

**MINUTES OF THE REGULAR BI-MONTHLY MEETING OF DIRECTORS  
OF THE WATER WORKS BOARD OF THE CITY OF BIRMINGHAM  
November 29, 2023**

A regular bi-monthly meeting of the directors of The Water Works Board of the City of Birmingham was held on Wednesday, November 29, 2023, at 11:30 a.m., at 3600 First Avenue North, Birmingham, Alabama.

The following Directors were present: Lucien B. Blankenship, William “Butch” Burbage, Jr., George Munchus, Thomas E. Henderson, Tereshia Q. Huffman, Carl Dalton NeSmith, Mashonda S. Taylor and Raymond “Larry” Ward.

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, Jessica Pleasant, Joi Delaney, Jessica Fadlevich; Brad Steffens, Michael Tartt, Rhonda Lewis, Rosalind Jones, Derrick Gray, Shirley Russell, Tamika Yancy, 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; Tiffanie Agee, Agee Law, LLC; Olivia Martin, State of Alabama Attorney General’s Office; Patrick Flannelly, ARCADIS, US, Inc; Michael Bell and Kim Bivins, Birmingham Construction Industry Authority; Bill Todd, O2 Ideas; Lindsay McAdory, CBG Strategies; Matthew Arrington, Terminus Municipal Advisors, LLC; Mark Niblett and Bonnie Huckaby, Insurance Office of America; Phillip Moultrie, Valent Group, LLC; Brad Green, Raymond James & Associates; Pat Sigers, Black Contractor Association; Cory Smith, Htringz; Kent Hartzog, Gresham Smith; Roy A. Smith, RA Smith Asphalt Pausing; Jonathan Hardison, WBRC; Jen Cardone and Al Ratcliffe, CBS42; Joseph Bryant, AL.COM; Valerie Bell and Jon Tackett, ABC 33/40; Singh Kahlin, Global Construction; and William R. Muhammad, Citizens to Save Jefferson County.

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

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

Following, General Manager Johnson 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. Carl Dalton NeSmith and seconded by Ms. Mashonda S. Taylor, that the Board of Directors hereby approves the Regular Board of Directors’ meeting agenda for November 29, 2023. Resolution No. 9440 is hereby adopted by unanimous vote.”

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Next, the Board proceeded to the first item on the agenda, Request Board to approve minutes of the Regular Board of Directors' meeting held September 27, 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. Larry Ward and seconded by Mr. William "Butch" Burbage, Jr., that the Board hereby approves minutes of a Regular Board of Directors' Meeting held on September 27, 2023. Resolution No. 9441 is hereby adopted by unanimous vote."

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

- An Engineering and Maintenance Committee Meeting – Wednesday, November 29, 2023, at 12:30 p.m., or immediately following the Regular Board of Directors' Meeting.
- A Finance Committee Meeting – Wednesday, December 6, 2023, at 10:00 a.m.
- A Regular Board of Directors' Meeting – Wednesday, December 6, 2023, at 11:30 a.m.
- An Engineering and Maintenance Committee Meeting – Wednesday, December 6, 2023, immediately following the Regular Board of Directors' Meeting.
- A Human Resources Committee Meeting – Wednesday, December 6, 2023, immediately following the Engineering and Maintenance Committee Meeting.
- A Regular Board of Directors' Meeting – Monday, December 18, 2023, at 11:30 a.m.

