



Fauquier County Water & Sanitation Authority

PUBLIC HEARING

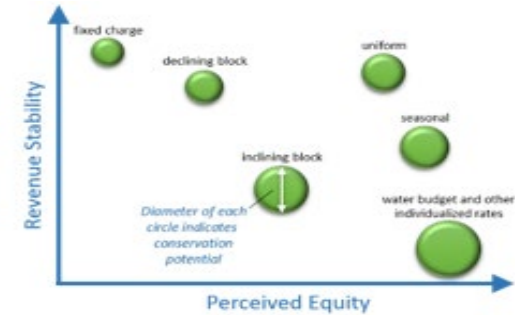
MAY 26, 2026

Public Hearing

Adopting a
Schedule of Rates,
Fees, and Other
Charges

Rate Study Process

- ▶ Sep 18, 2025 Board retained Stantec Consulting Services for Rate Study
- ▶ April 28, 2026 Board adopts Preliminary Schedule of Rates, Fees, and Other Charges
- ▶ May 6, 2026 First Required Legal Notice in Fauquier Times
- ▶ May 13, 2026 Second Required Legal Notice in Fauquier Times
- ▶ Also direct mail to all customers, filed with Clerk of Circuit Court, notifications to Fauquier County, Town of Remington, and Town of The Plains, and presentation to FC BOS



Financial Plan / Revenue Sufficiency

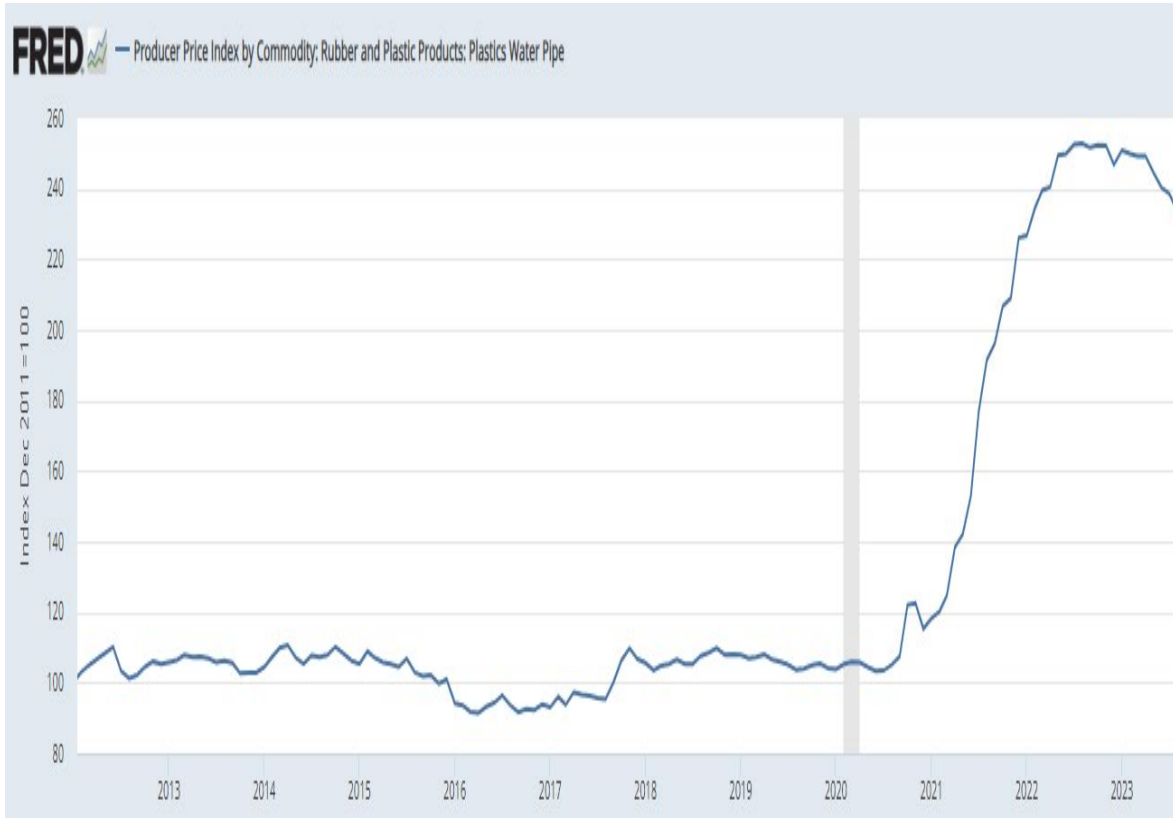
- Operating Costs
- Capital Costs
- Revenue Adjustments
- Financial Policies
 - Debt Coverage
 - Reserves

Cost of Service

- Evaluate Available Data
- Establish Classes
- Identify Methodology
- Compare Results to Current Revenue

