City of Manassas, Virginia

City Council Meeting

AGENDA

City Council Budget Work Session
City Hall Community Conference Room
9027 Center Street
Manassas, VA 20110
Wednesday, March 18, 2026

Call to Order - 5:30 p.m.

Roll Call

1. Discussion Items

1.1 Consideration of Renaming the Manassas Regional Airport

Recommendation to City Council for name change of the Manassas Regional Airport
Letter of Support - HEF Name Change - 2.25.2026.pdf
4149_001.pdf
KHEF Draft Rename Request.pdf
HEF Washington Manassas Airport Letter.pdf

1.2 Utilities Discussion

Manassas Electric Water and Sewer Preliminary Findings Presentation
Utilities Financial Historical Data

Adjournment

City Council Agenda Item Report

Agenda Item No. 1.1
Submitted by: Juan Rivera
Submitting Department: Manassas Regional Airport
Meeting Date: March 18, 2026

Item Title

Consideration of Renaming the Manassas Regional Airport

Suggested Action and/or Recommendation

Discuss the possibility of renaming the Manassas Regional Airport.

Suggested Motion

N/A

Item Type Work Session
Submitting Department Manassas Regional Airport
Meeting Body City Council
Item ID 2026-820
Drafter Juan Rivera
Meeting Date March 18, 2026

Advisory Board/Committee Review

The Airport Commission recommends changing the name of the airport and provided three potential names for consideration.

Fiscal Impact

The cost to replace all airport signage is estimated to be approximately $500,000. Funding for this work would be provided from the Airport Fund. Funding assistance from the Virginia Department of Aviation may also be available to help offset these costs.

Executive Summary and Background Information

The Airport Director received a letter from Chantilly Air, one of the airport's two fixed-base operators (FBOs), requesting that the Airport Commission consider changing the name of the airport. The Airport Commission Chairman subsequently created an ad hoc committee to review the request.

The Airport Commission later held a work session to discuss the matter and received public input. Following that discussion, the Airport Commission voted to recommend that the City Council consider changing the airport's name and provided three potential names for consideration.

ATTACHMENTS

- Recommendation to City Council for name change of the Manassas Regional Airport
- Letter of Support - HEF Name Change - 2.25.2026.pdf

- 4149_001.pdf
- KHEF Draft Rename Request.pdf
- HEF Washington Manassas Airport Letter.pdf

Manassas Regional Airport Commission

To: Mayor and City Council
From: Manassas Regional Airport Commission
Subject: Recommendation to Consider Renaming Manassas Regional Airport
Date: March 16, 2026

RE: Recommendation Memorandum: Airport Name Change

Purpose

The purpose of this memorandum is to present the Manassas Regional Airport Commission's recommendation to consider a name change for Manassas Regional Airport.

The proposed change is intended to improve regional recognition and strengthen the airport's market positioning within the Washington metropolitan area. It would also support long-term economic development objectives and enhance airline outreach and recruitment efforts as the airport transitions from a general aviation facility to a commercial service airport.

Background and History

Manassas Regional Airport was originally established as the Manassas Municipal Airport**,** opening on June 8, 1932. The original name reflected both municipal ownership and the airport's local significance during the early era of civil aviation. In 1964, the airport was relocated to its current location to account for future growth and encroaching housing developments.

In November of 1994 the City Council officially changed the name of the airport to the Manassas Regional Airport (Harry P. Davis Field) in honor of Harry P. Davis, who served as Mayor of the Town of Manassas at the time of the airport's opening and played a key leadership role during its early development.

Historically, the airport has functioned as a General Aviation facility (GA), serving business aviation, flight training, and recreational users. Over the year, the Manassas Regional Airport has experienced sustained growth and is actively transitioning toward Commercial Service operations, reflecting its expanding importance within Northern Virginia and the greater Washington metropolitan region.

As the airport's operational profile and market reach continue to evolve, the Commission finds that the current name—while historically appropriate—no longer fully conveys the airport's proximity to Washington, D.C., nor its emerging role within a complex, multi-airport regional system. The proposed name change is therefore viewed as a continuation of the airport's historical evolution rather than a departure from it.

Peer Airport Examples and Industry Context

Airports expanding from General Aviation or limited-service roles into Commercial Service operations commonly adopt names that incorporate dominant metropolitan identifiers to improve credibility and clarity with airline network planners and marketing teams.

Examples include:

- **Washington Dulles International Airport**, branded to reflect service to the Washington metropolitan area.
- **Baltimore/Washington International Thurgood Marshall Airport (BWI)**, which leverages dual-region branding to strengthen airline and passenger recognition.
- **Chicago Executive Airport**, which rebranded as it expanded its regional business and aviation role.
- **Orlando Sanford International Airport**, aligning its identity with the Orlando market to improve airline and passenger awareness.
- **Denver Centennial Airport**, which markets itself regionally to business aviation users.
- **Melbourne Orlando International Airport,** wanted to brand the airport as a less-congested alternative to Orlando's other two commercial airports and attract visitors who wanted to see Walt Disney World and the area's beaches.
- **Oakland San Francisco Bay Airport,** to boost regional recognition and economic activity.

These peer examples demonstrate that airport naming is an important component of airline outreach, particularly when airports are competing for service within congested metropolitan markets.

Legal and Regulatory Considerations

A change to the airport's name would not alter ownership, governance, grant assurances, or operational authority, nor would it independently confer Commercial Service status. Rather, the name change would support airline outreach and route development efforts by reducing geographic ambiguity and improving immediate market recognition during initial carrier discussions.

The City's ability to name the airport is part of the general authority to operate the facility. There are five sections of the City Code that specifically use the term "Manassas Regional Airport": sections 14-43, 22-1, 130-309, 130-421 and 130-422. If a new name is selected, the City Code sections could be updated accordingly.

One concern raised by the City Attorney is the use of the word "National" in the airport's name.

Since there is already an airport in the region—Washington Reagan National Airport—that uses the word "National," the City Attorney is concerned that there may be a trademark issue that could lead to litigation. The Federal Aviation Administration (FAA) must be formally notified of any airport name change so that official records—including the Airport Master Record (FAA Form 5010), aeronautical charts, and FAA publications—can be updated accordingly. The initial step in this process would be the submission of a formal notification letter to the FAA Airport District Office (ADO) advising that the City of Manassas has approved a change to the airport's name from Manassas Regional Airport to the newly adopted name and that the City is requesting the FAA's approval. This notification must include a signed copy of the resolution adopted by the Manassas City Council authorizing the name change.

Once the FAA receives the request, it will coordinate an aeronautical study to ensure that no FAA stakeholders object to the proposed name change (allow approximately two weeks). Pending confirmation, the ADO will issue a letter approving the new name, and the FAA will initiate the name change within its database for charting, grants, and related records.

The airport's FAA location identifier (HEF) would remain unchanged unless a separate request is submitted and approved. The Airport Commission is not recommending a change to the airport's three letter identifier at this time. In addition, the Virginia Department of Aviation (DOAV) would be notified, and the airport's public-use license would be amended to reflect the new airport name. The DOAV does not have a formal name-change approval process.

Marketing, Airline Outreach, and Economic Development Rationale

As the airport transitions to Commercial Service, a clear and market-recognizable name is a critical tool in airline recruitment. Incorporating "Washington" into the airport name would:

- Improve immediate recognition among airline network planners and route development teams
- Clearly position the airport within the Washington metropolitan catchment area
- Reduce the need for explanatory context during airline outreach presentations
- Strengthen the airport's competitiveness when compared to peer regional airports

In addition, improved name recognition supports passenger confidence, business attraction, tourism, and site selection efforts. Retaining "Manassas" ensures continuity and preserves local identity while supporting future growth.

Estimated Cost and Implementation Timing

The primary costs associated with a name change would include branding updates, signage replacement, websites and publication revisions, and administrative updates.

These costs can be managed through a phased implementation over an estimated 12–24-month period, allowing many updates to align with Commercial Service-related capital improvements, airline marketing initiatives, and scheduled facility upgrades.

Because many of the required signs will be newly installed, the number of existing signs requiring replacement will be minimal. Airport staff are working with Avports to develop a comprehensive airport signage plan. The cost of signs located on I95 and I66 are typically paid for by VDOT. Not all airport signs would need to be replaced. Some would be abandoned since the new airport signage plan my find that they are not necessary or redundant.

Estimated cost to website, publications, and administrative:

- Week of Staff Time

Types of signs requiring updates:

- Wayfinding signs (provide guidance within the airport complex)
- Highway signs (Route 234, Interstates 66, and 95)
- Informational signs (identify locations within the airport)

- Airport Signature Sign (Intersection of Harry J Parrish/Wakeman Drive and Piper Lane/Observation Road)
- Airport Name on Existing Terminal (Airside)
- US Customs Office Lettering (Customs Office)

Estimated cost to replace existing airport signs:

$500,000 (Materials, Design, and Installation)

Secondary costs to would include vehicle branding and uniforms. These costs can be managed in a secondary phase after the launching of commercial service.

