



Huntsville, Alabama

305 Fountain Circle
Huntsville, AL 35801

Cover Memo

Meeting Type: City Council Regular Meeting **Meeting Date:** 7/24/2025

File ID: TMP-5750

Department: Huntsville Utilities

Subject:

Type of Action: Approval/Action

Resolution approving the formation of the North Alabama Public Energy District, a Cooperative District.

Resolution No.

Finance Information:

Account Number: TBD

City Cost Amount: NA

Total Cost: NA

Special Circumstances:

Grant Funded: NA

Grant Title - CFDA or granting Agency: NA

Resolution #: NA

Location: (list below)

Address:

District: District 1 ☐ District 2 ☐ District 3 ☐ District 4 ☐ District 5 ☐

Additional Comments:

RESOLUTION NO. 25-_____

**RESOLUTION APPROVING FORMATION OF
NORTH ALABAMA PUBLIC ENERGY DISTRICT, A COOPERATIVE DISTRICT**

RESOLVED, that the City Council of the City of Huntsville, Alabama, having considered the application of Wes Kelley, Jim Green, Jr., and Braxton Guinn to form North Alabama Public Energy District, A Cooperative District, as a capital improvement cooperative district organized pursuant to Section 11-99B-1, *et seq.*, *Code of Alabama* (1975), as amended; and the Council having considered this matter does hereby declare that it is wise, expedient, and necessary that the proposed district be formed and does further declare that upon approval of this resolution and like resolutions of The Water Works, Sewer and Gas Board of the City of Scottsboro and the City of Athens, the applicants may form North Alabama Public Energy District, A Cooperative District by filing same, along with the required Certificate of Incorporation, with the appropriate authorities.

FURTHER RESOLVED, that the City Council of the City of Huntsville, Alabama, having considered the nomination and recommendation of the Board of Directors of the Huntsville Gas Board, dba Huntsville Utilities, that Wes Kelley serve as the City of Huntsville's initial director on the Board of Directors for the new district, once formed, does hereby ratify and adopt that nomination and appoints Wes Kelley as the City of Huntsville's initial director on the Board of Directors for the new district, once formed.

ADOPTED this the 24th day of July, 2025.

President of the City Council of
the City of Huntsville, Alabama

APPROVED this the 24th day of July, 2025.

Mayor of the City of Huntsville, Alabama

ATTEST: _____
City Clerk of the City of Huntsville, Alabama

STATE OF ALABAMA

COUNTY OF MADISON

I, Shaundrika Edwards, City Clerk for the City of Huntsville, Alabama, do hereby certify that the above is a true, correct, and exact copy of a resolution duly and legally adopted by the City Council of the City of Huntsville, Alabama at a meeting thereof on the 24th day of July, 2025, as taken from the minutes of said meeting.

Witness my hand and official seal on this the 24th day of July, 2025.

City Clerk of the City of Huntsville, Alabama

(OFFICIAL SEAL)

**RESOLUTION RECOMMENDING FORMATION OF
NORTH ALABAMA PUBLIC ENERGY DISTRICT, A COOPERATIVE DISTRICT**

RESOLVED, that the Board of Directors of the Huntsville Gas Board, dba Huntsville Utilities, does hereby recommend that the City Council of the City of Huntsville, Alabama, authorize formation of North Alabama Public Energy District, A Cooperative District, as a capital improvement cooperative district organized pursuant to Section 11-99B-1, *et seq.*, *Code of Alabama* (1975), as amended.

FURTHER RESOLVED, that the Board of Directors of the Huntsville Gas Board, dba Huntsville Utilities, does hereby nominate Wes Kelley to serve as the City of Huntsville's initial director on the Board of Directors for the new district and recommends that the City Council of the City of Huntsville, Alabama, ratify and appoint him to such position.

ADOPTED this the _____ day of _____, 2025.

_____, Chair

ATTEST: _____

STATE OF ALABAMA

COUNTY OF MADISON

I, _____, _____ for the Board of Directors of the Huntsville Gas Board, dba Huntsville Utilities, do hereby certify that the above is a true, correct, and exact copy of a resolution duly and legally adopted by the Board at a meeting thereof on the _____ day of _____, 2025, as taken from the minutes of said meeting.

Witness my hand and official seal on this the _____ day of _____, 2025.

