

**Minutes of
Engineering And Maintenance Committee Meeting
of The Water Works Board
of The City Of Birmingham
September 13, 2023**

An Engineering and Maintenance Committee Meeting of the directors of The Water Works Board of the City of Birmingham was held on Wednesday, September 13, 2023, at 12:30 p.m. or immediately following the Regular Board of Directors' Meeting, at the Birmingham Water Works Board, 3600 First Avenue North, Training Room, to discuss engineering and maintenance issues. The Public has the option to listen by phone by calling (888) 398-2342 Code: 5608731.

The following Committee members were present via roll call: Dalton NeSmith (Chair), Tom Henderson and Tereshia Huffman. Director Mims was absent. Board members William "Butch" Burbage, Jr., George Munchus and Mashonda Taylor were also present.

Others present were: Michael Johnson, General Manager; Derrick Murphy, Assistant General Manager; Tammy Wilson, Executive Assistant to Derrick Murphy; Cynthia Williams, Board Administrator; Anitra Clark, Corporate Governance Specialist; Colandus Mason, Information Technology Manager; Rosalind Jones, MGRA-Accounting Manager; Jackie Hill, Accounting Manager; David Walker, Security Manager; Anthony Hazel, Security Superintendent; Rick Jackson, Public Relations Manager; Matthew Shiver, Purchasing Manager; Drusilla Hudson, EnviroLab Manager; Barry Williams, Business Systems/Operations Manager; Derrick Gray, Budget Officer; Jeremy Ervin, Workforce Development Administrator; Jeff Wade and Charles McGee, Electrical and Mechanical Shop; Mark Parnell, Parnell Thompson, LLC; Tiffanie Agee, Agee Law, LLC; Olivia Martin, Office of Attorney General; Michael Bell and Ashley Orl, Birmingham Construction Industry Authority; Trisha Brown, ARCADIS U.S., Inc.; Kent Hertzog, Gresham Smith.

Committee Chair, Dalton NeSmith called the meeting to order at 12:44 p.m. A roll call confirmed three Committee members were present, so there was a quorum in attendance. Director Mims was absent. Also in attendance were Board members William "Butch" Burbage, Jr., George Munchus and Mashonda Taylor.

Next, Director NeSmith stated Item 3, a request for the Committee to recommend to the Board to renew an agreement, for one-year, with Gartner Inc., for IT Leaders Reference and Research, needed to be Tabled. A motion was made and seconded, and the Committee unanimously approved the August 9, 2023, Engineering and Maintenance Committee agenda, Tabling Item 3.

There were no minutes for approval and no reports from the Committee Chair or Committee Members. There was a request for the Committee to hear two presentations (copies of each are on file in Diligent BoardBooks), one from Assistant General Manager, Derrick Murphy on Capital Improvement Program Updates and one from Business Systems/Operations Manager, Barry Williams on SAP, and Staff's intention to issue a Request for Proposal (RFP) for SAP Managed Services Support. AGM Murphy gave his presentation and spoke to each of his six

department's (Revenue Water, Electrical & Maintenance, Engineering, Mapping & Records, System Development and Distribution) challenges and solutions. Additionally, AGM Murphy talked briefly about Capital projects that are scheduled and on the books. Some of the challenges within each department included staffing vacancies. AGM Murphy stated there is a vacant Manager position within the Mapping & Records Department, which will be filled eventually. Currently, Doug Stockham, Manager of System Development, is standing in as interim. Director NeSmith asked how many vacant positions there are in the Engineering Department. AGM Murphy responded that there are a total of 12 positions within the Engineering, with 5 being filled and the department being down 7 positions. Director NeSmith also asked how the department is getting the work out being down this many engineers and how long these positions have been vacant. AGM Murphy responded that the positions had been vacant for quite a few years, offering that some vacancies were due to employees retiring. Director NeSmith stated this number was disturbing to him. AGM Murphy mentioned that one engineer had made a lateral move to the System Development Department. AGM Murphy stated that some of the work is being done by four different outside engineering firms and two additional internal construction crews. Director NeSmith asked for confirmation that the department needed a total of 12 engineers. A possible reason for the positions being difficult to fill according to AGM Murphy could be salary related. AGM Murphy stated that he had heard from recruiters that moving expenses associated with relocating stand in the way at times. Director Henderson asked if we are able to retain employees and if the vacant positions were essential to operations. AGM Murphy stated that they were critical positions, but outside firms and internal construction crews have been helpful in keeping up with the workload. AGM Murphy responded that the company has hired 3 engineers in the past year and that we are in the process of interviewing for a senior level engineer. Director Munchus stated there are good engineering schools in the state of Alabama and asked Staff to make an effort to let perspective engineering graduates know of positions open within the utility. Attorney Parnell exited the meeting at 1:12 p.m. Jeremy Ervin, Workforce Development Officer, interjected that upcoming, on September 21st, his team will be recruiting for engineering positions. AGM Murphy stated that we are working to get out Internship Program back. AGM Murphy also mentioned that competitors like APCO and Southern Company are allowing their employees to perform some of their work from home. General Manager Johnson added that the implementation of the Salary Survey should help with hiring in these positions, adding that adjustments may need to be made in order to make a successful hire. Director Henderson asked about the Capital Program and if the projects are progressing. AGM Murphy stated that prior to him coming on as AGM it was not performing well; however it is now, and various projects are working toward a completion set date. Director Munchus exited the meeting at 1:15 p.m. and re-entered at 1:17 p.m.

