

**MINUTES OF THE REGULAR BI-MONTHLY MEETING OF DIRECTORS
OF THE WATER WORKS BOARD OF THE CITY OF BIRMINGHAM
June 10, 2020**

The regular bi-monthly meeting of the directors of The Water Works Board of the City of Birmingham was held on Wednesday, June 10, 2020, at 11:30 a.m., via electronically [via teleconference/telephone].

The following Directors were present via a roll call: Ronald A. Mims, Brenda J. Dickerson, Deborah Clark, William R. Muhammad, William “Butch” Burbage, Jr., Tommy J. Alexander, Lucien Blankenship and George Munchus. Director King was absent.

Others were present via telephone: Michael Johnson, General Manager; Derrick Murphy, Jeffrey Thompson and Iris Fisher, Assistant General Managers; K. Mark Parnell, Parnell Thompson Law, LLC; Kelvin Howard, KWH, LLC.; Emory Anthony, Esq.; Patrick Flannelly, ARCADIS; Peiffer Brandt and Townsend Collins, Raftelis; Grace Amison, Executive Assistant to the Board of Directors; Vanessa Washington, Executive Assistant; Rick Jackson, Public Relations Manager and Spokesperson; Katie Baasen, Public Relations Specialist and Marsha Hammonds, Information Technology Systems Support Supervisor.

Inasmuch as a majority of the Board members were present, a quorum was in attendance.

Chairman Mims called the meeting to order at 11:35 a.m. Assistant General Manager Derrick Murphy opened the meeting with prayer.

Director Blankenship made a motion to approve the agenda as printed. Director Munchus seconded. The agenda was approved unanimously by a roll call vote. On a motion duly made and seconded, the following resolution was adopted:

“BE IT RESOLVED By The Water Works Board of the City of Birmingham (“the Board”), on a motion duly made by Mr. Lucien Blankenship and seconded by Dr. George Munchus, that the Board hereby approves the Regular Board of Directors’ Meeting Agenda as printed. Resolution No. 8377 is hereby adopted by a unanimous roll call vote as follows: Director Mims, Yes; Director Dickerson, Yes; Director Clark, Yes; Director Muhammad, Yes; Director Burbage, Yes; Director Alexander, Yes; Director Blankenship, Yes; Director Munchus, Yes.”

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Next, GM Johnson asked the Board to adopt resolutions authorizing monthly retirement benefits from the Board's Retirement Trust Fund, as stated on the respective retirement calculations, effective July 1, 2020, and commending them for their years of service as set forth in agenda items 1.1 and 1.2 respectively. After a brief discussion regarding the retirement requirements, Director Muhammad made a motion to approve said item. Director Munchus seconded the motion. On a motion duly made and seconded, the agenda item was approved unanimously by a roll call vote.

“WHEREAS, Sonji Campbell, an employee of The Water Works Board of the City of Birmingham ("the Board"), is retiring, effective July 1, 2020, at an age of 54, and

WHEREAS, Sonji Campbell has 10 years of continuous service with the Board at her retirement date, and in accordance with the terms of the Trusteed Pension Plan, is entitled to receive a monthly Retirement payment from the Board’s Retirement Trust Fund in the amount of \$868.05; 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. William R. Muhammad and seconded by Dr. George Munchus, that the Trustee be, and is hereby instructed to pay monthly benefit payments of \$868.05 to Ms. Campbell from the Board’s Retirement Trust Fund, in accordance with the terms of the Pension Plan, with the first payment to be made July 1, 2020.

Resolution No. 8378 is hereby adopted by a unanimous roll call vote as follows: Director Mims, Yes; Director Dickerson, Yes; Director Clark, Yes; Director Muhammad, Yes; Director Burbage, Yes; Director Alexander, Yes; Director Blankenship, Yes; Director Munchus, Yes.”

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“WHEREAS, Sonji Campbell, an employee of The Water Works Board of the City of Birmingham, is retiring, effective July 1, 2020, after 10 years of service with the Board; and

WHEREAS, management has informed the Board of Sonji Campbell’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, Sonji Campbell, 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, Sonji Campbell is hereby commended for her efficiency, reliability, and loyal service to the Board.

