

# Fulton County Water/Wastewater 2022 Rate Study Review

Fulton County Department of Public Works

June 28<sup>th</sup> and 30<sup>th</sup> Public Meetings



# Executive Summary

- South Fulton Capacity Study projections are proving accurate
  - Demand for projects and system expansions are needed
  - Total \$480 million in projects identified
- Continued revenue/expenses imbalance will create a decrease in capital balance and unsustainable
- In order to prevent a depletion of funds and maintain a steady balance to allow Fulton County to continue providing its services as well as fund the projects raised in the capacity studies, a rate increase of **5%** is proposed for the next 3 years



# Capital Improvement Program

## Funded Through Previous Rate Adjustments

- Little River WRF Replacement
- Bonding for Big Creek WRF Expansion
- Johns Creek Reuse Water Line
- Cobb County Diversion Line
- Camp Creek WRF modernization
- Water Tank painting
- Inflow & Infiltration Response
  - Riverside/Azlea Drive
  - Pine Valley Road
  - Morning Creek

Total Infrastructure Investment = \$490 Million

## Planned Projects with Proposed Rate Adjustment

- Atlanta Newnan Pump Station and Force Main
- Friendship Pump Station and Force Main
- Campbellton Pump Station and Force Main
- Camp Creek, Deep Creek, and Ono Road Pump Station capacity improvements
- Preliminary Camp Creek WRF Expansion Conceptual Engineering
- Inflow & Infiltration Response
  - Marsh Creek
  - Camp Creek Interceptor