Estimated cost to replace:

Vehicles Decals- $6,000

Uniforms - $5,500

Commission & Staff Recommendation

Based on the airport's transition from a General Aviation facility to a Commercial Service airport, established peer practices, and the importance of airline outreach, the Manassas Regional Airport Commission recommends advancing consideration of a name change that incorporates "Washington" to reflect the airport's expanded role and regional relevance.

The Commission finds that **Washington Manassas Regional Airport** and **Washington Manassas Airport** provide the strongest balance of airline marketability, continuity, and regulatory defensibility. While the name "**Washington Manassas Metropolitan Airport**" was not ultimately selected, the Chairman of the Commission continues to regard it as a strong and viable option for consideration as well. The Commission and City Attorney advises caution with picking Washington Manassas National Airport due to increased regulatory scrutiny, potential airline confusion, and stakeholder concerns. Letters of support from the airport's two Fixed Base Operators (FBOs) and Avports are attached to this memorandum.

Comparison of Proposed Airport Names

PROPOSED NAME	PROS	CONS
Washington Manassas Airport	• Strong recognition for airline outreach • Simple, marketable name for route development discussions • Clear Washington metro positioning • Lower regulatory risk • Retains continuity with existing name	• Removes "Regional" descriptor • Requires continuity messaging
Washington Manassas Regional Airport	• Clearly supports Commercial Service role • Strong credibility with airlines • High stakeholder acceptance	• Longer name • Slightly less concise
Washington Manassas National Airport	• High initial recognition	• Risk of confusion with Reagan National Airport • Increased FAA scrutiny • Potential airline and political resistance • Implied federal designation

Roderick D. Hall, Chairman
Manassas Regional Airport Commission

Cc: Letter of Support

APP Jet Center Manassas | 9998 Wakeman Drive | Manassas, VA 20110 | 703-392-5387 |

Date: February 25, 2026

Subject: Support for Proposed Name Change – Manassas Regional Airport

Purpose: Support of Proposed Name Change for Manassas Regional Airport

To: Manassas City Council and Manassas Airport Commission

APP Jet Center Manassas appreciates the opportunity to participate in the process organized by the Manassas Airport Commission to evaluate and recommend potential name changes for Manassas Regional Airport to the Manassas City Council.

It is our understanding that the Airport Commission has selected the following names for recommendation to the City Council:

- Washington Manassas Airport
- Washington Manassas Regional Airport
- Washington Manassas National Airport

On behalf of APP Jet Center, I would like to formally express our support for any of the names recommended by the Airport Commission. We appreciate the thoughtful and collaborative approach taken throughout this process and look forward to the City Council's consideration of these recommendations.

Respectfully,
Quinn Redden
General Manager
APP Jet Center Manassas

March 2, 2026

Juan Rivera
Airport Director
Manassas Regional Airport
Manassas, VA

Dear Mr. Rivera,

On behalf of Chantilly Air, I am writing to express our strong support for the proposed name change of Manassas Regional Airport. We believe this initiative is crucial to the continued growth and success of the airport and will significantly enhance its visibility for travelers searching for Washington DC airports. Despite the airport's close proximity to the nation's capital, many travelers are unfamiliar with the Manassas name, which limits its recognition and accessibility within the region.

It is important to note that other airports within the Washington DC Metro area are also embarking on similar name change initiatives. We believe that the first airport to complete this transition will secure a considerable advantage over those that follow—a distinction that may prove difficult to overcome. As such, time is of the essence for Manassas Regional Airport to establish itself as the leading gateway to the Washington DC region.

There is a clear industry trend of airports in metropolitan areas adopting city-based names to improve clarity and attract more business. Nearby airports have benefited from concise, metropolitan identifiers, making them more discoverable for passengers and stakeholders alike. To that end, we recommend adopting a succinct name such as **"Washington-Manassas Airport"**, **"Washington DC–Manassas Airport"**, **"Washington–Manassas Intl Airport"** or a similar option. A brief and direct name is essential, not only for marketing purposes, but also due to aviation database constraints that often truncate lengthy names.

We are excited about the positive transformation this change will bring, and are confident it will improve the airport's profile, boost searchability for travelers, and attract new business opportunities. Chantilly Air remains fully committed to supporting this important initiative and looks forward to collaborating with the airport leadership and stakeholders to ensure its successful implementation.

Thank you for your consideration and your dedication to the airport's future.

Sincerely,

Tim Sullivan
Chief Operating Officer
Chantilly Air

10660 Skyview Terrace, Suite 100 | Manassas, VA 20110
800.720.JETS (5387) | chantillyair.com

FBO | AIRCRAFT MANAGEMENT | CHARTER | MAINTENANCE | SALES

Formal Recommendation to Rename Manassas Regional Airport

Emphasizing Proximity to the Washington DC Metropolitan Area

October 28, 2025

Manassas Airport Commission
Manassas Regional Airport
10600 Harry J Parrish Blvd
Manassas, VA 20110

Dear Members of the Manassas Airport Commission,

I am writing as a long-standing tenant of Manassas Regional Airport, with over thirty-five years of continuous presence on the field, and as the operator of a full-service Fixed Base Operator (FBO), International Charter Operator and FAA approved Part 145 Repair Station, serving a wide range of general aviation and corporate clients. My extensive experience at this airport has afforded me unique insights into both its strengths and the ongoing challenges we face in maximizing its potential within the greater Washington DC metropolitan region.

Introduction and Background

Throughout my tenure, I have witnessed the steady growth and enhancement of Manassas Regional Airport's facilities and services. The development of our infrastructure, improvements in airfield amenities, and the expansion of our business aviation community are testaments to the airport's commitment to excellence. However, despite these advancements, we continue to encounter persistent obstacles in raising awareness among potential users—particularly those unfamiliar with the region—regarding the airport's convenience and its close proximity to Washington DC.

Current Challenges in Visitor Awareness

One of the most significant challenges remains the perception that Manassas Regional Airport is distant from the nation's capital. This misconception often leads travelers, flight departments, and even airline operators to overlook our airport in favor of less convenient alternatives. Our team regularly receives inquiries from first-time visitors who express surprise at the short travel time to downtown Washington DC and the quality of services available upon arrival. The airport's current name, while rooted in local heritage, does not adequately convey its strategic location or the value it offers to the broader Washington metropolitan area.

Recent Experiences and Positive Feedback

The recent Presidential inauguration provided a vivid demonstration of the airport's capabilities and convenience. During this period, we experienced a marked increase in traffic, with numerous first-time users electing to operate from Manassas Regional Airport. The feedback from these visitors was overwhelmingly positive—many remarked on the ease of access, the efficiency of our ground handling, and the quality of the airport's amenities. Several clients noted they would have considered our airport sooner had they been more aware of its proximity to Washington DC and its suitability for their operational needs.

Ongoing Development and Amenities

It is also important to recognize the ongoing development within the airport and the surrounding community. The addition of new hangars, state-of-the-art facilities, and improved ground transportation links has made Manassas Regional Airport a premier choice for both general aviation and, increasingly, commercial airline service. These enhancements position the airport to serve as a vital gateway to the nation's capital for a growing number of travelers.

Comparative Examples: Airport Renaming for Metropolitan Branding

To further illustrate the potential benefits of renaming, I have included below a few examples of U.S. airports that have successfully rebranded to emphasize their proximity to major metropolitan areas:

Current Name	Prior Name	Year Renamed
Washington Dulles International Airport	Dulles International Airport	1982
Phoenix-Mesa Gateway Airport	Williams Gateway Airport	2008
New York Stewart International Airport	Stewart Air Force Base	2018

Oakland San Francisco Bay Airport	Oakland Municipal Airport	2025
Hollywood Burbank Airport	Bob Hope Airport	2017
Chicago Executive Airport	Palwaukee Airport	2006
Indianapolis Regional Airport	Mount Comfort Airport	2011
Kansas City / Lee's Summit Regional Airport	Lees Summit Municipal Airport	2013
Miami Executive Airport	Kendall-Tamiami Executive Airport	2014
Miami-Opa Locka Executive Airport	Opa Locka Airport	2014
Dallas Executive Airport	Redbird Airport	2014

In each of these cases, the renaming initiative served to strengthen the airport's identity, clarify its regional significance, and enhance recognition among both domestic and international travelers.

Recommendation: The Case for Renaming

With the imminent arrival of scheduled airline service, the need to raise awareness of Manassas Regional Airport's unique advantages is more critical than ever. A name that directly references the Washington DC metropolitan area would serve as a powerful marketing tool, instantly communicating the airport's location and accessibility to the traveling public, airlines, and business interests. Such a change would align Manassas Regional Airport with best practices observed at other successful airports, positioning it as a premier gateway to the nation's capital and the broader region.

