

**MINUTES OF THE REGULAR BI-MONTHLY MEETING OF DIRECTORS
OF THE WATER WORKS BOARD OF THE CITY OF BIRMINGHAM
November 26, 2019**

The regular bi-monthly meeting of the directors of The Water Works Board of the City of Birmingham was held on Tuesday, November 26, 2019 at 11:00 a.m., in the principal office of the Board, 3600 First Avenue North, Birmingham, Alabama.

The following Directors were present: William Burbage, Jr., Deborah Clark, Ronald A. Mims, Tommy Joe Alexander, William Muhammad, and Brett King. The following directors were not present: George Munchus, and Brenda Dickerson.

The meeting was also attended by: Michael Johnson, General Manager; Jeffrey Thompson, and Derrick Murphy, Assistant General Managers; Grace Amison, Executive Assistant to the Board of Directors; Anitra Hendrix, Executive Assistant to the General Manager; George Anderson, Rick Jackson, Jonathan Harris, Rosalind Jones, Alesia Price, and Michael Griffin, Board Employees; K. Mark Parnell, Parnell Thompson, LLC; Kelvin Howard, Kelvin Howard, LLC; Tommy Pallandino, Agency 54; Patrick Flannelly, Trisha Brown, and Brian Ruggs, ARCADIS; Peiffer Brandt, Raftelis Financial Consultants; Olivia Martin, State of Alabama Attorney General; Kim Baylor Bivins, Birmingham Industry Construction Authority; Joseph Bryant, Jefferson County Commission; David Searcy, Morgan Stanley; Bill Bryant, Dominick Feld Hyde; Angela Hoskins, Studio 2H Design; Ken Delap, Host Recreation; Chandra Abesingha, CE Associates; Mark Peeples, MAP Development; and Amelia Seay.

Inasmuch as six of the directors were present; Chairman Burbage declared a quorum in attendance.

Chairman Burbage called the meeting to order at 11:30 a.m. Mr. George Anderson opened the meeting with prayer.

Following, the General Manager asked the Board to approve the Operating and Maintenance budget in the amount of \$106,117,175.42, and the Capital budget in the amount of \$81,484,428.00 for fiscal year 2020, as set forth in agenda item 1. The General Manager stated the board was presented with various options regarding the budget. Chairman Burbage questioned the action the board needed to take regarding this item. Board Attorney Mark Parnell stated if the board wants to move this item, they would need a motion and a second. He stated if the board wanted to make changes, they would need to give consideration before making the motion. Chairman Burbage stated he would like to make one change regarding the budget. He stated there are questions regarding the \$1.25 million allocated to Jefferson County which has increased the proposed rate generated by the RSE model from 3.9 percent to 4.6 percent. He stated Director Munchus stated he never intended for that allocation to be added to the top of the budget but an appropriation from the Economic Development fund. Chairman Burbage stated he proposed taking the \$1.25 million from the budget so it is reduced to the original amount that came out of the Finance Committee. He indicated this would result in a rate increase of 3.9 percent. He stated the money for Jefferson County can be appropriated from the Economic Development fund. Director Muhammad stated he is not in favor of taking the money out of Economic Development. He stated the General Manager informed him that there is reserve revenue excess. The General Manager stated touching that money would be outside of the RSE process and we need to stay

