

**MINUTES OF A SPECIAL MEETING OF DIRECTORS  
OF THE WATER WORKS BOARD OF THE CITY OF BIRMINGHAM  
October 6, 2015**

The special meeting of the directors of The Water Works Board of the City of Birmingham was held on Tuesday, October 6, 2015, at 9:00 a.m., in the principal office of the Board, 3600 First Avenue North, Birmingham, Alabama.

The following Directors were present: Ronald A. Mims, Kevin B. McKie, Ann D. Florie and George Munchus. Director Sherry W. Lewis entered the meeting during Executive Session at 9:07 a.m.

Inasmuch as four of the Directors 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, Paul Lloyd, Joyce Dupree, Barry Williams, Iris Fisher, George Anderson, Ben Sorrell, Shelia Patterson, Scott Starkey, Derrick Maye and Lorenzo Clay, Board Employees; Charlie Waldrep, Mark Parnell, Mary Thompson and Kelvin Howard, Waldrep, Stewart & Kendrick, LLC; Courtney French, Fuston, Petway & French, LLP; Mark Johnson and Nicole Perry, Creative Benefits; Paul Simmons, Blue Cross and Blue Shield; Jerry Jones, ARCADIS US, Inc.; Dan Meadows, SS Nesbitt; Dr. Jesse Lewis and Dorian Kendrick, The Lewis Group; Theo Johnson, Volkert; Chandra Abesingh, CE Associates; David Merrida, BCIA; Monique Okoyc, Vulcan Legal Group; Ame Kehog, United Healthcare and Mahari McTier and Bran Mercer, Tier 1 Investors.

The General Manager called the meeting to order at 9:05 a.m. and prayer was given by AGM Sonny Jones.

Following, the General Manager stated that the first order of business would be an Executive Session. Attorney Parnell commented that an Executive Session would be held to discuss a legal matter regarding threatening litigation. He indicated said session would last approximately 5 to 10 minutes and that no action was expected to be taken by the Board. 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. Kevin B. McKie and seconded by Mr. George Munchus, that the Board hereby approves an Executive Session to discuss threatening litigation. Resolution No. 7006 is hereby adopted by Directors Mims, McKie, Florie and Munchus..”

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Following, at 9:06 a.m., the directors, the General Manager, Assistant General Manager Darryl Jones, and the Board Attorneys entered into an Executive Session. Director Lewis entered the meeting at 9:07 a.m. At 9:20 a.m., a motion was made and seconded to adjourn the Executive Session and the meeting re-opened.

As there was no old business for discussion, the General Manager proceeded with the agenda, as he stated that agenda item four (4) discussion of the draft budgets for 2016 would be discussed prior to agenda item two (2) being it would have some bearing on agenda item two (2). The General Manager stated that Senior Executive Management made some changes in said budgets since they were presented during the Finance Committee Meeting held Friday, September 25, 2015. AGM Michael Johnson was recognized to report on the adjustments.

AGM Michael Johnson reviewed a listing of the 2016 rate increase drivers which are: employee related expenses; license fees; cost of power; consultants' fees; a significant drop in raw water consumption along with others. Director Munchus asked if management believes the drop in raw water consumption would be the same amount annually or if this is a one-time event. The General Manager responded as he stated that Senior Management felt that raw water consumption would be the same each year and he commented that USX indicated that it would close some of its plant facilities and move to an ARC Furnace. AGM Michael Johnson continued reporting as he reminded the directors of the scenarios that were presented during the above mentioned Finance Committee Meeting. He stated that O&M expenses for 2016 would total \$97.2 million dollars with a 5.20% rate increase and no COLA or Merit increases; \$98.7 million dollars with a 6.1% rate increase and COLA and Merit increases 2% each; and \$99.6 million dollars with a 6.60% rate increase and COLA and Merit increases 3% each. AGM Michael Johnson reviewed cost reductions to the draft 2016 O&M Budget. He stated that reductions were based on discussion and budget items that were carefully reviewed by Senior Executive Management. He stated that funding of PAYGO was reduced by \$700,000.00, as this would delay the goal of reaching the 25% goal from 2017 to 2018. The \$12.9 million dollar healthcare cost that was previously discussed changed to \$12.2 million dollars. In order to show what the potential impact could be, an adjustment was made to the supplemental school programs, such as the "Learning the Wonderful Works of Water" School Program.

