

**MINUTES OF THE REGULAR BI-MONTHLY MEETING OF DIRECTORS
OF THE WATER WORKS BOARD OF THE CITY OF BIRMINGHAM
August 14, 2019**

The regular bi-monthly meeting of the directors of The Water Works Board of the City of Birmingham was held on Wednesday, August 14, 2019, at 11:30 a.m., at 3600 First Avenue North, Birmingham, Alabama.

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

The meeting was also attended by: Michael Johnson, General Manager; TM “Sonny” Jones and Derrick Murphy, Assistant General Managers; Grace E. Amison, Executive Assistant to the Board of Directors; Vanessa Washington, Executive Assistant; Mark Parnell and Mary Thompson, Parnell Thompson, LLC; Kelvin Howard, KWH, LLC.; Patrick Flannelly and Brian Ruggs, ARCADIS; Phillip Moultrie and Kyle Sandlin, Valent Group; Peiffer Brandt and Townsend Collins, Raftelis Financial Consultants; Melissa, Ausborn and Zack Wilson, AGO; Theo Johnson, Volkert & Associates, Inc.; Michael Bell, BCIA; Chandra Abesingha, CE Associates; Martha Bozeman and Andy Mitchell, Agency 54; Matthew Arrington, Terminus Municipal Advisors, LLC; Walter Lewis, Piper Jaffray; Ken King, City of Birmingham; Scott Waldrop, Sedgwick; Cleo Strong and Ali Omar, A.G. Gaston Construction; Angela Hoskins, Studio 2H Design; Jennifer Gonsoulin; ABC 33/40; Commissioners Lashunda Scales, Sheila Tyson, and Joe Knight; Jefferson County Commission; J.B., Jefferson County District 1; Kenyatta Uzzell, POLIHIRE; George Anderson, Rick Jackson, Steve Franks, Ben Sorrell, Barry Williams, Rosalind Jones, Carolyn White, Jonathan Harris, John Dansby, Matthew Pritchett, Kennon Macon, Michael Moss, Brady Walker, Gary Clayton, David Gantt, Solomon, Crenshaw, Jr., Shawn Lolley, BWWB Security, Board Employees; Nelda Thompkins, Retiree; David Russell; BWWB Customer.

Inasmuch as a majority of the Board members were present, a quorum was in attendance. Chairman Burbage called the meeting to order at 11:31 a.m. and turned the meeting over to GM Michael Johnson. George Anderson, IT Manager, opened the meeting with prayer.

Following, GM Johnson asked the Board to hear a presentation from Jefferson County Commissioner Lashunda Scales relative to the \$1.25 million public service funds earmarked in Jefferson County’s recently approved budget for a public assistance program to assist low income residential customers who are struggling to pay rising sewer bills and to discuss participation from BWWB relative to said program, as set forth in agenda item 1. Commissioner Scales acknowledged Commissioner Sheila Tyson and Commissioner Joe Knight who were present and officially asked the board to match funding for high rising sewer bills to assist low income residential customers. Commissioner Scales indicated that \$1.25 million would come from Jefferson County’s General Fund, which would also administer a 501c3. Director Lewis entered the meeting at 11:34 a.m. Dr. Dickerson inquired as to who would manage the 501c3. Per Commissioner Scales, the program is in the development stage. Dr. Munchus stated he would like to move the item to the table for discussion. However, Chairman Burbage indicated the issue needed to come before a Committee so that the board would be fully informed. Commissioner