Total Infrastructure Investment = \$475 Million

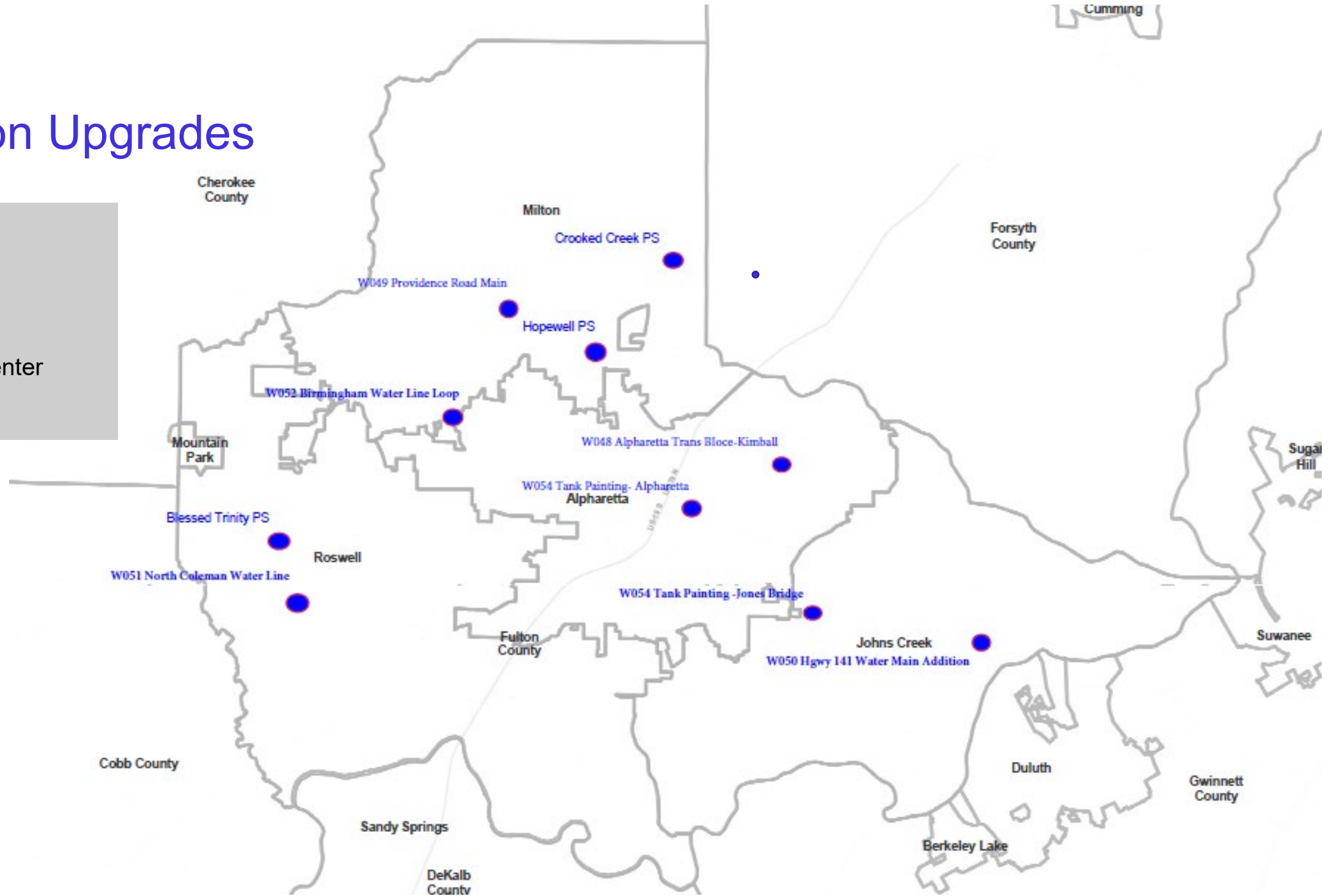
# 2020-2029 North Fulton Upgrades





Pump Station

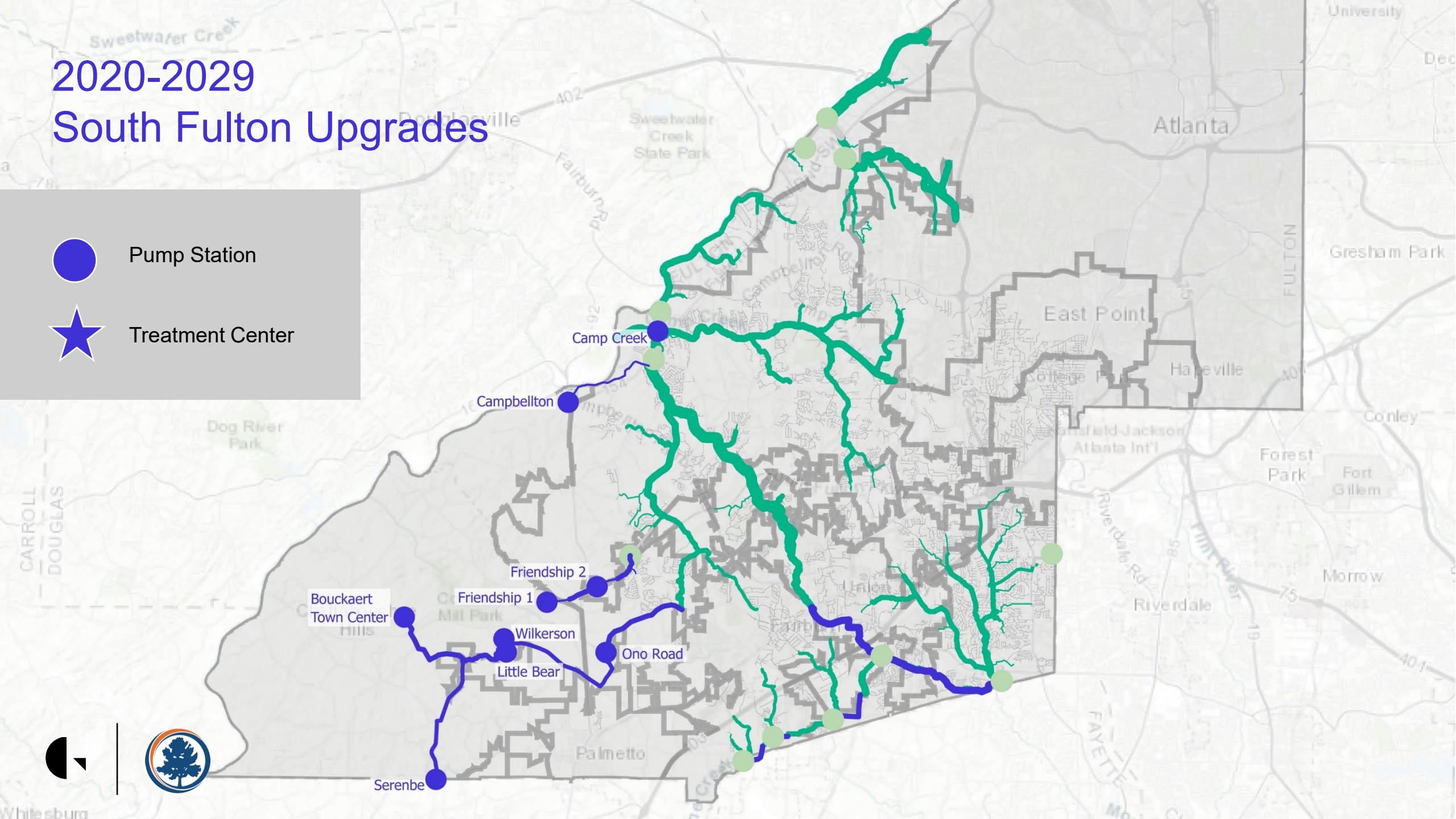


Treatment Center



# 2020-2029 South Fulton Upgrades

-  Pump Station
-  Treatment Center



# CIP Projects

Total CIP:



- Includes Water and Wastewater Systems projects, as well as Standby projects
- Includes projects in both North and South Fulton





# Existing Rate Structure

- Existing rate structure was approved 12/04/2019  
*(Agenda Item 19-09-07)*
- Current 5% rate increase ends on December 31, 2022

	2019	2020	2021	2022
<b><u>Direct Customers</u></b>				
<b>Water</b>				
Service Charge (\$/Bill)	\$ 7.99	\$ 8.39	\$ 8.81	\$ 9.25
Volume Charge (\$/1000 Gal)		See Below for Water Conservation Rates		
<b>Domestic Meter Water Conservation Rates</b>				
Tier 1 - Up to 130% of base	\$ 3.36	\$ 3.53	\$ 3.71	\$ 3.90
