

CLAYTON COUNTY WATER AUTHORITY
Regular Board Meeting
September 7, 2023

MINUTES

Present at the meeting were: Chairman Dr. Cephus Jackson, Vice Chair Marie Barber (absent for Sections I.A. and I.B. of the Agenda), Secretary/Treasurer P. Michael Thomas, Board Member John Chafin, Board Member Rodney Givens, Board Member Robin Malone, Board Member Emma Godbee, Chief Executive Officer H. Bernard Franks, Chief Administrative Officer Teresa Worley, Legal Counsel Winston Denmark, Executive Coordinator Rhonda Maxwell, and other Clayton County Water Authority ("CCWA") staff, and visitors. Absent: Chief Operating Officer Keisha Thorpe.

Invocation

Chairman Dr. Cephus Jackson introduced Water Production Plant Operator Stephen Gibbs to perform the invocation.

Adoption of Agenda

UPON MOTION by Board Member Robin Malone, and second by Board Member Rodney Givens, it was unanimously

RESOLVED to approve the Agenda as presented.

Approval of Minutes

Board Chairman Dr. Cephus Jackson called for the approval of, or any proposed revisions to, the Minutes of the Regular Board Meeting held on August 3, 2023.

UPON MOTION by Board Member Robin Malone, and second by Board Member Rodney Givens, it was unanimously

RESOLVED to approve the Minutes from the Regular Board Meeting held on August 3, 2023, as presented.

Board Chairman Dr. Cephus Jackson called for the approval of, or any proposed revisions to, the Minutes of the Regular Board Meeting held on August 17, 2023.

UPON MOTION by Secretary/Treasurer P. Michael Thomas, and second by Board Member Robin Malone, it was unanimously

RESOLVED to approve the Minutes from the Regular Board Meeting held on August 17, 2023, as presented.

Financial and Statistical Reports

Chief Financial Officer Allison Halron reviewed the financial information distributed to the Board for the period ending July 31, 2023. Information only, no action taken.

Recognitions

Chief Human Resources Officer Anquilla Henderson shared that Clayton County Water Authority (CCWA) was named one of the *Atlanta Business Chronicle's* 2023 Healthiest Employers.

Communications Director Suzanne Brown recognized Conservation Supervisor Danielle Bunch and the Newman Wetlands Center staff for receiving the Clayton County Tourism Authority Grant in the amount of \$50,000.00.

New Business

Water Meter Installations and Service Renewals

Distribution & Conveyance Director Lamar Hamlin presented the Water Meter Installations and Service Renewals Recommendation.

Clayton County Water Authority issued a Request for Bid (RFB) for an Annual Contract for Water Meter Installations and Service Renewals. This contract will provide services for water meter installations, water service line renewals, water meter and appurtenances relocations, and backflow retrofitting for the period October 1, 2023 – September 30, 2024.

The Distribution and Conveyance Department will manage and issue work under this contract on an “as-needed”, “when-needed” basis and the vendor will be paid per unit prices as reflected on their bid schedule. CCWA does not guarantee any minimum or maximum work quantities under this contract.

Vendor	Total Bid Amount	SLBE Discount Percentage	SLBE Bid Discount Total (Evaluation Only)

Metals and Materials Engineers, LLC	\$450,506.00	7.5%	\$416,718.05
The Corbett Group, LLC	\$456,625.00	7.5%	\$422,378.13
Jewel of the South	\$478,790.00 \$442,880.75	7.5%	
Willie McCune dba Wet Willie Irrigation	\$659,574.00	7.5%	\$610,105.95

A total of four bidders – Metals and Materials Engineers, LLC, The Corbett Group, LLC, Jewel of the South, and Willie McCune dba Wet Willie Irrigation responded to the RFB.

All Vendors received an SLBE Discount of 7.5% in which their bids were evaluated upon.

Recommendation:

CCWA staff recommended: (1) Awarding the Water Meter Installations and Service Renewals Annual Contract to Metals and Materials Engineers, LLC, the lowest responsive responsible bidder based on the unit prices as shown on the attached, and (2) Authorizing the Chief Executive Officer to sign the contract contingent upon the bidder meeting risk management requirements and executing the contract. This agreement may be renewed by mutual consent of all parties for a second and third year.

