FY 2023 BUDGET OUTLOOK

CITY COUNCIL BUDGET COMMITTEE

#OneWaterStrong

CHARLOTTE WATER

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What We Do

Mission:

To serve the City by improving surface waters and conveying rainwater safely through well-maintained storm drainage systems

Water Quantity

Ensure runoff drains safely to streams and protect the traveling public by reducing the risk of flooding

Surface Water Quality

Protect and improve the quality of streams and other surface waters to support sustainable, healthy communities

Equitable Service

Ensure all services are delivered equitably throughout the City for the benefit of all

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Infrastructure Investments

Completing Major Capital Projects

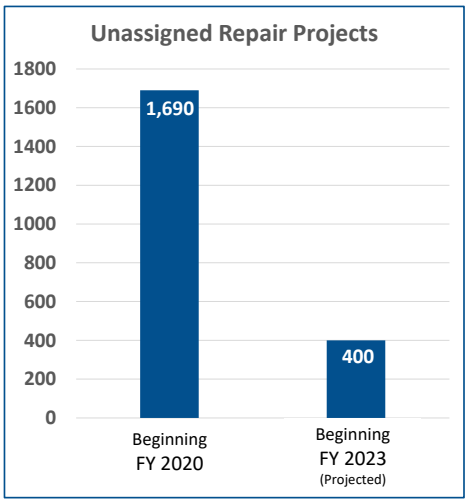
- Large scale, comprehensive projects
- Makes up 47% of CIP ($247M, FY 2023-FY 2027)

Clearing Out the Repair Backlog

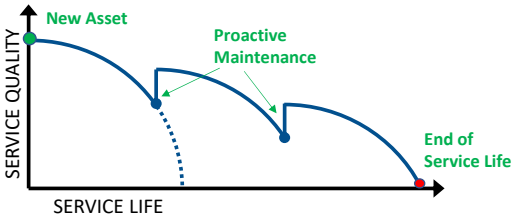
- By FY 2019, wait times had grown to 7+ years
- Refined project categorization and prioritization
- Developed plan to increase production by 83% over 5 years
- All remaining private property assistance repair projects will be under way by end of FY 2024

Look Ahead

- Construction material availability emerging concern



Proactive Maintenance

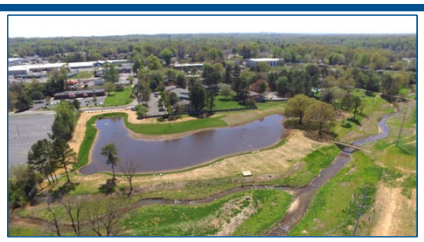


- **Continue development of asset management program to inform capital investment priorities**
- **99% of City's drainage system inventoried (previously 55% in FY 2020)**
- **Investments in proactive maintenance reduce total costs and extend life of drainage system**
- **Goal is to replace 1% of system per year; City is currently replacing approximately ½ percent**

Improving Surface Water Quality

Surface Water Quality Program

- Ensures compliance with the City's Federal Clean Water Act required stormwater permit
- Implements projects to improve waterways
- Provides services to other departments for compliance with environmental regulations



NCDEQ to Audit City's Stormwater Permit in 2022

- Permit compliance includes:
  - Education and outreach
  - Pollution control & development regulations
  - Enforcement

Addressing Growth Pressure

- **Effective Land Development Regulation Critical to STW Success**
  - Ensure new drainage infrastructure is effective and can be maintained
  - Avoid damage to existing public drainage infrastructure
  - Minimize surface water quality impacts

- **Goal is to sustain level of service for review activities while development activity continues to increase**
- **Staff continues to work with Planning and the development industry on the UDO to address gaps in development regulations**

Financial Planning

- Revenue primarily from Storm Water Services fee on utility bill
- Properties pay the same rate per square foot of impervious area
- STW maintains a 10-year financial plan to support strategic priorities
- Modeling effort is collaborative with the Finance Department and Department of Strategy & Budget and reviewed by a financial consultant
- A 1% increase corresponds to a 13 cents or less per month increase for 90% of single-family homeowners

Fiscal Year	FY2020 Model Projected	Actuals
2020	0%	0%
2021	3.6%	0%
2022	3.6%	3.2%
2023	3.6%	**TBD***
2024	3.6%	
2025	3.6%	

*** FY 2023 fee recommendation will be finalized as part of continuing budget process and included in City Manager's recommended budget**

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Additional Resource Slide

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Fee Structure (FY2022 Values)

Fee appears on monthly utility bill

Fees for all property types are based on the same cost per square foot of impervious.

(Currently $0.003609936 per square foot)

Single Family rates are grouped into four tiers using a median value.

Multifamily and Commercial are charged to the exact square foot.

Bill combines City and County rates into a total monthly fee

	Customer Base	Median	City	County	Bill Process	Total Fee
Detached Single Family	Tier I <2000 sq ft 39,663 accounts (20%) 65.1M SF of impervious (11%)	1,673	$6.04	$0.92	$1.10	$8.06
	Tier II 2000 to 2999 sq ft 78,493 accounts (41%) 194.2M SF of impervious (32%)	2,467	$8.91	$1.40	$1.10	$11.41
	Tier III 3000 to 4999 sq ft 56,067 accounts (29%) 210.9M SF of impervious (35%)	3,648	$13.17	$2.13	$1.10	$16.40
	Tier IV 5000 sq ft and up 19,887 accounts (10%) 137.5M SF of impervious (22%)	6,034	$21.78	$3.96	$1.10	$26.84
	Multifamily & Commercial 23,800 accounts 1.13B SF of impervious	NA	$157.23	$24.57 per impervious acre	$1.10	$182.90

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