



**IN THE CIRCUIT COURT OF JEFFERSON COUNTY, ALABAMA
 BIRMINGHAM DIVISION**

K. MARK PARNELL,

Plaintiff,

vs.

CASE NO.

JEFFREY W. BRUMLOW,
 individually and in his capacity as a
 director of the City of Birmingham
 Regional Water Works; **BILL**
MORRIS, individually and in his
 capacity as a director of the
 City of Birmingham Regional Water
 Works; **THOMAS C. HUDSON, JR.,**
 individually and in his capacity as a
 director of the City of Birmingham
 Regional Water Works; **PHILLIP**
R. WIEDMEYER, individually and in
 his capacity as a director of the
 City of Birmingham Regional
 Water Works; **JACK DAVID**
STADRIDGE, individually and in
 his capacity as a director of
 the City of Birmingham
 Regional Water Works; **THE CITY OF**
BIRMINGHAM REGIONAL WATER
WORKS, d/b/a Central Alabama
 Water, f/k/a Water Works Board
 of City of Birmingham, a public
 corporation; and Defendants A
 through Z, being
 those individuals, partnerships,
 corporations, or other legal
 entities, that did interfere
 and/or that did conspire to
 interfere with the contract
 and business relationship
 between Plaintiff and City of Birmingham
 Regional Water Works,

Defendants.

COMPLAINT

COMES NOW, K. MARK PARNELL and files this Complaint against the defendants as follows:

PARTIES

1. Plaintiff, **K. MARK PARNELL** (“Parnell”), is a resident of Jefferson County, Alabama.

2. Defendant, **JEFFREY W. BRUMLOW** (“Brumlow”), is a resident of Shelby County Alabama. Brumlow is sued both in his capacity as a director of the City of Birmingham Regional Water Works and in his individual capacity.

3. Defendant, **BILL MORRIS** (“Morris”), is a resident of St. Clair County, Alabama. Morris is sued both in his capacity as a director of the City of Birmingham Regional Water Works and in his individual capacity.

4. Defendant, **THOMAS C. HUDSON, JR.**, (“Hudson”) is a resident of Jefferson County, Alabama. Hudson is sued both in his capacity as a director of the City of Birmingham Regional Water Works and in his individual capacity.

5. Defendant, **PHILLIP R. WIEDMEYER** (“Wiedmeyer”) is a resident of Jefferson County, Alabama. Wiedmeyer is sued both in his capacity as a director of the City of Birmingham Regional Water Works and in his individual capacity.

6. Defendant, **JACK DAVID STANDRIDGE** (“Standridge”) is a resident of Blount County, Alabama. Standridge is sued both in his capacity as a director of the City of Birmingham Regional Water Works and in his individual capacity.

7. Defendants A through Z are those individuals, partnerships, corporations, or other legal entities, that did interfere and/or that did conspire to interfere with the contract and business relationship between the Parnell and The Water Works Board of the City of Birmingham (“BWVB”) as more particularly described in the Complaint below.

8. Defendant, City of Birmingham Regional Water Works, d/b/a Central Alabama Water, f/k/a Water Works Board of City of Birmingham (the “BWVB”), is an Alabama public corporation incorporated and existing pursuant to Ala. Code §§ 11-50-230 *et seq* (1975) as supplemented by Ala. Code §§11-50-300 *et. seq* (1975). Pursuant to Ala. Code Section 11-50-235(a)(2), the BWVB is subject to suit as provided herein.

9. Brumlow, Morris, Hudson, Wiedmeyer, and Standridge, are hereinafter sometimes referred to collectively as the “Regional Defendants.”

10. The Regional Defendants and the fictitious defendants A through Z are sometimes collectively referred to as the “Defendants”.

JURISDICTION

11. This Court has jurisdiction pursuant to Ala. Code §§12-11-30, 12-11-31 and 6-6-220 *et seq.* (1975).

12. Venue is proper before this Court.

13. As identified above, pursuant to Ala. Code Section 11-50-235(a)(2), the BWVB is subject to suit.

FACTUAL ALLEGATIONS

THE WATER WORKS BOARD OF THE CITY OF BIRMINGHAM

14. The BWVB provides potable and industrial water for portions of Jefferson, Shelby, Blount, St. Clair and Walker Counties, as well as twenty-six (26) municipalities located throughout

those counties. The BWWB serves nearly one-quarter (1/4) of the population of the State of Alabama. The BWWB employs over 650 individuals. The BWWB has annual revenue in excess of \$238 million. The BWWB has an operating and maintenance budget of over \$143 million and a capital budget of over \$115 million. The BWWB manages and governs a Pension Plan that has hundreds of retired employees and total asset in excess of \$210 million. The BWWB is a highly complex and important entity for the State of Alabama with hundreds of thousands of individuals relying on it for a safe and affordable water supply, thousands of business relying on it for a dependable and affordable water supply, and thousands of individuals relying on it for their income either through employment or retirement.