UPON MOTION by Board Member John Chafin, second by Vice Chair Marie Barber, it was unanimously

RESOLVED to: (1) Award the Water Meter Installations and Service Renewals Annual Contract to Metals and Materials Engineers, LLC, the lowest responsive responsible bidder based on the unit prices as shown on the attached, (2) Authorize the Chief Executive Officer to sign the contract contingent upon the bidder meeting risk

management requirements and executing the contract, and (3) Allow the agreement to be renewed by mutual consent of all parties for a second and third year.

Hooper and Hicks HVAC Replacement Recommendation

Water Production Director Coty McDaniel presented the Hooper and Hicks HVAC Replacement Recommendation.

The Hicks and Hooper Water Production Plants have multiple HVAC units that are in need of replacement. Due to the increased corrected maintenance on these units and the age of the units, CCWA has decided to move forward with replacement of the units listed below:

- **Hooper Admin Building- (4) Units**

- (2) 5-ton Units
- (1) 3-ton unit
- (1) 4-ton unit

- **Hooper HSPS- (2) Units**

- (1) 20-ton- Cooling only Pkg Unit
- (1) 50-ton- Pkg Commercial Rooftop Unit



- **Hicks Admin Building- (2) units**

- (2) 25-ton- Pkg Rooftop unit

For the replacement of these HVAC's, CCWA will be using the OMNIA Cooperative Purchasing contract #3341 with Trane U.S. Inc. Trane's scope of service will include:

- Lock out / tag out (8) RTUs.
- Recover refrigerant per EPA guidelines.
- Disconnect electrical and controls connections.
- Provide crane/trailers to remove/add the HVAC Units
- Haul off and dispose of old units.
- Reconnect electrical connections and condensate lines.
- Land existing control wire to new Lontalk boards.
- Program new boards into existing controls.
- Remove lock out / tag out.
- Startup equipment and verify proper operation of all units
- Upgrade controls at Hooper

*All units will come with a 1-year warranty.

RECOMMENDED COST:

LOCATION	# of Units	TOTAL COST
Hooper WPP	6	\$253,876.58
Hicks WPP	2	\$76,788.92
Total		\$330,665.50

*Amount budgeted \$334,000

Recommendation:

CCWA staff recommended awarding Trane U.S. Inc. in an amount not to exceed \$330,665.50 for the replacement of the eight (8) HVAC units listed above, under the OMNIA Cooperative Purchasing Contract #3341.

UPON MOTION by Board Member Robin Malone, second by Secretary/Treasurer P. Michael Thomas, it was unanimously

RESOLVED to award Trane U.S. Inc. in an amount not to exceed \$330,665.50 for the replacement of six (6) HVAC units for the Hooper Water Production Plant and two (2) HVAC units for the Hicks Water Production Plant under the OMNIA Cooperative Purchasing Contract #3341.

Air Products-Liquid Oxygen Contract Recommendation

Water Production Director Coty McDaniel presented the Air Products-Liquid Oxygen Contract Recommendation.

In early 2010, Clayton County Water Authority completed the last site of the Huie Wetlands (Site A). With the Wetlands addition, this allows CCWA to recycle up to 17.4MGD back into the Shamrock and Blalock Reservoirs. Hence, this innovative idea has allowed CCWA to combat drought events throughout the years. However, due to the high phosphorus loading from the wetlands this has caused some water quality issues in these reservoirs. The phosphorus enhanced the growth of algae. With these issues arising,

CCWA noticed higher algae blooms during the summer months and a higher organic loading from the Blalock Reservoir at the Hicks Plant. This resulted in decreased flows from the Blalock Reservoir feeding the Hicks WPP. During this time, CCWA began to experience more and more taste and odor issues due to the algae formation.

In 2016, CCWA started to address this issue by working towards adding a reservoir management system. In October of 2017, CCWA experienced one of the biggest taste and odor events in its history. During this event, CCWA had to shut off its flow from



its largest water Plant (W.J. Hooper) and it was unable to pull Blalock water to feed the Hicks WPP. CCWA also purchased water to meet demands from other utilities during this time. After this event, CCWA expedited all attempts to address water quality at its' Shamrock, Blalock, and Hooper Reservoirs. By August 2019, CCWA came online with the Liquid Oxygen System at Shamrock and Blalock Reservoirs and an aeration system at the Hooper reservoir.

