

November 18, 2019

The regular monthly meeting of the Board of Water Commissioners of Columbus, Georgia, was held at the office of the Columbus Water Works office on Monday, November 18, 2019, at 1:30 p.m., the following Commissioners being present:

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

Absent: Becky Rumer

Board member Becky Rumer was excused from this meeting.

Receipt of the Minutes from the regular meeting of October 21, 2019, was presented to the Board. Motion was made by Sanders Griffith and seconded by Rodney Close to approve the Minutes as written. Motion carried.

Danthea Hill presented the Financial Report for the month of October including Ft. Benning to the Board. Motion was made by Mayor Henderson and seconded by Sanders Griffith to approve the report. Motion carried.

Becky Butts introduced students from Richards Middle School (CWW's Partner-in-Education) to the Board. They were present at the Board meeting so that they could be recognized for their participation in an essay contest titled, "Imagine a Day Without Water". Imagine a Day Without Water is an annual day dedicated to raising awareness of the value of water and to educate America about the value of water.

Listed below are the three winners:

- 1st Prize – Irene Cheon (“Water Loss”)- **\$75.00**
- 2nd Prize – Carley Mayhew (“Can You Imagine a Day Without Water?”) - **\$50.00**
- 3rd Prize – Ayden Knighton (“A Day Without Water”) - **\$25.00**

The Board congratulated the students.

Next, Becky Butts advised the Board that the Columbus Water Works won the 2019 Association of Metropolitan Water Agencies (AMWA) Sustainable Water Utility Management Award. The AMWA Sustainable Water Utility Management Award recognizes members for their exceptional performance of water agencies where management vision and employee commitment create a sustainable utility producing ample supplies of clean and safe drinking water.

Columbus Water Works was recognized in the following three areas:

- Demonstrating how CWW's integrates sustainability into the maintenance of **long-term fiscal visibility** through the Comprehensive Financial Planning and Rate Model and Capital Improvement Program.
- Demonstration of CWW's **environmental stewardship** through the Water Conservation and Efficiency Plan. CWW's annual water loss auditing and reporting methods, AMR change-out program, completion of an Energy Management Plan, update of our Drought Management Plan, development of the Source Water Assessment Plan, CWW's Monitoring Program of water quality, Watershed Protection Plan, the Creek Walker Program, FOG collection program, and the Grease and Pharmaceutical Recycling Program. The application also included information about the Hydrilla Study conducted by University of Georgia and the Sediment Study conducted by Auburn.
- CWW's **benchmarking process, outreach opportunities, and community involvement**

The Board congratulated all CWW staff members who took part in preparing the application for this award.

Kevin White gave a brief update on the CIP construction projects as outlined below:

Capital Improvement Plan (CIP)

\$50 Million bond issue in 2016, funding 25 projects



South Columbus Water Resource Facility Improvements

Replacement of:

- Three influent pumps
- Two digester covers
- Chlorine/sulfur dioxide systems
- Four aeration blowers and modifications to basins

Provide equal flow distribution to secondary clarifiers

Project will:

- Increase energy efficiency
- Increase treatment efficiency
- Replace equipment at end of useful life

Marina Cove Lift Station and Force Main

Replacement of:

- Three submersible wastewater pumps
- 12-inch force main with 20-inch force main

Installation of power generator

Project will:

- Reduce head loss/Increase energy efficiency
- Provide redundant power source in event of a power outage
- Provide odor control
- Replace equipment at the end of useful life.

The Board acknowledged Mr. White's report.

Alex Hinton gave a brief update on the 2019 Bond Issue as follows:

2019 Bond Issuance Schedule – Update

- Base price set per discussions with underwriter, financial advisor and CWW executive management on October 30, 2019
- Printed Preliminary Official Statement based on positive market last week of October and set to go to market on Tuesday, November 5, 2019
- Due to market sell off on November 5, 2019, decision made to hold off and evaluate market on November 13, 2019. Market conditions still not optimum on November 13, 2019.
- Current market conditions as of November 18, 2019 remain strong and plan remains to price bonds tomorrow with savings that exceed debt policy.
- Upon pricing, will attend December 3rd City Council meeting for final ratification and plan for a mid-December final close.

Rating Agency

Moody's Investors Service - **Maintained Rating of Aa2**

Strengths

- The system's financial position is sound, as seen by steady debt service coverage trends and ample liquidity, supported by annual rate increases.
- Large service area stabilized by Fort Benning, however median family income is below state and national levels
- The system's debt burden is moderate and will remain so given manageable debt plans and capital needs.