Next, General Manager Johnson, asked the Board to hear Reports of Officers. General Manager Johnson stated that Birmingham Water Works saved approximately \$20 million dollars by refunding its bonds. The savings had a positive impact for rate payers and Birmingham Water Works' budget. Next, Matthew Arrington, Financial Advisor, for the Board was recognized to provide an update on the bond tender transaction. Mr. Arrington stated that a \$56 million bond transaction had been completed. He indicated that the bond's principal was reduced, and \$20 million dollars of the Board's debt was eliminated. Mr. Arrington stated that the corrected amount in savings generated to the Board is \$10 million dollars. He stated that all directors should have a copy of a bond pricing book on their desk for reference. Afterwards, Brad Green, with Raymond James was recognized to provide an overview of the bond pricing book and the bond tender transaction process. Mr. Green stated the bond tender transaction consisted of two phases. Mr. Green said lots of cooperation and trust was required from the Board, because this was the first and only bond tender transaction of its type in Alabama. He stated other government entities are looking at this bond tender transaction as it is a new concept. He stated this was a great result for the Board. Mr. Green indicated that \$111 million dollars were received in tender offers but due to an Internal Revenue Service (IRS) tax law, only \$75 million dollars were allowed to be accepted. The \$20 million dollar reduction of the bond's outstanding principal is a result of having to issue \$56 million to fund the payoff of the \$75 million dollars. Mr. Green stated that the second phase of the bond tender transaction was selling the bonds to pay the price to purchase them in the open market. Mr. Green said the Board had \$56 million to sale but received \$431 million in orders. The new bond rates were lowered by approximately three to nine basis points because the Board

received so many orders. Mr. Green indicated that as a result, the Board will save approximately \$250,000.00 - \$380,000.00 a year in debt service payments through 2039. Afterwards, the savings will be \$100,000.00 to \$120,000.00. Mr. Green stated the bond transaction was a great decision and the bonds' refunding rate is so low that they will probably never be refunded. He said buying devalued bonds due to an increase in interest rates produced excellent results for the Board. Director Ward commented that it is always great to receive positive publicity and that this is a brand-new concept for Alabama. Director Ward stated the bond tender transaction saved the Board lots of money and offsets rates for the rate payers by generating a lower rate increase. Next, Director Ward asked how well Birmingham Water Works staff performed in dealing with the bond tender transaction. Mr. Arrington responded that staff performed well. He stated that the Board received an Aa2 rating from Moody's and an AA rating from Standard and Poor's (S&P) rating, in which, management received high marks. Afterwards, Director Ward asked Mr. Green about the Partners transaction subscriptions. Mr. Green responded that there were \$431 million in orders and \$40 million dropped after the interest rates were reduced. Mr. Green stated that Raymond James & Associates submitted 98% of the orders. Director Ward reiterated that the Board is lucky and there is no reason rates should end up as a previous situation and that the rate payers needs to know that staff performed magnificently in achieving this bond tender transaction. Next, Chairwoman Huffman commended Director Ward, Mr. Arrington, Mr. Green, and the entire team for their work with the bond tender transaction. She stated there is a 43% minority participation rate, which is excellent. Director Munchus asked whether there was an over subscription on the bond tender issuance since it was not a traditional bond issuance, which Mr. Arrington responded yes. Also, Director Munchus asked whether said transaction would help keep the rates down for calendar year 2024. General Manager Johnson responded that it is one of the benefits. General Manager Johnson stated that the annual debt service savings of \$300,000.00 a year that Mr. Green referenced earlier in the meeting, reduces operating costs and the budget, which in return impacts rate increases.

Following, Chairwoman Huffman asked to hear Speakers. She acknowledged the various speakers individually. Mr. William R. Muhammad, Citizens to Save Jefferson County; Pat Sigers, President of Black Contractors Association; Jay Bostick, Bostick Trucking and Excavating; and Roy Smith, R.A. Smith Asphalt Paving Contractors each spoke on the termination of the Birmingham Construction Industry Authority (BCIA) contract and asked that Birmingham Water Works vote to keep them and their services. Chairwoman Huffman asked all speakers speaking on behalf of BCIA to stay until the end of the meeting. Singh Kahlom, Global Construction, stated he has been a BCIA member for 25 years and BCIA has done great work for minorities. Also, Mr. Kahlom spoke about issues with non-payment to sub-contractors on a certain project. Chairwoman Huffman asked General Manager Johnson and Assistant General Manager Murphy to speak with Mr. Kahlom about his concerns after the board meeting and off-record. She also requested staff to provide a full update to the Board on Mr. Kahlom's issues.

