

WATER COMMITTEE
DECEMBER 12, 2018
MINUTES

MEMBERS PRESENT:

Pete Frisina, Chairman
James Preau, Vice Chairman
Steve Rapson, County Administrator
Lee Pope, Water System Director
Commissioner Steve Brown
Frank Destadio
Bill Holland

NON-VOTING MEMBERS:

Dennis Davenport, County Attorney
Jason Bodwell, CH2M/Jacobs

GUEST:

Tony Parrott

STAFF PRESENT:

Russell Ray, Carrie Gibby

The meeting was called to order by Chairman Pete Frisina at 8:00 A.M.

I. APPROVAL OF MINUTES FROM THE MEETING ON NOVEMBER 14, 2018.

Lee Pope made the motion and Commissioner Steve Brown seconded, to approve the minutes from the meeting on November 14, 2018. The motion passed unanimously.

II. WATER PLANT UPDATE.

Mr. Pope reported that Jacobs has done the study on the filter implementation at South Fayette. He said they were concerned about the condition of the filters since they needed a little over haul similar to what was done at Crosstown. As it turned out, they were not in such dire straits, but there were some things there that we need to address. The media needs to be topped of, which is not uncommon in operations. The controls are out of date; we are having trouble getting parts for electronics; we have to send off boards and have them rebuilt or remanufactured. He said we will be looking at moving forward on that soon.

Mr. Pope said that Jacobs has finished the 100% design for the chemical improvements at South Fayette. That plant was in need of some upgrades; the chlorine dioxide system has been bought out, is out of business and we can't get parts for the filters. We have to have parts manufactured and made to keep that dioxide system operational, which is critical to that plant; if the chlorine dioxide system goes off line at that plant we have to shut that plant down. If it does not operate, you cannot treat the manganese, it is that critical. CH has worked with us to get that under design.

Mr. Pope reported we had a kickoff meeting for the Tank Repair. He said we will be doing two of the tanks the first part of this year and the remaining tanks in the fiscal year 2020; partially due to funding, second due to operations. We cannot take all our tanks offline in one year from an operational standpoint. There is some permitting that the contractor is jumping through with CSX Railroad for the demo of the twin tank in Peachtree City. This is something we weren't aware of, he said he thinks the tank folks knew that going in; they had already looked at it and realized there was a railroad going right by that tank. They are getting those permits, and anticipate doing those in March.

Frank Destadio asked if Mr. Pope had some sort of master plan for what we are doing over the years. He said at one time there was a five year plan. He asked if we are on track for budget purposes on where we are going with all this.

Mr. Rapson said yes, we have a five year plan. Mr. Pope said we update our five year plan every year. Mr. Destadio asked if the Water Committee could see it. Mr. Rapson commented it is available on the website, but we would get a copy to him.

Mr. Pope said the first point of business on the tanks is to do the repairs that are needed. Commissioner Steve Brown asked about interruption of service during the maintenance. Mr. Pope said that is why we are scheduling it during the off peak season; there will not be any interruptions. Jason Bodwell said we will take one down at a time.

Mr. Pope said we are implementing some new controls in our inventory at Distribution. The Distribution Warehouse inventory has been a challenge for him since he got here, so we are putting in some controls there; we are going to make it more electronic, everything will be streamlined so Finance can see what is going on and we can do ongoing audits. We will plan a tour down there once we get everything implemented and all the bar codes up. He said we are due for a road trip at Crosstown so everyone can see the final product there as well.

Mr. Rapson reported the lady is going to come spend the day with us to go over the artifacts. We have not done that yet, as soon as we do that we will have a good update on how we are going to implement that. We are currently working on doing the improvements to Starr's Mill that the Board just recently approved. They are looking to be open the first time on January 16. He said it would be good for the Water Committee to go by when they are open for the first time.

Mr. Bodwell reported the pilot study at South Fayette with the ceramic solids handling is up and running. He said they are helping out with that a little bit, doing the pilot study to determine if that system is effective at South Fayette and Crosstown. Mr. Pope said that will be an upcoming project in the next year or two. We are trying to look at our solids handling process all the way from the solids dropping out in the settling basins all the way to how we remove it from there to the

concentrator and then how we dewater it and take it offsite; try to improve that entire operational process. That is the task order CH is currently working under. From that we will see what kind of capital project comes out of that in the future.

