City of Atlanta Water Affordability Programs
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Overview
Service Delivery

**Delivers** 100 MG of drinking water per day  
**Treats** 188 MG of wastewater per day

- **$610M**  
  FY 2018 Operating Budget

- **$1.26B**  
  5-YR Capital Improvement Program

- **1.2M**  
  Customers Served

**WATER SYSTEM**

- 2,790 miles of pipeline  
- 62,204 valves  
- 24,385 fire hydrants  
- 18 pump stations  
- 3 water treatment plants

**WASTEWATER SYSTEM**

- 2,150 miles of pipeline  
- 47,327 manholes  
- 22 pump stations  
- 4 water reclamation centers  
- 2 water quality control facilities

**WATERSHED PROTECTION**

- 603 miles of pipe  
- 47,351 inlets  
- 2,349 culverts  
- 6,175 outlets  
- 14 drainage basins
Background

- Atlanta region is expected to grow from 5.5M to 8M over next 20 YRs
- Clean Water obligations includes two consent decrees
  - 1st entered in 1998; $2B investment resulted in 80% sewer spill reduction
  - 2nd entered in 1999; city pursued extension to 2027
  - Stormwater: Phase 1 MS4; Program needs estimated at $40M annually, no sustainable funding source
- Drinking Water obligations
  - Maintain safe drinking water compliance at three facilities
  - $350M Water Supply Program
  - Reduce 30% water loss
- City raised rates by 250% over a decade to comply with Consent Decrees
- 10-YR CIP is $2.5B
Financial Background
Increased Debt Capacity

- To meet Consent Decree requirements long term debt increased from $500 million to $3.5 billion from 1998 to 2009
  - Limited capacity for additional long term debt

**Note:** Fiscal years 2007-2015 are 12-month periods beginning July 1 and ending June 30. Fiscal year 2006 is a six month period beginning January 1, 2006 and ending June 30, 2006. Fiscal year 1998-2005 is a 12-month period beginning January 1 and ending December 31. Sr. Debt payments includes portions of interest paid in conjunction with 2015 refinancing.
Historical Residential Bill Impacts

<table>
<thead>
<tr>
<th>FY Year</th>
<th>Water</th>
<th>Sewer</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY03</td>
<td>$13.44</td>
<td>$30.98</td>
</tr>
<tr>
<td>FY04</td>
<td>$18.95</td>
<td>$44.93</td>
</tr>
<tr>
<td>FY05</td>
<td>$18.95</td>
<td>$44.93</td>
</tr>
<tr>
<td>FY06</td>
<td>$20.72</td>
<td>$49.42</td>
</tr>
<tr>
<td>FY07</td>
<td>$22.67</td>
<td>$54.36</td>
</tr>
<tr>
<td>FY08</td>
<td>$24.79</td>
<td>$59.81</td>
</tr>
<tr>
<td>FY09</td>
<td>$31.27</td>
<td>$76.27</td>
</tr>
<tr>
<td>FY10</td>
<td>$35.03</td>
<td>$85.79</td>
</tr>
<tr>
<td>FY11</td>
<td>$38.07</td>
<td>$96.52</td>
</tr>
<tr>
<td>FY12</td>
<td>$42.64</td>
<td>$108.08</td>
</tr>
<tr>
<td>FY13</td>
<td>$42.64</td>
<td>$108.08</td>
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<tr>
<td>FY14</td>
<td>$42.64</td>
<td>$108.08</td>
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<tr>
<td>FY15</td>
<td>$42.64</td>
<td>$108.08</td>
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<tr>
<td>FY16</td>
<td>$42.64</td>
<td>$108.08</td>
</tr>
<tr>
<td>FY17</td>
<td>$42.64</td>
<td>$108.08</td>
</tr>
</tbody>
</table>

Water and Sewer costs for FY03 to FY17.
Challenges

• 30% of households fall below annual income of $25k
• 23.2% of households in Atlanta are at or below poverty
• 3rd highest rates in the Country
  – Increasing block rate structure (3 tiers; an aggressive water conservation measure)
  – Average monthly bill for a family of four is $150 vs $50/month national average
• Affordability issues are impacting about 50% of Atlanta households
• A greater percentage of the City’s families are considered “cost burdened” (or paying more than 30% of their income for housing)
Mitigation

• In 2004 a 1% Municipal Options Sales Tax ("MOST") was approved by voters for retail sales and use occurring in the incorporated city limits of Atlanta.
  • Purpose: to assist in funding water and sewer system CIP

• In 2012, DWM was granted a 13-year extension on its second consent decree
  • The extension allowed the Department to exercise fiscal balance across all infrastructure types (water, wastewater and stormwater.)
DWM Strategic Plan

