

**INTERNATIONAL BOTTLED WATER ASSOCIATION
BOARD OF DIRECTORS MEETING**

**Thursday, June 7, 2018
8:00 a.m. – 10:00 a.m.**

MINUTES

Call to Order

The meeting was called to order by IBWA Chairman Lynn Wachtmann, Maumee Valley Bottlers, who announced the presence of a quorum.

Those present (or via phone) were:

Officers

- Lynn Wachtmann, Chairman, Maumee Valley Bottlers
- Brian Hess, Treasurer, Niagara Bottling
- Shayron Barnes-Selby, Immediate Past Chairwoman, DS Services of America, Inc.

Directors

- Philippe Caradec, Danone Waters of America
- Tara Carraro, Nestle Waters North America
- Andrew Eaton, Eurofins Eaton Analytical
- Doug Hidding, Blackhawk Molding
- Scott Hoover, Roaring Spring Bottling
- Dan Kelly, Polymer Solutions International, Inc.
- Kari Mondt, Allied Purchasing
- Greg Nemec, Premium Waters
- Dennis Rivard, Crystal Mountain Products, Inc.
- Bryan Shinn, WG America Company
- Robert Smith, Grand Springs Distribution
- Louis F. Vittorio, EarthRes Group, Inc.
- Bill Young, Absopure Water Co., Inc.

IBWA Staff/Counsel

- Joe Doss, IBWA President and CEO
- Brian Eyink, Hogan Lovells

Approval of the Minutes

Lynn Wachtmann requested a motion to dispense with the reading and receive approval of the minutes from February 8, 2018. **It was MOVED and SECONDED, and the MOTION CARRIED.**

Treasurer's Report

IBWA Treasurer Brian Hess (Niagara Bottling) presented the Treasurer's report to the Board for its consideration.

The April 2018 financial statement prepared by IBWA's accountant indicates that overall revenues are coming in as expected. The annual revenue budget is \$4,500,000, and five months into our fiscal year, we have received \$4,000,000.

The largest single source of revenue for IBWA is membership dues. As of April 30, the amount of dues paid is \$3,600,000; the annual dues revenue budget is \$3,900,000.

Invoices for second-half dues payments have been sent to members, and those small companies that are paying in three installments will make their third payments in August. Phone calls, e-mails, and other personal contacts are still being made to encourage several non-renewing companies to reconsider their decisions.

At this time, we expect that dues revenue will come in on budget by the end of the fiscal year.

Total expenses to date are \$1,700,000, and the budgeted expense amount for this fiscal year is \$4,500,000. At this time, we expect that expenses for the year will come in as budgeted.

As of April 30, the IBWA reserve fund balance was approximately \$2,800,000, which is right on target.

As of April 30, our year-to-date reserve fund dividend income is \$57,500 and the year-to-date loss on investments is \$62,200, for a net decrease in value of \$4,500. We expect and hope that this will improve as the year progresses.

Because of the continued volatile economic conditions and the impact they can have on the IBWA reserve fund, the Executive Committee continues to follow the market situation very closely so that we can take any necessary actions in a timely fashion.

The Board of Directors heard and accepted the Treasurer's report.

Committee Reports

Executive Committee

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Chairman Wachtmann reported that the IBWA Executive Committee met on Tuesday, June 5, 2018, to review the many issues being considered by the various IBWA Committees. The Executive Committee is very impressed with the breadth and scope of IBWA's work and looked forward to hearing more about these important issues when the various committees presented their reports. During the Executive Committee meeting, the following matters were considered:

Bisphenol-A

The Executive Committee discussed the BPA issue, including lawsuits brought against bottled water companies under California's Proposition 65 statute. The committee knows that several IBWA committees also considered the BPA issue this week and it looks forward to hearing their reports. This continues to be a very important issue for all IBWA members – small, medium and large. The Executive Committee believes that IBWA should continue to defend the safety of BPA and continue to proactively provide the facts to the media, government officials, and consumers.

Plant Siting and Permitting

The Executive Committee continued its discussion about the efforts by anti-bottled water groups to prevent bottled water companies from opening new plants or renewing their existing permits. This is a very important issue that will impact the future of the bottled water industry. As a result, IBWA needs to continue its efforts to support its members. The committee looks forward to hearing from the various IBWA committees about the actions they are taking and the materials they are preparing to push back against these bottled water critics.