BE IT FURTHER RESOLVED, that in recognition of Sonji Campbell’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 Ms. Campbell.

Resolution No. 8379 is hereby adopted by a unanimous roll call vote as follows: Director Mims, Yes; Director Dickerson, Yes; Director Clark, Yes; Director Muhammad, Yes; Director Burbage, Yes; Director Alexander, Yes; Director Blankenship, Yes; Director Munchus, Yes.”

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“WHEREAS, Donald Templeton, an employee of The Water Works Board of the City of Birmingham ("the Board"), is retiring, effective July 1, 2020, at an age of 62; and

WHEREAS, Donald Templeton has 14 years of continuous service with the Board at his retirement date, and, in accordance with the terms of the Trusteed Pension Plan, Mr. Templeton is entitled to receive a monthly Retirement payment from the Board’s Retirement Trust Fund in the amount of \$2,582.59; 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. William R. Muhammad and seconded by Dr. George Munchus, that the Trustee be, and is hereby instructed to pay monthly benefit payments of \$2,582.59 to Mr. Templeton, beginning July 1, 2020, from the Board’s Retirement Trust Fund, in accordance with the terms of the Pension Plan.

Resolution No. 8380 is hereby adopted by a unanimous roll call vote as follows: Director Mims, Yes; Director Dickerson, Yes; Director Clark, Yes; Director Muhammad, Yes; Director Burbage, Yes; Director Alexander, Yes; Director Blankenship, Yes; Director Munchus, Yes.”

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“WHEREAS, Donald Templeton, an employee of The Water Works Board of the City of Birmingham, is retiring, effective July 1, 2020, after 14 years of service with the Board; and

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

BE IT FURTHER RESOLVED, that in recognition of Donald Templeton’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. Templeton.

Resolution No. 8381 is hereby adopted by a unanimous roll call vote as follows: Director Mims, Yes; Director Dickerson, Yes; Director Clark, Yes; Director Muhammad, Yes; Director Burbage, Yes; Director Alexander, Yes; Director Blankenship, Yes; Director Munchus, Yes.”

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Following, GM Johnson asked the Board to approve the minutes of January 29, 2020 and March 25, 2020, as set forth in agenda items 2.1 and 2.2 respectively. Director Clark stated she

did not receive said minutes. Director Dickerson requested tabling the minutes of agenda item 2.2. She stated the minutes were incorrect and wants to review them again. Director Clark and Director Dickerson expressed concerns relating to incorrect meeting minutes. GM Johnson was asked to investigate the matter. After some discussion, the board decided to table both set of minutes. Director Dickerson made a motion to table said item. Director Clark seconded the motion. The agenda item was tabled unanimously by a roll call vote. On a motion duly made and seconded, the following resolution was adopted:

“BE IT RESOLVED By The Water Works Board of the City of Birmingham (“the Board”), on a motion duly made by Dr. Brenda J. Dickerson and seconded by Director Deborah Clark, that the Board hereby table said minutes of the following meetings for further review:

- 2.1 Regular Board of Directors’ Meeting held January 29, 2020
- 2.2 Regular Board of Directors’ Meeting held March 25, 2020

“Resolution No. 8382 is hereby adopted by a unanimous roll call vote as follows: Director Mims, Yes; Director Dickerson, Yes; Director Clark, Yes; Director Muhammad, Yes; Director Burbage, Yes; Director Alexander, Yes; Director Blankenship, Yes; Director Munchus, Yes.”

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Next, GM Johnson asked the Board to approve payment of invoices for professional services, as set forth in agenda items 3.1 through 3.6, respectively. Director Dickerson asked that items be voted on separately, which the board agreed. Therefore, GM Johnson asked the Board to approve payment of invoices from Cory Watson Attorneys for professional services, as set forth in agenda item 3.1. Director Clark asked whether the board would receive an update from Cory Watson Attorneys on a certain legal issue. Per GM Johnson he will contact said attorneys to provide a status on the legal issue. Director Blankenship requested said attorneys provide the board with a detailed itemization of their invoice. Afterwards, agenda item 3.1 was approved with 7 votes in favor and 1 abstention by a roll call vote. On a motion duly made and seconded, the following resolution was adopted:

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

- 3.1 Cory Watson Attorneys
 - 3.1.1 For professional services performed
February 21, 2020 through March 31, 2020 \$3,151.50
 - 3.1.2 For professional services performed
September 7, 2019 through February 20, 2020 \$14,735.05

Resolution No. 8383 is hereby adopted by a roll call vote as follows: Director Mims, Yes; Director Dickerson, Yes; Director Clark, Yes; Director Muhammad, Yes; Director Burbage, Yes; Director Alexander, Yes; Director Munchus, Yes. Director Blankenship abstained.”

