

MINUTES OF THE REGULAR BI-MONTHLY MEETING OF DIRECTORS
OF THE WATER WORKS BOARD OF THE CITY OF BIRMINGHAM
MAY 11, 2017

The regular bi-monthly meeting of the directors of The Water Works Board of the City of Birmingham was held on Thursday, May 11, 2017, at 9:00 a.m., at 3600 First Avenue North, Birmingham, Alabama.

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

The meeting was also attended by: Mac Underwood, General Manager; Michael Johnson, T. M. "Sonny" Jones, and Darryl Jones, Assistant General Managers; Grace E. Amison, Executive Assistant to the Board of Directors; George Anderson, Jr., Paul Lloyd, Ben Sorrell, Rick Jackson, and Terrell Jones, Board Employees; K. Mark Parnell, and Mary Thompson, Parnell Thompson, LLC; Theo Johnson, Volkert, Inc.; Jerry Jones and Brian T. Ruggs, ARCADIS US, Inc.; Matthew Arrington, Terminus, Dorian Kendrick, Agency 54; Dan Meadows, S. S. Nesbitt & Co., Inc.; Mark Johnson, Creative Benefits; Chandra Abesingh, CE Associates, David Head, Utegration; Oliva Martin, Attorney General Office - State of Alabama; Frank Matthews, Iva Williams, III, and Carlos Chaverest, Outcast Voters League; Nelda Thompkins, a retiree.

As there was a quorum, the meeting was called to order at 9:00 a.m., and IT Manager George Anderson opened the meeting with prayer.

Next, the General Manager asked the Board to adopt resolutions authorizing retirement benefits from the Board's Retirement Trust Fund, as stated on the respective retirement calculations, effective June 1, 2017, and commending the respective employees for their years of services, as set forth in agenda items 1.1 and 1.2.

"WHEREAS, John Bond, an employee of The Water Works Board of the City of Birmingham ("the Board"), is retiring, effective June 1, 2017, at an age of 56; and

WHEREAS, John Bond 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. Bond is entitled to receive a monthly Retirement payment from the Board's Retirement Trust Fund in the amount of \$3,006.25; 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 Mr. George Munchus and seconded by Mr. Ronald A. Mims, that the Trustee be, and is hereby instructed to pay monthly benefit payments of \$3,006.25 to Mr. Bond, beginning June 1, 2017, from the Board's Retirement Trust Fund, in accordance with the terms of the Pension Plan.

Resolution No. 7466 is hereby adopted by unanimous vote."

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

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

BE IT FURTHER RESOLVED, that in recognition of John Bond'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 Mr. Bond.

Resolution No. 7467 is hereby adopted by unanimous vote."

"WHEREAS, Randolph Harmon, an employee of The Water Works Board of the City of Birmingham ("the Board"), is retiring, effective June 1, 2017, at an age of 61, and

WHEREAS, Randolph Harmon has 33 years and 1 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 \$7,244.04; 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 Mr. George Munchus and seconded by Mr. Ronald A. Mims, that the Trustee be, and is hereby instructed to pay monthly benefit payments of 7,244.04 to Mr. Harmon from the Board's Retirement Trust Fund, in accordance with the terms of the Pension Plan, with the first payment to be made June 1, 2017.

Resolution No. 7468 is hereby adopted by unanimous vote."

"WHEREAS, Randolph Harmon, an employee of The Water Works Board of the City of Birmingham, is retiring, effective June 1, 2017, after 33 years and 1 month of service with the Board; and

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

BE IT FURTHER RESOLVED, that in recognition of Randolph Harmon’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 Mr. Harmon.

Resolution No. 7469 is hereby adopted by unanimous vote.”

Next, the General Manager asked the Board to approve minutes of the Board of Directors’ Meetings, as set forth in agenda item 2. He indicated management recommends approval of said item. 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 approves minutes of the following meetings:

- Regular Board of Directors’ Meeting held December 15, 2016
- Regular Board of Directors’ Meeting held December 20, 2016

Resolution No. 7470 is hereby adopted by Directors Lewis, Alexander, Clark, Burbage, Mims, Munchus and Muhammad; Director Dickerson abstained from voting.”