Strategic Planning

The Executive Committee received a report about the May 9, 2018 the IBWA Strategic Planning Committee conference call. That call was a good opportunity to hear from members about some of the issues that they think are important for us to consider as we revise the IBWA Strategic Plan. Those issues include:

- Making sure that we continue to represent all IBWA member companies – large, medium, and small
- Reviewing the IBWA inspection program
- Reviewing the IBWA trade show
- Focusing on environmental circularity
- Reviewing our educational programming
- Reviewing our relationship with the state and regional bottled water associations, and
- Building strategic alliances with groups such as ABA, GMA, and AWWA

The Strategic Planning committee will meet in-person on September 20-21 right here in Alexandria at this hotel. We may also try to schedule one more conference call before the in-person meeting.

2018 IBWA Annual Business Plan and KPIs

The Executive Committee reviewed the revised draft 2018 IBWA Annual Business Plan and Key Performance Indicators (KPIs). As you may recall, during the February conference call meetings the Communications Committee decided that they needed to revise their Key Performance Indicators. As a result, the Board deferred action on the Business Plan. Those changes have now been made and are included in the copy of this document that was sent to the Board last week. (A copy is also at your seat.) The draft Business Plan has now been approved by all IBWA Committees. The Executive Committee therefore recommends that it be approved by the Board.

Lynn Wachtmann requested a motion to approve the 2018 IBWA Annual Business Plan and KPIs. **It was MOVED and SECONDED, and the MOTION CARRIED.**

The Board of Directors heard and accepted the Executive Committee's report.

Nominating Committee

Nominating Committee member Shayron Barnes-Selby (DS Services of America, Inc.) presented a report that recommended that the following three IBWA Board members whose terms will expire in November 2018 be re-nominated for a three-year term that will end in November 2021:

- Andy Eaton (Eurofins Eaton Analytical)
- Dan Kelly (Polymer Solutions International, Inc.)
- Bill Young (Absopure Water Co., Inc)

The Nominating Committee also recommends that Jason Chambers (Mountain Brook Water) be nominated to serve a three-year term on the IBWA Board.

IBWA Vice Chairman Brian Grant resigned his position a few months ago when he sold his company. The Nominating Committee therefore asked IBWA Treasurer Brian Hess whether he would be able to move into the Chairman position in November. While Brian was honored by our request, he said that he could not take on the role of chairman or vice chairman because his heavy workload will not allow him to give those positions the time they deserve.

Due to these unusual circumstances, the Nominating Committee therefore recommends that Lynn Wachtmann (Maumee Valley Bottlers) be nominated to serve another one-year term as IBWA Chairman. Lynn has done a great job as our chairman and extending his term for another year will provide stability and continuity as we move forward with our many important programs and activities.

While IBWA Treasurer Brian Hess's workload will not permit him to advance to the vice chairman or chairman positions, he is willing to continue to serve as chairman. The Nominating Committee appreciates that offer and thinks that it would be helpful because we would then only need to find someone to become vice chairman in November instead of needing to fill both the vice chairman and treasurer positions.

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The Nominating Committee is therefore pleased to recommend that Robert Smith (Grand Springs Distribution) be nominated to serve as IBWA vice chairman.

So, in summary, the Nominating Committee recommends the following 2018 – 2019 slate of officers:

- Lynn Wachtmann (Maumee Valley Bottlers) – Chairman
- Robert Smith (Grand Springs Distribution) – Vice Chairman
- Brian Hess (Niagara Bottling) – Treasurer
- Shayron Barnes-Selby (DS Services of America, Inc.) – Immediate Past Chairwoman

The slate of officers and directors approved by the Board today will be submitted to a vote by the membership at the IBWA Annual Business Meeting on November 15, 2018.

Mr. Chairman that completes the first portion of my report. I move that the recommended slate of officers and directors be approved by the Board.

