

Peachtree City Water & Sewerage Authority  
Regular Meeting  
Agenda  
Tuesday, September 4, 2018  
1:00 p.m.

- I. Pledge of Allegiance
- II. Public Comment
- III. Minutes
  - [August 6, 2018 - Regular Meeting Minutes](#)
  - [August 10, 2018 – Special Called Meeting Minutes](#)
- IV. Meeting Dates
  - [2018 Schedule](#)
  - [2019 Schedule](#)
- V. Announcements, Awards, Special Recognition
- VI. [Resolution on Potential Liability](#)
- VII. [Final Change Order on Paschall Road Sanitary Sewer Replacement and Railroad Crossing Contract](#)
- VIII. Reports
  - A. Authority Members
  - B. [General Manager – Memorandum on Rate Study](#)
- IX. [Budget Presentation](#)
- X. Budget Workshop Special Called Meeting – September 17, 2018 at 6:30 p.m.
- XI. Executive Session – Personnel, Real Estate, Potential Litigation
- XII. Adjourn

\*\* Location of meeting is Peachtree City Water & Sewerage Authority at 1127 Hwy. 74, South \*\*

NOTE: This agenda is subject to change up to twenty-four hours prior to the scheduled meeting.

A quorum of City Council will be in attendance.

**Peachtree City Water and Sewerage Authority**  
**Minutes of Regular Meeting**  
**August 6, 2018**  
**6:30 p.m.**

- I. Pledge of Allegiance
- II. Public Comments – Peachtree City resident Phil Mahler commented on the ISE work authorization under consideration to outsource management for WASA. Mr. Mahler stated he had concerns regarding cost and redundancy in the ISE contract which included work previously performed by an outside consultant and other work currently performed in-house. Mahler also commented that he thought solar was an opportunity that WASA should reconsider. Peachtree City resident Corinne Keyhayes commented that she would like WASA to seriously consider installing solar on-site and the long term investment benefit it offers the rate-payers.
- III. Announcements, Awards, Special Recognition – None
- IV. Reports
  - A. Authority Members – None
  - B. General Manager – Susan Lee presented the monthly financial including revenues and expenditures.
- V. Mike King motioned to approve the July 2, 2018 Regular Meeting Minutes as well as the July 23, 2018 Special Called Meeting Minutes. The motion was seconded by Kevin Madden and carried 5-0.
- VI. Old Agenda Item

07-18-08 – Consider/Discuss Integrated Science & Engineering Work Authorization – Phil Prebor motioned to discuss old Agenda Item 07-18-08 Integrated Science & Engineering Work Authorization. The motion was seconded by Kevin Madden. Chair Fleisch opened the floor for discussion. Chair Fleisch explained that she read it as an overall look and evaluation of the operation. All board members agreed on the importance of getting an evaluation of the organization. Chair Fleisch stated there was a motion and a second and called for a vote. Attorney Mark Oldenburg questioned if the wording of the original motion to discuss was sufficient wording to proceed. Phil Prebor retracted his original motion (the second was also retracted) and then stated a new motion that the Board approve old Agenda Item 07-18-08 – Consider/Discuss Integrated Science & Engineering Work Authorization and that the Board approve the authorization. Oldenburg then stated that as WASA counsel he strongly recommended that the work authorization be put in contractual format so that both parties are bound by the terms and conditions going forward. Chair Fleisch stated that the thirty days' notice to terminate covers the Board and she did not want to delay the contract further. The motion was seconded by Kevin Madden and carried 5-0. Dan Davis then added that the form of

**Page 2**  
**WASA Summary Meeting Minutes**  
**August 6, 2018**

work authorization used is the same format ISE uses for all WASA work, and it is a contract with terms and conditions.

VII. New Agenda Items – None

VIII. Executive Session – None

IX. Adjourn – Kevin Madden motioned to adjourn the meeting. The motion was seconded by Terry Ernst and carried 5-0. The meeting adjourned at 6:41 p.m.

WASA Board Members present: Vanessa Fleisch, Mike King, Terry Ernst, Phil Prebor, and Kevin Madden.

WASA Staff present: Susan Lee, Nathan Brooks, Lynda Price, Johnny Collins, Jonathan Lennon, Larry Michaels, Greg Linam, Xavier Davis, and WASA Attorney Mark Oldenburg.

Also present: Dan Davis and Kim Keefer of ISE, and Peachtree City residents John Dufresne, Phil Mahler, Bill Holland, Bob Grove, and Corinne Keyhayes.