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Following, GM Johnson asked the Board to approve payment of invoices from Birmingham Construction Industry Authority (BCIA) for professional services, as set forth in agenda items 3.2. Director Clark asked that said agenda item be tabled, because it was not previously on the agenda. GM Johnson indicated invoices were sent to staff late; however, the invoices were included on the revised agenda and in Diligent. He stated it was BCIA's normal monthly billing and the proper documentation of their work was provided. There was a discussion relative to said agenda item and the best way to compensate the consultant for services. After discussion on said invoices, agenda item 3.2 was approved with 6 votes in favor, 1 vote against, and 1 abstention by a roll call vote. On a motion duly made and seconded, the following resolution was adopted:

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

- 3.2 Birmingham Construction Industry Authority (BCIA)
For professional services performed March 2020 through May 2020 \$6,000.00

Resolution No. 8384 is hereby adopted by a unanimous roll call vote as follows: Director Mims, No; Director Dickerson, Yes; Director Muhammad, Yes; Director Burbage, Yes; Director Alexander, Yes; Director Blankenship, Yes; Director Munchus, Yes. Director Clark abstained.”

Next, GM Johnson asked the Board to approve payment of an invoice from Terminus Municipal Advisors, LLC., for professional services, as set forth in agenda items 3.3. Said agenda item was unanimously approved by a roll call vote. On a motion duly made and seconded, the following resolution was adopted:

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

- 3.3 Terminus Municipal Advisors, LLC
For professional services performed May 2020 \$6,500.00

Resolution No. 8385 is hereby adopted by a unanimous roll call vote as follows: Director Mims, Yes; Director Dickerson, Yes; Director Clark, Yes; Director Muhammad, Yes; Director Burbage, Yes; Director Alexander, Yes; Director Blankenship, Yes; Director Munchus, Yes.”

Following, GM Johnson asked the Board to approve payment of an invoice from The Jones Group, LLC., for professional services, as set forth in agenda items 3.4. Said agenda item was

unanimously approved by a roll call vote. On a motion duly made and seconded, the following resolution was adopted:

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

3.4 The Jones Group, LLC
For professional services performed May 2020 \$10,000.00

Resolution No. 8386 is hereby adopted by a unanimous roll call vote as follows: Director Mims, Yes; Director Dickerson, Yes; Director Clark, Yes; Director Muhammad, Yes; Director Burbage, Yes; Director Alexander, Yes; Director Blankenship, Yes; Director Munchus, Yes.”

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Next, GM Johnson asked the Board to approve payment of an invoice from Birmingham Business Alliance (BBA), LLC., for professional services, as set forth in agenda items 3.5. Said agenda item was unanimously approved by a roll call vote. On a motion duly made and seconded, the following resolution was adopted:

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

3.5 Birmingham Business Alliance (BBA)
For BBA Investment for 2020 \$25,000.00

Resolution No. 8387 is hereby adopted by a unanimous roll call vote as follows: Director Mims, Yes; Director Dickerson, Yes; Director Clark, Yes; Director Muhammad, Yes; Director Burbage, Yes; Director Alexander, Yes; Director Blankenship, Yes; Director Munchus, Yes.”

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Following, GM Johnson asked the Board to approve payment of an invoice from ARCADIS U.S., Inc., for professional services, as set forth in agenda items 3.6. Director Blankenship indicated he would schedule a meeting with ARCADIS for the questions, he needed answered. Said agenda item was approved with 7 votes in favor and 1 abstention by a roll call vote. On a motion duly made and seconded, the following resolution was adopted:

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

3.6 ARCADIS U.S., Inc.
For professional services performed per

Resolution No. 8388 is hereby adopted by a roll call vote as follows: Director Mims, Yes; Director Dickerson, Yes; Director Clark, Yes; Director Muhammad, Yes; Director Burbage, Yes; Director Alexander, Yes; Director Munchus, Yes. Director Blankenship abstained.”

