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BIRMINGHAM WATER WORKS BOARD APPROVES FISCAL YEAR 2023 BUDGETS **WATER RATES WILL CONTINUE TO REMAIN BELOW NATIONAL AVERAGE**

BIRMINGHAM, Ala. (November 30, 2022) – The Birmingham Water Works Board (BWWB) voted today to approve its Operation & Maintenance Budget of \$125,304,575 and Capital Budget of \$72,307,526 for Fiscal Year 2023. The annual process considers operating costs the BWWB incurs for providing service, capital expenditures required to maintain and improve the system’s infrastructure, reserve requirements, and forecasted projections in demand.

BWW budget deliberations focus on keeping water rates as low as possible for all customers. The cumulative impact of the 2023 operating and capital budgets results in a 3.9% rate increase for customers. The average customer who uses 6ccf a month will see roughly \$1.55 more per month on their bill.

“Our rates continue to be among the lowest in the United States,” said Michael Johnson, General Manager of the Birmingham Water Works (BWW). “When you look around us, everyone has been impacted by inflation, which is reflected in metrics like the Consumer Price Index. Prices for everything – ranging from food and housing to the chemicals and materials and labor costs required to run our system – have risen dramatically especially in the last few years. Economic pressures have influenced everything we do as a utility, but our goal is to keep bringing the nation’s highest quality water to our customers at the lowest possible price,” he said.

Recently, BWW staff accompanied Jefferson County Commissioner Shelia Tyson to a town hall meeting on the city’s west side to review the FY2023 budget and address customer concerns face-to-face. This participation included having customer service representatives on hand to address customer account issues, demonstrations of meter reading, free plumbing accessories to economize on water usage, and live questions and answers with our executive management team. Commissioner Tyson attended today’s Board of Directors Meeting to commend BWW employees for this collaboration.

“The Town Hall was a success,” says Commissioner Tyson. “We were able to get on-the-spot assistance for some 40-plus customers because of the onsite setup provided by the BWWB.”

“Rising costs for several key categories are factors in the BWWB’s 2023 budget projections, including increases in water treatment chemicals (\$3.99 million), power costs (\$1.3 million), labor (\$1.59 million), and employee-related expenses (\$1.1 million),” Johnson said. “On the

capital requirements side, a key cost driver is replacing miles of galvanized steel and unlined cast iron pipe, which makes up only 15% of our system but accounts for 67% of our maintenance activity, primarily on leaks,” he said.

“Another critical factor is demand for consumption, which like the rest of the country, we see continue to slowly decline. Our 10-year trend for demand is down an average of 2.7%, and we see that continuing at roughly a 2.3% decline in 2023. This means higher revenue requirements must come from a smaller consumption. Unfortunately, it’s not just a local issue, it’s a national one as well,” he said.

“Each day, we carry the serious responsibility of continuously providing clean drinking water to more than 770,000 customers in five counties, 24 hours a day, seven days a week. We are totally devoted to this mission. We are an award-winning water utility company, and we operate within the framework of the Effective Utility Management system established by the American Water Works Association and partnering organizations. I can’t emphasize enough how important it is for us to bring the highest quality water at the lowest possible prices to our customers,” Johnson said.

ABOUT BIRMINGHAM WATER WORKS BOARD: Founded in 1951, the Birmingham Water Works Board serves 770,000 people in Jefferson, Shelby, Blount, St. Clair, and Walker counties. The BWWB operates four filtration plants, a certified testing laboratory, and has more than 4,000 miles of pipe in its distribution network. For more information about the Birmingham Water Works Board, media inquiries, or tours of our museum, please call 205-244-4225 or visit www.bwwb.org.

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