



Newton County Water and Sewerage Authority FYE 2024 Budget and Financial Plan



Prepared by:

NCWSA Finance Staff
11325 Brown Bridge Road
Covington, GA 30016

TABLE OF CONTENTS

MESSAGE FROM THE EXECUTIVE DIRECTOR	1
Introduction	1
Background	1
Operating Budget	2
Operating Funds and Revenues	2
Operating Expenditures	3
Capital Improvement Projects	4
Conclusion	4
Acknowledgment	5
Distinguished Budget Presentation Award	6
SECTION 1 - INTRODUCTION AND OVERVIEW	
HISTORY AND GOVERNANCE	7
NCWSA BOARD OF DIRECTORS	8
NCWSA SYSTEM FACTS	9
DEMOGRAPHIC AND ECONOMIC INFORMATION FOR NEWTON COUNTY	10
Water and Sewer Rate Comparison Information	11
NCWSA Customer Information	12
Top Ten Customers of the Newton County Water & Sewerage Authority	12
Water System - Recent and Projected Customer and Demand Statistics	12
Sewer System – Recent and Projected Customer and Demand Statistics	14
Newton County Water Service Area Map	16
Newton County Sewer Service Area Map	17
NEWTON COUNTY WATER AND SEWERAGE AUTHORITY STRATEGIC PLAN	18
Profile of the NCWSA	18
Mission	18
Vision	18
Values	19
Strategic Plan	19
Strategic Goal #1 - Financial Stability	19
Strategic Goal #2 – Enhanced and Effective Maintenance	20
Strategic Goal #3 – Innovative Customer Service	20

Strategic Goal #4 – Workforce Protection and Development	20
Strategic Goal #5 – Investment in Infrastructure	21
Strategic Goal #6 – Maintaining a Fiscally Responsible Level of Debt.....	21
SECTION 2 - FINANCIAL STRUCTURE, POLICY, AND BUDGET PROCESS	
NCWSA ORGANIZATIONAL CHART	22
FUND STRUCTURE	23
BASIS OF BUDGETING.....	23
FINANCIAL PRACTICES	24
Operating Budget	24
Investments	24
Debt Management	24
Working Capital Reserve	25
Purchasing.....	25
Capital Improvement vs. Capital Outlay	25
Budget Control Guideline.....	25
Revenue Projection and Monitoring	25
Expenditure Control and Monitoring	25
Financial Reports	26
Capital Improvement Plan.....	26
Master Budget	26
Monthly Financial Reviews.....	26
Cash Management Practices.....	26
BUDGET PROCESS.....	27
The Budget as a Financial Plan.....	27
Rates and Fees	27
FYE 2024 Budget Calendar	28
Budget Amendments.....	30
SECTION 3 - FINANCIAL SUMMARIES	
OPERATING BUDGET SUMMARY – FYE 2024	31
FYE 2024 Major Operating Revenues.....	31
Explanation of Significant Budget Variances - Revenues.....	32
Discussion of Major Revenue Sources.....	32

FYE 2024 – Retail Service Rates	33
FYE 2024 – Operating Revenue Detail by Function	35
FYE 2024 Major Operating Expenditures	35
Explanation of Significant Budget Variances - Expenditures.....	36
FYE 2024 - Operating Expenditures Detail by Function.....	38
Net Position.....	40
Working Capital	40
Long-Term Financial Plan	41
SECTION 4 - CAPITAL AND DEBT	
NCWSA CAPITAL IMPROVEMENT AND REPLACEMENT PLAN FYE 2024 - 2028	45
Project Descriptions and Impacts – Capital Projects – FYE 2024.....	52
Water System.....	52
Sewer System.....	54
Reuse Capital Improvements.....	55
Miscellaneous Capital Improvements.....	56
DEBT OBLIGATIONS	58
Description of Debt Standards.....	58
Summary of Debt Obligations	58
Notes Payable	59
Summary of Debt Service Payments	59
Projected Debt Service and Debt Service Coverage Ratio.....	61
SECTION 5 - DEPARTMENTAL INFORMATION	
NCWSA OPERATIONS GUIDE.....	62
NCWSA Senior Management	62
Operating Department Personnel	62
Operating Departments Mission, Accomplishments, Initiatives, and Performance Measures	63
Administration Department.....	63
Engineering Department.....	65
Geographical Information Systems (Engineering Subgroup).....	69
Water Conservation (Engineering Subgroup).....	71
Water Reclamation Department.....	73
Water System Maintenance Department.....	75

Business Operations Department	78
Fleet/Inventory Department.....	80
Cross-Connection Control (Fleet/Inventory Subgroup).....	83
Information Technology Department.....	85
Human Resources Department.....	87
GLOSSARY OF TERMS.....	90
GLOSSARY OF ACRONYMS	91





MESSAGE FROM THE EXECUTIVE DIRECTOR

Introduction

I am pleased to present the annual operating budget for the fiscal year ending June 30, 2024 (the "FYE 2024 Budget"). The budget provides a plan to achieve NCWSA's initiatives, including water quality, financial viability, water resource sustainability, reliability, and workforce development.

The ensuing financial budget allows NCWSA to remain committed to the ratepayers it is responsible for serving. The FYE 2024 Budget was developed because the customer deserves the highest quality water and wastewater services delivered professionally, courteously, and efficiently. Further, the Authority is devoted to improving and enhancing services for all its customers. The FYE 2024 Budget places the Authority on the right path to achieve the goals outlined in the following pages.

Background

Each year we confront a significant challenge. The upcoming year will be no different, with high inflation and rising mortgage interest rates replacing the recent global pandemic. While inflation has eased slightly in the first half of 2023, mortgage interest rates remain at forty-year highs. These two factors have slowed the new housing starts, with a recession projected for the last two quarters of 2023 occurring within the first two-quarters of the FYE 2024 Budget cycle. While significant challenges are demanding, great opportunities will always reveal themselves if we persevere to stay the course. Regardless of ongoing events, our community is always foremost in our efforts, as the Authority performs its budget development process carefully and diligently.

In the near term, and based on what we are discovering, the FYE 2024 Budget will focus on four (4) key Strategic Plan priorities:

- Investment in Infrastructure
- Enhanced and Effective Maintenance
- 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, wastewater treatment, housing, and economic growth with sound financial policy to maintain debt service coverage.

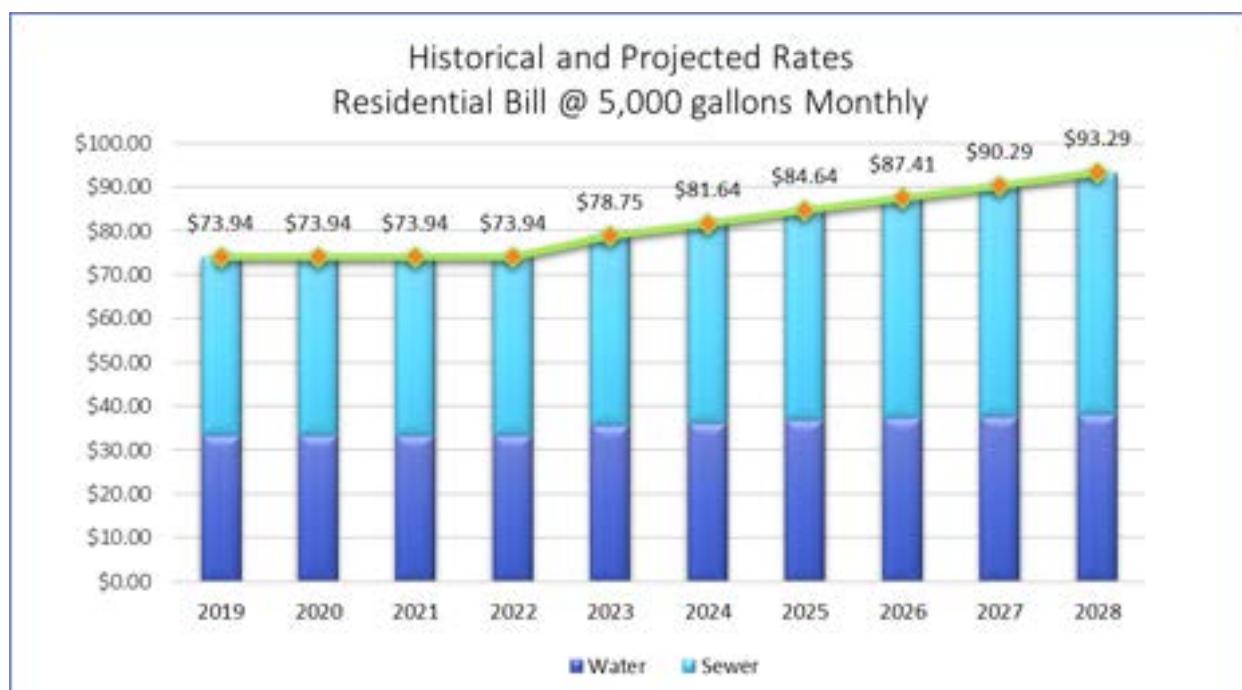
Operating Budget

The FYE 2024 Budget is designed to reflect the most accurate cost to accomplish the following objectives:

1. Continue capital projects currently in progress using funds secured.
2. The Authority will take the necessary steps to address the impact of inflation on its operations and material purchases.
3. Encourage favorable economic development without burdening the existing customer base. "New growth should pay for new growth."
4. Offer competitive salaries and an employee benefits 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 wastewater utility such as the Authority, most of the revenue is derived from fees, rates, and billings charged to the beneficiaries of services ("User Charges"). User Charges are a way of recovering costs to provide a service to those who benefit directly from that service. The entire process of i) identifying water and wastewater 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 part of the regular budget process, the Authority adopts rates and fees to provide revenue to satisfy the cost of operations and maintenance (including replacement), liability (debt) Service, and debt service coverage. The following graph represents the average residential customer bill using 5,000 gallons monthly.



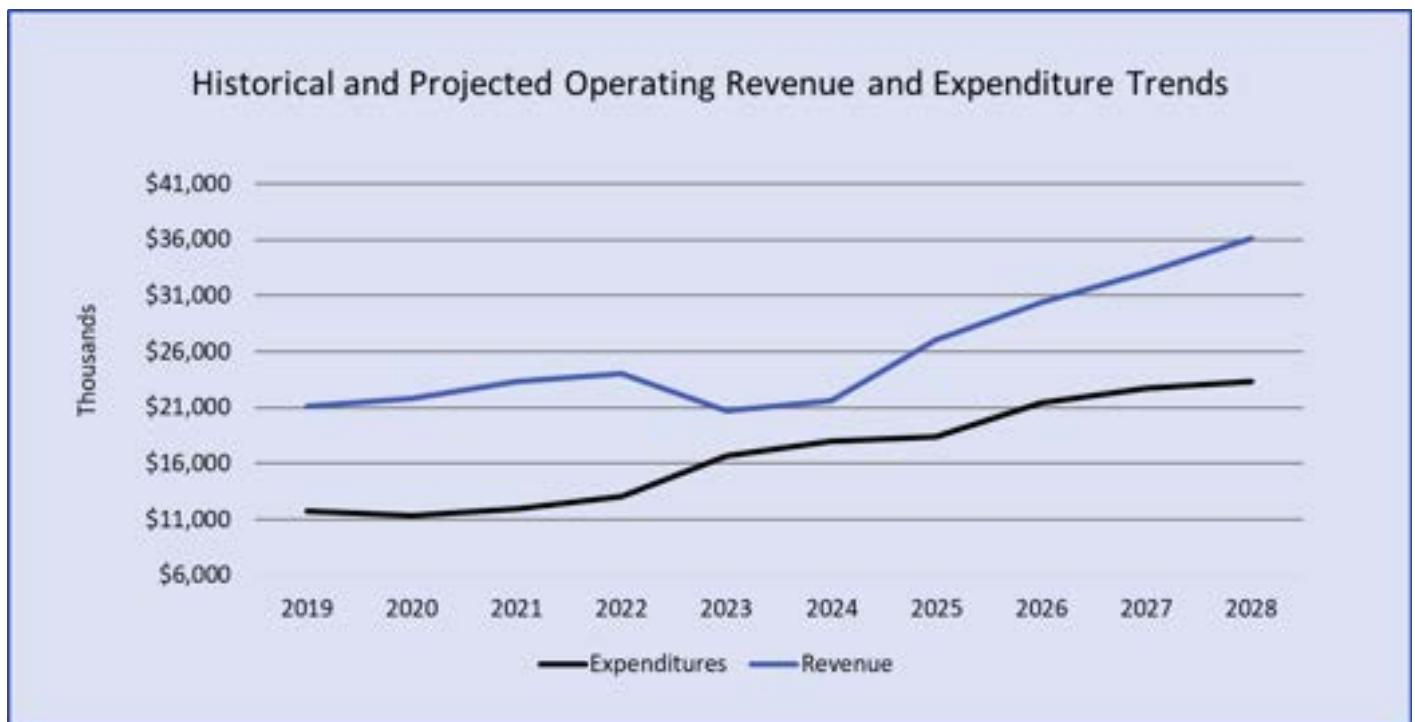
Operating Expenditures

In planning expenditures, the Authority staff ensures through sound financial strategy to keep ratepayer costs as low as good service permits. Department directors have reviewed expenditures thoroughly and were further evaluated, with adjustments made according to each department's needs, considering the possibility of lingering negative impacts from the Pandemic and an unstable economy throughout the new budget cycle.

Based on the audited operating expenses for FYE 2019 through FYE 2022, excluding depreciation and water purchases (which are system-driven), the Authority has undertaken a total review of its rate classes and structures. There is still uncertainty in the housing market, with inflation moving upward to 40-year highs, significantly affecting our operations and material purchases. However, great care has been taken in compiling the expense numbers for each fund. As a result, it should be adequate to continue providing exceptional service to the Authority's customers as historically achieved. The staff continues to review each expenditure with care using system resources wisely and efficiently.

The Authority's staff came in under budget for total expenditures in recent budget cycles and will strive to do so in the coming year. The Authority's staff takes great pride in reducing the general expenses or the "make do with less" approach that has been common in recent budgets. 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 representing Operating Revenue and Expense historical trends from FYE 2019 through FYE 2023 and projections for FYE 2024 to FYE 2028.



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 rates to provide funding for these projects.

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 is committed to achieving the goals within this budget.

In comparison to the fiscal year ended June 30, 2023, (the "FY 2023 Budget"), annual operating budget and financial plan for FYE 2024 will see a return to the continuation of the most significant increase in capital projects in its fifty-three (53) year history. This is due to the need to complete the A. Scott Emmons Water Reclamation Facility Phase II and construct the new Stanton Springs Water Resources Facility and adjacent outfalls within the Authority's water and sewer service area in eastern Newton County. In addition, the construction of the Baymare Data Center within the Stanton Springs Research & Development Park ("Stanton Springs") (South) continues to give impetus to maintaining the capital improvement program in high gear. Continuing capital projects during this challenging time will place the Authority in a favorable position, allowing for even more excellent economic development opportunities.

One of those opportunities is the Rivian Advanced Auto Manufacturing Plant to Stanton Springs (North). The Rivian Plant will be an advanced electric truck manufacturing facility. The main components of the truck, such as the body and battery, will be produced on-site. The initial plans call for this site to build over 20 million square feet of manufacturing buildings on the 2000-acre campus. An industry of this size has enormous water and wastewater demands, requiring the NCWSA to design and build infrastructure out of the "norm" from its typical pipe and process infrastructure.

In FYE 2020, the Authority began to expand its workforce and has made good progress in hiring quality workers despite historically low unemployment levels. FYE 2024 will increase the number of Full-Time Employees in the NCWSA workforce to an all-time high of 75. As with other industries, locally and nationally, finding workers who can meet basic qualifications proves to be challenging.

The proposed FYE 2024 Budget has been designed to provide financial stability while offering the highest service standards possible for the ratepayers and the citizens of Newton County. The FYE 2024 Budget is evidence of our efforts to be a fiscally responsible, receptive, and proactive service provider in good times or bad times. Our primary goal is to distribute a high-quality, safe, and abundant supply of potable water to meet the needs of our customers at the lowest and most reasonable possible cost. The Authority also has the parallel mission of collecting and treating customer wastewater according to the Environmental Protection Division's standards at the lowest and most reasonable price.

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

Acknowledgment

I want 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 thank all the Authority's employees and the Department Managers for their continued efforts and support for this year's budget that allows the Authority to complete its mission daily. Our goals and objectives could only be met with all your tireless effort. Most importantly, I would like to thank our valued customers, whom we are honored to serve.

Respectfully submitted,



Mike Hopkins

NCWSA Executive Director

June 21, 2023





GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Newton County Water & Sewer Authority
Georgia**

For the Fiscal Year Beginning

July 01, 2022

Christopher P. Morrell

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, 2022. This is the sixth consecutive year NCWSA has submitted and received this prestigious award. To receive this award, NCWSA had to publish a budget document that satisfies nationally recognized guidelines that meet the program criteria as a policy document, operation guide, financial plan, and communications device. This award is valid for one year only. We believe our current budget and financial plan for the fiscal year beginning July 1, 2023, continues to conform to program requirements. Therefore, we are submitting it to GFOA to determine its eligibility to receive our seventh consecutive Distinguished Budget Award.



SECTION 1

INTRODUCTION AND OVERVIEW



HISTORY AND GOVERNANCE



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. Instead, customer fees and charges fund operational and maintenance costs. 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 for drinking and for irrigation, fire protection and other purposes. The Cornish Creek Surface Water Plant (owned and operated by Newton County Water Resources) is the principal drinking water treatment facility, using the Alcovy River basin as its source. Sewer services, including industrial pretreatment, are provided by the Yellow River Water Reclamation Facility, a shared land application system with the City of Covington and the A. Scott Emmons Water Reclamation Facility which is a stream discharge facility serving the Stanton Springs Research & Development Park.

(Remainder of page intentionally left blank)

NCWSA BOARD OF DIRECTORS



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 NCWSA has a public responsibility to preserve the region's resources and set industry standards for how water and sewer utilities conduct themselves.

Covington Director: David Waller – Years of Service: 10

Executive Committee

Term Expires: June 30, 2028

Oxford Director: Terry Smith – Years of Service: 19

Chairman / Executive Committee

Term Expires: June 30, 2024

Porterdale Director: Lowell Chambers – Years of Service: 11

Term Expires: June 30, 2027

Newton County Director District 1: Leigh Ann Barrett – Years of Service: 7

Term Expires: June 30, 2026

Newton County Director District 2: Elsie Bell – Years of Service: 13

Vice-Chair / Executive Committee

Term Expires: June 30, 2025

Newton County Director District 3: Sonya Elijah – Years of Service: 2

Term Expires: June 30, 2026

Newton County Director District 4: Junior Hilliard – Years of Service: 10

Term Expires: June 30, 2023 (Pending Formal Reappointment)

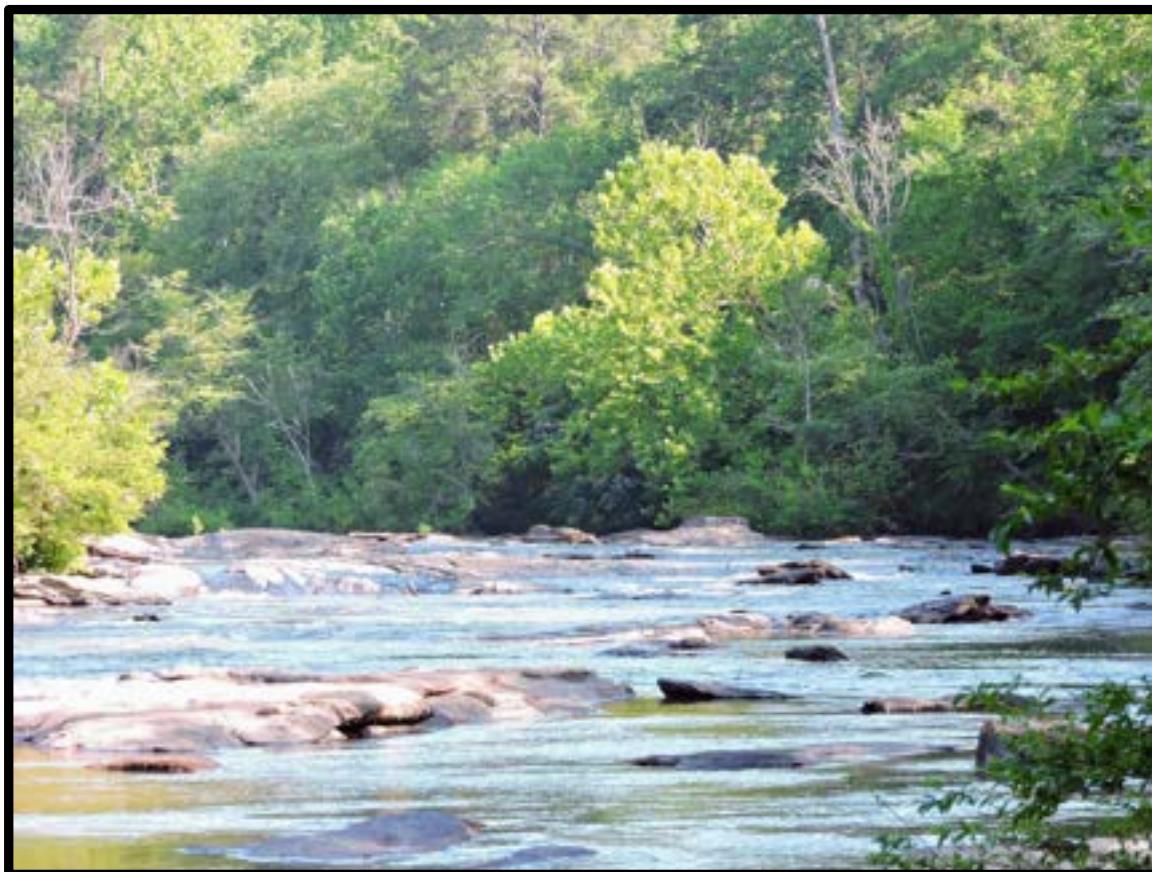
Newton County Director District 5: Ester Fleming – Years of Service: 2

Term Expires: June 30, 2026

(Remainder of page intentionally left blank)

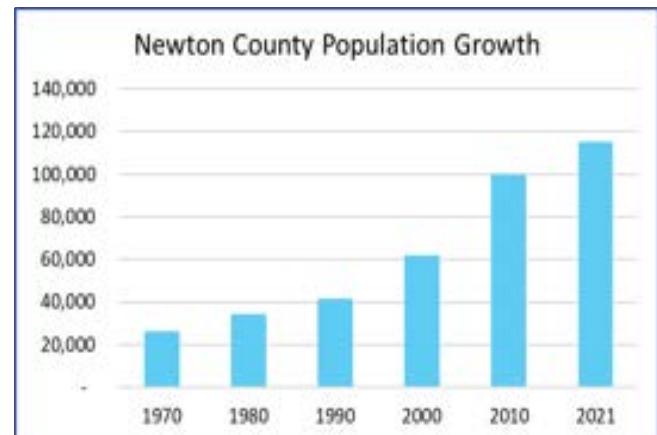
NCWSA SYSTEM FACTS

Water System:	
Service Area	Unincorporated Newton County- 210 sq. miles
Miles of Water Mains	659 Miles – 2" to 30" Diameter Water Mains
Number of Storage Tanks	7 – Capacity 8.5 Million Gallons
Number of Pumping Stations	4
Number of Service Connections	26,592
Sewer System:	
Water Reclamation Facilities	2 – Yellow River 3.2 MGD and A. Scott Emmons 1.25 MGD
Miles of Sewer Lines	Gravity - 117 Miles, Force Main - 23 Miles
Number of Lift Stations	8
Land Application	Covington / NCWSA 2000 ac. 9.7 MGD
Number of Service Connections	7,963
Miscellaneous Statistical Information	
Population Served	71,574
Number of Employees	75 Full-Time Positions, 60 Employees
Annual Water Delivered	1.82 Billion Gallons
Annual Wastewater Treated	901 Million Gallons



