Meeting:	Village Board
Meeting Date:	03/25/13
Agenda Item:	6f

Mission Statement
Delivering quality services in a courteous, cost-effective and efficient manner.

VILLAGE BOARD MEETING STAFF REPORT

REPORT TO: Burt R. McIntyre, President
Village Board of Trustees

REPORT FROM: Geoffrey S. Farr, PE, Director of Public Works

AGENDA ITEM: Review and take action on the endorsement of rate methodology options being proposed by the Green Bay Metropolitan Sewerage District.

POLICY ISSUE

Should the Village Board take an advisory position to recommend one of four rate methodology options presented by the Green Bay Metropolitan Sewerage District (GBMSD)?

BACKGROUND INFORMATION

The GBMSD has proposed several options to change the method of sewer charge calculations for its customers. This is an effort among other things to stabilize GBMSD revenues and bills to its customers. The proposed rate methodologies are not directly related to the proposed rate increases for the next 5 years which are due to other plant upgrade projects like the solids handling project. The earliest any rate methodology change could take effect would be 2014.

Currently sewer utility revenue and operational costs do not always run parallel to each other because fixed costs that occur every year (like debt payments and some administrative costs) are combined with variable plant operational costs that vary each year. Operational costs are influenced by the volume of and strength of the sewage received at the plant. The volume of sewage received at a sewer plant is often related to the weather and can swing fairly widely each year. For example, all other things being equal, the more rain, the greater the sewage flows to the plant and the higher the revenue it receives and vice versa for a dry year. As a result during a very wet year the utility revenue will be high and exceed the expenses of plant operation. During a dry year revenues are down but fixed costs like debt payments still must be made which must be drawn from reserves.

Any time a different calculation method is utilized, even when generating the same revenue, differences are created that will benefit some customers and hurt others. This is unavoidable and therefore not everyone will agree on the proposed GBMSD changes. Also changing the existing GBMSD rate methodology will change the Village bills and require that the Village change its rate structure in order to distribute the differing costs amongst its customers. This action is somewhat undesirable irrespective of other merits because it will also inherently increase or reduce some of our customer bills, benefiting some and hurting others. Also changing the rate method is disadvantageous because the current rate method is generally understood, accepted and does not create additional administrative burden.

Currently the GBMSD charges its customers for the volume of sewage received and sewage strength. Rates are calculated by dividing the sum of all fixed and variable costs by the projected flow and parameters of the sewage for a given year. In other words each customer pays for what they actually discharge based on flow and strength.

The proposed alternatives include creating a fixed charge based upon a somewhat arbitrary 15% of operational costs and allocating this cost to GBMSD customers by three methods as outlined below.

- While this is one approach, ideally it would be tied to outstanding debt and potentially part or all of administrative costs. In this manner fixed costs are not part of operational costs and will better stabilize revenue to expenses during wet and dry years. Also as debt is paid off rates automatically go down and vice versa.
- The Village should request that the GBMSD provide a breakdown of current and projected amounts of debt, administrative and other costs to determine if 15% is representative of the fixed cost component of the rate methodology.

Attached to this report are three (3) rate projections for 2014, 2015 and 2016 which estimate cost changes for each GBMSD municipality associated with each rate methodology alternative. The first line item for each municipality (see page 2 & 3 of the reports) is the "status quo" or do nothing alternative and is shown as a blank (0% change) under the % change column as the current rate methodology. Each line below that is a % change over or under the status quo alternative. You can see that for 2014 alternative B1 would cause Howard's sewer rates to rise approximately 4.4% as compared to the status quo method.

Alternative B1 – Fixed charge allocated by water meter size

- In addition to creating an undesirable increase in costs for Howard, the water meter allocation of fixed costs should not be utilized because it is not directly related to the actual flow and loading conditions and benefits some customers and hurts others. In addition some industrial customers meter sizes must be calculated or potentially adjusted because not all industries have a water meter or are sized inappropriately in comparison to sewage discharges. This inherently causes some concern as to the impartiality of the calculation and opens the door for other users to claim that their meter sizes are not properly related to sewage flow and strength.

Alternative B2 – Fixed charge allocated by sewage volume and strength

- Fixed charges allocated on flow and strength has some merit because it is based on actual sewage loadings. This seems to be the most appropriate and straightforward method if a change from the status quo rate methodology is made.

Alternative B3 - Fixed charge allocated by sewage volume and strength with some GBMSD direct industrial customer billing

- Would the GBMSD buy the existing municipally owned metering and sampling stations?
- Would the GBMSD maintain and operate these stations?
- Would these direct billing customers ever be permitted to directly connect to the GBMSD, if they are located near or adjacent to a GBMSD interceptor, and become a true direct customer? If the GBMSD, at some point in the future, accepted one of Howard's industrial customers as an actual direct customer, Howard would lose a major customer that contributes to maintaining its collection system and negatively drive up collection system costs for our remaining customers.

PRIOR ACTION/REVIEW
None

FISCAL IMPACT:

1. Is There A Fiscal Impact? Yes
2. Is it Currently Budgeted? No
3. If Budgeted, Which Line? Utility Enterprise funds
4. Amount?

RECOMMENDED ACTION
Village staff recommends that the Village Board recommend to the GBMSD that the current sewer billing methodology (the status quo option) not be changed.

If the Village Board agrees with this action, the following motion could be used, ***"Motion to inform the GBMSD that the Village of Howard recommends that it retain the Status Quo billing rate methodology."***

POLICY ALTERNATIVE(S)
The Village Board could take the following actions:

- Recommend that the GBMSD adopt an alternative rate methodology or stay with the status quo.
- Not make any recommendation.
- Table the recommendation and ask for additional information

ATTACHED INFORMATION

I. Comparative rate projections for 2014, 2015 and 2016 for the 4 rate methodologies.

COPIES FORWARDED TO:

