

Albemarle water customers to get rate decrease
written by Newspark Team | March 21, 2013

Albemarle residents on public water might see a slight decrease in rates next fiscal year because fewer water-related capital projects are planned and because of increased connection fees charged to developers.

“The average residential monthly bill will be going down by 1 percent,” said Gary O’Connell, executive director of the Albemarle County Service Authority.

O’Connell said the lower rates are due to a reduction in the wholesale rates charged by the Rivanna Water & Sewer Authority.

“The level of [capital projects] projects that Rivanna has for the next year is not like it’s been for the last few years,” O’Connell said. “Most of the wastewater projects have been done, the water supply plan was anticipated and the funding for that was included in the rates.”

“Rivanna has done a very good job in their long-term financing of all of these projects and I think we’re starting to see some benefit from that,” said Liz Palmer, who represents the Samuel Miller District on the ACSA board.

A large future project is the supply pipeline that will connect the South Fork and Ragged Mountain reservoirs. However, that project is not anticipated to happen within the next five years.

O’Connell also said that the ACSA’s capital projects will mostly address maintenance projects in the next few years.

The RWSA currently charges the ACSA a wholesale rate of \$ per 1,000 gallons of water, but has proposed reducing that to \$ per gallon in the next fiscal year.

The ACSA charges most customers on a tiered pricing structure for water usage and the proposed rates would decrease in all four levels by 3 percent. Customers who only use fewer than 3,000 gallons a month are charged the wholesale rate

Water rates for commercial and multifamily dwellings will remain the same at \$ per 1,000 gallons, regardless of how much water is consumed.

Sewer rates will remain the same at \$ per 1,000 gallons.

The ACSA’s internal water system development fee, the charge for each new connection, will remain the same at \$1,802. The sewer system development fee will rise from \$2,436 to \$2,828 per connection, a 16 percent increase.

“We were able to hold the rates because we are using some of the ‘growth-pays-for-growth’ money,” said Lisa Breeden, the ACSA’s finance director.

In all, the ACSA will use \$3 million from connection fees to keep rates lower.

The formal presentation of the budget will be made at the ACSA's April meeting.

The board also approved a cost-share allocation agreement for the \$9 million replacement of the Schenks Branch sewer interceptor, which is maintained by the RWSA.

"Two phases of the work have been done without a cost allocation agreement so we've been sharing in that cost [with the city]," O'Connell said.

He added that the ACSA's position is that the city should pay the full cost of the replacement, because it will only serve city residents. The City Council has not yet considered the agreement.

O'Connell said he is hopeful this agreement will usher in a new way of splitting the costs of infrastructure between city and county ratepayers.

"There's recognition now that these projects should be on a flow basis," O'Connell said.

"It's precedent setting, but by the same token, when we're using 100 percent, we're going to pay 100 percent," Palmer said.

The city and county are continuing to negotiate cost-share allocations for other sewer projects, such as the \$40 million Rivanna Pump Station and the \$48 million upgrade of the Moores Creek Wastewater Treatment facility.