Scales clarified that Jefferson County is not trying to control BWWB funds nor the administration of any funds contributed. Their focus is only on the commitment to match their funding of \$1.25 million to help aid customers struggling with rising sewer bills. Dr. Munchus expressed his support for participating in helping with rate charges. There was a discussion about the number of customers whose service was disconnected for non-payment. Next, Commissioner Knight indicated that the Jefferson County's legal team was assessing the program. Director Muhammad inquired if the funding would be in their budget ever year. Per Commissioner Knight, the funding is in the budget for this year, but it is not perpetual. The funding would be addressed on a yearly basis. Dr. Muhammad stated he supports matching the funds. Dr. Dickerson inquired about Jefferson County's viewpoint for working with the H2O Foundation, which the Salvation Army administers. Commissioner Tyson and Commissioner Knight answered. There was more discussion on providing aid. Customers whose water has been disconnected who are unable to reconnect their service was also discussed. Director Muhammad asked Commissioner Knight questions about their bankruptcy standing and whether Jefferson County would refinance after 10 years, which he answered. Afterwards, Commissioner Scales reiterated to the board that their request is for BWWB to partner with Jefferson County; however, they would not administer the funds contributed by BWWB. Jefferson County is requesting matching funds to assist in providing sewer relief in the amount of \$1.25 million and water relief in the amount of \$1.25 million. Per Commissioner Scales, they would appropriate and earmark their funds for that specific purpose. She thanked the board and GM Johnson. Then, she concluded her presentation. A flyer entitled *Jefferson County Sewer Town Hall Meeting (a copy of which is on file with the Board meeting book)* was distributed from Dr. Munchus to the board members. Dr. Munchus made a motion to send the agenda item to the Finance Committee. Commissioner Scales asked that BWWB roll out the solution by January 1, 2020. Dr. Dickerson seconded the motion. On a motion duly made and seconded, the following resolution was adopted:

“BE IT RESOLVED By the Water Works Board of the City of Birmingham (“the Board”), on a motion duly made by Mr. George Munchus and seconded by Ms. Brenda J. Dickerson, that the Board hereby refers agenda item one to the Finance Committee. Resolution No. 8132 is hereby adopted by unanimous vote.”

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Following, GM Johnson asked the Board to allow Mr. Kenyatta Uzzell of POLIHIRE to present agenda item 7. Agenda item 7 requested the Board to hear an update from POLIHIRE regarding executive searches for an Assistant General Manager, Operations and Technical Services and an Assistant General Manager, Finance and Administration. A handout entitled *Recruitment Update: Assistant General Managers (2) for BWWB (a copy of which is on file with the Board meeting book)* was provided for the board's reference. Mr. Uzzell began his presentation with an update on the Assistant General Manager's (AGM) position for the Finance and Administration Division. He stated that 17 from the total applications received met the minimum requirement of having a CPA license. Per Mr. Uzzell, POLIHIRE narrowed those to seven candidates for further consideration for the job position. Three or four of the candidates would be interviewed. A discussion followed regarding whether having a Certified Public Accountant (CPA) License was necessary for the AGM Finance position. GM Johnson confirmed that a CPA was needed for the position and several board members agreed. Director Muhammad

expressed his concerns about POLIHIRE’s process of narrowing down candidates for interviewing. He indicated that the board and the general manager could decide whether to accept the recommendations. Mr. Uzzell agreed with Director Muhammad and reassured the board that they are his client, and he is only making professional recommendations as a recruiter. Dr. Munchus asked about the time frame that the AGM Finance and Administration position would close, because GM Johnson is performing dual duties. Following, Mr. Uzzell updated the board on the Assistant General Manager’s position for the Operations and Technical Services Division. He indicated that nine of the total applicants are being considered for the position. There was a discussion on whether a Professional Engineering (PE) license was necessary for the job position. Board members had a difference of opinion on the topic. Mr. Uzzell clarified that the job description lists the PE license as preferred not required. He presented an overview of the candidates’ background as a group. Mr. Uzzell stated that there was a lack of gender diversity for the AGM Operations & Technical Services position. He concluded the presentation after some further discussion on the diversity issue.

Next, GM Johnson asked the Board to approve the Regular Board of Directors’ minutes for May 8, 2019, May 22, 2019, and June 5, 2019, as set forth in agenda item 2. 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. Ronald A. Mims and seconded by Dr. George Munchus, that the Board hereby approves minutes of the following meetings:

- 2.1 Regular Board of Directors’ Meeting held May 8, 2019
- 2.2 Regular Board of Directors’ Meeting held May 22, 2019
- 2.3 Regular Board of Directors’ Meeting held June 5, 2019

Resolution No. 8133 is hereby adopted by unanimous vote.”

