

**MINUTES OF THE REGULAR MEETING OF DIRECTORS  
OF THE WATER WORKS BOARD OF THE CITY OF BIRMINGHAM  
April 12, 2018**

The regular meeting of the directors of The Water Works Board of the City of Birmingham was held on Thursday, April 12, 2018 at 9:00 a.m., at 3600 First Avenue North, Birmingham, Alabama.

The following Directors were present: Tommy Joe Alexander, Deborah Clark, Brenda J. Dickerson, William "Butch" Burbage, Jr., Ronald A. Mims, Brett A. King, Sherry W. Lewis, George Munchus and William R. Muhammad.

Inasmuch as all Directors were present, a quorum was in attendance.

The meeting was also attended by: Mac Underwood, General Manager; Darryl Jones, Assistant General Manager of Operations and Technical Services; Sonny Jones, Assistant General Manager of Engineering and Maintenance; Tammy Wilson, Executive Assistant to Assistant General Managers, Sonny Jones and Darryl Jones; Grace Amison, Executive Assistant to the Board of Directors; Michael Griffin, George Anderson, Barry Williams, Stephen Franks, Terrell Jones, Michael Parker, Melvin Staples, Keith Witt, Shirley Russell, John Dansby, Derek Robinson, Venita Bias, Pam Phillips and Vickie Huggins, Board Employees; K. Mark Parnell, Parnell Thompson, LLC; Tommy Palladino and Dorian Kendrick, Agency 54; Norman Hill, Volkert & Associates, Inc.; Brian Ruggs and Patrick Flannelly, ARCADIS; Nelda Thompkins, Birmingham Water Works Board retiree; Chandra Abesingha, C E & Associates, Inc.; Olivia Martin, Attorney General's Office; Matthew Arrington, Terminus Municipal Advisors; David Merrida, Birmingham Construction Industry Authority; Bo Daniels, Loop Capital Markets; John E. Roanoke; Yvonne Davis, Yvonne Green-Davis, P.C.; Roderick Cooks, Esq.; Byron R. Perkins, Esq.; two City of Birmingham Police Officers.

Chairman, Tommy Joe Alexander called the meeting to order at 9:00 a.m. and welcomed the meeting body. General Manager, Mac Underwood called on Information Technology Manager, George Anderson to open the meeting with prayer.

Following, was a request for the Board to adopt resolutions authorizing retirement benefits from the Board's Retirement Trust Fund for James Holsomback, Maintenance Mechanic II, Electrical and Maintenance Department for 35 years and 3 months of service, effective May 1, 2018, as set forth in agenda item 1. GM Underwood stated Staff recommended approval of the item. On a motion duly made and seconded, the following resolutions were adopted:

"WHEREAS, James Holsomback, an employee of The Water Works Board of the City of Birmingham, is retiring, effective May 1, 2018, after 35 years and 3 months of service with the Board; and

WHEREAS, management has informed the Board of James Holsomback's efficiency, reliability, and loyal service which contributed to the effective operation and growth of The Water Works Board of the City of Birmingham; and

WHEREAS, James Holsomback, leaves behind a record which deserves a sincere word of gratitude for a job well done; and the Board does hereby express its best wishes for many happy years ahead.

NOW, THEREFORE, BE IT RESOLVED, By the Board of Directors of the Water Works Board of the City of Birmingham, James Holsomback is hereby commended for his efficiency, reliability, and loyal service to the Board.

BE IT FURTHER RESOLVED, that in recognition of James Holsomback's services to the Board, a copy of this resolution be spread upon the minutes of The Water Works Board of the City of Birmingham and an official resolution presented to Mr. Holsomback.

Resolution No. 7754 is hereby adopted by unanimous vote.”

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“WHEREAS, James Holsomback, an employee of The Water Works Board of the City of Birmingham ("the Board"), is retiring, effective May 1, 2018, at an age of 55; and

WHEREAS, James Holsomback has 35 years and 3 months of continuous service with the Board at his retirement date, and, in accordance with the terms of the Trusteed Pension Plan, Mr. Holsomback is entitled to receive a monthly Retirement payment from the Board's Retirement Trust Fund in the amount of \$4,118.01; and

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 Dr. George Munchus and seconded by Mr. Ronald A. Mims, that the Trustee be, and is hereby instructed to pay monthly benefit payments of \$4,118.01 to Mr. Holsomback, beginning May 1, 2018, from the Board's Retirement Trust Fund, in accordance with the terms of the Pension Plan.

