

**MINUTES OF EXECUTIVE COMMITTEE MEETING
OF THE WATER WORKS BOARD OF THE CITY OF BIRMINGHAM
MARCH 13, 2024**

An Executive Committee meeting of the directors of The Water Works Board of the City of Birmingham was held on Wednesday, March 13, 2024 at 12:30 p.m.

The following Committee members were present via a roll call: Committee Chairwoman Tereshia Huffman, William “Butch” Burbage, Jr., Tom Henderson, and Larry Ward. Directors George Munchus, and Mashonda Taylor were also present.

Others present were: Michael Johnson, General Manager; Derrick Murphy, Iris Fisher and Philip King, Assistant General Managers; Cynthia Williams, Board Administrator, Anitra Clark, Corporate Governance Specialist; Elyse Page, Executive Assistant to the General Manager, Colandus Mason, Rick Jackson, Jeff Wade, Charles McGee, Rosalind Jones, Cassandra Bell, Paul Lloyd, Marilyn Vertison, Shirley Russell, Geraldine Davis, Geoff Goodwin, Victoria Damsgard, Sreedhar Atluri, Anthony Hazel, Jeremy Ervin, Ahki King, and Jonathan Jett, Board Employees; K. Mark Parnell, Parnell Thompson Law, LLC; Kelvin Howard, Kelvin W. Howard, LLC; Patrick Flannelly, ARCADIS, U.S., Inc.; Bill Todd, o2 Ideas; John Sullivan, and Todd Barlow, E-Source; Andrea Lewis, Human Capital Services; and Christine Kozlosky, Ascent Group.

Committee Chairwoman Huffman declared a quorum in attendance.

Committee Chairwoman Huffman called the meeting to order at 12:33 p.m. and General Manager Michael Johnson opened with prayer.

Following, Committee Chairwoman Huffman asked the Committee to approve the agenda. The General Manager requested item 3 be removed from the agenda. Chairwoman Huffman questioned whether Human Capital Services was in attendance to make their presentation. The General Manager responded they can provide an update but not give their full presentation. Committee Chairwoman Huffman questioned why Human Capital Services could not provide a full presentation. The General Manager responded one of the components in the organizational assessment is to fully understand it so that it can be communicated to staff and the Employee Association. He indicated this is a significant project and this information hasn't been communicated. Chairwoman Huffman indicated the General Manager met with her and Director Burbage in January 2024 regarding this project and the agreement was to present this information in March 2024. She indicated there was 90 days to have this presentation ready to leadership, supervisors, and employees to start conversations. She indicated getting a call on yesterday asking for this item to be removed from the agenda is unacceptable. She stated she was looking for Human Capital Services to make their presentation at this meeting, considering conversations started in January 2024. Chairwoman Huffman stated she is not in favor of removing the item. A discussion ensued. The General Manager stated the goal is to communicate every aspect of the plan so there are no questions from employees and give them the opportunity to ask questions. He indicated management is in support of making sure this information gets communicated especially in light of the “no vote of confidence” from the Employee Association. Chairwoman Huffman stated she agreed with the General Manager; however, the conversations regarding this project began in January and communications should have started in January with employees. She indicated she and Director Burbage were told in January that these conversations would take place; therefore, to arrive at this meeting and be made aware that this information has not been communicated to

employees is not acceptable. She indicated she would not allow the General Manager to say the reason for this information not being communicated was due to the “no vote of confidence” when there was a lead time of 90 days to get this information out. She indicated she was looking for Human Capital Services to make a presentation at this meeting as well as for this information to have been communicated to employees. The General Manager stated the presentation can be made despite the fact the information has not been communicated to employees as much as staff would have liked to. Chairwoman Huffman indicated that responsibility lies with the General Manager and not the Board. Director Burbage made a motion to approve the agenda and Director Ward seconded the motion. On a motion duly made and seconded, the agenda was approved by unanimous vote.

