

MINUTES OF THE REGULAR BI-MONTHLY MEETING OF DIRECTORS
OF THE WATER WORKS BOARD OF THE CITY OF BIRMINGHAM
DECEMBER 15, 2016

The regular bi-monthly meeting of the directors of The Water Works Board of the City of Birmingham was held on Thursday, December 15, 2016, at 9:00 a.m., at 3600 First Avenue North, Birmingham, Alabama.

The following Directors were present: Ronald A. Mims, Kevin B. McKie, George Munchus, and William R. Muhammad.

Inasmuch as four of the Directors were present, Chairman Mims declared a quorum in attendance.

The meeting was also attended by: Mac Underwood, General Manager; Michael Johnson, T. M. "Sonny" Jones, and Darryl Jones, Assistant General Manager; Grace E. Amison, Executive Assistant to the Board of Directors; George Anderson, Jr., Patty Barron, and Paul Lloyd, Board Employees; G. Courtney French and Sam Ford, Fuston, Petway & French, LLP; Jeff Sherrer, Blount County Commission; Daymeon Fishback, David Searcy, and Greg Burchell, Morgan Stanley; Theo Johnson, Volkert, Inc.; Jerry Jones and Brian Ruggs, ARCADIS US, Inc.; Theo Johnson, Volkert, Inc.; Aleia Shipman, 3G Chemical Solutions, LLC; Christopher W. Woods, C. W. Woods Contracting Services, Inc.; Kent Hartzog, GS&P; Chandra Abesingh, CE Associates; Michael H. Bell, Birmingham Construction Industry Authority, Inc.; Dorian Kendrick and Max Rykov, Agency 54; Yvonne Davis, Yvonne-Green Davis, P.C.; Dan Meadows, S. S. Nesbitt & Company, Inc.; and Valerie Mims, Stephen Mims, Ashley Mims, Keith Mims, Christine Mims, and Viola Mims, Visitors.

As there was a quorum, the meeting was called to order at 9:01 a.m., and General Manager Mac Underwood opened the meeting with prayer.

Following, the General Manager proceeded with the agenda and he asked the Board to adopt a resolution expressing its condolences in the death of employee Mark Ray Kirkland, as set forth in agenda item 1, who was an Industrial Control Journeyman Electrician in the Electrical and Maintenance Department. The General Manager pointed out Mr. Kirkland was employed by the Board for 18 years and indicated he was an integral part of the Board's Pipe Tapping Team and a very valuable employee. Following, Assistant General Manager Sonny Jones was recognized for comments and he stated Mr. Kirkland worked up to the week prior to being hospitalized. He also said Mr. Kirkland was a good and special person and a friend to all of the Birmingham Water Works' employees. The General Manager added the American Water Works Association (AWWA) approved a resolution on behalf of Mr. Kirkland's work with said team. Subsequently, he said staff recommends approval of the referenced item. On a motion duly made and seconded, the following resolution was adopted:

"WHEREAS, Mark Ray Kirkland passed away on Thursday, December 1, 2016, wherein The Water Works Board of the City of Birmingham (hereinafter known as the "Board") mourns the death of Mark Ray Kirkland; and

WHEREAS, Mark Ray Kirkland had been a dedicated and valued employee of the Board since December 14, 1998; and

WHEREAS, This Board wishes to pause from its Board of Directors' Meeting on Thursday, December 15, 2016, to convey its respect and deepest sympathy to the family, friends and co-workers of Mark Ray Kirkland; and

NOW, THEREFORE, BE IT RESOLVED, That The Water Works Board of the City of Birmingham does hereby perpetuate the memory of Mark Ray Kirkland, who was an Industrial Control Journeyman Electrician in the Electrical and Maintenance Department of the Engineering and Maintenance Division, and hereby expresses its condolences to his family, friends, and co-workers.

BE IT FURTHER RESOLVED, That a copy of this Resolution be spread upon the minutes of The Water Works Board of the City of Birmingham, and that a copy be presented to the Kirkland family. Resolution No. 7351 is hereby adopted by unanimous vote.”

Next, the Board was asked to adopt resolutions authorizing monthly retirement benefits from the Board’s Retirement Trust Fund for Ms. Nelda Thompkins, Mr. John Boles, Mrs. Priscilla Lowry and Mr. Johnnie Vaughn, as set forth in agenda items 2.1 through 2.4, as stated on the respective retirement calculations, and commending said employees for their years of service at the Water Works Board; and to adopt a resolution authorizing surviving spouse monthly retirement benefits from the Board’s Retirement Trust Fund for Mr. Sam Passantino, as set forth in agenda item 2.5, as stated on the respective retirement calculation. The General Manager said staff recommends approval of said items. Following, the General Manager recognized Ms. Nelda Thompkins and the meeting body applauded. Assistant General Manager Michael Johnson commented that Ms. Thompkins would truly be missed, pointing out said employee does various things to assist in the Executive Department, such as handling the logistics of preparing for Board meetings. He said inevitably there is always something that needs to be done wherein Ms. Thompkins is always willing to help. On behalf of the Finance and Administration Division, Assistant General Manager Michael Johnson expressed his appreciation to Ms. Thompkins. He indicated that he would miss Ms. Thompkins and asked God’s blessings for her as she retires. Subsequently, the General Manager called for a vote, and on a motion duly made and seconded, the following resolutions were adopted:

“WHEREAS, Nelda Thompkins, an employee of The Water Works Board of the City of Birmingham ("the Board"), is retiring, effective January 1, 2017, at an age of 62; and

WHEREAS, Nelda Thompkins has 31 years and 1 month of continuous service with the Board at her retirement date, and, in accordance with the terms of the Trusteed Pension Plan, Ms. Thompkins is entitled to receive a monthly Retirement payment from the Board’s Retirement Trust Fund in the amount of \$2,357.38; 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. Kevin B. McKie and seconded by Mr. George Munchus, that the Trustee be, and is hereby instructed to pay monthly benefit payments of \$2,357.38 to Ms. Thompkins, beginning January 1, 2017, from the Board’s Retirement Trust Fund, in accordance with the terms of the Pension Plan. Resolution No. 7352 is hereby adopted by unanimous vote.”

