

**MINUTES OF THE REGULAR MEETING OF DIRECTORS
OF THE WATER WORKS BOARD OF THE CITY OF BIRMINGHAM
September 11, 2019**

The regular meeting of the Directors of The Water Works Board of the City of Birmingham was held on Wednesday, September 11, 2019 at 8:30 a.m., at 3600 First Avenue North, Birmingham, Alabama.

The following Directors were present: William “Butch” Burbage, Jr., Tommy Joe Alexander, William R. Muhammad, Brenda J. Dickerson, Deborah Clark and Sherry W. Lewis. Directors arriving late were: Ronald A. Mims and George Munchus. Director not in attendance: Brett A. King. Director departing the meeting early: Sherry W. Lewis.

Inasmuch as six Directors were present when the meeting was called to order, a quorum was in attendance.

The meeting was also attended by: Michael Johnson, General Manager; Derrick Murphy, Assistant General Manager of Engineering and Maintenance; Sonny Jones, Interim Assistant General Manager of Operations and Technical Services; Tammy Wilson, Executive Assistant to Assistant General Managers, Derrick Murphy and Sonny Jones; Grace Amison, Executive Assistant to the Board of Directors; George Anderson, John Dansby, Barry Williams, Paul Lloyd, Joyce Dupree, Scott Starkey, Philip Henson, Cynthia Williams, Vanessa Williams, Anitra Hendrix, Board Employees; Mark Parnell, Parnell Thompson, LLC; Kelvin Howard, Kelvin Howard Attorney; Theo Johnson, Volkert & Associates; Michael Jones and Juanita Jones, Securities Capital; Phillip Moultrie, Valent Group; Kim Bivins, Birmingham Construction Industry Authority; Olivia Martin, Attorney General Office; Andy Mitchell, Agency 54; Chandra Abesingha, CE Associates; Matthew Arrington, Terminus Municipal Advisors, LLC; City of Birmingham Police Officer.

General Manager, Michael Johnson called the meeting to order at 8:33 a.m. Information Technology Manager, George Anderson opened the meeting with prayer. GM Johnson recognized September 11 and asked everyone to take a moment of silence.

Next, GM, Michael Johnson asked the Board to approve Director King’s mileage expense reimbursement for August 2019 in the amount of \$107.88, as set forth in agenda item 1. 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 Ms. Deborah Clark and seconded by Mr. William R. Muhammad, that the following board member(s) be reimbursed for his and/or her mileage expense reimbursements as follows:

- Brett A. King for mileage expense reimbursement for attending to business of the Board for August 2019 in the amount of \$107.88 (as listed on the attached Travel and Business Expense Reimbursement).

Resolution No. 8152 is hereby adopted by a roll call vote: Director Burbage, Yes; Director Clark, Yes; Director Dickerson, Yes; Director Mims, Absent; Director Alexander, Yes; Director Lewis, Yes; Director Munchus, Absent; Director Muhammad, Yes; and Director King, Absent.”

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Following, the Board was asked to approve minutes of Regular Board of Directors’ Meetings held June 26, July 10 and July 24, 2019, as set forth in agenda item 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. Brenda Dickerson and seconded by Ms. Deborah Clark, that the Board hereby approves minutes of the Regular Board of Directors’ Meetings held on June 26, July 10 and July 24, 2019.

Resolution No. 8153 is hereby adopted by unanimous vote.”

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Following, the Board was asked to approve payment of invoices, as set forth in agenda items 3.1 through 3.4. 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 Dr. Brenda Dickerson that the Board hereby authorizes staff to execute payments to the following:

3.1	<u>NeSmith, Lowe & NeSmith, LLC</u> For retainer fee for August 2019	\$ <u>500.00</u>
3.2	<u>Dominick Feld Hyde, P. C.</u> For BWWB Other Benefits Plan performed August 5, 2019 through August 30, 2019	\$ <u>2,256.80</u>
3.3	<u>Terminus Municipal Advisors, LLC</u> For professional services rendered for August 2019	\$ <u>6,500.00</u>
3.4	<u>The Jones Group, LLC</u> For professional services rendered for August 2019	\$ <u>7,500.00</u>

Resolution No. 8154 is hereby adopted by unanimous vote.”

