

**MINUTES OF THE FINANCE COMMITTEE MEETING  
OF THE WATER WORKS BOARD OF THE CITY OF BIRMINGHAM  
February 11, 2025**

A Finance Committee meeting of the directors of The Water Works Board of the City of Birmingham was held on Tuesday, February 11, 2025, at 11:30 a.m., at 3600 First Avenue North, Birmingham, Alabama.

The following Committee members were present: Directors Larry Ward (Committee Chairman), Director Tereshia Huffman, and Director William “Butch” Burbage.

Others present were: Darryl Jones, Interim General Manager; Mac Underwood, Interim Deputy General Manager; Barry Williams, Derrick Murphy, and Philip King, Interim/Assistant General Managers; Cynthia Williams, Board Administrator; Anitra Clark, Corporate Governance Specialist; Vanessa Washington, Executive Assistant; Colandus Mason, Marsha Hammonds, Reauchann Richardson, Jeff Wade, Charles McGee, Anthony Hazel, and David Walker, BWWB Employees; K. Mark Parnell, Parnell Thompson Law, LLC; Olivia Martin, State of Alabama Attorney General’s Office; Matthew Arrington, Terminus Municipal Advisors, LLC; Brad Green, Raymond James & Associates; Frank Adams, Direct Communications; George Munchus, Citizen of Birmingham; and Rinesha Coleman, Allied Security.

Inasmuch as all Committee members were present, a quorum was declared in attendance. Committee Chairman Ward called the meeting to order at 11:29 a.m., and Interim General Manager Jones opened the meeting with prayer.

Next, Committee Chairman Ward asked the Committee to approve the agenda. Director Burbage made a motion to approve the agenda and Director Huffman seconded the motion. On a motion duly made and seconded, the motion was approved by unanimous vote.

Following, the Committee moved to the first item on the agenda, Request Committee to Approve Minutes of the Finance Committee Meeting held November 4, 2024. Director Burbage made a motion to approve the minutes and Director Huffman seconded the motion. On a motion duly made and seconded, the motion was approved by unanimous vote.

Next, the Committee moved to Reports of Officers. Interim General Manager Jones announced that BWWB switched to the Ring Central phone system on February 11, 2025, and the Call Center is taking calls under the new system. He said there is a slight problem with the conference line that is dedicated for the public to listen in to the meeting; however, the problem was being worked on. Director Huffman inquired about the cause of the problem with phone system. Interim General Manager Jones responded the problem was unknown at the time; however, staff was working with Ring Central to resolve the issue. Colandus Mason, Information Technology Manager, said that when the conference number is called, it gives a busy signal, as if the telephone number is disconnected. He indicated Ring Central is troubleshooting the problem. Mr. Mason said a secondary phone number was posted on the BWWB website for the public to use to listen to said meeting. Next, the Committee moved to Request Committee to hear an Internal Audit Report. Reauchann Richardson, Internal Audit Manager, gave an overview of the handout entitled “*2025 Audit Plan*”. A copy is on file in Diligent. Ms. Richardson began the discussion with a current update on the Warehouse, Accounts Payable Audit, Purchasing Cards (P-Card), Transportation Audit, and Longevity Pay. She indicated that the Warehouse is wrapping up their Standard Operating Procedures (SOP). Ms. Richardson stated that

