

Peachtree City Water and Sewerage Authority

October 1, 2018

The Peachtree City Water and Sewerage Authority held its monthly meeting on Monday, October 1, 2018, in the conference room of the John W. Gronner Administrative Center. The following individuals were present: Chairman Vanessa Fleisch, Vice-Chairman Mike King, Treasurer/Secretary Terry Ernst, Board Member Phil Prebor, Board Member Kevin Madden, Ms. Melissa Griffis (attorney with Rosenzweig, Jones, Horne & Griffis), Dan Davis (ISE), Bo Davis (ISE), Leslie Baer (ISE), Johnny Collins (WASA staff), John Thompson (The Fayette Citizen newspaper), John Dufresne, and Corinne Kehayes.

Ms. Fleisch called the meeting to order at 6:30 pm, and began with the Pledge of Allegiance.

Ms. Fleisch opened the meeting up for public comment.

Ms. Corinne Kehayes asked for clarification regarding the proposed solar project; stating that because the utility spends over half a million dollars on electricity and rates will be going up, there is possibly a potential for significant cost savings and suggests the Board keep that in mind for future years. Ms. Kehayes suggested the Board consider adding fire suppression to the electrical room because of the fire last year.

Ms. Fleisch asked for a motion to approve the September 4 regular meeting minutes. Mr. King made the motion, seconded by Mr. Prebor. Motion carried. Ms. Fleisch asked for a vote to approve the September 17 special called meeting minutes. Mr. King made the motion, seconded by Mr. Prebor. Mr. Madden abstained. Motion carried.

There were no reports from the authority members or General Manager.

Ms. Griffis stated this document is to update the signatory as a former employee was listed in the document. Ms. Fleisch asked for a motion to approve the Resolution for WASA 457 Deferred Compensation Plan. Mr. Ernst made the motion, seconded by Mr. King. Motion carried.

Ms. Griffis stated this document is to update the signatory as a former employee was listed in the document. Ms. Fleisch asked for a motion to approve the Resolution for WASA Profit Sharing Plan. Mr. Ernst made the motion, seconded by Mr. King. Motion carried. Mr. Madden asked for clarification that the plans remain intact or the same. Ms. Griffis stated yes, this is basic housekeeping; only changing the signatory for the accounts, and nothing with the plan or benefits is changing.

Ms. Griffis stated this document is to update the signatory in the plan documents. Ms. Fleisch asked for a motion to approve the Resolution for Money Purchase Plan. Mr. Ernst made the motion, seconded by Mr. King. Motion carried.

Mr. Dan Davis started the discussion on the proposed budget. Mr. Davis stated the budget was initially discussed in the September 4 meeting, and at the September 17 workshop. Mr. Davis stated there have been no changes to the budget since the September 17 workshop and asked that the budget now be considered for approval. Mr. Bo Davis presented a summary of the proposed Fiscal Year 2019 budget (see attached memo).

Mr. Madden had numerous questions regarding the budget, including stating that the projected revenue from fees is a big decrease from last year. Mr. Bo Davis stated this is not based on an anticipated lack of fees, rather a more conservative estimate which also accounts for the remaining homes in the west side not yet built and additional homes built later in the year. Mr. Madden asked for clarification on the other income amount change. Mr. Bo Davis stated this number is based on the sale of assets, which in the previous year was incorrectly shown in revenue and should be accounted for differently, in a different line item in the budget (other income). Mr. Madden asked if the food and restaurant revenue was moved to a different account. Mr. Bo Davis stated this has been moved to the commercial general line item. Mr. Madden asked about the increase in interest earnings. Mr. Bo Davis stated this was based on a previous incorrect accounting procedure which is now corrected in the budget. Mr. Madden asked about why there is a reduction in landscaping; and that the City is focused on beautifying efforts. Mr. Dan Davis stated that the proposed budget calls for a reduction in projects which should result in a reduction of landscaping needs. Mr. Madden asked about the reduction in processing chemicals. Mr. Bo Davis stated that based on conversations with previous staff, we believe a reduction is warranted because of external services being provided. Mr. Dan Davis stated the team found efficiencies and realized some savings as well. Mr. Madden stated they would keep an eye on this number. Mr. Johnny Collins stated that the reduction is a result of the vendor restructuring the payment and removing the maintenance fee based on the vendor putting in some automated systems requiring less onsite work. Mr. Madden asked about the CCTV number. Mr. Prebor stated this will be done in-house now or as projects are done. Mr. Madden asked about the materials/supplies/contracts increase. Mr. Bo Davis stated this represents professional liability insurance.


