

*Serving our Community
Protecting the Environment*

October 19, 2020

Due to the Centers for Disease Control and Prevention declaring Corona Virus Disease 2019 (COVID-19) a health emergency and pandemic, the Governor has issued a Statewide Executive Order to Shelter in Place. In accordance, this Board may alternatively utilize virtual meetings during the period of emergency in accordance with O.C.G.A. 50-14-1(g).

The regular monthly meeting of the Board of Water Commissioners of Columbus, Georgia was held as a virtual meeting due to the COVID-19 virus. It was held on Monday, October 19, 2020, at 1:30 p.m. Chairman Reynolds Bickerstaff took the roll call and the following Commissioners were present:

Reynolds Bickerstaff, Chairman
Sanders Griffith, Vice Chairman
Becky Rumer
Rodney Close
Mayor Skip Henderson

Receipt of the Minutes from the regular meeting on August 10, 2020, were presented to the Board. Motion was made by Becky Rumer and seconded by Rodney Close to approve the Minutes as written. Motion carried.

President Davis recognized the following employees on their retirements:

- Angela I. Pope worked as an Accounting Clerk in the Financial Services Department and Customer Service for 30 years
- Ricky C. Brown worked as an Apprentice at the North Columbus Water Resource Facility for nine years

The following Resolutions were provided to the Retirees:

A Resolution

Whereas, Angela I. Pope, has been an employee of the Columbus Board of Water Commissioners since April, 1990 is retiring; and,

Whereas, Angela I. Pope, has served in the capacity of Accounting Clerk in the Financial Services Department with the Columbus Water Works; and,

Whereas, Angela I. Pope, has performed in an outstanding and productive manner throughout her thirty years of service;

Now, Therefore, Be It Resolved that the Board of Water Commissioners of the City of Columbus, Georgia, on behalf of all the people of the City, hereby publicly expresses appreciation and heartfelt thanks to Angela I. Pope for her diligent and faithful service on behalf of the Columbus Water Works; and,

Be It Further Resolved that this resolution be spread upon the official minutes of this Board this Nineteenth day of October 2020, and that the Secretary of this Board be directed to furnish copies of this resolution to the said Angela I. Pope and to the Clerk of Council of Columbus, Georgia.

PRESIDENT, COLUMBUS WATER WORKS

CHAIR, BOARD OF WATER COMMISSIONERS

SECRETARY

A Resolution

Whereas, Ricky C. Brown, has been an employee of the Columbus Board of Water Commissioners since October 2010 is retiring; and,

Whereas, Ricky C. Brown, has served in the capacity of Apprentice in the North Columbus Water Resource Facility with the Columbus Water Works; and,

Whereas, Ricky C. Brown, has performed in an outstanding and productive manner throughout his nine years of service;

Now, Therefore, Be It Resolved that the Board of Water Commissioners of the City of Columbus, Georgia, on behalf of all the people of the City, hereby publicly expresses appreciation and heartfelt thanks to Ricky C. Brown for his diligent and faithful service on behalf of the Columbus Water Works; and,

Be It Further Resolved that this resolution be spread upon the official minutes of this Board this nineteenth day of October 2020, and that the Secretary of this Board be directed to furnish copies of this resolution to the said Ricky C. Brown and to the Clerk of Council of Columbus, Georgia.

PRESIDENT, COLUMBUS WATER WORKS

CHAIR, BOARD OF WATER COMMISSIONERS

SECRETARY
BOARD OF WATER COMMISSIONERS

SENIOR VICE PRESIDENT,
WATER RESOURCE OPERATIONS

The Board acknowledged the Retirees.

Danthea Hill presented the Financial Reports for the months of August and September including Ft. Benning to the Board. Motion was made by Becky Rumer and seconded by Rodney Close to approve the Financial Reports. Motion carried.

Adriann Deering gave a brief presentation on what goes on behind the scenes at CWW as shown below:

- As an organization, our work is typically done behind the scenes. The majority of our community only thinks about their water and wastewater services when there is a problem.



- Corporate Relations is working to increase awareness of the impact of clean, safe, and reliable services in our community.

- In September, we aired our first customized TV spot in a series highlighting all the work CWW performs behind the scenes. In support of our October awareness campaign, Imagine A Day Without Water, we focused on the water side of CWW.
- You can view the video through YouTube or by following the link: www.youtube.com/watch?v=E8JN1YgOkKI
- Please follow us on Facebook and help us reach the entire community with our social media content.

Kevin White advised the Board that additional funding was needed for the Uptown Park Combined Sewer Overflow (CSO) Grit Improvements Project. He stated that this facility is experiencing challenges removing accumulated grit in the vortex separators in a safe manner.