DEMOGRAPHIC AND ECONOMIC INFORMATION FOR NEWTON COUNTY

General Data	
Population (July 1, 2021)	115,355
Median Age	37.4
Sex	
Female	53%
Male	47%
Age Distribution	
<20 Years of Age	33,736
21-34 Years of Age	20,392
35-54 Years of Age	31,900
45-64 Years of Age	14,106
64-84 Years of Age	14,047
85+ Years of Age	1,174



Economic Data	
Median Income	\$ 77,341
Employed	51,921
Unemployment Rate	4.2%
Percent of Population Living Below Poverty Level	8.7%
Industry by occupation (2022)	
Educational, health care & social assistance	22.0%
Manufacturing	14.0%
Retail Trade	12.0%
Professional, scientific, and management, and administrative and waste management services	9.0%
Transportation and warehousing, and utilities	8.0%

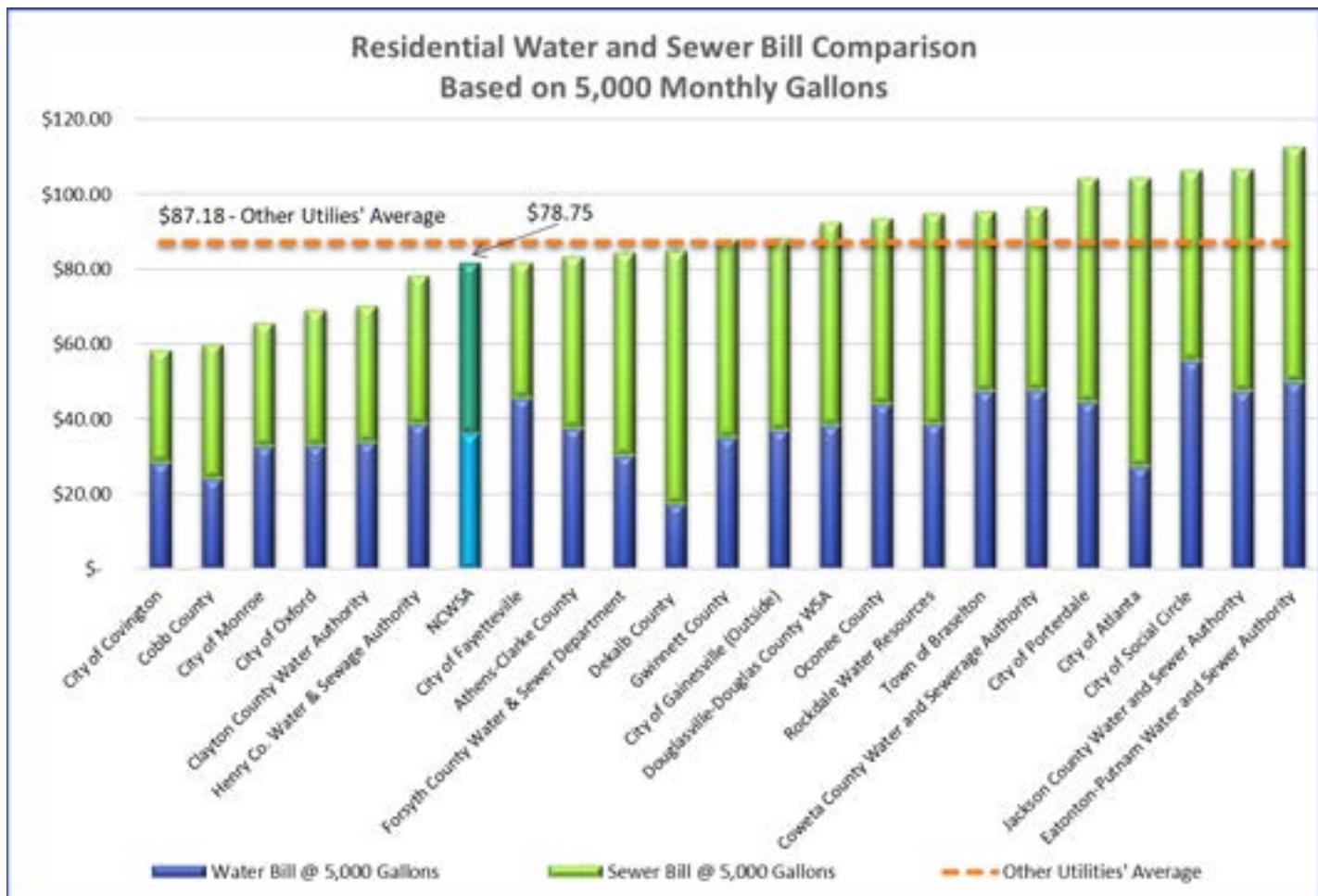


Education	
Schools – Public and Private	
PreK	13
Elementary	15
Middle	7
High	4
Enrolled Students	19,734
Educational Attainment (18 years and older)	
No High School Diploma	11.0%
High School or GED	35.0%
Some College, No Degree, Associates Degree	33.0%
Bachelor's Degree or Higher	21.0%

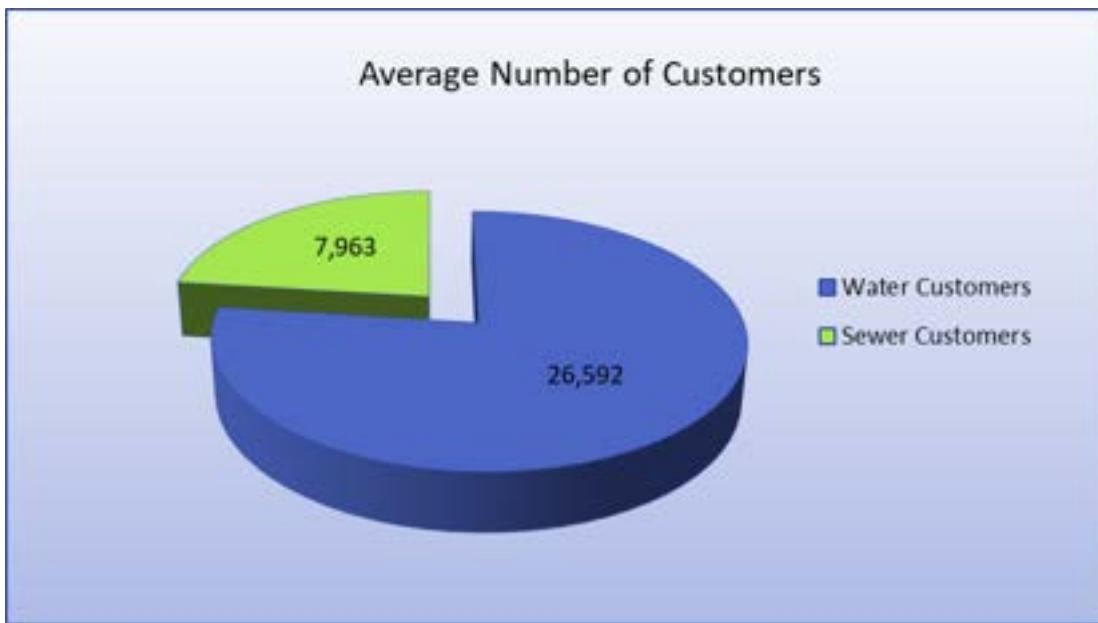
Housing	
Housing Units (July 1, 2022)	47,261
Owner-Occupied Housing Unit (2017-2022)	75.0%
Median Value of Owner-Occupied Housing Units (2017-2022)	\$ 200,000
Median Gross Rent (2017-2021)	\$1,133
Residential Building Permits Issued (2022)	664

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.



(Remainder of page intentionally left blank)



Top Ten Customers of the Newton County Water & Sewerage Authority

Account Name	Annual Usage	Month Usage	Daily Usage
Takeda Pharmaceuticals	211,462,000	17,621,833	587,394
Morning Hornet	20,184,000	1,682,000	56,067
Washreit Oxford, LLC (Apt)	15,781,000	1,315,083	43,836
Baymare, LLC	13,305,000	1,108,750	36,958
Covington LHA III, LLP (Apartment Complex)	8,291,000	690,917	23,031
Newton County Board of Education (Flint Hill)	7,478,000	623,167	20,772
Newton County Board of Education (Eastside HS)	6,959,000	579,917	19,331
Riverside MHRV, LLC	6,679,000	556,583	18,553
Twas Salem Rd, LLC (Carwash)	6,222,000	518,500	17,283
AML, LLC (Apts)	6,129,000	510,750	17,025
Combined Top Ten Users (Gallons)	<u>302,490,000</u>	<u>25,207,500</u>	<u>840,250</u>

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 residential water customer accounts of 1.84% and sales of approximately 1.23% per year. The single-family average monthly use per account is projected to remain constant at approximately 5,000 gallons per month per ERU during the

Forecast Period. The average monthly use per residential ERU represents a continued decline in the average monthly use per household experienced by utilities in Georgia and nationwide and can be attributed to water conservation efforts and a recent three-year period of above-average seasonal rainfall levels.

On the commercial side the East Newton / Stanton Springs area will continue to experience the massive infrastructure construction that has been going on for over twelve years. The Baymare project is a total replication of the Morning Hornet Data Center Project, however the water and wastewater service agreement capacities are nearly doubled. Rivian broke ground as FYE 2023 came to a close. The water/wastewater demands of our four largest commercial customers are expected to reach levels that exceed all current customer demands combined.

Water System [1]											
	Fiscal Year End June 30,										
	Historical					Projected					Avg. Annual Growth Rate [3]
Description	2019	2020	2021	2022	2023 (Est.)	2024	2025	2026	2027	2028	
<u>Residential & Commercial</u>											
Avg. Annual Water Accounts	23,926	24,590	25,355	26,205	26,584	26,965	27,324	27,647	27,934	28,185	1.84%
Avg. Annual Water ERU's [2]	26,436	27,401	28,335	28,736	29,120	29,507	30,084	30,413	30,705	30,962	1.77%
Billed Water Sales (Kgals)	1,543,642	1,548,776	1,590,231	1,638,547	1,615,301	1,628,234	1,673,516	1,692,169	1,708,781	1,723,351	1.23%
Avg. Monthly Water Use Per ERU	4,866	4,710	4,677	4,752	4,622	4,598	4,636	4,637	4,638	4,638	(0.53%)
<u>Large Commercial</u>											
Avg. Annual Water Accounts	1	6	6	6	9	9	11	15	19	20	39.50%
Avg. Annual Water ERU's [2]	2,305	2,284	2,401	2,374	2,064	2,359	2,534	8,558	10,780	10,956	18.91%
Billed Water Sales (Kgals)	210,311	208,432	219,151	216,694	188,428	215,410	231,300	781,045	983,811	999,812	18.91%
Avg. Monthly Water Use Per ERU	7,604	7,606	7,606	7,605	7,607	7,610	7,607	7,605	7,605	7,605	0.00%
<u>Total Water System</u>											
Avg. Annual Water Accounts	23,927	24,596	25,361	26,211	26,593	26,974	27,335	27,662	27,953	28,205	1.84%
Avg. Annual Water ERU's [2]	28,740	29,685	30,736	31,111	31,185	31,866	32,618	38,971	41,485	41,918	4.28%
Billed Water Sales (Kgals)	1,753,953	1,757,208	1,809,382	1,855,241	1,803,729	1,843,644	1,904,816	2,473,214	2,692,592	2,723,163	5.01%
Avg. Monthly Water Use Per ERU	5,086	4,933	4,906	4,969	4,820	4,821	4,866	5,289	5,409	5,414	0.70%
Table continued on following page.											

Water System [1] – (cont'd)

	Fiscal Year End June 30,										Avg. Annual Growth Rate [3]
	Historical					Projected					
Description	2019	2020	2021	2022	2023 (Est.)	2024	2025	2026	2027	2028	
<u>Water Purchases (kgals)</u>	1,982,051	1,861,361	1,875,128	1,981,316	1,950,446	1,993,852	2,060,343	2,678,168	2,916,622	2,949,851	4.52%
ADF-MGD	5.43	5.10	5.14	5.43	5.34	5.46	5.64	7.34	7.99	8.08	
ADF-MGD = Average Daily Flow expressed in Million Gallons per Day											
[1] Amounts shown include both residential and commercial customers.											
[2] Equivalent residential units ("ERU") are 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 ii) the number of units served for the multi-family class.											
[3] Reflects the average annual projected compounded growth from FYE 2019 to FYE 2028.											

The Rivian Advanced Auto Manufacturing Plant ("Rivian") will require the Authority to build the Stanton Springs Water Resources Facility which will collect pretreated industrial wastewater that will then be treated, distributed, and used for non-drinking purposes. The Reuse Facility will use two treatment methodologies (Ultra-filtration, and Reverse Osmosis) that will produce and thus provide water quality that can be used for non-potable uses. For the customer, the reuse water will provide a less expensive water source and for the Authority it will relieve some of the demand for the overall water supply within Newton County. The reuse project could potentially result in initial sales of approximately five million gallons per day (MGD) of additional reuse water.

Reuse Water System [1]					
		Fiscal Year Ending June 30,			
		Projected			
Description		2024	2025	2026	2027
<u>Large Commercial</u>					
Avg. Annual Reuse Water Accounts		-	-	4	4
Billed Reuse Water Sales (Kgals)		-	-	383,250	474,884
[1] Amounts shown include both residential and commercial customers.					

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 customer billing statistics:

(Remainder of page intentionally left blank)

Sewer System [1]											
		Fiscal Year End June 30,									
Description	Historical					Projected					Avg. Annual Growth Rate [4]
	2019	2020	2021	2022	2023 (Est.)	2024	2025	2026	2027	2028	
<u>Residential & Commercial</u>											
Avg. Annual Sewer Accounts	7,263	7,325	7,548	7,890	7,959	8,007	8,040	8,062	8,084	8,106	1.23%
Avg. Annual Sewer ERU's [2]	7,841	8,271	8,495	8,815	8,899	8,957	9,203	9,226	9,249	9,271	1.88%
Billed Sewer Sales (Kgals)	445,165	454,932	472,433	501,564	488,263	488,791	510,771	512,053	513,336	514,619	1.63%
Avg. Monthly Sewer Use Per ERU	4,731	4,584	4,634	4,741	4,572	4,547	4,625	4,625	4,625	4,626	(0.25%)
<u>Large Commercial</u>											
Avg. Annual Sewer Accounts	1	4	4	4	4	4	7	7	7	7	24.14%
Avg. Annual Sewer ERU's [2]	2,305	2,162	2,148	2,136	1,855	2,056	2,134	4,502	5,140	5,257	9.59%
Billed Sewer Sales (Kgals)	210,311	197,242	196,028	194,946	169,302	187,617	194,727	410,791	469,018	479,663	9.59%
Avg. Monthly Sewer Use Per ERU	7,604	7,604	7,604	7,604	7,604	7,604	7,604	7,604	7,604	7,604	0.00%
<u>Total Sewer System</u>											
Avg. Annual Sewer Accounts	7,264	7,329	7,552	7,894	7,963	8,011	8,047	8,069	8,091	8,113	1.24%
Avg. Annual Sewer ERU's [2]	10,146	10,432	10,643	10,952	10,754	11,014	11,337	13,728	14,388	14,528	4.07%
Billed Sewer Sales (Kgals) [3]	655,476	652,174	668,461	696,510	657,565	676,408	705,498	922,844	982,354	994,282	4.74%
Avg. Monthly Sewer Use Per ERU	5,384	5,210	5,234	5,300	5,095	5,118	5,186	5,602	5,689	5,703	0.64%

[1] Amounts shown include both residential and commercial customers.

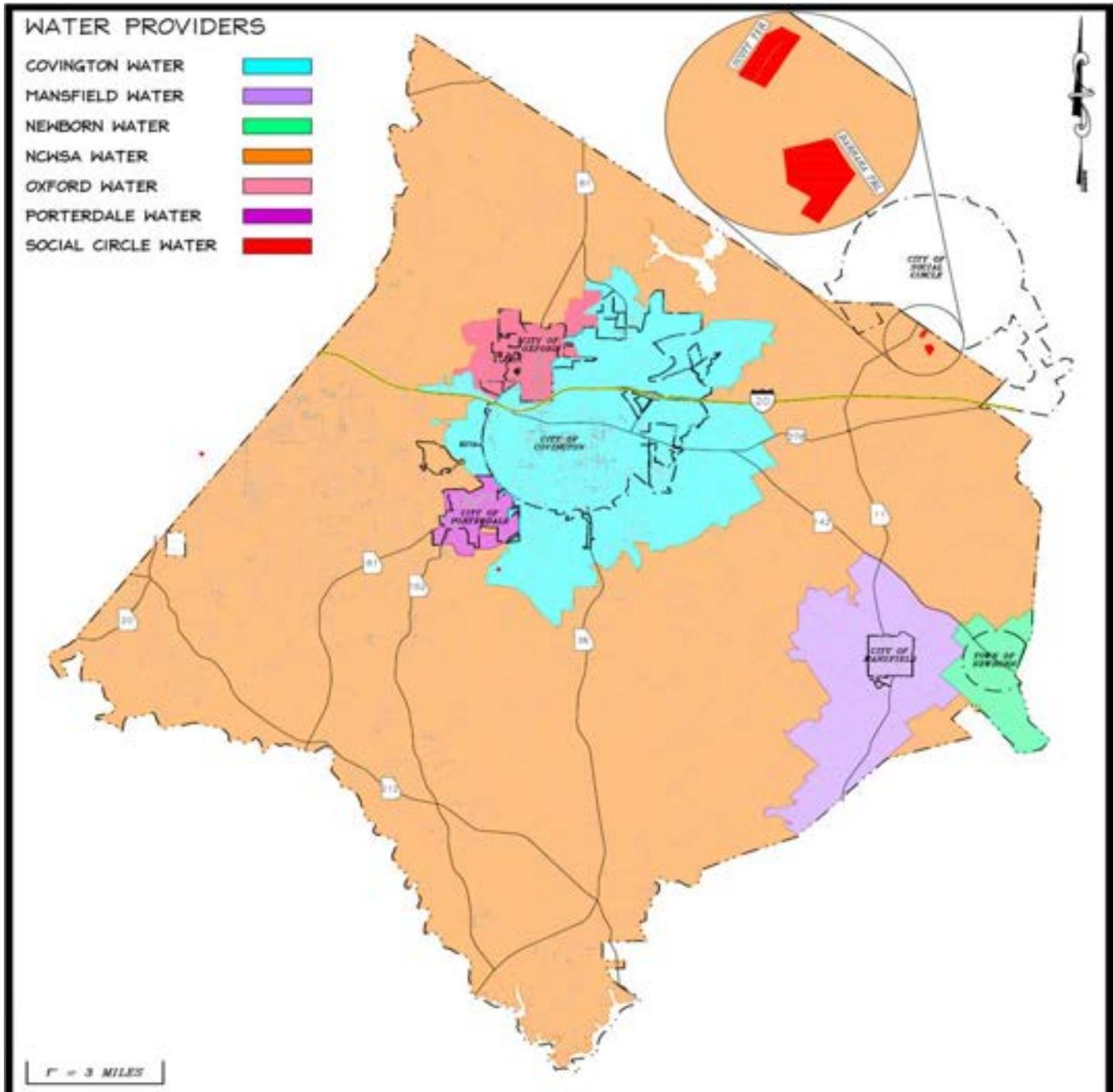
[2] Equivalent residential units ("ERU") are determined based on i) an application of meter equivalent factors to active accounts served for the residential and commercial class based on meter capacity information as published by the American Water Works Association, and ii) the number of units served for the multi-family class.

[3] Based on metered water consumption, which serves as the basis for billed sewer flow.

[4] Reflects the average annual projected compounded growth from FYE 2019 to FYE 2028.

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 2023 to recent historical trends. Therefore, for the financial forecast, residential and commercial customer account growth and use are projected with a consistent trend as the water system. Large commercial sewer billed sales have been historically declining (primarily due to Takeda Pharmaceuticals performing major maintenance), the customer forecast reflects the continued ramp up of the Morning Hornet Data Center, the Baymare Data Center initial startup in FYE 2025, and the Rivian start up in FYE 2026.

Newton County Water Service Area Map

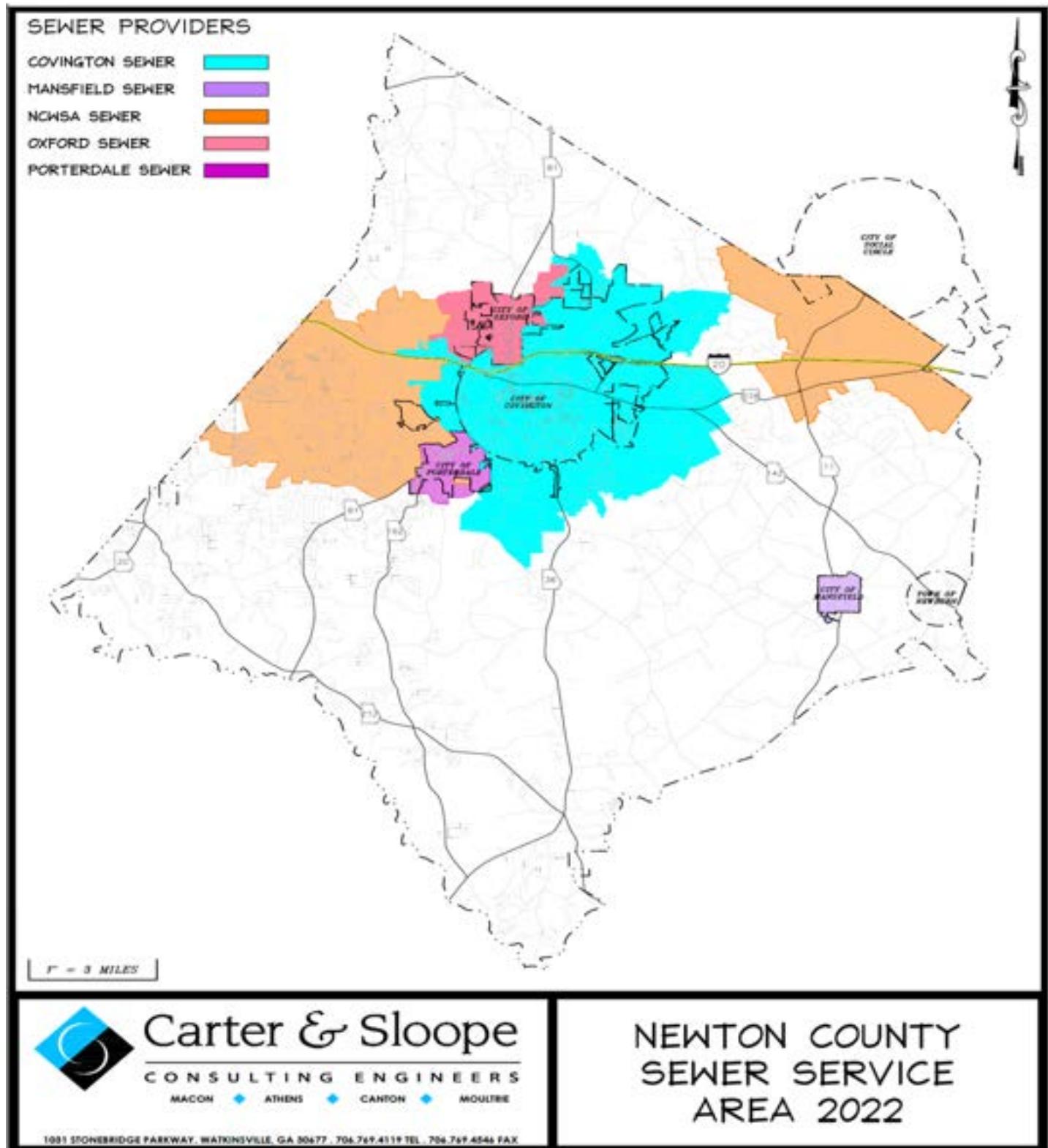


Carter & Sloope
CONSULTING ENGINEERS

2023 TECHNIKERIDGE GATEWAY, MARTINSVILLE, GA 31639, TEL: 706-546-4118, FAX: 706-546-4224

Newton County
Water Service
Area 2022

Newton County Sewer Service Area Map



NEWTON COUNTY WATER AND SEWERAGE AUTHORITY 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 26,592 water customers and 7,963 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 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. Likewise, the 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. Once delivered to the master meter connection at the service delivery boundary, the Cities/Counties provide water services to their citizens through independent systems that each of these jurisdictions owns and maintains.

