



Office of the Town Manager

Frank Cassidy

STAFF REPORT

Warrenton Town Council

Carter Nevill, Mayor

Heather Sutphin, Ward 1

William Semple, Ward 2

Brett Hamby, Ward 3

James Hartman, Ward 4 Vice Mayor

Jay Heroux, Ward 5

Paul Mooney, At Large

David McGuire, At Large

Council Meeting Date:	May 9 th , 2023
Agenda Title:	NewGen & Davenport Presentation Water and Rate Study
Requested Action:	Receive the information in preparation for the Fiscal Year 2024 water and sewer rates.
Department / Agency Lead:	Finance / Budget
Staff Lead:	Stephanie Miller

EXECUTIVE SUMMARY

In 2021, the Town engaged the services of NewGen Strategies & Solutions to complete an updated Water and Sewer rate study model. The first year of those rates were included in the Fiscal Year 2023 budget. Due to several major changes in projected capital expenditures for the Water and Sewer system, Town staff requested a smaller update to the model based on the new factors. NewGen has worked in conjunction with the Town's financial advisors, Davenport & Company, to balance rate increases with proposed debt issuances to meet the Town's fiscal policies (notably, the debt service coverage ratio and cash balance policies). NewGen and Davenport will present the results of this updated Water and Rate Study at the morning work session on May 9th.

The Fiscal Year 2024 Proposed Budget included a projected increase that will vary from the rates discussed during this presentation. The rates included in the rate study results to be presented will be advertised for public hearing at the June Council meeting.

STAFF RECOMMENDATION

NewGen and Davenport will present the results of the rate study to Council for consideration. The proposed rates would go into effect on July 1, 2023 and will need to be advertised for public hearing.

Service Level/Policy Impact

An adjustment to the proposed rates is necessary to complete the capital improvement projects outlined in the 2024-2029 Capital Improvement Program.

Fiscal Impact

The updated rate study will provide a schedule for proposed rate increases over the next several years to provide funding for capital improvements.

Legal Impact

In accordance with Code of Virginia Section 15.2-107, *Advertisement and enactment of certain fees and levies*, a public hearing must be held on the proposed rates.