Tier 2 - 131% - 200% of base	\$ 4.20	\$ 4.41	\$ 4.63	\$ 4.86
Tier 3 - Over 200% of base	\$ 6.73	\$ 7.07	\$ 7.42	\$ 7.79
<b>Irrigation Meter Water Conservation Rates</b>				
Volume Charge (\$/1000 Gal)	\$ 6.73	\$ 7.07	\$ 7.42	\$ 7.79
<b>Wastewater</b>				
Service Charge (\$/Bill)	\$ 7.99	\$ 8.39	\$ 8.81	\$ 9.25
Volume Charge (\$/1000 Gal)	\$ 6.38	\$ 6.70	\$ 7.04	\$ 7.39



# Total Revenues and Expenses (without any additional rate increases)

## 2023

- Revenues: \$200.6 M
- Expenses: \$223.3 M
  - Debt Service: \$38.5 M

## 2024

- Revenues: \$202.9 M
- Expenses: \$221.9 M
  - Debt Service: \$42.3 M

## 2025

- Revenues: \$205.1 M
- Expenses: \$219.1 M
  - Debt Service: \$38.9 M

*Note:*

*Annual increases in Revenues result from new customer growth (averaging about 1.5% per year.)*

*For Camp Creek WRF Expansion, expenses will begin in 2026, so it will be accounted for in the next rate study review.*





