

**MINUTES OF A FINANCE COMMITTEE MEETING
OF THE WATER WORKS BOARD OF THE CITY OF BIRMINGHAM
June 7, 2016**

A Finance Committee Meeting of The Water Works Board of the City of Birmingham was held on Tuesday, June 7, 2016, at 9:00 a.m., in the principal office of the Board, 3600 First Avenue North, Birmingham, Alabama.

The following Committee Members were present: Ronald A. Mims, Kevin B. McKie, and George Munchus. Director Sherry W. Lewis, a Non-Committee Member was also in attendance.

Inasmuch as all of the Committee Members were present, Chairman Mims declared a quorum in attendance.

The meeting was also attended by: Mac Underwood, General Manager, Michael Johnson, Darryl Jones and Sonny Jones, Assistant General Managers; Grace Amison, Executive Assistant to the Board of Directors; Cynthia Williams, George Anderson, Rosalind Jones, Sonji Campbell, and Roseline Ngumba, Board Employees; Paige Goldman, Fuston, Petway & French, LLP; Matthew Arrington, Terminus Securities, LLC; Jerry Jones, ARCADIS; Dr. Jesse Lewis and Dorian Kendrick, The Lewis Group; Chandra Abseingha, CE Associates, and Michael Jones, SCC Capital Management, Inc.

Chairman Mims called the meeting to order at 9:05. General Manager Underwood informed the meeting body that Director Florie would not attend today's meeting. As there was no old business for discussion, General Manager Underwood asked the Committee to hear presentations regarding Bond, OPEB, and Pension Master Trust from three (3) presenters, as noted in agenda items 2.1 through 2.3. Mr. Matthew Arrington was recognized for introduction. He stated that RFP's regarding Bond, OPEB, and Pension Master Trust and Custody Services were issued the same time as the RFP's for Pension Consultants. Mr. Arrington pointed out that eight (8) responses were received and four (4) banks were chosen for consideration. He stated that Wells Fargo, Branch Banking & Trust Company (BB&T) and Regions Institutional Services were asked to come before the Board to make presentations. Mr. Arrington commented that the Bank of New York-Melton was not chosen to present to the Board because they only are interested in providing services relative to Bond Issues and not Pension Services. He pointed out that the goal is to have one Trustee capable of handling services regarding the Bond, OPEB and Pension Plan. Mr. Arrington reminded the Board that Renasant Bank is currently handling issues relative to bond issues. Going forward, the referenced services will be provided by the Board's Trustee of choice.

General Manager Underwood pointed out that during the Finance Committee Meeting held May 31, 2016, presentations were made regarding Investment Advisory services for the Board's Pension Plan. Today's presentations will relate to Master Custody and Trustee services for Bonds and the Pension Plan.

Director Lewis asked how much time each presenter would be allowed to speak. AGM Michael Johnson responded that presenters were informed that they had 15 or 20 minutes to present, same time as the presenters were given during the Finance Committee Meeting held on May 31, 2016.

Next, Wells Fargo entered the meeting at 9:08 a.m. to make their presentation. Handouts of said presentation were distributed. (a copy of said document is on file in Diligent Boardbooks). Ms. Ellie Sternberg was recognized to introduce the Relationship Team and to lead the discussion. The following team members were present: Ellie Sternberg, Corporate & Institutional Banking, Susan Thorpe and Tom Alderson, Corporate Trust Services. The following team members joined the meeting via a telephone conference call: Karen Scofield and Karl Hutchinson, Institutional Trust & Retirement Services and Mary Dallatore, Corporate Trust Services. Ms. Sternberg pointed out that she is the Relationship Manager for all government clients. She commented that some of her local clients include the BJCC, the State of Alabama and the City of Birmingham. Ms. Sternberg gave a brief background regarding Wells Fargo. She

