



Sammy Rich, City Manager
Mike Hackett, Director
John Boyd, Assistant Director
WATER AND SEWER DIVISION
Customer Service Department
Bryan Parris, Director
Operations Department
Brandon M. Cook, Director
Water Reclamation Facilities
Jeff Hill, Director
Water Treatment Facilities
Wayne Stanley, Director

WATER AND SEWER COMMITTEE MEETING
City Hall, 601 Broad Street, Sam King Room
Thursday, July 6, 2023
9:00 AM

PRESENT: Chairperson Jim Bojo
Commissioner Craig McDaniel
Commissioner Elaina Beeman
Mr. Sammy Rich, City Manager
Mrs. Meredith Ulmer, Assistant City Manager
Mrs. Toni Rhinehart, Finance Director
Mr. Mike Hackett, Division Director
Mr. John Boyd, Assistant Division Director
Mrs. Teresa Harrell, Assistant Customer Service Director

VISITORS: David Crowder WRGA News

CALL TO ORDER

Chairperson Jim Bojo welcomed everyone and called the meeting to order.

REVIEW OF THE MINUTES

No changes to the April 6, 2023, minutes were suggested and were approved by common consent.

FINANCIAL REPORT

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Mrs. Rhinehart reported Operating Revenues were up about \$1,200,000.00 from this time last year. Total revenue including transfers is up about \$1,600,000.00 from this time last year. We have been communicating with the Water Division about the Leak Protection program. We have accumulated some cash and that is restricted cash so it is kept up with separately so it may be something we need to look at later about maybe reducing the monthly charge.

Mr. Hackett stated we have been looking into taking it down to \$1.50 from \$1.65.

Mrs. Rhinehart continued; we were giving it time to level out because some months are of course higher than others as far as what we are paying out, it has been a very positive program from the customers standpoint.

Moving on to expenses total expenses are up about \$400,000.00 from last year but note we did do a pay increase in February of last year, so we are not completely apples to apples.

Mr. Hackett stated we also had a larger pipe purchase.

Mrs. Rhinehart reported total expenses and transfers were up about \$1,000,000.00 and we have had more activity in the R&E side on some projects so there were some large transfers to R&E to cover those expenses. Looking over to R&E you will see those transfers from Water to cover the Capital Expenditure and Personal Services. We have Cash balance at the end of May of \$22,600,000.00, and as mentioned earlier we have accumulated a little over 400,000.00 in Leak Protection so we will be looking at decreasing that sometime soon.

OLD BUSINESS

None

Chairperson Bojo stated, before we move on into new business, I would like to publicly thank you Mike and John for all the hard work you did on the litigation. You did an outstanding job. Commissioner McDaniel agreed and added I appreciate all the work you and Finance does to manage these finances. Commissioner Beeman, as a new commissioner watching and learning from you all has been an impressive experience.

NEW BUSINESS

Operations Update

Mr. Hackett provided data showing the Divisions finished water produced and wastewater treated of 2022 and 2023, service calls, and new water and sewer connections for month and year to date for 2023. The average daily finished water year to date for 2023 5.402 (MGD) with a peak of 6.75 (MGD) and total of 815.705 (MG). the Rome WPCP treated a total of 2406.360 (MG) year to date with a daily average of 15.936 (MGD) and a peak of 49.36 (MGD). The Coosa WPCP treated 227.940 (MG) with an average of 1.510 (MGD) and a peak of 4.023 (MGD).

Operations year to date sewer service calls were 592, water service calls were 158. New sewer connections totaled 58 and new water connections totaled 45.

Hackett pointed to the difference in 2022 and 2023 year to date totals; saying in mid-2022 we switched from a wholesale rate of \$1.26 per thousand to demand rate of \$3.20 per thousand for Floyd County, which was still much less than that of our consultants recommended rate of \$5.20 per thousand, while total volume sold decreased it has become more profitable. You will also notice the average and peaks vary a bit and some of this is from rain which

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you will see when we go over to wastewater, but part is the reduced volume to the County but again we are still profitable.

Moving to wastewater you see in May we had 272 (MG), if it had been a dry year that number would be closer to the water produced but with all the rain, we are a little higher.

In system activity we are averaging about 3 to 4 calls per day for water and sewer calls. We have reduced this from around 15 per day when we first started tracking this. This is a result of our switch from a reactive maintenance to a proactive maintenance. Commissioner Beeman asked of there was anything customers could do to help with proactive maintenance. Mr. Hackett said there is not much to really help with the City's water system other than realizing when it is time to replace their lines, a leak outside in the ground is a good indicator of that. The one thing that could help the most is reducing the amount of grease going into the sewer system.

