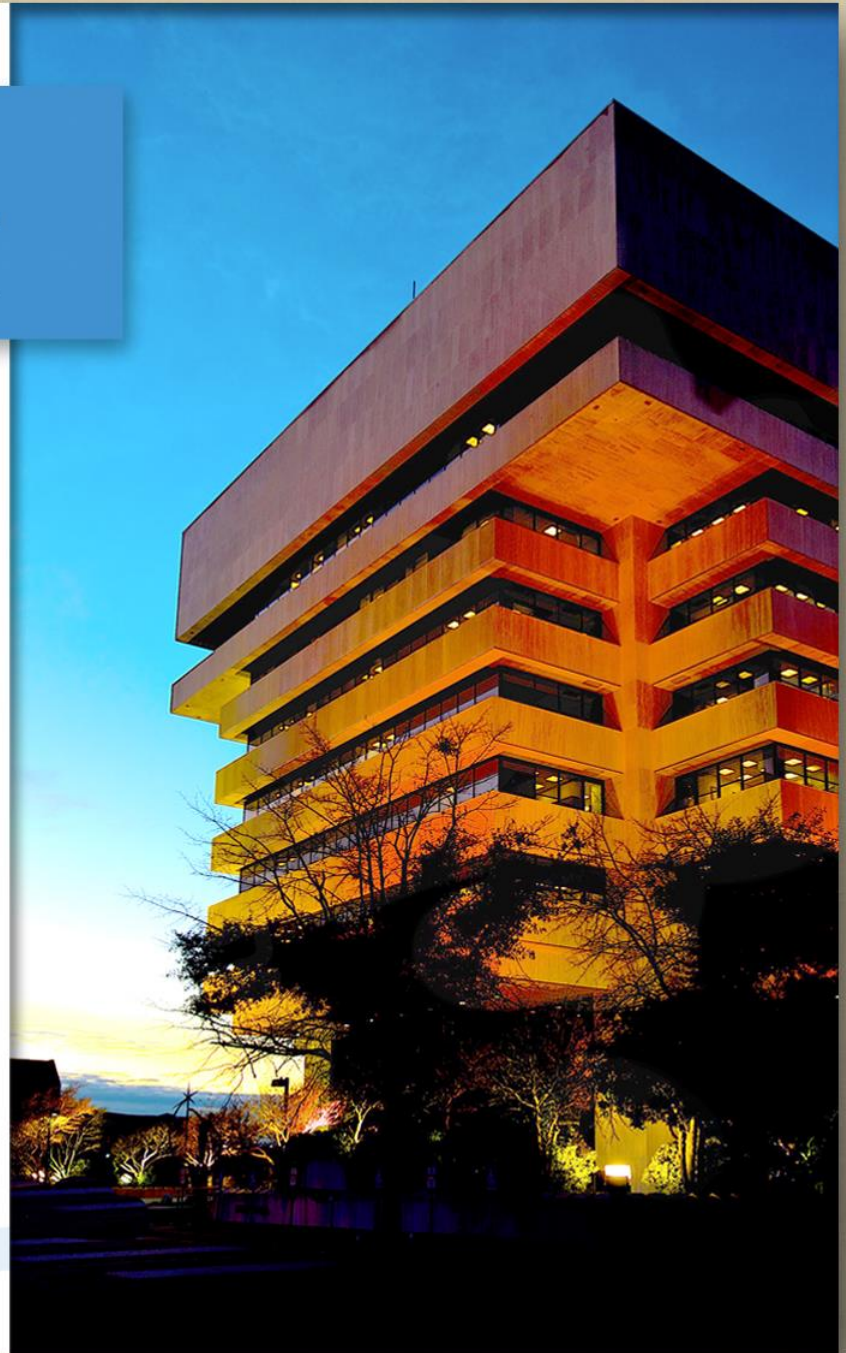


HAMPTON VA

Public Works Special Revenue and Enterprise Fund Request for Fee Increases

**City Council
March 10, 2021**



Stormwater Program

- Our mission is to protect public health, water quality, and the environment by operating and maintaining our stormwater system.
- Our Stormwater Team operates and maintains Hampton's stormwater system and network of infrastructure.