- Current project has been identified in the 2020-2024 CIP to enable CWW personnel to remove accumulated grit from the system.
- Basis of Design provided by Barge Design Solutions evaluated and issued further recommendations to prevent grit accumulations and minimize maintenance.
- Recommendations include removing P-trap piping and improving system to add more fluidization.

Mr. White requested the Board's approval to increase the budget and scope of current project by \$1,500,000.00 to a total of \$2,305,000.00. This increase in the project will be funded by the 2021 GEFA loan. Following discussion, motion was made by Sanders Griffith and seconded by Becky Rumer to approve the increase by \$1,500,000.00. Motion carried.

Secretary Hinton gave an update to the Board on the Georgia Environmental Finance Authority (GEFA) Schedule/Interest Rate as follows:

- During the May 11th Board of Water Commissioners meeting, the Board approved Columbus Water Works to continue to explore the option of State Revolving Funds obtained through the GEFA to fund the Capital Improvement Plan (CIP).
- Extensive work has been completed in Engineering to ensure all projects meet EPD requirements for GEFA.
- The loan application was submitted to GEFA on August 28, 2020. This is in relation to the 2020 CWSRF and the 2020 DWSRF funds. These funds are limited to \$25,000,000.00 each per fund per year.
- The schedule below reflects the additional \$1.5 million funding for the Uptown Park CSO Grit Improvements.

2020 and 2021 GEFA CWSRF and DWSRF Loan Request

2020 DWSRF	Construction	Contingency	Engr/Insp	Total
Tank Inspections	\$0.00	\$0.00	\$130,200.00	\$130,200.00
Tank Improvements	\$855,182.00	\$108,300.00	\$119,518.00	\$1,083,000.00
NCWRF Chemical Feed Imp	\$1,525,000.00	\$465,000.00	\$310,000.00	\$2,300,000.00
Dist System - Cleaning and Lining	\$5,999,090.00	\$750,000.00	\$750,910.00	\$7,500,000.00
Dist System - Small Line Replacement	\$5,102,480.00	\$640,000.00	\$657,520.00	\$6,400,000.00
Dist System - System Wide Flow Monitoring	\$0.00	\$0.00	\$225,000.00	\$225,000.00
NCWRF Fin. Water PS Imp	\$3,170,000.00	\$980,000.00	\$650,000.00	\$4,800,000.00
	\$16,651,752.00	\$2,943,300.00	\$2,843,148.00	\$22,438,200.00
			Total	\$22,438,200.00
2020 CWSRF	Construction	Contingency	Engr/Insp	Total
Sewer Basin Upgrades - Phase I	\$0.00	\$0.00	\$400,000.00	\$400,000.00
Bull Creek Brennan Sewer	\$8,940,000.00	\$2,750,000.00	\$1,810,000.00	\$13,500,000.00
SCWRF Solids Handling Building	\$6,750,000.00	\$1,960,000.00	\$1,290,000.00	\$10,000,000.00
Uptown Park CSO	\$540,000.00	\$160,000.00	\$105,000.00	\$805,000.00
	\$16,230,000.00	\$4,870,000.00	\$3,605,000.00	\$24,705,000.00
			Total	\$24,705,000.00
2021 CWSRF	Construction	Contingency	Engr/Insp	Total
Sewer Basin Upgrades - Phase II	\$0.00	\$0.00	\$400,000.00	\$400,000.00
SCWRF Headworks Improvements	\$3,745,000.00	\$875,000.00	\$580,000.00	\$5,200,000.00
SCWRF Back-up Power Improvements	\$3,315,000.00	\$1,015,000.00	\$670,000.00	\$5,000,000.00
Can Station Replacements (3)	\$809,000.00	\$235,000.00	\$156,000.00	\$1,200,000.00
Uptown Park CSO Grit Improvements				\$1,500,000.00
	\$7,869,000.00	\$2,125,000.00	\$1,806,000.00	\$13,300,000.00
			Total	\$13,300,000.00
			Grand Total	\$60,443,200.00

GEFA – Updated Interest Rates

- GEFA amended rates in September 2020, for the Clean Water State Revolving Fund and the Drinking Water State Revolving Fund resulting in WaterFirst communities receiving a 0.13% 20-year loan interest rate for CWW. This will now result in an estimated savings of about \$25,000,000.00 of the 20-year life of both loans to include the issuance cost.

Georgia Environmental Finance Authority

Loan Program Interest Rates

GEFA charges the following interest rates by loan program. Six amortization periods are offered. A loan with an amortization period between the tiers receives the interest rate for the next highest amortization tier, e.g., a seven-year loan receives the 10-year rate.

