THE CITY OF ASHEVILLE

STAFF REPORT

Council Meeting Date: March 28, 2023

Subject: Proposed Fee Adjustments for Fiscal Year (FY) 2023-24

Staff Resource: Tony McDowell, Finance & Management Services Director
Taylor Floyd, Budget Manager

Action Requested: Adoption of an ordinance establishing the fees and charges for FY 2023-24.

Background:

- Fees and charges comprise 35% of City-wide revenue and 10% of General Fund revenue.
- Attachment A provides detailed information for fee adjustments under consideration for FY 2023-24, including impacts on revenues, customers, and service provision.
- Final recommendations to City Council are based on feedback received from the Policy, Finance and Human Resources Committee.
- Recommended fee adjustments will become effective July 1, 2023.
- Typical household impact of major fee changes proposed for FY24 are below:

Fee	Bi-Monthly Bill Increase	FY24 Annual Increase
Solid Waste	$ 2.00	$ 12.00
Stormwater (Tier 2)	$ 1.76	$ 10.58
Water (6 CCFs/month)	$ 7.13	$ 42.78
Total	**$ 10.89**	**$ 65.36**

Council Goal(s):

- A financially resilient city

Committee:

- The Policy, Finance and Human Resources Committee reviewed this information on March 24, 2023 and did not take action on the recommendations.
- The Committee requested additional information about the recommended changes to Water Resources Fees.
- That information is included in Attachment B.
- Additional information has also been included on Parks and Recreation fees.

Pros:

- Provides for cost recovery from those that directly utilize or benefit from the service where appropriate, reducing the financial burden of City services on taxpayers.
- Provides additional revenue to help balance the FY 2023-24 budget.
- Allows staff to begin communicating fee changes to citizens, customers, and stakeholders so they are aware of changes that will be implemented on July 1, 2023.

Con:

- A minimal increase in the cost of city services.

Fiscal Impact:

- Impacts for each proposal are shown in Attachment A.

Suggested Motion:

- Motion to approve an ordinance amending the fees and charges manual for Fiscal Year 2023-24.

Attachments:

- Ordinance
- Fee Proposals Summary
- Water rate structure comparison

ORDINANCE NO. _____

ORDINANCE ADOPTING THE FISCAL YEAR 2023-24 FEES & CHARGES

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ASHEVILLE THAT:

The attached Fiscal Year 2023-24 fees and charges, attached hereto and made a part hereof, be adopted.

That this ordinance shall be in full force and effective upon July 1, 2023.

Read, approved and adopted this 28th day of March, 2023.

_____ _____
City Clerk Mayor

Approved as to form:

_____
City Attorney

Attachment A - Fee Proposals Summary

Stormwater Utility Fee (Stormwater Fund)

Description: Public Works Department Stormwater Division fees charged to property owners (both residents and businesses) to fund the City's federally mandated stormwater management program.

Revenue Impact: The utility fee is the main source of revenue for the Stormwater Fund. To limit the impact on residents during the coronavirus pandemic, fees were not increased in FY21 or FY22. As a result, a 15% increase was approved for FY23. A 15% increase is again proposed for FY24 and would generate approximately $1M in additional revenue.

Background:

- Identified maintenance and capital needs for the stormwater system far exceed the current financial capacity of the Stormwater Fund to address.
- A consultant-led study of stormwater services is currently underway. This assessment will provide key information about the capital and operating resources required to maintain the system and provide the services outlined below in the service impact.
- The study is expected to be completed late summer of 2023.
- The study also includes a review of the current fee structure. Adjustments based on this review will be included in the next budget development process.
- Proposed changes for FY24 are outlined below:

Property Size (Single Family) or Type	Current (per month)	Proposed (per month)	Change
225 - 2,000 Square Feet	$3.68	$4.23	$0.55
2,001 - 4,000 Square Feet	$5.87	$6.75	$0.88
> 4,001 Square Feet	$8.08	$9.29	$1.21
Non-Single Family Properties per ERU (Equivalent Residential Units)	$5.87	$6.75	$0.88

Customer: Although fees are charged only to property owners, the entire community benefits from flood mitigation, water quality improvements, reductions in nuisance flooding, and other services provided by the stormwater system and staff that manage it.