15. Parnell has been a licensed attorney in the State of Alabama since 1988. He has represented the BWWB since 1988. For over thirty-seven years, Parnell was the primary attorney for the BWWB. Parnell was, therefore, involved in every legal issue involving the BWWB for over thirty-seven years. His institutional knowledge of the regulatory framework and applicable laws pertaining to the BWWB is unmatched. Moreover, in recent years, Parnell has been instrumental in ensuring effective operations of the BWWB. With his institutional knowledge and experience, Parnell's role has shifted from being the outside counsel for BWWB to being instrumental in the management and operations of the BWWB.

The 2017 Board

16. On January 1, 2017, the board of directors for the BWWB expanded from a five (5) member board to a nine (9) member board (the "2017 Board"). *Id.*

17. Parnell provided legal representation to the 2017 Board. During the four years that the 2017 Board governed the water system, there was constant controversy. One director was convicted of ethics violations. There was constant fighting between various directors. The 2017

Board chose to not renew the employment agreement of Mac Underwood (“Underwood”), who was serving as General Manager of the BWWB.

18. When Underwood left the employment of the BWWB in 2018, this resulted in a number of other managers retiring. These retirements immediately left a void in the leadership of the three (3) separate divisions of the water system – the Finance and Administration Division, the Engineers and Maintenance Division and the Resource and Planning Division. This also left a void in the management of the Customer Service and Billing Departments. This loss of managerial experience and institutional knowledge led to years of customer and billing problems and complaints.

The 2021 Board

19. On January 1, 2021, a new nine (9) member board of directors was appointed (the “2021 Board”) for the BWWB. Parnell provided legal counsel to the 2021 Board. The 2021 Board inherited a group of executive leadership (i.e., a General Manager and three Assistant General Manager).

20. From 2021 until 2024, the 2021 Board allowed that group of executive leadership to manage the day-to-day affairs of the BWWB. During this time, the water system began suffering from poor management. There were even more billing and customer service problems and complaints. There was a “vote of no confidence” by the employees of the water system that was directed to the executive managers.

21. The members of the 2021 Board began developing a plan to change the executive leadership so as to remove or limit liability issues and potential liability issues being caused by the poor executive management. In the Spring of 2024, the 2021 Board also developed a

comprehensive plan to reshape the executive management and to reorganize the operations of the BWWB.

22. From 2018 until 2024, under both the 2017 Board and the 2021 Board, there was a lack of effective executive management at the BWWB. With his years of experience in working with the BWWB and with his institutional knowledge of the operations of the BWWB that spanned over three decades, Parnell actually helped to lead the management and operations of the BWWB. Many have said that, without Parnell's leadership and service during this time, the availability of water would have been interrupted for hundreds of thousands of residents in Central Alabama.

23. Further, Parnell and others recognized that it was essential that effective management be secured to lead the BWWB in operations. On the recommendation and with the assistance of Parnell, the 2021 Board hired Mac Underwood, in 2024, as interim general manager. With the assistance of Parnell, the 2021 Board also hired three former employees to provide leadership and management of the billing and customer care operations to correct all the issues that those departments had been experiencing for several years. The 2021 Board hired a consultant to perform a review of the water system to make organizational changes and to conduct a nationwide search for the next general manager for the water system. The 2021 Board also hired a new public relations firm to assist with news media coverage. Once these changes were in place, the billing and customer problems and complaints stopped and the employees had renewed trust and respect to the new executive leadership. Parnell's efforts were instrumental in effecting these operational and management changes.

