

VILLAGE OF ALLOUEZ

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Department of Public Works

GBMSD CUSTOMER BILLING METHODOLOGY SELECTION Commission Meeting on May 29, 2013

At this meeting the GBMSD Board of Commissioners reviewed the GBMSD staff and rate consultant recommendation for selection of the recommended billing method, and also received written and verbal input from the municipal customers regarding the rate method. GBMSD staff recommended the B1 rate alternative—Water Meter Equivalent Basis for the fixed charge.

The following briefly summarizes the public comments by the municipal customers:

Allouez:

- Alternative B2b is recommended because it is the equitable billing method for all customers. B2 bills on the basis of flow and loading for all costs.
- Alternate B1 (staff recommendation) allocates the fixed cost on an equivalent water meter basis. Because it requires additional calculations to allocate costs it is less accurate. It will cost Allouez up to \$2 million more over the next 20 years compared to the other options. For this reason Allouez requests GBMSD to submit this for WDNR review, or if not then Allouez will submit it to the WDNR to request review. In addition, we will re-check the cost allocation and if confirmed Allouez will consider submitting to the Public Service Commission for review.

De Pere:

- Either alternative B1 water meter basis or B2 flow and loading basis is acceptable.
- GBMSD should perform a detailed review of the current solids management system selection and process design to evaluate if another alternative is now more appropriate and if a reduction in system size and cost can be obtained—due to the loss of the Fox River Fiber BOD loading to GBMSD due to their pretreatment.

Green Bay:

- See the attached letter from Green Bay.
- Green Bay prefers continuing with the current billing method because they can handle the variations in annual charges okay.
- If not the current billing method then the B2 alternative is preferred.

Ashwaubenon:

- Primary concern is that GBMSD is tackling too many issues at once, and should delay the implementation of a new rate option until other projects are completed (solids management) so that cost impacts are known.
- Concerned about the future increases in the fixed charge (debt service)—not defined.

Suamico:

-Prefer staying with the status quo (current) billing method.

Howard:

-Prefer the current billing method (status quo) because they don't see the reason for a change.

-If not the status quo then it should be based on flow and loading B2.

-Support the addition of a fixed charge for debt service.

Commissioner comments included:

-The B2 option was mentioned by all customers as the first or second choice—so it is apparent that this option is workable for all customers (Commissioner Hasselblad).

-Very good information presented by the municipal customers which help with the decision they must make.

-They directed staff to furnish a written response to all customers for all questions that have asked thru the entire rate study process that have not been answered to date.

-Commissioner Blumreich stated that the B2 alternative is the option that should be implemented based on all the information presented. This was discussed and concurred by all commissioners.

Red Oak Consulting and the GBMSD legal counsel stated that they were confident that the B1 alternative would be acceptable to the WDNR and PSC.

The Board of Commissioners unanimously voted to implement the B2 alternative.

One note is that they approved B2, but did not specifically state B2b. This allows for the fixed charge to be for debt service but can also include capital projects in the fixed charge. This is a detail that has some possible impact in the future if capital projects are added to the fixed charge.

C. Berndt

May 31, 2013