

**MINUTES OF EXECUTIVE COMMITTEE MEETING  
OF THE WATER WORKS BOARD OF THE CITY OF BIRMINGHAM  
APRIL 30, 2024**

An Executive Committee Meeting of the directors of The Water Works Board of the City of Birmingham was held on Tuesday, April 30, 2024 at 11:30 a.m.

The following Committee members were present via roll call: Committee Chairwoman Tereshia Huffman, William “Butch” Burbage, Jr., Tom Henderson, Larry Ward, and Dalton NeSmith. Director George Munchus was also present.

Others present were: Michael Johnson, General Manager; Derrick Murphy and Philip King, Assistant General Managers; Cynthia Williams, Board Administrator, Anitra Clark, Corporate Governance Specialist; Elyse Page, Executive Assistant to the General Manager, Rick Jackson, Jeff Wade, Charles McGee, Rosalind Jones, Paul Lloyd, Colandus Mason, Jonathan Jett, Jarrod Shotts, Anthony Hazel, David Walker, Jessica Fadlevich, and Derrick Maye. Board Employees; K. Mark Parnell, Parnell Thompson Law, LLC; Kelvin Howard, Kelvin W. Howard, LLC; Olivia Martin, State of Alabama Attorney General’s Office; Shenice Smith and Kyle Adams, CBG Strategies, LLC; Bill Todd, o2 Ideas; Bob Dickerson and Rachel Gandy, Birmingham Business Resource Center; John Dansby and Priscilla Lowry, BWWB Retirees.

Committee Chairwoman Huffman declared a quorum in attendance.

Committee Chairwoman Huffman called the meeting to order at 11:30 a.m., and General Manager Michael Johnson opened with prayer.

Following, Committee Chairwoman Huffman asked the Committee to approve the agenda, Director NeSmith made a motion to approve the agenda and Director Henderson seconded the motion. On a motion duly made and seconded, the agenda was approved by unanimous vote.

Next, the Committee moved to the first item on the agenda, Request Committee to approve minutes of the Executive Committee Meeting held March 13, 2024. Committee Chairwoman Huffman made a motion to approve the item and Director Henderson seconded the motion. On a motion duly made and seconded, the item was approved by unanimous vote.

Following, Committee Chairwoman Huffman asked to hear Report of Officers. There were no reports.

Next, the Committee moved to the second item on the agenda, Request Committee to recommend to the Board to approve an agreement with Davis Direct, for Printing and Mailing of the 2024 Consumer Confidence Reports (CCR), at an out-of-pocket cost to the Board of \$80,766.74; and to authorize the General Manager and/or the Assistant General Manager to execute said agreement. Director NeSmith made a motion to approve the item and Director Burbage seconded the motion. On a motion duly made and seconded, the item was approved by unanimous vote.

Following, the Committee moved to the third item on the agenda, Request Committee to recommend to the Board to approve an agreement with Raftelis, at an estimated cost of \$81,720.00, to determine the value of the portion of the system that serves Moody, a financial impact analysis

on BWWB if the system is sold, a financial impact analysis on Moody if the system is acquired, and the cost for generating meter reads for Moody's sewer customers served by BWWB. Director Ward made a motion to approve the item and Director Burbage seconded the motion. On a motion duly made and seconded, the item was approved by unanimous vote.

Next, the Committee moved to the fourth item on the agenda, Request Committee to recommend to the Board to approve the addition of a Superintendent, Small Business and Historically Underutilized Business (HUB) Program Administrator to assist BWWB in expanding its HUB Program; and a Data Analyst II to assist with program management, vendor expenditure analysis, reporting and contract administration. Committee Chairwoman Huffman made a motion to approve the item and Director Burbage seconded the motion. Committee Chairwoman Huffman asked the General Manager to provide an overview of recommendations for agenda items 4 and 5. The General Manager stated regarding agenda item 4, the BWWB has valued the use of the Historically Underutilized Business (HUB) Program for many years. He stated a significant goal of BWWB is workforce development and this would be an opportunity to increase HUB participation in our community. The General Manager indicated BWWB had a contract with a previous vendor to oversee the HUB program; however, the Board wanted to reevaluate and improve on that program. He stated a Request for Proposal (RFP) was issued, and it was determined there is an opportunity to bring this service in-house by hiring two individuals to manage this program. He stated the recommendation is to hire a Program Administrator and a Data Analyst II to assist with program management, vendor expenditure analysis, reporting and contract administration.

