

**MINUTES OF THE REGULAR MEETING OF DIRECTORS
OF THE WATER WORKS BOARD OF THE CITY OF BIRMINGHAM
September 14, 2017**

The regular meeting of the directors of The Water Works Board of the City of Birmingham was held on Thursday, September 14, 2017 at 9:00 a.m., at 3600 First Avenue North, Birmingham, Alabama.

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

Inasmuch as all Directors were present, a quorum was in attendance.

The meeting was also attended by: Mac Underwood, General Manager; Darryl Jones, Assistant General Manager of Operations and Technical Services; Sonny Jones, Assistant General Manager of Engineering and Maintenance; Michael Johnson, Assistant General Manager of Finance and Administration; Tammy Wilson, Executive Assistant to Assistant General Managers, Sonny Jones and Darryl Jones; Grace Amison, Executive Assistant to the Board of Directors; George Anderson, Michael Griffin, Ed Travis, Geoff Goodwin, Shirley Russell, Terrell Jones, Stephen Franks and Barry Williams, Board Employees; Mary Thompson, Parnell Thompson, LLC; Kelvin Howard; Jesse Lewis, Dorian Kendrick and Lauren McLernon, Agency 54; Theo Johnson, Volkert & Associates, Inc.; Brian Ruggs and Jerry Jones, ARCADIS; Olivia Martin, State Attorney General’s Office; David Merrida, Birmingham Construction Industry Authority; Peiffer Brandt, Raftelis Financial Consultants; Dan Devine, Zenner USA; Michael Twardowski and Tom Crimmins, HomeServe; Derrick Murphy, Gresham Smith and Partners; Nelda Thompkins, retiree.

General Manager, Mac Underwood, called the meeting to order at 9:03 a.m. and welcomed the meeting body. Information Technology Manager, George Anderson opened the meeting with prayer.

Following, was a request for the Board to adopt retirement benefits for the Board's retirement trust fund effective October 1, 2017 for Ronald Stephenson, Senior Project Coordinator, System Development Department for 30 years of service at the Board, as set forth in agenda item 1. Staff has reviewed this item and recommends it for approval. On a motion duly made and seconded, the following resolution was adopted:

“WHEREAS, Ronald Stephenson, an employee of The Water Works Board of the City of Birmingham, is retiring, effective October 1, 2017, after 30 years of service with the Board; and

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

BE IT FURTHER RESOLVED, that in recognition of Ronald Stephenson’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. Stephenson.

Resolution No. 7591 is hereby adopted by unanimous vote.”

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“WHEREAS, Ronald Stephenson, an employee of The Water Works Board of the City of Birmingham ("the Board"), is retiring, effective October 1, 2017, at an age of 58; and

WHEREAS, Ronald Stephenson has 30 years of continuous service with the Board at his retirement date, and, in accordance with the terms of the Trusteed Pension Plan, Mr. Stephenson is entitled to receive a monthly Retirement payment from the Board’s Retirement Trust Fund in the amount of \$4,804.05; 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. Ronald A. Mims and seconded by Mr. George Munchus, that the Trustee be, and is hereby instructed to pay monthly benefit payments of \$4,804.05 to Mr. Stephenson, beginning October 1, 2017, from the Board’s Retirement Trust Fund, in accordance with the terms of the Pension Plan.

Resolution No.7592 is hereby adopted by unanimous vote.”

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Next, were requests for the Board to adopt resolutions authorizing surviving spouse monthly retirement benefits from the retirement trust fund, as set forth in agenda items 2.1 and 2.2. This will be effective September 1, 2017 for Donna Brand, the surviving spouse of retiree Lee Brand who passed away on August 24 and Margaret Evans, the surviving spouse of retiree Harold Evans who passed away on August 20, 2017. Staff has reviewed these items and recommends them for approval. On a motion duly made and seconded, the following resolution was adopted:

“WHEREAS, Lee Brand, a retiree of The Water Works Board of the City of Birmingham (“The Board”), passed away on August 24, 2017; and

WHEREAS, Lee Brand was receiving, up until the time of his death, monthly retirement benefits from the Board’s Retirement Trust Fund in the amount of \$781.59, and under the terms

of the Board's Retirement Plan, his spouse is now entitled to receive 50% of that monthly benefit until such time as she either remarries or passes away; and

WHEREAS, the surviving spouse, Donnah Brand will begin receiving her surviving spouse monthly benefit of \$390.80, effective September 1, 2017.

