

**MINUTES OF THE REGULAR BI-MONTHLY MEETING OF DIRECTORS
OF THE WATER WORKS BOARD OF THE CITY OF BIRMINGHAM
December 11, 2019**

The regular bi-monthly meeting of the directors of The Water Works Board of the City of Birmingham was held on Wednesday, December 11, 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, Tommy J. Alexander, Ronald A. Mims, Brett A. King, George Munchus, and William R. Muhammad.

The meeting was also attended by: Michael Johnson, General Manager; TM “Sonny” Jones, Jeffery F. Thompson 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 Cooper Johnson, Valent Group; Theo Johnson, Volkert & Associates, Inc.; Kim Bivins, BCIA; Tommy Palladino, Agency 54; Ken King, City of Birmingham; Angela Hoskins, Studio 2H Design; Gregory Cade and Gary Anderson; Environmental Litigation Group; George Anderson, Rick Jackson, Paul Lloyd, Cassandra Smith, Barry Williams, Carolyn White, Drusilla Hudson and BWWB Security, Board Employees.

Inasmuch as all of the Board members were present, a quorum was in attendance. Chairman Burbage called the meeting to order at 11:36 a.m. and turned the meeting over to GM Michael Johnson. Dr. George Munchus announced that he had three items of new business to discuss; then, George Anderson, IT Manager, opened the meeting with prayer.

Next, GM Johnson asked the Board to adopt resolutions authorizing retirement benefits from the Board’s Retirement Trust Fund, as stated on the respective retirement calculations, effective January 1, 2020, and commending Stevie Woods, Senior Meter Reader of the Customer Support Services Department for 32 years and 3 months of service and Larry Hollings, Accountant III of the Accounting Department for 12 years and 9 months of service, as set forth in agenda items 1.1 and 1.2. On a motion duly made and seconded, the following resolution was adopted:

“WHEREAS, Stevie Woods, an employee of The Water Works Board of the City of Birmingham (“the Board”), is retiring, effective January 1, 2020, at an age of 54, and

WHEREAS, Stevie Woods has 32 years and 3 months of continuous service with the Board at his 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 \$4,284.15; 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. Ronald A. Mims and seconded by Dr. George Munchus, that the Trustee be, and is hereby instructed to pay monthly benefit

payments of \$4,284.15 to Mr. Stevie Woods from the Board’s Retirement Trust Fund, in accordance with the terms of the Pension Plan, with the first payment to be made January 1, 2020. Resolution No. 8221 is hereby adopted by unanimous vote.”

“WHEREAS, Stevie Woods, an employee of The Water Works Board of the City of Birmingham, is retiring, effective January 1, 2020, after 32 years and 3 months of service with the Board; and

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

BE IT FURTHER RESOLVED, that in recognition of Stevie Woods’ 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. Woods. Resolution No. 8222 is hereby adopted by unanimous vote.”

“WHEREAS, Larry Hollings, an employee of The Water Works Board of the City of Birmingham ("the Board"), is retiring, effective January 1, 2020, at an age of 64, and

WHEREAS, Larry Hollings has 12 years and 9 months of continuous service with the Board at his 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 \$1,795.59; 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. Ronald A. Mims and seconded by Dr. George Munchus, that the Trustee be, and is hereby instructed to pay monthly benefit payments of \$1,795.59 to Mr. Hollings from the Board’s Retirement Trust Fund, in accordance with the terms of the Pension Plan, with the first payment to be made January 1, 2020. Resolution No. 8223 is hereby adopted by unanimous vote.”

“WHEREAS, Larry Hollings, an employee of The Water Works Board of the City of Birmingham, is retiring, effective January 1, 2020, after 12 years and 9 months of service with the Board; and

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

BE IT FURTHER RESOLVED, that in recognition of Larry Hollings’ 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. Hollings. Resolution No. 8224 is hereby adopted by unanimous vote.”

Following, GM Johnson asked the Board to approve the Regular Board of Directors’ minutes for September 25, 2019 Regular Board of Directors’ Meeting, 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 Dr. George Munchus and seconded by Mr. Ronald A. Mims, that the Board hereby approves minutes of a Regular Board of Directors’ Meeting held on September 25, 2019. Resolution No. 8225 is hereby adopted by unanimous vote.”