Subsequently, the General Manager gave an overview of the services Birmingham Business Resource Center (BBRC) provides regarding agenda item 5. He stated the BBRC would establish a Business Sustainability and Capacity Building (BSCB) Program and produce monthly reports to the Board. He indicated there are challenges with small businesses and vendors that need to be developed. Director Ward questioned the overall cost. The General Manager responded BBRC would be at a monthly cost of \$20,000.00; and the cost of the two BWWB employee positions for a six-month period would be \$95,000.00, with benefits the total cost is \$140,000.00. Director NeSmith requested a breakdown of the annual salary for the Program Administrator and Data Analyst II positions. The General Manager responded the annual salary for the Program Administrator and Data Analyst II would be \$279,020.00 with benefits. Committee Chairwoman Huffman requested the breakdown of the Program Administrator and Data Analyst II without benefits. The General Manager responded \$191,110.00. Director NeSmith requested the individual breakdown of both annual salaries. The General Manager responded \$107,390.00 for the Program Administrator and \$83,720.00 for the Data Analyst II. Next, Director Munchus stated the BBRC has a great reputation in the City of Birmingham. Director Munchus stated one of the bigger issues he hopes Mr. Dickerson can assist small businesses with receiving payments from prime contractors. The General Manager recognized Bob Dickerson, Executive Director of the Birmingham Business Resource Center. Mr. Dickerson stated he is looking forward to the opportunity to work with BWWB again. Mr. Dickerson stated BBRC has for 30 years assisted with the growth and development of small businesses. Mr. Dickerson recognized his assistant, Rachel Gandy and staff. Mr. Dickerson also stated this opportunity to work with more HUBs in Birmingham will help communities by fostering increased employment and tax revenue opportunities. Mr. Dickerson stated the organization has established programs to assist smaller businesses with the access to capital, to include establishing the appropriate relationships with financial institutions, and capital programs to help meet payroll. Committee Chairwoman Huffman

then called for a vote on the motion. On a motion duly made and seconded, the item was approved by unanimous vote.

Following, the Committee moved to the fifth item on the agenda, Request Committee to recommend to the Board to approve an agreement with Birmingham Business Resource Center (BBRC), to establish a Business Sustainability and Capacity Building (BSCB) Program, for a period of one (1) year, at a monthly cost of \$20,000.00. Committee Chairwoman Huffman made a motion to approve the item and Director Henderson seconded the motion. On a motion duly made and seconded, the item was approved by unanimous vote.

Next, the Committee moved to the sixth item on the agenda, Request Committee to recommend to the Board to approve an agreement with Aon Consulting in the amount of \$8,000.00. Committee Chairwoman Huffman made a motion to approve the item and Director Burbage seconded the motion. The General Manager recognized Priscilla Lowry and John Dansby, BWWB Retirees. He stated BWWB retirees have requested a raise in their pension payment. The General Manager stated previously calculations were generated for the costs of a raise and a one-time payment, which would added be to the annual pension payment. The General Manager indicated, if the Board approves the increase, it will require the Pension Plan to be amended. He stated the Pension Plan was amended in 2008 and 2020 with one-time payments at a cost of \$300,000.00. The General Manager gave an overview of the terms of the agreement with Aon. He stated Aon will examine the cost regarding the retirees receiving a one-time payment or a cost-of-living increase to determine whether the Committee would make the recommendation to the Board. Director Ward stated he has an issue with agenda item 6.1 and indicated there are concerns regarding a retiree getting married while on his/her deathbed. He stated he does not oppose the principle, but other situations should be considered regarding agenda item 6.1. Next, the General Manager recognized Mr. Dansby. Mr. Dansby stated there are ongoing concerns regarding the cost-of-living increase for retirees. Mr. Dansby stated some retirees have been living below the poverty line because the actual cost of living has increased; however, their resources have remained the same. He indicated some have been retired for 20 to 25 years. Mr. Dansby stated a one-time payment would be a temporary fix for a permanent problem and indicated some retirees feel abandoned. He stated he understands BWWB is a stable financial entity with plenty of resources. Mr. Dansby asked the Board to be conscious of the retirees who helped build the organization. He stated his recommendation is for the Board to come up with a reasonable percentage increase for retirees. Committee Chairwoman Huffman questioned the General Manager which years did the retirees receive a one-time payment. The General Manager responded 2008 and 2020. Committee Chairwoman Huffman asked the General Manager for his recommendation. The General Manager responded management is starting with the right approach by having the Board's actuary examine the funded status. He indicated the Board must be careful when making a decision that could affect the bond rating and pension liability. The General Manager stated additional funds would have to be put into BWWB pension plan and the operating cost will increase. He indicated once management receives the data, they can determine the cost. Committee Chairwoman questioned when will the data be received. The General Manager responded three months from April 1, 2024 depending on whether an agreement is executed with Aon. He stated he expects to receive the data in time for the 2025 budget process and the data can be reviewed around the August timeframe with the Committee. Committee Chairwoman Huffman reconfirmed the timeline for receiving of the data, three months from April 1, 2024. The General Manager responded yes and stated the agreement with Aon would cost \$8,000.00. Director Ward questioned whether the Board would be committing to a study being conducted by Aon at this time. Committee Chairwoman Huffman responded yes. Director Ward stated his concerns about