I. None

Flow and Load Projections - 2014

Customer	Volume (1,000 gal)	BOD (lbs)	SS (lbs)	Phos (lbs)	TKN (lbs)	Equivalent Meters	Flows and Loads
City of Green Bay	4,881,467	6,626,148	6,593,795	186,288	1,365,378	38,630	39.1%
City of De Pere	1,623,995	12,135,428	2,748,710	42,793	344,371	13,280	19.8%
Village of Allouez	751,461	872,317	1,061,308	23,715	156,969	6,489	5.4%
Village of Ashwaubenon	1,468,518	2,762,475	3,165,646	92,093	368,959	8,295	15.0%
Village of Bellevue	626,217	904,041	951,263	24,824	164,521	4,768	5.2%
Village of Hobart	101,447	175,796	164,637	4,135	26,289	822	0.9%
Village of Howard	814,083	710,124	1,409,818	30,179	202,248	7,270	6.4%
Village of Luxemburg	114,807	25,500	30,297	3,562	13,259	918	0.5%
Village of Pulaski	187,865	57,462	65,616	8,088	39,269	1,502	1.1%
Village of Suamico	185,778	462,296	381,896	10,860	63,318	2,403	2.1%
Town of Ledgeview	210,000	359,631	434,862	10,149	77,460	2,244	2.1%
Town of Lawrence	75,996	148,764	184,827	4,207	32,625	634	0.9%
Pittsfield Sanitary District	13,432	21,575	26,966	675	4,317	107	0.1%
Town of Scott	124,461	149,812	188,359	5,020	32,216	995	1.0%
Dyckesville Sanitary District	26,719	42,912	53,643	1,354	8,583	214	0.3%
New Franken Sanitary District	16,438	26,399	33,008	832	5,282	131	0.2%
Hauled Waste	32,484	763,302	718,535	9,817	47,830	0	–
Procter & Gamble	1,500,150	525,000	1,400,000	3,500	30,000	0	–

Rates by Parameter

Municipal	Volume (1,000 gal)	BOD (lbs)	SS (lbs)	Phos (lbs)	TKN (lbs)	Fixed Charge
2014 Rate (Status Quo)	$0.796	$0.333	$0.453	$0.679	$0.693	$0.00
B1	$0.549	$0.304	$0.396	$0.629	$0.667	$52.59
B2	$0.549	$0.304	$0.396	$0.629	$0.667	$4,664,605
B3	$0.549	$0.304	$0.396	$0.629	$0.667	$4,664,605

P&G	Volume (1,000 gal)	BOD (lbs)	SS (lbs)	Phos (lbs)	TKN (lbs)	Fixed Charge
2014 Rate (Status Quo)	$0.547	$0.201	$0.199	$0.451	$0.568	$0.00
B1	$0.547	$0.201	$0.199	$0.451	$0.568	$0.00
B2	$0.547	$0.201	$0.199	$0.451	$0.568	$0
B3	$0.547	$0.201	$0.199	$0.451	$0.568	$0

Customer	Alternative	Volume (1,000 gal)	BOD (lbs)	SS (lbs)	Phos (lbs)	TKN (lbs)	Fixed Charge	Total	Percent Change
City of Green Bay	2014 Rate (Status Quo)	$3,885,222	$2,205,253	$2,984,823	$126,493	$945,887	$0	$10,147,678	
City of Green Bay	B1	$2,679,288	$2,013,768	$2,613,434	$117,212	$910,286	$2,031,485	$10,365,472	2.1%
City of Green Bay	B2	$2,679,288	$2,013,768	$2,613,434	$117,212	$910,286	$1,825,742	$10,159,729	0.1%
City of Green Bay	B3	$2,679,288	$2,013,768	$2,613,434	$117,212	$910,286	$1,825,742	$10,159,729	0.1%
City of De Pere	2014 Rate (Status Quo)	$1,292,559	$4,038,800	$1,244,262	$29,057	$238,568	$0	$6,843,247	
City of De Pere	B1	$891,361	$3,688,105	$1,089,444	$26,925	$229,589	$698,363	$6,623,788	(3.2%)
City of De Pere	B2	$891,361	$3,688,105	$1,089,444	$26,925	$229,589	$925,440	$6,850,865	0.1%
City of De Pere	B3	$891,361	$3,688,105	$1,089,444	$26,925	$229,589	$925,440	$6,850,865	0.1%
Village of Allouez	2014 Rate (Status Quo)	$598,097	$290,316	$480,424	$16,103	$108,743	$0	$1,493,683	
Village of Allouez	B1	$412,454	$265,108	$420,647	$14,921	$104,650	$341,227	$1,559,007	4.4%
Village of Allouez	B2	$412,454	$265,108	$420,647	$14,921	$104,650	$250,709	$1,468,488	(1.7%)
Village of Allouez	B3	$412,454	$265,108	$420,647	$14,921	$104,650	$250,709	$1,468,488	(1.7%)
Village of Ashwaubenon	2014 Rate (Status Quo)	$1,168,812	$919,381	$1,432,997	$62,533	$255,602	$0	$3,839,326	
Village of Ashwaubenon	B1	$806,025	$839,550	$1,254,696	$57,945	$245,982	$436,241	$3,640,438	(5.2%)
Village of Ashwaubenon	B2	$806,025	$839,550	$1,254,696	$57,945	$245,982	$701,960	$3,906,157	1.7%
Village of Ashwaubenon	B3	$806,025	$839,550	$1,254,696	$57,945	$245,982	$701,960	$3,906,157	1.7%
Village of Bellevue	2014 Rate (Status Quo)	$498,414	$300,874	$430,609	$16,856	$113,974	$0	$1,360,728	
Village of Bellevue	B1	$343,711	$274,749	$377,031	$15,619	$109,684	$250,728	$1,371,523	0.8%
Village of Bellevue	B2	$343,711	$274,749	$377,031	$15,619	$109,684	$240,320	$1,361,114	0.0%
Village of Bellevue	B3	$343,711	$274,749	$377,031	$15,619	$109,684	$240,320	$1,361,114	0.0%
Village of Hobart	2014 Rate (Status Quo)	$80,743	$58,507	$74,526	$2,807	$18,212	$0	$234,796	
Village of Hobart	B1	$55,681	$53,426	$65,253	$2,601	$17,527	$43,208	$237,697	1.2%
Village of Hobart	B2	$55,681	$53,426	$65,253	$2,601	$17,527	$40,686	$235,175	0.2%
Village of Hobart	B3	$55,681	$53,426	$65,253	$2,601	$17,527	$40,686	$235,175	0.2%
Village of Howard	2014 Rate (Status Quo)	$647,939	$236,337	$638,184	$20,492	$140,110	$0	$1,683,063	
Village of Howard	B1	$446,825	$215,815	$558,778	$18,989	$134,837	$382,324	$1,757,567	4.4%
Village of Howard	B2	$446,825	$215,815	$558,778	$18,989	$134,837	$296,539	$1,671,783	(0.7%)
Village of Howard	B3	$446,825	$215,815	$558,778	$18,989	$134,837	$296,539	$1,671,783	(0.7%)
Village of Luxemburg	2014 Rate (Status Quo)	$91,376	$8,487	$13,714	$2,418	$9,185	$0	$125,181	
Village of Luxemburg	B1	$63,014	$7,750	$12,008	$2,241	$8,840	$48,255	$142,107	13.5%
Village of Luxemburg	B2	$63,014	$7,750	$12,008	$2,241	$8,840	$23,755	$117,608	(6.1%)
Village of Luxemburg	B3	$63,014	$7,750	$12,008	$2,241	$8,840	$23,755	$117,608	(6.1%)
Village of Pulaski	2014 Rate (Status Quo)	$149,524	$19,124	$29,703	$5,492	$27,204	$0	$231,047	
Village of Pulaski	B1	$103,113	$17,463	$26,007	$5,089	$26,181	$78,963	$256,816	11.2%
Village of Pulaski	B2	$103,113	$17,463	$26,007	$5,089	$26,181	$50,645	$228,498	(1.1%)
Village of Pulaski	B3	$103,113	$17,463	$26,007	$5,089	$26,181	$50,645	$228,498	(1.1%)
Village of Suamico	2014 Rate (Status Quo)	$147,863	$153,857	$172,873	$7,374	$43,865	$0	$525,832	
Village of Suamico	B1	$101,968	$140,497	$151,363	$6,833	$42,214	$126,358	$569,234	8.3%
Village of Suamico	B2	$101,968	$140,497	$151,363	$6,833	$42,214	$95,644	$538,520	2.4%
Village of Suamico	B3	$101,968	$140,497	$151,363	$6,833	$42,214	$95,644	$538,520	2.4%

