

Coweta County Water & Sewerage Authority

November 1, 2023

The Coweta County Water and Sewerage Authority held its monthly meeting on Wednesday, November 1, 2023, in the Reservoir Room at the Coweta County Water & Sewerage Authority. The following individuals were present: Chairman Ms. Laurie Bartlett, Vice Chairman Dr. Marc Guy, Secretary Mr. Larry Kay, Co-Treasurer Mr. Mark Woods, Co-Treasurer Mr. Dennis Hammond, Ms. Melissa Griffis (Attorney with Horne & Griffis), Jay Boren, Heidi Mann, Rick Jones, Alan Sibley, Roger Dawson, Mr. Michael Fouts (Coweta County Administrator), Mr. John Reidelbach (District 4- Chairman), Mr. Bill McKenzie (District 2- Commissioner), Mr. Ryan Smith (Ryper Water Analytics), and Mr. Ben Moss (Garver, LLC).

Chairman Bartlett called the meeting to order at 9:00 a.m. The meeting began with the Pledge of Allegiance. Mr. Mark Woods gave the invocation.

Chairman Bartlett asked for a motion to approve the minutes from the October 4, 2023, Board meeting. Motion was made by Mr. Larry Kay, seconded by Dr. Marc Guy to approve the minutes. Motion carried.

The first agenda item was an update on Operations by Mr. Rick Jones. In Construction, Mr. Jones reported for the month of September that there were 81 leaks. There were 21 digs and 146 drops for a total of 120, a decrease of 25 from August. Mr. Jones reported on the status of meter installs for September. Mr. Jones reported on current projects: started laying water main on Tinica Way for Cavender Well System customers, HQ vault on Weldon Rd has been delivered, United Grading is continuing pressure testing on the 24" transmission line. The Board asked questions about customer transition and Ms. Griffis commented on the sign board as working per the Board's request. In Maintenance, Mr. Jones gave updates on the following: Kason lift station converted to pressure transducer for level control to prevent false readings, Kason lift station check valve was cleaned out, Orbal unit M205 sent off to be repaired after bearing failure, Shenandoah Influent P3 soft start installed and operational, Bravo Lift station RTU converted to cellular modem, Sludge Rakes 1 and 3 at BT Brown repaired and returned to service. In Cross

Connection Control, Mr. Jones reported on information showing Sensus Analytics; and the meter department contacted 694 customers in September, 445 by email and 239 by phone to inform them about their leaks or potential leaks. The following engineering updates were reported: in residential, Stone Farm off W Hwy 16; Cresswind Phase 2 off Pearl Springs Rd. Mr. Jones reported on activity from B.T. Brown stating that the plant averaged 5.59 MGD for the month of September and the total demand for the month was 11.53 MGD. Mr. Jones stated that a few Fayette County Water System ("FCWS") employees toured BT Brown Water Treatment Plant on October 9. Since we have an interconnection agreement with FCWS, this has given the employees a chance to meet staff and gain insight into our water treatment process. On October 11, BT Brown Water Treatment Plant hosted a Georgia Association of Water Professionals (GAWP) / Georgia section of the American Water Works Association (AWWA) meeting and after the meeting they toured the plant. Mr. Jones reported on activity from the Shenandoah Wastewater Plant stating the plant averaged 1.45 MGD for the month of September. Mr. Jones reported that the highest weekly average flow was 1.49 MGD. Mr. Jones reported on the activity of Blalock Lakes, Oaks at Turin decentralized systems and Twelve Parks. Mr. Jones reported on the Shenandoah Plant Expansion. No action needed.

The next agenda item was an update on Human Resources by Mr. Rick Jones. Mr. Jones reported on the following: in Safety, Mr. Brian Walsh with United Rentals presented on Confined Spaces at our September Safety Meeting; and in HR, a group of employees cleaned out 1520 lbs. of garbage out of White Oak Creek at the Whitlock Park Soccer Fields. No action needed.

The next agenda item was an update on Customer Care by Mr. Alan Sibley. Mr. Sibley presented graphs reporting the Customer Count at 31,103 for the month of September, an increase of 102 from the previous month. Mr. Sibley reported that the number of non-pay disconnects was originally 411 but after various methods of contacting the customers it brought the list down to 132. In Information Technology, Mr. Sibley stated that IT has completed installing Microsoft Authenticator on all the devices. Mr. Sibley also stated that the renovation has been completed in the Customer Care area, and we have re-opened the lobby. No action needed.

The next agenda item was the monthly report by Mr. Roger Dawson. Mr. Dawson presented charts and graphs for September FY2024: revenues, expenses, and water sales, purchased and produced. Chairman Bartlett asked if they were moving forward with the audit. Mr. Dawson responded saying that they are working on the audit and that the goal is to have something to present at the next board meeting, but we will have to see if it will be ready at that time. No action needed.

The next agenda item was the Proposed 2024 Board Meeting Dates by Mr. Jay Boren. Mr. Boren stated that there were three requests to change the board meeting dates from the first Wednesday of the month to the last Wednesday of the previous month for April, May, and July meetings. Chairman Bartlett asked for a motion to approve the 2024 Board Meeting Dates. Motion was made by Mr. Mark Woods, seconded by Dr. Marc Guy. Motion carried.