The January 2025 Board

24. In January of 2025, another nine (9) member board of directors was appointed (the "2025 Board"). The January 2025 Board consisted of four (4) new directors and five (5) previous

directors of the 2021 Board. The January 2025 Board was a well-qualified, strong and diversified group that consisted of professionals with decades of experience: a chairwoman with a strong infrastructure management background; a vice-chair who had served as the chief financial officer for Shelby County; a retired investment banker with 40 years in public finance; a former mayor of one of Jefferson County's largest municipalities; a 30 year veteran/retiree of the water system; a UAB physician; a professor from Samford University; and, an attorney that had previously represented the BWWB for over 25 years prior to joining the water system as a director. The January 2025 Board had the same commitment as the 2021 Board to continue the positive changes to the water system. After conducting a nationwide search for a new general manager, and with the recommendation of both Parnell and the newly retained consultant, the January 2025 Board determined that Underwood was the best person to continue at the helm of the BWWB as General Manager to correct all of the managerial deficiencies that had developed since 2018 and to lead the water system into the future. Based on those recommendations, the January 2025 Board entered into an agreement with Underwood to be the General Manager. This agreement was entered into in March of 2025.

The Executive Leadership for the 2025 Board

25. The position of General Manager for the water system is the highest-ranking executive holding the ultimate responsibility for the water system's strategic direction, overall operations and financial performance. Underwood serves as the chief executive officer for the water system.

26. The form and substance of the Underwood Agreement was the standard form agreement that the BWWB had used since at least 1997.

May 6, 2025 Agreements

27. In May of 2025, there was substantial concern that, for improper and unfounded political reasons, changes would be made to the structure of the BWWB that could have a devastating impact upon the reforms and improvements that had been made to the operations and management of the BWWB. On May 6, 2025, the January 2025 Board held a properly called and noticed meeting. On May 6, 2025, at the specific time of the May 6, 2025, meeting of the BWWB Board, the January 2025 Board had the authority and capacity to enter into agreements and bind the BWWB as an entity. At that meeting, the January 2025 Board unanimously voted to authorize various employment agreements or to authorize amendments to existing agreements. The January 2025 Board appropriately and adequately followed all procedures in the consideration, authorization, approval and execution of the agreements entered into on May 6, 2025, and of the agreements that were amended on May 6, 2025.

28. Having already entered into the Underwood Agreement in March, the January 2025 Board deemed it its duty and fiduciary responsibility to authorize and to enter into these employment agreements and amendments to employment agreements. This action was taken for the protection of the water system and all of the BWWB's employees and customers. The January 2025 Board acted to enter into and amend these employment agreements on May 6, 2025, to ensure that there was adequate leadership and management at the BWWB and that essential leadership and management would not be interrupted in a way that would threaten the mission of the BWWB. The form and substance of the agreements entered into in May of 2025 was also the standard form agreement that the BWWB had used since at least 1997.

The Parnell Agreement

29. Parnell had been the primary attorney for the BWWB since 1988. Parnell had represented the BWWB through the terms of numerous directors and numerous different General Managers. Parnell had represented the BWWB through various transitions of its corporate structure. As the primary attorney for the BWWB, during his tenure with the water system, Parnell had been involved in every major (and most minor) events and every major piece of litigation. Parnell has over thirty-seven years of institutional knowledge of the water system – much more than any other member of the BWWB’s current executive management.

30. As the attorney for the BWWB, Parnell represented the organization through its duly authorized constituents, i.e., the board of directors and its executive leadership. As such, Parnell’s responsibility had been to provide legal counsel and advice, make recommendations based on his interpretation of the applicable laws and to work to carry out the properly authorized directives of the board of directors and water system’s executive leadership. With every set of directors and with every General Manager, this is what Parnell worked to accomplish.

31. Through his years of representing the BWWB, Parnell gained extensive knowledge about the management and operation of all areas of BWWB.

32. On March 1, 2025, the January 2025 Board reorganized the water system and re-created the position of Deputy General Manager. The general duties of the Deputy General Manager include:

Under the direction of the General Manager is responsible for managing, planning, coordinating, and administering all operations of the Birmingham Water Works Board. Responsible for the short and long-range strategy of the organization, subject to review by the Board. Accountable to the General Manager to carry out policies and recommend policy changes and design to operate and maintain the Water System consistent with sound economic judgment and providing safe and quality drinking water that meets/exceeds all federal standards.

33. Based on his thirty-seven years of service to the BWWB, Parnell was and is qualified to serve as the Deputy General Manager and General Counsel.

34. To ensure institutional continuity the January 2025 Board asked Parnell to become an employee of the BWWB and to assume the new Deputy General Manager position in addition to serving as the BWWB's in-house General Counsel.