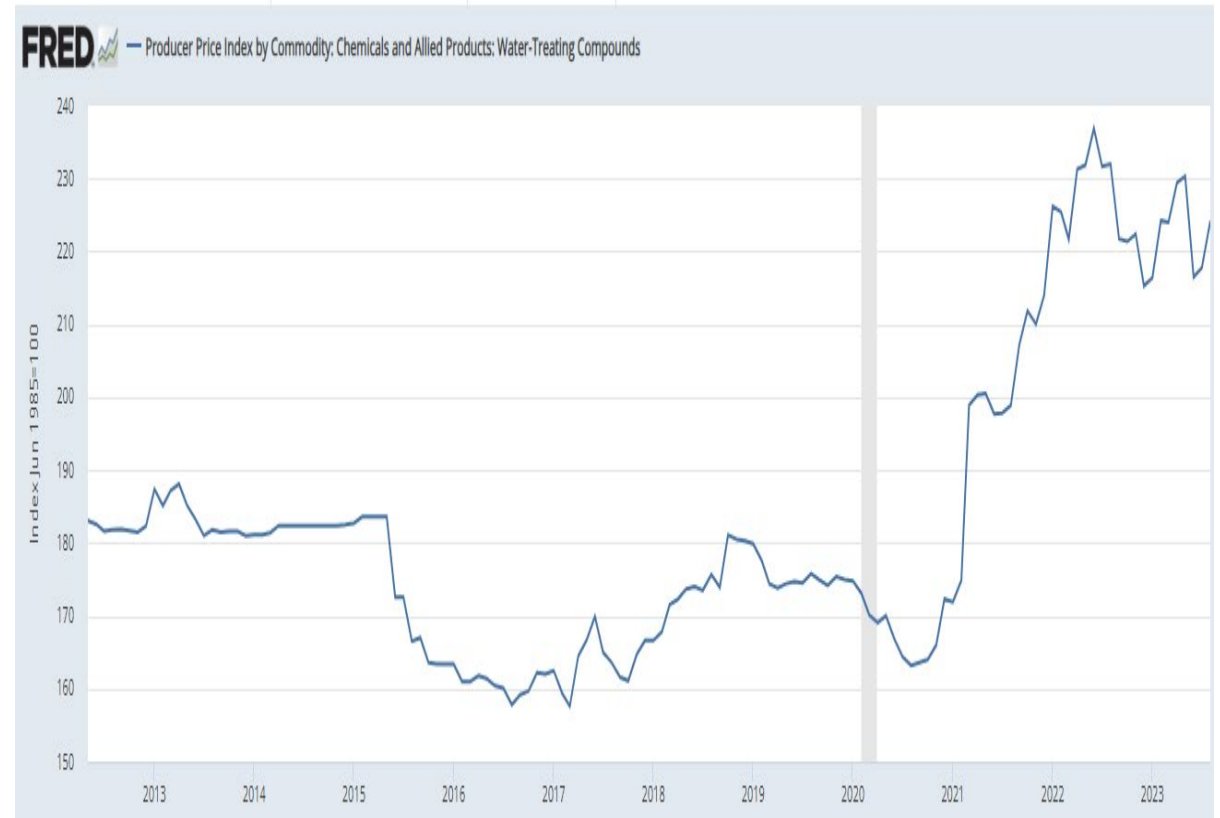
Rate Design

- Evaluate Objectives
- Identify Structures
- Set Parameters
- Customer Impacts



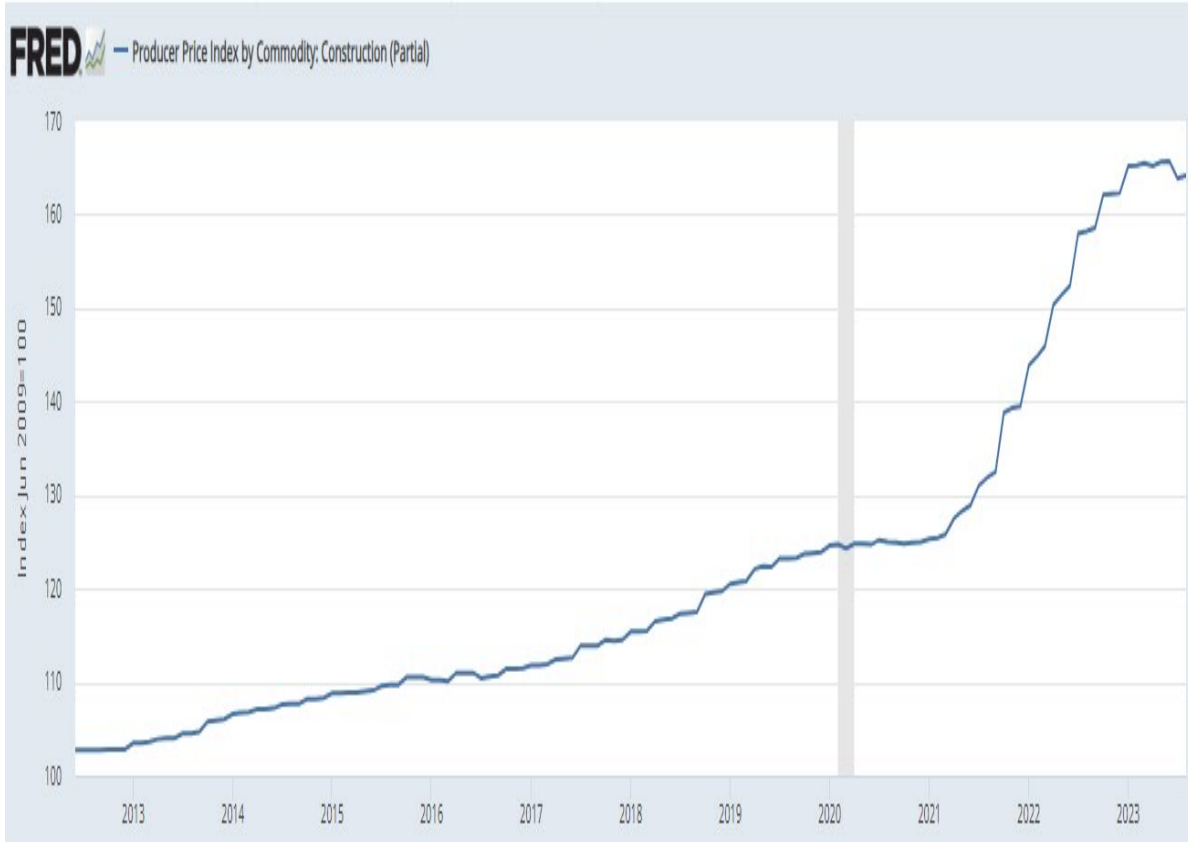
National Commodity Index – Plastic Water Pipe

