

**MINUTES OF THE REGULAR BI-MONTHLY MEETING OF DIRECTORS  
OF THE WATER WORKS BOARD OF THE CITY OF BIRMINGHAM  
February 27, 2015**

The regular meeting of the directors of The Water Works Board of the City of Birmingham was held on Friday, February 27, 2015, at 9:00 a.m., in the principal office of the Board, 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.

The meeting was also attended by: Mac Underwood, General Manager, Michael Johnson, Darryl Jones and Sonny Jones, Assistant General Managers; Grace Amison, Executive Assistant to the Board of Directors; Cynthia Williams, Paul Lloyd, Barry Williams, Iris Fisher, George Anderson, Floyd Stephens, Rick Jackson, Randy Harmon, Shirley Simmons, Michael Morris, Bill Shikle and Cheryl Shikle (wife of Bill Shikle), Board Employees; Charlie Waldrep, Mark Parnell, Mary Thompson and Kelvin Howard, Waldrep, Stewart & Kendrick, LLC; Rebecca DePalma, White, Arnold & Dowd, P.C.; Jerry Jones, ARCADIS US, Inc.; Kirk Mills, Volkert, Inc.; Matt Adams, Raymond James; Dan Meadows, SS Nesbitt; Dr. Jesse Lewis, Dorian Kendrick and Brandon Wilson, The Lewis Group; Chandra Abesingh, CE Associates; Joseph Bryant, The Birmingham News and David Russell.

Chairman Robinson called the meeting to order at 9:03 a.m. and prayer was offered by Mr. Barry Williams.

General Manager, Mac Underwood proceeded with the business of the Board, as he asked the directors to adopt a resolution commending Hubert "Bill" Shikle, Senior Filter Plant Operator – Putnam Filter Plant, from the Operations and Technical Services Division, as Employee of the Month for February 2015, as referenced in agenda item 1.1.; and to adopt a resolution commending Ronald Mallette (Revenue Meter Inspector), Matthew Hatley (Commercial Meter Maintenance Technician), Billy Gullede (Commercial Meter Maintenance Technician), Coty Murphy (Meter Setter II), Steven Blackwood (Meter Setter Helper), Christopher Stewart (Meter Setter I) and Austin Sims (Meter Setter Helper), as the Engineering and Maintenance Division's Employees of the Month for February 2015, as referenced in agenda item 1.2. Mr. Underwood indicated that staff recommends approval of said items. Subsequently, a motion was made and seconded and the following resolutions were 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 Hubert "Bill" Shikle, Senior Operator of Putnam Filter Plant, as the Operations and Technical Services Division's Employee of the Month for February 2015; and

WHEREAS, The Water Works Board of the City of Birmingham ("the Board") desires to recognize and commend Bill Shikle for receiving the "Operator of the Year Award" presented by the American Water Works Association (AWWA) – Alabama-Mississippi Section at the 2014 annual conference held in Point Clear, Alabama; and

WHEREAS, the "Operator of the Year Award" is presented to an operator of the section who has demonstrated outstanding professionalism, made a positive impact on improving treatment and water quality operations, being dedicated to producing the highest quality product, and seeking opportunities to continue improvement of operation methods; and

WHEREAS, Bill Shikle has led the Putnam Filter Plant's operation staff wherein it has been recognized for numerous consecutive awards in past years; namely, "Plant Optimization" awards from Alabama Department of Environmental Management (ADEM), "Partnership for Safe Water Director Awards" from the AWWA, and "Award of Excellence" recognition from the Alabama Water and Pollution Control Association (AWPCA); and

WHEREAS, Bill Shikle has competed as a team member for the BWWB's Top Operators Team ("the Top Ops") since 2003, and was a member of the championship team on June 11, 2013, at the 2013 AWWA Annual Conference and Exhibition held in Denver, Colorado, where the victory represented the third National Top Ops Championship within the last five years and second consecutive championship in a row; and

WHEREAS, the Board is proud and desires to commend Bill Shikle for his outstanding leadership and dedication and for receiving such a prestigious award as the "Operator of the Year Award" for 2014; and

NOW, THEREFORE, BE IT RESOLVED, that the Water Works Board of the City of Birmingham does hereby commend Bill Shikle for receiving the "Operator of the Year Award" and having been selected as the Operations and Technical Services Division's Employee of the Month for February 2015.