35. Parnell's duties as Deputy General Manager were in management and operations of the BWWB. Therefore, based upon his thirty-seven years of institutional knowledge of the management and operations of the BWWB, and based on the essential leadership and service that Parnell had provided to the BWWB from 2018 to 2025 – a time when management and leadership was largely lacking at the BWWB, Parnell was hired to be an employee of the BWWB.

36. Parnell did not actively seek to become an employee of the BWWB. At the time the January 2025 Board asked Parnell to assume the dual roles of Deputy General Manager/General Counsel, there was general concern that Underwood, and other senior management, Williams and Parker, deemed essential employees, were considering resigning because of the confusion and upheaval that may result from political chaos of a new board. In order to provide essential continuity, Parnell was offered a management and operations position with the BWWB. This was in addition to the offer to him to become General Counsel of the BWWB.

37. To provide management and operational continuity to the BWWB, and as a service to the customers of the BWWB, Parnell agreed to accept a position as the Deputy General Manager/General Counsel. He agreed to this expansion into management and operations to ensure continuity in the BWWB.

38. Also at this time, in May of 2025, the January 2025 Board decided that certain other employment agreements be amended.

39. On May 6, 2025, the BWWB entered into an agreement with Parnell to hire him as its Deputy General Manager/General Counsel.

40. The form and substance of the Parnell Agreement was the same as that of the Underwood Agreement. Again, the form and substance of both agreements (the Underwood Agreement and the Parnell Agreement) were the same standard form used by the BWWB since at least 1997.

41. When the January 2025 Board discussed whether to employ Parnell and whether to contract with Parnell to become the Deputy General Manager/General Counsel, Parnell was not present.

42. When this discussion took place, there were two directors present that are or have been licensed attorneys. One of those directors, NeSmith, had previously served as counsel to the BWWB prior to becoming a director on the 2021 Board and again on the January 2025 Board.

43. The Parnell Agreement provided for its term to run concurrent with agreements of other senior management whom the 2025 Board decided were offering essential service.

44. The compensation terms of the Parnell Agreement were for less money than Parnell had been receiving as outside general counsel to the BWWB. The compensation terms for Parnell included annual compensation, fully vesting in the BWWB's Pension Plan, and other normal benefits. All these terms were material and induced Parnell to agree to become an employee of the BWWB.

45. As identified, the January 2025 Board had the power and authority and capacity to enter into the Parnell Agreement when this action was taken on May 6, 2025.

46. The Parnell Agreement provided that it could only be terminated for the following reasons, none of which have occurred:

- (a) the mutual agreement of the Parties;
- (b) breach of any material term or condition of this Agreement;
- (c) the disability or death of DGM/GC; or
- (d) the DGM/GC being found guilty of a felony by a court of competent jurisdiction.

47. The Parnell Agreement contained substantially the same provision for severance pay as did other agreements in the event the BWWB terminated the agreement without cause; to-wit: “In the event that the Board decides to terminate this Agreement, other than for reasons set forth in paragraph III, D., [Parnell] shall be paid, as full and complete settlement payment, one (1) payment equal to the then remaining current term of the Agreement, but in no event less than two (2) years of the [Parnell]’s then base salary. Said severance settlement shall be payable to [Parnell] no later than thirty (30) days following the date this Agreement is terminated.”

48. The Parnell Agreement contained substantially the same provisions that were in other agreements: to-wit: should the BWWB terminate this agreement without cause, the Board shall be responsible for paying Parnell’s reasonable attorneys’ fees and litigation costs.

49. Among the compensation that the BWWB agreed to provide Parnell was to immediately fully vest Parnell in the BWWB’s Pension Plan.

50. In 1994, the BWWB had agreed to vest Attorney Harry Hopkins (“Hopkins”) in the Pension Plan. So there is precedence for this act of vesting in the Pension Plan. Hopkins was a partner with the firm, Lange, Simpson, Robinson and Somerville and was the outside counsel for The Industrial Water Works Board of the City of Birmingham (“IWWB”). Vesting Hopkins in the

BWWB Pension Plan was one of the material terms that the BWWB agreed to in order to acquire the IWWB system. Hopkins drew a retirement from the BWWB Pension Plan until his death. Hopkin's wife now draws a widow's benefit under the Pension Plan.

