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FY2025

OPERATION & MAINTENANCE  
AND CAPITAL BUDGETS

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**BIRMINGHAM WATER WORKS**  
3600 1ST AVE NORTH  
BIRMINGHAM AL, 35222

[bwwb.org](http://bwwb.org)



## BOARD OF DIRECTORS

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Darryl R. Jones, PE  
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Barry Williams  
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OPERATIONS & TECHNICAL SERVICES DIVISION**

Derrick M. Murphy, MEng  
**ASSISTANT GENERAL MANAGER  
ENGINEERING & MAINTENANCE DIVISION**

THE WATER WORKS BOARD OF THE CITY OF BIRMINGHAM (BWW) IS COMMITTED TO PROVIDING RELIABLE, EQUITABLE, COST-EFFECTIVE DELIVERY OF HIGH-QUALITY WATER AND SERVICES, WHILE PROTECTING PUBLIC HEALTH AND ENVIRONMENTAL RESOURCES FOR CURRENT AND FUTURE GENERATIONS.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**Birmingham Water Works Board  
Alabama**

For the Fiscal Year Beginning

**January 01, 2024**

*Christopher P. Morill*

**Executive Director**

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**The Government Finance Officers Association of the United States and Canada (GFOA)** presented a Distinguished Budget Presentation Award to Birmingham Water Works Board, Alabama, for its Annual Budget for the fiscal year beginning January 1, 2024.

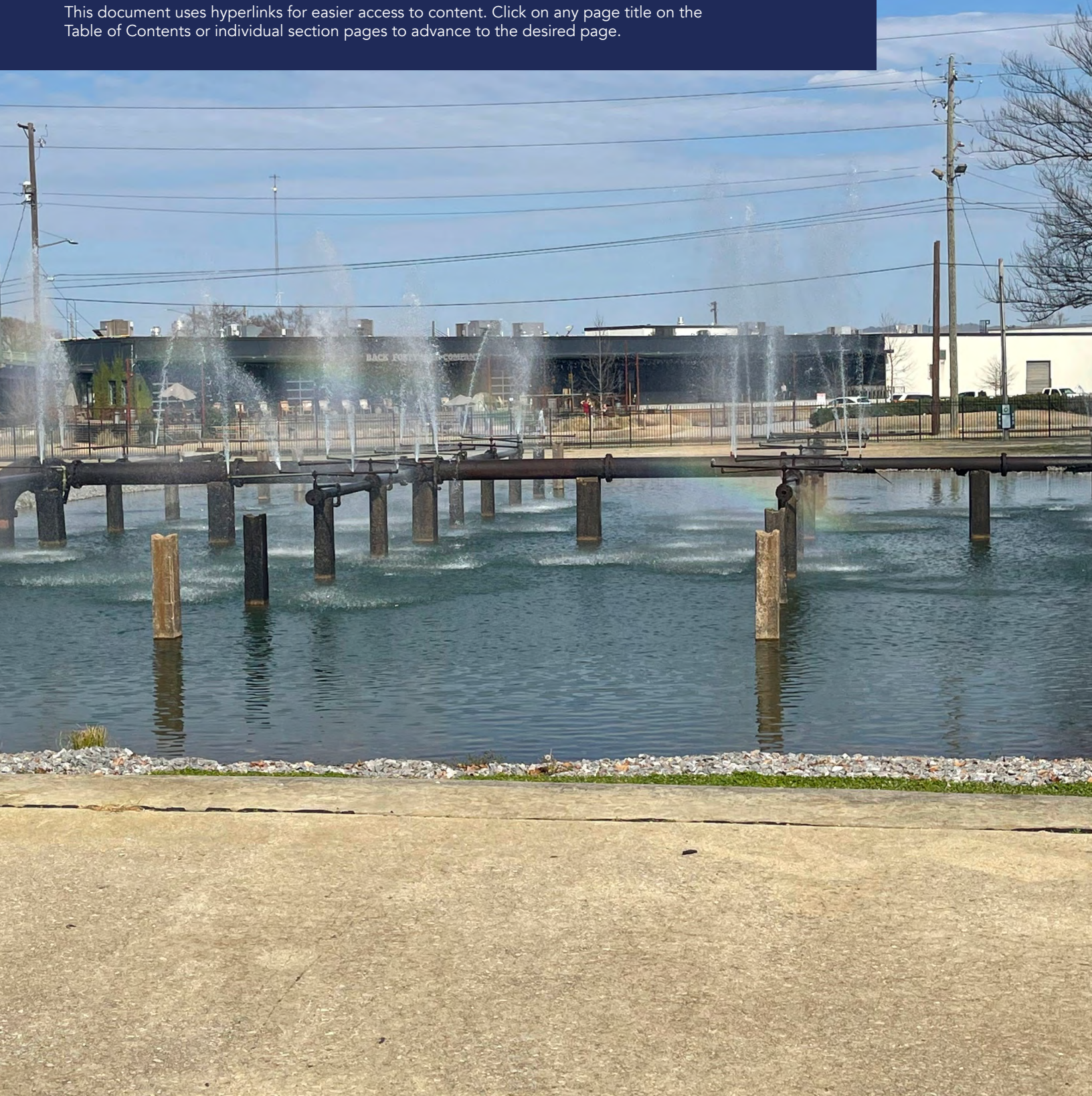
To receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device.

This award is valid for a period of one year only. We believe that our current budget document continues to conform to program requirements, and we are submitting it to the GFOA to determine its eligibility for another award.

# TABLE OF CONTENTS

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This document uses hyperlinks for easier access to content. Click on any page title on the Table of Contents or individual section pages to advance to the desired page.





## SECTION 1 INTRODUCTION

- Introduction 7
- General Manager’s Budget Message 8
- Organizational Structure 10
- Key Considerations Affecting Budget Development 11
- Compliance with Financial Policies 12
- Strategic Goals 14
- Strategic Planning 16

## SECTION 2 BUDGET DEVELOPMENT

- Budget Development 21
- Budget Process 23
- Budget Calendar 24
- Budget Amendments 25

## SECTION 3 FUND BALANCES

- Basis of Budgeting 27
- Fund Structure & Balances 28
- Summary of Significant Accounting Policies 30

## SECTION 4 SOURCES OF REVENUE

- Sources of Revenue 33
- Revenue Goals 33
- Rates & Charges 33
- Revenue Projections & Development 35
- Debt Funding 37

## SECTION 5 APPROVED O&M BUDGET

- Overview 43
- O&M Summary of Revenues & Expenditures 44
- O&M Summary by Expense Category 45
- O&M Summary Changes by Department 46
- O&M Summary by Division and Department 48
- Compensation & Benefits 49
- Consultant Services 51
- Debt Service 53

## SECTION 6 OVERVIEW OF DEPARTMENTS

- Department Summary 55
- Operation & Maintenance Budget – Department Allocations 57
- Personnel Summary by Department 58
- Goals & Objectives Methodology 59
- Executive Department 60
- Board of Directors 63
- Company Wide 65
- Business Systems & Operations 66
- Internal Audit 70
- Public Relations 73
- Customer Support Services 77
- Call Center 82
- Human Resources 85
- Wellness & Health Management 90
- Water Watchers 91
- Information Technology 94
- Accounting 98
- Purchasing 102
- EnviroLab 108
- Water Treatment 115
- Security 125
- Water Resources 128
- Supervisory Control & Data Acquisition (SCADA) 132
- Industrial & Commercial Accounts 135
- Electrical & Mechanical 139
- System Development 143
- Distribution 146
- Engineering 151
- Mapping & Records 156
- Water Accountability 159

## SECTION 7 CAPITAL IMPROVEMENT PLAN

- Introduction 163
- Description of Project Drivers 166
- Capital Planning Process 167
- Capital Project Descriptions 171
- Approved 2025 Capital Budget 173
- Current System Assets 181
- Raw Water Distribution 182
- Distribution 186
- Water Treatment 187

## SECTION 8 APPENDIX

- Description of the System 191
- Comparison of Water Rates with Other Systems 197
- Results of Operations 198
- Major Industrial/Governmental Customers 198
- Glossary 199
- Acronyms 201

# INTRODUCTION

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## **IN THIS SECTION**

Introduction 7

General Manager's Budget Message 8

Organizational Structure 10

Key Considerations Affecting Budget Development 11

Compliance with Financial Policies 12

Strategic Goals 14

Strategic Planning 16





# INTRODUCTION

**The Birmingham Water Works (BWW)** Annual Budget Document (*The Budget*) has been developed to communicate to customers, directors, and staff how BWW intends to fulfill its mission and vision, which are inserted below.

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## MISSION

BWW is committed to providing reliable, equitable, cost-effective delivery of high-quality water & services, while protecting public health and environmental resources for current & future generations.

## VISION

BWWB consistently produces and delivers high-quality water that exceeds regulatory standards and customer expectations. Nationally recognized for local excellence in water quality and service delivery.

The BWW has adopted “Effective Utility Management” (EUM) as the framework within which it manages the utility to ensure that it implements strategies that support EUM and ultimately result in the BWW accomplishing its mission and fulfilling its vision. In addition, the adoption of EUM has been essential in communicating a clear direction to all who are responsible for ensuring the success of the BWW. The Approved Fiscal Year (FY) 2024 Operation & Maintenance and Capital Budgets have been prepared using the EUM framework.





# GENERAL MANAGER'S BUDGET MESSAGE



Dear Valued Stakeholders,

As General Manager of the Birmingham Water Works, it is my privilege to share with you our Fiscal Year 2025 (FY2025) Budget Book. This is a roadmap that reinforces our unwavering commitment to delivering safe, reliable and high-quality water services across our five-county service area. Water is more than just a utility. It is a lifeline, and we take great pride in ensuring that every drop we provide supports the well-being of our community.

**Directors/Officers**

*Tereshia Q. Huffman,  
Chairwoman*

*William "Butch" Burbage, Jr.,  
CPA, Vice Chairman*

*Thomas E. Henderson, Second  
Vice-Chairman*

*Raymond "Larry" Ward,  
Secretary-Treasurer*

*Carl Dalton NeSmith, Esq.,  
Assistant Secretary-Treasurer*

*Dr. Monique Gardner  
Witherspoon, Director*

*Dr. Andre McShan, Director*

*Jouathan Harris, Director*

*Ivan W. Holloway, Director*

*General Manager  
Mac Underwood*

*Interim  
General Manager  
Darryl R. Jones, PE*

*Assistant  
General Managers*

*Barry Williams  
Interim Assistant General Manager  
Finance and Administration*

*Derrick Murphy, MEng  
Assistant General Manager  
Engineering and Maintenance*

*Philip King, PE, MEng, MBA  
Assistant General Manager  
Operations and Technical Services*

Our FY2025 Operation & Maintenance and Capital Budgets reflect our steadfast dedication to customer service, accountability, safety and teamwork. These values drive our mission to enhance the reliability and efficiency. With a Capital Budget of \$115.6 million, and an Operations & Maintenance Budget of \$142.5 million, we are making strategic investments to strengthen our infrastructure, improve service delivery and position Birmingham Water Works for long-term sustainability.

Community feedback is a cornerstone of this process. Through public town hall meetings and hearings, we actively listened to your insights and concerns, ensuring that our budget priorities align with the needs of those we serve. Many voices helped shape initiatives that will directly impact our shared future.

Key investments for FY2025 include:

- ✓ Allocating \$20.1 million for main replacement projects to enhance water delivery and system resilience;
- ✓ Allocating \$10 million to advance metering technology with Automatic Metering Infrastructure to improving efficiency and customer service;
- ✓ Implementing the EPA Lead & Copper Rule Improvement regulations to ensure continued water safety and compliance; and
- ✓ Implementing the Indirect Cost Study completed in 2024 to enhance financial transparency and efficiency.

Additionally, the Birmingham Water Works remains financially strong and independent:

- ✓ No reliance on tax revenue - our funding comes solely from water service rates;
- ✓ Strong bond ratings (S&P AA/Moody's Aa2), reflect our financial stability;
- ✓ Continued commitment to excellence by preparing our budget in accordance with the GFOA Budget Award Program; and a
- ✓ Proud recipient of the FY2024 GFOA Budget Award, with special recognition for our Strategic Goals and Strategies.

This underscores our promise to modernize, optimize and future-proof our water system. They are not just expenditures. They are investments in reliability, sustainability and the continued excellence of our services.

We move forward with a profound sense of responsibility and excitement! Our budget is more than a financial plan, it's a commitment to you, our customers and stakeholders. It ensures that the Birmingham Water Works will remain a trusted provider for generations.

We deeply appreciate your trust and support and remain dedicated to serving you with the highest standards of excellence.

Sincerely,

Mac Underwood  
General Manager, Birmingham Water Works



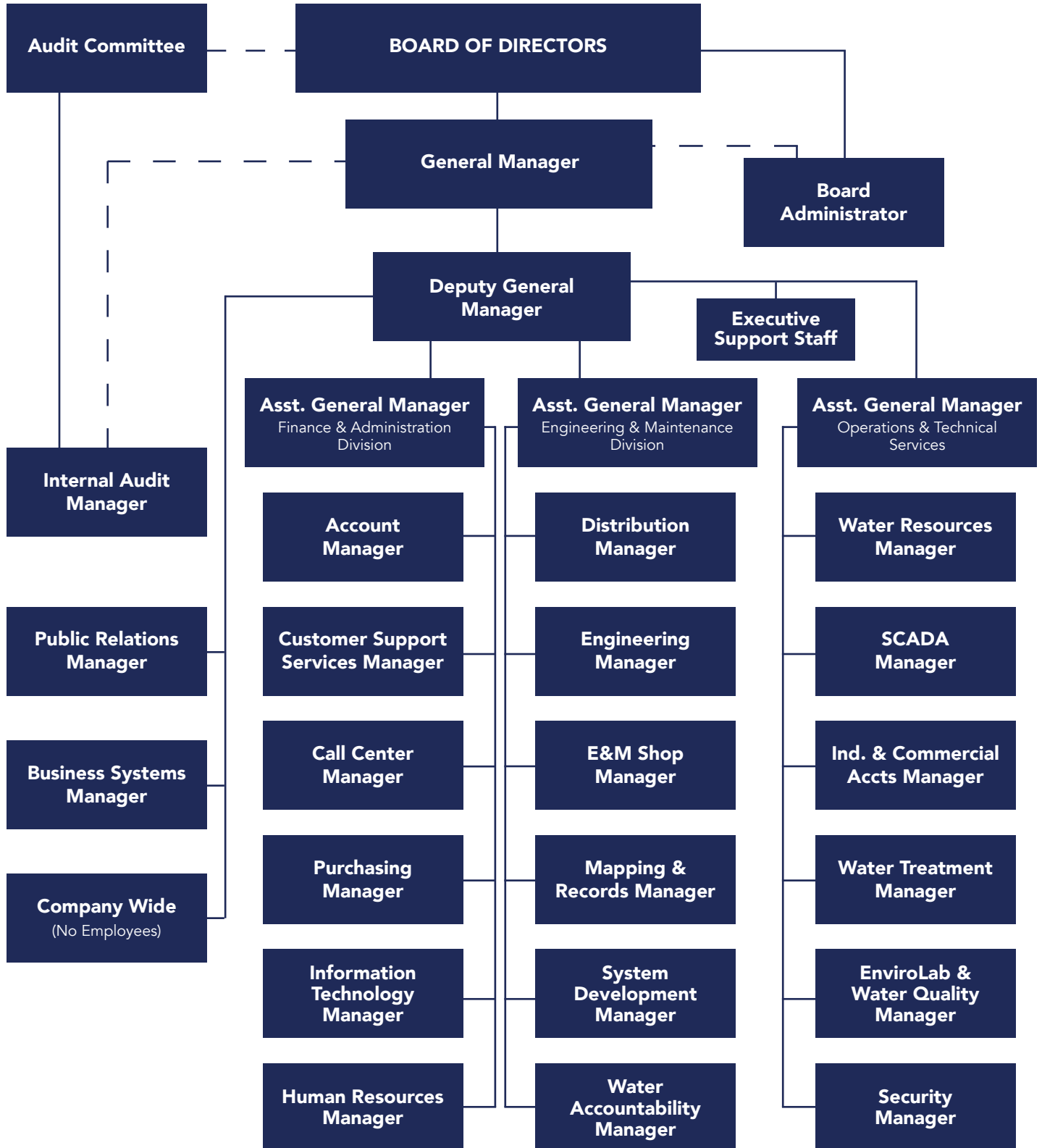
BIRMINGHAM  
WATER WORKS

GOOD SOURCE WATER IS THE RESULT OF THE  
BIRMINGHAM WATER WORKS' AGGRESSIVE  
ENVIRONMENTAL PROTECTION POLICY.





# ORGANIZATIONAL STRUCTURE





# KEY CONSIDERATIONS AFFECTING BUDGET DEVELOPMENT

**As we operate in an ever-changing environment,** we are continually faced with situations that increase the cost of service we deliver to our customers. Some of the challenges that we face include increased costs of goods and services, employee recruitment & retention, tracking field call responsiveness, cybersecurity threats and increased changes to regulatory enforcement.

BWW had not updated its allocation of capitalized costs in over 20 years. In 2022, the utility's auditor questioned the amount of capitalized O&M, BWW agreed to update the allocations. As a result, an Indirect Cost Study was completed in FY2024 and implemented with the FY2025 budget. A portion of O&M expenses are capitalized every month, through direct and indirect allocations. The study reviewed and updated the indirect allocation percentages to be capitalized for each line item of the budget. While there were some changes to the FY2025 gross O&M budget, the rate study resulted in approximately

\$5M of previously capitalized O&M being included in the net operating budget, as the study showed that over time the amount of O&M expenses capitalized had become greater than justifiable.

For FY2025 we have also adjusted some priorities from 2024 to further align resources with BWW strategic objectives and goals. We have increased our capital spending and prioritized automatic metering and SAP ERP system upgrade. We have also allocated additional resources to our water treatment plants and EnviroLab to ensure regulatory compliance and increased our employee recruitment and training resources.

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## THE FOLLOWING ARE KEY AREAS THAT WERE CONSIDERED IN PREPARING THE FY2025 APPROVED BUDGETS:

- Continue to prepare budgets in accordance with GFOA Budget Award Program
- Increase rates to fund O&M and Capital Budgets, and comply with financial policies
- Maintain Pay-As-You-Go (PAYGO) as a percentage of the Capital Budget
- Includes resources to implement BWW's Strategic Plan
- Includes employees receiving a General Wage Increase (GWI)
- Includes employees receiving a merit increase
- Includes eligible employees receiving longevity pay
- Implement strategies to consistently produce and deliver high-quality water that exceeds regulatory standards and customer expectations
- Includes implementing the Indirect Cost Rate Study which resulted to an increase in the operation & Maintenance (O&M) expenses and a reduction in capitalized expenses
- Implement EPA lead and copper rule regulations
- Conduct high-definition stream surveys
- Implement recommendations from the Business Process Review Project
- Procure Advanced Metering Infrastructure (AMI) program capital
- Includes resources for SAP4HANA- SAP upgrade implementation
- Implement dashboard reporting
- Implement recommendations from the Organizational Assessment Project
- Build a recruitment pipeline
- Enhance efforts towards Historically Underutilized Business (HUB) participation
- Attend conferences, workshops, and training seminars to maintain awareness of industry changes
- Increase chemical budget based on increase in vendors' prices and projected demand
- Increase power budget based on increase in rates and projected demand
- Increase in water sampling and testing fees for regulatory compliance
- Maintain Birmingham Water Works' contribution to the H2O Foundation



## COMPLIANCE WITH FINANCIAL POLICIES

The BWW is rated Aa2 by Moody's Investors Service and rated AA by S&P Global due in large part to its sound fiscal management evidenced by its adoption and adherence to its financial policies. The chart below shows BWW's current policies and related trends.

Fund Fund	Target
Capital Reserve	25% of Capital Plan
Revenue	15% of O&M + Debt
Demand Shortfall	5% of O&M + Debt
Rate Stabilization	5% of O&M + Debt
Economic Development	4.3% of O&M + Debt
<b>Reserves of approximately 240 days of operating expenses on hand</b>	<b>399 days – projected days operating expenses on hand on December 31, 2023 150 - 250 days; Moody's criteria for Aa utilities</b>
<b>Strong Bond Ratings</b>	<b>2002: S&amp;P A / Moody's A 2013: S&amp;P AA / Moody's Aa2 Current: S&amp;P AA / Moody's Aa2</b>

## FINANCIAL GOALS AND POLICIES

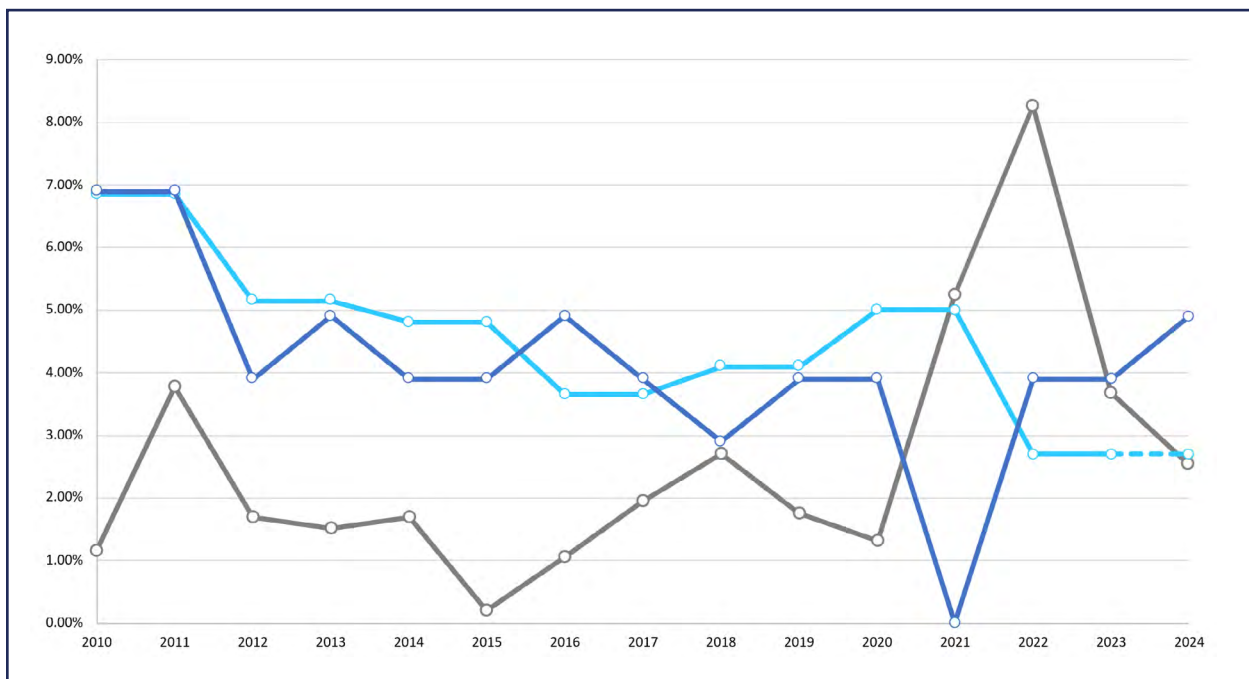
Policy	Trend
Rate increases below industry average (4.91%, 1998 - 2022)	3.9% - 2015, 2017, 2019, 2020
	2.9% - 2018, 4.9% - 2016
	0.0% - 2021
	3.9% - 2022, 2023
	4.8% - 2024
O&M increases	0.99% annual growth rate, 2015-2020
	3.31% for 2021
	6.97% increase in 2022
	8.12% increase in 2023
	5.35% increase in 2024
Goal of 45% of Capital Budget funded from PAYGO by 2028-2029	43.4% estimated in 2023
	36.6% estimated in 2024
	48.9% estimated by 2028
	Projected to reach 45% by 2027



### RSE TARGETS

<b>Senior Debt Service Coverage</b>		<b>Current</b>
Target		1.50
Max		1.65
Min		1.35
<b>Total Debt Service Coverage</b>		<b>Current</b>
Target		1.20
Max		1.30
Min		1.10

### RATE TRENDS: 2010 – 2024



\*CPI as of August 2024

- CPI: Consumer Price Index
- AWWA: American Water Works Association
- BWB: Birmingham Water Works Board

## STRATEGIC GOALS

The BWW adheres to a set of strategic goals that focus on the framework of the Effective Utility Management (EUM) program. These goals are grouped into 5 strategic target categories along with 10 attributes of an EUM as can be seen in the diagram below.

The EUM focuses on 10 attributes that includes stakeholder understanding and support, product quality, customer satisfaction, employee and leadership development, operational optimization, financial viability, infrastructure strategy and performance, enterprise resiliency, community sustainability, and water resource sustainability. Each of these has a subset of objectives and strategies that are laid out to guide the organization towards achieving its goals.





# 2022-2026 STRATEGIC PLAN



**Birmingham Water Works Board (BWWB) initiated a strategic planning process in August 2020 to develop an updated framework for guiding the organization into the future. This strategic framework will help inform operational decisions and resource allocation to ensure that BWWB continues to offer efficient, reliable services to the community and that its long-term goals and objectives are achieved.**

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**VISION**

BWWB consistently produces and delivers high-quality water that exceeds regulatory standards and customer expectations. Nationally recognized for local excellence in water quality and service delivery.

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**MISSION**

BWWB is committed to providing reliable, equitable, cost-effective delivery of high-quality water and services, while protecting public health and environmental resources for current and future generations.

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**VALUES**

BWWB excels through a shared commitment to:

- > Customer Service
- > Accountability
- > Safety
- > Teamwork

**GOALS**

- 

**PRODUCT QUALITY**  
BWWB consistently produces and delivers high-quality water that exceeds regulatory standards and customer expectations.
- 

**CUSTOMER SATISFACTION**  
BWWB enhances customer trust and satisfaction by improving efficiency, responsiveness, and performance reporting.
- 

**WORKFORCE DEVELOPMENT**  
BWWB fulfills its mission by recruiting, developing, rewarding, and retaining a committed and high performing workforce.
- 

**INFRASTRUCTURE STABILITY**  
BWWB invests in and proactively manages the reliable, resilient, and sustainable infrastructure necessary to support regional water resource needs.
- 

**FINANCIAL VIABILITY**  
BWWB exercises sound financial management strategies that support operational optimization and proactively ensures organizational sustainability.
- 

**EFFECTIVE GOVERNANCE**  
The BWWB Board of Directors provides strategic policy direction and organizational oversight through the General Manager that instills customer and stakeholder confidence and is supported by data-informed and transparent reporting.

# STRATEGIC PLANNING

**Birmingham Water Works (BWW) initiated a strategic planning process** in August 2020 to develop an updated framework for guiding the organization into the future. This strategic framework will help inform operational decisions and resource allocation to ensure that BWW continues to offer efficient, reliable services to the community and that its long-term goals and objectives are achieved.

To achieve these conditions for success, BWW's strategic planning process involved input from a broad group of leadership and staff and consistent communication of the organization's vision, mission, and overall strategic plan.

## THE PROCESS INCLUDED THESE MAJOR ELEMENTS:

### STAKEHOLDER INPUT

Input was obtained from BW&B's Board of Directors, executive leadership, management team, employees, and external stakeholders through a combination of interviews, focus groups, workshops, and an online employee survey.

### EUM ASSESSMENT

Internal groups of subject matter experts met to assess BW&B's current performance against standards related to each of the 10 attributes of an effectively managed utility.

### MANAGEMENT TEAM WORKSHOPS

BW&B's executive leadership and management team met to review stakeholder input and draft updates to the organization's mission and values for consideration at the Board retreat.

### BOARD RETREAT

The Board of Directors and executive leadership team met to review the input from the stakeholder engagement activities and consider the organization's aspirations, strengths, critical issues, and opportunities that will shape BW&B moving forward.

The retreat resulted in an updated high-level strategic framework, inclusive of BW&B's vision, mission, values, and goals.

### STRATEGY WORKSHOP

The executive leadership and management team reconvened to review the results of the Board retreat and develop success statements, strategies, and measures for each of BW&B's goal areas.

### IMPLEMENTATION PLANNING

After development of all aspects of the strategic framework, teams of subject matter experts met to identify the initial activities, timelines, and accountabilities necessary to implement the updated strategic plan.

**Note:** See copy of our Strategic Plan: [www.bwwb.org/sites/default/files/Documents/YourWater/BW&B-Strategic-Plan-v6-high-res\\_op.pdf](http://www.bwwb.org/sites/default/files/Documents/YourWater/BW&B-Strategic-Plan-v6-high-res_op.pdf)



## O&M BUDGET HIGHLIGHTS GROUPED BY EUM ATTRIBUTE

### O&M BUDGET HIGHLIGHTS

### EUM ATTRIBUTE

CONTINUE TO PREPARE BUDGETS IN ACCORDANCE WITH GFOA BUDGET AWARD PROGRAM CRITERIA

- Financial Viability
- Stakeholder Understanding & Support

INCREASE RATES TO FUND O&M AND CAPITAL BUDGETS, AND MEET BUDGET REQUIREMENTS

- Financial Viability

CONTINUE TO FOCUS ON MAINTAINING PAY AS YOU GO (PAYGO) AS A PERCENTAGE OF THE CAPITAL BUDGET

- Financial Viability
- Enterprise Resiliency
- Operational Optimization
- Infrastructure Strategy & Performance
- Community Sustainability

INCLUDES RESOURCES TO IMPLEMENT BWW'S STRATEGIC PLAN

- Customer Satisfaction
- Operational Optimization
- Financial Viability
- Enterprise Resiliency
- Stakeholder Understanding & Support

INCLUDES EMPLOYEES RECEIVING A GENERAL WAGE INCREASE (GWI)

- Customer Satisfaction
- Employee & Leadership Development
- Financial Viability
- Enterprise Resiliency

INCLUDES EMPLOYEES RECEIVING A MERIT INCREASE

- Customer Satisfaction
- Employee & Leadership Development
- Financial Viability
- Enterprise Resiliency

INCLUDES LONGEVITY PAY

- Customer Satisfaction
- Employee & Leadership Development
- Financial Viability
- Enterprise Resiliency

IMPLEMENT STRATEGIES TO CONSISTENTLY PRODUCE AND DELIVER HIGH-QUALITY WATER THAT EXCEEDS REGULATORY STANDARDS AND CUSTOMER EXPECTATIONS

- Product Quality
- Customer Satisfaction
- Operational Optimization

NEED TO ENHANCE CUSTOMER CENTERED QUALITY SERVICE

- Customer Satisfaction
- Stakeholder Understanding & Support



### O&M BUDGET HIGHLIGHTS

### EUM ATTRIBUTE

PROCURE ADVANCED METERING INFRASTRUCTURE (AMI) PROGRAM CAPITAL)

- Customer Satisfaction
- Operational Optimization
- Financial Viability
- Infrastructure Strategy & Performance

CONTINUE TO DEVELOP PERFORMANCE MEASURES AND DASHBOARD REPORTING

- Customer Satisfaction
- Employee & Leadership Development
- Financial Viability
- Enterprise Resiliency
- Operational Optimization
- Infrastructure Strategy & Performance
- Stakeholder Understanding & Support

REVIEW AND IMPROVE PROCESSES, WORKFLOWS, QUALITY OF WORK, AND CUSTOMER SERVICE LEVELS TO MEET THE OPERATIONAL AND STRATEGIC GOALS OF THE ORGANIZATION

- Customer Satisfaction
- Employee & Leadership Development
- Financial Viability
- Enterprise Resiliency
- Operational Optimization
- Infrastructure Strategy & Performance
- Stakeholder Understanding & Support

ENSURE PROPER ALIGNMENT OF FUNCTIONS AND ACTIVITIES WITHIN THE COMPANY TO ENSURE MAXIMUM EFFICIENCY AND EFFECTIVENESS

- Customer Satisfaction
- Operational Optimization
- Financial Viability
- Enterprise Resiliency
- Stakeholder Understanding & Support

MAINTAIN MARKET COMPETITIVENESS TO ENHANCE EMPLOYEE RETENTION AND RECRUITING

- Customer Satisfaction
- Employee & Leadership Development
- Financial Viability
- Enterprise Resiliency

ESTABLISH A FRAMEWORK TO BUILD A RECRUITMENT PIPELINE BY INTRODUCING THE WATER INDUSTRY TO STUDENTS THROUGH EDUCATIONAL AND INTERACTIVE PROGRAMS

- Operational Optimization
- Enterprise Resiliency
- Stakeholder Understanding & Support

NEED TO SOURCE AND RECRUIT TALENT IN A VERY COMPETITIVE LABOR MARKET

- Customer Satisfaction
- Employee & Leadership Development
- Financial Viability
- Enterprise Resiliency
- Operational Optimization
- Infrastructure Strategy & Performance
- Stakeholder Understanding & Support



**O&M BUDGET HIGHLIGHTS**

**EUM ATTRIBUTE**

INCREASE USAGE OF HISTORICALLY UNDERUTILIZED BUSINESS (HUB) PROGRAM	<ul style="list-style-type: none"><li>• Financial Viability</li><li>• Enterprise Resiliency</li><li>• Operational Optimization</li><li>• Infrastructure Strategy &amp; Performance</li><li>• Stakeholder Understanding &amp; Support</li></ul>
CONTINUE TO MAINTAIN AND REPLACE AGING INFRASTRUCTURE	<ul style="list-style-type: none"><li>• Product Quality</li><li>• Customer Satisfaction</li><li>• Financial Viability</li><li>• Enterprise Resiliency</li><li>• Operational Optimization</li><li>• Infrastructure Strategy &amp; Performance</li><li>• Stakeholder Understanding &amp; Support</li><li>• Community Sustainability</li><li>• Water Resource Sustainability</li></ul>
NEED TO STRENGTHEN ACCOUNTING PROCEDURES, PROCESSES, AND POLICIES	<ul style="list-style-type: none"><li>• Financial Viability</li><li>• Operational Optimization</li><li>• Customer Satisfaction</li></ul>
UTILIZE GOVERNMENTAL AFFAIRS TO AUGMENT PURSUIT OF NON- UTILITY FUNDING SOURCES	<ul style="list-style-type: none"><li>• Enterprise Resiliency</li><li>• Financial Viability</li></ul>
INCLUDES RESOURCES FOR SAP 4HANA ERP SYSTEM UPGRADE IMPLEMENTATION	<ul style="list-style-type: none"><li>• Financial Viability</li><li>• Customer Satisfaction</li><li>• Enterprise Resiliency</li><li>• Operational Optimization</li></ul>



# BUDGET DEVELOPMENT

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## **IN THIS SECTION**

Budget Development 21

Budget Process 23

Budget Calendar 24

Budget Amendments 25

## BUDGET DEVELOPMENT

**This budget document attempts** to match a staff-prepared needs assessment with projected revenues. It has been developed and prepared in accordance with applicable state and federal statutes and applicable Board policies and procedures.

### THE BUDGET DEVELOPMENT PROCESS IS GUIDED BY THE FOLLOWING FINANCIAL PLANNING STRATEGIES:

- **BWW Strategic Plan** – Where the policies and goals established in the Capital Improvements Program (CIP) will serve as the framework for the future direction and objectives of the BWW.
- **Multi-year Budget Management Plan** – Where it is a principal objective of the BWW to achieve multi-year stability in the system's rates and charges.
- **Departmental Goals and Objectives** – Where budgeting decisions are based upon the establishment of realistic departmental goals and objectives and criteria for the measurement of performance.
- **Operational Budget Policies** – Where the BWW will attempt to maintain a high quality of performance, while recognizing the demands related to major ongoing utility system improvements and challenges, and the need to maintain personnel levels to ensure maximum efficiency and utilization.

For the FY2025 Approved Operation & Maintenance and Capital Budgets, and as with most years, total revenues are projected to exceed total expenses. As such, the BWW's definition of a balanced budget is when projected annual revenues and existing fund balances are sufficient to meet budgeted expenses.







# BUDGET PROCESS

**Annually, the BWB prepares and adopts a financial plan** for the next fiscal year (*January 1 through December 31*). The plan includes determining the appropriate rates, fees, and charges necessary to provide sufficient revenues to meet anticipated expenses for operating and maintenance, asset repair or replacement, asset acquisition or construction to meet the service needs of the customer base, and debt service requirements for existing and projected debt. The financial plan is developed within the framework of the BWB’s Rate Stabilization and Equalization Policy (RSE), which ensures that we charge reasonable rates sufficient to pay debt service, provide for payment towards operating and maintaining the system in good repair and replacement under work orders and perform and comply with the covenants under the BWB’s Bond Indenture.

The development of the Operation & Maintenance Budget begins in June following the completion of the first five months of the current fiscal year. Each department is requested to project their staffing (including overtime needs), supplies and materials such as travel, education, contractual services and other operating and maintenance needs, chemicals, and power for the next fiscal year. These projections are based on historical trends, new projects and/ or requirements, changes in existing projects and/or requirements, cost adjustments and changes in regulatory requirements.

The Budget Office holds budget hearings with each department’s management team and Executive Management to review and discuss the preliminary budget requests. During the budget hearings, department managers justify the need for budget changes, if applicable. The Budget Office or Executive Management may recommend adjusting bud-

get line items based on current year spending, historical spending, or anticipated spending.

After the budget hearing, the department’s management team enters the data that was approved in their respective budget hearings into the budget module.

The Budget Office confirms the data entered by each department, enters any additional data, and reviews the results with the Executive Management Team. Executive Management may recommend additional adjustments prior to presenting the preliminary budget to the Board of Directors.

Executive Management and the Budget Office hold a budget workshop with the Board of Directors to present the Preliminary Operation & Maintenance Budget and the Capital Budget.

## MANAGEMENT PROVIDES SEVERAL SCHEDULES TO SUPPORT THE PRELIMINARY BUDGETS, INCLUDING:

- **Top 10** – a list of 14 major expenses in the budget with comparisons to the prior year and the variance
- **By Department** – a list of each department’s expenses with comparisons to the prior year and the variance
- **Department Details** – for each department, a schedule to outline notable department expense variances and the number of employee positions included in the department and the department’s expense as a percentage of the total Preliminary Budget

The Preliminary Budgets are updated upon request from the Board of Directors. If needed, additional budget workshops are held with the Board of Directors and updates are made to the Preliminary Budgets as requested. Town Hall meetings are conducted to engage the public on the upcoming budget.

The Board of Directors holds a public hearing for public feedback on the budgets. The Board of Directors may request additional updates to the Preliminary Budgets prior to approval. Once the Board of Directors approve the budgets, the public is notified of the rate increase, if applicable, no later than 30 days prior to the beginning of the fiscal year, January 1.



# BUDGET CALENDAR

DATE	DESCRIPTION OF ACTION
June 10, 2024 - June 14, 2024	Pre-budget meetings: The Budget Office meets with Managers to Review the FY2024 Year To Date (YTD) Expenses & Assist with Identifying Budget Needs for the Upcoming Year.
June 18, 2024	Budget Office Distributes Budget Packets to Managers & Supervisors & Schedule Budget Hearings.
July 2, 2024	Completed Budget Packet Due to the Budget Office.
July 10, 2024 - August 2, 2024	Department Budget Hearings - Virtual Meetings to Review Submitted Information & Prepare the Preliminary Budget by Department.
August 5, 2024 - August 12, 2024	Budget Input Meetings.
August 14, 2024 - August 16, 2024	Budget Office Review Budget Input & Prepare Schedules for AGM Finance & Administration.
August 20, 2024	Budget Office Presents the Preliminary 2025 Budgets to the Executive Management.
August 20, 2024 - August 30, 2024	Executive Management Reviews Preliminary Budgets & Recommends Changes.
Sept. 2, 2024 - Sept. 20, 2024	Budget Offices Complete the Changes Recommended by the Executive Management.
September 23, 2024	Executive Management & the Budget Office Review the Preliminary 2025 Budgets.
October 2, 2024	Finance Committee Budget Hearing - Preliminary FY2025 Budgets
October 7, 2024	BWW Sends Notification of Public Hearing & Town Hall Meeting Dates to the General Public.
November 4, 2024	Public Hearing.
November 13, 2024	Jefferson County Town Hall Meeting with Executive Management.
November 20, 2024	Board of Directors Review & Adoption of the FY2025 Preliminary Budgets.



## BUDGET AMENDMENTS

**After the Operation & Maintenance** and Capital Budgets have been approved by the Board of Directors, any amendments to the budgets would have to be authorized through the following procedures:

- The Board of Directors approves items added to the Operation & Maintenance Budget that exceed the General Manager's \$50,000 expenditure authority for regular purchases and \$25,000 for consulting.
- Amendments to the Capital Improvement Budget require discussion and approval by the Board.



# FUND BALANCES

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## **IN THIS SECTION**

Basis of Budgeting 27

Fund Structure & Balances 28

Summary of Significant Accounting Policies 30

## BASIS OF BUDGETING

**The Birmingham Water Works (BWW) operates as an enterprise fund** with a fiscal year that begins January 1 and ends on December 31. The BWW operates with one major fund on the accrual basis of accounting. Generally accepted accounting principles (GAAP) require local governments to use a proprietary-type fund, such as an enterprise fund, to account for operations that are financed and operated in a similar manner to a private business enterprise.

BWW operating expenditures are supported by operating revenues derived from the charges for services related to retail water, wholesale water, raw water, and fire protection. Other operating revenues include miscellaneous fees, system development charges (impact fees), and billing and collection services.

BWW's management is responsible for the establishment and maintenance of the internal control structure that ensures the assets of BWW are protected from loss, theft, or misuse. The internal control structure ensures that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with

Generally Accepted Accounting Principles (GAAP). BWW's internal control structure is designed to provide reasonable assurance that these objectives are met.

BWW's Board annually adopts a budget prior to the new fiscal year. The budget authorizes and provides the basis for reporting and control of financial operations, accountability for BWW's enterprise operations, and capital projects. The budget is presented on the accrual basis of accounting. The BWW defines a balanced budget as when projected annual revenues and existing fund balances are sufficient to meet budgeted expenses.





## FUND STRUCTURE & BALANCES

**The BWW uses funds to report on its financial position** and the results of its operations determined in conformity with accounting principles generally accepted in the United States.

A fund is a separate accounting entity with a self-balancing set of accounts. The two funds used by the BWW are the enterprise fund, which reports information about the general operations of the utility, and fiduciary funds, which report information about the Pension Trust Fund and the Other Post- Employment Benefits (OPEB) Trust Fund. All department expenses are accounted for in the enterprise fund.

FUND	DIVISION	DEPARTMENT
ENTERPRISE	Executive	Executive Board Company Wide Business System & Operations Internal Audit Public Relations
	Finance & Administration	Customer Support Services Call Center Human Resources Wellness & Health Management Water Watchers Brigade Information Technology Accounting Purchasing
	Operations & Technical Services	EnviroLab & Water Quality Water Treatment Security Water Resources SCADA Industrial & Commercial Accounts
	Engineering & Maintenance	Electrical & Mechanical Shop System Development Distribution Engineering Mapping & Records Water Accountability
FIDUCIARY	Pension Trust Fund	N/A
	OPEB Trust Fund	N/A



## ENTERPRISE FUND – PROPRIETARY FUND

The fund is used to account for operations that are financed and operated in a manner similar to private business enterprises. A fund of this type is entitled Enterprise Fund in accordance with terminology set forth in accounting principles generally accepted in the United States.

The BWW's Enterprise Fund maintains five reserve funds for unexpected capital and operating needs for the purpose of providing adequate cash flow and reserves.

## RESERVES

Reserve Fund	2022	2023	2024	2025	\$ Variance	% Variance
Capital Reserve	\$19,272,300	\$18,076,882	\$20,927,885	\$28,907,677	\$7,979,792	38.13%
Revenue	26,254,714	28,377,296	28,363,339	31,135,423	2,772,084	9.77%
Demand Shortfall	8,751,571	9,459,099	9,454,446	10,378,474	924,028	9.77%
Rate Stabilization	8,751,571	9,459,099	9,454,446	10,378,474	924,028	9.77%
Economic Development	7,526,351	8,134,825	8,158,069	8,955,396	797,327	9.77%
<b>Total Reserve Funds</b>	<b>\$70,556,507</b>	<b>\$73,507,201</b>	<b>\$76,358,185</b>	<b>\$89,757,470</b>	<b>\$13,397,260</b>	<b>17.55%</b>

\*Note: **Capital Reserve** at 25% of total capital expense, **Revenue** at 15% of total budgeted O&M plus debt service expense, **Demand Shortfall** at 5% of total budgeted O&M plus debt service expense, **RSE (Rate Stabilization)** at 5% of total O&M plus debt service expense, **Economic Development** at 4.3% of total budgeted O&M plus debt service expense.

## HIGHLIGHTS OF RESERVE FUNDS BALANCE CHANGES

The FY2025 projected Reserve Fund increased by \$ 13,397,260 or 17.55% from the FY2024 amount.

### THE MAJOR REASONS FOR THE CHANGES ARE:

- FY2025 Capital expenses increased by \$32K or 38.13% from FY2024 to cover risk related Dam Rehabilitation, Water Distribution improvement projects, SAP 4-HANA updates and AMI implementation.
- The O&M (Operations and Maintenance) expenses increased by \$10.5 million (7.94%) for fiscal year FY 2025.



# SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies and procedures that are integral to the budget development process of BWB.

## **BASIS OF PRESENTATION AND BASIS OF ACCOUNTING**

The accounting policies of the BWB conform to generally accepted accounting principles (GAAP) as applicable to governmental units. The accounting systems and classification of accounts conform to standards of the Governmental Accounting Standards Board (GASB) or, where applicable, the Financial Accounting Standards Board (FASB). The BWB has adopted GASB Statement No. 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund (Enterprise) Accounting.

## **FUND ACCOUNTING**

The BWB uses funds to report on its financial position and the results of its operations determined in conformity with accounting principles generally accepted in the United States. A fund is a separate accounting entity with a self-balancing set of accounts. The fund presented in this report is as follows:

**Proprietary Fund Type (Enterprise Fund)** – The fund is used to account for operations that are financed and operated in a manner similar to private business enterprises. A fund of this type is entitled Enterprise Fund in accordance with terminology set forth in accounting principles generally accepted in the United States.

