

**MINUTES OF THE REGULAR BI-MONTHLY MEETING OF DIRECTORS
OF THE WATER WORKS BOARD OF THE CITY OF BIRMINGHAM
May 12, 2021**

The regular bi-monthly meeting of the directors of The Water Works Board of the City of Birmingham was held on Wednesday, May 12, 2021, at 11:30 a.m., in-person and electronically [via teleconference/telephone-Public].

The following Directors were present via a roll call: Ronald A. Mims, William “Butch” Burbage, Jr., George Munchus, Lucien Blankenship, Tereshia Huffman (via telephone), Tom Henderson, Dalton NeSmith, Chris Rice and Larry Ward.

Others were present via teleconference/telephone: Michael Johnson, General Manager; Derrick Murphy, Iris Fisher and Jeffrey Thompson, Assistant General Managers; K. Mark Parnell, Parnell Thompson Law, LLC; Emory Anthony, Esq.; Cynthia Williams, Board Administrator; Vanessa Washington, Executive Assistant; Rick Jackson and Colandus Mason, Board Employees; Olivia Martin, AGO; Matthew Arrington, Terminus Municipal Advisors; Matt Adams, Raymond James; Michael Jones and Travis Jones, Securities Capital and Kim Bivins, BCIA.

Inasmuch as all Board members were present, a quorum was declared in attendance.

Chairman Mims called the meeting to order at 11:37 a.m. Public Relations Manager Rick Jackson opened the meeting with prayer.

Chairman Mims asked to eliminate agenda items nine and ten from the agenda, which he stated legal counsel advised him it would need the board’s majority approval. Director NeSmith made a motion to approve the printed agenda. Director Ward seconded. Some directors indicated that Chairman Mims’ recommendation for the agenda should be honored being he is the board’s chair and assists in preparing the agenda. There was much discussion on whether the by-laws or Robert Rules of Order prohibits the chairman from removing an item from the agenda. Director Blankenship asked to identify the authority which prevents the chairman from making said adjustment to the agenda. An opinion was asked of Attorney Parnell and Attorney Anthony (*the Board’s attorney*) on the matter. Per Attorney Anthony, the meeting would have to stop to look up the issue, as the agenda is already printed. Director NeSmith reminded the chairman that a motion and second was already offered and needed to be voted on. Director Burbage asked for an opinion from Attorney Parnell. Per Attorney Parnell, the first authority is the Open Meetings Act. The second authority is Robert Rules of Order. It has been forty-eight hours and the agenda has already been posted. The board’s practice has been to make a motion to remove items from the agenda. Attorney Parnell stated a motion was made, which takes priority over the request made by the chairman. Thus, the motion from Director NeSmith takes precedence and must be voted on. Director Blankenship requested for Attorney Parnell to provide the authority that supports his opinion. Attorney Anthony stated that the by-laws do not address removing items from the agenda; therefore, Robert Rules of Order should be followed. Afterwards, Chairman Mims stated he would accept the motion and second that was already on the floor to approve the agenda as printed. On a motion duly made and seconded, the following resolution was adopted:

“BE IT RESOLVED By The Water Works Board of the City of Birmingham (“the Board”), on a motion duly made by Mr. Dalton NeSmith and seconded by Mr. Larry Ward, that the Board hereby approves the Regular Board of Directors’ Meeting Agenda as printed. Resolution No. 8732 is hereby adopted by a roll call vote as follows: Director Mims, No; Director Munchus, No; Director Blankenship, No; Director Burbage, Yes; Director Huffman, No; Director Henderson, Yes; Director NeSmith, Yes; Director Rice, Yes; and Director Ward, Yes.”

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Following, GM Johnson asked the Board to approve Director NeSmith's mileage expense reimbursement for the month of April 2021 in the amount of \$89.60, as set forth in agenda item 1; necessary to perform essential minimum functions of the governmental body. Director Ward made a motion to approve the agenda item. Director Burbage seconded. On a motion duly made and seconded, the following resolution was adopted:

“WHEREAS, the Board of Directors has adopted a Travel Expense Reimbursement Policy, as amended; and

WHEREAS, in accordance with Act No. 2015-164, approval is requested for the following mileage expense reimbursement.

NOW, THEREFORE, BE IT RESOLVED, on a motion made by Mr. Larry Ward and seconded by Mr. William “Butch” Burbage, that the following board member(s) be reimbursed for his mileage expense reimbursements as follows:

- Dalton NeSmith for mileage expense reimbursement for April 2021 in the amount of \$89.60 (as shown on the attached Expense Report).

Resolution No. 8733 is hereby adopted by a roll call vote as follows: Director Mims, Yes; Director Munchus, Yes; Director Blankenship, Yes; Director Burbage, Yes; Director Huffman, Yes; Director Henderson, Yes; Director NeSmith, Abstain; Director Rice, Yes; and Director Ward, Yes.”

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Next, GM Johnson asked the Board to approve reimbursement to the Operating Account for the period ended March 31, 2021, in the amount of \$3,813,100.16, as set forth in agenda item 2; necessary to perform essential minimum functions of the governmental body. Director Ward made a motion to approve the agenda item. Director Burbage seconded. On a motion duly made and seconded, the following resolution was adopted:

“WHEREAS, ARCADIS US, Incorporated, in a Certificate dated April 26, 2021, certified that during the period ending March 31, 2021 that there were expenditures for the cost of system improvements, which were paid out of the Operating Account and reimbursement of that account is now due in the preliminary amount of \$3,813,100.16 and;

WHEREAS, transfers to the Operating Account can be made from any, or a combination, of the following: the 2019 Special Acquisition Fund, the Construction Fund, the Improvement Fund, and/or the Revenue Account.