Service Impact: Additional revenue will be utilized to support asset management improvements, adding staff resources for system maintenance, and capital resources (including equipment) to ensure compliance with federal and state mandates.

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Solid Waste Fee (General Fund)

Description: Public Works Department Sanitation Division fee charged for solid waste, recycling, and brush collection services.

Revenue Impact: The solid waste fee was increased by $2.00 as part of the current fiscal year budget development process. Prior to FY24, the fee had not been adjusted for several years. Each additional $1.00 increase to the fee generates approximately $409,000 in additional revenue.

Background:

- The City's solid waste fee is among the lowest charged by municipalities across North Carolina and does not include surcharges for additional services that some other jurisdictions assess, such as brush and bulky item collection.
- The contract for collection and disposal of recycling waste, last negotiated in 2021, includes annual 5% increases in the cost of service to the City.
- The tipping fees charged by Buncombe County to dispose of the City's solid waste at the landfill and transfer station will be increasing approximately 9% for FY24.

Fee Type	Current (per month)	Proposed (per month)	Change
Standard Municipal Solid Waste Fee	$16.00 per household	$17.00 per household	$1.00

Customer: The fee is charged to all residences that receive City sanitation services within the Asheville City limits. Residents in single-family homes must pay the sanitation fee for service and cannot opt out. Multi-family units and businesses can opt out of City sanitation service and engage a private collection service.

Service Impact: Additional revenue could support staffing for a new collection route to address growing service collection points, as well as the completion of a long-range plan to guide future service needs and changes.

Water Resources Fees (Water Resources Fund)

Description: Fees charged to Water Customers for base and consumption charges; fee charged to the Metropolitan Sewerage District for billing services; deposits for rental of hydrant meters.

Revenue Impact: Water utility charges (base fee and consumption charges) are typically updated annually to cover the ongoing costs of providing the service. Every 1% increase in the base fees yields $59,000 in additional revenue. Every 1% increase in consumption charges is estimated to generate an additional $307,000 of revenue. Other fees are revised periodically as needed to cover costs associated with the fee.

Background:

- Water Resources' main source of revenue is charges for service billed to water system customers.
- The department also collects other fees for specific services including new connections, meter rereads, and hydrant meter rentals.
- Historically, incremental annual increases to base fees and consumption charges have been approved to align with the cost of providing water service.
- Proposed changes for FY24 include:
    - Increasing the per bill fee charged to MSD, from $2.66 per billing to $2.83 per billing, consistent with the cost of service and prior year changes.
    - An increase in base fees charged to customers according to meter size. On average, base fees would increase 17.7%, with a slightly lower increase for single-family residential customers (16.6%). See chart below for a full comparison.
    - An increase in consumption charges billed to customers based on the volume of water used. Consumption charges would increase approximately 9% for a single-family residential customer. See chart below for a full comparison.
    - An increase in hydrant meter rental deposits. Hydrant meters are often used during major construction projects, where water to the location has either not yet been established or has been turned off and a permanent meter cannot be used. The proposed changes would increase the deposit for a ⅝" hydrant meter to $500 and the deposit for a 3" hydrant meter to $1000.

Base Charge*	Bi-Monthly Current	Bi-Monthly Proposed	Change	Monthly Current	Monthly Proposed	Change
⅝"	$ 11.10	$ 12.95	+$ 1.85	$ 6.18	$ 7.13	+$ 0.95
¾"	$ 16.03	$ 18.76	+$ 2.73	$ 8.64	$ 10.04	+$ 1.40
1"	$ 25.88	$ 30.40	+$ 4.52	$ 13.57	$ 15.86	+$ 2.29
1.5"	$ 50.50	$ 59.48	+$ 8.98	$ 25.88	$ 30.40	+$ 4.52
2"	$ 80.05	$ 94.38	+$ 14.33	$ 40.65	$ 47.85	+$ 7.20
3"	$ 158.85	$ 187.46	+$ 28.61	$ 80.05	$ 94.38	+$ 14.33
4"	$ 247.50	$ 292.16	+$ 44.66	$ 124.38	$ 146.74	+$ 22.36
6"	$ 493.75	$ 583.01	+$ 89.26	$ 247.50	$ 292.16	+$ 44.66
8"	$ 789.25	$ 932.03	+$142.53	$ 395.25	$ 466.67	+$ 71.42
10"	$ 2,069.75	$ 2,444.45	+$374.70	$ 1,035.50	$ 1,222.88	+$187.38