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Next, GM Johnson asked the Board to approve reimbursement to the Operating Account for the period ended April 30, 2020 in the amount of \$3,537,481.26; as set forth in agenda item 4. GM Johnson explained the process for reimbursement to the Operating Account and answered questions on the topic. Afterwards, the agenda item was approved unanimously by a roll call vote. On a motion duly made and seconded, the following resolution was adopted:

“WHEREAS, ARCADIS US, Incorporated, in a Certificate dated May 26, 2020, certified that during the period ending April 30, 2020 that there were expenditures for the cost of system improvements, which were paid out of the Operating Account and reimbursement of that account is now due in the preliminary amount of \$3,537,481.26 and;

WHEREAS, transfers to the Operating Account can be made from any, or a combination, of the following: the 2019 Special Acquisition Fund, the Construction Fund, the Improvement Fund, and/or the Revenue Account.

NOW, THEREFORE, BE IT RESOLVED By The Water Works Board of the City of Birmingham, on a motion duly made by Mr. William R. Muhammad and seconded by Dr. George Munchus, that the Trustee be, and is hereby instructed to immediately transfer \$3,537,481.26 to the Operating Account from any, or a combination, of the following: The 2019 Special Acquisition Fund, the Construction Fund, the Improvement Fund, and/or the Revenue Account.

Resolution No. 8389 is hereby adopted by a unanimous roll call vote as follows: Director Mims, Yes; Director Dickerson, Yes; Director Clark, Yes; Director Muhammad, Yes; Director Burbage, Yes; Director Alexander, Yes; Director Blankenship, Yes; Director Munchus, Yes.”

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Following, GM Johnson asked the Board to approve a revision to the current rate structure to increase the period to phase in fire hydrant fees, effective October 1, 2020, as set forth in agenda item 5. Per Mr. Brandt, fire hydrant and raw water had not been recovering their cost of services. Thus, he explained the options and each option’s impact to reach cost of service. There were questions regarding franchise fees for cities. Director Blankenship suggested sending agenda item to a Committee to discuss the fees and how they are generated. Director Muhammad asked for Finance Committee recommendation. GM Johnson indicated that the Finance Committee did not vote on said agenda item, but from their discussion the consensus was option 1. Director Burbage indicated option 1 was the recommendation on said item. Afterwards, a motion was made and seconded to accept option 1. The agenda item was approved unanimously by a roll call vote. On a motion duly made and seconded, the following resolution was adopted:

“BE IT RESOLVED By The Water Works Board of the City of Birmingham (“the Board”), on a motion duly made by Dr. George Munchus and seconded Ms. Deborah Clark, that the Board hereby approves a revision to the current rate structure to increase the period to phase in fire hydrant fees, effective October 1, 2020. Resolution No. 8390 is hereby adopted by a unanimous roll call vote as follows: Director Mims, Yes; Director Dickerson, Yes; Director Clark, Yes; Director Muhammad, Yes; Director Burbage, Yes; Director Alexander, Yes; Director Blankenship, Yes; Director Munchus, Yes.”

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Next, GM Johnson asked the Board to approve a revision to the current rate structure to increase the period to phase in raw water rates, effective January 1, 2021, as set forth in agenda item 6. Director Munchus inquired about the largest #10 raw water customers. He requested AGM Thompson to provide a list of the 69 raw water customers to the board, which he agreed. Mr. Brandt gave an overview of the topic. He discussed the 3 annual increases and options to reach cost of services. Director Muhammad asked for the Finance Committee’s recommendation for said agenda item. Director Burbage indicated that the Finance Committee’s opted for option 1. Afterwards, a motion was made and seconded to accept option 1. The agenda item was approved unanimously by a roll call vote. On a motion duly made and seconded, the following resolution was adopted:

“BE IT RESOLVED By The Water Works Board of the City of Birmingham (“the Board”), on a motion duly made by Mr. William R. Muhammad and seconded by Mr. Lucien Blankenship, that the Board hereby approves a revision to the current rate structure to increase the period to phase in raw water rates, effective January 1, 2021. Resolution No. 8391 is hereby adopted by a unanimous roll call vote as follows: Director Mims, Yes; Director Dickerson, Yes; Director Clark, Yes; Director Muhammad, Yes; Director Burbage, Yes; Director Alexander, Yes; Director Blankenship, Yes; Director Munchus, Yes.”

