

**MINUTES OF THE REGULAR BI-MONTHLY MEETING OF DIRECTORS OF THE
WATER WORKS BOARD OF THE CITY OF BIRMINGHAM
November 30, 2022**

The regular bi-monthly meeting of the Directors of The Water Works Board of the City of Birmingham was held on Wednesday, November 30, 2022, at 11:30 a.m., at 3600 First Avenue North, Birmingham, Alabama – In Person, Training Room. The Public has the option to listen by phone by calling (888) 398-2342 Code: 5608731.

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

Others present were: Michael Johnson, General Manager; Derrick Murphy, Iris Fisher and Jeffrey Thompson, Assistant General Managers; K. Mark Parnell, Parnell Thompson Law, LLC; Kelvin Howard, Kelvin Howard, LLC; Tiffanie Agee, Agee Law, LLC; Byron Perkins, Perkins-Law, LLC; Cynthia Williams, Board Administrator; Anitra Clark, Corporate Governance Specialist; Tammy F. Wilson, Executive Assistant to Assistant General Managers Derrick Murphy and Jeff Thompson; Colandus Mason, Information Technology Manager; Rick Jackson, Public Relations Manager; David Walker, Security Manager; Charles McGee and Jeff Wade, Electrical and Mechanical Shop; Matthew Pritchett, Distribution Manager; Rosalind Jones, Accounting Manager; Olivia Martin, Office of the Attorney General; Barry Williams, Business Systems/Operations Manager; Shirley Russell, Call Center Manager; Geraldine Davis, Customer Support Services Manager; Theo Johnson, Jacobs Engineering; Hal Humphrey, Gresham Smith; Kirk Mills, Kimley-Horn; Michael Bell, Birmingham Construction Industry Authority; Angela Riley, O2 Ideas, Inc.; Vincent Parker, Fox6; Roy S. Johnson and Heather Gann, al.com.; Lee Davis Hilliard and William Barnes, Birmingham Urban League; Ashley Miller, Jefferson County; Jerome McMiller; Herman Jones; Elizabeth Beville, Neighborhood Association District 2; Sheila Tyson, County Speaker - Commissioner; William R. Muhammad, Speaker - CSJC.

Vice-Chair, William “Butch” Burbage, Jr. called the meeting to order at 11:30 a.m. Public Relations Manager, Rick Jackson opened the meeting with prayer.

Following a roll call, all directors were present, so a quorum was in attendance. Director Munchus asked to move Speakers directly after Unfinished Business on the agenda. 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. Dalton NeSmith and seconded by Ms. Tereshia Huffman, that the Board of Directors hereby approves the November 30, 2022, Regular Board of Directors’ meeting agenda amending it to hear Speakers directly after Unfinished Business.

Resolution No. 9167 is hereby adopted by unanimous vote.”

* * * * *

Next, the Board was asked to approve minutes of the Regular Board of Directors’ meeting held September 28, 2022. 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 Regular Board of Directors’ Meeting held September 28, 2022

Resolution No. 9168 is hereby adopted by unanimous vote.”

* * * * *

Following, under Reports of Committee it was announced that the Engineering and Maintenance Committee meeting would follow the Regular Board of Directors’ meeting today. Under Reports of Officers, Director Huffman asked Rick Jackson, Public Relations Manager, to give a brief report on behalf of the Communications Committee. Mr. Jackson spoke about Commissioner Tyson’s recent Town Hall meeting, on the city’s west side, where Birmingham Water Works (BWW) participated and brought customer service representatives to handle customer complaints onsite. Meter reading issues were explained, and information was provided on HomeServe regarding customers who have been assisted by them with water leaks. Mr. Jackson stated his team was making an effort to be customer focused. Director Mims stated he would like BWW to participate in more Town Hall meetings. General Manager stated 2022 had been a challenging year. Commissioner Tyson, who was present, stated customers are still bringing complaints to her and the issues have not been resolved, so the Town Hall was not a success. Ms. Tyson added this is a county-wide issue and a human issue, not a color issue. All commissioners are receiving complaints Ms. Tyson stated. Ms. Tyson stated she is also discussing smart meters with other commissioners. As a representative of ratepayers, Ms. Tyson stated she wanted this fixed. General Manager Johnson stated Staff is still working and the credits for customers, who overpaid in the amount of \$50.00 or more, will begin to receive checks right away. Various BWW employees who had worked to address customers’ concerns were recognized.

