

EXHIBIT A

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City of Laurel

Review of Industrial Rate Water and Sewer Customers and Overall Project Status Report

City of Laurel – Water Rate Schedule

Section 25-53

“Industrial Customers: Will be charged a combined water/sewer rate of Four Dollars and eighty-four cents per thousand gallons used (\$4.84/1,000). To qualify for Industrial rates, the customer shall average five million (5,000,000) or more gallons/month for twelve (12) consecutive months immediately preceding the following month’s City of Laurel Water Department billing cycle.”

AMICK FARMS

Account#	Meter#	12 Month Avg Usage	Commercial Charge Avg Monthly	Industrial Charge Avg Monthly
90-02561-00	210752496	28,299,500 Gallons		\$136,969

Customer is being billed based upon ordinance. More than 5,000,000 average monthly gallons allows for industrial discounted rate.

SANDERSON FARMS

Account#	Meter#	12 Month Avg Usage	Commercial Charge Avg Monthly	Industrial Charge Avg Monthly
90-06161-00	49952375	18,882,000 Gallons		\$91,386
90-06200-00	49952376	2,512,000 Gallons		\$12,159
UNLISTED	5048326	1,050,123 Gallons		\$5,082
	Total	22,444,123 Gallons		\$108,627

Customer is being billed based upon total of all meters' usage combined. The first meter exceeds the 5 million gallon usage requirement but the other two do not.

HOWARD INDUSTRIES

Account#	Meter#	12 Month Avg Usage	Commercial OS Charge Avg Monthly	Industrial Charge Avg Monthly
90-05845-01	34052487	2,278,000 Gallons	\$34,792	
90-05521-00	49466070	12,466,000 Gallons		\$60,334
90-05530-00	18060001	16,135 Gallons	\$114	
	Total	14,760,135 Gallons	\$34,906	\$60,334

Issue:

City is not including the first or third meters when calculating the industrial rate discount. The only meter receiving the industrial rate is the second meter.

MASONITE

Account#	Meter#	12 Month Avg Usage	Commercial Charge Avg Monthly	Industrial Charge Avg Monthly
90-00396-00	16949746	1,384,842 Gallons	\$14,366	
90-03921-00	98295816	1,707,311 Gallons	\$17,707	
90-03966-00	47477811	2,355,638 Gallons	\$24,423	
	Total	5,447,791 Gallons	\$56,496	

This customer is not receiving the industrial discount for water and sewer. Of the 3 meters listed above, none exceed the \$5 million threshold individually. This customer is not receiving the industrial discount because no single meter exceeds the 5 million gallon threshold.

SOUTH CENTRAL MEDICAL CENTER

Account#	Meter#	12 Month Avg Usage	Commercial Charge Avg Monthly	Industrial Charge Avg Monthly
90-07841-00	12759673	3,481,751 Gallons		\$16,851
90-08400-00	49614807	4,638,630 Gallons		\$22,450
90-08402-00	17403397	337,818 Gallons	\$3,518	
	Total	8,458,199 Gallons	\$3,518	\$39,301

The City is giving the industrial rate discount to the first two meters and not the third one. The City is giving the discount by totaling up consumption for the first two meters rather than on a meter by meter basis.

Summary of Results

- The existing water and sewer ordinance in place states:

Industrial Customers Will be charged a combined water/sewer rate of Four Dollars and eighty-four cents per thousand gallons used (\$4.84/1,000). To qualify for Industrial rates, the customer shall average five million (5,000,000) or more gallons/month for twelve (12) consecutive months immediately preceding the following month's City of Laurel Water Department billing cycle."

- It is WCA's opinion that the discounted industrial rate is not being consistently applied among the 5 customers receiving this discount.
- In some instances, the discount rate is being applied on a meter by meter basis and in other cases the total consumption for all meters are added together when applying the discount.

Financial Loss to City by Applying the Discount based upon totaling Consumption for all meters when determining the 5 million gallon threshold.

Entity	Current Avg Monthly Bill	Corrected Avg Monthly Bill	Monthly Loss
Amick Farms (page 3)	\$136,969	\$136,969	\$0
Sanderson Farms (page 4)	\$108,626	\$108,626	\$0
Howard Industries (page 5)	\$95,240	\$71,240	(\$24,000)
Masonite (page 6)	\$56,496	\$26,368	(\$30,128)
South Central Medical Ctr (Page 7)	\$42,819	\$40,937	(\$1,882)
Total			(\$56,010)

Financial Gain to City by treating each meter separately when determining the 5 million gallon threshold.

Entity	Current Avg Monthly Bill	Corrected Avg Monthly Bill	Monthly Increase
Amick Farms (Page 3)	\$136,969	\$136,969	\$0
Sanderson Farms (Page 4)	\$108,626	\$128,251	\$19,625
Howard Industries (page 5)	\$95,240	\$95,240	\$0
Masonite (page 6)	\$56,496	\$56,496	\$0
South Central Medical Ctr (page 7)	\$42,819	\$87,540	\$44,721
Total			\$64,346

Summary WCA Finds to Date

Find Description	Finds Count	Monthly Projected Increased Revenue	Annual Projected Increased Revenue
Faulty Meter	9	\$34,281	\$411,372
Meter not In Billing System	1	\$5,082	\$60,984
Total	10	\$39,363	\$472,356