Customer	Alternative	Volume (1,000 gal)	BOD (lbs)	SS (lbs)	Phos (lbs)	TKN (lbs)	Fixed Charge	Total	Percent Change
Town of Ledgeview	2014 Rate (Status Quo)	$167,142	$119,689	$196,850	$6,892	$53,662	$0	$544,234	
Town of Ledgeview	B1	$115,263	$109,296	$172,357	$6,386	$51,642	$118,018	$572,961	5.3%
Town of Ledgeview	B2	$115,263	$109,296	$172,357	$6,386	$51,642	$99,788	$554,732	1.9%
Town of Ledgeview	B3	$115,263	$109,296	$172,357	$6,386	$51,642	$99,788	$554,732	1.9%
Town of Lawrence	2014 Rate (Status Quo)	$60,486	$49,510	$83,666	$2,857	$22,602	$0	$219,120	
Town of Lawrence	B1	$41,712	$45,211	$73,256	$2,647	$21,751	$33,338	$217,915	(0.6%)
Town of Lawrence	B2	$41,712	$45,211	$73,256	$2,647	$21,751	$40,843	$225,419	2.9%
Town of Lawrence	B3	$41,712	$45,211	$73,256	$2,647	$21,751	$40,843	$225,419	2.9%
Pittsfield Sanitary District	2014 Rate (Status Quo)	$10,691	$7,181	$12,207	$459	$2,991	$0	$33,528	
Pittsfield Sanitary District	B1	$7,372	$6,557	$10,688	$425	$2,878	$5,646	$33,567	0.1%
Pittsfield Sanitary District	B2	$7,372	$6,557	$10,688	$425	$2,878	$6,135	$34,056	1.6%
Pittsfield Sanitary District	B3	$7,372	$6,557	$10,688	$425	$2,878	$6,135	$34,056	1.6%
Town of Scott	2014 Rate (Status Quo)	$99,060	$49,859	$85,265	$3,409	$22,318	$0	$259,911	
Town of Scott	B1	$68,313	$45,530	$74,656	$3,159	$21,478	$52,313	$265,448	2.1%
Town of Scott	B2	$68,313	$45,530	$74,656	$3,159	$21,478	$46,657	$259,792	(0.0%)
Town of Scott	B3	$68,313	$45,530	$74,656	$3,159	$21,478	$46,657	$259,792	(0.0%)
Dyckesville Sanitary District	2014 Rate (Status Quo)	$21,266	$14,282	$24,283	$919	$5,946	$0	$66,695	
Dyckesville Sanitary District	B1	$14,665	$13,042	$21,261	$852	$5,722	$11,230	$66,772	0.1%
Dyckesville Sanitary District	B2	$14,665	$13,042	$21,261	$852	$5,722	$12,223	$67,765	1.6%
Dyckesville Sanitary District	B3	$14,665	$13,042	$21,261	$852	$5,722	$12,223	$67,765	1.6%
New Franken Sanitary District	2014 Rate (Status Quo)	$13,083	$8,786	$14,942	$565	$3,659	$0	$41,035	
New Franken Sanitary District	B1	$9,022	$8,023	$13,083	$524	$3,522	$6,909	$41,083	0.1%
New Franken Sanitary District	B2	$9,022	$8,023	$13,083	$524	$3,522	$7,519	$41,693	1.6%
New Franken Sanitary District	B3	$9,022	$8,023	$13,083	$524	$3,522	$7,519	$41,693	1.6%
Hauled Waste	2014 Rate (Status Quo)	$25,854	$254,035	$325,260	$6,666	$33,135	$0	$644,950	
Hauled Waste	B1	$17,829	$231,977	$284,789	$6,177	$31,888	$0	$572,660	(11.2%)
Hauled Waste	B2	$17,829	$231,977	$284,789	$6,177	$31,888	$0	$572,660	(11.2%)
Hauled Waste	B3	$17,829	$231,977	$284,789	$6,177	$31,888	$0	$572,660	(11.2%)
Total Municipal	2014 Rate (Status Quo)	$8,958,133	$8,734,279	$8,244,588	$311,391	$2,045,664	$0	$28,294,054	
Total Municipal	B1	$6,177,618	$7,975,868	$7,218,750	$288,544	$1,968,671	$4,664,605	$28,294,054	–
Total Municipal	B2	$6,177,618	$7,975,868	$7,218,750	$288,544	$1,968,671	$4,664,605	$28,294,054	–
Total Municipal	B3	$6,177,618	$7,975,868	$7,218,750	$288,544	$1,968,671	$4,664,605	$28,294,054	–
Procter & Gamble	2014 Rate (Status Quo)	$821,107	$105,667	$278,754	$1,578	$17,046	$0	$1,224,152	
Procter & Gamble	B1	$821,107	$105,667	$278,754	$1,578	$17,046	$0	$1,224,152	–
Procter & Gamble	B2	$821,107	$105,667	$278,754	$1,578	$17,046	$0	$1,224,152	–
Procter & Gamble	B3	$821,107	$105,667	$278,754	$1,578	$17,046	$0	$1,224,152	–
Grand Total	2014 Rate (Status Quo)	$9,779,240	$8,839,945	$8,523,342	$312,969	$2,062,709	$0	$29,518,206	
Grand Total	B1	$6,998,725	$8,081,534	$7,497,504	$290,121	$1,985,717	$4,664,605	$29,518,206	–
Grand Total	B2	$6,998,725	$8,081,534	$7,497,504	$290,121	$1,985,717	$4,664,605	$29,518,206	–
Grand Total	B3	$6,998,725	$8,081,534	$7,497,504	$290,121	$1,985,717	$4,664,605	$29,518,206	–

