

**MINUTES OF THE REGULAR BI-MONTHLY MEETING OF DIRECTORS
OF THE WATER WORKS BOARD OF THE CITY OF BIRMINGHAM
February 10, 2021**

The regular bi-monthly meeting of the directors of The Water Works Board of the City of Birmingham was held on Wednesday, February 10, 2021, at 11:30 a.m., via electronically [via teleconference/telephone].

The following Directors were present via a roll call: Ronald A. Mims, William “Butch” Burbage, Jr., George Munchus, Lucien Blankenship, Tereshia Huffman, Tom Henderson, Dalton NeSmith, Chris Rice and Larry Ward.

Others were present via teleconference/telephone: Michael Johnson, General Manager; Derrick Murphy and Iris Fisher, Assistant General Managers; K. Mark Parnell, Parnell Thompson Law, LLC; Emory Anthony, Esq.; Cynthia Williams, Board Administrator; Vanessa Washington, Executive Assistant; Rick Jackson, Colandus Mason, Paul Lloyd, Ed Travis, Marsha Hammonds, and Rhonda Lewis; Board Employees.

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

Next, Director Blankenship inquired as to the reason a special rule was being implemented relating to agenda item 3. Per Chairman Mims, staff expressed concerns, but the issue would be addressed when the said item is reached on the agenda. Chairman Mims called the meeting to order at 11:34 a.m. General Manager Michael Johnson opened the meeting with prayer.

Following, Director Blankenship made a motion to approve the agenda by amending agenda item 3, which would separate it into two parts: *3a and 3b (implement special rule)*, present agenda item 7 (*New Business*) before agenda item 6 (*Division Reports*), and to also withdraw agenda item 6.4. Director Munchus seconded. 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 by amending agenda item 3, which would separate it into two parts: 3a and 3b (implement special rule), present agenda item 7 (New Business) before agenda item 8 (Division Reports), and to also withdraw agenda item 6.4. Resolution No. 8644 is hereby adopted by a unanimous roll call vote as follows: Director Mims, Yes; Director Munchus, Yes; Director Blankenship, Yes; Director Burbage, Yes; Director Huffman, Yes; Director Henderson, Yes; Director NeSmith, Yes; Director Rice, Yes; Director Ward, Yes.”

* * * * *

Next, GM Johnson asked the Board to approve minutes from the Regular Board of Directors’ Meeting held December 16, 2020, as set forth in agenda item 1; necessary to perform essential minimum functions of the governmental body. Director Munchus made a motion to

approve said item. Director Huffman seconded. 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 Dr. George Munchus and seconded by Ms. Tereshia Huffman, that the Board hereby approves minutes of the Regular Board of Directors’ Meeting held December 16, 2020. Resolution No. 8645 is hereby adopted on by a unanimous voice vote.”

* * * * *

Following, GM Johnson asked the Board to approve Director NeSmith's mileage expense reimbursement for the month of January 2021 in the amount of \$89.60, as set forth in agenda item 2; necessary to perform essential minimum functions of the governmental body. {NOTE: A roll call vote is required.} Director Munchus made a motion to approve said item. Director Ward seconded. 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 Dr. George Munchus and seconded by Mr. Larry Ward, that the following board member be reimbursed for his mileage expense as follows:

- Dalton NeSmith for mileage expense reimbursement for January 2021 in the amount of \$89.60 (as shown on the attached Expense Report).

Resolution No. 8646 is hereby adopted on by a voice vote as follows: Director Mims, Aye; Director Munchus, Aye; Director Blankenship, Aye; Director Burbage, Aye; Director Huffman, Aye; Director Henderson, Aye; Director Rice, Aye; Director Ward, Aye. Director NeSmith abstained.”

* * * * *

Next, GM Johnson asked the Board to adopt a resolution reaffirming its various established Board Committees for calendar year 2021; and to establish members for each standing Committee {see Exhibit "A" attached hereto}, as set forth in agenda item 3a; necessary to perform essential minimum functions of the governmental body. Director Munchus made a motion to approve the agenda item. Director NeSmith seconded. 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. Dalton NeSmith, that the Board hereby adopts a resolution reaffirming its various established Board Committees for calendar year 2021; and to establish members for each standing Committee {see Exhibit "A" attached hereto}. Resolution No. 8647 is hereby adopted by a unanimous roll call vote as follows:

Director Mims, Yes; Director Munchus, Yes; Director Blankenship, Yes; Director Burbage, Yes; Director Huffman, Yes; Director Henderson, Yes; Director NeSmith, Yes; Director Rice, Yes; Director Ward, Yes.”

