COUNCIL PRESENT: Dunagan, Wangemann, Hamrick, Figueras, Bruner
STAFF PRESENT: Padgett, Sheppard, Marlowe, Jordan
OTHERS PRESENT: Kelly Randall, Don Dye, Horace Gee, Joey Leverette, Myron Bennett, Tina Wetherford, Mak Yari
JACOBS: Ben Williams, Bobby Sills, Brendan Thompson

NOTE: A power point presentation was used to supplement discussions throughout the workshop.

Welcome/Introduction
Assistant Public Utilities Director Don Dye delivered the welcome. He reviewed the agenda for the retreat and the mission statement of the department. He also reviewed the 2014 goals and objectives. It was noted that 74% of the 10,500± parcels in the city have water service and 54% of the same group have sewer service with the City of Gainesville.

State of Utility
Assistant Public Utilities Director Don Dye shared information regarding water meters and wastewater connections that were sold for the last nine fiscal years as well as for 1990, 1995 and 2000. He also discussed the following:

- Water distribution and wastewater collection systems summary for fiscal years 1990, 1995 and 2000 as well as 2005 thru 2012.
- Water and wastewater billing volumes for fiscal years 1995 and 2000 as well as 2005 thru 2013.
- First half versus second half water and wastewater billing volumes for fiscal years 2008 thru 2013.
- Water and wastewater comparison profile as of June 30, 2012.
- Water pumped to the system for calendar years 1990, 1995 and 2000 as well as 2005 thru 2012.

Current Financial Situation
Finance and Administration Division Manager Tina Wetherford presented the following information:

- The total revenue for Fiscal Years 2010, 2011 and 2012 was noted at $51.8, $57.5 and $59.7 million, respectively. These figures did not include capital contributions or intergovernmental revenue.
- The actual revenue profile was shown for Fiscal Years 2011 and 2012 as well as the budgeted revenue for Fiscal Year 2013, the actual six month budget for Fiscal year 2013 and the projected budget for fiscal year 2013.
  - The revenue profile was composed of water sales, sewer sales, tapping/connection/administrative fees, the account servicing fee and other fees.
  - The projections consider less water sales during the second half of the year.
  - A cost of services analysis will be completed within the next year.
  - Staff expected to be approximately $1.2 million under budget on sales. There was a plan for addressing this deficit if it becomes a reality.
- The Top Revenue Producing Customer Comparison showed the top revenue producing customers for Fiscal Years 2007, 2009, 2011 and 2012 in regards to total water and sewer sales; water and sewer sales – top 10 customers; and water and sewer sales –

top 3 customers. There's a need to create diversity among the top customer category. A major rate increase would be required if one of the top customers left the system.

- The Top Ten Water Revenue Customers were identified with a notation that the top four were in the poultry industry. There was discussion about the poultry industry finding ways to conserve water through their process. A list of the top twenty-five customers was available in the appendix.
- The Top Ten Wastewater Revenue Customers were almost the same as the top ten water revenue customers. It was noted that any reduction in the volume from water customers also affects sewer service.
- Revenue information was presented as it pertains to the Fiscal Year 2013 budget, Fiscal Year 2013 Projected budget and Fiscal Year 2014 Projected budget. There was an explanation of how the revenue projections are calculated. It was noted the total income had decreased. As such, staff was focused on reducing costs.
  - The budget will show more than expected for account service fees because of fire hydrant fees.
  - Some information may change. Indirect Cost Allocation data was mentioned as one reason for future changes.
- Expense information was presented as it pertains to the Fiscal Year 2013 budget, Fiscal Year 2013 Projected budget and Fiscal Year 2014 Projected budget. It was noted that expenses were also decreasing.

Council Member Hamrick commented on various developments under construction that will hook on and support the water/sewer system.

RECESS: 1:39 PM
RECONVENE: 1:53 PM

Policies and Planning
Public Utilities Director Kelly Randall stated this segment of the workshop was designed to obtain input from Council on various topics that will affect the utility in the future.

- *Rainfall*
  Mr. Randall shared actual annual rainfall data since 2000 and stated water conservation is an issue. The annual average rainfall from 1911 to 1999 was 55.64". The annual average rainfall from 1911 to 2012 was 54.38". The rainfall deficit from 2000 to 2012 was 128.57".

- *Tri-State Issues*
  A status report was distributed regarding tri-state water rights litigation. There are environmental as well as endangered species issues. There's also an issue related to water supply coming from Lake Lanier and Glades Farm. There had been discussion with the state about trying to fill a second location with water when you can't fill the original source.

