

# TOWN OF COLONIAL BEACH DRAFT FY2027 BUDGET UPDATE

MARCH 18, 2026



# Water and Sewer Funds

## Steps Taken to Make Budget Cuts

- After additional research into proposed electrical service rate increases, including review of the SCC case report, we estimate an approximate 15% rate increase. This updated analysis resulted in a significant reduction to the original draft budget for this line item.
- We also performed a detailed review of each line item and prior-year actual expenditures, identified additional reductions, and incorporated them into the draft budget.

# Water Fund – Additional Budget Cuts Made

<u>Line Item</u>	<u>Reduction Amount</u>
Repairs & Maintenance	5,000.00
Maintenance Service Contracts	10,000.00
Electrical Services	16,740.00
Rental Equipment	1,638.00
Licenses	11,016.00
Contingency	5,788.68
Replacement Equipment	2,000.00
Total Reduction to Draft Budget	52,182.68

# Sewer Fund – Additional Budget Cuts Made

<u>Line Item</u>	<u>Reduction Amount</u>
Sewer Department	
Electrical Services	8,897.00
Contingency	6,400.00
Vehicle & Equipment Supplies	250.00
Replacement Equipment	3,340.00
Wastewater Treatment Plant	
Repairs & Maintenance	2,185.00
Repairs & Maintenance Vehicles	3,300.00
Electrical Services	110,050.00
Contingency	15,000.00
Sludge Disposal	20,000.00
Total Reduction to Draft Budget	169,422.00

# WATER & SEWER AMENDED RATES

## Water Usage Rate

- The Draft FY2027 Budget includes a 1.8% increase in the Water Service Rate.
- This will increase the quarterly water amount by \$1.96, which equals \$0.65 a month.

## Sewer Usage Rate

- The Draft FY2027 Budget includes an 8.5% increase in the Sewer Service Rate.
- This will increase the quarterly sewer amount by \$21.44, which equals \$7.15 a month.

# Impact of the DEQ Consent Order Mandate

- The DEQ consent order states, "Colonial Beach shall raise sufficient revenue to the limit of its financial capability to ensure timely completion of the corrective action requirements identified in this Order and SOC. Further, Colonial Beach shall raise sufficient revenue to the limit of its financial capability to ensure adequate and continued operation and maintenance of the Facility in compliance with regulatory requirements".
- This means the Town must raise as much revenue as it reasonably can to fix the required issues on time and to keep the facility running properly and in compliance with regulations.

# WWTP ELECTRICAL USAGE INFORMATION

MARCH 18, 2026



# WWTP Electrical Usage (July – December 2025)

Month	Meter 1	Meter 2	Total kWh
July	104,721	137,509	242,230
August	114,148	142,268	256,416
September	93,815	142,263	236,078
October	70,306	139,381	209,687
November	54,693	178,201	232,894
December	63,049	185,525	248,574

6-Month Total Usage: 1,425,879 kWh



# Dominion Rate Increase – Regulatory Basis

## SCC Case PUR-2025-00058 (Biennial Review – Base Rates)

- 2026: +\$11.24 per 1,000 kWh
- 2027: +\$2.36 per 1,000 kWh
- Total: +\$13.60 per 1,000 kWh

## SCC Case PUR-2025-00059 (Fuel Factor Adjustment)

- Separate annual fuel proceeding
- Driven by fuel & wholesale power costs

## Combined Impact:

- Base rates + fuel adjustments applied together



# WWTP & Sewer Financial Impact

Current Monthly Cost: \$25,500

Estimated Increase: \$2,300 – \$3,800/month

High usage (~200K–250KkWh/month)

Amplifies all rate increases

Multiple riders apply (fuel, transmission, environmental)

Recommended: 15% budget increase

Provides safety margin for volatility



# SCHOOL FUNDING INFORMATION

MARCH 18, 2026



# School Funding Breakdown

## AVERAGE DAILY MEMBERSHIP (ADM)

540 Students

## FY27 REQUIRED FUNDING AMOUNT

\$3,052,837.00 – Included in the TM Draft Budget

## FY26 REQUIRED FUNDING AMOUNT

\$3,317,998.00

## YEAR OVER YEAR DIFFERENCE

\$265,161.00