Logistics

At the top right corner of your screen:

Show your control panel to submit questions and see answers
All phones/microphones are muted for the duration of the webinar.
Toggle between full screen/window screen view

Control Panel:

Audio: please choose between speakers and telephone. If you do not hear audio right now, please check your speaker volume or enter #[audio pin]# if using phone.

Submit questions in the Questions box at any time, and press [Send]. To undock and increase the size of the box, click on top right corner icon.
Benchmarking 2013 Water and Sewer Rates and Financial Health for Small Water Systems in Georgia

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Senior Project Director

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Project Director
Environmental Finance Center at UNC Chapel Hill
http://efc.sog.unc.edu

March 13, 2014 Webinar
GEFA Infrastructure Financing

GEFA Water and Sewer Infrastructure Financing Programs

State Funding
- Georgia Fund
  - State bond funds and loan repayments
- GA Reservoir and Water Supply Fund
  - State bond funds and loan repayments

Federal Funding
- Clean Water SRF
  - Federal appropriations, state bond funds (match funds) and loan repayments
- Drinking Water SRF
  - Federal appropriations, state bond funds (match funds) and loan repayments
## GEFA Loan Program Interest Rates

<table>
<thead>
<tr>
<th>Program</th>
<th>5-Year Loan</th>
<th>10-Year Loan</th>
<th>15-Year Loan</th>
<th>20-Year Loan</th>
<th>Annual Borrowing Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benchmark Rate</td>
<td>0.82%</td>
<td>1.66%</td>
<td>2.48%</td>
<td>3.31%</td>
<td>---</td>
</tr>
<tr>
<td>Georgia Fund</td>
<td>0.82%</td>
<td>1.66%</td>
<td>2.48%</td>
<td>3.31%</td>
<td>$10,000,000</td>
</tr>
<tr>
<td>Georgia Fund – Interim Finance</td>
<td>0.82%</td>
<td>1.66%</td>
<td>2.48%</td>
<td>3.31%</td>
<td>$3,000,000</td>
</tr>
<tr>
<td>Georgia Fund – Water or Energy Conservation or WaterFirst</td>
<td>0.57%</td>
<td>1.16%</td>
<td>1.73%</td>
<td>2.31%</td>
<td>$10,000,000</td>
</tr>
<tr>
<td>Georgia Fund – Environmental Emergency</td>
<td>0.50%**</td>
<td>0.66%</td>
<td>N/A</td>
<td>N/A</td>
<td>$300,000</td>
</tr>
<tr>
<td>Clean Water State Revolving Fund (CWSRF)</td>
<td>0.50%**</td>
<td>0.66%</td>
<td>1.48%</td>
<td>2.31%</td>
<td>$25,000,000</td>
</tr>
<tr>
<td>CWSRF – Water or Energy Conservation</td>
<td>0.50%**</td>
<td>0.50%**</td>
<td>0.73%</td>
<td>1.31%</td>
<td>$25,000,000</td>
</tr>
<tr>
<td>CWSRF – Land Conservation</td>
<td>0.50%**</td>
<td>0.50%**</td>
<td>0.73%</td>
<td>1.31%</td>
<td>$25,000,000</td>
</tr>
<tr>
<td>Drinking Water State Revolving Fund (DWSRF)</td>
<td>0.50%**</td>
<td>0.66%</td>
<td>1.48%</td>
<td>2.31%</td>
<td>$25,000,000</td>
</tr>
<tr>
<td>DWSRF – Water or Energy Conservation</td>
<td>0.50%**</td>
<td>0.50%**</td>
<td>0.73%</td>
<td>1.31%</td>
<td>$25,000,000</td>
</tr>
<tr>
<td>Water Supply Planning Loan</td>
<td>0.82%</td>
<td>1.66%</td>
<td>N/A</td>
<td>N/A</td>
<td>$3,000,000</td>
</tr>
</tbody>
</table>
Dedicated to enhancing the ability of governments and other organizations to provide environmental programs and services in fair, effective and financially sustainable ways.

