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[00:00:02] Mr. Smith, please call the roll. Mayor Davis-Jonger. I'm sorry. Vice Mayor Wolfe. Yes. Council Member Ellis. Here. Council Member Smith. Here. Council Member Osina. Here. Council Member Vasquez-Luna. Council Member Hudson.

[00:00:21] Thank you. Ms. Hudson did text and say that she would be late to the meeting. So thank you everyone for being here tonight. It's good to see everybody. We only have a couple of items on the agenda, so hopefully we can do it fairly quickly. The first item on the agenda is item 1.1.

[00:00:37] consideration of renaming the Manassas Regional Airport is here to help us with that along with airport commission thank you madam mayor good evening members council mr. Burke the item you have before you is consideration of renaming the Manassas Regional Airport the recommendation comes from the Airport commission. In your packet, we put together a memo to council with the background and history

[00:01:12] of the name of the airport, originally the Manassas Municipal Airport, starting back in 1932 and then being changed in 1994 to the Manassas Regional Airport, Harry P. Davis Field.

[00:01:29] We have given in your packet some examples of airports that have changed their name and the context that they changed it. We've also included some legal and regulatory considerations that we received from the city attorney prior to his departure.

[00:01:47] And we've also included in your packet some estimated cost and some letters of recommendation. This actually started with a letter from Chantilly Ayer, one of our two FBOs on the field.

[00:02:06] Actually, we received a letter from their COO, Tim Sullivan, asking for consideration in changing the name. So that was addressed to the Airport Commission. Our chairman, Mr. Hall, put together an ad hoc committee.

[00:02:23] We had a work session. It was open to the public, and we did receive public comments and information. They were allowed to participate in the discussion. What came out of that was a recommendation of three names.

[00:02:40] Those three names are the Washington Manassas Regional Airport, the Washington Manassas Regional Airport, Washington Manassas Airport.

[00:02:56] And we also had the Washington Manassas National Airport as part of the original recommendation. After further research and discussion, we found that the city attorney had some concerns with the use of the word national because there were some trademark implications there.

[00:03:15] We also got feedback from the FAA who also indicated that the use of the word national could cause some confusion in the regional. know obviously we already have an airport region that has the word national in it the chairman did bring up that there was discussions also Washington Manassas Metropolitan Airport although that was discussed it was not one of the top three but considering the Washington Manassas National Airport would not be recommended we've added that to the memo that you have in front of you so

[00:03:55] those are the recommendations the information that we provided basically this would help in marketing the airport it would help when you have airline service I'll be honest with you the airlines are going to use the term Washington anyway when they you know start selling tickets it's going to be your destination will be Washington hyphenated manassas in most cases which is what they typically do to make sure that they're capturing you know the largest geographic area and people understand where they're actually going

[00:04:31] so with that I have I stand ready to add well if I would ask that mr. Bob Sweeney who our chairman was not able to make it mr. Hall asked if mr. Sweeney actually say a few things about the process that the Commission went through to come up with this recommendation.

[00:04:52] So thank you, Madam Mayor. I wrote a five-minute speech or 10-minute speech, but Juan Rivera just said all the things I was going to say. So I think we're good.

[00:05:08] I do have one thing to add, and that is I've had the opportunity to talk to AvPorts, the incoming operator. They're super supportive of the idea of knowing that it's fully up to you all to make this decision um but they do love the idea of washington manassas airport or washington manassas regional they liked all three of our suggestions or washington manassas metropolitan so they are supportive of this which is good i think marty noe is representing airports today

[00:05:40] here um and um and so i would also like to recognize we have several of our commissioners here and two staff people from the airport carla cox is behind me allison paylor and i saw your vice chairs and my vice chair just tony just walked in so thank you for being here and supporting this idea this is our recommendation we went through a very good process uh legitimate opened it up to the public we had a

lot of public comment and discussion and then we had a debate uh amongst the um uh the commissioners and it turned out to be the entire meeting and it was

[00:06:19] very good debate so I think that's that's it that I hope that you guys will consider this strongly and vote in favor of a name change yeah this issue has been I think two tracks so yes it came from the FBOs in the airport that's something afterwards has also been discussing and I had a discussion of two after the Airport Commission meeting me and I had a discussion offline discussion

[00:06:55] to the senior leaders at airports about this they all they and frankly this is driven by their airline partners are extreme how do I say this extremely desirous of a name change for their marketing purposes their preferred choice is expressed to me was Washington Manassas Airport and that is coming you know from the airlines I will be honest and I've expressed this the airport commission I really hate seeing Manassas second but if you Google Dulles Airport

[00:07:31] it actually pops up Washington Dulles or National Airport is Washington Reagan National so there is a protocol for this and therefore I would suggest to the council that we adopt Washington Manassas airport I mean I just want to ask. I believe one of the letters said Washington Manassas International Airport. Yes, ma'am.

[00:08:05] We looked at the term international. We don't meet the requirements. So I did some research and to get the term international, there are certain requirements that you have to have. And there's like three different federal agencies that have to approve that. So as much as I would like to say international airport, we wouldn't meet the requirements. So that was one reason we

[00:08:30] didn't go with that. Maybe in the future, we know the challenges, but it might create a need in many, many years from now to do that. That's what I was thinking. It's good to know that you looked at it and why we're not doing it. Yes, ma'am. There were three different agencies that we would have to get approval from and reading the criteria, we did not meet it. So there was really no reason to go forward with that. Thank you, Mayor. So Mr. Rivera, could you put a total dollar amount on

[00:09:12] what it would cost to do the changes we have put in your packet that you do break down the staff estimates that it would be approximately 500,000 to change all of the the monument signs at the airport I think that this is a solid estimate there are signs that will probably not be re-erected and also the signage plan that apports has will replace some of the signs that we would

[00:09:51] have had we're looking for uniformity so obviously they're gonna have a signage plan for a terminal building itself but then wayfaring signs and such we would work with them to try to minimize how many we would actually have to replace the ones that go out on 66 and 95 previously we have worked with our legislators and I had VDOT change those so we would do something similar to that that did not cost us anything the last time we well the first time we had

[00:10:28] actually had to put them up so and give me a sense of urgency to changing the name in other words how soon how late could a decision would a decision need to be made? I would say that there's another airport in the area that's considering changing their name and using Washington in it. So there's a little bit of a sense of urgency that we would get there before they do. And then there is also the consideration of having to change the name in

[00:11:07] the plans, the drawings or anything that, you know, if you're going to have a nice sign on the building that says, you know, Manassas Regional Airport, you want to change that soon enough so that you

can actually so I would say that it's not critical that it'd be changed in the next 30 days but I would say in the next 60 days or so it would be advantageous for us to get this through the sooner we know we can start you know working with out ports and the changes that they're going to have to make on their current plans as well as the airport there is a process as

[00:11:45] indicated in the memo that the FAA has to go through the next step if City Council were to approve a name this would be done by resolution I'm assuming and then that resolution would have to go to the FAA they would have to source it through their organization they would come back and say yes we approve the name once the name is approved then they have to go through the cycle of changing all the documents on their end and there's quite a few and there are certain publications that only come out at certain times of the year so again that's another reason why if we move forward with this we can get this change

[00:12:23] done well in advance of the airlines actually coming to the airport I would say that's probably more critical the process of getting through the FA is probably it's going to be there their approval process should not take that long I've been told that it should take weeks not months but then it's the process of changing everything the the publications for example the airport facility directory that's published several times a year well that needs to be changed and depending on when we get the you know we submit our paperwork and when it hits it could take several months so I'd say that's probably the

[00:13:03] more sense of urgency the meeting you referenced where the name was discussed and it was open for public comment. How many of the public showed up?

[00:13:21] Well, I think we were mainly represented by the FBOs that were there. I think I don't recall exactly who all was at the meeting, but there were a few that come to the airport commission meetings on a regular basis, but it wasn't a packed house, obviously.

[00:13:37] Was this the meeting I attended? It was. I will conclude by just making the observation that I see the reason for the name change.

[00:13:54] I would like, as I have a chance for our residents to to sound in, not at a public hearing necessarily, but at a maybe at a survey that could be done for a I'll say a 10 day period, you know, two weeks or whatever to sound in and hear their thoughts.

[00:14:18] You know, a public hearing necessitates not everybody can appear. It can submit written comments, so why don't we just ask everybody to submit it if they're interested, their feedback on it. I tend to lean, as has been suggested, the simplest, the Washington Manassas Airport to be the title.

[00:14:39] You can see merit in the other ones, but that simplicity, I think, is good. But I think it would be just to make sure people, if they really feel strongly, to weigh in and tell us why. I mean, the survey is not just saying, yes, no, what would it be, but why.

[00:15:00] You say the council has, majority says, Washington, Manassas, what are your thoughts? Or do you agree or not agree? Something like that. You're asking names and all that. Just do you agree with what we've put forward? That sort of thing.

[00:15:15] And if you disagree, why? something that generates a little bit more along the way you have that opportunity in that regard i know it's not scientific in the sense that you know the survey can be to to

you know anyone who signs in you know i shouldn't say signs in but gets on there um but i do i do i do i do think we all live here we all have have um you know we all have our vested interest in our community and

[00:15:48] these kinds of things and so i'd like to see that an opportunity of some and if it's whatever i'm i'm just tossing out a thought yes i am thank you you fit me to it a little bit but my question was directly how was the community outreach or who was rich was just the meeting and whoever attended the meeting or was there any outreach it was advertised like all of our

[00:16:25] commission meetings it was advertised you know and on the calendar that our regular meeting and then we send the agenda out and that is typically how we do our commission meetings is we have it on the uh city's calendar we put it on our social media saying that the meeting's going to be held did it specifically say that we were taking comments on the name i think she's getting that did they understand that this is something i need to come to to give my input on it i don't know i don't know what was put out there yeah i don't think it specifically said madam mayor you know

[00:17:02] come because we're going to discuss changing the name so it was just an agenda title thank you yeah so to me it's very important uh not only uh uh as i would call it limited options because it's really you know uh like we were just talking about the the international that it's you know something that uh you know we don't need and we may not qualify right now there is no necessity and we can move on to the ones that are there but i think making sure that the public understands the how you arrive

[00:17:41] to uh those limited options especially if we do agree on uh picking one of the uh names over the three uh it will be even more important because i don't want residents or or the community to feel like they they didn't have a chance to a brother options when they work they really you know I don't want to say they don't exist but you also want to be approved by it my other question will be are you expecting for the logo to be changed if the name was to be approved no we discussed that and as far as the

[00:18:20] branding goes we didn't plan on changing the actual logo we would just you know are you talking about our sir we have several logos but mainly it's a circular logo with the M the consensus that you know at the Commission level and if any member wants to speak on that we talked about not changing our three-letter identifier and we talked about you know not changing any branding of sorts now obviously you know when it comes to anything that has like our vehicles and

[00:18:58] stuff. They're all the round logos. And so it's easy just to change the name and not try to come up with something else. We've used that same logo and branding for, I don't know, at least 12 years or so. And I think that nobody has any desire to change that right now, at least. And the HEF statements. The HEF, we have, we talked about that. We looked at, you know, changing based on the name but uh some of the the names were already taken uh like manassas i think we just looked at

[00:19:32] it yesterday uh wma and that's like in madagascar somewhere so it's not just you know it's not just the united states when you look at these three letter identifiers you're looking at the entire you know uh world you know and uh so uh yeah madagascar has already got that one so thank you and i do uh i uh in the benefit for the public to uh understand a little bit more

[00:20:04] it comes with a a price of you know 550 000 or maybe over than that if you could uh elaborate a little bit where will that come from because sometimes when we do things some of the residents believe this you know it's coming from something that they will have to pay and i will i will want to uh this to be

clear i believe somebody made a comment that you know the airport is aware of this and uh it's not that i'm trying to ask them to pitch in but i am asking how uh how uh the board

[00:20:41] and how the airport will be able to pay for this. And then are your finances, I believe, I know, but I just wanted to, what will be the impact for the next year when this happens?