**Some commercial users are billed monthly*

Volumetric Charge (per CCF)	Current Fee	Proposed Fee	Change
Single Family Residential	$4.77	$5.21	+$0.44
Irrigation	$5.90	$6.44	+$0.54
Multi-Family Residential	$4.20	$4.58	+$0.38
Commercial			
0-1,000 CCF Monthly 0-2,000 CCF Bi-Monthly	$4.04	$4.41	+$0.37
>1,000 CCF Monthly >2,000 CCF Bi-Monthly	$2.51	$2.74	+$0.23
Manufacturer			
0-1,000 CCF Monthly 0-2,000 CCF Bi-Monthly	$4.04	$4.41	+$0.37
>1,000 CCF Monthly >2,000 CCF Bi-Monthly	$2.29	$2.50	+$0.21

Customer: Customers impacted by these fees include occupants and owners of single- and multi-family residential, commercial, and manufacturing facilities connected to the City of Asheville water system, as well as MSD (for the billing charge) and developers (for hydrant meters).

Service Impact: Along with covering typical year-over-year cost increases, the proposed fees will also include funding for a number of operational improvements that, while planned before the December 2022 outage, are imperative to improving operations and avoiding similar outages in the future. The following are being considered for funding:

- An additional maintenance crew to reduce repair response times and increase the amount of preventative line maintenance the department can complete.
- Enhanced night coverage for the water treatment plants to reduce safety concerns and increase ability to respond quickly to problems.
- Customer service staff to manage the transition to the automatic meter infrastructure (AMI) system already underway.
- A new communication specialist to develop a program of regular engagement with customers, and improve emergency communications.
- Additional engineering staff to support capital improvements at water treatment plants, pump stations, and storage tanks.
- The Department is also still recovering from the loss of revenue resulting from the elimination of the Water CIP fee at the end of Fiscal Year 2019-20. This loss of revenue has reduced funds available for long-term capital projects and maintenance, and the higher proposed rate increase will help maintain capacity for this work.

Parks and Recreation Fees (General Fund)

Description: Parks and Recreation charges fees to users of programs, services and facilities.

Revenue Impact: These fee changes would modestly increase revenue, helping to offset the cost of programs and services.

Background

- Usage fees have been reviewed to ensure programming and facilities remain accessible for all residents and users. Proposed fee changes with this goal include:
    - Additional afterschool and summer day camp programming, including opportunity to access programming on a daily (as opposed to weekly) basis.
    - Streamlining the user fees for multipurpose and ball fields typically paid by leagues and event managers.
    - Adding City employees discounts for facility use and youth care programming.
    - Reducing the Weight Room Membership Fees for users over 60 years old.
- Making incremental adjustments to fees allows the City to maintain existing cost recovery in a rising cost environment, and to improve and enhance services and facilities. FY24 proposed fee changes with this goal include:
    - Services provided at Riverside Cemetery.
    - Swim passes and lifeguard fees.
    - Weight Room Membership Fees for residents and non-residents.

Fee Type	Current Fee	Proposed Fee	Change
Riverside Cemetery			
Grave Price - COA Resident	$ 1,300	$ 1,500	$ 200
Grave Price - Non-resident	$ 1,625	$ 1,875	$ 250
Interment Fee	$ 1,200	$ 1,400	$ 200
Cremation Interment Fee	$ 375	$ 500	$ 125
Surcharge for weekends, holidays, after hours	$ 100	$ 200	$ 100
Children Interment Fee	$ 350	$ 525	$ 175
Tent Set-up	$ 200	$ 250	$ 50
Disinterment Fee	$ 100	$ 1,500	$1,400
BHT Grave Price - New Section	N/A	$ 1,000	New
Afterschool & Summer Day Camp Programming			
Non-Resident & Resident	$ 50	$ 40	$ (10)
Fun Day Out/Inclement Weather (Per Day)	$ 5	$ 10	$ 5
Spring Break & Holiday Camps (Per Day)	N/A	$ 10	New
Spring Break & Holiday Camps (Per Week)	$ 40	$ 40	$ -
COA Employees - Break/Camps (Per Week)	N/A	$ 30	New

