

MINUTES OF THE REGULAR BI-MONTHLY MEETING OF DIRECTORS
OF THE WATER WORKS BOARD OF THE CITY OF BIRMINGHAM
SEPTEMBER 30, 2016

The regular bi-monthly meeting of the directors of The Water Works Board of the City of Birmingham was held on Friday, September 30, 2016, at 9:00 a.m., at 3600 First Avenue North, Birmingham, Alabama.

The following Directors were present: Ronald A. Mims, Kevin B. McKie, George Munchus, Sherry W. Lewis, and William R. Muhammad.

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

The meeting was also attended by: Mac Underwood, General Manager; Michael Johnson and Darryl Jones, Assistant General Managers, Grace E. Amison, Executive Assistant to the Board of Directors; Ben Sorrell, George Anderson, Barry Williams, Geoff Goodwin, Reginald Nall and Derrick May, Board employees; Courtney French, C. Paige Goldman and Sam Ford, Fuston, Petway & French, LLP; Patrick Flannelly, ARCADIS US, Inc., Peiffer Brandt and Townsend Collins, Raftelis Financial Consultants, Inc.; Randall Minor, Maynard, Cooper & Gale, P.C.; Yvonne Green Davis, P.C.; Dorian Kendrick, The Lewis Group, Dan Meadows, S. S. Nesbitt & Company; David Merrida, Birmingham Construction Industry Authority, Inc.; Theo Johnson, Volkert, Inc.; Jeff Sherrer, Blount County Commission; Lauren Walsh, ABC 33/40; Chris Ruffin, Jr.; The Honorable Tommy Joe Alexander, City of Irondale; and Chandra Abesingha, CE Associates,

As there was a quorum, the meeting was called to order at 9:05 a.m., and Assistant General Manager Darryl Jones opened the meeting with prayer.

Subsequently, the General Manager asked the Board to move to agenda item 11 prior to discussing agenda item 1. The Board was asked to approve, authorize, ratify and confirm the amendment, modification or restatement of the Existing Investment Contracts relating to funds attributable to the Series 2016 A, B and C refunded bonds. Following, the General Manager recognized Mr. Randall Minor of Maynard, Cooper & Gale, P.C. to address said item. Mr. Minor stated said item relates to the investment contracts and the aforementioned bonds that are being refunded with the issue that would close on Tuesday, October 4, 2016. Mr. Minor said they were asked to sign a couple of documents that they had received earlier this week and since these were not previously discussed with the Board he felt it would make sense for the Board to officially authorize the transactions. Mr. Minor said with all the things that are happening the net factor allows the Board to keep the investments in higher returning investment funds. Director Munchus recognized Yvonne Green-Davis, pointing out she was an integral part of the bond issuance serving as the Board's Co-Bond Counsel and indicated she did a great job. The General Manager agreed with Mr. Minor and he said if the Board had a Guaranteed Investment Contract that was earning 2.65% and had to terminate the agreement now, the Board would probably not be able to get 1%. He said this is being done in order to maintain the Board's existing rates, pointing out they have mostly been able to move all the contracts forward at the same rate. Following, Director Munchus asked if the Board's current Guaranteed Investment Contracts would go forward at the same rates that are now in place. The General Manager said yes but noted they had to be transferred to different bond issues. He said all the bonds were refunded, pointing out as they are refunded they had the option to terminate all said contracts and force the Board to reinvest at a lower rate. Director Munchus asked if Rob Rasmussen was involved in this issue and the General Manager said yes. Mr. Minor said most of the documents they are being asked to sign are to amend the prior agreement to delete the reference to the old bonds. In response to Director Munchus' inquiry as to whether they were able to keep the previous rate, the General Manager

responded yes. Subsequently, the General Manager asked the Board to approve said item so that the documents could be completed and closed on Monday, October 3, 2016 and Tuesday, October 4, 2016. On a motion duly made and seconded, the following resolution was adopted:

**RESOLUTION AUTHORIZING CERTAIN
ACTIONS WITH RESPECT TO EXISTING INVESTMENT CONTRACTS**

“WHEREAS, The Water Works Board of the City of Birmingham, a public corporation organized under the laws of the State of Alabama (the “Board”), including particularly Section 11-50-230 et seq. of the Code of Alabama (1975), owns and operates an integrated water supply and distribution system within certain areas of Jefferson County, Alabama and surrounding counties;

WHEREAS, pursuant to that certain Trust Indenture dated as of December 1, 1998 between the Board (as successor to the City of Birmingham) and Regions Bank (as successor trustee) (the “Senior Indenture”), as amended and supplemented by, among others, that certain Seventh Supplemental Indenture dated as of May 1, 2009, the Board has heretofore issued its Water Revenue Bonds, Series 2009-A, which are outstanding in the aggregate principal amount of \$67,215,000 (the “Series 2009-A Bonds”);

WHEREAS, pursuant to the Senior Indenture, as amended and supplemented by, among others, that certain Ninth Supplemental Indenture dated as of June 1, 2011, the Board has heretofore issued its Water Revenue Bonds, Series 2011, which are outstanding in the aggregate principal amount of \$122,990,000 (the “Series 2011 Bonds”);

WHEREAS, Section 11.6 of the Senior Indenture provides that the Board has the right to control the investment of money on deposit in the various funds established pursuant to the Senior Indenture, and pursuant to such authority, the Board previously entered into following agreements regarding, among other things, the Series 2009-A Bonds and the Series 2011 Bonds: (i) that certain Debt Service Forward Delivery Agreement dated as of June 1, 2004, as amended by that certain Second Amendment to Debt Service Forward Delivery Agreement dated effective as of May 28, 2009, that certain Third Amendment to Debt Service Forward Delivery Agreement dated effective as of December 1, 2010 and that certain Fourth Amendment to Debt Service Forward Delivery Agreement dated effective as of March 20, 2012 (collectively, the “Wells Fargo DSFD Agreement”), (ii) that certain Investment Agreement dated as of February 15, 2011 (the “First Natixis Investment Agreement”), (iii) that certain Investment Agreement dated as of July 14, 2011 (the “Second Natixis Investment Agreement”), (iv) that certain Debt Service Forward Delivery Agreement dated as of September 24, 2015 (the “Citibank Senior DSFD Agreement”), and (v) that certain Investment Repurchase Agreement dated as of March 15, 2016 (the “BLB Senior Investment Repurchase Agreement”) (the Wells Fargo DSFD Agreement, the First Natixis Investment Agreement, the Second Natixis Investment Agreement, the Citibank Senior DSFD Agreement and the BLB Senior Investment Repurchase Agreement, collectively, the “Senior Investment Contracts”);