Commissioner Brown asked if we landfill our solids, what we do with our solids. Mr. Pope said right now they are being handled off site, but we have received permission from Vanessa that we can put them on the inert landfill. We can start saving there. He said his plan is to press it, have it go into a dumpster and then we can haul it and dump it. That would eliminate the hauling, the disposal, all those fees will be eliminated. We have to do an analysis every time we do a load. It is clean water solids; this is not a wastewater plant. The way we were treating it was as if it were a wastewater solid, but that is not necessary. He said he thinks Jacobs, before Jacobs was CH and became one; they were actually doing the inert landfill with Vanessa and they said absolutely that is good soil for us to bring into the landfill.

Mr. Rapson said he has property that we have acquired in the past that we can throw it out there on as well. Mr. Bodwell commented that Jacobs works a good bit with Vanessa on the land fill with the monitoring and testing.

Mr. Destadio asked about the carbon at Crosstown. Mr. Pope replied right now that is off line and we are working with the vendor to change the compressor. They are thinking that is the problem; we have tried everything with the existing compressor, but what we are looking at now is finding a better compressor that will operate in the environment it is in. Russell Ray explained one issue Jacobs mentioned was putting a dryer on the front end of the compressor, right now the dryer is after the compressor; typically that works fine in an indoor environment, but we are outdoors. All that moisture gets into the compressor, it gets into the pumping part of the compressor and the idea is that we need to find a pre-dry unit. Mr. Bodwell stated we are fortunate that for the next four or five months it will not operate because of the cold weather, so we have the time. We are not sitting back doing nothing, we are looking into it.

Mr. Pope went on to say the next project is the gate systems we are installing, the Water Selectors; those will minimize the carbon we will need to use in the future. They are under design and being fabricated; they should be installed sometime in January. He said that was the last update he received. Hopefully that will minimize our requirement for carbon, which is why we downsized our carbon design for South Fayette. We are anticipating not needing to feed as much carbon in the future.

Mr. Ray presented an updated chart of water production for the two water plants for the past two years. He explained there are three charts, the first two show 2017 and 2018 for Crosstown and South Fayette side by side. Following discussion pertained to the differences being related to weather, watering grass, and construction at Crosstown with filters off line. Both plants feed into the system;

South Fayette primarily into the east part of the county up to Ellis Road and then we pump over to Highway 92 to get it into the central, northern and southern part. Crosstown serves Peachtree City and the north part of the county.

Mr. Ray went on to explain the third graph combines the information for both plants for 2017 and 2018. It shows quickly we always produce more at Crosstown; it is a bigger plant and with all the improvements we are able to do that easily now. The South Fayette Plant was typically run from 3.5 MGD to 4.5 MGD and Crosstown ran typically no lower than 4.5 MGD up to 7 MGD.

III. PUBLIC COMMENT.

Tony Parrott commented the Capital Improvement Plan used to be recommended by the Water Committee to the Board. It has not happened lately. Mr. Pope said he was not aware that they voted on it. Mr. Rapson said he was not aware they needed to vote on it. Mr. Parrott said he did not say they needed to vote on it, he said that is what used to happen. Mr. Rapson said we would provide it to the Committee. There was some discussion about the changes from year to year depending on the priorities.

Mr. Rapson said we fixed the Crosstown Plant and South Fayette is in the mix and we are at the tail end of that. Our focus is now going to be the tanks and the distribution system; there are three major runs to the Water System. We will probably do the Capital Projects that are in the five year plan and the M&O right now that are going to drive our decisions the next two or three years are going to be looking at the other eight private water systems and do an evaluation on that. He said he thinks this private water systems issue is going to be hanging out there. We will have our analysis done on that. The other big piece of that is going to be modeling the system for pressures as well as looking at distribution, and looking at the tanks, putting that maintenance fully in place and then turning around and modeling the system for where all the pressure points were for the system wide improvements.

Mr. Rapson said the rate study is something else we are probably going to “T” up and have a conversation with the Board about at Retreat, whether we can move forward on that. Right now, our bond ratios are 1.4 or 1.45, it has been as low as 1.3. They have to be 1.2. There is really no need to do a rate study, but we haven’t looked at it in about five or six years. If nothing else you want to validate your wholesale rate is correct. Right now, the only wholesale customer we have is the City of Fayetteville, but we haven’t looked at that wholesale rate since the last time we did a rate study. If nothing else you want to do a rate study just to validate what your wholesale rate is.