Fee Type	Current Fee	Proposed Fee	Change
Recreation and Athletic Facilities & Programs			
Annual Storage Fee	N/A	$ 50.00	New
Community Youth field/facility use without lights	$ 125.00	Remove	$ (125)
Community Adult field/facility use without lights	$ 350.00	Remove	$ (350)
Soccer Field (Per Hour) rename Multipurpose Field	$ 34.00	$ 50.00	$ 16
Athletic Fields (Per Hour, 4 hour minimum)	$ 25.00	$ 25.00	Remove minimum
Athletic Field Lights (Per Hour)	$ 75.00	$ 25.00	$ (50)
Add'l Weekend Charges for Athletic Fields & Lights	Various	Remove	No Charge
Weight Room Membership			
Annual Membership			
Single Resident	$ 75.00	$ 50.00	$ (25)
Single Non-Resident	$ 80.00	$ 75.00	$ (5)
Family Resident	$ 100.00	$ 75.00	$ (25)
Family Non-Resident	$ 105.00	$ 100.00	$ (5)
60+ Years Old Single Resident	$ 75.00	Remove	No Charge
60+ Years Old Single Non-Resident	$ 80.00	Remove	No Charge
COA Employee Single	$ 50.00	Remove	No Charge
COA Employee Family	$ 75.00	Remove	No Charge
Swimming Pool Passes & Fees			
Annual Family Swim Pass	$ 150.00	$ 200.00	$ 50
Annual Pass 15 Visits	$ 40.00	Remove	
Required Lifeguard Fee	$ 25.00	$ 35.00	$ 10
Swim Team Fees Practice (per hour)	$ 25.00	$ 25.00	Add per lane

Customer: Facility users and program participants pay these fees. Newly implemented installment billing options for families and caregivers are available to spread out the cost of after school and summer programs.

Service Impact: Changes to the Parks and Recreation fees would help to offset the costs of programming and facility operations and would allow for easier and less expensive access for some users.

Development Services (Stormwater Fund)

Description: Development Services fees are charged for permit application, review, inspection for development activity and compliance.

Revenue Impact: Fee changes being considered would generate approximately $21,000 in the Stormwater Fund.

Background:

- Fee changes are intended to keep fees in line with cost recovery recommendations made by a development fee study completed in 2018. The proposed increases will help offset the increased cost of service.
- Stormwater development and grading fees support review and inspection of projects to ensure compliance with federal and state regulations.

Fee Type	Proposed Fee	Change
Stormwater Development Fees		
Stormwater Level I Project	$ 875	+$ 45
Stormwater Level II Project	$ 1,400	+$ 50
Stormwater Level III Project	$ 2,400	+$150
Stormwater Major Subdivision	$ 1,400	+$ 50
Flood Permit - Minor Work	$ 150	+$ 45
Floodplain Development - Major Work	$ 700	+$ 70
Publicly Funded Project (Stormwater)	50%	-
Grading Permit Fees		
Grading - Residential < 10,000 sq ft	$ 250	+$ 10
Grading - Residential > 10,000 sq ft	$ 475	+$ 25
Grading - Commercial < 10,000 sq ft	$ 700	+$ 40
Grading - Commercial > 10,000 sq ft	$ 1,400	+$ 50
Residential Permit Extension	$ 110	+$ 5
Commercial Permit Extension	$ 650	+$ 20
Commercial Permit Extension < 10,000 sq ft	$ 330	+$ 15

Customer: These fee changes will primarily impact commercial customers seeking development assistance and regulation, but also include increases to residential permits.

Service Impact: The increased fee will allow the department to continue to provide efficient service to customers.

WNC Nature Center Fees (General Fund)

Description: Fees are charged for events, programs and facility usage offered through at the Western North Carolina (WNC) Nature Center.

Revenue Impact: The changes under review are not expected to substantially impact revenue generated by the WNC Nature Center, but will provide more flexibility to recover a portion of the cost to provide specific programming and facilities usage.