- Up 132% from Jan 2020 to June 2023

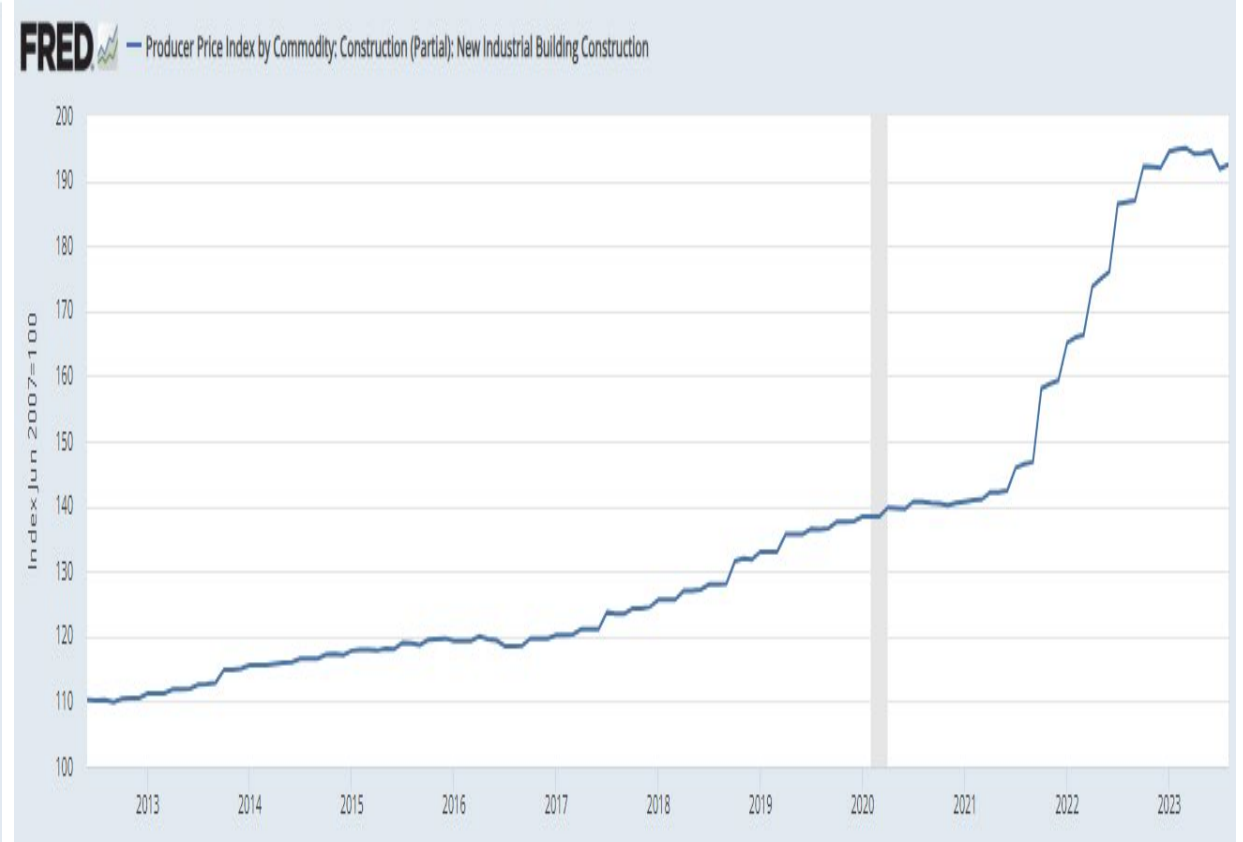


National Water Treatment Chemical Index

- Up 31% from Jan 2020 to June 2023

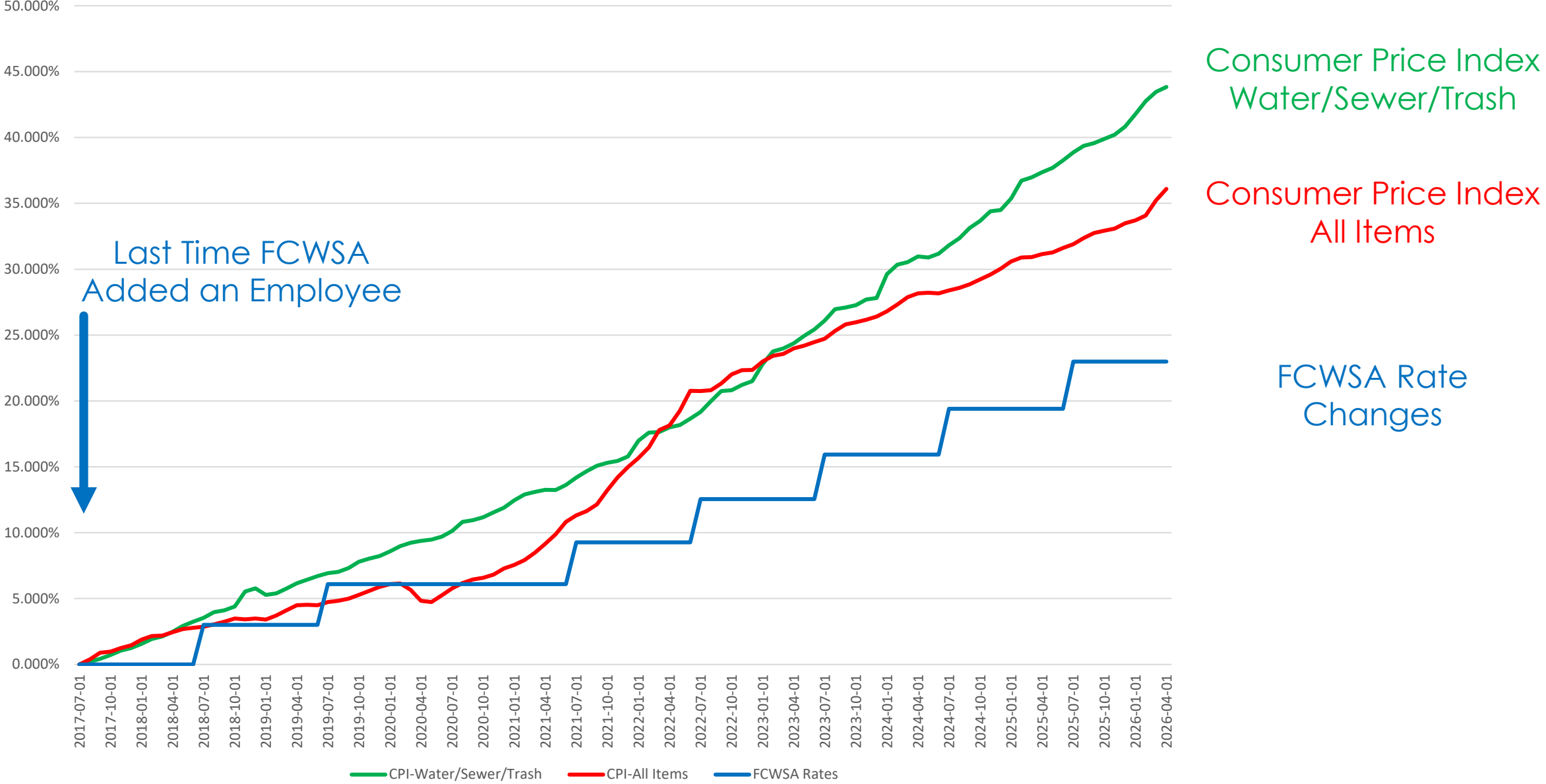


General Construction - Up 33% from 2020 to 2023



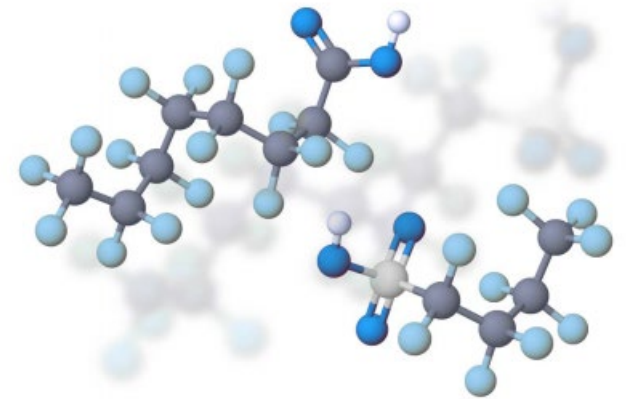
Industrial Construction - Up 40% from 2020 to 2023

Historical Financial Information



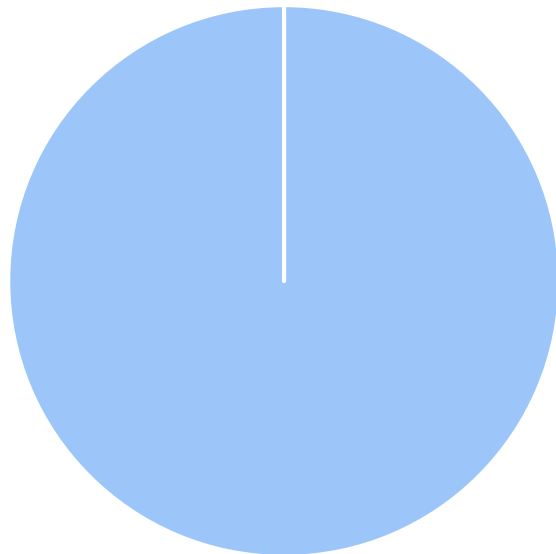
System Updates

- ▶ Botha Waterworks transferred to FCWSA
- ▶ Vint Hill Waterworks transferred to FCWSA
- ▶ PFAS
 - ▶ “Forever Chemicals” manufactured since 1940s
 - ▶ EPA requires certain PFAS reductions in drinking water by 2031
 - ▶ Nationwide efforts to test and treat (ion exchange, carbon filtration, reverse osmosis, etc.)