WHEREAS, the Board previously determined that it would produce significant savings to advance refund all of the callable Series 2009-A Bonds (meaning those maturing in the years 2020 through 2039, which are outstanding in the aggregate principal amount of \$60,035,000) and all of the callable Series 2011 Bonds (meaning those maturing in the years 2022 through 2041, which are outstanding in the aggregate principal amount of \$108,510,000) (such callable Series 2009-A Bonds and callable Series 2011 Bonds being herein collectively referred to as the “2016-A Refunded Bonds”) and, for such purpose, the Board proposes to issue its Senior Water Revenue Refunding Bonds, Series 2016-A (the “Series 2016-A Bonds”) up to an aggregate principal amount specified herein;

WHEREAS, pursuant to that certain Trust Indenture dated as of March 1, 2007 (the “Subordinate Indenture”) between the Board and Regions Bank (as successor trustee), the Board has heretofore issued its Subordinate Water Revenue Bonds, Series 2007-A, which are outstanding in the aggregate principal amount of \$311,770,000 (the “Series 2007-A Bonds”);

WHEREAS, pursuant to the Subordinate Indenture, as amended and supplemented by that certain First Supplemental Indenture dated as of December 1, 2009, the Board has heretofore issued its Subordinate Water Revenue Bonds, Series 2009, which are outstanding in the aggregate principal amount of \$48,840,000 (the “Series 2009 Bonds”);

WHEREAS, Section 11.6 of the Subordinate Indenture provides that the Board has the right to control the investment of money on deposit in the various funds established pursuant to the Subordinate Indenture, and pursuant to such authority, the Board previously entered into that certain First Amendment to Debt Service Forward Delivery Agreement dated effective as of March 13, 2007 (the “Citibank Subordinate DSFD Agreement”) and that certain Investment Repurchase Agreement dated as of March 15, 2016 (the “BLB Subordinate Investment Repurchase Agreement”) regarding the Series 2007-A Bonds and the Series 2009 Bonds (the Citibank Subordinate DSFD Agreement and the BLB Subordinate Investment Repurchase Agreement, collectively, the “BLB Subordinate Investment Contracts” and together with the Senior Investment Contracts, the “Existing Investment Contracts”);

WHEREAS, the Board previously determined that it would be advantageous to current refund all of the outstanding Series 2007-A Bonds and advance refund all of the Series 2009 Bonds that can be advance refunded on a tax-exempt basis (approximately \$17,275,000 aggregate principal amount, which are collectively referred to herein as the “2016-B Refunded Bonds”) and, for such purpose, the Board proposes to issue its Subordinate Water Revenue Refunding Bonds, Series 2016-B up to an aggregate principal amount specified herein; in addition, a portion of the Series 2016-B Bond proceeds in the approximate amount of \$26,728,136 will be used to pay the costs of capital improvements to the System;

WHEREAS, the Board previously determined that it would be advantageous to advance refund those Series 2009 Bonds that cannot be advance refunded on a tax-exempt basis (approximately \$31,565,000 aggregate principal amount, which are hereinafter, the “2016-C Refunded Bonds”) and, for such purpose, the Board proposes to issue its Subordinate Water Revenue Refunding Bonds, Series 2016-C (the “Series 2016-C Bonds”) up to an aggregate principal amount specified herein; in addition, a portion of the Series 2106-C Bond proceeds in the approximate amount of \$1,089,040 will be used to pay the costs of capital improvements to the System;

WHEREAS, the Board previously has authorized the issuance and sale of the Series 2016-A Bonds, Series 2016-B Bonds and Series 2016-C Bonds (collectively, the “Series 2016 Bonds”) pursuant to a resolution duly adopted by the Board on August 10, 2016;

WHEREAS, the Board expects to close on the issuance and sale of the Series 2016 Bonds on October 4, 2016; and

WHEREAS, in connection with the issuance of the Series 2016 Bonds, the Board has determined, in consultation with its financial advisor and other consultants, that it would further the financial interests of the Board and be necessary to amend, modify or restate certain of the Existing Investment Contracts for the purposes of, among others, including the Series 2016 Bonds within the scope of such contracts, updating applicable debt service schedules, and releasing, withdrawing and/or transferring funds no longer appropriate for investment under such contracts based on the refunding of the Series 2016-A Refunded Bonds, the Series 2016-B Refunded Bonds and the Series 2016-C Refunded Bonds.

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

1. The Board does hereby approve, authorize, ratify and confirm the amendment, modification or restatement of the Existing Investment Contracts with respect to the termination, transfer, reduction, release, withdrawal, amendment, modification or restatement relating to funds attributable to the Series 2016 Bonds, the Series 2016-A Refunded Bonds, the Series 2016-B Refunded Bonds or the Series 2016-C Refunded Bonds and the payment of any termination amount(s) or fee(s) relating to any such actions. The Chairman and First Vice-Chairman of the Board, or either of them, are hereby authorized and directed to execute and deliver any and all documents as may be needed to effect such terminations, transfers, reductions, releases, withdrawals, amendments, modifications or restatements. The General Manager of the Board and the Assistant General Manager – Finance and Administration are hereby authorized to negotiate and present amended cash flows and any other calculations and information necessary and to execute documents and take any and all actions as may be needed to effect such terminations, transfers, reductions, releases, withdrawals, amendments, modifications or restatements.

2. 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 carry into effect the intent of the provisions of this resolution.

3. 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. 7294 is hereby adopted by unanimous vote on September 30, 2016.”