within those guidelines. Director Muhammad stated he disagrees with using the RSE model. He then questioned whether there is revenue that was not included in the RSE calculation. The General Manager stated currently BWWB is ahead in revenues; however, the true numbers on revenues will be available at the end of December. Chairman Burbage stated the board agrees that they don't want to raise the rates by 4.6 percent. He stated the best way to do that is to reduce the budget by the 1.25 million that was added and then determine where the \$1.25 million can be allocated from. He indicated he felt that was the best way to handle this. Director Muhammad stated he does not want to raise the rates and he has not reneged on the people. He indicated he stated at the public hearing that if the \$1.25 million was added to the budget, it would cause rates to increase. Chairman Burbage then asked for a motion to approve the proposed budget minus the \$1.25 million. Director Alexander questioned how much of an increase would be for fire plugs. He indicated he is concerned about it being taxed to people. The General Manager stated that fire hydrant increases would not go into effect until October 2020. He stated this item could be discussed at a later time. Director Clark stated the budget needs additional time to be reviewed due to disclaimers. She stated she does not agree with the 4.6 percent increase, but she can agree with the 3.9 percent. She stated the \$1.25 million and fire plugs can be discussed at a later time. She indicated she is in favor of the \$30 million to replace the infrastructure in Birmingham and money should not be taken away from that. She stated the board may not be ready to pass this budget. Chairman Burbage stated he felt the board was ready to pass the budget and the other issues would not hold up the process. Director Muhammad questioned whether the Operations & Maintenance budget increase is still below 2 percent and the General Manager responded yes. Director Muhammad stated the budget has to be passed today because the public must be given a 30-day notice on raising rates. Director Alexander stated the board could operate off the old budget. Director King requested the exact verbiage of the motion from Chairman Burbage. Chairman Burbage stated he was requesting board to approve the Operating and Maintenance budget in the amount of \$104,867,175.42 and the rate adjustment would be 3.9 percent. On a motion duly made and seconded, the following resolutions were adopted:

“WHEREAS, The Water Works Board of the City of Birmingham (the “Board”) properly noticed and conducted a public hearing on Thursday, November 14, 2019, at 5:30 p.m., pursuant to Ala. Code § 11-50-303(c) (1975); and,

WHEREAS, the Board has prepared its 2020 Operating and Maintenance (O&M) Budget with expenditures totaling \$104,867,175.42; and,

WHEREAS, the Board has prepared its Capital Budget for the Board for 2020 in the amount of \$81,484,428.00; and,

WHEREAS, on October 24, 2013, Resolution No. 6569 was adopted by the Board and established its Reserve Fund Policies, its Rate Stabilization and Equalization Procedure (RSE Model), Targets, and its Capital Improvement Program financing target; and,

WHEREAS, on November 20, 2018, Resolution No. 7937 was adopted by the Board and Resolution No. 6569 was amended to provide within five (5) years from that date, that the Board's Capital Improvement Program through Pay-AS-You-Go (PAYGO) funds would reach the target of paying for 50% of its capital projects through cash reserves and paying for 50% of its capital projects through debt financing; and,

WHEREAS, the Board now desires to amend its Capital Improvement Program financing goals to fund 70% of the System's Capital Improvement Program through PAYGO funds by year 2025.

NOW, THEREFORE, BE IT RESOLVED By the Board, on a motion duly made by Mr. William R. Muhammad and seconded by Mr. Brett King as follows:

1. The Board hereby approves its O&M Budget totaling \$104,867,175.42 for 2020.
2. The Board hereby approves its Capital Budget for the Board for 2020 in the amount of \$81,484,428.00. Included in the Capital Budget is \$30 million to replace distribution mains and services. In the event said \$30 million is not spent in 2020, any remaining funds will be carried over to budget year 2021 and will be added to and will be in addition to any capital funds budgeted for budget year 2021 to replace distribution mains and services.
3. The Board hereby further amends Resolution No. 6569 to provide that by the year 2025, the Board's Capital Improvement Program through Pay-AS-You-Go (PAYGO) funds will reach the target of paying for 70% of its capital projects through cash reserves and paying for 30% of its capital projects through debt financing. The Board hereby repeals Resolution No. 7937.
4. In accordance with Ala. Code § 11-50-303(c) (1975) and Resolution No. 4166, which was adopted on December 23, 2003, as amended, (adoption of the Rate Stabilization and Equalization Procedure (RSE Model)), notice is hereby given that approval of the O&M Budget and the Capital Budget, the amendment to the PAYGO Policy to reach seventy percent (70%) of the capital budget will result in a rate adjustment of 3.9% and said rate adjustment will be effective January 1, 2020.

