



FYE 2021 Budget and Financial Plan

Prepared by:

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Executive Director
11325 Brown Bridge Road
Covington, GA 30016

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**AUTHORITY
BOARD**

Jimmy French
David Waller
Terry Smith
Elsie Bell
Levie Maddox
Lowell Chambers
Leigh Anne Barrett
Junior Hilliard

**SECRETARY
TREASURER**
Emily Mills

**EXECUTIVE
DIRECTOR**
Michael Hopkins



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11325 Brown Bridge Rd.
Covington, GA 30016

MESSAGE FROM THE EXECUTIVE DIRECTOR

Introduction

I am pleased to present to you for fiscal year ending June 30, 2021 (the “FYE 2021”) the annual operating budget and financial plan (the “FYE 2021 Budget”). The budget provides a plan to achieve NCWSA’s initiatives, which include water quality, financial viability, water resource sustainability, reliability, and workforce development.

The ensuring financial plan allows NCWSA to remain committed to the ratepayers it is responsible to serve. The FYE 2021 Budget was developed under the premise that the customer deserves the highest quality water and wastewater services delivered in the most professional, courteous and efficient manner, and further that the Authority is devoted to the improvement and enhancement of services to all its customers. The FYE 2021 Budget places the Authority on the right path to achieve the goals set forth in the following pages.

Background

Each year we confront significant challenges throughout our systems, as well the industry. The upcoming year will certainly be no different with the continuation of COVID-19 Pandemic that began in the 3rd quarter of the 2020 Fiscal Year. The potential for challenges even greater than was experienced in the “Great Recession of 2008 are possible, however as we move forward, we are beginning to realize that there could also be great opportunities for those ready to step up. Regardless of the ongoing events within our community, completing our mission is always foremost in our efforts. Just as we physically provide great service to our customers the Authority also performs its budget development process with careful consideration and due diligence.

In the near term and based on what we are discovering, the FYE 2021 Budget will focus on four (4) key Strategic Plan priorities:

- Short-term financial stability
- Effective maintenance and operational readiness
- Innovative customer service
- Workforce protection and development

There is also a shared understanding that to maintain financial stability, the Authority must establish the budget on prudent projections of water demand and housing growth and meet recommended financial policy goals for debt service coverage.

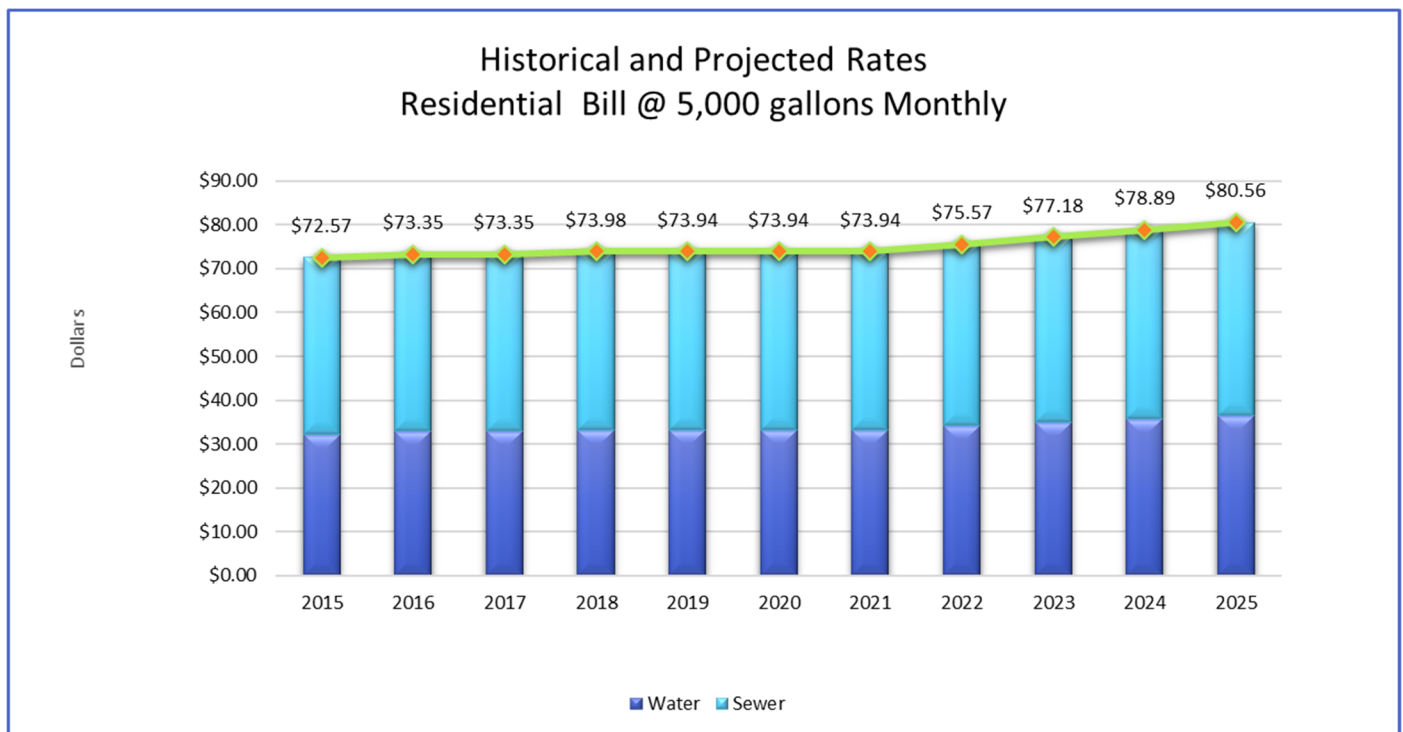
Operating Budget

The FYE 2021 Budget is designed to reflect the most accurate cost to accomplish the following objectives:

1. Continue capital projects currently in-progress using funds that have been secured either by loan or the renewal and extension funds.
2. Encourage favorable economic development without placing an undue burden on the existing customer base.
3. Offer competitive salaries and an employee benefit package to retain a professional workforce.

Operating Funds and Revenues

As indicated by the definition of an enterprise fund, appropriate fees and charges are established to ensure the Authority can operate on a self-sustaining basis. It is important to note that the Authority does not receive any taxes or financial support from the local governing body, its funding sources are its customers. In a water and sewer utility such as the Authority, most of the revenue is derived from fees, rates, and billings that are charged to the beneficiaries of services (“User Charges”). User Charges are a way of recovering costs for providing a service from those that benefit directly from that service. The total process of: i) identifying water and sewer costs; ii) allocating costs to utility or service beneficiaries; and iii) designing rate structures to recover allocated costs is defined as the User-Charge System. As a part of the annual budget process, the Authority adopts rates and fees to provide revenue to satisfy the cost of operations and maintenance (including replacement) and liability (debt) service and debt service coverage. The following graph represents the average residential customer bill using 5,000 gallons monthly.



Operating Expenditures

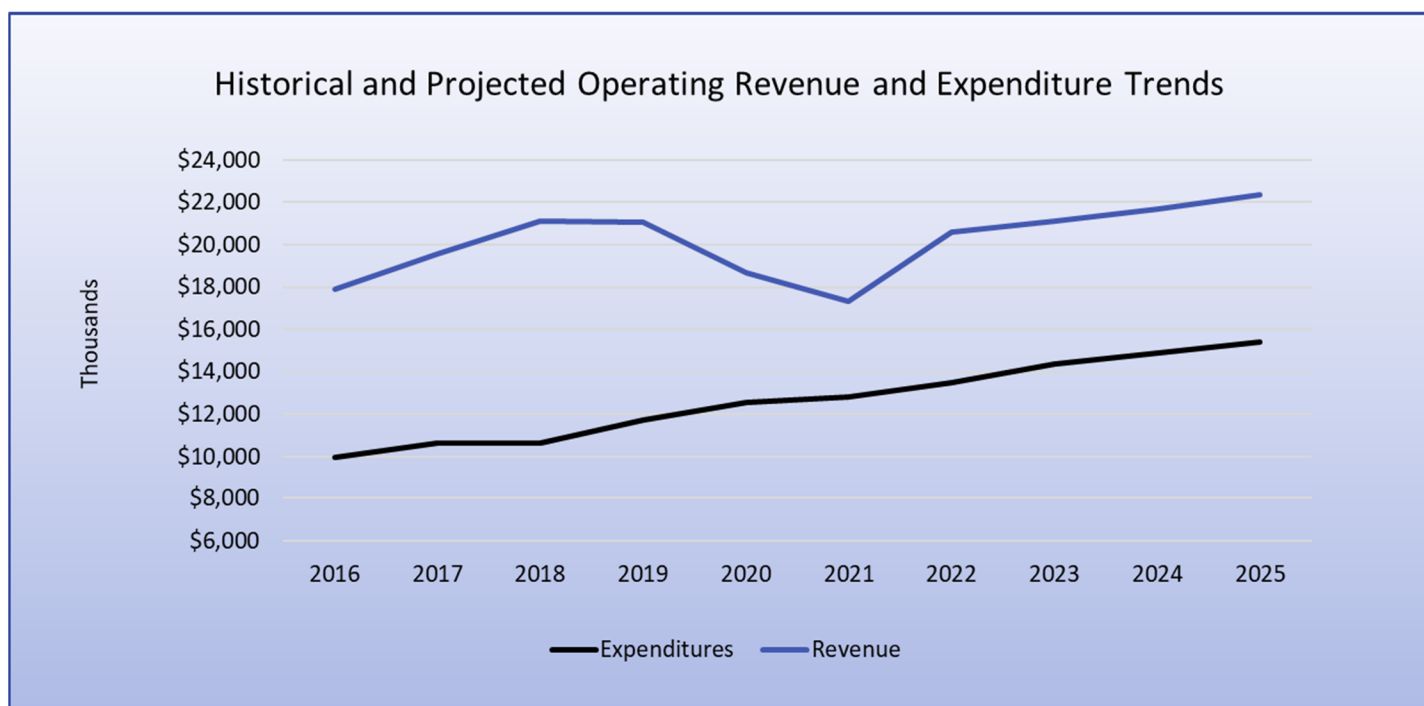
In planning expenditures, Authority staff ensures that through sound financial strategy, to keep ratepayer costs as low as good service will permit. Expenditures have been reviewed thoroughly and also evaluated by department

directors, making adjustments according to each department’s need considering the possibility of lingering negative impacts from the pandemic, at least through the first half of the budget cycle.

Based on the results of audited operating expenses excluding depreciation and water purchases (which are system-driven) for FYE 2016 through FYE 2019 and year to date results for FYE 2020, the Authority has projected minimal increases keeping budgeted expenses essentially flat for the FYE 2021 to FYE 2025 forecast period. Expenditures presented in the FYE 2021 Budget have been somewhat reduced due to the COVID-19 Pandemic, however, great care has been taken to project expenses and are assumed to be adequate to continue to provide exceptional service to the Authority’s customers as has been historically achieved. The staff continues to review each expenditure with care using system resources wisely and efficiently.

In recent budget cycles, the Authority’s staff was able to come in under budget for total expenditures and will strive to do so in the coming year. The Authority’s staff takes great pride in its ability to reduce the general expenditures, or “make do with less.” This fiscally responsible approach has allowed the Authority to remain financially stable through the current economic times, while allowing the daily operation and maintenance costs to be covered solely by the water and sewer rates.

Below is a graph that represents Operating Revenue and Expense historical trends from FYE 2016 through FYE 2019 and projections for FYE 2020 to FYE 2025.



Capital Improvement Projects

The NCWSA’s capital improvements plan (“CIP”) is reviewed annually and has a short-term forecast period of five (5) years, with a long-term view out to thirty-five (35) years. The CIP is fully integrated into the NCWSA’s overall financial model. The CIP is flexible and is maintained by the engineering and finance staff of NCWSA. The economic model provides the data necessary to make informed decisions to plan long-term capital projects and is instrumental when developing rate to provide funding for these projects. It has been determined that the capital projects currently under construction will proceed through to completion with all other projects placed into a temporary holding pattern until sufficient time has passed to determine the extent of the pandemic’s impacts.

Conclusion

This document results from recommendations from the Authority's operations departments, and the support of the Authority's administration. A conscientious effort has been made to evaluate all budget requests and set priorities for those proposals that could be undertaken within available funding. The entire staff at the Authority recognizes the challenges of a demanding economy and uncertain times and is committed to achieving the goals set forth within this budget.

In comparison to the fiscal year ended June 30, 2020 annual operating budget and financial plan (the "FYE 2020 Budget"), the FYE 2021 Budget will be a continuation of the largest increase in capital projects in its fifty (50) year history. This is due to the need to complete the A. Scott Emmons Water Reclamation Facility and adjacent outfalls within the Authority's water and sewer service area in eastern Newton County. During this difficult time, completing these capital projects places the Authority in a favorable position when this crisis passes, allowing for opportunities for future economic development.


The FYE 2021 Budget has been designed to provide for financial stability, while offering the highest standards of service possible for the ratepayers and the citizens of Newton County. The FYE 2021 Budget is evidence of our efforts to be a fiscally responsible, receptive, and proactive service provider. Our primary goal is to distribute high quality, safe and ample supply of potable water to meet our customer's needs at the lowest and most reasonable possible cost. According to the Environmental Protection Department's standards, the Authority also has the parallel mission of collecting and treating customer wastewater at the lowest and most reasonable cost.

I appreciate your support in examining the essential details covered within this working document. As you carefully review the information contained within this budget, I hope you take away from this document the importance of the teamwork and expertise it takes to provide the highest level of water and sewer service to our community.

Acknowledgement

I would like to thank the Board of Directors for their leadership and continued interest in and support at the highest level for prudent fiscal management. I would also like to extend my appreciation to all the Authority's employees and the Department Managers for their continued efforts and support for this year's budget allowing the Authority to complete its mission day in and day out. Our goals and objectives could not be met without all of your tireless efforts. Most importantly, I would like to say thank you to our valued customers, for whom it is an honor to serve.

Respectfully submitted,



Mike Hopkins

NCWSA Executive Director

June 17, 2020



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Newton County Water & Sewer Authority
Georgia**

For the Fiscal Year Beginning

July 1, 2019

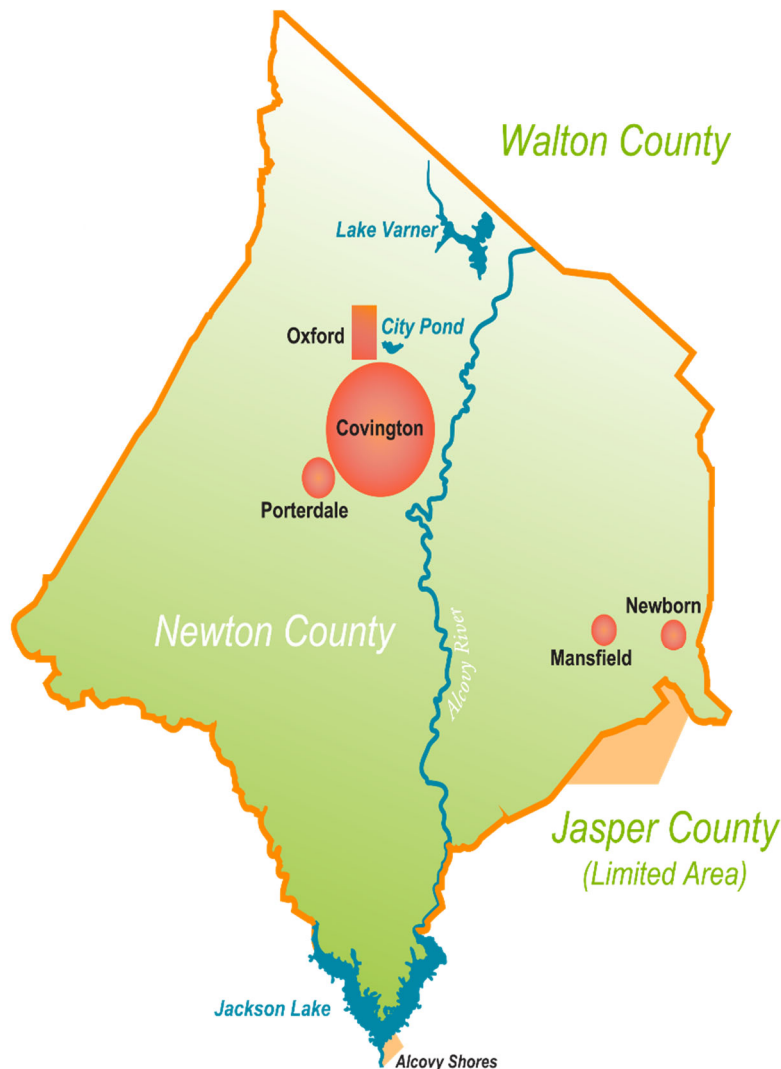
Christopher P. Morill

Executive Director

The Government Finance Officers Association of the United States and Canada (“GFOA”) presented the Distinguished Budget Presentation Award to the Newton County Water & Sewerage Authority, Georgia for its annual budget for the fiscal year beginning July 1, 2019. This is the third year that NCWSA submitted and received this prestigious award. To receive this award, NCWSA had to publish a budget document that satisfies nationally recognized guidelines that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device. This award is valid for a period of one year only. We believe our current budget and financial plan for the fiscal year beginning July 1, 2020 continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.



SECTION 1 INTRODUCTION AND OVERVIEW



INTRODUCTION

The Authority was created under provisions of House Bill Number 1662 enacted during the 1970 Session of the General Assembly of the State of Georgia as a public, nonprofit corporation to acquire and distribute supplies of water for industrial and domestic purposes within its service area. During its 1970 Session, the General Assembly enacted House Bill Number 1662, which enlarged the Authority's functions and capabilities to include the construction of facilities that provide for the collection, treatment, and disposal of sewage in thickly populated areas of Newton County. In 1970, the General Assembly created the Newton County Water and Sewerage Authority to provide an entity capable of providing water and sewer service in Newton County for areas not served by municipal governments. The Authority consists of a board that is comprised of eight (8) members. Three (3) are appointed by the City Councils of Covington, Oxford and Porterdale and the remaining five (5) are appointed by the Newton County Board of Commissioners.

Although initially established to provide water and sewer services only to the unincorporated areas of Newton County, the Authority also provides service to the citizens in the

unincorporated areas of Jasper County, Georgia and Rockdale County, Georgia, that extend into Newton County, as well as indirectly to additional areas of Walton County, Georgia, Jasper County, Georgia and Rockdale County, Georgia, as a result of Newton County providing wholesale services to other special-purpose districts. The Authority office is located at 11325 Brown Bridge Road, approximately five (5) miles west of the City of Covington.

The Authority has no taxing power. Operational and maintenance costs are funded by customer fees and charges. The acquisition and construction of capital assets are funded by capital contributions (cash and systems) from customers, including other utilities and developers, federal and state grants and loans.

The Authority provides reliable, high-quality potable water used for drinking and water for irrigation, fire protection and other purposes. The Cornish Creek Surface Water Plant is the principal drinking water treatment facility, using the Alcovy River basin as its source. Sewer services, including industrial pretreatment, are provided from the Yellow River Water Reclamation Facility and a shared land application system with the City of Covington.



NCWSA has an appointed, eight-member Board of Directors comprised of three (3) members from the Cities (one per City) of: Covington, Oxford, and Porterdale; and, five (5) members representing the County Commission Districts within the service area. The Board of Directors and management believe that NCWSA has a public responsibility to preserve the region's resources and set industry standards for the way water and sewer utilities conduct themselves.

Covington Director: David Waller – Years of Service: 10

Executive Committee

Term Expires: June 30, 2023

Oxford Director: Terry Smith – Years of Service: 16

Vice-Chair / Executive Committee

Term Expires: June 30, 2024

Porterdale Director: Lowell Chambers –Years of Service: 8

Term Expires: June 30, 2022

Newton County Director District 1: Leigh Ann Barrett – Years of Service: 4

Term Expires: June 30, 2021

Newton County Director District 2: Elsie Bell – Years of Service: 10

Term Expires: June 30, 2025

Newton County Director District 3: Jimmy French –Years of Service: 24

Chairman / Executive Committee

Term Expires: June 30, 2021

Newton County Director District 4: Junior Hilliard – Years of Service: 7

Term Expires: June 30, 2023

Newton County Director District 5: Levi Maddox – Years of Service: 4

Term Expires: June 30, 2021

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NCWSA SYSTEM FACTS

Water System:	
Service Area	Unincorporated Newton County- 210 sq. miles
Miles of Water Mains	629 Miles – 2” to 30” Diameter Water Mains
No. of Storage Tanks	7 – Capacity 8.5 Million Gallons
No. of Pumping Stations	4
No. of Service Connections	24,586
Sewer System:	
Water Reclamation Facilities	1 – Yellow River 3.2 MGD
Miles of Sewer Lines	Gravity -117 Miles, Force Main- 23 Miles
No. of Lift Stations	8
Land Application	Covington / NCWSA 2000 ac. 9.7 MGD
No. of Service Connections	7,347
Misc. Statistical Information	
Population Served	66,746
No. of Employees	61 Full-Time Employees
Annual Water Delivered	1.81 Billion Gallons
Annual Wastewater Treated	914 Million Gallons

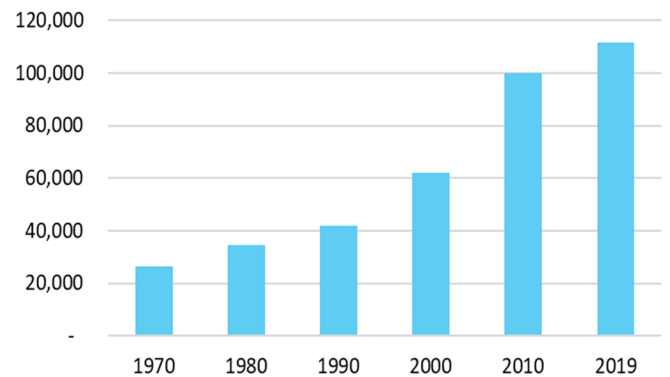


DEMOGRAPHIC AND ECONOMIC INFORMATION FOR NEWTON COUNTY

GENERAL DATA

Population (July 1, 2019)	111,744
Median Age	35.9
Sex	
Female	54.3%
Male	45.7%
Age Distribution	
<20 Years of Age	32,658
21-34 Years of Age	22,076
35-54 Years of Age	29,090
45-64 Years of Age	13,213
64-84 Years of Age	13,401
85+ Years of Age	1,306

Newton County Population Growth



EDUCATION

Schools - Public and Private	
PreK	13
Elementary	15
Middle	7
High	4
Enrolled Students	19,657
Educational Attainment (25 years and older)	
Some High School, No Diploma	14.2%
High School or GED	34.1%
Some College, No degree, Associates Degree	33.8%
Bachelor's Degree or Higher	17.9%



ECONOMIC DATA

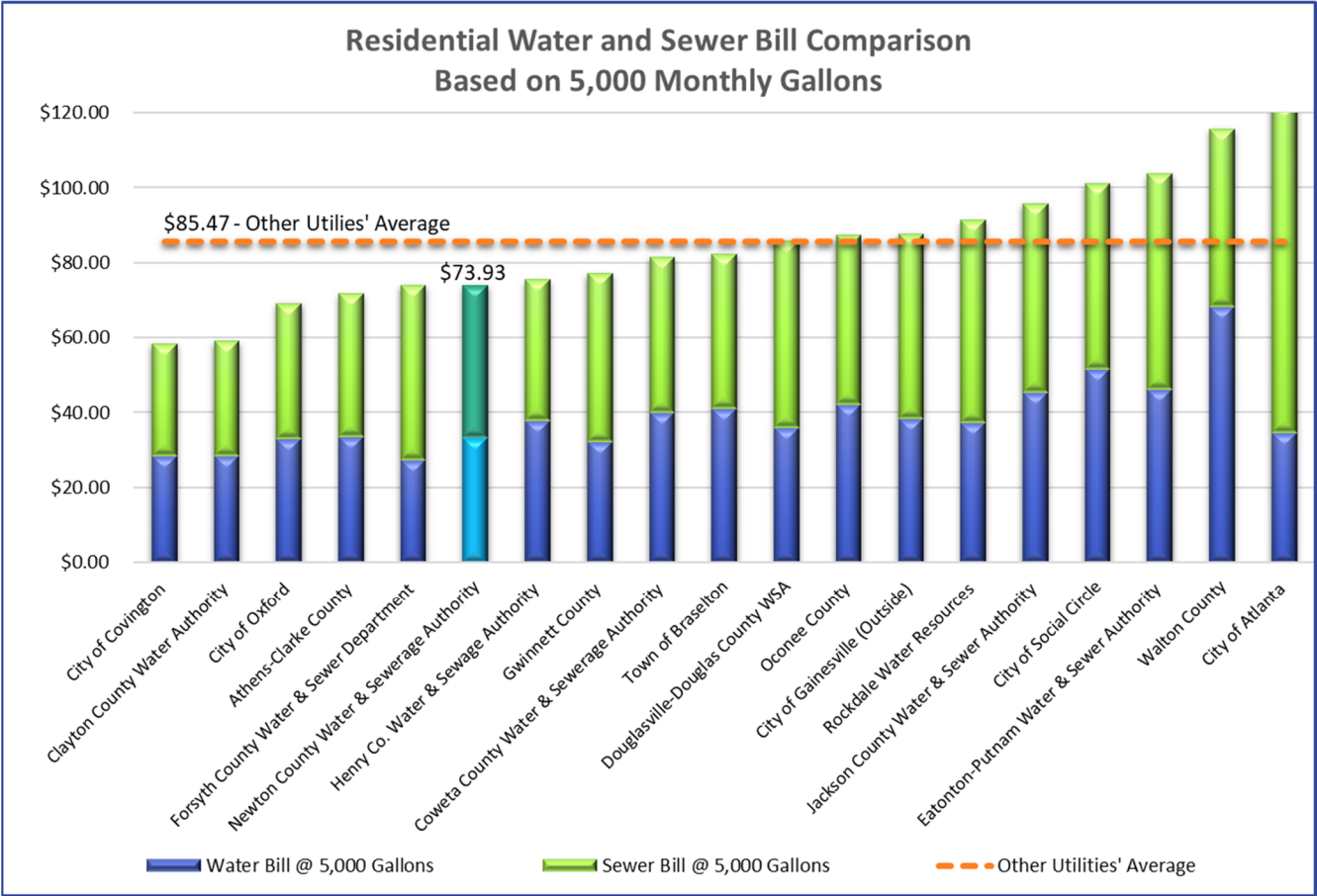
Median income	\$ 57,254
Employed	84,678
Unemployment Rate	2.6%
Percent of Population Living Below Poverty Level	9.6%
Top 5 Employment Sectors (2018)	
Manufacturing	14.6%
Retail Trade	13.0%
Health Care & Social Assistance	12.4%
Accommodation & Food Services	8.3%
Educational Services	8.2%

HOUSING

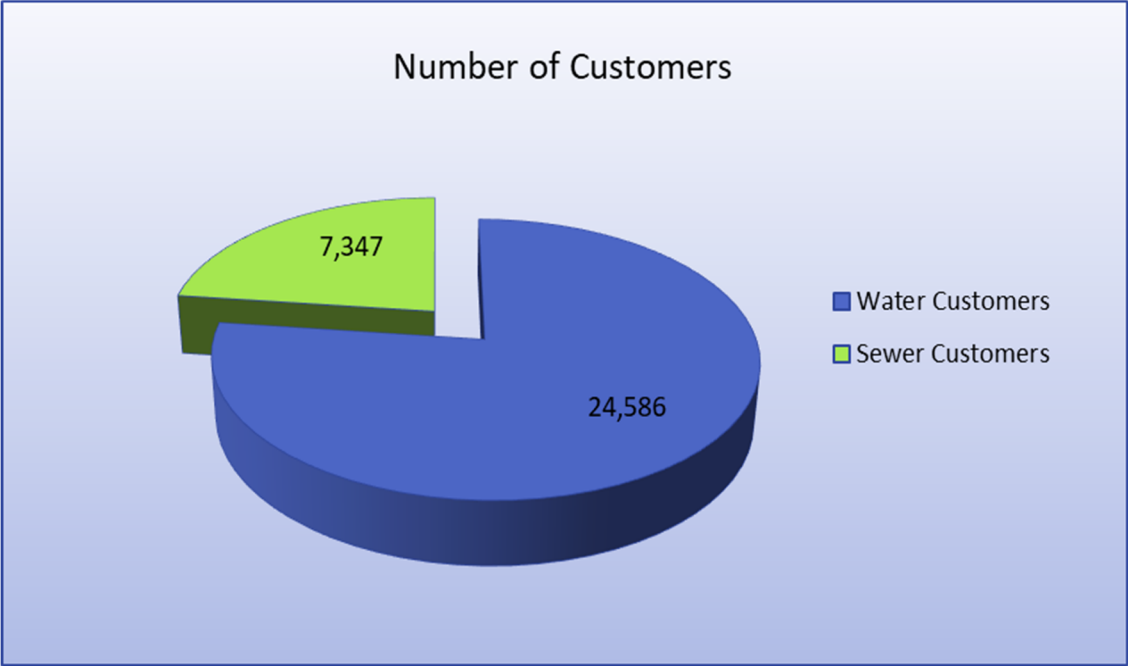
Housing Units (July 1, 2019)	40,262
Owner-occupied Housing Unit	67.7%
Median Value of Owner-Occupied Housing Units (2014-2018)	\$ 139,900
Median Gross Rent, (2014-2018)	\$ 984
Residential Building Permits Issued	623

Water and Sewer Rate Comparison Information

The following table represents select peer water purveyors of the Newton County Water & Sewerage Authority (previously defined as “NCWSA”) in the Atlanta metropolitan area and beyond.