Attesting Officer

STATE OF ALABAMA
COUNTY OF JACKSON

**RESOLUTION APPROVING FORMATION OF
NORTH ALABAMA PUBLIC ENERGY DISTRICT, A COOPERATIVE DISTRICT**

RESOLVED, that the Board of Directors of The Water Works, Sewer and Gas Board of the City of Scottsboro having considered the application of Wes Kelley, Jim Green, Jr., and Braxton Guinn to form North Alabama Public Energy District, A Cooperative District, as a capital improvement cooperative district organized pursuant to Section 11-99B-1, *et seq.*, *Code of Alabama* (1975), as amended; and the Board having considered this matter does hereby declare that it is wise, expedient, and necessary that the proposed district be formed and does further declare that upon approval of this resolution and like resolutions of the City of Huntsville and the City of Athens, the applicants may form North Alabama Public Energy District, A Cooperative District by filing same, along with the required Certificate of Incorporation, with the appropriate authorities.

FURTHER RESOLVED, that the Board of Directors of The Water Works, Sewer and Gas Board of the City of Scottsboro appoints Jim Green, Jr. as its initial director on the Board of Directors for the new district, once formed.

ADOPTED this the _____ day of _____, 2025.

_____, Chair

ATTEST: _____

STATE OF ALABAMA
COUNTY OF JACKSON

I, _____, _____ for The Water Works, Sewer and Gas Board of the City of Scottsboro, do hereby certify that the above is a true, correct, and exact copy of a resolution duly and legally adopted by the Board of Directors of The Water Works, Sewer and Gas Board of the City of Scottsboro at a meeting thereof on the _____ day of _____, 2025, as taken from the minutes of said meeting.

Witness my hand and official seal on this the _____ day of _____, 2025.

Attesting Officer

(OFFICIAL SEAL)

STATE OF ALABAMA
COUNTY OF LIMESTONE

**RESOLUTION APPROVING FORMATION OF
NORTH ALABAMA PUBLIC ENERGY DISTRICT, A COOPERATIVE DISTRICT**

RESOLVED, that the City Council of the City of Athens, Alabama, having considered the application of Wes Kelley, Jim Green, Jr., and Braxton Guinn to form North Alabama Public Energy District, A Cooperative District, as a capital improvement cooperative district organized pursuant to Section 11-99B-1, *et seq.*, *Code of Alabama* (1975), as amended; and the Council having considered this matter does hereby declare that it is wise, expedient, and necessary that the proposed district be formed and does further declare that upon approval of this resolution and like resolutions of The Water Works, Sewer and Gas Board of the City of Scottsboro and the City of Huntsville, the applicants may form North Alabama Public Energy District, A Cooperative District by filing same, along with the required Certificate of Incorporation, with the appropriate authorities.

FURTHER RESOLVED, that the City Council of the City of Athens, Alabama, does hereby appoint Braxton Guinn as the City of Athens’s initial director on the Board of Directors for the new district, once formed.

ADOPTED this the _____ day of _____, 2025.

President of the City Council of
the City of Athens, Alabama

APPROVED this the _____ day of _____, 2025.

Mayor of the City of Athens, Alabama

ATTEST: _____
City Clerk of the City of Athens, Alabama

STATE OF ALABAMA
COUNTY OF LIMESTONE

I, _____, City Clerk for the City of Athens, Alabama, do hereby certify that the above is a true, correct, and exact copy of a resolution duly and legally adopted by the City Council of the City of Athens, Alabama, at a meeting thereof on the _____ day of _____, 2025, as taken from the minutes of said meeting.

Witness my hand and official seal on this the _____ day of _____, 2025.

City Clerk of the City of Athens, Alabama

(OFFICIAL SEAL)

**Application for Authorization to Form North Alabama Public Energy
District, A Cooperative District, organized pursuant to § 11-99B-1, *et seq.*,
Code of Alabama (1975), as amended**

Come now Wes Kelley, Jim Green, Jr., and Braxton Guinn seeking authorization from the City Council of the City of Huntsville (“Huntsville”), the Board of Directors of The Water Works, Sewer and Gas Board of the City of Scottsboro (“Scottsboro WSG”), and the City Council of the City of Athens (“Athens”) to organize a capital improvement cooperative district pursuant to § 11-99B-1, *et seq.*, *Code of Alabama* (1975), as amended, showing as follows:

1. The name of the proposed capital improvement cooperative district is North Alabama Public Energy District, A Cooperative District (hereinafter the “Authority”).
2. The initial members of the Authority shall be Huntsville, Scottsboro WSG, and Athens (the “Members”).
3. The project[s] that the Authority proposes to engage in is to do all things necessary to secure an additional supply of natural gas for the Members, such additional members as may be admitted to the Authority, and surrounding areas in North Alabama served by Members and non-members of the Authority.
4. The area where the Authority proposes to acquire or construct such projects shall consist of the following counties in Alabama: Lauderdale, Limestone, Madison, Jackson, Marshall and Dekalb Counties.
5. The Authority shall be governed by a Board of Directors consisting of no less than three and up to 15 members, per the Certificate of Incorporation. Proportional voting by the directors is contemplated should the contemplated pipeline project of the Authority proceed to the development phase, based on the proportion of the capacity contracted by each Member to the total capacity contracted by all Members.
6. The proposed location of the principal office of the Authority shall be c/o Huntsville Utilities, Huntsville, Alabama 35804.
7. Each applicant hereby certifies that he is a duly qualified elector of either Madison, Jackson, or Limestone County, Alabama.
8. The proposed Certificate of Incorporation for the Authority is attached to this resolution.