Following, the Committee moved to the first item on the agenda, Request Committee to approve minutes from the November 3, 2023, and January 19, 2024 Executive Committee Meetings. Director Henderson made a motion to approve the item and Director Burbage seconded the motion. On a motion duly made and seconded, the item was approved by unanimous vote.

Next, Committee Chairwoman Huffman asked to hear Report of Officers. Director Henderson stated BWWB has been getting a lot of negative press the last few weeks, including an article published today. He questioned who from BWWB staff has participated in media training. The General Manager responded in 2023 he and Assistant General Managers Derrick Murphy and Iris Fisher participated in the training. He stated staff has completed two of the six hours of training required for this year. Director Henderson questioned whether the Public Relations Department was involved, and the General Manager responded Rick Jackson was involved in the training. Director Henderson questioned whether the rest of the Public Relations Department was involved in the training. The General Manager responded the training was held with Executive leadership. Director Henderson stated the Board requested media training for Directors and Staff and questioned whether there are any plans for the Board to receive this training. The General Manager responded the training can be scheduled. Director Taylor arrived at the meeting at 12:41 p.m. Director Henderson stated he feels it is important for the Board to be trained so they will know how to handle the media when and if they are ever approached. He indicated he is requesting the Board to receive this training. Chairwoman Huffman stated she believes the training was included in the contract that was submitted; however, the training has not occurred. Director Henderson stated the public reads headlines and not the story. He indicated a recent headline was not good. He stated staff needs to meet with the media to soften headlines and he indicated staff can make requests to meet with the media prior to stories being published. He stated if staff receives a request from the media, they need to be accommodated. Director Munchus stated this was his first time hearing of media training and questioned who the consultant is conducting the media training. The General Manager responded the first session was conducted by Art Franklin and it was arranged by CBG Strategies. Director Munchus stated he would like to receive media training. A discussion then ensued.

Next, Assistant General Manager Derrick Murphy provided an update on the AMI Project. Mr. Murphy stated part of the process is to provide an update to the Board periodically. He then recognized John Sullivan and Todd Barlow with E-Source. Mr. Sullivan stated E-Source has partnered with A. G. Gaston. He then gave an overview of the project and the team; scope of work; tasks including vendor procurement; and project management. He then provided a status of the project stating everything is on schedule and gave an overview of next steps. Mr. Murphy stated six weeks of workshops have been held with BWWB staff regarding this project. Director Munchus questioned whether meetings were held with internal staff. Mr. Murphy responded those

meetings included BWWB staff, Board Attorney Mark Parnell, Patrick Flannelly, ARCADIS, and Jefferson County representatives. Director Munchus questioned who the participants from Jefferson County were. Mr. Murphy responded BWWB met with five to six representatives from Jefferson County including the County Manager and the Deputy County Manager. He stated Jefferson County is more concerned with the procurement process for the project. Committee Chairwoman Huffman questioned with the PMO Manager position being vacant how that will affect the project and when will the position be filled. Mr. Murphy responded there's a portion of the project that will include integration; however, they are currently navigating through that portion of the project. The General Manager responded the Board has agreements with Business Systems Operations (BSO) and Utegration. He stated the PMO Department along with the Information Technology Manager Colandus Mason are currently covering this position. He indicated interviews will be held soon for the PMO Manager position. Chairwoman Huffman questioned whether any interviews had been held and the General Manager responded not yet. He indicated candidates have been screened.