Following, GM Johnson asked the Board to adopt a resolution to implement a Special Rule of Order as outlined in the attached resolution, as set forth in agenda item 3b; necessary to perform essential minimum functions of the governmental body. However, Director Munchus made a substitute motion to approve the said item, which involved striking the second sentence from section 3c on the resolution. Director Blankenship seconded. Director Blankenship asked whether any board members had concerns regarding this item, in addition to staff, as the procedures are for board members and not staff. Chairman Mims indicated that per staff, there was an interest from certain board members to limit participation in the Committee Meetings. Thus, he had the item added to agenda to allow the entire board to discuss and decide on said matter. Per Chairman Mims, there was concern from staff and some directors regarding long Committee Meetings with interruptions that were not being controlled by Committee members. Director Munchus stated all directors should have input at the Committee level, which is why his substitute motion is to remove the second sentence. Director Ward inquired as to what a director would be giving up under the new rule. GM Johnson responded by reading the original version of section “c” of the resolution, which included the 2nd sentence. He indicated that the directors concern was possibly relating to the 2nd sentence in section “c”. However, the directors vote to remove the 2nd sentence from section “c” of the resolution resolved the issue. GM Johnson restated the amended motion for a roll call vote. On a motion duly made and seconded, the following resolution was adopted:

“WHEREAS, to assist with the efficient operation and governance of The Water Works Board of the City of Birmingham (“BWWB”), the board of directors desire to establish the following standing committees: Executive Committee; Communications Committee; Human Resources Committee; Engineering and Maintenance Committee; Finance Committee; and Business and Economic Development Committee; and,

WHEREAS, attached hereto as Exhibit “A” is a chart for the proposed 2021 BWWB Committees, setting forth the members of each established committee, the purpose for each such committee and the professionals and personnel that are to support each committee; and,

WHEREAS, to assist with the efficient operation and governance of the BWWB, said committees are established to enable better and more focused attention on the affairs of the BWWB; and

WHEREAS, to assist with the efficient operation and governance of the BWWB said committees are to review complex items in greater detail, prepare the groundwork for decision making and report its recommendation(s) to the board of directors for consideration and/or approval; and,

WHEREAS, until such time as the governance of committees is established by amendment to, restatement of, or replacement of the Corporate By-Laws for the BWWB, it is necessary to

establish and implement a Special Rule of Order addressing such governance as more fully set forth below.

NOW THEREFORE, BE IT RESOLVED on motion made by Dr. George Munchus and seconded by Mr. Lucien Blankenship as follows:

1. The following standing committees are hereby established: Executive Committee; Communications Committee; Human Resources Committee; Engineering and Maintenance Committee; Finance Committee; and Business and Economic Development Committee.

2. Attached hereto as Exhibit “A” is a chart for the 2021 BWWB Committees, setting forth the members of each established committee, the purpose for each such committee and the professionals and personnel that are to support each committee.

3. To assist with the efficient operation and governance of the BWWB, the following Special Rule of Order is hereby established:

a. Meetings of committees are required to comply with all applicable laws governing open meetings of Alabama public entities.

b. Committees shall comply with the provisions of the most current edition of Robert’s Rules of Order that are applicable to corporate committees.

c. Only members of a committee are authorized to conduct the business of said committee.

d. Committees shall report the results of meetings in the form of either a report to the full board of directors or in the form of a recommendation for consideration and approval. Said report or recommendation for consideration and approval shall be made to the full board of directions at such time as determined appropriate by said committee chairperson.

Resolution No. 8648 is hereby adopted on by a roll call vote as follows: Director Mims, Yes; Director Munchus, Yes; Director Blankenship, Yes; Director Burbage, No; Director Huffman, Yes; Director Henderson, Yes; Director NeSmith, Yes; Director Ward, Yes. There was no response from Director Rice.”

* * * * *

Next, GM Johnson asked the Board to approve payment of invoices for professional services, as set forth in agenda items 4.1 through 4.5, respectively; necessary to perform essential minimum functions of the governmental body. The directors agreed to vote on the invoices separately. Thus, GM Johnson requested Board approval for payment of an invoice from Stone Law Firm for professional services rendered, as set forth in agenda item 4.1. Director Rice made a motion to approve the agenda item. Director Huffman seconded. Director Burbage inquired as to why the other 4 attorneys on the legal panel did not handle the case pertaining to said invoice. He expressed concerns that no attorney on the legal panel for BWWB handled the case. Attorney Anthony explained that it was a conflict for the other attorneys on the legal panel. Per Attorney

