

**MINUTES OF THE REGULAR BI-MONTHLY MEETING OF DIRECTORS OF THE
WATER WORKS BOARD OF THE CITY OF BIRMINGHAM
June 8, 2022**

The regular bi-monthly meeting of the Directors of The Water Works Board of the City of Birmingham was held on Wednesday, June 8, 2022, at 11:30 a.m., at 3600 First Avenue North, Birmingham, Alabama – In Person, 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: Lucien Blankenship, William “Butch” Burbage, Jr., Tom Henderson, George Munchus, Dalton NeSmith, Jr., Chris Rice and Larry Ward. Director Mims was present by phone. Director Huffman entered the meeting late.

Others present were: Michael Johnson, General Manager; Iris Fisher, Derrick Murphy and Jeffrey Thompson, 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 Clark, Corporate Governance Specialist; Tammy F. Wilson, Executive Assistant to Assistant General Managers Derrick Murphy and Jeff Thompson; Colandrus Mason, Information Technology Manager; Rick Jackson, Public Relations Manager; Paul Lloyd, Human Resources Manager; Barry Williams, Business Systems/Operation Manager; Ed Travis, Purchasing Manager; David Walker, Security Manager; Tim Garret, Technical Support Analyst I; Charles McGee and Jeff Wade, Electrical and Mechanical Shop; Geraldine Davis, Customer Support Services Manager; Sherry Richardson, Office of the Attorney General; Kim Bivins, Birmingham Construction Industry Authority; Martha Bozeman, Agency 54; Hal Humphrey, Gresham Smith; Theo Johnson, Jacobs Engineering; Eric Atwater and Ben Law, Aon; Commissioner Sheila Tyson and James Jones, speakers.

Chairman Rice called the meeting to order at 11:31 a.m. Assistant General Manager, Iris Fisher opened the meeting with prayer.

Following a roll call, seven directors were present, so a quorum was in attendance. Director Mims was available by phone. GM Johnson announced that the recognition of the employee award recipients for the 4th quarter 2021 and 1st quarter 2022 would be moved to the June 22nd Board Meeting. The agenda change was duly noted.

Next, 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. Dalton NeSmith and seconded by Dr. George Munchus, that the Board of Directors hereby approves the June 8, 2022, Regular Board of Directors’ meeting agenda amending it to Table the recognition of employee award recipients for the 4th quarter 2021 and the 1st quarter 2022 and move it to the June 22, 2022, Regular Board of Directors’ meeting.

Resolution No. 9059 is hereby adopted by unanimous vote.”

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Following, under Minutes for Approval, there were none. Under Reports of Committee, an Engineering and Maintenance Committee meeting was announced, which would follow the Regular Board of Directors’ meeting today. Under Reports of Officers, some discussion occurred regarding the upcoming World Games and its impact on scheduled Board meetings in July. GM Johnson stated the road blockages should not affect the Birmingham Water Works (BWW) as he understood it. A map of the proposed Birmingham road closures during the World Games was distributed to the Board (a copy of which is on file in Diligent Boardbooks). Assistant General Manager Thompson stated that at this time, the main campus should not have any disruptions. GM Johnson added that the credential process for BWW employees working the World Games was complete. Director Munchus thanked Chairman Rice for bringing forward the Levitate recommendation at the last Board Meeting and he thanked Directors Blankenship along with GM Johnson for the professional consultant exchange as well. Director Munchus asked where Staff was on Automated Meter Reading (AMR). Chairman Rice responded that there will be more discussion coming soon regarding AMR/Advanced Metering Infrastructure/AMI.

Next, a presentation (a copy of which is on file in Diligent Boardbooks) was given by Aon on the BWW Actuarial Valuation Reports for the BWW Pension and Other Post-Employment Benefits (OPEB) plans as of January 1, 2022. Eric Atwater stated the key Pension funding results went from being 60% funded in the 1980’s to almost 80%, due in part to significant increases in the market. Director Huffman entered the meeting at 11:50 a.m. Regarding the Pension Plan, the amortization period decreased from 17.6 to 12.6 years and regarding OPEB, higher than expected medical claims experienced increased the Actuarially Derived Contributions. Things to consider moving into 2022 include revisiting the funding policy and a review of the assumption. Director Munchus asked if the market stops performing what the plan is going forward. Mr. Atwater responded that the policy the Board put in place will help in that area. GM Johnson added position is important and that Asset Allocation and Investment Policy go hand in hand. Ben Law summarized the Pension Plan saying assets earned 14% for calendar year 2021, strong asset returns increased the funded ratio from 79% to 87% on the market basis and the full funding period was reduced by five years from 17.6 years to 12.6 years. OPEB assets earned 13% for calendar year 2021, unfavorable claims and trend experience increased liability by 8% and the OPEB funded ratio decreased from 91% to 88%. Looking forward, the decline in asset values through April 2022 has no impact on pension contributions but will increase the unfunded liability and extend the projected fully funded date. The projected fully funded date will be reduced by a year to 11.6 years if all assumptions are met and will increase to 17 years if there is a 0% asset return for 2022. Aon recommended considering economic assumptions next year. In conclusion Mr. Atwater talked about peer comparisons, with BWW being well above industry standings. Director Munchus commended management for their decisions. Benchmarking and other plan design ideas

will be looked at going forward Mr. Atwater stated. Director Munchus asked that Staff keep employees engaged during the process.