# **PEACHTREE CITY**

## **Water and Sewerage Authority**



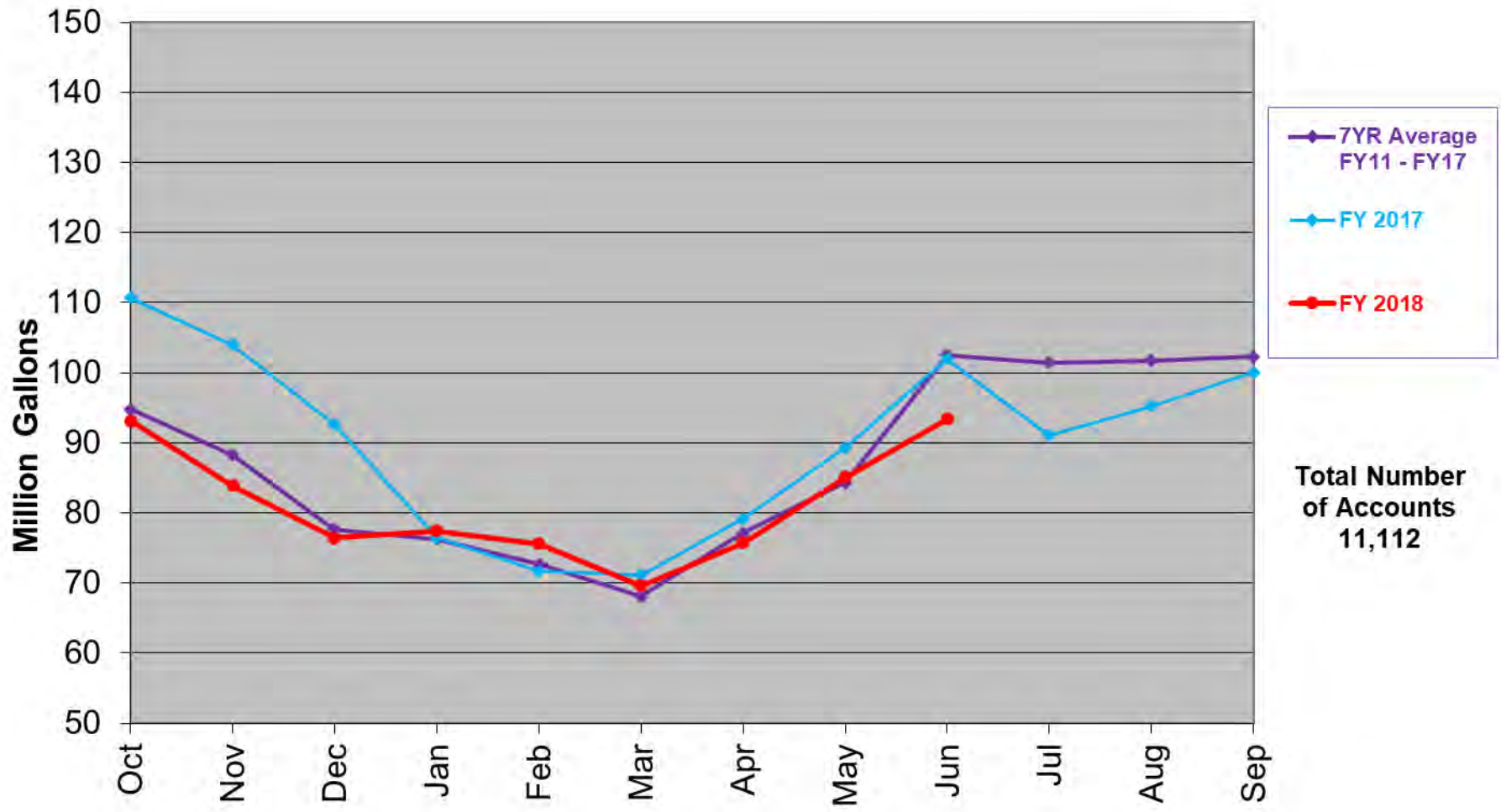
**Board Meeting**  
**August 6, 2018**

## **PCWASA Account Balance**

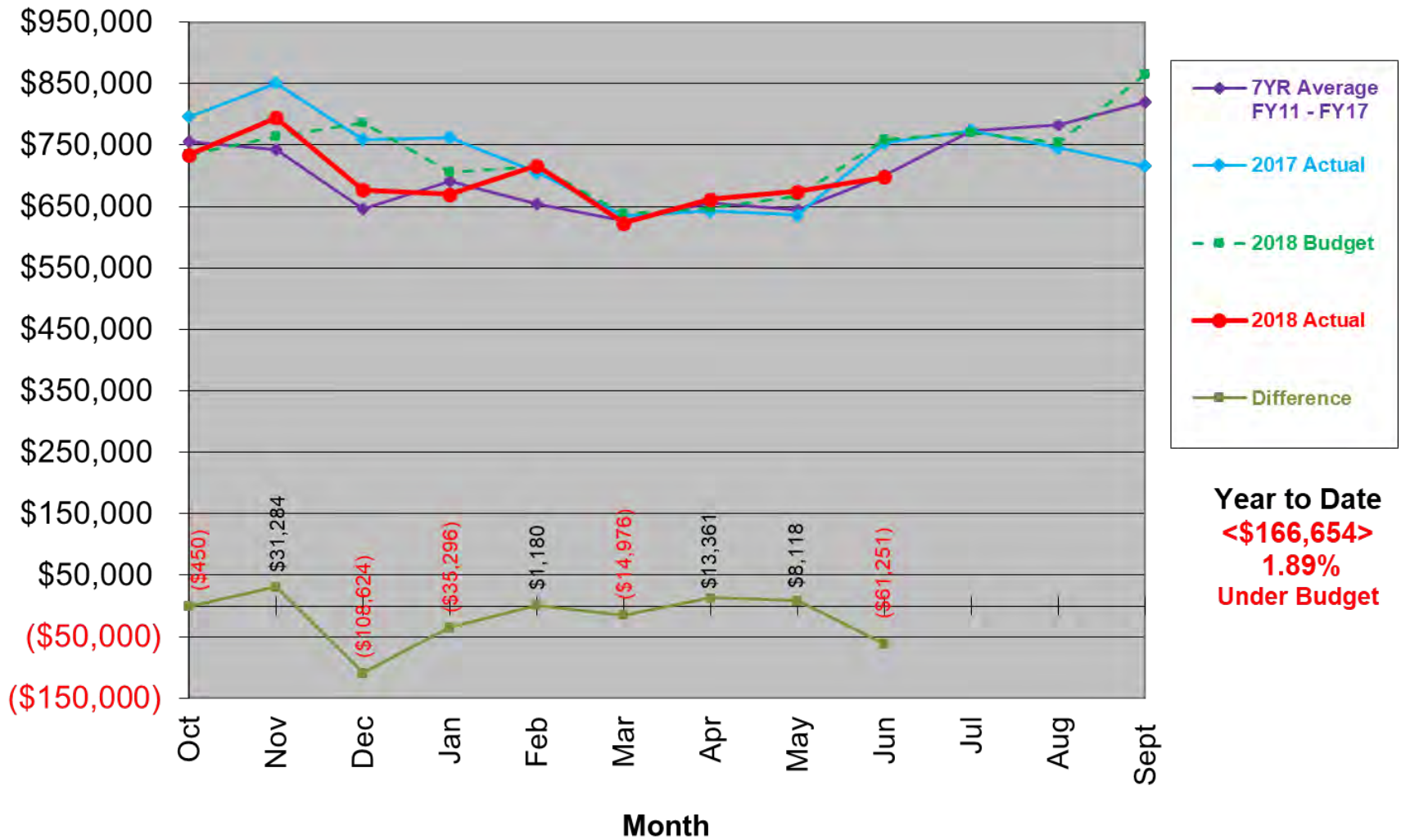
**As of June 30, 2018**

<b>1111</b>	<b>Revenue Operating Account</b>	<b>\$206,446</b>
<b>1112</b>	<b>Sinking Fund Account</b>	<b>\$1,088,751</b>
<b>1113</b>	<b>Renewal &amp; Extension Account</b>	<b>\$10,265</b>
<b>1114</b>	<b>Capital Fund Account</b>	<b>\$2,534</b>
<b>1160</b>	<b>Petty Cash</b>	<b>\$100</b>
<b>1312</b>	<b>Cash Management</b>	<b>\$3,571,551</b>
		<hr/> <hr/> <b>\$4,879,648</b>

