

1 **A RESOLUTION TO APPROVE A FIVE PERCENT (5%) WATER AND SEWER**
2 **VOLUMETRIC RATE INCREASE FOR EACH OF THE NEXT TWO (2) YEARS; TO**
3 **MAKE THE NECESSARY INCREASES TO THE WATER AND SEWER FEE**
4 **SCHEDULES; TO APPROVE MODIFICATIONS TO THE WATER CONNECTION FEES**
5 **FOR NORTH FULTON; TO PROVIDE FOR AN EFFECTIVE DATE; AND FOR OTHER**
6 **PURPOSES**

7
8 **WHEREAS**, Fulton County, Georgia ("Fulton County"), is delegated the authority
9 to provide sewer and water services in the Supplementary Powers provision of the
10 Georgia Constitution (Art. 9, § 2, ¶ III of the Georgia Constitution of 1983); and

11 **WHEREAS**, Fulton County's authority to "prescribe, revise, and collect rates,
12 fees, tolls, or charges for the services" is set out in O.C.G.A. § 36-82-62; and

13 **WHEREAS**, the Metropolitan North Georgia Water Planning District ("MNGWPD")
14 recommends to local governments in its Wastewater and Water Management Plans that
15 water rates should be based on a local rate study and designed to provide a sufficient
16 revenue stream to support program costs and facility maintenance; and

17 **WHEREAS**, on February 17, 2021, under Agenda Item No. 21-0143, the
18 Fulton County Board of Commissioners ("BOC") received the South Fulton Wastewater
19 Capacity Study ("SFWCS") which focused on the anticipated growth of the South Fulton
20 County area and the improvements necessary to serve this growth; and

21 **WHEREAS**, on March 5, 2025, under Agenda Item No. 25-0165, the BOC
22 approved and adopted the North Fulton Water Masterplan which focused on the water
23 distribution system needs of North Fulton, the anticipated growth of the North Fulton
24 County area, and the improvements necessary to serve and sustain that growth; and

25 **WHEREAS**, the 2025 Rate Study (the "Study") conducted by the Public Works
26 Department identified the need for certain improvements to the Fulton County water and
27 sewer infrastructure system ("System"); and

1 **WHEREAS**, in order to meet the current and future water and sewer needs of
2 Fulton County through 2027, and to sustain and improve the quality of health for its
3 citizens, the County must continue to provide funding for the Capital Improvement
4 Program (the "Program") and for the implementation of both the SFWCS and North
5 Fulton Water Masterplan; and

6 **WHEREAS**, the Public Works Department held public hearings on July 28, 2025
7 at the South Fulton Service Center, on July 29, 2025 at the North Fulton Service Center,
8 as well as a virtual meeting on August 7, 2025, to inform the public about the proposed
9 rate increases and to provide an opportunity for community feedback; and

10 **WHEREAS**, in order to provide the necessary funding, the Public Works
11 Department recommends increasing the water and sewer rates and all associated fees
12 across-the-board by 5% each year for the next 2 years, effective January 1, 2026 and
13 January 1, 2027; and

14 **WHEREAS**, the Fulton County Board of Commissioners recognizes the need for
15 the capital improvement projects identified in the Program and the improvements
16 determined by the SFWCS and North Fulton Water Masterplan and is committed to
17 providing quality services that help to sustain and enhance the System along with the
18 quality of life for all its citizens.

19 **NOW, THEREFORE BE IT RESOLVED** the Fulton County Board of
20 Commissioners hereby approves a five percent (5%) water and sewer volumetric rate
21 increase each year for the next two years, making the necessary increase to water and
22 sewer fee schedules, effective January 1, 2026 and January 1, 2027.

23

BE IT FINALLY RESOLVED, that this Resolution shall become effective when adopted and that all resolutions and provisions of the Code of Laws in conflict with this Resolution are hereby repealed to the extent of the conflict.

PASSED AND ADOPTED, by the Board of Commissioners of Fulton County,
Georgia this 1st day of October 2025.

**FULTON COUNTY BOARD OF
COMMISSIONERS**


Robert L. Pitts, Chairman (At-Large)

ATTEST:

Tonya R. Grier
Tonya R. Grier
Clerk to the Commission



APPROVED AS TO FORM:

Y. Soo Jo
Y. Soo Jo, County Attorney



**FULTON
COUNTY**

WATER AND SEWER RATE ANALYSIS

Final Report

May 2025

WATER AND SEWER RATE ANALYSIS

Final Report

Prepared by
GMC and The Shpigler Group

Prepared for
Fulton County

May 2025

Table of Contents

Executive Summary	4
Historical Data	6
Current Operations	8
Current Rates	9
Financial Requirements.....	10
Forecasts	11
Benchmarking	16
Conclusion.....	19

Executive Summary

Rate analysis is one of the most important and yet least understood aspects of water and wastewater utility operation. The development of the right rate structure is critical to ensuring the Fulton County Public Works Department meets its financial obligations, ensures levels of service, customers are charged at fair and equitable rates, and stakeholder interests are in full alignment. As such, Fulton County Public Works has undertaken a rigorous analysis to ensure that it accomplished these objectives. Historically, the process involves three key steps:

- Revenue Requirement – the revenues of the water system are compared to the cost structure to determine the adequacy of rates to cover costs
- Cost Allocation – allocating the revenue classes according to customer classes in order to ensure proper allocation
- Rate Design – blending the elements of revenue requirements and cost allocation to develop the appropriate rate structures for each class of service that achieve the goals of the organization and community

To ensure that these steps were followed, a detailed operational analysis was undertaken to streamline the process and align results with best practices.

Water utilities are challenged to establish fair and equitable rates that properly reflect the costs of operating a water utility. According to the M1 manual established by the AWWA,

“Establishing cost-based rates, fees, and charges is an important component in a well-managed and operated water utility. Cost-based rates provide sufficient funding to allow communities to build, operate, maintain, and reinvest in the water system that provides the community with safe and reliable drinking water and fire protection. Properly and adequately funded water systems also allow for the economic development and sustainability of the local community.”¹

The Public Works Department's main objective is to design a rate structure that generates sufficient revenue to support the delivery of high-quality service, is consistent with industry practices, and is responsive to utility and stakeholder needs. Stakeholders may include:

- Customers
- Policy makers
- Suppliers
- Regulators
- Rating agencies
- Industry
- Lenders
- Employees

¹ “Water Rates, Fees, and Charges”, AWWA Manual M1, 7th Edition.

The PW Department approach to rate design was grounded in several core principles that guided the development of fair and effective rates. Those fundamental principles are as follows²:

- Effectiveness in yielding total revenue requirements (full cost recovery)
- Revenue stability and predictability
- Stability and predictability of the rates themselves from unexpected or adverse changes
- Promotion of efficient resource use (conservation and efficient use)
- Fairness in the apportionment of total costs of service among the different ratepayers
- Avoidance of undue discrimination (subsidies) within the rates
- Dynamic efficiency in responding to changing supply-and-demand patterns
- Freedom from controversies as to proper interpretation of the rates
- Simple and easy to understand
- Simple to administer
- Legal and defensible

² Bonbright, J.C., Daniels, A.L., Kamerschen, D.R. "Principles of Public Utility Rates, 2nd ed.", Public Utilities Reports, 1988.

