



FY 2025 Proposed Budget Water, Sewer, and Stormwater Fees Public Hearing

**April 11, 2024
City Council Work Session**

What is an Proprietary Fund?

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

Proprietary Fund

- Self-supporting government fund.
- User fees charged must support operating expenditures, capital expenditures, and annual debt service of that fund.
- Same accounting framework followed by entities in the private sector.
- Not supported by tax revenues.

Staunton's Proprietary Funds

- Water Fund, Sewer Fund, Environmental Fund, Parking Fund, and the Stormwater Fund.

Current Water User Fee

**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 per HCF		Flat Amount Service Charge	Total Water Charge for 14HCF
Staunton Current	\$	3.86	\$ -	\$ 54.04
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 segments: purple, olive green, blue-grey, grey, yellow, dark red, dark blue, tan, teal, and dark green.

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

Proposed Water User Fee Increase of 5% or \$.20 per HCF

- ❖ **Four years** since last increase
- ❖ \$155,200 in additional revenue
- ❖ Impact on minimum bi-monthly bill is \$1.00; for a household with average consumption, increase of \$2.80 per billing cycle, or \$16.80 a year
- ❖ Necessary to help fund growing operating expenditures and infrastructure improvements. The 5% increase does not fund all future needs.
 - \$19 million capital budget needs over 5 years (not including the Uniontown extension or the North River Pipeline Replacement)
 - New mandated positions and other increases due to the cost of operations



Current Sewer User Fee

**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 than other surrounding municipal sewer systems.

	Sewer Rate per HCF	Flat Amount Service Charge	Total Sewer Charge for 14HCF
Staunton Current	\$ 4.88	\$ -	\$ 68.32
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.

Proprietary Funds – Sewer User Fee Changes

Proposed Sewer User Fee Increase of 15% or \$.72 per HCF

- ❖ Twelve years since last increase
- ❖ \$555,000 in additional revenue
- ❖ Impact on minimum bi-monthly bill is \$3.60; for a household with average consumption, increase of \$10.08 per billing cycle, or \$60.48 a year
- ❖ **Sewer fund is insolvent without an increase!**
 - **Current operating revenues do not cover current operating expenditures and annual debt service.**
- ❖ Necessary to fund growing operating expenditures and infrastructure improvements
 - \$4.8 million in capital budget needs over 5 years



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

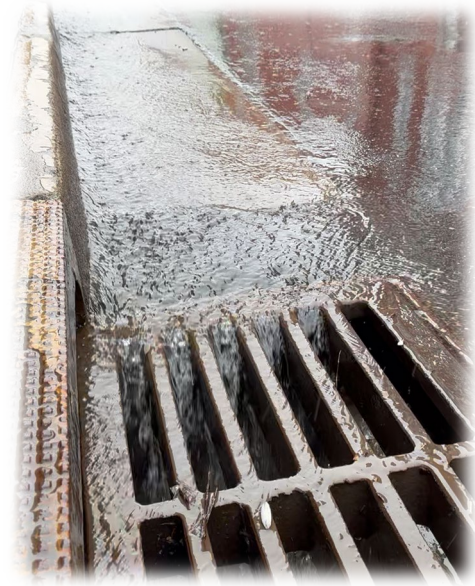
\$ 6,450,000 \$ 1,750,000 \$ 450,000 \$ 1,725,000 \$ 1,650,000 \$ 150,000

What is needed?

A decorative horizontal 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 sewer?** 18% rate increase for each of the next five fiscal years.
- **What is recommended?**
 - Recommended increase of 15% in FY2025.
 - Use fund balance to fund CIP the next few fiscal years.
 - Revisit the rate in FY2026 or FY2027.
- **Sewer** – requires a larger rate increase due to more immediate needs and not enough fund balance to cover.

- ❖ Fourteen years since last increase.
- ❖ Large commercial properties can receive as much as a 90% reduction in their fee under the 6 tier crediting system.
- ❖ Current six tier crediting system shifts burden to residential customers.
- ❖ Operating revenues do not fully cover operating expenditures and depreciation, leaving little funds for capital projects.
- ❖ Wiley|Wilson Stormwater Study presented in December 2023
 - \$10.56/month to fully fund with no changes in credits
 - \$8.04/month to fully fund with adjustment to crediting



