

At A Glance

City of Charlottesville

Utility Rate Report



The following material provides a brief summary of the rate and fee recommendations for water, wastewater, stormwater, and natural gas for FY2020. All rates will go into effect July 1, 2019. For a thorough explanation and details of the recommendations, please consult the Utility Rate Report FY2020.

The table below illustrates the monthly impact on an average City residential customer using 400 cubic feet (cf) of water and wastewater, owning a property with approximately 2,440 square feet of impervious surface, and using 4,600 cf of gas per month. This information is based on utility rates and charges adopted July 1, 2018 and proposed rates and charges. Specific changes to each utility's rate are discussed in this report.

	Current Based on rates adopted 7/1/18	Proposed Effective 7/1/19	Change	Percent
Water ¹	\$27.38	\$27.61	\$0.23	0.84%
Wastewater ¹	\$36.43	\$37.06	\$0.63	1.73%
Gas ¹	\$47.81	\$50.85	\$3.04	6.36%
Stormwater ²	\$5.86	\$5.86	\$0	0%
Total	\$117.48	\$121.38	\$3.90	3.32%

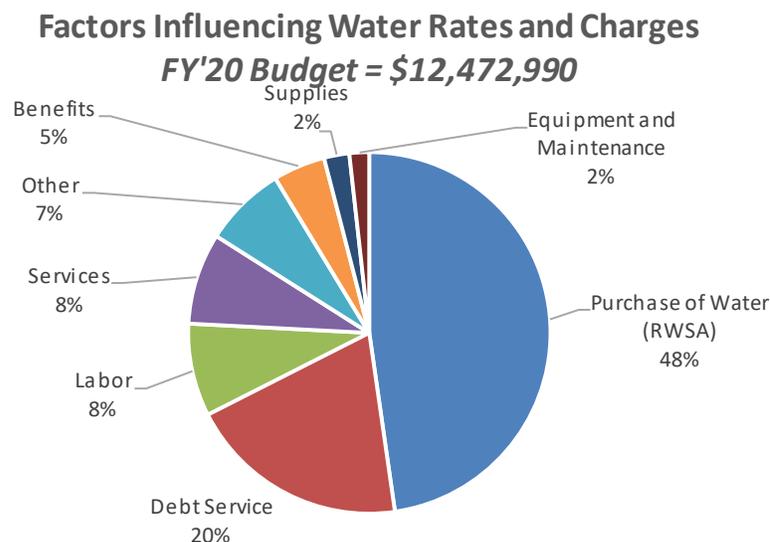
(1) Rates include monthly service charge

(2) The budget impact shown reflects a residential monthly average fee and provides consistency with other utilities. Stormwater fees are rounded to the next whole billing unit and are billed to property owners biannually.

Water Rates

Revenue Requirements to operate and maintain the City's Water System

The chart below depicts the expenses that impact the water rate.



Usage Rate

Water rates are proposed to increase by \$0.57 per 1,000 cf based on the amount of water used which is a 1.0% increase



Impact on the Customer

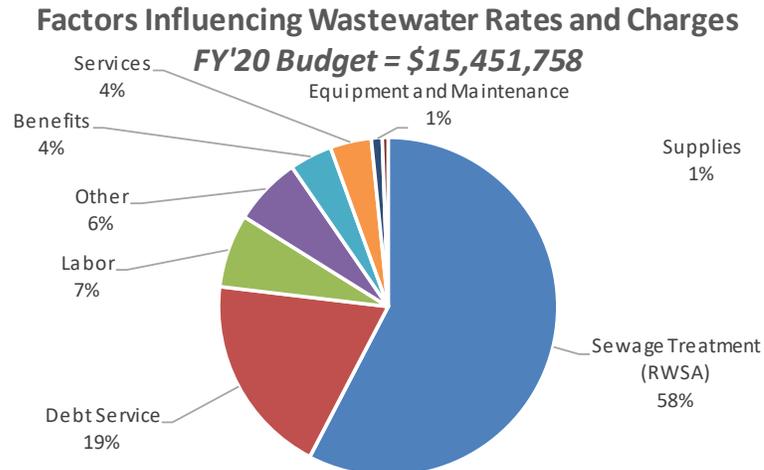
The impact on a customer's bill will depend on how much water is consumed. The average single-family household uses 400 cf/month (2,992 gallons/month; approximately 100 gallons/day). To the extent an individual customer's usage differs from the average will determine the impact of the proposed rate on their bill. The table below shows the monthly impact on water customers at different amounts of usage.

