

**MINUTES OF THE REGULAR BI-MONTHLY MEETING OF DIRECTORS OF THE  
WATER WORKS BOARD OF THE CITY OF BIRMINGHAM  
July 12, 2023**

The regular bi-monthly meeting of the Directors of The Water Works Board of the City of Birmingham was held on Wednesday, July 12, 2023, at 11:30 a.m., at 3600 First Avenue North, Birmingham, Alabama, Training Room. The Public has the option to listen by phone by calling (888) 398-2342 Code: 5608731.

The following Directors were present via roll call: William “Butch” Burbage, Jr., Tom Henderson, Tereshia Huffman, Ronald A. Mims (via phone), George Munchus, Dalton NeSmith, Jr., Mashonda Taylor, and Larry Ward. Director Blankenship was absent.

Others present were: Michael Johnson, General Manager; Iris Fisher and Derrick Murphy, Assistant General Managers; K. Mark Parnell, Parnell Thompson Law, LLC; Kelvin Howard, Kelvin Howard, LLC; Byron Perkins, Perkins-Law, LLC; Cynthia Williams, Board Administrator; Anitra Hendrix, Corporate Governance Specialist; Tammy F. Wilson, Executive Assistant to Assistant General Manager Derrick Murphy. Colandus Mason, Information Technology Manager; Rosalind Jones, MGRA – Accounting Manager; Jackie Hill, Accounting Manager; Rick Jackson, Public Relations Manager; David Walker, Security Manager; Anthony Hazel, Security Superintendent; Drusilla Hudson, EnviroLab Manager; Derrick Maye, Employee Association President; Charles McGee and Jeff Wade, Electrical and Mechanical Shop; Olivia Martin, Office of the Attorney General; Michael Bell, Birmingham Construction Industry Authority; Patrick Flannelly and Jason Carter, ARCADIS U.S.; Lindsey McAdory, CBG Strategies; Phillip Moultrie and Jeff Drew, Valent Group, LLC; Ben Lawn and Eric Atwater, AON; Kent Hertzog, Gresham Smith; Kamilah Lewis, City of Birmingham.

Chairwoman, Tereshia Huffman called the meeting to order at 11:30 a.m. Assistant General Manager, Iris Fisher opened the meeting with prayer.

Following a roll call, seven directors were present, and Director Mims was present by phone, so a quorum was in attendance. Director Blankenship was absent.

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Next, the Board was asked to approve the agenda for July 12, 2023. Attorney Parnell stated that every vote would need to be a roll call vote for this meeting given that Director Mims was present electronically, by phone. On a motion duly made and seconded, the following resolution was adopted in a roll call vote as follows:

“BE IT RESOLVED By the Water Works Board of the City of Birmingham (“the Board”), on a motion duly made by Mr. Dalton NeSmith and seconded by Dr. George Munchus, that the Board of Directors hereby approves the July 12, 2023, Regular Board of Directors’ meeting agenda as printed.

Resolution No. 9362 is hereby adopted in a roll call vote.  
Director Burbage, Yes; Director Henderson, Yes; Director Huffman, Yes; Director Mims, Yes; Director Munchus, Yes; Director NeSmith, Yes; Director Taylor, Yes; Director Ward, Yes.”

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Following, the Board was asked to approve minutes from the Regular Board of Directors’ meetings held April 12 and April 26, 2023, as set forth in agenda Item 1. Some discussion occurred regarding the April 12<sup>th</sup> meeting minutes and Director Blankenship’s comments being reflected therein. Attorney Parnell responded that he made final changes, and it was confirmed that the Director’s received his final version. On a motion duly made and seconded, the following resolution was adopted in a roll call vote as follows:

“BE IT RESOLVED BY The Water Works Board of the City of Birmingham (“the Board”), on a motion duly made by Mr. Tom Henderson and seconded by Mr. Ronald Mims, that the Board hereby approves minutes of the April 12, 2023, and April 26, 2023, Regular Board of Directors’ Meetings.

Resolution No. 9363 is hereby adopted unanimously in a roll call vote.  
Director Burbage, Yes; Director Henderson, Yes; Director Huffman, Yes; Director Mims, Yes; Director Munchus, Yes; Director NeSmith, Yes; Director Taylor, Yes; Director Ward, Yes.”