NOW, THEREFORE, BE IT RESOLVED By the Board of Directors of The Water Works Board of the City of Birmingham, on motion duly made by Mr. George Munchus and seconded by Mr. Ronald A. Mims, that the Trustee be, and is hereby instructed to pay a pension of \$390.80 per month to Donnah Brand from the Board's Retirement Trust Fund, in accordance with the terms of the Trustee Pension Plan, with the payment to be effective September 1, 2017.

Resolution No. 7593 is hereby adopted by unanimous vote."

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"WHEREAS, Harold Evans, a retiree of The Water Works Board of the City of Birmingham ("The Board"), passed away on August 20, 2017; and

WHEREAS, Harold Evans was receiving, up until the time of his death, monthly retirement benefits from the Board's Retirement Trust Fund in the amount of \$1, 121.10, and under the terms of the Board's Retirement Plan, his spouse is now entitled to receive 50% of that monthly benefit until such time as she either remarries or passes away; and

WHEREAS, the surviving spouse, Margaret Evans will begin receiving her surviving spouse monthly benefit of \$560.55, effective September 1, 2017.

NOW, THEREFORE, BE IT RESOLVED By the Board of Directors of The Water Works Board of the City of Birmingham, on motion duly made by Mr. George Munchus and seconded by Mr. Ronald A. Mims, that the Trustee be, and is hereby instructed to pay a pension of \$560.55 per month to Margaret Evans from the Board's Retirement Trust Fund, in accordance with the terms of the Trustee Pension Plan, with the payment to be effective September 1, 2017.

Resolution No. 7594 is hereby adopted by unanimous vote."

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Following, was to request for the Board to approve Board Meeting Minutes from April 13 and April 27, as set forth in agenda item 3. Staff recommends approval of these items. On a motion duly made and seconded, the following resolution was adopted:

"BE IT RESOLVED BY The Water Works and Sewer Board of the City of Birmingham ("the Board"), on a motion duly made by Mr. George Munchus and seconded by Mr. Ronald A. Mims, that the Board hereby approves minutes of the following meetings:

- Regular Board of Directors' Meeting held April 13, 2017
- Regular Board of Directors' Meeting held April 27, 2017

Resolution No.7595 is hereby adopted by unanimous vote.”

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Next, was a request for the Board to approve Director King's mileage reimbursement expense for August 17 in the amount of \$99.50, as set forth in agenda item 4. This item requires a roll call vote. On a motion duly made and seconded, the following resolution was adopted:

“WHEREAS, the Board of Directors has adopted a Travel Expense Reimbursement Policy, as amended; and

WHEREAS, in accordance with Act No. 2015-164, approval is requested for the following mileage expense reimbursement.

NOW, THEREFORE, BE IT RESOLVED, on a motion made by Mr. George Munchus and seconded by Mr. Ronald A. Mims, that the following board member(s) be reimbursed for his mileage expense reimbursements as follows:

- Brett King for mileage expense reimbursement for August 2017 in the amount of \$99.51 (as itemized on the attached Expense Report).

Resolution No. 7596 is hereby adopted by a roll call vote as follows: Chairman Lewis, Aye; Director Alexander, Aye; Director Clark, Aye; Director Burbage, Aye; and Director Munchus, Aye; Director Mims, Aye; Director Muhammad, Abstain; and Director Dickerson, No; Director King, Abstain.

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Following, was a request for the Board to approve Chairwoman Lewis and the General Manager to attend the "Using Partnerships to Build Resilient American Infrastructure conference scheduled for November 29th - 30th in Washington D.C. and to pay any necessary advances and to reimburse all appropriate expenses incurred as required by the Board's travel reimbursement policy, as set forth in agenda item 5. GM Underwood stated the conference was about funding infrastructure with partnerships. GM Underwood stated Staff believed it would be a good idea for Chairwoman Lewis and himself to attend. 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. Ronald A. Mims, that the Board hereby approves Chairwoman Lewis and the General Manager to travel to and from Washington, DC, to attend the “Using Partnerships to Build Resilient American Infrastructure” (Improving Infrastructure Through Public-Private Partnerships) Conference scheduled November 29 – 30, 2017 , to pay any advances necessary and to reimburse all appropriate expenses incurred in connection with the conference, as required under the Board’s Travel Expense Reimbursement Policy.