Following, the Board was asked to move to agenda item 1 and to commend the Employees of the Month for September 2016, as set forth in agenda item 1. On a motion duly made and seconded, the Board adopted the below resolution.

“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 Ms. Sherry W. Lewis, that the Board hereby recognizes and commends Jonathan Smith, Cahaba Pump Station Supervisor; Denecia Stinson, Cahaba Pump Station Museum Coordinator; Andre Brown, Cahaba Pump Station Purification Maintenance Worker; Ethan Goodwin, Cahaba Pump Station Purification Maintenance Worker; Corey Mason, Lake Purdy Caretaker; Willie Woodard, Lake Purdy Purification Maintenance Worker and Tammy Wilson, Main Office Executive Assistant as the Employees of the month for September 2016; on having achieved outstanding team efforts with various departments to remedy a meeting conflict relative to the Cahaba Museum.

RESOLVED FURTHER, that the Board and the General Manager are hereby authorized to sign a formal resolution, the wording of which will carry out the intent herein, and a copy of which will be presented to the employees named above. Resolution No. 7295 is hereby adopted by unanimous vote.”

Subsequently, Human Resources Manager Paul Lloyd was recognized and he asked the referenced employees to introduce themselves. After noting said employees were nominated by Water Resources Superintendent Greg Henslee, Mr. Lloyd read Mr. Henslee’s letter of commendation that stated on July 21, 2016 the Cahaba Museum was unexpectedly booked for two (2) events at the same time. According to Mr. Henslee’s letter, Water Resources Manager Roger Hicks and he assisted in coordinating team efforts by pulling together staff and equipment from various departments to accommodate both events. Mr. Lloyd expressed his appreciation to said employees. In response to Director Munchus’ inquiry as to what two (2) events were booked, it was reported that the Alabama Forestry Commission and a retirement party were booked. Following, Assistant General Manager Darryl Jones commented that the aforementioned employees are from his division and they are committed to a spirit of excellence. He stated what said employees did required a lot of sincere effort and skillful execution wherein they do a lot of work to maintain the Cahaba Pump Station, Lake Purdy and the surrounding facilities and he indicated he is proud they are Employees of the Month. Subsequently, the meeting body applauded the group for a job well done. On behalf of the Board and senior executive management, Chairman Mims congratulated and expressed appreciation to the group and encouraged everyone to continue working together as a team. Subsequently, Chairman Mims presented each employee with a commendation plaque and with a \$250.00 check.

Next, the General Manager asked the Board to adopt a resolution authorizing surviving spouse monthly retirement benefits from the Board’s Retirement Trust Fund, as set forth in agenda item 2. The General Manager indicated staff recommends approval of the referenced item. On a motion duly made and seconded, the following resolution was adopted:

“WHEREAS, Arthur L. Spigner, a retiree of The Water Works Board of the City of Birmingham (“the Board”), passed away on September 2, 2016; and

WHEREAS, Arthur L. Spigner was receiving, up until the time of his death, monthly retirement benefits from the Board’s Retirement Trust Fund in the amount of \$969.72, and under the terms of the Board’s Retirement Plan, his spouse is now entitled to receive 50% of that monthly benefit until such time as she either remarries or passes away; and

WHEREAS, the surviving spouse, Louise A. Spigner will begin receiving her surviving spouse monthly benefit of \$484.86, effective October 1, 2016.

NOW, THEREFORE, BE IT RESOLVED By the Board of Directors of The Water Works Board of the City of Birmingham, on motion duly made by Mr. George Munchus and seconded by Mr. Kevin B. McKie, that the Trustee be, and is hereby instructed to pay a pension of \$484.86 per month to Louise A. Spigner from the Board’s Retirement Trust Fund, in accordance with the terms of the Trustee Pension Plan, with the payment to be effective October 1, 2016 Resolution No. 7296 is hereby adopted by unanimous vote.”

Following, the Board was asked to approve actual travel expenses in the amount of \$995.60 for Director George Munchus, as set forth in agenda item 3, for attending the 2016 Alabama Water Resources Conference. On a motion duly made and seconded and a “roll call” vote of the directors, the following resolution was adopted:

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

amended; and

WHEREAS, pursuant to Resolution No. 7082 adopted by the Board of Directors on December 21, 2015, approval was given to attend the 2016 Alabama Water Resources Conference, scheduled September 7 - 9, 2016, in Orange Beach, Alabama; and

WHEREAS, in accordance with Act No. 2015-164, approval is requested for the following actual expenses relative to the above-referenced conference.

NOW, THEREFORE, BE IT RESOLVED, on a motion made by Mr. Kevin B. McKie and seconded by Mr. William R. Muhammad, that the following board member(s) be reimbursed for his actual expenses pertaining to said conference as follows:

- George Munchus for total expenses, including conference registration, lodging (room and tax only), other incidental expenses, and business meals, in the amount of \$995.60 (as itemized on the attached Travel and Business Expense Reimbursement form).

Resolution No. 7297 is hereby adopted on September 30, 2016, by a roll call vote: Chairman Mims, aye; Director McKie, aye; Director Munchus, aye; Director Lewis, aye; and Director Muhammad, aye.”

Following, the General Manager asked the Board to authorize reimbursement of the operating account for capital expenditures for the period ended August 31, 2016, as set forth in agenda item 4. He indicated staff recommends approval of the referenced item. On a motion duly made and seconded, the following resolution was adopted:

“WHEREAS, ARCADIS US, Incorporated, in a Certificate dated September 20, 2016, certified that during the period ending August 31, 2016 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 \$4,214,286.81 and;

WHEREAS, transfers to the Operating Account can be made from any, or a combination, of the following: the 2002 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. George Munchus and seconded by Mr. Kevin B. McKie, that the Trustee be, and is hereby instructed to immediately transfer \$4,214,286.81 to the Operating Account from any, or a combination, of the following: The 2002 Construction Fund, the Improvement Fund, and/or the Revenue Account. Resolution No. 7298 is hereby adopted by unanimous vote.”

