CHARLOTTE

City Council
Follow-Up Report

February 18, 2011

February 14, 2011 – City Council Dinner Briefing

Water and Sewer Rate Methodology Study Results
Staff Resource: Barry Gullet, Utilities, 704-391-5073, bgullet@charlottenc.gov

During the Council dinner briefing, Utilities staff reviewed proposed water and sewer rate methodology changes. The rate methodology is focused on how charges for service are determined while the annual rate setting process concerns what the specific rates or charges for service will be. The proposed methodology is designed to balance the competing objectives of stable revenue and affordability while also encouraging water efficiency. City Council will be asked to consider adoption of the proposed methodology changes on February 28, 2011. In response to questions and concerns from the City Council, below is additional clarifying information related to the briefing, specifically regarding the recommendations to lower the sewer cap and add an availability fee.

Sewer Cap
Per-unit sewer usage charges for single-family residential (SFR) customers are currently based on metered water consumption, up to a maximum of 24 ccf (17,964 gallons). This maximum charge - known as the 'sewer cap' – is a tool designed to prevent charging customers for water usage that that does not drain into the sanitary sewer system for wastewater treatment. The proposal to lower this sewer cap from 24 ccf to 16 ccf (11,976 gallons) is more equitable because it prevents charging sewer fees based on metered water usage that typically is used for such activities as lawn-watering and car-washing.

Current financial analysis suggests the sewer cap should be lowered to 16 ccf for fiscal year 2012, as proposed in the recommended methodology changes. Lowering the cap to 16 ccf more accurately collects the per-unit cost of treating wastewater from those customers who benefit from that service. Lowering the sewer cap to 16 ccf also improves revenue stability, as there is less reliance on revenue from high water usage.

Transitioning to sewer usage charges that are based on an individual's wintertime metered water usage average during fiscal year 2013 will be an additional refinement to further collect a true cost-of-service sewer charge, and provide additional revenue stability.

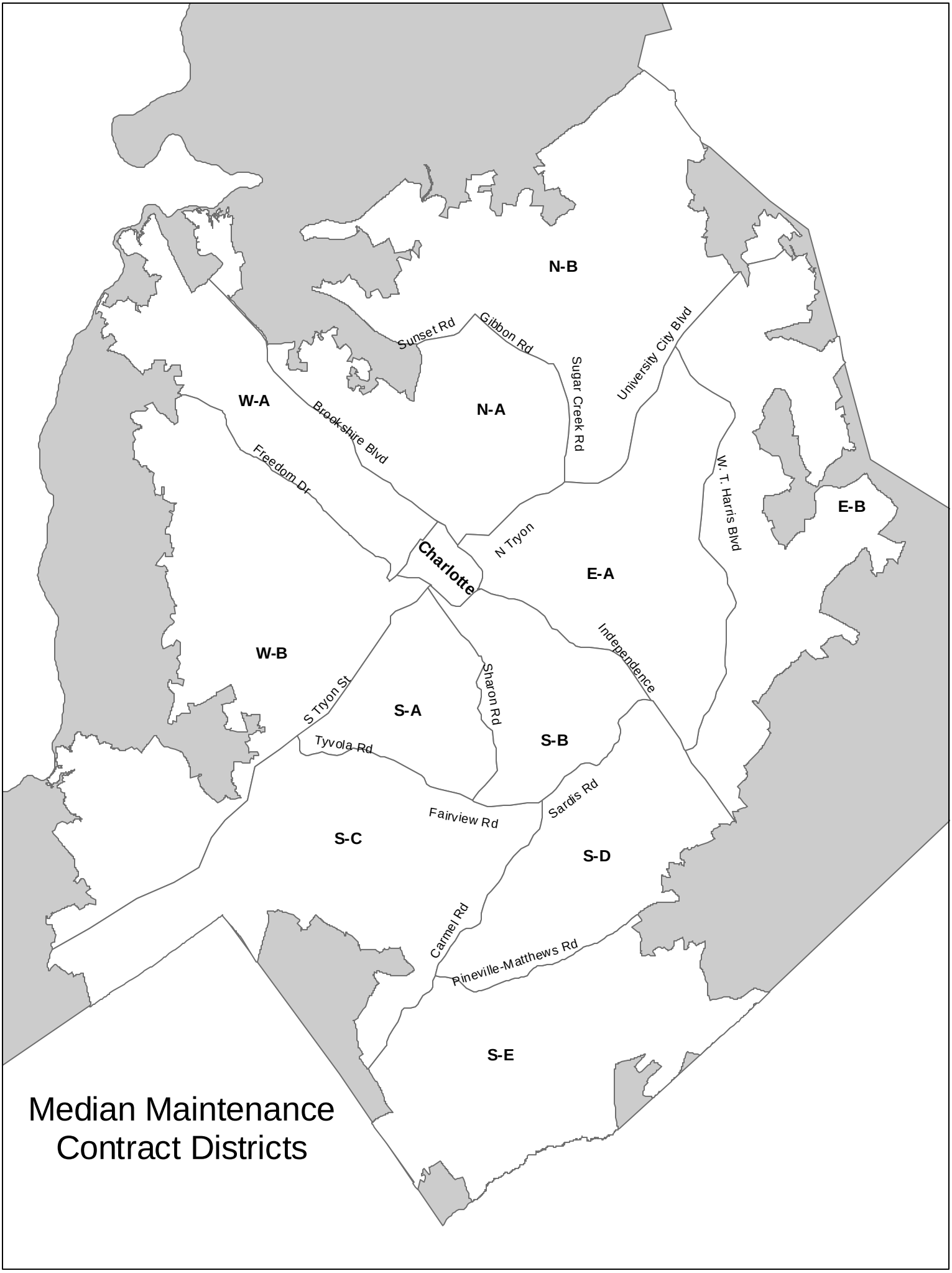
Availability Fee
The proposal to add an availability fee is designed to address revenue stability concerns. Under the existing methodology, fixed charges recover 5 percent of revenue requirements. The recommended methodology changes increase this recovered amount to 16 percent. The proposed availability charge has a disproportionate impact on low volume users. As a result, the Tier 1 rate has been lowered to offset this impact. Under current utility revenue requirements, most users, those in the 6-8 ccf range, would have a $1 to $2 per month increase in their water and sewer bill due to the addition of an availability charge.

