

**MINUTES OF THE REGULAR BI-MONTHLY MEETING OF DIRECTORS  
OF THE WATER WORKS BOARD OF THE CITY OF BIRMINGHAM  
October 9, 2019**

The regular bi-monthly meeting of the directors of The Water Works Board of the City of Birmingham was held on Wednesday, October 9, 2019 at 11:00 a.m., in the principal office of the Board, 3600 First Avenue North, Birmingham, Alabama.

The following Directors were present: William Burbage, Jr., Deborah Clark, Ronald A. Mims, Tommy Joe Alexander, George Munchus, William Muhammad, and Brett King. The following directors were not present: Brenda Dickerson, and Sherry Lewis.

The meeting was also attended by: Michael Johnson, General Manager; Sonny Jones, and Derrick Murphy, Assistant General Managers; Grace Amison, Executive Assistant to the Board of Directors; Anitra Hendrix, Executive Assistant to the General Manager; George Anderson, Rick Jackson, Paul Lloyd, the Call Center Department, the Electrical & Maintenance Department, the Customer Support Services Department, the EnviroLab Department, the Industrial and Commercial Accounts Department, the Business Systems/Operations Department, the Internal Audit Department, and the Security Department, Board Employees; K. Mark Parnell and Mary Thompson, Parnell Thompson, LLC; Kelvin Howard, Kelvin Howard, LLC; Tommy Pallandino, Agency 54; Patrick Flannelly and Brian Ruggs, ARCADIS; Matthew Arrington, Terminus Municipal Advisors; Walter Lewis, Piper Jaffrey; Kenyatta Uzzel, PoliHire; Mark Johnson, Creative Benefits; Dorian Kendrick, Message Point Media; Yvonne Green Davis, Yvonne Green Davis, LLC; Olivia Martin, State of Alabama Attorney General; Tyrome Bivins, Volkert, Inc.; Kim Baylor Bivins and Michael Bell, Birmingham Industry Construction Authority; Tim Rogers and Phillip Moultrie, Valent Group; David Russell; Nelda Thompkins; Priscilla Lowry.

Inasmuch as six of the directors were present; Chairman Burbage declared a quorum in attendance.

Chairman Burbage called the meeting to order at 11:06 a.m. Mr. George Anderson opened the meeting with prayer.

Following, the General Manager asked the Board to adopt resolutions commending Purification Manager Jonathan Harris, Plant Superintendents and their operations and maintenance staff for receiving plant awards presented by the Alabama Water and Pollution Control Association, as set forth in agenda item 1. Director William Muhammad arrived at the meeting at 11:05 a.m. Assistant General Manager Sonny Jones offered his remarks of gratitude to the BWWB employees for their hard work. Director Munchus questioned whether Shades Mountain Filter Plant can produce more than 60 MGD. Mr. Jones responded Shades Mountain Filter Plant can produce up to 80 MGD. 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 Dr. Brenda Dickerson, that the Board hereby recognizes and commends Mr. Jonathan Harris, Purification Manager; Shades Mr. Tim Harris, Shades Mountain Filter Plant Superintendent, Mr. Mike Walton, Western Filter Plant Superintendent and Mr. Wendell Cox, Carson Filter Plant Superintendent and Mr. Bill Shikle,

Putnam Filter Plant Superintendent, for the outstanding manner in which they operate these facilities and department with professionalism and excellence and for receiving “Award of Excellence” and “Best Operated Plant” awards presented by the Alabama Water and Pollution Control Association (AWPCA) at the annual Conference held in Orange Beach, Alabama on September 18, 2019, as follows:

- Shades Mountain Filter Plant – “Award of Excellence” greater than 60 MGD
- Western Filter Plant – “Best Operated Plant” between 50 and 60 MGD
- Carson Filter Plant – “Best Operated Plant” between 20 and 30 MGD
- Putnam Filter Plant – “Award of Excellence” between 20 and 30 MGD

RESOLVED, the Board is proud and desires to commend Manager Jonathan Harris and Superintendents Tim Harris, Mike Walton, Wendell Cox and Bill Shikle for receiving recognition from the AWPCA for the outstanding manner in which they operate these facilities with professionalism and excellence.

RESOLVED FURTHER, 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 formal resolution will be presented to each plant and department named above.

Resolution No. 8170 is hereby adopted by unanimous vote.”

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Following, the General Manager asked the board approve Director King’s mileage expense reimbursement for September 2019, as set forth in agenda item 2. On a motion duly made and seconded, the following resolution was adopted:

“WHEREAS, the Board of Directors has adopted a Travel Expense Reimbursement Policy, as amended; and

WHEREAS, in accordance with Act No. 2015-164, approval is requested for the following mileage expense reimbursement.

NOW, THEREFORE, BE IT RESOLVED, on a motion made by Mr. George Munchus and seconded by Ms. Deborah Clark, that the following board member(s) be reimbursed for his and/or her mileage expense reimbursements as follows:

- Brett A. King for mileage expense reimbursement for attending to business of Board for September 2019 in the amount of \$71.92 (as listed on the attached Travel and Business Expense Reimbursement).

