

# Public Works Funds



**Request for Fee Increase:  
Wastewater Management**



# Wastewater Program

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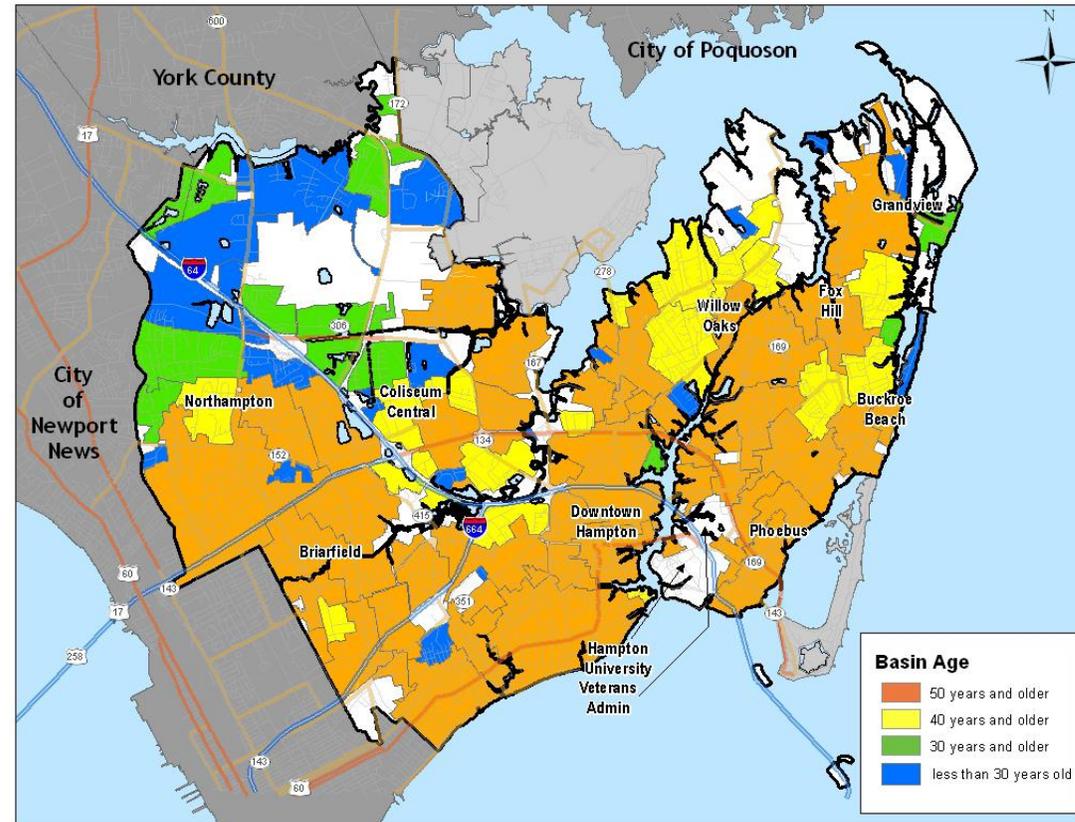
- Our Team's mission is to protect public health, water quality, and the environment by operating and maintaining wastewater collection.
  - Minimize sanitary sewer overflows and subsequent health impact
- We convey wastewater from homes/businesses to Hampton Roads Sanitation District's (HRSD) large pipe systems and treatment plants.
  - Wastewater Collection System Maintenance
  - Pump Station Maintenance
  - Construction Projects
- Our wastewater bill has a base rate for operations and a surcharge rate to support regulatory compliance
  - The Memorandum of Agreement (MOA) between HRSD and Localities is enforced by Virginia Department of Environmental Quality (DEQ) through the Consent Order.



# Hampton Sanitary Sewer Age Map

The majority of Hampton's wastewater system is more than 70 years old.

By 2040, 33% of Hampton's wastewater system will be over 100 years old!