Program	5-Year Loan	10-Year Loan	15-Year Loan	20-Year Loan	25-Year Loan	30-Year Loan	Annual Borrowing Maximum
Benchmark Rate	0.21%	0.52%	1.22%	1.63%	2.06%	2.36%	
Georgia Fund	0.21%	0.52%	1.22%	1.63%	N/A	N/A	\$3,000,000
Georgia Fund - Conservation or WaterFirst	0.08%	0.15%	0.22%	0.63%	N/A	N/A	\$3,000,000
Georgia Fund - PlanFirst	0.15%	0.43%	0.72%	1.13%	N/A	N/A	\$3,000,000
Clean Water State Revolving Fund (CWSRF)*	0.15%	0.43%	0.72%	1.13%	1.56%	1.86%	\$25,000,000
CWSRF - Conservation or WaterFirst	0.00%	0.04%	0.07%	0.13%	0.56%	0.86%	\$25,000,000
CWSRF - PlanFirst	0.08%	0.24%	0.47%	0.63%	1.06%	1.36%	\$25,000,000
Drinking Water State Revolving Fund (DWSRF)*	0.15%	0.43%	0.72%	1.13%	1.56%	1.86%	\$25,000,000
DWSRF - Conservation or WaterFirst	0.00%	0.04%	0.07%	0.13%	0.56%	0.86%	\$25,000,000
DWSRF - PlanFirst	0.08%	0.24%	0.47%	0.63%	1.06%	1.36%	\$25,000,000

* Loans with repayment terms up to 40 years available for disadvantaged communities as defined by the U.S. Environmental Protection Agency provided the terms do not exceed the useful life of the project.

Effective September 2020



- The below draft schedule outlines the timeline to submit request to GEFA's quarterly Board meeting on November 5th:

GEFA Draft Schedule

<u>DATE</u>	<u>ACTIVITY</u>	<u>RESPONSIBILITY</u>
May 11 – <i>Completed and Board Approved</i>	Present to explore GEFA as Funding Source	CWW - Alex Hinton
August 11	CWW Board update	CWW – Alex Hinton and Kevin White
Sept. 1 – <i>loan application delivered to GEFA on 08-28-2020</i>	Deliver GEFA Loan documents, EPD compliance (CE or NONSI) for review (60 days prior to GEFA Board Meeting)	CWW - Alex Hinton
Sept 14 – <i>Board Meeting cancelled</i>	CWW Board update if deemed necessary	CWW – Alex Hinton
Oct 19	CWW Board update if deemed necessary	CWW – Alex Hinton
November 1	Deliver GEFA Loan documents for 2021 CWSRF loan application, EPD compliance (CE or NONSI) for review (60 days prior to GEFA Board Meeting)	CWW - Alex Hinton
November 5	GEFA Board Meeting for approval of 2020 CWSRF and 2020 DWSRF financing	GEFA
January	GEFA Board Meeting for approval of 2021 CWSRF financing	GEFA
February	CWW Board Approval of GEFA Loan and terms	CWW – Alex Hinton
February	City approval of GEFA loan and terms	CWW

*Preliminary, subject to change.

The Board acknowledged Secretary Hinton's report.

President Davis and Secretary Hinton presented the Columbus Water Works' Financial Rate Study along with Joe Crea with Raftelis Financial, Inc., for FY 2020-2021 as outlined below:

SUMMARY OF FY20 RATE INCREASE

- Primarily focused on increases to base charges for larger meters, not the normal volume increase
- Unsatisfactory customer communications by CWW
 - Many residential customers didn't know meter size
- Follow up action by CWW
 - Over 4,000 follow up written communication to customers
 - Approximately 200 follow up customer calls to discuss meter options; 15 choose to downsize meter.

- CWW waives reconnect fee for irrigation meters (no base charge during off season)
- Adjust fire line meter changes
- Increased communication regarding low income credit program
- Better communication on future rate increases
 - Two virtual Town Hall meetings for FY21: October 21st, Nov 4th

BENEFITS OF FY20 RATE INCREASE

- Revenue stability and consistent annual rate adjustments lead to lower long-term rates
- Infrastructure renewal and replacement
 - Helps keep drinking water clean and reliable
 - Helps keep sewer flowing for proper treatment

REASONS FOR RATE INCREASE

CWW PURPOSE: WE PROTECT OUR NEIGHBORS BY PROVIDING ESSENTIAL WATER – THE FUEL OF LIFE

- Properly functioning pipes, pumps and plants are essential for CWW to deliver clean, reliable drinking water and to convey wastewater for treatment to protect our streams and river.
- Failing infrastructure puts public health (drinking water) and environmental health (sewer discharges) at higher risks
- It is CWW's responsibility as stewards of the public and environmental health relative to water and sewer systems to maintain and operate them at a level to meet state and federal regulatory requirements. Failing infrastructure causes compliance violations.
- Aging, Wear and Tear on infrastructure is relentless, ongoing –
- Cost of replacing failed infrastructure under emergency situations can be three to five times higher than planned replacement.

OUR VISION

COLUMBUS WATER WORKS IS RECOGNIZED BY OUR CUSTOMERS AND EMPLOYEES AS PROVIDING THE MOST CARING EXPERIENCES.