- *Reservoirs*
  The Hydrology Study and modelers say Glades Farm will generate an additional 2 to 5 million gallons of water per day. City Manager Kip Padgett stated the project cost was high for such a small return. Public Utilities Director Kelly Randall hoped the checks and balances will come into play before the project moves forward.

Mr. Randall stated there's also an issue with the Cedar Creek Reservoir. Gainesville agreed to step back if Cedar Creek was unlinked to the Glades Farm Project. The County realizes the separation but still feels Cedar Creek is still their project. It's probably time for staff and the City Manager to have another conversation with the county regarding this matter.

There was consensus among Council to move forward on this issue.

- *Sewer Service Policy/Annexation*
  Public Utilities Director Kelly Randall commented on HB489 Sewer Service Districts. The map must be revisited in 2017. When this discussion occurs, Gainesville may want to consider a new annexation policy. It was his understanding that the current policy came into existence around 1985. Some districts have highly urbanized drainage basins. The city might want to consider targeting them as sewer customers. This issue will come back to Council when the master planning process begins.

  Mayor Dunagan stated the last thing he wanted to do was run water or sewer and hope the customers will come. He doesn't mind providing service if the property hooks on to the system. He suggested having the property owner front the money for the meter.

  Council Member Hamrick suggested looking at growth corridors and offering water service. He also commented on agreements with property owners to hook on immediately. He also stated one of the covenants in the bond agreement makes it mandatory to tie on within a certain distance. He also commented on having an agreement with the property owner to tie on immediately when construction begins.

  Public Utilities Director Kelly Randall stated there could be hybrid options for annexation and tying on to the system. He felt there may be some people in the County that would love to have sewer without annexation. This raises the question of what's more important, get the revenue for the sewer system or annexing property.

  Council Member Wangemann suggested a hybrid plan to provide service without annexation if they don't want to annex.

  Council Member Figueras expressed a desire to annex or not annex with no deviations.

  City Manager Kip Padgett stated either you annex or you don't and you define the parameters in the service district.

  There was consensus among Council to discuss this further.

- *Rate Differential*
  Public Utilities Director Kelly Randall stated a house bill was introduced to address rate differential studies to disallow jurisdictions from having a differential in other jurisdictions without a contract. If the bill passes, it could be a problem for Gainesville. The bill has changed to specify certain areas. There has also been some discussion about this topic with the new County Commissioners.

  Mr. Randall commented on a slide entitled GEFA's Water and Sewer Rates and Rate Structures in Georgia Study September 2012 which surveyed 456 Georgia systems. More than 250 systems did not have a differential. There are reasons that support as

well as discourage a differential. He also presented information showing the effects of change to the differential.

Mayor Dunagan was not in favor of considering a rate differential change.

Staff distributed historical information regarding the rate differential. i.e., the calculated differential compared to the targeted differential.

Upon inquiry from City Manager Kip Padgett, Mak Yari commented on what has happened that would cause the rate to decrease, i.e., growth in the county, new projects, new debt, paid off debt and budgeted expenses.

- *Large Industrial Customers*
  Public Utilities Director Kelly Randall stated this slide shows a decline in wastewater capacity used. The users are becoming more efficient with water usage. Another slide showed the impact to the system, i.e., the need for a rate increase for everybody.

- *Sequestration*
  Public Utilities Director Kelly Randall stated sequestration is a problem for everyone and the utility doesn't know the extent of the problem. Staff has been told it shouldn't affect the food processing industry.

- *Watershed/Stormwater Issues*
  Public Utilities Director Kelly Randall stated David Dockery is the expert on this subject. The question at hand was whether this type work should be retuned to Environmental Services Division with other stormwater related issues. He believed the existing staff doesn't have the ability to take on the additional responsibility.

  City Manager Kip Padgett stated the FY2014 budget will shift stormwater responsibilities to the utility. We're at a maturity level where we need to be a water resource and not just a utility. It will take a good bit of coordination between Public Utilities Department and Public Works. If we start working toward the change now, a mechanism will be in place to provide funding. There will need to be a dedicated revenue source for dealing with the stormwater issues on the horizon. The first phase would be to transfer MS4 responsibilities back to the utility without any staffing changes. Gainesville is an old town and if we want to fix stormwater we need to have a dedicated funding source. This won't be a quick change but we need to start laying the groundwork for implementation.

