

**MINUTES OF THE REGULAR MEETING OF DIRECTORS
OF THE WATER WORKS BOARD OF THE CITY OF BIRMINGHAM
November 23, 2015**

The regular meeting of the directors of The Water Works Board of the City of Birmingham was held on Monday, November 23, 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; 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; Ben Sorrell, George Anderson, Iris Fisher, Floyd Stephens and Paul Lloyd, Board Employees; Kelvin Howard, Mary Thompson, and Charlie Waldrep, Waldrep, Stewart & Kendrick, LLC; Jesse Lewis and Dorian Kendrick, The Lewis Group; Theo Johnson and Kirk Mills, Volkert & Associates, Inc.; Brian Ruggs, ARCADIS; Chandra Abesingha, CE & Associates, Inc.; Courtney French and Ryan Wilson, Fuston, Petway and French, LLP; David Merrida, Birmingham Construction Industry Authority; Dan Meadows; S.S. Nesbitt & Company, Inc.; Ronald Thompson, STRADA; Tom Larkin, The Larkin Law Firm, P.C.; Rodney Givens, Jackson and Tull; Aisha Berlot, Syke Connect, Inc.; Robert Walker, David Russell, Kilman Kline, James King, Arthur Berry, Frances Pope, Virginia Rutledge Washington, W. A. Casey and Pat Bell, citizens.

General Manager, Mac Underwood, called the meeting to order at 9:03 a.m. and welcomed the meeting body. Assistant General Manager, Darryl Jones, opened the meeting with prayer.

Next, Mac Underwood asked the Board to adopt a resolution commending the Employees of the Month for November 2015, as set forth in agenda item 1.1. The EnviroLab staff in the Operations and Technical Services Division was commended. Staff includes; Reta Cotton, Derrick Felton, Roosevelt Banks, Jeff Walker, LaQuoyah McDaniel, Josh Keedy, Gage McPherson, Danny Gesualdo, Stacy Littleton, Ollie Kelly and Phyllis Clarke. Human Resources Manager, Paul Lloyd explained that the Birmingham Water Works (BWVB) has the largest municipal lab in the state. Assistant Manager, Drusilla Hudson nominated her staff for increasing their testing base of external customers and decreasing the turnaround time for their customers. In addition, ADEM recently conducted their audit passing all of the BWVB samples with an excellent outcome. The EnviroLab employees introduced themselves, giving their title and number of years of service with the BWVB. The meeting body applauded the employees for their hard work. A photograph was taken of the group with Chairman Mims, who congratulated the employees following the disbursement of checks. Director Munchus asked for

the names of some of the new clients. Drusilla Hudson responded all of BWWB’s consecutive systems; including Brookside West Jefferson and Pine Bluff. Also, U. A. B., the V. A. Hospital, the Town of Highland, U. S. Pipe, Southeastern, well water users and Guardian Systems are customers. Assistant General Manager, Darryl Jones added this is a quality group of people. 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. Kevin B. McKie and seconded by Mr. George Munchus, that the Board hereby recognizes and commends Reta Cotton, Derrick Felton, Roosevelt Banks, Jeff Walker, LaQuoyah McDaniel, Josh Keedy, Gage McPherson, Danny Gesualdo, Stacy Littleton, Ollie Kelly and Phyllis Clarke as the Operations and Technical Services Division’s Employees of the Month for November 2015, respectively, on having achieved outstanding job performance, attendance and work above expected levels;

RESOLVED FURTHER, that the Board and the General Manager are hereby authorized to sign a formal resolution, the wording of which will carry out the intent herein, and a copy of which will be presented to the employees named above. Resolution No. 7038 is hereby adopted by unanimous vote.”

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Following, Mac Underwood asked the Board to adopt a resolution commending the Employees of the Month for November 2015, as set forth in agenda item 1.2. Lorenzo D. Clay and Wendell Cox, both in the Operations and Technical Services Division were commended. Human Resources Manager, Paul Lloyd explained that Lorenzo Clay, Purification Special Projects Coordinator, received the American Water Works Association (AWWA) Alabama/Mississippi Section Young Professional of the Year Award at the annual section conference in Biloxi, Mississippi on October 12, 2015. This award is given for young professionals in the water industry under the age of 35 who have contributed in a positive way. Wendell Cox, Chief Operator at Shades Mountain Filter Plant, received the AWWA Alabama/Mississippi Section Operator of the Year Award at the annual section conference in Biloxi, Mississippi on October 12, 2015. Darryl Jones stated Shades Mountain is one of the top treatment plants in the state. Wendell Cox is retiring from Top Operators and is a 3-time national champion. Mr. Cox will help train the next generation of Top Operators. Wendell Cox was not present; however his manager, Floyd Stephens received the award on his behalf. Chairman Mims congratulated the employees for their awards and presented each with a check. Photographs were then taken. 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 Mrs. Ann D. Florie and seconded by Mr. George Munchus, that the Board hereby recognizes and commends Lorenzo D. Clay, Purification Special Projects Coordinator, for receiving the Young Professional of the Year Award for Alabama; and Wendell Cox, Chief Operator at Shades Mountain Filter Plant, for receiving the Operator of the Year Award for Alabama as presented at the American Water Works Association Alabama/Mississippi Section Conference in Biloxi, Mississippi on October 12, 2015 as the

