



Newton County Water and Sewerage Authority

FYE 2025 Budget and Financial Plan



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MESSAGE FROM THE EXECUTIVE DIRECTOR

INTRODUCTION

I am excited to present the annual operating budget for the fiscal year ending June 30, 2025 (the "FYE 2025 Budget"). This budget serves as both a financial plan and a strategic tool to help us achieve NCWSA's key initiatives, including water quality, financial viability, water resource sustainability, reliability, and workforce development. Your active participation and support are crucial in this journey.

The FYE 2025 Budget is a testament to our unwavering commitment to the ratepayers we serve. It was meticulously developed with the understanding that our customers deserve the highest-quality water and wastewater services, delivered professionally, courteously, and efficiently. We are steadfast in our dedication to continually improving and enhancing our services for all our customers, and this budget sets us on the right path to achieving these goals.

BACKGROUND

Every year, we face significant challenges. The upcoming year will be no different, with higher-than-average inflation and mortgage rates replacing the recent global pandemic. While inflation has eased slightly in the first half of 2024, mortgage rates remain higher, placing a drag on single-family housing starts. Political and social unrest also contribute to an unstable economy. Despite these challenges, great opportunities will reveal themselves if we persevere and stay the course. Regardless of ongoing events, our community is always at the forefront of our efforts, as the Authority carefully and diligently considers its budget development with an eye towards consistent above-average service and opportunities to assist in growing our local economy.

In the near term, the FYE 2025 Budget will focus on four (4) key Strategic Plan priorities:

- Investment in Infrastructure
- Enhanced and Effective Maintenance
- Innovative Customer Service
- Workforce Protection and Development

It is also essential to maintain financial stability by establishing a budget based on prudent projections of water demand, wastewater treatment, housing, and economic growth, with sound financial policy to maintain debt service coverage.

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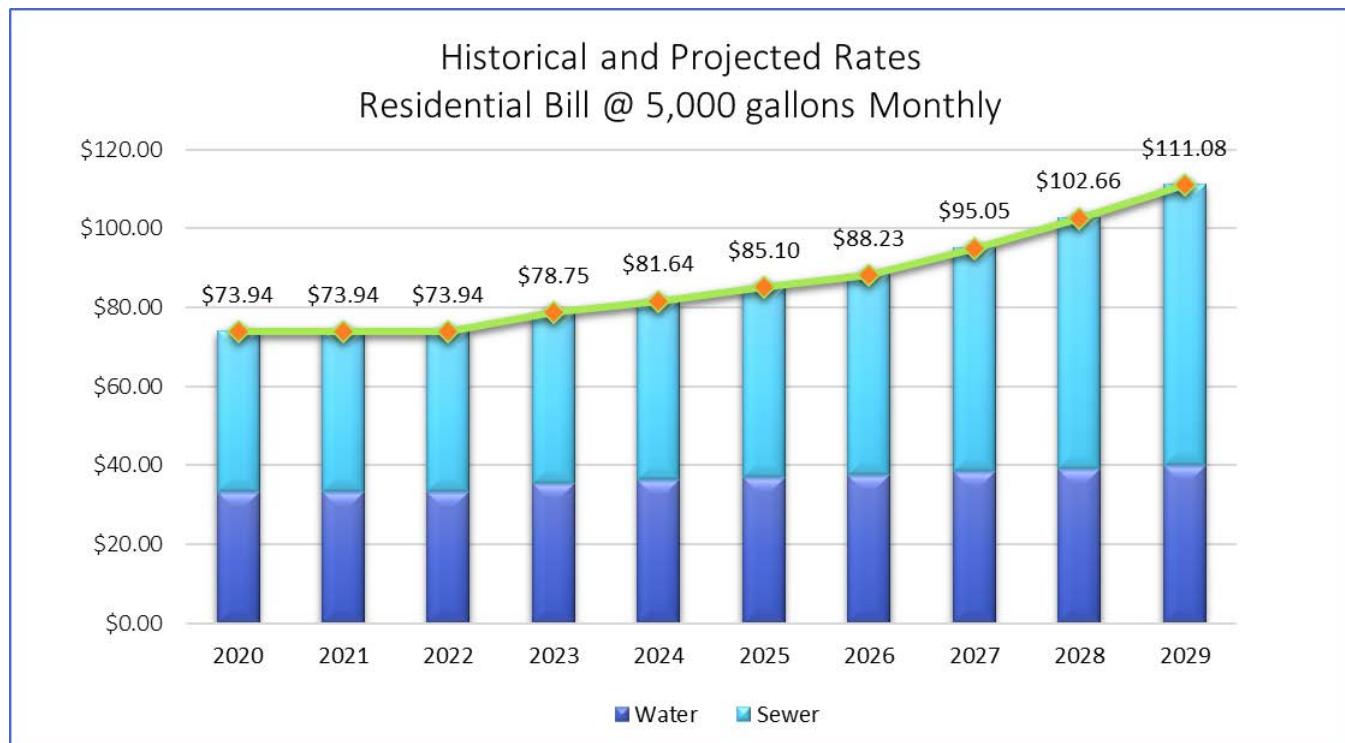
OPERATING BUDGET

The FYE 2025 Budget is designed to reflect the costs required to achieve the following objectives.

1. Continue capital projects that are currently in progress using secured funds.
2. 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 talented professional workforce.

OPERATING FUNDS AND REVENUES

The Authority operates on a self-sustaining basis, meaning it receives no taxes or financial support from the local governing body. Instead, it relies on fees, rates, and billings charged to its customers for revenue. These charges, known as User Charges, are designed to recover costs and provide services to those who directly benefit from them. The process of identifying water and wastewater costs, allocating costs to beneficiaries, and designing rate structures is called the User-Charge System. The Authority sets rates and fees as part of its regular budget process to cover the cost of operations and maintenance, pay its liabilities, and maintain favorable debt service coverage. The graph below depicts an average monthly residential customer bill based on 5,000 gallons of water and sewer use. As can be seen, user charges are anticipated to increase over the projection period. The FYE 2025 Budget includes adopted rate adjustments of 2% for water user charges and 6% for sewer user charges.



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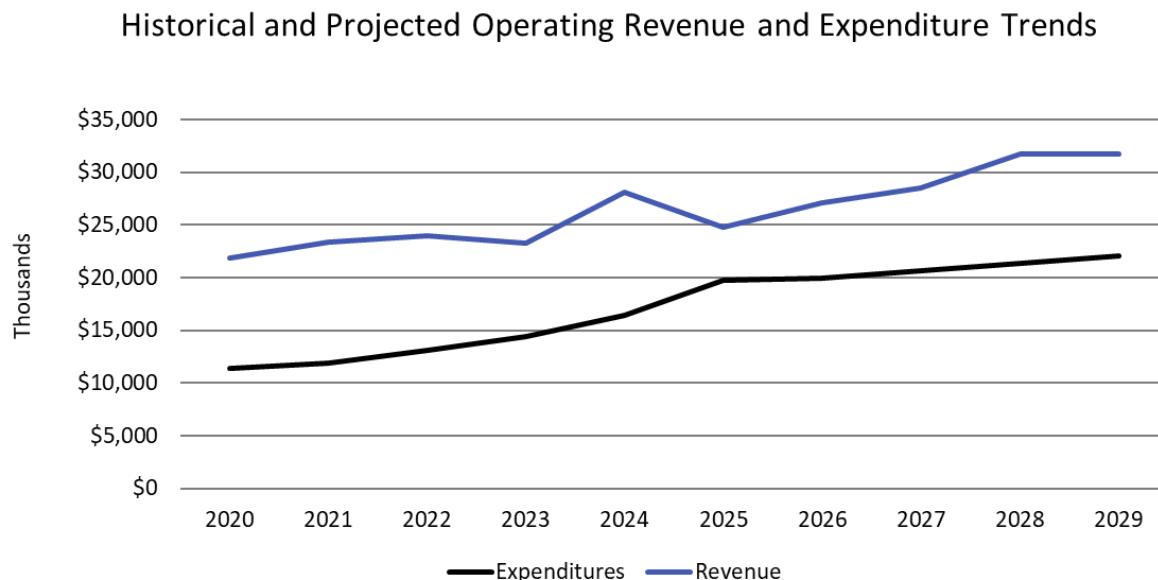
OPERATING EXPENDITURES

Authority staff carefully plan expenditures to keep ratepayer costs as low as possible while maintaining good service. Department directors thoroughly review and adjust expenditures based on each department's needs, considering the potential ongoing negative impacts of the interest rates and the unstable economy in the new budget cycle.

The Authority has conducted a comprehensive review of its rate classes and structures based on audited operating expenses. Uncertainty in the housing market and high inflation rates have significantly affected operations and material purchases. However, the staff has diligently compiled budget estimates for each expense to maintain the operations of the Authority and ensure continued exceptional service to the Authority's customers.

The staff has consistently come in under budget for total expenditures in recent budget cycles and aims to do so in the coming year. The Authority takes pride in reducing general expenses and employing a fiscally responsible "make do with less" approach in recent budget cycles. This approach has contributed to maintaining the Authority's financial stability during current economic times, covering daily operation and maintenance costs solely through water and sewer rates.

Below is a graph representing historical trends in operating revenue and expenses from FYE 2020 through FY 2024 and projections for FY 2025 to FY 2029.



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CAPITAL IMPROVEMENT PROJECTS

The NCWSA's Capital Improvements Plan (CIP) is reviewed annually and covers a short-term forecast period of five (5) years, with a long-term outlook extending to thirty-five (35) years. The CIP is fully integrated into the NCWSA's overall financial model and managed by the engineering and finance staff. The financial model has been developed to incorporate the necessary data to make informed decisions for long-term capital projects and is essential for developing rates to fund the CIP. Despite initial challenges during tough times, and the ongoing challenges we face today, the Authority effectively utilizes its resources to drive the CIP forward. The goal is to maintain this momentum and capitalize on opportunities that present themselves.

CONCLUSION

This document results from the recommendations by 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 proposals that could be undertaken within available funding. The entire Authority staff recognizes the challenges of a demanding economy and is committed to achieving the goals within this budget.

Compared to the Fiscal Year Ended June 30, 2024, operating budget, the FYE 2025 Budget reflects a continuation of the most significant increase in capital projects in its fifty-four (54) year history. The Authority continues to face significant ongoing challenges in its pursuit to provide services to the community. Potential utility industry issues such as asset management, lead, and copper pipes, and polyfluoroalkyl substances (forever chemicals) are on the forefront.

Continued infrastructure investment is necessary to meet residential and commercial growth. A second Meta Data Center Campus (Baymare) within the Stanton Springs Research & Development Park (South) continues to give impetus to maintaining the capital improvement program in high gear. The State of Georgia and local economic development officials are actively promoting the Stanton Springs Research and Development Park, Historic Heartlands, and Stanton Springs North as "shovel-ready" mega-sites in the Metro Atlanta area. In 2022, Governor Brian Kemp confirmed that Rivian, an electric truck manufacturing facility would be located across the interstate within the boundaries of Stanton Springs North. This is one of the most significant economic development projects in the State's history. The \$5 billion manufacturing facility is expected to bring 7,500 jobs east of Atlanta along the I-20 corridor and produce 400,000 vehicles per year. The facility will span about 2,000 acres at the Stanton Springs Research and Development Park which is currently owned by the Joint Development Authority of Jasper, Morgan, Newton, and Walton Counties. To serve the needs of a facility this large, the Authority will be required to design and build infrastructure out of the "norm" from its typical pipe and process. 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 facility will treat up to five million gallons per day (MGD) of additional reuse water at full build out.

In December 2022, the Governor's Office of Planning and Budget ("OPB") on behalf of the State of Georgia and the Newton County Board of Commissioners ("County"), entered into a grant agreement referred to as the "American Rescue Plan Act State Fiscal Recovery Fund Drinking Water Projects to Support Increased Population Award". As part of the Regional Infrastructure Resiliency Initiative for Newton County, the grant was awarded for the construction of specific water and related infrastructure development and/or improvement projects to

be completed by Newton County, Georgia; the City of Covington, Georgia; and the Newton County Water and Sewerage Authority. The allocated amount of this award is \$234,062,160 of which 42% is allocated to NCWSA.

A significant ongoing challenge the Authority is facing is the ability to balance the timing and identifying the financial resources needed to complete the infrastructure projects identified in the CIP. The Rivian Advanced Auto Manufacturing Plant in Stanton Springs (North) temporarily stopped its assembly plant construction in early 2024. However, the company remains committed to the Georgia site. They have shifted their focus to the Normal, Illinois site, where production is underway. Despite the pause in construction, the Georgia site has been prepared with building pads ready for vertical construction when Rivian is ready to return. The size of this industry requires significant water and wastewater infrastructure, which the NCWSA has been working on despite the pause in Rivian's construction. It is crucial that NCWSA continues to complete the water/wastewater infrastructure it has designed to be ready to serve both Stanton Springs North and South.

In FYE 2023, the Authority began to expand its workforce and has made substantial progress in hiring quality workers despite historically low unemployment levels. The FYE 2025 Budget increases the number of full-time employees in the NCWSA workforce to an all-time high of 78. As with other industries, locally and nationally, finding workers who can meet basic qualifications will be challenging.

The proposed FYE 2025 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 2025 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 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 help reviewing the crucial details outlined in this working document. As you carefully analyze the information in this budget, you will recognize the importance of teamwork and expertise in delivering the best water and sewer service to our community.

ACKNOWLEDGMENT

I want to thank the Board of Directors for their leadership and ongoing interest in and support of responsible fiscal management at the highest level. I also want to thank all the Authority employees and Department Managers for their continuous efforts and support for this year's budget, which enables the Authority to fulfill its mission daily. Your tireless efforts are essential in achieving our goals and objectives. Most importantly, I want to thank our valued customers, whom we are privileged to serve.

Respectfully submitted,



Mike Hopkins

NCWSA Executive Director

June 26, 2024



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished Budget
Presentation Award*

PRESENTED TO

**Newton County Water & Sewer Authority
Georgia**

For the Fiscal Year Beginning

July 01, 2023

Christopher P. Morill

Executive Director

The Government Finance Officers Association of the United States and Canada ("GFOA") presented the Distinguished Budget Presentation Award to the Newton County Water & Sewerage Authority, Georgia, for its annual budget for the fiscal year beginning July 1, 2023. 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 and meets program criteria, such as a policy document, operation guide, financial plan, and communications device. This award is valid for one year only. Our current budget and financial plan for the fiscal year, beginning July 1, 2024, continues to conform to program requirements. Therefore, we will submit it to GFOA to determine its eligibility for another award.



SECTION 1

INTRODUCTION AND OVERVIEW



HISTORY AND GOVERNANCE



The Newton County Water and Sewerage Authority was established under House Bill Number 1662 during the 1970 State of Georgia General Assembly Session. It is a public, nonprofit corporation responsible for acquiring and distributing water supplies within its service area for industrial and domestic use. The General Assembly expanded the Authority's functions and powers through House Bill Number 1662 to include the construction of facilities for collecting, treating, and disposing of sewage in densely populated areas of Newton County. The Authority was created to provide water and sewer services in Newton County for areas not covered by municipal governments. It is governed by a board of eight members, three appointed by the City Councils of Covington, Oxford, and Porterdale, and the remaining five appointed by the Newton County Board of Commissioners.

The Newton County Water and Sewerage Authority was initially established to provide water and sewer services to the unincorporated areas of Newton County. However, the Authority also extends its

services to the citizens in the unincorporated areas of Jasper, Rockdale, and Walton Counties adjacent to Newton County because Newton County Water Resources provides wholesale services to these utilities. The Authority office is located at 11325 Brown Bridge Road, approximately five (5) miles west of Covington.

The Authority is not empowered to levy taxes. Instead, customer fees and charges cover operational and maintenance costs. Capital contributions (cash and systems) from customers, including other utilities and developers, federal and state grants, and loans fund the acquisition and construction of capital assets. The Authority provides reliable, high-quality potable water supplies for drinking, irrigation, fire protection, and other purposes. The Cornish Creek Surface Water Plant is the principal drinking water treatment facility, utilizing the Alcovy River basin as its water source. The Yellow River Water Reclamation Facility is a shared land application system between NCWSA and the City of Covington that provides tertiary wastewater treatment services.

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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: 8

Executive Committee

Term Expires: June 30, 2028

Oxford Director: Terry Smith – Years of Service: 20

Chairman / Executive Committee

Term Expires: June 30, 2024

Porterdale Director: Lowell Chambers –Years of Service: 12

Term Expires: June 30, 2027

Newton County Director District 1: Leigh Anne Barrett – Years of Service: 8

Term Expires: June 30, 2026

Newton County Director District 2: Elsie Bell – Years of Service: 14

Vice-Chair / Executive Committee

Term Expires: June 30, 2025

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

Term Expires: June 30, 2026

Newton County Director District 4: Junior Hilliard – Years of Service: 11

Term Expires: June 30, 2028

Newton County Director District 5: Ester Fleming – Years of Service: 3

Term Expires: June 30, 2026

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NCWSA SYSTEM FACTS

Water System:

Service Area	Unincorporated Newton County- 210 sq. miles
Miles of Water Mains	665 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	27,016

Sewer System:

Water Reclamation Facilities	2 – Yellow River 4 MGD and A. Scott Emmons 1.25 MGD
Miles of Sewer Lines	Gravity - 121 Miles, Force Main - 23 Miles
Number of Lift Stations	8
Land Application	Covington / NCWSA 2000 ac. 9.7 MGD
Number of Service Connections	8,364

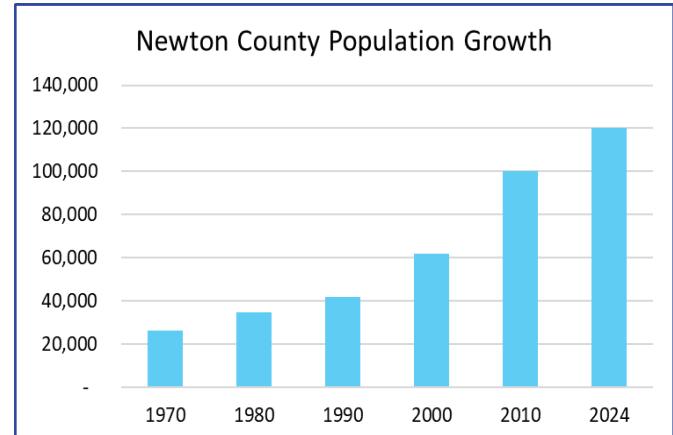
Miscellaneous Statistical Information:

Population Served	72,943
Number of Employees	78 Full-Time Positions, 63 Employees as of 6/1/2024
Annual Water Delivered	2.08 Billion Gallons
Annual Wastewater Treated	952.65 Million Gallons



DEMOGRAPHIC AND ECONOMIC INFORMATION FOR NEWTON COUNTY

General Data	
Population (July 1, 2024)	120,077
Median Age	38.3
Sex	
Female	48.2%
Male	51.8%
Age Distribution	
<20 Years of Age	39,866
21-34 Years of Age	15,370
35-54 Years of Age	30,860
45-64 Years of Age	15,490
64-84 Years of Age	16,811
85+ Years of Age	1,680



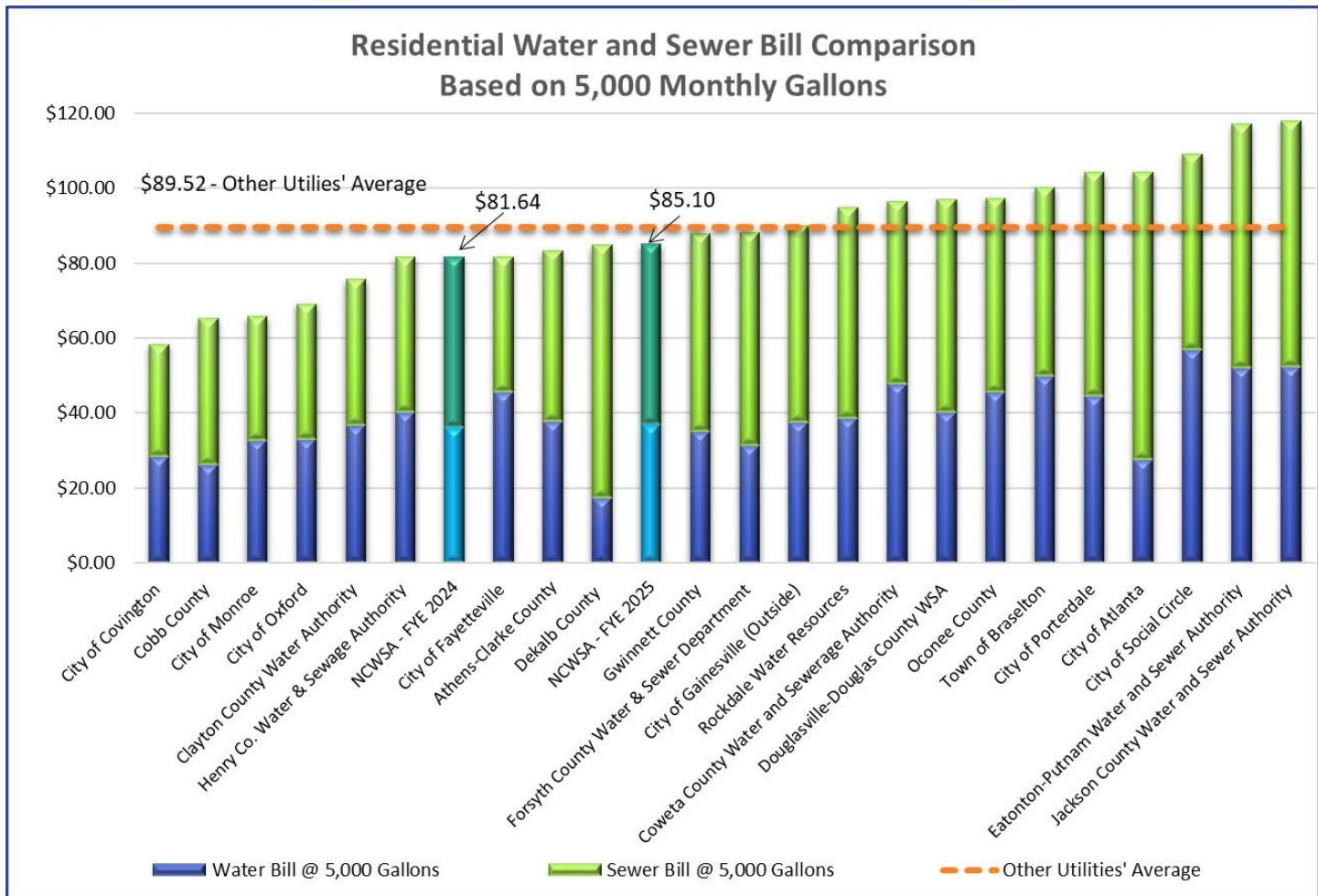
Economic Data	
Median Income	\$ 78,264
Employed	59,439
Unemployment Rate	4.9%
Percent of Population Living Below Poverty Level	12.3%
Industry by occupation (2024)	
Services	43.9%
Manufacturing	15.1%
Retail Trade	10.9%
Construction	7.5%
Transportation and warehousing, and utilities	8.8%
Public Administration	5.4%

Education	
Schools – Public and Private	
PreK	13
Elementary	15
Middle	7
High	4
Enrolled Students	21,158
Educational Attainment (18 years and older)	
No High School Diploma	8.6%
High School or GED	34.4%
Some College, No Degree, Associates Degree	33.0%
Bachelor's Degree or Higher	24.0%

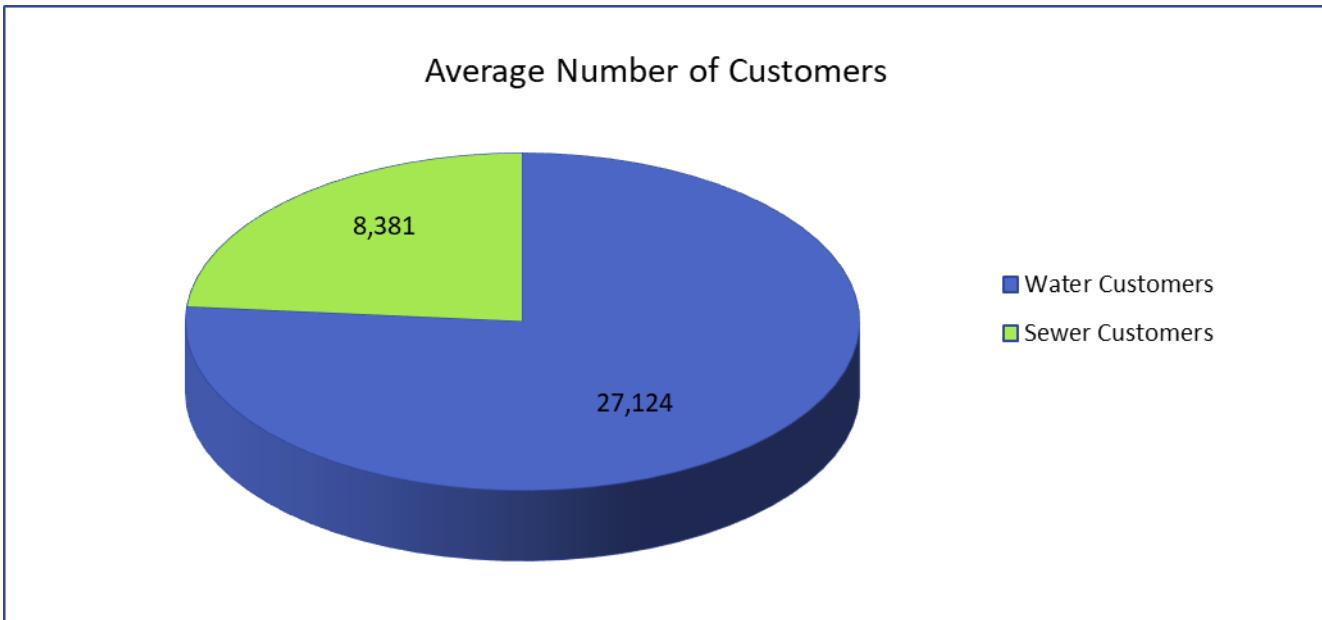
Housing	
Housing Units (July 1, 2024)	44,874
Owner-Occupied Housing Unit (2024)	67.9%
Median Value of Owner-Occupied Housing Units (2024)	\$ 280,542
Median Gross Rent (2024)	\$2,200
Residential Building Permits Issued (2023)	832

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.



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TOP TEN CUSTOMERS OF THE NEWTON COUNTY WATER & SEWERAGE AUTHORITY

Account Name	Annual Usage	Month Usage	Daily Usage
Takeda Pharmaceuticals	251,791,000	20,982,583	699,419
Baymare, LLC	56,639,000	4,719,917	157,331
Newton County Board of Education	48,837,000	4,069,750	135,658
Washreit Oxford, LLC (Apts)	18,070,000	1,505,833	50,194
Morning Hornet, LLC	14,044,000	1,170,333	39,011
Riverside MHRV, LLC	12,720,000	1,060,000	35,333
Covington LHA III, LLLP	11,375,000	947,917	31,597
Prose Fairview	8,272,000	689,333	22,978
Pulte Home Company, LLC	6,923,000	576,917	19,231
AML, LLC (Apts)	6,249,000	520,750	17,358
Combined Top Ten Users (Gallons)	<u>434,920,000</u>	<u>36,243,333</u>	<u>1,208,111</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 1.86% and sales of approximately 1.61%

per year. The average monthly water use for a single-family account is expected to remain stable at around 4,590 gallons per month per ERU throughout the forecast period. This average monthly use per residential Equivalent Residential Unit (ERU) reflects a consistent decrease in the average monthly water consumption per household reported by utilities in Georgia and across the country. This decline can be attributed to water conservation initiatives and unusually elevated levels of seasonal rainfall over the past three years. In the East Newton / Stanton Springs area, significant infrastructure construction has been ongoing for over twelve years, particularly on the commercial side. The Baymare project is a larger version of the Morning Hornet Data Center Project, with almost double the capacities for water and wastewater service agreements.