Flow and Load Projections - 2015

Customer	Volume (1,000 gal)	BOD (lbs)	SS (lbs)	Phos (lbs)	TKN (lbs)	Equivalent Meters	Flows and Loads
City of Green Bay	4,881,467	6,676,109	6,632,984	187,551	1,375,629	38,630	39.2%
City of De Pere	1,623,995	12,246,557	2,767,464	43,027	346,439	13,280	19.9%
Village of Allouez	751,461	876,678	1,066,615	23,834	157,754	6,489	5.4%
Village of Ashwaubenon	1,468,518	2,777,986	3,182,078	92,573	370,865	8,295	15.0%
Village of Bellevue	626,217	908,561	956,019	24,948	165,343	4,768	5.1%
Village of Hobart	101,447	176,675	165,460	4,155	26,420	822	0.9%
Village of Howard	814,083	714,252	1,417,522	30,355	203,594	7,270	6.4%
Village of Luxemburg	114,807	25,627	30,448	3,580	13,325	918	0.5%
Village of Pulaski	187,865	57,749	65,945	8,129	39,466	1,502	1.1%
Village of Suamico	185,778	464,607	383,805	10,914	63,635	2,403	2.0%
Town of Ledgeview	210,000	361,429	437,037	10,200	77,848	2,244	2.1%
Town of Lawrence	75,996	149,508	185,751	4,228	32,788	634	0.9%
Pittsfield Sanitary District	13,432	21,683	27,101	679	4,339	107	0.1%
Town of Scott	124,461	150,561	189,301	5,045	32,377	995	1.0%
Dyckesville Sanitary District	26,719	43,127	53,911	1,361	8,626	214	0.3%
New Franken Sanitary District	16,438	26,531	33,173	836	5,309	131	0.2%
Hauled Waste	32,484	767,118	722,127	9,866	48,069	0	–
Procter & Gamble	1,500,150	525,000	1,400,000	3,500	30,000	0	–

Rates by Parameter

Municipal	Volume (1,000 gal)	BOD (lbs)	SS (lbs)	Phos (lbs)	TKN (lbs)	Fixed Charge
2015 Rate (Status Quo)	$0.852	$0.388	$0.559	$0.780	$0.747	$0.00
B1	$0.586	$0.342	$0.468	$0.701	$0.708	$67.96
B2	$0.586	$0.342	$0.468	$0.701	$0.708	$6,028,127
B3	$0.586	$0.342	$0.468	$0.701	$0.708	$6,028,127

P&G	Volume (1,000 gal)	BOD (lbs)	SS (lbs)	Phos (lbs)	TKN (lbs)	Fixed Charge
2015 Rate (Status Quo)	$0.570	$0.208	$0.207	$0.467	$0.586	$0.00
B1	$0.570	$0.208	$0.207	$0.467	$0.586	$0.00
B2	$0.570	$0.208	$0.207	$0.467	$0.586	$0
B3	$0.570	$0.208	$0.207	$0.467	$0.586	$0

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Customer	**Alternative**	**Volume (1,000 gal)**	**BOD (lbs)**	**SS (lbs)**	**Phos (lbs)**	**TKN (lbs)**	**Fixed Charge**	**Total**	**Percent Change**
City of Green Bay	2015 Rate (Status Quo)	$4,156,591	$2,588,266	$3,708,627	$146,328	$1,027,426	$0	$11,627,238	
City of Green Bay	B1	$2,856,664	$2,281,990	$3,107,036	$131,429	$973,387	$2,623,988	$11,974,493	3.0%
City of Green Bay	B2	$2,856,664	$2,281,990	$3,107,036	$131,429	$973,387	$2,359,333	$11,709,838	0.7%
City of Green Bay	B3	$2,856,664	$2,281,990	$3,107,036	$131,429	$973,387	$2,359,333	$11,709,838	0.7%
City of De Pere	2015 Rate (Status Quo)	$1,382,839	$4,747,878	$1,547,342	$33,570	$258,747	$0	$7,970,376	
City of De Pere	B1	$950,372	$4,186,049	$1,296,341	$30,152	$245,138	$902,047	$7,610,099	(4.5%)
City of De Pere	B2	$950,372	$4,186,049	$1,296,341	$30,152	$245,138	$1,196,267	$7,904,319	(0.8%)
City of De Pere	B3	$950,372	$4,186,049	$1,296,341	$30,152	$245,138	$1,196,267	$7,904,319	(0.8%)
Village of Allouez	2015 Rate (Status Quo)	$639,872	$339,880	$596,364	$18,595	$117,823	$0	$1,712,535	
Village of Allouez	B1	$439,759	$299,661	$499,626	$16,702	$111,626	$440,749	$1,808,123	5.6%
Village of Allouez	B2	$439,759	$299,661	$499,626	$16,702	$111,626	$323,518	$1,690,892	(1.3%)
Village of Allouez	B3	$439,759	$299,661	$499,626	$16,702	$111,626	$323,518	$1,690,892	(1.3%)
Village of Ashwaubenon	2015 Rate (Status Quo)	$1,250,450	$1,077,000	$1,779,160	$72,226	$276,991	$0	$4,455,826	
Village of Ashwaubenon	B1	$859,386	$949,555	$1,490,555	$64,872	$262,422	$563,475	$4,190,266	(6.0%)
Village of Ashwaubenon	B2	$859,386	$949,555	$1,490,555	$64,872	$262,422	$905,948	$4,532,738	1.7%
Village of Ashwaubenon	B3	$859,386	$949,555	$1,490,555	$64,872	$262,422	$905,948	$4,532,738	1.7%
Village of Bellevue	2015 Rate (Status Quo)	$533,227	$352,241	$534,528	$19,464	$123,491	$0	$1,562,951	
Village of Bellevue	B1	$366,466	$310,559	$447,820	$17,482	$116,996	$323,856	$1,583,180	1.3%
Village of Bellevue	B2	$366,466	$310,559	$447,820	$17,482	$116,996	$310,094	$1,569,417	0.4%
Village of Bellevue	B3	$366,466	$310,559	$447,820	$17,482	$116,996	$310,094	$1,569,417	0.4%
Village of Hobart	2015 Rate (Status Quo)	$86,383	$68,495	$92,512	$3,242	$19,733	$0	$270,364	
Village of Hobart	B1	$59,367	$60,390	$77,505	$2,912	$18,695	$55,809	$274,679	1.6%
Village of Hobart	B2	$59,367	$60,390	$77,505	$2,912	$18,695	$52,497	$271,366	0.4%
Village of Hobart	B3	$59,367	$60,390	$77,505	$2,912	$18,695	$52,497	$271,366	0.4%
Village of Howard	2015 Rate (Status Quo)	$693,195	$276,909	$792,563	$23,683	$152,060	$0	$1,938,410	
Village of Howard	B1	$476,406	$244,142	$663,998	$21,272	$144,062	$493,832	$2,043,712	5.4%
Village of Howard	B2	$476,406	$244,142	$663,998	$21,272	$144,062	$382,955	$1,932,835	(0.3%)
Village of Howard	B3	$476,406	$244,142	$663,998	$21,272	$144,062	$382,955	$1,932,835	(0.3%)
Village of Luxemburg	2015 Rate (Status Quo)	$97,759	$9,935	$17,024	$2,793	$9,952	$0	$137,463	
Village of Luxemburg	B1	$67,186	$8,760	$14,263	$2,508	$9,429	$62,329	$164,475	19.6%
Village of Luxemburg	B2	$67,186	$8,760	$14,263	$2,508	$9,429	$30,662	$132,808	(3.4%)
Village of Luxemburg	B3	$67,186	$8,760	$14,263	$2,508	$9,429	$30,662	$132,808	(3.4%)
Village of Pulaski	2015 Rate (Status Quo)	$159,968	$22,389	$36,871	$6,342	$29,476	$0	$255,046	
Village of Pulaski	B1	$109,940	$19,740	$30,890	$5,696	$27,926	$101,993	$296,184	16.1%
Village of Pulaski	B2	$109,940	$19,740	$30,890	$5,696	$27,926	$65,363	$259,554	1.8%
Village of Pulaski	B3	$109,940	$19,740	$30,890	$5,696	$27,926	$65,363	$259,554	1.8%
Village of Suamico	2015 Rate (Status Quo)	$158,191	$180,124	$214,593	$8,515	$47,527	$0	$608,950	
Village of Suamico	B1	$108,718	$158,809	$179,783	$7,648	$45,027	$163,212	$663,198	8.9%
Village of Suamico	B2	$108,718	$158,809	$179,783	$7,648	$45,027	$123,399	$623,386	2.4%
Village of Suamico	B3	$108,718	$158,809	$179,783	$7,648	$45,027	$123,399	$623,386	2.4%