Resolution No. 8171 is hereby adopted, by a roll call vote: Director Burbage, Yes; Director Clark, Yes; Director Dickerson, Yes; Director Alexander, Yes; Director Munchus, Yes; Director Muhammad, Yes; and Director King, Yes.”

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Following, the General Manager asked the board to reimburse the Operating account for capital expenditures made for the period ended August 31, 2019, from Schedule IV (Cash Basis), in the total amount of \$3,690,457.48, 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 September 20, 2019, certified that during the period ending August 31, 2019 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 \$3,690,457.48 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 Dr. Brenda Dickerson, that the Trustee be, and is hereby instructed to immediately transfer \$3,690,457.48 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. 8172 is hereby adopted by unanimous vote.”

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Following, the General Manager asked the board to approved payments of the following invoices, as set forth in agenda items 4.1 through 4.2. Director Muhammad stated the board is currently in the budget process and communication needs to be addressed. He stated the public needs to be educated about the good things the BWWB does. Director Sherry Lewis arrived at the meeting at 11:10 a.m. Director Muhammad questioned how the upcoming public hearing is being communicated to the public. The General Manager stated communications are being prepared and the rate increase will be advertised properly. He stated customers, public officials and other stakeholders will be invited to the public hearing. Director Muhammad questioned whether staff is working on a public relations communications’ strategy. The General Manager responded yes and stated meetings have been held with Agency 54. He stated they will make a presentation before the Communications Committee meeting regarding this strategy. Director Dickerson questioned when will the Communications Committee meeting be held. The General Manager stated that meeting has not been scheduled yet. Director Clark questioned whether Agency 54 is the only presentation being considered or are there others. The General Manager stated he and Rick Jackson met with Agency 54 regarding their ideas for BWWB to accomplish what it wants communicated. Director Muhammad stated the board needs to accept the fact that Agency 54 is the consultant for communications right now. He stated if they don’t have the votes to handle communications for the board, then so be it. Director Munchus questioned when will the public hearing be held and will there be a vote on the budget. The General Manager stated the public will be held on November 14, 2019 at 5:30 p.m. and there will not be a vote on the budget at that meeting. He indicated the public will be allowed to speak. Director Dickerson stated the board should be out front now talking to the public about rate increases. The General Manager stated we will do that when we are firm on what the budget and rate increase will be. Director Dickerson stated Alabama Power are communicating with the public regarding their upcoming rate increase.

The General Manager stated Alabama Power reports to the Alabama Public Service Commission, and they have to prove they need a rate increase. He stated if BWWB knew what its rate increase would be, it could start communicating that. He indicated the public must be notified about the rate increase by December 1<sup>st</sup>. Director Clark stated even though the rate increase has not been determined, a dialogue could start with the public. Director Muhammad stated he agrees that the board needs to get out front with communication on the rate increase. 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 Dr. Brenda Dickerson, that the Board hereby authorizes staff to execute payment to the following:

- 4.1 Terminus Municipal Advisors, LLC  
For professional services rendered for September 2019 \$ 6,500.00
  
- 4.2 Agency 54  
For professional services rendered for August 2019 \$ 22,500.00

Resolution No. 8173 is hereby adopted by unanimous vote.”

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Following, the General Manager asked the board to take annual bids for Chemicals to be used at BWWB filtration plants, at an estimated out-of-pocket cost of \$5.7 million, as set forth in agenda item 5. 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 Ms. Deborah Clark, that the Board hereby authorizes staff to take annual bids for Chemicals to be used at BWWB filtration plants, at an estimated out-of-pocket cost of \$5.7 million, as recommended by the Engineering & Maintenance Committee. Resolution No. 8174 is hereby adopted by unanimous vote.”

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Following, the General Manager asked the board to approve an agreement with Veritas Prime to implement the SAP Success Factors HR/Payroll solution, and to authorize the General Manager and/or Assistant General Manager to execute said contract, as set forth in agenda item 6. 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 Muhammad, that the Board hereby approves an agreement with Veritas Prime to implement the SAP Success Factors HR/Payroll solution, at an out-of-pocket cost to the Board of \$1,673,578.00, as recommended by the Human Resources Committee; and authorizes the General Manager and/or Assistant General Manager to execute Contract. Resolution No. 8175 is hereby adopted by unanimous vote.”

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Following, the General Manager asked the board to approve postponement of the Employee of the Month Program until further notice while it is being reviewed, as set forth in agenda item 7. 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 Dr. Brenda Dickerson, that the Board approves postponement of the Employee of the Month Program until further notice while it is being reviewed, as recommended by the Human Resources Committee. Resolution No. 8176 is hereby adopted by Directors Burbage, Clark, Dickerson, Lewis, King, Alexander, and Munchus; Director Muhammad voted no.”

