



Brunswick-Glynn County Joint Water and Sewer Commission
1703 Gloucester Street, Brunswick GA 31520
Thursday, May 3, 2018 at 10:00 a.m.
Commission Meeting Room

SPECIAL CALLED RATE WORKSHOP AGENDA

CALL TO ORDER

DISCUSSION

- 1. FY2019 Rate Structure** –Tony Hairston, Raftelis Financial Consultants, Inc.

WORKSHOP ADJOURNED

*All citizens are invited to attend.
There is a possibility of a quorum of City or County Commissioners being present.*



**Brunswick-Glynn County Joint Water and Sewer Commission
1703 Gloucester Street, Brunswick, GA 31520
Thursday, May 3, 2018 at 10:00 AM**

**SPECIAL CALLED
RATE WORKSHOP
MINUTES**

PRESENT:

**Donald M. Elliott, Chairman
Michael Browning, Vice-Chairman
Clifford Adams, Commissioner
Steve Copeland, Commissioner
Tripp Stephens, Commissioner
Ben Turnipseed, Commissioner**

ALSO PRESENT:

**Jimmy Junkin, Executive Director
Charlie Dorminy, Legal Counsel
Pam Crosby, Director of Procurement
John D. Donaghy, Director of Finance
Jay Sellers, Director of Administration
Janice Meridith, Exec. Commission Administrator
Tony Hairston, Raftelis Financial Consultants, Inc.
Joe Williams, Raftelis Financial Consultants, Inc.**

ABSENT:

**Cornell L. Harvey, Commissioner
Andrew Burroughs, Deputy Executive Director**

Chairman Elliott called the workshop to order at 10:00 AM.

Chairman Elliott introduced the purpose of the workshop, and Mr. Tony Hairston of Raftelis Financial Consultants, Inc. Prior to the start of the workshop, Chairman Elliott addressed the April 19th meeting and noted that the "reserves" were discussed. He clarified that the reserves that are collected by JWSC from the rate payers are for repair and restoration of the system and that includes renewal of technology and such. He recalled that when he came on board with the JWSC Commission, it was almost reactive maintenance oriented meaning that things were not fixed until they were actually broken. He commented that with the progression of the last four years JWSC has come to a more proactive stage, and that this is the direction he believes JWSC should go in. Chairman Elliott added that part of what needs to be done is to look at the technologies that JWSC is using, and in looking at the waterlines we have a tuberculation issue with ductile and galvanized pipe, and sometimes issues with transite pipe cracking. He noted that the sewer lines tend to stay relatively smooth, but the main problem with sewer lines is the manholes because they are made of concrete and brick and those tend to corrode due to H₂S. Chairman Elliott explained that these are things that the money in the Repair and Restore Reserves is for and it is also for fixing the sewer plants when they start having problems. He added that based on the budget, it is expected to collect \$4.5M per year to pay for those things, and that works out over a five year period of

approximately \$22M, which is still not enough but at this time is the most we can ask our rate payers to give in that respect. Next, Chairman Elliott spoke about the decision which is to be made, if it is decided to stay with the current Rate Structure and not change it, he believes this is a good effort for the Commission to understand how rates are set and the product that we have out of it is a model in which, after today, no matter what decision we make, Mr. Junkin and his staff can go through and do “what if” drills of different ways to look at the Rate Structure. He noted that one of the things that is important and a number I would like you to keep in your head, and it is a rough figure, but if you base our Rate Structure and our funding requirements based on REUs and you take the total number of REUs that we are accounting for in our system and you divide that into the \$30M that we need, the average water bill for one REU should be \$55.00, which is a pretty good number. He continued that as you go up in usage, such that you are a large commercial restaurant and you go through 20,000 gallons of water a month then the bill would be 20 times the \$55.00 or \$1100 per month. People can look at that and see what their rates are and then see what it is. At the low end, and you are using one, the rate under the new system you would pay \$28.50. Somebody has to make up that difference between \$55.00 and \$28.50, and that’s what the volumetric dollars do is make up that difference. There are a lot of things to consider in setting rates and establishing rate structures.

Mr. Junkin noted that he wanted to make sure to thank Tony and Joe for the excellent work they have done. We gave them some pretty difficult goals in trying to improve affordability while we improve revenue stability and equity among our customers, and in some ways those goals fight each other. They are not mutually exclusive but it is difficult to achieve both at the same time. Mr. Junkin thanked them for all the hard work and for their responsiveness to the comments received from the Commission to make changes and to try to incorporate those changes and provide better detail or modifications to the Rate Structure that they are proposing that will achieve those goals but still react to the comments received. He also thanked the staff who worked with Raftelis and gathered extra data and tried to help in understanding who our customers are and what they are experiencing, so we have a good understanding of what the impacts are for the new Rate Structure.

PUBLIC COMMENT PERIOD

Chairman Elliott opened the public comment period.

Bob Duncan – Mr. Duncan asked if the Commission intends to post what the increase would be based on per REU or per thousand gallons for each of the customers so customers will understand relative to their monthly consumption, and their neighbors consumption for that matter, what those changes would be? He also commented that he understands the Commission is considering the change in the base rate and it would presumably impact all consumers, but that it would include one thousand gallons in the base rate for consumption of water. He noted that he has had numerous discussions with a number of customers about that, and many customers are concerned that the lowest consumers are going to see the largest percentage increase. He asked the Commission to respond to that.

Chairman Elliott responded that earlier they spoke about sending out the Rate Structure with the billing statements, and noted that this is how the public is notified on what is being done; and the largest percentage increase, when you look at the actual number versus the percentage, it’s not very much money. While I know that is probably not necessarily a good answer, but it has to do with how fixed portions of the bill work versus variable portions of the bill, so you deal with variable costs versus fixed costs and you wind up with percentage changes that may seem out of whack but not necessarily when you look at the actual number of the increase, which I think last month Mr. Hairston said it was about \$4 at the lower end. Mr. Hairston added we are going to get into all of that and it will be presented today. Chairman Elliott noted that just percentage wise is not a good way to look at this, you have to look at everything. What you need to understand is on the relevant range of one year in which we provide service and we collect revenue, our costs are generally fixed and we have very few variable costs, yet when you deal with a volumetric charge, that is a variable charge based on usage, and the way the Rate Structure is now, those people at the higher end kind of get a bad deal out of the whole thing because they

are picking up the increases on volumetric charges that we need to meet such that lower consumption doesn't pick up.