NCWSA Customer Information



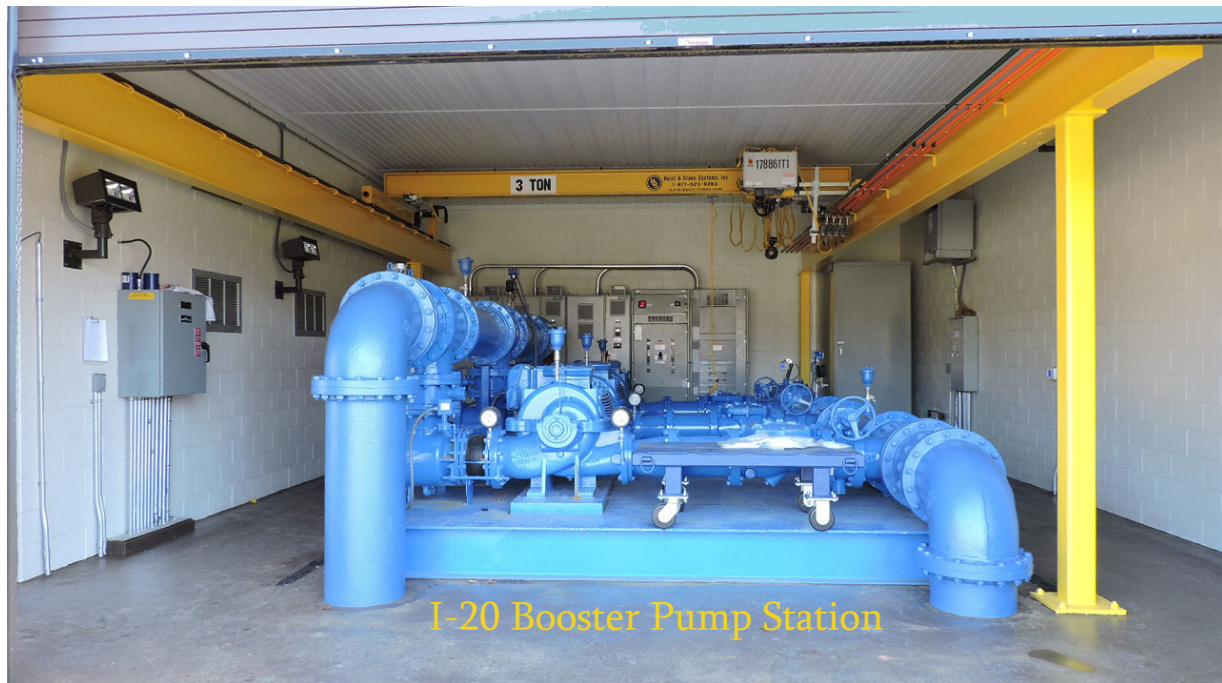
Top Ten Customers of the Newton County Water & Sewerage Authority

Account Name	Annual Usage	Monthly Usage	Daily Usage
Takeda Pharmaceuticals	185,575,000	15,464,583	515,486
Newton County Board of Education	18,332,000	1,527,666	50,922
Morning Hornet LLC	11,743,000	978,583	82,619
The Oxford LP (Apartment Complex)	10,108,000	842,333	28,077
Covington LHA III, LLP (Apartment Complex)	9,508,000	792,333	26,411
Orchard Cove Property Holdings, LP (Apartment Complex)	8,700,000	725,000	24,126
Newton County Board of Education	6,749,000	562,417	18,747
Wagon Train Mobile Home Park	5,524,000	460,333	15,344
Newton County Board of Education	2,762,000	230,167	7,672
Salem Square Shopping Center	2,400,000	200,000	6,667
Combined Top Ten Users (Gallons)	261,401,000	21,783,415	776,071

Water System - Recent and Projected Customer and Demand Statistics

As indicated in the table below, water sales are expected to increase primarily due to average customer growth associated with ongoing new development and construction in the Authority's service area. Based on a review of the recent customer growth trends, it is assumed for the Forecast Period that the Authority may experience average annual growth in water customer accounts of 1.48% and sales of approximately 1.04% per year due to normal or general development. The single-family average monthly use per account is projected to remain constant at about 5,000 gallons per month per ERU during the Forecast Period. The average monthly user per residential ERU represents a continued decline in the average monthly use per household, which is being experienced by utilities in Georgia and nationwide and can be attributed to water conservation efforts and a recent two-year period of above-average seasonal rainfall levels. The FYE 2018 amount of 4,827 gallons per month is more consistent with historical trends.

Water System [1]						
Fiscal Year End June 30,	Average Annual Water Accounts	Average Annual Water ERUs [2]	Water Sales (000s of Gallons)	Average Monthly Water Use per ERU	Water Purchases (000s of Gallons)	ADF-MGD
2017 (Historical)	23,444	27,535	1,678,532	5,080	1,776,109	4.87
2018 (Historical)	23,903	28,044	1,624,419	4,827	1,827,303	4.52
2019 (Historical)	23,930	28,565	1,753,953	5,117	1,982,051	4.75
2020 (Estimated)	24,586	29,317	1,806,687	5,135	1,908,850	5.23
2021 (Projected)	24,917	29,714	1,794,881	5,034	1,868,651	5.12
2022 (Projected)	25,225	30,042	1,823,487	5,058	1,898,433	5.20
2023 (Projected)	25,484	30,486	1,855,263	5,071	1,931,515	5.29
2024 (Projected)	25,742	30,795	1,874,721	5,073	1,951,773	5.35
2025 (Projected)	26,000	31,058	1,890,072	5,071	1,967,755	5.39
Average Annual Projected Growth Rate [3]	1.30%	1.52%	1.49%	-0.02%	1.29%	1.29%
ADF-MGD = Average Daily Flow expressed in Millions Gallons per Day						
[1] Amounts show include both retail and wholesale customers.						
[2] Equivalent residential units ("ERU") determined based on: i) an application of meter equivalent factors to active accounts served for the residential and commercial class based on meter capacity information as published by the American Water Works Association; and iii) number of units served for the multi-family class.						
[3] Reflects the average annual projected compounded growth from FYE 2017 to FYE 2025.						



Sewer System – Recent and Projected Customer and Demand Statistics

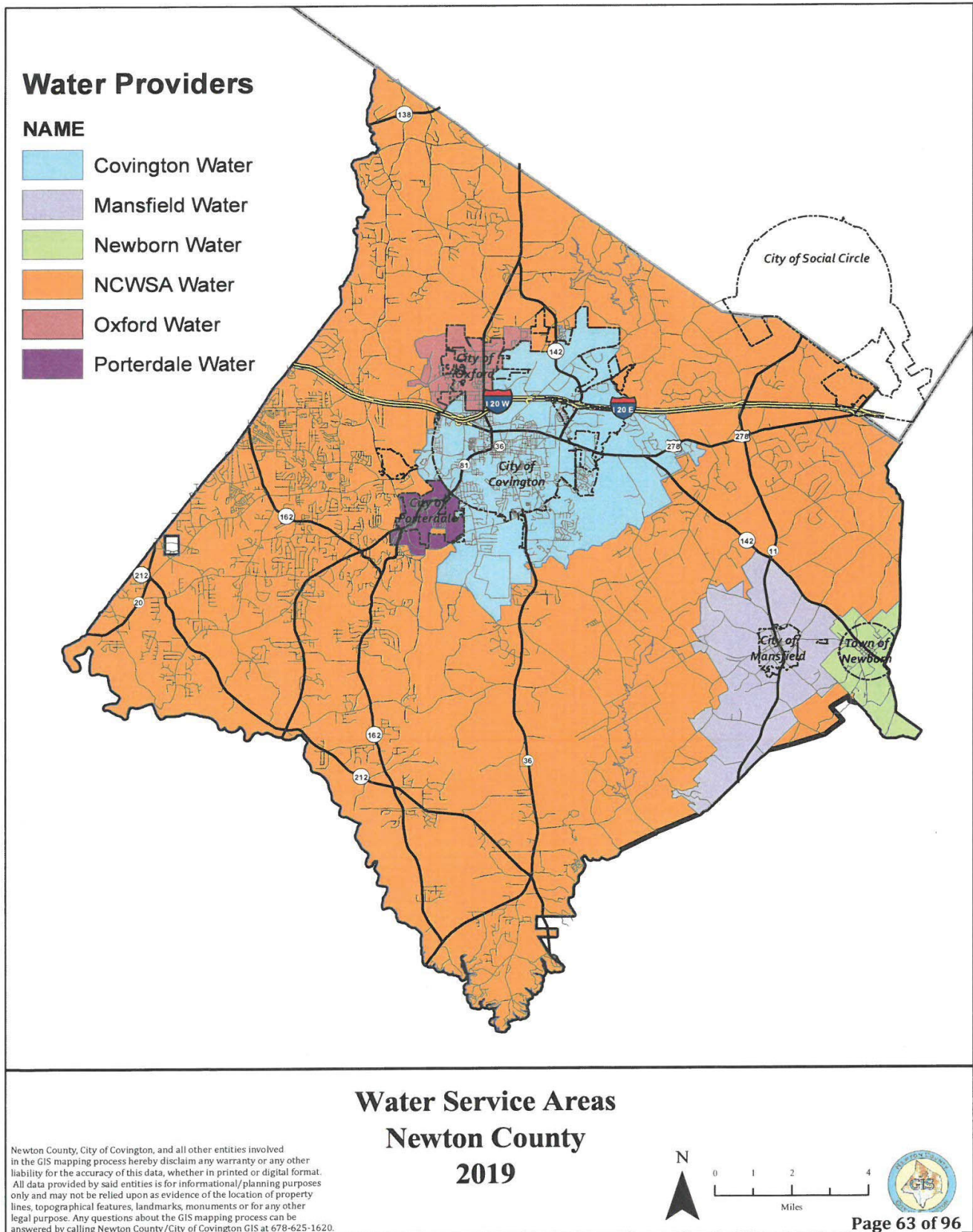
The sewer system's historical and projected customer accounts and billed flow statistics have reflected similar trends as discussed for the water system. The following table provides a summary of the recent historical and projected sewer system customer billing statistics:

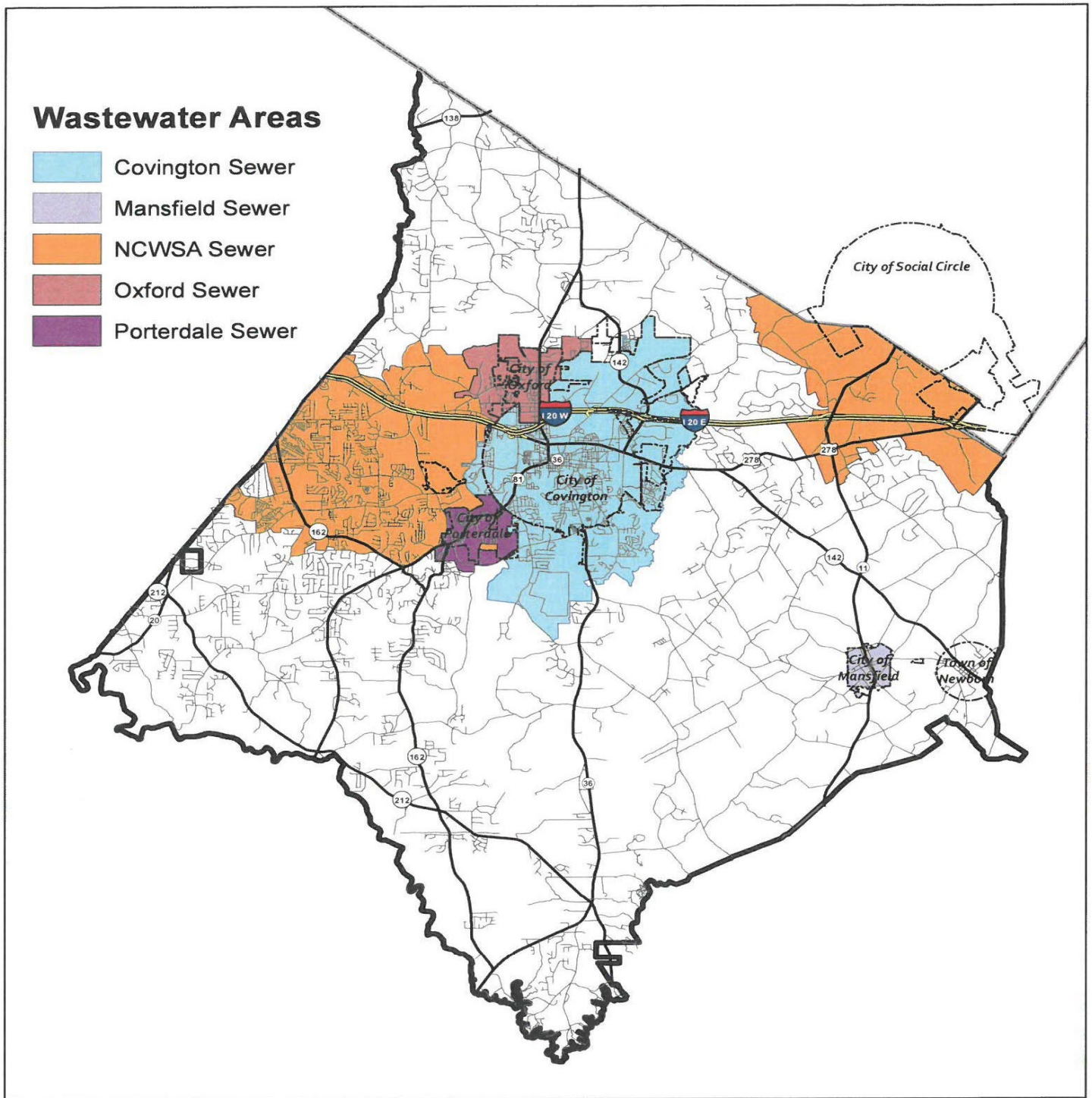
Sewer System				
Fiscal Year End June 30,	Average Annual Sewer Accounts	Average Annual Sewer ERUs [1]	Billed Sewer Flow (000s of Gallons) [2]	Average Monthly Sewer Gallons Billed per ERU
2017 (Historical)	6,878	9,288	563,740	5,058
2018 (Historical)	7,180	9,344	562,478	5,016
2019 (Historical)	7,265	9,611	655,476	5,683
2020 (Estimated)	7,347	9,697	662,306	5,692
2021 (Projected)	7,519	9,904	648,840	5,459
2022 (Projected)	7,721	10,112	664,183	5,474
2023 (Projected)	7,899	10,343	679,599	5,476
2024 (Projected)	8,051	10,509	689,880	5,471
2025 (Projected)	8,203	10,662	698,928	5,463
Average Annual Projected Growth Rate [3]	2.23%	1.74%	2.72%	0.97%
[1] Equivalent residential units ("ERU") determined based on: i) an application of meter equivalent factors to active accounts served for the residential and commercial class based on meter capacity information as published by the American Water Works Association; and iii) number of units served for the multi-family class.				
[2] Based on metered water consumption, which serves as the basis for billed sewer flow.				
[3] Reflects the average annual projected compounded growth from FYE 2017 to FYE 2025.				

Consistent with the water system, the average monthly sewer flow billed per single-family account (based on metered domestic water use at the residential premise) remained comparable in FYE 2019 and compared to recent historical trends. For the financial forecast, customer account growth and use are projected with a consistent trend as that of the water system.



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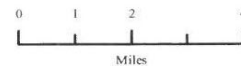




Wastewater Collection and Treatment Areas

Newton County
2019

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MISSION, VISION, AND STRATEGIC PLAN

There is no greater privilege or responsibility than delivering safe drinking water and providing responsible sewer treatment to the Newton County community. These services protect public health and sustain a strong local tax base. The Newton County Water and Sewerage Authority (“the Authority”) operates, maintains, replaces, and manages these vital services for approximately 24,586 water customers and 7,347 sewer customers across our service area.

Profile of the NCWSA

The Authority was created by the state legislature of Georgia in 1970 to manage the water distribution system for the unincorporated parts of Newton County, and to build and operate the sewer treatment system for the community. The Authority is a totally separate agency from Newton County Water Resources under the supervision of the Newton County Board of Commissioners (“BOC”). The Authority does not receive tax dollars – its source of funds comes only from its ratepayers. Governance is by an eight-member Board of Directors. Five (5) are appointed by the commission districts representing Newton County, and one member is appointed by the cities of Covington, Oxford, and Porterdale.

Water to serve customers who live within the Authority’s service area is purchased from Newton County Water Resources and is delivered by the Authority. Water to serve citizens who live in Walton County, the cities of Covington, Oxford, Porterdale, Mansfield, and Newborn, or areas served by the Jasper County Water and Sewer Authority or the Alcovy Shores Water Authority is also purchased from Newton County Water Resources and delivered by the Newton County Water and Sewerage Authority, but it is through independent systems that each of these jurisdictions own and maintain.

The Authority owns and operates the Yellow River Water Reclamation Facility and the collection system within its service areas. Thanks to good planning and investment, the Authority has enough sewer capacity and water delivery capability to support the industry and commercial development that creates jobs and grows the local tax base in our region.

Mission Statement

Our mission is to provide the Authority’s customers with reliable, safe drinking water and to provide sewer services in an environmentally responsible and fiscally sound manner while focusing on cost efficiency and value-oriented service. Providing the best possible services will always be the number one priority for the Newton County Water & Sewerage Authority.

FYE 2021 Strategic Plan

The Authority’s Strategic Plan establishes goals, strategies, and objectives that provide guidance towards fulfilling our mission. Key performance indicators have been shown to measure our progress along the way. Our priorities are summarized below, emphasizing budget commitments that emerged from the most recent review conducted with each department within the Authority.

Financial Stability – emphasizes managing finances in a way that assures that the Authority adequately funds its operations. NCWSA maintains a comprehensive five-year financial forecast model that projects revenues, expenditures, revenue sufficiency, debt service coverage and working capital. This tool is updated annually and is the crux of the budget forecast. The current forecast is projecting justifiable small incremental increases in water and sewer rates beginning in FYE 2022; Because a primary focus of the Authority is to maintain reasonable rates, the forecast is closely monitored. Every member of the Authority’s team is committed to continually

control costs and increase efficiencies across the organization. As stewards of our ratepayer's investment, we recognize that maintaining a sound fiscal foundation is a central tenet of the Authority's culture. Our rates are under the national affordability level, and we work hard to keep them that way. In fact, one gallon of water delivered safely and reliability to each customer's door costs less than one penny. The rate phasing plan incorporates strategy to: i) maintain a base charge to recover certain fixed costs to customers, which is dependent on the capacity reservation such customers place on the water system based on the size of the meter serving the premise and serves as the minimum bill at a zero-use service basis; and ii) implement rates that represent industry norms and guidelines. Financial stability is one of the critical elements of the FYE 2021 Budget. This budget is based on reasonable, conservative assumptions for growth in water sales and new water and sewer user-connections. Additionally, the budget maintains our policy target for debt service coverage and moves toward greater rate-based- funding of capital investment

Enhanced and Effective Maintenance – is vital. Investing in the preventative maintenance and repair of the Authority's extensive infrastructure ensures current customers have reliable service. Since the Great Recession beginning in 2008, the Authority has mitigated the impact of decreased new water and sewer connections by performing thorough system-wide maintenance of its valves, hydrants, and meters. The previous decade of rapid growth created a backlog of deferred maintenance, which focused on the Authority's maintenance plan. The benefits of this effort have been twofold through the reduction of infrastructure repairs and service interruptions. This period of focused maintenance has produced a positive outcome for our maintenance staff and our ratepayers with more available production-hours that were dedicated to valve maintenance, repairs to meters, meter boxes, and hydrants. The investment in preventive maintenance has helped avoid customer outages and the impacts of outages, supported accurate meter readings, and reduced hazards resulting in accidents and liability claims as we enter a new economic growth cycle. The use of technology has positively changed water and sewer processes for the Authority but has resulted in the need to add additional personnel to utilize the more advanced systems.

Innovative Customer Service – directs us to understand and be responsive to customer expectations. Based on customer feedback, we have set key customer service objectives to expand 24/7 customer access to information and services through our online tools such as electronic bill presentation and payment. Technology has dramatically changed customer expectations of service. Ten (10) years ago, almost all of our customers paid their bills through the regular postal service mail, bank draft or in person. In March 2018, the Authority implemented more user-friendly customer service payment options that continue to decrease customer walk-up traffic. Identified as one of the four (4) focuses of the FYE 2021 budget, additional dollars have been provided to enhance electronic bill delivery and payment services. To accommodate customers who wish to pay in-person, we have expanded our customer service lobby to provide better face-to-face interaction.

Workforce Protection and Development – acknowledges the need for continuous investment in recruiting and retaining a well-qualified workforce that is representative of the diverse community we serve. A quality water and sewer system begin with our greatest asset – our people. Currently 100% of our eligible water distribution and sewer operators are certified and licensed as professional operators by the State of Georgia. Our new operator hires are provided extensive hands on training as well as professional courses offered through the Georgia Association of Water Professionals to obtain State of Georgia Operator Certification within their first two years of employment. Authority customers benefit from the knowledge and professional training of our long-time employees in all departments. Retaining seasoned professionals requires continually assessing the marketplace to remain competitive. As our workforce ages, we recognize that attracting skilled new talent requires understanding the evolving desires of jobseekers and developing work practices that appeal to top talent. While the Authority's workforce is growing older (currently, the average age of our workforce is (43), only three (3) employees will be eligible to retire within the next five (5) years. This presents a tremendous opportunity to continue to grow a healthy workforce who comprehend and embrace the Authority's community-focused culture and move it to an

even higher level of service. Although knowledge transfer from the more senior employees has been a challenge in the past, technology has provided opportunities to reallocate resources to priority areas and to increase diversity in the workforce

Investment in Infrastructure – guides our work to cost-effectively invest in constructing new and existing infrastructure across the system. Just as the roof on a house or the tires on a car can only last so long before they outlive their useful life, the same is true for water and sewer infrastructure. The Authority has a carefully managed program to replace a portion of the older pipes in its system every year, an investment critical to avoiding water quality crisis events seen in other parts of the country. Small incremental rate increases over prior years have enabled the Authority to make essential investments in the sewer conveyance systems and potable water storage while increasing efficiencies in both water and sewer operations. We have scrutinized the Capital Improvement Program (“CIP”), and the FYE 2021 Budget reflects the need to complete a growing list of projects that address safety, legal mandates, and critical reliability and cost-effectiveness criteria. The budget presented here represents a shift that began in the previous budget following the East Newton Wastewater Conveyance Project’s completion in 2013. This shift is to focus on expanding the sewer infrastructure in the I-20 and Highway 278 corridors. While the CIP focuses on the rehabilitation, upgrade, and replacement of existing infrastructure and the addition of new assets, the largest percentage of investment will be on the Authority’s sewer system with the construction of the A. Scott Emmons Water Reclamation Facility (WRF). The outcome of these investments will enable the Authority to strengthen the overall structure of its water and sewer systems and support our community’s vision for future growth and development.

Maintaining a Fiscally Responsible Level of Debt – is an ongoing Authority strategy. Authority policy is that the CIP will be funded from debt only when current reserves cannot support the expenditure. NCWSA was the 25th community utility in the state to receive designation as a Water First community by GEFA. This designation is awarded to a community because the local government has demonstrated its commitment to responsible water stewardship for environmental and economic benefits. Benefits of being a Water First community include statewide recognition for environmental stewardship and receiving an interest rate reduction on GEFA loans. A reduced interest rate will only enhance the Authority’s future financial position.

The next four (4) years represents the largest capital expansion in the fifty (50) year history of the Authority. The CIP portion funded from debt increases as new facilities are built to meet the system’s growth demands. The last payment of the Series 1981 Revenue Refunding Bonds will be made in FYE 2021 and the JDA GEFA Loan will mature in FYE 2022. The remaining current debt load is a Georgia Environmental Facilities Authority (“GEFA”) Loan which funded the East Newton Wastewater Conveyance System.

In FYE 2019, the Authority obtained a \$25 million GEFA Loan to build the A. Scott Emmons Water Reclamation Facility and payments will begin in FYE 2022. Apart from this loan, the proposed budget supports pay-as-you-go or PAYGO as the largest source of funding the CIP. The use of more significant PAYGO CIP funding reflects the desire to reinvest into the water and sewer system the ratepayer resources, therefore proving a more sustainable utility.

Preservation of Strong Credit Ratings – is a substantial commitment. Even with a greater emphasis on PAYGO funding of CIP projects, the Authority may need to issue debt to fully fund the capital improvement plan. Strong credit ratings provide direct benefits to ratepayers in the form of reduced borrowing costs to the Authority. The FYE 2021 Budget meets financial metrics consistent with the Authority’s existing credit policies. Credit ratings have an additional advantage for the Authority, as they are often the only independent research conducted on the organization. Credit ratings can play a unique role in helping the Authority access alternative sources of funding by providing potential investors with the comfort that a vigorous analysis has been conducted and that the

Authority will be reviewed on an ongoing basis. Moreover, the credit rating symbol allows for these risks to be easily compared across various potential investments.

In conclusion, as we move into FYE 2021, we will continue our commitment to provide the highest quality water and sewer services for our customers. We will closely monitor our costs and continue looking for opportunities to maximize efficiency and productivity as we return to a favorable growth period for our utility. We will also look for opportunities to restructure and leverage the technology that the water industry provides to us as we move towards another year of our existence. With the ongoing support of the Board, our staff of professionals and our customers, I am confident that we will meet our community's challenges well into the future.

Financial and Non-Financial Goals

The overarching financial goal of the Newton County Water & Sewerage Authority is to fulfill its core mission while maintaining solvency to ensure long-term sustainability in compliance with the Authority's Strategic Plan. To accomplish that goal, the Authority must designate long-term and short-term financial goals and objectives. Below is a review and current status of The Authority's financial and non-financial goals.

Review of Financial Short-Term Goals – FYE 2021

1. The Authority will plan for, develop, and adhere to a balanced budget. The Authority's Administration Staff as well as Department Heads complete this annual goal through constant interaction. A balanced budget is recognized as a critical element in the Authority's day to day operations with its preparation and execution a part of each managers job description. The annual cost of this goal is funded through the daily operations budget of the Authority.

Responsible Department(s): Administration

Strategic Goal(s): Financial Stability

Status: Completed (Historically)/Ongoing

2. The Authority will evaluate options to amend the FYE 2021-2025 Capital Improvement Plan in FYE 2021. The Authority's engineering staff will review and revise current growth forecasts, project cost estimates, project prioritization and the funding availability. Currently, Authority staff can perform these tasks in-house avoiding the cost of using an outside consultant.

Responsible Department(s): Engineering / Administration

Strategic Goal(s): Financial Stability; Maintaining a Fiscally Responsible Level of Debt

Status: Completed (Historically)/Ongoing (Annual Basis)

3. The Authority will submit the FYE 2021 Budget to obtain the GFOA Distinguished Budget Award. The Authority successfully received the GFOA Distinguished Budget Award on its first, second and third submissions. The NCWSA views this level of achievement as a strong model and benchmark for future budgets. The GFOA Distinguished Budget Award is considered to be a prestigious achievement by other local entities and state-level organizations.

Responsible Department(s): Administration

Strategic Goal(s): Financial Stability; Maintaining a Fiscally Responsible Level of Debt; Preservation of Strong Credit Ratings

Status: Successful for the past three submissions/continued submission

4. The Authority will maintain its planned approach to the annual review of revenue sufficiency requirements to maintain its current levels of service and affordability of rates. The Board of Directors has requested that staff perform this task due to the comfort it provides when engaged in rate-making decisions.

Responsible Department(s): Administration

Strategic Goal(s): Financial Stability; Maintaining a Fiscally Responsible Level of Debt

Status: Completed in FYE 2016-2020/Ongoing

5. The Authority will maintain unrestricted cash reserves equivalent to ninety (90) days of budgeted operating expenses throughout FYE 2021. Water /Wastewater infrastructure is very costly and while catastrophic events are rare, such as the current COVID-19 Pandemic we are facing, they do happen. At the end of the third quarter of 2020, the COVID-19 Pandemic's has had only a slight impact on the FYE 2020 Budget, and operating reserves were not utilized. However, FYE 2021 is expected to be different in so many new ways and could affect how operating reserves are used. It is still too early in this crisis to determine the long-term effects or if there will be a need to utilize reserves. Maintaining operational reserves is a part of the Authority's Financial best practices and has been in place since 2005.