[00:20:59] Well, we're estimating that it's about \$500,000 to replace the monument-type signs. And we are working with AbPorts because they're developing a signage plan right now.

[00:21:15] So there may be some signs that we do not replace, and there may be signs that they will be putting up that will satisfy the need to have. But I suspect that we're going to have one monument-type sign right there in the front like we do now and probably one over on Piper Lane.

[00:21:36] So I think the \$500,000, we tried to do the best we could if we just had to replace everything, you know, based on what we paid for them previously. and, you know, that was almost 10 years ago. So, you know, based on trying to estimate what it would cost today, I think we threw some costs in there for stuff like, you know, the ARF vehicles would have to be, you know, placards and stuff replaced.

[00:22:01] They were very minimal costs compared to the major monument signs and wayfaring signs. But, you know, we would seek some funding from the Department of Aviation. These signs are eligible. Whether we get it or not, I don't know, but we would certainly ask for some funding. but I have not seen the signage plan that have ports creating as soon as I do and that will give us an idea of what they plan on I'm not talking about the interior of the building and if the name is changed early enough they can make all those changes and they're you know they're going to be paying for those anyway it's just the ones that are out there at the entrance of the airport

[00:22:40] that are going to probably cost the most when when we did our signage plan many years ago we included signs uh we basically split the airport into four quadrants and you know looking back at that i don't know if that was the best way of approaching this today i would probably say we don't need to do that especially when most folks are going to be going to the terminal building and so i think that we would be able to stay within that half a million dollars

[00:23:18] one more so my point was more of uh to give a peace of mind i do understand you know all across the city you know everybody's pretty good at finding uh grants or funding or difference and i believe the airport is the same i think um i was going more like if you do need that will be coming out of like it would be coming out of the airports fund not the general fund

[00:23:46] And then last year, for the record purpose, last year there was 150,000 that the airport fund sent to the general fund. I might not have the right amount. The airport didn't send any money to the general fund, but the businesses located at the airport through business taxes, real estate taxes, it was about 700, I don't know the exact number.

[00:24:15] It was a little over \$700,000 last year, went to the general fund because of the businesses at the airport. We've got 31 businesses currently at the airport. They all pay taxes, and when you add that up, I think last year it was a little over \$700,000. But that's contributed to the general fund by the businesses on the airport, not the airport itself.

[00:24:36] Because of the airport. Because the airport's there, those businesses are there. Madam Mayor, last, I will agree to the first. I believe it will be the preferred name. And my ask will be that, you know, the

city does it's best to generate a communication, maybe even post it or advertise it, if this council, you know, has enough support for that to be provided before the town hall.

[00:25:12] So the town hall is at least-- - September, September. Oh no, we got the one coming up. Yeah, but that could be just one opportunity. That's what I'm trying to say. No, the only one, but it can be one of them. Maybe a short presentation before the budget or after, either way.

[00:25:30] But I believe if something is approved, that's what I stand for. You good? Mr. Smith. I do fully appreciate the amount of staff for in-depth background I'm reaching out to appropriate stakeholders on this matter.

[00:26:00] I support the survey and the outcome of the support of the units on the table. At the moment, I think they have brought to us a solid package.

[00:26:18] We're convincing as to the need. I think the case has been amazing. So the three airports, we have Washington, Dulles, Baltimore, Washington National, Ronald Reagan, Washington.

[00:26:53] So I'm just curious why Manassas, Washington Airport wasn't the top choice. Do you think there'll be any confusion, you know, with Dulles, Washington, Dulles, Washington, Manassas?

[00:27:09] Or is this more of a marketing branding decision, like for searches? So people usually search Washington and you're hoping it pops up with Dulles. you know because people there's a lot of people in the community we'd like to see Manassas first so I'm just trying to understand. There is a Manassas Washington, right? A place called Manassas Washington State. Yes. That was a big reason why.

[00:27:40] Manassas Washington State has all kinds of stuff. Manassas Washington. There is a place. Okay, that's really good to know. And I'll just, that's fine Madam Mayor. I will tell you one of the first things that we did when I first took over the airport was I'd mentioned the airport facility directory which is a publication that the FAA puts out there and every state it shows every single airport and every airport has the

[00:28:16] information that pilots need we actually if you were to look at the facility directory you would not find Manassas in Virginia you would find it in District of Columbia and we changed it because when people are flying into the northern Virginia area I hate to say it as much as we all you know live in you know breathe Manassas not everybody knows what Manassas where it's at so this is pretty much strictly a way to identify when pilots are not familiar with the

[00:28:54] region. They just know the boss needs to go to Washington. Okay. We're 30 miles outside of Washington for the most part. So they're going to be looking for Washington. So if we kept ourselves in Virginia under Manassas, we would never be found. So if you look at the facility directly, you'll see, you know, Manassas, you know, Dulles and Reagan. And guess what? None of us are in Washington, D.C., but we did that. You might call it a marketing ploy, and it really is, to make sure that, and that's really where the FBOs are coming from. It's like

[00:29:32] as much as you try, if you don't hear that word Washington, you're not going to think, you can hear Manassas, but you're not going to think Washington, D.C. area, and that's where the airlines are going to be marketing this service. If you're coming from Florida, You have no idea what's going on.

[00:29:54] You're just going to be looking at airlines and airline tickets and going, hey, this is a great fair, but where is Manassas? I don't even know where that's at. But if you have the word Washington Manassas

in front of it, it's pretty easy to key in on it.

[00:30:10] Okay, well, I know I'm going to D.C., so that's where I want to go. So that's really the big issue behind this is that it allows the airlines to be able to market the folks and where they're going.

[00:30:26] And if we were to put Manassas, Washington, I'm not sure if it does it effectively. So with Dulles, their name is Dulles International, right? And they just, do they actually use Washington? It's Washington and Dulles. You don't see the FAA having an issue?

[00:30:42] If you go around the country and look at all, especially the smaller outlying airports that are regional carriers, they will typically grab the name of, you know, like, I think nothing comes out of mind right now, but, you know, they will typically pick the name of Orlando, Stanford, you know, Stanford Airport.

[00:31:04] Chicago, Chicago, Chicago, Chicago, Chicago, you know, so they always typically try to pick the largest geographical location, and that's why, you know, Washington needs to be in front. Why would drop regional? What's the benefit of dropping regional? Small or? I think that's, you know, and I think there was also the mayor mentioned keeping it simple and just, you know, very effective Washington Manassas Airport. It doesn't take up a lot of room, you know, when you're marketing stuff and start adding regional or metropolitan, the name starts getting really

[00:31:39] long. So there was some of that discussion as well. Yeah, I do not have an issue with Washington minutes of airport or conversation um i also would like to see public have opinion or a poll or something and you know maybe add some explanation as what we were talking about tonight so if they have any questions yeah i think the whole stuff is where we're going to change our mind now i mean

[00:32:12] really and this has been well publicized this has been in the front page of nova and this is is window dressing at best but I think they are trying to drive this in a expeditious manner because as well I mentioned they're in the middle of designing terminal and everything and they're supposed to be open in a year so they got a fly literally not to mention the airlines and their marketing so what I would what I would ask is we're gonna go through this process let's put on the

[00:32:49] agenda for the second meeting in april and be done just can't go on to the summer and stuff they they got to move forward oh no if if councils are already sending a message out to uh public affairs our plan would be that we will start putting posts on social media that about the the airport name change to receive input on the 25th in addition on the 25th we will add to our website the survey and then we'll have social media posts for 10 days referring

[00:33:25] people to that so that if if councils amendable that'll give us time to conduct the survey get the results and then have the consideration at the 13th meeting first meeting

[00:33:46] the 5th of the town hall is next next Wednesday we will advertise up to that that if anyone is interested they will receive input for both the budget and for the airport name change at the next Wednesday town hall meeting and then we will schedule consideration by council at the April 13th

[00:34:21] That's why I knew I heard you so we have to make decisions for had not no 13 I just you're okay with the third you hadn't commented at all First, I want to apologize for being late.

[00:34:59] I had a work event that was coming straight from. But I do want to say I appreciate the work that staff has done on this and as well as our airport commission. I know they all took a whole Saturday to

really dive deep into this and the considerations of each of the names.

[00:35:15] For me, as much as I'd love to see Manassas as the first word, I understand why it's not favorable. So I'm good with Washington Manassas Airport. I think we have a lot of people who are really dedicated to our airport, and by that I mean our airport commission, and I value their opinions that they've landed on this, and I think that's a good community outreach.

[00:35:40] I'm sure each of our airport commissioners has had conversations with their friends and neighbors about how they have the honor and privilege of renaming the airport, so I would think that this has gone out quite a bit. So whether it's today or the 13th, I'm good with it. Washington, man. I know I should know better ask. Anyway, the \$500,000 that you say estimate does that that doesn't include the six and the five. I'm just going way back. I'm sorry.

[00:36:16] Yeah, it's a phase type thing. We would. Those are things that like shirts and stuff that We've put a moratorium on you don't order anything. No swag. No, nothing until we get this resolved at city council level and once the decisions made then we would update stuff as necessary. We're not going to go back and buy everybody new uniforms as they wear out. We will, you know, exchange them for stuff like that.