Following, under New Business, the Board was asked to adopt resolutions authorizing monthly retirement benefits from the Board’s Retirement Trust Fund for Phyllis Clarke, as set forth in agenda Item 1. On a motion duly made and seconded, the following resolution was adopted:

“WHEREAS, Phyllis Clarke, an employee of The Water Works Board of the City of Birmingham ("the Board"), is retiring, effective July 1, 2022, at an age of 67, and

WHEREAS Phyllis Clarke has 13 years and 9 months of continuous service with the Board at her 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 \$1,255.23; 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 Ms. Tereshia Huffman and seconded by Dr. George Munchus, that the Trustee be, and is hereby instructed to pay monthly benefit payments of \$1,255.23 to Ms. Clarke from the Board’s Retirement Trust Fund, in accordance with the terms of the Pension Plan, with the first payment to be made July 1, 2022.

Resolution No. 9060 is hereby adopted by unanimous vote.”

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“WHEREAS, Phyllis Clarke, an employee of The Water Works Board of the City of Birmingham, is retiring, effective July 1, 2022, after 13 years and 9 months of service with the Board; and

WHEREAS management has informed the Board of Phyllis Clarke’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 Phyllis Clarke 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, Phyllis Clarke is hereby commended for her efficiency, reliability, and loyal service to the Board.

BE IT FURTHER RESOLVED, that in recognition of Phyllis Clarke’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 Ms. Clarke.

Resolution No. 9061 is hereby adopted by unanimous vote.”

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Next, the Board was asked the Board to adopt resolutions authorizing monthly retirement benefits from the Board’s Retirement Trust Fund for John Moore, as set forth in agenda Item 2. On a motion duly made and seconded, the following resolution was adopted:

“WHEREAS, John Moore, an employee of The Water Works Board of the City of Birmingham ("the Board"), is retiring, effective July 1, 2022, at an age of 70, and

WHEREAS John Moore has 18 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, is entitled to receive a monthly Retirement payment from the Board’s Retirement Trust Fund in the amount of \$3,545.33; 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 Ms. Tereshia Huffman, that the Trustee be, and is hereby instructed to pay monthly benefit payments of \$3,545.33 to Mr. Moore from the Board’s Retirement Trust Fund, in accordance with the terms of the Pension Plan, with the first payment to be made July 1, 2022.

Resolution No. 9062 is hereby adopted by unanimous vote.”

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“WHEREAS, John Moore, an employee of The Water Works Board of the City of Birmingham, is retiring, effective July 1, 2022, after 18 years and 3 months of service with the Board; and

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

BE IT FURTHER RESOLVED, that in recognition of John Moore’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. Moore.

Resolution No. 9063 is hereby adopted by unanimous vote.”

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Following, the Board was asked to approve payments of invoices to Agee Law, LLC, Pat Lynch & Associates and Perkins Law, LLC, as set forth in agenda Items 3.1 through 3.3. GM Johnson read the invoices into the record. 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. Tereshia Huffman and seconded by Dr. George Munchus, that the Board hereby authorizes staff to approve payments of invoices to the following:

- 3.1 Agee Law, LLC, for professional services rendered May 2022, in the amount of \$8,520.00.
- 3.2 Pat Lynch & Associates, for professional services rendered May 2022, in the amount of \$10,000.00.
- 3.3 Perkins Law, LLC, for professional services rendered May 2022, in the amount of \$12,411.00.

Resolution No. 9064 is hereby adopted. Director Blankenship voted no.

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Next, speakers Commissioner Sheila Tyson and James Jones were recognized. Chairman Rice reminded the speakers of BWW’s Speakers Policy and that they would be allowed three minutes to speak. Ms. Tyson stated that she came on behalf of Mr. Jones and many other customers she has received complaints from regarding their bills. Mr. Jones stated he was told by BWW that he had a leak, which he had a plumber repair. Mr. Jones stated he was then instructed by BWW Customer Service to pay what he could each month because meters were not being read every month due to Covid-19 taking meter readers out of the BWW workforce temporarily. Chairman Rice said he had received information about customers not receiving their bills and asked that customer’s services not be disconnected until this issue is resolved. GM Johnson stated Ms.

Geraldine Davis, Customer Support Services Manager, was present today to assist Mr. Jones with his bill and he also explained that BWW has been behind on billing. Director Huffman asked for a list of the customers Commissioner Tyson had received complaints from. GM Johnson stated there is customer communication plan in place. GM Johnson stated only customers using water without a contract are being shut off currently. Chairman Rice stated he would like a report because this has been going on for four months. Commissioner Tyson stated she would not allow BWW to mistreat the citizens of Birmingham.

Following, Attorney Parnell certified an Executive Session to discuss existing litigation with no action anticipated. The Board and Staff moved to the Board Room with Attorney Parnell stating he expected the session to last no more than 30 minutes. The Board entered Executive Session at 12:07 p.m., as set forth in agenda Item 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 Mr. Dalton NeSmith and seconded by Mr. Tom Henderson, that the Board hereby approves an Executive Session to discuss ongoing litigation.

Resolution No. 9065 is hereby adopted by unanimous vote.”

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Next, the Board came out of Executive Session at 1:01 p.m.

As there was no further business before the Board, a motion was made and seconded, and the meeting adjourned at 1:01 p.m.

Chris Rice
Chairman/President

Attest:

_____/S/_____
Larry Ward
Secretary-Treasurer