



Sinclair Water Authority
126 Cay Drive Milledgeville, GA 31061
Phone (706) 485-8993 Fax (706) 485-8994

Called Meeting
Agenda
Monday, December 6, 2021 ♦ 5:00 PM
Sinclair Water Plant

Opening

1. Call to Order

Called Meeting

2. 2022 Budget Amendment and Capital Improvement Budget
- [3.](#) Discuss and Act on Management and Operations Proposals
4. Chairman's Remarks

Closing

5. Adjournment

File Attachments for Item:

3. Discuss and Act on Management and Operations Proposals



PARTNERING TO MEET THE DEMANDS OF TODAY
AND THE CHALLENGES OF TOMORROW

SECTION 8 Price Proposal

A SUMMARY OF OUR PRICE PROPOSAL FOR THE SINCLAIR WATER AUTHORITY

ESG Operations, Inc. (ESG) is pleased to offer the Sinclair Water Authority (SWA) this Price Proposal for the management, operation, and maintenance of SWA water treatment plant and associated facilities. Our Price Proposal to SWA is based upon the data provided by the Authority as well as information collected during our due diligence.

Our Price Proposal is derived from the information provided to us by the SWA and by making reasonable assumptions based on our familiarity with the contract operations industry in the Southeast U.S. Our proposed plan is based around the following principles and concepts:

- 1) **FOCUS ON EMPLOYEES.** ESG's Price Proposal is predicated on offering employment to all qualified existing employees who are currently delivering these services. We feel this is essential for the overall morale of the workforce, as well as just a good business practice to capture institutional knowledge. As this is essentially a labor and benefits contract, ESG will not seek to create "false savings" on the backs of the employees by dramatically reducing staffing levels, wages or benefits. Simply stated, we would rather not be awarded this project, than to "win" the job at the detriment of the existing employees' wages and benefits. Key points include ESG's benefits provided to all employees, focus on "hiring local", and an enriched training and advancement opportunities for hourly staff.

**OUR
EMPLOYEES
ARE OUR
GREATEST
ASSET**

- 2) **CREATING A HIGH YIELD WORKFORCE THROUGH TRAINING AND OPPORTUNITY.** ESG’s employee-based company culture, significant training investment and most critically—**creating opportunities for employee growth and promotion**—creates a much higher yield workforce. ESG will provide OPPORTUNITY to the existing employees due to our company’s growth and expansion. We always “look within” for promotional opportunities and frequently these promotions create multigenerational impacts on the families of the associate who accepts additional responsibilities.
- 3) **IMPLEMENT INNOVATIVE SOLUTIONS.** Our ability to provide innovative solutions to challenges where the existing staff and consultants has struggled will reduce the Authority’s direct costs which are not reflected in this price proposal. As the largest private operations company in Georgia and throughout the Southeast, we likely will reduce chemical and other commodity purchases below what is currently available to SWA.

SWA is currently paying \$141,000 per year to SUEZ for membrane replacement as well as the Pro-level INSIGHT program. There are scheduled membrane replacements in 2023, 2024 and 2027. ESG is currently reviewing the agreement and will develop a strategy to advise SWA on how to manage this contract in the future. ESG will use its industry leading membrane management approach to optimize the life-span of the membranes, resulting in a significant reduction in future membrane replacement costs. We will use our decade plus of experience with SUEZ to develop an approach to minimize costs as well as increase membrane efficiency.



EMPLOYEE FOCUS

**HIGH YIELD
WORKFORCE
THROUGH TRAINING
AND OPPORTUNITY**

**INNOVATIVE
SOLUTIONS TO CREATE
THE GREATEST VALUE
OF OWNERSHIP**

**PROTECTION OF
ASSET LIFE**



4) **PROTECT ASSET LIFE.** Our Price Proposal includes a fully implemented, fully functional Asset Management Plan which will protect and extend the service life of the Authority’s utility investments. While other companies will say the same thing, no Project that ESG has transitioned from another contractor or municipal entity had a truly functional computerized maintenance system. As you can see from the photographs presented throughout our proposal, **a focus on facility aesthetics and asset protection is paramount.**

DETAILS OF OUR PRICE PROPOSAL FOR THE SINCLAIR WATER AUTHORITY

ESG’s Price Proposal is based on the following key assumptions:

- As discussed above, we anticipate additional savings being generated once we optimize membrane operating and maintenance. The long-term repair and replacement of the membranes is a significant cost and one we feel we can reduce.
- We are proposing **rebate accounts** for chemicals, sludge and repair parts.