Responsible Department(s): Administration

Strategic Goal(s): Financial Stability

Status: Achieved (Historically)/Budgeted

Review of Financial Long-Term Goals – FYE 2021 and Beyond

1. The Authority will strive to maintain the best possible financial model adhering to the water industry's best financial practices. The current administration staff at NCWSA is working to achieve state-level certifications. It works closely with consultants, auditors and third-party CPAs to become more proficient in the NCWSA's long-term finances.

Responsible Department(s): Administration

Strategic Goal(s): Financial Stability

Status: Ongoing (Completed annually since 2011)

2. Due to recent economic developments within NCWSA's service territory, additional debt was issued in FYE 2019 to fund the construction of new facilities identified in the five-year capital improvement plan. In the past the NCWSA has been a pay as you go utility; and maintains that philosophy when possible. The NCWSA is working with financial consultants to manage a reasonable level of debt to complete infrastructure projects while having limited impacts on current rates.

Responsible Department(s): Administration/Engineering

Strategic Goal(s): Maintaining a Fiscally Responsible Level of Debt

Status: Actively engaging with financial consultants to develop and implement funding strategies.

3. The Authority will fully fund the asset renewal and replacement program each year with planned deposits to the Renewal and Extension Fund (effectively, funding of depreciation), projected to meet the Authority's existing infrastructure capital replacement needs.

Responsible Department(s): Administration

Strategic Goal(s): Investment in Infrastructure; Enhanced and Effective Maintenance

Status: Ongoing

4. The Authority will maintain a useful and sufficient cash flow model. Projecting future cash flows for no less than five (5) fiscal years into the future to facilitate long-term financial planning and establish rate programs that avoid excessive retail rate adjustments in any twelve (12) month period to reduce the risk of "rate shock" to Authority customers. The cash flow model is updated in conjunction with the annual revenue sufficiency study completed each year by the NCWSA's financial consultant in collaboration with the Authority's finance staff.

Responsible Department(s): Administration

Strategic Goal(s): Financial Stability

Status: Maintained – Cash flow model forecasted through 2025; Updated annually.

5. The Authority will maintain a competitive rate structure to facilitate financial and overall economic sustainability of the Authority and its customers. This long-term goal is part of the more extensive annual revenue sufficiency study. The Authority's Board of Directors requires an in-depth look at current rates before an increase in rates is submitted for their approval.

Responsible Department(s): Board of Directors/Administration

Strategic Goal(s): Financial Stability; Innovative Customer Service

Status: Maintained – Small incremental rate increases will begin in FYE 2022 for both water and sewer through 2025. Scenarios involving the potential impacts of the COVID-19 crisis have been built into the financial model and implemented as the situation dictates.

Review of Non-Financial Short-Term Goals – FYE 2021

1. The Authority is completing the initial phase of its asset management plan for its primary equipment and infrastructure. Recent restructuring in the Engineering Department (namely GIS) will allow for sufficient effort to be applied to this task to achieve this goal. The Authority has made great strides in placing a good foundation in its asset management program in recent years. Good annual results should become the norm.

Responsible Department(s): Administration/Engineering

Strategic Goal(s): Investment in Infrastructure; Enhanced and Effective Maintenance

Status: On schedule for completion by 2023

2. The Authority will maintain and update its Business Continuity Plan ("BCP"). Senior management is currently preparing a written document summarizing the steps to take in the event of a disaster, humanmade or natural, assessing the Authority's ability to recover from the loss event and subsequent business interruption. The document will help prepare the organization against the impact of a disruption. The BCP will include estimated recoveries for loss of income due to damage to the Authority's locations, key

suppliers/customers, adjacent buildings, key objects such as critical water mains, tanks, pumping stations, water reclamation facilities and wastewater lift stations with interruptions lasting more than one month. The BCP outlines the decision-making framework and advanced arrangements and procedures that enable the Authority to maintain an acceptable level of operations in the event of a disruption.

Responsible Department(s): Administration

Strategic Goal(s): Financial Stability

Status: Maintained – Based on a review of the risks presented from the Authority’s existing customer base, expenditures, and capital needs.

3. The Authority will continue to evaluate the aging polyvinyl chloride (“PVC”) pipe. In the Authority’s early history, PVC pipe was used to expand its water system because of its low cost. PVC pipe does not have the longevity of ductile iron pipe and is more prone to failure with the expansion and contraction of the surrounding soils. A benefit of the Asset Management / GIS program is collecting the location and age of all PVC pipes installed within the water system. The remaining task for this project is to analyze the location and number of repairs made to the PVC pipe, which would justify of the replacement of the aging infrastructure.

Responsible Department(s): Engineering/Water Maintenance Division

Strategic Goal(s): Investment in Infrastructure; Enhanced and Effective Maintenance

Status: On schedule for completion by 2023

4. The Authority will maintain an updated Hydraulic Water Model in collaboration with the Authority’s engineering consultant. The Hydraulic Water Model is key to understanding how the water system reacts to certain outside influences. A prime example is how a large customer might impact the water system at its site location and its peak water demands and fire suppression needs on larger areas of the water distribution system. The water model can also be used as a forensic tool for replicating events that had or will have negative impacts on the water system. The Hydraulic Water Model is a crucial tool for both the water maintenance and engineering departments.

Responsible Department(s): Engineering

Strategic Goal(s): Enhanced and Effective Maintenance

Status: Completed in 2020

5. With the recent expansion of the Takeda Pharmaceutical Campus and the addition of an equally large Facebook Data Campus to the Authority’s Service Area, the Authority will conduct a reevaluation of its annual evaluation of its five-year Capital Improvement Plan. The engineering division has been actively reviewing all current projects and developing strategies with other consecutive water system members to update the authority’s current CIP. The change in Newton County’s economic growth despite the recent pandemic continues to move in a positive direction. The evaluation focuses on a five-year window of FYE 2021-2025.

Responsible Department(s): Administration/Engineering

Strategic Goal(s): Investment in Infrastructure

Status: Comprehensive analysis completed in FYE 2018 and performed on an annual basis

Review of Non-Financial Long-Term Goals – FYE 2021 and Beyond

1. NCWSA will secure sufficient water resources for current and future customers of the Authority. The Authority’s planning team works closely with local governmental jurisdictions (Newton County Water Resources) to regionalize the neighboring counties’ current water supplies. The current water supply is sufficient to 2045; however, knowing that water supply projects could take decades to complete, the Authority is proactive in developing the necessary relationships to secure additional water supplies for the region.

Responsible Department(s): Administration/Engineering

Strategic Goal(s): Investment in Infrastructure

Status: Ongoing – This is an ongoing process based upon projected demands

2. NCWSA will gain the United States Army Corps of Engineers (“USACE”) approval for selected sections of stream back restoration along the Yellow River that includes the Authority’s main sewer interceptor for the western region of Newton County. Recent flooding has exposed some portion of the riverbank due to the loss of mature tree coverage in the riparian buffer. The Authority’s infrastructure along the Yellow River drains over 85% of the wastewater service area and is crucial in its service to a large population of the Newton County citizens. The extent of the restoration area is in a large bend of the river and will require extensive work to restore the riverbank and protect the wastewater interceptor. While the infrastructure is not in imminent danger of the river flows, it is industry best practice to restore the bank in the early stages of erosion, which allows for more restoration options and lower cost to complete.

Responsible Department(s): Engineering

Strategic Goal(s): Enhanced and Effective Maintenance

Status: Project is in the filed assessment phase, recommendations expected in the 1st quarter of 2021

3. The expansion of water mains within the Authority’s service area will provide services to new customers and provide hydraulic benefits to the distribution system. Over the past eighteen (18) years, the Authority has been upgrading and repairing its water system infrastructure but has planned for minimal expansion for new customers. The renewed economic growth in the Metro Atlanta Area is slowly moving eastward towards Newton County. The Authority’s Planning Staff performs preliminary assessments as to where new service expansion might occur and if it is financially viable for the Authority to pursue.

Responsible Department(s): Engineering

Strategic Goal(s): Investment in Infrastructure; Enhanced and Effective Maintenance

Status: Ongoing engineering assessments

4. Wastewater master planning and expansion is currently underway for the new development surrounding Three-Ring Studios, Merryvale Assisted Living Facility, and the Covington Municipal Airport. Three-Ring Studios has completed three soundstages with support facilities in the past twelve months and plan to become a large movie studio complex rivaling Pinewood Studios located south of the Atlanta Airport. There is currently limited sewer service in this area. Future development at the Three Ring Site will require the City of Covington's assistance and water reclamation facilities to support this growth area.

Responsible Department(s): Engineering/Water Reclamation Division

Strategic Goal(s): Investment in Infrastructure

Status: Development on hold/ Water and Wastewater Infrastructure completed to construction limits.

5. The A. Scott Emmons Water Reclamation Facility (“ASEWRF”) is scheduled to come online in January of 2022 and will be the Authority’s first stream discharge water reclamation facility. The Authority’s current reclamation facility is a land application facility on the Yellow River. Because the treatment systems are significantly different, the Water Reclamation Department plans to provide training to existing and newly hired employees by enabling them to develop specialized skills to operate both facilities interchangeably.

Responsible Department(s): Human Resources/Water Reclamation Division

Strategic Goal(s): Workforce Protection and Development; Investment in Infrastructure

Status: The facility is under construction; new employees are budgeted for and training schedules are confirmed.

6. The Authority will maintain potable water quality and perform water quality monitoring per all regulatory rules and requirements. The Authority takes great pride in providing clean safe drinking water while collecting and treating sewer in an environmentally responsible way. To meet our mission, the Authority Staff feels that it must prove through sampling, testing and outright openness to the public that it has the community’s best interest at its core.

Responsible Department(s): Water Maintenance/Water Reclamation

Strategic Goal(s): Investment in Infrastructure

Status: Ongoing – NCWSA works toward this goal every day!

Short-Term Initiatives Guiding Budget Development

In recent years, NCWSA has been anticipating potential new water and wastewater growth that will result in increased water and wastewater utility demands. These increases are due to new land development, providing wholesale wastewater to potential new users, continued infill of existing developments and to meet the overall needs of the Authority’s service area. It is anticipated that additional upfront capital investment will be required for the capital improvement plan in FYE 2021 and dedicated to expansion-related projects. Expanding and building new facilities will result in the need to hire additional personnel and increased operating costs. However, the operating budget for FYE 2021 has taken into consideration the potential impacts of the COVID-19 pandemic on the community and nearly kept the functional budget flat.

The budgeting process included Authority staff evaluation of year to date operating expenses to identify items that will need to be modified in the FYE 2021 Budget. Many of these expenses can vary from year to year (i.e., electricity, fuel, chemicals, health insurance, etc.). By reviewing these expenses every month and bidding bulk supply purchases every quarter, staff can present a budget that reflects the Authority’s most recent expense trends. NCWSA is also currently planning for the increased operating cost of these new and expanding facilities.

A significant component of this expense evaluation process is projecting the cost of purchased water, which is the largest expense. The projection of the purchased water expense includes among other things: i) the incorporation of known increases from the Authority’s Water Supplier (Newton County BOC), which has notified the Authority that it plans to increase rates annually by an index allowance assumed at 2.4% per year beginning in FYE 2022 through FYE 2025; ii) a review of year-to-date water sales to project water demands; and iii) a review of the system unbilled water levels (a cost that is a result having to purchase 109 gallons to deliver 100

gallons to a customer). Based on the projected increase in purchased water expense, the Authority has decided to adjust its water supply charge to recover the increased cost. The water supply charge is billed on all gallons sold by the Authority. It allows the Authority to maintain its current operating margin, net of purchased water, which is an expense driven by outside factors. Based on this evaluation, the Authority has elected to increase the water supply charge beginning in FYE 2022, representing an increase to total water system rate revenues of approximately 2%.

Additionally, Authority staff implemented a formal asset management methodology to continuously review the water and sewer system systems capital needs, which is accomplished by developing a five-year capital improvement plan. Based on the criticality of the projects and conditions of the system, staff will prioritize projects. The most critical tasks are included in the Authority's FYE 2021 Budget, for approval by the Board.

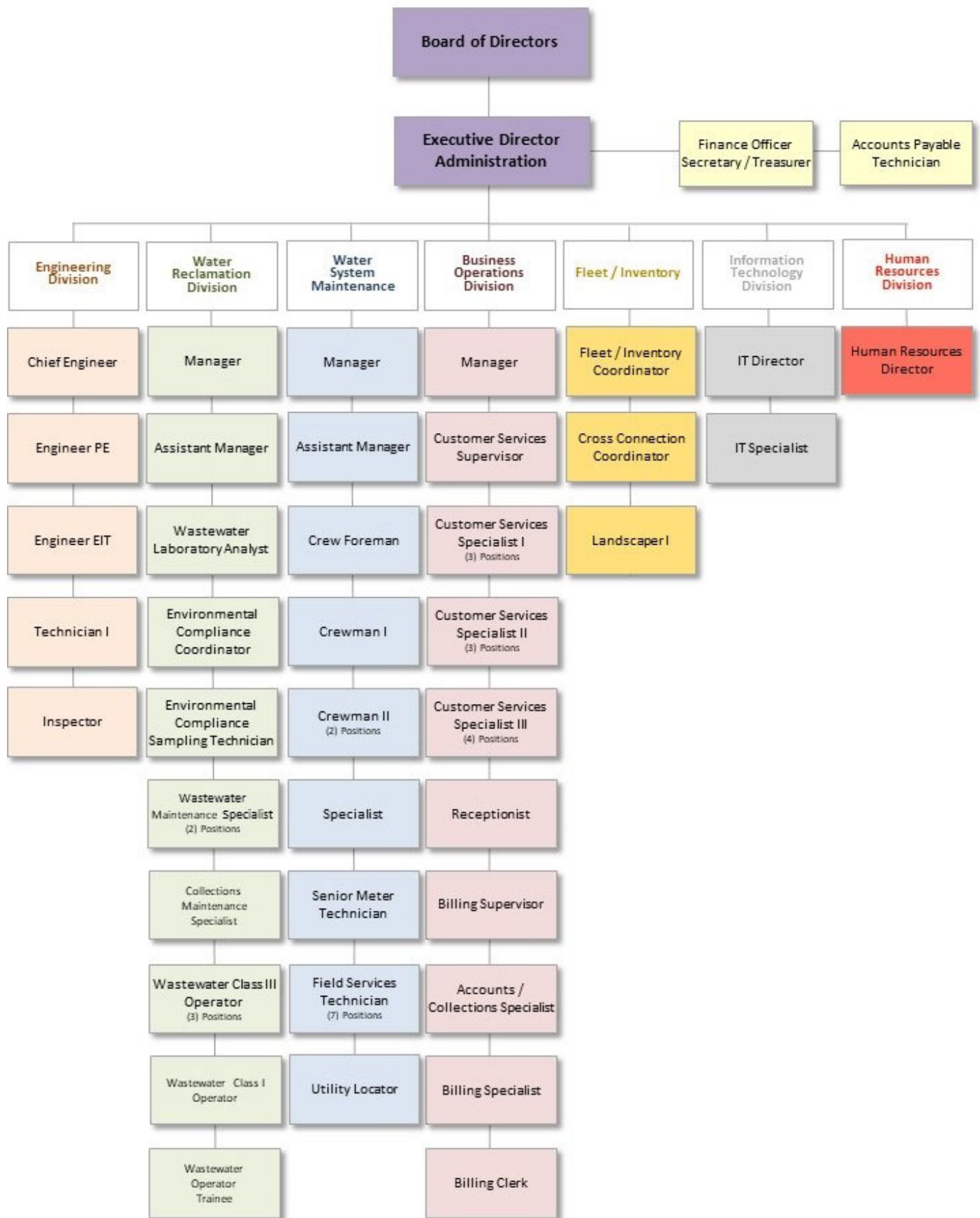
During FYE 2020 and continuing through FYE 2025, goals and objectives outlined in the Authority's five-year Strategic Plan are under continuous review. The five-year Strategic Plan is currently under development concentrating on the core values of NCWSA and enhancing strategic initiatives. Development of the FYE 2021 budget was guided, in part, by the values and strategic initiatives detailed in NCWSA's FYE 2019 Strategic Plan.





SECTION 2
FINANCIAL STRUCTURE,
POLICY AND
BUDGET PROCESS

NCWSA ORGANIZATIONAL CHART



FUND STRUCTURE

NCWSA operates a single proprietary, enterprise fund to report its financial position and the results of its operations. This type of fund is used to account for those operations financed and operated in a manner like private business or where the board has decided that the determination of revenues earned, costs incurred, and net income is necessary for management accountability. This allows NCWSA to readily determine the cost of providing its service and the amount recovered through its rate and fees.

Proprietary funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recognized as soon as they are earned and expenses are recognized as soon as the liability is incurred, regardless of the timing of the related cash inflows and outflows.

As a single enterprise fund, the Authority segregates revenues and expenditures by water and sewer. Although personnel are functionalized by departments, many employee responsibilities cross functions due to the number of employees (currently 61 budgeted positions). Therefore, budgeted expenditures are not currently segregated by department.

Relationship Between Departments (Functional Units) and Major Fund								
Functional Unit (Department)								
	Administration	Engineering	Water Reclamation	Water Systems Maintenance	Business Operations	Fleet / Inventory	Information Technology	Human Resources
Water and Sewer Enterprise Fund [1]								
Major Activities:								
Operations & Maintenance	X	X	X	X				
Infrastructure Replacement & Expansion	X	X	X	X		X		
Customer Service					X		X	
Administration & Support	X				X	X	X	X
[1] NCWSA operates as a single proprietary, enterprise fund providing potable water and sewage transmission and treatment services.								

BASIS OF BUDGETING

The Authority's operations are accounted for in an enterprise fund. The accrual accounting method was utilized in the production of the FYE 2021 Budget for the Authority. Expenditures are generally recognized when the obligation is incurred, with the primary exception being principal and interest on the debt obligations of the Authority, which are recognized based on the funding obligation for such debt payment (i.e., deposits must be made to the sinking fund to allow funds to be built up to make payments when they become due). Additionally, capital improvement projects are recognized on an appropriations basis, which means existing funds must have identified and designated to fund the project even though the spending may occur over multiple fiscal years.

FINANCIAL PRACTICES

Although the Board of the Newton County Water & Sewerage Authority has not formally adopted various financial policies, the Authority has established practices and standards facilitating internal control and financial planning.

Operating Budget

NCWSA will pay for all current expenditures with current revenues and available funds. The Authority will avoid budgetary procedures that balance current expenditures at the expense of future years such as: i) postponing expenditures; ii) underestimating expenditures; iii) overestimating revenues; or iv) utilizing short-term borrowing to balance the budget. The budget will provide for adequate maintenance and repair of capital assets and their orderly replacement. The Authority will integrate performance measurement, service level and productivity indicators within the budget when possible.

Investments

Disbursement, collection, and deposit of all funds will be appropriately scheduled to ensure the timely payment of expenditures and investment of funds. It is the policy of the Newton County Water and Sewerage Authority to invest funds in a manner, which will provide the highest investment return, with the maximum security, while meeting the daily cash flow demands of the Authority; and conforming to all state and local statutes governing the investment of funds.

Those investments take the form of either shares in a U. S. treasury money market fund or deposits in interest-bearing accounts at our financial institutions. Investments in the Money Market Fund are comprised of shares in a fund that holds U. S. Treasury securities. The Authority can access these invested funds as needed with just one-day notice to the fund manager. The interest-bearing accounts are fully collateralized at 110% of deposits by direct Federal obligations pledged to a collateral pool for public funds monitored by the State.

All receipts are deposited daily and are fully collateralized by the banking institution as part of the Georgia Office of Treasury and Fiscal Services' ("OTFS") Pooled Funds program. Acceptable collateral levels are marked to market by this State agency to ensure that the depository has pledged sufficient collateral to cover all public funds in the pool program. The collateralization requirements that have been established by the State are 110% of the bank balance.

Debt Management

Because of its conservative basis of accounting for revenues, the Authority must not borrow money for operations. The following objectives are employed by the Authority in managing its' debt:

- Long-term debt will be confined to capital improvements that cannot be financed from current revenues.
- The payback period of the debt will not exceed the expected useful life of the project.
- Where possible, the Authority will use special assessment, revenue, or self-supporting bonds.
- Long-term debt will not be used for operations.
- The Authority will maintain good communications with bond rating agencies about its financial condition. It will follow a full disclosure policy on every financial repo and bond prospectus.

Working Capital Reserve

The Newton County Water and Sewerage Authority established a practice of maintaining a minimum working capital reserve equal to approximately 90 days of the annual operating and maintenance expenses. For FYE 2021 this amount was estimated to be approximately \$3,161,784.

Purchasing

All purchases will be made following the Authority's procurement policy, as adopted by the Board of Directors.

Capital Improvement vs. Capital Outlay

The Authority's capital budget includes equipment, land, and construction projects costing \$7,500 or more. The budget for a capital item remains in effect until completion of the item and does not expire automatically at the end of the fiscal year. Capital Outlay defines other machinery and equipment items costing less than \$7,500 and is provided for within departmental operating budgets.

Each department is required to develop and annually update a comprehensive Capital Equipment and Facility Asset Plan. The plan provides an expenditure analysis of a department's need for improvements to land, buildings and machinery and equipment purchases. This allows the Authority to plan for expenditures that will have a budgetary impact.

Budget Control Guideline

The budgetary level of control is at the fund level. It is a department responsibility to control expenditures and expend funds only for items that have been budgeted. The Budget stipulates that expenditures shall not exceed the appropriation authorized by the budget. The Executive Director has the authority to transfer sums from one budget line item to another within the same department (water/sewer), without adopting a new budget resolution. However, no increase in the overall budget for any one department shall be made without the Authority's Board of Director's approval and amendment to the budget.

Revenue Projection and Monitoring

The Administration Department is responsible for preparing revenue projections utilizing the Proportionate-Change Method of forecasting. This method calls for projecting each source of revenue by analyzing previous years' collection to obtain an average annual rate of change to project the next year's revenues.

The administration is responsible for monitoring the Authority's revenue collections. Monthly reports are generated from the Authority's financial system that compares actual receipts to monthly allotments. If the Authority does not achieve its projection, Administration will contact the Finance Officer to inquire as to the extenuating circumstances that may have affected revenue collections. If the problem is serious, the Finance Officer will work with Administration to resolve the issue. The Finance Officer determines whether the Executive Director and Authority Board of Directors need to act.

Expenditure Control and Monitoring

Operational control of departmental budgets is maintained by a preliminary check of funds availability on a line-item basis. The Authority's purchasing system assures budget availability before the issuance of purchase orders. Encumbrances are established based on the issuance of purchase orders. In the event of insufficient funds within the account, purchase orders are not issued until an interdepartmental budget transfer is approved or the Authority Board of Directors makes additional funds available by budget amendment.

Financial Reports

It is standard practice for NCWSA's Finance staff to produce monthly financial reports for review by the Board of Directors and staff.

Capital Improvement Plan

It is standard procedure for NCWSA staff to review and recommend adjustments to the long-term Capital Improvement Plan each year. The Capital Improvement Plan is reviewed, amended, and adopted by NCWSA's Engineering Department and Board of Directors each year.

Master Budget

A "Balanced Budget" is defined as: "Financial planning that produces a projected and actual fiscal year budget in which revenues are equal to or greater than total expenses". NCWSA's staff works throughout the year to review and develop the upcoming year's master budget. It is standard practice for Departments to submit budget requests in January / February each year. This timeframe allows Authority management enough time to produce a balanced budget, which shows the sources and uses of all funds to be utilized during the fiscal year and present this finalized budget to the NCWSA's Finance Committee and adopted by NCWSA's Board in June each year. The budget process is explained in detail below.

Monthly Financial Reviews

The Finance staff utilizes an independent CPA to evaluate managerial financial statements monthly.

Cash Management Practices

The Authority manages its funds (cash) following the provisions of the Bond Resolution. Based on the provisions of the Bond Resolution the cash balances are designated into three (3) funds: i) the Revenue Fund; ii) the Sinking Fund; and iii) the Renewal and Extension Fund. The Revenue fund is the Authority's primary account. All cash receipts and payments are made from this fund. The Revenue Fund maintains an unrestricted balance of no more than five thousand dollars (\$5,000). The Sinking Fund is utilized by the Authority to make monthly deposits in an amount that will be sufficient to make the upcoming principal and interest payments on all outstanding debts of the System, which would also include maintaining and required reserves of the Authority's outstanding debts. All monies remaining after the payment of all obligations (i.e., operating expenses, debt service payments) are deposited into the Renewal and Extension Fund. The Renewal and Extension Fund is the primary holding fund for the cash reserves of the Authority. Monies in the Renewal and Extension Fund are maintained in the form of cash reserves and investments. The Renewal and Extension Fund can be used to: i) pay principal and interest payments on outstanding debts if the funds on deposit in the Sinking Fund are insufficient; ii) fund emergency events should the funds held in the Revenue Fund be deemed insufficient; iii) making replacements, additions, extensions, and improvements to the System; iv) payment of the charges of any depository for investment services; and v) paying the cost of acquiring its revenue bonds by redemption, payment, or otherwise following the provisions applicable to outstanding debts. As the Authority plans for capital additions, extensions, and replacements monies held in the Renewal and Extension Fund are appropriated for each individual project. Appropriations are amended when project costs are revised due to changes in project scope, bids received, and other factors.

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BUDGET PROCESS

The Budget as a Financial Plan

While the Authority has only presented and adopted the Budget for the FYE 2021, as a component budget development, the Authority has evaluated the projected operating results for a five-year window (Fiscal Years 2021-2025). By looking at an extended window beyond the current upcoming Fiscal Year for which the budget must be produced, by doing so, staff strives to identify potential issues that may arise from: i) increased cost of operations and maintenance expenses from inflation; ii) changes in customer demand (use) characteristics from the effects of conservation; iii) changes in annual debt service requirements; and iv) changes in the Capital Improvement Plan. By looking at this extended time frame, staff can monitor potential issues and make minor course adjustments over time, instead of one-time larger adjustments before specific problems become critical.

Rates and Fees

Accounting for water and sewer operations is performed on an enterprise fund basis. An enterprise fund is defined as “a fund established to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.”

As an enterprise fund, water and sewer operations are viewed as a business. Likewise, appropriate business principles related to cost identification, cost-effectiveness, and financial reporting are addressed accordingly.

As indicated by the definition of an enterprise fund, appropriate fees and charges are established to ensure the Authority can operate on a self-sustaining basis. In a water and sewer utility such as the Newton County Water & Sewerage Authority, most of the revenue is derived from user charges. User charges are defined as “fees, rates, and billings that are charged to the beneficiaries of services.” User charges are a way of recovering costs for providing a service from those that benefit directly from that service. The total process of i) identifying water and sewer costs; ii) allocating costs to utility or service beneficiaries; and iii) designing rate structures to recover allocated costs is defined as the user-charge system.

As a part of the annual budget process, the Authority adopts rates and fees to provide revenue to the Renewal and Extension Fund to satisfy operations, maintenance and liability (debt) service.

The Newton County Water & Sewerage Authority is focused on providing high quality, affordable potable water to its customers at the quantity required to sustain their respective communities and economies. Planning, budgeting, operational efficiency, reliability, and quality are critical to the fulfillment of NCWSA’s mission. NCWSA’s fiscal year is July 1st through June 30th. The budgeting process is a continuous cycle for NCWSA. Department managers are encouraged to build a case and accumulate documentation for the upcoming fiscal year budget as soon as the current budget year begins. The budget status is reviewed monthly by staff, management, and Board members.

In mid-February of each fiscal year, the department directors submit budget requests to the Finance staff in the Administration Department. Although NCWSA has segregated departments based on water and sewer functions, the budget is compiled in aggregate for one comprehensive budget. Budget requests are then compiled, reviewed, discussed with management, aligned to strategic goals, and input into NCWSA’s financial model. Once a tentative master budget is developed, it is submitted to the Executive Director for review in the first week of March. The Executive Director suggests amendments to the draft budget and resubmits the budget to the administration staff to revise the draft master draft budget. Once this second draft of the master budget is completed, the Finance staff presents the master budget to the Executive Director. The Executive Director then presents the master budget to

NCWSA's Board of Directors' Executive Committee for consideration. Recommendations of the Executive Committee are incorporated into the master budget and the draft budget is finalized. The finalized master budget is then presented to NCWSA's Board for consideration to adopt. The adoption of the budget typically takes place at the June Board meeting. The FYE 2020 Budget reflects a culmination of the processes and provides appropriations to meet the goals and objectives of NCWSA.



FYE 2021 Budget Calendar

The Budget process began January 1st with most of the initial work consisting of data collection and fundamental trend analysis. The budget then moves to the department level with meetings and discussions with the various departments within the NCWSA. This phase concludes with preliminary meetings with the Board of Directors Executive Committee and the “master budget” is drafted. The last step in the process is the preparation and approval of the final draft budget, which is then forwarded for comment and acceptance by of the entire Board of Directors. Below is the timeline used to develop the FYE 2021 Budget.