# Wastewater Fee History

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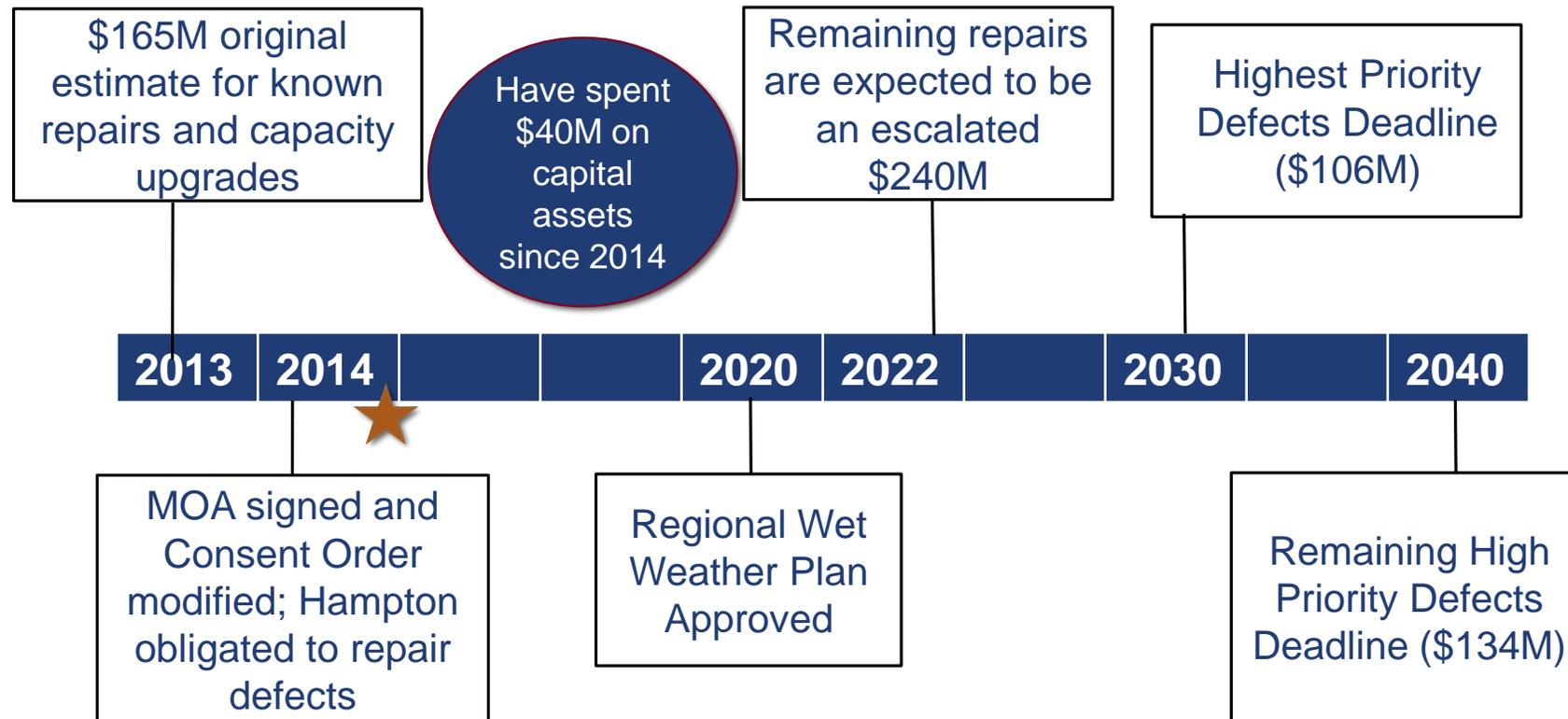
In 2010, a surcharge was added to wastewater bills for regulatory and capital projects.

Since full adoption of the MOA, Wastewater has focused on performing the required work and drawing down cash reserves to minimize rate increases.

Our Wastewater Team is prioritizing the worst defects before 2030 as required by the regional regulatory schedule.



# Regulatory Requirements



In 2014, Hampton began our first of many Repair/ Rehabilitation/ Replacement projects

# Required Work for MOA

## Ongoing Operating and Maintenance Costs

- \$240M total for capital projects
  - \$106M required by year 2030
  - Highest priority defects ....
- \$134M required by year 2040
  - Remaining priority defects ....



← Before

After →



# Repair of Defects

Example is a damaged pipe from directional drilling.

Rehabilitation (cured in place) is the current repair method.

Before Rehab



After Rehab

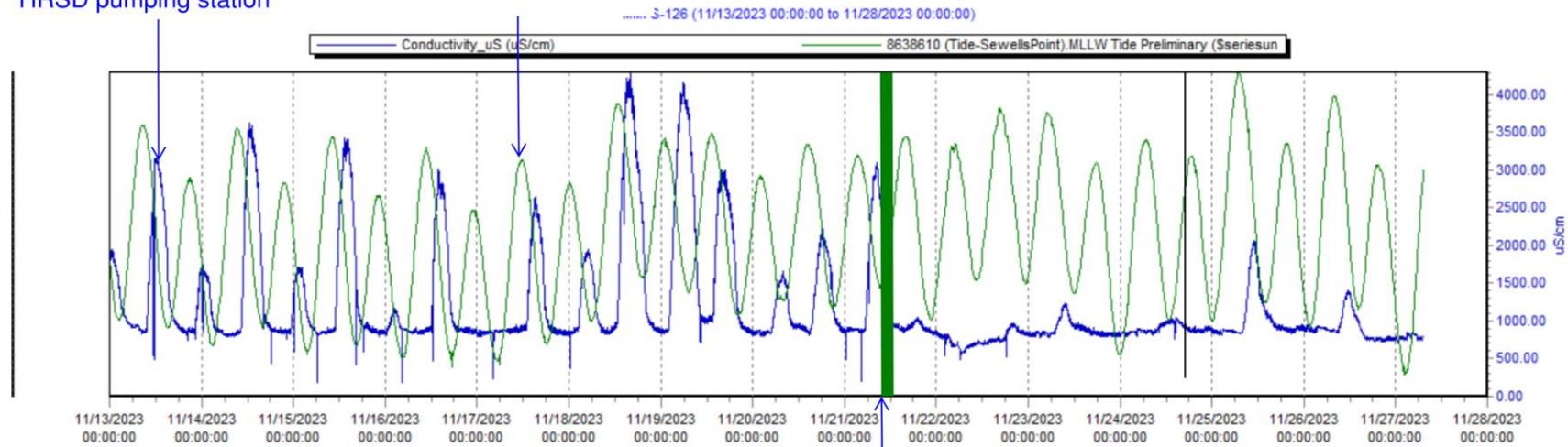




# Measuring Success

Blue line represents the salinity of the sewage, measured at downstream HRSD pumping station

Green line is the water level of the James River (ie, the tide)



Before CIPP, salinity spikes with each high tide every day.