Stormwater Services

- Municipal Separate Storm Sewer System (MS4) permit
- Outfall Maintenance
- Slope Mowing
- Front Ditch Piping Program
- Entomology
- Mosquitos Control
- Illicit Discharge Investigation/Testing
- GIS/Survey
- E&S Inspection
- Flood Reduction Events
- Water Quality
- Maintenance
- Stormwater Management Facilities (Best Management Practices)
- Inspection and Pest Control Operations
- Illicit Discharge, Detection and Elimination Program
- Channel Inspection and Maintenance
- Emergency Response
- Stormwater Outreach Program
- Assessment and Cleaning of System
- Summer Storm Program
- Capital Project Management
- Inspection of Commercial and Residential Land Disturbing Activities
- Right-of-Way Maintenance Program
- Off-Road Ditch Maintenance

Stormwater Fee Increase Drivers

- Resilient Hampton ...
 - \$12 million in projects bond-funded each year
 - Monthly fee last increased \$1.00 in FY 2021
- Reduce neighborhood flooding with enhanced stormwater systems and maintenance.
- Increased operating and maintenance expenses due to capital projects and future stormwater initiatives.

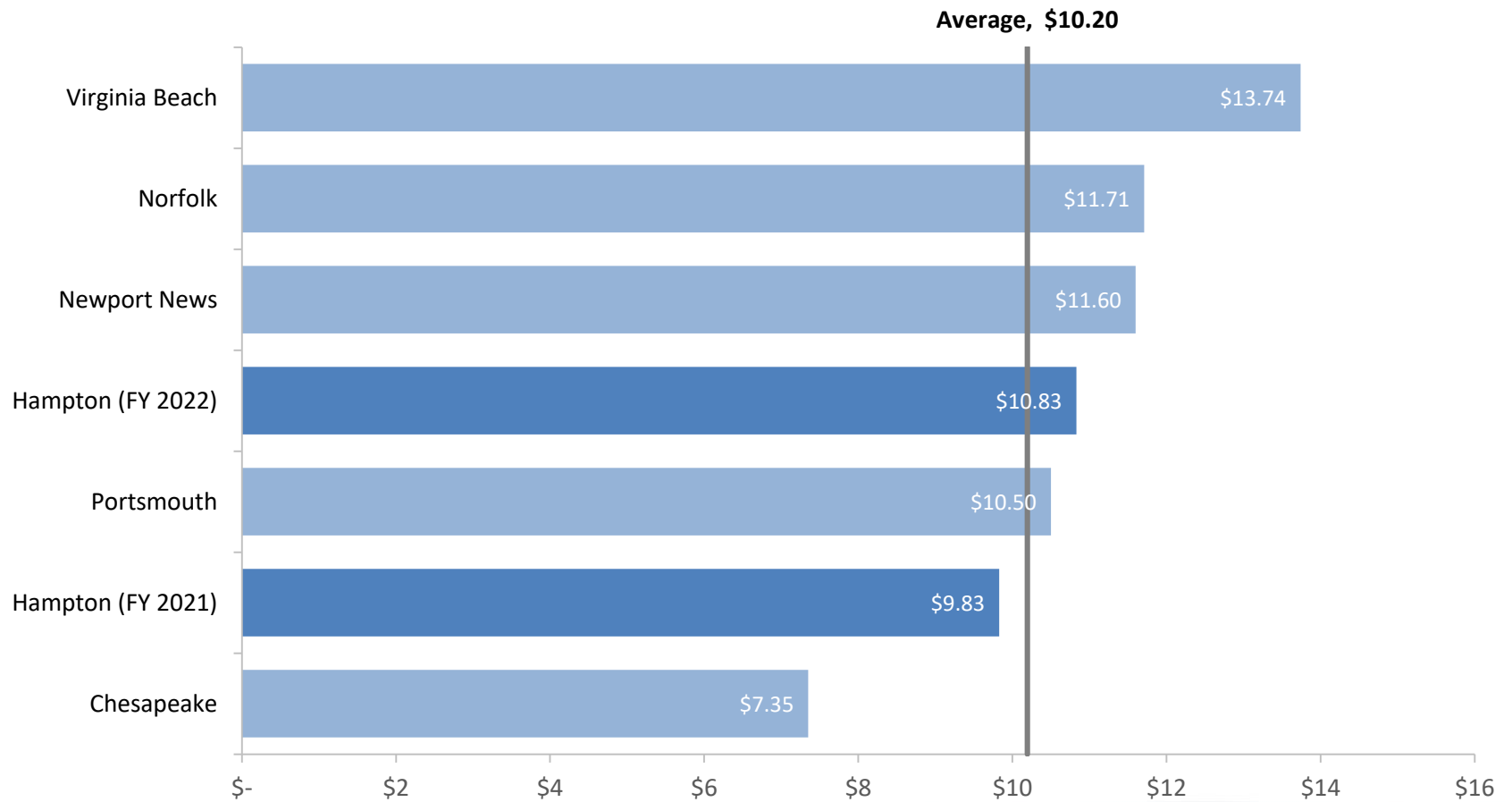
Stormwater Fee Considerations

Fee per ERU	Current	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Monthly Fee	\$9.83	\$10.83	\$11.83	\$12.83	\$13.83	\$14.83	\$15.83
<i>Resilient Hampton Increase</i>		\$0.20	\$1.00	\$0.20	\$1.00	\$0.20	\$1.00
<i>Non-Resilient Hampton Increase</i>		\$0.80	-	\$0.80	-	\$0.80	-
<i>Total Increase</i>		\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00



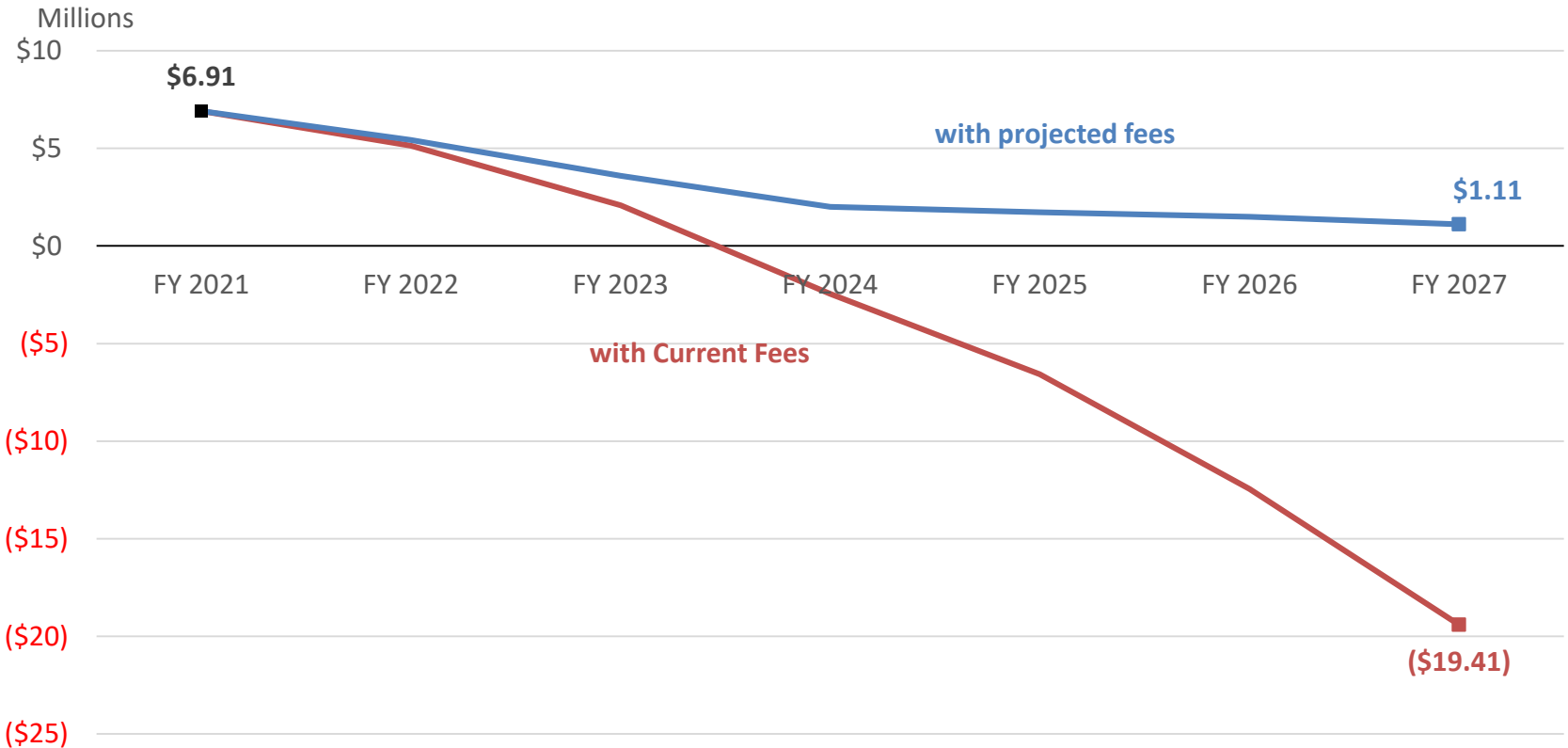
(Stormwater fees are based on current projections and subject to change in future fiscal years)