- Failing pipes under roadway puts traveling public at risk.
- Cost of replacing failed infrastructure that is not part of the funded Capital Improvement Program can rapidly draw down capital reserves, thereby imposing pressure for rate increases to replenish reserves above the minimum goal for fiscal stability.
- Failure is not an acceptable option. Infrastructure failure will occur if planned, prudent investments are not made to renew and replace water and sewer systems.
- Minimum annual rate increases sustain the consistency of planning, financing, designing, constructing and operating the systems that are essential for safe water.
- Minimum annual rate increases have been the CWW practice since 2002, as a means to levelize revenue to match expenses focused on the least cost impact to customers.

A BETTER UNDERSTANDING OF CWW INFRASTRUCTURE:

- To replace the Columbus water and sewer systems in today's dollars would cost approximately \$2.5 Billion
 - All infrastructure has useful service life which varies tremendously from five years for some InfoTech equipment and 75 years for water mains
- Wastewater Collection: Average infrastructure reinvestment of \$2.3 million/year
- Water Distribution: Average infrastructure reinvestment of \$2.2 million/year
- Need to increase annual expenditures to avoid frequent failures

WAYS THAT CWW DRIVES COST EFFICIENCY

- Obtains competitive pricing for construction, equipment and material purchases
- Utilizes qualified consultants for excellent design for infrastructure longevity and operational efficiency
- Seek most cost-effective debt financing. (*Example 0.13% interest on current program*)
- Coordinating future debt with retiring debt to minimize rate increases
- Drive cost efficiency throughout CWW culture
- Increase annual Paygo for capital funding to lower debt and build debt capacity for large infrastructure renewals. (*Was less than \$500k/year 10 years ago, now \$4M/year*)
- Ensure financial performance expectations and metrics are met. (*Bond coverage and operating reserves are met*)
- Since 2002 annual financial analysis provides low annual rate adjustments to leveled increases to avoid painful spikes

Secretary Hinton gave an update to the Board on the impact of the Coronavirus to our

CWW customers:

- During waiver of delinquent bill fees, a peak in May resulted in 1,800 customers on disconnect list. Prior to disconnecting customers, door hangers were distributed. In August the level returned to a normal level of 300/week.
- CWW offers payment plans, seeing customers sign up at 900 compared to a normal of 200.
 - As of 09-29-2020, 300 customers on payment plan
- Residential water sales were above projections
- Commercial and Industrial water sales were below projections
- Low income credit program
 - 9.4% increase in Program numbers

292 in August 2020 up from 267 in August 2019

- Focused efforts to increase awareness in 2020

CWW promoted the Program in January by providing 2,500 program flyers to Enrichment Services Program

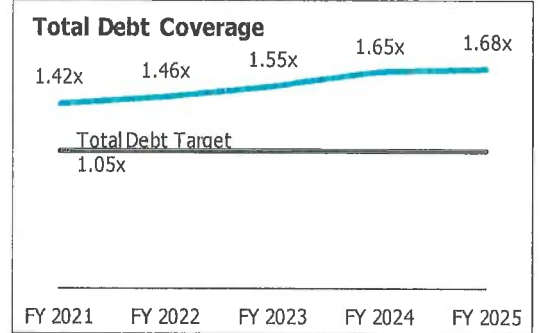
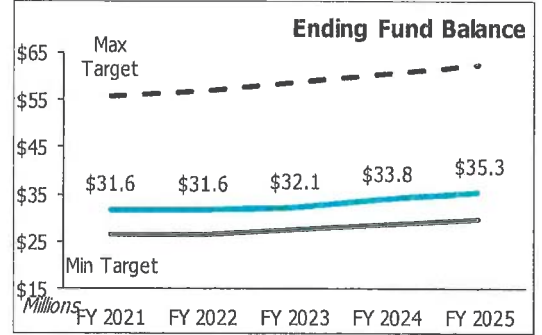
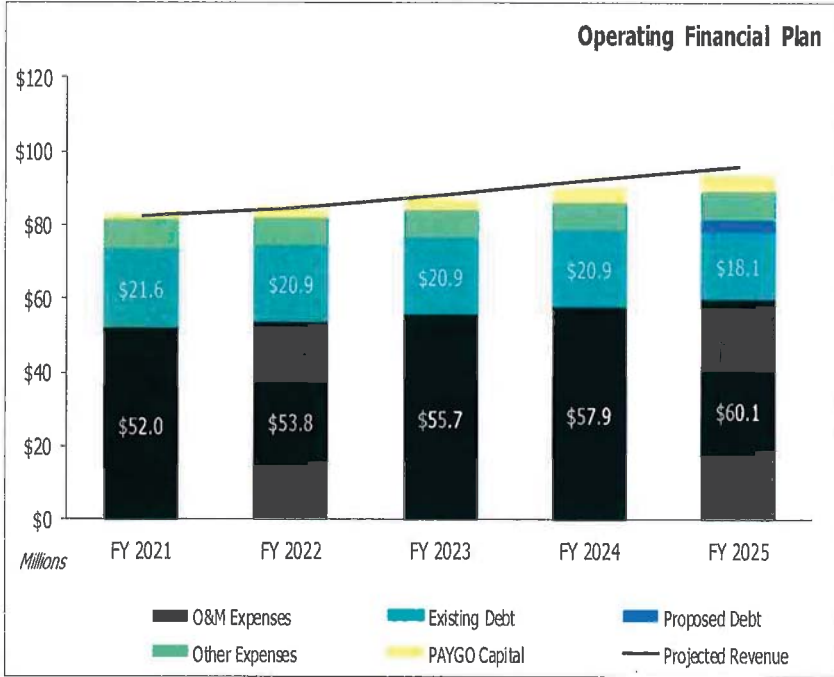
CWW included a message on the January bill, and a separate bill insert that outlined the complete program