Next, GM Johnson asked the Board to approve Director King’s mileage expense reimbursement for November 2019 in the amount of \$71.92 and Director Mims’ parking expense reimbursement on November 21, 2019 in the amount of \$8.00, as set forth in agenda items 3.1 and 3.2 respectively. 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 Dr. George Munchus and seconded by Dr. Brenda J. Dickerson, that the following board member(s) be reimbursed for his and/or her expense reimbursements as follows:

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

Ronald A. Mims for parking expense reimbursement for attending to business of Board on November 21, 2019 in the amount of \$8.00 (as listed on the attached Travel and Business Expense Reimbursement).

Resolution No. 8226 is hereby adopted by a roll call vote: Director Alexander, Yes; Director Clark, Yes; Director Dickerson, Yes; Director Burbage, Yes; Director Mims, Abstain; Director Munchus, Yes; and Director Muhammad, Yes.”

Following, GM Johnson asked the Board to reimburse the Operating Account for capital expenditures made for the period ended October 31, 2019, from schedule IV (Cash Basis), in the total amount of \$5,544,427.74, as set forth in agenda item 4. On a motion duly made and seconded, the following resolution was adopted:

“WHEREAS, ARCADIS US, Incorporated, in a Certificate dated November 25, 2019, certified that during the period ending October 31, 2019 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 \$5,544,427.74 and;

WHEREAS, transfers to the Operating Account can be made from any, or a combination, of the following: the 2002 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 Dr. George Munchus and seconded by Mr. Ronald A. Mims, that the Trustee be, and is hereby instructed to immediately transfer \$5,544,427.74 to the Operating Account from any, or a combination, of the following: The 2002 Construction Fund, the Improvement Fund, and/or the Revenue Account. Resolution No. 8227 is hereby adopted by unanimous vote.”

Next, GM Johnson asked the Board to approve payments of invoices for professional services, as set forth in agenda items 5.1 through 5.5, respectively. Director Alexander asked to vote on agenda item 5.3 The Jones Group LLC invoice separately. In addition, he indicated he would like to hear a presentation/report from them. Agenda items 5.1, 5.2, 5.4 and 5.5 passed

unanimously with “aye” votes, respectively. Then, agenda item 5.3 passed unanimously with separate “aye” votes. 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. Ronald A. Mims, that the Board hereby authorizes staff to execute payments to the following:

5.1	<u>Dominick Feld Hyde, P.C.</u>	
5.1.1	For professional services related to BWWB Other Benefits Plan performed November 6, 2019 – November 27, 2019	<u>\$1,882.80</u>
5.1.2	For professional services related to BWWB Pension Plan performed November 4, 2019 – November 26, 2019	<u>\$2,012.80</u>
5.1.3	For professional services related to BWWB OPEB performed November 18, 2019 – November 21, 2019	<u>\$2,705.60</u>
5.2	<u>Terminus Municipal Advisors, LLC</u>	
	For professional services rendered for November 2019	<u>\$6,500.00</u>
5.4	<u>Agency 54</u>	
5.4.1	For professional services rendered for October 2019	<u>\$22,500.00</u>
5.4.2	For professional services rendered for November 2019	<u>\$22,500.00</u>
5.5	<u>Raftelis Financial Consultants, Inc.</u>	
	For professional services rendered for November 2019	<u>\$22,746.75</u>

Resolution No. 8228 is hereby adopted by unanimous vote.”

“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. Ronald A. Mims, that the Board hereby authorizes staff to execute payment to the following:

5.3	<u>The Jones Group, LLC</u>	
	For professional services rendered for November 2019	<u>\$7,500.00</u>

Resolution No. 8229 is hereby adopted by unanimous vote.”

Following, GM Johnson asked the Board to approve an agreement with Optum for the 2020 Stop Loss Insurance renewal for the period January 1, 2020 through December 31, 2020 at a projected annual cost of \$483,520.08, and to authorize the General Manager and/or the Assistant

General Manager to execute the necessary documents to effectuate said Agreement, as set forth in agenda item 6. GM Johnson explained that BWWB’S annual Stop Loss Insurance provides coverage for catastrophic claims. Director King inquired about the beginning threshold for the policy. GM Johnson replied that the amount was \$150,000.00. 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. Ronald A. Mims, that the Board hereby approves and authorizes the General Manager and/or the Assistant General Manager to enter into an agreement with Optum for the 2020 Stop Loss Insurance renewal for the period January 1, 2020 through December 31, 2020 at a projected annual cost of \$483,520.08. Resolution No. 8230 is hereby adopted by Directors Alexander, Clark, Mims, Munchus, Dickerson, King and Burbage. Director Muhammad abstained.”