## **REVENUES AND EXPENSES**

Operating revenues and expenses consist of those revenues and expenses that result from the ongoing principal operations of the BWB. Operating revenues consist primarily of charges for services. Nonoperating revenues and expenses consist of those revenues and expenses that are related to financing and investing activities and result from nonexchange transactions or ancillary activities. When an expense is incurred for purposes for which there are both restricted and unrestricted net assets available, it is the BWB's policy to apply those expenses to restricted net assets to the extent such are available and then to unrestricted net assets.

## **CUSTOMER ADVANCES FOR CONSTRUCTION**

Fees charged to tap into the System are recorded as liabilities until construction is complete, at which time the amounts are recognized as capital contributions in the enterprise fund statements of revenues, expenses, and changes in net position.

## **MATERIALS AND SUPPLIES**

Materials and supplies inventory is valued at the lower of cost (first-in, first-out basis) or market.

## **UNBILLED WATER REVENUE**

Revenue for water delivered, but not billed is estimated and accrued monthly.

## **LONG-TERM DEBT**

Long-term debts are reported as liabilities on the statements of net position. Bond premiums and discounts, and losses on refunding are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed during the current period.

## **CAPITAL CONTRIBUTIONS**

Capital contributions are recorded for the receipt of capital grants, contributions of funds, property, lines and improvements by developers, customers, or other governments. Availability fees in excess of related costs are also recorded as capital contributions.

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### AGENCY AGREEMENTS

The BWW, in an agreement with Jefferson County, Alabama (the County) and as provided by State of Alabama law, collects service charges for use of the County sewer disposal system from the BWW's water customers as a separate item on the BWW's water bills. The BWW remits weekly to the County all sewer service charges billed, less applicable fees. Sewer service charges have been collected for the County by the BWW since 1962. The BWW has similar agreements with the City of Hoover (Hoover), Southwest Water, Phoenix (Irondale) and Alabama Utilities (Moody). The liability for unremitted collections under these agency agreements is included in the statements of net position - enterprise fund.

The BWW also bills its customers a State of Alabama utility tax based on a percentage of revenues. The funds collected are remitted to the State monthly. The liability for unremitted collections to the State is included in the statements of net position - enterprise fund.





# SOURCES OF REVENUE

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## **IN THIS SECTION**

Sources of Revenue 33

Revenue Goals 33

Rates & Charges 33

Revenue Projections & Development 35

Debt Funding 37



## SOURCES OF REVENUE

Revenue sources available to meet anticipated operation and capital expenses are:

- **Rates and Charges** – comprised of monthly charges for residential and non-residential raw water services based on usage, basic facility charges, connection and maintenance fees, miscellaneous charges for ancillary services, and penalty charges related to service interruption
- **Sewer Collection Fees** – BWW bills and collects sewer fees for several entities for which it is paid a fee
- **Impact Fees** – charges assessed against new developments to recover major capital costs associated with expanding water service facilities
- **Development Impact Fees** – charges established to recoup the cost of installing or extending water lines to service a certain defined group of properties, some of which may not currently be developed
- **Debt** – monies borrowed through the issuance of revenue bonds or loans through the State Revolving Fund

## REVENUE GOALS

As part of the rates, charges, and impact fee analysis, the BWW's revenue requirements are as follows:

- Provide sufficient revenue to fund the operating budget and the programs provided by the Board
- Provide sufficient revenue to fund the recurring capital needs
- Provide sufficient revenue to meet the debt service payments and coverage requirements
- Provide sufficient revenue to fund the reserve funds as established by the RSE Policy
- Provide sufficient revenue to meet PAYGO requirements

Adherence to revenue goals is essential to long-term financial viability.

## RATES & CHARGES

Each year rates are established based on ensuring that sufficient revenues will be received to fully recover all costs of operating and maintaining the water system. These costs include daily system operating expenses, planned repair, renewal and/or replacement of aging capital assets and payment of principal and interest on existing debt. In addition, the budget and any rate adjustments must ensure that the legal obligations contained in the bond indenture are also met.



52-M1 SYNCH-CHECK RELAY

52-G1 SYNCH-CHECK RELAY

MCC-BUS 1 PHASE CURRENT

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GEN 1 VOLTAGE

BUS 1 VOLTAGE

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2498.1

G1 CONTROL SPEED VOLTAGE

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LINE 1 VOLTAGE

LINE 1 VOLTAGE

SYNCHRONIZER G1

BUS 1

52-G1

52-M1

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# REVENUE PROJECTIONS & DEVELOPMENT

Approved revenue estimates are developed using projected changes in consumer consumption patterns. For FY2025, it is projected that water demand will decrease by approximately 0.68% over the FY2024 estimated actuals. Revenues are reviewed monthly during the budget development process until the budget is adopted by the Board of Directors.

## INITIAL CONSUMPTION PROJECTION

	2023 Actual	2024 Budget	2024 Est. Actual	2025 Budget	Variance from FY2024-2025 (CCF)
<b>Residential</b>					
Block 1 (0-3 Ccf)	5,277,983	5,225,000	5,311,600	5,300,000	(11,600)
<i>Percent Change*</i>		-1.00%	1.66%	-0.22%	
Block 2 (3-12 Ccf)	5,971,011	5,850,000	5,968,389	5,475,000	(493,389)
<i>Percent Change</i>		-2.03%	2.02%	-8.27%	
Block 3 (12+ Ccf)	1,968,307	1,900,000	1,946,212	2,275,000	328,788
<i>Percent Change</i>		-3.47%	2.43%	16.89%	
<b>Subtotal: Residential</b>	<b>13,217,301</b>	<b>12,975,000</b>	<b>13,226,201</b>	<b>13,050,000</b>	<b>(176,201)</b>
<i>Percent Change</i>		-1.83%	1.94%	-1.33%	
<b>Non-Residential</b>					
Commercial	11,973,722	11,700,000	11,939,716	11,700,000	(239,716)
<i>Percent Change*</i>		-2.29%	2.05%	-2.01%	
Industrial	328,605	360,000	332,662	350,000	17,338
<i>Percent Change</i>		9.55%	-7.59%	5.21%	
Municipal	1,122,975	1,100,000	1,197,934	1,150,000	(47,934)
<i>Percent Change</i>		-2.05%	8.90%	-4.00%	
Private Fire	59,586	60,000	66,512	60,000	(6,512)
<i>Percent Change</i>		0.69%	10.85%	-9.79%	
<b>Subtotal: Non-Residential</b>	<b>13,484,889</b>	<b>13,220,000</b>	<b>13,536,824</b>	<b>13,260,000</b>	<b>(276,824)</b>
<i>Percent Change</i>		-1.96%	2.40%	-2.04%	
<b>Wholesale</b>	801,933	800,000	816,150	865,000	48,850
<i>Percent Change</i>		-0.24%	2.02%	5.99%	
<b>Raw Water</b>	3,663,857	3,800,000	3,794,955	3,900,000	105,045
<i>Percent Change</i>		3.72%	-0.13%	2.77%	
<b>Total Consumption</b>	<b>17,950,679</b>	<b>17,820,000</b>	<b>18,147,929</b>	<b>18,025,000</b>	<b>(122,929)</b>
<i>Percent Change</i>		-0.73%	1.84%	-0.68%	
<p>*Percent Change in 2024 Budget column compares to 2023 Actual, Percent Change in 2024 Est. Actual column compares to 2024 Budget, Percent Change in 2025 Budget Column compares to 2024 Est. Actual            Note: Wholesale was separated from Non-Residential on January 1, 2020.            Note: Budgeting for Non-Residential subclasses began in 2021</p>					



## 2025 TOTAL REVENUE PROJECTIONS

FY2025 Total Revenue is projected to increase by \$8,130,520 or 3.53% over the estimated actual amount for FY2024. The schedule below provides a summary of revenue projections for FY2025.

### 2025 TOTAL REVENUE PROJECTIONS

	2023 Actual	2024 Budget	2024 Est. Actual	2025 Budget
<b>Volumetric Revenue</b>				
<u>Residential</u>				
Block 1 (0-3 Ccf)	\$ 14,408,894	\$ 14,943,500	\$ 15,191,176	\$ 15,688,000
Block 2 (3-15 Ccf)	26,988,972	27,729,000	28,290,163	26,882,250
Block 3 (15+ Ccf)	15,569,306	15,751,000	16,134,095	19,519,500
<i>Subtotal: Residential</i>	\$ 56,967,171	\$ 58,423,500	\$ 59,615,434	\$ 62,089,750
<i>Difference*</i>		\$ 1,456,329	\$ 1,191,934	\$ 2,474,316
<u>Non-Residential</u>				
Commercial	\$ 51,726,480	\$ 53,001,000	\$ 54,086,915	\$ 54,873,000
Industrial	1,419,574	1,630,800	1,506,960	1,641,500
Municipal	4,851,253	4,983,000	5,426,641	5,393,500
Private Fire	257,412	271,800	301,299	281,400
<i>Subtotal: Non-Residential</i>	\$ 58,254,719	\$ 59,886,600	\$ 61,321,814	\$ 62,189,400
<i>Difference</i>		\$ 1,631,881	\$ 1,435,214	\$ 867,586
<u>Wholesale</u>	\$ 2,846,863	\$ 2,976,000	\$ 3,036,078	\$ 3,373,500
<i>Difference</i>		\$ 129,137	\$ 60,078	\$ 337,422
<u>Raw Water</u>	\$ 4,931,551	\$ 5,361,800	\$ 5,354,681	\$ 5,502,900
<i>Difference</i>		\$ 430,249	\$ (7,119)	\$ 148,219
<b>Total Volumetric Revenue</b>	<b>\$ 123,000,304</b>	<b>\$ 126,647,900</b>	<b>\$ 129,328,008</b>	<b>\$ 133,155,550</b>
<b>Total Fixed Charge Revenue</b>	<b>\$ 73,213,864</b>	<b>\$ 79,011,312</b>	<b>\$ 79,011,312</b>	<b>\$ 83,264,717</b>
<b>Other Revenue</b>				
Fire Protection Revenue				
Other Operating Revenues	7,653,281	5,797,527	5,797,527	5,869,782
Jefferson County Sewer Billing Revenue	15,209,849	12,918,152	12,918,152	12,320,434
<b>Total Operating Revenues</b>	<b>\$ 219,077,298</b>	<b>\$ 224,374,892</b>	<b>\$ 227,055,000</b>	<b>\$ 234,610,483</b>



## DEBT FUNDING

### DEBT REDUCTION PLANNING

In 2021, the Birmingham Water Works (the BWW) issued the Series 2021 Senior Taxable Water Revenue Refunding Bonds in the amount of \$480,995,000. The Series 2021 Bonds were issued in order to advance refund various outstanding Senior and Subordinate Securities of the BWW achieving present value savings of \$23.3 million (5.71% of the par refunded), or \$35.5 million in gross cash flow savings. The 2021 refunding also eliminated all of the BWW's subordinate debt with the exception of approximately \$6.3 million in State Revolving Fund loans. In 2023, the BWW issued the Senior Water Revenue Refunding Bonds, Series 2023 (the Series 2023 Bonds) in the amount of \$56,570,000. The Series 2023 Bonds replaced \$75,660,000 in par amount of various outstanding Senior Lien Securities that were tendered to and accepted for purchase by the BWW.

Dating back to 1998, the BWW had settled into a two-year cadence of issuing new revenue bonds to fund capital projects and take the opportunity to refund prior issues at the same time, whenever financial market conditions have been favorable for refunding prior bond issues. However, the BWW has not required any issuance of new revenue bonds since 2018. Re-fundings conducted in 2019 and 2021 have not only reduced annual debt obligations but have also resulted in the release of previously required reserves. The released reserves were used to fund the BWW's capital program, further delaying the need for any new revenue bond issuance. While new bond issues increase the BWW's overall outstanding debt, refunding saves money by taking advantage of favorable interest rates.

In 2021, the BWW was invited to apply for a federal loan ("WIFIA") to help pay for capital improvement projects. Aside from offering lower interest rate costs, WIFIA allows recipients to take draws to avoid any carrying cost. The BWW will also be able to extend the repayment period and structure the associated debt around its existing debt portfolio to avoid spikes in annual debt obligations. The completion of the WIFIA loan should further delay the BWW's need to issue new revenue bonds.

Even though the BWW regularly issues new revenue bond debt to fund its capital program, it also pays for a portion of its annual capital program with revenues generated from rates, referred to as "pay as you go capital," or PAYGO. Paying for capital expenses with cash decreases the amount of debt required to be issued by the BWW. Prior to 2018, the BWW developed an internal financial policy to fund 25% of its annual capital program with PAYGO. In 2018, when the BWW entered a new billing contract with Jefferson County for providing sewer billing services, the new contract provided the BWW with additional revenues of approximately \$9 million in 2018 and more than \$13 million in 2019 and beyond.

With this additional revenue and a desire to continue to reduce outstanding debt, the BWW chose to apply this revenue to PAYGO, and revise its internal financial policy to increase the amount of its Capital Budget paid for with PAYGO to 37% by 2029. In April 2023, BWWB and Jefferson County entered into a new Joint Billing and Collection Agreement to provide for the billing and collection of County sewer charges.

The term of the 2023 Collection Agreement began on January 1, 2024, and ends on December 31, 2028. Under the 2023 Collection Agreement the Board expects to receive approximately 21% less total revenue over the next five years than collected under the 2018 Collection Agreement. However, this does not have a significant impact on the Board's proposed rates over the five-year period.

The BWW has demonstrated a willingness to engage in practices that will reduce total outstanding debt over the long run. Standard and Poor's and Moody's Investor Service each maintain their respective bond ratings for the BWW of AA and Aa2, both with a stable outlook. While the ratings agencies commended the BWW's strong leadership and commitment to financial management, one of the main downsides to the BWW's financial outlook from the ratings agencies' perspectives is the amount of principal outstanding.



Inspired by this opportunity for improvement, the Board resolved to explore strategies for significantly reducing outstanding principal by 2030. To evaluate the various debt reduction strategies and their impacts to outstanding debt, overall financial management, and water rates, the BW&B in 2019 worked with a team that includes its financial advisor and rate consultant to develop recommendations. The results of those efforts projected an estimated decrease in principal of \$200 million by 2030, compared to previous projections.

Total current outstanding debt is \$952,515,000

CURRENT OUTSTANDING DEBT SUMMARY  
SENIOR LIEN SUMMARY

SERIES	AMOUNT OUTSTANDING	FINAL MATURITY
2015-A	\$10,430,000	1/1/2029
2015-B	12,585,000	1/1/2040
2016-A	98,530,000	1/1/2041
2018	39,830,000	1/1/2031
2019	249,595,000	1/1/2045
2021	422,355,000	1/1/2043
2023	56,475,000	1/1/2039
<b>Total Senior</b>	<b>\$889,800,000</b>	

JUNIOR LIEN SUMMARY

Series	Par Outstanding	Final Maturity
Series 2024 RAB	\$62,715,000	9/1/2026
<b>Aggregate Total</b>	<b>\$952,515,000</b>	



### DEBT LIMITS AND COVERAGE REQUIREMENTS

Whereas BWW does not have established debt limits, debt service coverage on parity debt is required by the BWW bond indenture covenant to be maintained at a minimum of 1.25 times. Revenue Available for Debt Service is defined in the bond indenture. The debt service coverage on parity debt was 1.46 in 2024.

Funds from bonds issues are used for capital development projects/purchases.

### DEBT SERVICE SCHEDULE

The chart below breaks out the FY2025 debt service payments by Bond series, principal and interest portions.

Series	Final Maturity	Principal-12/31/24	FY2025 Interest Payment	FY2025 Principal Payment	FY2025 Total Payment	Current portion of Long Term Debt 12/31/25
2015 A-Bonds	1/1/2029	\$10,430,000	\$378,475	\$4,030,000	\$4,408,475	\$6,400,000
2015 B-Bonds	1/1/2040	12,585,000	440,900	985,000	1,425,900	11,600,000
2016 A-Bonds	1/1/2041	98,530,000	4,210,800	3,520,000	7,730,800	95,010,000
2018 Bonds	1/1/2031	39,830,000	1,935,875	2,225,000	4,160,875	37,605,000
2019 Bonds	1/1/2045	249,595,000	7,982,556	6,495,000	14,477,556	243,100,000
2021 Bonds	1/1/2043	422,355,000	9,745,196	13,825,000	23,570,196	408,530,000
2023 Bonds	1/1/2039	56,475,000	2,715,750	4,320,000	7,035,750	52,155,000
<b>Debt</b>		<b>\$889,800,000</b>	<b>\$27,409,552</b>	<b>\$35,400,000</b>	<b>\$62,809,552</b>	<b>\$854,400,000</b>
<b>Subordinate Lien</b>						
2024 Bonds	9/1/2026	\$62,715,000	\$2,279,952	\$0	\$2,279,952	\$62,715,000
<b>Total Debt</b>		<b>\$952,515,000</b>	<b>\$29,689,504</b>	<b>\$35,400,000</b>	<b>\$65,089,504</b>	<b>\$917,115,000</b>

CURRENT OUTSTANDING DEBT  
ANNUAL DEBT SERVICE

<b>AGGREGATE DEBT SERVICE</b>			
<b>PERIOD ENDING</b>	<b>SENIOR LIEN DS</b>	<b>SUBORDINATE LIEN DS</b>	<b>AGGREGATE DEBT SERVICE</b>
12/31/2025	\$62,809,553	\$2,279,952	\$65,089,504
12/31/2026	62,974,277	65,066,813	128,041,089
12/31/2027	63,469,166	-	63,469,166
12/31/2028	63,724,919	-	63,724,919
12/31/2029	63,447,047	-	63,447,047
12/31/2030	64,064,302	-	64,064,302
12/31/2031	64,069,079	-	64,069,079
12/31/2032	64,195,525	-	64,195,525
12/31/2033	64,306,366	-	64,306,366
12/31/2034	64,636,732	-	64,636,732
12/31/2035	64,754,311	-	64,754,311
12/31/2036	64,973,269	-	64,973,269
12/31/2037	65,152,710	-	65,152,710
12/31/2038	64,969,683	-	64,969,683
12/31/2039	61,225,165	-	61,225,165
12/31/2040	53,809,751	-	53,809,751
12/31/2041	53,808,096	-	53,808,096
12/31/2042	46,883,711	-	46,883,711
12/31/2043	47,505,218	-	47,505,218
12/31/2044	6,915,069	-	6,915,069
12/31/2045	6,921,482	-	6,921,482
<b>Total</b>	<b>\$1,174,615,431</b>	<b>\$67,346,764</b>	<b>\$1,241,962,195</b>



## DEBT SERVICE

Debt Service for FY2025 is \$65,089,504, which is an increase of \$2,138,059 or 3.40% from FY2024.

### DEBT SERVICE COVERAGE

	Approved 4.9%	
	Est. Actual 2024	2025
<b>Total Revenues</b>	\$230,084,682	\$238,135,869
Less: Impact/System Development Fees	(\$1,337,600)	(\$1,337,600)
Less: Interest on Construction Funds	\$0	\$0
Plus: Loss on the Sale/Disposition of Assets	\$338,860	\$338,860
<b>Total Revenues per Official Statement Definition</b>	<b>\$ 229,085,942</b>	<b>\$ 237,137,129</b>
<b>Revenue Requirements</b>		
O&M Expenses	(\$137,131,476)	(\$142,479,982)
<b>Total Revenues Available for Debt Service and PAYGO</b>	<b>\$91,954,466</b>	<b>\$94,657,147</b>
<b>Debt Service</b>		
Senior Debt Service	(\$62,951,445)	(\$62,809,553)
Subordinate Debt Service	(\$39,923)	
Junior Debt Service		(\$2,279,952)
<b>Total Debt Service</b>	<b>(\$62,991,368)</b>	<b>(\$65,089,504)</b>
<b>Base Charge Revenue as a Percent of Annual Debt Service</b>	<b>125.4%</b>	<b>127.9%</b>
PAYGO Spending	(\$28,915,000)	(\$29,516,974)
<b>PAYGO as Percent of Capital Budget</b>	<b>36.8%</b>	<b>25.5%</b>
	-	-
<b>Total Revenue Requirements</b>	<b>(\$229,037,844)</b>	<b>(\$237,086,460)</b>
<b>Surplus/(Deficit)</b>	<b>\$48,098</b>	<b>\$50,669</b>
<b>Debt Service Coverage Ratios</b>		
Senior Debt Service Coverage (Minimum = 1.35)	1.46	1.51
Total Debt Service Coverage (Minimum = 1.10)	1.46	1.45
<b>Total Debt - Par Outstanding/Principal Remaining</b>	<b>\$1,005,915,000</b>	<b>\$1,060,111,151</b>
<b>Net Debt to Total Assets</b>	<b>74.05%</b>	<b>74.86%</b>
Note: For 2024, includes \$6,510,687 of debt service paid from funds released as part of the 2023 Tender.		

# APPROVED OPERATION & MAINTENANCE BUDGET

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## IN THIS SECTION

Overview 43

O&M Summary of Revenues & Expenditures 44

O&M Summary by Expense Category 45

O&M Summary Changes by Department 46

O&M Summary by Division & Department 48

Compensation & Benefits 49

Consultant Services 51

Debt Service 53



## OVERVIEW

The Approved FY2025 Operation & Maintenance Budget is \$142,479,982 which is 7.94% or \$10,476,027 higher than the FY2024 Approved Budget. The following pages will provide details by Division and Department as it relates to the Approved FY2025 O&M budget.



**THE DISTRIBUTION SYSTEM CONSISTS OF 4,140 MILES OF PIPING, 1,000 MILES OF SERVICE LINES, 48 DISTRIBUTION PUMP STATIONS, 51 DISTRIBUTION STORAGE TANKS, 41 PRESSURE-REDUCING VALVE STATIONS, 56,000 VALVES, 14,497 HYDRANTS, AND 20 PRESSURE GRADIENTS.**



# O&M SUMMARY OF REVENUES AND EXPENDITURES

## SUMMARY OF REVENUES AND EXPENDITURES BY FUNCTION

Category	FY2024 Budget	FY2024 Projected Actual	FY2025 Budget
Residential Sales	\$120,714,840	\$119,354,719	\$127,757,143
Commercial Sales	66,518,596	67,209,434	69,107,304
Industrial Sales	1,741,405	1,726,464	1,757,527
Municipal Sales	5,786,278	6,013,557	6,239,108
Raw Water	5,472,900	5,400,516	5,614,002
Metered Water Sales-	3,048,627	3,099,546	3,455,852
Fire Protection Sales	4,561,386	5,308,100	4,674,149
Other Operating Revenues	16,610,194	17,158,038	16,005,397
<b>Total Operating Revenues</b>	<b>\$224,454,226</b>	<b>\$225,270,373</b>	<b>\$234,610,483</b>
<b>Operating Expenses</b>			
Source of Supply	\$975,657	\$961,512	\$1,036,919
Power & Pumping	15,774,549	15,707,296	16,295,379
Purification	17,887,448	18,171,001	19,146,685
Transmission & Distribution	5,175,402	5,678,205	7,693,953
Customer Accounting	15,728,916	15,820,153	16,743,853
Administration & General	39,848,817	39,731,719	43,801,979
Other Operating	7,967,024	8,359,682	8,352,033
<b>Total Operating Expenses</b>	<b>\$103,357,813</b>	<b>\$104,429,568</b>	<b>\$113,070,802</b>
<b>Maintenance Expenses</b>			
Source of Supply	\$589,113	\$529,664	\$583,100
Power & Pumping	3,883,343	4,002,235	3,985,148
Purification	1,448,251	1,599,573	1,640,184
Transmission & Distribution	17,985,750	19,658,340	17,796,345
Administration & General	\$4,739,687	\$4,753,741	\$5,404,403
<b>Total Maintenance Expenses</b>	<b>\$28,646,144</b>	<b>\$30,543,553</b>	<b>\$29,409,180</b>
<b>Total Operating &amp; Maintenance Expenses</b>	<b>\$132,003,956</b>	<b>\$134,973,121</b>	<b>\$142,479,982</b>
<b>Water System Operating Income</b>	<b>\$92,450,270</b>	<b>\$90,297,252</b>	<b>\$92,130,501</b>



## O&M SUMMARY BY EXPENSE CATEGORY

### O&M SUMMARY BY EXPENSE CATEGORY

CATEGORY	FY 2025 Budget	FY 2024 Budget	Increase/ (Decrease)	Percent Change
Labor	\$53,613,909	\$46,962,255	\$6,651,654	14.16%
Employee Related Expenses	18,356,642	17,530,588	826,054	4.71%
Power	13,217,075	12,407,564	809,512	6.52%
Trans & Distrib Maintenance Materials	9,061,872	9,594,448	(532,576)	(5.55%)
License Fees	5,293,727	4,993,727	300,000	6.01%
Chemicals	9,724,641	9,381,540	343,101	3.66%
Legal	1,260,000	1,159,704	100,296	8.65%
Lab Support, Purification Maintenance	2,463,850	2,198,702	265,148	12.06%
Outsourced Security	1,875,969	1,904,997	(29,028)	(1.52%)
Insurance	4,020,000	3,739,730	280,270	7.49%
Electrical / Pump Maintenance	509,500	495,700	13,800	2.78%
Billing Expense	1,235,000	1,200,000	35,000	2.92%
Other Operation & Maintenance Expenses	15,873,650	15,642,718	230,931	1.48%
Consultants	5,974,148	4,792,282	1,181,866	24.66%
<b>Total Operation &amp; Maintenance</b>	<b>\$142,479,982</b>	<b>\$132,003,956</b>	<b>\$10,476,027</b>	<b>7.94%</b>



## O&M SUMMARY BY DEPARTMENT

SUMMARY OF CHANGES FY2025 APPROVED BUDGET VS FY2024 APPROVED BUDGET

FUNDS CENTER	FY 2025 BUDGET	FY 2024 BUDGET	INCREASE (DECREASE)	PERCENT CHANGE
Executive	\$2,073,679	\$1,316,162	\$757,517	57.55%
Board	219,484	196,861	22,623	11.49%
Company Wide	35,491,692	34,798,564	693,128	1.99%
Operations	2,140,240	1,679,631	460,609	27.42%
Internal Auditor	287,093	313,888	(26,795)	(8.54%)
Public Relations	1,659,043	1,452,835	206,208	14.19%
Customer Support Services	8,115,093	7,584,173	530,920	7.00%
Call Center	2,463,711	2,115,696	348,015	16.45%
Human Resources	4,317,743	3,471,465	846,278	24.38%
Wellness and Health Mgt	322,066	378,929	(56,863)	(15.01%)
Water Watchers Brigade	222,060	245,880	(23,820)	(9.69%)
Information Technology	6,695,980	5,827,699	868,281	14.90%
Accounting	2,354,570	2,087,051	267,519	12.82%
Purchasing	3,321,915	2,667,954	653,961	24.51%
EnviroLab & Water Quality	4,247,086	3,880,861	366,225	9.44%
Water Treatment	22,757,915	21,301,988	1,455,927	6.83%
Security	3,034,842	3,064,818	(29,976)	(0.98%)
Water Resources	10,229,862	9,586,672	643,190	6.71%
SCADA	1,918,000	1,059,988	858,012	80.95%
Industrial & Commercial	331,158	266,352	64,806	24.33%
E&M Shop	6,218,303	6,154,576	63,727	1.04%
System Development	1,571,624	1,052,278	519,346	49.35%
Distribution	17,644,178	17,358,498	285,680	1.65%
Engineering	1,623,848	1,221,991	401,857	32.89%
Mapping & Records	570,739	290,185	280,554	96.68%
Water Accountability	2,648,061	2,628,961	19,100	0.73%
<b>All Departments</b>	<b>\$ 142,479,982</b>	<b>\$ 132,003,956</b>	<b>\$ 10,476,026</b>	<b>7.94%</b>



## O&M SUMMARY BY DEPARTMENT

### SUMMARY OF CHANGES FY 2025 APPROVED BUDGET VS FY 2025 PRELIMINARY BUDGET

FUNDS CENTER	2025 APPROVED NET BUDGET	2025 PRELIMINARY NET BUDGET	INCREASE/ (DECREASE)	PERCENT CHANGE
Executive (1)	\$2,073,679	\$2,403,377	(\$329,698)	(13.72%)
Board	219,484	219,484	-	-
Company Wide (2)	35,491,692	35,772,865	(281,173)	(0.79%)
Business System & Operations	2,140,240	2,140,240	-	-
Internal Auditor	287,093	287,093	-	-
Public Communication	1,659,043	1,659,043	-	-
Customer Support Services	8,115,093	8,115,093	-	-
Call Center	2,463,711	2,463,711	-	-
Human Resources	4,317,743	4,317,743	-	-
Wellness & Health Mgt	322,066	322,066	-	-
Water Watchers Brigade	222,060	222,060	-	-
Information Technology	6,695,980	6,695,980	-	-
Accounting	2,354,570	2,354,570	-	-
Purchasing	3,321,915	3,321,915	-	-
EnviroLab & Water Quality	4,247,086	4,247,086	-	-
Purification	22,757,915	22,757,915	-	-
Security	3,034,842	3,034,842	-	-
Water Resources	10,229,862	10,229,862	-	-
SCADA	1,918,000	1,918,000	-	-
Industrial & Commercial	331,158	331,158	-	-
E&M Shop (3)	6,218,303	6,232,484	(14,181)	(0.23%)
System Development	1,571,624	1,571,624	-	-
Distribution	17,644,178	17,644,178	-	-
Engineering	1,623,848	1,623,848	-	-
Mapping & Records	570,739	570,739	-	-
Water Accountability	2,648,061	2,648,061	-	-
<b>All Departments</b>	<b>\$142,479,982</b>	<b>\$143,105,035</b>	<b>(\$625,053)</b>	<b>-0.44%</b>



# O&M SUMMARY BY DIVISION AND DEPARTMENT

## FIVE YEAR SUMMARY BY DIVISION & DEPARTMENT

DIVISION	DEPARTMENT	2021 NET ACTUAL	2022 NET ACTUAL	2023 NET ACTUAL	2024 PROJECTED ACTUAL	2025 NET BUDGET
Executive	Executive	\$1,031,300	\$1,085,712	\$1,388,660	\$1,383,667	\$2,073,679
	Board	191,804	141,737	137,974	155,680	219,484
	Company Wide	28,021,823	35,725,011	29,596,744	36,635,325	35,491,692
	Business System & Operations	809,538	1,017,261	1,765,512	1,468,985	2,140,240
	Internal Auditor	254,649	279,778	298,618	295,357	287,093
	Public Relations	754,287	860,450	1,041,872	1,383,236	1,659,043
	Customer Support Services	6,654,578	6,812,151	7,959,418	7,877,225	8,115,093
	Call Center	1,810,577	1,748,890	1,905,263	2,197,447	2,463,711
	Human Resources	2,752,203	3,013,246	4,231,014	3,605,602	4,317,743
Finance & Administration	Wellness and Health Mgt	294,530	325,392	273,194	393,573	322,066
	Water Watchers Brigade	368,649	25,826	135,531	255,381	222,060
	Information Technology	5,411,790	5,254,914	5,349,054	6,052,878	6,695,980
	Accounting	1,855,977	1,664,461	1,884,150	2,167,694	2,354,570
	Purchasing	2,402,008	2,896,292	2,613,375	2,771,043	3,321,915
	EnviroLab & Water Quality	3,051,716	3,360,880	3,502,050	4,030,701	4,247,086
	Water Treatment	15,593,448	18,332,554	20,350,233	22,124,246	22,757,915
Operations & Technical Services	Security	2,388,311	2,589,384	2,891,994	3,183,246	3,034,842
	Water Resources	7,655,038	9,485,195	9,289,598	9,957,101	10,229,862
	SCADA	921,362	959,349	1,156,031	1,100,946	1,918,000
	Industrial & Commercial	379,226	415,433	407,857	276,643	331,158
	E&M Shop	4,917,508	5,578,809	6,505,286	6,392,391	6,218,303
	System Development	851,909	1,011,759	1,149,906	1,092,938	1,571,624
Engineering & Maintenance	Distribution	15,836,928	18,182,626	19,795,596	18,028,891	17,644,178
	Engineering	1,451,960	1,323,691	1,285,849	1,269,209	1,623,848
	Mapping & Records	276,307	278,026	295,385	301,397	570,739
	Water Accountability	2,397,950	3,161,383	3,192,130	2,730,545	2,648,061
<b>All Departments</b>		<b>\$108,335,378</b>	<b>\$125,530,211</b>	<b>\$128,402,293</b>	<b>\$137,131,347</b>	<b>\$142,479,982</b>



# COMPENSATION & BENEFITS

THE COMPENSATION AND BENEFITS BUDGET FOR FY2025 IS \$61,122,675 WHICH IS AN INCREASE OF \$3,072,283 OR 5.29% MORE THAN THE FY2024 APPROVED BUDGET.

The FY2025 Approved Budget indicates a net decrease in FTEs. The FY2025 budgeted merit adjustment is \$1,851,605, an increase of \$268,824 or 16.98% from FY2024. The FY2025 budgeted longevity is \$1,702,765, which is a decrease of 0.89% from FY2024.

The General Wage Increase (GWI) is budgeted at \$1,023,601 which is a decrease of 28.50 % from the FY2024 Approved Budget. The FY2025 Approved Budget includes funding for 724.09 full-time equivalent positions.

Overtime increased by \$556,338 or 12.75% from prior year, the overtime hours increased by 5,021 hours. The trend has shown that these hours are needed to support leak repairs, plant operations and repairs, infrastructure inspection and installation related to an increase in new development.

## COMPENSATION & BENEFITS

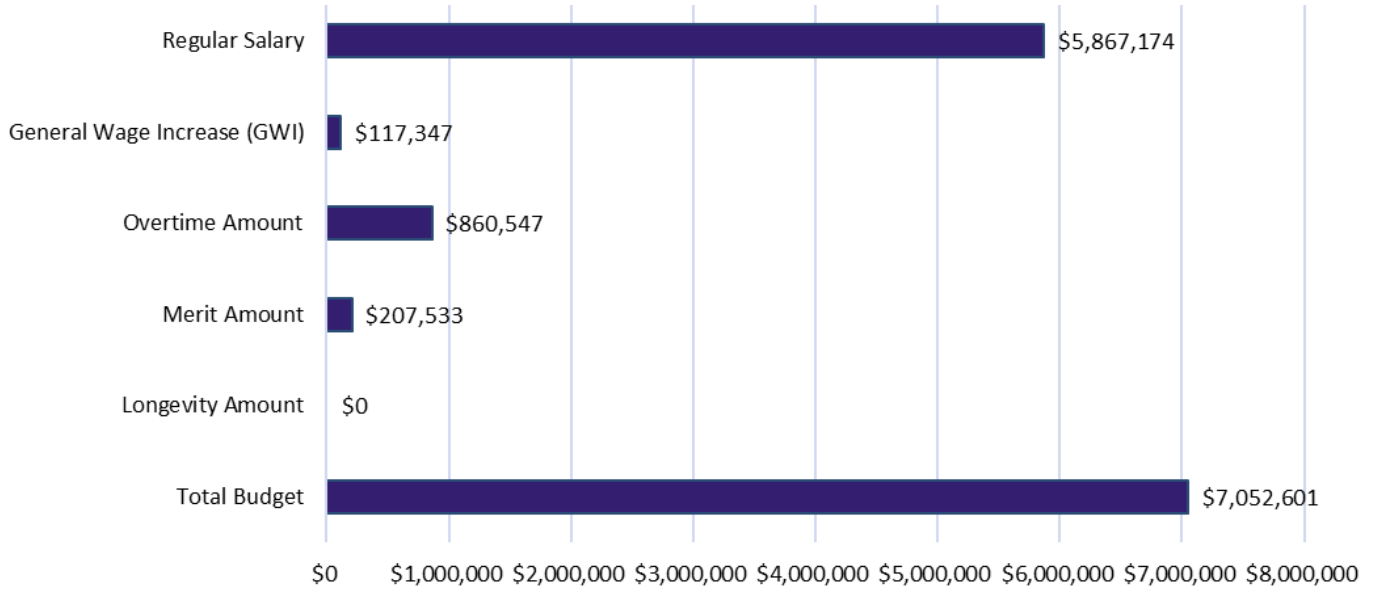
CATEGORY	FY 2025	FY 2024	\$ VARIANCE	% VARIANCE
Regular Salary	\$51,626,078	\$48,955,646	\$2,670,432	5.45%
General Wage Increase (GWI)	1,023,601	\$1,431,658	(\$408,057)	(28.50%)
Overtime Amount	4,918,627	\$4,362,289	\$556,338	12.75%
Merit Amount	1,851,605	\$1,582,781	\$268,824	16.98%
Longevity Amount	1,702,765	\$1,718,018	(\$15,253)	(0.89%)
<b>Total Budget (1)</b>	<b>\$61,122,675</b>	<b>\$58,050,392</b>	<b>\$3,072,283</b>	<b>5.29%</b>
Total FTE (2)	724.09	725.44	(1.35)	(0.19%)
Overtime Hours	81,162	76,142	5,021	6.59%

(1) Gross Labor Budget increased due to FY2024 salary survey implementation, merit increase and increased overtime hours.

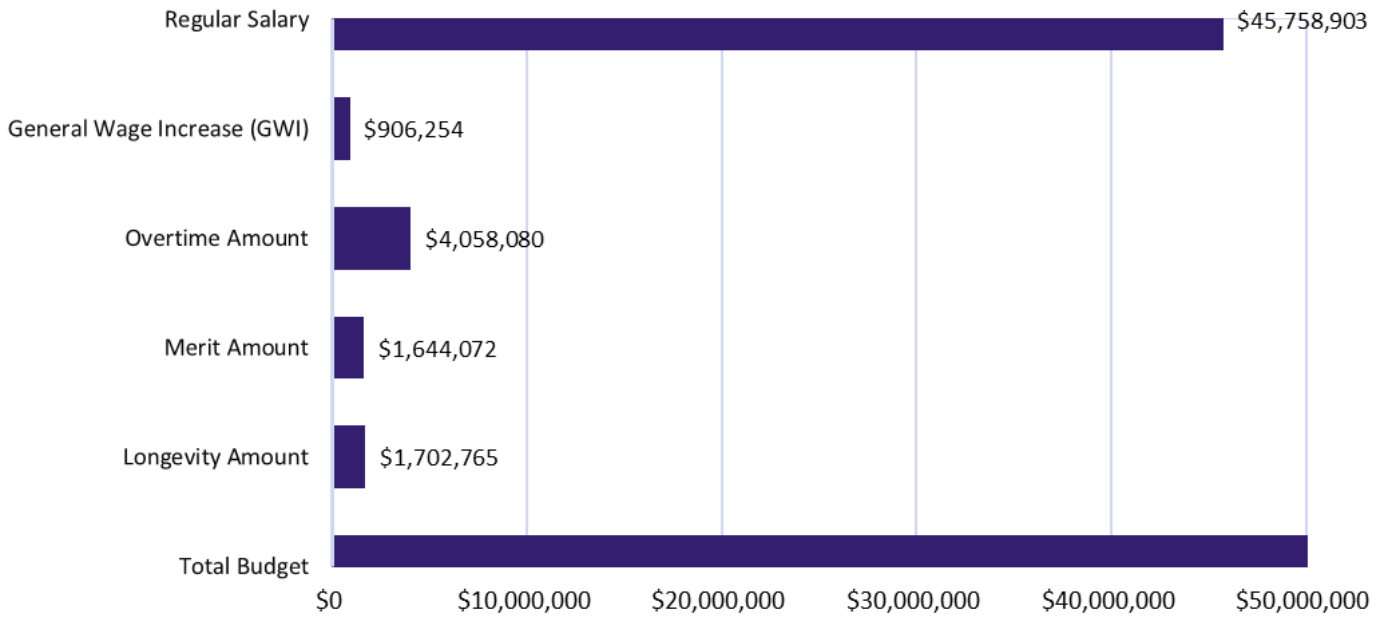
(2) Total FTE excludes seasonal and student positions.



### CAPITAL LABOR



### O&M LABOR





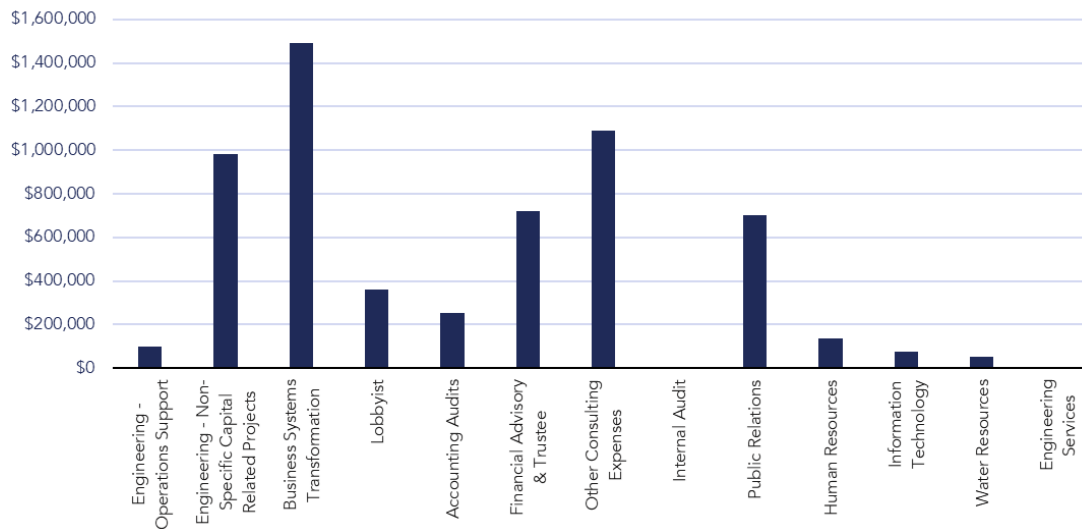
# CONSULTANT SERVICES

The Approved Consultant Services Budget for FY2025 is \$5,974,148 which is an increase of \$1,181,866 or 24.66% from the FY2024 Approved Budget.

## CONSULTANT SERVICES

EXPENSE CATEGORY	2024 NET CONSULTING DOLLARS	2025 NET CONSULTING DOLLARS
Engineering - Operations Support	\$100,000	\$100,000
Engineering - Non-Specific Capital Related Projects	959,175	984,375
Business Systems & Operations	1,136,706	1,492,204
Lobbyist	299,625	360,000
Accounting Audits	263,559	255,000
Financial Advisory & Trustee	603,648	720,580
Other Consulting Expenses	698,839	1,088,919
Internal Audit	1,005	1,005
Public Relations	436,492	700,200
Human Resources	156,300	137,900
Information Technology	70,884	76,715
Water Resources	48,430	51,000
Engineering Services	17,619	6,250
<b>Total</b>	<b>\$4,792,282</b>	<b>\$5,974,148</b>
2024 Consultant Services		\$4,792,282
Increase from 2024		\$1,181,866
2025 Percentage increase from 2024		24.66%

## 2024 APPROVED NET CONSULTING DOLLARS





**THE AVERAGE TOTAL HOME WATER USE PER PERSON IN THE UNITED STATES IS ABOUT 50 GALLONS/DAY.**

Based on the BWW's RSE Model, customer water rates should increase by 4.9% for FY2025. The projected rate increase for FY2026 is 5.8%, 5% in FY2027, and 4.3% in FY2028. The goal is to keep rate increases as low as possible, while continuing to meet all the revenue requirements and BWW financial policies. A 4.9% rate increase equates to \$2.14 per month for the average customer using 6CCF of water.

- 2025 residential consumption is projected to decrease at a rate of 0.22% from the 2024 estimated actuals, and non-residential consumption is projected to decline at a rate of 2.01% from the 2024 estimated actuals. The 4.9% rate increase should result in increased revenue in 2025.
- Operation & Maintenance (O&M) expenses are projected to increase by 7.94% in 2025 from the 2024 budget, and 3% in FY 2026.
- The total debt service will increase at an average rate of 4.36% over the next five years.
- The PAYGO is projected to reach 37% by FY2029
- The BWW is projected to exceed the Total Debt Service Coverage Targets over the next five years.



DEBT SERVICE COVERAGE - 5 YEAR PROJECTION

PAYGO is projected to increase from 25.5% in 2025 to 37.9% in 2029

	Approved 4.9%	5.8%	5.0%	4.3%	4.0%
	2025	2026*	2027	2028	2029
<b>Total Revenues</b>	\$238,135,869	\$249,305,215	\$260,964,423	\$270,595,523	\$280,705,792
Less: Impact/System Development Fees	(1,337,600)	(1,337,600)	(1,337,600)	(1,337,600)	(1,337,600)
Less: Interest on Construction Funds	-	-	-	-	-
Plus: Loss on the Sale/Disposition of Assets	338,860	338,860	338,860	338,860	338,860
<b>Total Revenues per Official Statement Definition</b>	<b>\$237,137,129</b>	<b>\$248,306,475</b>	<b>\$259,965,684</b>	<b>\$269,596,783</b>	<b>\$279,707,052</b>
<b>Revenue Requirements</b>					
O&M Expenses	(\$142,479,982)	(\$146,754,381)	(\$151,157,013)	(\$155,691,723)	(\$160,362,475)
<b>Total Revenues Available for Debt Service and PAYGO</b>	<b>94,657,147</b>	<b>101,552,094</b>	<b>108,808,671</b>	<b>113,905,060</b>	<b>119,344,577</b>
<b>Debt Service</b>					
Senior Debt Service	(\$62,809,553)	(\$64,517,622)	(\$69,642,547)	(\$72,353,992)	(\$79,443,195)
<b>Subordinate Debt Service</b>					
Junior Debt Service	(2,279,952)	-	-	-	-
<b>Total Debt Service</b>	<b>(\$65,089,504)</b>	<b>(\$64,517,622)</b>	<b>(\$69,642,547)</b>	<b>(\$72,353,992)</b>	<b>(\$79,443,195)</b>
<b>Base Charge Revenue as a Percent of Annual Debt Service</b>	<b>127.9%</b>	<b>137.2%</b>	<b>134.1%</b>	<b>135.2%</b>	<b>128.6%</b>
PAYGO Spending	(\$29,516,974)	(\$36,986,000)	(\$39,117,500)	(\$41,500,000)	(\$39,855,000)
<b>PAYGO as Percent of Capital Budget</b>	<b>25.5%</b>	<b>32.4%</b>	<b>36.1%</b>	<b>32.8%</b>	<b>37.9%</b>
<b>Total Revenue Requirements</b>	<b>(237,086,460)</b>	<b>(248,258,004)</b>	<b>(259,917,060)</b>	<b>(269,545,716)</b>	<b>(279,660,670)</b>
<b>Surplus/(Deficit)</b>	<b>\$50,669</b>	<b>\$48,471</b>	<b>\$48,624</b>	<b>\$51,067</b>	<b>\$46,382</b>
<b>Debt Service Coverage Ratios</b>					
Senior Debt Service Coverage (Minimum = 1.50)	1.51	1.57	1.56	1.57	1.50
Total Debt Service Coverage (Minimum = 1.10)	1.45	1.57	1.56	1.57	1.50
<b>Total Debt - Par Outstanding/Principal Remaining</b>	<b>\$1,060,111,151</b>	<b>\$1,023,282,769</b>	<b>\$1,117,858,414</b>	<b>\$1,075,620,857</b>	<b>\$1,156,189,175</b>
<b>Net Debt to Total Assets</b>	<b>74.86%</b>	<b>68.55%</b>	<b>71.38%</b>	<b>63.37%</b>	<b>65.50%</b>

\*The 2024 Bank Anticipatory Note will be paid out of future proceeds in FY 2026, and the associated dollars are not shown in this chart.