The next agenda item was Ryper Presentation- FY2024 Water & Wastewater Revenue Sufficiency Study by Mr. Ryan Smith. As part of the planning and design of the Chattahoochee River Pump Station and Transmission Main project, the Authority engaged Ryper Water Analytics to perform a revenue sufficiency study. The study not only looked at the revenue requirements for the Chattahoochee project but evaluated the Authority's current planned Capital Improvement Program (CIP), as well as the future projects identified under the Master Plan performed by Garver, LLC. Mr. Ryan Smith explained the study purpose, the process of building the financial forecast, the development of scenarios presented, and the key findings and areas of focus for the Authority. Mr. Smith explained the data on which the study was based and the process of vetting that data to ensure its accuracy. Mr. Smith discussed the primary data for the forecast of revenues and communicated information about the Authority's current rate structure, cost recovery metrics for Residential and Commercial/Industrial users, and estimated growth assumptions. Mr. Smith also discussed the primary data for the forecast of expenses and communicated information about wholesale purchases from the City of Griffin, future forecasted expenses, the Authority's current planned CIP (totaling \$175.4M), how those projects are expected to be funded, the expected debt service, and the forecasted revenue requirements. Mr. Smith stated that forecasted revenues were based on the assumption that the Authority's semi-annual review of rates and the Consumer Price Index (CPI) would result in an annual increase in rates of 2.5% each year. Mr. Smith stated

that, based on the projected Revenues and Expenses, including the expected annual rate increases of 2.5%, to fully fund the Authority's current planned CIP, the Authority would need to experience Industrial/Commercial growth in demand for water of 100,000 gallons per day (gpd) in the year 2027 (and maintain that higher level going forward) or, would need to increase rates by an estimated additional 2.0% in 2027. Mr. Smith then discussed two scenarios that covered additional projects identified by the Authority's Master Plan that would provide necessary increases in the Authority's available water capacity to meet future demands and to fund necessary infrastructure to treat and deliver that water to system customers. The scenarios were presented as Scenario 1 – Funding Resiliency and Scenario 2 – Full Build-Out. He presented primary assumptions for each scenario including the estimated costs of the projects, estimated additional operating expenses, estimated debt service, and the forecasted revenue requirements.

Scenario 1 – Funding Resiliency included the following projects in addition to the Authority's current planned CIP: the Chattahoochee Pump Station (\$25M), Phase 1 of the Chattahoochee Transmission Main (\$20M), and Improvements to BT Brown Water Treatment Plant (\$10M). Additional estimated operating expenses of \$222,000 and estimated debt service of \$2.1M are expected. Mr. Smith stated that, based on the projected Revenues and Expenses, including the expected annual rate increases of 2.5%, to fully fund the Authority's current planned CIP and Scenario 1, the Authority would need to experience Industrial/Commercial growth in demand for water of 500,000 gallons per day (gpd) in the year 2027 (and maintain that higher level going forward) or, would need to increase rates by an estimated additional 2.75% in fiscal year 2027, 2028, and 2029 (3 years, 8.5% total with compounding).

Scenario 2 – Funding Full Build-Out included the following projects in addition to the Authority's current planned CIP and the Resiliency projects (\$55M) listed in Scenario 1: Phase 2 of the Chattahoochee Transmission Main (\$20M), and BT Brown Water Treatment Plant Expansion (\$50M), and Industrial Zone Looping and Elevated Storage Tanks (\$56.1M). Additional estimated operating expenses of \$222,000, additional personnel of \$1.1M (2026) and \$1.2M (2030), and estimated debt service of \$6.5M are expected. Mr. Smith stated that, based on the projected Revenues and Expenses, including the expected annual rate increases of 2.5%, to fully fund the Authority's current planned CIP and Scenario 2, the Authority would need to experience Industrial/Commercial growth in demand for water of 400,000 gallons per day (gpd) each year from the year 2027 – 2033 (2.8MGD total) or, would need to increase rates by an

estimated additional 6.0% in each fiscal year from 2026 to 2030 (5 years, 34.0% total, with compounding). In conclusion, Mr. Smith communicated areas of focus for the period from FY2024 – FY2027. Mr. Smith stated that the Authority should monitor Commercial/Industrial growth to gauge its impact on revenues and its impact on infrastructure needs. Mr. Smith encouraged the Authority to strengthen its policies regarding defining customer class designations and encouraged the Authority to consider implementing a water infrastructure fee to help recover some upfront infrastructure costs. Finally, Mr. Smith stated the Authority should continue to monitor the GEFA loan process and watch for changes in the availability and terms of those loans. Mr. Smith answered questions of all in all attendance. No action needed.

Chairman Bartlett called for a motion to adjourn into Executive Session for Real Estate, Personnel and Litigation. Motion was made by Dr. Marc Guy, seconded by Mr. Dennis Hammond. Motion was carried, and the meeting was adjourned into Executive Session.

Chairman Bartlett asked if there was any new or old business to discuss. There being none, Chairman Bartlett asked for a motion to adjourn the meeting. Motion was made by Dr. Marc Guy, seconded by Mr. Larry Kay. Motion was carried and the meeting was adjourned.

Laurie Bartlett- Chairman

Larry Kay- Secretary