Water System [1]										
	Fiscal Year End June 30,									
	Historical					Projected				
Description	2020	2021	2022	2023	2024 (Est.)	2025	2026	2027	2028	2029
<u>Residential & Small Commercial</u>										
Avg. Annual Water Accounts	24,590	25,355	26,205	26,585	27,116	27,601	28,012	28,386	28,725	29,028
Avg. Annual Water ERU's [2]	27,401	28,335	28,736	29,865	30,462	30,960	31,380	31,761	32,107	32,417
Billed Water Sales (Kgals)	1,548,776	1,590,231	1,638,547	1,656,666	1,692,895	1,697,069	1,729,508	1,750,899	1,770,337	1,787,750
Avg. Monthly Water Use Per ERU	4,710	4,677	4,752	4,623	4,631	4,568	4,593	4,594	4,595	4,596
<u>Large Commercial</u>										
Avg. Annual Water Accounts	6	6	6	8	8	8	8	8	8	3.25%
Avg. Annual Water ERU's [2]	2,284	2,401	2,374	2,361	2,624	2,598	2,460	2,560	2,382	2,544
Billed Water Sales (Kgals)	208,432	219,151	216,694	215,564	239,492	237,236	224,566	233,691	217,418	232,231
Avg. Monthly Water Use Per ERU	7,606	7,606	7,605	7,608	7,606	7,610	7,607	7,607	7,606	7,607
<u>Total Water System</u>										
Avg. Annual Water Accounts	24,596	25,361	26,211	26,593	27,124	27,609	28,020	28,394	28,733	29,036
Avg. Annual Water ERU's [2]	29,685	30,736	31,111	32,226	33,086	33,558	33,840	34,321	34,488	34,961
Billed Water Sales (Kgals)	1,757,208	1,809,382	1,855,241	1,872,230	1,932,387	1,934,305	1,954,074	1,984,590	1,987,755	2,019,981
Avg. Monthly Water Use Per ERU	4,933	4,906	4,969	4,841	4,867	4,803	4,812	4,819	4,803	4,815
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Water System [1] – (continued)

Fiscal Year End June 30,											
	Historical					Projected					Avg. Annual Growth Rate [3]
Description	2020	2021	2022	2023	2024 (Est.)	2025	2026	2027	2028	2029	
<u>Water Purchases</u> (Kgals)	1,861,361	1,875,128	1,981,316	1,947,875	2,008,032	2,057,771	2,078,802	2,111,266	2,114,633	2,148,916	1.61%
ADF-MGD	5.10	5.14	5.43	5.34	5.50	5.64	5.70	5.78	5.79	5.89	
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 2020 to FYE 2029.											

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:

Sewer System [1]											
	Fiscal Year End June 30,										
	Historical					Projected					Avg. Annual Growth Rate [4]
Description	2020	2021	2022	2023	2024 (Est.)	2025	2026	2027	2028	2029	
<u>Residential & Small Commercial</u>											
Avg. Annual Sewer Accounts	7,325	7,548	7,890	8,133	8,377	8,600	8,792	8,964	9,116	9,258	2.64%
Avg. Annual Sewer ERU's [2]	8,271	8,495	8,815	9,080	9,557	9,791	9,984	10,156	10,309	10,451	2.63%
Billed Sewer Sales (Kgals)	454,932	472,433	501,564	515,925	539,335	542,559	555,687	564,764	572,791	580,292	2.74%
Avg. Monthly Sewer Use Per ERU	4,584	4,634	4,741	4,735	4,703	4,618	4,638	4,634	4,630	4,627	0.10%
<u>Large Commercial</u>											
Avg. Annual Sewer Accounts	4	4	4	4	4	4	7	7	7	7	6.42%
Avg. Annual Sewer ERU's [2]	2,162	2,148	2,136	2,005	2,254	2,186	2,236	2,078	1,767	1,944	(1.17%)
Table continued on following page.											

Sewer System [1] – (continued)

Description	Fiscal Year End June 30,										Avg. Annual Growth Rate [4]
	2020	2021	2022	2023	2024 (Est.)	2025	2026	2027	2028	2029	
Billed Sewer Sales (Kgals)	197,242	196,028	194,946	182,977	205,652	199,463	204,062	189,573	161,225	177,385	(1.17%)
Avg. Monthly Sewer Use Per ERU	7,604	7,604	7,604	7,605	7,603	7,604	7,605	7,602	7,604	7,604	0.00%
<u>Total Sewer System</u>											
Avg. Annual Sewer Accounts	7,329	7,552	7,894	8,137	8,381	8,604	8,799	8,971	9,123	9,265	2.64%
Avg. Annual Sewer ERU's [2]	10,432	10,643	10,952	11,085	11,811	11,977	12,220	12,234	12,076	12,395	1.93%
Billed Sewer Sales (Kgals) [3]	652,174	668,461	696,510	698,902	744,987	742,022	759,749	754,337	734,016	757,674	1.68%
Avg. Monthly Sewer Use Per ERU	5,210	5,234	5,300	5,254	5,256	5,163	5,181	5,138	5,065	5,094	(0.25%)

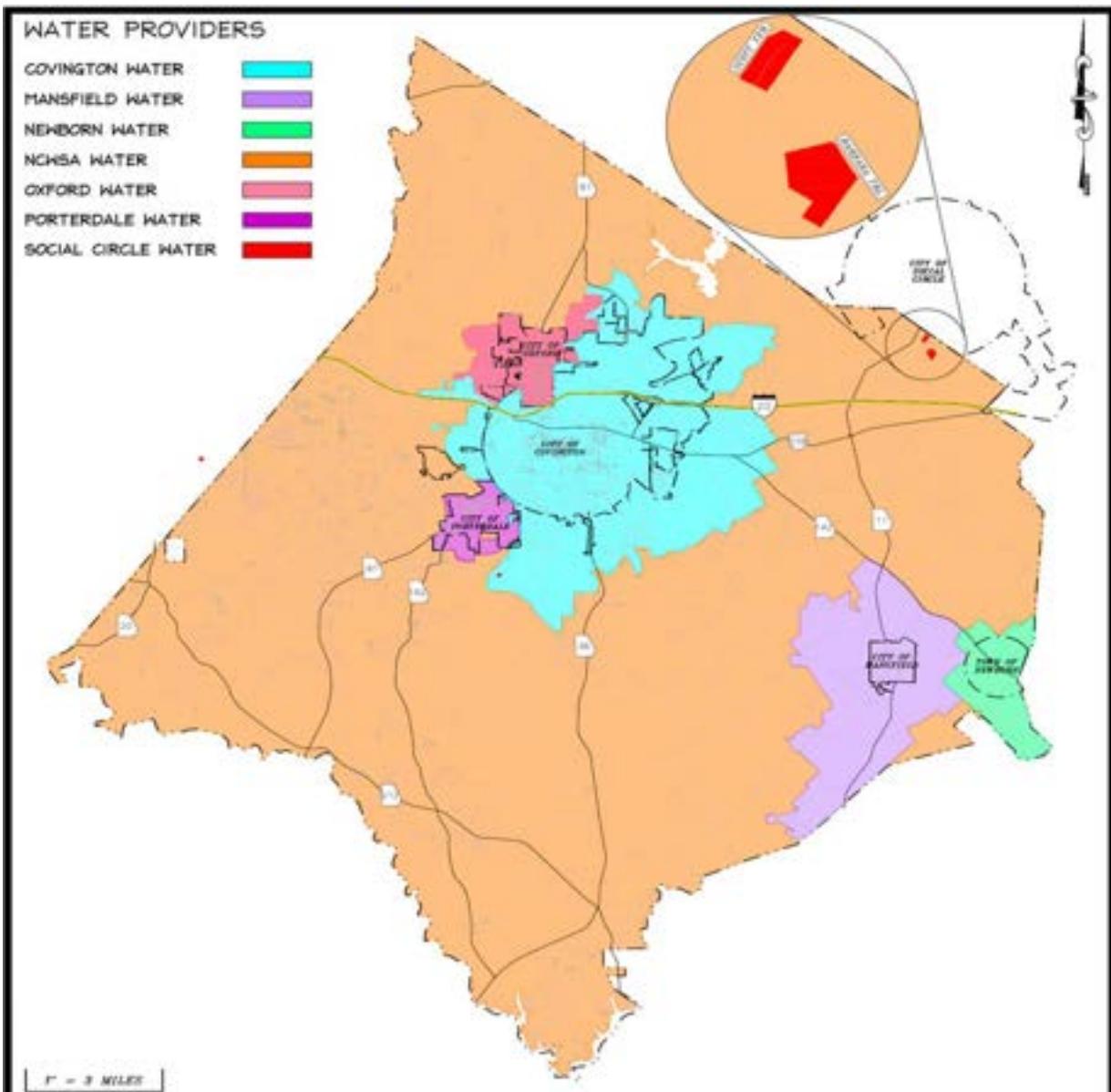
[1] Amounts shown include both residential and commercial customers.
[2] Equivalent residential units ("ERU") are determined based on i) an application of meter equivalent factors to active accounts served for the residential and commercial class based on meter capacity information as published by the 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 2020 to FYE 2029.

For the Fiscal Year ending 2024, the average monthly sewer flow billed per single-family account, which is based on metered domestic water use, remained consistent with recent historical trends. For the financial forecast, it is anticipated that residential and commercial customer account growth will follow the same trend as the water system. Although large commercial sewer billed sales have been steady at Takeda Pharmaceuticals, our customer forecast accounts for the expected increase in usage from the Morning Hornet Data Center and the launch of the Baymare Data Center in FYE 2026.

Rivian began site construction preparation as FYE 2023 ended. However vertical construction has been placed on hold as they improve their main manufacturing site in Normal, Illinois. This pause could continue through the remainder of 2024 through 2026. Currently the potential impact of Rivian on water and sewer demands is not reflected in projected sales, however it is anticipated that once Rivian does resume construction, the demands from our four largest commercial customers will surpass the combined demands of all current customers.

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NEWTON COUNTY WATER SERVICE AREA MAP



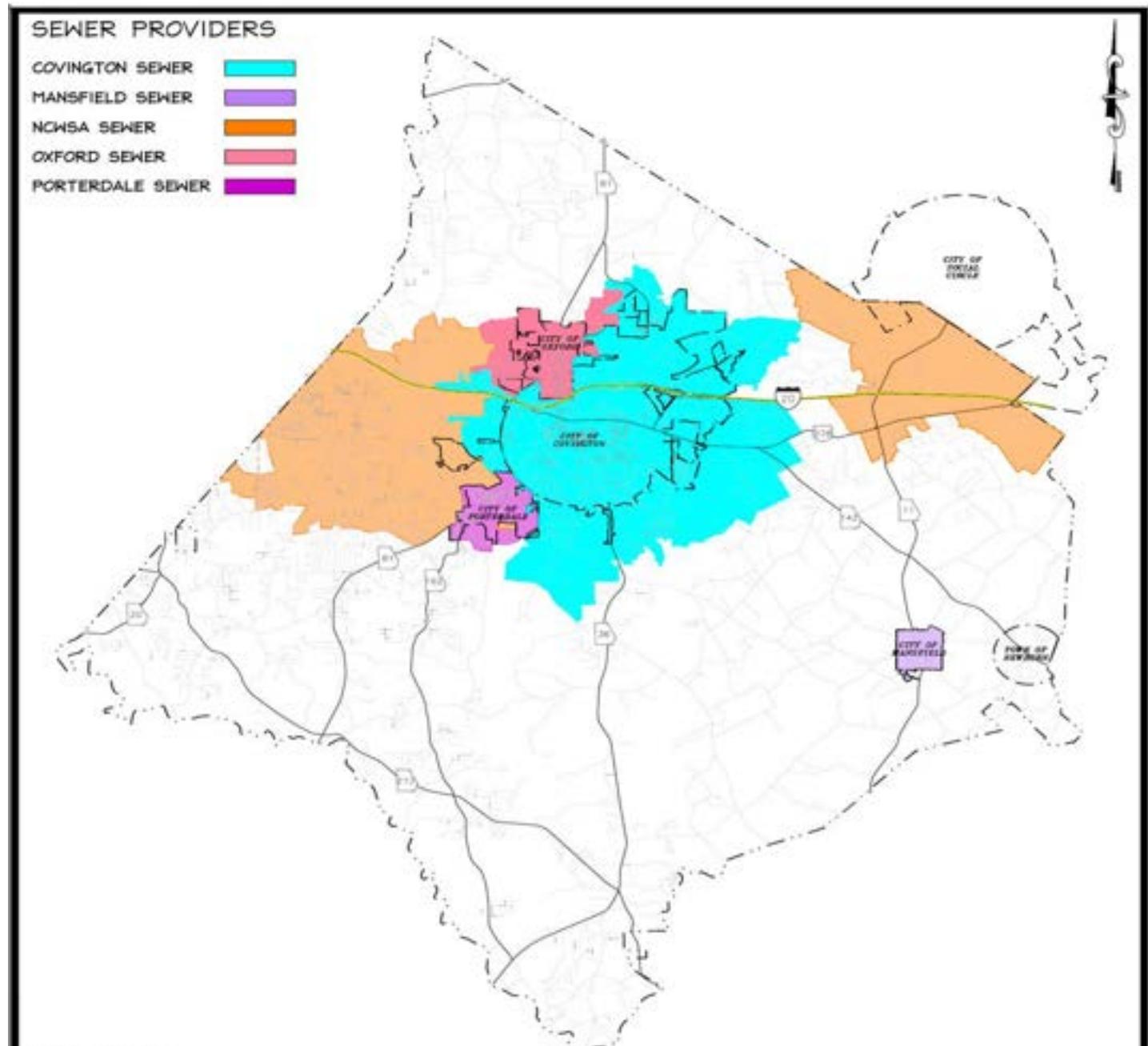
Carter & Sloope
CONSULTING ENGINEERS

MACON • ATHENS • CANTON • MUSCOW

1021 STONEBRIDGE PARKWAY, WATKINSVILLE, GA 30677 • 706.749.4119 TEL • 706.749.4546 FAX

NEWTON COUNTY
WATER SERVICE
AREA 2022

NEWTON COUNTY SEWER SERVICE AREA MAP



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MACON ATHENS CANTON MOULTRIE

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**NEWTON COUNTY
SEWER SERVICE
AREA 2022**

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 27,124 water customers and 8,381 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 Water 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. Due to effective planning and investment, the Authority has enough sewer capacity and water delivery capability to support industrial and commercial development, which contributes to job creation and growth of the local tax base in our region. In late November of 2024, an exciting new project, the Stanton Springs Water Resources Facility, will commence construction. This project will enable the Authority to offer its largest commercial customers the option to supplement their water demands with high-quality water at an attractive rate. The Stanton Springs Water Resources Facility represents a positive and forward-looking move towards treatment methodologies that will reduce the demand for our water supply, while allowing us to be good stewards of our local environment.

MISSION

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

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VISION

The Newton County Water and Sewerage Authority is dedicated to improving the well-being and quality of life for our community's citizens and business members. We will achieve this vision by:

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

VALUES

To fulfill the Authority's mission and vision, we are dedicated to:

- Providing the highest quality water and sewer services for our customers.
- Monitoring our costs closely and continually seeking opportunities to maximize efficiency and productivity.
- Exploring opportunities to restructure and leverage the technology available in the water industry as we progress into the upcoming year.
- Maintaining strong relationships with municipal, county, state, and federal government agencies, as well as our community leaders.
- Protecting environmental resources.
- Enhancing economic viability and financial stability.

STRATEGIC PLAN

The Authority's Senior Management Team, led by the Executive Director and includes each department head, has worked with the same professional facilitator since 2019 to develop and update its Strategic Plan using the StratOp Process. The StratOp process guides a leadership team to gain a full perspective of all internal and external realities. It ensures the team crafts a core plan and strategy that emerges from the gained clarity, to focus on what is important now to move towards the clarified vision, and to create a plan that can be measured, incrementally installed, and adapted to internal and external change. As shown below, six phases flow through the StratOp process and, when worked, become an ongoing cycle of renewal. This process has guided the Authority to clarify our goals, strategies, and objectives to help us fulfill our mission.

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When the NCWSA's Strategic Plan was initially developed in 2019, it was with the intention that the plan would be implemented, monitored, and reviewed over a five-year cycle making any necessary changes along the way. Due to rapidly changing regional conditions, the Authority has engaged with its professional facilitator on several occasions to modify its Strategic Plan with the most recent engagement in February of 2024. The Authority's Senior Management Team ("Team") met with the facilitator to review the existing Strategic Plan and engage in discussions surrounding the six phases of the StratOps process. The Team analyzed current trends, challenges, and needs. With the facilitator's guidance necessary changes were made to ensure alignment with NCWSA's core values while enhancing its strategic initiatives. The facilitator has been instrumental in assisting our Team identify key initiatives and strategies that will lead NCWSA forward in our quest to be the best utility that we can be. These initiatives are routinely shared with our Board of Directors, allowing for their input and direction to help us reach our goals.

As part of the StratOps process, each department has developed key performance measures to align with NCWSA's strategic goals and enables us to track our progress. In Section 5 – Departmental Information, starting on page 88, you can find each department's performance measures. The listed initiatives detail how we plan to achieve results in support of the Strategic Plan or StratOps.

As we move forward, we will continue our commitment with the ongoing support of the Board, our professional staff/external consultants, and our customers to pursue a plan that enhances and fulfills our mission: delivering clean, safe water with environmentally friendly treatment of our water resources. I am confident that we will meet our community's challenges well into the future. Our priorities, focusing on budget commitments resulting from recent departmental reviews, are summarized below.

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 2025 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.

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 eight (8) 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 modern 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.

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STRATEGIC GOAL #4 – WORKFORCE PROTECTION AND DEVELOPMENT

Action Plan and Strategies:

1. Invest in employee development by providing job skills training, succession planning, and transferring technical knowledge.
2. Extend our recruitment efforts beyond the local area to ensure that the Authority is fully staffed with professional employees.
3. Integrate new professional positions into the appropriate departments within the Authority.
4. Maintain competitive benefits and compensation packages to effectively recruit and retain a well-qualified workforce that reflects the diverse community we serve.

STRATEGIC GOAL #5 – INVESTMENT IN INFRASTRUCTURE

Action Plan and Strategies:

1. Continuously assess the five (5) year and ten (10) year Capital Improvement Plan to address infrastructure needs resulting from increased economic development in Newton County.
2. Identify safety concerns, legal requirements, regulatory issues, permitting needs, and critical reliability factors that will affect the future of the water and sewer utility.
3. Prioritize the rehabilitation, improvement, and replacement of current water and sewer facilities.
4. Ensure full funding for the Renewal and Extension Fund with planned deposits to meet the capital replacement needs of the existing infrastructure.
5. Secure adequate water resources for both current and future customers by collaborating closely with local government entities.
6. Expand water mains in the Authority's service area to extend services to new customers and deliver 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.

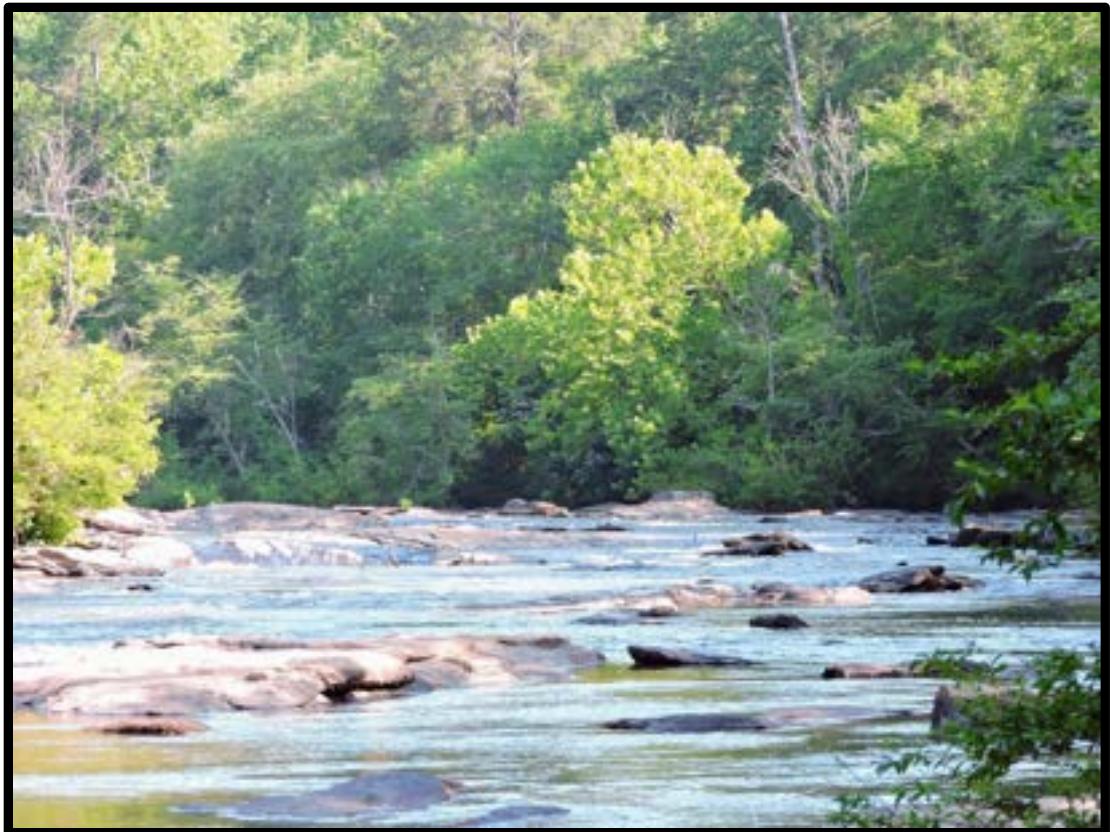
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SECTION 2

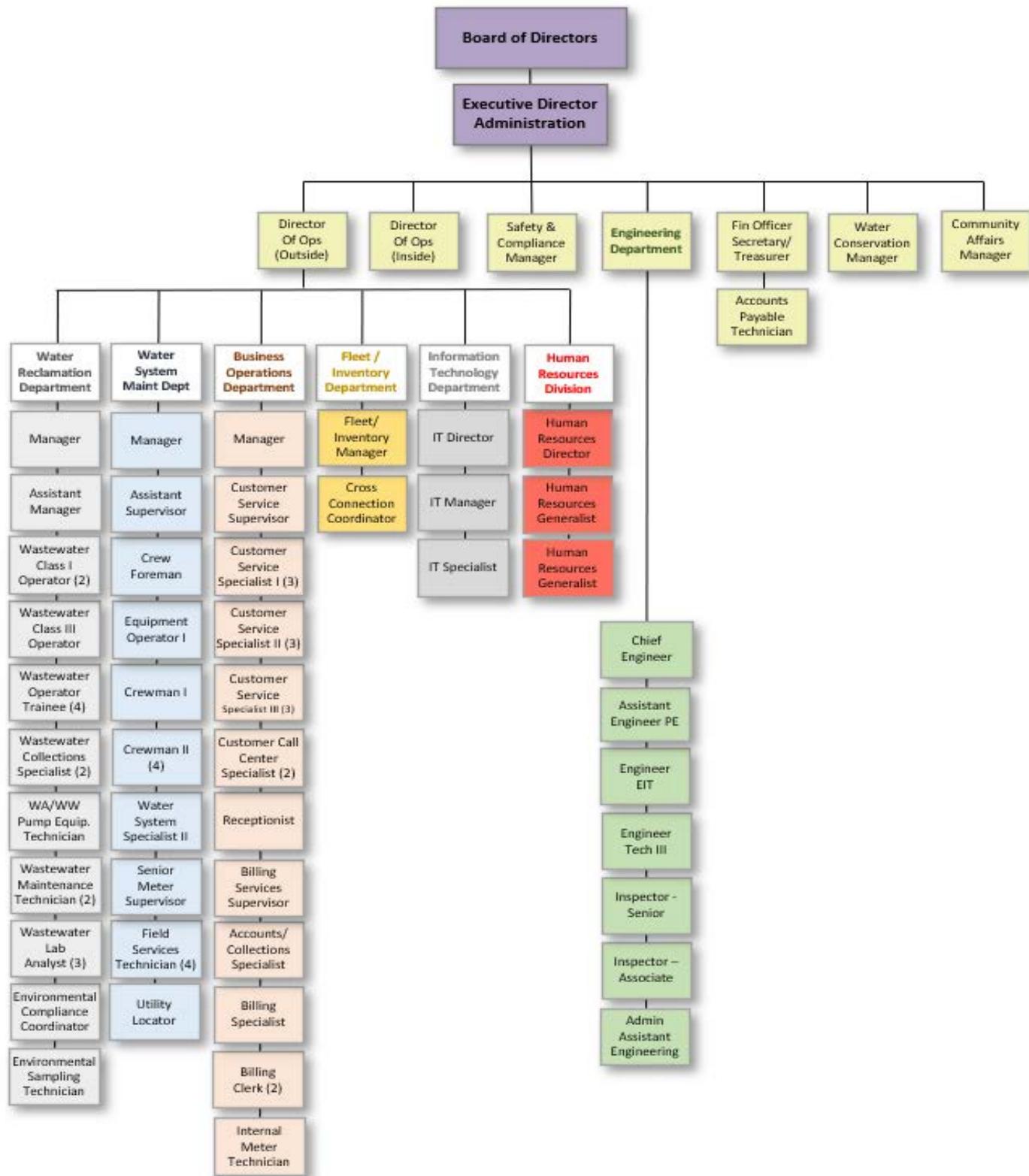
FINANCIAL

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, employee responsibilities cross functions due to the number of employees (currently 78 budgeted positions). Therefore, budgeted expenditures are not currently segregated by department.

Relationship Between Departments (Functional Units) and Major Fund

	Functional Unit (Department)							
Water and Sewer Enterprise Fund [1]	Administration	Engineering	Water Reclamation	Water Systems Maintenance	Business Operations	Fleet / Inventory	Information Technology	Human Resources
Major Activities:								
Operations & Maintenance	X	X	X	X				
Infrastructure Replacement & Expansion	X	X	X	X		X		
Customer Service	X	X	X	X	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 2025 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. The FYE 2025 Budget complies with the relevant financial practices as follows.

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 2025, this amount is estimated to be \$4,869,272.

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 Authority utilizes the Sinking account 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.

BUDGET PROCESS

THE BUDGET AS A FINANCIAL PLAN

Throughout the fiscal year, staff constantly assess the 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 2025, as a component of the budget development process, the Authority has evaluated the projected operating results for a five-year window (Fiscal Years 2025 - 2029). 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, 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.

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, the community drives our budget. 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.

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 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 2025 Budget reflects a culmination of the processes and provides appropriations to meet the goals and objectives of NCWSA.

