

**MINUTES OF THE EXECUTIVE COMMITTEE MEETING
OF THE WATER WORKS BOARD OF THE CITY OF BIRMINGHAM
Tuesday, October 6, 2020
12:30 p.m.**

An Executive Committee Budget Workshop #1 meeting of the directors of The Water Works Board of the City of Birmingham was held on Tuesday, October 6, 2020 at 12:30 p.m., via an in-person meeting.

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

Others were present: Michael Johnson, General Manager; Derrick Murphy, Jeffrey Thompson and Iris Fisher, Assistant General Managers; Grace Amison, Executive Assistant to the Board of Directors; Cynthia Williams, Board Administrator; Vanessa Washington, Executive Assistant; Colandus Mason, Rosalind Jones, Rick Jackson, Terrell Jones, BWWB Employees; and K. Mark Parnell, Parnell Thompson Law, LLC.

Inasmuch as eight Committee members were present, a quorum was in attendance.

Director Burbage called the meeting to order at 12:37 p.m. General Manager Michael Johnson opened the meeting with prayer. Director Burbage reminded everyone that the Finance Committee was changed to an Executive Committee to allow all directors a voice relative to a recommendation to the full Board for approval.

Next, agenda item one requested the Committee to hold a workshop on the Draft FY2021 Capital and Operations & Maintenance (O&M) Budgets; necessary to perform essential minimum functions of the governmental body. AGM Murphy presented additional information to the board regarding the Capital Budget. He indicated that the proposed capital budget for FY2021 did not increase from the amount requested the previous year. Per AGM Murphy, the Shades Mountain Filter Plant Project will be completed next year and some parts of the Carson Loop Project. He advised the board that he would be requesting a new capital budget item for the board’s consideration for approval, which is a newly constructed Envirolab building. Also, AGM Murphy stated there were some changes in the service line replacement and other materials outside of galvanized steel that needs removal from the system. Challenges relating to old service lines past their useful life has caused the budget line item “k” to increase by a million dollars. There was much discussion on the pipeline replacement projects status and the unused money earmarked for pipeline replacement projects. The board discussed whether it was beneficial to give more funds upfront (*that might go unused*) as opposed to staff requesting additional funds, if needed. AGM Murphy indicated he was pleased with the planning and designing of projects going forward. The directors expressed their concerns regarding bad debt, debt reduction, and a zero percent rate increase; therefore, staff was asked to provide additional information. GM Johnson commented to the board that bad debt is not a cash disbursement; therefore, it does not affect the board’s cash. Director Muhammad suggested paying the bad debt by reducing our reserves. Director Munchus

voiced concerns and inquired whether an on-call program could help expedite projects. Attorney Parnell stated the on-call program was set-up for emergency repairs, but not pipeline replacement. Director Clark stated her concerns and asked staff to provide information showing that debt had been reduced. Director Burbage explained bond debt vs consumer debt relating to paying down debt. After the discussion on debt reduction and no rate increase subsided, a motion and seconded was made to accept the FY2021 proposed Capital and O&M budgets by Director Burbage and Dr. Munchus, respectively. After realizing the O&M budget had not been discussed, the motion and seconded was withdrawn.

Following, AGM Fisher was asked to present highlights of the FY2021 O&M Budget. A discussion ensued on changing the date for the Executive Committee Budget Workshop 2 and discussing the O&M budget in detail at said meeting. The final consensus was to leave the date as scheduled, October 20, 2020. Thus, AGM Fisher began her overview. She highlighted (1) Bad Debt, (2) Chemicals, (3) Budget Increase and (4) Property insurance increase, as matters for further discussion at the upcoming budget workshop. Director Clark requested data displaying a decrease in the budget due to hiring employees as opposed to consultants. It was agreed to start with Agency 54 and the personnel hired for Communications, as an example. A director asked that Agency 54 invoices be included to show their work. Afterwards, AGM Thompson informed the board of the estimated cost for chemicals (*\$5,900,000.00 for the year*), which concluded the FY2021 O&M Budget preview.

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

As there was no further business before the Committee, Director Clark made a motion to adjourn the meeting. Director Muhammad seconded. Thus, Director Burbage adjourned the meeting at 2:20 p.m.

/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