THE CITY OF LYNCHBURG

CITY COUNCIL WORK SESSION

Friday, April 3, 2026 | 9:00 AM
Lynchburg Police Department Community Room
3405 Odd Fellows Rd
Lynchburg, VA 24501

AGENDA

I. Welcome — *Larry Taylor, Mayor*

II. Budget Retreat Agenda Overview — *Wynter C. Benda, City Manager*

III. Agenda Items

- **III.1.** FY 2027 Budget Book Review
- **III.2.** Water Resources Budget Overview

IV. Break

V. Agenda Items

- **V.3.** Capital Improvement Program Dashboard
- **V.4.** Budget Dashboard

VI. Adjournment — *Larry Taylor, Mayor*

City Council
Agenda Item III.1.
Information Only

AGENDA ITEM SUMMARY

MEETING DATE	PRESENTED BY
April 3, 2026	Donna Witt, Chief Financial Officer

AGENDA ITEM # III.1

FY 2027 Budget Book Review

RECOMMENDATION

SUMMARY

PRIOR ACTION(S)

FISCAL IMPACT

CONTACT(S)

ATTACHMENT(S)

None

REVIEWED BY

_______________________________ Date:

Alicia Finney-Andrews, Clerk of Council

AGENDA ITEM SUMMARY

MEETING DATE	PRESENTED BY
April 3, 2026	

AGENDA ITEM # III.2

Water Resources Budget Overview

RECOMMENDATION

SUMMARY

PRIOR ACTION(S)

FISCAL IMPACT

CONTACT(S)

ATTACHMENT(S)

1. FY27 Budget Rates Presentation Final

REVIEWED BY

Timothy Mitchell, Director of Water Resources — Date:

Gregory Patrick, Deputy City Manager — Date:

Alicia Finney-Andrews, Clerk of Council — Date:

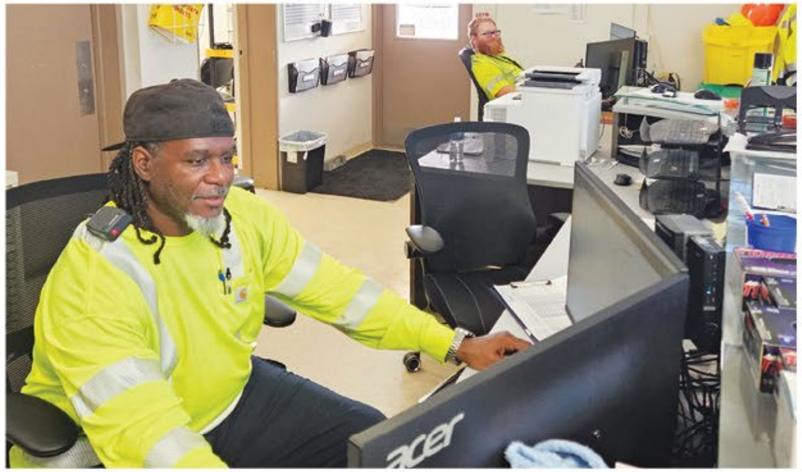
LYNCHBURG WATER RESOURCES
FY 2027 BUDGET & RATE UPDATES

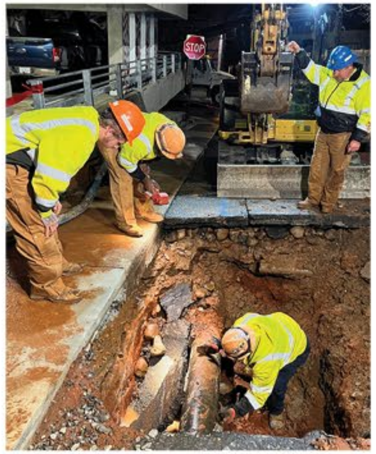
April 3, 2026

INTRODUCTION

LYNCHBURG
WATER
RESOURCES

Clean Water. Clear Streams. Thriving Community.





PROPOSED RATE SUMMARY

Water

Proposed rate

$3.62 PER HCF

CURRENT RATE IS $3.45 PER HCF

Sewer

Proposed rate

$8.65 PER HCF

NO INCREASE TO SEWER RATE!