“WHEREAS, Nelda Thompkins, an employee of The Water Works Board of the City of Birmingham, is retiring, effective January 1, 2017, after 31 years and 1 month of service with the Board; and

WHEREAS, management has informed the Board of Nelda Thompkins' 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, Nelda Thompkins, 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, Nelda Thompkins is hereby commended for her efficiency, reliability, and loyal service to the Board.

BE IT FURTHER RESOLVED, that in recognition of Nelda Thompkins' 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 Ms. Thompkins. Resolution No. 7353 is hereby adopted by unanimous vote."

"WHEREAS, John Boles, an employee of The Water Works Board of the City of Birmingham ("the Board"), is retiring, effective January 1, 2017, at an age of 62; and

WHEREAS, John Boles has 28 years and 4 months of continuous service with the Board at his retirement date, and, in accordance with the terms of the Trusteed Pension Plan, Mr. Boles is entitled to receive a monthly Retirement payment from the Board's Retirement Trust Fund in the amount of \$3,783.65; 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. Kevin B. McKie and seconded by Mr. George Munchus, that the Trustee be, and is hereby instructed to pay monthly benefit payments of \$3,783.65 to Mr. Boles, beginning January 1, 2017, from the Board's Retirement Trust Fund, in accordance with the terms of the Pension Plan. Resolution No. 7354 is hereby adopted by unanimous vote."

"WHEREAS, John Boles, an employee of The Water Works Board of the City of Birmingham, is retiring, effective January 1, 2017, after 28 years and 4 months of service with the Board; and

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

BE IT FURTHER RESOLVED, that in recognition of John Boles' 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. Boles. Resolution No. 7355 is hereby adopted by unanimous vote."

"WHEREAS, Priscilla Lowry, an employee of The Water Works Board of the City of Birmingham ("the Board"), is retiring, effective January 1, 2017, at an age of 63; and

WHEREAS, Priscilla Lowry has 20 years and 5 months of continuous service with the Board at her retirement date, and, in accordance with the terms of the Trusteed Pension Plan, Mrs. Lowry is entitled to receive a monthly Retirement payment from the Board's Retirement Trust Fund in the amount of \$2,105.45; 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. Kevin B. McKie and seconded by Mr. George Munchus, that the Trustee be, and is hereby instructed to pay monthly benefit payments of \$2,105.45 to Mrs. Lowry, beginning January 1, 2017, from the Board's Retirement Trust Fund, in accordance with the terms of the Pension Plan. Resolution No. 7356 is hereby adopted by unanimous vote."

"WHEREAS, Priscilla Lowry, an employee of The Water Works Board of the City of Birmingham, is retiring, effective January 1, 2017, after 20 years and 5 months of service with the Board; and

WHEREAS, management has informed the Board of Priscilla Lowry'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, Priscilla Lowry, 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, Priscilla Lowry is hereby commended for her efficiency, reliability, and loyal service to the Board.

BE IT FURTHER RESOLVED, that in recognition of Priscilla Lowry'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 Mrs. Lowry. Resolution No. 7357 is hereby adopted by unanimous vote."

"WHEREAS, Johnnie Vaughn, an employee of The Water Works Board of the City of Birmingham ("the Board"), is retiring, effective January 1, 2017, at an age of 62; and

WHEREAS, Johnnie Vaughn has 18 years and 5 months of continuous service with the Board

at his retirement date, and, in accordance with the terms of the Trusteed Pension Plan, Mr. Vaughn is entitled to receive a monthly Retirement payment from the Board's Retirement Trust Fund in the amount of \$1,773.15; 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. Kevin B. McKie and seconded by Mr. George Munchus, that the Trustee be, and is hereby instructed to pay monthly benefit payments of \$1,773.15 to Mr. Vaughn, beginning January 1, 2017, from the Board's Retirement Trust Fund, in accordance with the terms of the Pension Plan. Resolution No. 7358 is hereby adopted by unanimous vote."

"WHEREAS, Johnnie Vaughn, an employee of The Water Works Board of the City of Birmingham, is retiring, effective January 1, 2017, after 18 years and 5 months of service with the Board; and

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

BE IT FURTHER RESOLVED, that in recognition of Johnnie Vaughn'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. Vaughn. Resolution No. 7359 is hereby adopted by unanimous vote."

"WHEREAS, Deborah Passantino, a retiree of the The Water Works Board of the City of Birmingham ("the Board"), passed away on November 18, 2016; and

WHEREAS, Deborah Passantino was receiving up until the time of her death, monthly retirement benefits from the Board's Disability Retirement Trust Fund in the amount of \$1,446.50, and under the terms of the Board's Retirement Plan, her spouse is now entitled to receive 50% of that monthly benefit until such time as he either remarries or passes away; and

WHEREAS, the surviving spouse, Mr. Sam Passantino will begin receiving his surviving spouse monthly benefit of \$723.25, effective January 1, 2017, plus a one-time payment of \$723.25 for the month of December 2016.