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. Larry Ward and seconded by Mr. William “Butch” Burbage, Jr., that the Board hereby authorizes staff to execute payments to the following:

- 2.1 Terminus Municipal Advisors, LLC for professional services rendered October 2023 in the amount of \$8,500.00.
- 2.2 The Jones Group, LLC for professional services rendered October 2023, in the amount of \$10,000.00.
- 2.3 O2 Ideas, Inc., for professional services rendered October 2023 in the amount of \$10,000.00.
- 2.4 Pat Lynch & Associates for professional services rendered October 2023 in the amount of \$10,000.00.
- 2.5 Agee Law, LLC for professional services rendered October 2023 in the amount of \$10,110.00.
- 2.6 CBG Strategies, LLC for professional services rendered October 2023 in the amount of \$15,000.00.
- 2.7 Raftelis Financial Consultants, Inc for professional services rendered October 2023 related to Consolidated Invoices in the amount of \$22,165.59.
- 2.8 Birmingham Construction Industry Authority for professional services rendered October 2023 in the amount of \$25,000.00.
- 2.9 Kelvin W. Howard, LLC for professional services rendered October 2023 in the amount of \$30,870.00.
- 2.10 Parnell Thompson, LLC for professional services rendered October 2023 in the amount of \$51,225.00.
- 2.11 ARCADIS U.S., Inc., for professional services rendered August 2023 in the amount of \$361,327.29.

Resolution No. 9442 is hereby adopted by Directors Burbage, Henderson, Huffman, Munchus, NeSmith, Taylor and Ward; and Director Blankenship abstained.”

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Following, the Board proceeded to the third item on the agenda, Request Board to consent to the General Manager's hiring to fill the position of Assistant General Manager - Operations and Technical Services Division. 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. Mashonda S. Taylor and seconded by Ms. Tereshia Q. Huffman, that Pursuant to Article IV, Section 1 of the By-Laws of The Water Works Board of the City of

Birmingham, and subject to the Water Works Board's normal hiring processes, the Board of Directors, hereby consents to the General Manager hiring Philip King as the Assistant General Manager, Operations and Technical Services, which with the prior approval by the General Manager will include reimbursement of the following: 1) reasonable moving expenses not to exceed \$13,000.00, 2) reasonable travel and lodging expenses for housing search not to exceed two trips, and 3) reasonable temporary housing not to exceed 60 days. Resolution No. 9443 is hereby adopted by Directors Blankenship, Burbage, Henderson, Huffman, NeSmith, Taylor and Ward; and Director Munchus abstained."

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Next, the Board proceeded to the fourth item on the agenda, Request Board to award bids to various contractors. Director Ward asked whether said contractors are in Jefferson County. General Manager Johnson and Assistant General Manager Murphy confirmed that said contractors are in Jefferson County. Chairwoman Huffman acknowledged that General Manager Johnson said there was not enough time for the referenced items to go through the Engineering and Maintenance Committee; however, she inquired as to whether staff consulted with Board Attorney Parnell and the Engineering and Maintenance Committee Chair on said item. Assistant General Manager Murphy responded yes. Director Munchus expressed concern that agenda items 4.1.1, 4.1.2, 4.1.3 did not have the compliance forms. He stated someone internally is trying to sabotage BCIA. Director Munchus stated he would be voting no. Director Munchus said Birmingham Water Works has a contract compliance program but there are issues with providing the contract compliance form. He stated that the Purchasing Department should be responsible for the contract compliance form. Assistant General Manager Fisher stated that the contract compliance form process involves sending it to BCIA. Assistant General Manager Fisher stated she did not see the contract compliance form in the file; however, she will ask Matt Shiver, Purchasing Manager to confirm whether the form is missing or not uploaded to the file. Director Munchus stated he would like a hard copy of the form because the contract compliance forms shows that due diligence was performed. He stated he would like said agenda item to be delayed until the contract compliance form issue has been resolved. Next, General Manager Johnson read agenda item 4.2. Director Munchus asked whether agenda item 4.1 and agenda item 4.2 were combined for the Board to vote on. Chairwoman Huffman responded yes. Next, Director Munchus stated that there was not a contract compliance form included with agenda item two. Assistant General Manager Murphy clarified that after speaking with Michael Bell, BCIA, he was informed that BCIA sent the contract compliance forms to staff for said items, but apparently, the forms did not get included with the referenced agenda items. He stated it is not staff's practice to place items on the Board's agenda prior to the items being reviewed by the Engineering and Maintenance Committee; however, Birmingham Water Works is still experiencing issues with availability of meter materials. Assistant General Manager Murphy said he asked Director NeSmith's permission to bypass the Engineering and Maintenance Committee to avoid being behind on service taps. After discussion, the board moved forward. 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 Ms. Mashonda S. Taylor, that the Board hereby authorizes staff to execute purchase orders and/or contracts for procurement