Next, Speakers were recognized. Ms. Sheila Tyson stated she would yield her time to William Barnes with the Birmingham Urban League. Mr. Barnes said he believed there were still billing problems. Mr. Barnes thanked the BWW Staff and Board for participating in the Town Hall, noting that the absence of some was noticed. There is a trust issue Mr. Barnes stated. Director Huffman thanked Staff and Ms. Tyson for holding BWW accountable. Mr. William R. Muhammad spoke on the Jefferson County Sewer agreement and pleaded with BWW to cancel it. Director Munchus said he was in favor of letting the county do their own billing and collections. Spire and Alabama Power do a good job of billing and collections according to Director Munchus.

Customers are angry at BWW because of these sewer charges, and he is as well, Director Munchus stated. Ms. Elizabeth Beville, neighborhood association, District 2, questioned varying base charges; \$26.00 for base water charges and \$23.00 for base charges. Ms. Beville stated that other cities are not paying the same fees the city of Birmingham residents pay. Director Burbage asked Staff to address Ms. Beville’s question today regarding base service charges.

There was no Unfinished Business.

Following, under New Business, the Board was asked to amend Resolution No. 6569 to adjust its Pay as You Go Capital Improvement Program financing target and its Senior Debt Service Coverage targets effective January 1, 2023, as set forth in agenda Item 1. On a motion duly made and seconded, and the following resolution was adopted:

“WHEREAS, on October 24, 2013, Resolution No. 6569 was adopted by The Water Works Board of the City of Birmingham (the “Board”) and established the Board’s: (a) Reserve Fund Policies; (b) Rate Stabilization and Equalization (“RSE”) Targets; and (c) Capital Improvement Program financing target (i.e., Pay as You Go financing); and,

WHEREAS, Resolution No. 6569 has been amended from time to time; and,

WHEREAS, the Board further desires to amend Resolution No. 6569 to amend its RSE Targets and its Capital Improvement Program financing target.

NOW THEREFORE, BE IT RESOLVED, on a motion made by Mr. Dalton NeSmith and seconded by Mr. Tom Henderson as follows:

1. The RSE Targets for Senior Debt Service Coverage are hereby amended and shall henceforth be:

Target:	1.50
Maximum:	1.65
Minimum:	1.35

2. The Capital Improvement Program Target financing is hereby amended to establish the new target to be by year 2028 to: (a) pay for 48% of the capital projects through cash reserves; and (b) pay for 52% of the capital projects through debt financing.

Resolution No. 9169 is hereby adopted by unanimous vote.”

* * * * *

Next, the Board was asked to approve its budgets for fiscal year 2023; the Operating and Maintenance Budget totaling \$125,304,575.00, and the Capital Budget totaling \$72,307,526.00,

as set forth in agenda Item 2. Director Munchus pointed out that the 2023 sewer bill increase is \$2.44 per month, the water bill increase is \$1.55 per month, and Alabama Power's rate increase is at \$16.00 per month. Spire could not be reached at this time. Director Munchus stated people do not trust and he encouraged utilities to get together and talk. On a motion duly made and seconded, the following resolution was adopted in a roll call vote:

WHEREAS, The Water Works Board of the City of Birmingham (the "Board") properly noticed and conducted a public hearing on Thursday, November 9, 2022, at 5:30 p.m., pursuant to Ala. Code § 11-50-303(c) (1975); and,

WHEREAS, the Board has prepared its 2023 Operations and Maintenance Budget with expenditures totaling \$125,304,575.00; and

WHEREAS, the Board has prepared its 2023 Capital Budget with expenditures totaling \$72,307,526.00; and

WHEREAS, the Board desires to approve said Operations and Maintenance and Capital budgets for 2023; and

WHEREAS, the Board has through the adoption of Resolution No. 4166, which was adopted on December 23, 2003, and has been amended, the Board adopted and established the Rate Stabilization and Equalization Procedure (RSE Model); and,

WHEREAS, the Board has through the adoption of Resolution No. 6569 established various financial policies, two of which are: (a) Rate Stabilization and Equalization ("RSE") Targets; and, (b) Capital Improvement Program Financing Target (i.e., Pay as You Go financing); and

WHEREAS, contemporaneously with this adoption of this resolution the Board has amended its (a) Rate Stabilization and Equalization ("RSE") Targets; and, (b) Capital Improvement Program financing target (i.e., Pay as You Go financing).

