

**Minutes Of  
Executive Committee Meeting  
Of The Water Works Board  
Of The City Of Birmingham  
November 3, 2023**

An Executive Committee Meeting of The Water Works Board of the City of Birmingham was held on Friday, November 3, 2023, at 11:30 a.m., in the principal office of the Board, 3600 First Avenue North, Birmingham, Alabama, 35222, to discuss executive issues.

The following Committee members were present: Tereshia Huffman, William “Butch” Burbage, Jr., Dalton NeSmith, and Larry Ward. Other Board members in attendance were, Lucien Blankenship, Tom Henderson, and George Munchus.

Inasmuch as all Directors were present, a quorum was in attendance.

The meeting was also attended by: Michael Johnson, General Manager; Derrick Murphy, Assistant General Manager of Engineering and Maintenance; Iris Fisher, Assistant General Manager of Finance and Administration; Rosalind Jones, Comptroller; Tammy Wilson, Executive Assistant to Assistant General Manager Derrick Murphy; Cynthia Williams, Board Administrator; Anitra Clark, Corporate Governance Specialist; Mark Parnell, Parnell Thompson, LLC; Kelvin Howard, Kelvin Howard, LLC; Colandus Mason, IT Manager; David Walker, Security Manager; Anthony Hazel, Security Superintendent; Rick Jackson, Public Relations Manager; Barry Williams, Business Systems/Operations Manager; Charles McGee and Jeff Wade, Electrical & Mechanical Shop; Patrick Flannelly, ARCADIS; Lindsey McAdory, CBG Strategies;

Chairwoman Huffman called the meeting to order at 11:30 a.m.

Following, AGM Murphy gave the Invocation. There was a Roll Call, which confirmed that there was a quorum in attendance.

Next, The Committee was asked to Approve the Agenda. On a motion made by Director Burbage and a second made by Director NeSmith, the agenda was unanimously approved as printed. There were no Minutes for Approval. Under Reports of Officers, Director Ward announced that a full report was forthcoming at the next Board meeting regarding the recent bond deal. Director Ward stated he was squeamish about this bond deal because it had not been done before in Alabama. The transaction resulted in a \$19 million reduction in principle, a \$5.7 million reduction in interest, a \$250 to \$380 thousand reduction in operating expenses from now until 2039, and about a \$100 to \$120 thousand reduction in operating expenses from 2040 to 2043. Director Ward thanked everyone for a great job adding he hoped to have some good publicity from the transaction. Under Reports of Assistant General Managers, AGM Murphy updated the Committee on the Liberty Park development that was halted due to environmental

concerns. AGM Murphy stated that construction resumed this week. There was no Unfinished Business.

Following, GM Johnson began by stating that part of the Board's Strategic Plan included Automatic Meter Reading (AMR) implementation. AGM Murphy gave an update on the process going forward following the issuance of the Request for Proposals (RFPs). The process began April 10, 2023, when meetings and interviews with the three vendors began, in which the Jefferson County Commission and ARCADIS, U.S., Inc. participated. The top two firms were selected via a scoring system. Chairwoman Huffman stated she had concerns over the experience level of one of the two firms selected, Jacobs Engineering and eSource. It seemed that eSource possessed the most technical experience with over 200 projects completed, as a technical AMI firm rather than a community engagement firm, like Jacobs Engineering. Director NeSmith stated he had the same concerns following the interviews and meetings with Staff. Director NeSmith stated the project is very expensive for the Board and ratepayers alike and will be lasting for many years to come. Director Huffman stated she asked Staff if they were confident that both firms could do the work on two different occasions, and their response was yes. Attorney Parnell stated that on-site presence was a key concern and with eSource not having a local office, this needed consideration because much of their work would be performed remotely. Attorney Parnell stated he was asked by Staff to contact eSource to modify their original agreement to include more on-site and travel hours in order to meet all of the Board's and ARCADIS' needs. Attorney Parnell reminded everyone that there would be a new dollar amount to be negotiated in the final document.

Next, a motion was made by Director NeSmith and seconded by Chairwoman Huffman recommending eSource as the AMR consulting firm, following details being worked out as discussed in the meeting today, to be reviewed by Board attorneys, Senior Staff, and the Engineering Department, with a recommendation for this item to be placed on the agenda for the Board meeting scheduled for November 15<sup>th</sup>. The motion was unanimously approved.

Following Director Ward asked everyone to look at AL.com regarding two articles comparing cities' water rates in Alabama and a snail around the Cahaba River that has been restored from possible extinction. GM Johnson stated the Board is continuing to invest in the system and that the customers understood the rate increases at the Town Hall meeting in Hoover. Chairwoman Huffman thanked Director NeSmith for leading the AMI project as Chair of the Engineering and Maintenance Committee and Director Ward for leading the bond transaction deal as Chair of the Finance Committee.

As there was no further business before the Committee, a motion was duly made and seconded, and the meeting was adjourned at 11:51 a.m.

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Tereshia Huffman  
Executive Committee Chair

/S/

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William "Butch" Burbage, Jr.  
Director

/S/

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Dalton NeSmith  
Director

/S/

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Larry Ward  
Director

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Michael Johnson  
General Manager