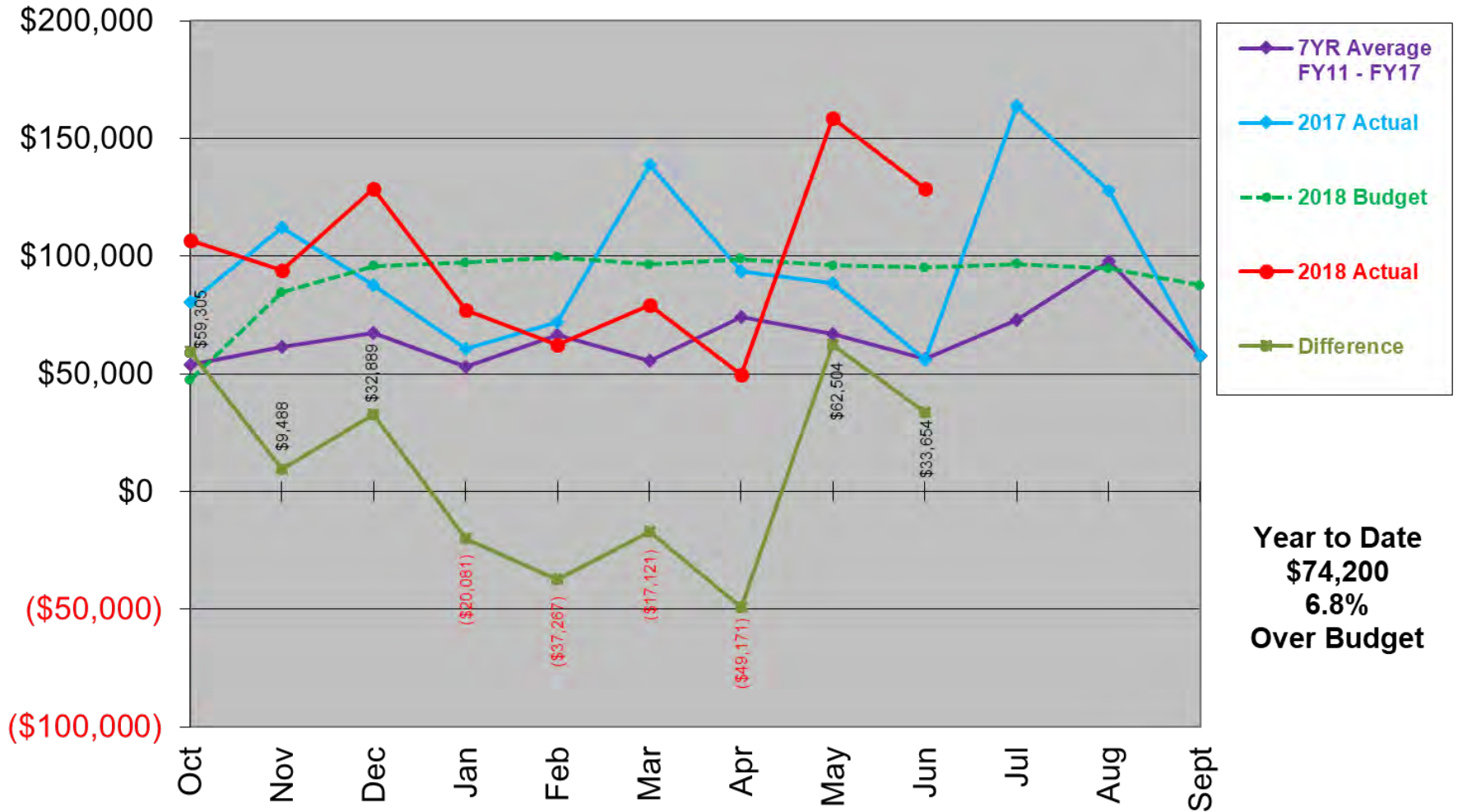
## 2018 Monthly Water Consumption



## FY 2018 Rate Revenue

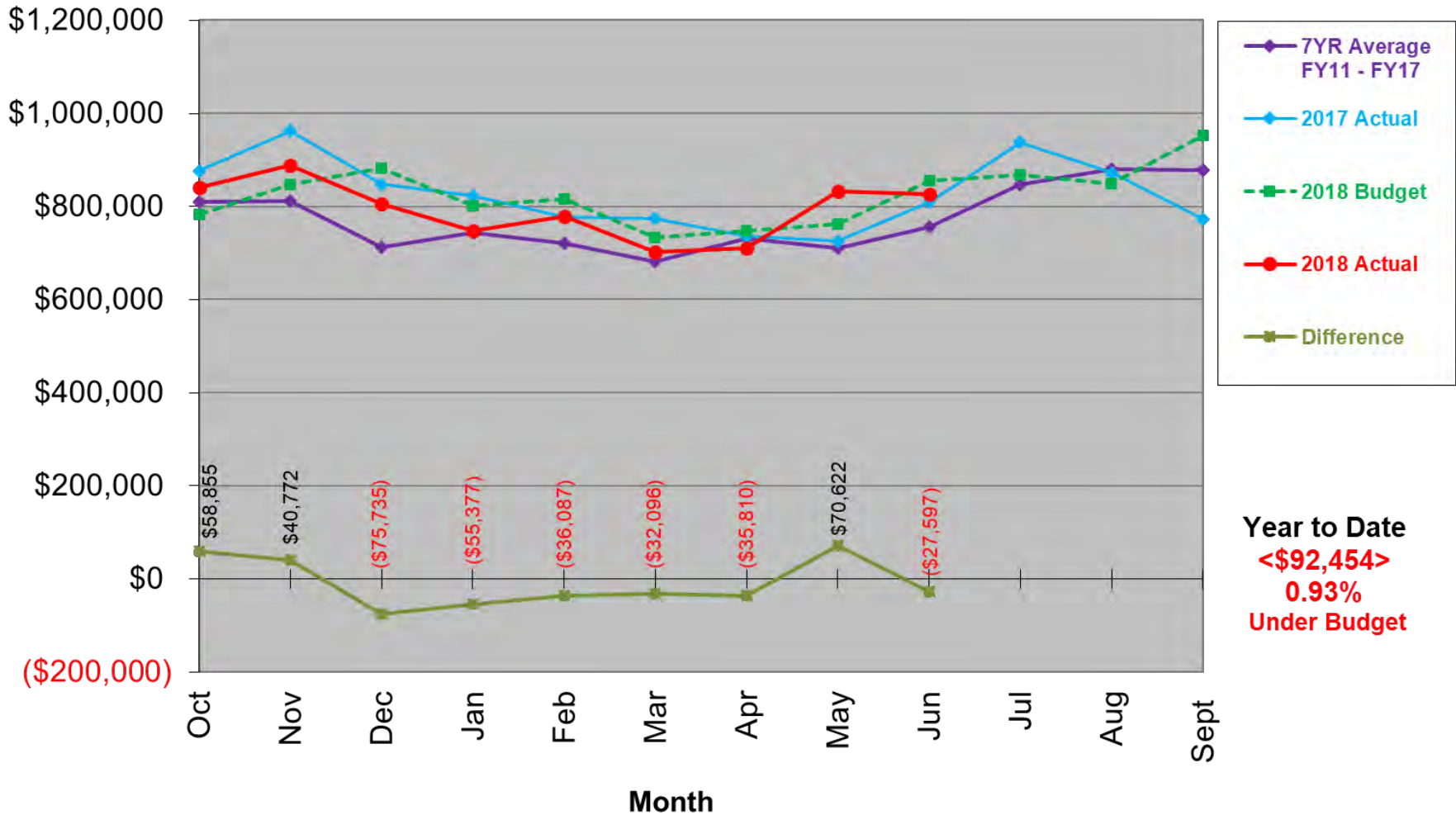


## FY 2018 Fee Revenue

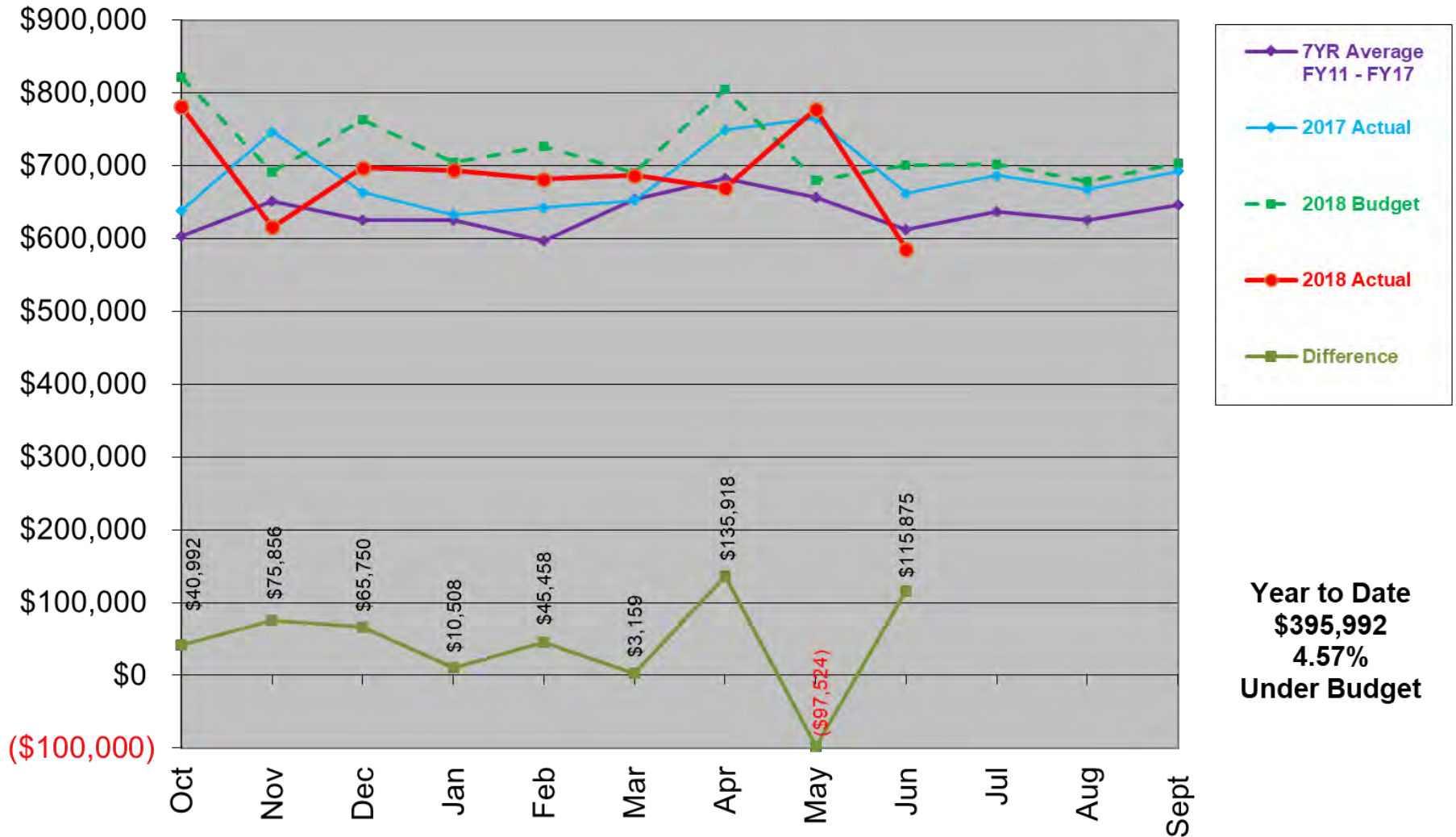




## FY 2018 Total Revenue



## FY 2018 Expenses



**Peachtree City Water and Sewerage Authority**  
**Special Called Meeting**  
**Minutes**  
**Friday, August 10, 2018**  
**5:30 PM**

John W. Gronner Administrative Center  
1127 Highway 74 South  
Peachtree City, Georgia

Attendees: Board: V. Fleisch, T. Ernst, M. King, K. Madden, P. Prebor  
Staff: Dan Davis (ISE), Kim Keefer (ISE), Susan Lee (PCWASA), Nathan Brooks  
(PCWASA)  
Public: John Dufresne, Shayne Robinson

- I. Pledge of Allegiance
- II. New Agenda Item
  - A. 08-18-01 – Consider appointment of new legal counsel for Peachtree City Water & Sewerage Authority
    - 1. A motion was made by M. King and seconded by K. Madden to approve two new legal counsels for the Authority: The Hawkins Law Firm LLC and Rosenzweig, Jones, Horne & Griffis, P.C. The motion passed 5-0.
- III. Adjourn
  - 1. A motion was made by K. Madden and seconded by T. Ernst to adjourn. The motion passed 5-0. The meeting adjourned at 5:34 pm.

August 13, 2018

Peachtree City Water and Sewerage Authority  
1127 Hwy. 74, South  
Peachtree City, GA 30269

2018 Meeting Dates at 6:30 p.m.

October 1, 2018

November 5, 2018

December 3, 2018

Peachtree City Water and Sewerage Authority  
1127 Hwy. 74, South  
Peachtree City, GA 30269

**2019 Meeting Dates at 6:30 p.m.**

January 7, 2019

February 4, 2019

March 4, 2019

April 8, 2019

May 6, 2019

June 3, 2019

July 8, 2019

August 5, 2019

September 9, 2019

October 7, 2019

November 4, 2019

December 2, 2019

COUNTY OF FAYETTE  
CITY OF PEACHTREE CITY  
WATER AND SEWERAGE AUTHORITY

RESOLUTION # 2018-001

A RESOLUTION OF THE WATER AND SEWERAGE AUTHORITY OF THE CITY OF PEACHTREE CITY REGARDING  
POTENTIAL LIABILITY OF BOARD MEMBERS, EMPLOYEES AND CONTRACT EMPLOYEES

**WHEREAS**, Water and Sewerage Authority of the City of Peachtree City is a public body corporation; and

**WHEREAS**, as a result of certain decisions by State and Federal Courts, board members, employees and contract employees of Water and Sewerage Authority of the City of Peachtree City may be subject to suits seeking to hold those persons personally liable for damages; and

**WHEREAS**, employees, contract employees and other individuals may be subject to formal complaints under the Employee Handbook or enabling legislation; and

**WHEREAS**, the Board deems it to be in the best interest of the Water and Sewerage Authority to indemnify, defend, and protect Water and Sewerage Authority Board Members, employees and contract employees from certain liability,

**IT IS THEREFORE, RESOLVED THAT:**

The Water and Sewerage Authority of The City of Peachtree City shall indemnify, defend and pay any and all judgments rendered against any Board members, employees or contract employees for any and all suits brought against them for any acts or omissions performed or neglected to be performed by them in the course of their employment, or association with the Water and Sewerage Authority.

The Water and Sewerage Authority of The City of Peachtree City shall provide legal counsel to any board member, employee, contract employee or other individual who is investigated under the Employee Handbook or enabling legislation for representation before the Hearing Officer, the investigation conducted by the Hearing Officer, and any action taken by the Board. Such legal counsel shall be selected by the individual requesting representation and be reimbursed by the Water and Sewerage Authority at a rate not to exceed the approved hourly rate of the Board Attorney plus 20%.

The indemnification shall not apply to those individuals who acted oppressively, maliciously, corruptly, or without authority of law as defined under O.C.G.A. §36-33-4.

This resolution shall remain in full force and effect until such time as it may be amended or repealed by a subsequent resolution of the Board.

**SO RESOLVED**, in open session assembled pursuant to law. This \_\_\_\_\_ day of September, 2018.

\_\_\_\_\_  
Chairman

\_\_\_\_\_

\_\_\_\_\_

ATTEST: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

## SECTION 00 94 63

## CHANGE ORDER

No. 1

Date of Issuance: August 16, 2018

Effective Date: August 16, 2018

Project: Paschall Road Sanitary Sewer Replacement and Railroad Crossing	Owner's Contract No.: N/A
Owner: Peachtree City Water & Sewerage Authority	Date of Contract: March 13, 2017
Contractor: Crawford Grading & Pipeline, Inc.	Engineer's Project No.: 1040.1604

**The Contract Documents are modified as follows upon execution of this Change Order:**

Description: Final change order to adjust contract amount for project closeout.

Attachments (list documents supporting change): Pay Application No. 3

**CHANGE IN CONTRACT PRICE:**

Original Contract Price:

\$218,033.24

[Increase] [Decrease] from previously  
approved Change Orders No. \_\_\_\_\_ to  
No. \_\_\_\_\_:

\$N/A

Contract Price prior to this Change Order:

\$218,033.24

Decrease of this Change Order:

\$92,946.00

Contract Price incorporating this Change  
Order:

\$125,087.24

**CHANGE IN CONTRACT TIMES:**Original Contract Times: ☐ Working days ☐ Calendar days

Substantial completion (days or date): \_\_\_\_\_

Ready for final payment (days or date): \_\_\_\_\_

[Increase] [Decrease] from previously approved Change Orders  
No. \_\_\_\_\_ to No. \_\_\_\_\_:

Substantial completion (days): \_\_\_\_\_

Ready for final payment (days): \_\_\_\_\_

Contract Times prior to this Change Order:

Substantial completion (days or date): \_\_\_\_\_

Ready for final payment (days or date): \_\_\_\_\_

[Increase] [Decrease] of this Change Order:

Substantial completion (days or date): \_\_\_\_\_

Ready for final payment (days or date): \_\_\_\_\_

Contract Times with all approved Change Orders:

Substantial completion (days or date): \_\_\_\_\_

Ready for final payment (days or date): \_\_\_\_\_

**RECOMMENDED:**By:   
Engineer (Authorized Signature)

Date: August 16, 2018

Approved by Funding Agency (if applicable): \_\_\_\_\_

**ACCEPTED:**By:   
Owner (Authorized Signature)

Date: 8/22/18

**ACCEPTED:**By:   
Contractor (Authorized Signature)

Date: August 16, 2018

Date: \_\_\_\_\_

**END OF SECTION**



## Memorandum

**To:** Board of Directors  
**Company:** Peachtree City Water and Sewerage Authority  
**From:** Kim Keefer  
**Date:** August 23, 2018  
**Subject:** Stantec Rate Study (2017)

**Project No.:** 1040.1803  
**Copy to:** Dan Davis  
Leslie Baer  
Bo Davis

At their November 2, 2017 workshop, the Peachtree City Water and Sewerage Authority Board of Directors received the results of the Stantec Rate Study from William Zierbutz (Stantec Financial Services Practice Leader.) For your convenience, a copy of this presentation is attached.