# Previous & Proposed Rate Increases

- This Study evaluated water/wastewater rates through 2030
- Horizon focus is for rate increases through 2025
- Rate increases for 2026-2030 should be revisited in 2025, with onset of Camp Creek WRF Expansion

Year	Proposed Rate Increase
2017	5%
2018	5%
2019	5%
2020	5%
2021	5%
2022	5%
2023	5%
2024	5%
2025	5%



# Impact of % Increase on Ending Capital Balance

- Without a rate increase after 2022:
  - Net Revenue is negative
  - Capital balance depletes
- Rate increase of a minimum of 3% allows the County to maintain a steady balance maintaining O&M services and the routine CIP

Year	Net Revenue (with no rate increase), \$	Ending Capital Balance (with no rate increase), \$	Net Revenue (with 3% rate increase), \$	Ending Capital Balance (with 3% rate increase), \$	Net Revenue (with 5% rate increase), \$	Ending Capital Balance (with 5% rate increase), \$
2020	-69.4 M	103.3 M	-69.4 M	103.3 M	-69.4 M	103.3 M
2021	-46.3 M	57.0 M	-46.3 M	57.0 M	-46.3 M	57.0 M
2022	-23.5 M	33.5 M	-23.5 M	33.5 M	-23.5 M	33.5 M
<b>2023</b>	<b>-22.7 M</b>	<b>10.8 M</b>	<b>-15.1 M</b>	<b>22.5 M</b>	<b>-9.8 M</b>	<b>30.5 M</b>
<b>2024</b>	<b>-19.0 M</b>	<b>-8.3 M</b>	<b>-6.3 M</b>	<b>16.2 M</b>	<b>2.6 M</b>	<b>33.1 M</b>
<b>2025</b>	<b>-14.0 M</b>	<b>-22.3 M</b>	<b>4.1 M</b>	<b>20.3 M</b>	<b>17.0 M</b>	<b>50.1 M</b>