Resolution No. 7755 is hereby adopted by unanimous vote.”

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Next, was a request for the Board to approve minutes from Board Meetings, as set forth in agenda item 2. GM Underwood indicated Staff recommended minutes for approval from Regular Board of Directors' Meetings held on October 12, 2017, December 7, 2017, December 21, 2017, January 11, 2018 and January 25, 2018 and a Regular Board of Director' Meeting and Public Hearing held on November 9, 2017. GM Underwood stated he sent out a copy of the Board policy regarding minutes and it states the minutes from Board and Committee meetings shall be completed within 30 to 60 days. GM Underwood stated all minutes will be brought up to date by April 26<sup>th</sup> and we will stay within the policy going forward. Director Lewis stated she would like to table approving the minutes because she had not had time to review all of the sets of minutes, adding that she may have some questions. 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. Sherry W. Lewis and seconded by Dr. George Munchus, that the Board hereby approves minutes of the Regular Board of Directors' Meetings held on

October 12, 2017, November 9, 2017, December 7, 2017, December 21, 2017, January 11, 2018 and January 25, 2018.

Resolution No. 7756 is hereby tabled by unanimous vote.”

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Following, the Board was asked to approve Director King’s mileage expense reimbursement for March 2018 in the amount of \$135.16, as set forth in agenda item 3. On a motion duly made and seconded, the following resolution was adopted:

“WHEREAS, the Board of Directors has adopted a Travel Expense Reimbursement Policy, as amended; and

WHEREAS, in accordance with Act No. 2015-164, approval is requested for the following mileage expense reimbursement.

NOW, THEREFORE, BE IT RESOLVED, on a motion made by Mr. William “Butch” Burbage, Jr. and seconded by Dr. George Munchus, that the following board member(s) be reimbursed for his mileage expense reimbursements as follows:

- Brett King for mileage expense reimbursement for March 2018 in the amount of \$135.16 (as listed on the attached Travel and Business Expense Reimbursement).

Resolution No. 7757 is hereby adopted by a roll call vote, as follows: Director Alexander, Aye; Director Clark, Aye; Director Dickerson, Aye; Director Burbage, Aye; Director Mims, Aye; Director Lewis, Aye; Director Munchus, Aye; Director Muhammad, Aye; and Director King, Abstain.”

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Next, was a request for the Board to approve payments of invoices, as set forth in agenda items 4.1 to 4.4. GM Underwood indicated Staff had reviewed the items and recommends them for payment. A motion was made by Director King and seconded by Director Munchus to approve agenda items 4.1 to 4.4 however; no vote was taken. Director Muhammad stated he had a question about item 4.4, the Parnell Thompson, LLC invoice and he asked that this invoice be voted on separately. 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. William R. Muhammad and seconded by Dr. George Munchus, that the Board hereby authorizes staff to execute payments to the following:

- |     |  |                    |
|-----|--|--------------------|
| 4.1 | <u>Carl Dalton NeSmith, Jr., LLC</u><br>For retainer fee for April 2018                      | <u>\$ 500.00</u>   |
| 4.2 | <u>Terminus Municipal Advisors, LLC</u><br>For professional services rendered for March 2018 | <u>\$ 6,500.00</u> |

4.3 The Jones Group, LLC  
For professional services rendered for April 2018 \$ 7,500.00

Resolution No. 7758 is hereby adopted by unanimous vote.”

