

MINUTES OF THE REGULAR BI-MONTHLY MEETING OF DIRECTORS
OF THE WATER WORKS BOARD OF THE CITY OF BIRMINGHAM
August 22, 2013

The regular bi-monthly meeting of the directors of The Water Works Board of the City of Birmingham was held on Thursday, August 22, 2013, at 12:00 p.m., at 3600 First Avenue North, Birmingham, Alabama.

The following Directors were present: A. Jackie Robinson, III, Sherry W. Lewis, David S. Herring and George Munchus, Ph.D. Director Ann D. Florie was absent.

Inasmuch as four of the Directors were present, Chairman Robinson 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 Managers; Grace E. Amison, Executive Assistant to the Board of Directors; Binnie Myles, Board employee; K. Mark Parnell, Mary H. Thompson, and Kelvin Howard, and J. J. Johnson, Waldrep Stewart & Kendrick, LLC; Jerry Jones, Malcolm Pirnie, Inc./ARCADIS U.S., Inc.; Dr. Jesse J. Lewis, Sr., The Lewis Group; Dorian Kendrick, Elements Communication Solutions; Dan Meadows, S. S. Nesbitt & Company, Inc.; Mark Dolan, Volkert, Inc.; David Merrida, Birmingham Construction Industry Authority; Ann C. Smith, The League of Women Voters of Greater Birmingham; Chandra Abesingh, CE Associates; and Brandon Wilson, Wilbron Institute.

Chairman Robinson called the meeting to order at 12:10 p.m. and an invocation was given by Superintendent of Maintenance Michael Arrington.

Following, the General Manager indicated that the Board would be asked to approve agenda item 1 last. As there was no old business for discussion in agenda item 2, he asked the Board to approve minutes of Board of Directors' Meetings, as set forth in agenda item 3. The General Manager indicated staff has reviewed said 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. David S. Herring and seconded by Dr. George Munchus, that the Board hereby approves minutes of Board of Directors' Meetings held on June 14, 2013, and June 27, 2013. Resolution No. 6518 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 4.4. He indicated staff has reviewed the referenced items 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. David S. Herring and seconded by Dr. George Munchus, that the Board hereby authorizes staff to execute payments to the following:

- 4.1 Raftelis Financial Consultants, Inc.

	For professional services rendered for July 2013	<u>\$ 26,596.12</u>
4.2	<u>Volkert, Inc.</u> For professional services rendered for July 2013	<u>\$ 29,210.00</u>
4.3	<u>Waldrep Stewart & Kendrick, LLC</u> For professional services rendered for July 2013	<u>\$118,511.00</u>
4.4	<u>Malcolm Pirnie, Inc./ARCADIS U.S., Inc.</u> For professional services rendered per July 2013's Progress Report (July 2013)	<u>\$490,142.23</u>

Resolution No. 6519 is hereby adopted by unanimous vote.”

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Following, the Board was asked to exercise its bid option, as set forth in agenda item 5, to extend a one-year contract with Ferguson Waterworks, per bid awarded on March 15, 2013, for estimated quantities of Gate Valves in accordance with the Bid Specifications and Conditions to replenish stock in the Warehouse. The General Manager commented that staff would only purchase the quantity of said valves that are needed throughout the year, and he indicated staff has reviewed said item and recommends it for approval. After the motions were made, Director Munchus asked if this year’s cost for said valves is less than the 2012 cost and the General Manager stated the amount should be about the same since said contract is being extended. Subsequently, Chairman Robinson called for 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. David S. Herring and seconded by Dr. George Munchus, that the Board hereby authorizes staff to exercise the bid option to extend a one-year contract with Ferguson Waterworks, per bid awarded on March 15, 2013, for estimated quantities of Gate Valves in accordance with the Bid Specifications and Conditions to replenish stock in the Warehouse at an estimated out-of-pocket cost to the Board of \$248,610.20. Resolution No. 6520 is hereby adopted by unanimous vote.”

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Next, the General Manager asked the Board to adopt resolutions authorizing monthly retirement benefits for Billy Colburn (Superintendent – Special Projects in the Revenue Water Department) from the Board’s Retirement Trust Fund, as set forth in agenda item 6, as stated on the respective retirement calculation, and commending Mr. Colburn for his 34 years of services at the Board. On a motion duly made and seconded, the following resolutions were adopted:

“WHEREAS, Billy Colburn, an employee of The Water Works Board of the City of Birmingham (“the Board”), is retiring, effective September 1, 2013, at an age of 56; and

WHEREAS, Billy Colburn has 34 years of continuous service with the Board at his retirement date, in accordance with the terms of the Pension Plan and subject to that certain Qualified Domestic Relations Order dated December 10, 2010 in favor of Billy Colburn’s ex-spouse, Sharon Ott, (See Resolution No. 5990 adopted on February 25, 2011) he is entitled to receive a monthly Retirement payment from the Board’s Retirement Trust Fund in the amount of \$5,589.82; 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. David S. Herring and seconded by Dr. George Munchus, that the Trustee be, and is hereby instructed to pay monthly benefit payments of \$5,589.82 to Billy Colburn from the Board's Retirement Trust Fund in accordance with the terms of the Pension Plan, with the first payment to be made September 1, 2013. Resolution No. 6521 is hereby adopted by unanimous vote."