Stormwater Monthly Bill Comparison



This comparison does not reflect any proposed increases by other communities

Stormwater Fund Balance Current vs. Projected Fees



Planned

- Use \$1.5 million of our fund balance to lessen fee increase to customers in FY 2022
 - decreasing our fund balance from \$6.9 million to \$5.4 million
- Adopt the stormwater fee: \$1.00 increase for FY 2022
 - 20 cents for Resilient Hampton and 80 cents for Stormwater Program
- Review projections of expenses and revenues for FY 2024 and beyond



Wastewater Program

- Our Team's mission is to protect public health, water quality, and the environment by operating and maintaining wastewater collection.
- Our Wastewater Team operates and maintains Hampton's wastewater system and network of infrastructure.
 - Wastewater Collection System Maintenance
 - Pump Station Maintenance
 - Construction Projects
 - Fats, Oils, and Grease Reduction Program
 - Rehabilitation of our Wastewater Infrastructure

What's the Difference between HRSD & Hampton Wastewater Systems?

- We manage the City's wastewater collection infrastructure, which feeds into HRSD's wastewater treatment infrastructure.
- HRSD serves as the region's wastewater treatment facility.
 - HRSD's service area covers 17 cities and counties of southeast Virginia.
 - 9 major treatment plants in Hampton Roads.



Wastewater Rate Increase Drivers

- Regional Memorandum of Agreement (MOA) capital costs
 - Goal: Minimize sanitary sewer overflows and impacts to the Chesapeake Bay
 - Implementation has been delayed due to negotiations between HRSD and EPA (SWIFT)
 - Estimated repair/replacement needs are ~\$200 million (2021 Dollars)
 - Gradually spread over 20 years as we need to be more aggressive with our schedule
- Wastewater Surcharge last increased in FY 2013 (MOA)
 - Increased from \$0.44 to \$0.66 (per hcf - 748 gallons)
- Wastewater User Fee last increased in FY 2009 (Operations)
 - Increased from \$1.07 to \$1.48



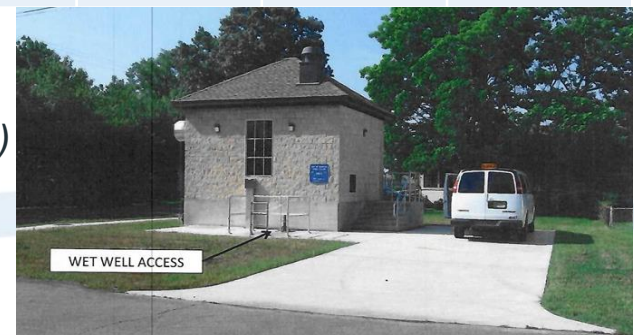
Wastewater Projected Fees

Fee per CCF	Current	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Sewer User Fee ¹	\$1.48	\$1.81	\$1.81	\$2.11	\$2.11	\$2.28	\$2.28
<i>Fee Increase</i>		\$0.33	-	\$0.30	-	\$0.17	-
Sewer Surcharge Fee ²	\$0.66	\$0.94	\$0.94	\$1.33	\$1.33	\$1.89	\$1.89
<i>Fee Increase</i>		\$0.28	-	\$0.39	-	\$0.56	-
Combined Monthly Bill ³	\$14.30	\$18.37	\$18.37	\$23.05	\$23.05	\$27.92	\$27.92
<i>Monthly Bill Increase</i>		\$4.07	-	\$4.68	-	\$4.87	-

