

**MINUTES OF THE REGULAR MEETING OF DIRECTORS
OF THE WATER WORKS BOARD OF THE CITY OF BIRMINGHAM
January 31, 2019**

The regular meeting of the Directors of The Water Works Board of the City of Birmingham was held on Thursday, January 31, 2019 at 11:30 a.m., at 3600 First Avenue North, Birmingham, Alabama.

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

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

The meeting was also attended by: Michael Johnson, Interim General Manager and Assistant General Manager of Finance and Administration; 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; George Anderson, Barry Williams, Rick Jackson, Steve Franks, Geoff Goodwin, Ben Sorrell, Michael Griffin, Joyce Dupree, Shirley Russell, Marcus Hunter and Terrell Jones, Board Employees; Mark Parnell, Parnell Thompson, LLC; Kelvin Howard, Kelvin Howard Attorney; Martha Bozeman, Tommy Palladino and Corena Vasquez, Agency 54; Brian Ruggs, ARCADIS; Matthew Arrington, Terminus Municipal Advisors; Chandra Abesingha, CE & Associates, Inc.; Theo Johnson, Volkert & Associates; Olivia Martin, Attorney General Office; Jeff Drew, S.S. Nesbitt & Company Inc.; Shirley Epstein, John Kalinowski and Dr. Babay Felix; HomeServe USA; Ken King, City of Birmingham; Isaac Ballard, BWWB retiree; Jacinta Clark.

Board Chairman Butch Burbage called the meeting to order at 11:31 a.m. Information Technology Manager, George Anderson opened the meeting with prayer.

Next, Interim General Manager Johnson asked the Board to adopt a resolution commending Susie Cooper as the Employee of the month for January 2019, as set forth in item 1.1. Rhonda Lewis, Training and Organizational Officer, stated that Susie Cooper assisted an elderly customer outside the Payment Center who had fallen. Ms. Cooper coordinated with co-workers and the Safety Department and administered first-aid. Ms. Cooper was congratulated by the Board and Chairman Burbage presented her with a check. 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 Mr. Brett A. King, that the Board hereby recognizes and commends Susie Cooper, as the Finance and Administration Division's Employee of the Month for January 2019, on having achieved outstanding job performance, attendance, and work above expected levels;

BE IT FURTHER RESOLVED, that a copy of this resolution be spread upon the minutes of the Water Works Board of the City of Birmingham and a copy presented to Susie Cooper.

Resolution No. 8006 is hereby adopted by unanimous vote.”

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Following, the Board was asked to adopt a resolution commending Kristie Curtis, Meredith Hollins, Nancy Lambert, Tilden Leigh, Audra Taylor, Jaquice Boyd, Rick Jackson and Dana Richardson as Employees of the Year for 2018, as set forth in agenda item 1.2. Rhonda Lewis explained that the team organized to create a kick-off event for Go365, which encourages employees to lead a healthier lifestyle and build points in the program. Due to this team’s efforts, the percentage of employees engaged in Go365 doubled in 2018. The group was congratulated by the Board and Chairman Burbage presented them with a check. Interim General Manager Michael Johnson added that the Board has two programs; the Abacus Program and the Go365 Program which help to drive down healthcare costs. 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 recognizes and commends Jaquice Boyd as the Engineering and Maintenance Division’s Employee of the Year; Rick Jackson and Dana Richardson as the Executive Department’s Employees of the Year; and Kristie Curtis, Meridith Hollins, Nancy Lambert, Tilden Leigh, and Audra Taylor as the Finance and Administration Division’s Employees of the Year for 2018, on having achieved outstanding job performance, attendance, and work above expected levels;

BE IT FURTHER RESOLVED, that a copy of this resolution be spread upon the minutes of the Water Works Board of the City of Birmingham and a copy presented to the employees named above.

Resolution No. 8007 is hereby adopted by unanimous vote.”