Budget Amendments

It is a standard practice of NCWSA to amend funds appropriated to functions and objects as needed throughout the year except for salaries and wages allocations. It is standard practice not to amend budgeted revenue figures. Contingency allocations may be utilized at the discretion of the Executive Director to cover shortages within given functions. Management desires to identify forecasting errors during the budget year to more easily assess why they occurred and prevent them from occurring in the future.

Because the budgetary level of control is at the fund level, the Executive Director may approve all amendments that transfer appropriations from one budget line item to another without preparing a budget amendment for the Board approval. If an increase to the overall fund appropriation is needed, a budget amendment is prepared and reviewed by the Executive Committee before obtaining the Authority's Board of Directors.



SECTION 3

FINANCIAL SUMMARIES

BUDGET SUMMARY – FYE 2021

The nation's economy is currently in the grips of the COVID-19 Pandemic, uncertain of the full potential of the impacts to our community. Because there remains an uncertainty as to the potential impact of the pandemic may have on the future, the FYE 2021 Budget was prepared in the most conservative manner. Even with the onset of the pandemic toward the end of the 3rd quarter, water and sewer sales remain near normal levels. During the first eight (8) weeks of the pandemic, revenue collections decreased by 26%, however over the following four weeks, collections rebounded and the decrease in collections was in the single digits. In an effort to assist the community, the Board authorized the temporary suspension of assessing late fees and service disconnections due to non-payment. While the estimated results of FYE 2020 do indicate a successful year, due to the uncertainty that lies ahead, the Authority has remained prudent and fiscally responsible. The FYE 2021 Budget was prepared to reflect difficult times ahead. NCWSA's financial policies allow the staff to be responsive the changes in the economy, therefore staff will be closely monitoring budgets to actual performance and will be prepared to quickly respond to notify the Board of any necessary changes promptly.

Summary of Budget Sources and Uses					
Fiscal Year Ending June 30,					
	2019 Actual	2020 Adopted Budget	2020 Adjusted Budget	2021 Adopted Budget	% Change 2020 v. 2021
Revenues and Sources of Funds					
Water Sales	\$ 11,892,212	\$ 11,592,573	\$ 11,592,573	\$ 11,766,464	1.50%
Sewer Sales	5,211,450	4,353,208	4,353,208	4,365,407	0.28%
Connection Fees	2,249,991	1,636,165	1,636,165	809,286	-50.54%
Late Fees	1,097,297	912,520	912,520	182,504	-80.00%
Other Fees and Charges	492,950	55,414	55,414	55,414	0.00%
Intergovernmental	124,398	127,019	127,019	127,019	0.00%
Interest Income/Other (Non-operating)	459,534	7,586	7,586	7,586	0.00%
Total Revenues and Sources of Funds	\$ 21,527,832	\$ 18,684,485	\$ 18,684,485	\$ 17,313,680	-7.34%
Expenditures and Uses of Funds					
Personal Services	\$ 3,443,282	\$ 4,327,969	\$ 4,327,969	\$ 4,510,635	4.22%
Operating Expenses	7,122,835	7,315,710	7,315,710	7,435,398	1.64%
Other	1,167,508	916,592	916,592	876,758	-4.35%
Debt Service	281,001	265,231	265,231	261,369	-1.46%
Depreciation Expense*	3,949,035	4,168,371	4,168,371	4,100,000	-1.64%
Reserves*	5,564,171	1,690,612	1,690,612	129,520	0.00%
Total Expenditures and Uses of Funds	\$ 21,527,832	\$ 18,684,485	\$ 18,684,485	\$ 17,313,680	-7.34%
*Depreciation and reserves are not budgeted items.					

Water and sewer sales represent the largest Authority revenue source at 93% of total revenues - water at 68% and sewer at 25%. Water revenues are estimated to increase by approximately 1.5% and sewer revenues are projected to increase less than 1%. Water and sewer demand are predicated on consumer use and construction growth. Therefore, due to the volatility of demand and the estimated impact of the pandemic, forecasts are intentionally conservative. The revenue budget reflects an overall decrease of 7.34% primarily due to two (2) factors. The first factor is reducing the number of new connections to the water and sewer system as a result of not knowing the impact of the pandemic on the housing market and the establishment of new business. The second factor is due to the suspension of late fees and service terminations due to non-payment. Additionally, in May of 2020, the Board adopted a new late fee policy estimated to reduce late fee revenue by 45%.

Excluding capital expenditures, the overall FYE 2021 expenditure budget is estimated to increase by 2.09% compared to FYE 2020. Water expenditures are projected to increase 2.94% and sewer expenditures are projected to remain flat. The primary drivers of escalating operating expenses include increased water purchases, the rising cost of health insurance, increased utilities' cost and the recently approved annual commitment to the Newton County Office of Economic Development. The Authority purchases water from Newton County Water Resources at a wholesale rate and they have notified the Authority that it plans to increase rates annually by an index allowance assumed at 2.4% per year beginning in FYE 2022, which will be passed on to customers. Debt service payments have been recently reduced with the maturity of existing debt but will increase in 2022 when the first payment for the 2019 GEFA loan funding the A. Scott Emmons WRF is due.

Capital Improvement Plan Summary (\$000s)						
Description	FYE 2021 Budget	FYE 2022 Projected	FYE 2023 Projected	FYE 2024 Projected	FYE 2025 Projected	Total
Capital Projects						
Water System	\$ 1,351	\$ 7,920	\$ 2,470	\$ 6,605	\$ 9,324	\$ 27,671
Wastewater System	29,556	6,866	3,700	2,000	2,000	44,122
Miscellaneous	650	284	800	200	200	2,133
Total Capital Projects	\$ 31,557	\$ 15,070	\$ 6,970	\$ 8,805	\$ 11,524	\$ 73,926
Estimated Funding Sources						
Renewal & Extension / Reserves	\$ 11,186	\$ 12,807	\$ 5,528	\$ 6,918	\$ 7,656	\$ 44,093
Reimbursement Projects	644	-	-	188	3,563	4,394
Connection Fees	1,111	2,264	1,443	1,700	306	6,823
GEFA 2019 Loan CW2019003 [1]	18,615	-	-	-	-	18,615
Total CIP Funding Sources	\$ 31,557	\$ 15,070	\$ 6,970	\$ 8,805	\$ 11,524	\$ 73,926
[1] Amounts reflect the use of a low-interest loan secured through the Georgia Environmental Finance Authority (GEFA) for the construction of the A. Scott Emmons Water Reclamation Facility.						

To meet increasing demands for service and forecasted growth, the most extensive capital improvement plan in the Authority's history, the A. Scott Emmons Water Reclamation Facility at the cost of over \$25M is under construction and scheduled to be placed in service in FYE 2022. This facility will be funded with a \$25,000,000 Georgia Environmental Finance Authority ("GEFA") loan with a Water First discount rate of 1.95% with a term of thirty years and other funds on deposit. Please refer to Section 4 for a comprehensive overview of the Capital Improvement Plan.

Net Position

The Authority reviews the existing and projected net position as a component of the budget process. Net position is defined as the total of assets and deferred outflows of resources less the total of liabilities and deferred inflows of resources.

The following chart is the projected Net Position of the Authority. As calculated, the net position includes a component known as the net investment in capital assets, which is defined as capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balance of any debt attributable to the acquisition, construction, or improvement of those assets. At the end of FYE 2019 that amount exceeded \$104 million and remained at 83% of net position.

Net Position					
Fiscal Year Ending June 30,					
Description	2019 Actual	2020 Budget	2020 Adjusted Budget	2021 Budget	% Change FYE20 v. FYE21
Total Net Position – Beginning	\$ 120,424,391	\$ 125,988,562	\$ 125,988,562	\$ 127,679,174	1.34%
Operating Revenues	21,068,298	18,676,899	18,676,899	17,306,094	-7.34%
Non-Operating Revenues [1]	459,534	7,586	7,586	7,586	0.00%
Total Revenues	\$ 21,527,832	\$ 18,684,485	\$ 18,684,485	\$ 17,313,680	-7.34%
Operating Expenditures	\$ 11,733,625	\$ 12,560,271	\$ 12,560,271	\$ 12,822,791	2.09%
Non-Operating Expenditures [2]	4,230,036	4,433,602	4,433,602	4,361,369	-1.63%
Total Expenditures	\$ 15,963,661	\$ 16,993,873	\$ 16,993,873	\$ 17,184,160	1.12%
Increase (Decrease)	5,564,171	1,690,612	1,690,612	129,520	-92.34%
Total Net Position – Ending	\$ 125,988,562	\$ 127,679,174	\$ 127,679,174	\$ 127,808,694	0.10%
[1] Amounts shown include capital contributions and interest income.					
[2] Amounts shown include depreciation expense and interest expense and other fiscal charges.					

Working Capital

Working Capital is defined as the difference between current assets and current liabilities. The GFOA represents that adequate levels of working capital are essential to mitigate current and future risks (e.g., revenue shortfall and unanticipated expenses) and to ensure stable services and fees. Working capital is a crucial consideration in long-term financial planning and credit rating agencies consider the availability of working capital in their evaluation of continued creditworthiness. It represents the relatively liquid portion of an enterprise fund capital, which constitutes a margin or buffer for meeting obligations.

As described on page 2-4. The Authority has established a practice of maintaining a minimum working capital reserve equal to approximately ninety (90) days of annual operating and maintenance expense. The table below represents the calculation of working capital and supports the financial stability of the Authority and its ability to continue its operations. The number of days of working capital is projected to decline primarily due to the extensive investment in the expansion of existing facilities and construction of new facilities as described in the Capital Improvement Plan. However, the Authority has planned for this and has developed strategies such as implementing rate increases beginning in FYE 2022 to help mitigate the increased costs to operate the expanded facilities and keep the utility financially healthy.

Working Capital					
Fiscal Year Ending June 30,					
Description	2019 Actual	2020 Budget	2020 Adjusted Budget	2021 Budget	% Change FYE20 v. FYE21
Working Capital	\$ 20,734,616	\$ 18,014,144	\$ 18,014,144	\$ 15,577,444	-13.53%
Target – 90 Days of Operating Expenses	2,893,223	3,088,591	3,088,591	3,161,784	2.37%
Number of Days of Working Capital	645	525	525	443	-15.53%
Available Working Capital	\$ 17,841,393	\$ 14,925,552	\$ 14,925,552	\$ 12,415,660	-16.82%

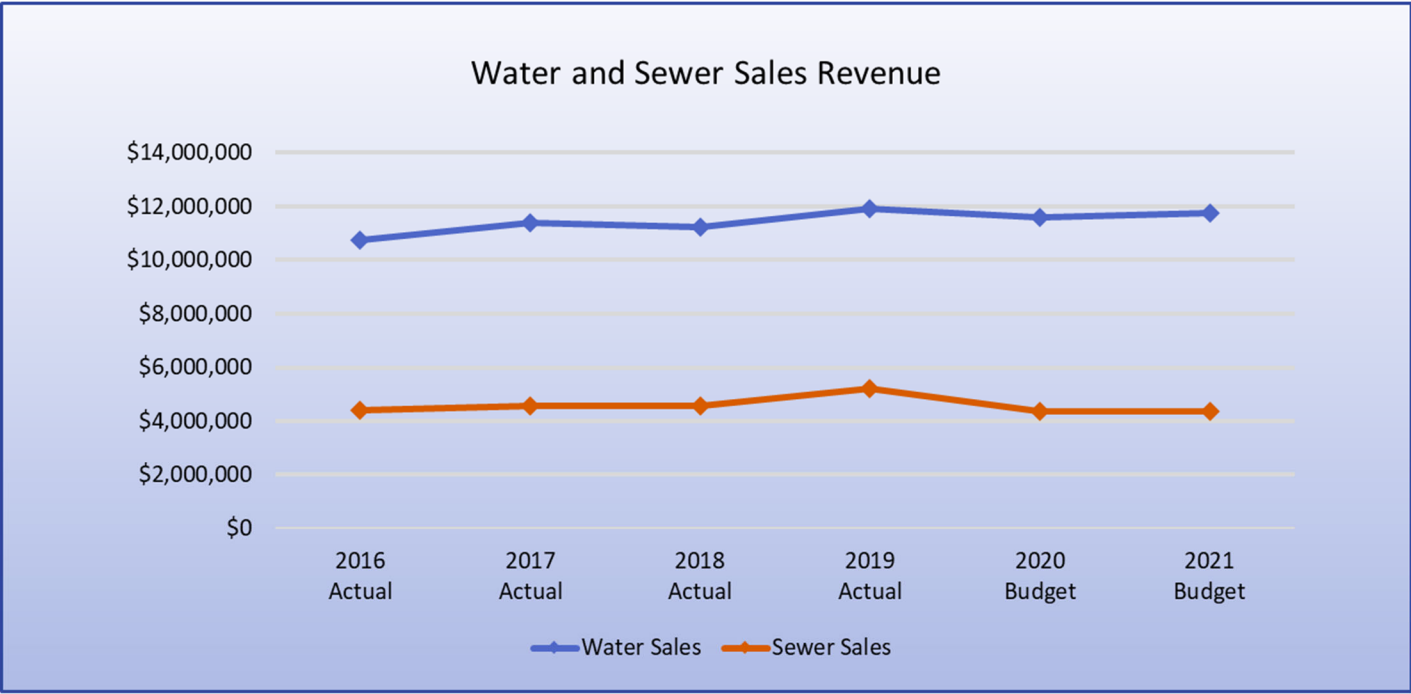
Major Operating Revenues

Revenue estimates are developed using several different methodologies. The Authority has annually prepared a forecast of the System revenues and expenditures for strategic planning purposes. With the assistance of a financial and utility consultant, an annual Financial Forecast is completed. The FYE 2021 budgeted revenues are estimated by reviewing FYE 2020 year-to-date (8, 9- and 10-month actuals) and historical trends based on water billing statistics and projected demands as illustrated on pages 1-6 and 1-7 of this document. Before to the pandemic, sales revenue was expected to increase due to: i) a significant increase in new retail construction and development in the Authority service area due to the improvement in the economy with the new demands consisting of both water and wastewater service and the absorption of vacant homes and units from growth; ii) additional customer demands associated with the extension of service to developed areas to provide regional retail water and wastewater service; iii) increases in large user service to existing and new customers; and iv) the incremental wastewater service demands associated with providing wholesale wastewater service to the City of Social Circle beginning on April 2021. The forecast has taken considered the potential impacts of the pandemic projecting minimal increases in water and sewer sales for FYE 2021, delaying potential new growth until FYE 2022. Connection fee revenues are derived from charges to new development and were also budgeted conservatively for FYE 2021 due to the pandemic's unknown effects. Forecasts for Fiscal Years 2022 through 2025 have recognized delayed growth.

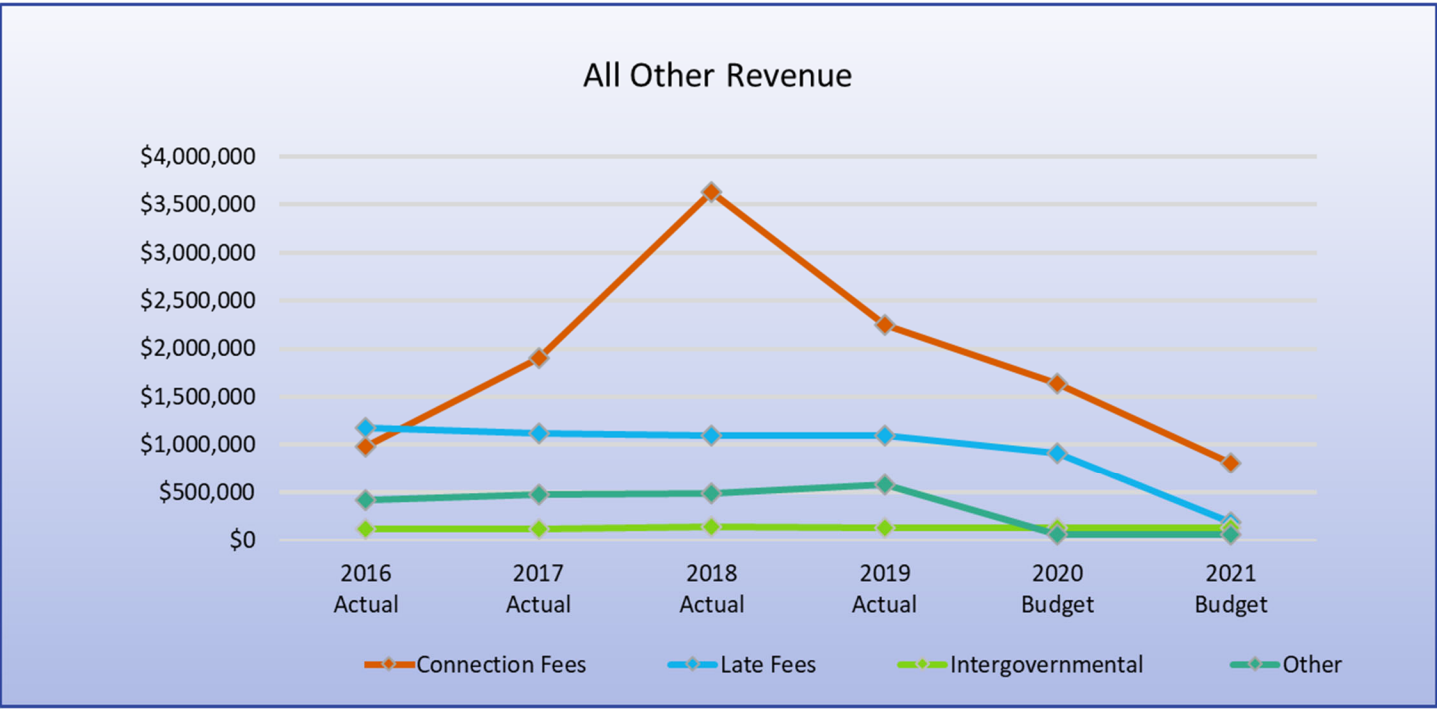
Major Operating Revenues							
Fiscal Year Ending June 30,							
Description	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Budget	2021 Budget	% Change 2020 v. 2021
Water Sales	\$ 10,757,852	\$ 11,369,094	\$ 11,226,266	\$ 11,892,212	\$ 11,592,573	\$ 11,766,464	1.50%
Sewer Sales	4,421,708	4,585,081	4,557,663	5,211,450	4,353,208	4,365,407	0.28%
Connection Fees	986,374	1,905,383	3,635,426	2,249,991	1,636,165	809,286	-50.54%
Late Fees	1,173,841	1,118,113	1,100,363	1,097,297	912,520	182,504	-80.00%
Other Fees and Charges	373,265	433,314	434,796	492,950	55,414	55,414	0.00%
Intergovernmental	121,756	117,770	137,055	124,398	127,019	127,019	0.00%
Total	\$ 17,834,796	\$ 19,528,755	\$ 21,091,569	\$ 21,068,298	\$ 18,676,899	\$ 17,306,094	-7.34%
Amounts shown exclude interest income, reserves, capital contributions and proceeds from proposed debt issuance.							

Water Sales – Revenue derived from base charges, water supply charge (pass-thru for purchased water) and volumetric water sales from customers. Water Sales are forecasted at \$11.77M consisting of approximately \$3.5M attributable to base charges, \$4.7M attributable to water supply charges and \$3.5M attributable to volumetric charges. This is 1.5% increase over the previous budget year. These sales do not include connections fees, user charges or other fees billed by the Authority. Water Sales account for 68% of total revenues.

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Sewer Sales – Revenue derived from base and volumetric sewer sales from customers. Sewer Sales are projected to increase less than 1% from the previous fiscal year. These revenues are also referred to as the Yellow River WRF and Land Application revenue. These sales do not include connections fees, user charges or other fees billed by the Authority. Sewer Sales account for 25% of total revenues.



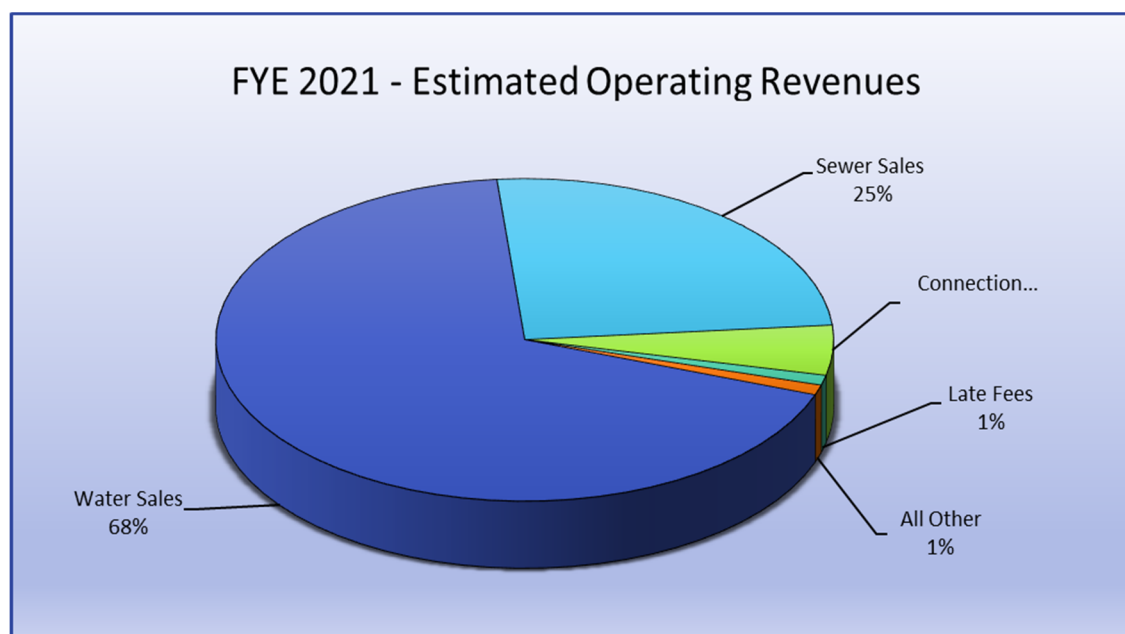
Connection Fees – A water and sewer connection fee is charged for all new residential and commercial development. Before the pandemic, based on the estimates for FYE 2020, the local economy continued to retain its steady pace, especially in the area of new residential construction. With the uncertainties of the pandemic impact on the housing market, the FYE 2021 forecast recognizes activity similar to what was

experienced by the Authority in 2008 anticipating a 50.54% reduction in connection fee revenues. Projections for FYE 2021 recognize approximately 200 water connections and 60 sewer taps. Both water and sewer connections fees account for 5% of revenues.

Late Fees – Penalties levied by the Authority on customers failing to pay monthly utility bills on or before the due date. With the onset of the pandemic and the potential impact on the community, the Authority temporarily suspended the assessment of late fees. In May of 2020, the Board approved recommendations to make changes to several service charge policies. Changes included: i) increasing the time allotted for Late Payment Fee assessment from 21 days to 28 days; ii) removing the Final Notice Charge of \$15.; iii) reducing the Disconnect for Non-Payment charge from \$50.00 to \$35.00; and iv) implementing a service application fee of \$50.00 to recover the cost of initiating service for a new customer. The overall impact is projected to reduce annual late fee collections. Coupled with the temporary suspension of late fees and service disconnections for non-payment, late fee revenues are forecasted to decline 80% in FYE 2021.

Other Fees and Charges – Include Water and Sewer Developer Fees and Septage Revenue. Water and Sewer Developer Fees are collected for engineering and planning work pertaining to residential and commercial projects within the Authority's service area. Septage revenue is the fees charged to licensed septic tank haulers that recover waste from home septic systems and discharged at the YRWRF. Fee recovery offsets the cost of providing this service. Historically, fee recovery is approximately \$50,000 annually. Other Fees and Charges comprise about .3% of the total revenue stream for the Authority.

Intergovernmental – Also referred to as Sewer Revenue Assessments. These are assessments imposed to sewer treatment users located outside of the Authority's sewer service area for their calculated pro-rata share of operations of the Authority's Yellow River Water Reclamation Facility and the jointly owned land application secondary treatment facility. These customers include the Cities of Covington, Oxford, Porterdale and the Newton County Board of Education with the bills delivered to each entity individually. Charges are derived from quarterly water meter readings provided by the municipality where the customers are located. The readings are then used to calculate the appropriated sewer charges for billing. Intergovernmental revenues are estimated to account for less than 1% of revenues.



FYE 2021 – Operating Revenue Detail by Function

Description	2020 Adopted Budget	2021 Adopted Budget	Variance (Amount)	Variance (Percentage)
Fiscal Year Ending June 30,				
Water Operating Revenues				
Water Revenue	\$ 11,592,573	\$ 11,766,464	\$ 173,891	1.50%
Water Connection and Tap Fee Revenue	861,708	590,270	(271,438)	-31.50%
Late Charge Revenue	912,520	182,504	(730,016)	-80.00%
Total Water Operating Revenues	\$ 13,366,801	\$ 12,539,238	\$ (827,563)	-6.19%

Description	2020 Adopted Budget	2021 Adopted Budget	Variance (Amount)	Variance (Percentage)
Fiscal Year Ending June 30,				
Sewer Operating Revenues				
Yellow River WRF	\$ 3,891,471	\$ 3,949,844	\$ 58,373	1.50%
Sewer Revenue Assessments	127,019	127,019	-	0.00%
Septage Revenue	53,045	53,045	-	0.00%
Sewer Connection Fees	774,457	219,016	(555,441)	-71.72%
Developer Fees	2,369	2,369	-	0.00%
Land Application Revenue	461,737	415,563	(46,174)	-10.00%
Total Sewer Operating Revenues	\$ 5,310,098	\$ 4,766,856	\$ (543,242)	-10.23%

FYE 2021 – Retail Service Rates

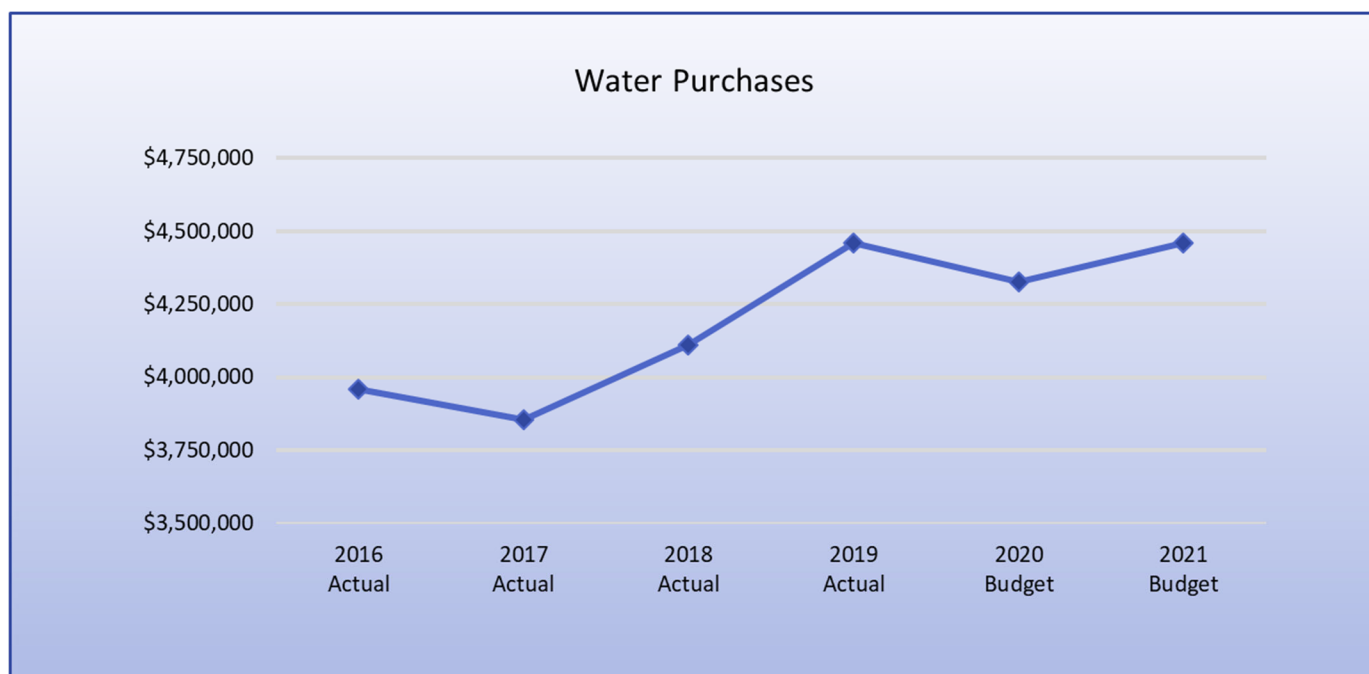
Water Retail Service Rates					
Description	Base Charge	Usage Charges (per 1,000 Gallons)			
		0 – 3,000	3,001 – 8,000	8,001 – 15,000	15,001 and Above
Residential Service					
Single Family	\$ 11.72	\$ 2.87	\$ 6.48	\$ 7.87	\$ 9.39
Multi-Family	\$ 11.72	\$ 2.87	\$ 6.48	\$ 7.87	\$ 9.39
Commercial Service					
3/4 Inch Metered Customer	\$ 11.72	\$5.04 (All Usage)			
1 Inch Metered Customer	\$ 17.97	\$5.04 (All Usage)			
1.5 Inch Metered Customer	\$ 28.48	\$5.04 (All Usage)			
2 Inch Metered Customer	\$ 43.73	\$5.04 (All Usage)			
3 Inch Metered Customer	\$ 80.95	\$5.04 (All Usage)			
4 Inch Metered Customer	\$ 122.42	\$5.04 (All Usage)			
6 Inch Metered Customer	\$ 206.99	\$5.04 (All Usage)			
8 Inch Metered Customer	\$ 321.67	\$5.04 (All Usage)			
10 Inch Metered Customer	\$ 571.49	\$5.03 (All Usage)			

