

**MINUTES OF THE HUMAN RESOURCES COMMITTEE MEETING
OF THE WATER WORKS BOARD OF THE CITY OF BIRMINGHAM
Tuesday, January 24, 2023**

A Human Resources Committee meeting of the directors of The Water Works Board of the City of Birmingham was held on Tuesday, January 24, 2023, at 3:00 p.m., at 3600 First Avenue North, Birmingham, Alabama.

The following Committee members were present: Directors Burbage (Committee Chairman) and NeSmith.

Others present were: Michael Johnson, General Manager; Iris Fisher, Derrick Murphy and Jeffrey Thompson, Assistant General Managers; Cynthia Williams, Board Administrator; Anitra Clark, Corporate Governance Specialist; Vanessa Washington, Executive Assistant; Colandus Mason, Rick Jackson, Paul Lloyd, Joyce Dupree, Jeremy Ervin, Cherita King, Rhonda Lewis, Marilyn Vertison, Sam Day, Jeff Wade, Charles McGee, and David Walker, Board Employees; Byron Perkins, Perkins Law, LLC; Kelvin Howard, Kelvin W. Howard, LLC; Angela Riley, O2 Ideas; Andrea Lewis, Melanie Maddox and Cheryl Hill, Human Capital Services Consulting; Christine Kozlosky, The Ascent Group; Darin Thomas, Colin Stifler and Scott Parker, Raftelis Financial Consultants.

Inasmuch as two of the Committee members were present, a quorum was in attendance. Committee Chairman Burbage called the meeting to order at 3:03 p.m. Human Resources Manager Paul Lloyd opened the meeting with prayer.

Next, the Committee proceeded to approve the agenda. Director NeSmith made a motion to approve the agenda and Committee Chair Burbage seconded the motion. The agenda was approved by unanimous vote.

Following, the Committee proceeded to the first item on the agenda, Request the Committee to approve minutes of the Human Resources Committee Meetings held September 14, 2022. Director NeSmith made a motion to approve the minutes and Committee Chair Burbage seconded the motion. The minutes were approved by unanimous vote.

Next, the Committee proceeded to the second item on the agenda, Request the Committee to hear a presentation and to recommend to the Board to execute an agreement with Human Capital Services, LLC to perform Organizational Assessment services at a projected cost of \$317,000.00; and to authorize the General Manager and/or Assistant General Manager to execute the agreement. General Manager Johnson asked to make his presentation entitled *Selection Process for Organizational Assessment and Process Improvement Services (a copy is on file in the Diligent Committee Book)* and to have Human Capital Services and the Ascent Group present afterwards. He gave an overview on the six strategic plan goals: product quality, customer satisfaction, workforce development, infrastructure stability, financial viability, and effective governance. General Manager Johnson stated that customer satisfaction and workforce development goals were the focus of said presentation. Also, Customer Satisfaction is an important aspect of Organizational

Assessment. He stated that it was the largest area that Birmingham Water Works needed to improve. The plan for customer satisfaction is to track and improve customer service through proactive outreach, increased responsiveness, customer affordability, and performance reporting, in addition to the review, update, and development of customer service satisfaction targets. Director Mims arrived at the meeting at 3:07 p.m. Afterwards, General Manager Johnson highlighted workforce development. He said that succession planning, individual development plans and formalizing career paths were part of the workforce needs assessment to deliver services and continuous improvement. Per General Manager Johnson, an Organizational Assessment and Process Improvement Review is needed to focus on the company's structure and design, enhance its organizational effectiveness, and efficiencies to streamline and improve the company's processes. General Manager Johnson acknowledged the Selection Team instrumental in assisting with the selection process for two firms relating to organizational assessment and process improvement services. Afterwards, he turned the meeting over to Mr. Lloyd.