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

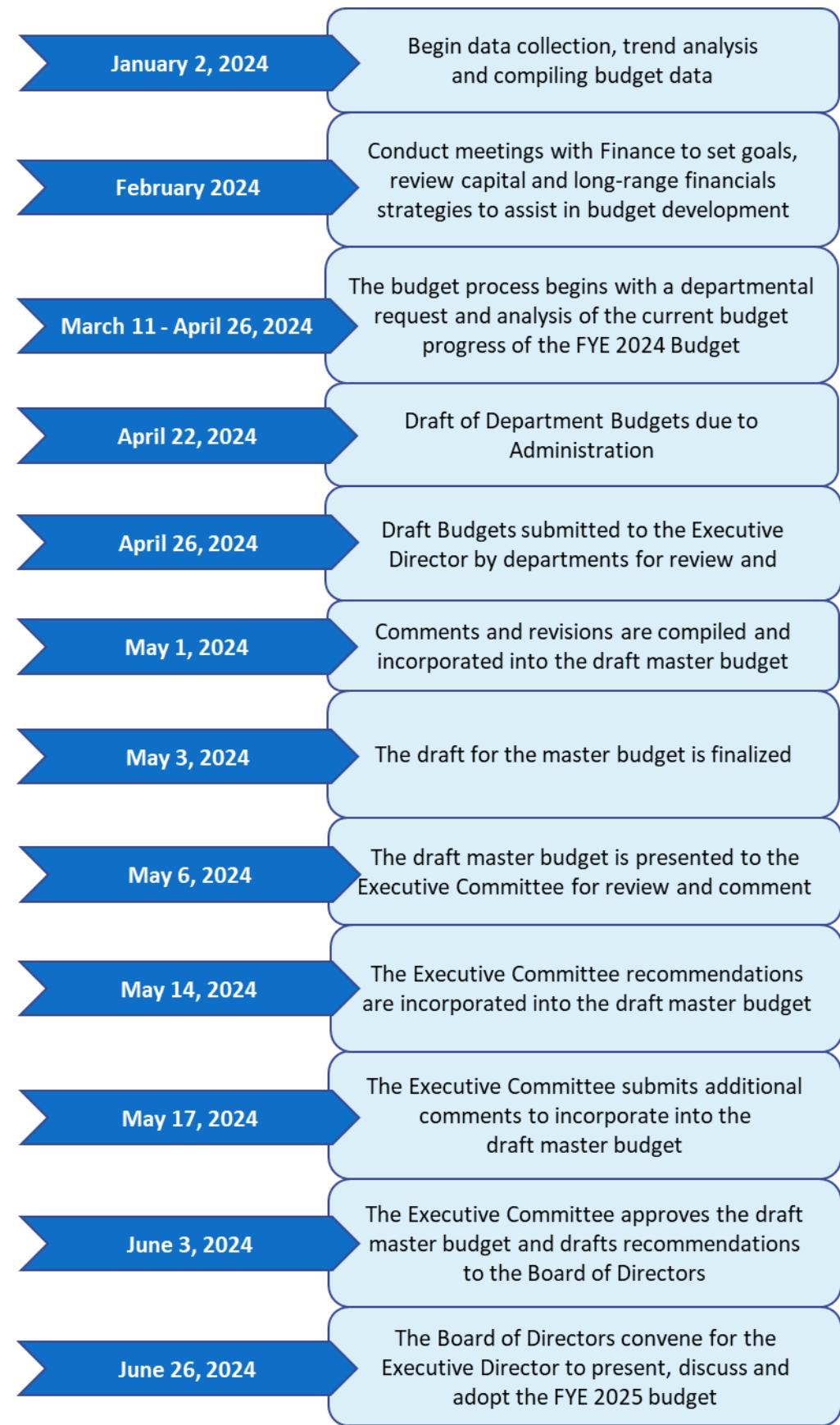
prepared and reviewed by the Executive Committee before obtaining the Authority's Board of Directors approval.

FYE 2025 BUDGET CALENDAR

The Budget process began January 1st, with 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 2025 Budget.



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SECTION 3

FINANCIAL SUMMARIES



OPERATING BUDGET SUMMARY – FYE 2025

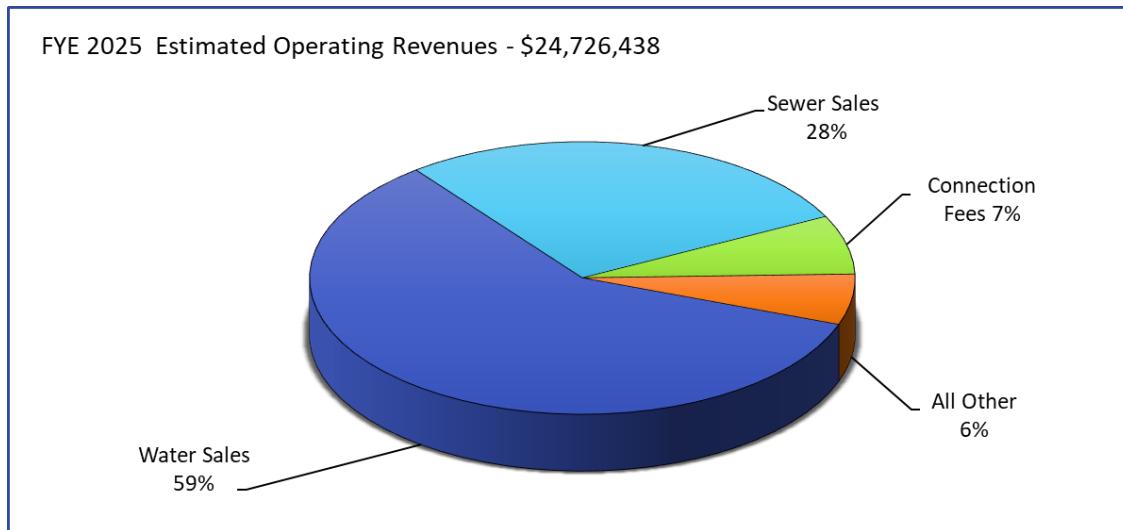
The FYE 2024 year-end financial position for the Newton County Water and Sewerage Authority is projected to result in an unaudited surplus of \$9.6 million which is higher than originally expected. Total Revenues are projected at \$28.2 million. Expenses totaled \$18.6 million. The projected FYE 2024 financial position is a result of more than anticipated Total Revenues and prudent spending resulting in realized savings for Expenses.

The FYE 2025 Budget totals \$24.8 million in Revenues, which is offset by an equal amount of Expenses. The amount budgeted for FYE 2025 is a 12.2% decrease from FYE 2024 projected actuals. As shown below, Revenue and Expenses are compared from FYE 2025 to FYE 2024 projected actuals with variances in dollars and as a percentage changed.

Summary of Budgeted Operating Sources and Uses					
Description	Fiscal Year Ending June 30,				
	2023 Actual	2024 Budget	2024 Projected	2025 Budget	% Change 2024 v. 2025
Revenues and Sources of Funds					
Water Sales	\$13,928,773	\$13,363,218	\$15,046,872	\$14,699,541	-2.31%
Sewer Sales	6,026,535	5,818,295	6,869,671	6,943,848	1.08%
Connection Fees	2,284,800	1,334,465	4,882,790	1,784,155	-63.46%
Late Fees	622,972	505,000	702,559	681,144	-2.96%
Other Fees and Charges	426,008	591,022	610,581	617,144	1.07%
Interest Income / Other (Non-operating)	73,571	28,023	142,549	78,893	-44.66%
Total Revenues and Sources of Funds	\$23,362,659	\$21,640,023	\$28,255,022	\$24,805,331	-12.21%
Expenditures and Uses of Funds					
Personal Services	\$4,193,638	\$6,127,441	\$5,092,482	\$6,719,263	31.94%
Operating Expenses	9,043,970	10,115,354	9,589,026	10,999,867	14.71%
Other	1,150,400	1,781,806	1,747,582	2,028,472	16.07%
Debt Service	1,718,064	2,504,486	2,194,182	2,504,486	14.14%
Reserves	7,256,587	1,110,936	9,631,748	2,553,243	-73.49%
Total Expenditures and Uses of Funds	\$23,362,659	\$21,640,023	\$28,255,022	\$24,805,331	-12.21%

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FYE 2025 MAJOR OPERATING REVENUES



As a single enterprise fund, the Authority's primary source of revenue is user charges for the provision of water and sewer services to the community. With the assistance of financial and utility consultants, an annual Financial Forecast is completed for the current and five (5) subsequent years. FYE 2025 projected revenues are estimated by reviewing FYE 2024 year-to-date (8, 9- and 10-month actuals), historical trends based on water billing statistics, and projected demands, as illustrated on pages 19 through 21 of this document. Overall 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 6.0% in sewer retail rates effective July 1, 2024). A comparison of the FYE 2024 projected actuals to the FYE 2025 revenue budget reflects an overall decrease of 12.04%.

Major Operating Revenues						
Description	Fiscal Year Ending June 30,					
	2022 Actual	2023 Actual	2024 Budget	2024 Projected	2025 Budget	% Change 2024 v 2025
Water Sales	\$12,987,737	\$13,928,773	\$13,363,218	\$15,046,872	\$14,699,541	-2.31%
Sewer Sales	5,674,196	6,026,535	5,818,295	6,869,671	6,943,848	1.08%
Connection Fees	4,852,485	2,284,800	1,334,465	4,882,790	1,784,155	-63.46%
Late Fees	56,800	622,972	505,000	702,559	681,750	-2.96%
Other Fees and Charges	450,909	426,008	591,022	610,581	617,144	1.07%
Total Major Operating Revenues	\$24,022,127	\$23,289,088	\$21,612,000	\$28,112,473	\$24,726,438	-12.04%

Amounts shown exclude non-operating revenues such as interest income, capital contributions, proceeds from proposed debt issuance and reserves.

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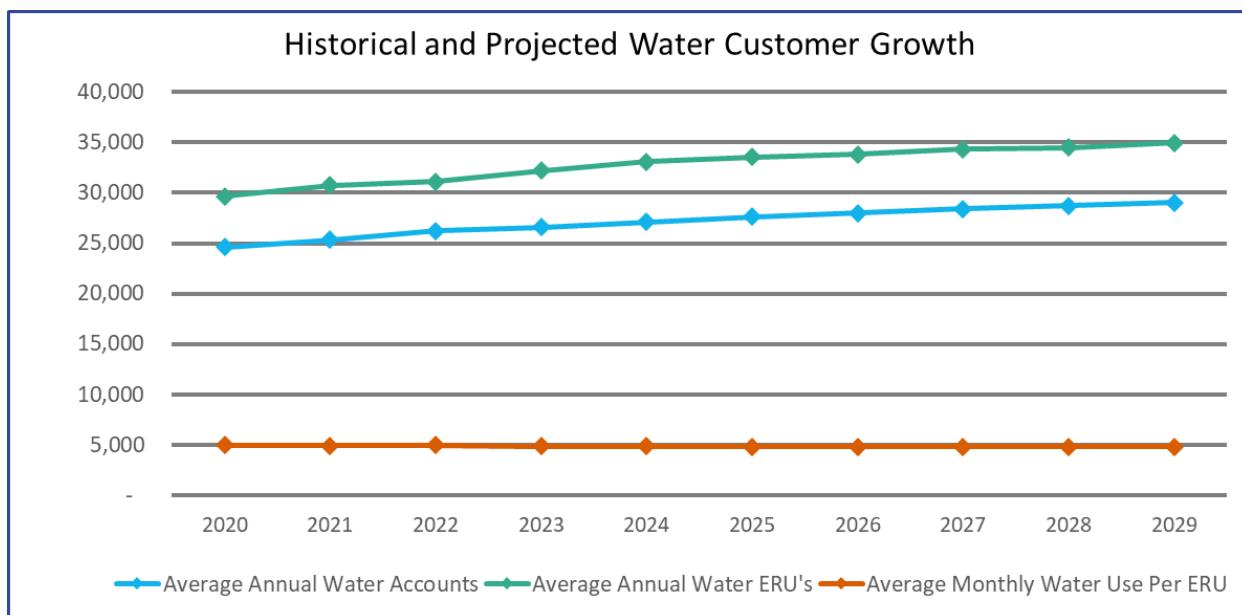
EXPLANATION OF SIGNIFICANT BUDGET VARIANCES - REVENUES

FYE 2025 BUDGET VS FYE 2024 PROJECTED ACTUALS

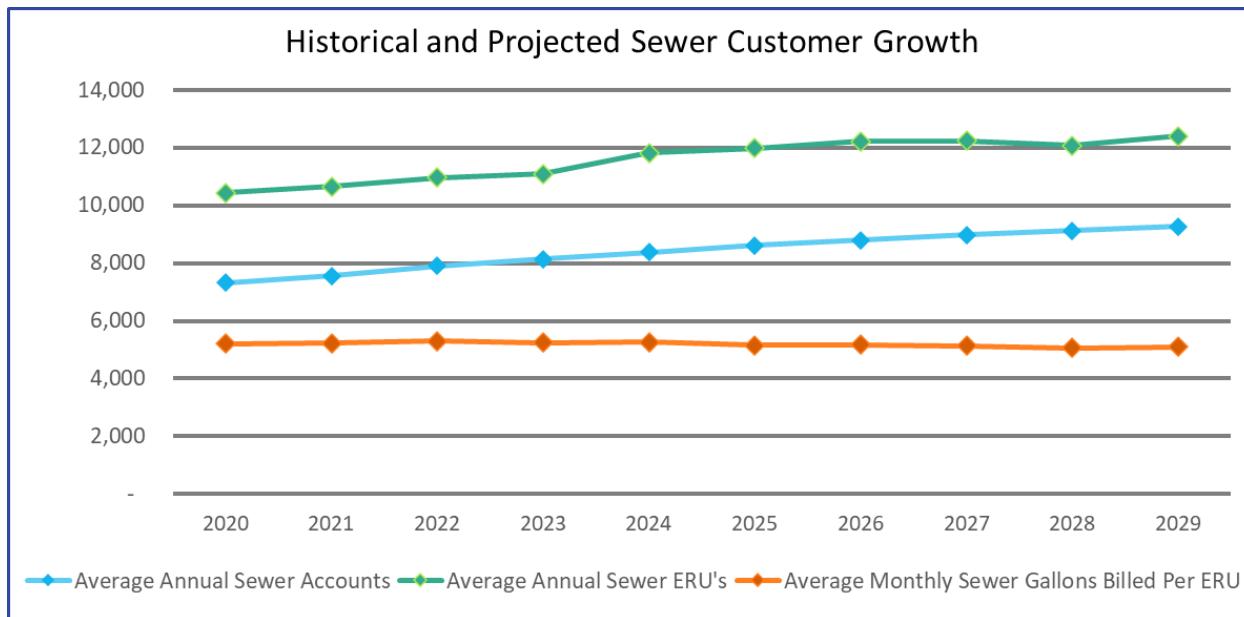
The driving factor in the overall projected decrease in major operating revenues is due to the fluctuation of connection fees. Connection fees are driven by new growth in the utility system. The projected FYE 2024 collections include payment by a large commercial customer based on contracted capacity commitments and contractual obligations. It is not anticipated that the Authority will receive any sizable commercial connections in FYE 2025.

DISCUSSION OF MAJOR REVENUE SOURCES

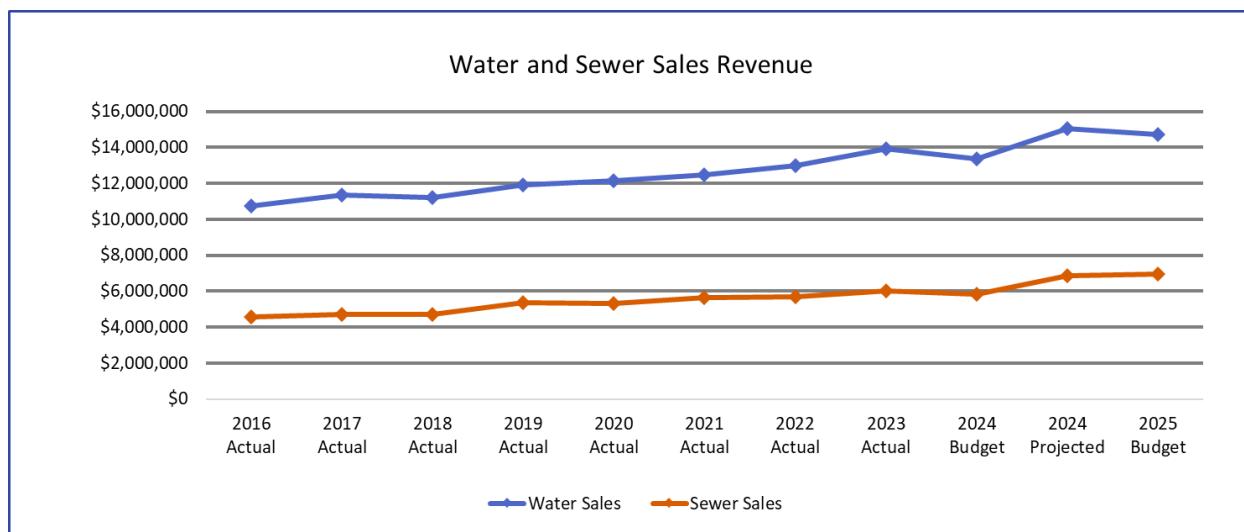
Water Sales – Revenue derived from base charges, water supply charges (pass-through for purchased water), and volumetric water sales from customers. This is the primary source of the Authority's revenue. Due to decreasing consumption, a conservative growth forecast, and rising operating expenditures, the Board adopted a 2% rate adjustment on retail water sales for FYE 2025. Water sales are forecasted at \$14.7 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 2.1% decrease 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 59% of total FYE 2025 budgeted operating revenues. The chart below represents the historical and projected water customer growth trends as depicted on pages 19 through 20 of this document.



Sewer Sales – Revenue derived from the base and volumetric sewer sales from customers. Sewer sales are projected at \$6.9 million, an increase of 1.1% compared to the prior year projected actuals. The FYE 2025 includes a Board adopted rate adjustment of 6%. Base charges account for 11% of sewer sales and 89% is attributable to volumetric charges. These sales do not include connection fees, user charges, or other fees billed by the Authority. Sewer sales account for 28% of total FYE 2025 budgeted operating revenues. The chart below represents the historical and projected sewer customer growth trends as depicted on pages 20 through 21 of this document.



It should be noted that the NCWSA Board desires to remain conservative in its projection of sales revenue. Historical water and sewer sales trends are depicted in the chart below.



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FYE 2025 – RETAIL SERVICE RATES

Water Retail Service Rates – Effective July 1, 2024						
		Usage Charges (per 1,000 Gallons)				
Description		Base Charge	0 to 3,000	3,001 to 8,000	8,001 to 15,000	15,001 & Above
Residential Service						
Single-Family		\$12.98	\$3.18	\$7.18	\$8.72	\$10.40
Multi-Family		\$12.98	\$3.18	\$7.18	\$8.72	\$10.40
Commercial Service						
3/4	¾ Inch Metered Service	\$12.98		\$5.59 (All Usage)		
1	1 Inch Metered Service	\$19.91		\$5.59 (All Usage)		
1 1/2	1.5 Inch Metered Service	\$31.56		\$5.59 (All Usage)		
2	Inch Metered Service	\$48.45		\$5.59 (All Usage)		
3	Inch Metered Service	\$89.68		\$5.59 (All Usage)		
4	Inch Metered Service	\$135.65		\$5.59 (All Usage)		
6	Inch Metered Service	\$229.35		\$5.59 (All Usage)		
8	Inch Metered Service	\$356.42		\$5.59 (All Usage)		
10	Inch Metered Service	\$633.23		\$5.59 (All Usage)		

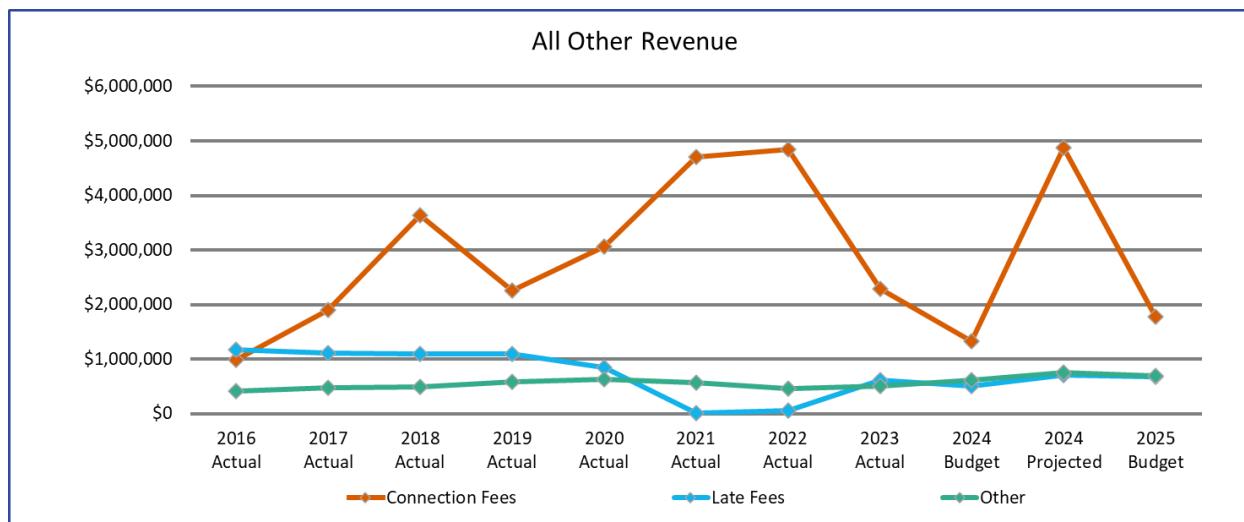
Sewer Retail Service Rates – Effective July 1, 2024			
Description		Base Charge	Usage Charges (per 1,000 Gallons)
Residential Service			
Single-Family		\$6.22	\$8.40 (All Usage Above 1,000)
Multi-Family		\$6.22	\$8.40 (All Usage Above 1,000)
Commercial Service			
3/4	¾ Inch Metered Service	\$6.22	\$8.40 (All Usage Above 1,000)
1	1 Inch Metered Service	\$15.95	\$8.40 (All Usage Above 1,000)
2	Inch Metered Service	\$69.09	\$8.40 (All Usage Above 1,000)
3	Inch Metered Service	\$146.64	\$8.40 (All Usage Above 1,000)
4	Inch Metered Service	\$233.76	\$8.40 (All Usage Above 1,000)
6	Inch Metered Service	\$329.05	\$8.40 (All Usage Above 1,000)
8	Inch Metered Service	\$506.22	\$8.40 (All Usage Above 1,000)
10	Inch Metered Service	\$1,395.41	\$8.40 (All Usage Above 1,000)

Connection Fees – Water and sewer connection fees are based on new growth to the utility system and charged for all new residential and commercial development. Based on a review of the development plans, projections for FYE 2025 recognize approximately 325 water connections and 70 sewer taps. Both water and sewer connection fees account for 7% of operating revenues in FYE 2025.

Late Fees – Payment for services is due twenty-one (21) days from the bill date. A late fee is assessed to customers failing to pay monthly utility bills on or before the due date. On Day 28 a delinquent penalty charge of \$8.00 is added to the customer bill. If payment is not received by or on Day 45 the customer's meter is locked, and the customer is billed an additional \$35. When the account is paid in full, and service is reconnected. During the Pandemic, the Authority temporarily suspended the assessment of late fees. During FYE 2022, the Authority slowly returned to charging these fees. The FYE 2025 budget recognizes a full year of conservatively estimated late fee collections and accounts for approximately 3% of operating revenues in FYE 2025. Late fees also include returned check fees, after hour turn on/off fees, meter tampering fees, and applicable administration fees.

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

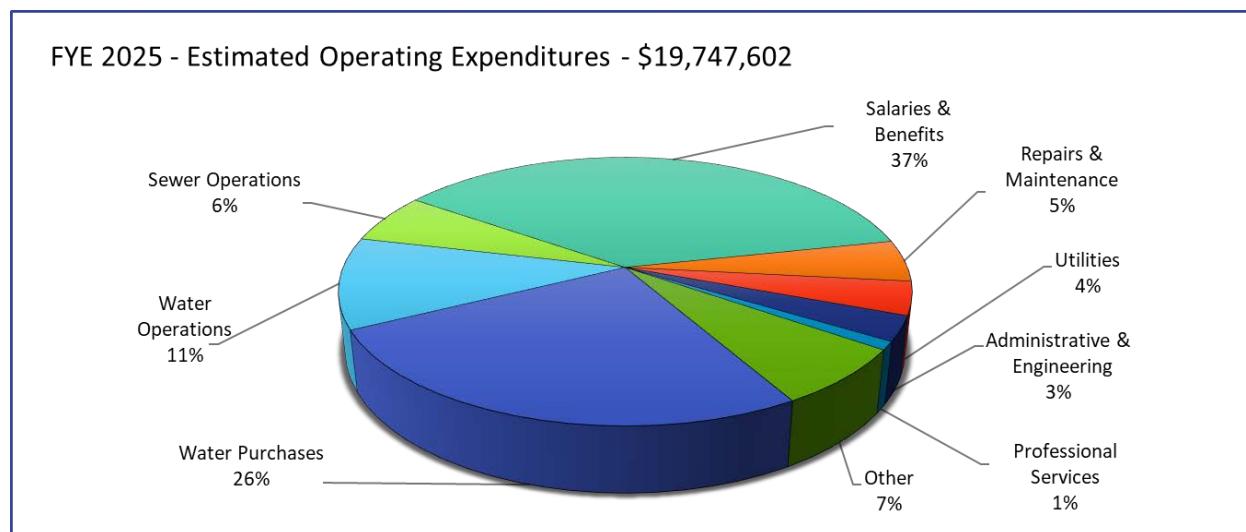
commercial projects within the Authority's service area. Septage revenue are fees charged to licensed septic tank haulers that recover waste from home septic systems and is discharged at the Yellow River Water Reclamation Facility (the "YRWRF"). Fee recovery offsets the cost of providing this service. 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 interlocal agreement. Other Fees and Charges comprise about 3% of the total operating revenue stream for the Authority in FYE 2025.



FYE 2025 – OPERATING REVENUES DETAIL BY FUNCTION

Operating Revenue Detail by Function						
Description	Fiscal Year Ending June 30,					
	2023 Actual	2024 Budget	2024 Projected	2025 Budget	Variance (Amount)	Variance (Percentage)
Water Operating Revenues						
Water Revenue	\$13,928,773	\$13,363,218	\$15,046,872	\$14,699,541	(\$347,322)	-2.31%
Water Connection and Tap Fees	1,374,157	960,705	1,575,950	1,344,987	(230,963)	-14.66%
Late Charge / Other Revenue	550,927	541,618	755,481	690,906	(64,575)	-8.55%
Total Water Operating Revenue	\$15,853,857	\$14,865,541	\$17,378,303	\$16,735,433	(\$642,870)	-3.70%
Sewer Operating Revenues						
Sewer Revenue	\$6,025,310	\$5,818,295	\$6,869,671	\$6,943,848	\$74,177	1.08%
Sewer Connection Fees	910,643	\$373,760	3,306,840	439,168	(2,867,672)	-86.72%
Developer Fees / Other	14,575	\$8,831	24,485	7,859	(16,626)	-67.90%
Land Application Revenue	484,231	\$545,573	533,174	600,130	66,957	12.56%
Total Sewer Operating Revenue	\$7,435,231	\$6,746,459	\$10,734,170	\$7,991,005	(\$2,743,165)	-25.56%
Total Operating Revenue	\$23,289,088	\$21,612,000	\$28,112,473	\$24,726,438	(\$3,386,035)	-12.04%

FYE2025 OPERATING EXPENDITURES



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. More specifically the FYE 2025 projected expenses are estimated by reviewing FYE 2024 year-to-date (8, 9- and 10-month actuals), historical trends, known operating impacts of infrastructure additions / retirements, and identified departmental needs. The Authority is dedicated to controlling expenses through strong fiscal management and strong policy practices. The combined operating expenditures in the FYE 2025 Budget are projected to increase 20.2% compared to the FYE 2024 projected actuals.