commented that Wells Fargo was founded in 1852 and they have been providing custodial services 100 plus years. Wells Fargo integrated custodial and banking services. Wells Fargo is the largest bank in the country by market capitalization. Wells Fargo is ranked by peers as the fourth largest bank in assets. Relative to market share and total deposits in Birmingham, in 2015 Wells Fargo ranked as the third bank with \$4.0 billion dollars in total deposits. In 2015, Wells Fargo donated over \$3.6 million dollars in charitable giving. There are more than 11,800 volunteer hours booked by compatriots in the State of Alabama. In 2015, Wells Fargo matched \$175,791.00 dollars in team member contributions to educational organizations in Alabama. Ms. Sternberg pointed out that Wells Fargo has approximately 3,143 team members who live and work within the State of Alabama. Wells Fargo has 139 banking locations, 205 ATMs and 90-plus business lines, including banking, insurance, investments, mortgages and consumer and commercial finance. Ms. Sternberg pointed out that she is located in Huntsville, Alabama, but, she has an office in Birmingham as well. Director Munchus asked Ms. Sternberg to revisit the amount of charitable contributions made by Wells Fargo. Ms. Sternberg reiterated that in 2015 Wells Fargo donated approximately \$3.6 million dollars to various non-profits within the State of Alabama.

Ms. Karen Scofield was recognized for comments relative to Institutional Trust & Retirement Services. She pointed out that Mr. Hutchinson, who brings thirty-five plus years of experience would be the BWWB's dedicated Relationship Manager for everything pertaining to custody services. She stated that Wells Fargo is committed to the custody business and they are one of the top 5 custodians in the country. Ms. Scofield stated that Wells Fargo would like to partner with the BWWB as they would provide personalized services through their dedicated team.

Various directors inquired on the location of the team members. Ms. Scofield responded that Mr. Hutchinson is located in West Palm Beach, Florida. The client service consultant would be out of the Client Service Center located in Waco, Texas or Minneapolis, Minnesota. Ms. Scofield commented that benefits of custodial services with Wells Fargo would include the following: an experienced, dedicated service team; a customized conversion strategy using a defined approach; accurate and timely financial reporting; integrated single sign-on technology through CEO portal; and full fee transparency and objectivity. She pointed out that retirement plan payments would be processed via the CEO portal. She commented that authorized users would have access to update benefit records, create annuity and lump sum distributions; to place stop-payments and to reissue checks, to create and share customized reports; to determine tax deductions, to access delivery information including multiple destinations; to view more than 3-years of payment history; and have access to prompt, accurate direct deposit and check payments. An 800 phone number would be provided for retirees with questions and/or concerns. Ms. Scofield reviewed their conversion management plan. She pointed out that the transition time frame for the benefit plan is 60 to 90 days due to the fact that pension payments are parallel for two months. Ms. Scofield indicated that all team members would be a part of the transition process. She added that Wells Fargo would manage the referenced conversion from start to finish.

Mr. Tom Alderson was recognized to address Corporate Trust Services. Mr. Alderson commented that the mission of Wells Fargo is to provide the best in-class Corporate Trust Services to fulfill the evolving needs of clients by leveraging their expertise and depth of Wells Fargo's capabilities. He stated that Wells Fargo has longevity and stability in providing Corporate Trust Services as they have been doing so since 1929. Wells Fargo is ranked third largest in the municipal world. He pointed out that Wells Fargo's Trust Department is self-owned and grown being they do not purchase other corporate trust departments. Mr. Alderson commented that in order to provide consistent service to clients, Wells Fargo reduced the number of offices to focus more on control and regulatory compliance. Mr. Alderson commented that Ms. Dallatore, located in Philadelphia, Pennsylvania would be responsible for administering bond issues/accounts for the BWWB. He stated that Ms. Dallatore currently provides the same services to Jefferson County. There would be a team of professionals dedicated to focus on the relationship with the BWWB. Mr. Alderson pointed out that he is an attorney and he has been providing corporate services to clients for thirty-plus years. Mr. Alderson would be the business negotiation consultant for the Board regarding bond issues. Mr. Alderson commented that he would coordinate the