NOW, THEREFORE, BE IT RESOLVED By The Water Works Board of the City of Birmingham, on a motion duly made by Mr. Larry Ward and seconded by Mr. William “Butch” Burbage, that the Trustee be, and is hereby instructed to immediately transfer \$3,813,100.16 to the Operating Account from any, or a combination, of the following: The 2019 Special Acquisition Fund, the Construction Fund, the Improvement Fund, and/or the Revenue Account.

Resolution No. 8734 is hereby adopted by a unanimous vote.”

Following, GM Johnson asked the Board to approve payment of invoices for professional services, as set forth in agenda items 3.1 through 3.6, respectively; necessary to perform essential minimum functions of the governmental body. Director Blankenship requested to vote on the invoices for agenda items 3.1 through 3.5 together and to vote on 3.6 separately. Director Blankenship made a motion to approve agenda items 3.1 through 3.5. Director Henderson seconded. On a motion duly made and seconded, the following resolution was adopted:

“BE IT RESOLVED By The Water Works Board of the City of Birmingham (“the Board”), on a motion duly made by Mr. Lucien Blankenship and seconded by Mr. Tom Henderson that the Board hereby authorizes staff to execute payments to the following:

- 3.1 Raftelis Financial Consultants, Inc.
For BWWB Effective Utility Management (EUM)
Assessment services rendered April 1-30, 2021 \$ 4,197.60

- 3.2 Terminus Municipal Advisors, LLC
For professional services rendered April 2021 \$ 6,500.00

- 3.3 Agee Law, LLC (T. Agee)
For professional services rendered April 2021 \$ 8,055.00

- 3.4 Perkins - Law, LLC
 - 3.4.1 For professional services rendered per invoice dated May 5, 2021 \$ 1,575.00
 - 3.4.2 For professional services rendered per invoice dated May 3, 2021 \$ 12,555.00

- 3.5 Agency 54
 - 3.5.1 For professional services rendered March 2021 \$ 25,000.00
 - 3.5.2 For professional services rendered April 2021 \$ 25,000.00

Resolution No. 8735 is hereby adopted by a unanimous vote.”

Next, Director Henderson made a motion to approve agenda item 3.6. Director Huffman seconded. On a motion duly made and seconded, the following resolution was adopted:

“BE IT RESOLVED By The Water Works Board of the City of Birmingham (“the Board”), on a motion duly made by Mr. Tom Henderson and seconded by Ms. Tereshia Huffman, that the Board hereby authorizes staff to execute payments to the following:

3.6 <u>ARCADIS, US, Inc.</u>	
For professional services rendered per January 2021	
Progress Report (January 2021)	<u>\$ 288,075.29</u>

Resolution No. 8736 is hereby adopted by Directors Mims, Munchus, Burbage, Huffman, Henderson, NeSmith, Rice and Ward. Director Blankenship abstained.”

Next, GM Johnson asked the Board to approve a twelve (12) month agreement with UKG Inc. (formerly known as The Ultimate Software Group) to provide continuous access and data transfer services for the Ultimate Software HR/Payroll system while we transition to the new SuccessFactors HR/Payroll system in the estimated amount of \$70,954.00; and to authorize the General Manager and/or Assistant General Manager to execute the agreement, as set forth in agenda item 4; necessary to perform the essential minimum functions of the governmental body. Director Blankenship made a motion to approve said item. Director Henderson seconded. Director Blankenship asked GM Johnson whether he anticipated a twelve month use of the system or would the agreement be paid based on the completion of the transition prior to the 12 months). GM Johnson stated that he would verify, but he thinks the company will be responsible for the entire twelve months. In addition, he stated the billing includes a \$25,000.00 consultant related fee and a \$4.50 usage fee per individual. Director Blankenship suggested an amount not to exceed, so the BWWB does not commit to paying for resources that are no longer being used in the instance the transition gets completed early. GM Johnson indicated the matter would be considered. On a motion duly made and seconded, the following resolution was adopted:

“BE IT RESOLVED By the Water Works Board of the City of Birmingham (“the Board”), on a motion duly made by Mr. Lucien Blankenship and seconded by Mr. Tom Henderson, that the Board hereby approves a twelve (12) month agreement with UKG Inc. (formerly known as The Ultimate Software Group) to provide continuous access and data transfer services for the Ultimate Software HR/Payroll system while we transition to the new SuccessFactors HR/Payroll system at an estimated amount of \$70,954.00; and to authorize the General Manager and/or Assistant General Manager to execute the agreement; necessary to perform the essential minimum functions of the governmental body. Resolution No. 8737 is hereby adopted by a unanimous vote.”

Following, Director Munchus requested to hear a presentation from Securities Capital and to allow them to distribute their handout to the directors. Director Burbage expressed concerns about allowing a presentation that was not on the approved agenda and he indicated that the presentation needed to be presented in a Finance Committee Meeting. Director Munchus made a

motion to suspend the rule and to allow a presentation from Securities Capital. Director Blankenship seconded. Securities Capital was allowed to distribute the presentation to directors to view later. Per Director Munchus, Securities Capital was not allowed to present at the Finance Committee Meeting due to COVID-19 restrictions. Director Rice left the meeting at 12:06 p.m., and he returned at 12:08 p.m. Director Burbage stated that the presentation should not be allowed because the BWWB would have to allow others the same courtesy. However, a roll call vote was taken on whether to allow the presentation and said item failed with Directors Munchus, Blankenship, Huffman and Mims voting in favor and Directors Henderson, Ward, NeSmith, Burbage and Rice voting against.