Following, the Committee moved to the second item on the agenda, Request Committee to hear a presentation from Ascent Group on the Business Process Improvement project; and to recommend to the Board to approve the FY 2024 budget items related to the Business Process Improvement recommendations. Christine Kozlosky, Ascent Group, stated the project includes eight months of work and gave an overview of the project. She stated Ascent Group reviewed several areas in BWWB including all areas of Customer Service and the Warehouse and set targets for improvement. She stated the project began in April 2023 and included a planning process. She stated her team met with BWWB Staff to understand BWWB's processes and practices. She stated they reviewed the customer experience including reviewing 300 customer calls. She stated they were granted access to BWWB's systems. Ms. Kozlosky then gave an overview of the Ascent Group's recommendations in the areas of People, Processes, and System. She stated regarding the area of People, they recommend hiring a customer service leader instead of the position being divided into two roles as it currently is. She stated there should be a consolidation of the meter to cash functions under one umbrella. She stated there should be a creation of a billing operations group within Customer Service to compliment the Bill Better campaign. She stated they also recommend creating a business performance group that will track and report work and metrics. She indicated the organization needs to be prepared for the AMI project which will greatly affect Customer Service including new skill sets. Ms. Kozlosky stated regarding the area of Processes, they recommend improving meter reading performance. She stated reducing customer effort due to policies and procedures makes it more difficult for customers than it should be. She stated there are opportunities for efficiency for field representatives to make less trips to customers' homes because of duplicate orders. She stated there are opportunities to streamline meter to cash operations. She indicated it also recommended to modernize the Warehouse. Ms. Kozlosky stated regarding the area of System, she stated SAP has been operational for 8 years and it is time to review its processes. She stated the phone system needs to be upgraded and they understand it is in the process of being replaced. She stated they also recommend performance metrics. She stated the Board recently approved an agreement with J. D. Power & Associates which is a good approach to gaining information regarding BWWB customers. She then gave an overview of a roadmap to implement recommendations and provided an example of what reorganizing the Customer Care Department would look like. She indicated she does not recommend implementing functions until a customer service leader is in place. She stated this will allow time for this person to build their team. She recommended strengthening team lead roles and set expectations for promotions.

Subsequently, Director Munchus questioned Ms. Kozlosky's experience with J. D. Power. Ms. Kozlosky responded she has worked in this industry for 30 years and she stated J. D. Power has comprehensive surveys now for many industries. She states she uses them all the time in her studies. Director Taylor questioned who owns the processes and who will make sure these recommendations are properly implemented. Ms. Kozlosky responded that is still to be determined and the Ascent Group will be working with the leadership on an implementation plan. She stated this will be decided before the project starts, and she would assume a project manager would own the process. The General Manager stated the original agreement with the Ascent Group did not include an implementation plan. He stated to implement their recommendations, staff will need to come back to the Board with a scope of work. Chairwoman Huffman questioned the timeframe for this project. The General Manager responded there is \$300,000.00 in the budget and near-term items would be determined to set a scope with a year's worth of work. He stated if the Board approves of this, staff will come back within a month. Director Ward questioned whether all of the recommendations could be implemented this year. The General Manager responded no; he stated the Manager of Customer Care is included in the budget.

Following, the Committee moved to the third item on the agenda, Request Committee to hear a presentation from Human Capital Services on the Organizational Assessment project; and to recommend to the Board to approve the FY 2024 budget items related to the Organizational Assessment recommendations. Andrea Lewis, Human Capital Services, stated she has been working closely with the Ascent Group. She stated Human Capital Services has been analyzing operations and services, processes, communications between departments, and data. She stated BWWB began self-assessment work and made commitments to the capacity and work that could be performed in relation to its strategic plan. She gave an overview of the current state of the BWWB organizational chart. She stated her team met with all department managers and those who had institutional knowledge. She then gave an overview of strengths for BWWB to build on and areas of opportunity. Ms. Lewis then gave an overview of recommendations in the areas of Data, Technology, People, and Processes. She stated recommendations will also cover Phase 1 – Organization Chart, and Phase 2 – Asset Management and Installation. She stated she recommends adding an Assistant General Manager of Administration to the Executive Department who would be responsible for people, communications, and customer functions; an Intergovernmental Affairs position for legislative communications; and the PMO Department would move from reporting to the General Manager to have them align with the Business and Information Systems. She stated the Assistant General Managers, Intergovernmental Affairs, and Internal Audit would report to the General Manager. Ms. Lewis recommended the Distribution Department be organized to be more effective and efficient that will align with Customer Care. She stated at this time there are no recommended changes to Engineering and Maintenance; however, there are recommendations related to processes and she gave an overview of those. She stated recommendations related to Finance and Administration are to become streamlined into Finance and Business Information Systems. She showed an organizational chart of what the recommended changes would look like. She recommended there be a Senior Manager of Business and Information Systems. She stated the Comptroller position would move to align with technology; therefore, they would also be a part of the Business and Information Systems. She stated the PMO Department would need to align with technology. Ms. Lewis then gave an overview of Accounting Department recommendations. She stated the manpower in this department does not align with data processing. She indicated some positions need to be reclassified. She indicated the Assistant General Manager would be responsible for money and information. Ms. Lewis stated the Assistant General Manager of Administration would have the Human Resources Department report to them. She stated recommended changes in Human Resources would include a Senior Manager of HR