BE IT FURTHER RESOLVED, 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 an official resolution will be presented to Mr. Shikle. Resolution No. 6864 is hereby adopted by unanimous vote."

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"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 the following employees: Ronald Mallette (Revenue Meter Inspector), Matthew Hatley (Commercial Meter Maintenance Technician), Billy Gulledge (Commercial Meter Maintenance Technician), Coty Murphy (Meter Setter II), Steven Blackwood (Meter Setter Helper), Christopher Stewart (Meter Setter I) and Austin Sims (Meter Setter Helper), as the Engineering and Maintenance Division's Employees of the Month for February 2015, 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 an official resolution will be presented to the employees named above. Resolution No. 6865 is hereby adopted by unanimous vote."

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Next, Human Resources Manager Paul Lloyd was recognized for comments as he stated that Mr. Shikle has been employed with the BWWB since 1997. Mr. Shikle was selected as "Operator of the Year" for 2014 by the American Water Works Association (AWWA), for the Alabama - Mississippi Section. The referenced award is presented to operators that demonstrate outstanding professionalism, make positive impacts on improving treatment in water quality operations along with being dedicated to producing the highest quality water. Michael Morris, Plant Superintendent at Putnam Filter Plant was recognized for comments. Mr. Morris thanked the Board for recognizing Mr. Shikle for his outstanding performance. Mr. Morris stated that the operational side at Putnam Filter Plant is in good hands with Mr. Shikle. Mr. Shikle is constantly training the younger employees at said plant on how to operate the system. Mr. Lloyd reminded the meeting body that Mr. Shikle has led BWWB's Top Ops Teams to a

National Championship, plus, he has been a part of the team at Putnam Filter Plant that has received many different awards.

Following, Chairman Robinson expressed appreciation to Mr. Shikle for “all” his hard work, as he stated that “all” was a big word as it related to Mr. Shikle. Mr. Underwood asked Mrs. Shikle to come up and be included in a picture with Chairman Robinson and her husband. Chairman Robinson presented Mr. Shikle with a commendation resolution along with a \$250.00 check. The meeting body extended applause.

Mr. Shikle was recognized for comments as he thanked the Board for recognizing him as Employee of the Month. Mr. Shikle expressed gratitude for the opportunity to be a part of the BWWB.

Next, Mr. Underwood commented that the second group of employees referenced in agenda item 1.2 was not present due to the fact that they work four 10-hour days. Said group would be brought back for recognition during an upcoming Board Meeting that would be scheduled on a Thursday.

The next agenda item would be to discuss old business. Director Munchus commented that he had two issues to address. Director Munchus’ first concern would relate to the Strategic Goals and Objectives document that was prepared in 2012. Director Munchus voiced concern regarding goal number 7 as it related to exploring the financial viability of water for sale at the retail level. Director Munchus asked staff to provide him with a copy of the Bottled Water Analysis Report that was prepared by AGM Darryl Jones in 2012. Director Munchus also asked if the world was moving towards blending retail and wholesale water sales.

Chairman Robinson responded that he felt as though hybrid was the word of the season, where one would do what was more efficiently and what made sense.

Director Munchus requested copies of any other internal analysis reports that were prepared by staff. Director Munchus’ next inquiry related to the subject of the possibility for unimproved property. Director Munchus stated that he would like for the Board to take a look at Lake Purdy as well as some other undeveloped property. Director Munchus commented that he is aware of what previously happened with Lake Purdy. Director Munchus stated that he felt the issues could be corrected with a little more due diligence, which was not exercised in the past. This would relate to issues such as hunting and fishing licenses.

Director McKie requested a copy of the 2012 Bottled Water Analysis Report that was prepared by AGM Darryl Jones as well.

Mr. Underwood commented that staff would provide copies of the requested reports. Mr. Underwood added that there were legal documents prepared relative to Lake Purdy and any development. Because of this, a more detailed meeting would be required.

The General Manager proceeded with the agenda as he asked the Board to approve minutes of the Regular Board of Directors’ Meeting, as set forth in agenda item 3. He indicated that staff has reviewed the minutes 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. George Munchus, that the Board hereby approves minutes of the Regular Board of Directors’ Meeting held January 16, 2015. Resolution No. 6866 is hereby adopted by unanimous vote.”

