

CITY OF HOPEWELL SANITARY SEWER SYSTEM

COST OF SERVICE FOR USER CHARGES

PROPOSED RATES VS. 2009-2010 BUDGET

USER CHARGES

| | |
|-----------------------------|--------------------|
| RESIDENTIAL | \$1,760,605 |
| COMMERCIAL | 504,502 |
| OTHER PUBLIC AUTHORITY | 104,902 |
| PRINCE GEORGE COUNTY | 1,737,209 |
| FORT LEE | 750,149 |
| FEDERAL CORRECTIONAL CENTER | 1,360,941 |
| SMALL INDUSTRIAL | <u>385,437</u> |
| TOTAL USER CHARGES | <u>6,603,745</u> |
| INTEREST INCOME | 326,000 |
| TOTAL REVENUE AND INTEREST | <u>\$6,929,745</u> |

CITY BUDGET

| | |
|---------------------------|--------------------|
| OPERATING COSTS | \$4,165,334 |
| NEW DEBT SERVICE | 2,464,809 |
| TRANSFER TO GENERAL FUND | <u>326,000</u> |
| TOTAL BUDGET REQUIREMENT | <u>\$6,956,143</u> |
| DIFFERENCE – OVER (UNDER) | \$ <u>(26,398)</u> |

CITY OF HOPEWELL SANITARY SEWER SYSTEM

RATE INCREASES BY REVENUE CLASS

| | <u>Current Rates</u> | <u>Proposed</u> | <u>Dollar Increase</u> | <u>Percent Increase</u> |
|---|--------------------------|-----------------|----------------------------|-----------------------------|
| <u>RESIDENTIAL</u> | | | | |
| <u>Quarterly</u> | | | | |
| Minimum Charge | \$18.00 | \$30.44 | \$11.44 | 69.11% |
| 1 st Rate Block | \$ 1.33 | \$ 2.25 | \$ 0.92 | 69.17% |
| 2 nd Rate Block | \$ 1.13 | \$ 1.91 | \$ 0.78 | 69.03% |
| <u>COMMERCIAL</u> | | | | |
| <u>Quarterly</u> | | | | |
| Minimum Charge | \$18.00 | \$30.44 | \$11.44 | 69.11% |
| 1 st Rate Block | \$ 1.47 | \$ 2.49 | \$ 1.02 | 69.38% |
| 2 nd Rate Block | \$ 1.25 | \$ 2.12 | \$ 0.86 | 69.60% |
| <u>COMMERCIAL</u> | | | | |
| <u>Monthly</u> | | | | |
| Minimum Charge | \$ 6.00 | \$ 10.15 | \$ 4.15 | 69.16% |
| 1 st Rate Block | \$ 1.47 | \$ 2.49 | \$ 1.02 | 69.38% |
| 2 nd Rate Block | \$ 1.25 | \$ 2.12 | \$ 0.86 | 69.60% |
| <u>PUBLIC AUTHORITY</u> | | | | |
| <u>Quarterly</u> | | | | |
| Minimum Charge | \$18.00 | \$30.44 | \$11.44 | 69.11% |
| 1 st Rate Block | \$ 1.33 | \$ 2.25 | \$ 0.92 | 69.17% |
| 2 nd Rate Block | \$ 1.13 | \$ 1.91 | \$ 0.78 | 69.03% |
| <u>PUBLIC AUTHORITY</u> | | | | |
| <u>Monthly</u> | | | | |
| Minimum Charge | \$ 6.00 | \$ 10.15 | \$ 4.15 | 69.16% |
| 1 st Rate Block | \$ 1.33 | \$ 2.25 | \$ 0.92 | 69.17% |
| 2 nd Rate Block | \$ 1.13 | \$ 1.91 | \$ 0.78 | 69.03% |
| <u>PRINCE GEORGE CO</u> | | | | |
| <u>Bimonthly</u> | | | | |
| Minimum Charge | \$2,200 | \$3,721 | \$1,521 | 69.14% |
| 1 st Rate Block | \$ 3.51 | \$ 5.94 | \$ 2.43 | 69.23% |
| <u>FEDERAL CORRECTIONAL</u> | | | | |
| <u>Monthly</u> | | | | |
| Minimum Charge | \$1,600 | \$2,706 | \$1,106 | 69.13% |
| 1 st Rate Block | \$ 3.49 | \$ 5.92 | \$ 2.42 | 69.62% |
| <u>FORT LEE</u> | | | | |
| <u>Monthly</u> | | | | |
| Minimum Charge | \$8,000 | \$13,529 | \$5,529 | 69.11%* |
| 1 st Rate Block | \$ 1.14 | \$ 1.93 | \$.79 | 69.29%* |
| *To demonstrate change from contract rate to volumetric rate only | | | | |
| <u>SMALL INDUSTRIAL</u> | | | | |
| <u>Monthly</u> | | | | |
| Minimum Charge | \$56.00 | \$94.70 | \$38.70 | 69.11% |
| 1 st Rate Block | \$ 1.56 | \$ 2.64 | \$ 1.08 | 69.23% |

