

MINUTES OF THE REGULAR BI-MONTHLY MEETING OF DIRECTORS
OF THE WATER WORKS BOARD OF THE CITY OF BIRMINGHAM
September 13, 2013

The regular bi-monthly meeting of the directors of The Water Works Board of the City of Birmingham was held on Friday, September 13, 2013, at 9:00 a.m., at 3600 First Avenue North, Birmingham, Alabama.

The following Directors were present: A. Jackie Robinson, III, Sherry W. Lewis, Ann D. Florie, and George Munchus, Ph.D. Director David S. Herring 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, Darryl Jones, and T. M. "Sonny" Jones, Assistant General Managers; Grace E. Amison, Executive Assistant to the Board of Directors; Ben Sorrell, Paul Lloyd, Binnie Myles, Anton Jones, and Drusilla Hudson, Board employees; Mary H. Thompson and Kelvin Howard, Waldrep, Steward & Kendrick, LLC; Jerry Jones, ARCADIS U.S., Inc.; Noelle Petties and Dorian Kendrick, The Lewis Group; Theo Johnson, Volkert, Inc.; Dan Meadows, S. S. Nesbitt & Company, Inc.; Ann C. Smith, The League of Women Voters of Greater Birmingham; and Keana Winston, The Agency.

Chairman Robinson called the meeting to order at 9:08 a.m. and an invocation was given by EnviroLab Manager Anton Jones. Following, Chairman Robinson asked the meeting body to say a special prayer for the family of Representative Demetrius Newton during its bereavement and the General Manager mentioned that former Commissioner Jeff Germany's mother passed away.

Following, the General Manager proceeded with the agenda. As there was no old business for discussion in agenda item 1, he asked the Board to approve payments of invoices for professional services, as set forth in agenda items 2.1 through 2.7. 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 Dr. George Munchus and seconded by Ms. Sherry W. Lewis, that the Board hereby authorizes staff to execute payments to the following:

2.1	<u>Carl Dalton NeSmith, Jr., LLC</u> For Retainer Fee for September 2013	<u>\$ 500.00</u>
2.2	<u>Birmingham Construction Industry Authority, Inc.</u> For professional services rendered for September 2013	<u>\$ 2,000.00</u>
2.3	<u>Terminus Securities, LLC</u> For professional services rendered for August 2013	<u>\$ 5,500.00</u>
2.4	<u>The Lewis Group</u> For professional services rendered from August 22 – 29, 2013	<u>\$ 6,100.00</u>
2.5	<u>Fine Geddie & Associates</u> For professional services rendered for September 2013	<u>\$ 7,500.00</u>

- 2.6 Raftelis Financial Consultants, Inc.
For professional services rendered for August 2013 \$ 24,745.34
- 2.7 Elements Communication Solutions
For professional services rendered through August 22, 2013 \$ 30,767.10

Resolution No. 6527 is hereby adopted by unanimous vote.”

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Next, the Board was asked to award a bid to Wade, Sand and Gravel, the lowest responsible and responsive bidder, as set forth in agenda item 3, for estimated annual quantities of crushed limestone – backfill materials. After pointing out two (2) bids were received on said item, the General Manager indicated staff recommends Board 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 Dr. George Munchus and seconded by Mrs. Ann D. Florie, that the Board hereby authorizes staff to award bid to Wade, Sand and Gravel, the lowest responsible and responsive bidder, for estimated annual quantities of crushed limestone – backfill materials at an estimated out-of-pocket cost to the Board of \$461,496.50. Resolution No. 6528 is hereby adopted by unanimous vote.”

