



DeKalb County Government

178 Sams Street
Decatur, GA 30030

Agenda Item

File #: 2024-1326
File Status: Action

Substitute

12/10/2024

Public Hearing: YES NO

Department: Finance

SUBJECT:

Commission District(s): All Districts

Adoption of the Attached Resolution Approving Ten Annual 8% Rate Increases to be effective on May 1, 2025 and on January 1 for the Years 2026 through and including 2034 and a 2025 Bond Issuance, Not to Exceed \$375 Million in Total Par Amount, for the Purpose of Rehabilitating of the Scott Candler Water Treatment Facility and Other Crucial Projects, for the Department of Watershed Management (DWM) CIP.

The Bond Issue Will Be Sold Through a Competitive Bid Process Managed by PFM, the County's Financial Advisor.

Information Contact: Dianne McNabb, Chief Financial Officer, & Robert Atkins, Treasurer

Phone Number: 404-304-4736 & 678-910-5638

PURPOSE:

To adopt the attached Resolution approving ten annual 8% rate increases to be effective on May 1, 2025 and on January 1 for the Years 2026 through and including 2034 and a 2025 bond issuance, not to exceed \$375 million in total par amount, which will prioritize the rehabilitation of the Scott Candler Water Treatment Facility and other crucial projects, for the Department of Watershed Management (DWM) Capital Improvement Plan (CIP).

NEED/IMPACT:

The authorization of the rate increases and 2025 bond issue will enable the County to fund (paygo) and finance the cost of the acquisition, construction and equipping of certain improvements to the County's water and sewerage system, the priorities being 1) the rehabilitation of the Scott Candler Water Treatment Facility and 2) other crucial projects, including continuing to fulfill consent decree obligations.

FISCAL IMPACT:

The 2023 average residential bill of \$70.00 will increase to \$75.60 in 2025, \$81.65 in 2026, \$88.18 in 2027, \$95.23 in 2028, \$102.85 in 2029, \$111.08 in 2030, \$119.97 in 2031, \$129.57 in 2032, \$139.93 in 2033, and \$151.12 in 2034, respectively.

The true interest cost for the Series 2025 Bonds, based on current market conditions, is estimated to be approximately 4.25%, with the total interest to be paid of approximately \$312.6 million. The costs of issuance and underwriter's discount are estimated to total approximately \$2.2 million.

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RECOMMENDATION:

To approve the attached resolutions and to authorize the Chief Executive Officer and the Chief Financial Officer to execute all necessary documents in connection with this matter.

- (4) Re-establish a seven (7) year payment plan option for customers currently in the dispute process on the date this Resolution is adopted and approved by the Governing Authority while the WCAO is being established;
- (5) Complete an operational audit of the Department of Watershed Management by January 31, 2026; and
- (6) Implement a master planning process for the Pole Bridge Wastewater Treatment Facility, to include brownfield remediation and sustainability goals.

ADOPTED by the DeKalb County Board of Commissioners, this ____ day of _____, 2024.

MEREDA DAVIS JOHNSON
 Presiding Officer
 Board of Commissioners
 DeKalb County, Georgia

APPROVED by the Chief Executive Officer of DeKalb County, this ____ day of _____, 2024.

MICHAEL L. THURMOND
 Chief Executive Officer
 DeKalb County, Georgia

ATTEST:

BARABRA SANDERS-NORWOOD, CCC
 Clerk Board of Commissioners and
 Chief Executive Officer
 DeKalb County, Georgia

APPROVED AS TO FORM:

APPROVED AS TO SUBSTANCE

VIVIANE H. ERNSTES
 County Attorney
 DeKalb County, Georgia

ZACHARY WILLIAMS
 Chief Operating Officer
 DeKalb County, Georgia

WHEREAS, pursuant to Section 9 of the Organizational Act of DeKalb County, Georgia and Chapter 25, Article 2, Division 4 of the Code of DeKalb County, the Governing Authority of the County is empowered to set fees for services offered by the DWM; and

WHEREAS, DWM advises that the fees set forth in this Resolution approximate the costs of water and sewer services offered by the Department of Watershed Management.

NOW THEREFORE, BE IT RESOLVED, by the Governing Authority of DeKalb County, Georgia, and it is hereby ordained by the authority of same, as follows:

- (1) Water and wastewater rates for the System shall be increased uniformly across all current rates in the amount of 8% effective on May 1, 2025; and
- (2) Nine (9) additional annual, uniform increases in water and wastewater rates for the System in the amount of 8% each shall become effective on each January 1, beginning on January 1, 2026 through and including January 1, 2034.

NOW THEREFORE, BE IT FURTHER RESOLVED, that the Board of Commissioners of DeKalb County, Georgia, request the Administration to take specific actions, as follows:

- (1) Establish a Water Customer Advocate Office (“WCAO”) within DeKalb County Government by January 1, 2026, to work in concert with the current Watershed Customer Service and Billing Advisory Board (“WCSBAB”) to address customer billing issues and to make any necessary amendments to the WCSBAB’s enabling legislation;
- (2) Utilize Department of Watershed Management Enterprise resources to fund the DeKalb C.A.R.E.S. Discount program and amend Item 2024-1612 to remove the proposed \$1 million allocation to fund proposed water discount programs;
- (3) Commit to (a) not shutting off water service to any customer who is currently in the dispute process or who is placed in the forthcoming WCAO process, (b) developing a process to place customers who are not in the dispute process currently, do not currently qualify for the dispute process, but believe that they should be in the dispute process into the forthcoming WCAO process, and (c) develop a process to place customers who have completed the current dispute process but are still unsatisfied with the result into the forthcoming WCAO process;

RESOLUTION**A RESOLUTION BY THE GOVERNING AUTHORITY OF DEKALB COUNTY, GEORGIA, TO SET RATES AND CHARGES FOR WATER AND SEWER SERVICES OFFERED BY THE COUNTY, AND FOR OTHER PURPOSES**

WHEREAS, the Governing Authority of DeKalb County, Georgia is charged with protecting the health, safety, and welfare of the residents of DeKalb County, Georgia (the “County”); and

WHEREAS, Article 9, Section 2, Paragraph 3 of the Constitution of the State of Georgia confers upon the Governing Authority of DeKalb County the power to provide water and sewer services; and

WHEREAS, the mission of the County’s Department of Watershed Management to sustain a safe drinking water supply and wastewater collection and treatment system to protect the County’s health and watersheds requires that the County’s water and wastewater infrastructure be properly maintained, operated, and managed; and

WHEREAS, the growth and economic development of the County requires the County to continuously develop, improve and maintain its water and wastewater infrastructure; and,

WHEREAS, much of the County’s water and wastewater system (the “System”) is beyond its expected service life, in some cases greater than 100 years old, and significant portions of the System are in need of significant rehabilitation and capital improvement; and

WHEREAS, DWM’s Water and Wastewater Master Plan, the culmination of an industry best-practice multi-year effort of modeling, planning, and prioritizing includes a documented, detailed, inclusive and data-driven Capital Improvement Prioritization Process; and

WHEREAS, the County has undertaken a multi-year effort to enhance existing System revenues while reducing operating expenses, in combination with the use of new low-cost debt sources such as low interest Federal and State loans in an effort to minimize necessary rate increases for the System; and

WHEREAS, to enable the continued implementation of DWM’s Water and Wastewater Master Plan, including necessary maintenance, repair, expansion and upgrades to the existing System and continued compliance with the Modified Consent Decree with the U.S. Environmental Protection Agency, increased System revenues will be required; and