

**MINUTES OF THE WORK SESSION
OF THE MAYOR AND BOARD OF ALDERMEN
OF THE CITY OF STARKVILLE, MISSISSIPPI
July 17, 2020**

Be it remembered that the Mayor and members of the Board of Aldermen met in a Work Session on Friday, July 17, 2020 at 10:00 a.m. in the second floor conference room of City Hall located at 110 West Main Street, Starkville, MS. Present in person were Mayor D. Lynn Spruill, Alderwoman Sandra Sistrunk, Alderman Hamp Beatty, Alderman Henry Vaughn, Sr., City Attorney Chris Latimer and City Clerk Lesa Hardin. Alderman Jason Walker attended by videoconference.

Mayor Spruill opened the work session. The work session was properly noticed pursuant to Miss. Code Ann. §25-41-13 and a copy of that notice is included in the minutes. The work session was live streamed on Facebook. The public and media were welcomed and attended. The session is also available for viewing on the City website.

Mayor Spruill welcomed Jennifer Gregory of Retail Strategies, who presented an update on the current status and possible opportunities for Starkville and the downtown Starkville area. Mike Tagert, GSDP CEO, also in attendance, asked that focus also be placed on retention of existing businesses.

Terry Kemp, Director of Starkville Utilities, and Nelson McGough presented Starkville Water Rate options for the continuation of the planned improvements to the aged infrastructure.

The Mayor and members of the Board discussed items on the upcoming July 21, 2020 agenda. Department Directors were available to answer questions related to the items. All agenda items were discussed.

SIGNED AND SEALED THIS THE _____ DAY OF _____ 2020.

MAYOR D. LYNN SPRUILL

Attest:

Seal

LESA HARDIN, CITY CLERK

Mississippi Water Resources Research Institute

Starkville Utilities Water Rates

Nelson McGough
Dr. Jason Barrett



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Revenue Estimate with Existing Rate Structure

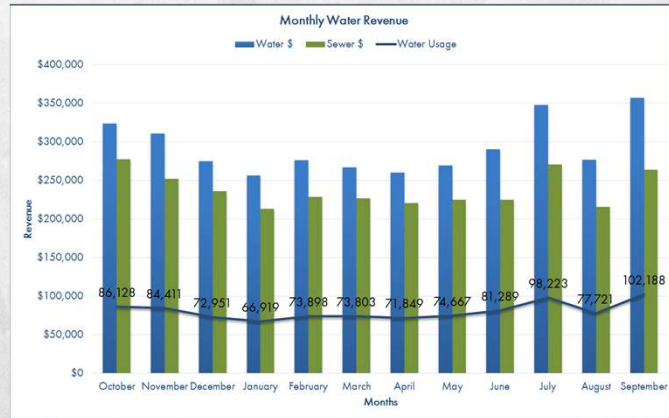
Projected Monthly Water Revenue						
Month	Water \$	Usage (gal)	Sewer \$	Usage (gal)	Total	5% Drop
October	\$323,863	86,128,100	\$277,734	78,326,710	\$601,596	\$571,516
November	\$310,987	84,410,583	\$251,967	73,598,993	\$562,955	\$534,807
December	\$274,766	72,950,534	\$236,435	68,983,324	\$511,201	\$485,641
January	\$256,537	66,919,373	\$213,505	61,494,873	\$470,042	\$446,540
February	\$276,260	73,898,247	\$228,962	66,929,457	\$505,222	\$479,961
March	\$266,945	73,802,702	\$226,886	66,335,092	\$493,831	\$469,140
April	\$260,470	71,848,859	\$220,570	64,438,709	\$481,040	\$456,988
May	\$269,364	74,666,717	\$224,772	65,660,437	\$494,137	\$469,430
June	\$290,580	81,288,994	\$225,170	65,405,754	\$515,750	\$489,962
July	\$348,131	98,222,848	\$270,964	78,334,288	\$619,094	\$588,139
August	\$276,893	77,720,993	\$215,729	62,694,897	\$492,622	\$467,991
September	\$357,202	102,188,097	\$264,227	77,836,847	\$621,429	\$590,358
Annual Revenue	\$ 3,511,998	964,046,047	\$ 2,856,921	830,039,381	\$ 6,368,919	\$ 6,050,473



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Monthly Revenue Estimates with Existing Rate Structure

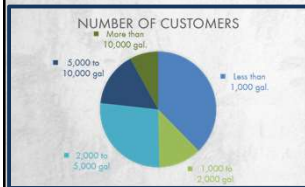


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Use and Revenue by Customer Strata Average Month

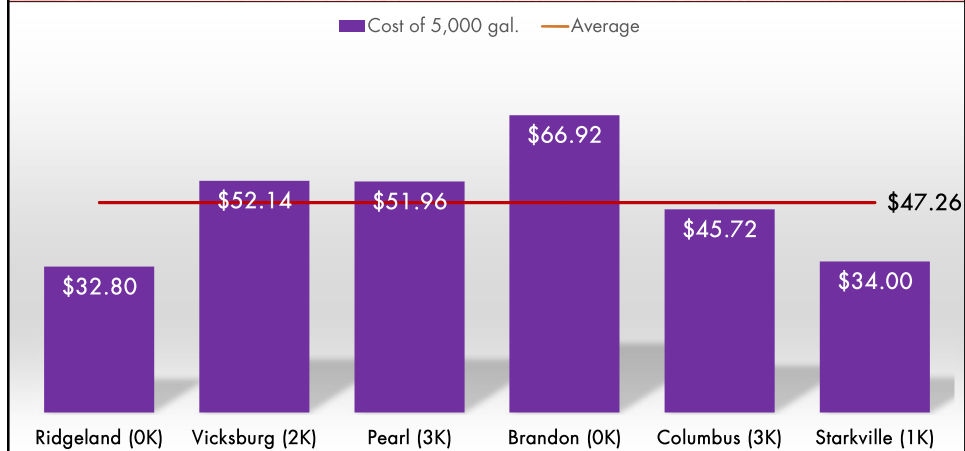
Customer Use	Number of Customers		Revenue Responsible For		Use By Customers (gal.)	
Less than 1,000 gal.	5,546	37.69%	\$ 22,184.00	7.63%	821,344	1.01%
1,000 to 2,000 gal.	1,759	11.95%	\$ 9,939.65	3.42%	2,652,430	3.26%
2,000 to 5,000 gal.	3,987	27.10%	\$ 46,431.11	15.98%	13,366,420	16.44%
5,000 to 10,000 gal.	2,250	15.29%	\$ 51,900.88	17.86%	15,450,270	19.01%
More than 10,000 gal.	1,172	7.97%	\$ 160,124.22	55.11%	48,998,530	60.28%