Next, the General Manager asked the Board to approve payments of invoices for professional services, as set forth in agenda items 5.1 through 5.7, and he indicated staff recommends the referenced invoices for approval. 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 authorizes staff to execute payments to the following:

5.1	<u>Ragsdale LLC</u> For professional services rendered from August 16 - 31, 2016	\$ <u>3,635.00</u>
5.2	<u>The Jones Group, LLC</u> For professional services rendered for September 2016	\$ <u>5,000.00</u>
5.3	<u>Raftelis Financial Consultants, Inc.</u> For professional services rendered for August 2016	\$ <u>7,766.25</u>
5.4	<u>Dominick Feld Hyde, P.C.</u> For professional services rendered from June through August 2016	\$ <u>19,222.80</u>
5.5	<u>The Lewis Group</u> For professional services rendered for August 2016	\$ <u>25,000.00</u>
5.6	<u>Volkert, Inc.</u> For professional services rendered for July 2016	\$ <u>39,424.74</u>
5.7	<u>Fuston, Petway & French, LLP</u> For professional services rendered for August 2016	\$ <u>92,212.24</u>

Resolution No. 7299 is hereby adopted by unanimous vote.”

Following, the General Manager asked the Board to take bids on items 6.1 through 6.3, as set forth on agenda. After review and discussion relative to each item, the General Manager indicated that staff recommends approval of the referenced items. 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. George Munchus and seconded by Mr. Kevin B. McKie, that the Board hereby authorizes staff to take bids on the following:

- 6.1 For a Software-as-a-Service (cloud-based) solution which encompasses features to convert paper documents into searchable digital content, replace current paper forms with electronic forms, and create automated work flows for the processing of electronic forms at an estimated out-of-pocket cost to the Board of \$30,000.00.
- 6.2 For replacement of approximately 415 feet of 3/4-inch unlined cast iron pipe/galvanized steel pipe, 2,170 feet of 2-1/4-inch unlined cast iron pipe/galvanized steel pipe and 1,015 feet of 2-1/2-inch PVC pipe with approximately 1,155 feet of 4-inch DICL pipe; 600 feet of 6-inch DICL pipe; 3,965 feet of 8-inch DICL pipe and related appurtenances; and 40 water services along Chapel Circle; Mountain Top Lane; Short Street; and various unnamed roadways located in unincorporated Jefferson County, Alabama, at an estimated out-of-pocket cost to the Board of \$794,000.00.
- 6.3 For replacement of approximately 1,700 feet of 2-inch unlined cast iron pipe/2-inch galvanized steel pipe and 3,150 feet of 6-inch unlined cast iron pipe with approximately 430 feet of 4-inch DICL pipe; 1,050 feet of 6-inch DICL pipe; 3,700 feet of 8-inch DICL

pipe and related appurtenances; and 115 water services along Terrace Avenue; Acadia Terrace; 56th Street; 57th Street; and 58th Street located in the City of Fairfield, Alabama, at an estimated out-of-pocket cost to the Board of \$1,420,300.00.

Resolution No. 7300 is hereby adopted by unanimous vote.”

Next, the General Manager asked the Board to award a bid to Electrical Repair Services, the lowest responsible and responsive bidder, as set forth in agenda item. He indicated that staff recommends approval of the referenced item. 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. George Munchus and seconded by Mr. Kevin B. McKie, that the Board hereby authorizes staff to award bid to Electrical Repair Services, the lowest responsible and responsive bidder, for a New 450HP AC Squirrel-Cage Induction Motor at Inland Pump Station; and to authorize the General Manager and/or the Assistant General Manager to execute purchase orders and/or contracts for procurement of materials, services and supplies needed for the operation, construction, and maintenance of the water system at an out-of-pocket cost to the Board of \$76,252.00. Resolution No. 7301 is hereby adopted by unanimous vote.”

Following, the Board was asked to approve and authorize the General Manager and/or the Assistant General Manager to execute a Joint Funding Agreement with the U.S. Geological Survey (USGS), as set forth in agenda item 8. The General Manager pointed out that the Board approves said agreement annually and staff recommends approval of the referenced item. 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 and authorizes the General Manager and/or the Assistant General Manager to execute a Joint Funding Agreement with U.S. Geological Survey (USGS) that continues the operation and maintenance by USGS of daily charge stream flow gauging stations on the Little Cahaba River near Jefferson Park, Alabama, the Blackburn Fork of the Little Warrior River near Holly Springs and the Mulberry Fork of the Black Warrior at Cordova, Alabama, from October 1, 2016 to September 30, 2017, for water resources investigations at an out-of-pocket cost to the Board of \$30,470.00. Resolution No. 7302 is hereby adopted by unanimous vote.”

After adoption of the above resolution, Chairman Mims asked if the Board is paying for a prorated share of the Joint Funding Agreement and Assistant General Manager Darryl Jones replied the Board and the USGS share the cost equally for said agreement. In response to Director Munchus’ inquiry as to how staff uses the data that said entity collects, Assistant General Manager Darryl Jones said each flow station is on the river or stream that feeds into Lake Purdy, Inland Lake and upstream by the Mulberry Intake. He explained that staff looks at the flow rate of water coming in, does a mass balance on what is removed against what goes into the lake and uses this information to determine its operation strategy. Subsequently, Assistant General Manager Darryl Jones said without this material staff would miss a huge portion of data and it would cost the Board’s additional money if staff tried to gather the data.

Next, the General Manager asked the Board to authorize the General Manager and/or the Assistant General Manager to execute agreements to change the Board's paid Life and Short-Term Disability Insurance Coverage; and to change the employees' Voluntary Life/AD&D and Voluntary Short-Term Disability Insurance Coverage from Mutual of Omaha to Liberty Mutual, effective January 1, 2017, as set forth in agenda items 9.1 and 9.2, respectively. The General Manager commented that staff utilized S. S. Nesbitt & Company to seek bids on said coverages and he indicated staff recommends approval of the referenced items. He pointed out the Board would receive a savings of about 30%. Following, Director Munchus commended senior executive management and S. S. Nesbitt & Company. After the motions were made, Director Lewis inquired if the coverage is the same, pointing out she would not want the employees to have less coverage. Mr. Dan Meadows of S. S. Nesbitt & Company responded that there is no change in the coverage. Subsequently, Chairman Mims called for the vote. 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 the following:

- 9.1 To authorize the General Manager and/or the Assistant General Manager to execute agreement(s) to change the company's paid Life and Short-Term Disability Insurance Coverage from Mutual of Omaha to Liberty Mutual, effective January 1, 2017, at a projected annual cost of \$221,649.16 which is a savings of \$102,686.72.
- 9.2 To authorize the General Manager and/or the Assistant General Manager to execute agreement(s) to change the employees' Voluntary Life/AD&D and Voluntary Short-Term Disability Insurance Coverage from Mutual of Omaha to Liberty Mutual, effective January 1, 2017.

