

CIP 2021

Revenue Optimization



May 04, 2021

DeKalb County
Contractor
New Day Project



DeKalb County Department of Public Works
**NEW DAY PROJECT
WATER METER
REPLACEMENTS IN
PROGRESS**
Questions?
www.dekalbcountyga.gov

Revenue Optimization Process Overview

Reduce lost water

- Reduce water losses before sale, thus reducing the related treatment and delivery costs

Reduce cost of debt

- New low-cost loans identified: WIFIA and GEFA
- Implement lower-cost bond options going forward
- Refinance existing bonds
- Reduce negative arbitrage

DECREASE EXPENSES

INCREASE REVENUE

Convert Non-Revenue Water to revenue

- Reduce unauthorized consumption
- Accurate meters and bills

Collect what is due

- Improve percent of customers who are current with their accounts
- Improve collection of past-due accounts
- Help those in need who can't pay their bill

Decrease operation costs
by addressing real losses



REDUCING COSTS OF LOST WATER

Buford Highway Water Main Break, March 2018. Photo from AJC.

Reducing costs of lost water

NON – REVENUE WATER

Non-Revenue Water (NRW) is water that has been produced and is “lost” before it reaches the customer.

Unbilled Authorized Consumption	Water for Firefighting Flushing Water Mains Watering Municipal Gardens Public Water Fountains
Apparent Losses	Unauthorized Consumption Metering Inaccuracies System Data Handling
Real Losses	Leakage or Overflows

IMPORTANCE OF REDUCING NRW

- Reduce water treatment costs
- Increase revenue
- Improve operation efficiency
- Increase resiliency
- Environmental stewardship

CIP PPROJECTS TO REDUCE NRW

- Customer Meter Replacement Program
- WTP Meter Replacement and Calibration
- Pressure Management
- Water Main/Pipe Replacement and Rehabilitation

Decrease operation costs
by addressing real losses



SATELLITE LEAK DETECTION



PROJECT SUMMARY

- 3,033 miles of water distribution system analyzed from satellite imagery
- 49 miles then physically inspected.
- Savings to date of 1.4 million gallons per day
- Estimated Non-revenue Water reduction to date of 2%.



Of sites inspected to date, 62% did not show any surface evidence of the leak and would not have been detected without this technology

REDUCE COST OF DEBT



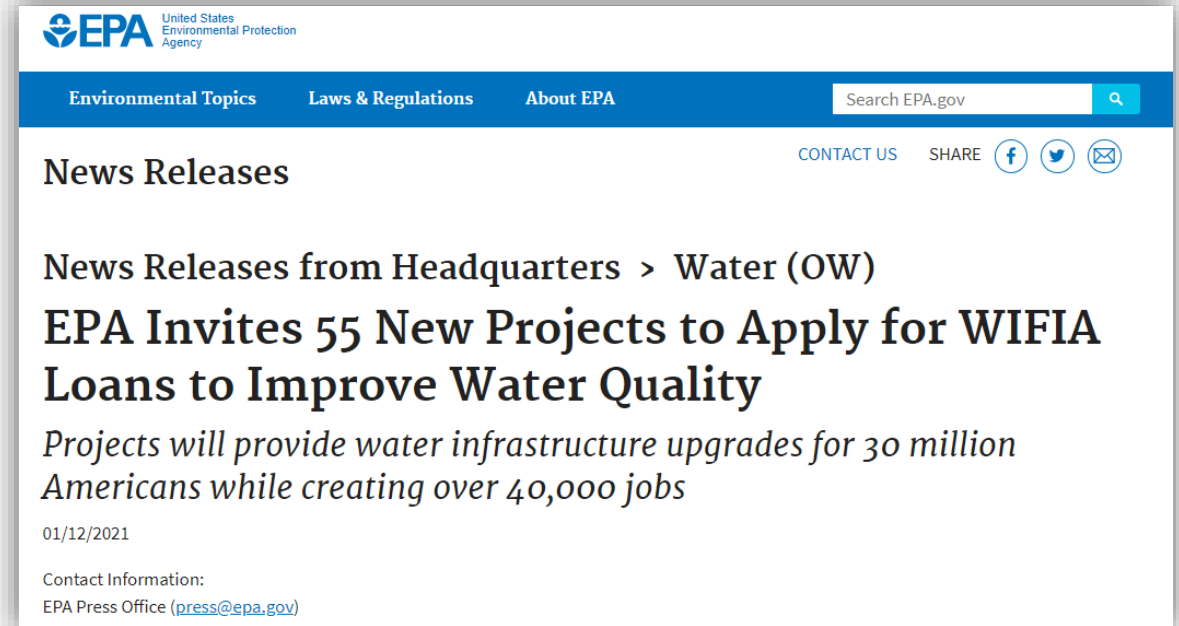
Finding and leveraging better debt options

LEVERAGING:

- Historical low rates
- Improved financial rating
- Attractive new funding sources