Resolution No. 7597 is hereby adopted by unanimous vote.”

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Director Munchus commended both the General Manager and the Chairwoman for undertaking this effort. He stated that he has pushed public and private partnerships in conjunction with the historically underutilized business program, further, Director Munchus stated that he would like to amend the resolution to include any Board member who would like to attend this conference. On a motion duly made and seconded, the following resolution was adopted:

“BE IT RESOLVED By the Water Works Board of the City of Birmingham (“the Board”), on a motion duly made by Mr. George Munchus and seconded by Ms. Brenda J. Dickerson, that the Board hereby approves all Board Directors to travel to and from Washington, DC, to attend the “Using Partnerships to Build Resilient American Infrastructure” (Improving Infrastructure Through Public-Private Partnerships) Conference scheduled November 29 – 30, 2017 , to pay any advances necessary and to reimburse all appropriate expenses incurred in connection with the conference, as required under the Board’s Travel Expense Reimbursement Policy.

Resolution No. 7598 is hereby adopted by unanimous vote.”

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Some discussion occurred regarding the early registration deadline being tomorrow and the registration amount being \$300.00. Chairwoman Lewis stated she would not want to exclude anyone who was interested in going.

Next, was a request for the Board to approve payment for the following invoices, as set forth in agenda items 6.1 through 6.4. On a motion duly made and seconded, the following resolution was adopted:

“BE IT RESOLVED By The Water Works Board of the City of Birmingham (“the Board”), on a motion duly made by Mr. George Munchus and seconded by Ms. Brenda J. Dickerson, that the Board hereby authorizes staff to execute payments to the following:

- 6.1 Carl Dalton NeSmith
For Retainer fee for September 2017 \$ 500.00
- 6.2 Terminus Municipal Advisors, LLC
For professional services rendered for August 2017 \$ 6,500.00
- 6.3 Parnell Thompson, LLC
For professional services rendered for August 2017 \$ 99,765.40
- 6.4 ARCADIS U.S., INC
For professional services rendered per July’s 2017
Progress Report (July 2017) \$ 143,888.42

Resolution No. 7599 is hereby adopted by unanimous vote.”

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Following, was a request for the Board to authorize staff to take bids for renewing the Cisco Smart Net service maintenance, as set forth in agenda item 7. George Anderson, stated this was for the switches, routers and components that we are using. This bid is to have warranty and maintenance coverage. If they break, the vendor either comes in and fixes them or we get a replacement box. These devices have what you call end-of-life terms and that will happen over the next three years. When the bids come back from the vendors, they will account for that. They only cover a component to the point that the vendor has said the device is covered. The bid responses will come back based upon the level of certification that each company has with Cisco. People with platinum will probably get the best price. Director Munchus asked who was currently providing the services? George Anderson responded Teklinks was providing a good portion of it and Venture Technologies has a good portion. Director Munchus asked if either of the firms was local? George Anderson responded both were local companies. On a motion duly made and seconded, the following resolution was adopted:

“BE IT RESOLVED By The Water Works Board of the City of Birmingham (“the Board”), on a motion duly made by Mr. George Munchus and seconded by Ms. Brenda J. Dickerson, that the Board hereby authorizes staff to take bids for renewing the Cisco SmartNet Service Maintenance for all Cisco Network Security, Routing, Switching and Voice over IP Systems at an estimated out-of-pocket cost to the Board of \$295,000.00.

Resolution No. 7600 is hereby adopted by unanimous vote.”

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Next, was a request for the Board to award a bid to Global Construction and Engineering, Inc., the lowest responsible and responsive bidder, for the relocation of water board facilities in conflict with ALDOT and the City of Hoover project, as set forth in agenda item 8.1. This project will replace bridges over Shades Creek and CSX railroad at Highway 150. The bid amount is \$714,660.00 plus estimated costs of materials and water board labor in the amount of \$132,354.60. The estimated ALDOT reimbursement totals \$847,014.60 at no out-of-pocket cost to the Board. The HUB subcontractor participation percentage is 8%. The general contractor is 100% HUB. We must relocate these water mains because they conflict with ALDOT according to GM Underwood and they are reimbursing the whole project.