Resolution No. 7303 is hereby adopted by unanimous vote."

Following, the Board was asked to rescind Resolution No. 7247 adopted July 27, 2016, terminating its agreement with Renasant Wealth Management as Investment Consultant, Custodian for the Pension Plan and Pension Payment Administrator, as set forth in agenda item 10.1; and to reappoint said consultant as set forth in agenda item 10.2. The General Manager reminded the Board that the referenced items would be transferred to another entity effective October 1, 2016. He pointed out today's request is to rescind the original termination with said consultants and to reappoint said group until another trustee is appointed. The General Manager indicated additional information will be provided to the directors early next week. Director Munchus asked if this is an interim arrangement and the General Manager said yes. Subsequently, the General Manager indicated that staff recommends approval of the referenced items. On a motion duly made and seconded, the following resolution was adopted:

"BE IT RESOLVED By the Water Works and 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:

- 10.1 Rescinds Resolution No. 7247 adopted July 27, 2016, terminating its agreement with Renasant Wealth Management as Investment Consultant, Custodian for the Pension Plan and Pension Payment Administrator.

10.2 Reappoints Renasant Wealth Management as Investment Consultant, Custodian for the Pension Plan and Pension Payment Administrator.

Resolution No. 7304 is hereby adopted by unanimous vote.”

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Next, the General Manager asked the Board to hear presentations on the 2017 Draft Operations and Maintenance (O&M) Budget; and the 2017 Draft Capital Budget, as set forth in agenda items 12.1 and 12.2, respectively. Following, Assistant General Manager Michael Johnson was recognized to discuss the O&M budget.

Prior to hearing the draft 2017 budget presentations, Director Lewis inquired as to why unfinished business was omitted from the agenda and Chairman Mims stated the Board did not have any such business. Director Lewis questioned how this would be known if it is not asked wherein Chairman Mims said unfinished business is carried over from the previous meeting. Subsequently, Director Lewis asked Chairman Mims for clarification that said business could not be any other item that is unfinished from any other time and that it must be from the previous meeting and Chairman Mims said yes. Director Lewis then asked Attorney French if this is legally correct and he replied any unfinished business from a previous meeting can be added under unfinished business and if it is not unfinished business, it should be added to the agenda as a new item.

Following, Assistant General Manager Michael Johnson called to the directors’ attention that copies of the 2017 preliminary Operations and Maintenance (O&M) budget, the 2017 proposed Capital Budget, and the 2017 proposed Consulting Budget had been distributed for their review. Copies of said documents are on file in today’s Board Meeting book. He said representatives from Raftelis Financial Consultants, the Board’s rate advisor, would also make a presentation and Chief Engineer Ben Sorrell would discuss the proposed 2017 Capital Budget in the absence of Assistant General Manager Sonny Jones. In addition, he pointed out that he had also given the directors a proposed budget meeting calendar with potential dates for the budget workshop(s). A copy of said document is on file in today’s Board Meeting book. Following, Assistant General Manager Michael Johnson thanked Budget Officer Shelia Patterson and all the managers for their hard work on said budgets. He commented that the entire process of preparing the referenced budgets has shown that senior executive management has a good grasp of the budget, pointing out staff knows where the money is being spent which was reflected in the dialogue with the managers wherein it has exhibited a great example of teamwork.

Next, Assistant General Manager Michael Johnson pointed out his presentation would include rate setting overview; financial policies; budget process, key budget assumptions and preliminary O&M Budget. In addition, it was pointed out that Raftelis’ presentation would include 2017 consumption projections; 2017 revenue projections; and next steps. Following, Assistant General Manager Michael Johnson reviewed the rate setting overview. He pointed out that senior executive management does not start with just setting water rates, but instead it looks at the revenue requirements for the O&M and Capital Budgets, the demand, and what the financial policies say wherein said policies are important relative to the rating agencies.

Following, Assistant General Manager Michael Johnson reviewed and discussed the financial policies, emphasizing the Board tries to ensure its rate increases are below the industry’s average of 5.5 percent. He reviewed the rate increase trends from 2012 to 2016 and the 2017 projected rate increase of 4.2 percent. He pointed out that staff wants to ensure O&M increases are less than 5%, pointing out the 2.35% annual growth rate since 2011; 3.8% to date for 2016. Following, Assistant General Manager

Michael Johnson explained that the 12.4% increase from FY 2104 to FY 2015 was due to an accounting change by the GASB wherein said organization required the Board to book its unfunded pension liability, which in turn boosted expenses by \$10.3 million. He stated without said change the increase would have been 0.94%. Director Munchus asked if this is a GASB requirement and how this would be read on the financial statements. Assistant General Manager Michael Johnson said it is a GASB requirement and indicated it would be shown as an increase in liabilities and as a pension expense on said statements. Director Munchus then asked if this would be offset with real cash and Assistant General Manager Michael Johnson responded no. The General Manager stated that GASB's requirement is attempting to recognize the full liability that is needed to be invested into the pension plan.

Next, Assistant General Manager Michael Johnson reviewed the 2017 budget drivers and provided an explanation for the drivers. He reviewed the difference in comparison of the 2016 net budget to the proposed 2017 net budget. Assistant General Manager Michael Johnson pointed out this year some labor charges were moved from the Capital Budget to the O&M Budget. In response to Director Munchus' inquiry as to why some employees were changed from one (1) budget to the other, Assistant General Manager Michael Johnson said because they worked less on capital projects and more on operations.