Anthony, one of the panel members is representing a part of the lawsuit, which conflicts with the second portion of the lawsuit, as the other attorneys also represents BWWB. Thus, the court views it as an adversary situation. Afterwards, said 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. Chris Rice and seconded by Ms. Tereshia Huffman, that the Board hereby authorizes staff to execute payments to the following:

- 4.1 Stone Law Firm
For professional services rendered per invoice dated
January 30, 2021 \$ 4,250.00

Resolution No. 8649 is hereby adopted on by a unanimous roll call vote as follows: Director Mims, Yes; Director Munchus, Yes; Director Blankenship, Yes; Director Burbage, Yes; Director Huffman, Yes; Director Henderson, Yes; Director NeSmith, Yes; Director Rice, Yes; Director Ward, Yes.”

Following, GM Johnson requested Board approval for payment of an invoice from T. Agee for professional services rendered, as set forth in agenda item 4.2. Director Munchus made a motion to approve the agenda item. Director Huffman seconded. Said 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 by Ms. Tereshia Huffman, that the Board hereby authorizes staff to execute payments to the following:

- 4.2 T. Agee
For professional services rendered January 2021 \$ 5,550.00

Resolution No. 8650 is hereby adopted by a unanimous roll call vote as follows: Director Mims, Yes; Director Munchus, Yes; Director Blankenship, Yes; Director Burbage, Yes; Director Huffman, Yes; Director Henderson, Yes; Director NeSmith, Yes; Director Rice, Yes; Director Ward, Yes.”

Next, GM Johnson requested Board approval for payment of an invoice from Terminus Municipal Advisors, LLC for professional services rendered, as set forth in agenda item 4.3. Director Munchus made a motion to approve the agenda item. Director Henderson seconded. Said item was approved with 8 votes in favor. There was no response from Director Rice. 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. Tom Henderson, that the Board hereby authorizes staff to execute payments to the following:

- 4.3 Terminus Municipal Advisors, LLC
For professional services rendered January 2021 \$ 6,500.00

Resolution No. 8651 is hereby adopted on by a roll call vote as follows: Director Mims, Yes; Director Munchus, Yes; Director Blankenship, Yes; Director Burbage, Yes; Director Huffman, Yes; Director Henderson, Yes; Director NeSmith, Yes; Director Ward, Yes. There was no response from Director Rice.”

* * * * *

Following, GM Johnson requested Board approval for payment of an invoice from Birmingham Business Resource Center (BBRC) for professional services rendered, as set forth in agenda item 4.4. Director Munchus made a motion to approve the agenda item. Director Huffman seconded. Said item was approved with 8 votes in favor and 1 against 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 Ms. Tereshia Huffman, that the Board hereby authorizes staff to execute payments to the following:

- 4.4 Birmingham Business Resource Center (BBRC)
For professional services rendered in December 2020 \$ 20,000.00

Resolution No. 8652 is hereby adopted on by a roll call vote as follows: Director Mims, Yes; Director Munchus, Yes; Director Blankenship, Yes; Director Burbage, Yes; Director Huffman, Yes; Director Henderson, Yes; Director NeSmith, Yes; Director Rice, No; Director Ward, Yes.”

* * * * *

Next, GM Johnson requested Board approval for payment of invoice from ARCADIS, US for professional services rendered, as set forth in agenda item 4.5. Director Munchus commented that ARCADIS has HUB participation. In addition, to workforce development efforts and other contracting opportunities for small businesses, local businesses, etc. Director Rice indicated that he is interested in the participation portion; however, he is also interested in mentorship and cross training. Director Burbage made a motion to approve the agenda item. Director Munchus seconded. Director Blankenship expressed concerns that several vendors are taking credit for the WIFIA loan and there appears to be duplicate billing. Per GM Johnson, in relation to duplication, one vendor does not provide the same service. The invoices reflect the service that said vendor provides. However, the strategic planning process will aid in clarifying such issues. Afterwards, said item was approved with 8 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 “Butch” Burbage, Jr. and seconded by Mr. George Munchus, that the Board hereby authorizes staff to execute payments to the following:

4.5 ARCADIS, US

For professional services performed per November 2020 progress report

\$ 367,588.55

Resolution No. 8653 is hereby adopted on by a roll call vote as follows: Director Mims, Yes; Director Munchus, Yes; Director Blankenship, Yes; Director Burbage, Yes; Director Huffman, Yes; Director Henderson, Abstain; Director NeSmith, Yes; Director Rice, Yes; Director Ward, Yes.”