The assumptions used in the rate study include:

1. An increase in expenses, exclusive of capital improvements, from approximately \$8M to \$13M over 10 years. This is an annual increase in expenses of approximately 5% per year.
2. Capital funding below \$5M for years 2017 through 2012.
3. A capital funding increase of almost \$10 million per year over the years 2022 through 2025.
4. Capital funding below \$5M for years 2026 and 2027.
5. The cumulative capital funding is approximately \$64.5M. (In the 2017 Financial Audit, the ending balance of the financial assets was \$32M+).
6. The capital funding is assumed to be paid through long term debt for years 2019 through 2027.
7. Growth was assumed to be "moderate", although no explanation of this term is provided.

The results of the study are as follows:

1. Without a rate increase, and with the assumptions above, the Authority will have a debt service coverage below 1.25 starting in year 2020.
2. Without a rate increase, total expenses will exceed total revenues in 2022.
3. Without a rate increase, the revenue fund (which was at just below \$5M in 2017) will drop to a negative \$10M or more by 2027.

The rate increase scenario presented, under the assumptions above, requires an annual rate increase of 5.5% starting in fiscal year (FY) 2018 through FY 2022, an increase of 3.41% in FY2023, an increase of 4.07% in FY2025, an



# Memorandum

increase of 5.47% in FY2026 and an increase of 3.96% in FY2027. The average bill for a customer that uses 5,000 gallons would increase from \$49.25 to \$76.00. This is a 54%+ increase over 10 years.



# Financial Plan and Rate Review Presentation

November 2, 2017

# Agenda

## 1) Financial Plan

- ✓ Plan Development
- ✓ Revenue Requirements
- ✓ Rate Recommendations

## 2) Rate Structure Analysis

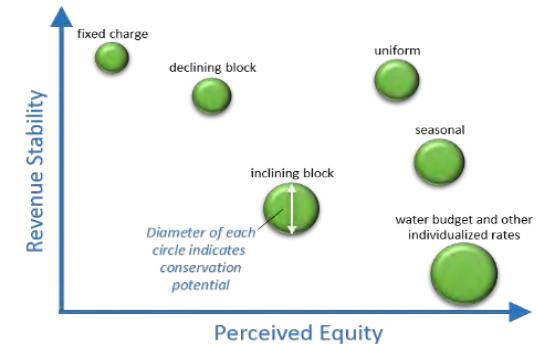
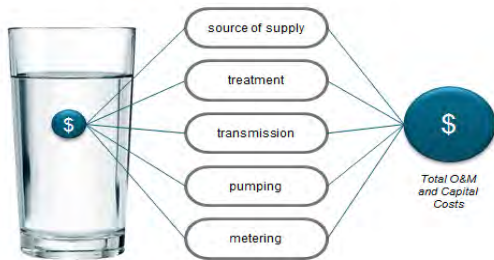
- ✓ Cost Allocation
- ✓ Rate Structure and Design
- ✓ Potential Rate Impacts
- ✓ Rate Structure Recommendations
- ✓ Rate Comparison

## 3) Seeking Economies of Scale

# 1 Financial Plan

- Revenue Adequacy
- Sustainability

# The Rate Setting Process



## Revenue Requirements

- Operating Costs
- Capital Costs
- Financial Policies

## Cost of Service Allocation

- Review Classes
- Fair/Equitable
- Compare to Revenues

## Rate Design

- Set Objectives
- Identify Options
- Quantify Impacts

# Financial Plan Development

## Revenues:

- Rate revenue based on Fayette County billing data

## Revenue Requirements:

- Expenses based on FY17 budget, and escalated based on industry trends and projections and staff input
- Incorporates existing debt and capital improvement plan (CIP) schedule



# The Rate Model



# No Rate Increases

## FINANCIAL ANALYSIS AND MANAGEMENT SYSTEM (FAMS) SUMMARY

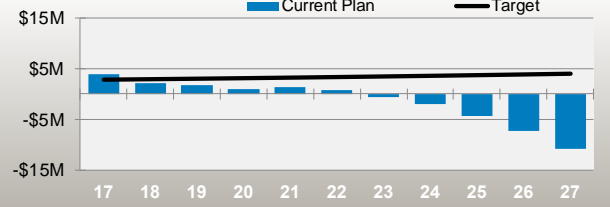


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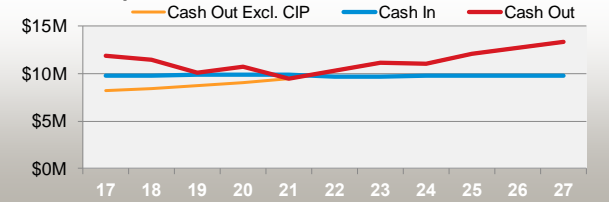
### Peachtree City Water and Sewerage Authority

	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	Cumulative Change	
Override ▶	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	FY 2022	FY 2027
Residential and Single Family Rate Plan	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Override ▶	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	Scenario Testing	
Commercial, Industrial and Multi-Family Rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	Growth	Moderate
Debt Service Coverage	1.56	1.50	1.41	1.28	1.13	0.84	0.66	0.67	0.51	0.42	0.34	Add Bond CIP	0.00 M
Avg Sewer Bill (5,000 gal)	\$49.25	\$49.25	\$49.25	\$49.25	\$49.25	\$49.25	\$49.25	\$49.25	\$49.25	\$49.25	\$49.25	Reg. Driven CIP	Yes
Change \$		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	Additional CIP Adj.	1.50
Change %		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		
Avg Bill Including Fayette County Water(5,000 gal)	\$77.42	\$77.42	\$77.42	\$77.42	\$77.42	\$77.42	\$77.42	\$77.42	\$77.42	\$77.42	\$77.42		

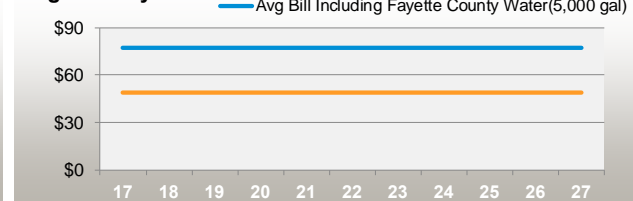
#### Revenue Fund



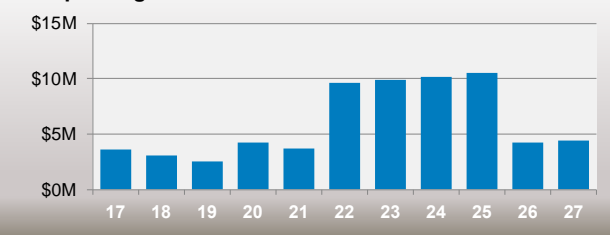
#### Rev vs. Exp



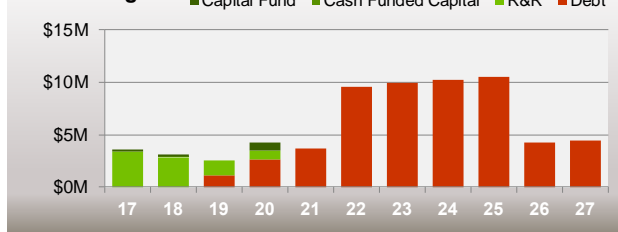
#### Avg. Monthly Bill



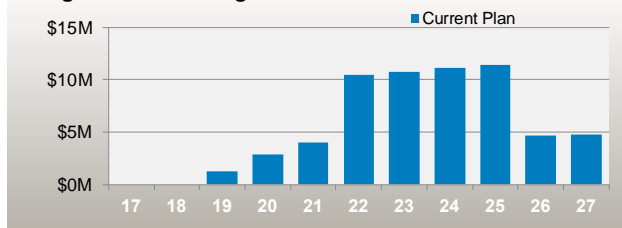
#### CIP Spending



#### CIP Funding



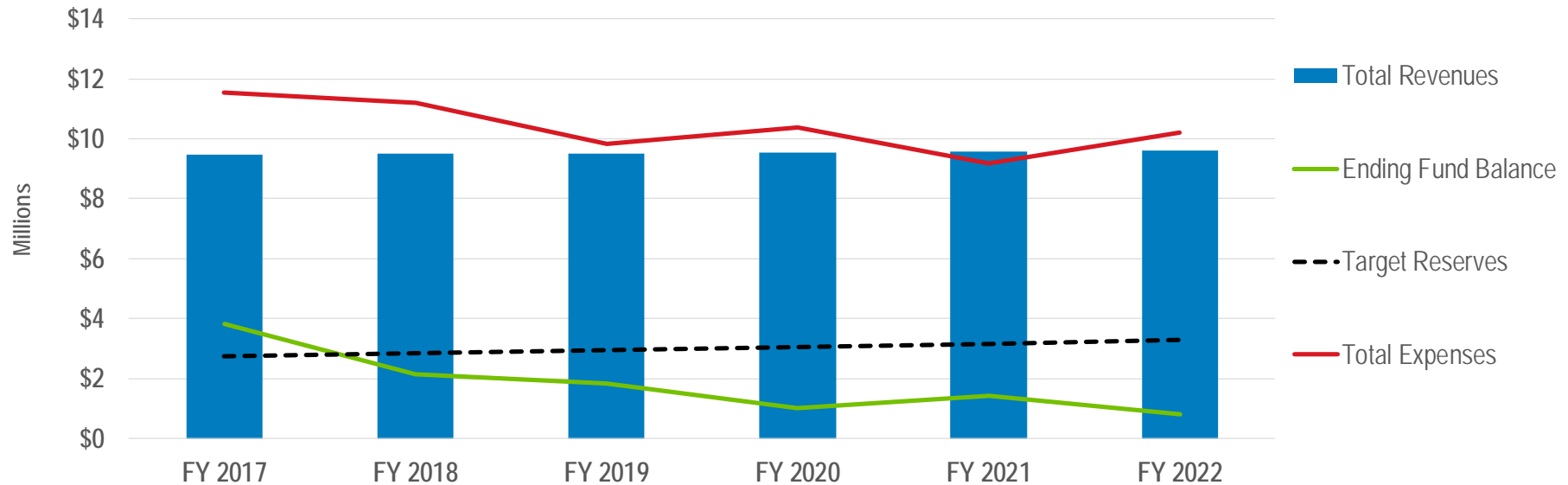
#### Long-Term Borrowing





# No Rate Increases

- No Rate Increases
- DSC below 1.1 in FY 2021



Rate Increases:	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
DSC:	1.50	1.41	1.28	1.13	0.84	0.66