overall relationship activities with the BWWB and perform all activities leading up to and through the closing of a new account. He stated that he would also assist in the transfer of accounts for successor appointment. Mr. Alderson commented that Wells Fargo continues to invest in new technology in order to improve accessibility and accuracy in the administration of client accounts. Wells Fargo offers online statements, and e-mail statements. Trust information can be delivered via web-based access to monthly account statements by the second business day of each month; plus information is accessible via the CEO platform. Mr. Alderson concluded by sharing some reasons why the BWWB should choose Wells Fargo as the vendor of choice. He stated that Wells Fargo has stability and a good reputation; they have a seasoned dedicated account team with many years of experience; they reduce risks by focusing on controls, they comply and adhere to regulatory demands; they offer a robust suite of secure, online reporting and analytics; they have notable clients such as Jefferson County, Massachusetts Clean Water Trust and Rhode Island Clean Water Finance Agency; and their cost methodology consists of competitive prices and they have their own in-house legal team.. Director Munchus asked how long Jefferson County has been a client of Wells Fargo. Ms. Sternberg responded that Wells Fargo was chosen as the Trustee approximately 2-years ago, around the time when Jefferson County re-negotiated their new bond deal. Mr. Alderson opened the floor for questions. Director Munchus inquired on the length of time Rhode Island Clean Water Finance Agency has been a client of Wells Fargo. Ms. Dallatore responded that the referenced finance agency has been a client of Wells Fargo since 2007. General Manager Underwood asked a question relative to pension payments. He asked when setting up a new pension payment, how much time in advance would information be required from the BWWB. Ms. Scofield responded that the transaction could be processed within 24-hours once information has been entered in the system by a BWWB representative. General Manager Underwood explained the Board's approval process of pension payments and he asked how Wells Fargo would verify that the said payment was approved by the Board. Mr. Hutchinson responded that one option would be to have someone enter and approve the benefit payments; or there could be two authorized users, one to input the information and the secondary user would be responsible for approval of benefit payments. AGM Michael Johnson asked a question regarding various debt service reserve funds that are invested. He inquired of Wells Fargo's monitoring approach with clients, the process of handling funds that are subject to maturity prior to the maturity date(s). Mr. Alderson responded that initially an account investment vehicle would be setup wherein there would not be any un-invested funds. The Account Manager would monitor the Board's account(s) and keep track of maturity dates. The Account Manager receives alerts regarding upcoming maturity dates. Said alerts will be provided to the BWWB and Wells Fargo would wait to receive direction from the Board on how to proceed with said funds. AGM Michael Johnson asked how Wells Fargo would make the BWWB feel comfortable being their staff is located in many different areas outside of Birmingham. Mr. Alderson responded that there would be much communication via phone calls, conference calls and emails. Director Munchus asked if there was a local contact in the Birmingham area that would interface with the BWWB. Ms. Sternberg responded that she is the overall Relationship Manager for all transactions other than the Corporate Trust relationship. Director Lewis asked who would deal directly with staff at the BWWB. Ms. Sternberg responded that the direct persons would be Mr. Hutchinson and Ms. Dallatore. As there were no more questions or concerns, the Wells Fargo group left the meeting at 9:35 a.m.

Following, the BB&T group entered the meeting at 9:36 a.m. to make their presentation. Handouts of the referenced presentation were distributed. (a copy of said presentation is on file in Diligent Boardbooks). Ms. Katrina Vanderdray was recognized to introduce the group and to lead the discussion. The following members were present: Katrina Vanderdray, VP, Business Development, Josh Petty, SVP Birmingham Market President, Jeff Elliott, VP Relationship Manager, (Custodial Accounts) Anthony Pope, VP Operations Manager, and Greg Yanok, VP Corporate Trust/Bonds. Ms. Vanderdray gave a brief background. She stated that BB&T was established in 1872 and they are ranked among the largest financial holding companies in the United States. They have \$209.9 billion dollars in assets and \$29.5 billion dollars in market capitalization. Ms. Vanderdray pointed out that in 2009 when banks began to fail, the Federal Reserve asked BB&T to purchase Colonial Bank. Due to the acquisition, BB&T entered the Birmingham market. She stated that BB&T's commitment is that of Perfect Client Experience

(PCE). Ms. Vanderdray stated that BB&T has an excellent reputation. They have paid over 100 years of quarterly dividends on a quarterly basis. BB&T has consistently been recognized by Fortune Magazine as one of America's Most Admired Companies; and BB&T ranked among the World's Top 50 Financial Institutions for Market Capitalization by Retail Banker International.

