

**City of Alexandria, Virginia
FY 2023 Proposed Operating Budget & CIP
Budget Questions & Answers**

March 16, 2022

Question: If the proposed Stormwater Utility Fee were increased beyond the schedule of increases adopted by City Council a year ago, what project acceleration would be feasible? What would be the fiscal impact of those changes?

Response:

It is not clear that an additional fee increase would equate to project acceleration. However, the FY 2023 budget includes \$127,000 in contingent cash to support project management if some projects could be accelerated. Staff will continue to coordinate the master schedule with the Ad Hoc Stormwater Utility and Flood Mitigation Advisory Group.

The City has prioritized 11 top large capacity projects for a total design and construction estimate of over \$155M for the proposed 10-year CIP. The top two projects (estimated at \$39M) are currently in design procurement, and the third project estimated at about \$50M will be in design procurement this spring. This amounts to nearly \$90M worth of capacity projects in motion. Staff is also working on approximately 20 'spot projects' that will provide benefits to specific properties and neighborhoods.

In addition to stormwater projects funded by grants and the Stormwater Utility Fee, the City also has multiple flood mitigation projects funded by the Sanitary Sewer Fund. The FY 2023 budget proposes two new wet weather mitigation projects totaling \$21 million over 10 years and the City's sanitary sewer asset renewal program is \$36 million over 10 years. The asset renewal program is intended to reduce infiltration and inflow of stormwater into sanitary sewers, which can cause basement backups.

Storm and sanitary sewer, drainage, and flood mitigation projects can be extremely complex and solutions context sensitive. The city's projects have been prioritized to positively impact the greatest number of ratepayers experiencing flooding. The current project funding and delivery schedule in the proposed CIP will allow the City to make substantial progress in mitigating flooding impacts for the City's residents.

If City Council chose to increase the SWU beyond the proposed 5%, for example by adding an additional 2%, staff would propose directing additional funds into spot and neighborhood scale flooding projects, coupled with additional project management support which may allow the acceleration of additional projects on the mid-term schedule.

To reiterate, staff is currently not in a position where it can easily determine the feasibility of and the cost of accelerating the large capacity projects within the Stormwater 10 Year CIP. Additional research is necessary, and staff will consider that alternative as part of next year's budget.