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Following, the Board was asked to adopt a resolution authorizing monthly retirement benefits for Jerry Mahand (Utility Worker, II – Distribution Department), as referenced in agenda item 4.1, from the Board’s Retirement Trust Fund, as stated on the respective final retirement calculations, and commending Jerry Mahand for his years of service at the Birmingham Water Works Board; and to adopt a resolution authorizing monthly retirement benefits for Michael Rogers (Field Service Technician – Customer Support Service Department), as referenced in agenda item 4.2., from the Board’s Retirement Trust Fund, as stated on the respective final retirement calculations, and commending Michael Rogers for his years of service at the Birmingham Water Works Board. The General Manager commented that staff recommends approval of said items. On a motion duly made and seconded the following resolutions were adopted:

“WHEREAS, Jerry Mahand, an employee of the Water Works Board of the City of Birmingham, (“the Board”); is retiring, effective March 1, 2015; and

WHEREAS, Jerry Mahand has 22 years 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 \$3,319.08.

NOW THEREFORE, BE IT RESOLVED, By the Board of Directors of the Water Works Board of the City of Birmingham, on a 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 \$3,319.08 per month to Jerry Mahand from the Board’s Retirement Trust Fund in accordance with the terms of the Pension Plan, with the first payment to be made March 1, 2015. Resolution No. 6867 is hereby adopted by unanimous vote.”

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“WHEREAS, Jerry Mahand, an employee of The Water Works Board of the City of Birmingham, is retiring, effective March 1, 2015, after 22 years of continuous service with the Board; and

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

BE IT FURTHER RESOLVED, that in recognition of Jerry Mahand’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 Jerry Mahand. Resolution No. 6868 is hereby adopted by unanimous vote.”

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“WHEREAS, Michael Rogers, an employee of the Water Works Board of the City of Birmingham, (“the Board”); is retiring, effective March 1, 2015; and

WHEREAS, Michael Rogers has 30 years 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 \$3,130.47.

NOW THEREFORE, BE IT RESOLVED, By the Board of Directors of the Water Works Board of the City of Birmingham, on a 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 \$3,130.47 per month to Michael Rogers from the Board's Retirement Trust Fund in accordance with the terms of the Pension Plan, with the first payment to be made March 1, 2015. Resolution No. 6869 is hereby adopted by unanimous vote."

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"WHEREAS, Michael Rogers, an employee of The Water Works Board of the City of Birmingham, is retiring, effective March 1, 2015, after 30 years of continuous service with the Board; and

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

BE IT FURTHER RESOLVED, that in recognition of Michael Rogers' 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 Michael Rogers. Resolution No. 6870 is hereby adopted by unanimous vote."

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Next, the Board was asked to authorize reimbursement of the operating account for capital expenditures for the period ended December 31, 2014 and January 31, 2015, as set forth in agenda item 5. Although the total certified capital expenditures for said two months total \$15,033,351.36, the reimbursement would be limited to \$4,900,000.00, which is the approximate current balance in the Construction Fund. Mr. Underwood indicated that staff has reviewed the referenced item and recommends it for approval. On a motion duly made and seconded the following resolution was adopted:

"WHEREAS, ARCADIS US, Incorporated, in a Certificate dated February 19, 2015, certified that during the period ending December 31, 2014 (\$13,030,227.50) and January 31, 2015 (\$2,003,123.86) that there were expenditures for the cost of system improvements, which were paid out of the Operating Account, and reimbursement of that account is now due. Although the total certified capital expenditures for said two months total \$15,033,351.36, the reimbursement would be limited to \$4,900,000.00 which is the approximate current balance in the Construction Fund;

NOW, THEREFORE, BE IT RESOLVED By The Water Works Board of the City of Birmingham, on a motion duly made by Ms. Sherry W. Lewis and seconded by Mr. George Munchus, that the Trustee be, and is hereby instructed to immediately transfer \$4,900,000.00 to the Operating Account from any, or a combination, of the following: The 2002 Construction Fund, the Improvement Fund, and/or the Revenue Account. Resolution No. 6871 is hereby adopted by unanimous vote."