Following, Assistant General Manager Michael Johnson pointed out the Historically Underutilized Business (HUB) expenses will be tracked in a separate department. Director Muhammad asked for additional information on how HUB expenses would be tracked. Assistant General Manager Michael Johnson explained that said expenses are currently in the Purchasing Department's budget and indicated it would have a separate budget in 2017. He reviewed increases in other line items such as legal fees which are due to the addition of three (3) attorneys; new chemicals used at the filter plants; license fees wherein they are based on the Board's gross revenues; and additional public relations programs.

Following, Director Muhammad asked that the record shows while he was recovering at home on Tuesday after having a colonoscopy, his wife came indoors and informed him that a Water Works employee was turning off his neighbor's water. He said the worker was gone when he went outside but another worker returned about three (3) hours later wherein he talked with him and offered to pay his neighbor's bill. Director Muhammad said although the returning worker had come to turn the water back on being at home and seeing his neighbor's water cutoff put him in an uncomfortable position. Following, Director Muhammad said when he called the General Manager and inquired if the Board has a program with features such as the one Alagasco uses wherein customers could be called when their water is in jeopardy of being cut, he was told yes but that current telephone numbers would be needed. Director Muhammad indicated he mentioned this today because of conversations he had with Dr. Jesse Lewis and Ms. Dorian Kendrick. Director Muhammad said he told Ms. Hendrix that he wants the Board's public relations campaign to be informative to the people that he lives next door to, letting them know the Water Works Board needs their current telephone numbers and does not want to cut off their water because it cost the Board and the customers money. He said it appears information sent to customers is always about conservation but material about services the Water Works offer and its dedication and concern for its customers should also be sent to them. The General Manager commented that for clarification purposes, customers receive a late notice after their bills are past due. He said prior to cutting off water service, customers receive bills with red banners indicating the disconnect date. The General Manager said after this process, if the customers' current telephone numbers are on file, they will receive a past due courtesy call. Subsequently, Director Muhammad said he believes the company is a little top heavy on water conservation and not enough on customer relations.

Following, Assistant General Manager Michael Johnson pointed out the reduction in Employee Benefits and Health Insurance is due to the actuarial review The Segal Company did in 2015 wherein they projected the Board would not have to spend as much with OPEB.

Following, Assistant General Manager Michael Johnson reviewed the list of Individual Cost Drivers (New Initiatives) which included additional positions for a Safety Department, the Salary Survey; increased fee for the Jones Group; additional Public Relations Programs, and three legal fees. Director Lewis commented that she recalls the Board had a discussion regarding the creation of a Safety Department but did not realize they approved nearly \$250,000.00 for the additional positions. In addition, Director Lewis pointed out she was not aware The Jones Group, LLC, was being increased and inquired as to why the referenced drivers were being increased, pointing out said initiatives always have an impact on the rate increase. In addition, Director Lewis pointed out she had not been in any conversations about said increases, and indicated the Board normally discusses such increases. Director Lewis and Chairman Mims exchanged some dialogue relative to the proposed new 2017 initiatives which Director Lewis inquired as to why she had not been asked about any of the initiatives or whether she had any initiative she would like to include in said budget. Director Lewis asked whether any budget meeting would be scheduled to discuss said budget. Assistant General Manager Michael Johnson indicated he would be proposing some dates for budget workshop meetings. Director Lewis indicated that she finds it odd that said initiatives would have been added to the proposed budget without approval from the entire Board. Subsequently, Director Lewis indicated that she wants everyone to be aware that she did not have any input or discussion relative to including said initiatives in the proposed 2017 O&M Budget. Director McKie asked for specifics on the additional public relations program and inquired as to who would be handling these programs. Director Muhammad said The Lewis Group. Director Lewis then asked what other work The Lewis Group would be doing. Director Muhammad indicated said group would be submitting a list of new programs to the Board. Director Lewis commented on allocating money for advertising, newspapers and radio stations relative to getting out the Board's messages. Director Lewis asked if said group would be getting out more messages than they are currently putting out. Director Muhammad said he could not say since he does not know what messages are currently out. Following, Director McKie asked if the amount represents a 50% increase in the public relations consultants' budget and Assistant General Manager Michael Johnson said yes. Following, Ms. Dorian Kendrick of The Lewis Group said the public relations programs would be a development of various communications in regards to customer service. She said they are currently developing content for informational videos that would be online.

Following, a discussion ensued among the directors and staff relative to the proposed date to approve the budget which is tentatively November 22, 2016; and why the 2013 Salary Survey was not implemented. It was pointed out there were some disparities relative to employees' salaries being overpaid and underpaid in the salary study. Chairman Mims said the overpaid and underpaid employees still have the same problem and stated at some point they would have to be brought in line with those employees who salaries are in line with the salary study. Director Lewis and the General Manager discussed how the Board was moving toward revamping its performance evaluation system to detailed pay-for-performance wherein those employees who met those performance guidelines would receive an increase.

Next, Director Muhammad asked to go on record as saying to his knowledge he is not aware of any other meeting and he has a problem with innuendo. He said he witnessed another meeting between the Board's Chairman and the General Manager, noting he was not a part of the meeting. Director Muhammad said the General Manager sat down with the Chairman and asked him what he wanted to put in the budget, pointing out he believes this as being the reason the public safety piece was added. He said it is up to the Board to vote it up or down but he believes it falls under the Chairman and he must deal with that innuendo. Following, Director Muhammad said he is in favor of increasing the public relations budget. He said many people have constantly advised him not to say anything in the Board meetings and indicated he is not that kind of man. He said he does not sneak and do what he does; he does what he does as a man and he stands behind it and he would need public relations for some of the things he wants to do. Director Muhammad said he is going to need it explained to the public why the Board does or is in favor

of certain things and that is why he had conversations with Dr. Jesse Lewis and Ms. Dorian Kendrick of The Lewis Group. Director Lewis said ever since she has been on the Board the Chairman and the General Manager have had discussions, as there should be, and she has also worked with past Board chairs and been informed of things before they hit, pointing out it is just a matter of what Director Muhammad is talking about regarding communication. Director Lewis said this is the first time she has not been informed as to what is going on since she has been on the Board. She said communication could be a simple conversation, a telephone message, a text or an email. Subsequently, Director Lewis said she understands what Director Muhammad is saying because she does not throw a rock and hide her hand. Director Lewis said she believes also in communication and indicated no one has worked harder than she to improve that area.

