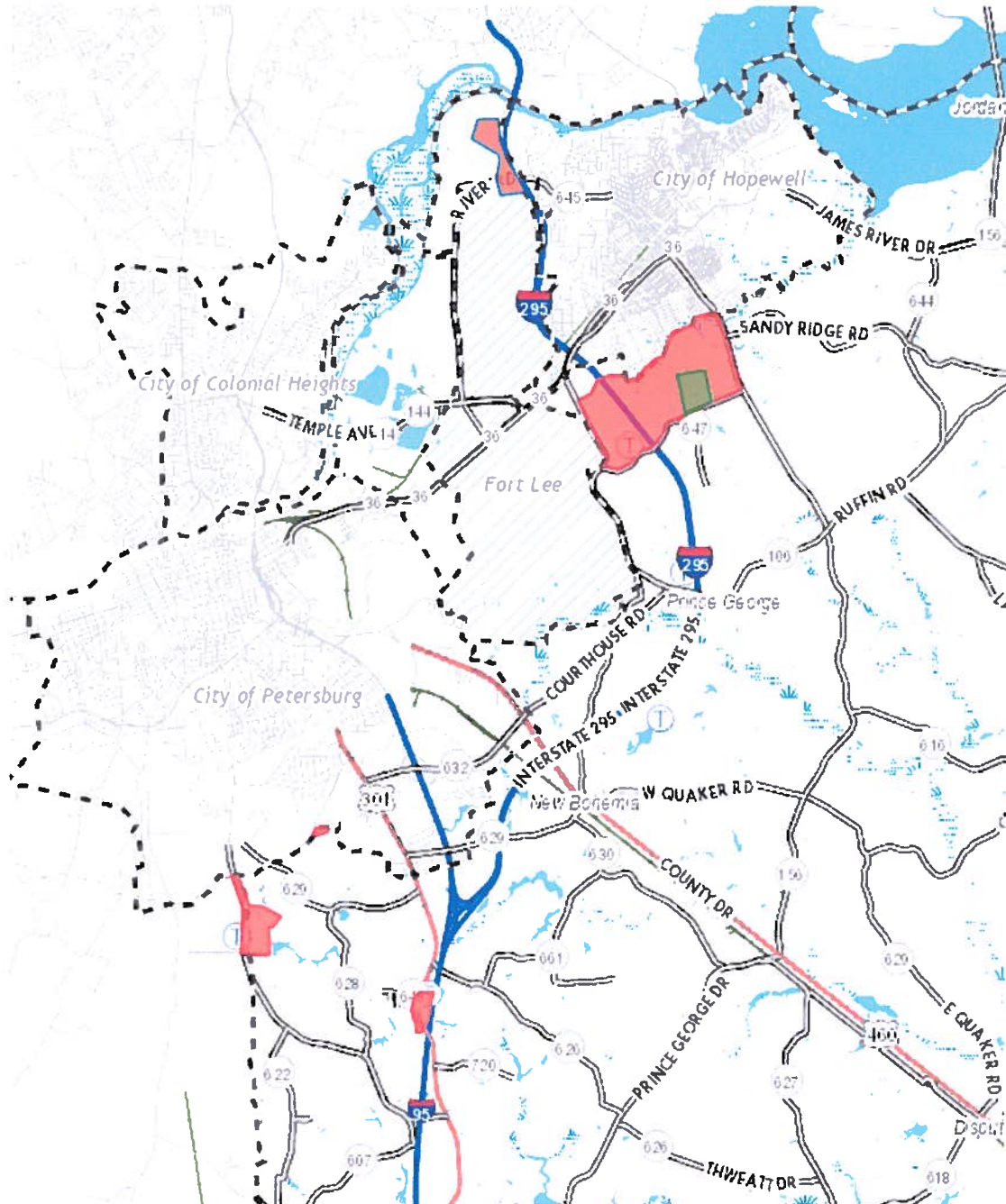


RESUME

DISCUSSION OF WATER AND WASTEWATER UTILITY SERVICE DISTRICTS AND RECOMMENDED CHANGES PROPOSED BY THE DIRECTOR OF ENGINEERING AND UTILITIES

**SERVICE DISTRICTS – WATER & WASTEWATER**



May 10, 2016

**River Road Service District (Water)**

- Boundaries defined in Code Sec 82-110
- No special rates defined in Code, perhaps there were in the past
- Two current customers: Riverside Regional Jail (W & S), Fort Lee North Range Facility (water only)
- Currently charging Fort Lee standard water rate for 4 inch service
- Riverside Regional is also a 4 inch service, but we charge them VAWC rates water & Hopewell rates for sewer
- Recommend correcting immediately and switching to standard 4 inch service rates (water & sewer)
  - Will reduce annual charges to Riverside Regional by about \$100,000 (18%)

**Johnson Road/Flank Road District (Water)**

- Boundaries defined in Code Sec 82-110
- No special rates defined in Code, there were in the past when district was created based on Petersburg's (double retail for outside the county customers + 10 percent)
- Currently charging customers \$3.80 per 1000 gallons, probably based on an old Petersburg rate and has not been kept up to date
- Recommend correcting immediately and switching to standard water rate immediately
  - Affects about 100 customers, average residential will see about \$5 to \$10 increase in their bimonthly bill
  - Will increase annual department revenues by about \$3,000

**Jefferson Park/Middle Road Water Service District (Water)**

- Boundaries defined in Code Sec 82-110
- Exempted from Connection Charges, Code Sec 82-261
- Special rates (Code Sec 82-262) defined as “that rate in effect charged by Virginia/American Water Company”
  - Makes no sense because our water is actually being provided, not VAWC water (i.e., rate not directly related to our cost)
  - Probably established for customer parity because some neighborhoods in district are served and billed directly by VAWC
- Impacts our customers in Brickhouse Landing and three apartment complexes: Baileys Ridge, Jefferson Pointe, Independence Place
- Recommendation: Removal of Service District and switch customers to standard rates, involves amending Code sections, about \$40,000 less annual revenue

**Brickhouse Landing Wastewater Service District (Wastewater)**

- Boundaries defined in Code Sec 82-429, and in Brickhouse Landing Sec 1 Wastewater Contract
- Exempted from Connection Charges, Code Sec 82-536
- Special rate (Code Sec 82-537) defined as “the same as the water rate in effect charged by Virginia-American Water Company”
  - County Utilities provides sewer service, not water, so rate not directly related to cost
  - Sewer rates currently charged are significantly less than County standard rates
- Recommendation: Replacing contracts with developer (Jimmy Jones) with Brickhouse Landing Sec 2, then removal of Service District and switching customers to standard sewer rates, involves amending Code sections
  - Affects about 30 existing customers, about \$30-35 increase in their bimonthly bills
  - About \$6,000 increase in annual revenue

May 10, 2016

**Exit 45/Route 301 Water Service Area**

- Individual contracts with each of the major hotels establishes special rates for each of them
- Contracts expire when external water source is extended to replace wells
- Special rates are charging less than what our standard rates would be, more investigation is needed
- Recommend consolidating under a single rate structure either
- As part of a service district created for area to maintain sidewalks/landscaping, or
- Switching to standard rates once water source is extended