

**MINUTES OF THE REGULAR BI-MONTHLY MEETING OF DIRECTORS
OF THE WATER WORKS BOARD OF THE CITY OF BIRMINGHAM
August 9, 2023**

A regular bi-monthly meeting of the directors of The Water Works Board of the City of Birmingham was held on Wednesday, August 9, 2023, at 11:30 a.m., at 3600 First Avenue North, Birmingham, Alabama.

The following Directors were present: Lucien Blankenship, William “Butch” Burbage, Jr., Thomas E. Henderson, Tereshia Q. Huffman, George Munchus, Carl Dalton NeSmith, Mashonda S. Taylor, and Raymond “Larry” Ward. Director Ronald A. Mims was not present.

Others present were: Michael Johnson, General Manager; Iris Fisher and Derrick Murphy, Assistant General Managers; Cynthia Williams, Board Administrator; Anitra Clark, Corporate Governance Specialist; Vanessa Washington, Executive Assistant; Colandus Mason, Rick Jackson, Paul Lloyd, Rhonda Lewis, Marilyn Vertison, Rosalind Jones, Matthew Shiver, Drusilla Hudson, Jeff Wade, Charles McGee, Anthony Hazel, and David Walker, BWWB Employees; K. Mark Parnell, Parnell Thompson Law, LLC; Byron Perkins, Perkins Law, LLC; Kelvin Howard, Kelvin W. Howard, LLC; Olivia Martin, State of Alabama Attorney General’s Office; Lindsay McAdory, CBG Strategies; Patrick Flannelly, ARCADIS, US, Inc; Michael Bell, Birmingham Construction Industry Authority; Phillip Moultrie, Valent Group, LLC; Theo Johnson, Jacobs Engineering; Andrea Lewis, Human Capital Services Consulting; Christine Kozlosky, The Ascent Group; Mark Nibblet, Jeffrey Moxley, and Bonnie Huckaby, Insurance Office of America; Alyssa Thomas, City of Birmingham, and William R. Muhammad, Citizens to Save Jefferson County.

Rick Jackson, Public Relations Manager, distributed a handout to the Board entitled “*BWWB Water Wise*”. (A copy is on file in Diligent.)

Chairwoman Huffman called the meeting to order at 11:30 a.m., and Assistant General Manager Fisher opened the meeting with prayer.

Inasmuch as eight directors were present, Chairwoman Huffman declared a quorum in attendance.

Following, the Board proceeded to the first item on the agenda, Request Board to approve minutes of the Regular Board of Directors’ meeting held May 24, 2023. 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. Raymond “Larry” Ward and seconded by Mr. Thomas E. Henderson, that the Board hereby approves minutes of a Regular Board of Directors’ Meeting held on May 24, 2023. Resolution No. 9383 is hereby adopted by Directors Burbage, Henderson, Huffman, Munchus, NeSmith, Taylor, and Ward; and Director Blankenship abstained.”

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Next, General Manager Johnson proceeded to the Report of Committees. He indicated the following scheduled meetings:

- An Engineering & Maintenance Committee Meeting – Wednesday, August 9, 2023, at 12:30 p.m., or immediately following the Regular Board of Directors’ Meeting.
- A Regular Board of Directors’ Meeting – Wednesday, August 23, 2023, at 11:30 a.m.
- An Executive Committee Meeting – Wednesday, August 23, 2023, at 12:30 p.m., or immediately following the Regular Board of Directors’ Meeting.

Following, Chairwoman Huffman stated she sent an email to directors with temporary committee assignments. She indicated Director Burbage would temporarily serve as the Human Resources Committee Chairman, and she would temporarily serve as a committee member on the Engineering and Maintenance Committee.

Next, General Manager Johnson indicated that the approval of the agenda needed to be approved. Chairwoman Huffman asked the Board to approve the agenda. 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. Raymond “Larry” Ward and seconded by Mr. Thomas E. Henderson, that the Board of Directors hereby approves the Regular Board of Directors’ meeting agenda for August 9, 2023. Resolution No. 9384 is hereby adopted by unanimous vote.