Mr. Pope said there is a Georgia Environmental Finance project where they have a Dash Board you can go in and compare rates. It is a great tool for Directors to use. He said our rates are pretty compatible with this area. We are obviously meeting

our bond coverages, which is the most important thing, taking care of our customers. The concerns he has with rates is some of our fees associated with turn on and turn off fees, some of those small things need to be looked at. Now we are charging \$25.00 to roll a truck, most places are \$50.00 and \$75.00. We are nowhere in the ballpark of what we should be doing or what it cost us to roll a truck to go and cut somebodies water off. Those are the things that he thinks we will probably see some changes.

Mr. Rapson said we look at all those fees we charge in the Water System holistically and then also the big fees he and Lee have been battling around; they don't have anything to bring to the Board yet; is what we do with meter replacements. That is a twelve to fifteen million dollar number. The question is most systems will either issue bonds to replace all the meters, some systems are looking at a hybrid between doing that and having the meter company take care of them; then there is the other side of the extreme which is basically working in the private industry; have them basically do all your metering and treat it as an operating versus a capital lease. Which scenario does this county want? He said what he thinks we will probably do is evaluate all three of those options and at some point we will come back to you and say here's old school how they used to do it, here's new school which is radically different, no one is doing it and here's the hybrid between the two and this is our recommendation to move forward; that decision alone will drive your system for the next ten or fifteen years.

Mr. Pope stated a good portion of our meters, the bases are beyond their life, and he is not very comfortable going to the citizens and asking them for more money if he is not metering correctly what we have now. We have to come in and take care of things now first and look at it. We are not in any kind of financial crisis right now.

Mr. Rapson said that is the best time to look at something like that. Commissioner Brown commented if you look at Dekalb County and the absolute disaster they are in the midst of, you will realize why keeping that stuff up is very important; because there are people who are getting slaughtered because of that water issue.

Mr. Pope commented most of the Directors that he knows that went through a meter change out, they tried to do something internally and that is the worst way to do it because your staff is not technically qualified to do that. It is typical to see governments try to force that on existing staff who don't really have the expertise to do it correctly, so we are going to have to figure out if we are going to do it, we need to do it correctly, because again those larger counties that did it and did not do it correctly, in his opinion are the ones that are having some issues. Your Gwinnett's and your Clayton's went out and got bonds; twenty five, thirty and forty million dollars. They did it correctly, but we are certainly not in the position to do that either. He said that Mr. Rapson said hybrid and he agrees that is the best way to say it.

Mr. Rapson said we are a very healthy, AAA rated organization. We can go out and get the bonds, the question is, that solves the problem, which will be somebody else's problem fifteen years from now, but maybe that is not the wisest way to go about doing that. Just like in the Road Department when we decided our primary function in the Road Department is not building roads it is maintaining them correctly. We treat water; that is what we do. He said he always thinks of Dan Cathey, "We sell chicken". We treat water. The question is, we don't do meters, we don't build them and should we have somebody else who does that for a living manage that aspect of it. One of the fees that we charge for cut offs if you pick a particular meter that you can cut off electronically, you don't have to send anybody out there. Now you have staff that we can realign somewhere else, so he thinks a lot of those have staff and operational ramifications, too. That is why you have to look at it holistically.

Mr. Pope said it is a big important decision, so we have to be very cautious and look at all the options. He said he and Steve will weigh it out and put together a package and present it, but we are not at the point of doing that yet.

Mr. Rapson said with a rate study you should have a good handle on what your private systems are and what the cost is for those individually, you need to have a cost for what your tank maintenance is going to be and what those repairs are and then you have to have the cost for your distribution system because the rate study is all about what are your future capital expenditures. You lay all that foundational work and then do a model of your system, figure out where your pressure points are, where your flows are and where you have stagnant water. Once you have all that information, then you can look at it.

Mr. Destadio commented about all the growth around Fayette County, eventually someone is going to come asking for water if they are not already. It would be good to have a good study. Mr. Rapson said you need to have all that information. He has to be able to answer the elected official's questions, which is do we have excess capacity and if we can, should we sell it, and if we sell it, what do we sell it at. Our wholesale rate matters because that may be what drives those type of decisions. He said we are in the process of locating all of that, but those are all probably six month windows before we come back, but we are diligently working.

