TOWN OF Herndon VIRGINIA

Town Council Work Session
Agenda Item 2.a.

Agenda Item: **Water and Sewer Fund Capital Planning and Rates Update Presentation by Davenport and Company**

Meeting Date: February 18, 2025

Category: Discussion

Prepared by: Marjorie Sloan, Finance Director

Description:
This is a presentation on the Water and Sewer Fund Capital Planning and Rates by Davenport and Company LLC.

Background:
We have requested Davenport to provide updated information related to the town's Water and Sewer Fund capital planning, financial and cash flow forecast and proposed rates required to support the necessary capital investments in the systems. This information contributes to the overall review of the Water and Sewer Fund budget and the capital planning described in the Capital Investment Plan scheduled for adoption in April 2025.

Related Strategic Plan Goal:
Strong Fiscal Stewardship: Goal 2, Conduct forward- looking and multi-year planning and analysis; Objective 2.2, Ensure enterprise funds are operating with adequate fee structures and net positions.

Timing Impact:
Detailed information on the Water and Sewer service rates expected for fiscal year 2026 will be provided in the proposed budget submission, with discussions to follow in March and April.

Strategic Focus Area:



Strong Fiscal Stewardship

Fiscal Impact:
No immediate impact. There will likely be a proposed rate change for the Water and Sewer Services with the proposed FY 2026 Budget. This presentation provides detail context and background to help prepare for discussions in March on proposed rate changes and potential impacts to residents and revenue for the Water and Sewer Fund.

The Water and Sewer Systems require necessary and ongoing capital investment to continue to provide these fundamental, critical and expected services to town residents and businesses.

Legal Impact:
No immediate impact. Rate changes are implemented via Ordinance of the Town Council. A proposed ordinance for Water and Sewer Service rates is expected April 2025.

Staff Recommendation/Next Steps:
No staff recommendation required with this agenda item.

Attachments:
PowerPoint