



# Water Fund Review

February 22, 2024

*Presented by Jessie Moyers, CFO*

**Staunton's Current Rate is \$3.86  
per HCF (100 cubic feet, approx. 748 gal)**

\*Rate has been held steady for the last four fiscal years while inflation has grown 18.4%.

\*Rate is significantly lower than other surrounding municipal water systems.



|                         | Water Rate<br>per HCF |               | Flat Amount<br>Service Charge |          | Total Water<br>Charge for 14HCF |
|-------------------------|-----------------------|---------------|-------------------------------|----------|---------------------------------|
| <b>Staunton Current</b> | <b>\$</b>             | <b>3.86</b>   | <b>\$</b>                     | <b>-</b> | <b>\$ 54.04</b>                 |
| Waynesboro              | \$                    | 4.38 plus     | \$                            | 19.70    | \$ 81.02                        |
| Augusta Co              | \$                    | 4.80 plus     | \$                            | 15.24    | \$ 82.44                        |
| Winchester              | \$                    | 6.41 after 3k | \$                            | 61.27    | \$ 125.37                       |
| Christiansburg          | \$                    | 8.98          | \$                            | -        | \$ 118.00                       |

*(Avg Consumption for family of 4 is 14 HCF.)*

# Operating Expenditures

A decorative horizontal bar composed of several colored rectangular segments in shades of purple, green, blue, grey, yellow, red, dark blue, tan, teal, and olive.

## Water Treatment Plant –

- New Positions Required for Class I facility:
  - FY2023 Full Time Plant Supervisor
  - FY2024 Two New Operator Positions
  - FY2025 Two New Operator Positions
- Water Treatment Plant wages & benefits increased from \$472k in FY2020 to \$1.1M in FY2025 with no increase in the water rate.

## Wages and Benefits –

- Three positions on hold.
- Turnover remains a problem.

## Inflation –

- Approximately 20%+ for materials, supplies, and construction.

## Depreciation –

- Fully eliminated starting with FY2024 budget.



# Water Capital Expenditures

## Staunton Crossing Sewer Projects

Staunton Crossing Waterline  
Staunton Crossing Water Storage Tank

|    | FY2024    | FY2025 | FY2026 | FY2027 | FY2028 | FY2029 |
|----|-----------|--------|--------|--------|--------|--------|
| \$ | 3,900,000 |        |        |        |        |        |
| \$ | 6,890,000 |        |        |        |        |        |

## Richmond Ave Waterline Replacement

Design of Phase I Richmond Ave Waterline Replacement  
Construction of Phase I Richmond Ave Waterline Replacement  
Design of Phase II Richmond Ave Waterline Replacement  
Construction of Phase II Richmond Ave Waterline Replacement

|    |         |  |              |            |  |               |
|----|---------|--|--------------|------------|--|---------------|
| \$ | 250,000 |  |              |            |  |               |
|    |         |  | \$ 2,500,000 |            |  |               |
|    |         |  |              | \$ 600,000 |  |               |
|    |         |  |              |            |  | \$ 10,000,000 |

## Water Tank Inspection & Repainting

Water Tank Inspection and Repainting-Franklin Hills #2  
Water Tank Inspection and Repainting-Franklin Hills #1  
Water Tank Inspection and Repainting-Shutterlee Mill

|  |            |            |              |  |  |  |
|--|------------|------------|--------------|--|--|--|
|  | \$ 126,000 |            |              |  |  |  |
|  |            | \$ 290,000 |              |  |  |  |
|  |            |            | \$ 1,031,000 |  |  |  |

## North River Pipeline Projects

Design of North River Tunnel & Upper Pipeline Repair/Replace  
Design of North River Central Pipeline Replacement  
Design of North River Lower & Gardner Spring Raw Water Pipeline

|  |  |  |  |            |              |  |
|--|--|--|--|------------|--------------|--|
|  |  |  |  | \$ 550,000 |              |  |
|  |  |  |  |            | \$ 1,300,000 |  |
|  |  |  |  |            | \$ 300,000   |  |

## Other Water Projects

Fluoride Tank Replacement  
Water Line Replacement Reserves  
Design of Uniontown Water Extension

|    |         |            |            |            |            |            |
|----|---------|------------|------------|------------|------------|------------|
| \$ | 300,000 |            |            |            |            |            |
| \$ | 650,000 | \$ 400,000 | \$ 450,000 | \$ 450,000 | \$ 450,000 | \$ 450,000 |
|    |         |            | \$ 375,000 |            |            |            |

