



# Water & Wastewater

**Communication is Key**  
Turn Information Into Action



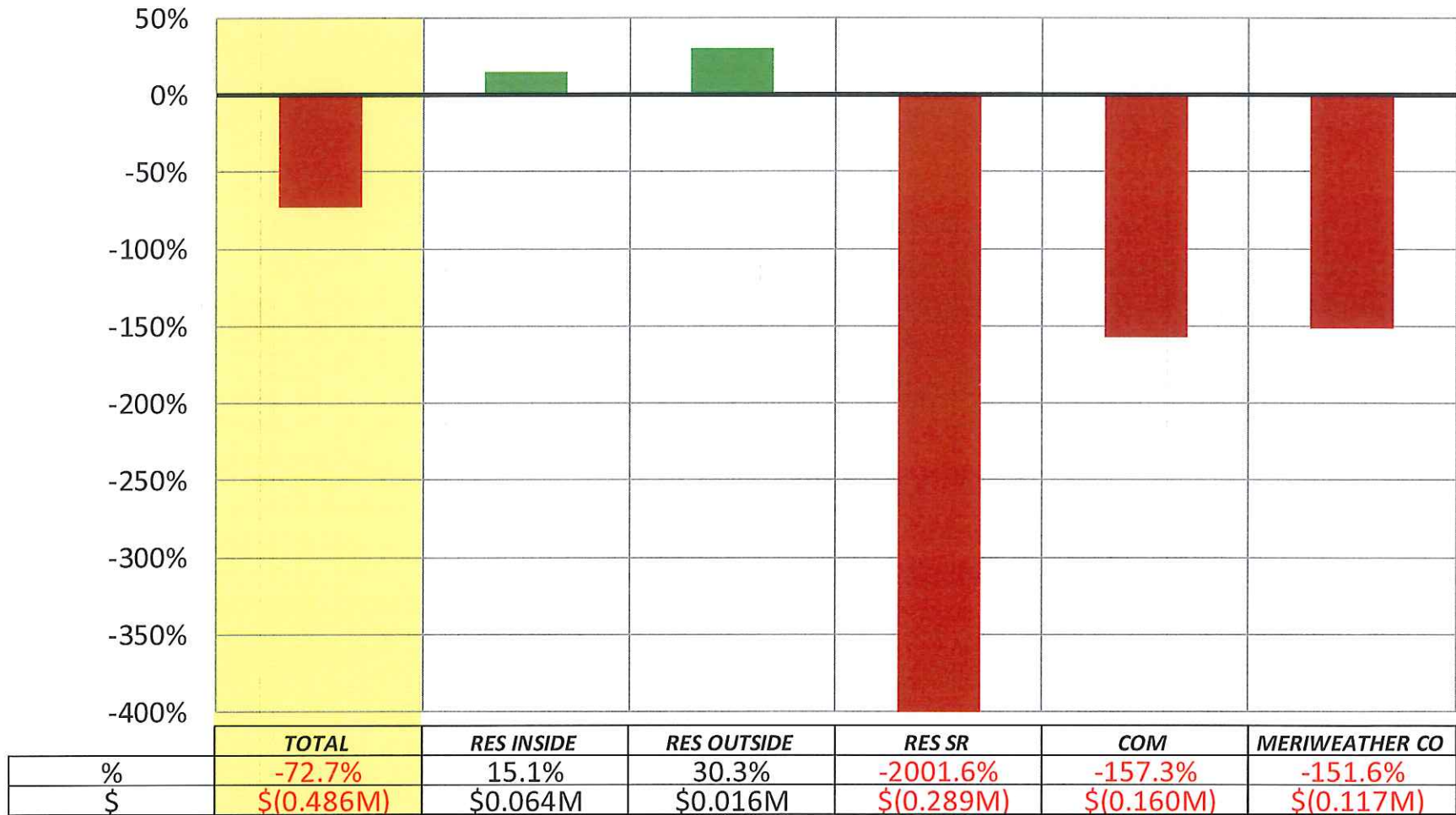
# Water: Cost of Service Overview

- Allocates all costs to individual rate classes to determine margin
  - Can be used to make strategic rate adjustments
  - Incorporates billing information and audited financials
  - Covers FY 2017 period

<u>Revenues</u>		<u>Expenses</u>	
<input type="checkbox"/> Regular sales:	\$0.661M	<input type="checkbox"/> Personnel:	\$0.175M
<input type="checkbox"/> Others:	\$0.008M	<input type="checkbox"/> Operations:	\$0.087M
		<input type="checkbox"/> Supplies:	\$0.537M
		<input type="checkbox"/> Depreciation:	\$0.153M
		<input type="checkbox"/> Debt Service:	\$0.143M
		<input type="checkbox"/> Transfers:	\$0.060M
<b>Total Revenues:</b>	<b>\$0.669M</b>	<b>Total Expenses:</b>	<b>\$1.155M</b>

**Margin : -\$0.486M**

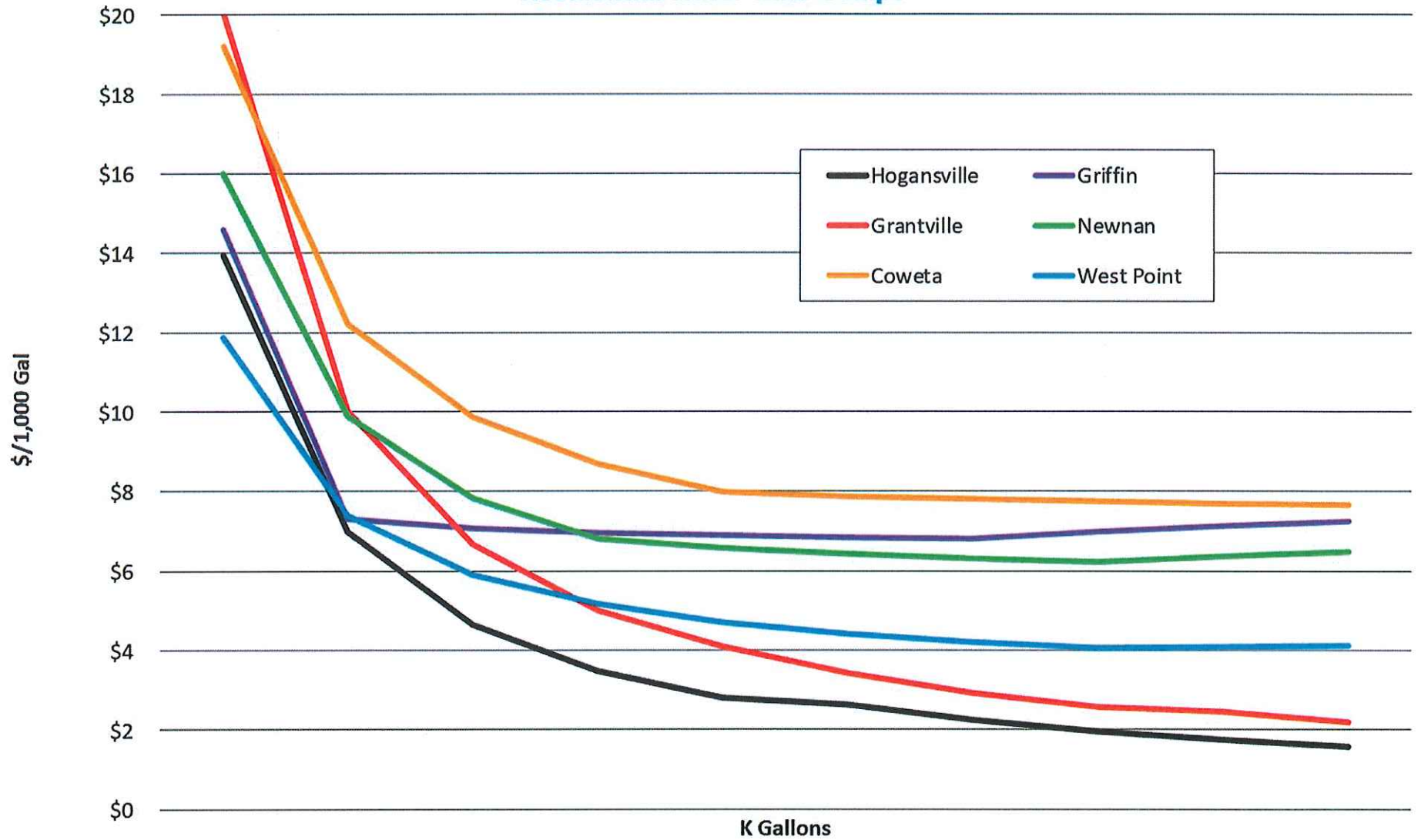
# Water: Cost of Service Margin (% and \$)