Following, the Board was asked to approve mileage expense reimbursement for Director Brett A. King, as set forth in agenda item 3. A “roll call” vote of the directors was taken. The motion passed by a vote of 6 to 2, with Directors Mims and Dickerson voting against the motion. 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, that the following board member(s) be reimbursed for his mileage expense reimbursements as follows:

- Brett King for mileage expense reimbursement for April 2017 in the amount of \$132.68 (as itemized on the attached Mileage Log and Expense Reimbursement form).

Resolution No. 7471 is hereby adopted by a roll call vote: Director Lewis, yes; Director Alexander, yes; Director Clark, yes; Director Burbage, yes; Director Munchus, yes; Director Muhammad, yes; and Directors Mims and Dickerson, no.”

After adoption of the above resolution, Director Mims mentioned that the current travel policy does not cover the referenced reimbursement and he indicated that the current policy needs to be revised relative to said item. Director Dickerson indicated that she wanted to rescind her yes vote immediately. Attorney Parnell reminded the Board that the Travel Policy had been discussed at a previous Board Meeting, and indicated it had been explained that the current travel policy was adopted in the late 90’s because of some

other investigations. He pointed out the directors are not reimbursed for in-town travel and indicated it was stated at that meeting said policy needed to be revisited and amended. Attorney Parnell informed the directors that they are entitled to be reimbursed for their mileage. He pointed out that it would have to be approved in an open meeting by a roll call vote. In addition, Attorney Parnell pointed out when the directors vote on said item during a meeting, it overrides the existing policy and he added to have consistency said policy needs to be amended. The General Manager stated that staff would submit a revised policy to the Board at the next scheduled Board Meeting. Chairwoman Lewis asked to revisit the votes and Director Dickerson voted no. Chairwoman Lewis asked that the minutes reflect that Director Dickerson is voting no for said item. Following, Director Munchus asked Attorney Parnell if the Board could override a policy by voting based on his previous comments; Attorney Parnell pointed out that the Board votes to set the policy and it can vote to override such policy. Director Munchus stated for clarity if the Board has a current policy in existence, and if the Board wants to change it, the Board could vote to override such policy. The General Manager pointed out that the Board would want to amend such policy to prevent from overriding every policy. Chairwoman Lewis asked that the Travel Expense Reimbursement Policy be distributed to the directors this week so that they could review said policy. The Board agreed that said policy would need to be revisited prior to approval of any other travel reimbursements. After discussion, the Board agreed to refer said policy to the next scheduled Human Resources Committee to review.

Next, the General Manager asked the Board to approve payments of invoices, as set forth in items 4.1 through 4.6 and indicated management recommends approval of the referenced items. After a motion was made and seconded, Director Dickerson called attention to the directors an article that was published on AL.com on May 10, 2017, relative to "Probe of Birmingham Corruption, BWWB Gets New Life". Director Dickerson expressed her concern about voting as a block and she indicated, in her opinion, that the Board should vote separately on each invoice, stating she does not want to be caught up in any corruption. Chairwoman Lewis indicated that the directors could vote separately on each invoice. After discussion, Chairwoman Lewis called for a vote on item 4.1, as set forth in 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. William R. Muhammad, that the Board hereby authorizes staff to execute payments to the following:

4.1	<u>Carl Dalton NeSmith, Jr., LLC</u>	
	For retainer fee for May 2017	<u>\$ 500.00</u>

Resolution No. 7472 is hereby adopted by unanimous vote."

Next, the Board was asked to approve item 4.2, as set forth in the agenda. After the motion was made and seconded, Director Muhammad inquired about the status of BCIA updating the Board's HUB Policy. Chairwoman Lewis indicated that Mr. David Merrida of BCIA stated that they are working on said policy. Chairwoman Lewis stated that she would make a follow up call today to BCIA to find out the status of said update. Following, Director Clark asked about the status of inviting consultants to Board Meeting to provide an overview of their respective invoices. As Attorney Dalton NeSmith was not present, the General Manager gave an update on Attorney NeSmith's invoice wherein said attorney is located in Blount County and handles cases relative to said area (Inland Lake). He pointed out Attorney Nesmith is handling the Brian Levin case which includes actual expenses of any court cases plus his monthly retainer of \$500.00 per month. Attorney Parnell pointed out that he charges against the retainer fee and indicated he bills for any amount exceeds said retainer. A discussion ensued relative to costs that had exceeded said monthly retainer. The General Manager reminded the directors that in January 2017 he gave an explanation