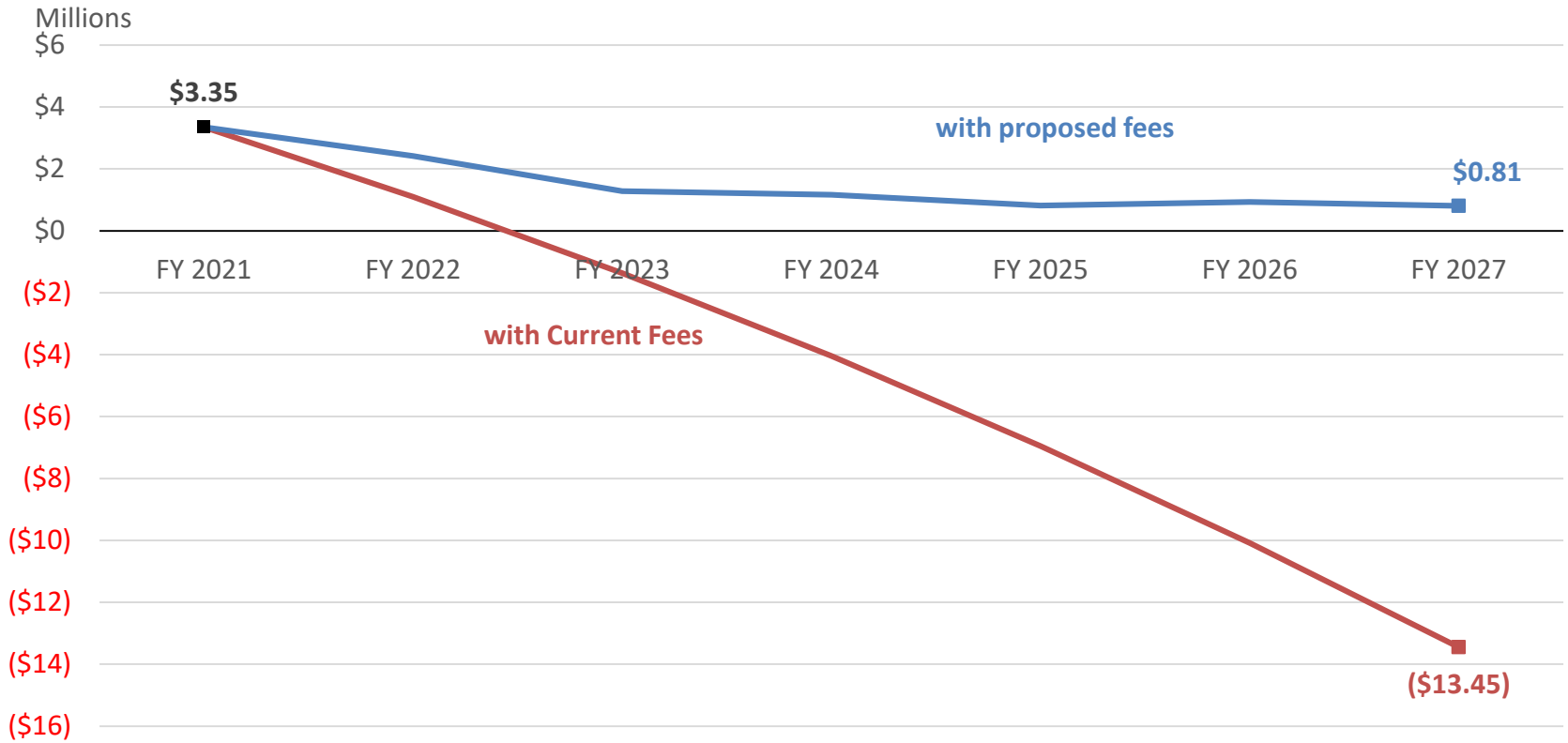
¹ covers the cost of general sewer system maintenance