Mr. Elliott was recognized for comments relative to custody services. He stated that he and Mr. Petty live in the Birmingham area. Mr. Elliott pointed out that he is the Relationship Manager that would facilitate the relationship with the BWWB. He informed the Board that his primary client for custody and institutional investment management is the Birmingham Airport Authority. Mr. Elliott pointed out that some of the custodial services provided by BB&T include the following: the custody and recordkeeping requirements of securities ownership; collection and distribution of income and principal as directed; purchase and sale of securities as directed; maintenance of tax cost basis; statement production – monthly, annually as well as master statements; preparation and coding of applicable tax forms; preparation of disbursements including recurring and lump-sum pension payments; electronic communication with investment advisors, money managers and brokers; and performance measurement through their relatively new system called FolioDynamix. Mr. Elliott commented that BB&T is a direct participant with Depository Trust Company and the Federal Reserve Bank. Mr. Elliott stated that relative to custody services and pension payments, BB&T can provide the following services: state of the art Innovest Recordkeeping System; pension payments can be made via check, ACH and direct deposit; they provide tax withholding and 1099R preparation, they have a Call Center for participant inquiries; they provide a quarterly deceased audit; extensive testing during the conversion process; and quality control procedures to minimize errors.

Mr. Pope was recognized to comment on the transition of the custodian. He stated that BB&T is committed to make sure that the BWWB's transition from the current custodian goes very smoothly. Mr. Pope stated that a dedicated analyst would be assigned to the BWWB as the central point of contact. Once the current custodian has received notification from the BWWB of the transition, BB&T will establish direct contact with them as well as all of the Board's investment managers. BB&T will put together a timeline wherein all parties will know when key events will take place. Mr. Pope commented that there would possibly be a trade black-out period to help minimize the risk of any trade failure. After conversion there will be routine reconciliations and BB&T will continue to follow-up with the investment managers to make sure they have access to needed information. Mr. Pope stated that a critical part of the conversion would relate to the transition of cash balances. He pointed out that BB&T has a number of cash management vehicles available including a Collateralized Deposit Program that is compliant with Alabama SAFE guidelines. Mr. Pope commented that BB&T has a state-of-the-art AddVantage Accounting System. Some advantages of having the referenced system are that it is a primary platform for all processing and record keeping; the referenced system works in conjunction with other systems; said system has capabilities of providing accrual reporting; and the system allows for processing by trade date or settlement date. Mr. Elliott commented that BB&T has an online portal which is called TAMLink. Said link will give the Board access to all account information such as history, position, transaction, and a variety of reports. TAMLink has customization features that would allow users to define viewable settings and categories. Investment managers would have access to TAMLink as well. Mr. Elliott reiterated that BB&T is prepared to walk BWWB's staff through the transition process.

Next, Mr. Yanok was recognized to comment on BB&T's Bond/Trustee services. Mr. Yanok stated that he would be the dedicated contact person for the referenced services. He stated that he would be available 24-hours 7-days a week via a phone call or by email. He reiterated that the TAMLink System is also used by Corporate Trust Services. He added that relative to recordkeeping, BB&T has a real time interface with DTC. Mr. Yanok stated that BB&T offers a wide variety of investments which will always be in conformity with the investment provisions of the document. Mr. Yanok commented that during the resignation and succession process of the Board's bonds, BB&T will establish a succession date with the prior Trustee, and engage bond counsel to draft a tri-party agreement. Prior to the succession date, arrangements will be made with the current Trustee to deliver all security documents and any necessary