CCWA's reservoirs were stratified, which means the water body was separated into different water columns. The problem with this is the combination of low oxygen at the lower water column and high nutrients causes release of total Phosphorus, Iron, and Manganese. This environment encourages algae growth, potentially leading to taste and odor events. By adding oxygen systems, this allows for the entire water column to stay mixed throughout the year. CCWA, is now able to maintain the oxygen levels within its reservoirs.

In 2018, CCWA issued a (3-year with a choice to renew 2 more additional years) contract with Air Products and Chemicals inc. for the Liquid Oxygen (LOX) supply, equipment rental, and equipment installation. This contract is set to expire September 10, 2023. Due to Air Products equipment already onsite and to continue air supply to the reservoirs, CCWA has sole sourced Air Products for its Liquid Oxygen Purchase and equipment rental.

Since this chemical is fed based on conditions of the reservoirs, the usage changes every year. Over the past five years the cost has fluctuated between \$85,000 to \$150,000 with the tank rental charges included. Air Products will have the right to adjust prices at a max of 3% per year over the new 3-year contract. The unit prices are outlined below:

Contract Unit Prices

TANK RENTAL	LOX PRICE	ESTIMATED COST
(2022-2023) \$901.25/Month	(2022-2023) \$0.345/CCF	\$114,315*
(New) \$928.00/Month	(New) \$0.380/CCF	\$125,136*

*figures based on total usage being 300,000 CCF per year

Recommendation:

CCWA staff recommended: (1) Awarding the contract to supply Liquid Oxygen and the equipment rental at the unit prices outlined above to the sole source vendor Air Products and Chemicals Inc., and (2) Authorization for the Chief Executive Officer to sign the contract.

UPON MOTION by Board Member Rodney Givens, second by Vice Chair Marie Barber, it was unanimously

RESOLVED to: (1) Award the contract to supply Liquid Oxygen and the equipment rental at the unit prices outlined above to the sole source vendor Air Products and Chemicals Inc., and (2) Authorize the Chief Executive Officer to sign the contract.

Advanced Drinking Water Treatment & Hicks WPP Expansion – Owner Advisor Engineering Support Recommendation

Engineering Director Kelly Taylor presented the Advanced Drinking Water Treatment & Hicks WPP Expansion – Owner Advisor Engineering Support Recommendation.

As part of the 2015 Strategic Master Plan Update, CCWA began evaluating our facilities with the purpose of determining, long-term, the most appropriate configuration of water and wastewater treatment facilities. This Facility Evaluation was updated in 2020, and CCWA has been completing projects since then to determine where additional treatment capacity should be added. Through these projects, CCWA determined that the J.W. Smith Water Production Plant (WPP) should ultimately be decommissioned, and additional capacity should be added at the Terry R. Hicks WPP site. Additionally, the U.S. Environmental Protection Agency (USEPA) issued a Draft Rule for PFAS in March 2023 that proposes significantly lower levels of specific PFAS compounds in finished water.

CCWA will have three to five years to be in compliance with the rule, once the Final Rule for PFAS is issued by the USEPA.

To meet our future potable water needs and to prepare for compliance with these new federal regulations, CCWA plans to add a new WPP adjacent to the Hicks WPP facility that will initially replace the Smith WPP and ultimately be expanded to replace the current Hicks WPP. The new WPP will ultimately provide treatment capacity to replace the treatment capacity provided by these two existing WPPs, as well as provide additional treatment capacity to meet projected increases in water demands. The new WPP and existing Hicks WPP will include an advanced treatment process capable of removing PFAS to comply with new regulations being promulgated by USEPA. Additionally, CCWA plans to install an advanced PFAS treatment process at its Hooper WPP. CCWA intends to use a progressive design-build (PDB) delivery model for the design and construction of the new WPP facility and for PFAS treatment at the existing Hicks and Hooper WPPs. Under this method, CCWA will have a single contract with a Design-Builder and will also have a contract with an Owner Advisor providing guidance throughout the procurement and lifecycle of the project.

