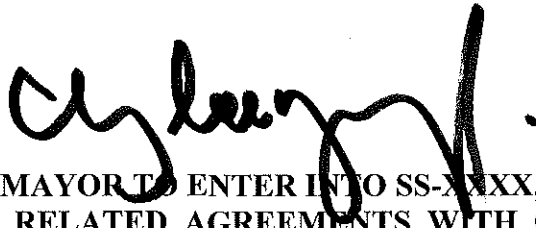


**AN ORDINANCE
BY CITY UTILITIES COMMITTEE**

A large, handwritten signature in black ink, appearing to read 'C. Clayton', is written over the top portion of the ordinance text.

AN ORDINANCE AUTHORIZING THE MAYOR TO ENTER INTO SS-XXXX, A SOLE SOURCE AGREEMENT AND OTHER RELATED AGREEMENTS WITH OSTARA USA, LLC, ON BEHALF OF THE DEPARTMENT OF WATERSHED MANAGEMENT, TO INSTALL A NUTRIENT RECOVERY SYSTEM AT R.M. CLAYTON WATER RECLAMATION CENTER, IN AN AMOUNT NOT TO EXCEED ELEVEN MILLION DOLLARS AND ZERO CENTS (\$11,000,000.00); TO ENTER INTO AN OPERATIONS AND MAINTENANCE AGREEMENT IN AN AMOUNT NOT TO EXCEED THREE MILLION, TWO HUNDRED FIFTY THOUSAND DOLLARS AND ZERO CENTS (\$3,250,000.00); TO SELL THE FERTILIZER BY-PRODUCT PRODUCED BY THE NUTRIENT RECOVERY SYSTEM; AND AUTHORIZING THE CHIEF FINANCIAL OFFICER TO ENGAGE THE APPROPRIATE ADVISORS TO REVIEW THE PLAN TO FINANCE THE PROJECT, IN AN AMOUNT NOT TO EXCEED THREE HUNDRED THIRTY THOUSAND DOLLARS AND ZERO CENTS (\$330,000.00); ALL REVENUE COLLECTED WILL BE DEPOSITED INTO THE FUND DEPARTMENT ORGANIZATION AND ACCOUNT NUMBER LISTED; ALL EXPENSES WILL BE PAID FROM THE FUND DEPARTMENT ORGANIZATION AND ACCOUNT NUMBER LISTED; AND FOR OTHER PURPOSES.

WHEREAS, the City of Atlanta (“City”), Department of Watershed Management’s (“Department”) R.M. Clayton Water Reclamation Center (“WRC”) has National Pollutant Discharge System (“NPDES”) permits issued by the Georgia Department of Natural Resources, Environmental Protection Division (“EPD”) and is subject to enforcement by both the EPD and the U.S. Environmental Protection Agency;

WHEREAS, the NPDES permits require the City to maintain the systems necessary to meet the regulatory limit for phosphorous reduction in excess of ninety percent (90%);

WHEREAS, the current treatment process used to remove phosphorus results in significant chemical usage that attributes to the build-up of a scale known as struvite in pipes and treatment basins throughout RM Clayton WRC, which has resulted in a record of phosphorus violations;

WHEREAS, the City currently incurs approximately Two Million Dollars and Zero Cents (\$2,000,000.00) in costs annually associated with struvite avoidance, chemical addition, chemical sludge disposal, and ammonia reduction at RM Clayton WRC;

WHEREAS, the Department has identified nutrient recovery as a means for addressing the compliance concerns, to improve the overall performance of the RM Clayton WRC as well as reduce operating costs, which in turn allows for greater investment in other needed improvements;

WHEREAS, the City has been authorized to fund a nutrient harvesting project at the RM Clayton WRC, pursuant to Ordinance No. 14-O-1493;

WHEREAS, the City desires to enter into a public-private partnership for the design, construction, operation and maintenance of a nutrient recovery system at RM Clayton WRC;

WHEREAS, Ostara USA, LLC is the developer and sole authorized licensor of a nutrient recovery system that uses the patented Pearl® process, which proprietary design incorporates features specifically engineered to achieve the Department's objectives of reducing struvite, including reactor geometry, recycling of wastewater treatment process effluent, and wastewater treatment process control methodology;

WHEREAS, use of the Pearl® system will remove approximately 830 pounds per day of phosphorus and 375 pounds per day of ammonium, and the recovered struvite will be harvested for distribution as fertilizer, all which will result in an annual benefit to the City of approximately One Million, Seven Hundred Thousand Dollars and Zero Cents (\$1,700,000.00) per year;