# OVERVIEW OF DEPARTMENTS

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## IN THIS SECTION

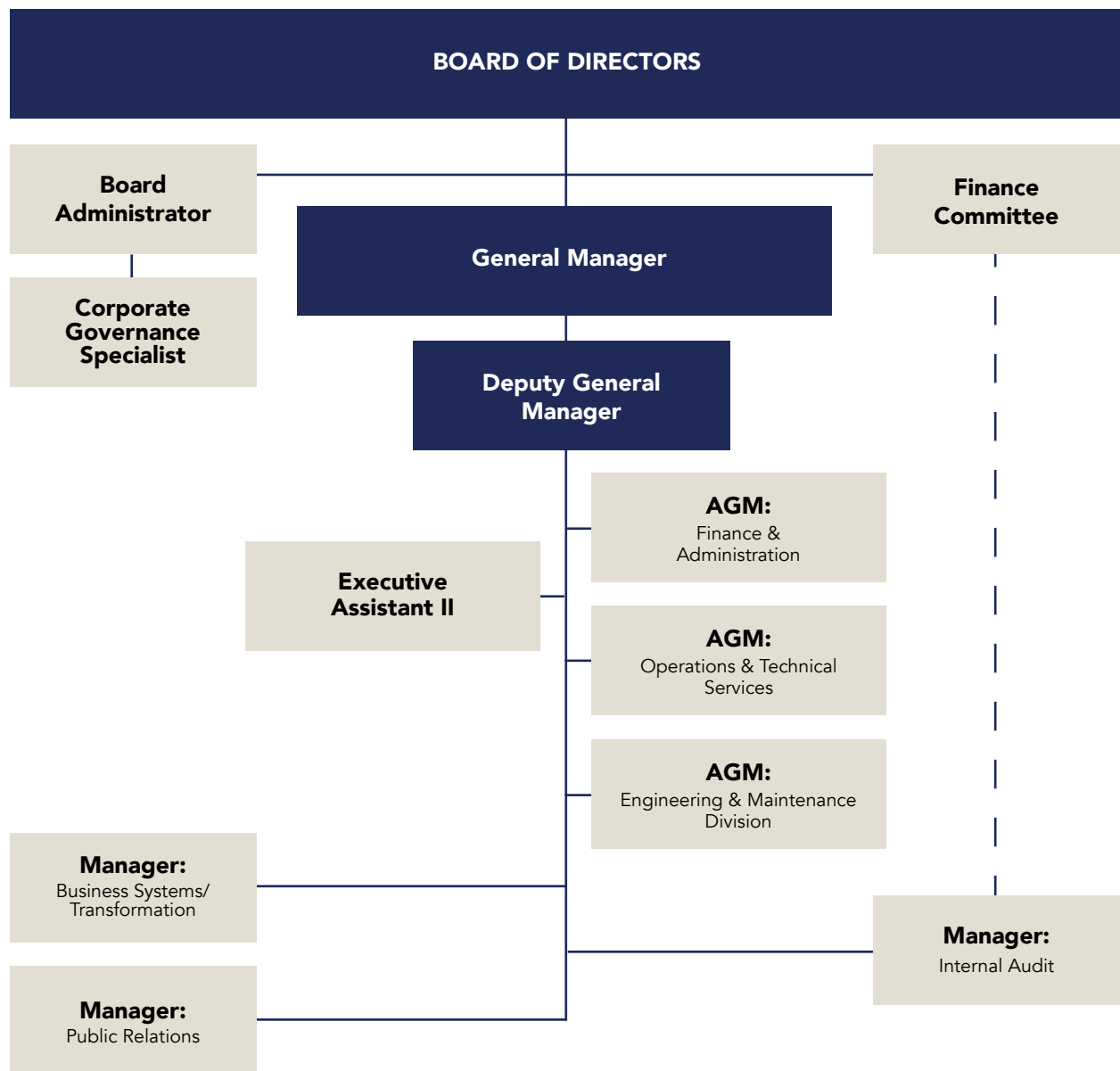
Department Summary	55
Operation & Maintenance Budget – Department Allocations	57
Personnel Summary by Department	58
Goals & Objectives Methodology	59
Executive Department	60
Board of Directors	63
Company Wide	65
Business Systems & Operations	66
Internal Audit	70
Public Relations	73
Customer Support Services	77
Call Center	82
Human Resources	85
Wellness & Health Management	90
Water Watchers	91
Information Technology	94
Accounting	98
Purchasing	102
EnviroLab	108
Water Treatment	115
Security	125
Water Resources	128
Supervisory Control & Data Acquisition (SCADA)	132
Industrial & Commercial Accounts	135
Electrical & Mechanical	139
System Development	143
Distribution	146
Engineering	151
Mapping & Records	156
Water Accountability	159



# DEPARTMENT SUMMARY

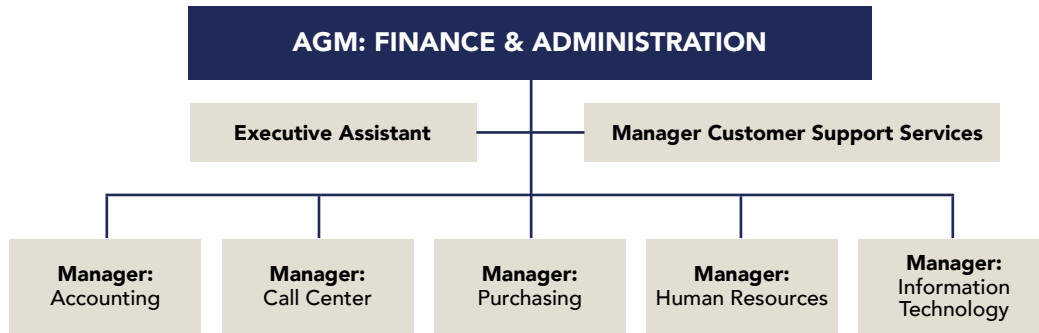
The BWW is organized into 22 functional departments, with each department having its own budget for fiscal control. The departments are organized within divisions as follows: Executive, Finance & Administration, Operations & Technical Services and Engineering & Maintenance. Except for the Business Systems & Transformation Manager, and the Public Relations Manager who report the Deputy General Manager, all other managers report to one of the three Assistant General Managers (AGMs), who report to the Deputy General Manager.

## EXECUTIVE MANAGEMENT

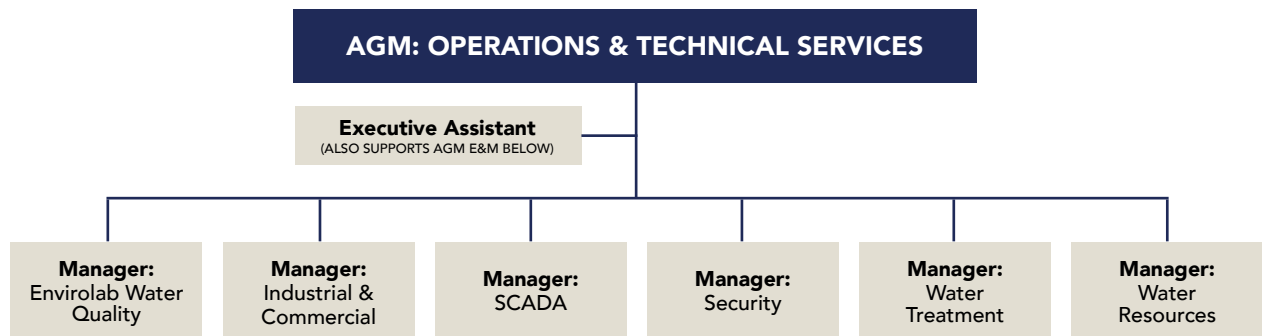




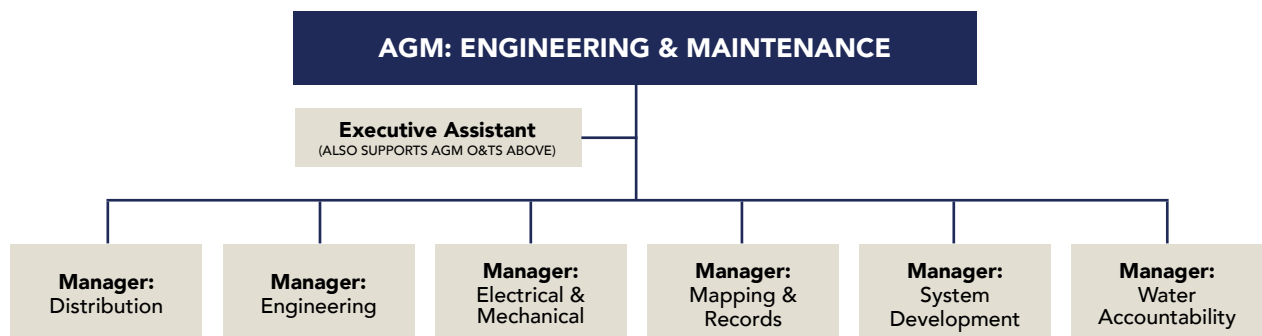
## FINANCE & ADMINISTRATION DIVISION



## OPERATIONS & TECHNICAL SERVICES DIVISION



## ENGINEERING & MAINTENANCE DIVISION

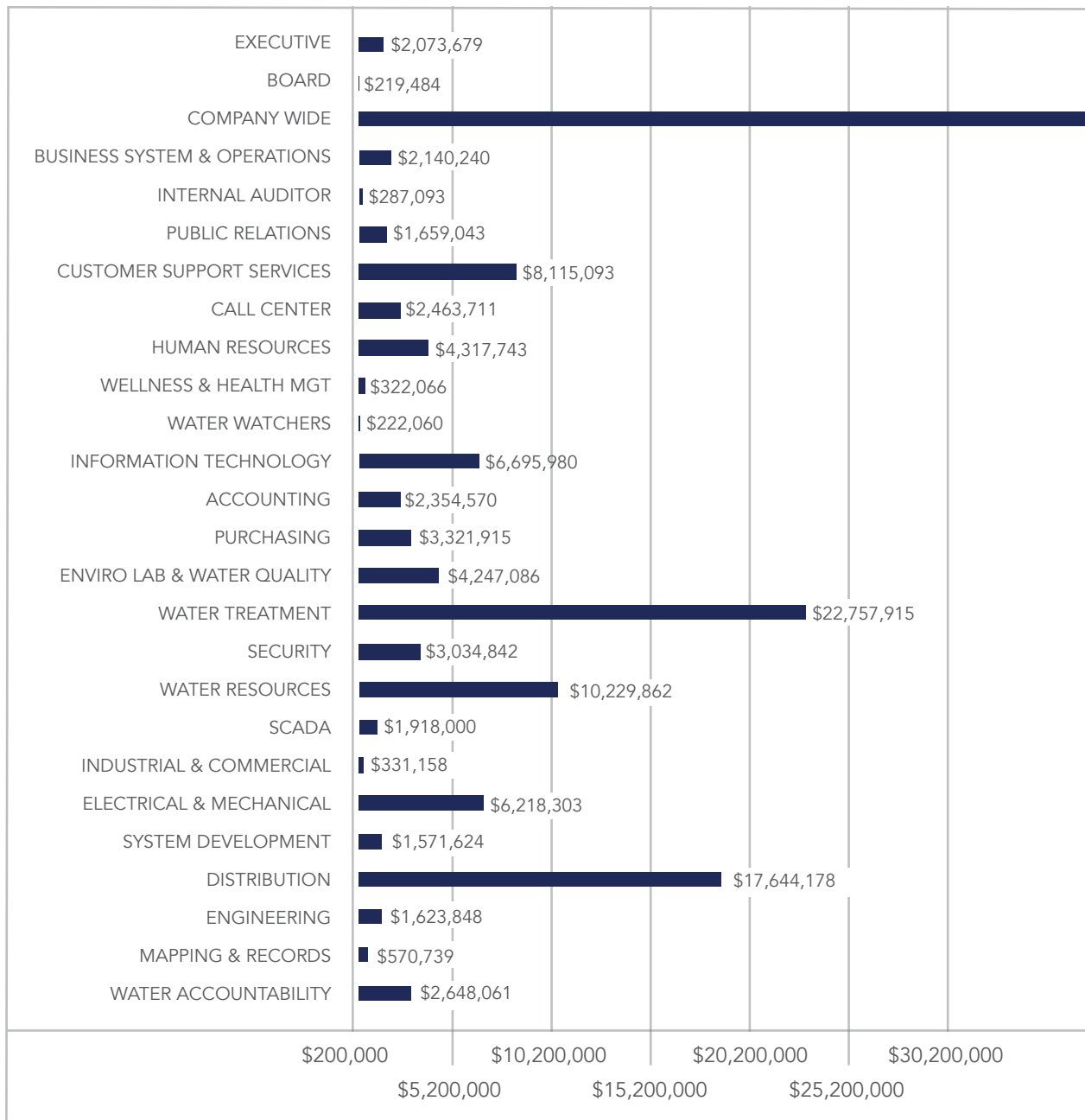




# OPERATION & MAINTENANCE BUDGET

## DEPARTMENT ALLOCATIONS

The total Approved Operation & Maintenance Budget is \$142,479,982 and allocated as shown below.





## PERSONNEL SUMMARY BY DEPARTMENT

The schedule below is a summary of total budgeted personnel for fiscal years 2021 through 2025. The 2025 O&M Budget includes funding for 724.09 FTE, a decrease of 1.35 FTE.

Division	Department	2021	2022	2023	2024	2025
EXECUTIVE	Executive	10.00	10.00	13.00	11.00	10.00
	Business Systems & Transformation	6.00	5.00	5.00	5.00	5.00
	Internal Audit	3.00	3.00	3.00	3.00	3.00
	Public Relations	3.00	3.00	5.00	5.00	4.00
	<b>Total</b>	<b>22.00</b>	<b>21.00</b>	<b>26.00</b>	<b>24.00</b>	<b>22.00</b>
FINANCE & ADMINISTRATION	Call Center	36.23	36.53	38.53	37.53	37.18
	Customer Support Services	98.00	98.00	101.00	102.00	103.00
	Human Resources	14.00	15.00	15.00	15.00	15.00
	Information Technology	19.00	20.00	20.00	20.00	20.00
	Accounting	26.73	27.80	26.80	25.00	25.00
	Purchasing	18.75	22.00	21.00	19.00	21.00
	<b>Total</b>	<b>212.71</b>	<b>219.33</b>	<b>222.33</b>	<b>218.53</b>	<b>221.18</b>
OPERATIONS & TECHNICAL SERVICES	Envirolab & Water Quality	25.00	28.00	26.00	28.00	28.00
	Water Treatment	72.90	76.92	80.92	83.18	84.18
	Water Resources	33.00	33.00	33.00	33.00	33.00
	SCADA	9.00	10.00	10.00	10.00	10.00
	Security	10.73	10.73	12.73	12.73	11.73
	Industrial & Commercial Accts	3.00	3.00	3.00	3.00	2.00
	<b>Total</b>	<b>153.63</b>	<b>161.65</b>	<b>165.65</b>	<b>169.91</b>	<b>168.91</b>
ENGINEERING & MAINTENANCE	Electrical & Mechanical	40.00	44.00	46.00	46.00	44.00
	System Development	23.00	26.73	27.00	27.00	28.00
	Distribution	145.80	154.38	150.00	148.00	148.00
	Engineering	31.00	30.00	30.00	30.00	30.00
	Water Accountability	50.00	50.00	50.00	50.00	50.00
	Mapping & Records	13.00	12.00	12.00	12.00	12.00
	<b>Total</b>	<b>302.80</b>	<b>317.11</b>	<b>315.00</b>	<b>313.00</b>	<b>312.00</b>
	<b>Grand Total</b>	<b>691.14</b>	<b>719.09</b>	<b>728.98</b>	<b>725.44</b>	<b>724.09</b>

Numbers above reflect regular Full-Time and Part-Time Employees. Does not include students, summer employees, and temporary employees.

## GOALS & OBJECTIVES METHODOLOGY

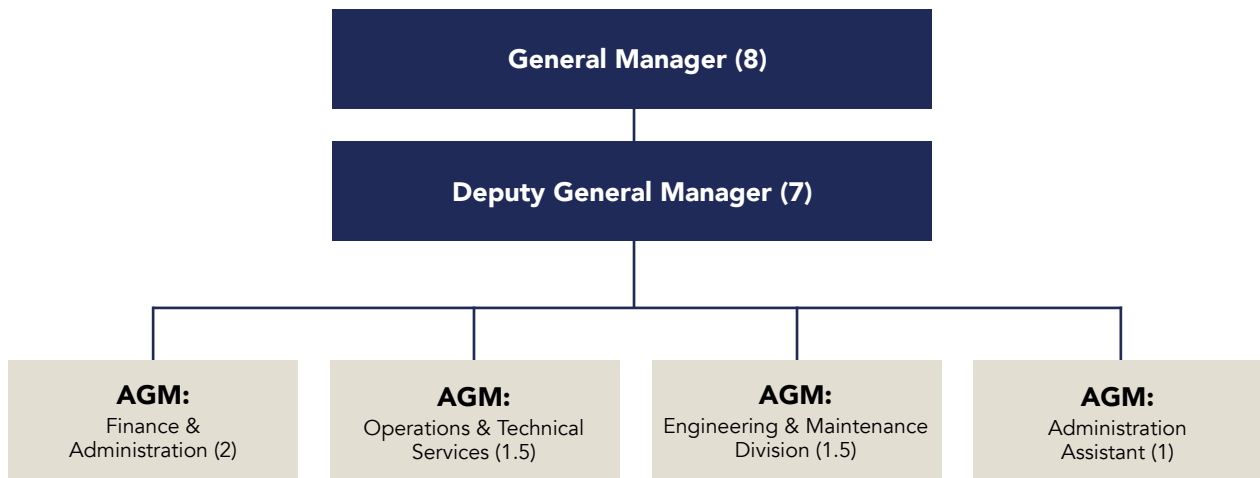
Below are established goals and objectives for each department developed based on the Effective Utility Management Framework.



## EXECUTIVE DEPARTMENT

The Executive Department includes the General Manager, Assistant General Managers, the Customer Care Manager, the Board Administrator, Corporate Governance Specialist, and three Administrative Assistants.

The Board of Directors is responsible for setting the Mission and Vision for the Birmingham Water Works Board (BWW) and providing direction and leadership to meet the goals. The Board Administrator and Corporate Governance Specialist report functionally to the Board and administratively to the General Manager. The General Manager (GM) is responsible for the administration and the implementation of the Board policies and federal and state laws. The GM organizes the staff, assigns responsibilities, and is responsible for carrying out the policies and directives of the Board of Directors.



The Board Administrator and Corporate Governance Specialist report to the Board of Directors

### EXECUTIVE DEPARTMENT MISSION

The mission of the Executive Department is to manage all aspects of the BWW's business plans efficiently and effectively, ensure organization goals are met, and provide the leadership that will enable BWW to accomplish its Mission and fulfill its Vision.



### SUMMARY OF ACTIVITIES

- Provide the Board of Directors with timely information and support
- Ensure that all water facilities and programs are operating in compliance with all applicable standards
- Develop, implement, and maintain effective long-term financial, operational, and environmental protection plans
- Implement sound fiscal policies, budgets, and controls
- Maintain and improve effective coordination, cooperation, and communication with local, state, and federal governmental entities
- Continue innovation and creativity in providing services in a more effective, cost-efficient, and sustainable manner
- Support training and development of all employees to improve BWW's services
- Motivate employees and encourage teamwork throughout the organization
- Promote BWW to the community

### EXECUTIVE DEPARTMENT O&M EXPENDITURES BUDGET SUMMARY

Commitment Item	FY 2025 Budget	FY 2024 Budget	Increase/ (Decrease)	Percent Change
Labor	\$1,978,044	\$1,230,207	\$747,837	60.79%
Travel Misc Other	61,900	53,308	8,592	16.12%
Supplies & Expenses	15,000	17,655	(2,655)	(15.04%)
Membership Dues	9,295	8,005	1,290	16.12%
Expense General Office	7,500	5,890	1,610	27.34%
Mileage Reimbursement	1,000	258	742	287.06%
Employee Recognition	440	440	-	-
Uniforms - Non-Stock	400	400	-	-
Uniforms	100	-	100	100.00%
<b>Total Operation &amp; Maintenance</b>	<b>\$2,073,679</b>	<b>\$1,316,162</b>	<b>\$757,516</b>	<b>57.55%</b>

### HIGHLIGHTS OF BUDGET CHANGES

The FY2025 Approved Budget increased by \$757,516 or 57.55% from the 2024 Approved Budget.

**The major reason for the variance is:**

- Impact of implementing the Indirect Cost Study (Refer to note in Key Considerations Affecting Budget Development Pg11)
- Fully funding all filled positions that were open in FY2024
- Merit, Gross Wage increase (GWI) labor increases



EXECUTIVE DEPARTMENT  
PERSONNEL SUMMARY

Job Title	2021	2022	2023	2024	2025
Manager - General	1.00	1.00	1.00	1.00	1.00
*Deputy General Manager	0.00	0.00	0.00	0.00	1.00
Manager - Assistant General	3.00	3.00	3.00	3.00	3.00
**Board Administrator	1.00	1.00	1.00	1.00	1.00
**Corporate Governance Specialist	1.00	1.00	1.00	1.00	1.00
Executive Assistant II	1.00	1.00	1.00	1.00	1.00
Executive Assistant	2.00	2.00	2.00	2.00	2.00
Cash & Debt Mgmt Analyst	1.00	1.00	1.00	0.00	0.00
Customer Care Group Manager	0.00	0.00	0.00	1.00	0.00
Comptroller	0.00	0.00	1.00	1.00	0.00
Regulatory Compliance Specialist	0.00	0.00	2.00	0.00	0.00
<b>Total Department Personnel</b>	<b>10.00</b>	<b>10.00</b>	<b>13.00</b>	<b>11.00</b>	<b>10.00</b>

\*New position and deletions based on the realignment of job responsibilities, (the Comptroller & Customer care Group positions were eliminated and the Deputy General Manager Position Added)

\*\* Employees are in Executive Department but report to the Board of Directors

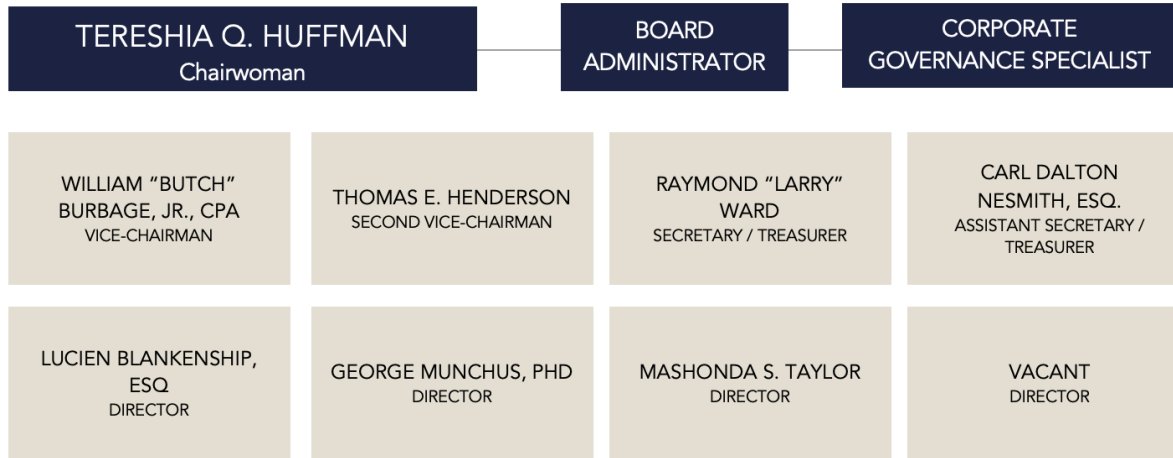
**KEY OBJECTIVES**

1. Continue to deliver quality customer service as measured by canvassing the environment for positive or negative customer and stakeholder feedback
2. Continue to emphasize performance of the Historically Underutilized Business (HUB) program by reaching a spending target of 30% or higher
3. Identify and prioritize projects that should be implemented to achieve goals listed in the Strategic Plan
4. Develop a report and provide updates on the status of the strategic plan
5. Leverage governmental affairs consultants to monitor and advise BWB on federal, state, and local legislation and initiatives
6. Take advantage of opportunities to engage with customers and stakeholders through various communication platforms
7. Ensure operations of the department are conducted in accordance with all applicable rules and regulations

Strategic Goal	Performance Measure	FY 2023 Actual	FY 2024 Projected	FY 2025 Target
Effective Governance	Maintain Reserves of approximately 240 days of operating expenses on hand	N/A	399 Days	367 Days
Financial Viability	Maintain Strong Bond Ratings	S&P AA / Moody's Aa2	S&P AA / Moody's Aa2	S&P AA / Moody's Aa2
Effective Governance	Maintain the Net Debt to total assets %	79.49%	74.05%	74.89%



# BOARD OF DIRECTORS



## BOARD DEPARTMENT O&M EXPENDITURES BUDGET SUMMARY

Commitment Item	FY 2025 Budget	FY 2024 Budget	Increase/ (Decrease)	Percent Change
Labor	\$107,984	\$99,389	\$8,596	8.65%
Travel Misc Other	62,500	54,256	8,244	15.20%
Board Meeting Expenses	30,000	27,612	2,388	8.65%
Supplies & Expenses	16,000	13,451	2,549	18.95%
Membership Dues	2,500	2,153	347	16.12%
Mileage Reimbursement	500	-	500	100.00%
<b>Total Operation &amp; Maintenance</b>	<b>\$219,484</b>	<b>\$196,861</b>	<b>\$22,624</b>	<b>11.49%</b>

### HIGHLIGHTS OF BUDGET CHANGES

The FY2025 Approved Budget increased by \$22,624 or 11.49% from the 2024 Approved Budget.

The major reasons for the variance are:

- Impact of implementing the Indirect Cost Study (Refer to note in Key Considerations Affecting Budget Development Pg11)
- Supplies & Expenses increased based on trend
- Board Administrator travel expense transferred from Executive

### KEY PERFORMANCE MEASURES

Strategic Goal	Performance Measure	FY 2023 Actual	FY 2024 Projected	FY 2025 Target
Effective Governance	Attend Board Meetings to review BWW strategy and provide policy oversight (goal is to 2 meetings per month)	24	24	24
Effective Governance	% of Directorss who participate in onboarding /training program (Goal is 100%)	100.00%	100.00%	100.00%





## COMPANY WIDE DEPARTMENT

The Company Wide Department is used to account for employee benefits and other administrative costs not directly related to a specific department. Expenditures budgeted in this department are listed below.

### COMPANY WIDE EXPENSES O&M EXPENDITURES BUDGET SUMMARY

Commitment Item	FY 2025 Budget	FY 2024 Budget	Increase/ (Decrease)	Percent Change
Healthcare Claims Employees	\$6,125,767	\$5,672,007	\$453,760	8.00%
Employer Pension	6,096,238	5,736,539	359,699	6.27%
License Fees	5,293,727	4,993,727	300,000	6.01%
Bad Debt Expenses	4,900,000	4,900,000	-	-
Insurance-Contract	3,520,000	3,339,730	180,270	5.40%
Consultants	3,508,874	2,924,847	584,027	19.97%
Fed Ins Cntr Act Tax	2,728,000	2,669,720	58,280	2.18%
Legal Expense	1,260,000	1,159,704	100,296	8.65%
Other Post Employment Benefits	912,226	1,193,452	(281,226)	(23.56%)
Employee Recognition	-	40,000	(40,000)	(100.00%)
Community Education Program	250,000	500,000	(250,000)	(50.00%)
Grp Ins Life and Dis	212,960	208,410	4,550	2.18%
Contributions	200,000	150,000	50,000	33.33%
Employee Awards	165,000	165,000	-	-
Membership Dues	143,000	123,152	19,848	16.12%
Competition Teams Expenses	125,000	125,000	-	-
St Unemployment Ins	26,400	30,000	(3,600)	(12.00%)
Service Line	10,000	10,000	-	-
Supplies & Expenses	10,000	76,504	(66,504)	(86.93%)
Salary Survey/New Po	-	776,273	(776,273)	(100.00%)
Other O&M Expenses	4,500	4,500	-	-
<b>Total Operation &amp; Maintenance</b>	<b>\$35,491,692</b>	<b>\$34,798,564</b>	<b>\$693,127</b>	<b>1.99%</b>

### HIGHLIGHTS OF BUDGET CHANGES

The FY2025 Approved Budget increased by \$693,127 or 1.99% from the 2024 Approved Budget.

The major reasons for the variance are:

- Impact of implementing the Indirect Cost Study (Refer to note in Key Considerations Affecting Budget Development Pg11)
- Healthcare expenses increased based on 2024 actual expenses and contract cost
- Pension expense increased based on actuarial projections
- License Fees increased based on projected revenue
- Insurance increased due to an increase in rates and carriers exiting the utility market
- Consulting expense increased due to impact of the indirect cost study completed in FY2024 that reduced overhead rates
- Salary Survey expense was eliminated in FY2025 after the implementation of recommendations from the salary survey completed in FY2023.

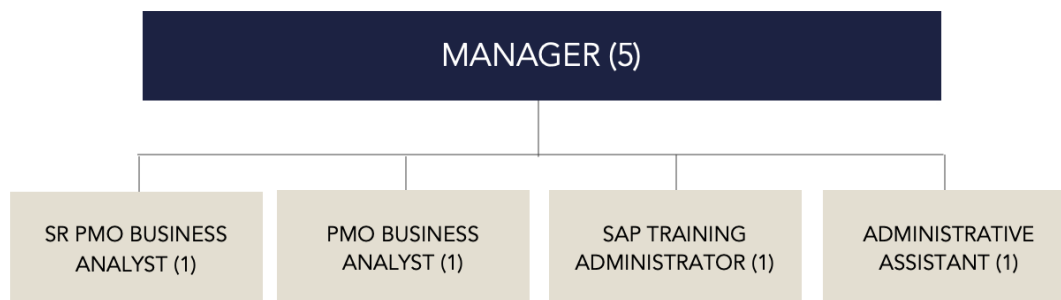
## BUSINESS SYSTEMS & OPERATIONS

The Project Management Office (PMO) Business Systems department is responsible for championing the implementation and maintenance of the Systems, Applications and Products (SAP) system for the organization. This effort aids in improved workflow processes, real time reporting, financial reporting, and customer updates. In addition, this tool provides reduction in loss of productivity due to research of issues and building of reporting to support business requests needed internally and in response to the Executive team and the Board of Directors.

The PMO team is responsible for tracking trends of the end-users and reporting items that differ from the prescribed purpose for the intention of the program. As trends are identified, they are responsible to train, coach and provide help desk support to the end users with the goal to increase the user's productivity and their ability to navigate the systems.

The PMO Business Analysts work with SAP consultants as they continue to support current system development and future implementations. This support includes the building and documentation of functional changes and the writing of processes for accurate data in customer and financial reporting.

This group is expected to be leaders in change management as they facilitate the leaders in the organization on new features and benefits of the system. They are responsible for leading periodic meetings meant to create a learning and sharing environment for feedback and best practices in the use of the system.





## BUSINESS SYSTEMS & OPERATIONS

As a market leader in enterprise application software, SAP helps companies of all types and sizes run better. From the back office to the boardroom, warehouse to storefront, desktop to mobile device – SAP empowers people and organizations to work together more efficiently and use business insight more effectively to stay ahead of the competition. SAP people, applications, and services enable approximately 300,000 customers to operate profitably, adapt continuously, and grow sustainably.

## BUSINESS SYSTEMS & OPERATIONS MISSION

Helping our internal and external customers perform at their best by delivering excellent technical support and training.

## SUMMARY OF ACTIVITIES

- Serves as project manager for implementation of all SAP Enterprise Resource Planning (ERP) Systems
- Manages project team with a focus on developing, establishing, and improving procedures, processes, and computer operations to ensure efficient operations within departments and across multiple departments as well as companywide
- Ensures integrity of information systems, internal controls, and data, including recommendations as required
- Recommends modifications to program policies and procedures to minimize risk to the company
- Mentors, coaches, and manages the total competencies of multiple organizational units, including working with multiple managers, supervisors, and supervisory level employees to improve operational efficiencies
- Leads a transition from old to new programs at the department and division levels and participates in the development and implementation of goals and objectives, recommendations and status to Executive Management and the Board of Directors
- Analyzes moderately complex situations to establish/recommend solutions and alternatives and alerts leadership to the impact on the company
- Leads periodic informational and planning meetings with internal departmental units as well as Executive Management
- Coordinates periodic meetings with external agencies to strategically update project implementation impacts



BUSINESS SYSTEMS & OPERATIONS DEPARTMENT  
O&M EXPENDITURES BUDGET SUMMARY

Commitment Item	FY 2025 Budget	FY 2024 Budget	Increase/ (Decrease)	Percent Change
Labor	\$626,486	\$517,517	\$108,969	21.06%
Consultants	1,492,204	1,136,706	355,498	31.27%
Travel Misc Other	13,850	15,889	(2,039)	(12.83%)
Supplies & Expenses	4,000	6,305	(2,305)	(36.56%)
Membership Dues	3,500	3,014	486	16.12%
Employee Recognition	200	200	-	-
<b>Total Operation &amp; Maintenance</b>	<b>\$2,140,240</b>	<b>\$1,679,631</b>	<b>\$460,608</b>	<b>27.42%</b>

**HIGHLIGHTS OF BUDGET CHANGES**

The FY2025 Approved Budget increased by \$460,608 or 27.42% from the 2024 Approved Budget.

The major reasons for the variance are:

- Impact of implementing the Indirect Cost Study (Refer to note in Key Considerations Affecting Budget Development Pg11)
- Implementation of the Salary Survey Study completed in 2023
- General Wage and Merit increases
- Consulting expense increased due to additional SAP support services

BUSINESS SYSTEMS & OPERATIONS DEPARTMENT  
PERSONNEL SUMMARY

Job Title	2021	2022	2023	2024	2025
Business Systems Manager	1.00	1.00	1.00	1.00	1.00
Sap Business Analyst	0.00	1.00	1.00	1.00	1.00
Sap Business Analyst Sr.	3.00	1.00	1.00	1.00	1.00
Sap / Business Sys Training Admin.	1.00	1.00	1.00	1.00	1.00
Administrative Assistant II	1.00	1.00	1.00	1.00	1.00
<b>Total Department Personnel</b>	<b>6.00</b>	<b>5.00</b>	<b>5.00</b>	<b>5.00</b>	<b>5.00</b>



THE BIRMINGHAM WATER WORKS EMPLOYS MORE THAN 600 PEOPLE IN THE BIRMINGHAM AREA.

**KEY OBJECTIVES**

1. Complete approved projects on time (based on agreed upon schedule) and within budget
2. Conduct at least 3 SAP navigation classes for new hires and promoted employees during the year
3. Conduct at least 4 SAP content courses for approximately 60 employees during the year
4. Distribute exit surveys to stakeholders at the end of each project
5. Coordinate and monitor the Dashboard Reporting initiative to ensure its completion no later than end of third quarter

**KEY PERFORMANCE MEASURES**

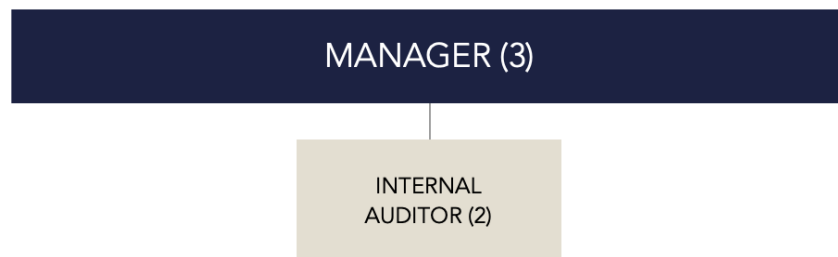
Strategic Goal	Performance Measure	FY 2023 Actual	FY 2024 Projected	FY 2025 Target
Customer Satisfaction	Number of SAP Help Desk Tickets created	65	75	85
Customer Satisfaction	Number of SAP Help Desk Tickets resolved	20	36	45

## INTERNAL AUDIT

The internal audit function was established by the Finance Committee (the Committee) of the Board of Directors in the Internal Audit Charter in September 2004. The Committee defines the internal audit responsibilities as part of their oversight role. The Internal Auditing Department reports functionally to the Committee and administratively to the General Manager.

The Internal Auditing Department is the BWW's independent internal function that performs financial, compliance, operational, information and technology, as well as internal controls audits and special investigations that are designed to:

- Provide assurance of BWW's strategic financial and operational controls
- Identify and manage BWW's risks and achieve BWW's strategic objectives in an efficient, effective, and ethical manner
- Add value to BWW's operations
- Help BWW achieve its strategic objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes



### INTERNAL AUDIT MISSION

To provide independent and objective assurance and consulting services by proactively evaluating risks, assessing controls, and delivering recommendations to enhance the organization's operational efficiency, effectiveness, and compliance with relevant policies and regulations, thereby safeguarding assets and organizational value.

### INTERNAL AUDIT VISION

Internal Audit has a vision to be recognized as a strategic partner, actively shaping a robust risk management environment and providing insightful guidance to enable BWW to achieve its strategic goals to deliver operational excellence.

### SUMMARY OF ACTIVITIES

- Assess policies, procedures and internal controls.
- Perform audits that will ensure accuracy of financial records, operational effectiveness and efficiency, and adherence to BWW compliance standards, including audit follow-ups and remediation testing.
- Identify and evaluate risks to determine appropriateness of controls.
- Provide recommendations for improvements to enhance overall quality, effectiveness and efficiency.
- Provide consulting services to help departments update and create standard operating procedures (SOP).
- Revise and submit Internal Audit Charter for Finance Committee approval.



## INTERNAL AUDITING DEPARTMENT O&M EXPENDITURES BUDGET SUMMARY

Commitment Item	FY 2025 Budget	FY 2024 Budget	Increase/ (Decrease)	Percent Change
Labor	\$277,050	\$305,093	(\$28,044)	(9.19%)
Travel Misc Other	4,805	3,789	1,016	26.81%
Membership Dues	3,435	3,307	128	3.87%
Consultants	1,005	1,005	-	-
Supplies & Expenses	538	452	86	18.95%
Mileage Reimbursement	141	121	20	16.12%
Employee Recognition	120	120	-	-
<b>Total Operation &amp; Maintenance</b>	<b>\$287,093</b>	<b>\$313,888</b>	<b>(\$26,795)</b>	<b>(8.54%)</b>

### HIGHLIGHTS OF INTERNAL AUDITING BUDGET CHANGES

The FY2025 Approved Budget decreased by \$26,795 or 8.54% from the 2024 Approved Budget.

The major reason for the variance is:

- Staffing changes

## INTERNAL AUDITING DEPARTMENT PERSONNEL SUMMARY

Job Title	2021	2022	2023	2024	2025
Manager - Internal Audit	1.00	1.00	1.00	1.00	1.00
Internal Audit Trainee	1.00	1.00	1.00	1.00	1.00
Associate Auditor III	1.00	1.00	1.00	1.00	1.00
<b>Total Department Personnel</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>



### KEY OBJECTIVES

1. Collaborate with departments to ensure all Standard Operating Procedures (SOPs) are adequately documented, implemented, and updated as needed .
2. Complete companywide risk assessments to prioritize audits.
3. Develop an audit plan cycle to ensure proper, complete and repeatable coverage, including testing and recommendations for internal controls.
4. Create 5-year strategic plan outlining audit efforts that will support BWV strategic initiative.
5. Increase audit coverage by developing a strategic audit plan covering operational, environmental, security, technology, financial, compliance, performance, and special project audits.
6. Design audit reports and recommendations to improve operational efficiencies, reduce cost, and ensure policies and procedures are routinely followed.
7. Ensure audit staff complete relevant professional development training to ensure the success of the internal audit strategic plan.
8. Review completed audits with the Finance Committee of the Board of Directors and management on a quarterly basis.

### KEY PERFORMANCE MEASURES

Strategic Goal	Performance Measure	FY 2023 Actual	FY 2024 Projected	FY 2025 Target
Effective Governance	Number of Audits Completed	3	3	10
Effective Governance	Average time to complete audits	N/A	N/A	240 hours
Effective Governance	Percentage of actionable changes implemented	N/A	N/A	100%

## PUBLIC RELATIONS

The BWW's Public Relations (PR) Department researches, plans, executes and evaluates the utility's internal and external communications to ensure a consistent brand message. It is the point of contact for all media inquiries and manages all social media accounts. The department also provides educational resources to schools, participates in community engagement events and coordinates other initiatives to support the utility's operation. The department works closely with the BWW's communications consulting firm.



### PUBLIC RELATIONS MISSION

The mission of the Public Relations Department is to consistently enhance and illustrate the image, mission, and values of BWW by educating the public and media about the utility's ongoing initiatives and commitment to providing customers with the best water at the lowest possible price





## SUMMARY OF ACTIVITIES

- Researches, plans, executes and evaluates communication strategies for the utility
- Represents the BW&B to the media and serves as corporate spokesperson
- Responds to all media inquiries in a timely manner
- Supervises the utility's communications consulting agency
- Writes and distributes all press releases, statements and media advisories on behalf of the utility
- Produces video content for social media, internal audiences and the media
- Develops relationships with media representatives and pitches stories about the utility's products and services
- Maintains public relations contacts database
- Follows the Associated Press Stylebook for all writing
- Adheres to the Public Relations Society of American's Code of Ethics
- Advises on the preparation and presentation of product or service information displays and exhibits
- Develops ideas and opportunities for feature articles, interviews, presentations and other public relations activities that promote awareness of the organization and the services BW&B provides
- Prepares presentations on various subjects relating to water supply and conservation
- Assists employees with public speaking engagements, presentations and preparation of articles for publication
- Advises management on community relations projects and activities
- Meets with staff to review issues to maintain awareness of developments and the status of capital improvement programs
- Manages all of the utility's social media accounts

PUBLIC RELATIONS DEPARTMENT  
O&M EXPENDITURES BUDGET SUMMARY

Commitment Item	FY 2025 Budget	FY 2024 Budget	Increase/ (Decrease)	Percent Change
Labor	\$410,743	\$455,743	(\$45,000)	(9.87%)
Consultants	700,200	436,491	263,709	60.42%
Public Relations	493,000	503,000	(10,000)	(1.99%)
Supplies & Expenses	30,000	30,000	-	-
Travel Misc Other	20,300	22,300	(2,000)	(8.97%)
Membership Dues	3,600	3,600	-	-
Fuel	1,000	1,000	-	-
Employee Recognition	200	200	-	-
Mileage Reimbursement	-	500	(500)	(100.00%)
<b>Total Operation &amp; Maintenance</b>	<b>\$1,659,043</b>	<b>\$1,452,835</b>	<b>\$206,208</b>	<b>14.19%</b>

**HIGHLIGHTS OF BUDGET CHANGES**

The FY2025 Approved Budget increased by \$206,208 or 14.19% from the 2024 Approved Budget.

The major reasons for the variance are:

- Consultant expenses increased due to the implementation of the Indirect Cost Study completed in FY2024 that eliminated overhead from this account
- One position eliminated due to re-alignment of job responsibilities





### PUBLIC RELATIONS DEPARTMENT PERSONNEL SUMMARY

Job Title	2021	2022	2023	2024	2025
Public Relations Manager	1.00	1.00	1.00	1.00	1.00
Public Relations Specialist	1.00	1.00	1.00	1.00	1.00
Communications Coordinator	1.00	1.00	1.00	1.00	1.00
*Public Information Officer	0.00	0.00	2.00	2.00	1.00
<b>Total Department Personnel</b>	<b>3.00</b>	<b>3.00</b>	<b>5.00</b>	<b>5.00</b>	<b>4.00</b>

\*One (1) Public Information Officer position was eliminated based on realignment of BWWB needs

### KEY OBJECTIVES

1. Monitor and manage all public relations and communication initiatives for the utility daily
2. Maintain updated social media platforms daily to ensure a clear two-way communication channel for customers while building our audience reach
3. Review local, state and national media outlets daily for stories that pertain to or may impact the image of BWW
4. Sustain and build on internal working relationships with all departments and the executive team to effectively communicate to the public on a weekly basis
5. Meet with local elected and appointed officials and neighborhood groups to discuss issues that impact them as it relates to BWW

### KEY PERFORMANCE MEASURES

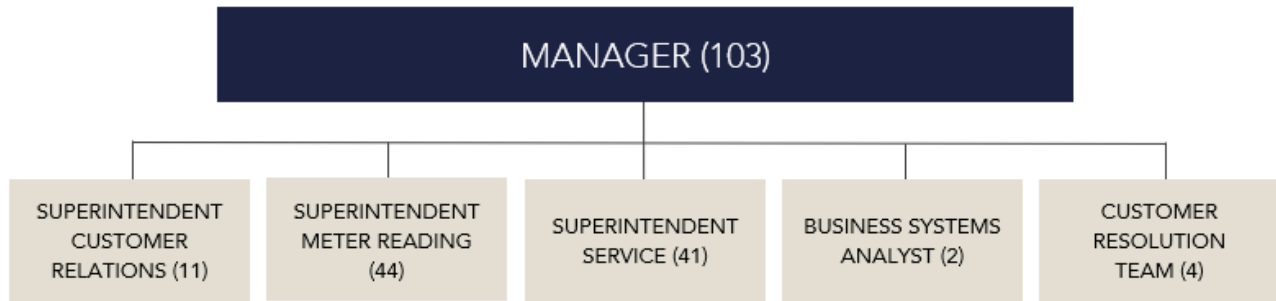
Strategic Goal	Performance Measure	FY 2023 Actual	FY 2024 Projected	FY 2025 Target
Customer Satisfaction	Number of Community Engagement Events Completed	65	75	85
Customer Satisfaction	Amount of Positive News Coverage	20	36	45
Customer Satisfaction	Overall Social Media Engagement (Facebook, Instagram Visits Per Month)	FB Avg 900 Instagram Avg 780	FB Avg 1,000 Instagram Avg 1,000	FB Avg 1,500 Instagram Avg 1,100

\*Follow link to visit our social media page: Facebook: <https://www.facebook.com/BhamWaterWorks>



## CUSTOMER SUPPORT SERVICES

The Customer Support Services Department is responsible for maintaining and ensuring operational standards of excellence and directing supervisors and team leaders to ensure professional quality service is provided to customers in the areas of Meter Reading, Field Services and Customer Relations.