How you pay for it matters!
Smart Management for Small Water Systems
under a Cooperative Agreement with the US EPA

- The EFCN provides training and technical assistance to small public water systems in all fifty states and five territories to help local water systems achieve and maintain compliance with the Safe Drinking Water Act.
- Workshops, trainings and direct assistance:
  - Asset Management
  - Water Loss Reduction
  - Water System Collaboration
  - Fiscal Planning and Rate Setting
  - Energy Management
  - Funding Coordination, and
  - Managerial and Financial Leadership
- Sign up for direct assistance at [http://efcnetwork.org/one-on-one/](http://efcnetwork.org/one-on-one/)
Upcoming Webinars

- 3/17/14 Water Loss Reduction – Part II
- 3/31/14 Water Loss Reduction – Part III

To register: efcnetwork.org/upcoming
Objectives

- Become familiar with the features and benefits of the Georgia water and wastewater rates dashboard
- Learn how to better compare one water systems' rates with those of other systems
- Learn how to apply several useful financial benchmarks to your system(s).
Poll: Where do you work?

Please select one:

– Governmental water system
– Non-governmental water system
– State/Territorial/Federal government
– Consultant / Technical Assistance Provider
– Other
For water systems: How many customers do you serve?

Please select one:

- 10,000 or fewer people (< 3,300 accounts)
- More than 10,000 people
- Not a water system
Rates in Georgia

2013 Water and Wastewater Residential Rate Survey for the State of Georgia

• Conducted for the Georgia Environmental Finance Authority (GEFA)
• Response rate of 85% (452 of the 529 water/sewer utilities contacted responded)
• Only publicly owned utilities were included
## Number of Participating Utilities with Rates Data for 2013

<table>
<thead>
<tr>
<th>Institutional Arrangement</th>
<th>Provides Water and Sewer</th>
<th>Provides Water Only</th>
<th>Provides Sewer Only</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Municipality</td>
<td>276</td>
<td>90</td>
<td>2</td>
<td>368</td>
</tr>
<tr>
<td>County/District</td>
<td>28</td>
<td>16</td>
<td>1</td>
<td>45</td>
</tr>
<tr>
<td>Authority</td>
<td>22</td>
<td>13</td>
<td>1</td>
<td>36</td>
</tr>
<tr>
<td>Consolidated Government</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Other</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total Number of Utilities</strong></td>
<td><strong>329</strong></td>
<td><strong>119</strong></td>
<td><strong>4</strong></td>
<td><strong>452</strong></td>
</tr>
<tr>
<td><strong>Number of Rate Structures</strong></td>
<td><strong>338</strong></td>
<td><strong>123</strong></td>
<td><strong>5</strong></td>
<td><strong>466</strong></td>
</tr>
</tbody>
</table>
Monthly Base Charges for Residential Customers among 460 Water and 339 Wastewater Rate Structures
## Monthly Base Charges in Water and Sewer Rate Structures, by Utility Size

<table>
<thead>
<tr>
<th>Size of Utility (Service Population)</th>
<th>Water Rate Structures</th>
<th>Sewer Rate Structures</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total Number of Structures</td>
<td>Number with Base Charge</td>
</tr>
<tr>
<td>1 – 999</td>
<td>127</td>
<td>126</td>
</tr>
<tr>
<td>1,000 – 2,499</td>
<td>84</td>
<td>84</td>
</tr>
<tr>
<td>2,500 – 4,999</td>
<td>73</td>
<td>73</td>
</tr>
<tr>
<td>5,000 – 9,999</td>
<td>63</td>
<td>63</td>
</tr>
<tr>
<td>10,000 – 24,999</td>
<td>62</td>
<td>62</td>
</tr>
<tr>
<td>25,000+</td>
<td>52</td>
<td>52</td>
</tr>
<tr>
<td><strong>All Rate Structures</strong></td>
<td><strong>461</strong></td>
<td><strong>460</strong></td>
</tr>
</tbody>
</table>
Consumption included with Base Charge for Residential Customers among 460 Water and 339 Wastewater Rate Structures

![Bar chart showing number of rate structures for different monthly consumption allowances for water and wastewater. The chart indicates the number of rate structures for consumption ranging from 0 to greater than 4,000 gallons per month.]
Types of Water Rate Structures

Residential Water Rate Structures (n = 461)

- Uniform Rate: 49%
- Increasing Block: 43%
- Decreasing Block: 4%
- Other: 4%

Commercial-Specific Water Rate Structures (n = 219)

