

A G E N D A
City Council Meeting March 31, 2020
City Council Chamber, City Hall
7:00 P.M.

Prior to the meeting beginning, we ask that everyone in the audience practice social distancing by sitting at least six feet from one another and covering your mouth when you cough and/or sneeze.

On behalf of Lynchburg City Council, welcome to the public hearing on the FY 2021 Proposed Operating Budget and the Proposed FY 2021-2025 Capital Improvement Program for the City of Lynchburg.

Interested persons who wish to speak at this public hearing will be given an opportunity to be heard and each speaker will be allowed a limited time to offer input. Time limitations will be observed.

RULES OF PROCEDURE

Speakers will be recognized in the order in which they signed up to speak. Alternate forms of voicing comments to be determined for those that do not wish to attend a public gathering.

// An individual may speak for up to 3 minutes.

// A group spokesperson may speak for up to 5 minutes.

CITIZENS OFTEN EXPRESS CONFLICTING AND DIVERSE POSITIONS REGARDING SPECIFIC ISSUES UNDER CONSIDERATION. TO ENCOURAGE CITIZEN PARTICIPATION AND TO AVOID INTIMIDATION TO PERSONS WHO MAY EXPRESS SOMETIMES UNPOPULAR OPINIONS, APPLAUSE, CHEERS, OR JEERS FROM THE AUDIENCE ARE NOT PERMITTED. WHEN APPEARING BEFORE CITY COUNCIL, CITIZENS MAY NOT ENGAGE IN BEHAVIOR THAT INTIMIDATES OR INSULTS OTHERS, ENGAGE IN DISRUPTIVE BEHAVIOR, USE PROFANITY OR VULGAR LANGUAGE, PROMOTE PRIVATE BUSINESS VENTURES OR CAMPAIGN FOR PUBLIC OFFICE.

P U B L I C H E A R I N G S

➤ **Introductory remarks by Deputy City Manager Reid Wodicka**

- #1. Public hearing on the FY 2021 Proposed Operating Budget and the Proposed FY 2021-2025 Capital Improvement Program for the City of Lynchburg, which includes funding for General, Schools, Fleet, Airport, Water, Sewer, Stormwater and Other Funds.**

➤ **Introductory remarks by Tim Mitchell, Director of Water Resources**

- #2. Public hearing on proposed adoption by City Council of an ordinance to adjust the Water and Sewer Rates effective for bills rendered on or after July 1, 2020. The proposed amounts of increase are as follows: Sewer Volume and Sewer Only Rate: Volume charge per hcf of consumption from \$7.02 up to \$6.14 (or a 2.0% increase); accounts deemed “sewer only” monthly rate from \$48.51 to \$49.35 (or a 1.7% increase); Sewer Surcharges: BOD charge per 100 lbs from \$24.46 to \$26.30 (or a 7.5% increase); TSS charge per 100 lbs from \$27.66 to \$28.50 (or a 3.0% increase). Sections 15.2-2109 and 15.2.2119 of the Code of Virginia permit enactment of such proposed increases.**

G E N E R A L B U S I N E S S

- #3. Presentation regarding revised FY2021 Budget Calendar**

- #4. Update on City Actions regarding COVID-19 (report of Emergency Operations Plan Emergency Service Functions)**

LYNCHBURG CITY COUNCIL

Agenda Item Summary

MEETING DATE: **March 31, 2020**

AGENDA ITEM #: **2**

CONSENT:
ACTION: **X**

REGULAR: **X**
INFORMATION:

WORK SESSION:

CLOSED SESSION:
(Confidential)

ITEM TITLE: **Public Hearing and Action Regarding FY 2021 Sewer Rates**

KEY ELEMENTS:

☐ Economic Development ☒ Excellent Government ☒ Natural and Built Environment ☐ Safe Community ☐ Vibrant Community

RECOMMENDATION: Conduct a public hearing regarding the proposed increases in the sewer volume rate, sewer only rate and sewer industrial surcharges.

SUMMARY: The Fiscal Year 2021 proposed budget includes increases in various sewer rates. The following guiding principles and goals were adhered to in the proposed recommended rates:

- 1) Ensure compliance with adopted Council Financial Management Policies.
- 2) Ensure necessary funding is provided for increases to operating and debt service costs.
- 3) Ensure financial compliance with Special Order for Combined Sewer Overflow (CSO).
- 4) Provide a more equitable distribution of costs based on costs of actual services provided.
- 5) Minimize annual rate increases for residential, commercial and noncontract industrial customers.

There are a several primary reasons a sewer volume rate increase is needed including: ensuring continued compliance with the CSO Consent Order, meeting Council's debt coverage fiscal policy, and increasing costs. The proposed increase in the sewer only rate is based on the increase in the sewer volume rate. Increases in the industrial surcharges are needed to get the rates closer to the actual costs of providing the services.