Full CIPP performed on 11/21/23

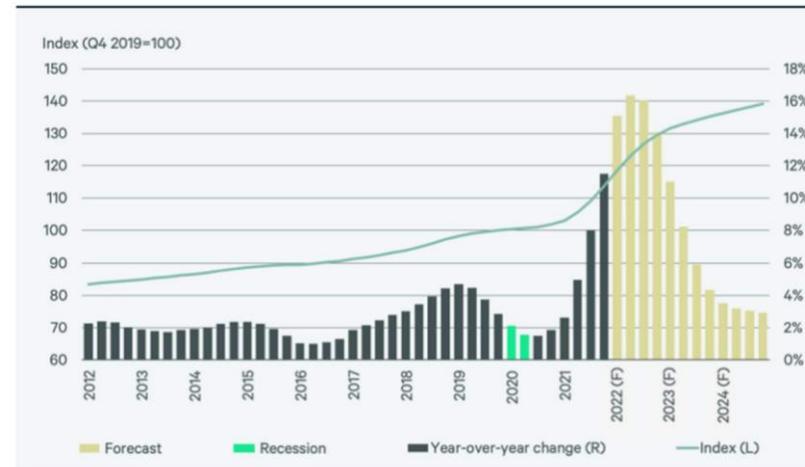
After CIPP, daily spikes are nearly eliminated!

# Rate Increase Drivers

- Cost of Construction (Inflation)
  - Costs for construction and operating and maintenance (O&M) activities over the past several years have drastically increased post-COVID.
  - National year-over-year construction cost indexes are still increasing, with some costs rising faster than inflation.



Figure 44: Historical CBRE Construction Cost Index performance



# Rate Increase Drivers

- Regional MOA still requires ongoing work
  - HRSD continues to work on larger repairs, not the routine issues that impact our citizens on a day-to-day basis.
  - Hampton continues to be responsible for sewer overflows due to roots, grease, and other failures.
- DEQ continues to increase regulatory oversight



Underground damages to sewer pipes





# Wastewater Projected Fees

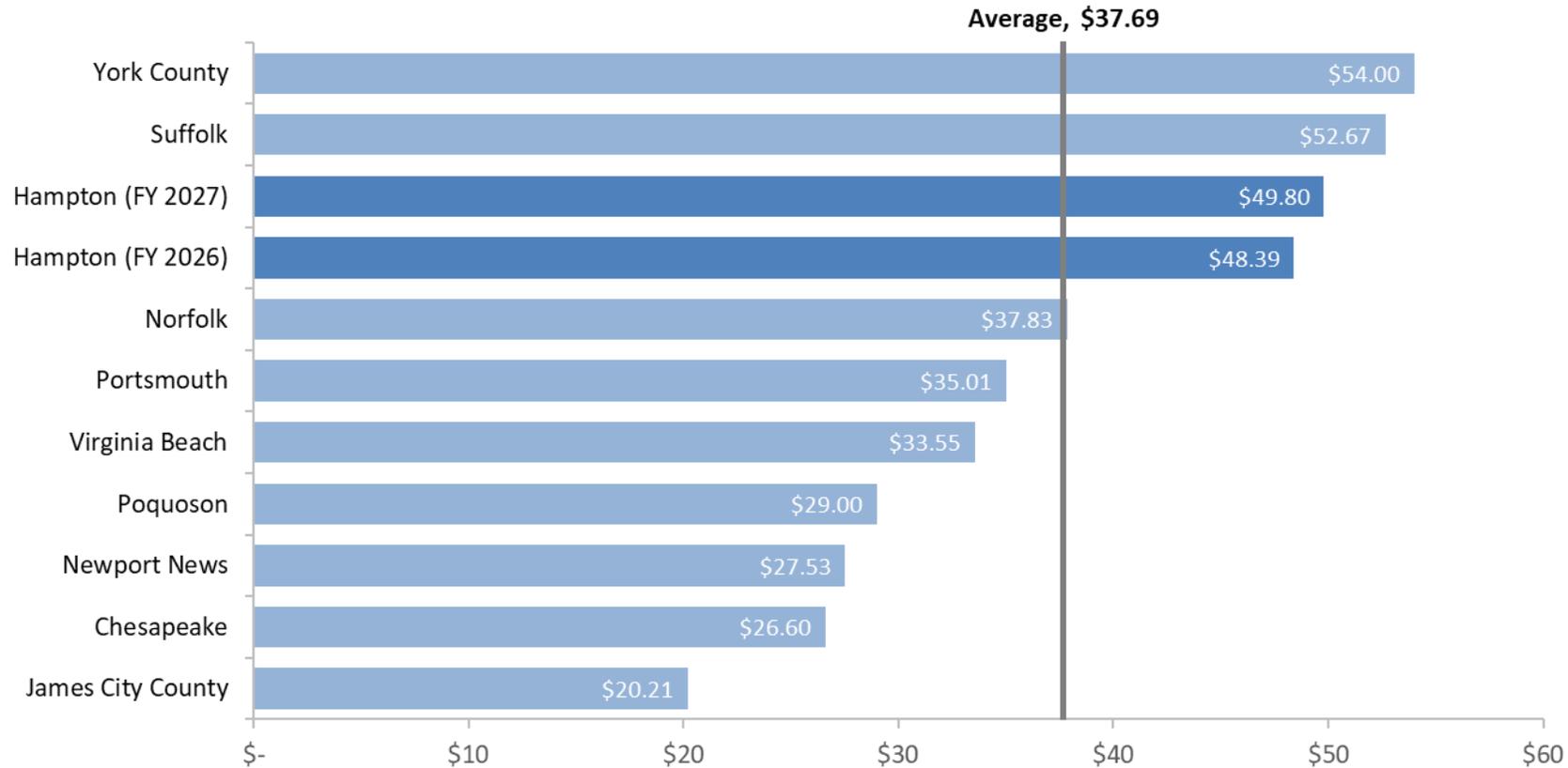
Fee per CCF	Current	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Wastewater User Fee <sup>1</sup>	\$2.45	\$2.52	\$2.60	\$2.68	\$2.76	\$2.84
<i>Fee Increase</i>		\$0.07	\$0.08	\$0.08	\$0.08	\$0.08
Wastewater Surcharge Fee <sup>2</sup>	\$4.79	\$4.93	\$5.08	\$5.23	\$5.39	\$5.55
<i>Fee Increase</i>		\$0.14	\$0.15	\$0.15	\$0.16	\$0.16
Combined Monthly Bill <sup>3</sup>	\$48.39	\$49.80	\$51.33	\$52.87	\$54.47	\$56.08
<i>Monthly Bill Increase</i>		\$1.41	\$1.53	\$1.54	\$1.60	\$1.61