Next, the Board was asked to approve item 4.6, as set forth in agenda. After the motion was duly made and seconded, Director Dickerson inquired what is the total amount that has been paid to ARCADIS for SAP. Mr. Jerry Jones of ARCADIS indicated he did not have the exact amount and stated he would send her the amount. In addition, Director Dickerson inquired as to what point ARCADIS' work is complete and Mr. Jones replied when the Board and staff says the work is complete. A discussion ensued relative to the role of Mr. Barry Williams, and Mr. Jones indicated Mr. Williams' role is a functional expert of SAP. A discussion ensued regarding project 3.14 (GIS Project) relative to SAP integration referenced on ARCADIS's summary invoice. In response to Director Dickerson's inquiry as to whether all of SAP would be in-house, the General Manager stated that staff is working toward 80% of SAP being in-house and indicated part of SAP would always be outside and stated that percentage would be developed over a period of time. Mr. Jones distributed a handout wherein he explained that ARCADIS serves at the pleasure of the Board as an independent advocate relative to checks and balances. Director Muhammad asked Assistant General Manager Michael Johnson whether the Board is bound by its bond indenture relative to rate increases as to its independent engineer, and Mr. Johnson indicated the Board is bound by its indentures. A discussion ensued relative to SAP being in-house in comparison to cost. After discussion, Chairwoman Lewis entertained a vote. 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. Tommy Joe Alexander, that the Board hereby authorizes staff to execute payments to the following:

4.6	<u>ARCADIS U.S., Inc.</u>	
	For professional services rendered per February 2017's Progress Report (February 2017)	<u>\$ 288,319.71</u>

Resolution No. 7477 is hereby adopted by unanimous vote.”

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Following, the Board was asked to take bids for replacement of pipelines, as set forth in item 5, and the General Manager indicated management recommends approval of the referenced item. After the motion was duly made and seconded, a discussion ensued relative to the lead pipe issue, seeking some assistance from the federal government regarding cleaning up old lead pipes, and the lack of support at the state level relative to said matter. Director Muhammad inquired as to whether it is the usual process to request the Board to take bids. The General Manager indicated on most of the pipeline projects staff requests to take bids to advise the Board and the City of Birmingham of upcoming pipeline projects. After discussion, Chairwoman Lewis called for the vote. 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. Tommy Joe Alexander, that the Board hereby authorizes staff to take bids for replacement of approximately 1,040 feet of 2-inch galvanized steel pipe and 2-inch unlined cast iron pipe, 160 feet of 6-inch unlined cast iron pipe and 1,200 feet of 8-inch unlined cast iron pipe with approximately 180 feet of 6-inch DICL pipe; 2,350 feet of 8-inch DICL pipe and related appurtenances; and 10 water services along 24th Street North, 13th Avenue North, and 12th Avenue North located in the City of Birmingham, Alabama, at an estimated out-of-pocket cost to the Board of \$531,300.00. Resolution No. 7478 is hereby adopted by unanimous vote.”