Resolution No. 8204 is hereby adopted by Directors Burbage, Clark, Alexander, Muhammad and King; Director Mims voted no.”

Following, the General Manager asked the Board to consent to the General Manager's proposed hiring to fill the position of Assistant General Manager - Finance and Administration, as set forth in agenda item 2. The General Manager stated the board was provided with the resume for Iris Fisher and she is the recommended hire. 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 King and seconded by Mr. William R. Muhammad, that Pursuant to Article IV, Section 1 of the By-Laws of The Water Works Board of the City of Birmingham, and subject to the Water Works Board's normal hiring processes, the Board of Directors hereby consents to the General Manager hiring Iris Fisher as the Assistant General Manager, Finance and Administration, which, with the prior approval by the General Manager, will include reimbursement of the following: 1) reasonable moving expenses not to exceed \$12,000.00, 2) reasonable travel and lodging expenses for housing search not to exceed two trips and 3) reasonable temporary housing not to exceed 60 days.

Resolution No. 8205 is hereby adopted by Directors Burbage, Clark, Alexander, Muhammad and King; Director Mims voted no.”

Following, the General Manager asked the board to approve minutes of September 11, 2019 Regular Board of Directors’ meeting, as set forth in agenda item 3. 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 King and seconded by Mr. William R. Muhammad, that the Board hereby approves minutes of Regular Board of Directors' Meeting held September 11, 2019. Resolution No. 8206 is hereby adopted by unanimous vote on.”

Following, the General Manager asked the board to approved payments of the following invoices, as set forth in agenda items 4.1 through 4.2. Director Muhammad stated he would like item 4.1 to be tabled in Director Munchus’ absence because he has concerns regarding this item. Mr. Parnell stated there will be a litigation update at the next board meeting. On a motion duly made and seconded, the following resolutions were 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. Brett King, that the Board hereby tables payment to the following:

- 4.1 Ellis, Head, Owens & Justice
 For professional services rendered for the period of November 6, 2018
 through June 27, 2019 \$ 12,738.90

Resolution No. 8207 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 Mr. Brett King, and seconded by Mr. William R. Muhammad, that the Board hereby authorizes staff to execute payment to the following:

- 4.2 Parnell Thompson, LLC
 For professional services rendered during October 2019 \$ 97,841.00

Resolution No. 8208 is hereby adopted by unanimous vote.”

Following, the General Manager asked the board to award bids, as set forth in agenda items 5.1 through 5.5. Director Muhammad questioned why item 5.1 has to be bid on together.

Chairman Burbage stated these items are all the same; therefore, they have to be bid together. On a motion duly made and seconded, the following resolutions were 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. Brett King, that the Board hereby authorizes staff to award bids on the following, as recommended by the Engineering and Maintenance Committee:

- 5.1 To three (3) contractors to install seventeen (17) sampling stations as follows for a total out-of-pocket cost to the Board of \$90,212.00; and to authorize the General Manager and/or the Assistant General Manager to execute respective agreement.
 - Willoughby Contracting Company, Inc., the lowest responsible and responsive bidder, for one (1) station, at a total out-of-pocket cost to the Board of \$4,600.00.
 - The Jones Group, LLC, the lowest responsible and responsive bidder, for four (4) stations, at a total out-of-pocket cost to the Board of \$27,000.00.
 - Global Construction, the lowest responsible and responsive bidder, for twelve (12) stations, at a total out-of-pocket cost to the Board of \$58,612.00.

