

**Minutes Of  
Business and Economic Development Committee Meeting  
Of The Water Works Board  
Of The City Of Birmingham  
August 26, 2019**

A Business and Economic Development Committee Meeting of The Water Works Board of the City of Birmingham was held on Monday, August 26, 2019, at 11:30 a.m., in the principal office of the Board, 3600 First Avenue North, Birmingham, Alabama, 35222, to discuss business and economic development issues.

The following Committee members were present: Tommy Joe Alexander, George Munchus and Deborah Clark. Also present were: Brenda J. Dickerson and Sherry W. Lewis, who do not serve on the Committee.

The meeting was also attended by: Michael Johnson, General Manager; T. M. “Sonny” Jones, Interim Assistant General Manager of Operations and Technical Services; Derrick Murphy, Assistant General Manager of Engineering and Maintenance; Tammy Wilson, Executive Assistant to T. M. “Sonny” Jones and Derrick Murphy; Grace Amison, Executive Assistant to the Board of Directors; K. Mark Parnell, Parnell & Thompson, LLC; Kelvin Howard, Kelvin Howard, LLC; Trisha Brown and Brian Ruggs, ARCADIS; Andy Mitchell, Agency 54; Ken Delap, Host Recreation; Ben Sorrell, Chief Engineer; Johnnie Mayfield; Manager of Industrial and Commercial Accounts; Josh Smith, Superintendent of Industrial and Commercial Accounts; Greg Henslee, Superintendent Water Resources; George Anderson, Manager Information Technology; Terrell Jones, Superintendent Security; Rick Jackson, Public Communications Specialist; Mark Peeples, MAP Development; Dennis Ingle, Ingle Demolition;

General Manager, Michael Johnson called the meeting to order at 11:35 a.m. Derrick Murphy, Assistant General Manager of Engineering and Maintenance opened the meeting with prayer.

Next, the Committee was asked to approve minutes, as set forth in agenda item 1. On a motion duly made and seconded, the minutes of March 19 and May 16, 2019 were unanimously approved.

Following, the Committee was asked to review and recommend to the Board to approve an agreement with Mark Peeples regarding management of property at Lake Purdy, as set forth in agenda item 2. GM Johnson asked the Committee to recall a presentation at a previous Engineering and Maintenance Committee meeting by Mr. Peeples regarding management of the property at Lake Purdy. There is a draft agreement between Mark Peeples and Birmingham Water Works Board (BWVB) in Diligent and in front of the Committee today. There is a need for management of the property due to trespassing and an over abundance of wildlife, mainly deer and feral hogs, causing damage on the property. GM Johnson stated the contract amount is \$20,000.00 to be paid to BWVB for a five-year term with a 5% escalation in the subsequent five-year period.