As shown in Attachment A – Proposed Changes to Sewer Rates, the recommended sewer rate changes are listed below:

- Sewer volume charge per hundred cubic feet (hcf) from \$6.02 to \$6.14, increase of 2%.
- Sewer only household charge monthly rate from \$48.51 to \$49.51, increase of 1.7%.
- Sewer surcharge for biological oxygen demand (BOD), from \$24.46 to \$26.30, increase of 7.5%.
- Sewer surcharge for total suspended solids (TSS), from \$27.66 to \$28.50, increase of 3.0%

PRIOR ACTION(S): None

FISCAL IMPACT: The sewer volume and sewer only rate increases would result in \$311,000 of additional revenue and the industrial surcharge increases would result in \$12,500 of additional revenue to the Sewer Fund.

CONTACT(S): Tim Mitchell, Director of Water Resources, 455-4252

ATTACHMENT(S):

Attachment A – Proposed Changes to Sewer Rates

Attachment B – Proposed Sewer Ordinance Changes

REVIEWED BY: raw

ATTACHMENT A

Proposed Changes to Sewer Rates

	Current FY 2020	Proposed FY 2021	% Increase
Sewer Rates			
Sewer volume charge / hcf	\$6.02	\$6.14	2.0%
Sewer only household	\$48.51	\$49.35	1.7%
Industrial Surcharges			
BOD (excess 300 milligrams/liter)	\$24.46	\$26.30	7.5%
TSS (excess 400 milligrams/liter)	\$27.66	\$28.50	3.0%

ATTACHMENT B – Proposed Ordinance Changes

AN ORDINANCE TO AMEND AND REENACT SECTIONS 34-12.1 OF THE CODE OF THE CITY OF LYNCHBURG, 1981, AS AMENDED, THE AMENDED SECTIONS RELATING TO SEWER RATES

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF LYNCHBURG:

1. That sections 34-12.1 of the Code of the City of Lynchburg, 1981 are hereby amended and reenacted as follows:

Sec. 34-12.1. - Schedule of sewer rates.

- (a) The monthly sewer rates for all consumers within the city shall be ~~\$6.02~~ six dollars and fourteen cents (\$6.14) per h.c.f. of water used provided, however, that the rate of any party discharging industrial waste or processed water into the city system pursuant to an individual contract shall be as provided in such contract.
- (b) The monthly sewer rate for customer accounts deemed "sewer only" (customers within the city without a water service connection) shall be ~~\$48.51~~ forty-nine dollars and thirty-five cents (\$49.35). This rate is derived as follows: (monthly volume charge of ~~\$6.02~~ six dollars and fourteen cents (\$6.14) per h.c.f. by 7 h.c.f. + a monthly service charge of \$6.37).
- (c) In addition to the sewer rates provided in this section, a high strength waste surcharge is established for all customers with discharges in excess of 25,000 gallons per day and having biological oxygen demand and/or suspended solids concentrations in excess of normal wastewater.

The surcharge shall be as follows:

- (1) For BOD concentrations in excess of 300 milligrams per liter (MG/l), ~~\$24.46~~ twenty- six dollars and thirty cents (\$26.30) per 100 pounds.
- (2) For suspended solids concentrations in excess of 400 milligrams per liter (MG/l), ~~\$27.66~~ twenty-eight dollars and fifty cents (\$28.50) per 100 pounds.
- (3) Truck hauled wastes disposal charges for residential and restaurant wastes as defined in section 34-13 will be assessed at the following rates: \$204.90 up to a limit of 2,500 gallons of capacity and \$34.74 for each 500 gallons of capacity over 2,500 gallons. Truck hauled wastes for special contract holders shall be charged in accordance to the terms of the contracting agreement.
- (d) Annually, the director of financial services shall compute the average of each residential customer's level of monthly water consumption in hundred cubic feet (h.c.f.) for the most recent period beginning with the first billing in November and ending with the second billing in April. By multiplying this monthly average by 1.25, a seasonal consumption limit for sewer billing shall be derived for each residential account. This limit will apply during the period for the first billing in May through the second billing in October. This adjustment shall apply only to residential bills and shall not apply to any customers using water for the purpose of manufacturing or for commercial or multifamily dwellings.



REVISED FY 2021 Budget Calendar

April 7, 2020	4 - 6 PM	Council Budget Work Session - Continue to review FY 2021 Proposed Budget
April 14, 2020	4 - 6 PM	Regular Council Work Session - Schools, Third Quarter Presentation, Review Proposed FY 2021-2025 Capital Improvement Program
April 21, 2020		No Meeting
April 28, 2020	4 - 6 PM	Regular Council Work Session - Presentation of Revised FY 2021 Revenues and Expenditures
May 5, 2020		Council Elections - No Meeting
May 12, 2020	4 - 6 PM	Regular Council Work Session - Budget Balancing
May 19, 2020	4 - 6 PM	Council Budget Work Session - Budget Balancing
May 26, 2020	4 - 6 PM	Regular Council Work Session - Budget Balancing
June 2, 2020	4 - 6 PM	Council Budget Work Session - Budget Balancing
June 9, 2020	7:30 PM	Council Meeting - First Reading of the Budget
June 23, 2020	7:30 PM	Council Meeting - Second Reading and Adoption of the Budget