

Board Of Water Works
REGULAR CALLED MEETING MINUTES
June 23, 2020
Virtual Meeting

Board Members Present:

Dr. Sharon Kerrick, Chair
Dr. Sundeeep "Sunny" Dronawat, Vice Chair
Mr. Greg Dearing
Mr. Paul Esselman
Ms. Jennifer Fust-Rutherford
Mr. William E. Summers, IV

Not Present:

Greg Fischer

Others Present:

Mr. Spencer Bruce, President and Chief Executive Officer
Mr. Daniel Frockt, CFO, Louisville / Jefferson County Metro Government
Mr. Dave Vogel, Executive Vice President, Customer Service and Distribution Operations
Ms. Kelley Dearing Smith, Vice President, Communications and Marketing
Dr. Tom Luckett, Vice President, Information Technology
Ms. Lynn Pearson, Vice President and Treasurer
Mr. Terrence Spence, Vice President, Human Resources and Labor Relations
Mr. Michael Tigue, Vice President, General Counsel and Corporate Secretary
Mr. Adam Carter, President, Local Union 1683 of the AFSCME
Mr. Larry Bryant, Director, Production Operations
Mr. Jim Grunow, Director, Engineering
Ms. Sue Purdy, Director, Finance and Accounting
Ms. Jenni Schelling, Director, Internal Audit
Dr. Rengao Song, Director, Water Quality and Research
Mr. Pete Goodman, Director, Water Quality and Research
Mr. John Baum, Manager, Accounting
Mr. Brian Sturgeon, Computer Network Administrator
Ms. Beverly Soice, Paralegal

Visitors:

Mr. Scott Nickerson, Crowe

The regular called meeting of the Board of Water Works (BOWW) was held on Tuesday, June 23, 2020 at the Louisville Water Company (Louisville Water or the Company) located at 550 South Third Street, Louisville, Kentucky. The meeting was held by teleconference video via Zoom Communications. Chair, Dr. Sharon Kerrick called the meeting to order at 11:02 a.m.

Minutes of the Previous Regular BOWW Meeting Approved

William Summers moved to approve the Regular Monthly Meeting Minutes of May 19, 2020, seconded by Greg Dearing and the motion unanimously carried.

Report Provided by the President/Chief Executive Office

Spencer Bruce reminded the new board members of the on-boarding orientation scheduled to take place on Thursday, June 25.

Louisville Water put in place its Phase 1 “Healthy at Work” plan. Our Executive Leadership Team is looking at a phased approach for a return-to-facility plan for employees who have worked remotely since the week of March 16. Our plan also includes our business interactions with the public.

For Phase 1, we continue to have employees telework when possible. Employees who come to our facility do a self-health check at home and we began onsite temperature checks as employees arrive to work. Our facilities team continues to do daily cleaning at all facilities and employees wear masks when social distancing is not possible. Of course, our ongoing communication with employees continues. For Phase 2, vice presidents are working with their management for a long-term plan.

We have reopened Louisville Water Tower Park for site visits and will allow events up to 50 people in July (based on Kentucky’s guidelines). We are developing a plan to reopen the lobby for customer service in late June or early July. At Mayor Fischer’s request, Mr. Bruce has joined the “Built and Natural Environment” team with other local leaders to help the city recover from this pandemic.

Louisville Water employees continue to provide outstanding customer service, deliver high-quality drinking water and put safety first during this unprecedented time.

Mr. Bruce also advised that during the recent civil unrest, damage was sustained to the corporate building; six windows were broken and graffiti was painted on several walls.

Terrence Spence advised that even before the recent events, he has been in communication with Eric Ellis, President and CEO, Integrity Development Corp. out of Cincinnati, OH. Mr. Ellis is a leading consultant on matters related to diversity, equity and inclusion. Mr. Ellis and his staff will be facilitating a program which should begin in late July with a company-wide kickoff. The program will consist of several phases. Phase one will begin with an inclusiveness survey.