Customer	Alternative	Volume (1,000 gal)	BOD (lbs)	SS (lbs)	Phos (lbs)	TKN (lbs)	Fixed Charge	Total	Percent Change
Town of Ledgeview	2015 Rate (Status Quo)	$178,816	$140,123	$244,356	$7,958	$58,143	$0	$629,395	
Town of Ledgeview	B1	$122,893	$123,542	$204,718	$7,148	$55,085	$152,439	$665,824	5.8%
Town of Ledgeview	B2	$122,893	$123,542	$204,718	$7,148	$55,085	$128,755	$642,140	2.0%
Town of Ledgeview	B3	$122,893	$123,542	$204,718	$7,148	$55,085	$128,755	$642,140	2.0%
Town of Lawrence	2015 Rate (Status Quo)	$64,711	$57,963	$103,857	$3,299	$24,489	$0	$254,318	
Town of Lawrence	B1	$44,473	$51,104	$87,010	$2,963	$23,201	$43,061	$251,812	(1.0%)
Town of Lawrence	B2	$44,473	$51,104	$87,010	$2,963	$23,201	$52,698	$261,448	2.8%
Town of Lawrence	B3	$44,473	$51,104	$87,010	$2,963	$23,201	$52,698	$261,448	2.8%
Pittsfield Sanitary District	2015 Rate (Status Quo)	$11,437	$8,406	$15,153	$530	$3,241	$0	$38,767	
Pittsfield Sanitary District	B1	$7,860	$7,412	$12,695	$476	$3,070	$7,293	$38,805	0.1%
Pittsfield Sanitary District	B2	$7,860	$7,412	$12,695	$476	$3,070	$7,916	$39,429	1.7%
Pittsfield Sanitary District	B3	$7,860	$7,412	$12,695	$476	$3,070	$7,916	$39,429	1.7%
Town of Scott	2015 Rate (Status Quo)	$105,979	$58,371	$105,842	$3,936	$24,182	$0	$298,310	
Town of Scott	B1	$72,835	$51,464	$88,673	$3,535	$22,910	$67,570	$306,988	2.9%
Town of Scott	B2	$72,835	$51,464	$88,673	$3,535	$22,910	$60,206	$299,623	0.4%
Town of Scott	B3	$72,835	$51,464	$88,673	$3,535	$22,910	$60,206	$299,623	0.4%
Dyckesville Sanitary District	2015 Rate (Status Quo)	$22,751	$16,720	$30,143	$1,061	$6,442	$0	$77,118	
Dyckesville Sanitary District	B1	$15,636	$14,741	$25,253	$953	$6,103	$14,506	$77,193	0.1%
Dyckesville Sanitary District	B2	$15,636	$14,741	$25,253	$953	$6,103	$15,772	$78,459	1.7%
Dyckesville Sanitary District	B3	$15,636	$14,741	$25,253	$953	$6,103	$15,772	$78,459	1.7%
New Franken Sanitary District	2015 Rate (Status Quo)	$13,997	$10,286	$18,548	$652	$3,965	$0	$47,448	
New Franken Sanitary District	B1	$9,620	$9,069	$15,539	$586	$3,756	$8,924	$47,494	0.1%
New Franken Sanitary District	B2	$9,620	$9,069	$15,539	$586	$3,756	$9,702	$48,272	1.7%
New Franken Sanitary District	B3	$9,620	$9,069	$15,539	$586	$3,756	$9,702	$48,272	1.7%
Hauled Waste	2015 Rate (Status Quo)	$27,660	$297,405	$403,755	$7,697	$35,902	$0	$772,419	
Hauled Waste	B1	$19,010	$262,212	$338,260	$6,914	$34,013	$0	$660,409	(14.5%)
Hauled Waste	B2	$19,010	$262,212	$338,260	$6,914	$34,013	$0	$660,409	(14.5%)
Hauled Waste	B3	$19,010	$262,212	$338,260	$6,914	$34,013	$0	$660,409	(14.5%)
Total Municipal	2015 Rate (Status Quo)	$9,583,825	$10,252,391	$10,241,236	$359,894	$2,219,588	$0	$32,656,934	
Total Municipal	B1	$6,586,592	$9,039,198	$8,579,965	$323,249	$2,102,846	$6,025,085	$32,656,934	–
Total Municipal	B2	$6,586,592	$9,039,198	$8,579,965	$323,249	$2,102,846	$6,025,085	$32,656,934	–
Total Municipal	B3	$6,586,592	$9,039,198	$8,579,965	$323,249	$2,102,846	$6,025,085	$32,656,934	–
Procter & Gamble	2015 Rate (Status Quo)	$854,878	$109,035	$289,200	$1,634	$17,574	$0	$1,272,320	
Procter & Gamble	B1	$854,878	$109,035	$289,200	$1,634	$17,574	$0	$1,272,320	–
Procter & Gamble	B2	$854,878	$109,035	$289,200	$1,634	$17,574	$0	$1,272,320	–
Procter & Gamble	B3	$854,878	$109,035	$289,200	$1,634	$17,574	$0	$1,272,320	–
Grand Total	2015 Rate (Status Quo)	$10,438,703	$10,361,426	$10,530,436	$361,528	$2,237,162	$0	$33,929,255	
Grand Total	B1	$7,441,469	$9,148,233	$8,869,165	$324,883	$2,120,420	$6,025,085	$33,929,255	–
Grand Total	B2	$7,441,469	$9,148,233	$8,869,165	$324,883	$2,120,420	$6,025,085	$33,929,255	–
Grand Total	B3	$7,441,469	$9,148,233	$8,869,165	$324,883	$2,120,420	$6,025,085	$33,929,255	–