Next, GM Johnson asked the Board to approve Director King’s mileage expense reimbursement for July 2019 in the amount of \$71.92, noting that a roll call vote would be required, as set forth in agenda item 3. On a motion duly made and seconded, a “roll call” vote of the directors was taken, and the following resolution was adopted:

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

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

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

- Brett A. King for mileage expense reimbursement for attending to business of Board for July 2019 in the amount of \$71.92 (as listed on the attached Travel and Business Expense Reimbursement).

Resolution No. 8134 is hereby adopted by a roll call vote: Director Burbage, Yes; Director Clark, Yes; Director Dickerson, Yes; Director Mims, Yes; Director Lewis, Yes; Director Munchus, Yes; Director Muhammad, Yes; and Director King, Yes.”

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Next, GM Johnson asked the Board to approve the directors' actual travel expenses for the 2019 Water Jam Conference (formerly the Alabama-Mississippi Section – AWWA – Annual Conference): Director Clark in the amount of \$1,683.10, Director Muhammad in the amount of \$1,786.50, Director Mims in the amount of \$1,792.76, and Director Dickerson in the amount of \$1,800.50, noting that a roll call vote would be required, as set forth in agenda item 4. On a motion duly made and seconded, a “roll call” vote of the directors was taken, and the following resolution was adopted:

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

WHEREAS, pursuant to Resolution No. 7683 adopted by the Board of Directors on January 16, 2019, approval was given to attend the 2019 Water Jam Conference scheduled July 28 – 31, 2019, in Mobile, Alabama; and

WHEREAS, in accordance with Act No. 2015-164, approval is requested for the following actual expenses relative to the above-referenced conference.

NOW, THEREFORE, BE IT RESOLVED, on a motion duly made by Dr. George Munchus and seconded by Mr. Brett A. King, that the following board member(s) be reimbursed for his or her actual expenses pertaining to said conference as follows:

- Deborah Clark for total actual expenses including conference registration, lodging (room and tax only), business meals, business use of personal automobile and other in the amount of \$1,683.10 (as listed on the attached Itemized Travel and Business Expense Reimbursement).
- William R. Muhammad for total actual expenses including conference registration, lodging (room and tax only), business meals, business use of personal automobile and other in the amount of \$1,786.50 (as listed on the attached Itemized Travel and Business Expense Reimbursement).
- Ronald A. Mims for total actual expenses including conference registration, lodging (room and tax only), business meals, business use of personal automobile and other in the amount of \$1,792.76 (as listed on the attached Itemized Travel and Business Expense Reimbursement).

- Brenda J. Dickerson for total actual expenses including conference registration, lodging (room and tax only), business meals, business use of personal automobile and other in the amount of \$1,800.50 (as listed on the attached Itemized Travel and Business Expense Reimbursement).

Resolution No. 8135 is hereby adopted by a roll call vote: Director Clark, Yes; Director Dickerson, Yes; Director Burbage, Yes; Director Mims, Yes with an abstained for self; Director Lewis, Yes; Director Munchus, Yes; Director Muhammad, Yes; and Director King, Yes.”

Next, GM Johnson asked the Board to approve payments of invoices for professional services, as set forth in agenda items 5.1 through 5.7, respectively. On a motion duly made and seconded, the following resolution was adopted:

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

5.1 <u>NeSmith, Lowe & NeSmith, LLC</u> For retainer fee for July 2019	<u>\$ 500.00</u>
5.2 <u>Dominick Feld Hyde, PC</u> BWVB Other Benefits Plan performed July 12, 2019 through July 24, 2019	<u>\$ 630.00</u>
5.3 <u>BCIA</u> For professional services rendered for June 26, 2019 through July 24, 2019	<u>\$ 2,000.00</u>
5.4 <u>Cory Watson Attorneys</u> For professional services rendered for June 4, 2019 through June 27, 2019	<u>\$ 7,335.00</u>
5.5 <u>Terminus Municipal Advisors, LLC</u> For professional services rendered for July 2019	<u>\$ 6,500.00</u>
5.6 <u>The Jones Group</u> For professional services rendered for July 2019	<u>\$ 7,500.00</u>
5.7 <u>Agency 54</u> For professional services rendered for July 2019	<u>\$ 22,500.00</u>

Resolution No. 8136 is hereby adopted by unanimous vote.”

