

**MINUTES OF THE FINANCE COMMITTEE MEETING
OF THE WATER WORKS BOARD OF THE CITY OF BIRMINGHAM
July 12, 2023**

A Finance Committee meeting of the directors of The Water Works Board of the City of Birmingham was held on Wednesday, July 12, 2023, at 10:00 a.m., at 3600 First Avenue North, Birmingham, Alabama.

The following Committee members were present: Directors Ward (Committee Chairman), Huffman, and Burbage. Also present were Directors Henderson, and Munchus who are not Committee members.

Others present were: Michael Johnson, General Manager; Iris Fisher and Derrick Murphy, Assistant General Managers; Cynthia Williams, Board Administrator; Anitra Clark, Corporate Governance Specialist; Vanessa Washington, Executive Assistant; Colandus Mason, Rick Jackson, Michael Tartt Jr., Rosalind Jones, Jacqueline Hill, Rhonda Lewis, Joyce Perry, Jeff Wade, Charles McGee, Anthony Hazel, and David Walker, BWWB Employees; K. Mark Parnell, Parnell Thompson Law, LLC; Byron Perkins, Perkins Law, LLC; Kelvin Howard, Kelvin W. Howard, LLC; Olivia Martin, State of Alabama Attorney General's Office; Michael Jones and Keith Carter, Securities Capital Corporation; Yvonne Green Davis, Yvonne Green Davis, P.C.; Ken Simon, Ken Simon Law; Matthew Arrington, Terminus Municipal Advisors, LLC; Matt Adams and Brad Green, Raymond James and Associates, Inc; Phillip Moultrie, Valent Group, LLC; and Jeff Drew, Alexander Insurance Agency.

Inasmuch as all Committee members were present, a quorum was in attendance. Committee Chairman Ward called the meeting to order at 10:00 a.m., Assistant General Manager Fisher opened the meeting with prayer.

Handouts entitled (1) *The Water Works Board of the City of Birmingham Required Communications-December 31, 2022*, and (2) *The Water Works Board of the City of Birmingham Financial Statements – December 31, 2022, and 2021* were distributed to directors before the meeting began. Copies are on file in Diligent.

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

Following, the Committee proceeded to the first item on the agenda, Request Committee to approve minutes of April 26, 2023, and May 10, 2023. Director Huffman made a motion to approve the minutes and Director Burbage seconded the motion. The motion was approved by unanimous vote.

Next, the Committee proceeded to the second item on the agenda, Request Committee to recommend to the Board to approve a three year agreement with Valent Group, LLC., effective August 1, 2023 - July 31, 2026, to serve as broker of record for property and casualty insurance policies, at a total estimated cost to the Board of \$158,000.00 annually (\$474,000.00 for three years),

plus a commission estimated between \$3,500.00 - \$5,500.00 annually); and to authorize the General Manager and/or the Assistant General Manager to execute said agreement. Director Burbage made a motion to recommend said item be moved to the full Board for approval and Director Huffman seconded the motion. The motion was approved by unanimous vote.

Following, the Committee proceeded to the third item on the agenda, Request Committee to recommend to the Board to approve an amendment to the agreement with Carr Riggs, & Ingram, LLC, for an additional \$23,078.75 relating to additional procedures performed as part of the FY2022 Audit. Director Burbage made a motion to recommend said item be moved to the full Board for approval and Director Huffman seconded the motion. The motion was approved by unanimous vote.

Subsequently, the Committee proceeded to the fourth item on the agenda, Request Committee to recommend to the Board to approve a resolution authorizing the General Manager, in consultation with the Financial Advisor and the Water Works Board's legal counsel, Parnell Thompson, LLC, to: (a) determine and recommend to the Water Works Board whether to proceed with the Tender Transaction; (b) determine the Prior Bonds or portions thereof to be included in such Tender Transaction; (c) ascertain the beneficial owners of such Prior Bonds for such purpose; (d) determine and recommend to the Water Works Board the price or prices at which Prior Bonds to be tendered will be purchased; and (e); at the appropriate time cause the preparation and distribution of all Tender Documents and the appointment of the following firms for the proposed Tender Transaction:

- (a) Raymond James and Associates, Inc., as Deal/Tender Manager
- (b) Globic Advisors, as Information and Tender
- (c) Butler Snow LLP, as Tender/Bond Counsel
- (d) Dentons Sirote PC, as Disclosure Counsel
- (e) Bradley Arant Boult Cummings, LLP, as Underwriter's Counsel

Committee Chairman Ward commented that said item was a unique transaction. He asked Matthew Arrington, Terminus Municipal Advisors, to explain the tender transactions. Mr. Arrington referenced the presentation entitled *Birmingham Water Works Board Tender Purchase Refunding*. A copy is on file in Diligent. He gave an overview on the tender offer being an alternative refunding strategy. Mr. Arrington stated that Birmingham Water Works has an opportunity to utilize a unique structure to secure additional savings on its Series 2019 and 2021 bonds by simultaneously purchasing tender bonds and fund that purchase through a new issue. He indicated one tender manager/agent should be appointed for the proposed tender transaction; therefore, Mr. Raymond James was selected. Mr. Arrington stated that the item will be brought before the Board again if the tender transaction has savings over 3 percent. He stated the process takes approximately 45 days. Director Huffman asked whether changes could be made to the tender appointment/firms selected for the said purpose, which Mr. Arrington responded yes. Next, Director Munchus questioned how the Globic Advisors fee is determined. Also, Director Munchus received clarification that the tender firms selected were preliminary. Next, Director Huffman made a motion to recommend said item be moved to the full Board for approval and Director Burbage seconded the motion. The motion was approved by unanimous vote.

As there was no further business before the Committee, Director Huffman made a motion to adjourn the meeting and Director Burbage seconded the motion. The meeting adjourned at 10:14 a.m.

_____/s/_____
Michael Johnson
General Manager

_____/s/_____
Raymond “Larry” Ward
Committee Chairman

_____/s/_____
William “Butch” Burbage, Jr., Esq.
Director

_____/s/_____
Tereshia Q. Huffman
Director