Following, was a request for the Board to award a bid to Galls, LLC, the lowest responsible and responsive bidder for estimated quantities of uniforms, as set forth in agenda item 8.2. This is the annual uniform bid for Board's field employees. The estimated out-of-pocket cost is \$459,750.15. This company has been used before. Their bid is substantially lower than the third bidder GM Underwood stated.

Next, was a request for the Board to award a bid to Consolidated Pipe, the lowest responsible and responsive bidder, for positive displacement meters, at an estimated out-of-pocket cost of \$511,835.00, as set forth in agenda item 8.3. A guest in the audience asked to speak. Chairwoman Lewis stated he would be allowed to speak in a moment. GM Underwood went on to say that this item is a standard type meter that we bid every year. This is an annual bid, GM

Underwood stated adding we buy the actual number of meters that we need to replace. Director Munchus stated he would like to move all three bids, but asked to vote on them separately. Director Munchus stated in some of these projects, we're having to move lines for a right of way or whatever and it has been his understanding that ALDOT doesn't always reimburse. GM Underwood stated it depends on whether there is federal money involved. If ALDOT is receiving money from the federal highway department, the project is reimbursable, but there have been projects on state roads with no federal money involved and they have asked us to get out of the right of way without reimbursing BWWB. Director Munchus stated he was going to vote no on 8.2 and 8.3 for the record. Director Munchus asked the Board members to take time to look in Diligent and that he wanted to commend Purchasing and Management for putting these forms together and that it was extraordinarily important. Director Munchus stated he was not going to belabor the point except to state the fact that Galls, LLC has zero HUB participation. On page 98, it says they are a full provider of textile services. And then it goes on to talk about there being relatively few opportunities for subcontractors. Director Munchus asked if it is later proven that there are opportunities, do we have any course of legal action against this vendor? Attorney Thompson responded that it depended on the facts of the situation but it may be that the course of action in that situation would be like what you would have with other bidders you've had problems with. You would have reason to find them non-responsible in the future going forward. Director Munchus asked the Board to notice page 100, stating that they are a direct supplier of clothing to industrial companies. Director Munchus stated that these are no more than just some folks in the resale business. Director Munchus stated we can do better engaging and starting to use underutilized businesses. Director Munchus stated it was his intent to vote no on item 8.2. Director Dickerson stated that attorney Thompson said something that she wanted some clarity on about the unresponsive bidders. If we find someone unresponsive does that mean that they would be excluded from bidding in the future? Attorney Thompson responded no they could submit a bid; however, they could be deemed to be non-responsible because in this scenario basically you would be finding that they lied on the bid document. In that type of situation going forward, they could be deemed to be non-responsible. Attorney Thompson further answered if the Board had a contract and then found out the party they contracted with lied about a material term, it may be grounds to argue for termination. On motions 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 Mr. George Munchus and seconded by Ms. Brenda J. Dickerson, that the Board hereby authorizes staff to vote separately to award bids.

Resolution No. 7601 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. George Munchus and seconded by Ms. Brenda J. Dickerson, that the Board hereby authorizes staff to award bid on the following:

- 8.1 Global Construction and Engineering, Inc., the lowest responsible and responsive bidder, for the relocation of Water Board facilities in conflict with ALDOT/City of Hoover Project No. BR-7009(600), replace bridges over Shades Creek and CSX

RR on SR-150, at a bid amount of \$714,660.00; plus, estimated cost of materials and Water Board labor in the amount of \$132,354.60; less estimated ALDOT reimbursement totaling \$847,014.60 for an estimated out-of-pocket cost to the Board of \$0.00. [NOTE: the HUB subcontractor participation percentage is 8%. The general contractor is 100% HUB.]

Resolution No. 7602 is hereby adopted by unanimous vote.”

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Following, Director Munchus asked for clarification of whether Galls, LLC is a minority vendor. Chairwoman Lewis stated they are not. Director Munchus commended the Purchasing Department and Senior Staff for their work with the forms they are putting together now. Director Munchus asked if a company said there were few opportunities for HUB participation on a bid award and later it was found that there were if there was any course of action. Attorney Thompson stated it would be like other situations where you have had problems with a vendor and they could be deemed an irresponsible bidder. Director Munchus stated he noticed some of the vendors were resales he believed these companies could do better. Director Muhammad asked what it would mean in the future with a vendor being deemed irresponsible. Attorney Thompson stated it would be a valid position for the Board to tell a vendor that based on prior dealings that bid documents were falsified that the Board deems them an irresponsible bidder. Director Dickerson asked if it was an active contract if the same would apply. Attorney Parnell stated the same action would apply.