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The undersigned applicants do hereby request that the Huntsville City Council, the Board of Directors of The Water Works, Sewer and Gas Board of the City of Scottsboro, and the Athens City Council review the contents of this application and adopt a resolution declaring that it is wise, expedient, and necessary that the proposed district be formed and authorizing the applicants to proceed to form the proposed district by the filing for record of a certificate of incorporation in accordance with the provisions of Section 11-99B-4 *Code of Alabama* (1975), as amended .

Wes Kelley

Date

The undersigned applicants do hereby request that the Huntsville City Council, the Board of Directors of The Water Works, Sewer and Gas Board of the City of Scottsboro, and the Athens City Council review the contents of this application and adopt a resolution declaring that it is wise, expedient, and necessary that the proposed district be formed and authorizing the applicants to proceed to form the proposed district by the filing for record of a certificate of incorporation in accordance with the provisions of Section 11-99B-4 *Code of Alabama* (1975), as amended .

Jim Green, Jr.

Date

The undersigned applicants do hereby request that the Huntsville City Council, the Board of Directors of The Water Works, Sewer and Gas Board of the City of Scottsboro, and the Athens City Council review the contents of this application and adopt a resolution declaring that it is wise, expedient, and necessary that the proposed district be formed and authorizing the applicants to proceed to form the proposed district by the filing for record of a certificate of incorporation in accordance with the provisions of Section 11-99B-4 *Code of Alabama* (1975), as amended .

Braxton Guinn

Date

Certificate Memorializing a Resolution of the Huntsville City Council

The undersigned do hereby certify that the Huntsville City Council did at its regular meeting held on July 23, 2025, adopt a resolution authorizing Wes Kelly, Jim Green, Jr., and Braxton Guinn to form *North Alabama Public Energy District, A Cooperative District*, as a capital improvement cooperative district organized pursuant to §11-99B-1, *et seq.*, *Code of Alabama* (1975), as amended, declaring that it is wise, expedient, and necessary that the proposed district be formed. The resolution authorized the applicants to form the proposed district by filing for record the Certificate of Incorporation in accord with the statute.

Dated this _____ day of _____, 2025.

By: _____
Clerk

Attest: _____

[SEAL of the City of Huntsville]

**Certificate Memorializing a Resolution of The Water Works, Sewer
and Gas Board of the City of Scottsboro**

The undersigned do hereby certify that the board of directors of The Water Works, Sewer and Gas Board of the City of Scottsboro did at its regular meeting held on July 8, 2025, adopt a resolution authorizing Wes Kelley, Jim Green, Jr., and Braxton Guinn to form *North Alabama Public Energy District, A Cooperative District*, as a capital improvement cooperative district organized pursuant to §11-99B-1, *et seq.*, *Code of Alabama* (1975), as amended, declaring that it is wise, expedient, and necessary that the proposed district be formed. The resolution authorized the applicants to form the proposed district by filing for record the Certificate of Incorporation in accord with the statute.

Dated this _____ day of _____, 2025.

By: _____

Attest: _____
Secretary

[SEAL]

Certificate Memorializing a Resolution of the Athens City Council

The undersigned do hereby certify that the Athens City Council did at its regular meeting held on July 14, 2025, adopt a resolution authorizing Wes Kelly, Jim Green, Jr., and Braxton Guinn to form *North Alabama Public Energy District, A Cooperative District*, as a capital improvement cooperative district organized pursuant to §11-99B-1, *et seq.*, *Code of Alabama* (1975), as amended, declaring that it is wise, expedient, and necessary that the proposed district be formed. The resolution authorized the applicants to form the proposed district by filing for record the Certificate of Incorporation in accord with the statute.

Dated this _____ day of _____, 2025.

By: _____
Clerk

Attest: _____

[SEAL of the City of Athens]

CERTIFICATE OF INCORPORATION
OF
NORTH ALABAMA PUBLIC ENERGY DISTRICT,
A COOPERATIVE DISTRICT

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned, in order to form a capital improvement cooperative district as a public corporation under and pursuant to the provisions of § 11-99B-1, *et seq.*, *Code of Alabama* (1975), as amended (the “Act”), do hereby present and file this Certificate of Incorporation.