Dr. Munchus inquired as to billings from Cory Watson Attorneys and whether they were still providing services for the board regarding work on a case. Attorney Parnell confirmed that said attorneys were still going to court in reference to the case. Director Mims announced that the Communications Committee Meeting was scheduled for Thursday, August 15, 2019. There was some discussion among the group about Agency 54 presenting at said Committee Meeting and following the process established. Dr. Dickerson expressed her interest in hearing a presentation regarding the services provided to the board as some board members indicated they have never heard a presentation from Agency 54. Director Clark stated that Agency 54 should prepare to present at a Communications Committee Meeting detailed information about everything they provide for the board and identify services for which the board is paying. After some discussion, it was agreed that Agency 54 could be placed on the Agenda to present at the August 15, 2019 Communications Committee Meeting.

Next, GM Johnson asked the Board to approve the 2018 Cost of Service Study Summary and Recommendations, dated August 14, 2019, as presented and to approve the implementation of the changes called for by the Cost of Service Study to the base charges, volumetric rates, fire service charges and hydrant charges and to phase in certain of the adjustments over a three (3) year period, all as recommended by the Board’s rate consultant, Raftelis Financial Consultants, Inc., as set forth in agenda item 6. A motion was made by Dr. Dickerson and seconded by Dr. Munchus. Dr. Munchus asked whether this item had been recommended by the Finance Committee. Per GM Johnson, there was no formal recommendation. Dr. Dickerson stated there were questions the board requested Raftelis to answer regarding agenda item 6. GM Johnson explained that Raftelis reworked the recommendation to present to board. Director Muhammad made a motion to send item back to the Finance Committee for approval. Therefore, Dr. Dickerson and Dr. Munchus withdrew their motion, and Dr. Munchus seconded the motion to send item back to the Finance Committee. Director Lewis expressed concerns regarding the changes of the structure, which she indicated needed to be addressed. 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 Muhammad and seconded by Mr. George Munchus, that the Board hereby refers agenda item six to the Finance Committee. Resolution No. 8137 is hereby adopted by Directors Burbage, Clark, Dickerson, Lewis, King, Munchus and Muhammad. Director Mims voted no.”

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Next, GM Johnson asked the Board to authorize the General Manager and / or the Assistant General Manager to approve a three-year agreement with Sedgwick Claims Management Services, Inc. (Sedgwick) to provide third party administrator (TPA) services for automobile and general liability claims for the Board. Service Fees are included in Exhibit B in the Agreement, as set forth in agenda item 8. Director Munchus inquired as to who is currently providing the services. GM Johnson stated the company PGCS; however, PGCS is going out of business. On a motion duly made and seconded, the following resolution was adopted:

“BE IT RESOLVED By the Water Works Board of the City of Birmingham (“the Board”), on a motion duly made by Mr. George Munchus and seconded by Ms. Brenda J. Dickerson, that the Board hereby approves and authorizes the General Manager and/or the Assistant General Manager to enter into a three-year agreement with Sedgwick Claims Management Services, Inc. (Sedgwick) to provide third party administrator (TPA) services for automobile and general liability claims for the Board. Service Fees are included in Exhibit B in the Agreement, as recommended by the Finance Committee. Resolution No. 8138 is hereby adopted by unanimous vote.”