of materials, services and supplies needed for the operation, construction, and maintenance of the water system to the following:

- 4.1 Ferguson Water Works, Empire Pipe, and Consolidated Pipe, the three lowest responsible and responsive bidders, for Meter Loops and Resetters at a combined total out-of-pocket cost to the Board of \$2,814,109.48.
  - 4.1.1 Ferguson Water Works at an out-of-pocket cost to the Board of \$298,285.48 for Line-Item Specific Ford Products.
  - 4.1.2 Empire Pipe at an out-of-pocket cost to the Board of \$895,775.00 for Line-Item Specific Ford Products.
  - 4.1.3 Consolidated Pipe at an out-of-pocket cost to the Board of \$1,620,049.00 for all Mueller Products.
- 4.2 Empire Pipe and Mueller, the two lowest responsible and responsive bidders, for Meters at a combined total out-of-pocket cost to the Board of \$7,480,000.00.
  - 4.2.1 Empire Pipe at an out-of-pocket cost to the Board of \$6,000,000.00 for Line-Item Specific Commodities.
  - 4.2.2 Mueller at an out-of-pocket cost to the Board of \$1,480,000.00 for Line-Item Specific Commodities.

Resolution No. 9444 is hereby adopted by Directors Blankenship, Burbage, Henderson, Huffman, NeSmith, Taylor and Ward; and Director Munchus voted no.”

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Following, the Board proceeded to the fifth item on the agenda, Request Board to consider approving its budgets for fiscal year 2024: the Operating and Maintenance Budget totaling \$132,003,955.71; and the Capital Budget totaling \$83,711,540.00. General Manager Johnson gave an overview of the budget presentation to the Board. He stated staff efforts were primarily focusing the budget on customer engagement. General Manager Johnson indicated that townhall meetings held at the Birmingham CrossPlex and Aldridge Gardens and a Public Hearing were part of customer engagement. He highlighted adjustments based on items considered since the last budget presentation. General Manager Johnson stated that the proposed operating and maintenance budget for approval is a 5.35% increase compared to the FY2023 budget. General Manager Johnson stated the adjusted FY2024 proposed budget results in a 4.8% customer rate increase, which is a reduction from the prior amount of 5.8%. Next, General Manager Johnson gave a recap of the FY2024 Operating and Maintenance Budget adjustments. He stated revenue increased and labor expenses were reduced by 50% because of vacant positions. General Manager Johnson indicated that the operating and maintenance budget was increased due to an increase in the merit pay calculation and an amount requested as a result of the organizational assessment recommendation; however, the labor budget had an overall reduction of \$1,428,142.00. General Manager Johnson said the revised operating and maintenance budget is \$132,003,956.00. The revised FY2024 Capital Budget is \$83,711,540.00. The capital budget had a \$380,750.00 reduction due to a reduction in the capitalized operating and maintenance expense due to a reduction in the amount budgeted for