ARTICLE I

NAME

The name of the corporation shall be North Alabama Public Energy District, a Cooperative District (the “Authority”). Attached hereto as Exhibit “A” and made a part hereof is a certificate by the Secretary of State of the State of Alabama stating that the name proposed for the Authority is not identical to that of any other corporation organized under the laws of the State of Alabama or so nearly similar thereto as to lead to confusion and uncertainty.

ARTICLE II

INCORPORATORS

The names of the persons forming the Authority (the “Incorporators”) are as follows:

Wes Kelley;

Jim Green, Jr.; and

Braxton Guinn.

Each of the Incorporators is a duly qualified elector of either Madison, Jackson, or Limestone County, Alabama.

ARTICLE III

MEMBERS

The authorizing subdivisions are the City of Huntsville, Alabama (“Huntsville”), The Water Works, Sewer and Gas Board of the City of Scottsboro, an Alabama public corporation (“Scottsboro WSG”), and the City of Athens, Alabama (“Athens”). Each is a “Member” and collectively referred to as “Members.”

On the ____ day of _____, 2025, the governing body of Huntsville adopted a resolution approving and authorizing the incorporation of the Authority in accordance with the Act, a certified copy of which is attached hereto as Exhibit “B” and made a part hereof.

On the 8th day of July, 2025, the governing body of Scottsboro WSG adopted a resolution approving and authorizing the incorporation of the Authority in accordance with the Act, a certified copy of which is attached hereto as Exhibit “C” and made a part hereof.

On the 14th day of July, 2025, the governing body of Athens adopted a resolution approving and authorizing the incorporation of the Authority in accordance with the Act, a certified copy of which is attached hereto as Exhibit “D” and made a part hereof.

Acting through the Huntsville Gas Board, d/b/a Huntsville Utilities, Huntsville, Scottsboro WSG, and Athens are all distributors of natural gas to their respective service areas. Thus, Huntsville, Scottsboro WSG, and Athens have an interest in securing reliable, long-term, and economical supplies of natural gas.

New members may be admitted upon the unanimous consent of the Board of Directors and pursuant to § 11-99B-5 *Code of Alabama* (1975), as amended.

ARTICLE IV

PRINCIPAL OFFICE AND POST OFFICE ADDRESS

The location of the principal office of the Authority and its physical address shall be 112 Spragins Street, Huntsville, Alabama 35801. The post office address is

ARTICLE V

DURATION

The duration of the Authority shall be perpetual, subject to the provisions of the Act.

ARTICLE VI

OBJECTS, PURPOSES, AND PROJECTS

The Authority is being incorporated in order to do all things necessary to secure an additional supply of natural gas for the Members, additional members as may be admitted to the Authority, and surrounding areas in North Alabama served by members and non-members of the Authority. Without limiting the generality of the foregoing, the Authority is organized for the following objects and purposes and to pursue the following projects on behalf of the Members:

- a. Building pipelines and related infrastructure;
- b. Securing supplies of natural, manufactured, or artificial gas;
- c. Transporting gas;
- d. Selling gas;
- e. Establishing, through financing, acquisition, construction, and operation, systems for the transportation, purchase, and sale of gas, including, but not limited to, Scottsboro WSG, Athens, and Huntsville;
- f. Engaging in public affairs activities, including, but not limited to, informational, educational, and promotional activities designed to further the accomplishment of the Authority's objects and purposes; and
- g. All other objects and purposes which a public corporation organized under the Act may lawfully pursue.

The Members acknowledge that each of them is separately engaged in the transportation, purchase, and sale of natural gas and will continue to be so engaged in the future. There is no commitment to engage in any or all future transactions involving natural gas through the Authority.

ARTICLE VII

POWERS OF THE AUTHORITY

The Authority shall have each and all of the powers and authority granted to a capital improvement cooperative district pursuant to the Act and as may otherwise now or hereafter be provided by law, and all powers incidental to or necessary to the discharge of those powers.

ARTICLE VIII

BOARD OF DIRECTORS

The initial Board of Directors of the Authority, each of whom shall initially have one vote, shall consist of three members. Subsequently, the Board of Directors shall have no less than three and no more than 15 members, as set forth in the Bylaws of the Authority.

One member shall be appointed by Scottsboro WSG from among the residents of the City of Scottsboro, one member shall be nominated by the Huntsville Gas Utility Board and ratified/appointed by the Huntsville City Council from among the residents of Huntsville, Alabama, and one member shall be appointed by the Athens City Council. It is anticipated that the number of directors, and the appointment thereof, shall be amended at such time as additional members are admitted to the Authority.

Each director shall serve for a term of four years per § 11-99B-6 *Code of Alabama* (1975), as amended.

The Board of Directors shall meet not less than annually.

The directors shall serve without compensation, except that they shall be entitled to reimbursement for actual expenses incurred in and about the performance of their duties on behalf of the Authority.