documents to keep the bonds in compliance. Mr. Yanok pointed out that BB&T administers a number of bond deals similar to the BWWB's such as West Virginia American Water, Glasgow Kentucky Water and Sewer Bond and Tuscaloosa County Parks and Recreation Revenue Bonds. Director Lewis inquired on the length of time the referenced water companies have been clients of Wells Fargo. Mr. Yanok responded that the relationship with Tuscaloosa County has been approximately 7 to 8 years and the relationships with the other referenced clients are predated as some of the relationships go back to the pre '90's.

Ms. Vanderdray addressed BB&T's pricing methodology. She commented that the process was threefold wherein the complexity/volume of work asked to perform was considered; the capacity in which BB&T was asked to serve was viewed; and any liabilities for BB&T's services was viewed as part of the cost. Ms. Vanderdray commented that the BWWB would receive maturity advices from BB&T. In closing, the BB&T group accepted questions from the meeting body.

There were questions from various directors such as: If BB&T utilizes in-house counsel or outside counsel for legal work pertaining to bond issues. If outside counsel is used, would there be any particular firms used, and if local firms are used who would be chosen regarding the BWWB. Mr. Yanok responded that relative to bond counsel outside firms are used exclusively. He added that local counsel is used in each area and he stated that he was not familiar with local firms in Birmingham. Mr. Yanok added that BB&T would follow the direction of the Board on which local firm to use.

AGM Michael Johnson asked a question relative to Guaranteed Investment Contracts. He asked if the BWWB was in need of a bank to review required documents, the Board would be allowed to use a certain attorney that advises BB&T as it would relate to bond indentures. Mr. Yanok responded that it would not be a problem to use attorneys chosen by the Board. General Manager Underwood inquired how BB&T would handle death audits and how often they are performed. Mr. Elliott responded that he was unsure of the system used, but he would provide said information. He stated that death audits are performed on a monthly basis. General Manager Underwood explained the Board's Pension approval process. He asked what would be the minimum number of days needed to process a pension payment after Board approval. Mr. Elliott responded that ACH deposits can be made the day of approval while checks are issued three (3) days in advance. Director Lewis asked BB&T to clarify if they can provide advice relative to the Corporate Trust accounts prior to maturity dates. Mr. Pope responded that advice can be provided if it is the pleasure of the Board. He stated that the BWWB would be informed of all upcoming maturity dates via an automated system, and customized reports. Mr. Pope commented that BB&T would be proactive and make sure that the Board is notified prior to maturity dates. As there were no other questions or concerns, the BB&T group left the meeting at 10:10 a.m.

Next, Regions Institutional Services group entered the meeting at 10:11 a.m. Handouts of their presentation were distributed. (a copy of said presentation is on file in Diligent Boardbooks). Mr. David Germany was recognized to introduce the team and lead the discussion. He commented that he has been with Regions for 14 years where he is a Senior Vice-President. He stated that he works with Government and Institutional Banking in the State of Alabama and the Florida Panhandle. The meeting was also attended by: Cary Jones, Corporate Trust Strategist; Steven Scaro, Institutional Strategist; and Lee Ann Herron, Relationship Strategist-Corporate Trust/Custodian. Mr. Germany gave an overview of who Regions is. He pointed out that Regions is the only Fortune 500 Company in the State of Alabama. Mr. Germany stated that Regions provides \$5.86 million dollars to Alabama charities through associate monetary donations, associate volunteerism or through corporate donations. He commented that Alabama Power is the only corporation in Alabama that exceeds donations provided by Regions. Mr. Germany commented that Regions has a \$3.3 billion dollar impact on Alabama's economy through its day-to-day operations. He stated that Regions has over 19,000 employees in the State of Alabama and over 6,000 local employees. He pointed that Regions has the largest branch network in the Birmingham area. Mr. Germany commented that Regions is proud to be the number one Community Reinvestment Act Lender in Alabama and the Birmingham market, inclusive of mortgages loans and small business loans. Mr. Germany commented that Regions has a specific government and institutional team that only works with

governmental entities and water systems across the state. Director Munchus asked what other water systems are clients of Regions. Mr. Germany responded that some local clients are Tuscaloosa Water System, Mobile Water System, and Anniston Water System. He pointed out that a list of notable corporate trust clients can be found on page 12 of the handout.