Historical Data

The Fulton County Water and Sewer system has seen continual increases in its operating revenue in recent years, growing from \$153.8 million in 2021 to \$177.0 million in 2024:

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Operating Revenue				
Sewer Service Charge	\$ 100,140,682	\$ 104,145,095	\$ 111,951,562	\$ 116,664,892
Water Consumption Customers	\$ 41,542,055	\$ 46,710,205	\$ 47,510,970	\$ 49,733,507
Industrial Waste Surcharge	\$ 1,912,745	\$ 1,992,473	\$ 1,827,464	\$ 1,510,606
O&M Sewer	\$ 1,840,154	\$ 1,974,169	\$ 2,683,644	\$ 2,476,127
Pre Treatment Grease Trap	\$ 404,172	\$ 346,176	\$ 217,702	\$ 291,022
Rental Income - Property	\$ 106,844	\$ 90,406	\$ 98,625	\$ 106,844
Dumping Charges	\$ 113,009	\$ 62,134	\$ 112,459	\$ 45,687
Charge Other Svcs - Misc	\$ 1,540	\$ 30,381	\$ 140,354	\$ 50,235
Miscellaneous	\$ -	\$ 25,988	\$ 53,216	\$ 2,550
Ind Monitor Fees	\$ 43,590	\$ 18,941	\$ 33,964	\$ 3,687
Return Check Fee	\$ (3,071)	\$ 191	\$ 3,485	\$ (2,268)
Refunds & Voids	\$ 5,301	\$ -	\$ 3,269	\$ 194,257
Diverted Water Fees	\$ -	\$ -	\$ 1,300	\$ -
Reimbursements	\$ 26	\$ -	\$ 43	\$ -
Junk/Scrap Sales	\$ -	\$ 13,343	\$ -	\$ -
Sewer Connection - Camp Creek	\$ 2,189,887	\$ 2,412,314	\$ 1,934,529	\$ 1,551,518
Sewer Connection - Big Creek/Johns Creek	\$ 2,299,361	\$ 1,394,920	\$ 1,345,322	\$ 1,653,379
Water Meter Setting Fee	\$ 1,088,455	\$ 1,117,394	\$ 1,322,916	\$ 1,246,241
Water System Capacity	\$ 1,289,193	\$ 933,585	\$ 946,659	\$ 1,151,523
Subdivision Inspections	\$ 176,123	\$ 235,527	\$ 159,389	\$ 223,870
Sewer Connection - Sandy Springs	\$ 597,773	\$ 127,218	\$ 93,203	\$ 31,503
Sewer Connection - Little River	\$ 13,005	\$ 6,823	\$ 38,021	\$ 40,768
Bores	\$ 2,218	\$ 1,760	\$ 9,184	\$ 13,479
Flow Tests	\$ 3,010	\$ 2,879	\$ 3,283	\$ 3,994
Sewer Connection - Utoy Creek	\$ 9,168	\$ -	\$ 1,895	\$ 31,840
Petition Assessments	\$ -	\$ -	\$ -	\$ 2,841
Total Operating Revenue	\$ 153,775,240	\$ 161,641,922	\$ 170,492,458	\$ 177,028,102

Operating expenses, depreciation expense, and operating income have also been growing over the same time period:

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Operating Expenses				
Administrative and General	\$ 5,578,000	\$ 5,683,000	\$ 5,677,000	\$ 6,170,905
Personnel Services	\$ 22,926,000	\$ 24,310,000	\$ 24,458,000	\$ 26,119,781
Contractual Services	\$ 36,383,000	\$ 35,832,000	\$ 42,013,000	\$ 41,615,900
Operating Services	\$ 15,392,000	\$ 16,706,000	\$ 18,117,000	\$ 18,294,485
Total Operating Expenses	\$ 80,279,000	\$ 82,531,000	\$ 90,265,000	\$ 92,201,070
Depreciation and Amortization	\$ 37,277,000	\$ 39,560,000	\$ 39,933,000	\$ 42,542,009
Operating Income	\$ 36,219,240	\$ 39,550,922	\$ 40,294,458	\$ 42,285,023

As a result, the net position for the operating fund has grown from \$1.05 billion to \$1.16 billion in the past three years:

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Non-Operating Revenue				
Gain(Loss) on Investment	\$ (641,000)	\$ (4,626,000)	\$ (2,639,000)	\$ (2,635,333)
Interest Income	\$ 16,000	\$ 4,123,000	\$ 11,614,000	\$ 5,109,600
Interest Expense	\$ (17,455,000)	\$ (15,901,000)	\$ (15,963,000)	\$ (16,439,667)
Total Non-Operating Revenue	\$ (18,080,000)	\$ (16,404,000)	\$ (6,988,000)	\$ (13,965,400)
Income before contributions and transfers	\$ 18,139,240	\$ 23,146,922	\$ 33,306,458	\$ 28,319,623
Capital Contribution	\$ 3,858,000	\$ 6,427,000	\$ 12,386,000	\$ 7,557,000
Change in Net Position	\$ 21,997,240	\$ 29,573,922	\$ 45,692,458	\$ 35,876,623
Starting Net Position	\$ 1,027,051,000	\$ 1,049,048,240	\$ 1,078,622,162	\$ 1,124,314,620
Ending Net Position	\$ 1,049,048,240	\$ 1,078,622,162	\$ 1,124,314,620	\$ 1,160,191,243

Current Operations

Fulton County Water and Sewer provides water service to 81,085 customers and sewer service to 106,717 customers.

Water Accounts

5/8" or 3/4"	76,902
1"	694
1-1/2"	364
2"	916
3"	272
4"	714
6"	793
8"	413
10"	16
12"	1

Sewer Accounts

5/8" or 3/4"	101,211
1"	913
1-1/2"	479
2"	1,206
3"	358
4"	940
6"	1,044
8"	544
10"	21
12"	1

Annual Sales - Water (\$MM)

Hydrant	\$ 69,121
Irrigation	\$ 5,346,882
Water	\$ 44,603,452

Total	\$ 50,019,455
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Annual Sales - Sewer (\$MM)

Sewer	\$ 61,304,937
Atlanta	\$ 51,320,569

Service Delivery - Water (gallons)

Hydrant	6,805,947
Irrigation	615,422,322
Water	8,625,844,054

Total	9,248,072,323
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Service Delivery - Sewer (gallons)

Sewer	7,130,697,018
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Current Rates

Fulton Water and Sewer have been pursuing a consistent approach of increasing rates by 5.0% annually in recent years. Below are the 2025 rates currently in place:

Meter Size	Water				Irrigation		Sewer	
	Base Charge	Additional Cost			Base Charge	Additional Cost/1,000	Base Charge	Additional Cost/1,000
3/4"	\$10.71	\$4.51	\$5.63	\$9.02	\$10.71	\$9.02	\$10.71	\$8.55
1"	\$14.70	\$4.51	\$5.63	\$9.02	\$14.70	\$9.02	\$10.71	\$8.55
1-1/2"	\$18.72	\$4.51	\$5.63	\$9.02	\$18.72	\$9.02	\$10.71	\$8.55
2"	\$20.50	\$4.51	\$5.63	\$9.02	\$20.50	\$9.02	\$10.71	\$8.55
3"	\$61.54	\$4.51	\$5.63	\$9.02	\$61.54	\$9.02	\$10.71	\$8.55
4"	\$65.12	\$4.51	\$5.63	\$9.02	\$65.12	\$9.02	\$10.71	\$8.55
6"	\$131.12	\$4.51	\$5.63	\$9.02	\$131.12	\$9.02	\$10.71	\$8.55
8"	\$168.13	\$4.51	\$5.63	\$9.02	\$168.13	\$9.02	\$10.71	\$8.55
10"	\$205.15	\$4.51	\$5.63	\$9.02	\$205.15	\$9.02	\$10.71	\$8.55

The base charges for each meter increase for water and irrigation service; however, the base charge is kept at a flat level of \$10.71 for sewer service, regardless of meter size. One version of a graduated approach to differentiate base charges over time is illustrated below:

Meter Size	Base Sewer Charge								
	2026	2027	2028	2029	2030	2031	2032	2033	2034
3/4"	\$10.71	\$10.71	\$10.71	\$10.71	\$10.71	\$10.71	\$10.71	\$10.71	\$10.71
1"	\$11.25	\$11.71	\$11.71	\$11.71	\$11.71	\$11.71	\$11.71	\$11.71	\$11.71
1-1/2"	\$11.25	\$11.81	\$12.40	\$13.02	\$13.67	\$14.35	\$15.07	\$15.49	\$15.49
2"	\$11.25	\$11.81	\$12.40	\$13.02	\$13.67	\$14.35	\$15.07	\$15.82	\$16.61
3"	\$11.25	\$11.81	\$12.40	\$13.02	\$13.67	\$14.35	\$15.07	\$15.82	\$16.61
4"	\$11.25	\$11.81	\$12.40	\$13.02	\$13.67	\$14.35	\$15.07	\$15.82	\$16.61
6"	\$11.25	\$11.81	\$12.40	\$13.02	\$13.67	\$14.35	\$15.07	\$15.82	\$16.61
8"	\$11.25	\$11.81	\$12.40	\$13.02	\$13.67	\$14.35	\$15.07	\$15.82	\$16.61
10"	\$11.25	\$11.81	\$12.40	\$13.02	\$13.67	\$14.35	\$15.07	\$15.82	\$16.61
12"	\$11.25	\$11.81	\$12.40	\$13.02	\$13.67	\$14.35	\$15.07	\$15.82	\$16.61

Financial Requirements

There are two main elements associated with the financial requirements: operating expense and debt service. Based on current trends, we can forecast the following growth of the operating expense, growing at an average annual rate of 3.9% over the time period 2024-2034:

OpEx	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Operating Expenses											
Administrative and General	\$ 8,631,884	\$ 8,934,000	\$ 9,246,690	\$ 9,570,324	\$ 9,905,285	\$ 10,251,970	\$ 10,610,789	\$ 10,982,167	\$ 11,366,543	\$ 11,764,372	\$ 12,176,125
Personnel Services	\$ 26,850,685	\$ 27,790,459	\$ 28,763,125	\$ 29,769,835	\$ 30,811,779	\$ 31,890,191	\$ 33,006,348	\$ 34,161,570	\$ 35,357,225	\$ 36,594,728	\$ 37,875,543
Contractual Services	\$ 39,884,852	\$ 47,118,942	\$ 48,563,771	\$ 50,059,168	\$ 51,606,905	\$ 53,208,812	\$ 54,866,787	\$ 56,582,790	\$ 58,358,853	\$ 60,197,079	\$ 62,099,643
Operating Services	\$ 19,110,401	\$ 19,779,265	\$ 20,471,540	\$ 21,188,044	\$ 21,929,625	\$ 22,697,162	\$ 23,491,563	\$ 24,313,767	\$ 25,164,749	\$ 26,045,516	\$ 26,957,109
Total Operating Expenses	\$ 94,477,822	\$ 101,622,666	\$ 107,045,125	\$ 110,587,370	\$ 114,253,594	\$ 118,048,136	\$ 121,975,486	\$ 126,040,294	\$ 130,247,370	\$ 134,601,694	\$ 139,108,419

Furthermore, Fulton County will also need to service the debt that it currently has and will add in the future in support of capital improvement efforts. The current debt level requires annual debt payments in excess of \$39 million for each of the next three years, followed by seven years of debt payments in excess of \$44 million, before the debt level is reduced in 2035:

Fulton County, Georgia Department of Finance BUDGET THE TOTAL ANNUAL AMOUNT IN 201-999-D100-1600 HOWEVER, TRUSTEE TELLS US VIA LETTER IF WE CAN BUDGET LESS Water & Sewerage System Bonded Debt Obligations by Name - Summary Total Issue and County Share Beginning with Budget Year 2024						
Issue	Total Principal	Total Interest	Total Issue	County Principal	County Interest	County Total
2020A	289,095,000.00	121,487,400.00	410,582,400.00	289,095,000.00	121,487,400.00	410,582,400.00
2013	219,705,000.00	69,035,750.00	288,740,750.00	219,705,000.00	69,035,750.00	288,740,750.00
2020B	46,097,000.00	962,124.80	47,059,124.80	46,097,000.00	962,124.80	47,059,124.80
Total Water/Sewer outstanding bonds	554,897,000.00	191,485,274.80	746,382,274.80	554,897,000.00	191,485,274.80	746,382,274.80
Amounts for Debt service-budget year	Total Principal	Total Interest	Total Issue	County Principal	County Interest	County Total
2025	20,442,000.00	19,003,458.80	39,445,458.80	20,442,000.00	19,003,458.80	39,445,458.80
2026	20,785,000.00	18,583,556.00	39,368,556.00	20,785,000.00	18,583,556.00	39,368,556.00
2027	21,140,000.00	18,152,760.00	39,292,760.00	21,140,000.00	18,152,760.00	39,292,760.00
2028	27,110,000.00	17,710,550.00	44,820,550.00	27,110,000.00	17,710,550.00	44,820,550.00
2029	28,390,000.00	16,355,050.00	44,745,050.00	28,390,000.00	16,355,050.00	44,745,050.00
2030	29,735,000.00	14,935,550.00	44,670,550.00	29,735,000.00	14,935,550.00	44,670,550.00
2031	31,400,000.00	13,448,800.00	44,848,800.00	31,400,000.00	13,448,800.00	44,848,800.00
2032	32,795,000.00	11,977,550.00	44,772,550.00	32,795,000.00	11,977,550.00	44,772,550.00
2033	34,350,000.00	10,355,300.00	44,705,300.00	34,350,000.00	10,355,300.00	44,705,300.00
2034	35,655,000.00	8,981,300.00	44,636,300.00	35,655,000.00	8,981,300.00	44,636,300.00
2035	23,935,000.00	7,572,600.00	31,507,600.00	23,935,000.00	7,572,600.00	31,507,600.00
2036	24,655,000.00	6,854,550.00	31,509,550.00	24,655,000.00	6,854,550.00	31,509,550.00
2037	25,395,000.00	6,114,900.00	31,509,900.00	25,395,000.00	6,114,900.00	31,509,900.00
2038	26,155,000.00	5,353,050.00	31,508,050.00	26,155,000.00	5,353,050.00	31,508,050.00
2039	26,940,000.00	4,568,400.00	31,508,400.00	26,940,000.00	4,568,400.00	31,508,400.00
2040	27,745,000.00	3,760,200.00	31,505,200.00	27,745,000.00	3,760,200.00	31,505,200.00
2041	28,580,000.00	2,927,850.00	31,507,850.00	28,580,000.00	2,927,850.00	31,507,850.00
2042	29,220,000.00	2,284,800.00	31,504,800.00	29,220,000.00	2,284,800.00	31,504,800.00
2043	29,880,000.00	1,627,350.00	31,507,350.00	29,880,000.00	1,627,350.00	31,507,350.00
2044	30,590,000.00	917,700.00	31,507,700.00	30,590,000.00	917,700.00	31,507,700.00
2045	0.00	0.00	0.00	0.00	0.00	0.00
2046	0.00	0.00	0.00	0.00	0.00	0.00
2047	0.00	0.00	0.00	0.00	0.00	0.00
2048	0.00	0.00	0.00	0.00	0.00	0.00
Total Water & Sewer debt	554,897,000.00	191,485,274.80	746,382,274.80	554,897,000.00	191,485,274.80	746,382,274.80