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Next, Chairwoman Huffman asked to hear Reports of Officers. General Manager Johnson asked Rick Jackson, Public Relations Manager, to give an update on Backflow Prevention Day. Mr. Jackson indicated that customers often have questions on backflow prevention. Mr. Jackson explained that backflow prevention is for customers that have sprinkler systems, pools, or anywhere there are risks of toxins entering the Birmingham Water Works water supply system. Mr. Jackson stated his team, and the System Development Department backflow staff work together in educating customers regarding backflow prevention. Mr. Jackson stated that backflow prevention requires specific testing from the Alabama Department of Environmental Services (ADEM). Also, Mr. Jackson stated that National Backflow Prevention Day would be the upcoming week; however, Birmingham Water Works will celebrate the entire week to educate its customers. Mr. Jackson stated most customers needing backflow prevention were digital based customers that would be reached through the digital Next-door neighborhoods’ platform, which has over 250,000 Birmingham Water Works customers, and through social media campaigning. Mr. Jackson reiterated the importance of customers being aware of the importance of backflow prevention, the effect of cross connection services on Birmingham Water Works water system, and customers’ role in helping to secure the company’s water system. Chairwoman Huffman asked about the communication method to be used to educate non-digital customers. Mr. Jackson responded non-digital customers would receive letters/information by United States postal mail. Also, he indicated that Birmingham Water Works has a website dedicated to backflow information and ADEM’s requirements. Afterwards, Chairwoman Huffman inquired whether alerts from the Next-door neighborhood application were received by Birmingham Water Works if the company is mentioned as it relates to responding to customers’ comments. Mr. Jackson stated that the

Birmingham Water Works has a commercial next-door neighborhood account, which allows the company to receive direct messages if tagged/linked on the website because the application is designed for neighborhoods to have discussions within their neighborhood; otherwise, someone would have to forward the information to the Birmingham Water Works. Next, Director Munchus asked whether there was a way to quantify backflow cost externally to customers. Mr. Jackson responded that there is a fee regulated through ADEM, an annual fee for local and licensed plumbers to do backflow testing, and a fee to get and maintain the backflow prevention kits. Mr. Jackson emphasized that sprinkler systems, pools, or anything that can pose a threat to having chemicals or toxins enter the water system supply must have the backflow safeguard. Mr. Jackson stated it is essential for backflow customers to comply and Birmingham Water Works must enforce compliance. Afterwards, General Manager Johnson commented that backflow testing fees vary. Chairwoman Huffman commended staff for the backflow prevention initiatives. Mr. Jackson said backflow does not affect every customer but is required, when necessary. Mr. Jackson concluded the backflow prevention update.

Next, Assistant General Manager Fisher gave an introduction on the Business Process Review and Organizational Assessment Projects and acknowledged Christine Kozlosky, The Ascent Group, to present an update on the Business Process Project and Andrea Lewis, Human Capital Services, to present an update on the Organizational Assessment Project. Chairwoman Huffman asked that all questions be held until the end of the presentations. Ms. Kozlosky began with an overview of the Business Process Project's approach and its seven-month schedule. Ms. Kozlosky indicated that the project was halfway through completion. Ms. Kozlosky stated that said project is a focus study of the Call Center, Customer Support Services, and the Warehouse. Ms. Kozlosky stated her firm is in the active data gathering stage and the analysis stage would follow. Ms. Kozlosky indicated that approximately 50 meetings were held with Birmingham Water Works employees at all levels of the organization, in addition to various supporting organizations to date for gathering information. Ms. Kozlosky said the following Business Process Review activities that have been completed consist of customer experience, meter-to-bill process, and warehouse process review. Afterwards, she highlighted the upcoming activities for August 2023 – September 2023. Ms. Kozlosky stated the goal is to review the results of the study for presentation to the Board in October 2023. Then, she concluded her overview.

Following, Ms. Lewis began an overview of the Organizational Assessment Project. Ms. Lewis stated the organizational assessment includes the following: evaluate the Birmingham Water Works organizational structure, perform workforce analysis, provide benchmark data for recommendations, provide finding and recommendations to operate more effectively and efficiently, and communication outreach. Ms. Lewis talked about engaging with Birmingham Water Works stakeholders and highlighted the various assessment activities performed by her firm. She indicated interviews have been conducted and are being concluded. Ms. Lewis stated the data collected is being validated to present critical recommendations to Birmingham Water Works. She noted that benchmarking will be done by looking at peer groups to assist with identifying best practices and internal benchmarks such as accountability and leadership, to build on the Birmingham Water Works ongoing success. Afterwards, Assistant General Manager Fisher recognized Marilyn Vertison, Organizational Development Specialist, as the company's internal project manager and commended her for organizing and coordinating the project.

