

**Minutes Of
Business and Economic Development Committee Meeting
Of The Water Works Board
Of The City Of Birmingham
May 16, 2019**

A Business and Economic Development Committee Meeting of The Water Works Board of the City of Birmingham was held on Thursday, May 16, 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: William “Butch” Burbage, Jr., William R. Muhammad and Brenda J. Dickerson who do not serve on the Committee.

The meeting was also attended by: Michael Johnson, General Manager; T. M. “Sonny” Jones, Assistant General Manager of Engineering and Maintenance; Tammy Wilson, Executive Assistant to T. M. “Sonny” Jones; Grace Amison, Executive Assistant to the Board of Directors; K. Mark Parnell, Parnell & Thompson, LLC; Patrick Flannelly and Brian Ruggs, ARCADIS; Melissa Ausborn, State Attorney General Office; Martha Bozeman, Agency 54; Ken Delap, Host Recreation; George Anderson, Manager Information Technology; Terrell Jones, Superintendent Security; Rick Jackson, Public Communications Specialist; Geoff Goodwin, Manager Non-Revenue Water; Jeff Cochran, Principal Engineer; Steve Franks, Principal Engineer; Robert Lang, Principal Engineer; Doug Stockham, Manager System Development; Mark Peeples, MAP Development; Dennis Ingle, Ingle Demolition; Marc and Misty Brenner, citizens.

Chair of the Committee, Tommy Joe Alexander called the meeting to order at 11:33 a.m. George Anderson, Manager of Information Technology opened the meeting with prayer.

Next, the Committee was asked to approve minutes, as set forth in agenda item 1. Director Clark stated she did not see the minutes and Director Dickerson stated she did not see them either. General Manager Michael Johnson stated the minutes would be resent. On a motion duly made and seconded, the minutes of March 19, 2019 were tabled.

Following, the Committee was asked to hear from Richard Aldridge regarding a proposal to enter into an extension of main agreement for Mountainside Subdivision in Clay, as set forth in agenda item 2. Mr. Aldridge was not in attendance and some discussion occurred. Director Munchus asked if this was a viable request. Assistant General Manager, Sonny Jones responded that he believed the risk to our organization was great.

Next, Mark Peeples addressed the Committee with a proposal to manage property at Lake Purdy as discussed in the previous Business and Economic Development

Committee Meeting. Some discussion occurred regarding the proposal which was uploaded in Diligent Books. Hard copies of the proposal were made for the Committee to review and consider (a copy of which is on file with the Committee meeting book). Mr. Peeples explained that this agreement is more of a license than a lease. The payment terms would be for 8 years in the amount of \$20,000.00 annually. Insurance would be provided and is included in the agreement. Director Alexander explained that this was only a Committee Meeting and this item would have to move on to a Board Meeting for approval. Some of the language of the proposal and environmental issues were highlighted. Director Munchus asked if Attorney Parnell had reviewed the document. Director Clark stated she believed all vendors' material should come to the General Manager to disburse to everyone. Director Munchus asked Mr. Peeples how long he had been managing property for U. S. Steel. Mr. Peeples responded about five years. Attorney Parnell stated he had reviewed the proposal adding that all activity would be subject to the Conservation Easement that is in place. The agreement addresses more of what Mr. Peeples can't do more than what he can do. Attorney Parnell stated Mr. Peeples would be somewhat of a caretaker of the property. Attorney Parnell stated additionally that the Board would need to determine exactly what property is to be included in the proposal. Some discussion occurred regarding hunting on the property. Director Munchus asked Attorney Parnell to look at the document and consider the Board's best interest in the terms. Director Alexander asked Attorney Parnell to look at the document and the other Directors on the Committee agreed. General Manager Johnson stated it was up to the Board to consider what they want to do with this property, and he told Mr. Peeples that Staff would meet with Board attorneys and get back to him regarding the proposal and some requirements. Discussions occurred regarding USX property that Mr. Peeples currently manages and their hunting regulations. Game rules of the State of Alabama are followed according to Mr. Peeples. Some discussion occurred regarding the public having access to hunting on the property. GM Johnson stated this should be spelled out in the agreement. Director Muhammad stated the Board should ask Senior Management their opinion on all matters. GM Johnson stated he reads the documents and comments on items that are brought before Committee Meetings. Director Alexander thanked Mr. Peeples. GM Johnson stated some land administrators and other staff will kick off a meeting to get the discussion started to finalize a good agreement.