2002 Deputy General Manager Agreement

51. As identified above, the form and substance of the Parnell Agreement is based entirely upon the standard form used by the BWWB since 1997. In particular the Parnell Agreement is substantially the same as used in 2002 when the BWWB hired Mac Underwood to then serve as the Deputy General Manager. (the "2002 DGM Agreement").

52. The 2002 DGM Agreement provided the exact same reasons for it to be terminated as the Parnell Agreement and the Underwood Agreement; to-wit:

- (a) the mutual agreement of the Parties;
- (b) breach of any material term or condition of this Agreement;
- (c) the disability or death of Employee; or
- (d) Employee being found guilty of a felony by a court of competent jurisdiction.

53. The 2002 DGM Agreement contained the same provision for severance pay on the event of termination by the BWWB that the Underwood Agreement and the Parnell Agreement contain; to-wit:

In the event that the Board decides to terminate this Agreement, other than for reasons set forth in Subparagraph D. of this Section III, Employee shall be paid, as full and complete severance pay, one (1) payment equal to the total of three (3) years' worth of Employee's then base compensation (less all amounts required to be withheld and deducted). Said

severance pay shall be payable to Employee no later than thirty (30) days following the date Employee is terminated.

Compensation Under the Parnell Agreement

54. The Parnell Agreement called for Parnell to be paid \$55,000 a month.

55. Parnell was employed to perform two (2) positions at the BWWB - Deputy General Manager and General Counsel.

56. When the January 2025 Board created the Deputy General Manager position, the 2024-2025 Operating and Maintenance Budget was properly considered. As stated by the consultant that recommended the recreation of the Deputy General Manager position, the reestablishment of that position specifically did not increase the total number of full time equivalent positions.

57. The 2024-2025 Operating and Maintenance Budget also properly budgeted for all legal services for the BWWB. The legal services budget totaled \$1,200,000.

58. One of the law firms employed by the BWWB was Parnell Thompson Law (“PT LAW”). On average, PT Law worked and earned approximately \$60,000 per month, or \$720,000 annually.

59. When the January 2025 Board agreed to contract with Parnell to be the Deputy General Manager/General Counsel, it recognized that this decision would have a positive impact on the 2024-2025 Operating and Maintenance Budget by reducing the overall budget.

60. Pursuant to the Pay Scale for the BWWB Employees, the Deputy General Manager (i.e., Parnell) would have been paid \$32,328 per month. Of the \$55,000 Parnell was being paid pursuant to the Parnell Agreement, that would leave \$22,672 per month to pay Parnell for his services as General Counsel, or \$272,064 annually.

61. By Parnell agreeing to become an employee of the BWWB and serve the dual roles of Deputy General Manager and General Counsel, the total legal budget for the 2024-2025 Operating and Maintenance Budget would have been reduced to \$702,000 annually.

62. Over the term of the Parnell Agreement, the Parnell Agreement would have saved the ratepayers approximately \$2,500,000 in legal fees.

PT Law Agreement

63. Prior to May 6, 2025, PT Law had an agreement (the “PT Law Agreement”) to serve as the BWWB’s Outside General Counsel. When Parnell was employed by the BWWB to be its Deputy General Manager/General Counsel, the PT Law Agreement terminated.

64. Under the PT Law Agreement, attorneys billed the BWWB at the hourly rate of \$300.00 per hour. Invoices were submitted to the BWWB for payment on a monthly basis.

65. Upon entering into his employment agreement on May 6, 2025, Parnell assumed employment with the water system and began performing the duties of Deputy General Manager/General Counsel. All the paperwork was completed to hire Parnell. With the knowledge and consent of the BWWB, Parnell received his employee badge to access all the water system’s facilities. With the knowledge and consent of the BWWB, Parnell received his water system business cards. With the knowledge and consent of the BWWB, Parnell was added to the water system’s website as the water system’s Deputy General Manager/General Counsel. Parnell was added to the water system’s letterhead as the water system’s Deputy General Manager/General Counsel. With the knowledge and consent of the BWWB, Parnell began holding himself out to the general public as the water system’s Deputy General Manager/General Counsel. With the knowledge and consent of the BWWB, Parnell received paychecks from the BWWB as an

employee. The Regional Defendants were aware of all of this but never objected to any of these actions. Indeed, they never even asked Parnell to explain.