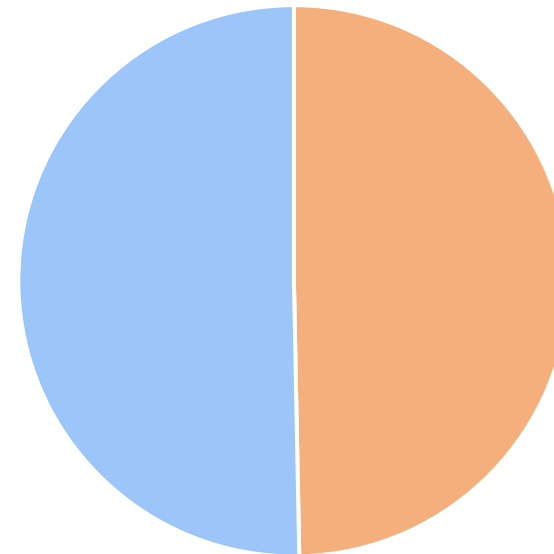
PFAS Implications

Water Capacity = 3.6 MGD
2024



■ Meets 2024 PMCLs

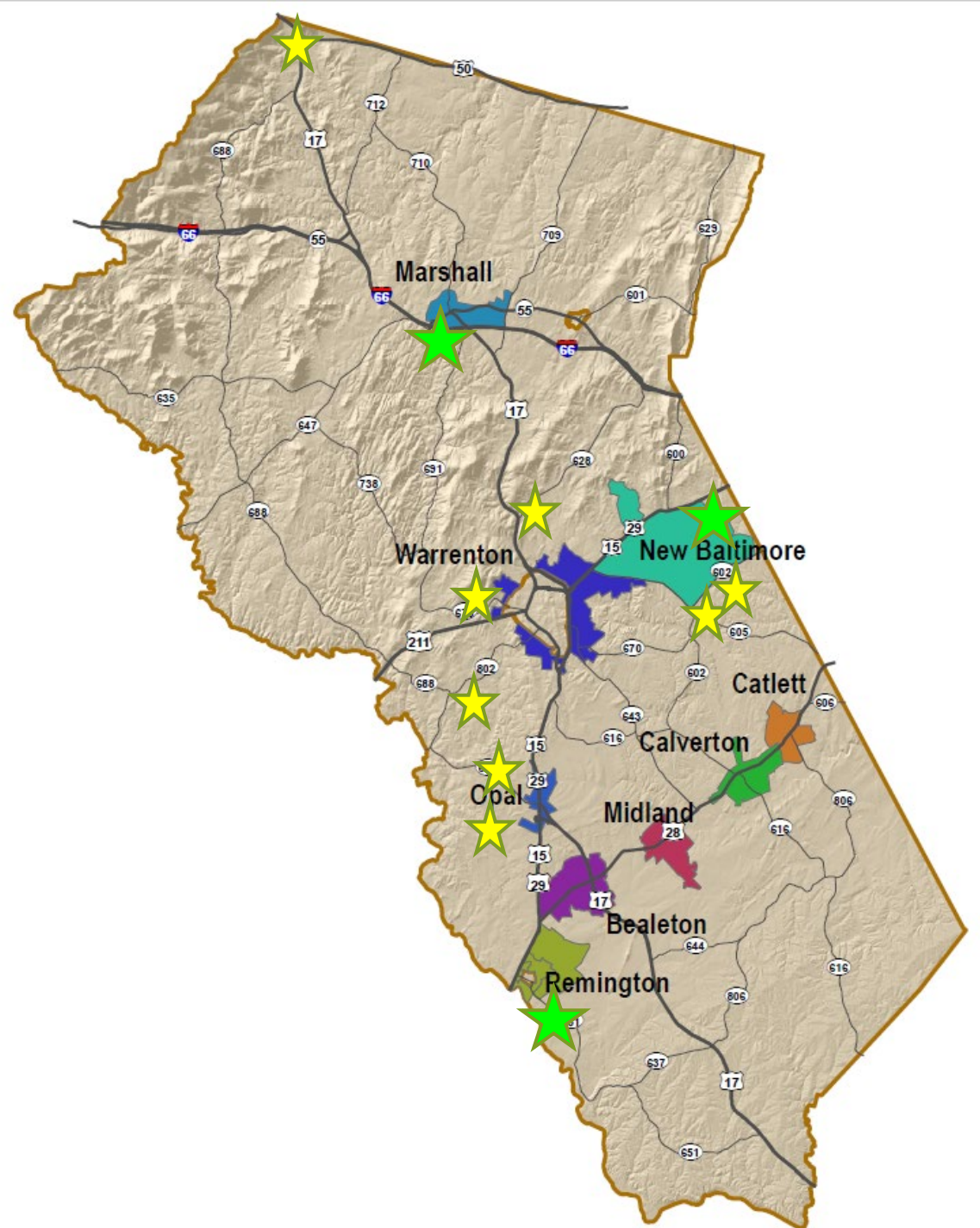
Water Capacity = 3.6 MGD
2029



■ Requires Additional Treatment
■ Meets 2029 PMCLs

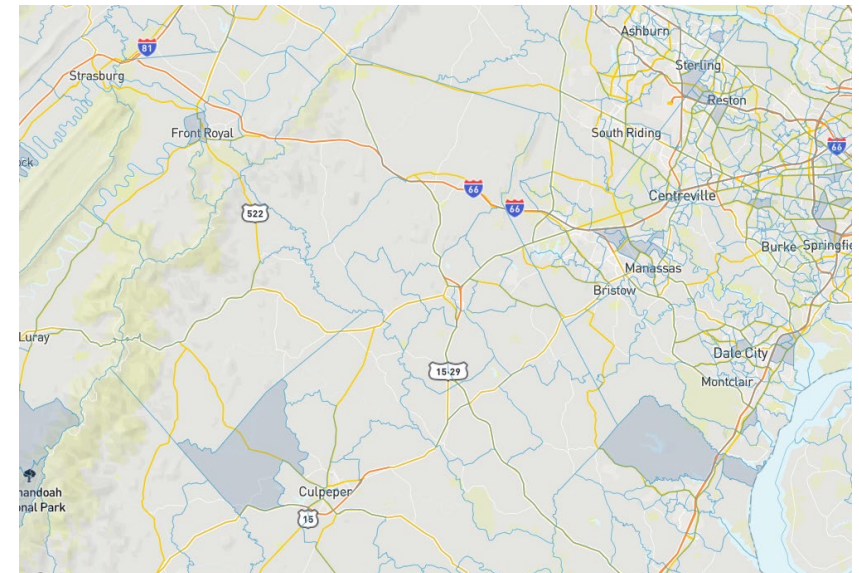


System	Connections	Wells	Wells Above 2029 MCL
New Baltimore	3,338	17	7
Bealeton	1,502	5	4
Marshall	659	6	3
Opal	173	3	0
The Meadows	202	2	0
Town of The Plains	155	2	0
Bethel Academy	128	2	1
Green Meadows	98	2	0
Waterloo Estates	79	3	3
Catlett	74	2	0
Turnbull	40	1	0
Paris	37	2	0
Auburn Crossing	32	1	0
Whitewood Forest	20	1	0
Botha	16	1	1