The Board of Directors approved a task order for Hazen to provide Procurement Support for this project at the August 2023 Board Meeting. The purpose of this Task Order is to assist CCWA in developing and documenting the Engineering Concepts that will need to be included in the RFP:

- **Task 1 – Project Definition Workshops.** A series of workshops are anticipated to help define the project in sufficient detail to document the project in a Basis of Design Report (BODR) that will be included in the RFP. Potential workshops include: (1) Kickoff Meeting, Project Requirements, and Objectives; (2) Technology Selection Workshops; (3) Site Layout and Treatment Configuration; (4) Support Discipline Design Concepts; and (5) Miscellaneous (MOPO, construction sequence, etc.)
- **Task 2 – Site Visits.** This task allows for site visits of nearby treatment facilities to observe processes under consideration and obtain feedback from utility management and operators about their facilities.
- **Task 3 – Field Services.** This task allows for site walks of the project sites to perform preliminary evaluation of site sustainability and potential environmental conditions that may impact the project. Desktop reviews of the project area could include a review of the National Wetlands Inventory data and Natural Resources

Conservation Service on-line Web Soil Survey. These services will be conducted to help understand and anticipate environmental permitting requirements as well as ensure key site features are communicated in the BODR.

- **Task 4 – Basis of Design Report.** Hazen will review historical raw water quality data, chemical feed data, flow data, and finished water quality data. The work produced in Tasks 1-3 will be utilized, in combination with two workshops, to develop a BODR to include in the RFP. The BODR is expected to include existing conditions, general layout, process flow diagrams, new water plant process evaluations, preliminary design criteria, sequencing constraints, permitting requirements, anticipated project schedule, etc.

Recommendation:

CCWA staff recommended: (1) Awarding Task Order HS-RE-23-06 to Hazen & Sawyer in the amount not to exceed \$177,500 for the Advanced Drinking Water Treatment and Hicks WPP Expansion Owner Advisor – Engineering Support Task Order and (2) Authorization for the Chief Executive Officer to execute the Task Order.

UPON MOTION by Secretary/Treasurer P. Michael Thomas, second by Board Member Robin Malone, it was unanimously

RESOLVED to: (1) Award the Advanced Drinking Water Treatment & Hicks Water Production Plant Expansion – Owner Advisor Engineering Support Task Order to Hazen & Sawyer in the amount not to exceed \$177,500, and (2) Authorize the Chief Executive Officer to execute the Task Order.

Financial Advisor Recommendation

Chief Financial Officer Allison Halron presented the Financial Advisor Recommendation.

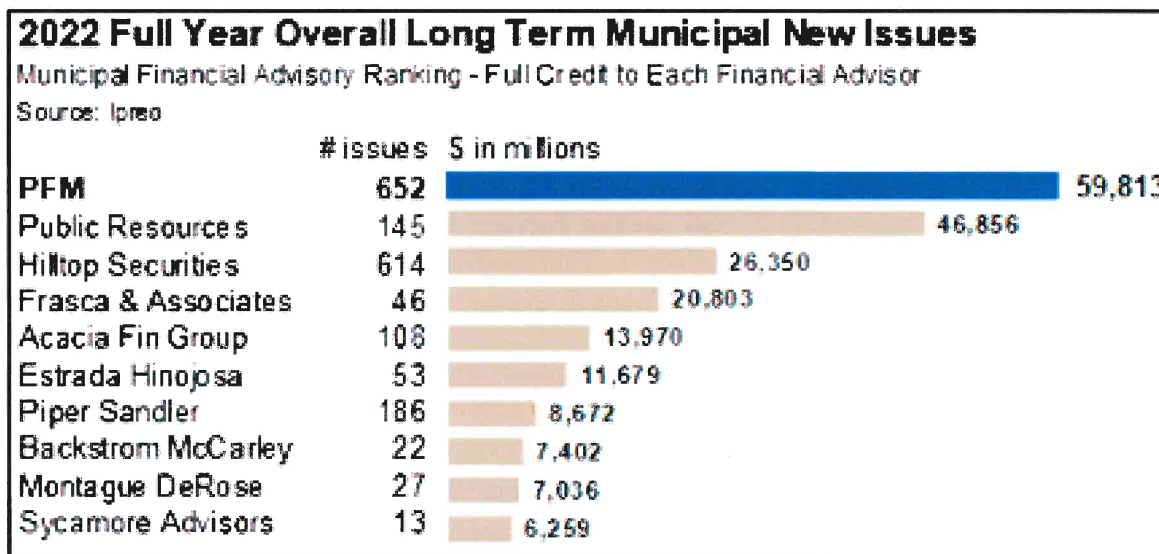
In preparation for securing debt financing for the construction of the Advanced Drinking Water Treatment and Hicks Water Production Expansion project, the Authority is seeking the professional services of a financial (municipal) advisor. The primary role of the financial advisor is to provide advice and support on the structure and sale of bonds or debt instruments with the goal of obtaining the lowest cost to the issuer.