Flow and Load Projections - 2016

Customer	Volume (1,000 gal)	BOD (lbs)	SS (lbs)	Phos (lbs)	TKN (lbs)	Equivalent Meters	Flows and Loads
City of Green Bay	4,881,467	6,709,489	6,666,149	188,488	1,382,507	38,630	39.2%
City of De Pere	1,623,995	12,307,790	2,781,302	43,242	348,171	13,280	19.9%
Village of Allouez	751,461	881,062	1,071,948	23,953	158,543	6,489	5.4%
Village of Ashwaubenon	1,468,518	2,791,876	3,197,988	93,036	372,719	8,295	15.0%
Village of Bellevue	626,217	913,104	960,799	25,072	166,170	4,768	5.1%
Village of Hobart	101,447	177,558	166,288	4,176	26,552	822	0.9%
Village of Howard	814,083	717,824	1,424,609	30,507	204,612	7,270	6.4%
Village of Luxemburg	114,807	25,756	30,600	3,597	13,392	918	0.5%
Village of Pulaski	187,865	58,038	66,274	8,169	39,663	1,502	1.1%
Village of Suamico	185,778	466,930	385,724	10,969	63,953	2,403	2.0%
Town of Ledgeview	210,000	363,237	439,222	10,251	78,237	2,244	2.1%
Town of Lawrence	75,996	150,255	186,679	4,249	32,952	634	0.9%
Pittsfield Sanitary District	13,432	21,792	27,236	682	4,361	107	0.1%
Town of Scott	124,461	151,314	190,247	5,070	32,539	995	1.0%
Dyckesville Sanitary District	26,719	43,343	54,181	1,367	8,669	214	0.3%
New Franken Sanitary District	16,438	26,664	33,339	840	5,335	131	0.2%
Hauled Waste	32,484	770,954	725,738	9,915	48,309	0	–
Procter & Gamble	1,500,150	525,000	1,400,000	3,500	30,000	0	–

Rates by Parameter

Municipal	Volume (1,000 gal)	BOD (lbs)	SS (lbs)	Phos (lbs)	TKN (lbs)	Fixed Charge
2016 Rate (Status Quo)	$0.941	$0.414	$0.582	$0.826	$0.824	$0.00
B1	$0.650	$0.368	$0.499	$0.748	$0.772	$67.75
B2	$0.656	$0.370	$0.500	$0.751	$0.777	$6,054,881
B3	$0.658	$0.370	$0.501	$0.752	$0.779	$6,068,142

P&G	Volume (1,000 gal)	BOD (lbs)	SS (lbs)	Phos (lbs)	TKN (lbs)	Fixed Charge
2016 Rate (Status Quo)	$0.593	$0.215	$0.214	$0.484	$0.605	$0.00
B1	$0.593	$0.215	$0.214	$0.484	$0.605	$0.00
B2	$0.593	$0.215	$0.214	$0.484	$0.605	$0
B3	$0.593	$0.215	$0.214	$0.484	$0.605	$0