	Water Used/Month (cf)	Current Composite Water Rate/1,000 cf	Current Water Usage Charge/month	Proposed Composite Water Rate/1,000 cf	Proposed Water Usage Charge/month	\$ Change	% Change
Minimal User (10 th Percentile)	140	\$55.95	\$7.83	\$56.52	\$7.91	\$0.08	1.02%
Small User (25 th Percentile)	250	\$55.95	\$13.99	\$56.52	\$14.13	\$0.14	1.00%
Median User (50 th Percentile)	400	\$55.95	\$22.38	\$56.52	\$22.61	\$0.23	1.03%
Large User (75 th Percentile)	610	\$55.95	\$34.13	\$56.52	\$34.48	\$0.35	1.03%
High Volume User (90 th Percentile)	880	\$55.95	\$49.24	\$56.52	\$49.74	\$0.50	1.02%

Wastewater Rates

Revenue Requirements to operate and maintain the City's Wastewater System

The chart below depicts the expenses that impact the wastewater rate.



Usage Rate

Wastewater usage rates are proposed to increase by \$1.57 per 1,000 cf based on the amount of water used which is a 2.0% increase.



Impact on the Customer

The impact on a customer's bill will depend on how much water is consumed. The average single-family household uses 400 cf/month (2,992 gallons/month; approximately 100 gallons/day). To the extent an individual customer's usage differs from the average will determine the impact of the proposed rate on their bill. The table below shows the monthly impact on wastewater customers at different amounts of usage.

	Water Used/Month (cf)	Current Wastewater Rate/1,000 cf	Current Wastewater Usage	Proposed Wastewater Rate/1,000 cf	Proposed Wastewater Usage	\$ Change	% Change
Minimal User (10 th Percentile)	140	\$78.57	\$11.00	\$80.14	\$11.22	\$0.22	2.00%
Small User (25 th Percentile)	250	\$78.57	\$19.64	\$80.14	\$20.04	\$0.40	2.04%
Median User (50 th Percentile)	400	\$78.57	\$31.43	\$80.14	\$32.06	\$0.63	2.00%
Large User (75 th Percentile)	610	\$78.57	\$47.93	\$80.14	\$48.89	\$0.96	2.00%
High Volume User (90 th Percentile)	880	\$78.57	\$69.14	\$80.14	\$70.52	\$1.38	2.00%

Water & Wastewater

Monthly Service Charge

The monthly service charge for water and wastewater will not change. The proposed combined monthly service charges for water and sewer are as follows:

Water Meter Size (in inches)	Current	Proposed
5/8	\$ 10.00	\$ 10.00
1	\$ 25.00	\$ 25.00
1 1/2	\$ 50.00	\$ 50.00
2	\$ 80.00	\$ 80.00
3	\$ 160.00	\$ 160.00
4	\$ 250.00	\$ 250.00
6	\$ 500.00	\$ 500.00
14	\$ 3,267.00	\$ 3,267.00

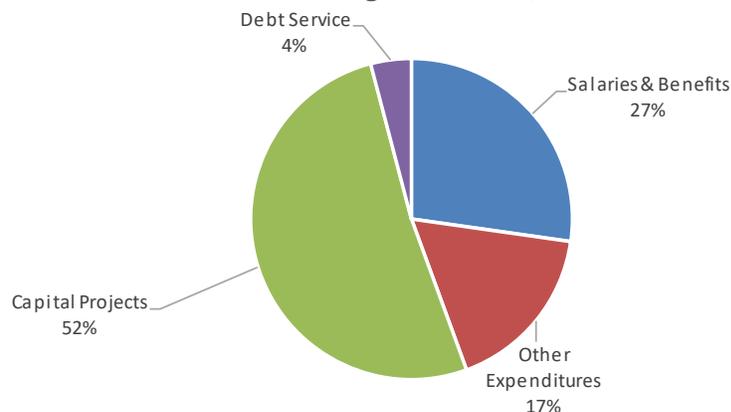
Stormwater Rates

Revenue Requirements to operate and maintain the City's Stormwater System.

The chart below depicts the expenses that impact the stormwater rate.