Additional Points for the Case for Renaming

One of the ongoing challenges is that many travelers simply don't know about Manassas Regional Airport. The airport's code, "HEF," doesn't relate to the name "Manassas," and even the name "Harry P. Davis" doesn't match up with the code. This creates confusion and makes it harder for people to recognize or remember the airport. In comparison, other regional airports like FDK, GAI, and HGR have codes that make sense and are easier for travelers to connect with their locations. As a result, Manassas Regional Airport sometimes feels like it has an identity crisis, which can make it less competitive.

When making a big change like renaming the airport, it's important that everyone—airport staff, businesses, and travelers—are involved and supportive. The change should benefit current users and businesses, while also attracting new opportunities and economic growth. Renaming the airport in a way that clearly communicates its location and advantages would help achieve these goals.

Suggested Solution

Here's a straightforward approach for the commission to consider:

1. Identify the nearest major city that attracts travelers—in this case, "Washington."
2. Determine if the airport can support international flights with U.S. Customs. If so, include "International" in the name.
3. Honor the local heritage by keeping "Manassas" in the name.

A recommended new name and identifier: Washington International Manassas (KWIM) Airport. This change would also support a strong marketing campaign.

Ad campaign idea:
"Fly on a WIM"—meaning you can fly when you want, how you want, and because you enjoy flying. This message appeals to general aviation, private flyers, government agencies, airlines, and charter services.

Conclusion: Seizing a Transformational Opportunity

In conclusion, I strongly urge the Manassas Airport Commission to consider renaming Manassas Regional Airport to a designation that reflects its proximity to Washington DC. This strategic step would not only address long-standing challenges in market awareness but also capitalize on the airport's growth and the new opportunities presented by upcoming airline service. By raising the profile of our airport among travelers, we will enhance its competitiveness, foster economic development, and better serve the needs of our community and region.

Thank you for your consideration of this important initiative. I would be pleased to discuss this recommendation further and offer any assistance that may be helpful as you evaluate this proposal.

Respectfully,

Tim Sullivan

Chief Operating Officer
Chantilly Air Inc.

AVPORTS

12901 Worldgate Drive
Suite 510
Herndon, VA 20170

771.203.8610
aking@avports.com

March 16, 2026

City of Manassas City Council
9027 Center Street
Manassas, Virginia 20110

Re: Letter of Support – Renaming Manassas Regional Airport to Washington Manassas Airport

Dear Mayor and Members of the City Council,

On behalf of Avports, I am pleased to express our strong support for the proposed renaming of Manassas Regional Airport (HEF) to Washington Manassas Airport. We believe this name change represents a meaningful and strategic step forward for the airport, the City of Manassas, and the broader region.

As the airport's operator, Avports has witnessed firsthand the growth in interest and demand from travelers and businesses seeking convenient access to the greater Washington metropolitan area. The current name, while rooted in local identity, does not fully communicate the airport's geographic relevance to the millions of regional residents, businesses, and visitors who could benefit from its services. The name "Washington Manassas Airport" would more accurately position HEF within the competitive airport marketplace, signaling its proximity to the nation's capital while preserving its connection to the Manassas community.

A clearer regional identity can strengthen the airport's ability to attract new air service, corporate and general aviation customers, and economic development opportunities that benefit the City of Manassas and Prince William County. We have seen similar rebranding efforts at peer airports across the country yield measurable improvements in awareness, utilization, and investment — and we are confident Washington Manassas Airport can experience similar results.

Avports stands ready to support the City's efforts in this transition, including updating operational signage, communications, and marketing materials in coordination with the City and the relevant aviation authorities. We view this as a shared investment in the long-term success of the airport and the community it serves.

We respectfully encourage the City Council to move forward with this renaming and thank you for your continued partnership and leadership on behalf of Manassas Regional Airport.

Sincerely,

Andrew King
Vice President, External Affairs

City Council Agenda Item Report

Agenda Item No. 1.2
Submitted by: Eric Smith
Submitting Department: Utilities
Meeting Date: March 18, 2026

Item Title

Utilities Discussion

Suggested Action and/or Recommendation

Suggested Motion

Item Type Work Session
Submitting Department Utilities
Meeting Body City Council

Item ID 2026-821
Drafter Eric Smith
Meeting Date March 18, 2026

ATTACHMENTS

- Manassas Electric Water and Sewer Preliminary Findings Presentation
- Utilities Financial Historical Data

March 18, 2026 | City of Manassas | Electric, Water, and Sewer Rate Study Update

Presentation: Rate Study Update Preliminary Findings

Manassas
HISTORIC HEART. MODERN BEAT.

Scott Burnham, Partner
Nick Short, Manager
Connor Drucis, Senior Consultant
NewGen Strategies & Solutions

Presentation Agenda

- Study Assumptions
- Financial Overview and Proposed Rates
  - Electric
  - Water
  - Sewer
- Sample Bill and Bill Comparison

Study Assumptions

Business Fundamentals

Revenue Sufficiency

Revenues match or exceed expenses

Reserves

Plan for a rainy day

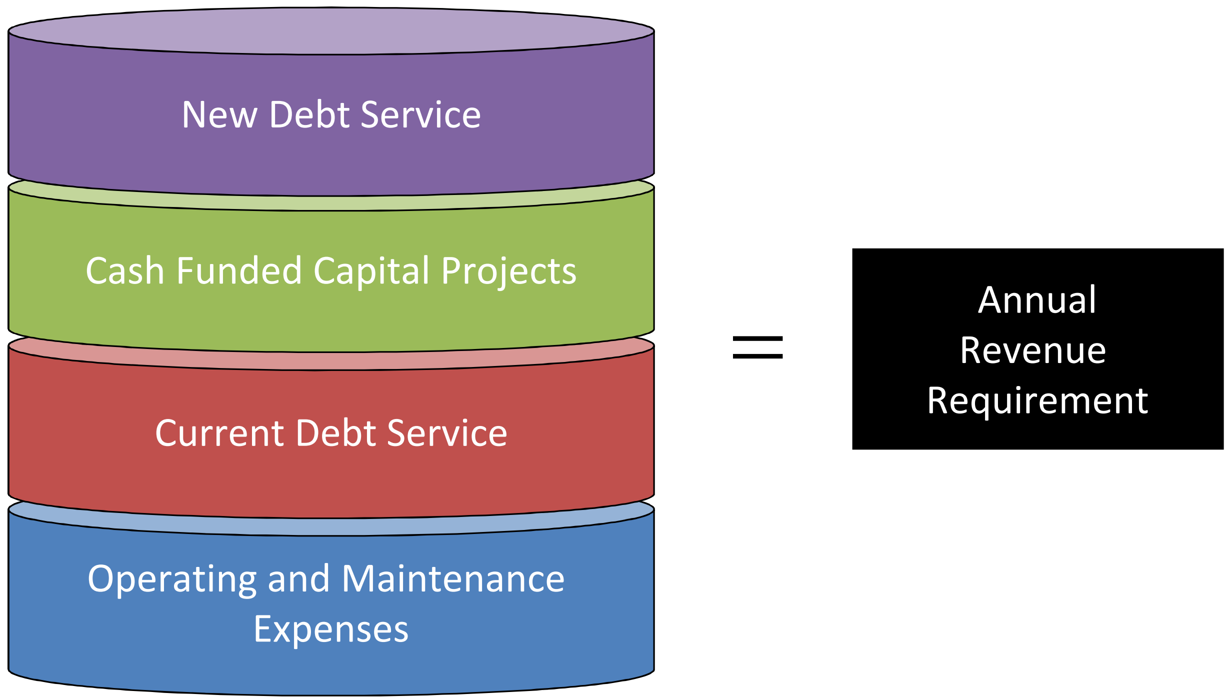
Reinvestment

Repair, replace, and reinvest in infrastructure

Factors Affecting City of Manassas Charges and Rates

- Operating and maintenance expense changes
  - Purchased power (electric) expenses escalated by ~2.7% per year
  - Purchased Water increased by ~$1.2 million from revised FY 2026 budget to FY 2027 budget
  - Benefits, Retirement, and Healthcare expenses escalated by 10% per year
  - Service expenses escalated by 6% per year
  - Majority of other expenses escalated by 3% per year
- Capital improvement plans
  - Investment in the electric distribution, water treatment and distribution, and sewer collection systems
- Debt service
  - existing and future debt (no new debt until FY 2029)
- Customer changes
  - No expected growth based on historical trends
- Demand, usage, and flow changes
  - No expected growth based on historical trends outside of projected new data center.
- Miscellaneous revenue changes
  - No increases assumed
- Reserve target
  - Combined unrestricted cash and capital fund balance set to meet or exceed a reserve target equal to a combination of 60 days (1/6) of operating expenses, 1 year of debt service, and 1% of net assets (current policy)