Operations and Technical Services Division's Employees of the Month for November 2015, respectively, on having achieved outstanding job performance, attendance and work above expected levels;

RESOLVED FURTHER, that the Board and the General Manager are hereby authorized to sign a formal resolution, the wording of which will carry out the intent herein, and a copy of which will be presented to the employees named above. Resolution No. 7039 is hereby adopted by unanimous vote."

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Next, as set forth in agenda item 2, there was no discussion under old business.

Following, Mac Underwood asked the Board to approve minutes from an Informational Board of Directors' Meeting held, September 23, 2015, 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 ("the Board"), on a motion duly made by Mr. Kevin B. McKie and seconded by Mr. George Munchus, that the Board hereby approves minutes of the Informational Board of Directors' Meeting held on September 23, 2015. Resolution No. 7040 is hereby adopted by unanimous vote."

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Next, Mac Underwood asked the Board to approve payments of invoices, as set forth in agenda items 4.1 and 4.2. 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:

- 4.1 The Jones Group, LLC
For professional services rendered through November 2015 \$ 5,000.00
- 4.2 Waldrep Stewart & Kendrick, LLC
For professional services rendered through October 2015 \$ 93,197.26

Resolution No. 7041 is hereby adopted by unanimous vote on."

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Following, Mac Underwood requested the Board to award bids on the installation of Western Filter Plant Electrical Upgrades - Phase 2 Project; generator set installation and miscellaneous electrical upgrades to the 480 Volt system at an estimated out-of-pocket cost to

the Board of \$1,497,200.00, as set forth in agenda item 5.1; and the replacement of approximately 4,920' of 2" unlined cast iron pipe and 2" galvanized steel pipe and 5,405' of cast iron cement lined pipe with approximately 2,300' of 8" DICL pipe; 4,550' of 6" DICL pipe; 3,475' of 4" DICL pipe and related appurtenances; and 260 water services along Fulton Avenue SW; St. Charles Court SW; 18th Place SW; Princeton Court SW; Princeton Avenue SW; Lee Terrace SW; 20th Street SW; Lee Court SW; and 22nd Street SW located in the West End Community of the City of Birmingham, Alabama at an estimated out-of-pocket cost to the Board of \$2,250,000.00, as set forth in agenda item 5.2. Staff recommends approval of the two items Mac Underwood stated and they are both in the Capital Budget. Director Lewis voiced concern that these items had not been before an Engineering and Maintenance Committee. Sonny Jones stated we could put these through the Committee. Director Lewis stated she is on the Engineering and Maintenance Committee and she has noticed there have not been any since June or July. Sonny Jones stated he will work with the Board's executive assistant, Grace Amison, to get a meeting scheduled. Director Munchus asked if any of the money in item 5.2 is reimbursable. Mac Underwood responded this work is all work the Board needs to do and it is not reimbursable by anyone. Sonny Jones added the funding requirements have changed for principal forgiveness. Disadvantaged communities receive priority. Sonny Jones stated Staff continues to apply for these funds because in the past someone withdrew and we were next in line to qualify. Director Munchus asked Sonny Jones if he anticipated any problems with contractors as was experienced on the Ensley project in the recent past. Sonny Jones stated Staff would be on top of it and he did not anticipate any issues of that nature. Director Florie asked if either of the items were time sensitive. Sonny Jones stated Staff likes to move projects through the Capital Budget as quickly as we can when they are ready to go. Items 5.1 and 5.2 were tabled. The Committee agreed to move item 5.1 and 5.2 to an Engineering and Maintenance Committee meeting. On a motion duly made and seconded, the following resolution was tabled:

"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. George Munchus, that the Board hereby tables items 5.1 and 5.2 to take bids on the following:

5.1 For the installation of the Western Filter Plant Electrical Upgrades - Phase 2 project (Generator Set installation and miscellaneous electrical upgrades to the 480 Volt system) at an estimated out-of-pocket cost to the Board of \$1,497,200.00.

