

**MINUTES OF THE REGULAR MEETING OF DIRECTORS
OF THE WATER WORKS BOARD OF THE CITY OF BIRMINGHAM
August 12, 2015**

The regular meeting of the directors of The Water Works Board of the City of Birmingham was held on Wednesday, August 12, 2015 at 9:00 a.m., at 3600 First Avenue North, Birmingham, Alabama.

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

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; Tammy Wilson, Executive Assistant to Assistant General Managers, Sonny Jones and Darryl Jones; Grace Amison, Executive Assistant to the Board of Directors; Ben Sorrell, Perry Crabtree, Barry Williams and Iris Fisher, Board Employees; Kelvin Howard, Mark Parnell, Mary Thompson and Charlie Waldrep, Waldrep, Stewart & Kendrick, LLC; Dan Meadows, S.S. Nesbitt & Company, Inc.; Jesse Lewis and Brandon Wilson, The Lewis Group; Theo Johnson, Volkert & Associates, Inc.; Trisha Brown, ARCADIS; Chandra Abesingha, CE & Associates, Inc.; Jonice Vanterpool, Bretwood Capital.

Board Chairman, Ronald A. Mims, called the meeting to order at 9:00 a.m. and welcomed the meeting body. Barry Williams, Business Systems Manager, opened the meeting with prayer.

There was no discussion under old business.

Next, Mac Underwood asked the Board to adopt resolutions authorizing monthly retirement benefits for George Phillips, Superintendent of Transmission in the Distribution Department, for 30 years of service, as stated on the calculation, effective September 1, 2015 and commending Mr. Phillips for his years of service, as set forth in agenda item 2. On a motion duly made and seconded, the following resolution was adopted:

“WHEREAS, George Phillips, an employee of The Water Works Board of the City of Birmingham ("the Board"), is retiring, effective September 1, 2015, at an age of 53; and

WHEREAS, George Phillips has 30 years of continuous service with the Board at his retirement date, and, in accordance with the terms of the Trusteed Pension Plan, Mr. Phillips is entitled to receive a monthly Retirement payment from the Board's Retirement Trust Fund in the amount of \$5,234.97; 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 Mrs. Ann D. Florie and seconded by Mr. George Munchus, that the Trustee be, and is hereby instructed to pay monthly

benefit payments of \$5,234.97 to Mr. Phillips, beginning September 1, 2015, from the Board's Retirement Trust Fund, in accordance with the terms of the Pension Plan. Resolution No. 6964 is hereby adopted by unanimous vote."

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"WHEREAS, George Phillips, an employee of The Water Works Board of the City of Birmingham, is retiring, effective September 1, 2015, after 30 years of service with the Board; and

WHEREAS, management has informed the Board of George Phillips' 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, George Phillips, 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, George Phillips, is hereby commended for his efficiency, reliability, and loyal service to the Board.

BE IT FURTHER RESOLVED, that in recognition of George Phillips' 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. Phillips. Resolution No. 6965 is hereby adopted by unanimous vote."

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Following, Mac Underwood asked the Board to approve payments of invoices, as set forth in agenda items 3.1 through 3.8. Mac Underwood indicated management 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 Mr. George Munchus and seconded by Mr. Kevin B. McKie, that the Board hereby authorizes staff to execute payments to the following:

- 3.1 Volkert, Inc.
For professional services rendered for July 2015 \$ 3,740.00
- 3.2 White Arnold & Dowd, P. C.
For professional services rendered for July 2015 \$ 5,000.00
- 3.3 Raftelis Financial Consultants, Inc.
For professional services rendered for July 2015 \$ 5,668.61

3.4	<u>Terminus Municipal Advisors, LLC</u> For professional services rendered for July 2015	<u>\$ 6,500.00</u>
3.5	<u>Adams and Reese, LLP</u> For professional services rendered for August 2015	<u>\$ 7,500.00</u>
3.6	<u>The Bloom Group, Inc.</u> For professional services rendered for August 2015	<u>\$ 10,000.00</u>
3.7	<u>Fine Geddie & Associates, LLC</u> For professional services rendered for August 2015	<u>\$ 10,000.00</u>
3.8	<u>The Lewis Group</u> For professional services rendered for July 2015	<u>\$ 25,000.00</u>

Resolution No. 6966 is hereby adopted by unanimous vote.”