Stormwater

Proposed rate

$5.40 PER SFU

CURRENT RATE IS $5.15 FOR SFU

Average residential bill increase per month:

$1.06

Water: +$0.81 / month
Sewer: +$0.00 / month
Stormwater: +$0.25 / month

Based on 4.78 HCF average usage in FY 2025

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HCF = Hundred Cubic Feet (748 gallons)

SFU: Single Family Unit (2,672 square feet)

WATER & SEWER: HOW WE COMPARE

How the water and sewer cost for a Lynchburg household using 5,000 gallons/month compares with the Va. average, other localities:

LYNCHBURG

$88.57*

Water: $26.23 per month
Sewer: $62.34 per month

VIRGINIA AVERAGE

$123.71

Water: $52.21 per month
Sewer: $71.50 per month

Other Virginia localities

Amherst County	$144.75
Bedford County	$139.50
City of Charlottesville	$143.14
City of Richmond	$134.90
Town of Appomattox	$127.29
Town of Amherst	$125.25
City of Alexandria	$116.28
City of Salem	$104.38
Campbell County	$92.20
------------ LYNCHBURG ($88.57) ------------	
Roanoke City/County	$84.65
City of Harrisonburg	$54.85

* The average Lynchburg residence uses 3,516 gallons/month ($65.36 average for water, sewer)
- Numbers based on FY 2025 rates; data from localities' published water and sewer rates