² recovers the cost of MOA requirements

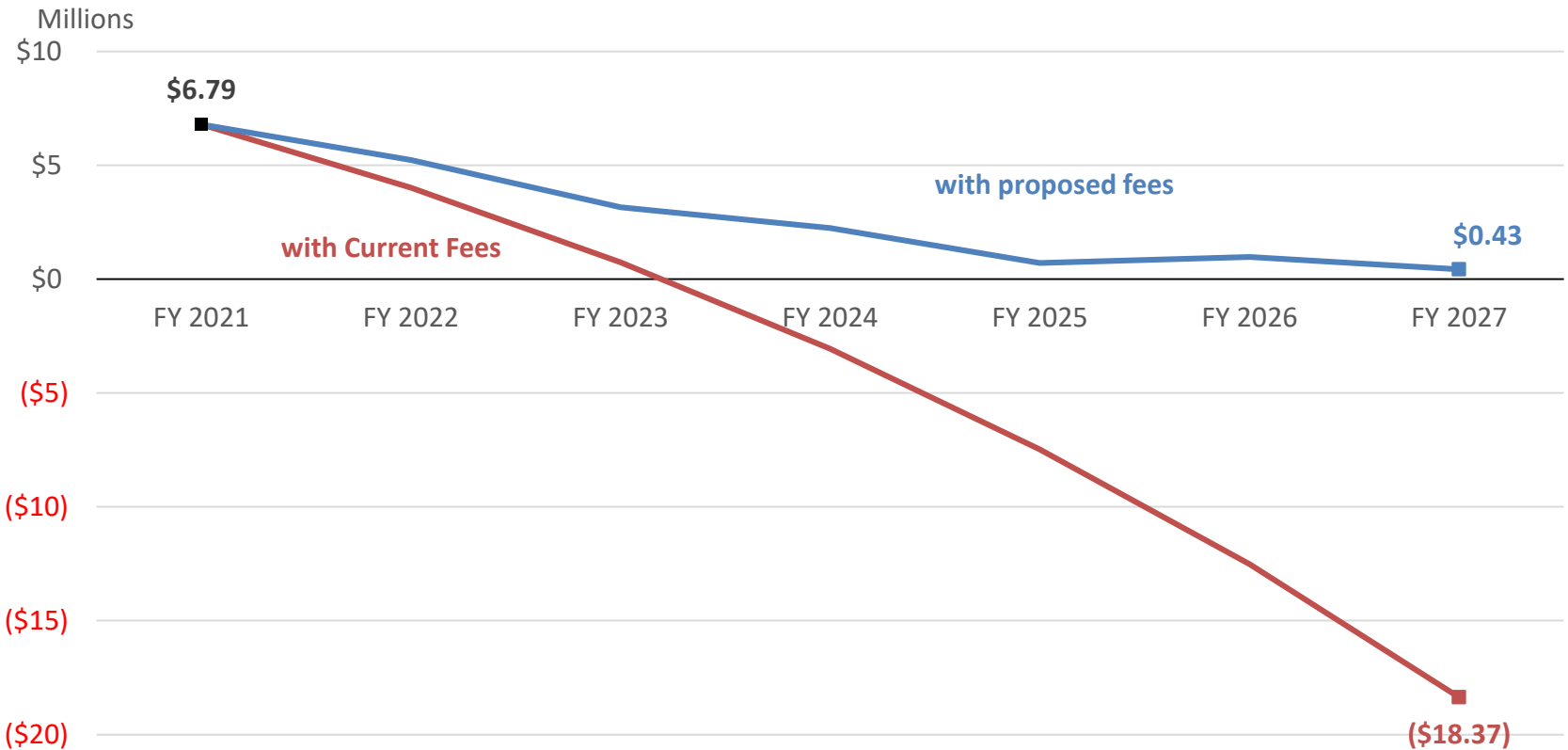
³ based on 668 cubic feet of usage per month (~5,000 gallons)