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Next, Mac Underwood requested the Board award a bid to Ferguson Waterworks, the lowest responsible and responsive bidder, for estimated quantities of meter boxes and lids, to replenish stock in the Warehouse, at an estimated out-of-pocket cost to the Board of \$150,412.00, as set forth in agenda item 4. This is an item whereby we only order what is needed for the year according to Mac Underwood. 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 Ferguson Waterworks, the lowest responsible and responsive bidder, for estimated quantities of meter boxes and lids, to replenish inventory in the Warehouse, at an estimated out-of-pocket cost to the Board of \$150,412.00.

Resolution No. 6967 is hereby adopted by unanimous vote.”

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Following, Mac Underwood requested the Board authorize the General Manager and/or the Assistant General Manager to terminate agreements with White Arnold and Dowd, P. C., The Bloom Group, Inc. and Adams and Reese, LLP lobbyist firms, as set forth in agenda items 5.1 through 5.3. Mac Underwood indicated there is a 30-day termination clause and the contracts will run through September 2015 if the item is approved today. Prior to moving the item for voting, Director Munchus stated he would like some discussion. A handout was provided to the Board (wherein a copy is on file with the Board meeting book) from a Birmingham City Council

Meeting dated Monday, August 10, 2015. Director Munchus stated the Cost Sharing agreement item between the City of Birmingham, Hoover, Irondale, Leeds, Mountain Brook, Vestavia, the Birmingham Water Works Board, Jefferson County and Shelby County is monumental in regards to the Grants Mill Road study. Having an interest in economic development, being a business professor, Director Munchus stated there were lobbyists who help on economic development and he would like to encourage Mac Underwood and the Board to consider keeping the lobbyist contracts until they run out. Director Munchus stated he would like to see this go before the Economic Development Committee for further discussion. Mac Underwood stated that both he and Charlie Waldrep attended a meeting at City Hall about a year ago. The study consists of the possibility of widening Grants Mill Road. Coming out of the meeting was that a Memorandum of Understanding (MOU) for all parties attending would be produced. Mac Underwood stated the Board owns a large amount of land under conservation easement in this area. Mac Underwood stated this was still up in the air as far as he knew concerning whether or not this project would impact Birmingham Water Works Board (BWVB) land. Charlie Waldrep stated in the meeting he and Mac Underwood attended, it was decided Hoover and Birmingham should take the lead on this. Birmingham's legal department cleared the MOU about 7 days ago according to Charlie Waldrep. Director Florie voiced concern over why this got ahead of the Board. The implication is that the Board has been involved and that is a false impression we are giving. Director Munchus stated Birmingham has been touted as a destination city. Private sector entities sometimes like to get ahead of government according to Director Munchus. Director Lewis stated the Board has had a discussion on Grants Mill Road and Councilor Kim Rafferty was present. Mac Underwood confirmed this but added no action has been taken by us. Some discussion took place concerning the Carson Loop project. Director McKie added he believed we may have answered our own question, that these lobbyists were not necessarily the best bang for our buck, in that there can be conflicts. Director Munchus stated he would like to see The Bloom Group stay with us because he believed they had expertise in economic development. Some of the development they can talk about and some of it they cannot. It is all very connected. Director McKie stated he would like to add one more thing, that further down the road, we can always re-hire a firm. At this point Director McKie stated he supported the general manager's request to terminate the current agreements on the aforementioned agenda. 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 the General Manager and/or the Assistant General Manager to terminate agreements with the following:

- 6.1 White Arnold and Dowd, P. C., dated December 23, 2014, effective August 12, 2015.

6.2 The Bloom Group, Inc., dated March 1, 2015, effective August 12, 2015.

6.3 Adams & Reese, LLP, dated April 20, 2015, effective August 12, 2015.

Resolution No. 6968 is hereby adopted by Directors Mims, McKie and Florie. Directors Munchus and Lewis abstained.”

Next, Mac Underwood requested the Board table the resolution regarding a uniform mileage reimbursement policy for an employee’s use of his or her personal vehicle while performing business on behalf of the Board, as set forth in agenda item 6. Director Munchus recommended taking the item to the Finance Committee. Director Munchus asked if there was a policy currently. Mac Underwood stated the policy was amended last Fall and Staff wants to get that out to the Board. Director McKie stated the policy needed to be amended to be uniform and that more would be discussed in the Finance Committee meeting. On a motion duly made and seconded the following item was tabled:

“WHEREAS, the Water Works Board of the City of Birmingham (“Board”) has reevaluated its current policy that provides monthly, flat-fee vehicle allowances for certain employees; and

WHEREAS, the Board has determined that a uniform policy applicable to all employees who drive their personal car while performing duties for the Board is fair and equitable; and

WHEREAS, the current IRS Standard Mileage Rate provides employees with adequate compensation for mileage and use of the employee’s vehicle; and

WHEREAS, the Board desires to provide a transition period through December 31, 2015 for employees to adjust to the practice of reimbursement based on mileage; and

WHEREAS, the Board has determined that the new policy shall take effect on January 1, 2016.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Water Works Board of the City of Birmingham the following:

1. Effective January 1, 2016, the Board will pay all employees, including all of its managers, the IRS Standard Mileage Rate for business miles driven in non-Board owned vehicles.