66. SB 330 was signed by Governor Kay Ivy on May 7, 2025, at 2:55 p.m., after the Parnell Agreement was authorized by the January 2025 Board and after it was signed and delivered. This statute purports to implement a wholesale change to the composition of the Board for the BWWB. There was deep concern among the members of the January 2025 Board that any new board appointed after SB 330 became law would lack expertise and knowledge of the workings and history of the BWWB. Institutional knowledge of Parnell would be essential to the continued operations of the BWWB.

67. This concern proved accurate. Some 30 minutes after this bill was signed into law, at 3:24 p.m., Jefferson County Commission President, Jimmy Stephens appointed Defendant Weidmeyer to the Regional Board. Stephens then immediately issued a press release announcing the appointment of Defendant Weidmeyer. Defendant Weidmeyer then immediately filed a 14 page Federal lawsuit containing 9 separate counts seeking to validate SB 330. There had obviously been detailed planning and coordination to appoint Defendant Weidmeyer, issue a press release and have a lawsuit ready to be filed in Federal Court.

68. Nonetheless, the January 2025 Board had full authority and capacity to enter into the Parnell Agreement on May 6, 2025. The January 2025 Board had full authority and capacity, on May 6, 2025, to hire Parnell for operational and management responsibilities as Deputy General Manager. The January 2025 Board had full authority and capacity, on May 6, 2025, to hire Parnell for an employee General Counsel position.

69. After they were appointed to replace the January 2025 Board members, there were three purported public meetings with the Regional Defendants that Parnell attended, May 14, 2025,

May 19, 2025 and May, 29, 2025. At each of these meeting, most if not all of the Regional Defendants were present. At each of these meetings, with the knowledge and consent of the BWWB and of the Regional Defendants in particular, Parnell was present and participated as Deputy General Manager/General Counsel. During each of these meetings, Parnell provided legal counsel to the corporate entity and provided advice and information as Deputy General Manager. At none of these meetings did any of the Regional Defendants voice any opposition or objection to Parnell serving as an employee of the BWWB.

70. By May 14, 2025, all the Regional Defendants were appointed to the entity to be created by the Regional Act. Some of the Regional Defendants set a Special Board of Directors meeting for May 14, 2025 at 6:30 pm. At this special meeting, the Regional Defendants requested various information be provided to them including copies of any employment contracts with any amendments or addendum approved or authorized at the May 6, 2025 Special Meeting of the BWWB. At the May 14, 2025, meeting, the Regional Defendants were provided copies of said employment agreements, including the Parnell Agreement. Upon receipt of the Parnell Agreement, none of the Regional Defendants raised any objections to the Parnell Agreement.

71. On May 19, 2025, the Regional Defendants held an informational meeting. During this meeting, each member of the water system's executive management provided the Regional Defendants with a summary of their areas of responsibility. At said meeting, Parnell discussed his role as Deputy General Manager and his role as General Counsel. Not one Regional Defendant asserted a question or concern about Parnell serving in these two roles or the terms of the Parnell Agreement.

TERMINATION OF PARNELL AGREEMENT

72. On May 29, 2025, the Regional Defendants held a work session to discuss the agenda for the June 2, 2025 board of directors meeting. At that time, there was discussion about the Parnell Agreement and specifically the provision fully vesting Parnell in the Pension Plan. Termination of the Parnell Agreement was NOT discussed.

73. Also at the May 29, 2025, work session there was discussion about the Regional Defendants hiring outside legal counsel. At that time Parnell discussed with Attorney Jim Porter and Defendant Brumlow that the Regional Act required the General Manager, who is the water systems' chief executive officer, to recommend all contracts to be authorized by the corporation and that, without that recommendation, the Regional Defendants had no authority to approve the contracts. As the General Counsel for the water system, Parnell had a duty and responsibility to point out this statutory requirement to assist the water system in accomplishing its objective.

74. It is now clear that Attorney Porter and Defendant Brumlow did not wish for Parnell to do his job as General Counsel and did not wish for Parnell to advise that certain actions they advocated were a violation of law. Indeed, it is now clear that attorneys had been hired – including Attorney Porter -- BEFORE this new board had authorized or agreed to such actions.

75. On May 30, 2025, the agenda for the June 2, 2025, meeting was posted. When the Regional Defendants received said agenda, they asked to remove the item to amend the Parnell Agreement and to add an item to “immediately VOID and/or Terminate all contracts with [Parnell] and Parnell and Thompson.”