**\$ 11,990,000    \$ 526,000    \$ 3,240,000    \$ 1,856,000    \$ 1,600,000    \$ 12,050,000**

# Major Takeaways

- 
- A decorative horizontal bar consisting of a series of colored rectangular segments in shades of purple, green, blue, grey, yellow, maroon, dark blue, tan, teal, and olive green.
- **\$6,528,249** – 6/30/2023 available Water Fund Balance
  - **\$19,272,000** – FY2025-FY2029 CIP needs. (Does not include any construction costs on the North River Pipeline or the Uniontown Water Line Extension.)
  - **\$175,000** – Value of each 5% increase in the water rate.

# Water Facility Fees

- \$3,163,754 – Water Facility Fee Fund Balance
- **City Code Section 13.15.060 (2a) Water Off-Site Facilities Fee**

(a) The off-site facilities fee for all applicants is to cover the cost of present and future capital facilities constructed. Capital expenditures include, but are not limited to, **water source, raw water storage, treatment facilities, transmission lines, pump stations and major finished water storage facilities.** The off-site facilities fee shall be assessed all connectors to an existing or proposed establishment of a water system as set forth in the schedule of facilities fees under subsection (2)(i) of this section. All monies collected as “off-site facilities fees” under this section shall be **deposited in a special account of the water enterprise fund to be known as the “water facilities fees account.”** Funds unexpended and remaining in this special account, at the end of each fiscal year, shall carry forward to succeeding fiscal years. Monies shall be disbursed from this special account to pay the costs of such present and future capital facilities, and related existing and future debt service with respect thereto.



# **Sewer Fund Review**

**February 22, 2024**

*Presented by Jessie Moyers, CFO*



# Sewer Rate Overview

## Staunton's Current Rate is \$4.88 per HCF (100 cubic feet, approx. 748 gal)

\*Rate has not been increased since **July 1, 2012**, almost 12 years!

\*The inflation rate increased 34% over this time, which would equal a rate of \$6.54 per HCF.

\*Rate is significantly lower then other surrounding municipal sewer systems.

|                         | Sewer Rate<br>per HCF | Flat Amount<br>Service Charge | Total Sewer<br>Charge for 14HCF |
|-------------------------|-----------------------|-------------------------------|---------------------------------|
| <b>Staunton Current</b> | <b>\$ 4.88</b>        | <b>\$ -</b>                   | <b>\$ 68.32</b>                 |
| Waynesboro              | \$ 6.90 plus          | \$ 29.90                      | \$ 126.50                       |
| Christiansburg          | \$ 7.67 over 1,000    | \$ 10.00                      | \$ 107.18                       |
| Augusta Co              | \$ 8.11 plus          | \$ 17.34                      | \$ 130.88                       |
| Winchester              | \$ 11.70              | \$ -                          | \$ 163.80                       |

*(Avg Consumption for family of 4 is 14 HCF.)*

## Operating Expenditures

- **Wages and Benefits –**
  - One position on hold to fund payroll increases.
  - Trouble filling positions due to pay rate.
- **Inflation –** recent inflation has caused the prices of materials, supplies, and equipment to increase 20-30% in the last five years.
- **Depreciation –** eliminated budget in FY24 in order to balance the budget. Does now allow funding for future capital projects.
- **Middle River Wastewater Treatment Plant–**
  - FY13 Budget \$954,363
  - FY25 Budget \$2,203,397
  - 65% increase after backing out capital and clarifier #3 work in FY25.