- Uniform Rate: 40%
- Increasing Block: 53%
- Decreasing Block: 3%
- Other: 4%
Maximum Quantity in the First Block among 255 Water and 128 Sewer Residential Block Rate Structures

![Bar Graph]

- **Water**
- **Wastewater**

<table>
<thead>
<tr>
<th>First Block Consumption Endpoint (gal/month)</th>
<th>Water</th>
<th>Wastewater</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;=2,000</td>
<td>20</td>
<td>10</td>
</tr>
<tr>
<td>2,001-4,000</td>
<td>40</td>
<td>20</td>
</tr>
<tr>
<td>4,001-6,000</td>
<td>100</td>
<td>50</td>
</tr>
<tr>
<td>6,001-8,000</td>
<td>20</td>
<td>10</td>
</tr>
<tr>
<td>8,001-10,000</td>
<td>30</td>
<td>15</td>
</tr>
<tr>
<td>10,001-15,000</td>
<td>10</td>
<td>5</td>
</tr>
<tr>
<td>15,001-20,000</td>
<td>5</td>
<td>2.5</td>
</tr>
<tr>
<td>20,001-50,000</td>
<td>2.5</td>
<td>1.25</td>
</tr>
<tr>
<td>&gt;50,000</td>
<td>1.25</td>
<td>0.625</td>
</tr>
</tbody>
</table>

http://efc.sog.unc.edu
Price for the Next 1,000 Gallons at 5,000 gallons/month for 461 Water and 343 Sewer Rate Structures.
Monthly-Equivalent Residential Water Bills by Consumption (n=461)
Monthly-Equivalent Commercial Water Bills by Consumption (n=461)
Annual Rate and Rate Structure Adjustments

Figure 19: In What Calendar Year were the Current Rate Structures First Instated? (n = 441)

- In 2013: 28%
- In 2012: 18%
- In 2011: 16%
- In 2010: 13%
- In 2009: 9%
- In 2008: 7%
- In 2007 or before: 9%
Changes in Conservation Price Signals in the Last Year:
Price for Water for the Next 1,000 Gallons at 10,000 gal/month in 422 Water Rate Structures in 2013
and 461 Water Rate Structures in 2013
Rates in Georgia

Check out the Georgia Rates Dashboard

• On the EFC Website
  • Go to http://efc.sog.unc.edu and search for “Georgia Water and Wastewater Rates Dashboard”
Benchmarking Rates
Everyone needs safe drinking water!
Source of pride

News Flash

Our city has the lowest water rates in the whole state! We are so proud that we can offer our customers such cheap rates for water....

In other news ...
Pipe bursts on Main Street, flooding stores and delaying traffic for hours.
Comparing rates – the old way

Source: NC Triangle J Council of Government
What’s wrong with it?

- Poor sample selection (number, types of systems)
- Comparing only one bill amount
- Comparing nothing besides rates
  - pressure to keep rates low …
  - … regardless of financial condition of utility
  - ignores customers’ ability to pay
  - ignores price signals and utility’s policies
Solution: provide more information?

### Rate Table 1: FY09-10 Water Rate Structures for Residential Customers

<table>
<thead>
<tr>
<th>Utility / Rate Structure</th>
<th>Service Population</th>
<th>Billing Period</th>
<th>Base Charge Pricing</th>
<th>Monthly Gallons Provided with Base Charge (Allowance)</th>
<th>Water Rate Structure</th>
<th>Number of Blocks</th>
<th>First Block Maximum (Monthly Gallons)</th>
<th>Implicated Rate Structure for Residential Usage (&lt; 15,000 GPM)</th>
<th>Outside/Inside Bill Differential at 5,000 Gallons</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aberdeen</td>
<td>5,455</td>
<td>Bi-monthly</td>
<td>Constant</td>
<td>0</td>
<td>Increasing Block</td>
<td>5</td>
<td>2,500</td>
<td>Increasing Block 188%</td>
<td></td>
</tr>
<tr>
<td>Alhambra</td>
<td>4,479</td>
<td>Monthly</td>
<td>Constant</td>
<td>0</td>
<td>Uniform Rate</td>
<td>1</td>
<td>30</td>
<td>Uniform Rate 200%</td>
<td></td>
</tr>
<tr>
<td>Alamance</td>
<td>800</td>
<td>Monthly</td>
<td>Constant</td>
<td>0</td>
<td>Uniform Rate</td>
<td>1</td>
<td>224,400</td>
<td>Uniform Rate 200%</td>
<td></td>
</tr>
<tr>
<td>Albermarle</td>
<td>10,917</td>
<td>Monthly</td>
<td>By Meter Size</td>
<td>6,834</td>
<td>Uniform Rate</td>
<td>1</td>
<td>224,400</td>
<td>Uniform Rate 200%</td>
<td></td>
</tr>
</tbody>
</table>