WHEREAS, the Commissioner of the Department of Watershed Management desires to enter an agreement with Ostara USA, LLC for the design and construction of the Pearl® nutrient recovery system, in an amount not to exceed Eleven Million Dollars and Zero Cents (\$11,000,000.00);

WHEREAS, the Chief Financial Officer desires to engage the appropriate financial advisors, consultants and professionals to review the proposed plan to finance the design and construction of the Pearl® nutrient recovery system, in an amount not to exceed Three Hundred Thirty Thousand Dollars and Zero Cents (\$330,000.00);

WHEREAS, the Chief Financial Officer desires to enter into or establish the appropriate financing, special purpose entity, tax-credit, and other appropriate agreements to facilitate the execution of this and related projects;

WHEREAS, the Commissioner of the Department of Watershed Management desires to enter into an operations and maintenance support agreement with Ostara USA, LLC to provide all operations and maintenance services for the nutrient recovery facility in an effort to optimize operations and to minimize resources required of the Department once the facility is operating for a term of ten (10) years from substantial completion of construction with two (2) five (5) year renewal options, in an amount not to exceed Two Hundred Ninety-Three Thousand Dollars and Zero Cents (\$293,000.00) annually plus an index amount; the maximum expenditure for all operations and maintenance services shall not exceed Three Million, Two Hundred Fifty Thousand Dollars and Zero Cents (\$3,250,000.00);

WHEREAS, the Commissioner of the Department of Watershed Management desires to enter into a guaranteed long term fertilizer off-take agreement with Ostara USA, LLC that will generate an annual alternative revenue stream for the Department where Ostara USA, LLC purchases every ton of recovered struvite for use as a fertilizer granule for a term of ten (10) years from substantial completion of construction with two (2) five (5) year renewal options;

WHEREAS, the Chief Procurement Officer determined that Ostara USA, LLC is the sole source for the Pearl® process for the R.M. Clayton WRC, in accordance with the City of Atlanta Code of Ordinances Section 2-1191; and

WHEREAS, the Commissioner of the Department and the Chief Procurement Officer recommend a sole source agreement for design, construction and operation and maintenance of the Pearl® process at the R.M. Clayton WRC with Ostara USA, LLC.

THE CITY COUNCIL OF THE CITY OF ATLANTA, GEORGIA, HEREBY ORDAINS,

Section 1: That the Mayor, or his authorized designee, is authorized to enter into SS-XXXX, a Sole Source Agreement and other related agreements for the design, construction, operations and maintenance, and fertilizer off-take agreement with Ostara USA, LLC for the installation and operation of a nutrient recovery system using the Pearl® process at the R.M. Clayton Water Reclamation Center, on behalf of the Department of Watershed Management;

Section 2: That the Mayor, or his authorized designee, is authorized to enter an agreement with Ostara USA, LLC for the design and construction of the Pearl® nutrient recovery system, with a term of Three Hundred Sixty-Five (365) Days for substantial completion and Four Hundred Ten (410) Days for final completion, in an amount not to exceed Eleven Million Dollars and Zero Cents (\$11,000,000.00);

Section 3: That the Chief Financial Officer is authorized to engage the appropriate financial advisors, consultants and professionals to review the proposed plan to finance the design and construction of the Pearl® nutrient recovery system, in an amount not to exceed Three Hundred Thirty Thousand Dollars and Zero Cents (\$330,000.00);

Section 4: That the Chief Financial Officer is authorized enter into or establish the appropriate financing, special purpose entity, tax-credit, and other appropriate agreements to facilitate the execution of this and related projects;

Section 5: That the Mayor, or his authorized designee, is authorized to enter an agreement with Ostara USA, LLC for the operation and maintenance of the Pearl® nutrient recovery system, with a term of ten (10) years from substantial completion of construction with two (2) five (5) year renewal options, in an amount not to exceed Two Hundred Ninety-Three Thousand Dollars and Zero Cents (\$293,000.00) annually plus an index amount; the maximum expenditure for all operations and maintenance services shall not exceed Three Million, Two Hundred Fifty Thousand Dollars and Zero Cents (\$3,250,000.00);

Section 6: That the Mayor, or his authorized designee, is authorized to enter into a guaranteed long term fertilizer off-take agreement for Ostara USA, LLC to purchase every ton of recovered struvite for use as a fertilizer granule for a term of ten (10) years from substantial completion of construction with two (2) five (5) year renewal options;