The Authority owns and operates the Yellow River Water Reclamation Facility, the A. Scott Emmons 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. The fall of 2023 will see an exciting new project (the Stanton Springs Water Resources Facility) that will break ground in late October of this year. The project will allow the Authority to offer its largest commercial customers an option to supplement their water demands with high-quality water at an attractive rate. The Stanton Springs Water Resources Facility is a positive and forward-looking move into treatment methodologies that will allow us to reduce the demand for our water supply while being good stewards of our local environment.

Mission

Our mission is to provide the Authority’s customers with reliable, safe drinking water and 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.

Vision

The Newton County Water and Sewerage Authority will enhance the well-being and quality of life of our community’s citizens and business members. We will achieve this vision by:

- Providing reliable water and sewer services with the use of innovative technology and best management practices.
- Committing to responsible water stewardship for environmental and economic benefits.
- Being a respected member of Newton County and surrounding communities.

Values

To achieve the Authority's mission and vision, we are committed to:

- Providing 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.
- Seek opportunities to restructure and leverage the technology that the water industry provides to us as we move towards another year of our existence.
- Maintaining strong relationships with municipal, county, state, and federal government agencies, and our community leaders.
- Protecting environmental resources.
- Enhancing economic viability and financial stability.

Strategic Plan

The Authority's Strategic Plan establishes goals, strategies, and objectives that provide guidance towards fulfilling our mission. Key performance indicators, also known as performance measures, have been established within each department that tie to our strategic goals and measure our progress along the way. Section 5 – Departmental Information beginning on page 62, identifies our performance measures and the listed FYE 2024 Initiatives describe how we plan to achieve results in support of the Strategic Plan. Our priorities are summarized below, emphasizing budget commitments that emerged from the most recent review conducted with each department within the Authority. The current Strategic Plan was created in 2019 and is scheduled to be revised in September 2023. Due to the rapidly changing conditions within our region, we are revisiting our strategic plan sooner than the five-year life expectancy that we had hoped for in 2019. Senior Management Team One has been working with a professional facilitator to review the existing plan and making appropriate changes to ensure we are concentrating on the core values of NCWSA and enhancing its strategic initiatives.

In conclusion, as we move into FYE 2024, we will continue our commitment 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.

Strategic Goal #1 - Financial Stability

Action Plan and Strategies:

1. Fulfill the core mission of maintaining financial solvency to insure long-term sustainability.
2. Plan, develop, and adhere to a balanced budget.
3. Submit the FYE 2024 Budget to obtain the GFOA Distinguished Budget Award.
4. Maintain our planned approach to the annual review and update of revenue sufficiency requirements and financial model to maintain its current levels of service and affordability of rates.
5. Implement small incremental rate increases annually based on the recommendations of the financial model as needed to maintain a high-level of service for our customer base.
6. Maintain unrestricted cash reserves equivalent to ninety (90) days of budgeted operating expenses.
7. Evaluate its current competitive rate structure to facilitate the Authority's financial and overall economic sustainability for its customers.



(Remainder of page intentionally left blank)

Strategic Goal #2 – Enhanced and Effective Maintenance

Action Plan and Strategies:



1. Complete the initial phase of an asset management plan for primary equipment and infrastructure to assist in assessing system needs.
2. Continue to evaluate the aging polyvinyl chloride ("PVC") pipe for replacement.
3. Maintain the Hydraulic Water Model in collaboration with the Authority's engineering consultant.
4. Continue a proactive water tank maintenance program that will be managed for the next nine (9) years.
5. Perform system-wide maintenance of valves, hydrants, and meters to reduce infrastructure repairs and service interruptions.
6. Prepare standard operating procedures for the maintenance of the entire water and wastewater system.
7. Pursue the use of new technology to enhance operations.
8. Maintain and update the Emergency Response Plan that outlines the decision-making framework and advanced arrangements and procedures that enable the Authority to maintain an acceptable level of operations from the impact of a service disruption in the event of a humanmade or natural disaster.

Strategic Goal #3 – Innovative Customer Service

Action Plan and Strategies:



1. Pursue new processes, solutions, and technologies to improve operations.
2. Improve customer satisfaction by providing 24/7 customer access to information and services through online tools.
3. Continue to listen to customer needs and adopt policies to enhance the customer experience.
4. Continue providing our most disadvantaged customers with the Low-Income Water Assistance Program ("LIHWAP") the state and federal government provides.
5. Maximize the Tyler notify program as a beneficial service for our customers.

Strategic Goal #4 – Workforce Protection and Development

Action Plan and Strategies:



1. Invest in the development of employees by providing job skills training, succession planning, and the transfer of technical knowledge.
2. Expand our efforts beyond the local area to hire the professional staff that have recently left the Authority employment.
3. Integration of new professional positions into the appropriate departments within the Authority.
4. Maintain competitive benefits and compensation packages to ensure successful recruitment and retention of a well-qualified workforce that is representative of the diverse community we serve.

(Remainder of page intentionally left blank)

Strategic Goal #5 – Investment in Infrastructure

Action Plan and Strategies:



1. Continually evaluate the five (5) year and ten (10) year Capital Improvement Plan for infrastructure needs due to challenges brought on by robust economic development within Newton County.
2. Identify safety issues, legal mandates, regulatory matters, permitting requirements, and critical reliability factors that will impact the future of the water and sewer utility.
3. Focus on rehabilitating, upgrading, and replacing existing water and sewer facilities.
4. Fully fund the Renewal and Extension Fund with planned deposits to meet the existing infrastructure capital replacement needs.
5. Secure sufficient water resources for current and future customers by working closely with local governmental jurisdictions.
6. Expand water mains within the Authority's service area to provide services to new customers and provide hydraulic benefits to the distribution system.

Strategic Goal #6 – Maintaining a Fiscally Responsible Level of Debt

Action Plan and Strategies:



1. Continue to utilize the pay-as-you-go ("PAYGO") funding philosophy when possible.
2. Closely evaluate the need/benefit of issuing new debt to fund new expansion infrastructure.
3. Partner with governmental agencies to secure alternate funding with grants.
4. Pursue cost-sharing alternatives for constructing new infrastructure that may benefit a unique class of customers.
5. Maintain a debt service coverage ratio of 1.50.

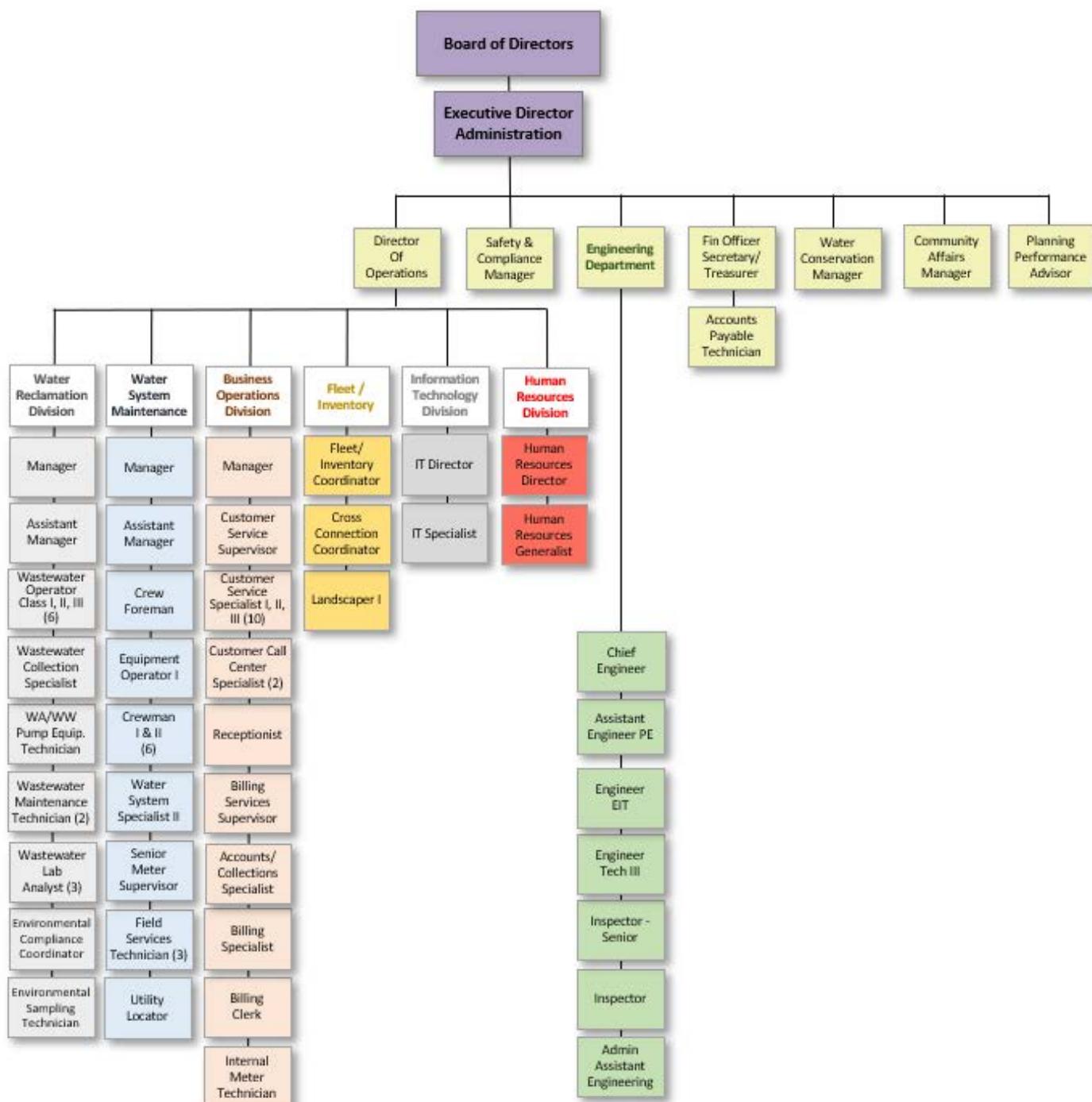


SECTION 2

FINANCIAL STRUCTURE, POLICY, AND BUDGET PROCESS



NCWSA ORGANIZATIONAL CHART



FUND STRUCTURE

NCWSA operates a single 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.

Enterprise 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 75 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 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. Therefore, the accrual accounting method was utilized in producing the FYE 2024 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 been identified and designated to fund the project even though the spending may occur over multiple fiscal years. NCWSA audited financial statements are prepared on the same basis of budgeting.

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 adequate maintenance and repair of capital assets and their orderly replacement. When possible, the Authority will integrate performance measurement, service level and productivity indicators within the budget.

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 that 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 the State has established 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 Authority employs the following objectives 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.
- The Authority will evaluate all financing options available and decide what financing options will best meet its needs. Options can include but not be limited to special assessment, self-supporting bonds revenue bonds, or low-interest loans from GEFA.
- 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 repurchase 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 2024, this amount is estimated to be approximately \$4,432,279.

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 the completion of the item and does not expire automatically at the end of the fiscal year. In addition, capital outlay is defined as 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's responsibility to control expenditures and spend 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 department shall be made without the Authority's Board of Directors' approval and an 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 prior year collections to obtain an average annual rate of change to project the following year's revenues.

The Administration Department 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 budget allotments. If the Authority does not achieve its projection, the Finance Officer will inquire about extenuating circumstances that may have affected revenue collections. If the problem is severe, the Finance Officer will work with the 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 of 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 presents the 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, cash balances are designated into three (3) funds: i) the Revenue account; ii) the Sinking account; and iii) the Renewal and Extension account. The Revenue account is the Authority's primary account. All cash receipts and payments are made from this fund. The Sinking account 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 paying of all obligations (i.e., operating expenses, debt service payments) are deposited into the Renewal and Extension account. The Renewal and Extension account is the primary holding fund for the cash reserves of the Authority. Monies in the Renewal and Extension account are maintained in the form of cash reserves and investments. The Renewal and Extension account can be used to: i) pay principal and interest payments on outstanding debts if the funds on deposit in the Sinking account are insufficient; ii) fund emergency events should the funds held in the Revenue account 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 account 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.

(Remainder of page intentionally left blank)

BUDGET PROCESS

The Budget as a Financial Plan

Throughout the fiscal year, staff constantly assess the many ways the Authority can accomplish its mission, vision, and values to serve the community. By doing this throughout the year, in January, when the budget cycle begins, staff will be able to establish goals, establish the capital improvement plan, and review the long-range financial plan to assist in the development of the budget.

While the Authority has only presented and adopted the Budget for FYE 2024, as a component of the budget development process, the Authority has evaluated the projected operating results for a five-year window (Fiscal Years 2024-2028). 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 and customer growth; iii) changes in annual debt service requirements; and iv) changes in the Capital Improvement Plan. By looking at this extended period, 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

As a part of the annual budget process, the Authority adopts rates and fees to provide revenue to satisfy operations, maintenance, depreciation, and liability (debt) service. 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 like private business enterprise and charges a fee to external users for goods or services. Any debt financing of an enterprise fund activities is securely pledged by net revenues from fees and charges. 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 entire 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.

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 fulfilling NCWSA's mission. Because we are a water and sewerage authority, our budget is driven by the community. We regularly meet with our city, county, economic development offices, and business partners to incorporate the future needs of our community into our ongoing planning and annual budget process.

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. Staff, management, and Board members review the budget status monthly.

In January of each fiscal year, the department directors begin compiling budget requests for submission 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 April. The Executive Director suggests amendments to the draft budget and resubmits the budget to the administration staff to revise the draft master 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 its consideration for adoption. The adoption of the budget typically takes place at the June Board meeting. The FYE 2024 Budget reflects a culmination of the processes and provides appropriations to meet the goals and objectives of NCWSA.

FYE 2024 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 preparing and approving the final draft budget, which is then forwarded for comment and acceptance by the entire Board of Directors. Below is the timeline used to develop the FYE 2024 Budget.



(Remainder of page intentionally left blank)



Budget Amendments

It is a standard practice of NCWSA to amend funds appropriated to functions and objects as needed throughout the year, except for salary and wage 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 Board approval. However, 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 approval.



(Remainder of page intentionally left blank)

SECTION 3

FINANCIAL SUMMARIES

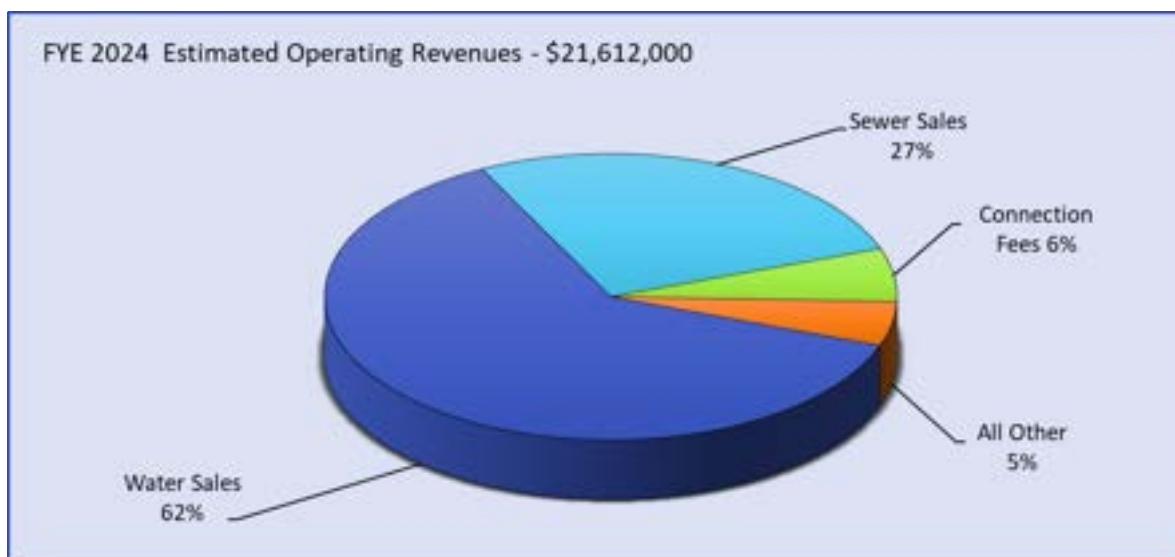


OPERATING BUDGET SUMMARY – FYE 2024

The FYE 2024 Budget was developed recognizing the highest inflation since the 1980's, the lingering difficulties of supply chain issues, and the ever-changing labor market that results in the ability to attract and retain quality employees. The FYE 2024 Budget numbers are positive, as shown in the following table. Water and sewer sales remain stable, even as the economy declines. Connection fees are volatile as they are directly related to new development. During the Pandemic, the Authority suspended the collection of late fees and service disconnection charges, however we have reinstated the collection of those fees in FYE 2023. While the loss of revenue from late payments had a negative impact on the bottom line, the goodwill and assistance provided to our customers outweighed this issue and assisted them through the problematic COVID-19 years. We have learned well from this tragic event. In addition, we are more agile as an organization than at any point in our 53-year history. As our financial policies allow, if the economy begins to turn positively or negatively, the staff can quickly respond to the situation and provide prompt notice to the Board of Directors.

Summary of Budgeted Sources and Uses				
Fiscal Year Ending June 30,				
Description	2022 Actual	2023 Budget	2024 Budget	% Change 2023 v. 2024
Water Sales	\$ 12,987,737	\$ 12,973,998	\$ 13,363,218	3.00%
Sewer Sales	5,674,196	5,590,869	5,818,295	4.07%
Connection Fees	4,852,485	1,574,641	1,334,465	-15.25%
Late Fees	56,800	1	505,000	n/a
Other Fees and Charges	450,909	565,477	591,022	4.52%
Interest Income / Other (Non-operating)	9,708	35,788	28,023	-21.70%
Total Revenues and Sources of Funds	\$ 24,031,835	\$ 20,740,774	\$ 21,640,023	4.34%
Expenditures and Uses of Funds				
Personal Services	\$ 4,362,235	\$ 5,887,875	\$ 6,496,843	10.34%
Operating Expenses	7,898,752	9,532,390	10,170,007	6.69%
Other	815,220	1,218,603	1,357,751	11.42%
Debt Service	1,718,064	2,194,182	2,504,486	14.14%
Reserves	9,237,564	1,907,724	1,110,936	-41.77%
Total Expenditures and Uses of Funds	\$ 24,031,835	\$ 20,740,774	\$ 21,640,023	4.34%

FYE 2024 Major Operating Revenues



Revenue estimates are developed using several different methodologies. The Authority has annually prepared a forecast of System revenues and expenditures for strategic planning purposes. With the assistance of a financial and utility consultant, an annual Financial Forecast is completed for the current and five (5) subsequent year projections. The FYE 2024 budgeted revenues are estimated by reviewing FYE 2023 year-to-date (8, 9- and 10-month actuals) and historical trends based on water billing statistics and projected demands, as illustrated on pages 13 through 15 of this document. Sales revenue is expected to slightly increase due to: i) a modest projection in new retail construction and development in the Authority service; 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; iv) a slight reduction in the estimated customer usage per month based on historical trends; and v) the implementation of a 2.0% increase in water and 5.0% in sewer retail rates effective July 1, 2023). A comparison of the FYE 2023 Revenue Budget to the FYE 2024 Revenue Budget reflects an increase of 4.38%.

Major Operating Revenues						
Description	Fiscal Year Ending June 30,					
	2020 Actual	2021 Actual	2022 Actual	2023 Budget	2024 Budget	% Change 2023 v. 2024
Water Sales	\$ 12,152,046	\$ 12,476,593	\$12,987,737	\$12,973,998	\$13,363,218	3.00%
Sewer Sales	5,323,846	5,620,791	5,674,196	5,590,869	5,818,295	4.07%
Connection Fees	3,066,955	4,701,793	4,852,485	1,574,641	1,334,465	-15.25%
Late Fees	842,719	8,106	56,800	1	505,000	n/a
Other Fees and Charges	455,055	524,776	450,909	565,477	591,022	4.52%
Total	\$ 21,840,621	\$ 23,332,059	\$24,022,127	\$20,704,986	\$21,612,000	4.38%
Amounts shown exclude non-operating revenues such as interest income, capital contributions, proceeds from proposed debt issuance, and reserves.						

Explanation of Significant Budget Variances - Revenues

FYE 2024 Budget vs. FYE 2023 Budget

- The major difference in revenue is the fluctuation of Connection fees. They are driven by the growth of our dynamic customer base, including some very large commercial users. Consistent with the country's economic change and the slowing growth trend we saw during FYE 2023, a modest growth rate for new residential and commercial connections. Large commercial connections are projected based on commitments and contractual obligations. As a result, the Authority does not anticipate any sizable commercial connections for FYE 2024.
- The Authority revised its late payment policy in FYE 2021 and was estimated to reduce late fee revenue by 45%. During the Pandemic, the Board decided to temporarily suspend charging fees for late payments and service disconnections to help relieve the hardship felt within our community. During FYE 2022, the Authority slowly returned to charging these fees. During the preparation of the FYE 2023, the decision was made not to rely on these fees as a revenue source and set the budget at \$1. The FYE 2024 budget and future projections conservatively estimate late fee collections.

Discussion of Major Revenue Sources

Water Sales – Revenue derived from base charges, water supply charges (pass-through for purchased water), and volumetric water sales from customers. Water Sales are forecasted at \$13.4 million, of which 30% is attributable to base charges, and 70% is attributable to volumetric charges (including pass-through for water purchases). This is a 3.0% increase compared to the prior year. These sales do not include connection fees, user charges, or other fees billed by the Authority. Water Sales account for 62% of total FYE 2024 budgeted revenues.