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Next, the General Manager asked the Board to award bids, as set forth in items 6.1 and 6.2, and he reviewed and discussed said items. Subsequently, the General Manager indicated management recommends approval of the referenced items. After a motion was duly made and seconded, a discussion ensued relative to the minority five percentage of delivery and the deceptive appearance that it represents the total costs of item 6.1. Assistant General Manager Sonny Jones reviewed the detailed cost analysis of pipeline relative to water board labor and materials in item 6.2. Directors Munchus and Burbage exchanged dialogue on the \$200,000.00 cost difference between the first two bidders in item 6.2 wherein Director Burbage pointed out the cost difference of the bidders is the excavation wherein the lowest bidder is discounting their labor to lay the pipe. Director Munchus commended staff for reaching out to said company and indicated it is good to see women-owned businesses awarded a bid. A discussion ensued on Southern Directional's certification and whether BCIA has vetted said company. Assistant General Manager Sonny Jones indicated that BCIA has reviewed said item and stated he has not received any feedback from BCIA relative to said company. After discussion, it was requested to vote separately on each. Subsequently, a roll call vote was taken for item 6.1, and the motion failed to award bid to Wade, Sand and Gravel, with a vote of 5 to 3, with Directors Clark, Mims, Munchus, Muhammad and Dickerson voting against the motion and Directors Lewis, Alexander and Burbage voting for 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”), on a motion duly made by Mr. Tommy Joe Alexander and seconded by Mr. William “Butch” Burbage, Jr., that the motion failed to award bid to Wade, Sand and Gravel, for estimated annual quantities of crushed limestone - backfill materials at an estimated out-of-pocket cost to the Board of \$577,818.00. [NOTE: Minority Vendor Status: Wade, Sand and Gravel outsource 90% of delivery of said item, of said percentage 5% is delivered by minority vendors; and BWB picks up about 10% of said item, when needed] Resolution No. 7479 is hereby adopted by Directors Clark, Mims, Munchus, Muhammad and Dickerson voted no to award bid; and Directors Lewis, Alexander and Burbage voted yes.”

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Next, Chairwoman Lewis called for a vote on item 6.2. The following resolution was adopted by unanimous vote.

“BE IT RESOLVED By The Water Works Board of the City of Birmingham (“the Board”), on a motion duly made by Mr. Tommy Joe Alexander and seconded by Mr. William “Butch” Burbage, Jr., that the Board hereby authorizes staff to award bids to the lowest responsible and responsive bidders, and to authorize the General Manager and/or the Assistant General Manager to execute purchase orders and/or contracts for procurement of materials, services and supplies needed for the operation, construction, and maintenance of the water system to the following:

- 6.2 Southern Directional, Inc., the lowest responsible and responsive bidder, for the replacement of approximately 415 feet of ¾-inch unlined cast iron pipe/galvanized steel pipe, 2,170 feet of 2-1/4-inch unlined cast iron pipe/galvanized steel pipe and 1,015 feet of 2-1/2-inch PVC pipe with approximately 1,150 feet of 4-inch DICL pipe; 600 feet of 6-inch DICL pipe; 3,940 feet of 8-inch DICL pipe and related appurtenances; and 40 water services along Chapel Circle; Mountain Top Lane; Short Street; and various unnamed roadways located in unincorporated Jefferson County, Alabama, at a bid amount of \$294,820.00, plus estimated cost of materials and Water Board labor in the amount of \$320,849.15, at an estimated out-of-pocket cost to the Board of \$615,669.15. [NOTE: Minority Vendor Status: Southern Directional, Inc. is DBE & WOSB Certified 100%.]

Resolution No. 7480 is hereby adopted by unanimous vote.”

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Next, the Board was asked to approve expenditures with VAG, a sole source provider, as set forth in item 7. This expenditure is exempt from bidding under the Alabama Competitive Bid Law because it is a sole source provider. Subsequently, Assistant General Manager Darryl Jones indicated there are six pumps at the Sipsey Pump Station wherein in 1962 said equipment became active, and he pointed out the equipment is 55-years-old. He reviewed the maintenance and repair process of reconditioning those pumps. The pumps have three components (the motor, the pump and the discharge valve) and in said pump the discharge valve is the cone valve. He indicated the three components have been reconditioned wherein the cone valve had too much wear and it could not be repaired. The first step is to consider refurbishing the existing components and if the refurbishing cost is more than 60% of the new equipment, Mr. Jones indicated staff would opt to purchase a new piece of equipment. After discussion of the manufacturer of said equipment and the required unit alignment of the replacement cone valve, a motion was duly made and seconded. Subsequently, Chairwoman Lewis called for a vote, and 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 Mr. George Munchus and seconded by Mr. William R. Muhammad, that the Board hereby approves expenditures with with VAG, a sole source provider for Allis Chalmers Rotovalve, to cast a new cone valve on the Sipsey Intake No. 6 pump at the Sipsey Intake Pump Station to the original equipment manufacturers’ specification and refurbish the limitorque actuator and other expenditures related to the installation at a total out-of-pocket cost to the Board of \$175,000.00. [NOTE: This expenditure is exempt from bidding under the Alabama Competitive Bid Law because it is a sole source provider.] Resolution No. 7481 is hereby adopted by unanimous vote.”

