

**MINUTES OF THE REGULAR MEETING OF DIRECTORS  
OF THE WATER WORKS BOARD OF THE CITY OF BIRMINGHAM  
April 13, 2015**

The regular meeting of the directors of The Water Works Board of the City of Birmingham was held on Monday, April 13, 2015 at 9:00 a.m., at 3600 First Avenue North, Birmingham, Alabama.

The following Directors were present: A. Jackie Robinson, III, Sherry W. Lewis, Ann D. Florie, George Munchus and Kevin B. McKie.

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

The meeting was also attended by: Sonny Jones, Darryl Jones and Michael Johnson, Assistant General Managers; Tammy Wilson, Administrative Assistant to Assistant General Managers, Sonny Jones and Darryl Jones; Rick Jackson, George Anderson, John Reymann, Stephen Franks and Iris Fisher, Board Employees; K. Mark Parnell, Mary Thompson, Charlie Waldrep and Kelvin Howard, Waldrep, Stewart & Kendrick, LLC; Dan Meadows, S.S. Nesbitt & Company, Inc.; Jesse Lewis and Dorian Kendrick, The Lewis Group; Theo Johnson, Volkert & Associates, Inc.; Brian Ruggs, ARCADIS; Chandra Abesingha and Dennis Gray, C. E. & Associates, Inc.; Matthew Arrington, Terminus Securities; Matt Adams and Larry Ward, Raymond James.

Assistant General Manager of Finance and Administration, Michael Johnson, called the meeting to order at 9:05 a.m. and welcomed the meeting body in the absence of General Manager, Mac Underwood, who was absent due to a death in his family. Darryl Jones, Assistant General Manager of Operations and Technical Services, opened the meeting with prayer.

There was no discussion under old business.

Following, Michael Johnson asked the Board to approve retirements, as set forth in agenda item 2. Michael Johnson indicated Staff recommends the retirements for approval. On a motion duly made and seconded, the following resolutions were adopted:

“WHEREAS, Oliver “Ray” Hitt, an employee of The Water Works Board of the City of Birmingham ("the Board"), is retiring, effective April 1, 2015, at an age of 52; and

WHEREAS, Oliver “Ray” Hitt has 26 years of continuous service with the Board at his retirement date, and, in accordance with the terms of the Trusteed Pension Plan, Mr. Hitt is entitled to receive a monthly Retirement payment from the Board’s Retirement Trust Fund in the amount of \$1,279.02; 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 Ms. Sherry W. Lewis and seconded by Mr. George Munchus, that the Trustee be, and is hereby instructed to pay monthly benefit payments of \$1,279.02 to Mr. Hitt, beginning April 1, 2015, plus a retro-active payment

of \$1,279.02 for the month of April 2015, from the Board's Retirement Trust Fund, in accordance with the terms of the Pension Plan. Resolution No. 6894 is hereby adopted by unanimous vote."

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"WHEREAS, Oliver "Ray" Hitt, an employee of The Water Works Board of the City of Birmingham, is retiring, effective April 1, 2015, after 26 years of service with the Board; and

WHEREAS, management has informed the Board of Oliver "Ray" Hitt'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, Oliver "Ray" Hitt, 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, that Oliver "Ray" Hitt, is hereby commended for his efficiency, reliability, and loyal service to the Board.

BE IT FURTHER RESOLVED, that in recognition of Oliver "Ray" Hitt'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 Oliver "Ray" Hitt. Resolution No. 6895 is hereby adopted by unanimous vote."

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"WHEREAS, Rickey Pike, an employee of The Water Works Board of the City of Birmingham ("the Board"), is retiring, effective May 1, 2015, at an age of 61; and

WHEREAS, Rickey Pike has 11 years and 5 months of continuous service with the Board at his retirement date, and in accordance with the terms of the Trusteed Pension Plan, is entitled to receive a monthly Retirement payment from the Board's Retirement Trust Fund in the amount of \$1,506.62; 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 Ms. Sherry W. Lewis and seconded by Mr. George Munchus, that the Trustee be, and is hereby instructed to pay monthly benefit payments of \$1,506.62 to Rickey Pike from the Board's Retirement Trust Fund, in accordance with the terms of the Pension Plan, with the first payment to be made May 1, 2015.

Resolution No. 6896 is hereby adopted by unanimous vote."