Director Lewis voiced much concern relative to reducing support to the community/school programs as she requested a breakdown and explanation of reasons for the reductions. Director Lewis stated that the BWWB is a part of the community and she believes that there is no need to take away from children being the programs have been successful. She added that because of the Board's programs related to youth, many students have the opportunity to go to college as well as receive scholarships. Director Lewis stated that the Young Water Ambassadors' Program is growing and the "Learning the Wonderful Works of Water" Program is educating children about water and science. She stated that said programs are in place to help address the needs of education in our communities.

Director Munchus asked if PAYGO comes from the operating budget and he asked if the proposed \$300,000.00 cut for supplemental programs could be moved into PAYGO. AGM Michael Johnson responded that PAYGO is income that is generated in the operating budget. He stated that the referenced amount could be included in the budget and Senior Executive Management could provide what the impact would be. Mr. Underwood indicated that in the initial budget, PAYGO was estimated at 22.7% and it increased to 23.7% to allow for a 1% growth. He stated that under the budget the Young Water Ambassadors school programs was eliminated, the Distribution Department was given two (2) additional distribution leak teams as requested by AGM Sonny Jones. However, providing one (1) additional distribution leak team would possibly offset the \$300,000.00 dollars.

Director Florie commented that during a previous Board Meeting, it was mentioned that the Board would review everything, including contracts/agreements. She stated that everything that could provide some possible reduction should be on the table. She also stated that staff found a way to spend \$500,000.00 of unbudgeted dollars within the last two (2) years, which means the Board has money in places but she is unsure where it comes from. The General Manager responded that monies that are not budgeted come from the reserve fund, which AGM Michael Johnson refers to in his monthly Finance and Administration Division Report. Following, Director Munchus stated that in reference to educational programs, the State Department of Education has money annually that goes unmatched as he feels this might be an opportunity for the BWWB to partnership with them. Director Munchus stated that he would try to locate contact information for staff. He added that the State Department of Education is always looking for partnership opportunities. Director McKie commented that Director Lewis' concerns related to the Young Water Ambassadors Program. He added that the Board would need to make sure its programs are sound and that the BWWB is spending money wisely as opposed to just making cuts.

Next, AGM Michael Johnson continued presenting as he stated that \$100,000.00 dollars was added to the draft budget for the Cost of Service Study for 2016. He stated that said study would relate to the rate structure that would be effective January 1, 2017. Director Munchus asked if said study is mandated by an outside entity or if it is an internal factor that is done periodically. The General Manager responded that a Cost of Service Study is done about every five (5) years. He added that said study would address Director McKie's previous comments about having a steeper, more progressive multi-tiered rate structure. AGM Michael Johnson reported that a proposed increase of 0.6% to non-residential consumption would be an increase of approximately \$340,000.00 dollars in revenue. Director Munchus asked if staff was recommending a 0.6%. Director Florie responded that said percentage is an estimate based on consumption which the board has no control over. AGM Michael Johnson stated that everything staff does is based on consumption as the rate increase is determined based on those projections. The General Manager reminded the Board that Peiffer Brandt with Raftelis Financial Consultants indicated that during his consumption presentation on September 25, 2015, non-residential use was up slightly and he believed the percentage could be adjusted a bit more after review of September's data. AGM Michael Johnson stated that the original projections were from 2014 and staff wanted to show the difference in a customer's bill with revised estimates based on scenarios of rate increases of 3.9% to 4.9% from 2015 to 2020. He stated that the average water bill for a customer with a 5/8" meter using 10 cccf's of water would range from \$47.52 to \$58.63 from 2015 to 2020. AGM Michael Johnson addressed various scenarios of rate increases projected by Senior Management from 2015 to 2020 with no COLA or Merit increases. AGM Michael Johnson stated that there would not be a difference in said bill for 2016, but, there would be a reduction of \$.37 cents in 2017 and 2018. Director McKie asked if the referenced scenario assumed there would be no raises for employees for five (5) years. AGM Michael Johnson responded that said assumption is with no raises for 2016. Director McKie asked for projected assumptions for 2017 and 2018. AGM Michael Johnson responded that projected expenses range from 2.5% to 3.0% growth with no pay increases for 2016 through 2020.