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Next, the Board was asked to approve and authorize the General Manager and/or the Assistant General Manager to accept a 36-month renewal agreement with Creative Benefit Solutions, LLC, as set forth in item 8, as recommended by the Human Resources Committee. The General Manager recognized that Mr. Mark Johnson of Creative Solutions Benefits was present. Subsequently, Director Munchus recommended said item be tabled because some of the directors have not yet had an opportunity to hear Mr. Johnson’s excellent presentation wherein it would be presented at the next scheduled Human Resources Committee Meeting. Subsequently, Chairwoman Lewis asked Mr. Johnson to give a brief background on what services he provides for the Board. Mr. Johnson mentioned that he is President and CEO of Creative Benefit Solutions wherein they have served the Board and the employees for the past three years. Mr. Johnson indicated his primary role is to consult, advise and guide the Board’s management team, work with the employees and to promote and maintain a very successful benefit program. He indicated they try to balance the employer and employees’ compensation to ensure a balance is kept between cost and quality of benefit. He reviewed the process that is in place relative to meeting with staff monthly and tracking and reporting on the performance of the benefit plan. He indicated that he has three other team members who assist in supporting BWWB. Mr. Johnson gave some background on his work experience and indicated that he began Creative Benefit Solutions in 2003 and stated he has clients in ten states comprising of local government sector, nonprofit sector, healthcare sector, engineering construction sector, oil and gas sector, and public sector. Mr. Johnson extended his appreciation to the Board and indicated he hopes to continue his relationship with the Board. After discussion of Mr. Johnson’s certification, a motion was made and seconded to table and refer said item to the Human Resources Committee, and 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 Mrs. Brenda J. Dickerson, that the

Board hereby tables item 8, a 36-month renewal agreement with Creative Benefit Solutions, LLC, and refers to the Human Resources Committee. Resolution No. 7482 is hereby adopted by unanimous vote.”

Next, the Board was asked to approve Amendment Number Four to the Pension Plan, as set forth in item 9, as recommended by the Human Resources Committee. The General Manager indicated that management recommends approval of said item. After a motion was made and seconded, Director Munchus commented that he had received a telephone call from a retiree about the referenced matter and he indicated the retiree was not present at today’s meeting, and stated he would prefer that the retiree discuss his thoughts with the General Manager. At 10:35 a.m., Director Alexander departed the meeting. Subsequently, Director Munchus asked what plan was in place prior to May 11, 2017. The General Manager reminded the Board that Segal Advisors made a report on the pension plan wherein they mentioned that an experience study had been completed and indicated they needed to update the mortality table from the 1960s to the 1990s. The General Manager pointed out the changes are being recommended by the actuary. In addition, the General Manager pointed out that people are living longer than they were in the 1960s, adding the mortality table gives more lifetime and it expands the Board’s liability. Director Munchus indicated that he would ask the retiree to call the General Manager, and the General Manager indicated he would send the retiree a copy of the Segal Advisors’ Report. Director Munchus thanked the General Manager for scheduling the retirees’ meeting on June 8, 2017, at the Anthony L. Barnes Conference Center - Cahaba Pumping Station. Director Muhammad asked how does the updated mortality table affect the Pension Plan. The General Manager replied that it will increase the liability of the plan, indicating the plan may reflect that people are living between 80 and 85. The General Manager pointed out there are no changes relative to the defined pension plan. Assistant General Manager Michael Johnson pointed out that when Segal Advisors completed its recent study, it included all updates regarding the mortality table. After discussion, Chairwoman Lewis called for a vote. On a motion duly made and seconded, the following resolution was adopted:

“WHEREAS, The Water Works Board of the City of Birmingham (“Board”) maintains the Retirement Plan for Employees of the Water Works Board of the City of Birmingham (“Plan”); and

WHEREAS, the Board desires to amend the Plan to change the actuarial factors used in determining the actuarially equivalent monthly benefit which a Participant will receive upon Normal Retirement or Early Retirement if the Participant chooses one of the alternative payment options available under Section XII the Plan;

WHEREAS, pursuant to Section XV of the Plan the Board has the right to amend the plan; and

WHEREAS, in furtherance of the foregoing, Amendment Number Four to the Plan was presented to the Board for review and consideration.

