



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, May 5, 2021
9:00 AM

PRESENT: Chairperson Jim Bojo
Commissioner Craig McDaniel
Commissioner Bill Collins
Mr. Sammy Rich, City Manger
Mrs. Meredith Ulmer, Assistant City Manager
Mr. John Boyd, Assistant Division Director
Mrs. Toni Rhinehart, Finance Director
Mr. Bryan Parris, Customer Service Director

VISITORS: Tom Couch, citizen

CALL TO ORDER

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

REVIEW OF THE MINUTES

No changes to the April 7, 2021, minutes were suggested. The minutes were approved by common consent.

Minutes prepared by: Bryan Parris, Customer Service Director
Water and Sewer Committee/ Commission Minutes, May 5, 2022

FINANCIAL REPORT

Mrs. Rhinehart reported most operating revenues are up from 2021. Water services are up by about \$409,000.00 and sewer services are up about \$520,000.00, fees, discounts, and penalties are up \$47,000.00. Connection fee revenues are down by about \$53,000.00. Total operating revenues are up by \$956,000.00 year to date from last year.

In non-operating revenues interest is expected to go up soon with the rise in interest rates. Leak protection is in line with last year up just a bit likely due to new customers. Grease trap revenues are up slightly likely a timing issue and growth in new restaurants. Total non-operating up just over \$1,000,000.00 from 2021 to 2022. Transfers-in are in line with last year. Total revenues and transfers-in are up about \$1,012,000.00. Rhinehart also stated there would be some additional transfer-ins soon from ARP funds to offset cost of the meter replacement project which have already been incurred.

Rhinehart reported that operating expenses in all departments are mostly in line with last year's expenses. She went on to explain the non-departmental expenses stating the main thing included here is the depreciation expense line item. She explained this is the depreciation of all assets on the books. This would include new assets as well as all other assets not yet fully depreciated. Assets include such things as backhoes and other large pieces of equipment, as well as projects. The water and sewer improvement assets are a very large number and are associated with the cost of the water and sewer improvements for the year. This goes on as an asset, so it is an improvement asset every year on the books. Assets in the water funds are very large as is the accumulated depreciation which are both assets on the balance sheet. We put an asset on the books as a debit and the accumulated depreciation as a credit, so it reduces the value of the asset every year. The depreciation expense is shown as an expense monthly as assets are depreciated. Water is an enterprise fund and therefore our bookkeeping mirrors the way a private business would do their bookkeeping. Other expenses are pretty much in line with over all expenses and up about \$95,000.00.

Rhinehart moved onto the sinking fund, this is a bond covenant requirement. When we have bond debt, we are required to set aside a twelfth of the annual payment into a bond sinking bank account. This is a separate bank account. Rhinehart pointed out that year to date for 2021 was at \$1,504,000.00 and year to date for 2022 is at \$138,000.00. This is due to the retirement of the 2012 Water and Sewer bonds that were paid off as of December 31, 2021. Due to the debt retirement, the requirement for the sinking fund reduced significantly. Total expenses and transfers-out are down by about \$415,000.00.

Rhinehart stated R&E fund is where we capture expenses for R&E projects and provided a listing of recent and current capitalized project costs.

Rhinehart then discussed Cash Balance and Bond Coverage pointing out the increase from a 1.99 in 2021 and a 26.39 in 2022 being mostly due to the large debt payoff at the end of 2021. Moving onto Cash Balance Rhinehart pointed to a new line item, PFAS Mitigation Reserve. She stated this line item was added and the funds which were previously used for bond payments are now being set aside here to cover as much of the costs associated with PFAS as possible, building a savings of sorts for future expenditures or debt.

OLD BUSINESS

LIHWAP- Mr. Parris reported the initial indications are the program will not be as difficult to manage as previously suspected. Thus far the program is running no different than other processes for customers who are receiving assistance from other organizations. Tallatoona is sending pledges to pay all arrears and an additional \$200 or \$300

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payment for the customers they qualify. Once payments are received and posted to the customer account the credit becomes the customer's and is applied to any future bills until balance is depleted. If a customer moves out of the city system before the full credit is used any remaining credit is refunded to the customer. To date we have received pledges totaling \$3957.00 with a total owed of \$1204.11. Parris stated that his department will continue to monitor the program and collected the information as outlined in the contract so we would be prepared for an audit if needed.

Mr. Boyd updated the committee of ongoing projects stating that the leak on the new line at West 3rd had been located and repaired. All smaller services had been moved to the new line and only the large services and fire lines remained to be moved and layout on 5th Ave had been made.

Burwell Creek project is almost ready to advertise.

Etowah Intake was making progress but has been very frustrating due to outside collaborations but was hopeful work could begin by the end of the year.

South Meadows existing 4" line did not provide enough flow for the additional development and upgrades to the lines would be preformed in house to provide the needed flow.

Meter change outs: meter have been purchased and contractors are expected to begin changing meters in the next few weeks. They will finish up Garden Lakes and Redmond Rd area and then move on to Burnett Ferry Rd area.

New Business

None

OTHER

Chairperson Bojo asked if Floyd County continued to purchase more water from Calhoun than from Rome? Mr. Rich stated he had spoke with the County Manager and provided him with documentation of the changes made to move Floyd County Water from a wholesale to a discounted rate and going forward Floyd County Water would receive a 15% discount to the in-city water rate. Both Rich and Boyd communicated that FCW would continue in the same manner and would only buy from us when they had to, which is fine, but they will no longer receive a wholesale rate when purchasing as needed when needed.

Adjourn

There being no further business to discuss the meeting was adjourned

Respectfully submitted

Mike Hackett, Director
Rome Water and Sewer Division

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