated on the calculation, effective July 1, 2017 and commending Mrs. Poston for her years of service, as set forth in agenda item 1.2. On a motion duly made and seconded, the following resolution was adopted:

"WHEREAS, Sharon Poston, an employee of The Water Works Board of the City of Birmingham, is retiring, effective July 1, 2017, after 25 years of service with the Board; and

WHEREAS, management has informed the Board of Sharon Poston's efficiency, reliability, and loyal service which contributed to the effective operation and growth of The Water Works Board of the City of Birmingham; and

WHEREAS, Sharon Poston, leaves behind a record which deserves a sincere word of gratitude for a job well done; and the Board does hereby express its best wishes for many happy years ahead.

NOW, THEREFORE, BE IT RESOLVED, By the Board of Directors of the Water Works Board of the City of Birmingham, Sharon Poston is hereby commended for her efficiency, reliability, and loyal service to the Board.

BE IT FURTHER RESOLVED, that in recognition of Sharon Poston's services to the Board, a copy of this resolution be spread upon the minutes of The Water Works Board of the City of Birmingham and an official resolution presented to Mrs. Poston.

Resolution No. 7495 is hereby adopted by unanimous vote."

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"WHEREAS, Sharon Poston, an employee of The Water Works Board of the City of Birmingham ("the Board"), is retiring, effective July 1, 2017, at an age of 62; and

WHEREAS, Sharon Poston has 25 years of continuous service with the Board at her retirement date, and, in accordance with the terms of the Trusteed Pension Plan, Mrs. Poston is entitled to receive a monthly Retirement payment from the Board's Retirement Trust Fund in the amount of \$2,484.29; and

NOW, THEREFORE, BE IT RESOLVED By the Board of Directors of The Water Works Board of the City of Birmingham, on motion duly made by Dr. George Munchus and seconded by Dr. Brenda J. Dickerson, that the Trustee be, and is hereby instructed to pay monthly benefit payments of \$2,484.29 to Mrs. Poston, beginning July 1, 2017, from the Board's Retirement Trust Fund, in accordance with the terms of the Pension Plan.

Resolution No. 7496 is hereby adopted by unanimous vote."

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Next, GM Underwood asked the Board to adopt resolutions authorizing monthly retirement benefits for Russell Thomas, Field Supervisor in the Distribution Department, for 31 years of service, as stated on the calculation, effective July 1, 2017 and commending Mr. Thomas for his years of service, as set forth in agenda item 1.3. On a motion duly made and seconded, the following resolution was adopted:

"WHEREAS, Russell Thomas, an employee of The Water Works Board of the City of Birmingham, is retiring, effective July 1, 2017, after 31 years of service with the Board; and

WHEREAS, management has informed the Board of Russell Thomas' efficiency, reliability, and loyal service which contributed to the effective operation and growth of The Water Works Board of the City of Birmingham; and

WHEREAS, Russell Thomas, leaves behind a record which deserves a sincere word of gratitude for a job well done; and the Board does hereby express its best wishes for many happy years ahead.

NOW, THEREFORE, BE IT RESOLVED, By the Board of Directors of the Water Works Board of the City of Birmingham, Russell Thomas is hereby commended for his efficiency, reliability, and loyal service to the Board.

BE IT FURTHER RESOLVED, that in recognition of Russell Thomas' services to the Board, a copy of this resolution be spread upon the minutes of The Water Works Board of the City of Birmingham and an official resolution presented to Mr. Thomas.

Resolution No. 7497 is hereby adopted by unanimous vote.”