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Following, the General Manager asked the Board to take bids on items 4.1 through 4.3, as recommended by the Engineering and Maintenance Committee, respectively. After a review of said items, Director Lewis asked why there was no amount recommended for item 4.2. Assistant General Manager Darryl Jones replied no amount was mentioned because senior executive management only wants to take bids and indicated staff does not know what the costs would come in at. At 9:15 a.m., Board Attorney Charlie Waldrep entered the meeting. Subsequently, Assistant General Manager Darryl Jones indicated the providers competing for the service and the equipment include AT&T, Verizon, Sprint, and T-Mobile and commented staff would know more when the bids are submitted. 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 Dr. George Munchus and seconded by Ms. Sherry W. Lewis, that the Board hereby authorizes staff to take bids on the following:

- 4.1 An Inductively Coupled Plasma (ICP) Optical Emission Spectrometer for the EnviroLab at an estimated out-of-pocket cost to the Board of \$120,000.00, as recommended by the Engineering and Maintenance Committee.
- 4.2 A Wireless Communications Contract for annual services for a three-year period, as recommended by the Engineering and Maintenance Committee.
- 4.3 For maintenance repair and painting of three (3) Water Tanks located within BWWB Distribution System; ❶ Putnam Raw Water Tank – 5,000,000 gallons - \$1,100,000.00; ❷ Crestwood Potable Water Tank – 1,400,000 gallons - \$690,000.00; and ❸ Meadow Brook Potable Water Tank - 2,000,000 gallons – \$900,000.00 at a total estimated out-of-pocket cost to the Board of \$2,690,000.00, as recommended by the Engineering and Maintenance Committee.

Resolution No. 6529 is hereby adopted by unanimous vote.”

Following adoption of the above resolution, Chairman Robinson asked if the Board had hired an individual to assist with the tank painting and Assistant General Manager Darryl Jones replied that staff had hired an internal employee to inspect all of the painting, pointing out it has saved the Board a lot of money. The General Manager explained that tank painting requires placing a cover over the tank and sandblasting it down to the metal inside and outside, and replacing any metal that is rusted. He pointed out the Board was paying about \$500,000.00 to have the tanks inspected and indicated the in-house inspector is costing about \$120,000.00. Following, Director Florie commented that the Board is being asked to take bids in item four (4) and she asked why it had an amount. Assistant General Manager Darryl Jones explained said item is an estimated amount and the General Manager added the referenced item is based on prior bids staff has received relative to the size of the previous tanks.

Next, the Board was asked to approve expenditures with Ovivo USA, LLC, as set forth in agenda item 5, for purchase and installation of six (6) clarifier drive units at the Western Filter Plant, as recommended by the Engineering and Maintenance Committee. Assistant General Manager Darryl Jones was recognized and he indicated said item was presented in the July 9, 2013 Engineering and Maintenance Committee Meeting. He also indicated the requested drive units would be used to replace the current ones wherein they help to remove sludge from the sedimentation basins. 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 Dr. George Munchus and seconded by Ms. Ann D. Florie, that the Board hereby approves expenditures with Ovivo USA, LLC, a sole source provider, for purchase and installation of six (6) clarifier drive units at the Western Filter Plant at an out-of-pocket cost to the Board of \$443,080.00, as recommended by the Engineering and Maintenance Committee. [NOTE: This expenditure is exempt from bidding under the Alabama State Competitive Bid Law because it is a sole source.] Resolution No. 6530 is hereby adopted by unanimous vote.”

Following, the Board was asked to approve and authorize the General Manager and/or the Assistant General Manager to execute a Joint Funding Agreement with the U.S. Geological Survey (USGS), as set forth in agenda item 8, for water resources investigations. The General Manager commented that through the Board’s partnership, USGS provides staff with flow stream data on all of the Board’s gauging stations, pointing out the partnership is a joint venture wherein the Board and USGS share the cost. Director Munchus asked what is the driver behind such a venture and if it is a regulatory issue with the Alabama Department of Environmental Management (ADEM) or the Environmental Protection Agency (EPA). Assistant General Manager Darryl Jones replied the USGS maintains the gauging stations that monitor flows in the river system statewide. He stated because the Little Cahaba, Little Warrior, and Mulberry Fork Rivers feed into the Board’s lakes, information provided by USGS allows staff to determine the amount of water that goes into the lakes and staff matches it with the amount of water removed from the lake so that it can better monitor the Board’s resources. Following, the General Manager added the joint venture with USGS is critical at Lake Purdy and Cahaba River areas, especially during drought situations because it provides staff with data relative to the quantity of water to release from Lake Purdy to keep it from overflowing the dam. After discussion, a motion was 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 Dr. 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 execute a Joint Funding Agreement with U.S. Geological Survey (USGS) that continues the operation and maintenance by USGS of daily charge stream flow gauging stations on the Little Cahaba River above Lake Purdy, the Little Warrior River above Inland Lake, and the Mulberry Fork River above the Mulberry Station, and well levels near Lake Purdy from October 1, 2013 to September 30, 2014, for water resources investigations at an out-of-pocket cost to the Board of \$30,200.00. Resolution No. 6531 is hereby adopted by unanimous vote.”