  Mayor Dunagan asked that non-profits pay for this service also.

  Council was agreeable with the gradual transition.

- *Oakwood Sewer Flows*
  Public Utilities Director Kelly Randall stated staff had talked with Oakwood about the most recent information. He noted the figures for May 2011 and May 2012 were close to the same. The decrease in usage as shown in January 2013 reflects a fairly large increase on their side.

- *Water Accounting*
  Public Utilities Director Kelly Randall explained the slide entitled Annual Average Water Pumped Versus Returned Flows for the 2012 calendar year indicating it goes back to making a decision on what to do about annexation. The Corp stated withdrawals will be

based on returns. The slides show the total sewage pumped into the system. He felt it was important to show how much water is transferred to the Chattahoochee Basin. He stated they're trying to place a meter on the raw water lines and discharge lines to balance what really goes to the lake.

Mr. Randall also commented on the Trend for Real and Apparent Water Losses Percentage slide which revealed the unbilled water had decreased from 17% to 15% since October 2008. He felt Hall County could do a better job of reporting the amount of water used to blow off the fire hydrants which would further decrease this percentage.

RECESS: 4:04 PM
RECONVENE: 4:14 PM

- *Population Projections*
  Public Utilities Director Kelly Randall explained the population projections slide which compared population information from the 2008 Water Master Plan Water and Sewer, the 2012 Office of Planning and Budget and the 2011 Hall County Water Needs Certificate. In summary, the master planning is based on population projections. New projections are issued by the Office of Planning and Budget. Their growth pattern, as shown, indicates there will be almost 100,000 less people in 2035 then was projected in the 2008 Water Master Plan.

- *Master Planning*
  Public Utilities Director Kelly Randall reviewed several slides associated with master planning. He stated the current capacity permit appeared to be good until 2040 without the Cedar Creek Project. Adding Cedar Creek extends adequate capacity to 2056. He expected to receive credit for return flows to Lake Lanier.

  He also commented on the summary of wastewater commitments as of January 2013 (as shown below) noting these commitments are good for a one year period.

Service Area	Projected Approved Flows (MGD)	Projected Pending Flows (MGD)	Projected New Flows (MGD)	Expired Availability (MGD)
Flat Creek WRF	0.86	0.82	1.68	2.78
Linwood WRF	0.00	0.26	0.26	0.02
TOTAL	**0.86**	**1.08**	**1.94**	**2.80**

Rate Differential Study
Frank Davis, Raftelis Financial Consultants, stated he has been working on this project since 1999 and is familiar with the utility. He stated the differential is designed to compensate the utility owner for risks and additional costs associated with constructing and operating assets to provide utility service to customers outside the municipal boundaries. The types of risk included operational, environmental and financial risk. He stated a Service Delivery Strategy Act was passed in 1997 requiring local governments to develop a joint strategy to deliver services, including water and wastewater. The strategy must include cost justification for services. He stated the differential can't be higher than what was calculated.

Upon inquiry from Council Member Figueras, City Manager Padgett commented on the Service Delivery Study requiring a periodic Tax Equity Study. State law requires the study to be completed every ten years. State law does not require a Rate Differential Study every two or three years. That is a local requirement.

Public Utilities Director Kelly Randall stated there is value in continuing the current practice of conducting the Rate Differential Study every three years. If the city were to be involved in a law suit, the historical information would be available to show intent.

Mr. Davis continued the presentation indicating the American Water Works Association (AWWA) endorsed methodology has two approaches for developing rates: Utility Basis and Cash Needs. He felt the utility basis approach provided a better mechanism for capturing the risk factors. This approach is typically used by privately owned utilities and government utilities serving non-owner customers.

The cash needs approach is consistent with methodology used to determine revenue requirements for retail customers. This approach is how government-owned utilities determine revenue requirements recovered from user rates and charges.

The methodology adopted by Gainesville uses the utility basis approach which considers Operation and Maintenance, Interest Expense, Depreciation Expense and Return on Investment. The allocated cost information, billable flows and average unit cost obtained at the end of this process is submitted to the consultant to assist with determining the financing plan.

Upon inquiry from City Manager Padgett, Mr. Davis stated it was appropriate to transition to a new rate over time in situations where the differential is determined to be lower than what is actually being charged.

Mr. Randall stated the rate of return is a calculated number used to set the differential. It has no correlation to the amount of money transferred from the Utility to the General Fund.