the Warehouse Audit Report is being finalized and that remediation testing is being performed. Next, she said testing is being finalized for the Accounts Payable Audit. Ms. Richardson indicated that she has increased testing for the year-end to prepare for the annual audit, including unrecorded liabilities and accrued vacation. Also, she stated the Audit Findings/Report was being drafted. Afterwards, Ms. Richardson referenced the P-Card. She said P-Card transactions from 2023 to current, are being reviewed for appropriateness. Ms. Richardson stated the Transportation Audit has been temporarily paused to complete year-end reviews; however, the audit will resume at the end of February 2025. Ms. Richardson stated Longevity Pay was the final item listed under current update that will be audited. Next, she informed the Committee of upcoming audits. Ms. Richardson stated the upcoming audits will include the following: billing, credit refunds, meter reading, revenue/cash, fixed assets, and payroll. Ms. Richardson stated additional projects for the Internal Audit Department include going to various departments to help facilitate updating SOPs. Following, Director Burbage voiced concerns regarding the company using P-Cards. He stated P-Cards can be easily mishandled; therefore, it is appropriate to investigate for any mismanagement. Director Burbage stated he understands it is a necessity for the company; however, he urged Ms. Richardson to do her due diligence regarding the P-Card audit. Director Ward stated Birmingham Water Works does not want to duplicate the situation in the City of Homewood, AL is currently facing.

Following, the Committee moved to the second item on the agenda, Request Committee to Recommend to the Board to Approve an Amendment to the Bond Transaction Team for Series 2024-2025, that was approved on November 20, 2024, which Director Ward said to include in the minutes. Matthew Arrington, Terminus, explained the bond team changes. He stated that there was one change, and it was to the underwriting team. Mr. Arrington said the Underwriters team includes Raymond James and Associates (80% - Senior lead) and Blaylock Van (10% - minority). He indicated that Siebert Willaims Shank & Company (10% - minority) is being added to the underwriters' team in place of Frazier Lanier (10% - minority). Also, Board Attorney Mark Parnell stated an additional change to the bond team included removing an attorney, who is no longer with the Board. Director Huffman made a motion to recommend said item be moved to the Board for approval and Director Burbage seconded the motion. On a motion duly made and seconded, the motion was approved by unanimous vote.

Next, the Committee moved to the third item on the agenda, Request Committee to Recommend to the Board to Adopt a Reimbursement Resolution for Capital Expenditures from the Proceeds of Birmingham Water Works' Water Revenue Bonds. Director Ward stated BWWB can reimburse itself 90-days from the adoption of this reimbursement resolution after the bond issue closes. Director Burbage made a motion to recommend said item be moved to the Board for approval and Director Huffman seconded the motion. On a motion duly made and seconded, the motion was approved by unanimous vote.

Subsequently, the Committee moved to the fourth item on the agenda, Request Committee to Recommend to the Board to Approve a Guaranteed Investment Contract (GIC) with Winters and Company Advisors, LLC, effective February 26, 2025 through February 25, 2026, to serve as Birmingham Water Works' investment agreement bidding agent for the Series 2024-2025 bond issue, at an estimated investment amount of \$230,000,000.00, plus any additional funds; and to authorize the Interim General Manager and/or the Interim Assistant General Manager to execute the contract. Director Ward stated said agenda item is a change and asked if there were any questions. Interim Deputy General Manager Mac Underwood stated BWWB has previously used Winters and Company Advisors. He stated they will be at the February 26, 2025, Regular Board of Directors' Meeting to meet Board members. Interim Deputy General Manager Underwood indicated Winters and Company

Advisors have submitted a preliminary contract that will be finalized by February 26, 2025. Director Burbage made a motion to recommend said item be moved to the Board for approval and Director Huffman seconded the motion. On a motion duly made and seconded, the motion was approved by unanimous vote.

As there was no further business before the Committee, Director Huffman made a motion to adjourn the meeting and Director Burbage seconded the motion. On a motion duly made and seconded, the motion was approved, and the meeting adjourned at 11:40 a.m.

\_\_\_\_\_/s/\_\_\_\_\_  
Darryl R. Jones  
Interim General Manager

\_\_\_\_\_/s/\_\_\_\_\_  
Larry Ward  
Finance Committee Chairman

\_\_\_\_\_/s/\_\_\_\_\_  
William "Butch" Burbage, Jr.  
Director

\_\_\_\_\_/s/\_\_\_\_\_  
Tereshia Q. Huffman  
Director