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Following, GM Johnson asked the Board to approve a Customer Service Assistance Program with an initial allocation of \$1.2 Million appropriated from the Economic Development Fund Reserves, as set forth in agenda item 7. Director Muhammad made a motion to amend said agenda item with the contingencies as follows: (1) Renegotiate Sewer Collection Agreement with Jefferson County to only pay what is collected; (2) Request that Jefferson County’s \$1.25 million is placed in the H2O Foundation; (3) Provide a location for the H2O Foundation to operate from within the Customer Service Building to provide water and sewer assistant to customers; and (4) become effective January 2021. The motion was seconded. Attorney Parnell clarified the contingencies. There was much discussion on the implementation of the program and whether the H2O Foundation should be involved and administer the funds. Director Munchus stated he does not want this program mixed with the H2O Foundation. He indicated the General Manager and BWWB should manage the program. Director Dickerson expressed concerns on having various pots of money. She inquired about the effects of eliminating funding from BWWB to the H2O Foundation. Per Attorney Parnell, the H2O Foundation would be severely limited in helping customers if BWWB stopped funding. Director Clark asked that the legal staff research BWWB

setting up a 501(c) foundation or similar and provide a template that addresses all concerns discussed. GM stated the H2O foundation has a great brand; the challenge is there is no staff for day to day operations. It has an agreement with the Salvation Army; therefore, the agreement may need to be re-evaluated for greater results. Director Blankenship recommended that the following additional (two) items are added to the motion: (1) to develop a Business Plan and present to the board for approval of the operation and execution of the H2O Foundation's proposed usage of the funds and (2) whether the transfer and use of proposed funds is legally appropriate. Director Muhammad accepted the added amendments to the motion. GM Johnson stated early October as the timeline for providing information to board. He was asked to provide information throughout the process, preferable August. There was some talk about outsourcing the services. After much discussion, agenda item 7 was approved by a roll call vote with 5 votes in favor, 2 votes against, and 1 abstention. 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 R. Muhammad and seconded by Dr. George Munchus, that the Board hereby approves a Customer Service Assistance Program with the following contingencies: 1) Renegotiate Sewer Collection Agreement with Jefferson County to only pay what is collected; (2) Request that Jefferson County's \$1.25 million is placed in the H2O Foundation; (3) Provide a location for the H2O Foundation to operate from within the Customer Service Building to provide water and sewer assistant to customers; and (4) become effective January 2021 (5) Develop a Business Plan and present to the board for approval of the operation and execution of the H2O Foundation's proposed usage of the funds and (6) Transfer and use of proposed funds is legally appropriated with an initial allocation of \$1.2 Million appropriated from the Economic Development Fund Reserves. Resolution No. 8392 is hereby adopted by roll call vote as follows: Director Mims, Yes; Director Dickerson, Yes; Director Muhammad, Yes; Director Burbage, No; Director Alexander, No; Director Blankenship, Yes; Director Munchus, Yes. Director Clark abstained.”

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Subsequently, agenda item 8 addressed new business. Director Muhammad requested GM Johnson to provide the board with the calculations on franchise fees, which he agreed. Following, Director Munchus inquired whether Attorney Parnell was still working on the five (5) questions he requested information from the previous meeting, which he answered yes.

As there was no further business before the Board, Director Blankenship made a motion to adjourn the meeting. Director Burbage seconded the motion. The motion was approved unanimously by a roll vote. Chairman Mims adjourned the meeting at 1:27 p.m.

_____/s/_____
Ronald A. Mims
Chairman/President

Attest:

_____/s/_____
William R. Muhammad
Secretary-Treasurer