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Next, General Manager Johnson announced the remaining meetings for the month of April. Assistant General Manager Murphy provided a handout (a copy is on file with the Board meeting book) explaining the services obtained related to the purchase (April 12, 2023) of commercial property located at 100 Lucerne Lane within Oxmoor Corporate Park, to be used as the new Birmingham Water Works (BWW) EnviroLab and Engineering Research Facility. BWW retained Studio 2H Design, LLC to provide an evaluation to determine estimates for renovation of the facility to meet BWW’s needs. The purchasing and renovation costs were determined to be within a range of \$18,600.00 to \$20,150.00, and the projected completion date is May 2025. Two employees were recognized for their research and assistance on the project: Drusilla Hudson and Jaquice Boyd. The realtor in charge of locating the property was also commended. Director Munchus asked if additional revenue could be a possibility with the new space. AGM Murphy stated this could be looked into in the future. Ms. Hudson reminded the Board that the Lab is already conducting testing for Consecutive Systems. AGM Murphy announced that Senior Staff

would be conducting AMI interviews this Thursday and Friday and Board members are welcome to attend.

Following, AON was present to give an update on the BWW Pension and OPEB 2023 Valuation Results and Highlights (a copy of the presentation is on file with the Board meeting book). Ben Law stated Pension assets returned -13% during 2022 and OPEB assets returned -12% during 2022. Looking forward, volatility in the equity market remains in 2023 and is expected to continue for the next few years. Economic and demographic gains or losses have no impact on pension contributions but will impact the full funding period. AON recommended assessing potential plan design changes for the pension plan and conducting a full experience study next year. Key results and expected returns were discussed for both Pension and OPEB and a peer comparison determined that BWW is 7<sup>th</sup> among its peers in a 10-plan peer group. The expected rate of return at the 50<sup>th</sup> percentile is 7.0%, the expected rate of return is 7.9% at the 35<sup>th</sup> percentile and 6.1% at the 65<sup>th</sup> percentile. GM Johnson stated the Board has been conservative with its assets historically and continues to be so. Director Munchus asked GM Johnson if the Employee Association (EA) had been notified about this report. GM Johnson responded that Senior Staff has been in discussions with the EA regarding this subject. Regarding 2022 employer contributions, Director Ward commented that they amounted to only a fraction of what was lost.

Next, there was no Unfinished Business and there were no Speakers. Under New Business, the Board was asked to approve Directors' actual travel expenses for the 2023 ACE Conference, for Director Mims and Director Blankenship, set forth in agenda Item 2. The Director's expenses were separated for the vote. On a motion duly made and seconded, the following resolution was adopted as follows:

“WHEREAS, the Board of Directors has adopted a Travel Expense Reimbursement Policy for the Board of Directors; as amended by Resolution No. 9298 adopted by the Board of Directors on April 12, 2023; and

WHEREAS, pursuant to Resolution No. 9217 adopted by the Board of Directors on January 11, 2023, approval was given to attend the 2023 American Water Works ACE Conference, scheduled June 12 - 15, 2023, in Toronto, Canada.

WHEREAS, in accordance with Act. No. 2015-164, approval is requested for the following actual expenses relative to the above referenced conference.

NOW, THEREFORE, BE IT RESOLVED By The Water Works Board of the City of Birmingham, on a motion duly made by Dr. George Munchus and seconded by Mr. Larry Ward, that the following board members be reimbursed for their actual expenses pertaining to said conference as follows:

- Director Mims's actual expenses in the amount of \$1,788.00
- Director Blankenship's actual expenses in the amount of \$3,986.32

Resolution No. 9364 is hereby adopted in a roll call vote.  
Director Burbage, Yes; Director Henderson, Yes; Director Huffman, Yes; Director Munchus, Yes; Director NeSmith, Yes; Director Taylor, Yes; Director Ward, Yes; Director Mims, Yes for Director Blankenship and Abstain for himself.”

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Following, the Board was asked to adopt resolutions authorizing monthly retirement benefits from the Board’s Retirement Trust Fund, for Johnnie Mayfield, as set forth in agenda Item 3. On a motion duly made and seconded, the following resolutions were adopted in a roll call vote as follows:

“WHEREAS, Johnnie Mayfield, an employee of The Water Works Board of the City of Birmingham ("the Board"), is retiring, effective August 1, 2023, at an age of 58, and

WHEREAS Johnnie Mayfield has 36 years of continuous service with the Board at his retirement date, and in accordance with the terms of the Trusteed Pension Plan, is entitled to receive a monthly Retirement payment from the Board’s Retirement Trust Fund in the amount of \$9,847.63; 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 Mr. Ronald Mims and seconded by Dr, George Munchus, that the Trustee be, and is hereby instructed to pay monthly benefit payments of \$9,847.63 to Mr. Mayfield from the Board’s Retirement Trust Fund, in accordance with the terms of the Pension Plan, with the first payment to be made August 1, 2023.