Additional debt taken on by Fulton County has an impact on rates charged to consumers, and are discussed in the following section.

Forecasts

In order to assess the potential to support capital improvement projects, a detailed modeling exercise was conducted to evaluate options. After iterative analysis and discussion among team members, a viable financeable scenario was arrived at with the goal of a cash-financing target of \$35 million for 2025 and \$40 million per year thereafter.

To evaluate the financial viability of different options required a detailed assessment of a number of factors – operational requirements and the resulting debt ratios³, cash on hand, and debt payment requirements – that coupled with the current state of department operations.

There were three initial rate scenarios that were considered as part of the exercise:

1. Maintain current rates without any increases during the forecast period
2. Continue the practice over the past years of increasing rates by 5.0% per year
3. Increase the annual rate increase to 6.5%

The first scenario was deemed as unfeasible given that not enough revenue was generated to support operations. Based on projections of revenue and operational expenses, it was forecasted that a zero-rate increase would result in the department running out of reserves by 2029. Furthermore, failing to raise rates to meet the currently identified needs leads to less sustainable future and greater instability as the water and sewer infrastructure continues to age. A proactive approach is essential to reducing operational risks while meeting the expected levels of service.

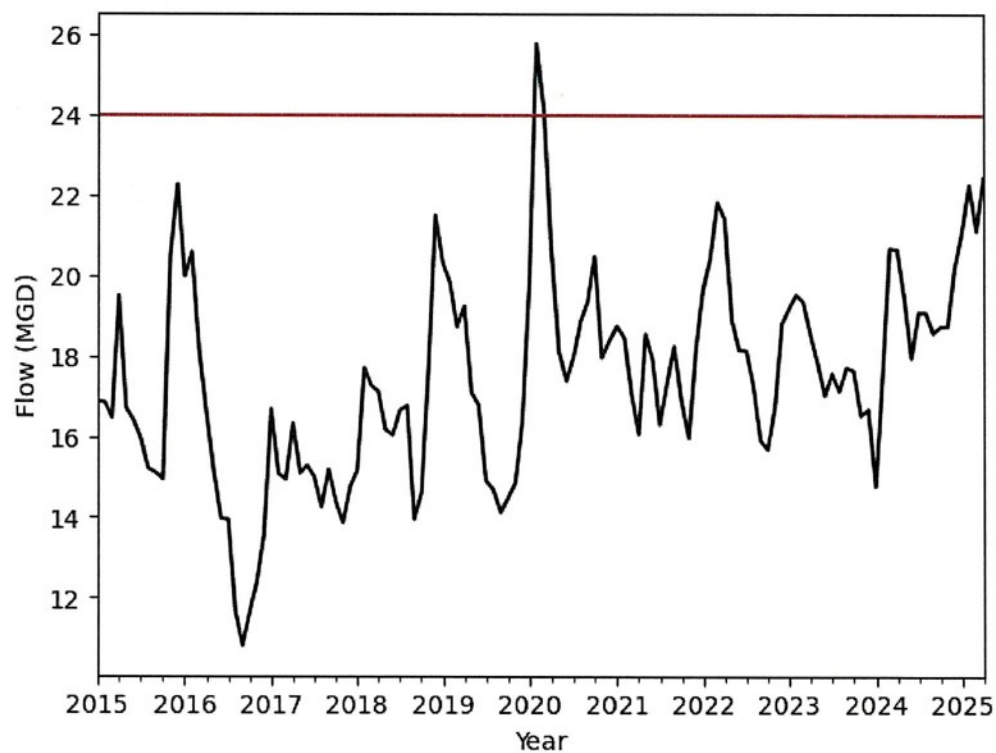
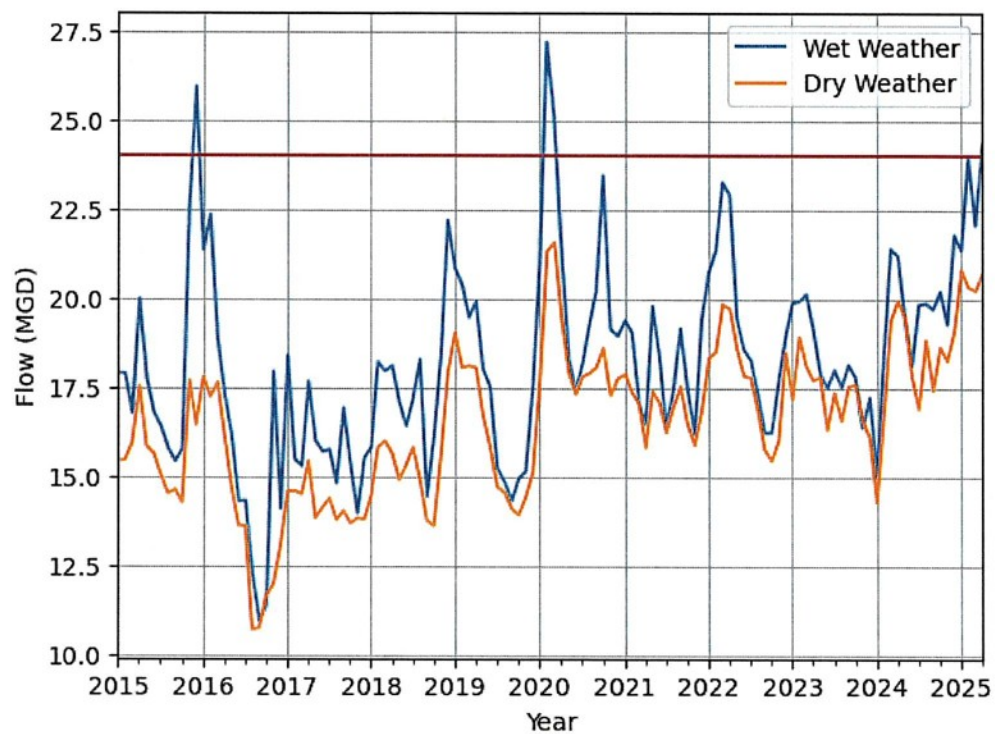
In contrast, scenario three offered strong financial returns by raising the annual rate increases. However, the conclusion was that doing so would place an unnecessary burden on ratepayers, absent the absolute operational and financial requirement to do so.

