

OFFICIALS PRESENT: Danny Dunagan, Ruth Bruner, George Wangemann, Zack Thompson, Barbara Brooks
OFFICIALS ABSENT: Sam Couvillon
STAFF PRESENT: Bryan Lackey, Angela Sheppard, Linda MacGregor, Don Dye, Tina Wetherford, Horace Gee, Joey Leverette, Myron Bennett, Denise Jordan

Mayor Dunagan called the meeting to order at 11:00 AM and served as the presiding officer.

City Manager Bryan Lackey provided an overview of the agenda. He commented on the base level services and staffing for stormwater noting the cost was approximately \$500,000.

Water Resources 101

Director of Water Resources Linda MacGregor shared details about the river basins in Georgia noting Lake Lanier provides the largest storage in the Apalachicola-Chattahoochee-Flint river basin. There was discussion about aging infrastructure and the need for regular maintenance.

Ms. MacGregor discussed the phrase "Water is Water" and how different types of water (stormwater, water supply, drinking water, wastewater and reclaimed water) overlap. It was noted that different issues impact/influence decisions. There was a brief discussion about the Flint, Michigan water crisis and how the failure to consider water chemistry and corrosion control before changing water sources led to a variety of issues including tainted drinking water. Ms. MacGregor stated Gainesville is not changing water sources and provides corrosion control as part of the water treatment process and does not have any know lead pipe in its water distribution system.

Ms. MacGregor stated the Department of Water Resources has approximately 230 employees with more than one-half having some type of certification for their line of work. It was noted that the water and wastewater plants are open at all times to provide service to the community. There was a brief discussion about each division. Don Dye discussed Water and Wastewater Treatment Services. Myron Bennett discussed Engineering and Construction. Joey Leverette discussed Distribution and Collection. Horace Gee discussed Environmental Services. Tina Wetherford discussed Finance and Administration.

Upon inquiry from Council Member Wangemann, Assistant City Manager Sheppard discussed the Stormwater Advisory Committee and its involvement in the process. There was also discussion about how stormwater has been addressed to date.

There were several questions about the Backflow Prevention Program. Council Member Thompson specifically asked if there should be a minimal fee for these inspectors.

Ms. MacGregor reviewed the water and wastewater comparison profiles as of June 30, 2015 which shared information about water/wastewater use, revenue and customers.

RECESS: 12:10 PM
RECONVENE: 1:20 PM

STORMWATER 101

City Manager Bryan Lackey stated there was a baseline for stormwater service. Staff had worked on this issue for several years and direction was needed from the governing body. He discussed the transition of stormwater duties from the Public Works Department to the Department of Water Resources. He also commented on a request to increase the staffing level specifically to address stormwater.

Director of Water Resources Linda MacGregor began the discussion by stating stormwater is water that does not soak into the ground. We care about stormwater because this water flows through property and streets sometimes causing flooding. There was discussion about the benefits of a stormwater program, i.e., erosion control, flood management, stream restoration, infrastructure maintenance, water quality, regulatory compliance and requests for service. The department shared documented infrastructure issues originating from complaints and/or inspections indicating some are large projects with a total estimated cost of \$8 million.

There was discussion about a stormwater inspection fee and a user fee for inspecting detention ponds.

Upon inquiry from Council Member Wangemann, Assistant City Manager Angela Sheppard commented on discussions with the Stormwater Advisory Committee. Over time, the committee realized a stormwater fee was needed.

Upon inquiry from Council Member Thompson, Council Member Bruner shared her recollection of why Council did not take action on staff's recommendation to implement a stormwater fee. Assistant City Manager Angela Sheppard confirmed there had always been minimal funding with limited staff.

RECESS: 2:23 PM
RECONVENE: 2:35 PM

STORMWATER UTILITY

City Manager Bryan Lackey stated plans were underway to fund stormwater at the base level through the FY2017 budget. Administrative Services Director Melody Marlowe stated the increase to the general fund was \$513,222 which is the equivalent of a 9% increase.

