

**Rivanna Water and Sewer Authority
Executive Summary
FY 2008-2009 Budget**

Overall Summary

The Rivanna Water and Sewer Authority budget is summarized below to highlight the major changes from the previous year. **Flows** are one of the most significant elements in the calculation of the Urban rates and they are one of biggest unknowns. Total flow estimates for the Urban rate centers will remain constant for FY 2009.

Usually, flow estimates are based on 90% of the ten-year average flow for each rate center; however the low flows in the latter years have been bringing the average down each year for the past 4 years, and estimating declining flows is not warranted given the recent surpluses for Urban area rate centers. Therefore the budgeted flows for each Urban rate center will remain constant again as they did last year.

Another impact to the rate calculation is the allocation of Rivanna's flows between the City and ACSA. This year as in last we have used a 1 percentage point shift for both Urban rate centers as shown in the table below.

Allocation of flows (based on retail flows):

	<u>FY 2008</u>	<u>FY 2009</u>
City Water	53 %	52%
ACSA Water	47 %	48%
City Wastewater	56%	55%
ACSA Wastewater	44%	45%

The flow allocation between the ACSA and the City is based on the overall retail flows reported to Rivanna for FY 2007, which is a consistent practice for all past budgets. This change in allocation actually provides for less flow being estimated for the City (see Appendix 1 in the budget detail), which causes the rate to increase with all other factors being the same as last year. Although logic would seem to prescribe that lower flows would mean lower rates, the opposite is true when there are large fixed costs involved.

Urban Rates:

	<u>FY 2008</u>	<u>FY 2009</u>	<u>Percent Change</u>
<i>Water</i>			
City Rates	\$2.226	\$2.285	2.65%
ACSA Rates	\$2.912	\$2.983	2.44%
<i>Wastewater</i>			
City Rates	\$2.233	\$2.466	10.43%
ACSA Rates	\$2.460	\$2.722	10.65%