Director Florie voiced concern as to what would be the cost for customers if increases occur under all of the presented scenarios in one (1) year. AGM Michael Johnson commented that a customer's bill would be \$.53 cents more for 2016 and \$.20 cents more for 2017 with 2% increases for COLA and Merit. The General Manager added that he feels the key point is a 3.9% rate increase could be done in 2016 without any Merit or COLA increases annually as a 4.2% increase could take place in 2017. He asked the directors to note the difference of the rate increases among the years when reviewing said increases. He stated that 2% increases for COLA and Merit would require an additional 1% increase this year as all the remaining rate increases would be same. Director Lewis asked about the baseline budget for 2014 as there appears to be a big jump for 2016. The General Manager commented that said budget was \$92.3 million dollars. The General Manager called attention to page three (3) of the draft budget presentation as he pointed out health insurance and license fees to be major cost increases from 2015 to 2016. Director Lewis asked why the significant increase in license fees. The General Manager responded that the Board has to pay annual franchise fees of 3% in January 2016 to the various municipalities, which is based on the BWWB's total annual revenue (as revenue increases, franchise fees increase).

Next, Director Lewis voiced concern relative to power costs. AGM Darryl Jones responded that costs were cut nearly \$400,000.00 dollars between 2014 and 2015. He stated that Alabama Power had a 3% rate increase that took effect after the last budget was passed. AGM Darryl Jones added that the year-to-date power is probably over budget by approximately \$60,000.00 -\$70,000.00 dollars. He commented that 2015 has been a wet year with nearly four (4) inches of above normal rainfall, which decreases consumption and power usage. Director McKie asked if any of referenced license fees applied to Alabama Department of Environmental Management (ADEM). The General Manager responded that all referenced fees related to franchises. Following, Director Lewis stated that she would submit her questions and concerns regarding line items to staff. AGM Michael Johnson continued presenting as he reviewed projected expenses vs. the original projection. Water bills would increase from \$47.52 in 2015 to \$53.89 with 2% COLA and Merit increases. Water bills would decrease by \$.24 cents in 2019. Projected rate increases with a 3% COLA and 3% Merit increase would result in a difference of \$.70

cents from the original monthly bill for 2016. AGM Michael Johnson reviewed debt service coverage's for each scenario stating that there is not much difference in the budget and expenses. He stated that the projected 4.9% rate increase for 2016 is less than the national average rate increase of 5.5%. AGM Michael Johnson reviewed a chart of what the rate increases would be annually under each of the scenarios.

Director Lewis asked staff to provide her with a one (1) page chart of budget drivers and amounts for the past three (3) years. The General Manager stated that \$10 million dollars was budgeted for health insurance but the item has come in around \$12.5 million dollars. He stated that this is the largest part of the employee-related cost. The General Manager reminded the meeting body of the claims that have amounted to approximately \$1.7 million dollars, which resulted in a significant increase in the cost of health insurance for this year. Director Florie commented that there is a high level summary of huge expense categories and the directors were unsure what factors make up some of the expenses. She stated that pay increases for employees are needed plus the Board may want to keep rate increases at a certain level. Director Florie voiced concern relative to the projected revenue increases for 2015 to 2020, which are extreme each year. She stated that she would like to see employees get pay increases and she would like to keep the rate increases under 5%. The General Manager agreed with Director Florie with exception of years 2016 and 2017. He stated that rate increases for said years are 3.9%. The only difference in the three (3) scenarios presented today is that the rate increase in 2016 would be 4.9% rather than 3.9%, with 2% COLA and 2% Merit increases; and the rate increases would be 5.2% with 2% COLA and 3% Merit increases. He stated that with the 3% COLA and 3% Merit increases, the rate increases would be 5.3%.

Director Munchus stated that he was ok with the budget presentation and he asked if staff was ready to make a recommended scenario. Director Florie asked staff to look at some other expense items to determine if there could be any additional reductions. The General Manager stated that another meeting could be scheduled to discuss the request; however, a detailed review of the departmental expenses had been done and expenses had been lowered as much as possible. He stated that he felt the only other area to look at would be consultants and the consulting budget. Decreasing said budget would entail reducing some of the Board's projects that are currently being worked on. Subsequently, Director Florie stated that she is convinced that there are other places for some cuts/reductions.