“BE IT RESOLVED By The Water Works Board of the City of Birmingham (“the Board”), on a motion duly made by Mr. George Munchus and seconded by Ms. Brenda J. Dickerson, that the Board hereby authorizes staff to award bid on the following:

- 8.2 Galls, LLC, the lowest responsible and responsive bidder, for estimated quantities of uniforms (annual) for Board's field employees, at an estimated out-of-pocket cost to the Board of \$59,750.15.

Resolution No. 7603 is hereby adopted by a roll call vote: Directors Lewis, Alexander, Clark, King and Burbage voted yes; Directors Mims, Munchus, Muhammad and Dickerson voted no.

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Following, Director Munchus stated on item 8 in Diligent on page 103, there's a great summary that purchasing did an outstanding job on. You get a chance to see who the actual manufacturers are and who the distributors are and who says that they are manufacturers and who says that they are distributors. Notice what page 105, Consolidated Pipe says also. They buy specific products from Board approved manufacturers. And of course, that manufacturer happens to be Neptune for cold water meters. Again, they say absolutely nothing at all about supplier diversity or HUB participation Director Munchus stated. On page 100 they say nothing about performance and they say there are no HUB opportunities for bid. I just find this preposterous that in 2017 a company would publicly say that there are no opportunities for historically underutilized

business enterprises Director Munchus stated. It's all clear what's going on. On page 107, there is a company that comes forward and says we have an ongoing policy of utilizing minority-owned businesses, women-owned businesses, and handicap businesses wherever possible, but then they say there are no subcontracting opportunities for supplier only contracts. I am just going to vote no, and that's all I have to say about it Director Munchus stated. I think everybody in here knows what's going on. If you don't, just see me after the meeting and I'll tell you some of the theories that I've had for a long time about some of these manufacturers. At the appropriate time, I think I can bring forward proof. I know under the law it's important that we have proof and we have evidence Director Munchus added. Director Dickerson stated she just wanted to comment on what Director Munchus was saying. If we have no way of determining if these people can say there are no opportunities, then we must take their word for it because we have no way of determining the truth if we have not gone out and tried to determine whether there are opportunities available. If we have no desire to determine that, if they tell us no opportunities are available and we say okay, then it's kind of futile.

Next, Dan Devine, sales manager with Zenner USA was recognized. Mr. Devine wanted to discuss the recommendation of the bid award for Consolidated Pipe, which is a good company he added. Mr. Devine stated that he was not saying anything negative about Consolidated Pipe. What Mr. Devine wanted was to go back to a page of the bid summary. There were two parts to the bid. One was on the pricing of the water meters. The other was on the trade-in allowance. If you look at a tabulation of both of those combined, Zenner USA was clearly the lower responsive bidder. I would say that purchasing did do a very good job Mr. Devine stated. Looking at the top number solely, the majority of the water meters that you are going to purchase under this contract are going to be replacement water meters Mr. Devine stated. The scrap value or the trade-in allowance would come into play. Mr. Devine had numbers of new home builds over the last few years in the city of Birmingham or the Birmingham metropolitan area that would prove that the trade-in allowance really comes in to play probably in conservative estimates of at least 70 to 80 percent of the time. If you look at the 63-cent difference on most of the meters and the 42-cent difference on the one-inch meters, what would be found was that Zenner USA would be far and away lower, especially if you looked at the tabulations and figure that 70 to 80 percent are going to be replacement meters Mr. Devine stated. Documentation shows that the City of Birmingham itself and most of the area that is serviced by Birmingham Water Works is under a low growth area and has been for the last few years Mr. Devine stated. So those numbers considered, Zenner USA would be far and away the lower responsive bidder according to Mr. Devine. Director King asked Board attorneys for their opinion on the lowest responsible and responsive bidder, adding he did not mind tabling this item. Chairwoman Lewis stated from a legal standpoint this was a bid. Director King stated he would like to table the item until the next meeting so that Board attorneys can confirm which company is the lowest bidder. On a motion duly made and seconded, the following resolution was tabled:

“BE IT RESOLVED By The Water Works Board of the City of Birmingham (“the Board”), on a motion duly made by Mr. Brett A. King and seconded by Mr. George Munchus, that the Board hereby tables the following:

8.3 Consolidated Pipe, the lowest responsible and responsive bidder, for positive displacement meters, at an estimated out-of-pocket cost to the Board of \$511,835.00.