BWWB pension plan, and indicated most entities do not have a pension and they only offer 401k retirement plans. He indicated the Board must be careful with this decision, and it cannot put current employees in danger. He agreed retirees should have a cost-of-living increase. Mr. Dansby responded that attrition should be considered because with retirees dying, there is balance between the funding. The General Manager stated the actuary reviews the mortality tables and all items that are being considered in the plan. Director Munchus questioned the General Manager regarding the amount of the one-time payment issued in 2008. The General Manager responded in May 2008 the retirees received a one-time payment of \$2,500.00, and a surviving spouse received payment of \$1,500.00. Director Munchus questioned whether it was the first time a one-time payment occurred. The General Manager responded two payments are on record for 2008 and 2020. The General Manager indicated the payment made in 2020 was a graduated payment based on increments of five years, and how long the retiree has been in the pension plan. Director Munchus stated he agreed with Director Ward's comment regarding concerns of the pension plan, including his personal concerns of capitalism. Director Munchus questioned whether there have been any discussions of the Board moving to a 401k retirement plan. The General Manager responded yes and stated there is a study by Aon to review those options at a Board meeting in May 2024. Director Munchus questioned if Morgan Stanley offers the retirees advisory services at no cost. The General Manager responded yes and stated BWWB has two meetings per year with retirees and indicated Morgan Stanley presents at both meetings. Director Munchus questioned whether employees provided any feedback about the services of Morgan Stanley. Ms. Lowry responded that she is satisfied with the services provided. Next, Ms. Lowry questioned the cost-of-living increase for City of Birmingham retirees. Ms. Lowry stated the organization has more employees and retirees than BWWB. The General Manager responded the City of Birmingham's Pension Plan is not healthy and the benefits for the retirees are structured by the actuary and are funded based on what is implemented into the retirement plan. Director Ward stated the City of Birmingham twice made budget appropriations to the retirement fund due to being underfunded. Director Ward indicated he is opposed to doing away with the Pension Plan for employees. Committee Chairwoman Huffman closed the discussion and noted the questions on agenda item 6.1. Committee Chairwoman Huffman asked the General Manager to break-out 6.1 and 6.2 as two separate items. The General Manager responded both items are only computing costs and advised of combining 6.1 and 6.2. Committee Chairwoman Huffman then called for a vote on the motion. On a motion duly made and seconded, the item was approved by unanimous vote.

As there was no further business before the Committee, Director NeSmith made a motion to adjourn the meeting and Committee Chairwoman Huffman seconded the motion. The motion was approved by unanimous vote and the meeting was adjourned at 12:06 p.m.

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Michael Johnson  
General Manager

/s/  

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Tereshia Huffman  
Executive Committee Chairwoman

/s/  

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William R. Burbage  
Director

/s/

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Tom Henderson  
Director

/s/

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Larry Ward  
Director

/s/

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Dalton NeSmith  
Director