WIFIA: Water Infrastructure Finance and Innovation Act (WIFIA) loan program through U.S. EPA

GEFA: Georgia Environmental Finance Authority (GEFA)



The screenshot shows the EPA website's News Releases section. At the top is the EPA logo and navigation links for Environmental Topics, Laws & Regulations, and About EPA. A search bar is on the right. The main heading is 'News Releases' with 'CONTACT US' and 'SHARE' links and social media icons. Below is a breadcrumb trail: 'News Releases from Headquarters > Water (OW)'. The main title is 'EPA Invites 55 New Projects to Apply for WIFIA Loans to Improve Water Quality'. The subtext reads: 'Projects will provide water infrastructure upgrades for 30 million Americans while creating over 40,000 jobs'. The date is '01/12/2021'. Contact information is provided at the bottom: 'EPA Press Office (press@epa.gov)'.

Breaking News!

DeKalb chosen to apply for a second WIFIA loan for an additional \$253 million

New and/or Refinanced Revenue Bonds:

- **Historical low rates**
- **Improved financial rating**
- **Means better bond options**

Refunding Existing Bonds

- ▶ Assumes for Revenue Sufficiency Analysis (RSA) that refinancing existing bonds will save \$6.3 million annually beginning mid-year 2021



Commercial Meter Audit

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2017-2027 - A Decade of Renewal

FIELD INVESTIGATIONS CONFIRM

Checks:

- Land use
- Meter bypass closed
- Meter accuracy
- Billing rate matches connection type
- Lost accounts/Illegal connections

- Commenced August 2020
- \$5.7 million of estimated annual potential increased revenue achieved to date



Sewer dye connection tests are just one of the tests performed by the contractor in the field to confirm the services being provided.

RSA Assumption: Assumes \$2 million annually 2021 through 2024, then \$4 million annually.

LIFTING THE DISCONNECTION MORATORIUM

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All pay their share ...

New Day Project meter installation

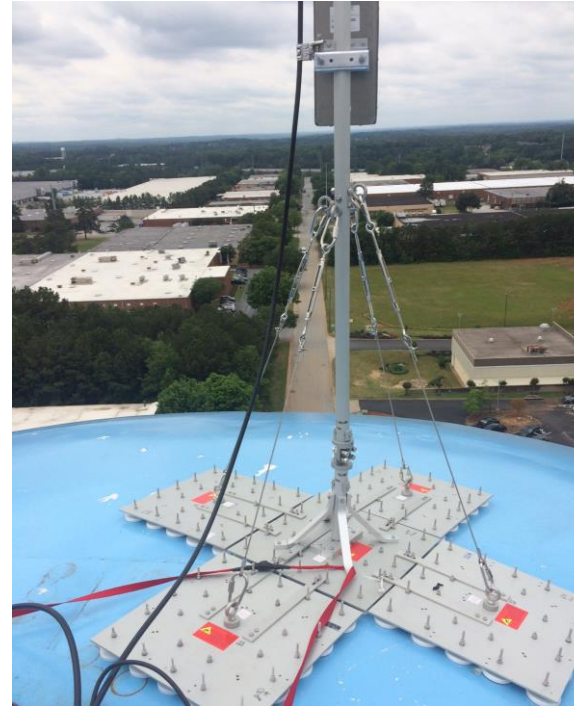
A NEW DAY



THE RIGHT METER



CORRECTLY INSTALLED AND
REPLACED TO SCHEDULE



PROVIDING TIMELY AND
ACCURATE DATA



FOR TRUSTED AND VERIFIABLE
BILLS

COMMUNICATIONS PLAN COMMENCING



DeKalb County
GEORGIA

404.378.4475 (o)
404.371.2679 (f)
DeKalbCountyga.gov

Utility Customer Operations
774 Jordan Lane, Suite 200
Decatur, GA 30033

GENERAL LETTER

Current Resident
774 Jordan Lane,
Decatur, GA 30033

Dear Customer:

We are writing to inform you that DeKalb County's Disconnection Moratorium will be lifted July 1, 2021.

The County issued this moratorium in 2016 to address metering and billing issues. CEO Michael Thurmond launched the New Day Project in January 2017 to address systemic deficits in leadership, management, and oversight. Key accomplishments include:

- Disputes have been reduced from over 4,000 to less than 200 (<0.1%)
- Over 82,000 meters have been replaced, including 100% of the pre-2014 iPerl meters.
- Over 134,000 meters, or 70% of all customers, now have transmitters for electronic usage reporting, including hourly consumption.
- Additional staff have been hired and customized training programs have been implemented throughout customer service and field services.

The detail of these accomplishments may be reviewed at [weblink to presentation here].

If you currently have a past due balance and/or experiencing financial hardships related to COVID-19, we want to work with you during these unprecedented times by setting up payment arrangements. To setup an installment plan please complete the webform at <https://www.dekalbcountyga.gov/form/application-for-installment-agre>. For COVID related hardship please complete the webform at <https://www.dekalbcountyga.gov/form/covid-19-disconnection-moratoriu>.