NOW THEREFORE, BE IT RESOLVED by the Board of Directors, on motion duly made by Mr. William R. Muhammad and seconded by Mrs. Brenda J. Dickerson, that the Board hereby adopts Amendment Number Four to the Plan, a copy of which is attached here to and incorporated herein by reference.

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 Plan one or more counterparts Amendment Number Four to the Plan and (ii) take whatever actions and execute whatever documents are deemed necessary and proper in order to

implement the Plan, as amended, and comply with applicable law, including any notices or other documents, as the case may be, required to be delivered to employees.

Resolution No. 7483 is hereby adopted by Directors Lewis, Clark, Burbage, Mims, Munchus, Muhammad, and Dickerson.”

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Next, the General Manager asked the Board to approve scope of services agreements relative to SAP ongoing support, as set forth in items 10.1 and 10.2, as recommended by the Engineering and Maintenance Committee. At 10:38 a.m., Director Alexander returned to the meeting. Subsequently, Chairwoman Lewis asked to hear from Mr. David Head of Utegration relative to professional services provided to the Board. In addition, Chairwoman Lewis asked Mr. Head to acknowledge his presence when his firm is being discussed at a meeting. A handout was distributed and a copy is on file in the meeting book. Mr. Head, Vice President of Utegration, gave a brief overview of his responsibility at said company which consists of ensuring the work is quality and that value is added. Utegration has been conducting business in the United States since 2008. Mr. Head indicated he has been with said company since 2009 wherein Utegration has been working with BWWB since 2015. He referenced the handout that was distributed relative to the type of work in the customer relations and billing system, indicating the goal is to help BWWB to become more self-sufficient as it relates to SAP. Mr. Head pointed out that Utegration’s service would decrease over time at BWWB. Chairwoman Lewis asked Mr. Head to discuss the scope of services in item 10.1 relative to what services his firm would be providing BWWB for \$1,684,152.40. Mr. Head indicated that Utegration would be providing technical and functional expertise as it relates to SAP and ongoing maintenance and support in three areas: (1) application management, (2) system management and monitoring of various projects, and (3) adding enhancements to the system over time. Mr. Head indicated that Utegration has a team of four including himself on site at BWWB, as well as some team members offsite. A discussion ensued on the selection of vendors from solicited proposals for SAP and other local SAP work performed by Utegration. In addition, a discussion ensued relative to other SAP work performed by Utegration at Alagasco. Director Muhammad commented that he had not heard about any problems with Alagasco’s SAP. Chairwoman Lewis stated that Alagasco had some SAP problems and that BWWB team met with Alagasco and discussed their issues relative to SAP. Director Muhammad asked for some information from the meeting with Alagasco relative to SAP. After discussion, on a motion was 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. William “Butch” Burbage, Jr., that the Board hereby approves and authorizes the General Manager and/or the Assistant General Manager to accept the following Scope of Services Agreements, as recommended by the Engineering and Maintenance:

- 10.1 A scope of services agreement from Utegration to provide SAP Customer Relations and Billing ongoing support and transition services in an amount not to exceed \$1,684,152.00.
- 10.2 A scope of services agreement from ARCADIS U.S., Inc., to provide SAP Financial, Business Intelligence and Report Systems ongoing support and transition services in an amount not to exceed \$1,328,677.00. [NOTE: Minority Vendor Status: Minority participation approximately 41% with Phoenix and Cole systems.]

Resolution No. 7484 is hereby adopted by unanimous vote.”

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Next, the General Manager requested to revisit item 6.1 to make the directors aware he sent the directors a picture of a main break that occurred on Monday or Tuesday where a hole is in the ground. He pointed out there were two bidders with the second bidder having no minority participation. He indicated every time a main break occurs the dirt and materials are removed, and he pointed out the same materials cannot be put back in the hole to repair the leak. He indicated new stone, sand and gravel must be put in the hole. As Wade Sand and Gravel has the current bid, the General Manager indicated BWWB can continue to buy from said vendor on a month-to-month basis. He pointed out said items are used daily when there is a main break. The General Manager asked Assistant General Manager Sonny Jones if he knew whether the prices are increasing or decreasing, and Mr. Jones replied that he did not know. The General Manager informed the Board that staff would continue to buy under the old contract with Wade Sand and Gravel until a decision is made relative to a new contract.