Resolution No. 9365 is hereby adopted unanimously in a roll call vote.  
Director Burbage, Yes; Director Henderson, Yes; Director Huffman, Yes; Director Mims, Yes; Director Munchus, Yes; Director NeSmith, Yes; Director Taylor, Yes; Director Ward, Yes.”

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“WHEREAS, Johnnie Mayfield, an employee of The Water Works Board of the City of Birmingham, is retiring, effective August 1, 2023, after 36 years of service with the Board; and

WHEREAS management has informed the Board of Johnnie Mayfield’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 Johnnie Mayfield 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, Johnnie Mayfield is hereby commended for his efficiency, reliability, and loyal service to the Board.

BE IT FURTHER RESOLVED, that in recognition of Johnnie Mayfield’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. Mayfield.

Resolution No. 9366 is hereby adopted unanimously in a roll call vote.  
Director Burbage, Yes; Director Henderson, Yes; Director Huffman, Yes; Director Mims, Yes;  
Director Munchus, Yes; Director NeSmith, Yes; Director Taylor, Yes; Director Ward, Yes.”

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Next, the Board was asked to approve payments of invoices to Terminus Municipal Advisors, LLC, O2 Ideas, Inc., The Jones Group, LLC, Hilliard Smith & Hunt, LLC, Agee Law, LLC and ARCADIS U.S., Inc., for professional services, as set forth in agenda Items 4.1 through 4.6. On a motion duly made and seconded, the following resolution was adopted in a roll call vote:

“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. Mashonda Taylor, that the Board hereby approves payments of invoices to the following:

- 4.1 Terminus Municipal Advisors, LLC, for professional services rendered June 2023 in the amount of \$8,500.00.
- 4.2 O2 Ideas, Inc., for professional services rendered June 2023 in the amount of \$10,000.00.
- 4.3 The Jones Group, LLC, for professional services rendered May 2023 in the amount of \$10,000.00.
- 4.4 Hilliard Smith & Hunt, LLC, for professional services rendered June 2023 in the amount of \$13,000.00.
- 4.5 Agee Law, LLC, for professional services rendered as follows:
  - 4.5.1 May 2023 in the amount of \$12,720.00
  - 4.5.2 June 2023 in the amount of \$10,260.00
- 4.6 ARCADIS U.S., Inc., for professional services rendered April 2023 in the amount of \$391,115.39.

Resolution No. 9367 is hereby adopted unanimously in a roll call vote.  
Director Burbage, Yes; Director Henderson, Yes; Director Huffman, Yes; Director Mims, Yes;  
Director Munchus, Yes; Director NeSmith, Yes; Director Taylor, Yes; Director Ward, Yes.”

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Following, Attorney Parnell certified an Executive Session, where he stated he did not expect any action to be taken, concerning the potential settlement of a lawsuit. Director Munchus asked if the plaintiff’s counsel would be present. Attorney Parnell responded that they would not. 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. Mashonda Taylor, that the Board hereby enters an Executive Session to discuss legal counsel matters that are appropriate under Ala. Code Section 36-25A-7(a)(3).

Resolution No. 9368 is hereby adopted unanimously in a roll call vote.  
Director Burbage, Yes; Director Henderson, Yes; Director Huffman, Yes; Director Mims, Yes;  
Director Munchus, Yes; Director NeSmith, Yes; Director Taylor, Yes; Director Ward, Yes.”

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Next, The Board, Senior Staff and Board attorneys entered an Executive Session at 12:04 p.m. A motion was made by Director Burbage and seconded by Director Henderson, and the meeting re-opened unanimously in a roll call vote at 12:25 p.m., as follows, Director Burbage, Yes; Director Henderson, Yes; Director Huffman, Yes; Director Mims, Yes; Director Munchus, Yes; Director NeSmith, Yes; Director Taylor, Yes; Director Ward, Yes. As there was no further business before the Board, a motion was made by Director Burbage and seconded by Director NeSmith, and the meeting was adjourned unanimously in a roll call vote at 12:26 p.m., as follows, Director Burbage, Yes; Director Henderson, Yes; Director Huffman, Yes; Director Mims, Yes; Director Munchus, Yes; Director NeSmith, Yes; Director Taylor, Yes; Director Ward, Yes.

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/S/  
Tereshia Q. Huffman  
Chairwoman

Attest:

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Larry Ward  
Secretary-Treasurer