Top Active Projects
Engineering and Construction Division Manager Myron Bennett briefly discussed the following projects:

PROJECT NAME	ESTIMATED PROJECT COST
SR 284 – Clarks Bridge Replacement	$1,597,590
SR 347/Friendship Road Utilities Relocation	$6,737,505
FY13 Water Meter Replacement	$3,231,097
FY13 Automated Meter Reading Project	$2,393,350
Pump Station 23 Improvements	$2,505,000
Cargill Sanitary Sewer Outfall Improvements	$1,543,009
Cargill Stream Restoration Project	$1,800,000
Riverside WTP Chemical Systems Upgrade	$8,000,000

RECESS: 5:30 PM
RECONVENE: Saturday, March 16th, 8:00 AM

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JACOBS: Ben Williams, Bobby Sills, Brendan Thompson

Public Utilities Director Kelly Randall called the meeting to order.

Day two of the workshop began with a comment about the differential rate not changing before 2014. There will be conversation in the upcoming months to prepare for any change that may be implemented.

Residential Wastewater Billing Volumes
Public Utilities Director Kelly Randall commented on discrepancies in the wastewater billing volumes and expressed a need to obtain better estimates for low volume customers. There was also a need to cap volumes at a reasonable level for typical residential customers. He proposed the following:

- Set a volume cap at 22 CCF effective July 1, 2013.
- Increase the return factor by 2% per year over a 5 year period beginning January 2014. The proposed implementation schedule was noted as follows:

Residential Wastewater Calculation		**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
Proposed Method	Return Factor	85%	87%	89%	91%	93%	95%
	Water Volume Cap	22	18	16	14	12	10

Mr. Randall showed examples of how the proposed changes would affect typical bills. The proposed change would be revenue neutral.

Recommended Capital Improvement Plan (CIP)
Engineering and Planning Section Chief Mak Yari presented the recommended CIP indicating it was a vehicle to capture a list of projects, the timeframe for their completion and the cost of the project. It does not address the funding source. It was noted that changes to the CIP impact the financial model. A cost summary of the proposed five year CIP was noted as follows:

PROJECT	**2014**	**2015**	**2016**	**2017**	**2018**	**5 YEAR TOTAL**
Water System	13,811	16,320	14,627	10,550	6,475	61,783
Wastewater System	7,583	6,705	6,863	3,789	2,954	27,894
SYSTEM TOTAL	**21,394**	**23,025**	**21,490**	**14,339**	**9,429**	**89,677**

(x $1,000)

Mr. Yari discussed some of the water and wastewater projects. Four of the eight water project categories represent the majority of the cost, i.e., $59.4 million. These categories addressed water treatment plants, water main extensions/improvements/replacements, utility relocation related to transportation system improvements and distribution system improvements.

There was discussion about road projects having a different impact on the CIP compared to other projects. There's usually a time shift related to designing the project to eliminate service interruptions.

Council Member Wangemann asked what percentage of a project's cost is directly related to upsizing the pipe as opposed to the relocation. Mr. Yari indicated this varies depending on whether the pipes are being upsized, the flow is being increased or a combination of both.

There was discussion about the new Riverside WTP Improvements Project (Chemical Systems Evaluation and Replacement) indicating it addresses a safety issue as well as relocates several chemicals to the new facility. It was noted that this project has been on the books for a number of years. Mayor Dunagan suggested finding another location for the building believing the community would not be receptive to this idea. Public Utilities Director Kelly Randall stated staff realized there was a need for public meetings to educate the community. He thought the neighbors were comfortable with the utility being in that area but they need to feel they are part of the process. City Manager Kip Padgett encouraged a partnership with the Community Development Department to help secure the community's support.

Mr. Yari reviewed the wastewater system projects indicating four of the eight categories required $23.7 million, i.e., 85% of the entire wastewater CIP. The four categories addressed sanitary sewer replacement/rehabilitation, water reclamation facilities, sewerage system improvements and utility relocations related to transportation system improvements.

There was discussion about the Linwood WRF Discharge Pipe Easement Acquisition Project indicating it has been in pending status for approximately ten years. The project has been impacted over the last few years by the Tri-State Water Wars.

RECESS: 9:37 AM
RECONVENE: 9:55 AM

Recommended Funding Plan
Consultant Ben Williams, Jacobs, presented the recommended funding plan indicating financial projections must be made with cautious optimism. He spent some time showing what was learned in the past, sharing the current conditions then projecting the future.