Resolution No. 8209 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 Mr. Brett King, and seconded by Mr. William R. Muhammad, that the Board hereby authorizes staff to award bids on the following, as recommended by the Engineering and Maintenance Committee:

- 5.2 Standard Roofing of Montgomery, Inc., the lowest responsible and responsive bidder, for the installation of new roofs on five buildings located at the Putnam Filter Plant; and to authorize the General Manager and/or the Assistant General Manager to execute the agreement at a total out-of-pocket cost to the Board of \$426,681.00.
- 5.3 Clearly Construction, Inc., the lowest responsible and responsive bidder, on the Carson Loop 8 E and F Project; and to authorize the General Manager and/or the Assistant General Manager to execute the agreement, at an out-of-pocket cost to the Board of \$724,500.00.
- 5.4 J & P Construction Co. Inc., the lowest responsible and responsive bidder, on the Carson Filter Plant Liquid Lime Project; and to authorize the General Manager and/or the Assistant General Manager to execute the agreement, at an out-of-pocket cost to the Board of \$799,000.00.

5.5 Willoughby Contracting Company, Inc., the lowest responsible and responsive bidder, for the replacement of approximately 3,810' of 2" galvanized steel pipe with approximately 620' of 4" DICL pipe; 2,620' of 6" DICL pipe and related appurtenances; and 100 water services along Parkridge Avenue located in the City of Fairfield, Alabama; Grasselli Boulevard SW and Hillman Avenue SW, both located in the City of Birmingham, Alabama at a bid amount of \$728,662.60; plus estimated cost of materials and Water Board labor in the amount of \$338,394.42; for an estimated out-of-pocket cost to the Board of \$1,067,057.02; and to authorize the General Manager and the Assistant General Manager to execute the agreement.

Resolution No. 8210 is hereby adopted by unanimous vote."

Following, the General Manager asked the board to approve an agreement with Rhumblin Advisors to invest an allocation of BWWB's Pension Plan assets in the MSCI EAFE, an international pooled index trust, as set forth in agenda item 6. The General Manager stated Morgan Stanley made a recommendation of a reallocation of assets in the Pension and Other Post-Employment Benefits (OPEB) plans. 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 King, and seconded by Ms. Deborah Clark, that the Board hereby approves an agreement with Rhumblin Advisors, effective December 1, 2019, to invest an allocation of BWWB's Pension Plan assets in the MSCI EAFE, an international pooled index trust; and authorizes the General Manager and/or the Assistant General Manager to execute the agreement upon approval by the Board's Attorney. Resolution No. 8211 is hereby adopted by unanimous vote."

Following, the General Manager asked the board to approve an agreement with Rhumblin Advisors to invest an allocation of BWWB's Other Post-Employment Benefits (OPEB) Plan assets in the MSCI EAFE, an international pooled index trust, as set forth in agenda item 7. 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 King, and seconded by Ms. Deborah Clark, that the Board hereby approves an agreement with Rhumblin Advisors, effective December 1, 2019, to invest an allocation of BWWB's Other Post-Employment Benefits (OPEB) Plan assets in the MSCI EAFE, an international pooled index trust; and authorizes the General Manager or the Assistant General Manager to execute the agreement upon approval by the Board's Attorney. Resolution No. 8212 is hereby adopted by unanimous vote."

Following, the General Manager asked the board to approve moving 10%, (\$15,500,000) of the BWWB's Pension Plan assets into the Rhumblin Advisors MSCI EAFE index fund, as set

forth in agenda item 8. 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 King, and seconded by Ms. Deborah Clark, that the Board hereby approves moving 10%, (\$15,500,000) of the BWWB’s Pension Plan assets into the Rhumblin Advisors MSCI EAFE index fund, an international fund from Ariel – International Equity AINIX fund that currently holds 25% of the plan assets. Resolution No. 8213 is hereby adopted by unanimous vote.”

Following, the General Manager asked the board to approve moving 10%, (\$3,100,000) of the BWWB’s Other Post-Employment Benefits (OPEB) Plan assets into the Rhumblin Advisors MSCI EAFE index fund, as set forth in agenda item 9. 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 King, and seconded by Ms. Deborah Clark, that the Board hereby approves moving 10%, (\$3,100,000) of the BWWB’s Other Post-Employment Benefits (OPEB) Plan assets into the Rhumblin Advisors MSCI EAFE index fund, an international fund from Ariel – International Equity AINIX fund that currently holds 25% of the plan assets. Resolution No. 8214 is hereby adopted by unanimous vote.”