vacant positions. Next, General Manager discussed the projected customer impact. He stated the impact to a customer's monthly bill is \$2.29 based on a 5/8" meter and 4,500 gallons of monthly water usage. Afterwards, General Manager Johnson highlighted the major categories of the FY2024 Proposed Capital Budget: (1) *General Capital, Technology, and Distribution Projects*, (2) *Maintenance and Repair Projects*, (3) *Distribution Main Replacement Program*, and (4) *Capitalized Operating and Maintenance*. Next, General Manager Johnson gave an overview of the FY2024 debt service coverage/ratio. He stated that the senior debt services coverage is 1.50 with a minimum of 1.35 required and that the total debt service coverage is 1.48 with a minimum of 1.10. General Manager Johnson highlighted that the Net Debt to Total Assets is 74.25%. Director Ward asked whether the overall debt reduction was 5%, which General Manager Johnson responded yes. Chairwoman Huffman asked General Manager Johnson to repeat the new rate increase and the dollar amount. General Manager Johnson reiterated that the new rate increase amount is 4.8% or \$2.29 on a monthly bill, which is a \$0.47 reduction. Director Munchus commented that senior citizens matter as it relates to increases. Afterwards, Director Munchus inquired about the labor cost on slide three of the presentation. He voiced concern about the \$1,428,142.00 reduction in labor cost. Director Munchus asked whether staff could decrease the labor cost by the referenced amount and keep the company functioning with the large number of unfilled positions and customer demands. General Manager Johnson responded yes. He stated work is being done through employees' overtime and contractors hired. General Manager Johnson stated the decrease in the labor budget does not prevent staff from hiring. Director Taylor asked, if the organizational assessment is implemented, will current positions be restructured to fill the gaps/vacant positions. General Manager Johnson stated the organizational assessment is not suggesting a reduction in positions; however, there is an opportunity to analyze productivity. In addition, General Manager Johnson commented that automated meter reading is in the budget in relation to productivity. Director Munchus asked staff to post the budget presentation on the Birmingham Water Works website for the public. General Manager Johnson agreed to post the budget presentation. After discussion, the Board moved forward. On a motion duly made and seconded, the following resolution was adopted:

“WHEREAS, The Water Works Board of the City of Birmingham (the “Board”) properly noticed and conducted a public hearing on Monday, November 6, 2023, at 5:30 p.m., pursuant to Ala. Code § 11-50-303(c) (1975); and,

WHEREAS, the Board has prepared its 2024 Operations and Maintenance Budget with expenditures totaling \$132,003,955.71; and

WHEREAS, The Board has prepared its 2024 Capital Budget with expenditures totaling \$83,711,540.00; and

WHEREAS, The Board desires to approve said Operations and Maintenance and Capital budgets for 2024.

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

1. The Board hereby approves its Operations and Maintenance, and Capital budgets for 2024 in the amounts as more particularly set forth above.
2. In accordance with Ala. Code § 11-50-303(c) (1975) and Resolution No. 4166, which was adopted on December 23, 2003, as amended, (adoption of the Rate Stabilization and Equalization Procedure (RSE Model)), notice is hereby given that the adoption of this resolution will result in a rate adjustment of 4.8% effective January 1, 2024.

Resolution No. 9445 is hereby adopted by unanimous vote.”

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Next, the Board proceeded to the sixth item on the agenda, Request Board to approve a scope of services with E Source for the Advanced Metering Infrastructure Project, Phase 1. 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 Ms. Tereshia Q. Huffman, that the Board hereby approves a scope of services with E Source for the Advanced Metering Infrastructure Project, Phase 1, and authorizes the General Manager and/or the Assistant General Manager to execute said agreement, as recommended by the Executive Committee. Resolution No. 9446 is hereby adopted by unanimous vote.”