Sunny Dronawat asked if the company keeps statistics on contracts awarded to minority businesses and on assistance provided to those in need. Mr. Bruce advise that we do keep statistics on awards to minority businesses. In fact, one of the Company’s strategic goal is its Minority Business Enterprise / Women Business Enterprise (MBE/WBE) spend. In addition, you may recall that we conducted an availability study and as a result of that study, staff has developed a Small Business plan which was planned to have started earlier this year, but pandemic has delayed those events. Mr. Bruce also advised that Louisville Water makes annual donations to the Louisville Water Foundation (Foundation) to fund its Customer Assistance Program (CAP) which assists customers who are having trouble paying their water and sewer bills. Louisville Water recently donated an additional \$100,000 as the result of hardships faced by our customers due to the pandemic. Louisville MSD also contributes to the Foundation and CAP.

Mr. Summers stated he feels leadership should meet with representatives of the local NAACP, Louisville Urban League, or Black Lives Matter movement to express the Company’s inclusiveness.

2019 Financial Audit Report Given

Lynn Pearson introduced Scott Nickerson, a partner with the independent auditing firm of Crowe, LLC (Crowe) who provided a summary of the audit report.

Mr. Nickerson advised that Crowe conducted an audit of Louisville Water's financial statements for the year ended December 31, 2019 and has issued an unqualified opinion. He reviewed the financial highlights in the Management Discussion & Analysis (MD&A) and complimented staff on the thorough, well written MD&A.

Mr. Nickerson advised Crowe found no significant deficiencies or material weaknesses. He also stated no difficulties were encountered during the audit and no disagreements with management. Mr. Nickerson commented that the Board could rely on the monthly reporting provided by staff.

Mr. Nickerson answered questions of the Board members.

Daniel Frockt thanked Ms. Pearson and her team on behalf of himself and Metro.

Mr. Bruce thanked Kelley Dearing Smith and her staff for compiling and producing this year's Annual Report which was created entirely in-house. Hard copies will be mailed to all Board Members.

Ms. Pearson thanked John Baum and his staff for their work on the financial audit.

Mr. Dearing moved to approve the 2019 Annual Report. Paul Esselman seconded, and the motion unanimously carried.

Second Quarter 2020 Dividend Declared

Ms. Pearson stated that Section 508 of the Series 2009 Water System Revenue Bond Resolution provides that the Louisville Water Company will pay to the Louisville / Jefferson County Revenue Commission an annual dividend on the Louisville Water Company stock owned by Louisville / Jefferson County Metro Government, Kentucky. The dividend declared for 2019, based upon estimated net income, is required to be adjusted after completion of the annual audit to reflect any difference between estimated and actual net income. The amount of such adjustments is to be paid with or deducted from the regular quarterly dividend payments in 2020.

The annual audit has been completed. Net income of requires a total 2019 dividend to Louisville / Jefferson County Metro Government, Kentucky of \$19,019,796. The total dividends paid during 2019 were \$19,274,820. The difference between the dividend paid for 2019 and the actual dividend computed and declared for 2019 is \$255,024. The difference will be deducted from the dividend payment in a future quarter in 2020 as directed by Louisville Metro Office of Management and Budget.

The 2020 Annual Budget provides for a budgeted annual dividend of \$20,424,641. Mr. Summers moved to declare the second quarterly 2020 dividend in the amount of \$5,106,160.25.

WHEREAS, it has been the long established policy of Louisville Water Company to pay a dividend on its common stock related to its net earnings, after giving consideration to any requirements for debt amortization and bond reserve requirements, and

WHEREAS, a covenant written into the 2009 Water System Revenue Bond Resolution sets forth a formula for determining the amount of any such dividend, and
WHEREAS, such covenant requires payment of a dividend each year based on estimated annual Adjusted Net Income, with adjustment upon completion of the annual audit to reflect any difference between estimated and actual net income, such adjustment to be made in the quarterly dividend payments of the following year, and
WHEREAS, an estimated dividend of \$19,274,820 was paid in 2019 based on estimated Adjusted Net Income of \$39,215,000 and
WHEREAS, the annual audit for 2019 has now been completed which establishes the full dividend for 2019 as \$19,019,796 based on actual Adjusted Net Income of \$37,890,462, it would be in order at this time to amend the Board resolution of December 17, 2019 to decrease the 2019 annual dividend by \$255,024 from \$19,274,820 to \$19,019,796, the difference to be deducted from a future quarterly 2020 dividend payment, as directed by Louisville Metro, and
WHEREAS, the 2009 Bond Resolution requires that the Board of Water Works pay a quarterly dividend based on the formula contained therein, such quarterly payments to be as nearly equal in amount as possible, and
WHEREAS, the 2020 Louisville Water Company Annual Budget reflects the 2020 annual dividend to be \$20,424,641, it would be in order at this time to declare a regular second quarter dividend of \$5,106,160.25; therefore, be it
RESOLVED, the 2019 annual payment is decreased from \$19,274,820 to \$19,019,796 the difference of \$255,024 will be deducted a future quarterly 2020 dividend payment, and
RESOLVED, the regular second quarter 2020 dividend of \$5,106,160.25 is hereby declared, and further
RESOLVED, that the President of the Company hereby is authorized and directed to pay \$5,106,160.25 to the Louisville / Jefferson County Revenue Commission on June 30, 2020, this being the second quarterly dividend for 2020.