**Compare with caution. High rates may be justifiable and necessary to protect public health.**

### Rate Table 2: FY09-10 Monthly-Equivalent RESIDENTIAL WATER Bills at Various Consumption Levels (Includes Base Charges)

<table>
<thead>
<tr>
<th>Utility / Rate Structure</th>
<th>Service Population</th>
<th>Oper. Revenue/ Ope. Expense (FY 09 GDA)</th>
<th>Zero Gallons (0 cf)</th>
<th>3,000 Gallons (607 cf)</th>
<th>5,000 Gallons (1,024 cf)</th>
<th>6,000 Gallons (1,337 cf)</th>
<th>10,000 Gallons (2,005 cf)</th>
<th>15,000 Gallons (2,506 cf)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aberdeen</td>
<td>5,455</td>
<td>$5.00</td>
<td>$11.82</td>
<td>$16.62</td>
<td>$19.17</td>
<td>$21.65</td>
<td>$25.79</td>
<td>$28.75</td>
</tr>
<tr>
<td>Alhambra</td>
<td>4,479</td>
<td>$10.00</td>
<td>$20.95</td>
<td>$28.25</td>
<td>$31.90</td>
<td>$37.60</td>
<td>$46.50</td>
<td>$53.00</td>
</tr>
<tr>
<td>Alamance</td>
<td>800</td>
<td>$8.50</td>
<td>$19.27</td>
<td>$26.45</td>
<td>$30.04</td>
<td>$34.40</td>
<td>$44.60</td>
<td>$52.35</td>
</tr>
<tr>
<td>Albermarle</td>
<td>10,917</td>
<td>$9.49</td>
<td>$18.97</td>
<td>$24.65</td>
<td>$29.15</td>
<td>$34.23</td>
<td>$40.19</td>
<td>$60.35</td>
</tr>
<tr>
<td>Alexander County - Bethlehem</td>
<td>10,917</td>
<td>$27.92</td>
<td>$32.09</td>
<td>$34.87</td>
<td>$38.78</td>
<td>$42.78</td>
<td>$48.33</td>
<td>$52.35</td>
</tr>
<tr>
<td>Alexander County - Sugarloaf and Hay 16</td>
<td>10,917</td>
<td>$19.44</td>
<td>$29.66</td>
<td>$36.47</td>
<td>$40.06</td>
<td>$46.83</td>
<td>$53.00</td>
<td>$60.35</td>
</tr>
</tbody>
</table>

**185 pages of wonderful tables, full of data you can use!**
Rates Dashboards

- Created for AZ, CO, GA, NC, TX and VA.
- Free, online, open to the public.
- Compares rates against multiple characteristics:
  - Utility finances; System characteristics; Customer base socioeconomic conditions; Geography; History
- Compare to similar utilities (large samples):
  - All utilities; similar service population; similar water source; using same rate structure; similar customer income; same type of utility; within 50 miles distance
Demonstrate the GA Dashboard

http://efc.sog.unc.edu
Some EFCN Resources

Tools, trainings, assistance and resources for small water systems: www.efcnetwork.org

Environmental Finance blog
(EFC UNC)
efc.web.unc.edu/

EFC Boise State
University newsletter
http://efc.boisestate.edu/Publications/tabid/59/Default.aspx
Poll Questions; and Qualtrics survey link

- The evaluation form may be accessed here:
  https://unc.az1.qualtrics.com/SE/?SID=SV_77YRJ2iYErLgKmp
For systems with 10,000 or fewer people: Do you want one-on-one help with…

- Developing a budget for your water system
- Calculating key financial indicators
- See how capital projects will impact your revenue needs
- Setting rates/determining affordability to customers
- Managing the energy use of your system
Would you like us to subscribe you to the EFC-UNC “Environmental Finance” blog (drinking water topics)?

• Yes
• No
Thank you!

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