



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, April 7, 2021
9:00 AM

PRESENT: Chairperson Jim Bojo
Commissioner Randy Quick (sitting in for Commissioner McDaniel)
Commissioner Bill Collins
Mr. Sammy Rich, City Manger
Mr. John Boyd, Assistant Division Director
Mrs. Toni Rhinehart, Finance Director
Mrs. Meredith Ulmer, Assistant City Manager

VISITORS: Tom Couch, citizen

CALL TO ORDER

Chairperson Jim Bojo welcomed everyone and called the meeting to order. He also informed the Committee Commissioner McDaniel was out of town and Commissioner Quick would be sitting in for him at this meeting.

REVIEW OF THE MINUTES

No changes to the February 3, 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, April 7, 2022

FINANCIAL REPORT

Mrs. Rhinehart stated she was reporting from an unaudited December statement, and this was not the final figures but was close enough to go over. Comparatively for 2021 major revenues are up, water was up by \$312,000.00 and sewer was up by \$879,000.00, discounts and penalties were down by \$31,000.00 which is not material.

She reported Connections Fees are down some 2021 but still came in over what was anticipated in the budget.

Total Operating Revenues are up around \$1,098,000.00 from 2020 and over budget.

Nonoperating Revenues in total are pretty much in line with 2020 figures.

Mrs. Rhinehart reported some Expenses were slightly over budget, but most departments were under budget. Going on to say everything was pretty much in line with past year. She also reminded the Committee there would likely be a mid-year budget adjustment due to pay adjustments made earlier this year.

At the end of 2021 our bond coverage was at 1.8 and is usually right around 2.0. We will see this going out of line to about 30.0 in coming months but that is because of debt falling off and it would come back in line shortly as we acquire new debt.

Mrs. Rhinehart stated cash balances at the end of 2020 were at \$19,900,000.00 and down to \$16,275,000.00 so we have had to spend some of our cash reserves this year but were still okay.

OLD BUSINESS

Chairperson Bojo asked for an update on current projects such as West Third. Mr. Boyd reported mains and services are installed but during pressure testing it was discovered there is a small leak somewhere that has yet to be found but should be found soon and project should be wrapping up by late summer.

Bojo also questioned if we would be installing water and sewer for all the new developments starting up soon. Mr. Boyd and Mr. Rich explained in new developments it is the developer who install the water and sewer infrastructure and then once the city has inspected the work that infrastructure is transferred to the city.

New Business

LIHWAP (Low Income Household Water Assistance Program)

Mr. Boyd presented the Committee with an overview of the program and went over the contract from the State which the City would be required to agree to receive any payments. He explained many of the initial concerns with the contracts had been remove but there were still numerous requirements that are very concerning as they relate to our business processes and system limitations. The program still requires reporting and auditing data which cannot be done with our billing software and at this time can only be done by manual entry and spreadsheets. Another major concern is the program is to pay water and sewer bills, we also bill for garbage collection. Initial payments can be applied to the correct charges, but credits and overpayments are processed by the billing system and distributed across all charges. Mr. Boyd went on to say we do think it is a good program, but it could easily turn into something we could not manage if the number of precipitants is excessive.

Mr. Rich asked if we would be required to report the performance data or would the administrator? Mr. Boyd answered, we would.

Commissioner Quick commented; “this sounds like it could turn into fulltime job.” Mr. Boyd said that was something we are concerned about.

Mr. Rich asked if we knew how often a customer could receive assistance? Boyd said we do not know at this time how often but there were limited funds.

Commissioner Collins stated now that the program is in place it would likely continue as the assistance with gas and energy programs have and funding would be made available each year.

Chairman Bojo asked if Boyd thought we would recoup more past due bills than the salary of an additional employee? Mr. Boyd said most likely not.

Mrs. Ulmer asked if anyone had reached out to surrounding communities who are participating in program for guidance. Mr. Boyd said Mr. Parris had done so and others who are new to this type of program are taking the same approach that we are looking into and tracking to the best of their ability.

Commissioner Quick asked for Mr. Boyd’s opinion of the program and his thoughts on a six-month pilot. Mr. Boyd stated he thought it was a good program and could help many citizens right after a large rate increase but could also put the Commission in a bad position if it was ended once started. Mr. Rich added we would not know until we tried to make it work and if the burden was too large then we could end our participation in the program.

Commissioner Quick stated I think this is a great opportunity and we realize this is stepping outside the realm of normal activities and adding somewhat older processing to the modern technology that we are utilizing, and we absolutely look at this as a pilot.

Commissioner Collins made the motion to present a six-month pilot of the program to the Commission and the next meeting. Commissioner Quick seconded the motion. Chairperson Bojo accepted.

OTHER

Floyd County Wholesale

Mr. Boyd provide the Committee with Floyd County Water’s current water rates and rate increase to their customers for past years along with City rate increases to our customers. He also provided their current and historical water purchases from the City and Calhoun. The data showed that while the city offered a much lower rate than Calhoun the County continued to purchase more than required amounts.

Mr. Boyd and Mr. Rich went on to explain the city does not depend on any revenue from the County to meet our budgetary needs and we should no longer consider the County as a wholesale purchaser. Both also stated the city wants to continue partnering with the County to provide any services need but at a discounted rate based on the City’s current rate table charged to our other customers at the administrative level rather than a negotiated wholesale rate.

Commissioner Quick made the motion to transfer this to the administrative level. Commissioner Collins seconded, and Chairman Bojo accepted.

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Adjourn

There being no further business to discuss the meeting was adjourned

Respectfully submitted

Mike Hackett, Director
Rome Water and Sewer Division