Wastewater Retail Service Rates

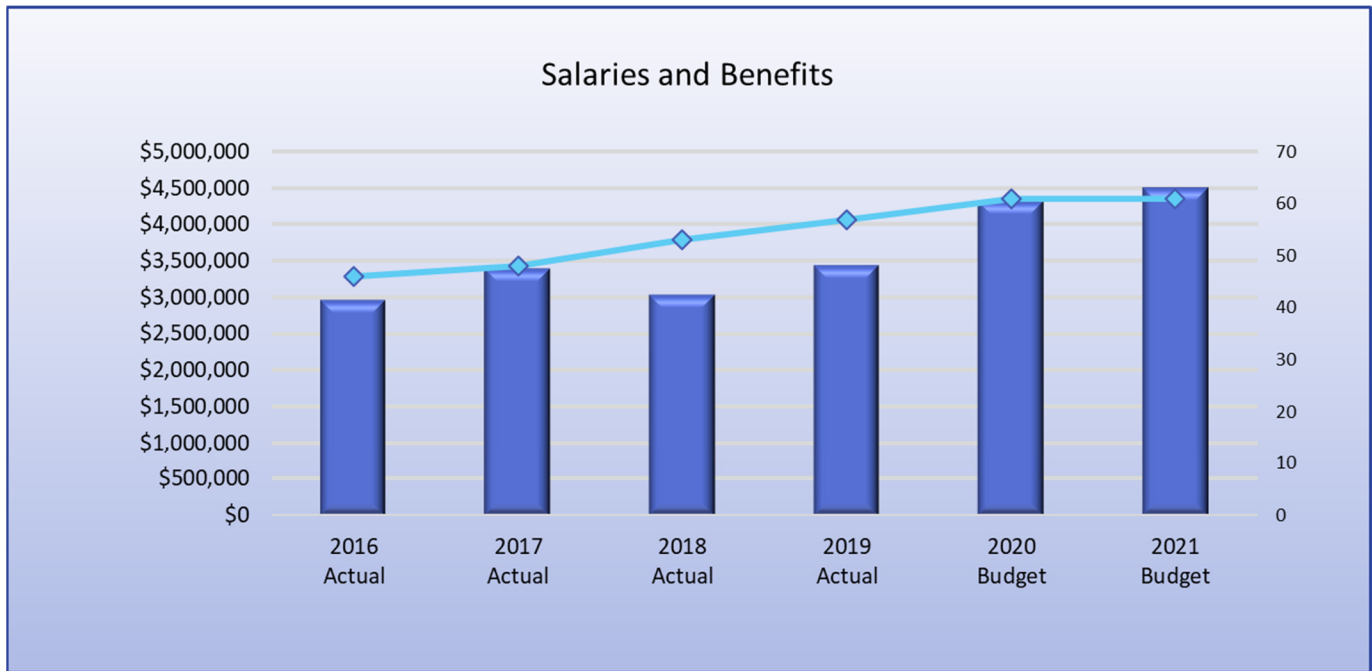
Description	Base Charge	Usage Charges (per 1,000 Gallons)
Residential Service		
Single Family	\$ 5.25	\$7.08 (All Usage Above 1,000 Gallons)
Multi-Family	\$ 5.25	\$7.08 (All Usage Above 1,000 Gallons)
Commercial Service		
3/4 Inch Metered Customer	\$ 5.25	\$7.08 (All Usage Above 1,000 Gallons)
1 Inch Metered Customer	\$ 13.46	\$7.08 (All Usage Above 1,000 Gallons)
2 Inch Metered Customer	\$ 58.29	\$7.08 (All Usage Above 1,000 Gallons)
3 Inch Metered Customer	\$ 123.71	\$7.08 (All Usage Above 1,000 Gallons)
4 Inch Metered Customer	\$ 197.21	\$7.08 (All Usage Above 1,000 Gallons)
6 Inch Metered Customer	\$ 277.60	\$7.08 (All Usage Above 1,000 Gallons)
8 Inch Metered Customer	\$ 427.07	\$7.08 (All Usage Above 1,000 Gallons)
10 Inch Metered Customer	\$ 1,177.21	\$7.08 (All Usage Above 1,000 Gallons)

Major Operating Expenditures

The combined operating expenditures in the FYE 2021 Budget are projected to increase 2.09% when compared to the FYE 2020 Budget. The two (2) largest operating expenditures of the Authority are wholesale water purchases and personnel. Water purchases account for 34% of total operating expenditures. The cost of water purchases is driven by economic growth, higher wholesale charges, and the eventual swing from a recent wet cycle to a dryer more drought-prone period common in Georgia. Due to the uncertain impacts of the COVID-19 pandemic, the FYE 2020 is very conservative and reflect a 3% increase.



Salaries and benefits account for 35% of operating expenses. Personnel expenditures including salaries and wages, health insurance, payroll taxes and other employee-related expenses, are projected to increase 4.22% due to the increased cost of health insurance paid for on behalf of the employees by the Authority.

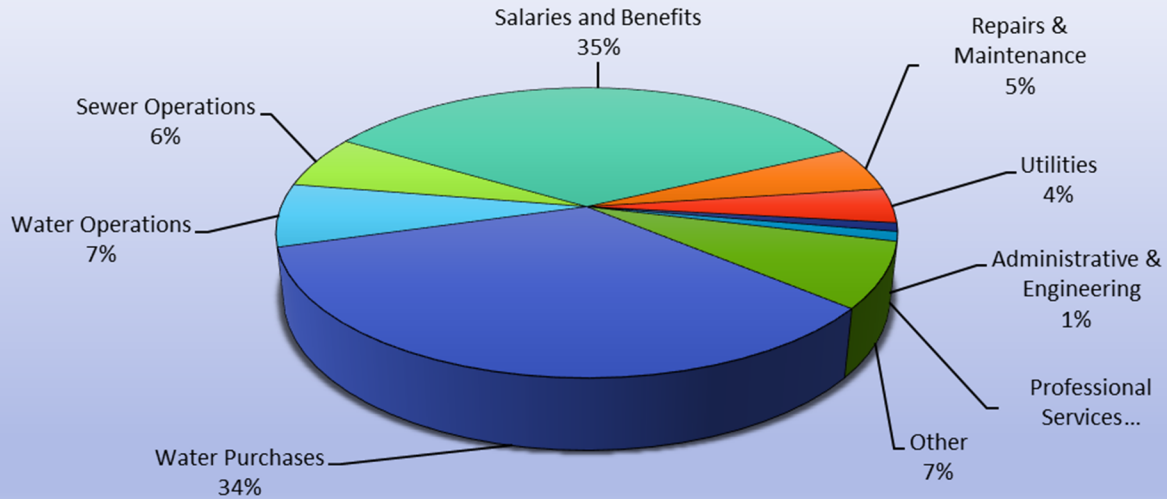


Water and Sewer Operations account for 13% of total operating expenditures. Water and Sewer Operations are projected to decrease by approximately 2.9% in FYE 2021. Focusing on the pandemic's potential negative impact, expenses were scrutinized, and cost-cutting measures taken. All Other Expenses were also trimmed, however were offset by the recently approved annual commitment to the Newton County Office of Economic Development resulting in an overall flat budget.

Operating Expenditures							
Fiscal Year Ending June 30,							
Description	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Budget	2021 Budget	% Change 2020 v. 2021
Water Purchases	\$ 3,958,350	\$ 3,854,156	\$ 4,111,432	\$ 4,459,615	\$ 4,327,860	\$ 4,457,696	3.00%
Water Operations	495,881	631,937	810,301	752,394	881,372	872,384	-1.02%
Sewer Operations	670,164	755,513	665,929	778,961	741,184	703,996	-5.02%
Salaries and Benefits	2,972,446	3,395,206	3,036,492	3,443,282	4,327,969	4,510,635	4.22%
Repairs & Maintenance	507,398	548,297	547,412	551,538	626,820	604,564	-3.55%
Utilities	436,368	452,773	457,920	464,447	486,118	504,695	3.82%
Administrative & Engineering	26,863	27,181	35,361	23,902	118,331	170,174	43.81%
Professional Services	106,780	103,269	98,165	91,978	134,025	121,889	-9.06%
Other	783,008	856,679	867,007	1,167,508	916,592	876,758	-4.35%
Total	\$ 9,957,258	\$ 10,625,011	\$ 10,630,019	\$ 11,733,625	\$ 12,560,271	\$ 12,822,791	2.09%
Amounts shown exclude depreciation expense, interest expense on outstanding debt and capital improvement projects.							

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FYE 2021 - Operating Expenditures



It should be noted that Authority staff has successfully brought operating expenditures in below budgeted projections during the historical period (FYE 2012 – FYE 2020). Budgeted expenditures have been reviewed thoroughly and were further evaluated by each individual department head and were adjusted according to the needs of each department. The Authority's staff takes great pride in its ability to reduce general expenditures. This fiscally responsible approach has allowed the Authority to remain financially stable through the current economic times.

Land Application Spray Field



FYE 2021 -Operating Expenditures Detail by Function

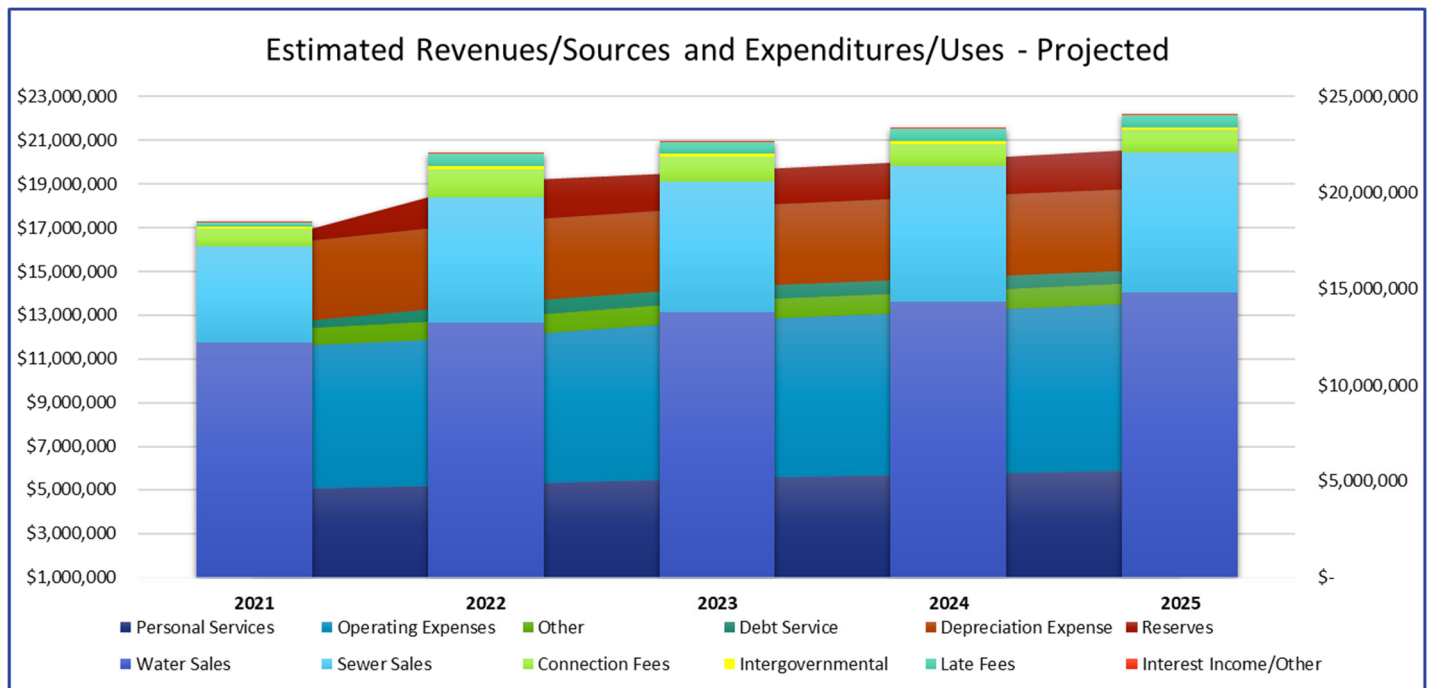
Description	2020 Adopted Budget	2021 Adopted Budget	Variance (Amount)	Variance (Percentage)
Fiscal Year Ending June 30,				
Water Operating Fund Expenditures				
Salaries and Wages	\$1,535,104	\$1,592,670	\$ 57,566	3.75%
Payroll Taxes	101,510	108,616	7,106	7.00%
Overtime	31,271	26,580	(4,691)	-15.00%
Uniforms	11,124	10,568	(556)	-5.00%
Insurance - Health	403,142	514,006	110,864	27.50%
Retirement Plan	177,022	182,333	5,311	3.00%
Employee Education Reimbursement	14,853	14,853	-	0.00%
Travel and Training	44,187	30,931	(13,256)	-30.00%
Safety / Wellness	5,356	5,517	161	3.01%
Administrative	16,391	14,752	(1,639)	-10.00%
Engineering Tech Services (External)	18,035	9,018	(9,017)	-50.00%
Planning	67,514	131,652	64,138	95.00%
Bank / Merchant Fees	244,495	220,759	(23,736)	-9.71%
UPC Contributions	10,980	12,298	1,318	12.00%
EPD Fees	18,459	18,459	-	0.00%
Sewer Expense Salem Village (RWR Contract)	35,696	34,804	(892)	-2.50%
Office Supplies	33,333	30,000	(3,333)	-10.00%
Customer Billing Services	169,036	169,036	-	0.00%
Communications	52,118	39,089	(13,029)	-25.00%
Security	19,096	13,367	(5,729)	-30.00%
Water Conservation	33,646	26,917	(6,729)	-20.00%
Miscellaneous	15,870	16,346	476	3.00%
Contingency	35,705	36,776	1,071	3.00%
Bad Debts	17,852	18,388	536	3.00%
Legal	44,558	35,646	(8,912)	-20.00%
Auditing	41,071	42,303	1,232	3.00%
Computer	46,672	37,338	(9,334)	-20.00%
Truck Maintenance	32,960	29,664	(3,296)	-10.00%
Equipment Maintenance	13,261	11,935	(1,326)	-10.00%
Tools / Equipment	10,300	10,300	-	0.00%
Facility / Grounds Maintenance	53,752	48,377	(5,375)	-10.00%
Insurance - Liability P/C	72,470	78,268	5,798	8.00%
Fuel	47,876	38,301	(9,575)	-20.00%
Utilities	45,020	46,371	1,351	3.00%
Maintenance Agreements	133,788	148,505	14,717	11.00%
Dues and Assessments	17,211	17,211	-	0.00%
Utilities - Pumping Station	148,950	150,440	1,490	1.00%
System Material	441,870	441,870	-	0.00%
System Maintenance	106,374	106,374	-	0.00%
Water Tank Maintenance	50,390	25,195	(25,195)	-50.00%
Purchased Water	4,327,860	4,457,696	129,836	3.00%
Total Water Operating Fund Expenditures	\$8,746,178	\$9,003,529	\$ 257,351	2.94%

Description	2020 Adopted Budget	2021 Adopted Budget	Variance (Amount)	Variance (Percentage)
Fiscal Year Ending June 30,				
Sewer Operating Fund Expenditures				
Salaries and Wages	\$1,328,188	\$1,333,501	\$ 5,313	0.40%
Payroll Taxes	89,926	89,926	-	0.00%
Overtime	24,136	24,136	-	0.00%
Uniform	9,548	7,638	(1,910)	-20.00%
Insurance - Health	222,370	229,041	6,671	3.00%
Retirement	122,980	126,669	3,689	3.00%
Employee Education Reimbursement	14,760	14,760	-	0.00%
Travel and Training	21,450	15,015	(6,435)	-30.00%
Safety / Wellness	2,186	2,186	-	0.00%
Dues and Assessments	8,763	10,165	1,402	16.00%
Insurance - Liability P/C	70,412	76,045	5,633	8.00%
Administrative	16,391	14,752	(1,639)	-10.00%
Bank Fees	56,275	73,720	17,445	31.00%
Office Supplies	5,669	5,669	-	0.00%
Customer Billing Services	33,765	27,005	(6,760)	-20.02%
Communications	20,157	16,126	(4,031)	-20.00%
Planning	30,596	42,834	12,238	40.00%
Miscellaneous	6,121	6,121	-	0.00%
Bad Debt	9,754	10,047	293	3.00%
Contingency	20,093	20,696	603	3.00%
Legal	22,279	17,823	(4,456)	-20.00%
Auditing	26,117	26,117	-	0.00%
Maintenance Agreements	35,690	49,966	14,276	40.00%
Computer	20,085	16,068	(4,017)	-20.00%
Engineering Tech Services (External)	37,132	25,992	(11,140)	-30.00%
Easement Clearing	56,650	56,650	-	0.00%
Truck Maintenance	10,300	9,270	(1,030)	-10.00%
Plant Maintenance	108,000	108,000	-	0.00%
System Maintenance	146,384	146,384	-	0.00%
Equipment Maintenance	7,210	7,787	577	8.00%
Tools / Equipment	7,957	6,366	(1,591)	-19.99%
Facility / Grounds	40,467	40,467	-	0.00%
Fuel	19,313	15,450	(3,863)	-20.00%
Utilities	421,785	442,874	21,089	5.00%
Operating Supplies	17,346	17,346	-	0.00%
Plant Chemicals	63,328	50,662	(12,666)	-20.00%
Utilities - Lift Stations	99,017	108,919	9,902	10.00%
Solids Disposal	73,645	73,645	-	0.00%
Industrial Pretreatment Program	26,111	37,861	11,750	45.00%
Land Application	461,737	415,563	(46,174)	-10.00%
Total Sewer Operating Fund Expenditures	\$3,814,093	\$3,819,262	\$ 5,169	0.14%

Long-Term Financial Plan

With the preparation of the annual budget, NCWSA updates its five-year financial forecast as illustrated below.

Forecast of Budgeted Sources and Uses					
Fiscal Year Ending June 30,					
	2021 Adopted Budget	2022 Projected Budget	2023 Projected Budget	2024 Projected Budget	2025 Projected Budget
Revenues and Sources of Funds					
Water Sales	\$ 11,766,464	\$ 12,642,883	\$ 13,142,425	\$ 13,614,844	\$ 14,040,298
Sewer Sales	4,365,407	5,726,749	5,966,991	6,174,709	6,379,008
Connection Fees	809,286	1,321,542	1,134,980	1,043,730	1,043,730
Late Fees	182,504	547,512	547,512	547,512	547,512
Other Fees and Charges	55,414	158,501	142,877	141,125	141,243
Intergovernmental	127,019	127,019	127,019	127,019	127,019
Interest Income/Other (Non-operating)	7,586	50,008	53,256	59,948	54,618
Total Revenues and Sources of Funds	\$ 17,313,680	\$ 20,574,214	\$ 21,115,060	\$ 21,708,887	\$ 22,333,428
Expenditures and Uses of Funds					
Personal Services	\$ 4,510,635	\$ 4,821,482	\$ 5,149,171	\$ 5,354,793	\$ 5,568,492
Operating Expenses	7,435,398	7,679,848	8,201,505	8,490,690	8,772,288
Other	876,758	982,075	1,014,895	1,044,593	1,074,825
Debt Service	261,369	749,815	721,569	693,997	665,905
Depreciation Expense*	4,100,000	4,200,000	4,200,000	4,200,000	4,200,000
Reserves	129,520	2,140,994	1,827,919	1,924,814	2,051,918
Total Expenditures and Uses of Funds	\$ 17,313,680	\$ 20,574,214	\$ 21,115,060	\$ 21,708,887	\$ 22,333,428
*Depreciation and reserves are not budgeted.					



The graph above illustrates the relationship of operating revenues to operating expenditures from FYE 2021 through the forecast period FYE 2025. With the exception of FYE2021 revenues are projected to exceed expenditures by \$2 million annually. As discussed throughout this document, rates for water and sewer services

are designed to recover the cost of doing business as well as to: i) fund annual debt service and debt service coverage; ii) fund capital projects (Pay-Go) and iii) contribute to working capital reserves.

Net Position – Forecast					
Fiscal Year Ending June 30,					
Description	2021 Projected	2022 Projected	2023 Projected	2024 Projected	2025 Projected
Total Net Position – Beginning	\$ 127,679,174	\$ 127,808,694	\$ 129,949,688	\$ 131,777,607	\$ 133,702,421
Operating Revenues	17,306,094	20,524,206	21,061,804	21,648,939	22,278,810
Non-Operating Revenues	7,586	50,008	53,256	59,948	54,618
Total Revenues	\$ 17,313,680	\$ 20,574,214	\$ 21,115,060	\$ 21,708,887	\$ 22,333,428
Operating Expenditures	\$ 12,822,791	\$ 13,483,405	\$ 14,365,572	\$ 14,890,076	\$ 15,415,605
Non-Operating Expenditures	4,361,369	4,949,815	4,921,569	4,893,997	4,865,905
Total Expenditures	\$ 17,184,160	\$ 18,433,220	\$ 19,287,141	\$ 19,784,073	\$ 20,281,510
Increase (Decrease)	129,520	2,140,994	1,827,919	1,924,814	2,051,918
Total Net Position – Ending	\$ 127,808,694	\$ 129,949,688	\$ 131,777,607	\$ 133,702,421	\$ 135,754,340

Working Capital					
Fiscal Year Ending June 30,					
Description	2021 Projected	2022 Projected	2023 Projected	2024 Projected	2025 Projected
Working Capital	\$ 15,577,444	\$ 16,179,918	\$ 16,179,918	\$ 12,668,225	\$ 12,391,430
Target – 90 Days of Operating Expenses	3,161,784	3,324,675	3,542,196	3,671,526	3,801,108
Number of Days of Working Capital	443	438	411	311	293
Available Working Capital	\$ 12,415,660	\$ 12,855,243	\$ 12,637,722	\$ 8,996,699	\$ 8,590,322

The FYE 2021 to FYE 2025 forecast represents the Authority's commitment to its strategic plan. Assumptions include and align to NCWSA's strategic goals:

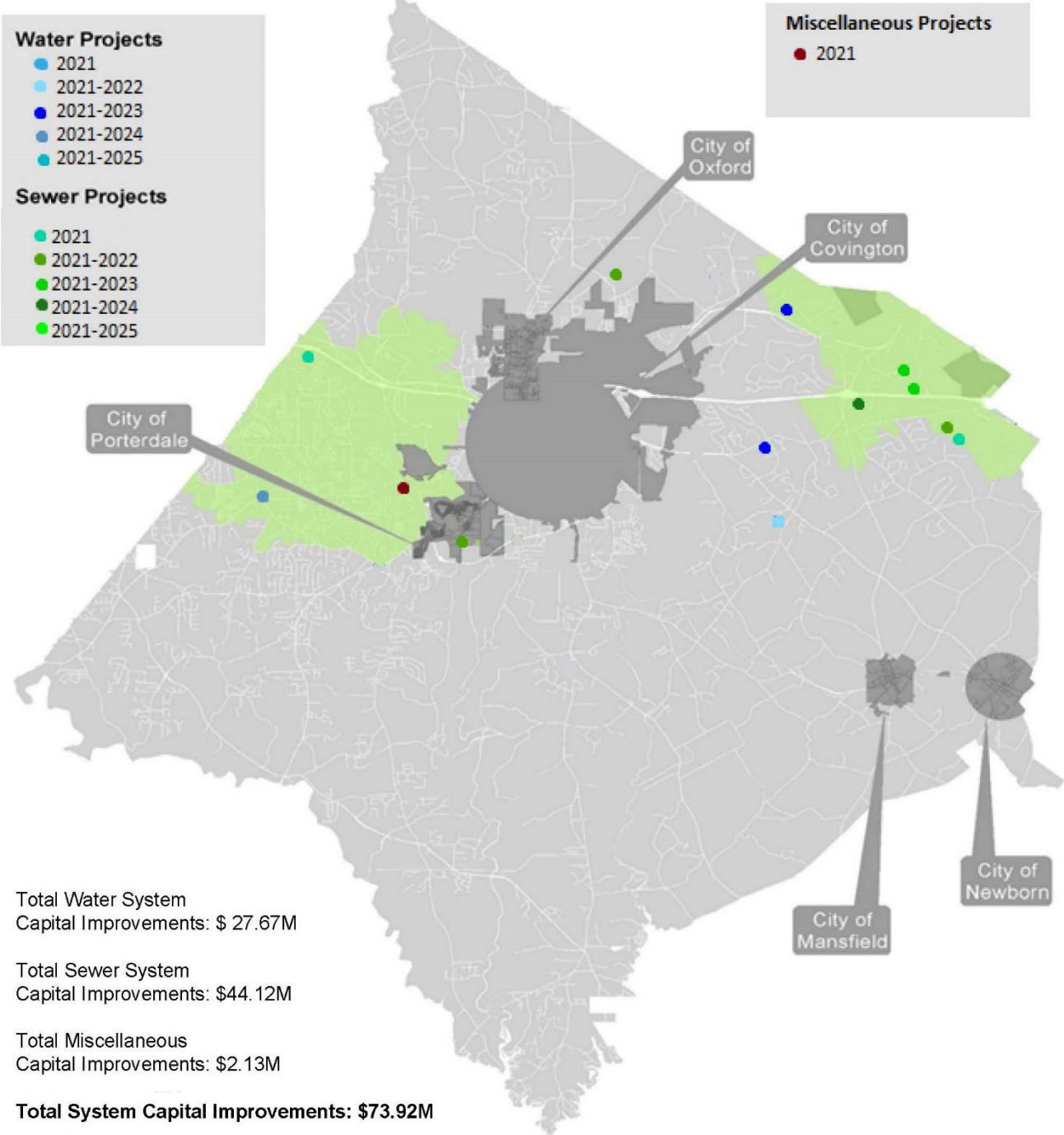
1. Average annual projected growth in water demands of 1.4% and sewer demands of 1.7% due to normal or general development and considers a continued decline in the average monthly use per household, which is being experienced by utilities in Georgia and nationwide.
2. The increasing cost of wholesale water purchases.
3. The potential negative impacts to our community due to COVID-19.
4. Planning for potential growth within the planned mega-sites of Stanton Springs Research Park, East Atlanta and Historic Heartlands.
5. The construction and future operation of the A. Scott Emmons WRF.
6. As expansion and new construction projects are completed, the Capital Improvement Plan will revert to historical spending trends escalated for inflation.
7. The potential need for small incremental rate increases beginning in FYE 2022.



SECTION 4

CAPITAL AND DEBT

NCWSA CAPITAL IMPROVEMENT PROJECTS MAP (2021-2025)



CAPITAL IMPROVEMENT AND REPLACEMENT PROGRAM

The Newton County Water & Sewerage Authority has a Capitalization Policy adopted by the Board of Directors. The policy clarifies NCWSA's definition of capital assets and provides guidance for acquiring and valuation of capital assets as well as the implementation of Governmental Accounting Standards Board ("GASB") Statement No. 34.

Capital assets are defined by the Authority as assets with an initial, individual cost of \$7,500 or more and have an estimated useful life in excess of one year. All purchases below the applicable class threshold are to be expensed in the current period. Below is a table stating classes of assets, capitalization thresholds and estimated useful life.

The Capital Improvement Plan ("CIP") consists of two (2) components. The first is for capital assets and improvements that are project-oriented and will be capitalized as projects are constructed. The second is for capital purchases that are non-recurring operating expense items for use that cost more than \$7,500 each and have an estimated useful life of more than one year. Capital items are tentatively approved for further discovery with the passing of the annual operating budget. The Authority's procurement policy must be followed regarding each item, with this information presented to the Authority Board for discussion and then final approval before the purchase is allowed. Capital asset purchases may include vehicles, shop and field equipment, sewer / collection equipment, office equipment and furniture, and computer equipment. The justification for each purchase is determined by whether it is required due to growth, improvements or upgrades, or to replace an existing asset. As these purchases are completed and placed into service, there may be potential impacts on the operating budget. These impacts are stated in the description of each project beginning on page 4-4.

The NCWSA has completed and maintains a thirty-five-year capital improvement plan that is reviewed annually, however, for budgetary processes the overall CIP is broken down into five-year increments. The CIP Budget for FYE 2021 – FYE 2025 is the most extensive program in the fifty (50) year history of the Authority and is summarized and discussed by project below.

