

SUMMARY OF A COMMITTEE MEETING

HELD Monday, May 3, 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.

A Finance Committee meeting of the directors of The Water Works Board of the City of Birmingham was held on Monday, May 3, 2021 at 11:30 a.m., via in-person and electronically [via teleconference/telephone].

The following Committee members were present via a roll call: Committee Chairman Larry Ward, Ronald A. Mims and William “Butch” Burbage, Jr. Other directors present were Lucien Blankenship, Tom Henderson, George Munchus and Larry Ward. Director Rice listened in by phone.

The meeting was also attended by: Michael Johnson, General Manager; Derrick Murphy, Jeffrey Thompson and Iris Fisher, Assistant General Managers; Cynthia Williams, Board Administrator, Vanessa Washington, Executive Assistant; Colandus Mason and Rick Jackson, BWB Employees; K. Mark Parnell, Parnell Thompson Law, LLC and Matthew Arrington, Terminus Municipal Advisors, LLC.

Inasmuch as all of the Committee members were present, a quorum was in attendance.

Committee Chairman Ward called the meeting to order at 11:30 a.m.

Next, Director Mims made a motion to approve the agenda. Director Ward seconded. GM Johnson asked to amend the agenda item one not to exceed amount \$500 million. Afterwards, Director Ward made a motion to approve the amended agenda. Director Burbage seconded. The Committee unanimously approved the amended agenda.

Following, agenda item one requested the Committee to hear an update and recommend to the full board to approve a resolution authorizing the issuance of its Senior Taxable Water Revenue Refunding Bonds, Series 2021, in a par amount not to exceed \$500 million; necessary to perform essential minimum functions of the governmental body. Matthew Arrington, Terminus Municipal Advisors, LLC., gave an overview on said item. A director inquired as to how the board gained subordinate debt, which Mr. Arrington replied that when the debt was issued the board did not have the capacity to issue more senior debt. Per Mr. Arrington, the board will gain approximately \$25 million in savings by refunding said bonds. He explained that the terms for said bonds does not change; however, a higher interest rate is being switched to a lower interest rate to save money. Director Burbage made a motion to approve agenda item one. Director Mims seconded. The Committee unanimously approved agenda item one to be moved to the full board for consideration for approval.

Next, agenda item two requested the Committee to recommend to the full Board to approve Bond Counsel for its Senior Taxable Water Revenue Refunding Bonds, Series 2021; necessary to perform essential minimum functions of the governmental body. Mr. Arrington recommended Butler Snow, LLP and Yvonne G. Davis, PC for bond counsel. Director Mims made a motion to approve agenda item two. Director Burbage seconded. The Committee unanimously approved agenda item two to be moved to the full board for consideration for approval.

Following, agenda item three requested the Committee to recommend to the full Board to approve Disclosure Counsel for its Senior Taxable Water Revenue Refunding Bonds, Series 2021; necessary to perform essential minimum functions of the governmental body. Mr. Arrington recommended Sirote/Denton's and Kenneth Simon, PC for disclosure counsel. Director Mims made a motion to approve agenda item three. Director Burbage seconded. The Committee unanimously approved agenda item three to be moved to the full board for consideration for approval.

Next, agenda item four requested the Committee to recommend to the full Board to approve Underwriter's Counsel for its Senior Taxable Water Revenue Refunding Bonds, Series 2021; necessary to perform essential minimum functions of the governmental body. Mr. Arrington recommended Bradley Arant and Huie Law for underwriter's counsel. A motion and seconded was made to discuss said item. Although there were some previous discussions, a director expressed concerns about not seeing some of the items in writing. Mr. Arrington indicated that the suggestions are a starting point for the board and that the board could amend items, if desired. Per GM Johnson, everyone on the list/suggestion has been discussed internally with staff. Director Mims made a motion to approve agenda item four. Director Burbage seconded. The Committee unanimously approved agenda item four to be moved to the full board for consideration for approval.

Following, agenda item five requested the Committee to recommend to the full Board to approve Issuer's Counsel for its Senior Taxable Water Revenue Refunding Bonds, Series 2021; necessary to perform essential minimum functions of the governmental body. Mr. Arrington recommended Parnell Thompson, LLC., and Perkins Law, LLC., for issuer's counsel. Director Mims made a motion to approve agenda item five. Director Burbage seconded. The Committee unanimously approved agenda item five to be moved to the full board for consideration for approval.

Next, agenda item six requested the Committee to recommend to the full Board to approve Underwriting Syndicate and assigned liabilities for its Senior Taxable Water Revenue Refunding Bonds, Series 2021; necessary to perform essential minimum functions of the governmental body. Mr. Arrington recommended Raymond James, Piper Sandler, San Blas Securities, and Blaylock Van for underwriting syndicate. A director expressed concerns about not having all local firms or firms with local offices. Also, a director inquired as to the reason Securities Capital was not selected for a choice. Per Mr. Arrington, there is a limit, and everyone could not be included. Director Burbage made a motion to approve agenda item six. Director Ward seconded. The Committee unanimously approved agenda item six to be moved to the full board for consideration for approval.

Following, agenda item seven requested the Committee to recommend to the full 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; necessary to perform essential minimum functions of the governmental body. Mr. Arrington explained that the official statement for water revenue transactions must include an independent report that shows the history of water rates and projections. It is financial data that indicates the board can meet its financial obligations to the bond holder. This is required as part of the bond package. Director Burbage made a motion to approve agenda item seven. Director Mims seconded. The Committee unanimously approved agenda item seven to be moved to the full board for consideration for approval.

Next, agenda item eight requested the Committee to recommend to the full 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; necessary to perform essential minimum functions of the governmental body. Director Mims made a motion to approve agenda item eight. Director Burbage seconded. The Committee unanimously approved agenda item eight to be moved to the full board for consideration for approval.

Following, agenda item nine requested the Committee to recommend to the full 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; necessary to perform essential minimum functions of the governmental body. AGM Iris Fisher stated that the company currently has two CDs with Citizens Trust Bank (*one at \$125,000 and another at approximately \$20 million*). Per AGM Fisher, said item is asking to update the signatures only, which is a standard procedure. A director inquired about the number of signatures required to approve the execution of banking transactions, which AGM Fisher stated only one signature was required. Director Mims made a motion to approve agenda item nine. Director Burbage seconded. The Committee unanimously approved agenda item nine to be moved to the full board for consideration for approval.

Next, agenda item ten requested the Committee to recommend to the full 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; necessary to perform essential minimum functions of the governmental body. AGM Iris Fisher stated that the company currently has approximately \$300,000.00 invested in a CD with Alamerica Bank. Director Mims made a motion to approve agenda item ten. Director Burbage seconded. The Committee unanimously approved agenda item ten to be moved to the full board for consideration for approval.

Subsequently, the Committee proceeded to agenda item eleven, which addressed new business; necessary to perform essential minimum functions of the governmental body. There was no business for discussion.

As there was no further business before the Committee, Director Burbage made a motion to adjourn the meeting. Director Mims seconded. Thus, Committee Chair Ward adjourned the meeting at 12:22 p.m.