Dr. Dronawat seconded and the motion unanimously carried.

Mr. Bruce advised the following item is being taken out of order.

Oracle Unlimited License Agreement Approved

Tom Lockett advised that Louisville Water continues to partner with Oracle Corporation for its enterprise applications including Work and Asset Management (WAM), Customer Care and Billing (CC&B), Human Resource Management and Payroll (PeopleSoft), and Enterprise Business Systems (EBS).

In May of 2019, the BOWW approved the purchase of a new Unlimited License Agreement (ULA) to replace the ULA that was executed in 2017. To develop this ULA, the IT leaders met with Oracle and discussed Louisville Water's short term (two year) plan for further use and development of our Oracle applications. Based on these conversations, a new ULA was created to support the Water Company's plans for the next two years at a 35% percent discount saving the Company \$2,808,624.40. This allows Louisville Water to continue the migration of Oracle based applications to run in virtualized environments and in the Oracle Cloud.

The year two ULA fees are now due in the amount of \$1,653,913.74. This amount is budgeted for 2020.

Dr. Dronawat moved to approve the Oracle Unlimited License Agreement in the amount of \$1,653,913.74. Mr. Dearing seconded, and the motion unanimously carried.

Mr. Luckett introduced Jeff Knott, Director of IT to the Board.

Budget Increased for Project 1566 – B.E. Payne Chlorine Dioxide System

In Tim Kraus' absence, Larry Bryant, Director of Production Operations provided the following project request.

The 2020 Board approved Capital Improvement Plan includes funding to install a new chlorine dioxide generation and feeding system at BEP Water Treatment Plant. Staff is seeking Board approval to increase the total project budget of record for this project and authorization for Advertisement for Bids.

Chlorine dioxide (ClO₂) is a powerful oxidant and disinfectant that will enhance water quality. Louisville Water's Water Quality and Research Department has been studying benefits of the use of chlorine dioxide, for several years.

Louisville Water retained Hazen & Sawyer to design the three-chemical Chlorine Dioxide generation system. The system will be located at the on-site chlorine generation (OSCG) area because one chemical for the process, sodium hypochlorite solution (0.8% NaOCl), is currently produced on-site and there is available space inside the building. The other two chemical ingredients, sodium chlorite solution (25% NaClO₂) and hydrochloric acid (15% HCl), will be housed in a new Raw Chemical Building along with a new Chlorine Dioxide Batch Tank building to be constructed adjacent to the OSCG building.

The reason for the anticipated cost increase includes improved aesthetics to match the adjacent masonry building, right-sizing bulk storage tank volumes, design conflicts that necessitated a separate batch tank location and small building, and improved considerations for operation, maintenance and safety.

Dr. Dronawat moved to increase the budget of record for Project 15606 BE Payne Chlorine Dioxide System by \$2,660,000 establishing a new budget of record of \$4,160,000 for this project and authorization for Advertisement for Bids. Mr. Summers seconded, and the motion unanimously carried.

Contract Awarded for Project 15649 – 690: I-65 Area Water Main Installation Project

In Mr. Kraus' absence Jim Grunow, Director of Engineering, provided the following project request.

Staff is requesting Board approval to award the construction contract for the 690 Plan: I-65 Area Water Main Project to MAC Construction & Excavating, Inc., for \$1,955,000. This project includes the installation of 6,190 feet of 20-inch and 24-inch water main along the west side of I-65 in Louisville Water acquired easements between the existing Chapeze Lane Pump Station and Clermont Road (Highway 245) in Bullitt County.

The 690 Plan: I-65 Area Water Main Project will provide an increased volume of water to the southern portion of Bullitt County and to supply Hardin County Water District No. 2 an increase effective May 1, 2021, as required by a contractual agreement.