Of the various services offered by financial advisors, CCWA will be focused on assistance with debt management and bond pricing optimization, long-term debt service planning, capital or debt structure, and rating agency and credit strategy. These services assist the Authority in the design, implementation, negotiation and timing of the sale of the bonds to receive the lowest cost possible.

The selection process included the experience of financial advisory firms in areas critical to CCWA that included municipal or public market expertise, industry experience, Georgia state and local government experience, and experience with Water Infrastructure Finance and Infrastructure Act (WIFIA) federal loan program.

PFM stood out as the top financial advisor across all areas considered.

Municipal or Public Market Experience: PFM does more bond work for municipal issues than any other financial advisory firm. It has been ranked first in this category for over 20 years in both number of transactions and in dollar amount of transactions.



PFM does more bond work than Financial Advisory Firms and/or Underwriting firms including work done by the top Wall Street firms.

2022 Full Year Overall Long Term Municipal New Issues

PFM vs. Underwriter

Municipal Financial Advisory vs Underwriter Ranking

Full Credit to Each Financial Advisor; True Economics to Each Bookrunner

Source: IPREO

	# issues	\$ in millions
PFM	652	59,813
BoFA Securities	284	47,275
JP Morgan	325	43,649
Citigroup	168	32,409
Morgan Stanley	218	27,887
Wells Fargo Corp	167	23,992
RBC Capital Mkts	349	22,534
Jefferies	251	20,574
Barclays Capital	76	18,751
Goldman Sachs	70	17,980

Water and Wastewater Utility Experience: PFM had the most water utility transactions in the previous 5 years¹. PFM Financial Advisor Representative Client List is below²:

- Austin Water and Wastewater Utility (TX)
- Baltimore Water and Wastewater (MD)
- City of New Orleans, Water & Sewerage Board (LA)
- Clark County Water Reclamation District (NV)
- Contra Costa Water District (CA)
- DC Water and Sewer Authority (DC)
- Erie County Water Authority (NY)
- Fairfax County Integrated Sewer System (VA)
- Fairfax County Water Authority (VA)
- Great Lakes Water Authority (MI)
- Hampton Roads Sanitation District (VA)
- Kansas City Water Department (MO)
- Las Vegas Valley Water District (NV)
- Los Angeles Department of Water & Power (CA)
- Maryland Water Quality Administration (MD)
- Metropolitan Sewer District of Greater Cincinnati (OH)
- Metropolitan St. Louis Sewer District (MO)
- Nassau Sewer and Storm Water Finance Authority (NY)
- New Jersey Water Supply Authority (NJ)
- Oklahoma City Water Utility Trust (OK)
- Passaic Valley Sewerage Commission (NJ)
- Portland, Bureau of Environmental Services (OR)
- Philadelphia Water Department (PA)
- San Antonio Water System (TX)
- San Diego County Water Authority (CA)

¹ Source: IPREO data as of December 31, 2022

² Client lists presented in PFM's proposal and interview materials are provided for informational purposes only and do not constitute an endorsement or testimonial by clients listed of services provided by PFM's financial advisory business.

Water Infrastructure Finance and Infrastructure Act (WIFIA) loans: Since WIFIA's program inception in 2017, PFM has advised clients on 44 loans and/or applications totaling over \$7.5 billion.

State of Georgia: PFM has been serving state and local governments in Georgia since the early 1980's and has had an office in Atlanta, GA since 1984. Some clients include: Atlanta Public Schools, City of Alpharetta, Cobb County, Georgia Institute of Technology, Gwinnett County, City of Savannah, Metropolitan Atlanta Rapid Transit Authority (MARTA), Morehouse College, Morehouse School of Medicine, Municipal Electric Authority of Georgia, Municipal Gas Authority of Georgia, and Spelman College.