"WHEREAS, Billy Colburn, an employee of The Water Works Board of the City of Birmingham, is retiring, effective September 1, 2013, after 34 years of continuous service with the Board; and

WHEREAS, management has informed the Board of Billy Colburn'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, Billy Colburn 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, on a motion duly made by Mr. David S. Herring and seconded by Dr. George Munchus, that Billy Colburn is hereby commended for his efficiency, reliability, and loyal service to the Board.

BE IT FURTHER RESOLVED, that in recognition of Billy Colburn'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 Billy Colburn. Resolution No. 6522 is hereby adopted by unanimous vote."

After approval of the above resolution, the General Manager said a retirement party is generally held for employees when they retire. He said Mr. Colburn would be given the same courtesy as other retirees and indicated he was not sure he would want such.

Following, the Board was asked to authorize reimbursement of the operating account for capital expenditures for the period ended July 31, 2013, as set forth in agenda item 7. The General Manager indicated that staff has reviewed the item and recommends it for Board approval. On a motion duly made and seconded, the following resolution was adopted:

"WHEREAS, Malcolm Pirnie, Incorporated, in a Certificate dated August 20, 2013, certified that during the period ending July 31, 2013, 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 in the preliminary amount of \$4,166,057.80; and;

WHEREAS, transfers to the Operating Account can be made from any, or a combination, of the following: the 2002 Construction Fund, the Improvement Fund, and/or the Revenue Account.

NOW, THEREFORE, BE IT RESOLVED By The Water Works Board of the City of Birmingham, on a motion duly made by Mr. David S. Herring and seconded by Dr. George Munchus, that the Trustee be,

and is hereby instructed to immediately transfer \$4,166,057.80 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. 6523 is hereby adopted by unanimous vote.”

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Next, the Board was asked to authorize the General Manager and/or the Assistant General Manager to terminate Elements Communication Solutions agreement, effective August 22, 2013, and to enter into an agreement with The Lewis Group, Inc., effective August 22, 2013, as set forth in agenda items 8.1 and 8.2, respectively. After reminding the directors that he had sent them an email regarding said agreement in item 8.1, the General Manager indicated staff recommends approval of said items. Following, Director Herring commented that The Lewis Group’s contract is basic and he asked what does it means where said contract reference to “any additional expenses.” The General Manager explained that if the Board requires some special publications or campaigns such as for National Drinking Water Week, it might have to pay additional outside costs and he indicated no extra money would be paid to The Lewis Group. Director Herring asked if outside costs must be pre-approved and the General Manager said senior executive management could authorize amounts less than \$15,000.00, wherein Director Lewis suggested that any special items be brought before the Board. In response to Director Munchus’ inquiry as to whether this process would be for approval or just as an FYI for the Board, Director Lewis stated she is requesting that the Board approves any extra costs so that there would be a consensus among everyone. After discussion, 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 Mr. David S. Herring and seconded by Dr. George Munchus, that the Board hereby authorizes the General Manager and/or the Assistant General Manager to terminate Elements Communications agreement dated August 4, 2003, effective August 22, 2013. Resolution No. 6524 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 Mr. David S. Herring and seconded by Dr. George Munchus, that the Board hereby authorizes the General Manager and/or the Assistant General Manager to enter into an agreement with The Lewis Group to provide communications services, effective August 22, 2013. Resolution No. 6525 is hereby adopted by unanimous vote.”