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Next, the Board was asked to reimburse the Operating Account for expenditures made for the period ended July 31, 2019, from Schedule IV (Cash Basis) in the amount of \$4,048,519.33. On a motion duly made and seconded, the following resolution was adopted:

“WHEREAS, ARCADIS US, Incorporated, in a Certificate dated August 22, 2019, certified that during the period ending July 31, 2019 that there were expenditures for the cost of system improvements, which were paid out of the Operating Account and reimbursement of that account is now due in the preliminary amount of \$4,048,519.33 and;

WHEREAS, transfers to the Operating Account can be made from any, or a combination, of the following: the 2002 Construction Fund, the Improvement Fund, and/or the Revenue Account.

NOW, THEREFORE, BE IT RESOLVED By The Water Works Board of the City of Birmingham, on a motion duly made by Ms. Deborah Clark and seconded by Dr. Brenda Dickerson, that the Trustee be, and is hereby instructed to immediately transfer \$4,048,519.33 to the Operating Account from any, or a combination, of the following: The 2002 Construction Fund, the Improvement Fund, and/or the Revenue Account.

Resolution No. 8155 is hereby adopted by unanimous vote.”

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Following, under new business, Director Dickerson stated that two positions were announced to be filled, one of which was the Executive Assistant to the Board of Directors position which Grace Amison is currently in. Director Dickerson stated she would like an update. Director Burbage stated the job had been posted and some candidates had made applications already. Chairman Burbage stated the position went through the process with Human Resources and the position was graded at a grade 42. Chairman Burbage stated he believed a grade 42 was equitable for the position; however, he had no problem with it being discussed further. Director Dickerson stated it was agreed upon by herself and Director Clark that the position should be posted at a grade 45 and the second position, an Executive Assistant, should be posted at a grade 15. Director Alexander asked for Paul Lloyd to explain their process. Human Resources Manager, Paul Lloyd stated the current salary survey data was referred to considering three key points of survey data and the average was taken; which graded the Executive Assistant to the Board of Directors position at a grade 42. Some discussion occurred regarding the posting process and all Board members not being informed. Director Lewis asked who gave the Human Resources Department permission to post the positions. Chairman Burbage responded that he did. Chairman Burbage explained that grades 42 and 45 were mentioned in the Committee meeting and he turned it over to Human Resources to assign the appropriate grade level determined by market research. Director Munchus asked about the job description. Grace Amison explained that she wrote the job description and its responsibilities and took out the current task of transcribing Board minutes. When the job was actually posted, Ms. Amison stated, the transcribing of Board minutes was

left in the job description as was originally part of the job responsibilities for the Executive Assistant to the Board of Directors. Some discussion occurred regarding the position's title. Ms. Amison stated the title was supposed to be changed to Board Administrator. Paul Lloyd stated it was his understanding that both positions, the Executive Assistant to the Board of Directors and her Executive Assistant would be directly supporting the Board of Directors and that is why the responsibility of Board minutes was left in the job description for both positions. Director Clark stated she believed there was a lack of communication and that this needed to go back to Committee. Director Lewis asked that all Board members, including those not on the Committee be made aware of what is going on and have all the information regarding this item. Chairman Burbage asked Paul Lloyd to put all the information from the research they conducted together and provide it to all nine Board members. Chairman Burbage stated he would like to roll off the Committee. Director Munchus stated he would roll onto the Committee if needed. Director Alexander asked Chairman Burbage to stay on the Committee, and he agreed. Chairman Burbage recommended that the interview process for both positions be put on hold. 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 place a hold on interviewing for the two Board positions.”

Resolution No. 8156 is hereby adopted by unanimous vote.”

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Next, General Manager Johnson announced that power at the Call Center was down due to a line being compromised and it was being assessed; however, there is a plan in place to restore it, adding he would keep the Board updated.