Carol Schmidt – Ms. Schmidt commented that she is a low end user, a full time resident, uses water every day and is conservative. She noted that if there is only going to be a \$4.00 increase, then that is okay. She added that she does feel like she could be penalized for conserving water. She has lived in areas where they have been on water restriction and she does not worry, since she does not water grass. She commented that during the ten years as a customer she has not received her initial deposit back and she feels it has been a donation, while she has received her deposits back from Georgia Power, Atlanta Gas and Clayton County Water, and this is also a concern.

Chairman Elliott responded to her second comment and provided that the staff is working on a proposal to bring forth to the Commission to refund deposits after a certain period of time.

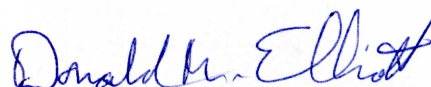
There being no additional citizens for public comment, Chairman Elliott closed the public comment period.

1. Water and Sewer Rate Structure Presentation – Tony Hairston, Raftelis Financial Consultants, Inc. Tony Hairston presented the revised Water and Sewer Rate Structure proposal to the Commission. This presentation focus would be on the financials, rates, and on the low-end users/customers. The main revisions that were made to the proposed new Rate Structure were the reduction of minimum gallons from 2,000 to 1,000, and the cap on sewer was removed. Mr. Hairston noted that the FY 2019 rate options are to either stay with the current Operational Agreement Rate Structure, increase the current rates by 3% across the board, or to change the Operational Agreement to include a new Rate Structure. The option of keeping the same Rate Structure with a 3% increase across the board provides for different bills in the City and the County due to the differing debt charges, zero gallons included in minimum bill, an equal increase for all customers, and maintains the fixed charge revenue recovery. The new Rate Structure as proposed provides for the same minimum bill in the City and County of \$28.50 per month, 1,000 gallons included in the minimum bill, modified residential and non-residential water conservation blocks, and an increased fixed charge revenue recovery from 28% to 34%. Mr. Hairston provided a chart that showed the current rates and Rate Structure for the City and County, a second chart indicating the same information as on the first chart and with a 3% increase across the board, and a third chart providing the fixed charges and usage rates for the proposed new Rate Structure. Next, he explained how the base charge rates, REU charge rates, and usage charge rates for water and sewer were calculated for the proposed new Rate Structure. There was additional discussion pertaining to the system accounts by class, various usage amounts/ranges, tiered usage rates, the impact of the proposed rate structure etc. Mr. Hairston also provided an example of twelve months' usage amounts for a consistent low user and a not consistent low user to show examples of the various gallons billed per month for these users. Comparison charts were presented indicating how JWSC's local residential water and sewer bills (for all three JWSC rates examples) compare with those from other utilities for low end users in quantities of zero gallons consumption, one-thousand gallons consumption, and two-thousand gallons consumption. So the Commission could examine how each of the three Rate Structure options compared with rates from other utilities, each comparison included the bill for each amount of usage at all three of the JWSC options. The discussion continued with the subject of non-residential customers, their current monthly bill ranges, examples of non-residential bills, and the impact of the proposed new Rate Structure on examples of City and County non-residential bills. Mr. Hairston also presented the Commission with a packet of supplemental information regarding the proposed FY2019 Rate Structure. This information contained a low user cost comparison by Rate Structure options (three options) for City and County customers with monthly usages between 0 and 3,000 gallons; a revenue sufficiency study with customer bill impacts; and a revenue summary by customer class under the proposed FY2019 Rate Structure. There was detailed discussion pertaining to the revenue expected, calculations for the various charges, and the impacts of the proposed new Rate Structure on customer bills for low volume users, high volume users, residential and non-residential accounts. There was concern expressed regarding this being the third Rate Structure

presentation and the need to vote prior to having time to review and digest the revisions made to the Rate Structure proposal. Mr. Hairston noted that there are fundamental questions to be answered such as, is there a desire to make the rates simple so there are not different areas and everything is more common without a mix of different areas that pay different amounts, and also the question of revenue recovery versus affordability. Commissioner Stephens added that in theory it does make sense and is a good place to go to and be at some point in the future, but with this being the first time seeing the presentation with the revisions there are still questions and more time could be needed. Chairman Elliott provided that this is not a vote at this point in time, but did want to take a poll as to where the Commissioners were. His first question was if all were in agreement to raise the rates approximately 3%. Commissioners Stephens, Turnipseed, Copeland and Browning all said or nodded "yes". Commissioner Adams said "no". Chairman Elliott then asked if the Commission is willing to keep the same Rate Structure in place with the 3% increase and continue to look at the proposed new Rate Structure until all are satisfied and address it again; or does the Commission want to go ahead a move forward with the new Rate Structure with the 3% increase? He took another poll for this. Commissioner Adams said "no". Commissioner Browning noted he is ready to go with the proposed new Rate Structure and he added that he has listened very close and listened to what everybody had to say, and yes this is the first time seeing it today with the changes that were asked for, but it is not the first time seeing the majority of the proposal and he had not heard any big concerns with it overall. Commissioner Browning continued that there has been discussion on the percentages and why they are on this end or why they are on that end, and he noted that it does appear to him that the Commissioners' previous comments were taken and the proposal was tweaked in that manner. He added that to get to where we've got to go with the budget, it is time to ask if we are going to get substantially better with this, is it going to be what we want it to be at any given time in the year to vote on, probably not, but there has been a lot of work put into this, and they have convinced me that they know about utilities and what has to be in there basically to get the operations here paid for year round. Commissioner Browning also commented that we can ask more questions, we can have another presentation, we can ask more questions after that presentation and come back, but he was ready to move forward with it. Chairman Elliott noted that he thought they needed to move forward with the new Rate Structure proposal. Commissioner Copeland commented that there are several things about the new Rate Structure that he likes, one being a Rate Structure that is the same for both City and County, one that is more equitable in terms of fixed costs versus variable costs, and he added that he would like to see a fixed charge shown that increases in a percentage and gets closer and closer to that total fixed charge. He noted that we are at a low level right now as far as the amount of the bill that is devoted to fixed, and that is important, this is moving in the right direction. Commissioner Copeland continued that we have customers who are at the lower usage in services, and those customers have not shared an equitable portion of the cost so far or in the past and we need to make that more equitable. He added that his concern with this proposed structure is the impact of bringing it all in at one time; he does support the proposed structure and would look at in the future a higher percentage of the fixed costs being included in the fixed charge but he would like to find a way to lower the impact so that it gets brought into the lower use customers' bills more slowly; and he thinks that \$4.00 per month isn't a big deal to customers using 9,000 gallons or more a month but it is a big deal to customers who are using less than 1,000. Commissioner Browning responded that he does think it is fair and is the responsible thing for the Commission to do, but if you want to look at what's equitable and want to assign to the lower end special consideration then that's where your comparison of rates with other utilities might come in. He suggested that with this not being something that can be done in a month or two, that comparisons could be made again which will bring up even more questions and could take several months, so he suggested to go ahead and direct staff to for the upcoming Fiscal year to start having some discussions, get that information compiled and bring it to the Commission to look at the new comparisons and there may be more questions that need to be asked about the comparison charts. Mr. Junkin commented that this would give more time to discuss the phased options to slowly bring it into place. Commissioner Turnipseed noted agreement with the last two comments, and that he thought they were jumping into it too big and too fast. He added that he is concerned about the total amount of revenue because if the low end user is hit with too much of an increase then they won't be able to pay their bill, and if a high end user is hit with too big of an increase they might go someplace else, and he believes these things should be looked at. There are simple ways to put a 3% across the board increase. I understand why we should have the same