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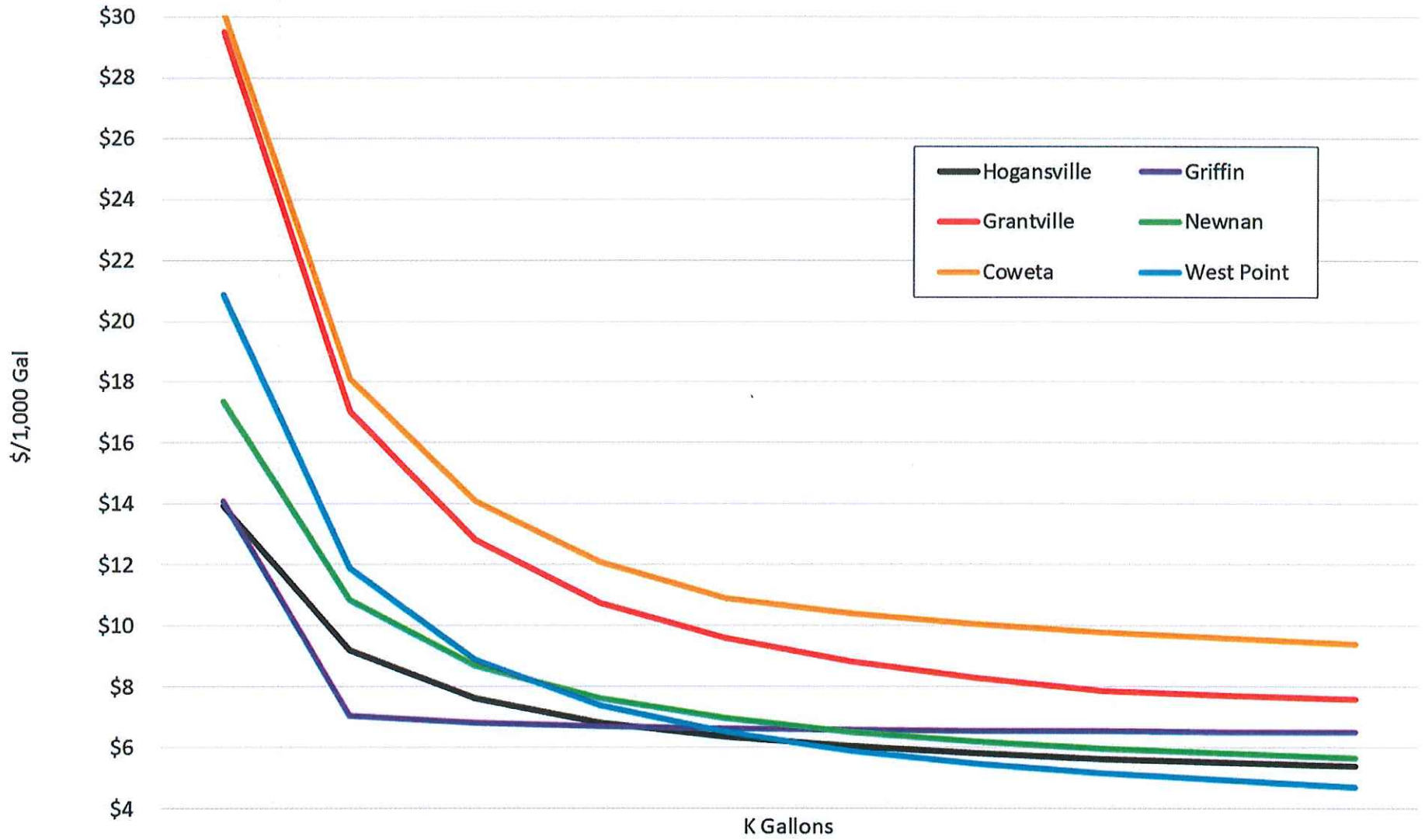