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Following, the Board proceeded to the seventh item on the agenda, Request Board to execute a no-cost Real Estate Sales Agreement to exchange property with Fleming Branch, LLC, such that Fleming Branch, LLC, shall acquire approximately 1.27 acres of land for a non-exclusive easement for ingress, egress, and utilities. In exchange the Board will acquire 9.27 acres of property contiguous to Board property along Sicard Hollow Road located near the Cahaba Pumping Station and Cahaba Beach Road. Director Ward inquired about the affect this would have on the conservation. Board Attorney Parnell stated it does not negatively affect the conservation; it adds 9.27 acres. 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 Ms. Tereshia Q. Huffman, that the Board hereby approves a no-cost Real Estate Sales Agreement to exchange property with Fleming Branch, LLC., such that Fleming Branch, LLC., shall acquire approximately 1.27 acres of land for a non-exclusive easement for ingress, egress, and utilities. In exchange the Board will acquire 9.27 acres of property contiguous to Board property along Sicard Hollow Road located near the Cahaba Pumping Station and Cahaba Beach Road; 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. 9447 is hereby adopted by unanimous vote.”

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Next, the Board proceeded to the eighth item on the agenda, Request Board to grant Jefferson County a Temporary Construction Easement and Right-of-Way for public purposes, including a public road and appurtenances, drainage facilities, underground water and sewer lines and other public utilities and devices both below and above ground at the intersection of Sicard Hollow Road and Blue Lake Drive. 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 Tereshia Q. Huffman, that the Board hereby grants Jefferson County a Temporary Construction Easement and Right-of-Way for public purposes, including a public road and appurtenances, drainage facilities, underground water and sewer lines and other public utilities and devices both below and above ground at the intersection of Sicard Hollow Road and Blue Lake Drive, as recommended by the Engineering and Maintenance Committee. Resolution No. 9448 is hereby adopted by unanimous vote.”

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Following, the Board proceeded to the ninth item on the agenda, Request Board to exercise its option to terminate the month-to-month agreement with Birmingham Construction Industry Authority (BCIA), to provide contract compliance services, effective December 29, 2023, which is 30-days from today. General Manager Johnson stated BCIA had an agreement with Birmingham Water Works for \$5,000.00 a month, and later changed to \$25,000.00 a month. He stated a discussion was held with BCIA to amend the agreement and reduce the fee to \$20,000.00. General Manager Johnson stated that internally, staff issued a Request for Proposal (RFP) to seek opportunities to determine additional services others may provide to enhance Birmingham Water Works’ HUB Program. He stated an RFP was needed because no RFP had been previously issued; in addition, there are items staff wanted to consider and to make sure Birmingham Water Works is getting the best value regarding said services. General Manager Johnson stated the RFP would be issued in mid-January, which BCIA will also have the opportunity to respond. Chairwoman Huffman stated that she is pleased with BCIA’s work; however, a RFP is necessary. Chairwoman Huffman indicated her goal is to increase minority participation, especially for women. Chairwoman stated BCIA was asked to present in September to determine the efforts that have been exhausted and ways to increase minority participation. She indicated there should be Historically Underutilized Business (HUB) participation throughout the organization, as opposed to construction only. Chairwoman Huffman stated the RFP should be done by January 15, 2024, or earlier. Chairwoman Huffman stated she is encouraging BCIA to apply and to share their challenges. Director Taylor inquired about the RFP timeline. General Manager Johnson stated, the RFP will be issued January 15, 2024. It will be open for three weeks to allow time to review it. He stated a vendor should be in place by late March 2024 or April 2024. Chairwoman Huffman stated that once staff has narrowed down the firms, she would like the firms to present at an Engineering and Maintenance Committee Meeting. Chairwoman Huffman stated she would like to have someone in place 30 days after the bid and in place by early March. General Manager Johnson responded he would aim for said deadline. Director Munchus stated he is voting no. He does not believe contract compliance can be performed internally and does not know any local vendors that can perform said services. He asked Chairwoman Huffman the reason for the urgency of an RFP