Capital Improvement Plan Summary (\$000s)						
Description	FYE 2021 Budget	FYE 2022 Projected	FYE 2023 Projected	FYE 2024 Projected	FYE 2025 Projected	Total
Capital Projects						
Water System	\$ 1,351	\$ 7,920	\$ 2,470	\$ 6,605	\$ 9,324	\$ 27,671
Wastewater System	29,556	6,866	3,700	2,000	2,000	44,122
Miscellaneous	650	284	800	200	200	2,133
Total Capital Projects	\$ 31,557	\$ 15,070	\$ 6,970	\$ 8,805	\$ 11,524	\$ 73,926
Estimated Funding Sources						
Renewal & Extension / Reserves	\$ 11,186	\$ 12,807	\$ 5,528	\$ 6,918	\$ 7,656	\$ 44,093
Reimbursement Projects	644	–	–	188	3,563	4,394
Connection Fees	1,111	2,264	1,443	1,700	306	6,823
GEFA 2019 Loan CW2019003 [1]	18,615	–	–	–	–	18,615
Total CIP Funding Sources	\$ 31,557	\$ 15,070	\$ 6,970	\$ 8,805	\$ 11,524	\$ 73,926
[1] Amounts reflect the use of a low-interest loan secured through the Georgia Environmental Finance Authority (GEFA) for the construction of the A. Scott Emmons Water Reclamation Facility.						

List of Capital Improvement Projects FYE 2021 – FYE 2025 (\$000s)

Description	Total Project Budget	Estimated Prior Project Spend	Total Project Carry-Forward	FYE 2021 New Money	FYE 2021 Budget	FYE 2022 Projected	FYE 2023 Projected	FYE 2024 Projected	FYE 2025 Projected
Water System Capital Improvements									
GDOT SR 162 (Salem Road) Phased Widening	\$ 1,657	\$ 8	\$ 150	\$ –	\$ 150	\$ –	\$ 750	\$ 750	\$ –
GDOT / NCDOT W&S Relocations for Road Improvements	1,545	–	–	250	250	545	250	250	250
Oakridge Well System Upgrade	750	32	10	119	129	589	–	–	–
Beacon Hill Well System Upgrade	525	40	40	–	40	223	223	–	–
Annual Water Main Extension Program (Board Authorized)	3,725	–	–	–	–	948	778	1,000	1,000
SR 36 Elevated Storage Tank Rehabilitation	1,078	1,028	50	–	50	–	–	–	–
Utility Relocation SR 36 at Yellow River Bridge	393	–	–	–	–	–	–	–	393
Water Main Extension – SR 11	306	–	–	–	–	–	–	–	306
Paine's Crossing 24-Inch Water Transmission Main	5,750	154	230	–	230	5,366	–	–	–
Potable Water System Sampling Stations	35	–	–	35	35	–	–	–	–
Anticipated Water Capital Needs	2,623	1,155	468	–	468	250	250	250	250
4 MG Water Ground Storage Tank & Booster Pump Station	7,500	–	–	–	–	–	–	375	7,125
2 MG Water Elev. Storage Tank/East Co. Booster Pump Sta.	4,200	–	–	–	–	–	220	3,980	–
Total Water System Capital Improvements	\$ 30,087	\$ 2,417	\$ 948	\$ 404	\$ 1,351	\$ 7,920	\$ 2,470	\$ 6,605	\$ 9,324
Sewerage System Capital Improvements									
Dennis Creek Outfall to NC Line	\$ 1,080	\$ –	\$ –	\$ 97	\$ 97	\$ 984	\$ –	\$ –	\$ –
Little River Outfall to NC Line (Little River Interceptor)	7,280	1,848	1,490	942	2,432	3,000	–	–	–
Nelson Creek Interceptor Sewer, Phase I & II	5,233	1,408	1,705	1,220	2,925	–	900	–	–
A. Scott Emmons Water Reclamation Facility	27,767	6,385	17,663	3,719	21,383	–	–	–	–
Trunk & Outfall Sewer Rehabilitation / I & I Program	5,033	–	–	975	975	1,058	1,000	1,000	1,000
Yellow River WRF – New Bar Screen & 4th Effluent Pump	1,100	–	–	275	275	825	–	–	–
Wastewater Flow Meters – Meters – Construction	935	199	735	–	735	–	–	–	–
Replacement Sewer at Creek Crossing Chamisa / Lidl	90	–	31	59	90	–	–	–	–
Merryvale Assisted Living Facility Sewer Connector	657	13	13	631	644	–	–	–	–
Brick Store Utility Improvements	823	23	–	–	–	–	800	–	–
Anticipated Sewerage Capital R&E Needs	4,000	–	–	–	–	1,000	1,000	1,000	1,000
Total Sewerage System Capital Improvements	\$ 53,998	\$ 9,876	\$ 21,638	\$ 7,918	\$ 29,556	\$ 6,866	\$ 3,700	\$ 2,000	\$ 2,000
Miscellaneous Capital Improvements									
Fleet / Capital Equipment Replacement / Other	\$ 800	\$ –	\$ –	\$ –	\$ –	\$ 200	\$ 200	\$ 200	\$ 200
Vacuum Truck	600	–	–	–	–	–	600	–	–
Beacon Cellular Meter Reading Program	34	–	–	–	–	34	–	–	–
Main Campus Master Plan Renovations	688	38	25	625	650	–	–	–	–
Eagle's Nest Renovation	50	–	–	–	–	50	–	–	–
Total Miscellaneous Capital Improvements	\$ 2,171	\$ 38	\$ 25	\$ 625	\$ 650	\$ 284	\$ 800	\$ 200	\$ 200
Total Capital Improvement Program	\$ 86,256	\$ 12,330	\$ 22,610	\$ 8,947	\$ 31,557	\$ 15,070	\$ 6,970	\$ 8,805	\$ 11,524

The FYE 2021 capital budget is \$31.6 million which includes \$22.6 million in carryforward funding and \$8.9 million of new funding. The largest project is for the completion of the A. Scott Emmons WRF with a project balance of \$24.4 million. As expansion and new construction projects are completed, it is estimated that the annual capital improvement program budget will be approximately \$5 million to \$7 million annually.

Project Descriptions and Impacts – Capital Projects – FYE 2021

Water System

1. **GDOT SR 163 (Salem Road) Phased Widening** – Phased relocation /relocation of 2 miles of water and sewer lines along Salem Road.

Estimated Project Cost: \$1,657,405 to be completed in phases from FYE 2021 – FYE 2024.

Operating Budget Impact: None.

2. **GDOT / NCDOT W&S Relocations for Road Improvements** – Small utility projects due to repair of state-owned roadways.

Estimated Project Cost: Approximately \$250,000 annually

Operating Budget Impact: None.

3. **Oakridge Well System Upgrade** – This project consists of installing water infrastructure to remove all homeowners within the community well system to the NCWSA's water distribution system. This is a sub-project of the Board authorized Annual Water Main Extension Program.

Estimated Project Cost: \$750,000. Construction in FYE 2021 – FYE 2022

Operating Budget Impact: None. This is a very small system and any operating impacts will be offset with revenue collected from new customers.

4. **Beacon Hill Well System Upgrade** – This project consists of installing water infrastructure to remove all homeowners within the community well system to the NCWSA's water distribution system. This is a sub-project of the Board authorized Annual Water Main Extension Program.

Estimated Project Cost: \$525,000. Construction in FYE 2021 – FYE 2023

Operating Budget Impact: None. This is a very small system and any operating impacts will be offset with revenue collected from new customers.

5. **Annual Water Main Extension Program** – Based on the availability of funds, the Board has authorized a yearly water main extension program. These projects are determined by the in-house engineering staff to meet the needs of the water distribution system. Large projects such as Oakridge and Beacon Hill Well System Upgrades are sub-projects of the annual program.

Estimated Project Cost: \$1,000,000 annually. The impacts of the COVID-19 Pandemic may impact the amount funded for FYE 2021.

Operating Budget Impact: Upon the development of these projects, operational impacts will be determined and incorporated into the operating budget.

6. **SR 36 Elevated Tank Rehabilitation** – Continuing with the current strategy of a total inside and outside rehabilitation of the Authority's potable water storage infrastructure, the HWY 36 1 (MG) Tank rehabilitation will be completed in FYE 2021.

Estimated Probable Cost: \$1,077,320. Remaining budget for FYE 2021 is \$49,688.

Operating Budget Impact: Minimal. Operating impacts, if any, are made during the development of the annual budget. This project will extend the life of existing assets.

7. **Utility Relocation SR 36 at Yellow River Bridge** – This project consists of relocating existing water infrastructure due to the Georgia Department of Transportation’s replacement of the entire bridge crossing the Yellow River.

Estimated Project Cost: \$393,026. Due to the COVID-19 Pandemic, this project has been delayed.

Operating Budget Impact: None.

8. **Water Main Extension – SR 11** – This project will extend a 16” water main to the Newton County / city of Social Circle boundary. A total of 1,566 feet of pipe, required appurtenances and a master meter with vault will be necessary to make the interconnection with the City of Social Circle as an emergency point of connection.

Estimated Project Cost: \$306,000. Currently scheduled for construction in FYE 2025.

Operating Budget Impact: Minimal. Operating impacts are contingent upon the potential to accommodate future growth. Both operating expense and revenue impacts will be evaluated as the development of this project is further along.

9. **Paine’s Crossing 24-Inch Water Transmission** – With the development of the Stanton Springs Research Park, it will be necessary for the Authority to design and construct a transmission water main that will support the daily demands and necessary fire flows to support the types of industries that have been and will be established within the Authority’s service territory.

Estimated Project Cost: This is a multi-year project estimated to cost a total of \$5,750,000. Easement acquisition and preliminary design are scheduled in FYE 2021.

Operating Budget Impact: This interconnect will have a minimal operating impact on the water system. However, the project completion is expected to increase end-user sales from the three (3) mega-sites industrial parks currently under development and home to Facebook and Takeda Pharmaceuticals. Revenue projections will be identified as this project is developed and will be included in the forecast as determined.

10. **Potable Water System Sampling Stations** – To assure the proper collection of the distribution system’s water quality samples, stand-alone sampling stations will need to be installed throughout the Authority’s Service Area.

Estimated Project Cost: \$35,000. The project is to be completed in FYE 2021.

Operating Budget Impact: None

11. **Anticipated Water Capital Needs** – This project is for anticipated economic development type projects that will be approved as needed by the Authority Board in the form of Task Orders.

Estimated Project Cost: \$2,623,000. Approximately \$250,000 is budgeted annually.

Operating Budget Impact: Upon the development of these projects, operational impacts will be determined and incorporated into the operating budget.

12. **4 MG Water Ground Storage Tank & Booster Pump Station** – Possible future project based on NCWSA’s future needs.

Estimated Project Cost: \$7,500,000. Design in FYE 2024. Construction beginning in FYE 2025.

Operating Budget Impact: Upon the development of the scope of this project, operational impacts will be determined and incorporated into the operating budget.

13. **2 MG Water Elevated Storage Tank/East County Booster Pump Station** – Possible future project based on NCWSA’s future needs.

Estimated Project Cost: \$4,200,000. Design in FYE 2023. Construction beginning in FYE 2024.

Operating Budget Impact: Upon the development of the scope of this project, operational impacts will be determined and incorporated into the operating budget.

Sewerage System

1. **Dennis Creek Outfall to Newton County Line** – This project is for the design and construction of the Dennis Creek Outfall gravity sewer main that will cross under I-20 and will potentially serve a 1,600-acre mega-site development.

Estimated Project Cost: \$1,080,000. Update design in FYE 2021. Construction to begin in FYE 2022.

Operating Budget Impact: Minimal. However, the project’s completion is expected to increase end-user sales from the three (3) mega-sites industrial parks currently under development and home to Facebook and Takeda Pharmaceuticals. Revenue projections will be identified as this project is developed and will be included in the forecast as determined.

2. **Little River Outfall to Newton County Line** – The Little River Outfall is a gravity sewer main that will serve the area north of I-20 and potentially become the connecting point for the City of Social Circle. Social City is located within both Walton and Newton Counties and has a population of 4,358.

Estimated Project Cost: \$7,280,000 and is a multi-year project. Currently under construction, Phase I to be completed in FYE 2021. Phase II is scheduled to be completed in FYE 2023.

Operating Budget Impact: Minimal. However, completion of the project is expected to increase end users’ sales from the three (3) mega-sites industrial parks currently under development and home to Facebook and Takeda Pharmaceuticals. Revenue projections will be identified as this project is developed and will be included in the forecast as determined.

3. **Nelson Creek Interceptor Sewer, Phase I & II** – The Nelson Creek gravity sewer main will serve the areas to the west of the Dennis Creek and Little River outfalls. Nelson Creek Outfall will provide sewer service to Georgia State University once the existing package plant, which is currently serving the university, is removed. The outfall can serve the Historic Heartlands Mega Site a 2,700-acre GRAD (Georgia Ready Accelerated Development) site that is unique to the State of Georgia.

Estimated Project Cost: \$5,233,274 and is a multi-year project. Currently under construction, Phase I is to be completed in FYE 2021. Phase II is estimated to start in FYE 2023.

Operating Budget Impact: Minimal. However, the project’s completion is expected to increase end-user sales from the three (3) mega-sites industrial parks currently under development and home to Facebook and Takeda Pharmaceuticals. This outfall will also serve a small development node (Mt. Pleasant) on its western boundary. Revenue projections will be identified as this project is developed and will be included in the forecast as determined.

4. **A. Scott Emmons Water Reclamation Facility** – The A. Scott Emmons Water Reclamation Facility will be located on the eastern side of Newton County and will serve the surrounding mega-site developments of East Atlanta, Historic Heartland and Stanton Springs. Phase I will be a 1.25 MGD treatment facility that

will return water to the Little River at Metro Atlanta treatment standards. The A. Scott Emmons WRF will be NCWSA's first stream discharge plant producing treated water cleaner than what currently exists in the stream today. Due to the proximity to the Metropolitan North Georgia Water District, this facility will be held to more stringent treatment limits.

Estimated Project Cost: This is a multi-year project estimated to cost a total of \$27,767,366. Construction began in FYE 2019 and is estimated to be placed in service in FYE 2022

Operating Budget Impact: The A. Scott Emmons WRF is an incremental capacity addition and will result in immediate fixed and increased variable operating costs as the facility is utilized. The facility is expected to become operational in FYE 2021. The financial forecast estimates operating expenses of approximately \$332,000 in the first full year of operation. This includes the salaries and benefits of a total of six (6) plant operators. Additionally, there will be increases in electricity, chemicals, insurance, operating supply and maintenance costs. The forecast also includes an annual inflationary factor of 2.4%.

5. **Trunk & Outfall Sewer Rehabilitation/ I&I Program** – Due to stream bank deterioration and age of the major trunk lines and outfall sewer, this project will rehabilitate all major trunk lines. Inflow and Infiltration (I&I) is the least expensive way to regain lost capacity within a sewer system. The projects are typically localized and the impacts are immediate within the collection and treatment systems.

Estimated Project Costs: Approximately \$1,000,000 annually, as needed. FYE 2021 includes \$32,580 for engineering.

Operating Budget Impact: Minimal. The I & I program is the most economical cost in treatment capacity and will typically pay for itself annually.

6. **Yellow River Water Reclamation Facility (WRF) - New Bar Screen & 4th Effluent Pump** – The success of the redundant bar screen addition in FYE 2018 to the Yellow River WRF has prompted the replacement of the manual bar screen for the headworks of the WRF. This upgrade assures redundancy in a critical section of the waste removal process. A 4th pump for backup at the Effluent Pumping Station will provide system redundancy as well as pumping capacity during high flow rain events.

Estimated Project Cost: \$1,100,000. Design in FYE 2021. Construction in FYE 2022.

Operating Budget Impact: Minimal operating impacts are expected. Preventive maintenance will allow for a +20-year useful life for the screens.

7. **Wastewater Flow Meters** – The NCWSA currently receives wastewater from the Cities of Covington, Oxford, Porterdale and Emory College located along the Turkey Creek Outfall. Conveyance costs are calculated through monthly water meter readings provided by each of the four (4) entities. This project will replace the remaining three (3) of seven (7) flow meters capable of accurately registering wastewater flows at a single connection point thus providing flow readings to both parties.

Estimated Project Costs: \$935,000. The remaining project cost for FYE 2021 is \$735,000.

Operating Budget Impact: This project is expected to add \$21,000 a year in operating costs for these three (3) sites beginning in FYE 2021. Cost recovery will be captured in the monthly billing process.

8. **Replacement Sewer at Creek Crossing Chamisa/Lidl** – This project will upsize 400' of the current outfall to a 12" pipe from an 8" pipe and will remove the current bottleneck in the collection system thus allowing the Lidl project to proceed towards construction.

Estimation of Project Costs: \$90,000 – To be completed in FYE 2021.

Operating Budget Impacts: Minimal. Operating impacts, if any, are made during the development of the annual budget.

9. **Merryvale Assisted Living Facility Sewer Connector** – This project is constructing a gravity sewer outfall that will service the Merryvale Assisted Living Center and the surrounding area. Project costs will be reimbursed by the assisted living facility.

Estimation of Project Costs: \$656,600. To be completed in FYE 2021.

Operating Budget Impacts: Minimal. operating impacts will be offset with revenue collected from new customers.

10. **Brick Store Utility Improvements** – This project is for a sewer extension from Nelson Creek Interceptor Sewer to SR 11 for connection by the developer. Included in this project is the construction of an interim pump station at Hub 4-way plus force main to existing Old Brick Store WRF and the demolition/restoration of the existing Old Brick Store WRF.

Estimation of Project Costs: \$823,030. Project to begin in FYE 2023.

Operating Budget Impacts: Moderate. This project is developer driven. Operating impacts are due to the cost associated with mechanical sewer and are made during the development of the annual budget. Potential impact will be identified as the project scope is defined and revenue projections are determined for inclusion in the forecast.

11. **Anticipated Sewer Capital Needs** – This project is for anticipated economic development type projects that will be approved as needed by the Authority Board in the form of Task Orders.

Estimated Project Cost: Approximately \$1,000,000 is budgeted annually beginning in FYE 2022.

Operating Budget Impact: Upon the development of these projects, operational impacts will be determined and incorporated into the operating budget.

Miscellaneous Capital Improvements

1. **Fleet / Capital Equipment / Other** – All items in this category are placed on hold for FYE 2021 due to the potential impacts of the COVID-19 Pandemic.

Estimated Project Cost: Approximately \$200,000 is budgeted annually based on needs beginning in FYE 2022.

Operating Budget Impact: None.

2. **Beacon Cellular Endpoints for existing Master Meters** – These cellular meter endpoints would allow for real-time flow monitoring of water flow. This ability to read and monitor the master meters in real time reduced the “lag” that occurs in manual/drive-by meter readings.

Estimated Project Cost: \$33,700. Deferred to FYE 2022.

Operating Budget Impact: These items are expected to add \$2,200 a year in operating costs beginning in FYE 2022.

3. **Main Campus Master Plan Renovations** – The NCWSA purchased the adjacent tract of land that expands its main campus size to 15.85 acres. The initial master plan will address storm water, issues, site security, and landscape development.

Estimated Probable Costs: \$687,610 in FYE 2021

Operating Budget Impact: This project is expected to add \$3,500 a year in operating costs beginning in FYE 2022.

4. **Eagles Nest Renovation** – The adjacent property (described above), contained a 3,000 square foot house to be renovated and used as a training/education center. Asbestos was discovered and has been completely removed with the outer shell of the house remaining. The renovation of this project is currently under design and architectural review.

Estimated Probable Cost: \$50,000. This project has been delayed until FYE 2022 due to the COVID-19 Pandemic.

Operating Budget Impact: Operational impacts will be determined and incorporated into the operating budget as the project is defined.

DEBT OBLIGATIONS

Description of Debt Standards

The Newton County Water & Sewerage Authority does not have a Board adopted debt policy; however, the Authority does utilize the following standards when considering the use of debt as a funding source:

- The Authority does not have debt limits per its enabling legislation; however, per Georgia Code: Article 9, Section 5, Paragraph I of the Georgia Constitution establishes the maximum debt limits for counties and other political sub- departments of the State. Under the Constitution, certain types of debt issued by a political sub- department, including counties, cannot exceed an amount that is equal to 10 percent (10%) of the assessed value of all taxable property located within that particular entity.
- Debt should be utilized only to construct new capital assets that provide benefit to future generations of the Authority's customers.
- The Authority strives to maintain a favorable financial margin, which results in a favorable bond rating, to obtain the lowest possible rate when issuing debt.
- The Authority will consider the expected useful life of any capital project financed through debt issuance. It will not secure debt with a term longer than the expected useful life of the capital project.
- In addition to the issuance of revenue bonds, the Authority considers using loans through the Georgia Environmental Finance Authority (GEFA) when considering sources for financing of capital projects through debt issuance.
- When fiscally responsible, the Authority will consider financing capital projects with cash and avoid debt issuance.
- Bond premiums, discounts, and issuance costs are deferred and amortized over the term of issued bonds using the effective interest method.
- Deferred charges on refunding are amortized over the shorter life of the refunded bonds or the refunding bonds using the effective interest method.
- Bond premiums, discounts, and deferred charges on refunding are presented as additions and reductions to the face amount of bonds payable, whereas issuance costs are recorded as deferred charges.

Summary of Debt Obligations

The Authority has issued debt to support the growing capital needs of the water and wastewater system. The table below summarizes the total estimated amount of outstanding debt on June 30, 2020.

Summary of Current Debt Obligations (Principal)	
	Fiscal Year Ended June 30,
Description	FYE 2020
Revenue Refunding Bonds Series 1981	\$ 45,000
JDA GEFA Loan	79,236
GEFA Loan 2012L22WQ	13,773,935
GEFA Loan CW2019003 [1]	6,983,791
Total	\$ 20,881,962
[1] Amount shown is estimated at June 30, 2020. The debt incurred in the form of a construction line of credit (loan) in the amount of \$25M, is currently in the drawdown phase and repayment is determined when construction is complete and all funds have been drawn.	

Revenue Bonds

Series 1981 Water and Sewer Revenue Refunding Bonds – This series of bonds, (the “Series 1981 Bonds”), were issued by the Authority with the main purpose of expanding the water mains along the main roadways within Newton County allowing for greater developer access to the water system. The principal outstanding is \$45,000. The interest rate is 5.00%, with a final maturity date of December 1, 2020 (FYE 2021). FYE 2021 Principal and interest payments are \$45,000 and \$1,125, respectively.

Notes Payable

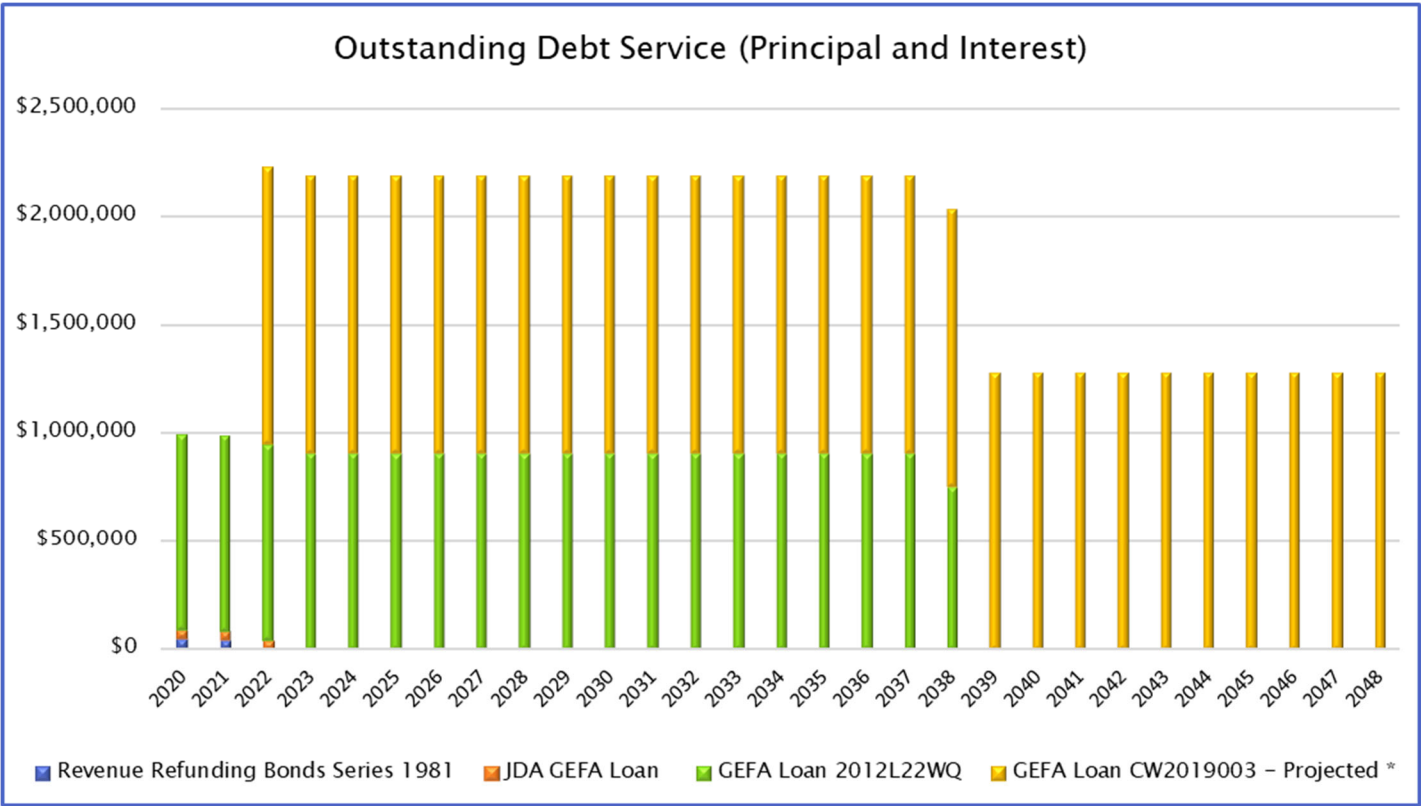
JDA GEFA Loan – The Authority entered into an intergovernmental agreement with the Joint Development Authority (“JDA”) and the City of Social Circle to develop a Research Park in Newtown County. The Authority’s responsibility is to extend water and sewer service to the Research Park. The JDA incurred the debt for the extension of services. Upon receipt of project income in the form of water and sewer charges from Research Park, the Authority must apply project income of 92% of the quarterly payment obligations of the JDA note payable with GEFA. The Authority began receiving project income related to Research Park during the year ended June 30, 2016. At that time the Authority began applying project income to their portion of the JDA’s GEFA note payable. The principal obligation outstanding is \$79,236 with an interest rate of 4.65% and the final payment is due on July 1, 2022. FYE 2021 principal and interest payments are \$38,703 and \$3,016, respectively.

GEFA Loan 2012L22WQ – The Authority also incurred debt in the form of a construction line of credit for various water and sewer projects. The principal amount is \$13,773,935. The interest rate is 1.82% with a 20-year term, maturing in FY 2038. FYE 2021 principal and interest payments are \$659,863 and \$245,199, respectively.

GEFA Loan CW2019003 – The Authority also incurred debt in the form of a construction line of credit for the A. Scott Emmons Water Reclamation Facility. The authorized principal amount is \$25,000,000. The interest rate is 1.93% with a 30-year term, maturing in FYE 2048. Payments are to begin March 2022.

Outstanding Debt Service

The graph below shows the Newton County Water and Sewerage Authority’s anticipated long-term Debt Service obligations.



*Amounts shown represents the estimated debt service obligation for the construction line of credit in the amount of \$25M.

Summary of Debt Service Payments

The Series 1981 Bonds mature in December of 2021 and the JDA GEFA Loan matures July 1st of 2021. The remainder of the Authority’s outstanding debt reflects essentially level debt service payments (i.e., regular annual payments) through the Fiscal Year 2038 when the 2012L22WQ GEFA Loan matures.

As previously noted, the financial forecast does include the projected debt service for GEFA Loan secured in April 2019, in the authorized amount of \$25,000,000 with a Water First interest rate of 1.95% for thirty years.

As stated in Section 2 – Cash Management Policies on page 2-5 of this document, the Authority makes monthly deposits in an amount that will be enough to make the upcoming principal and interest payments on all outstanding debts of the System. A summary of the Existing and Proposed Debt repayment schedule for the Forecast Period is shown in the table below.

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Summary of Existing and Projected Debt Service Payments

Fiscal Year Ending June 30,						
Description	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2025
Revenue Refunding Bonds Series 1981	\$ 48,375	\$ 46,125	\$ -	\$ -	\$ -	\$ -
JDA GEFA Loan	41,719	41,719	41,718	-	-	-
GEFA Loan 2012L22WQ	905,062	905,062	905,062	905,062	905,062	905,062
GEFA Loan CW2019003 - Projected [1]	-	-	1,278,696	1,278,696	1,278,696	1,278,696
Total	\$ 995,156	\$ 992,906	\$ 2,225,476	\$ 2,183,758	\$ 2,183,758	\$ 2,183,758

[1] Amounts shown are estimated. The debt incurred in the form of a construction line of credit (loan) in the amount of \$25M, is currently in the drawdown phase and repayment is determined when construction is complete and all funds have been drawn.

