

MINUTES OF THE REGULAR BI-MONTHLY MEETING OF DIRECTORS
OF THE WATER WORKS BOARD OF THE CITY OF BIRMINGHAM
MAY 25, 2017

The regular bi-monthly meeting of the directors of The Water Works Board of the City of Birmingham was held on Thursday, May 25, 2017, at 9:00 a.m., at 3600 First Avenue North, Birmingham, Alabama.

The following Directors were present: Sherry W. Lewis, Tommy J. Alexander, Deborah Clark, William "Butch" Burbage, Jr., Ronald A. Mims, George Munchus and William R. Muhammad; Director Brenda J. Dickerson was absent.

The meeting was also attended by: Mac Underwood, General Manager; Michael Johnson, T. M. "Sonny" Jones, and Darryl Jones; Grace E. Amison, Executive Assistant to the Board of Directors; Rick Jackson, Terrell Jones, and Paul Lloyd, Board Employees; Councilor Shelia Tyson; K. Mark Parnell, Parnell Thompson, LLC; Kelvin W. Howard, KWH, LLC; Dr. Jesse J. Lewis, Sr., The Birmingham Times; Dorian Kendrick, and Dan Meadows, S. S. Nesbitt & Company, Inc.; Nicole Perry, Creative Benefit Solutions; Iva Williams, III, Outcast Voters League; Terry Brunslar and David Russell, visitors.

As there was a quorum, the meeting was called to order at 9:04 a.m. and Assistant General Manager Michael Johnson opened the meeting with prayer.

Next, the General Manager proceeded with the agenda and he asked the Board to adopt resolutions commending employees of the month for May 2017 in the Engineering and Maintenance Division and Finance and Administration Division, as set forth in agenda items 1.1 and 1.2. On a motion duly made and seconded, the following resolutions were adopted:

"BE IT RESOLVED By The Water Works Board of the City of Birmingham ("the Board), on a motion duly made by Mr. George Munchus and seconded by Mr. William R. Muhammad, that the Board hereby recognizes and commends Brent McCoy, Industrial Control Master Electrician - Electrical and Maintenance Department in the Engineering and Maintenance Division as the Employee of the month for May 2017; on his outstanding heroic action for assisting a passenger in a vehicle which left the road during a rain storm on Interstate 65. His quick response in calling 911 and assisting the passenger until emergency responders arrived make him a "Good Samaritan" for his exemplary actions for external customer service, safety and positive attitude.

RESOLVED FURTHER, that the Board and the General Manager are hereby authorized to sign a formal resolution, the wording of which will carry out the intent herein, and a copy of which will be presented to Brent McCoy.

Resolution No. 7486 is hereby adopted by unanimous vote."

"BE IT RESOLVED By The Water Works Board of the City of Birmingham ("the Board"), on a motion duly made by Mr. George Munchus and seconded by Mr. William R. Muhammad, that the Board hereby recognizes and commends Rhonda Lewis, Derrick Gooden, and Meridith Hollins as the Finance and Administration's Employees of the Month for May 2017, on having achieved outstanding job performance, attendance, and work above expected levels;

RESOLVED FURTHER, that the Board and the General Manager are hereby authorized to sign a formal resolution, the wording of which will carry out the intent herein, and a copy of which will be presented to the employees named above.

Resolution No. 7487 is hereby adopted by unanimous vote.”

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Following, Human Resources Manager Paul Lloyd introduced Mr. Brent McCoy and he read the commendation awarding Mr. McCoy Employee of the Month for May 2017 of the Electrical and Maintenance Division relative to his exemplary actions for external customer service, safety and positive attitude involving his heroic, “good Samaritan” act in rescuing a lady in a vehicle upside-down in a ravine. Subsequently, on behalf of the Board of Directors and management, Chairwoman Lewis congratulated Mr. McCoy on his heroic act in rescuing the lady from the vehicle. Chairwoman Lewis thanked Mr. McCoy for the job he does at the Water Works Board wherein it includes the community. She pointed out he helped save a life and she extended the Board’s appreciation for his act of kindness. On behalf of the Board of Directors and senior executive management, Chairwoman Lewis presented Mr. McCoy with a commendation resolution along with a \$250.00 check. The meeting body extended applause for a job well done.

