

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

)

MACAROY UNDERWOOD,)

)

)

Plaintiff,)

)

vs.)

) CASE NO.

JEFFREY THOMPSON,)

individually;)

JEFFREY W. BRUMLow, individually)

and in his capacity as a)

director of Central Alabama Water;)

BILL MORRIS, individually and in his)

capacity as a director of the)

Central Alabama Water;)

THOMAS C. HUDSON, JR.,)

individually and in his capacity as a)

director of Central Alabama Water;)

PHILLIP R. WIEDMEYER, individually)

and in his capacity as a director of)

Central Alabama Water;)

JACK DAVID STANDRIDGE, individually)

and in his capacity as a director of)

Central Alabama Water; 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 Central Alabama)
Water,)
Defendants.**

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CIRCUIT COURT OF

JEFFERSON COUNTY, ALABAMA

JACQUELINE ANDERSON SMITH, CLERK

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COMPLAINT

COMES NOW, MACAROY UNDERWOOD and files this Complaint against the defendants as follows:

1. Plaintiff, **MACAROY UNDERWOOD** (“Mac” or “Underwood”), is a resident of Jefferson County, Alabama.
2. Defendant, **JEFFREY THOMPSON** (“Thompson”), is a resident of Jefferson County Alabama. Thompson is sued in his individual capacity.
3. Defendant, **JEFFREY W. BRUMLOW** (“Brumlow”), is a resident of Shelby County Alabama. Brumlow is sued both in his capacity as a director of the Central Alabama Water 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 Central Alabama Water 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 Central Alabama Water 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 Central Alabama Water 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 Central Alabama Water and in his individual capacity. **PARTIES**

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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 Underwood and The Water Works Board of the City of Birmingham (“BWVB”) as more particularly described in the Complaint below.

8. Defendant, Central Alabama Water, 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. Defendants Brumlow, Morris, Hudson, Wiedmeyer, and Standridge are sometimes collectively referred to hereinafter as “Director Defendants.”

10. In addition, all Defendants, together with the fictitious defendants A through Z, are sometimes collectively referred to as the “Defendants.”

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. NO CLAIM IS MADE IN THIS LAWSUIT BASED UPON OR ARISING UNDER ANY LAW OR STATUTE OF THE UNITED STATES OF AMERICA. RATHER, ALL CLAIMS ASSERTED HEREIN ARE BASED UPON STATE LAW. **JURISDICTION**

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FACTUAL ALLEGATIONS

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 BWVB serves nearly one-quarter (1/4) of the population of the State of Alabama. The BWVB employs over 650 individuals. The BWVB has annual revenue in excess of \$238 million. The BWVB has an operating and maintenance budget of over \$143 million and a capital budget of over \$115 million. The BWVB manages and governs a Pension Plan that has hundreds of retired employees and total asset in excess of \$210 million. The BWVB 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 businesses 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. Underwood has been a Certified Public Accountant since 1988. He served as Assistant Finance Director of the Jefferson County Commission from 1989 until 1993. He served as Finance Director for the City of Birmingham from 1994 until 2001. He served as General Manager of the BWVB from 2001 until 2018 and then, as discussed herein, was brought back as Interim General Manager and then General Manager in 2024. For over 20 years, he has served the ratepayers of Central Alabama as General Manager of BWVB.

16. On January 1, 2017, the board of directors for the BWVB expanded from a five (5) member board to a nine (9) member board (the “2017 Board”).

17.. 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 **The 2017 Board**

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between various directors. The 2017 Board chose to not renew the employment agreement of Mac, who was then 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 Operations and Technical Services 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 customer and billing problems and complaints between 2019 and 2023. Defendant Thompson worked as an Assistant General Manager during this time period and was responsible, himself, for problems at BWWB prior to 2024.

19. On January 1, 2021, a new nine (9) member Board of Directors was appointed (the “2021 Board”) for the BWWB.

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 including Jeffrey Thompson who was at that time an Assistant General Manager.

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 **The 2021 Board**

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

22. From 2019 until 2024, under both the 2017 Board and the 2021 Board, there was a lack of effective executive management at the BWWB. The 2021 Board knew there was a problem and it rehired Underwood, in 2024, as interim deputy general manager. When Underwood agreed to be rehired, he was in retirement and had started a consulting company. The Search Committee and Board knew this. The 2021 Board also hired at least two other former employees—Michael Parker and Barry Williams—to provide leadership and management of the billing and customer care operations and to correct issues that those departments had been experiencing. 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. Underwood's efforts were instrumental in effecting these operational and management changes.