[00:36:43] We're not going to do that, but the signs are important because that takes time. You have to go through the process of getting the design and getting them built. These are the ones that we have now are very specific. They're not off the shelf, so it'll take some time to get those done, But now's the time to start incorporating that, like Councilman Wolf indicated, we can work with afterwards to get these in the signs.

[00:37:09] You don't want to be doing change orders, you know, once we start construction in July. So we're good. Name, name, survey, dates are all set. And agendas, and I don't agree.

[00:37:32] And my comment will be because there's no enough time to hear as the meeting was advertised. The name changing was never advertised, and I want to make sure that that is understood by the public.

[00:37:53] Any other comments? Thank you all so much for the hard work you've put in on doing this. I don't feel slighted that it's not the Davis-Younger Airport. I know I should know that. I mean, you tried, right?

[00:38:09] I know Howard, you tried. As long as it's a Memorial Airport. Right, exactly. I really sincerely do appreciate all the hard work because it hasn't been easy I know I'm trying to get everybody to agree on everything and you just come to us with it And then they have to make the decision to go. Yeah, that's what we want But we know that there's a lot of time and thought and consideration and our commissioners for taking I mean they volunteer to be on these boards But they're taking their personal time and putting in to make sure that we look good and we are playing with the big boys It's really great. It's really great to be in this position

[00:38:44] It's awesome. It's definitely accomplishment to be proud of in the city. So I'm excited about it. It's awesome. Yes, ma'am We have the commissioners who are present raise their hands just to see Thank you for coming.

[00:39:24] This is forward to item 1.2, the fun stuff, utilities discussion. Always the fun stuff.

[00:39:40] Anna and crew here. For me and here. Madam Mayor, council members, staff, management. My name is Scott Burnham. I'm a partner with New Gen Strategies and Solutions. I'm joined here with

Connor and Mitt.

[00:39:58] We're going to talk about our preliminary rate findings for the study and the analysis we've been doing to date. We've had the pleasure of working with you guys for a couple of years now and getting to know your systems and look forward to a spirited discussion. So with that, we're going to talk a little bit about sort of study assumptions.

[00:40:22] We're going to talk about some financial overview and then proposed rates. I'm going to lead the electric discussion. That's my background. Nick is going to talk about the sewer and Connor is going to talk about the water. And then at the end, we'll talk a little bit about some sample bills and bill comparisons. Obviously, we realize that this does have an impact on folks and their budgets.

[00:40:42] So when we think about utilities and utilities in general and utility economics, we think about revenue sufficiency, we think about revenues that you're generating from your rates need to meet your expenses.

[00:40:58] They need to meet your policy objectives as well, including things like reserve. We'll talk a little bit more about that. And we'll talk about the investments. Utilities are ongoing entities. They require investment going forward, and reinvestment in infrastructure is a big part of repair, replacement, is a big part of the fundamentals for utility operations.

[00:41:23] So we think specifically about Manassas and some of the factors affecting the expenses and then your rates. The O&M, operation and maintenance expense categories and changes. Purchase power on the electric side is obviously a big one.

[00:41:40] Those are going up and going up pretty much across the country. Some areas more dramatic than others. Purchase water that these guys will talk about here is going up as well relative to some previous analysis we did.

[00:41:57] Then there's also your staff. So you've got the benefits, retirements, you've got services, you've got expenses in maintaining the systems and the like. Those are going up over time. Capital improvement, that investment that I was talking about before. obviously there's a lot of parts that wear out. Debt service, debt is a frequent mechanism that utilities utilize to fund long-lived assets. You have existing debt service, and there is some future debt service we're proposing in fiscal year 2029. Customer changes, now there are some load growth going on. We'll talk more about that. We've made some assumptions about what that load growth

[00:42:36] looks like. It's not significant relative to the number of customers, but there are some larger entities like data centers right that we've talked about and we'll talk about sort of what that means relative to your economics demand usage characteristics those types of things are all elements we operate into a rate study miscellaneous revenue that's just revenue that you're making as an entity for all system sales and the like no necessary big changes there one of the big things those is driving some of the changes in Manassas is in fact your reserve policies

[00:43:09] And reserve policies are an important part of utility economics because they're telling your creditors that you've got funds, right, in terms of your unrestricted capital, your capital fund balances. So the way that you guys set this up and the mechanics that you guys have are prudent business practices.

[00:43:30] We definitely would approve of having some reserve targets, and the way you guys set them up is a reasonable way to go about it. We'll talk more about that. When we think about a rate study and we think about rates, we talk about a revenue requirement. And each individual utility has its own revenue requirement.

[00:43:47] And a revenue requirement is just dollars, right? It's just cash that you need on an annual basis going forward. You have debt, you have cash-funded capital, you have O&M that I talked about before. You've got current debt service for debt that you've issued in the past. You sum those up, you get to a revenue requirement.

[00:44:03] What we talk about is a net retail revenue requirement. Because that's essentially what we're trying to do is recover then your cash needs in your rates So let's talk specifically about the electric side of things. We came to you guys last year. We talked we made a presentation Before council we had proposed about an eight and a half percent annual rate increase Fiscal year 26 and six and a half percent was approved And so you're obviously then that create creates a shortfall because we had estimated what these expenses are going to be now

[00:44:40] there has been some changes in some of the cost underlying costs but there's still additional revenues are still needed on the electric side you guys purchase power from VMEA we'll talk about that the purchase power costs are a little less than it were estimated so there's a little bit of reduction relative to the power supply costs you also have generated some revenue from a generation credit capacity credit we've made some assumptions relative to what that looks like going forward. You also have the data center. The brick plant is now online. Now that's not a

[00:45:15] huge data center. It's not as big as the other one that's potentially coming into town, but that does offer some rate relief on the electric side due to the way that you guys structure that. We'll talk about that. So we identify the system revenue increases, the revenue requirement. We look at your existing cash. So you look at your existing projections, your existing rates, and see, okay, how much is then incremental is needed. So how much do rates need to change? We analyze the impact of the new data center loads. So this is not the brick plant, but the other one that's

[00:45:51] potentially coming. Now, that could fundamentally change the economics because the way you guys structure your data centers, most of the cost are just passed through. You're buying it from VMEA, you're passing it through. There's structures in place for that. But you also add a 2% A&G fee on top of that, 2% of kilowatt hour sales. If this larger data company comes in and comes in at the level that potentially they could, that could generate a significant amount of revenue. We have not included that in the project because we don't want to count these chickens before they hatch in a sense. There's a lot of talk about a lot of data centers

[00:46:27] across the country. Every one of our municipal clients from California to the East Coast is talking about data centers. There's no way all these data centers are going to actually happen. Some of them will and some of them won't. Obviously in this area, in the D.C. area and the Virginia area, there's a lot of need for data centers and there's a lot of infrastructure being built.

[00:46:48] How and when that's going to come online and the timeline for that is something that we would recommend you sort of wait until that load comes on, then make decisions about that rather than hoping that it comes on when they say it's going to come on because oftentimes there's a change there.

[00:47:05] Relative to when we look about the electric system and we're thinking about rates, we're recommending an equal percentage increase across all customer classes. It's based on just some strategy and rate policy that you guys have implemented in the past. What that means on the rate design side is we think about fixed costs and we think about variable costs. On the electric side, fixed costs, you've got a monthly customer charge, you've got demand charges, variable costs are your energy, your power adjustment charges, things like that. Essentially, equally increasing those base charges across this

[00:47:41] five-year period. We're looking at a five-year period. We look at the electric system, the overview, you've got about 16,500 customers, annual retail sales about 43 million kilowatt hours. This was mentioned before the Virginia Municipal Electric Association. You guys are a member of that. Purchase electricity from Dominion Virginia Power and resell it in your rate structures now for some of these larger customers. Purchase power costs for large power service when they're taking at various voltage levels. It's basically just pure pass-through, and that's

[00:48:16] where those data centers would come in. But again, you've got a 2% charge on top of that to handle administrative charges and and that could generate some significant revenue which is power costs are typically recovered in the energy rate for other customers there is a mechanism by which if there's a variation in that power purchase power cost it then flows through the power cost adjustment of fuel adjustment charge so we talked about the investments in the system we think about the capital plan we're looking at about three million dollars approximately three point three million dollars per year looking out over this five-year

[00:48:53] period. We're proposing is rates for a five-year period. That doesn't necessarily mean that that's what you have to approve, but this is sort of the time frame that we're looking at. And so you can see we're looking at about \$4 million. These are all cash funded in the 2027 capital plan. It's calling for about \$4 million on the electric side, and then that reduces down to about \$3 million in fiscal year 2031. When we think about the other operating expenses, we've got obviously the fuel purchase power, talking about those O&M expenses, your labor costs, your services, things like

[00:49:28] that. In terms of looking at the different components, cash-funded capital, you've got a tiny amount of existing debt service on the electric side, and then operating expenses in the purchase power. So these are the total expenses, the revenue requirements, if you will, for each year that we're looking at. So when we compare the revenue...

[00:49:50] Excuse me, go back to the previous slide, please. In your calculations, therefore, you're assuming the 10% annual increase through F of benefits through FY 31 that's correct that's driving a lot all right so when we think about the then we have the revenue requirements we look at the existing rates that's the flat line there is your current rate revenue the green line would be if indeed you implemented these recommended rate increases so we're looking at across the board in fiscal year 27 28 ten and a half percent revenue need so then that

[00:50:28] would be applied equally to all elements of the rate design. Fiscal year 29 and 31, that comes down a little bit, down to about 8%. And some of what's driving this is your policies, your reserve policies. Again, those are prudent business practices.

[00:50:44] And this next slide, this is what shows here, because this is looking at your unrestricted cash balances. And so what we're trying to do is meet those targets, that 60 days cash, 1% of debt service, 1% of net assets that you have in policy in terms of these unrestricted cash balances.

[00:51:00] As you can see, in fiscal year 26, we're slightly below what your target is, even with this rate change, and then that's going to build up over time. This is basically looking at the combination of the cash that you need for operations and then the cash that you're getting from potential rate changes. So the objective then would be to say in fiscal year 2031, would be sort of back into the policy restrictions for the unrestricted cap.

[00:51:31] So we think about the existing rates, on the electric side at least. We've got different types of charges. You've got monthly customer charges. Every customer class has those, ranging about \$16 on the residential, up to about \$190 on the large power side of things.