5.2 For the replacement of approximately 4,920' of 2" unlined cast iron pipe and 2" galvanized steel pipe and 5,405' of cast iron cement lined pipe with approximately 2,300' of 8" DICL pipe; 4,550' of 6" DICL pipe; 3,475' of 4" DICL pipe and related appurtenances; and 260 water services along Fulton Avenue SW; St. Charles Court SW; 18th Place SW; Princeton Court SW; Princeton Avenue SW; Lee Terrace SW; 20th Street SW; Lee Court SW; and 22nd Street SW located in the West End Community of

the City of Birmingham, Alabama at an estimated out-of-pocket cost to the Board of \$2,250,000.00.

Resolution No. 7042 is hereby tabled by unanimous vote.”

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Next, Mac Underwood requested the Board to authorize the General Manager and/or the Assistant General Manager to accept a Scope of Services Agreement from STRADA to prepare plans, specifications, bids and construction phase services for the relocation of a 20-inch pipeline along U.S. Highway 280 in the Colonnade Drive area located at I-459 and Blue Lake Drive intersection in the City of Birmingham, Alabama, relative to ALDOT Project No. ST-037-038-009 at an estimated cost of \$847,374.00. This project is 100% reimbursable by ALDOT at no out-of-pocket cost to the Board, as set forth in agenda item 6. Staff recommends approval of the item Mac Underwood stated. Director Lewis stated once again she would like this item to come before a Committee as this is the first time she is seeing it. Director McKie obliged adding he is on the Engineering and Maintenance Committee as well and that it is on the Committee members equally to set meetings. Director Lewis stated she has never called a meeting. She expected Staff to let the Directors know of any items that need to come before Committee. Sonny Jones stated item 6 has some sensitivity. Director McKie asked if the Engineering and Maintenance Committee could meet directly following the Executive Committee next Wednesday. The Committee agreed to move item 6 to an Engineering and Maintenance Committee meeting. On a motion duly made and seconded, the following resolution was tabled:

“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 tables the General Manager and/or the Assistant General Manager to accept a Scope of Services Agreement from STRADA to prepare plans, specifications, bids and construction phase services for the relocation of a 20-inch pipeline along U.S. Highway 280 in the Colonnade Drive area located at I-459 and Blue Lake Drive intersection in the City of Birmingham, Alabama, relative to ALDOT Project No. ST-037-038-009 at an estimated cost of \$847,374.00. This project is 100% reimbursable by ALDOT at no out-of-pocket cost to the Board. Resolution No. 7043 is hereby tabled by unanimous vote.”

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Following, Chairman Mims recognized several Birmingham citizens present who wanted an opportunity to speak. Robert Walker stated he was a BWWB customer and neighborhood officer. Mr. Walker stated he believed the 4.9% rate increase recently passed by the BWWB Board was unfair, adding there are customers with fixed incomes along with working class

customers who will be damaged by this increase. We have people in Birmingham coming out of the prison system trying to work by hand washing cars. Mr. Walker added the Birmingham Water Works is not good about hiring these people either. They are going to have to go up on their prices. There are issues with daycares as well in my community of Wahouma. Daycares will turn around and charge their customers more. Small restaurants and adult daycares will lose as well. I would ask that you reconsider the 4.96% rate increase. David Russell stated he did not want to speak about the rate increase; however he wanted to speak to the black folks in the room. Mr. Russell stated he moved to Birmingham in 1998 and prior to that he lived in Montgomery. Rosa Parks, Mr. Russell stated, was his god mother and E. D. Nixon trained him. While in Alabama, Mr. Russell stated he had participated in the march from Selma to Montgomery five times. While living in Montgomery, Mr. Russell stated he had registered over 60,000 new voters; therefore on the last presidential election the democrats won every seat in Jefferson County. All of this was done for the black folks, Mr. Russell stated. Mr. Russell said you all are treating us worse than the white folks treated us. Mr. Russell stated his family owned more than 200 acres in Sumter County and his family is not hurting for money. Mr. Russell stated he would like to see this Board allow contractors to work no more than 2 years. Also, Mr. Russell stated his wife was a past senator. The water rates have gone up more than 500% since the Water Works was taken from the city according to Mr. Russell. Mr. Russell stated he was headed back to Livingston, but his heart is heavy. Mr. Russell asked the Board to do something for his people. Gilbert Kline came before the Board stating he was pleading with the Board to rescind the rate increase on the paying customers. Mr. Kline stated through the years he has been an advocate and supporter of the BWWB, but after the actions in the Public Hearing last week he felt betrayed with the cutting of the children's program and the \$20,000.00 Board Retreat. As it stands, Mr. Kline stated he would do everything in his power to ban the BWWB because it is not good for the citizens of this city.