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. Kevin B. McKie and seconded by Mr. George Munchus, that the Trustee be, and is hereby instructed to pay a pension of \$723.25 per month to Mr. Sam Passantino from the Board's Disability Retirement Trust Fund, in accordance with

the terms of the Trustee Pension Plan, with the payment to be effective January 1, 2017. Resolution No. 7360 is hereby adopted by unanimous vote.”

Next, Director McKie was recognized and he commented that one of the best things the Board gets to do is recognize its outstanding employees, noting today the Board would acknowledge a different type of employee who retired some time ago and is now his colleague. Following, Director McKie said he would like for the new Boardroom to be named after someone that means a lot to this organization. He made a motion and it was seconded that the Boardroom be named in honor of Chairman Ronald A. Mims. Following, Director McKie gave some background information regarding Chairman Mims’ career at the Water Works. He pointed out that Chairman Mims worked his way up to General Manager wherein he is now Chairman of the Board. Subsequently, Director McKie said Chairman Mims retired from the Water Works on June 1, 2004 after 30 years of service. Director McKie pointed out that Chairman Mims became the youngest and first African-American General Manager when he was appointed to said position on April 7, 1995 and continued working at the executive level until he retired. Following, Director McKie said after Chairman Mims retired from the Water Works he became Pastor of Green Liberty Baptist Church and served for nearly 12 years before recently retiring. Director McKie indicated that Chairman Mims did many positive things while working for the Board, pointing out he was one of the charter members that founded and managed the Board’s Minority Business Program, now called the Historically Underutilized Business Program (HUB). Subsequently, Director McKie said Chairman Mims means a lot to the Birmingham Water Works wherein said organization means a lot to Chairman Mims. He said employees showed instant appreciation and enthusiasm when Mr. Mims was appointed Chairman of the Water Works Board.

Following, Director McKie introduced Mrs. Valerie Mims and Stephen and Ashley Mims, wife and children, respectively, of Chairman Mims for comments. Following, Stephen and Ashley gave some inspirational comments relative to their father. Subsequently, Directors Muhammad and Munchus commented on Chairman Mims’ accomplishments and expressed their sentiments relative to his leadership. In addition, other family members (Keith Mims, Viola Mims, Valerie Mims and Mrs. Christine Mims) and Dr. Lewis expressed their sentiments relative to Chairman Mims’ accomplishments at the Board. Following, Director McKie said he respects Chairman Mims, noting that Chairman Mims took advantage of the Board’s Tuition Reimbursement program and encouraged all employees that could to do likewise. Subsequently, Director McKie said a ceremony would be held for Chairman Mims when the Boardroom is reopened. Following, a commendation plaque and a resolution were presented to Chairman Mims. Subsequently, Chairman Mims expressed his appreciation and indicated he was surprised. Chairman Mims said when he was appointed to the Board he came with expectations of doing something for the customers and the employees wherein hopefully some of this has happened within the short time he has served. Following, Chairman Mims thanked the Board and staff for their confidence in him to name the Boardroom in his honor and promised he would make them proud. He thanked his family for always supporting him when he had hard days, and the consultants, employees and co-workers for all they have done. Chairman Mims said he would always remember what the Birmingham Water Works Board has done for him and the meeting body applauded. Subsequently, Director McKie called for the vote, and the following resolution was adopted:

“WHEREAS, Mr. Ronald A. Mims was hired at the Water Works Board of the City of Birmingham (the “Board”) on May 27, 1974 as an Engineering Aide;

WHEREAS, prior to moving into the ranks of management, he served the Board faithfully in various positions including Distribution Aide, Construction Inspector and Buyer;

WHEREAS, he labored diligently to develop and administer the Minority Vendor Program, which received national recognition from the American Water Works Association for its outstanding work;

WHEREAS, in recognition of his excellent job performance and dedication to his work, he was promoted to Manager of Purchasing on June 25, 1990;

WHEREAS, in further recognition of his excellent job performance and dedication to his work, he was promoted to Assistant General Manager - Resources and Planning on September 23, 1991;

WHEREAS, he dutifully and with great distinction, led the Board as Interim General Manager beginning March 1, 1994; becoming the youngest and first African American General Manager on April 7, 1995;

WHEREAS, he dutifully and with great distinction served as Assistant General Manager from November 14, 1996 until his retirement on June 1, 2004;

WHEREAS, he has returned to provide faithful service and leadership to the Board since being appointed to the Board of Directors on July 7, 2015 by the City Council of the City of Birmingham, and thereafter, elected Chairman;

WHEREAS, throughout his tenure with the Board, he has served as a wise and powerful advocate for the customers, employees and retirees of the Board;

WHEREAS, during his tenure with the board, he has been encouraged by the unwavering support of the former Valerie Collins, his wife of 34 years and his children Stephen Anthony Mims and Ashley Lauren Mims;

WHEREAS, during his tenure with the Board, he has served his community through numerous organizations including the Birmingham Alumni Chapter of the Kappa Alpha Psi fraternity, the Titusville Ministerial Alliance and Greater Titusville Civitan;

WHEREAS, he pastored Green Liberty Baptist Church from May 2004 to July 2016, and though retired, he continues to offer his spiritual gifts of counseling, teaching and preaching;

WHEREAS, his life exemplifies his favorite Bible verse, "In all thy ways acknowledge Him, and He shall direct thy paths." Proverbs 3:6

WHEREAS, on behalf of his fellow Board members, employees and customers, the Board wishes to honor, recognize and commend Chairman Ronald A. Mims for his life's work by naming and dedicating the boardroom the "Ronald A. Mims Boardroom";

NOW, THEREFORE, BE IT RESOLVED BY the Board of Directors of The Water Works Board of the City of Birmingham, acting through this Resolution, we name and dedicate the boardroom the "Ronald A. Mims Boardroom";

BE IT FURTHER RESOLVED, that in recognition of Chairman Ronald A. Mims' outstanding service to the Board, a copy of this resolution be spread upon the minutes of The Water Works Board of the City of Birmingham to commemorate this dedication, and a copy shall be presented to Chairman Mims and his family. Resolution No. 7361 is hereby adopted by unanimous vote."