Therefore, the consensus reached was to identify a viable approach to funding capital and operational requirements with a continued 5.0% annual rate increase. The current plans call for the need to finance a series of major capital improvement projects starting in 2027 that are expected to total \$450 million. These projects include:

- Camp Creek Improvement Project
- White Water, Tricum, Line Creek Pump Station Improvements (\$154)
- Campbellton Pump Station (\$171)
- Friendship I Pump Station (\$172)
- Ono Road Pump Station Upgrade (\$180)
- North Coleman Road Water Line Replacement (W051)
- Birmingham Water Line Loop (S052)
- Alpharetta 54" Transmission Water Main Subprojects (W-NEW)

Below are graphics that illustrate the state of operations that would be impacted by the Camp Creek project:

³ The targeted debt ratio is 1.0 and above.

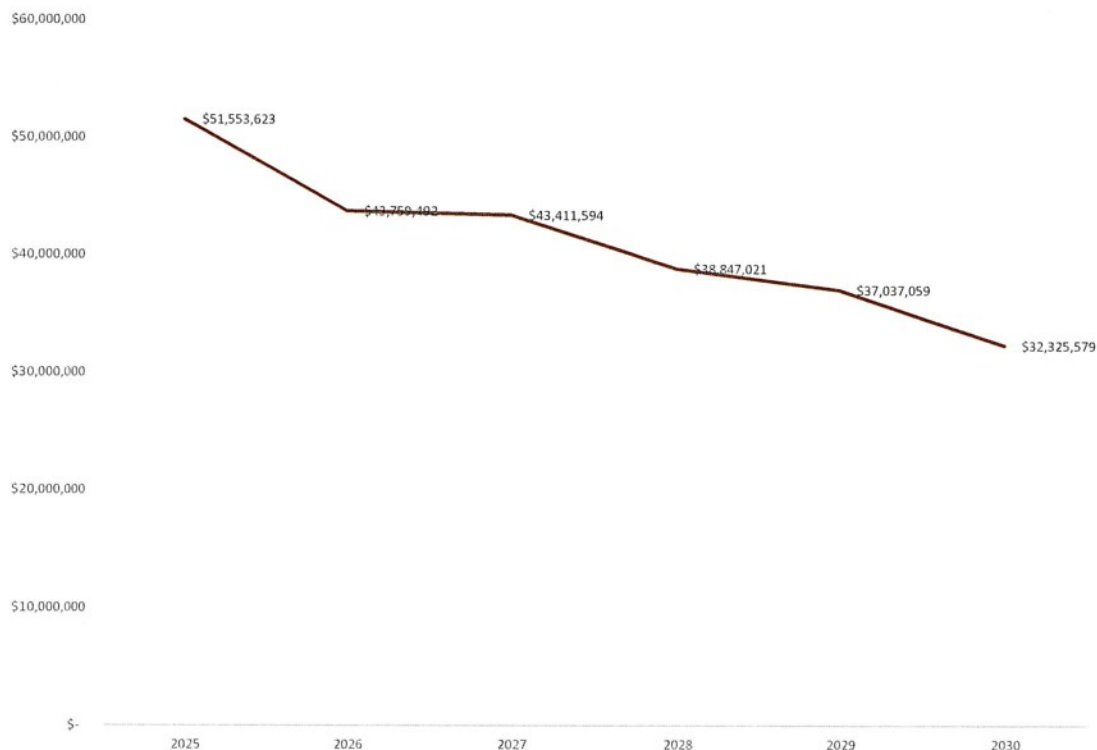


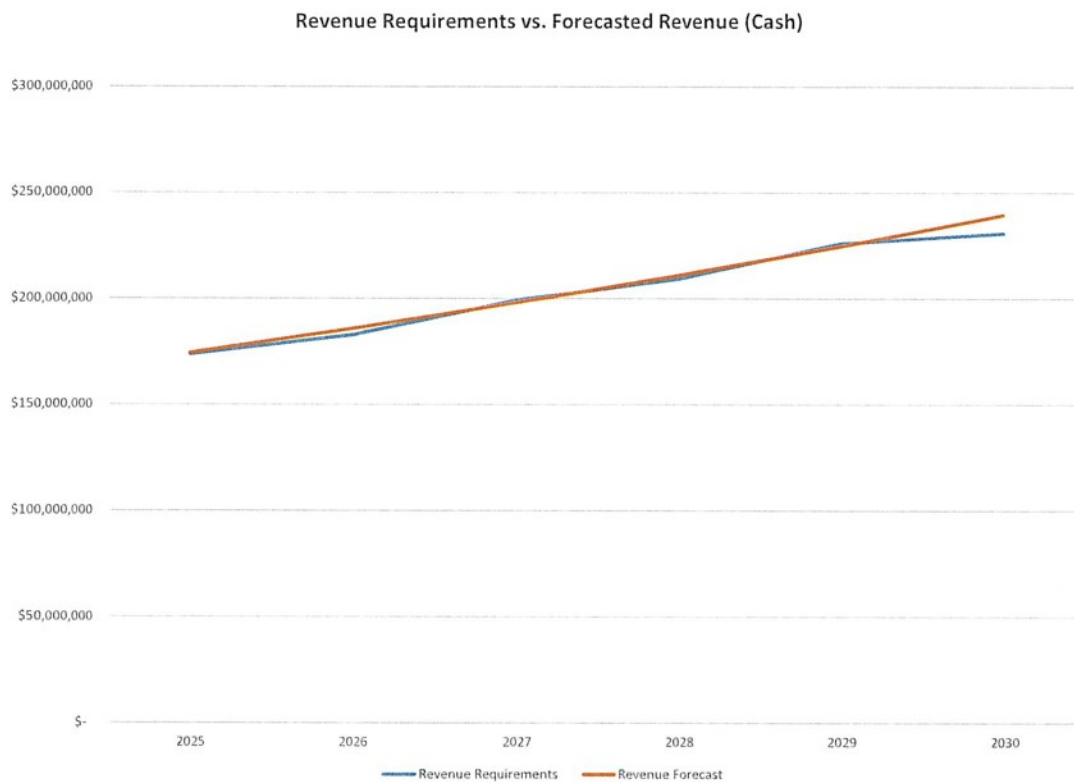
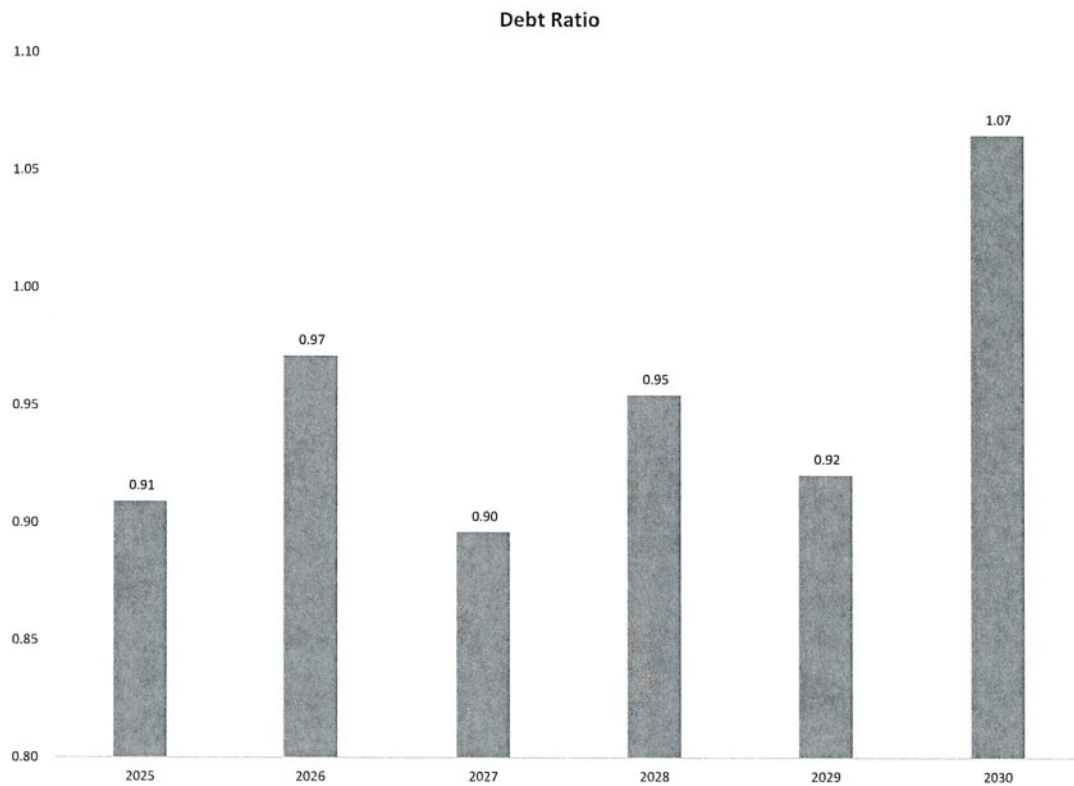
In order to achieve a viable debt-financing of these projects, analysis demonstrates that half (\$225 million) would need to be financed in 2027, with the other half (\$225 million) being