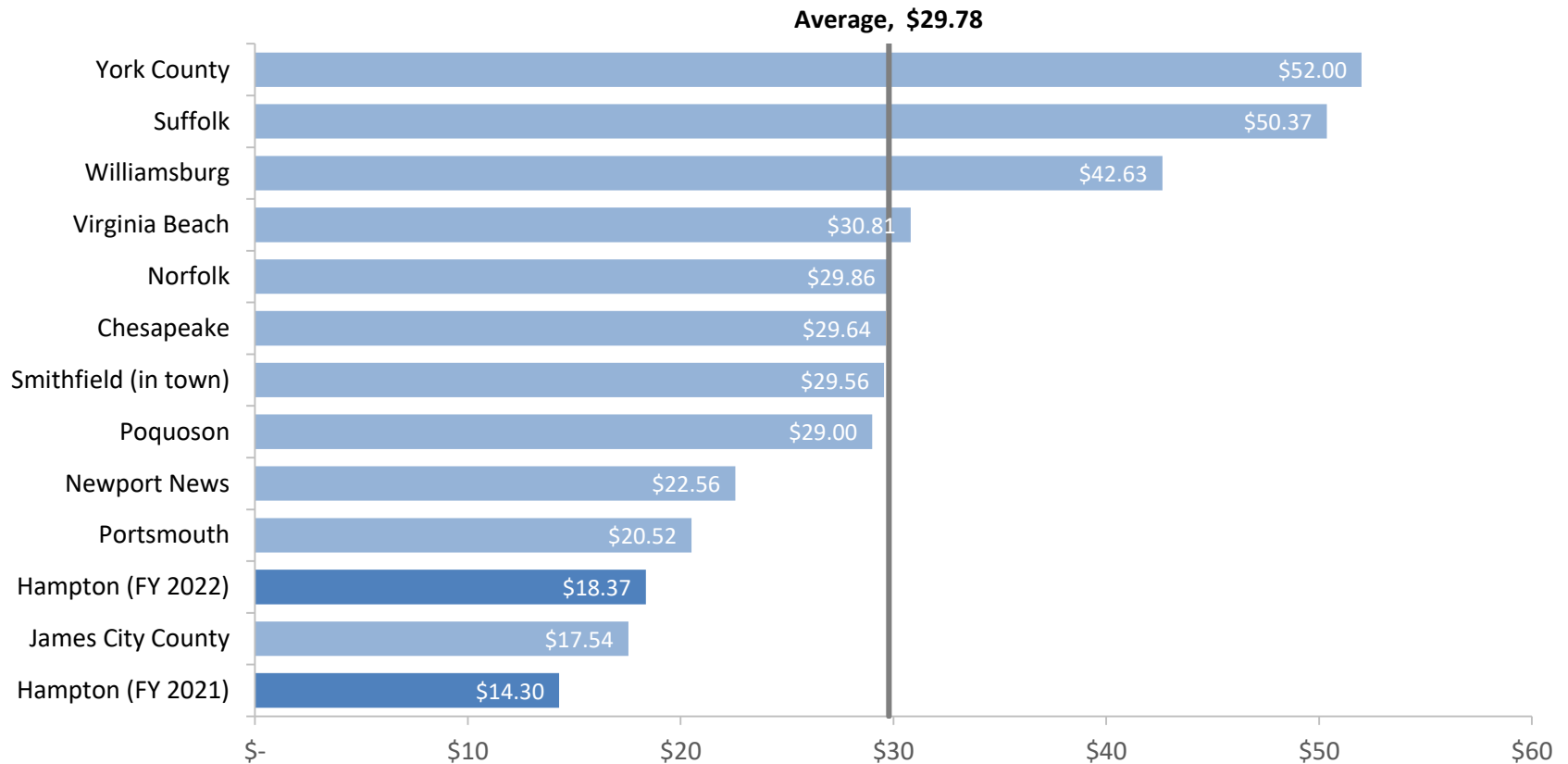
Wastewater Unrestricted Net Position Current vs. Proposed Fees



MOA Net Position Current vs. Proposed Fees



Wastewater Combined Monthly Bill Comparison



Monthly bill for 668 cubic feet (~5,000 gallons); Excludes HRSD treatment charge

This comparison does not reflect any proposed increases by other communities

Recommendation

- Use \$1.0 million of wastewater unrestricted net position to lessen fee increase to customers in FY2022
 - decreasing unrestricted net position from \$3.4 million to \$2.4 million
- Use \$1.6 million of MOA net position to lessen fee increase to customers in FY2022
 - decreasing net position from \$6.8 million to \$5.2 million
- Adopt the sewer usage fee (33 cent increase) and surcharge fee (28 cent increase) for FY2022
- Review projections of expenses and revenues for FY2024 and beyond



HAMPTON VA

Solid Waste

**Public Works reviewed
projected expenses for our
solid waste program and no
fee increases are requested
for FY 2022**