Next, the General Manager asked the Board to approve minutes of Board of Directors’ Meetings, as set forth in agenda item 3. He indicated that staff has reviewed the referenced 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 Mr. George Munchus and seconded by Mr. Kevin B. McKie, that the Board hereby approves minutes of the following meetings:

- Regular Board of Directors’ Meeting held July 27, 2016
- Regular Board of Directors’ Meeting held August 10, 2016
- Regular Board of Directors’ Meeting held August 25, 2016
- Regular Board of Directors’ Meeting held September 15, 2016
- Regular Board of Directors’ Meeting held September 30, 2016

Resolution No. 7362 is hereby adopted by unanimous vote.”

Next, the General Manager asked the Board to approve payments of invoices for professional services, as set forth in agenda items 4.1 through 4.8. He indicated staff recommends approval of the referenced items. 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>Birmingham Construction Industry Authority, Inc.</u> For professional services rendered for December 2016	<u>\$ 2,000.00</u>
4.2	<u>Fleenor & Green, LLP</u> For professional services rendered October 24, 2016 through November 17, 2016	<u>\$ 4,650.00</u>
4.3	<u>Dominick Feld Hyde, P.C.</u> For professional services rendered for November 2016	<u>\$ 5,682.00</u>
4.4	<u>Terminus Municipal Advisors, LLC</u> For professional services rendered for November 2016	<u>\$ 6,500.00</u>
4.5	<u>David A. Sullivan</u> For professional services rendered for November 2016	<u>\$ 9,275.00</u>
4.6	<u>Fine Geddie & Associates</u> For professional services rendered for December 2016	<u>\$ 10,000.00</u>
4.7	<u>The Lewis Group</u> For professional services rendered for November 2016	<u>\$ 25,000.00</u>

4.8 Raftelis Financial Consultants, Inc.
For professional services rendered for November 2016

\$ 32,112.39

Resolution No. 7363 is hereby adopted by unanimous vote.”

Following, the Board was asked to take bids for relocation of Water Board facilities in conflict with an Alabama Department of Transportation (ALDOT) Project No. NH-0005(512), as set forth in agenda item 5. The General Manager indicated staff recommends approval of the referenced item. After 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. Kevin B. McKie and seconded by Mr. George Munchus, that the Board hereby authorizes staff to take bids for relocation of Water Board facilities in conflict with an Alabama Department of Transportation (ALDOT) Project No. NH-0005(512) for Widening and Resurfacing SR-5 (U.S. Highway 78) Phase One from I-59 to Finley Boulevard along U.S. Highway 78 (SR-5) between Interstate 59 and Finley Boulevard located in the City of Birmingham, Alabama, at an estimated cost of \$2,455,000.00, less estimated ALDOT reimbursement totaling \$2,419,500.00, at an estimated out-of-pocket cost to the Board of \$35,500.00. Resolution No. 7364 is hereby adopted by unanimous vote.”

Next, the General Manager asked the Board to table item 6.1, a bid award to Thompson Tractor for a Hydraulic Excavator, so that staff could conduct additional internal reviews. 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 Nr, George Munchus, that the Board hereby tables the below item:

- 6.1 Thompson Tractor, the lowest responsible and responsive bidder, for a Hydraulic Excavator, per bid specifications dated October 27, 2016, at an out-of-pocket cost to the Board of \$173,392.00. [NOTE: Warrior Tractor and Tractor Equipment, the apparent low bidders, were determined to be non-responsible/non-responsive because their equipment did not meet the Bid Specifications and Conditions.]

Resolution No. 7365 is hereby adopted by unanimous vote.”

Next, the Board was asked to award bids to the respective lowest responsible and responsive bidders, as set forth in agenda items 6.2 through 6.5. After reviewing item 6.2 to award bid to Rast Construction to install a 36-inch ductile iron pipe along Carson Loop #8D, the General Manager indicated Assistant General Manager Sonny Jones would make comments later. After the General Manager completed his review of the respective items, Director Munchus inquired of the status of the Shades Mountain Filter Plant and asked why said plant has not yet been finished. Assistant General Manager Sonny Jones said staff is preparing to come back and request the Board’s permission to send bids out in January 2017. Following, Director Munchus asked that responses to the following questions be sent in writing to all Board members and the independent engineer: the year the Carson Loop Project began; the driver behind the Carson Loop Project; the cost by year including expenses that the Board paid for right-

of-way accesses; expenses paid to the design engineering firms by year; actual construction costs by year to present and names of the contractors; projected time going forward before said project is completed and the estimated cost. Director Munchus commented after he reviews the information, he would tell Assistant General Manager Sonny Jones why he is requesting it. Also, Director Munchus commented that it is odd the Historically Underutilized Business (HUB) participation is 28% for B & H Contracting, Inc. and Global Construction and Engineering, Inc., as listed in items 6.4 and 6.5, respectively. He said he would ask that the referenced items be tabled because he had not seen the completed HUB forms for said companies. The General Manager then asked Assistant General Manager Sonny Jones to check with System Development Manager Douglass Stockham for the referenced forms. Following, Director Muhammad expressed his concern that all of the contractors are suddenly submitting HUB participations of 28%. The General Manager asked if the Board wanted to hold item 6.2 until Director Munchus gets the information he requested. The General Manager pointed out that one (1) of the above-mentioned items involves a water quality issue wherein the directors may want to approve it.