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Following, Director Muhammad asked if it was possible for the Board to get a break down of the general fees on the Parnell Thompson, LLC invoice considering it is about a third of the monthly invoice amount. GM Underwood stated he received an email from Director Muhammad regarding this and his response was that the Board could come by his office or the Board Assistant’s office to review the invoice in greater detail at any time. GM Underwood stated typically the details could contain an approach in a case for instance, therefore detail is not included in the summary. Attorney Parnell explained the summary is prepared for on-going matters such as conversations with Board Members and Staff and various meetings which fall under general fees. There are other matters involving specific cases that will have their own file according to Attorney Parnell. Director Muhammad stated he did not like the idea of having to come to the Birmingham Water Works Board (BWVB) office to review this material and asked what would keep this information from getting out if a Board Member does review it. Director Lewis stated this is proprietary information and she stated she hoped as a Board Member this information would not be shared. Director Lewis stated she was not in favor of emailing this type of information. Director Muhammad responded that it was being treated as if it is a “black file”. Attorney Parnell explained that it has been Parnell Thompson’s standing offer for any Board Member who has questions to call or email them and they will be happy to meet with any Board Member regarding their invoice. Director Dickerson asked attorney Parnell what percent of their work is for BWVB. Attorney Parnell stated he did not have that figure, adding that BWVB is a major client, but not their only client. Director Muhammad asked if it is true that there is a BWVB handbook that has a progressive disciplinary procedure. Director Lewis asked how this question is related to Parnell Thompson’s invoice. Director Muhammad stated he believed it could be tied together. Director Muhammad asked whether the attorneys tell Human Resources (HR) to charge a person with a certain step on the disciplinary policy. Attorney Parnell responded no. The HR department and managers determine a course of action. The attorneys advise on whether the action is legally defensible attorney Parnell stated. GM Underwood stated he was glad this item came up because he would like to schedule a Human Resources Committee Meeting to discuss these policies with the Board. As set forth in agenda item 4.4, GM Underwood asked for approval. 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. Brett A. King and seconded by Dr. Brenda J. Dickerson, that the Board hereby authorizes staff to execute payments to the following:

4.4 Parnell Thompson, LLC  
For professional services rendered for March 2018 \$105,608.20

Resolution No. 7759 is hereby adopted by unanimous vote.”

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Next, was a request for the Board to authorize Staff to take bids to replace the current server environment hardware which provides the memory processing capability by issuing a bid for pricing on the Cisco UCS product line and the HP Synergy product line at an estimated cost of \$250,000 - \$300,000 based upon the amount of memory obtained, as set forth in agenda item 5. 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 Dr. George Munchus and seconded by Dr. Brenda J. Dickerson, that the Board hereby authorizes staff to take bids for replacing the current server environment hardware which provides the memory processing capability by issuing a bid for pricing on the Cisco UCS product line and the HP Synergy product line at an estimated cost of \$250,000 - \$300,000 based upon the amount of memory obtained.

Resolution No. 7760 is hereby adopted by unanimous vote.”

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Following, was a request for the Board to ratify Emergency Work awarded to B & H Contracting Inc. to install a 2-inch water line and services in Green Acres Subdivision on Avenue O between Pineview Road and 58th Street Southwest at an estimated cost of \$13,720.00, as set forth in agenda item 6. GM Underwood stated Jefferson County was doing some major work in the Green Acres area and the sewer contractor tore out some of the water main. BWWB needed to put in a temporary main under a declared emergency. Director Munchus stated he would talk off line about a question he had. 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 Dr. George Munchus and seconded by Ms. Deborah Clark, that the Board hereby ratifies Emergency Work awarded to B & H Contracting Inc. to install a 2-inch water line and services in Green Acres Subdivision on Avenue O between Pineview Road and 58th Street Southwest at an estimated cost of \$13,720.00.

Resolution No. 7761 is hereby adopted by unanimous vote.”

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Next, Director Mims asked if items 6 and 7 would be like on-call work. GM Underwood responded they were similar. Director Muhammad asked what would be considered a declared emergency. GM Underwood explained that for item 6, the Green Acres work, only one person responded. On item 7, the Homewood work received three quotes and Staff went with the lowest quote which was Rast Construction, Inc. Attorney Parnell explained that under the public works law, the advertising is suspended if there is an emergency. An emergency occurs when the public’s health, safety and convenience are at stake. These two projects were Public Works projects that were under \$50,000.00, so they did not have to be bid any way, according to Attorney Parnell. GM Underwood had the authority to approve these two projects. If something is over \$50,000.00, it will be ratified on the following Board Meeting agenda. Director Muhammad asked if any Board Members received information on these emergencies prior to today. No one responded.