The Board of Directors shall have and exercise all powers granted to boards of directors under the Act, all powers otherwise authorized by law, and all powers incidental to or necessary to the discharge of those powers.

Should the contemplated pipeline project of the Authority proceed to the development phase, each Member of the Authority shall execute a Capacity Agreement by which such Member contracts capacity for a specified volume of natural gas over the term thereof. Thereafter, voting by the directors shall be proportionate to the capacity contracted by each Member, with the director appointed by each Member having a proportionate vote (the "Members' Voting Shares") according to the following formula:

$$MVS = MC/TC$$

Where:

MVS = Member's Voting Share

MC = Capacity contracted by the Member

TC = Total capacity contracted by all Members.

ARTICLE IX

BYLAWS

The Board of Directors shall adopt Bylaws for the conduct of the affairs of the Authority not inconsistent with applicable law or this Certificate of Incorporation.

ARTICLE X

OFFICERS AND MANAGEMENT

The Board of Directors shall elect from among the directors a Chair, a Vice Chair, and a Secretary of the Authority. The Board of Directors may designate such management as it deems appropriate.

ARTICLE XI

DISTRIBUTION OF NET INCOME/DISSOLUTION

The net income of the Authority, which may be stated as a positive change in net position of the Authority, shall be calculated as soon as practicable after the end of each fiscal year and shall be divided among, distributed to, and paid to the Members in the same shares as the Members' Voting Shares; provided, however, that the Board of Directors of the Authority may, in its discretion, provide for and authorize the payment and distribution to the Members, with respect to the then current fiscal year, of a specified amount less than the net income or positive change in net position for such fiscal year.

Upon dissolution, the property of the Authority, or the proceeds therefrom, shall be apportioned and distributed to the Members in the same manner set forth above for net income to be distributed.

ARTICLE XII

STATEMENT MADE ON THE APPLICATION FILED WITH MEMBERS

The application filed with the governing body of each of the authorizing subdivisions in accordance with § 11-99B-3 *Code of Alabama* (1975), as amended, was identical to the copy thereof attached to this Certificate of Incorporation as Exhibit "E".

ARTICLE XIII

NON-PROFIT

The Authority shall be a non-profit corporation and no part of the net earnings thereof shall inure to the benefit of any private person or entity of any nature whatsoever.

The undersigned incorporators of the Authority, who each make the certification of residency above their respective signature hereon, adopt and execute this Certificate of Incorporation, effective the _____ day of _____, 2025.

Signature Pages Follow

SIGNATURE PAGE

The undersigned does hereby certify that he is a duly qualified elector of Jackson County, Alabama, the county in which Scottsboro WSG is located.

Jim Green, Jr.

STATE OF ALABAMA)
):SS.
COUNTY OF _____)

I, _____, a Notary Public in and for the State of Alabama at large, hereby certify that Jim Green, Jr., whose name as incorporator is signed to the foregoing Certificate of Incorporation of North Alabama Public Energy District, a Cooperative District, and who is known to me, acknowledged before me on this day, that being informed of the contents of the above and foregoing Certificate of Incorporation executed the same voluntarily on the day it is dated.

Given under my hand an official seal this _____ day of _____, 2025.

[SEAL]

Notary Public

My Commission Expires: _____

SIGNATURE PAGE

The undersigned does hereby certify that he is a duly qualified elector of Madison County, Alabama, the county in which the City of Huntsville is located.

Wes Kelley

STATE OF ALABAMA)
):SS.
COUNTY OF _____)

I, _____, a Notary Public in and for the State of Alabama at large, hereby certify that Wes Kelley, whose name as incorporator is signed to the foregoing Certificate of Incorporation of North Alabama Public Energy District, a Cooperative District, and who is known to me, acknowledged before me on this day, that being informed of the contents of the above and foregoing Certificate of Incorporation executed the same voluntarily on the day it is dated.

Given under my hand an official seal this _____ day of _____, 2025.

[SEAL]

Notary Public

My Commission Expires: _____

SIGNATURE PAGE

The undersigned does hereby certify that he is a duly qualified elector of Limestone County, Alabama, the county in which the City of Athens is located.

Braxton Guinn

STATE OF ALABAMA)
):SS.
COUNTY OF _____)

I, _____, a Notary Public in and for the State of Alabama at large, hereby certify that Braxton Guinn, whose name as incorporator is signed to the foregoing Certificate of Incorporation of North Alabama Public Energy District, a Cooperative District, and who is known to me, acknowledged before me on this day, that being informed of the contents of the above and foregoing Certificate of Incorporation executed the same voluntarily on the day it is dated.

Given under my hand an official seal this _____ day of _____, 2025.