Following, Director Munchus stated he did not want to hold up any items concerning water quality issues and asked why said projects are not being handled by the on-call contractors. The General Manager stated staff bids said projects in order to get reasonable prices instead of having them all done by said contractors, pointing out staff had previously explained this to them. Following, Assistant General Manager Sonny Jones said it is estimated that the Board's system contains about 382 miles of old mains that are leaking and needs to be replaced. He pointed out it would be impossible to fix said mains using on-call contractors. Director Munchus questioned whether staff believes the Board is getting better prices by going through the designed bid process rather than using the on-call contractors where the prices are fixed, pointing out said contractors are locked in on specific labor and material costs. Assistant General Manager Darryl Jones stated it is much cheaper for the Board to bid items 6.3 through 6.5 instead of going through the on-call process. Assistant General Manager Darryl Jones said items 6.4 and 6.5 are water quality projects that have maintenance issues. The General Manager pointed out no projects have been delayed, abandoned or postponed due to the drought wherein standard operations are continuing. Following, he stated the work on said items would be done in Center Point and Homewood, respectively, and he pointed out other projects are in the works for Ensley and other areas wherein the Board is spending additional money because of the drought. The General Manager said this region is not clear of the drought simply because it has rained, pointing out biweekly drought mitigation and impact group meetings held in the governor's office are scheduled to continue through January 2017. In response to Director Munchus' inquiry if staff is accomplishing anything except meeting with the governor, the General Manager clarified that staff is not meeting with the governor. He pointed out Governor Robert Bentley's appointed staff meets concerning the drought and monitors lake and well levels to try and make sure everybody continues to have water.

Following, Director Munchus asked the General Manager if he knows why other contractors have not achieved the 30% HUB participation goal set by the Board. The General Manager replied that contractors went through the bid process wherein the Board could reject them for not reaching said participation if it wants to and move on. Director Munchus commented that if staff is certain forms 1, 2, 3, 5 and 6 are included in the contractors' packets they could be uploaded into Diligent. He then asked Assistant General Manager Sonny Jones if said forms were included in B & H Contracting, Inc.'s and Global Construction and Engineering, Inc.'s packets and Assistant General Manager Sonny Jones responded yes. Director Munchus asked that the referenced forms be shared with the Board. Following, Assistant General Manager Sonny Jones stated staff would start sending a copy of said forms from all bidders on all projects to Executive Assistant Grace Amison wherein it was indicated that all forms would be placed in Diligent. Subsequently, it was recommended to move forward with items 6.2 through 6.5. 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 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 Rast Construction, the lowest responsible and responsive bidder, to install a 36-inch ductile iron pipe along Carson Loop #8D at an out-of-pocket cost to the Board of \$598,450.00. (This bid is contingent on obtaining the construction permits needed to perform the work before the lake level returns to normal.) [NOTE: The Historically Underutilized Business (HUB)’s subcontractor participation is 29.8 percent.]
- 6.3 Empire Pipe, the lowest responsible and responsive bidder, for FM Static Flow Meters 2-inch, per bid specifications dated September 1, 2016, at an estimated annual out-of-pocket cost to the Board of \$700,200.00; and to authorize the General Manager and/or the Assistant General Manager to execute a contract per Bid Specifications and Conditions. [NOTE: Elster AMCO Water, the apparent low bidder, was determined to be non-responsible/non-responsive because their product does not meet the Bid Specifications and Conditions.]
- 6.4 B & H Contracting, Inc., the lowest responsible and responsive bidder, for replacement of approximately 2,080 feet of 2-inch unlined cast iron pipe/2-inch galvanized steel pipe with approximately 2,110 feet of 6-inch DICL pipe and related appurtenances; and 37 water services along 2nd Street NW and 27th Court NW located in the City of Center Point, Alabama, at a bid amount of \$468,268.00, plus estimated cost of materials and Water Board labor in the amount of \$277,480.94; at an estimated out-of-pocket cost to the Board of \$745,748.94. [NOTE: The Historically Underutilized Business (HUB)’s subcontractor participation is 28 percent.]
- 6.5 Global Construction and Engineering, Inc., the lowest responsible and responsive bidder, for the replacement of approximately 5,980 feet of 2-inch unlined cast iron pipe, 2-inch galvanized steel pipe and 2-inch cast iron cement line pipe with approximately 3,435 feet of 8-inch DICL pipe; 2,260 feet of 6-inch DICL pipe; 720 feet of 4 feet DICL pipe and related appurtenances; and 152 water services along 17th Street South; 19th Street South; 19th Place South; Crescent Avenue; 29th Court South; Overton Avenue; Roxbury Road; Lancaster Road; and Courtney Drive located in the City of Homewood, Alabama, at a bid amount of \$1,347,462.00, plus estimated cost of materials and Water Board labor in the amount of \$755,015.09, at an out of-pocket cost to the Board of \$2,102,477.09. [NOTE:⁽¹⁾ Said project qualified for funding through the Alabama Department of Environmental Management (ADEM) Drinking Water State Revolving Loan Fund (DWSRF); NOTE:⁽²⁾ B & H Contracting Inc. and Jones Utility and Contracting Company, the apparent low bidders, were disqualified due to a clerical error; and REV Construction, Inc., the apparent low bidder, was determined to be non-responsible/non-responsive because of withdrawal of multiple bids over the past 12 months; and NOTE:⁽³⁾ The Historically Underutilized Business (HUB)’s subcontractor participation is 28 percent.]

