

**MINUTES OF THE REGULAR MEETING OF DIRECTORS
OF THE WATER WORKS BOARD OF THE CITY OF BIRMINGHAM
May 13, 2020**

The regular meeting of the Directors of The Water Works Board of the City of Birmingham was held on Wednesday, May 13, 2020 at 11:30 a.m., at 3600 First Avenue North, Birmingham, Alabama – via electronic equipment.

The following Directors were present: Tommy Joe Alexander, Lucien Blankenship, William “Butch” Burbage, Jr., Deborah Clark, Brenda J. Dickerson, Brett A. King, Ronald A. Mims, William R. Muhammad and George Munchus.

The meeting was also attended by: Michael Johnson, General Manager; Derrick Murphy, Assistant General Manager of Engineering & Maintenance; Jeffrey Thompson, Assistant General Manager of Operations & Technical Services; Iris Fisher, Assistant General Manager of Finance & Administration; Grace Amison, Executive Assistant to the Board of Directors; Tammy Wilson, Executive Assistant to Assistant General Managers, Derrick Murphy and Jeffrey Thompson; Marsha Hammonds, System Support Supervisor; Mark Parnell, Parnell Thompson, LLC.

Inasmuch as all Directors were present, a quorum was in attendance.

Chairman Mims called the meeting to order at 11:35 a.m. and the General Manager opened the meeting with prayer.

Following, Director Blankenship recommended approving the agenda as printed but, striking the language “necessary to perform minimum functions of the governmental body”. 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. Lucien Blankenship and seconded by Mr. Ronald A. Mims, that the Board of Directors hereby approves the Regular Board of Directors’ meeting agenda for May 13, 2020 as written, but striking the language “necessary to perform minimum functions of the governmental body”.

Resolution No. 8354 is hereby unanimously adopted by a roll call vote.”.

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Following, the Board was asked to approve payments of invoices, as set forth in agenda items 1.1 to 1.4. The invoices were broken out into items 1.1 and 1.2 at Director Blankenship’s request. 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. Brett A. King and seconded by Dr. George Munchus, that the Board hereby authorizes staff to execute payments of invoices to the following:

- 1.1 NeSmith, Lowe & NeSmith, LLC
For retainer fee April 2020 \$ 500.00
- 1.2 Terminus Municipal Advisors, LLC
For professional services rendered April 2020 \$ 6,500.00

Resolution No. 8355 is hereby unanimously adopted by a roll call vote.”

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Next, the Board was asked to approve payments of invoices, as set forth in agenda items 1.3 and 1.4. 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. Brett A. King and seconded by Mr. Tommy Joe Alexander, that the Board hereby authorizes staff to execute payments of invoices to the following:

- 1.3 The Jones Group, LLC
For professional services rendered April 2020 \$10,000.00
- 1.4 Parnell Thompson, LLC
For professional services rendered March 2020 \$85,635.00

Resolution No. 8356 is hereby unanimously adopted by a roll call vote.”

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Following, the Board was asked to approve reimbursements to the Operating Accounts for the periods ending February 28 and March 31, 2020, as set forth in agenda item 2.1 and 2.2. On a motion duly made and seconded, the following resolution was adopted:

“WHEREAS, ARCADIS US, Incorporated, in Certificates dated April 22, 2020 and April 24, 2020 respectively, certified that during the periods ending February 29, 2020 (\$3,068,082.71) and March 31, 2020 (\$4,355,351.83), 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. The total certified capital expenditures for said two months total \$7,423,434.54 and;

WHEREAS, transfers to the Operating Account can be made from any, or a combination, of the following: the 2019 Special Acquisition Fund, the 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 Dr. Brenda J. Dickerson and seconded by Mr. William R. Muhammad, that the Trustee be, and is hereby instructed to immediately transfer \$7,423,434.54 to the Operating Account from any, or a combination, of the following: The 2019 Special Acquisition Fund, the Construction Fund, the Improvement Fund, and/or the Revenue Account.

Resolution No. 8357 is hereby adopted by a roll call vote. Directors Alexander, Burbage, Clark, Dickerson, King, Mims, Muhammad and Munchus voted yes. Director Blankenship abstained.”