Sewer Sales – Revenue derived from the base and volumetric sewer sales from customers. Sewer Sales is projected at \$5.8 million, an increase of 4.07% compared to the prior year's budget. This is primarily due to the dynamics of our large commercial customers. Takeda, Morning Hornet and Baymare Data Centers recycle water for manufacturing, cooling, and fire protection. As Takeda (the Authority's largest customer) has increased its water usage, not all its water is discharged into the sewer system. In addition, it is expected that the Authority will install a deduct water meter in FYE 2026 resulting in reduced sewer sales. These sales do not include connection fees, user charges, or other fees billed by the Authority. Sewer Sales account for 27% of total FYE 2024 budgeted revenues.



FYE 2024 – Retail Service Rates

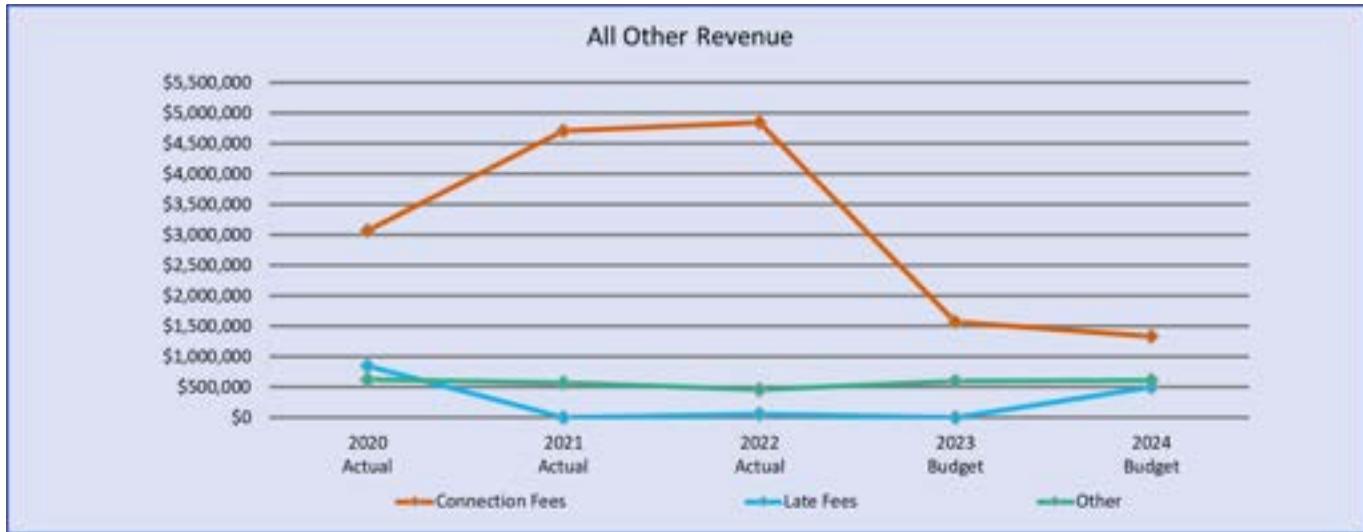
Water Retail Service Rates					
Description	Base Charge	Usage Charges (per 1,000 Gallons)			
		0 to 3,000	3,001 to 8,000	8,001 to 15,000	15,001 and Above
Residential Service					
Single-Family	\$ 12.73	\$ 3.12	\$ 7.04	\$ 8.55	\$ 10.20
Multi-Family	\$ 12.73	\$ 3.12	\$ 7.04	\$ 8.55	\$ 10.20
Commercial Service					
3/4 Inch Metered Service	\$ 12.73		\$ 5.48 (All Usage)		
1 Inch Metered Service	\$ 19.52		\$ 5.48 (All Usage)		
1 1/2 Inch Metered Service	\$ 30.94		\$ 5.48 (All Usage)		
2 Inch Metered Service	\$ 47.50		\$ 5.48 (All Usage)		
3 Inch Metered Service	\$ 87.93		\$ 5.48 (All Usage)		
4 Inch Metered Service	\$ 132.99		\$ 5.48 (All Usage)		
6 Inch Metered Service	\$ 224.85		\$ 5.48 (All Usage)		
8 Inch Metered Service	\$ 349.43		\$ 5.48 (All Usage)		
10 Inch Metered Service	\$ 620.81		\$ 5.48 (All Usage)		

(Remainder of page intentionally left blank)

Sewer Retail Service Rates		
Description	Base Charge	Usage Charges (per 1,000 Gallons)
Residential Service		
Single-Family	\$ 5.87	\$ 7.92 (All Usage)
Multi-Family	\$ 5.87	\$ 7.92 (All Usage)
Commercial Service		
3/4 Inch Metered Service	\$ 5.87	\$ 7.92 (All Usage)
1 Inch Metered Service	\$ 15.05	\$ 7.92 (All Usage)
2 Inch Metered Service	\$ 65.18	\$ 7.92 (All Usage)
3 Inch Metered Service	\$ 138.34	\$ 7.92 (All Usage)
4 Inch Metered Service	\$ 220.53	\$ 7.92 (All Usage)
6 Inch Metered Service	\$ 310.42	\$ 7.92 (All Usage)
8 Inch Metered Service	\$ 477.57	\$ 7.92 (All Usage)
10 Inch Metered Service	\$ 1,316.42	\$ 7.92 (All Usage)

Connection Fees – Water and sewer connection fees are charged for all new residential and commercial development. Based on a review of the development plans, projections for FYE 2024 recognize approximately 325 water connections and 70 sewer taps. Both water and sewer connection fees account for 6% of revenues.

Late Fees – The Authority assesses penalties for 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 2020, the Board approved recommendations to change 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. During FYE 2022, the Authority slowly returned to charging these fees. The FYE 2024 budget recognizes a full year of conservatively estimated collections.



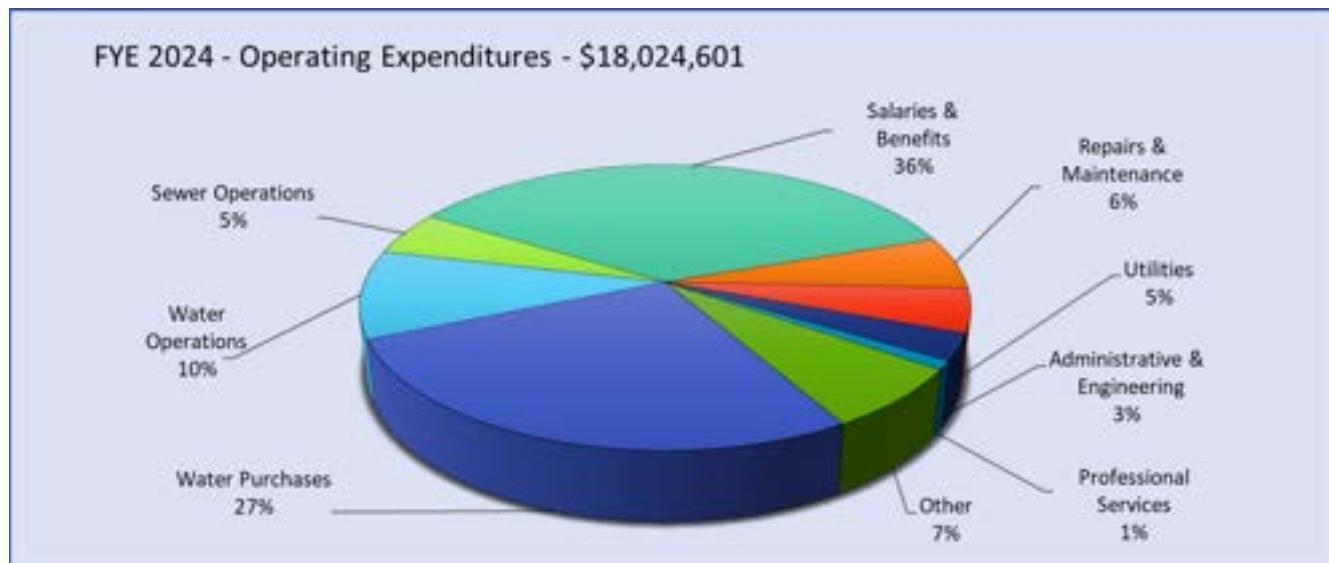
Other Fees and Charges – Include Water and Sewer Developer Fees, Septage Revenue and Land Application Revenue Water and Sewer Developer Fees are collected for engineering and planning work on residential and commercial projects within the Authority's service area. Septage revenue are fees charged to licensed septic tank haulers that recover waste from home septic systems and is discharged at the Yellow River Water Reclamation Facility (the "YRWRF"). Fee recovery offsets

the cost of providing this service. There has been a significant decline as haulers are finding alternative methods of disposal. Land Application Revenues are fees charged to the City of Covington, City of Oxford, Oxford College, the Board of Education, and the City of Porterdale for effluent disposal through an agreement with the City of Covington. Other Fees and Charges comprise about 5% of the total revenue stream for the Authority.

FYE 2024 – Operating Revenue Detail by Function

Operating Revenue Detail by Function					
Description	Fiscal Year Ending June 30,				
	2022 Actual	2023 Budget	2024 Budget	Variance (Amount)	Variance (Percentage)
Water Operating Revenues					
Water Revenue	\$12,987,737	\$12,973,998	\$13,363,218	\$389,220	3.00%
Water Connection and Tap Fees	1,446,689	1,200,881	960,705	(240,176)	20.00%
Late Charge / Other Revenue	61,229	2	541,618	541,616	n/a
Total Water Operating Revenues	\$14,495,655	\$14,174,881	\$14,865,541	\$690,660	4.87%
Sewer Operating Revenues					
Sewer Revenue	\$5,634,146	\$5,590,869	\$5,818,295	\$227,426	4.07%
Septage Revenue	40,050	54,000	1,080	(52,920)	-98.00%
Sewer Connection Fees	3,405,796	373,760	373,760	---	0.00%
Developer Fees / Other	4,425	15,501	7,751	(7,750)	-50.00%
Land Application Revenue	442,055	495,975	545,573	49,598	10.00%
Total Sewer Operating Revenues	\$9,526,472	\$6,530,105	\$6,746,459	\$216,354	3.31%
Total Operating Revenue	\$24,022,127	\$20,704,986	\$21,612,000	\$907,014	4.38%

FYE 2024 Major Operating Expenditures



As in the development of revenue estimates, expenditure 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 depicting the current and five (5) subsequent year projections. These projections take into consideration historical results, the projected needs of the Authority, and the application of a series of inflation and escalation factors. The combined operating expenditures in the FYE 2024 Budget are projected to increase 8.33% compared to the FYE 2023 Budget.

Operating Expenditures		Fiscal Year Ending June 30,				
Description	2020 Actual	2021 Actual	2022 Actual	2023 Budget	2024 Budget	% Change 2023 v. 2024
Water Purchases	\$ 4,232,123	\$ 4,188,062	\$4,457,961	\$4,694,811	\$4,835,655	3.00%
Water Operations	663,184	890,867	1,168,053	1,654,440	1,745,019	5.47%
Sewer Operations	778,961	740,575	741,649	911,872	1,013,280	11.12%
Salaries & Benefits	3,541,448	3,835,631	4,362,235	5,887,875	6,496,843	10.34%
Repairs & Maintenance	556,236	654,502	590,638	878,097	1,038,146	18.23%
Utilities	486,692	463,834	550,702	759,395	835,335	10.00%
Administrative & Engineering	26,343	28,469	288,538	486,149	547,145	12.55%
Professional Services	85,015	109,592	101,211	147,626	155,427	5.28%
Other	968,845	1,007,291	815,220	1,218,603	1,357,751	11.42%
Total	\$ 11,338,847	\$ 11,918,823	\$13,076,207	\$16,638,868	\$18,024,601	8.33%

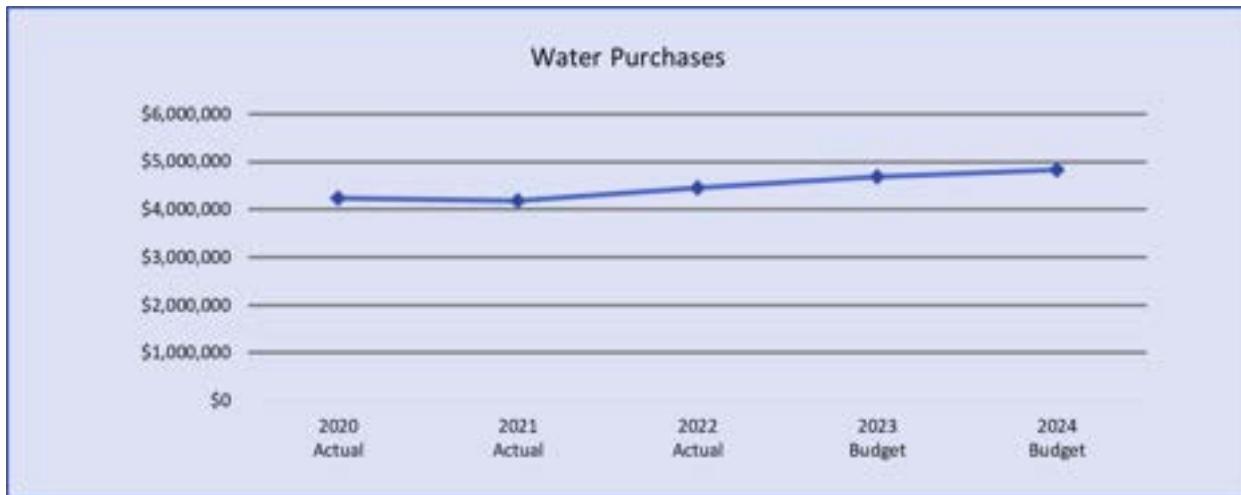
Explanation of Significant Budget Variances - Expenditures

FYE 2024 Budget vs. FYE 2023 Budget

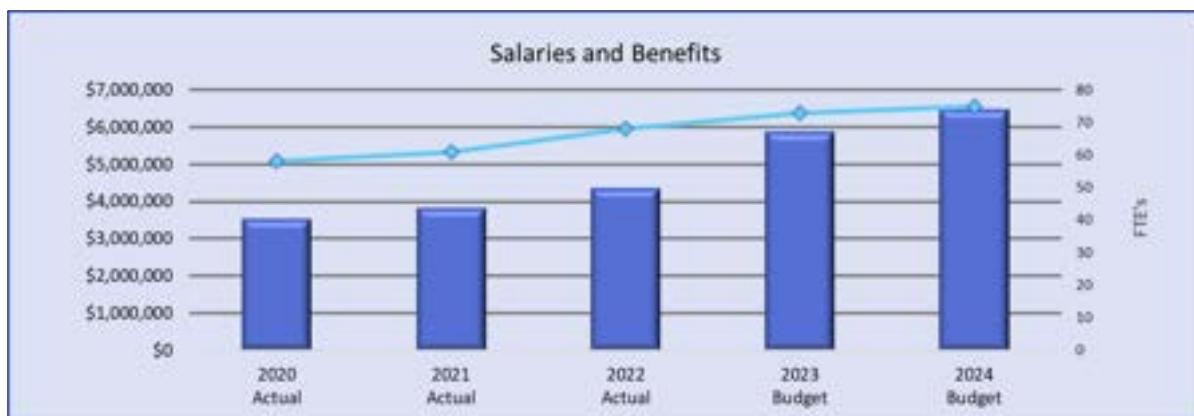
- The impact of rising inflation, the shortage of goods and materials, workforce shortages, and the war in Ukraine has resulted in a significant increase in the cost of operations, the cost of repairs and maintenance, and the cost of utilities.
- The FYE 2024 budget includes two (2) new positions. The budget also includes a cost-of-living increase of 8% for all non-contract employees and hope to retain and recruit highly qualified employees. Additionally, we have renegotiated our health insurance and changed providers resulting in an increase of 13.2% or \$130,000.
- The A. Scott Emmons Water Reclamation Facility will be in its first full year of operations in FYE 2024. Additional increases for utilities, chemicals, fuel, operating supplies, solids disposal, and ancillary services have been budgeted.
- Merchant fees are increasing as more customers are paying utility bills with credit cards.
- The Yellow River Water Reclamation and collection system is aging resulting in increased cost for repair and maintenance. Equipment such as pumps, influent screens, and various motors from the last upgrade in 2007 are reaching the end of their useful life. Even with proper preventive maintenance the Yellow River WRF is showing its age.
- External engineering services will be employed to assist the Authority during staff shortages, and the potential use of consultants to assist the Authority with planning for the impacts of Rivian Advanced Auto Manufacturing Plant building at Stanton Springs (North).

The two (2) largest operating expenditures of the Authority are wholesale water purchases and personnel. The Authority purchases water from Newton County Water Resource and for FYE 2024 water purchases account for 27% of total operating expenditures. The cost of water is driven by customer demand, economic growth, the cost of wholesale charges, and is expected to rise about 3%.

(Remainder of page intentionally left blank)



Salaries and benefits account for 36% of operating expenses. Personnel expenditures, including salaries and wages, health insurance, payroll taxes, and other employee-related expenses, are projected to increase 13% in FYE 2024. The increase is due to the addition of two (2) positions in the Water System Maintenance Department, an 8% cost-of-living increase for all employees and an increase in health care costs of approximately \$130,000 paid for on behalf of the employees by the Authority.



Water and Sewer Operations account for 15% of total operating expenditures. Water Operations will increase by approximately 5%, and Sewer Operations will increase by approximately 11%. As stated above, these increases are primarily due to rising inflation, the shortage of goods and materials, and workforce shortages. This will also be the first full year of operations for the A. Scott Emmons Water Reclamation Facility. It should be noted that historically Authority staff has successfully brought operating expenditures below budgeted projections during the historical period (FYE 2012 – FYE 2022), and FYE 2023 is projected to be under budget as well. Budgeted expenditures have been reviewed thoroughly and were further evaluated by each department head and adjusted according to each department's needs. The Authority's staff takes great pride in its ability to keep general expenditures as low as possible. This fiscally responsible approach has allowed the Authority to remain financially stable through the current economic times.

(Remainder of page intentionally left blank)

FYE 2024 - Operating Expenditures Detail by Function

Water Operating Expenditure Detail by Function					
Fiscal Year Ending June 30,					
Description	2022 Actual	2023 Budget	2024 Budget	Variance (Amount)	Variance (Percentage)
Water Operating Fund Expenditures					
Salaries & Wages	\$1,622,995	\$1,971,663	\$2,133,553	\$161,890	8.21%
Payroll Taxes	127,500	148,750	148,750	---	0.00%
Overtime	19,206	19,935	29,903	9,968	50.00%
Uniforms	23,872	14,583	16,041	1,458	10.00%
Insurance – Health	359,369	676,177	743,795	67,618	10.00%
Retirement Plan	127,705	145,866	153,159	7,293	5.00%
Employee Education Reimbursement	3,070	15,299	15,758	459	3.00%
Travel & Training	30,976	48,252	57,902	9,650	20.00%
Safety / Wellness	4,810	6,068	12,136	6,068	100.00%
Administrative	14,748	17,850	17,850	---	0.00%
Engineering Tech Services (External)	12,287	92,435	138,653	46,218	50.00%
Planning	156,261	145,147	155,307	10,160	7.00%
Bank / Merchant Fees	233,588	257,295	283,025	25,730	10.00%
UPC Contributions	14,172	16,786	18,465	1,679	10.00%
EPD Fees	---	18,459	18,459	---	0.00%
Sewer Expense Salem Village	42,612	48,395	50,815	2,420	5.00%
Social Circle / GDOT Exit #52	---	---	36,617	36,617	n/a
Office Supplies	27,812	33,000	36,300	3,300	10.00%
Customer Billing Services	169,036	219,747	241,722	21,975	10.00%
Communications	52,729	55,407	60,948	5,541	10.00%
Security	---	7,018	3,509	(3,509)	-50.00%
Water Conservation	26,072	28,801	30,817	2,016	7.00%
Miscellaneous	15,767	22,476	24,724	2,248	10.00%
Contingency	---	53,711	55,322	1,611	3.00%
Bad Debts	---	119,941	123,539	3,598	3.00%
Legal	36,430	42,776	42,776	---	0.00%
Auditing	48,810	52,350	57,585	5,235	10.00%
Computer	38,200	39,951	43,946	3,995	10.00%
GIS / Mapping	23,982	100,000	100,000	---	0.00%
Truck Maintenance	27,560	31,147	34,262	3,115	10.00%
Equipment Maintenance	9,319	15,515	15,515	---	0.00%
Tools / Equipment	2,475	10,300	15,450	5,150	50.00%
Facility / Grounds Maintenance	51,500	67,728	74,501	6,773	10.00%
Insurance – Liability P/C	58,548	86,094	94,703	8,609	10.00%
Fuel	60,533	56,877	62,565	5,688	10.00%
Utilities	43,499	50,150	55,165	5,015	10.00%
Maintenance Agreements	134,887	163,355	163,355	---	0.00%
Dues and Assessments	16,950	19,879	21,867	1,988	10.00%
Utilities – Pumping Station	197,121	182,031	218,437	36,406	20.00%
System Material	329,128	662,805	662,805	---	0.00%
System Maintenance	90,725	111,693	128,447	16,754	15.00%
Water Tank Maintenance	416,192	534,556	571,975	37,419	7.00%
Purchased Water	4,457,961	4,694,811	4,835,655	140,844	3.00%
Loan Origination Fee	--	--	--	--	0.00%
Total Water Operating Fund Expenditures	\$9,128,407	\$11,105,079	\$11,806,078	700,999	6.31%

FYE 2024 - Operating Expenditures Detail by Function (continued)

Sewer Operating Expenditure Detail by Function					
Fiscal Year Ending June 30,					
Description	2022 Actual	2023 Budget	2024 Budget	Variance (Amount)	Variance (Percentage)
Sewer Operating Fund Expenditures					
Salaries & Wages	\$1,331,363	\$1,963,258	\$2,197,060	\$233,802	11.91%
Payroll Taxes	100,622	150,887	150,887	---	0.00%
Overtime	20,712	25,343	35,480	10,137	40.00%
Uniforms	4,341	9,166	10,999	1,833	20.00%
Insurance – Health	306,112	313,094	375,713	62,619	20.00%
Retirement Plan	117,223	136,803	143,643	6,840	5.00%
Employee Education Reimbursement	---	14,760	15,498	738	5.00%
Travel & Training	16,592	25,376	27,914	2,538	10.00%
Safety / Wellness	2,155	2,295	3,443	1,148	50.02%
Dues and Assessments	8,872	12,198	18,297	6,099	50.00%
Insurance – Liability P/C	59,242	82,129	90,342	8,213	10.00%
Administrative	13,300	14,752	14,752	---	0.00%
Bank / Merchant Fees	120,244	133,802	147,182	13,380	10.00%
Office Supplies	3,862	7,086	14,172	7,086	100.00%
Customer Billing Services	33,624	29,706	32,677	2,971	10.00%
Communications	9,031	28,236	30,213	1,977	7.00%
Planning	66,310	65,965	70,583	4,618	7.00%
Miscellaneous	6,138	8,753	11,379	2,626	30.00%
Bad Debts	---	48,821	50,286	1,465	3.00%
Contingency	---	24,286	25,015	729	3.00%
Legal	2,971	24,792	26,527	1,735	7.00%
Auditing	13,000	27,708	28,539	831	3.00%
Maintenance Agreements	51,395	62,458	62,458	---	0.00%
Computer	15,069	17,047	18,240	1,193	7.00%
GIS / Mapping	1,650	50,000	50,000	---	0.00%
Engineering Tech Services (External)	34,530	92,272	138,408	46,136	50.00%
Easement Clearing	61,933	68,547	75,402	6,855	10.00%
Truck Maintenance	9,325	10,197	12,236	2,039	20.00%
Plant Maintenance	120,970	219,564	241,520	21,956	10.00%
System Maintenance	140,884	175,661	210,793	35,132	20.00%
Equipment Maintenance	3,525	10,123	11,135	1,012	10.00%
Tools / Equipment	4,069	7,003	8,404	1,401	20.01%
Facility / Grounds	19,884	50,584	75,876	25,292	50.00%
Fuel	27,245	39,398	43,338	3,940	10.00%
Utilities	479,958	669,847	736,832	66,985	10.00%
Operating Supplies	23,806	28,621	42,932	14,311	50.00%
Plant Chemicals	61,574	133,802	147,182	13,380	10.00%
Utilities – Lift Stations	111,107	123,406	135,747	12,341	10.00%
Solids Disposal	73,133	89,121	98,033	8,912	10.00%
Industrial Pretreatment Program	13,724	40,947	43,813	2,866	7.00%
Land Application	458,305	495,975	545,573	49,598	10.00%
Loan Origination Fee	---	---	---	---	0.00%
Total Sewer Operating Fund Expenditures	\$3,947,800	\$ 5,533,789	\$6,218,523	684,734	12.37%

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.