CITY OF HOPEWELL SANITARY SEWER SYSTEM

SAMPLE BILLS FOR AVERAGE USERS

MONTHLY BILLING

RESIDENTIAL

5,000 GALLONS

| | <u>PRESENT</u> | <u>PROPOSED</u> |
|----------------------------|----------------|-----------------|
| Minimum Charge | \$ 6.00 | \$10.15 |
| 1 st Rate Block | <u>\$ 4.88</u> | <u>\$ 8.25</u> |
| Total Bill | \$10.88 | \$18.40 |
| Dollar Increase | | \$ 7.52 |
| Percent Increase | | 69.11% |

COMMERCIAL

10,000 GALLONS

| | | |
|----------------------------|----------------|-----------------|
| Minimum Charge | \$ 6.00 | \$ 10.15 |
| 1 st Rate Block | <u>\$15.19</u> | <u>\$ 25.73</u> |
| Total Bill | \$21.19 | \$ 35.88 |
| Dollar Increase | | \$ 14.69 |
| Percent Increase | | 69.29% |

COMMERCIAL

20,000 GALLONS

| | | |
|----------------------------|----------------|----------------|
| Minimum Charge | \$ 6.00 | \$10.15 |
| 1 st Rate Block | \$24.99 | \$42.33 |
| 2 nd Rate Block | <u>\$ 8.26</u> | <u>\$14.00</u> |
| Total Bill | \$39.32 | \$66.88 |
| Dollar Increase | | \$27.56 |
| Percent Increase | | 69.07% |

CITY OF HOPEWELL SANITARY SEWER SYSTEM

Historical Rates Based on Range of Usages within the Residential Class
Using Block Rate Tariff Design initiated in October, 1986

| Rate Year | Min. Chg. | 3,500 Gal | 4,500 Gal | Average Residential 5,000 Gal | 6,600 Gal |
|----------------------------|-----------|-----------|-----------|----------------------------------|-----------|
| 1986 | \$4.76 | \$6.40 | \$7.70 | \$ 8.36 | \$10.44 |
| 1988 | \$4.76 | \$6.25 | \$7.43 | \$ 8.03 | \$ 9.92 |
| 1991 | \$4.76 | \$6.25 | \$7.43 | \$ 8.03 | \$ 9.92 |
| 1994 | \$5.05 | \$6.62 | \$7.87 | \$ 8.51 | \$10.50 |
| 1996 | \$5.05 | \$6.62 | \$7.87 | \$ 8.51 | \$10.50 |
| 1998 | \$5.25 | \$6.89 | \$8.19 | \$ 8.85 | \$10.93 |
| 2001 | \$5.50 | \$7.37 | \$8.86 | \$ 9.61 | \$12.00 |
| 2002 | \$5.83 | \$7.93 | \$9.61 | \$10.45 | \$13.14 |
| 2003 | \$5.83 | \$8.00 | \$9.73 | \$10.60 | \$13.37 |
| 2005 | \$6.00 | \$8.22 | \$9.99 | \$10.88 | \$13.71 |
| 2009 | \$10.15 | \$13.90 | \$16.90 | \$18.40 | \$23.20 |
| Change-Present to Proposed | | | | | |
| | 56.00% | 56.08% | 55.96% | 56.07% | 56.02% |
| Change since 1986 | | | | | |
| | 113.23% | 117.18% | 119.48% | 120.09% | 122.21% |

NOTE: Prior to October, 1986, the City charged a flat rate of \$25.87 per quarter or \$8.62 per month.

CITY OF HOPEWELL SANITARY SEWER SYSTEM

COMPARISON OF MONTHLY SEWER BILLING

IN SURROUNDING LOCALITIES

USING 5,000 GALLONS PER MONTH

| | <u>2005</u> | <u>2009</u> |
|----------------------|-------------|-------------|
| CITY OF HOPEWELL | \$10.88 | \$18.40 |
| PRINCE GEORGE COUNTY | \$24.00 | \$29.00 |
| CHESTERFIELD COUNTY | \$16.29 | \$22.27 |
| HENRICO COUNTY | \$21.71 | \$25.32 |
| CITY OF RICHMOND | \$33.36 | \$41.57 |
| NEW KENT COUNTY | \$26.00 | \$28.90 |
| HANOVER COUNTY | \$30.42 | \$38.69 |
| DINWIDDIE COUNTY | \$24.00 | \$28.58 |
| STATEWIDE AVERAGE* | ----- | \$27.74 |

*Source: Draper Aden Associates 20th Annual Virginia Water and Wastewater Rate Report 2008