**PEACHTREE CITY  
WATER AND SEWERAGE AUTHORITY  
REVENUE BOND COVERAGE**

<b>Fiscal Year</b>	<b>Gross Revenue (1)</b>	<b>Operating Expenses (2)</b>	<b>Net Revenue Available for Debt Service (3)</b>	<b>Debit Service Payment (4)</b>	<b>Coverage (5)</b>
1999	\$ 6,194,547	\$ 2,269,144	\$ 3,925,403	\$ 1,886,994	<b>2.08</b>
2000	5,628,716	2,379,074	3,249,642	1,871,755	<b>1.74</b>
2001	4,909,743	2,343,774	2,565,969	1,887,519	<b>1.36</b>
2002	6,452,146	2,512,872	3,939,274	2,050,421	<b>1.92</b>
2003	6,326,174	2,684,806	3,641,368	3,014,036	<b>1.21</b>
2004	6,946,245	2,595,447	4,350,798	3,012,934	<b>1.44</b>
2005	6,556,143	2,883,804	3,672,339	2,988,420	<b>1.23</b>
2006	6,462,067	2,839,552	3,622,515	2,998,447	<b>1.21</b>
2007	6,499,115	3,056,256	3,442,859	2,933,862	<b>1.17</b>
2008	5,807,837	3,323,183	2,484,654	2,939,569	<b>0.85</b>
2009	5,702,783	3,419,333	2,283,450	2,943,745	<b>0.78</b>
2010	6,011,655	3,684,986	2,326,669	2,935,960	<b>0.79</b>
2011	8,904,651	4,261,647	4,643,004	2,933,661	<b>1.58</b>
2012	9,047,264	4,145,952	4,901,312	2,933,969	<b>1.67</b>
2013	9,361,172	4,339,058	5,022,114	2,445,750	<b>2.05</b>
2014	9,105,958	4,460,098	4,645,860	2,741,352	<b>1.69</b>
2015	9,513,554	4,869,538	4,644,016	2,749,926	<b>1.69</b>
2016	9,830,018	5,117,940	4,712,078	2,754,690	<b>1.71</b>
2017	(B) 9,778,000	5,392,163	4,385,837	2,755,036	<b>1.59 (Budgeted)</b>

# Steady Revenue Increase Scenario

## FINANCIAL ANALYSIS AND MANAGEMENT SYSTEM (FAMS) SUMMARY



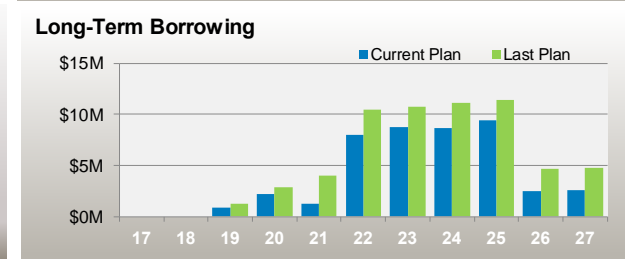
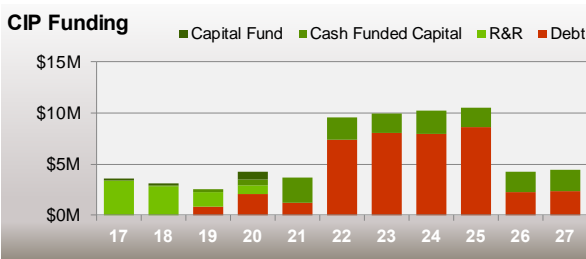
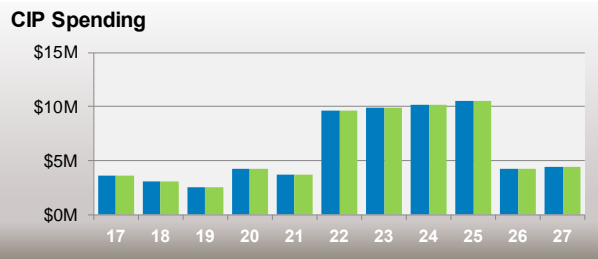
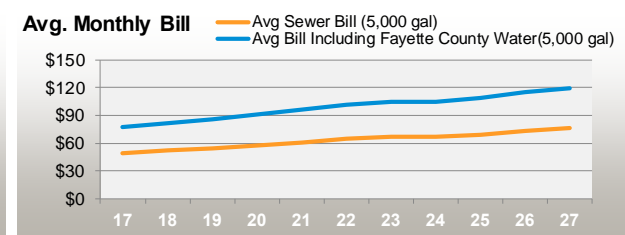
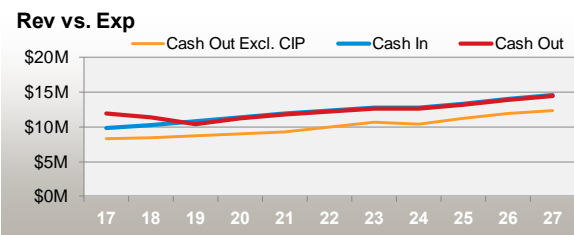
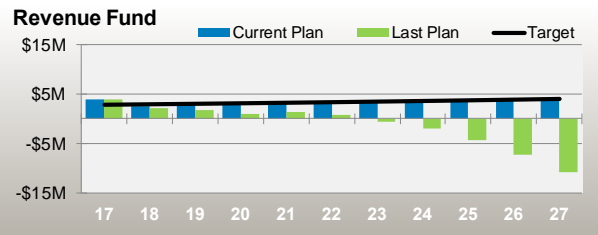
ROLL CALC SAVE

### Peachtree City Water and Sewerage Authority

	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027		Cumulative Change
													FY 2022 FY 2027
Override ►	0.00%	5.50%	5.50%	5.50%	5.50%	5.50%							30.72% 54.31%
Residential and Single Family Rate Plan	0.00%	5.50%	5.50%	5.50%	5.50%	5.50%	3.41%	0.00%	4.07%	5.47%	3.96%		0.00% 0.00%
Last Plan	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		0.00% 0.00%
Override ►	0.00%	5.50%	5.50%	5.50%	5.50%	5.50%	3.41%	0.00%	4.07%	5.47%	3.96%		
Commercial, Industrial and Multi-Family Rate	0.00%	5.50%	5.50%	5.50%	5.50%	5.50%	3.41%	0.00%	4.07%	5.47%	3.96%		
Last Plan	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		
Debt Service Coverage	1.56	1.66	1.76	1.81	1.87	1.69	1.50	1.70	1.50	1.51	1.50		
Last Plan	1.56	1.50	1.41	1.28	1.13	0.84	0.66	0.67	0.51	0.42	0.34		
Avg Sewer Bill (5,000 gal)	\$49.25	\$51.98	\$54.84	\$57.83	\$61.01	\$64.38	\$66.59	\$66.59	\$69.32	\$73.12	\$76.00		
Change \$		\$2.73	\$2.86	\$2.99	\$3.18	\$3.37	\$2.21	\$0.00	\$2.73	\$3.80	\$2.88		
Change %		5.5%	5.5%	5.5%	5.5%	5.5%	3.4%	0.0%	4.1%	5.5%	3.9%		
Last Plan Avg. Bill	\$49.25	\$49.25	\$49.25	\$49.25	\$49.25	\$49.25	\$49.25	\$49.25	\$49.25	\$49.25	\$49.25		
Last Plan Change %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		
Avg Bill Including Fayette County Water(5,000 gal)	\$77.42	\$81.70	\$86.19	\$90.90	\$95.90	\$101.19	\$104.66	\$104.66	\$108.94	\$114.91	\$119.45		
Last Plan Avg. Bill	\$77.42	\$77.42	\$77.42	\$77.42	\$77.42	\$77.42	\$77.42	\$77.42	\$77.42	\$77.42	\$77.42		

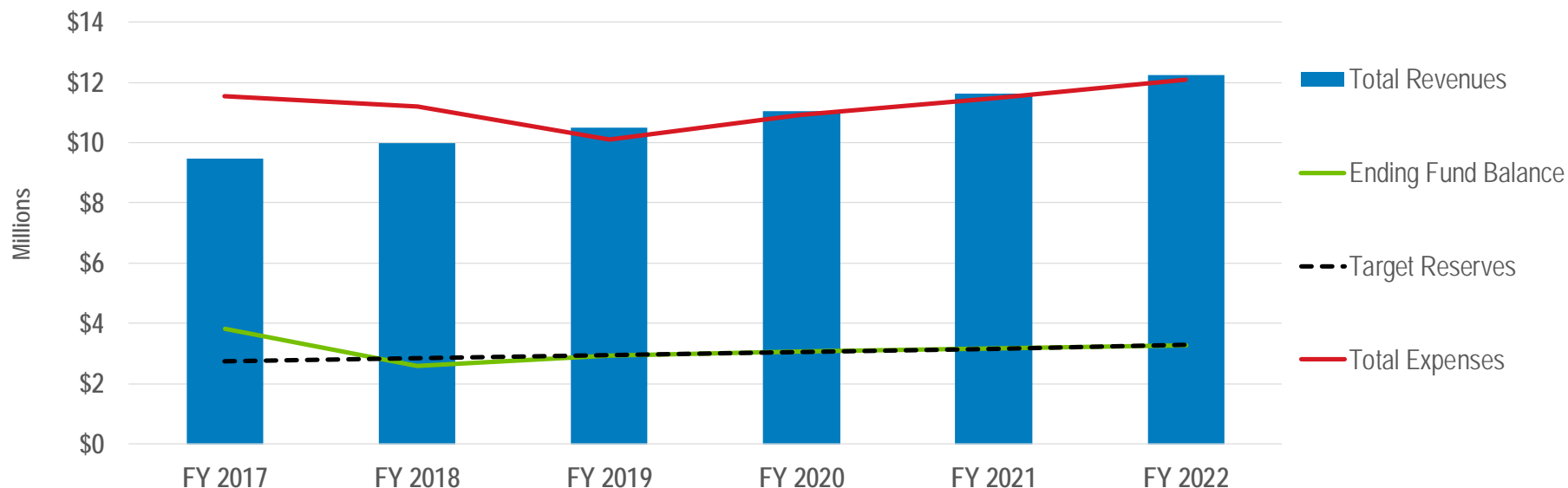
Scenario Testing	
Growth FY 2017 CIP	Moderate Yes
Add Bond CIP Year (Start)	0.00 M FY 2019
Reg. Driven CIP	Yes
Additional CIP Adj.	1.50
Tyrone Kgal	0