### Residential Water Rate Comps



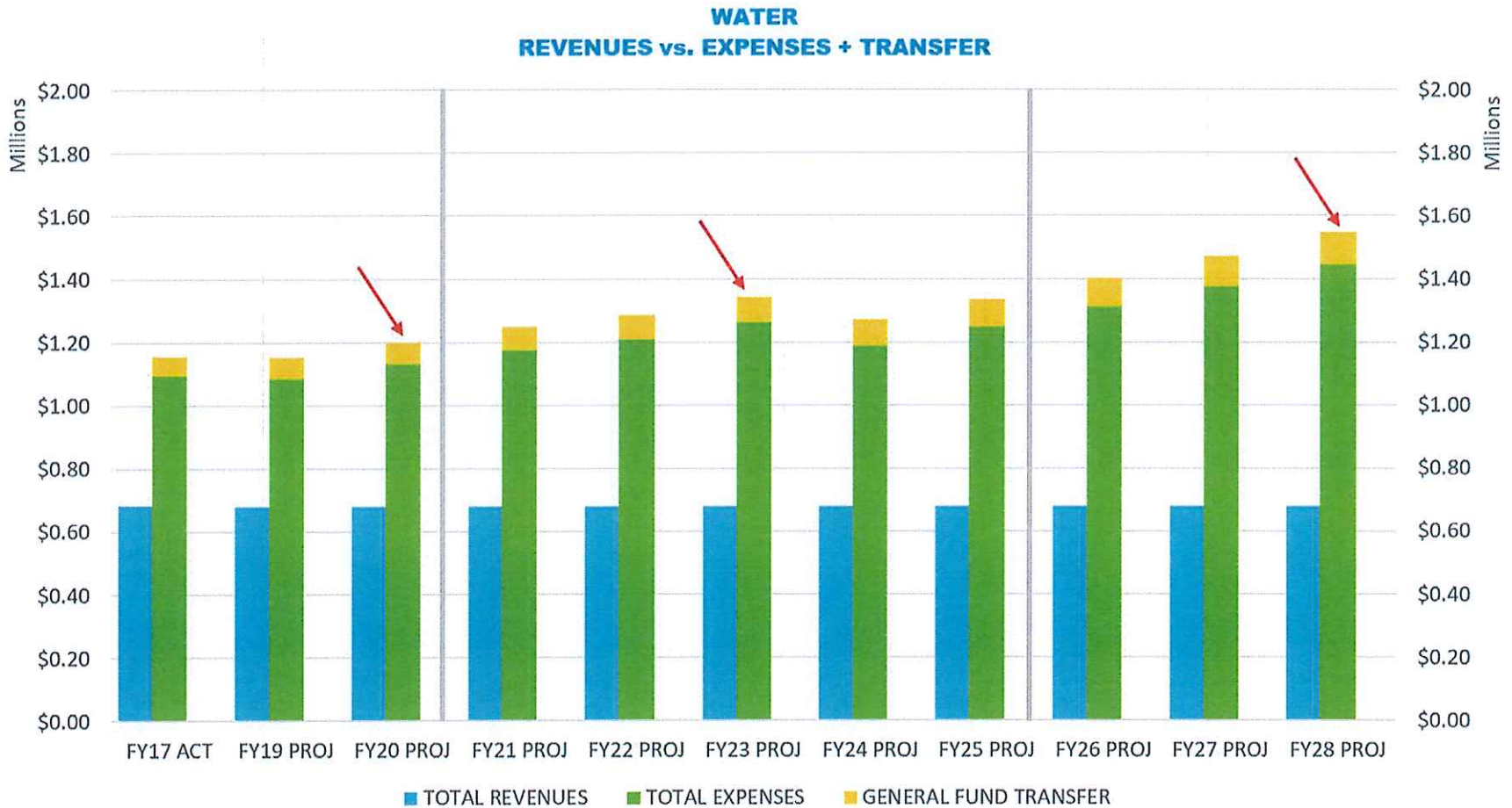
	1	2	3	4	5	6	7	8	9	10
<b>Hogansville</b>	\$13.96	\$6.98	\$4.65	\$3.49	\$2.79	\$2.62	\$2.25	\$1.97	\$1.75	\$1.57
<b>Griffin</b>	\$14.61	\$7.31	\$7.07	\$6.96	\$6.89	\$6.84	\$6.81	\$6.99	\$7.13	\$7.24
<b>Grantville</b>	\$20.00	\$10.00	\$6.67	\$5.00	\$4.10	\$3.42	\$2.93	\$2.56	\$2.44	\$2.20
<b>Newnan</b>	\$16.01	\$9.89	\$7.84	\$6.82	\$6.59	\$6.43	\$6.32	\$6.23	\$6.37	\$6.49
<b>Coweta</b>	\$19.19	\$12.19	\$9.86	\$8.69	\$7.99	\$7.88	\$7.80	\$7.74	\$7.69	\$7.66
<b>West Point</b>	\$11.87	\$7.40	\$5.91	\$5.17	\$4.72	\$4.42	\$4.21	\$4.05	\$4.08	\$4.11

### Commercial Water Rate Comps



	1	2	3	4	5	6	7	8	9	10
<b>Hogansville</b>	\$13.96	\$9.21	\$7.63	\$6.84	\$6.36	\$6.04	\$5.82	\$5.65	\$5.52	\$5.41
<b>Griffin</b>	\$14.08	\$7.04	\$6.82	\$6.71	\$6.64	\$6.59	\$6.56	\$6.54	\$6.52	\$6.50
<b>Grantville</b>	\$29.50	\$17.00	\$12.83	\$10.75	\$9.60	\$8.83	\$8.29	\$7.88	\$7.72	\$7.60
<b>Newnan</b>	\$17.37	\$10.87	\$8.70	\$7.62	\$6.97	\$6.54	\$6.23	\$6.00	\$5.81	\$5.67
<b>Coweta</b>	\$30.10	\$18.10	\$14.10	\$12.10	\$10.90	\$10.41	\$10.05	\$9.79	\$9.58	\$9.42
<b>West Point</b>	\$20.86	\$11.90	\$8.91	\$7.41	\$6.52	\$5.92	\$5.49	\$5.17	\$4.92	\$4.72

# Water: Enterprise Fund Future Outlook



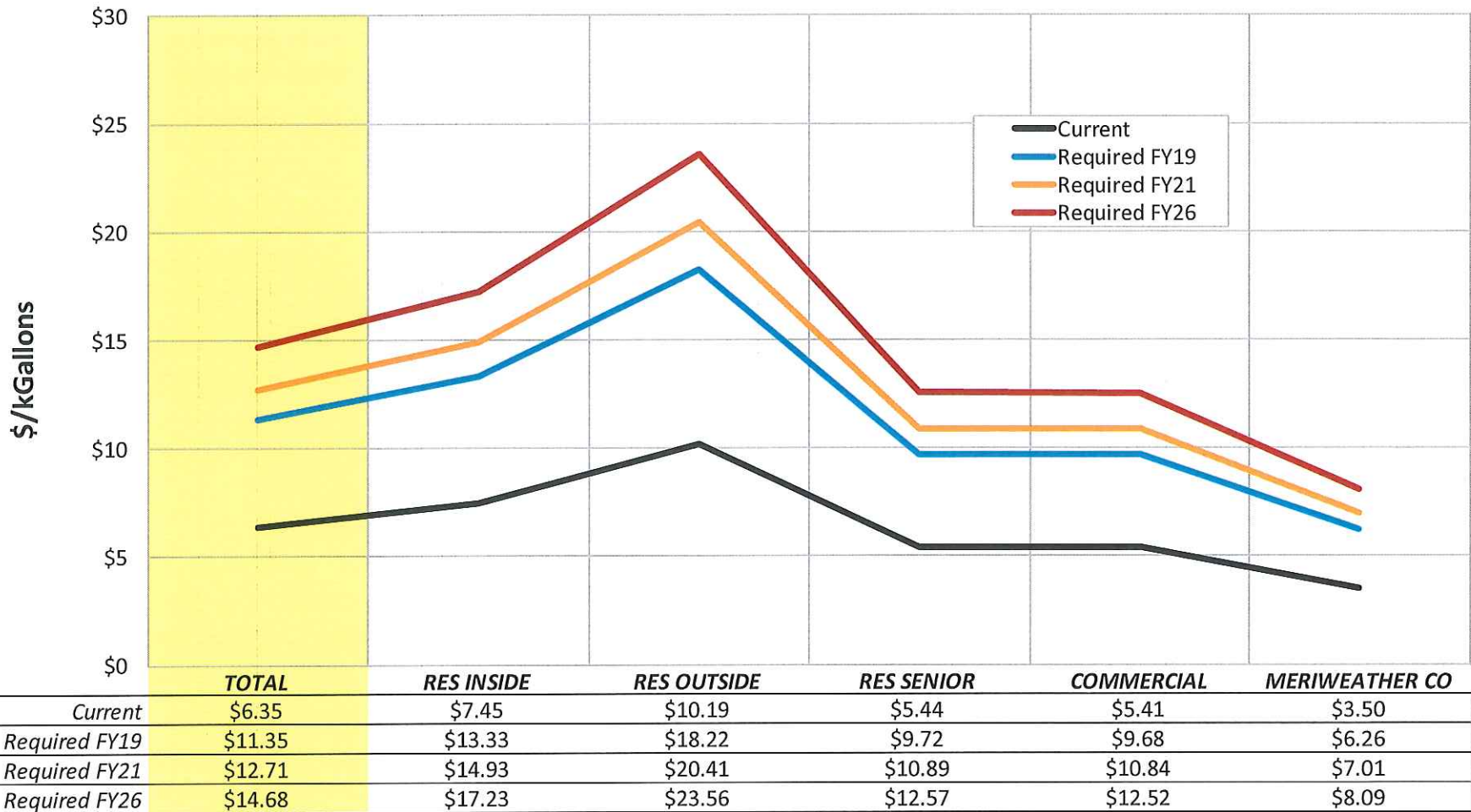
\*\*\* Expenses already surpassed revenues.