Commissioner Brown commented he thinks on the wholesale you have to, in Peachtree City he has talked with several Council members, you have to take a much broader perspective than just what is the rate and can we make some money off of this and what can we do. There is economic perspective, there is political perspective, and there are all sorts of things that go along with some of these decisions about extending service outside the county. You have to be very very careful and you have to make sure you are looking at that broadest picture possible and weighing all of those factors because some of the decisions come back and haunt you in time.

Mr. Rapson said he thinks you also have to mirror that up with some IGA's in place with those municipalities because if we agree that our wholesale rate is \$15.00 and at the time you are going to charge your residents \$20.00 for that, the question is when you charge them \$21.00 and \$23.00 and \$25.00, is that really fair to the consumer, because that resident that is now getting that additional markup from a municipality or another jurisdiction or whoever, we are allowing that to take place by establishing the base. What you do is put in those IGA contracts so that if you are going to raise it then it does impact your future rates. Right now, we don't have any of that. Those are things we will look at.

Mr. Bodwell gave a demonstration of the GEFA Dashboard to the Committee. He explained this is a rate dashboard that GEFA puts out every year. One day he was on the phone with the Mayor of a community that could not afford the loan they were asking for and he said the only way to afford the loan was they would have to go up on their rates. This Mayor said "How dare you require me to go up on our rates when we are already higher than the neighboring community. Mr. Bodwell said this got him to thinking who is this neighboring community, how is that neighboring community structured, why is he comparing himself to the next community over, it might be a massive system, he is a small system, that neighboring community might be on a well, he is on surface water, this, that and the other.

Mr. Bodwell said they came up with this concept and they created this dashboard, the Environmental Finance Center out of North Carolina created it; very simple, very easy to use. You can compare yourself to other systems that are like you. It might not be Coweta County, it might not be Henry County, and it might be some other system in another part of the state that is very similar to you.

You pick your community from the drop down, pick water bill, sewer bill, or both. We obviously will pick water. It defaults to 5,000 gallons, but it can show your cost for any gallons; 5,000 gallons is generally a household of four's usage on a monthly basis. Right now the dashboard is comparing Fayette County with all utilities in the state; blue dots are all the utilities. Fayette County is a surface water system; Mr. Bodwell chose that same water type to compare all the surface water systems in the state, which are all in the northern part of Georgia. He said if he had picked well systems you would see all the systems in the southern part of the state. It is comparing everybody that has surface water systems.

Mr. Bodwell said somebody in that subset charges \$16.42, somebody in that subset charges \$70.10. Fayette County charges \$28.17. You can see based on the dial where you are in that, Fayette County is in the 35%. The information can be downloaded to an export. There are different categories you can compare yourself to.

Mr. Rapson asked Mr. Bodwell to show the comparison for water and sewer together, but since we are only water, the dashboard does not show that

information. Mr. Rapson said the problem he has is our residents impression, (he is not saying is accurate), that Fayette County is the one that poses them on their utility bill for water and sewer. He commented that residents blame us for their water and sewer bill, but the sewer piece we have nothing to do with. We are the billing mechanism. He said usually when someone complains to him he explains to them to look at the water component, that is him, irrigation is them and the other part is not him.

Mr. Bodwell said there are very few situations like that in the state. Mr. Rapson said he knows, this is another tool in the tool shed. Mr. Bodwell said you can move things around. There is also a comparison to the average electric bill. The conservation signal listed shows the cost per thousand for each additional thousand gallons above 10,000. Mr. Bodwell said you want to have an increasing block rate, the more you use, the more expensive it becomes.

Commissioner Brown asked about this being mandated. Mr. Pope replied this is from the Metropolitan Planning District and we have to look at that again. Mr. Bodwell said the data is updated yearly.

IV. ADJOURNMENT.

Commissioner Steve Brown made a motion to adjourn the Water Committee December 12, 2018 meeting. Lee Pope seconded. The motion passed unanimously.

There being no further business, Chairman Pete Frisina adjourned the meeting at 8:40 A.M.

Peter A. Frisina

The foregoing minutes were approved at the regular Water Committee meeting on the 9th day of January, 2019.

Lisa Speegle

Next Scheduled Meeting Date: January 9, 2019