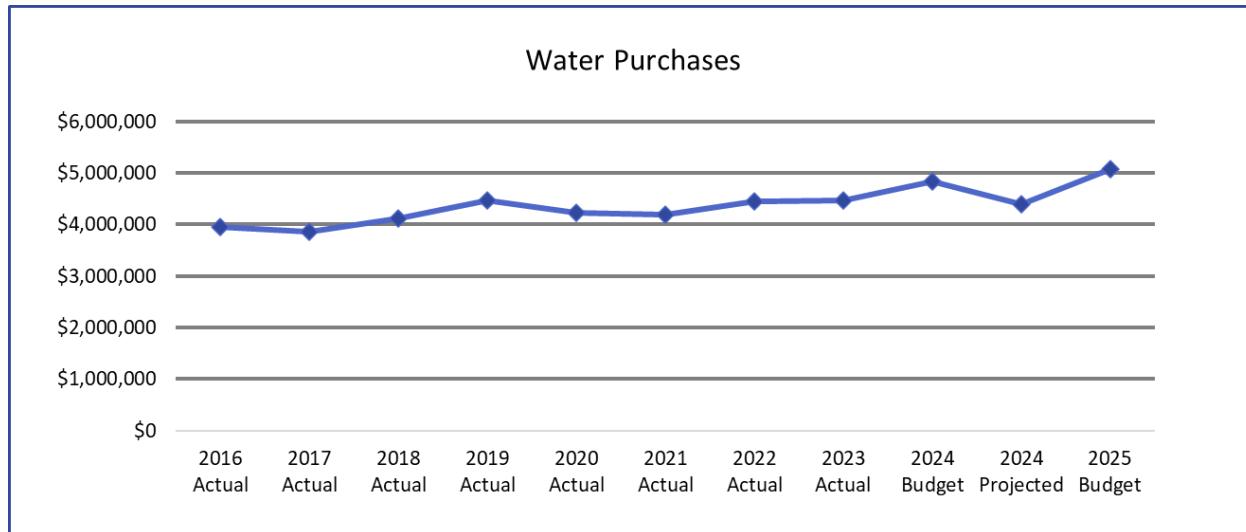
Operating Expenses						
Description	Fiscal Year Ending June 30,					
	2022 Actual	2023 Actual	2024 Budget	2024 Projected	2025 Budget	% Change 2024 v. 2025
Water Purchases	\$4,457,963	\$4,460,635	\$4,835,655	\$4,386,664	\$5,077,438	15.75%
Water Operations	756,706	1,391,562	1,339,529	1,443,381	1,514,478	4.93%
Sewer Operations	855,956	1,030,642	1,219,663	1,189,469	1,349,918	13.49%
Salaries & Benefits	4,132,809	4,193,638	6,127,441	5,092,482	6,719,263	31.94%
Repairs & Maintenance	1,075,740	1,288,179	1,602,073	1,593,170	1,919,173	20.46%
Utilities	523,457	666,336	791,997	749,638	828,839	10.57%
Administrative & Engineering	62,577	119,011	171,010	135,413	143,328	5.84%
Professional Services	101,211	87,605	155,427	91,293	166,693	82.59%
Other	1,109,788	1,150,400	1,781,806	1,747,582	2,028,472	16.07%
Total Operating Expenses	\$13,076,207	\$14,388,008	\$18,024,601	\$16,429,092	\$19,747,602	20.20%

Amounts shown exclude depreciation expense, interest expense on outstanding debt, and capital improvement projects.

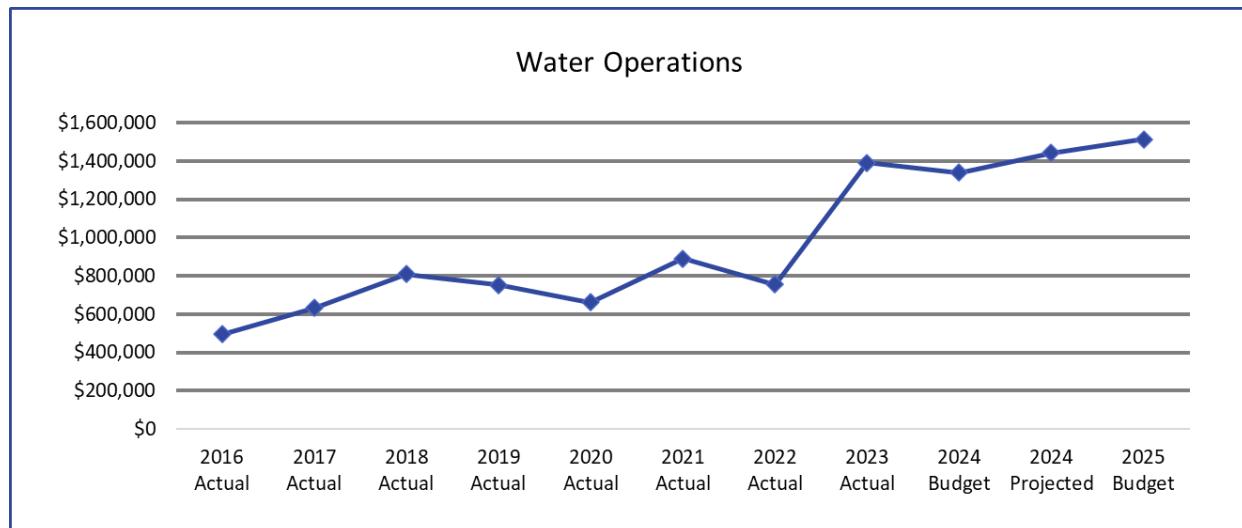
EXPLANATION OF SIGNIFICANT VARIANCES - EXPENDITURES

FYE 2025 BUDGET VS FYE 2024 PROJECTED ACTUALS

Water Purchases – The Authority purchases water from Newton County Water Resources (NCWR) and distributes it to its customers. For FYE 2025 NCWR increased the cost to purchase water by \$0.05 per 1,000 gallons. Other factors that are considered when determining the water purchase budget include: i) customer growth projections; ii) historical consumption per ERU; and iii) projected non-revenue water. The budget for FYE 2025 is \$5,077,438 and is projected to increase 15.75% or \$690,774 compared to projected actuals for last fiscal year.

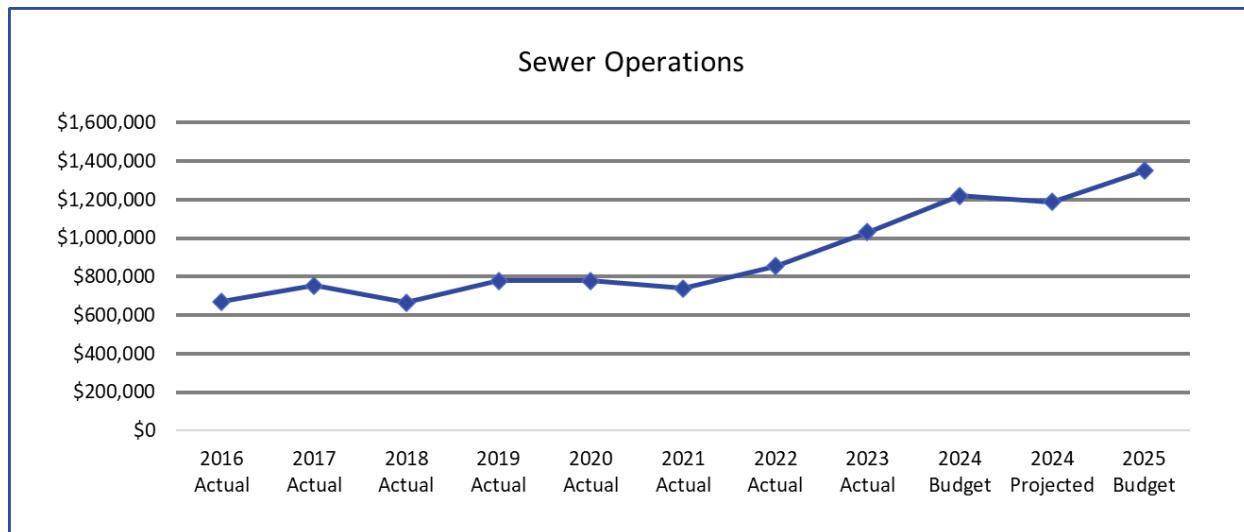


Water Operations – Water Operations include expenses for engineering services, water conservation, GIS and mapping, fuel, tools and equipment, electricity for pumping stations, water system materials, computer services, and uniforms. The largest cost items are water system materials at \$861,647, electricity for pumping stations at \$234,820, and engineering services at \$110,922. The FYE 2025 Water Operations budget is \$1,514,478 and projected to increase \$71,097 or 4.93% over the FYE 2024 projected actuals.

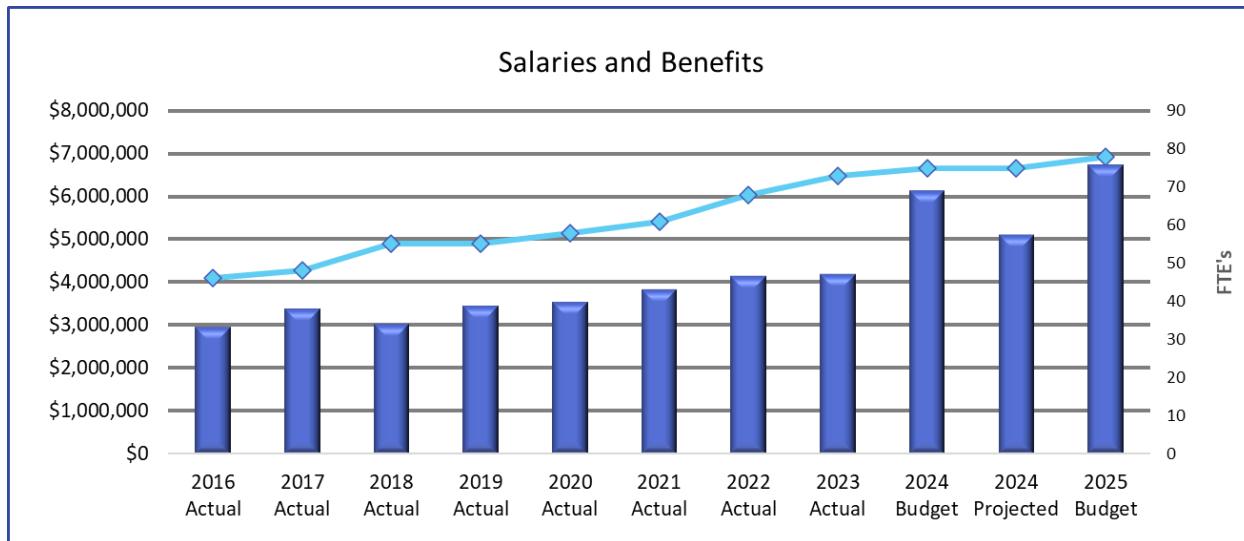


Sewer Operations – Sewer Operations include expenses for GIS and mapping, fuel, tools and equipment, electricity for lift stations, easement clearing, operating supplies, plant chemicals, solids disposal, industrial pretreatment, land application expense, and uniforms. Land application expense is the largest expense in this category at \$600,130 and represents the cost to provide effluent disposal for the City of Covington, City of Oxford, Oxford College, the Board of Education, and the City of Porterdale. These expenses are offset with fees that are recovered through an interlocal agreement and are included as other fees and charges in the operating revenue budget. Other large expenses in this category include plant chemicals at \$191,337, electricity for lift stations at \$142,534, and solids disposal at \$107,836. These are costs that are driven by higher inflation and increasing energy costs as well as the ramping up of the A. Scott Emmons Water Reclamation Facility which began operations in FYE 2024. The FYE 2025 Budget totals \$1,349,918, an increase of 13.49% when compared to last fiscal year's projected actuals.

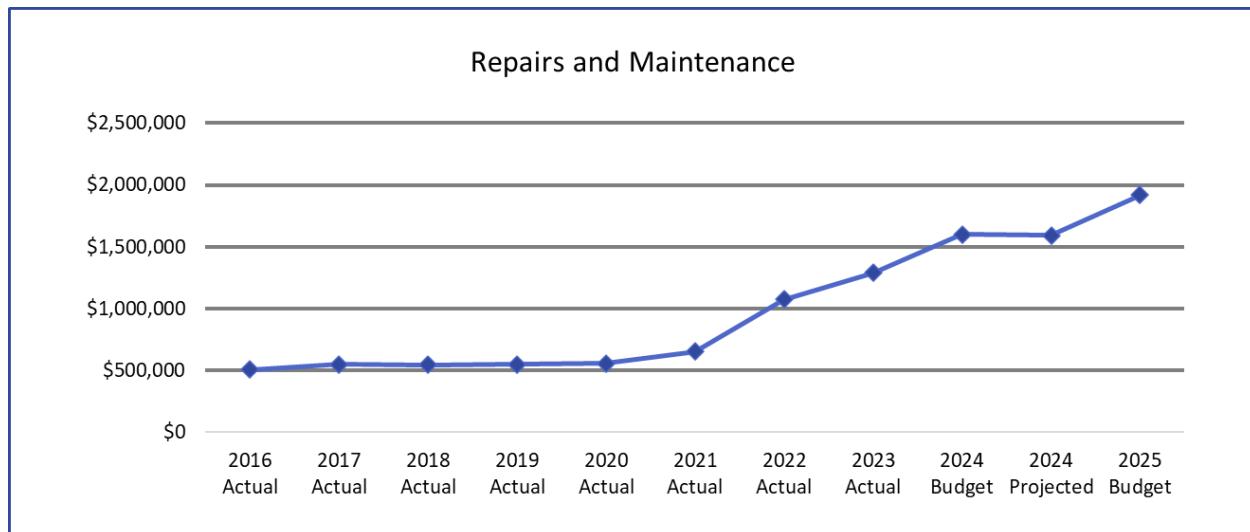




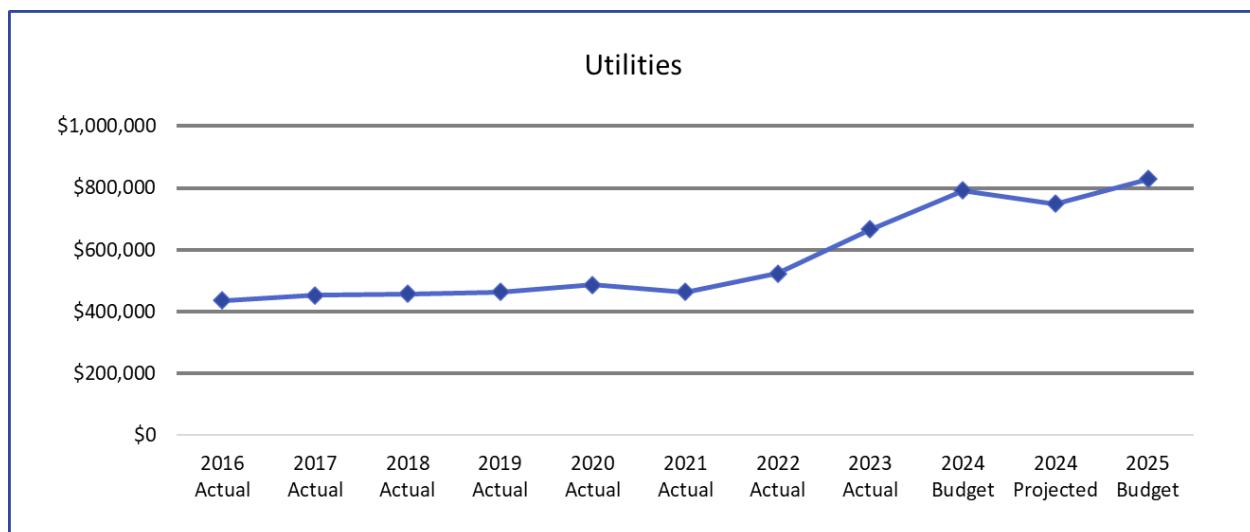
Salaries & Benefits – The largest and most valuable investment NCWSA can make is in its employees and is a high priority for strategic planning. The FYE 2025 budget includes a 5% cost of living adjustment, a robust benefits package, and three (3) new positions have been created. The Authority is not alone in its attempt to retain its current employees and find new talented employees. There are four (4) higher level positions that were created in prior fiscal years that have yet to be filled. The increase in the cost to provide health insurance is also becoming more expensive year over year. The FYE 2025 Budget is at \$6,719,263 representing a 31.94% increase to the FYE 2024 projected results. When compared to the FYE Adopted Budget, the increase is approximately 9.66%. The variance is due to vacant budgeted positions and the increasing cost of health insurance.



Repairs & Maintenance – This category includes repairs and maintenance to the Authority's trucks, equipment, facilities and grounds, maintenance agreements, water and sewer system, water tank maintenance, and sewer plant maintenance. The FYE 2025 Budget is \$1,919,173 and is a 20.46% increase from the projected FYE 2024 results. The variance is primarily due to the aging infrastructure of the Yellow River Water Reclamation Facility and collection system and increased cost to purchase materials, supplies, and contractual agreements.

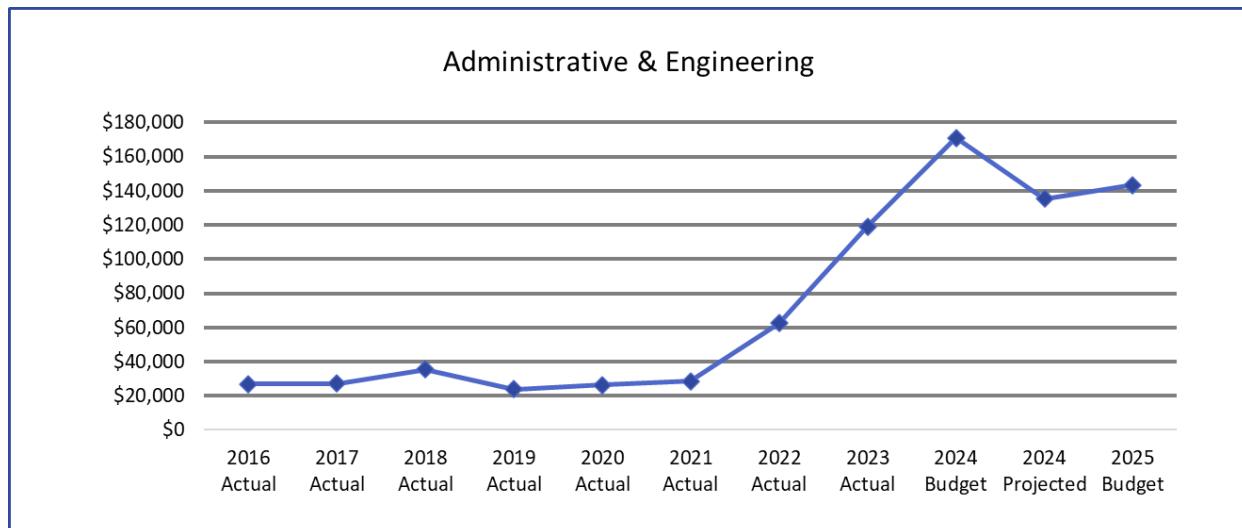


Utilities – The FYE 2025 Budget for this line item includes the cost for electric, natural gas, propane, fiber optic, internet, garbage, telephone service, and water service from other providers. The FYE 2025 Budget is \$828,839 and represents a 10.57% increase when compared to FYE 2024 projected actual expenses.

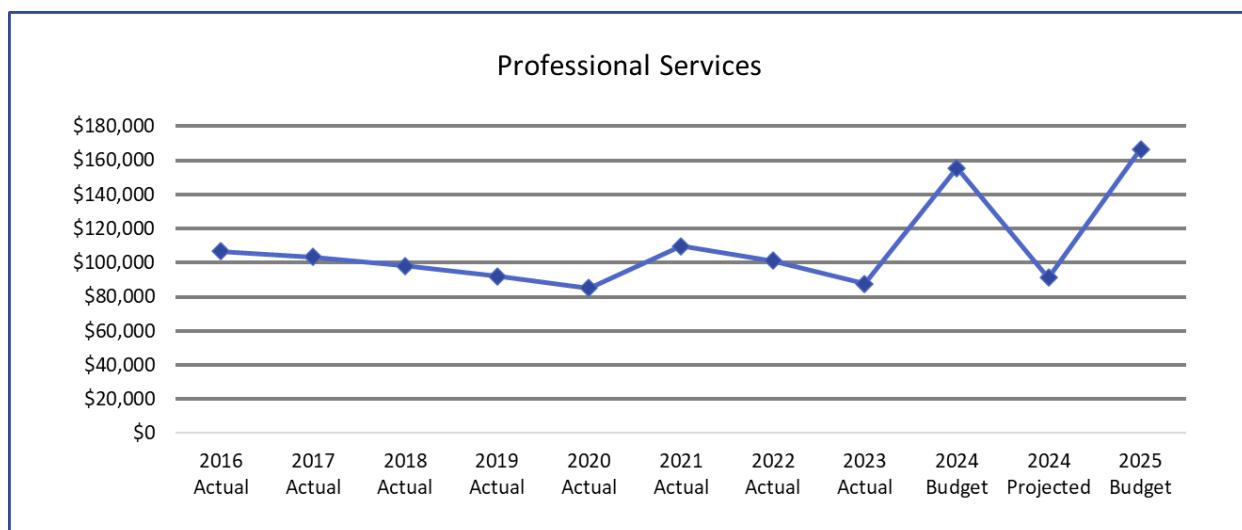


Administrative & Engineering – Budgeted \$143,328, this line item is primarily for sewer engineering services. With the allocation of approximately \$98 million of “American Rescue Plan Act State Fiscal Recovery Fund Drinking Water Projects to Support Increased Population Award” funds from the State of Georgia, it will be necessary for outside engineering support to assist the Authority with the management of infrastructure that will be built with these funds.

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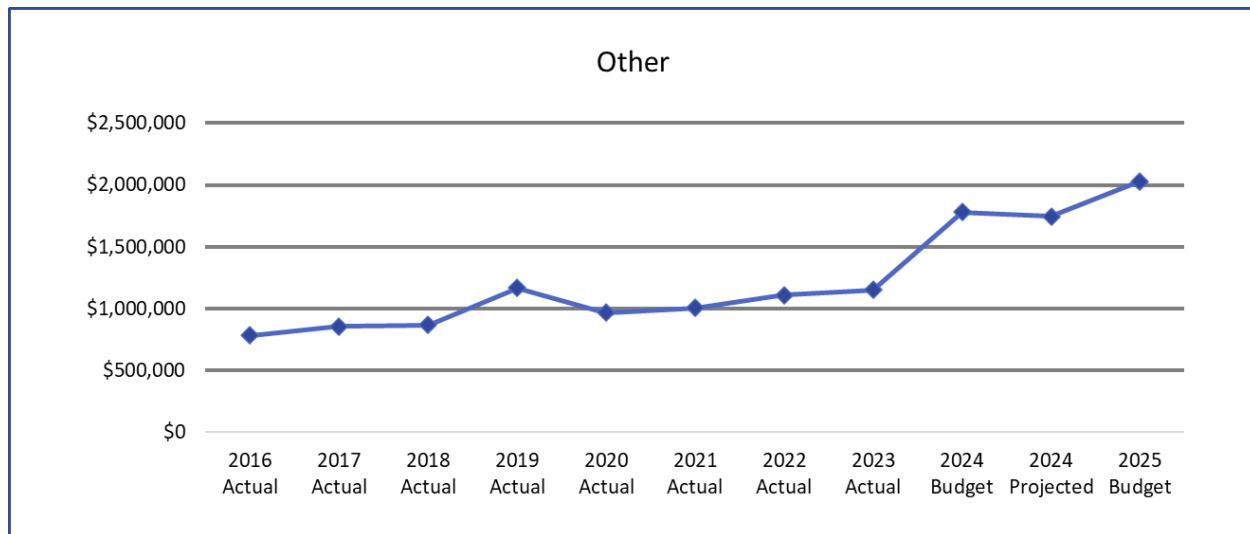


Professional Services – This line item includes external resources needed by the Authority for legal and auditing service. The FYE 2025 Budget is at \$166,693 and is an 82.59% increase from the FYE 2024 projected actuals and a 7.2% increase in the FYE 2024 Adopted Budget. The volatility of this line item is primarily due to volatility in the provision of these services.



Other – The FYE 2025 Budget has earmarked \$2,028,472 for other expenses. This is a 16.07% increase from FYE 2024 projected actuals. Other expenses include: \$266,055 for utility billing services; \$407,563 for banking and merchant fees; \$314,576 for general liability, property, and automobile insurance; \$375,540 for planning which includes financial and utility consultants, leadership collaborative with various partners, and strategic planning; estimated bad debt expense of \$182,516; and various other miscellaneous expenses.