As reported in NCWSA's financial statements as of FYE 2022, the net position was \$148,178,279 and comprised of the following components:

- Net investments in Capital Assets: This component consists of capital assets, including restricted capital assets net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets = \$123,277,151 or 83.16%.
- Restricted Net Position: This component consists of net position with constraints placed on the used wither by 1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or 2) law through constitutional provisions or enabling legislation = \$80,381 or 0.05%.
- Unrestricted Net Position: This component consists of the residual amount of net position not included in the definition of net investment in capital assets or the restricted net position = \$ 24,870,747 or 16.78%.

As shown in the table below, the comparison of the FYE 2023 Budget to the FYE 2024 Budget reflects an increase of 1.86%. The change in Net Position is due to the result of an increase in user rates effective July 1, 2023, a lower projection in the collection of connection fees, offset by the increases in cost to provide services, and the choice by the Authority to conservatively budget both revenues and expenditures due to the current economic environment.

Net Position					
Description	Fiscal Year Ending June 30,				
	2020 Actual [1]	2021 Actual [1]	2022 Actual [1]	2023 Budget	2024 Budget
Total Net Position - Beginning	\$125,988,562	\$133,414,148	\$141,630,042	\$148,178,279	\$151,522,242
Operating Revenues	21,840,621	23,332,059	24,022,127	20,704,986	21,612000
Non-Operating Revenues [2]	176,786	43,225	9,708	35,788	28,023
Capital Contributions	1,193,744	1,352,287	607,654	--	--
Total Revenues	\$23,211,151	\$24,727,571	\$24,639,489	\$20,740,774	\$ 21,640,023
Operating Expenditures	\$11,338,847	\$11,918,823	\$13,076,207	\$16,638,868	\$18,024,601
Non-Operating Expenditures [3]	4,446,718	4,592,854	5,015,045	757,943	799,400
Total Expenditures	\$15,785,565	\$16,511,677	\$18,091,252	\$17,396,811	\$18,824,001
Increase (Decrease)	7,425,586	8,215,894	6,548,237	3,343,963	2,816,022
Total Net Position - Ending	\$133,414,148	\$141,630,042	\$148,178,279	\$151,522,242	\$154,338,264
[1] Actual data is derived from the Annual Financial Statements.					
[2] Amounts shown include grants and interest income.					
[3] Actual amounts shown include depreciation expense, interest expense, and other fiscal charges. Budget amounts include interest expense and other fiscal charges.					

Working Capital

Working Capital is defined as the difference between current assets and current liabilities. 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. Therefore, 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. In addition,

it represents the relatively liquid portion of an enterprise fund capital, which constitutes a margin or buffer for meeting obligations.

As described on page 25, 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 (not including depreciation). 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 nominal rate increases in FYE 2023 and FYE 2024 to help mitigate the increased costs to operate the expanded facilities and keep the utility financially healthy. It should also be noted that in addition to the working capital reserve, the Authority's Rate Sufficiency and Financial Model estimates a deposit for the benefit of renewal and extension annually, which is equivalent to approximately 80% of depreciation.

Working Capital						
Description	Fiscal Year Ending June 30,					
	2020 Actual	2021 Actual	2022 Actual	2023 Budget	2024 Budget	% Change 2023 v. 2024
Working Capital	\$22,728,756	\$23,776,718	\$23,657,516	\$25,853,429	\$14,201,856	-45.07%
Target – 90 Days of Operating Expenses	2,788,241	2,938,888	3,224,270	4,102,735	4,432,279	8.03%
Number of Days Working Capital	734	728	660	567	288	-49.21%
Working Capital Net of O&M Reserve	\$19,940,515	\$20,837,830	\$20,433,246	\$21,750,694	\$9,769,577	-55.08%

Long-Term Financial Plan

NCWSA's Five-Year Strategic Plan (discussion beginning on page 19) was created in 2019. However, due to the rapidly changing conditions within our region, we are revisiting our strategic plan sooner than the five-year life expectancy we had hoped. It is now scheduled to be revised in September of 2023. Senior Management Team One will use a professional facilitator to review the plan and make appropriate changes to ensure we are concentrating on the core values of NCWSA and enhancing its strategic initiatives. This process will aid in developing the Long-Term Financial Plan and provide future guidance in budget development.

Included with the development of the annual budget, NCWSA updates its five-year financial forecast with the preparation of the annual budget. With the assistance of a financial and utility consultant, the Authority's rate sufficiency and financial model are updated annually. The model is designed to forecast revenue requirements for ten (10) years. This has proven to be a very effective tool used to i) forecast both operating and capital needs; ii) evaluate funding sources including, PAYGO, rate revenues, use of reserves, and financing scenarios; iii) calculate debt service coverage and manage debt load and future debt capacity; and iv) set utility rates and structures and miscellaneous charges. In addition, in tandem with its engineering consultant, the Authority has developed and maintains a thirty-five (35) year capital improvement plan. This plan reviews the condition of existing infrastructure to aid in determining maintenance, repair, and replacement needs as well as new infrastructure needs and is used in developing the ten (10) year financial forecast.

As discussed throughout this document, rates for water and sewer services are / will be 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.

The most significant challenge by far that the Authority currently faces is balancing the needs of our retail customers and the demand of existing and potential large industrial users. The Stanton Springs Research & Development Park ("Stanton Springs"), located in the eastern section of Newton County, has been successfully marketed by local and state economic

development offices. The Stanton Springs Parkway extension was completed in early 2020, including all utilities, which places the park high on the State of Georgia's list of shovel-ready mega-sites in the Metro Atlanta area. The Authority's largest customer, Takeda Pharmaceuticals, located in Stanton Springs, is currently discussing with the Authority to expand its operations and find alternative solutions for water supply, such as reclaimed water. In December of 2022, Governor Brian Kemp announced that Rivian, an electric truck manufacturing plant, would be located across the interstate (I-20) within the boundaries of Stanton Springs North. Rivian has begun planning and has broken ground on one of the most significant economic development projects in the state's history. The \$5 billion manufacturing facility is set to bring 7,500 jobs east of Atlanta along the I-20 corridor. Once completed, the facility is scheduled to produce 400,000 vehicles per year. The facility will span about 2,000 acres of the joint development authority of Jasper, Morgan, Newton, and Walton counties, which owns Stanton Springs Park. This project has the potential to become the Authority's largest commercial customer. An industry of this size has enormous water and wastewater demands, requiring the NCWSA to design and build infrastructure out of the "norm" from its typical pipe and process infrastructure. In December 2022, the Authority (through Newton County) was awarded the "American Rescue Plan Act State Fiscal Recovery Fund for Drinking Water Projects to Support Increased Population Grant" (ARPA). This grant was the combined efforts of our water partners, the City of Covington, Newton County Water Resources, and the Authority. The total award for the grant was \$232,000,000, with the Authority receiving \$100,000,000 to fund the infrastructure that will be necessary to expand its facilities to provide service to Rivian. Included in the Capital Improvement Program (Section 4) is the addition of infrastructure that will include the Stanton Springs Water Resources Facility (a reclaimed water system), the expansion of the A. Scott Emmons Water Reclamation Facility, and improvements to the hydraulic water transmission and storage facilities to meet the potential demands. Beginning with the FYE 2026 Operating Budget, estimates have been included for the increased cost associated with the new and expanded facilities.

The table below represents a five (5) year forecast of sources and uses based on the Authority's current and projected needs.

Forecast of Budgeted Sources and Uses					
Description	Fiscal Year Ending June 30,				
	2024 Budget	2025 Projected Budget	2026 Projected Budget	2027 Projected Budget	2028 Projected Budget
Revenues and Sources of Funds					
Water Sales	\$13,363,218	\$14,939,898	\$18,473,939	\$19,953,059	\$20,368,699
Sewer Sales	5,818,295	7,295,814	9,411,648	10,414,679	11,036,982
Reuse Sales	---	---	1,159,836	1,451,520	1,499,543
Connection Fees	1,334,465	4,309,445	792,203	712,526	2,710,353
Late Fees	505,000	505,000	505,000	505,000	505,000
Other Fees and Charges	591,022	42,500	42,500	42,500	42,500
Interest Income / Other (Non-operating)	28,023	7,354	7,163	12,877	20,468
Total Revenues and Sources of Funds	\$21,640,023	\$27,100,011	\$30,392,289	\$33,092,161	\$36,183,545
Expenditures and Uses of Funds					
Personal Services	\$6,496,843	\$6,805,796	\$7,111,332	\$7,432,040	\$7,807,664
Operating Expenses	10,170,007	10,140,982	12,341,482	13,587,348	13,842,193
Other	1,357,751	1,446,373	1,988,666	1,669,093	1,719,863
Debt Service	2,504,486	2,714,347	2,968,663	4,982,440	5,428,542
Reserves	1,110,936	5,992,513	5,982,146	5,421,240	7,385,283
Total Expenditures and Uses of Funds	\$21,640,023	\$27,100,011	\$30,392,289	\$33,092,161	\$36,183,545

The Authority's Capital Improvement Plan, as discussed in Section 4, has also proven to be a challenge when planning for the future. For the past several years, we have been planning for the potential growth of our water and sewer system by

increasing our reserves and building financial viability. The growth of our system will increase operating expenses, and the need to issue additional debt is probable. The capital costs needed to serve Rivian will be funded with the capital contributions (ARPA funds through Newton County). Outside of those costs, we plan to mitigate the need for additional debt by seeking available grant funding and possible cost sharing. We are currently reviewing our user rates and the design of our utility rate structures to ensure full cost recovery. Because many of our plans to expand our infrastructure are contingent on if and when new industries come to Newton County, for purposes of the five (5) year CIP, these projects are considered unfunded, and the impacts are not reflected in the financial forecast.

As we plan for the future, we are consistently serving our community by finding ways to provide 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.

The table below represents a forecast of the net position for the next five (5) fiscal years. Net position is estimated to increase by \$40.7 million to \$192,177,085 by the fiscal year ending June 30, 2028. This is due to the accumulated increases primarily in capital assets, less annual depreciation, and cash generated through operations over the forecast period.

Net Position - Forecast					
Description	Fiscal Year Ending June 30,				
	2024 Budget	2025 Projected Budget	20265 Projected Budget	2027 Projected Budget	2028 Projected Budget
Total Net Position - Beginning	\$151,522,242	\$154,338,264	\$162,265,345	\$170,435,702	\$180,084,373
Operating Revenues	\$21,612,000	\$27,092,657	\$30,385,126	\$33,079,284	\$36,163,077
Non-Operating Revenues	28,023	7,354	7,163	12,877	20,468
Total Revenues	\$21,640,023	\$27,100,011	\$30,392,289	\$33,092,161	\$36,183,545
Operating Expenditures	\$18,024,601	\$18,393,151	\$21,441,480	\$22,688,481	\$23,369,720
Non-Operating Expenditures	799,400	779,779	780,452	755,009	721,113
Total Expenditures	\$18,824,001	\$19,172,930	\$22,221,932	\$23,443,490	\$24,090,833
Increase (Decrease)	2,816,022	7,927,081	8,170,357	9,648,671	12,092,712
Total Net Position - Ending	\$154,338,264	\$162,265,345	\$170,435,702	\$180,084,373	\$192,177,085

Below is a projection of the Authority's working capital. Funding capital improvements has a direct impact on available working capital. As explained above, because the timing of our CIP is continually changing, for purposes of the five (5) year CIP, we have included the financial impact of projects but have not funded all of them. We are evaluating the best way to fund these projects. Minimal rate increases have been included however, we will annually review our user rates and structures to make appropriate adjustments. The working capital forecast reflects how we have planned for future investments and will continue to guide our decision-making in the future to meet our working capital target.

(Remainder of page intentionally left blank)

Working Capital - Forecast

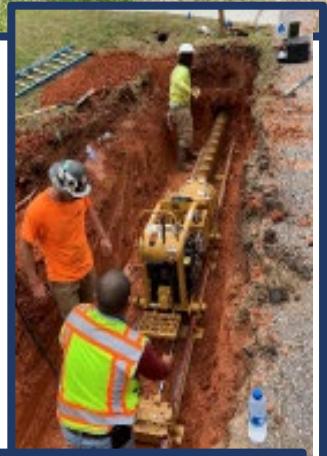
Description	Fiscal Year Ending June 30,				
	2024 Budget	2025 Projected Budget	2026 Projected Budget	2027 Projected Budget	2027 Projected Budget
Working Capital	\$14,201,856	\$10,292,916	\$10,094,936	\$10,978,047	\$14,114,974
Target 90 Days of Operating Expenses	4,432,279	4,535,298	5,286,940	5,594,420	5,746,652
Number of Days of Working Capital	288	204	172	177	221
Available Working Capital	\$9,769,577	\$5,757,618	\$4,807,996	\$5,383,627	\$8,368,322

The FYE 2024 to FYE 2028 forecast represents the Authority's commitment to its strategic plan. The assumptions below will help us align with NCWSA's strategic goals.



1. Planning for the increasing cost of inflation and rising interest rates, the volatility in the supply and demand chain, workforce shortages and the challenges of finding good, quality employees.
2. Planning for potential growth within the planned mega-sites of Stanton Springs Research Park, East Atlanta, and Historic Heartlands.
3. Meeting the needs of our community while remaining fiscally sustainable.
4. Recognizing the potential need for small incremental rate increases beginning in FYE 2023 and performing an annual review of user rates for sufficiency.
5. Reviewing our current user rate structure to align with the demands of our system.





SECTION 4 - CAPITAL AND DEBT

NCWSA CAPITAL IMPROVEMENT AND REPLACEMENT PLAN FYE 2024 - 2028

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. In addition, it provides guidance for acquiring and valuing capital assets and implementing Governmental Accounting Standards Board ("GASB") Statement No. 34.

The Authority defines capital assets as assets with an initial, individual cost of \$7,500 or more and an estimated useful life of more than one year. All purchases below the applicable threshold will be expensed in the current period. Below is a table stating classes of assets and estimated useful life.

Capital Assets	
Asset Type	Estimated Useful Life
Land improvements	10 – 25 Years
Buildings	25 Years
Machinery and equipment	5 Years
Furniture and fixtures	5 - 7 Years
Improvements other than buildings	5 – 40 Years

The Capital Improvement Plan ("CIP") consists of two (2) components. The first is for project-oriented capital assets and improvements that 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 final approval before the purchase is allowed. Capital asset purchases may include vehicles, shop and field equipment, water transmission 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, upgrades, or replacing 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 52.

The NCWSA has completed and maintains a thirty-five-year capital improvement plan that is reviewed annually and is broken down into five-year increments for budgetary processes. Additionally, as part of the annual financial model update and rate sufficiency analysis, the Authority's financial consultant prepares a five (5) year forecast of revenue requirements that includes nonrecurring capital projects. This forecast helps the Authority determine funding sources for all capital projects, whether it is PAYGO, use of reserves, rate revenues, or looking at financing scenarios.

The FYE 2024-2028 CIP is a robust list of infrastructure projects. FYE 2024 begins the twelfth consecutive year of heavy construction projects for the Authority with annual capital expenditures of over 5 million. This is an impressive achievement for a small to medium-sized utility. While the focus of the 5-year CIP is in Stanton Springs, located in eastern Newton County, several projects requiring attention in western Newton County must be addressed due to the age and condition of the existing infrastructure.

Originally, the Stanton Springs Development Park, comprised of +/- 1600 acres, is the home of Takeda Pharmaceuticals and the two Meta Data Centers (Morning Hornet and Baymare). In 2022, the Joint Development Authority acquired the East Atlanta Mega-site, located directly across I-20 from Stanton Springs South. This acquisition adds two thousand acres to the Stanton Springs Development Park. This brings the total acreage for Stanton Springs to +/- 3600 acres, with three large commercial companies located within the park.

In December of 2022, Governor Brian Kemp announced that Rivian, an electric truck manufacturing plant, would be located across the interstate (I-20) within the boundaries of Stanton Springs North. As a result, the electric vehicle manufacturer Rivian Automotive Inc. has begun planning and groundbreaking one of the most significant economic development projects in the state's history. The \$5 billion manufacturing facility is set to bring 7,500 jobs east of Atlanta along the I-20 corridor. Once completed, the facility is scheduled to produce 400,000 vehicles per year. The facility will utilize the entire 2,000-acre site that makes up Stanton Springs North. The Rivian announcement has put a cherry on top of the massive economic growth in Newton County and its surrounding counties.

As the potential for large-scale developments exists, the Authority has incorporated the need to expand its facilities into its CIP. At the same time, the challenge is to balance the timing and determine the financial resources needed to fund these projects. In December 2022, the Authority (through Newton County) was awarded the "American Rescue Plan Act State Fiscal Recovery Fund for Drinking Water Projects to Support Increased Population Grant." This grant was the combined efforts of our water partners, the City of Covington, Newton County Water Resources, and the Authority. The total award for the grant was \$232,000,000, with the Authority receiving \$100,000,000.

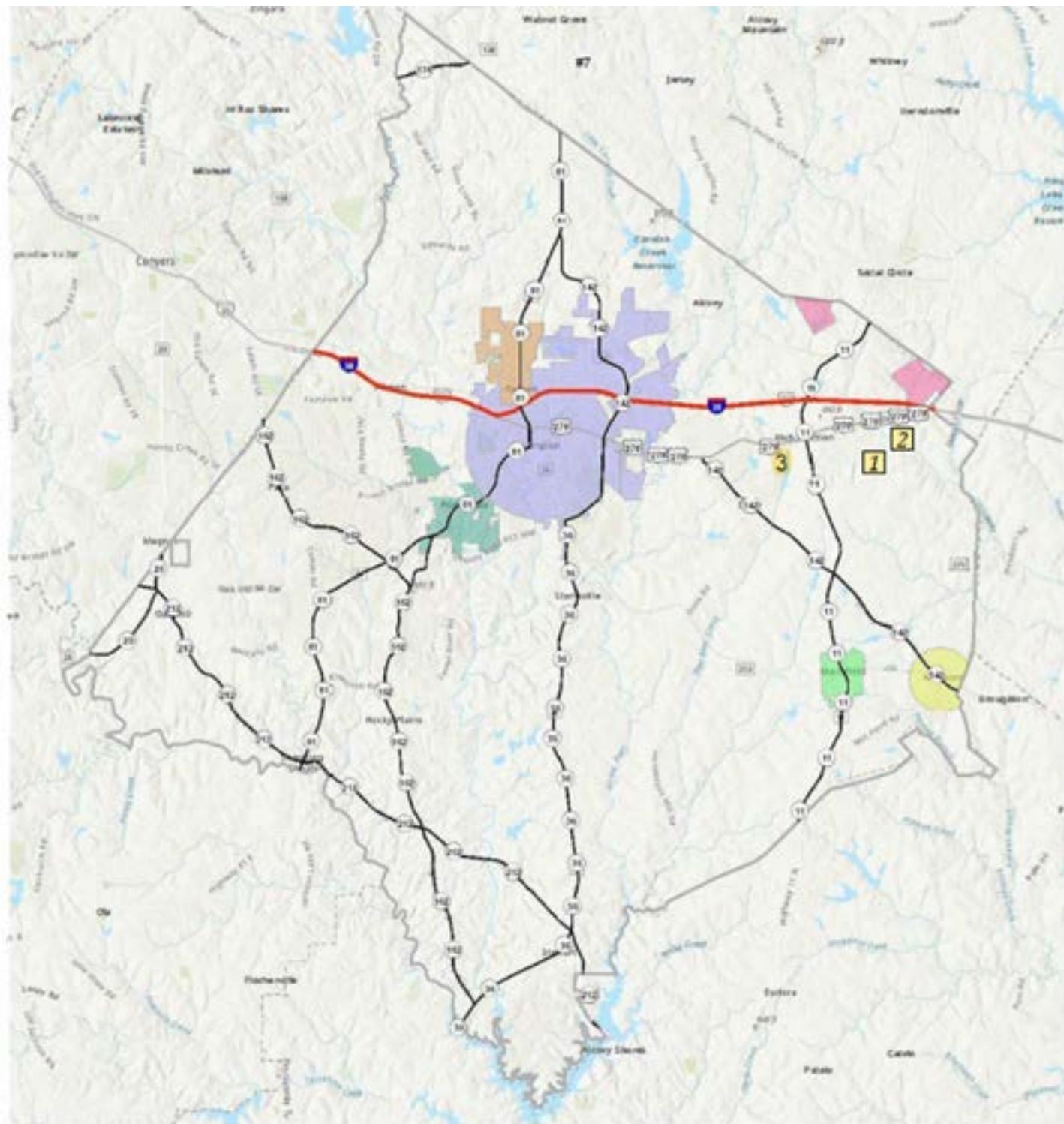
This receipt of this grant funding will allow the Authority to double the water delivery system and the treatment capacity at the Emmons Water Reclamation Facility as well as construct the Stanton Springs Water Resources Facility. The Water Resources Facility will allow the Authority to return near drinking water quality to its three largest commercial users, thus reducing the demand on the County's drinking water system.

The Authority completed a user rate design study, including developing new service rates such as establishing a reclaimed water rate. We seek federal, state, and local grants to fund the needed water and wastewater infrastructure. Additionally, we are in the process of looking into low-interest financing through GEFA. Many projects are contingent on if and when new industries come to Newton County. For the purposes of the five (5) year CIP, these projects are considered unfunded.



A. Scott Emmons WRF

The map on page 47 represents the Authority's major capital projects currently underway. The map on page 48 depicts private development currently in planning or under construction.