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Next, the Board was asked to adopt a resolution establishing its committees, effective January 31, 2019, with appointed presiding Board committee members, senior executive management and consultants to serve on the respective committees, as set forth in agenda item 2. Director Lewis stated she needed to check her calendar regarding times. Chairman Burbage stated the times would be set later. Director Muhammad stated with much regret, that he felt the position of Board Chairman is disproportionate in representing the city of Birmingham. Director Alexander responded that 60% of the Board’s customers live outside the city of Birmingham. Some more discussion occurred. Director Alexander asked Interim GM Johnson to get those figures for the Board. Some discussion occurred regarding how the Birmingham Water Works Board was established. Attorney Parnell stated that if the debt is paid off, the company reverts to the city of Birmingham. On a motion duly made and seconded, the following resolution was adopted:

“WHEREAS, on May 8, 1997, The Water Works Board of the City of Birmingham (“The Water Works Board”) adopted certain committees for the purpose of working with staff in certain areas in helping the Board to establish overall policies.

WHEREAS, on January 31, 2019, on a motion duly made by Dr. Brenda J. Dickerson and seconded by Dr. George Munchus, that The Water Works Board hereby approves and establishes certain Board committees and membership on said committees.

NOW, THEREFORE, BE IT RESOLVED that The Water Works Board's Committees and respective members shall be as reflected on the list of Board Committees attached hereto these minutes.

Resolution No. 8008 is hereby adopted by Directors Burbage, Alexander, King, Mims, Clark and Lewis. Directors Dickerson and Muhammad voted No. Director Munchus Abstained."

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Following, the Board was asked to approve minutes of Regular Board of Directors' Meetings from September 26, 2018, October 11, 2018, November 8, 2018, November 20, 2018, November 27, 2018 and December 5, 2018, as set forth in agenda item 3. Interim GM Johnson pointed out that the approval of the minutes of December 20, 2018 would catch the Board meeting minutes up through 2018. Director King thanked Interim GM Johnson for getting the minutes caught up as the Board had asked. 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 approves minutes of the Regular Board of Directors' Meeting held on September 26, October 11, November 8, November 20, November 27 and December 5, 2018.

Resolution No. 8009 is hereby adopted by unanimous vote."

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Next, the Board was asked to approve payment of invoices, as set forth in agenda items 4.1 through 4.3. The invoices were voted on separately beginning with Raftelis Financial Consultants, Inc. for professional services performed in December 2018 in the amount of \$17,573.50, as set forth in agenda item 4.1. 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. Tommy Joe Alexander and seconded by Dr. Brenda J. Dickerson, that the Board hereby authorizes staff to execute payments to the following:

4.1	<u>Raftelis Financial Consultants, Inc.</u>	
	For professional services rendered for December 2018	<u>\$ 17,572.50</u>

Resolution No. 8010 is hereby adopted by unanimous vote."

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Following, the Board was asked to approve an invoice from Agency 54 for professional services performed in November 2018 in the amount of \$25,000.00, as set forth in agenda item 4.2. 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 Mr. William R. Muhammad, that the Board hereby authorizes staff to execute payments to the following:

4.2 Agency 54

For professional services rendered for November 2018

\$ 25,000.00

Resolution No. 8011 is hereby adopted by unanimous vote.”

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Next, the Board was asked to approve an invoice from Parnell Thompson, LLC for professional services performed in December 2018 in the amount of \$76,853.95, as set forth in agenda item 4.3. Director Muhammad stated he had a question about the Startley General Contractors lawsuit and asked if this could be discussed openly. Attorney Parnell stated Startley has been trying to get Judge Vance recused from the case which has generated more work. Attorney Parnell stated if this discussion goes into much more detail, the Board would need to go into Executive Session. Director Clark stated she would like the Board to be brought up to speed. Director Alexander stated he would like to discuss another matter in an Executive Session also. Director Munchus stated he had a matter under New Business. 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 Ms. Deborah Clark, that the Board hereby authorizes staff to execute payments to the following:

4.3 Parnell Thompson, LLC

For professional services rendered for December 2018

\$ 76,853.95

Resolution No. 8012 is hereby adopted by unanimous vote.”