and to keep BCIA in place until an RFP has been issued. Chairwoman Huffman stated that BCIA is the only remaining firm with a month-to-month contract, and the Board has eliminated month-to-month contracts. Next, Director Munchus inquired whether BCIA should be involved with putting together the RFP. Chairwoman Huffman responded no. Director Munchus asked whether staff would be doing contract compliance in the interim. He stated that staff is already overloaded. General Manager Johnson stated that there is a BCIA checklist for various forms. He stated staff will still receive the required documents and reference the checklist; however, BCIA will no longer sign off on the form. After much discussion, Mr. Bell was asked whether he had any comments or wanted to speak. Mr. Bell stated, regardless of the outcome, he appreciates the relationship with Birmingham Water Works, and he stands behind their work. Mr. Bell stated there has been miscommunication about their role. He stated the contract given to them was for construction related activities. Mr. Bell stated that BCIA is being held accountable for a contract across the board. He stated a discussion should have been held instead of dismissing their total effort. Mr. Bell stated issues outside of construction does not come to them; therefore, it was beyond BCIA's control. Afterwards, Assistant General Manager Fisher interjected and stated the missing BCIA contract compliance forms Director Munchus referenced on agenda item four are in the Board book on pages 267 and page 517. After discussion, the Board moved forward. 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 Ms. Tereshia Q. Huffman, that the Board hereby exercise its option to terminate the month-to-month agreement with Birmingham Construction Industry Authority, (BCIA), to provide contract compliance services, effective December 29, 2023, which is 30-days from today. Resolution No. 9449 is hereby adopted by Directors Burbage, Henderson, Huffman, NeSmith, Taylor and Ward; Director Munchus voted no, and Director Blankenship abstained.”

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Next, the Board proceeded to the tenth item on the agenda, Request Board to approve an agreement with Voya for Stop Loss Insurance at a projected annual cost of \$480,166.08, and AmWins for a Gene Therapy Program at a projected annual cost of \$15,999.60 for a total projected cost of \$496,165.68, effective January 1, 2024, through December 31, 2024. General Manager Johnson stated that this item did not go to Human Resources Committee, because the responses to the RFP for data was through November 30, 2023. He stated that waiting would have resulted in additional claims data being used, which could potentially result in an increase in the premium. Paul Lloyd, Human Resources Manager, was recognized for comments. He stated that Birmingham Water Works is self-insured. Stop loss insurance provides the Board a level of protection for high claims. He stated Birmingham Water Works is reimbursed for high dollar claims once deductibles have been met. Also, Mr. Lloyd stated that the Gene Therapy component is being added for additional protection because Gene Therapy drugs are becoming more costly. He stated the 2024 premiums are a \$100,000.00 in savings in comparison to the 2023 premiums. Subsequently, the Board moved forward. 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. Larry Ward and seconded by Ms. Mashonda S. Taylor, that the Board hereby approves an agreement with Voya for Stop Loss Insurance at a projected annual cost of \$480,166.08, and AmWins for a Gene Therapy Program at a projected annual cost of \$15,999.60 for a total projected cost of \$496,165.68, effective January 1, 2024, through December 31, 2024; and authorizes the General Manager and/or Assistant General Manager to execute said agreement. Resolution No. 9450 is hereby adopted by unanimous vote.”

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Following, the Board proceeded to the eleventh item on the agenda, Request Board to approve a resolution to rehire Environmental Law Group, P.C. Director Munchus stated that this is a great decision. He commented on the chemical manufacturers’ violation of laws. He stated last year chemical manufactures broke contracts and increased prices. Director Munchus stated it is a form of price gouging and hopes Birmingham Water Works’ legal team will look at the chemical manufactures’ violations. Board Attorney Parnell stated the resolution in the Board’s package lists the reasons to re-hire Environmental Law Group. Director Munchus asked what could be done with chemical contractors breaking contracts regarding pricing. Board Attorney Parnell responded that the chemical manufacturers do not consistently break their contracts; although some contracts were broken during COVID, which was consistent around the country. He stated the Board had a choice to make whether to treat water or file lawsuits, the Board chose to treat water. Director NeSmith commented that he agrees with re-hiring the Environmental Law Group and hopes the Board is provided more information than they received the first time they entered into a contract with this law firm. Chairman Huffman agreed with Director NeSmith, and she recommended that the Board meet with the referenced firm in January. After a brief discussion, the Board moved forward. On a motion duly made and seconded, the following resolution was adopted:

“WHEREAS, The Water Works Board of the City of Birmingham (the “Water Works Board”) had previously retained Environmental Law Group, P.C. (“ELG”), to investigate a potential lawsuit against manufacturers and others regarding the presences of a certain group of chemicals commonly referred to as PFAS; and,

WHEREAS, based on the information available to the Water Works Board at the time and the fact that the Water Works Board was fully in compliance with the currently existing water quality regulations, earlier this year the Water Works Board chose to abandon any potential litigation regarding PFAS chemicals; and

WHEREAS, shortly thereafter, in March 2023, the USEPA proposed new drastically low maximum contaminate limits for certain PFAS constituents with a limit of 4 parts per trillion; and,

WHEREAS, in that certain multidistrict litigation pending in Federal District Court in South Carolina, there have been two-multibillion-dollar settlements proposed as class action settlements – one by 3M Chemical and one by Dupont; and,

WHEREAS, the Water Works Board is a member of the class for each of these settlements: and.

WHEREAS, each proposed class action settlement has certain deadlines in December 2023; and,

WHEREAS, the Water Works Board is in need of legal counsel to handle these proposed settlements and given the current state of the regulatory environment, the Water Works Board wishes to rehire ELG to represent it in the remaining litigation pending in South Carolina.

1. NOW THEREFORE BE IT RESOLVED By The Water Works Board of the City of Birmingham (“the Board”), on a motion duly made by Ms. Tereshia Q. Huffman, and seconded by Mr. George Munchus, that the Board hereby approves as follows: The Water Works Board’s General Manager is authorized to execute that certain agreement attached hereto as Exhibit “A” by and between the Water Works Board and Environmental Law Group, P.C.

Resolution No. 9451 is hereby adopted by unanimous vote.”

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Next, the Board proceeded to the twelfth item on the agenda, Request Board to enter Executive Session to discuss with legal counsel legal matters that are appropriate under Ala. Code Section 36-25A-7(a)(3). Director NeSmith made a motion to table Executive Session. Prior to a second motion, Board Attorney Parnell stated Executive Session was noted primarily for the next agenda item that he emailed the Board about involving a property claim of \$100,000.00; the resolution would authorize the General Manager to pay up to \$100,000.00 if the claimant accepts. Director Munchus voiced concern as to why the Board would not pay the total expenses to the claimant. Board Attorney Parnell stated that public funds paid must be legally authorized and there is a statute for settling a claim for more than the \$100,000.00. Afterwards, the Board moved forward. 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. Tereshia Q. Huffman and seconded by Mr. George Munchus, that the Board hereby tables item 12, an Executive Session to discuss with legal counsel legal matters that are appropriate under Ala. Code Section 36-25A-7(a)(3). Resolution No. 9452 is hereby adopted by unanimous vote.”

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Subsequently, the Board proceeded to the thirteenth item on the agenda, Request Board to approve a property claim settlement in an amount not to exceed \$100,000.00, and to authorize the General Manager and/or the Assistant General Manager to execute any necessary documents needed to settle the claim. 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 property claim settlement in an amount not to exceed

\$100,000.00, and authorizes the General Manager and/or the Assistant General Manager to execute any necessary documents needed to settle the claim. Resolution No. 9453 is hereby adopted by unanimous vote.”

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As there was no further business before the Board, Director Ward made a motion to adjourn the meeting and Director Taylor seconded the motion. On a motion duly made and seconded, the motion was approved, and the meeting adjourned at 1:10 p.m.

\_\_\_\_\_/s/\_\_\_\_\_  
Tereshia Q. Huffman  
Chairwoman

Attest:

\_\_\_\_\_/s/\_\_\_\_\_  
Raymond “Larry” Ward  
Secretary-Treasurer