Debt Transaction Service Fees for PFM are listed as follows: These fees will be paid for out of debt proceeds. All fees and pricing subject to a 3% annual escalation.

Publicly Sold Revenue Bonds:

- \$125,000 for debt transaction services for each bond transaction principal amount \$200,000,000 or less.
- \$175,000 for debt transaction services for each bond transaction principal amount greater than \$200,000,000.

Privately Placed Revenue Bonds (*includes WIFIA Loans*)

- \$125,000 for debt transaction services for each bond transaction principal amount \$200,000,000 or less.
- \$175,000 for debt transaction services for each bond transaction principal amount greater than \$200,000,000.

Additional Financial Advisory Services Fees for PFM are listed as follows: These fees will be paid out of the annual operating budgets. All fees and pricing subject to a 3% annual escalation.

Quarterly Retainer of \$12,500. This assumes an average of 35-40 hours of work each quarter.

- CCWA and PFM agree to review the work provided under the quarterly retainer and with mutual consent may adjust the quarterly retainer amount on a going forward basis.
- CCWA, at its discretion can change from a quarterly retainer to hourly fees in accordance with the hourly rates.

Hourly Billing - CCWA may elect at its option to utilize hourly billing for specific projects that fall outside the scope of a debt transaction at the rate schedule below.

Title	Hourly Rate
Managing Director	\$425
Director	\$425
Sr. Managing Consultant	\$350
Sr. Analyst	\$300
Analyst	\$275

Recommendation:

CCWA staff recommends awarding PFM a contract for Financial Advisory Services based on experience targeted to CCWA needs and the firm's independence for a term of 3 years with an annual renewal option for 12 months for each of the following two years. Staff also requests authorization for the Chief Executive Officer to execute the contract with pricing terms as presented:

Debt Transaction Services:

- \$125,000 for debt transaction services for each bond or WIFIA loan transaction principal amount \$200,000,000 or less.
- \$175,000 for debt transaction services for each bond or WIFIA loan transaction principal amount greater than \$200,000,000.

Additional Financial Services:

\$12,500 paid by quarterly retainer or hourly fee schedule, as needed.

UPON MOTION by Secretary/Treasurer P. Michael Thomas, second by Vice Chair Marie Barber, it was unanimously

RESOLVED to: (1) Award the contract for Financial Advisory Services to PFM for a term of 3 years with an annual renewal option for 12 months for each of the following two years, and (2) Authorize the Chief Executive Officer to execute the contract with pricing terms as presented:

Debt Transaction Services:

- \$125,000 for debt transaction services for each bond or WIFIA loan transaction principal amount \$200,000,000 or less.

- \$175,000 for debt transaction services for each bond or WIFIA loan transaction principal amount greater than \$200,000,000.

Additional Financial Services:

\$12,500 paid by quarterly retainer or hourly fee schedule, as needed.

Board Code of Conduct and Ethics Policy Recommendation

Board Secretary/Treasurer P. Michael Thomas presented the status of the Board Code of Conduct and Ethics Policy Recommendation.

UPON MOTION by Board Member Rodney Givens, second by Board Member Robin Malone, it was unanimously

RESOLVED to table the discussion for the Board Code of Conduct and Ethics Policy until the October 2023 Board Meeting.

Updates from the Board Members and Chief Executive Officer

General Counsel Julius Tolbert provided an update on Loop Property. Information only. No action taken.

Chief Executive Officer H. Bernard Franks provided an update on the upcoming Water Environment Federation (WEF)'s 2023 WEFTEC Conference on September 30, 2023 thru October 4, 2023. Information only. No action taken.

Chief Executive Officer H. Bernard Franks provided an update on an interview given to *The Atlanta Journal-Constitution* (AJC) regarding per- and polyfluoropolymer (PFAS) levels in water. Information only. No action taken.

Adjourn

UPON MOTION by Vice Chair Marie Barber, and second by Secretary/Treasurer P. Michael Thomas Board, it was unanimously

RESOLVED to adjourn the Board Meeting at 3:06 p.m., there being no further business to come before the Board of Directors.

A handwritten signature in black ink, appearing to be 'C. Jackson', written over a horizontal line.

Dr. Cephus Jackson, Chairman

A handwritten signature in black ink, appearing to be 'P. Michael Thomas', written over a horizontal line.

P. Michael Thomas, Secretary/Treasurer

