

Did You KNOW?



How rates are determined

Determining rates is an annual step-by-step process conducted by BJWSA staff, working with an outside rate consultant and the Board of Directors' Finance Committee. BJWSA's budget and rates are reviewed, evaluated, and approved initially by the Finance Committee and finally by the full Board of Directors. The goals of the rate-making process are to ensure that rates are fair and equitable and generate enough funds to reliably operate and maintain the water and wastewater systems. In addition, rates are designed to promote water conservation.

The Decision-Making Process

January - BJWSA financial staff and Finance Committee (made up of three Board Members) discuss rate and budget objectives.

February - BJWSA staff and our rate consultant use a computer-modeling program to calculate the appropriate rates, based on preliminary information for the next fiscal year. A wide variety of information goes into the model, including the BJWSA financial plan, forecasted water demands and sewer flows, the cost to operate and maintain the systems, required cash reserves, one-time equipment purchases, and debt payments to support the Capital Improvement Program.

March - The Finance Committee reports the budget status and preliminary rates to the Board of Directors.

April - The staff and rate consultant continue revising forecasts and resulting rates as the budget is developed, keeping the Finance Committee informed.

May - The Finance Committee recommends the final budget and rates to the Board of Directors.

June - A notice is published in local newspapers and the Board holds a public hearing in the proposed budget and rates.

The Board of Directors adopts the budget and rates for the new fiscal year, which begins July 1.

Did You KNOW?



Factors that determine rates

There are a number of characteristics of BJWSA and the lowcountry community that impact our water and sewer rates.

BJWSA is a non-profit, non-taxing, public utility that depends solely on the money received from customer payments, capacity fees, connection fees, and wholesale services for providing water and wastewater services.

We have been a rapidly growing community, rather than a stable population. BJWSA built our major facilities in the last twelve years requiring new debt to be repaid. Community growth also requires the costly moving of pipelines to accommodate road widening and bridge building, at BJWSA's cost.

Due to the sensitivity of our local waterways and BJWSA's commitment to the environment, water reclamation facilities (wastewater treatment) must use expensive, very high level treatment to safely recycle the cleaned water and meet state environmental standards.

Your water comes from the Savannah River. Treatment of surface water is more expensive than well-water treatment.

BJWSA has a large service area that includes a number of islands. Crossing rivers with pipelines involves very expensive construction. With a dependency on bridge travel to reach islands, we must duplicate some labor and emergency equipment on different islands in case of hurricanes or other emergency.

The service area is flat and without gravity to move wastewater, BJWSA must build, operate, and maintain almost 400 pump stations that use costly electrical power. More are added every month. We must also have large portable generators for back-up power supply in the event of a hurricane or terrorism.

BJWSA is investing carefully today in technology, training, and equipment, so that the superior quality of drinking water and wastewater treatment systems will hold down future costs.

In spite of our unique challenges, BJWSA's rates are much lower than they would be if we did not continually assess and improve our operations. BJWSA has a duty to meet the growing demands for water in a cost-effective and professional manner that safeguards public health and the environment for future generations.