

RESOLUTION TO SET FEES FOR STORMWATER SERVICES

WHEREAS, the Rockdale County Board of Commissioners has adopted ordinances regulating stormwater operation in Rockdale County, Georgia; and

WHEREAS, these ordinances require the collection of annual fees for services provided by Rockdale County Stormwater Management Program; and

WHEREAS, the Rockdale County Board of Commissioners hired an engineering consultant to develop it's Stormwater Management Master Plan to determine the system's capital improvement needs of approximately \$225M; and

WHEREAS, Rockdale County, Georgia has experienced several stormwater system failures or maintenance issues that require improvement, rehabilitation and restoration to protect the health, safety and wellbeing of residents and visitors; and

WHEREAS, the Rockdale County Stormwater Management Team and Raftelis Financial Consultants developed a financial model and rate structure to designed to fund the capital improvement needs from 2020 through 2035; and

WHEREAS, Section 98-1(b) of the Code of Rockdale County, Georgia authorizes the Rockdale County Board of Commissioners to set fees for stormwater management services; and

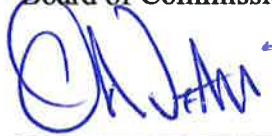
NOW, THEREFORE, BE IT RESOLVED that the Rockdale County Board of Commissioners hereby set fees for stormwater management services as follows:

<u>Effective Date</u>	<u>Rate</u>
1. January 1, 2021	\$102.00
2. January 1, 2022	\$114.00

BE IT FURTHER RESOLVED that any resolution in conflict with this resolution is hereby repealed.

Approved this 22nd Day of September, 2020

Rockdale County, Georgia
Board of Commissioners



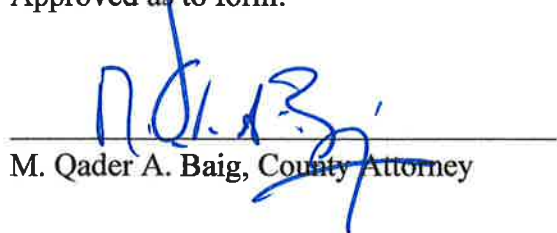
Osborn Nesbitt, Sr., Chairman


Sherri L. Washington Esq., Commissioner Post I
Dr. Doreen Williams, Commissioner Post II

Attest:


Jennifer O. Rutledge, County Clerk/
Director of Legislative Affairs

Approved as to form:


M. Qader A. Baig, County Attorney

MEMO

To: Director Ann Kimbrough, Rockdale County
From: Henrietta Locklear and Mac Underwood, Raftelis
Date: September 17, 2020
Re: Stormwater Rate Financial Model

Overview

Raftelis was engaged to develop a rate study for Rockdale County. Part of the engagement was to create a financial model outlining a rate structure designed to fund the capital improvement needs from 2020 through 2035.

Currently, Rockdale County's stormwater rate structure charges different amounts for properties throughout the county. The County seeks to improve equity and uniformity across the service area. The first step is to charge customers throughout the County on the same basis. Customers will receive statements based on a uniform Equivalent Residential Units (ERUs). They will be charged based on the measure of impervious surfaces or hard surfaces on their properties, which is the industry standard. The County will employ a simplified rate structure for single-family residential properties and charge each as one ERU. In the future, the County would like to move to a tiered rate system for single family properties, so that full cost equity is realized for small, medium, and large homes. Non-single-family residential properties will be charged for multiple ERUs of impervious surfaces based on how much impervious area is contained on site.

The County also plans to provide enhancements to the stormwater program by delivering critical capital improvements to replace failing infrastructure. The County would deliver these capital improvements through a mixed funding portfolio that will include revenue bonds. We envision a capital improvement program of about \$5 Million a year that is supported by debt issuance of \$10 Million every two years. This effort would also require an engineer to manage the capital improvement program at an estimated cost of \$200,000.

Stormwater Rate Structure

The Rockdale County Stormwater rate structure is proposed as follows:

- All single family detached dwelling lots shall be charged for one (1) Equivalent Residential Unit (ERU). The ERU will be 4,205 square feet – the typical size of a Rockdale County home's impervious surface; and
- All multifamily dwellings and mobile homes lots shall be for one half (0.5) ERU times the number of units associated with the lot; and
- All other developed, nonresidential properties, excluding County roads, shall be charged based on the measured number of ERUs on the property. Fractional ERUs shall be rounded to the next highest tenth (0.1) of an ERU.

Model Results

Raftelis worked with County staff to develop funding scenarios under the new rate structure to accomplish the stormwater program goals.

Under the preferred scenario, the County would issue debt in 2021, 2024, and 2026, include \$1 Million in repair and maintenance expenses, and hire an engineer to manage capital improvement program.

The summary of revenue requirements is shown in table 1 below.