Legal Debt Margin

The Authority does not have debt limits per its enabling legislation; however, per Georgia Code: Article 9, Section 5, Paragraph I of the Georgia Constitution establishes the maximum debt limits for counties and other political sub-departments of the State. Under the Constitution, certain types of debt issued by a political sub-department, including counties, cannot exceed an amount that is equal to 10 percent (10%) of the assessed value of all taxable property located within that particular entity.

NCWSA provides water and wastewater service to unincorporated Newton County, Georgia. Below is the legal debt margin as reported by the County for the Fiscal Year 2019.

Legal Debt Margin – Newton County, Georgia	
Fiscal Year Ended June 30,	
(Amount Expressed in Thousands)	FYE 2019
Assessed Value	\$ 2,586,723
Debt limit (10% of assessed value)	258,672
Debt applicable to limit:	
General obligation (GO) bonds	13,767
Less: Amount set aside for repayment of GO debt	-
Total net debt applicable to limit	13,767
Legal debt margin	\$ 244,905

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SECTION 5 DEPARTMENTAL INFORMATION



NCWSA Senior Management

The Authority’s senior staff, including the heads of various departments or departments, is led by the Executive Director. Senior management as a group actively participates in the daily supervision, planning and administrative processes required by the Authority to meet its objectives. The Executive Director, Chief Engineer, and the Secretary / Treasurer are appointed annually by the Authority’s Board of Directors.

Mike Hopkins.....	Executive Director	Years of Service: 23
Wayne Hayne.....	Chief Engineer/Deputy Director	Years of Service: 2
Emily Mills	Secretary/Treasurer	Years of Service: 22
Tracey Clark.....	Human Resources Director	Years of Service: 26
Krista Waits	Business Operations Manager.....	Years of Service: 18
Tim McCart.....	Manager of Information Systems.....	Years of Service: 9
Kevin Miller.....	Water Reclamation Manager	Years of Service: 15
Matt Wade	Manager of Water Maintenance System.....	Years of Service: 16
Hillary Edgar/Liz Pope	General Counsel.....	Years of Service: 7

Operating Department Personnel

The Newton County Water & Sewerage Authority is divided into eight (8) operating departments. Each department is responsible for a particular set of duties within NCWSA. As staffing vacancies occur, the operational needs of the Authority are evaluated and positions may be filled, internally or externally based on the needs of the position. Vacant positions may also be reclassified or eliminated. Specific staffing details are discussed in the following department descriptions.

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Full Time Equivalent (FTE) Summary

Fiscal Year Ending June 30,						
Department	FYE 2016	FYE 2017	FYE 2018	FYE 2019	FYE 2020	FYE 2021
Administration	3.00	3.00	3.00	3.00	3.00	3.00
Engineering	5.00	5.00	6.00	7.00	7.00	5.00
Water Reclamation	10.00	10.00	11.00	13.00	14.00	14.00
Water System Maintenance	11.00	12.00	14.00	15.00	14.00	16.00
Business Operations	13.00	14.00	15.00	15.00	17.00	17.00
Fleet / Inventory	2.00	2.00	2.00	2.00	3.00	3.00
Information Technology	1.00	1.00	1.00	1.00	2.00	2.00
Human Resources	1.00	1.00	1.00	1.00	1.00	1.00
Total	46.00	48.00	53.00	57.00	61.00	61.00

Operating Departments Mission, Accomplishments, and Initiatives

Administration Department

Mission Statement

To provide exceptional, timely, and professional administrative support toward the Authority's mission, vision, and values, including specific administration of rate setting, treasury, financial management, audit and budget preparation, Board administration, administrative services, short-term and long-term planning and legal services.

Summary of Services

The Executive Director is the liaison to the Board of Directors and oversees the Authority's day to day operations. The Executive Director provides leadership and initiates strategic planning to implement the Board of Directors' goals and vision. The Executive Director utilizes the talent and skills of the entire staff to fulfill the organizational objectives.



The Finance Team is under the Executive Director's purview and is responsible for promoting sound fiscal practices that ensure the Authority's long-term financial stability. Finance performs all financial-related services for the Authority, which include general ledger functions, investment tracking, debt management, accounts payable, accounts receivable, bank account reconciliation, maintenance of the Authority's cash flow model, monthly financial reporting, annual budget preparation, rate analysis/update, State of Georgia report preparation, and Capital Improvement Program reporting and the facilitation of the annual financial audit. Additionally, the Finance Team ensures that the financial accounting and reporting complies with Generally Accepted Accounting Principles ("GAAP") and the Governmental Accounting Standards Board ("GASB").

Additional services by the department include providing administrative support to the Board of Directors and appointed legal counsel. This includes the preparation and timely distribution of Board and Committee meeting packages, maintenance of all official documents, and timely development and filing of all noticing requirements according to the Open Meetings laws of the State of Georgia.

Personnel

The Administration Department will continue to consist of three (3) full-time staff members. There are no staffing plan changes in FYE 2020.

Administration – Position Summary				
Position	FYE 2018	FYE 2019	FYE 2020	FYE 2021
Executive Director	1.00	1.00	1.00	1.00
Finance Officer/ Secretary / Treasurer	1.00	1.00	1.00	1.00
Accounts Payable Technician	1.00	1.00	1.00	1.00
Total	3.00	3.00	3.00	3.00

FYE 2020 Accomplishments

- Prepared and assisted with completing of Board and Committee meeting minutes and Board, Administration, Finance and Audit meeting packages.
- Ensured all meeting agendas, notices, and related material met compliance requirements with the Open Meetings laws of the State of Georgia.
- Maintained a system-wide financial software package.
- Effectively completed the annual financial audit with no significant findings/clean opinion.
- Analyzed the financial mode using current year numbers.
- Continued a transition to digital storage of all internal and external documents.
- Continued the development of a senior management succession plan.
- Awarded the GFOA Distinguished Budget Award for the third consecutive year.

Critical Success Factors

The Administration Department has identified the following objectives it considers critical to the overall success of the Department and the Authority for FYE 2021:

- Provide administrative support to the Executive Director, Department Directors, and the Board of Directors.
- Provide technical support and compliance solutions that protect the Authority from legal, financial and safety exposures.
- Provide administrative support to the Authority's customers.

FYE 2021 Initiatives

The following initiatives support the Authority's strategic plan to achieve financial stability, maintain a fiscally responsible debt level and preserve strong credit ratings.

- Timely prepare and complete all Board, Finance and Audit reports and Administration and Committee meeting packages for distribution.
- Submit for the GFOA Distinguished Budget Award and achieve the coveted award annually.
- All Finance Staff to complete the State of Georgia Level II Finance Officer Program.
- Administer agendas and notices for said meetings to comply with the Open Meetings laws of the State of Georgia.
- Transcribe and prepare for approval all Board, Finance and Audit, Administration, and Committee meeting minutes.
- Provide administrative support to the Executive Director, Department Directors, and Board of Directors.
- Continue to comply with the Open Records Meeting Laws of the State of Georgia.

- Ensure regular work duties are completed promptly with few errors.

Performance Measures

Administration Department					
PERFORMANCE MEASURES	FYE 2017 Actual	FYE 2018 Actual	FYE 2019 Actual	FYE 2020 Actual	FYE 2021 Goal
Obtain GFOA Distinguished Budget Award	Preliminary Work	Achieved	Achieved	Achieved	Submit
Obtain Unqualified Opinion from External Audit	Achieved	Achieved	Achieved	Achieved	Maintain
Timely Preparation of Monthly Board Meeting Documents	Achieved	Achieved	Achieved	Achieved	Maintain
Open Records Request and Compliance	3 of 3 100%	3 of 3 100%	4 of 4 100%	2 of 2 100%	100% of Requests

Engineering Department

Mission Statement

Improve the Authority's value to its customers through continual application of lessons learned. Analyze, evaluate, design, and improve all areas of Authority operations. We are engaged through scientific and engineering principles, promoting thoughtful innovation within customer service, distribution/collection, treatment, capital program expansion, and business practices.

Summary of Services



The Engineering Department plans, coordinates, and implements capital projects for NCWSA. The Engineering Department assists in planning non-routine capital projects and provides engineering, construction coordination, and management once projects begin. Recommendations from the Engineering Department drive the strategic position of NCWSA concerning capital improvement projects. The Engineering Department is also responsible for developing and maintaining the NCWSA's geographical information system ("GIS") and provides strategic and regulatory guidance for NCWSA operations.

Personnel

The Engineering Department reduced its FTE's by two positions in the coming budget year. There has been great difficulty in hiring and retaining high quality professional technical personnel, which is becoming the norm within the local area. The next five years' staffing plan is to utilize various technical consultants to employ the critical expertise for the projects at hand.

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Engineering – Position Summary				
Position	FYE 2018	FYE 2019	FYE 2020	FYE 2021
Chief Engineer	1.00	1.00	1.00	1.00
Engineer PE	1.00	1.00	1.00	1.00
Engineer EIT	–	1.00	1.00	1.00
Engineering Technician I	1.00	1.00	1.00	1.00
Engineering Technician II	1.00	1.00	1.00	–
ENG/GIS Technician	1.00	1.00	1.00	–
Inspector I / Utility Locator	1.00	1.00	1.00	–
Inspector	–	–	–	1.00
Total	6.00	7.00	7.00	5.00

FYE 2020 Accomplishments

- The Monthly Engineering Report for the Board of Directors meeting was prepared, and the review of corresponding minutes were completed 100% on time.
- Prepared, received approval for and implemented the FYE 2020 Capital Replacement, Relocation and Capital Improvement Programs.
- Implemented and completed various proposed long-term financial program projects. This included the significant integration of the CIP and financial model.
- Completed and implemented assigned Strategic Plan activities.
- Development and implementation of workflow processes within the Engineering Division and the implementation of best management practices.
- Provided timely review of developer plan submittals and professional and courteous customer support from the entire Engineering Department.
- Provided engineering leadership and support for all Authority functions and legal activities.
- Provided project management of Authority led capital improvement and corrective maintenance projects including design, preparation of contract documents (plans and specifications), and related coordination and administrative tasks.
- Performed plan review and post-construction documentation of developer-led water and sewer facility improvement projects.
- Processed and coordinated applications for Developer Project Plans, plan review and coordination, and construction inspection of Developer projects.
- Responded to inquiries for engineering and related technical information, including water pressure, water availability, fire flow, hydrant location, and facility conflict evaluation and processing.
- Responded to customer inquiries for engineering and other technical information.
- Reviewed all new customer questionnaires.
- Provided technical support to the other operating divisions within the Authority.
- Completed various design projects, including: the Yellow River Permit Increase, the Roundabout Relocation Hwy 162 East Forest Road water main extension, and the Yellow River Conveyance System improvements.
- Obtained approval and adoption of the Consecutive System Water Strategic Plan from the Consecutive System Partners Boards and Councils.
- Improved external website communications with the implementation of new downloads.
- Instituted required inspections for water and sewer improvements.
- Performed water system flow and pressure tests.

Critical Success Factors

The Engineering Department prioritizes and establishes schedules and methods to design and construct NCWSA capital improvement projects.

- Monitors and oversees engineering design activities including preparing and reviewing engineering plans, including those prepared by consultants, cost estimates, labor proposals, agreements, contracts and project specifications.
- Utilize construction management methods to manage contractors building NCWSA's capital improvement projects in the field.

FYE 2021 Initiatives

The Engineering Department has identified the following goals to promote our mission and support the Authority's strategic plan goals of investing in infrastructure, performing enhanced and effective maintenance and workforce protection and development.

Engineering

- Develop and implement the Wastewater Treatment Capacity Model.
- Ensure accurate cost recovery for sewer improvements.
- Develop and implement the Water Transmission Capacity Model.
- Ensure accurate cost recovery for water improvements.
- Inventory and evaluate interconnection master meters with the Consecutive System.
- Improve accuracy, water audit validity and revenue accountability.

Capital Projects

- Set the "road map" for capacity and capital improvements needs through 2060.
- Stay the course for major treatment capacity expansion.
- Complete the construction of the Little River Outfall and Force Main.
- Provide sewer treatment service expansion for our regional partners.
- Ensure adequate treatment capacity until the A. Scott Emmons WRF is commissioned.
- Complete planning, design and construction of the Wastewater Flow Measurement Project.
- Improve revenue and inter-governmental accountability toward I&I reduction.
- Ensure additional transmission capacity for the Stanton Springs Corridor.
- Complete design of the Yellow River Gravity Sewer Improvement Project.
- Rehabilitate the major trunk sewer from Porterdale to Brown Bridge Road.
- Complete design of the Paine's Crossing Transmission Main.
- Strengthen the eastern portion of the water system for industrial growth.

Staffing and Training

- Integrate GIS professional and daily activities with the City and County.
- Improve operating knowledge with staff obtaining Class III Distribution or Collections Licensure.
- Sharpen internal hydraulic modeling skillsets by completing the ASCE Hydraulics Course.
- Improve sewer process skillsets by completing the ASCE Wastewater Process Course.

Organization

- Convert from paper records (where possible) to digital for long-term preservation and accessibility.
- Implement total digital filing of day-to-day documents.

- Complete conversion to digital storage of drawings and files.
- Implement digital reporting of inspections through the use of iPad and inspection applications.
- Clean-up and reorganize the department's area of the 2nd floor to remove all clutter and stacks.
- Salvage outdated equipment and flat files.
- Reconfigure the open space into a library of historical and catalogue records.

Performance Measures

Engineering Department					
PERFORMANCE MEASURES	FYE 2017 Actual	FYE 2018 Actual	FYE 2019 Actual	FYE 2020 Actual	FYE 2021 Goal
CIP Plan Review	Achieved	Achieved	Achieved	Achieved	Maintain
Developer Plan Review	6	12	9	10	8
Capital Projects – In House	3 Completed	4 Completed	7 Completed	3 Completed	3
Yearly Project Inspections (Includes Projects as well as Tap Inspections)	265	397	563	401	375

Geographical Information Systems (Engineering Subgroup)

Mission Statement

Geographical Information Systems (previously defined as “GIS”) is responsible for providing enhanced access to high-quality geographic information. This access increases business operations’ effectiveness through information and process integration, crossing organization units to pursue better public service.

Summary of Services

This department is responsible for coordinating and participating in database management for both the GIS and AutoCAD applications. This division updates and maintains GIS and AutoCAD databases for water, and sewer facilities from construction drawings to as-built information; performs data capturing and conversion, data entry, and graphic editing activities; develops user-friendly file management systems and completes geographic data analyses. This division utilizes professional Global Positioning System (“GPS”) equipment to collect geographical information in the field, locates Authority assets, resolves accuracy issues using GPS and integrates GPS data into the GIS database. The GIS viewing application provides accurate, accessible, and functional data to both desktop and mobile devices within the Authority. GIS also functions as a great reporting tool and has asset management capabilities.

Personnel

GIS is a subgroup of the Engineering Department. Due to the difficulty in hiring qualified GIS personnel in our area, services will be provided by a selected consultant. The consultant’s scope of work will include the FYE 2021 initiatives listed below.

FYE 2020 Accomplishments

- Upgraded GIS application and custom tools to the latest version of ArcGIS10.
- Assisted the Engineering Department with mapping and analysis requests for various projects such as the updated automatic fire hydrant flushing program.
- Assisted Operations and Maintenance with various on-going projects by providing maps and updating the ArcGIS Server web application.

- Produced maps and provided technical support for Authority personnel and maintained mapping support and training throughout the Authority.
- Responded to requests for map information from developers and other entities.
- Maintained GIS database replication solution (water, sewer).
- Continued to support the Business Operations, Water Reclamation, and the Water Maintenance Departments.

Critical Success Factors

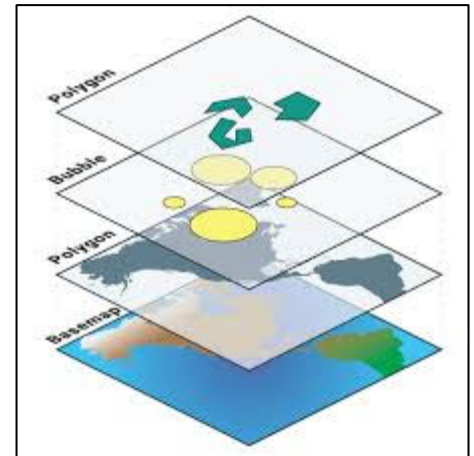
GIS's success is based on maintaining accurate, consistent and up-to-date databases enabling timely response to requests for projects and services.

- Development and implement an intuitive, accessible and user-friendly GIS system while adhering to professional level GIS/CAD standards and procedures.
- Support of design and construction of capital project drawings through field work, engineering design and as-built services.
- Maintain a high level of expertise in CAD and GIS support through training on new technology and tools.
- Closely interact with consultants while maintaining an all hands-on deck approach towards the daily needs, updates and smaller project requests by NCWSA Departments.

FYE 2021 Initiatives

As a subgroup of the Engineering Department, GIS's initiatives support the Authority's strategic plan to invest in infrastructure and perform enhanced and effective maintenance.

- Continue to operate, develop, and maintain the Authority's Geographic Information System including updates and adding new data sources.
- Improve GIS information dissemination throughout the Authority.
- Coordinate the evaluation, selection and implementation of the Authority's GIS Viewer based on GIS Strategic plan recommendations.
- Implement a GIS-based mobile computerized maintenance management system ("CMMS") solution and training program.
- Improve the spatial component of GIS data using sub-meter GPS data.
- Respond to customer service requests for maps and producing within the standard of 48 hours.
- Maintain reliable GIS system software performance.
- Continue to Resolve GIS-related problems within 24 hours of notification.



Performance Measures

Engineering Department – GIS (Subgroup)					
PERFORMANCE MEASURES	FYE 2017 Actual	FYE 2018 Actual	FYE 2019 Actual	FYE 2020 Actual	FYE 2021 Goal
Deploy Mapping System to End Users	Business Operations 100%	Field Crews 85%	Water Reclamation 100%	All Departments 93%	Complete All Departments 100%
Update Water Valve Layer	28%	32%	50%	54%	65%
Update/Redesign Base Systems Maps	10%	25%	75%	82%	100%



Mission Statement

To oversee programs that facilitate sustainable water use throughout NCWSA's service delivery area and to communicate conservation benchmarks to various regulatory agencies, schools, public and private organizations to reduce unnecessary water use and encourage responsible customers' essential habits.

Summary of Services

The Water Conservation Team is responsible for complying with the Georgia Environmental Protection Department's water regulations, and in conjunction with the Georgia Water Stewardship Act to conduct an annual water system audit and phase in a water loss control / leak detection program. Environmental education plays a vital role in the department through the local school systems and various civic organizations.

Personnel

While Water Conservation/Environmental Compliance is a subgroup of the Engineering Department, personnel with the appropriate expertise will be utilized from various departments to fulfill the Water Conservation Subgroup's needs.

FYE 2020 Accomplishments

- Conducted a top-down approach on the annual water audit.
- Participated in the Newton County's Consecutive Systems Master Meter Program to calibrate its master meters to meet state requirements.
- Continued membership in the Georgia Association of Water Professionals ("GAWP") Water Loss Control Committee.
- Conducted educational workshops and irrigation workshops for local citizens.
- Collaborated with Keep Covington/Newton Beautiful and the Newton County Board of Education.
- Provided the community with the annual Consumer Confidence Report ("CCR") of water quality.
- Participated in required unregulated contaminant monitoring ("UCMR4") state sampling.
- Collaborated with the Newton County's Fire Department on hydrant flow tests, site maps, and non-revenue water calculation.
- Managed the SaveWaterNewton.com website.
- Participated in community events promoting water conservation and "Drink from the Tap".
- Initiated the development of a leak detection program for the water distribution system.
- Maintained and accounted for hydrant meter services and maintenance.
- Collaborated with Billing / Field Services on testing standard operating procedures for large meters, three-inch and above, along with residential field deployment system.
- Collaborated and strategized with Water Maintenance on a system-wide flushing program.

Critical Success Factors

The Water Conservation Subgroup encourages water and wastewater customers to support and adopt procedures and programs that sustain water resources' efficient use.

- Strengthen NCWSA's conservation efforts within the community.
- Communicate water conservation information to external customers using newsletters, website management, social media outreach, student education, community workshops and training, community and stakeholder tours, community events and media relations.

FYE 2021 Initiatives

The Water Conservation and Environmental Compliance subgroup will support the Authority's strategic plan goals to invest in infrastructure and perform enhanced and effective maintenance.

- Continue to sustain and monitor our non-revenue water with our annual water audit from a top-down to a bottom-up approach.
- Planning and sustaining The Water Loss Control Program.
- Reporting the success of The Water Loss Control Program.
- Continue to gain awareness and continue to develop our leak detection program.
- Provide Authority customers with annual water quality reports (CCR).
- Sustain the master meter planning and calibration to benefit our distribution system and surrounding entities.
- Conduct water conservation classes for schools, homeowner associations and comply with water restrictions.
- Recover apparent water loss with the lag time of meter reads.
- Maintain and gain knowledge on automated meter reading ("AMR") Field Deployment Manager to access real-time meter readings.
- Obtain Technical and Financial Resources for Water Loss Control Program.
- Continue to assess water resource management.
- Continue to update and monitor our billing spreadsheet from the Newton County Board of Commissioners.

Performance Measures

Engineering Department – Water Conservation (Subgroup)					
PERFORMANCE MEASURES	FYE 2017 Actual	FYE 2018 Actual	FYE 2019 Actual	FYE 2020 Actual	FYE 2021 Goal
Water Loss Audit Completed and Accepted by Georgia Environmental Protection Division	Achieved	Achieved	Achieved	Achieved	Maintain
Develop Water Conservation Mobile Unit	50%	Achieved	Achieved	Achieved	Maintain
Attend Community Wide Events with Mobile Water Conservation Unit	3 – No Unit	5 – With Unit	6 – With Unit	8 – With Unit	Canceled due to COVID-19
Updated and improve water conservation plan	Achieved	Achieved	Achieved	Achieved	Enhance return

Water Reclamation Department

Mission Statement

Water Reclamation's mission is to provide reliable and sustainable sewer collection and treatment services for the Authority's customers. Additionally, this area is responsible for accomplishing its duties using effective management practices and ensuring an environmentally responsible operation.

Summary of Services

Plant Operations is responsible for the safe, legal, economical, and environmentally acceptable treatment and reclaiming of all sanitary sewer flows from the unincorporated areas of Newton County within its service delivery area.

This department's responsibilities include the maintenance and repair of the Authority's sewer collection system infrastructure, including sewer mains and laterals, and lift stations. Accomplishing this task his also provides preventative maintenance programs to monitor flows and clean the system. The department's mission is to ensure

the entire collection system is clean and free-flowing while protecting the environment and public health. The division provides 24 hours emergency response to sewer emergency calls.

This department ensures compliance with commercial and industrial customers with the Authority's pretreatment/ source control program to protect the sewer collection system. This division achieves its purpose through inspection, issuance, and renewal of permits for non-domestic wastewater discharge.

The Water Reclamation Department is responsible for aspects of collecting and treating sewer. The Department manages seven (7) lift stations and 117 miles of interceptors, collectors, and outfalls. The Yellow River Water Reclamation Plant has a capacity of 3.2 MGD and is located in the county's heart within the City of Porterdales.



Yellow River WRF Sludge Building

Personnel

With the planned expansion of facilities, particularly the A. Scott Emmons Water Reclamation Facility scheduled to begin operations in FYE 2022, the total number of FTE's will not change for FYE 2021. However, the department is preparing wastewater operators for the operations of the new Water Reclamation Facility.

Water Reclamation – Position Summary				
Position	FYE 2018	FYE 2019	FYE 2020	FYE 2021
Water Reclamation Manager	1.00	1.00	1.00	1.00
Assistant Water Reclamation Manager	1.00	1.00	1.00	1.00
Wastewater Laboratory Analyst	1.00	1.00	1.00	1.00
Industrial Pretreatment Manager	1.00	1.00	1.00	–
Environmental Compliance Coordinator	–	–	–	1.00
Environmental Compliance Sampling Technician	–	–	1.00	1.00
Wastewater Maintenance Specialist	2.00	2.00	2.00	2.00
Collections Maintenance Specialist	1.00	1.00	1.00	1.00
Wastewater Class III Operator	4.00	6.00	6.00	3.00
Wastewater Class I Operator	–	–	–	1.00
Wastewater Operator Trainee	–	–	–	2.00
Total	11.00	13.00	14.00	14.00

FYE 2020 Accomplishments

- Staff and consultants have evaluated alternatives for the repair/replacement of sewer mains along the Yellow River. The project is currently in the survey and design phase for the Yellow River Gravity Sewer Bypass and Riverbank Stabilization Project.
- The A. Scott Emmons WRF Is currently in the construction phase and is 37% complete.
- Filled the vacant Environmental Compliance Coordinator position with an experienced individual that has already shown to be a valuable resource to us and our commercial and industrial users.
- The Water Reclamation Facility had zero permit violations.

Critical Success Factors

The primary responsibility of the Water Reclamation Department is the operation of the Yellow River Water Reclamation Facility and its collection system consisting of the Turkey Creek, Cainey Fork and Beaverdam Outfalls. Critical success factors include:

- Properly treating wastewater.
- Educating the public about sanitary sewers.
- Monitor treatment results and effecting the environmentally safe disposition of the residuals produced by the process.
- Comply with federal and state laws, and with rules and regulations promulgated to cover wastewater treatment.
- Continue to be a good neighbor by improving operating practices and investing in technologies that will minimize odors from the water reclamation facility and its collection systems.

FYE 2021 Initiatives

The Water Reclamation Department's FYE 2021 initiatives support the Authority's strategic plan to invest in infrastructure, performing enhanced and effective maintenance and workforce protection and development.

- Maintain regulatory compliance and complete GAEPD reports as required.
- Complete the design and receive the Georgia Environmental Protection Division ("GA EPD") approval to construct the A. Scott Emmons WRF.
- Continue the Nelson Creek gravity sewer line construction that will eventually eliminate the O&M costs of the Brickstore LAS.
- Increase collection system duties and evaluate the infrastructure with the Collection Maintenance Specialist position. Purchase related equipment needed for collection operations and establish a CMOM to aide in preventative maintenance activities to insure reliable sewer service.
- Effectively maintain existing equipment.
- Continue to explore all cost savings opportunities by tailoring equipment runtimes to maximize efficiency and monitoring chemical dosages. Furthermore, correspond with chemical suppliers to obtain the best pricing.
- Continue to provide quality service and respond quickly to sewer customers.
- Increase training activities and track certification and renewal criteria to ensure Licensed Operators, Maintenance Technicians, and Laboratory Analysts remain compliant and well informed on new technology and practices.
- Provide a stable and safe workplace for the Water Reclamation Department employees.

Performance Measures

Water Reclamation Department					
PERFORMANCE MEASURES	FYE 2017 Actual	FYE 2018 Actual	FYE 2019 Actual	FYE 2020 Actual	FYE 2021 Goal
Maintain TSS/BOD Below State Mandated Levels	Achieved	Achieved	Achieved	Achieved	Maintain
Obtain the GAEP Award for the Yellow River Water Reclamation Facility	Gold	Gold	Not Achieved Non-Violation	Gold	Maintain
Percentage of Employees with Class III Wastewater License	100%	100%	100%	100%	100%
Feet of Collection System Maintained/Inspected	1,900	1,836	2,080	2,324	2,100
GA EPD Violations	0	0	0	0	0

Mission Statement

The Water System Maintenance Department's mission statement is to operate and maintain the facilities and systems required to reliably deliver water services uninterrupted to the Authority's customers in a prudent and sustainable manner.

Summary of Services

The Water System Maintenance Department consists of the Maintenance Team and Field Services Team. The Maintenance Team is responsible for maintaining the water and sewer systems infrastructure, ensuring the Authority provides reliable services to its customers. Responsibilities include heavy repair, replacement, and installation of the NCWSA's valves, hydrants meters, and water mains. Additionally, the Maintenance Team is responsible for full-service meter installations establishing the water service connection for new customers. The Field Services Team carries out the Authority's day-to-day operations in conjunction with all other departments to fulfill all necessary daily business operations and customer care-related matters. Field Services is responsible for general maintenance and repairs to devices. Additionally, the team collects the raw data from the NCWSA's meters and provides to Business Operations for billing. Field Services interacts with customers onsite to provide expertise in water-related subjects.



The Water Systems Maintenance Department supports Customer Service, Billing and Collections, Water Conservation and Environmental Compliance, Engineering, Wastewater, and any other directives received by management.