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“WHEREAS Russell Thomas, an employee of The Water Works Board of the City of Birmingham ("the Board"), is retiring, effective July 1, 2017, at an age of 57; and

WHEREAS, Russell Thomas has 31 years of continuous service with the Board at his retirement date, and, in accordance with the terms of the Trusteed Pension Plan, Mr. Thomas is entitled to receive a monthly Retirement payment from the Board's Retirement Trust Fund in the amount of \$4,138.27; and

NOW, THEREFORE, BE IT RESOLVED By the Board of Directors of The Water Works Board of the City of Birmingham, on motion duly made by Dr. George Munchus and seconded by Dr. Brenda J. Dickerson, that the Trustee be, and is hereby instructed to pay monthly benefit payments of \$4,138.27 to Mr. Thomas, beginning July 1, 2017, from the Board's Retirement Trust Fund, in accordance with the terms of the Pension Plan.

Resolution No. 7498 is hereby adopted by unanimous vote.”

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Following, GM Underwood asked the Board to approve Director King's mileage expense reimbursement for May 2017 in the amount of \$99.51, adding that a roll call vote was required. 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. William R. Muhammad and seconded by Mr. George Munchus, that the following board member(s) be reimbursed for his mileage expense reimbursements as follows:

- Brett King for mileage expense reimbursement for May 2017 in the amount of \$99.51 (as shown on the attached Expense Report).

Resolution No. 7499 is hereby adopted, by a roll call vote: Chairwoman Lewis, Absent; Director Alexander, Aye; Director Clark, Absent; Director Burbage, Aye; Director Munchus, Aye; Director Muhammad, Aye; Director Mims, Absent; Director Dickerson, No; and Director King, Abstained.”

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Next, GM Underwood asked the Board to approve payments of invoices, as set forth in agenda items 3.1 through 3.9. GM Underwood indicated management has reviewed the referenced invoices and recommends them for approval. Director Munchus stated he believed Director Dickerson would like the invoices to be voted on separately. Some discussion occurred regarding item 3.1, the Carl Dalton NeSmith retainer fee for June 2017. Director King recognized Mr. NeSmith as a guest explaining he does work for the Board in Blount County, adding he does a good job and that he has known Mr. NeSmith for a long time. Mr. NeSmith stated that he has been representing the Board since the early nineties. GM Underwood commented that the Board owns a lot of property around Inland Lake and also a 60” water main that runs from Inland Lake into Birmingham. Director Munchus asked about the Dollar General case that Mr. NeSmith has been working on. Mr. NeSmith stated the Dollar General case was stopped and they paid to protect the line in accordance with the Board’s engineering standards. 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 A. King, that the Board hereby authorizes staff to execute payment to the following:

3.1 <u>Carl Dalton NeSmith</u>	
For Retainer fee for June 2017	\$ <u>500.00</u>

Resolution No. 7500 is hereby adopted by unanimous vote.”

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Following, GM Underwood asked the Board to approve item 3.2, an invoice for professional services rendered for June 2017 from Birmingham Construction Industry Authority, Inc. (BCIA). Director Dickerson asked what BCIA does exactly. GM Underwood explained that BCIA takes BWB bids and tries to get minority participation. Director Dickerson asked how many bids BCIA worked on this month. Assistant General Manager, Sonny Jones

responded about 2 or 3 this month. Director Dickerson asked if BCIA could supply a monthly report. GM Underwood stated he would ask BCIA to provide a detailed report each month. Director Muhammad said the invoice in Diligent listed no specific services performed on it, just an amount. Director Dickerson requested more detail on future BCIA invoices. GM Underwood stated Staff would provide a detailed recap from BCIA to the Board. 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 A. King, that the Board hereby authorizes staff to execute payment to the following:

3.2 Birmingham Construction Industry Authority, Inc.
For professional services rendered for June 2017 \$ 2,000.00

Resolution No. 7501 is hereby adopted by Directors Alexander, Burbage, Dickerson, King and Munchus. Director Muhammad abstained.”