Revenue Requirement



Electric Financial Overview and Proposed Rates

Changes Since Prior Study - Electric

- Adopted a 6.5% rate increase for all customer classes in FY 2026
  - Proposed 8.5% rate increase
  - Additional revenue still needed
- Purchased Power Costs from VMEA less than estimated
  - Minimal reduction in projected base rate revenue increase
  - Generation Capacity Credit (~$1.5 Million)
- Brick Plant load is now online
  - Additional revenue produced for rate relief (~$50k)

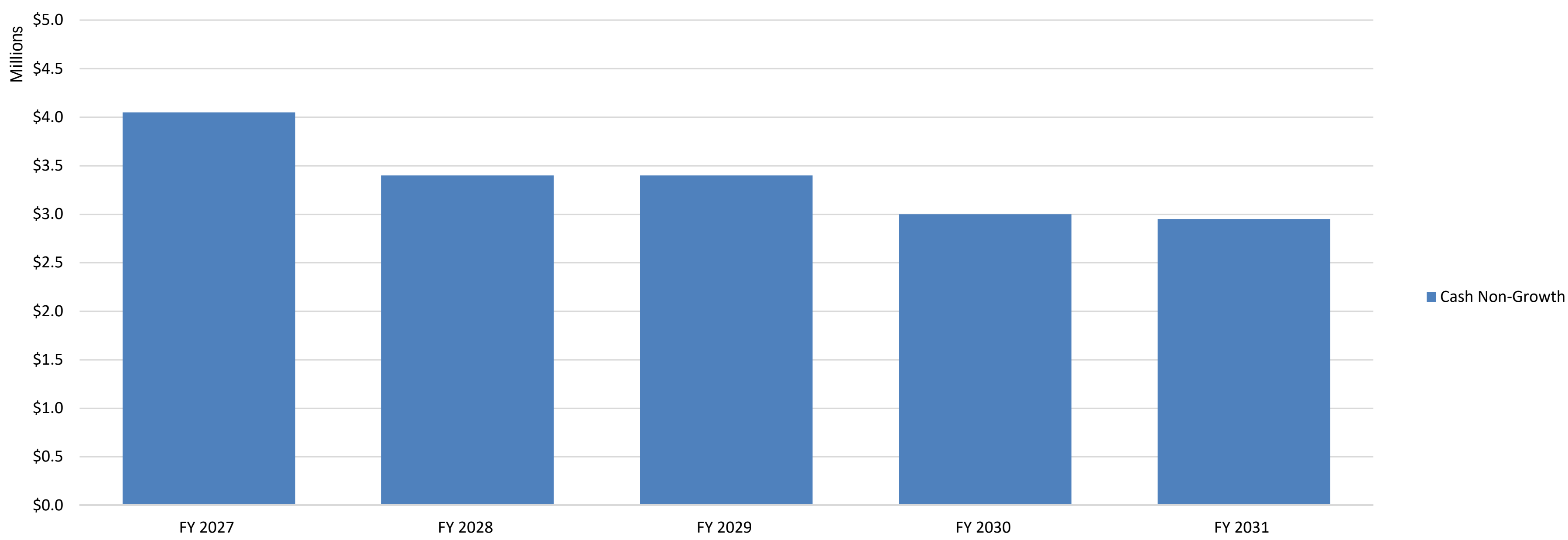
Electric System – Review

- Identify annual system revenue increases needed to cover the revenue requirement and unrestricted cash targets
  - Identify key factors driving annual increases to revenue requirements
  - Discuss needs for additional revenue
- Analyze impact of new data center load
  - Potential rate relief
  - Recommend waiting for load to arrive
- Apply equal rate increase across all customer classes
- Rate Design
  - Fixed Costs (Monthly Customer Charge, Demand)
  - Variable Costs (Energy, Power Cost Adjustment / Fuel Adjustment Charge)

Electric System – Overview

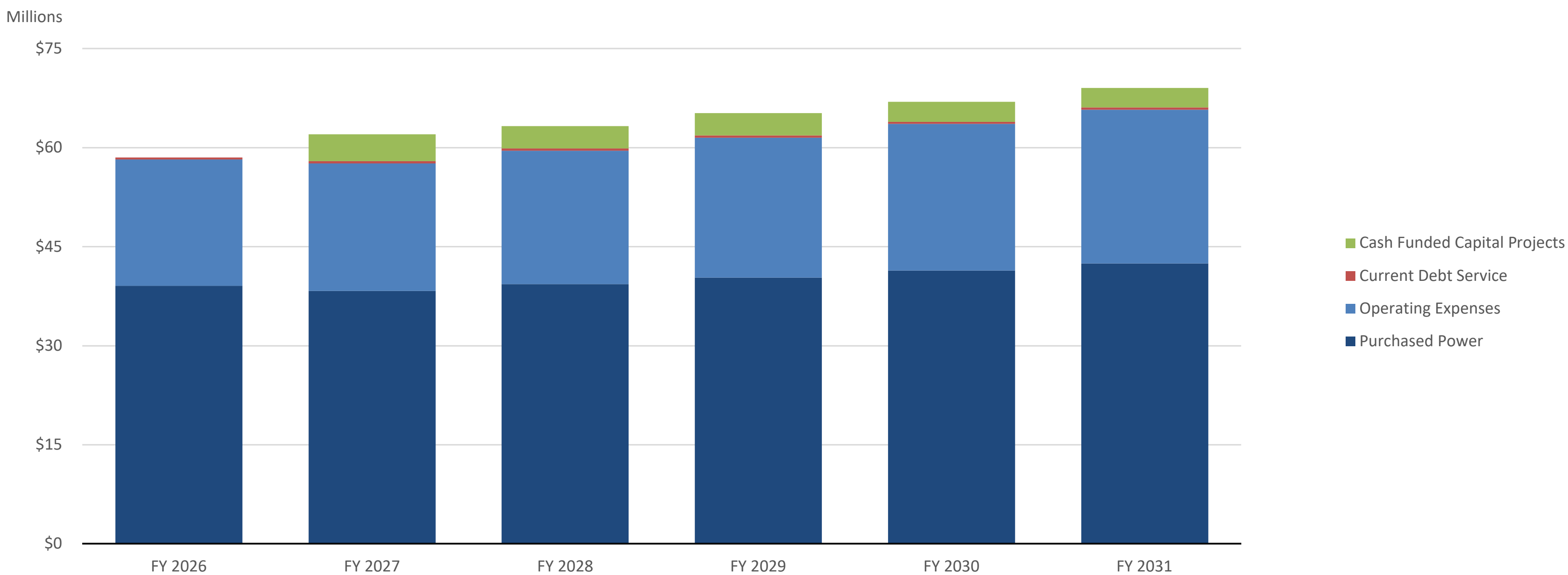
- Approximately 16,500 retail customers
- Annual retail sales of ~430,000,000 kWh
- The City is a member of the Virginia Municipal Electric Association (VMEA)
  - VMEA purchases electricity from Dominion Virginia Power for resale to its members
  - Purchased Power costs are passed through for Large Power Service Transmission Voltage (LPSTV) customers and Large Power Service Distribution Voltage (LPSDV)
  - Purchased Power costs are included in the Energy Rate for other customers
    - Variations in Fuel Costs recovered through Power Cost Adjustment/Fuel Adjustment Charge