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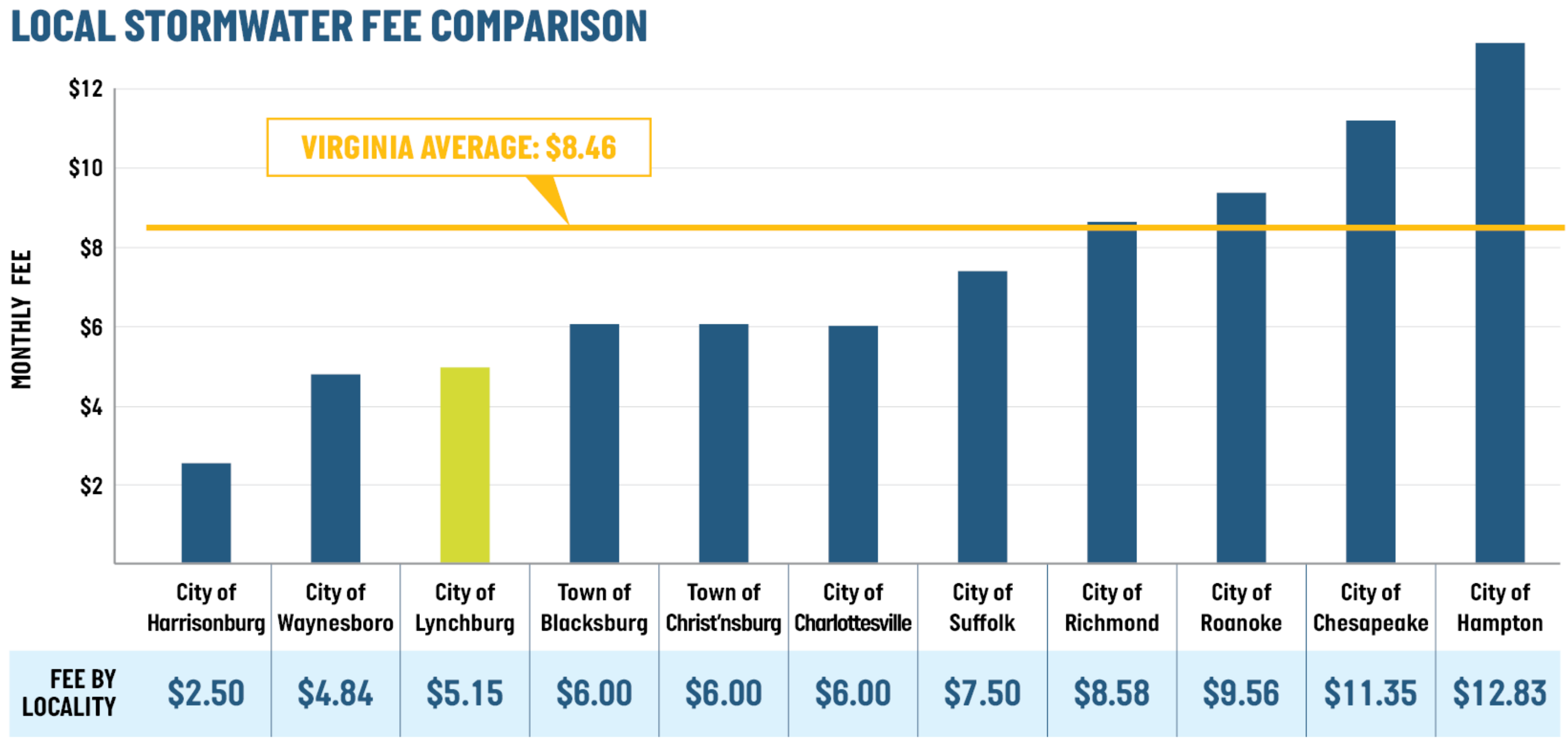
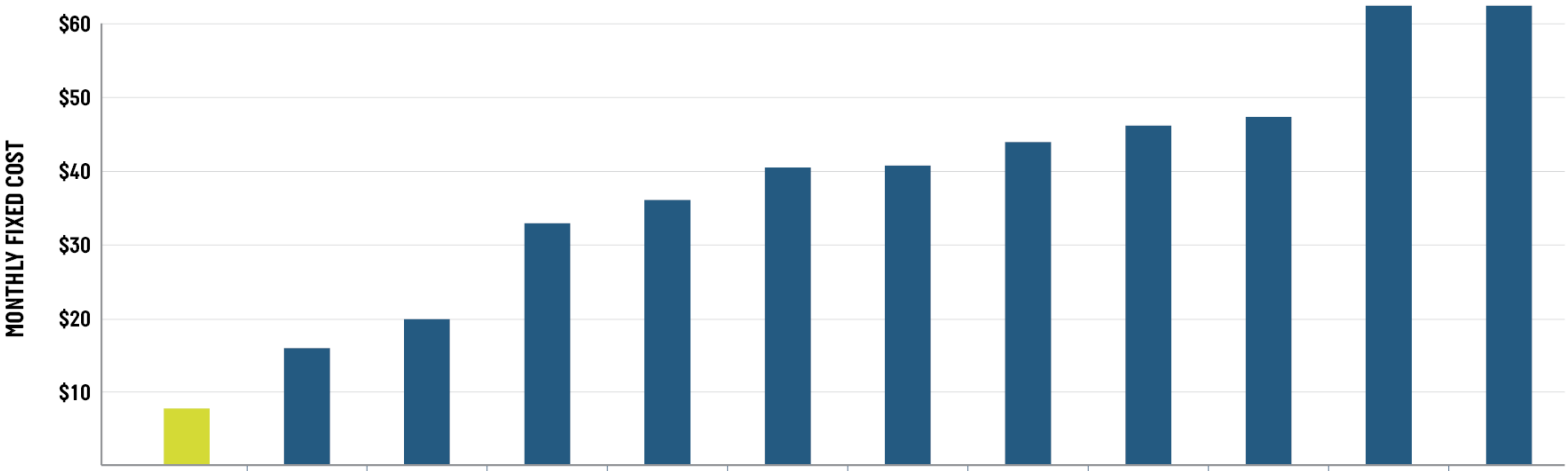
STORMWATER: HOW WE COMPARE



SERVICE CHARGE: HOW WE COMPARE

COMPARING MONTHLY MINIMUM SERVICE CHARGE TO AREA LOCALITIES



	City of Lynchburg	Campbell County	City of C'ville	City of H'burg	Amherst CSA	City of Richmond	City of Salem	Roanoke City/County	Town of Amherst	Town of Appomattox	Town of Bedford	Bedford County
SERVICE CHARGE	$7.69	16.00	20.00	32.91	36.00	40.62	40.73	43.95	46.25	47.40	62.00	62.00