Resolution No. 7604 is hereby adopted by unanimous vote.”

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Following, Item 9 was to request the Board to hear a presentation from HomeServe. Michael Twardowski, Vice-president of Account Management for HomeServe USA and Tom Crimmins, who handles the Birmingham Water Works account were present. Mr. Twardowski stated that HomeServe is the largest provider of home repair services in the U.S and they have been serving customers in the U.S. for 15 years. HomeServe now has an endorsement from the National League of Cities. HomeServe performs repairs every 78 seconds Mr. Twardowski stated. HomeServe has an A plus rating from the Better Business Bureau and is accredited through the Better Business Bureau. The main product offered is coverage for the water service line which is the customer's responsibility on their property. The liability that Birmingham Water Works covers is up to the main. HomeServe offers a \$10,000 annual benefit for this coverage to repair and replace the leaks and breaks in those lines for \$5.99 a month. Also, they offer sewer line coverage to customers at \$8.99 a month, again with a \$10,000 annual benefit to repair and replace those lines. So those are their main core products Mr. Twardowski stated. In talking with Mr. Jones, that is one of the main areas that needs attention really throughout the country is with the aging infrastructure Mr. Twardowski stated. The last time HomeServe was here we talked about having a home plumbing product, which we now have in place which covers the pipes inside the home, Mr. Twardowski stated. Mr. Twardowski stated HomeServe also has water heater and cooling products. Director Alexander stated a lot of people in this area have septic tanks and asked if HomeServe covered these. Mr. Twardowski responded that they cover the line only from the house to the septic tank. HomeServe is working on having a bundled type of product, but HomeServe has found that individual homeowners like an a la carte approach to the product according to Mr. Twardowski. AGM Sonny Jones stated when we first started he believed the Board wanted to start with just the water line and then add products. So that's why you don't see a bundled price because the other Board said let's start with one product and let's do that product and then add on. Mr. Twardowski stated HomeServe is available 365 days a year and 24 hours a day and they source local and licensed contractors in the area to make repairs. Repairs are guaranteed for a year. We really work hard to keep our pricing very competitive with the market if not below the market as well as providing a 30-day money back guarantee to customers who no longer want the service. There is a big difference between our product and the products that you see in the market, HomeServe has no deductible and no paperwork. Director Munchus stated he knew there are non-white people doing this kind of work. But he asked Mr. Gwiazdowski if he had the ethnic race and gender breakdown of the owners. We have one that is minority owned Mr. Gwiazdowski stated; however, they would like to improve that. Director Munchus asked if Rudy Giuliani was still doing the pitch for HomeServe? Mr. Twardowski responded that he was not. Director Munchus stated we had some pushback on him here locally and in his community and there were a lot of negative things said. Mr. Twardowski stated that their affiliation with Mr. Giuliani some years ago was based on the infrastructure in the country. HomeServe worked with a customer in the Birmingham area named Bob Ross who was selected to make a spot repair on

his line. Mr. Twardowski stated that, while HomeServe was doing the spot repair, they identified that he needed the entire line replaced so this saved him \$2,600.00. Sonny Jones stated that the evaluation process led us to recommend HomeServe and one of the biggest reasons was they had a low complaint rate. We had a small committee of three or four young people here that also had MBAs. That's how we got our partnership with HomeServe. So far, this year, we've done 5 pro bono jobs that have totaled close to \$10,000.00 Mr. Gwiazdowski stated and that they enjoy doing this type of work in the community. HomeServe has fulfilled around 12 pro bono jobs this year and the H2O Foundation helps them decide where the greatest needs are. Director Munchus stated he would like for us to revisit where these dollars are going, adding he had no idea they were going to the general revenue. Chairwoman Lewis stated when we get to the budget, we could revisit that. There are 24,000 customers currently enrolled in the program. And because HomeServe offers multiple products, they have 37,000 active contracts with HomeServe. HomeServe has done 6,000 repairs for Birmingham Water Works customers and have saved them \$4.2 million over the course of the relationship and contributed over a \$1 million to the Birmingham Water Works general fund. Between 15 and 20 percent, is usually the average of customers enrolling in the program Mr. Twardowski stated. Fifteen percent is very healthy and very consistent with what they see across the board Mr. Twardowski stated. Director Lewis stated it seemed like HomeServe stopped with the advertising. There was an excitement about it at first. And then it just died off. You don't come to us, it seems, unless we call you. GM Underwood explained that HomeServe does send information to Rick Jackson quite often and Mr. Jackson reviews it. Originally, we were going for a soft sell. When an employee takes a call, the employee simply says this is a product that is available, let me transfer you to the person that handles it. If that person signs up, the employee gets an incentive payment. For the Water Works to have a small amount of involvement, we get some revenue from it. If we want to change that, then that's a different approach with an aggressive marketing strategy, GM Underwood stated. HomeServe can do that, Mr. Twardowski confirmed. We've discussed maybe some inserts or radio ads as well Mr. Twardowski added. Chairwoman Lewis stated she recommend sending discussion to the Communications Committee so that the Board can be informed and we can have a more in-depth discussion. The last page of the contract with HomeServe contains a goal of achieving 30,000 active service member agreements. Hitting that goal would be a \$50,000.00 bonus for that tier and that is part of the contract. Contract renewal is February 2019. 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 Ms. Brenda J. Dickerson, that the Board hereby authorizes a review of the communications efforts relative to HomeServe at the next Communications Committee Meeting.