Distribution Manager, John Dansby explained the process of declaring an emergency. Director Munchus asked if the same process was used on the Green Acres item and the Homewood item. Mr. Dansby responded that they were both emergencies. Director Mims asked if in-house crews could have performed the work. Mr. Dansby responded that he believed it was too deep. Assistant General Manager, Sonny Jones referred to photographs from Diligent Books of the work at Green Acres and explained that this work went through System Development and Doug Stockham. BWWB had been called out to Green Acres 10 times in 3 days to repair leaks prior to this emergency work according to AGM Sonny Jones. AGM Sonny Jones talked about the dangers of the Green Acres project and the number of violations he noticed from the photographs. The request for the Board to ratify Emergency Work awarded to Rast Construction Inc. to repair a water main break at 431 Cliff Boulevard and Morris Boulevard in Homewood, Alabama on a 6" and 8" water main causing flooding of personal property and loss of water services to several residents in the area at an estimated cost of \$9,800.00, as set forth in agenda item 7 was brought forward. 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. William R. Muhammad and seconded by Dr. George Munchus, that the Board hereby ratifies Emergency Work awarded to Rast Construction Inc. to repair a water main break at 431 Cliff Boulevard and Morris Boulevard in Homewood, Alabama on a 6" and 8" water main causing flooding of personal property and loss of water services to several residents in the area at an estimated cost of \$9,800.00.

Resolution No. 7762 is hereby adopted by unanimous vote.”

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Following, was a request for the Board to hear a presentation on Customer Account Analysis and Accounts Receivables as of March 31, 2018, as set forth in agenda item 8. A copy of the presentation was distributed among the Board Members (a copy of which is on file with the Board meeting book). Customer Support Manager, Michael Parker discussed the information in the presentation. Delinquent accounts were reduced from May 26, 2017 to March 31, 2018. In the 31 to 60 days past due category; the number of customers dropped from 10,144 to 5,019, which is a 51% reduction. In the 61 to 90 days past due category; the number of customers dropped from 3,393 to 1,928, which is a 57% reduction. In the 91 to 120 days past due category; the number of customers dropped from 2,188 to 281, which is an 87% reduction. In the over 120 days past due category; the number of customers dropped from 8,093 to 251, which is a 97% reduction. The overall number of delinquent accounts reduced from 23,817 in May 2017 to 7,015 as of March 2018. Director Munchus asked how many customers currently do not have water. Mr. Parker responded off the top of his head, he would say about 5,000 to 6,000 customers do not have service. Director Muhammad asked how long they have been without water. Mr. Parker explained that they are not all the same customers. Only 532 customer accounts are over 90 days past due Mr. Parker stated. Accounts receivable dollars reduced from \$9,559,902.00 in May 2017 to \$1,932,586.00 as of March 2018. The dollar amount of delinquent accounts receivables over 90 days past due reduced from \$6,658,728.00 in May 2017 to \$322,222.00 as of March 2018. Mr. Parker stated Customer Support Service has been working 500 accounts that are over 90 days past due and that they are now focused on accounts that are 60 to 90 days past due. Eventually the focus will be on accounts that are 30 to 60 days past due according to Mr. Parker. Mr. Parker

explained that the trigger amount has been raised from \$50.00 to \$100.00 to be collected on. Some discussion occurred regarding a very small percentage of delinquencies being written off. Director Munchus stated he knew this was Capitalism, but asked what BWWB was going to do about these 5,000 to 6,000 customers without water. Mr. Parker explained that a customer that cannot pay a 2-month bill or 3-month bill, then allowing them to reach a 5-month past due bill is not helping the customer. There are door hanger messages, installment payments and payment arrangements to help the customer. Director Lewis asked what BWWB was supposed to do as a business, adding we have an H2O Foundation for those who meet the criteria. Some discussion occurred regarding increasing the amount the H2O Foundation has available for use. The BWWB Customer Support Service Team was present and introduced. Director Muhammad asked if he could get a five-year summary on delinquent accounts. IT Manager, George Anderson stated that would be possible back to 2015. We are performing better today historically under SAP than we ever have been, Mr. Parker stated. Business Systems Manager, Barry Williams explained it took a month to analyze anything from the Otis System, whereas we can analyze daily under SAP. The collection team has worked tirelessly to get the numbers down according to Mr. Williams. GM Underwood shared a letter (a copy of which is on file with the Board meeting book) from the City of Hoover Mayor, Frank V. Brocato, thanking Staff for putting together a presentation for the citizens of Hoover and answering any questions its citizens had. Director Dickerson asked if Mayor Woodfin had invited the BWWB to any of the nine districts in the City of Birmingham. Mr. Parker stated he and Director Lewis were invited and attended many neighborhood meetings and presented information. Director Lewis thanked the team, adding she worked with them in their efforts. Director Lewis thanked Rick Jackson for the communications part of the endeavor. We are moving in the right direction by changing lobby hours and there is still work to be done Director Lewis stated. GM Underwood thanked Director Lewis adding she implemented ideas that aided in getting these good results. Director Munchus asked if there is a law capping the amount that can be written off. GM Underwood stated he wants to write off as little as possible. The point is that we are down where we are below numbers we have ever had on delinquent accounts GM Underwood stated.