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Following, the General Manager asked the Board to adopt a resolution commending the Employees of the Month for August 2013, as referenced in agenda item 1. He said the resolution includes the ability to pay the Systems Applications and Products (SAP) Team \$100.00 each for said recognition, pointing out the normal appreciation is \$250.00 for one (1) employee and it is grossed up to \$1,000.00 for a group of employees. The General Manager said the resolution had to be amended slightly for said team members because of the number of employees being recognized. Subsequently, Director Munchus asked if said recognition involves additional cost and the General Manager said yes. Following, Director Herring indicated that he wanted each member referenced in the group commendation to receive the normal appreciation of \$250.00. Subsequently, Director Herring made a motion to amend the resolution to state that each employee is to receive \$250.00 and the Director Munchus seconded 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. David S. Herring and seconded by Dr. George Munchus, that the Board hereby recognizes and commends members of the SAP Team: Barry Williams, Melvin Jefferson, Priscilla Watson, Sonji Campbell, Larry Hollings, Keith Witt, Reginald Nall, Jeff Jenkins, Pleshette Sherrod, Kizzy Lacey, Denecia Hughes, John Reymann, John Boles, Ben Sorrell, Jennifer King, Jonathan Malloy, Vanessa Washington, Jerreka Pippen, Joyce Dupree, Rhonda Lewis, Cortez Tolbert, Chad White, Victoria Damsgard, Ed Travis, Raymond Childs, Sam Jent, Stacy Johnson, Doug Stockham, Janice Acoff, Antris Betts, Lance Carr and Michael Arrington;

RESOLVED FURTHER, that the Board and the General Manager are hereby authorized to sign a formal resolution, the wording of which will carry out the intent herein, and a copy of which will be presented to the employees named above.

RESOLVED FURTHER, the Board is proud and desires to recognize and commend members of the SAP Team as Employees of the Month for August 2013 for their extraordinary efforts in ensuring the success of this business transformation project. In recognition of this achievement, said employees will be recognized as Employee(s) of the Month and each shall receive a monetary award of \$250.00 (grossed up).

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 a copy of which will be presented to the employees named above. Resolution No. 6526 is hereby adopted by unanimous vote.”

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Following, Director Herring commented that the Board understands the importance of what the SAP team member accomplished and he indicated that the Board should reward them. Director Munchus expressed his agreement with Director Herring and added that the SAP Team worked long hours, which went beyond their normal work days.

Following, Assistant General Manager Michael Johnson was recognized and he provided the following comments: He stated as a part of its strategy to transform its business processes, in January of 2010 the Birmingham Water Works Board (BWWB) initiated the process of transferring its core departments of finance, purchasing, maintenance management, budget and project accounting systems from a legacy system dependent on mainframe processing and lacking integration and real time processing and reporting, to SAP software with Enterprise Resource Planning (ERP) functionality. He said when SAP is fully implemented BWWB would be able to capture, record, compile, analyze, and report on business information that could be used to make decisions and facilitate continuous improvement throughout the Water Works. Assistant General Manager Michael Johnson said in order to ensure the success of the SAP project, the right teams and resources had to be gathered, key roles established, and a project reporting and governance structure established. He said during its peak, the SAP implementation involved as many as 80 employees who were subject matter experts, managers, supervisors, or employees that provided key input on how to conduct daily business. Assistant General Manager Michael Johnson also said an estimated 12,000 plus meetings were held; many weekends were spent testing and reconciling; 5,000 plus hours of training were conducted; and over 200 employees were trained. Assistant General Manager Michael Johnson said because of the efforts and commitment of the SAP Team, BWWB has accomplished its planned goal for this component of SAP wherein systems implemented include the general ledger, budget, purchasing\procurement, plant maintenance, project systems, dashboard reporting for capital projects, and many enhancements to improve functionality. After Assistant General Manager Michael Johnson introduced

the SAP Team and acknowledged employees who were previously recognized for playing key roles in the SAP implementation, he expressed his appreciation and the meeting body extended applause.

On behalf of the Board, Chairman Robinson expressed sincere gratitude to the August 2013 Employees of the Month for their work efforts on said project. He commented that he has seen the employees' cars many times (early and late) on the Main Campus and pointed out he knows the transition and commitment it takes to install new systems. The employees were invited to make comments and some comments were made. The employees were informed that pictures would be taken after the meeting.

Subsequently, Chairman Robinson recognized consultants and visitors. Mr. Brandon Wilson of the Wilbron Institute introduced himself and extended greetings to the Birmingham Water Works Board. He offered a special acknowledgement to Director Lewis for leading the Board's job shadowing internship program to place students from the Birmingham Board of Education's High School Career Academies in said program. Mr. Wilson said he would ensure his firm's resources make said program successful and that it fosters positive community relations for the Birmingham Water Works Board. Mr. Wilson expressed appreciation on behalf of Dr. Craig Witherspoon, Superintendent of the Birmingham City Schools, and the Birmingham Education Foundation. Following, Chairman Robinson thanked Mr. Wilson for his comments and Director Lewis for spearheading said project. Following, Public Communications Manager Binnie Myles said when she recently saw Attorney John Saxon who lives in the Forest Park Community, he commended and expressed gratitude to Board employees Dwayne Newton and Wallace Sailem for the assistance they provided to him.

As there was no further business before the Board, a motion was duly made and seconded, and the meeting was adjourned at 12:35 p.m.

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

Attest:

/s/
David S. Herring
Secretary-Treasurer