



MEMORANDUM

To: Board of Directors
From: Gary W. Fern, P.E., Executive Director
Date: April 7, 2009
Re: Work Session – FY 2010 Proposed Budget
cc: James M. Bowling, IV

At the March 19, 2009 Board of Directors' meeting and the April 3, 2009 Budget Work Session, the Board and Staff discussed potential revisions to the Proposed FY 2010 Budget and Water and Sewer Rates. After some discussion, the following revisions were requested by the Board of Directors:

1. In the Proposed FY 2010 Capital Improvement Program (CIP), the Oak Hill Sewer Phase 1 Project will be deferred from FY 2010 to FY 2011. The project is being deferred to allow the ACSA Staff to submit an application for Community Development Block Grant Funding next year. In addition, it was noted at the April 3, 2009 work session that the ACSA has not received complaints regarding the failing of onsite wastewater systems in the Oak Hill area.
2. Glenmore Water Tank Study will remain in the FY 2010 CIP.
3. West Leigh Water Tank Study will remain in the FY 2010 CIP.
4. The Automatic Meter Reading Test Program in Scottsville, Virginia will move from the Proposed Finance Department Operating Budget to the FY 2010 CIP.

Based on these revisions to the Proposed FY 2010 CIP and Operating Budget, the following water and wastewater rates required to generate the necessary revenues follows:

Rate	Current Rates	Proposed FY 2010 Rates	% Difference
Service Charge (per month)	\$ 5.27	\$ 5.69	8.0%
Residential Water Rates (per 1,000 gallons):			
Level 1: 0-3,000 gallons	\$ 3.86	\$ 4.11	6.5%
Level 2: 3,001-6,000	\$ 6.13	\$ 6.77	10.4%
Level 3: over 6,000	\$10.92	\$12.38	13.4%
Non-Single Family Residential Water Rate (per 1,000 gallons)			
	\$ 6.04	\$ 6.64	9.9%
Sewer Rate (per 1,000 gallons)			
	\$ 7.00	\$ 7.69	9.9%

The rates have been calculated based on the current rate model.

Board Action

No Board action is required at this time. We look forward to further discussion on the FY 2010 Proposed Budget and Rates.

GWF:dmg

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FY 2010 RATES
Comparison of Average Monthly Bills (per unit)
with Reduction in Capital Improvement Projects

Rates:	<u>Current</u>	<u>Proposed</u>
Service Charge	\$5.27	\$5.69
Water, SFR - Level 1	\$3.86	\$4.11
Water, SFR - Level 2	\$6.10	\$6.77
Water, SFR - Level 3	\$10.90	\$12.38
Water, Non-Residential	\$6.04	\$6.64
All Sewer	\$7.00	\$7.69

Please note:

- 1) The figures for average monthly usage are based upon end of Fiscal Year 2008 information.
- 2) The service charge is calculated per meter, not per unit.

Single-Family Residential

Avg. Monthly Usage 4,100	<u>Current</u>	<u>Proposed</u>	<u>Increase</u>
Service Charge	\$5.27	\$5.69	7.97%
Water - Level 1	\$11.58	\$12.33	6.48%
Water - Level 2	\$6.71	\$7.45	10.98%
Water - Level 3	\$0.00	\$0.00	0.00%
Sewer	\$28.70	\$31.53	9.86%
	<u>\$52.26</u>	<u>\$57.00</u>	<u>9.06%</u>

Commercial (Other)

Avg. Monthly Usage per Unit 19,300	<u>Current</u>	<u>Proposed</u>	<u>Increase</u>
Service Charge	\$5.27	\$5.69	7.97%
Water	\$116.57	\$128.15	9.93%
Sewer	\$135.10	\$148.42	9.86%
	<u>\$256.95</u>	<u>\$282.27</u>	<u>9.85%</u>

Multi-Family Residential (per unit)

Avg. Monthly Usage per Unit 3,500	<u>Current</u>	<u>Proposed</u>	<u>Increase</u>
Service Charge	\$5.27	\$5.69	7.97%
Water	\$21.14	\$23.24	9.93%
Sewer	\$24.50	\$26.92	9.86%
	<u>\$50.92</u>	<u>\$55.86</u>	<u>9.69%</u>

Industrial

Avg. Monthly Usage per Unit 95,300	<u>Current</u>	<u>Proposed</u>	<u>Increase</u>
Service Charge	\$5.27	\$5.69	7.97%
Water	\$575.61	\$632.79	9.93%
Sewer	\$667.10	\$732.86	9.86%
	<u>\$1,247.98</u>	<u>\$1,371.34</u>	<u>9.88%</u>

Commercial (Offices)

Avg. Monthly Usage per Unit 10,100	<u>Current</u>	<u>Proposed</u>	<u>Increase</u>
Service Charge	\$5.27	\$5.69	7.97%
Water	\$61.00	\$67.06	9.93%
Sewer	\$70.70	\$77.67	9.86%
	<u>\$136.97</u>	<u>\$150.42</u>	<u>9.82%</u>

Institutional

Avg. Monthly Usage per Unit 9,100	<u>Current</u>	<u>Proposed</u>	<u>Increase</u>
Service Charge	\$5.27	\$5.69	7.97%
Water	\$54.96	\$60.42	9.93%
Sewer	\$63.70	\$69.98	9.86%
	<u>\$123.93</u>	<u>\$136.09</u>	<u>9.81%</u>