Check -



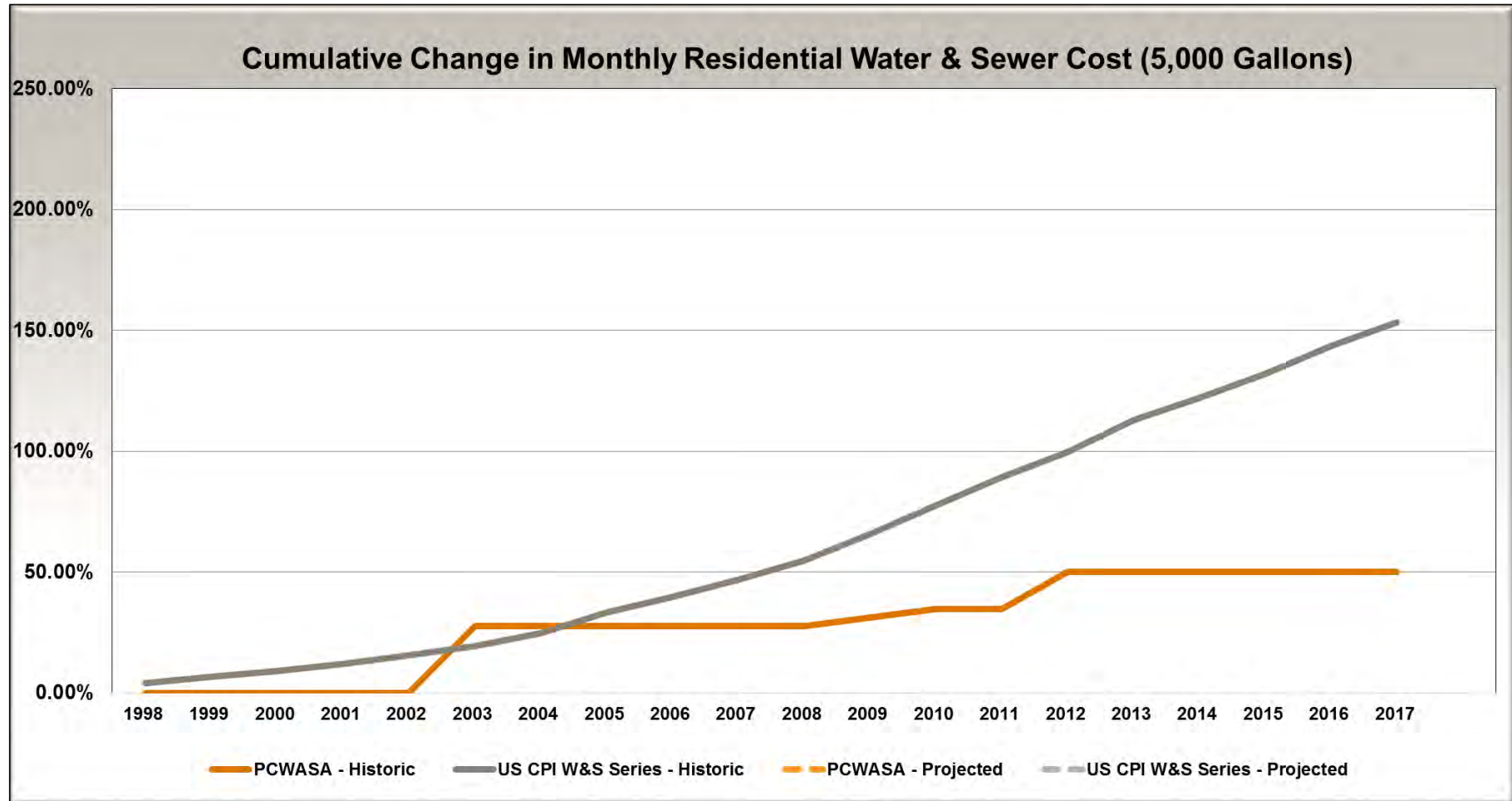
# Steady Revenue Increase Scenario

- 5.5% Rate increase from FY 18 – 22
- Fund falls below target for FY 18

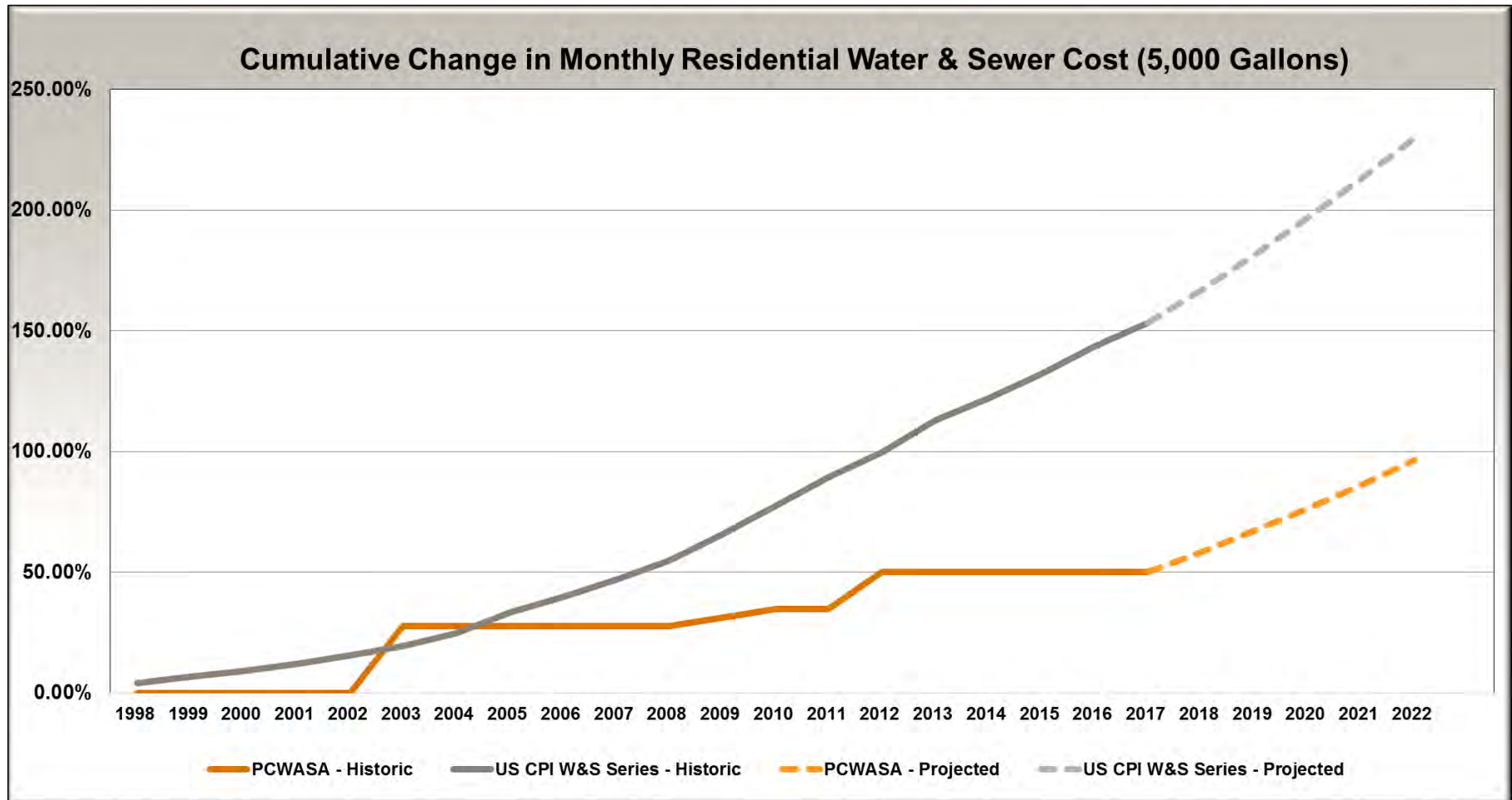


Rate Increases:	0.0%	5.5%	5.5%	5.5%	5.5%	5.5%
DSC:	1.66	1.76	1.81	1.87	1.69	1.50

# Historical Bill Impacts Compared to Water and Sewerage Maintenance Series CPI



# Historical/Projected Bill Impacts Compared to Water and Sewerage Maintenance Series CPI



# 2 Rate Structure Analysis

- Cost Allocation
- Rate Structure Refinement

# Cost Allocation Review

## Cost allocation:

- Fixed and variable costs
- Fixed and variable revenue recovery

## Capacity:

- Capacity is a big cost driver
- Rate structure can reflect different demands by different types of customers



# Rate Structure Analysis Results

## Option 1:

- Maintain current rate structure
- Update rates to meet fixed and variable revenue targets.
- Maintain existing customer classes

## Option 2

- Use meter equivalency factors to create more equitable base charges

# Rate Design – Updated Current Structure

		Existing Rates	Updated Rate
<b>Base Bill</b>			
Uniform Base Bill	\$	26.00	\$ 27.43
<b>Volumetric Rate</b>			
Residential and Single Family	\$	4.65	\$ 4.89
Commercial, Industrial and Multi-Family	\$	6.15	\$ 6.47

# Bill Impact – Updated Current Structure

Impact to Monthly Bill	Monthly Usage (Kgal)	Existing Rates	Updated Rate	Change in Bill Amount	Percent Change
<b>Residential and Single Family</b>					
60% of Average Customer	3.26	\$ 41.17	\$ 43.39	\$ 2.23	5.4%
80% of Average Customer	4.35	\$ 46.22	\$ 48.72	\$ 2.49	5.4%
Average Customer	5.44	\$ 51.28	\$ 54.04	\$ 2.76	5.4%
150% of Average Customer	8.15	\$ 63.92	\$ 67.34	\$ 3.42	5.4%
200% of Average Customer	10.87	\$ 76.56	\$ 80.64	\$ 4.09	5.3%
<b>Commercial, Industrial and Multi-Family</b>					
10% of Average Customer	6.34	\$ 65.00	\$ 68.48	\$ 3.48	5.4%
50% of Average Customer	31.71	\$ 221.01	\$ 232.69	\$ 11.68	5.3%
Average Customer Meter	63.42	\$ 416.03	\$ 437.96	\$ 21.93	5.3%
200% of Average Customer	126.84	\$ 806.06	\$ 848.48	\$ 42.42	5.3%
400% of Average Customer	253.68	\$1,586.12	\$1,669.53	\$ 83.41	5.3%

# Rate Structure Analysis – Recommended Refinement

## Base Bill

- Update base bill from uniform fee to meter size fees based on AWWA equivalent meter factors

## Volumetric Fee

- Maintain existing customer classes
  - Residential and Single Family
  - Commercial, Industrial, and Multi-Family