[00:51:46] You've got energy and demand charges. Again, there's some fixed and variable elements here. Residential and small general service typically don't have a demand charge. We're starting to see a little bit of that across the country. But they're about nine cents, roughly, a kilowatt hour. And then the medium general service, you can see that variable rate comes down, but then there's a demand charge on the other side.

[00:52:07] It's basically, demand is the peak energy during a month. And so there's a demand charge that varies by the size of the customer class and the customer characteristics. When we think about the existing residential rates, you've got the customer charge, \$16, energy charge of about 9.8 cents.

[00:52:27] Increasing those elements by that 10.5% for fiscal year 27 fiscal year 28 and dropping that percentage down a little bit to 29 30 31 You get up to about \$25 roughly on the customer service charge by 2031 About 15 cents on the energy charge mentioned that power adjustment charge really is just a variable component that depends on the projections relative from from Dominion or for the MEA and And then how if there's any variation in that that's a cost recovery Mechanism it's sort of a risk management mechanism that we see that most utilities implement these days small general service side

[00:53:06] You got a customer service charge of twenty three dollars energy rate of about nine point seven cents again increasing those over time power adjustment charge is the same for all customer classes because really just meant to recover that variation in fuel and fuel costs the medium size then then you get into those customers that have demand so you've got a customer charge again slightly lower energy charge demand charge about \$14 you can see those are all increasing by that same percentage increase over time between fiscal year 27 28 29 30 and 31 large power there's sort of two groups with large power

[00:53:44] there's primary meaning they take voltage primary service they have customer charge energy charge demand charge and then large power secondary just means that they're taking voltage at a slightly lower level of voltage but same kind of structure same kind of recommended rate increases relative to those percentages across each year all right with that

[00:54:23] the two the two percent surcharge for the large customers generates current in the FY 27 how much revenue the city whoever none because it's not it this This rate schedule is going to go into effect July 1.

[00:54:46] That's one of the proposed rate changes that we're going to have. The reason being is the current rate schedule that we have, the admin costs, credits would be \$8,000 a month, which is really nothing based on the consumption.

[00:55:08] So we want to recoup some of our money. That's when we change \$8,000 a month to 2%. So 2% we think will generate an FY20. That depends on the...

[00:55:23] low that the data center is going to have. Okay, in the modeling, the consultants that's put together assumed. In the modeling, we're assuming about \$50,000 because we're assuming just for the brick plant. We're not assuming anything from the other large data center that's potentially coming to town.

[00:55:40] The shortfall that we are looking at in FY27 and operating is how much?

[00:55:58] In FY27, the projected shortfall would be about \$8.3 million. Sorry, but what? It doesn't match your charts. Oh, sorry, I was reading the wrong line.

[00:56:19] It was \$4.4 million. That's not right either. That doesn't sound right. Well, that would include the cash funding CIPs, which are about \$1 million. So what you're looking at is in order to make net zero include that CIP because we're cash funding those.

[00:56:40] We're not going out for debt. We're not doing anything. We're taking that money, and that money needs to be recruited. Approach this another way. Estimated cash, estimated total revenue in FY27 is currently, at current rates, about \$55 million, roughly.

[00:57:06] So you're saying we have about an 8% shortfall.

[00:57:24] Modeling in the out years of students, 10% increase, annual increase, compounding increase in labor costs and operating costs, which is significantly above historical average.

[00:57:39] So if you remodel this to historical averages, what does that change the numbers to? You're taking the worst-case scenario, and I understand why. If we took that one line item, we'd have to look into the model and take the one line item on that tree.

[00:57:57] Yeah, no, when we start our budget process, we usually take 10% internal, 10% for labor benefits, all of that, 6% increase for internal services.

[00:58:14] So that 10% includes everything, and not just like a 3% and a 2% It includes benefits, increases, health insurance, all of that. 10% is a very significant growth rate for year after year after year.

[00:58:35] That's driving your numbers. No motion to reject that or expect that. Live with that.

[00:58:58] I'll shut up now. So, following up on the vice mayor. Oh, sorry. No, no, no, it's okay. I thought you pointed me at that point. Go ahead. I mean, no. Sorry. She's better luck.

[00:59:14] i really wanted to make it quick actually i wanted to go first because yeah would you please uh point oh can we recognize the the utility uh uh commissioners who have the staff of the commissioners who have made the time to be here uh they have been doing the work as well utility people commission Thank you for being here.

[00:59:42] Thank you for being here. Thank you so far. So just following up, I had some of those same kind of questions here. So what has been the historical trend for increases in labor and benefits and so forth?

[01:00:12] What has it been in the past? I would have to look at the wage items. But I also want to say one thing for labor. Labor has escalated at 3%. Healthcare benefits and retirements are the expenses escalate at 10%. So in this case, for the electric revenue requirement, about \$2 million of the estimated, I believe, yeah, about \$2 million of the \$20 million of operating expenses are the line items being escalated at 10%.

[01:00:41] So it's not the entire labor clause. It's roughly around like a \$200,000 increase year over year, it looks like. All right, so first of all, so that would be a helpful slide to have.

[01:00:58] So have that information along the way. And so let me go back. So the historical increases for all those things has been what? I would have to review. I don't want to give you a point. Okay, so that's another. Looking at FY25, salaries and benefits for electric fund was \$7.9 million.

[01:01:19] In FY26, it was \$8.5 million. and what it's proposed for the FY27 budget is \$9 million. So it accelerated about \$600,000 two years ago. We're anticipating about a half-million-dollar increase this year.

[01:01:36] What would be the impact if all of these percentages decreased? Well, the recommended rate changes would be.

[01:01:56] I mean, it just depends if we went from a 10% to something lower. I don't I would have to disagree with with him. I don't know that I don't know that the operating costs are the drivers If you could pull up your slide because there's a consideration of the reserves. That's another consideration. Correct. It's Actually what they're showing in the unrestricted cash balance actually isn't Isn't driven by just that yet, but it's only operational. It's not the expense of the cost, but

[01:02:36] Effectively what we're trying to get to is that right now in our proposed budget that is Presented to y'all there's about a three point three million dollar Transfer from reserve funds to balance the eighty eight million dollar electric budget So, that's where we're trying to get to the positive.

[01:03:04] So, you're correct, there's different ways of getting there, but historically, again, looking at where we were two years ago, we were at \$4.5 million transfer to balance the budget. You don't have to sell me on that. I come from the Utility Commission, liaison with the Utility Commission here.

[01:03:26] But you want what we're counting on you guys being able to do, why we wanted you here, is to be able to give us pretty, you know, be able to have a conversation and not say, I'm not sure, I don't know, I got to go back, whatever.

[01:03:47] And because that means another meeting now to fill in sort of the gaps along the way here. You know, this is the chance to really explain in somewhat depth all the different pieces and how you arrived at those numbers here along the way.

[01:04:07] You know, down on the data center, you're not including any data center except the brickyard. I appreciate that. Are you ready to say that if the other data centers came on, what additional revenue would be produced?

[01:04:27] Depends on their load, right? I mean, it depends on when they come on and how many kilowatt-hour sales they have. And there's a direct percentage relative to that. So did you take any consideration as you planned this, or did you plot this out for five years saying no data centers would ever come on on board?

[01:04:47] Is that the presentation that we're seeing at this point for electricity? No data centers whatsoever? No new incremental data centers. That's what I mean. Yes, that's only the brickyard. And then 2%, what do you call it here, administrative charge for the pass-through, right?

[01:05:05] That's all along the way. And that's currently \$50,000 a year for the brick yard. That's going to be bigger. How much bigger? It depends on the low, Tom. I don't know. We don't know when they're going to actually come online.

[01:05:23] No, I'm not talking about that part. I'm saying, I thought you were telling me, sorry to interrupt, up. But I thought you were saying the brickyard load is going to increase. The brickyard is not at full capacity. Will they increase? We don't know. They have not in the last year or actually two years. So there might be a potential, yes, but their load is not going to be anything compared to when the other one comes on. The other one is the big one. That's the one that is going to change future years possible rate increases that we're going to but we don't know yet exactly when are

[01:06:03] they coming on we're hoping in august and then they're going to ramp up in blocks so every two weeks they're going to increase somewhat until they get to the capacity that dominion has giving them waiting then again to increase that capacity as well so we don't really have an idea as far as what is that going to be? I could probably go out on a limb and say, oh, it's going to be \$2 million in revenue each month. Is that right? Is that wrong? I don't know. That's why we didn't

[01:06:39] want to add it. So to our consultants here, did you run any numbers or did you strictly stick with just 2027? Because it sounds like all you're certain with is what you're projecting for 2027.

[01:07:00] it. Everything else off the table. In terms of incremental load, yes. Yes. Okay. Whatsoever. So it is possible that the rate of the increases might go down. Correct. Absolutely. Absolutely.

[01:07:20] Because we don't know what it... And we're not asking for a block of five years. We're doing for everyone 27 yes so so so all you're asking for is the the increase you're proposing for 27 is just to get through 27 is that correct that is and to grow the reserve by how much it doesn't it doesn't it reduces the amount of borrowing but that we're taking from the reserve we're setting a plan though for five years to meet that requirement yeah but you're not sure of those things I mean

[01:07:59] You're just doing it as conservative as possible. That's correct. So as much as we don't know what future rate increases are going to be because we didn't add it in, the same goes for the reserves, right? So if everything goes right, then we'll be able to replenish reserves sooner and have less of an impact in rate increases in future years.

[01:08:23] So did you do any, so the percentage increases that you're showing right now, did you consider higher increases, larger increases for 27?

[01:08:41] No, because we think that this is a prudent plan over a five-year period relative to your reserve, relative to getting your reserves back to where they need to be. You could bump it up higher, but that would be such a, it's just dependent, you know, it's a bit of a. So, under your proposal for electric, it would take one, two, three, six years, well, five years, excuse me, five years to get up to the point of not, of, you would still be using your reserves, just less of it, until year 2031. Is that correct?

[01:09:20] Technically, no. What we're seeing is that between 28 and 29, we're actually starting to build up. So with the 10% rates for this year and next year, barring any increase from the Amazon data centers, this year, again, we're barring about \$3.2 million, \$3.3 million.

[01:09:42] Next year, it'll probably still be, probably just judging by that, a million or so because we're going from cash balance of \$5 million down to about \$4 million. But I'm using rough numbers, Tom.

[01:09:57] And then in 29, it starts to build up towards \$5 million. So what this plan is showing is that in two years, we will hit a break-even point, anticipated break-even point that we're not having to pull from

reserves. And then in the following three years, barring any increase from Amazon, we would start to get the reserve back up to where we need it to be, want it to be.