Following, Chairwoman Huffman asked to hear Speakers. She acknowledged Mr. William R. Muhammad, Citizens to Save Jefferson County. Mr. Muhammad stated he was speaking regarding concerns about keeping water rates down.

Next, the Board proceeded to the second item on the agenda, Request Board to approve payment of invoices. 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. Raymond “Larry” Ward and seconded by Mr. Thomas E. Henderson, that the Board hereby authorizes staff to execute payments to the following:

- 2.1 Dominick Feld Hyde, P.C., for the following:
 - 2.1.1 For professional services related to the Pension Plan rendered June 1, 2023, through June 30, 2023, in the amount of \$90.00.
 - 2.1.2 For professional services related to HRA and FLSA rendered June 1, 2023, through June 30, 2023, in the amount of \$570.00.
- 2.2 O2 Ideas, Inc., for professional services rendered July 2023 in the amount of \$10,000.00.
- 2.3 Raftelis Financial Consultants, Inc., for professional services rendered June 2023, related to Consolidated Invoices in the amount of \$11,378.75.
- 2.4 Hilliard, Smith & Hunt, LLC for professional services rendered July 2023 in the amount of \$13,000.00.
- 2.5 Pat Lynch & Associates for the following:
 - 2.5.1 For professional services rendered June 2023 in the amount of \$10,000.00.
 - 2.5.2 For professional services rendered July 2023 in the amount of \$10,000.00.
- 2.6 Agee Law, LLC for professional services rendered July 2023 in the amount of \$24,513.00.
- 2.7 CBG Strategies, LLC for the following:
 - 2.7.1 For professional services rendered June 2023 in the amount of \$15,000.00.
 - 2.7.2 For professional services rendered July 2023 in the amount of \$15,000.00.
- 2.8 Arcadis U.S., Inc., for professional services rendered May 2023 in the amount of \$408,260.40.

Resolution No. 9385 is hereby adopted by Directors Burbage, Henderson, Huffman, Munchus, NeSmith, Taylor, and Ward; and Director Blankenship voted no.”

Following, the Board proceeded to the third item on the agenda, Request Board to adopt a resolution requiring notice for renewal of contracts, as recommended by the Executive Committee.

Director Munchus asked General Manager Johnson whether the Purchasing Department would be able to comply with the time frame. General Manager Johnson responded, yes and stated that the goal is to eventually obtain tracking software for renewing contracts to assist with the process. General Manager Johnson indicated that contracts are currently being tracked on spreadsheets. On a motion duly made and seconded, the following resolution was adopted:

“WHEREAS, The Water Works Board of the City of Birmingham desires to establish a policy mandating that the General Manager provide the Board of Directors with sufficient notice for renewal of bids or contracts.

NOW THEREFORE, BE IT RESOLVED By The Water Works Board of the City of Birmingham (“the Board”), on a motion duly made by Mr. Carl Dalton NeSmith, and seconded by Mr. Thomas E. Henderson, as follows, as recommended by the Executive Committee:

1. Effective immediately, the renewal of any existing or future purchase or acquisition of goods or services that is required to be competitively bid pursuant to Ala. Code § 41-16-50 et. seq. (1975), shall be competitively bid at least four (4) months prior to the expiration of said bid or contract and the new proposed successful bidder shall be submitted to the Board of Directors at least sixty (60) days prior to the expiration of said bid or contract to be considered for award.

2. Effective immediately, for the renewal of any existing or future purchase or acquisition of goods or services that is not required to be competitively bid pursuant to Ala. Code § 41-16-50 et. seq. (1975), and that requires approval by the Board of Directors, shall be presented to the Board of Directors for consideration at least three (3) months prior to the automatic renewal date.

3. Notwithstanding the requirements of paragraphs 1 and 2 above, for good cause shown by the General Manager, the Board of Directors may consider and award a bid or contract for goods or services that does not otherwise comply with this policy.

Resolution No. 9386 is hereby adopted by Directors Burbage, Henderson, Huffman, Munchus, NeSmith, Taylor, and Ward; and Director Blankenship abstained.”