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Next, GM Johnson asked the Board to approve an agreement with The Jones Group, LLC to provide lobbying and consulting services during the 2020 Legislative Sessions at a monthly cost of \$7,500.00, effective December 20, 2019 to December 19, 2020, and to authorize the General Manager and/or the Assistant General Manager to execute the agreement, as set forth in agenda item 7. GM Johnson stated that The Jones Group also works with BWWB throughout the year and provides comments on their activities. Director Alexander reiterated concerns of the need for The Jones Group to present to the Board. Director Muhammad offered a friendly amendment to amend the contract to \$10,000.00. After friendly amendment was accepted, Attorney Mark Parnell verified that the motion on the table is to approve The Jones Group contract at \$120,000.00 a year as oppose to \$90,000.00 a year. Attorney Parnell asked the board to note that the contract is up for renewal; and so that the Mayor is aware, the contract automatically renews without a sixty-day notice. Therefore, if the contract is not approved today, The Jones Group will continue to be paid until the contract is terminated. Per Attorney Parnell, if the motion as amended is approved, The Jones Group would receive \$10,000.00 next month. Director Muhammad expressed concerns for equality and opportunity for the firm. Following, Director Mims stated that although communications may not have been with the board regularly, Mr. Greg Jones communicates with BWWB’s representative, GM Johnson. Dr. Dickerson asked GM Johnson whether he was comfortable that the board was receiving what was needed from The Jones Group, which he answered yes. Director Clark asked GM Johnson to communicate the information he receives from Mr. Jones on a regular basis. She also suggested that a system be put in place, that would validate the board paying the money already being paid. There was a brief conversation on the board’s representation vs being a policy making board. Next, Chairman Burbage announced that a friendly motion was on the table that had been accepted by the original motion makers to approve a contract with The Jones Group to raise the amount to \$10,000.00. A roll call vote was taken, and the friendly motion failed with a 4 to 4 vote. Chairman Burbage suggested the item be addressed in an Executive Committee Meeting. Director Muhammad asked if the board could then go back to the original agenda item 7 request. Dr. Munchus made a motion to approve agenda item 7 as is. However, Attorney Parnell stated The Jones Group contract is still in effect. Chairman Burbage stated that agenda item 7 has been voted on and is gone. The item

was voted on with the friendly amendment attached to it. Therefore, the failed vote ended it. He asked GM Johnson to setup an Executive Committee Meeting for the first of the year (January) 2020 and to invite The Jones Group. Director Clark stated The Jones Group might like to present what they have done for the board in the past and can continue to do going forward. Also, if there are other lobbyist firms that the board would like, they could come and present what they have done for others and what they can do for BWWB going forward. Chairman Burbage asked that board members give their suggestions to GM Johnson, if they have any and for GM Johnson to coordinate everything. Director Muhammad asked for clarification on bringing in other firms when The Jones Group contract is ongoing. He stated that there was a 4 to 4 vote to not give them the \$10,000.00; however, should there also be a vote to bring in new firms. Attorney Parnell explained that The Jones Group contract automatically renews. There is a provision in it that states it can be terminated at any time with 60 days' notice. Director Mims clarified that The Jones Group will continue to receive their \$7,500 a month for lobbying and consulting services until there is a vote to terminate the contract and a 60-day notice. Chairman Burbage stated that is why there is a need for an Executive Committee Meeting to discuss the issue.