[SEAL]

Notary Public

My Commission Expires: _____

EXHIBITS

- A.** Certificate of the Alabama Secretary of State with respect to name.
- B.** Certified copy of the Resolution of the City of Huntsville, Alabama, supported by Resolution of the Huntsville Gas Board, dba Huntsville Utilities.
- C.** Certified copy of the Resolution of Scottsboro WSG.
- D.** Certified copy of the Resolution of the City of Athens, Alabama.
- E.** Certified copy of the Application to Scottsboro WSG, Alabama, the City of Huntsville, Alabama, and the City of Athens, Alabama.

BYLAWS
of
North Alabama Public Energy District, A Cooperative District

(Adopted _____, 2025)

NAME

The name of the corporation is North Alabama Public Energy District, A Cooperative District (the “Authority”).

SEAL

The corporate seal shall have inscribed thereon the name of the Authority and the words “CORPORATE SEAL.”

MEMBERS

1. The Authority initially has three members, being the City of Huntsville, Alabama, The Water Works, Sewer and Gas Board of the City of Scottsboro, an Alabama public corporation, and the City of Athens, Alabama (each a “Member” and collectively, “Members”).
2. New Members may be admitted pursuant to § 11-99B-5 *Code of Alabama* (1975), as amended.

BOARD OF DIRECTORS

1. The property and business of the Authority shall be managed by its Board of Directors, consisting of no less than three and up to 15 members, appointed per the Certificate of Incorporation (the “Board”). Each member of the Board shall serve for a term of office of four years, and shall hold office until his or her successor is appointed and qualified.
2. The Board may hold its meetings and have one or more offices and keep the books of the Authority at such places as it may from time to time determine.
3. In addition to the powers and authorities by these Bylaws expressly conferred upon it, the Board may exercise all such powers of the Authority and do all such lawful acts and things as are not by statute or by the Certificate of Incorporation or by these Bylaws denied to it.
4. The members of the Board shall serve without compensation, except that they shall be reimbursed for all actual expenses incurred by them in and about the performance of their duties hereunder.

MEETINGS OF THE BOARD

1. Regular meetings of the Board may be held at such time and place as shall from time to time be determined by the Board.

2. To the extent allowed by law, special meetings of the Board may be called by the Chair on two days' notice to each member of the Board, and special meetings may be called by any two members of the Board upon two days' notice to each member of the Board.

3. At all meetings of the Board, the presence of members of the Board holding a majority of the Members' Voting Shares, as defined in the Certificate of Incorporation, shall be necessary and sufficient to constitute a quorum for the transaction of business, and the act of the majority of the Members' Voting Shares held by the members of the Board present at any meeting at which there is a quorum shall be the act of the Board, unless an action requires a unanimous vote of the directors under these Bylaws, as may be amended. For purposes of these Bylaws, until the contemplated pipeline project of the Authority proceeds to the development phase and each Member of the Authority has executed a Capacity Agreement by which such Member contracts capacity for a specified volume of natural gas over the term thereof, each member of the Board shall have an equal Members' Voting Share.

4. A director may participate in a meeting of the Board or a meeting of a committee by means of telephone conference, video conference, or other similar communications equipment which allows all persons participating in the meeting to hear each other at the same time (herein "Electronic Communication"), subject to the following rules and conditions:

(a) Participation by Electronic Communication shall constitute presence in person at the meeting for all purposes, except for the establishment of a quorum.

(b) Every meeting shall have one physical location available for persons wishing to be physically present, at which any interested member of the public shall be able to hear all persons who are participating remotely, and that location shall be published in a manner consistent with the Alabama Open Meetings Act.

(c) Should there be an executive session at any meeting, only those Board members who are physically present may participate in the executive session. No Board member may participate by Electronic Communication in an executive session.

(d) When a Board member is participating in a meeting by Electronic Communication, any vote taken shall be by roll call that allows each participant to vote individually in a manner audible to all persons participating or present at the physical location.

(e) No Board member participating by Electronic Communication may claim reimbursement for expenses, including mileage and/or per diem.

OFFICERS

1. The officers of the Authority shall be chosen by the Board at the first meeting of the Board in each fiscal year after the adoption of these Bylaws, and shall consist of a Chair, ViceChair, and a Secretary.

2. The Board may appoint such employees and agents as it may deem necessary, who shall hold their offices for such term and shall exercise such powers and perform such duties as shall be determined from time to time by the Board.

3. The salaries of all employees and agents of the Authority shall be fixed by the Board, or, if delegated thereto, management.

4. The officers of the Authority shall hold office until their successors are chosen and qualified in their stead. Any officer elected or appointed by the Board may be removed at any time by the affirmative vote of a majority of the Members' Voting Shares held by the members of the Board present at any meeting at which there is a quorum.