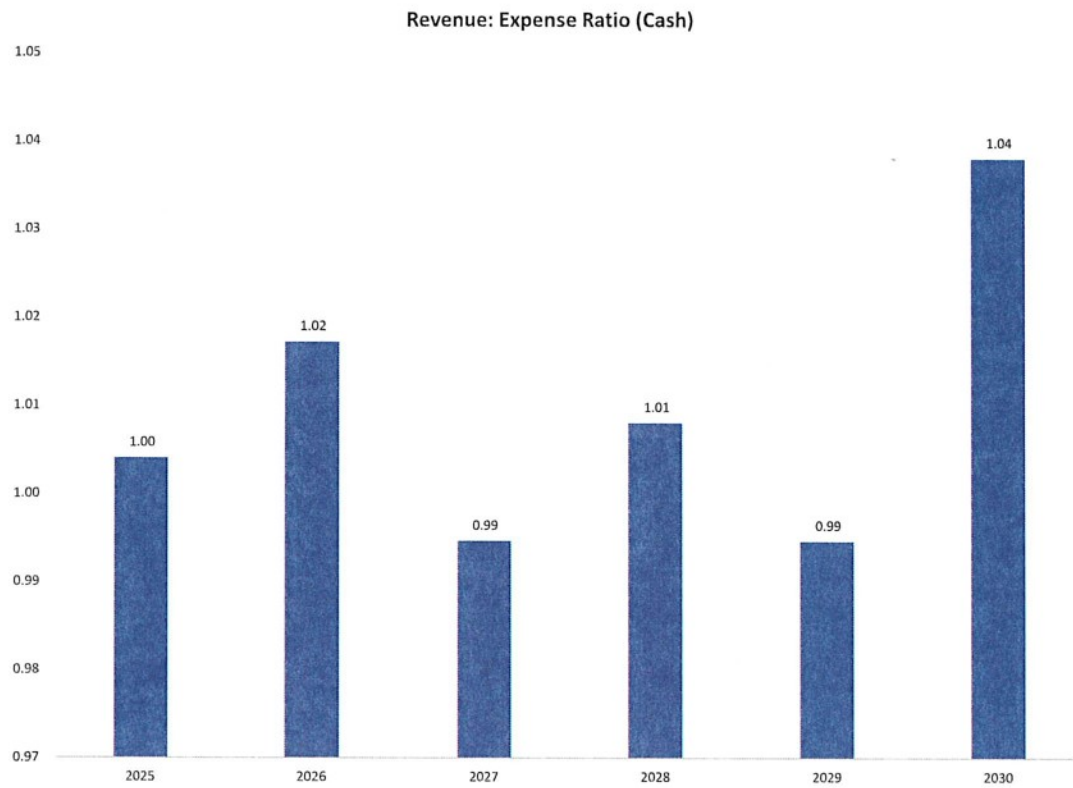
financed in 2029. Discussions with operational team members confirmed that such a plan would work. Below are the results from this scenario:

Revenue Requirements - Cash						
	2025	2026	2027	2028	2029	2030
Operating Revenue						
Water and Sewerage Revenue	\$ 174,486,593	\$ 186,000,831	\$ 198,252,613	\$ 211,018,143	\$ 224,937,133	\$ 239,713,112
Total Operating Revenue	\$ 174,486,593	\$ 186,000,831	\$ 198,252,613	\$ 211,018,143	\$ 224,937,133	\$ 239,713,112
Operating Expenses						
Administrative and General	\$ 8,934,000	\$ 9,291,360	\$ 9,663,014	\$ 10,049,535	\$ 10,451,516	\$ 10,869,577
Personnel Services	\$ 27,790,459	\$ 28,902,077	\$ 30,058,161	\$ 31,260,487	\$ 32,510,906	\$ 33,811,343
Contractual Services	\$ 47,118,942	\$ 49,003,699	\$ 50,963,847	\$ 53,002,401	\$ 55,122,497	\$ 57,327,397
Operating Services	\$ 19,779,265	\$ 20,570,436	\$ 21,393,254	\$ 22,248,984	\$ 23,138,943	\$ 24,064,501
Total Operating Expenses	\$ 103,622,666	\$ 107,767,573	\$ 112,078,276	\$ 116,561,407	\$ 121,223,863	\$ 126,072,817
CapEx - Cash	\$ 35,000,000	\$ 40,000,000	\$ 40,000,000	\$ 40,000,000	\$ 40,000,000	\$ 40,000,000
Operating Income	\$ 35,863,927	\$ 38,233,258	\$ 46,174,337	\$ 54,456,737	\$ 63,713,270	\$ 73,640,295
Non-Operating Revenue						
Interest Income	\$ 4,287,400	\$ 4,287,400	\$ 4,287,400	\$ 4,287,400	\$ 4,287,400	\$ 4,287,400
Debt Payment	\$ (39,445,459)	\$ (39,368,556)	\$ (51,526,310)	\$ (57,054,100)	\$ (69,212,149)	\$ (69,137,649)
Total Non-Operating Revenue	\$ (35,158,059)	\$ (35,081,156)	\$ (47,238,910)	\$ (52,766,700)	\$ (64,924,749)	\$ (64,850,249)
Income before contributions and transfers	\$ 705,869	\$ 3,152,102	\$ (1,064,572)	\$ 1,690,037	\$ (1,211,480)	\$ 8,790,046
Revenue Requirement	\$ 173,780,725	\$ 182,848,729	\$ 199,317,185	\$ 209,328,106	\$ 226,148,612	\$ 230,923,067
Forecasted Revenue	\$ 174,486,593	\$ 186,000,831	\$ 198,252,613	\$ 211,018,143	\$ 224,937,133	\$ 239,713,112