\*\*\* Fund is unsustainable. Acquiring more revenues & reducing expenses are paramount to survival.

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# Water: Rate Adjustments (Required)



\*\*\* Rate Adjustments assume a rate increase occurs proportionally across the board.

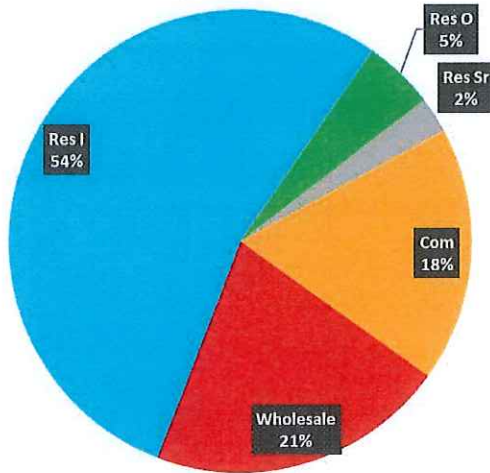
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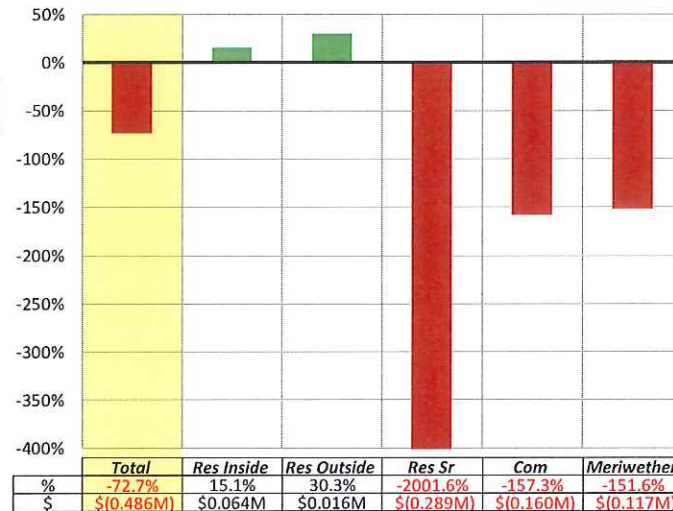


UTILITY: WATER

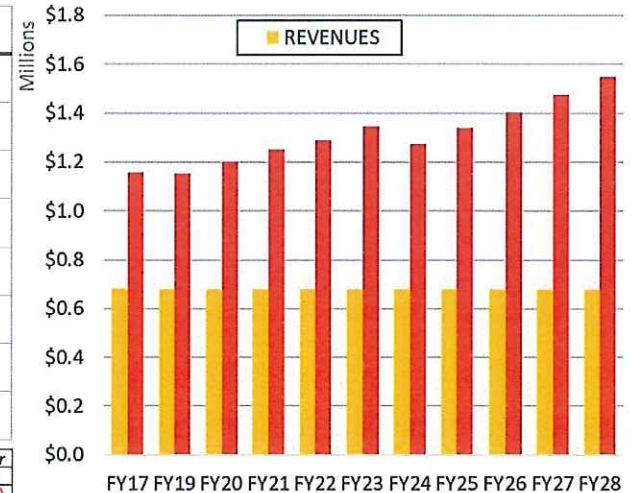
Water: Usage by Rate Class



Cost of Service Margin (% and \$)



Future Outlook: Revenues vs. Expenses



OBSERVATION:

- In Fiscal Year 2017, expenses were ~1.7x higher than revenues. Of that, \$60 thousand was transferred from Water Fund into the General Fund
- Expenses already surpassed revenues

RECOMMENDATION:

- Adjust rates to increase revenues to cover expenses
- Eliminate transfer to the General Fund until such time when the Water Utility becomes solvent
- Seeking lower-cost source(s) to reduce water supply purchase cost
- Senior Discount should be a percentage discount off base charge only
- Evaluate rates annually
- Review Wholesale agreement with Meriwether



# Wastewater: Cost of Service Overview

- Allocates all costs to individual rate classes to determine margin
  - Can be used to make strategic rate adjustments
  - Incorporates billing information and audited financials
  - Covers FY 2017 period