Assistant General Manager, Sonny Jones referred to a map (a copy of which is on file with the Committee meeting book) which outlays the area to be managed, which is about 6,300 acres. Some discussion occurred relating to the cemetery that abuts BWWB property. Director Alexander explained that his family members were buried there. Director Alexander was concerned about the upkeep of the cemetery and the ability to get access to maintain the grounds. Chief Engineer, Ben Sorrell explained that individuals are maintaining the property and there is a “buddy” lock on the gate. Director Munchus stated he supported the agreement with Mr. Peeples; however, he stated there were employees who have expressed an interest in participating in some manner and he would like to table the item. Director Munchus recognized Derrick Maye, the Employee Association Chairman. Mr. Maye stated employees had come to him concerning inclusion and/or employees having a portion of the property to hunt on. Director Alexander stated people hunting on the property will have to pay a fee. Director Lewis stated employees need to be careful of their approach regarding this request. Director Lewis asked Mr. Maye to include all Board members in these talks, not just one Board member. Attorney Parnell stated Mr. Peeples should vet employees through the Board and Board attorneys. The Ethics Laws prevents employees from using their position for personal gain, according to attorney Parnell. Director Clark stated she felt blind-sided because she was just hearing for the first time that employees have a concern and everyone on the Board deserves to have all the information. Director Clark asked Mr. Maye who he contacted first. Mr. Maye stated he saw Director Munchus after a meeting and made him aware of the employees’ concerns. Director Lewis stated there needs to be a process. Director Clark agreed. Director Alexander stated he believed a lease directly to employees would be out of the question, although employees may be able to pay a membership to Mr. Peeples. Director Alexander stated he was fine with tabling the item, but not finding out these concerns at the last minute. Director Lewis asked to have specifics in writing about what employees are asking for. Director Lewis asked about the amount Westervelt had agreed to pay several years ago. Director Lewis asked why the terms are for 5 years rather than 3 years. Mr. Maye stated there were approximately 20 employees showing an interest in hunting on the property. Director Alexander stated this was being talked about for three months in open meetings and questioned why this has just come up. Attorney Parnell stressed that there needs to be a limited number of people and that Mr. Peeples would need to regulate with Staff and the Board in vetting it. Some discussion occurred regarding the number of people that will be allowed to hunt at one time. Director Alexander asked attorney Parnell to check into the ethics portion. Director Alexander asked Mr. Peeples if employees would be considered as members. Mr. Peeples responded yes, adding there would be a limited number of members, which would be somewhere in the neighborhood of 20. Mr. Peeples stated there would be other provisions for guests at a fee, subject to vetting by the Board and participants meeting hunting laws requirements. Attorney Parnell stated preferential treatment could not be given to employees. Mr. Peeples stated there are no firearms allowed, so that would limit most wildlife other than deer and hogs. Director Lewis asked about the red barn near the area and children riding horses in the vicinity, as that was a concern before. Mr. Peeples stated he has been in contact with the lady at the red barn and he will work with her to make sure they both know what is going on. GM Johnson asked Mr. Peeples to comment on the agreement length terms. Mr. Peeples stated he believed it would take 5 years to

get a good read on the property from a management standpoint. The Committee discussed other terms of the agreement. Director Clark stated she goes out there to fish and she has to be on land to get there. Attorney Parnell stated there are no trespassing signs posted on the property. Director Clark stated she lets BWWB Security know. The agreement gives Mr. Peoples the authority to contact law enforcement on behalf of the BWWB, Mr. Parnell stated. Mr. Peoples stated it was his understanding that a warning is given for trespassing the first time and the second time you are taken to jail, which is city law. On a motion duly made and seconded, the Committee unanimously agreed to table the item. Director Alexander asked that another meeting be scheduled in two to three weeks. GM Johnson stated Staff would be in touch with the lady at the red barn. Director Clark stated Mr. Maye would need to put in writing what employees are requesting. The Committee requested to meet September 23<sup>rd</sup> at 11:30 a.m. Director Dickerson exited the meeting at 12:40 p.m.

Next, the Committee was asked to review and recommend to the Board to approve agreements with Ken DeLap regarding Lake Purdy Concessionaire operations, as set forth in agenda item 3. GM Johnson stated there were two agreements; the license agreement and the concessionaire agreement. Director Muchus stated that Mr. Maye wanted to speak on behalf of employees regarding this item as well. Mr. Maye asked if there could be a discount for employees for activities at Lake Purdy. Director Alexander stated he believed this would be an ethics violation because it is open to the public. Director Lewis asked that independent engineers look at the agreements to make sure there is not anything that will adversely affect the water shed. Attorney Parnell stated this is 99% the same agreement that has been in effect since 1997 at Lake Purdy. Director Alexander asked Brian Ruggs to look into this. Director Clark stated in the future she would like to look at agreements thoroughly beforehand. Director Munchus stated all of this was in Diligent Books. The Committee unanimously agreed to table the item.

Following, Staff request the Committee to hear information regarding a development at Grants Mill Road and Highway 119 near Lake Purdy, as set forth in agenda item 4. AGM Sonny Jones stated this was for information only. Mr. Jones stated Mr. Wayne Graves came to him regarding this item. There is a potential for several parcels to be developed at Grants Mill Road and Highway 119. Mr. Jones stated a meeting took place at Birmingham City Hall with attorneys, Mr. Graves and himself. This was not received well by the city Mr. Jones stated. AGM Sonny Jones told Mr. Graves if he wanted to donate the parcels to BWWB that we would put it in an easement. Mr. Graves originally came to us in 2016 and asked about swapping property, which BWWB declined to do, Mr. Jones stated. GM Johnson stated Staff would inform the Board of any further developments. Some discussion occurred regarding which county this property is in. Ben Sorrell stated it is all in Jefferson County and none of it is in Shelby County.