During our recent discussions, the Nominating Committee noted that it has become increasingly difficult to find people to serve as IBWA officers (e.g., chair, vice-chair, and treasurer) and Board members. Consolidation (e.g., acquisitions, mergers) among member companies and certain IBWA bylaw provisions have reduced or limited the pool of available candidates. We therefore discussed several possible ideas to correct this problem. Among the ideas are: allowing two people from the same company to serve on the Board (but they would only have one vote); allowing supplier members to serve as officers, extending the term for IBWA officers from one year to two years, and allowing non-members to serve on the Board if they could bring value to the association (e.g., retired bottlers, NGOs). Some Nominating Committee members liked each of these ideas but other members had reservations about one or more of the ideas. We wanted to mention them to the Board and get any initial thoughts you may have on these matters. We don't have a lot of time to discuss them today at this meeting but we can address these and other ideas in more detail as part of our strategic planning activities this year.

The slate of officers and directors was approved by the Board and will be submitted to a vote by the membership at the IBWA Annual Business Meeting on November 15, 2018.

The Board of Directors voted unanimously to approve Nominating Committee's recommendations.

Technical Committee

The Technical Committee report was presented by Committee Co-Chair Kevin Matthews (Nestlé

Waters North America). The Technical Committee asked the board to approve four revisions in Appendix A of the IBWA Code of Practice for contaminants and SOQs in bottled water. Lynn Wachtmann requested the motion. **It was MOVED and SECONDED, and the MOTION CARRIED.**

A copy of the minutes of the Technical Committee meeting held on Tuesday, June 5, 2018, is available upon request.

The Board of Directors heard and accepted the Technical Committee report.

Government Relations Committee

The Government Relations Committee report was presented by Committee Co-Chairs Derieth Sutton (Niagara Bottling) and Viola Johnson Jacobs (DS Services of America, Inc.). A copy of the minutes of the Government Relations Committee meeting held on Wednesday, June 6, 2018, is available upon request.

The Board of Directors heard and accepted the Government Relations Committee report.

Communications Committee

The Communications Committee report was presented by Committee member Bill Young (Absopure Water Co., Inc.). A copy of the minutes from the Communications Committee meeting held on Tuesday, June 5, 2018, is available upon request.

The Board of Directors heard and accepted the Communications Committee report.

Environmental Sustainability Committee

The Environmental Sustainability Committee report was presented by Committee Co-Chair Jeff Davis (Blackhawk Molding Co.). A copy of the minutes from the Environmental Sustainability Committee meeting held on Tuesday, June 5, 2018, is available upon request.

The Board of Directors heard and accepted the Environmental Sustainability Committee report.

Supplier and Convention Committee

The Supplier and Convention Committee report was presented by Committee Co-Chair Dan Kelly (Polymer Solutions International, Inc.). A copy of the minutes from the Supplier and Convention Committee meeting held on Tuesday, June 5, 2018, is available upon request.

The Board of Directors heard and accepted the Supplier and Convention Committee report.

Education Committee

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The Education Committee report was presented by Glen Davis (Absopure Water Co., Inc.). A copy of the minutes from the Education Committee meeting held on Monday, June 4, 2018, is available upon request.

The Board of Directors heard and accepted the Education Committee report.

Membership Committee

The Membership Committee Report was presented by Co-Chair Marge Eggie (Polymer Solutions International, Inc.). A copy of the minutes from the Membership Committee meeting held on Tuesday, June 5, 2018, is available upon request.

The Board of Directors heard and accepted the Membership Committee report.

State/Regional Associations Committee

The State/Regional Associations Committee Report was presented by Co-Chair Robert Smith (Grand Springs Distribution). A copy of the minutes from the State/Regional Associations Committee meeting held on Monday, June 4, 2018, is available upon request.

The Board of Directors heard and accepted the State/Regional Associations Committee report.

Drinking Water Research Foundation

The Drinking Water Research Foundation (DWRF) report was presented by DWRF Chair Jack West (Safewater Devices, LLC). A copy of the minutes from the DWRF Board of Trustees meeting held on Tuesday, June 5, 2018, is available upon request.

The Board of Directors heard and accepted the DWRF report.

International Council of Bottled Water Associations Report

The International Council of Bottled Water Associations (ICBWA) Report was presented by Annick **Annick Moreau** (Danone Waters Worldwide).

The Board of Directors heard and accepted the ICBWA report.

Old Business

No old business was brought before the Board of Directors for its consideration.

New Business

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No new business was brought before the Board of Directors for its consideration.

Adjournment

There being no further business to come before the Board of Directors, Chairman Lynn Wachtmann requested a motion to adjourn the meeting. **It was MOVED and SECONDED, and the MOTION CARRIED.**