Under new business, Director Muhammad indicated he had two items and he requested an Executive Session relative to potential litigation and the good name and character of an individual. The other item is related to the Board requesting to take bids, indicating he had received some information that BWWB sent out a publication in Sunday's newspaper relative to taking bids for on-call contractors. He stated said request to take bid never came to the Board. He stated it is his understanding as to what went out was a change in the policy and it was voted on by the former five-member Board. He pointed out the request to take bids for on-call contractors went out with one vendor to perform the on-call contract. Director Muhammad asked if BWWB has moved to one on-call contractor, and he asked how does BWWB know it will work. Assistant General Manager Sonny Jones stated when he was hired in 2003, BWWB was working with one on-call contractor from 2003 to 2007, and he indicated it did work. He called to the directors' attention that BWWB has hired additional crews and pointed out they have responded to 80% to 90% of emergency on-call pipeline work. Director Munchus gave a brief update as to why BWWB moved to an on-call rotation wherein it was to allow more small and disadvantaged businesses to participate in the on-call program. Chairwoman Lewis indicated she recalled the reason BWWB moved to on-call rotation was to ensure it had the coverage, and she added what the Board found was the vendor who bid the lowest amount did all the work wherein BWWB has documentation to reflect such. The General Manager added that the second and third bidder was a higher cost to the Board. Director Muhammad indicated that he has several concerns; that is, BWWB is moving to one-on-call contractor and his other major concern is that none of said matter has been discussed with the Board.

Subsequently, a discussion ensued relative to the expiration date of the on-call contract and whether said bid came to the Board for approval to take bids on the on-call contract. Assistant General Manager Sonny Jones indicated that said contract expired the second half of January 2017. Director Muhammad read a resolution where the Board voted for rotation of the on-call contract, and he inquired as to whether said contract changed without coming back to the Board for a vote. Attorney Parnell indicated the resolution relative to on-call contract is the policy until it is changed. He pointed out if the Board moves forward with one on-call contractor bid, the Board would be changing its policy. Attorney Parnell stated it was discussed in the Engineering and Maintenance Committee Meeting as information. There is no legal obligation to get permission prior to bidding, and he indicated the legal obligation is to award the bid. Attorney Parnell advised the Board to pass a resolution that gives some guidance to staff as to what it wants brought before the Board. Director Muhammad stated the former five-member Board adopted a resolution stating that it would rotate among the two or three on-call contractors. He indicated, in his opinion, it is not good policy if staff is going to change said policy by going to committee and the policy is never brought to the full board. After discussion, Chairwoman Lewis indicated to resolve the issue, the on-call contract would be referred to the Engineering and Maintenance Committee and brought to the full Board for a vote. Assistant General Manager Sonny Jones pointed out that the on-call contract bid reflects one on-call contractor and he asked whether to pull the bid. Attorney Parnell pointed out that if the on-call contractors are to be rotated, it would need to be in the bid specifications. After discussion, Chairwoman Lewis asked staff to pull the on-call contractor bid.

Following, Chairwoman Lewis recognized speakers who signed up to speak and she informed speakers they would each have three (3) minutes to make their comments. At 11:07 a.m., Director Muhammad departed the meeting.

Following, Speaker Frank Matthew commented on the Attorney General Office's investigation and he read a section from a letter, stating "is your account in good standing starting June 1, 2017 the Birmingham Water Works will reinforce its collection process on past due accounts." Mr. Matthew stated that he is getting these credits and indicated he cannot get his money back, and he commented when you start cutting off these good ratepayers, they are going to be here in massive groups.