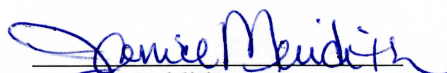
Rate Structure for all of our customers, but that is not the way it is right now, so we are talking about changing it, and if the two bodies that have to agree with that do agree with it, then I am all for it to have some kind of Rate Structure like this. Commissioner Stephens noted the Rate Structure should be left the way it is for now, he does think it is a good plan and is well done and is where JWSC should strive to be, but he was not ready to support it today just because there are some unknowns. He added that he has a big concern about the large non-residential user that is sewer only and will take a big hit of an increase, and is concerned about the impact of that for what may not be a huge benefit today. Therefore, he would like to keep the Rate Structure where it is today. Chairman Elliott provided that the Commission did need to take a vote this same day, and he asked the Executive Director and staff to prepare two recommendations. One to go forward with approving the new Rate Structure and implementing it if the Operating Agreement is changed, and if the Operating Agreement is not changed then go with the old Rate Structure. The second would be that at this time we are not prepared to go with a new Rate Structure, and to stay with the existing Rate Structure for Fiscal Year 2019 with a 3% increase.

There being no further business, the meeting adjourned at 12:26 pm.



Donald M. Elliott, Chairman

Attest:



Janice Meridith,
Executive Commission Administrator

Brunswick - Glynn County JWSC

Water and Sewer Rate Structure Adjustments
Board Workshop Presentation

May 3, 2018



FY 2019 Rate Options

1. Operational Agreement Rates
2. Change in Operational Agreement
 - A. 3% across the board
 - B. New rate structure

FY 2019 Rates – Operational Agreement

Description	Brunswick (City)	Glynn (County)
Water Rates		
Administration Fee (per bill)	\$7.65	\$7.65
Debt Service (per REU)	\$2.33	\$2.49
Volume Charges per kGal		
First 3,000 gal	\$1.54	\$1.54
3,001 to 6,000 gal	\$2.08	\$2.08
6,001 to 12,000 gal	\$2.59	\$2.59
12,001 to 20,000 gal	\$3.24	\$3.24
20,001 and over	\$4.86	\$4.86
Sewer Rates		
Administration Fee (per bill)	\$7.65	\$7.65
Debt Service (per REU)	\$2.67	\$6.70
Volume Charges per kGal	\$7.83	\$7.83

FY 2019 Rates – 3% Increase

Description	Brunswick (City)	Glynn (County)
Water Rates		
Administration Fee (per bill)	\$7.80	\$7.80
Debt Service (per REU)	\$2.38	\$1.67
Volume Charges per kGal		
First 3,000 gal	\$1.59	\$1.59
3,001 to 6,000 gal	\$2.13	\$2.13
6,001 to 12,000 gal	\$2.66	\$2.66
12,001 to 20,000 gal	\$3.30	\$3.30
20,001 and over	\$4.99	\$4.99
Sewer Rates		
Administration Fee (per bill)	\$7.80	\$7.80
Debt Service (per REU)	\$2.84	\$8.06
Volume Charges per kGal	\$7.36	\$7.36

FY 2019 Rates – New Rate Structure

Fixed Charges:

Description	Amount
Water Rates	
Base Charge (per bill) Includes 1,000 gallons	\$7.60
REU Charge (per REU)	\$2.27
Sewer Rates	
Base Charge (per bill) Includes 1,000 gallons	\$13.06
REU Charge (per REU)	\$5.57

Usage Rates (all customer classes):

Description	Amount
Water Rates	
0 – 1,000 gal	\$0.00
1,001 to 3,000 gal	\$2.16
3,001 to 6,000 gal	\$2.89
6,001 to 20,000 gal	\$3.61
20,001 and over	\$4.32
Sewer Rates	
All Sewer Usage Above 1,000 gallons	\$7.73

New Rate Structure Introduction – FY 2019

2A. 3% Across the Board

- Different bills in City and County due to debt charges
- 0 gallons included in minimum bill
- Equal %increase for all customers
- Maintain fixed charge revenue recovery

2B. New Rate Structure

- Same minimum bill in City and County - \$28.50 per month
- 1,000 gallons included in minimum bill
- Modified residential and non-residential water conservation blocks
- Increased fixed charge revenue recovery

Description	Existing Rates	New Rate Structure
Water	34%	36%
Sewer	24%	32%
Total	28%	34%

New Rate Structure – Revenue Breakdown

Water:

Description	Base Charge	REU Charge	Usage Charge	Total
Revenue Target	\$2,532,417	\$1,194,386	\$6,677,825	\$10,404,628
Billing Determinants	27,792 (monthly accounts)	43,920 (monthly REUs)	3,094,189 (equiv. 1,000 gals)	
Calculated Rate	\$7.60	\$2.27	\$2.16	

Sewer:

Description	Base Charge	REU Charge	Usage Charge	Total
Revenue Target	\$3,691,709	\$2,883,439	\$13,710,573	\$20,285,722
Billing Determinants	23,558 (monthly accounts)	43,201 (monthly REUs)	1,775,147 (equiv. 1,000 gals)	
Calculated Rate	\$13.06	\$5.57	\$7.73	
Total Revenue				\$30,690,350

System Accounts by Class

Water Accounts:

Description	Amount*
City residential	11,686
County residential	12,421
City non-residential	2,123
County non-residential	1,001
City Irrigation	248
County Irrigation	313
Total	27,792

Sewer Accounts:

Description	Amount*
City residential	10,153
County residential	10,548
City non-residential	1,868
County non-residential	952
City Sewer Only	19
County Sewer Only	18
Total	23,558

*Amounts represent the average number of monthly bills sent by class.

Residential Water Bills by Range

City Residential Water Bills:

Description	Amount*
0-3,000	6,580
4,000-6,000	3,235
7,000-12,000	1,432
Above 12,000	440
Total	11,686

County Residential Water Bills:

Description	Amount*
0-3,000 gallons	5,966
3,000-6,000	3,414
6,000-12,000	1,884
Above 12,000	1,157
Total	12,421

*Amounts show the average number of monthly bills sent for each usage range.

Residential Consistent Low User – Example

Month	Consistent Low User	Not Consistent Low User
July	1,000	3,000
August	0	9,000
September	1,000	3,000
October	0	1,000
November	1,000	0
December	0	0
January	1,000	0
February	0	3,000
March	1,000	2,000
April	0	5,000
May	1,000	6,000
June	0	4,000

Gallons billed per month



Residential Consistent Low Users

City Residential Water Accounts:

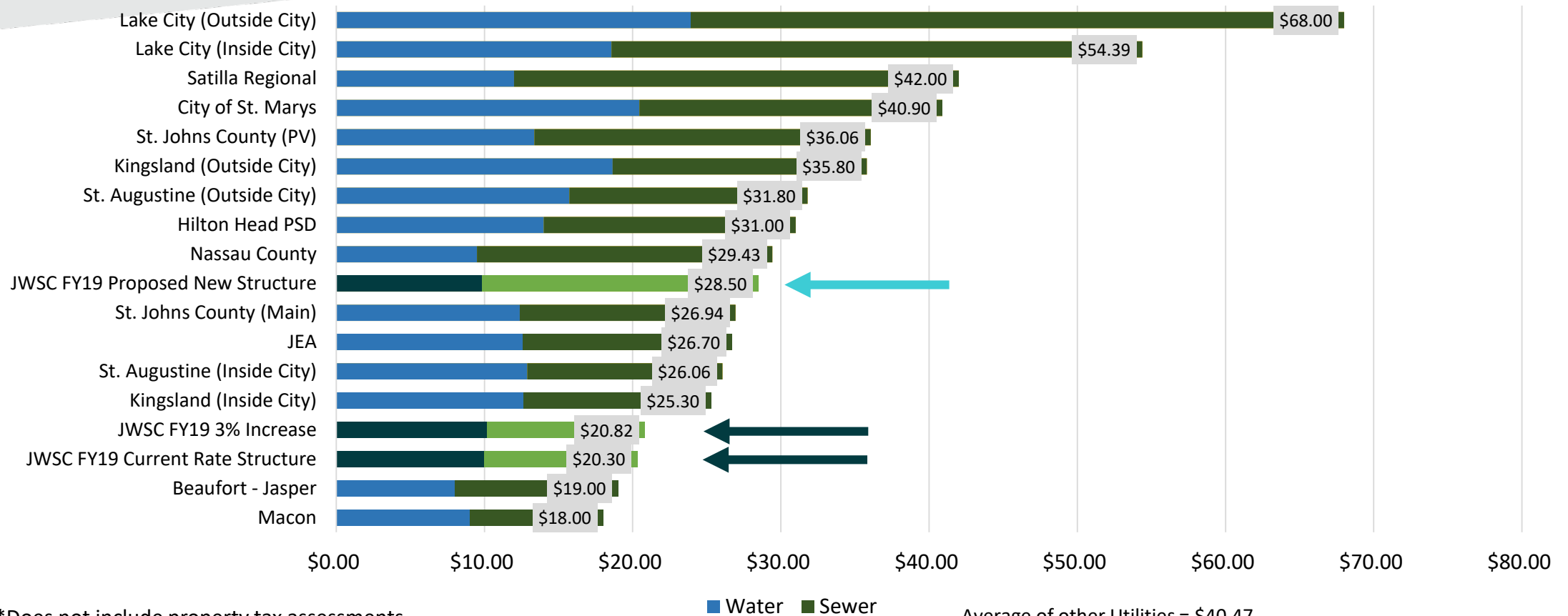
Description	Amount*
0 gallons	285
100-900	611
1000-1900	1,774
2000-3000	1,990
Total	4,660

County Residential Water Accounts:

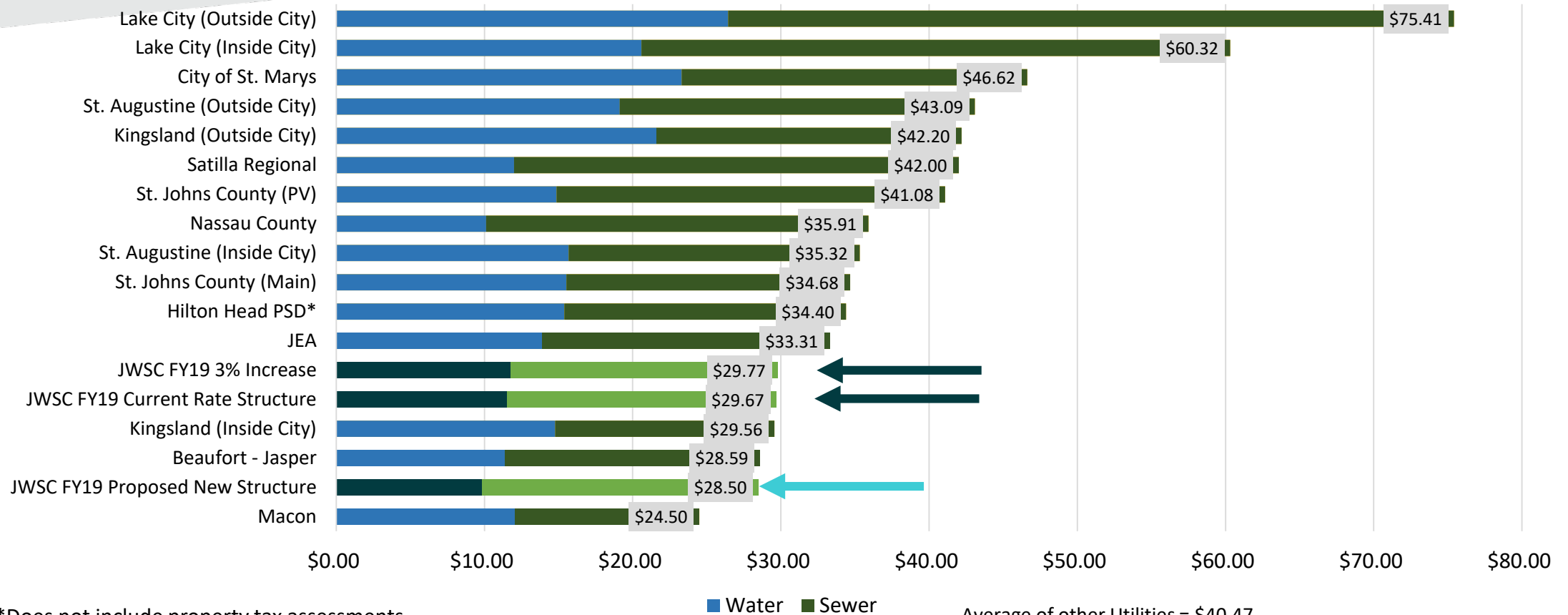
Description	Amount*
0 gallons	244
100-900	699
1000-1900	1,321
2000-3000	1,732
Total	3,995

- *Amount is less than previous slides due to exclusion of “Vacant” accounts and the following:
- excluded accounts that had usage in any month over 3,000 gallons
 - excluded accounts that averaged more than 1,500 gallons per month

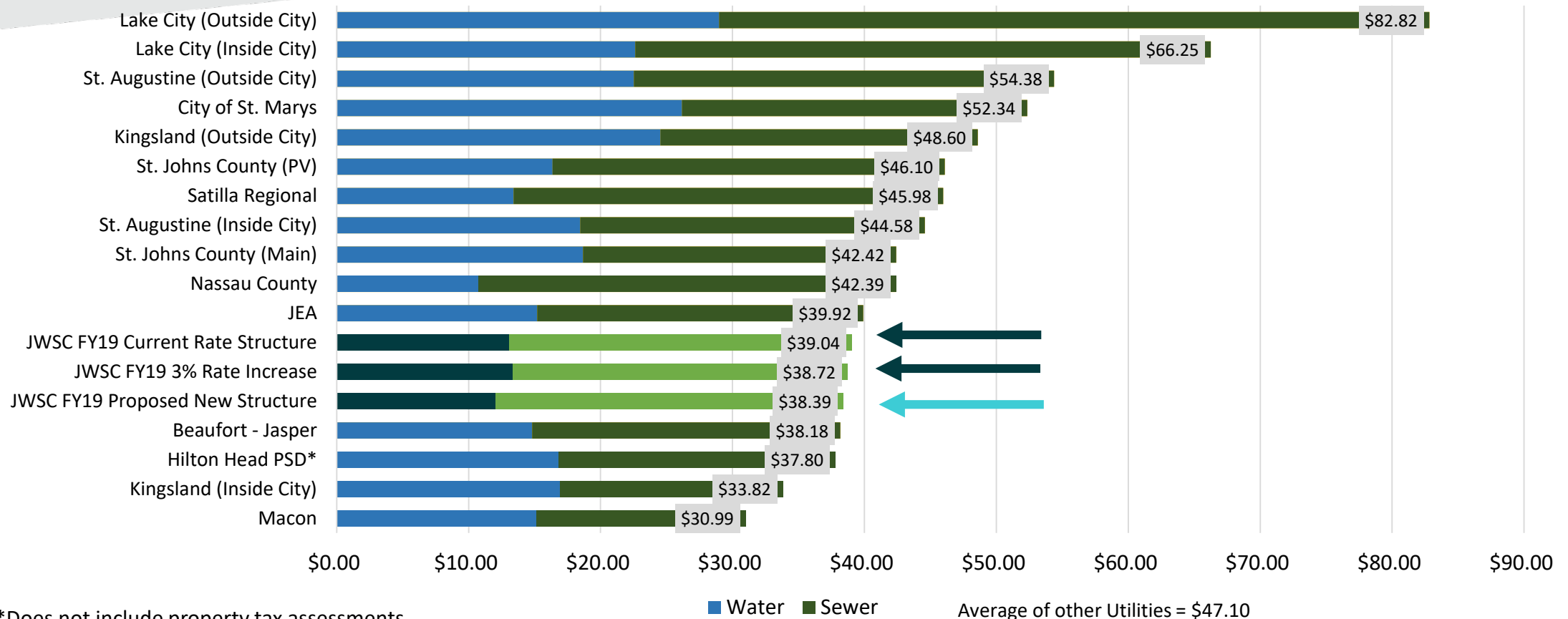
Local Residential Water and Sewer Bill Comparison at 0 Gallons Consumption



Local Residential Water and Sewer Bill Comparison at 1,000 Gallons Consumption



Local Residential Water and Sewer Bill Comparison at 2,000 Gallons Consumption



*Does not include property tax assessments.

