

Transfer of Water and Wastewater System to Cobb County

1. Why is the City selling these systems?

The overall reason is to take advantage of economy of scale, an important factor in capital asset management. Since we purchase City water and wastewater services from Cobb County, we believe the most effective and efficient way to sustain these systems for present use and future growth is to consolidate ownership with Cobb County. By doing so, we will have comparable or better service and water quality, with an improved economy of scale at the County level, resulting in lower water and sewerage fees for Powder Springs customers.

Small systems like the City's water utilities have fewer people to share the costs of investment and fewer operating resources to implement projects and maintain facilities. In larger systems, like that of Cobb County, operating costs and investments can be spread across a larger population, generally resulting in a lower rate structure.

The City is a smaller operating entity, more limited in its resources and capacity to provide cost effective water distribution and wastewater services and to invest in infrastructure. Our current rates are higher than neighboring cities. Given the scope and demand of our service area and typical long-term capital improvements required to run water and wastewater utilities, the City cannot operate and maintain these assets without continued rate increases. Selling these utilities to Cobb County is a viable and responsible option that would significantly reduce operating costs and usage rates for customers.

As owner and operator of a large system, Cobb County has the capabilities and resources to provide comprehensive and sustainable services to meet the ongoing demand of a growing population and invest in asset improvements as needed at a lower cost to the customer.

For example, an ongoing sewer rehabilitation project within the City of Powder Springs would cost approximately \$113,000 less under pricing available to the County, based on its size. Economy of scale better positions Cobb County to address system needs as they arise and keep water rates affordable for its customers.

Taking all of this into consideration, the timing is appropriate to sell the City's water and wastewater systems to Cobb County. For more information about the County's system, visit the following link: <https://www.cobbcounty.org/water/about>

2. When will the sale occur?

The County approved the sale in December 2018, and the City approved the sale in February 2019. Closing is scheduled before the end of the fiscal year in June 2019 with a *target date of June 7, 2019 set for the transfer to the County*. This date may change as the two utilities work through the logistical transfer of account information. Updated information will be provided on the City's website.

3. Will we have to go to Cobb County to pay our bills?

The City and County will work to establish a short-term satellite office where customers can drop off payments, which will then be delivered to the County. Additionally, customers will have a number of payment options, including mailing their payment. They will also be able to pay at the Government Service Center on Austell Road, by night deposit, and by drive-through at the County's customer service facility on South Cobb Drive. Cobb County also offers on-line bill pay or payment by phone with an Interactive Voice Response System available 24/7. Check here for payment options: <https://www.cobbcounty.org/water/customer-service/bill-pay>

4. Will our water and sewer bills increase?

No, to the contrary, current City rates are greater than those paid by unincorporated areas of Cobb County. It is expected that City customers should see a reduction in their cost of service. For residents of Powder Springs and surrounding residents of unincorporated Cobb County that are served by the City's system, the County will be able to provide water and wastewater services at least as good as they now receive, and at a lower cost because the County is a large system, which runs more efficiently and offers significantly lower rates. Check here for rates: <https://www.cobbcounty.org/water/customer-service/water-rates>

5. How much will the City receive?

The City will receive \$5.5 million over 10 years, paid in annual installments of \$550,000. The purchase price was established to be revenue neutral in the short-term for Cobb County. By adding the Powder Springs' customer base, Cobb County will gain additional revenues which are expected to exceed the County's actual costs of providing services to the City by about \$550,000 per year. The payments are to run without escalation for 10 years, after which time the County will be able to retain the additional income. The City and County also negotiated other important items of additional consideration including employment of staff, nondiscrimination of service, and ensuring that future water service remains adequate to serve the growth expected in Powder Springs.

6. What will you do with the money?

Presently, revenues going into the Water and Sewer Fund must be used to cover expenditures pertaining to the operation and improvement of these systems. The annual proceeds from the sale of these assets will not be restricted to water system expenses and can be used to reduce City debt during the 10-year period of the payments. This will strengthen the City's overall financial position. For remaining water and sewer reserves, an investment plan will be prepared by the City in coordination with the City's financial advisor.

7. Did any employees lose their jobs?

Powder Springs Water Department employees will not be fired or lose their jobs. Cobb County will hire the water and sewer employees, who are employed by the City at the time of closing, and will offer them employment on a full-time basis for a minimum of three years subject to the employee's satisfactory job performance. Provisions are being made to address accrued and future pension investments. The City's employee count is lean compared to cities of our size. An employee not hired by the County under this sale would have an opportunity to remain with the City in a department in need of his or her skills.

8. Will I be required to pay a deposit to the Cobb County Water System?

No. The City will transfer any applicable deposits to Cobb Water and refund any remaining deposits after the customer pays his/her final bill from the City. Cobb Water's deposit for residential customers is \$50.00. Long-term City customers in good standing will not have a deposit transferred to Cobb Water, as Cobb Water is not requiring a deposit be transferred for these customers.

9. I was on bank draft with the City. How do I setup a bank draft with the Cobb County Water System?

Cobb Water is in the process of transitioning to a new online payment vendor and a new customer account website. Once this transition is completed, Cobb Water customers will be able to setup and manage their bill autopay online by creating a Customer Portal account. Customers will be able to schedule autopay using credit card, debit card, or bank draft/echeck. Customers will be notified when the new website is available through notices on the water bill and Cobb Water's website. Cobb Water is not accepting bank draft applications during this transition, so bank draft will not be available until the new website is up.

10 What payment options does Cobb County Water System offer?

Cobb Water's payment options/locations are listed on their website at <https://www.cobbcounty.org/water/customer-service/bill-pay>.

11. Where do I mail Cobb County Water System payments?

Cobb Water has contracted with BB&T to process check payments. Checks should be made out to Cobb County Water System and mailed to:

Cobb County Water System
P.O. Box 580440
Charlotte, NC 28258-0440

This address is provided on the payment stub portion of the water bill. Payments are mailed to Charlotte, because BB&T provided the best price for check processing and their processing center is located in Charlotte.

12. What are the Cobb County Water System's rates?

Cobb Water's rates are listed on their website at <https://www.cobbcounty.org/water/customer-service/water-rates>.

13. When will I receive a bill from Cobb County Water System?

You should receive your first bill from Cobb Water between late July and the middle of August. The timing will depend on the date that Cobb Water takes over the accounts. If you do not receive a bill by August 31st, contact Cobb Water at 770-419-6200.

14. Will I have a new account number for water and sewer?

Yes. Cobb Water will assign a new account number, which will be displayed on your Cobb Water bill. If you pay bills through your bank online, please make sure you update the account number and payment address in your online banking information.

15. Are there any programs or information to help me save water and lower my bills?

Cobb Water has information and programs to help you lower your water bill. Information about indoor and outdoor water efficiency can be found at <https://www.cobbcounty.org/water/efficiency>.