

## **SUMMARY OF REGULAR BOARD OF DIRECTORS' MEETING**

HELD Wednesday, May 12, 2021

At 11:30 a.m. – (In-Person [Electronically via Teleconference/Telephone])

[THESE ARE NOT THE OFFICIAL MINUTES]

The Governor's Open Meeting Act ("OMA") Proclamation allows members of governmental bodies to hold said meeting electronically (via telephone etc.) for purposes of establishing a quorum, deliberating and taking action; and via electronic equipment allows members of the public to listen to the meeting.

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

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

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

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

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

Chairman Mims asked to eliminate agenda items nine and ten from the Agenda. Director NeSmith made a motion to approve the printed agenda. Director Ward seconded. There was much discussion on the request relating to whether the by-laws or Robert Rules of Order prohibit the chairman from removing an item from the agenda. An opinion was asked of Attorney Parnell and Attorney Anthony (*the Board's attorney*) on the matter, which both provided clarity. Afterwards, Chairman Mims stated he would accept the motion and second that was already on the floor to approve the agenda as printed. The agenda was approved with five votes in favor and four votes against by a roll call vote.

Following, GM Johnson asked the Board to approve Director NeSmith's mileage expense reimbursement for the month of April 2021 in the amount of \$89.60{NOTE: A roll call vote is required}, as set forth in agenda item 1; necessary to perform essential minimum functions of the governmental body. Director Ward made a motion to approve the agenda item. Director Burbage seconded. Said item was approved with eight votes in favor and one abstention by a roll call vote.

Next, GM Johnson asked the Board to approve reimbursement to the Operating Account for the period ended March 31, 2021 in the amount of \$3,813,100.16, as set forth in agenda item 2; necessary to perform essential minimum functions of the governmental body. Director Ward made a motion to approve the agenda item. Director Burbage seconded. Said item was approved unanimously by a voice vote.

Following, GM Johnson asked the Board to approve payment of invoices for professional services, as set forth in agenda items 3.1 through 3.6, respectively; necessary to perform essential minimum functions of the governmental body. A director requested to vote on the invoices for agenda items 3.1 through 3.5 together and to vote on 3.6 separately. Director Blankenship made a motion to approve agenda items 3.1 through 3.5. Director Henderson seconded. Said items were approved unanimously by a voice vote. Next, Director Henderson made a motion to approve agenda item 3.6. Director Huffman seconded. Said item was approved with eight votes in favor and one abstention by a voice vote.

Next, GM Johnson asked the Board to approve a twelve (12) month agreement with UKG Inc. (formerly known as The Ultimate Software Group) to provide continuous access and data transfer services for the Ultimate Software HR/Payroll system while we transition to the new SuccessFactors HR/Payroll system in the estimated amount of \$70,954.00; and to authorize the General Manager and/or Assistant General Manager to execute the agreement, as set forth in agenda item 4; necessary to perform the essential minimum functions of the governmental body. Director Blankenship made a motion to approve said item. Director Henderson seconded. Said agenda was approved unanimously by a voice vote.

Following, a director requested to hear a presentation from Securities Capital and to allow them to distribute their handout to the directors. A director expressed concerns about allowing a presentation that was not on the approved agenda and indicated it needed to be done in a Finance Committee Meeting. Director Munchus made a motion to suspend the rule and to allow a presentation from Securities Capital. Director Blankenship seconded. Securities Capital could distribute the presentation to directors. However, said item failed with four votes in favor and five votes against.

Next, GM Johnson asked the Board to approve a resolution authorizing the issuance of its Senior Water Revenue Refunding Bonds, Series 2021 (the "Series 2021 Bonds") given certain parameters for the terms of the Series 2021 Bonds, including (i) the requirement that the principal and interest to be paid on the Series 2021 Bonds shall be less than the amount paid on the Prior Bonds; that the maximum aggregate principal amount of the Series 2021 Bonds shall not exceed \$500,000,000; that the maximum interest shall not exceed 4% on the Series 2021 Bonds and the final maturity date for the Series 2021 Bonds shall not be later than January 1, 2046 (collectively, the "Parameters"), as recommended by the Finance Committee, and (ii) the execution and delivery of the Financing Documents by the Board, and (iii) the consummation of all other transactions described in the recitals of the attached resolution and contemplated by the Financing Documents (the "Plan of Financing"); and to authorize the Board Chairman and Secretary/Treasurer to execute any necessary bond documents approving the bond issue, as set forth in agenda item 5; necessary to perform essential minimum functions of the governmental body. Director NeSmtih made a motion to approve said item. Director Henderson seconded. A director asked a question about the

actual cost to the board for said transaction and professional fees total. Per GM Johnson, the cost of issuance would be 1% issue. Thus, 1% is approximately \$4.7 million in expenses; however, \$3.7 million is the estimated fee for professions (cost of issuance). A director gave a public warning on whether he should disclose knowledge of a potential lawsuit that may arise relating to said agenda item, and he asked if an Executive Session would be necessary for further discussion. Per Attorney Anthony, he has no knowledge of a pending lawsuit; therefore, he can only decide based on what he knows. Afterwards, said agenda item was approved with seven votes in favor, one vote against and one abstention by a roll call vote.

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

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

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

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

Following, GM Johnson asked the Board to approve Underwriting Syndicate and assigned liabilities for its Senior Taxable Water Revenue Refunding Bonds, Series 2021 as recommended by the Finance Committee and as set forth in agenda item 10; necessary to perform essential minimum functions of the governmental body. Director NeSmith made a motion to approve said item. Director Ward seconded. Director Munchus made a substitute motion to amend agenda item 10 to include a five-member syndicate by adding Securities Capital. Director Blankenship seconded. There was much discussion on the percentages for the syndicate member pertaining to being able to vote on the item if a fifth syndicate member was added. In addition, there were also concerns expressed regarding minority and local firms' opportunities. However, Director NeSmith had already made a motion to approve agenda item ten as printed. A director asked for clarification whether the original motion or the substitute motion took priority. Attorney Parnell was recognized for comments. He stated the original motion took priority over the substitute motion. Per Attorney Parnell, you can amend a motion to clarify but you cannot change the purpose of the original

motion. Thus, the original motion must be voted on, because it was already on the table. Agenda item ten was approved as written with five votes in favor, three votes against and one abstention by a roll call vote.

Next, GM Johnson asked the Board to approve Raftelis, the Board's Financial Consultant and Rate Analyst, to provide an independent report on the feasibility of issuing its Senior Taxable Water Revenue Refunding Bonds, Series 2021, as recommended by the Finance Committee and as set forth in agenda item 11; necessary to perform essential minimum functions of the governmental body. Director Henderson made a motion to approve said item. Director Huffman seconded. Said agenda item was approved unanimously by a roll call vote.

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

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

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

Subsequently, agenda item 15, which addressed new business, was presented; necessary to perform essential minimum functions of the governmental body. GM Johnson announced that he sent an email to directors regarding fuel shortage due to the Colonial Pipeline ransomware attack. The pipeline supplies about 45% of fuel to the Southeast and throughout the East Coast. The situation is being monitored and BWWB should not have an issue with gas shortage. Also, he stated the envelope on their desk contains a diagram of the strategic framework and he would schedule time to discuss with the board. Next, Mr. Jackson, Public Relations, stated the video playing before the board meeting highlighted positive things about the utility. The video will be aired nationally. Next, Director Ward commended Mr. Jackson and his staff on their work and indicated he would be part of the transaction that the board is doing. Mr. Jackson stated more videos would be shown before board meeting to ensure directors are aware of things happening with the utility.

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