Following, the General Manager asked the board to amend the Pension Plan to change the actuarial factors used in determining the actuarially equivalent monthly benefit which a participant will receive upon normal retirement or early retirement if the participant chooses one of the alternative payment options, as set forth in agenda item 10. The General Manager stated Segal recommended changing the rate of return for the Pension and Other Post-Employment Benefits (OPEB) plans from 7.5 percent to 7 percent. On a motion duly made and seconded, the following resolution was adopted:

“WHEREAS, The Water Works Board of the City of Birmingham (“Board”) maintains the Retirement Plan for Employees of the Water Works Board of the City of Birmingham (“Plan”); and;

WHEREAS, the Board desires to amend the Plan, effective January 1, 2020, to change the actuarial factors used in determining the actuarially equivalent monthly benefit which a Participant will receive upon Normal Retirement or Early Retirement if the Participant chooses one of the alternative payment options available under Section XII the Plan;

WHEREAS, pursuant to Section XV of the Plan the Board has the right to amend the plan; and;

WHEREAS, in furtherance of the foregoing, Amendment Number Five to the Plan was presented to the Board for review and consideration.

NOW THEREFORE, BE IT RESOLVED by the Board of Directors, on motion duly made by Mr. William R. Muhammad, and seconded by, Mr. Brett King, that the Board hereby adopts Amendment Number Five to the Plan, a copy of which is attached here to and incorporated herein by reference.

BE IT FURTHER 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. Brett King, that the Board of Directors hereby authorizes the General Manager or Assistant General Manager of the Board to (i) execute and deliver to the Administrator of the aforesaid Plan one or more counterparts Amendment Number Five to the Plan and (ii) take whatever actions and execute whatever documents are deemed necessary and proper in order to implement the Plan, as amended, and comply with applicable law, including any notices or other documents, as the case may be, required to be delivered to employees.

Resolution No. 8215 is hereby adopted by unanimous vote.”

WHEREAS, The Water Works Board of the City of Birmingham (“Board”) maintains the Retirement Plan for Employees of the Water Works Board of the City of Birmingham (“Plan”); and

WHEREAS, the Board desires to amend the Plan, effective January 1, 2020, to change the actuarial factors used in determining the actuarially equivalent monthly benefit which a Participant will receive upon Normal Retirement or Early Retirement if the Participant chooses one of the alternative payment options available under Section XII the Plan; and

WHEREAS, pursuant to Section XV of the Plan the Board has the right to amend the plan.

NOW, THEREFORE, in consideration of the premises and in accordance with Section XV of the Plan, the Board hereby amends the Plan as follows:

1. Paragraph 2.04 shall be amended by adding the following to the end thereof:

Provided, however, with respect to any Employee who retires on or after January 1, 2020 under Section IV or Section VI and who elects to receive an optional form of Retirement Income in accordance with Section XII, Actuarial Equivalent shall mean a benefit of equivalent value computed in accordance with accepted actuarial principles and based on:

- a) the RP-2014 Healthy Annuitant Mortality Table, with rates multiplied by a factor of 1.25, with participants on a 75%/25% male/female blend and beneficiaries on a 25%/75% male/female blend, and
- b) a 7.0% per annum compounded interest rate assumption.

IN WITNESS WHEREOF, this amendment has been duly adopted by The Water Works Board of the City of Birmingham.

Resolution No. 8216 is hereby adopted by unanimous vote.”