Stormwater Base Operations

Director of Water Resources Linda MacGregor indicated the plan would include eight staff members, i.e., a 3-person field crew, 2 inspectors, a mapping specialist, an engineer for plan review/permitting and a permit coordinator. Five of the positions would be addressed by existing employees. The FY2017 proposed budget was as follows:

Personnel (8 total)	\$442,777
Non-Personnel	<u>\$ 70,445</u>
TOTAL	\$513,222

This budget did not include funding for capital projects. Ms. MacGregor discussed some projects indicating they were categorized as small projects (less than \$100,000), medium projects (between \$100,000 and \$1,000,000) and large projects (more than \$1,000,000).

Council Member Thompson expressed a desire to see backflow prevention handled in-house. Mayor Dunagan and Council Member Wangemann felt there should be a fee to inspect detention ponds. Director of Water Resources Linda MacGregor stated these items could be explored through the cost of services study.

Funding Options

Director of Water Resources Linda MacGregor reviewed the funding options noting the general fund was the most flexible. Other options included water/sewer revenues, grants, SPLOST, loans (GEFA), bonds, dedicated stormwater fees or any combination of these options. If implemented, the stormwater fee (calculated on impervious surfaces) would be added to the water bill. Credits and rebates would be available to those meeting the criteria for them.

Stormwater Fee Revenues

Director of Water Resources Linda MacGregor discussed the funding scenarios from revenue generated by a \$1.00 per 1,000 square feet and a \$0.50 per 1,000 square feet fee structure.

Upon inquiry from Mayor Dunagan, it was noted that \$8 million would be needed in five years to address minimal operations and capital. The Mayor asked if there was a way for every citizen to receive their estimated fee. He also stated he was not in favor of \$513,000 coming out of the general fund for this utility.

Council Member Thompson expressed a desire for the Stormwater Advisory Committee to advocate for the fee.

Sample Bills

Director of Water Resources Linda MacGregor made reference to several sample bills to give an idea of the cost at \$1.00 per 1,000 square feet. The average residential bill would be \$4.00. Lakeshore Mall is the largest single property with the largest amount of impervious surface. There was discussion about the need for staff to determine the best way to handle properties with tenants.

Timeline

Director of Water Resources Linda MacGregor reviewed the implementation timeline which identified several tasks to be completed before distributing monthly statements in January 2018, if the stormwater utility fee is approved for implementation.

Council Comments

Council Member Brooks felt the stormwater fee was needed and could justify paying the residential amounts. She needed staff's help with explaining/defending the infrastructure issues. She asked if there was a way to offer a reduction based on the number of employees.

Council Member Wangemann felt the fee needs to be implemented to address old/failing infrastructure but couldn't definitely commit to supporting it. He didn't think the public and businesses had been properly educated.

Council Member Bruner stated the fee was long overdue and would support it. She felt the estimated cost was less than anticipated.

Council Member Thompson felt not educating the public on the forefront was a mistake. He was struggling with what he thought was an open-ended issue with no time cap.

Mayor Dunagan stated the citizens need to be educated. He was in favor of charging \$1 per 1,000 square foot. He was not in favor of using general fund monies for this program. He asked if there could be a time limit on how long the fee would be charged which prompted discussion about implementing a tiered implementation plan.

RECESS: 5:15 PM
RECONVENE: Saturday, April 16, 8:30 AM

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STAFF PRESENT: Bryan Lackey, Angela Sheppard, Denise Jordan, Linda MacGregor, Don Dye, Tina Wetherford, Horace Gee, Myron Bennett

Opening Comments

Council Member Brooks expressed the importance of establishing a contingency plan. There was discussion about the top three businesses that would be impacted by a stormwater fee, i.e., the school system, Lakeshore Mall and Northeast Georgia Medical Center.

Water and Wastewater Finance 101

Finance and Administration Division Manager Tina Wetherford called attention to the rate brochure. She discussed the cost of services analysis used to set the fees. The department was not recommending a rate increase for water or sewer service with the FY2017 budget. No debt was projected over the next five years. A three month reserve was available for the operating budget.

Ms. Wetherford stated water was the department's largest revenue source. Sewer fees are the second highest revenue source. She discussed the billing cycle and provided general information about late fees.

Ms. Wetherford discussed the revenue profile for FY2014 thru FY2017 noting budgeting was set at a 95% projection rate. She discussed the top ten revenue producing customers for the water and wastewater systems. Emphasis was placed on the impact the top three customers have on the department's budget.

Council Member Thompson asked about federal regulations on irrigation pumps from Lake Lanier.