Next, Human Resources Manager Paul Lloyd recognized the Training and Organizational Development Team of the Human Resources Department. Mr. Lloyd pointed out for the past five years said team has participated in the Training Magazine Top 125 application process, pointing out for five consecutive years BWWB Training Team has earned a Top 125 ranking and this year they were selected as #21 out of the top 125. Following, introductions were made by said team consisting of Rhonda Lewis, Meridith Holins, Derrick Gooden, and Morgan Dill. Mr. Lloyd reviewed how the Top 125 ranking was selected wherein it was by assessing a range of qualitative and quantitative factors. He pointed out BWWB’s Training Team beat out some well recognized companies such as ADT, AT&T, CVS health, Mohawk Industries, Northwestern Mutual and Quicken Loans. Mr. Lloyd congratulated the team on the great job it does at the Water Works Board. Chairwoman Lewis commented that the Board has some of the best trained employees in the nation because of its training team. Chairwoman Lewis asked for a copy of the Training Magazine recognizing the Top 125 applicants. She extended the Board’s appreciation and thanked the team members for all that they do, commenting that training is important in all areas. On behalf of the Board of Directors and senior executive management, Chairwoman Lewis presented each team member with a commendation resolution along with a \$250.00 check each. The meeting body extended applause for a job well done.

Next, the Board was asked to approve revisions pertaining to the its Travel Expense Reimbursement Policy for Board of Directors, as set out in the policy, and as set forth in agenda item 2, and as recommended by the Human Resources Committee. On a motion duly made and seconded, the following resolution was adopted:

“WHEREAS, The Water Works Board of the City of Birmingham (the “Board”) adopted its original Travel Expense and Reimbursement Policy on November 14, 1996; and amended such Policy on October 11, 2001, January 18, 2007, repealed part of said Policy as it related to employees on June 29, 2007, and amended such Policy on August 19, 2010; and

WHEREAS, the Board desires to further amend such Policy as to such items as set out in the Policy attached hereto.

NOW, THEREFORE BE IT RESOLVED, on a motion duly made by Mr. George Munchus and seconded by Mr. William R. Muhammad, that the Board hereby amends its Travel Expense and Reimbursement Policy as attached hereto.

Resolution No. 7488 is hereby adopted by unanimous vote.”

Next, the General Manager asked the Board to reimburse the Operating Account for capital expenditures made for the period ended April 30, 2017, as set forth in agenda item 3. On a motion duly made and seconded, the following resolution was adopted:

“WHEREAS, ARCADIS US, Incorporated, in a Certificate dated May 15, 2017, certified that during the period ending April 30, 2017 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 \$3,427,289.99 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 Mr. George Munchus and seconded by Mr. William R. Muhammad, that the Trustee be, and is hereby instructed to immediately transfer \$3,427,289.99 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. 7489 is hereby adopted by unanimous vote.”

Next, the General Manager asked the Board to approve payments of invoices for professional services, as set forth in agenda items 4.1 through 4.5, and he indicated staff recommends the referenced invoices for approval. 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. George Munchus and seconded by Mr. William B. Burbage, Jr., that the Board hereby authorizes staff to execute payments to the following:

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|-----|--|---------------------|
| 4.1 | <u>Raftelis Financial Consultants, Inc.</u>
For retainer fee for April 2017 | <u>\$ 3,735.00</u> |
| 4.2 | <u>Dominick Feld Hyde, PC</u>
For professional services rendered for April 2017 | <u>\$ 6,472.80</u> |
| 4.3 | <u>The Jones Group</u>
For professional services rendered for May 2017 | <u>\$ 7,500.00</u> |
| 4.4 | <u>Volkert, Inc.</u>
For professional services rendered for April 2017 | <u>\$ 27,220.05</u> |

4.5 ARCADIS U.S., Inc.
For professional services rendered per March 2017's Progress
Report (March 2017) \$384,097.14

Resolution No. 7490 is hereby adopted by unanimous vote.”