Following, the General Manager asked the board to approve changes to Actuarial Assumptions and Methods funding the Retirement and Retiree Medical Plan (OPEB Trust), as set forth in agenda item 11. On a motion duly made and seconded, the following resolution was adopted:

“WHEREAS, The Water Works Board of the City of Birmingham (“Board”), on a motion duly made by Mr. Brett King and seconded by, Ms. Deborah Clark, maintains the Retirement Plan for Employees of the Water Works Board of the City of Birmingham (“Retirement Plan”) providing eligible retirees of the Board and their respective covered dependents with certain retirement benefits as specified in the Plan (the “Retirement Plan Obligations”); and

WHEREAS, the Board sponsors two retiree medical plans (the “Retiree Medical Plans”) providing eligible retirees of the Board and their respective covered dependents with certain post-employment health care and welfare benefits as specified in the Board’s written policies, plan documents and/or applicable agreements (“OPEB Obligations”); and

WHEREAS, the Board makes annual contributions (“Annual Contributions”) to a trust fund created under the Plan for funding its Retirement Plan Obligations and to a separate trust fund created for funding its OPEB Obligations (“OPEB Trust”); and

WHEREAS, the Board utilizes certain actuarial assumptions to aid in determining the amount of Annual Contributions required to fund the OPEB Obligations and the Retirement Plan Obligations; and

WHEREAS, the Board has retained Segal Consulting to conduct annual and multi-year actuarial reviews; and

WHEREAS, Segal Consulting recently presented its “*Review of Actuarial Experience for the Fiver year Period January 1, 2014 to December 31, 2018, dated October 31, 2019*” (“Experience Study”); and

WHEREAS, the Experience Study proposed certain changes to the demographic assumptions, economic assumptions, and funding methods utilized by the Board in determining its Annual Contributions, which proposed changes are outlined in the “*Summary of Proposed Assumption and Method Changes*” attached hereto as Exhibit “A” and incorporated herein by reference (the “Summary”);

WHEREAS, one of the recommended changes to the economic assumptions was a reduction in the investment rate of return assumption from 7.5% to either 7.0% or 6.75%; and

WHEREAS, the Board desires to adopt the assumptions and method changes, effective January 1, 2020, presented in the Experience Study and outlined in the Summary, including a reduction of the investment rate of return assumption from 7.5% to 7.0%.

Resolution No. 8217 is hereby adopted by unanimous vote.”

Following, the General Manager asked the board to approve a five-year agreement with Mark Peeples regarding management of property at Lake Purdy at an annual fee of \$20,000.00 to the Board, as set forth in agenda item 12. Director Muhammad made a motion to table this item in Director Munchus’ absence and Director Mims seconded the motion. Director King stated the agreement has an effective date of December 1, 2019 which would be after the next board meeting. Director Alexander stated the board needs to make a decision regarding this item. Chairman Burbage then called for a vote on the motion to table and the motion failed. Director King then made a motion to approve the item and Director Clark seconded the motion. Director King then asked if there was a representative from the Employee Association. Alesia Price, Board Employee, stated the employees feel they weren’t allowed to hunt the property and would like for the board to consider a hold harmless clause. Director Clark questioned what a hold harmless clause is. Ms. Price stated it’s a clause in a contract that relieves one party of any liability with the consent of a second party. She stated an individual organization is not liable for any injuries or damages caused to the individuals signing the contract. Director King stated he appreciated the employees sharing their thoughts and stated if the employees want to get organized when the lease comes up again and make a presentation to the board in the future they can. He indicated it is too late in the game for the employees to do this at this time. 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 King and seconded by Ms. Deborah Clark, that the Board hereby approves a five-year agreement with Mark Peeples regarding management of property at Lake Purdy at an annual fee (“Base Fee”) of \$20,000.00 to the Board, effective December 1, 2019 to December 1, 2024); and to authorize the General Manager and/or the Assistant General Manager to execute the agreement, as recommended by the Business and Economic Development Committee. Resolution No. 8218 is hereby adopted by Directors Burbage, Clark, Alexander and King; and Directors Mims and Muhammad voted no.”

