



City of Atlanta

Department of Watershed Management

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***CONTROLLING CHAOS***  
***Managing Capital Costs***  
***in an Uncertain Economic***  
***Environment***

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**SHIRLEY FRANKLIN**  
Mayor

**ROBERT HUNTER**  
Commissioner

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**2009 WINTER CONFERENCE**  
February 3-6, 2009  
Atlanta, Georgia



# Controlling Chaos

## Welcome

NACWA



**Shirley Franklin**

**The Sewer Mayor**





# Controlling Chaos

NACWA

## What Does Chaos Look Like?

### ◆ 2 Federal Consent Decrees

- Public Disagreement with Program
- Requiring \$3 Billion in Capital
- No Financial Plan





# Controlling Chaos

NACWA

## What Does Chaos Look Like?

### ◆ Outsourced Drinking Water Utility

- Public Concerns Over Operations
- Contract Issues
- Revenue Collections

### Buckhead area urged to boil tap water

Harmful organics are feared

By MILO IPPOLITO  
mippolito@ajc.com

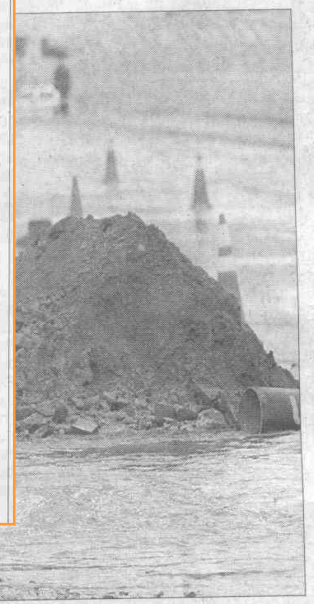
United Water Services advised some Buckhead customers Tuesday to boil their tap water because of a pump station failure.

The affected area is primarily in ZIP code 30342 and parts of 30319 north of Phipps Plaza, east of Roswell Road

A temporary power outage at the Northside pump station Tuesday morning reduced water pressure to a level that, under Environmental Protection Agency guidelines, calls for a boil water advisory, Speights said.

The pump station had similar electrical problems earlier this month.

Those problems and three



JOHN SPINK / Staff

### Burst of water tangles traffic

Tuesday, Dec. 10, 2002 / The Atlanta Journal-Constitution

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## Water main breaks plague Atlanta

By D.L. BENNETT  
dbennett@ajc.com

caused more pressure on old pipes. Most happen in remote locations

afternoon, United Water had found a circular hole in the 12-inch pipe bur-





# Controlling Chaos

NACWA

## What Does Chaos Look Like?

### Nancy Creek Tunnel & Pump Station

Length: 8.5 mile

Diameter: 18 ft.

Depth: 300 ft.

Fully lined with  
reinforced concrete

Const. Cost: \$131 M

Designer – Jordan,  
Jones & Goulding,  
Inc./Engineering  
Design Technologies

Contractor – Obayashi  
Corporation/CJB, JV.





# Controlling Chaos

NACWA

## What Does Chaos Look Like?

### ◆ Biosolids Contract

- New Year's Eve Celebration  
– Nancy Creek Sewer Tunnel
- Contractor Collapses  
Digester Lid
- Suit & Counter Suit (+/- \$25  
million)



### DIGESTERS

- ❖ Diameter: 125-ft
- ❖ Depth: 62-ft
- ❖ Volume: 4 million gal.