Current Project

Mr. Boyd reported both the ARC and Bale St. projects tying in with the redevelopment that is taking place on W 3rd St. and River District. The overall project was just under one million dollars with \$600,000 of that being grant funded. The final tie ins will take place this Sunday and Monday night. Meters are set and everything is ready for the next phase of development. We will be working within the storm drainage because that includes tying into lines going into the levy.

Ave D 12" water main upgrade, Mr. Hackett stated in the area between Turner McCall, John Davenport, Bojangles and the Highrise we have an older system, and the pressure is okay, but the volume is not where it needs to be. We have been steadily trying to improve that. The ARC project was part of bringing that 12" line down from North 5th from Broad St to near Turner McCall has helped boost that volume and the Ave D project is a line we have been working on as well is just about finished. We have replaced about 2,000 feet of old 2" galvanized water main with a new ductile iron 12" main. This will give us both good pressure and volume in the area as well as the two new developments coming soon and any future growth in the area on Martha Berry.

Flood Control: Mr. Hackett we have 2 levy systems, one is the Corps system that serves the downtown area and the other is the South Rome levy system that the city built. Hackett reported we have recently replaced all the pumps and made other upgrades in both systems.

Distribution Operations Maintenance Plan: Every 3 years we conduct a Leak Detection Survey, survey about 80 miles of our 300 miles of water distribution system. This survey takes about 3 weeks to complete. This year we located 15 leaks with the highest being about 10 (GPM) and an average of about 1-3 (GPM). Leaks of 5 (GPM) or more are repaired quickly and those smaller leaks which are more difficult to pinpoint are monitored. This project has allowed us to keep our nonrevenue water percentage below 15%, which at one point was as high as 35%. We are staying around 13% right now with this approach.

Meter Change Out Project: Mr. Hackett said this is another significant project that reduces our unaccounted-for water. The first change out project was in 2005 at a cost of around \$10.5 million. At the time we switched from a direct read meter to a drive by radio read meter and our unaccounted-for went from the 30's to the low 20's which in turn help finance the project. With current project we are changing to a fixed based AMI system. Meter readings are collected and stored daily. Reading can be downloaded to the billing system in less than an hour which in the past took a crew of 6 a couple of weeks to complete. Working with Master Meter the way we did we were able to get all the AMI system included with the cost of the meters which ended up costing about \$80.00 less per meter than the current Sensus meter we have in the ground. The project is wrapping up with 18,543 residential meters at a cost of

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approximately \$3.7 million and about half of all 2-inch commercial meters at just under \$1 million already installed. We think when complete the total project will be around half the cost of the first change out project.

Future Projects Update

Mr. Hackett reported each year we replace all GAC media at the filter plant. Last year our vendors informed us there was a 9-to-12-month lead time on GAC orders so as soon as we completed the change out in July 2022, we placed an order for this year's replacement materials for 2023 and it is just now available. This is a cost of a little of half a million every year. We typically test around four times a year what other PFAS levels are, looking at our long-range running average we are below the health advisory. It is tight but we are below.

Burwell Creek Sewer Replacement: Mr. Boyd explained the route and stated bids will be opened July 27, 2023. Contract states 210 days. Boyd also said this will be a very hard project for both the contractor and us in maintaining sewer service during construction and added weather will be an important factor.

Highway 20 Paving: Mr. Boyd reported contractors are in the Coosa area right now and will be making their way into Rome in the next couple of weeks. This work will end just shy of where 2nd Ave widening project will end. In the City portion of this construction, we have 152 facilities such as valves and manholes in the pavement that will be brought up to grade for paving. Cost will be around \$535,000.00 which was in our Capital Budget.

DOT 2nd Ave Widening: Mr. Hackett explained the DOT now uses contractors for all their projects and if a utility company holds up the contractor the utility is liable for any additional cost to the project because of the delay and therefore we have begun to use the DOT contractor for our work as well whenever it is possible. This approach has been working well so far. Our portion of the project will include a new water main and some sewer lines as well as flood control work on the 2nd Ave culvert. Cost should be \$300-400 thousand for flood control, \$1 million for water and \$130-140 thousand for sewer.

Flood Control: Avenue A fail-safe gates built in 1939, the timbers used to hold up the platform have failed and will have to be replaced. Price to do came in higher than expected at about \$600,000. We are going to see if we can do this in house to reduce the cost if possible.