Proposed Stormwater Fee Changes

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

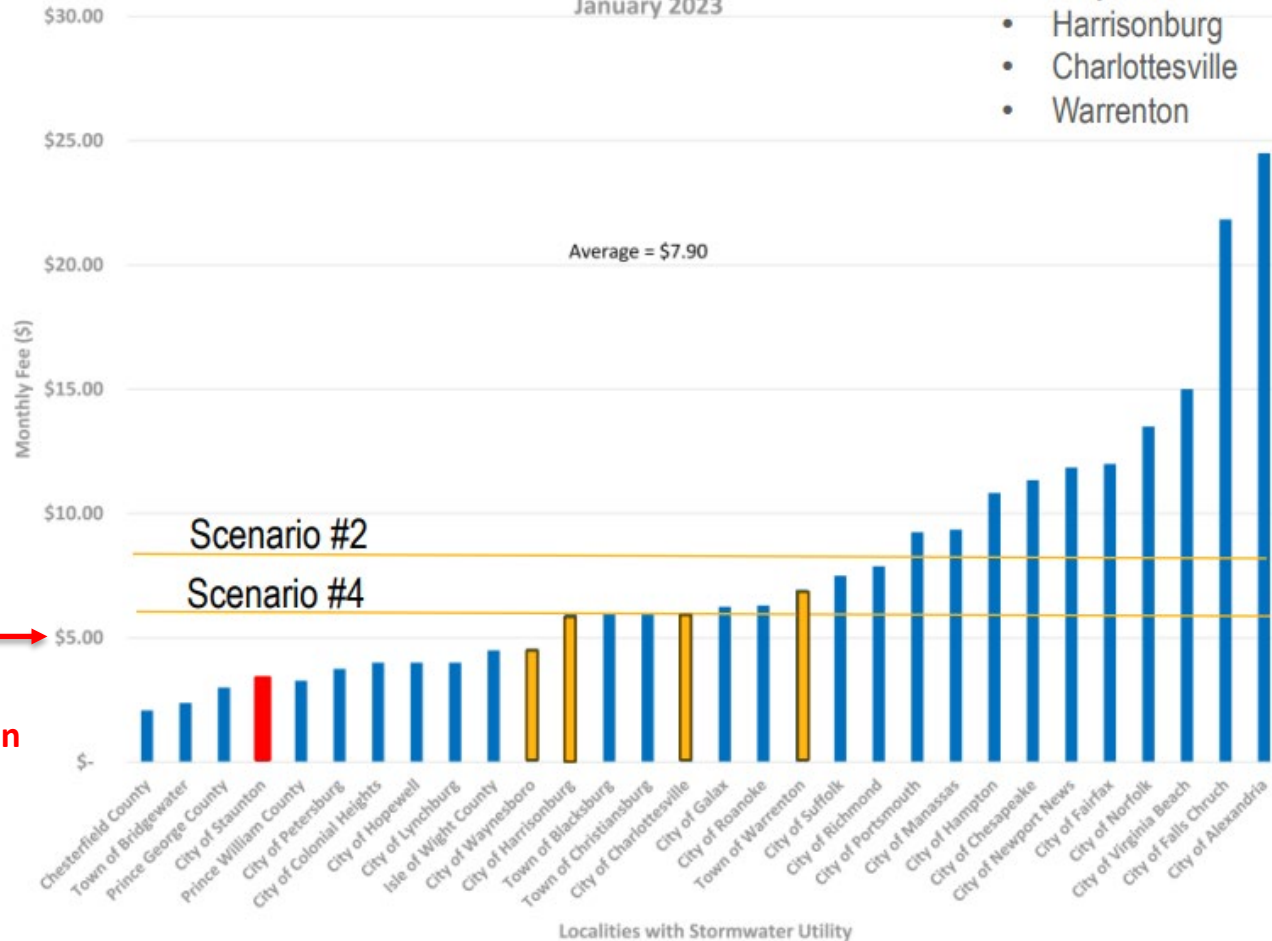
Proposed Stormwater minimum fee increase from \$3.20 to \$5.00; Change to crediting system from max 6 tier reduction to 2 tier reduction

- ❖ \$576,000 increase in additional revenue annually
- ❖ Necessary to fund growing operating expenditures and infrastructure improvements
 - Does not fully fund five year CIP which exceeds \$11 million through FY 2028
 - May require a debt issuance in FY 2027 or FY 2028, will depend on the availability of grants.
- ❖ Rate will be re-evaluated with the next five year review cycle

Highlighted Communities

- Waynesboro
- Harrisonburg
- Charlottesville
- Warrenton

Average Monthly Residential Stormwater Fee January 2023



- 
- A horizontal decorative bar composed of several colored segments: purple, olive green, blue-grey, grey, yellow, maroon, dark blue, tan, teal, and olive green.
- Virginia Code Sections 15.2-107 and 15.2-2109 require that a public hearing is held to receive comments on the proposed rate changes.
 - This public hearing was properly advertised in the *NewsLeader* on March 27th and April 3rd.
 - Questions?

FY 2025 Budget at www.ci.staunton.va.us/budget

Hardcopies of the budget can be reviewed in the City Manager's Office and the Library

Contact City Council at CityCouncil@ci.staunton.va.us or 540.332.3810

Budget Work Sessions

April 18 (cancelled) and 25

Scheduled Budget Adoption

April 25



www.ci.staunton.va.us/budget



CityCouncil@ci.staunton.va.us