Messaging on CWW social media, CWW blog and ran TV spots that aired during the month of January

- Accounts receivable aging balances saw a peak in May, yet have returned to historical normal levels.

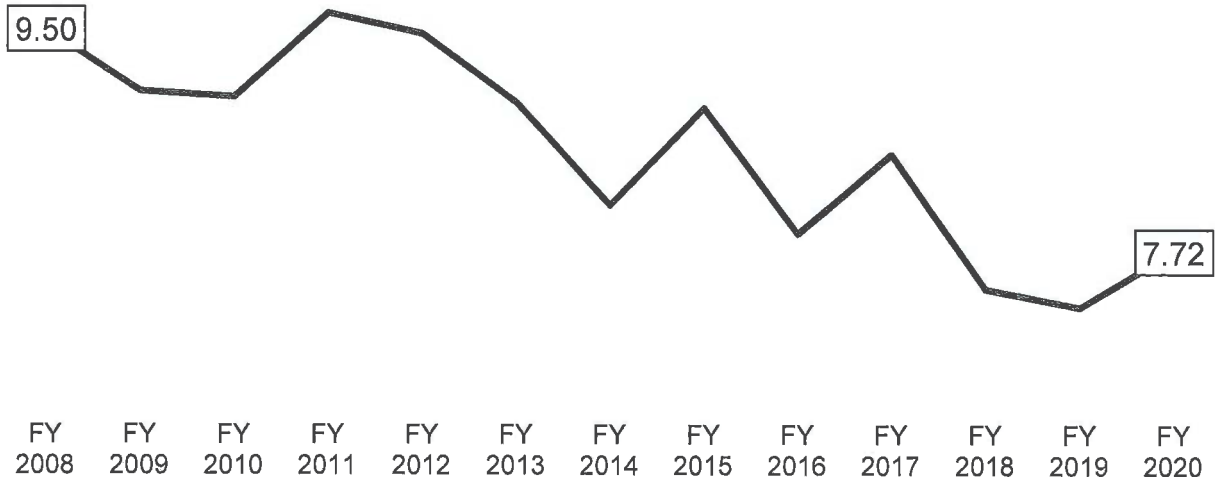
The next few slides will include assumptions in the financial model as outlined below;