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Following, the General Manager asked the Board to approve payments of invoices for professional services, as set forth in agenda items 6.1 through 6.11. Mr. Underwood briefly explained the process for Director McKie as he stated that the Board has agreements with consultants to provide services. As invoices are received, management is charged with reviewing them to ensure they are ok to be placed on the agenda requesting approval. Mr. Underwood indicated that staff recommends approval of the invoices referenced in items 6.1 through 6.11. 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. George Munchus, that the Board hereby authorizes staff to execute payments to the following:

6.1	<u>Carl Dalton NeSmith Jr., LLC</u> For retainer for February 2015	<u>\$ 500.00</u>
6.2	<u>Birmingham Construction Industry Authority, Inc.</u> For professional services rendered for February 2015	<u>\$ 2,000.00</u>
6.3	<u>Dominick Feld Hyde, P.C.</u>	
6.3.1	For professional services rendered for work performed From December 5, 2014 through December 29, 2014	<u>\$ 4,540.50</u>
6.3.2	For professional services rendered for work performed From January 15, 2015 through January 30, 2015	<u>\$ 3,222.90</u>
6.4	<u>White Arnold &amp; Dowd P.C.</u> For professional services rendered for January 2015	<u>\$ 5,000.00</u>
6.5	<u>The Jones Group, LLC</u>	
6.5.1	For professional services rendered for January 2015	<u>\$ 5,000.00</u>
6.5.2	For professional services rendered for February 2015	<u>\$ 5,000.00</u>
6.6	<u>Raftelis Financial Consultants, Inc.</u> For professional services rendered for January 2015	<u>\$ 14,358.31</u>
6.7	<u>American Water Works Association (AWWA)</u> For AWWA corporate and Alabama/Mississippi Section membership Subscription renewal – April 1, 2015 through March 31, 2016	<u>\$ 19,629.00</u>
6.8	<u>The Lewis Group</u> For professional services rendered for January 2015	<u>\$ 25,000.00</u>
6.9	<u>Volkert, Inc.</u> For professional services rendered for January 2015	<u>\$ 34,147.82</u>
6.10	<u>Water Research Foundation (WEF)</u> For WRF corporate membership renewal of subscription to The Drinking Water Research Program - January 2015 through December 2015	<u>\$ 76,611.00</u>

6.11 Waldrep Stewart & Kendrick, LLC  
For professional services rendered through January 2015

\$105,112.37

Resolution No. 6872 is hereby adopted by unanimous vote.

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Next, the General Manager asked the Board to grant an easement to Alabama Power Company to upgrade an existing power line at Carson Filter Plant, located at 6560 Highway 75; from a single phase line to a three phase line; as set forth in agenda item 7; and to authorize the General Manager and/or the Assistant General Manager to execute the easement. AGM Darryl Jones was recognized for comments as he stated that an overview of said item was presented to the Board on February 20, 2015. Additional information was provided in the current Diligent Boardbook explaining the process of running the power lines. AGM Darryl Jones added that the referenced process was a standard procedure. Mr. Underwood indicated that staff recommends approval of the referenced item. A motion was duly 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 Ms. Sherry W. Lewis and seconded by Mr. George Munchus, that Board hereby grants an easement to Alabama Power Company to upgrade an existing power line at Carson Filter Plant located at 6560 Highway 75, from a single phase line to a three phase line, to run the new centrifuge at said plant for a sum of \$1.00; and to authorize the General Manager and/or the Assistant General Manager to execute the easement. Resolution No. 6873 is hereby adopted by unanimous vote.”

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Following, the General Manager asked the Board to approve an electronic billing and payment agreement to payment provider (EBP) Acculynk or Paymentus, effective March, 1, 2015, as set forth in agenda item 8, which would be subject to the Board’s Attorney’s review of said agreement. Mr. Underwood commented that the referenced item was presented to the Communications and HR Committee on February 5, 2015. No recommendation came from the Committee.

Discussion ensued as Director Munchus indicated that he would like to move forward with Acculynk. Director Munchus stated that price proposals from Acculynk and Paymentus were the same. Director Munchus added that his concern related to security. Director Munchus stated that Acculynk patented their security product and it looked as though their product was better than Paymentus.