Next, The General Manager said if a suggestion had to be made relative to COLA and Merit increases, staff would recommend a 2% increase for each. He stated that he understands Director Lewis' concern about the 2016 rate increase drivers, but with the \$5.2 million dollar cost increase that occurred, no revenue was lost. A 1% increase is about \$1.3 million dollars as a 4% increase has already been absorbed in the budget.

Director McKie commented that he believes Director Lewis was saying that the Board must study budget increases and start preparing for next year and years after that, being the Cadillac Tax is just a portion of it. Director Lewis stated that an additional \$30 may not seem like a lot of money for some persons as it would others. She voiced concern as to how rate increases would impact customers being there would be an increase in sewer rates as well. Director Lewis stated that she is not saying senior management has not done a good job with the budget; however, there is major concern with the budget increasing from \$92 million dollars to almost \$98 million dollars.

Director McKie asked about the cost savings of not having to distribute water to USX in 2016. He also asked if the decrease in the amount of raw water pumped to USX is a very high profitable loss for the Board. AGM Darryl Jones responded that there would only be a difference in power since raw water is pumped to USX. He stated that he believes one (1) million gallons of raw water amounts to roughly \$1,100.00 dollars. USX would go from using 18 million gallons per day to 6 or 8 million gallons per day. He stated that there would be a considerable loss of nearly \$2.6 million dollars in revenue. Following, a proposed budget meeting calendar was distributed along with copies of calendars for October and

November 2015. (copies of said documents are on file in Diligent Boardbooks). AGM Michael Johnson reviewed the draft budget schedule and he commented that one of the requirements would be to have a Public Hearing before approving the budget with rate increases. A brief discussion ensued relative to dates and times for the Public Hearing Meeting. Attorney Parnell commented that when scheduling the Board Meeting date, the goal would be to possibly adopt the budget during said meeting. He stated that the Public Hearing notice would need to be sent out thirty (30) days prior to adopting the budget. Next, the board agreed to combine the Public Hearing with the Regular Board of Directors' Meeting. Director McKie stated that if the goal would be to encourage the public to attend a public hearing, an evening meeting would be better with the exception of Friday. Subsequently, the Regular Board of Director's Meeting and Public Hearing was scheduled for Thursday, November 12, 2015, at 5:30 p.m., in the BWWB's Training Room. The next budget workshop would take place during the next Informational Board of Directors' Meeting scheduled for Wednesday, October 21, 2015 at 9:00 a.m. Director Munchus asked how the public would be notified of said hearing. The General Manager responded that emails are distributed by Ms. Amison, notices are posted downstairs and via the BWWB's Website, a press release would sent out and ads would be placed in the Birmingham Times and the Birmingham News.

The General Manager proceeded with the agenda and stated that the next item would be a request to approve the health insurance carriers, projected plan design changes and premium rates for the BWWB's Medical Plan for 2016. Mr. Lloyd distributed summarized healthcare documents as they were led in review by the General Manager. (copies are on file with Diligent Boardbooks). The first option reviewed would be to remain with Blue Cross Blue Shield (BCBS) and make no projected plan design changes. The total cost for said option would be \$12.9 million dollars. The second option reviewed would be to remain with BCBS and make the following plan design changes: deductible for single coverage would move to \$1,300.00 with a \$5,000.00 dollar out-of-pocket max; deductible for family coverage would move to \$2,600.00 with a \$10,000.00 dollar out-of-pocket max. The total cost for this option would be \$12.1 million dollars. The last option reviewed would be to switch to United Healthcare (UHC) as carrier, the plan design would be the same as the current plan design as BCBS. The total cost for this option would be \$11.9 million dollars. The General Manager commented that staff met with approximately 75% percent of the employees on last week relative to healthcare. During that time, employees were given the option to sign a sheet stating their healthcare carrier preference. Approximately seventy-eight (78) persons signed with BCBS and approximately one hundred forty-eight (148) persons signed with UHC. The General Manager stated that the difference in numbers between BCBS and UHC is approximately \$200,000.00.