The January 2025 Board

23. 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 forty (40) years in public

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finance; a former mayor of one of Jefferson County's largest municipalities; a thirty-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 twenty-five (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.

24. After conducting a nationwide search for a new general manager, and with the recommendation of a 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 managerial deficiencies that had developed since 2018 and to lead the water system into the future. The Search Committee received fifty-nine (59) applications and narrowed it down to twenty (20), but in the end, the best candidate was already nearby, said Ronald L. Burgess Jr., a retired Army general and Auburn University executive, who was hired as a consultant to evaluate and recommend changes at the utility including selecting the next general manager. "We had some very qualified candidates. Mac's qualifications from a technical standpoint at the water works matched and clearly exceeded in a lot of cases," Burgess said after the meeting. "What differentiates Mac is his understanding of culture, his understanding of the mission of this particular water works and the five counties it serves and being able to relate. "I've watched the interaction of the employees and Mac, and that pushed it over the edge for me. There is mutual respect there and they recognize good leaders when they see it." "This search process, as requested by Birmingham Water Works' board, was exhaustive and identified dozens of great candidates from across the country. Through it all, there was no candidate who checked every box needed for the general manager's role like Mac Underwood," said Gen. Ron Burgess, who

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led the search process for BWW. “He knows this organization inside and out, and he understands the people of this organization and, most importantly, its customers. Mac Underwood has my highest recommendation, and I believe he will be a terrific leader for years to come.” 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 Board and this Consultant brought Mac back knowing he was in retirement and knowing they needed him. They awarded him a contract to bring him back. Underwood’s contract with the BWWB is attached hereto as Exhibit 1 (the “Underwood Agreement” or “Agreement”).

There Is No Legitimate Dispute That the January 2025 Board Had Authority To Enter into Agreements Like the Underwood Contract

25. The position of general manager for the water system was the highest-ranking executive holding the ultimate responsibility for the water system’s strategic direction, overall operations and financial performance. When he was General Manager, Underwood essentially served as the chief executive officer for the water system.

26. There could be no legitimate dispute that the March 2025 contract between Underwood and BWWB is valid. BWWB issued a public statement in connection with a similar lawsuit involving a lawyer, Mark Parnell, who had been hired by this 2025 Board as an Assistant General Manager. When it settled this similar lawsuit, BWWB issued a joint press release identifying that the Attorney General’s Office for the State of Alabama has taken the position that the 2025 Board had full authority to enter into Agreements like this. BWWB actually said that “The Attorney General of Alabama advocates for rate payers at The Water Works Board of the City of Birmingham. The Attorney General’s office has indicated that The Water Works Board of the City of Birmingham had the authority to enter into” contracts like Underwood’s.

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27. The form and substance of the Underwood Agreement was the standard form agreement that the BWWB had used since at least 1997. It was entered into as of March 1, 2025. It provides for annual salary of \$446,118 plus other benefits. The term of the Underwood Agreement provides that Mac would serve as General Manager from the effective date through December 31, 2030. The Agreement may be terminated for limited reasons. These are set forth in Section III of the Agreement. The General Manager, Mac, has the right to terminate the Agreement by giving 90 days notice pursuant to Paragraph III.B. This has not occurred. The Agreement may be terminated pursuant to mutual agreement of the parties. Ex. 1 at III.D.1. This has not occurred. It may be terminated by “breach of any material term or condition of this Agreement. Ex. 1 at III.D.2. Such a breach has never even been alleged and has not occurred. It may be terminated by the disability or death of General Manager. Ex. 1 at III.D.3. This has not occurred. It may be terminated by “the General Manager being found guilty of a felony” Ex. 1 III.D.4. That has not occurred. Finally, it may be terminated by the Board “for reasons other than those set forth in paragraph III.D.” If the Board terminates Mac’s Agreement, it is required

to pay him “one (1) payment equal to the then current term of the Agreement.” According to the Contract, that “current term” was the five (5) year term through December 31, 2030. See Ex. 1.

28. Thus, if the Board terminated Mac’s employment, it was required to pay a lump sum amount equal to all payments owed under the contract, including all benefits then due to be paid, through December 31, 2030. AND, according to this Agreement, such severance payment is required to be paid “no later than thirty (30) days following the date” of termination. Ex. 1 at III.C.

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Termination of Underwood’s Agreement by Thompson and the Board

29. As identified, the January 2025 Board had the power and authority and capacity to enter into the Underwood Agreement when this action was taken as of March 1, 2025.