Enterprise Corner: Right now, we are in engineering that is about 95% complete. It is about 3 miles from the site back existing facilities creating a problem with developing a lift station with pumps that can handle the head associated with that but should be close to getting finalized. We think the total project will be around 12-13-million-dollar range.

Chulio Forced Main Replacement: This is about 3 miles forced main that we have had on the list for a long time. This will also be under our in-house projects; we are looking at doing this in house with a pipe burst method because we think this is going to be an expensive project. Right now, we are kind of in the brainstorming stage of this project and can hopefully give a better update closer to the end of the summer.

In-House Projects: Chulio force main replacement and DOT 2nd Ave sewer we will do, Crescent Ave is a water line we will be doing some work on, replacing about 600 feet. The N 5th Ave water line will be a continuation from the ARC project continuing the 12" up North Ave and that combined with the Ave D line together we will be able to loop those two new lines and boost volume and pressure in the area particularly at the Highrise. This is an area where we really need more volume.

Holland Dr: Mr. Boyd in early 2000 the original sewer was installed; it was then bought by a developer, and lots were subdivided, and he ended up putting a manhole under a driveway against our advice and requirements and now we have to make it right. We will be relocating the manhole to the property line and stubbing out for future development on Holland Dr.

Commissioner McDaniel asked if the new development at Battle Farm off Old Summerville Rd would be on sewer. Hackett and Boyd said yes it will tie into an existing lift station and a second lift station would be added by the developer as well. Commissioner McDaniel asked City Manager Mr. Rich if this area was in the city or county. Mr. Rich said it was in the county. Mr. Hackett said he thought the development was about 400 lots.

OTHER

FCW Wholesale Update: Mr. Hackett said he was going back to the original Operations update and talk more about the wholesale update saying, when we went to the demand-based rate, we sold less water but when we look at the profitability, we sold less but at the end of the year we ended up with a little over \$3,000.00 more profit. This year we will have the whole year on the new demand rate but as that's gone in the County has progressively used less water because of it so initially we may not be more profitable but we are about to come into the summer months so that will be the time when we will see, and it will depend if we have a rainy or hot and dry summer.

Hackett added this reduction in wholesale could also benefit us in that if this brings daily averages down to say 6-6 ½ rather than the 8 range that gives us the opportunity for some flexibility on RO, in other words rather than having to design of 30 MGD we may be able to go with 24 MGD which would be a big cost savings as we move forward.

Lead and Copper Rule: We were awarded a grant through GEFA of \$200,000.00. We will likely use this towards the work we are doing right now but could be used elsewhere if we need it. Chairperson Bojo asked where our highest area of lead piping in the city. Mr. Hackett replied we don't have much to speak of. Most of the problem is going to be on the service lines themselves. We are conducting a full audit right now, much of the work is being done in conjunction with the meter change out project, the contractor is collecting service line material data on each change out. So the bulk of the work everyone is going to have to do, we will already have. Then as the rule evolves, what will be done and what can be done is on the homeowner's side.

Commissioner McDaniel inquired about the September rate reduction asking if it would be an automatic 9% reduction. Mr. Rich stated no, we will be going back to the rate as of December 2018, that is essentially what is in the resolution. Mr. Hackett said it would be a 23% rate reduction. Mr. Boyd added that comes to about \$6 million per year.

Commissioner McDaniel asked if the low-income assistance through Tallatoona was still in place. Mrs. Harrell reported this year we have had 375 customers receiving these benefits totaling \$114,350.00. Chairperson Bojo asked if we knew how much funding was available. Mrs. Harrell said we were told there was originally \$500,000.00 available for our region. Commissioner Beeman questioned, does this go through the end December 31st. Mr. Boyd said yes, it is on a calendar year, but we don't know if it will be extended at this time.

Commissioner McDaniel asked, was it three years ago we did the rate study. Mr. Boyd said it was two years ago and we are due one right now. Mr. Hackett said he would like to begin a month or two after the rate reduction to build some data and see what would be associated with that. Commissioner McDaniel stated it seem nothing we did with our rates really seemed to affect how Floyd County decision on how they are going to buy water from us. Mr. Boyd said not really. Mr. Hackett commented if we stay where we are at its less future capacity we will have to purchase as part of the Water Plant project which get under tens of millions of dollars.

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Commissioner McDaniel asked who our largest industrial users are right now. Mr. Hackett replied Marglen is a very large sewer user and the hospitals. We could use some more larger users and maybe the rate reduction and the RO could help bring in some larger users in the future.

Adjourn

There being no further business to discuss the meeting was adjourned.

Respectfully submitted.

Mike Hackett, Director
Rome Water and Sewer Division