Director Florie asked if the numbers presented today reflected any changes in numbers provided since the last presentation on September 25, 2015. (Chairman Mims left the meeting at 10:17 a.m.) The General Manager responded that BCBS adjusted their numbers due to a reduction in administrative costs as well as a reduction in proposed credits on drug rebates. Next, the Employee Association (EA) members present were recognized for comments as Mr. Maye stated that all employees were given the opportunity to voice their preference; however, some failed to do so. He stated that the voting results are in favor of UHC as the EA voted opposite of UHC. (Chairman Mims re-entered the meeting at 10:20 a.m.) The General Manager stated that additional discussion related to healthcare costs would be the estimated Stop Loss Reimbursement of \$1.5 million dollars. He stated that part of said reimbursement could be used as a credit towards the total budget if the Board would choose to do so. The General Manager stated that in the past years, the Board received approximately a \$500,000.00 - \$600,000.00 Stop Loss Reimbursement. He stated that the due to two (2) large claims, the estimated Stop Loss Reimbursement for 2015 is between \$1.4 -\$1.5 million dollars. These claims resulted in a big increase driver in the cost of the draft budget. Subsequently, Director Munchus asked if staff's recommendation would be UHC. The General Manager responded that the original recommendation from staff was UHC.

Next, Chairman Mims stated that he thought he would need to abstain from voting due to the fact that he is a retiree. Attorney Parnell responded that voting was within the Chairman's prerogative if he chose to do so. Chairman Mims stated that in talking to employees as well as reviewing the numbers

provided, he felt that it would be in the best interest of the Board to remain with BCBS and make the projected plan design changes as reviewed in option two (2). He stated that although option two (2) would be a little higher in cost than option three (3), he felt the second option would cover the needs of the employees. Following, Director Florie asked Chairman Mims for his thoughts regarding the projected deductibles and out-of-pocket costs. She stated that if the move was with UHC, the co-pays could be adjusted. Chairman Mims responded as he stated that he was more concerned that the employees would have a policy that would fully cover them. He added that although some of the out-of-pocket expenses are on the high side, he felt that option two (2) with BCBS and the plan design changes would serve employees better in the long run. Chairman Mims commented that he respected the recommendation of UHC from staff, but, after talking to employees and hearing their concerns, he felt that BCBS would be a better choice. Following, The General Manager asked if there would be an appetite from the Board stating that part of the Stop Loss Reimbursement is used to lower some of the out-of-pocket max, if the Board approves BCBS as the insurance carrier.

Director Lewis voiced concern as she stated that during the last meeting held September 25, 2015 there was discussion and concern relative to the will of the employees. At that time staff was asked to go back to the employees requesting their preference, whether it would be BCBS or UHC. Now, according to staff, votes have been received from employees and the document reviewed earlier today reflected that seventy-eight (78) persons voted for BCBS and one hundred forty-eight (148) persons voted for UHC. Director Lewis stated that her concern is that the voices of those who took time to vote should be honored, along with the fact that moving to UHC would be a lower cost for the Board. Director Florie asked what would be the reduction in deductible if some of the Stop Loss Reimbursement would be applied to the budget. The General Manager recognized Mr. Mark Johnson to respond as he stated that using \$500,000.00 of the referenced reimbursement would not cause significant reduction in the out-of-pocket costs. Director Florie asked Mr. Mark Johnson which insurance carrier is used by the City of Birmingham and Jefferson County. Mr. Mark Johnson responded that both The City of Birmingham and Jefferson County use BCBS as their insurance carrier. Subsequently, after much discussion, a motion was made and seconded as follows:

BE IT RESOLVED By The Water Works Board of the City of Birmingham (“the Board”), on a motion duly made by Ms. Sherry W. Lewis and seconded by Mr. George Munchus, recommending that the Board considers United Healthcare as the Insurance Carrier for BWWB’s Medical Plan for 2016, which included the Projected Plan Design Changes to the Medical Plan for 2016, effective January 1, 2016. The motion did not carry and was voted down as Directors Lewis and Munchus voted for the item. Resolution No. 7007 was adopted.