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Next, the Board was asked to approve and authorize the General Manager and/or the Assistant General Manager to enter into a one-year Laboratory Testing Agreement with the City of Birmingham, as set forth in agenda item 7, to allow the EnviroLab to perform analysis for the City of Birmingham’s Storm Water projects, as recommended by the Engineering and Maintenance Committee. The General Manager pointed out said item was discussed at the September 3, 2013 Engineering and Maintenance Committee Meeting and indicated staff recommends Board approval. Director Munchus asked if this is the Board’s first time assisting the City of Birmingham in this manner and the General Manager replied yes. Following, Director Munchus indicated the referenced agreement is wonderful and he asked if there are other cities that need such services performed by the Board’s EnviroLab. Assistant General Manager Darryl Jones said staff is looking into this. After discussion, a motion duly was made and seconded, the following resolution was adopted:

“BE IT RESOLVED By The Water Works Board of the City of Birmingham (“the Board”), on a motion duly made by Dr. George Munchus and seconded by Mrs. Ann D. Florie, that the Board hereby approves and authorizes the General Manager and/or the Assistant General Manager to enter into a one-year Laboratory Testing Agreement with the City of Birmingham to allow the EnviroLab to perform analysis for the City of Birmingham’s Storm Water projects at an amount not to exceed \$37,500.00, as recommended by the Engineering and Maintenance Committee. Resolution No. 6532 is hereby adopted by unanimous vote.”

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Following, the General Manager asked the Board to grant an easement to Alabama Power Company for the installation of an overhead power line across the Sipsey right-of-way, as set forth in agenda item 8, to provide electrical service to a new residence off Sherwood Forest Lane; and to authorize the General Manager and/or the Assistant General Manager to execute the easement, as recommended by the Engineering and Maintenance Committee. The General Manager indicated staff recommends approval of the referenced item. On a motion duly made and seconded the following resolution was adopted:

“BE IT RESOLVED By The Water Works Board of the City of Birmingham (“the Board”), on a motion duly made by Dr. George Munchus and seconded by Ms. Sherry W. Lewis, that the Board hereby grants an easement to Alabama Power Company for the installation of an overhead power line across the Sipsey right-of-way to provide electrical service to a new residence off Sherwood Forest Lane in Walker County for a sum of \$1.00; and to authorize the General Manager and/or the Assistant General Manager to execute the easement, as recommended by the Engineering and Maintenance Committee. Resolution No. 6533 is hereby adopted by unanimous vote.”

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Next, the Board was asked to approve an amended Business Associate Agreement (BA) with existing third party providers that have BA Agreements with the Water Works Board, as set forth in agenda

item 9; and to approve a new Business Associate Agreement (BA) for providers that need to have a BA Agreement executed to comply with the Final Rules under HIPAA, as recommended by the Human Resources Committee. The General Manager explained that in order for the business associates to get certain information, they must have the HIPAA agreement so they would know not to release certain health care information that may be provided to them. Subsequently, he said staff recommends approval of said item. On a motion duly made and seconded, 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 Dr. George Munchus and seconded by Ms. Sherry W. Lewis, that the Board hereby approves ❶ the amended Business Associate Agreement (BA) with existing third party providers that have BA Agreements with the Water Works Board; and hereby approves ❷ a new Business Associate Agreement (BA) for providers that need to have a BA Agreement executed to comply with the Final Rules under HIPAA, as recommended by the Human Resources Committee. Resolution No. 6534 is hereby adopted by unanimous vote.”