On June 10, 2020, Louisville Water received bids from six prequalified contractors for the construction of this project. The Project Manager's estimate for the project was \$2,170,000. The

low, responsive bidder was MAC Construction & Excavating, Inc., with a bid of \$1,955,000.

Mr. Dearing moved to award the 690 Plan: I-65 Area Water Main Installation Project construction contract to MAC Construction & Excavating, Inc., for \$1,955,000. Mr. Summers seconded, and the motion unanimously carried.

COVID-19 Update Given

Ms. Pearson provided a financial impact analysis due to the COVID-19 pandemic which included a review of residential, commercial and industrial water consumption, top 20 water usage accounts, pumping statistics, income statement forecast, and dividend forecast.

Financial Report Given

Ms. Pearson summarized the Financial report.

The state has released final audited pension and post-retirement benefits balances for 2019 and the audit of the Company's 2019 financial statements has now been completed.

The negative financial impact of the COVID-19 pandemic further intensified in May. Total consumption and water revenue for the month are significantly less than budget, as is other operating revenue and non-operating income. As a result, net income for the month fell short of budget by \$1.8 million.

Consumption of 2.2 billion gallons for May 2020 is 430 million gallons lower than budget, and 370 million gallons or 14.5% less than May 2019. The commercial and industrial customer classes continue to have the largest negative variances due to the closing of businesses during the pandemic, accounting for the majority of the shortfall. Year-to-date consumption remains under budget and prior year, by 4.5% and 2.0% respectively, with all customer classes under budget except private fire services.

Water Revenue for May 2020 is \$1.7 million below budget and \$893,000 less than prior year. Water revenue through May is \$1.2 million lower than budget but remains higher than prior year by \$2.4 million. Lower consumption is the key factor driving decreased water revenue for the month as compared to both budget and prior year levels.

Other Operating Revenue for May is \$90,000 lower than budget and \$57,000 more than year-ago levels. The budget variance for May continues to reflect the reduction in late fees and service deactivation fees as a result of the Company suspending those fees. This reduction is offset to a great extent by higher contract revenue in May from the River Ridge contract. This is revenue that is offset with expenses in contractual services. For year-to-date, other operating revenue is lagging budget by \$577,000 but exceeds prior year by \$209,000. The year-to-date variance to budget is due to lower revenue from late fees and service deactivation fees, partially offset by a favorable variance in revenue from contract operations. The favorable year-to-date variance to prior year is driven by higher cross connection and contract revenue offset by lower revenue from late fees and service deactivation fees.

Operating and Maintenance Expenses for May are \$34,000 higher than budget and \$327,000 higher than May 2019. The slight unfavorable budget variance for May is due to higher than expected expenses incurred related to the River Ridge contract. It is key to note that there is an offsetting favorable variance in Other Operating Income and thus there is no impact to net income.

Excluding this item, O&M expense is close to \$200,000 under budget, as a result of lower equipment maintenance, insurance reserves and fleet costs, partially offset by higher bad debt and labor and labor related expenses. May year-to-date operating and maintenance expenses are \$699,000 under budget and \$2.1 million over year-ago levels. The majority of the year-to-date favorable budget variance is in contractual services, materials and supplies, chemicals and equipment maintenance, partially offset by higher power, insurance reserves and labor and labor related expenses. Contractual services and materials and supplies are below budget as a result of lower main breaks. The elimination of temporary labor in the call center also contributed to the favorable variance in contractual services. Various other expenses contributed to the favorable variance as a result of ongoing cost reduction efforts. The year-to-date variance to prior year is mainly in labor and labor related costs, utilities, contractual services and insurance reserves.

Total Operating Expenses for May of \$12.3 million are \$182,000 higher than budget and \$896,000 more than May 2019. The unfavorable budget variance for the month is primarily due to higher loss from disposition of property. This variance is mainly due to timing of the retirement of 48" transmission mains related to the Eastern Parkway project. Total operating expenses year-to-date are lower than budget by 1.0% and higher than prior year by 6.5%. The year-to-date budget variance is mainly due to lower operating and maintenance expenses. The year-to-date variance vs. prior year is primarily due to operating and maintenance costs and higher depreciation costs.