Next, GM Johnson asked the Board to approve a resolution authorizing the issuance of its Senior Water Revenue Refunding Bonds, Series 2021 (the “Series 2021 Bonds”) given certain parameters for the terms of the Series 2021 Bonds, including (i) the requirement that the principal and interest to be paid on the Series 2021 Bonds shall be less than the amount paid on the Prior Bonds; that the maximum aggregate principal amount of the Series 2021 Bonds shall not exceed \$500,000,000; that the maximum interest shall not exceed 4% on the Series 2021 Bonds and the final maturity date for the Series 2021 Bonds shall not be later than January 1, 2046 (collectively, the “Parameters”), as recommended by the Finance Committee, and (ii) the execution and delivery of the Financing Documents by the Board, and (iii) the consummation of all other transactions described in the recitals of the attached resolution and contemplated by the Financing Documents (the “Plan of Financing”); and to authorize the Board Chairman and Secretary/Treasurer to execute any necessary bond documents approving the bond issue, as set forth in agenda item 5; necessary to perform essential minimum functions of the governmental body. Director NeSmtih made a motion to approve said item. Director Henderson seconded. Director Blankenship asked a question about the actual cost to the board for said transaction and professional fees total. Per GM Johnson, the cost of issuance would be 1% issue. Thus, 1% is approximately \$4.7 million in expenses; however, \$3.7 million is the estimated fee for the professionals (cost of issuance). Director Munchus gave a public warning on whether he should disclose knowledge of a potential lawsuit that may arise relating to said agenda item, and he asked if an Executive Session would be necessary for further discussion. Per Attorney Anthony, he has no knowledge of a pending lawsuit; therefore, based on what he was made aware of, he could not certify an Executive Session. On a motion duly made and seconded, the following resolution was adopted:

Thereupon, the following resolution was introduced in writing, duly seconded and hereby adopted by Directors Mims, Burbage, Huffman, Ward, Rice, NeSmith and Henderson.

**RESOLUTION AUTHORIZING THE ISSUANCE OF
SENIOR TAXABLE WATER REVENUE REFUNDING BONDS, SERIES 2021**

WHEREAS, The Water Works Board of the City of Birmingham, a public corporation organized under the laws of the State of Alabama (the “Board”), owns and operates an integrated water supply and distribution system (the “System”) within certain areas of Jefferson County, Alabama and surrounding counties;

WHEREAS, the Board has heretofore issued various series of its water revenue bonds pursuant to that certain Trust Indenture dated as of December 1, 1998 (the “Original Senior

Indenture”), between the Board (as successor to the City of Birmingham) and Branch Banking and Trust Company (as successor trustee) (the “Trustee”), as supplemented and amended by a First Supplemental Indenture dated as of July 1, 2002, by a Second Supplemental Indenture dated as of September 1, 2002, by a Third Supplemental Indenture dated as of April 1, 2004, by a Fourth Supplemental Indenture dated as of April 1, 2006, by a Fifth Supplemental Indenture dated as of February 28, 2007, by a Sixth Supplemental Indenture dated as of December 1, 2008, by a Seventh Supplemental Indenture dated as of May 1, 2009, by an Eighth Supplemental Indenture dated as of November 1, 2010 (the “Eighth Supplemental Indenture”), by a Ninth Supplemental Indenture dated as of June 1, 2011 (the “Ninth Supplemental Indenture”), by a Tenth Supplemental Indenture dated as of March 1, 2012 (the “Tenth Supplemental Indenture”), by an Eleventh Supplemental Indenture dated as of April 1, 2013 (the “Eleventh Supplemental Indenture”), by a Twelfth Supplemental Indenture dated as of April 1, 2015 (the “Twelfth Supplemental Indenture”), by a Thirteenth Supplemental Indenture dated as of October 1, 2016 (the “Thirteenth Supplemental Indenture”), by a Fourteenth Supplemental Indenture dated as of November 1, 2018 (the “Fourteenth Supplemental Indenture”) and by a Fifteenth Supplemental Indenture dated as of November 1, 2019 (the “Fifteenth Supplemental Indenture”) each between the Board and the Trustee (collectively, the “Existing Supplemental Indentures”);

WHEREAS, pursuant to the Original Senior Indenture, as amended and supplemented by, among others, the Tenth Supplemental Indenture, the Board has heretofore issued its Water Revenue Refunding Bonds, Series 2012-A (the “Series 2012-A Bonds”), which are outstanding in the aggregate principal amount of \$13,700,000;

WHEREAS, pursuant to the Original Senior Indenture, as amended and supplemented by, among others, the Eleventh Supplemental Indenture, the Board has heretofore issued its Water Revenue Refunding Bonds, Series 2013-A (the “Series 2013-A Bonds”), which are outstanding in the aggregate principal amount of \$22,675,000;

WHEREAS, pursuant to the Original Senior Indenture, as amended and supplemented by, among others, the Thirteenth Supplemental Indenture, the Board has heretofore issued its Water Revenue Bonds, Series 2016-A (the “Series 2016-A Bonds”), which are outstanding in the aggregate principal amount of \$154,825,000;

WHEREAS, pursuant to the Original Senior Indenture, as amended and supplemented by, among others, the Sixth Supplemental Indenture dated October 1, 2016, the Board has heretofore issued its Subordinate Water Revenue Refunding Bonds, Series 2016-B and Subordinate Water Revenue Refunding Bonds, 2016-C (the “Series 2016-B and 2016-C Bonds”), which are outstanding in the aggregate principal amount of \$287,865,000;

WHEREAS, pursuant to the Original Senior Indenture, as amended and supplemented by, among others, the fourteen Supplemental Indenture, the Board has heretofore issued its Water Revenue Bonds, Series 2018 (the “Series 2018 Bonds”), which are outstanding in the aggregate principal amount of \$83,475,000;

WHEREAS, pursuant to the Original Senior Indenture, as amended and supplemented by, among others, the Fifteenth Supplemental Indenture, the Board has heretofore issued its Water

Revenue Bonds, Series 2019 (the “Series 2019 Bonds”), which are outstanding in the aggregate principal amount of \$332,515,000;