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Following, the Board was asked to authorize the Interim General Manager and/or the Assistant General Manager to accept the Guaranteed Investment Contract bids compiled by mGIC exceeding 2.10% and to take all actions and execute documents and certificates as may be necessary to consummate the transactions contemplated therein. Interim GM Johnson stated if the interest rate is above 2.10% this will allow us to go ahead and accept a bid tomorrow. On a motion duly made and seconded, the following resolution was adopted:

“WHEREAS, The Water Works Board of Birmingham (the “Board”) has issued its Senior Water Revenue Bonds, Series 2018 Bonds and, in connection therewith, has established a Construction Fund; and

WHEREAS, there are certain monies related to the Series 2018 Bonds Construction and Fund, (hereinafter referred to as the “Invested Funds”) that will be in need of being invested; and

WHEREAS, Municipal Government Investors Corp. (“mGIC”) is a company that specializes in the arrangement of Investment Agreements for the investment of such bond proceeds and fund balances that occur in conjunction with the issuance and ongoing administration of municipal bond issuance and was approved by the Board as bidding agent at its’ Regular Board of Directors meeting on December 20, 2018 to bid a new Investment Agreement to significantly enhance the financial position of the Board; and

WHEREAS, the Water Works Board has deemed that the use of Investment Agreements for the investment of such Funds is permitted under its Indenture and has deemed that the use of Investment Agreements are advantageous and in the best interest of the Water Works Board;

NOW, THEREFORE, BE IT RESOLVED on a motion duly made by Dr. George Munchus and seconded by Dr. Brenda J. Dickerson, the Board does hereby approve, authorize, ratify and confirm as follows:

1. The Board’s Interim General Manager and or Assistant General Manager is hereby authorized to accept bids exceeding 2.10% and is authorized to take all actions and execute such documents and certificates as may be necessary to consummate the transactions contemplated therein.

Resolution No. 8013 is hereby adopted by unanimous vote.”

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Next, the Board was asked to hear a presentation from HomeServe USA. Rick Jackson, Public Relations Specialist introduced Shirley Epstein, Director of Account Management, who gave a presentation. A handout of the presentation was distributed to the Board (a copy of which is on file with the Board Meeting book). Ms. Epstein stated HomeServe is the largest provider of home repair services in the U. S., serving customers for over 15 years. HomeServe partners with over 600 utilities and cities and performs a repair every 75 seconds. HomeServe has an A+ rating from the Better Business Bureau. Ms. Epstein discussed various Service Plans. Director Alexander asked about septic tanks. Ms. Epstein responded they only cover the lines up to the septic tank. Ms. Epstein added they do not have enough contractors they trust to handle these types of repairs. Director Munchus stated there are some local people in Birmingham who handle these types of repairs. Ms. Epstein asked Director Munchus if he could pass that information along to her. Ms. Epstein talked about contractor recruitment. Director Muhammad asked about local minority contractors. Ms. Epstein responded they use four local contractors, two of which are African American-owned, and one is a woman-owned business. Ms. Epstein stated feedback from customers is important and she shared positive comments from customers. The Board’s products are offered at 15% less than the market price. HomeServe also partners with the H2O Foundation to perform 12 pro bono jobs per year. In 2018, 12 jobs totaling over \$14,100.00 in savings for Birmingham residents were completed. Marketing was discussed. Director Muhammad asked about Birmingham in comparison to other cities. Ms. Epstein stated some cities have more

participation. HomeServe has contributed \$1.9 million over four years to the Board's general fund according to Ms. Epstein. Rick Jackson stated HomeServe conducts its own marketing as part of the agreement. Director Lewis stated she was not happy with the marketing plan. Director Lewis mentioned the letters customers receive that are wordy and lengthy. Director Lewis stated she did not think the value is there. Director Lewis stated the Board's Customer Service reps are rewarded \$10.00 for each customer they sign up for the plan. Alternative advertising was discussed. Director Clark asked Ms. Epstein if she could bring back some marketing strategies. Director Dickerson asked if the letter could be made simpler adding that customers are not understanding what they are being offered. Ms. Epstein stated HomeServe would come back to the Board with a revised marketing strategy.