End-of-Year Fund 203 Position

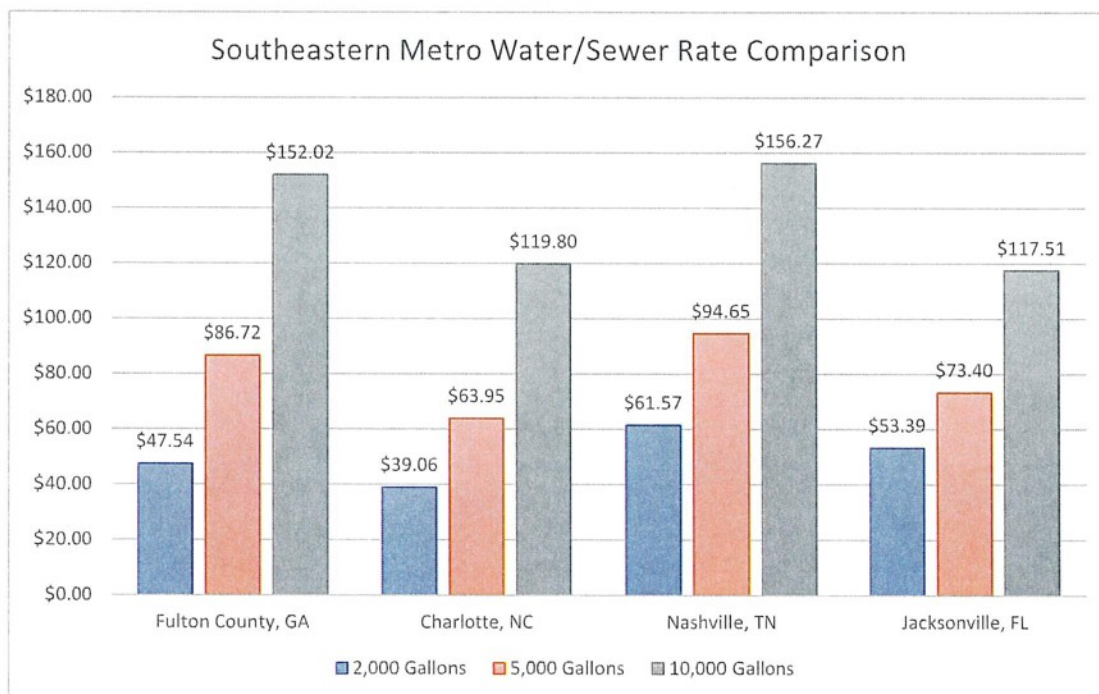
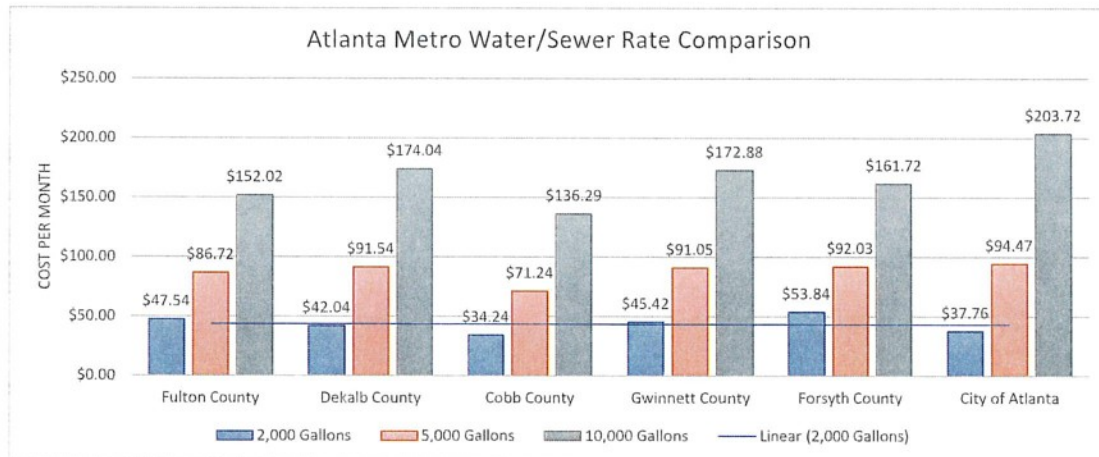






Benchmarking

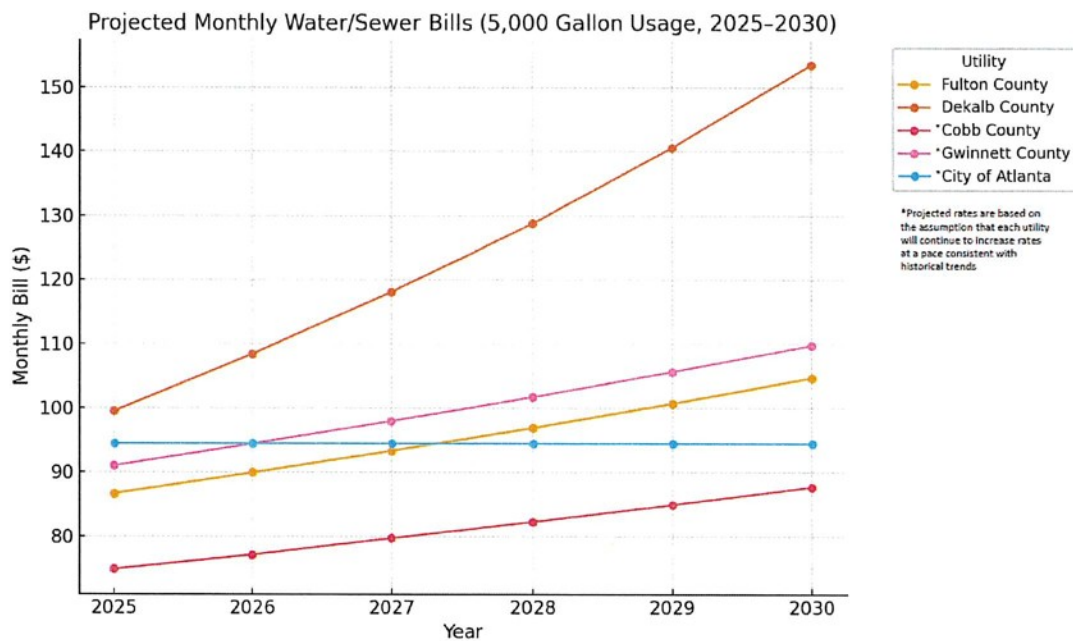
In comparing the Fulton County water and sewer costs to neighboring communities, the Fulton costs are within the range of neighboring water and sewer systems.