## Revenues

Regular sales: \$0.669M

**Total Revenues: \$0.669M**

## Expenses

Personnel: \$0.206M

Operations: \$0.152M

Supplies: \$0.035M

Depreciation: \$0.257M

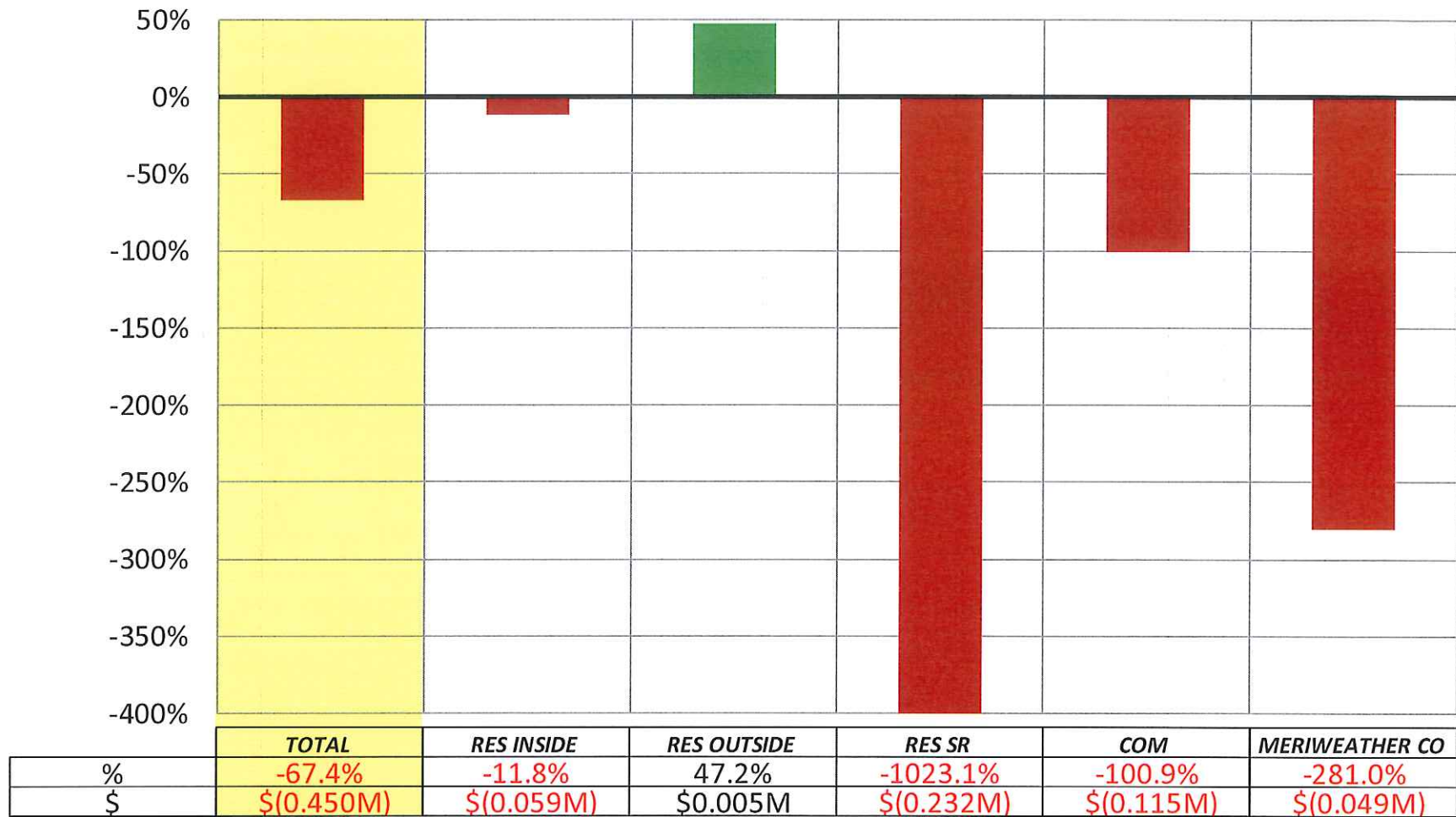
Debt Service: \$0.354M

Transfers: \$0.115M

**Total Expenses: \$1.119M**

**Margin : -\$0.450M**

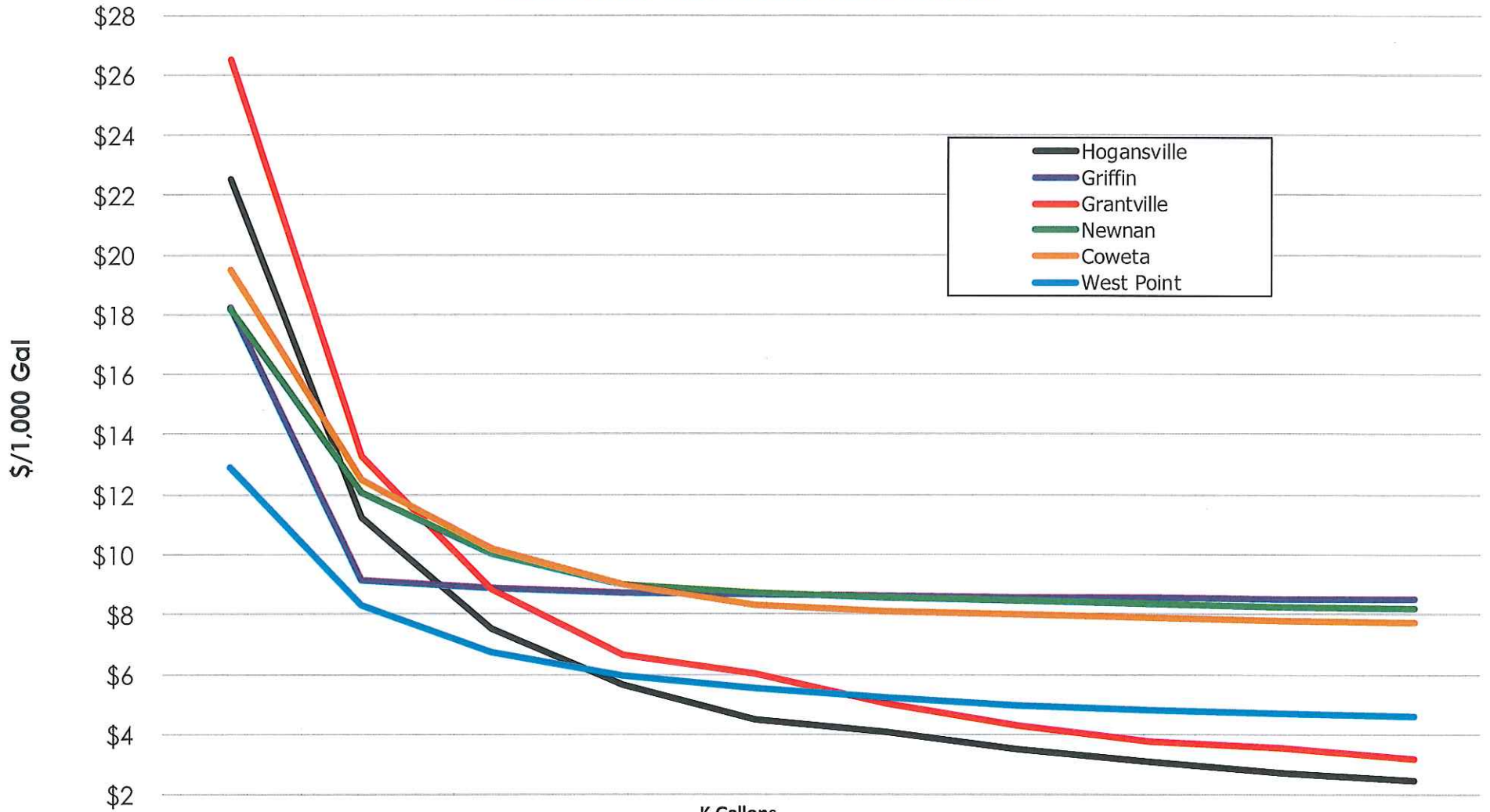
# Wastewater: Cost of Service Margin (% and \$)