Next, Assistant General Manager Michael Johnson explained the Consumer Price Index is slightly higher for water utilities because the industry has a higher increase in cost due to the capital nature of the business. Following, Assistant General Manager Michael Johnson said the Board currently has reserves of approximately 241 days of operating expenses and 416 days of cash on hand; 398 days of cash on hand is the Median for AA Utilities. In response to Director Munchus' inquiry if the Board has better than average in terms of cash on hand, Assistant General Manager Michael Johnson said yes. Subsequently, Assistant General Manager Michael Johnson pointed out the RSE Targets and indicated staff always tries to ensure it meets the Debt Service coverage targets.

Following, Assistant General Manager Michael Johnson began discussing the preliminary 2017 O&M Budget. He pointed out a series of meetings that were held with individual department managers and their staffs who are responsible for managing their budgets. Assistant General Manager Michael Johnson said Budget Office Shelia Patterson and Budget Accountant II Joyce Komo have done a great job of working with the departments, noting SAP is relatively new for employees. He said staff budgets to meet operational needs and financial policy targets, pointing out the Board is evaluated on this as it relates to credit ratings.

Next, Assistant General Manager Michael Johnson discussed the preliminary O&M Budget by departments. He called the directors' attention that the reduction of \$217,101.00 in the BWWB Wellness Center is because staff has implemented enhanced wellness programs that are costing less. He said the difference in cost is the Abacus GO365 program and all the items Creative Benefits Solutions presented to staff and the Board. Director Munchus asked if this was primarily because of the Diabetes Management Program and Assistant General Manager Michael Johnson stated yes as well as buying healthy foods, and enrolling in non-smoking programs, etc. Assistant General Manager Michael Johnson pointed out the difference between the 2016 and 2017 top ten (10) expenses is 3.9%.

After reviewing the preliminary O&M Budget by departments, Assistant General Manager Michael Johnson asked the directors if they had any questions and pointed out all the information discussed today relative to the 2017 preliminary budget is contained in the presentation that had been distributed. Director Lewis asked Assistant General Manager Michael Johnson to review the slide on Customer Support Services. She asked what staff is doing to decrease overtime and said it appears to have increased. The General Manager explained that various employees-related issues had occurred in the Customer Services Department relative to employees' extended long periods of absences due to hospitalization, illness and vacation wherein it required overtime to make up the work. A discussion ensued relative to increasing the number of employees because of the increased in overtime. Assistant General Manager Michael Johnson indicated one additional employee is included in said department for 2017; and he explained that some of the overtime is associated with SAP and some of the overtime is offset with reconnection fees or miscellaneous items that the Board collects. Responding to questions from Director Muhammad as to whether the fees for reconnection cover turn on and turn off and if covering that cost is \$0, Assistant General Manager Michael Johnson stated said fees cover the turn on

and off for service but covering the cost is not \$0. He stated said cost is covered by the Board's Cost of Service Study and he indicated the referenced items are only a small part of what the total revenue requirement is.

Next, Assistant General Manager Michael Johnson recognized Messrs. Townsend Collins and Peiffer Brandt of Raftelis Financial Consultants, Inc. Following, Mr. Brandt gave some background as to how the rate increase is determined. Following, Mr. Brandt said the 2016 water usage is centered on actuals for about eight (8) months and projections for four (4) months based on historical consumption patterns. He said the 2017 usage would be done from the 2016 projection and previous trend analyses. Mr. Brandt said they believe this is leading to some non-residential softening in demand. He said the raw water analysis is important in making raw water projections. He said he thinks USX is trying to be conservative this year with its raw water usage and pointed out this is not a Birmingham, nor an Alabama or Southeast issue but a national problem with utilities. Director Muhammad asked Mr. Brandt if he would say the reason for the decline in per capita demand is related to conservation. Mr. Brandt replied that he believes it is more passive conservation than active conservation and that products are more efficient.

Subsequently, Mr. Brandt recognized Mr. Collins to review and discuss residential consumption which is detailed in the PowerPoint presentation. Following, Mr. Collins pointed out that the 2016 projected consumption for residential demand is pretty even in Block 1 (Budgeted); Block 2 (a revised projection); and Block 3 (is the 2017 projected) and indicated it is trending downward. Mr. Collins reviewed the raw water slide, pointing out more specific data on the chart relative to the drop in raw water consumption, A discussion ensued on the correlation between increased sewer rates, the decline in demand and the difficulty in quantify the exactly impact. Assistant General Manager Michael Johnson pointed out 59% of the Board's customers are on Jefferson County Sewer and 41% are not. Mr. Collins said if water and sewer rates continue to rise there would be a correlation because there would be a decrease in consumption. Following, Mr. Collins reviewed the 2017 residential projection, 2017 non-residential projection with a recommended projection of 15,000,000 ccf and indicated they are using a conservative outlook; the 2017 raw water projection with a recommended decrease of 140,000 ccf from the estimated actual 2016 usage to the projected 2017 usage; the 2017 projected consumption wherein he reviewed the percent change compared to 2016 budgeted to 2017 projected indicating budget for residential demand is equivalent to what was budgeted for 2016; the 2017 volumetric revenue projections; and the consumption perspective was reviewed. Finally, the 2017 total revenue projections were reviewed and projected to be \$178,335.00.

Next, Assistant General Manager Michael Johnson discussed the Debt Service coverage, and indicated the total 2017 Debt Service is projected to be \$53.6 million. He pointed out if projections are met, the PAYGO would be funded at about \$16 million. Assistant General Manager Michael Johnson said about \$8.2 million would be transferred to the Debt Service Reserve Fund, pointing out one-twelfth of revenue is transferred to said fund. He said total revenue requirements would be \$178,217,998.00 and that the Board is well within the required targets for its debt service coverage.