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“WHEREAS, Rickey Pike, an employee of The Water Works Board of the City of Birmingham, is retiring, effective May 1, 2015, after 11 years and 5 months of continuous service with the Board; and

WHEREAS, management has informed the Board of Rickey Pike’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, Rickey Pike, 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, that Rickey Pike is hereby commended for his efficiency, reliability, and loyal service to the Board.

BE IT FURTHER RESOLVED, that in recognition of Rickey Pike’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 a copy presented to Rickey Pike. Resolution No. 6897 is hereby adopted by unanimous vote.”

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Next, Michael Johnson asked the Board to approve payments of invoices, as set forth in agenda item 3. Michael Johnson indicated Staff has reviewed the referenced invoices and recommends them for approval. On a motion duly made and seconded, the following resolution was adopted:

“BE IT RESOLVED By The Water Works Board of the City of Birmingham (“the Board”), on a motion duly made by Ms. Sherry W. Lewis and seconded by Mr. Kevin B. McKie, that the Board hereby authorizes staff to execute payments to the following:

- 3.1 Carl Dalton NeSmith, LLC
  - 3.1.1 For retainer fee for April 2015 \$ 500.00
  - 3.1.2 For consulting services for March 10 – 12, 2015 \$ 2,600.00
  
- 3.2 White Arnold and Dowd, P.C.
  - For professional services for March 2015 \$ 5,000.00
  
- 3.3 Terminus Municipal Advisors, LLC
  - For professional services for March 2015 \$ 6,500.00
  
- 3.4 The Bloom Group
  - For professional services for April 2015 \$ 10,000.00
  
- 3.5 Fine Geddie & Associates, LLC

For professional services rendered for April 2015	<u>\$ 10,000.00</u>
3.6 <u>Volkert, Inc.</u>	
For professional services rendered for March 2015	<u>\$ 21,671.79</u>
3.7 <u>The Lewis Group</u>	
For professional services rendered for March 2015	<u>\$ 25,000.00</u>
3.8 <u>Raftelis Financial Consultants, Inc.</u>	
For professional services rendered for March 2015	<u>\$ 5,880.00</u>

Resolution No. 6898 is hereby adopted by unanimous vote.”

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Following, Michael Johnson asked the Board to authorize the General Manager and the Assistant General Manager of Finance and Administration to negotiate and present amended cash flows and any other calculations and information necessary to execute documents as may be needed to effect amendments or termination of certain investment agreements related to the refunding of its Water Revenue Refunding Bonds, Series 2015-A as set forth in agenda item 4. On a motion duly made and seconded, the following resolution was adopted:

“WHEREAS, The Water Works Board of the City of Birmingham (the “Board”) is in the process of issuing its Water Revenue Refunding Bonds, Series 2015-A Bonds and its Water Revenue Bonds, Series 2015-B (together, the “Series 2015 Bonds”) in order to refund certain outstanding debt of the Board (the “Refunded Securities”) and

WHEREAS, in connection with such refundings, it will be necessary for the Board to amend or terminate certain investment agreements currently in place with respect to the investment of funds of such Refunded Securities.

NOW, THEREFORE, BE IT RESOLVED on a motion duly made by Mr. George Munchus and seconded by Mr. Kevin B. McKie, as follows:

1. The officers of the Board are hereby authorized to execute and deliver any and all documents and amendments to documents with respect to the termination of any and all guaranteed investment contracts or forward delivery agreements pertaining to the Refunded Securities or, as applicable, their transfer to the Series 2015-A Bonds and the Series 2015-B Bonds, including without limitation (i) the Debt Service Forward Delivery Agreement dated as of May 1, 2006 among the Board, U. S. Bank, National Association, as successor to Wachovia Bank, National Association (the “Trustee”), and Wells Fargo Bank, National Association as successor to Wachovia Bank, National Association (the “Provider”) as amended by the First Amendment to the Debt Service Forward Delivery Agreement, and (ii) two (2) Investment Agreements each dated as of June 11, 2009 and each among U. S. Bank, National Association (the “Trustee”), the Board and Royal Bank of Canada Acting through a Branch Located at One Liberty Plaza, New York, New York. The General Manager of the Board and the Assistant

General Manager – Finance and Administration are hereby authorized to negotiate and present amended cash flows and any other calculations and information necessary and to execute documents as may be needed to effect such amendments or terminations. Resolution No. 6899 is hereby adopted by unanimous vote.”