30. The Underwood 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) disability or death; or
- (d) being found guilty of a felony by a court of competent jurisdiction.

31. Thompson was hired as Chief Executive Officer of BWWB on November 20, 2025.

32. Thompson KNEW AT ALL RELEVANT TIMES HERETO THAT Underwood had a valid and existing contract with BWWB.

33. Underwood was informed by Thompson that he was put on “Administrative Leave” on November 20, 2025 until December 15, 2025.

34. Then, on December 12, 2025, Underwood was informed that he was put on indefinite or permanent “Administrative Leave,” “until further notice.”

35. The Director Defendants voted to hire a new executive management team, replacing all prior executive management, on December 15, 2025. Therefore, since December 15, 2025, Underwood has had no job responsibilities with BWWB whatsoever.

36. All office locks for executive management offices, including Underwood’s office, were changed in December of 2025. Therefore, since December of 2025, Underwood has been locked out of his office at BWWB.

37. Underwood’s internal company email access was terminated in January of 2026.

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38. When Underwood was placed on administrative leave and locked out of his office, he did not have a chance to remove personal belongings that were in his office. Personal belongings he had left in his office were removed and boxed up and returned to him in February 2026.

39. Underwood was specifically excluded from BWWB company-wide email distribution lists, and email messages sent by current executive management to all employees of BWWB have not been sent to or received by Underwood since he was placed on administrative leave.

40. Thompson knew of Underwood's employment agreement with BWWB and has intentionally and deliberately interfered with this contract and with Underwood's employment and business relationship with BWWB, causing harm to Underwood.

41. When they voted to replace existing management on December 15, 2025, Defendants effectively terminated Underwood's employment with BWWB. Pursuant to his Employment Agreement, Defendants should have caused BWWB to pay Underwood his severance benefits, pursuant to his Agreement, within thirty (30) days of that December 15, 2025 date pursuant to the Underwood Employment Agreement.

42. Defendants' actions and interference with Underwood's job responsibilities, job performance, and ability to perform the duties of his job as General Manager constitute constructive discharge of Underwood's employment, causing damage. They have intentionally interfered with and/or caused BWWB to breach Underwood's Contract, causing damage. By failing to pay severance as provided in Underwood's Employment Agreement within thirty (30) days of termination of his employment, Defendants have breached and/or have caused BWWB to breach Underwood's Employment Agreement, causing damage.

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43. Defendants, including the BWWB, have improperly and wrongly and fraudulently labeled the termination of Underwood's job as "Administrative Leave" in a wrongful and fraudulent effort to avoid paying Underwood the severance that is required to be paid in a lump sum as provided in his contract, causing him damage.

44. The BWWB has breached the Underwood Agreement in its entirety.

45. Defendants have conspired together to cause the BWWB to breach the Underwood Agreement and otherwise cause harm to Underwood.

46. Underwood adopts and incorporates each and every allegation set forth above as if fully set forth herein.

47. Underwood performed and/or substantially performed his obligations pursuant to the Underwood Agreement.

48. In violation of the specific terms of the Underwood Agreement, Thompson, the BWWB and the Director Defendants, without justification, terminated and breached the Underwood Agreement. Under the terms of the Underwood Agreement, the BWWB and Director Defendants were obligated to make a payment to Underwood for the remaining benefits under

the Underwood Agreement within thirty (30) days of termination. Thompson, the BWWB and Director Defendants have failed to make said payment. Said action or failure to act constitutes a breach of the Underwood Agreement.

49. Defendants' wrongdoing has resulted in constructive discharge and thereby breach of the Underwood Agreement.

50. As a proximate cause of said breach, Underwood has been damaged. **CAUSES OF ACTION COUNT I BREACH OF CONTRACT**

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COUNT II

WRONGFUL TERMINATION

51. Underwood adopts and incorporates each and every allegation set forth above as if fully set forth herein.

52. Underwood was an employee of the BWWB pursuant to an employment agreement.

53. The Underwood Agreement provided that Underwood 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 GM; or
- (d) the GM being found guilty of a felony by a court of competent jurisdiction.

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

55. Without having proper cause to do so, Thompson, the BWWB and Director Defendants wrongfully terminated Underwood's employment.

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

COUNT III

TORTIOUS INTERFERENCE WITH BUSINESS AND

CONTRACTUAL RIGHTS

57. Underwood adopts and incorporates each and every allegation set forth above as if fully set forth herein.

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58. Thompson, the Director Defendants and the Defendants intentionally, wrongfully, and unlawfully disrupted and interfered with the Underwood Agreement and Underwood's contractual and business relationship with the BWWB.