<sup>1</sup> covers the cost of general sewer system maintenance  
<sup>2</sup> recovers the cost of MOA requirements  
<sup>3</sup> based on 668 cubic feet of usage per month (~5,000 gallons)

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



# 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*



# Recommendations

Increases are required for the Operating Rate to meet maintenance regulations.

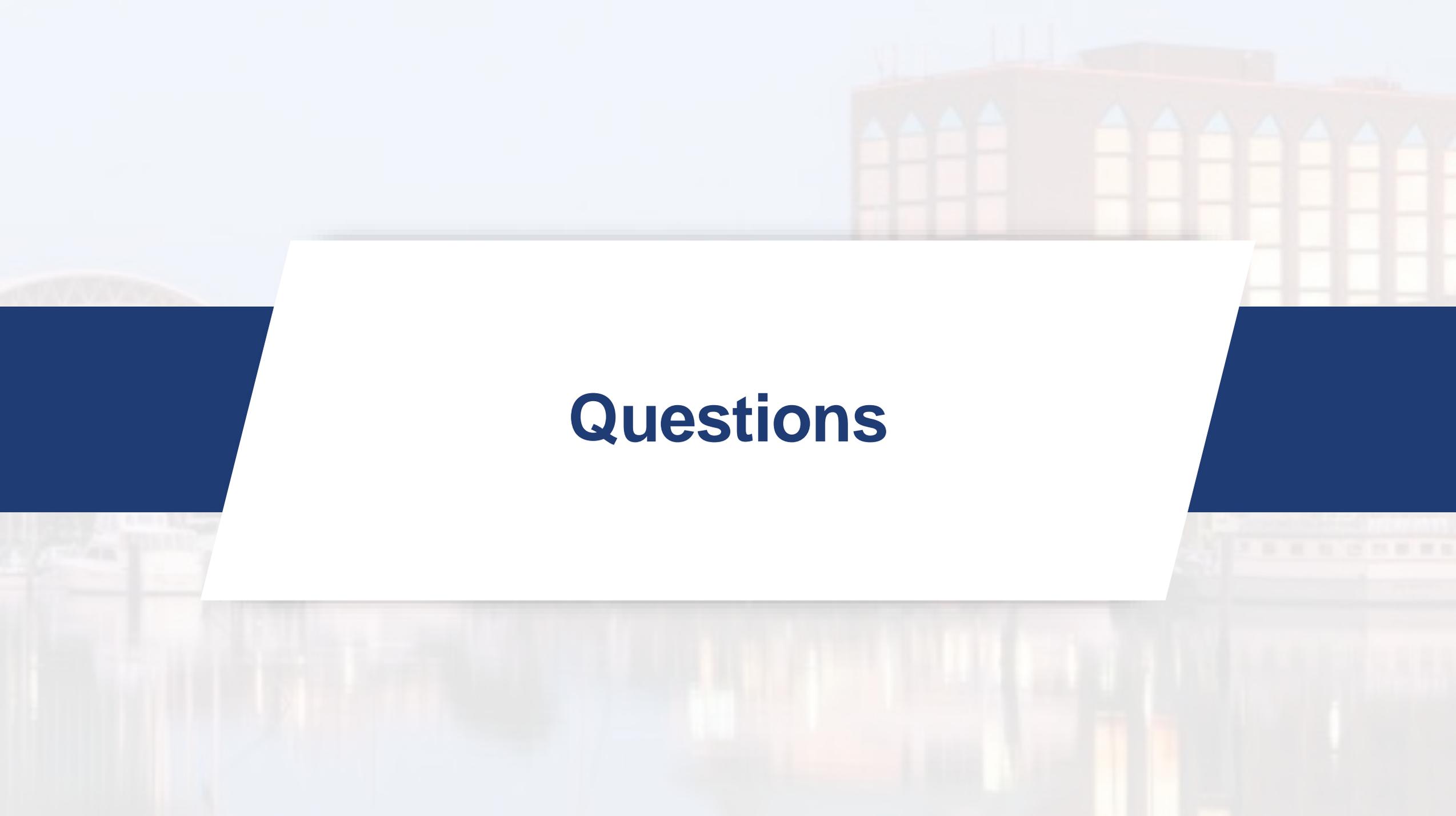
Increases are required for the Surcharge Rate to meet regulatory capital costs.