WHEREAS, the Board has determined that it would produce significant savings to advance refund, on a taxable basis, (i) all or a portion of the outstanding Series 2012-A Bonds (the “Refunded 2012-A Bonds”); (ii) all or a portion of the outstanding Series 2013-A Bonds (the “Refunded 2013-A Bonds”); (iii) all or a portion of the outstanding Series 2016-A Bonds (the “Refunded 2016-A Bonds”); (iv) all or a portion of the outstanding Series 2016-B and 2016-C Bonds (the “Refunded 2016-B and 2016-C Bonds”); (v) all or a portion of the outstanding Series 2018 Bonds (the “Refunded 2018 Bonds; (vi) all or a portion of the outstanding Series 2019 Bonds (the “Refunded 2019 Bonds,” together with the Refunded 2012-A Bonds, the Refunded 2013-A Bonds, the Refunded 2016-A Bonds, the Refunded 2016-B and 2016-C Bonds, the Refunded 2018 Bonds and the Refunded 2019 Bonds, the “Refunded Bonds”), and, for such purpose, the Board proposes to issue its Senior Taxable Water Revenue Refunding Bonds, Series 2021 (the “Series 2021 Bonds”) up to an aggregate principal amount specified herein;

WHEREAS, a portion of the proceeds of the Series 2021 Bonds will be deposited in an escrow fund established pursuant to that certain Escrow Trust Agreement to be dated as of July 15, 2021 (the “Escrow Agreement”) which, together with investment earnings thereon, will be sufficient to pay principal and interest requirements on the Refunded Bonds until and including their respective redemption dates and the redemption prices thereof on their respective redemption dates;

WHEREAS, the particular maturities and principal amounts of the Refunded Bonds to be refunded shall be determined based on market conditions at pricing of the Series 2021 Bonds and shall be specified in the Escrow Agreement;

WHEREAS, the Series 2021 Bonds shall be issued as Additional Parity Securities pursuant to the Original Senior Indenture, as heretofore amended and supplemented by the Existing Supplemental Indentures, and further supplemented by that certain Sixteenth Supplemental Indenture to be dated as of July 15, 2021 (the “Sixteenth Supplemental Indenture”); the Original Senior Indenture as so amended and supplemented being hereinafter referred to as the “Senior Indenture”) (any capitalized term used but not defined herein shall have the meaning assigned to such term in the Senior Indenture);

WHEREAS, following the issuance of the Series 2021 Bonds and the refunding to be effected thereby, the only Parity Securities outstanding under the Senior Indenture will be the Series 2021 Bonds and the following: (i) an unrefunded portion (if any) of the Series 2012-A Bonds (issued pursuant to the Tenth Supplemental Indenture), (ii) Water Revenue Bonds, Series 2013-A (issued pursuant to the Eleventh Supplemental Indenture), (iii) an unrefunded portion (if any) of the Series 2015-A and 2015-B Bonds (issued pursuant to the Twelfth Supplemental Indenture), (iv) Water Revenue Refunding Bonds, Series 2016-A (issued pursuant to the Thirteenth Supplemental Indenture), (v) an unrefunded portion (if any) of the Senior Water Revenue Refunding Bonds, Series 2018 (issued pursuant to the Fourteenth Supplemental Indenture), and (vi) an unrefunded portion (if any) of the Senior Water Revenue Bonds, Series

2019 (issued pursuant to the Fifteenth Supplemental Indenture); the foregoing being herein referred to as the “Outstanding Parity Securities”);

WHEREAS, the Series 2021 Bonds shall be limited obligations of the Board payable from, and secured by a pledge of, the revenues from the System remaining after payment of the reasonable and necessary expenses of maintaining and operating the System (the “Pledged Revenues”), on an equal and proportionate basis and parity of lien with the Outstanding Parity Securities and any Additional Parity Securities hereafter issued;

WHEREAS, no Event of Default under the Senior Indenture has occurred and is continuing, nor has any event occurred under the Senior Indenture which, with the giving of notice or the passage of time or both, would constitute an Event of Default;

WHEREAS, the Board has determined that the Series 2021 Bonds will not be secured by the debt service reserve fund established in the Senior Indenture;

WHEREAS, in connection with the refunding of the Refunded Bonds, the Board has determined that the funds in the debt service reserve fund established in the Senior Indenture and allocable to the Refunded Bonds shall be released from said debt service reserve fund and shall be applied by the Board to finance the costs of capital improvements to the System, as specified in the Sixteenth Supplemental Indenture;

WHEREAS, the Series 2021 Bonds will be sold to Raymond James & Associates, Inc. , as Senior Manager of an underwriting syndicate that includes Piper Sandler & Co., San Blas Securities and Blaylock Van, LLC.(collectively, the “Original Purchasers”), pursuant to a bond purchase agreement (the “Bond Purchase Agreement”), subject to the terms and conditions set forth below;

WHEREAS, the Board has caused a Preliminary Official Statement dated July 6, 2021 (the “Preliminary Official Statement”) to be prepared for distribution to prospective purchasers in connection with the issuance and sale of the Series 2021 Bonds, which references an appropriate continuing disclosure agreement to be entered into by the Board in connection with the Series 2021 Bonds (the “Continuing Disclosure Agreement”); and

WHEREAS, a copy of the proposed Sixteenth Supplemental Indenture, the Escrow Agreement, the Bond Purchase Agreement, the Continuing Disclosure Agreement (collectively, the “Financing Documents”) and the Preliminary Official Statement will be presented to, considered and approved by the Board prior to closing.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD, as follows:

1. The Board does hereby authorize (i) the issuance of the Series 2021 Bonds, (ii) the execution and delivery of the Financing Documents by the Board, and (iii) the consummation of all other transactions described in the recitals of this resolution and contemplated by the Financing Documents (the “Plan of Financing”). The Chairman/President and First Vice-Chairman of the Board, or either of them, are hereby authorized and directed to execute and deliver the Financing

Documents in substantially the form presented to the Board at this meeting, with such changes or additions thereto or deletions therefrom as the officer executing the same shall approve, which approval shall be conclusively evidenced by his execution of such instruments. The Secretary or any Assistant Secretary of the Board is hereby authorized and directed to affix the corporate seal of the Board to such instruments and to attest the same.