76. At the time that the Defendants proposed terminating the Parnell Agreement, they knew Parnell's wife had been ill and fighting metastatic breast cancer. On June 2, 2025, Parnell sent the following communication to the Defendants:

Based on the below emails, it appears that there is the possibility that you will take action tonight to terminate my Employment Agreement. I hope that is not correct since none of you have accepted my offer to meet to discuss my agreement or the status of everything going on at the BWWB. I would hope that before you take such action that you meet with me to discuss.

I will not be able to attend this evening's board meeting. I have had to admit my wife to the hospital and will be with her this evening.

77. Knowing that Parnell's wife was dying in the hospital and knowing that Parnell could not be present to defend himself, the Defendants took the opportunity to attempt to terminate the Parnell Agreement and the PT Law Agreement.

78. In attempting to terminate Parnell Agreement and the PT Law Agreement, the Regional Defendants purportedly adopted two separate unnumbered and undated resolutions. On June 26, 2025, Parnell was provided a copy of said resolutions by Attorney Shan Padden. Each resolution contained the same sixteen (16) recitations. One resolution sought to rescind the Parnell Agreement. The other resolution sought to declare the Parnell Agreement "void *ab initio*" and to terminate the PT Law Agreement.

79. While terminating the Parnell Agreement, some of the Defendants took the opportunity in Parnell's absence to disparage and harm his professional reputation. Once the meeting was adjourned, some of the Defendants continued to disparage and harm Parnell's professional reputation by making comments to the public and the news media.

80. While sitting with his wife and law partner as she was dying, Parnell had to endure the media reports of the Defendants' disparaging statements as they reported on the Parnell Agreement and PT Law Agreement being terminated.

81. The actions taken by the Regional Defendants were intentionally taken to cause the maximum amount of harm to Parnell and Parnell's professional reputation.

82. Prior to the Regional Defendants deciding on May 30, 2025, to terminate the Parnell Agreement and the PT Law Agreement, Parnell offered to meet with the Regional Defendants. None of them had met with Parnell to discuss the Parnell Agreement. None of the Regional Defendants had discussed the Parnell Agreement with any member of the water system's executive management or any of the members of the 2025 Board.

83. During the three properly called and noticed public meetings, there was no discussion about terminating the Parnell Agreement.

84. On June 2, 2025, the Defendants voted to terminate the Parnell Agreement and instructed Underwood to terminate Parnell's employment with the BWWB. Prior to June 2, 2025, the Regional Defendants had obviously held a meeting or serial meetings and decided to terminate the Parnell Agreement and the PT Law Agreement since they had to have discussed the basis and substance of the two (2) above referenced unnumbered and undated resolutions.

85. Defendants suppressed from Parnell all facts that they were meeting amongst themselves – obviously in violation of Open Meeting Act requirements -- to unlawfully terminate the Parnell Agreement.

86. The Regional Defendants did not accept Parnell's repeated requests to meet.

87. Based upon the record, it is clear that the Regional Defendants did not perform any due diligence before agreeing to terminate the Parnell Agreement.

88. With the Regional Defendants having performed no due diligence before deciding to terminate the Parnell Agreement, it is clear that there are individuals that have improperly influenced the Regional Defendants' decision to terminate the Parnell Agreement. In doing so, these individuals have conspired with the Regional Defendants to harm Parnell and Parnell's professional reputation.

- 89. Parnell entered into a valid and enforceable agreement with the BWWB.
- 90. The BWWB has breached the Parnell Agreement in its entirety.
- 91. Regional Defendants have caused the BWWB to breach the Parnell Agreement.

CAUSES OF ACTION

COUNT I **DECLARATORY ACTION**

92. Parnell adopts and incorporates each and every allegation set forth above as if fully set forth herein.

93. There exists an actual, justiciable controversy between the Parnell BWWB and the Regional Defendants, which is definite, real and substantial, and which touches on the legal rights of the parties in a manner within the jurisdiction of this Court. Accordingly, Parnell is entitled to the below requested declarations.

94. As outlined below, Parnell seeks a Declaration that the Parnell Agreement is a valid and enforceable contract.

COUNT II **ACTION FOR SPECIFIC PERFORMANC**

95. Parnell adopts and incorporates each and every allegation set forth above as if fully set forth herein.

96. There exists an actual, justiciable controversy between the Parnell and the BWWB and the Regional Defendants, which is definite, real and substantial, and which touches on the legal rights of the parties in a manner within the jurisdiction of this Court.