5. In case of the absence of any officer of the Authority, or for any other reason that the Board may deem sufficient, the Board may delegate, for the time being, the powers and duties, or any of them, of such officer, to any other officer, provided that a majority of the Members' Voting Shares held by the members of the Board present at any meeting at which there is a quorum concur therein. The duties of each officer are:

CHAIR - The Chair shall be the Chair of the Board and shall preside at all meetings of the Board and see that all orders and recommendations of the Board are carried into effect. The Chair shall execute all bonds and like obligations of the Authority.

VICE CHAIR - The Vice Chair shall have the same powers and duties as the Chair except that the Vice Chair shall preside at meetings of the Board only in the absence of the Chair. The signature of either the Vice Chair or the Chair on bonds and like obligations of the Authority shall be sufficient.

SECRETARY - The Secretary shall attend all sessions of the Board and record the minutes of all proceedings thereof in a book to be kept for that purpose. The Secretary shall give, or cause to be given, notice of all meetings of the Board; shall keep in safe custody the seal of the Authority, and, when authorized by the Board, shall affix the same to any instrument requiring it, and shall attest it. The Secretary shall perform such other duties as may be prescribed by the Board.

COMMITTEES

The Board may from time to time appoint, change, amend, or disband such committees of the Board as it sees fit. All committees may meet from time to time at such times as the committee Chair shall designate. The committees of the Board, their role, and their membership are as follows:

EXECUTIVE COMMITTEE – The Executive Committee shall have such authority as the Board shall from time to time assign to it, which authority shall include, when permitted by law, such matters as may be delegated by the Board to the Executive Committee. In addition, the Executive Committee may provide guidance and recommendations to management of the Authority between meetings of the Board. The Executive Committee shall consist of the Chair, Vice Chair, and, so long as he or she remains a member of the Board, the immediate past Chair.

AUDIT COMMITTEE – The Audit Committee shall generally oversee financial reporting and disclosure matters for the Authority, shall oversee and make recommendations to the Board regarding the engagement of the external auditor, shall receive the report of the external auditor and present same to the Board. The Audit Committee shall be appointed by the Chair from members of the Board who are independent of the management of the Authority and free of relationships which would, in the opinion of the Board, interfere with the exercise of independent judgment. Committee members shall be appointed from time to time and the Chair shall serve as ex-officio member of the committee.

NOMINATING COMMITTEE – The Nominating Committee shall nominate officers of the Authority. The Nominating Committee shall be appointed by the Chair.

INDEMNIFICATION OVERSIGHT COMMITTEE – The Indemnification Oversight Committee shall oversee matters wherein the Authority is obligated or requested to provide an indemnity and to make recommendations to the Board from time to time. The Indemnity Oversight Committee shall be composed of the Chair, the Vice Chair, and may be advised by one or more advisors appointed by the Chair of the Board from time to time.

OTHER COMMITTEES - The Authority shall have such other committees as may from time to time be designated by resolution of the Board. Such other committees may consist of persons who are not also members of the Board. These additional committees shall act in an advisory capacity only to the Board and shall be clearly titled as “advisory” committees.

CHECKS

All checks or demands for money or notes of the Authority shall be signed by such officer or officers, or representative(s) of management, as the Board may from time to time designate.

NOTICES

1. Whenever under the provisions of these Bylaws notice is required to be given to any Member or director, such notice may be given by e-mail, ordinary first-class mail, fax, personal delivery, or by any other means deemed to effectively notify the Member or director.

2. Any Member or director may waive any notice required to be given under these Bylaws, either before or after the meeting of which notice is required to be given.

INDEMNIFICATION

The Authority shall indemnify, defend, and hold harmless any director, officer, or employee (and any former director, officer, or employee) made a party to any lawsuit,

administrative hearing or proceeding, criminal trial, investigation, mediation, arbitration, or other adversarial process because he or she is or was a director, officer, or employee of the Authority, from and against any liability, loss, expense, or other expenditure incurred with respect to such proceeding if:

- (a) the individual conducted himself or herself in good faith; and
- (b) the individual reasonably believed,
 - i. in the case of conduct in his or her official capacity as a director, officer, or employee of the Authority, that the conduct was in the Authority's best interests; and
 - ii. in all other cases, that the conduct was at least not opposed to the Authority's best interests; and
- (c) in the case of any criminal proceeding, the individual had no reasonable cause to believe that his or her conduct was unlawful.

The termination of a proceeding by judgment, order, settlement, conviction, or upon a plea of *nolo contendere* or its equivalent is not, of itself, determinative that the director, officer, or employee did not meet the standard of conduct described in this indemnification section.

Irrespective of anything else to the contrary in these Bylaws, the Authority shall not indemnify any person in connection with a proceeding by or in the name of the Authority in which the director, officer, or employee was adjudged liable to the Authority, or in connection with any other proceeding charging improper personal benefit to the director, officer, or employee, whether or not involving action in his or her official capacity, in which the director, officer, or employee was adjudged liable on the basis that personal benefit was improperly received by him or her.