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Next, the Board was asked to adopt a resolution under “New Business”, that except with the unanimous consent of the directors present at a regularly called Board meeting, no action can be taken on an item until such item has been referred to the appropriate committee and that committee subsequently recommends that item for action, as set forth in agenda item 3. Director Muhammad questioned if the resolution had to be by unanimous consent. General Manager Johnson responded that is the way the resolution was written. A motion was made and seconded to move the item for discussion. Director Muhammad asked who brought this resolution to the Board. Director Alexander stated many councils have adopted this same process to allow all members to have an opportunity to understand items being voted on ahead of time. Director Alexander stated many times when something comes up in meetings, he is hearing about it for the first time. Director Clark responded she believed something needs to be in place to properly vet items beforehand, except in emergency circumstances. Chairman Mims asked for the answer to who brought this resolution to the Board. Director Clark responded that she was the one who brought the resolution to the forefront. Director Munchus stated he intended to vote no on the item, and he didn’t see any problem with the clarity of issues he has brought before the Board under new business in the past. Director Clark stated she took issue with this because she felt it was within her right since she followed the appropriate process, adding the General Manager was involved. Director Muhammad stated he felt he had never been properly represented by Board attorneys and he was not a favorite. Attorney Parnell reminded Director Muhammad that he brought a request for a resolution to change the Board’s pay per meeting, adding he was not playing favorites with directors. Attorney Parnell stated if it was the desire of the Board, that he would notify every Board member each time he is contacted by another Board member. Attorney Parnell reminded the Board that the corporation By Laws state that the General Manager is to prepare the agenda and suggestions can be made by Board members, administrative staff, general public, employees, consultants and attorneys for the corporation. Attorney Parnell stated his objective is to provide each director and the Board, as a whole, with good counsel. Director Dickerson stated she did not want to take away the privilege of bringing up new business and she supported a majority rule. Director Blankenship stated communication needs to be better going forward. After the discussion, a roll call vote was taken and the item under “New Business” failed 6 to 3.

Following, under New Business Director Munchus asked for an update on Succession Planning. Director Blankenship asked for discussion about options with consultants, starting with legal, adding he would like to improve efficiencies and see diversity in how the Board operates. Some discussion occurred regarding general counsel and a panel of lawyers. Director Blankenship

stated he would like to see another retreat scheduled. Director Dickerson stated she believed there are other scenarios too. Chairman Mims recommended setting an Executive Committee meeting to discuss these issues in greater detail.

Next, Director Muhammad asked to clarify the resolution from the previous Board meeting hiring attorney Emory Anthony to represent Directors Mims and Blankenship in their upcoming meeting with the State of Alabama Attorney General’s Office. Director Dickerson stated it was her understanding that Directors Mims and Blankenship were going to decide on an attorney. Chairman Mims responded that he and Director Blankenship had decided to use one attorney, Emory Anthony to represent them in their meeting with the Attorney General’s Office. Director Clark stated in lieu of the earlier conversation regarding an Executive Committee meeting to be scheduled to discuss consultant options, this resolution was premature. Director Clark stated currently under new business, it seems like the Board is hiring new people without them being properly vetted. Director Clark further stated that during this pandemic she did not think it was the time to be padding the budget with add-ons. The Board needs to have an orchestrated approach to this. Director Blankenship stated an approach may be to “put a pin” in engaging legal counsel in terms of litigation until we have further discussion. Director Muhammad stated attorney Emory Anthony already has an active contract with the Board that is open-ended. Director Dickerson asked how the legal work is to be divided. Director Clark stated the Board needs to determine what work is ongoing and routine then determine how the work could be divided. Chairman Mims asked the General Manager to set a meeting for this to be discussed. On a motion 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. William R. Muhammad and seconded by Dr. George Munchus, that the Board hereby authorizes an agreement between The Birmingham Water Works Board and attorney Emory Anthony to provide general counsel at a rate of \$225.00 per hour with compensation not to exceed \$20,000.00 per month.

Resolution No. 8358 is hereby adopted by a roll call vote. Directors Blankenship, Dickerson, Mims, Muhammad and Munchus voted yes. Directors Alexander, Burbage, Clark and King voted no.”

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Following, Director Muhammad stated the City of Birmingham has been meeting in person and he believed the Board could conduct an in person meeting as well. Chairman Mims stated the Board and Senior Staff could spread out in the Training Room for an Executive Committee meeting. Some brief discussion occurred regarding audit and actuarial reports along with the Strategic Plan. Chairman Mims said that topic could be a separate Executive Committee meeting. GM Johnson stated he would get with the Board Assistant to get something on the calendar for a meeting to discuss consultant options. Director Blankenship asked who the internal auditor is and if the Board could be introduced to them. GM Johnson responded that it is Carolyn White, who reports to the General Manager and makes reports to the Board.

Next, as there was no further business before the Board, a motion was duly made and seconded, and the meeting was adjourned at 12:50 p.m.

_____/S/_____
Ronald A. Mims
Chairman/President

Attest:

_____/S/_____
William R. Muhammad
Secretary-Treasurer