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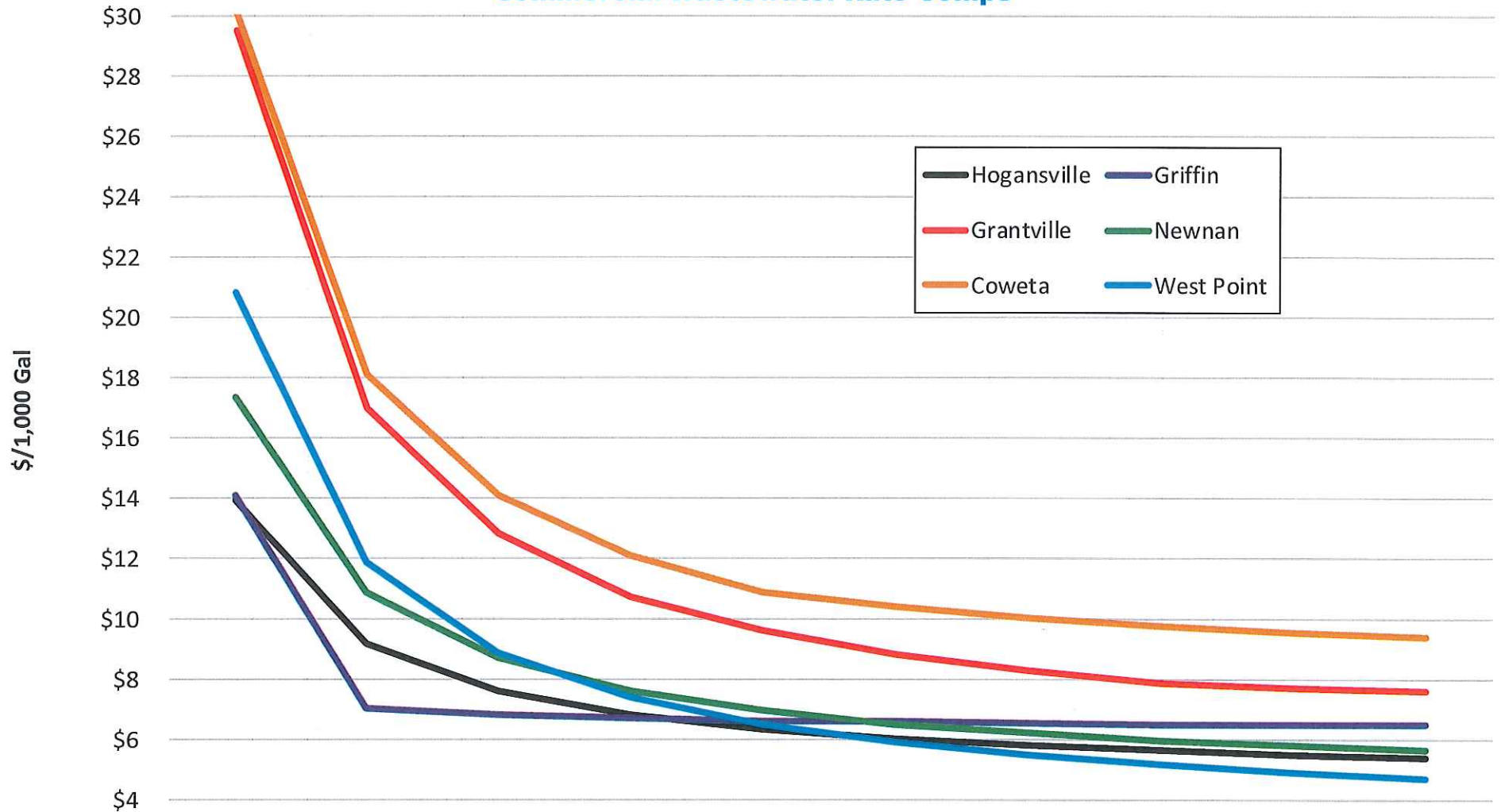


## Residential Wastewater Rate Comps



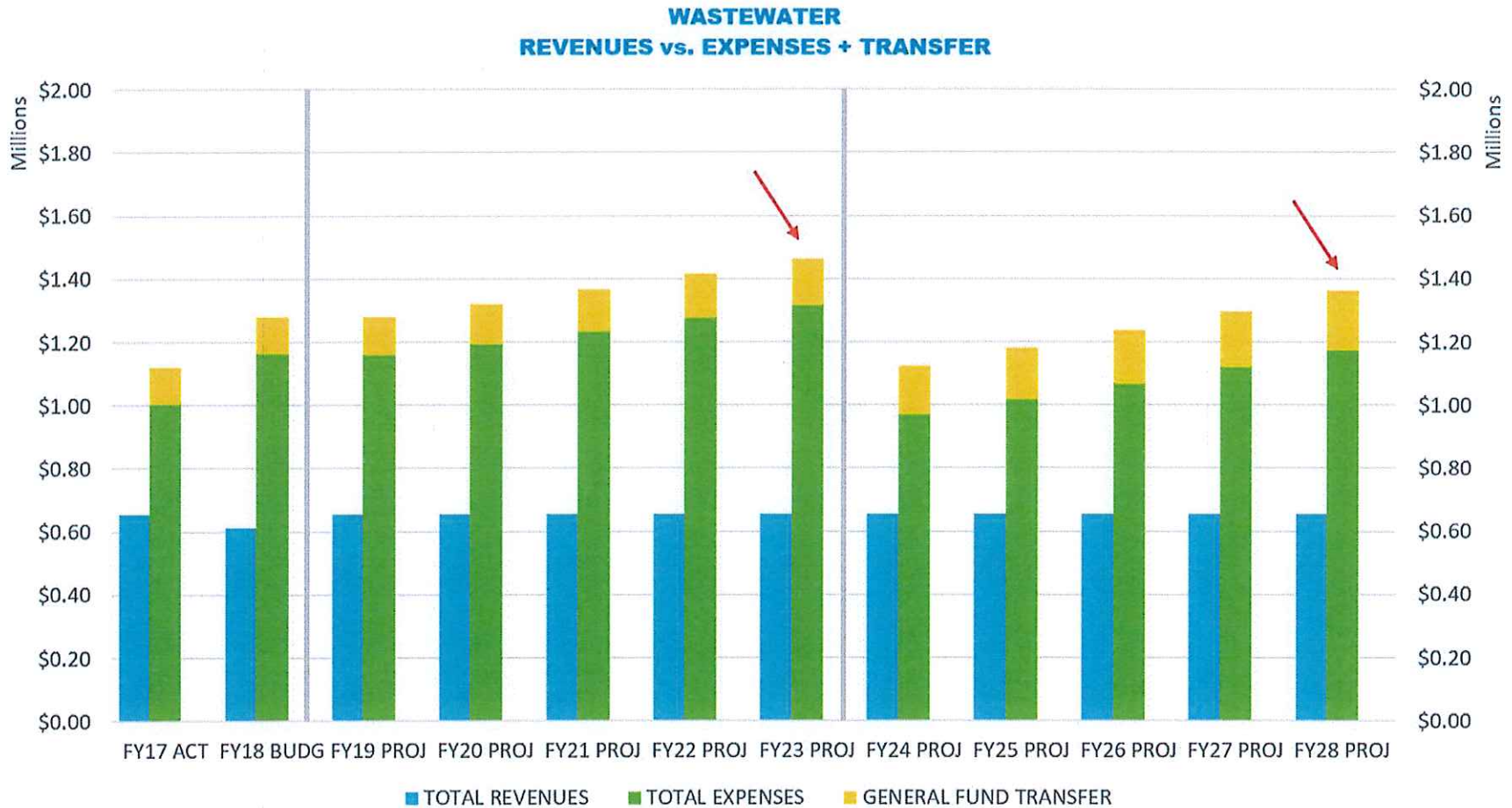
	1	2	3	4	5	6	7	8	9	10
<b>Hogansville</b>	\$22.50	\$11.25	\$7.50	\$5.63	\$4.50	\$4.08	\$3.50	\$3.06	\$2.72	\$2.45
<b>Griffin</b>	\$18.24	\$9.12	\$8.86	\$8.74	\$8.66	\$8.61	\$8.57	\$8.54	\$8.52	\$8.50
<b>Grantville</b>	\$26.50	\$13.25	\$8.83	\$6.63	\$6.00	\$5.00	\$4.29	\$3.75	\$3.56	\$3.20
<b>Newnan</b>	\$18.18	\$12.06	\$10.01	\$8.99	\$8.73	\$8.56	\$8.44	\$8.35	\$8.27	\$8.22
<b>Coweta</b>	\$19.50	\$12.50	\$10.17	\$9.00	\$8.30	\$8.11	\$7.97	\$7.87	\$7.79	\$7.73
<b>West Point</b>	\$12.91	\$8.29	\$6.74	\$5.97	\$5.51	\$5.20	\$4.98	\$4.82	\$4.69	\$4.59