Section 7: That the Chief Procurement Officer, in consultation with the City Attorney, is directed to prepare all appropriate documents for execution by the Mayor, or his authorized designee;

Section 8: That the agreements will not become binding on the City and the City will incur no obligation or liability under them until they have been executed by the Mayor, attested to by the Municipal Clerk, approved as to form by the City Attorney and delivered to Ostara USA, LLC;

Section 9: That all revenue collected will be deposited into the Fund Department Organization and Account Number 5051 (Water & Wastewater Revenue Fund) 000002 (Default/Revenue Department) 3442707 (Miscellaneous Other Revenue);

Section 10: That all capital-related expenditures will be paid from the Fund Department Organization and Account Number 5052 (Water and Wastewater R&E Fund) 170204 (DWM Treatment Plant – RM Clayton) 5999999 (Projects and Grants Budget) 4335000 (Sewage Treatment Plants) and Project Task Account Expenditure and Organization Number 17111674 (RM Clayton Compliance Upgrade) 103 (Nutrient Harvesting) 505221391 (Water and Wastewater R&E Fund) 5414002 (Facilities other than Buildings), pursuant to Ordinance No. 14-O-1493; and

Section 11: That all operating and maintenance expenditures will be paid from the Fund Department Organization and Account Number 5051 (Water & Wastewater Revenue Fund) 170204 (DWM Treatment Plant – RM Clayton) 5212001 (Consulting / Professional Services) 4335000 (Sewage Treatment Plants).

(Do Not Write Above This Line)

AN ORDINANCE BY
CITY UTILITIES COMMITTEE

Clayton

AN ORDINANCE AUTHORIZING THE MAYOR TO ENTER INTO SS-XXXX, A SOLE SOURCE AGREEMENT AND OTHER RELATED AGREEMENTS WITH OSTARA USA, LLC, ON BEHALF OF THE DEPARTMENT OF WATERSHED MANAGEMENT, TO INSTALL A NUTRIENT RECOVERY SYSTEM AT R.M. CLAYTON WATER RECLAMATION CENTER, IN AN AMOUNT NOT TO EXCEED ELEVEN MILLION DOLLARS AND ZERO CENTS (\$11,000,000.00); TO ENTER INTO AN OPERATIONS AND MAINTENANCE AGREEMENT IN AN AMOUNT NOT TO EXCEED THREE MILLION, TWO HUNDRED FIFTY THOUSAND DOLLARS AND ZERO CENTS (\$3,250,000.00); TO SELL THE FERTILIZER BY-PRODUCT PRODUCED BY THE NUTRIENT RECOVERY SYSTEM; AND AUTHORIZING THE CHIEF FINANCIAL OFFICER TO ENGAGE THE APPROPRIATE ADVISORS TO REVIEW THE PLAN TO FINANCE THE PROJECT, IN AN AMOUNT NOT TO EXCEED THREE HUNDRED THIRTY THOUSAND DOLLARS AND ZERO CENTS (\$330,000.00); ALL REVENUE COLLECTED WILL BE DEPOSITED INTO THE FUND DEPARTMENT ORGANIZATION AND ACCOUNT NUMBER LISTED; ALL EXPENSES WILL BE PAID FROM THE FUND DEPARTMENT ORGANIZATION AND ACCOUNT NUMBER LISTED; AND FOR OTHER PURPOSES.

- CONSENT REFER
- REGULAR REPORT REFER
- ADVERTISE & REFER
- 1st ADOPT 2ND READ & REFER
- PERSONAL PAPER REFER

Date Referred *6.19.17*
 Referred To: *Finance*
 Date Referred
 Referred To:
 Date Referred
 Referred To:

First Reading

Committee _____
 Date _____
 Chair _____
 Referred To _____

FINAL COUNCIL ACTION

2nd 1st & 2nd 3rd
 Readings
 Consent V Vote RC Vote

CERTIFIED

Committee _____	Committee _____
Date _____	Date _____
Chair _____	Chair _____
Action Fav, Adv, Hold (see rev. side) Other _____	Action Fav, Adv, Hold (see rev. side) Other _____
Members _____	Members _____
Refer To _____	Refer To _____

Committee _____	Committee _____
Date _____	Date _____
Chair _____	Chair _____
Action Fav, Adv, Hold (see rev. side) Other _____	Action Fav, Adv, Hold (see rev. side) Other _____
Members _____	Members _____
Refer To _____	Refer To _____

MAYOR'S ACTION