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Next, the Board was asked to approve and authorize the General Manager and/or the Assistant General Manager to accept a three-year renewal agreement with Creative Benefit Solutions, LLC, as set forth in agenda item 3 and as recommended by the Human Resources Committee. On a motion duly made and seconded, the following resolution was adopted. Subsequently, the General Manager pointed out that Creative Benefit Solutions, LLC, is a 100 percent MBE business.

“BE IT RESOLVED By The Water Works Board of the City of Birmingham (“the Board”), on a motion duly made by Mr. William R. Muhammad and seconded by Mr. George Munchus, that the Board hereby approves and authorizes the General Manager and/or the Assistant General Manager to accept a three-year renewal agreement with Creative Benefit Solutions, LLC, from July 17, 2017 to June 16, 2020, as recommended by the Human Resources Committee. Resolution No. 7491 is hereby adopted by unanimous vote.”

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Under new business, Director Munchus asked the General Manager to give an update on the EPA meeting he attended in Washington, D.C. last week and to explain the role of the Association of Metropolitan Water Agencies and his role. The General Manager indicated that he serves on the AMWA board of directors wherein he has been on said Board for approximately six years. He is currently serving as the Vice President and in October he will become the President of the AMWA Board of Directors. The AMWA organization is comprised of the top 200 to 250 water agencies in size across the U.S. Water agencies are required to have 100,000 customers to be a part of the organization and it deals with various issues relative to EPA and other type organizations. The General Manager reported in his meeting with the EPA there was some discussion on updating the lead and copper rule relative to the issue in Flint, Michigan; on peer-to-peer inquiries wherein they are looking for ways to train other entities that are not up to speed on the federal regulatory requirements and on improving smaller utilities’ operations. The General Manager commented that EPA water group feels like a lot of the smaller utilities are not trained and do not know how to do some of the procedures they need to do. He commented that the EPA indicated that they believe that a lack of training was one of reasons that impacted the water issue in Flint, Michigan. Director Munchus indicated that BWWB has been very helpful to the 11 water systems in Alabama, and he inquired as to whether BWWB incur a fee for providing services. The General Manager indicated that BWWB’s Training Team does Grade I and Grade IV training and pointed out a fee is charged if any water systems send employees for said training. In addition, he pointed out that BWWB Training Team has presented several seminars in Mobile, Alabama, on Grade I and Grade IV training. In response to Director Munchus’ inquiry as to whether EPA is going to provide any funding for said training, the General Manager responded no and that EPA expects the larger utilities to help the smaller utilities. He pointed out that EPA is not discussing any funding to assist water systems, and he added they are planning to cut funding in all areas.

Next, Director Munchus inquired about the 2018 Budgets process. The General Manager indicated staff monitors year-to-date all expenditures, and he pointed out that BWWB needs to complete six months of its current year’s budget before planning for next year’s budget. Director Munchus indicated he does not want staff to wait to the last minutes before starting the 2018 budget process. Chairwoman Lewis commented that she had already spoken to the General Manager about starting said process early this year.

Director Munchus asked if staff is planning to submit a new RFP to select a new Healthcare provider. The General Manager indicated that an RFP was sent out a couple of years ago and the current five-member Board decided it wanted to stay with Blue Cross Blue Shield wherein Director Munchus stated they were not the low cost provider at that time. The General Manager pointed out it is a major effort relative to selection of a new healthcare provider, pointing out staff would need to know early in the year to put together the RFPs to have the results by June or July. The General Manager indicated there are no plans to change healthcare provider for this year.

