

**Minutes Of
Business and Economic Development Committee Meeting
Of The Water Works Board
Of The City Of Birmingham
March 19, 2019**

A Business and Economic Development Committee Meeting of The Water Works Board of the City of Birmingham was held on Tuesday, March 19, 2019, at 12:00 p.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, Deborah Clark and George Munchus. Also present were: William “Butch” Burbage, Jr., William R. Muhammad and Ronald A. Mims who do not serve on the Committee.

The meeting was also attended by: Michael Johnson, Interim General Manager; T. M. “Sonny” Jones, Assistant General Manager of Engineering and Maintenance; K. Tammy Wilson, Executive Assistant to T. M. “Sonny” Jones and Darryl R. Jones; Grace Amison, Executive Assistant to the Board of Directors; Mark Parnell and Mary Thompson, Parnell & Thompson, LLC; Kelvin Howard, Kelvin Howard, LLC, Patrick Flannelly and Brian Ruggs, ARCADIS; Olivia Martin, State Attorney Office; Tommy Palladino, Agency 54; Ben Sorrell, Chief Engineer; Ken Delap, Host Recreation; Terrell Jones, Superintendent Security; Rick Jackson, Public Communications Specialist; Geoff Goodwin, Manager Non-Revenue Water; Jeff Cochran, Principal Engineer; Steve Franks, Principal Engineer; Derrick Maye, Senior Project Coordinator.

Chairman Burbage called the meeting to order at 12:01 p.m.

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 August 8, 2018 were approved.

Following, the Committee discussed the Lake Purdy Concessionaire agreement, as set forth in agenda item 2. The Committee was provided a handout (a copy is on file with the Committee meeting book) of a proposed lease renewal for recreational facilities management at Lake Purdy. Ken Delap of Host Recreation discussed the details of the current lease. Director Munchus asked if any improvements to the property had been made since the Committee last met. Chief Engineer, Ben Sorrell stated there were repairs to the fascia board, soffits, roof and main door hinge pins. Also, paving work was done, and a concrete draining structure was built. Another handout (a copy is on file with the Committee meeting book) of repair photographs was provided to the Committee. Mr. Delap stated he has been at Lake Purdy for 26 years, since 1993. Since 2007, we have been operating with 5-year extensions to the contract Mr. Delap stated. Some history was discussed prior to the Board contracting with Mr. Delap. The new proposal states that Mr. Delap would be responsible for controlling public access to the property. The proposal asks for a 10-year lease Mr. Delap stated. Director Munchus asked about seeing Mr. Delap’s financial statements. Attorney Parnell stated a Confidentiality Agreement could

be drawn up for the Committee to review the financial statements if Mr. Delap agrees. Director Munchus stated he was fine with Mr. Delap's proposal. Director Munchus stated he wanted to be fair to Mr. Delap and he also wanted to be fair to the Board. Interim General Manager Michael Johnson stated at this point the Board is getting \$3,000.00 per year and under the new proposal it would be \$10,000.00 per year. Mr. Delap stated he anticipated that the Board may want to see his tax returns, so he brought summaries for the last five years if anyone was interested in seeing them. Director Munchus stated he would like to sign a Confidentiality Agreement before seeing those. Attorney Parnell explained if the tax return summaries were handed out today that they become public information. Mr. Delap stated he has been spending money each year for repairs, replacing boats/piers and buying golf carts. Mr. Delap stated his salary is \$35,000.00 per year. The proposal does not include hunting Mr. Delap stated. Some discussion occurred regarding the possibility of hunting on the property in the future. Director Munchus asked Mr. Delap how he arrived at \$10,000.00 per year. Mr. Delap stated he wanted to give the Board an increase and he put it as high as he could. Mr. Delap stated he would like the ability to generate more revenue. Some discussion occurred regarding rental cabins, but Mr. Delap stated he did not believe it would be profitable for him. Director Clark stated she would send Mr. Delap something they are using in other cities for the homeless that might be more cost effective. Attorney Parnell stated legal would have to look at it if lodging is considered on the property due to the Conservation Easement. Mr. Delap stated he believed camping would work though. Director Munchus stated he would like to keep the hunting issue alive and move on with the lease proposal. Attorney Parnell asked if the Committee was fine with the current agreement. Director Muhammad stated he would like more information or a study to be done before moving forward, adding he was not on the Committee. Mr. Delap stated he submitted a full Business Plan when the Board began considering doing business with him, but the Board did not want a water wonderland. Mr. Delap stated it was the Board's intent at that time to maintain a pristine water source and to have someone on site to be responsible for controlling public access. Director Muhammad stated it was the opinion that some of this Board's intent is to eliminate debt. On a motion duly made and seconded, the Committee agreed to move the item forward to negotiate a more formal agreement, and to look at Mr. Delap's financials and the feasibility of everything.

Next, the Committee heard from Mark Peeples regarding property management at Lake Purdy, as set forth in agenda item 3. Mr. Peeples stated he had worked in commercial real estate for most of his life and he has done business previously with the Board. Mr. Peeples stated he currently does work for U.S. Steel on about 5,600 acres of their property as a custodial license agent working with game wardens to keep trespassers out and maintain the property. Another 3,200 acres will be added in the next month, Mr. Peeples stated. Director Munchus asked if there is hunting allowed on the property. Mr. Peeples responded yes, but only bow-hunting. Some of the tactics used to gain control of the property were discussed. Mr. Peeples stated he pays a minimal amount to U. S. Steel to do this. Director Clark asked Mr. Peeples what he is asking for from the Board. Mr. Peeples stated he would pay the Board a fee and he would manage the property around Lake Purdy and provide an opportunity for approved people to bow hunt on the property. Director Munchus asked Mr. Delap how this would interface with what he is doing. Mr.

Delap stated he opens his facility to the public. Director Munchus stated this is private property so he believed it should be restricted. Director Munchus stated if U. S. Steel is trusting Mr. Peeples to manage their property, that speaks well of Mr. Peeples. When you partner with the Police force, it works in your favor to have that presence out there and that will be the case on the I-20 property that U.S. Steel is adding to the acreage, Mr. Peeples stated. Director Clark stated she would like to see something in writing in the form of a proposal. Director Clark asked if Mr. Peeples was the person the Board did business with on a well in the past. Mr. Peeples responded yes, that he donated the well. Director Munchus asked Mr. Peeples to submit a proposal to the Committee and added that it bodes well that U.S. Steel is utilizing Mr. Peeples because they are a reputable company. Director Muhammad asked about U. S. Steel having land being developed for residential use. Some discussion occurred regarding development in the Leeds area and that the Board is providing some of the water in that area. Mr. Peeples stated the new Flight Museum's water would be provided by Birmingham Water Works. Director Muhammad stated the Board has about \$10 million in an Economic Development Fund and to keep that in mind for future development opportunities. Interim General Manager Michael Johnson asked Mr. Peeples to bring back a proposal to the Committee. Director Alexander stated he liked the idea of having the Birmingham Police Department involved because Lake Purdy is in Birmingham.

Following, Interim GM Johnson stated that ARCADIS put together an Infographic to make a presentation at the next Business and Economic Development Committee Meeting regarding potential sources of revenue as encouraged through the Water Research Foundation's Innovation Program.

Next, as there was no further business before the Committee, the meeting was adjourned at 1:14 p.m.

_____/s/_____
Michael Johnson
Interim General Manager

_____/s/_____
Tommy Joe Alexander
Assistant Secretary-Treasurer

/s/

George Munchus, Ph.D.
Director

/s/

Deborah Clark
First Vice-Chairwoman/First Vice-President