97. Parnell seeks Specific Performance of the Parnell Agreement, in its entirety, as a valid and enforceable contract.

COUNT III
BREACH OF PARNELL AGREEMENT

98. Parnell adopts and incorporates each and every allegation set forth above as if fully set forth herein..

99. On June 2, 2025, in violation of the specific terms of the Parnell Agreement, the BWWB and the Regional Defendants, without justification, terminated and breached the Parnell Agreement. Under the terms of the Parnell Agreement, the BWWB and Regional Defendants were obligated to make a settlement payment to Parnell for the remaining payments under the Parnell Agreement. The BWWB and Regional Defendants have failed to make said payment. Said action or failure to act constitutes a breach of the Parnell Agreement

100. As a proximate cause of said breach, Parnell has been damaged.

COUNT IV
WRONGFUL TERMINATION

101. Parnell adopts and incorporates each and every allegation set forth above as if fully set forth herein.

102. Parnell was an employee of the BWWB.

103. The Parnell Agreement provided that Parnell could only be terminated for the following reasons:

- (a) the mutual agreement of the Parties;
- (b) breach of any material term or condition of this Agreement;
- (c) the disability or death of DGM/GC; or
- (d) the DGM/GC being found guilty of a felony by a court of competent jurisdiction.

104. Parnell was not in breach of any material term or condition of this Agreement nor had Parnell been found guilty of a felony by a court of competent jurisdiction.

105. Without having proper cause to do so the BWWB and Regional Defendants wrongfully terminated Parnell's employment.

106. As a proximate cause of the BWWB and Regional Defendants' actions, Parnell has been damaged.

COUNT V
CONSPIRACY TO TORTIOUSLY INTERFERE WITH BUSINESS AND
CONTRACTUAL RIGHTS

107. Parnell adopts and incorporates each and every allegation set forth above as if fully set forth herein.

108. The Regional Defendants and the Defendants conspired to unlawfully disrupt and interfere with the Parnell Agreement and Parnell's business relationship with the BWWB.

109. The Regional Defendants and the Defendants did through their conspiracy unlawfully disrupt and interfere with the Parnell Agreement and Parnell's business relationship with the BWWB.

110. As a proximate cause of the Regional Defendants' and the Defendants' actions, Parnell has been damaged.

COUNT VI
FRAUDULENT SUPPRESSION

111. Parnell adopts and incorporates each and every allegation set forth above as if fully set forth herein.

112. The BWWB, Regional Defendants and the Defendants conspired to unlawfully disrupt and interfere with the Parnell Agreement and Parnell's business relationship with the BWWB and wrongfully and/or fraudulently suppressed their wrongdoing from Parnell.

113. The BWWB, Regional Defendants and the Defendants did through their suppression and conspiracy unlawfully disrupt and interfere with the Parnell Agreement and Parnell's business relationship with the BWWB.

114. The BWWB, Regional Defendants and the Defendants did through their wrongdoing and conspiracy unlawfully and fraudulently suppress from Parnell that they were conspiring and planning to terminate and disrupt and interfere with the Parnell Agreement and Parnell's business relationship with the BWWB.

115. As a proximate cause of the BWWB, Regional Defendants' and the Defendants' actions, Parnell has been damaged.

PRAYER FOR RELIEF

WHEREFORE, PREMESIS CONSIDERED, Parnell respectfully requests that this Honorable Court enter an Order finding, ordering, determining and declaring the follow:

- A. Declare that the Parnell Agreement is still in effect and that Parnell is still employed by the BWWB.
- B. Declare that BWWB is to pay Parnell back pay, plus interest.
- C. Declare that Parnell is fully vested in the BWWB Pension Plan.
- D. Declare that the BWWB and Regional Defendants ratified the Parnell Agreement and are estopped from questioning its validity or seeking to terminate it.

E. Award Parnell all compensatory and punitive damages, including, without limitation, mental anguish, to which he may be entitled against the BWWB, Regional Defendants and the Defendants based on the allegations set forth in Counts III, IV, V, and VI.

F. Declare that the actions taken by the BWWB and Regional Defendants were willful.

G. Award Parnell reasonable attorney fees and litigation costs pursuant to the terms of the Parnell Agreement as well as the public benefit doctrine.

H. Such other and different relief that Parnell may be entitled.

PLAINTIFF DEMANDS TRIAL BY STRUCK JURY

Respectfully submitted this the 8th day of September, 2025.

/s/ John Q. Somerville

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