### CUSTOMER SUPPORT MISSION

Customer Support Services is committed to providing accurate meter reading, quality professional field services and making timely billing adjustments to resolve customers' concerns in the 5 leading municipalities. Our goal is to improve the public perception of BWB as a leader in the water industry.

## SUMMARY OF ACTIVITIES

- Read residential, commercial, and small industrial water meters on handheld devices
- Ensure the loading and unloading of handheld devices are performed daily
- Maintain the Geo Code Route Smart system for routing collections on accounts
- Create sequencing and travel paths for efficiency in meter reading for geocoded locations
- Review, edit and release implausible meter readings
- Identify and investigate account issues such as high bills and provide explanations regarding customers' bills/service
- Disconnect water service for delinquent accounts
- Install new meters at customers' premises when necessary
- Shut water off for plumbing defects or irregularities as requested
- Inspect water services for correct installation or any other irregularities
- Make repairs, advise customer of needed repairs, or discontinue service if unauthorized connection is discovered
- Utilize the BPEM cases to process, investigate and make corrections for billing errors, misread meters, and leak adjustments
- Provide customer account information to third party collection agency to support collection efforts on charged off accounts
- Inspect private meters and measure pools for sewer billing adjustments





CUSTOMER SUPPORT SERVICES DEPARTMENT  
O&M EXPENDITURES BUDGET SUMMARY

Commitment Item	FY 2025 Budget	FY 2024 Budget	Increase/ (Decrease)	Percent Change
Labor	\$7,103,823	\$6,536,960	\$566,862	8.67%
Fuel	265,000	265,000	-	-
Transportation Expense	230,000	275,000	(45,000)	(16.36%)
Utilities - Electric	150,000	145,000	5,000	3.45%
Bad Debt Collection Expense	110,000	110,000	-	-
Utilities - Gas/Water	72,000	75,000	(3,000)	(4.00%)
Supplies & Expenses	37,750	28,141	9,609	34.15%
Gen Inv Consump Acct	31,000	36,000	(5,000)	(13.89%)
Cafeteria Expense	29,000	27,000	2,000	7.41%
Uniforms - Non-Stock	20,500	22,250	(1,750)	(7.87%)
Materials- Meter Reading	19,000	14,000	5,000	35.71%
Meters	10,000	16,000	(6,000)	(37.50%)
Uniforms	7,250	7,000	250	3.57%
Matl Collecting	7,000	7,000	-	-
Travel Misc Other	6,299	5,509	790	14.34%
Employee Recognition	4,080	4,080	-	-
Utilities-Telephone	4,000	4,000	-	-
Structural Expenses	3,500	1,650	1,850	112.12%
Other O&M Expenses	4,891	4,583	308	6.72%
<b>Total Operation &amp; Maintenance</b>	<b>\$8,115,093</b>	<b>\$7,584,173</b>	<b>\$530,920</b>	<b>7.00%</b>

**HIGHLIGHTS OF BUDGET CHANGES**

The FY2025 Approved Budget increased by \$530,920 or 7% from the 2024 Approved Budget.

The major reasons for the variance are:

- Impact of implementing the Indirect Cost Study (Refer to note in Key Considerations Affecting Budget Development Pg11)
- General Wage and Merit increases
- Implementation of the Salary Survey Study completed in 2023
- Fully funding all filled positions that were open in FY2024



## CUSTOMER SUPPORT SERVICES DEPARTMENT PERSONNEL SUMMARY

Job Title	2021	2022	2023	2024	2025
Manager - Customer Support Services	1.00	1.00	1.00	1.00	1.00
Snr Superintendent- Customer Support Services	0.00	0.00	0.00	0.00	1.00
Superintendent - Area Field Services	1.00	1.00	1.00	1.00	1.00
Superintendent - Customer Relations	1.00	1.00	1.00	1.00	1.00
Superintendent - Meter Readers	1.00	1.00	1.00	1.00	1.00
*Route Smart Administrator	0.00	0.00	0.00	0.00	1.00
Business Systems Analyst	2.00	2.00	2.00	2.00	2.00
Customer Relations - Team Leader	1.00	1.00	1.00	1.00	1.00
Collections Specialist I	0.00	0.00	0.00	0.00	4.00
Collections Specialist II	8.00	8.00	8.00	8.00	4.00
Customer Support Specialist - Team Leader	2.00	2.00	2.00	2.00	2.00
Customer Support Specialist IV	0.00	0.00	0.00	0.00	1.00
Customer Support Specialist III	10.00	7.00	7.00	9.00	4.00
Customer Support Specialist II	0.00	4.00	7.00	3.00	7.00
Customer Resolution Team Lead	0.00	0.00	0.00	1.00	1.00
Customer Resolution Specialist II	0.00	0.00	0.00	3.00	3.00
Field Service Technician - Team Lead	5.00	5.00	5.00	5.00	5.00
Field Service Technician	29.00	29.00	29.00	28.00	28.00
Meter Reader - Team Leader	4.00	4.00	4.00	4.00	3.00
Meter Reader - Senior	6.00	6.00	6.00	3.00	5.00
Meter Reader II	7.00	5.00	5.00	8.00	9.00
Meter Reader Trainee	19.00	21.00	21.00	21.00	18.00
GIS Technician	1.00	0.00	0.00	0.00	0.00
<b>Total Department Personnel</b>	<b>98.00</b>	<b>98.00</b>	<b>101.00</b>	<b>102.00</b>	<b>103.00</b>

\*Route Smart Administrator position added due to department reorganization in anticipation of the Automated Metering Infrastructure (AMI) implementation (One Team lead position was eliminated)

### KEY OBJECTIVES

1. Maintain meter reading performance of 95% to ensure accurate customer billing and consumption
2. information
3. Collect on delinquent accounts in-house within 45 days of shutoff and prior to the accounts being written off and turned over to a collection agency
4. Manage all debt collection to ensure 95% compliance with BWW rules and standards
5. Investigate and respond to 100% of customer and employees' issues/concerns as they relate to meter reading, billing issues, meter service and repairs within 72 hours of receipt
6. Perform preventive and predictive maintenance on essential equipment to maintain equipment readiness of 100%

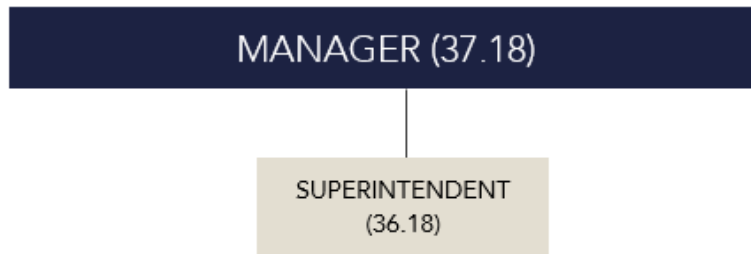
### KEY PERFORMANCE MEASURES

Strategic Goal	Performance Measure	FY 2023 Actual	FY 2024 Projected	FY 2025 Target
Customer Satisfaction	Percentage of Actual Monthly Reads Average	93.86%	95%	95% or above
Customer Satisfaction	Service Tech Completing Monthly Disconnection	85%	95%	95% or above



## CALL CENTER

The Call Center is responsible for ensuring that operational standards of excellence for the Call Center Department are met for all water and sewer customers in the service territory, while following through on customer inquiries related to new connections, disconnections, transfer service requests, refunds, account adjustments and invoice-related issues.



### CALL CENTER MISSION

The Customer Service-Call Center Team is committed to upholding the highest standards of customer service outlined in the vision and goals of the BWW. We are determined to provide the highest quality of service to our customers and stakeholders while understanding the critical need to make our customers' experience as unique and satisfactory as possible.





### SUMMARY OF ACTIVITIES

- Answer incoming calls concerning customer service records and services
- Assist walk-in customers in the Payment Center Lobby and promptly provide customers with information and explanations regarding their bills as needed in English, Spanish and/or Sign Language for the hearing impaired
- Take applications for new services, discontinue service and update customer’s records
- Provide detailed information and/or instructions to requesting parties concerning BWW services and billing information, i.e., deposit requirements, rates, meter reading, disconnect dates, inquiries related to refunds, account adjustments and invoicing issues
- Initiate work orders for service or repairs
- Initiate calls to delinquent account holders regarding the Collections Department’s operating procedures after review of customer’s account history
- Maintain and improve customer satisfaction by resolving customer issues
- Review, investigate and respond to the State Attorney General’s office regarding customer complaints
- Research, investigate and resolve Better Business Bureau (BBB) complaints from residential and commercial customers

### CALL CENTER DEPARTMENT O&M EXPENDITURES BUDGET SUMMARY

Commitment Item	FY 2025 Budget	FY 2024 Budget	Increase/ (Decrease)	Percent Change
Labor	\$2,445,919	\$2,095,168	\$350,750	16.74%
Supplies & Expenses	7,000	3,783	3,217	85.03%
Travel Misc Other	7,000	10,937	(3,937)	(36.00%)
Employee Recognition	1,520	1,520	-	-
Membership Dues	1,052	947	105	11.05%
Uniforms - Non-Stock	600	600	-	-
Materials Customer Accounting	500	2,200	(1,700)	(77.27%)
Uniforms	120	120	-	-
Utilities-Telephone	-	420	(420)	(100.00%)
<b>Total Operation &amp; Maintenance</b>	<b>\$2,463,711</b>	<b>\$2,115,696</b>	<b>\$348,014</b>	<b>16.45%</b>

### HIGHLIGHTS OF BUDGET CHANGES

The FY2025 Approved Budget increased by \$348,014 or 16.45% from the 2024 Approved Budget.

The major reasons for the variance are:

- Impact of implementing the Indirect Cost Study (Refer to note in Key Considerations Affecting Budget Development Pg11)
- General Wage and Merit increases
- Implementation of the Salary Survey Study completed in FY2023
- Fully funding all filled positions that were open in FY2024



## CALL CENTER DEPARTMENT PERSONNEL SUMMARY

Job Title	2021	2022	2023	2024	2025
Manager - Call Center	1.00	1.00	1.00	1.00	1.00
Senior Superintendent- Call Center	0.00	0.00	0.00	0.00	1.00
Call Center Superintendent	1.00	1.00	1.00	1.00	1.00
Call Center Team Leader	2.00	2.00	4.00	3.00	3.00
Call Center Rep III	8.00	7.00	7.00	7.00	6.00
Call Center Rep II	7.00	5.00	5.00	9.00	5.00
Call Center Rep I	15.00	18.00	18.00	14.00	18.00
*Operator - Telephone	2.23	2.53	2.53	2.53	2.18
<b>Total Department Personnel</b>	<b>36.23</b>	<b>36.53</b>	<b>38.53</b>	<b>37.53</b>	<b>37.18</b>

\* One Telephone Operator position changed from full time to part time due to department reorganization in preparation for the Automatic Metering Infrastructure (AMI) Implementation

### KEY OBJECTIVES

1. Sustain an average wait time of under 3.30 minutes annually
2. Maintain an average abandonment call rate of less than 10% annually
3. Answer and handle (investigate and resolve) over 95% of customer calls annually
4. Maintain a monthly quality score of 85% on 6 random customer calls
5. Initiate 100% of field service work orders from customers
6. Answer and handle 92% of chats initiated by customers

### KEY PERFORMANCE MEASURES

Strategic Goal	Performance Measure	FY 2023 Actual	FY 2024 Projected	FY 2025 Target
Customer Satisfaction	Maintain the average wait time of 3.3 minutes	4.32 min	3.00 min	3.30 min
Customer Satisfaction	Percentage of Average call handle rate (Annually)	83%	91%	95%
Customer Satisfaction	Percentage of Abandoned calls (Annually)	17.70%	11.00%	10% or less
Customer Satisfaction	Percentage of chats handled (Annually)	N/A	92%	92%

## HUMAN RESOURCES

The Human Resources Department oversees the development and implementation of human resources policies, programs and services including talent acquisition, onboarding, retention, employee benefits and compensation administration, employee relations, career development and succession planning, employment practices and procedures, performance management, legal compliance, employee engagement, and safety and risk management areas and programs.



### HUMAN RESOURCES MISSION

Recruit, develop, reward, and retain a committed and high performing workforce.

### SUMMARY OF ACTIVITIES

- Plan, develop, organize, implement, direct, and evaluate the organization's human capital management function and performance
- Act as a strategic business partner and advisor to the Executive Staff, Management, and all levels of employees throughout the organization
- Provide leadership in the critical area of talent acquisition by developing the most creative and cost-effective ways of generating high-quality candidates in the marketplace for BWW
- Responsible for advising management to ensure complete compliance with all federal, state, and local laws related to employment, benefits, compensation, and training
- Oversee employee benefit programs including medical, dental, life, and disability insurance, pension plan, 457 plan, paid time off plans, worker's compensation, etc.
- Ensure Organizational Learning & Development programs are aligned with business strategy and support career development and succession planning goals
- Develop a highly effective new hire orientation program that emphasizes the critical importance and value of welcoming and integrating new employees into the corporate culture
- Administer an effective wage and salary administration program to support business goals
- Oversee and administer personnel record keeping, employee performance reviews, promotions, transfers, separations and exit interviews
- Oversee job analyses process to establish the specific requirements of individual jobs within each department for the creation and oversight of job descriptions
- Oversee safety and risk management programs in compliance with regulatory standards & business needs
- Administer an effective wage and salary administration program to support business goals
- Oversee and administer personnel record keeping, employee performance reviews, promotions, transfers, separations and exit interviews
- Oversee job analyses process to establish the specific requirements of individual jobs within each department for the creation and oversight of job descriptions
- Oversee safety and risk management programs in compliance with regulatory standards & business needs

## AWARDS

BWW's Human Resource Training and Organizational Development received the Training Magazine's Apex Awards in each of the last ten years. This award is given by a worldwide leader in the learning industry to organizations that have demonstrated success in conducting organizational development program.

### THE BWW PLACED:

YEAR	RANKING
<b>2025</b>	<b>Hall of Fame</b>
2023	Inducted into the Training Hall of Fame
2022	7
2021	8
2020	6
2019	7
2018	19
2017	21
2016	10
2015	24
2014	75
2013	95



**TRAINING MAGAZINE'S TRAINING APEX AWARDS PROGRAM**

BWW was inducted into the Training Hall of Fame, joining the ranks of 17 other organizations named to the hall since its inception in 2008. These 18 companies earned top 10 spots on the Training Apex Awards list for four consecutive years.

It reflects our journey to attain peak performance, and employee training and development and organizational success.

BWW was formally inducted into the Training Hall of Fame during the black-tie gala held February 13, 2023, during the training 2023 conference and expo.

**BWW WAS INDUCTED INTO THE 2023 TRAINING MAGAZINE'S HALL OF FAME FOR EXCELLENCE IN ORGANIZATIONAL TRAINING AND DEVELOPMENT. BWW EARNED INDUCTION BY FINISHING IN THE TOP 10 OF TRAINING MAGAZINE'S APEX AWARDS FOR THE PAST FOUR CONSECUTIVE YEARS.**



## HUMAN RESOURCES DEPARTMENT O&M EXPENDITURES BUDGET SUMMARY

Commitment Item	FY 2025 Budget	FY 2024 Budget	Increase/ (Decrease)	Percent Change
Labor	\$1,874,493	\$1,418,588	\$455,905	32.14%
Work Comp Expense	800,000	516,720	283,280	54.82%
Insurance Small Claims Self	500,000	400,000	100,000	25.00%
Training - HR	340,000	330,000	10,000	3.03%
Employee Recruiting Expenses	273,000	235,108	37,892	16.12%
Consultants	137,900	156,300	(18,400)	(11.77%)
Health Club	70,000	60,284	9,716	16.12%
Tuition Reimbursement	70,000	55,978	14,022	25.05%
Flexible Benefit	-	60,000	(60,000)	(100.00%)
Employee Assistance Program	50,000	40,000	10,000	25.00%
Travel Misc Other	49,000	46,848	2,152	4.59%
Emp. Retirement/Anniversary Exp.	45,000	55,000	(10,000)	(18.18%)
Supplies & Expenses	34,000	31,106	2,894	9.30%
Membership Dues	15,700	13,556	2,144	15.81%
Health Screening	15,000	12,918	2,082	16.12%
Facilities Other	15,000	12,611	2,390	18.95%
Utilities - Electric	10,000	6,726	3,274	48.69%
Special Screening	9,000	9,473	(473)	(5.00%)
Structural Expenses	5,000	5,885	(885)	(15.04%)
Other O&M Expenses	4,650	4,366	284	6.51%
<b>Total Operation &amp; Maintenance</b>	<b>\$4,317,743</b>	<b>\$3,471,465</b>	<b>\$846,278</b>	<b>24.38%</b>



### HIGHLIGHTS OF BUDGET CHANGES

The FY2025 Approved Budget increased by \$846,278 or 24.38% from the 2024 Approved Budget.

The major reasons for the variance are:

- Impact of implementing the Indirect Cost Study (Refer to note in Key Considerations Affecting Budget Development Pg11)
- General Wage and Merit increases
- Fully funding positions that were open in FY2024
- Implementing the Salary Survey Study completed in FY2023.
- Increase in workers comp expenses
- Increase in property claims and property insurance premiums.

### HUMAN RESOURCES DEPARTMENT PERSONNEL SUMMARY

Job Title	2021	2022	2023	2024	2025
Manager - Human Resources	1.00	1.00	1.00	1.00	1.00
Assistant HR Manager	1.00	1.00	1.00	1.00	0.00
Talent Management Officer	1.00	1.00	1.00	1.00	0.00
Training / Od & Safety Officer	1.00	1.00	1.00	1.00	0.00
Human Resources Business Partner II	1.00	1.00	1.00	1.00	2.00
Human Resources Business Partner	1.00	1.00	1.00	1.00	0.00
Comp / Benefits / HRIS Administrator	1.00	1.00	1.00	1.00	1.00
Workforce Development Administrator	0.00	1.00	1.00	1.00	1.00
Human Resources Assistant	1.00	0.00	0.00	0.00	0.00
Human Resources Coordinator	0.00	1.00	1.00	1.00	1.00
Training & Org Development Specialist	1.00	2.00	2.00	2.00	2.00
Training Specialist	1.00	0.00	0.00	0.00	0.00
Training Coordinator	1.00	1.00	1.00	1.00	1.00
Safety & Risk Management Supervisor	1.00	1.00	1.00	1.00	1.00
Safety / Risk Management Specialist	1.00	0.00	0.00	0.00	0.00
Safety Representative	0.00	1.00	1.00	1.00	1.00
Safety / Risk Management Coordinator	1.00	1.00	1.00	1.00	1.00
Assistant Manager- Learning & Development	0.00	0.00	0.00	0.00	1.00
Assistant Manager-Compensation & Benefits	0.00	0.00	0.00	0.00	1.00
Assistant Manager-Talent Management	0.00	0.00	0.00	0.00	1.00
<b>Total Department Personnel</b>	<b>14.00</b>	<b>15.00</b>	<b>15.00</b>	<b>15.00</b>	<b>15.00</b>

### KEY OBJECTIVES

1. Monitor and evaluate the employee benefit program’s compliance, structure, and cost annually against industry trends to determine appropriate resolutions for reducing cost while maintaining quality and value
2. Update HR policies and procedures annually to certify 100% compliance with all federal, state, and local employment laws and requirements
3. Investigate and resolve 100% of HR complaints in accordance with BWB employee relations goals
4. Lead and support an organization-wide employee engagement strategy that reinforces an engagement score consistent or above the global benchmark of like-sized organizations
5. Manage and distribute quarterly reports on HR metrics approved by senior management
6. Report annual worker’s compensation, personal injury and property claim costs and manage the budget
7. Develop and administer annual organizational programs and training solutions which impact behavioral change (Kirkpatrick Model Level 3) and business results (Kirkpatrick Model Level 4)
8. Implement annual preventive safety plans aimed at reducing vehicle accidents and personal injury costs

### KEY PERFORMANCE MEASURES

Strategic Goal	Performance Measure	FY 2023 Actual	FY 2024 Projected	FY 2025 Target
Workforce Development	Training Hours completed	9,000.00	12,973.00	9,000.00
Workforce Development*	Safety Observations / Inspections completed- Goal is to complete 100 inspections per year	71	49	100
Workforce Development	Lost days from work related incidents. (Target is 10% decrease per year)	159	132	118
Workforce Development/ Customer Satisfaction	% of Internal/External Hires hired for all filled positions-Target is 45/55	N/A	35/65	45/55
Workforce Development	Average days to fill an open position-Target is 45 days	N/A	N/A	45

\* Staffing challenges in FY2024 limited the number of inspections completed.





## WELLNESS & HEALTH MANAGEMENT

The Wellness & Health Management programs are provided to employees and spouses covered under the BWW health insurance plan to increase employee productivity and wellbeing.

### WELLNESS & HEALTH MANAGEMENT MISSION

To help control and decrease future health insurance costs by preventing or better managing certain medical conditions.

### SUMMARY OF ACTIVITIES

#### HUMANA GO365 REWARDS PROGRAM:

- Encourage participants to be healthier and more productive, reduce health claims cost, reduce unscheduled absences, reduce lifestyle risk factors for chronic conditions and fewer emergency room visits.

#### ABACUS DIABETES REWARDS PROGRAM:

- Assist participants with pre-diabetes or diabetes with improved adherence to care standards, provide lifestyle and behavioral support and increase medication adherence.

#### FRESHBENIES PROGRAM:

- Provides advocacy, telehealth, and potential medical savings services. With telehealth services: 24/7 access to a doctor by phone or video to get a diagnosis, treatment options and a prescription. Employees save time and money by avoiding crowded waiting rooms in the doctor's office, urgent care clinic or the ER. The program provides unlimited visits with no per-visit fee.

## WELLNESS & HEALTH MANAGEMENT DEPARTMENT O&M EXPENDITURES BUDGET SUMMARY

Commitment Item	FY 2025 Budget	FY 2024 Budget	Increase/ (Decrease)	Percent Change
Employee Related Expenses	\$322,066	\$378,928	\$ (56,862)	(15.01%)
<b>Total Operation &amp; Maintenance</b>	<b>\$322,066</b>	<b>\$378,928</b>	<b>(\$56,862)</b>	<b>(15.01%)</b>

### HIGHLIGHTS OF BUDGET CHANGES

The FY2025 Approved Budget decreased by \$56,862 or 15.01% from the 2024 Approved Budget.

The major reasons for the variance are:

- Alignment of the FY2025 budget with the projected expenses and trends

### PERSONNEL SUMMARY

There are no personnel in this cost center.

# WATER WATCHERS

In a continuing effort to educate our community, the BWW extends the Young Water Ambassador Program to high school students within our water service area with the primary objective of effectively assisting students to successfully enter the workforce while increasing their awareness of water quality, conservation, and pollution

## WATER WATCHERS MISSION

To promote understanding, appreciation, enjoyment, and stewardship of our water resources while providing the Young Water Ambassadors with basic life skills, knowledge, and awareness of potential careers in the water industry.



## SUMMARY OF ACTIVITIES

Young Water Ambassadors are exposed to the following:

- Visit the EnviroLab and learn the functions and responsibilities of the teams
- Visit the Call Center and listen to customer calls
- Visit Water Treatment Plants and learn about the water treatment process
- Observe Distribution Training which includes the simulation of a water main break
- Learn the dynamics of Public Speaking
- Learn skills such as making water taps, operating fire hydrants, and assembling and installing water meters
- Visit Birmingham Southern College's Southern Environmental Center and learn the importance of protecting our environment
- Visit Turkey Creek Nature Preserve to learn about various endangered species of fish within our water sources
- Visit the Cahaba River on a guided tour to learn about water resource protection, conservation, and restoration
- Participate in team building activities facilitated by the staff of Red Mountain Park to impart students with knowledge regarding various personality types and how best to work together to accomplish common goals
- Attend programs facilitated by Junior Achievement relative to the importance of saving and maintaining finances
- Attend a day program by the Safe Kids Coordinator at Children's of Alabama, to take place at Trussville Play Station to learn the importance of not driving while distracted or under the influence
- Tour Junior Colleges (Jefferson State, Lawson State and Shelton State) to gain information about various trades (i.e., welding, plumbing, brick mason, HVAC, etc.)
- Tour 4-year college campuses at UAB, Birmingham Southern and Samford University
- Participate in numerous community service projects, such as participating in functions spearheaded by the Public Relations department, such as Hydrate the City (sharing information with our citizens about the importance of staying hydrated), community clean ups and other
- Assist with our Clean, Paint, and Repair Program (CPR) whereby they perform tasks such as painting, etc.
- Ensure the cleanliness of the grounds as well as inside the MLK Recreation Center, which was our reporting location

**WATER WATCHERS DEPARTMENT  
O&M EXPENDITURES BUDGET SUMMARY**

Commitment Item	FY 2025 Budget	FY 2024 Budget	Increase/ (Decrease)	Percent Change
Labor	\$188,760	\$188,880	(\$121)	(0.06%)
Transportation Expense	20,000	40,000	(20,000)	(50.00%)
Supplies & Expenses	10,000	10,000	-	-
Fuel	2,000	4,000	(2,000)	(50.00%)
Uniforms	800		800	100.00%
Gen Inventory Consumption	500	500	-	-
Rent / Storage Facil	-	1,000	(1,000)	(100.00%)
Uniforms - Non-Stock	-	1,500	(1,500)	(100.00%)
<b>Total Operation &amp; Maintenance</b>	<b>\$222,060</b>	<b>\$245,880</b>	<b>(\$23,821)</b>	<b>(9.69%)</b>

**HIGHLIGHTS OF BUDGET CHANGES**

The FY2025 Approved Budget decreased by \$23,969 or 9.69% from the 2024 Approved Budget.

The major reasons for the variance are:

- Transportation Expense decreased based on historical trends

**PERSONNEL SUMMARY**

The BWW hires 70 Water Watchers, 9 Teachers and 5 Ambassadors in Training (AITs), 5 Birmingham Promise Students annually during the summer.

**KEY PERFORMANCE MEASURES**

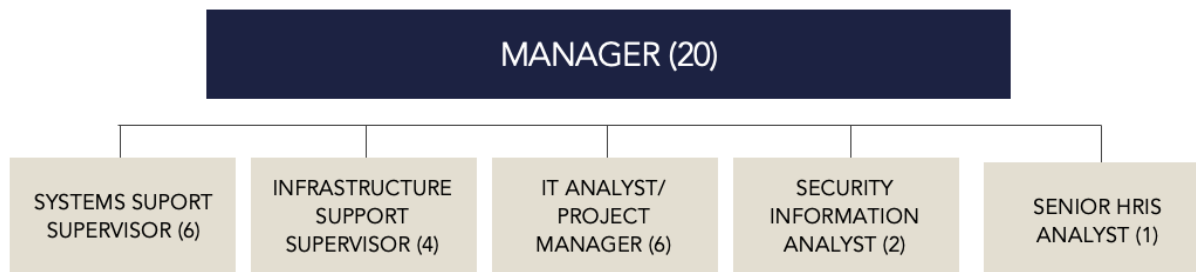
Strategic Goal	Performance Measure	FY 2023 Actual	FY 2024 Projected	FY 2025 Target
Workforce Development	Number of Students enrolled in the program.	87	77	77
Workforce Development	Number of Students that completed the program.	87	77	77

\*The FY2025 Goal reflects the realignment of the Water Watchers program from FY2024.



## INFORMATION TECHNOLOGY

The Information Technology (IT) Department focuses on the overall computing needs of BWW. The IT Team is responsible for the fulfillment of data processing performed within BWW, including equipment selection, systems analysis, programming, operations, and control. This includes hardware, software, telecommunications and generally anything involved in the transmittal of information or the systems that facilitate communication. The scope of responsibility includes several types of physical equipment, virtual systems, management of automation tools, operating systems and application software used to perform essential business functions. Key responsibilities also include technology architectures, methodologies and regulations governing the use and storage of data. The IT Team focuses on understanding technology issues, patterns, and trends to aid BWW in strategic decision-making and overall service delivery.



### INFORMATION TECHNOLOGY MISSION

To provide technology solutions and service delivery excellence in alignment with BWW strategic goals and objectives. Seek to anticipate and respond effectively with useful, reliable, and secure technological services and solutions for BWW.

### SUMMARY OF ACTIVITIES

- Support company-wide use of digital telephone systems which includes testing, installation, configuration, monitoring and maintenance
- Support application software utilized by various BWW departments which includes cloud-based applications, custom programming, business analytics testing, installation, configuration, monitoring and maintenance
- Manage configuration management process which involves identifying, controlling, maintaining, and verifying the versions of all configuration items in the BWW technical environment
- Provide Help Desk support to the entire BWW employee base regarding requests for service, including problems, technical modifications, and request for IT services
- Provide support to BWW end users for laptops, desktops, mobile devices, applications, software, and maintenance which includes change control, break-fix diagnosis, patch management, anti-virus management and end user acclimation
- Responsible for BWW's server systems, data storage platforms and network connectivity components which includes design, installation, configuration, monitoring and maintenance
- Responsible for the availability, integrity, and confidentiality of BWW IT systems to ensure their maintenance is compliant with defined organizational service levels
- Maintain specific utility-wide services related to electronic mail, internet connectivity, web platforms and network connectivity (data, voice)

## SECTION 6: OVERVIEW OF DEPARTMENTS

- Install, configure, and support the local area network (LAN), wide area network (WAN), wireless and related network segments to ensure operability and availability
- Maintain company data backup/restoral systems, processes, and data replication
- Handle risk management within information technology and identify risks and deficiencies within the organization's computing infrastructure (software, hardware, networks) and determines steps for remediation
- Provide internal technical leadership for preventing and responding to computer security breaches/viruses by planning, and implementing
- Perform vulnerability testing, risk analyses and cyber security-related assessments
- Maintain the current Cyber security, IT security, and other security related systems to provide continuous protection of organization technology infrastructure/data and train employees on cyber security awareness and operational procedures
- Evaluate end-user business needs to recommend, develop, implement, and support solutions to meet those needs
- Lead, plan and manage projects and assess operational implications to achieve business strategy and vision and improve existing systems/applications, and design and develop new solutions
- Responsible for the BWW's intranet and internet websites which includes content management and administration
- Focus on streamlining the life cycle of information with electronic document management and automated workflows (capture, manage, store, preserve, deliver)
- Develop, publish, and enforce policies and processes governing corporate data, including but not limited to data collection, warehousing, data validation, integrity, timeliness, protection, relationships, and ownership
- Champion and oversee the key business process for change control, incident (outages) management and problem (post-incident review) management
- Partner with the HR Team, Accounting /Payroll, IT, PMO, internal clients and external vendors to analyze system process design and flow, improve processes, and leverage the return on HR technology capabilities



INFORMATION TECHNOLOGY DEPARTMENT  
O&M EXPENDITURES BUDGET SUMMARY

Commitment Item	FY 2025 Budget	FY 2024 Budget	Increase/ (Decrease)	Percent Change
Labor	\$2,031,555	\$1,468,612	\$562,943	38.33%
Software Maintenance Support	1,435,681	1,260,351	175,330	13.91%
Billing Expense	1,235,000	1,200,000	35,000	2.92%
Non-Capital Software Rplmnt	905,469	784,951	120,518	15.35%
Equipment Maintenance & Support	504,300	562,910	(58,610)	(10.41%)
Utilities-Telephone	363,000	376,914	(13,914)	(3.69%)
Non-Capital Equipment Rplmnt	90,150	51,700	38,450	74.37%
Consultants	76,715	70,884	5,831	8.23%
Travel Misc Other	40,600	39,744	856	2.15%
Membership Dues	7,000	5,972	1,028	17.21%
Supplies & Expenses	4,900	4,186	714	17.06%
Other O&M Expenses	1,610	1,475	135	9.13%
<b>Total Operation &amp; Maintenance</b>	<b>\$6,695,980</b>	<b>\$5,827,699</b>	<b>\$868,280</b>	<b>14.90%</b>

**HIGHLIGHTS OF BUDGET CHANGES**

The FY2025 Approved Budget increased by \$868,280 or 14.90% from the 2024 Approved Budget.

The major reasons for the variance are:

- Impact of implementing the Indirect Cost Study (Refer to note in Key Considerations Affecting Budget Development Pg11)
- Implementation of the Salary Survey Study completed in FY2023
- Fully funding all filled positions that were open in FY2024
- Software Maintenance increased due to additional firewall support and maintenance on equipment





## INFORMATION TECHNOLOGY DEPARTMENT PERSONNEL SUMMARY

Job Title	2021	2022	2023	2024	2025
Manager - Information Technology	1.00	1.00	1.00	1.00	1.00
Business Analyst / Project Manager	4.00	3.00	3.00	3.00	2.00
Business Analyst / Project Mgr I	0.00	1.00	1.00	1.00	2.00
Sr Technical Analyst - Infrastructure Supv	1.00	1.00	1.00	1.00	1.00
IT. Systems Support Supervisor	1.00	1.00	1.00	1.00	1.00
Business Systems Analyst	2.00	2.00	2.00	2.00	2.00
IT. Web Information Security Analyst	1.00	2.00	2.00	2.00	2.00
Cyber Security Analyst	1.00	0.00	0.00	0.00	0.00
Technical Analyst III	2.00	2.00	2.00	2.00	2.00
Technical Support Analyst II	1.00	1.00	1.00	1.00	1.00
Technical Support Analyst I	3.00	3.00	3.00	3.00	3.00
Help Desk Coordinator / Tech	2.00	2.00	2.00	2.00	2.00
HRIS & Analytics Officer	0.00	1.00	1.00	1.00	1.00
<b>Total Department Personnel</b>	<b>19.00</b>	<b>20.00</b>	<b>20.00</b>	<b>20.00</b>	<b>20.00</b>

### KEY OBJECTIVES

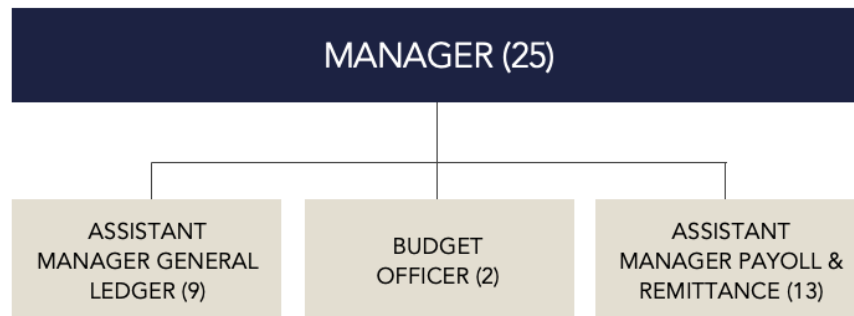
1. Implement and manage Information Technology infrastructure changes with little to no impact on business processing while maintaining no less than a 99% quarterly change success rate
2. Maintain no less than 99% business applications availability for all critical production systems
3. Resolve Help Desk tickets with an average first response time of the assigned priority level
4. Maintain a monthly average Help Desk ticket work time of one hour
5. Resolve direct and indirect customer service disruptions within 60 minutes and determine the root cause within three business days
6. Maintain a monthly average of maintenance performed on BW&B transportation fleet
7. Ensure continuous operations of BW&B data, voice, servers, and IT-managed software & applications
8. Maintain a 90% average ticket closure rate of all service requests open monthly
9. Continuation of hardening BW&B IT Security platform and providing cyber security awareness training

### KEY PERFORMANCE MEASURES

Strategic Goal	Performance Measure	FY 2023 Actual	FY 2024 Projected	FY 2025 Target
Infrastructure Stability	Average uptime of systems	95%	98%	100% uptime
Customer Satisfaction	% IT Help Desk Tickets closed monthly	94%	90%	90%
Customer Satisfaction	% of Requests closed in priority timeframe	72%	80%	82%

## ACCOUNTING

The Accounting Department administers the organization's accounting principles, procedures, initiatives and internal controls through financial reporting and analysis, budgeting, payment processing, payroll, capital assets and depreciation, long-term debt, investments, accounts payable, accounts receivable, inventory, unclaimed property processing and reporting. The department provides accounting support for cost-of-service studies, actuarial reviews, audits, and system implementations.



### ACCOUNTING MISSION

To provide accurate and timely financial information for decision making and to provide outstanding customer service and support to internal and external customers.

### SUMMARY OF ACTIVITIES

- Provide the Board of Directors, Executive Management, Department Managers and Supervisors with accurate and timely financial information and support
- Establish and maintain a strong system of internal controls
- Analyze Operation & Maintenance budget variances
- Process accurate and timely biweekly, monthly and supplemental payrolls
- Process customer payments remitted electronically and via mail
- Provide outstanding customer service while processing walk-in and drive-through customer payments
- Process all vendor invoices on a timely basis while taking advantage of eligible discounts
- Maintain the general ledger and related subsidiary ledgers
- Analyze capital purchases and developer contributions for proper recording and depreciation
- Reconcile all balance sheet accounts monthly
- Conduct annual physical inventory counts
- Process and report unclaimed property
- Provide management of the annual audits
- Provide support for system implementations
- Provide pension benefit estimates
- Provide data and support for cost-of-service studies, actuarial analysis, benchmarking surveys and other initiatives
- Analyze costs for system development projects



### AWARDS/ACHIEVEMENTS

BWW's Accounting Department has received the GFOA Budget Awards in each of the last five years. To receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device.

### ACCOUNTING DEPARTMENT O&M EXPENDITURES BUDGET SUMMARY

Commitment Item	FY 2025 Budget	FY 2024 Budget	Increase/ (Decrease)	Percent Change
Labor	\$2,184,078	\$1,907,990	\$276,087	14.47%
Supplies & Expenses	57,900	56,920	980	1.72%
Misc Non-Operating Expense	55,000	65,216	(10,216)	(15.66%)
Travel Misc Other	29,397	29,350	47	0.16%
Materials Collecting	13,000	13,000	-	-
Membership Dues	6,155	7,320	(1,165)	(15.92%)
Structural Expenses	5,000	3,445	1,555	45.15%
Cafeteria Expense	1,750	1,292	458	35.47%
Employee Recognition	1,080	1,080	-	-
Other O&M Expenses	1,210	1,438	(228)	(15.83%)
<b>Total Operation &amp; Maintenance</b>	<b>\$2,354,570</b>	<b>\$2,087,051</b>	<b>\$267,519</b>	<b>12.82%</b>

### HIGHLIGHTS OF BUDGET CHANGES

The FY2025 Approved Budget increased by \$267,519 or 12.82% from the 2024 Approved Budget.

The major reasons for the variance are:

- Impact of implementing the Indirect Cost Study (Refer to note in Key Considerations Affecting Budget Development Pg11)
- Implementation of the Salary Survey Study completed in 2023
- General Wage and Merit increases
- Fully funding all filled positions that were open in FY2024



## ACCOUNTING DEPARTMENT PERSONNEL SUMMARY

Job Title	2021	2022	2023	2024	2025
Comptroller	0.00	1.00	0.00	0.00	0.00
Manager - Accounting	1.00	1.00	1.00	1.00	1.00
Assistant Accounting Manager	2.00	3.00	2.00	2.00	2.00
General Ledger Supervisor	1.00	0.00	1.00	1.00	1.00
Accountant III	2.00	2.00	2.00	2.00	1.00
Accountant II	3.00	3.00	3.00	3.00	4.00
Accountant I	2.00	2.00	2.00	2.00	2.00
Accounts Payable Clerk II	1.00	1.00	1.00	1.00	1.00
Officer - Budget	1.00	1.00	1.00	1.00	1.00
Budget Accountant II	1.00	1.00	1.00	1.00	1.00
Superintendent - Payment Center	1.00	1.00	1.00	1.00	1.00
Supervisor-Cashiers	1.00	1.00	1.00	1.00	1.00
Cashier Team Leader	2.00	2.00	2.00	2.00	2.00
Cashier III	0.00	0.00	0.00	1.00	1.00
Cashier II	2.00	2.00	2.00	1.00	2.00
Cashier I	4.73	4.73	4.80	3.00	2.00
Remittance Processing Specialist II	2.00	2.00	2.00	2.00	1.00
Remittance Processing Specialist III	0.00	0.00	0.00	0.00	1.00
<b>Total Department Personnel</b>	<b>26.73</b>	<b>27.73</b>	<b>26.80</b>	<b>25.00</b>	<b>25.00</b>

### KEY OBJECTIVES

1. Administer the accounting principles, procedures, and programs to certify 100% compliance with the utility industry and generally accepted accounting principles reporting requirements
2. Manage the annual budgeting process for the organization by analyzing statistical data to increase financial productivity
3. Process payroll production biweekly to maintain 100% organizational and statutory compliance. Review payroll production processes and procedures annually to ensure corporate governance and financial security
4. Review and pay all requisitions to ensure 100% compliance with BW&B accounting policies and procedures
5. Monitor all trustee accounts activity to maintain 100% compliance with bond agreements
6. Reconcile all general ledger balance sheet accounts monthly. Perform daily reconciliation of checks and currency received before processing deposits to the bank
7. Review and pay all sewer authorities through Automated Clearing House (ACH) according to each schedule and contractual agreements
8. Process customer payments daily from the post office, night deposit, electronic payments, and collection agencies with 100% accuracy and balance the totals to SAP. Collect and process walk-in, drive-up and online payments from internal and external customers, with a goal of 100% accuracy and efficiency. Conduct daily, weekly, and monthly cash audits within Payment Center to ensure proper cash handling and efficiency
9. Continue to prepare budgets in accordance with the Government Finance Officers Association (GFOA) certificate program criteria



### KEY PERFORMANCE MEASURES

Strategic Goal	Performance Measure	FY 2023 Actual	FY 2024 Projected	FY 2025 Target
Customer Satisfaction/ Financial Viability	Reduce the number of voided cashier transactions by 5% each year	297	290	276
Customer Satisfaction/ Financial Viability	Complete 100% of Monthly Bank Reconciliations within 15 Calendar Days from Month-End	N/A	N/A	100%
Customer Satisfaction/ Financial Viability	Number vendor invoices processed	21,492	23,073	24,227
Financial Viability	Compile the Annual budget in accordance with GFOA Budget ward criteria and submit for consideration for the Distinguished Budget Award Program	Completed	Completed	In Progress

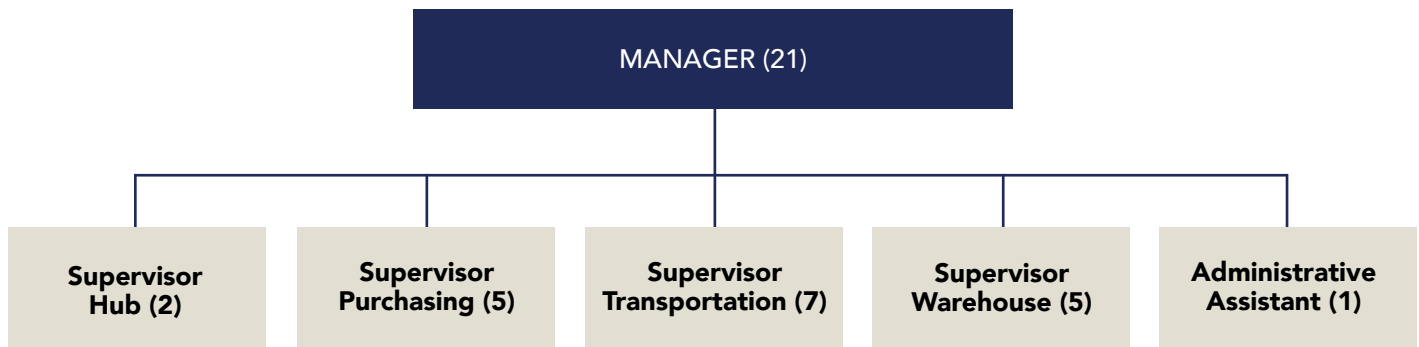
## PURCHASING

The Purchasing Department is responsible for purchasing all materials utilized by the BWW. Purchasing has several groups that perform duties such as the oversight of building cleaning and maintenance, inventory control (warehouse), fleet maintenance (transportation) and management of main campus utilities.

The Warehouse group is responsible for ordering, storing, and issuing materials, tools, safety supplies, uniformed t-shirts, hats and various miscellaneous items needed to install and repair water mains and services and to equip the personnel performing those services. The Warehouse staff also receives, directs, and delivers shipments for all areas of the organization, as needed.

The Transportation group maintains the BWW's current fleet of vehicles (approximately 347 vehicles). The BWW spends approximately \$2 million annually for vehicle purchases and maintenance. Transportation staff runs diagnostics on large vehicles and diesel engines to perform repairs. Major repairs which include large equipment are outsourced.

The department has other responsibilities that include the BWW's Historically Underutilized Businesses (HUB) program, which is designed to encourage the participation of historically underutilized businesses. Its goal is to exercise positive financial control over purchases and to meet the needs of internal customers and all BWW departments by acquiring the most appropriate products and services at the lowest possible prices.



### PURCHASING MISSION

To provide excellent service and meet the needs of internal customers by acquiring the most appropriate products and services at the lowest possible prices, operate an efficient warehouse and provide reliable and well-maintained vehicles.

It is the intent of the BWW to foster competition among contractors, suppliers and vendors that will result in better quality and more economical services through the BWW's Historically Underutilized Business (HUB) program.

