



Office of the Town Manager
Frank Cassidy

Warrenton Town Council

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David McGuire, At Large

STAFF REPORT

Council Meeting Date:	January 14, 2025
Agenda Title:	Water & Sewer Operating Fund Financial Overview
Requested Action:	For information only
Department / Agency Lead:	Finance Department
Staff Lead:	Brooke Campbell, Budget Manager

EXECUTIVE SUMMARY

The Town's Water & Sewer Operating Fund, which includes all revenues and expenses for the production and distribution of drinking water, and collection and disposal of sewage in Warrenton and certain areas surrounding the Town, is an enterprise fund. The fund captures the cost to operate five (5) departments, and their staff, as follows:

- Meter reading- One (1) full-time staff.
- Water treatment- Seven (7) full-time staff and one (1) part-time staff.
- Transmission and distribution - Eight (8) full-time staff.
- Wastewater treatment - Eleven (11) full-time staff and one (1) part-time staff.
- Administration - Two (2) full-time staff allocated 100% and partial allocations of various Town staff according to the level of service provided.

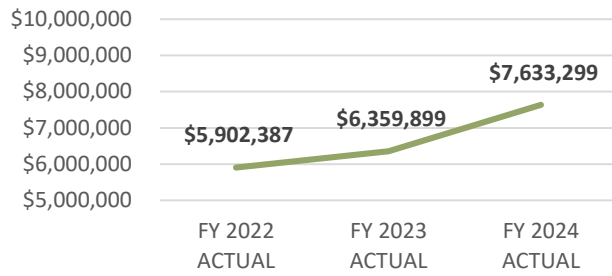
BACKGROUND

The below tables and charts provide a financial summary of the Water & Sewer Operating Fund.

Revenue

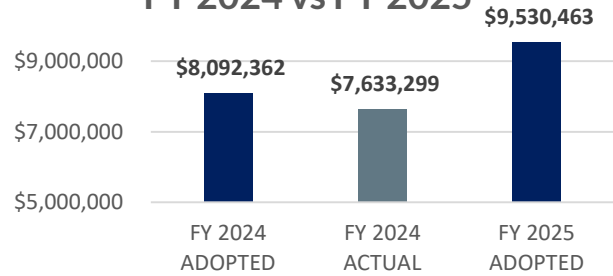
ACCOUNT NAME	FY 2022 ACTUAL	FY 2023 ACTUAL	FY 2024 ADOPTED	FY 2024 ACTUAL	FY 2025 ADOPTED
PERMITS & FEES	10,200	8,625	13,005	8,475	8,250
USE OF MONEY/PROPERTY	256,784	371,805	135,000	421,990	393,240
CHARGES FOR SERVICES	5,527,377	5,914,378	7,718,766	7,153,716	9,081,973
MISCELLANEOUS REVENUE	85,019	65,091	55,000	49,118	47,000
FEDERAL REVENUE	23,007	-	-	-	-
USE OF FUND BALANCE	-	-	170,591	-	-
	\$ 5,902,387	\$ 6,359,899	\$ 8,092,362	\$ 7,633,299	\$ 9,530,463

Actual Revenue Trend



In FY 2023, revenue increased 7.8% or \$457,512 over FY 2022. FY 2024 revenues increased 20.0% or \$1,273,400 over FY 2023. Rate increases were 9.3% in FY 2023 and 25% in FY 2024.

Revenue FY 2024 vs FY 2025

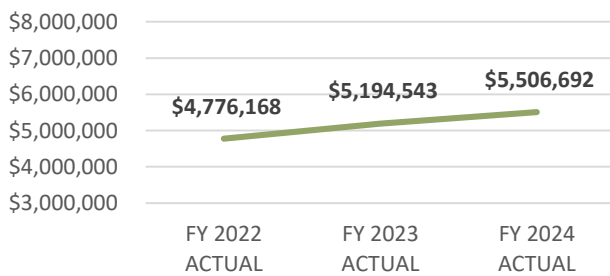


In FY 2024, the total projected revenue for the Water & Sewer Fund was \$8,092,362. FY 2024 revenue totaled \$7,633,299. The FY 2025 budget included a 23% rate increase, resulting in projected revenue for the Fund is \$9,530,463.

Expense

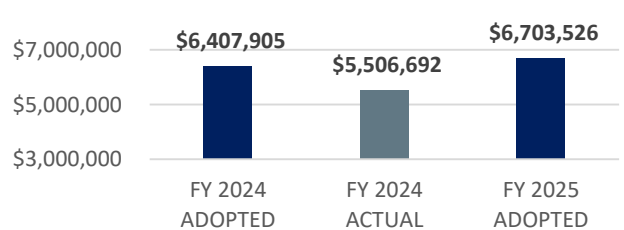
DEPARTMENT NAME	FY 2022 ACTUAL	FY 2023 ACTUAL	FY 2024 ADOPTED	FY 2024 ACTUAL	FY 2025 ADOPTED
METER READING	162,769	251,444	263,666	189,848	290,598
WATER TREATMENT PLANT	1,074,607	1,150,929	1,411,414	1,183,974	1,595,441
TRANSMISSION AND DISTRIBUTION	661,796	782,025	815,716	816,665	921,498
WASTEWATER PLANT OPERATION	2,036,536	2,098,194	2,437,456	2,135,408	2,585,230
WATER/SEWER ADMINISTRATION	840,460	911,951	1,479,653	1,180,797	1,310,759
TOTAL	\$ 4,776,168	\$ 5,194,543	\$ 6,407,905	\$ 5,506,692	\$ 6,703,526

Actual Expense Trend



In FY 2023, expenses increased 8.8% or \$418,375 over FY 2022. FY 2024 expenses increased 6.0% or \$312,149 over FY 2023.

Expense FY 2024 vs FY 2025



In FY 2024, the total adopted budget for the Water & Sewer Fund operating departments was \$6,407,905. FY 2024 expenses totaled \$5,506,692. The FY 2025 adopted budget for the departments is \$6,703,526.

Debt Service

	FY 2022 ACTUAL	FY 2023 ACTUAL	FY 2024 ADOPTED	FY 2024 ACTUAL	FY 2025 ADOPTED
DEBT	438,089	485,770	1,193,627	385,196	1,195,999
TOTAL	\$ 438,089	\$ 485,770	\$ 1,193,627	\$ 385,196	\$ 1,195,999

Due to the treatment of debt under the full accrual accounting method required for enterprise funds, actual figures represent only the interest portion of debt payments, while the adopted figures reflect both the interest and principal portions of the payment.

Transfers

	FY 2022 ACTUAL	FY 2023 ACTUAL	FY 2024 ADOPTED	FY 2024 ACTUAL	FY 2025 ADOPTED
TRANSFER TO GENERAL FUND	-	-	490,830	490,830	366,581
TRANSFER TO W&S CAPITAL FUND	688,131	-	-	1,357,126	1,264,357
TOTAL	\$ 688,131	\$ -	\$ 490,830	\$ 1,847,956	\$ 1,630,938

The transfer to the General Fund represents the total that the Water & Sewer Operating Fund is remitting to the General Fund for the services provided by the information technology and fleet departments since there is no longer an allocation of these expenses as of FY 2024. This amount is net of the cost of water and sewer services provided to General Fund facilities.

The transfer to Water & Sewer Capital Fund represents the surplus of revenue over operating expenses in the Water & Sewer Operating Fund. This surplus is transferred to the Water & Sewer Capital Project Fund for the cash funding of critical capital projects at the water and wastewater treatment plants. Such transfers reduce the need for debt funding.

STAFF RECOMMENDATION

ATTACHMENTS

None.