Factors Influencing Stormwater Rates and Charges

FY'20 Budget = \$2,931,611



Stormwater rates are proposed to remain constant for the coming year at \$1.20 per 500 square feet of impervious surface (or part thereof) per month. Stormwater fees are billed concurrently with real estate tax assessments and are due in June and December.

Modernize and maintain infrastructure integrity while pursuing environmental stewardship.

As part of the larger Water Resources Protection Program (WRPP), the City has adopted a stormwater utility fee to provide a dedicated and stable source of funding for stormwater management activities. Funds received are used to help the City comply with federal and state stormwater regulations, rehabilitate the City's aging stormwater infrastructure, address drainage and flooding problems, and pursue environmental stewardship.

Impact on the Customer

The stormwater utility fee is charged to property owners based on the amount of impervious area on their property (areas covered by hard surfaces, such as: buildings, concrete, gravel, etc.).

An example fee calculation is provided below:



Example Fee Calculation

- Total impervious area (house and driveway): 2,100 SF
- Divide by 500 square feet: $2,100 / 500 = 4.2$ billing units
- Round to the next whole number: 4.2 rounds to 5 billing units
- Multiply the number of billing units by the rate (\$1.20 per billing unit per month) to determine annual fee: $5 \times \$1.20 \times 12 = \72 annual fee, billed \$36 due in June and December

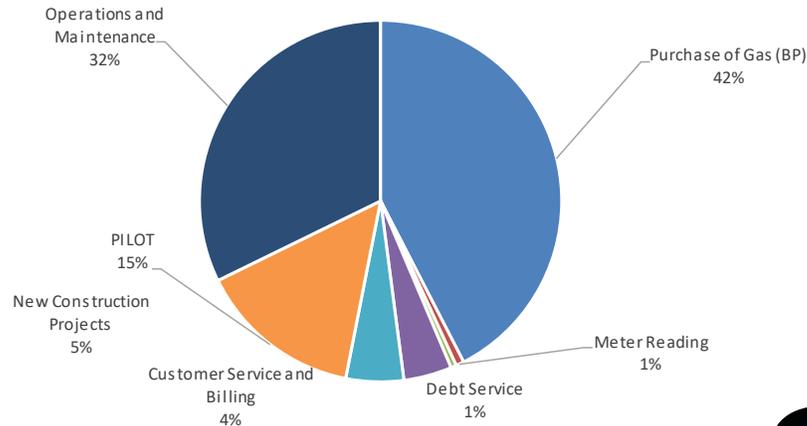
Gas Rates

Revenue Requirements to operate and maintain the City's Natural Gas System

The chart below depicts the expenses that impact the gas rate.

Factors Influencing Natural Gas Rates and Charges

FY'20 Budget = \$27,155,399



Usage Rate

Gas usage rates are proposed to increase by an average of 7.00% for firm customers. Most of the increase is due to the cost of gas.



Impact on the Customer

In addition to a change to the usage rate, the impact on a customer's bill will depend on how much gas is consumed. The average single-family household uses 4,600 cf of gas monthly. The table below shows the monthly impact on gas customers at different amounts of usage.

	Gas Used/Month (cf)	Current Monthly Gas Bill (based on rates adopted 7/1/18) ¹	Proposed Monthly Gas Bill ¹	\$ Change	% Change
Minimal User	4,000	\$43.07	\$45.74	\$2.67	6.20%
Average User	4,600	\$47.81	\$50.85	\$3.04	6.36%
Large User	20,000	\$157.57	\$169.46	\$11.89	7.55%
High Volume User	60,000	\$439.63	\$474.23	\$34.60	7.87%

The base gas rate is set as of July 1 each year. Gas is purchased throughout the year and that price changes monthly due to a variety of factors (weather, economics, etc.) which are hard to predict. The purchased gas adjustment (PGA) is an adjustment that acts as a "true up" to account for differences between the market rate of purchasing gas and the base rate. This ensures that customers are not over or underpaying and that the City is not over or under collecting.

	Gas Used/Month (cf)	Recent Monthly Gas Bill with 3/1/19 PGA ²	Proposed Monthly Gas Bill ¹	% Change
Minimal User	4,000	\$45.27	\$45.74	1.04%
Average User	4,600	\$50.34	\$50.85	1.01%
Large User	20,000	\$168.58	\$169.46	0.52%
High Volume User	60,000	\$472.63	\$474.23	0.34%

(¹) Include monthly service charges (²) Include monthly service charges and PGA adjustment