Following, Director Munchus asked Mr. Parnell if he had had discussions with any of the five Jefferson County Commission members or their legal counsel regarding the sewer repayment fund program that the county approved. Attorney Parnell responded no, adding he had talked with the county attorney and he understands that there is a line item in the budget for that purpose, but that is all they have done. GM Johnson added that he was working with Board attorneys on this item. Director Munchus asked about the law regarding sewer charges being separated from the water charges given they are three times the cost of water charges. Attorney Parnell stated he understood this was being referred to the county Finance Committee meeting. Director Munchus stated he believed it should be apportioned out with the water paying the water portion and the sewer paying the sewer portion rather than intermingling the funds. Director Clark asked if this issue should go to the Executive Committee. Director Burbage stated he believed all financial matters should begin in the Finance Committee. GM Johnson concurred. Director Muhammad went back to the power issue and asked GM Johnson when he first found out about the power issue. GM Johnson responded yesterday, adding it has been being monitored for a few days because the line in question has been running hot. GM Johnson stated the public will be notified ahead of time. GM Johnson stated everything should be operational by tomorrow.

Next, GM Johnson welcomed the Distribution Department and introduced John Dansby, the Distribution Manager. Mr. Dansby gave a brief overview of his department and introduced his team. GM Johnson gave an update on the power outage, stating the Call Center is fine now and the Main Building has a few spotty issues that are being addressed. Questions were taken from employees. One employee thanked fellow employees for their prayers and concern when he had a heart attack. The employee addressed a concern that employees in Distribution are not recognized for their hard work as Employee of the Month (EOM) and they are the largest department in the company. Director Lewis stated the Board does not actually write recommendations for EOM. Director Lewis asked Staff how the EOM Program works currently. Paul Lloyd explained that anyone can submit a nomination to the review Committee, which consists of employees of varying levels that are selected each year. The employee stated Distribution saved the company \$2 million. Distribution Manager, John Dansby stated paperwork for EOM was submitted for Distribution employees and it would be active for 90-days. More discussion occurred regarding Distribution saving the company \$2 million and it being an accounting matter, in that it was a reduction in Distribution expenses during this year. Director Clark asked the Human Resource Committee to review the EOM process. Another employee stated their equipment was out dated. Director Lewis stated that would need to come to the Distribution Manager, who knows the needs of the department. Manager, John Dansby stated they have 5 trucks that should be coming on line, which was recently approved by the Board. Assistant General Manager, Derrick Murphy explained that there is a schedule by which equipment is replaced on a routine basis. AGM Murphy stated he is meeting regularly with Managers and the Employee Association President, Derrick Maye to stay abreast of issues. An employee asked why the Salary Survey had not been implemented. Director Muhammad stated he understood the results from the Salary Survey revealed that a number of employees were being overpaid, adding it was still being looked at. The people being underpaid should be looked at though, Director Muhammad stated. Director Clark stated the Board has not approved any changes related to the Salary Survey and they are looking into issues related to the survey. The Board has not been apprised of any promotions related to the Salary Survey, but we have requested information as it relates to any promotions associated with the Salary Survey, according to Director Clark. An employee questioned why the Board has power to over rule the pay scale that Human Resources set for the Executive Assistant to the Board of Directors and if they have the same discretion to do that for other employees as well. Director Lewis responded that this position along with the General Manager positions are positions that they directly hire. Director Lewis stated they have to have a reason for doing things. Director Lewis stated they are looking for “Win Win” situations and they work with processes. In relation to the Salary Survey, Director Lewis stated it was not fair to a number of employees and that is why she was not in favor of implementing it. The Board has influence, but the General Manager, Assistant General Managers and Managers are where everything starts Director Lewis stated. Director Lewis stated a lot of employees would be up in arms if the Salary Survey was implemented. Director Lewis stated they have to look at ratepayers as well when making decisions. Director Dickerson stated she was not in favor of implementing the Salary Survey. Director Alexander stated he believed none of the Board was in favor. Director Clark stated she would like the Salary Survey to go back to Committee. GM Johnson announced, in relation to increases or any action, that no employee has been given an increase stemming from the Salary Survey. Another employee asked about the Spousal-Carve-Out that was implemented