Debt

Finance and Administration Division Manager Tina Wetherford stated the department currently has four outstanding bond series. There was \$140 million principal remaining on the bonds. The interest rates were 5% or less. All bonds will be paid off by 2029.

Budget

Ms. Wetherford reviewed the revenues and expenses for FY2016 and FY2017, projected and proposed respectively. The department was proposing four additional staff members in the FY2017 budget.

Ms. Wetherford stated the last step of the fire line fee would be implemented in January 2017. This fee is for fire flow availability for non-residential customers. It is based on the tap size. She also discussed the implementation steps for the sewer return rate and the cap on sewer billing.

RECESS: 9:46 AM
RECONVENE: 10:11 AM

CAPITAL IMPROVEMENTS PLAN (CIP)

Engineering and Construction Services Division Manager Myron Bennett stated the CIP is a planning tool for large projects costing \$100,000 or more. The draft CIP was presented as noted below. Mr. Bennett briefly discussed several projects.

Water System Project Type	FY2017	FY2018	FY2019	FY2020	FY2021
Water Treatment Plants	7,150	8,300	4,300	3,250	2,500
Water Main Extensions / Improvements / Replacements	5,275	2,000	3,500	3,000	3,000
Utility Relocation Related to Transportation system Improvements	2,600	5,375	4,575	1,925	3,800
Distribution System Improvements	1,500	1,650	1,650	650	650
Tank Maintenance Program	350	450	450	450	450
Water System Studies	200	200	0	0	300
Facilities Improvements / Expansion	500	125	0	0	0
Information Management and Technology Master Planning	225	425	150	150	150
Water System Capital Equipment	110	0	0	0	110
Water System Totals	\$ 17,910	\$ 18,525	\$ 14,625	\$ 9,425	\$ 10,960
Wastewater System Project Type	FY2017	FY2018	FY2019	FY2020	FY2021
Water Reclamation Facilities	4,080	6,483	7,717	3,267	5,000
Sanitary Sewer Replacement / Rehabilitation	1,200	1,900	1,000	900	100
Sewerage System Improvements	1,125	400	400	400	400
Utility Relocations Related to Transportation System Improvements	150	225	275	250	1,450
Wastewater System Studies	250	0	0	0	0
Information Management and Technology Master Planning	275	175	150	150	150
Wastewater System Capital Equipment	0	0	260	0	0
Facilities Improvements / Expansion	600	125	0	0	0
Watershed Protection	941	345	635	400	0
Wastewater System Total	\$ 8,621	\$ 9,653	\$ 10,437	\$ 5,367	\$ 7,100

(\$000)

Stormwater Project Type	FY2017	FY2018	FY2019	FY2020	FY2021
Storm Drainage Repair and Maintenance Program	700	875	800	800	800
Stormwater System Improvements	0	0	0	0	250
Stormwater Improvements Related to Transportation System Improvements	0	0	500	0	0
Stormwater/Watershed System Studies/Improvements	50	0	150	0	0
Facilities Improvements / Expansion	0	0	0	0	0
Stormwater System Capital Equipment	0	0	310	0	0
Wastewater System Total	\$ 750	\$ 875	\$ 1,760	\$ 800	\$ 1,050
Total Capital Improvement Plan	\$ 27,281	\$ 29,053	\$ 26,822	\$ 15,592	\$ 19,110

(\$000)

FY2017 Look Ahead

Director of Water Resources Linda MacGregor stated the department was not proposing an increase to water and sewer rates. There were no plans to secure bonds or loans. The department would have dedicated cash for the water and sewer capital projects. Council action was required for the Fire Line Fee Ordinance, the Sewer Return Rate and Cap Ordinance, the Capital Improvements Plan, potential updates related to the Unified Land Development Code rewrite, and the Stormwater Utility Fee if directed to proceed.

CLOSING COMMENTS

Council Member Thompson asked about the status of adding water pressure on Highland Drive.

Mayor Dunagan inquired about the Mulberry Creek agreement.

There was discussion about when the stormwater utility issue should be reconsidered.

There was discussion about the proposed new positions with acknowledgement that an inspector was badly needed.

There was discussion about the Downey Boulevard stormwater project being of high priority.

ADJOURNMENT: 11:28 AM

/dj

 C. Danny Dunagan, Jr., Mayor

 Denise O. Jordan, City Clerk