2. The Board does hereby approve the preparation of the Preliminary Official Statement in customary form to be presented to the Board prior to closing and authorizes the Board's financing team to make such revisions to such form (prior to its distribution) as may be deemed necessary or appropriate. The Board does hereby approve, authorize, ratify and confirm the distribution by the Original Purchasers of the Preliminary Official Statement to prospective purchasers of the Series 2021 Bonds. After sale of the Series 2021 Bonds in accordance with the parameters set forth herein, the Chairman/President and First Vice Chairman of the Board, or either of them, are hereby authorized and directed to complete the Preliminary Official Statement (such Preliminary Official Statement as completed being herein referred to as the "Official Statement") with (a) information relating to the terms of sale of and interest rates on the Series 2021 Bonds, (b) such information regarding reoffering prices or yields on the Series 2021 Bonds as shall be provided by the Original Purchasers of the Series 2021 Bonds and (c) such changes or additions thereto or deletions therefrom as the executing officers shall approve and shall be acceptable to the Original Purchasers of the Series 2021 Bonds. The Chairman/President and First Vice Chairman of the Board, or either of them, are hereby authorized and directed to date the Official Statement as of an appropriate date and to execute and deliver the Official Statement in the name and on behalf of the Board.

3. The Series 2021 Bonds shall be issued under and secured by the Senior Indenture as therein provided. The Series 2021 Bonds shall be in the form and shall contain the terms and provisions provided in the Senior Indenture. To the extent that the Senior Indenture provides alternative methods for execution of the Series 2021 Bonds, the officers of the Board executing the Series 2021 Bonds are hereby authorized to select the method of execution. The Chairman/President and First Vice-Chairman of the Board, or either of them, are hereby authorized and directed to execute the Series 2021 Bonds on behalf of the Board, and the Secretary or any Assistant Secretary of the Board is hereby authorized and directed to affix the official corporate seal of the Board to the Series 2021 Bonds and to attest the same. The officers executing the Series 2021 Bonds are hereby authorized and directed to deliver the Series 2021 Bonds so executed to the Trustee for authentication and delivery to the Original Purchasers, and the Trustee is hereby requested and directed to follow any instructions provided by such officers with respect to such authentication and delivery.

4. The Series 2021 Bonds shall be sold to the Original Purchasers pursuant to, and on the terms and conditions specified in, the Bond Purchase Agreement, provided the following pricing parameters are met: (1) the principal par amount of the Series 2021 Bonds shall not exceed \$500,000,000 (2) the all-in total interest cost for the Series 2021 Bonds (that is taking into account accrued interest, any original issue discount or original issue premium, the underwriter's discount, any premiums or fees for credit enhancement paid from proceeds of the Series 2021 Bonds, and any other costs of issuance paid from proceeds of the Series 2021 Bonds) shall not exceed 4.00%, (3) the underwriter's discount reflected in the Bond Purchase Agreement shall not exceed \$4.25

per thousand dollars of the principal amount of the Series 2021 Bonds exclusive of underwriting expenses such as underwriters' counsel and out-of-pocket expenses such as IPreo, CUSIPs, DTC, etc.

5. The Bond Purchase Agreement shall be in such form as is approved by the Chairman/President and First Vice-Chairman of the Board, or either of them, provided the foregoing pricing parameters are met, which approval (a) shall be conclusively evidenced by their execution of such instrument and (b) shall constitute the Board's approval of the final pricing terms of the Series 2021 Bonds and their compliance with the pricing parameters specified herein.

6. The Board hereby calls (a) the Refunded 2012-A Bonds for redemption and payment on January 1, 2022 at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the date of redemption, (b) the Refunded 2013-A Bonds for redemption and payment on January 1, 2023 at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the date of redemption, (c) the Refunded 2016-A Bonds for redemption and payment on January 1, 2027 at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the date of redemption, (d) the Refunded 2016-B and 2016-C Bonds for redemption and payment on January 1, 2027 at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the date of redemption, (e) the Refunded 2018 Bonds for redemption and payment on January 1, 2028 at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the date of redemption, and (f) the Refunded 2019 Bonds for redemption and payment of January 1, 2029 at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the date of redemption. The Chairman/President and First Vice-Chairman of the Board, or either of them, are hereby authorized and directed to take or cause to be taken, in the name and on behalf of the Board, all of the actions required by the provisions of the Senior Indenture to be taken in order to effect the redemption of the Refunded Bonds including, without limitation, the execution and delivery of the Escrow Agreement. Final approval of the Escrow Agreement, including, without, limitation, specification therein of the particular maturities and principal amounts of the Refunded Bonds, by the Chairman/President and First Vice-Chairman of the Board, or either of them, shall be evidenced by their execution of the same. The Board hereby certifies that no default exists under the Senior Indenture and no such default is imminent.

7. The officers of the Board and any person or persons designated and authorized by any officer of the Board to act in the name and on behalf of the Board, or any one or more of them, are authorized to do and perform or cause to be done and performed in the name and on behalf of the Board such other acts, to pay or cause to be paid on behalf of the Board such related costs and expenses, and to execute and deliver or cause to be executed and delivered in the name and on behalf of the Board such other notices, requests, demands, directions, consents, approvals, orders, applications, certificates, agreements, further assurances, or other instruments or communications, under the corporate seal of the Board, or otherwise, as they or any of them may deem necessary, advisable, or appropriate in order to (i) carry into effect and complete the Plan of Financing, (ii) carry into effect the intent of the provisions of this resolution, and the Sixteenth Supplemental Indenture, (iii) demonstrate the validity of the Series 2021 Bonds and the absence of any pending or threatened litigation with respect to the Series 2021 Bonds and the Sixteenth Supplemental

Indenture, and (iv) establish the exemption of interest on the Series 2021 Bonds from State of Alabama income taxation.