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Following, the General Manager asked the board to approve coverage for weight loss drugs as a Therapeutic Class to the BCBS Medical Plan; and to authorize the General Manager and/or Assistant General Manager to execute the necessary documents, as set forth in agenda item 8. 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 Dr. Brenda Dickerson, that the Board hereby approves coverage for weight loss drugs as a Therapeutic Class to the BCBS Medical Plan, as recommended by the Human Resources Committee; and authorizes the General Manager and/or Assistant General Manager to execute the necessary documents. Resolution No. 8177 is hereby adopted by Directors Burbage, Dickerson, Lewis, Munchus, King, Muhammad and Alexander; Director Clark voted No.”

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Following, the General Manager asked the board to approve a right-of-way agreement with Armstrong Pump and Service Company, Inc.; and to authorize the 2020 Post 65 Health Insurance renewal and the 2020 Post 54 Health Insurance coverage with Transamerica; and to authorize the General Manager and/or the Assistant General Manager to execute the necessary documents, as set forth in agenda item 9. Director Clark questioned whether the coverage excess is \$1 million or \$40,000.00. The General Manager stated BWWB is required to cover \$1 million and the amount in excess is \$10,049.00. Director Lewis questioned whether the coverage would go beyond \$1 million. The General Manager stated the board would pay \$10,049.00. 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 Dr. Brenda Dickerson, that the Board hereby approves the 2020 Post 65 Health Insurance renewal and the 2020 Post 65 Health Insurance coverage with Transamerica at a projected cost of \$1,010,049.00 for 2020; including absorbing the additional cost of the coverage in excess of \$1,000,000.00, as recommended by the Human Resources Committee; and authorizes the General Manager and/or the Assistant General Manager to execute the necessary documents. Resolution No. 8178 is hereby adopted by unanimous vote.”

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Following, the General Manager asked the board to approve the Group Life, Short Term Disability and Long-Term Disability Insurance renewal and to consolidate the insurance coverage currently offered by two carriers all under the same carrier which would be AXA; and to authorize the General Manager and/or Assistant General Manager to execute the necessary documents. , as set forth in agenda item 10. 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 Dr. Brenda Dickerson, that the Board hereby approves the Group Life, Short Term Disability and Long-Term Disability Insurance renewal and to consolidate the insurance coverage currently offered by two carriers (Lincoln and AXA) all under the same carrier which would be AXA; and to increase the retiree life insurance from \$5,000.00 to \$10,000.00 and increase the core Short Term Disability payout for employees from \$100.00 weekly to \$200.00 weekly, as recommended by the Human Resources Committee; and authorizes the General Manager and/or Assistant General Manager to execute the necessary documents. Resolution No. 8179 is hereby adopted by unanimous vote.”

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Following, the General Manager asked the board to amend Resolution No. 8165 relative to appointing Bradley Arant as Bond Counsel for its Senior Water Revenue Refunding Bonds Series 2019, and to appoint Maynard Cooper Gale as Co-Bond Counsel, as set forth in agenda item 11. Director Munchus questioned whether these two attorneys would serve as co-counsel. Chairman Burbage responded yes. 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 Muhammad, that the Board hereby amends Resolution No. 8165 relative to appointing Brandley Arant as Co-Bond Counsel, for its Senior Water Revenue Refunding Bonds Series 2019 and to appoint Maynard Cooper Gale as Co-Bond Counsel. Resolution No. 8180 is hereby adopted by unanimous vote.”

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Following, the General Manager asked the board to discuss New Business, as set forth in agenda item 12. Director Muhammad made a motion to amend Resolution No. 8169 passed at the last board meeting to be retroactive to January 1, 2019. Director Lewis questioned what the resolution is regarding. Director Muhammad stated the resolution is regarding no BWWB employee shall be put on administrative leave without pay for a crime, since they are innocent until proven guilty. He stated he spoke with Board Attorney Mark Parnell and he advised that any resolution passed in a board meeting has to do with action, by law, going forward and not the past. Director Clark questioned which cases or situations this amendment impact would. The General Manager stated he is aware of one case. Board Attorney Kelvin Howard stated there is one particular scenario that Director Muhammad is addressing. 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. William Muhammad and seconded by Mr. George Munchus, that

the Board hereby amends Resolution No. 8169 to be retroactive to January 1, 2019 relative to:

1. Effective immediately, an employee that is arrested and charged with a crime (whether the crime is a misdemeanor or a felony) and said employee maintains that they are innocent, said employee may not be placed on unpaid administrative leave or terminated.
2. Should that employee subsequently plead guilty or be found guilty of said criminal charge, then said employee is subject to having their employment terminated immediately.
3. The General Manager is hereby authorized and instructed to amend the Water Works Board Employee Hand Book and Manager Guide to comply with this resolution;

Resolution No. 8181 is hereby adopted by Directors Burbage, Dickerson, Muhammad, Munchus, and King; Directors Alexander and Clark voted No; and Director Lewis abstained from voting.”

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Next, an open forum discussion was held with BWWB Board of Directors, Senior Executive Management, and Employees from the Customer Support Services, and the Revenue Water departments.

As there was no further business before the Board, Chairman Burbage entertained a motion to adjourn the meeting. A motion was duly made and seconded, and the meeting adjourned at 12:42 p.m.

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/s/  
William Burbage, Jr.  
Chairman/President

Attest:

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/s/  
Ronald A. Mims  
Secretary-Treasurer