External Funding

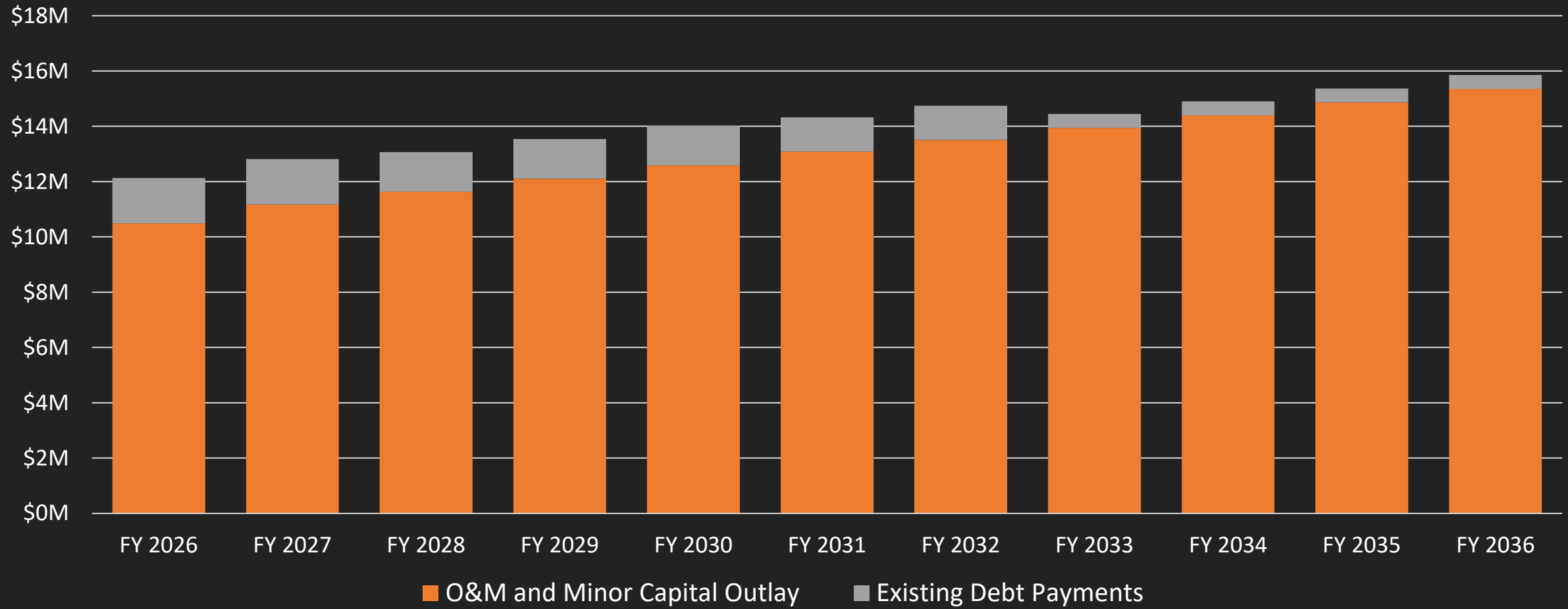
- ▶ FCWSA typically doesn't qualify for state/federal grants due to demographics
 - ▶ Fauquier has no listed Environmental Justice Communities in screening tool
 - ▶ FCWSA user rates are below VDH's Target User Rate
 - ▶ PFAS – emerging contaminants qualifies
- ▶ FCWSA initial offers received (\$37.4M)
 - ▶ Actively using Planning/Design from FY2024 BIL \$5.8M
 - ▶ Tentatively offered from FY2025 BIL \$5.1M
 - ▶ Tentatively offered from FY2025 GA \$6.7M
 - ▶ Tentatively offered from FY2026 EC-SDC \$19.6M



- Sufficient Reserve Levels
 - ✓ Maintain a minimum of 270 days cash on hand
- Structural Balance of Revenues to Expenditures
- Ratio of net income to debt payments (debt service coverage)
 - ✓ Minimum = 1.50 times annual payment requirements
 - ✓ Alternative = 1.75 times annual payment requirements if including availability fee revenues



Operating and Maintenance (O&M) and Existing Debt

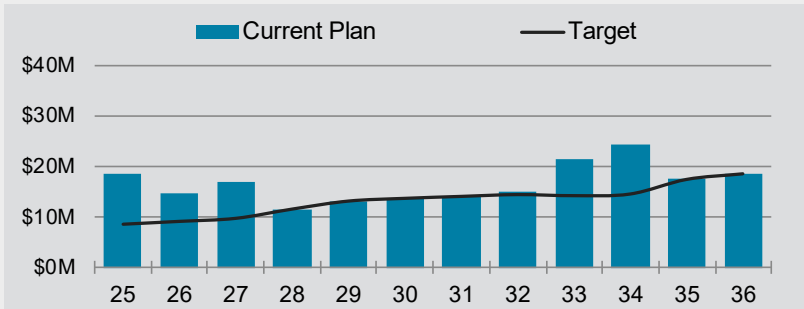




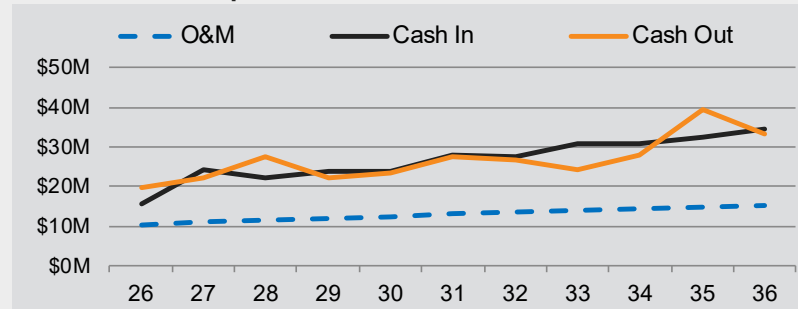
Recommended Rate Increases

	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035	FY 2036	FY 2031	FY 2036
Water Rate Plan		9.00%	9.00%	9.00%	9.00%	9.00%	5.00%	5.00%	5.00%	5.00%	5.00%	53.81%	96.29%
Sewer Rate Plan		9.00%	9.00%	9.00%	9.00%	9.00%	5.00%	5.00%	5.00%	5.00%	5.00%	53.87%	96.34%
Senior-Lien DSC	2.29	6.25	2.51	2.88	3.48	4.14	4.49	7.21	7.90	2.74	2.52	Scenario Manager	
Total Single Family Bill	\$202.50	\$220.70	\$240.58	\$262.20	\$285.82	\$311.50	\$327.11	\$343.44	\$360.60	\$378.61	\$397.51	Total Subordinate Borrowing	61,497,430
Days Cash on Hand	445	477	270	270	270	270	280	406	450	270	270	Total Senior Borrowing	78,465,259
Residential Indicator	1.88%	1.99%	2.10%	2.22%	2.35%	2.49%	2.54%	2.59%	2.64%	2.69%	2.74%	Total Borrowing of \$140M	