To learn from the past, Mr. Williams discussed historical information about employment/unemployment rates, building permits, water/wastewater billing volumes, construction spending and operation/capital expenditures.

In regards to current conditions, Mr. Williams commented on the expense profile, i.e., operating, debt, capital fund transfer and other non-operation expenses. He also commented on the revenue profile, specifically mentioning changes to the account servicing fee and the desire to equalize the rate over a set period of time. Other areas of discussion included the current financial situation, i.e., the revenue profile, and the top ten customers emphasizing the system has become more dependent on the top three customers in addition to the top ten.

In regards to projecting the future, Mr. Williams indicated there's a one year look; there's the annual budget process; then, there's conservative planning as well as multi-year projections looking forward. Considerations for projecting the future included slow growth, rainfall, recent water/wastewater billing volume trends and industrial customer efficiency. The department plans

for twenty years with specific emphasis on first five years. The department cautiously uses historical trends then recognizes potential revenue impacts to update the information annually.

Mr. Williams stated the forecast was compiled to create the following five year funding plan for capital projects:

	2014	2015	2016	2017	2018
Cash	$21.4	$19.2	$11.1	$6.7	$6.3
Revenue Bonds	0	$3.8	$10.4	$7.7	$3.1

Amounts shown in million dollar increments

In summary, all FY2014 CIP projects would be funded by cash. Over the five year period, 72% of the CIP would be funded by cash. It was noted that the funding plan assumed the worst case scenario.

Mr. Williams also presented the GPUD Five-Year Funding Plan for operational expenditures. The funding plan was noted as follows:

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	Totals
Total CIP Expense	$21,394	$23,025	$21,490	$14,339	$9,429	$89,677
Capital Project Fund	$21,394	$19,175	$11,090	$6,689	$6,329	$64,677
Bonds (FY 16 $25.0M)	$0	$ 3,850	$10,400	$7,650	$3,100	$25,000
GEFA/SRF	$0	$0	$0	$0	$0	$0
Connection Fees	$0	$0	$0	$0	$0	$0
Water and Wastewater Unit Charge Increase Requirements (Weighted Average)						
3/16/13 Unit Charges Increase Required	+3.02%	+3.76%	+4.52%	+4.76%	+5.00%	+22.9%
3/27/12 Unit Charges Increase Required	+4.0%	+4.53%	+4.77%	+5.03%	N/A	+23.5%
3/25/11 Unit Charges Increase Required	+5.0%	+5.0%	+5.0%	N/A	N/A	+26.7%
4/23/10 Unit Charges Increase Required	+6.6%	+6.0%	N/A	N/A	N/A	+36.1%

(x 1,000)

Mr. Williams presented the Estimated Water Unit Rates Increase Schedule as follows:

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Water Differential	2.00	2.00	2.00	2.00	2.00
Inside Increase	3.5%	4.0%	5.0%	5.0%	5.0%
Workshop 2012	4.0%	5.0%	5.0%	5.5%	
Workshop 2011	5.0%	5.0%	5.0%		
Workshop 2010	8.0%	6.0%			
Outside Increase	3.5%	4.0%	5.0%	5.0%	5.0%
Workshop 2012	4.0%	5.0%	5.0%	5.5%	
Workshop 2011	5.0%	5.0%	6.0%		
Workshop 2010	8.0%	6.0%			

Mr. Williams presented the Estimated Sewer Unit Rates Increase Schedule as follows:

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Sewer Differential	1.00	1.00	1.00	1.00	1.00
Inside Increase	2.5%	3.5%	4.0%	4.5%	5.0%
Workshop 2012	4.0%	4.0%	4.5%	4.5%	
Workshop 2011	5.0%	5.0%	5.0%		
Workshop 2010	5.0%	6.0%			
Outside Increase	2.5%	3.5%	4.0%	4.5%	5.0%
Workshop 2012	4.0%	4.0%	4.5%	4.5%	
Workshop 2011	5.0%	5.0%	5.0%		
Workshop 2010	5.0%	6.0%			

Mr. Williams presented the recommended Funding Plan Resulting Fees and Unit Rates as follows:

WATER	**January 2013**		**January 2014**		**January 2015**	
	Inside	Outside	Inside	Outside	Inside	Outside
Account Servicing Fee	$4.00	$4.00	$4.16	$4.16	$4.35	$4.35
Unit Charge per CCF	$2.44	$4.88	$2.52	$5.04	$2.62	$5.24
Tier 2* (>10 CCF ≤18 CCF)	$3.05	$6.10	$3.15	$6.30	$3.27	$6.54
Tier 3** (>18 CCF)	$4.88	$9.76	$5.04	$10.08	$5.24	$10.48
SEWER	**January 2013**		**January 2014**		**January 2015**	
Unit Charge per CCF	$7.26	$7.26	$7.44	$7.44	$7.70	$7.70
Oakwood per CCF	N/A	$8.16	N/A	$8.40	N/A	TBD

Typical customer monthly billing information was presented for all customers showing a comparison between January 2013 and January 2014 as well as the difference between the two.