Personnel

The Water Maintenance Department has been operating in the "lean mode" since the beginning of the economic downturn in 2008, adding positions as growing demands are placed on the system. As vacancies arise within departments, the operation needs of the Authority are evaluated and in FYE 2020, two (2) vacant positions were transferred from the Engineering Department. There are no additional positions for FYE 2021, however, additional staff is under consideration for the future.

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Water System Maintenance – Position Summary

Position	FYE 2018	FYE 2019	FYE 2020	FYE 2021
Water System Maintenance Manager	1.00	1.00	1.00	1.00
Assistant Water System Maintenance Manager	1.00	1.00	1.00	1.00
Water Maintenance Crew Foreman	1.00	1.00	1.00	1.00
Crewman I	1.00	1.00	1.00	1.00
Crewman II	3.00	4.00	4.00	2.00
Water System Specialist	1.00	1.00	1.00	1.00
Senior Meter Technician	1.00	1.00	1.00	1.00
Field Services Technician	4.00	4.00	4.00	7.00
Utility Locator	-	-	-	1.00
Landscaper I	1.00	1.00	-	-
Total	14.00	15.00	14.00	16.00

FYE 2020 Accomplishments

- Replaced failing and leaking service lines and main lines.
- Repaired and replaced damaged fire hydrants. Painted fire hydrants.
- Repaired and replaced damaged meters. Installed new meters.
- Operated and maintained water tanks and water booster pumping stations.
- Exercised and maintained main line valves weekly according to a valve maintenance program schedule.
- Maintained the Field Deployment software for water modeling and loss prevention.
- Maintained the GIS equipment for valve/hydrant program.
- Maintained the Electronic Radio Transmitter (“ERT”) for real-time customer usage care requests.
- Field deployment of hand-held meter reading instruments.
- Field deployment of secondary computer tablets (limited).
- Collaborated on residential water loss for an annual water audit.
- Collaborated on the large revenue meter calibration and loss prevention model.
- Provided training for employees on leak detection equipment.
- Coordinated hydrant meter maintenance program.
- Participated in EPD Sanitary Survey.
- Ensured water distribution training for new employees.
- Provided licensing renewal classes for existing employees.
- Ensured renewal of water distribution licenses for appropriate personnel.
- Continued high usage meter change-out program.
- Coordinated customer relations / information video.

Critical Success Factors

- Sharpen crew skills through more intense excavation training and safety training.
- Cross-train all employees on both heavy and light equipment.
- Produce more reliable field notes and observations.
- Reliably provide services by minimizing nonrevenue water, which affects our purchased treated water.
- Protect the public health and environment by meeting / exceeding all Department of Health Services, EPA and Regional / State Water Quality Control Board requirements.
- Maintain operational readiness in anticipation of disasters or emergencies.
- Continually train in all aspects of customer service.

FYE 2021 Initiatives

The Water System's Maintenance Department's initiatives support the Authority's strategic plan to invest in infrastructure, innovative customer service and enhanced and effective maintenance.

- Perform immediate repairs to any failed infrastructure and equipment.
- Perform routine maintenance of equipment to prevent failures, provide reliability, and extend equipment life.
- Upgrade aging and outdated infrastructure before it becomes an expensive re-occurring problem and liability.
- Stay consistent with the valve exercising. Continue the initial phase of mapping for valves, hydrants, and vaults.
- Plan and execute monthly preventative maintenance and flushing activities with customer notification.
- Prompt collection of water quality samples by deadlines required under state regulations. Timely response to customer calls.
- Return customer calls within the same business day.
- Complete painting of fire hydrants through third party contractor (2-year project).
- Ensure timely completion of major repair/replacement of distribution piping and valves. Complete assigned repair/replacement jobs on time.
- Ensure timely completion of unscheduled maintenance-related work orders.
- Continue to use AMR meter technology to instruct customers on meter usage issues, including customer side leaks and pressure-related problems. Continue ERT upgrade to residential customer meters.
- Implement the second phase of field-deployed hand-held meter reading devices with MVRS software.
- Implement FCS to MVRS software for system upgrade.
- Install AMR data logging software to coincide/complement billing software.
- Complete MVRS mobile software training and installation of hardware upgrades.
- Initiate hardware upgrade for the MVRS reading system.
- Increase field deployment of Beacon Cellular technology to one hundred (100) sites and study large meter capabilities.
- Complete the second phase of field tablet training and implementation.
- Implement large revenue meter change-out program on Authority meters.
- Continue monitoring and calibration of master meters for lost revenue issues.
- Install additional 40 water quality sampling sites.
- Coordinate high-density area hydrant maintenance/management program.
- Continue customer education/relations video.
- Implemented school outreach educational program
- Continue employee state licensing requirements pertinent to field services.
- Continue employee training on loss prevention software and instruments.

Performance Measures

Water Systems Maintenance Department					
PERFORMANCE MEASURES	FYE 2017 Actual	FYE 2018 Actual	FYE 2019 Actual	FYE 2020 Actual	FYE 2021 Goal
Number of New Meters Installed in the Water System Annually	360	540	462	583	500
Annual Meters Replaced (Age/Defective)	1,300	1,429	1,725	1,729	1,600
Number of Main Line Breaks (Annual)	8	9	7	5	7
Miles of Pipe Maintained per Department FTE	30.5	28.1	26.1	24.2	22.0

Business Operations Department

Mission Statement

Business Operations consist of billing and customer services focusing on the customer. All activities within Business Operations are performed emphasizing a “customer comes first” philosophy.

Summary of Services

Customer Service is responsible for the maintaining and using an efficient and accurate utility billing system, which provides for the timely collection of the Authority’s water and sewer service revenues. Equally important is providing first class service to customers over the phone and in person at our main office.

Billing is responsible for the collecting of meter reading data to help ensure that all customers are billed timely and accurately. Customer Service is responsible for daily meter services such as turning on and off meters, placing door hangers, and responding to customer requests.

Personnel

The Business Operation Department has fifteen (15) team members. No staffing changes are planned for FYE 2021.



Business Operations – Position Summary

Position	FYE 2018	FYE 2019	FYE 2020	FYE 2021
Business Operations Manager	1.00	1.00	1.00	1.00
Customer Services Supervisor	1.00	1.00	1.00	1.00
Customer Services Specialist I	2.00	2.00	3.00	3.00
Customer Services Specialist II	4.00	4.00	4.00	3.00
Customer Services Specialist III	2.00	2.00	3.00	4.00
Receptionist	1.00	1.00	1.00	1.00
Billing Services Supervisor	1.00	1.00	1.00	1.00
Accounts/Collections Specialist	1.00	1.00	1.00	1.00
Billing Specialist	1.00	1.00	1.00	1.00
Billing Clerk	–	–	–	1.00
Accounts Receivable Technician	1.00	1.00	1.00	–
Total	15.00	15.00	17.00	17.00

FYE 2020 Accomplishments

- Processed over 2,000 service orders per month.
- Processed over 24,200 bills per month.
- Processed over 14,500 online payments per month.
- Processed over 9,000 payments per month for walk-up/drive-thru customers.

- Processed over 4,000 in mail and night drop, which equals to about 7,000 payments per month.
- Discontinued bank draft payments and moved to online service.
- Assisted over 1,945 customers with some form of extension, or payment plan. This was a 30% increase from FYE 2019 and can be attributed to the effects of COVID-19.
- Worked with and adjusted over 1,100 customer accounts for reported leaks.
- Initiated a frequent rotation within the Customer Service Department, to allow all employees to provide the same service level to every customer.
- Provided a smooth transition for customers affected by the COVID-19 Pandemic.
- Continued to cross-train employees in customer service and billing.
- Improved service interruption the for non-payment process. Suspended service interruption for non-payment on March 13, 2020 due to COVID-19.
- During the suspension of service interruption for non-payment, revamped the customer late fee and disconnection policy.
- Continued to fine-tune Paymentus, which offers Online Quick Pay, Self-Service Customer Portal, Pay-by-Email, IVR/ Automated Phone Payments, Mobile App, Paperless e-Billing, Staff Portal, and Outbound Customer Notifications.

Critical Success Factors

The Business Operations Department is the first point of contact for over 25,000 customers. NCWSA strives to achieve a high degree of customer satisfaction through the following key actions:

- Engage customers in effective communication.
- Understand needs, problem solve and provide solutions.
- Implementation and follow-up.

FYE 2021 Initiatives

Business Operations initiatives support the Authority's strategic plan goal of innovative customer service, financial stability and workforce protection and development.

- Complete the implementation of the new Munis Utility Billing System (Work Orders).
- Continue to provide job-specific training for Billing and Customer Service staff.
- Frontline staff to complete Word and Excel training classes.
- Timely billing of customer accounts.
- Implement a non-refundable "Service Application Set-Up Fee" (this will take this place of the deposit and service charge).
- Continue to implement Paymentus features such as Pay-by-Text and Outbound Customer Notification.
- Implementation of e-Lockbox Payment Consolidator through Paymentus.
- Implementation of Outbound Customer Notification for delinquent accounts before shutoff.
- Obtain 30% of customer participation in some form of electronic payments.
- Timely completion of delinquent notices and delinquent shutoffs.
- Implement a new water/sewer rate structure as identified.
- Updating the SOP books for Customer Service and Billing.

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Performance Measures

Business Operations Department					
PERFORMANCE MEASURES	FYE 2017 Actual	FYE 2018 Actual	FYE 2019 Actual	FYE 2020 Actual	FYE 2021 Goal
Number of Annual Customer Calls	151,346	154,774	153,000	169,010*	196,300*
Number of Monthly Transactions Utilizing Third Party Bill Payment Options	9,785	12,456	15,000	15,621	15,000
Number of Abandon Calls (Average per Month)	101	94	85	98	100
* Increase in annual customer calls can be attributed to the COVID-10 Pandemic.					

Fleet/Inventory Department

Mission Statement

To provide procurement expertise to assure timely acquisition and distribution of goods and services for the NCWSA's operations following its policies and procedures.

Summary of Services

The Fleet/Inventory Department provides the following services:



- Purchasing is responsible for creating and maintaining a procurement system that provides professional, responsive, efficient, and useful material and procurement support services to its internal and external customers.
- The warehouse is responsible for maintaining a safe and responsive warehouse and inventory control system that ensures supplies are available and ready when needed by Authority personnel.
- Fleet is responsible for maintaining the vehicles and machines for proper and safe operation.
- Facilities performs maintenance on the fire system, elevator, alarm, HVAC units, etc. for satisfactory operation.

Personnel

The Fleet/Inventory Department has three (3) staff members. There are no planned staffing changes.

Fleet / Inventory – Position Summary				
Position	FYE 2018	FYE 2019	FYE 2020	FYE 2021
Fleet / Inventory Coordinator	1.00	1.00	1.00	1.00
Cross Connection Coordinator	1.00	1.00	1.00	1.00
Landscaper I	-	-	1.00	1.00
Total	2.00	2.00	3.00	3.00

FYE 2020 Accomplishments

- Sustained appropriate levels of inventory and non-inventory support to encounter planned and emergency situations.
- Managed month-end closing and various reporting of Munis transactions.

- Trained supervisors and management staff in the Process Flow Approval System of Munis.
- Performed annual complete physical inventory.
- Guaranteed timely and continuous availability of inventories materials.
- Processed inventory deliverables promptly.
- Maintained and ensured timely and continuous availability of direct charged materials not on inventory.
- Assisted with new facility projects.
- Conducted weekly scheduled cycle counting.
- Reduced surplus inventory of equipment using GovDeals a company that provides auction services to various government agencies that allow them to sell surplus and confiscated items via the Internet.
- Purchased vehicles and engineered a valve machine maintenance truck.
- Purchased new equipment along with equipment trailer off state contracts.
- Documented fuel levels and maintained fuel levels for non-emergencies and emergency situations.

Critical Success Factors

Fleet/Inventory provides centralized purchasing and warehouse management services. To achieve accountability and meet service requirements, key factors include:

- Providing the highest level of oversight of procurement for all departments
- Providing enhanced supply management, value-added services and cost savings to NCWSA.

FYE 2021 Initiatives

The Fleet/Inventory Department's initiatives support the Authority's strategic plan goals of financial stability, investment in infrastructure and enhanced and effective maintenance.

- Obtain and provided education in inventory management systems.
- Review and streamline purchasing practices and procedures.
- Maintain, purchase, and receive inventory items for scheduled projects/jobs.
- Continue to maintain appropriate levels of inventory and non-inventory support to meet planned and emergency situations.
- Continue assisting with new facility projects and upgrades.
- Maintain a network of local agency purchasing agents.
- Expanded the fleet with the purchase of an additional truck.
- Order non-inventory Request for Purchase Order ("RFPO") materials and services.
- Write and process RFPOs within 48 hours of RFPO receipt in Purchasing.
- Conduct purchase order follow-up on late deliveries.
- Continue policies and procedures for the disposal of surplus equipment.
- Continue the reviewing of minimum and maximum stock availability in warehouse and reordering points.
- Continue to maintain fleet and equipment maintenance adequately.
- Manage and evaluate preventative maintenance plan for fleet and equipment.
- Conduct and review fleet maintenance work orders.
- Evaluate stock levels in the warehouse and removal of surplus and obsolete stock.
- Process inventory deliverables promptly.
- Receipt inventory items for accounting processing within 24 hours of the receiving date.
- Conduct monthly scheduled cycle counting.
- Complete monthly cycle counting by last Tuesday each month.
- Ensure the timely and continuous availability of inventoried materials.
- Receive all materials that are direct charges, process paperwork and deliver or stage within 24 hours after delivery to dock.
- Coordinate and strategize fleet and equipment repairs and services.
- Continue quality fuel levels for inventory and non-inventory locations.

- Continue to utilize and update Network Fleet fully.

Performance Measures

Fleet/Inventory Department					
PERFORMANCE MEASURES	FYE 2017 Actual	FYE 2018 Actual	FYE 2019 Actual	FYE 2020 Actual	FYE 2021 Goal
Vehicles Maintained in Fleet	38	41	41	41	43
Service Calls to All Authority Offices	28	21	25	28	20
Value of Inventory	\$309,000	\$339,000	\$441,870	\$480,000	\$441,870
Goods and Services Requisition to Purchase Order Process Within Five Days of Receipt	92%	95%	98%	98%	98%

Cross-Connection Control (Fleet/Inventory Subgroup)

Mission Statement

To protect the public from contaminated water or other substances flowing back onto NCWSA's water distribution system. NCWSA works 24 hours a day to maintain safe, high-quality water flowing to each customer. The Cross-Connection Control Program is in place to reduce the risk of contamination of the potable water by downstream user's plumbing system.

Summary of Services

The purpose of Cross-Connection Control is to isolate and protect the Newton County Water and Sewerage Authority's potable water supply / system against actual or potential backflow by containing, within a Consumer's premises. Any pollution or contamination that has entered, or may enter, into the Consumer's potable water system through any undiscovered or uncontrolled Cross-Connection must be prevented at all costs. The elimination of uncontrolled Cross-Connections to non-potable systems and uncontrolled interconnections to any potable water system that is not part of the Newton County Water and Sewerage Authority's Water System is the primary goal of the Department. Installing an appropriate Backflow prevention device(s) to isolate such system(s) from the NCWSA's potable water system will provide the necessary protection that is required under Georgia Law.

Personnel

Because Cross-Connection Control is a subgroup of the Fleet / Inventory Department, personnel information is contained on page 5-18.

FYE 2020 Accomplishments

- Sustained the back-flow prevention program.
- Maintained the Munis Program to better communicate with customer service representatives.
- Managed all existing, non-residential customers ensuring compliance with backflow regulations.
- Educated existing customers and new customers on backflow regulations and guidelines.
- Coordinated with independent backflow testers on a day to day basis.
- Attended pre-construction meetings to determine the degree of hazard on newly purchased meters.
- Inspected all new construction installations for a proper installment.
- Coordinated with the Engineering Department ensuring all new construction had correct detailed drawing on site plans.

- Obtained state-required number of continuing education units to maintain state backflow testing license.
- Maintained current credentials on backflow certified testers.

Critical Success Factors

As water purveyors, NCWSA's absolute main focuses are to:

- Operate under the Federal Safe Drinking Water Act of 1974 and the State of Georgia Rules for Safe Drinking Water statutes.
- Maintain a Cross-Connection Control Program (Backflow Prevention Program) to protect the public potable drinking water supply.

FYE 2021 Initiatives

As a subgroup of the Fleet/Inventory Department, the initiatives of Cross-Connection Control support the Authority's strategic plan goals of investing in infrastructure and performing enhanced and effective maintenance.

- Maintain the backflow prevention program.
- Continue educating existing customers and new customers on backflow regulations and guidelines.
- Maintain all necessary credentials for backflow testers.
- Have all current backflow testers, which test for NCWSA, educated on NCWSA backflow policies.
- Continue attending pre-construction meetings to ensure proper degree of hazard assessments on newly purchased meters.
- Continue to inspect all new customer installations for a proper installment.
- Continue working hand and hand with engineering to maintain a robust backflow program.
- Obtain all required CEUs to keep a backflow tester license.

Performance Measures

Fleet/Inventory Department –Cross–Connection Control Subgroup (Subgroup)					
PERFORMANCE MEASURES	FYE 2017 Actual	FYE 2018 Actual	FYE 2019 Actual	FYE 2020 Actual	FYE 2021 Goal
Number of Commercial/Industrial Backflows (% of System)	95%	100%	100%	100%	Maintain 100%
Number of Annual Backflow Test Received (Required %)	95%	100%	100%	100%	Maintain 100%
Number of Cross–Connection Violations Within the Water System	0	0	0	0	0

Information Technology Department

Mission Statement

To provide comprehensive technology planning, development, integration, operation, maintenance and support to all areas of the Authority to maximize efficiency.

Summary of Services

Information Systems ("IT") is responsible for managing all technology utilized at NCWSA including computer systems, communication systems, metering systems, as well as GPS, safety and security systems. IT maintains a reliable and capable local area network ("LAN"). This allows for the effective and efficient integration of computer technologies into daily business practices of the Authority. The IT function plans, organizes, and controls the operation of the computer and peripheral management information systems equipment. Responsible

for all day-to-day data and telephony operations performed within the Authority. IT performs integrated systems analysis for all departments to analyze, recommend, and approve appropriate information technology and/or communications for purchase and compatibility with the Authority infrastructure. The following is a comprehensive, but not all-inclusive, list of the functions of Information Systems.

- Regular Operations (daily, weekly, monthly).
- Network administration and database administration.
- Installation, maintenance of servers and printers, workstations and all peripherals.
- Scheduling, performing, and ensuring completion of backups.
- Analyzing logs and alarms. Clearing and compressing reports and logs.
- Munis support including security, updates and assistance.
- Google Apps (email and calendaring).
- SAN and network storage.
- Web/ecommerce server.
- Telephony, including cellular and wireless communications.
- Tablet computers.
- Active Directory administration.
- Security and camera systems.



Personnel

The Information Technology Department was created in 2006 and currently has two staff members.

Information Technology – Position Summary				
Position	FYE 2018	FYE 2019	FYE 2020	FYE 2021
IT Director	1.00	1.00	1.00	1.00
IT Specialist	–	–	1.00	1.00
Total	1.00	1.00	2.00	2.00

FYE 2020 Accomplishments

- Upgraded five-year-old workstations,
- Protected LAN from spam, viruses, malware, spyware, intrusion, bots and peer to peer software.
- Performed firewall penetration testing and security testing to ensure no external breaches of the network.
- Completed update Paymentus payment system migration / web payment system.
- Upgraded content management system.
- Implemented the XC2 FOGS program.
- Maintained the Redundant Virtual Server Infrastructure.
- Continued Cyber Security Training.
- Maintained time and attendance bio-metric hand scanners.
- Maintained the Backup server.

Critical Success Factors

The most crucial success factor for the Information Technology Department is that all computer systems retain their operational status. Other factors include:

- Safekeeping of processing critical and confidential customer information.
- Efficient and reliable computer hardware and software support.
- Network stability and security.
- Expert knowledge in Customer Information Systems.

FYE 2021 Initiatives

The Information Technology Department's initiatives support the Authority's strategic plan goals of financial stability and innovative customer service.

- Complete the implementation of the Munis Work Order System.
- Deploy Hands-Free Mobile Phone Devices.
- Evaluate and deploy additional field devices.
- Maintain a 20 percent (20%) computer replacement program.
- Timely resolution to user issues.
- Maintain reliable and dependable network performance.
- Continue cyber security training.
- Complete a Firewall Internal Setup Assessment

Performance Measures

Information Systems Department					
PERFORMANCE MEASURES	FYE 2017 Actual	FYE 2018 Actual	FYE 2019 Actual	FYE 2020 Actual	FYE 2021 Goal
Network Systems Uptime During Normal Business Hours	>99.9%	>99.9%	>99.9%	>99.9%	>99.9%
Telephone System Uptime During Normal Business Hours	>99.9%	>99.9%	>99.9%	>99.9%	>99.9%
Third-Party Payment Systems Uptime 24/7 365 Days Per Year	>99.9%	>99.9%	>99.9%	>99.9%	>99.9%
Response Time of Call To Help Desk Response within One (1) Business Day	>99.9%	>99.9%	>99.9%	>99.9%	>99.9%

Human Resources Department

Mission Statement

Our mission is to maximize the potential of NCWSA's greatest assets – its employees. We are committed to recruit, develop, reward, retain, and protect the physical and human assets of NCWSA. Our vision as human resource and safety/risk management professionals is to embrace change and its opportunity. We will accomplish this by providing services that promote a work environment that is characterized by fair treatment of staff, open communication, personal accountability, trust, and mutual respect.

Summary of Services

Human Resources is responsible for ensuring NCWSA initiates and facilitates strategies for building a workforce supporting and enhancing the organization's objectives and values. The department is also responsible for overseeing employee benefits, classification and compensation, policies and procedures, employee relations, administrative support and employee development.

Personnel

The Human Resources ("HR") Department was created in 2004 maintaining a staff of one (1). HR does not have planned staffing changes in FYE 2021

Human Resources – Position Summary

Position	FYE 2018	FYE 2019	FYE 2020	FYE 2021
Human Resources Director	1.00	1.00	1.00	1.00
Total	1.00	1.00	1.00	1.00

FYE 2020 Accomplishments

- Conducted several successful blood drive campaigns (every eight (8) weeks).
- Encouraged an active Committee participation in the Benevolent Fund, including donating to those in need at Christmas time.
- Continue team-building efforts within work groups.
- Continued to manage payroll internally along with filing the appropriate state and federal reports timely.
- Continued education through the Carl Vinson Program at UGA by attending two (2) annual conferences.
- Continued serving on the Board of Georgia Local Government Personnel Association, this year serving as Secretary.
- Hosted a Georgia Local Government Personnel Association (“GLGPA”) Round Table meeting for neighboring GLGPA members to discuss H/R issues.
- Provided cardiovascular screenings for all employees through BCBS.
- Continued serving with the Rotary as NCWSA representative.
- Organized Employee Assistance Program training session.
- Organized fund raisers for different charities each month by encouraging employees to wear jeans on non-casual days at the cost of \$5/day, earning over \$1,800 for causes such as Alzheimer’s, Childhood Cancer, Veteran’s, and Diabetes and Breast Cancer Awareness. Starting in January 2018, we donate to local charities such as Newton Mentoring, the Boys & Girls Club, and the local food pantry.
- Continue working with the Wellness committee on ideas for employees. (Reduced activity due to the renovation of the Crowell house).
- The Wellness Team participated in the Firehouse 5K in May and the Fuzz Run in September 2019.
- Scheduled annual flu shots at NCWSA.
- Continued as a certified Drug-Free employer and continue email training (provided by the Chamber) for the employees and managers.
- Continued championing the Community Volunteer Committee and worked at the following functions: Fuzz Run, Yellow River Jam, Change the World, Twilight at Chimney Park, Fitness Night, Family Fun Day, and Fairy Festival Chimney Park. This includes scheduling employees as volunteers during the events.
- Scheduled CPR/First Aid training for all employees.
- Organized the Employee Appreciation lunch from the Varsity.
- Schedule various meetings for employees with insurance & retirement representatives.



Critical Success Factors

Human Resources have identified the following objectives it considers critical to the overall success of the Department and the Authority for FYE 2021:

- Maintain and support information dispersal on the COVID-19 Pandemic.

- Monitor employee health and wellness of all NCWSA personnel.
- Review healthcare and retirement programs annually.
- Develop a program to transfer employees' knowledge in critical positions as the workforce ages and readies for retirement.
- Update job descriptions in a collaborative effort with Human Resources, supervisors, and department directors.
- Develop strategies to attract and retain employees through challenging budget years.
- Update all insurance schedules annually.
- Maintain Drug-Free Workplace by performing random monthly testing.
- Maintain a safe working environment.

FYE 2021 Initiatives

Human Resource's primary initiative is to support the Authority's strategic plan goal of workforce protection and development.

- Write Standard Operating Procedures ("SOP") for Human Resources.
- Conduct a successful Authority wellness and health fair.
- Instruct employees on Employee Self Service to take advantage of more online involvement by employees including open enrollment for benefits.
- Reactivate the wellness program.
- Allow participation through lower levels of the organization.
- Work with Authority management team to identify staffing needs projecting out three (3) to five (5) years.

Performance Measures

Human Resources Department					
PERFORMANCE MEASURES	FYE 2017 Actual	FYE 2018 Actual	FYE 2019 Actual	FYE 2020 Actual	FYE 2021 Goal
Employee Retention Rate	84%	98%	97%	97%	98%
Average Total Training Hours Per Employee Per Year	24.49	20.59	24	27.25	20
New FTE's Added Per Year	2	4	4	4	1

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GLOSSARIES

GLOSSARY OF TERMS

Asset Management – A management paradigm and a body of management practices that is applied to the entire portfolio of assets at all levels of the organization, seeking to minimize the total cost of acquiring, operating, maintaining and renewing the assets within an environment of limited resources; while continuously delivering the service level customers desire and regulators require, at an acceptable level of business risk to the organization.

Business Continuity Plan is the creation of a strategy through the recognition of threats and risks facing a company, with an eye to ensure that personnel and assets are protected and able to function in the event of a disaster. Business continuity planning (“BCP”) involves defining potential risks, determining how those risks will affect operations, implementing safeguards and procedures designed to mitigate those risks, testing those procedures to ensure that they work, and periodically reviewing the process to make sure that it is up to date.

Depreciation – Loss in monetary value of an asset over time, due to its age and use.

Disinfection Byproduct Rule – Rule promulgated by the United States Environmental Protection Agency to regulate water contaminants produced when water is disinfected.

Department – A primary operating unit of NCWSA

Employee Benefits – This includes health insurance, life insurance, and dental insurance paid as an employee benefit.

ERT – A packet radio protocol developed by Itron for automatic meter reading. The technology is used to transmit data from utility meters over a short range so a utility vehicle can collect meter data without a worker physically inspecting each meter.

Master Budget – NCWSA’s capital and operating budgets for all Departments / Entity-wide compiled into a single budget document

MVRS – A PC-based meter reading software solution for data collection and route management for Itron handheld computers, mobile collection systems, optical and touch probes.

Other Expense – Income from activities other than normal business operations

Other Income – Expenses from activities other than normal business operations

Pay Go/PAYGO – Method of paying for capital projects with cash on hand

Raw Water – Also referred to as source water is untreated, surface water.

Residuals Management – Treatment and land application of sludge produced in the course of treating wastewater

Right of Way – Areas (easement) where NCWSA has both water / wastewater pipelines underground

Source Water – Also referred to as raw water is untreated, surface water.

Surcharge – An additional charge for elements within the customer’s wastewater that is above the allowable limits within NCWSA’s Industrial Pretreatment Program.

Transmission System – Network of pipelines and water tanks whereby potable water is distributed to NCWSA’s customers

WRF – Water Reclamation Facility. Plant where wastewater is treated through various processes to quality standards and pumped into NCWSA’s land application system

GLOSSARY OF ACRONYMS

AMR – Automated Meter Reading

ASCE – American Society of Civil Engineers

AWWA – American Water Works Association

BCP – Business Continuity Plan

CAFR – Comprehensive Annual Financial Report

CCR – Consumer Confidence Report

CIP – Capital Improvement Plan

CMMS – Computerized Maintenance Management System

CMOM – Capacity, Management, Operation and Maintenance

EIT – Engineer in Training

FTE – Full-Time Equivalent Employee(s)

GADOT – Georgia Department of Transportation

GA EPD – Georgia Environmental Protection Division

GAAP – Generally Accepted Accounting Principles

GASB – Governmental Accounting Standards Board

GAWP – Georgia Association of Water Professionals

GEFA – Georgia Environmental Finance Authority

GLFPA – Georgia Local Government Personnel Association

GIS – Geographic Information System

GPD – Gallons per Day

I&I – Inflow and Infiltration of Non-wastewater into the Sanitary Sewer Collection System.

MG – Million Gallons

MGD – Million Gallons per Day

NCWSA – Newton County Water & Sewerage Authority

R&R/R&E – Renewal and Replacement / Renewal and Extension

SCADA – Supervisory Control and Data Acquisition

SOP – Standard Operating Procedure

UGA – University of Georgia

WRF – Water Reclamation Facility.