SUMMARY OF BASELINE FINANCIAL PLAN

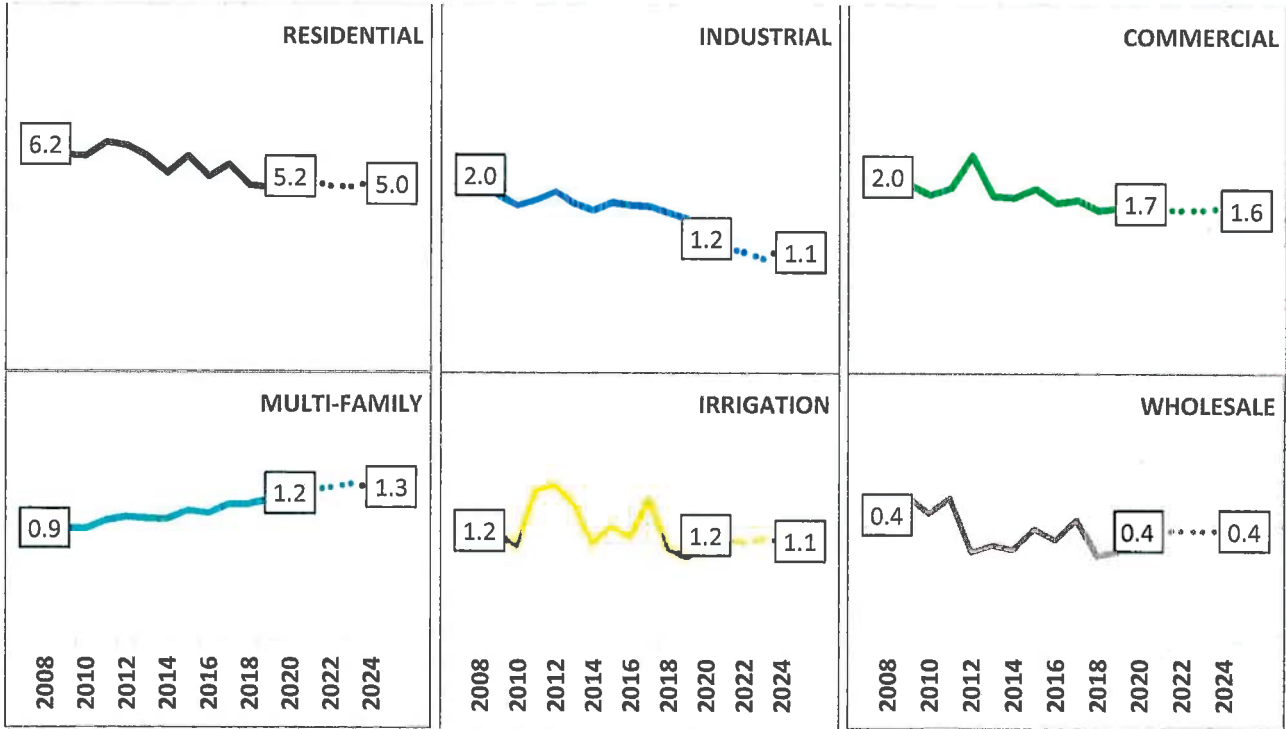


HISTORIC RESIDENTIAL USE

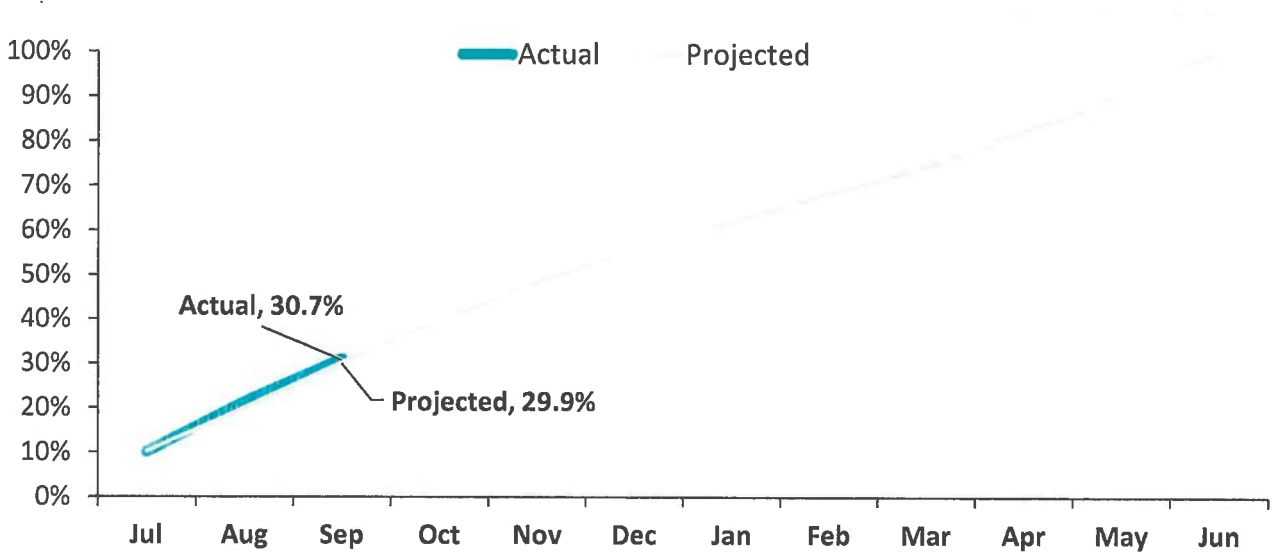
Residential Average Use Per Month (Ccf)