Electric System Capital Plan



*Average Annual Budgeted Capital Investments of ~$3.3MM

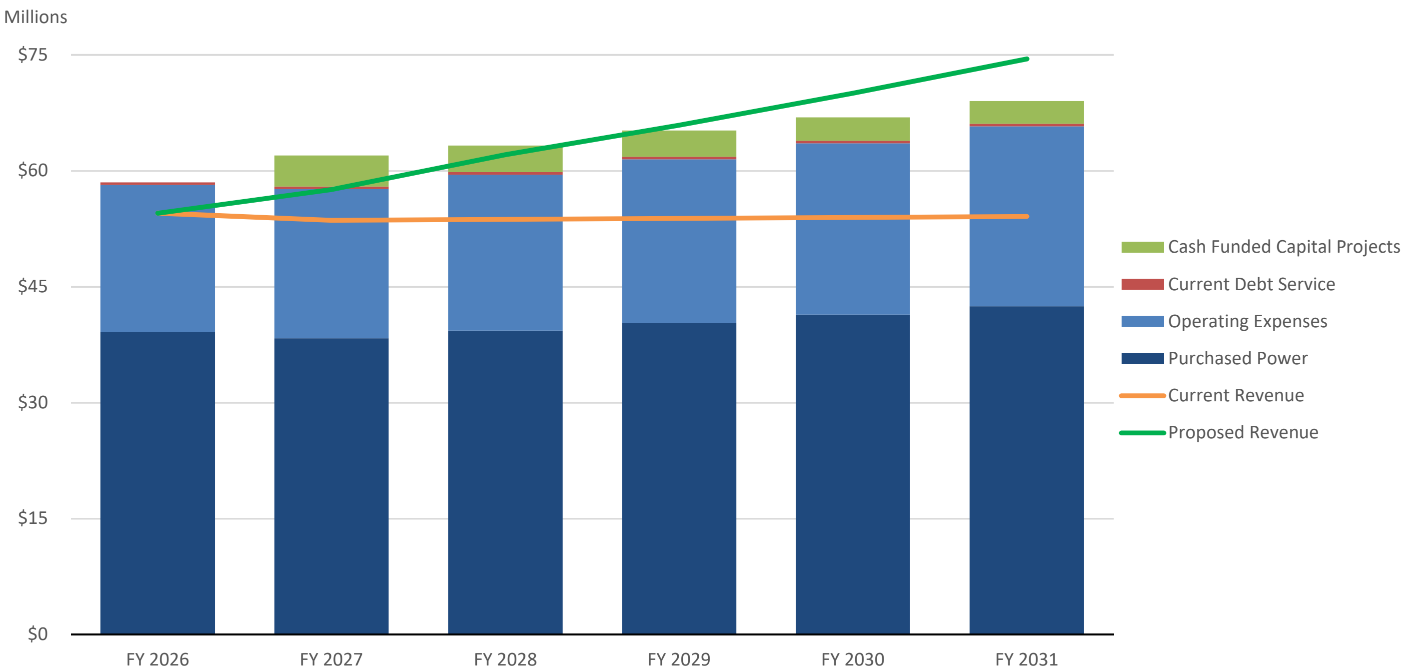
Electric System Expenses



- Operating expense drivers:
  - Retirements, Benefits, & Healthcare: 10% Annual Escalation
  - Services: 6% Annual Escalation
  - Labor: 3% Annual Escalation
- Purchased Power expenses escalated at ~2.7%

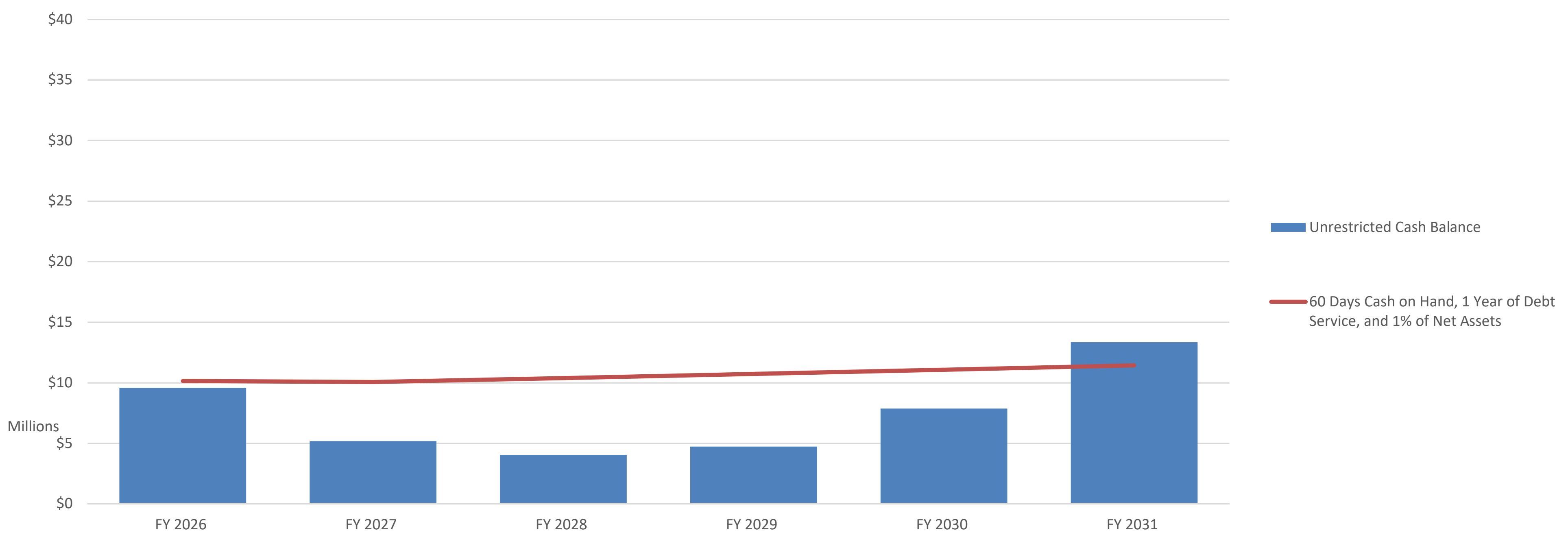
- Average Annual Budgeted Capital Investments of $3.3MM
  - T&D Maintenance and Improvement Project
  - Undergrounding of certain overhead lines

Electric System Expenses/Revenues



Recommended Rate Revenue Increase:
FY 2027 - FY 2028: 10.5% per year
FY 2029 - FY 2031: 8% per year

Electric System Unrestricted Cash Balance



The red line represents a combined target equal to 60 days (1/6) of operating expenses, 1 year of debt service, and 1% of net assets

Electric System - Current (FY 2026) Rates and Charges

Monthly Customer Charge

Charge Type	
Residential Service	$16.17
Small General Service	$23.30
Medium General Service	$23.33
Large Power Service - Primary	$191.73
Large Power Service – Secondary	$166.17

Energy and Demand Charges

Charge Type	Energy Charges (Per kWh)	Demand Charges (Per KW)
Residential Service	$0.0984	N/A
Small General Service	$0.0977	N/A
Medium General Service	$0.0571	$14.75
Large Power Service - Primary	$0.0308	$20.45
Large Power Service – Secondary	$0.0312	$20.70

LPSTV & LPSDV: Wholesale Energy, Substation Cost (LPSTV Only), Direct and Indirect Costs

Projected Residential Electric Rates

Charge	Current	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Monthly Fixed Charge						
Customer Charge	$16.17	$17.87	$19.74	$21.32	$23.03	$24.87
Energy Charge ($/kWh)						
Energy Charge	$0.09840	$0.10873	$0.12015	$0.12976	$0.14014	$0.15135

Power Cost Adjustment ($/kWh)	Current	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Power Cost Adjustment Charge	$0.01794	$0.01528	TBD	TBD	TBD	TBD

*Variations in Fuel Costs recovered through Power Cost Adjustment.

Projected Small General Service Electric Rates

Charge	Current	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Monthly Fixed Charge						
Customer Charge	$23.30	$25.75	$28.45	$30.73	$33.18	$35.84
Energy Charge ($/kWh)						
Energy Charge	$0.09770	$0.10796	$0.11929	$0.12884	$0.13914	$0.15028

Power Cost Adjustment ($/kWh)	Current	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Power Cost Adjustment Charge	$0.01794	$0.01528	TBD	TBD	TBD	TBD

*Variations in Fuel Costs recovered through Power Cost Adjustment

Projected Medium General Service Electric Rates

Charge	Current	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Monthly Fixed Charge						
Customer Charge	$23.33	$25.78	$28.49	$30.77	$33.23	$35.88
Energy Charge ($/kWh)						
Energy Charge	$0.05710	$0.06310	$0.06972	$0.07530	$0.08132	$0.08783
Demand Charge ($/kW)						
Demand Charge	$14.75	$16.30	$18.01	$19.45	$21.01	$22.69

Power Cost Adjustment ($/kWh)	Current	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Power Cost Adjustment Charge	$0.01794	$0.01528	TBD	TBD	TBD	TBD

*Variations in Fuel Costs recovered through Power Cost Adjustment

Projected Large Power Service Primary Electric Rates

Charge	Current	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Monthly Fixed Charge						
Customer Charge	$191.73	$211.86	$234.11	$252.84	$273.06	$294.91
Energy Charge ($/kWh)						
Energy Charge	$0.03080	$0.03403	$0.03761	$0.04062	$0.04387	$0.04737
Demand Charge ($/kW)						
Demand Charge	$20.45	$22.60	$24.97	$26.97	$29.12	$31.45

Power Cost Adjustment ($/kWh)	Current	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Power Cost Adjustment Charge	$0.01794	$0.01528	TBD	TBD	TBD	TBD

*Variations in Fuel Costs recovered through Power Cost Adjustment

Projected Large Power Service Secondary Electric Rates

Charge	Current	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Monthly Fixed Charge						
Customer Charge	$166.17	$183.62	$202.90	$219.13	$236.66	$255.59
Energy Charge ($/kWh)						
Energy Charge	$0.03120	$0.03448	$0.03810	$0.04114	$0.04444	$0.04799
Demand Charge ($/kW)						
Demand Charge	$20.70	$22.87	$25.28	$27.30	$29.48	$31.84

Power Cost Adjustment ($/kWh)	Current	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Power Cost Adjustment Charge	$0.01794	$0.01528	TBD	TBD	TBD	TBD