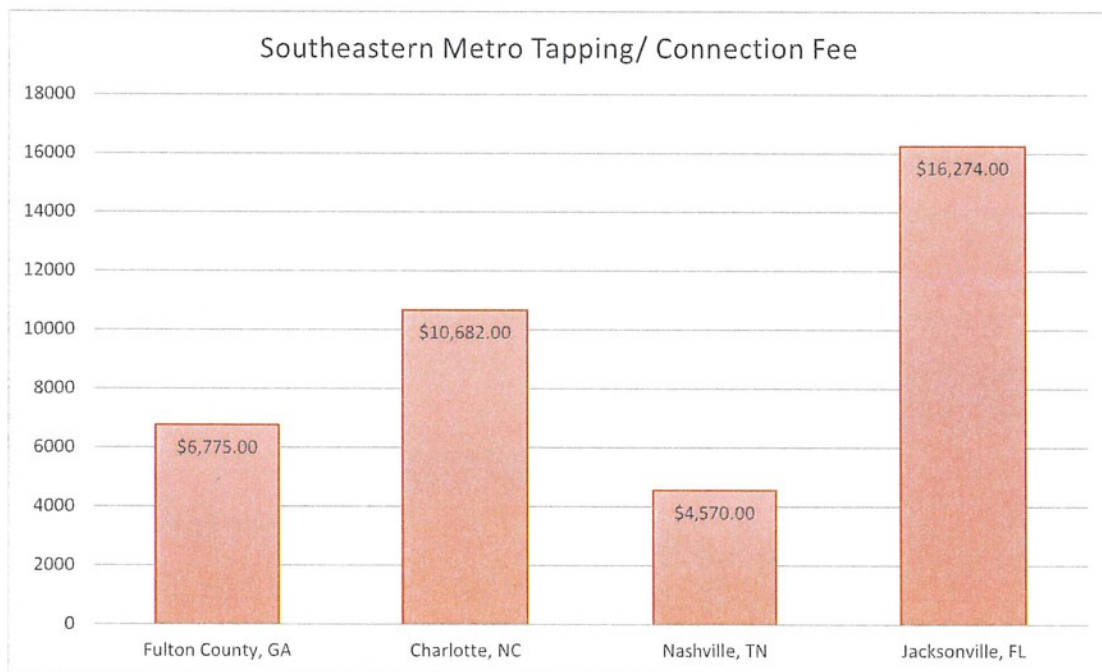
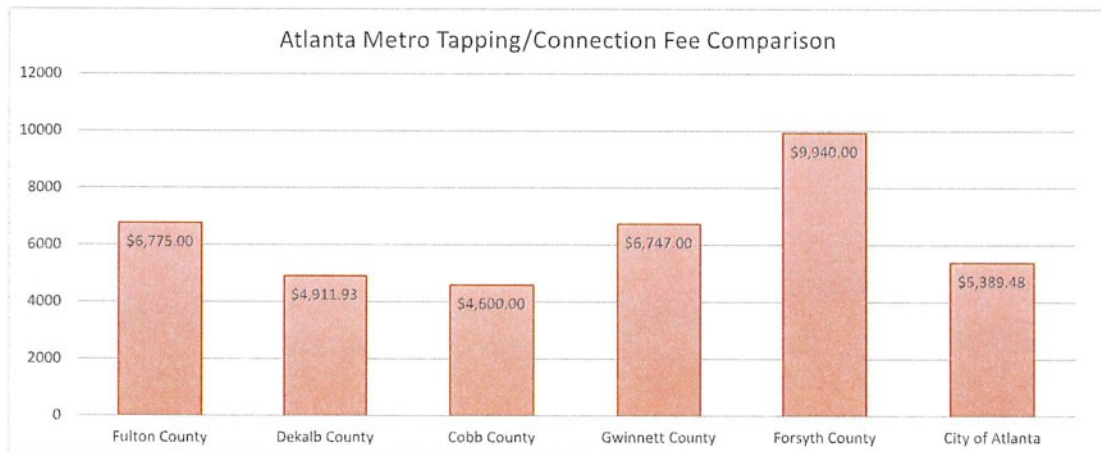
Maintaining the current approach of increasing rates by 5% annually will ensure that Fulton County remains in alignment with neighboring water and sewer systems.

Total Monthly Bill by Gallons Used							
Utility	Gallons Used	2025	2026	2027	2028	2029	2030
Fulton County	2,000	\$47.54	\$48.85	\$50.22	\$51.66	\$53.17	\$54.76
	5,000	\$86.72	\$89.99	\$93.41	\$97.01	\$100.79	\$104.76
	10,000	\$152.02	\$158.55	\$165.41	\$172.61	\$180.17	\$188.10
DeKalb County	2,000	\$45.13	\$48.53	\$52.27	\$56.38	\$60.90	\$65.88
	5,000	\$99.58	\$108.42	\$118.15	\$128.85	\$140.63	\$153.57
	10,000	\$190.33	\$208.25	\$227.96	\$249.64	\$273.49	\$299.73
*Cobb County	2,000	\$37.96	\$38.84	\$39.75	\$40.70	\$41.69	\$42.72
	5,000	\$74.96	\$77.17	\$79.77	\$82.32	\$84.97	\$87.73
	10,000	\$140.01	\$144.66	\$150.13	\$155.49	\$161.07	\$166.88
*Gwinnett County	2,000	\$45.42	\$46.79	\$48.22	\$49.71	\$51.28	\$52.91
	5,000	\$91.05	\$94.47	\$98.05	\$101.79	\$105.69	\$109.77
	10,000	\$172.88	\$179.98	\$187.41	\$195.17	\$203.27	\$211.75
*City of Atlanta	2,000	\$37.76	\$37.76	\$37.76	\$37.76	\$37.76	\$37.76
	5,000	\$94.47	\$94.47	\$94.47	\$94.47	\$94.47	\$94.47
	10,000	\$203.72	\$203.72	\$203.72	\$203.72	\$203.72	\$203.72

* Projected rates are based on the assumption that each utility will continue to increase rates at a pace consistent with historical trends



Likewise, Fulton County's tapping/connection fees are in line with those of neighboring communities.



Conclusion

Fulton County is able to effectively manage system operations and continue delivering water and sewer services to the community by:

- Maintaining its current practices of increasing water and sewer rates by 5.0% on an annual basis
- Ensuring that operating expenses are kept stable, with annual increases to be maintained within 4.0%
- Keeping cash-financed capital projects to \$40 million per year
- Financing the large capital projects (e.g., Camp Creek Improvement Project and others) with debt of \$450 million, split between 50% in 2027 and 50% in 2029