Next, Mr. Lloyd discussed the consulting project's scope of work. He stated that the request for proposal's two primary objectives were organizational assessment services and process improvement services for the Call Center Department, Customer Support Services Department and Warehouse functions. Mr. Lloyd talked about the selection process. He stated that the bids were solicited from qualified consulting firms and four proposals were submitted for review. Per Mr. Lloyd, based on the scorecard used to evaluate and score the consulting firms, Human Capital Services and the Ascent Group had the highest results in their ability to provide the services in the request for proposal. Afterwards, he introduced Andrea Lewis, Human Capital Services, to present on the services her firm provides. Ms. Lewis began her presentation on a handout entitled *RFP 22-3-02 Facilitation of an Organizational Assessment (a copy is on file in the Diligent Committee Book)*. She introduced her team and gave background information on them and their experiences; including the Raftelis Financial Consultants team, which Human Capital Services partnered with for this project. Per Ms. Lewis, her minority owned firm with a nationally recognized partner have provided financial/organizational assistance for over a thousand water, wastewater, and stormwater utilities, which serves more than 25% of the United States populations and includes the utilities serving 33 of the nation's 50 largest cities. She indicated that Human Capital Services was the primary consultant, and that Raftelis Financial Consultants was the sub-consultant on the project. Human Capital Services has had a strong relationship in partnering with Raftelis Financial Consultants in offering support to other utilities/clients throughout the last few years. Ms. Lewis discussed the team's approach to organizational assessment to determine how close Birmingham Water Works is to executing the company's goals deemed important and facilitating the process. She stated that the first step was to make sure there was a strong communication planning approach. The organizational assessment is based upon Birmingham Water Works vision, goals, values, and mission. Per Ms. Lewis, the organizational assessment key components include project mobilization, organizational structure analysis, operational core function efficiency review, best practices and peer benchmarking, findings and recommendations report, and implementation support. She indicated that some steps may happen simultaneously and does not prevent another step from happening. Ms. Lewis talked about the implementation support and high-quality deliverables. She informed the Board that the implementation support can last up to six months. She also gave an overview on the schedule/timeline for the project and concluded the presentation. Director NeSmith inquired as to whether the referenced experience Ms. Lewis emphasized was for Human Capital Services as a part of Raftelis Financial Consultants or independently, which she

responded, the experience referenced included both firms. Also, Director NeSmith asked was the information presented on the firms experience in the presentation handout and if whether this was Human Capital Services first time working with Raftelis Financial Consultants. Per Ms. Lewis, both company's work experience and references are listed in the handout; however, she stated it was Human Capital Services fifth time partnering with Raftelis Financial Consultants. General Manager Johnson commented that the firms are a good fit for Birmingham Water Works. Director Mims inquired about the total budget for the project. General Manager Johnson stated that, during the proposals phase, \$250,000.00 was budgeted for the org assessment and the process improvement services. The cost for Organizational Assessment Services came in at \$317,000.00 and the cost for Business Process Improvement Services came in at \$166,110.00. This leaves a \$233,110.00 deficit, which General Manager Johnson stated the funds would have to be taken from PAY-GO to accommodate the deficit. Director Burbage asked General Manager Johnson to make sure the full Board knows where the additional funds would come from for said project. Director Mims made a motion to recommend said item be moved to the full Board for approval and Committee Chair Burbage seconded the motion. The item was approved by unanimous vote.

Following, the Committee proceeded to the third item on the agenda, Request the Committee to hear a presentation and to recommend the Board to execute an agreement (Statement of Work) with The Ascent Group, Inc., to perform Business Process Improvement Services at a projected cost of \$166,110.00; and to authorize the General Manager and/or Assistant General Manager to execute the agreement. Mr. Lloyd acknowledged Christine Kozlosky to present on behalf of the Ascent Group. Ms. Kozlosky began her presentation on the handout entitled *Business Process Review and Call Center and Customer Support Services for Birmingham Water Works*. She stated her firm is a woman owned business with its primary focus on utilities and customer service operations. Although her team was not present, Ms. Kozlosky highlighted each team background/experience. Ms. Kozlosky discussed the project scope and objectives for the business process review, which includes conducting business process and operational review of the Call Center and Customer Support Services, identifying operational improvements to enhance service delivery, reviewing SAP support of Warehouse inventory and asset management, including asset tracking, and incorporating industry best practices. She highlighted four tasks necessary to complete the work over a seven-month period. The four tasks are (1) project planning and scope definition, (2) business process and review, (3) benchmarking and best practice gap analysis, and (4) report preparation and presentation of results. Per Ms. Kozlosky, task two contains the bulk of the work for said project, because it involves discovery, process evaluation, and assessing the customer's experience. After discussing details under each task, Ms. Kozlosky concluded her presentation. Director NeSmith commented that hiring the firm would give Birmingham Water Works the good, the bad, and the ugly; however, the assessment is needed for Birmingham Water Works improvement, because the company does not have a good reputation in the community. Director Burbage said that it would be a tremendous task, as the company has been going through a media hailstorm; however, said services have been needed for some time. He stated that he asks that whoever is involved in the process, that Birmingham Water Works gets a fair realistic approach and realistic understanding. Afterwards, General Manager stated that a study had not been done like this since the implementation of SAP. He confirmed that said item would be on the February 8, 2023, Regular Board of Directors' Meeting agenda and that each firm would present at the board meeting, if said item moved forward to the full Board for approval. Director Mims made a motion to recommend said item be moved to the full Board for approval and Director