Background:

- The Nature Center offers various special events and programs, camps, school services, and facility rentals. These programs and events are updated often and vary widely annually.
- The fee structure under review would provide flexibility to offer new or unique programming. The current structure sets fees by individual event, limiting staff's ability to develop and offer new programming throughout the year and recover a portion of the cost to deliver these programs.
- Fees would be set by category including educational, recreational, camp, and facility rental.

Fee Type	Current Fee		Proposed Fee
	Resident	Non-Resident	All
Event and Program Fees			Maximum rate per participant per program not to exceed **$250.00** - based on current market conditions.
Rehab Class	$ 165	$ 175	
Holiday Event	$ 6	$ 8	
Howl-O-Ween	$ 6	$ 8	
Elk Trip	$ 20	$ 22	
Butterfly Tagging	$ 18	$ 20	
Wolf Howl	$ 12	$ 115	
Peeper Creep - Adult	$ 5	$ 5	
Peeper Creep - Child	$ 3	$ 3	
Birthday Parties	$ 200	$ 225	
Birthday Parties - 30 Minute Program	$ 60	$ 60	
Civic Groups	$ 100	$ 100	
Retirement Living Facility	$ 100	$ 100	
Overnight Delight - Adult	$ 20	$ 25	
Overnight Delight - Child	$ 35	$ 40	
Overnight Delight -	$ 30	$ 35	

Cataloochee Valley Animal Training Workshop Photography Tour Recreation Center Youth Visits Naturalist for a Day Asheville Resident Appreciation Day	$ 255 $ 45 Free $ 250 Free	$ 295 $ 50 Free $ 275 Free	
Camp Fees Summer Camps Early Childhood Camp Critter Time Pre-K After-Camp Care Pre-Camp Care	 $ 175 $ 85 $ 13 $ 50 $ 25	 $ 200 $ 100 $ 18 $ 50 $ 25	Maximum rate per participant for base camp registration fee will not to exceed **$250.00** per session - based on current market conditions. Any additional camp fees will not exceed **$100.00** per session.
School Services Fees On-Site (Aug-May) per person	 $ 3.95	 $ 4.95	Maximum rate per participant not to exceed **$15.00** - based on current market conditions and includes gate admission.
Facility Rental Fees Facility Rental	 N/A	 N/A	Maximum rate for rental of the Nature Center proper and/or any of its facilities - not to exceed **$5,000.00** per occurrence - based on current market conditions.

Customer: Visitors to the WNC Nature Center that participate in specific programs or rent facilities pay these fees.

Service Impact: These changes will allow the Nature Center to expand programming and facility use options.

Aston Park Tennis Center Fees (General Fund)

Description: Fees are charged for tournament play and ball machine rental at the Aston Park Tennis Center.

Revenue Impact: This fee change under consideration would increase revenue by approximately $10,500.

Background:

- The Aston Park Tennis Center is one of the finest public clay tennis court facilities in the US. The complex is open from April through November and offers 12 lighted courts for play. The complex offers season passholder memberships as well equipment rentals.
- For regular complex use, the only proposed fee change is for ball machine rentals.
- The complex also hosts the Asheville Open Tennis Championship every summer. As of 2021, the tournament consists of L2 USTA National Level and an L5 USTA Southern Level tournament. Many players enter both levels of competition and are required to pay a separate fee for each entry. The new fee structure under consideration would increase the entry fee, but offer a discount to players who enter more than one level of play.
- The fee changes will help offset the additional costs of additional amenities required for a National Level tournament.

Fee Type	Current Fee	Proposed Fee	Change
Asheville Open Tennis Championships - Adults			New fees would be charged on the number of events entered and current fees based on the type of event will be removed.
Entry Fee - Adult, Single	$ 45	Remove	
Adult, Doubles (each player)	$ 25	Remove	
Entry Fee - Adult, 1st Entry	N/A	$ 65	
Entry Fee - Adult, Additional Entry	N/A	$ 45	
Asheville Open Tennis Championships - Juniors			New fees would be charged on the number of events entered and current fees based on the type of event will be removed.
Entry Fee - Junior, Single	$ 35	Remove	
Entry Fee - Junior, Doubles (each player)	$ 15	Remove	
Entry Fee - Junior, 1st Entry	N/A	$ 45	
Entry Fee - Junior, Additional Entry	N/A	$ 10	
Ball Machine Rental Fee			New fees would be charged based on being an annual Passholder rather than residency.
Resident Ball Machine Fee	$ 8	N/A	
Non-Resident Ball Machine Fee	$ 10	N/A	
Annual Passholder Ball Machine Fee	N/A	$ 10	
Non-Annual Passholder Ball Machine Fee	N/A	$ 15	

Customer: All visitors to the Aston Tennis Center pay fees. The changes under consideration would only apply to the ball machine rentals and tournament entries.