# Sewer Capital Expenditures

## Staunton Crossing Sewer Projects

Staunton Crossing Onsite Sewer Line  
Staunton Crossing Onsite Wastewater Pump Station  
Staunton Crossing Offsite Wastewater Collection System

|              | FY2024 | FY2025 | FY2026 | FY2027 | FY2028 | FY2029 |
|--------------|--------|--------|--------|--------|--------|--------|
| \$ 2,360,000 |        |        |        |        |        |        |
| \$ 1,640,000 |        |        |        |        |        |        |
| \$ 1,670,000 |        |        |        |        |        |        |

## Commerce Sewer Line

Design of Commerce Rd Sewer Line - Phase II  
Construction of Commerce Road Sewer Line - Phase II

|            |            |  |  |  |  |  |
|------------|------------|--|--|--|--|--|
| \$ 200,000 |            |  |  |  |  |  |
|            | \$ 950,000 |  |  |  |  |  |

## Lewis Creek Sewer Line

Lewis Creek Sanitary Sewer Downtown - PER  
Lewis Creek Sanitary Sewer Downtown - Phase III & IV Design  
Lewis Creek Sanitary Sewer Downtown - Phase III Construction  
Lewis Creek Sanitary Sewer Downtown - Phase IV Construction

|  |            |            |              |              |  |  |
|--|------------|------------|--------------|--------------|--|--|
|  | \$ 150,000 |            |              |              |  |  |
|  |            | \$ 300,000 |              |              |  |  |
|  |            |            | \$ 1,200,000 |              |  |  |
|  |            |            |              | \$ 1,500,000 |  |  |

## Other Sewer CIP Projects

Cole Ave Sanitary Sewer Line Replacement  
Wayne Ave Sewer Line Replacement  
Design Old Staunton Steam Laundry Sanitary Sewer Line Relocation  
New Hope Rd - National Ave Sewer I&I Mitigation & Pump Station  
Design of Uniontown Sewer Extension  
Sewer Line Reserves

|            |            |            |            |            |            |            |
|------------|------------|------------|------------|------------|------------|------------|
| \$ 350,000 |            |            |            |            |            |            |
| \$ 180,000 |            |            |            |            |            |            |
| \$ 50,000  |            |            |            |            |            |            |
|            | \$ 500,000 |            |            |            |            |            |
|            |            |            | \$ 375,000 |            |            |            |
|            | \$ 150,000 | \$ 150,000 | \$ 150,000 | \$ 150,000 | \$ 150,000 | \$ 150,000 |

**\$ 6,450,000   \$ 1,750,000   \$ 450,000   \$ 1,725,000   \$ 1,650,000   \$ 150,000**

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- A horizontal decorative bar composed of several colored segments: purple, olive green, blue, grey, yellow, maroon, dark blue, tan, teal, and green.
- **\$2,183,448** – 6/30/2023 available Sewer Fund Balance
  - **\$3,016,470** – FY2024 CIP Shortfall
    - Amount needed in FY2024 to bridge the gap in CIP funding.
  - **\$1,683,558** – FY2025 Sewer Fund Budget Deficit
  - **\$4,850,000** – FY2025-FY2029 CIP needs. (Does not include construction costs of Uniontown Sewer Extension.)
  - **\$190,000** – Value of each 5% increase in the sewer rate.

# Sewer Facility Fees

- \$4,532,349 – Sewer Facility Fee Fund Balance
- **City Code Section 13.40.030 (2a) Sewer Off-Site Facilities Fee**

(a) The off-site facilities fee for all applicants is to cover the cost of present and future capital facilities constructed. Capital expenditures include, but are not limited to, **treatment facilities, sewer mains, and pump stations**. The off-site facilities fee shall be assessed all connectors to an existing or proposed establishment of a sewer system as set forth in the schedule of facilities fees under subsection (2)(i) of this section. All monies collected as “off-site facilities fees” under this section shall be **deposited in a special account of the sewer enterprise fund to be known as the “sewer facilities fees account.”** Funds unexpended and remaining in this special account, at the end of each fiscal year, shall carry forward to succeeding fiscal years. Monies shall be disbursed from this special account to pay the costs of such present and future capital facilities, and related existing and future debt service with respect thereto.

# What is needed?

A horizontal decorative bar composed of several colored segments: purple, olive green, blue, grey, yellow, maroon, dark blue, tan, teal, and green.

- **What is required to fully fund water?** 18% rate increase for each of the next five fiscal years.
- **What is reasonable?**
  - Start with a minimal increase in FY2025.
  - Use fund balance to fund CIP the next few fiscal years.
  - Issue debt in FY2029 for larger projects.
- **Sewer** – requires a larger rate increase due to more immediate needs and not enough fund balance to cover.

## **Possible Next Steps**

- March 28, 2024 – Introduce Proposed Ordinance
- April 11, 2024 – Hold Public Hearing
- April 25, 2024 – Consideration of the Ordinance