Subsequently, Assistant General Manager Michael Johnson read excerpts from a report received from Moody's Investors Service, pointing out the Birmingham Water Works Board frequently receives comments on how well it does from governance and fiscal management standpoints. He said Moody's remarks included well-managed water system, strong operating results, solid debt service coverage ratios, and a demonstrated willingness to raise rates when needed.

Following, Assistant General Manager Michael Johnson recognized Chief Engineer Ben Sorrell to review the 2017 proposed Capital Budget. Subsequently, Mr. Sorrell reviewed the 2017 proposed Capital Budget. A copy of said document is on file in today's Board Meeting book. He reviewed the

proposed 2017 new or existing General Capital, Technology and Distribution Projects, pointing out they are all in progress. He pointed out the additional project that is being considered is the SAP Implementation Phase III with the Human Resources Department, pointing out said phase increased the Capital Budget from about \$28 million to \$29 million. Mr. Sorrell said obsolete mains would be replaced, new meters would be installed, pumps, motors and generators would be upgraded, leaking pipelines would be replaced, and pump stations and the Board's infrastructure would be maintained. Director Munchus asked if said budget is sufficient to accomplish this, pointing out he would push as much in the Capital Budget as the Board could. He also asked if said budget is realistic and if some projects would be done in 2017. Assistant General Manager Darryl Jones said projects are implemented based on the pleasure of the Board, and he indicated staff can work with the projected budget. Director Munchus asked if the projected budget is adequate to move the referenced projects, pointing out the Board still has some serious water quality issues and a lot of old pipe that needs to be replaced. Assistant General Manager Darryl Jones pointed out the more money that is put into said budget the more it would impact rates.

Following, the General Manager called to the directors' attention that Mr. Sorrell presented to them two (2) options for said budget, \$61.2 million and \$66.2 million. He said it would be up to the Board to add another \$5 million for capital projects. However, senior executive management recommends the \$61.2 million projected budget. Following, Director Munchus said they had discussed adding an additional \$5 or \$10 million to said budget and asked if it was included. The General Manager said the additional \$5 million is added in Option Two (2). Mr. Sorrell said the proposed 2017 Capital Budget of \$61.2 million includes general capital, technology, distribution projects, maintenance and repair projects and capitalized O&M. He said if the Board wants to increase a line item to replace additional pipes then Option 2 would be \$66.2 million. The General Manager added the Board would have to increase rates slightly higher if it increases the Capital Budget. Subsequently, he said senior executive management is trying to balance everything because all projects that need to be done cannot be done at once. Assistant General Manager Michael Johnson pointed out the rate increase would still be 4.2% even with the \$66.2 million proposed Capital Budget.

Next, Director Lewis expressed her appreciation for the work that was done on the budgets, pointing out she is concerned about every penny and not just the 2017 rate increase. Director Lewis said she would be satisfied if the Board does not have to increase rates, pointing out she is a neighborhood officer and resides in neighborhoods with some very poor individuals wherein they talk to her about their bills, including water. Following, Director Lewis said her position would be that if the Board does not have to go up as much on rates, it should not do so because people are suffering and having a hard time. Director Lewis indicated she would be looking to lower the rates, pointing out she does not want customers to pay any more than necessary.

Following, a discussion ensued relative to presenting said budget to the City of Birmingham's Utilities Committee from an educational standpoint. After discussion, the General Manager pointed out that all entities and the public are invited to attend the Board's public hearing relative to the proposed budgets.

Following, a discussion ensued on pipeline replacement for the smaller pipes such as the two and three-inch pipes which are causing the greatest number of leaks. The General Manager pointed out ARCADIS US, Inc. had identified nearly 380 miles of two-inch galvanized steel pipe wherein replacement would cost almost \$300 million. He said the Board does not have enough to swap out all said pipes wherein it would have to be done in phases over time. The General Manager said \$7 million is in the 2017 budget for pipeline replacements and if the Board wants to increase the amount to \$12 million, senior executive management would work to replace as much of the referenced pipe as possible. Subsequently, the General Manager asked the directors if they wanted to put more money into the budget for pipeline replacement which would increase the rates or leave the budget as is for the pipeline. Director

Muhammad said he wants to put more money in the budget for pipelines and indicated he does not want to go up on rates wherein the General Manager pointed out this could not be done.

Following, Assistant General Manager Michael Johnson called the directors' attention to a proposed budget meeting calendar that had been distributed for review. He explained the law requirements relative to scheduling a public hearing prior to any vote on a rate increase. On behalf of senior executive management, Assistant General Manager Michael Johnson suggested scheduling said hearing on November 10, 2016; and he proposed that the first budget workshop be held on October 6, 2016 at 9:00 a.m. or on the afternoon of October 5, 2016 and subsequently on October 20th or November 19th, if another budget workshop is needed. Executive Assistant Grace Amison called to Assistant General Manager Michael Johnson's attention that the Regular Board of Directors' Meeting scheduled for November 10, 2016 would need to be scheduled at 5:30 p.m. A discussion ensued relative to the number of budget workshops that would be needed. After discussion, it was suggested to determine whether a second workshop is needed after the October 6th workshop. Following, Director Lewis expressed some concerns about scheduling only one budget workshop, pointing out it does not give her enough time to review the aforementioned budgets. The General Manager pointed out the first workshop could be scheduled as planned and a second workshop could be tentatively scheduled for October 20th.

Next, the General Manager announced that Customer Service Week would be observed October 3 – 7, 2016 at the Customer Payment Center. Director McKie asked if the employee appreciation would be held at the end of the referenced week and the General Manager indicated it has not yet been scheduled for 2016.

Subsequently, Assistant General Manager Michael Johnson expressed appreciation to the managers, supervisors, and staff for their hard work relative to preparing the proposed 2017 budgets.

As there was no further business before the Board, a motion was duly made and seconded, and the meeting adjourned at 11:18 a.m.

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

Attest

_____/s/_____
George Munchus
Secretary-Treasurer