Next, the Board proceeded to the fourth item on the agenda, Request Board to approve an amendment to Resolution No. 9217, adopted on January 11, 2023, approving all Director's to travel to and from various cities to attend annual conferences and/or meetings for 2023. Director Munchus stated he would like said item delayed and wants to receive a written opinion from Board Attorney Parnell on the matter. Director Munchus asked whether the referenced resolution violated any state or federal statute. Director Munchus stated the two issues of concern are disparate treatment and disparate impact as it appears to target certain directors. Chairwoman Huffman stated that as it relates to unfair treatment, the amendment to the referenced resolution was brought about because the Board has a Self-Governance Policy in place. Chairwoman Huffman stated that directors that did not sign the Board’s Self-Governance Policy was removed from their committees and their pay was partially removed. Chairwoman Huffman informed Director Munchus that he would have another opportunity to sign the pledge in December 2023. After some continued

dialogue on the matter, a motion was made and seconded, and the Board voted on said item. On a motion duly made and seconded, the following resolution was adopted by a roll call vote as follows:

“WHEREAS, on January 11, 2023, The Water Works Board of the City of Birmingham (the “Water Works Board”) adopted Resolution No. 9217 approving all Directors to travel to and from various cities to attend conferences/annual meetings for calendar year 2023 and to pay any advances necessary and to reimburse all appropriate expenses incurred by Director for calendar year 2023; and,

WHEREAS, on April 12, 2023, the Water Works Board adopted Resolution No. 9303 approving and establishing a Self-Governance Policy; and,

WHEREAS, the Water Works Bord desires to amend Resolution No. 9217.

NOW, THEREFORE, BE IT RESOLVED, By The Water Works Board of the City of Birmingham (“the Board”), on a motion duly made by Mr. Raymond “Larry” Ward and seconded by Mr. William “Butch” Burbage, Jr., as follows:

- 1. Effective immediately and for the remainder of calendar year 2023, Resolution No. 9217 is amended to only apply to Directors that are in compliance with the Water Works Board’s Self-Governance Policy adopted and established by Resolution No. 9303.

Resolution No. 9387 is hereby adopted by a roll call vote as follows: Director Blankenship, No; Director Burbage, Yes; Director Henderson, Yes; Director Huffman, Yes; Director Munchus, No; Director NeSmith Yes; Director Taylor, No; and Director Ward voted, Yes.”

Following, the Board proceeded to the fifth item on the agenda, Request Board to extend a one-year agreement with Accelerated Technology Laboratory, (ATL), a sole source provider, effective July 1, 2023 through June 30, 2024, to provide support and maintenance to EnviroLab’s Laboratory Management System (LIMS); at an out-of-pocket cost to the Board of \$30,286.11; and to authorize the General Manager and/or the Assistant General Manager to execute the agreement, as recommended by the Engineering and Maintenance 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. Carl Dalton NeSmith and seconded by Mr. Raymond “Larry” Ward, that the Board hereby extends a one-year agreement with Accelerated Technology Laboratory, (ATL), a sole source provider, effective July 1, 2023 through June 30, 2024, to provide support and maintenance to EnviroLab’s Laboratory Management System (LIMS); at an out-of-pocket cost to the Board of \$30,286.11; and authorizes the General Manager and/or the Assistant General Manager to execute the agreement, as recommended by the Engineering and Maintenance Committee. Resolution No. 9388 is hereby adopted by unanimous vote.”

Next, the Board proceeded to the sixth item on the agenda, Request Board to approve a three-year agreement with Insurance Office of America (IOA), effective August 9, 2023 through August 8, 2026, to serve as benefits consultant and broker for health insurance, wellness programs, stop loss, and other related ancillary benefit products and services, at an estimated out-of-pocket cost to the Board of \$115,000.00 annually (\$345,000.00 for three years); and to authorize the General Manager and/or the Assistant General Manager to execute the agreement, as recommended by the Human Resources Committee. Director Burbage clarified a misread for the record and stated the referenced contract is from 2023-2026. 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. Carl Dalton NeSmith and seconded by Mr. Thomas E. Henderson, that the Board hereby approves a three-year agreement with Insurance Office of America (IOA), effective August 9, 2023 through August 8, 2026, to serve as benefits consultant and broker for health insurance, wellness programs, stop loss, and other related ancillary benefit products and services, at an estimated out-of-pocket cost to the Board of \$115,000.00 annually (\$345,000.00 for three years); and authorizes the General Manager and/or the Assistant General Manager to execute the agreement, as recommended by the Human Resources Committee. Resolution No. 9389 is hereby adopted by unanimous vote.”