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Water & Sewer Utilities – Cost of 5,000 Gallons



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Water & Sewer Utilities – Cost of 5,000 Gallons Discussion

- Utility Average = \$47.26
- Starkville = 28.05% Below Average



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Option 1

Base Rate: \$8.00
 Variable Rate: \$4.25 per 1,000 gal.
 Estimated Revenue: \$7.55M

Customer Use Strata	Current Avg Bill	Estimated Avg. Bill	Estimated Bill Increase
Less than 1,000 gal.	\$ 8.00	\$ 8.00	\$ - 0%
1,000 to 2,000 gal.	\$ 11.34	\$ 12.37	\$ 1.03 9%
2,000 to 5,000 gal.	\$ 23.26	\$ 27.96	\$ 4.70 20%
5,000 to 10,000 gal.	\$ 45.72	\$ 57.33	\$ 11.61 25%
More than 10,000 gal.	\$ 293.17	\$ 380.91	\$ 87.74 30%



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Option 1: Rate Comparison

■ Cost of 5,000 gal. — Average



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Option 2

Base Rate: \$9.00
 Variable Rate: \$4.15 per 1,000 gal.
 Estimated Revenue: \$7.55M

Customer Use Strata	Current Avg Bill	Estimated Avg. Bill	Estimated Bill Increase
Less than 1,000 gal.	\$ 8.00	\$ 9.00	\$ 1.00 13%
1,000 to 2,000 gal.	\$ 11.34	\$ 13.26	\$ 1.92 17%
2,000 to 5,000 gal.	\$ 23.26	\$ 28.49	\$ 5.23 22%
5,000 to 10,000 gal.	\$ 45.72	\$ 57.16	\$ 11.45 25%
More than 10,000 gal.	\$ 293.17	\$ 373.14	\$ 79.97 27%



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Option 2: Rate Comparison

■ Cost of 5,000 gal. — Average



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Option 3

Base Rate: \$10.00
 Variable Rate: \$4.05 per 1,000 gal.
 Estimated Revenue: \$7.54M

Customer Use Strata	Current Avg Bill	Estimated Avg. Bill	Estimated Bill Increase
Less than 1,000 gal.	\$ 8.00	\$ 10.00	\$ 2.00 25%
1,000 to 2,000 gal.	\$ 11.34	\$ 14.16	\$ 2.82 25%
2,000 to 5,000 gal.	\$ 23.26	\$ 29.02	\$ 5.76 25%
5,000 to 10,000 gal.	\$ 45.72	\$ 57.00	\$ 11.28 25%
More than 10,000 gal.	\$ 293.17	\$ 365.36	\$ 72.19 25%



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Option 3: Rate Comparison

■ Cost of 5,000 gal. — Average



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Option 4

Base Rate: \$8.00 (w/o 1,000 gal. free)
 Variable Rate: \$3.70 per 1,000 gal.
 Estimated Revenue: \$7.54M

Customer Use Strata	Current Avg Bill	Estimated Avg. Bill	Estimated Bill Increase
Less than 1,000 gal.	\$ 8.00	\$ 9.76	\$ 1.76 22%
1,000 to 2,000 gal.	\$ 11.34	\$ 19.20	\$ 7.86 69%
2,000 to 5,000 gal.	\$ 23.26	\$ 32.78	\$ 9.51 41%
5,000 to 10,000 gal.	\$ 45.72	\$ 58.34	\$ 12.62 28%
More than 10,000 gal.	\$ 293.17	\$ 340.05	\$ 46.88 16%



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Option 4: Rate Comparison

■ Cost of 5,000 gal. — Average



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WORK SESSION

CITY OF STARKVILLE, MISSISSIPPI

July 17, 2020

10:00 a.m.

- A. CALL THE MEETING TO ORDER**
- B. PRESENTATION BY RETAIL STRATEGIES OF THE CURRENT STATUS AND POSSIBLE OPPORTUNITIES FOR STARKVILLE AND DOWNTOWN.**
- C. PRESENTATION OF WATER RATE OPTIONS FOR STARKVILLE UTILITIES TO CONTINUE THE PLANNED IMPROVEMENTS TO THE AGED INFRASTRUCTURE.**
- D. DISCUSSION OF THE AGENDA ITEMS FOR THE JULY 21, 2020, RECESS MEETING OF THE BOARD OF ALDERMEN FOR THE CITY OF STARKVILLE.**
- E. ADJOURN MEETING**



**THERE WILL BE A WORK SESSION OF THE
MAYOR AND BOARD OF ALDERMEN ON
FRIDAY, JULY 17, 2020**

**AT 10:00 AM IN THE STARKVILLE CITY HALL
LOCATED AT 110 WEST MAIN STREET
IN THE SECOND FLOOR CONFERENCE ROOM**

The public and media are invited to attend.