Rating Agency

Standard & Poor's

- **Maintained Rating of AA+
Revised Outlook**

Strengths

- Strong rate-setting flexibility from water and sewer service rates that are affordable relative to service-area wealth levels, but face some additional affordability pressure due to the county poverty rate;
- Stable service area economy, which the Fort Benning Military Reservation anchors, with adequate, but below-average, wealth levels and above-average unemployment;
- Operational policies and practices that we consider strong, including sufficient supply and treatment capacity to meet projected needs and willingness to adjust rates to maintain strong DSC and liquidity

Outlook revised to Negative

- One in three chance that the outlook could be lowered in next two years
- DSC was strong, yet below the average for others in the same credit rating
- Consistent with projections, yet on the low end of the projections

The Board acknowledged Ms. Hinton's report.

President Davis presented the following items related to the rate increase events for the 2020 water and sewer rate increase:

- Memo to Board on Proposed 2020 Rate Presentation
- Presented Proposed Rate Study at October 21, 2019 Board Meeting
- Board authorized Management to proceed with a Public Hearing at City Council Meeting – Public Hearing was held on October 29, 2019.
- Rate Study Resolution:

A RESOLUTION

WHEREAS, a thorough study and evaluation was made of the water and sewer system facilities in 2018, Columbus Water Works is in the process of evaluating the projects identified in the 2018 study as well as implementing the Capital Improvement Plan that Columbus Water Works will request Board adoption during 2020, and

WHEREAS, since 2002, Raftelis Financial, Inc., has been engaged to conduct and update a cost of service study annually to ensure that water and wastewater rates are equitable, consistent with the cost of providing utilities and provide sufficient revenues to address the long-term operation and financial needs of Columbus Water Works, pursuant to the study a series of rate increases were adopted during fiscal years 2003 through 2019; and

WHEREAS, the Board did direct, as part of that process, that an annual review of Columbus Water Works' financial condition be conducted and any necessary adjustment to the proposed rates be identified, and

WHEREAS, a financial review of the Audit was performed by Raftelis Financial and CWW Staff; and,

WHEREAS, at its regularly scheduled meeting on October 21, 2019, the Board did receive the Columbus Water Works annual Financial Audit performed by Robinson, Grimes and Company; and

WHEREAS, a presentation of the FY 2019 Rate Update was made to the Board at the October 21, 2019 Board meeting; and,

WHEREAS, the Board directed CWW staff and our Financial Consultant to conduct a public hearing on the proposed rate increase at City Council on October 29, 2019, and

NOW THEREFORE BE IT RESOLVED that the recommendations contained in the financial review entitled FY 2019 RATE UPDATE dated October 21, 2019 be hereby adopted, and become effective for all water use initially included in bills rendered on or after January 1, 2020, and

BE IT FURTHER RESOLVED that the Columbus Board of Water Commissioners will continue the practice of making an annual financial review and the planned rate program and make any necessary adjustment.

SO RESOLVED THIS 18TH DAY OF NOVEMBER 2019.

Chairman

Vice Chairman

Member

Member

Member

ATTEST:

Motion was made by Sanders Griffith and seconded by Mayor Henderson to adopt the above Resolution regarding the 4.95% water and sewer rate increase as outlined to become effective January 1, 2020. Motion carried.

The following Departmental Reports were provided to the Board as information only:

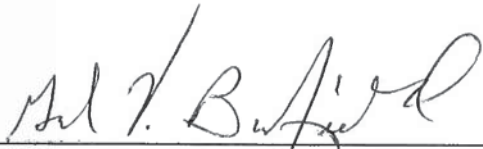
- Customer Service Report
- Customer Advocacy/Meter Maint/Water Accountability Reports
- Engineering Report
- Field Services Report
- Information Services/Security/Environmental Services Reports
- Corporate Relations Report
- Employee Services Report
- Water Resource Operations/Managed Maintenance Reports

There was no discussion.

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

- Beth Bickerstaff and William Kent received a letter of appreciation from Billy Turner, Director, Center for Water Resource Economics with Troy University, for their participation in the Troy University Center for Water Resources Economics and Tri Rivers Waterway Development Association's sixth annual conference held on October 22-23 at Troy's Riverfront Campus.
- One of our customers, Sue Singleton of 6810 Beaver Trail, emailed our Customer Service Department wanting to make Jason Jay aware of the outstanding service she received from Caleb Cole. She said Caleb was one of the nicest, most polite, "fellas", she has ever met and was truly grateful for his service.
- Jeremy Cummings received a thank you note from Courtney Fields, thanking him for speaking with the West Central Work Based Learning Coordinators. She stated how much she appreciated Columbus Water Works' partnership with MCSD and helping the students.

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



V. Gard Burchfield, Interim Secretary