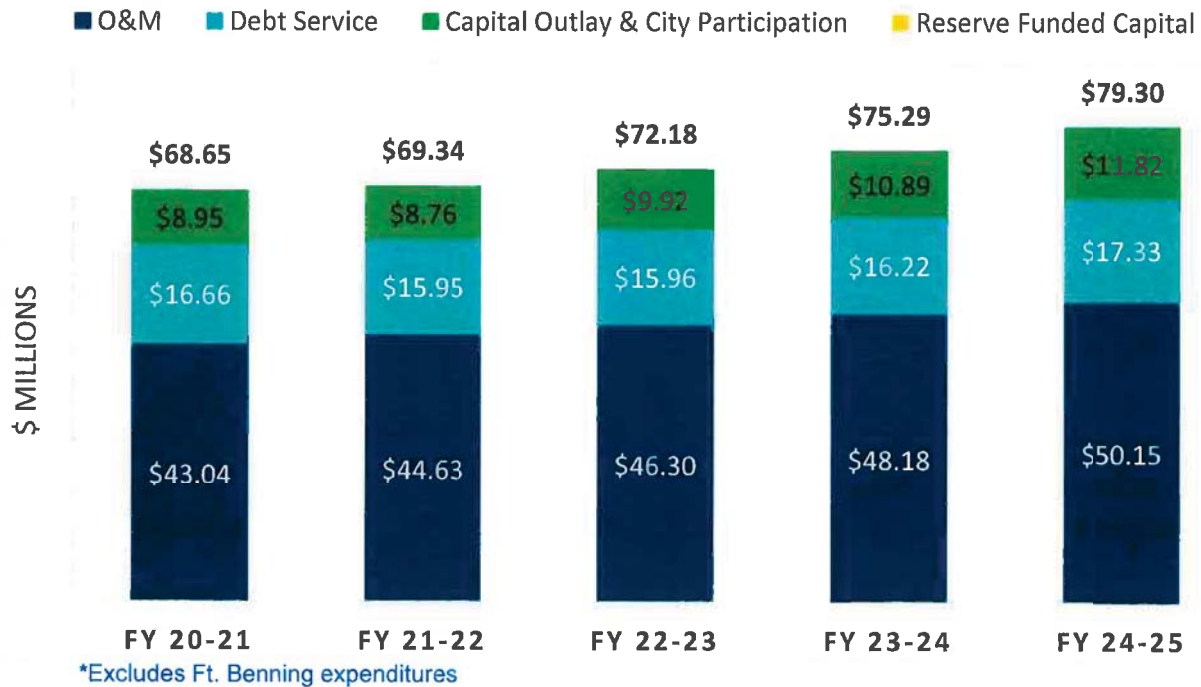
WATER SALES BY CLASS (MILLIONS OF CCF)



FY 2021 CONSUMPTION: ACTUAL V. PROJECTED



TOTAL FORECASTED EXPENDITURES



Secretary Hinton introduced Joe Crea with Raftelis Financial to present CWW's Five-Year Financial Plan as outlined below:

FIVE-YEAR FINANCIAL PLAN

Baseline annual revenue increases of 4.95%

2021 Adjusted to 3.75% Across-the-Board Increase

- Reduce planned increase in 2021 given strong water sales in FY 2020
- Continue annual increases that minimize long-term impact
- Support future operating and capital investment needs
- Increase Low Income Credit by \$1.00/month

HISTORIC RATE CHANGES – 10 YEARS

	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Recomm
National Average*	8.41%	8.41%	5.21%	5.21%	6.12%	6.12%	6.50%	6.50%	6.00%	6.00%
Model Projection**	3.95%	4.95%	4.95%	4.95%	4.95%	4.95%	3.95%	6.63%	4.95%	4.95%
Actual /Proposed System Average **	0.00%	4.95%	4.73%	4.88%	3.94%	2.90%	2.86%	4.95%	2.35%	3.75%

10-yr actual average rate increase with 2021 recommendation: 3.52%

*AWWA/RFC National Water and Wastewater Rate Survey, the national average bill increase has been approx. 6.5% annually since 2009. This trend is expected to continue in future years.

**System Average (20 ccf) includes all customer classes: Residential, Commercial and Industrial

2021 WATER BASE CHARGES (BILLS RENDERED AS OF JANUARY 1, 2021)

Meter Size	Current Charge	Proposed Charge
5/8"	\$ 8.31	\$ 8.62
3/4"	\$ 8.31	\$ 8.62
1"	\$ 14.52	\$ 15.06
1-1/2"	\$ 24.87	\$ 25.80
2"	\$ 37.29	\$ 38.69
3"	\$ 70.41	\$ 73.05
4"	\$ 107.67	\$ 111.71
6"	\$ 211.17	\$ 219.09
8"	\$ 335.37	\$ 347.95
10"	\$ 480.27	\$ 498.28

2021 WATER VOLUME CHARGES
(BILLS RENDERED AS OF JANUARY 1, 2021)

Block	Current Rate (per ccf)	Proposed Rate (per ccf)
Non-Industrial		
1 (to 15 CCF)	\$1.77	\$1.84
2 (> 15 CCF)	\$1.97	\$2.04
Industrial		
1 (to 15 CCF)	\$1.77	\$1.84
2 (> 15 CCF)	\$1.71	\$1.77