BUDGET AND RATE GOALS

Our Goals

- Adequately fund operations and capital needs to provide quality water, sewer, stormwater services to every resident, business, and visitor every single day
- Meet extensive regulatory requirements
- Efficiently operate and maintain water, sewer, and stormwater infrastructure
- Comply with Council's fiscal policies
- Comply with the State of Virginia's CSO Consent Special Order's financial requirements
- Minimize rate increases and impacts to customers

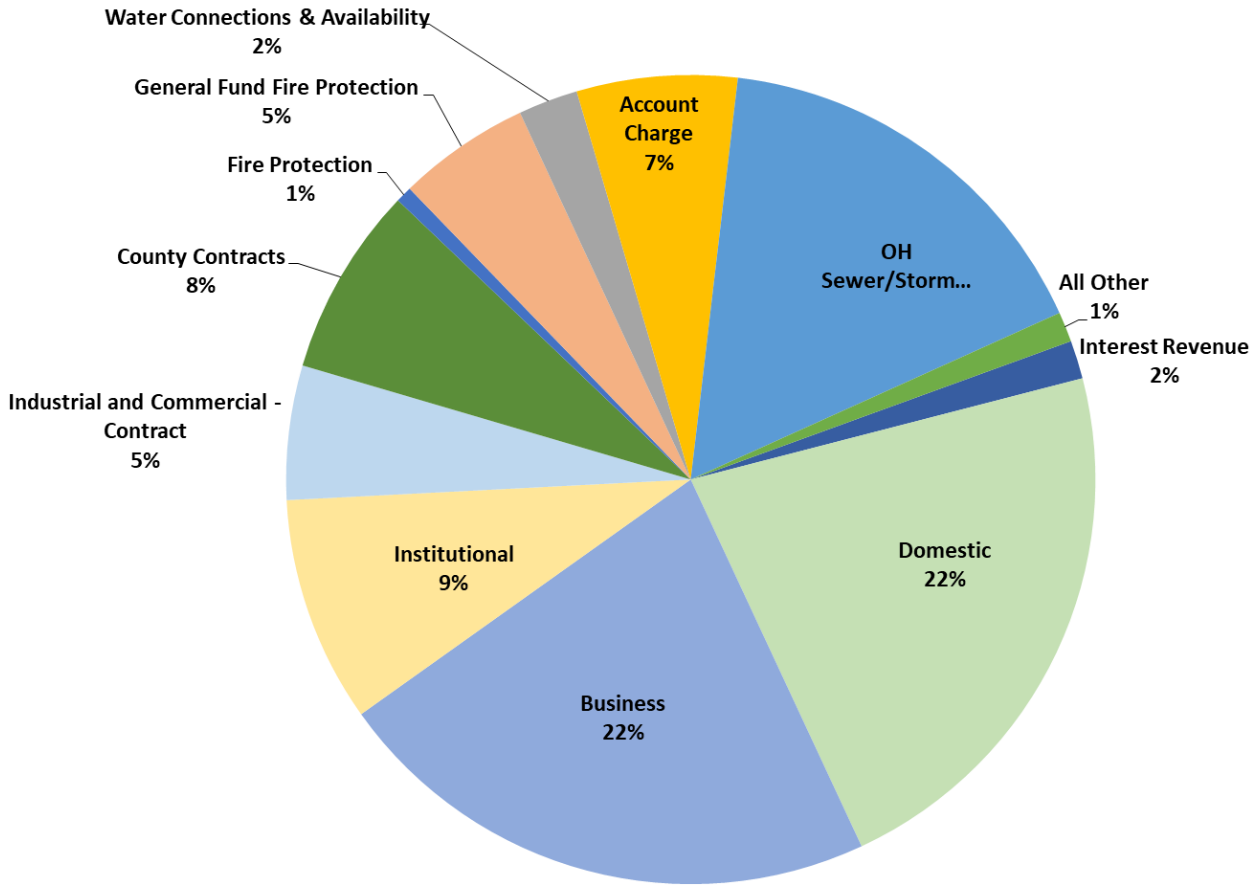
A FOCUS ON INFRASTRUCTURE

Managing and maintaining our extensive infrastructure is complex and costly:

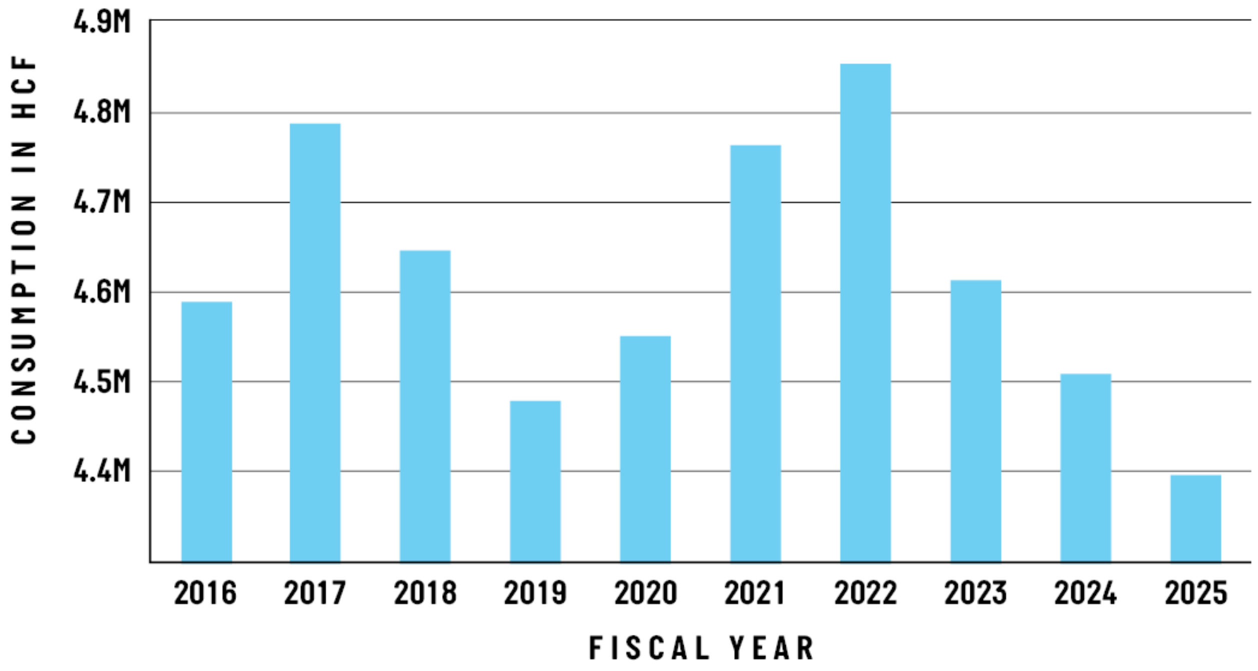
- We are responsible for over 1,100 miles of water, sewer, and storm pipes serving Lynchburg, equal to the travel distance from here to Dallas
- Our water system includes 475 miles of pipe, 2 treatment plants, 12 water tanks, 9 pump stations, 3,293 fire hydrants, 20,000+ meters, 11,000+ valves and the Pedlar Reservoir
- Our sewer system includes 455 miles of pipe, 1 treatment plant, 12,000+ manholes
- Our stormwater system includes 183 miles of pipe, 6,900 storm inlets, 2,700+ outfalls, 900+ BMPs

BUDGET AND RATE CHALLENGES

FY 2027 Water Revenue Budget = $21,059,925



Total Annual Water Consumption



Average household consumption down 8% from 2015

RATE VS. FIXED CHARGE INCREASE

Monthly increase to average residential water bill when adjusting water rate vs. fixed charge to meet proposed revenues:

Rate increase

At proposed rate of $3.62

$0.81

per month
water bill increase

$0.17 rate increase x 3,089,000 HCF = $525,130

Fixed charge increase

Would need to increase to $9.48

$1.79

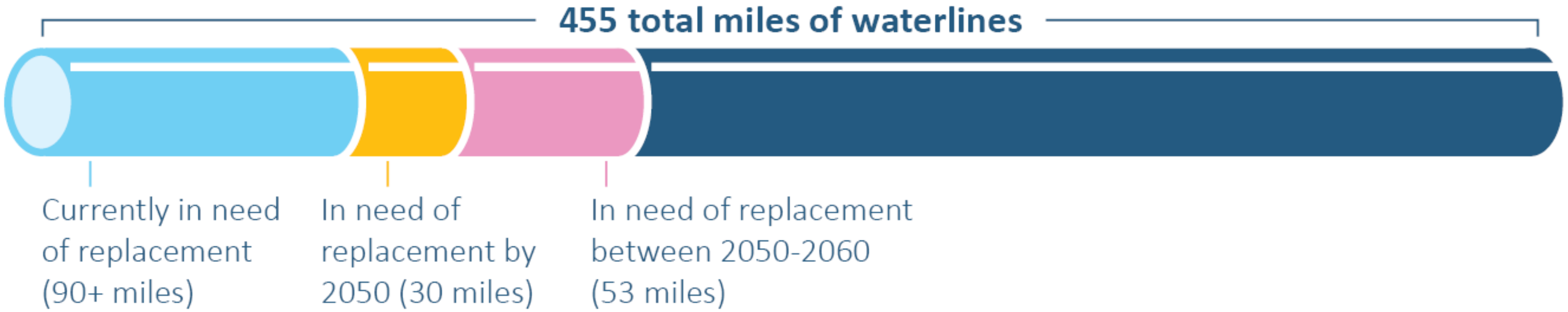
per month
water bill increase
(Assumes entire increase goes to the Water Fund)

$1.79 charge increase x 24,500 accounts x 12 months = $526,260

WATER SYSTEM PRIORITIES
WATERLINE REPLACEMENT

- 455 miles of waterline
- Over 90 miles in need of replacement now
- Master Plan prioritizes: 100+ year-old, undersized, AC pipe
- Goal of 1% waterline replacement each year - (4.55 miles/year)
- Challenges: Contractor availability, adequate funding (some projects more complex and costly), staff capacity

GOAL: Minimize service outages, boil water notices & property damage; Provide adequate fire protection; Protect water quality



Water main break on Tate Springs Rd

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WATER SYSTEM PRIORITIES
ABERT WATER FILTRATION PLANT IMPROVEMENTS

- Built in 1972
- Multiple upgrades but no comprehensive "plant-wide" improvement projects
- Critical systems need updating/replacing
    - Abert Raw Water Pump Station Improvements
    - Chemical Room and Equipment Improvements
    - Filter Valve Replacements
    - Structural Repairs
- Approximately $25 million over the next 5 years

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WATER SYSTEM PRIORITIES
LEAD & COPPER RULE COMPLIANCE

- Major regulatory obligation that engages division-wide resources
- Continued maintenance of published Water Service Line Inventory
- Goal is to significantly reduce number of unknown service lines by October 2027 – Currently over 16,000
- New sampling requirements starting in 2027
- Replace all lead and GRR service lines by 2037
- Annual customer notifications

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Pictured: Water Service Line Field Investigations

WATER FUND BUDGET SUMMARY

FY 2026: $19.6 M | FY 2027: $20.3 M

FY 2027 Operating Fund Outlook

No new positions or major initiatives

COST INCREASES

- Salaries and Benefits: $126,000
- Debt Service: $261,000
- Indirect Costs: $195,000
- Contractual Services: $145,000
- Utilities: $70,000

COST DECREASE

- Chemicals: $102,000

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WATER CAPITAL BUDGET SUMMARY

Ongoing Projects

- $9.2 million, Lead Service Line Inventory
- $5.2 million, Daniel’s Hill Utility
- $4.5 million, Downtown Renewal, Phase IV
- $3.6 million, Fillmore Street Waterline Replacement

New Projects in FY 2027

- $11.4 million, Abert Water Plant Improvements
- $3.7 million, Maple Hills Water Improvements
- $3.5 million, Downtown Renewal, Phase V – Court St.
- $2.0 million, 13th Street Utility Improvements
- $1.1 million, Oak Lane Waterline Replacement

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Pictured: Abert Water Filtration Plant