Resolution No. 7605 is hereby adopted by unanimous vote.”

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Next, GM Underwood asked AGM Darryl Jones to hit the highlights of the Board's emergency operations plan at a high level just to make sure everybody has an idea of what we do there. AGM Darryl Jones stated all our treatment plant pump stations deliver water 24 hours a day, so we do have built in protocols that we activate during inclement weather for those people that

are in the 24-hour operations. That also includes our distribution guys and our field support services team because they're going to be the ones that if a tree blows over and pulls a water line out of the ground, we've got to go out there and make that repair. Going into Monday's storms, we wanted to make sure by policy we are a 24-hour operation. We look at the weather and see if we are going to open or if we are going to delay opening. We made the call that we would continue to do business. We were monitoring the weather and we look at that religiously Darryl Jones stated. We felt that the storm was going to weaken as it traveled further north. And it did. We had a little wind and continuous rain for a period of time according to Darryl Jones. We also go through a FEMA training. There are about five different classes that you can participate in. The first three classes for incident response is an online class through FEMA that we make all our supervisors and managers participate in. Every other year are the high-level classes. There are two courses that have a representative who comes on campus and conducts a training session. That training session also requires you to do periodic table top exercises. The BWW typically does one table top exercise every year where our security team will come up with a scenario. And then we all participate in how we would respond to that. The one that tends to seem like it's a recurring issue for us is anything that compromises our source of supply. We've had at least three cases that I can recall in the last five or six years where we've had accidents on I-459 right above the Cahaba River which is upstream of our Cahaba pump station Darryl Jones stated. We want the Board to know that we do monitor the weather. We do have protocols in place, whether it's an ice storm, whether it's a tornado, whether it's a severe storm that blows things over because we've got a lot of equipment out there that we must communicate with. If we lose communication with these remote sites, we have protocols in place for how we get that information. We are a first responder organization. We work with the Jefferson County EMA. When Jefferson County activates their EMA center down at City Hall, we have representatives on our team that must go down there and remain with the EMA during the activation of the EMA center. We are fully engaged with responding to things of that nature Darryl Jones stated.

Following, AGM Darryl Jones stated the storms hit Florida and Houston. Chairwoman Lewis asked him to consider the BWW sending water to the affected areas. We've been in contact with the two bottling companies to bottle our water Darryl Jones stated. And we're waiting for their report back to us on the cost to do that. We should have some numbers in today. We would purchase the water and send it under our name. On a motion duly made and seconded, the following resolution was adopted:

“BE IT RESOLVED By The Water Works Board of the City of Birmingham (“the Board”), on a motion duly made by Ms. Sherry W. Lewis and seconded by Mr. George Munchus, that the Board hereby approves Staff to send bottled water as a relief effort on behalf of The Birmingham Water Works to the areas affected by hurricanes Harvey and Irma in Houston and Florida respectively.

Resolution No. 7606 is hereby adopted by unanimous vote.”

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As there was no further business before the Board, the meeting was adjourned at 10:25 a.m.

/S/

Sherry W. Lewis
Chairwoman/President

Attest:

/S/

Brett A. King, Esq.
Secretary-Treasurer