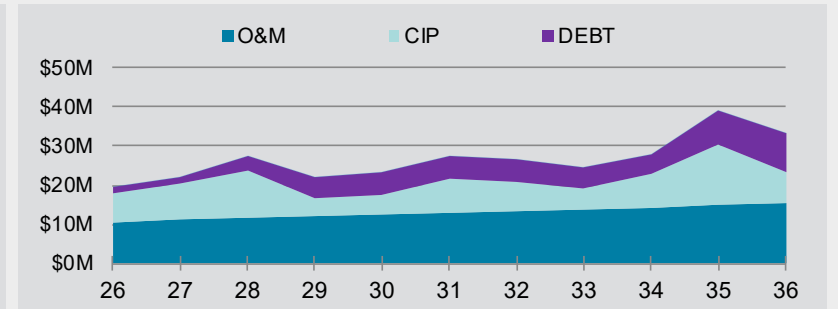
Operating Fund



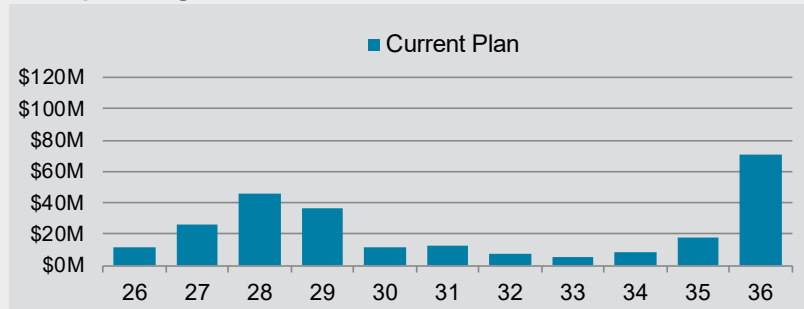
Revenues vs. Expenses



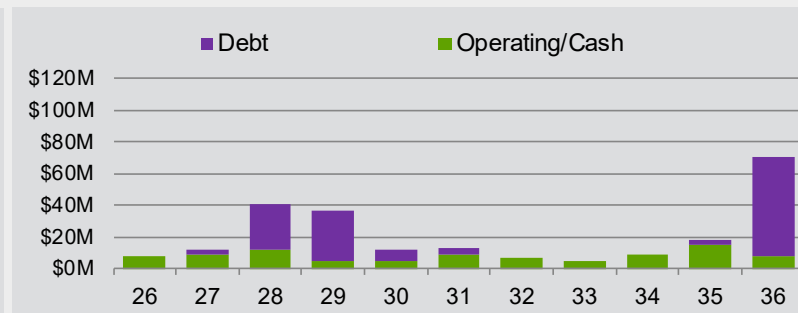
Expenses by Type



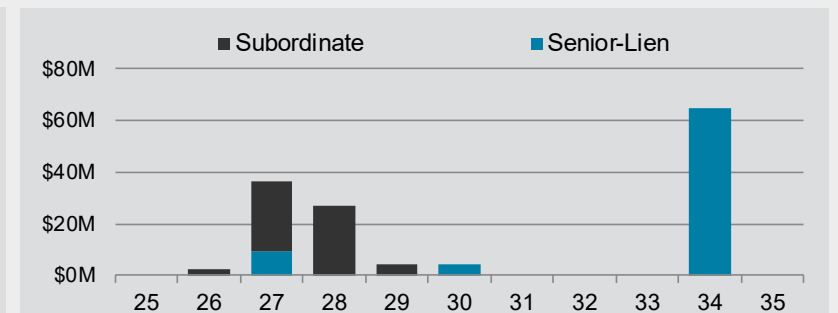
CIP Spending



CIP Funding



Borrowing





- Current water and sewer revenues are not sufficient to fund future needs of the water and sewer systems
- Revenue increases will be required in the coming years
- Key driver for level of revenue increases is amount of capital investment in the water and sewer systems
- Revenue adjustments of approximately 9% annually in FY 2027 - FY 2031 and 5% in FY 2032 – FY 2036 will be sufficient to meet the financial policy targets



Water Tier Design: Tier 1 - Efficient Single-Family Use



Tier 1 = 3,000 gallons

Monthly Tiers





Water Tier Design: Tier 2 - Large Family Efficient Use



Tier 2 = Additional 3,000 gallons

Monthly Tiers

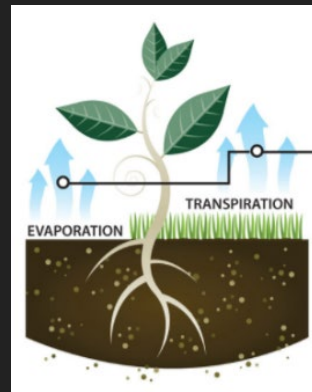




Water Tier Design: Tier 3 - Irrigation Quantity



Parcel Size: 22,300
Landscape Area: 10,250



Evapotranspiration:
23.4 Inches



Beneficial Rainfall:
14 Inches



Irrigation System
Efficiency: 70%

Irrigation Requirement = 12,000 gallons



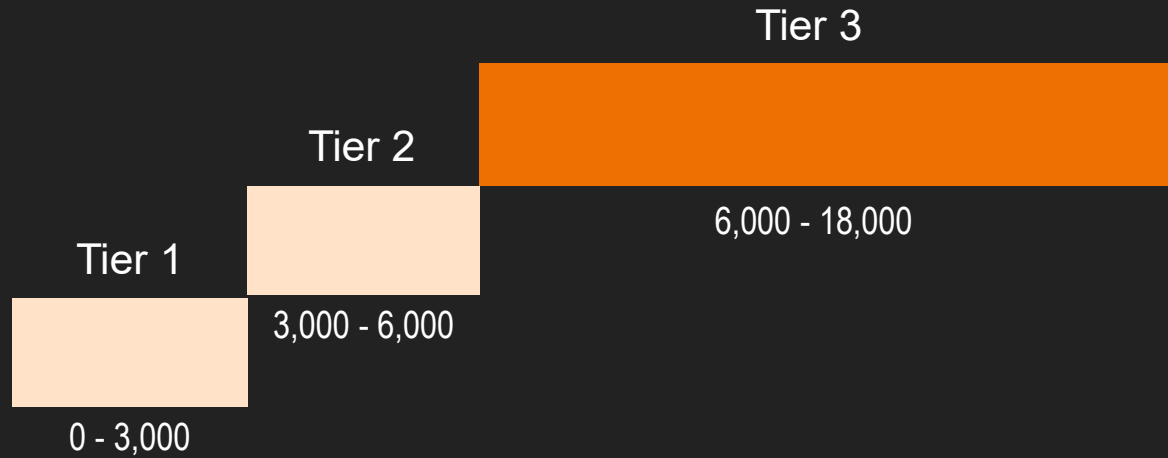
Water Tier Design: Tier 3 - Irrigation Tier