Non-residential Customer Base

Monthly Bill Range	Accounts
\$0 - \$50	1,370
\$51 - \$150	914
\$151 - \$300	325
\$300 - \$750	244
\$751 - \$1,500	126
Above \$1,500	145
Total	3,124

-1,994 accounts have more than 1 REU

-1 REU accounts will have impacts similar to single family, based on usage levels

New Rate Structure (City and County)

Example Non-residential Bill Impacts

Customer Description	City Bill FY2018	County Bill FY2018	New Rate Structure Bill	City Change	County Change
2 REUs; 1,000 gals	\$34.72	\$43.48	\$36.34	\$1.62	(\$7.14)
3 REUs; 2,000 gals	\$48.48	\$61.62	\$54.07	\$5.59	(\$7.55)
3 REUs; 11,000 gals	\$133.48	\$146.62	\$152.52	\$19.04	\$5.90
9 REUs; 6,000 gals	\$115.25	\$154.67	\$142.86	\$27.61	(\$11.81)

New Rate Structure

Multi REU Non-residential Bill Impacts

Monthly Bill Impact Range	City Accounts	County Accounts	Total Accounts
Greater than \$50	197	5	202
Between \$25 and \$50	233	3	236
Between \$10 and \$25	339	80	419
Between (\$10) and \$10	538	433	971
Between (\$10) and (\$25)	2	98	100
Between (\$25) and (\$50)	3	30	33
Greater than (\$50) savings	3	30	33
Total	1,315	679	1,994

Representative Multi REU Non-residential Bills

Description	FY 2018 Bill	New Rate Structure	Difference	
55 REUs; 246,000 gals	\$3,199.39	\$3,385.56	\$186.17	>\$50
8 REUs; 24,000 gals	\$299.32	\$341.98	\$42.66	\$25 - \$50
3 REUs; 14,000 gals	\$163.91	\$186.54	\$22.63	\$10 - \$25
5 REUs; 7,000 gals	\$104.70	\$122.84	\$18.14	\$10 - \$25
2 REUs; 6,000 gals	\$79.76	\$87.98	\$8.22	(\$10) - \$10
9 REUs; 40,000 gals	\$535.65	\$542.62	\$6.97	(\$10) - \$10
7 REUs; 16,000 gals	\$235.55	\$240.58	\$5.03	(\$10) - \$10
24 REUs; 57,000 gals	\$881.23	\$865.07	(\$16.16)	(\$10) - (\$25)
34 REUs; 93,000 gals	\$1,407.37	\$1,377.27	(\$30.10)	(\$25) - (\$50)
57 REUs; 118,000 gals	\$1,924.47	\$1,858.84	(\$65.63)	<(\$50)
Large Sewer Only 2,333 REUs – 19,186,000 gals	\$143,626.55	\$161,307.92	\$17,681.37	

Multi REU Non-residential Bill Impacts

Description	FY 2018 Bill	New Rate Structure	Difference	Average Cost per 1,000 gals
Large Sewer Only 2,333 REUs – 19,186,000 gals	\$143,626.55	\$161,307.92	\$17,681.37	\$8.41
Single Family Sewer Bill 1 REU – 5,000 gals	\$46.08	\$49.55	\$3.47	\$9.91

Timeline

- Nov. 16, 2017 - Initial Raftelis rate discussion with Board
- Dec. 2017 through March 2018 – Technical meetings with staff
- April 2018 – Recommendation to Board
- April through May 2018 – Public outreach
- May 2018 – Finalize rate discussions
- June 6 & 7 – City and County approve Operational Agreement
- June 21, 2018 – Board approve rates
- July 1, 2018 – Effective date for rates

Thank you!

Contact: Tony Hairston
407 960 1811 / ahairston@raftelis.com

MSRB REGISTERED MUNICIPAL ADVISOR:

RFC is a Registered Municipal Advisor with the MSRB and SEC under the Dodd-Frank Act and is fully qualified and capable of providing advice related to all aspects of utility financial and capital planning, including the size, timing, and terms of future debt issues. Any opinion, information, or recommendation included in this presentation, related to the size, timing, and terms of a future debt issue may be relied upon only for its intended purpose. This information is not intended as a recommendation to undertake a specific course of action related to the issuance of debt, or to indicate that a particular set of assumptions for the size, timing and terms of issuing debt will be available at the time debt is actually issued.



Brunswick-Glynn Joint Water and Sewer Commission

May 3, 2018

Supplemental Information for
FY 2019 New Rate Structure

Low User Cost Comparison by Rate Structure Option

Brunswick Customers

Estimated Number of Customers	Monthly Use	City Acct Current Cost	2019 Cost under Current Rate Structure	3% Across the Board	2019 Cost under New Rate Structure
285	0	20.96	20.30	20.82	28.50
43	100	20.96	20.30	20.82	28.50
43	200	20.96	20.30	20.82	28.50
43	300	20.96	20.30	20.82	28.50
43	400	20.96	20.30	20.82	28.50
88	500	20.96	20.30	20.82	28.50
88	600	20.96	20.30	20.82	28.50
88	700	20.96	20.30	20.82	28.50
88	800	20.96	20.30	20.82	28.50
88	900	20.96	20.30	20.82	28.50
177	1000	29.65	29.67	29.77	28.50
177	1100	29.65	29.67	29.77	28.50
177	1200	29.65	29.67	29.77	28.50
177	1300	29.65	29.67	29.77	28.50
177	1400	29.65	29.67	29.77	28.50
177	1500	29.65	29.67	29.77	28.50
177	1600	29.65	29.67	29.77	28.50
177	1700	29.65	29.67	29.77	28.50
177	1800	29.65	29.67	29.77	28.50
177	1900	29.65	29.67	29.77	28.50
183	2000	38.34	39.04	38.72	38.39
183	2100	38.34	39.04	38.72	38.39
183	2200	38.34	39.04	38.72	38.39
183	2300	38.34	39.04	38.72	38.39
183	2400	38.34	39.04	38.72	38.39
183	2500	38.34	39.04	38.72	38.39
183	2600	38.34	39.04	38.72	38.39
183	2700	38.34	39.04	38.72	38.39
183	2800	38.34	39.04	38.72	38.39
183	2900	38.34	39.04	38.72	38.39
164	3000	47.03	48.41	47.67	48.28