SEWER SYSTEM PRIORITIES

Complete Lynchburg’s CSO program

- Fulfill obligations of CSO Consent Order
- Complete Blackwater CSO Tunnel in 2027
- Start three remaining CSO projects in FY 2027
- Complete CSO Program by 2030

Extend sewer access to unsewered areas

- Complete Richland Hills; start Maple Hills Sewer Ext.
- Provide savings through Septic-to-Sewer program

Comply with future regulations

- PFAS, biosolids, land application

Blackwater CSO Tunnel Excavation

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SEWER SYSTEM PRIORITIES
SEWER SYSTEM RENEWAL

- Over 450 miles of existing sewer
- Goal of Renewing 1% per year (4.5 miles)
- Continue cleaning, inspecting, and lining sewers and manhole rehab in priority areas (Approximately 25,000 feet)
- Additional focus on sewer stream crossings and sewers along streams threatened by stream erosion (150 stream crossings, thousands of feet within 5 feet of a stream)

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Pictured:
Aerial Sewer Crossing

SEWER FUND BUDGET SUMMARY

FY 2026: $31.2 M | FY 2027: $29.8 M

FY 2027 Operating Fund Outlook

No new positions or major initiatives

COST INCREASES

- Salaries and Benefits: $136,000
- Admin/payments to Water Fund: $124,000

COST DECREASES

- Contractual Services: $778,000
- Chemicals: $300,000

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SEWER CAPITAL BUDGET SUMMARY

Ongoing Projects

- $104 million, Blackwater CSO Tunnel
- $8.6 million, Richland Hills Sewer Extension

New Projects in FY 2027

- $9.8 million, Dreaming Creek Interceptor Upgrade
- $8.5 million, CSO 70 – Carrol Ave. area
- $5.7 million, CSO 14 – Centerdale/Euclid area
- $5.3 million, CSO 33 & 34 – Oakley/Wythe area
- $4.5 million, Maple Hills Sewer Extension

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Pictured: Blackwater CSO Tunnel Project