### Commercial Wastewater Rate Comps



	K Gallons									
	1	2	3	4	5	6	7	8	9	10
<b>Hogansville</b>	\$17.40	\$8.70	\$5.80	\$5.87	\$5.90	\$5.93	\$5.95	\$5.96	\$5.97	\$5.98
<b>Griffin</b>	\$35.16	\$17.58	\$11.72	\$8.79	\$7.03	\$7.20	\$7.32	\$7.41	\$7.48	\$7.54
<b>Grantville</b>	\$64.00	\$32.00	\$21.33	\$17.13	\$14.60	\$12.92	\$11.71	\$11.25	\$10.89	\$10.60
<b>Newnan</b>	\$26.00	\$13.00	\$8.67	\$8.43	\$8.28	\$8.18	\$8.11	\$8.06	\$8.02	\$7.99
<b>Coweta</b>	\$48.00	\$24.00	\$16.00	\$13.38	\$11.80	\$10.75	\$10.00	\$9.44	\$9.18	\$8.98
<b>West Point</b>	\$37.00	\$18.50	\$12.33	\$10.17	\$8.86	\$8.00	\$7.38	\$6.91	\$6.55	\$6.26

# Wastewater: Enterprise Fund Future Outlook

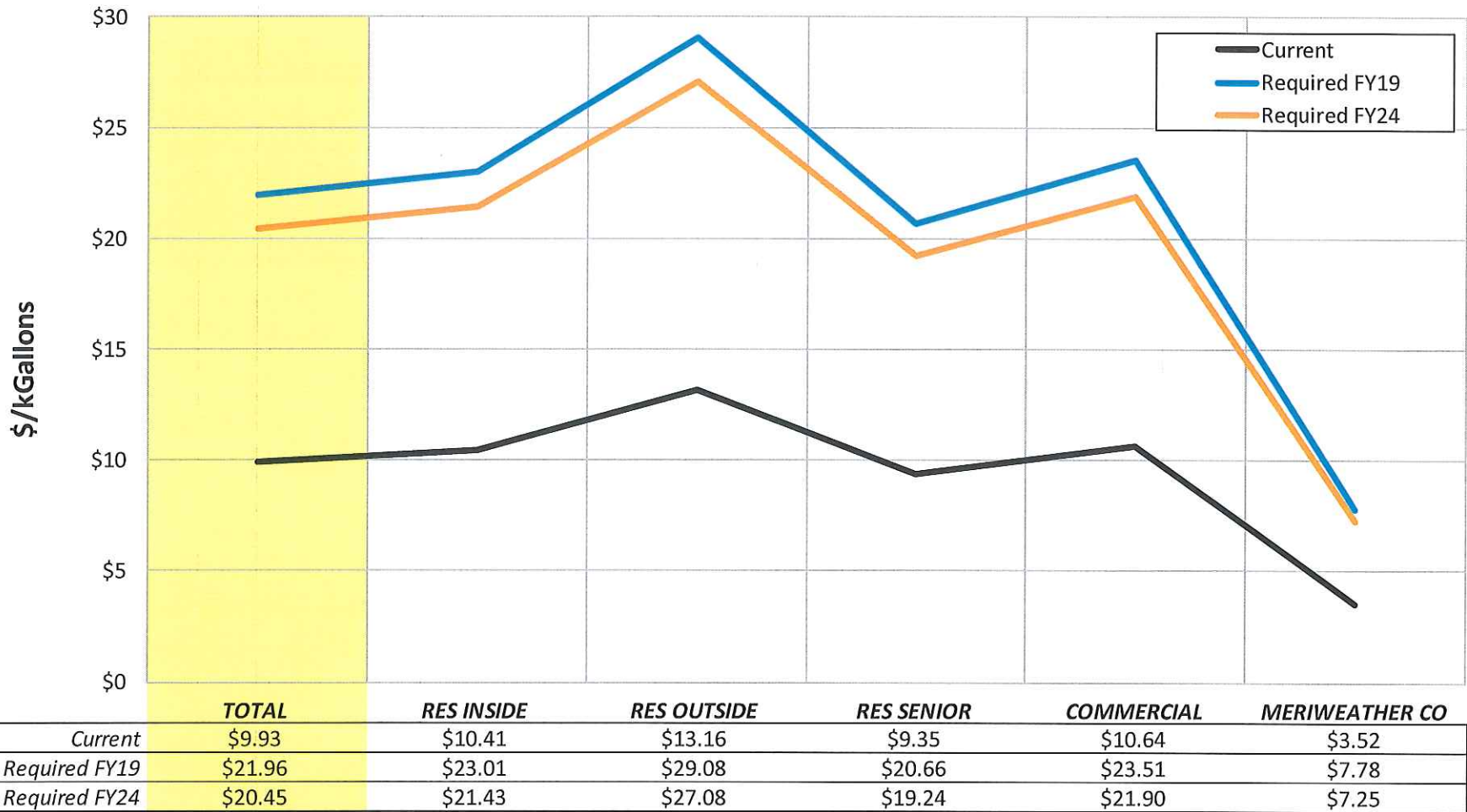


\*\*\* Expenses already surpassed revenues.