The current fixed charges and inclining block volume charges provide basic water and sewer services at a cost much lower than most large metropolitan utilities. Specific comparative data will be provided as a part of Utilities budget review at the March 23rd Budget Retreat.

February 14, 2011 – City Council Business Meeting

Median Maintenance for Landscape Services
Staff Resource: John Lojko, Engineering & Property Management, 704-336-5056, jlojko@charlottenc.gov

Council member Dulin requested additional information about the locations of the six Median Maintenance Contracts. Below are 1) a map that outlines each mowing district and 2) a listing of each location included within each of the six contracts.



Median Maintenance Contract Districts

PROJECT NAME: MEDIAN MAINTENANCE FOR 2011-2014 - EAST DISTRICT "A"

42 LOCATIONS

1 **15th St. Deadend at Parkwood Ave. (400 blk)**

2 **16th St. Deadend at Parkwood Ave. (400 blk)**

3 **17th St. Deadend at Parkwood Ave. (400 blk)**

4 **400 Parkwood Ave. at 1600 Brevard St. right-of-way**

(East & West side of street to 20th St., Beds on both corners, mow west side of Brevard only to 20th St.)

5 **Abbeydale Dr. Median(s)**

(4300 Abbeydale Dr. & 4500 N. Sharon Amity Rd.)

6 **Albemarle Rd. Median(s)**

(Independence Blvd. to Sharon- Amity Rd. & Reddman Rd. to WT Harris Blvd.)

7 **Briar Creek Rd. Median(s)**

(one small median at Carolyn Dr.)

8 **Central Ave. & Kilborne Dr. Right-of-Way**

(4400 Central Ave. & 3000 Kilborne Dr. at Elkin Ln.)

9 **Central Ave./Albemarle Rd. Median(s)**

(5800 Central Ave. & 5800 Albemarle Rd.)

10 **Central Ave. Median(s)**

(Arnold Dr. to N. Sharon Amity Rd.)