[01:10:22] What part does the cost of equipment play in all of this? So the cost of equipment is in your capital plan, right? And to some extent in your O&M expenses as well, right? Some of those are budgeted relative to looking at your future budget.

[01:10:43] So the extent that those are reflected in there, then we've included those in your revenue. Is that anticipating that there will still be tariffs over this period of time? We're assuming that the current pricing that you're putting in your budget right now will hold steady over the course of five years.

[01:11:02] It may not. Exactly. That's correct. I've done that. Ms. Hudson, and then I want to hear from Chair Utility, so go ahead, Ashley. Yeah, thank you. I think it's worth pointing out to council that for multiple years we did not include revenue from data centers because we didn't know when they would come online.

[01:11:25] And when they came online, we wouldn't know what was inside them. And I think that that same philosophy applies to the electricity that we're talking about in our future data centers. We just don't know what's going to be in them and when it will come online, if it's going to be pushed out another two, three years, or if it's not. I think another thing that hasn't been mentioned is if this is our dwindling reserves, what if something catastrophic happens?

[01:11:50] God forbid something really bad happened with the electric and we haven't refunded this. That's problematic to me. I think knowing that we can reassess, not only we can, we will, we have to reassess this every single year. Um, I think it's worth noting that we need to be prepared for what can happen next year. But if next, if by the end of next year, these data centers come online and we're rolling in the dough, then we can reassess again next year. Right. I mean, it's not to say

[01:12:27] that when we put it, you know, Oh man, it's 10% this year and it's always going to be 10%. Like, no, we're going to make up our reserves this year. And then hopefully the data centers will come online and we'll see that money. But just like we couldn't bank on it for personal or for property taxes, we can't bank on it for this electric either. And so we have to do something now until that time. So, you know, from the utility commission, anytime you see a chart like this and, you know, we look at this every month and we know we're looking at reliability. We know

[01:13:04] we're looking at the O&M challenges that you're going to see in all three areas. And when you see a reserve going down like that I think everybody should just take a little pause for concern and the whatever this first year is like actually said it can adjust and we can model numbers we don't know but at a minimum we need at least 10% it could have been higher but hopefully not and that once we do see these data centers great well we'll be able to reduce that outlook but what is

[01:13:42] needed now is to stop the bleed which is a concern if there's any particular area we know there's citizens concerned about reliability it's electrical it's power it's making sure we're properly maintaining them replacing old parts and being ready when there is a bigger problem that number when it hits five million is not a big number certainly support the ten percent you can question the out years but it's a reasonable assumption to state we have not included those

[01:14:18] there's a possibility for improvement that's and the commission we spent quite a bit of time discussing this thank you madam my request might be easy to figure it out but it is how much will it be

because it seems like what we're trying to be is self-sufficient that the money that comes in We don't have to touch this, so it won't go smaller.

[01:14:44] So my ask, if we were to resolve this in this year, which I'm sure it is going to be a little bit too high for that to happen, but what will be the percentage that will stop that? Because that will be a good comparison for me to show, even though it's 10%, it's still not stopping the other forward transfer.

[01:15:09] So their percentage. So, I mean, basically what we're saying is we're projecting 27 to be about \$5 million with this 10% increase, right? Even though we're drawing it down, we're adding funds to it.

[01:15:28] We're talking about another \$5 million. Essentially, if you get it back up to that red line, right, it would be another \$5 million of incremental revenue. You're asking sort of what is that percentage relative to the 10 and a half that we're showing? I think it's 22% if we wanted to get it just to 27.

[01:15:45] So that's a good example. If we want to get it there fast, we can raise it up, we can ramp it up. It's just going to make it very expensive immediately. It will fix our issues here, but it will just make it very, very expensive. Thank you, Madam Mayor. And for me, it's not to get there fast, but we can talk about 10% if we haven't talked about the 22%.

[01:16:06] And that will be where we come. And this is the minimum that's being asked for, and I recommend it, I believe, by staff. and that's what we're trying to spend the time on to understand it. But I just want to make sure for 2027 to be self-sufficient without drawing, you know, that will be at 22%, which is what we have heard, I believe, at the beginning at 25, 20 plus percent for water.

[01:16:33] Thank you. I appreciate it. Do we, and maybe it's just me, to me this chart is a little misleading. Do we have the year-over-year showing revenue versus the target in real terms?

[01:16:56] and basically the obverse of this chart so in 2027 revenue is going to be x number of million and the retarget is y million delta is so this is i mean this is looking at it from total revenue requirement relative to the straight line current revenue projected sort of needs cash needs you can see that we're not meeting the cash needs in 27 right we're going to still have a little bit

[01:17:30] of drawdown from that reserve trying to basically build that back up then over this is a good visual example too if you you know speculating if we let's say we just did bump it up immediately you can see that it's going to reach 27 over that green line which represents the cash-funded capital projects and then from there it could be like a three to five percent increase but again from every single year from that on it would just be that much more expensive with 22 but just visually it just kind of shows the differences between how you can achieve that either for the first year or through a five-year rate process.

[01:18:07] So the amount of drawdown in the current fiscal year? It's the area that that green line is under the top box of each stack. How many million dollars? Separate question would be the proposed 2% administrative fee.

[01:18:44] Is 2% a magic number? Is that capped by General Assembly or anything, or it could be 3%? I guess the A&G. That's correct. There is no rule on how much that should be.

[01:19:04] So if we said 3%, we just made ourselves a 50% increase. But at some point, we may get some pushback. I understand. And that's where... I guarantee you where you're going to get pushback on the other side.

[01:19:19] I understand that. But, I mean, there is the potential that since this is a particular rate payer only, that they could potentially come back and sue the city. So you're correct, there is no fixed limit, but there's an industry.

[01:19:38] You don't want to gouge. Generally, Jordan, 2% will be significant if they ramp up their load to what they told us they're going to. And I don't want to say it's a windfall, but it will be very good for us.

[01:19:55] 3% is 50% more. 2% is reasonable at this time. if what you're asking is where can we go I think we can take a look and see if there's somewhere between two and three if there's someplace that we can rationalize it would be and I know we haven't done it I realize this makes the modeling difficult at very best there is always the option of scaling in the

[01:20:31] increase across user classes we always equally apply yeah I asked did you do that in any of your modeling we did not we kept it all because that's that's been historically the way we've been doing it to keep it there for all rate classes is increased what we have done in

[01:21:02] past years is changed the base charge right to accommodate the higher like you have a higher base charge for our larger users whereas the residential users is a very small amount the idea on that is to make sure that we capture some of the costs in the base charges as well so that's where the difference is you're also looking at as you could see the demand charges are different for each of the rate classes

[01:21:35] as well as the kwh so there is a difference within those that's what you're looking at Tom that's that's the equal equalized increase but there is the potential for adjustment of that but you are correct what we'd have to look at is the number the number of the number of consumers versus the quantity and how

[01:22:13] it all shakes out and our residential base is really at this point in the game it's our residential base is higher than what our commercial base is and that will most likely flip in the next year and a half yes and unfortunately that's Again, as it's been indicated, we just don't know.

[01:22:35] We know what's going up. We just don't know when. And I don't agree with that approach. But that's to Ashley's point. We're really looking, I think realistically, we're looking at a one-year decision to not make the situation worse and hopefully move positively.

[01:22:56] But there's no, Ashley, as she talked about at a previous meeting, I don't think there's the need to try to get the solution on a long-term basis sort of one-time basis today because the end of the day we all know what's going to happen i mean amazon hasn't spent gazillions of dollars out there to do nothing so uh and then that's of course then you get the further facility out at the airport coming online so cavalry will arrive

[01:23:31] at some point and unfortunately i don't think they have i think they have a solution to get power from the substation to the facility but i don't think they've broken ground on that yet So that's one of the challenges that Anna and Terrick are facing is that, yeah, we have a data center.

[01:23:53] Yeah, we have a substation that's supposed to be energized in July. Connecting the two dots probably won't happen in the next three months. It's not an extension cord. I understand. In general, is council comfortable with the 10.5% for electric based on?

[01:24:22] No. No. I remember requesting, especially the large, which is the customer, what the average bill for a customer will be.

[01:24:41] Because we can talk about 10%, 22% or 5%, but once you see that, how much is going to go. And this, for me, is important that I'm being able to compare the average. I still have water, and we do know that UOSA has changes, and even though it's not our impact, it's faster.

[01:25:06] It's a change in the bottom line of how much it's going to cost your life, hers. I believe this is what you're talking about here. No, go to the next one. I'm sorry, next one. So what we did is we went ahead and tried to figure out what would be the impact on a residential customer um in a single family home a town home and in an apartment right so the average kwh usage on a single family home is 2400 kilowatt hours a month now if you take that into one to three

[01:25:45] people in a household the usage on water would be about 5 000 gallons a month the total current bill for electric, water, and sewer, not including DCA or UOSA, is \$309.72. The increases that we're asking, and I'm going to jump ahead a little bit, is 10.5 in electric, 25% in water, and 3% in sewer.