Next, Mr. Germany recognized Mr. Steven Scaro to address custody services. Mr. Scaro commented that Regions provides investment, administrative and trustee solutions to corporations, businesses, and nonprofit organizations, along with governmental and union clients. Regions delivers investment management and consulting, retirement, custodial, nonprofit, corporate trust and escrow services through locally and regionally-based professionals. Mr. Scaro added that Regions strives to demonstrate value-added expertise through objective advice with a goal of exceeding client expectations. He stated that Regions maintains core focus in the areas of Custodial Services and Corporate Trust Services. Mr. Scaro commented that some functions of the Institutional Custody Services include: Trade Clearance and Settlement, Trade Communications, Securities Pricing, Pension Payment Processing, Common Trust Fund Accounting Services, Financial statements, Tax Reporting, Cash Management, and others as noted on page 6 of the handout. Mr. Scaro pointed out that Regions has all the capabilities that it takes to handle a custody engagement such as the one the BWWB is in need of. He commented that Regions is scheduled for a technology upgrade later next year that will provide improved Ad Hoc Reporting. Doing so would allow easier access to information for the BWWB. Currently, needed information can be obtained via Regions Trust Online System or directly from Ms. Lee Ann Herron. Since the fee structure was a point of interest for the BWWB, Mr. Scaro commented that one thing Regions does differently than some competitors is that Regions provides an all-inclusive one price. The price quoted by Regions is an all-in price of points on assets of 4 basis points. Relative to the \$152 million dollars noted in the RFP regarding custody and pension payments, the fee for said services would be slightly under \$61,000 dollars. The referenced fee would include everything associated with OPEB custody services and Pension custody services as well pension payments and associated tax returns. Mr. Scaro pointed out that Mr. Cary Jones would address fees for Corporate Trust Services.

Following, Ms. Lee Ann Herron was recognized to address the custody transition timeline and the pension payment conversion timeline. She pointed out that the referenced timelines are noted on pages 8 and 9 of the handout. Ms. Herron commented that technological advances made at Regions have been phenomenal wherein everything is done electronically, efficiently and very quickly. She stated that the conversion can go as quickly as the Board pleases. The conversion could be completed in as little as 3 weeks or long as 3 months, depending upon timely and accurate transfer of data from the prior custodian. Ms. Herron reviewed some activities associated with the custody transition timeline. Regions would work with the BWWB in notifying the current custodian and investment manager of the intent to terminate. The next step would be the planning process wherein Regions would meet with the Board to discuss structure and needs of reporting. Next, there would be the reconciliation phase. Ms. Herron reviewed the pension payment conversion timeline. She stated that the pension payment conversion would start with planning first. After determining the structure, the next step would be reconciliation. Regions would notify the BWWB's pensioners of the new custodian. on the Board's letterhead.

Mr. Cary Jones was recognized to address Corporate Trust. Mr. Jones pointed out that his discussion would relate to the bond trustees and corporate services aspect of the RFP. He stated that Regions has been providing corporate trust services for 80 plus years. Mr. Jones commented that Regions ranked as the 4th largest trustee bank in the nation and Regions is the largest regional provider. He commented that there are 3 main differentiators that separate Regions Corporate Trust from other providers such as having 8 offices in 8 states; Regions has 18 years of experience per Corporate Trust Associate, which exceeds the industry average; and the way in which Regions delivers service to its clients. Regions views their services provided as the traditional single point of contact service model. Mr. Jones stated the Relationship Manager who would be assigned to the BWWB is Frank Haley and the backup Manager would be Scott Reardon. The referenced managers would be intimately familiar with all aspects of the Board's bond issues. Mr. Jones stated that in regards to bond administration services, Regions is capable