Resolution No. 7366 is hereby adopted by unanimous vote.”

Following, the General Manager asked the Board to approve an agreement with The Jones Group, LLC, as set forth in agenda item 7, to provide lobbying and consulting services during the 2017 Legislative Sessions. 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 approves an agreement with The Jones Group, LLC, to provide lobbying and consulting services during the 2017 Legislative Sessions at a monthly cost of \$7,500.00, effective December 19, 2016 to December 18, 2017, and to authorize the General Manager and/or the Assistant General Manager to execute the agreement. Resolution No. 7367 is hereby adopted by unanimous vote.”

Next, the Board was asked to amend “The Water Works Board of the City of Birmingham Flexible Benefits Plan” (the “Cafeteria Plan”) Summary Plan Description (“SPD”), as set forth in agenda item 8. Assistant General Manager Michael Johnson was recognized and he stated said item is an administrative amendment that would allow staff and the provider to manage said plan and have the periods coincide with each other. In addition, he pointed out there would not be any changes in benefits. On a motion duly made and seconded, the following resolution was adopted:

“Whereas, the Board sponsors an Internal Revenue Code §125 cafeteria plan permitting employee contributions to purchase various benefits by way of salary reductions, which plan is known as “The Water Works Board of the City of Birmingham Flexible Benefits Plan” (the “Cafeteria Plan”); and

Whereas, the Board provides all employees access to a summary of the provisions of the Cafeteria Plan (the “Summary Plan Description” or “SPD”); and

Whereas, it has come to the attention of the Board that the submission period for claims under the Health Care Flexible Spending Account and the Dependent Care Flexible Spending Account must be identical to allow the administrative service provider for the Cafeteria Plan to more efficiently and accurately administer the plan; and

Whereas, it is necessary to amend The Water Works Board of the City of Birmingham Flexible Benefits Plan and the corresponding SPD.

NOW THEREFORE, BE IT RESOLVED by the Board of Directors, on motion duly made by Mr. George Munchus and seconded by Mr. William R. Muhammad, that “Amendment Number Two to The Water Works Board of the City of Birmingham Flexible Benefits Plan” (“Amendment Number Two”), and the revised Summary Plan Description of The Water Works Board of the City of Birmingham Flexible Benefits Plan (“Revised SPD”), a copy of which was presented at this meeting, are hereby approved and adopted and that the duly authorized agents of the Board, are hereby authorized and directed to execute and deliver to the Administrator an executed copy of said Amendment Number Two and the Revised SPD.

BE IT FURTHER RESOLVED by the Board of Directors that the General Manager or the Assistant General Manager of the Board are hereby authorized and directed to (i) take such actions and execute such documents as are deemed necessary and proper in order to make the Revised SPD available to all employees, and (ii) as soon as possible, to notify the employees of the revisions to the SPD by delivering to each employee a copy of the Revised SPD.

The Board certifies that attached hereto as Exhibits A and B respectively are true copies of the Amended Revised SPD approved and adopted in the foregoing resolutions. Resolution No. 7368 is hereby adopted by unanimous vote.”

Following adoption of the above motion, Assistant General Manager Sonny Jones reported that the Carson Loop Project’s first phase goes underneath the lake bed wherein it would follow the shore of said bed. He also said the phases were divided because they require two (2) different technologies wherein senior executive management believes the price would be better if they are separated.

Next, the Board was asked to approve and authorize the General Manager and/or the Assistant General Manager to accept a proposal (Terms of Engagement) from Banks, Finley, White & Company, as set forth in agenda item 9, as recommended by the Executive Committee. 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 Mr. George Munchus, that the Board hereby authorizes the General Manager and/or the Assistant General Manager accept a proposal (Terms of Engagement) from Banks, Finely, White & Company to perform Statement on Attestation Engagements No. 16 (SSAE #16) Audit Services wherein the Auditors will examine the processing of sewer service charges on behalf of Jefferson County, Alabama, for the period October 1, 2015 to September 30, 2016, at an out-of-pocket cost to the Board of \$65,000.00. Resolution No. 7369 is hereby adopted by unanimous vote.”

Following, the Board was asked to approve a 12-month agreement with The Segal Company to conduct annual actuarial valuations for the Water Works Board’s Pension and Other Post Employment Benefit (OPEB) Plans, as set forth in agenda item 10, as recommended by the Executive Committee. 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 Mr. George Munchus, that the Board hereby approves a 12-month agreement with the Segal Company to conduct annual actuarial valuations regarding the Pension and Other-Post Employment Benefit (OPEB) Plans, at an estimated annual cost to the Board of \$59,200.00; and to authorize the General Manager and/or the Assistant General Manager to execute said agreement. Resolution No. 7370 is hereby adopted by unanimous vote.”

Next, the General Manager asked the Board to approve payments to Morgan Stanley, as set forth in agenda item 11, for providing pension plan investment management and consulting service. He indicated staff recommends approval of the referenced item. Following, Director McKie said when he and the General Manager spoke on yesterday the funds had not yet been moved from Renasant Wealth Management and he asked if this could begin happening today. The General Manager stated he is not sure this could be done today and indicated when he questioned Renasant about this yesterday, said company indicated it would revisit its investment group and see if the transfer could be initiated. The General Manager pointed out that the Board has been with Renasant for a long time. He said the Board was expected to transition from said company to Regions Institutional Services; however, the referenced company canceled its agreement and the Board hired BB&T Institutional Services, pointing out said