Adopt the following rates:

Fee per CCF	Current	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
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# Questions

# Public Works Funds



**Request for Fee Increase:  
Solid Waste Management**



# Solid Waste Program

Our mission is to provide weekly collection of residential trash, yard waste, and bulk trash and provide for recyclable material collection and solid waste disposal.





# Solid Waste Services

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- Weekly Trash & Bulk Collection
- Weekly Leaf Collection (Seasonal)
- Trash and Recycle Disability Services
- Container Delivery and Repair
- Special Collections - Bulk
- Illegal Dump Enforcement and Collections
- Information Package Mailings
- Metal Collection for Recycling
- Provide Residential and Commercial Yard Waste Facility
- Neighborhood “Blitz” Collections - Community and Neighborhood Partnerships
- Emergency Response and Recovery
- Tire Collection



# Steam Plant Program

Our mission is to facilitate the incineration of Hampton's trash to generate steam that is utilized by NASA to meet energy needs.





# Solid Waste Fee Increase Drivers

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- Hampton Trash Disposal Costs
  - NASA's 10-year agreement decreases their contribution annually creating an increased cost to Solid Waste
- Recycling Costs
  - Increased cost as global recyclable demand decreases (Tidewater Fiber contract increases annually)
- Increased Cost of Equipment & Maintenance
- Increased Cost of Landfill Disposal
- Cost to Retain Qualified Staff



# Steam Plant Drivers

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- In the Process of Replacing Two Aging Cranes
- Major Boiler Rehabilitation
- New Debt Issuance for CIP Projects of \$10.6 million in 2025\*
- Continuous Maintenance of Aging Facility and Major Upgrades

*\*The debt-funded projects will extend the useful life of the cranes and boilers through 2040*