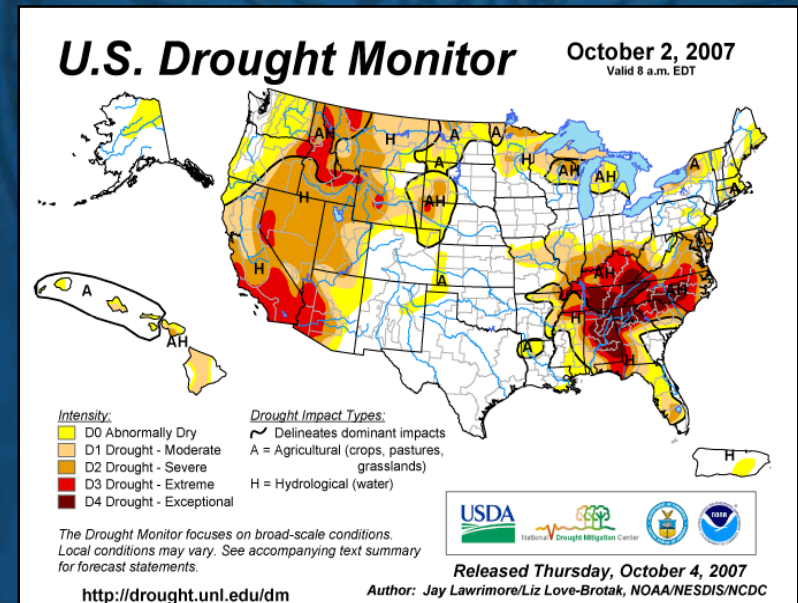
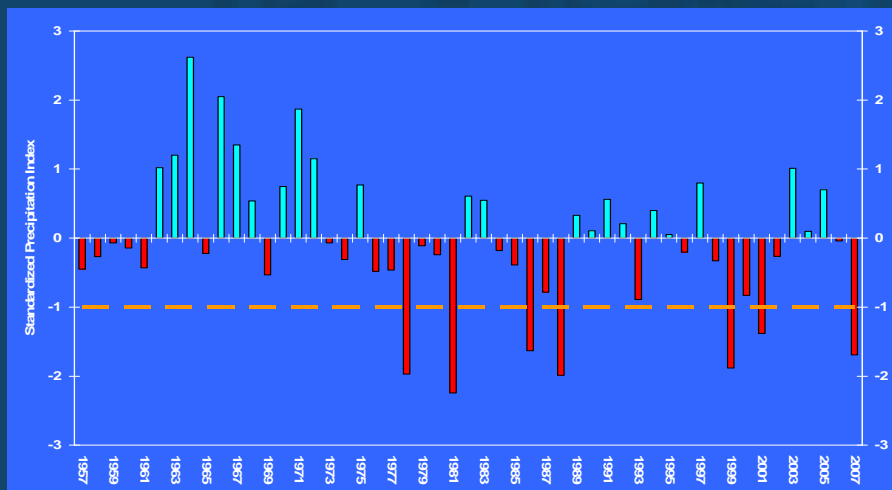
# Controlling Chaos