company will not transfer the funds until January 2017. He also said Renasant is currently managing the Board's Pension Plans and providing consulting service. In response to Director Lewis' inquiry if the Board is still paying Renasant for its services, the General Manager responded yes. Director Lewis commented that the Board would be double paying if it uses Morgan Stanley and Renasant. She then said as she understands said companies are providing the same services wherein the General Manager agreed. Following, the General Manager indicated the Board's attorneys reviewed the documents and he asked them if they wanted to comment. Attorney Paige Goldman asked the directors if they had received the email yesterday from Attorney French outlining Morgan Stanley's services. Director Lewis responded yes but indicated said company does not have the referenced funds to manage, pointing out she understands they have been providing other services but she is concerned about the pension plan investment's management and consulting service. Director Lewis then asked why Morgan Stanley is not offering to negotiate if there are problems. Attorney Goldman stated said company made some recommendations to the Board's asset list relative to fund managers and they made some changes to the investment policy to control the Board's investment strategy. Following, Attorney Goldman said this took time wherein it is not said company's fault that the money has not yet been transferred to BB&T, pointing out Morgan Stanley has been working to make sure the transitions would go smoothly. Following, Director Lewis asked Attorney Goldman if she is implying it is the Board's fault and Attorney Goldman responded she was not suggesting it is anyone's fault. Director Lewis said she is concerned about the Board paying twice, and she asked if there could be a compromise wherein something could be worked out. Following, Director Munchus asked the General Manager if he authorized Morgan Stanley to do the additional things that Attorney Goldman mentioned and the General Manager said the opinion taken by the Board's attorneys is different from his, pointing out the contract was signed in August and funds were supposed to transfer in October. The General Manager said his position is that Morgan Stanley's invoice is based on them having control and management responsibility for \$129,000,000.00 of the Board's assets. He pointed out that the referenced company currently does not have the funds to manage and indicated they sent an invoice based on 11 basis points of said amount as if it handled the transaction. Subsequently, the General Manager said Morgan Stanley should be paid but not according to how they submitted their bill. Subsequently, a lengthy discussion followed relative to consulting services being provided by Morgan Stanley referenced on the invoices. After discussion, Director Lewis asked the Board to table said item and to allow staff to negotiate with Morgan Stanley to resolve said matter, pointing out the Board should not pay for duplicate services. Following, Mr. David Searcy of Morgan Stanley indicated that the Board would not be paying for duplicate services, and he reviewed the services that Morgan Stanley had performed during said period. After some additional discussion relative to the process in transferring said funds, a motion was made to table said item for one week until all questions from the directors could be answered and it was seconded. On a motion duly made and seconded, the following resolution was adopted:

“BE IT RESOLVED By The Water Works Board of the City of Birmingham (“the Board”), on a motion duly made by Ms. Sherry W. Lewis and seconded by Mr. Kevin B. McKie, that the Board hereby tables executing payments to Morgan Stanley, as follows:

- 11.1 For service from August 10, 2016 through September 30, 2016 \$19,865.10
- 11.2 For service from October 1, 2016 through December 31, 2016 \$34,600.25

Resolution No. 7371 is hereby voted for by Directors Lewis and Munchus to table said item; Directors Mims, McKie and Muhammad voted no.”

Following, Chairman Mims indicated the vote was tied. Director Muhammad said Director McKie did not vote wherein Director Lewis stated Director McKie seconded her motion. Following, Attorney French and Director Lewis said the motion passed wherein Director McKie said even though he seconded Director Lewis' motion he would vote no to table item 11. Subsequently, Chairman Mims called for motion to pay said invoices to Morgan Stanley, as set forth in item 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 Mr. Kevin B. McKie and seconded by Mr. Ronald A. Mims, that the Board hereby authorizes staff to execute payments to Morgan Stanley, as follows:

- 11.1 For service from August 10, 2016 through September 30, 2016 \$19,865.10
- 11.2 For service from October 1, 2016 through December 31, 2016 \$34,600.25

Resolution No. 7372 is hereby adopted by Directors Mims, McKie and Muhammad; Director Lewis opposed and Director Munchus abstained.”

* * * * *

Next, the Board was asked to approve an agreement with C. W. Woods Contracting Services, Inc., as set forth in agenda item 12, to provide construction phase inspection and construction administration services associated with the installation of a water line relative to the Barber MotorSports Pipeline Project at a fee of \$65,000.00 for a 90-day installation period. After the motion was made and seconded, a lengthy discussion ensued as to why said item was not bided. The General Manager informed the Board that staff is doing at least two (2) emergency drought related projects, pointing out all of this concerns the drought and staff's ability to get water to the southern part of the system. He reminded the directors that in October senior executive management believed the Board would run out of water at some point. Following, the General Manager said staff would do the referenced project and the round connection project at Lakeshore and Highway 280 on an emergency basis, which would allow staff to get nearly 5 million additional gallons of water to its customers over the mountain. A discussion ensued on the referenced project and the round connection project at Lakeshore and Highway 280 and the Barber MotorSports Pipeline Project which would be done on an emergency basis and said projects would allow staff to get nearly 5 million additional gallons of water to its customers over the mountain. Also, a discussion followed relative to the Board's top two large contractors (Rast Construction and Jones Utility) and the estimated cost of \$1.2 million on the Barber MotorSports Pipeline Project. Assistant General Manager Sonny Jones stated said pipeline project would be done using one of the three (3) on-call emergency contractors. Assistant General Manager Sonny Jones indicated the timetable for said project is to be in service within 30 days wherein an additional 30 days to return the paving to its original state. Director McKie inquired about the minority participation relative to said project. The General Manager indicated that the minority participation could not be tracked in the usual manner and stated staff would work with the contractors to obtain the information.