Next, Chairwoman Lewis recognized speakers and stated they would have three (3) minutes to address the Board. Following, Speaker Councilor Shelia Tyson of District 6 indicated that she came to discuss some water bills that they are receiving complaints about and indicated those water bills have been sent to BWWB. Councilor Tyson commended Public Relations Rick Jackson for representing BWWB very well. Councilor Tyson stated that she had read where BWWB is going to start cutting off customers' water and she indicated that BWWB has not fixed the problem and that it is not right. Councilor Tyson stated that the problem needs to be addressed prior to shutting off customers' water. Following, Councilor Tyson recognized Pastor McMillian to speak.

Following, Chairwoman Lewis recognized Pastor McMillian and he indicated they just wanted to make an appeal to not cut off customers' water unnecessarily until BWWB is sure about these customers' bills. Pastor McMillian stated there have been complaints about customers who have paid their bills, and yet they are still getting notice of disconnect of their service. He indicated he wanted to appeal from National Action Network to let BWWB know there is a large portion of its customers that are suffering and struggling and would really appreciate it if no action is taken until BWWB can legitimately say the problems have been solved. Director Munchus encouraged Pastor McMillian to take his plea to Jefferson County because the sewer issue very much impacts water. He asked Pastor McMillian to let Jefferson County Commissioners know that BWWB expects them to act human and understand that customers cannot always afford to pay these high sewer bills for various reasons. He indicated that he appreciates the people from National Action Network coming to the Board because they do good work in the community. Director Munchus commented that I am sure our management team will work something out. Councilor Tyson said she wants BWWB to say it publicly that they are going to work it out instead of saying that the problem has been solved and that it is going to cut customers' water off. Councilor Tyson commented that she is receiving tons of calls.

Following, Councilor Tyson recognized Ms. Cynthia Hildreth and she indicated that she has her bill and a letter that she received from BWWB. Ms. Hildreth indicated that she is a senior citizen in District 9, and she stated the letter has distressed her with no date or seal yet it states your water would be cut off. Ms. Hildreth stated she has received three final notices, wherein her bill has gone from \$35.00 to \$55.00 to \$85.00 and she indicated the final bill is \$102.00. Mrs. Hildreth commented that she is not a constant user of water, and that she does not see why she should be threatened because she has been a customer of BWWB more than 20 years. Ms. Hildreth stated she is concerned as to why the numbers keep going up. Ms. Hildreth stated that the customers want a reprieve of some kind without threatening them with no date or any kind on the letter.

Subsequently, Chairwoman Lewis inquired whether Mrs. Hildreth had spoken with someone at the Water Work Board and asked if she tried to make any payment arrangements. Mrs. Hildred replied that they did not suggest. The General Manager pointed out that a customer service representative is present at today's meeting and indicated she would address Mrs. Hildreth's issue. Chairwoman Lewis read the letter that was sent to Mrs. Hildreth; she indicated that the letter should have been dated and signed and that the letter was not meant to be a threatening letter. She stated that the letter was sent as a reminder letter to customers. Chairwoman Lewis informed Mrs. Hildred that a customer service representative is available if she would like to set up payment arrangements. Chairwoman Lewis indicated that BWWB wants to resolve

all issues. The General Manager pointed out that BWWB has done some public service announcements asking customers to call the Water Works Board if their water bill is behind so that they could catch it up by June 1, 2017.

Following, Director Munchus commented on the H2O Foundation, indicating that Jefferson County should participate in said foundation and put some money in it to help low income citizens who cannot pay their water and sewer bills. Chairwoman Lewis emphasized that the letter is asking customers to call in and make a payment arrangement prior to their service being disconnected. Chairwoman Lewis pointed out that the Water Works Board has not disconnected any customers' service since November 2016. She added BWWB is a business and it has to have money to operate, and that BWWB recognizes and are sensitive to customers who have problems paying their bills.