Parcel Size: 22,300
Landscape Area: 10,250



Monthly Tiers

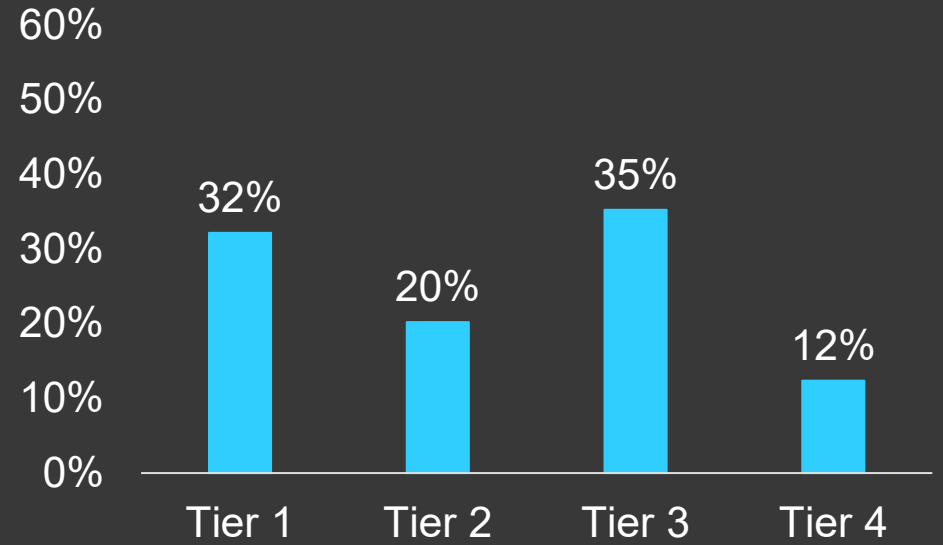
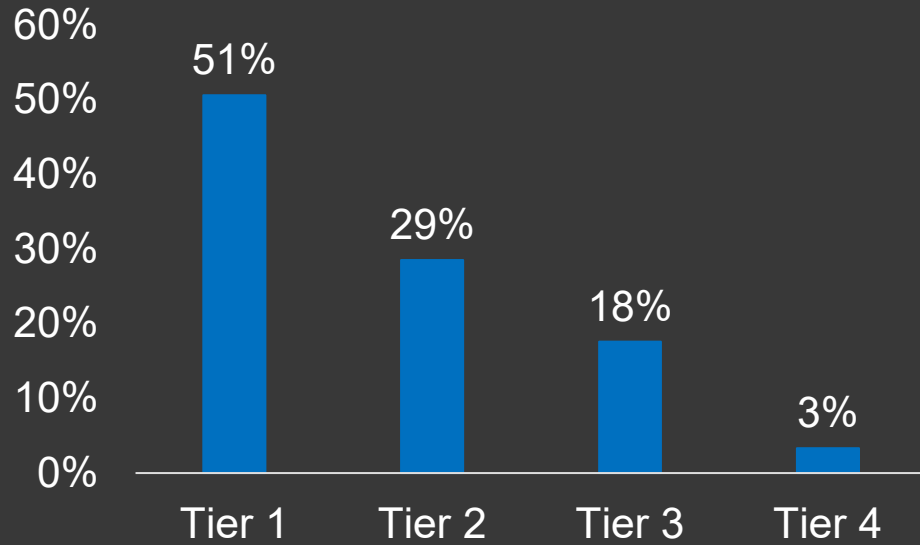


Tier 3 = Additional 12,000 gallons

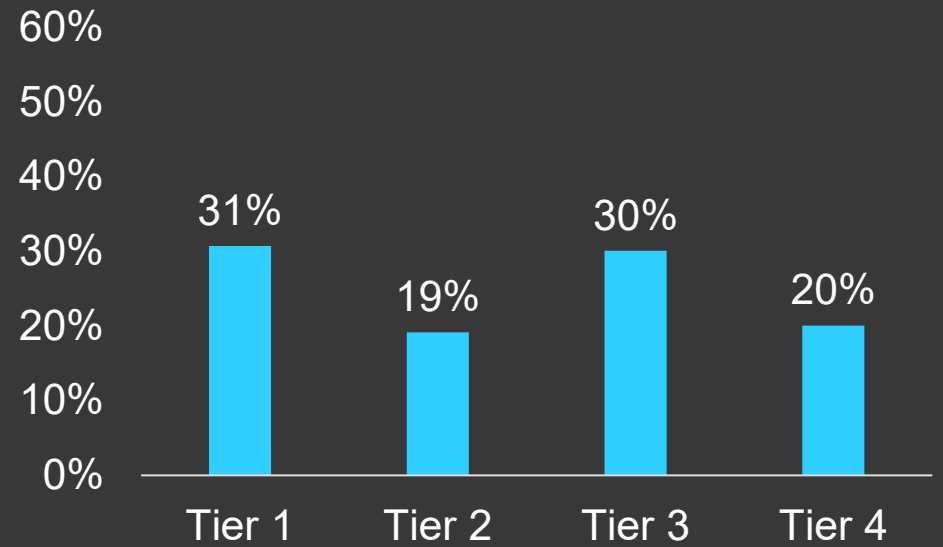
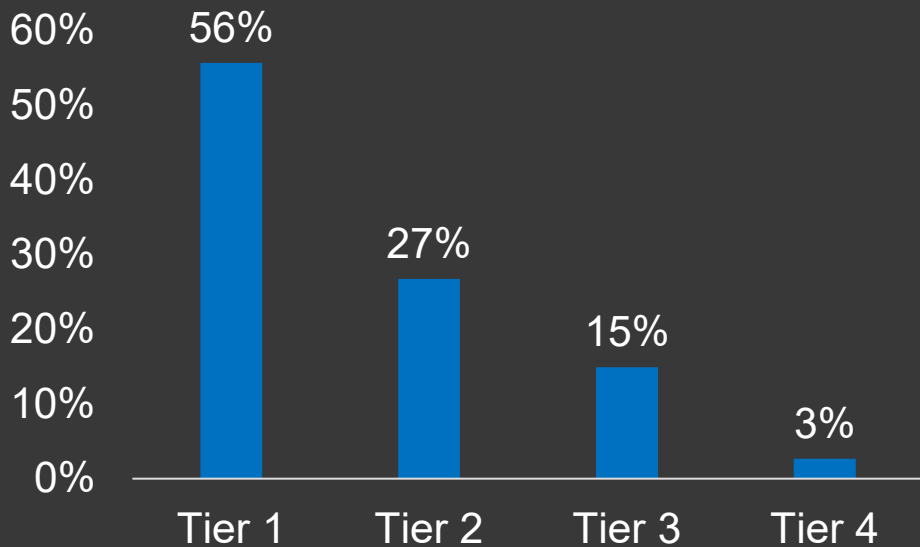
Residential

Commercial

**2022
Estimate**



**2025
Actual**





- Current percentage of revenues from fixed charges is appropriate and in alignment with cost of service
- Water usage rate tiers performing close to anticipated
 - Modest amount more falling in Tier 1 for residential
 - Modest amount more falling in Tier 4 for commercial
- Sewer rates reflect water use that does not return to sewer system during irrigation periods



- Increase water and sewer rates 9% annually for the next five years to account for increased CIP and operating costs
- Maintain current rate structure and tier thresholds for both water and sewer
- Increase availability fees to \$19,750 per EMU for water and \$19,250 per EMU for sewer
- Update miscellaneous fees and charges to reflect cost of service



Recommended Fixed Charges

Water Fixed Charges	Current	FY 27	FY 28	FY 29	FY 30	FY 31
5/8"	\$25.61	\$27.91	\$30.42	\$33.16	\$36.14	\$39.39
3/4"	\$38.43	\$41.89	\$45.66	\$49.77	\$54.25	\$59.13
1"	\$64.04	\$69.80	\$76.08	\$82.93	\$90.39	\$98.53
1.5"	\$128.08	\$139.61	\$152.17	\$165.87	\$180.80	\$197.07
2"	\$204.93	\$223.37	\$243.47	\$265.38	\$289.26	\$315.29
3"	\$448.27	\$488.61	\$532.58	\$580.51	\$632.76	\$689.71
4"	\$768.46	\$837.62	\$913.01	\$995.18	\$1,084.75	\$1,182.38