Service Impact: This fee structure change will help the Aston Tennis Center offset the costs of operating and facility costs associated with the Asheville Open Tennis Championship.

Attachment B - Water Resources Rate Structure Comparison

In response to questions from the Policy, Finance, and HR Committee, staff has prepared the following comparative research of water system rate structures across the state of North Carolina. The focus of our research was the *structure* of fees charged by comparable water systems:

- Tiered rates (charges vary based on level of consumption) vs. flat rates (one charge for all levels of usage)
- Differential rates by customer class (residential, commercial, etc.) or by geography (inside vs. outside city or county limits)
- If tiered or differential rates are used, how are they organized (e.g. do rates increase or decrease with greater usage, what customer classes pay higher or lower rates, etc.)

Systems included in the analysis are:

- Asheville
- Cape Fear Public Utility Authority (Wilmington)
- Cary
- Charlotte
- Concord
- Durham
- Fayetteville
- Greensboro
- Greenville, SC
- Hendersonville
- High Point
- Raleigh
- Winston-Salem/Forsyth County Utilities

Along with the rate structure comparison described above, this report will also include data on the City of Asheville's current accounts and usage rates, and an affordability comparison from the UNC School of Government Environmental Finance Center that annually researches and benchmarks local government utility rates across the state.

Summary of Findings:

Of the 13 systems compared, nine systems, including Asheville, have rates distinguished by customer class, most commonly residential, non-residential (called commercial, industrial, or manufacturing by different systems) and irrigation (lawn watering, landscaping, etc.). These nine systems also have rates tiered by usage for at least one of these customer classes. Of those nine:

- Seven provide tiers for residential customers that discount the first few units of consumption for residential users. The non-residential rate is then the same or similar to the second or third tier of residential usage.

- Three systems (Asheville, Hendersonville, and High Point) do not use their tiered system to discount residential usage, and charge the same or more to residential customers than non-residential.

The other four systems reviewed do not differentiate rates between customer classes and instead charge one set of volumetric rates to all types of users.

Of the 13 systems compared, nine charge differential rates based on geography, typically discounting inside limits customers and charging a higher rate to those outside limits. Limits are often set by municipal or county boundaries, but some regional systems use other geographical limits. Asheville is not permitted to charge differential rates to inside and outside city limit customers, per the Sullivan Acts. The Sullivan Acts are a set of state statutes that apply only to the City of Asheville water service.

Full details of the rate structure comparison can be found in Table A, at the end of this report.

Asheville's Current Volumetric Rate Structure, Customer Base, and Affordability:
Asheville's Water Resources currently charges a differentiated volumetric rate, with the following classes:

- Single Family Residential
- Multi-Family Residential
- Irrigation
- Commercial
- Manufacturing

Of these, the Irrigation class has the highest volumetric rate and the Manufacturing class has the lowest rates. Additionally, Commercial and Manufacturing classes have a tiered rate based on usage. As discussed earlier in our report, the tier structure for these classes decreases the rate for higher usage.

Asheville's current (FY23 Adopted) volumetric rates are shown below.