Next, Mac Underwood began to speak and was interrupted by another citizen. James King was recognized by Mr. Underwood to speak. James King stated there was a mode of suspicion among the general public. The Board tells people we are in a drought and they must save water then they penalize us for our efficiency. Then the BWWB says now that you cut your water usage we are going to raise your rates. Mr. King talked about minimum wage workers and how the BWWB falls under a cloud of suspicion. The BWWB consultants are paid huge salaries of \$93,000.00 per month. Mr. King stated customers have to pay half of their water bill or their water gets cut off. Mr. King asked the Board at the end of the day who they have really helped. There are a lot of people looking to change the structure of this Board and you cannot blame anyone but yourselves, Mr. King stated. Mr. King added he was giving a warning that the BWWB is doomed to fail. Mr. King addressed the Board of Directors saying whether you are Mrs. Rich over there from Mt. Brook or my brother down there from Pratt City you have to realize you have to tighten belts or you won't be around long.

Following, Mac Underwood stated he would like to make a few comments on the record. There has been talk about the Public Hearing not being noticed properly. The new law requires the BWWB to post public notices 30-days in advance of any public hearing. The Board Meeting and Public Hearing was held November 12, 2015, the public notice was given October 9, 2015. It was posted in the Main Building, the Customer Service Payment Center and the BWWB website. It was also published in the Birmingham News October 9, 12, November 9 and 12, 2015. A gentleman tried to interrupt the General Manager. The General Manager asked the gentleman to please let him finish stating he had commented earlier. The General Manager went on to say that the BWWB complied with the law concerning notifying the public in advance of the Public Hearing. This year we had more notice than we have had in previous years concerning the Public Hearing. Mac Underwood stated the Operating Budget included items that were increasing; including health insurance, license fees, power, labor, chemicals and transmission materials which came up to a 3.9% increase in our cost. The revenue reduction or consumption reduction is related to U. S Steel. U. S. Steel's revenue went down about \$2.6 MM. There has been talk about the Board Retreat. Mac Underwood stated this was not anything new. The Board had retreats in 2008, 2012 and 2013 and Board and Staff has participated except in unusual circumstances. The next retreat is scheduled for December 4, 2015. The upcoming retreat actually is more than one-day. The interviews with Board members, Staff and consultants have already begun. There is much preparation involved prior to December 4th.

Next, Director Lewis stated she has not ever been involved in a \$20,000.00 retreat, adding she has requested the cost of the previous retreats the Board has participated in. The retreat next month is basically a 4-hour retreat on the Southside and Director Lewis believed we could have done better than that, she stated. In regards to the Public Hearing, only one person showed up for it, so I knew something was wrong, Director Lewis stated. Still heavy on her heart, Director Lewis stated are the young people cut from the Young Ambassadors Summer Program. It was stated there is "fat" in the program and there were problems and issues. Director Lewis stated she has heard recently that this is a low income program and she has never heard of such. More than 400 children apply to this program every year. Director Lewis stated she has checked with other companies and they do have similar programs with fewer children; however they pay them more than we do. Twelve teachers are also given jobs and that has been cut, according to Director Lewis. She has heard employee's children are participating in the program and she sees nothing wrong with that, Director Lewis added. According to Director Lewis she has even recommended a child before. Director Lewis asked the Board to address the policy issue rather than cut the program. Director Lewis stated she did not understand how this could impact the budget. Director Lewis was hoping the Board could help even more children in the future by adding more positions. Someone told Director Lewis to keep in mind that we saved 50 children, but she stated she wants to save the 50 lost, like Jesus did. This hurts children and their families are ratepayers. Director Lewis pleaded with the Board to change their minds and their hearts on this issue. The issue will continue to be raised, Director Lewis stated. This is

what she considers the first layoff the BWWB has ever had, Director Lewis stated. Director Lewis asked the General Manager, Mac Underwood tell her what will change if we add these position back in. Mac Underwood stated the combination of power, chemicals and other places where cuts have been made would collectively move the budget back to a 6% increase rather than 4.9%. Director Munchus asked why we did not do anything on radio in relation to the Public Hearing. A citizen stood and stated he found out about it on an early morning talk show. Mac Underwood stated media advisories were sent and it is up to the radio stations whether they announce it or not. Jesse Lewis was recognized and stated he sent every radio station in Jefferson County the Public Service Announcement (PSA). Also, the Birmingham Times and the Birmingham News ran a PSA. Director Munchus asked should the Board have purchase time on these radio stations. Jesse Lewis responded it was not budgeted. Citizen James King stood and said he did not find out about it until he heard it on talk radio.

As there was no further business before the Board, a motion was duly made and seconded, and the meeting was adjourned at 9:54 a.m.

_____/s/_____
Ronald A. Mims
Chairman/President

Attest:

_____/s/_____
George Munchus
Secretary-Treasurer