Sewer Fixed Charges	Current	FY 27	FY 28	FY 29	FY 30	FY 31
5/8"	\$26.77	\$29.18	\$31.81	\$34.67	\$37.79	\$41.19
3/4"	\$40.17	\$43.79	\$47.73	\$52.03	\$56.71	\$61.81
1"	\$66.94	\$72.96	\$79.53	\$86.69	\$94.49	\$102.99
1.5"	\$133.88	\$145.93	\$159.06	\$173.38	\$188.98	\$205.99
2"	\$214.21	\$233.49	\$254.50	\$277.41	\$302.38	\$329.59
3"	\$468.58	\$510.75	\$556.72	\$606.82	\$661.43	\$720.96
4"	\$803.28	\$875.58	\$954.38	\$1,040.27	\$1,133.89	\$1,235.94



Recommended Usage Rates

- Recommend no change to water and sewer rate structure
 - Provides logical basis for tier sizing
 - Provides an allocation of water by meter size
 - Addresses water use that does not return to sewer system during irrigation periods

Proposed Rates	Current	FY 27	FY 28	FY 29	FY 30	FY 31
Water Usage						
Tier 1	\$6.84	\$7.46	\$8.13	\$8.86	\$9.66	\$10.53
Tier 2	\$10.26	\$11.18	\$12.19	\$13.29	\$14.49	\$15.79
Tier 3	\$15.38	\$16.76	\$18.27	\$19.91	\$21.70	\$23.65
Tier 4	\$20.51	\$22.36	\$24.37	\$26.56	\$28.95	\$31.56
Sewer Usage	\$11.92	\$12.99	\$14.16	\$15.43	\$16.82	\$18.33



Recommended Water Availability Fees

	Source / Treatment	Transmission / Distribution	Total
10-Year Expansion Capital Projects*	\$91,675,930	\$19,109,167	\$110,785,097
Added System Capacity - Million Gallons per Day	2.33	2.33	
Level of Service per EMU (gallons per day)	400	400	
Equivalent Meter Units (EMU)	5,826	5,826	
Cost per EMU	\$15,736	\$3,280	\$19,016
Escalation to Adoption Year	4%	4%	
Water System Availability Fee Per EMU (Calculated)	\$16,365	\$3,411	\$19,777
Water System Availability fee Per EMU (Recommended)			\$19,750
Current Water System Availability Fee Per EMU			\$11,120

**PFAS projects are pro-rated based on existing and future EMUs, approximately 47% growth*

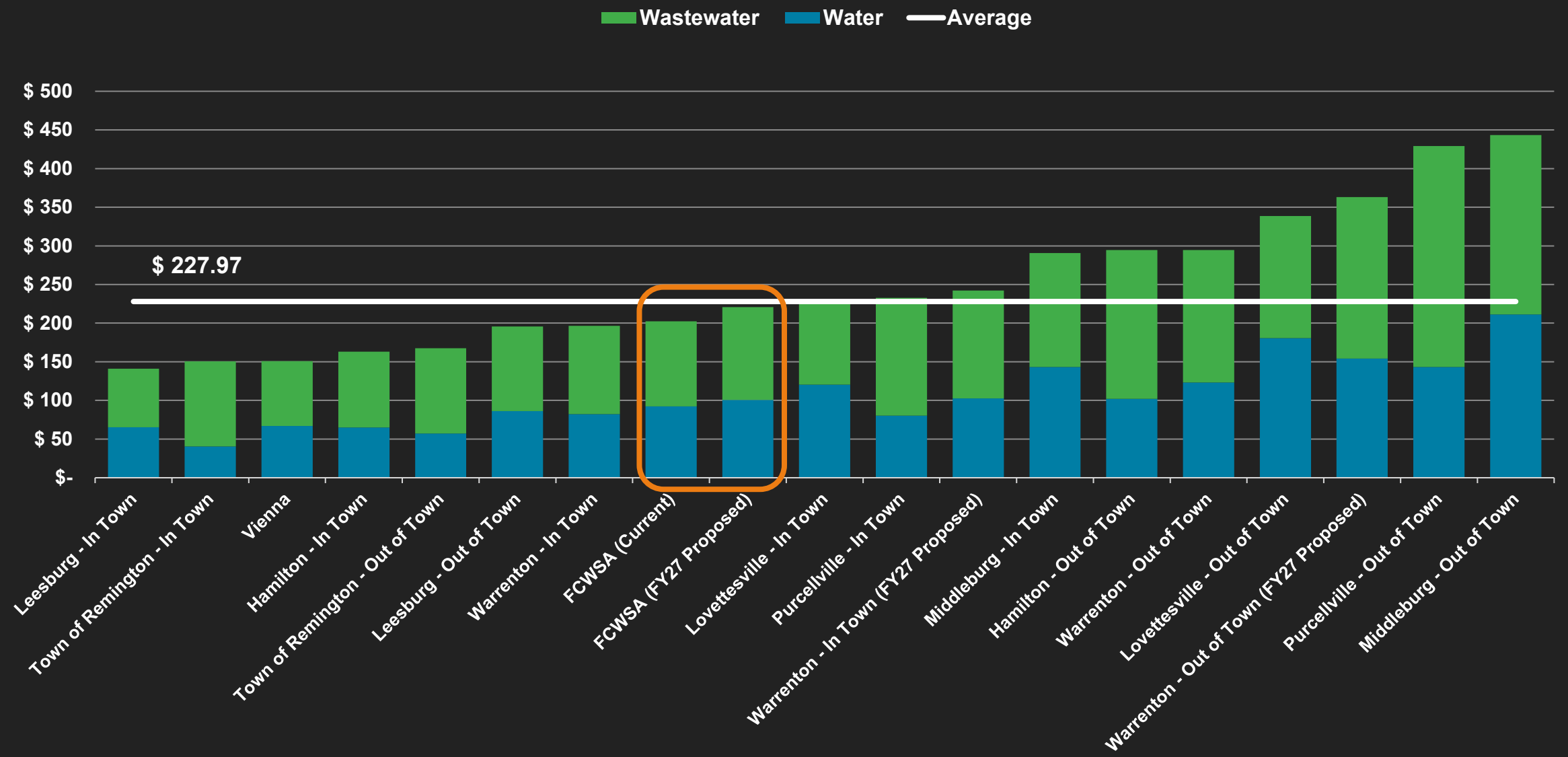


Recommended Sewer Availability Fees

	Treatment	Conveyance / Collection	Total
10-Year Expansion Capital Projects	\$56,180,770	\$2,392,000	\$58,572,770
Added System Capacity - Million Gallons per Day	0.82	0.82	
Level of Service per EMU (gallons per day)	260	260	
Equivalent Meter Units (EMU)	3,154	3,154	
Cost per EMU	\$17,813	\$758	\$18,571
Escalation to Adoption Year	4%	4%	
Sewer System Availability Fee Per EMU (Calculated)	\$18,526	\$788	\$19,314
Sewer System Availability fee Per EMU (Recommended)			\$19,250
Current Sewer System Availability Fee Per EMU			\$14,000



Bill Comparison – Single Family: 5/8" Meter, 7 kgal/month





Bill Comparison – Non-Residential: 1 1/2" Meter, 35 kgal/mo