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FYE 2025 – OPERATING EXPENDITURES DETAIL BY FUNCTION

Water Operating Expenditure Detail by Function						
Description	Fiscal Year Ending June 30,					
	2023 Actual	2024 Budget	2024 Projected	2025 Budget	Variance (Amount)	Variance (Percentage)
Water Operating Fund Expenditures						
Salaries & Wages	\$1,628,238	\$2,133,553	\$1,949,944	\$2,368,244	\$418,300	21.45%
Payroll Taxes	137,845	148,750	147,044	163,625	16,581	11.28%
Overtime	23,802	29,903	26,053	34,388	8,335	31.99%
Uniforms	19,568	16,041	30,476	20,853	(9,623)	-31.58%
Insurance – Health	348,876	743,795	402,143	706,605	304,462	75.71%
Retirement Plan	130,848	153,159	160,345	191,449	31,104	19.40%
Pension Expense	(32,171)	---	---	---	---	0.00%
Employee Education Reimbursement	6,503	15,758	2,777	17,334	14,558	524.31%
Travel & Training	44,522	57,902	74,004	86,853	12,849	17.36%
Safety / Wellness	5,799	12,136	10,532	13,350	2,818	26.76%
Administrative	14,368	17,850	14,235	17,850	3,615	25.39%
Engineering Tech Services (External)	170,607	138,653	69,716	110,922	41,206	59.11%
Planning	106,097	155,307	190,612	248,491	57,879	30.36%
Bank / Merchant Fees	244,302	283,025	277,391	297,176	19,785	7.13%
UPC Contributions	14,501	18,465	16,496	18,465	1,969	11.93%
EPD Fees	---	18,459	---	18,459	18,459	0.00%
Sewer Expense Salem Village	51,109	50,815	57,165	56,405	(760)	-1.33%
Social Circle / GDOT Exit #52	45,608	36,617	19,421	9,154	(10,267)	-52.87%
Office Supplies	27,304	36,300	26,253	36,300	10,047	38.27%
Customer Billing Services	182,674	241,722	190,818	193,378	2,560	1.34%
Communications	47,336	60,948	51,687	63,995	12,308	23.81%
Security	160	3,509	-	1,579	1,579	0.00%
Water Conservation	34,660	30,817	25,428	32,358	6,930	27.26%
Miscellaneous	21,269	24,724	23,680	27,196	3,516	14.85%
Contingency	---	55,322	---	58,088	58,088	0.00%
Bad Debts	---	123,539	174,760	129,716	(45,044)	-25.77%
Legal	18,709	42,776	13,495	42,776	29,281	216.99%
Auditing	37,397	57,585	44,373	63,344	18,972	42.76%
Computer	29,568	43,946	45,232	49,220	3,988	8.82%
GIS / Mapping	41,466	100,000	31,775	50,000	18,226	57.36%
Truck Maintenance	38,935	34,262	34,432	35,975	1,543	4.48%
Equipment Maintenance	7,655	15,515	25,771	27,151	1,380	5.35%
Tools / Equipment	11,196	15,450	(3,655)	23,175	26,830	-734.03%
Facility / Grounds Maintenance	59,761	74,501	53,727	96,851	43,124	80.26%
Insurance – Liability P/C	57,610	94,703	141,354	160,995	19,641	13.90%
Fuel	71,423	62,565	77,188	75,078	(2,110)	-2.73%
Utilities	43,915	55,165	43,595	55,165	11,570	26.54%
Maintenance Agreements	166,759	163,355	158,754	179,691	20,937	13.19%
Dues and Assessments	16,714	21,867	16,117	21,867	5,750	35.67%
Utilities – Pumping Station	221,319	218,437	232,188	234,820	2,632	1.13%
System Material	740,646	662,805	877,868	861,647	(16,221)	-1.85%
System Maintenance	224,732	128,447	387,571	289,006	(98,565)	-25.43%
Water Tank Maintenance	412,782	571,975	412,783	629,173	216,390	52.42%
Purchased Water	4,460,635	4,835,655	4,386,664	5,077,438	690,774	15.75%
Total Water Operating Fund Expenditures	\$9,935,047	\$11,806,078	\$10,920,212	\$12,895,605	\$1,975,394	18.09%

FYE 2025 – OPERATING EXPENDITURES DETAIL BY FUNCTION (Continued)

Sewer Operating Expenditure Detail by Function						
Description	Fiscal Year Ending June 30,					
	2023 Actual	2024 Budget	2024 Projected	2025 Budget	Variance (Amount)	Variance (Percentage)
Sewer Operating Fund Expenditures						
Salaries & Wages	\$1,397,856	\$2,197,060	\$1,725,619	\$2,460,707	\$735,088	42.60%
Payroll Taxes	113,854	150,887	130,397	165,976	35,579	27.29%
Overtime	30,851	35,480	40,086	44,350	4,264	10.64%
Uniforms	4,392	10,999	9,668	15,399	5,731	59.29%
Insurance – Health	276,359	375,713	356,246	394,499	38,253	10.74%
Retirement Plan	137,280	143,643	154,605	172,372	17,767	11.49%
Employee Education Reimbursement	---	15,498	---	17,048	17,048	0.00%
Travel & Training	20,439	27,914	38,841	41,871	3,030	7.80%
Safety / Wellness	3,492	3,443	2,839	3,261	422	14.85%
Dues and Assessments	9,287	18,297	11,225	18,297	7,072	63.01%
Insurance – Liability P/C	57,970	90,342	141,334	153,581	12,247	8.67%
Administrative	12,400	14,752	11,900	14,752	2,852	23.97%
Bank / Merchant Fees	133,484	147,182	126,359	110,387	(15,972)	-12.64%
Office Supplies	12,954	14,172	13,081	14,881	1,800	13.76%
Customer Billing Services	232	32,677	180	32,677	32,497	18055.91%
Communications	14,114	30,213	17,784	30,213	12,429	69.89%
Planning	67,510	70,583	125,436	127,049	1,613	1.29%
Miscellaneous	10,519	11,379	10,782	14,793	4,011	37.20%
Bad Debts	---	50,286	43,819	52,800	8,981	20.50%
Contingency	---	25,015	---	26,266	26,266	0.00%
Legal	12,583	26,527	15,425	29,180	13,755	89.18%
Auditing	18,916	28,539	18,000	31,393	13,393	74.41%
Maintenance Agreements	66,131	62,458	57,978	62,458	4,480	7.73%
Computer	15,949	18,240	12,355	18,240	5,885	47.64%
GIS / Mapping	33,088	50,000	31,774	37,500	5,726	18.02%
Engineering Tech Services (External)	92,243	138,408	109,278	110,726	1,448	1.32%
Easement Clearing	59,858	75,402	68,770	94,253	25,483	37.06%
Truck Maintenance	12,637	12,236	12,353	14,683	2,330	18.86%
Plant Maintenance	110,152	241,520	229,242	253,596	24,354	10.62%
System Maintenance	67,365	210,793	86,583	210,793	124,210	143.46%
Equipment Maintenance	7,230	11,135	12,996	21,157	8,161	62.80%
Tools / Equipment	1,459	8,404	10,370	12,606	2,236	21.56%
Facility / Grounds	114,040	75,876	120,980	98,639	(22,341)	-18.47%
Fuel	24,157	43,338	25,704	43,338	17,634	68.61%
Utilities	622,421	736,832	706,043	773,674	67,631	9.58%
Operating Supplies	34,717	42,932	30,006	42,932	12,926	43.08%
Plant Chemicals	150,492	147,182	192,102	191,337	(765)	-0.40%
Utilities – Lift Stations	127,465	135,747	126,220	142,534	16,314	12.92%
Solids Disposal	102,356	98,033	120,351	107,836	(12,515)	-10.40%
Industrial Pretreatment Program	27,303	43,813	16,917	43,813	26,896	158.99%
Land Application	449,406	545,573	545,232	600,130	54,898	10.07%
Total Sewer Operating Fund Expenditures	\$4,452,961	\$6,218,523	\$5,508,880	\$6,851,997	\$1,343,118	24.38%

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 2023, the net position was \$162,250,471 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 = \$127,570,429 or 78.63%.
- 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 = \$ 34,599,661 or 21.32%.

As shown in the table below, the comparison of the FYE 2024 projected actuals to the FYE 2025 Budget reflects an increase of 40.28%. The change in Net Position is due to the result of an increase in water user rates of 2% and sewer user rates of 6% effective July 1, 2024, 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. The largest driver for the increase in net position is due to the forecast of \$73.5 million in "American Rescue Plan Act State Fiscal Recovery Fund Drinking Water Projects to Support Increased Population Award" funds from the State of Georgia. These funds are allocated on a reimbursement basis. This intergovernmental revenue will fund capital projects 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 and will serve the needs of the Rivian Advanced Auto Manufacturing Plant which is scheduled to be completed by December 2026.

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Net Position					
Description	Fiscal Year Ending June 30,				
	2022 Actual [1]	2023 Actual [1]	2024 Projected	2025 Budget	% Change 2024 v. 2025
Total Net Position - Beginning	\$141,630,042	\$148,178,279	\$162,250,471	\$193,053,595	18.98%
Operating Revenues	\$24,022,127	\$23,289,088	\$28,112,473	\$24,726,438	-12.04%
Non-Operating Revenues			14,084,967	73,568,848	422.32%
Interest Income	9,708	73,571	142,549	78,893	-44.66%
Intergovernmental Revenue [2]	---	9,336,125	13,942,418	73,489,955	427.10%
Capital Contributions	607,654	1,131,272	5,795,913	---	
Total Revenues	\$24,639,489	\$33,830,056	\$47,993,353	\$98,295,286	104.81%
Operating Expenditures	\$13,076,207	\$14,388,008	\$16,429,0922	\$19,747,602	20.20%
Non-Operating Expenditures [3]	5,015,045	5,369,856	761,137	778,553	2.29%
Total Expenditures	\$18,091,252	\$19,757,864	\$17,190,229	\$20,526,155	19.41%
Increase (Decrease)	6,548,237	14,072,192	30,803,124	77,769,131	152.47%
Total Net Position - Ending	<u>\$148,178,279</u>	<u>\$162,250,471</u>	<u>\$193,053,595</u>	<u>\$270,822,726</u>	40.28%

[1] Actual data is derived from the Annual Financial Statements.
[2] Amounts shown total approximately \$98 million in fund awarded from the State of Georgia from the “American Rescue Plan Act State Fiscal Recovery Fund Drinking Water Projects to Support Increased Population Award”.
[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 liquid portion of an enterprise fund capital, which constitutes a margin or buffer for meeting obligations.

As described on page 33, 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 over the forecast period as described in the Capital Improvement Plan.

However, the Authority has planned for this and has developed strategies such as implementing rate increases of 2% for water retail rates and 5% for sewer retail rates in FYE 2023, 2% for water retail rates and 5% for sewer retail rates in FYE 2024, and 2% for water retail rates and 6% for sewer retail rates in FYE 2025 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,				
	2022 Actual	2023 Actual	2024 Projected	2025 Budget	% Change 2024 v. 2025
Working Capital	\$23,657,516	\$32,384,953	\$42,007,264	\$30,662,858	-27.01%
Target – 90 Days of Operating Expenses	\$3,224,270	\$3,547,728	\$4,039,940	\$4,869,272	20.53%
Number of Days Working Capital	660	822	936	567	-39.42%
Working Capital Net of O&M Reserve [1]	\$20,433,246	\$28,837,225	\$37,967,324	\$25,793,586	-32.06%

LONG-TERM FINANCIAL PLAN

NCWSA's Five-Year Strategic Plan (discussion beginning on page 25) 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 was revised in February of 2024. The Senior Management Team used 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.

With the development of the annual budget, NCWSA updates its five-year financial forecast. 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 (PAYGO); 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 approximately \$232,000,000, with the Authority receiving approximately \$98,000,000 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.

A significant ongoing challenge the Authority is facing is the ability to balance the timing and identifying the financial resources needed to complete the infrastructure projects identified in the CIP. The Rivian Advanced Auto Manufacturing Plant in Stanton Springs (North) temporarily stopped its assembly plant construction in early 2024. However, the company remains committed to the Georgia site. They have shifted their focus to the Normal, Illinois site, where production is underway. Despite the pause in construction, the Georgia site has been prepared with building pads ready for vertical construction when Rivian is ready to return. The size of this industry requires significant water and wastewater infrastructure, which the NCWSA has been working on despite the pause in Rivian's construction. It is crucial that NCWSA continues to complete the water/wastewater infrastructure it has designed to be ready to serve both Stanton Springs North and South. It should be noted that because Rivian the development of Rivian has been recently pause, the financial forecast does not include the operating impacts infrastructure that is currently under construction. The Authority continues to assess its financial strength and reserve balances to mitigate the unexpected and stabilize rates.

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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 Operating Sources and Uses					
Description	Fiscal Year Ending June 30,				
	2025 Budget	2026 Projected Budget	2027 Projected Budget	2028 Projected Budget	2029 Projected Budget
Revenues and Sources of Funds					
Water Sales	\$14,699,541	\$15,859,951	\$16,590,893	\$17,176,718	\$17,959,180
Sewer Sales	6,943,848	7,727,356	8,595,571	9,396,562	10,812,071
Connection Fees	1,784,155	2,034,944	1,732,186	3,633,405	1,413,165
Late Fees	681,750	715,000	715,000	715,000	715,000
Other Fees and Charges	617,144	717,833	731,326	745,116	759,110
Interest Income / Other (Non-operating)	78,893	125,161	99,609	56,091	49,971
Total Revenues and Sources of Funds	\$24,805,331	\$27,025,970	\$28,464,585	\$31,722,892	\$31,708,497
Expenditures and Uses of Funds					
Personal Services	\$6,719,263	\$7,049,215	\$7,397,037	\$7,748,301	\$8,141,834
Operating Expenses	10,999,867	10,762,034	11,049,327	11,279,693	11,613,499
Other	2,028,472	2,103,832	2,164,688	2,332,221	2,291,402
Debt Service	2,508,644	2,448,453	3,334,179	3,346,683	3,434,206
Reserves	2,553,243	4,662,436	4,519,354	7,015,993	6,227,556
Total Expenditures and Uses of Funds	\$24,805,331	\$27,025,970	\$28,464,585	\$3,722,892	\$31,708,497

Summarized in the table below are the year-over-year changes expressed in dollars.

Forecast of Budgeted Operating Sources and Uses - Year-Over-Year Amount Change					
Description	Fiscal Year Ending June 30,				
	Year 1 \$\$ Change 2024 v. 2025	Year 2 \$\$ Change 2025 v. 2026	Year 3 \$\$ Change 2026 v. 2027	Year 4 \$\$ Change 2027 v. 2028	Year 5 \$\$ Change 2028 v. 2029
Revenues and Sources of Funds					
Water Sales	(\$347,331)	\$1,160,410	\$730,942	\$585,825	\$782,462
Sewer Sales	74,177	783,508	868,215	800,991	\$1,415,509
Connection Fees	(3,098,635)	96,514	(148,483)	1,901,219	(2,220,240)
Late Fees	(20,809)	33,250	---	---	---
Other Fees and Charges	6,563	100,689	13,493	13,790	13,994
Interest Income / Other (Non-operating)	(63,656)	46,268	(25,552)	(43,518)	(6,120)
Total Revenues and Sources of Funds	(\$3,449,691)	\$2,220,639	\$1,438,615	\$3,258,307	(\$14,395)
Expenditures and Uses of Funds					
Personal Services	\$1,626,781	\$329,952	\$347,822	\$351,265	\$393,532
Operating Expenses	1,410,839	(237,833)	287,293	230,366	333,806
Other	280,890	75,360	60,856	167,533	(40,819)
Debt Service	314,462	(60,191)	885,726	12,503	87,523
Reserves	(7,082,663)	2,113,351	(143,082)	2,496,639	(788,437)
Total Expenditures and Uses of Funds	(\$3,449,691)	\$2,220,639	\$1,438,615	\$3,258,306	(\$14,395)

Variances are attributable to:

- The forecast assumes additional retail rate adjustments to meet the need for increasing operating expenses and the need to issue additional debt for capital expenditures. The GEFA Loan funding the East Newton Water Transmission Improvements Project is expected to transition from interest only to

principal and interest payments in Year 4. Additional debt is forecasted to be issued in FYE 2028 to fund the FYE 2025 – FYE 2029 Capital Improvement Plan. The Authority has earmarked connection fee revenues to help paydown debt service.

- The fluctuation in sales revenues between Years 3 and 4 is due to large commercial customers performing major maintenance and will be reducing water demands during that time.
- Connection fees are based on customer growth. In Year 4 it is projected that a large customer connection fee will be paid for additional capacity based on a contractual agreement.
- Interest income is being conservatively budgeted based on current economic conditions.
- Operating expenses are expected to increase and have been escalated based on the table below.

Operating Revenue and Expense Escalation Factor Assumptions					
Description	Fiscal Year Ending June 30,				
	2025 Budget	Projected Budget	Projected Budget	Projected Budget	Projected Budget
Customer Growth					
Residential and Small Commercial Customers					
Average Annual Water Accounts	1.79%	1.49%	1.34%	1.19%	1.05%
Average Annual Water ERU's	1.63%	1.36%	1.21%	1.09%	0.97%
Billed Water Sales (000s of Gallons)	0.25%	1.91%	1.24%	1.11%	0.98%
Average Monthly Water Use Per ERU	-1.36%	0.55%	0.02%	0.02%	0.02%
Large Commercial Customers					
Average Annual Water Accounts	0.00%	0.00%	0.00%	0.00%	0.00%
Average Annual Water ERU's	-0.99%	-5.31%	4.07%	-6.95%	6.80%
Billed Water Sales (000s of Gallons)	-0.94%	-5.34%	4.06%	-6.96%	6.81%
Average Monthly Water Use Per ERU	0.05%	-0.04%	0.00%	-0.01%	0.01%
Constant	0.00%	0.00%	0.00%	0.00%	0.00%
Marginal	1.00%	1.00%	1.00%	1.00%	1.00%
Labor	5.00%	4.75%	4.50%	4.25%	4.00%
Health Insurance	7.50%	7.50%	7.50%	7.50%	7.50%
General Inflation	2.50%	2.20%	2.20%	2.20%	2.20%
Chemicals	7.64%	4.53%	5.45%	4.59%	6.00%
Property Insurance	2.50%	2.50%	2.50%	2.50%	2.50%
Repair & Maintenance	3.80%	3.80%	3.80%	3.80%	3.80%
Fuel	4.82%	4.82%	4.82%	4.82%	4.82%
Customer Account Growth + Inflation - Water	4.50%	3.99%	3.69%	3.53%	3.39%
Customer Account Growth + Inflation - Sewer	2.50%	5.20%	4.86%	4.47%	4.15%
Engineering News Record (ENR)	3.80%	3.80%	3.80%	3.80%	3.80%

- The Authority was notified in FYE 2024 that the construction of the Rivian Advanced Auto Manufacturing Plant was paused. Due to the uncertainty of service demands at this time, the forecast does not recognize the operating impacts of the Stanton Springs Water Resources Facility.
- Vacant positions are expected to be fully staffed by FYE 2026.
- Reserves are increasing to fund future capital improvement needs (PAYGO).

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 through the "American Rescue Plan Act State Fiscal Recovery Fund Drinking Water Projects to Support Increased Population Award" funds from the State of

Georgia. We plan to mitigate the need for additional debt by seeking available grant funding and cost sharing. Anticipating the need for additional sources to fund the Capital Improvement Program, this forecast does assume the issuance of additional debt to fully fund all capital projects shown in Section 4. We continually review our user rates and the design of our utility rate structures to ensure full cost recovery.

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 \$109.8 million to \$302,868,534 by the fiscal year ending June 30, 2029. 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,				
	2025 Budget	2026 Projected Budget	2027 Projected Budget	2028 Projected Budget	2029 Projected Budget
Total Net Position - Beginning	\$193,053,595	\$270,822,726	\$277,153,355	\$284,251,879	\$293,893,442
Operating Revenues	\$24,726,438	\$26,900,809	\$28,364,976	\$31,666,801	\$31,658,526
Non-Operating Revenues	73,568,848	125,161	99,609	56,091	49,971
Total Revenues	\$98,295,286	\$27,025,970	\$28,464,585	\$31,722,892	\$31,708,497
Operating Expenditures	\$19,747,602	\$19,915,081	\$20,611,052	\$21,360,216	\$22,046,735
Non-Operating Expenditures	778,553	780,260	755,009	721,113	686,670
Total Expenditures	\$20,526,155	\$20,695,341	\$21,366,061	\$22,081,329	\$22,733,405
Increase (Decrease)	\$77,769,131	\$6,330,629	\$7,098,524	\$9,641,563	\$8,975,092
Total Net Position - Ending	<u>\$270,822,726</u>	<u>\$277,153,355</u>	<u>\$284,251,879</u>	<u>\$293,893,442</u>	<u>\$302,868,534</u>

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, we are evaluating the best way to fund these projects. Incremental rate increases have been forecasted 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.

Working Capital - Forecast					
Description	Fiscal Year Ending June 30,				
	2025 Budget	2026 Projected Budget	2027 Projected Budget	2028 Projected Budget	2029 Projected Budget
Working Capital	\$30,662,858	\$10,094,936	\$10,978,047	\$14,114,974	\$14,821,224
Target 90 Days of Operating Expenses	4,869,272	4,910,568	5,082,177	5,252,512	5,421,328
Number of Days of Working Capital	567	185	194	242	245
Available Working Capital	\$25,793,586	\$5,184,368	\$5,895,870	\$8,862,462	\$9,399,896

The FYE 2025 to FYE 2029 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 incremental rate increases during the forecast period 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.



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SECTION 4 - CAPITAL AND DEBT



NCWSA CAPITAL IMPROVEMENT AND REPLACEMENT PLAN FYE 2025 - 2029

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 are 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 and this information is 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 73.

The NCWSA has completed and maintains a thirty-five-year master capital improvement plan that is reviewed annually. Each year, the Authority develops its CIP based on projected growth, regulatory requirements, planning documents, asset management needs for timely replacement, rehabilitation, and improvements of its assets. A key driver for the FYE 2025-2029 CIP includes expansion of the Authority's facilities. The State of Georgia and local economic development officials are actively promoting the Stanton Springs Research and Development Park, Historic Heartlands, and Stanton Springs North as "shovel-ready" mega-sites in the Metro Atlanta area and has provided funding for the Authority to expand its facilities. 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.

During the year, the Authority's engineering staff along with their engineering consultant identifies replacement, rehabilitation, and improvement projects that are based on operating needs. The projects are discussed at monthly Authority Board meetings, prioritized, and compiled for the current year budget. Early in the calendar year, the Authority's financial consultant prepares the annual financial model update, a rate sufficiency analysis, and the five (5) year forecast of revenue requirements. This forecast assists the Authority

to determine funding sources for all capital projects, whether it is PAYGO, use of reserves, rate revenues, grants, or intergovernmental revenues, or looking at financing scenarios. The CIP Budget for FYE 2025-2029 is approved by the Authority Board and totals approximately \$169 million. The Authority continues to face significant ongoing challenges in its pursuit to provide services to the community as many of the Authority's projects are contingent on if and when new industries come to Newton County. For the purposes of the five (5) year CIP, all projects are considered funded.

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 and brings the total acreage for Stanton Springs to approximately 3600 acres, with three large commercial customers located within the park.

Continued infrastructure investment is necessary to meet residential and commercial growth. A second Meta Data Center Campus (Baymare) within the Stanton Springs Research & Development Park (South) continues to give impetus to maintaining the capital improvement program in high gear. In 2022, Governor Brian Kemp confirmed that Rivian, an electric truck manufacturing facility would be located across the interstate within the boundaries of Stanton Springs North. This is one of the most significant economic development projects in the State's history. The \$5 billion manufacturing facility is expected to bring 7,500 jobs east of Atlanta along the I-20 corridor and produce 400,000 vehicles per year. The facility will span about 2,000 acres at the Stanton Springs Research and Development Park which is currently owned by the Joint Development Authority of Jasper, Morgan, Newton, and Walton Counties. To serve the needs of a facility this large, the Authority will be required to design and build infrastructure out of the "norm" from its typical pipe and process. The Rivian Advanced Auto Manufacturing Plant ("Rivian") will require the Authority to build the Stanton Springs Water Resources Facility (formerly referred to as the A. Scott Emmons WRF Phase IIA project) 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 facility will treat up to 5.5 million gallons per day (MGD) of additional reuse water at full build out.

In December 2022, the Governor's Office of Planning and Budget ("OPB") on behalf of the State of Georgia and the Newton County Board of Commissioners ("County"), entered into a grant agreement referred to as the "American Rescue Plan Act State Fiscal Recovery Fund Drinking Water Projects to Support Increased Population Award". As part of the Regional Infrastructure Resiliency Initiative for Newton County, the grant was awarded for the construction of specific water and related infrastructure development and/or improvement projects to be completed by Newton County, Georgia; the City of Covington, Georgia; and the Newton County Water and Sewerage Authority. The allocated amount of this award is \$234,062,160 of which 42% or approximately \$98 million is allocated to NCWSA to build the needed infrastructure to serve the Stanton Springs area.

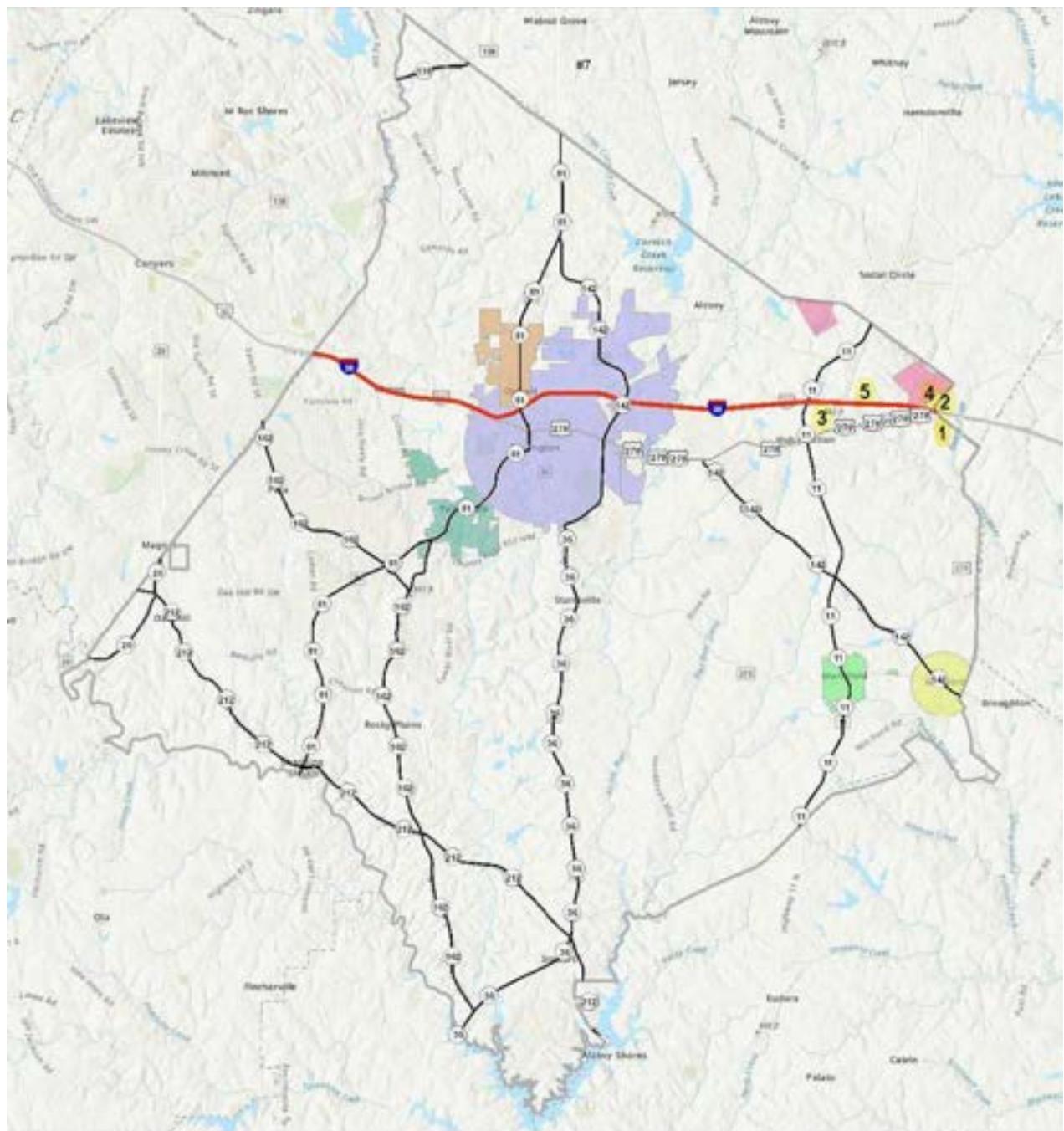
The maps below outline the current private and public capital projects. They also categorize these projects as residential, industrial/commercial, or related to Georgia Department of Transportation roadworks (utility relocations such as roundabouts, bridge replacement and lane expansions). These maps are maintained by the engineering staff of NCWSA and are reviewed during the monthly meetings of the Board of Directors.

The map on page 67 indicates the major projects that are in the FYE 2025-2029 CIP Budget. The map on page 68 represents all private development that the Authority has been involved with and uses to assist in the development of capital projects. The map on page 70 is a listing of all Georgia Department of Transportation projects that will be necessary for the Authority to relocate utility lines.