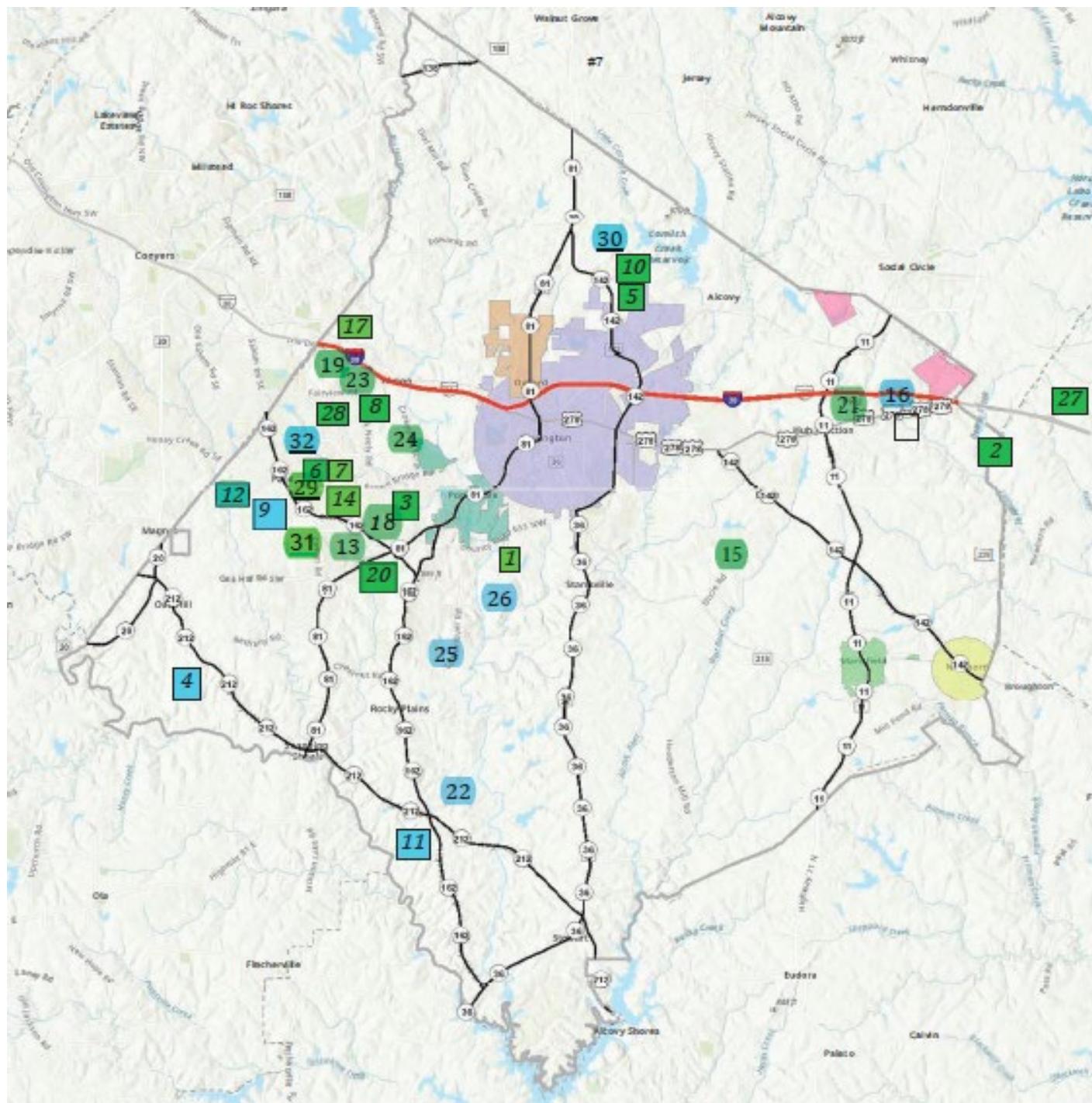


Capital Projects Map
August 2023

Legend

Capital Projects Reference No.

Map Item No.	Project Name
1	Stanton Springs Water Resources Facility
2	East Newton Water Transmission System Projects
3	Hub Junction Gravity Sewer Outfall



Private Development Listings

August 2023
(Listings following on next page)

Legend

0 Private Development Reference Number

0 Water

0 Water & Sewer

Private Development Listings

Map No.	Private Development	Number of Units	Development Type	Status
1	Cedar Shoals / White Horse	348	Apartments & Townhomes	Construction
2	Baymare	---	Large Commercial	Construction
3	Villages on Ram	36	Multi-Family	Approved Plans (expired)
4	Sampson Creek Bluff	40	SFR	Approved Plans (expired)
5	Three Ring Studios Phase II	70	Commercial	Construction
6	Westfield Village	486	SFR	Closeout
7	Westfield Village Townhomes	130	Townhomes	Closeout
8	Covington Creek	53	SFR	Closeout
9	Lyndhurst Estates Phase II	62	SFR	Approved Plans (expired)
10	Cottages @ Covington	226	SFR	Approved Plan (expired) – Proposed City of Covington Service Delivery
1	Twin Rivers Manor Phase I	118	SFR	Construction
12	20 East Logics	1	Commercial	Closeout
13	Salem Townhomes & Retail	20	Townhomes / Commercial	Plan Review
14	Bailey Glynn Phase II	78	SFR	Awaiting Precon
15	Rosedown Phase III	104	SFR	Plan Review
16	Solid Rock Baptist Church	1	Commercial	Complete
17	The Oaks (Porterdale)	142/190/1	SFR / Townhomes / Commercial (Mixed Use)	Plan Review
18	Salem Food Mart	1	Commercial	Awaiting Precon
19	Distinguished Transportation	1	Commercial	Awaiting Precon
20	Bailey Station	128	SFR	Awaiting Precon
21	Jones Petroleum Travel Ctr	1	Commercial	Awaiting Precon
22	Dollar General	1	Commercial	Maintenance Period
23	Covington Creek Springs	52	SFR	Construction
24	Dobbs Landing	388	SFR / Multi-Family	Plan Review
25	Estates at Mote Road	89	SFR	Awaiting Precon
26	Springhill Neighborhood Park	2	Newton County Parks & Rec	Construction
27	Rivian Temporary Construction Water	---	Large Commercial	Planning Approved
28	Prose Fairview	318	Apartment	Maintenance Period
29	Popeye's Salem Road	---	Commercial	Maintenance Period
30	Cornish Hill Phase I	14	SFR	Awaiting Precon
31	Arbor fka Crescent Place	81	SFR	Plan Review
32	NCG Dialysis Center	---	Suite	Closeout

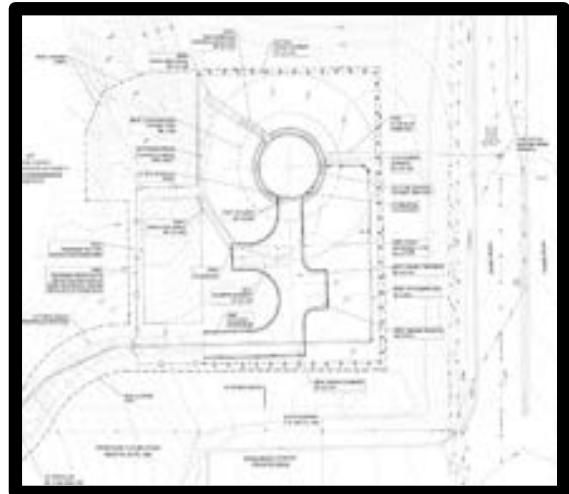
(Remainder of page intentionally left blank)

Capital Improvement Plan (CIP) Summary (\$000s)

Description	FYE 2023 Budget	FYE 2024 Projected	FYE 2025 Projected	FYE 2026 Projected	FYE 2027 Projected	Total
Capital Projects						
Water System	\$ 24,306	\$ 2,515	\$ 1,530	\$ 2,110	\$ 1,560	\$ 32,031
Sewer System	7,564	11,570	10,670	5,665	13,975	49,444
Miscellaneous	1,362	175	175	175	175	2,062
Total Capital Projects	\$ 33,232	\$ 14,260	\$ 12,375	\$ 7,950	\$ 15,710	\$ 83,527
Estimated Funding Sources						
Renewal and Extension / Reserves	\$ 5,283	\$ 1,310	\$ 2,895	\$ 5,283	\$ 5,283	\$ 17,648
Connection Fees	5,496	1,000	1,000	1,000	1,000	9,496
GEFA Loans [1]	21,174	1,000	--	--	--	22,174
Unfunded	1,279	10,950	8,480	2,925	10,575	34,209
Total CIP Funding Sources	\$ 33,232	\$ 14,260	\$ 12,375	\$ 7,950	\$ 15,710	\$ 83,527

[1] Amounts reflect the use of a low-interest loan secured through the Georgia Environmental Finance Authority (GEFA) for the construction of the East Newton Water Transmission Improvements Project.

East Newton Water Transmission Project



List of Capital Improvement Projects FYE 2024 – FYE 2028 (\$000s)

Description	Total Project Budget	Estimated Prior Project Spend	Total Project Carry-Forward	FYE 2024 New Money	FYE 2024 Budget	Projected			
						FYE 2025 Projected	FYE 2026 Projected	FYE 2027 Projected	FYE 2028 Projected
<u>Water System Capital Improvements</u>									
East Newton Water Transmission System Projects	\$35,524	\$13,931	\$9,612	\$11,981	\$21,593	\$---	\$---	\$---	\$---
GDOT W&S Relocations for Road Improvements	18,649	2,036	2,783	10,911	13,694	---	---	1,434	1,485
Water Main Extensions – Hydraulic & Quality Improvements	1,386	---	---	258	258	268	277	287	296
Stanton Springs Surge Control	539	---	539	-	539	---	---	---	---
Service Area Exchanges with the City of Covington	506	---	9	497	506	---	---	---	---
Water Main at Mote Road / Springhill Park	282	---	---	282	282	---	---	---	---
Galvanized Pipe / Service Line Inventory Replacement	247	---	---	247	247	---	---	---	---
One Water / One Newton Road Map – Water Portion	111	32	79	-	79	---	---	---	---
Beacon Cellular Meter Reading Program	13,455	---	---	13,455	13,455	---	---	---	---
Total Water System Capital Improvements	\$70,699	\$15,999	\$13,022	\$37,631	\$50,653	\$268	\$277	\$1,721	\$1,781
<u>Sewer System Capital Improvements</u>									
Wastewater Flow Meters	\$982	\$107	\$---	\$875	\$875	\$---	\$---	\$---	\$---
Hub Junction Gravity Sewer Outfall	1,624	65	367	1,192	1,559	---	---	---	---
Little River Outfall to Walton County Line	1,553	---	---	1,553	1,553	---	---	---	---
Yellow River Trunk Sewer Rehabilitation	24,178	242	15	3,199	3,214	54	9,979	---	10,689
Anticipated Sewer Capital R & E Needs	3,330	---	---	620	620	643	665	689	713
Yellow River WRF Expansion from 4 to 6.2 MGD	32,718	---	---	311	311	2,571	---	29,836	---
A. Scott Emmons WRF Expansion from 1.25 to 2.1 MGD	19,089	---	---	2,458	2,458	---	16,631	---	---
Yellow River WRF Influent Screening	341	---	---	341	341	---	---	---	---
One Water / One Newton Road Map – Sewer Portion	111	32	79	---	79	---	---	---	---
Total Sewer System Capital Improvements	\$83,926	\$446	\$461	\$10,549	\$11,010	\$3,268	\$27,275	\$30,525	\$11,402
<u>Reuse System Capital Improvements</u>									
Stanton Springs Water Resources Facility	\$61,412	\$4,157	\$41,702	\$15,553	\$57,255	\$---	\$---	\$---	\$---
<u>Miscellaneous Capital Improvement</u>									
Fleet / Capital Equipment / Other	\$993	\$---	\$---	\$213	\$213	\$188	\$193	\$197	\$202
Eagle's Nest Office Expansion	22,000	---	---	-	-	22,000	---	---	---
Little River Recreational Area	74	---	---	74	74	---	---	---	---
Asset Management System	259	---	---	259	259	---	---	---	---
Total Miscellaneous Capital Improvements	\$23,326	\$---	\$---	\$546	\$546	\$22,188	\$193	\$197	\$202
Total Capital Improvement Projects	\$239,363	\$20,602	\$55,185	\$64,279	\$119,464	\$25,724	\$27,745	\$32,443	\$13,385

(Remainder of page intentionally left blank)

Project Descriptions and Impacts – Capital Projects – FYE 2024

Water System

1. **East Newton Water Transmission System Projects** - With the development of the Stanton Springs Research Park, it will be necessary for the Authority to design and construct transmission water mains and 2 MG elevated water tank 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. The transmission mains are complete and in service as of June 2023 with the tank currently in progress.

Estimated Probable Project Cost: \$35,524,000

Estimated Completion: FYE 2026

Operating Budget Impact: This interconnect will have minimal impact on the water system and the elevated water tank will be added to the tank maintenance program in the future. Upon completion of the project, it is expected that end-user sales will increase from the Stanton Springs Research and Development Park large commercial customers currently under development and home to Takeda Pharmaceuticals, Morning Hornet and Baymare Data Centers, and future home to the Rivian Advanced Auto Manufacturing Plant. Revenue projections have been included in the five-year forecast.

2. **GDOT W&S Relocations for Road Improvements** – Various sized utility relocation projects due to GDOT/Newton County projects (road widening, intersection improvements, bridge replacements) within state-owned/county roadways.

Estimated Probable Project Cost: \$18,649,000

Estimated Completion: Ongoing

Operating Budget Impact: Water lines have minimal impact. Adjustments are made during the development of the annual budget.

3. **Water Main Extensions - Hydraulic & Quality Improvements** – These projects are determined by the in-house engineering staff based on the hydraulic needs of the water distribution system.

Estimated Probable Project Cost: \$1,386,000

Estimated Completion Date: Ongoing

Operating Budget Impact: Water lines have minimal impact. Adjustments are made during the development of the annual budget.

4. **Stanton Springs Surge Control** - This project involves installing surge control infrastructure to reduce the pressure spikes/hammer that occurs within Stanton Springs.

Estimated Probable Project Cost: \$539,000

Estimated Completion Date: FYE 2024

Operating Budget Impact: There will be annual maintenance on the surge devices and these costs are included within the operation expenses within the system maintenance line item.

5. **Service Area Exchanges with the City of Covington** – NCWSA and Covington have agreed to exchange water/wastewater service areas to operate the water/wastewater system more efficiently. This includes customer swaps where one utility provides both water/wastewater services. This project also eliminates water master meters along with trading buried infrastructure (pipes) as well as an elevated storage tank.

Estimated Probable Project Cost: \$506,000

Estimated Completion Date: FYE 2024

Operating Budget Impact: No additional operating impacts are estimated at this time for the buried infrastructure. The elevated storage tank will require cleaning and interior and exterior cleaning and will be added to the Tank Maintenance Program.

6. **Water Main at Mote Road / Springhill Park** – This project involves installing an 8" water main 1,100' along Mote Road / Lower River Road to the new Springhill Community Park. This main will replace an older 2" water main while providing fire protection for the residents along the route. The water main will also allow for enhanced facilities to be located at the park.

Estimated Probable Project Cost: \$282,000

Estimated Completion Date: FYE 2024

Operating Budget Impact: Water lines have minimal impact. Adjustments are made during the development of the annual budget.

7. **Galvanized Pipe / Service Line Inventory Replacement:** This project involves inventorying / surveying existing services for lead / galvanized lines within the entire water system. The survey comes as a mandate from the EPA stemming from the Flint Michigan disaster where lead service lines reacted negatively within its water system.

Estimated Probable Project Cost: \$247,000

Estimated Completion Date: FYE 2024

Operating Budget Impact: The inventory / survey is part of a multi-step process. Adjustments are made during the development of the annual budget.

8. **One Water / One Newton Road Map – Water Portion** - This project is a joint study of water and sewer future projections (Road Map) on how the "big three" (NCWSA, Newton County, and City of Covington) plan, design, and construct water / sewer infrastructure to support quality growth within our communities.

Estimated Probable Project Cost: \$111,000

Estimated Completion Date: FYE 2024

Operating Budget Impact: The road map must be a living document and will need to be updated as needed. The updates as they occur are included in the planning expense line item in both the water and wastewater.

1. **Beacon Cellular Meter Reading Program** – This project would replace the existing AMR (drive by) meter data collection system with the Beacon Cellular system. The reliability of cellular data is a stable infrastructure for reading meters. Project benefits are improved customer service, better utilization of human resources, and almost real time data analytics that can assist in water system optimization.

Estimated Probable Cost: \$13,455,000

Estimated Completion Date: FYE 2027

Operating Budget Impact: Monthly fees will be required for the use of the cellular network. Routine maintenance costs of the new cellular system will be offset by the savings recognized by the elimination of monthly visits to each meter. Additionally, the base charge of the water and sewer rate structures will be reviewed and adjusted for any remaining costs of the operations and maintenance of the Beacon System.

Sewer System

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

Estimated Probable Project Cost: \$982,000

Estimated Completion Date: FYE 2025

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

2. **Hub Junction Gravity Sewer Outfall** – The Hub Junction gravity sewer main will serve the areas of the Brickstore Overlay within the Hwy 11 corridor.

Estimated Probable Project Cost: \$1,624,000

Estimated Completion Date: FYE 2024

Operating Budget Impact: Sewer Outfalls have minimal operating impacts on the sewer system. The completion of the project is expected to increase end users' sales as a new travel center will be located at Exit 98 on I-20. This outfall will also serve a small development node (Mt. Pleasant) on its western boundary.

3. **Little River Outfall to Walton 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 Walton and Newton Counties and has a population of 4,358.

Estimated Probable Project Cost: \$1,553,000

Estimated Completion Date: FYE 2025

Operating Budget Impact: Sewer Outfalls have minimal operating impacts on the sewer system. 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 Takeda Pharmaceuticals, Morning Hornet and Baymare Data Centers. Therefore, these revenue projections have been included in the five-year forecast.

4. **Yellow River Trunk Sewer Rehabilitation** - The Yellow River Trunk Sewer is the oldest sewer in the System, serving the western portion of Newton County, Covington, Oxford College, and the City of Oxford. A condition assessment is underway to determine the most critical areas that require rehabilitation.

Estimated Probable Project Cost: \$22,935,000

Estimated Completion Date: Ongoing

Operating Budget Impact: This project will have minimal impact on operating costs.

5. **Anticipated Sewer Capital R & E Needs** – This project is for short to medium sewer outfalls and major laterals that might be needed as the overall wastewater system expands in the East Newton Service Area.

Estimated Probable Project Cost: \$620,00 annually and escalated for inflation.

Estimated Completion Date: Ongoing

Operating Budget Impact: Sewer lines have minimal impact. Adjustments are made during the development of the annual budget.

6. **Yellow River WRF Expansion from 4 to 6.2 MGD** – The Yellow River Water Reclamation Facility (YRWRF) in Porterdale, GA, will need to be expanded to a hybrid land application and stream discharge facility. The YRWRF's current capacity is 4 MGD with limited spray field capacity left in the land application system. Going to the stream will require tertiary treatment infrastructure with similar discharge limits to the A. Scott Emmons Water Reclamation Facility (ASEWRF) located at Stanton Springs.

Estimated Probable Project Cost: \$32,718,000

Estimated Completion Date: FYE 2028

Operating Budget Impact: The Yellow River WRF is an incremental capacity addition and will result in immediate fixed and increased variable operating costs as the facility is utilized and will be reflected in the annual operating budget when the expansion is completed.

7. **A. Scott Emmons WRF Expansion from 1.25 to 2.1 MGD** - Due to the rapid growth of the industrial base at Stanton Springs, the recently completed A. Scott Emmons Water Reclamation Facility will be expanded from 1.5 MGD to 2.5 MGD. The expansion is to provide additional treatment capacity as well as redundancy for the Stanton Springs Water Resources Facility that is currently under construction.

Estimated Probable Project Cost: \$19,089,000

Estimated Completion Date: FYE 2027

Operating Budget Impact: Upon commencement of operations, the facility will result in immediate fixed and increased variable operating costs as the facility is expanded and will be reflected in the annual operating budget when the project is completed.

8. **Yellow River WRF Influent Screening** – The current headworks facility at the YRWRF includes two screened influent channels. One channel includes an automated step screen and dewatering screw auger manufactured by Westech. The second channel includes a simple, manually cleaned bar screen. While the existing automated step screen installed in 2018 performs adequately, there is no redundancy for automatic screening and disposal conveyance. The scope of the project would be to replace the manually cleaned bar screen with the same Westech bar screen, thus providing adequate redundancies.

Estimated Probable Project Cost: \$341,000

Estimated Completion Date: FYE 2024

Operating Budget Impact: The project would have annual operational cost as well as preventive schedules that will be included in the plant maintenance expense line item.

9. **One Water / One Newton Road Map – Sewer Portion** - This project is a joint study of water and sewer future projections (Road Map) on how the “big three” (NCWSA, Newton County, and City of Covington) plan, design, and construct water and sewer infrastructure to support quality growth within our communities.

Estimated Probable Project Cost: \$111,000

Estimated Completion Date: FYE 2024

Operating Budget Impact: The road map must be a living document and will need to be updated as needed. The updates as they occur are included in the planning expense line item in both the water and sewer.

Reuse Capital Improvements

1. **Stanton Springs Water Resources Facility** – For reasons of water security, drought management, and public welfare, we have evaluated the impact of such concentrated demands on the long-term water supply and infrastructure in the community. A business case evaluation was completed, and we find a solid financial and public interest case for

deploying a reclaimed water system for our large commercial users. Therefore, NCWSA will construct a reclaimed system with its core processes, including ultrafiltration (UF), reverse osmosis (RO), and reserve storage. The resultant reclaimed water supply will benefit Stanton Springs industries for process use or fire suppression systems. In addition, the UF and RO system will remove the prominent by-products such as cooling water blowdown total dissolved solids (TDS) and constituents of increased conductivity.

Estimated Probable Project Cost: \$61,412,000

Estimated Completion Date: FYE 2025

Operating Budget Impact: The project will have operational and maintenance costs upon completion and start-up, which has been incorporated into the projected annual operating budget beginning in FYE 2026. A new reclaimed water rate will also be established for cost recovery.

Miscellaneous Capital Improvements

1. **Fleet / Capital Equipment / Other** – Items planned to be purchased in FYE 2024 include a heavy-duty truck 4x4, an extra heavy-duty service truck, sewer jet trailers, a utility terrain vehicle (ASEWRF), and a tractor bush hog (ASEWRF).

Estimated Probable Cost: \$213,000 is budgeted for FYE 2024 and \$175,000 escalated annually thereafter.

Estimated Completion Date: Ongoing

Operating Budget Impact: Anticipated fuel, insurance, and maintenance costs are added annually during budget development.

2. **Eagle's Nest Office Expansion** – This project is a future building expansion at the Authority's Main Office on Brown Bridge Road. The building will house the departments of administration, engineering, and a representative from each of the local water providers within Newton County. It will be a multi-purpose building used for water education, small public meetings and the Authority Board of Directors Monthly Meetings.

Estimated Probable Project Cost: \$22,000,000

Estimated Completion Date: FYE 2027

Operating Budget Impact: The project will require the usual utilities, cleaning, and general maintenance as other facilities within the Authority's list of buildings and will be incorporated into the operating budget as these items become known.

3. **Little River Recreational Area** – The Authority now owns 4,456 acres surrounding the A. Scott Emmons WRF and has hired a consultant to help develop an educational/recreational master plan. Nearby industry would like to partner with the Authority in developing this plan.