[01:26:13] The difference on a household of one to three people in a single-family home would be \$35.01. overall 11.3 percent increase on the utility bill if you're looking at four people it just you know 9 000 gallons again it's 11 and a half what would i would like to you know to bring across is that even though the increases sound like a lot we're talking overall about 11 11 and a half percent

[01:26:48] thank you ma'am sonia that's important thank you for asking for that they were going to get there yeah just to me again back to the electric side i i would like to see some kind of straw dog with regard to differentiation of rates based on user class trying to minimize the impact on our residential customers as much as we can and this is before we get to the water

[01:27:19] discussion i just think that's thank you is fair well rooted to the people that are at the bottom of the scale but at the end of the spectrum and I understand our larger users scream bloody murder and I'm sure some of my friends at VAE or whoever else will call me up and ask but they have a greater ability to pass through

[01:27:57] their costs in my experience the residential classes are typically underpaying as relative to their costs and the industrial customers are typically overpaying there's always an element of policy in rate design that has to be considered your policy right now is a straight across the board you have to as a objective as a as a policy type of statement you'd have to sort of

[01:28:34] suggest then there's a difference in in application of relative increases the other thing just fried um it suggests you know the surcharge date started to

[01:29:01] percent that's not a magic number it's going to help aren't there mayor may are there municipal electric services that have variations in the the increases the different rate classes

[01:29:34] or do they treat such any nearby um can't think of any nearby off the top of my head but certainly like in california for example amount of work there's a requirement that each class meet its revenue requirements so therefore each class has to have a different percentage increase to meet that revenue requirement allocated to them so that's the rationale behind it that's right and the law i know your presentation is going in a different order but would it be worth

[01:30:13] to show the comparison locally the large power service customers uh what percentage of our customers are in that class now we have one uh large power primary we have one customer in that class okay one in the primary just one customer just one that's prince william hospital

[01:30:45] we know the with the total revenue what's the percentage of the revenue on that one uh don't know that offhand i i did do the same type of analysis but i did i didn't bring that so i can i can work but i know the i don't know that we're able to provide that too since there's only one i think there's protection of it okay yeah we've only provided so so um our industrial like they fall into secondary how do they fall under a separate contractual rate which would be the

[01:31:25] large power okay large power distribution and large power generation which is your brick plant and the lockheed okay something that i just need to make sure if we were to do um a difference between the commercial the commercial and the residential which you know i i would like to look into it i do worry about the um the small business in uh how is that going to affect them because i

[01:32:00] believe that um it still it will be like when you present i don't want to talk about this page but if you go back when you present based on what the household is using or the townhome department you know i'm pretty sure it is the same for them because it uses it it is smaller but i just i want to be very careful and when we are making a change that we're not hurting the small business who are already having a difficult time so i guess a way please um be mindful of that the

[01:32:40] next yard i think it is important uh even though we're talking about big numbers i you know that can be explained i will appreciate it because i believe this as we talk about normally how much will the average pay but how we're compared to novica's right here manasa so how hold that right and this is what you know we basically go to their websites and find their rates that are published

[01:33:10] add into the analysis thousand kilowatt hours of usage come up with these estimated bills i could add those rates are also based on what's published so if they're undergoing these same conversations you're not seeing the reflection of their increases that they're getting ready to put out also

[01:33:35] comments questions i i would just observe though if we don't treat everyone equally and we do this differentiation. I wouldn't be in favor of one class subsidizing another class though. I can appreciate wanting to keep, let's say, small businesses low or residential low. But if that means another class is going to make up the difference, sort of like the old days of which

[01:34:14] you paid for telephone service way back away where business residential phone service was so inexpensive compared but that because businesses picked up the difference there the deal there has to be our system even in there the different differentiations there has to be of fairness

[01:34:42] along the way so that all customers know that that's the case he was doing sewer

[01:35:10] I appreciate you pointing that out because I didn't want to point it out. Hello, everyone. My name is Conor Drukas, and I will be presenting the water financial overview and the proposed rates. So first, let's start off with the changes since the previous study.

[01:35:27] Last year, council adopted an 8.5% rate increase, again, uniform across all customer classes. Since then, budgeted operating expenses in FY2027 are 24% higher than what were projected in the previous study for FY2027.

[01:35:43] this is primarily due to an increase of the water purchased by 1.2 million this number is then escalated because it's not expected to go down um higher pilot expenses and higher chemical costs which come with treating more water um the capital improvement plan is also increased by an average of 3.9

million per year and this is mainly due to an 11 million dollar project coming onto the horizon in FY 2029, which we'll go over in a few slides.

[01:36:15] So real quick, this is just a brief overview of the current state of the water system.

Approximately there are 15,700 customers. Annual billable usage is about 2.15 billion gallons a year. And just to review what we're going to go over, we're going to identify system revenue increases needed to recover the assumed and projected revenue requirement and to try to build back to meet those unrestricted cash targets. We want to identify some key factors driving these increases, which are driving up the revenue requirements, and discuss the

[01:36:51] needs for the additional revenue. Again, we're going to apply equal rate increases across all customer classes, and we're going to look at, actually, that's a type of three different rate plan options, and again, there are monthly customer charges and variable charges. What is pilot that you just referred to?

[01:37:11] payment of taxes. So it's paying back the general fund for like central services that the water system might use. Payroll, that type of state. Is that how we refer to it in all of the different utilities? It's how it was referred to in the water budget. So this graph right here is a current overview of the cost on the water systems capital plan. And I'm saying option one and two because this capital plan applies to the rate projection options one and two that I will present in a few

[01:37:45] slides. And the big \$11 million project that I was talking about is anticipated in FY 2029.

Currently, in this scenario, it is assumed as to be debt-funded in FY 2029. Other large drivers are the cash-funded capital projects in FY 27, eclipsing just about \$6 million in FY 27, and eclipsing \$7 million in FY 2028. So this is the revenue requirement chart that was shown for

[01:38:19] electric however just for the water side as you can see the orange line which is current revenues is not overcoming the current costs that are projected even in the current year and in the budget year which is FY 2027. Again these large shortfalls are driven by the increase in the CIP and the projected need for more water purchase. Also the cash funded capital projects that I mentioned on the previous slide, FY27 and FY28, and because of this, in this first option, the

[01:38:52] proposed revenue reflects an increase of 25% in FY27 and FY28, 15% increase in FY29, followed by inflationary for the rest of the five-year planning period. Currently, the cash, the unrestricted cash balance for the water system is negative, and because of these large projected increase in costs over the next two years, it will continue to grow negative with these rate increases. However, capital plan, at least on the cash funding side, and the changes in the operating budget are expected to

[01:39:27] slow down, which is where these larger projected increases will hopefully start building up the surplus starting in FY29 so that cash can become positive by FY2031 and that from there we can continue to strive for our 60-day cash on hand. This is option two. This is the exact same cost components as the previous slide. However, instead of increasing the water rates by 25%, we're increasing the water rates by 9.5% in the first year. In order to catch up to the cost,

[01:40:02] we would then need to increase the rates by 40% FY28, 21% the following year, 3% in the last two years, just to meet the cash target that I proposed in the first option, which is reflected by this next graph. Since this option has a lower rate increase in the beginning, as you can see, these unrestricted cash balances grow to a larger negative. However, since the increases are higher in years two and three, they get back to right around zero in FY 2030 and eclipse to a positive

[01:40:41] figure in FY 2031. So this next rate option has a slightly different capital plan. The cost components are the same, but the funding components change in this scenario. This scenario illustrates what would happen if that \$11 million capital project was cash funded and not debt funded.

[01:41:03] So as you can see, the debt funding assumed in FY29 disappears and turns into cash funding. This chart right here, again, is our revenue requirement chart. As you can see, the green stack in FY29 is a lot higher because that large project is now not, the cost of that project is not spread over 30 years as debt payments. It is now a one-time hit for \$11 million. This will cause a, after a 25% rate increase in FY27, we're projecting a 40% rate increase in FY28 would be

[01:41:42] needed, followed by a 15% and 3% for the rest of the planning period. Again, this is to get the cash back to positive by FY2031 and to hopefully reach our goal by the combined cash target of 60 days cash on hand in that last year. This is an overview of the current water rates. All customers pay a monthly customer charge. Residential customers pay a flat charge per month. Commercial

[01:42:19] customers' charges vary by meter size. The larger the meter size, the more they pay per month. There are a few other rate classes such as large users, lake water service, and hydrant meter customers these customers also pay um a monthly fixed charge as well um on the residential side the current um rate design is a uh technically it is a three-tier inclining block rate um however with seasonal pricing in the winter um the second and third rate tier which is between 5 000 and

[01:42:57] 12 000 and over 12 000 are the same this is during the winter months during the summer months This rate increases along to hopefully slow down usage during peak demand for conservation efforts. There's also a surcharge for any water usage over 14,000 gallons for residential customers, again, to promote conservation, especially on the irrigation side.

[01:43:23] Commercial customers and industrial customers in here have a two-tier declining block, so the rate goes down the more they use. So for the first million gallons, their rate is \$4.30, and then it drops to \$3.73.

[01:43:40] Raw lake water users, since this water is not treated, they have a lower universal rate per 1,000 gallons. And the large water user also has a declining block similar to the commercial customers. And the hydrant meters also have a universal rate.

[01:43:58] So all these rate projections I'm about to show are assuming option one, that is that the large capital project is assumed to be debt funded and there's a 25 percent rate increase in the first two years followed by 15 percent followed by two three percent this is what the projected residential water rates would look like with the customer charge up top followed by the different tiers um that vary by season these are the projected commercial water rates with the monthly fixed charge varying by meter size and the multi-family which is charged per

[01:44:35] unit um this is for apartments um and then the monthly usage fees um down below and again um a universal rate increase is applied to all classes and then these are the other customer classes um and these are their current rate structures and projected uh increases any questions um if you go back to the slide with the negative one one of the slides of the negative cash

[01:45:12] balances question that becomes financial perspective we're essentially broke the combined cash balance is positive however some of those funds are restricted this is the pure unrestricted cash that could be used at any time so

[01:45:46] okay so the total cash balance it paints a different picture yes well I need to see that, because otherwise, you're not telling the full story, and this is just not good.

[01:46:15] In essence, you know, I would have to, if this is a commercial space, I would say, gee whiz, wow, to cover your payroll, you're essentially having to factor your revenues based off this chart. I know it's not the case, so this is misleading at best. All right, so FY25, was this was the cash unrestricted cash balance negative yes FY 24 can we um we have the second presentation that actually shows restricted unrestricted

[01:46:52] for the last five years if you could just go to the end is it no no it's a

[01:47:02] separate if you keep scrolling but I was going to emerge into one gotcha so

[01:47:38] those are the reserves for all three funds for since 2021 the middle one is the water the blue is the water so if you look at that if you look on the left that includes okay so yeah so total reserves for each fund has increased every year since 22 including the budgeted encompasses and capital

[01:48:10] projects yes yes all right that's um but then if you take out the cips and the unencumbered we're actually in the negative on the water and have been since fy 21 22 well beginning 22 24 was flat so actually we're doing 24 and 25 were better than 22 and 23 we're trending in the right

[01:48:47] direction. I will just say to Tom's earlier point about electric, we're water world, we are actually

[01:49:20] treating our larger users cost per gallon. Now I am willing to guess that we have how many large commercial users? On the water side? One. One, okay. Well we know who that is. Okay. Yes, one large water user. And then we have another large user coming online. We're just going to fall under that

[01:49:55] their usage will actually dwarf our current users no they'll be a large user but they won't their daily consumption it's going to be way less than what small window of high use followed by a majority of the year at low use so a high demand reserve actual low usage when you look at it from a yearly

[01:50:34] budget perspective not a good water customer so the the brickyard is cooled house is a closed loop. They don't use a lot of water. They're not a water high water user. They're not a water cooling system. They're not using that cool system. The projected ones, they're water. All four existing on the books are water.

