

Fulton County Water/Wastewater 2022 Rate Study Review

Fulton County Department of Public Works

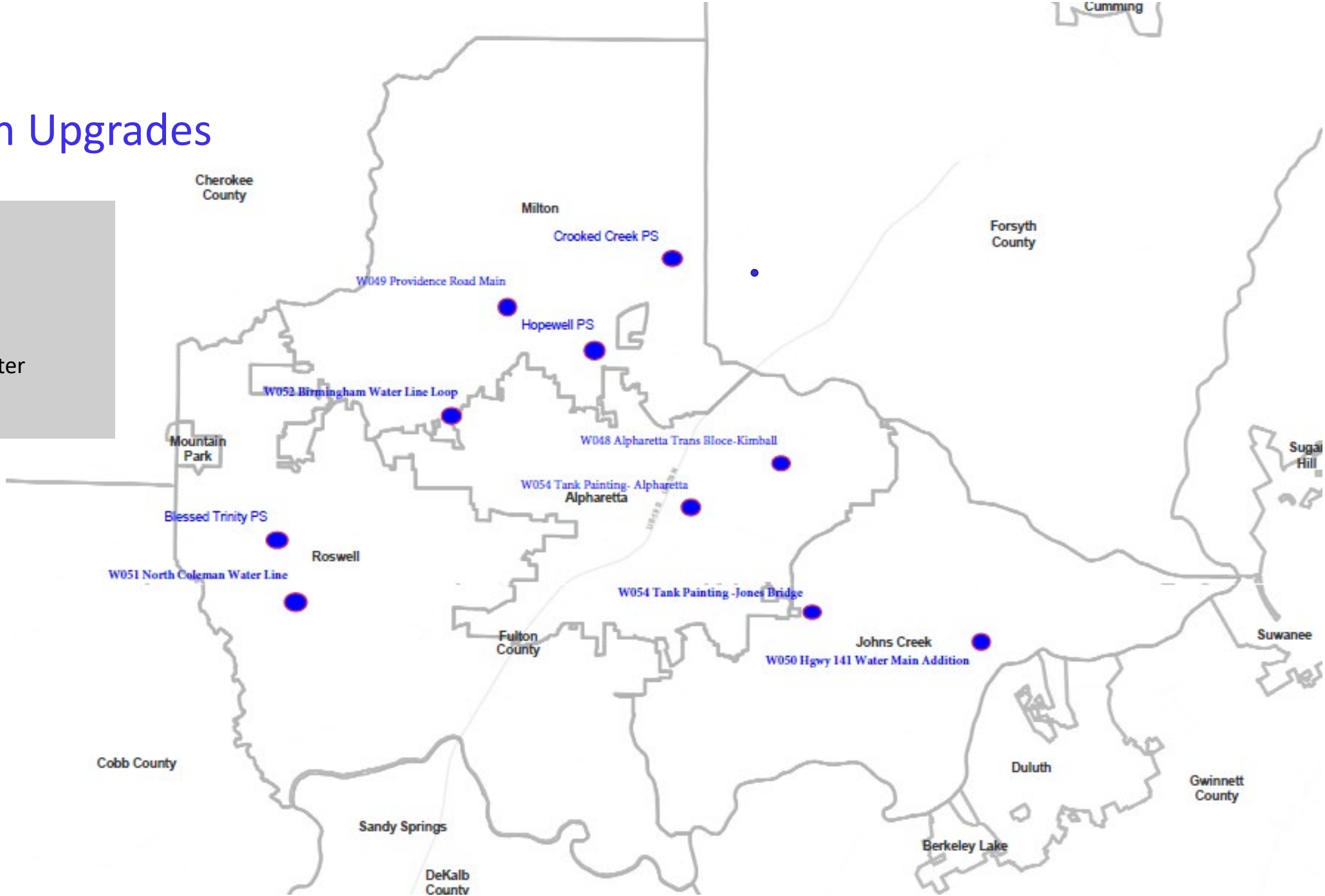
Executive Summary

- South Fulton Capacity Study projections are proving accurate
 - Demand for projects and system expansions are needed
- 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