8. Each act of any officer or officers of the Board or any person or persons designated and authorized to act by any officer of the Board, which act would have been authorized by the foregoing provisions of this resolution except that such action was taken prior to the adoption of this resolution, is hereby ratified, confirmed, approved and adopted.

Resolution No. 8738 is hereby adopted by Directors Mims, Burbage, Huffman, Ward, Rice, NeSmith and Henderson. Director Munchus voted no, and Director Blankenship abstained.

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Following, GM Johnson asked the Board to approve Bond Counsel for its Senior Taxable Water Revenue Refunding Bonds, Series 2021 as recommended by the Finance Committee and as set forth in agenda item 6; necessary to perform essential minimum functions of the governmental body. Director Huffman made a motion to approve said item. Director Blankenship seconded. On a motion duly made and seconded, the following resolution was adopted:

“BE IT RESOLVED By The Water Works Board of the City of Birmingham (“the Board”), on a motion duly made by Ms. Tereshia Huffman and seconded by Mr. Lucien Blankenship, that the Board hereby approves Bond Counsel for its Senior Taxable Water Revenue Refunding Bonds, Series 2021, as recommended by the Finance Committee; necessary to perform essential minimum functions of the governmental body.

Recommendation of firms to serve as Bond Counsel

- i. Butler Snow LLP
- ii. Yvonne Green Davis, P.C.

Resolution No. 8739 is hereby adopted by a unanimous vote.”

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Next, GM Johnson asked the Board to approve Disclosure Counsel for its Senior Taxable Water Revenue Refunding Bonds, Series 2021 as recommended by the Finance Committee and as set forth in agenda item 7; necessary to perform essential minimum functions of the governmental body. Director NeSmith made a motion to approve said item. Director Ward seconded. On a motion duly made and seconded, the following resolution was adopted:

“BE IT RESOLVED By The Water Works Board of the City of Birmingham (“the Board”), on a motion duly made by Mr. Dalton NeSmith and seconded by Mr. Larry Ward, that the Board hereby approves Disclosure Counsel for its Senior Taxable Water Revenue Refunding Bonds, Series 2021, as recommended by the Finance Committee; necessary to perform essential minimum functions of the governmental body.

Recommendation of firms to serve as Disclosure Counsel

- i. Sirote/Denton’s
- ii. Kenneth Simon, P.C.

Resolution No. 8740 is hereby adopted by a unanimous vote.”

Following, GM Johnson asked the Board to approve Underwriter’s Counsel for its Senior Taxable Water Revenue Refunding Bonds, Series 2021 as recommended by the Finance Committee and as set forth in agenda item 8; necessary to perform essential minimum functions of the governmental body. Director NeSmith made a motion to approve said item. Director Ward seconded. On a motion duly made and seconded, the following resolution was adopted:

“BE IT RESOLVED By The Water Works Board of the City of Birmingham (“the Board”), on a motion duly made by Mr. Dalton NeSmith and seconded by Mr. Larry Ward, that the Board hereby approves Underwriter’s Counsel for its Senior Taxable Water Revenue Refunding Bonds, Series 2021, as recommended by the Finance Committee; necessary to perform essential minimum functions of the governmental body.

- Recommendation of firms to serve as Underwriter’s Counsel
- i. Bradley Arant
 - ii. Huie, Fernambucq & Stewart, LLP

Resolution No. 8741 is hereby adopted by a unanimous vote.”

Next, GM Johnson asked the Board to approve Issuer’s Counsel for its Senior Taxable Water Revenue Refunding Bonds, Series 2021 as recommended by the Finance Committee and as set forth in agenda item 9; necessary to perform essential minimum functions of the governmental body. Director NeSmith made a motion to approve said items. Director Burbage seconded. On a motion duly made and seconded, the following resolution was adopted:

“BE IT RESOLVED By The Water Works Board of the City of Birmingham (“the Board”), on a motion duly made by Mr. Dalton NeSmith and seconded by Mr. William “Butch” Burbage, that the Board hereby approves Issuer’s Counsel for its Senior Taxable Water Revenue Refunding Bonds, Series 2021, as recommended by the Finance Committee; necessary to perform essential minimum functions of the governmental body.

- Recommendation of firms to serve as Issuer’s Counsel
- i. Parnell Thompson, LLC
 - ii. Perkins Law, LLC

Resolution No. 8742 is hereby adopted by a unanimous vote.”

Following, GM Johnson asked the Board to approve the Underwriting Syndicate and assigned liabilities for its Senior Taxable Water Revenue Refunding Bonds, Series 2021, as recommended by the Finance Committee and as set forth in agenda item 10; necessary to perform essential minimum functions of the governmental body. Director NeSmith made a motion to approve said item as printed. Director Ward seconded. Director Munchus made a substitute motion to amend agenda item 10 to include a five-member syndicate by adding Securities Capital. Director Blankenship seconded. A discussion ensued regarding the percentages for the underwriting syndicate members pertaining to being able to vote on the item, if a fifth syndicate member was added. Mr. Matthew Arrington advised the board that based on the agenda, if a fifth syndicate member was added, said agenda item would need to be amended and approved. In addition, there were also concerns expressed regarding minority and local firms' opportunities. Director Rice stated that the underwriting syndicate listed include strong candidates and two are minorities. He stated that the item was recommended by the Finance Committee and that the board should move forward. However, Director NeSmith had already made a motion to approve agenda item ten as printed. Director NeSmith asked for clarification on whether the original motion or the substitute motion took priority. Attorney Parnell was recognized for comments. He stated the original motion took priority over the substitute motion. Per Attorney Parnell, you can amend a motion to clarify, but you cannot change the purpose of the original motion. Thus, the original motion must be voted on because it was already on the table. On a motion duly made and seconded, the following resolution was adopted:

“BE IT RESOLVED By The Water Works Board of the City of Birmingham (“the Board”), on a motion duly made by Mr. Dalton NeSmith and seconded by Mr. Larry Ward, that the Board hereby approves the Underwriting Syndicate and assigned liabilities for its Senior Taxable Water Revenue Refunding Bonds, Series 2021, as recommended by the Finance Committee; necessary to perform essential minimum functions of the governmental body.