		3	4	5	6	7	8		
Customer	**Alternative**	**Volume (1,000 gal)**	**BOD (lbs)**	**SS (lbs)**	**Phos (lbs)**	**TKN (lbs)**	**Fixed Charge**	**Total**	**Percent Change**
City of Green Bay	2016 Rate (Status Quo)	$4,605,252	$2,779,681	$3,885,261	$155,848	$1,142,730	$0	$12,568,772	
City of Green Bay	B1	$3,211,643	$2,484,481	$3,338,804	$141,666	$1,077,145	$2,642,740	$12,896,479	2.6%
City of Green Bay	B2	$3,211,643	$2,484,481	$3,338,804	$141,666	$1,077,145	$2,376,194	$12,629,933	0.5%
City of Green Bay	B3	$3,211,643	$2,484,481	$3,338,804	$141,666	$1,077,145	$2,376,194	$12,629,933	0.5%
City of De Pere	2016 Rate (Status Quo)	$1,532,102	$5,099,007	$1,621,038	$35,754	$287,785	$0	$8,575,687	
City of De Pere	B1	$1,068,468	$4,557,495	$1,393,042	$32,500	$271,268	$908,494	$8,231,267	(4.0%)
City of De Pere	B2	$1,068,468	$4,557,495	$1,393,042	$32,500	$271,268	$1,204,816	$8,527,590	(0.6%)
City of De Pere	B3	$1,068,468	$4,557,495	$1,393,042	$32,500	$271,268	$1,204,816	$8,527,590	(0.6%)
Village of Allouez	2016 Rate (Status Quo)	$708,940	$365,016	$624,768	$19,805	$131,046	$0	$1,849,575	
Village of Allouez	B1	$494,406	$326,252	$536,895	$18,003	$123,524	$443,899	$1,942,979	5.1%
Village of Allouez	B2	$494,406	$326,252	$536,895	$18,003	$123,524	$325,830	$1,824,910	(1.3%)
Village of Allouez	B3	$494,406	$326,252	$536,895	$18,003	$123,524	$325,830	$1,824,910	(1.3%)
Village of Ashwaubenon	2016 Rate (Status Quo)	$1,385,423	$1,156,649	$1,863,898	$76,925	$308,076	$0	$4,790,970	
Village of Ashwaubenon	B1	$966,176	$1,033,814	$1,601,743	$69,925	$290,395	$567,502	$4,529,554	(5.5%)
Village of Ashwaubenon	B2	$966,176	$1,033,814	$1,601,743	$69,925	$290,395	$912,422	$4,874,474	1.7%
Village of Ashwaubenon	B3	$966,176	$1,033,814	$1,601,743	$69,925	$290,395	$912,422	$4,874,474	1.7%
Village of Bellevue	2016 Rate (Status Quo)	$590,783	$378,291	$559,987	$20,731	$137,350	$0	$1,687,141	
Village of Bellevue	B1	$412,004	$338,116	$481,225	$18,844	$129,467	$326,170	$1,705,828	1.1%
Village of Bellevue	B2	$412,004	$338,116	$481,225	$18,844	$129,467	$312,310	$1,691,967	0.3%
Village of Bellevue	B3	$412,004	$338,116	$481,225	$18,844	$129,467	$312,310	$1,691,967	0.3%
Village of Hobart	2016 Rate (Status Quo)	$95,707	$73,561	$96,918	$3,453	$21,947	$0	$291,586	
Village of Hobart	B1	$66,745	$65,749	$83,287	$3,139	$20,688	$56,208	$295,814	1.5%
Village of Hobart	B2	$66,745	$65,749	$83,287	$3,139	$20,688	$52,872	$292,478	0.3%
Village of Hobart	B3	$66,745	$65,749	$83,287	$3,139	$20,688	$52,872	$292,478	0.3%
Village of Howard	2016 Rate (Status Quo)	$768,019	$297,388	$830,311	$25,224	$169,125	$0	$2,090,067	
Village of Howard	B1	$535,606	$265,805	$713,529	$22,929	$159,418	$497,361	$2,194,649	5.0%
Village of Howard	B2	$535,606	$265,805	$713,529	$22,929	$159,418	$385,691	$2,082,979	(0.3%)
Village of Howard	B3	$535,606	$265,805	$713,529	$22,929	$159,418	$385,691	$2,082,979	(0.3%)
Village of Luxemburg	2016 Rate (Status Quo)	$108,311	$10,670	$17,835	$2,974	$11,069	$0	$150,860	
Village of Luxemburg	B1	$75,534	$9,537	$15,327	$2,704	$10,434	$62,775	$176,310	16.9%
Village of Luxemburg	B2	$75,534	$9,537	$15,327	$2,704	$10,434	$30,882	$144,417	(4.3%)
Village of Luxemburg	B3	$75,534	$9,537	$15,327	$2,704	$10,434	$30,882	$144,417	(4.3%)
Village of Pulaski	2016 Rate (Status Quo)	$177,235	$24,045	$38,627	$6,755	$32,784	$0	$279,445	
Village of Pulaski	B1	$123,601	$21,491	$33,194	$6,140	$30,902	$102,722	$318,051	13.8%
Village of Pulaski	B2	$123,601	$21,491	$33,194	$6,140	$30,902	$65,830	$281,159	0.6%
Village of Pulaski	B3	$123,601	$21,491	$33,194	$6,140	$30,902	$65,830	$281,159	0.6%
Village of Suamico	2016 Rate (Status Quo)	$175,266	$193,445	$224,814	$9,069	$52,861	$0	$655,455	
Village of Suamico	B1	$122,228	$172,901	$193,194	$8,244	$49,827	$164,378	$710,773	8.4%
Village of Suamico	B2	$122,228	$172,901	$193,194	$8,244	$49,827	$124,281	$670,675	2.3%
Village of Suamico	B3	$122,228	$172,901	$193,194	$8,244	$49,827	$124,281	$670,675	2.3%