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Next, as Chairman Mims was advised that he could exercise his right to vote relative to the Medical Plan, he began to make a motion to keep BCBS as the health insurance carrier for 2016. The General Manager stated that when making said motion for BCBS, motion would need to state the total cost of \$12.1 million dollars as referenced in option 2 in the Summarized, or to use part of the estimated Stop Loss Reimbursement to offset the out-of-pocket max. Chairman Mims proceeded as he made a motion to remain with the BCBS Plan and to include use of a portion of the estimated Stop Loss Reimbursement to offset the out-of-pocket max. Afterwards, the General Manager stated that a specific amount of the Stop Loss Reimbursement would need to be added to the language in the motion. Director McKie asked what is typically done with the referenced reimbursement. The General Manager responded that reimbursement dollars normally offset the cost of healthcare. AGM Michael Johnson stated that the reimbursement is a reduction in healthcare expenses as reported each month during the Finance and Administration Division’s Report. Director Munchus asked if staff had a recommendation of what amount of the reimbursement could be used as an out-of-pocket offset. The General Manager responded that his suggestion would be not to use more than the amount normally received, which is approximately \$700,000.00 dollars. AGM Michael Johnson commented that from an accounting standpoint, in order for

the company to absorb more costs, his suggestion would be to make adjustments in the deductible amounts and to budget an estimate for the healthcare costs. He stated that there is a risk of not receiving any reimbursement money. Directors Mims and McKie asked for staff's advice/judgment on how to correctly state the motion relative to using an amount of the Stop Loss Reimbursement. As there was still much concern as to use of the referenced reimbursement, Director Florie stated that the General Manager brought the subject of using some of the Stop Loss Reimbursement to the table. The General Manager responded that said motion would be to help employees by reducing the deductibles halfway of the current projections and Plan Design. He gave an example as he referred to out-of-pocket max for family coverage: (the existing out-of-pocket projection is \$2,600.00 dollars and the projected deductible is \$1,000.00 dollars. Half of the \$3,600.00 dollar total would be \$1,800.00 dollars). Director McKie commented that as previously stated by Director Florie, staff placed the subject of reimbursement on the table. He added that he was unaware of the possibility of using some of the referenced reimbursement until today. Director McKie voiced concern of there being a way to reduce the out-of-pocket max as done every year as well as keep BCBS.

Following, Mr. Starkey was recognized for comments as he stated that he was the Manager of the Security Department. He stated that his department is on the low-end of the pay scale. Mr. Starkey stated that the Security department voted 100 percent for UHC because of the out-of-pocket costs. Next, Director Lewis asked AGM Sonny Jones for voting results from his departments. AGM Sonny Jones responded that 50 percent abstained from voting and the ones that voted were split. Half chose BCBS and the other half chose UHC.

Next, Chairman Mims stated that he would follow the advice of the employees. He stated that in talking with employees for the last two (2) days, employees expressed that they felt as though they were strong-armed into making a decision preference. Being there was concern as to how employees felt they were strong-armed, AGM Sonny Jones explained the voting process. He stated that a sheet was provided for each carrier: BCBS and UHC. Employees were asked to sign their name on the sheet of their choice. There was some concern as voting was not handled anonymously.

Following, Director Lewis stated that she understand what is going to take place. However, as a Board member she felt that employees concerns were taken into consideration. Director Lewis stated that the fiduciary duty of board members is to do what is in the best interest of the company. She stated that the 2016 draft budget is very tight wherein no employee raises have been included yet. Director Lewis stated that she felt no additional costs should be added to the budget that is already tight.

Next, Mr. Paul Simmons was recognized for comments as he asked the Board to consider the fact that there would be disruption in change of insurance carriers. He stated that although the Board has a fixed budget cost, the numbers provided by both BCBS and UHC are merely projections. (Director Munchus left the meeting at 10:45 a.m.). Following, Ms. Ame Kehog was recognized for comments as she stated that she was from UHC. Ms. Kehog stated that she would be happy to answer any questions or concerns relative to UHC's proposal. Ms. Kehog added that UHC has all doctors and hospitals in their network that are currently used by employees of the BWWB. She stated that UHC is one of the largest plans in the country and they are excited about the opportunity to do business with the BWWB.

Next, the General Manager asked Chairman Mims if he desired to re-state his motion as it was unknown to him how to state said motion. Director Lewis subsequently left the meeting at 10:47 a.m., and Director Florie left the meeting at 10:48 am. Being the Board lost its quorum, there was no motion and the meeting adjourned due to loss of quorum at 10:49 a.m.

/s/

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Ronald A. Mims  
Chairman/President

Attest:

/s/

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George Munchus  
Secretary-Treasurer