* * * * *

Following, GM Johnson asked the Board to exercise its bid option to extend a 12-month contract and to authorize the General Manager and/or the Assistant General Manager to execute a contract with Consolidated Pipe, the lowest responsible and responsive bidder, for estimated quantities of Positive Displacement Meters - (Annual), at an estimated cost to the Board of \$474,682.50, as set forth in agenda item 5; necessary to perform essential minimum functions of the governmental body. Director Munchus requested that the Purchasing Department and AGM Murphy provide a list for the last two years of HUB vendors that have done business with Consolidated Pipe. Director Munchus made a motion to approve said item. Director NeSmith seconded. 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 by Mr. Dalton NeSmith, that the Board hereby exercises its bid option to extend a 12-month contract and to authorize the General Manager and/or Assistant General Manager to execute a contract with Consolidated Pipe, the lowest responsible and responsive bidder, for estimated quantities of Positive Displacement Meters - (Annual), at an estimated cost to the Board of \$474,682.50. Resolution No. 8654 is hereby adopted on by a unanimous roll call vote as follows: Director Mims, Yes; Director Munchus, Yes; Director Blankenship, Yes; Director Burbage, Yes; Director Huffman, Yes; Director Henderson, Yes; Director NeSmith, Yes; Director Rice, Yes; Director Ward, Yes.”

* * * * *

Next, agenda item 7, which addressed new business, was presented; necessary to perform essential minimum functions of the governmental body. Chairman Mims stated the board has one local lobbyist, but no longer has a national lobbyist because Mr. Earl F. Hilliard, Sr. contract expired December 31, 2020. Chairman Mims made a motion to continue Mr. Hilliard’s contract with a 30-day termination clause for \$15,000.00 per month. Director Munchus seconded. Director Blankenship inquired as to the lobbyist objectives, legislative agenda, what is needed from our lobbyist on a national level, and the deliverables that has been received under the previous lobbyist contract. Per Chairman Mims, the purpose is to have someone that can bring funding to Birmingham, Alabama. Chairman Mims called for a roll call vote, which two directors’ responses

were to “pass”. Attorney Parnell advised the two directors that to “pass” on a vote is considered as no vote being made, thus, under the by-laws it will be recorded as a “yes” vote. Director Blankenship stated for the record that he fully intended to vote. After clarification on voting rules, the item failed with 3 votes in favor, 4 against and 2 abstentions. Then, Director Rice stated he would like the board to move forward with negotiations to engage in an agreement with Pat Lynch on the state level. GM Johnson stated that the board’s current lobbyist, Greg Jones would be presenting to the directors at the next board meeting. Thus, the board needs to hear from Greg Jones to ensure there is no duplication of services and the resources needed. Next, Director Ward made an amended motion to continue Mr. Hilliard’s contract for 30 days beginning, February 10, 2021 for \$7,500.00. Director Munchus seconded. After much discussion, said item was approved with 6 votes in favor, 2 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 Mr. Larry Ward and seconded by Dr. George Munchus, that the Board hereby approves a continuation of Mr. Hilliard’s lobbyist contract for 30 days beginning February 10, 2021 at an out-of-pocket cost to the board of \$7,500. Resolution No. 8655 is hereby adopted on by a roll call vote as follows: Director Mims, Yes; Director Munchus, Yes; Director Blankenship, Yes; Director Burbage, No; Director Huffman, Abstain; Director Henderson, Yes; Director NeSmith, No; Director Rice, Yes; Director Ward, Yes.”

* * * * *

Following, under new business, Director Rice reiterated having Pat Lynch come before the board to present information on the services he can provide from a state level. Thus, Mr. Lynch would give a presentation as well as the other speakers at the February 24, 2021 Regular Board of Directors’ Meeting. Director Rice made a motion to hear presentations from the following: Pat Lynch, Greg Jones, and Earl Hilliard, Sr. Director NeSmith seconded. Said item was approved with 8 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. Chris Rice and seconded by Mr. Dalton NeSmith, that the Board hereby approves to hear presentations from the following lobbyists: Pat Lynch & Associates, The Jones Group and Hilliard, Smith & Hunt, LLC. Resolution No. 8656 is hereby adopted on by a roll call vote as follows: Director Mims, Abstain; Director Munchus, Yes; Director Blankenship, Yes; Director Burbage, Yes; Director Huffman, Yes; Director Henderson, Yes; Director NeSmith, Yes; Director Rice, Yes; Director Ward, Yes.”