Recommendation of firms to serve as Underwriting Syndicate and assigned liabilities

<u>Underwriting Syndicate</u>	<u>Role</u>	<u>Liability</u>
i. Raymond James	Book Runner	50%
ii. Piper Sandler	Co-Manager	30%
iii. San Blas Securities	Co-Manager	10%
iv. Blaylock Van	Co-Manager	10%

Resolution No. 8743 is hereby adopted by a roll call vote as follows: Director Mims, Abstain; Director Munchus, No; Director Blankenship, No; Director Burbage, Yes; Director Huffman, No; Director Henderson, Yes; Director NeSmith, Yes; Director Rice, Yes; and Director Ward, Yes.”

* * * * *

Next, GM Johnson asked the Board to approve Raftelis, the Board’s Financial Consultant and Rate Analyst, to provide an independent report on the feasibility of issuing its Senior Taxable Water Revenue Refunding Bonds, Series 2021, as recommended by the Finance Committee and as set forth in agenda item 11; necessary to perform essential minimum functions of the governmental body. Director Blankenship asked whether any other vendors had been considered in this category. GM Johnson answered no. Director Henderson made a motion to approve said

item. Director Huffman seconded. On a motion duly made and seconded, the following resolution was adopted:

“BE IT RESOLVED By The Water Works Board of the City of Birmingham (“the Board”), on a motion duly made by Mr. Tom Henderson and seconded by Ms. Tereshia Huffman that the Board hereby approves Raftelis, the Board’s Financial Consultant and Rate Analyst, to provide an independent report on the feasibility of issuing its Senior Taxable Water Revenue Refunding Bonds, Series 2021, as recommended by the Finance Committee; necessary to perform essential minimum functions of the governmental body.

Resolution No. 8744 is hereby adopted by a unanimous roll call vote.”

* * * * *

Following, GM Johnson asked the Board to approve Banks, Finley, White and Company, the Board’s Financial Auditor, to provide the revenue certificate for its Senior Taxable Water Revenue Refunding Bonds, Series 2021, as recommended by the Finance Committee and as set forth in agenda item 12; necessary to perform essential minimum functions of the governmental body. Director Burbage made a motion to approve said item. Director Huffman seconded. On a motion duly made and seconded, the following resolution was adopted:

“BE IT RESOLVED By The Water Works Board of the City of Birmingham (“the Board”), on a motion duly made by Mr. William “Butch” Burbage and seconded by Ms. Tereshia Huffman, that the Board hereby approves Banks, Finley, White and Company, the Board’s Financial Auditor, to provide the revenue certificate for its Senior Taxable Water Revenue Refunding Bonds, Series 2021, as recommended by the Finance Committee; necessary to perform essential minimum functions of the governmental body. Resolution No. 8745 is hereby adopted by a unanimous vote.”

* * * * *

Next, GM Johnson asked the Board to approve an updated banking resolution designating those who are authorized to execute banking transactions at Citizens Trust Bank on behalf of the Water Works Board of the City of Birmingham, as recommended by the Finance Committee and as set forth in agenda item 13; necessary to perform essential minimum functions of the governmental body. Director Huffman made a motion to approve said item. Director Burbage seconded. On a motion duly made and seconded, the following resolution was adopted:

“WHEREAS, the Board of Directors of The Water Works Board of the City of Birmingham, a public Corporation organized and existing under the laws of the State of Alabama, has determined to be in its best interest to establish a Banking Resolution;

NOW, THEREFORE, BE IT RESOLVED, on a motion made by Ms. Tereshia Huffman and seconded by Mr. William “Butch” Burbage, that the Corporation execute and deliver to Citizens Trust Bank a duly signed original of the completed banking resolution as is annexed thereto, and that the authority to transact business, including but not limited to the maintenance of savings, checking, investment and other accounts as well as borrowing by the Corporation, shall

be as contained in said resolution with the titles below therein authorized to so act on behalf of the Corporation as specified hereto:

TITLE(s) of Authorized Signers
Birmingham Water Works

General Manager:

Michael Johnson

Assistant General Manager(s)

Iris Fisher

Derrick Murphy

Jeffrey Thompson

Whose signatures shall be duly certified to the bank on said signature cards, and the bank is hereby authorized to pay said checks, drafts, notes, orders or withdrawals, or to receive the same for credit of, or in payment for the payee, or any other legal holder when so signed, without inquiry as to the circumstances of the disposition of their proceeds, whether drawn to the individual order or tendered in payment of individual obligations of the officers or employees above named, or other officers of this corporation or otherwise.

FURTHER RESOLVED, that the, authorized signers of The Water Works Board of the City of Birmingham, is authorized to rent one or more Safe Deposit Boxes from said bank, and execute applicable agreements and signature cards;

is authorized to enter into a Cash Management Agreement with a bank, and execute applicable agreements and signature cards;

is authorized to enter into agreements with the bank for electronic and other banking services including but not limited to, collateral security, payroll processing, electronic entry processing, account reconciliation and corporate cash management;

is authorized to enter into Trust agreement with a Trustee and execute applicable agreements and signature cards;

RESOLVED FURTHER, that this resolution hereby revokes all resolutions heretofore delivered to bank by this Corporation;

RESOLVED FURTHER, that this resolution shall continue in full force and effect until the bank shall receive official notice in writing from this Corporation of the revocation thereof by a resolution duly adopted by the Board of Directors of this Corporation, and that the certification of the Secretary-Treasurer of this Corporation as to the signatures of the above-named persons shall be binding on this Corporation;

RESOLVED FURTHER, that the form or forms of authorization to open such bank accounts and draw money therefrom on behalf of the Corporation required by a banking Institution is hereby adopted; that any other resolution or corporate action required in order to open such bank accounts and draw money therefrom on behalf of the Corporation is hereby adopted; that the

appropriate officers of the Corporation are hereby authorized and directed to certify the adoption of any such authorization and resolutions as if the language thereof were set in full in this resolution so long as the substance thereof is consistent with the objective of this resolution, and that copies of all authorizations and resolutions so certified be placed with this resolution and records of the Corporation.