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NCWSA MAJOR CAPITAL IMPROVEMENT PROJECTS



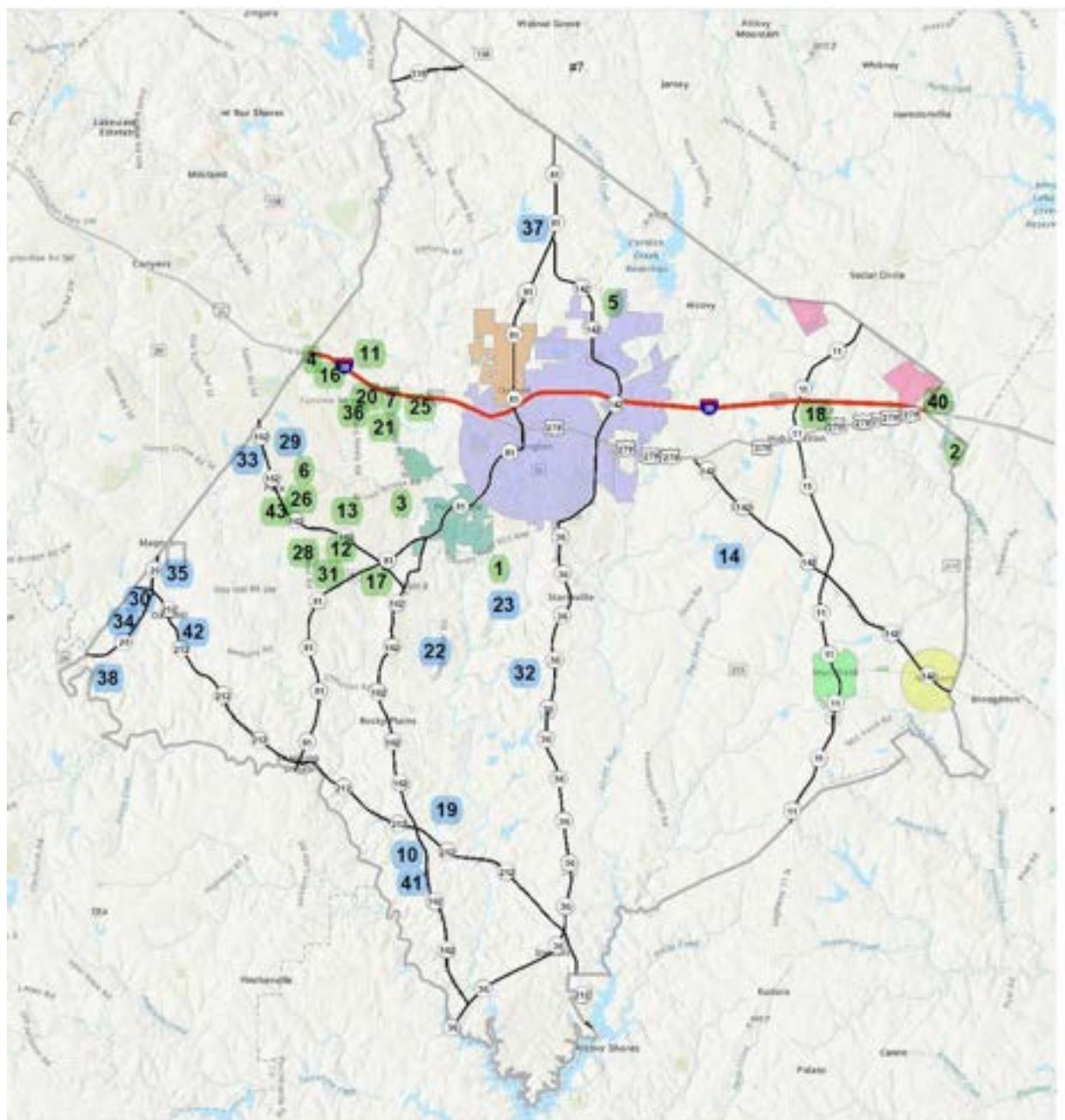
Capital Projects Map
May 2024

Map Item No.	Capital Project
1	A Scott Emmons WRF Phase 8A
2	East Newton Water Trans Improvements Hub
3	Junction Sewer Outfall
4	Stanton Grove Sewer
5	East Newton Water Trans Improvements Phase II

Legend

0 Capital Projects Reference No.

NCWSA PRIVATE DEVELOPMENT MAP



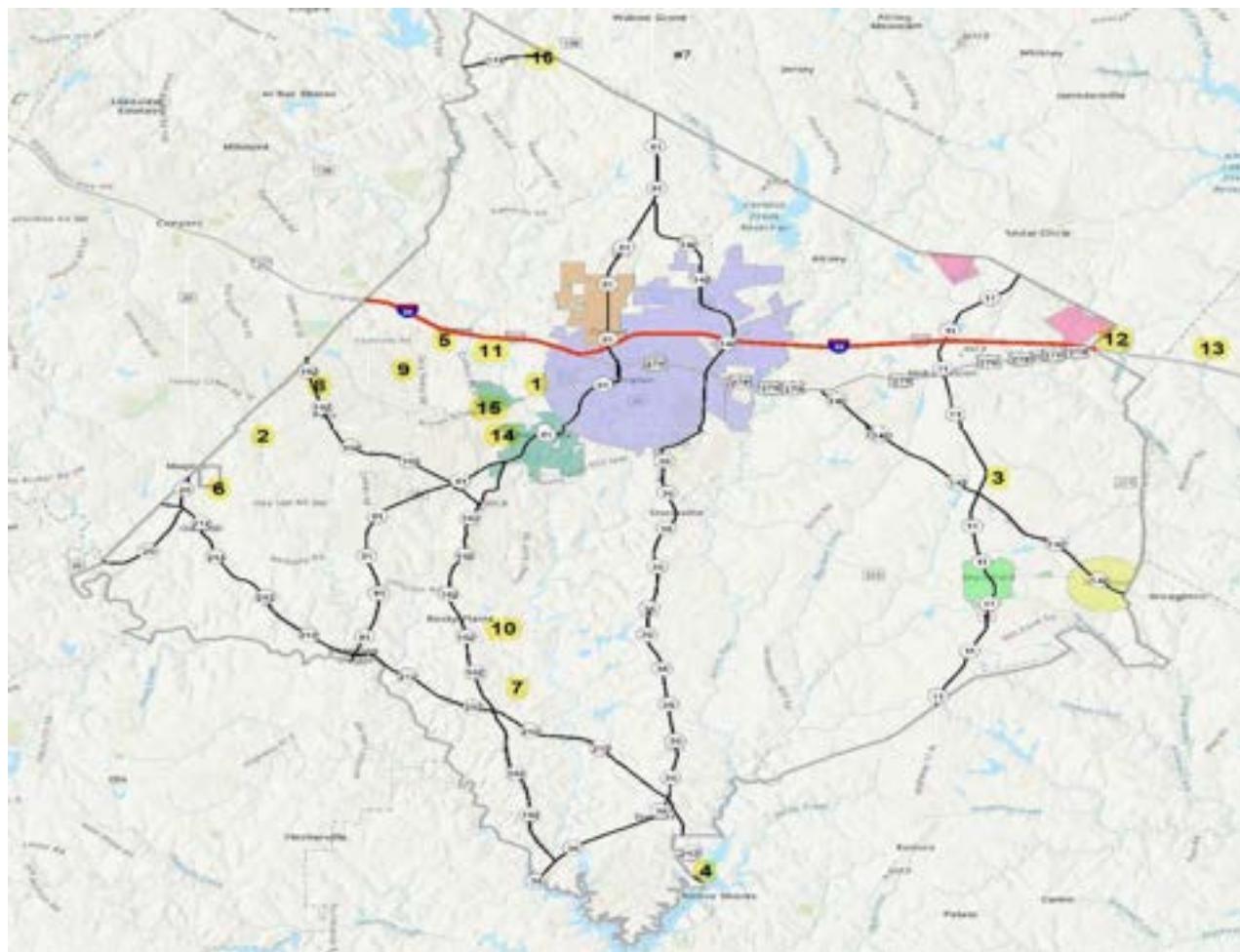
Private Development
May 2024
(Chart Following on next page)

Legend

- 0 Water - Private Development Reference Number
- 0 Water & Sewer - Private Development Reference Number

Map No.	Private Development	No. Units	Type	Status
1	Cedar Shoals/White Horse (Porterdale)	348	Apartment & Townhomes	Construction
2	Baymare	---	Industrial	Construction
3	Villages on Ram	36	Multi-Family	Awaiting Precon
4	Lidl	1	Industrial	Closeout
5	Three Ring Studios Phase II	7	Commercial/Industrial	Construction
6	Westfield Village	486	SFR	Maintenance Period
7	Covington Creek	53	SFR	Maintenance Period
10	Twin Rivers Manor Phase I	118	SFR	Construction
11	20 East Logistics	1	Industrial	Maintenance Period
12	Salem Townhomes & Retail	20	Townhomes/Commercial	Plan Review
13	Bailey Glynn Phase II	78	SFR	Construction
14	Rosedown Phase III	104	SFR	Plan Review
16	Distinguished Transportation	1	Commercial	Awaiting Precon
17	Bailey Station	128	SFR	Construction
18	Jones Petroleum Travel Ctr	1	Commercial	Awaiting Precon
19	Dollar General	1	Commercial	Maintenance Period
20	Covington Creek Springs	52	SFR	Construction
21	Dobbs Landing	388	SFR/Multi-Family	Plan Review
22	Estates at Mote Road	89	SFR	Awaiting Precon
23	Springhill Neighborhood Park	1	Newton County Parks & Rec	Closeout
25	Prose Fairview	318	Apartment	Maintenance Period
26	Popeye's – Salem Rd	1	Commercial	Maintenance Period
28	Arbor fka Crescent Place	81	SFR	Construction
29	NCG Dialysis Center	1	Commercial Suite	Closeout
30	Covington Car Wash	1	Commercial	Awaiting Precon
31	Westminster Phase 5B	71	SFR	Closeout
32	92 Moores Farm Rd	1	Commercial	Closeout
33	Underwood Crossing Phase 3	21	SFR	Closeout
34	Grand Horizon Estates	27	SFR	Plan Review
35	Hwy 20 Auto Parts Retail	1	Commercial	Awaiting Precon
36	Harold Dobbs Rd	222	SFR	Development App
37	Tomlo Farms	96	SFR	Plan Review
38	Church of Jesus Latter Day Saints Campground	---	Campground	Plan Review
39	Three Ring Studios Mgt Bldg (refer to No. 5 on map)	1	Commercial	Plan Review
40	Quick Start Training Ctr	1	Commercial	Plan Review
41	Twin Rivers Valley Phase IV	97	SFR	Closeout
42	Newton County Sr. Enrichment Ctr	1	Commercial	Plan Review
43	Burger King	1	Commercial	Plan Review

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RELOCATION PROJECTS

May 2024

Legend

0 Project Reference Number

Item No	Project Name	Location	Type	Start Date	Estimated
1	CR 511 @ Yellow River	Brown Bridge at Yellow River	Bridge Replacement	3/1/2023	\$ 583,730.00
2	CR 511 @ Snapping Shoals Creek	W. Newton b/w Shoals Creek Rd & Creekside Ln	Bridge Replacement	Complete	Complete
3	SR 11 @ SR 142	Pony Express Intersection	Roundabout	3/15/2024	\$ 359,418.00
4	SR 212 @ Lake Jackson	13.9 miles S. of Covington	Bridge Replacement	3/17/2023	No Conflict
5	I 20 Access Road @ Crowell Rd	Crowell Road & Harold Dobbs	Realignment	4/21/2023	\$ 1,600,960.00
6	CR 1840 @ CR 13	Brown Bridge at Magnet Rd.	Roundabout	6/16/2023	\$ 653,600.00
7	SR 162 @ SR 212	SR 162 @ SR 212	Operational Improvement	7/21/2023	\$ 658,700.00
8	SR 162 from CR 511 to CR 34	Salem Widening-Brown Bridge to Old Salem	Widening	7/19/2024	\$ 8,990,767.82
9	NCDOT Kirkland @ Jack Neely	Kirkland & Jack Neely Intersection	Roundabout	Complete	Complete
10	SR 162 @ CR 228	SR 162 @ Rocky Plains Road	Roundabout	4/19/2024	\$ 257,127.00
11	NCDOT Crowell Road & Harold Dobbs	Crowell Road & Harold Dobbs	Intersection Improvements	6/1/2023	\$ 365,314.00
12	I 20 @ US 278	Interchange, Frontage Rd & US 278 Widening	Widening		Complete
		New Interchange & new ramp connections			No Cost
13	Old Mill Interchange @ I-20	I-20@CR 249/Old Mill Rd	Bridge Replacement		No Conflict
14	SR 81 @ Yellow River in Porterdale	SR 81/Porterdale	Intersection Improvements		
15	NCDOT Brown Bridge & Crowell	Brown Bridge Rd & Crowell Rd	Construction of Turn Lanes		No Conflict
TOTAL					\$ 13,469,616.82

Capital Improvement Plan (CIP) Summary (\$000s)						
Description	FYE 2025 Budget	FYE 2026 Projected	FYE 2027 Projected	FYE 2028 Projected	FYE 2029 Projected	Total
Capital Projects						
Water System	\$40,790	\$16,677	\$1,736	\$1,802	\$1,871	\$62,876
Sewer System	11,037	8,921	---	14,058	156	34,172
Reuse System	61,065	---	5,500	---	---	66,565
Miscellaneous	4,372	220	228	235	243	5,298
Total Capital Projects	\$117,264	\$25,818	\$7,464	\$16,095	\$2,270	\$168,911
Estimated Funding Sources						
Renewal & Extension / Reserves	\$23,795	\$14,556	\$7,439	\$4,896	\$2,245	\$52,931
Connection Fees	5,738	-	-	360	-	6,098
Reimbursements	2,450	-	-	-	-	2,450
Intergovernmental	73,490	25	25	25	25	73,590
GEFA 2021 Loan GF2021013	11,778	-	-	-	-	11,778
GEFA 2022 Loan DWL22022165 [1]	13	-	-	-	-	-
Proposed GEFA Loans	-	11,237	-	10,814	-	22,051
Total Estimated Funding Sources	\$117,264	\$25,818	\$7,464	\$16,095	\$2,270	\$168,911

[1] Amounts reflect the use of a low interest loan secured from GEFA and is to be forgiven by the lender.



List of Capital Improvement Projects FYE 2025 – FYE 2029 (\$000s)

Description	Total Project Budget	Estimated Prior Project Spend	Total Project Carry-Forward	Projected					
				FYE 2025 New Money	FYE 2025 Budget	FYE 2026 Projected	FYE 2027 Projected	FYE 2028 Projected	FYE 2029 Projected
<u>Water System Capital Improvements</u>									
East Newton Water Transmission System Projects	\$25,311	\$13,534	\$11,777	\$---	\$11,777	\$---	\$---	\$---	\$---
East Newton Water Transmission Improvements Phase II	12,400	---	2,480	9,920	12,400	---	---	---	---
R&E and GDOT Relocations	25,270	2,963	3,683	11,542	15,225	1,673	1,736	1,802	1,871
Stanton Springs Surge Control	579	---	---	579	579	---	---	---	---
Service Area Exchanges with the City of Covington	562	---	---	562	562	---	---	---	---
Galvanized Pipe / Service Line Inventory Replacement	247	---	13	234	247	---	---	---	---
Beacon Cellular Meter Reading Program	15,004	---	---	---	---	15,004	---	---	---
Total Water System Capital Improvements	\$79,373	\$16,497	\$17,953	\$22,837	\$40,790	\$16,677	\$1,736	\$1,802	\$1,871
<u>Sewer System Capital Improvements</u>									
Wastewater Flow Meters	\$1,032	\$107	\$---	\$925	\$925	\$---	\$---	\$---	\$---
Hub Junction Gravity Sewer Outfall	3,535	79	128	3,328	3,456	---	---	---	---
Little River Outfall to Walton County Line	3,160	43	468	2,649	3,117	---	---	---	---
Yellow River Trunk Sewer Rehabilitation	23,357	234	3,154	234	3,388	8,921	---	10,814	---
YR Gum Creek Trunk Sewer	48	23	15	25	25	54	9,979	---	---
Yellow River WRF Expansion for 4 to 6.2 MGD	3,244	---	---	---	---	---	---	3,244	---
ASEWRF Phase 2 - Expansion from 1.25 to 2.1 MGD	156	---	---	---	---	---	---	---	156
East Newton Environmental Review Planning Document (ERPD)	126	---	---	---	126	---	---	---	---
Total Sewer System Capital Improvements	\$34,658	\$486	\$3,876	\$7,161	\$11,037	\$8,921	\$-	\$14,058	\$156
<u>Reuse System Capital Improvements</u>									
Stanton Springs Water Resources Facility	\$74,130	16,065	\$58,065	\$---	\$58,065	\$---	\$---	\$---	\$---
Land Application Sprayfield	16,700	8,200	---	3,000	3,000	---	\$5,500	---	---
Total Reuse System Capital Improvements	\$90,830	\$24,265	\$58,065	\$3,000	\$61,065	\$-	\$5,500	\$-	\$-
<u>Miscellaneous Capital Improvement</u>									
Fleet / Capital Equipment / Other	\$1,227	\$213	\$---	\$188	\$188	\$195	\$203	\$210	\$218
Eagle's Nest Office Expansion	5	---	---	5	5	---	---	---	---
Little River Recreational Area	154	29	25	---	25	25	25	25	25
Asset Management System	205	80	125	---	125	---	---	---	---
NCWSA HQ Expansion	4,029	---	---	4,029	4,029	---	---	---	---
Total Miscellaneous Capital Improvements	\$5,620	\$322	\$150	\$4,222	\$4,372	\$220	\$228	\$235	\$243
Total Capital Improvement Projects	\$210,481	\$41,570	\$80,044	\$37,220	\$117,264	\$25,818	\$7,464	\$16,095	\$2,270

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 a 1.5 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 and the construction of the tank is currently in progress.

Estimated Probable Project Cost: \$25,311,000

Funding: GEFA Loan DW2021013

Estimated Completion: FYE 2026

Operating Budget Impact: This interconnect will have no operating impact on the water system and the elevated water tank will be added to the tank maintenance program in the future. Tank maintenance is performed on a rotating schedule with visual inspection performed yearly. It is expected that end-user sales will increase from the Stanton Springs Research and Development Park as it is developed. This is where the future home to the Rivian Advanced Auto Manufacturing Plant will be located and once Rivian begins to continue construction, revenue projections will be included in the five-year forecast. The annual operating budget for tank maintenance for FYE 2025 is \$629,173.

2. **East Newton Water Transmission Improvements Phase II** – This is the expansion of the water distribution infrastructure to accommodate planned growth in east Newton County. The East Newton Water Transmission Improvement (ENWTI) Phase II includes the construction of a 24" potable water transmission main between GA Hwy 11 and US 278. The proposed water main will be approximately 22,500 linear feet and will primarily be located parallel to road rights-of-way (ROW). This project will include expanded ROW to install a water line dedicated to reuse water distribution.

Estimated Probable Project Cost: \$12,400,000

Funding: "American Rescue Plan Act State Fiscal Recovery Fund Drinking Water Projects to Support Increased Population Award" from the State of Georgia.

Estimated Completion: FYE 2026

Operating Budget Impact: No additional operating impacts are estimated at this time for the buried infrastructure.

3. **R&E and GDOT Utility Relocations** – Various sized utility relocation projects due to GDOT/Newton County projects (road widening, intersection improvements, bridge replacements) within state-owned county roadways. Included in this project is funding for hydraulic improvements projects that may have or may not have been identified.

Estimated Probable Project Cost: \$10,191,042

Funding: Connection fees, renewal & extension reserves, and a \$950,000 reimbursement from Newton County.

Estimated Completion: Ongoing Probable Project Cost is through 2030

Operating Budget Impact: No additional operating impacts for the buried infrastructure are estimated at this time.

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: \$579,000

Funding: Renewal & extension reserves.

Estimated Completion Date: FYE 2025

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 which are less than \$18,000 per year.

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 eliminates water master meters and the trading of buried infrastructure (pipes) and an elevated storage tank.

Estimated Probable Project Cost: \$562,000

Funding: Water connection fees.

Estimated Completion Date: FYE 2025

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 and will cost approximately \$87,000 for three years and then reduces to approximately \$37,000 per year for the next 7 years. This has been included in the projection of operation expenses for the forecast period.

6. **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. Our inventory does not have galvanized or lead pipes or service lines. This has been submitted and approved by the Georgia Environmental Protection Agency (GA EPD).

Estimated Probable Project Cost: \$247,000

Funding: GEFA Loan DWL22022165 in the amount of \$13,000 which is to be forgiven by the lender and renewal & extension reserves.

Estimated Completion Date: FYE 2025

Operating Budget Impact: The inventory / survey is part of a multi-step process. There are no impacts to the Operating Budget at this time.

7. **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: \$15,004,000

Funding: Renewal & extension reserves and \$11 million of estimated future bond proceeds.

Estimated Completion Date: FYE 2029

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.

Current Beacon Current Costs: \$6,600

Monthly Beacon Charges 7,400 meters @ \$.89 per month - \$6,600

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: \$1,032,000

Funding: Renewal & extension reserves.

Estimated Completion Date: FYE 2026

Operating Budget Impact: This project will add \$21,000 a year to 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: \$3,535,000

Funding: Sewer connection fees

Estimated Completion Date: FYE 2026

Operating Budget Impact: Sewer Outfalls have minimal operating impacts on the sewer system, approximately \$7,000 per year. 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. **Stanton Grove Sewer** – NCWSA plans to provide sewer service to a mixed-use development, referred to as Stanton Grove, in their northeast service area. The proposed development includes an area of approximately 300 acres, located on the north side of I-20 on US Highway 278 (US 278) in Newton County. The NCWSA's Little River Sewer Interceptor (LRSI) Phase II gravity main terminates on the north side of the Interstate 20 (I-20) right of way (ROW). This main's southern, downstream terminus connects to the

existing Little River Sewer Interceptor at US 278, which flows to the A. Scott Emmons Water Reclamation Facility (ASEWRF).

Estimated Probable Project Cost: \$3,160,000

Funding: This projected is jointly funded with the Newton County Industrial Development Authority contributing \$1.5 million and the rest to be funded with the “American Rescue Plan Act State Fiscal Recovery Fund Drinking Water Projects to Support Increased Population Award” from the State of Georgia.

Estimated Completion Date: FYE 2026

Operating Budget Impact: Sewer Outfalls have minimal operating impacts on the sewer system, approximately \$7,000 per year. 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: \$23,357,000

Funding: Renewal & extension reserves and proposed GEFA Loans of approximately \$22 million.

Estimated Completion Date: Ongoing

Operating Budget Impact: This project will have no impact on operating costs.

5. **Yellow River Gum Creek Trunk Sewer** – This project would extend the current Yellow River Outfall under I-20 north into the Almon Road/Oxford area. It is developer driven, with at least 50% participation of the construction cost.

Estimated Probable Project Cost: \$48,000

Funding: Renewal & extension reserves.

Estimated Completion Date: FYE 2028

Operating Budget Impact: This project has been inactive for more than a year. Currently, there is no impact on operating costs.

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: \$36,902,832

Funding: Sewer connection fees and to start design and proposed bond proceeds.

Estimated Construction Dates: FYE 2028-2031

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 placed and will be reflected in the annual operating budget when known.

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: \$24,232,897

Funding: Renewal & extension reserves will be used to start design.

Estimated Construction Dates: FYE 2029-2032

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

8. **East Newton Environmental Review Planning Document** GWES will produce the environmental compliance services and planning documents required by Georgia Environmental Protection Division ("GA EPD") for various water and sewer infrastructure improvements planned in east Newton County. These include Stanton Grove Sewer, Takeda flow separation, Industrial Effluent Land Application System.

Estimated Probable Project Cost: \$126,000

Funding: Renewal & extension reserves.

Estimated Completion Date: FYE 2025

Operating Budget Impact: There will not be an impact on the operating budget. This project is for the required planning and environmental compliance that is needed to submit to GA EPD.

REUSE CAPITAL IMPROVEMENTS

1. **Stanton Springs Water Resources Facility** – We have evaluated the impact of such concentrated demands on the community's long-term water supply and infrastructure for water security, drought management, and public welfare. A business case evaluation was completed, and we found 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. This project is funded by the "American Rescue Plan Act State Fiscal Recovery Fund Drinking Water Projects to Support Increased Population Award" funds from the State of Georgia.

Estimated Probable Project Cost: \$74,130,000

Funding: "American Rescue Plan Act State Fiscal Recovery Fund Drinking Water Projects to Support Increased Population Award" from the State of Georgia.

Estimated Completion Date: FYE 2026

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

2. **Land Application Sprayfield** – The Newton County Water and Sewer Authority (“NCWSA”) is proposing construction of an approximately 300-acre Land Application System (“LAS”) in Newton County adjacent to its existing A. Scott Emmons Water Reclamation Facility (“ASEWRF”). The proposed LAS would process reject water from an Industrial Wastewater Reclamation Facility (“IWRF”). Reject water would flow from the IWRF to the LAS via a 12” PVC industrial wastewater gravity sewer. Associated infrastructure includes a storage pond, a pump/controls building, and a pump station to pump reject water to the storage pond. A spray system distribution main would run along the access road to the ASEWRF. Phase 1 of the LAS would process approximately 260,000 gallons per day on an initial 78.1 acres. The LAS would be expanded as needed to a maximum capacity of 1.1 MGD on 300 acres. The proposed development would occupy property totaling approximately 300 acres on both sides of Baxalta Parkway in unincorporated Newton County, just north of the existing ASEWRF. The site plan includes a 300-foot buffer around each resource.

Estimated Probable Project Cost: \$16,700,000

Funding: “American Rescue Plan Act State Fiscal Recovery Fund Drinking Water Projects to Support Increased Population Award” from the State of Georgia.

Estimated Completion Date: Phase 1 in FYE 2026 and Phase 2 in FYE 2028

Operating Budget Impact: This project will be added to the ASEWRF operating budget. Ongoing maintenance costs are currently being developed and are not available at this time.

MISCELLANEOUS CAPITAL IMPROVEMENTS

1. **Fleet / Capital Equipment / Other** – Items planned to be purchased in FYE 2025 include a heavy-duty truck 4x4, an extra heavy-duty service truck, and a sewer jet.

Estimated Probable Cost: \$188,000 is budgeted for FYE 2025 and escalated at 3.8% annually thereafter.

Funding: Renewal & extension reserves.

Estimated Completion Date: Ongoing

Operating Budget Impact: Anticipated fuel, insurance, and maintenance costs are added annually during budget development. Approximately \$4,850 per vehicle.

2. **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: \$154,000

Funding: Intergovernmental grants partnerships

Estimated Completion Date: Ongoing

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.

3. **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. The software has been purchased and will be implemented over the next several years. Through the use of the Asset Management Software, the lead and copper inventory will be kept and maintained.

Estimated Probable Project Cost: \$205,000

Funding: Renewal & extension reserves

Estimated Completion Date: FYE 2029

Operating Budget Impact: Software cost was \$80,379, for the initial cost of developing the program with the following year's maintenance costs of \$28,533 included in the water O&M budget.

4. **NCWSA HQ Expansion** – NCWSA will expand its existing headquarters at Brown Bridge Road due to the increase in staff. The current building was built in 1998.

Estimated Probable Project Cost: \$4,029,000

Funding: Renewal & extension reserves.

Estimated Completion Date: FYE 2027

Operating Budget Impact: Operating impact will be developed along with the design for the addition.



DEBT OBLIGATIONS

DESCRIPTION OF DEBT STANDARDS

The Newton County Water & Sewerage Authority Board has not formally adopted a 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.

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

Summary of Current Debt Obligations (Principal)	
Description	Fiscal Year Ended June 30, 2023
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 \$11,060,930. The interest rate is 1.82% with a 20-year term, maturing in FYE 2038. FYE 2025 principal and interest payments are \$709,653 and \$195,409, 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 \$24,063,432. The interest rate is 1.93% with a 30-year term, maturing in FYE 2053. FYE 2025 principal and interest payments are \$639,600 and \$457,786, 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 2025 principal and interest payment is \$380,838 and \$3,808, respectively.

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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.