## SUMMARY OF ACTIVITIES

- Responsible for the purchase of supplies, materials, equipment, and services necessary for the operation of BWW's system in compliance with the Alabama State bid laws and other regulations
- Develop the organization's procurement policies and procedures, teach procurement classes and Alabama State Bid Law to help potential suppliers to qualify for future consideration
- Direct the development of formal and informal bids, including requests for bids, requests for quotes/ qualifications, requests for information and requests for proposal. Bid goods and services to meet Alabama State Bid Law and ensure all applicable legal and contractual provisions are met
- Work with the Board of Directors to establish and execute a strategy that will increase minority and HUB participation, which involves attending conferences and seminars, meeting with vendors, preparing reports and monitoring the budget
- Review purchase orders and contracts for compliance with company policy
- Order, store, and issue materials needed to install and repair water mains and services
- Review and investigate material count discrepancies related to receipts and issues in the warehouse
- Responsible for the purchase of all company vehicles and equipment
- Responsible for the proper maintenance of the entire fleet of vehicles
- Inspect and perform minor repairs and maintenance on material handling equipment
- Review, evaluate and approve specifications for issuing and awarding supplier bids through the bid process
- Responsible for the building maintenance & repair of all BWW-owned facilities





PURCHASING DEPARTMENT  
O&M EXPENDITURES BUDGET SUMMARY

Commitment Item	FY 2025 Budget	FY 2024 Budget	Increase/ (Decrease)	Percent Change
Labor	\$1,759,206	\$1,318,051	\$441,155	33.47%
Utilities - Electric	348,000	323,545	24,455	7.56%
Structural Expenses	300,000	215,927	84,073	38.94%
Janitorial Services	260,000	250,350	9,650	3.85%
Transportation Expense	201,500	166,100	35,400	21.31%
HVAC	95,000	62,588	32,413	51.79%
Utilities - GasWater	83,000	91,000	(8,000)	(8.79%)
Materials Collecting	80,000	80,000	-	0.00%
Cafeteria Expense	42,300	22,650	19,650	86.76%
Facilities Other	40,000	25,000	15,000	60.00%
Fuel	29,600	43,600	(14,000)	(32.11%)
Supplies & Expenses	29,250	23,594	5,656	23.97%
Miscellaneous Property	20,000	16,690	3,310	19.83%
Travel Misc Other	15,950	15,760	190	1.21%
Gen Inv Consump Acct	8,000	3,100	4,900	158.06%
Other O&M Expenses	10,109	10,001	108	1.08%
<b>Total Operation &amp; Maintenance</b>	<b>\$3,321,915</b>	<b>\$2,667,954</b>	<b>\$653,961</b>	<b>24.51%</b>

**HIGHLIGHTS OF BUDGET CHANGES**

The FY2025 Approved Budget increased by \$653,961 or 24.51% from the 2024 Approved Budget.

The major reasons for the variance are:

- Impact of implementing the Indirect Cost Study (Refer to note in Key Considerations Affecting Budget Development Pg11)
- Fully funding all filled positions that were open in FY2024
- General Wage and Merit increases
- Implementation of the Salary Survey Study completed in FY2023
- Increases cost for landscaping, trash service, and HVAC system maintenance
- Increase in the cost of vehicle maintenance expenses



PURCHASING DEPARTMENT  
PERSONNEL SUMMARY

Job Title	2021	2022	2023	2024	2025
Manager - Purchasing	1.00	1.00	1.00	1.00	1.00
Supervisor - Purchasing	1.00	1.00	1.00	1.00	1.00
Coordinator - Purchasing	1.00	1.00	1.00	1.00	0.00
Buyer	1.00	1.00	1.00	1.00	2.00
Administrative Assistant III	1.00	1.00	1.00	0.00	0.00
Administrative Assistant II	0.00	0.00	0.00	1.00	1.00
Facilities Supervisor	0.00	1.00	0.00	0.00	0.00
Attendant - Building / Messenger II	1.00	1.00	1.00	1.00	1.00
Attendant - Building / Maintenance	0.75	2.00	2.00	1.00	1.00
Supervisor - Warehouse	1.00	1.00	1.00	1.00	1.00
Senior Materials Handler -Team Leader	1.00	1.00	1.00	1.00	1.00
Materials Handler	3.00	3.00	3.00	3.00	3.00
Supervisor - Transportation	1.00	1.00	1.00	1.00	1.00
Sr Automotive Technician	1.00	1.00	1.00	1.00	1.00
Jr Automotive Technician	1.00	1.00	1.00	1.00	1.00
Diesel Mechanic	0.00	1.00	1.00	0.00	0.00
Automotive Technician	3.00	3.00	3.00	3.00	3.00
Clerical Assistant	1.00	1.00	1.00	1.00	1.00
*Data Analyst II	0.00	0.00	0.00	0.00	1.00
*Superintendent - Small Business & HUB Prgm	0.00	0.00	0.00	0.00	1.00
<b>Total Department Personnel</b>	<b>18.75</b>	<b>22.00</b>	<b>21.00</b>	<b>19.00</b>	<b>21.00</b>

\*2 new positions added in alignment with BWB enhanced HUB program participation



**KEY OBJECTIVES**

1. Monitor and evaluate price and cost control for the organization by reducing the cost for all supplies, materials, and contracts
2. Regulate all BWW bids to ensure 100% compliance with Alabama Competitive Bid Laws and BWW Purchasing Requirements and Guidelines
3. Review and approve all purchase orders and requisitions to ensure 100% compliance with BWW company policies and procedures
4. Manage performance and preventive maintenance on vehicles and equipment to ensure 100% compliance with BWW and manufacturer’s specifications
5. Maintain the BWW’s fleet to improve asset life and reduce unplanned maintenance activities or breakdowns by 5%
6. Track and manage fleet to sustain downtime by 10% and availability by at least 90% annually
7. Track and manage warehouse inventory to maintain no more than 10% lost or damaged materials and supplies annually

**KEY PERFORMANCE MEASURES**

Strategic Goal	Performance Measure	FY 2023 Actual	FY 2024 Projected	FY 2025 Target
Product Quality/Customer Satisfaction	Complete at least 200 Annual Vehicle Safety Inspections (1)	262	47	200
Product Quality/Customer Satisfaction	Number of New Vehicles purchased/replaced (2)	9	110	71
Financial Viability/Customer Satisfaction	Number of Vehicles Retired	28	8	35

- The FY2024 inspections were not completed due to department staffing challenges.
- Vehicle purchases in FY2023 were impacted by the national vehicle chip challenges.



## ENVIROLAB

The EnviroLab is one of the largest utility-owned certified laboratories in the state of Alabama among drinking water systems. In 1993, the EnviroLab had six employees. Due to the growth of the system, regulatory demands, customer complaints and inquiries as well as source water monitoring and plant optimization, the department has grown to include the Water Quality Operations and the Regulatory Compliance groups. The BWW EnviroLab is a state-of-the-art, on-site, testing laboratory that provides immediate access to analytical data and quality control information to help optimize the filter plants' daily operations and ensure the safety of the drinking water supply.

EnviroLab tests over 100,000 different parameters and more than 60,000 samples each year while also performing as a testing lab for six consecutive water systems and as a secondary lab for two contract labs.

The Laboratory is currently certified to analyze the following drinking water parameters:

- Primary Metals and Minerals
- Secondary Inorganics
- Volatile Organic Compounds (VOCs)
- Pesticides and Herbicides
- Synthetic Organic Compounds
- Trihalomethanes (THMs)
- Haloacetic Acids (HAAs)
- Total Organic Carbon, Nutrients – Chlorite, Bromide
- Total Coliform & E. coli – Bacteriological

The Water Quality Operations group is the first line of defense and is committed to maintaining quality control in the distribution system; from the outer gates of the water treatment (filter) plants to the customer's tap. This part of our operations monitors and performs corrosion control, particulate removal, sediment removal, taste-and-odor control, and discolored water control. Water Quality also makes residual improvements for low chlorine, controls bacteriological growths, responds to customer complaints and system emergencies, collects customer-requested samples, makes water mains rehabilitation recommendations, and installs water quality control devices.

To facilitate these operations along with conventional and unidirectional flushing, we utilize the following:

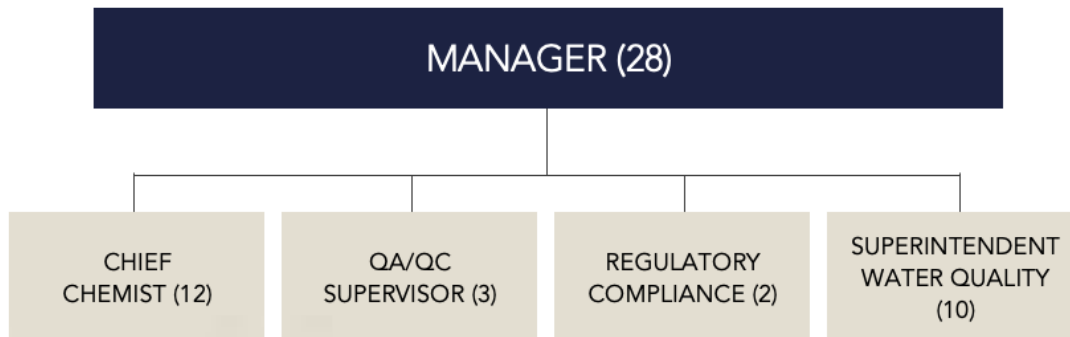
- 38 5/8-inch Meter Box Sample Stations
- 60 – 5 1/4-inch Fire Hydrants Flush points, utilized because of its strategic location
- 113 Mueller HG2 Hydro-Guard Automatic Programmable Flushing Devices
- 4 – 2-inch Safety Guard Sample Stations at the request of the Shades Mountain Treatment Plant
- 112 – 2-inch Safety Guard Sample Stations around the Distribution System
- 8 Maxi-Me Flush Hydrants, 6-inch pipe and above with dual (2) 2 1/2 NST thread connections
- 98 Mini-Me Flush Hydrants (1) 2-inch NST connection
- 16 Mueller Pressure Monitoring Systems
- 20 – 2-inch Air Release Valves
- 2 Mueller's S.M.A.R.T. Intelligent Automatic Programmable Flushing Systems Devices
- Kupferle's Intelligent Turbine Controlled Automatic Programmable Flushing Systems Device



SECTION 6: OVERVIEW OF DEPARTMENTS



**MAINTENANCE AND IMPROVEMENTS TO OUR EXCEPTIONAL TREATMENT FACILITIES ENSURES WE ARE ABLE TO PRODUCE QUALITY WATER THAT EXCEEDS DRINKING WATER STANDARDS.**



### ENVIROLAB MISSION

To maintain the highest quality of water for the BWW distribution system through routine monitoring, legally defensible data, flushing (both conventional and unidirectional) while keeping our customers educated about water concerns and maintaining quality service, integrity, productivity, reliability, and safety.

### SUMMARY OF ACTIVITIES

- Approve testing data and submit to ADEM
- Maintain the Laboratory Information Management System (LIMS)
- Perform internal audits of the EnviroLab
- Perform routine flushing to rid the system of unpleasant water quality issues
- Collect samples that are analyzed for microbiology parameters and wet chemistry parameters
- Maintain all water quality control equipment throughout the distribution system
- Perform compliance testing for consecutive systems
- Schedule inside residence plumbing verifications to support the lead and copper project
- Perform lead and copper testing
- Prepare the annual Consumer Confidence Report (CCR) also known as the Annual Water Quality Report
- Install quality control flushing devices, sample stations, flush hydrants, and intelligent automatic programmable flushing system devices
- Maintain flushing operations throughout all pumping gradients in the BWW distribution system while responding 24/7 as needed during system emergencies
- Collect customer requested samples, investigate complaints and address customer concerns after a main break or a customer technical service complaint



[www.bwwb.org/water/AWQR](http://www.bwwb.org/water/AWQR)

[www.bwwb.org/water/AWQR/Spanish](http://www.bwwb.org/water/AWQR/Spanish)

AS PART OF EPA'S RULES, WE PRODUCE AN ANNUAL WATER QUALITY REPORT, WHICH IS ALSO KNOWN AS A CONSUMER CONFIDENCE REPORT. OUR REPORT DETAILS AND OUTLINES THE TESTING WE DO FOR DRINKING WATER CONTAMINANTS AND THEIR LEVELS IN BIRMINGHAM WATER WORKS' DRINKING WATER.



ENVIROLAB DEPARTMENT  
O&M EXPENDITURES BUDGET SUMMARY

Commitment Item	FY 2025 Budget	FY 2024 Budget	Increase/ (Decrease)	Percent Change
Labor	\$2,415,762	\$2,341,771	\$73,991	3.16%
Supplies Expense Purification	420,000	400,000	20,000	5.00%
CCR/Lead Copper Expenses	252,000	139,514	112,486	80.63%
Materials Equipment Purchase	250,000	250,000	-	-
Sampling	250,000	150,000	100,000	66.67%
Utilities - Electric	193,927	162,000	31,927	19.71%
Facilities Other	110,000	110,000	-	-
Utilities - GasWater	83,000	82,700	300	0.36%
Fuel	68,000	64,500	3,500	5.43%
Travel Misc Other	66,780	56,413	10,367	18.38%
Transportation Expense	45,150	40,750	4,400	10.80%
Contractor Charges Svcs	45,000	45,000	-	-
Miscellaneous Property	11,500	9,000	2,500	27.78%
Cafeteria Expense	10,660	7,017	3,643	51.92%
Membership Dues	10,115	9,211	904	9.82%
Uniforms - Non-Stock	6,800	5,000	1,800	36.00%
Other O&M Expenses	8,392	7,985	407	5.09%
<b>Total Operation &amp; Maintenance</b>	<b>\$4,247,086</b>	<b>\$3,880,861</b>	<b>\$366,225</b>	<b>9.44%</b>

**HIGHLIGHTS OF BUDGET CHANGES**

The FY2025 Approved Budget increased by \$366,225 or 9.44% from the 2024 Approved Budget.

The major reasons for the variance are:

- General Wage and Merit increases
- Implementing EPA mandated CCR/Lead copper rules for regulatory compliance
- Increased cost of sampling expense for regulatory compliance



### ENVIROLAB DEPARTMENT PERSONNEL SUMMARY

Job Title	2021	2022	2023	2024	2025
Manager - EnviroLab	1.00	1.00	1.00	1.00	1.00
Assistant Manager - Chief Chemist	1.00	1.00	1.00	1.00	1.00
Quality Control Assurance Officer	1.00	1.00	1.00	1.00	1.00
Quality Control Specialist	2.00	2.00	2.00	2.00	2.00
Lab Data Coordinator	1.00	1.00	1.00	1.00	1.00
Chemist II	1.00	1.00	1.00	1.00	1.00
Chemist I	3.00	4.00	4.00	4.00	4.00
Lab Technician III	1.00	1.00	1.00	2.00	1.00
Lab Technician II	2.00	2.00	2.00	0.00	1.00
Lab Technician I	1.00	2.00	2.00	3.00	3.00
Regulatory Compliance Specialist	1.00	2.00	0.00	2.00	2.00
Superintendent - Water Quality Operations	1.00	1.00	1.00	1.00	1.00
Technical Service Coordinator I	1.00	1.00	1.00	1.00	1.00
Water Quality Tech - Team Leader	1.00	1.00	1.00	1.00	1.00
Water Quality Technician II	7.00	7.00	7.00	7.00	7.00
<b>Total Department Personnel</b>	<b>25.00</b>	<b>28.00</b>	<b>26.00</b>	<b>28.00</b>	<b>28.00</b>





### KEY OBJECTIVES

1. Collect and perform bacteriological testing on 210 – 240 samples monthly for the water treatment plants, raw water sources and distribution to maintain 100% compliance with Alabama Department of Environmental Management (ADEM)
2. Collect and perform disinfection byproducts testing on 26 samples monthly and quarterly at distribution, consecutive systems master meters and water treatment plants (entry point) to maintain 100% compliance with ADEM regulations
3. Collect and perform Distribution System Evaluation (DSE) testing on 12 samples bi-monthly (every 60 days) to maintain 100% compliance with ADEM regulations
4. Collect and perform inorganic/organic chemicals (primary, synthetic, and volatile) testing monthly and quarterly at all water treatment plants to maintain 100% compliance with ADEM regulations
5. Collect and perform secondary inorganic drinking water contaminants testing every first and third quarter at all water treatment plants to maintain 100% compliance with ADEM regulations
6. Collect and perform unregulated volatile and synthetic organic chemicals testing every first and third quarter at all water treatment plants to maintain 100% compliance with ADEM regulations
7. Perform and analyze lead and copper testing on 50 samples at predetermined customer tap locations every three years to maintain 100% compliance with ADEM
8. Perform and analyze lead and copper corrosivity testing semi-annually from a representative entry point to the water distribution system per water treatment plant to maintain 100% compliance with ADEM regulations
9. Perform and analyze radiological contaminants testing annually at all water treatment plants to maintain 100% compliance with ADEM regulations
10. Collect and perform Long-Term 2 (LT2) testing for Giardia, Cryptosporidium, E. coli and Turbidity bi-monthly at all water treatment plants to maintain 100% compliance with ADEM regulations
11. Collect and monitor additional raw water and source water testing as needed to maintain 100% compliance with ADEM regulations
12. Perform and document monthly facility, property, and equipment maintenance to certify 100% compliance with the Clean, Paint, and Repair (CPR) program
13. Analyze and record testing samples for consecutive systems to maintain 100% compliance with ADEM regulations
14. Maintain lab certification by passing the annual audit for organic, bacteriological, and inorganic analysis according to the Environmental Protection Agency (EPA) certification regulations and guidelines
15. Retain 100% of the required 14-day testing turnaround time (TAT) for all samples

### KEY PERFORMANCE MEASURES

Strategic Goal	Performance Measure	FY 2023 Actual	FY 2024 Projected	FY 2025 Target
Product Quality/ Customer Satisfaction	Collect and test water samples monthly from multiple locations within the BWW Distribution System	8,730	9,167	9,633
Product Quality/ Customer Satisfaction	Number of days taken to submit sample test data to regulatory agencies (Goal is 8 days)	8	8	6
Customer Satisfaction/ Product Quality	Maintain/Improve the Turn Around Testing Time (TAT) for water samples (Target is 14 days)	10	14	14
Customer Satisfaction/ Product Quality	Complete the annual Consumer Confidence Report (CCR Report) and mail it out to customers and consecutive water systems. Target mail out day is June 1st each year)	Completed	Completed	In Progress



# WATER TREATMENT

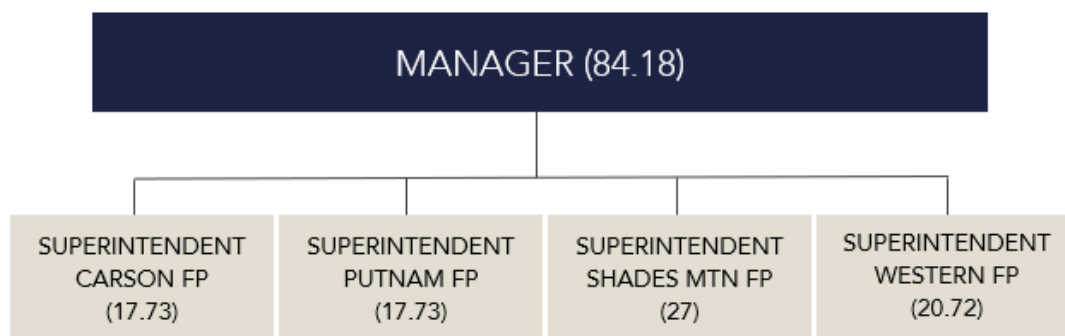
The BWW Water Treatment Department produces potable water to serve approximately 655,000 people via direct retail service in Jefferson County and four surrounding counties. Additionally, approximately 115,000 people are served via wholesale sales to consecutive systems. Four water filtration plants process and treat the raw water as follows:

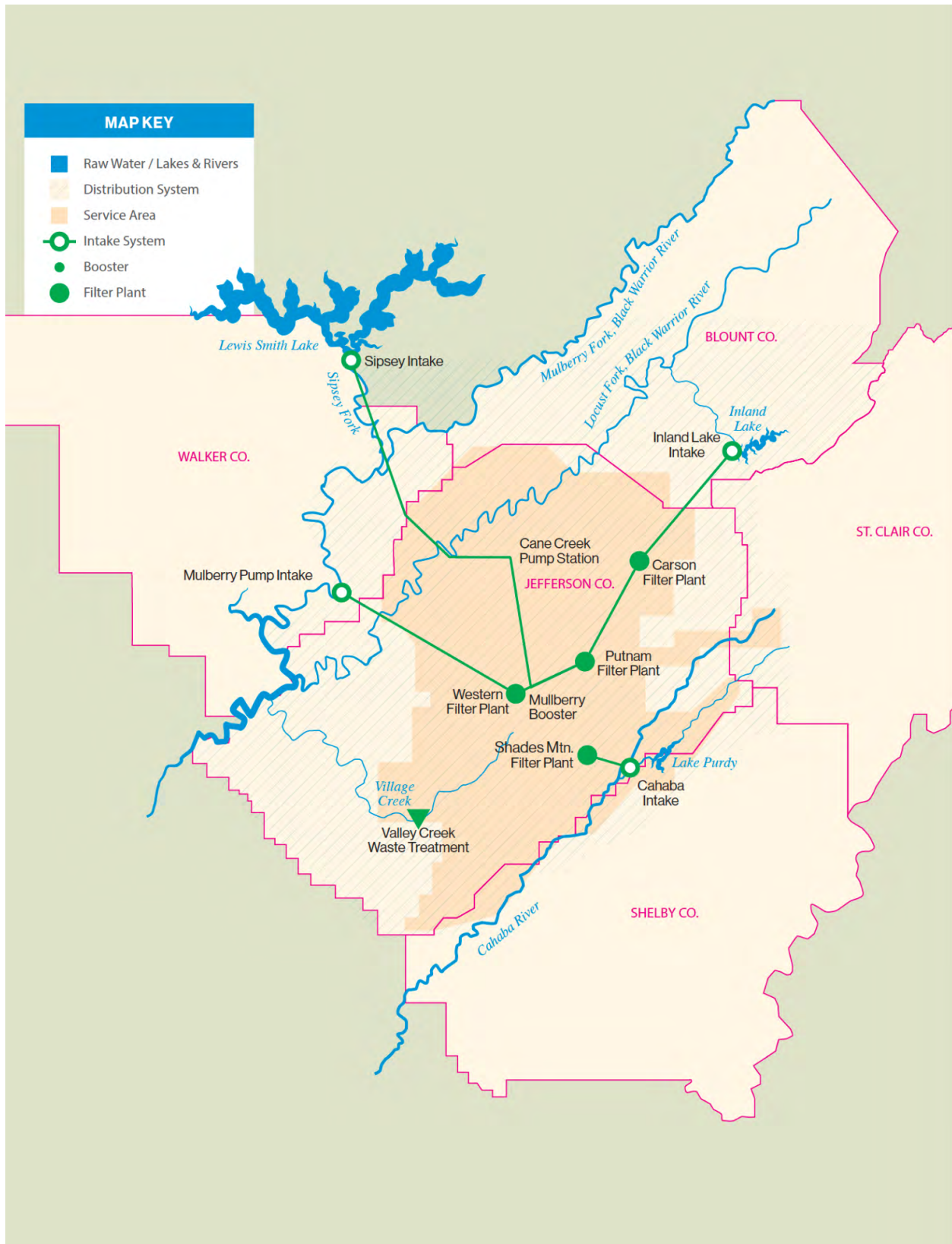
## JEFFERSON COUNTY FILTRATION PLANT SOURCES AND CAPACITY

FILTRATION PLANT	RATED CAPACITY	SOURCE OF SUPPLY
Shades Mountain	80 MGD	Cahaba River - Lake Purdy
Putnam	24 MGD	Mulberry Fork, Smith Lake or Inland Lake
Western	60 MGD	Mulberry Fork or Smith Lake
Carson	25 MGD	Inland Lake, Smith Lake or Mulberry Fork

Alabama Department of Environmental Management (ADEM) requires Grade IV Certified Operators at each filtration plant to ensure water quality and quantity meets or exceeds state and federal regulations. Each filtration plant is recognized annually for meeting and/or exceeding standards.

The department's goal is to ensure that local and federal drinking water regulations are implemented and enforced and to be recognized at the national level for safe and clean water.







**SHADES MOUNTAIN FILTER PLANT**



**PUTNAM FILTER PLANT**



WESTERN FILTER PLANT



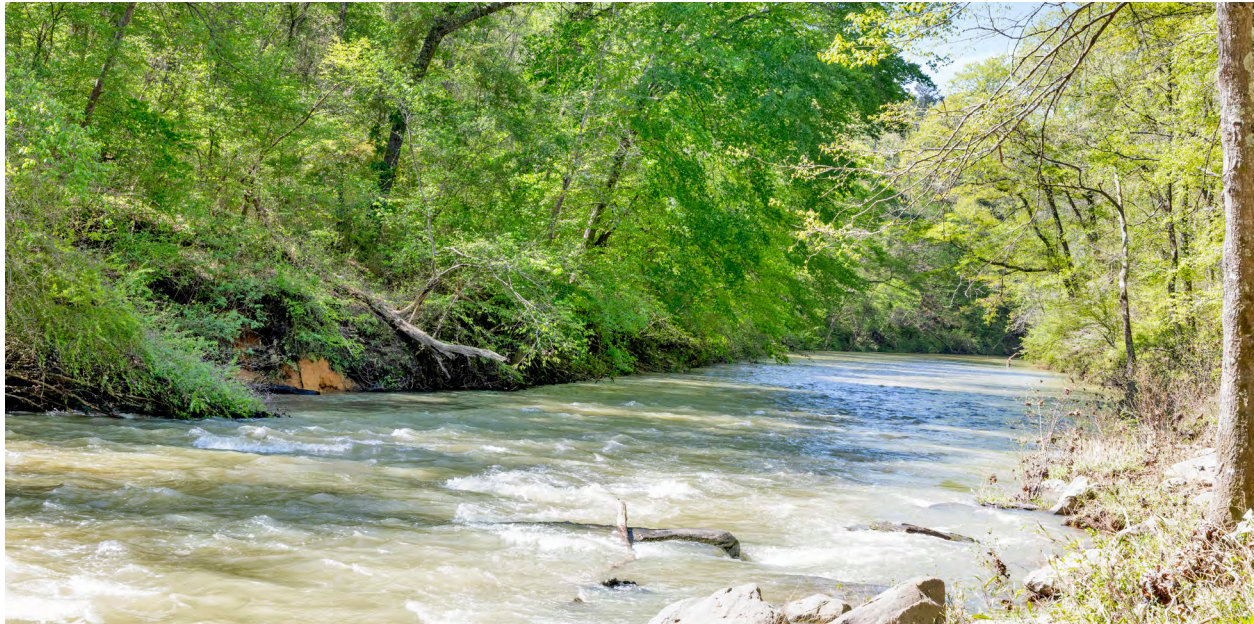
CARSON FILTER PLANT

## WATER TREATMENT MISSION

To provide our customers with the highest quality water possible at the most affordable rate. To provide efficient, effective, and reliable water services in a manner that preserves and conserves our precious water resources and the natural environment to ensure adequate water quality and supply for future generations.

## SUMMARY OF ACTIVITIES

- Produce a high quality and quantity of water to the Birmingham area and systems that purchase water
- Perform water quality tests to ensure water quality
- Dose and maintain chemical feed points
- Fill and maintain storage tanks for drinking water and fire protection
- Backwash filters
- Adjust basins and clear well levels
- Coordinate with E&M staff to schedule maintenance of equipment
- Run lab tests to monitor required water characteristics and maintain highest quality of water
- Test and maintain all backflow devices



**AS PART OF OUR OVERALL FILTER REHABILITATION PROGRAM, BWW HAS CHOSEN TO UPGRADE THE FILTERS AT EACH PLANT TO PROVIDE THE FLEXIBILITY FOR INSTALLATION OF GRANULAR ACTIVATED CARBON (GAC) IN THE FILTERS.**

# AWARDS

## CARSON

- ADEM Area Wide Optimization Program (AWOP) 3-Year Optimized Plant Award
- Alabama Water and Pollution Control Association (AWPCA) Award of Excellence Surface Water 20.1 to 30 MGD
- EPA and AWWA Partnership for Safe Drinking Water President’s Award (7 Years)
- EPA and AWWA Partnership for Safe Drinking Water Director’s Award (17 Years)
- Center for Disease Control (CDC) Water Quality Fluoridation Award
- 2024 AWWA AL/MS Best Tasting Water

## PUTNAM

- ADEM Area Wide Optimization Program (AWOP) 13-Year Optimized Plant Award
- Alabama Water and Pollution Control Association (AWPCA) Award of Excellence Surface Water 20.1 to 30 MGD
- EPA and AWWA Partnership for Safe Drinking Water President’s Award (8 Years)
- EPA and AWWA Partnership for Safe Drinking Water Director’s Award (19 Years)
- Center for Disease Control (CDC) Water Quality Fluoridation Award

## WESTERN

- ADEM Area Wide Optimization Program (AWOP) 3-Year Optimized Plant Award
- Alabama Water and Pollution Control Association (AWPCA) Best Operated Plant Award for Surface Water 50.1-60 MGD
- EPA and AWWA Partnership for Safe Drinking Water Award of Excellence (11 Years)
- EPA and AWWA Partnership for Safe Drinking Water Director’s Award (17 Years)
- Center for Disease Control (CDC) Water Quality Fluoridation Award
- 2024 AWWA AL/MS Operator of the Year, Brittany Reynolds

## SHADES MOUNTAIN

- ADEM Area Wide Optimization Program (AWOP) 13-Year Optimized Plant Award
- Alabama Water and Pollution Control Association (AWPCA) Award of Excellence Surface Water >60 MGD
- Center for Disease Control (CDC) Water Quality Fluoridation Award
- EPA and AWWA Partnership for Safe Drinking Water Director’s Award (8 Years)
- Directors Award (6 Years)



**OUR VISION IS TO BE RECOGNIZED LOCALLY AND NATIONALLY FOR PROVIDING THE HIGHEST QUALITY WATER TO OUR CUSTOMERS BY FOCUSING ON CUSTOMER SERVICE, INNOVATION, FISCAL RESPONSIBILITY, AND SUSTAINABLE GROWTH.**





WATER TREATMENT DEPARTMENT  
O&M EXPENDITURES BUDGET SUMMARY

Commitment Item	FY 2025 Budget	FY 2024 Budget	Increase/ (Decrease)	Percent Change
Labor	\$6,693,737	\$5,816,288	\$877,449	15.09%
Power	4,474,345	4,265,940	208,405	4.89%
Chemicals	9,724,641	9,381,540	343,101	3.66%
Supplies Exp Purification	428,500	403,250	25,250	6.26%
Materials Equipment Purchase	416,000	404,750	11,250	2.78%
Materials Structural Purchase	312,500	270,988	41,512	15.32%
Miscellaneous Property	157,000	122,563	34,437	28.10%
Fuel	141,700	155,890	(14,190)	(9.10%)
Utilities - GasWater	85,800	100,400	(14,600)	(14.54%)
Materials Other P&P Maint	75,000	65,500	9,500	14.50%
Travel Misc Other	49,542	50,880	(1,338)	(2.63%)
Pump Exp Elc P&P Ops	39,000	42,000	(3,000)	(7.14%)
Transportation Expense	32,700	47,000	(14,300)	(30.43%)
Uniforms - Non-Stock	25,650	23,960	1,690	7.05%
Materials Electrical Maint	22,000	33,000	(11,000)	(33.33%)
Rent / Storage Facil	13,700	13,500	200	1.48%
Membership Dues	13,400	4,627	8,773	189.59%
Sludge Handling Pur	13,000	18,000	(5,000)	(27.78%)
Purchased Water	-	50,000	(50,000)	(100.00%)
Cafeteria Expense	8,450	6,169	2,281	36.98%
Gen Inv Consump Acct	8,100	7,590	510	6.72%
Utilities-Telephone	7,000	7,250	(250)	(3.45%)
Uniforms	3,950	2,700	1,250	46.30%
Other O&M Expenses	12,200	8,204	3,996	48.71%
<b>Total Operation &amp; Maintenance</b>	<b>\$22,757,915</b>	<b>\$21,301,988</b>	<b>\$1,455,927</b>	<b>6.83%</b>

**HIGHLIGHTS OF BUDGET CHANGES**

The FY2025 Approved Budget increased by \$1,455,927 or 6.83% from the 2024 Approved Budget.

The major reasons for the variance are:

- Impact of implementing the Indirect Cost Study (Refer to note in Key Considerations Affecting Budget Development Pg11)
- Implementation of the Salary Survey Study completed in 2023
- Fully funding all filled positions that were open in FY2024
- General Wage & Merit increases
- 1 new position added
- Chemical vendors price increases
- Power rate increases



WATER TREATMENT DEPARTMENT  
PERSONNEL SUMMARY

Job Title	2021	2022	2023	2024	2025
Manager - Water Treatment	1.00	1.00	1.00	1.00	1.00
Superintendent - Filter Plant - Senior	1.00	1.00	1.00	1.00	1.00
Superintendent - Filter Plant	3.00	3.00	3.00	3.00	3.00
Operator - Filter - Chief	1.00	1.00	1.00	1.00	1.00
Operator - Filter Senior	3.00	3.00	3.00	3.00	3.00
Operator IV	4.00	4.00	4.00	8.00	8.00
Operator III	12.00	12.00	12.00	8.00	8.00
Operator II	10.00	11.00	14.00	15.00	15.00
Operator Trainee	4.00	7.00	7.00	8.00	8.00
Operator Intern	2.90	2.92	2.92	2.18	2.18
Worker - Maintenance - Purification II	0.00	0.00	0.00	1.00	1.00
*Worker - Maintenance - Purification	10.00	14.00	15.00	15.00	16.00
PMW Trainee	5.00	0.00	0.00	0.00	0.00
Supervisor - Filter Plant - Maintenance	3.00	4.00	4.00	4.00	4.00
Maintenance Crew Leader	4.00	4.00	4.00	4.00	4.00
Purification Special Projects Coordinator	1.00	1.00	1.00	0.00	0.00
Residual Plant Operator III	0.00	0.00	0.00	0.00	1.00
Residual Plant Operator I	4.00	4.00	4.00	5.00	4.00
Residual Plant Operator I	4.00	4.00	4.00	4.00	4.00
<b>Total Department Personnel</b>	<b>72.90</b>	<b>76.92</b>	<b>80.92</b>	<b>83.18</b>	<b>84.18</b>

\*One maintenance worker added to meet staffing needs.

**APPROVED NEW POSITIONS**  
**WORKER MAINTENANCE-PURIFICATION**

- Maintain plant maintenance records and laboratory equipment maintenance records
- Perform routine maintenance of plant process control and monitoring equipment
- Inspect and maintain plant pumping and chemical feed equipment
- Provide additional staffing reliability and resilience while also mitigating overtime and facilitating enhanced maintenance levels at our critical facilities

**KEY OBJECTIVES**

1. Maintain 100% compliance with all BWW, state and federal regulations for water treatment
2. Perform plant and facility maintenance to certify 100% compliance with the Clean, Paint, and Repair (CPR) program
3. Collect daily water samples and perform required ADEM process testing and treatment for microbial contaminants and bacteria on site
4. Adhere to all monthly ADEM requirements for water treatment control, monitoring and operations reporting
5. Perform preventative and predictive equipment maintenance to maintain equipment readiness of 95%
6. Develop, maintain, and record maintenance schedules for all equipment located at the water treatment plants on a daily, weekly, and monthly timetable
7. Process 10–15 million pounds of sludge (dry solids) annually through dewatering operations, deliver to BWW landfills

### KEY PERFORMANCE MEASURES

Strategic Goal	Performance Measure	FY 2023 Actual	FY 2024 Projected	FY 2025 Target
Product Quality	Gallons of water processed and distributed each year	42,191,450	44,236,315	46,281,180
Product Quality	Volume of sludge(pounds) processed annually	11,555,869	12,282,671	13,009,473
Workforce Development	Complete at least 500 continuing education hours per year	515	592	625



## SECURITY

The Security Department is responsible for all matters related to the security of BWW's critical facilities and personnel. The team develops and enforces security policies to ensure a safe environment for employees and visitors, along with ensuring the safety and security of all water operations. Console Operators monitor an integrated security system 24/7 from a central command center, an integrated security system that protects our 11 manned sites (4 treatment plants, 4 intake pumping stations, 2 dams, and our main campus) and over 50 unmanned pump stations and tanks.



### SECURITY MISSION

To strive for excellence by continuing its standing as one of the top security departments in the country by protecting BWW's employees, customers, assets and reputation through leadership, exceptional staff, technology, and innovation while maintaining an environment that fosters teamwork and enables our employees to grow.

### SUMMARY OF ACTIVITIES

- Manage the development and implementation of global security policies, standards, guidelines, and procedures to ensure ongoing maintenance of security
- Work with the Executive Management team to prioritize security initiatives and spending based on appropriate risk management and/or financial methodology
- Oversee the development, implementation, and maintenance of the company's policies, standards, guidelines, processes, procedures and plans that will serve to govern and manage physical security for BWW
- Establish a security policy to remain compliant with critical infrastructure standards and other relevant security standards
- Lead operational security-related activities to enhance the value of the organization's brand
- Review the organization's vulnerability assessment and update the emergency response plan
- Develop relationships with the Department of Homeland Security (DHS) and the local police
- Develop security outreach programs for all employees
- Develop and conduct workplace violence prevention/situational awareness training
- Oversee maintenance of all security equipment
- Work with consultants to design security improvements
- Develop a loss prevention program
- Develop and conduct ongoing training for security personnel
- Develop relationship with the local Emergency Management Agency (EMA)
- Conduct tabletop exercises with local and federal agencies
- Conduct threat assessments for assets not deemed "critical" per the vulnerability assessment



SECURITY DEPARTMENT  
O&M EXPENDITURES BUDGET SUMMARY

Commitment Item	FY 2025 Budget	FY 2024 Budget	Increase/ (Decrease)	Percent Change
Labor	\$916,555	\$920,359	(\$3,804)	(0.41%)
Outsourced Security	1,875,969	1,904,997	(29,028)	(1.52%)
Non-Capital Equip. Replacement	72,000	65,000	7,000	10.77%
Structural Expenses	32,000	30,000	2,000	6.67%
Miscellaneous Property	28,000	30,000	(2,000)	(6.67%)
Supplies & Expenses	26,000	23,000	3,000	13.04%
Equip Maint Support	22,000	19,822	2,178	10.99%
Softw Maint Support	17,000	25,000	(8,000)	(32.00%)
Travel Misc Other	11,687	11,503	184	1.60%
Membership Dues	9,000	8,625	375	4.35%
Fuel	8,000	7,204	796	11.06%
Transportation Expense	6,000	4,521	1,479	32.71%
Uniforms - Non-Stock	4,500	9,306	(4,806)	(51.65%)
Cafeteria Expense	3,500	3,135	365	11.64%
Other O&M Expenses	2,630	2,345	285	12.14%
<b>Total Operation &amp; Maintenance</b>	<b>\$3,034,842</b>	<b>\$3,064,818</b>	<b>(\$29,977)</b>	<b>(0.98%)</b>

**HIGHLIGHTS OF BUDGET CHANGES**

The FY2025 Approved Budget decreased by \$29,977 or 0.98% from the 2024 Approved Budget.

The major reasons for the variance are:

- Outsourced security decreased based on new service provider contract



## SECURITY DEPARTMENT PERSONNEL SUMMARY

Job Title	2021	2022	2023	2024	2025
Security Manager	1.00	1.00	1.00	1.00	1.00
Security Superintendent	1.00	1.00	1.00	1.00	1.00
Security Coordinator	1.00	1.00	1.00	1.00	1.00
Sr Security Console Operator	1.00	1.00	1.00	1.00	1.00
Security Console Operator	4.00	4.00	4.00	4.00	4.00
Security Officer	1.00	1.00	1.00	1.00	1.00
PT Security Officer	0.73	0.73	0.73	0.73	0.73
Security Maintenance Technician	1.00	1.00	1.00	1.00	1.00
Utility Worker I	0.00	0.00	1.00	1.00	0.00
Security Systems Technician	0.00	0.00	1.00	1.00	1.00
<b>Total Department Personnel</b>	<b>10.73</b>	<b>10.73</b>	<b>12.73</b>	<b>12.73</b>	<b>11.73</b>

\*One Utility Worker position on temporary assignment deleted.

### KEY OBJECTIVES

1. Maintain National Incident Management System (NIMS) compliance through the annual tabletop training exercise and demonstrate lessons learned to enhance the BWW's emergency readiness
2. Perform and record quarterly security and facility testing to certify the Physical Integrated Security System is performing accurately
3. Monitor and notify Security Management team of 100% of security emergencies, threats, and issues in a timely manner
4. Conduct annual security audits and risk assessments for all BWW facilities and assets
5. Perform quarterly system tests to maintain equipment readiness

### KEY PERFORMANCE MEASURES

Strategic Goal	Performance Measure	FY 2023 Actual	FY 2024 Projected	FY 2025 Target
Workforce Development/Infrastructure Stability	Maintain National Incident Management Systems compliance through training (Target is 8 training sessions/exercises per year)	4	6	8
Workforce Development	Annually increase the number of employees who complete security operations training each year to reach 100%	35%	75%	80%
Customer Satisfaction/Infrastructure Stability	Perform quarterly testing of fire protection and safety alarm systems (Target is 8 per year)	4	8	8
Infrastructure Stability	Number of facilities inspections and facilities security risk assessments completed (target is 16 per year)	3	6	16

## WATER RESOURCES

The Water Resources Department is responsible for ensuring the reliable and efficient operation of 4 intake stations, 4 industrial water pumping stations and 6 groundwater well sites. This is accomplished by supervising and maintaining operations of stations, tank sites, a 115kv substation, reservoirs, dams, and other related sites.

MANAGER (33)

SUPERINTENDENT  
WATER RESOURCES  
(32)

### WATER RESOURCES MISSION

To provide an adequate supply of high-quality raw water to BWW filter plants and commercial/industrial customers and to efficiently operate and maintain all facilities. Develop and implement the best management practices for watershed protection policy.





## SUMMARY OF ACTIVITIES

- Repair malfunctioning equipment and arrange maintenance schedules for motors, cone valves, pumps, and other associated appurtenances
- Record and monitor all pump stations and reservoir data (multilins, vibration levels, river/lake levels, packing, cooling water, chemical feeds)
- Maintain reservoir levels (tanks and basins) within the desired ranges with the least amount of starts and stops on motors and pumps
- Perform and record preventative and predictive equipment maintenance to maintain equipment readiness
- Perform and document monthly structural and ground maintenance in accordance with the Clean, Paint, and Repair (CPR) program
- Collect 150 water samples monthly from intakes and source water throughout the service area for required ADEM testing and treatment of microbial contaminants and bacteria
- Pre-treat raw water as directed by Water Treatment to maintain compliance with all regulatory requirements
- Consult with SCADA, Security, Filter Plants and Emergency Response Units as it relates to emergency, security and raw water supply concerns, issues, and incidents
- Host training seminars, social events and conduct guided tours at the Historic Cahaba Museum



WATER RESOURCES DEPARTMENT  
O&M EXPENDITURES BUDGET SUMMARY

Commitment Item	FY 2025 Budget	FY 2024 Budget	Increase/ (Decrease)	Percent Change
Labor	\$2,938,114	\$2,762,271	\$175,844	6.37%
Power	6,706,520	6,238,624	467,897	7.50%
Supplies Exp-Purif & Ops	157,750	146,500	11,250	7.68%
Materials Electrical Maintenance	73,000	66,200	6,800	10.27%
Utilities - Electric	61,000	62,482	(1,482)	(2.37%)
Consultants	51,000	48,430	2,570	5.31%
Miscellaneous Property	45,300	32,542	12,758	39.20%
Travel Misc Other	33,700	26,686	7,014	26.28%
Fuel	27,500	25,400	2,100	8.27%
Intak Matl SoS Maintenance	24,000	27,000	(3,000)	(11.11%)
Other Materials Maintenance	14,500	18,000	(3,500)	(19.44%)
Resrv Materials Maintenance	14,500	40,000	(25,500)	(63.75%)
Structural Expenses	12,000	20,000	(8,000)	(40.00%)
Transportation Expense	11,600	11,050	550	4.98%
Mileage Reimbursement	11,500	10,076	1,424	14.13%
Utilities-Telephone	8,650	8,560	90	1.05%
Membership Dues	8,152	6,020	2,132	35.41%
Uniforms - Non-Stock	8,150	9,500	(1,350)	(14.21%)
Cafeteria Expense	7,300	7,237	63	0.88%
Gen Inv Consump Acct	5,000	4,800	200	4.17%
Utilities - GasWater	3,700	4,300	(600)	(13.95%)
Other O&M Expenses	6,925	10,995	(4,070)	(37.02%)
<b>Total Operation &amp; Maintenance</b>	<b>\$10,229,862</b>	<b>\$9,586,672</b>	<b>\$643,190</b>	<b>6.71%</b>

**HIGHLIGHTS OF BUDGET CHANGES**

The FY2025 Approved Budget increased by \$643,190 or 6.71% from the 2024 Approved Budget.