Estimated Probable Project Cost: \$74,000

Estimated Completion Date: FYE 2024

Operating Budget Impact: Upon completion of the master plan and partnership resources are determined, the impact, if any, to the operating plan will be known and included in the development of the budget.

4. **Asset Management System** – This project is being driven by the 2018 (amended in 2021) America's Water Infrastructure Act (AWIA) that requires state drinking water systems to include an appropriate asset management program in their development strategy by January of 2024.

Estimated Probable Project Cost: \$259,000

Estimated Completion Date: FYE 2024

Operating Budget Impact: Currently included in the FYE 2024 operating budget, the Authority is seeking grant funding for this project or a low-cost loan from the Georgia Environmental Finance Authority (GEFA) for the initial cost of developing the program with the following years costs included in the water O&M budget.



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 benefit 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 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. Current outstanding debt is in the form of low-interest loans obtained through the GEFA loan program and a promissory note with the Joint Development Authority of Jasper County, Morgan County, Newton County, and Walton County (the "JDA"). Because the Authority does not have outstanding revenue bonds (senior lien debt), the Authority does not currently have bond ratings. The Authority pledges its revenue-raising power to secure the required payments and covenants to make funds available to satisfy such required payments. There is also a provision that the Authority shall not permit the Fixed Charges Coverage Ratio ("coverage") for any fiscal year to be less than 1.05 (as delineated in the GEFA Loan Agreements). The Authority currently maintains a coverage ratio of 1.50.

(Remainder of page intentionally left blank)

The table below summarizes the total estimated amount of current outstanding debt on June 30, 2023.

Summary of Current Debt Obligations (Principal)		Fiscal Year Ended June 30, 2023
Description		
GEFA Loan 2012L22WQ		\$11,757,794
GEFA Loan CW2019003		24,690,816
GEFA Loan 2021013 [1]		12,961,246
JDA Promissory Note		761,675
Total		\$50,171,531
1] Amount shown is estimated at June 30, 2023. The debt incurred in the form of a construction line of credit (loan) in the amount of \$25M. The last draw was requested in June 2023. The Amortization Commencement date is currently anticipated to be in April of 2026, when the first principal payment becomes due.		

Notes Payable

GEFA Loan 2012L22WQ – The Authority also incurred debt in the form of a construction line of credit for various water and sewer projects. The outstanding principal amount is \$11,757,794. The interest rate is 1.82% with a 20-year term, maturing in FYE 2038. FYE 2024 principal and interest payments are \$696,864 and \$208,198 respectively.

GEFA Loan CW2019003 – The Authority also incurred debt in the form of a construction line of credit in the amount of \$25,000,000 for the A. Scott Emmons Water Reclamation Facility. The outstanding principal amount is \$24,690,816. The interest rate is 1.93% with a 30-year term, maturing in FYE 2053. FYE 2024 principal and interest payments are \$627,384 and \$471,002 respectively.

GEFA Loan GF2021013 – In November 2021, the Georgia Environmental Finance Authority (GEFA) approved a loan for a Georgia Fund loan in the amount of \$25,000,000. The loan agreement was executed in FYE 2023. It will be used to finance the construction of a new transmission water main, a water storage reservoir, provide upgrades to the water reclamation facility, and related appurtenances. The interest rate is .63% with a 20-year term. Accrued interest is to be paid monthly until the Amortization Commencement date, which is currently anticipated to be in April of 2026, when the first principal payment becomes due.

Promissory Note – NCWSA purchased 304.67 acres from the Joint Development Authority (JDA) of Jasper County, Morgan County, Newton County and Walton County for the development of Stanton Springs Research Development Park in the amount of \$1,523,350. The interest rate is 1% with a 4-year term maturing in FYE 2025. FYE 2024 principal and interest payment is \$380,838 and \$7,617 respectively.

Summary of Debt Service Payments

The remainder of the Authority's current outstanding debt reflects essentially level debt service payments (i.e., regular annual payments) through the Fiscal Year 2053 when the CW2019003 GEFA Loan matures.

The FYE 2024 – 2028 Capital Improvement Program shows a need for estimated additional funding. An estimated \$22.4 million is needed for Hydraulic Improvements and the implementation of the Beacon Cellular Meter Reading Program. The expansion of the Yellow River Water Reclamation Facility is currently estimated at \$27.9 million, and the Yellow River Trunk Sewer System Rehabilitation Project is estimated at \$30 million. As the Authority makes decisions related to the Capital Improvement Plan, both the timing and amounts of the future funding needs will likely change. The Capital

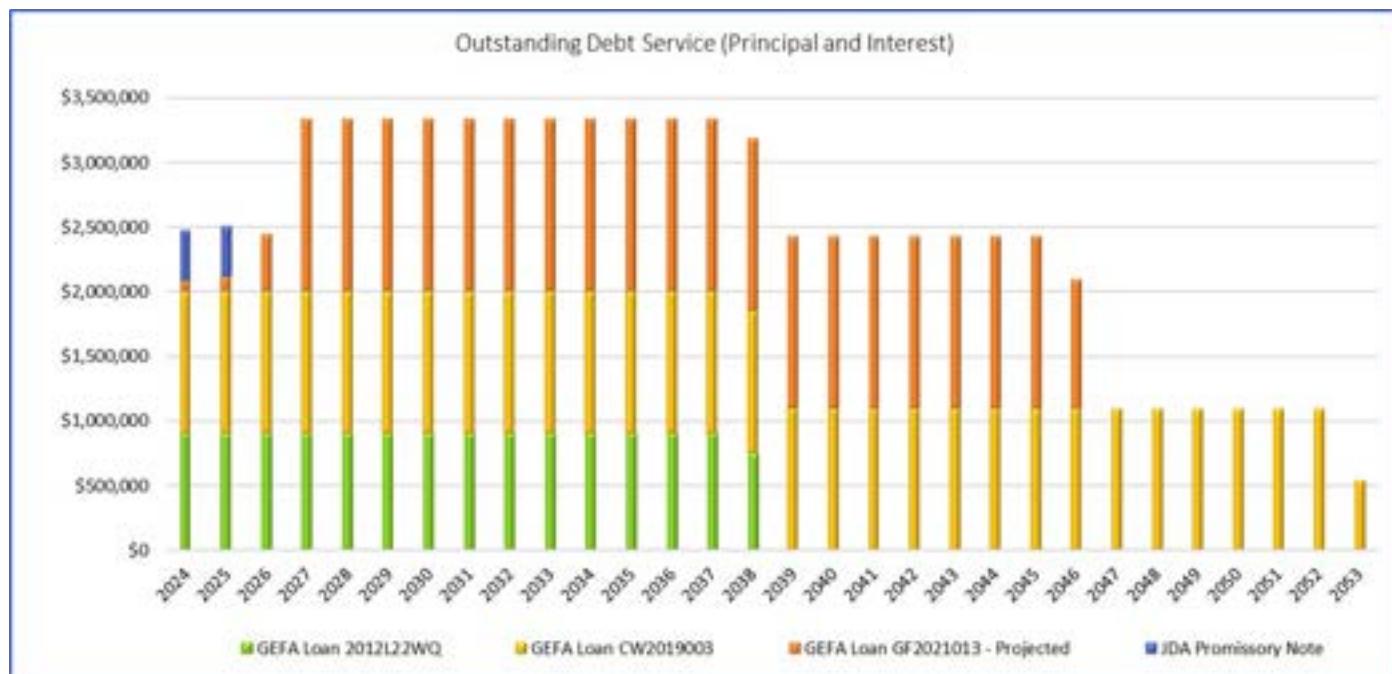
Improvement Plan is under ongoing review and as decisions are made, the CIP will be updated to reflect the timing of projects, along with the amounts and funding sources.

As stated in Section 2 – Cash Management Practices on page 26 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. The table below are the debt obligations for the forecast period.

Summary of Existing and Projected Debt Service Payments					
Description	FYE 2024 Budget	FYE 2025 Projected	FYE 2026 Projected	FYE 2027 Projected	FYE 2028 Projected
GEFA Loan 2012L22WQ	\$905,062	\$905,062	\$905,062	\$905,062	\$905,062
GEFA Loan CW2019003	1,098,387	1,098,387	1,098,387	1,098,387	1,098,387
GEFA Loan GF2021013 – Projected [1]	87,023	121,776	445,197	1,330,731	1,330,731
JDA Promissory Note	388,454	384,646	---	---	---
Proposed GEFA Loan 2024 [2]	25,560	204,477	335,646	1,185,174	1,312,715
Proposed GEFA Loan 2026	---	---	184,371	463,087	651,774
Proposed GEFA Loan 2028	---	---	---	---	129,874
Total	\$2,504,486	\$2,714,347	\$2,968,663	\$4,982,440	\$5,428,542

[1] Amounts shown are estimated. The debt incurred in the form of a construction line of credit (loan) in the amount of \$25M. Accrued interest is to be paid monthly until the Amortization Commencement date which is anticipated to be in April of 2026 when the first principal payment becomes due.

The graph below shows the Newton County Water and Sewerage Authority's current committed long-term Debt Service obligations.



Projected Debt Service and Debt Service Coverage Ratio

The projected debt service and debt service coverage ratio for the forecast period are shown below. For FYE 2024, the calculated debt service coverage is slightly below the Authority's established target of 1.50, however is well above the GEFA Fixed Charges Coverage Ratio of 1.05. For the remainder of the financial forecast, all targets are met.

Projected Debt Service Coverage Ratio					
Description	FYE 2024 Budget	FYE 2025 Projected	FYE 2026 Projected	FYE 2027 Projected	FYE 2028 Projected
Total Gross Revenues (including connection fees)	\$21,640,023	\$27,090,011	\$30,372,289	\$33,062,161	\$36,143,545
Less: Total Operating & Maintenance Expenses	18,024,601	18,393,151	21,441,480	22,688,481	23,369,720
Net Revenue	\$3,615,422	\$8,696,860	\$8,930,809	\$10,373,680	\$12,773,825
 Total Debt Service (Cash Basis)	 \$2,504,486	 \$2,714,347	 \$2,968,663	 \$4,982,440	 \$5,428,542
All-In Coverage Test					
Calculated Ratio	1.44	3.21	3.02	2.09	2.36
Target Ratio	1.50	1.50	1.50	1.50	1.50
Target Meet?	No	Yes	Yes	Yes	Yes
 GEFA Fixed Charges Coverage Ratio	 1.05	 1.05	 1.05	 1.05	 1.05
Target Met?	Yes	Yes	Yes	Yes	Yes

Legal Debt Margin

As a Component Unit of Newton County, 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 2022.

Legal Debt Margin – Newton County, Georgia	
	Fiscal Year Ended June 30,
(Amount Expressed in Thousands)	FYE 2022
Assessed Value	\$4,222,075
Debt limit (10% of assessed value)	422,208
Debt applicable to limit:	
General obligation (GO) bonds	9,677
Less: Amount set aside for repayment of GO debt	--
Total net debt applicable to limit	9,677
Legal debt margin	\$412,531



SECTION 5

DEPARTMENTAL INFORMATION



NCWSA OPERATIONS GUIDE

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. In addition, the Authority's Board of Directors annually appoints the Secretary / Treasurer.

Senior Management Team One		Years of Service
Mike Hopkins	Executive Director	26
Tim McCart	Director of Operations / Director of Information Systems	13
Laurie Ashmore	Chief Engineer	-
Emily Mills	Board Secretary/Treasurer & Finance Officer	25
Tracey Clark	Human Resources Director	29
Krista Waits	Business Operations Manager	21
Bryant Kirkley	Water Reclamation Manager	18
JD Reid	Water System Maintenance Manager	10

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. For FYE 2024, the Authority plans to add two (2) new positions. Each new position is described within the individual department staffing plan.

Department	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024
Administration	3.00	3.00	5.00	8.00	8.00
Engineering	6.00	6.00	7.00	7.00	7.00
Water Reclamation	13.00	15.00	16.00	17.00	17.00
Water System Maintenance	14.00	14.00	14.00	14.00	16.00
Business Operations	16.00	17.00	19.00	20.00	20.00
Fleet/Inventory	3.00	3.00	3.00	3.00	3.00
Information Technology	2.00	2.00	2.00	2.00	2.00
Human Resources	1.00	1.00	2.00	2.00	2.00
Total	58.00	61.00	68.00	73.00	75.00

(Remainder of page intentionally left blank)

Operating Departments Mission, Accomplishments, Initiatives, and Performance Measures

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 the 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 added two new positions in FYE 2022 and three new positions in FYE 2023. Currently, the Director of Operations is the only position that has been filled of the five. The four (4) vacant positions will remain in the Administration Department until they are filled. They will then become new departments or sub-departments or be integrated into existing departments. They will then become new departments or be integrated into an existing operations department. The current summary of positions is listed below.

(Remainder of page intentionally left blank)

Administration – Position Summary					
Position	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024
Executive Director	1.00	1.00	1.00	1.00	1.00
Director of Operations	-	-	-	1.00	1.00
Finance Officer/Secretary/Treasurer	1.00	1.00	1.00	1.00	1.00
Accounts Payable Technician	1.00	1.00	1.00	1.00	1.00
Planning Performance Advisor	-	-	-	1.00	1.00
Water Conservation Manager	-	-	-	1.00	1.00
Safety & Compliance Manager	-	-	1.00	1.00	1.00
Community Affairs Manager	-	-	1.00	1.00	1.00
Total	3.00	3.00	5.00	8.00	8.00

FYE 2023 Accomplishments

- Prepared and assisted with completing 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 sixth consecutive year.
- Completed StratOps 1.0 and began StratOps 2.0, a newer version of the long-term management-driven plan driven by organizational-wide operational strategies.

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 2024:

- 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.
- Incorporate and support the four (4) new positions within the Administrative Department and begin developing initial standard operating procedures for each position and how they will transition from Administration after their onboarding stage is complete. The Director of Operations position will remain in the Administration Department.
- Continue with the total reorganization of all staff at NCWSA.

(Remainder of page intentionally left blank)

FYE 2024 Initiatives

The following initiatives support the Authority's strategic plan to achieve financial stability, maintain a fiscally responsible debt level, and support workforce protection and development.



- Timely prepare and complete all Board, Finance, 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 all Board, Finance and Audit, Administration, and Committee meeting minutes for approval.
- 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.
- Hire and incorporate the four (4) full-time positions: Planning Performance Advisor, Water Conservation Manager, Community Affairs Manager, and Safety/Compliance Manager into the Authority's department structure.
- Complete StratOps 2.0 with the management team.
- Ensure regular work duties are completed promptly with few errors.

Performance Measures

Administration Department – Performance Measures					
Performance Measures	FYE 2020 Actual	FYE 2021 Actual	FYE 2022 Actual	FYE 2023 Actual	FYE 2024 Goal
Obtain GFOA Distinguished Budget Award	Achieved	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	2 of 2 100%	4 of 4 100%	5 of 5 100%	7 of 7 100%	100% of Requests
Fill Vacant Positions Within the Department	Achieved	Achieved	Unsuccessful	Unsuccessful	Achieve

Engineering Department

Mission Statement

Improve the Authority's value to its customers by continually applying 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. In addition, 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 had difficulty hiring and retaining high-quality professional technical personnel, which is becoming the norm within the local area. As a result, the next five-year staffing plan utilizes various third-party technical consultants to augment the existing staff to complete critical engineering projects.

Engineering – Position Summary					
Position	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024
Chief Engineer	1.00	1.00	1.00	1.00	1.00
Assistant Engineer PE	1.00	1.00	1.00	1.00	1.00
Engineer EIT	1.00	1.00	1.00	1.00	1.00
Engineer Technician III	1.00	1.00	1.00	1.00	1.00
Inspector - Senior	1.00	1.00	1.00	1.00	1.00
Inspector	-	-	1.00	1.00	1.00
Administrative Assistant Engineering	1.00	1.00	1.00	1.00	1.00
Total	6.00	6.00	7.00	7.00	7.00

FYE 2023 Accomplishments

- Completed the Paine's Crossing Water Transmission Main Project.
- Prepared Monthly Engineering Reports for the Board of Directors meeting, and the review of corresponding minutes were completed 100% on time.
- Prepared, received approval for, and implemented the FYE 2023 Capital Replacement, Relocation, and Capital Improvement Programs.
- Maintained the significant integration of the CIP and financial model.
- Initiated Service Line Inventory to comply with the Revised Lead and Copper Rule.
- Trained two staff members in Auditing Water Loss with one staff member becoming certified as a Qualified Water Loss Auditor.
- Provided continuing education for Department staff.
- Implemented assigned Strategic Plan activities.
- Continued review and improvement of workflow processes within the Engineering Division.
- 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.
- Performed plan review, inspection, 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 engineering and related technical information inquiries, including water pressure, water / sewer 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.
- Utilized NCWSA.US to share information with vendors and developers.
- Instituted required inspections for water and sewer improvements.
- Perform 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. Critical success factors include:

- Delivering projects on schedule.
- Delivering projects within budget.
- Meeting quality standards determined for the project.

FYE 2024 Initiatives

- Ensure transmission and storage capacity for Stanton Springs and vicinity through implementation of the East Newton Water Transmission Infrastructure (ENWTI project).
- Ensure wastewater and reuse capacity for Stanton Springs and vicinity through the implementation of the A. Scott Emmons Water Reclamation Facility (ASE WRF) Phase II expansion and Stanton Springs Water Resources Facility.
- Ensure the integrity of the existing infrastructure through implementation of the capital improvement program.
- Continue to identify safety issues, legal mandates, regulatory matters, permitting requirements, and critical reliability factors that will impact the future of the water and sewer utility.

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



Engineering

- Complete the Service Line Inventory required under the Revised Lead and Copper Rule and work with GIS to incorporate it into the GIS data.
- Obtain the stream discharge permit for the ASE WRF through the GA EPD.
- Develop the Water Transmission and Wastewater Treatment Capacity Models of the system.
- Ensure accurate cost recovery for water and wastewater improvements.

- Continue to work with partners on AMI data availability from master meters.
- Continue to work with partners on providing transparency of SCADA information within the Consecutive System.
- Cooperate with the Fire Department on its upcoming ISO Audit.
- Improve accuracy, water audit validity, and revenue accountability.

Capital Projects

- Complete the "road map" for capacity and capital improvement needs through 2075.
- Strengthen the eastern portion of the water and wastewater systems for industrial growth.
- Complete planning/design/construction of capital improvement projects which include rehabilitation, extension and expansion of infrastructure.
- Improve revenue and inter-governmental accountability for I&I reduction.

Staffing and Training

- Integrate GIS professional and daily activities with the City of Covington and Newton County.
- Improve operating knowledge with staff obtaining Water Distribution or Wastewater System Collections Licensure.
- Sharpen internal hydraulic modeling skillsets by completing the ASCE Hydraulics Course or other training.
- Improve sewer process skillsets by completing the ASCE Wastewater Process Course or other training.

Organization

- Develop Standard Operating Procedures (SOPs) for undocumented tasks.
- Implement digital reporting of inspections with iPad and inspection applications.
- Cleanup, scan, and shred remaining paper files that can be eliminated.
- Salvage flat files.

Performance Measures

Engineering Department – Performance Measures					
Performance Measures	FYE 2020 Actual	FYE 2021 Actual	FYE 2022 Actual	FYE 2023 Actual	FYE 2024 Goal
CIP Plan Review	Achieved	Achieved	Achieved	Maintain	Maintain
Developer Plan Review	10	8	11	13	15
Complete Capital Projects – In House	3 Completed	3 Completed	2 Completed	0	1
Yearly Project Inspections, Including Tap Inspections	401	375	336	476	525
Fill Vacant Positions Within the Department	Unsuccessful	Unsuccessful	1 Position Filled	3 Positions Filled	2 Positions Filled

(Remainder of page intentionally left blank)

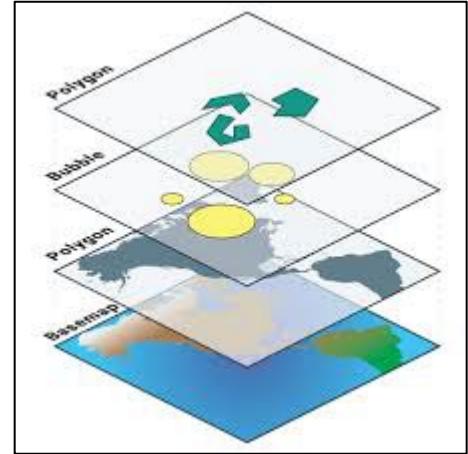
Geographical Information Systems (Engineering Subgroup)

Mission Statement

Geographical Information Systems (previously defined as “GIS”) provides 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, locate Authority assets, resolve accuracy issues using GPS, and integrate GPS data into the GIS database. The GIS viewing application provides accurate, accessible, and functional data to 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 SAM which was the consultant that was selected from a group of six firms that offered proposals to NCWSA in FYE 2021. Although SAM is the nation's largest geospatial and construction services firm, they have the specialized expertise and scale to manage projects from coast to coast with unparalleled speed and responsiveness.

FYE 2023 Accomplishments

- Assisted the Engineering Department with mapping and analysis requests for various projects, such as determining the percentage of our service area with fire protection.
- Assisted Operations and Maintenance with various ongoing projects by providing maps and updating the ArcGIS Server web application.
- Produced maps, 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 Water Maintenance Departments.

Critical Success Factors

GIS’s success is based on maintaining accurate, consistent, and up-to-date databases enabling timely responses to requests for projects and services. This is accomplished through the following activities:

- Maintain 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 fieldwork, engineering design, and as-builts.
- 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 2024 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.
- Add service line inventory information to the GIS database.
- Continue to encourage the field staff to report any discrepancies they come across.
- Improve GIS information dissemination throughout the Authority.
- Maintain the 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 produce them within 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					
Performance Measures	FYE 2020 Actual	FYE 2021 Actual	FYE 2022 Actual	FYE 2023 Actual	FYE 2024 Goal
Deploy Mapping System to End Users	Complete All Departments 93%	Complete All Departments 100%	Complete All Departments 100%	Maintain 100%	Maintain 100%
Update Water Valve Layer	54%	65%	90%	95%	100%
Update/Redesign Base Systems Maps	82%	100%	90%	95%	100%
Continue Third-Party Mapping with "SAM"	-	Consultant Selected	25%	90%	95%

(Remainder of page intentionally left blank)

Water Conservation (Engineering Subgroup)



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, and 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, conducting an annual water system audit and phasing in a water loss control / leak detection program. In addition, 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 2023 Accomplishments

- Conducted a top-down approach to the annual water audit.
- Participated in 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.
- Retained two EPD-certified Qualified Water Loss Auditors (QWLA) on staff.
- 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") on water quality.
- Participated in required unregulated contaminant monitoring ("UCMR5") state sampling.
- Collaborated with Newton County's Fire Department on hydrant flow tests, site maps, and nonrevenue water calculations.
- 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-inches and above, along with a 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.
- Hire a quality Water Conservation Manager who will lead the subgroup into a fully operational water conservation department within the organization.