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Next, GM Underwood asked the Board to approve item 3.3, an invoice for professional services rendered for May 2017 from Dominick Feld Hyde, P. C. Director King asked the Board attorneys what this group provides. Attorney Parnell stated they work on the BWWB Pension Plan and related matters. 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 Ms. Brenda J. Dickerson, that the Board hereby authorizes staff to execute payment to the following:

3.3 Dominick Feld Hyde, P.C.
For professional services rendered for May 2017 \$ 4,593.60

Resolution No. 7502 is hereby adopted by unanimous vote.”

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Following, GM Underwood asked the Board to approve item 3.4, an invoice for professional services rendered for May 2017 from Terminus Municipal Advisors, LLC. 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 execute payment to the following:

3.4 Terminus Municipal Advisors, LLC
For professional services rendered for May 2017 \$ 6,500.00

Resolution No. 7503 is hereby adopted by unanimous vote.”

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Next, GM Underwood asked the Board to approve item 3.5, an invoice for professional services rendered through May 1, 2017 from Ragsdale, LLC. Some discussion occurred regarding a cap on the original contract. GM Underwood stated there was no cap on the original Ragsdale, LLC contract. Attorney Parnell clarified that there is an original contract Mr. Ragsdale is working under, and he is working toward filing that suit so he is still billing under that original contract. Director Muhammad stated he thought the Board always puts a cap on attorney contracts. GM Underwood added that Mr. Ragsdale was hired on an hourly basis to handle a specific lawsuit because he had expertise in a certain area. GM Underwood also stated that Mr. Ragsdale discussed this case in detail with the Board. Mr. Ragsdale will be under the new contract once a preliminary payout is received. There are some other parties that are participating with us on this case GM Underwood stated. GM Underwood stated a lot of this is confidential and we can only go into so much detail in public. Director King asked for a little more detail on the invoice to be provided to the Board. A motion was duly made and seconded and a substitute motion was duly made and seconded, the following item was tabled:

“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 tables the following:

3.5 Ragsdale, LLC

For professional services rendered through May 1, 2017 \$ 13,865.00

Resolution No. 7504 is hereby adopted by Directors King, Burbage, Muhammad, Munchus and Dickerson. Director Alexander abstained.”

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Following, GM Underwood asked the Board to approve item 3.6, an invoice for professional services rendered for May 2017 from Raftelis Financial Consultants, Inc. 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 A. King, that the Board hereby authorizes staff to execute payment to the following:

3.6 Raftelis Financial Consultants, Inc.

For professional services rendered for May 2017 \$ 16,221.38

Resolution No. 7505 is hereby adopted by unanimous vote.

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Next, Directors Muhammad and Dickerson stated the Raftelis Financial Consultants, Inc. invoice indicated they were working on a sewer issue. GM Underwood stated that was because Peiffer Brandt was doing some work on the joint billing service for the Board. Some discussion occurred regarding the negotiations between Jefferson County and the Board. GM Underwood stated Staff would meet with Jefferson County again when the cost study is complete. Director Muhammad asked Staff to please let the law be the template for the collection fees and not to go with a 1940's agreement that is outdated. Director Dickerson commented that going forward Raftelis Financial Consultants, Inc. stated that they will identify everything under their miscellaneous line item for transparency purposes and she believes that is a good thing, adding that other vendors should be doing the same. Director Muhammad stated he attended his first ACE conference this year and he attended a workshop where a study was done on moderate sized cities and how they are dealing with their water and sewer infrastructure. Director Muhammad stated he addressed the workshop regarding the Jefferson County Sewer bankruptcy and national experts in the group could not tell him how this made sense.

Following, GM Underwood asked the Board to approve item 3.7, an invoice for professional services rendered for May 2017 from Volkert, Inc. 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 execute payment to the following:

3.7 Volkert, Inc.

For professional services rendered for May 2017 \$ 18,557.19

Resolution No. 7506 is hereby adopted by unanimous vote.”