The major reasons for the variance are:

- Impact of implementing the Indirect Cost Study (Refer to note in Key Considerations Affecting Budget Development Pg11)
- Fully funding all filled positions that were open in FY2024
- General Wage and Merit increases
- Power rate increases



WATER RESOURCES DEPARTMENT  
PERSONNEL SUMMARY

Job Title	2021	2022	2023	2024	2025
Manager Water Resources	1.00	1.00	1.00	1.00	1.00
Superintendent - Water Resources	1.00	1.00	1.00	1.00	1.00
Supervisor / Inland Dam & Reservoir	1.00	1.00	1.00	1.00	1.00
Supervisor - Cahaba Pump Station	1.00	1.00	1.00	1.00	1.00
Supervisor - Pump Station	3.00	3.00	3.00	3.00	3.00
Supervisor - Inland Pump Station	1.00	1.00	1.00	1.00	1.00
Supervisor- Lake Purdy	1.00	1.00	1.00	1.00	1.00
Pump Station Operator	12.00	13.00	13.00	13.00	11.00
Museum Coordinator	1.00	1.00	1.00	1.00	1.00
Station Operator Trainee	5.00	4.00	4.00	4.00	6.00
Worker - Maintenance - Purification	6.00	6.00	6.00	6.00	6.00
<b>Total Department Personnel</b>	<b>33.00</b>	<b>33.00</b>	<b>33.00</b>	<b>33.00</b>	<b>33.00</b>

**KEY OBJECTIVES**

1. Record and monitor all pump stations and reservoir data (multilins, vibration levels, river/lake levels, packing, cooling water, chemical feeds) with a 95% accuracy rate
2. Maintain reservoir levels (tanks and basins) daily within the desired ranges with the least amount of starts and stops on motors and pumps
3. Perform and record preventative and predictive equipment maintenance to maintain equipment readiness of at least 90%
4. Perform and document monthly structural and ground maintenance to certify 100% compliance with the Clean, Paint, and Repair (CPR) program
5. Collect 150 water samples monthly from intakes and source water throughout our service area for required ADEM testing and treatment of microbial contaminants and bacteria
6. Pre-treat raw water as directed by Water Treatment for Shades Mountain Filter Plant to maintain 100% compliance with all regulatory requirements

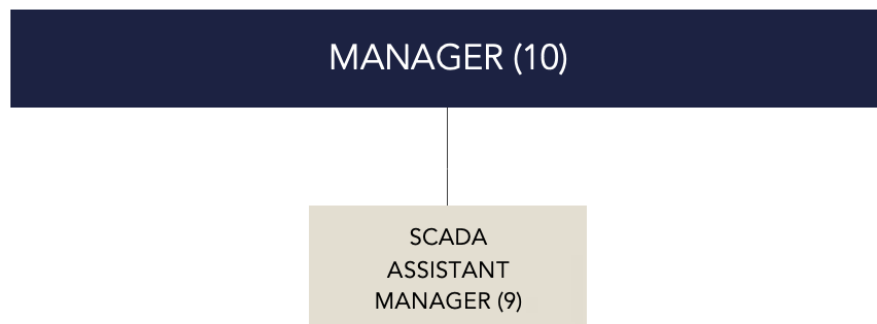
**KEY PERFORMANCE MEASURES**

Strategic Goal	Key performance Measure	FY 2023 Actual	FY 2024 Projected	FY 2025 Target
Product Quality/ Customer Satisfaction	Collect at least 5,500 water samples each year for the EnviroLab for testing	5,536	5,656	5,755
Financial Viability/ Customer Satisfaction	Gallons of raw water (thousands of gallons) pumped each year	49,401,877	51,062,381	51,355,098

## SUPERVISORY CONTROL & DATA ACQUISITION (SCADA)

Supervisory Control & Data Acquisition (SCADA) is the use of technology to monitor and control processes locally and remotely. SCADA systems usually have “analog” information (e.g., numbers indicating the water level in a tank) and digital or status information. They can send a status value (e.g., start a pump) and receive it (e.g., the pump has started). The computer can be used to summarize and display the data it is processing. Trends (graphs) of analog values over time are very common. Collecting the data and summarizing it into reports for operators and management are normal features of a SCADA system.

The BWW’s SCADA system consists of Distributive Control System (DCS) equipment at all treatment plants and raw water pump stations and remote telemetry systems that connect the respective plant to tank sites, pump stations and pressure reducing stations that are miles away. The Central Operations Room and Emergency (CORE) recovery command center is connected to all major operational facilities of the BWW. The CORE maintains programs and data that are necessary to support the entire SCADA system. During adverse weather conditions and operational challenges, the CORE becomes the heartbeat of the water system, and the most critical operational decisions are made based on the data provided.



### SCADA MISSION

To maximize the functions of the SCADA System to assure that BWW provides the highest quality water to its customers. To accomplish this with sincere effort, intelligent direction, and skillful execution by providing superior controls, accurate data, and great service.

### SUMMARY OF ACTIVITIES

- Program and configure the control system at all major BWW water treatment plants and raw water pump stations to allow these facilities to operate with automatic controls
- Provide graphical user interface at each plant for operators’ use
- Acquire data on plant and distribution system operations
- Perform the duties of the Emergency Switchboard Operator after normal work hours, weekends, and holidays
- Assist and coordinate BWW personnel in after-hours emergencies to help limit the impact on customers
- Monitor and maintain operations for all communication equipment
- Provide data to management for analysis and decision making



SCADA DEPARTMENT  
O&M EXPENDITURES BUDGET SUMMARY

Commitment Item	FY 2025 Budget	FY 2024 Budget	Increase/ (Decrease)	Percent Change
Labor	\$1,076,740	\$369,009	\$707,731	191.79%
Communication, Equip. Mat	450,000	350,490	99,510	28.39%
Equipment Maintenance & Support	280,000	230,000	50,000	21.74%
SCADA Operations	73,000	73,600	(600)	(0.82%)
Travel Misc Other	15,000	12,918	2,082	16.12%
Facilities Other	6,000	6,000	-	-
Software Maintenance Support	6,000	10,000	(4,000)	(40.00%)
Fuel	3,000	2,000	1,000	50.00%
Miscellaneous Property	2,500	835	1,666	199.58%
Transportation Expense	1,500	1,000	500	50.00%
Other O&M Expenses	4,260	4,136	124	3.00%
<b>Total Operation &amp; Maintenance</b>	<b>\$1,918,000</b>	<b>\$1,059,988</b>	<b>\$858,013</b>	<b>80.95%</b>

**HIGHLIGHTS OF BUDGET CHANGES**

The FY2025 Approved Budget increased by \$858,013 or 80.95% from the 2024 Approved Budget.

The major reasons for the variance are:

- Impact of implementing the Indirect Cost Study (Refer to note in Key Considerations Affecting Budget Development Pg11)
- Fully funding all filled positions that were open in FY2024
- General Wage and Merit increases
- Communication equipment maintenance and support expense vendor price increases
- Equipment maintenance and support expense service contracts vendor price increases



SCADA DEPARTMENT  
PERSONNEL SUMMARY

Job Title	2021	2022	2023	2024	2025
Manager - SCADA System	1.00	1.00	1.00	1.00	1.00
Assistant Manager - SCADA	0.00	1.00	1.00	1.00	1.00
SCADA System Analyst Technician II	2.00	2.00	2.00	1.00	1.00
SCADA System Analyst Trainee	1.00	0.00	0.00	0.00	2.00
SCADA System Analyst Technician I	0.00	0.00	0.00	2.00	0.00
SCADA System Operator II	0.00	1.00	1.00	1.00	1.00
SCADA System Operator	4.00	4.00	4.00	3.00	3.00
Wireless Communication Technician	1.00	1.00	1.00	1.00	1.00
<b>Total Department Personnel</b>	<b>9.00</b>	<b>10.00</b>	<b>10.00</b>	<b>10.00</b>	<b>10.00</b>

**KEY OBJECTIVES**

1. Conduct and record monthly maintenance of the SCADA system to confirm the system and servers will be operational 100% of the time
2. Investigate and respond within four hours of notification and resolve problems within 24 hours
3. Monitor SCADA operations of raw and finished water systems 24/7 to maintain 100% compliance with all BWW, state and federal regulations
4. Operate Raw Water Pump Stations to maintain a supply of water through operation of pumps and valves 100% of the time
5. Perform preventative and predictive radio communication hardware equipment maintenance to sustain equipment readiness of at least 98%
6. Implement an annual strategy to reduce electricity usage cost
7. Perform and verify the SCADA control system backup quarterly to confirm authenticity

**KEY PERFORMANCE MEASURES**

Strategic Goal	Performance Measure	FY 2023 Actual	FY 2024 Projected	FY 2025 Target
Product Quality	Percentage of SCADA compliance & management reports completed	100%	100%	100%
Product Quality/Financial Viability	Volume of the daily average water demand (thousand gallons) from Water treatment plants	112,766	117,967	123,865



## INDUSTRIAL & COMMERCIAL ACCOUNTS

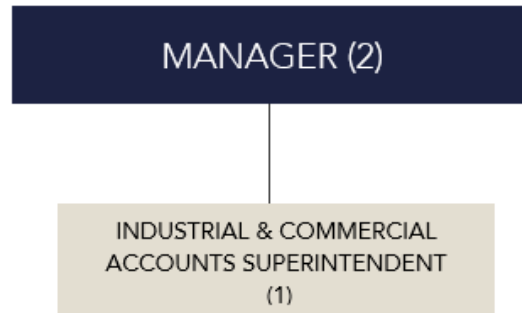
The growth of our customer base translates to greater water usage. This growth assists BWW in having dependable sources of revenue to maintain and expand our quality services. We serve hundreds of Critical Customers including Industrial (Raw), Commercial, Wholesale, and Medical Facilities. The Industrial & Commercial Accounts (ICA) Department exists to meet the needs of these Critical Customers.

Medical facilities are integral to the health and well-being of the communities we serve. Water supply interruption can be caused by several types of events such as a natural disaster, construction damage, or even an act of terrorism. Because water supplies can and do fail, it is imperative to have emergency response plans, SOPs, system redundancy, inter-agency relationships, system telemetry, and 24/7 communication to mitigate the impact of water supply interruption. The ICA Department facilitates these measures to ensure the highest level of service to these customers.

Commercial customers make up nearly half of BWW's sales. UAB, Alabama's largest employer, is our largest commercial vendor for water sales. They have over 250 supply connections, are a consecutive system, purchase raw water, and one of their buildings is the single largest consumer in our system. Additionally, the beverage industry (Coca-Cola, Buffalo Rock, Dairy Farmers of America, Good People, and many others) in our service area is growing rapidly due to the high quality of water and level of service that we provide. As water is the main ingredient to produce their product, it is essential to correct any issue as soon as possible. ICA also supports many critical research facilities and BSO-3s, such as Southern Research, which depend on constant water supply to support their mission to create safer and more effective treatments of disease and control epidemics.

Our consecutive (wholesale) systems include five sole source consecutive systems (City of Graysville, Helena Utilities Board, Town of Mulga, Town of West Jefferson, and Town of Brookside), one "take or pay" consecutive system (Pine Bluff Water Authority) which is required to take a minimum consumption, two compliance systems (Alabama Power and University of Alabama – Birmingham), and five emergency connections (Shelby County Water, Irondale Water, Trussville Gas and Water, Blount County Water Authority, and Bessemer Water). The consecutive systems mimic BWW's system in compliance, SOPs, and hydraulic make-up, which assists ICA staff in troubleshooting system issues and maintaining the continuity of knowledge during personnel changes. BWW conducts water quality testing for these customers through the EnviroLab and serves as a partner for meeting the critical mission of water supply to central Alabama. Approximately 115,000 residents are served via BWW's consecutive system connections.

One of the largest non-potable water customers is US Steel. In the 1980s, their water consumption averaged 35-40 MGD; however, consumption reduced significantly due to unfavorable market conditions that led to the closure of the Fairfield blast furnace. Other large non-potable customers include US Pipe, ACIPCO, Hanna Steel, UAB, and ABC Coke (Drummond Company). These customers enjoy the high-quality source water for their industrial purposes and depend on immediate response to service issues.



## INDUSTRIAL AND COMMERCIAL MISSION

The Industrial & Commercial (ICA) Department aspires to instill customer confidence in their water supply to meet all basic human and industrial needs in Birmingham and its surrounding communities today and always. Using our broad range of expertise, we provide support in a timely manner through personal attention to our customers and their critical infrastructure needs, while providing long-term institutional solutions to ensure BWW success for future generations.

The ICA Department exists to meet the needs of these critical customers by bridging the gap between their expectations and BWW's service. Our team handles unique issues across all aspects of water system operations in support of our customers. Our primary goal is providing clear communication and exceptional support to ensure future optimized performance of our critical customers, in turn ensuring continued success for BWW.

## SUMMARY OF ACTIVITIES

- Provide 24/7/365 operational support to the Critical Customers, ensuring the critical mission of BWW is met.
- Manage company initiatives to ensure resolution of compliance issues, annual rate notification, regulatory notifications, and service calls.
- Coordinate with internal departments to ensure all filings are complete and ready for the annual consumer confidence report.
- Act as a proactive liaison between BWW and industrial, commercial, municipal, wholesale, and medical customers, assisting with operational issues and ensuring constant and reliable water service.
- Address compliance issues per ADEM with our consecutive systems.
- Provide annual reporting to the Office of Water Resources.
- Manage secured customer website containing real-time SCADA data to ensure integrity for customer reporting dashboards.
- Facilitate and host the Consecutive System Partnership Conference (CSPC) with internal departments, customers, and water-industry agencies.
- Proactively monitor customer reporting data to design strategies that will support compliance and consistency according to ADEM requirements.
- Work with customers to develop action plans based on findings from ADEM system audits.
- Maintain emergency contracts and facilitate their utilization to provide mutual resiliency for water systems in central Alabama.
- Communicate with key customer stakeholders such as mayors, facility managers, superintendents, and engineers to plan for emergencies, maintenance work, and proactive system resilience.
- Provide on-site training and support to Critical Customers for operational issues, regulatory compliance, and utility best-practices.
- Provide oversight in the administration of contracts relating to industrial, wholesale and commercial water customers.
- Demonstrate ongoing efforts to improve operations, decrease turnaround times, streamline work processes and work cooperatively and jointly to provide quality, seamless operational support.
- Provide executive reports and briefings on Critical Customer activities and water sales.



## INDUSTRIAL & COMMERCIAL DEPARTMENT O&M EXPENDITURES BUDGET SUMMARY

Commitment Item	FY 2025 Budget	FY 2024 Budget	Increase/ (Decrease)	Percent Change
Labor	\$269,370	\$209,598	\$59,772	28.52%
Travel Misc Other	23,400	20,152	3,248	16.12%
Supplies & Expenses	16,000	15,973	27	0.17%
Fuel	6,500	6,500	-	-
Membership Dues	6,368	5,308	1,060	19.96%
Other O&M Expenses	3,520	3,320	200	6.02%
Facilities Other	3,500	3,500	-	-
Uniforms-Non Stock	2,500	2,000	500	25.00%
<b>Total Operation &amp; Maintenance</b>	<b>\$331,158</b>	<b>\$266,352</b>	<b>\$64,807</b>	<b>24.33%</b>

### HIGHLIGHTS OF BUDGET CHANGES

The FY2025 Approved Budget increased by \$64,807 or 24.33% from the 2024 Approved Budget.

The major reason for the variance is:

- Fully funding one filled position that was open in FY2024
- One other partially funded position was deleted



## INDUSTRIAL & COMMERCIAL DEPARTMENT PERSONNEL SUMMARY

Job Title	2021	2022	2023	2024	2025
Manager - Industrial & Commercial Accts	1.00	1.00	1.00	1.00	1.00
Superintendent - Industrial & Commercial Accts	1.00	1.00	1.00	1.00	1.00
*Medical Industry Liaison	1.00	1.00	1.00	1.00	0.00
<b>Total Department Personnel</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>	<b>2.00</b>

\*Medical Industry Liaison position eliminated

### KEY OBJECTIVES

1. Manage all Critical Customer accounts to ensure 100% compliance with all local, state, and BWW regulations and requirements.
2. Review monthly reporting to make sure that 100% of contracted accounts are read and billed per their contract requirements.
3. Review Consumer Confidence Report (CCR) information with ADEM at all consecutive locations to ensure 100% compliance.
4. Involve our Critical Customers in continuing education, conferences, and one-on-one meetings to strengthen the system resilience among our stakeholders.
5. Investigate and respond to 100% of Critical Customer issues concerning meter reading, billing issues, and operational support within 72 hours of receipt.

### KEY PERFORMANCE MEASURES

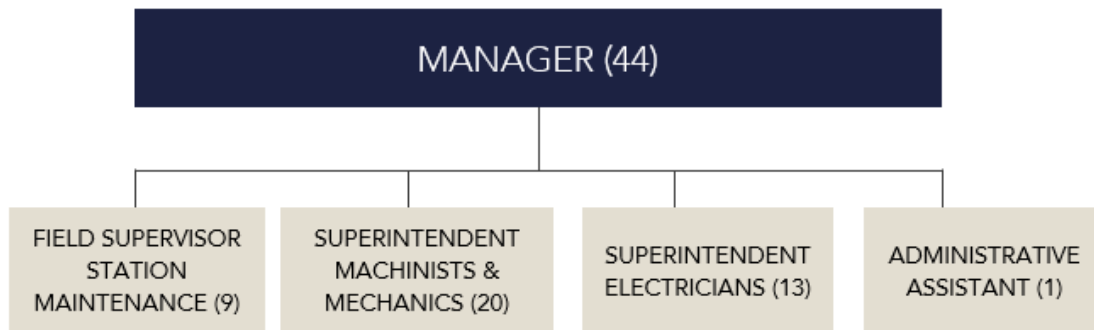
Strategic Goal	Performance Measure	FY 2023 Actual	FY 2024 Projected	FY 2025 Target
Customer Satisfaction	Number of Consecutive System Partnership meetings attended- Goal is 80 meetings per year	80	90	90
Customer Satisfaction/ Financial Viability	Number of reports analyzed with Industrial & Commercial customers to ensure contract requirements are met	121	149	100
Workforce Development/ Customer Satisfaction	Provide 250 Continuing Education Hours (CEH) to Industrial& Commercial Customers	256	347	250



# ELECTRICAL & MECHANICAL

The Electrical & Mechanical Maintenance Department (E&M Shop) supports the maintenance of electrical and mechanical equipment throughout the entire BWW system. The E&M Shop is on call 24/7 to repair and maintain the system’s assets for the operation of machines, pumps, and mechanical equipment, including fabrication.

The E&M Shop is responsible for the preventive and predictive program that increases the longevity of BWW’s assets.



## ELECTRICAL AND MECHANICAL MISSION

To provide high-quality electrical and mechanical support to ensure BWW’s infrastructure is operable at full capacity with limited interruptions in service.

## SUMMARY OF ACTIVITIES

- Maintain plants and all assets on a continuous improvement path for quality and efficiency
- Coordinate maintenance activities for facilities and production equipment
- Develop and implement a predictive and preventive maintenance program
- Track and control maintenance inventory
- Maintain close coordination with production departments to resolve equipment breakdowns and other production related opportunities
- Perform root cause analysis for any abnormal conditions and failures which may result in corrective actions to prevent recurrences

## 2024 ACCOMPLISHMENT

The Electrical & Mechanical Department received the 2024 Award of Excellence for the BWW Distribution System for > 100,000 Meters BWW Distribution System for > 100,000 Meters



ELECTRICAL & MECHANICAL DEPARTMENT  
O&M EXPENDITURES BUDGET SUMMARY

Commitment Item	FY 2025 Budget	FY 2024 Budget	Increase/ (Decrease)	Percent Change
Labor	\$3,167,080	\$3,222,269	(\$55,189)	(1.71%)
Power	2,036,210	1,903,000	133,210	7.00%
Materials Electrical Maintenance	400,500	377,000	23,500	6.23%
Fuel	111,520	165,250	(53,730)	(32.51%)
Transportation Expense	83,980	112,500	(28,520)	(25.35%)
Facilities Other	80,000	60,000	20,000	33.33%
Uniforms - Non-Stock	74,000	52,500	21,500	40.95%
Travel Misc Other	73,500	62,490	11,010	17.62%
Rent / Storage Facil	48,000	63,000	(15,000)	(23.81%)
Supplies Expense SoS Ops	29,000	38,000	(9,000)	(23.68%)
Utilities - GasWater	28,570	27,000	1,570	5.81%
Miscellaneous Property	15,000	12,518	2,483	19.83%
Utilities-Telephone	11,700	10,550	1,150	10.90%
Gen Inv Consump Acct	8,364	13,100	(4,736)	(36.15%)
Cafeteria Expense	8,205	6,205	2,000	32.23%
Supplies & Expenses	7,500	6,305	1,195	18.95%
Matl Oil P&P Maintenance	7,000	1,000	6,000	600.00%
Other O&M Expenses	28,174	21,890	6,284	28.70%
<b>Total Operation &amp; Maintenance</b>	<b>\$6,218,303</b>	<b>\$6,154,576</b>	<b>\$63,727</b>	<b>1.04%</b>

**HIGHLIGHTS OF BUDGET CHANGES**

The FY2025 Approved Budget increased by \$63,727 or 1.04% from the 2024 Approved Budget.

The major reasons for the variance are:

- Power rate increases
- One position transferred to System Development, one other partially funded position was eliminated



## ELECTRICAL & MECHANICAL DEPARTMENT PERSONNEL SUMMARY

Job Title	2021	2022	2023	2024	2025
Manager - Electrical & Machine Maintenance	1.00	1.00	1.00	1.00	1.00
Superintendent - Electrical	1.00	1.00	1.00	1.00	1.00
Superintendent - Mechanical	1.00	1.00	1.00	1.00	1.00
Industrial Control Master Electrician	7.00	9.00	9.00	9.00	9.00
Industrial Control Electrician - Journey	1.00	2.00	2.00	2.00	1.00
Building Maintenance Electrician Journeyman	1.00	1.00	1.00	1.00	1.00
Instrumentation Technician	1.00	0.00	0.00	0.00	0.00
Field Supervisor	1.00	1.00	1.00	1.00	1.00
Mechanic - Senior	1.00	1.00	1.00	1.00	1.00
Maintenance Mechanic II	9.00	10.00	10.00	10.00	10.00
Maintenance Mechanic I	6.00	7.00	7.00	7.00	7.00
Machinists	1.00	1.00	1.00	1.00	1.00
Facilities Data Specialist	1.00	1.00	1.00	1.00	1.00
Station Maintenance Worker III	1.00	1.00	1.00	1.00	1.00
Station Maintenance Worker II	2.00	2.00	2.00	2.00	2.00
Station Maintenance Worker I	3.00	3.00	3.00	3.00	3.00
E&M Facilities Coordinator	0.00	0.00	1.00	1.00	1.00
HVAC Tech II	0.00	0.00	1.00	1.00	1.00
*Administrative Assistant II	1.00	1.00	1.00	1.00	0.00
Administrative Assistant I	1.00	1.00	1.00	1.00	1.00
<b>Total Department Personnel</b>	<b>40.00</b>	<b>44.00</b>	<b>46.00</b>	<b>46.00</b>	<b>44.00</b>

\*Administrative Assistant II position transferred to the System Development Department in alignment with job responsibilities. One other position (Electrician Journeyman) deleted after department re-organization.

### KEY OBJECTIVES

1. Perform preventive and predictive maintenance on essential equipment to maintain equipment readiness of at least 80% at all remote pump stations
2. Inspect, evaluate and repair 50 pressure reducing valves quarterly to confirm consistent operation
3. Collect water samples monthly from all remote portable water tank sites throughout our service area in coordination with the EnviroLab
4. Assess, coordinate, and complete grounds maintenance monthly for all remote pump stations and tank sites
5. Assign and distribute all SAP plant maintenance requests within 24 – 48 hours of receipt
6. Resolve at least 80% of work orders received annually

Key Performance Measures for the Electrical & Mechanical Department Personnel Summary can be found on the next page.

### KEY PERFORMANCE MEASURES

Strategic Goal	Performance Measure	FY 2023 Actual	FY 2024 Projected	FY 2025 Target
Product Quality/Customer Satisfaction	Number of water samples collected from portable tank sites monthly	34	34	34
Infrastructure Stability	Inspect 80% of remote stations each quarter	80%	80%	80%
Customer Satisfaction	Resolve 80% of maintenance work orders each year	80%	80%	80%



**BIRMINGHAM WATER WORKS CUSTOMERS CAN BE CONFIDENT THAT THEIR DRINKING WATER IS HIGH QUALITY AND MEETS OR SURPASSES THE STRICT STANDARDS SET BY THE ENVIRONMENTAL PROTECTION AGENCY (EPA) AND THE ALABAMA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT (ADEM).**

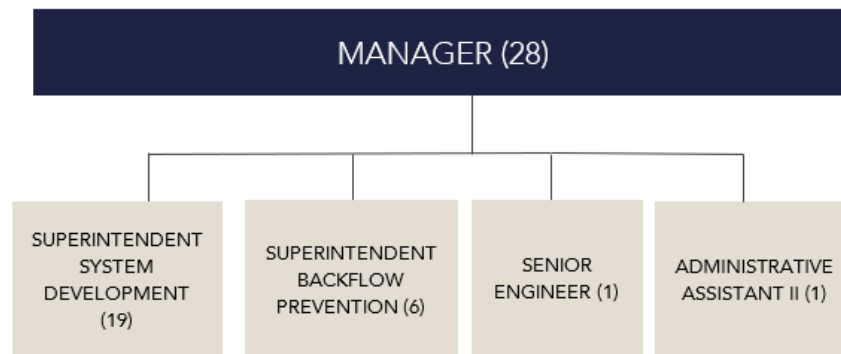
Follow the link to view the most recent water quality standards:  
<https://adem.alabama.gov/programs/water/waterquality.cnt>

## SYSTEM DEVELOPMENT

System Development determines the Distribution System's capacity to provide water service for individual customers and residential/commercial developments throughout the BWW's service area.

The department prioritizes, designs, and manages main replacements, relocation and reinforcement projects for the Buried Infrastructure Program funded by the BWW's Capital Budget. The department prepares and implements contractual agreements relative to plans and specifications in conjunction with developers, governing bodies and the BWW's Capital Improvement Program for the installation, replacement, reinforcement and relocation of water mains and related appurtenances in the Distribution System.

The department administers the BWW's Backflow Prevention and Cross Connection Control Policy through field inspections, customer correspondence and compliance recordkeeping.



### SYSTEM DEVELOPMENT MISSION

To administer the development of the BWW's Distribution System to ensure that superior water quality is delivered to customers at a minimal cost.

### SUMMARY OF ACTIVITIES

- Review and prepare water availability correspondence for individual customers and commercial/residential developers
- Determine the Distribution Systems' capacity to provide water to individual customers and residential/ commercial developers
- Review, approve and issue all new water service connections (domestic, fire and irrigation) to the BWW's distribution mains
- Prepare contractual agreements for the installation of water mains and related appurtenances, 4-inch and larger domestic and fire service connections and fire hydrants
- Prioritize water main replacement projects based upon criteria consisting of excessive maintenance, water quality and/or fire protection due to aging infrastructure
- Design water main relocation projects based upon conflicts with state and local governing bodies performing roadway improvements
- Develop construction drawings and specifications for water main replacement and reinforcement projects
- Review and approve construction drawings and develop specifications for new main installations (residential and commercial developments), reinforcement and relocation projects
- Prepare bid packages, hold pre-bid conferences, evaluate bids, and recommend bid award to the lowest responsive and responsible bidder
- Approve and coordinate the installation of all new fire hydrants
- Maintain records on all public fire hydrants and fire service connections
- Complete estimates of cost for installations and adjust contractual agreements upon completion of installations
- Coordinate all water main installations with other departments and obtain approval from governing bodies
- Administer the Backflow Prevention and Cross Connection Control Policy requirements by performing field inspections on commercial and residential connections and maintaining compliance records and reports
- Inspect the installation of new water mains, valves and fire hydrants on bid reinforcement projects and new development installation projects



SYSTEM DEVELOPMENT DEPARTMENT  
O&M EXPENDITURES BUDGET SUMMARY

Commitment Item	FY 2025 Budget	FY 2024 Budget	Increase/ (Decrease)	Percent Change
Labor	\$1,465,951	\$921,383	\$544,568	59.10%
Fuel	28,424	41,920	(13,496)	(32.19%)
Supplies & Expenses	23,200	21,071	2,129	10.11%
Transportation Expense	19,992	30,970	(10,978)	(35.45%)
Travel Misc Other	14,160	17,233	(3,073)	(17.83%)
Membership Dues	7,675	5,305	2,370	44.68%
Uniforms - Non-Stock	4,650	4,700	(50)	(1.06%)
Other O&M Expenses	7,572	9,697	(2,125)	(21.91%)
<b>Total Operation &amp; Maintenance</b>	<b>\$1,571,624</b>	<b>\$1,052,278</b>	<b>\$519,346</b>	<b>49.35%</b>

**HIGHLIGHTS OF BUDGET CHANGES**

The FY2025 Approved Budget increased by \$519,346 or 49.35% from the 2024 Approved Budget.

The major reason for the variance is:

- Impact of implementing the Indirect Cost Study (Refer to note in Key Considerations Affecting Budget Development Pg11)
- Implementing the Salary Survey completed in FY2023
- General Wage and Merit increases
- One position transferred from the Electrical & Mechanical Shop in alignment with job responsibilities

SYSTEM DEVELOPMENT DEPARTMENT  
PERSONNEL SUMMARY

Job Title	2021	2022	2023	2024	2025
Manager - System Development	1.00	1.00	1.00	1.00	1.00
Superintendent - Backflow Enforcement	1.00	1.00	1.00	1.00	1.00
Superintendent - Project Coordinators	1.00	1.00	1.00	1.00	1.00
Engineer II	1.00	1.00	1.00	1.00	0.00
Senior Engineer	1.00	1.00	1.00	1.00	2.00
Senior Project Coordinator	1.00	1.00	1.00	1.00	3.00
Project Coordinator	3.00	5.73	5.00	5.00	2.00
Field Investigator	2.00	1.00	1.00	1.00	1.00
Backflow Inspector	2.00	3.00	4.00	4.00	5.00
Backflow Specialist	1.00	1.00	1.00	1.00	1.00
*Administrative Assistant II	1.00	1.00	1.00	0.00	1.00
System Development Specialist IV	0.00	0.00	0.00	1.00	1.00
System Development Specialist III	1.00	1.00	1.00	0.00	2.00
System Development Specialist II	1.00	1.00	1.00	2.00	0.00
Construction Inspectors	6.00	7.00	7.00	7.00	7.00
<b>Total Department Personnel</b>	<b>23.00</b>	<b>26.73</b>	<b>27.00</b>	<b>27.00</b>	<b>28.00</b>

\*Administrative Assistant II position transferred from the Electrical & Mechanical Department in alignment with job responsibilities



**KEY OBJECTIVES**

1. Collaborate with the Distribution Department to successfully complete at least 70% of the yearly water main, service line and valve replacements capital projects on budget and within the designated project timeline
2. Prepare and distribute 100% of the Backflow Program Notification letters annually to BWW customers to maintain certified backflow testing documentation for 100% compliance with state laws and regulations
3. Distribute information to formalize acceptance of the assessment / project / service order and perform project closure within 60 business days of actual completion of the work
4. Receive and respond to customer complaints within three business days with no more than 10% of complaints escalated to management
5. Implement at least 80% of System Development’s projects in accordance with the Capital Budget requested and authorized by the Board of Directors
6. Complete at least 90% of the construction worksheets for any updates or changes to the distribution system and submit to the Mapping and Records Department within 30 business days

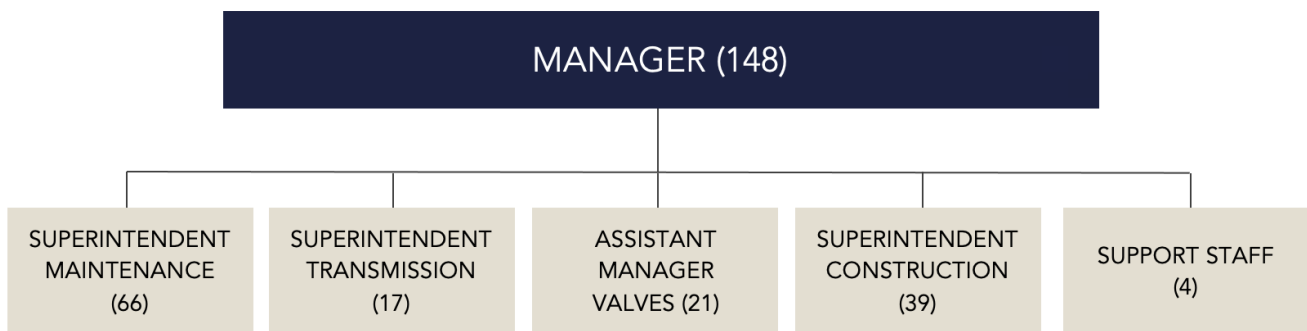
**KEY PERFORMANCE MEASURES**

Strategic Goal	Key Performance Measure	FY 2023 Actual	FY 2024 Projected	FY 2025 Target
Enterprise Resilience/ Financial Viability	% of <b>In-House &amp; Bid Replacement / Reinforcement</b> Projects implemented in accordance with the approved Capital Budget authorized by Board of Directors (Target is 70%)	85%	90%	80%
Enterprise Resilience/ Financial Viability	% of <b>Customer Requested</b> capital projects & installations completed annually within budget & within the designated project timeline (Target is 85%)	90%	90%	85%
Enterprise Resilience/ Financial Viability	% of Backflow Maintenance notifications & Compliance letters sent to customers annually per state regulation (Target is 100%)	100%	100%	100%

## DISTRIBUTION

The Distribution Department is responsible for overseeing the maintenance and construction of BWW's infrastructure to include scheduling the repair and replacement of pipelines, fire hydrants, valves, and other BWW distribution assets. The department ensures that regulatory requirements and standards are consistent with operational improvements.

The Distribution Department assists with and oversees the construction for implementation of the Capital Improvement Plan (CIP).



### DISTRIBUTION MISSION

To ensure our customers receive the highest quality water possible by effectively and efficiently replacing, installing, and repairing the system's pipes, valves and hydrants while minimizing downtime.

### SUMMARY OF ACTIVITIES

- Install new water lines and replace older infrastructure
- Make large taps (4 to 36 inches)
- Install fire, domestic, and irrigation vaults with meter settings
- Install water mains, service lines, meter settings, fire hydrants and valves for reinforcement projects
- Collect water samples for EnviroLab testing as a prerequisite for turning on new water mains
- Complete drawings for the new installation of reinforcement jobs
- Repair and replace fire hydrants
- Install loops in the water mains when there is a conflict with other utility lines
- Maintain transmission lines
- Maintain the right-of-way easements
- Build and maintain roads and access points
- Repair water main leaks



## DISTRIBUTION DEPARTMENT O&M EXPENDITURES BUDGET SUMMARY

Commitment Item	FY 2025 Budget	FY 2024 Budget	Increase/ (Decrease)	Percent Change
Labor	\$9,467,798	\$8,641,393	\$826,405	9.56%
Contractor Chgs- Svcs	2,300,000	2,450,000	(150,000)	(6.12%)
Contr Chgs- Dist Mains & Meters	1,305,000	1,324,000	(19,000)	(1.44%)
Paving- Distribution Mains	1,000,000	1,000,000	-	-
Paving- Svcs & Meter Installation	455,000	355,000	100,000	28.17%
Transportation Expense	855,800	1,120,000	(264,200)	(23.59%)
Service Line	450,500	400,500	50,000	12.48%
Gen Inv Consump Acct	427,720	629,000	(201,280)	(32.00%)
Fuel	382,800	528,000	(145,200)	(27.50%)
Materials- Distribution Mains	295,000	295,000	-	-
Meters	200,000	125,000	75,000	60.00%
Facilities Other	156,250	163,500	(7,250)	(4.43%)
Utilities - Electric	78,000	78,000	-	-
Miscellaneous Property	60,000	45,898	14,103	30.73%
Uniforms - Non-Stock	39,500	43,500	(4,000)	(9.20%)
Utilities - GasWater	33,500	36,000	(2,500)	(6.94%)
Materials- Transmission Mains	30,000	30,200	(200)	(0.66%)
Distributions Mains	20,000	15,100	4,900	32.45%
Uniforms	19,100	17,300	1,800	10.40%
Cafeteria Expense	16,500	14,179	2,321	16.37%
Structural Expenses	11,000	9,180	1,821	19.83%
Travel Misc Other	10,500	6,459	4,041	62.56%
Valves	9,000	10,500	(1,500)	(14.29%)
Other O&M Expenses	21,210	20,790	420	2.02%
<b>Total Operation &amp; Maintenance</b>	<b>\$17,644,178</b>	<b>\$17,358,498</b>	<b>\$285,680</b>	<b>1.65%</b>

### HIGHLIGHTS OF BUDGET CHANGES

The FY2025 Approved Budget increased by \$285,680 or 1.65% from the 2024 Approved Budget.

The major reasons for the variance are:

- Impact of implementing the Indirect Cost Study (Refer to note in Key Considerations Affecting Budget Development Pg11)
- Fully funding all filled positions that were open in FY2024
- Implementation of the Salary Survey Study completed in 2023
- General Wage and Merit increases
- Increase in Paving expense to comply with municipal ordinances



WATER IS TRANSPORTED TO HOUSES AND BUSINESSES.  
THE BIRMINGHAM WATER WORKS DELIVERS, ON  
AVERAGE, 100 MILLION GALLONS OF WATER PER DAY.



DISTRIBUTION DEPARTMENT  
PERSONNEL SUMMARY

Job Title	2021	2022	2023	2024	2025
Manager - Distribution	1.00	1.00	1.00	1.00	1.00
Assistant Manager-Distribution	1.00	1.00	1.00	1.00	1.00
Superintendent of Construction	1.00	1.00	1.00	1.00	1.00
Superintendent of Maintenance	1.00	1.00	1.00	1.00	1.00
Superintendent of Transmission	1.00	1.00	1.00	1.00	1.00
Assistant Superintendent Maintenance	1.00	1.00	1.00	1.00	0.00
Superintendent-Quality Control	0.00	0.00	0.00	0.00	1.00
District Supervisor	13.00	13.00	13.00	13.00	13.00
Field Supervisor	6.00	6.00	6.00	6.00	6.00
Leak Utility Worker I	22.00	22.00	22.00	22.00	23.00
Leak Utility Worker II	17.00	17.00	17.00	16.00	16.00
Raw Water Mechanic/Welder	1.00	1.00	1.00	1.00	1.00
Raw Water Technician	4.00	4.00	4.00	4.00	4.00
Senior Utility Worker II	1.00	1.00	1.00	0.00	0.00
Utility Worker I	21.00	25.00	25.00	23.00	22.00
Utility Worker II	10.00	13.65	10.00	12.00	12.00
Dump Truck Utility Worker I	6.00	6.00	6.00	6.00	6.00
Distribution Maintenance Worker II	10.00	10.00	10.00	10.00	7.00
Distribution Maintenance Worker	18.00	25.00	25.00	24.00	27.00
Distribution Maintenance Worker Trainee	5.00	0.00	0.00	0.00	0.00
Administrative Assistant III	1.00	1.00	1.00	1.00	1.00
Distribution Specialist Team Leader	1.00	0.73	0.00	1.00	1.00
Distribution Specialist I	0.80	0.00	0.00	0.00	0.00
Distribution Specialist II	3.00	3.00	3.00	3.00	3.00
<b>Total Department Personnel</b>	<b>145.80</b>	<b>154.38</b>	<b>150.00</b>	<b>148.00</b>	<b>148.00</b>



### KEY OBJECTIVES

1. Inspect 15% of fire hydrants annually through maintenance, repair, and replacement
2. Restore service to 100% of reported fire hydrants for maintenance within three days after notification
3. Evaluate and exercise 100 valves monthly to confirm consistent operations
4. Repair at least 95% of the reported water main breaks within 30 days
5. Assign and dispatch personnel within 48 hours to at least 90% of leak notifications and reported main breaks to evaluate and schedule repairs
6. Resolve 100% of Level 1 (main break or no water) leak orders within five business days
7. Resolve at least 80% of Level 2 (water leak, no property damage) leak orders within 14 business days and 100% within 30 business days from the initial complaint/report
8. Collaborate with System Development Project Coordinators to successfully complete at least 64% of the yearly capital projects within budget and within the designated project timeline
9. Complete at least 90% of the construction worksheets for any updates or changes to the distribution system and submit to the Mapping and Records Department within 30 business days
10. Maintain raw water transmission lines, pipelines, right of ways and underground facilities within 30 business days from initial complaint/report of leaks, irregularities, or encroachments
11. Confirm the construction materials used for capital projects within 90 business days

### KEY PERFORMANCE MEASURES

Strategic Goal	Performance Measure	FY 2023 Actual	FY 2024 Projected	FY 2025 Target
Infrastructure stability/ Financial Viability	Schedule and install distribution pipeline (Goal is 120,000 FT per year)	88,158	117,593	120,000
Infrastructure stability/ operational Optimization	Number of fire hydrants replaced (goal is 300 per year)	140	292	300
Infrastructure stability/ operational Optimization	Number of fire hydrants repaired/retired each year	99	228	300
Infrastructure stability/ operational Optimization	Number of valves inspected/repaired each year (target is to inspect 10% of all valves)	5,217	5,595	5,642

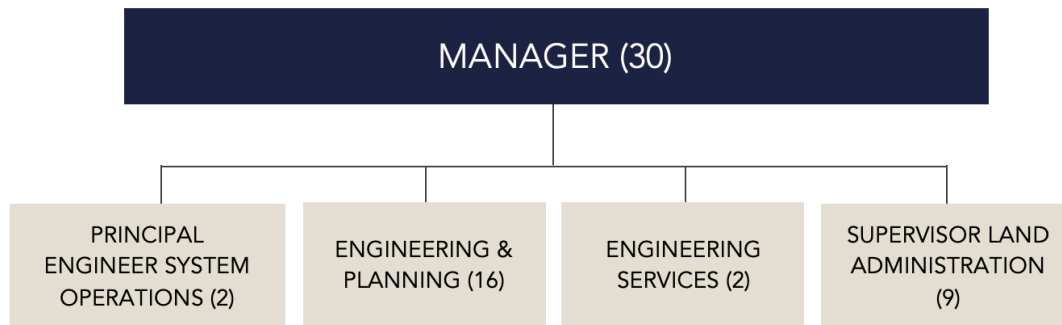


# ENGINEERING

The Engineering Department designs and oversees new Capital Improvement Plan (CIP) infrastructure projects, manages, and approves designs from external consultants and oversees the design and construction of our Capital Maintenance Repair and Replacement projects. The Engineering Department is responsible for addressing drinking water regulatory issues in the system to attain reliable, high quality and great tasting water.

The department is responsible for land administration and land surveying services which include monitoring all activities on BWW property, developing, coordinating, and surveying property maintenance projects, and acting as a liaison to the Board on all property issues.

The department is responsible for environmental services and watershed protection through source water monitoring, watershed construction activities, plant residuals disposal and excavated spoil management.



## ENGINEERING MISSION

To provide professional engineering and management services in the planning, design, construction, and maintenance of the BWW infrastructure, water quality initiatives, environmental services, and land administration necessary to provide safe, reliable, high quality and great tasting water to our customers.

## SUMMARY OF ACTIVITIES

- Design, bid, and manage construction for maintenance, repair, and replacement projects
- Manage the Capital Improvement Plan (CIP)
- Investigate and resolve water pressure complaints
- Research alternative water quality treatment options
- Oversee asset management and reliability planning
- Manage the BWW Watershed Protection Policy
- Provide land administration surveying and management services for BWW property
- Manage environmental services necessary for residuals and spoil handling
- Operate a Mobile Pilot Plant that tests water process treatment alternatives



ENGINEERING DEPARTMENT  
O&M EXPENDITURES BUDGET SUMMARY

Commitment Item	FY 2025 Budget	FY 2024 Budget	Increase/ (Decrease)	Percent Change
Labor	\$1,320,167	\$930,384	\$389,783	41.89%
Matl Equipment Purchase	71,000	60,000	11,000	18.33%
Supplies Expense Operations	50,000	60,000	(10,000)	(16.67%)
Travel Misc Other	38,100	33,756	4,344	12.87%
Materials Struct/Tanks TD	20,000	30,000	(10,000)	(33.33%)
Supplies Expense Purification	20,000	20,000	-	-
Transportation Expense	15,100	17,500	(2,400)	(13.71%)
Fuel	13,520	15,500	(1,980)	(12.77%)
Landfill - Midfield	10,000	3,000	7,000	233.33%
Landfill - Sicard HR	10,000	3,000	7,000	233.33%
Spoil Stockpile - Putnam	10,000	3,000	7,000	233.33%
Spoil Stockpile - Sicard Hollow	10,000	3,000	7,000	233.33%
Membership Dues	9,035	8,232	803	9.75%
Consultants	6,250	17,619	(11,369)	(64.53%)
Utilities - Electric	6,000	6,000	-	-
Other Office Materials TD	5,500	3,114	2,386	76.62%
Uniforms - Non-Stock	3,000	3,000	-	-
Other O&M Expenses	6,176	4,886	1,290	26.40%
<b>Total Operation &amp; Maintenance</b>	<b>\$1,623,848</b>	<b>\$1,221,991</b>	<b>\$401,857</b>	<b>32.89%</b>

**HIGHLIGHTS OF BUDGET CHANGES**

The FY2025 Approved Budget increased by \$401,857 or 32.89% from the 2024 Approved Budget.