[01:51:06] You want to take take your medicine though if we could hear from the chair of the utility commission if there are any water observations that we'd like to share no from the commission

[01:51:44] from the water um same kind of issue that we saw electrical and certainly as we observed the negative fund on the reserves was even more concerning which is why the request went in at a 25 percent year one to try to turn that quickly and again every year we'll look at what the actual revenue was but when you look at the age of that plant and not only the age of the plant but what we're about to do to it just to grow it it needs the investment and that's not the position of the

[01:52:21] reserve that we need. Is the capital project out there at the treatment plant? Was it anticipated that we would be borrowing money, doing bonds? How are we going to finance that? Well, we're still kind of looking into what our options would be. But yes, the plan has always been to increase capacity to safe yield is from 14 to 18 MGD. And that will be safe yield for the leg. So that's

[01:52:55] latest the last upgrade that we can do to the it's always been um the plan to do that so and of course the plant is was built in 69 so you've got normal wear and tear that needs to be and it needs some tlc it needs some upgrades it needs some replacements so you're looking at large investments into the plant but it's a good return we got the gold medal and and to your question yes we will

[01:53:31] evaluate all options right now Jeff is getting engineers on board so we can evaluate we're the best bang for the buck is as far as what improvements need to happen and how they can happen so we are probably a year away from having design plans that we could put on the street so I think when it comes to that 2029 timeframe that was included in in their proposals we will look at any available funding stream whether it's using some reserves as well as going to

[01:54:05] bond or fully see what's in the best interest of the customers yeah in the presentation talks about a 1.2 million gallons purchased that is presumed to go forward that be actually consideration after the capacity is increased we get 18 million gallons the the purchase values would be a temporary purchase

[01:54:41] amount that escalation would be till the plant is at 18 at 18 when we're in the future there's still what are the city's growth projections but it's a much smaller topic and there's other avenues and topics that are being researched as to what would opportunities be to get us past 18 and alternative means whether that's purchase reuse there's a lot of other topics that would be for the future you're 30 31 32 you know those type years and during construction plant operations will probably be impacted so we're going to be seeing a significant

[01:55:19] increase in the amount that we'll be purchasing specifically during construction period turn around start building Prince William County for all the water we give them. Any sell to the consumer ends up being set.

[01:55:43] We're going to spend a number of very, very large-scale capital improvements on the water plant that have to happen, both due to age, you know, 60-year-old plant, and increasing capacity, and it just costs a lot of money right now past that.

[01:56:10] And Jeff and I had a conversation just this week specifically about working with Prince William Water in the near future during construction and then what does Jeff indicated what does the city's demand look after five ten fifteen twenty years and how do we how do we accommodate so I'm just thinking of the the messaging that needs to go out from

[01:56:38] the city 25% is it is not the dollars I mean it is the dollars but it's percentage splashed across I think that's why the bottom line it so happens The 25% is on one of the lower spend line items.

[01:57:11] You see 25%, but at the bottom line, all three together, it's an 11% increase. Question for Matt. So given how much money, excuse me, how much data centers are using water for pooling purposes, but water is a finite resource, obviously, what are the trends you're seeing among data centers in terms of moving?

[01:57:45] Are they moving away from water-cooled systems? Thank you. So effective Monday, the city's regulations requiring that all future data centers be liquid-cooled went into effect. So that's something we talked about when we did the zoning changes, and I discussed at the time that we were going to make a regulatory change.

[01:58:03] So as of Monday, there will be no new data centers in the same analysis that are water-cooled going forward. So the three that are coming online over the next year, plus the airport, could still be water cool. But anything in the future will not happen. So we've made that regulatory change based on a lot of the conversation that we're having tonight.

[01:58:24] To me, that's another part of the messaging, too, to point out. Looking ahead. Thank you, Mr. Arcee. I'll buy you a glass of water for that. That, to me, is part of the messaging along the way.

[01:58:45] It's the intrinsic value of water here in our residents, our business is small, large, whatever. That's a question.

[01:59:08] Sewer. Sewer. My name is Nick Short. I actually work in the Annapolis office with Connor here. We'll talk a little bit about sewer now. We're going to switch gears.

[01:59:24] Sewer's a little bit more straightforward and a little bit more simpler to understand. So a brief overview and some changes since the previous study that we've made. We've adopted, for FY2026, a 3% rate increase across all customer classes. For FY27, the capital improvement plan was pretty consistent with the projections, as well as the budgeted operating expenses that we had.

[01:59:48] Surprises. An overview of the sewer system itself. They serve approximately 15,500 customers. Our annual billable flow is a little bit less in water. It's at 1.9 billion gallons. Our wastewater is treated by UOSA. review I guess of the actual sewer system itself and what we're trying to accomplish we need to figure out what the revenue requirement is annually the actual cost it takes to run the system itself we want to also identify any key factors that might be driving up that revenue requirement on an annual basis whether it's additional debt that might be coming online additional CIP projects

[02:00:24] we weren't expecting any additional needs for revenue I mentioned before previously we're going to try to apply this an equal rate increase across all the customer classes and with our rate design we both have residential and non-residential we have our monthly customer classes for both we also have the CIP capital plan for sewer system this is actually going to be all funded through cash as you can see in FY 2027 we have around 1.8 million and then it actually it's halved and is at nine hundred thousand the rest of the way that's representative of three projects we have one at I believe nine hundred

[02:01:04] thousand and the other two at four hundred fifty thousand each respectively and I believe the nine hundred thousand drops off after year 27 so this is nice and stable the sewer system the expenses and revenues this is a five-year projection from 27 to 31 the it's kind of hard to see but that orange line right there that represents what your current revenue is the green line above represents if we apply to three percent increase annually across the board each year and it actually just gets us over by year 2031 right around like 21

[02:01:43] million and right above the cash-funded capital projects in the cumulative bar total for FY2031. The only two years it looks like it drops is in 27 and 28 and again that's typically because of that a little bit higher cash project in 27.

[02:01:58] Something that's a little bit interesting actually your cash balance reserve requirement drops in 29 and that's because uh the requirement is the required target is based off of three elements based off the 60 is cash on hand the one year of debt service and the one percent of net assets so i actually looked it up the reason it dropped was because i believe one of the debt services is is going offline yeah it's like 2014 refunding bond or like that. But it stays pretty, regardless of that line itself, the blue bars itself are very

[02:02:35] consistent. Ideally, what you would want to see, you don't want to see. You want to see rate increases slowly being applied over time and fairly smoothing effect. So the current rates and charges in 2026, it's similar to water, but just a little bit simpler to understand.

[02:02:56] The residential side, it only has a \$10.17 customer charge. For the non-residential side, have again it depending on the meter size that you have attached to you if it's a multifamily it's eight dollars and forty cents per unit and then the flow charges are variable rates that we have we have two types so we have the winter winter quarter average uh and for january february and march i believe it's yeah if it's the average consumption is ten thousand dollars or 10 000 gallons or less uh the under winter quarter in may and october is applied so anything over 14 000

[02:03:32] is actually going to zero. There's also non-residential meter flow or unit rate of \$4.39 as well. This is just a screenshot of essentially what it would look like for the residential side for super rates over five years. Currently in 2026, we have again that \$10.17 charge goes up to just under \$12 by 2031. We have those three tiers, obviously nothing if over \$14,000 if your summer high use rates are based on winter average. If not, they're going to go

[02:04:08] from that \$4.73 in the current to around \$5, \$5.50 by year 2031. For our non-residential side, again, it depends on really what your meter size is and how large you are, but the unit rate itself is just going to be, because we're capturing that already in the water side, there's no reason to charge a tiered rate system through there. You can if you want to, but it's already being captured on the water side. And we also have the multifamily per unit rate down below as well.

[02:04:44] Sample Bill and Bill Comparison. We went through a few of these already. This is for 2027. This would be for 5,000 gallons of usage with 1,000 kilowatt hours. In the first box, second to left, you can see the current bill for 2026.

[02:05:00] That total is \$171, and FY2027, it's going to grow to \$192, or about \$20. Or another way of looking at it is a cumulative 11.9% increase. And this is also excluding the power cost adjustment and any USO UOSO charges as well And then we also have a monthly combined electric water and sewer bill impact We already kind of went through this but if we look at it again again, we can see see over there on the right hand side somewhere between 10% and 12% cumulative being charged depending on the type of

[02:05:38] customer that you are through this, but we also have one for water and sewer Pretty much staying kind of in the in the same region that we were at we're moving from ninety six dollars to just under a hundred and four and a half dollars you see some of the larger customers above this is always a good a good slide just to kind of compare and contrast because it's we try to make it as apples to apples as possible but it never really is some places are going to be larger some places will be smaller we at least try to compare it for a residential customer using 5 000 gallons

[02:06:11] of usage questions on the 46 that um i see the impact but is that like the majority of the

[02:06:40] residential or can you just give me an example page 46. page 46 is basically just saying 5 000 gallons of water 1 000 kilowatt hours the can you go to the next slide sure the next slide is more of what would be a typical household in manassas right so i ran the different scenarios through there so if you are a family of four and you live in a single family home and you're using

[02:07:15] 2400 kilowatts and 9 000 gallons of water you would be looking at a 384 37 cent bill from current that would be an 11 and a half percent you have a little bit of a higher increase um on once you go

above 14 000 because that's when you're looking into the surcharge as well right but average people that should be what it is apartments don't pay water so they're electric

[02:07:53] only their water bill comes through the apartment complex so they're master metered so we don't have anything to that a townhome is a little bit smaller than a single family so the average you know 20 averages it's about 1420 kilos this is just to fully understand it um i used to have a chart where i had how many townhomes we have how many because this this is only good if i can compared the majority of the manassas would be a single home i i don't know i don't want to get

[02:08:32] too deep into how many people but you know it just it would give me uh an idea of those customers the residential ones how much will it be so but i guess the rates are so close once you look at this that the rates are very close because the rates are the rates are they're equal what's different is the consumption each month right we would assume that a single family home is a bit bigger than a town home therefore it would be using a little bit more kilowatt hours a month right

[02:09:07] town home could be smaller but the person living there could like it really hot in the winter so they're turning it up so their their actual consumption might be higher than an individual single family home so it all these are averages of what i'm seeing across and kind of putting it out there especially and where where this is very important the one two three four or six it's more on the water side than what it is on the electric side right because on the electric side if you

[02:09:44] have your your temperature set at 68 degrees it doesn't matter how many people you got there um It's not such a big impact that it would matter. It's more what is the outside temperature versus the inside temperature that you want.

[02:10:01] But on the water side, each person between 2,000 to 3,000 gallons a month, the more people you have, the higher your consumption. So that's where that differentiating factor comes in when you're looking at something like that.