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Next, GM Johnson asked the Board to approve a scope of services agreement from ARCADIS for the design and constructability review of the Lake Purdy Dam Stability Improvements at an out-of-pocket cost to the Board of \$865,000.00; and to authorize the General Manager and/or the Assistant General Manager to execute said agreement, as set forth in agenda item 9. Director Lewis expressed concerns and asked several questions regarding ARCADIS undertaking dam seepage and stability for the Lake Purdy Dam repair at the same time. AGM Jones and ARCADIS representatives Brian Ruggs and Patrick Flannelly attempted to answer questions. After much discussion, it was determined that a similar project has not been done before at the same time. Next, per Dr. Munchus request, Mr. Ruggs identified the project team members to include ARCADIS, Schnabel – lead design engineer, Chandra Abesingha, and AG Gaston. Director Clark had questions on said project regarding cost, efficiency, and effectiveness, in addition to other concerns. She indicated that the process of advertising for sub-contractors should be discussed in the Engineering and Maintenance Committee Meeting. Director Clark asked about the purpose of proceeding with the design and whether a second opinion was being sought for the project. Director King stated the company Stantec had been contacted for an independent second opinion. However, Dr. Munchus clarified that a motion was on the table, which Director King acknowledged that moving forward with Stantec would be unnecessary if the item passes. Afterwards, there was a discussion that said item was sent to the board without a recommendation from the Engineering and Maintenance Committee. A roll call vote was suggested and resulted in said item being adopted by a majority 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. George Munchus and seconded by Mr. Ronald A. Mims, that the Board hereby approves and authorizes the General Manager and/or the Assistant General Manager to accept a Scope of Services Agreement from ARCADIS for the design and constructability review of the Lake Purdy Dam Stability Improvements. This work is a key component of the Birmingham Water Works Board Dam Monitoring and Maintenance Program and Capital Improvement Program. The objectives of the scope will be to improve the stability of the existing dam, mitigate seepage, and increase the spillway capacity. The estimated out-of-cost to the Board for the scope of services is \$865,000.00. HUB Participation is 24.1%: A.G. Gaston Construction, Inc. = \$120,500.00 and CE Associates, Inc. = \$88,000.00. Resolution No. 8139 is hereby adopted by a roll call vote: Director Burbage, Yes; Director Clark, No; Director Dickerson, Yes; Director Mims, Yes; Director Lewis, No; Director Munchus, Yes; Director Muhammad, Yes; and Director King, No.”

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Dr. Dickerson left meeting at 1:04 p.m. GM Johnson asked the Board to hear 2nd Quarter Division Reports from the Finance and Administration Division, Engineering and Maintenance Division, and Operations and Technical Services Division (Active Shooter Presentation), as set forth in agenda item 10. After discussion with the group, Chairman Burbage said the item would be postponed until the next board meeting. Director Lewis left meeting at 1:05 p.m.

Following, GM Johnson acknowledged one speaker was present, Mr. David Russell. Mr. Russell commended AGM Sonny Jones for assisting him with his customer issue and expressed appreciation for Jefferson County Commission. Afterwards, he expressed concerns regarding his water service issue. Lastly, Mr. Russell requested from the board all financial statements on minority contracts and a print out of all his bills for the entire year from GM Johnson. He thanked the board and ended the conversation.

Subsequently, AGM Jones announced that BWWB received the Best Tasting Water Award at the 2019 Water Jam Conference in Mobile Alabama. He stated it has a lot of significance. It means to be able to compete at the National Convention you must win your state (Alabama-Mississippi). Therefore, BWWB can submit a water sample next June and compete for the National Best Tasting Water Award. Following, AGM Jones acknowledged Jonathan Harris, Water Treatment Plant Manager, in his efforts for being instrumental in facilitating receiving the award. Director Muhammad asked Mr. Harris whether he had a Professional Engineering License (PE), which he answered no. Lastly under new business, GM Johnson announced that BWWB Minority Business Program would be tomorrow August 15, 2019 in the Distribution Building. Also, several speakers and entities that do certifications would be present. He stated BCIA will co-host the event with Ed Travis, Purchasing Manager. Per GM Johnson, it is a great opportunity and provides a significant value by proactively building minority and majority businesses, which builds economic capacity and opportunities. He confirmed the event would take place 10:00 a.m. – 2:00 p.m.

As there was no further business to be brought before the Board, a motion to adjourn the meeting was duly made and seconded, and the meeting adjourned at 1:10 p.m.

_____/s/_____
William “Butch” Burbage, Jr., C.P.A.
Chairman/President

Attest:

_____/s/_____
Ronald A. Mims
Secretary-Treasurer