Volumetric Charge (per CCF)	FY23 Adopted Fee
Single Family Residential	$4.77
Irrigation	$5.90
Multi-Family Residential	$4.20
Commercial	
0-1,000 CCF Monthly 0-2,000 CCF Bi-Monthly	$4.04
>1,000 CCF Monthly >2,000 CCF Bi-Monthly	$2.51

Manufacturer 0-1,000 CCF Monthly 0-2,000 CCF Bi-Monthly >1,000 CCF Monthly >2,000 CCF Bi-Monthly	 $4.04 $2.29

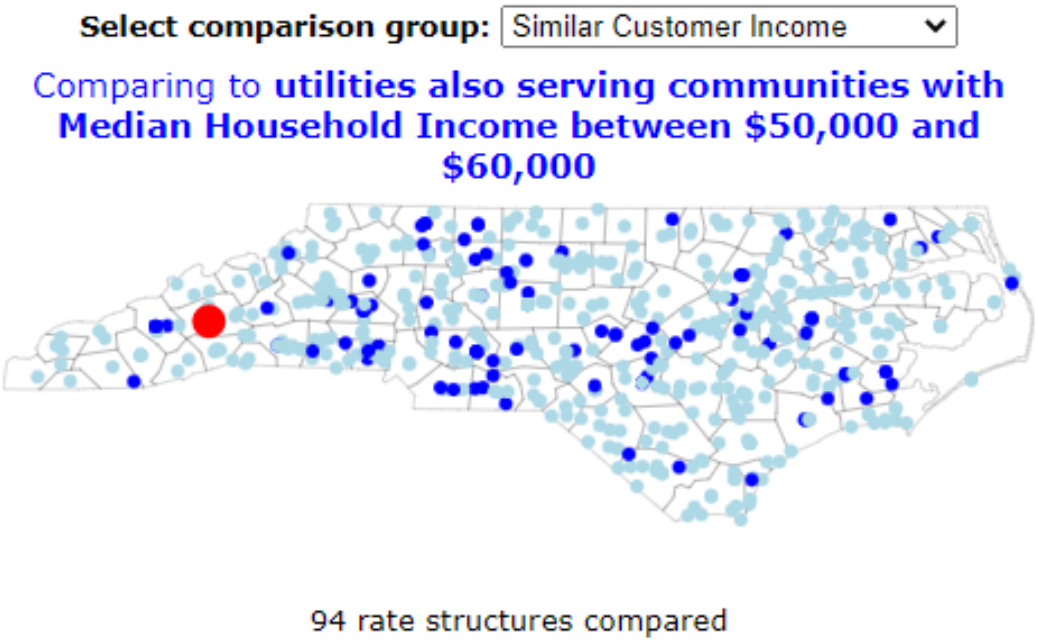
As of calendar year 2022, Asheville Water Resources had nearly 60,700 customer accounts that consumed 7.7M centum cubic feet (CCF) of water. The table below shows the number of accounts and gallons used by each customer class.

Customer Class	Number of Accounts	Billed Water (CCF)
Single Family Residential	53,528	2,875,186
Multi-Family Residential	1,764	1,319,515
Commercial	4,653	2,560,303
Manufacturing	11	303,369
Irrigation	717	107,879
Wholesale	8	496,083
Total	**60,681**	**7,662,335**

To assess the affordability of our rates, we utilized an existing tool created by the UNC School of Government Environmental Finance Center that can be accessed here: https://dashboards.efc.sog.unc.edu/nc Rates in their data set are current as of January 1, 2023.

The tool allows many comparison avenues, for the analysis below, a comparison group of all North Carolina water systems with a customer base median household income similar to Asheville's ($50,000-$60,000 was used). The map below shows all systems in the comparison with dark blue dots (figure 1).

Figure 1



Compared to other systems with a similar customer income, Asheville's monthly cost falls just below the middle 50% of systems, meaning that our customer costs are lower than the majority of other systems in the comparison group (figure 2). Additionally, for a household earning the median household income in our area, customers are spending less than one percent of their annual income on water service (figure 3).