The major reasons for the variance are:

- Impact of implementing the Indirect Cost Study (Refer to note in Key Considerations Affecting Budget Development Pg11)
- Fully funding all filled positions that were open in FY2024
- General Wage and Merit increases
- Stockpile adjustments based on departmental needs and historical trends

ENGINEERING DEPARTMENT  
PERSONNEL SUMMARY

Job Title	2021	2022	2023	2024	2025
Chief Engineer	1.00	1.00	1.00	1.00	1.00
Engineer - Principal	5.00	5.00	5.00	5.00	4.00
Engineer - Senior	4.00	4.00	4.00	4.00	5.00
Engineer II	1.00	1.00	1.00	3.00	3.00
Engineer I	4.00	4.00	4.00	2.00	2.00
Engineering Technician	1.00	1.00	1.00	1.00	1.00
Senior Land Surveyor	0.00	0.00	0.00	1.00	1.00
Land Surveyor	1.00	1.00	1.00	1.00	1.00
Land Surveyor Technician	2.00	2.00	2.00	2.00	2.00
Maintenance Planner	2.00	0.00	0.00	0.00	0.00
NACE Painting & Coating Inspector	1.00	1.00	1.00	0.00	0.00
Senior Project Coordinator	1.00	1.00	1.00	1.00	0.00
Project Coordinator	2.00	2.00	2.00	2.00	3.00
Property Maintenance Worker I	1.00	1.00	1.00	0.00	1.00
Property Maintenance Worker II	1.00	1.00	1.00	2.00	1.00
Supervisor - Land Administration	1.00	1.00	1.00	1.00	1.00
Watershed Protection Specialist	1.00	1.00	1.00	1.00	1.00
Watershed - QCI	0.00	1.00	1.00	1.00	1.00
Administrative Assistant I	1.00	1.00	1.00	1.00	1.00
Administrative Assistant II	1.00	1.00	1.00	1.00	1.00
<b>Total Department Personnel</b>	<b>31.00</b>	<b>30.00</b>	<b>30.00</b>	<b>30.00</b>	<b>30.00</b>



**BWW'S MOBILE PILOT PLANT TESTS WATER PROCESS TREATMENT ALTERNATIVES.**

## KEY OBJECTIVES

1. Collaborate with other departments to successfully complete at least 64% of the yearly capital projects within budget and within the designated project timeline
2. Finalize all the engineering planning and design for assigned projects within 60 to 90 business days, according to applicable industry specifications and standards
3. Contract, certify and manage 100% of all Engineering Department projects that are overseen by consulting engineers
4. Conduct yearly water quality research and development throughout the utility system to ensure compliance with all national and state requirements
5. Identify and analyze all water pressure issues and complaints within 2 business days
6. Resolve at least 80% of water pressure issues and complaints within 5 to 7 business days
7. Survey and manage 100% of BWW facilities, properties, and contractual assets yearly to ensure 100% compliance with all local, state, and federal requirements
8. Complete at least 90% of the construction worksheets for any updates or changes to the distribution system and submit to the Mapping and Records Department within 30 business days



### KEY PERFORMANCE MEASURES

Strategic Goal	Performance Measure	FY 2023 Actual	FY 2024 Projected	FY 2025 Target
Infrastructure stability/ Financial Viability	Implement annual and long term capital projects in support of the BWW CIP goals and assist with forecasting the 5 year projected capital budget, and establishing and overseeing the FY2025 Capital Budget Program	Completed	Completed	In progress
Infrastructure stability/ Financial Viability	Complete an annual analysis of the BWW Distribution system capacity to plan for the expansion of the system to accommodate growth and ensure enterprise resiliency	Completed	Completed	In progress
Infrastructure stability/ Financial Viability	Monitor capital projects to ensure they area in line with the CIP plan, completed on time and on budget and to ensure that expenses do not exceed the budgeted amount by reviewing expenses on a monthly basis	Completed	Completed	In progress/ continuous

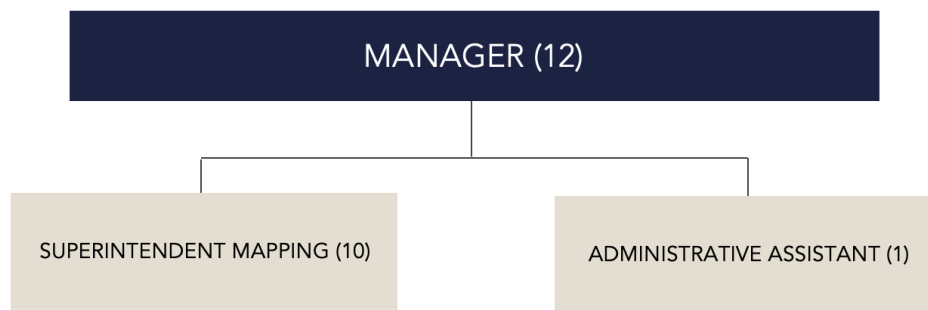
## MAPPING & RECORDS

The Mapping & Records Department is responsible for providing accurate geographic visuals and databases that depict the components of the BWW's system and meeting internal and external customer needs as well as promoting excellent record-keeping standards. The department is comprised of the Drafting Team, the Geographic Information System (GIS) Team and the Records Retention Team.

The Drafting Team maintains and updates all BWW's construction drawings, design drawings, graphic renderings, "as-built" drawings and other special projects.

The GIS Team updates and maintains the company's GIS databases, detail pages, valve cards and produces various types of special project maps. The team is in the process of coordinating a companywide GPS collection project to capture all valves and fire hydrants.

The Records Retention Team assists each department with requests to purge files for record disposal in compliance with the State of Alabama Department of Archives and History (ADAH) rules and regulations.



### MAPPING & RECORDS MISSION

To provide accurate geographic visuals and maintain databases that depict the components of the BWW system and meet internal and external customer needs.

### SUMMARY OF ACTIVITIES

- Maintain and update worksheets, construction drawings, state permits, developer install, electrical and contract drawings.
- Update and maintain GIS database.
- Provide training to BWWB staff on the use of GIS mapping/viewers and field data collection initiatives.
- Develop special project maps and web maps/apps for BWWB stakeholders.
- Assist departments with retention questions and provide recommendations for purging records.
- Coordination with external customers on map and data requests.
- Assist BWWB staff with research of mapped asset locations.
- Fulfill printing and copying needs for the organization (e.q. board books, public relations documents, employee handbooks, training documents).
- Create and maintain permanent records storage (e.q. right of ways, deeds, easements, office contracts, leases and miscellaneous files).
- Compile leak and pipe history within GIS R&R model to develop pipe replacement projects and budgets.
- Administers organization's ArcGIS Online and web interfaces/dashboards.



MAPPING & RECORDS DEPARTMENT  
O&M EXPENDITURES BUDGET SUMMARY

Commitment Item	FY 2025 Budget	FY 2024 Budget	Increase/ (Decrease)	Percent Change
Labor	\$483,174	\$253,437	\$229,737	90.65%
Maps and Recording Materials	40,000	9,066	30,934	341.19%
Supplies & Expenses	24,200	18,495	5,705	30.84%
Travel Misc Other	18,485	5,942	12,543	211.08%
Cafeteria Expense	2,000	689	1,311	190.29%
Membership Dues	1,300	1,102	198	17.93%
Other O&M Expenses	1,580	1,280	300	23.44%
<b>Total Operation &amp; Maintenance</b>	<b>\$570,739</b>	<b>\$290,013</b>	<b>\$280,726</b>	<b>96.80%</b>

**HIGHLIGHTS OF BUDGET CHANGES**

The FY2025 Approved Budget increased by \$280,726 or 96.8% from the 2024 Approved Budget.

The major reasons for the variance are:

- Impact of implementing the Indirect Cost Study (Refer to note in Key Considerations Affecting Budget Development Pg11)
- Implementing the Salary Survey Study completed in FY2023
- General Wage and Merit increases
- Increased printing expenses for Board and committee meetings, manuals, and budget book(s)



MAPPING & RECORDS DEPARTMENT  
PERSONNEL SUMMARY

Job Title	2021	2022	2023	2024	2025
Manager- Mapping Records	1.00	1.00	1.00	1.00	1.00
Mapping & Records - Superintendent	1.00	1.00	1.00	1.00	1.00
GIS - Superintendent	0.00	0.00	0.00	0.00	1.00
Drafter - Senior	3.00	2.00	2.00	3.00	3.00
Drafter	3.00	3.00	3.00	0.00	0.00
GIS Tech II	1.00	1.00	1.00	0.00	0.00
GIS Senior Analyst	0.00	0.00	0.00	2.00	1.00
GIS Analyst	1.00	1.00	1.00	0.00	0.00
GIS Tech I	2.00	2.00	2.00	4.00	4.00
Administrative Assistant II	1.00	1.00	1.00	1.00	1.00
<b>Total Department Personnel</b>	<b>13.00</b>	<b>12.00</b>	<b>12.00</b>	<b>12.00</b>	<b>12.00</b>

**KEY OBJECTIVES**

1. Process 85% of certified construction worksheets and other work requests to draft, design and modify maps for internal and external customer needs within 90 business days of receipt
2. Collect, organize, and maintain 100% of all permanent records received in accordance with the State of Alabama Department of Archives and History rules and regulations
3. Process 95% of all customer map requests within 3 business days
4. Process construction drawings and state/county permits for water main installation projects
5. Process certified construction worksheets and update/revise map and valve card images

**KEY PERFORMANCE MEASURES**

Strategic Goal	Performance Measure	FY 2023 Actual	FY 2024 Projected	FY 2025 Target
Infrastructure Stability/ Customer satisfaction	Number of certified construction worksheets processed within 3 business days	369	329	330
Infrastructure Stability/ Financial Viability	Number of construction drawings processed	70	106	110
Customer Satisfaction/ Infrastructure Stability	Process 95% of customer map requests processed within 3 business days	100%	100%	95%



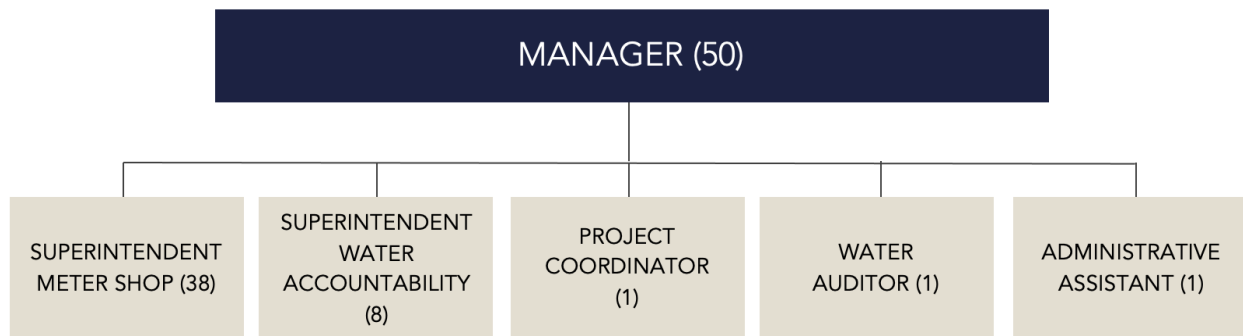
## WATER ACCOUNTABILITY

The Water Accountability Department is comprised of the Meter Shop, the Leak Survey and the Water Accountability Administration teams.

The Meter Shop Team makes all new taps 2 inches and smaller, constructs all meter vaults 4 inches and larger, tests meters, maintains meter sets and meter boxes and replaces meters as part of the annual meter changeout program.

The Leak Survey Team surveys and detects leaks in water mains and service lines and assists the Distribution Department, as needed.

The Water Accountability Administration Team sets strategy and tactics to be used by the Meter Shop and the Leak Survey teams to help manage non-revenue water.



### WATER ACCOUNTABILITY MISSION

To provide water service to our customers by responding in a timely manner to their needs, addressing potential problems in the system before they fail, and improving areas of operation that will benefit customers and help prepare BWW for future growth.

### SUMMARY OF ACTIVITIES

- Maintain, test and repair residential and commercial metering equipment and enclosures
- Perform annual leak survey of the BWW Distribution System using handheld leak detection equipment, leak noise correlators and leak noise logging systems
- Define areas of concern for potential upgrades and replacements
- Create new service taps and connections
- Maintain meter box/vault enclosures for protection of BWW assets and customer safety
- Bench and field test new and used customer meters for accuracy
- Repair/replace meter loops, meters, meter valves and other meter related piping as needed
- Assist the Distribution Department's Leak Repair Crew by locating leaks that are difficult to pinpoint
- Provide monthly reports of leaks detected, leak volumes and leak locations
- Provide overall guidance and strategy for the monitoring and reporting of non-revenue water
- Gather data and perform testing in compliance with the AWWA approved methodology for the annual water audit
- Provide reports and data on non-revenue water



WATER ACCOUNTABILITY DEPARTMENT  
O&M EXPENDITURES BUDGET SUMMARY

Commitment Item	FY 2025 Budget	FY 2024 Budget	Increase/ (Decrease)	Percent Change
Labor	\$2,246,321	\$2,090,622	\$155,699	7.45%
Fuel	138,000	188,000	(50,000)	(26.60%)
Facilities Other	93,000	94,100	(1,100)	(1.17%)
Transportation Expense	71,400	117,000	(45,600)	(38.97%)
Gen Inv Consump Acct	38,400	71,000	(32,600)	(45.92%)
Travel Misc Other	21,000	22,750	(1,750)	(7.69%)
Utilities - Electric	13,450	13,950	(500)	(3.58%)
Uniforms - Non-Stock	12,500	12,500	-	-
Uniforms	4,500	4,500	-	-
Supplies & Expenses	2,500	3,500	(1,000)	(28.57%)
Structural Expenses	2,400	2,400	-	-
Employee Recognition	2,040	2,040	-	-
Membership Dues	1,750	1,750	-	-
Other Office Materials	800	4,849	(4,049)	(83.50%)
<b>Total Operation &amp; Maintenance</b>	<b>\$2,648,061</b>	<b>\$2,628,961</b>	<b>\$19,100</b>	<b>0.73%</b>

**HIGHLIGHTS OF BUDGET CHANGES**

The FY2025 Approved Budget increased by \$19,100 or 0.73% from the 2024 Approved Budget.

The major reasons for the variance are:

- Impact of implementing the Indirect Cost Study (Refer to note in Key Considerations Affecting Budget Development Pg11)
- General Wage and Merit increases
- Implementing the Salary Survey Study completed in FY2023
- Fully funding all filled positions that were open in FY2024



## WATER ACCOUNTABILITY DEPARTMENT PERSONNEL SUMMARY

Job Title	2021	2022	2023	2024	2025
Revenue Water Manager	1.00	1.00	1.00	1.00	1.00
Superintendent - Meter Shop	1.00	1.00	1.00	1.00	1.00
Superintendent-Water Accountability	1.00	1.00	1.00	1.00	1.00
Supervisor - Meter Shop	1.00	1.00	1.00	1.00	1.00
Water Auditor	1.00	1.00	0.00	0.00	0.00
Commercial Meter Maintenance Tech	2.00	2.00	2.00	1.00	0.00
Meter Repair Technician	2.00	2.00	2.00	2.00	3.00
Meter Setter - Helper	12.00	12.00	12.00	12.00	12.00
Meter Setter I	5.00	5.00	5.00	5.00	6.00
Meter Setter II	10.00	10.00	10.00	11.00	11.00
Project Coordinator	1.00	1.00	2.00	2.00	2.00
Representative III - Customer Account	3.00	3.00	3.00	3.00	2.00
Revenue Meter Inspector	2.00	2.00	2.00	2.00	2.00
Water Accountability Technician I	1.00	1.00	1.00	1.00	1.00
Water Accountability Technician II	6.00	6.00	6.00	6.00	6.00
Administrative Assistant III	1.00	1.00	1.00	1.00	1.00
<b>Total Department Personnel</b>	<b>50.00</b>	<b>50.00</b>	<b>50.00</b>	<b>50.00</b>	<b>50.00</b>

### KEY OBJECTIVES

1. Collaborate with other departments to successfully complete at least 64% of the yearly capital projects within budget and within the designated project timelines
2. Evaluate and resolve all service orders within 3 business days
3. Test new meters for accuracy of 98.5% or greater and replacement meters 90% or greater accuracy annually as established by the AWWA M6 Manual standards
4. Finalize all leak surveys for the distribution system every 30 months
5. Provide necessary or requested data to the Engineering Department to enable an AWWA methodology standard water audit on all water usage within BWW's service area yearly by September 30
6. Complete at least 90% of the construction worksheets for any updates or changes to the distribution system and submit to the Mapping & Records Department within 30 business days

### KEY PERFORMANCE MEASURES

Strategic Goal	Performance Measure	FY 2023 Actual	FY 2024 Projected	FY 2025 Target
Infrastructure Stability/Pfinancial Viability	Survey pipes within the BWW distribution system to detect leaks (Miles surveyed/# of leaks detected)	1,222	1,261	1,978
Infrastructure Stability/Product Quality	Survey pipes within the BWW distribution system to detect leaks (leaks detected)	550	888	629
Infrastructure Stability/Customer Satisfaction	Number of new taps for 1" meter taps (Target is 1,500 per year)	1,107	1,357	1,500



# CAPITAL IMPROVEMENT PLAN

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## **IN THIS SECTION**

- Introduction 163
- Description of Project Drivers 166
- Capital Planning Process 167
- Capital Project Descriptions 171
- Approved 2025 Capital Budget 173
- Current System Assets 181
- Raw Water Distribution 182
- Distribution 186
- Water Treatment 187



## INTRODUCTION

On July 9, 1951, The Water Works Board of the City of Birmingham (BWW) acquired all properties and ownership from The Birmingham Water Works Company. The BWW supplies raw and potable water to approximately 770,000 customers in a five-county region (Jefferson, St. Clair, Blount, Shelby, Walker).

The BWW operates 4 intake stations with a total rated pumpage capacity of 285 million gallons per day (MGD). The intakes draw water from the Cahaba River, Mulberry Fork, Sipsy Fork, and Inland Lake. The BWW owns and operates 4 surface water-fed filtration plants with a total treatment capacity of 190 MGD. The distribution system includes approximately 4,125 miles of cast iron, ductile iron, polyvinyl chloride, and galvanized line pipe. The system also includes 6 impoundment dams, 73 potable and raw water storage facilities, 48 pumping stations, 41 pressure reducing valve stations, 56,000 valves, 14,404 hydrants and over 220,000-meter settings. The BWW maintains a system with over 220,000 major pieces of equipment.

In support of these assets, the BWW has a 2025 Capital Improvement Plan (CIP) of \$115,630,710 and a 10-Year Capital Improvement Plan of \$1,097,828,181. CIP funds are designated to address regulatory compliance, risk management, capacity/growth, performance/cost efficiency and maintenance/replacement needs throughout the system, as well as capitalized operations and maintenance. The CIP serves as a planning instrument to identify needed capital expenditures and to coordinate the financing and timing of improvements in a way that maximizes the return to the customers. In addition, the planning process is a valuable means of coordinating and taking advantage of joint planning and development of projects where possible. Planning for capital facilities over time can promote better use of BWW's financial resources and maintain an effective level of service for customers.

While the CIP serves as a long-range plan, it is reviewed annually and revised based on current prioritized circumstances and opportunities. Also, the project priorities may be changed due to funding opportunities and/or circumstances that cause a more rapid deterioration of an asset.

The adoption of the Capital Improvement Plan is neither a commitment to a particular project nor a limitation to a particular cost. When adopted, the CIP provides the framework for management and for the Directors with respect to rates, financing, investment planning and project planning.

### CAPITAL PROJECT DEFINED

A capital project is a set of activities which includes one or more of the following:

- The purchase and/or construction of any equipment, site, building, impoundment, or property which will become an asset of the BWW and be recorded in the financial records as a capital asset under generally accepted accounting principles (GAAP) and applicable BWW financial policies.
- Any engineering/professional study or master plan completed leading to the purchase, acquisition, construction or delivery of a capital asset.
- Any major repair, renovation, improvement, or significant partial replacement to an existing asset that extends the useful operational life of the asset by at least five years or expands the capacity of an existing facility

Regular maintenance and operation expenses for capital assets are budgeted in the Operating and Maintenance budget.

## GOALS OF THE CIP

The Capital Improvement Plan evaluates the operating condition of the organization's assets and identifies where upgrade improvements can be made and where opportunities for new projects may exist. For this reason, the BWW has the following goals from its CIP process:

- Ensure that BWW's 10-Year Capital Improvement Plan is affordable and finances only necessary capital expenditures
- Qualify capital investment decisions according to a fair, transparent, and objective process
- Emphasize the requirement for long-term planning
- Link the relation between the Capital and the Operation and Maintenance Budgets
- Avoid the need to impose emergency repairs and maintain existing assets in order to produce the nation's highest quality water
- Serve as an educational tool for the community and the BWW

## FUNDING OF THE CIP

THE BWW FUNDS CAPITAL PROJECTS FROM:

- **Impact Fees** – charges assessed against new developments to recover major capital costs associated with expanding water service facilities
- **Development Impact Fees** – charges established to recoup the cost of installing or extending water lines to service a certain defined group of properties, some of which may not currently be developed
- **Debt** – monies borrowed through the issuance of revenue bonds or loans through the State Revolving Fund
- **PAYGO (Pay As You Go)** – revenues generated from rates
- **WIFIA (Water Infrastructure Finance and Innovation Act)** - as of December 2024, BWW has not received any funds but has applied for funding.



## DESCRIPTION OF PROJECT DRIVERS

The following categories, listed by priority, were developed to indicate the driver for each element of the BWW's CIP. Each project has been placed into one of these categories. It is possible that a project exists which could fall into multiple categories. Where this occurred, an effort was made to identify the most significant driver for the project.

### REGULATORY COMPLIANCE

Projects associated with compliance with existing, pending, and future regulations. One regulation has a direct impact on the BWW's CIP. An example summary of this regulation and the associated projects is provided below.

Example of projects:

- Disinfectants/Disinfection Byproducts Rule Stage 2 – Requires utilities to meet disinfection by-product maximum contaminant levels at locations in the system known to produce high levels. The final rule was issued on January 4, 2006.
- Impact on BWW: Optimization of current treatment process and distribution system management practices. This includes the rehabilitation of existing facilities to position for potential use of alternative treatment strategies.

### RISK MANAGEMENT

Projects associated with increasing service reliability, system redundancy, and safety of BWW facilities for workers, the surrounding community, and the environment. These activities include security program implementation, electrical system improvements, disinfection upgrades/conversion, distribution reinforcements, and dam safety improvements.

### CAPACITY

Projects associated with supporting the continued growth of the BWW service area and demand within the existing service areas. These efforts include plant expansions, system expansion/redundancy, and new source development.

### PERFORMANCE/COST EFFICIENCY

Projects associated with maintaining/improving current practices of utility operation. These efforts include information technology initiatives, treatment process rehabilitation, and system maintenance/replacement.

### MAINTENANCE AND REPLACEMENT

Projects associated with extending the useful life of existing infrastructure through replacement of system elements or rehabilitation.

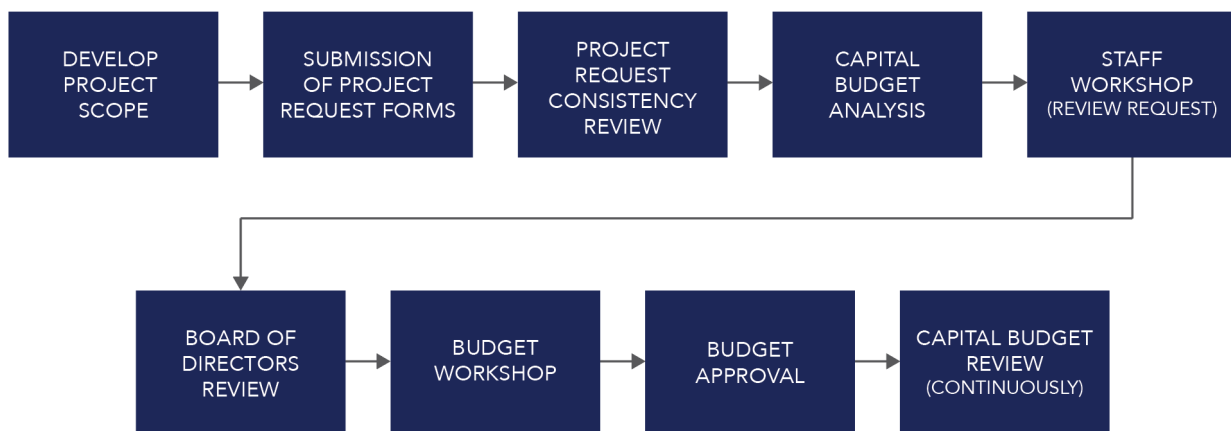
### CAPITALIZED OPERATION AND MAINTENANCE

These are indirect project costs clearly related to the construction, development, or improvement of capital assets as a group, but not to the construction, development, or improvement of a specific capital asset.

## CAPITAL PLANNING PROCESS

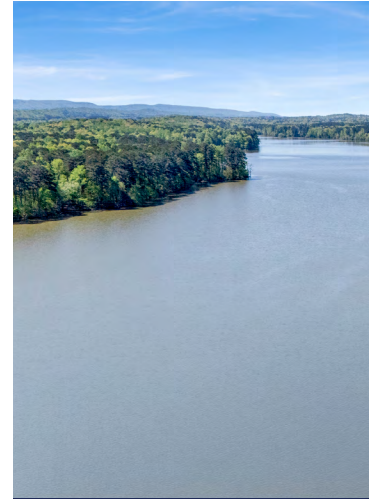
The Capital Planning Process is created to be a vehicle to meet specific BWW goals and/or drivers and to be consistent with BWW's Strategic and Master Plans. The purpose of the Capital Planning Process is to encourage the flow of ideas and allow for proactive planning. During this process, departments are reviewing facilities condition assessments, preventive maintenance records, current performance of the Capital Improvement Plan, and providing justification of any other necessary project request. From these activities, the departments should become familiar with the overall condition of their assets and needs.

If these needs require the expenditure of capital dollars, each department will be responsible for completing the appropriate Capital Request and Business Case Justification Form. These request forms provide information such as: project name and location, the estimated cost, project timing, a brief description and justification of the project and the resulting benefit. The procedures for the development of the Capital Improvement Plan budget will generally follow the schedule below:





LAKE PURDY DAM CONSTRUCTION



INLAND LAKE RESEVOIR CONSTRUCTION



BWW CREWS WORK TO REPLACE PIPE AND PATCH THE ROADWAY

## CAPITAL PLANNING STRATEGY



1. CAPITAL PROGRAM (INTERNAL/EXTERNAL WORKFORCE DEVELOPMENT, SUPPLY CHAIN, AND PARTNERING)



2. RISK REDUCTION AND RESILIENCE IMPROVEMENTS (SODIUM HYPOCHLORITE)



3. FILTER REHABILITATION AT WATER TREATMENT PLANTS



4. WATER SYSTEM SUPPLY RELIABILITY



5. DAM REHABILITATIONS



6. DISTRIBUTION SYSTEM – PIPELINE REPLACEMENT PROGRAM



### 5-YEAR BUDGET TIMELINE





# CAPITAL PROJECT DESCRIPTIONS

## BUDGET ITEMS

### 1A. NEW DISTRIBUTION MAINS & HYDRANTS

This item covers the installation of distribution mains and fire hydrants generally associated with new developments that result in extensions of water services. These costs are generally reimbursed to the BWW by the customer or developer

### 99 DISTRIBUTION MAINS, HYDRANTS & NEW CUSTOMER TAP FEES

This item includes the contributions and deposits received for main extensions in Budget Item 1A and new customers tap fees, in accordance with the Rules and Regulations Governing Service to Customers

### 1B. NEW CUSTOMER SERVICE CONNECTIONS –SYSTEM DEVELOPMENT ONLY

This item covers the BWW's cost for new service connections. It includes all labor and materials furnished by the BWW. Tap fees are charged to the customer to offset this cost

### 1C. METERS & METERING TECHNOLOGY

This item covers the purchase of additional and replacement meters. The additional meters are for new service connections. The replacement meters are for the continuation of the replacement program of worn-out inaccurate meters. This replacement program enhances revenue and reduces lost water

### 1D. REPLACE DISTRIBUTION MAINS – SYSTEM DEVELOPMENT ONLY

Many of the system's older distribution mains, particularly galvanized steel, have deteriorated beyond economical repair. These mains are a continuing source of excessive maintenance and lost revenue (water loss). This item is intended to continue replacement of water mains due to excessive repairs, water quality, low fire flow, etc.

### 1E. REPLACE DISTRIBUTION SERVICES – SYSTEM DEVELOPMENT ONLY

Many of the system's older services, particularly galvanized steel, have deteriorated beyond economical repair. These services are a continuing source of excessive maintenance and lost revenue (water loss). This item is intended to continue the program for replacement of these older services

### 1F. WATER PLANT FILTERS

In order to maintain the effectiveness and efficiency of the filter plants, it is necessary to rebuild the filters and replace the filter media on a regular basis. This item provides for a regular program of filter media replacement

### 1G. PURCHASE WATERSHED PROPERTY

In order to protect valuable water resources, it is advantageous to purchase watershed property when it becomes available. This item provides funding for purchasing watershed property as it becomes available

### 1H. TANK MAINTENANCE & REPAIR

In order to maintain the integrity of the BWW's storage tanks, it is necessary to have a comprehensive tank maintenance program. This item will provide for regular maintenance and rehabilitation as required. This includes updating to current standards and recoating the storage tanks on a scheduled basis

### 1I. REPAIR/REPLACE PUMPS, MOTORS, GENERATORS

In order to maintain acceptable operational efficiency of pumps, motors, and other appurtenances, it is necessary to have a repair/replacement program. This item will provide for repair or replacement of equipment, as necessary to maintain optimum operating efficiency

### 1J. REIMBURSABLE PIPELINE PROJECTS OUT

This item covers installation of new distribution mains at the cost of the BWW



### 1K. SERVICE LINE REPLACEMENT – DISTRIBUTION DEPARTMENT ONLY

This item covers installation of main and service line replacements at the cost of the BWW

### 1L. REPAIR/REPLACE DISTRIBUTION HYDRANTS AND VALVES

Repair/Replace Distribution Hydrants and Valves

### 1M. CUT AND CAP PROGRAM

This item includes the pilot program for the cut and cap of 2-inch service lines

### 1N. DEVELOPER INSTALLED

This item includes new development associated installation cost

### OFFICE FURNITURE & EQUIPMENT

This item includes replacement of office furniture and equipment

### TRANSPORTATION EQUIPMENT

This item includes the replacement of vehicles due to excessive mileage and/or repair cost and the purchase of additional vehicles

### GENERAL EQUIPMENT

This budget item sets aside monies to purchase general equipment. Departments will be required to submit justification for review and approval to purchase under this capital item

### MAINTENANCE & REPAIRS TO EXISTING FACILITIES

This item includes upgrades, replacements and repairs needed to improve safety, operations, and efficiency of existing facilities. These are typically small capital construction projects less than \$500,000 total installed cost

### INFORMATION TECHNOLOGY/GIS

This item includes replacement of computer software and equipment to maintain existing network and other technology enhancements

### ECONOMIC DEVELOPMENT

This item includes the development of programs and processes to increase economic development for BWW



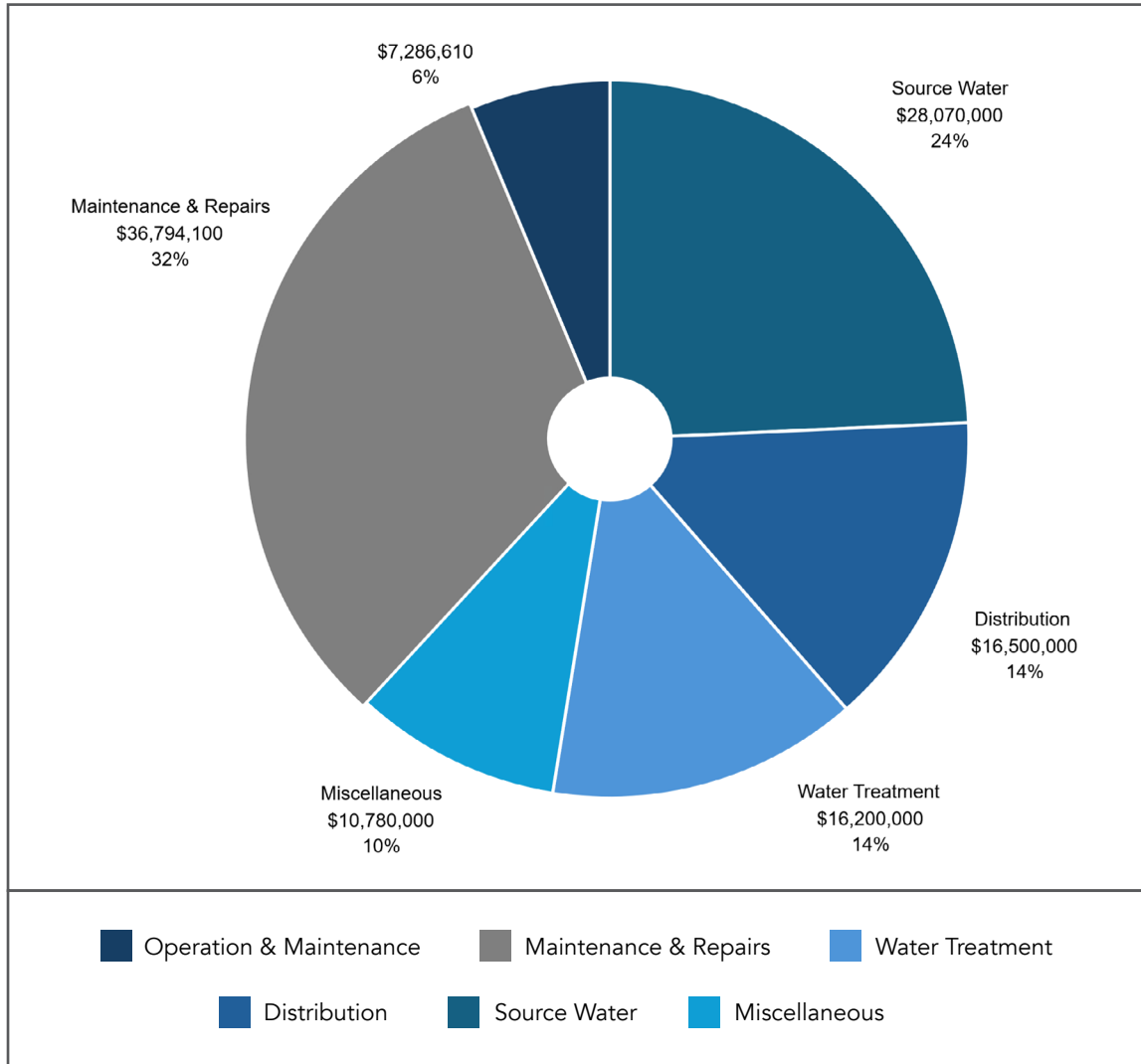
## APPROVED 2025 CAPITAL BUDGET

Description	Drivers	2025
<b>Filter Plants</b>		
PFP Sodium Hypochlorite & Liquid Lime	Risk	\$ 1,000,000
SMFP Solids Handling	Reg	\$ 5,000,000
WFP Sodium Hypochlorite, Liquid Lime & Chemical Building Upgrade	Risk	\$ 7,000,000
<b>Raw Water &amp; Distribution</b>		
Lake Purdy Dam Stability Rehabilitation	Risk	\$ 22,000,000
Inland Lake PS & Transmission Line Improvement	Risk	\$ 250,000
Highway 79/Kiowa Road Distribution Update	Perform	\$ 13,000,000
<b>Main Campus IT/Security</b>		
Envirolab & Research Building	Reg	\$ 5,000,000
SAP S/4 HANA Implementation & Updates	Perform	\$ 7,000,000
AMI Procurement & Implementation	Perform	\$ 10,000,000
Main Office HVAC Replacement	Perform	\$ 300,000
<b>Maintenance &amp; Repairs</b>		
1A - New Distribution Mains & Hydrants (Associated w/ New Developments)	M & R	\$ 2,000,000
1B - Replace Existing Services - Revenue Water Only	M & R	-
1C - Meters & Metering Technologies	M & R	\$ 3,000,000
1D - Replace Distribution Mains - System Development Only	M & R	\$ 15,000,000
1E - Replace Distribution Services - System Development Only	M & R	\$ 5,125,000
1F - Water Plant Filters	M & R	-
1H - Tank Maintenance & Repairs	M & R	\$ 2,750,000
1I - Repair/Replace Pumps, Motors, Generators	M & R	\$ 2,000,000
1K - Service Line Replacement - Distribution Department Only (Includes \$1M for leak related paving repairs)	M & R	\$ 3,000,000
1L - Repair & Replace Distribution Hydrants & Valves	M & R	\$ 2,000,000
1N - Developer Installed	M & R	-
2 - Office Furniture & Equipment	M & R	\$ 40,000
3 - Transportation Equipment	M & R	\$ 3,000,000
4 - General Equipment	M & R	\$ 500,000
5 - Maintenance & Repairs to Existing Facilities	M & R	\$ 3,000,000
6 - Information Technology/GIS	M & R	\$ 500,000
7 - Economic Development	Perform	-
99 - Distribution Mains, Hydrants, & New Customer Tap Fees	M & R	\$ (4,120,900)
Capitalized Operation & Maintenance	M & R	\$ 7,286,610
<b>Total</b>		<b>\$ 115,630,710</b>



The chart below is an allocation of the FY2025 Approved Capital Budget.

### APPROVED 2025 CAPITAL BUDGET



Category	FY2025 Amount	Percentage
Source Water	\$28,070,000	24%
Distribution	\$16,500,000	14%
Water Treatment	\$16,200,000	14%
Miscellaneous	\$10,780,000	9%
Maintenance & Repairs	\$36,794,100	32%
Operation & Maintenance	\$7,286,610	6%
<b>Total</b>	<b>\$115,630,710</b>	<b>100%</b>



CAPITAL IMPROVEMENT PLAN (CIP) HIGHLIGHTS

**TOP FIVE BUDGETED PROJECTS FY2025**

\$17M	SAP4HANA & AMI Procurement Implementation
\$13M	Kiowa Road Distribution Improvement
\$22M	Lake Purdy Dam Rehabilitation
\$8M	PF&P & WFP Sodium Hypochlorite and Liquid Lime & Electrical Upgrades
\$25M	Pipeline Replacement Program

Top-Five projects = \$85M or 73.5% of the Capital Improvement Plan (CIP)



### 3 YEAR CAPITAL EXPENSES BY YEAR WITH FY2025 BUDGET

Funded Program	Funded Program Description	FY2022 Expenses	FY2023 Expenses	FY2024 Expenses	FY2025 Budget
1A	New Distribution Mains & Hydrants	\$4,601,518	\$4,356,149	\$4,326,938	\$2,206,940
1C	Meters & Metering Technologies	\$2,276,380	\$2,222,976	\$2,739,813	\$3,087,214
1D	Replace Distribution Mains - Sys Dev Only	\$24,772,104	\$27,313,293	\$28,120,373	\$16,552,048
1E	Replace Distribution Services - Sys Dev Only	\$1,663,963	\$1,544,286	\$1,518,613	\$5,655,283
1G	Purchase Watershed Properties	-	-	\$601,375	-
1H	Tank Maintenance & Repairs	\$358,342	\$7,509	\$22,239	\$2,8229,947
1I	Repair/Replace Pumps, Motors, Generators	\$1,062,909	\$1,338,490	\$1,655,353	\$2,118,893
1J	Reimbursable Pipeline Projects Out	\$11,728	\$28,725	\$34,058	-
1K	Service Line Replacement - Distribution Dept Only	\$2,088,264	\$1,948,798	\$1,284,266	\$3,310,410
1L	Repair/Replace Distribution Hydrants & Valves	\$1,160,242	\$1,141,311	\$1,880,721	\$2,206,940
2	Office Furniture & Equipment	\$21,051	\$18,478	\$44,646	\$40,000
3	Transportation Equipment	\$1,293,317	-	\$7,961,528	\$3,000,000
4	General Equipment	\$464,231	\$440,139	\$2,125,670	\$500,000
5	Maintenance & Repairs to Existing Facilities	\$1,981,186	\$1,509,314	\$3,695,186	\$3,000,000
6	Information Technology/GIS	\$2,315,571	\$1,303,345	\$904,220	\$500,000
99	Distribution Mains, Hydrant & New Customer Tap Fee	\$237,429	(\$2,765,137)	\$353,542	(\$4,120,900)
BP-613-12	Inland Lake PS & Transmission Line Improvements	\$194	\$3,730	\$1,076	\$264,862
BP-616-12	Lake Purdy Dam Rehabilitation & Spilway Capacity	\$892	\$1,172,973	\$286,577	\$23,307,819
BP-625-12	SMFP Filter Improvements	\$9,937,639	\$807,270	\$4,841,615	-
BP-636-14	Carson Loop Phase 6C & 6D	\$66,229	\$7,532,512	\$13,462,210	-
BP-637-14	Putnam Filter Plant Hypo Project	\$98,804	\$175,583	\$21,207	\$1,059,446
BP-639-15	Main Office HVAC Replacement	-	-	-	\$317,834
BP-647-17	SAP Implementation (Phase 3.0 - HR)	\$339,848	-	-	-
BP-658-20	WFP Sodium Hypochlorite Facility	\$20,980	\$387,965	\$95,451	\$7,416,124
BP-660-20	EnviroLab Design Research Innovation Building	\$228,152	\$6,787,266	\$458,462	\$5,297,231
BP-661-22	Carson Filter Plant Sodium Hypochlorite Project	-	-	-	-
BP-662-22	Highway 79/Kiowa Road Distribution Update	-	\$587,323	\$2,958,402	\$13,772,802
BP-664-24	SMFP Solids Handling	-	-	-	\$5,297,231
BP-665-24	Sardis Road Reinforcement	-	-	\$64,203	-
BP-666-24	Clayton Road Reinforcement	-	-	\$13,556	-
BP-667-24	SAP 4 HANA Implementation & Updates	-	-	-	\$7,416,124
BP-668-24	AMI Procurement & Implementation	-	-	-	\$10,594,462
O&M	Operating & Maintenance Budget	\$13,462.91	\$22,218	\$4,651	-
<b>Total Amount</b>		<b>\$55,048,393</b>	<b>\$57,981,461</b>	<b>\$79,354,817</b>	<b>\$115,630,710</b>



SUMMARY OF CAPITAL BUDGET & EXPENSES BY YEAR

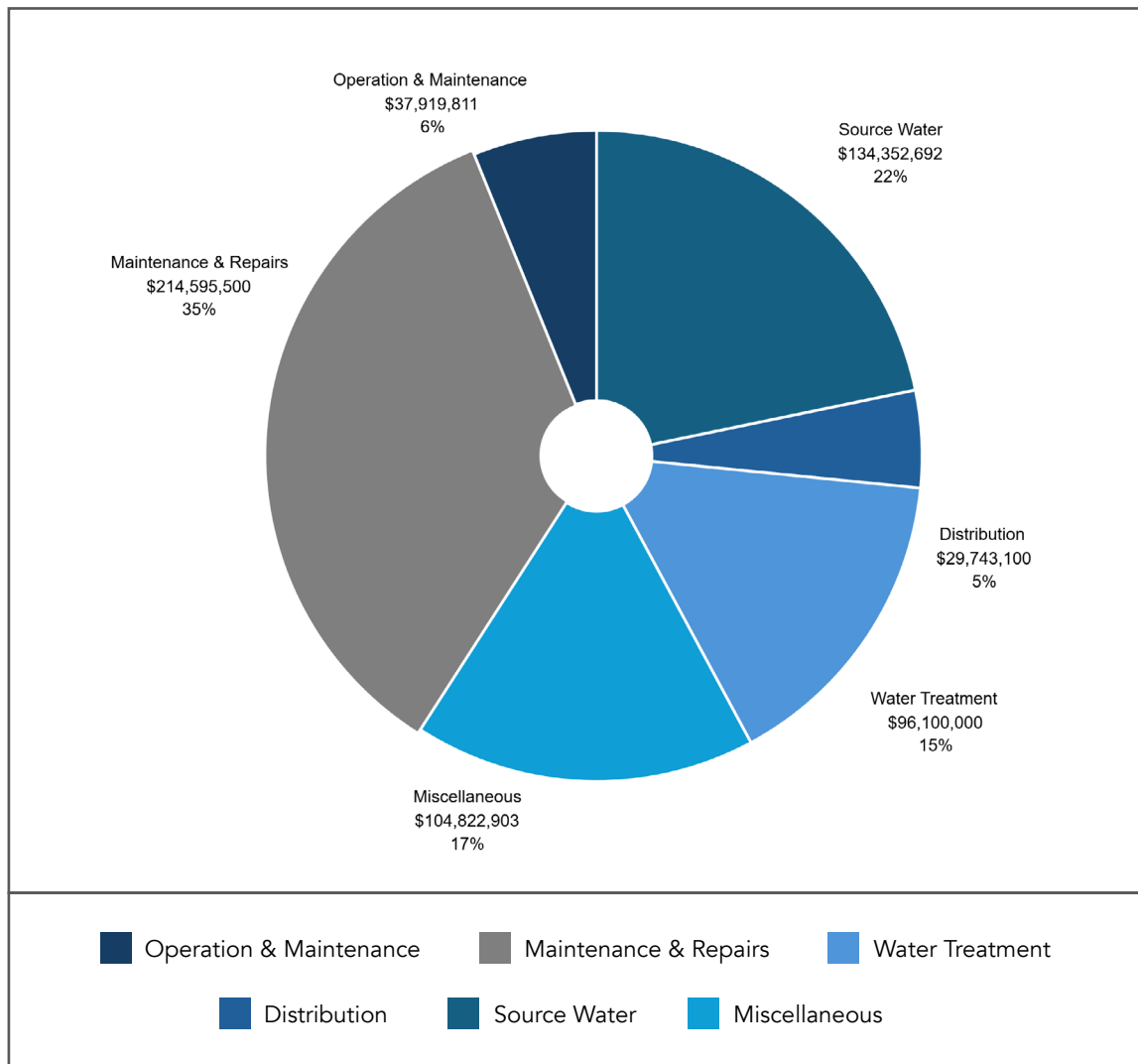
YEAR	FY2022	FY2023	FY2024	FY2025
<b>Budgeted Amount</b>	\$77,089,198	\$78,333,151	\$83,711,540	\$115,630,710
<b>Actual Expenses</b>	\$55,048,393	\$57,981,461	\$79,354,817	
<b>% of Budget Expended</b>	71.41%	74.02%	94.80%	

KEY PERFORMANCE MEASURES

Strategic Goal	Performance Measure	FY 2023 Actual	FY 2024 Projected	FY 2025 Target
Infrastructure Stability/financial Viability	Complete an annual analysis of the BWW Distribution System capacity to plan for the expansion of the system to accommodate growth and ensure enterprise resiliency	Completed	Completed	In progress/continuous
Infrastructure Stability/financial Viability	% of Completed In-House and Bid Replacement / Reinforcement Projects implemented in accordance with the approved Capital Budget authorized by Board of Directors (Target is 70%)	85%	90%	80%
Infrastructure Stability/financial Viability	Review and determine capital projects needs in support of the BWW CIP goals and forecasts 5 year projected capital budget needs (This is an ongoing process and needs change as priorities are identified)	Completed	Completed	In progress/continuous



