

**MINUTES OF THE EXECUTVIE COMMITTEE MEETING
OF THE WATER WORKS BOARD OF THE CITY OF BIRMINGHAM
Wednesday, November 4, 2020
11:30 a.m.**

An Executive Committee Budget Workshop #3 meeting of the directors of The Water Works Board of the City of Birmingham was held on Wednesday, November 4, 2020 at 11:30 a.m., via electronically [via teleconference/telephone].

The following Committee members were present: Ronald A. Mims, Brenda J. Dickerson, Deborah Clark, William R. Muhammad, William “Butch” Burbage Jr., Tommy J. Alexander, Lucien Blankenship, Brett A. King and George Munchus.

The meeting was also attended by: Michael Johnson, General Manager; Derrick Murphy, Jeffrey Thompson and Iris Fisher, Assistant General Managers; Cynthia Williams, Board Administrator; Vanessa Washington, Executive Assistant; Colandus Mason, Marsha Hammonds, Rosalind Jones, Rick Jackson, BWWB Employees; K. Mark Parnell, Parnell Thompson Law, LLC; Peiffer Brandt, Raftelis; and Emory Anthony, Jr.

Inasmuch all the Committee members were present, a quorum was in attendance.

Chairman Mims called the meeting to order at 11:31 a.m. He indicated the purpose of the meeting was to have additional discussion on rate increases. Chairman Mims stated that Mr. Brandt and Director Muhammad had done research on the topic, and he would like to hear from them and comments from the board.

Following, the meeting was turned over to GM Johnson. He commented on the impact of a no rate increase and the justification. GM Johnson indicated that as a result of the reserve fund policy, the number shows the company is in a great financial position. The only change is adjusting the PAYGO Policy. The 70% PAYGO would not be reached until 2029. Director Blankenship asked a question regarding the impact on PAYGO and a rate increase with collection on customers’ accounts and payment plans. GM Johnson stated that some customers have made payments or payment arrangements. In addition, the bad debt for this year has been adjusted downward. Several directors asked about certain rate increase scenarios, revenue generated, and debt reduction. There was discussion on how rate increases are determined, which management explained that the RSE Model is used to determine rates. GM Johnson confirmed to directors that management’s recommendation is a zero-rate increase for FY2021. Some directors indicated their support of a zero-rate increase while others expressed their concerns. Attorney Parnell advised the board that the PAYGO policy would have to be amended in order to change the rate increase. Thus, Director Muhammad made a motion to amend the PAYGO Policy to reach a 65% PAYGO goal by 2025. There was no seconded; therefore, the motion failed.

Subsequently, there was no new business, as set forth in agenda item two.

As there was no further business before the Committee, Director Burbage made a motion to adjourn the meeting. Director Dickerson seconded. Thus, Director Mims adjourned the meeting at 12:46 p.m. by a roll call vote.

/s/

Ronald A. Mims
Chairman/President

Brenda J. Dickerson, Ph.D.
First Vice-Chairwoman / First Vice
President

Deborah Clark
Second Vice-Chairwoman /
Second Vice President

William R. Muhammad
Secretary-Treasurer

/s/

William "Butch" Burbage, Jr., CPA
Assistant Secretary-Treasurer

Tommy J. Alexander
Director

/s/

Lucien Blankenship, Esq.
Director

Brett A. King, Esq.
Director

/s/

George Munchus, Ph.D.
Director

/s/

Michael Johnson, MBA, CPA
General Manager