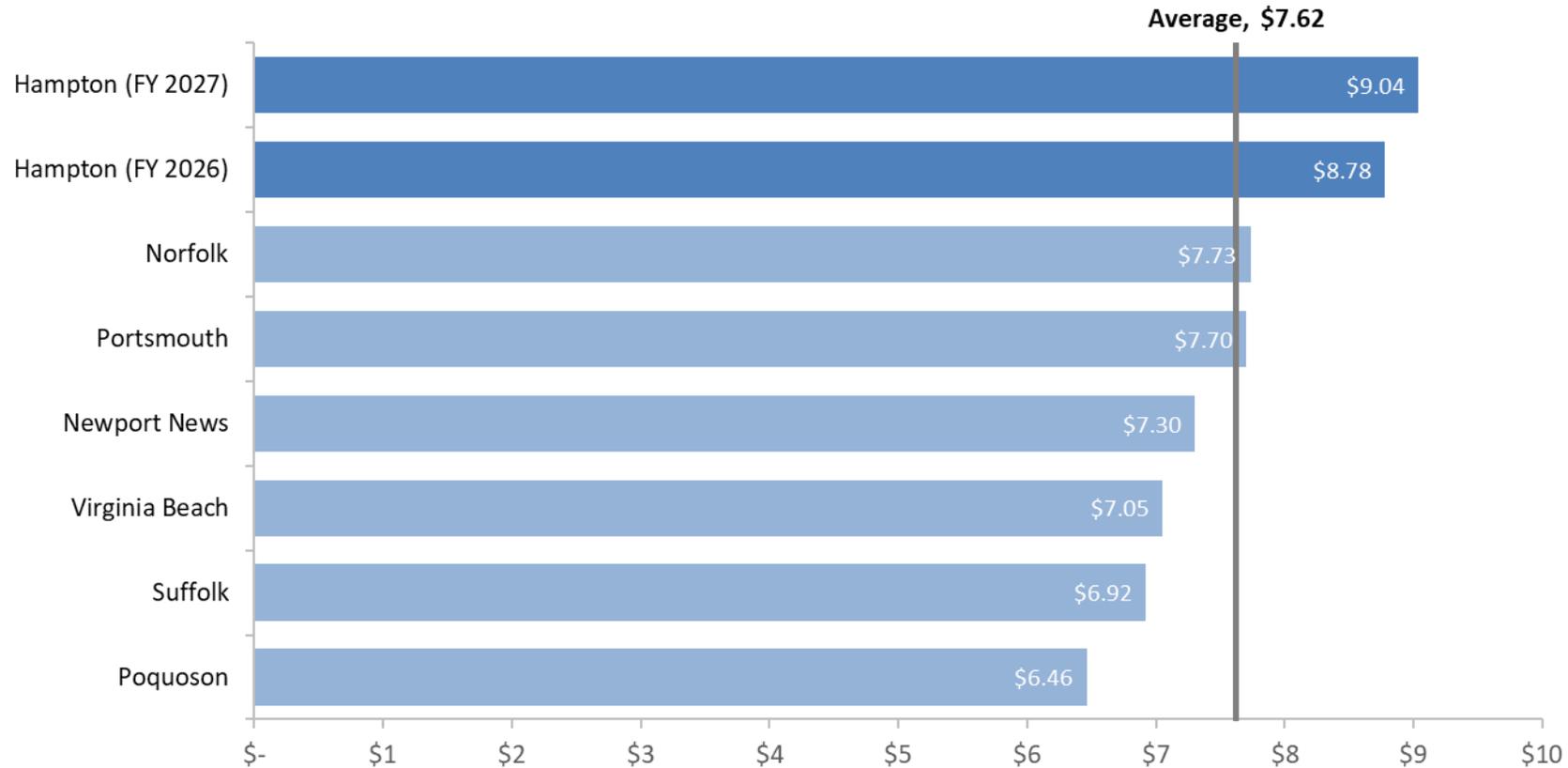
# Solid Waste Fund Projected Fees

	Current	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Weekly Fee	\$8.78	\$9.04	\$9.32	\$9.60	\$9.88	\$10.18
Monthly Fee	\$38.05	\$39.17	\$40.39	\$41.60	\$42.81	\$44.11
Weekly Increase		\$0.26	\$0.28	\$0.28	\$0.28	\$0.30
Monthly Increase		\$1.12	\$1.22	\$1.21	\$1.21	\$1.30



(Solid Waste fees are based on a 52-week year and projections could vary each fiscal year)

# Solid Waste Monthly Bill Comparison



*This comparison does not reflect any proposed increases by other communities*



# Looking Ahead

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- Continue to pursue legislation modifications to the overall recycling definition, as Hampton may have an opportunity to reduce cost by processing our recycling materials at the Hampton Steam Plant (Waste to Energy)
- Explore the possibility of technology to use (Waste to Energy) “steam” to support power generation



# Solid Waste Options

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- Discontinuing the residential recycling program would save \$1.1 million which is equivalent to \$0.47 on the weekly solid waste fee
  - Solid Waste and recycling materials will be combined and taken to the Steam Plant for incineration.
- Hampton can meet its recycling requirement with the tonnage generated by private haulers



# Solid Waste Options

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- Reducing bulk collections from weekly to bi-weekly decreases the projected solid waste fee by \$0.25 weekly
- Reducing bulk collections from weekly to monthly decreases the projected solid waste fee by \$0.35 weekly

## Potential Impacts:

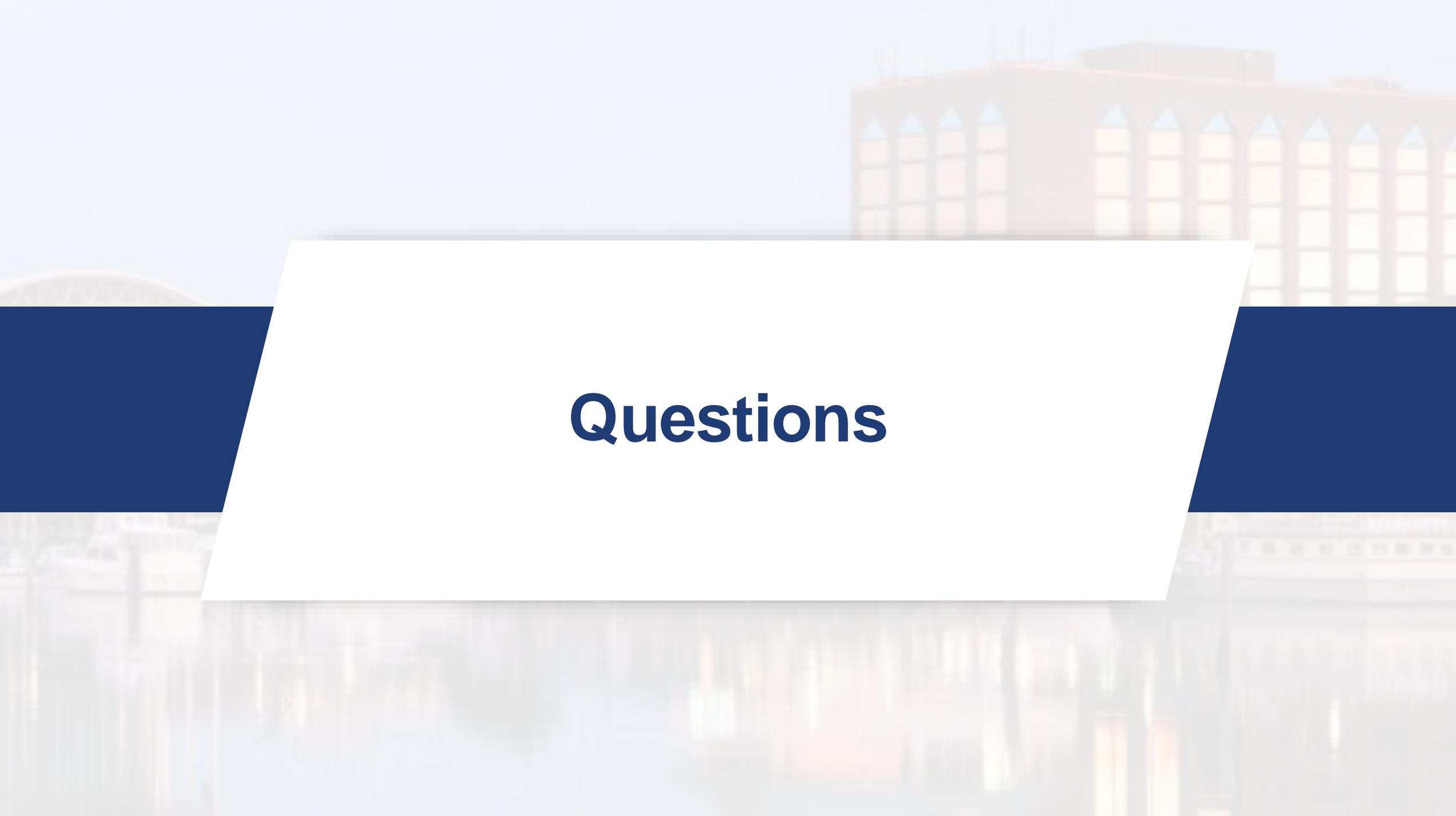
- Reducing bulk collections would increase overall violations and the need for additional enforcement staff to manage illegal dumping concerns
- Reducing bulk trash collections would impact appearance of our neighborhoods and increase flooding concerns