of providing the following services: trustee, registrar and paying agent services to municipalities, governmental entities, non-profits, hospitals and corporations that access public and/or private debt markets to finance projects. Mr. Jones pointed out that all referenced services are handled locally. He reviewed some of Regions' notable clients listed on page 12 of the handout which includes Anniston Water & Sewer Board, Boaz Water & Sewer Board, Broward County Water & Wastewater Services, City of Talladega Water & Sewer, Graysville Water & Gas, Gulf Shores Utilities, and many others. Mr. Jones reviewed summarized steps for the successor trustee process. The BWWB and Regions would review and sign the Agreement of Resignation to the current Trustee; the signed resignation letter would be sent to the current Trustee; Regions would coordinate a date of transfer with the current Trustee; and upon receipt of the agreement of resignation and pertinent documents from the current Trustee, Regions would begin serving as Trustee for the BWWB. As the floor opened for questions AGM Michael Johnson asked if Regions has assessed any client related risks associated with their systems and technology upgrade and how would this impact Regions Service Model. Mr. Jones responded that there are no foreseeable downside risks or issues associated with Regions technology upgrade. Mr. Scaro added that in today's world of technology, an advanced upgrade would provide more band-width and capabilities for Regions clients.

Mr. Jones commented that in response to the RFP regarding fees there was an oversight by Regions. He pointed out that Regions commits to a period of 5-years for the proposed fees noted on pages 14 and 15 of the handout.

General Manager Underwood asked relative to fees if Regions viewed the number of outstanding issues and determined what the estimate would be. Mr. Jones responded that fees were based on the Board's 10 active issues included in the RFP along with information from the financial statement. He stated that the BWWB's active outstanding issues would be \$2,500.00 dollars per trustee shift and \$750.00 dollars per annual escrow.

Director McKie asked if outside counsel would be used for trustee counsel fees. Mr. Jones responded that outside counsel is used for trusteeship wherein cost is approximately \$3,000.00 per deal. He added that using the same counsel for needed services would reduce the cost. Director McKie asked if Regions used a particular firm or would the BWWB be allowed to have input on choosing a firm. Mr. Jones responded that Regions would readily accept input from the Board, subject to a list of firms used by Regions. Mr. Germany commented that if the Board had a firm(s) in mind, Regions would certainly add the firm to their pool list.

Director Munchus inquired of others services currently provided to the BWWB by Regions. AGM Michael Johnson responded that Regions is the Board's commercial banker. He stated that all banking services along with the operating account are handled by Regions. Director Munchus asked since all the Board's banking services are housed with Regions, would there be some type of discount relative to administration fees of 4 basis points. Mr. Germany pointed out that Regions goal was to honor the current relationship with the Board as well as well as provide competitive proposals. He stated that the Board currently receives a strong discount from Regions and additional discounts are open for discussion. As there were no further questions or concerns, General Manager Underwood commented that Senior Management would revisit the current fees with Regions versus the proposed fees and provide the results to the Board. Subsequently, Mr. Germany offered words of gratitude to the Board for the existing relationship which has been in place since 2010. Regions group left the meeting at 10:42 a.m.

Directors McKie and Lewis voiced concern of having all the Board's banking relationships in one place. Director Lewis stated that in the past, the Board had to revisit proposed fees from Regions along with negotiating involving some other issue. Director Munchus commented that he was impressed with the support Regions provides in the communities. Subsequently, General Manager Underwood commented that staff will provide the Board with a summary of fees for comparison along with information relative to the Pension and OPEB Services.

As there was no further business to come before the Committee, at 10:50 a motion was duly made and seconded, and the meeting was adjourned.

_____/s/_____
Mac Underwood
General Manager

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

_____/s/_____
Kevin B. McKie
First Vice-Chairman/First Vice President

_____/s/_____
George Munchus, Ph.D.
Secretary-Treasurer