Oakwood Sewer Rate

Consultant Ben Williams, Jacobs, stated pending contract provisions did not allow projections beyond January 2015.

Brendan Thompson commented on Oakwood's debt to be retired and the fact that their volume is trending downward which will increase their rate. He stated there is a provision in the contract indicating the rate will never fall below the inside customer's service rate + 2%. There has been discussion with the Oakwood City Manager about these items noting the current manager negotiated the contract approximately five years ago.

Engineering and Planning Section Chief Mak Yari commented on Oakwood's ability to request additional dollars for the unit rate that would be accumulated and applied toward the purchase of additional capacity. Staff typically presents what the projected unit dollars will be and they usually ask if there's a desire to request consideration of any additional dollars. There was some discussion as to whether there were any restrictions as to what could be done with the money.

There was also a question as to whether the purchase would be to increase Gainesville's capacity.

Mr. Williams presented the Typical Inside Customer Monthly Bills. It was noted that the information would be recalculated if the Council doesn't accept the recommendations presented during the workshop.

In closing, Mr. Williams encouraged the expansion of the wastewater service area indicating this would help the annual debt service and increase returns to the lake. If there was a 2% increase in customers over the next five year period, there would be a $1,300 reduction per customer for debt service. If the City secured septic tank customers on the system while spending the least amount of capital, the system would grow and returns would increase.

Mr. Williams asked the Council to keep their eyes on future water supply. The City will need additional water supply around 2040. His experience indicated 20 years pass from the time initial discussions began until the time water was available from a new reservoir. A lot of work must take place and environmental concerns must be addressed. It is important to make sure a new reservoir fits into the Gainesville business plan.

Mr. Williams felt it was important to continue to talk with the top ten customers.

Council Member Hamrick commented on capitalizing on the advances made to assist the top ten customers with their production process.

Mayor Dunagan stated he couldn't support an increase in the account serving fee. He felt this should be included in the billing. This led to some discussion about options for including this fee in the rate. He requested a follow-up discussion itemizing the cost associated with the account servicing fee.

Chief Financial Services Officer Melody Marlowe asked if it would be misleading to only show "water" on the bill and have that figure include the cost of water service plus the account servicing fee.

Note: Council Member Bruner left at 11:11 AM.

Manager's Moment

City Manager Kip Padgett thanked everyone for participating noting there had been good discussion.

He requested input on how to proceed with the differential rate.

Mayor Dunagan, Council Member Hamrick and Council Member Wangemann were in favor of delaying the study. It was later suggested that the study be delayed for a one year period.

A majority felt this should not be done until the Service Delivery Study was completed.

It was noted that Raftelis has already received the notice to proceed on the differential study. The study has a 180-day turn around period.

After some discussion, there was consensus to contact (1) Hall County to advise the differential study was being postponed until asset information is available and (2) send Raftelis a notice to defer proceeding until June with the intent of completing the differential in December. Moving forward when the asset information is available shows consistency in the process. There was also discussion about completing the process without the County if they haven't paid their share of the tax equity studies. City Manager Padgett closed this issue by stating he would meet with staff to establish a plan.

City Manager Padgett asked if Council was comfortable with the residential wastewater billing recommendation.

There was consensus to proceed.

City Manager Padgett suggested working on a plan to target sewer service areas. Additional information will be presented in the future.

City Manager Padgett stated the Riverside Chemical Treatment Plant is needed but has potential to be a big issue with the residents. The design will need to be good and the neighbors will need to be involved in the early stages of the project. He restated Public Utilities should partner with Community Development to obtain contact information for securing people to be included in the public discussion process.

Council Feedback
Council expressed appreciation for the efforts applied toward this workshop.

Council Member Wangemann agreed with the Mayor about changing the annexation policy. City Manager Padgett reminded Council that a change in the annexation policy will affect how the city grows.

ADJOURNMENT: 12:20 PM

/dj