

Memo

To: Nathan Ingram
From: Melissa Forrester
CC:
Date: 1/30/2015
Re: Wholesale water and sewer rate increases

The City of Canton was notified by letter in March 2014 of an approved wholesale water rate increase by the Cherokee County Water and Sewerage Authority (CCWSA). The \$.10 per 1,000 gallons (kgal) rate took effect May 1, 2014. Since May, the City has paid \$2.35/kgal for water purchases from CCWSA. This represents a rate increase of four and half a percent (4.5%).

Wholesale water rates have remained unchanged since FY 2009. At that time, wholesale water and sewer rates were increased from \$1.87/kgal and \$3.28/kgal respectively to \$2.25/kgal and \$3.93/kgal respectively, which represented a twenty percent (20%) increase.

Wholesale water and sewer rates in previous years have been unanimously adopted by all water and sewer systems in the County, to include: the City of Ball Ground, the City of Canton, the City of Waleska, the City of Woodstock, the CCWSA, and the Hembree Water System. In fact, previous agreements have made reference to coordinating rates among the water systems to "minimize duplication of services and competition".

I respectfully suggest seeking the approval of Mayor and Council to increase wholesale water rates proportionately with rate increases adopted by the CCWSA and the City of Woodstock (also adopted in May 2014). **The recommendation is for wholesale water rates at \$2.35/kgal. I would also suggest increasing wholesale sewer rates by four and half a percent (4.5%) to \$4.11/kgal.** These changes would affect our wholesale water customers: the City of Waleska and the Hembree Water System. The changes would also affect our wholesale sewer customers: the City of Ball Ground and the CCWSA.

I think it's important to mention that the City of Woodstock is a wholesale sewer customer of the CCWSA. In May, the CCWSA wholesale sewer rate increased from \$6.60/kgal to \$6.95/kgal. The City of Woodstock also purchases water from the Cobb County-Marietta Water Authority (CCMWA). This month, the CCMWA wholesale water rate increased from \$2.86/kgal to \$2.97/kgal.

Recommendations for future consideration include (1.) examining wholesale sewer rates and the effects of adopting rates comparable to those assessed by CCWSA, and (2.) performing meter testing on all devices utilized in the determination of wholesale water and sewer consumption.

Thank you.