Following, the General Manager asked the Board to adopt resolutions authorizing monthly retirement benefits from the Board’s Retirement Trust Fund for Jeffrey Woodley (Field Service Technician), as set forth in agenda item 10, as stated on the respective retirement calculation, and commending Mr. Woodley for his 34 years and 2 months of service at the Board. The General Manager indicated staff recommends Board approval of the referenced item. On a motion duly made and seconded, the following resolutions were adopted:

“WHEREAS, Jeffrey Woodley, an employee of The Water Works Board of the City of Birmingham (“the Board”), is retiring, effective October 1, 2013, at an age of 53;

WHEREAS, Jeffrey Woodley has 34 years and 2 months of continuous service with the Board at his retirement date, and in accordance with the terms of the Trusteed Pension Plan, is entitled to receive a monthly Retirement payment from the Board’s Retirement Trust Fund in the amount of \$3,370.96; 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 Dr. George Munchus and seconded by Ms. Sherry W. Lewis, that the Trustee be, and is hereby instructed to pay monthly benefit payments of \$3,370.96 to Jeffrey Woodley from the Board’s Retirement Trust Fund, in accordance with the terms of the Pension Plan, with the first payment to be made October 1, 2013. Resolution No. 6535 is hereby adopted by unanimous vote.”

“WHEREAS, Jeffrey Woodley, an employee of The Water Works Board of the City of Birmingham, is retiring, effective October 1, 2013, after 34 years and 2 months of continuous service with the Board; and

WHEREAS, management has informed the Board of Jeffrey Woodley’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, Jeffrey Woodley 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 Dr. George Munchus and seconded by Ms. Sherry W.

Lewis, that Jeffrey Woodley is hereby commended for his efficiency, reliability, and loyal service to the Board.

BE IT FURTHER RESOLVED, that in recognition of Jeffrey Woodley'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 Jeffrey Woodley. Resolution No. 6536 is hereby adopted by unanimous vote."

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Following, the General Manager reminded the Board that the H2O Foundation's Tenth Annual Golf Tournament would be held on Monday, September 16, 2013 at the Robert Trent Jones Golf Trail at Oxmoor Valley. He indicated tee off is scheduled at 9:00 a.m. and that senior executive management would be participating in said tournament.

Subsequently, Assistant General Manager Sonny Jones reported that rebids were opened for the remainder of the paving on South Shades Crest Road, pointing out this is the project wherein the contractor had to be removed. He said the original contract was \$460,000.00; that the lowest rebid received was \$232,300.00, and he indicated staff is checking the contractor's references. Following, Assistant General Manager Sonny Jones reported the contractor has experience with paving and pointed out the contractor would be a new vendor for the Water Works Board. He indicated said item would probably be presented for approval at the September 26, 2013 Regular Board of Directors' Meeting. In response to Director Munchus' inquiry regarding the contractor's paving experience, Assistant General Manager Sonny Jones responded that the contractor has done a lot of work for the Alabama Department of Transportation (ALDOT). Chairman Robinson asked for a recap on how the total bill would be handled, pointing out he recalls staff had indicated once it receives the new paving cost the amount for work not satisfactorily completed by the original contractor would be deducted from his cost. Assistant General Manager Sonny Jones said as he understands, the Board would pay the original contractor the difference between the \$460,000.00 and the new contractor's amount. Following, the General Manager stated staff has verified that no money has been paid to the original contractor, and he reported staff received the bid on yesterday wherein it has not been presented to the Board's attorneys to review. Board Attorney Mary Thompson commented that they would have to review the entire agreement to make a determination on the contractor's cost. Director Munchus asked if the original contractor expects to be paid even though his work was unsatisfactory and the General Manager said yes, pointing out one-half of the work was done unsatisfactory and one-half was done satisfactory. The General Manager said staff had to rebid the project due to the County's dissatisfaction with the original contractor's work.