NOW, THEREFORE, BE IT RESOLVED By The Water Works Board of the City of Birmingham, on a motion duly made by Mr. Larry Ward and seconded by Ms. Tereshia Huffman, that:

1. The Board hereby approves its Operations and Maintenance, and Capital budgets for 2023 in the amounts as more particularly set forth above.

2. In accordance with Ala. Code § 11-50-303(c) (1975) and the RSE Model, notice is hereby given that the adoption of this resolution will result in a rate adjustment of 3.9% effective January 1, 2023.

Resolution No. 9170 is hereby adopted by roll call vote, as follows: Blankenship, Yes; Burbage, Yes; Huffman, Yes; Mims, No; Munchus, Abstain; NeSmith, Yes; Henderson, Yes; Ward, Yes.”

* * * * *

Following, the Board was asked to adopt a resolution authorizing surviving spouse monthly retirement benefits from the Board's Retirement Trust Fund in accordance with the terms of the pension plan and as stated on the attached memo, effective December 1, 2022, for Ms. Joan B. Hicks, the surviving spouse of Richard C. Hicks, as set forth in agenda Item 3. Ms. Hicks will receive a retroactive payment for November 1, 2022, since Mr. Hicks passed away in October 2022. On a motion duly made and seconded, the following resolution was adopted:

“WHEREAS, Richard C. Hicks, a retiree of The Water Works Board of the City of Birmingham (“The Board”), passed away on October 29, 2022; and

WHEREAS, Richard C. Hicks was receiving, up until the time of his death, monthly retirement benefits from the Board’s Retirement Trust Fund in the amount of \$2,700.41, and under the terms of the Board’s Retirement Plan, his spouse is now entitled to receive 50% of that monthly benefit until such time as she either remarries or passes away; and

WHEREAS, the surviving spouse, Joan B. Hicks will begin receiving her surviving spouse monthly benefit of \$1,350.21, December 1, 2022, plus a retroactive payment for November 1, 2022.

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 Ms. Tereshia Huffman and seconded by Mr. Ronald A. Mims, that the Trustee be, and is hereby instructed to pay a pension of \$1,350.21 per month to Joan B. Hicks from the Board’s Retirement Trust Fund, in accordance with the terms of the Trustee Pension Plan, with the payment to be effective November 1, 2022.

Resolution No. 9171 is hereby adopted by unanimous vote.”

* * * * *

Next, the Board was asked to adopt a resolution authorizing surviving spouse monthly retirement benefits from the Board’s Retirement Trust Fund in accordance with the terms of the pension plan and as stated on the attached memo, effective December 1, 2022, for Ms. Julia T. McCullers, the surviving spouse of Lawrence R. McCullers, as set forth in agenda Item 4. On a motion duly made and seconded, the following resolution was adopted:

“WHEREAS, Lawrence R. McCullers, a retiree of The Water Works Board of the City of Birmingham (“The Board”), passed away on November 17, 2022; and

WHEREAS, Lawrence R. McCullers was receiving, up until the time of his death, monthly retirement benefits from the Board's Retirement Trust Fund in the amount of \$3,335.28, and under the terms of the Board's Retirement Plan, his spouse is now entitled to receive 50% of that monthly benefit until such time as she either remarries or passes away; and

WHEREAS, the surviving spouse, Julia T. McCullers will begin receiving her surviving spouse monthly benefit of \$1,667.64, effective December 1, 2022.

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 Mr. Tom Henderson, that the Trustee be, and is hereby instructed to pay a pension of \$1,667.64 per month to Julia T. McCullers from the Board's Retirement Trust Fund, in accordance with the terms of the Trustee Pension Plan, with the payment to be effective December 1, 2022.

Resolution No. 9172 is hereby adopted by unanimous vote.”.