Following, the General Manager asked the board to approve two, ten-year agreements with Ken Delap for (1) a Concession Lease Agreement, and (2) an Operating Agreement and License for Operation of Lake Purdy Boat Landing/Fishing Camp Concession at a total of \$833.00 per month, as set forth in agenda item 13. Director King questioned whether the fee increases over the 20 years of the agreement. A discussion then ensued. Mr. Parnell stated there is a CPI escalation. 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 King and seconded by Mr. William R. Muhammad, that the Board hereby approves two, ten year agreements with Ken Delap, effective December 1, 2019 to December 1, 2029, (1) a Concession Lease Agreement and (2) an Operating Agreement and License for Operation of Lake Purdy Boat Landing/Fishing Camp Concession at a total of \$833.00 per month to the Board regarding Lake Purdy Concessionaire operations; and to authorize the

General Manager and/or the Assistant General Manager to execute said agreements, as recommended by the Business and Economic Development Committee. Resolution No. 8219 is hereby adopted by unanimous vote.”

Following, the General Manager asked the board to adopt a resolution to allow employees to sell up to three weeks of accrued/unused vacation of each employee’s vacation time in excess of 60 hours in December 2019, as set forth in agenda item 14. Director Muhammad questioned whether the Employee Association’s representative have an opinion on this item. Ms. Price stated the employees are in favor of this item. 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 Mr. William R. Muhammad, that the employees of the Water Works Board have worked diligently throughout the year to: a) maintain system operations, and b) total water revenue has exceeded budget by \$5,795,337.00, resulting in operating revenue that has exceeded budget by \$3,715,109.00 through October 31, 2019. Further, in accordance with the Board’s Salary Administration plan and to show employee appreciation for a job well done, the Board hereby approves and authorizes the officers and general manager to execute any documents necessary to allow employees to sell up to 3 weeks of accrued/unused vacation time in excess of 60 hours in December 2019. The vacation buy back cost will not exceed \$700,000.00.

Resolution No. 8220 is hereby adopted by Directors Burbage, Mims, Alexander, Muhammad and King; and Director Clark voted no.”

Following, the General Manager asked the board to hear an update from the AD Hoc Personnel Committee relative to the two Board positions (Board Administrator and Corporate Governance Specialist), as set forth in agenda item 15. Director Clark stated four people have been identified for the two positions. She stated resumes were sent out to the directors and it was requested that any questions the directors wanted asked be sent back. She indicated the questions should be submitted by December 2, 2019. Chairman Burbage stated there are four interviewees for both positions. Director King questioned whether the possible candidates are internal or external. Director Clark stated they are both. Director Muhammad questioned whether the AD Hoc Personnel Committee will submit their recommendation to the full board for approval. Chairman Burbage responded yes. Director Muhammad stated he reserves his right to recommend and nominate a person as long as they applied for the positions. Grace Amison, Executive Assistant to the Board of Directors, stated she thought the hires had to go through the interview process. Mr. Parnell stated a recommendation will come from the Ad Hoc Personnel Committee that the board will have to vote on. He stated they would recommend it be persons that have gone through the interview process, which would make the employment process equal for everybody. Director King questioned whether it is expected for the positions to be filled by the end of the year and Director Clark responded yes.

Following, the General Manager asked the board to discuss New Business, as set forth in

agenda item 16. The General Manager stated the Birmingham Business Alliance will host an event on December 11, 2019 that two board members are welcomed to attend. Director Muhammad stated he would like to attend.

Following, Chairman Burbage recognized speakers.

Following, Director Muhammad questioned where the board is on expanding the EnviroLab. He stated the EnviroLab could generate revenue for the board as well as expanding its presence with HomeServe to generate revenue. The General Manager responded strategic planning will help answer that question. He stated the board can determine its priorities. Subsequently, Assistant General Manager Jeffrey Thompson introduced himself to the board.

As there was no further business before the Board, Chairman Burbage entertained a motion to adjourn the meeting. A motion was duly made and seconded, and the meeting adjourned at 12:31 p.m.

/s/

William Burbage, Jr.
Chairman/President

Attest:

/s/

Ronald A. Mims
Secretary-Treasurer