Subsequently, under New Business, agenda item 8, Dr. Munchus expressed concerns on the right to vote. He stated that at the November 26, 2019 board meeting there were two items he wanted to vote on related to the FY2020 O&M and Capital Budget in order to have the record reflect certain things and he wanted to talk to the media (printed & television). Dr. Munchus indicated that in the future, he would like to see the public hearing and the budget wrapped up by the end of October. He thanked the board for delaying agenda item 4, the Ellis, Head, Owens, & Justice invoice last week. Per Dr. Munchus, he wanted to hear from their law firm on the work they were doing but was told it was attorney client privileged information. Next, Dr. Munchus stated the Employee Association (EA) President Derrick Maye wanted to speak regarding agenda item 12 (*Request board to approve a five-year agreement with Mark Peebles regarding the management at Lake Purdy at an annual fee ("Base Fee") of \$20,000.00 to the board*), which was on the November 26, 2019 board meeting. However, he, Dr. Dickerson, nor Mr. Maye was present for that meeting; therefore, they were unable to voice their concerns/vote. Per Dr. Munchus, if a board member asks that something be tabled, it should be tabled until the board member is available to speak. Next, he expressed concerns with agenda item 2 from the Engineering and Maintenance Committee Meeting of December 10, 2019. There was an excess of \$5.2 million in chemical bids awarded. Dr. Munchus asked AGM Jeffrey Thompson to assist him with the chemical suppliers, because the participation is zero percent for minorities; therefore, he would like to diversify chemical manufacturers and distributors. Dr. Munchus' final item under new business was to state to the board his request for Grace Amison, Executive Assistant to the Board of Directors to be retained by BWWB until the end of December 2020, once a decision has been made for her job position replacement and the other support job position. He stated the new person hired will not be well served unless she/he has gone through a full year of the happenings in January through May. Dr. Munchus asked the attorneys whether there was a law that prohibits the board from retaining Ms. Amison in a consulting capacity. Attorney Mary Thompson stated that the ethics law had changed in the past few years to provide for such situations where someone is retiring, and the company is bringing in a replacement person. However, it is for a limited duration for transitioning. Attorney Thompson confirmed to Dr. Munchus that the person could also be compensated. Next, GM Johnson stated that Segal presented a report in November on the cost of providing a Cost of Living Raise (COLA)

raise for pensioners. He asked them to look at a one-time one percent of what a pensioner was making, and a one percent compounded, which both are cost prohibited. Per GM Johnson, BWWB's plan is 69% funded, and should be more than 69% funded to consider a significant Cost of Living. Therefore, a one-time payment for retirees is being legally reviewed. Next, Director Clark stated she received several phone calls from customers trying to pay their water bill. She expressed concern that customers were unable to pay their bills, due to the system being offline; in addition, it caused mass confusion. Director Clark asked for the issue to be addressed. GM Johnson stated he was unaware of the situation. Business Systems and Operations Manager Barry Williams stated he was just told the power went down; however, he had not been contacted regarding the issue. IT Manager George Anderson stated he would investigate the matter. GM Johnson stated he will provide a report regarding the issue. Next, Director Muhammad made a motion for BWWB to retain the Stewart Firm to provide contract compliance monitoring and general legal services as needed at a fee of \$25,000.00 a month. Dr. Munchus seconded the motion. However, several board members were unfamiliar with the Stewart Firm and/or the specific details; and indicated the item should be addressed in a Committee Meeting. Chairman Burbage stated a motion and second had been made. The item failed with a 4 to 4 roll call vote. Next, Director Muhammad made a motion for the board to adopt a non-discrimination policy that states every contract for goods and services that exceeds \$50,000.00 shall contain a certificate to serve as proof that the vendor does not discriminate in employment of its personnel on the account of race, creed, color, gender, or national origin, and the workforce must reflect parity with the available workforce in the BWWB service area. Dr. Munchus seconded the motion. Director Clark expressed concerns on motions being brought up in new business as opposed to Committee Meetings. She stated bringing items through a Committee Meeting first allows for an opportunity to properly discuss items. Director King stated demographics of certain areas may not be representative of Birmingham demographics. Director Muhammad stated he would remove portion from the motion that says, "the workforce must reflect comparatively with the available workforce in the BWWB service area". There was discussion that the motion needed to be revised in a Committee Meeting. The BWWB attorneys also advised that the item needed to be reviewed further and vetted before voting. Chairman Burbage asked for a roll call vote on the item. The item failed with a 4 to 4 vote.

Next, it was determined an Executive Session was necessary. Attorney Mark Parnell stated his firm was asked to provide a litigation update regarding pending litigation. The update would need to be done in Executive Session. Attorney Parnell indicated he does not anticipate any action to be taken and would anticipate that the Executive Session may last 15- 30 minutes. 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. Brett A. King and seconded by Dr. Brenda J. Dickerson, that the Board hereby approves an Executive Session to discuss a pending litigation matter. Resolution No. 8231 is hereby adopted by unanimous vote.”

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At 12:52 p.m., the Board and Board's Attorneys entered Executive Session. Subsequently, 2:18 p.m., Director King made a motion to end Executive Session. Director Muhammad and seconded by. Thus, the Board reopened the meeting.

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 2:18 p.m.

_____/s/_____
William "Butch" Burbage, Jr., CPA
Chairman/President

Attest:

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