Following, Barry Williams began his presentation on SAP. In 2008, a diagram showed the operational status of 18 separate systems within the Business/IT Systems of the company. Some modules were technically functional, partially functional, being implemented, showing functional issues, or completely missing from Enterprise. By 2018, all modules were either SAP run, IT Department run, Engineering Department run, or OPS/Technical Department run. SAP Phase 1, which was the initial implementation of SAP (2011), included financials, plant maintenance, project systems, purchasing and inventory. System Maintenance PMO included program management, system support, CR&B integrator advisor system support and basis system support and was implemented during years 2014 – 2018. SAP Phase 2 Go - Live was launched November 2016. SAP Phase 3 – HR was launched 2019 – 2020. Mr. Williams then focused on Contract

Management Solutions and the top 3 priorities, which are contract lifecycle management, searchable contract repository and fast & low-risk deployment. The budget for Utegration Support for year 1 was estimated at \$1.6 - \$1.8M. The budget for year 2 was estimated at \$400 - \$600K. The proposed System Support Team and anticipated SAP Support areas were disclosed, as well as ongoing support needs. Going froward the team's intent is to issue an RFP for SAP Managed Services Support (HR and Payroll will be included in the RFP), and the budgeted amount is \$1.1M. Director NeSmith questioned if a consultant was needed to analyze this. Mr. Williams stated the same or a new consulting group may be used. Director NeSmith asked if there were problems with the existing group. GM Johnson stated that there were no problems; however the firm is offshore, which creates some time zone delays. Mr. Williams stated that the operations needed here are 24/7. Director Munchus suggested that there may be an opportunity to establish a partnership with the offshore firm. Director NeSmith stated that legal counsel would need to respond to that idea. Director Huffman requested that Michael Bell and his team at BCIA work on potential HUB participation, and particularly black women. Director Huffman asked that their findings be presented in an Engineering and Maintenance Committee meeting. Attorney Parnell was available by phone at 1:35 p.m.

Next, there was No Unfinished Business. Under New Business, Director NeSmith asked GM Johnson to summarize agenda Items 1 – 17. After reading those items in summary, as set forth in agenda Items 1 – 17, a motion was made and seconded and the Committee unanimously recommended to move the referenced items to the Board for approval.

Following, the Committee was asked to recommend to the Board to enter into a standard Alabama Department of Transportation (ALDOT) Reimbursable Agreement, as set forth in agenda Item 18. A motion was made and seconded, and the Committee unanimously recommended to move the referenced item to the Board for approval.

Next, the Committee was asked to recommend to the Board to grant a Temporary Construction Easement and Right-of-Way to Jefferson County, as set forth in agenda Item 19. A motion was made and seconded, and the Committee unanimously recommended to move the referenced item to the Board for approval.

Following, the Committee was asked to recommend to the Board to grant an easement to Alabama Power Company, as set forth in agenda Item 20. A motion was made and seconded, and the Committee unanimously recommended to move the referenced item to the Board for approval.

Next, there was some discussion regarding whether or not to hold an Executive Session, as set forth in agenda Item 21. Attorney Parnell stated the discussion would be in reference to the renewal of the Security Contract (Item 22). GM Johnson stated that there was a routine increase associated with the agreement. Director NeSmith requested that the Committee pass on holding an Executive Session and requested Staff to communicate by email, the necessary information that the Board would need to make an informed decision on the security matter, prior to the next Board meeting.

Following, the Committee was asked to recommend to the Board to extend a 1-year agreement with Allied Universal Security, and to amend rates as outlined in the addendum, and as

set forth in agenda Item 22. A motion was made and seconded and the Committee unanimously recommended to move the referenced item to the Board for approval.

As there was no further business, a motion was made and seconded, and the Committee adjourned at 1:46 p.m.

/S/

Michael Johnson
General Manager

/S/

Dalton NeSmith
Assistant Secretary-Treasurer

/S/

Thomas E. Henderson
Director

/S/

Tereshia Huffman
Chairman