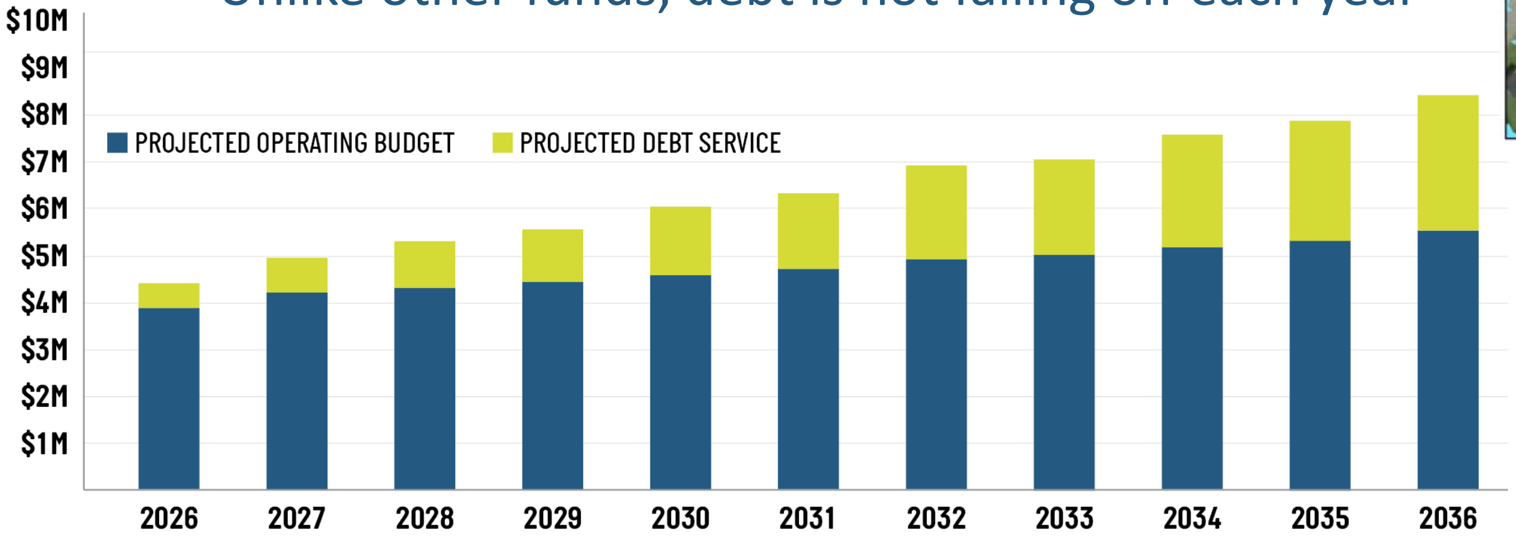
STORMWATER CHALLENGES

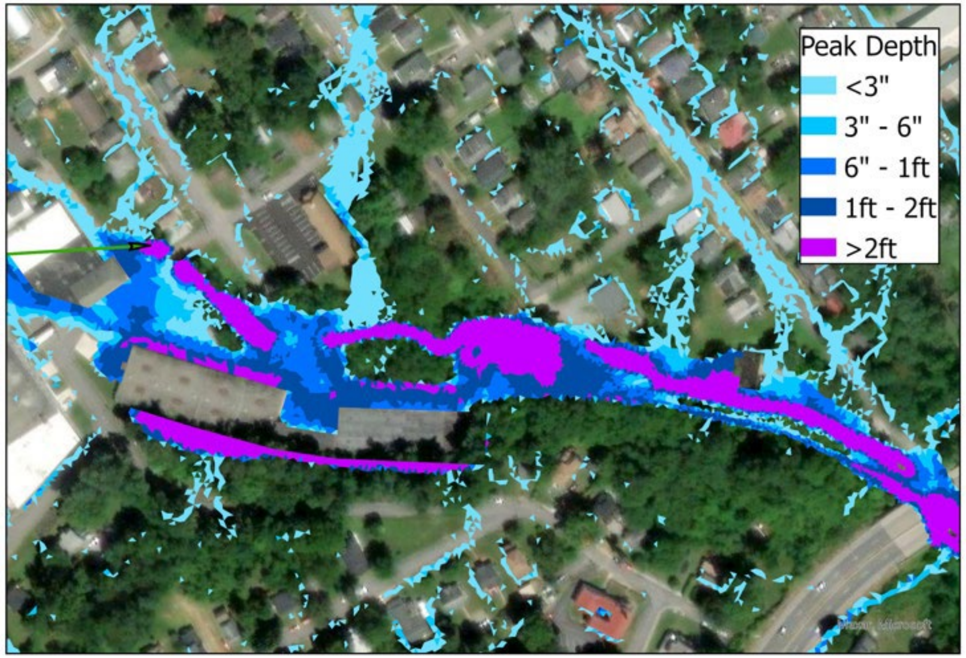
Significant infrastructure needs – not funded

- Currently over 300 outfalls need to be repaired or replaced
- Fort Avenue improvements estimated to cost $10M+
- Adequate Management of public BMPs

Growing debt service

- Unlike other funds, debt is not falling off each year





Pictured: Fort Avenue Flooding Model

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STORMWATER BUDGET SUMMARY

FY 2026: $4.7 M | FY 2027: $5.0 M

FY 2027 Operating Fund Outlook

No new positions or major initiatives

COST INCREASES

- Indirect Costs: $133,000
- Debt Service: $44,000
- Salaries and Benefits: $42,000
- Contractual Services: $33,000

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STORMWATER CAPITAL SUMMARY

Ongoing Projects

- $3.1 million, College Park Storm Improvement
- $885,000, Heath Avenue Storm Improvements
- $850,000, Downtown Area Business Improvements

New Projects in FY 2027

- $900,000, Alleghany/Lakeside Culvert
- $520,000, Hill Street Stormwater Outfall
- $480,000, Stormwater Pipe and Manhole Rehab

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Pictured: College Park

IN SUMMARY

- $1.06 increase per month for a typical household
- Budgets adequately fund critical infrastructure projects and operational needs
- Sewer Fund rate increase not needed - expenses decrease and we meet requirements of the Consent Order with our existing rate
- Lynchburg residents will continue to pay well below the state average for these essential services