Since Director McKie was not present during the presentations made by Acculynk and Paymentus, he stated that his concern was related to security. Director McKie asked specific questions related to data breaches such as the following: If staff investigated or inquired as to what the liability would be for the Board if there was a data breach. If staff was informed of how the communication process would be handled by Acculynk or Paymentus with regards to BWWB’s customers if such a breach occurred, and if applications provided by Acculynk and Paymentus were made available for the Board’s usability.

AGM Michael Johnson was recognized to respond. However, he gave a brief background of electronic billing. He stated that Paymentus is the current electronic billing provider for BWWB. The BWWB has no previous experience with Acculynk. During earlier presentations made to the Board by Acculynk and Paymentus, both vendors stated that they would provide security with regard to BWWB’s customers. Audit findings revealed that both companies were in compliance with security. AGM Michael Johnson indicated that based on a contractual relationship, language would be included in the agreement

addressing security. AGM Michael Johnson added that Acculynk does not have a deniable website for viewing. Acculynk did share a mock website of the services they could provide.

Next, Director Lewis asked if the City of Atlanta used Acculynk as their electronic billing payment provider.

Director McKie responded that Acculynk is the vendor of choice for the City of Atlanta. Director McKie indicated that Acculynk is based out of Atlanta and he commented that he liked Acculynk as well. Subsequently, the Board moved forward with Acculynk as the electronic billing payment provider for BWB.

After much discussion, 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. Kevin B. McKie, that the Board hereby approves electronic billing and payment provider (EBP) with Acculynk, effective March 1, 2015, subject to the Board’s attorney’s review of the agreement. Resolution No. 6874 is hereby adopted by unanimous vote.”

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Under other business, Chairman Robinson called the Board’s attention to an item not listed on the agenda. Chairman Robinson asked the Board to enter into an agreement with The Bloom Group, Inc., to provide some legislative lobbyists services. Chairman Robinson indicated that based on some governmental affairs issues that happened earlier in the week, it was determined that the referenced group could help BWB provide more clarity and understanding around those affairs as well as economic development.

Director Florie voiced concern as she asked the General Manager where the money would come from within the budget to pay for an agreement with the referenced group, as well as the total cost of the agreement. Mr. Underwood responded that reserve funds are set aside for use, but the funds would have to be appropriated for said purposes.

Chairman Robinson responded that the cost would be \$10,000.00 per month for one-year. Chairman Robinson stated that an additional savings over \$2M in expenses was found when starting the 2014 audit. Therefore, money would not be an issue to pay for the referenced services.

Director Florie commented that she felt that being we live in a community with a 30 percent poverty rate, to hire additional lobbyists with ratepayers money would be unacceptable with her. Director Lewis asked Director Florie who she was referring to that lives in a community with a 30 percent poverty rate. Director Florie responded Jefferson County.

Subsequently, after a brief discussion, a motion was made and seconded and the following resolution was adopted:

“BE IT RESOLVED By The Water Works of the City of Birmingham (“the Board”), on a motion duly made by Mr. George Munchus and seconded by Ms. Sherry W. Lewis that the Board hereby approves and authorizes the General Manager and/or the Assistant General Manager to enter into a one-year agreement with The Bloom Group, Inc., to provide legislative lobbyist services in an amount of \$10,000.00 per month, effective March 1, 2015 through March 1, 2016.



Resolution No. 6875 is hereby adopted by Directors Lewis, Munchus and McKie. Director Florie voted no.”

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Next, on behalf of the Board, Chairman Robinson extended words of welcome to Director McKie. Chairman Robinson commented that Director McKie jumped right in as he joined the Board during the 3-hour Finance Committee Meeting held Tuesday, February 24, 2015. During that time Director McKie introduced himself to the meeting body. Following, Chairman Robinson recognized Director McKie for re-introductory remarks for those that were not in attendance said Committee Meeting.

Director McKie stated that he covered an introduction of himself during the referenced Committee Meeting. However, if anyone has any questions, he is open and available. Director McKie stated that today was his first opportunity to speak with Director Florie. Director McKie commented that he was excited to be a part the BWWB. He looks forward to working with the group as he will bring his background and experience along with things he wants for BWWB and the City of Birmingham.

As there was no further business to come before the Board, a motion was made and seconded and the meeting was adjourned at 9:26.a.m.

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

Attest:

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Secretary-Treasurer  
(This officer position was vacant on February 27, 2015.)