* * * * *

Next, Director Munchus requested Director Blankenship to look at reinstating the employee incentive program since he is the Chair of the Human Resources Committee. Per Director Munchus, he thinks employees have innovative ideas on helping the utility increase revenue and cut costs. Afterwards, Director Munchus suggested to GM Johnson to possibly consider seeking an interim for AGM Thompson during his absence, as there is a succession plan. GM Johnson stated that AGM Thompson has been out longer than anticipated; however, he will take the suggestion under consideration. GM Johnson indicated that he has been working with his

managers; therefore, if he determines there is a need, he will assign an interim. Next, GM Johnson announced that BWWB was awarded 8th place in the nation in the Top 100 Training Program. BWWB has ranked among the top 10 for three years straight. Rhonda Lewis presented information about said award and discussed its various qualifications. Afterwards, Colandrus Mason gave an overview on the initiatives BWWB has in place to assist in preventing what happened to the Florida Utility's cyber-attack from happening to BWWB. Mr. Mason stated that such initiatives include updated security patches for software and hardware, increased firewall protection, and educating employees on security awareness through training to help in identifying/preventing phishing or ransom attacks. Following, GM Johnson announced to directors that he would be contacting them for ethics training and in-person strategic planning workshops.

Next, GM Johnson asked the Board to hear the Division Reports, as set forth in agenda items 6.1 through 6.3, respectively; necessary to perform essential minimum functions of the governmental body. GM Johnson presented the General Manger's Report. He gave an overview on BWWB's management strategy. GM Johnson discussed the Effective Utility Management (EUM) framework, which BWWB uses to manage the utility. In addition, he updated the board on the status of the EUM assessment, strategic planning, SWOT analysis, key areas of focus and projects for FY2021. GM Johnson concluded his presentation with leadership, perspective and Insight.

As there were no questions, the Assistant General Managers presented information from their division. Following, Director Blankenship asked staff to address the issues going on at the Shades Mountain Filter Plant. As there are pending lawsuits, AGM Murphy stated that the board would be updated at a later time through Executive Session. He presented information relating to the Engineering & Maintenance Division. He began by giving a background of his division. Also, AGM Murphy gave a summary of the FY2020 Capital Program and the Distribution System Performance Updates. He discussed the goals in replacing and installing galvanized pipe. Per AGM Murphy, more pipe has been installed in 2020 than in the last twenty years. He concluded the presentation with updates and highlights for his division.

Next, AGM Fisher presented information on the December 2020 unaudited financials. She discussed the number of BWWB active customers, the balance sheet and the operating net revenue. In addition, AGM Fisher discussed O&M variances, the reserve fund and PAYGO. Director Blankenship interjected and asked about the paving and cuts being done in the streets and right-away. He asked AGM Murphy whether BWWB was paying local municipalities the permit fees for the cuts. AGM Murphy replied that the municipalities send a consolidated bill and are paid monthly. Then, AGM Fisher continued with her presentation. Director Blankenship asked whether funds received from the CARES Act have been applied to reduce the overage in the labor. Per AGM Fisher, the funds were received at the end of the year, so an adjustment will be made to expenses in the amount of \$675,000. However, the reimbursement from the CARES Act was related to other expense items, not salary. In addition, AGM Fisher agreed to provide information that shows the reimbursement categories in relation to funding from the CARES Act. Director Blankenship also requested GM Johnson to provide the application made for the CARES Act. Next, Director Munchus asked GM Johnson to clarify for the record that water municipalities do not automatically qualify for the CARES funding. GM Johnson stated that he was told water utilities were not qualified; however, BWWB provided a legal argument justifying funding.

BWWB is a standalone board, as other municipalities have water systems that are part of their cities, which put BWWB at a disadvantage. Director Munchus inquired whether Mr. Hilliard was involved in turning the matter around, which GM Johnson indicated that Mr. Hilliard did meet with him and some others. After much discussion, AGM Fisher finalized the presentation by discussing Historically Underutilized Business (HUB) participation and HomeServe active policies and revenue. GM Johnson reiterated that BWWB has significant capital needs; however, in relation to operations, the ability for customers to pay their water bills has been impacted by COVID-19; however, BWWB benefits indirectly from the funding other agencies receive. Director Rice asked whether BWWB receives a report from the H2O on their performance. GM Johnson stated that a time will be scheduled for the H2O Foundation to present to the board.

As there was no further business before the Board, Director Blankenship made a motion to adjourn the meeting. Director Rice seconded. The motion was approved unanimously by a voice vote. Chairman Mims adjourned the meeting at 2:50 p.m.

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

Attest:

_____/s/_____
William "Butch" Burbage, Jr.
Secretary-Treasurer