Next, Director Lewis asked if one (1) of the Board's employees was injured in a Board truck that caught on fire. The General Manager indicated the employee who was driving the truck was not hurt, pointing out the employee was not in the truck when the incident happened. The General Manager indicated that he was told that when the truck ran off of the road, it bottomed out on the right side and perhaps broke a gas line in the process which caused the truck to catch on fire. In addition, the General Manager indicated that staff would notify the Board of all major incidents regarding employees. Director Lewis asked if the truck was destroyed and the General Manager said the truck is a total loss. Assistant General Manager Sonny Jones pointed out that the Board's employee was not at fault of the accident.

Subsequently, Chairman Robinson recognized consultants and visitors. Mr. Dan Meadows of S. S. Nesbitt & Company, Inc., broker of record services for the Board's property and casualty insurance, reported they are actively pursuing the renewal of the Board's property and casualty insurance. At 9:27 a.m., Board Attorney Mark Parnell entered the meeting. Mr. Meadows pointed out that November 1, 2013 is the Water Works Board's insurance renewal date, and he indicated they would be presenting the renewal information

during the first week in October to allow the Board sufficient time to review. Mr. Meadows indicated that they are anticipating a good renewal.

Following, Public Communications Manager Binnie Myles informed the Board that the kickoff press conference had been held for the Board's pilot job shadowing internship program in conjunction with the Birmingham Board of Education's High School Career Academies. Ms. Myles said the press conference went very well and indicated Dr. Spencer Horn and the teachers are excited about starting the program. Ms. Myles commented that the actual job shadowing would be held on October 8th and 9th, and the Board's managers would be shadowing 38 students on each day. Director Lewis reported that she had received a letter from Dr. Horn expressing his appreciation to the Water Works Board for stepping up and helping to educate the students about the water industry. Director Lewis indicated that she explained to Dr. Horn that it is still a pilot program for the Board and the directors hope to expand it in the Board's service area in the future. Chairman Robinson commended Director Lewis for bringing the job shadowing program to the Board's attention and following through in getting it organized. Chairman Robinson reported that Dr. Craig Witherspoon, Superintendent of the Birmingham City Schools, thinks very highly of the program and indicated he had expressed his appreciation to him for the Board's efforts. Director Munchus asked if Dr. Thomas Bice, State Superintendent of Education, is aware of the good work that the Board is doing by partnering with the Birmingham City Schools. Director Lewis said information can be sent to him relative to what the Water Works is doing. Director Munchus pointed out he is aware the state is interested in the Birmingham City Schools.

Following, Director Lewis extended congratulations to Dr. Jesse J. Lewis in having a foundation named after him. Ms. Dorian Kendrick of The Lewis Group commented the foundation is for journalism and progress. Mr. Lawrence Holman of Johnson Controls introduced himself and indicated he attended today's meeting to observe. He said they work with a lot of water utilities around the country, and he pointed out the Birmingham Water Works Board is one of the most recognized water utilities in the country. Chairman Robinson welcomed Mr. Holman to the meeting. In response to Chairman Robinson's inquiry of where Johnson Controls is located, Mr. Holman replied they are located in Huntsville, Alabama. Director Munchus inquired about Johnson Controls' main function. Mr. Holman responded that Johnson Controls mainly target water utilities to help them to reduce their operating costs. Chairman Robinson reminded everyone that on today the Birmingham's 50 Years Forward Empowerment Week activities would include a panel composed of U.S. Congressional Representatives which will start at 10:00 a.m. and that Dr. Condoleezza Rice will be the guest speaker at a luncheon hosted by Regions Bank.

As there was no further business before the Board, a motion was duly made and seconded, and the meeting was adjourned at 9:33 a.m.

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

Attest:

/s/
David S. Herring
Secretary-Treasurer