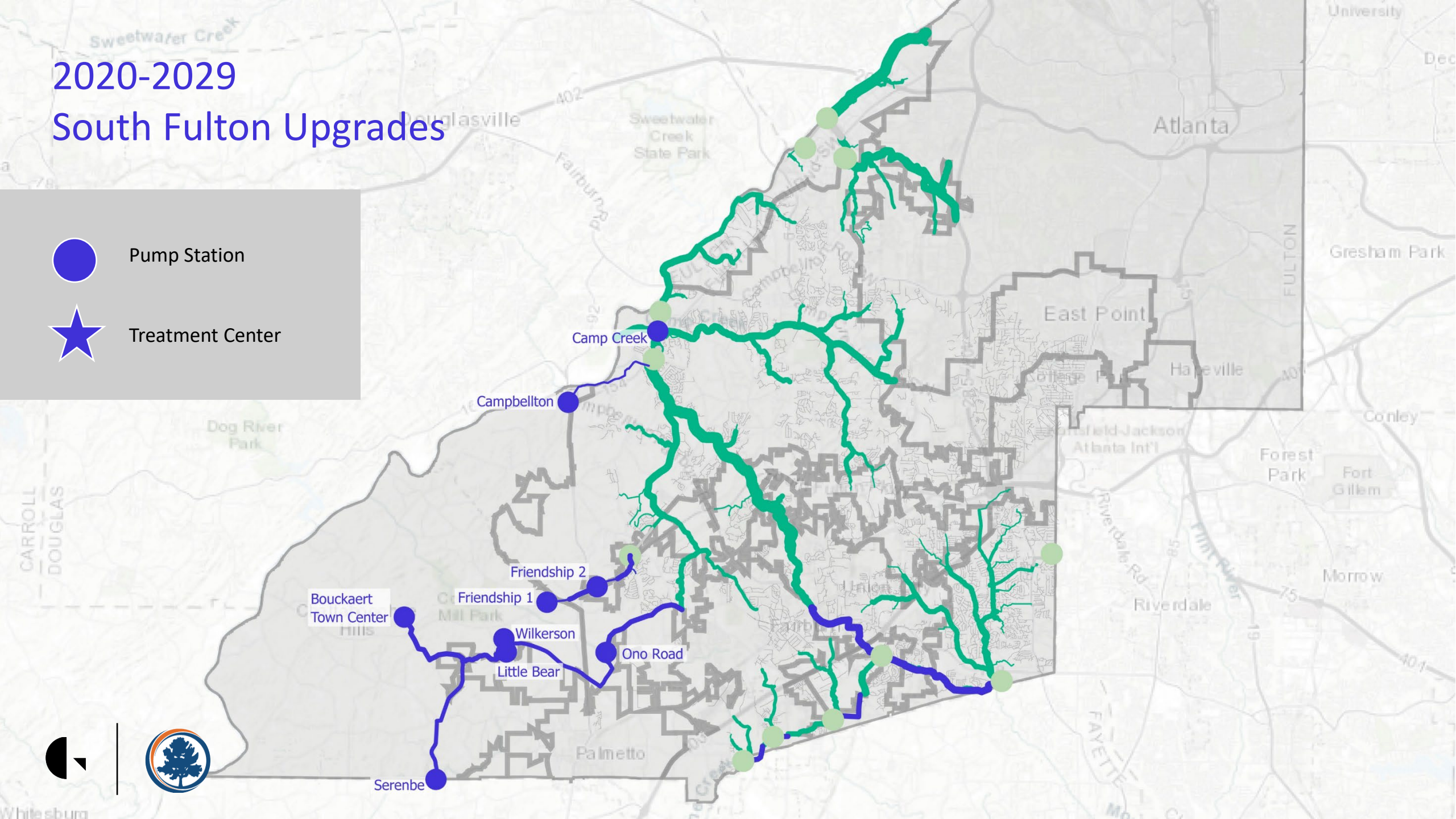
2020-2029 North Fulton Upgrades

-  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
<u>Direct Customers</u>				
Water				
Service Charge (\$/Bill)	\$ 7.99	\$ 8.39	\$ 8.81	\$ 9.25
Volume Charge (\$/1000 Gal)		See Below for Water Conservation Rates		
Domestic Meter Water Conservation Rates				
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
Irrigation Meter Water Conservation Rates				
Volume Charge (\$/1000 Gal)	\$ 6.73	\$ 7.07	\$ 7.42	\$ 7.79
Wastewater				
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
2023	-22.7 M	10.8 M	-15.1 M	22.5 M	-9.8 M	30.5 M
2024	-19.0 M	-8.3 M	-6.3 M	16.2 M	2.6 M	33.1 M
2025	-14.0 M	-22.3 M	4.1 M	20.3 M	17.0 M	50.1 M