Resolution 8746 is hereby adopted by a unanimous vote.”

* * * * *

Following, GM Johnson asked the Board to approve an updated banking resolution designating those who are authorized to execute banking transactions at Alamerica Bank on behalf of the Water Works Board of the City of Birmingham, as recommended by the Finance Committee and as set forth in agenda item 14; necessary to perform essential minimum functions of the governmental body. Director Huffman made a motion to approve said item. Director Burbage seconded. On a motion duly made and seconded, the following resolution was adopted:

“WHEREAS, the Board of Directors of The Water Works Board of the City of Birmingham, a public Corporation organized and existing under the laws of the State of Alabama, has determined to be in its best interest to establish a Banking Resolution;

NOW, THEREFORE, BE IT RESOLVED, on a motion made by Ms. Tereshia Huffman and seconded by Mr. William “Butch” Burbage that the Corporation execute and deliver to Alamerica Bank a duly signed original of the completed banking resolution as is annexed thereto, and that the authority to transact business, including but not limited to the maintenance of savings, checking, investment and other accounts as well as borrowing by the Corporation, shall be as contained in said resolution with the titles below therein authorized to so act on behalf of the Corporation as specified hereto:

TITLE(s) of Authorized Signers
Birmingham Water Works

- General Manager:
 - Michael Johnson
- Assistant General Manager(s)
 - Iris Fisher
 - Derrick Murphy
 - Jeffrey Thompson

Whose signatures shall be duly certified to the bank on said signature cards, and the bank is hereby authorized to pay said checks, drafts, notes, orders or withdrawals, or to receive the same for credit of, or in payment for the payee, or any other legal holder when so signed, without inquiry as to the circumstances of the disposition of their proceeds, whether drawn to the individual order or tendered in payment of individual obligations of the officers or employees above named, or other officers of this corporation or otherwise.

FURTHER RESOLVED, that the, authorized signers of The Water Works Board of the City of Birmingham, is authorized to rent one or more Safe Deposit Boxes from said bank, and execute applicable agreements and signature cards;

is authorized to enter into a Cash Management Agreement with a bank, and execute applicable agreements and signature cards;

is authorized to enter into agreements with the bank for electronic and other banking services including but not limited to, collateral security, payroll processing, electronic entry processing, account reconciliation and corporate cash management;

is authorized to enter into Trust agreement with a Trustee and execute applicable agreements and signature cards;

RESOLVED FURTHER, that this resolution hereby revokes all resolutions heretofore delivered to bank by this Corporation;

RESOLVED FURTHER, that this resolution shall continue in full force and effect until the bank shall receive official notice in writing from this Corporation of the revocation thereof by a resolution duly adopted by the Board of Directors of this Corporation, and that the certification of the Secretary-Treasurer of this Corporation as to the signatures of the above-named persons shall be binding on this Corporation;

RESOLVED FURTHER, that the form or forms of authorization to open such bank accounts and draw money therefrom on behalf of the Corporation required by a banking Institution is hereby adopted; that any other resolution or corporate action required in order to open such bank accounts and draw money therefrom on behalf of the Corporation is hereby adopted; that the appropriate officers of the Corporation are hereby authorized and directed to certify the adoption of any such authorization and resolutions as if the language thereof were set in full in this resolution so long as the substance thereof is consistent with the objective of this resolution, and that copies of all authorizations and resolutions so certified be placed with this resolution and records of the Corporation.

Resolution 8747 is hereby adopted by a unanimous vote.”

Subsequently, agenda item 15, which addressed new business, was presented; necessary to perform essential minimum functions of the governmental body. Director Blankenship yielded to Director Munchus while he researched clarification relating to agenda item 10 (*the handling of substitute motions as it relates to Robert Rules of Order*). Director Rice left the meeting at 12:54 p.m. and returned at 12:56 p.m. Director Munchus deferred. GM Johnson announced that he sent an email to directors regarding fuel shortage due to the Colonial Pipeline ransomware attack. The pipeline supplies about 45% of fuel to the Southeast and throughout the East Coast. The situation is being monitored and BWVB should not have an issue with gas shortage. Also, he stated the

envelope on their desk contained a diagram of the strategic framework and he would schedule time to discuss with the board. Next, Mr. Jackson, Public Relations, stated the video playing before the board meeting highlighted positive things about the utility. The video will be aired nationally. Next, Director Ward commended Mr. Jackson and his staff on their work and indicated he wanted our Public Relations team to be a part of the transaction that the board is doing. Mr. Jackson stated more videos would be shown before board meetings to ensure directors are aware of things happening with the utility as well as initiatives.

As there was no further business before the Board, Director Burbage made a motion to adjourn the meeting. Director Munchus inquired about the Executive Session and asked Attorney Parnell to certify to enter Executive Session. Attorney Parnell stated a motion had already been made to adjourn and would have to be withdrawn to enter Executive Session. Director Burbage did not withdraw his motion to adjourn. Director Rice seconded the motion. The motion to adjourn was approved by a roll call vote by Directors Henderson, Ward, NeSmith, Burbage, Rice and Mims. Directors Munchus, Blankenship and Huffman voted against. Chairman Mims adjourned the meeting at 1:01 p.m.

_____/s/_____
Ronald A. Mims
Chairman/President

Attest:

_____/s/_____
William "Butch" Burbage, Jr.
Secretary-Treasurer