# Recommendations

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- Increase our solid waste rate to \$9.04 which adjusts for ongoing cost escalations to provide our current services
- Explore cost participation and debt funding options with NASA Langley Research Center for our Hampton Steam Plant
- Explore alternative opportunities to maintain the best cost-effective rate for our customers while providing an essential service

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# Questions

# **Public Works Funds**



**Request for Fee Increase:  
Stormwater Management**



# Stormwater Program

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Our mission is to protect public health, water quality, and the environment by operating and maintaining our stormwater system.





# Stormwater Services

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- Municipal Separate Storm Sewer System (MS4) Permit
- Capital Project Management
- Roadside/Back Ditch Maintenance
- Slope Mowing
- Front Ditch Piping Program
- Entomology
- GIS/Survey
- E&S Inspection
- Flood Reduction
- Water Quality
- Stormwater Management Facilities (Best Management Practices)
- Illicit Discharge, Detection and Elimination Program
- Channel Inspection and Maintenance
- Stormwater Outreach Program
- Assessment and Cleaning of System
- Summer Storm Emergency Response
- Inspection of Commercial and Residential Land Disturbing Activities



# Stormwater Fee Increase Drivers

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- Increased operating and maintenance expenses due to capital projects and future stormwater and environmental initiatives.
- Reduce neighborhood flooding with enhanced stormwater systems and maintenance.



# Projected Stormwater Fees

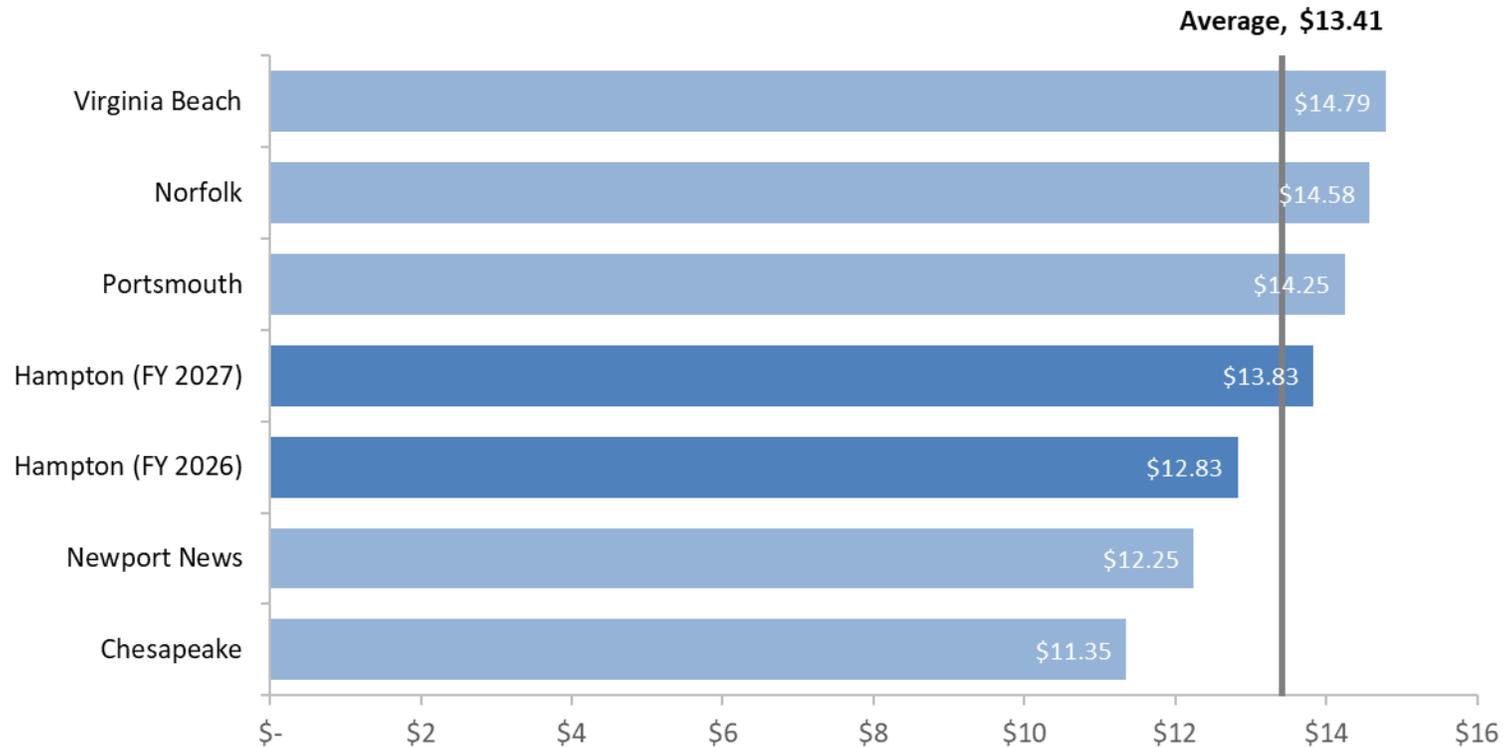
Fee per ERU	Current	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Monthly Fee	\$12.83	\$13.83	\$14.83	\$15.83	\$16.83	\$17.83
Increased Capital Costs		-	\$1.00	-	\$1.00	-
Increased Maintenance Costs		\$1.00	-	\$1.00	-	\$1.00
Total Increase		\$1.00	\$1.00	\$1.00	\$1.00	\$1.00