OVERVIEW OF OUR PRICE PROPOSAL SINCLAIR WATER AUTHORITY		
PERSONNEL AND OTHER OPERATING COSTS		\$658,277
REBATE ACCOUNTS	Chemicals	\$241,200
	Repair Parts	\$103,000
	Sludge/Solids Handling	\$47,000
TOTAL ANNUAL ESG CONTRACT		\$1,049,477

2022 Approved Budget with ESG Annual Debt

2022 Approved Budget

Expenses

51 - Salaries

51.1100 · Salaries & Wages-Regular

51.1400 · Salaries and wages - Overtime

Total 51.1000 · Salaries and wages

51.2000 - Employee Benefits

51.2100 · Group Health Insurance

51.2120 · BCBS-Dental

51.2130 · BCBS-Vision

51.2200 · Social Security (FICA)

51.2300 · Medicare

51.2400 · Retirement Plan Base

51.2450 · Retirement Plan Match

51.2460 · Pension Plan 6,000

51.2700 · Workers' Compensation

51.2900 · Group Life Insurance

Total 51.2000 · Employee Benefits 6,000

Total 51 · Salaries & Benefits 6,000

52 - Services

52.1000 - Professional & technical

52.1210 · Legal Fees 1,000

52.1220 · Accounting Services	24,650
Total 52.1200 · Professional services	<u>25,650</u>

52.1300 - Technical services

52.1310 · Engineering	
52.1320 · Computer Services	6,378
52.1330 · Laboratory Testing	
52.1340 Payroll Processing	
Total 52.1300 · Technical services	<u>6,378</u>

52.2000 - Property services

52.2150 · Alum Sludge Disposal	
52.2210 · Building Maintenance	
52.2220 · Equipment Maintenance	
52.223 - Automobile Expense	
52.2700 Membrane Maint. Services	19,278
Total 52.2000 · Property services	<u>19,278</u>

52.3000 - Other services

52.3100 · Insurance Expense (Property)	28,000
52.3200 · Telephone (communications)	4,000
52.3300 · Advertising	720
52.3500 · Travel Expense	
52.3600 · Dues and fees	
52.3700 · Education Training	
52.3800 · License & Renewals	

52.3850 · Contract Labor	7,000
Total 52.3000 · Other services	39,720
Total 52 · Services	91,026

53 · Supplies

53.1100 · Office Supplies	
53.1135 · Chemicals	
53.1140 · Laboratory Supplies	
53.1150 · Safety Items	
53.1200 · Utilities / Energy	165,000
53.1220 Raw Water Withdrawal	53,000
53.1270 · Gasoline	
53.1600 Small equipment & Tools	
53.1710 · Uniforms	
Total 53 · Supplies	218,000
Total of Expenses \$	315,026

Other Expense/Debt

56 · Debt service

56.1500 Membrane Replacement Contract (10 yr. exp. 2028)	121,500
56.1900 Maint. Reserve/Depreciation	
57.9000 Contingency	36,000

58 · Debt service

58.1330 · GEFA Loan #1 Principal	6,500
58.1340 · GEFA Loan #2 Principal	46,350
58.1350 Series 2019 Principle	225,000
58.2310 · GEFA Loan #1 Interest Expense	1,810
58.2320 · GEFA Loan #2 Interest Expense	18,400

58.2350 Series 2019 Interest	462,900
ESG Proposed Annual	1,043,477
Total 58 - Debt service	1,961,937
Total of Expenses & Debt Service	2,276,963

Fund Balance Transfers

COH Balance Transfer	
Projected Use of 2020 Excess Funds	
Projected Use of 2021 Excess Funds	44,563
2021 Interest Earned	8,000
Total of Fund Balances	52,563

Total of Expenses & Debt Service Less Transfers &/or Interest **2,224,400**

Income	2022 Water Sales @ 5% Increase
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34.4200 - Water sales

Baldwin Cost @ 55%	\$	1,203,065
Putnam Cost @ 45%	\$	984,326
Total Cost to Counties	\$	2,187,392

Budget Total with ESG Proposed Annual	2,224,400
Water Sales	2,187,392
Difference	37,008
ESG Annual Proposal	1,043,477
ESG Expenses	1,006,469
Difference	37,008

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December 1, 2021

Mr. Sammy Hall
Sinclair Water Authority
126 Cay Dr. SE
Milledgeville, Georgia 31061

Re: Sinclair Water Treatment Plant

Dear Mr. Hall:

We are pleased to provide the following proposal for the Management of the above-mentioned project. The scope of services we propose to provide is as follows:

1. Provide a certified water and wastewater treatment plant operator twice a week (four to eight-hours a day) to assist the Authority personnel in the management and operation of the facility.
2. Responsible for providing training to the Authority personnel in operating the facilities.
3. Responsible for preparation and completion of any EPD reports required.
4. Assist the client with equipment and plant maintenance as required consisting of coordinating any repair or purchase of equipment and materials.
5. Provide operators in time of need.
6. Review O&M and SOP manuals and recommend any needed changes.

For the above scope of services, we propose a lump sum of \$3000.00 per month. We will invoice for services on a monthly basis. Any expenses incurred for the purchase of equipment, materials, supplies and extra work ordered will be invoiced at actual cost plus 10%. Either party with thirty (30) days written notice can cancel this contract.

All extra work ordered by the client will be billed on the following hourly rates:

- 1. Management and Supervision Fee - \$65.00
- 2. Water/Wastewater Operator - \$45.00

If the client wants us to proceed with providing these services, please sign, date and return a copy of this proposal to us.

If you have any questions, please give me a call.

Yours truly,



Rick M. Jeffares
President

Authorization to Proceed:

By: _____

Title: _____

Date: _____