*Variations in Fuel Costs recovered through Power Cost Adjustment

Water Financial Overview and Proposed Rates

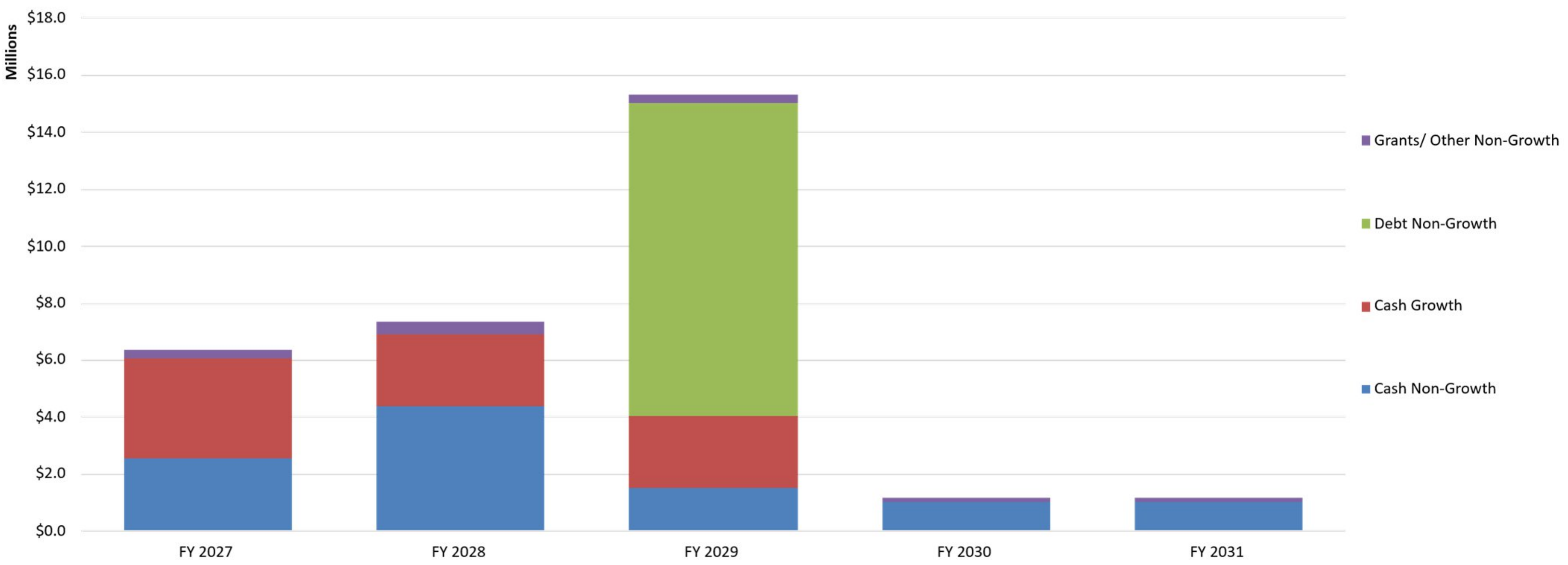
Changes Since Previous Study

- Adopted an 8.5% rate increase for all customer classes in FY 2026
- Budgeted operating expenses in FY 2027 are ~24% higher than projected FY 2027 expenses were in the last study
  - due to an additional $1.2 million in purchased water, higher PILOT expenses, and higher chemical costs
- Capital improvement plan has increased by ~$3.9 million per year on average

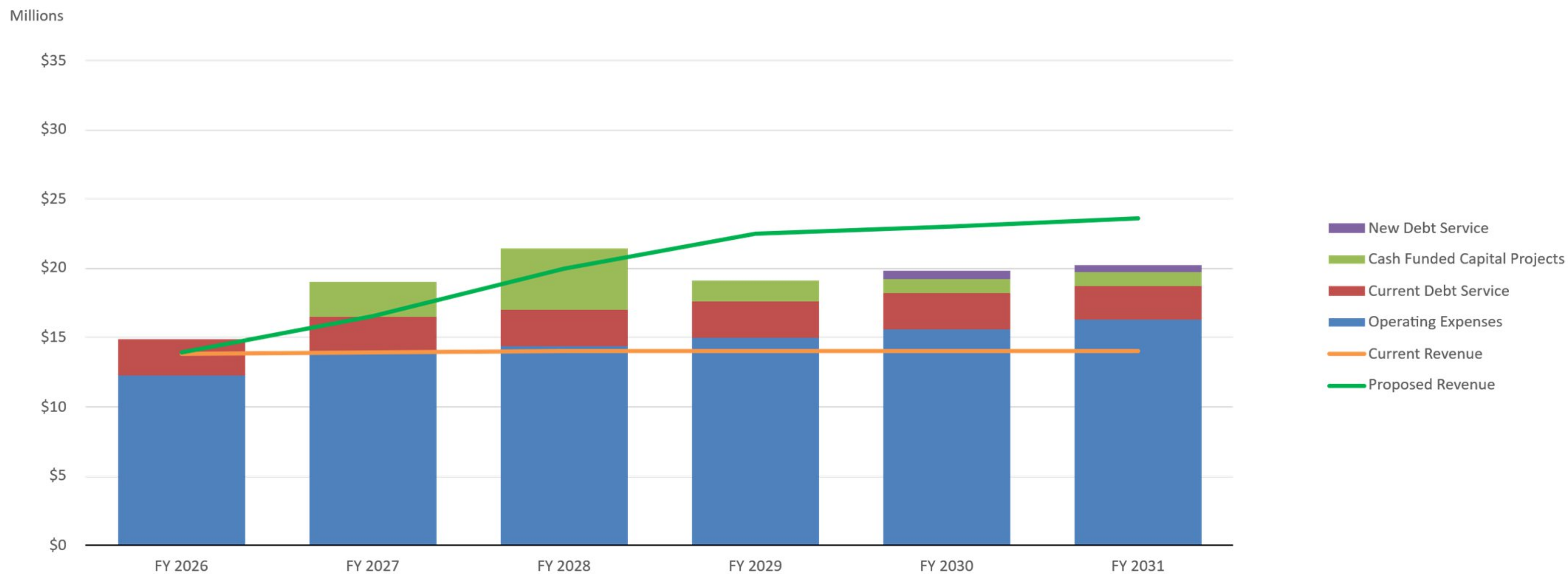
Water System

- Overview
  - Approximately 15,700 customers
  - Annual billable usage of 2.15 billion gallons
- Review
  - Identify annual system revenue increases needed to cover the revenue requirement and unrestricted cash targets
    - Identify key factors driving annual increases to revenue requirements
    - Discuss needs for additional revenue
  - Apply equal rate increase across all customer classes
  - Rate Design
    - Two Rate Plan Options
    - Monthly Customer Charges
    - Variable Charges

Water System Capital Plan (Option 1 and Option 2)

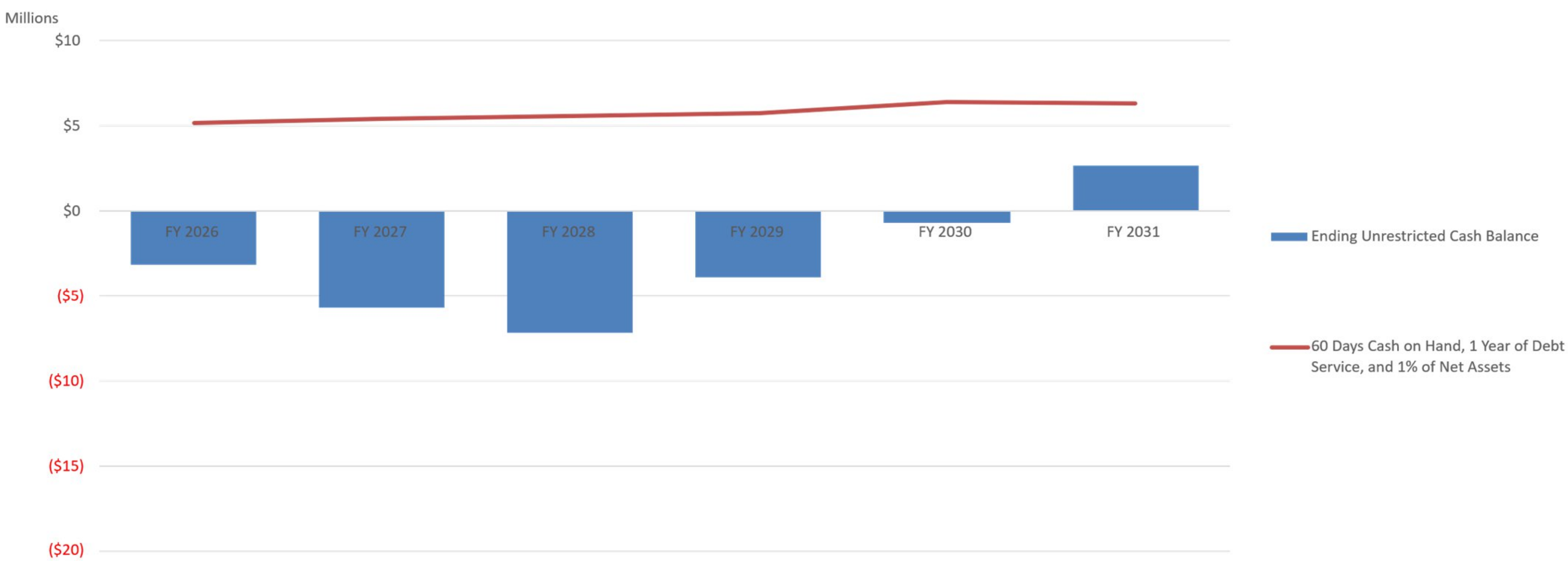


Water System Expenses/Revenues (Option 1)



