

**MINUTES OF THE FINANCE COMMITTEE MEETING
OF THE WATER WORKS BOARD OF THE CITY OF BIRMINGHAM
April 26, 2023**

A Finance Committee meeting of the directors of The Water Works Board of the City of Birmingham was held on Wednesday, April 26, 2023, at 10:30 a.m., at 3600 First Avenue North, Birmingham, Alabama.

The following Committee members were present: Directors Ward (Committee Chairman), Burbage, and Huffman. Also present was Director Henderson who is not a Committee member.

Others present were: Michael Johnson, General Manager; Iris Fisher and Derrick Murphy, Assistant General Managers; Cynthia Williams, Board Administrator; Anitra Clark, Corporate Governance Specialist; Vanessa Washington, Executive Assistant; Colandus Mason, Rick Jackson, Robert Steffens, Michael Tarrt Jr., Rosalind Jones, Jacqueline Hill, Matthew Shiver, Jeff Wade, Parker Vines and David Walker, BWWB Employees; K. Mark Parnell, Parnell Thompson Law, LLC; Byron Perkins, Perkins Law, LLC; Kelvin Howard, Kelvin W. Howard, LLC; Tiffanie Agee, Agee Law, LLC.; Patrick Flannelly, ARCADIS.

Inasmuch as all Committee members were present, a quorum was in attendance. Committee Chairman Ward called the meeting to order at 10:32 a.m., Assistant General Manager Fisher opened the meeting with prayer.

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

Next, the Committee proceeded to the first item on the agenda, Request Committee to approve minutes of the Finance Committee Meeting held January 25, 2023. Director Burbage made a motion to approve the minutes and Director Huffman seconded the motion. The minutes were approved by unanimous vote.

Following, the Committee proceeded to hear the reports of officers. General Manager Johnson stated that Board Attorney Mark Parnell would give an update on the Leak Adjustment Policy and that AGM Iris Fisher had one item to discuss. Afterwards, Board Attorney Parnell began his update on the Leak Adjustment Policy. Per Board Attorney Parnell, the Board currently has a leak adjustment policy that has been in place for a long time. In its current policy, if a customer has a leak on their side of the meter that causes a high-water bill and provides the repair receipts, Birmingham Water Works will adjust the customer's bill by 50% of the bill overage. Board Attorney Parnell stated that Chairwoman Huffman asked if it would be possible to revisit said policy. He stated that there are other water utilities that base their leak adjustment policy on the average bill, last six months, or last twelve months, as opposed to 50% of the bill overage. Board Attorney Parnell stated that he drafted a leak adjustment policy and sent it to staff to review for any possible operational issues. However, staff had a draft leak adjustment policy prepared from last year. Per Board Attorney Parnell, a meeting was held last week to discuss the pros and

cons of implementing the policy. The policy he drafted based a leak adjustment off the average 12 months bill. He indicated that staff's drafted policy was more feasible, except there needed to be a breakdown regarding the differences between residential and commercial customers. Previously, residential, and non-residential customers would receive 50% adjustment for a leak after meeting the policy qualifications. The proposed policy would allow residential customers to receive a 100% adjustment and non-residential customers would receive a 50% bill adjustment. Board Attorney Parnell said he was tasked with merging the policies together but has not had enough time to complete the final policy, which is why an update was being given today instead of asking for a recommendation. After Committee Chair Ward and General Manager Johnson confirmed a Finance Committee Meeting to be held May 10, 2023, Board Attorney Parnell stated he would present the final policy at said meeting. Assistant General Manager Fisher introduced Jacqueline Hill as the new Accounting Department Manager and welcomed her to the company. Following, Committee Chair Ward stated that questions have been raised by directors; therefore, he has requested to have a Finance Committee Meeting on May 10, 2023, which General Manager Johnson and Assistant General Manager Fisher will review the budget and update the board. General Manager Johnson stated that the information would be presented as part of the Division Reports. Director Mims arrived at the meeting at 10:41 a.m.

Next, the Committee proceeded to the second item on the agenda, Request Committee to recommend to the Board to approve acceptance of the ARPA Subrecipient Agreement with Jefferson County in an amount to the Board not to exceed \$2,000,000.00; and to authorize the General Manager and/or Assistant General Manager to execute the agreement. Director Burbage asked General Manager Johnson to provide the Committee with some basic information regarding the referenced agreement. General Manager Johnson stated that Birmingham Water Works tried to seek funding from Jefferson County as well as others. Staff compiled a list of projects in Jefferson County and solicited funding from them to cover or fund a portion of those projects' costs. Thus, Birmingham Water Works was awarded \$2,000,000.00. The referenced agreement lists all the terms for the company receiving the funds. Director Huffman made a motion to recommend said item be moved to the full board for approval and Director Burbage seconded the motion. The agenda item was approved by unanimous vote.

Following, the Committee proceeded to the third item on the agenda, Request Committee to recommend to the Board to approve the Sheppard-Harris & Associates Other Post-Employment Benefits (OPEB) Plan Engagement Letter in an amount to the Board not to exceed \$19,900.00 for an audit of the Board's OPEB Plan for the year ended December 31, 2022. Director Burbage made a motion to recommend said item be moved to the full board for approval and Director Huffman seconded the motion. The agenda item was approved by unanimous vote.

Next, the Committee proceeded to the fourth item on the agenda, Request Committee to recommend to the Board to approve the Sheppard-Harris & Associates Pension Plan Engagement Letter in an amount to the Board not to exceed \$30,000.00 for an audit of the Board's Pension Plan for the year ended December 31, 2022. Director Burbage made a motion to recommend said item be moved to the full board for approval and Director Huffman seconded the motion. The agenda item was approved by unanimous vote.

Following, the Committee proceeded to the fifth item on the agenda, Request Committee to recommend to the Board to approve an agreement with Municipal Government Investors Corp. (mGIC), effective April 27, 2023, through December 31, 2023, to serve as Birmingham Water Works' Cash and Investments Advisor, at a cost to the Board not to exceed \$50,000.00; and to authorize the General Manager and/or Assistant General Manager to execute the agreement. Director Burbage made a motion to recommend said item be moved to the full board for approval and Director Huffman seconded the motion. The agenda item was approved by unanimous vote.

Subsequently, per Committee Chair Ward, agenda items six, seven, and eight were voted on together, which requested the Committee to recommend to the Board to approve updated banking resolutions designating those who are authorized to execute banking transactions at Regions Bank, Truist Bank, and Citizens Trust Bank, on behalf of the Water Works Board of the City of Birmingham, respectively. Director Burbage asked General Manager Johnson the purpose for updating the banking resolution. General Manager Johnson responded that it is part of the normal business process to add the new Accounting Manager, Jacqueline Hill and to remove Jeffrey Thompson, the former Assistant General Manager of Operations and Technical Services. Director Huffman made a motion to recommend said items be moved to the full board for approval and Director Burbage seconded the motion. The agenda items were approved by unanimous vote.

As there was no further business before the Committee, Director Burbage made a motion to adjourn the meeting and Director Huffman seconded the motion. The meeting adjourned at 10:46 a.m.

_____/s/_____
Raymond "Larry" Ward
Committee Chairman

_____/s/_____
William "Butch" Burbage, Jr., Esq.
Director

_____/s/_____
Tereshia Q. Huffman
Director

_____/s/_____
Michael Johnson
General Manager