# Rate Design – Recommended Refinement

		Existing Rates	Potential Rate
<b>Base Bill</b>			
Uniform Base Bill	\$	26.00	\$ 27.43
Meter Size Based Base Bill			
3/4"	\$	26.00	\$ 21.28
1"	\$	26.00	\$ 35.47
1 1/2"	\$	26.00	\$ 70.93
2"	\$	26.00	\$ 113.49
3"	\$	26.00	\$ 226.98
4"	\$	26.00	\$ 354.66
6"	\$	26.00	\$ 709.31
8"	\$	26.00	\$1,134.90
10"	\$	26.00	\$2,979.12
<b>Volumetric Rate</b>			
Residential and Single Family	\$	4.65	\$ 4.89
Commercial, Industrial and Multi-Family	\$	6.15	\$ 6.47

# Bill Impact – Residential and Single Family

Impact to Monthly Bill	Monthly Usage (Kgal)	Existing Rates	Potential Rate	Change in Bill Amount	Percent Change
<b>Residential and Single Family</b>					
60% of Average Customer	3.26	\$ 41.17	\$ 37.24	\$ (3.93)	-9.5%
80% of Average Customer	4.35	\$ 46.22	\$ 42.57	\$ (3.65)	-7.9%
Average Customer	5.44	\$ 51.28	\$ 47.89	\$ (3.39)	-6.6%
150% of Average Customer	8.15	\$ 63.92	\$ 61.19	\$ (2.73)	-4.3%
200% of Average Customer	10.87	\$ 76.56	\$ 74.49	\$ (2.07)	-2.7%

# Bill Impact – Commercial & Industrial

Impact to Monthly Bill	Monthly Usage (Kgal)	Existing Rates	Scenario 1 Maintain Current Fixed Rate (38.0% Fixed Revenue)	Percent Change
75% of Average 3/4" Commercial Customer	4.12	\$51.36	\$46.91	-8.67%
Average 3/4" Commercial Customer	5.50	\$59.82	\$55.61	-7.03%
150% of Average 3/4" Commercial Customer	8.25	\$76.72	\$73.01	-4.84%
75% of Average 1.5" Restaurant Customer	90.96	\$585.42	\$645.12	10.20%
Average 1.5" Restaurant Customer	121.28	\$771.90	\$837.05	8.44%
150% of Average 1.5" Restaurant Customer	181.93	\$1,144.85	\$1,220.89	6.64%
75% of Average 2" Industrial Customer	64.51	\$422.71	\$519.28	22.84%
Average 2" Industrial Customer	86.01	\$554.95	\$655.38	18.10%
150% of Average 2" Industrial Customer	129.01	\$819.43	\$927.58	13.20%
75% of Average 8" Industrial Customer	226.70	\$1,420.20	\$2,544.66	79.18%
Average 8" Industrial Customer	302.27	\$1,884.93	\$3,022.97	60.38%
150% of Average 8" Industrial Customer	453.40	\$2,814.40	\$3,979.58	41.40%

# Recommendations – Part 1

- Stantec recommends that PCWSA increase revenue generation by 5.5% annually over the next 5 years
- Consider rate structure refinement to better align rates with customer characteristics
- Anticipate smaller ongoing annual inflationary adjustments after FY 2022

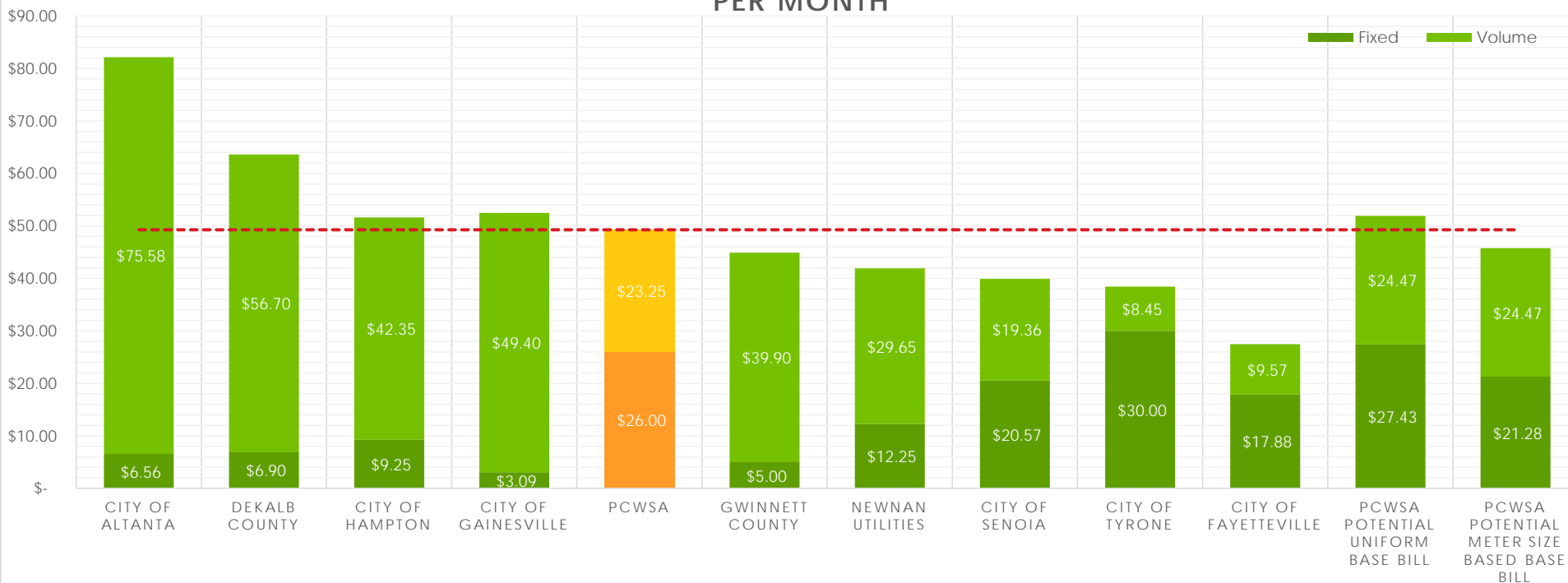


# Recommendations – Part 2

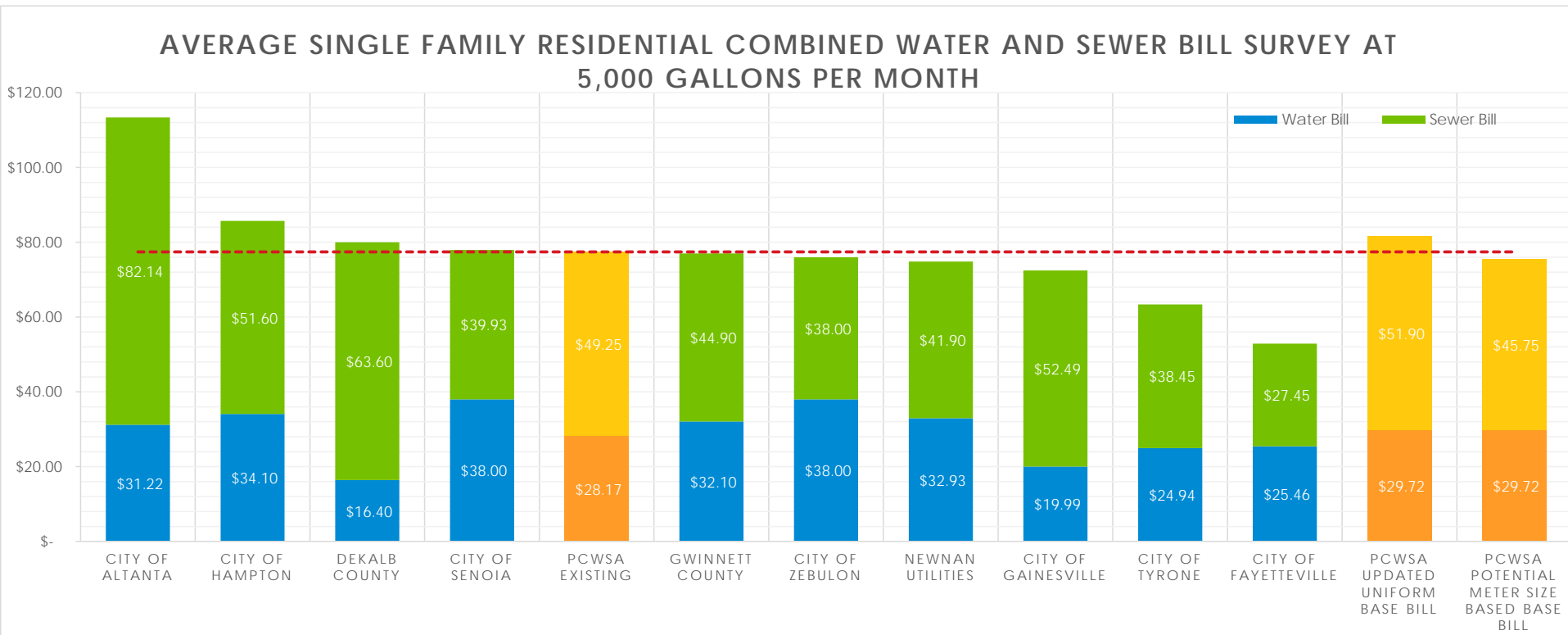
- Stantec recommends implementing a base charge structure that reflects water meter size
- Key results
  - Lower volumetric rates
  - Generally lower monthly residential bills
  - Improved equity in cost recovery

# Rate Survey – Sewer Only

AVERAGE SINGLE FAMILY RESIDENTIAL SEWER BILL SURVEY AT 5,000 GALLONS PER MONTH



# Rate Survey – Water and Sewer



# 3 Seeking Economies of Scale

- Better Utilizing Your Assets
  - Physical Assets
  - Human Resources
- Rigorous Testing of Impacts on Existing Customers

# Water and Wastewater Utilities

- An unusual challenge: providing fundamental community services while operating like a business
- Utilizing the financial model
  - Evaluation of capital projects
  - Evaluation of business opportunities
  - Ten year planning horizon
  - Projection of all costs and benefits
- Evaluation of potential wholesale service opportunities

# Potential Wholesale Customers

## Two past opportunities

- **Town of Tyrone** - Potential for wholesale treatment of 0.5 MGD
- **City of Senoia** – potential for wholesale treatment of 1.0 MGD

## Expenses and Revenues

- Assumed increase in O&M costs of approximately \$1.00 per Kgal
- Potential annual revenue of ~\$1.9M starting in FY19 assuming a volumetric rate of 2/3 the residential rate