* * * * *

Next, the Board was asked to approve payments of invoices to Agee Law, LLC, Levitate Legal, Kelvin Howard, LLC, O2 Ideas, Birmingham Construction Industry Authority, Raftelis Financial Consultants, Inc. and Parnell Thompson, LLC, as set forth in agenda Items 5.1 – 5.7. Director Mims asked when Levitate Legal billing will end. GM Johnson stated these fees are for grant writing services (Terri Sharpley), and not legal services. Director Huffman asked when Birmingham Construction Industry Authority invoices would be caught up. GM Johnson responded that they should get caught up by the first meeting in December 2022, adding that they fell behind due to someone being out of the office. 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. Dalton Ne Smith and seconded by Mr. Tom Henderson that the Board hereby authorizes staff to approve payments of invoices to the following:

- 6.1 Agee Law, LLC, for professional services rendered September 2022, in the amount of \$8,910.00.
- 6.2 Levitate Legal for professional services rendered September 2022, in the amount of \$10,000.00.
- 6.3 Kelvin W. Howard, LLC, for professional services rendered October 2022, in the amount of \$17,266.46.

- 6.4 O2 Ideas, for professional services rendered October 2022, in the amount of \$25,000.00.
- 6.5 Raftelis Financial Consultants, Inc., for professional services rendered October 2022, in the amount of \$51,788.65.
- 6.6 Parnell Thompson, LLC, for professional services rendered October 2022, in the amount of \$64,275.88.

Resolution No. 9173 is hereby adopted on November 30, 2022. Director Blankenship voted No.”

* * * * *

Following, the Board was asked to approve an amendment to the agreement with Underwood Financial Consultants, LLC, for an additional amount of \$10,400.00, for a total amount of \$24,900.00; and to authorize the payment of an invoice dated November 4, 2022, in the amount of \$24,900.00, as set forth in agenda Item 6, but the item failed because the motion did not receive a second.

* * * * *

Next, the Board was asked to amend the Joint Billing and Collection Agreement with Jefferson County to extend the initial term of this Agreement an additional six (6) months, or from December 31, 2022, until June 30, 2023, as set forth in agenda Item 7. Director Blankenship stated he wants to protect the ratepayers, adding that the majority of the complaints BWW receives are due to the high sewer bill charges. Director Blankenship asked for a Committee to be established for discussions with Jefferson County on this issue. Director Burbage stated that some discussions with Board members have happened already. Director Blankenship stated he would like to see an agreement with shorter terms. Director Ward stated the negotiations will take some time and that is why the 6-month term was recommended. Director Burbage thanked Director Blankenship and stated he was of the opinion that BWW is getting the full brunt of criticism that belongs to Jefferson County Sewer. Director Burbage stated he believed that the old contract should seriously be looked at and cancelled. Moreover, the Press has not done a good job of separating the two entities, according to Director Burbage. Director Munchus said he concurred and encouraged others to vote no on Item 7. With the deadline being upon us, Director Burbage stated he would vote yes today, but he wanted to make clear this is only to extend the agreement with further action to come later. Director Huffman stated O2 Ideas should get in front of this messaging as well. Director Henderson stated with BWW currently not having the figures needed, that he would vote yes today. Director Burbage stated the agreement can be stopped at any time; however there is a 12-month

termination clause, subject to legal opinion. 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 Ms. Tereshia Huffman and seconded by Mr. Larry Ward, that the Board hereby approves an amendment to the Joint Billing and Collection Agreement with Jefferson County to extend the initial term of this Agreement an additional six (6) months, or from December 31, 2022 until June 30, 2023.

Resolution No. 9174 is hereby adopted by a roll call vote, as follows: Blankenship, Yes; Burbage, Yes; Henderson, Yes; Huffman, Yes; NeSmith, Yes; Mims, No; Munchus, No; Ward, Yes.”

* * * * *

Next, as there was no further business before the Board, Director NeSmith made a motion to adjourn the meeting and Director Huffman seconded the motion. On a motion duly made and seconded, the meeting was adjourned at 12:25 p.m.

/S/
William “Butch” Burbage, Jr.
Vice Chairman

Attest:

/S/
Larry Ward
Secretary-Treasurer