Customer	Alternative	Volume (1,000 gal)	BOD (lbs)	SS (lbs)	Phos (lbs)	TKN (lbs)	Fixed Charge	Total	Percent Change
Town of Ledgeview	2016 Rate (Status Quo)	$198,117	$150,486	$255,994	$8,476	$64,668	$0	$677,740	
Town of Ledgeview	B1	$138,164	$134,504	$219,989	$7,705	$60,956	$153,528	$714,846	5.5%
Town of Ledgeview	B2	$138,164	$134,504	$219,989	$7,705	$60,956	$129,675	$690,993	2.0%
Town of Ledgeview	B3	$138,164	$134,504	$219,989	$7,705	$60,956	$129,675	$690,993	2.0%
Town of Lawrence	2016 Rate (Status Quo)	$71,696	$62,250	$108,803	$3,513	$27,237	$0	$273,499	
Town of Lawrence	B1	$50,000	$55,639	$93,500	$3,194	$25,674	$43,369	$271,375	(0.8%)
Town of Lawrence	B2	$50,000	$55,639	$93,500	$3,194	$25,674	$53,074	$281,080	2.8%
Town of Lawrence	B3	$50,000	$55,639	$93,500	$3,194	$25,674	$53,074	$281,080	2.8%
Pittsfield Sanitary District	2016 Rate (Status Quo)	$12,672	$9,028	$15,874	$564	$3,604	$0	$41,743	
Pittsfield Sanitary District	B1	$8,837	$8,069	$13,642	$513	$3,398	$7,345	$41,803	0.1%
Pittsfield Sanitary District	B2	$8,837	$8,069	$13,642	$513	$3,398	$7,973	$42,431	1.6%
Pittsfield Sanitary District	B3	$8,837	$8,069	$13,642	$513	$3,398	$7,973	$42,431	1.6%
Town of Scott	2016 Rate (Status Quo)	$117,418	$62,688	$110,883	$4,192	$26,896	$0	$322,077	
Town of Scott	B1	$81,886	$56,031	$95,287	$3,811	$25,352	$68,053	$330,420	2.6%
Town of Scott	B2	$81,886	$56,031	$95,287	$3,811	$25,352	$60,636	$323,003	0.3%
Town of Scott	B3	$81,886	$56,031	$95,287	$3,811	$25,352	$60,636	$323,003	0.3%
Dyckesville Sanitary District	2016 Rate (Status Quo)	$25,207	$17,956	$31,578	$1,131	$7,165	$0	$83,038	
Dyckesville Sanitary District	B1	$17,579	$16,050	$27,137	$1,028	$6,754	$14,609	$83,157	0.1%
Dyckesville Sanitary District	B2	$17,579	$16,050	$27,137	$1,028	$6,754	$15,885	$84,432	1.7%
Dyckesville Sanitary District	B3	$17,579	$16,050	$27,137	$1,028	$6,754	$15,885	$84,432	1.7%
New Franken Sanitary District	2016 Rate (Status Quo)	$15,508	$11,047	$19,431	$695	$4,410	$0	$51,091	
New Franken Sanitary District	B1	$10,815	$9,874	$16,698	$632	$4,157	$8,988	$51,163	0.1%
New Franken Sanitary District	B2	$10,815	$9,874	$16,698	$632	$4,157	$9,772	$51,947	1.7%
New Franken Sanitary District	B3	$10,815	$9,874	$16,698	$632	$4,157	$9,772	$51,947	1.7%
Hauled Waste	2016 Rate (Status Quo)	$30,646	$319,399	$422,985	$8,198	$39,931	$0	$821,159	
Hauled Waste	B1	$21,372	$285,479	$363,493	$7,452	$37,639	$0	$715,435	(12.9%)
Hauled Waste	B2	$21,372	$285,479	$363,493	$7,452	$37,639	$0	$715,435	(12.9%)
Hauled Waste	B3	$21,372	$285,479	$363,493	$7,452	$37,639	$0	$715,435	(12.9%)
Total Municipal	2016 Rate (Status Quo)	$10,618,301	$11,010,607	$10,729,005	$383,306	$2,468,685	$0	$35,209,905	
Total Municipal	B1	$7,405,066	$9,841,286	$9,219,985	$348,427	$2,326,999	$6,068,142	$35,209,905	–
Total Municipal	B2	$7,405,066	$9,841,286	$9,219,985	$348,427	$2,326,999	$6,068,142	$35,209,905	–
Total Municipal	B3	$7,405,066	$9,841,286	$9,219,985	$348,427	$2,326,999	$6,068,142	$35,209,905	–
Procter & Gamble	2016 Rate (Status Quo)	$890,196	$112,821	$300,276	$1,694	$18,148	$0	$1,323,135	
Procter & Gamble	B1	$890,196	$112,821	$300,276	$1,694	$18,148	$0	$1,323,135	–
Procter & Gamble	B2	$890,196	$112,821	$300,276	$1,694	$18,148	$0	$1,323,135	–
Procter & Gamble	B3	$890,196	$112,821	$300,276	$1,694	$18,148	$0	$1,323,135	–
Grand Total	2016 Rate (Status Quo)	$11,508,497	$11,123,428	$11,029,282	$385,000	$2,486,833	$0	$36,533,039	
Grand Total	B1	$8,295,262	$9,954,107	$9,520,261	$350,120	$2,345,147	$6,068,142	$36,533,039	–
Grand Total	B2	$8,295,262	$9,954,107	$9,520,261	$350,120	$2,345,147	$6,068,142	$36,533,039	–
Grand Total	B3	$8,295,262	$9,954,107	$9,520,261	$350,120	$2,345,147	$6,068,142	$36,533,039	–

March 26, 2013

Mr. Thomas Sigmund, Executive Director
Green Bay Metropolitan Sewerage District
2231 North Quincy Street
Green Bay, WI 54302-9015

RE: Green Bay Metropolitan Sewerage District Proposed Rate Structure Methodology Comments

Dear Mr. Sigmund;

Thank you for involving the municipalities and industries in the rate methodology discussion being proposed by the GBMSD. The Village of Howard applauds the GBMSD and your efforts in considering different rate strategies to stabilize customer's bills, GBMSD revenues and attempting to create an equitable rate structure.

The Village of Howard has considered the information and finds several of the presented options to be of interest but still has some remaining questions and comments as outlined below.

<u>Comments and questions related to the alternatives</u>

General

- Changing the existing rate methodology by the allocation of a fixed charge will require the Village change its rate structure in order to distribute the fixed cost component amongst its customers. This action is somewhat undesirable irrespective of other merits because it will inherently either increase or reduce some of our customers bills benifiting some and harming others. In addition changing the rate methodology is disadvantageous because the current rate method is generally understood, accepted and does not create additional administrative burdens.
- The alternative options seek to establish or assign a somewhat arbitrary 15% of operational costs as a fixed charge. While this is one approach, the Village supports that actual outstanding debt and potentially some part or all of administrative costs should be included as a fixed cost.
- The Village requests that the GBMSD provide it with a breakdown of current and projected amounts of debt, administrative and other costs.

Alternative B1 – Fixed charge allocated by water meter size

- Howard does not feel that water meter allocation of fixed cost should be utilized because it is not directly related to actual flow and loading conditions and thus creates winners and losers. In addition some industrial customers meter size must be calculated or potentially adjusted to a

meter size. This inherently causes some concern as to the impartiality of the calculation and opens the door for other users to claim that their meter sizes are not properly related to sewage flow and strength.

Alternative B2 – Fixed charge allocated by volume and strength

- Howard feels that fixed charges allocated on flow and strength has some merit because it is based on actual loadings. This seems to be the most appropriate and straightforward method if a change from the status quo rate methodology is made.

Alternative B3 - Fixed charge allocated by volume and strength with some GBMSD direct industrial customer billing

- Would the GBMSD buy the existing municipally owned metering and sampling stations?
- Would the GBMSD maintain and operate these stations?
- Would these direct billing customers ever be permitted to directly connect to the GBMSD if they are located near or adjacent to a GBMSD interceptor and become a true direct customer? That action would potentially remove a large flow customer that is part of its collection system and negatively affect our sewage collection system charges?
- Howard does not feel that direct billing of some industrial customers method of allocating of fixed costs should be utilized because it is not to many unknowns exist that may irreparably harm its utility.

These comments have been provided to assist the GBMSD in finalizing its rate structure decision and are based upon the information presented by the GBMSD to date. Currently the Village of Howard supports the "do nothing status quo alternative", but has interest in alternative option B2. Howard is not supportive of alternatives B1 or B3. The Village Board at its March 25th 2013 Board Meeting recommended that the GBMSD keep the "status quote" flow and strength based billing methodology.

Sincerely,

Burt McIntyre
Village President

Geoffrey S. Farr, P.E.
Director of Public Works