\*\*\* Fund is unsustainable. Acquiring more revenues & reducing expenses are paramount to survival.

\*\*\* Exclude approved waste water plant expansion debt (USDA Loan)

# Wastewater: Rate Adjustments (Required)



\*\*\* Rate Adjustments assumed rate increase happen proportionally across the board.

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# Water & Wastewater: Recommendation

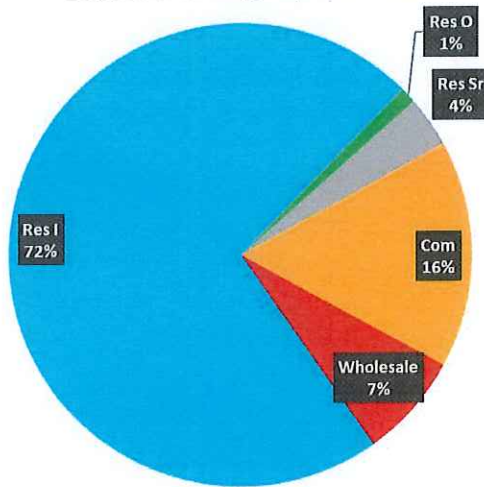
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- Adjusting rates to increase revenues to cover expenses
- Reduce Costs
  - Eliminate transfer to General Fund until such time the Utilities become solvent
  - Seek lower-cost source(s) to reduce water supply purchase cost
- Senior discount should be a percentage discount off the base charge only
- Evaluate rates annually
- Review Wholesale agreement with Meriwether

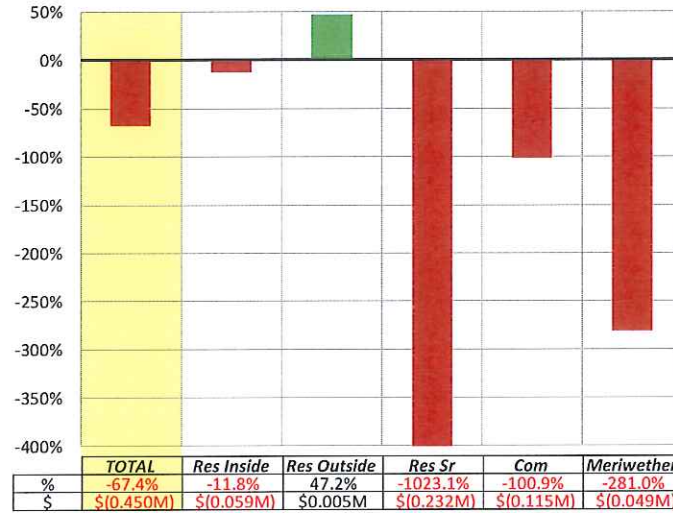


UTILITY: WASTEWATER

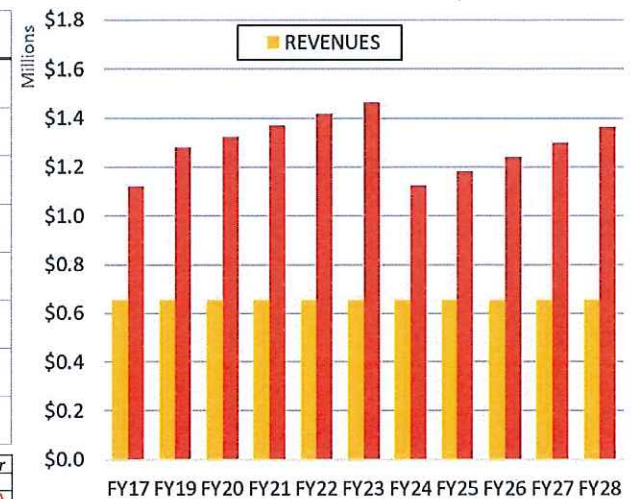
Wastewater: Usage by Rate Class



Cost of Service Margin (% and \$)



Future Outlook: Revenues vs. Expenses



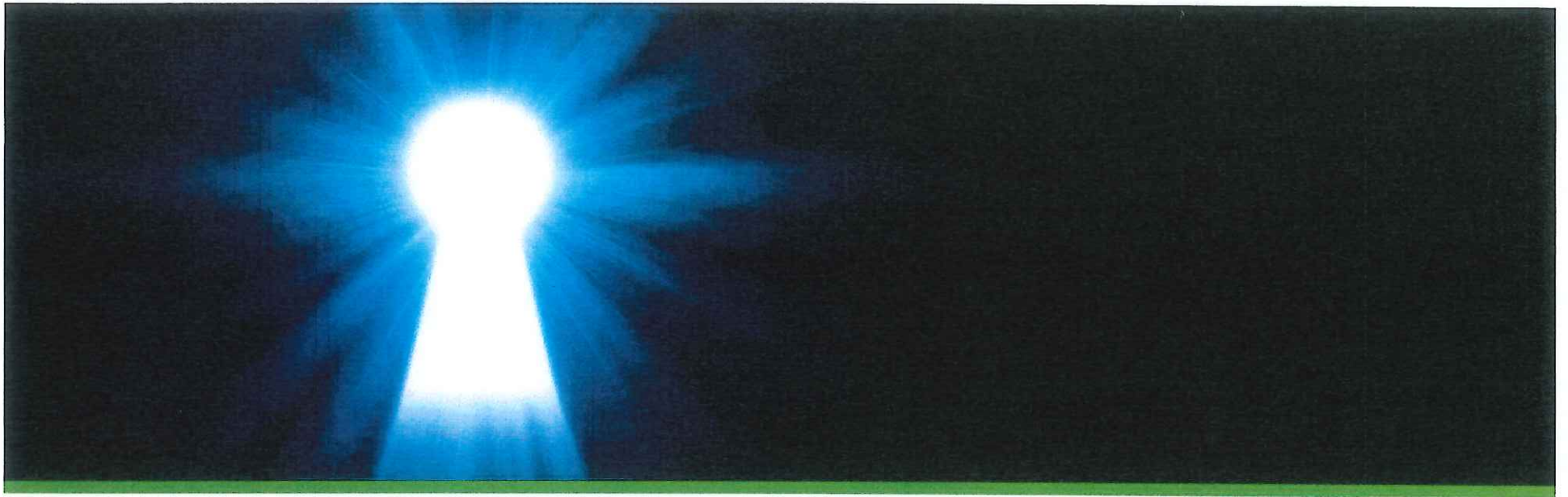
OBSERVATION:

- In Fiscal Year 2017, expenses were ~1.7x higher than revenues. Of that, \$115 thousand was transferred from Water Fund into the General Fund
- Expenses already surpassed revenues
- Analysis does not include approved waste water plant expansion debt (USDA Loan)

RECOMMENDATION:

- Adjust rates to increase revenues to cover expenses
- Eliminate transfer to the General Fund until such time when the Wastewater Utility becomes solvent
- Senior Discount should be a percentage discount off base charge only
- Evaluate rates annually
- Review Wholesale agreement with Meriwether





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