Glynn County Customers

Estimated Number of Customers	Monthly Use	County Acct Current Cost	2019 Cost under Current Rate Structure	3% Across the Board	2019 Cost under New Rate Structure
244	0	25.34	24.49	25.33	28.50
59	100	25.34	24.49	25.33	28.50
59	200	25.34	24.49	25.33	28.50
59	300	25.34	24.49	25.33	28.50
59	400	25.34	24.49	25.33	28.50
93	500	25.34	24.49	25.33	28.50
93	600	25.34	24.49	25.33	28.50
93	700	25.34	24.49	25.33	28.50
93	800	25.34	24.49	25.33	28.50
93	900	25.34	24.49	25.33	28.50
132	1000	34.03	33.86	34.28	28.50
132	1100	34.03	33.86	34.28	28.50
132	1200	34.03	33.86	34.28	28.50
132	1300	34.03	33.86	34.28	28.50
132	1400	34.03	33.86	34.28	28.50
132	1500	34.03	33.86	34.28	28.50
132	1600	34.03	33.86	34.28	28.50
132	1700	34.03	33.86	34.28	28.50
132	1800	34.03	33.86	34.28	28.50
132	1900	34.03	33.86	34.28	28.50
158	2000	42.72	43.23	43.23	38.39
158	2100	42.72	43.23	43.23	38.39
158	2200	42.72	43.23	43.23	38.39
158	2300	42.72	43.23	43.23	38.39
158	2400	42.72	43.23	43.23	38.39
158	2500	42.72	43.23	43.23	38.39
158	2600	42.72	43.23	43.23	38.39
158	2700	42.72	43.23	43.23	38.39
158	2800	42.72	43.23	43.23	38.39
158	2900	42.72	43.23	43.23	38.39
152	3000	51.41	52.60	52.18	48.28

**Brunswick-Glynn County JWSC
2018 Revenue Sufficiency Study
Customer Bill Impacts**

Water Bill Impacts by Class and Meter Size

CITY - Single Family (1 REU)

Usage (1,000s)	FY 2018 Rates	Bill Impacts			Avg Cost/1,000 gal	
		Proposed Rates	\$ Change	% Change	Existing	Rate Design
0	\$10.63	\$9.87	(\$0.76)	-7.1%		
1	\$12.17	\$9.87	(\$2.30)	-18.9%	\$12.17	\$9.87
2	\$13.71	\$12.03	(\$1.68)	-12.3%	\$6.86	\$6.02
3	\$15.25	\$14.19	(\$1.06)	-7.0%	\$5.08	\$4.73
4	\$17.32	\$17.08	(\$0.24)	-1.4%	\$4.33	\$4.27
5	\$19.39	\$19.97	\$0.58	3.0%	\$3.88	\$3.99
6	\$21.46	\$22.86	\$1.40	6.5%	\$3.58	\$3.81
7	\$24.04	\$26.47	\$2.43	10.1%	\$3.43	\$3.78
8	\$26.62	\$30.08	\$3.46	13.0%	\$3.33	\$3.76
15	\$46.54	\$55.35	\$8.81	18.9%	\$3.10	\$3.69

Sewer Bill Impacts by Class and Meter Size

CITY - Single Family (1 REU)

Usage (1,000s)	FY 2018 Rates	Bill Impacts			Avg Cost/1,000 gal	
		Proposed Rates	\$ Change	% Change	Existing	Rate Design
0	\$10.33	\$18.63	\$8.30	80.3%		
1	\$17.48	\$18.63	\$1.15	6.6%	\$17.48	\$18.63
2	\$24.63	\$26.36	\$1.73	7.0%	\$12.32	\$13.18
3	\$31.78	\$34.09	\$2.31	7.3%	\$10.59	\$11.36
4	\$38.93	\$41.82	\$2.89	7.4%	\$9.73	\$10.46
5	\$46.08	\$49.55	\$3.47	7.5%	\$9.22	\$9.91
6	\$53.23	\$57.28	\$4.05	7.6%	\$8.87	\$9.55
7	\$60.38	\$65.01	\$4.63	7.7%	\$8.63	\$9.29
8	\$67.53	\$72.74	\$5.21	7.7%	\$8.44	\$9.09
15	\$117.58	\$126.85	\$9.27	7.9%	\$7.84	\$8.46

Combined Bill Impacts by Class and Meter Size

CITY - Single Family (1 REU)

Usage (1,000s)	FY 2018 Rates	Bill Impacts			Avg Cost/1,000 gal	
		Proposed Rates	\$ Change	% Change	FY 2018 Rates	FY 2019 Rates
0	\$20.96	\$28.50	\$7.54	36.0%		
1	\$29.65	\$28.50	(\$1.15)	-3.9%	\$29.65	\$28.50
2	\$38.34	\$38.39	\$0.05	0.1%	\$19.17	\$19.20
3	\$47.03	\$48.28	\$1.25	2.7%	\$15.68	\$16.09
4	\$56.25	\$58.90	\$2.65	4.7%	\$14.06	\$14.73
5	\$65.47	\$69.52	\$4.05	6.2%	\$13.09	\$13.90
6	\$74.69	\$80.14	\$5.45	7.3%	\$12.45	\$13.36
7	\$84.42	\$91.48	\$7.06	8.4%	\$12.06	\$13.07
8	\$94.15	\$102.82	\$8.67	9.2%	\$11.77	\$12.85
15	\$164.12	\$182.20	\$18.08	11.0%	\$10.94	\$12.15

COUNTY - Single Family (1 REU)

Usage (1,000s)	FY 2018 Rates	Bill Impacts			Avg Cost/1,000 gal	
		Proposed Rates	\$ Change	% Change	Existing	Rate Design
0	\$9.94	\$9.87	(\$0.07)	-0.7%		
1	\$11.48	\$9.87	(\$1.61)	-14.0%	\$11.48	\$9.87
2	\$13.02	\$12.03	(\$0.99)	-7.6%	\$6.51	\$6.02
3	\$14.56	\$14.19	(\$0.37)	-2.5%	\$4.85	\$4.73
4	\$16.63	\$17.08	\$0.45	2.7%	\$4.16	\$4.27
5	\$18.70	\$19.97	\$1.27	6.8%	\$3.74	\$3.99
6	\$20.77	\$22.86	\$2.09	10.1%	\$3.46	\$3.81
7	\$23.35	\$26.47	\$3.12	13.4%	\$3.34	\$3.78
8	\$25.93	\$30.08	\$4.15	16.0%	\$3.24	\$3.76
15	\$45.85	\$55.35	\$9.50	20.7%	\$3.06	\$3.69