several years ago and if it could be amended. GM Johnson stated in cases where a spouse has access to health insurance on their job, it is a Board policy that the spouse has to take advantage of that benefit from their employer, rather than putting the burden on the Birmingham Water Works Board (BWWB). A valve employee asked about Longevity for employees and its future. Director Munchus responded that he is in favor of Longevity along with all other employee pay, such as overtime pay, merit and COLA. Director Munchus stated he asked GM Johnson for a report on the cost of Longevity and it is a very small portion of the overall budget. Director Munchus stated he believed it was a non-issue and management has not told him that they are considering ending the benefit. Director Lewis stated the budget workshop is coming and she is going to be fair, but she does not have a decision on anything at this point. The employee stated there is a lot of fluff around the organization and employees that have internal knowledge should be retained. The employee stated the sewer portion is the major portion of the customer's bill and he felt as if Birmingham Water is being blamed. Director Muhammad asked GM Johnson how much Longevity pay is in the annual budget. GM Johnson responded, a little of \$1 million. An employee also questioned the Board considering donating money to help Jefferson County because he felt it was unfair to the BWWB employees. Director Munchus stated the City of Birmingham is going to present a resolution to help Jefferson County. Director Munchus stated he wants it on record that he wants no employees' pay to be cut. Director Lewis stated she is going to look at everything. An inspector addressed the Spousal-Carve-Out again. GM Johnson stated there are options like having single coverage at BWWB and the spouse carrying themselves and children. Another employee stated the company wastes a lot of money on travel for instance where 60 – 70 people travel to the Annual AWWA Conference. GM Johnson stated the travel budget has been cut significantly, adding there is value from a morale standpoint for employees with the Tapping Team competing. Director Muhammad stated he was in favor of employees letting the Board know where the 'fat' is because he is in favor of cutting "fat". Another employee stated the radios the company has are not working properly, adding that many employees are using their personal phones for Water Works business due to company phones not working properly. GM Johnson stated Staff would address that. Another employee asked about the survey, "Best Places to Work" that employees are asked to fill out. Employees have concerns that are noted in the survey and she wonders if this information is disseminated to management. The employee also addressed the Water Ambassador Program stating as a Water Works employee that her children had a difficult time getting in the program as a long-time employee. Director Lewis stated she was passionate about the program and she did not know why employee's children were not more highly considered. Cherita King, Talent Management Officer responded that there are a limited number of spots for employee's children each year. Director Lewis asked Human Resources to look into this. Paul Lloyd stated the Employee Engagement Survey the employee mentioned is given every two years, the last one in 2017 and the results are presented to the Human Resources Committee. Director Lewis asked Human Resources to send the Board the last two surveys completed. An employee addressed the interview process relating to internal job postings. The practice has been that an employee applying for an internal job is penalized for having disciplinary actions. Director Munchus stated he does not like this practice, adding the disciplinary process is subjective. Director Munchus asked Human Resources to put that practice on hold because he is in favor of promoting internally. GM Johnson stated job performance along with disciplinary actions are considered during the interview process, but Staff will look at internal processes in this area. The employee stated there may be a small

competency issue that can stand in the way of a promotion. Once employees bid for jobs, the employee has noticed supervisors administering corrections to that employee. Director Muhammad stated he has been in favor of a progressive discipline process. The employee stated all employees are here to move up in their jobs. Director Munchus asked the employee if she knew of instances where these practices have happened. The employee responded yes. Director Munchus commended the employee, adding that the Board has a no retaliation policy. GM Johnson stated he was not aware of the circumstances, but he would look into it. The employee distributed her concerns in writing to the Board. Manager, John Dansby stated he is always available to address his employee's concerns. Another employee asked the Board about the contractors being cut out of Distribution and the added work they are doing. The employee stated he hoped they would be shown appreciation if its fair. Another employee addressed the hazards they incur everyday on the job and asked for that to be considered. The Salary Survey was brought up again with an employee asking who they were comparing BWWB with. GM Johnson responded it was companies that are similar in size. Director Muhammad stated an interesting thing was that the other companies did not award both COLA and Merit to their employees.

As there was no further business before the Board, a motion was made and seconded, and the meeting was adjourned at 12:33 p.m.

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

Attest:

/s/
Ronald A. Mims
Secretary-Treasurer