Following, under new business Director Munchus asked the Board to consider partnering with the Birmingham Business Alliance at the \$50,000.00 level next time. Director Dickerson asked if someone from the H2O Foundation could speak to the Board and give a report about what they do and how they do it. Director Burbage asked Interim GM Johnson to set something up. Director Munchus asked if former General Manager Mac Underwood was still associated with the organization. Interim GM Johnson stated in the past it has been the person in the General Manager position. Attorney Parnell stated the Board contributes \$100,000.00 per year.

Next, a discussion occurred regarding hiring a search firm to fill the General Manager position. Director Clark made a motion to hire a search firm and stated she had looked at search firms already. Some discussion occurred regarding whether the request for a search firm was a Board decision or one Board member's request. Director Muhammad stated he was questioning the procedure. Director Lewis stated in the past the Board has operated this way when they hired Attorney Ernie Cory. Board Members were asked by Chairman Burbage to present names of search firms by the next Board Meeting. 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. Deborah Clark and seconded by Ms. Sherry W. Lewis, that the Board hereby approves to hire a search firm to fill the General Manager position.

Resolution No. 8014 is hereby adopted by a roll call vote as follows:

Director Burbage, Yes; Director Alexander, Yes; Director Muhammad, No; Director King, Yes; Director Dickerson, No; Director Munchus, No; Director Clark, Yes and Director Lewis, Yes."

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Following, a list of potential meetings dates for February was distributed to the Directors to review and notify the Executive Assistant to the Board of Directors, Grace Amison of their preferences for the scheduling of those meetings. The proposed list is maintained by Ms. Amison. Chairman Burbage stated he would like to distribute a proposed schedule of meeting dates monthly. Chairman Burbage asked Ms. Amison to prepare the proposed meeting dates for each

month for distribution at the last meeting of the month. Director Lewis stated the Board takes into consideration a Board member's medical issue when scheduling meetings and asked for consideration to be taken for her commute coming from Highway 280 into town due to the heavy traffic flow between 8:00 a.m. to 9:00 a.m. Director Lewis suggested it could be a 9:30 a.m. meeting. Director King asked for an Engineering and Maintenance Committee Meeting to be set for Tuesday, February 19th at 11:30.

Next, Director Muhammad made a public apology to Director King stating he wrote a report with information that was confidential from Director King that he should not have. Director King thanked Director Muhammad and stated it takes a big man to do that adding if he is out of line he will do the same thing.

Following, Speaker Jeff Drew stated he was a partner with Dan Meadows, representing S. S. Nesbitt & Company providing Property and Casualty insurance for the Board. Mr. Drew stated his father was the first African American appointed to the Birmingham Water Works Board in 1972.

Next, the Board entered into an Executive Session to discuss threatening litigation after Attorney Parnell certified the request. Attorney Parnell indicated the session would take approximately 15 minutes and he did not expect any action to be taken. 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. Brenda J. Dickerson and seconded by Mr. William R. Muhammad, that the Board hereby approves an Executive Session to discuss threatening litigation.

Resolution No. 8015 is hereby adopted by unanimous vote.”

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Following, at 12:39 p.m. the Board, Senior Management and Board Attorneys entered into an Executive Session. At 1:03 p.m. Director King exited the Executive Session. At 1:23 p.m. Director Mims entered the Executive Session. At 1:29 p.m. a motion was made and seconded, to adjourn the Executive Session and the meeting reopened.

As there was no further business before the Board, a motion was duly made and seconded, and the meeting was adjourned at 1:29 p.m.

/s/
William "Butch" Burbage, Jr.
Chairman/President

Attest:

/s/
Ronald A. Mims
Secretary-Treasurer