Subsequently, a discussion ensued relative to the round connection project which requires underground installation of a lot of different equipment such as valves and line stops. Assistant General Manager Darryl Jones indicated that said project would be done between Brookwood Mall and Highway 280. The water would flow from the Western Filter Plant and supply the pipeline that would eventually deliver from three to five million gallons of drinking water to the Rosedale Pump Station. The referenced project was designed by in-house engineers a few years ago and staff looked at bidding said project because it was during a time when the Board did not have a crisis. Since staff is trying to push forward during the drought, Assistant General Manager Darryl Jones indicated on-call contractors were looked at

to do the job. In response to Director Munchus' inquiry if staff believed it would get good prices from on-call contractors, Assistant General Manager Darryl Jones replied that on-call prices are fixed. He pointed out when on-call contractors bid projects they are usually slightly more competitive in their pricing than with their on-call numbers. In addition, he pointed out that staff tends to get a better price when it has the opportunity to bid. Subsequently, it was pointed out that both contractors understand the importance of HUB participation.

A discussion ensued as to why C. W. Woods Contracting Services is needed on the Barber MotorSports Project when it is not needed on other projects. Assistant General Manager Sonny Jones stated said project is large and difficult, pointing out the Board only has five (5) internal inspectors who are inspecting other projects. Assistant General Manager Sonny Jones said each inspector often visits three (3) to five (5) jobs daily wherein the internal inspectors visit sites two (2) or three (3) hours per day. Following, Assistant General Manager Sonny Jones said staff would possibly bring Mr. Woods' contract to assist with the round connection project when work begins. The General Manager stated the engineer that designed the Carson Loop 6C and 6D project would assign an inspector because money is included in their contract for such. Following, Director McKie asked if inspectors are already assigned to the other large projects and the General Manager said the engineers that design jobs are responsible for hiring and placing inspectors on projects daily to make certain jobs are done according to specifications. Some discussion followed relative to the indemnification clause in paragraph 7 of Mr. Woods' agreement before approving it. Attorney French indicated that the Board's attorneys had not reviewed said agreement. Director McKie said he thinks Jefferson County needs to be added to said agreement as the venue and the Board should pay Mr. Woods based on a monthly, hourly or weekly fee instead of paying \$65,000.00 for a 90-day project. Director Munchus said he believes the agreement is fairly standard, pointing out he does not think the Board's attorneys would find anything inappropriate. Following, Director Lewis said she believes in going through the correct process and pointed out items are continuing to be placed on the agenda without going through committee or being reviewed. Director Lewis asked if the Board's attorneys had reviewed Mr. Woods' agreement and Attorney French responded no. She then asked why said agreement is on today's agenda and Director Munchus said he believes the agreement is fairly standard. In response to Director Lewis' inquiry as to whether staff no longer sends contracts to the Board's attorneys, the General Manager stated staff does not normally send standard contracts to said attorneys unless they contain unusual language. Following, Director McKie asked Mr. Woods if he knew why the indemnification clause in his contract is written as such and Mr. Woods stated they have used the same contract for 12 years, pointing out the Board's previous attorneys gave him the template. The General Manager called to the directors' attention that staff does not generally assign inspectors because the larger projects are done through outside engineers and all design and inspection services are included in their contracts. In addition, he pointed out that the Barber MotorSports Project is not a standard project wherein it would not be a continuing job. Following, Director Muhammad stated the Barber MotorSports Project is recommended by staff and not by the Board, indicating he does not have a problem with said agreement. Subsequently, Assistant General Manager Sonny Jones recommended that the Board uses C. W. Woods Contracting Services to inspect and administer the abovementioned project.

Following, Director McKie stated he is still questioning the indemnification clause in paragraph 7 and indicated Jefferson County should be added to paragraph 9 as the venue. He then asked if the payment structure in Mr. Woods' contract is standard language, pointing out he would be okay with this. Assistant General Manager Sonny Jones explained that the fee is usually driven as a percentage of the construction costs, pointing out staff uses the Alabama Department of Transportation (ALDOT)'s formula to determine the fee. Assistant General Manager Sonny Jones said Mr. Woods' 90-day fee could be reduced to a daily rate wherein this amount could be added to or deducted from said contract depending on how long or short the contract come in. Following, Director McKie asked Assistant General Manager Sonny Jones if he is basing said fee on 90 days noting he is okay with this if Mr. Woods agrees. Assistant General Manager Sonny Jones responded yes. Some additional discussion ensued relative to hourly pay

versus a lump sum pay for said agreement. After the discussion, Chairman Mims 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 by Mr. George Munchus and seconded by Mr. William R. Muhammad, that the Board hereby approves an agreement with C. W. Woods Contracting Services, Inc. to provide construction phase inspection and construction administration services associated with the installation of a water line relative to the Barber MotorSports Pipeline Project at a fee of \$65,000.00 for a 90-day installation period; and to authorize the General Manager and/or the Assistant General Manager to execute the agreement. Resolution No. 7373 is hereby adopted by unanimous vote.”

Following, Director Muhammad reported that a meeting was held with representatives from Jefferson County on Friday. He indicated the tentative agreement they have reached would be discussed and presented to the directors for approval at the next Board meeting. Following, Director Muhammad asked the Board’s attorneys if negotiations with the county could be talked about publicly or whether it should be discussed in an Executive Session. Attorney French mentioned the county is scheduled to meet on January 20th to determine what action would be taken, and he indicated it would be discussed publicly at that meeting.

As there was no further business before the Board, a motion was duly made and seconded, and the meeting adjourned at 10:39 a.m.

_____/s/
Ronald A. Mims
Chairman/President

Attest

_____/s/
George Munchus
Secretary-Treasurer