A handwritten signature in black ink that reads "Richard A. Rice". The signature is fluid and cursive, with large loops for the first and last letters of the first and last names.

THE RICE FIRM LLC - A PUBLIC INTEREST TRIAL & LITIGATION FIRM  
FOR IMMEDIATE RELEASE

February 20, 2026

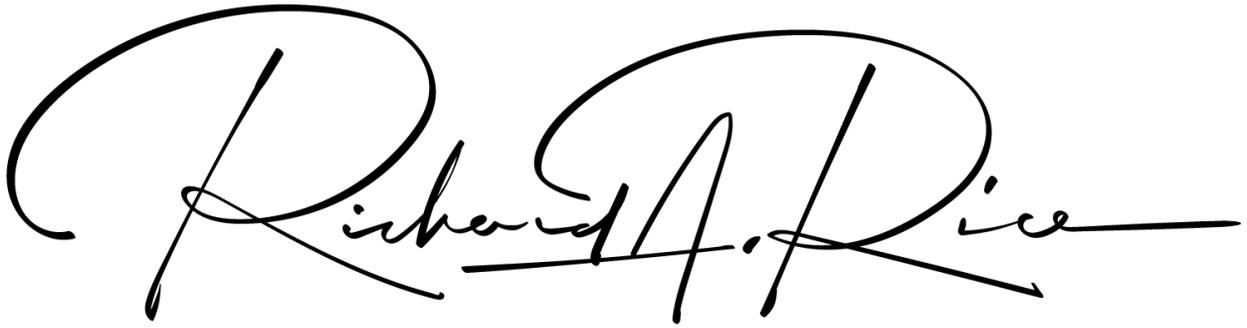
## Birmingham Leaders and Ratepayers File Class Action Challenging State Takeover of Birmingham Water Works

BIRMINGHAM, AL — On February 20, 2026, former board members Brenda Lewis and William Muhammad, along with ratepayers of the Birmingham Water Works Board, filed a class action lawsuit challenging what they describe as an unconstitutional and racially motivated state takeover of one of Alabama’s most valuable assets and largest water utility.

The lawsuit names Kay Ivey, Will Ainsworth, Jimmie Stephens, members of the Alabama Legislature, and various members of Jefferson, Shelby, & Blount County Commissions in connection with the passage of Senate Bill 330, which purportedly dissolved the locally controlled Birmingham Water Works Board and replaced it with a newly structured entity known as Central Alabama Water.

The complaint asserts that SB330 constitutes:

- An unconstitutional taking of a billion-dollar public utility and privately held asset without just compensation.
- An oppressive act of the State that disproportionately strips a predominantly Black city of its authority.

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- A violation of principles of local self-determination and economic justice;  
and
- Legislative overreach in the absence of any demonstrated systemic failure requiring state intervention.

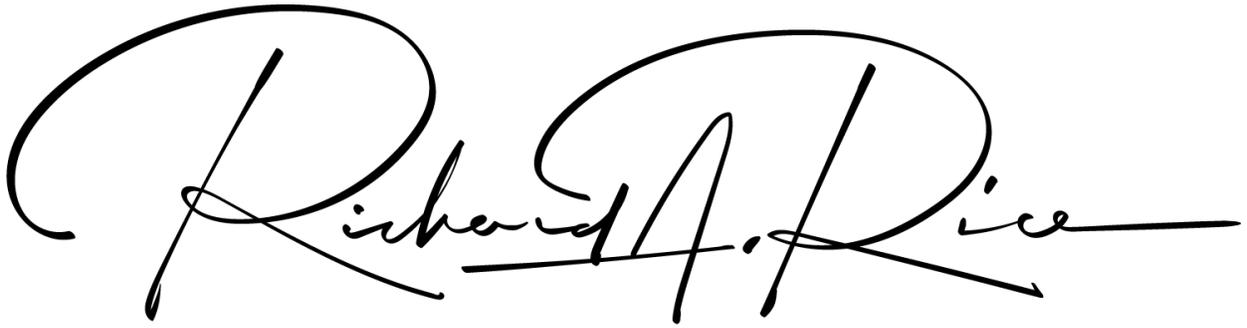
### A Manufactured “Solution” to a Problem That Did Not Exist

For decades, the Birmingham Water Works Board operated as one of the most respected water systems in the nation. The utility maintained strong financial performance, including an AA bond credit rating which is a distinction reflecting fiscal stability, sound management, and market confidence.

“Water is life. The systems that distribute it and own it are the foundation of public health, economic development, and generational opportunity,” said Richard Rice, Public Interest Attorney and founder of The Rice Firm, LLC. “SB330 was not a reform but rather it was a transfer of power. It removed local control from the very citizens who built, funded, and sustained this system.”

The plaintiffs argue that the majority of the customers and ratepayers reside in Birmingham and Jefferson County, yet the new governance structure shifts decision-making authority away from those communities and toward state-appointed interests.