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



# Stormwater Monthly Bill Comparison



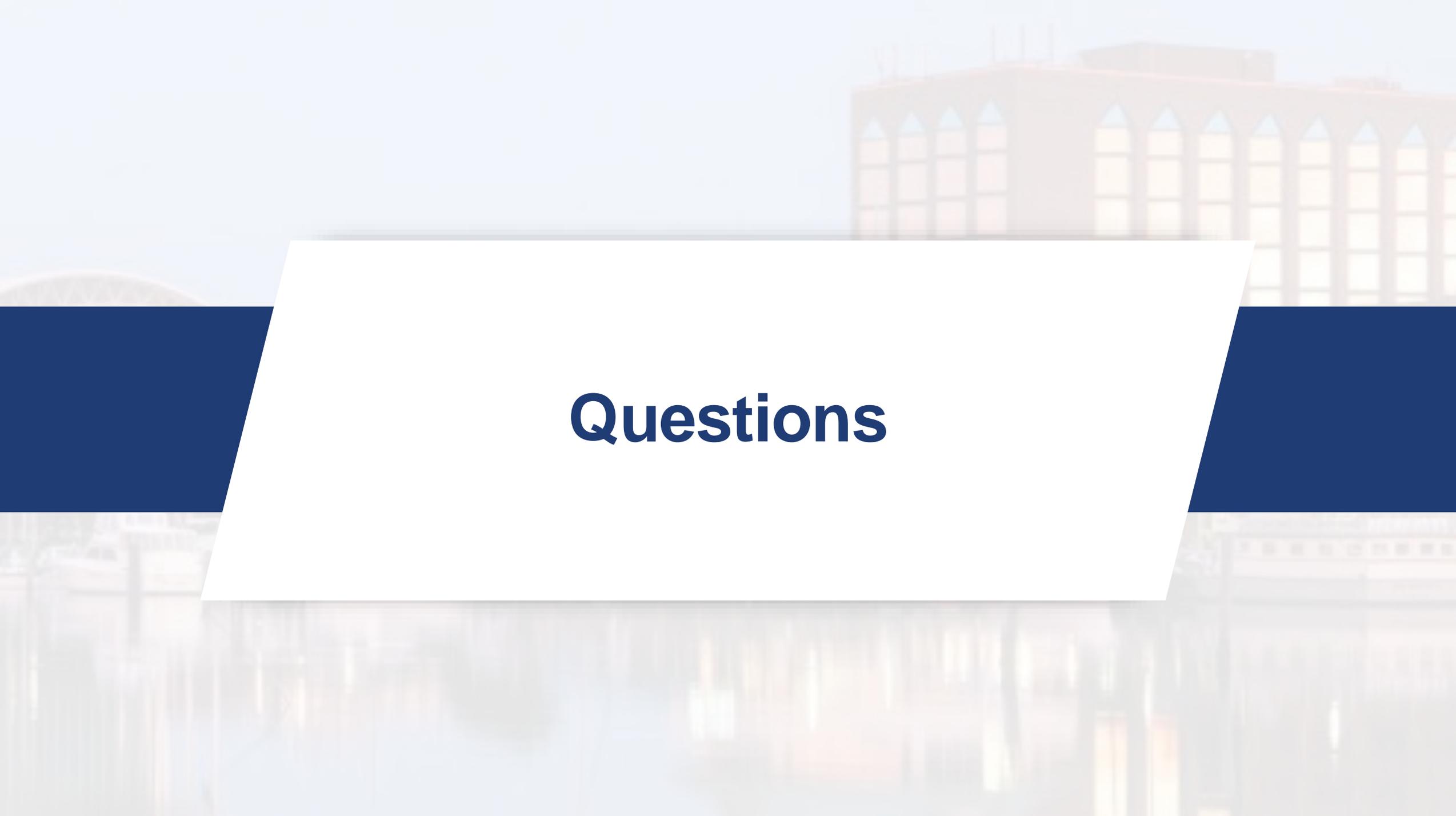
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# Recommendation

- Increase the current stormwater fee to \$13.83 for FY 2027
- Continue to review projections of expenses and revenues



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