59. These Defendants did through their intentional and unlawful wrongdoing disrupt and interfere with the Underwood Agreement and Underwood's contractual rights and business relationship with the BWWB.

60. As a proximate cause of Thompson's, the Director Defendants' and the Defendants' actions, Underwood has been damaged.

COUNT IV

CONSPIRACY TO TORTIOUSLY INTERFERE WITH BUSINESS AND

CONTRACTUAL RIGHTS

61. Underwood adopts and incorporates each and every allegation set forth above as if fully set forth herein.

62. Thompson, the Director Defendants and the Defendants conspired to unlawfully disrupt and interfere with the Underwood Agreement and Underwood's business relationship with the BWWB.

63. The Director Defendants and the Defendants did through their conspiracy unlawfully disrupt and interfere with the Underwood Agreement and Underwood's business relationship with the BWWB.

64. As a proximate cause of the Regional Defendants' and the Defendants' wrongful conspiracy and intentional and wrongful actions, Underwood has been damaged.

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COUNT V

FRAUDULENT SUPPRESSION AND/OR MISREPRESENTATION

65. Underwood adopts and incorporates each and every allegation set forth above as if fully set forth herein.

66. The BWWB, Thompson, the Director Defendants and the Defendants have fraudulently suppressed and/or misrepresented that the termination of Underwood's employment was "Administrative Leave" when, in fact, they terminated Underwood, conspired to terminate his employment, and committed fraud to avoid paying his severance benefits as provided in his Employment Agreement. Defendants had knowledge of the falsity and/or reckless disregard for the truth when they made and conspired to make the fraudulent suppression and/or misrepresentation. Further, Defendants conspired to unlawfully disrupt and interfere with the Underwood Agreement and Underwood's business relationship with the BWWB and wrongfully and/or fraudulently suppressed their wrongdoing from Underwood.

67. Underwood justifiably relied on Defendants' fraudulent suppression and/or misrepresentation.

68. Thompson, the BWWB, Director Defendants and the Defendants did through their fraudulent suppression, fraudulent misrepresentation, and wrongful conspiracy unlawfully disrupt and interfere with the Underwood Agreement and Underwood's business relationship with the BWWB.

69. Thompson, the BWWB, Director Defendants and the Defendants did through their wrongdoing and conspiracy unlawfully and fraudulently suppress from Underwood that they were conspiring and planning to terminate and disrupt and interfere with the Underwood Agreement and Underwood's business relationship with the BWWB.

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70. As a proximate cause of the intentional wrongdoing, fraud, suppression and conspiracy of Thompson, the BWWB, Director Defendants' and the Defendants' wrongful actions, Underwood has been damaged.

PRAYER FOR RELIEF

WHEREFORE, PREMESIS CONSIDERED, Underwood respectfully requests that this Honorable Court enter Judgment in his favor, awarding compensatory and punitive damages, equitable and injunctive relief, prejudgment and post-judgment interest, attorneys' fees, and costs to which he may be entitled in such amount as may be awarded by a jury. Further, Underwood demands such other and such other and further relief to which he may be entitled.

PLAINTIFF DEMANDS TRIAL BY STRUCK JURY

Respectfully submitted this the 20th day of February, 2026.

/s/ John Q.
Somerville_____

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John Q. Somerville
Attorney for Plaintiff

SERVE DEFENDANTS BY
CERTIFIED MAIL:

OF COUNSEL:

Somerville LLC
300 Richard Arrington Blvd
North
Suite 710
Birmingham, AL 35203
Phone (205) 871-2183
Cell (205) 807-1984

Jeffrey Thompson
Central Alabama Water
3600 FIRST AVENUE NORTH
BIRMINGHAM, AL 35222

Thomas Hudson Jr.
82 Main Street
Mountain Brook, AL 35213

Jeffrey Brumlow
137 Main Street
Suite 202
Trussville, AL 35173

David Standridge
P.O. Box 76
Hayden, AL 35079
PHILLIP R. WIEDMEYER
1501 Buckhead Trl,
Vestavia Hills, AL, 35216

Bill Morris
8651 Thornton Avenue Leeds, AL 35094
CENTRAL ALABAMA WATER
C/O Jeffrey Thompson
3600 FIRST AVENUE NORTH
BIRMINGHAM, AL 35222

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