NACWA

## What Does Chaos Look Like?

### ◆ Multiple Year Drought

- Corps of Engineers Operation
- Outdoor Water Use Restrictions
- Revenue Impact

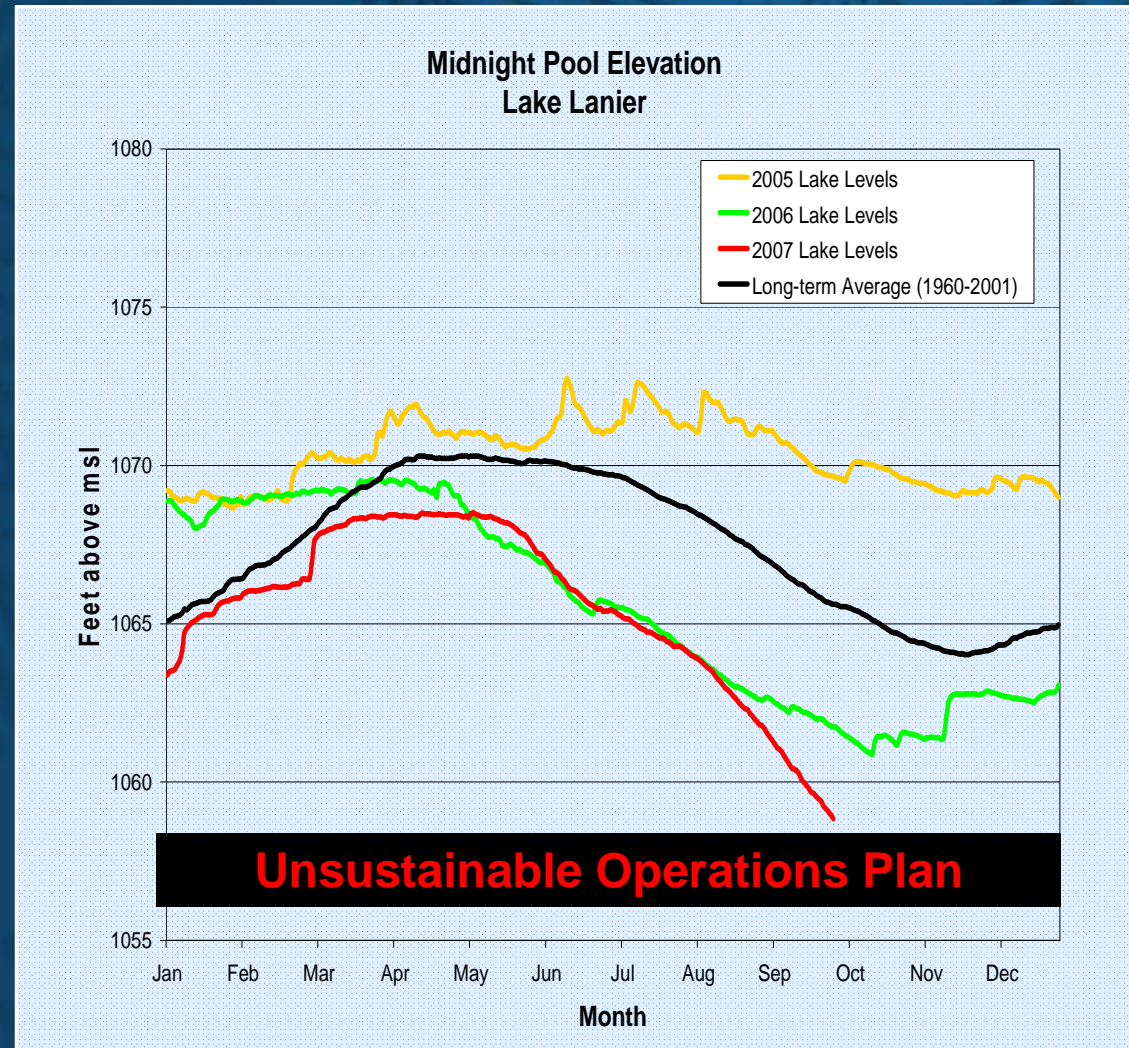




# Sustainable Water Supplies NACWA

## Lake Lanier - Corps Operations

- ◆ **Normal:**
  - Fill over Winter
  - Hold Spring-Early Summer
  - Draw Down Late Summer-Fall
- ◆ **2006 & 2007:**
  - Corps Draw Down Early
  - Below Normal Recovery
- ◆ **2007**
  - GA/FL State Line
    - ❖ 5,000 cfs flow
    - ❖ 3,232 mgd
  - Sept. Lanier Release of 1,109 mgd
  - Accelerating Draw Down







# 2009 Winter Conference

NACWA

## Lake Lanier Level – Feb 1, 2009



### ◆ Relative To Lowest '07

→ (+) 5.85 ft. (178.3 cm)

### ◆ Relative To Full Pool

→ (-) 14.36 ft (- 437.7 cm)

### ◆ Relative To Average

→ (-) 10.16 ft (- 309.7 cm)

### ◆ Relative To Last Year

→ (+) 4.82 ft (146.9 cm)



# Controlling Chaos

NACWA

## What Does Chaos Look Like?

### ◆ Capital Market Crisis

- Availability & Rates
- Insurance

### ◆ Home Mortgage Crisis

- Empty Homes Don't Buy Water







# Controlling Chaos

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NACWA

## What Does Chaos Look Like?

### ESTIMATED FY 2009 BUDGET GAP

Revenues/Fees (-) \$20-30 million

MOST Revenue Budget (-) \$10 million

Debt Payments (+) \$15 million

Estimated Total = \$45-55 Million Off Budget

**20% of Operating Budget**



# **Controlling Chaos**

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NACWA

## **How is Chaos Controlled?**

**Consent Decree Compliance**

**Procurement Process**

**Project Design &  
Management**

**Financial Plan & Budget**

**Staffing Plan**







# Controlling Chaos

NACWA

## How is Chaos Controlled?

### Financial Planning & Actions

- 2003 Budget Process, et seqq.
- 2003 CIP Process
- 2003 Rate Package (4-years)  
(45%-43%-18%-11%-10%)
- 2004 Sales Tax Referendum (July)
- 2004 Bonds (Sept. - \$849 million)
- 2006 TECP (Feb. - \$600 million)
- 2008 Sales Tax Referendum
- 2008 Rate Package (4-years)  
(27.5%-12.5%-12.5%-12%)



# Controlling Chaos

NACWA

## How is Chaos Controlled?

**Spills reduced from 1,000/yr to 300/yr**

**62 asphalt repairs Increased to 1,730 repairs**

**674 concrete repairs increased to 2,486**

**4,168 CCTV inspections to 8,363**

**7,955 catch basins cleaned to 15,452**

**750 leak repairs/yr to 800/month**

**Meter leak backlog reduced from 3,100 to 25**

**Non-reading meter backlog from 7,125 to 3,189**

**Answer time reduced from 43 min. to 1 min.**

**Call abandoned rate reduced from 30% to 4%**





# **Controlling Chaos**

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## **How is Chaos Controlled?**

### **FY 2008 OCTOBER RE-BUDGET**

**20% Budget Reduction**

**Target of \$261 Million O&M**

**Hiring Freeze & Program Delay**

**No Staff Layoffs**

**Results = FY08 Financials**



# **Controlling Chaos**

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## **How is Chaos Controlled?**

### **FY 2009 NOVEMBER RE-BUDGET**

**\$50 million Budget Gap**

**Reduction 20% Operating Budget**

**Program Expense Delay - \$ 31 million**

**Hiring Freeze—194 Positions - \$ 14 million**

**Layoffs – 97 Staff - \$5 million**

**Results = Exceeding Targets**





# Controlling Chaos

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## Personal Commitment

NACWA

**ATLANTA REVENUE PLEDGE**





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