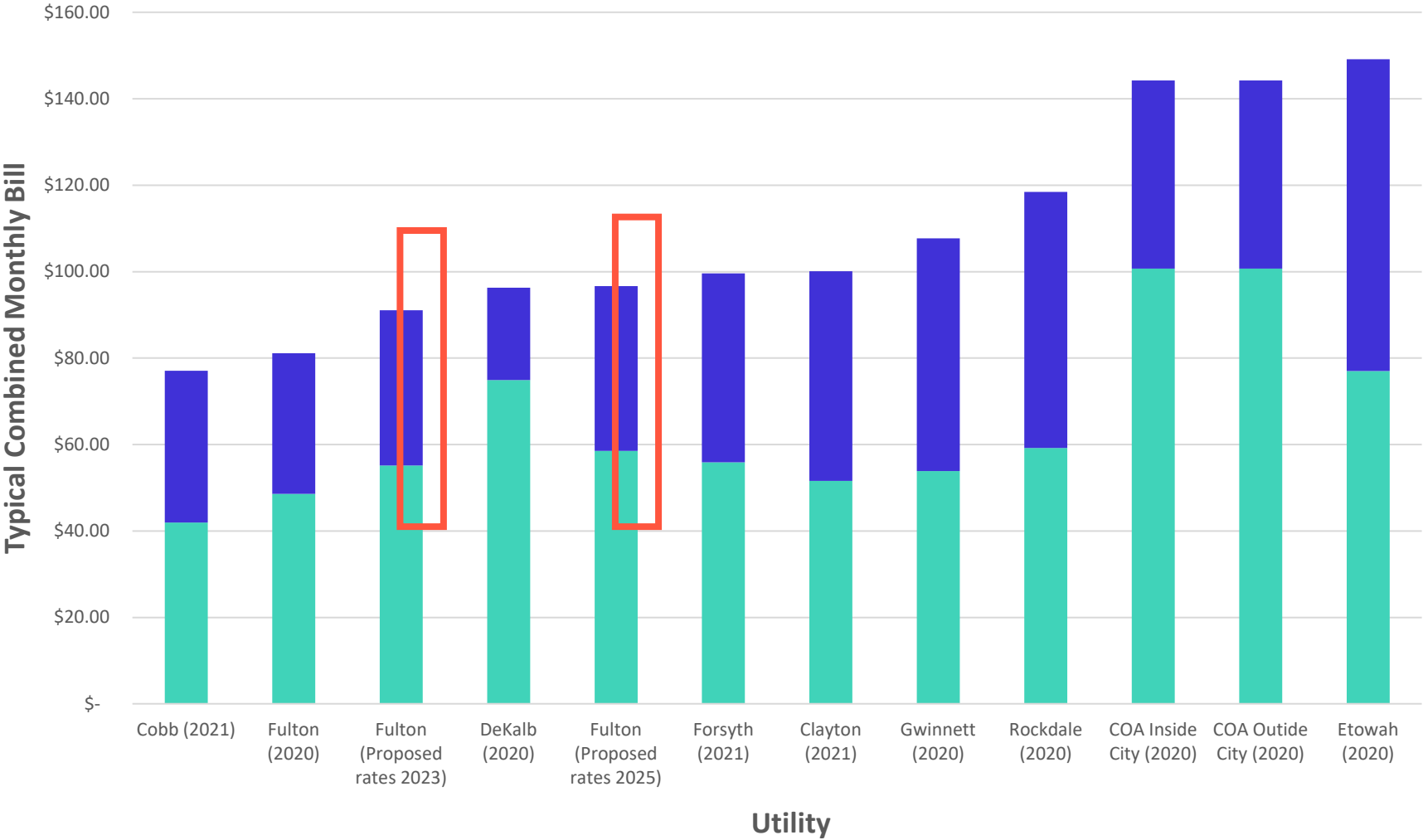
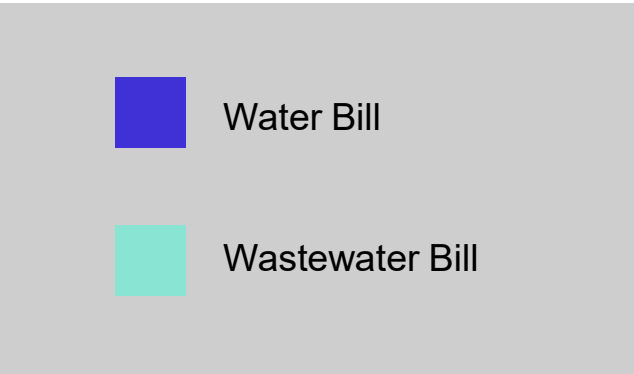
Existing and Proposed Rates

Line No.	Historical						Projected			
		2020	2021	2022	2023	2024	2025			
Unit Billing Rates 5% Increase										
<u>Water</u>										
1	Direct Customer Service Charge	\$ 8.39	\$ 8.81	\$ 9.25	\$ 9.71	\$ 10.20	\$ 10.71			
2	Volume Charge - Tier 1	\$ 3.53	\$ 3.71	\$ 3.90	\$ 4.10	\$ 4.30	\$ 4.51			
3	Volume Charge - Tier 2	\$ 4.41	\$ 4.63	\$ 4.86	\$ 5.10	\$ 5.36	\$ 5.63			
4	Volume Charge - Tier 3	\$ 7.07	\$ 7.42	\$ 7.79	\$ 8.18	\$ 8.59	\$ 9.02			
5	Billing basis/Tier Factor	\$ 4.03	\$ 4.23	\$ 4.44	\$ 4.66	\$ 4.89	\$ 5.14			
<u>Wastewater</u>										
6	Direct Customer Service Charge	\$ 8.39	\$ 8.81	\$ 9.25	\$ 9.71	\$ 10.20	\$ 10.71			
7	Volume Charge	\$ 6.70	\$ 7.04	\$ 7.39	\$ 7.76	\$ 8.14	\$ 8.55			





Average Bill Competitive Assessment



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?