Administration and a Senior Manager of Talent Management. She recommended compliance training be modified from every 3 years to annually. She indicated it is best practice to review critical policies, and safety guidelines. She stated she also recommends a Customer Care position just like the Ascent Group's recommendation. She stated she highly recommends the Public Relations Department report to the Assistant General Manager of Administration. She gave an overview of minor recommendations for the Operations and Technical Services Division. Chairwoman Huffman stated she is not looking to approve this item; however, she wants conversations to take place with BWWB Staff and Employees, the Employee Association, and Ms. Lewis to determine how to move forward.

Next, the General Manager stated there was no vote regarding agenda item 2. Board Attorney Mark Parnell questioned whether there is a specific recommendation from the Committee. Chairwoman Huffman stated she recommends moving agenda item 2 to the full Board for approval for the first meeting in April 2024. Chairwoman Huffman then made a motion to approve the item and Director Ward seconded the motion. On a motion duly made and seconded, the item was approved.

Next, the General Manager stated there was no vote regarding agenda item 3. He clarified the Committee only wanted to hear a presentation regarding this item. Chairwoman Huffman stated she would like for this item to come back in 30 days and looks to add this item to the Board agenda for the first meeting in May 2024. She stated once conversations are held with staff, the item will need to come back to the Board with recommendations.

Following, the Committee moved to the fourth item on the agenda, Request Committee to discuss the proposed Legislative Agenda for the upcoming legislative session; and to recommend to the Board for approval. Director Ward questioned whether adding local preference to the Alabama Bid Law applies to any county BWWB does business in or only Jefferson County. The General Manager stated a local preference zone would be created with legal boundaries. Director Ward then made a motion to approve the item and Director Henderson seconded the motion. Director Burbage stated there is already some local preference established. Mr. Parnell stated these items were on the Legislative Agenda last year; however, this preference applies to adding minorities and women businesses in the bid law. Chairwoman Huffman stated once the legislative session ends, she would like the General Manager to have conversations with the Board's lobbyists to discuss plans for 2025. She indicated this will avoid creating a legislative agenda on the back end. On a motion duly made and seconded, the item was approved.

Following, the Committee moved to the fifth item on the agenda, Request Committee to recommend to the Board to approve a sponsorship of the Alabama/Mississippi Water Joint Annual Conference in the amount of \$5,000.00. Director Ward made a motion to approve the item and Director Burbage seconded the motion. The General Manager stated BWWB is an active member of the AL/MS Section, and he indicated a BWWB employee is Chair of the section. He stated this is an opportunity for BWWB to showcase its services to all water utilities in the State. On a motion duly made and seconded, the item was approved.

Next, Committee Chairwoman Huffman then made a motion to adjourn the meeting and Director Ward seconded the motion. The motion was approved by unanimous vote and the meeting was adjourned at 2:00 p.m.

/s/

Michael Johnson
General Manager

/s/

Tereshia Huffman
Executive Committee Chairwoman

/s/

William R. Burbage
Director

/s/

Tom Henderson
Director

/s/

Larry Ward
Director