



Legislation Text

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City of Alexandria, Virginia
MEMORANDUM

DATE: JANUARY 4, 2022

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: MARK B. JINKS, CITY MANAGER /s/

DOCKET TITLE:

Introduction and First Reading. Consideration. Passage on First Reading of an Ordinance Amending the Sewer Connection Fee Ordinance (Section 5-6-25.1) and Sanitary Sewer System Capital Investment and Maintenance Fee (Section 5-6-26).

ISSUE: Council Consideration of an ordinance amending City Code Section 5-6-25.1 regarding sewer connection fees and City Code Section 5-6-26 regarding the sanitary sewer system capital investment and maintenance fee (sewer maintenance fee).

RECOMMENDATION: That City Council pass the proposed ordinance (Attachment 1) on first reading, and schedule it for second reading, public hearing and final passage on Saturday, January 22, 2022. The proposed ordinance would modify the language of City Code Section 5-6-25.1 consistent with the Sanitary Sewer Master Plan that City Council adopted on November 13, 2021, as follows:

1. Increase the existing teardown credit from 50 percent to 100 percent;
2. Establish a connection fee category for senior living uses and set the senior living connection fee at 75 percent of the single-family fee; and
3. Update the non-residential fee schedule, providing an increase based on water consumption data for all non-residential properties in the City.

The proposed ordinance would also modify the language of City Code Section 5-6-26 to change the billing basis for the sewer maintenance fee from monthly water consumption to the winter average basis, consistent with how Alexandria Renew Enterprises (AlexRenew) charges for wastewater treatment.

Staff is proposing to make the above changes effective July 1, 2022, to provide plenty of notice to both the development community and to AlexRenew, who provides sewer billing services on behalf of the City.

DISCUSSION: The Sanitary Sewer Master Plan (Master Plan) was adopted by City Council on November 13,

2021. The Master Plan provides the City with a long-term plan to address future wastewater flows, identify when and where infrastructure upgrades or improvements will be needed to accommodate growth, and continue to serve the wastewater needs of residents and businesses. The Master Plan also provides a summary of existing and potential future initiatives to reduce the impacts of sewer backups during periods of extreme wet weather. Finally, the Master Plan includes a review of current sanitary sewer fees, which along with issuance of sewer infrastructure bonds, fund both the sanitary sewer program capital and operating budgets.

Sewer Connection Fee Recommendations

As adopted by Council, the Master Plan includes recommendations for modifying aspects of the sanitary sewer fees. Specifically, the adopted Master Plan recommends the following changes to the sewer connections fees:

- Increase the connection fee teardown credit from 50 percent to 100 percent, consistent with neighboring jurisdictions.
- Establish senior living facilities as its own use and set the connection fee per dwelling unit equal to 75 percent of the single-family dwelling fee. This recommendation is based on a review of Virginia American Water Company-provided water consumption data for senior living facilities, both in the City and in neighboring jurisdictions.
- Update the non-residential connection fees based on the results of Virginia American Water Company-provided water consumption data of non-residential properties, using the equivalent residential unit (ERU) methodology to update these fees. The ERU methodology establishes a ratio between non-residential properties and single-family dwellings based on water usage. Fees for non-residential properties are currently based on water meter size and this methodology computes fees by multiplying the number of ERUs by the single-family dwelling fee.

No sewer connection fee changes are proposed for single-family or multi-family dwellings or hotels beyond the existing annual adjustment based on changes in the Consumer Price Index (CPI-U).

Sewer Maintenance Fee Recommendation

The sewer maintenance fee is charged to residential and commercial customers as part of their monthly sewer bill, which also includes wastewater treatment fees from AlexRenew. The City currently assesses this fee based on monthly water consumption, whereas AlexRenew calculates wastewater treatment fees using the winter average basis. The basis used by AlexRenew accounts for any water that does not enter the sanitary sewer system, such as that used for irrigation. The Master Plan recommends changing the sewer user fee billing basis from monthly water consumption to the winter average basis for residential customers to more accurately reflect water that reaches the sewer system and to be consistent with AlexRenew. It is estimated residential customers would pay \$1 to \$2 less per month on their sewer bill. Staff has done a fee study and has determined that the existing sewer maintenance fee would not need to be increased by switching to the winter average basis.

Outreach

Staff presented the recommended changes to the sewer connection fees at the monthly NAIOP/NVBIA meeting in September 2021. Staff also provided other briefings to the development community during the development of the Sanitary Sewer Master Plan, including at the start of the update process. Staff has also provided outreach to the residential community on the Master Plan through public meetings and briefing the Federation of Civic Associations and the Ad Hoc Stormwater Utility and Flood Mitigation Advisory Group. Outreach has also been

provided to other stakeholders as well including the AlexRenew Board of Directors and the Environmental Policy Commission. There has been general support for the Master Plan and no objection to the proposed changes to either the sewer maintenance or sewer connection fees.

FISCAL IMPACT: The proposed change to the sewer maintenance fee will result in approximately 4 to 5 percent less sewer line maintenance fee revenue. The proposed change to the sewer connection fees will result in an increase of approximately 2 to 3 percent additional sewer connection fee revenue. These changes have been incorporated into the 10-year sanitary sewer plan and the changes do not impact what is presently identified for funding in the 10-year plan.

ATTACHMENTS:

Attachment 1: Ordinance Cover

Attachment 2: Proposed Ordinance

STAFF:

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