2. To the extent that this policy conflicts with any other existing Board policy, such prior conflicting provision(s) will be repealed.

Resolution No. 6969 was tabled by unanimous vote.”

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Following, Michael Johnson was recognized and he thanked the Board, Staff and employees for the cards, food and prayers following the passing of his sister. Michael Johnson stated his family dearly appreciated the thoughtfulness.

Next, as a brief history, Charlie Waldrep stated he began meeting in 2013 regarding the study of the Grants Mill Road project with Irondale, Shelby and Jefferson County. These were the only entities involved and the Birmingham Water Works was not even on the radar at this point. Private companies who had an interest were met with as well and as time went on it became apparent that this project had a real regional interest with great opportunities. Leeds, Irondale, Vestavia, Shelby County, Jefferson County, Birmingham and Hoover all have an interest and something to gain. So this is a work in progress and Charlie Waldrep apologized for not bringing the Board along on the progression of it. Charlie Waldrep also added that there is no obligation on the part of any of the entities to participate. Charlie Waldrep stated he was surprised to hear Monday night that this issue would be brought before the council. This is still a very fragile agreement Charlie Waldrep stated in his opinion. We have to be careful that we don't pre-suppose the outcome of this study, according to Charlie Waldrep. The Jefferson County Commission, the City of Irondale and the Church of the Highlands initially put up the money to widen the road.

Following, Charlie Waldrep provided a handout (wherein a copy is on file with the Board meeting book) titled “Clearly wonderful”. The article from The Week's, The last word, dated August 14, 2015 describes an annual water tasting contest. The contest will be held in Berkeley Springs, West Virginia and has a \$40.00 entry fee. Director Munchus stated he noticed the event mentioned in The Wall Street Journal as well. According to the article, this contest is considered the *Oscars of Water*. Mac Underwood stated Staff would take a look at this.

Next, Darryl Jones was recognized and announced that the Alabama Water and Pollution Control Association (AWPCA) held their annual conference last week in Huntsville, Alabama where our Western Filter Plant won the award for Best Operated Plant, our Carson Filter Plant won the Award of Excellence and the E & M Shop won the best operated distribution system Award of Excellence. We would like to recognize and commend the plants and personnel at the last meeting of the month, August 26, 2015, Darryl Jones stated. Director Florie asked who wrote the submissions for awards. In this particular case, Darryl Jones stated the inspectors

visited the various plants. A team of employees usually contributes to the process when an application is required. Mac Underwood added Patty Barron typically submits many of these.

Following, Director Lewis asked for clarification of what is considered a meeting. Attorney Mary Thompson replied if two people on a Committee are talking about business coming before the Committee it would be considered a meeting, moreover if it is a majority of a Committee or Board discussing business to come before the Board or Committee this is considered a meeting.

Next, Board attorney Mark Parnell asked the Board, Senior Management and Victoria Damsgard to enter into an Executive Session to discuss a controversy, not in litigation yet that could lead to litigation however. Mark Parnell expected the session to last about 30 minutes. If there is action to be taken, it can be taken by the General Manager. Director Lewis stated in the future when an Executive Session is known about in advance she would like to be notified. Attorney Mark Parnell stated an email was sent to the Board members last week regarding the planned session in a letter which was sent to the company involved in the controversy.

“BE IT RESOLVED By The Water Works Board of the City of Birmingham (“the Board”), on a motion duly made by Mr. Kevin B. McKie and seconded by Mrs. Ann Florie, that the Board hereby approves an Executive Session to discuss a matter that could lead to litigation.

Resolution No. 6970 is hereby adopted by Directors Mims, McKie, Florie and Munchus on August 12, 2015. Director Lewis voted no.”

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At 10:17 a.m. the Board Directors, Assistant General Managers, the Board’s attorneys and Victoria Damsgard entered into an Executive Session.

At 10:44 a.m. a motion was made and seconded to reopen the meeting.

As there was no further business before the Board, a motion was duly made and seconded, and the meeting was adjourned at 10:45 a.m.

/s/
Ronald A. Mims
Chairman/President

Attest:

_____/s/
George Munchus
Secretary-Treasurer