If you would like to discuss your account in detail, please feel free to contact our Customer Service Team at **404-378-4475, Monday - Friday between the hours of 7am to 7pm.**

Chief Executive Officer
Michael Thurmond

Board of Commissioners

District 1
Robert Patrick

District 2
Jeff Raeder

District 3
Larry Johnson

District 4
Stephen Bradshaw

District 5
Mereda Davis Johnson

District 6
Edward "Ted" Terry

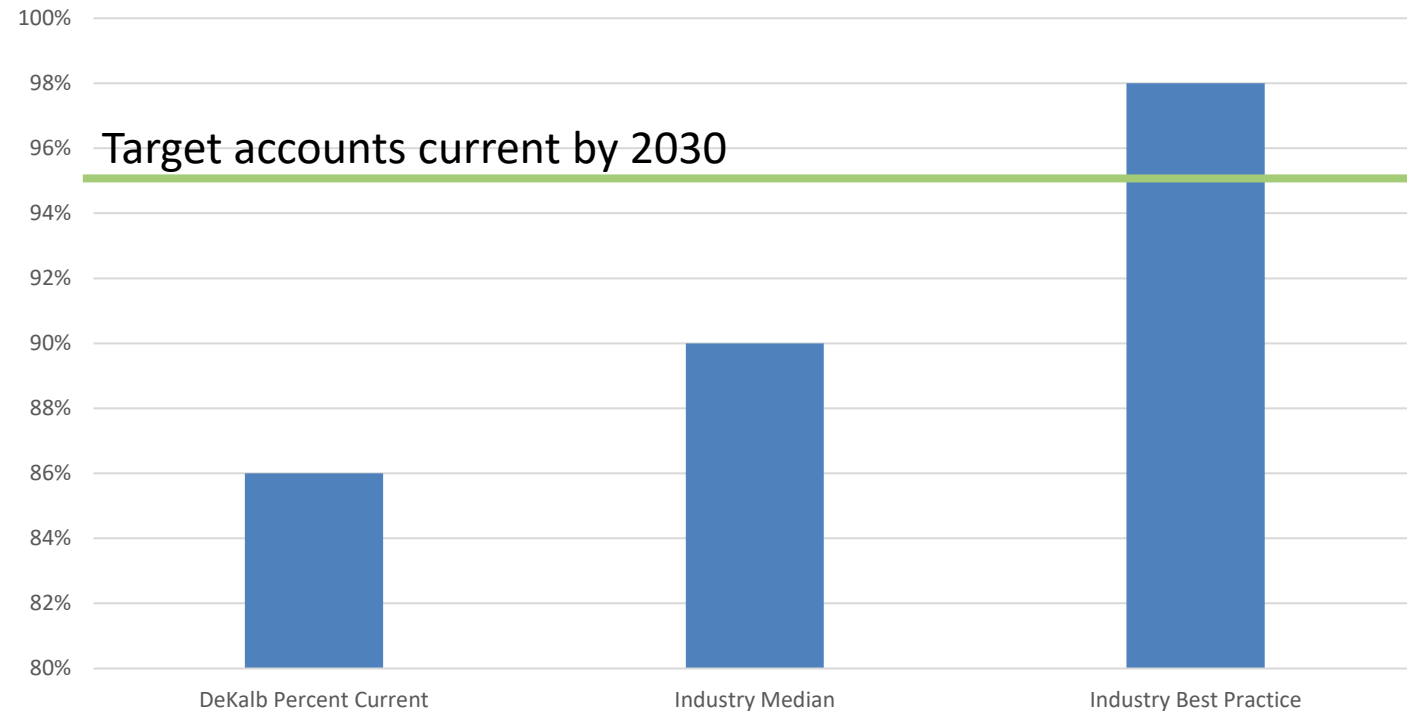
District 7
Lorraine Cochran-Johnson.

All paying their share ...

The County percent accounts current is well below industry best practice

The County provides payment plans to assist those who are past-due to become current.

Percent of Accounts Current



Forecasting that the percent of current accounts increases by 1% per year until a rate of 95% is achieved in 2030.



NEXT STEPS

The revenue sufficiency analysis is ongoing

Comprehensive Water and Sewer Rate Study to come

Item	Tool
DECREASE EXPENSES	
Reduce Leaks	Satellite leak detection
Reduce Cost of Debt	
Cost Effective Loans	WIFIA/GEFA
New or re-financed revenue bonds	New bond debt issuances
INCREASE REVENUES	
Convert unauthorized consumption to revenue	3 rd party audit of the County's water billing system
Assist those in need	Care and Conserve Plumbing Repair Program
Increase percent of accounts that are current	Lifting of disconnection moratorium and return to normal billing
Improve collection of past-due accounts	Lifting of moratorium and potential use of agencies

QUESTIONS?