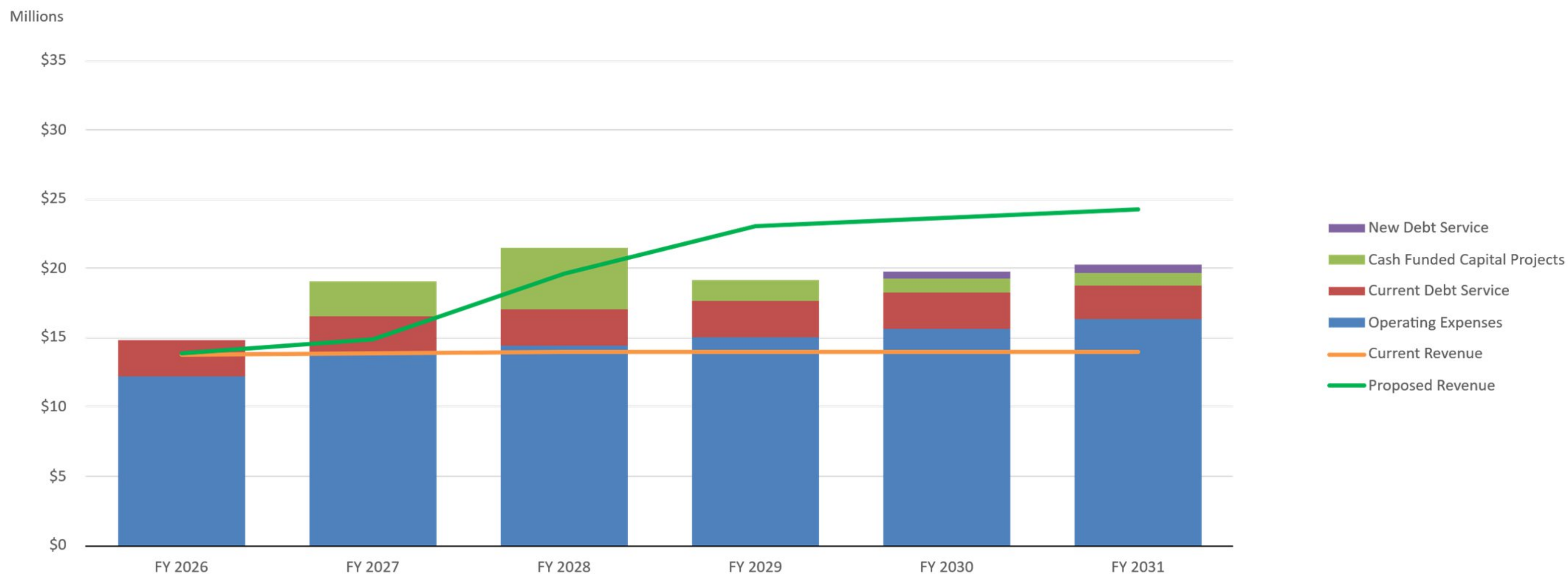
Proposed Revenue reflects a 25% increase in FY 2027 and FY 2028, a 15% increase in FY 2029, and 3% increases in FY 2030 and FY 2031

Water System Unrestricted Cash Balance (Option 1)



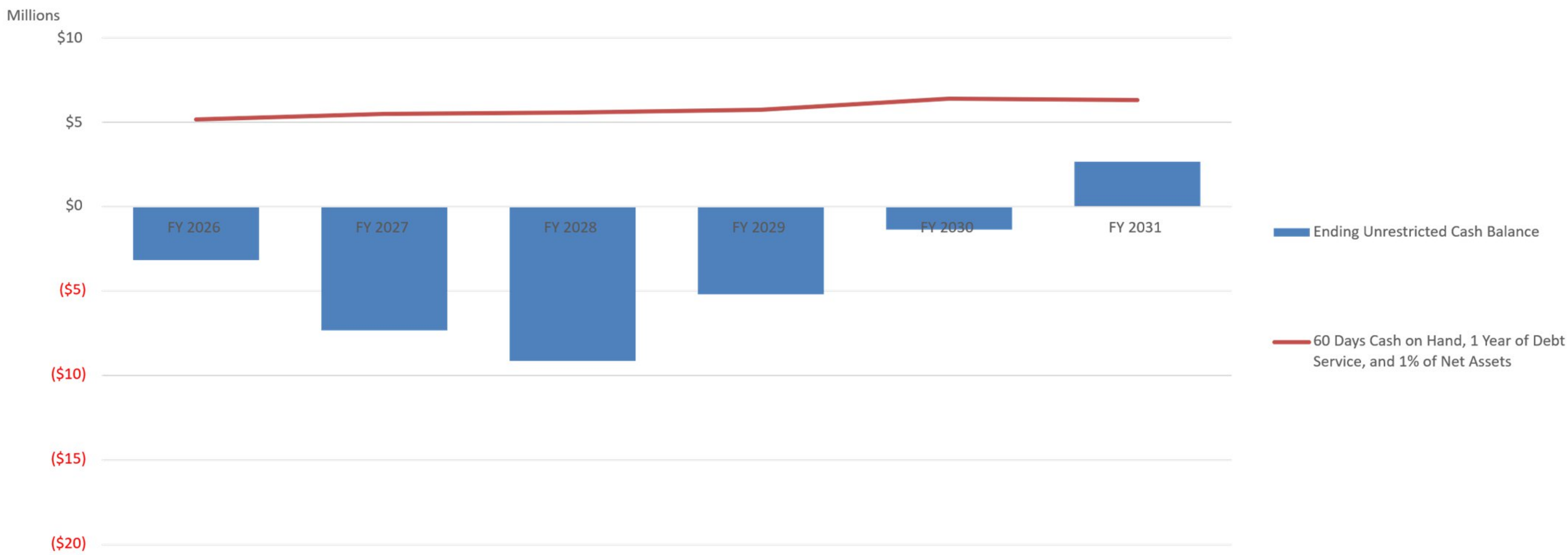
The red line represents a combined target equal to 60 days (1/6) of operating expenses, 1 year of debt service, and 1% of net assets

Water System Expenses/Revenues (Option 2)



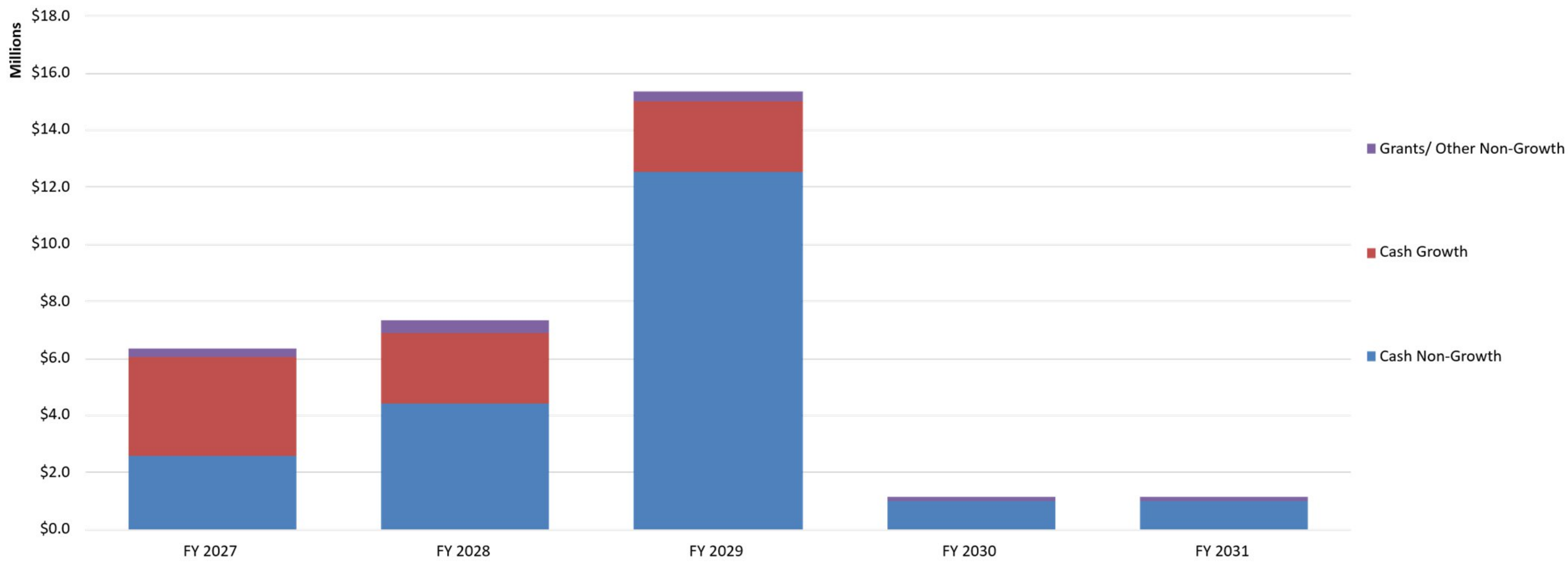
Proposed Revenue reflects a 9.5% increase in FY 2027, a 40% increase in FY 2028, a 21% increase in FY 2029, and 3% increases in FY 2030 and FY 2031