Following, the Board proceeded to the seventh item on the agenda, Request Board to approve a one-year Addendum to the 2022 agreement with Sedgwick Claims Management Services, Inc., (Sedgwick), effective September 1, 2023, through August 31, 2024, to provide third party administrator (TPA) services for property, casualty, and subrogation claims. Service fees are included in the Addendum and in the 2023 National Fee Schedule (see attached documents); and to authorize the General Manager and/or the Assistant General Manager to execute the agreement. General Manager Johnson commented that the Board currently has an Agreement with Sedgwick. General Manager Johnson stated that said item normally goes through the Executive Committee; however, it was submitted to the Board because the Agreement expires at the end of the month. General Manager Johnson stated there was an increase in the fee, which is \$20,000.00 more. 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. William “Butch” Burbage, Jr., and seconded by Mr. Raymond “Larry” Ward, that the Board hereby approves a one-year Addendum to the 2022 agreement with Sedgwick Claims Management Services, Inc., (Sedgwick), effective September 1, 2023, through August 31, 2024, to provide third party administrator (TPA) services for property, casualty, and subrogation claims. Service fees are included in the Addendum and in the 2023 National Fee Schedule (see attached documents); and authorizes the General Manager and/or the Assistant General Manager to execute the agreement. Resolution No. 9390 is hereby adopted by unanimous vote.”

Next, General Manager Johnson clarified agenda item 3. General Manager Johnson stated the item was originally discussed to become effective immediately; however, it was changed to become effective in four months from August 9, 2023. Board Attorney Parnell stated that a motion to reconsider needed to be made by the director that voted in favor of agenda item 3. 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. Carl Dalton NeSmith and seconded by Mr. Thomas E. Henderson, that the Board hereby reconsiders agenda item 3, which requested the Board to adopt a resolution requiring notice for renewal of contracts, effective immediately. The contracts’ renewal notice is amended with an effective date four months from August 9, 2023. Resolution No. 9391 is hereby adopted by unanimous vote.”

Subsequently, Board Attorney Parnell stated that a motion needed to take place to vote on the amended agenda item indicating the effective date four months from August 9, 2023. On a motion duly made and seconded, the following resolution was adopted:

“WHEREAS, The Water Works Board of the City of Birmingham desires to establish a policy mandating that the General Manager provide the Board of Directors with sufficient notice for renewal of bids or contracts.

NOW THEREFORE, BE IT RESOLVED By The Water Works Board of the City of Birmingham (“the Board”), on a motion duly made by Mr. Carl Dalton NeSmith, and seconded by Mr. Thomas E. Henderson, as follows, as recommended by the Executive Committee:

1. Effective four (4) months from the adoption of this policy, the renewal of any existing or future purchase or acquisition of goods or services that is required to be competitively bid pursuant to Ala. Code § 41-16-50 et. seq. (1975), shall be competitively bid at least four (4) months prior to the expiration of said bid or contract and the new proposed successful bidder shall be submitted to the Board of Directors at least sixty (60) days prior to the expiration of said bid or contract to be considered for award.
2. Effective four (4) months from the adoption of this policy, for the renewal of any existing or future purchase or acquisition of goods or services that is not required to be competitively bid pursuant to Ala. Code § 41-16-50 et. seq. (1975), and that requires approval by the Board of Directors, shall be presented to the Board of Directors for consideration at least three (3) months prior to the automatic renewal date.
3. Notwithstanding the requirements of paragraphs 1 and 2 above, for good cause shown by the General Manager, the Board of Directors may consider and award a bid or contract for goods or services that does not otherwise comply with this policy.

Resolution No. 9392 is hereby adopted by Directors Burbage, Henderson, Huffman, Munchus, NeSmith, Taylor, and Ward; and Director Blankenship voted, No.”

As there was no further business before the Board, Director Taylor made a motion to adjourn the meeting and Director Henderson seconded the motion. On a motion duly made and seconded, the motion was approved, and the meeting adjourned at 12:05 p.m.

_____/s/_____
Tereshia Q. Huffman
Chairwoman

Attest:

_____/s/_____
Raymond “Larry” Ward
Secretary-Treasurer