Economic Justice and Self-Determination

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Under SB330, the former board was dissolved and replaced by Central Alabama Water, a regional body with fewer members appointed by Birmingham leadership and more selected by state officials and surrounding counties.

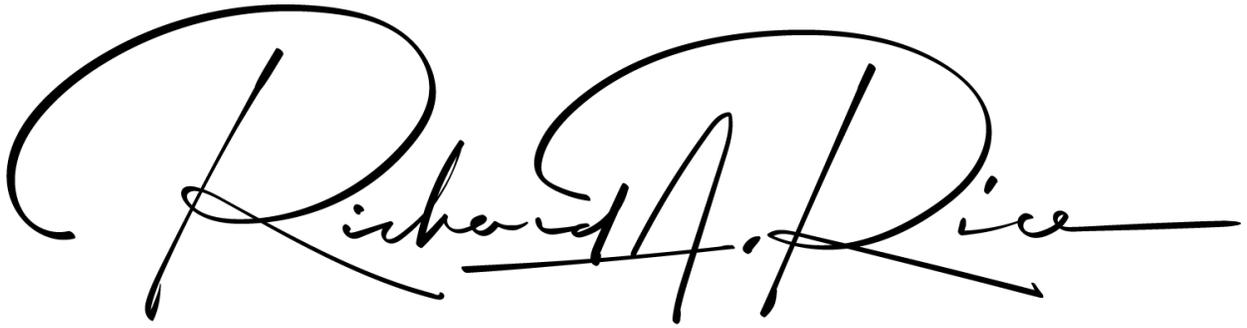
Attorney Johnathan Austin, founder of Austin Law PC, stated:

“This case is about constitutional boundaries. When the State dismantles a locally governed utility that serves a predominantly Black city — without evidence of financial collapse or operational failure — serious Equal Protection and Due Process concerns arise. The Constitution does not permit political restructuring that effectively nullifies a community’s voice.”

The lawsuit further contends that Birmingham citizens financed the water system through decades of rate payments, infrastructure investments, and municipal support. Plaintiffs argue that altering governance without meaningful local consent undermines the economic stake of the community.

Water Control and Long-Term Economic Development

Calvin Grigsby, Attorney and Municipal Bond Expert, emphasized the financial implications of the takeover:

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“Water systems are foundational public finance assets. Governance instability can impact creditworthiness, bond markets, and investor confidence. When a billion-dollar utility with a strong credit profile is restructured without financial necessity, it introduces risk — not reform.”

Plaintiffs assert that control over water resources directly affects:

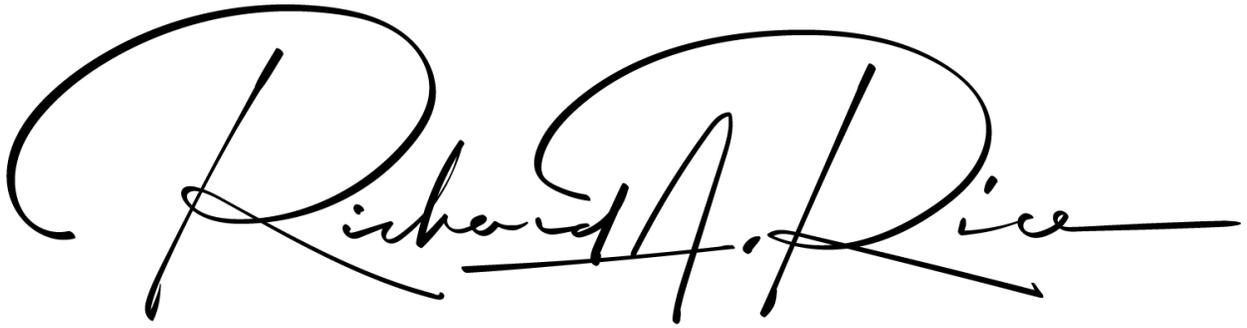
- Public health and environmental stewardship
- Business recruitment and industrial development
- Infrastructure planning and job creation
- Long-term regional growth

“Local control ensures that water policy aligns with local economic plans,” Grigsby added. “Removing that authority disrupts strategic development and weakens community-based decision-making.”

Relief Sought

The class action seeks declaratory and injunctive relief to:

- Declare SB330 unconstitutional;
- Restore lawful governance to the Birmingham Water Works Board; and
- Protect ratepayers from what plaintiffs describe as unlawful state interference.

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## A Broader Constitutional Question

“This is larger than one utility,” Rice concluded. “This case tests whether a state can dismantle the governing authority of the rate payers of a predominantly Black city’s most valuable asset without compelling justification or attempting less intrusive temporary intervention. Self-governance and fundamental property rights are not symbolic — it is the bedrock for the Rule of Law and our Constitution.”

The plaintiffs are represented by Richard Rice, The Rice Firm, LLC; Johnathan Austin, Austin Law PC; and Calvin Grigsby, Attorney and Municipal Bond Expert.

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Media Contact:

Richard Rice

205-618-8733

[rrice@rice-lawfirm.com](mailto:rrice@rice-lawfirm.com)