Town Council Regular Meeting
Agenda Item 5.c.ii.

Agenda Item: **Ordinance 26-O-09 to amend Chapter 74 (UTILITIES), Article II (Sewers and Sewage Disposal), Division 5 (Sanitary Sewer System Rates & Charges), Section 74-262 (Schedule of Rates); and Article III (Water), Division 2 (Service), Subdivision II (In-Town Service Charges), Section 74-326 (Schedule of Charges), to increase the service and usage charges for sanitary sewer and water**

Meeting Date: April 28, 2026

Category: Public Hearings

Prepared by: Dan Hoffman, Town Manager, Marjorie Sloan, Finance Director

Description:
In support of the Fiscal Year (FY) 2027 budget, this ordinance will set Water and Sewer Services rates for FY 2027.

Background/Timing Impact:
As part of the FY 2027 budget process, the water and sewer rates model was updated, resulting in the proposed Water and Sewer Services rates for FY 2027. Increased rates are critical to meet the operating and investment needs of the water and sewer system over the next six years. The FY 2027 rates are increased from the current rates as follows:

Water Quarterly Service Charge	30%
Water volumetric rates, Base and Peak	17.5%
Sewer Quarterly Service Charge	25%
Sewer Volumetric Rates	8%

With adoption of these rates, the average household (based on 12,000 gal/Qtr.) would be impacted $119.20 annually ($65.80 Water and $53.40 Sewer Services). The town's Water and Sewer Services rates remain the lowest in the region. The notices for public hearing were duly advertised in the Fairfax County Times Newspapers on March 27, April 3 and April 10, 2026.

Timing Impact
Impacts of the adopted budget and associated rate increases begin with the start of the next fiscal year on July 1, 2026.

Strategic Focus Area:
Strong Fiscal Stewardship

Fiscal Impact:
The Water and Sewer Services rates increases are expected to result in incremental revenue of $1.4M for the Water and Sewer Fund.

Legal Impact:
Changes to Water and Sewer Services rates require an ordinance updating the specific rates defined in the Town Code.

Staff Recommendation/Next Steps:
Staff recommends adoption of the proposed ordinance.

Attachments:
1. FY 2027 Budget Water and Sewer Ordinance (Proposed)