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Next, regarding the Volkert, Inc. invoice, Director Dickerson asked who the sub-consultants were, what work they performed and if there were any minorities. Theo Johnson, with Volkert, Inc. stated that Chris Woods performed inspection services on a previous phase of Carson Loop. Director Dickerson asked for what period did Chris Woods receive \$140,000.00. Theo Johnson explained that the project covered June 2016 through December 2016. The initial contract amount was \$120,000.00 and the project was extended an additional 2 months at a cost of \$20,000.00 per month. Director Dickerson asked if any subconsultants were currently doing work. Not for the current month. Bhate Geosciences Corporation is performing some geotechnical work on the bridge that we are currently working on Theo Johnson stated. Director Dickerson asked what direct expenses are, even though there are none this month; yet the YTD is \$20,000.00. They dealt with the last Carson Loop project according to Theo Johnson. It was then explained by Theo Johnson that there were 2 additional months on Chris Woods' contract which falls under direct expense, making their contract amount an additional \$40,000.00. There was some debate on whether this was a Board expense or a Volkert, Inc. expense and it was split

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Following, GM Underwood asked if there was any new business. Director King asked for an update on delinquent accounts. GM Underwood stated as of May 26th, there were approximately 23,817 delinquent accounts, then as of June 14th there were 10,336 delinquent accounts. We have turned off approximately 550 people so far, GM Underwood stated. About 90% of customers who were cut off came in within 24 hours to re-establish their service. Some discussion occurred regarding re-connection fees. It was explained by GM Underwood that Customer Service will work with customers if they call in and make payment arrangements. Starting April 20th, the Board began talking about shutting off accounts, which was a 45-day notice according to GM Underwood. Some discussion occurred regarding the re-connection and deposit fees. GM Underwood stated the re-connection fee is \$57.00 and the deposit is \$60.00 for water and \$60.00 for sewer. Director Muhammad asked if BWWB is accepting any responsibility in this. GM Underwood stated in April BWWB began communicating with customers saying we would begin shutting off accounts. Many called in and made payment arrangements. Of the customers that were turned off, Director King asked GM Underwood to get the numbers on how many were back in service now. Some discussion occurred regarding the sewer charges being much higher than the water charges and them not being separated.

Next, GM Underwood asked Rick Jackson to present a brief video from the AWWA Conference. From the conference, GM Underwood updated the Board on The Partnership for Safe Water. A handout was provided to the Board (a copy is on file with the Board meeting book). Western Filter Plant was recognized for the 10-Year Phase III Director's Award and Shades Mountain Filter Plant was recognized for the 2017 Director's Award this year in Philadelphia AGM Darryl Jones stated. Utilities complete a comprehensive self-assessment of treatment plant operations, develop an action plan and submit a completion report reviewed by industry experts to become eligible for the Director's Award. GM Underwood stated the BWWB Tops Ops Team finished in 2nd place and the Tapping Team finished in 3rd place.

Following, Carlos Chaverst stated that The Outcast Voters League has a Class Action lawsuit filed against the BWWB. Mr. Chaverst explained that the BWWB does not understand poor people. Mr. Chaverst stated GM Underwood is not competent enough to run the BWWB and he was escorted out by law enforcement when he left as an employee of the City of Birmingham. Mr. Chaverst implored the Board to think about the poor people in Birmingham. Director Alexander stated he did grow up poor and he is concerned about the poor. Director Munchus mentioned the H2O Foundation as a source of assistance. Director Alexander stated the BWWB is a business and it should be run like a business. Director Dickerson suggested customers could possibly keep only their water on, adding the sewer is the problem. Some discussion occurred regarding the poverty rate of 34% in Birmingham.

Next, Darryl Jones asked the Board members to take a binder on the security guard contract before they leave and it will be discussed at a later meeting. Director Alexander stated he has never seen any incompetence from GM Underwood and he appreciates his work.

As there was no further business before the Board, a motion was duly made and seconded, and the meeting was adjourned at 10:21 a.m.

/s/
Tommy Joe Alexander
First Vice-Chairman
First Vice President

Attest:

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