Non-Operating Income through May is \$818,000, which is \$243,000 lower than budget and \$297,000 more than the same period in 2019. The variance to budget is due to a lower interest rate earned than anticipated as a result of market rates declining sharply due to the pandemic's impact on the economy. The variance to prior year is due to a higher dollar amount invested as a result of the bond issuance late last year.

Non-Operating Expense through May of \$3.0 million is \$170,000 less than budgeted and \$485,000 more than year-ago levels. Interest expense is less than budgeted because the budget was inadvertently understated through May. This favorable variance was partially offset by capitalized interest, which has come in lower than expected. Interest expense is more than prior year due to the interest related to the bond issuance in October 2019.

Net Income before Distributions and Contributions for May is \$2.3 million, which is \$1.8 million less than budgeted. In comparison between years, net income is \$1.5 million less than May 2019. May year-to-date net income of \$14.7 million is \$1.3 million lower than budget and \$1.2 million lower than the five months ended May 2019.

Contributions through May of \$4.6 million are \$382,000 higher than budgeted and \$1.8 million less than prior year.

Cash, Cash Equivalents and Short-term Investments totaled \$90.8 million at the end of May 2020, well in excess of 250 days of estimated Operations and Maintenance expense of \$58.3 million.

Last month we reported on the potential negative impact of the COVID-19 pandemic on the Company's 2020 financial performance. Our expectation that water consumption in the industrial and commercial classes will be particularly impacted is proving accurate, and we expect that to continue until the economy returns to normal. A drop in late charges and service deactivation fees continues to impact other operating revenue, and that will continue until late charges and disconnections resume. On the expense side, the anticipated increase in bad debt expense began in May, and we expect to see this escalate in future months.

Communications and Marketing Report Given

Ms. Dearing Smith summarized the Communications and Marketing report.

The Crescent Hill Reservoir and Gatehouse is a favorite walking and running destination, and now the path is a walking timeline of Louisville Water. The light poles include 32 banners that highlight the company's history with interesting facts and trivia.

Each year staff visits with more than 100 community organizations to share Louisville Water's story. When an in-person "thank you" wasn't possible for neighbors impacted by the Eastern Parkway water main replacement, staff worked with a local business for a thank-you. Customers received a postcard to highlight the project was done and the opportunity to take the card to St. Matthews Feed and Seed for a gift.

In June, the COVID-19 focus is on the thousands of customers who find themselves in a tough situation for paying their Louisville Water bill. "Drops of Kindness" is Louisville Water's customer assistance program that includes payment options for outstanding balances and direct bill relief with funds from the Louisville Water Foundation. We're using a strategic approach to reach approximately 7,000 customers who have either never been in the disconnect category for non-payment or only once. The campaign includes a letter from our President and CEO, thought leadership pieces, stakeholder communication, and earned and social media. Louisville MSD is also assisting with this campaign. With Drops of Kindness, we hope to raise awareness of the available payment options and assistance and work with customers before they become further behind in bill payments.

During May and June, all customers receive information on the quality of Louisville's drinking water. The "report card" is a requirement by the EPA and includes detailed information on the testing and analysis of the source water and finished drinking water during 2019. Louisville Water meets and exceeds the EPA standards. We also use the report to highlight upcoming projects that improve the treatment and delivery systems.

Customer Service and Distribution Operations Report Given

Dave Vogel summarized the Customer Service and Distribution Operations.

Mr. Vogel was very pleased to announce that the Work and Asset Management (WAM) system went live yesterday.

The Call Center operations received 19,678 calls in May with an abandonment rate of 0.7%. The average speed to answer came in at 0:08 m:s for the month which is significantly better than past periods. Call volume continues to run lower due to the COVID-19 pandemic and our suspension of disconnection orders. The outbound IVR has been reprogrammed to encourage customers to pay all or a portion of their bill and gives the customer the ability to speak directly with a customer service agent who can assist them with a payment plan. Preparations continue for reopening our front lobby to customers and we expect to have a "soft" opening on June 29.

Estimated bills for the month were 0.77% which is an improvement over last year and the five-year average. Year-to-date, estimated bills are also down significantly compared to last year and the five-year average. Focus continues on supporting and finding ways to minimize COVID-19 exposure. Daily workload remains lower due to the suspension of disconnects and we have been able to use this extra capacity to help with meter exchanges and other maintenance activities.