# Existing and Proposed Rates

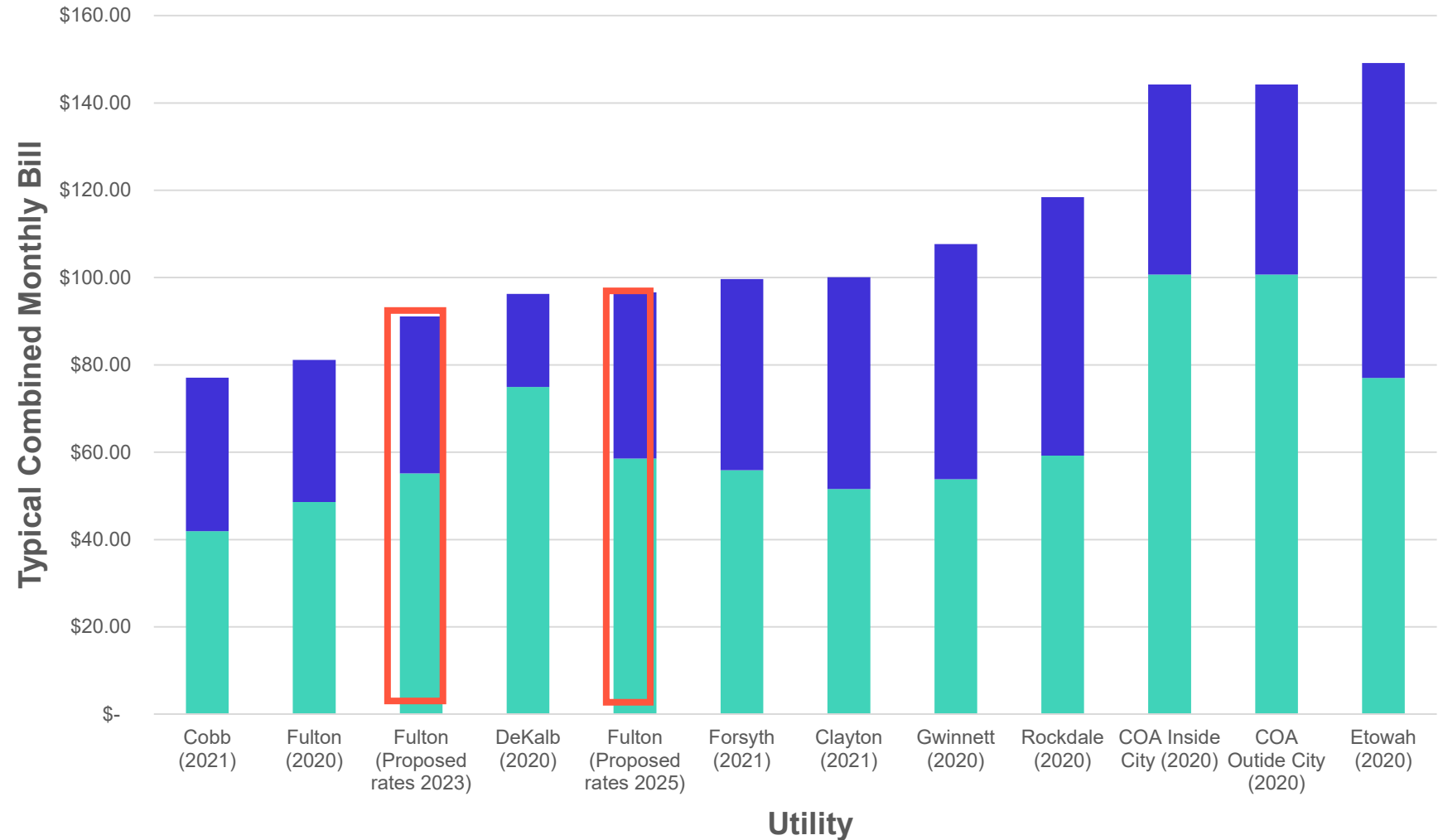
Line No.	Historical			Projected		
	2020	2021	2022	2023	2024	2025
	<b>Unit Billing Rates</b> 5% Increase					
	<u>Water</u>					
1	Direct Customer Service Charge	\$ 8.39	\$ 8.81	\$ 9.25	\$ 9.71	\$ 10.20
2	Volume Charge - Tier 1	\$ 3.53	\$ 3.71	\$ 3.90	\$ 4.10	\$ 4.30
3	Volume Charge - Tier 2	\$ 4.41	\$ 4.63	\$ 4.86	\$ 5.10	\$ 5.36
4	Volume Charge - Tier 3	\$ 7.07	\$ 7.42	\$ 7.79	\$ 8.18	\$ 8.59
5	Billing basis/Tier Factor	\$ 4.03	\$ 4.23	\$ 4.44	\$ 4.66	\$ 4.89
	<u>Wastewater</u>					
6	Direct Customer Service Charge	\$ 8.39	\$ 8.81	\$ 9.25	\$ 9.71	\$ 10.20
7	Volume Charge	\$ 6.70	\$ 7.04	\$ 7.39	\$ 7.76	\$ 8.14



# Average Bill Competitive Assessment

Water Bill

Wastewater Bill



## Next Steps

- 1 Last of the Previously Approved 5% Rate Increase – *January 1, 2022***
- 2 Request Approval to Conduct Public Meetings on New Proposed Rate Increase – *June 1, 2022 Regularly Scheduled BOC Meeting***
- 3 Update Mayors on Proposed Rate Increase – *June 3, 2022***
- 4 Conduct Public Meetings – *June and July 2022***
- 5 Present Final Rate Recommendation – *August 3, 2022 Regularly Scheduled BOC Meeting***
- 6 Implement New Rate Increase – *January 1, 2023***
- 7 Revisit Rate Analysis to Include Camp Creek WRF Expansion – *Spring 2025***



# Questions?