- Serves as a roadmap to become a leading public water utility
- **Eight priorities** serve as key drivers in achieving the goals and objectives of the utility
- **Prioritizes the allocation of funding**
- Informs a course of action for **disciplined decision making** and implementation of critical programs and initiatives that shape the future of DWM
## Strategic Priorities

<table>
<thead>
<tr>
<th>Major Initiatives by Strategic Priority</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Service Delivery</strong></td>
</tr>
<tr>
<td>• Customer Service Action Plan</td>
</tr>
<tr>
<td>• Service Order Management</td>
</tr>
<tr>
<td>• Automated Metering</td>
</tr>
<tr>
<td>• Infrastructure/Smart Meters</td>
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<tr>
<td>• Smart Hydrants</td>
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<tr>
<td><strong>Infrastructure Reliability</strong></td>
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<tr>
<td>• Water Line Replacement</td>
</tr>
<tr>
<td>• Development of Asset Management</td>
</tr>
<tr>
<td>• Capital Plan Delivery</td>
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<tr>
<td>• Asset &amp; Information Security Strategy</td>
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<tr>
<td><strong>Workforce Development</strong></td>
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<tr>
<td>• StreamWorks</td>
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<tr>
<td>• Competitive Pay Study</td>
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<tr>
<td><strong>Operational Efficiency</strong></td>
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<tr>
<td>• ESCO Projects</td>
</tr>
<tr>
<td>• WaterStat</td>
</tr>
<tr>
<td><strong>Digital Transformation</strong></td>
</tr>
<tr>
<td>• Smart H2O &amp; Innovation Framework</td>
</tr>
<tr>
<td><strong>Financial Resiliency</strong></td>
</tr>
<tr>
<td>• MOST</td>
</tr>
<tr>
<td>• <strong>Affordability</strong></td>
</tr>
<tr>
<td>• Alternative revenue from projects</td>
</tr>
<tr>
<td><strong>Compliance</strong></td>
</tr>
<tr>
<td>• Integrated Planning</td>
</tr>
<tr>
<td>• GI Strategic Action Plan</td>
</tr>
<tr>
<td><strong>Safety</strong></td>
</tr>
<tr>
<td>• Remote Surveillance</td>
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</tbody>
</table>
Affordability Programs
Affordability Problem

- 23.2% of COA households fall below poverty level
- 30% of COA households fall below annual income of $25,000
- Approximately 40% of households fall at/or below low income level
- Atlanta Median Income - $46.5K

<table>
<thead>
<tr>
<th>National Picture</th>
<th>Atlanta Picture</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Annual Residential Bill / Median Income (ARBMI) &lt; 1.5% OWASA: - Utility affordability benchmarks</td>
<td>Atlanta ARBMI - 3.9% 1800/46,500</td>
</tr>
</tbody>
</table>
| **Average US household Water/Sewer bill**  
  - $791/year  
  - 3.3% (household income at the poverty line) | **Average Atlanta household Water/Sewer bill**  
  - $1800/year  
  - 7.7% (for household income at the poverty line) |
A New Model For Service Delivery

- System (water/wastewater) management and permit compliance
- Efficient, reliable service delivery
- Facilitation of economic development

- Holistic water quality
- Environmental stewardship
- Stakeholder engagement

- Sustainability
- Social responsibility
- Affordability

Traditional Role → Current Role → Emerging Role
Georgia Gratuity Clause

- **Gratuity Clause provision contains:**
  - an exception allowing the expenditure of money for purely charitable purposes
  - authority to make charitable contributions specifically authorized by local legislation

- **Georgia Supreme Court Ruling**
  Smith v. Board of Commissioners of Hall County, 244 Ga. 133, 259 S.E.2d 74 (1979)
  - authority to make charitable contributions specifically authorized by local legislation

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**Are our affordability programs:**
- for charitable purposes?
- a direct and substantial benefit to the system?
Legislating Water Affordability

DWM affordability programs provide a direct and substantial benefit to the drinking water and wastewater system.

<table>
<thead>
<tr>
<th>Policy</th>
<th>People</th>
<th>Pipes, Plants &amp; Payments</th>
</tr>
</thead>
<tbody>
<tr>
<td>WATER CONSERVATION</td>
<td>LIFELINE ACCESS TO WATER AND WASTEWATER SERVICE</td>
<td>SUSTAINABLE INFRASTRUCTURE</td>
</tr>
<tr>
<td>• Avoid/defer costly water supply enhancement projects allowing better leverage for existing water resources</td>
<td>• Improve customer accessibility to the quantity of water necessary to sustain life, safety, and health</td>
<td>• Reduce bad debt expenses</td>
</tr>
<tr>
<td>• Further federal, state and City policy to conserve water resources</td>
<td>• Enhance the City’s good will, departmental brand and engagement agenda</td>
<td>• Retain customers</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Avoid costs of disconnection and collections</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Reduce the likelihood of sewage spills and water waste</td>
</tr>
</tbody>
</table>
Affordability Programs