[02:10:20] So lastly, to our consultants here, so which assumption in this study carries the most uncertainty, if that assumption turns out differently than projected how would that change the rate output i would say electric i would definitely say the electric with the uncertainty of what's going to happen and how much kwh and kw is aws going to use right so that will make a big difference and a big impact in the actual in the bills and in the revenues as well as expenditures

[02:11:00] so that would be the biggest one i remember uh hearing about the increase on the cip and sometimes i have heard from the residents why if we are building we're not looking into you know slow it or try to you know as we try to rebuild i'm and i'm not suggesting i'm just trying to bring up the concern uh why that is when look at something that we can slow down so we it's not so expensive

[02:11:39] but uh in previous meetings i also have said we we already we sometimes have applied to grants and other other things that we have so that we already are committed uh but i just have to ask is and i am no saying that hasn't been considered i just want to you know just make sure for peace of mind the increase on the cips are what is necessary especially for the water i i do i i did the

[02:12:10] I've been there a couple times, I understand that there's an urgency, but is there anything that can, it could be changed, if things change, they will slow down that rate. Specifically to the water this year, we only have two major capital projects included in the CIP, those being interconnecting meter vaults and upgrade to the filter underdrain.

[02:12:39] The improvement at the water plant is necessary so that we can continue operation and it actually improves the amount of time. It reduces the amount of time it takes to clear some of the underground. That one is absolutely critical to the operation of the water plant.

[02:12:58] The interconnecting of the meter vaults. Right now, there's a number of the meter vaults that when the city set up the agreement with Prince William Water, It was basically set up that we would be providing water solely to Prince William Water.

[02:13:21] So the meter vaults that we have currently flow one way effectively. So what we need to do is to improve them so that they can flow both ways in anticipation of increased need of water from Prince William Water so that we're better able to do that. And those two projects are estimated at about a million dollars total.

[02:13:41] So they are actually absolutely critical one to the plant operation and two to our long-term Anticipated need of having to acquire water. So we are able to be able to can confirm to our residents that we Last year we had probably well now we had nearly \$70 million projects those being primarily the water line Improvement so that we can get water into the city from the plant this year. It's down to a million dollars

[02:14:15] So, yes, ma'am, we are trying to minimize the capital investment so that we can get a better handle on the funding and minimize the potential rates from capital. And I appreciate it because you might have already done it, but it has to be seen as the effort is a combined effort to cut the cost and hold as much as possible.

[02:14:39] But then, you know, we have to explain that it's critical that, you know, this is the minimum necessary, even though it's too hard. Comments, questions, anything you need to inform us of?

[02:14:56] No, ma'am, basically we will proceed with the requested information about the airport. We will try and work with our consultant as far as some of the information about impacts of differentiation by class and we'll look at the AG factor where we can fall out in anticipation of data centers coming online so that we can hopefully receive some, be able to increase the contribution from those

[02:15:33] we'll be working on that any information that we have available we will definitely include in a presentation prior to the town hall meeting Wednesday and we will get that information out to you as soon as it's available so if I could just review so our next work session is a week from today on the 25th of March along with the town hall this is where we're meeting with the school board and have we decided on anything else since then I know we have observed some dates here.

[02:16:10] Part of your discussion for the 25th will be evaluation of the need for the three budget work sessions scheduled in early April. So if there is a need for further discussion about utilities, we can definitely talk about it then.

[02:16:26] But yes, sir, that is part of the agenda for the 25th is discussion of your future, the need for those meetings. Do we know from the school, we'll get a pretty good idea what the school budget is going to be?

[02:16:49] We're still working on it 3% We have conveyed the 3% to them. Yes, sir. I believe that that's what their budget Presentation will be based on you think it's going to be it's about \$2 million

[02:17:14] I am hopeful that between now and next Wednesday there shouldn't be no significant increase in their requests, but I can share Dr. Newman has told us that he's budget will be within the 3% have any other request

[02:17:47] yes sir I'll accept that did you want us to agree on the recommendation today or did we do are we meeting all of these other levels of verification if council's comfortable in providing that that input that that would help us at least to be able to

[02:18:14] communicate to the public warrior for the schools when was that meeting there was because i do believe there it has been conversations uh the budget or the expected uh percentage that is

[02:18:50] you know, presented advice to the board to create the budget. It's not something new, but I do believe there were, like, a meeting that was held between the three members. Yes, because I don't want to leave that, you know, we didn't hear more.

[02:19:09] We have done things outside of the budget as well, because we talk about the collector and things, even though it's no, it's at one time, but it still is, it's things that they have announced. so i believe that if they can i ask how much is their amount right now about 60 63 or 68 million is what we're providing to them with this budget no no no no i don't know their reserve balance

[02:19:43] well uh we would have to check with i believe we have conveyed to them that that is part of what we wish to discuss with it we were hoping for them to present to you all wednesday is where they're at with with any of the reserves is additional grant monies that they may have received this year to give you an idea of how much money they have yes and i appreciate it and the reason why i want to uh make sure that we stay that because i believe we're doing a better job in painting the picture of the uh data i'm sorry the debt service plus the uh the

[02:20:22] contribution and then uh this is a percentage and if maybe next year that process is different you know it can you know that would be something council has to take into consideration but i just want to make sure that it's not perceived that when we have the meeting it's a continue to me it's a continued relationship they do have if they need a one-time balance they have that balance of those million dollars that they can use and it will be up to this council to pull it but what i'm trying to say is that the three percent it's not something they didn't know the three percent

[02:20:58] is something that they had been agreed has been expected and there was a meeting a formal meeting between the two boards so i i really want that to continue to be brought up because even though the 25th is coming that's another another uh opportunity to talk but it won't be the last because this is we're just talking about the budget not about the other stuff that they can do if they need to do right away once they have their priority uh and bring it up before uh three

[02:21:34] kids just brought me and it has the school 67 million 342 funding for monasas city may i request i think something was um but uh if i maybe i can do it but i would like to uh see the uh percentage that was increased for each uh for each department as you know so i believe it's not so much that three percent was given to them but i think they're looking at what we're doing to each

[02:22:11] department and each department has well i'm asking about the other big departments i think it was uh you know fire out of police oh i'm sorry okay and then our budget shows you know our priorities and i just want to be able to answer that correctly even though i can guess that i just want possible

[02:22:38] or maybe for friday um mr city manager i know there have been some challenges could you bring us all up to date on uh getting the uh video from our march the 6th uh work session uh and posted we're gonna this friday it'll be two weeks and i know that's not how you like to do things i know

[02:23:09] that source of consternation for you can you fill us in what's up well uh the city contracts all of the video production for all of our meetings as well as the school board and so meeting that we had remotely was filmed by our our contracted firm and they originally indicated to our clerk that it would be up yesterday and then they indicated today that it should be up tomorrow

[02:23:46] we are trying to understand why the delay is occurring and i know that that eric is doing everything he can possibly do to encourage them to finalize video production and to the website we will we are discussing about what our options might be in the future as far as doing

[02:24:21] videos i do notice mr smith has a little less air today than anyone so i figured something was up and i wanted to ask but we are equally discouraged that that video has not been able to be uploaded it is not it is not a reflection on council or staff unfortunately it is simply beyond our control and we are doing everything we can to encourage them to finalize i think that's important for our

[02:24:52] residents to hear the retreat is posted right i'm sorry steve i jumped over you five minutes ago i apologize good it's really just to recognize the other commissioners i know they put their hands up but bob angelini courtney tolsen who's our vice chair robert fox andrew smith and actually working with the staff we appreciate we hope that from our perspective and all the work we've been doing that the council sees the need for some of these increases painful as we recognize that

[02:25:31] might be for the reliability and success of the utility yes so I don't know if there's a time but I would like to go back to the spine translation we have a town hall coming up and I want to make sure that that will be available and accessible but also since one of the employees is no longer

[02:25:59] at the communications I have we haven't seen any updates on the community for the WhatsApp community are not that's going to go away we will continue and and then what it maybe it's an agenda item for a future session but I just wanted to make sure that I bring it up because the town hall is coming here did you want to talk about or yeah

[02:26:36] for the future well I'm currently in talks with HR and IT staff what we're gonna do is we're gonna try and get our stipend earners that are currently on the city payroll to act as in-person translators here we're going to utilize the PEG funding to purchase the simultaneous translation or interpretation system which is kind of like the hearing assistive device spanish-speaking residents would just be able to come to the chamber put the device in and one of our current city employees that are stipend earners would just have the kind of like when you look at the courtroom have the face mask

[02:27:11] um they were speaking to the mask and just provide live in-person interpretation services for the whole meeting for the majority of the meeting um most the we really want to focus on the public comment portion um and then just providing a summary of those high level items because it's going to be really complicated to just provide the continuous interpretation but we just want to start with public comment those higher level items um the votes motions just important um points currently we're getting ready to uh in order to get the interpreter to speak in the afternoon we do have to publicize that internally as a kind of like a part-time position

[02:27:47] So we're going to release that probably in the next two two or three weeks IT is going to be purchasing the equipment within the next two or three weeks We do have to put the interpreters through kind of like a training session because live interpretation is different from Just having like a phone conversation if someone were to call in the City Hall So I'm assuming a few months For the process to get actually ramped up, but there's no precedent set in in the state of Virginia There's no municipality that currently offers in-person, live, simultaneous translation services.

[02:28:19] So, yes, it would be the first. You'll be able to hear about the town hall. The town hall, we could have some of it. We'll make sure we have some of it. We'll work with our internal staff. It won't be at this level with the, you know, the devices, but we'll have some of it.

[02:28:37] I said one thing. George Washington University has an AI project that they're doing, and they invited all the jurisdictions in Northern Virginia to be a part.

[02:28:54] Staff, frankly, didn't think it applied enough to Manassas to be worth staff time. Turns out one of my friends is one of the mucky mucks of this and came to me and said, Mark, would you please represent the city of Manassas on this? So if no one has any objection, it's no money.

[02:29:12] It's one day a month of my time to go sit there. The county has got a representative. One day a month to do what? Sit in a room and listen to them talk about AI projects. Who? George Mason? George Washington University. Washington University yeah so I just you're aware that's a thing I have no idea I'm gonna get lunch I think yeah if someone's got an objection or a

[02:29:45] problem let me know but I don't have a problem but I do if there is a future opportunities I would like for that to be said because if you are representing this city you're representing this body so i want to make sure that it's provided so people have enough time to decide whether they want they want to do it on a mission thank you everything else thank you everybody we are adjourned



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