NeSmith seconded the motion. The item was approved by unanimous vote.

Subsequently, the Committee proceeded to the fourth item on the agenda, Request the Committee to hear a presentation on participating in the Birmingham Promise Internship Program. General Manager Johnson introduced Jeremy Ervin, Workforce Development Administrator, to present on Birmingham Water Works partnership with the Birmingham Promise initiative. Mr. Ervin began his presentation on the handout entitled *Workforce Development – Birmingham Promise Implementation Proposal*. He stated that his role is to develop key relationships in the community for years to come. He highlighted the goals for the program, which is to offer internship opportunities to upcoming seniors in the Birmingham City High Schools. The students in the program will receive tuition assistance from the City of Birmingham. Birmingham Water Works will bring on five students (January 30, 2023 – May 12, 2023). The goal is for the students to have established certain skill sets when they enter college. The students' skill sets expected to be obtained through an internship at Birmingham Water Works includes career development, communications, critical thinking, leadership, and professionalism. The students will only work in professional areas of the company: Accounting, Public Relations, System Development, Human Resources, and Information Technology over the next fourteen weeks. As part of the Birmingham partnership initiative, students are asked to take part in a Professional Development Series. The professional development courses required are business writing and customer service. Seniors will earn \$15.00 an hour paid by Birmingham Water Works, get job experience, and begin to build professional networks to benefit their careers. Mr. Ervin confirmed that he will be spearheading the initiative and students' site supervisor. Director Mims asked whether the Board's attorneys had reviewed the proposal. General Manager Johnson confirmed that Board Attorney Mark Parnell had reviewed the partnership initiative. Director NeSmith inquired as to how management determined to accept only five students. Per Mr. Ervin, five managers immediately responded to his request for placing the students in a professional environment, in addition, he reviewed the budget determine the amount required to cover the cost. Director NeSmith stated that this is a great program, and that Birmingham Water Works could participate in the program this first semester and look at expanding the program later. Also, Director NeSmith commented that students could benefit from the company's operation/field areas and students might possibly consider Birmingham Water Works after finishing college. He asked General Manager Johnson whether there were enough funds in the budget to expand the number to ten students. General Manger Johnson responded that it will be funded by taking five of the ten positions from the company's Ambassador in Training (AIT) Program. He stated that adding five additional positions would involve taking money allocated for something else; however, management could look for funds to assist with expansion in the future. Per General Manager Johnson, the company wants to ensure that there is diverse participation from our service areas. Mr. Ervin concluded his presentation. General Manager Johnson stated that at the next Human Resources Committee Meeting, management's goal is to give an overview of all the company's workforce related programs to show how everything fits together. Afterwards, Director NeSmith commented that he wants the students to see operations in the Boardroom.

As there was no further business before the Committee, Director NeSmith made a motion to adjourn the meeting and Director Mims seconded the motion. The meeting adjourned at 4:07 p.m.

_____/s/_____
Michael Johnson
General Manager

_____/s/_____
William “Butch” Burbage, Jr.
Committee Chairman

_____/s/_____
Carl Dalton NeSmith
Director