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Next, Michael Johnson asked the Board to approve expenditures with Layne/Vertiline c/o Dowdy, a sole source provider, to repair a river pump located at Cahaba Pump Station at an out-of-pocket cost to the Board of \$164,270.00, as set forth in agenda item 5. Darryl Jones stated this pump, if approved, should be repaired and back in service by this summer. On a motion duly made and seconded, the following resolution was adopted:

“BE IT RESOLVED By The Water Works Board of the City of Birmingham (“the Board”), on a motion duly made by Mr. George Munchus and seconded by Mr. Kevin B. McKie, that the Board hereby approves expenditures with Layne/Vertiline c/o Dowdy & Associates, a sole source provider, to repair a Cahaba Pump Station river pump at a total out-of-pocket cost to the Board of \$164,270.00. Resolution No. 6900 is hereby adopted by unanimous vote.”

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Following, Michael Johnson asked the Board to accept a thirty (30) year franchise agreement with the City of Irondale (franchise period March 17, 2015 through March 17, 2045) as approved by the City of Irondale on Tuesday, March 17, 2015 and as set forth in agenda item 6. Director McKie asked if this contract was different than past franchise contracts with Irondale. Attorney, Mark Parnell stated this contract was 99% the same as past contracts with Irondale and that by law the franchise contracts require 30-year terms. On a motion duly made and seconded, the following resolution was adopted:

“BE IT RESOLVED By The Water Works Board of the City of Birmingham (“the Board”), on a motion duly made by Mr. George Munchus and seconded by Mr. Kevin B. McKie, that the Board hereby accepts a thirty (30) year franchise agreement with the City of Irondale (franchise period March 17, 2015 through March 17, 2045) as approved by the City of Irondale on Tuesday, March 17, 2015. Resolution No. 6901 is hereby adopted by unanimous vote.”

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Next, Michael Johnson asked the Board to award a bid to VeriStor systems, Inc., the lowest responsible and responsive bidder, for providing additional storage capacity for the Compellent Storage Systems (a primary unit and a separate backup unit) used to support computing for the server-based system and business applications, the company’s email and the company-wide on-line information storage, at an estimated out-of-pocket cost to the Board of \$70,452.00, as set forth in agenda item 7. There was only one bidder who responded. George Anderson, IT Manager stated the extra space is something the IT Department prefers to maintain. Director Florie asked if Staff was surprised that only one bid was received. George Anderson stated, yes he expected more bids; however he understood that Purchasing actually went out

twice asking for bids. On a motion duly made and seconded, the following resolution was adopted:

“BE IT RESOLVED By The Water Works Board of the City of Birmingham (“the Board”), on a motion duly made by Mr. George Munchus and seconded by Mr. Kevin B. McKie, that the Board hereby authorizes staff to award bid to VeriStor Systems, Inc., the lowest responsible and responsive bidder for providing additional storage capacity for the Compellent Storage Systems (a primary unit and a separate backup unit) used to support computing for the server-based system and business applications, the company’s email and the company-wide on-line information storage, at an estimated out-of-pocket cost to the Board of \$70,452.00.

Resolution No. 6902 is hereby adopted by unanimous vote.”

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Following, Michael Johnson announced that the bond pre-closing is today in the Engineering Conference Room adding that the final closing would take place tomorrow. Also, that a final report would be presented to the Board.

Next, Darryl Jones provided handouts (wherein copies are on file with the Board meeting book) of past Consumer Confidence Report (CCR) covers highlighting the progression over the years and the current draft of the 2015 CCR, highlighting some of our plants and operators this year. Darryl Jones pointed out page 13 of the draft CCR, explaining that the information contained within the 3 bullets on the right column were violations required by the Alabama Department of Environmental Management (ADEM) or the Environmental Protection Agency (EPA) to be disclosed to Birmingham Water Works Board (BWWB) customers. Staff elected to include these items in the 2015 CCR. June 10, 2015 is our deadline for the CCR to be mailed to customers. Darryl Jones requested the Board review and let him know if they had any concerns. Next year, Staff plans to highlight the Young Water Ambassadors, The Wonderful Works of Water and the H2O Foundation, which are community focused programs. Some discussion took place concerning the CCR being available in PDF form to all BWWB customers. Director Lewis complimented Staff on the CCR Report.

As there was no further business before the Board, a motion was duly made and seconded, and the meeting was adjourned at 9:22 a.m.

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/s/  
A. Jackie Robinson, III  
Chairman/President

Attest:

\_\_\_\_\_/s/  
George Munchus  
Secretary-Treasurer