CARE & CONSERVE PROGRAM

Affordability through:
- Water/Sewer Bill Payment Assistance
- Plumbing Repair Assistance
- Conservation Fixtures

SENIOR DISCOUNT PROGRAM

Affordability through:
- Discounts

STREAMWORK PROGRAM

Affordability through:
- Workforce Development
Affordability Programs

**Act as a lifeline to many customers.**

- Bill Payment assistance
- Plumbing repair assistance (Owners)
- Caring customer support & advocacy
- Assistance understanding/managing water bills
- Water audits and recommendation
- Assistance with identifying leaks
- Wrap around/support service referrals
- Landlord leak letters
1994: COA identifies utility assistance need for water and sewer C&C Trust established

1995: COA/ EPA selects non-profit grant administrator

2007: C&C program expanded to sanitary sewer & drain repair

2011: Service line warranty royalties added as funding source

2012: DWM revenue funds 1st adopted by Council as funding source in FY13 Budget
Funding Sources

**Care & Conserve Program**

**1995 to 2012**
- Care & Conserve Trust Fund
  - Community Development Block Grants - HUD
  - Private donations
  - Revenue from cell tower leases
  - Corporate & foundation grants

**2013 to present**
- Cellular Tower Leases
- Service Line Warranty Program Royalties
- Community Development Block Grants - HUD
- Customer donations through bill payment process
- Water & sewer revenue – budget appropriation
- Revenue from cell tower leases

- Approximately $1.6 Million in assistance programming per year
Bill Payment Assistance

CARE & CONSERVE PROGRAM

How we help!

Assists single-family, low-income, residential customers who are facing financial hardships with outstanding water bill balances.

<table>
<thead>
<tr>
<th>Family size</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>$24,540</td>
<td>$32,860</td>
<td>$41,180</td>
<td>$49,500</td>
<td>$57,820</td>
<td>$66,500</td>
<td>$74,460</td>
<td>$82,780</td>
</tr>
</tbody>
</table>
Bill Payment Assistance

An applicant may receive **up to:**

- **$1,000.00** for bill payment assistance
- **$3,000.00** for a leak voucher

Assistant is assessed on a case by case basis. Customers are responsible for making some form of payment during the application process.
Plumbing Assistance

CARE & CONSERVE PROGRAM

- Must meet federal Low to Moderate income guidelines
- Customer must own and occupy property
- City of Atlanta Water Customer

- Toilet, Faucet, Interior Plumbing Replacement/Repair
- Water Heater Replacement/Repair
- Underground Leak Repair
- Septic Tank Failure
- Low Flow Fixture Installation
- Drain Repair

<table>
<thead>
<tr>
<th>Family size</th>
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<th>2</th>
<th>3</th>
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<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>$38,200</td>
<td>$43,650</td>
<td>$49,100</td>
<td>$54,550</td>
<td>$58,950</td>
<td>$63,300</td>
<td>$67,650</td>
<td>$72,050</td>
</tr>
</tbody>
</table>

CCPRP Household Income Levels ONLY
Plumbing Assistance Priorities

- Educating customers about water conservation measures
- Conducting individual home water audits
- Reduction of bills through the installation of water efficiency devices
- Providing water/wastewater and storm drain repair assistance
- Fiscal and budget education that supports a pathway toward self-sufficiency and sustainable communities in the City’s water service area
- Customer referrals/provision of support services to enable at-risk customers to prevent shut-off; and
- To assist with the improvement of household health conditions caused by water/wastewater related plumbing failures.
Discount Program

**SENIOR DISCOUNT PROGRAM**

- Seniors receive a 30% discount on water/sewer bills
- Approximately $1M in discounts per year

**Qualifications:**
- Be a City of Atlanta water and sewer customer
- Annual renewal
- Be 65 years or older
- Maximum household income of $25,000 or less
- Be primary titleholder or leaseholder on the property subject to the bill
Workforce Development

STREAMWORK PROGRAM

DWM Faces Large Wave of Upcoming Retirements
Water/Wastewater Treatment (W/WW) appears most exposed

- ~43% eligible in 7 years
  - another 28%
  - >40% Sewer Line Maint/Repair
  - >50% of W/WW Treatment
  - >60% of Water Engineering Services

- ~15% of DWM Staff in ‘retirement window’ NOW
  - >20% of Treatment staff
  - >30% of Pump Station staff, Facility Management, Labs

Suggests need to prepare next level(s) for supervisory and senior technical roles
Affordability Approach

- **People Are an Essential Part of Our Infrastructure**
  - Consider **People** before Pipes, Plants & Payments.

- **Conservation Matters**
  - Conserve Customer Dignity
  - Conserve the Department’s Brand
  - Conserve Water Resources and the Environment