# Steady Revenue Scenario with Wholesale Contract

## FINANCIAL ANALYSIS AND MANAGEMENT SYSTEM (FAMS) SUMMARY

### Peachtree City Water and Sewerage Authority



ROLL CALC SAVE

	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	
Override ►	0.00%	3.00%	3.00%	2.50%	2.50%	2.50%						
Residential and Single Family Rate Plan	0.00%	3.00%	3.00%	2.50%	2.50%	2.50%	2.39%	0.00%	4.66%	5.64%	4.34%	
Last Plan	0.00%	5.50%	5.50%	5.50%	5.50%	5.50%	3.41%	0.00%	4.07%	5.47%	3.96%	
Commercial, Industrial and Multi-Family Rate	0.00%	3.00%	3.00%	2.50%	2.50%	2.50%	2.39%	0.00%	4.66%	5.64%	4.34%	
Last Plan	0.00%	3.00%	3.00%	2.50%	2.50%	2.50%	2.39%	0.00%	4.67%	5.71%	4.64%	
Debt Service Coverage	1.56	1.59	2.07	2.05	2.03	1.73	1.50	1.69	1.51	1.51	1.52	
Last Plan	1.56	1.66	1.76	1.81	1.87	1.69	1.50	1.70	1.50	1.51	1.50	
Avg Sewer Bill (5,000 gal)	\$49.25	\$50.73	\$52.23	\$53.52	\$54.88	\$56.25	\$57.61	\$57.61	\$60.28	\$63.75	\$66.71	
Change \$		\$1.48	\$1.50	\$1.29	\$1.36	\$1.37	\$1.36	\$0.00	\$2.67	\$3.47	\$2.96	
Change %		3.0%	3.0%	2.5%	2.5%	2.5%	2.4%	0.0%	4.6%	5.8%	4.6%	
Last Plan Avg. Bill	\$49.25	\$51.98	\$54.84	\$57.83	\$61.01	\$64.38	\$66.59	\$66.59	\$69.32	\$73.12	\$76.00	
Last Plan Change %		5.54%	5.50%	5.45%	5.50%	5.52%	3.43%	0.00%	4.10%	5.48%	3.94%	
Avg Bill Including Fayette County Water(5,000 gal)	\$77.42	\$79.75	\$82.12	\$84.16	\$86.29	\$88.45	\$90.58	\$90.58	\$94.79	\$100.21	\$104.75	
Last Plan Avg. Bill	\$77.42	\$81.70	\$86.19	\$90.90	\$95.90	\$101.19	\$104.66	\$104.66	\$108.94	\$114.91	\$119.45	

#### Cumulative Change

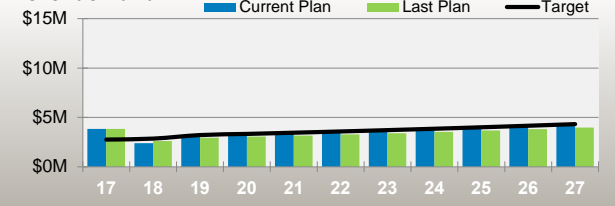
FY 2022	FY 2027
14.21%	35.01%
30.72%	54.31%

#### Scenario Testing

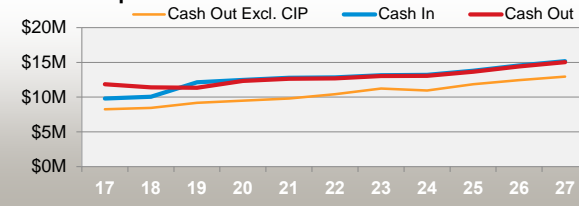
Growth	Moderate
FY 2017 CIP	Yes
Add Bond CIP	0.00 M
Year (Start)	FY 2019
Reg. Driven CIP	Yes
Additional CIP	1.50
Adj. Factor	
Wholesale Kgal	547,500

Check (68,165)

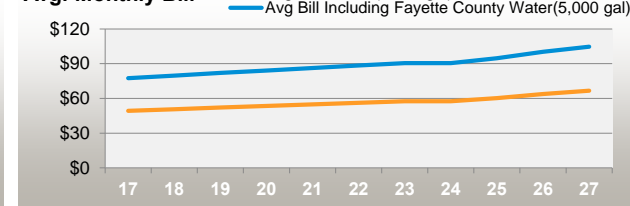
#### Revenue Fund



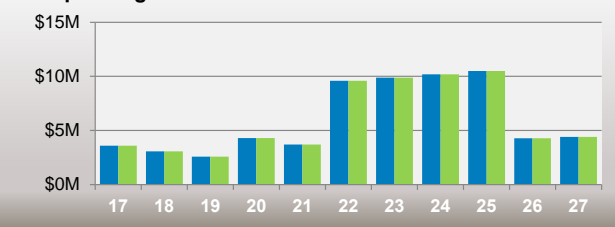
#### Rev vs. Exp



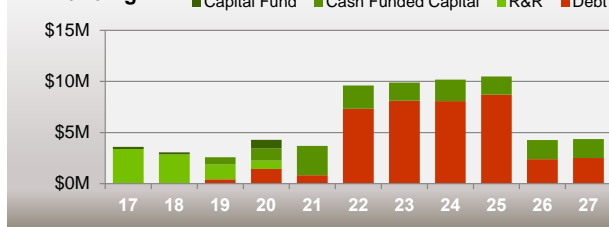
#### Avg. Monthly Bill



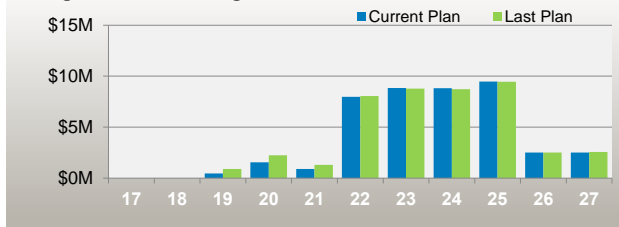
#### CIP Spending



#### CIP Funding

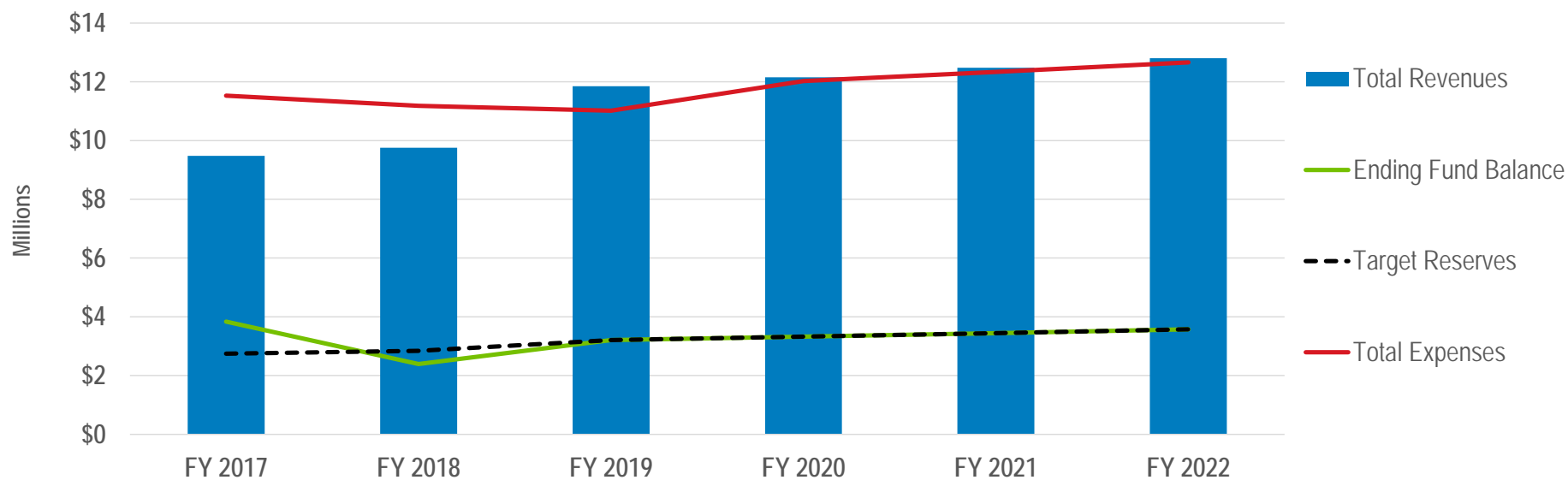


#### Long-Term Borrowing



# Steady Revenue Increase Scenario

- Two years of 3% and three years of 2.5% Rate increases from FY 18 – 22
- Fund falls below target for FY 18



Rate Increases:	0.0%	3.0%	3.0%	2.5%	2.5%	2.5%
DSC:	1.59	2.07	2.05	2.03	1.73	1.50



# Conclusions

- Stantec recommends **annual 5.5% revenue increases** for the next five years
- Stantec recommends implementing a **base charge structure** that reflects water meter size
- Stantec recommends consideration of future opportunities to improve the utilization of existing assets

Peachtree City Water and Sewerage Authority  
FY 2019 Operating Budget

**DRAFT**

	<b>APPROVED FY 2018 BUDGET</b>	<b>INITIAL PROPOSED FY 2019 BUDGET</b>	<b>REVISED PROPOSED FY 2019 BUDGET</b>
Revenues - Rate	\$8,988,000	\$9,048,000	\$9,211,702
Revenues - Fee	\$906,500	\$770,900	\$730,900
Operating Fund Revenues	\$9,894,500	\$9,818,900	\$9,942,602
Salaries, Wages, & Benefits	\$2,837,363	\$2,694,288	\$2,694,288
Materials, Supplies, & Services	\$2,737,350	\$2,586,240	\$2,876,240
Operation Expenditures	\$5,574,713	\$5,280,528	\$5,570,528
Operating Surplus (Deficit)	\$4,319,787	\$4,538,372	\$4,372,074
Oper Trfr-Sinking Fund	\$3,030,540	\$3,030,540	\$3,030,540
Oper Trfr-Ren & Ext	\$3,270,000	\$1,268,528	\$863,148
Oper Trfr-Capital	\$1,937,000	\$977,000	\$243,000
Sub-Total	\$8,237,540	\$5,276,068	\$4,136,688
Total All Expenditures	\$13,812,253	\$10,556,596	\$9,707,216
Net Surplus (Deficit)	(\$3,917,753)	(\$737,696)	\$235,386
Other Income (Expenditures)	\$0	\$0	(\$10,000)
Total Surplus (Deficit)	(\$3,917,753)	(\$737,696)	\$225,386