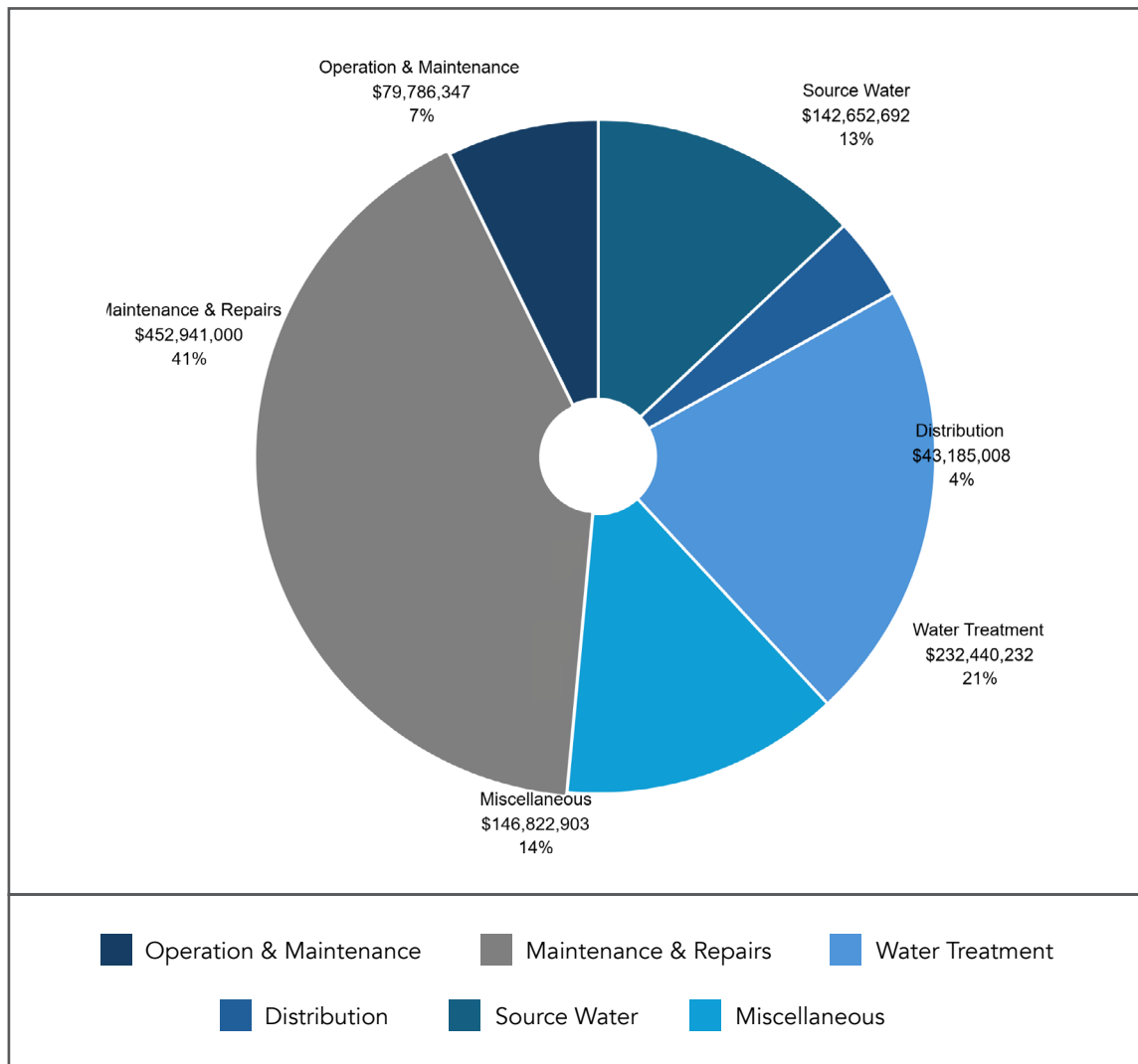
5-YEAR PLAN 2025-2029



Category	Amount	Percentage
Source Water	\$134,352,692	22%
Distribution	\$29,743,100	5%
Water Treatment	\$96,100,000	16%
Miscellaneous	\$104,822,903	17%
Maintenance & Repairs	\$214,595,500	35%
Operation & Maintenance	\$37,919,811	6%
<b>Total</b>	<b>\$617,534,006</b>	<b>100%</b>

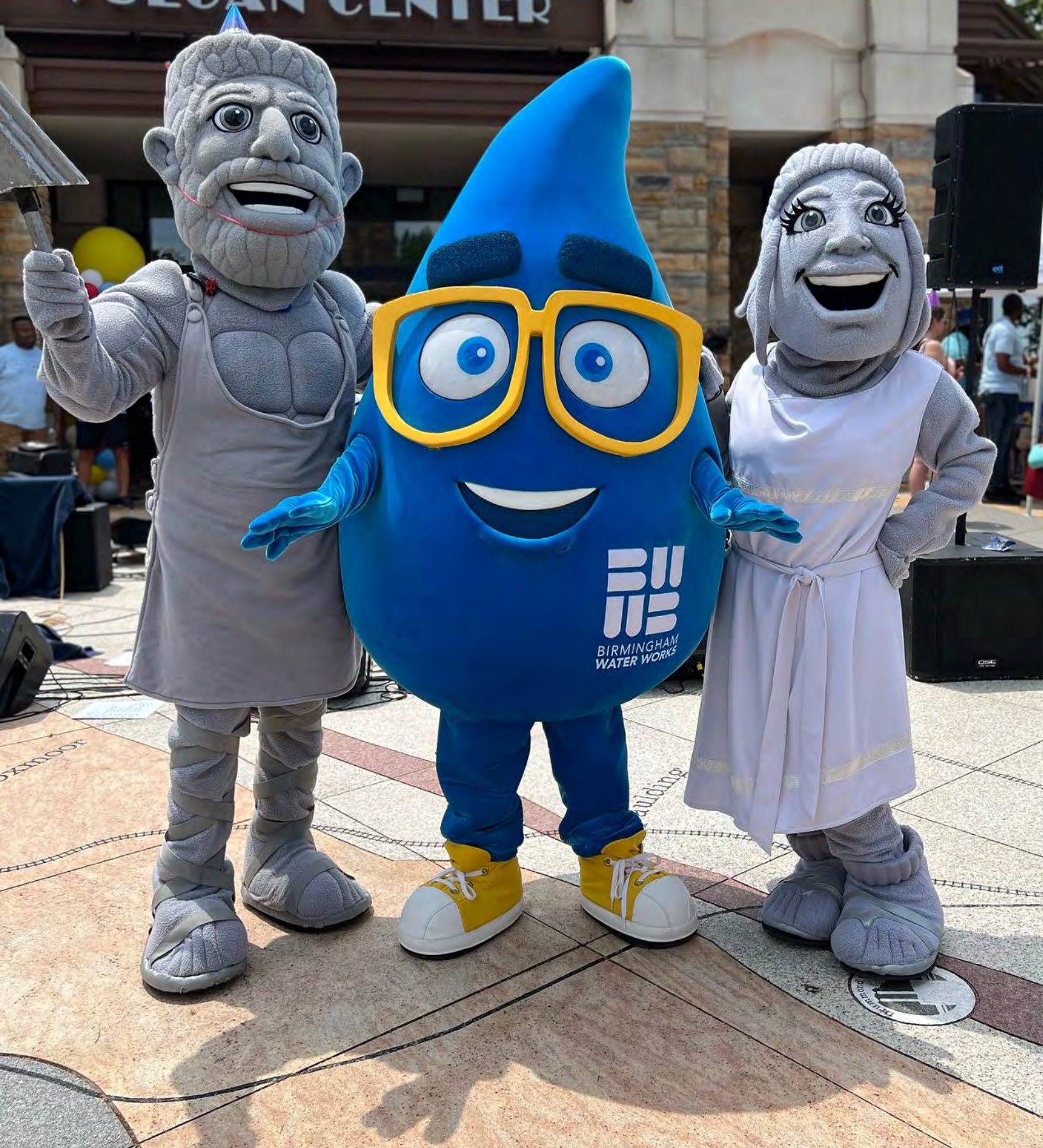


10-YEAR PLAN 2025-2034



Category	Amount	Percentage
Source Water	\$142,652,692	13%
Distribution	\$43,185,008	4%
Water Treatment	\$232,440,232	21%
Miscellaneous	\$146,822,903	13%
Maintenance & Repairs	\$452,941,000	41%
Operation & Maintenance	\$79,786,347	7%
<b>Total</b>	<b>\$1,097,828,181</b>	<b>100%</b>

VULCAN CENTER



**BWW**  
BIRMINGHAM  
WATER WORKS



# CURRENT SYSTEM ASSETS

Our goal is to maintain existing assets in order to produce the nation's highest quality water.

**8**  
TREATMENT &  
RAW WATER PLANTS



**73**  
WATER  
TANKS



**51**  
DISTRIBUTION  
PUMP STATIONS



**220,000**  
METERS/  
CONNECTIONS



**2**  
SLUDGE  
FACILITIES



**20**  
PRESSURE  
GRADIENTS



**154**  
BUILDINGS



**4,140** MI  
WATER  
MAINS



**1,000** MI  
SERVICE  
LINES



**6**  
IMPOUNDMENTS



**14,497**  
HYDRANTS



**56,426**  
VALVES



**41**  
PRESSURE  
REDUCING VALVES



## RAW WATER DISTRIBUTION

The Birmingham Water Works (BWW) ensures the availability of water to every home, school, business, and park within its service area. BWW system provides retail service to an area of approximately 700 square miles and approximately 196,000 customer accounts in Jefferson, Blount, St. Clair, Walker and Shelby Counties. The system consists of 4 raw water intake systems, 3 raw water boosters, 6 dams, and 53 raw water storage tanks. Water must be pumped long distances from the source of supply to storage/use.

### **OBJECTIVE: WHAT WE ARE TRYING TO ACCOMPLISH**

The objective of these asset classes is to ensure the system provides adequate storage of treatable water and equalizes demand to meet the current and future service demands of BWW. It also ensures that adequate water storage capacity meets water regulations and provides maximum operational efficiency for industrial purchase, wholesale customers, and meets fire protection needs.

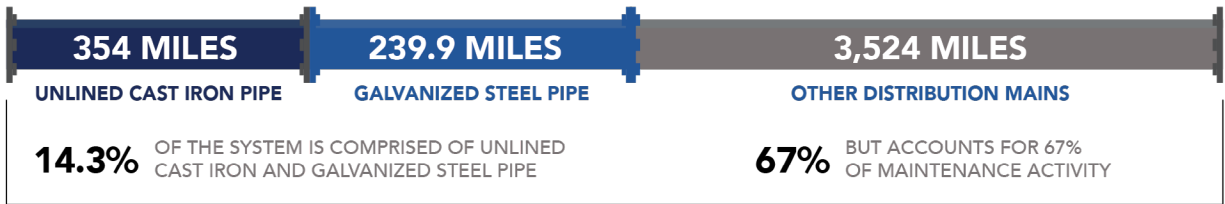
### **HOW WE WILL ACHIEVE OUR OBJECTIVE**

The Capital Improvement Plan includes renewal and replacement projects needed to maintain adequate water supplies and storage to meet current water demands.

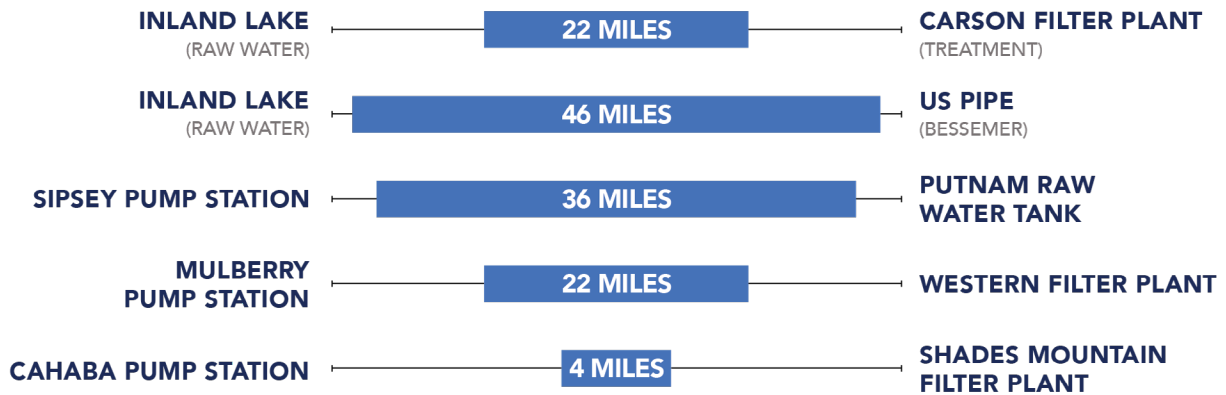


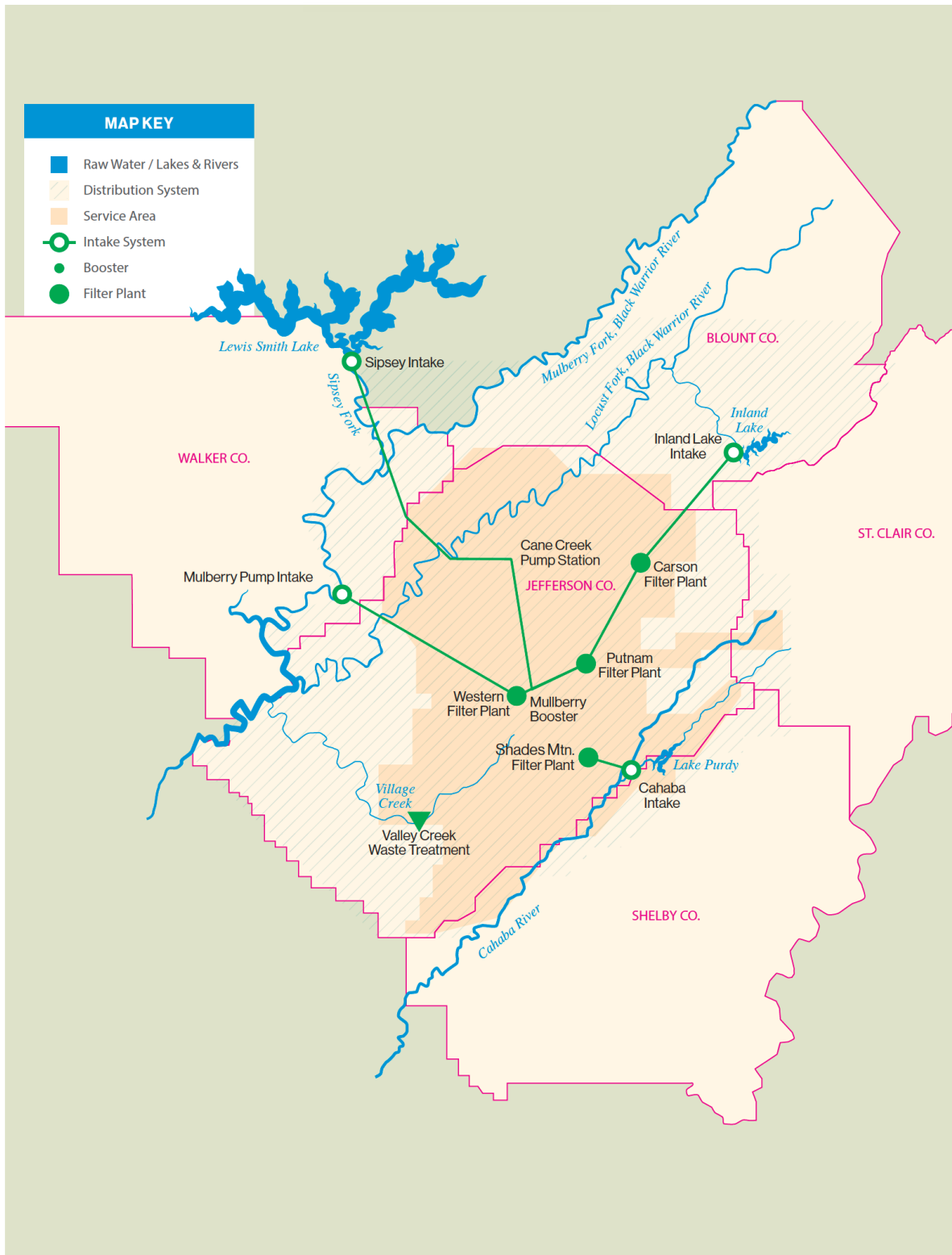


SECTION 7: CAPITAL IMPROVEMENT PLAN



**4,140 MILES**  
TOTAL PIPE IN SYSTEM







## WORK COMPLETED OR SCHEDULED IN FY2025 – 2029

### LAKE PURDY DAM STABILIZATION PROJECT GOALS

- Improve the stability of the existing dam
- Mitigate seepage
- Increase the spillway capacity

### CAHABA PUMP STATION PUMP REPAIR GOALS

- Maintain the operational efficiency of the Cahaba Pump Station
- Repair and refurbish existing vertical turbine pumps
- Provide treatable water to our largest water treatment plant

### SIPSEY PUMP STATION PUMP REPAIR GOALS

- Maintain the operational efficiency of the Sipsey Pump Station
- Repair and refurbish existing vertical turbine pumps
- Provide treatable water to our water treatment plants

### MULBERRY PUMP STATION REPAIR GOALS

- Maintain the operational efficiency of the Mulberry Pump Station
- Repair and refurbish existing vertical turbine pumps
- Provide treatable water to our water treatment plants

### MULBERRY RAW WATER SURGE TANKS GOALS

- Maintain and repair existing 750,000-unit raw water tank
- Increase structural integrity by preventing rust and deterioration
- Increase life span by 20 – 25 years

## DISTRIBUTION

The Distribution System consists of 4,140 miles of piping, 1,000 miles of service lines, 51 distribution pump stations, 51 distribution storage tanks, 41 pressure-reducing valve stations, 56,426 valves, 15,000 hydrants, and 20 pressure gradients.

### **OBJECTIVE: WHAT WE ARE TRYING TO ACCOMPLISH**

The objective of this asset class is to support the ongoing rehabilitation of existing water lines; improvements related to optimizing system performance and reliability, e.g., looping, paralleling, and replacing lines approaching capacity; and adding new transmission and distribution mains to support growth and service deficiencies in specific areas.

### **HOW WE WILL ACHIEVE OUR OBJECTIVE**

The Capital Improvement Plan includes renewal and replacement projects needed to maintain adequate water supplies and storage to meet current water demands.

### **WORK COMPLETED OR SCHEDULED IN FY2025 – 2029**

#### **INLAND LAKE PUMP STATION AND TRANSMISSION LINE IMPROVEMENTS CONSTRUCTION PROJECT**

This project includes removing and replacing failing main line valves, check valves and blow-off. This will involve the installation of new 60-inch main line valves, 60-inch check valves and a 60-inch magnetic flow meter.

#### **CARSON LOOP PHASE 6D**

The project consists of 3,700 feet of 36-inch buried ductile iron pipe and fittings along from Grand River West to Floyd Bradford Road and Amber Hills Road. This project also includes a 600-foot-long pipe bridge over the Cahaba River.

#### **HIGHWAY 79/KIOWA ROAD, BETHEL, BONE DRY DISTRIBUTION PIPELINE**

The project consists of 15,180 feet of 8, 12, and 16 inch buried ductile iron pipe and fittings along from Highway 29 to Bethel Road, and Cone Dry Road. This project includes a directional drilling under Gurley Creek.

#### **WATER LINE REPLACEMENT PROJECT**

Replacement of the system's older distribution mains, particularly galvanized steel due to excessive repairs, water quality, low fire flow, etc.

#### **METER REPLACEMENT PROJECT**

The replacement meters are for the continuation of the replacement program of worn-out inaccurate meters. This replacement program enhances revenue and reduces lost water.

# WATER TREATMENT

The Birmingham Water Works (BWW) consists of 4 water treatment plants and is the State of Alabama’s largest water utility.

**SHADES MOUNTAIN 80 MGD**



**WESTERN 60 MGD**



**PUTNAM 24 MGD**



**CARSON 25 MGD**

## OBJECTIVE: WHAT WE ARE TRYING TO ACCOMPLISH

The objective of this asset class is to ensure exceptional treatment facilities are being maintained to produce water quality that exceeds drinking water standards.

## HOW WE WILL ACHIEVE OUR OBJECTIVE

The Capital Improvement Plan includes renewal and replacement of equipment, membranes, disinfection units and electrical/control components to ensure the water quality provided to our customers exceeds federal and state drinking water standards.

## WORK COMPLETED OR SCHEDULED IN FY2025 – 2029

### SHADES MOUNTAIN FILTER PLANT (SMFP) FILTER IMPROVEMENTS

As part of the BWW's overall filter rehabilitation program, BWW has chosen to upgrade the filters at each plant in such a way as to provide the flexibility for installation of GAC in the filters. Consistent with that approach, this project will establish the infrastructure to allow the existing filters to be converted into GAC Filter Absorbers. GAC treatment will allow the BWW to continue to use free chlorine for secondary disinfection while achieving compliance with Stage 2.

### SHADES MOUNTAIN FILTER PLANT (SMFP) RESIDUALS-SOLIDS HANDLING FACILITY UPGRADE

SMFP decommissioned and refurbished its two 26-inch solids dewatering centrifuges. These units replaced the 37-year-old failing plate and frame system currently in place. The centrifuges required installation as well as demolition of the existing plate and frame. The next phase is to update the solid handling facility. Solids dewatering is critical to regulator operations at SMFP.

### PUTNAM FILTER PLANT & WESTERN FILTER PLANT SODIUM HYPOCHLORITE

The project includes the construction of a sodium hypochlorite facility at the Putnam & Western Filter Plant and when completed will replace the existing hazardous chlorine gas process.

### PUTNAM FILTER PLANT & WESTERN FILTER PLANT LIQUID LIME

Design and construct liquid lime facility to eliminate existing dry lime system. The goal of the project is to address the following objectives:

- Reduce clogging which limits operation downtime.
- Reduce operation and maintenance time to mix powder.

## OPERATIONAL IMPACT ASSOCIATED WITH COMPLETED PROJECTS

### PUTNAM FILTER PLANT & WESTERN FILTER PLANT LIQUID LIME

The Carson Loop Pipeline is a multi-phased project running from the Carson Filter Plant in Pinson, Alabama to the Cahaba Valley distribution system in the south region of the Birmingham Water Works service area. The primary purpose of this pipeline is to provide an alternate source of potable water (filter water) to support south end of our distribution system. The completion of the 6D segment of this pipeline has alleviate the demand on the Lake Purdy Reservoir, the Cahaba River, and the Shades Mountain Filter Plant, recognized as Alabama's largest filtration plant and the main water source this area.

## IMPACT OF MAIN REPLACEMENT PROJECTS COMPLETED

- Increased Reliability – Newer pipelines are more reliable, less likely to break or require emergency repairs leading to fewer service interruptions for customers,
- Enhanced Water Quality – Replacing old pipelines ensures that the water supply is cleaner and safer
- Lower Maintenance Costs- With newer infrastructure, the frequency and cost of maintenance is reduced leading to long-term savings for the utility and its customers.
- Future Proofing Infrastructure – Investing in modern infrastructure prepares the water system to handle future population growth and increased demand ensuring sustainable service for years to come.



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PROFESSIONAL  
TECH SERVICES

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# APPENDIX

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## **IN THIS SECTION**

- Description of the System 191
- Comparison of Water Rates with Other Systems 197
- Results of Operations 198
- Major Industrial/Governmental Customers 198
- Glossary 199
- Acronyms 201

# DESCRIPTION OF THE SYSTEM

(CONTINUED ON NEXT PAGE...)

Birmingham Water Works serves an area of approximately 700 square miles within the Birmingham-Hoover Metropolitan Area including portions of Jefferson, Shelby, Blount, St. Clair, and Walker Counties. Potable water service is provided to a population of approximately 655,000 with an additional population of approximately 115,000 served by consecutive systems that are fed with BWW-produced water.

## WATER SOURCES AND SYSTEM INFORMATION

**BWW WATER SOURCES**

- Black Warrior Basin
  - Sipsy Fork
  - Mulberry Fork
  - Inland Lake/Blackburn Fork
- Cahaba Basin
  - Cahaba River
  - Little Cahaba River
  - Lake Purdy

**SYSTEM INFORMATION**

- Average Gallons of water delivered in 2023: 115,593 MGD
- People Served: 770,000\*
- Square miles in service area: 759\*
- Miles of water main (pipes) in system: 4,128\*

\*Approximations

**SOURCE WATER ASSESSMENT**

A source water assessment has been updated for the water system. It is available for review at BWW's main office during normal business hours.

The map displays the Birmingham Water Works service area, which is shaded in light blue. Key features include:
 

- Water Sources:** Lewis Smith Lake, Mulberry Fork, Inland Lake, Cahaba River, Little Cahaba River, and Lake Purdy.
- Intake Stations:** Sipsy Intake Station, Mulberry Intake Station, Inland Pump Station, and Cahaba Pump Station.
- Filtration Plants:** Carson Filtration Plant, Putnam Filtration Plant, Western Filtration Plant, and Shades Mountain Filtration Plant.

 A legend in the bottom left corner identifies yellow squares as Filtration Plants, green circles as Intake Stations, and light blue areas as BWW's Service Area.

## DESCRIPTION OF THE SYSTEM (CONTINUED)

The System presently has multiple separate sources of raw water as described below:

### **SIPSEY SYSTEM**

Operated under a permit from the U.S. Army Corps of Engineers, the Sipsey System consists of an intake pumping station immediately below the Alabama Power Company's L. M. Smith Dam on the Sipsey Fork of the Black Warrior River in Cullman County, 35 miles northwest of Birmingham, as well as a booster pumping station, a transmission pipeline, and terminal control reservoirs. The pipeline consists of approximately 44 miles of 60-inch, 48-inch and 42-inch steel and cast-iron supply lines. The Sipsey System has a firm yield of about 74 million gallons per day. At present, the intake pumping station can deliver the maximum quantity of water to the system's booster pumping station. The booster pumping station has a capacity of 90 million gallons per day. Water can be pumped from this station to the Western, Putnam and Carson Filtration Plants.

### **MULBERRY SYSTEM**

With its source the Mulberry Fork of the Black Warrior River in Walker County, the intake pumping station is operated under a permit from the U.S. Army Corps of Engineers. Water is withdrawn at a maximum rate not to exceed 85 million gallons per day for a two-hour duration, with a maximum of 65 million gallons per day during a 24-hour period. Work was completed in 1995 to increase the pump station capacity to the fully permitted withdrawal rate. This work included the installation of pumps, motors, and other general improvements. Water from this supply is delivered through approximately 20 miles of welded steel pipe 72 inches in diameter. Surge tanks are installed at various points along the pipeline and four 5-million-gallon control reservoirs are located at the terminus at the Western Filtration Plant. The Mulberry System includes a booster pumping station with a 25-million-gallons-per-day capacity located in the vicinity of the control reservoirs. Water can be pumped via this station to the Western and Putnam Filtration Plants.

### **INLAND LAKE SYSTEM**

This system consists of an impounding reservoir, a booster pumping station, chemical treatment facilities, a balancing reservoir, and a transmission pipeline. The impounding dam of earth and rock fill construction is 200 feet high and 1,060 feet long and creates a reservoir with a capacity of 20.5 billion gallons. The watershed above the dam is about 72 square miles in area. The dam is located approximately 27 miles northeast of Birmingham on the Blackburn Fork of the Black Warrior River in Blount County. The pipeline consists of approximately 44 miles of steel and cast-iron supply lines ranging in size from 16 to 60 inches in diameter. The Inland Lake reservoir has a safe yield of about 49 million gallons per day. The booster pumping station has a capacity of 88 million gallons per day. Water from Inland Lake is delivered to both Carson and Putnam Filtration Plants.

### **LAKE PURDY-CAHABA RIVER SYSTEM**

Part of the BWW's original purchase from The Birmingham Water Works Company in July 1951, included the Lake Purdy- Cahaba River System which dates to the 1880s. The Cahaba River watershed in Jefferson, St. Clair and Shelby counties is east of Birmingham and drained by the Cahaba and Little Cahaba Rivers. With a drainage area of approximately 196 square miles, this watershed includes an impoundment in Lake Purdy, formed by a dam across the Little Cahaba River. The storage capacity of Lake Purdy is 5.6 billion gallons. The safe yield from the Lake Purdy-Cahaba River System is approximately 52 million gallons per day. The Lake Purdy-Cahaba River System is the primary source of supply to the Shades Mountain Filtration Plant.

**WATER FROM THE ABOVE SOURCES IS DELIVERED THROUGH LONG TRANSMISSION LINES TO THE FOUR FILTRATION PLANTS, WHICH ARE A PART OF THE SYSTEM. THE DIVERSE LOCATIONS OF THE SOURCES OF SUPPLY AID IN MAINTAINING WATER SERVICE IN THE EVENT OF A PARTIAL FAILURE AT ANY PLANT.**



### ADDITIONAL SOURCES

The BWW currently has a sufficient water supply and is projected to be able to meet its needs through at least the year 2032 barring any unforeseen circumstances. In 2007, the BWW prepared a Water Supply Needs Assessment, which examined future needs for water supply through the year 2075. In 2009, the BWW prepared a “Report on Plans for Improving Water Supply Reliability and Evaluation of Alternatives to Meet Future Water Demands,” which examined alternatives for additional water supply and improving connectivity among its sources and filtration plants.

By adding additional supply from existing water resources in the Warrior River Basin at Holt Lake and making other improvements to its raw water delivery system, the BWW can meet the expected demands of the Birmingham-Hoover Metropolitan Area through the year 2075. While obtaining additional water supply from existing water resources will require additional capital improvements to transport water from Holt Lake to the filtration plants, this cost is lower than developing a new source of supply.

Between now and 2032, the BWW will work toward acquiring necessary property, permitting a new intake at Holt Lake, and other project development activities. The BWW believes that it will have sufficient supply to meet its needs through the year 2075 upon completion of the Holt Lake improvements.

### ANNUAL RAINFALL

Established by records of the United States Weather Bureau, the average annual rainfall since 1900 has been approximately 55 inches. The lowest annual rainfall on record was 28.86 inches recorded in 2007. The absence of any major seasonal variations in rainfall in the Birmingham-Hoover Metropolitan Area usually ensures a dependable supply of surface water.

### FILTRATION PLANTS

Four water filtration plants process and treat the raw water from the aforementioned sources of supply. The rated capacity and sources of supply of the filtration plants are as follows:

#### FILTRATION PLANT SOURCES AND CAPACITY

FILTRATION PLANT	RATED CAPACITY	SOURCE OF SUPPLY
Shades Mountain	80 MGD	Cahaba River - Lake Purdy
Putnam	24 MGD	Mulberry Fork, Smith Lake or Inland Lake
Western	60 MGD	Mulberry Fork or Smith Lake
Carson	25 MGD	Inland Lake, Smith Lake or Mulberry Fork

The present maximum capacity of the four filtration plants is 189 MGD. The four filtration plants feed into an integrated distribution system increasing the overall reliability of the system.

(See “DESCRIPTION OF THE SYSTEM – Sources of Supply.”)



## **PUMPING FACILITIES**

Pumping facilities at each of the four filtration plants deliver water into the 13 major and 7 minor service areas of the distribution system. In addition to these pumping facilities, the system has 16 major pumping stations, pumping from 1 million to 28 million gallons per day. These major pumping stations deliver water from lower service areas to higher service areas. In addition to the above, there are several smaller booster pumping stations delivering water to isolated areas at higher elevations. These smaller stations range in pumping capacity from 20 to 400 gallons per minute.

## **TANKS AND STANDPIPES**

Storage is provided in the distribution system by 51 elevated tanks or standpipes having a total capacity of 75.7 million gallons. The tanks, ranging in size from 100,000 gallons to 6.3 million gallons capacity, improve the flow and pressure throughout the distribution system. All but two of the tanks have been built or acquired by the BWW since it purchased the System from the Birmingham Water Works Company in 1951. In addition to the above distribution storage, the BWW has a total of 27 million gallons of filtered water storage capacity in clear wells at its various filtration plants. The BWW also has raw water storage of approximately 36 million gallons at its Shades Mountain Filtration Plant.

## **TRANSMISSION AND DISTRIBUTION LINES**

The general topography of the Birmingham-Hoover Metropolitan Area, ranging in elevation from 300 to 1,200 feet above sea level, requires that the distribution system be separated into 13 major and 7 minor zones, and this requires long transmission and supply mains. These mains are interconnected with loops to form a completed arterial system, which supplies a grid system of smaller secondary mains particularly in congested areas. This distribution system is supplied with water pumped from the four filtration plants in such a way that maximum reliability of the System is afforded for all zones.

In the past several years, BWW's distribution system has been extended into outlying rural areas, particularly in the north and northeast in Blount and Walker counties, the south in Shelby County, and the east in St. Clair County. As a result, the service area has more than quadrupled in size since the BWW purchased the System in 1951.

## **ENVIRONMENTAL MATTERS**

BWW is subject to numerous governmental laws and regulations relating to water resources, water treatment, pollution control and other environmental matters. The BWW cannot predict whether additional legislation or regulations may be adopted and what the impact, if any, of any such future legislation or regulations might be. BWW has residual removal systems in service at its Shades Mountain, Western and Putnam Filtration Plants. Dewatered residuals from these plants are transported to either of two BWW-operated landfills, with remaining useful lives ranging from 15 to 60 years.



## WATER RATES

Water rates are fixed by resolution of the Board in compliance with the rate covenants in the Senior Indenture and the Subordinate Indenture. From the time the BWW acquired the System in 1951 until the System was acquired by the City of Birmingham in 1998, the BWW imposed rate increases from time to time. The annual rate increases since 2006 are as follows:

2006	8.75%
2007	7.75%
2008	7.70%
2009	13.20%
2010	6.90%
2011	6.90%
2012	3.90%
2013	4.90%
2014	3.90%
2015	3.90%
2016	4.90%
2017	3.90%
2018	2.90%
2019	3.90%
2020	3.90%
2021	0.00%
2022	3.90%
2023	3.90%
2024	4.80%
2025	4.90%

The Board adopted the use of a Rate Stabilization and Equalization Model ("RSE") to determine necessary rate adjustments beginning in 2006. The RSE will calculate and automatically adjust the rates which, when implemented, will provide the appropriate levels of debt service coverage for the BWW's obligations.



## CURRENT WATER RATES ARE AS FOLLOWS (EFFECTIVE JANUARY 1, 2025):

Typical Rates for Each 100 Cubic Feet of Water Delivered\*

### CURRENT WATER RATES

#### RESIDENTIAL AND IRRIGATION RATES

For the first 300 cubic feet per month	\$2.96
For 400 to 1,200 cubic feet per month	\$4.91
Over 1,200 cubic feet per month	\$8.58

#### COMMERCIAL AND ALL OTHER WATER USERS RATES

Per cubic feet per month	\$4.69
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#### WHOLESALE RATES

Per cubic feet per month	\$3.90
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#### BASE CHARGE RATES

Monthly base charge - per month for 5/8" meter (in addition to the above)	\$28.49
Varied monthly base charges for other meter sizes	\$37.78 - \$2,012.03

#### FIRE SERVICE RATES

Fire Service Rental Rates (per year) (based on size)	\$363.48 - \$9,100.44
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#### MUNICIPAL FIRE HYDRANTS RATES

Fire Hydrants (Effective October 1, 2024)	\$262.44
Fire Hydrant Installation	\$3,269.00

*These rates apply for approximately 90% of all revenues generated from water supply service.*



## COMPARISON OF WATER RATES WITH OTHER SYSTEMS

A comparison of the BWB's residential water charges based on average customer usage of 6 CCF (4,488 gallons) of water per month, 5/8-inch meter, with that of other regional surface water systems as of January 1, 2024, follows:

Charlottesville, Virginia	\$60.50
Chapel Hill, North Carolina	\$50.97
<b>Birmingham, Alabama</b>	<b>\$49.96</b>
Richmond, Virginia	\$41.08
New Orleans, Louisiana	\$40.78
Norfolk, Virginia	\$37.74
Asheville, North Carolina	\$37.74
Knoxville, Tennessee	\$34.90
Austin, Texas	\$31.67
Atlanta, Georgia	\$30.32
Louisville, Kentucky	\$30.28
Mobile, Alabama	\$29.58
San Antonio, Texas	\$25.21
*Montgomery, Alabama	\$25.26
Marietta, Georgia	\$25.26
Chattanooga, Tennessee	\$23.45
Charlotte, North Carolina	\$20.64
Nashville, Tennessee	\$17.73

\*Montgomery has a single charge for water and sewer service, so charge was divided in half for table inclusion



## RESULTS OF OPERATIONS

The following table sets forth certain operational statistics for the System:

### OPERATIONS STATISTICS YEAR ENDED DECEMBER 31

	2020	2021	2022	2023	2024
Number of customers	195,212	199,569	202,893	200,569	204,301
Miles of mains in service	4,095	4,114	4,117	4,125	4,140
Number of fire hydrants	13,032	12,268	13,878	14,404	14,497
Capacity of storage (in thousand gallons)	75,172	75,172	75,172	75,172	75,172
Water delivered to the distribution system (in billion gallons)	41.4	42	40.6	42.2	44.8
Single day, peak day demand (in million gallons)	131.1	134.9	148.6	138.3	148.5

## MAJOR INDUSTRIAL/GOVERNMENTAL CUSTOMERS

The following table contains the 10 largest customers of the system during the periods indicated and the gross revenues derived from each of such customers. Total operating revenues for the year ending December 31, 2024, were \$229,728,839.

### JEFFERSON COUNTY

CUSTOMER	REVENUE	% OF TOTAL OPERATING REVENUE
University of Alabama - Birmingham	\$5,419,425	2.36%
US Steel	\$3,319,062	1.44%
ACIPCO	\$1,799,707	0.78%
Birmingham Housing Authority	\$1,592,203	0.69%
St. Vincent's Hospital	\$1,148,947	0.50%
Tenet Healthcare	\$889,499	0.39%
Buffalo Rock Co	\$862,622	0.38%
Graysville Water Co	\$856,350	0.37%
City of Hoover	\$837,848	0.36%
City of Birmingham	\$831,729	0.36%
<b>Grand Total</b>	<b>\$ 17,557,395</b>	<b>7.64%</b>



## GLOSSARY

**Accrual Basis of Accounting** – A basis of accounting under which increases and decreases in economic resources are recognized as soon as the underlying event or transaction occurs. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of related cash flows.

**Amortization** – The gradual elimination of a liability in regular payments over a specified time period.

**Annual Budget** – A plan covering a single fiscal year (January 1 - December 31) that details how BWW will generate income and prioritize spending based on priorities, goals and needs.

**Backflow Prevention and Cross Connection Control Policy** – Program mandated by the Alabama Department of Environmental Management (ADEM), the U.S. Environmental Protection Agency (EPA) Office of Water and the Federal Safe Drinking Water Act. The purpose of the policy is to protect BWW's potable water system against actual or potential cross connections, back pressure, and back siphonage.

**Balanced Budget** – The projected annual revenues and existing fund balances are sufficient to meet budgeted expenses.

**Bond** – A debt instrument/security used to fund capital projects or asset purchase with a written promise to pay a specific amount of money with interest within a specific period, usually long term.

**Budget Process** – The process by which the BWW prepares and adopts a financial plan for the next fiscal year (January 1 through December 31). The plan includes determining the appropriate rates, fees, and charges necessary to provide sufficient revenues to meet anticipated expenses for operating and maintenance, asset repair or replacement, asset acquisition or construction to meet the service needs of the customer base and debt service requirements for existing and projected debt.

**Buried Infrastructure Program** – The program is funded by the BWW's Capital Budget. It is focused on the replacement of 2- inch galvanized steel pipe and 2-inch unlined cast iron pipe that have exceeded their useful life in older communities in the BWW's service area. This improves water quality, service, and reliability to customers in the older communities and has been instrumental in the utility's water loss initiative to reduce leakage in the distribution system.

**Business Sustainability and Capacity Building (BSCB) Program** – Program created to increase the number of contractors and vendors required to meet the needs of the Operation & Maintenance and Capital Improvement Plan budgets by providing guidance on how to access capital and capacity to the many small local businesses including Historically Underutilized Businesses.

**Capital Expenditure** – Expenditures that result in the acquisition of or the addition of fixed assets.

**Consumer Confidence Report (CCR Report)** – The CCR is an annual report on the quality of water. The report details and outlines contaminants and their levels in drinking water. BWW is federally mandated to provide this report to customers and wholesalers.

**Capital Improvement Plan (CIP)** – Process by which BWW evaluates the operating condition of the organization's assets to identify the need for upgrades and improvements.

**Capital Project** – Planned process to construct, purchase, or install a new asset or improve an existing asset.

**Capital Reserve Fund** – Established for unexpected capital needs when shortfalls in anticipated capital funding occur.

**Consecutive Water Systems** – Other public water systems that receive some or all their finished water from BWW through direct connection to the BWW distribution system.

**Debt Service Coverage** – Generally expressed as a percentage of current-year debt service, generally in the range of 115 to 150 percent, and is a requirement included in the bond indentures associated with revenue bonds.

**Debt Service Coverage Ratio** – The margin of safety ratio associated with bond indebtedness reflecting the ratio of the actual or projected net revenue available for debt service to annual debt service payments.

**Demand Shortfall Fund** – Established for unexpected capital and operating needs when demand is significantly below projections due to climatic events.

**Development Impact Fees** – Charges established to recoup the cost of installing or extending water lines to service a certain defined group of properties, some of which may not currently be developed.

**Economic Development Fund** – Established to provide funding for capital projects that would enable the growth of the utility system.

**Enterprise Fund** – Fund used to account for operations that are financed and operated in a manner similar to private business enterprises.

**EUM Framework** – The framework which BWW manages the utility to ensure that implemented strategies support effective utility management and ultimately result in mission accomplishment and vision fulfillment. The adoption of EUM has been essential in communicating a clear direction to all who are responsible for ensuring the success of the BWW.

**Fund** – Monies set aside for a specific purpose or objective as determined by the guiding principles of the objective, restrictions or regulatory requirement.

**Historically Underutilized Business Program (HUB)** – This is a program designed to encourage the participation of underserved firms. The program fosters competition and ensures non-discrimination in contract awards with a goal of at least 30% of goods and services sourced by BWW from these marginalized vendors.

**Mobile Pilot Plant** – This is a mobile test lab that navigates between filter plants. The pilot plant is designed to evaluate differing raw water sources and distribution systems at each plant and functions as an alternative test process treatment.

**Potable Water** – Water that is free of contaminants and ready for consumption.

**PAYGO (Pay As You Go)** – It is the practice of financing expenditures with funds that are currently available rather than borrowed.

**Project Drivers (Capital Budget)** – Capital projects are classified/listed by priority. Each project is placed into one of the six categories; however, it is possible that a project could fall into multiple categories. When this occurs, effort is made to identify the most significant reason for the project.

**Rate Stabilization Fund** – Funds reserved for unexpected capital and operating needs if the BWW faced events that severely challenge its financial position during the year.

**Revenue Fund** – Funds reserved to maintain 45 days of operating revenues.

**Watershed Protection Policy** – This policy establishes requirements for development in the Cahaba River/Lake Purdy Watershed to manage/control pollution and to protect the public water supply.



## ACRONYMS

<b>ACH</b> Automated Clearing House	<b>HR</b> Human Resources
<b>ADAH</b> Alabama Dept. of Archives and History	<b>HUB</b> Historically Underutilized Business
<b>ADEM</b> Alabama Dept. of Environmental Management	<b>HVAC</b> Heating, Ventilation and Air Conditioning
<b>A/R</b> Accounts Receivable	<b>IT</b> Information Technology
<b>AWPCA</b> Alabama Water Pollution Control Association	<b>KV</b> Kilo Volts
<b>BBB</b> Better Business Bureau	<b>LAN</b> Local Area Network
<b>BCIA</b> Birmingham Construction Industry Authority	<b>LT2</b> Long Term Testing (Lab)
<b>BPEM</b> Business Process Exception Management	<b>LIMS</b> Laboratory Information Management System
<b>BSBC</b> Business Sustainability and Capacity Building	<b>MDL</b> Minimum Detection Limits
<b>BWW</b> Birmingham Water Works Board	<b>MGD</b> Million Gallons per Day
<b>CADD</b> Computer Aided Design and Drafting	<b>M&amp;R</b> Maintenance & Repair
<b>CCF</b> Centum Cubic Feet	<b>NIMS</b> National Incident Management System
<b>CCR</b> Consumer Confidence Report	<b>NRW</b> Non-Revenue Water
<b>CCTV</b> Closed Circuit Television	<b>NST</b> National Standard Thread
<b>CDC</b> Centers for Disease Control	<b>O&amp;M</b> Operation & Maintenance
<b>CI</b> Pipe Cast Iron Pipe	<b>OPEB</b> Other Post-Employment Benefits
<b>COLA</b> Cost-of-Living Adjustment	<b>PAYGO</b> Pay As You Go
<b>CORE</b> Control Operations Room & Emergency Recovery	<b>PFP</b> Putnam Filter Plant
<b>CPI</b> Consumer Price Index	<b>PMO</b> Project Management Office
<b>CPR</b> Clean Paint and Repair	<b>PS</b> Pump Station
<b>CRM</b> Customer Relationship Management (SAP)	<b>PSA</b> Public Service Announcement
<b>DHS</b> Department of Homeland Security	<b>QA</b> Quality Assurance
<b>DSE</b> Distribution System Evaluation	<b>QC</b> Quality Control
<b>E&amp;M</b> Electrical & Mechanical Department	<b>RL</b> Reporting Limits
<b>EMA</b> Emergency Management Agency	<b>R&amp;R</b> Renewal and Replacement
<b>EPA</b> Environmental Protection Agency	<b>RSE</b> Rate Stabilization and Equalization Model
<b>ERP</b> Enterprise Resource Planning	<b>SAP</b> Systems, Applications and Products
<b>EUM</b> Effective Utility Management	<b>SCADA</b> Supervisory Control and Data Acquisition
<b>FI</b> Financial Information System (SAP)	<b>SMFP</b> Shades Mountain Filter Plant
<b>FTE</b> Full Time Equivalent	<b>TAT</b> Testing Turnaround Time
<b>FY</b> Fiscal Year	<b>UAB</b> University of Alabama at Birmingham
<b>GAC</b> Granular Activated Carbon	<b>VOC</b> Volatile Organic Compounds
<b>GFOA</b> Government Financial Officers Association	<b>WAN</b> Wide Area Network
<b>GIS</b> Geographic Information System	<b>WFP</b> Western Filter Plant
<b>GPS</b> Global Positioning System	<b>WIFIA</b> Water Infrastructure Finance and Innovation Act
<b>GW</b> General Wage Increase	<b>WQO</b> Water Quality Operations
<b>H2O</b> Help To Others Foundation	