The Authority shall indemnify any director, officer, or employee (or any former director, officer, or employee) who was successful, on the merits or otherwise, in the defense of any proceeding, or of any claim, issue, or matter in such proceeding, where he or she was a party because he or she is or was a director, officer, or employee of the Authority, against reasonable expenses incurred in connection therewith, notwithstanding that he or she was not successful on any other claim, issue, or matter in any such proceeding.

INSURANCE

The Authority shall have the power to purchase and maintain insurance on behalf of any person who is or was an officer, director, employee, or agent of the Authority or is or was serving at the request of the Authority as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, against any liability asserted against him or her and incurred by him or her in any such capacity or arising out of his or her status as such, whether or not the Authority would have the power to indemnify him or her against such liability under the provisions of these Bylaws.

The Authority shall also have the power to purchase and maintain insurance on its own behalf, insuring the Authority against all losses, liabilities, and other expenditures resulting from the action (or inaction) of any director or officer, former director or officer, employee, or agent of the Authority.

FISCAL YEAR

The fiscal year of the Authority shall end on September 30 of each year.

PUBLIC PURPOSE

1. The Authority is a public corporation of the State of Alabama and has been organized for the purposes set forth in its Certificate of Incorporation, including the public purpose of acquiring secure, reliable, and adequate supplies of natural gas for sale on a wholesale basis to Members of the Authority and other governmentally-owned purchasers, and thereby achieving cost savings, economies of scale, and reliability of supply.

2. The Authority shall engage only in activities that are essentially public in character and that are consistent with the purposes for which the Authority was organized as provided in its Certificate of Incorporation.

3. The property, assets, and income of the Authority shall not inure to the benefit of any private person or private corporation. No earnings of the Authority may inure to the benefit of any person other than the Members.

4. No director or officer of the Authority shall have any right, title, or interest in or to any property, assets, or income of the Authority.

NO LIABILITY

1. None of the Members nor the members of their respective governing body or their officers shall be individually liable upon any indebtedness or liability incurred by the Authority.

2. No member of the Board or officer of the Authority shall be individually liable upon any indebtedness or liability incurred by the Authority.

MAINTENANCE OF SEPARATE LEGAL STATUS

The Authority shall:

1. do or cause to be done all things necessary to preserve and keep in full force and effect its existence, rights, and franchises, observe all corporate formalities that are necessary to preserve its separate existence, and comply with all the terms and provisions contained in the Authority's Certificate of Incorporation and these Bylaws;

2. not make any loans or advances to, or acquire obligations or securities of an Affiliate, being defined as any Member and any governmental body which authorized the creation

of a Member, except upon commercially reasonable terms and conditions that are comparable to those of an arms-length basis with unrelated third parties;

3. not assume or guarantee or become obligated for the debts of any Affiliate or any other person, and not hold out itself or its credit or assets as being available to satisfy the obligations of any Affiliate or any other person;

4. not take any action that might reasonably cause the Authority not to remain solvent and pay its debts and liabilities from the Authority's assets and income;

5. employ or contract for the services of such number of management and operating personnel as shall be sufficient for the businesslike operation of the Authority, and compensate such personnel and its consultants and agents from the Authority's own funds;

6. maintain all of its books, records, financial statements, and bank accounts separate from those of any Affiliate or any other person, and in compliance with the requirements of all financing transactions entered into by the Authority;

7. not take any action that may reasonably cause the assets of the Authority to be included in the consolidated financial statements of any Affiliate;

8. hold itself out and identify itself as a separate and distinct entity under its own name and not fail to correct any known misunderstanding regarding the separate identity of the Authority;

9. maintain and use separate stationery, invoices, and checks bearing its name and not bearing the name of any other entity, unless such entity is clearly designated as being the agent of the Authority;

10. not commingle its funds or assets with those of any Affiliate or any other person and not hold assets other than in its own name;

11. maintain its assets in such a manner that it will not be costly or difficult to segregate, ascertain, or identify its individual assets from those of any other person; and

12. maintain its bank accounts separate from those of any other person and not permit any Affiliate independent access to its bank accounts.

AMENDMENTS

These Bylaws may be altered or amended by the affirmative vote of a majority of the Members' Voting Shares held by the members of the Board present at any regular meeting at which there is a quorum, or at any special meeting of the Board, if notice of the proposed alteration or amendment be contained in the notice of such special meeting.

OTHER

All personal pronouns used in this document shall include all genders, whether used in the masculine, feminine, or neutral gender. Singular nouns and pronouns shall include the plural, as may be appropriate, and vice versa.

Signature Pages Follow

Adopted this the _____ day of _____, 2025.

Chair

Secretary