FYE 2024 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 nonrevenue water with our annual water audit from a top-down to a bottom-up approach.
- Plan and sustain The Water Loss Control Program.
- Report on 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 and homeowner associations and comply with water restrictions.
- Continue attending community events with the NCWSA's "Water Monster."
- 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 the 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					
Performance Measures	FYE 2020 Actual	FYE 2021 Actual	FYE 2022 Actual	FYE 2023 Actual	FYE 2024 Goal
Water Loss Audit Completed and Accepted by Georgia Environmental Protection Division	Achieved	Achieved	Achieved	Achieved	Maintain
Develop Water Conservation Mobile Unit	Achieved	Achieved	Achieved	Achieved	95%
Attend Community-Wide Events with Mobile Water Conservation Unit	8- With Unit	Canceled Due to COVID-19	2- With Unit	4-With Unit	5- With Unit
Update and Improve Water Conservation Plan	Ongoing	Ongoing	Ongoing	Ongoing	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 maintaining and repairing the Authority's sewer collection system infrastructure, including sewer mains, laterals, and lift stations. This task 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. In addition, the division provides 24-hour 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. Additionally, this division achieves its purpose through inspection, issuance, and renewal of permits for non-domestic wastewater discharge.

The Water Reclamation Department is responsible for all aspects of collecting and treating wastewater. In addition, 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 4 MGD and is located in the county's heart within the City of Porterdale.

The A. Scott Emmons Water Reclamation Facility (ASEWRF) was commissioned in FY 2023 and is located south of the Stanton Springs Industrial / Development Park. The ASEWRF will be the first stream discharge facility in the Authority's fifty-two-year history. Just like its namesake, the ASEWRF will offer unique recreational and educational opportunities for the citizens of Jasper, Morgan, Newton, and Walton Counties.

Personnel

Current staffing will be split and rotated between the Yellow River and Emmons WRFs to facilitate cross-training between a land application facility and a stream discharge facility, allowing some staffing redundancy. A Class II Operator was added to the department in FYE 2023 to help manage the daily operation of the Emmons Stream Discharge Facility. In addition, the department will continue looking for qualified candidates to work in Water Reclamation.



Water Reclamation Department – Position Summary					
Position	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024
Water Reclamation Manager	1.00	1.00	1.00	1.00	1.00
Water Reclamation Assistant Manager	1.00	1.00	1.00	1.00	1.00
Class I Operator	-	-	-	1.00	1.00
Class II Operator	1.00	1.00	1.00	1.00	1.00
Class III Operator	4.00	4.00	4.00	4.00	4.00
Wastewater Collection Specialist	1.00	1.00	1.00	1.00	1.00
W/WW Pump Equipment Technician	-	1.00	1.00	1.00	1.00
WW Maintenance Technician	2.00	2.00	2.00	2.00	2.00
WW Lab Analyst	2.00	2.00	3.00	3.00	3.00
Environmental Compliance Coordinator	1.00	1.00	1.00	1.00	1.00
Environmental Sampling Technician	-	1.00	1.00	1.00	1.00
Total	13.00	15.00	16.00	17.00	17.00

FYE 2023 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 Trunk Sewer Rehabilitation Project.
- Received the approval of the Georgia Environmental Protection Division (GA EPD) to operate the A. Scott Emmons WRF.
- The Yellow River Water Reclamation Facility had zero permit violations.
- Completed the elimination and remediation of the Brick Store LAS.
- Three employees received State Certifications.

Critical Success Factors

The primary responsibility of the Water Reclamation Department is the operation of the Yellow River Water Reclamation Facility, the A. Scott Emmons Water Reclamation Facility and its collection systems that consist of the Turkey Creek, Cainey Fork, Dennis Creek, Little River, and Beaverdam Outfalls. Critical success factors include:

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

(Remainder of page intentionally left blank)

FYE 2024 Initiatives

The Water Reclamation Department's FYE 2024 initiatives support the Authority's strategic plan goals of investment in infrastructure, enhanced and effective maintenance, and workforce protection and development.



- Maintain regulatory compliance and complete GA EPD reports as required.
- Obtain the Georgia Environmental Protection Division ("GA EPD") approval to operate the A. Scott Emmons WRF.
- Increase collection system duties and evaluate the infrastructure with the Collection Maintenance Specialist position.
- Purchase related equipment for the collection operations and establish a CMOM to aid in preventative maintenance activities to ensure 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 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					
Performance Measures	FYE 2020 Actual	FYE 2021 Actual	FYE 2022 Actual	FYE 2023 Actual	FYE 2024 Goal
Maintain TSS/BOD State Mandated Levels	Achieved	Achieved	Achieved	Achieved	Maintain
Obtain GAWP Gold Award for Yellow River WRF	Gold	Gold	Gold	Gold	Maintain
Obtain NACWA Gold Award for Yellow River WRF	Did Not Submit	Gold	Gold	Gold	Maintain
Percentage of Licensed Operators	100%	90%	90%	83%	100%
Feet of Collection System Inspected	2,234	2,432	2,005	2,025	2,500
Georgia EPD Violation	0	0	0	0	0
Fill Vacant Positions Within the Department	Unsuccessful	Unsuccessful	1 Position Filled	3 Positions Filled	3 Positions Filled

Water System Maintenance Department

Mission Statement

The Water System Maintenance Department's mission statement is to operate and maintain the facilities and systems required to reliably deliver uninterrupted water services to the Authority's customers prudently and sustainably.

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

and establishing water service connections 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 it to Business Operations for billing. Finally, field Services interact with customers onsite to provide expertise in water-related subjects.

The Water System 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 adds positions as growing demands are placed on the system. As vacancies arise within the department, the operational needs of the Authority are evaluated. As a result, two new positions are being added for FYE 2024. Recruiting personnel remains to be a significant challenge for the Authority. Even with more than adequate compensation increases, the department cannot retain employees for the long haul. Private businesses have successfully "poached" members of the department's staff and it is challenging to compete with private business salaries and wages.



Water System Maintenance Department – Position Summary					
Position	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024
Water System Maintenance Manager	1.00	1.00	1.00	1.00	1.00
Water System Maintenance Assistant Manager	1.00	1.00	1.00	1.00	1.00
Water Maintenance Crew Foreman	1.00	1.00	1.00	1.00	1.00
Equipment Operator I	1.00	1.00	1.00	1.00	1.00
Crewman I	1.00	1.00	1.00	1.00	1.00
Crewman II	3.00	3.00	3.00	3.00	5.00
Water System Specialist II	1.00	1.00	1.00	1.00	1.00
Senior Meter Supervisor	1.00	1.00	1.00	1.00	1.00
Field Services Technician	3.00	3.00	3.00	3.00	3.00
Utility Locator	1.00	1.00	1.00	1.00	1.00
Total	14.00	14.00	14.00	14.00	16.00

FYE 2023 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.
- Added doghouse manholes to pump station valves at I-20 East and West.
- Maintained the GIS equipment for the 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 in both heavy and light equipment.
- Produce more reliable field notes and observations.
- Provide reliable 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 2024 Initiatives

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



- Perform immediate repairs to any failed infrastructure and equipment.
- Perform routine equipment maintenance 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.
- 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.
- Increase Beacon AMI Cellular technology field deployment and study large meter capabilities.
- Complete the second phase of field tablet training and implementation.
- Implement a large revenue meter change-out program on Authority meters.
- Continue monitoring and calibration of master meters for lost revenue issues.
- Install additional water quality sampling sites.
- Coordinate high-density area hydrant maintenance/management program.

- Continue customer education/relations video.
- Implement school outreach educational programs.
- Continue employee state licensing requirements pertinent to field services.
- Continue to train employees in loss prevention software and instruments.

Performance Measures

Water System Maintenance Department – Performance Measures					
Performance Measures	FYE 2020 Actual	FYE 2021 Actual	FYE 2022 Actual	FYE 2023 Actual	FYE 2024 Goal
Number of New Meters Installed in System Annually	583	500	422	254	400
Annual Meters Replaced (Aged/Defective)	1,729	1,605	752	565	1,000
Number of Main Line Breaks (Annual)	5	7	4	9	7
Miles of Pipe Maintained per Department FTE	24.2	22.0	21.5	58.0	45.0
Number of Valves Exercised (Annual)	196	341	201	0	100
Fill Vacant Positions	2 Positions Filled	1 Position Filled	1 Position Filled	4 Positions Filled	4 Positions Filled

Business Operations Department

Mission Statement

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

Summary of Services

Customer Service is responsible for 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 customer service over the phone and in person at our main office.

Billing is responsible for collecting 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 twenty (20) team members between billing and customer service.

Business Operations Department – Position Summary					
Position	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024
Business Operations Manager	1.00	1.00	1.00	1.00	1.00
Customer Service Supervisor	1.00	1.00	1.00	1.00	1.00
Customer Services Specialist I	2.00	2.00	3.00	3.00	3.00
Customer Services Specialist II	4.00	4.00	4.00	4.00	4.00
Customer Services Specialist III	2.00	3.00	3.00	3.00	2.00
Customer Call Center Specialist	1.00	1.00	2.00	2.00	2.00
Receptionist	1.00	1.00	1.00	1.00	1.00
Billing Services Supervisor	1.00	1.00	1.00	1.00	1.00
Accounts/Collections Specialist	1.00	1.00	1.00	1.00	1.00
Billing Specialist	1.00	1.00	1.00	1.00	1.00
Billing Clerk	1.00	1.00	1.00	1.00	2.00
Internal Meter Tech	-	-	-	1.00	1.00
Total	16.00	17.00	19.00	20.00	20.00

FYE 2023 Accomplishments

- Processed over 2,100 service orders per month.
- Processed an average of 26,337 bills per month.
- Processed over 18,435 online payments per month.
- Processed over 2,500 payments per month for walk-up, drive-thru, and night drop customers.
- Processed over 4,100 mail in payments.
- Processed over 400 water taps and 170 sewer taps for the year.
- Achieved 73% customer participation in available electronic payment options.
- Assisted over 1,281 customers with some form of extension or payment plan.
- Worked with and adjusted over 1,199 customer accounts for reported leaks.
- Continued to cross-train employees in customer service and billing.
- Improved service interruption for the non-payment process by implementing Tyler Notify that also provides better security measures for employees.
- Completed and implemented the customer's late fee and disconnection policy based on recovering the Authority's cost to provide this service.
- Implemented a Lock Task Force Team to evaluate the lock process.
- Continued use and training of the Beacon system to read meters and use as a tool to assist customers with information concerning their water usage.
- Implemented the Tyler customer notification system which allows better communication with our customers by text message, phone message or email.
- Revised and implemented new standards for the Leak Adjustment Policy.
- Completed the new Utility Billing System upgrade to version 19.
- All staff completed "How to deliver exceptional customer service" training course.
- Select staff attended a stress management seminar offered at the GAWP office in Marietta, GA.

Critical Success Factors

The Business Operations Department is the first point of contact for over 26,000 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 of advanced technology that is beneficial to our customers and employees.

FYE 2024 Initiatives

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



- Continue to provide job-specific training for Billing and Customer Service staff.
- Staff to complete Word and Excel training classes.
- Timely billing of customer accounts.
- Continue to implement Paymentus features such as Pay-by-Text and Outbound Customer Notification.
- Continue to obtain at least 65% of customer participation in available electronic payment options.
- Timely completion of delinquent notices and delinquent shutoffs.
- Implement a new water / sewer rate structure as identified by the Finance Department.
- Update Standard Operating Procedures manuals for Customer Service and Billing.
- Evaluate bill print companies.
- Explore compatible payment processors to continue improving the electronic payment options available to our customers.

Performance Measures

Business Operations Department – Performance Measures					
Performance Measures	FYE 2020 Actual	FYE 2021 Actual	FYE 2022 Actual	FYE 2023 Actual	FYE 2024 Goal
Number of Customer Calls (Annual)	169,010	196,300	264,955	250,000	85,000
Number of Third-Party Transactions (Monthly)	15,621	15,401	19,771	18,435	20,000
Number of Payment Arrangements (Monthly Average)	136	185	114	107	100

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.

(Remainder of page intentionally left blank)

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 perform 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.

Inventory / Fleet Department – Position Summary					
Position	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024
Inventory/Fleet Coordinator	1.00	1.00	1.00	1.00	1.00
Cross Connection Coordinator	1.00	1.00	1.00	1.00	1.00
Landscaper I	1.00	1.00	1.00	1.00	1.00
Total	3.00	3.00	3.00	3.00	3.00

FYE 2023 Accomplishments

- Sustained appropriate inventory levels and non-inventory support to encounter planned emergencies.
- Managed month-end closing and various reporting of Muni's transactions.
- Trained supervisors and management staff in the inventory/purchasing processes.
- Performed annual complete physical inventory.
- Guaranteed timely and continuous availability of inventory 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 equipment inventory 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 emergencies.
- Completed first full year with Wex Fuel cards that was a success.

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 2024 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.



- Renew educational credits 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 inventory levels and non-inventory support to meet planned emergencies.
- Maintain a network of local agency purchasing agents.
- 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 the disposal of surplus equipment.
- Continue reviewing minimum and maximum stock availability in the warehouse and reordering points.
- Continue to maintain fleet and equipment maintenance adequately.
- Manage and evaluate preventative maintenance plans for fleet and equipment.
- Conduct and review fleet maintenance work orders.
- Evaluate stock levels in the warehouse and remove surplus and obsolete stock.
- Improve communication with maintenance to ensure product availability and decrease unnecessary surplus.
- 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 the last Tuesday of each month.
- Ensure the timely and continuous availability of inventoried materials.
- Receive all direct charges materials, 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 Verizon Connect GPS Fleet.
- Complete OSHA Certification courses.
- Incorporate Wex fueling into Verizon Connect GPS.

(Remainder of page intentionally left blank)

Performance Measures

Inventory/Fleet Department – Performance Measures					
Performance Measures	FYE 2020 Actual	FYE 2021 Actual	FYE 2022 Actual	FYE 2023 Actual	FYE 2024 Goal
Vehicles Maintained in Fleet	41	43	46	46	46
Goods and Services Requisition to Purchase Order Process Within Five Days of Receipt	98%	98%	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 daily to maintain safe, high-quality water flowing to each customer. In addition, the Cross-Connection Control Program is in place to reduce the risk of contamination of the potable water by downstream users' plumbing systems.

Summary of Services



Cross-Connection Control aims 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 Department's primary goal is to eliminate 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. Installing an appropriate Backflow prevention device(s) to isolate such system(s) from the NCWSA's potable water system will provide the necessary protection under Georgia Law.

Personnel

Because Cross-Connection Control is a Fleet / Inventory Department subgroup, personnel information is contained within the Inventory/ Fleet Department's table.

FYE 2023 Accomplishments

- Sustained the backflow 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 backflow prevention devices for proper installation.
- Coordinated with the Engineering Department to ensure all new construction had correct detailed drawings of 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 2024 Initiatives

As a subgroup of the Fleet/Inventory Department, the initiatives of Cross-Connection Control support the Authority's strategic plan goals of investment in infrastructure and 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.
- Educate all current backflow testers on NCWSA backflow policies.
- Continue attending pre-construction meetings to ensure the proper degree of hazard assessments on newly purchased meters.
- Continue to inspect all new customer connections for proper installation.
- Continue working hand and hand with engineering to maintain a robust backflow program.
- Obtain all required CEUs to keep a backflow tester license.
- Engage the Aqua Resource System to mail out backflow letters to improve efficiency and allow room for growth.

Performance Measures

Inventory/Fleet Department- Cross Connection Control (Subgroup) – Performance Measures					
Performance Measures	FYE 2020 Actual	FYE 2021 Actual	FYE 2022 Actual	FYE 2023 Actual	FYE 2024 Goal
Number of Commercial/Industrial Backflow Devices (% Within System)	100%	100%	100%	100%	100% Maintain
Number of Backflow Tests Received from Third-Party Testers (% Required Annual)	100%	100%	100%	100%	100% Maintain
Number of Cross-Connection Violations Within the Water System	0	0	0	0	0

(Remainder of page intentionally left blank)

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, 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 the 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 the Information Technology Department.

- Perform regular Operations (daily, weekly, monthly).
- Provide network administration and database administration.
- Install and maintain servers, printers, workstations, and all peripherals.
- Schedule, perform, and ensure completion of backups.
- Analyze logs and alarms. Clear and compress reports and logs.
- Provide Munis support including security, updates, and assistance.
- Maintain Office 365 (email and calendaring).
- Provide and maintain SAN and network storage.
- Maintain Web/eCommerce server.
- Support telephony, including VOIP, cellular, and wireless communications.
- Support tablet computers.
- Provide active Directory administration.
- Provide Azure administration.
- Provide and support security and camera systems.



Personnel

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

Information Technology Department – Position Summary					
Position	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024
IT Director	1.00	1.00	1.00	1.00	1.00
IT Specialist	1.00	1.00	1.00	1.00	1.00
Total	2.00	2.00	2.00	2.00	2.00

FYE 2023 Accomplishments

- Upgraded five-year-old workstations.
- Migrated phone system to cloud based VOIP.
- 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 network breaches.
- Performed CISA Cyber Hygiene Assessment.

- Maintained the Redundant Virtual Server Infrastructure.
- Continued Cyber Security Training.
- Maintained time and attendance biometric hand scanners.
- Completed Office 365 migration and proficiency.
- Maintained the backup server.

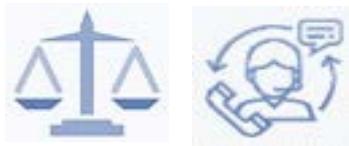
Critical Success Factors

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.
- Providing efficient and reliable computer hardware and software support.
- Network stability and security.
- Expert knowledge of Customer Information Systems.

FYE 2024 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 twenty percent (20%) computer replacement program.
- Provide timely resolution to user issues.
- Maintain reliable network performance.
- Continue cyber security training.
- Complete a Firewall Internal Setup Assessment.

Performance Measures

Information Technology Department – Performance Measures					
Performance Measures	FYE 2020 Actual	FYE 2021 Actual	FYE 2022 Actual	FYE 2023 Actual	FYE 2024 Goal
Network Systems Uptime During Normal Business Hours	>99%	>99%	>99%	>99%	>99%
Telephone System Uptime During Normal Business Hours	>99%	>99%	>99%	>99%	>99%
Response Time of Call to Help Desk Response Within One (1) Business Day	>99%	>99%	>99%	>99%	>99%
Third-Party Payment Systems Uptime 24/7 365 Days Per Year	>99%	>99%	>99%	>99%	>99%
Cybersecurity Training (Minimum of 2 Hours Annually)	All Employees	All Employees	All Employees	All Employees	All Employees

Human Resources Department

Mission Statement

Our mission is to maximize the potential of NCWSA's greatest assets – its employees. We are committed to recruiting, developing, rewarding, retaining, and protecting 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 characterized by fair staff treatment, open communication, personal accountability, trust, and mutual respect.

Summary of Services

Human Resources ensures NCWSA initiates and facilitates strategies for building a workforce supporting and enhancing the organization's objectives and values. The department also oversees 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, with a staff of one (1). One new position was added in FYE 2022. This additional position was due to the potential increase of new employees over the next five years. A Human Resources Generalist will assist with the increased workload in the department.

Human Resources Department – Position Summary					
Position	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024
Human Resources Director	1.00	1.00	1.00	1.00	1.00
Human Resources Generalist	-	-	-	1.00	1.00
Total	1.00	1.00	1.00	2.00	2.00

FYE 2023 Accomplishments

- Conducted several successful blood drive campaigns (every eight (8) weeks).
- Encouraged active Committee participation in the Benevolent Fund, including donating to those in need at Christmas time.
- Continued team-building efforts within work groups.
- Continued to manage payroll internally and file the appropriate state and federal reports promptly.
- 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.
- Continued serving on the Ambassador Committee at Newton County Chamber of Commerce.
- Continued serving on the Diversity committee with GAWP.
- Provided cardiovascular screenings for all employees.
- Continued serving with the Rotary as NCWSA representative.
- Organized Employee Assistance Program training session.
- Continued working with the Wellness committee on ideas for employees. (Reduced activity due to the renovation of the Crowell house).
- Scheduled annual flu shots at NCWSA.



- Continued as a certified Drug-Free employer and continued 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, Change the World, Twilight at Chimney Park, Special Olympics, Crystal Organic Farm, & Cheerio Challenge. This includes scheduling employees as volunteers during the events.
- Scheduled CPR/First Aid training for all employees.
- Scheduled Defensive Driver training for all employees, resulting in a 6% on their personal vehicle insurance and making our drivers safer on the roads.
- Scheduled active shooter training for all employees.
- Attended three career fairs within the community.
- Conducted weekly orientation/onboarding training for all new employees.
- Organized the Employee Appreciation lunch from the Varsity and other monthly events for employees.
- Scheduled 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:

- Maintain and support information dispersal on the COVID-19 Pandemic and its effects on employees' health and morale.
- 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 by attending succession planning training.
- Update job descriptions collaboratively with 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.
- Prepare Human Resources' Standard Operating Procedure manual.

FYE 2024 Initiatives

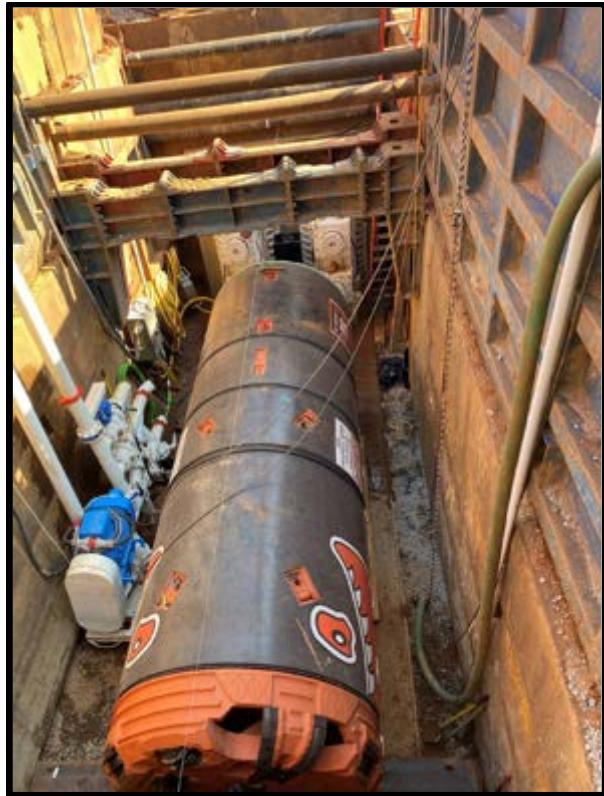
Human Resources' primary initiative is to support the Authority's strategic plan goal of workforce protection and development.



- Continue updating the 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.

Performance Measures

Human Resources Department – Performance Measures					
Performance Measures	FYE 2020 Actual	FYE 2021 Actual	FYE 2022 Actual	FYE 2023 Actual	FYE 2024 Goal
Employee Retention	97%	96%	95%	87%	90%
Average Total Training Hours Per Employee Per Year	27.25	20	22	20	20
New FTEs Positions Added Annually	4	1	6	15	10
Interviews Conducted (Annually)	50	21	44	50	40



(Remainder of page intentionally left blank)

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 the monetary value of an asset over time due to its age and use.

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

Department – A primary operating unit of NCWSA.

Employee Benefits - Include health, life, 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 water and/or 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 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

BCP – Business Continuity Plan

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)

GDOT – 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

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

RO – Reverse Osmosis

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

SCADA – Supervisory Control and Data Acquisition

SOP – Standard Operating Procedure

TDS – Total Dissolved Solids

UGA – University of Georgia

WRF – Water Reclamation Facility.