Following, Ken DeLap addressed the Committee regarding his proposal to enter into a renegotiated Lake Purdy Concessionaire agreement. An emailed letter from Mr. DeLap to GM, Michael Johnson was provided to the Committee (a copy of which is on file with the Committee meeting book). Mr. DeLap explained that he began his relationship with the Board in 1993 under their guidance. In 2017, the 5-year renewals began. Mr. DeLap stated he would like to make additional investments and give the Board more revenue. There is a proposed five-fold increase on the rent. Director Munchus stated he believed Mr. DeLap has a different view on hunting than what the Committee has in mind. Director Clark stated the Committee needed to look closely at all the hunting information presented today. Mr. DeLap stated he wondered if the Board would like hunting camps established. The previous hunting agreement with Westervelt was discussed briefly. Mr. DeLap suggested getting public comment before entering

into agreements for hunting in the future. Director Alexander stated he couldn't agree with letting the public hunt on Birmingham Water Works (BWVB) property. AGM Sonny Jones brought up the fact that camping (Boy Scouts) and hunting have been talked about for this property and they are a dangerous combination, adding that they need to be in separate areas. Attorney Parnell stated the Conservation Easement would have to be looked at in relation to the various activities being talked about. Public criticism was discussed. Director Munchus stated he was fine with the current agreement, but he was not sure he would be comfortable with a new agreement. Mr. DeLap pointed out the items in the new agreement; more money for the BWVB, a 10-year lease for him and the ability to create a small camping area. Attorney Parnell stated legal would have to look at the proposal to see if it is in keeping with the Board's Conservation Agreements. Some discussion occurred regarding the lease amount and if the amount would stay at \$3,000.00 if there is no camping. Director Muhammad stated he is interested in joint ventures and doing business together. Mr. DeLap stated, when he originally began his relationship with the Board, they were focused on maintaining a clean water source. Director Muhammad stated this is a new Board and there are some people on the Board that are interested in Economic Development. Director Munchus stated he wanted the relationship with Mr. DeLap to continue. GM Johnson asked for clarification on the \$10,000.00 lease amount and if that only meant if cabins were added. Mr. DeLap stated he had in mind using park model RVs, but they may be eliminated due to septic systems having to be introduced. Director Munchus asked Mr. DeLap how he arrived at the \$10,000.00 amount. Mr. DeLap stated the Board wanted an increase and he wanted the opportunity to generate more income. Director Munchus stated he would like to defer this decision to management. Director Alexander stated he is fine with the cabins being added if legal approves it. Director Alexander stated there are many improvements that need to be made at Lake Purdy. Mr. DeLap stated these improvements are pending a new lease agreement. Mr. DeLap asked if it would be alright in the future for him to sell his lease. GM Johnson told Mr. DeLap he would need to update his agreement to reflect that language in his proposal.

Next, the Committee was asked to discuss potential uses for BWVB property off Highway 280. AGM Sonny Jones held a display map showing the last undeveloped land on Highway 280 that the Board owns. A previous Board had asked Staff to look at what it would take to develop this property AGM Sonny Jones stated. It was learned that the entrance would have to be shared with the Fire Station. The Daniel Corporation contacted the Board about buying the property at that time AGM Sonny Jones stated. Attorney Parnell spoke to the history of what happened in the past, stating the BWVB had transferred all the assets back to the City of Birmingham. This property was subject to the Conservation Easement; however, this piece of property could possibly be carved out according to the engineers at that time. Attorney Parnell stated that any development of the property would have to meet the Conservation Agreements BWVB has in place. Director Alexander asked Mark Peeples for his opinion on whether this property would be good property for development. Mr. Peeples stated he believed it was highly developable, but the developer would have to work around Conservation requirements, other obstacles and possible drainage issues. Director Munchus stated he thought the Board had a consensus not to sell. Director Alexander asked Mr. Peeples if he could

investigate whether this is developable. Mr. Peoples responded yes. GM Johnson stated the Board could issue an RFP and have the Board's real estate agent investigate it. Director Clark asked the General Manager to talk to the agent and relay the information obtained to the Board. Director Munchus asked AGM Sonny Jones to get word to the Daniel Corporation that the Board would be interested in a lease.

Following, as there was no further business before the Committee, the meeting was adjourned at 1:09 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