Next, Director Dickerson explained that GM Underwood had provided the Board with a report of the checks he had authorized for the past 5 years. Director Dickerson asked who generated the report. GM Underwood responded that either Barry Williams or Larry Hollings had provided the information. Director Dickerson asked for the policy on check authorization limits. Two people always sign checks unless it goes through the printing process. GM Underwood stated he provided this information in the policy, but Assistant General Managers can sign up to \$7,500.00. Managers can sign up to amounts less than \$2,500.00. GM Underwood described a scenario where a contract was approved by the Board and as the General Manager, he can authorize checks up to that amount. GM Underwood stated he has asked Staff to put together the approval payment process for a later Board meeting. Director King stated the spirit was leading him to speak and he felt as if Staff sometimes feels they are in front of a firing squad a lot of the time he wanted to state publicly that he had confidence in Staff, he trusts them and they are doing a good job. Director Dickerson stated the spirit was leading her and she is curious and it is not about being shot at. Chairman Alexander stated he had managed a lot of people and he would put this Senior Staff above any.

Director Munchus made a motion to enter an Executive Session. Directors Munchus, Muhammad and Clark along with Attorney Parnell exited the meeting at 10:04 a.m. They re-

entered the meeting at 10:10 a.m. Attorney Parnell certified that there was a need to discuss pending litigation and the general reputation and character of certain employees, but not to discuss anyone's job performance as this cannot be discussed in an Executive Session. He indicated said session would last about one hour. Director Munchus indicated that there would be some action taken after said session.

Following, on a motion duly made and seconded, a roll call vote was called and 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. William R. Muhammad and seconded by Dr. Brenda J. Dickerson, that the Board hereby approves an Executive Session to discuss pending litigation and to discuss certain employees.

Resolution No. 7763 is hereby adopted by a roll call vote, as follows: Directors Alexander, Clark, Dickerson, Lewis, Munchus, Mims, Muhammad and King voted yes; and Director Burbage voted no.”

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Next, at 11:19 a.m. the Board came out of the Executive Session. Director Clark read the below resolution. On a motion duly made and seconded, a roll call vote was called and 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 Dr. Brenda J. Dickerson and seconded by Dr. George Munchus, that the Board hereby approves expanding the scope of services with Maynard Cooper Gale, LLC, to conduct an investigation relative to a violation or violations of human resources policies of BWWB by a member or members of management at a cost not to exceed \$15,000.00.

Resolution No. 7764 is hereby adopted by a roll call vote, as follows: Directors Clark, Dickerson, Lewis, Mims, Munchus and Muhammad voted yes; and Directors Alexander, Burbage and King voted no.”

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Following, Director Dickerson made a motion to freeze all hiring and firing for at least 90 days or until the investigation is complete and Director Munchus seconded the motion. No vote was taken. Director Clark recommended an amended motion to have all hiring and firing to be cleared through the Board. Director Alexander stated he did not feel the Board should be involved in these matters. The Board just added new pipe crews and this will interfere with that as well according to Director Alexander. Director Muhammad stated he did not want anyone being targeted that brings some information to the Board. AGM Darryl Jones stated we have had several employees retire recently and there is a lot of activity with these vacancies. Director Alexander stated he felt it should be up the management to do the hiring. Director King stated he would be in favor of a freeze on terminations only. On a motion duly made and seconded, a roll call vote was called and 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 Dr. Brenda J. Dickerson and seconded by Dr. George Munchus, that the Board hereby requests that all hiring and termination be cleared before the Board for a 90-day period, effective April 12, 2018.

Resolution No. 7765 is hereby adopted by a roll call vote, as follows: Directors Clark, Dickerson, Lewis, Munchus, Mims and Muhammad voted yes; and Directors Alexander, Burbage and King voted no.”

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As there was no further business before the Board, the meeting was adjourned at 11:29 a.m.

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/s/  
Tommy Joe Alexander  
Chairman/President

Attest:

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/s/  
William “Butch” Burbage, Jr.  
Secretary-Treasurer