11 **Central Ave. Right-of-Way**

(East of Fuel City Pizza at bus stop)

12 **Country Club Rd. & Matheson Ave. Median(s)**

(3000 Country Club Dr. & 1800 Matheson Ave.)

13 **Craighead Rd. & N. Davidson St. Median(s)**

(400 Craighead Rd. & 3500 N. Davidson St.)

14 **Eastcrest Dr. Median(s)**

(1700 Eastcrest Dr. & 3000 Central Ave. and bed in front of store front)

15 **Eastway Dr. & Shamrock Dr. Median(s)**

(1500 & 1400 Eastway Dr. & 2900 Shamrock Dr.)

16 **Eastway Dr. & The Plaza Median(s)**

(600 Eastway Dr. & 4400 The Plaza)

17 **Eastwood Dr. Median(s)**

(1700 block at Academy St. to 1700 block at Anderson St.)

18 **Farm Pond Ln. Median(s)**

(5600 & 5700 Farm Pond Ln. & 6200 & 6300 Albemarle Rd.)

19 **Green Oaks Ln Median(s)**

(From Briar Creek Rd to Eastcrest Ln)

20 **Greenbrook Dr. Median(s)**

(5300 Greenbrook Dr. & 5000 Albemarle Rd.)

21 **Hamorton Pl. Median(s)**

(1900 block at Nandina St. to 2000 block at Landis Ave.)

PROJECT NAME: MEDIAN MAINTENANCE FOR 2011-2014 - EAST DISTRICT "A" LOCATIONS

22 **Hickory Grove Rd. & N. Sharon-Amity Rd. Median(s)**

(4800 Hickory Grove Rd. & 4800 N. Sharon-Amity Rd.)

23 **Independence Blvd. Median(s)**

(4600 Sharon Amity Rd. to 8800 Hayden Way)

24 **Jenkins Dr. Median(s)**

(1000 Jenkins Dr. at 6000 Albemarle Rd.)

25 **Kilborne Dr./Norland Rd. Median(s)**

(2900 block to 1800 blk Norland Rd.)

26 **Kimmerly Glen Ln. Median(s)**

(5300 block N. Sharon-Amity Rd. to 4700 Kimmerly Glen Ln.)

27 **Lola Ave. Deadend Landscped Bed**

(2300 block Lola Ave. & 1600 Parkwood Ave.)

28 **Merry Oaks Dr. Traffic Circle**

(Interection of 1900 Merry Oaks Dr. & 3300 Draper Ave.)

29 **Roland St. planting strip shoulders - both sides**

(Roland St. between DeArmon Dr. & Logie Ave.)

30 **Merry Oaks Connectivity Path**

(Logie Ave. to Masonic Dr.)

31 **Old Concord Rd. & N. Tryon St. Median(s)**

(5600 N.Tryon & 5600 Old Concord Rd.,island at intersection)

32 **Parkwood Ave. Median(s)**

(100 blk Belmont Ave to 2400 blk The Plaza at Stratford Ave)

33 **Parkwood Ave./Caldwell St. Triangle**

(around brick sign at 100 Parkwood Ave. & 1100 Caldwell St.)

34 **Pecan Ave. & Gordon St./Central Ave. Right-of-Way**

(mulched area east of intersection)

35 **Pinckney Ave. & Catawba Ave. Island**

(2000 Pinckney Ave. & 1000 Catawba Ave.)

36 **Shamrock Dr. & Sharon-Amity Rd. Median(s)**

(4600 & 4700 Shamrock Dr. & 4900 & 5000 N. Sharon Amity Rd.)

37 **Sudbury Rd. Median(s)**

(One mulched median at Kilborne Dr.)

38 **Sharon Amity Median(s)**

(2600 block at Independence Blvd. to 5900 block at Harris Blvd.)

39 **The Plaza Median(s)**

(Central Ave. to Milton Rd.)

40 **Wilora Lake Dead-end**

(5600 block of Wilora Lake Dr. - both sides of bridge)

41 **Woodland Dr. Median(s)**

(1600 Woodland Dr. & 3500 Eastway Dr.)

42 **Woodside & Lunsford Median(s)**

(900 Woodside Ave. & 900 Lunsford Pl.)