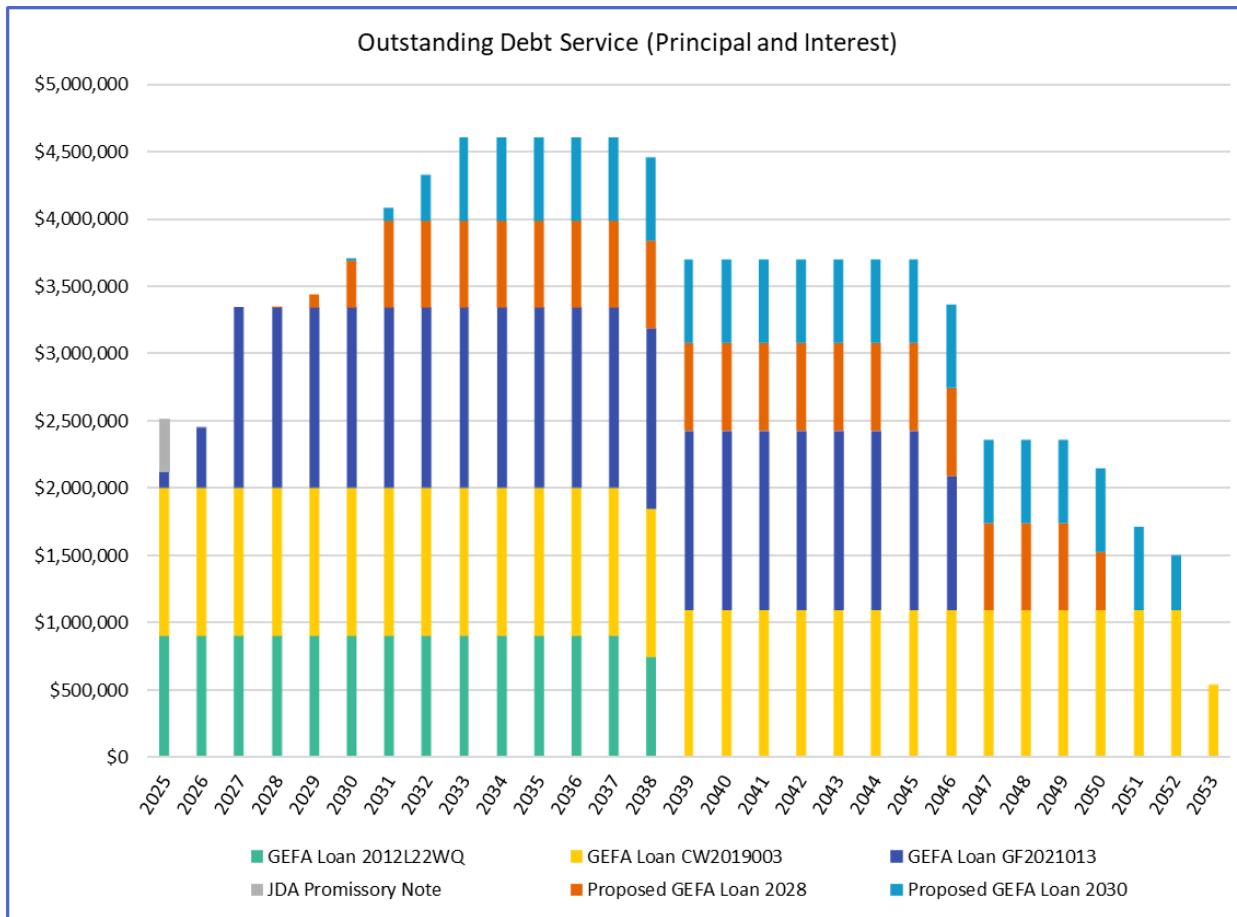
The FYE 2025 – 2029 Capital Improvement Program shows a need for estimated additional funding. An estimated \$22 million is needed for The Yellow River Trunk Sewer System Rehabilitation and larger projects such as the Yellow River WRF and the A. Scott Emmons WRF Expansion may require the Authority to issue additional debt. 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 34 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 & Projected Debt Service Payments					
Description	Fiscal Year Ending June 30,				
	FYE 2025 Budget	FYE 2026 Projected	FYE 2027 Projected	FYE 2028 Projected	FYE 2029 Projected
GEFA Loan 2012L22WQ					
Principal	\$709,653	\$722,677	\$735,940	\$749,447	\$763,201
Interest	195,409	182,385	169,122	155,615	141,861
Total	\$905,062	\$905,062	\$905,062	\$905,062	\$905,062
GEFA Loan CW2019003					
Principal	\$639,600	\$652,054	\$664,751	\$677,695	\$690,891
Interest	458,786	446,332	433,636	420,692	407,496
Total	\$1,098,387	\$1,098,387	\$1,098,387	\$1,098,387	\$1,098,387
GEFA Loan GF2021013 – Estimated [1]					
Principal	\$---	\$293,462	\$1,178,479	\$1,185,925	\$1,193,418
Interest	120,550	151,543	152,252	144,806	137,313
Total	\$120,550	\$445,005	\$1,330,731	\$1,330,731	\$1,330,731
JDA Promissory Note					
Principal	\$380,838	---	---	---	---
Interest	3,808	---	---	---	---
Total	\$384,646	---	---	---	---
Proposed GEFA Loan 2028 – Estimated [2]					
Principal	\$---	\$---	\$---	\$---	\$---
Interest	---	---	---	12,503	100,026
Total	\$---	\$---	\$---	\$12,503	\$100,026
Total Existing & Projected Debt Service Outstanding	\$2,508,645	\$2,448,453	\$3,334,179	\$3,346,683	\$3,434,206
[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.					
[2] Amounts shown are estimated. The debt incurred in the form of a construction line of credit (loan) in the amount of \$10.8M. Accrued interest is to be paid monthly until the Amortization Commencement date which is anticipated to be in March of 2030 when the first principal payment becomes due.					

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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 2025, 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.

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Projected Debt Service Coverage Ratio					
Description	FYE 2025 Budget	FYE 2026 Projected	FYE 2027 Projected	FYE 2028 Projected	FYE 2029 Projected
Total Gross Revenues (including connection fees)	\$24,805,311	\$27,025,970	\$28,464,585	\$31,722,892	\$31,708,497
Less: Total Operating & Maintenance Expenses	19,747,602	19,915,081	20,611,052	21,360,216	22,046,735
Net Revenue	<u>\$5,057,729</u>	<u>\$7,110,889</u>	<u>\$7,852,533</u>	<u>\$10,362,676</u>	<u>\$9,661,762</u>
Total Debt Service (Cash Basis)	\$2,508,645	\$2,448,453	\$3,334,179	\$3,346,683	\$3,434,206
All-In Coverage Test					
Calculated Ratio	2.02	2.90	2.36	3.10	2.81
Target Ratio	1.50	1.50	1.50	1.50	1.50
Target Meet?	Yes	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 2023.

Legal Debt Margin – Newton County, Georgia	
(Amount Expressed in Thousands)	Fiscal Year Ended June 30, 2023
Assessed Value	\$4,222,075
Debt limit (10% of assessed value)	422,208
Debt applicable to limit:	
General obligation (GO) bonds	31,129
Less: Amount set aside for repayment of GO debt	--
Total net debt applicable to limit	31,129
Legal debt margin	\$391,078

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GEORGIA ENVIRONMENTAL FINANCE AUTHORITY (GEFA) AMORTIZATION SCHEDULES

GEFA - 2012L22WQ

Note Amount: \$15,163,127

Interest Rate: 1.82%

First Principal Date: May 1, 2018

Maturity Date: April 1, 2038

Purpose: This note constitutes a Promissory Note and was issued for the construction of various water and sewer system projects.

2012L22WD – Amortization Schedule			
Fiscal Year	Principal	Interest	Total Payment
2018	\$104,928	\$45,915	\$150,844
2019	636,293	268,769	905,062
2020	647,971	257,091	905,062
2021	659,863	245,199	905,062
2022	671,973	233,089	905,062
2023	684,305	220,757	905,062
2024	696,864	208,198	905,062
2025	709,653	195,409	905,062
2026	722,677	182,385	905,062
2027	735,940	169,122	905,062
2028	749,447	155,615	905,062
2029	763,201	141,861	905,062
2030	777,208	127,854	905,062
2031	791,471	113,591	905,062
2032	805,997	99,065	905,062
2033	820,789	84,273	905,062
2034	835,853	69,209	905,062
2035	851,193	53,869	905,062
2036	866,814	38,248	905,062
2037	882,723	22,339	905,062
2038	747,963	6,253	754,217
	<u>\$15,163,127</u>	<u>\$2,938,111</u>	<u>\$18,101,238</u>

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GEFA – CW2019003

Note Amount: \$22,964,077.60

Interest Rate: 1.93%

First Principal Date: September 1, 2022

Maturity Date: August 1, 2052

Purpose: This note constitutes a Promissory Note and was issued for the construction of the A. Scott Emmons Water Reclamation Facility.

2019003– Amortization Schedule			
Fiscal Year	Principal	Interest	Total Payment
2020	-	16,191	16,191
2021	-	96,084	96,084
2022	-	375,120	375,120
2023	309,184	462,866	772,050
2024	627,384	471,002	1,098,387
2025	639,600	458,786	1,098,387
2026	652,054	446,332	1,098,387
2027	664,751	433,636	1,098,387
2028	677,695	420,692	1,098,387
2029	690,891	407,496	1,098,387
2030	704,343	394,043	1,098,387
2031	718,058	380,328	1,098,387
2032	732,040	366,347	1,098,387
2033	746,294	352,093	1,098,387
2034	760,826	337,561	1,098,387
2035	775,640	322,746	1,098,387
2036	790,743	307,644	1,098,387
2037	806,140	292,246	1,098,387
2038	821,837	276,550	1,098,387
2039	837,839	260,547	1,098,387
2040	854,154	244,233	1,098,387
2041	870,785	227,601	1,098,387
2042	887,741	210,646	1,098,387
2043	905,027	193,360	1,098,387
2044	922,649	175,737	1,098,387
2045	940,615	157,772	1,098,387
2046	958,930	139,457	1,098,387
2047	977,602	120,785	1,098,387
2048	996,637	101,749	1,098,387
2049	1,016,044	82,343	1,098,387
2050	1,035,828	62,559	1,098,387
2051	1,055,997	42,390	1,098,387
2052	1,076,559	21,828	1,098,387
2053	546,113	3,078	549,191
	<u>\$25,000,000</u>	<u>\$8,661,844</u>	<u>\$33,661,844</u>



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	27
Tim McCart	Director of Operations	14
Laurie Ashmore	Chief Engineer	1
Emily Mills	Board Secretary/Treasurer & Finance Officer	26
Tracey Clark	Human Resources Director	30
Krista Waits	Business Operations Manager	22
Matthew Green	Water Reclamation Manager	1
JD Reid	Water System Maintenance Manager	11
Carl Rider	Fleet/Inventory Manager	14

OPERATING DEPARTMENT PERSONNEL

The Newton County Water & Sewerage Authority consists of eight (8) operating departments, each responsible for specific duties within NCWSA. The increase in positions from FYE 2022 through FYE 2024 results from the historically lean workforce and the most extensive capital expansion program in the Authority's history. FYE 2025 will continue workforce expansion, with the hiring emphasis on professional positions. The chart below illustrates the addition of personnel to Water Reclamation, Human Resources, and Information Technology to meet growing service levels and demands while providing workload relief. Detailed staffing information for each department is provided in the following descriptions.

Department	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2025
Administration	3	5	7	7	8
Engineering	6	7	7	7	7
Water Reclamation	15	16	17	17	19
Water System Maintenance	14	14	14	16	16
Business Operations	17	19	20	20	20
Fleet/Inventory	3	3	3	3	2
Information Technology	2	2	2	2	3
Human Resources	1	2	2	2	3
Total	61	68	72	74	78

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OPERATING DEPARTMENTS MISSION, ACCOMPLISHMENTS, GOALS AND OBJECTIVES, AND KEY PERFORMANCE MEASURES

ADMINISTRATION DEPARTMENT

MISSION STATEMENT

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

SUMMARY OF SERVICES

The Executive Director serves as the liaison between the Board of Directors and is responsible for managing the day-to-day operations of the Authority. They provide leadership and drive strategic planning to accomplish the goals and vision established by the Board of Directors. The Executive Director leverages the talent and skills of the entire staff to fulfill the organizational objectives.

Under the guidance of the Executive Director, the Finance Team is dedicated to promoting sound fiscal practices that guarantee the long-term financial stability of the Authority. The team manages a wide range of financial services, including 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 and update, State of Georgia report preparation, Capital Improvement Program reporting, and facilitation of the annual financial audit. Importantly, the Finance Team ensures that financial accounting and reporting adhere to all relevant regulations, including Generally Accepted Accounting Principles (GAAP) and the Governmental Accounting Standards Board (GASB).

Our department goes above and beyond in providing additional services, such as administrative support to the Board of Directors and the appointed legal counsel. We take pride in preparing and distributing Board and Committee meeting packages in a timely manner, maintaining all official documents, and ensuring that all noticing requirements are developed and filed promptly in accordance with the State of Georgia's Open Meetings laws.

POSITION SUMMARY

The Administration Department has a budget for eight (8) full-time staff members in FYE 2025. The four newest positions will start in the Administration Department until they are filled. Afterward, they will transition into new departments or sub-departments and be integrated into existing operations departments. Once this transition is complete, the Administration Department will return to having five full-time positions (Executive Director, Director of Operations – Maintenance, Director of Operations – Business, Finance Officer, and Accounts Payable Technician). The current summary of positions is listed below.

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Position	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2025
Executive Director	1	1	1	1	1
Director of Operations – Maintenance	-	-	1	1	1
Director of Operations – Business	-	-	-	-	1
Water Conservation Manager	-	-	1	1	1
Safety/Compliance Manager	-	1	1	1	1
Community Affairs Manager	-	1	1	1	1
Finance Subgroup					
Finance Officer *	1	1	1	1	1
Accounts Payable Technician	1	1	1	1	1
Total	3	5	7	7	8

*The Finance Officer position currently serves a dual role as Secretary/Treasurer elected by the Board of Directors.

FYE 2024 ACCOMPLISHMENTS

Throughout the past year, the finance leadership team has consistently provided long-term professional services. The team was responsible for preparing and finalizing Board and Committee meeting minutes, as well as Board, Administration, Finance, and Audit meeting packages while ensuring full compliance with the Open Meetings laws of the State of Georgia. Additionally, they managed a system-wide financial software package and conducted the annual financial audit with exceptional results. The organization has achieved fifteen years of clean audits by utilizing a streamlined process and thoroughness, with a board-approved audit completed within the first quarter of the new fiscal year. The team rigorously analyzed the financial model using current-year numbers and led the transition to digital storage of all internal and external documents. Furthermore, they spearheaded the development of a senior management succession plan and proudly secured the GFOA Distinguished Budget Award for the seventh consecutive year. StratOps 1.0 and StratOps 2.0 advanced long-term management plans that focused on organizational-wide operational strategies were completed and the entire senior management team is in the process of implementing both levels.



DEPARTMENTAL GOALS AND OBJECTIVES		
STRATEGIC GOAL	GOALS AND OBJECTIVES	TIMEFRAME
Financial Stability	Continue to provide administrative support to the Executive Director, Department Directors, and the Board of Directors	Ongoing
Financial Stability / Enhanced and Effective Maintenance	Ensure technical support and compliance solutions that protect the Authority from legal, financial, and safety exposures	Ongoing
Innovative Customer Service	Afford administrative support to the Authority's customers' concerns	Ongoing
Financial Stability / Maintaining a Fiscally Responsible Level of Debt	Work with our trusted financial consultants to maintain, update, and utilize the comprehensive financial model that has been part of our core finance strategies since 2008	April 2025
Workforce Protection and Development	Incorporate and support the four new positions within the Administrative Department, begin developing initial standard operating procedures for each position and how they will transition from Administration after their onboarding stage is complete. (The two Director of Operations positions will remain in the Administration Department as their onboarding process is complete)	June 2026

KEY PERFORMANCE MEASURES

DEPARTMENT GOAL	MEASURE DESCRIPTION	FYE 2023 ACTUAL	FYE 2024 ACTUAL	FYE 2025 GOAL
Continue to provide administrative support to the Executive Director, Department Directors, and the Board of Directors	Timely preparation of Monthly Board Meeting documents	Yes	Yes	Yes
	Obtain unmodified opinion from the external auditors for the fiscal year	Yes	Yes	Yes
	Obtain Government Finance Officers Association (GFOA) Distinguished Budget Award	Yes	Yes	Yes
Work with our trusted financial consultants to maintain, update, and utilize the comprehensive financial model	Maintain Financial Model with rate sufficiency review	Yes Rate Increase: Water 2% Sewer 5%	Yes Rate Increase: Water 2% Sewer 6%	Yes Rate Increase: Water 2% Sewer 6%

ENGINEERING DEPARTMENT

MISSION STATEMENT

Deliver planning for future needs, capital projects, support to administration and operating departments and review of proposed new developments based on sound engineering analysis and principles to ensure that NCWSA has sound infrastructure supporting the current and future needs of NCWSA.

SUMMARY OF SERVICES



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

POSITION SUMMARY

The Engineering Department filled one vacant position during FYE 2024 but is challenged in hiring a mid-career engineer. This challenge is consistent with that faced by other water/wastewater systems in the local area. As a result, the next five-year staffing plan utilizes a group of contracted third-party technical consultants to augment the existing staff and complete critical engineering projects. GIS services are provided under contract with SAM.

Position	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2025
Chief Engineer	1	1	1	1	1
Assistant Engineer PE	1	1	1	1	1
Engineer EIT	1	1	1	1	1
Engineer Technician III	1	1	1	1	1
Inspector – Senior	1	1	1	1	1
Inspector	-	1	1	1	1
Administrative Assistant Engineering	1	1	1	1	1
Total	6	7	7	7	7

FYE 2024 ACCOMPLISHMENTS

State regulatory changes required the development and submission of an Asset Management Plan along with the water system operating permit renewal application in March 2024. The Engineering Department developed and gained concurrence with the Plan from the Georgia Environmental Protection Division. The Department also initiated the implementation of Asset Management Software across Department lines that will integrate with our customer information software and our GIS. Before the end of FYE 2024, Train the Trainer sessions were held to begin using the software in a training environment and prepare for implementation in September 2024.

The federal Revised Lead and Copper Rule requires water utilities to submit service line inventories by October 16, 2024. Initiated in FYE 2023, NCWSA's inventory was over 90% complete at the end of FYI 2024 and the database is being compiled for submission in early October 2024.

The NCWSA Board approved Guaranteed Maximum Price proposals totaling over \$60 million for five capital projects to advance into construction. These projects include water reuse treatment facility and related pumping and piping, and a 1.5-million-gallon elevated storage tank being constructed to strengthen water supply to the eastern part of the distribution system. These projects are scheduled for completion in FYE 2026 and FYE 2027.

NCWSA solicited qualifications from firms to support us engineering, planning, permitting and utility management. We received qualifications from thirteen firms. Based on a review of the qualifications, we shortlisted and interviewed the top-ranked firms. NCWSA awarded four Annual Consultant Services contracts to support NCWSA. These contracts will renew for four additional years unless written notice is provided.

The Newton County and Georgia Department of Transportation have been designing and constructing projects to improve traffic flow and increase capacity of the road network in our service area. Most of these projects require relocation of some or all of the water/sewer infrastructure. Within FYE 2024 NCWSA completed relocations for three intersections converted to round-a-bouts and one bridge replacement project. An interchange project and local two-lane road widening leading to the interchange are under construction.

Responding to a request for Water, the engineering team designed and inspected construction of a water line extension to serve four homes surrounded by neighborhoods that were having issues with their wells. This was the first in-house design by the re-staffed engineering department.

To improve communication between engineering and other departments, The Engineering Department initiated routine interdepartmental coordination with customer service and billing focused primarily on non-residential customer metering, and connection fees. We also documented a process for our maintenance teams to report any discrepancies between their observations in the field and our GIS map and for providing them with feedback.



DEPARTMENTAL GOALS AND OBJECTIVES		
STRATEGIC GOAL	GOALS AND OBJECTIVES	TIMEFRAME
Financial Stability/Investment in Infrastructure/Enhanced and Effective Maintenance	<p>The Engineering Department prioritizes and establishes schedules and methods to design and construct NCWSA capital improvement projects. Critical success factors include delivering projects within budget, on schedule that meets the quality objectives determined for the project.</p> <p>In FYE 2025 we will initiate construction of extensions of our water and wastewater infrastructure to serve additional development on the east side of the system. We will complete design and begin construction to further extend our East Newton Water Transmission Improvements to the east and connect to an elevated storage tank under construction, looping the system in that area and strengthening supply. These improvements will support both current and new development in the corridor. We will begin construction of an extension of our Little River Interceptor into the Stanton Grove area to serve additional development north of I-20.</p> <p>NCWSA will also focus on the needs of our existing wastewater infrastructure on the west side of the County. We will install a flow measurement station on the line that connects the City of Oxford's sewer collection system to NCWSA's system. This will allow us to monitor flow into our system and bill based on actual flows. The Turkey Creek Interceptor will be evaluated for its ability to transport projected flows and to improve the integrity of the existing infrastructure through implementation of the capital improvement program. We will also pilot flow measurement equipment on another municipal discharge into our collection system to implement measurement stations at other points where municipal flows enter the NCWSA system.</p>	Ongoing
Enhanced and Effective Maintenance	<ol style="list-style-type: none"> 1. Complete the Service Line Inventory required under the Revised Lead and Copper Rule 2. Implement fully integrated Asset Management software and continue to support and develop its utilization across the Authority 	October 2024
Enhanced and Effective Maintenance	Continue to work with Newton County Water Resources to gain access to SCADA data on the NCWSA distribution system	Ongoing
Enhanced and Effective Maintenance	Continue to work with consecutive system partners on improvements to fully implement the revised Service Delivery Strategy	February 2025

Financial Stability	Improve accuracy, water audit validity, and revenue accountability	Ongoing
Investment in Infrastructure	Complete the initial “road map” for capacity and capital improvement needs through 2075 and present it to local governments and the NCWSA Board	September 2024
Investment in Infrastructure	Continue advancing planning/design/construction of Capital Improvement Plan projects which include rehabilitation, extension, and expansion of infrastructure	Ongoing
Financial Stability/Investment in Infrastructure	Install a Wastewater Flow Measurement Station at connection with Oxford to improve revenue and inter-governmental accountability for I&I reduction.	March 2024
Workforce Protection and Development	Develop training list for each engineering position	December 2024
Workforce Protection and Development	1. Train staff using internal methods such as targeted project involvement, site visits, and other internal opportunities. Provide available external training appropriate for the development of each staff member and to earn and/or renew certifications and licenses. 2. Develop SOP's for undocumented tasks	Ongoing
Enhanced and Effective Maintenance	Implement digital documentation of inspections using Asset Management Work Orders	January 2025
Enhanced and Effective maintenance	Convert brittle paper drawings to digital files	May 2025

KEY PERFORMANCE MEASURES

DEPARTMENT GOAL	MEASURE DESCRIPTION	FYE 2023 ACTUAL	FYE 2024 ACTUAL	FYE 2025 GOAL
Continue advancing planning/design/construction of Capital Improvement Plan projects which include rehabilitation, extension, and expansion of infrastructure	CIP Plan Review/Update	Achieved	Achieved	Maintain
	Developer Plan Review	13	18	15
	Capital Projects – In House	0 Completed	1 Completed	1 Completed
	Yearly Project Inspections, including tap inspections	476	622	750
Fully Staffed Department	Fill Vacant Positions within the Department	3 Positions Filled	1 Position Filled	2 Position Filled

WATER RECLAMATION DEPARTMENT

MISSION STATEMENT

Our mission is to provide the Authority's customers with reliable and sustainable sewer services and water treatment in an environmentally responsible and fiscally sound manner while focusing on cost efficiency and value-oriented service.

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. The department consists of eight lift stations, and two water reclamation facilities. Our Yellow River facility is located in the county's heart within the City of Porterdale, and our A. Scott Emmons facility is located south of the Stanton Springs Industrial Park on the back side of Social Circle. 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.

POSITION SUMMARY

Current staffing will be split and rotated between the Yellow River and Emmons Water Reclamation Facility's to facilitate cross-training between a land application facility and a stream discharge facility, allowing some staffing redundancy. The Authority currently has four licensed operators, one part-time licensed operator, three operator trainees, two collection specialists, two maintenance techs, two lab analysts, and one industrial compliance coordinator on staff. In addition, the department continues to look for qualified candidates to work in Water Reclamation and to give high quality training to ensure stability for the future.



Position	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2025
Water Reclamation Manager	1	1	1	1	1
Water Reclamation Assistant Manager	1	1	1	1	1
Class I Operator	-	-	1	1	2
Class II Operator	1	1	1	1	-
Class III Operator	4	4	4	4	1
Water Reclamation Operator Trainee	-	-	-	-	4
Water Reclamation Collections Specialist	1	1	1	1	2
Water/Water Reclamation Pump Equipment Technician	1	1	1	1	1
Water Reclamation Maintenance Technician	2	2	2	2	2
Water Reclamation Lab Analyst	2	3	3	3	3
Environmental Compliance Coordinator	1	1	1	1	1
Environmental Sampling Technician	1	1	1	1	1
Total	15	16	17	17	19

FYE 2024 ACCOMPLISHMENTS

The Authority has had a wonderful year of accomplishments for FYE 2024. One of the most important ones is that there were zero permit violations at the facilities. The Yellow River Water Reclamation Facility received the Georgia Association of Water Professionals (GAWP) Platinum Award which is for having zero permit violations for five years in a row. The Yellow River Water Reclamation Facility also received the National Association of Clean Water Agencies (NACWA) Platinum Peak Performance Award for having zero permit violations for five years in a row. The Authority has been working diligently to acquire staff and retain them and were able to hire three new positions and one part-time position in FYE 2024. Training has also been a focus in FYE 2024, having three employees receive their Wastewater Operator Class III certifications from the state. Maintenance training has also been a major focus and there were two employees that received their GAWP Maintenance Technologist Class III and II certifications. The Authority is focused on building a sustainable future.

DEPARTMENTAL GOALS AND OBJECTIVES		
STRATEGIC GOAL	GOALS AND OBJECTIVES	TIMEFRAME
Enhanced and Effective Maintenance	<ul style="list-style-type: none"> Maintain regulatory compliance and complete GA EPD reports as required Increase collection system duties and evaluate the infrastructure with the Collection Maintenance Specialist position and track in Computerized Maintenance Management System (CMMS) Purchase related equipment for the collection operations and establish a Capacity, Management, Operation, and Maintenance (CMOM) to aid in preventative maintenance activities to ensure reliable sewer service Track equipment lifespan in CMMS 	Ongoing

Enhanced and Effective Maintenance/Financial Stability	Track efficiencies throughout the system to ensure delivery of cost-effective service	Ongoing
Innovative Customer Service	Continue to provide quality service and respond quickly to sewer customers	Ongoing
Workforce Protection and Development	<ul style="list-style-type: none"> Increase training and track certification and renewal criteria to ensure Licensed Operators, Maintenance Technicians, and Laboratory Analysts remain compliant and well informed on modern technology and practices Provide a stable and safe workplace for the Water Reclamation Department employees by having safety meetings every week 	Ongoing

KEY PERFORMANCE MEASURES

DEPARTMENT GOAL	MEASURE DESCRIPTION	FYE 2023 ACTUAL	FYE 2024 ACTUAL	FYE 2025 GOAL
Maintain regulatory compliance	Maintain TSS/BOD Levels	Achieved	Achieved	Maintain
Maintain regulatory compliance	Obtain GAWP Award	Gold	Platinum 5	Platinum 6
Maintain regulatory compliance	Obtain NACWA Award	Gold	Platinum	Platinum
Increase training and track certifications	Percentage of Licensed Operators	83%	85%	100%
Preventative maintenance activities to ensure reliable sewer service	Feet of Collection System Inspected	2025	60,500	110,000
Maintain regulatory compliance	Georgia Environmental Protection Division Violation	0	0	0
Provide a stable and safe workplace	Fill Vacant Positions	3	2	2

WATER SYSTEM MAINTENANCE DEPARTMENT

MISSION STATEMENT

The Water System Maintenance Department's mission 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.