There are currently two vacancies in the field service area, and we will not fill these until disconnection activity resumes. The backlog of customers eligible for disconnections continues to grow but has shown signs of flattening.

May ended with 34 main breaks for the month, which is higher than last year (30) and the five-year average (20). Year-to-date break activity (146) has been less than 2019 levels (232) and also less than the five-year average (232). Capital work continued to increase in May and included new service installations, fire hydrant replacements and renovations, and several valve replacements. Two critical main reduction projects were completed with more planned.

No information has been received from the Public Service Commission (PSC) or the Governor's office concerning when utilities may be allowed to resume turnoff for nonpayment.

Engineering and Production Operations Report Given

In Mr. Kraus's absence, Mr. Bruce provided the Engineering and Production Operations report.

2020 capital program expenditures through May totaled \$29,439,324 which is \$2,309,355 or 8.51% higher than the same period last year. These expenditures equate to 24.29% of the 2020 total capital program of \$121,176,319.

The amount of water produced and delivered to the system in May 2020 was 109.4 MGD, which was 7.5% lower than May 2019 and 8.7% lower than the May five-year average. For year-to-date, the amount of water delivered to the system was 1.2% lower than 2019, and 2.0% lower than the five-year average.

All water quality goals were achieved for May 2020. There were zero water quality violations.

Water Quality personnel monitored 1,153 water quality parameters of a required 993 pursuant to federal and state regulatory requirements. Personnel collected 280 routine compliance distribution samples. There were zero Total Coliform and zero E-Coli detections. Personnel also collected 70 main break compliance samples on 34 repairs in the month, of which 16 localized boil water advisories (BWAs) were issued due to field conditions; one (1) BWA was issued due to water quality monitoring results.

There were 11 chemical spills reported upstream of the Zorn intake, no incidents prompted additional treatment or impact to water quality. Herbicide run-off in the river impacted treatment for 10 days (still in progress). There were four water quality customer complaints, in comparison to the five-year average of eight complaints.

Louisville Water has applied for the "Reduction in Lead Exposure Via Drinking Water" grant, a \$6.6 million EPA Water Infrastructure Improvement for the Nation (WIIN) Act Grant, to pay for testing and removal of private lead service lines in disadvantaged portions of our community. The grant provides 80% funding and requires a local match of 20% provided by Louisville Water. The grant would be implemented over four years to remove a projected 2,012 lead or galvanized private services. Louisville Water records would be used to identify existing lead services and lead sampling would be used to identify the remaining private lead services from a pool of 17,700 private service lines with unknown piping material.

Louisville Water's John L. Huber Corporate Office Building on Third Street sustained damage during the public unrest events May 29-31, 2020. Our Facilities Management staff moved quickly to secure the building, begin cleanup and replacement of the damaged glass and graffiti removal. The estimated window and fountain glass replacement cost is \$14,000. An estimated \$2,000 was spent to clean-up debris, board the windows and remove graffiti.

Human Resources and Labor Relations Report Given

Mr. Spence provided a summary of recent and current activity between the Louisville Water Company's (Louisville Water/the Company) Labor Management and Local Union 1683 of the American Federation of State, County and Municipal Employees, AFL-CIO (the Union).

- Currently there is one active grievance filed by the Union waiting for final determination by a third-party arbitrator.
- Company and Union leadership communicated a unified message of equality, inclusion and intolerance of racial and other forms of discrimination to Louisville Water employees and called for open engagement and dialogue regarding the current social issues in the community.
- Union and Company leadership participate in Louisville Water's planning and implementation of the Governor's recently announced Healthy at Work initiative.

Information Technology Report Given

Mr. Lockett summarized the Information Technology (IT) Report.

Work continues to support the final training of the Oracle Work & Asset Management implementation before Phase Two goes into production. To date, we have held over a dozen knowledge-transfer sessions with Oracle and Ernst and Young as we prepare to take over production support in August.

Staff continues to implement a warm Disaster Recover (DR) capability in Tennessee by the end of the year. The remainder of the equipment is scheduled for delivery by the end of June.

The IT Infrastructure Team continues to support remote Louisville Water workers. The remote worker count averages 250 users per day.

There being no further business for the Board, the meeting was adjourned at 1:03 p.m.

Respectfully submitted,



Michael F. Tigue, Esq.
Vice President, General Counsel and
Corporate Secretary