Next, Staff requested the Committee to hear a presentation regarding BWWB Innovation Projects, as set forth in agenda item 5. ARCADIS facilitated these meetings GM Johnson stated. Brian Ruggs talked about the workshops and provided a handout (a

copy is on file with the Committee meeting book) along with discussion of current and future initiatives. The Innovation framework began in 2015 through a grant with the Water Research Foundation (WRF) along with matching dollars from the 25 sponsor utilities. BWWB is a sponsor and AGM Sonny Jones is an author of the program. In 2016 the American Water Works (AWWA), Water Environment Foundation (WEF), Water Services Association of Australia (WSAA), Water Environment and Reuse Foundation and 25 more utilities got involved. Innovation is a wide range of ideas that can lead to alternative revenue, economic development, cost savings and management of customer expectations. Ideas can be shared among utilities. Director Munchus asked if there were utilities ahead of BWWB. Trisha Brown with ARCADIS responded yes. Four opportunities were selected by BWWB to explore; expansion of HomeServe, growing customer base, increasing consecutive systems services and development of BWWB University. Rick Jackson, Public Relations Specialist, stated HomeServe is providing exterior water line coverage, sewer line coverage, indoor plumbing, HVAC and water heater coverage. HomeServe is exploring offering a total home warranty coverage package. BWWB has generated approximately \$2.2 million in commission from HomeServe contracts and about 45,486 active policies according to Mr. Jackson. Some discussion took place about the referral process Customer Service representatives are using. Mr. Jackson explained how signing on other cities, like Mobile is a strategy BWWB is pursuing to generate additional commission. Mr. Jackson talked about possibly adding a dedicated HomeServe kiosk in the Customer Service lobby. HomeServe developed a brochure to help other departments at BWWB promote business for commission according to Mr. Jackson.

Following, Johnnie Mayfield, Manager of Industrial and Commercial Accounts, talked about growing the customer base by partnering, branding and providing options in an easy access format to existing and potential non-residential water users. Director Alexander asked if there were any other water systems to purchase. Mr. Mayfield stated about a year ago he and AGM Sonny Jones met with the City of Mulga, but their opportunities have changed, and they are not looking to sell right now with a new mayor. Mr. Mayfield mentioned the future growth of I-22 and making sure BWWB is in a position to meet those needs. GM Johnson stated there are a lot of developments and we have opportunities to get out in front of those. The group discussed the Birmingham Business Alliance (BBA) and follow-up from the last update from them. GM Johnson stated they have invited him to be a member and it is by a nomination process. Director Lewis stated the Board was supposed to be receiving newsletters from the BBA. The BWWB University information will be presented in the Human Resources Committee, Mr. Jackson stated. Brian Ruggs stated the next steps are to identify opportunities to pursue in the short term, identify the resources necessary to do that, develop plans for mid-term and long-term implementation and initiate relationships with external entities.

Next, under new business GM Johnson stated Staff is putting together a report on the Helen Ridge run-off to present to the Board. AGM Sonny Jones stated there is color in the water, however it is not all due to Helen Ridge, adding the developer has done everything he promised to do.

Following, as there was no further business before the Committee, the meeting was adjourned at 1:38 p.m.

\_\_\_\_\_/s/\_\_\_\_\_  
Michael Johnson  
General Manager

\_\_\_\_\_/s/\_\_\_\_\_  
Tommy Joe Alexander  
Assistant Secretary-Treasurer

\_\_\_\_\_/s/\_\_\_\_\_  
George Munchus, Ph.D.  
Director

\_\_\_\_\_/s/\_\_\_\_\_  
Deborah Clark  
First Vice-Chairwoman/First Vice-President