POSITION SUMMARY

The Water Maintenance Department remains the same as 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.

Position	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2025
Water System Maintenance Manager	1	1	1	1	1
Water System Maintenance Assistant Manager	1	1	1	1	1
Water Maintenance Crew Foreman	1	1	1	1	1
Equipment Operator I	1	1	1	1	1
Crewman I	1	1	1	1	1
Crewman II	3	3	3	5	5
Water System Specialist II	1	1	1	1	1
Senior Meter Supervisor	1	1	1	1	1
Field Services Technician	3	3	3	3	3
Utility Locator	1	1	1	1	1
Total	14	14	14	16	16

FYE 2024 ACCOMPLISHMENTS

The Water System Maintenance Department spearheaded critical initiatives that significantly bolstered infrastructure integrity and operational efficiency. The department successfully led the replacement of deteriorating service and main lines, effectively mitigating water loss and enhancing system reliability. Additionally, the department ensured the prompt repair and replacement of damaged fire hydrants, crucial for maintaining firefighting capabilities across the service area. The department also undertook comprehensive metering system improvements, overseeing the installation of new meters and the repair of existing ones to enhance accuracy and efficiency in water measurement.

Proactive management extended to the operation of water tanks and booster pumping stations which are vital for maintaining consistent water pressure throughout the network. The department implemented and executed a valve maintenance program, conducting regular exercises and maintenance checks on main line valves to ensure operational readiness. Using GIS technology, the department integrated advanced equipment to streamline valve and hydrant management, significantly improving monitoring capabilities and response times to operational challenges.

The department played a pivotal role in optimizing customer service through the maintenance and enhancement of the Electronic Radio Transmitter (ERT) system, enabling real-time monitoring and swift resolution of customer usage inquiries and concerns. The facilitation and seamless deployment of handheld meter reading instruments and secondary computer tablets in the field enhanced data collection efficiency and operational workflows.

In addition, the Water Maintenance Department contributed to comprehensive water audits aimed at reducing residential water loss and participated in initiatives to calibrate large revenue meters, thereby safeguarding revenue integrity. Employee development was prioritized by providing training on coordinating licensing renewal classes, ensuring a knowledgeable and compliant workforce. Furthermore, their management of the meter maintenance program and coordination of informative customer relations videos showed their commitment to community engagement and public awareness.

DEPARTMENTAL GOALS AND OBJECTIVES		
STRATEGIC GOAL	GOALS AND OBJECTIVES	TIMEFRAME
Workforce Protection and Development	Sharpening crew skills through intensified training and comprehensive safety protocol this enhances workforce versatility but also promotes efficiency and contributes to streamlined operations and enhanced response capabilities in diverse operational scenarios.	June 2025
Workforce Protection and Development	Enhances documentation leads to accuracy and operational efficiency, the department has implemented measures to produce more reliable field notes and observations. This detailed approach ensures thorough documentation of field activities, facilitating informed decision-making and improved communication across teams.	June 2025
Enhanced and Effective Maintenance	Planning initiatives ensure that personnel are well-prepared to respond promptly and effectively to unforeseen events, safeguarding community welfare and infrastructure integrity. Through strategic initiatives and continuous improvement efforts, the department continues to uphold high standards of service delivery while ensuring sustainable management of water resources and infrastructure resilience.	June 2025

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KEY PERFORMANCE MEASURES

DEPARTMENT GOAL	MEASURE DESCRIPTION	FYE 2023 ACTUAL	FYE 2024 ACTUAL	FYE 2025 GOAL
Planning initiatives ensure that personnel are well-prepared to respond promptly and effectively to unforeseen events, safeguarding community welfare and infrastructure integrity. Through strategic initiatives and continuous improvement efforts, the department continues to uphold high standards of service delivery while ensuring sustainable management of water resources and infrastructure resilience.	Number of New Meters Installed in System Annually	254	400	400
	Meters Replaced Annually (Aged/Defective)	565	1,000	3,000
	Number of Main line Breaks Annually	9	7	7
	Miles of Pipe Maintained by Department	58	45	45
	Number of Valves Exercised Annually	0	100	100
	Fill Vacant Positions	4	4	1

BUSINESS OPERATIONS DEPARTMENT

MISSION STATEMENT

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

SUMMARY OF SERVICES

Customer Service is responsible for 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.



POSITION SUMMARY

The Business Operation Department has twenty (20) team members in billing and customer.

Position	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2025
Business Operations Manager	1	1	1	1	1
Customer Service Supervisor	1	1	1	1	1
Customer Service Specialist I	2	3	3	3	3
Customer Service Specialist II	4	4	4	4	3
Customer Service Specialist III	3	3	3	2	3
Customer Call Center Specialist	1	2	2	2	2
Receptionist	1	1	1	1	1
Billing Services Specialist	1	1	1	1	1
Accounts/Collections Specialist	1	1	1	1	1
Billing Specialist	1	1	1	1	1
Billing Clerk	1	1	1	2	2
Internal Meter Tech	-	-	1	1	1
Total	17	19	20	20	20

FYE 2024 ACCOMPLISHMENTS

In the past year, our team has successfully processed over 2,200 service orders per month, demonstrating our commitment to efficiency and customer satisfaction. Additionally, we have processed an average of 26,800 bills per month and over 17,120 online payments, displaying our dedication to providing convenient payment options for our customers. We have also assisted over 2,166 customers with extension or payment plans, further highlighting our focus on customer service. Our efforts to improve service interruption for non-payment have been successful, thanks to the implementation of Tyler notify, which has also enhanced security measures for our employees. Furthermore, we have implemented a Lock Task Force Team to evaluate our lock process and continued to train employees in customer service and billing. Our dedication to excellence is evident in the positive feedback we have received regarding our late fee and disconnection policy, as well as the well-received Tyler notification system. We have also revised and implemented new standards for our Leak Adjustment Policy and completed a Utility Billing System upgrade to version 19. Additionally, one of our employees completed a Newton County Leadership Program, further demonstrating our commitment to professional development.

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DEPARTMENTAL GOALS AND OBJECTIVES		
STRATEGIC GOAL	GOALS AND OBJECTIVES	TIMEFRAME
Innovative Customer Service	<p>The Business Operations Department is the first point of contact for over 26,860 customers. NCWSA strives to achieve a high degree of customer satisfaction through the following key actions:</p> <p>As customer service and billing representatives, it is essential to engage customers in effective communication to ensure their needs are met. By understanding their needs, problem solving, and providing solutions, we can create a positive experience for our customers. Implementation and follow-up are key steps in ensuring that the solutions provided are effective and that the customer is satisfied with the outcome. By following these steps, we can build strong relationships with our customers and ensure their continued satisfaction with our services.</p> <p>We must prioritize the timely billing of customer accounts and increase user participation with Tyler Payments and electronic payment features. It is essential to ensure a minimum level of customer engagement in the available electronic options to optimize processes.</p>	Ongoing
Innovative Customer Service	<p>Enhance the efficiency and effectiveness of our Billing and Customer Service Departments by providing job-specific training for our staff which includes completing Word and Excel training classes to ensure proficiency in essential software programs.</p> <p>Ensure the timely completion of delinquent notices and shutoffs while implementing a new water/sewer rate structure as recommended by the Finance Department.</p>	June 2025
Workforce Protection and Development	Update the Standard Operating Procedures books for Business Operations because this is essential for consistency and accuracy.	June 2025
Financial Stability	Evaluate bill print companies to make sure our current company is comparable to others.	April 2025
Innovative Customer Service	Complete the City of Covington Area Swap to meet the needs of our customers and improve overall operations.	December 2024

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KEY PERFORMANCE MEASURES

DEPARTMENT GOAL	MEASURE DESCRIPTION	FYE 2023 ACTUAL	FYE 2024 ACTUAL	FYE 2025 GOAL
Engage customers in effective communication to ensure their needs are met to create a positive experience for our customers.	Number of Customer Calls (Annually)	250,000	134,000	85,000
Increase user participation with Tyler Payments and electronic payment features. It is essential to ensure a minimum level of customer engagement in the available electronic options to optimize processes.	Number of Online Transactions (Monthly)	18,435	20,000	20,000
Ensure the timely completion of delinquent notices and shutoffs.	Number of Extensions and Payment Arrangements (Monthly Average)	107	180	100

FLEET/INVENTORY/CROSS CONNECTION DEPARTMENT

MISSION STATEMENT

The Fleet/Inventory/Cross Connection Department ensures the seamless flow of resources and the safety of our operational infrastructure. Through a range of indispensable services, we fortify the very backbone of our operations.

SUMMARY OF SERVICES

Fleet/Inventory: First among our responsibilities is the Purchasing service, we orchestrate the acquisition of materials and supplies, delivering professional, responsive, and indispensable support to both our internal teams and external partners. This work ensures that our organization remains equipped with the tools needed to thrive in a demanding environment.

Warehouse, a team meticulously tends to the ebb and flow of our inventory, maintaining a safe and responsive warehouse environment. Through our vigilant efforts, supplies stand at the ready, ensuring that Authority personnel never face a moment's delay in accessing the resources crucial to our tasks.

Meanwhile, the Fleet service emerges as the custodian of our vehicular and mechanical assets, ensuring they remain steadfast in their duty. With skilled hands and keen eyes, we oversee the maintenance of our vehicles and machines, guaranteeing their proper and safe operation. This work not only safeguards the integrity of our fleet but also ensures the reliability and efficiency of our transportation and operational endeavors.

Facilities Maintenance serves as the unseen guardian of our infrastructure's beating heart. Through our diligent efforts, critical systems such as fire systems, elevators, alarms, and HVAC units receive the care they need to function flawlessly. This maintenance work ensures the satisfactory operation of these systems, providing the foundation upon which our organization stands tall.

Together, these services form the cornerstone of the Fleet/Inventory Department, a testament to their unwavering commitment to excellence. With our dedication and expertise, they fortify our organization, ensuring that it stands as a beacon of efficiency, safety, and reliability. At the Authority, we are committed to excellence in inventory and fleet management. We ensure the renewal of educational credits in inventory management systems to stay current with industry standards. Our team consistently reviews and streamlines purchasing practices and procedures to enhance efficiency.

We meticulously maintain, purchase, and receive inventory items for scheduled projects and jobs, keeping appropriate inventory levels to meet planned emergencies. By maintaining a network of local agency purchasing agents, we ensure swift procurement of RFPO materials and services, writing and processing RFPOs within 48 hours of receipt.

Our diligent follow-up on late deliveries and the continuous disposal of surplus equipment optimizes our inventory management. We regularly review minimum and maximum stock levels in the warehouse and manage reordering points to maintain balance.

Fleet and equipment maintenance is a priority, with ongoing management and evaluation of preventative maintenance plans. We conduct and review fleet maintenance work orders, evaluate stock levels, and remove surplus and obsolete stock, improving communication with maintenance to ensure product availability.

Inventory deliverables are processed promptly, with inventory items received for accounting within 24 hours. Monthly cycle counting is completed by the last Tuesday of each month to ensure accuracy. We ensure the timely and continuous availability of inventoried materials, processing direct charge materials and delivering or staging them within 24 hours of dock delivery.

We strategize fleet and equipment repairs and services, maintaining quality fuel levels for all locations. The Verizon Connect GPS Fleet is continuously updated and utilized, and we have incorporated Wex fueling into the system. Our team completes OSHA Certification courses to maintain safety standards and compliance.

Through these comprehensive efforts, The Authority ensures efficient, responsive, and effective inventory and fleet management.

Cross Connection: At the Authority, we sustained our backflow prevention program, ensuring robust protection against water contamination. We maintained the Munis Program to enhance communication with customer service representatives, managed compliance for all existing non-residential customers, and educated both new and existing customers on backflow regulations and guidelines.

Our team coordinated daily with independent backflow testers and actively participated in pre-construction meetings to assess hazards associated with newly purchased meters. We meticulously inspected all new construction backflow prevention devices to ensure proper installation and worked closely with the Engineering Department to provide accurate and detailed site plan drawings for new constructions.

Additionally, we ensured that all our testers obtained the state-required continuing education units to maintain their backflow testing licenses, keeping their credentials current and up to date. This comprehensive approach guarantees the integrity and safety of our water supply.

POSITION SUMMARY

The Fleet/Inventory/Cross Connection Department has two staff members.

Position	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2025
Inventory/Fleet Coordinator	1	1	1	1	1
Cross Connection Coordinator	1	1	1	1	1
Landscaper	1	1	1	1	-
Total	3	3	3	3	2

FYE 2024 ACCOMPLISHMENTS

Over the past fiscal year, Fleet and Facilities have successfully sustained and upgraded both our fleet and facilities.

We have successfully maintained the vehicles and equipment to ensure safe and reliable operations.

Facilities have also performed essential maintenance on the fire system, elevator, alarm, HVAC units, and other critical systems to ensure satisfactory operation.

We have successfully operated under the Federal Safe Drinking Water Act of 1974 and the State of Georgia Rules for Safe Drinking Water statutes.

Successfully obtained state required number of continuing education units to maintain state licenses.

Successfully maintained a Cross-Connection Control Program (Backflow Prevention Program) to protect the public potable drinking water supply with no violations.

DEPARTMENTAL GOALS AND OBJECTIVES		
STRATEGIC GOAL	GOALS AND OBJECTIVES	TIMEFRAME
Enhanced and Effective Maintenance /Financial Stability	<ul style="list-style-type: none"> Prevent fleet disruptions with preventative maintenance program Build a relationship with maintenance contractors for quick turnarounds Accident management with a purpose keeping safety and downtime adequate Continue providing a testing program on all back-flow devices Continue to maintain appropriate inventory levels and non-inventory support to meet planned emergencies Evaluate stock levels in the warehouse and remove stock for surplus 	Ongoing
Enhanced and Effective Maintenance	<ul style="list-style-type: none"> Receive all direct charges materials, process paperwork, and deliver or stage within 24 hours after delivery to dock Continue using Aqua Resource to mail out backflow letters to improve efficiency and make room for growth Have all current backflow testers who test for NCWSA educated on NCWSA backflow policies Attending pre-construction meetings to ensure the proper degree of hazard assessments on newly purchased meters 	Ongoing

KEY PERFORMANCE MEASURES

DEPARTMENT GOAL	MEASURE DESCRIPTION	FYE 2023 ACTUAL	FYE 2024 ACTUAL	FYE 2025 GOAL
Efficient, safe, and reliable vehicles by managing maintenance and repair cost. Keeping fuel cost manageable along with keeping our vehicles inspected and compliant.	Vehicles Maintained in Fleet	46	46	48
Control Spending and Audit: Provide a document trail of the purchase request, approvals, and denials. Also monitor budgets to ensure that employee purchases stay within budget.	Goods and Services Requisition to Purchase Order Process within Five Days of Receipt	98%	98%	98%
Consistently monitoring progress addressing issues promptly and making necessary adjustments to keep everything on track.	Number of Commercial & Industrial Backflow Devices (% within System)	100%	100%	100%
Keep clear and consistent communication with back-flow testers to ensure timely testing, accurate reporting, and immediate resolution of any issues, supporting the overall safety and integrity of our water systems.	Number of Backflow Tests Received from Third-Party Testers (% Required Annually)	100%	100%	100%
Safeguarding public health and ensuring compliance with safety standards.	Number of Cross-Connection Violations within the Water System	0	0	0

IT DEPARTMENT

MISSION STATEMENT

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

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SUMMARY OF SERVICES

The Information Systems ("IT") department at NCWSA is at the heart of all our technological operations. We are responsible for everything from computer systems and communication networks to metering systems, GPS, safety, and security systems. One of our primary roles is to keep our local area network (LAN) running smoothly, which is crucial for integrating technology into our daily business activities efficiently.

Our team plans, organizes, and manages all the computer and peripheral systems within the Authority. We work behind the scenes making sure all the data and telecommunication systems run smoothly without downtime. We also conduct thorough systems analysis for all departments, offering recommendations for innovative technology implementations that fit seamlessly into our existing infrastructure.

We oversee a variety of tasks to keep things running smoothly. This includes performing regular operations on a daily, weekly, and monthly basis, as well as providing network and database administration. We are responsible for installing and maintaining servers, printers, workstations, and all peripherals, and we make sure backups are scheduled, performed, and completed without fail.

Analyzing logs and alarms, managing reports, and compressing logs are part of our routine to ensure everything is in order. We provide support for Munis, taking care of security, updates, and general assistance, and we maintain our Office 365 system, which includes email and cloud services. Our team also oversees SAN and network storage, ensuring everything is stored safely and efficiently.

We keep the website content up-to-date and manage all RingCentral communications, including VOIP, cellular, and wireless systems. Support for tablet computers and administration of Active Directory and Azure are also under our purview. Moreover, we provide and support comprehensive security and camera systems to keep everything secure.

In short, our job in the IT department is to ensure that all our technology runs smoothly and securely, supporting the day-to-day operations of NCWSA. We are dedicated to maintaining a reliable, efficient, and secure technological environment for everyone at the Authority.

POSITION SUMMARY

The Information Technology Department was created in 2006 and currently has one staff member. A new staff member was added FYE 2025 due to succession planning, for a total of three budgeted positions.

Position	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2025
IT Director	1	1	1	1	1
IT Manager	-	-	-	-	1
IT Specialist	1	1	1	1	1
Total	2	2	2	2	3

FYE 2024 ACCOMPLISHMENTS

Over the past fiscal year, we have been busy making significant improvements and upgrades in our IT department at NCWSA. Here is a look at what we have achieved:

Upgraded Workstations: We have replaced our ageing five-year-old workstations with new, innovative equipment.

ERP System Update: Our ERP system got a major update to version 2021. This updated version brings improved features and better data management.

New Payment Processing System: We rolled out a new payment processing system that has streamlined transactions and enhanced security. It is faster, safer, and more user-friendly for both our team and our customers.

Firewall Upgrades: We have upgraded our firewalls to the latest seventh generation firewall, adding high availability and redundancy systems. This means better protection and a more reliable network for everyone.

Network Protection: Our LAN is now better protected than ever against spam, viruses, malware, spyware, intrusions, bots, and peer-to-peer software. We are committed to keeping our network safe and secure.

Virtual Server Infrastructure: We have kept our redundant virtual server infrastructure in top shape, ensuring our systems are resilient and can handle any failures without missing a beat.

Cybersecurity Training: We have continued our quarterly cybersecurity training for all staff, helping everyone stay sharp and aware of potential threats. It is an essential part of keeping our defenses strong.

Biometric Hand Scanners: Our time and attendance biometric hand scanners have been reliably maintained, ensuring accurate time tracking for all employees.

Office 365 Maintenance: We have kept our Office 365 system running smoothly, making sure our email, calendaring, and collaboration tools are always available and secure.

New Backup System: We have implemented a new backup system that securely handles and stores all our backups. This ensures we can recover quickly from any data loss incidents.

These accomplishments show our dedication to maintaining a secure, efficient, and reliable technology environment at NCWSA. Our team has worked hard to support the Authority's operations and drive technological innovation, and we are proud of the progress we have made this year.



DEPARTMENTAL GOALS AND OBJECTIVES		
STRATEGIC GOAL	GOALS AND OBJECTIVES	TIMEFRAME
Enhanced and Effective Maintenance	<p>The most important success factor is keeping all our computer systems up and running smoothly by doing the following:</p> <ul style="list-style-type: none"> • Safekeeping of Critical and Confidential Information: It is vital that we protect all critical and confidential customer information. This is at the heart of everything we do. • Efficient and Reliable Support: Providing efficient and reliable support for our computer hardware and software is essential. Our goal is to keep everything running without a hitch. • Network Stability and Security: Keeping our network stable and secure is another top priority. We need to ensure that our systems are always available and protected from threats. • Computer Replacement Program: We are committed to maintaining a twenty percent (20%) computer replacement program. This ensures our technology stays up-to-date and dependable. • User Issue Resolution: Providing timely resolution to user issues remains a top priority. We will continue to ensure that any tech problems are resolved quickly and efficiently. • Reliable Network Performance: Maintaining a reliable network is crucial. We will keep working hard to ensure our network performance stays top-notch. • Cybersecurity Training: Cybersecurity remains a critical focus. We will continue our regular training sessions to keep everyone aware of the latest threats and best practices. 	Ongoing
Innovative Customer Service	<ul style="list-style-type: none"> • Expert Knowledge of Customer Information Systems: Having expert knowledge of our Customer Information Systems is crucial. This helps us to better serve our customers and meet their needs effectively. • Field Devices Evaluation and Deployment: We will be evaluating and deploying additional field devices to improve our on-the-go capabilities. This will help us serve our customers better and more efficiently. 	Ongoing
Enhanced and Effective Maintenance	<ul style="list-style-type: none"> • Time and Attendance Software Upgrade: We are gearing up to upgrade our time and attendance software. This will make tracking work hours smoother and more efficient for everyone. 	June 2025

	<ul style="list-style-type: none"> Hands-Free Mobile Devices: To enhance safety and convenience, we will be deploying hands-free mobile phone devices. This will help our team stay connected while keeping their hands free for other tasks. Firewall Internal Setup Assessment: We plan to complete an internal assessment of our firewall setup. This will help us ensure that our defenses are as strong as they can be. External Pentest and Security Audit: We will conduct an external penetration test and audit of our security posture. This will help us identify any vulnerabilities and make sure we are protected against potential threats. 	
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KEY PERFORMANCE MEASURES

DEPARTMENT GOAL	MEASURE DESCRIPTION	FYE 2023 ACTUAL	FYE 2024 ACTUAL	FYE 2025 GOAL
Efficient and Reliable Support: Providing efficient and reliable support for our computer hardware and software is essential. Our goal is to keep everything running without a hitch.	Network Systems Uptime During Normal Business Hours	>99%	>99%	>99%
	Telephone System Uptime During Normal Business Hours	>99%	>99%	>99%
	Third-Party Payment Systems Uptime 24/7, 365 Days Per Year	>99%	>99%	>99%
User Issue Resolution: Providing timely resolution to user issues remains a top priority. We will continue to ensure that any tech problems are resolved quickly and efficiently.	Response Time of Call to Help Desk – Response Within One (1) Business Day	>99%	>99%	>99%
Cybersecurity Training: Cybersecurity remains a critical focus. We will continue our regular training sessions to keep everyone aware of the latest threats and best practices.	Cybersecurity Training (Minimum of 2 Hours Annually)	All Employees	All Employees	All Employees

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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.

POSITION SUMMARY

The Human Resources ("HR") Department was created in 2004, with a staff of one (1). One new position was added in FYE 2025. This additional position was added due to succession planning.

Position	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2025
Human Resources Director	1	1	1	1	1
Human Resources Generalist	-	-	1	1	1
Human Resources Manager	-	-	-	-	1
Total	1	1	2	2	3

FYE 2024 ACCOMPLISHMENTS

Human Resources (H/R) continue to serve the community and employees by conducting blood drives every eight weeks. The H/R department spearheads the Community Volunteer Committee by scheduling all employee volunteers to serve at Newton County community events such as: Fuzz Run, Change the World, Family Fun Day, Oxford July 4th parade, Special Olympics, Chairman's Senior Walk, Resilient Women's Mental Health Walk, Cheerio Challenge, Twilights & Fairies at Chimney Park and Field Day at East Newton Elementary. We also attended several career fairs in the community with other departments to show what a great place it is to work at the Authority.

For the employees we lead the Employee Benevolent Committee and encourage participation so we can assist our employees as needed and the community by donating to a local family at Christmas, Newton County Miracle League, Alcovy CASA, Willing Helpers Clinic, Mental Health Awareness and Toys for Tots. We schedule all training that affects employees like Employee's Assistance Program classes, retirement, insurance, and Social Security/Medicare for those over 55. As well as team-building efforts within work groups, weekly orientation/onboarding for new employees, and serving on the Employee Event committee for monthly appreciation events. Schedules yearly flu shots and cardiovascular screenings for all employees.

H/R Director serves on the Board of Georgia Local Government Personnel Association (GLGPA), Board of Covington Rotary Club, Diversity Committee for GAWP, and Ambassador Committee of Newton Co Chamber. The H/R department attends two conferences yearly with GLGPA for continued education.

Manages payroll internally and files appropriate state and federal reports promptly. Continued as a certified Drug-Free employer with monthly training for employees and supervisors.

DEPARTMENTAL GOALS AND OBJECTIVES		
STRATEGIC GOAL	GOALS AND OBJECTIVES	TIMEFRAME
Workforce Protection and Development	Coordinated with all managers/supervisors to start succession planning with career paths completed for all employees. In addition, nine grid boxes were completed for each department showing employees strengths/weaknesses. Major focus on succession planning with all departments having and continuing update of Standard Operating Procedures (SOP). Additional focus on maintaining current employees while attracting new talent, only five openings except for new positions created for next fiscal year. Continue to work on updating job descriptions with supervisors and managers.	Ongoing
Financial Stability / Workforce Protection and Development	Review healthcare and retirement programs annually. Host open enrollment meetings for all insurances. Maintain a safe working environment. Monitor employee's health and wellness of all NCWSA personnel with an awareness of mental health of all employees. Continue to monitor COVID-19 Pandemic trends in the community as well as our employees.	Ongoing
Workforce Protection and Development	Continued monthly random drug testing in compliance with certified Drug-Free workplace, in addition to monthly training provided by local Chamber.	Ongoing
Workforce Protection and Development	Continue to fill open positions to reach the goal of 72 by end of fiscal year. In Fiscal year 2024, hired 12 people, with six leaving but one to retirement and in Fiscal year 2023, hired 15 people, with 8 leaving but 1 to retirement.	June 2025
Workforce Protection and Development	Continue work on SOP and succession planning by hiring H/R Manager to replace H/R Director when they retire.	June 2025
Workforce Protection and Development	Reactivate the Wellness program and conduct a wellness/health fair.	June 2025
Workforce Protection and Development	Instruct Employee's Self Service with Munis	June 2025
Workforce Protection and Development	Learn new time entry software replacing Timeforce	December 2024

KEY PERFORMANCE MEASURES

DEPARTMENT GOAL	MEASURE DESCRIPTION	FYE 2023 ACTUAL	FYE 2024 ACTUAL	FYE 2025 GOAL
Continue to fill open positions to reach the goal of 72 by end of fiscal year. In Fiscal year 2024, hired 12 people, with six leaving but 1 to retirement and in Fiscal year 2023, hired 15 people, with 8 leaving but 1 to retirement.	Employee Retention	87%	90%	95%
	Obtain unmodified opinion from the external auditors for the fiscal year for payroll	Yes	Yes	Yes
	Average Total Training Hours Per Employee Per Year	20	20	20
	New FTE's Positions Added Annually	4	2	4
	Interviews Conducted (Annually)	50	40	55



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.

Balanced Budget – A budget's total revenues equal its total expenditures, resulting in neither a deficit nor a surplus.

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.

Capital Expenditure – Money spent by a business or organization on acquiring or maintaining fixed assets, such as land, buildings, and equipment.

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.

Net Position – The difference between an entity's total assets and total liabilities.

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