Figure 2

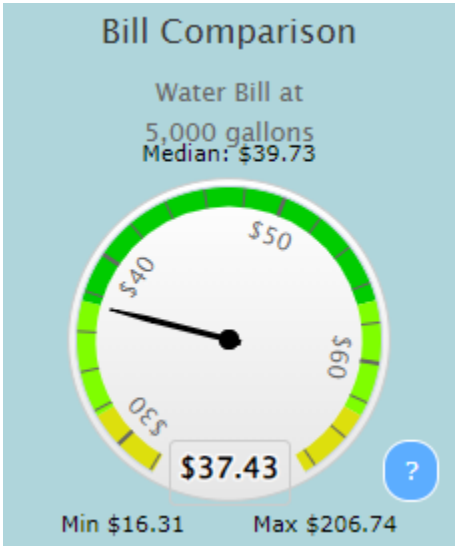
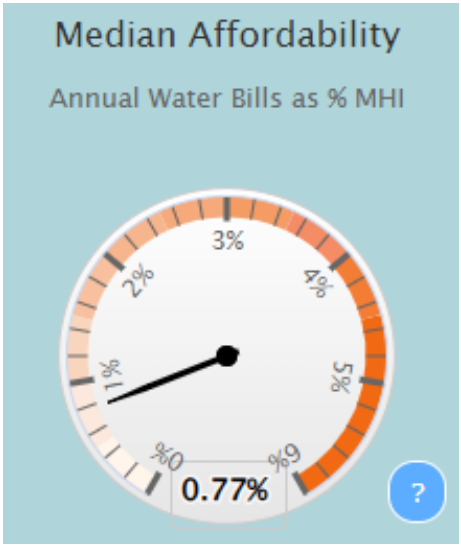


Figure 3



Conclusion:
Based on our benchmarking research, the City's current water rates are competitive and affordable compared to other water systems in the state. For a customer earning the area median household income, less than one percent of their annual household income is spent on water service.

While Asheville provides competitive costs, our rate structure is somewhat different from peer systems. One key difference - not having a geographic differential rate - we are preempted from pursuing by state law. A cost of service survey is already underway and should provide a more thorough assessment of the rate structure and if any changes are recommended, they will be considered for FY25.

Table A: Water System Rate Structure Data

		FY 2023 Adopted Rates									FY 2024 Proposed Rates
	Tier (Usage)	Asheville	Cary	Charlotte	Durham	Fayetteville	Greensboro	Hendersonville	High Point	Raleigh	Asheville
Residential	1	$4.77	$4.95	$1.78	$2.17	$2.11	$2.37	$4.48	$3.30	$2.67	$5.21
	2	N/A	$5.55	$2.30	$3.27	$2.51	$3.41	$4.93	N/A	$4.45	N/A
	3	N/A	$7.01	$5.32	$3.58	$3.41	$4.30	$5.60	N/A	$5.93	N/A
	4	N/A	N/A	$10.08	$4.68	$4.08	$5.93	N/A	N/A	N/A	N/A
	5	N/A	N/A	N/A	$7.01	N/A	N/A	N/A	N/A	N/A	N/A
Non-Residential (Commercial, Manufacturing, Industrial, etc.)	1	$4.04	$5.55	$3.08	$3.58	$3.12	$3.41	$4.48	$3.30	$3.45	$4.41
	2	$2.51 / $2.29	N/A	N/A	N/A	N/A	$3.41	$4.28	$3.00	N/A	$2.74 / $2.50
	3	N/A	N/A	N/A	N/A	N/A	N/A	$3.80	$2.66	N/A	N/A
	4	N/A	N/A	N/A	N/A	N/A	N/A	N/A	$2.99	N/A	N/A
Irrigation	1	$5.90	$7.01	$5.32	$7.01	$6.07	$5.93	$5.60	$4.93	$5.93	$6.44
	2	N/A	N/A	$10.08	N/A	$7.43	N/A	$6.10	N/A	N/A	N/A
	3	N/A	N/A	N/A	N/A	$11.55	N/A	N/A	N/A	N/A	N/A

Notes:

1. Information above is meant to compare rate structures and how rates are differentiated between customer types. It is not meant to compare actual customer costs, as the volume of water per tier varies significantly per system.
2. Cary's Non-Residential rate also includes multi-family/multiple unit dwellings.
3. Staff also researched rate structures in Concord, Wilmington (Cape Fear Public Utility Authority), Winston-Salem/Forsyth County, and Greenville, SC. These systems do not differentiate volumetric rates based on customer type.
    a. Cape Fear Public Utility Rates
    b. Concord
    c. Winston-Salem/Forsyth County Rates
    d. Greenville, SC Rates
4. The following systems charge differential rates to inside limits vs. outside limits customers: Cary, Durham, Fayetteville, Greensboro, Greenville (SC), Hendersonville, High Point, Raleigh, Winston-Salem/Forsyth County. Rates above reflect inside limits where applicable.