Following, the General Manager called to the directors' attention part of its trust indenture requires that they collect on delinquent water and sewer bills. He added that part of the indenture states that BWWB cannot provide free water service to any customer. He pointed out the way BWWB prevents from providing free water to customers, it has to shut off delinquent customers' water service. In addition, He pointed out that BWWB is trying to get back to its normal cutoff policy wherein after 45 days a delinquent letter is sent to the customer and after 60 days, they are shutoff. BWWB has many customers that are past due more than what its fiduciary document allows relative to collecting revenues. Management recommendation is that BWWB start the process and continue the process to get back to what its trust indenture states and what BWWB says when it goes to the bond market to get all these good ratings. The General Manager pointed out that Director King stated that Blount County shuts off their customers after 20 days, that they send a delinquent notice and in 20 days and the next couple of days, the customer's water service is shutoff. The General Manager stated BWWB is simply trying to get back to its standard process, and he indicated if a customer has a high bill, that customer should contact customer service regarding his or her water bill to pay or make arrangement to pay it.

After a lengthy deliberation, relative to delaying the cutoff date for delinquent customers' accounts for 30 days, Director Munchus made a motion to extend the cutoff date to July 1 and Director Mims seconded the motion. After the motions, Director Clark commented that there have been some discrepancies with the water bills and she stated there are some customers who are just not paying. In addition, she commented that BWWB has to be sensitive to customers who don't understand the language or who are having issues. Director Clark suggested that Pastor McMillian forward his list of names to BWWB so that customer service could contact the customers to discuss their account, pointing out a BWWB customer service representative can privately discuss the customer's account with him or her. Director Clark indicated she knows how intimidating it can be for some customers, and she stated there are those customers who are just not paying their water bill and she commented that those customers have to be dealt with accordingly. Director Clark asked Councilor Tyson to forward the customers' names to Mrs. Geraldine Davis who has access to the customers' accounts so that she can follow up with the customers. In addition, Director Clark asked Councilor Tyson to call her if she has any more issues and indicated she would call her to see if everything is going okay. Director Clark recommended that BWWB has one point of contact, Ms. Geraldine Davis, relative to these customers' complaints.

Following, Assistant General Manager Michael Johnson reported that BWWB Customer Service Center has extended its hours and indicated customers could call said center up to 7:00 p.m. each day. In addition, Mr. Johnson announced that BWWB's Customer Service Center would be opened on Saturday from 8:00 a.m. to 12:00 noon until the collection process is under control. Councilor Shelia Tyson indicated that she would try to help the citizens as best she can.

After discussion, a roll call vote was called to extend the cutoff date for delinquent water accounts from June 1, 2017 to July 2, 2017. The motion failed by a vote of 4 to 3 with Directors Lewis, Alexander,

Clark, and Burbage voted against the motion and Directors Mims, Munchus and Muhammad voted for the motion. 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. George Munchus and seconded by Mr. Ronald A. Mims, that the Board hereby requests the Board to extend the cutoff date for delinquent water accounts from June 1, 2017 to July 1, 2017. The motion failed and Resolution No. 7492 was adopted by a roll call vote, as follows: Directors Lewis, No, Alexander, No, Clark, No, and Burbage, No; Directors Mims, Yes, Munchus, Yes, and Muhammad, Yes.”

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Next, Chairwoman Lewis recognized Speaker Terry D. Brunslar. Ms. Brunslar stated that she lives in Hoover, Alabama, and she addressed a high-water bill that she received in mid-October 2016 indicating she had used 65,000 gallons of water. She stated in previous months she has used between 4,500 to 6,000 gallons of water and that her water bill has never extended beyond \$78.00 per month. After October, she contacted HomeServe and they pronounced everything leak free and they came back in December. She called the Water Works and it came out an exchanged the meter and never advised her there would be a monetary charge for exchanging the meter. She was informed that her meter would be tested three times and would receive a letter relative to the findings wherein she never received a letter. She indicated that she continued to try to resolve this matter by telephone to no avail. Ms. Brunslar indicated that she has paid \$800.00 in good faith wherein the referenced matter has been ongoing for six months while paying \$65.00 per month. The General Manager asked Ms. Brunslar to meet with Ms. Geraldine Davis so that she could provide some assistance relative to her water bill.