Next, Speaker Iva Williams asked the Board's direction on Village Creek. At 11:10 a.m., Director Muhammad returned to the meeting. Mr. Williams indicated that it is his understanding the Board has entered into a consent decree that prevents any contribution to football teams, etc. He commented the Board could contribute to education in water-related issues. He indicated there are neighborhoods and projects that he would like to address Village Creek. He said Village Creek does not provide us drinking water; however, it does contribute to the health of the community. He commented that it is a perfect opportunity for the Water Works Board to partner with these community programs to provide some pride in helping our children understand about keeping our creeks and ditches clean which is essential to public health. He indicated that he is trying to get some direction as to where to take his request because he tried to take it in the direction of public relations. He commented he was advised to come directly to the Board for direction. Director Alexander commented that Village Creek flows into the Warrior River and he indicated it is part of the drinking water system. Chairwoman Lewis pointed out there is a Village Creek Society and indicated that the Board would consider Mr. Williams' request. The General Manager called attention to the Board that BWWB has a group of employees that have partnered with Village Creek wherein 40 Water Works employees have participated in the cleanup of Village Creek approximately two times.

Next, Chairwoman Lewis asked if there are any other business to come before Board. Assistant General Manager Michael Johnson reminded the Board that a landscaping contract came before the Board in April 2017. Mr. Johnson informed the directors that the bid was posted on BWWB Website and internally on the bulletin boards. Mr. Johnson called to the directors' attention that said bid was not advertised, and he stated staff would contact the vendor to let them know the bid was not properly advertised and indicated it would be rebid.

Next, at 11:19 a.m. Attorneys Parnell and Thompson and Director Muhammad departed the meeting to determine the certification for the Executive Session. Subsequently, a discussion ensued relative to which committee to discuss the Village Creek request wherein the General Manager indicated it could be discussed at either the Communications Committee or the Finance Committee. Director Clark asked staff to review what was done in the past so BWWB would know how to proceed relative to said matter. Director Dickerson asked Mr. Williams to submit his proposal to BWWB relative to his ideas on Village Creek. Director Clark suggested that Mr. Williams discuss his ideas with the Friends of Village Creek since they already have some items in place. Following, Mr. Brian Ruggs of ARCADIS informed the Board that he serves on the Executive Board of Village Creek Society. He reported that said society does two clean ups each year - one in the spring and one in the fall. In addition, he reported in the past couple of the years, BWWB has partnered with the Village Creek Society which consisted of delivery of water for the workers during the cleanup at Village Creek. At 11:20 a.m., Director Muhammad and Attorneys Parnell and Thompson returned to the meeting. In response to Director Alexander as to whether the education relates to Village Creek, Mr. Ruggs replied that Village Creek has a component other than cleanup wherein they do open science classrooms outside where they take children to creekside from various high schools to learn about water testing, etc. so that they would understand what source may impact their everyday activities on local waterways. Director Dickerson inquired as to how his proposal differs from the Village Creek Society

and Mr. Williams indicated that his proposal consisted of directing some money to the Village Creek Society as well as some neighborhood organizations that are currently working with said society. Director Clark suggested that Mr. Williams meet with Mr. Ruggs to determine how such money would be allotted to said society. Director Clark added that BWWB would review what has been done with said society in the past and determine how it wants to proceed with the society. At 11:21 a.m., Director Burbage departed the meeting.

Next, Chairwoman Lewis recognized Attorney Parnell and he indicated after consulting with Director Muhammad, the matter he wishes to discuss does involve a potential threatening litigation and indicated the good name and character is encompassed in said litigation. Attorney Parnell added if the Board wants to enter into Executive Session, he indicated said comments would be the certification and there would be no action taken on said matter. The Executive Session would take approximately 15 to 30 minutes. Subsequently, a motion was made and seconded, and 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. Tommy Joe Alexander, that the Board hereby enters into Executive Session to discuss a potential threatening litigation. Resolution No. 7485 is hereby adopted by Directors Lewis, Alexander, Clark, Mims, Munchus, Muhammad and Dickerson.”

Prior to adjournment to the Executive Session, Public Relations Specialist invited the Directors to attend the school program event on Friday, May 12, 2017 at Regions Field from 11:00 a.m. to 2:00 p.m.

At 11:23 a.m., the directors, senior executive management and Board Attorneys entered an Executive Session. At 11:26 a.m., Director Burbage entered the Executive Session.

At 11:40 a.m., a motion was made and seconded to adjourn the Executive Session and the regular meeting reopened; Director Muhammad opposed.

As there was no further business before the Board, a motion was duly made and seconded; Director Muhammad opposed, and the meeting was adjourned.

/s/
Sherry W. Lewis
Chairwoman/President

Attest

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