Table 1. Summary of Revenue Requirements Under Preferred Scenario

	2021	2022	2023	2024	2025	2026	2027
Revenue Requirements							
Indirect Cost	\$ 224,400	\$ 709,088	\$ 713,666	\$ 718,335	\$ 723,098	\$ 247,756	\$ 252,711
Repair and Maintenance	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Proposed Debt Service	\$ 290,604	\$ 581,207	\$ 581,207	\$ 1,162,414	\$ 1,162,414	\$ 1,743,621	\$ 1,743,621
Rate Funded Capital	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total - Revenue Requirements	\$4,426,012	\$5,283,860	\$5,373,605	\$6,047,354	\$6,142,788	\$6,342,226	\$6,443,758
Roads Revenue							
Roads Revenue	\$ 452,190.00	\$ 452,190.00	\$ 452,190.00	\$ 452,190.00	\$ 452,190.00	\$ 452,190.00	\$ 452,190.00
Revenue Requirement Adjusted	\$ 3,973,822	\$ 4,831,670	\$ 4,921,415	\$ 5,595,164	\$ 5,690,598	\$ 5,890,036	\$ 5,991,568

The resulting rates under this scenario are those shown below as the Annual Rate.

Table 2. Resultant Revenues and Rates

	2021	2022	2023	2024	2025	2026	2027
Annual Rate	\$ 102	\$ 114	\$ 120	\$ 138	\$ 154	\$ 162	\$ 162
SFR	24,636.00	24,882.36	25,006.77	25,131.81	25,257.46	25,383.75	25,510.67
MH	487.50	487.50	487.50	487.50	487.50	487.50	487.50
NSFR	14,762.20	14,909.82	14,984.37	15,059.29	15,134.59	15,210.26	15,286.31
Total	39,885.70	40,279.68	40,478.64	40,678.60	40,879.55	41,081.51	41,284.48
Revenue w/o Roads	\$ 4,068,341.40	\$ 4,591,883.75	\$ 4,857,437.15	\$ 5,613,646.61	\$ 6,279,099.51	\$ 6,655,205.33	\$ 6,688,086.48
Revenue with Roads	\$ 4,520,531.40	\$ 5,044,073.75	\$ 5,309,627.15	\$ 6,065,836.61	\$ 6,731,289.51	\$ 7,107,395.33	\$ 7,140,276.48

The financial model was developed by utilizing the existing budget and escalating those costs moving forward based on the provided growth assumptions. This effort also includes additional cost increases due to the proposed changes. The model is able to be manipulated in order to arrive at other scenarios, if desired. Changes can be made by changing the Rate input amount. This amount will directly impact the total revenue. Changes can also be made to the Indirect Cost, Repair and Maintenance, Proposed Debt Service, and Rate Funded Capital line items. These items directly impact the total revenue requirements. The impact of these changes can be gauged by observing the amount of debt coverage as calculated in the model as well as the Fund Balance.

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	2021	2022	2023
Fund Balance	\$ 1,711,164	\$ 1,515,079.58	\$ 1,033,615.37
Debt issued (for reference)	\$ 10,000,000		\$ 10,000,000
Capital Program (for reference)	\$ 5,000,000.00	\$ 5,000,000.00	\$ 5,000,000.00
Critical Repair Program	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00

Coverage	2.94	2.61	0.89
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	2021	2022	2023
Revenue Requirements			
Indirect Cost	\$ 224,400	\$ 709,088	\$ 713,666
Repair and Maintenance	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Proposed Debt Service	\$ 581,207	\$ 581,207	\$ 1,162,414
Rate Funded Capital	\$ -	\$ -	\$ -
Total - Revenue Requirements	\$4,716,616	\$5,283,860	\$5,954,812
Roads Revenue			
Roads Revenue	\$ 452,190.00	\$ 452,190.00	\$ 452,190.00
Revenue Requirement Adjusted	\$ 4,264,426	\$ 4,831,670	\$ 5,502,622
Rate	\$ 8.91	\$ 10.00	\$ 11.33
Rate input	\$ 8.50	\$ 9.00	\$ 12.00
Rate increase		6%	33%
Revenue w/o Roads	\$ 4,068,341	\$ 4,350,206	\$ 5,828,925
Revenue with Roads	\$ 4,520,531	\$ 4,802,396	\$ 6,281,115
Difference	\$ (196,084)	\$ (481,464)	\$ 326,302

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2024	2025	2026	2027
\$ 1,359,917.62	\$ 1,622,472.31	\$ 1,482,599.93	\$ 2,247,769.14
	\$ 10,000,000		\$ 10,000,000
\$ 5,000,000.00	\$ 5,000,000.00	\$ 5,000,000.00	\$ 5,000,000.00
\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00

1.17	0.93	0.85	0.97
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2024	2025	2026	2027
\$ 718,335	\$ 723,098	\$ 247,756	\$ 252,711
\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
\$ 1,162,414	\$ 1,743,621	\$ 1,743,621	\$ 2,324,828
\$ -	\$ -	\$ -	\$ -

\$6,047,354 \$6,723,996 \$6,342,226 \$7,024,965

\$ 452,190.00 \$ 452,190.00 \$ 452,190.00 \$ 452,190.00

\$ 5,595,164 \$ 6,271,806 \$ 5,890,036 \$ 6,572,775

\$ 11.46 \$ 12.79 \$ 11.95 \$ 13.27

\$ 12.00 \$ 12.50 \$ 13.50 \$ 13.00

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\$ 5,857,718 \$ 6,131,933 \$ 6,655,205 \$ 6,440,380

\$ 6,309,908 \$ 6,584,123 \$ 7,107,395 \$ 6,892,570

\$ 262,555 \$ (139,872) \$ 765,169 \$ (132,396)