Following, Speaker David Russell commented on his water bill wherein he stated he had paid \$40.00 by check; however, the \$40.00 has not been applied to his account. He indicated a customer service representative asked him to go to his bank and get a copy of the check and he indicated the bank would charge him for the check. He asked that someone locate his \$40.00 that he paid for his water bill and apply it to his account. He commented this is the only water board that appoints outside folks to sit on its board. The General Manager informed Mr. Russell that BWWB needs some additional information from him to find his misapplied or lost \$40.00 check such as a check number to trace the check, a bank routing number or a confirmation number. Mr. Russell asked that BWWB pay the bank fee relative to the \$40.00 check and the General Manager indicated that BWWB could not pay such fee.

Following, Speaker Iva Williams, III indicated that he has 15 items that the community is concerned about and some of those issues have been addressed and most have not been addressed. Mr. Williams commended Mr. Jackson for assisting a customer because customer service said there was nothing it could do. At 10:27 a.m., Director King entered the meeting. Mr. Williams stated that the customer service representatives don't know how to communicate with customers. He commented that customers have paid their bill and they deserve a credit or a refund and he indicated that issue has not yet been addressed.

A discussion ensued relative to the option for customers to make payment arrangements whether it is a correct or a disputed bill and the Board's fiduciary duty. After discussion, Chairwoman Lewis asked the General Manager to give a directive to Public Relations Specialist Rick Jackson on today to make his message simple for the customers relative to delinquent accounts on radios, television, flyers, etc. The General Manager indicated that the message would be put in a 1, 2 and 3 format. Director Clark called to the directors' attention that said matter was discussed in committee and the Board came to a consensus in the committee meeting. Director Clark stated if a board member needed to readdress said matter, she indicated that the matter should have been referred back to committee. She stated the Board has a process and that Board members should not in the heat of emotion decide that he or she is going to change what

was discussed in committee. Director Clark stated the Board had established ways of communicating to its customers so that is why BWWB chose to communicate with customers in that fashion. Director Clark stated although customers may have had some extenuating circumstances, she stated the customers still have a responsibility to call and make an arrangement regarding his or her account. Director Clark commented that the Board has tried to resolve the customers' delinquent water accounts as amicable as possible, and she pointed out the Water Works has to meet its operation obligations.

Following, Director Muhammad inquired whether a resolution was adopted when the Board decided not to shutoff the customers' water service. It was stated that there was no resolution. Chairwoman Lewis pointed out the Water Works has not cut off any customers' service since November 2016, pointing out it has been six months. She indicated now the Water Works Board has to move forward relative to its fiduciary responsibility, commenting the customers have to pay their water bills monthly. She pointed out the Water Works Board has hired extra customer service agents, extended the hours, opened the Customer Service Center on Saturdays, sent reminder letters, called customers, put out door hangers, advertised on TV, etc. She stated that some customers could apply for assistance from the H2O Foundation and she pointed out BWWB board members have nothing to do with said foundation; it is a separate entity. The General Manager gave the contact information for the H2O Foundation – Mr. Larry Dancy at 328-5656 ext. 226. The Salvation Army is open daily and appointments are scheduled with elderly customers either to either repair their leak or pay their water bill once a year. He pointed out the JCCEO was awarded approximately \$50,000.00 per month to assist elderly customers with their water bill. Director Clark indicated if a customer contacts the Customer Service Center and they get an agent that is not working with them, she asked that the customer ask to speak to Public Relations Specialist Rick Jackson.

As there was no further business before the Board, a motion was duly made and seconded, and the meeting adjourned at 10:52 a.m.

/s/

Sherry W. Lewis
Chairwoman/President

Attest

/s/
Brett A. King, Esq.
Secretary-Treasurer