2021 WASTEWATER & CSO CHARGES
(BILLS RENDERED AS OF JANUARY 1, 2021)

Current Base Charge	Proposed Base Charge
\$ 5.15	\$ 5.34

Block	Current Rate (per ccf)	Proposed Rate (per ccf)
1 (to 15 ccf)	\$3.42	\$3.55
2 (> 15 ccf)	\$ 2.77	\$ 2.87

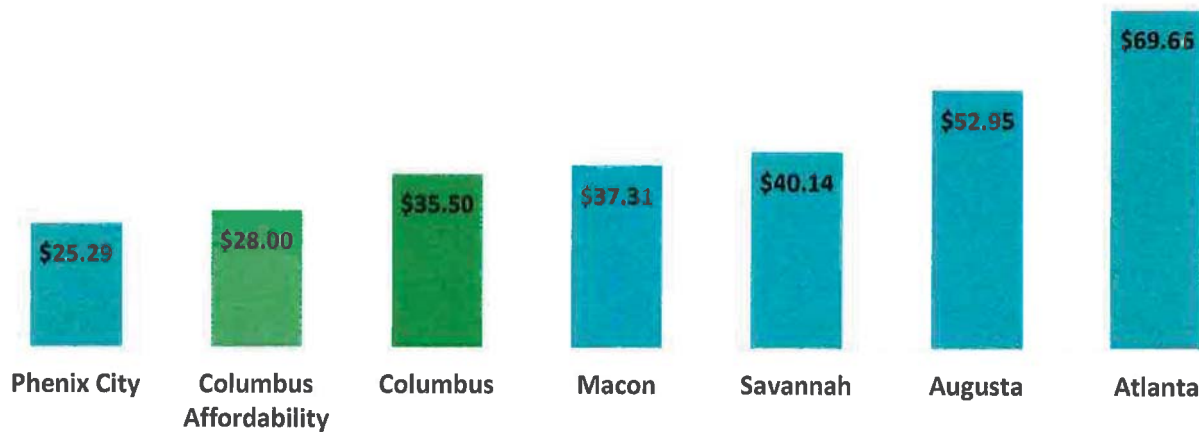
CSO Block	Current Charge	Proposed Charge
0 to 4 ccf	\$ 0.00	\$ 0.00
5-15 ccf	\$ 3.92	\$ 4.07
16-204 ccf	\$ 7.86	\$ 8.15
205-1004 ccf	\$ 78.50	\$ 81.44
Over 1004 ccf	\$ 224.32	\$ 232.73

RESIDENTIAL CUSTOMER BILLS WATER, SEWER & CSO

Sample Residential Customers



REGIONAL BILL COMPARISON 4 Ccf Residential Bill – Proposed CWW Rates



Note: Rates for comparison communities are current as of October 2020, but do not include increases they may implement in 2021.

OBSERVATIONS AND CONCLUSIONS

- Consistent annual rate adjustments lead to **lower long-term rates**
 - Consistently *lower than historical national averages*
 - Lower than last year's forecast
- Forecasted rate increases designed to promote **revenue stability**
- Continued **reinvestment in infrastructure** through the Capital Improvement Plan and annual Paygo
- Low Income Credit increase of \$1.00/month

A discussion followed to include a request from the Board members on allocation of rate increase among capital and operating cost. Following discussion with the Board, motion was made by Sanders Griffith and seconded by Rodney Close authorizing Management to move forward with the public hearing in conjunction with the City Council's meeting on Tuesday, October 27, 2020, at 5:30 p.m. Also, CWW will hold two Town Hall meetings on October 21st and November 4th. Motion carried. A copy of the proposed financial plan is on file at the office of the Columbus Water Works' office.

The following Departmental Reports for the months of August and September were provided to the Board as information only:

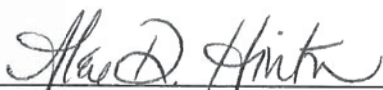
- Customer Service Reports
- Customer Advocacy/Meter Maint/Water Accountability Reports
- Engineering Reports
- Field Services Reports
- Information Services/Security/Environmental Services Reports
- Corporate Relations Reports
- Employee Services Reports
- Water Resource Operations/Managed Maintenance Reports

There was no discussion.

President Davis provided the following items of information to the Board:

- Gwen Ruff received a letter from Katie Evans, Director, Alumni Engagement, with Columbus State University informing her that she has been nominated and selected to receive the Thomas Y. Whitley Distinguished Alumnus Award at this year's Annual Alumni Recognition Awards program during CSU's Homecoming on October 23rd.
- The Columbus Riverwalk is in the running for the 2020 People's Choice Award from the American Association of State Highway and Transportation Officials. The Riverwalk is one of just 12 projects from across the country selected in regional competitions and is now vying for the national title in AASHTO's America's Transportation Awards.

There being no further business, motion was made by Becky Rumer and seconded by Sanders Griffith to adjourn the meeting. Motion carried.



Alex D. Hinton, Secretary