Ms. Fleisch asked for a motion to approve the budget. Mr. Madden made a motion to accept/approve the budget as presented and seconded by Mr. Prebor. Motion carried.

Ms. Fleisch asked for a motion to adjourn in Executive Session for the purposes of Real Estate, Potential Litigation and Personnel. The motion was made by Mr. King and seconded by Mr. Ernst. Motion carried. The meeting was adjourned into Executive Session at 6:51 pm.

Ms. Fleisch asked for a motion to reconvene to Regular Session. The motion was made by Mr. King and seconded by Mr. Ernst. Motion carried. The meeting was reconvened at 8:15 pm.

Ms. Fleish stated there were no actions to take as a result of Executive Session.

Ms. Fleisch asked for a motion to adjourn. The motion was made by Mr. Madden and seconded by Mr. Ernst. Motion carried. The meeting was adjourned at 8:16 pm.



Chairman - Vanessa Fleisch



Treasurer/Secretary - Terry Ernst

October 1, 2018

MEMORANDUM

To: Members of the Peachtree City Water and Sewer Authority Board of Directors
From: L.H. (Dan) Davis, Jr. P.E.
General Manager
Subject: Peachtree City Water and Sewer Authority Fiscal Year 2019 Operating Budget

Board of Directors,

Attached is the Budget as presented at the 09/17/18 Budget Workshop. There have been no changes to the budget since the Workshop was held.

In summary:

Total Revenues: **\$9,995,459**

Total Revenues are anticipated to increase by slightly over 1%, which is in line with historical data for the Authority. Rate Revenue is projected to increase by 6% due to the addition of Homes in the West Village. Fee Revenue has been reduced to represent a conservative building scenario in the West Village.

Total Operation Expenses (O&M): **\$5,419,410**

Materials, Supplies, and Services have increased to show the actual amounts expected during the year. Labor has also been appropriately calculated to show the actual amounts expected based on current information.

Debt Service: **\$3,030,540**

The Debt Service Payments are in line with the amounts put forth in the 2013 A & B Bond Covenants. These amounts do not include any additional reserves based on the Debt Service Coverage Ratio.

Renewal & Extension (R&E): **\$1,228,748**

The Renewal and Extension Fund has been reduced (-62%) from the previous year's budget in order to maintain the Authority's reserve accounts. The objective of this strategy is to perform Renewal and Extension projects that are critical in nature while maintaining the bond coverage ratio.



PEACHTREE CITY
Water and Sewerage Authority

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Capital Outlay Projects: **\$243,000**

The Capital Outlay Fund has also been reduced (-87%) in the spirit of re-establishing the Authority's reserve accounts. The objective of this strategy is to perform Renewal and Extension projects that are critical in nature while maintaining the bond coverage ratio.

Total All Expenditures: **\$9,921,698**

Overall, Total All Expenditures have been reduced by 28.7%.

Total Surplus (Deficit): **\$83,761**

Objectives for the year 2019:

- The Continued Safe, Efficient, and Effective Operation of the Authority.
- To operate within the Authority's Means, without Spending into the Reserve Accounts.
- Maintain an Operating Surplus that allows the Authority to preserve its Debt Service Coverage Ratio Goal of 1.50 or greater.