COUNTY - Single Family (1 REU)

Usage (1,000s)	FY 2018 Rates	Bill Impacts			Avg Cost/1,000 gal	
		Proposed Rates	\$ Change	% Change	Existing	Rate Design
0	\$15.40	\$18.63	\$3.23	21.0%		
1	\$22.55	\$18.63	(\$3.92)	-17.4%	\$22.55	\$18.63
2	\$29.70	\$26.36	(\$3.34)	-11.2%	\$14.85	\$13.18
3	\$36.85	\$34.09	(\$2.76)	-7.5%	\$12.28	\$11.36
4	\$44.00	\$41.82	(\$2.18)	-5.0%	\$11.00	\$10.46
5	\$51.15	\$49.55	(\$1.60)	-3.1%	\$10.23	\$9.91
6	\$58.30	\$57.28	(\$1.02)	-1.7%	\$9.72	\$9.55
7	\$65.45	\$65.01	(\$0.44)	-0.7%	\$9.35	\$9.29
8	\$72.60	\$72.74	\$0.14	0.2%	\$9.08	\$9.09
15	\$122.65	\$126.85	\$4.20	3.4%	\$8.18	\$8.46

COUNTY - Single Family (1 REU)

Usage (1,000s)	FY 2018 Rates	Bill Impacts			Avg Cost/1,000 gal	
		Proposed Rates	\$ Change	% Change	FY 2018 Rates	FY 2019 Rates
0	\$25.34	\$28.50	\$3.16	12.5%		
1	\$34.03	\$28.50	(\$5.53)	-16.3%	\$34.03	\$28.50
2	\$42.72	\$38.39	(\$4.33)	-10.1%	\$21.36	\$19.20
3	\$51.41	\$48.28	(\$3.13)	-6.1%	\$17.14	\$16.09
4	\$60.63	\$58.90	(\$1.73)	-2.9%	\$15.16	\$14.73
5	\$69.85	\$69.52	(\$0.33)	-0.5%	\$13.97	\$13.90
6	\$79.07	\$80.14	\$1.07	1.4%	\$13.18	\$13.36
7	\$88.80	\$91.48	\$2.68	3.0%	\$12.69	\$13.07
8	\$98.53	\$102.82	\$4.29	4.4%	\$12.32	\$12.85
15	\$168.50	\$182.20	\$13.70	8.1%	\$11.23	\$12.15

Revenue Summary by Customer Class

New Rate Structure - May 3, 2018

Water Revenue

Description	Existing Revenue			Calculated Revenue			Calculated	
	Billing/Base	Usage	Total	Billing/Base	Usage	Total	Increase	%
City - Residential	\$1,392,300	\$1,235,300	\$2,627,600	\$1,384,290	\$1,316,030	\$2,700,320	\$72,720	2.8%
City - Non-residential	518,600	1,941,100	2,459,700	497,660	1,674,980	2,172,640	(287,060)	-11.7%
City - Irrigation	39,200	192,300	231,500	38,880	164,590	203,470	(28,030)	-12.1%
County - Residential	1,371,400	1,928,800	3,300,200	1,470,030	2,120,590	3,590,620	290,420	8.8%
County - Non-residential	249,600	1,375,100	1,624,700	302,540	1,246,890	1,549,430	(75,270)	-4.6%
County - Irrigation	35,000	184,400	219,400	37,640	159,840	197,480	(21,920)	-10.0%
Total	\$3,606,100	\$6,857,000	\$10,463,100	\$3,731,040	\$6,682,920	\$10,413,960	(\$49,140)	-0.5%

Sewer Revenue

Description	Existing Revenue			Calculated Revenue			Calculated	
	Billing/Base	Usage	Total	Billing/Base	Usage	Total	Increase	%
City - Residential	\$1,275,600	\$3,063,900	\$4,339,500	\$2,303,800	\$2,536,500	\$4,840,300	\$500,800	11.5%
City - Non-residential	644,700	4,561,300	5,206,000	1,203,400	4,704,300	5,907,700	701,700	13.5%
County - Residential	1,980,600	4,449,900	6,430,500	2,382,000	3,915,600	6,297,600	(132,900)	-2.1%
County - Non-residential	887,300	2,494,300	3,381,600	690,400	2,565,500	3,255,900	(125,700)	-3.7%
Total	\$4,788,200	\$14,569,400	\$19,357,600	\$6,579,600	\$13,721,900	\$20,301,500	\$943,900	4.9%

Combined Water and Sewer Revenue

Description	Existing Revenue			Calculated Revenue			Calculated	
	Billing/Base	Usage	Total	Billing/Base	Usage	Total	Increase	%
City - Residential	\$2,667,900	\$4,299,200	\$6,967,100	\$3,688,090	\$3,852,530	\$7,540,620	\$573,520	8.2%
City - Non-residential	1,163,300	6,502,400	7,665,700	1,701,060	6,379,280	8,080,340	414,640	5.4%
City - Irrigation	39,200	192,300	231,500	38,880	164,590	203,470	(28,030)	-12.1%
County - Residential	3,352,000	6,378,700	9,730,700	3,852,030	6,036,190	9,888,220	157,520	1.6%
County - Non-residential	1,136,900	3,869,400	5,006,300	992,940	3,812,390	4,805,330	(200,970)	-4.0%
County - Irrigation	35,000	184,400	219,400	37,640	159,840	197,480	(21,920)	-10.0%
Total	\$8,394,300	\$21,426,400	\$29,820,700	\$10,310,640	\$20,404,820	\$30,715,460	\$894,760	3.0%

City Residential:
 - 24% of increase from 0 bills
 - 1 kgal bills save approximately \$19,000/yr

City Non-residential
 - Most bills are increasing
 - Majority of increase coming from Large Sewer Only User

County Residential
 - 33% of increase from 0 bills
 - 2-5 kgal bills save approximately \$260,000/yr