Water System Unrestricted Cash Balance (Option 2)

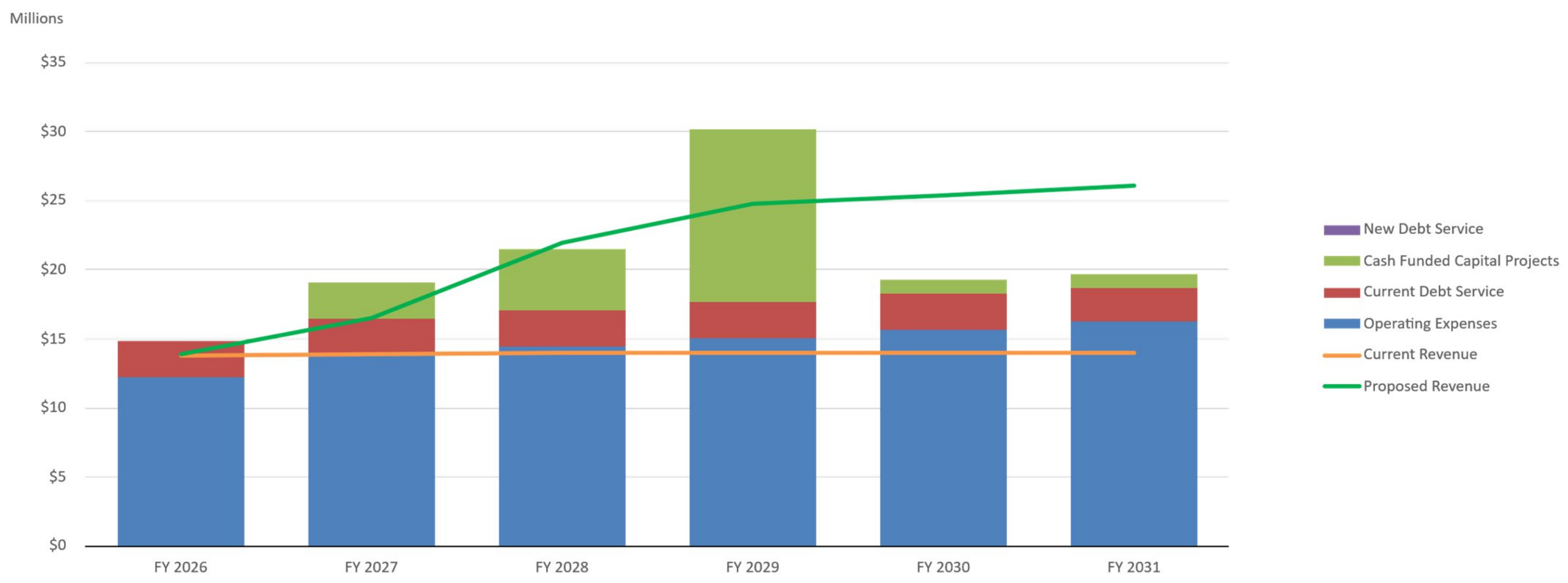


The red line represents a combined target equal to 60 days (1/6) of operating expenses, 1 year of debt service, and 1% of net assets

Water System Capital Plan (Option 3)

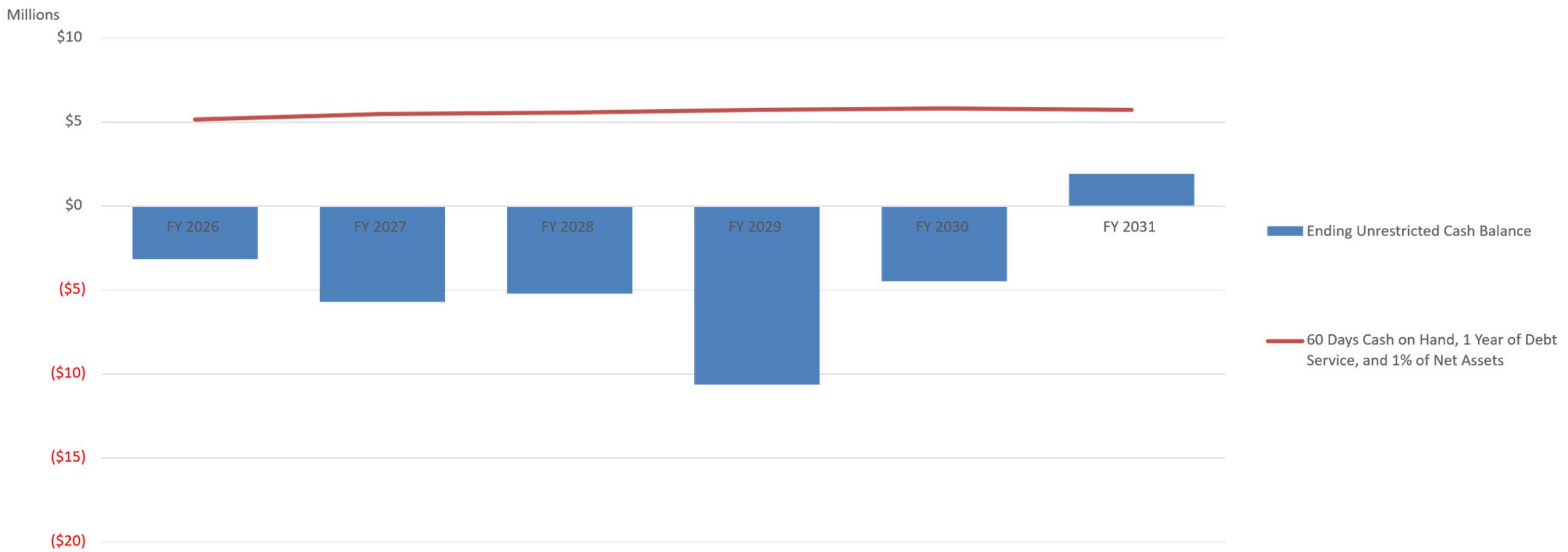


Water System Expenses/Revenues (Option 3)



Proposed Revenue reflects an 25% increase in FY 2027, a 40% increase in FY 2028, a 15% increase in FY 2029, and 3% increases in FY 2030 and FY 2031

Water System Unrestricted Cash Balance (Option 3)



The red line represents a combined target equal to 60 days (1/6) of operating expenses, 1 year of debt service, and 1% of net assets

Water System - Current (FY 2026) Rates and Charges

Monthly Customer Charge

Meter Size (inches)	Residential	Non-Residential
All	$11.87	
<=3/4		$16.88
1		$22.64
1 1/2		$30,20
2		$39.19
3		$69.55
4		$97.48
6		$187.87
8		$298.48
10		$435.19
Multi-Family	$9.75*	
Large User		$435.19
Lake Water Service		$89.27
Hydrant Meter		$49.16

per unit

Flow Charges (per 1,000 gallons)

Tiers	Usage (gallons)	Charge
Residential		
	0-5,000	$3.80
	5,001-12,000	$4.03
November-April	Over 12,000	$4.03
May-October	Over 12,000	$4.20
Res. Surcharge		
All Metered Flow	Over 14,000	$2.26
Commercial/Industrial		
	0-1,000,000	$4.30
	Over 1,000,000	$3.73
Raw Lake Water User	All Usage	$1.55
Large Water User		
	0-25,000	$4.30
	Over 25,000	$3.50
Hydrant Meter	All Metered Water	$6.50

Projected Residential Water Rates (Option 1)

Charge	Current	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Monthly Fixed Charge						
Customer Charge	$11.87	$14.84	$18.55	$21.33	$21.97	$22.63
Monthly Usage Fees (per 1,000 gallons)						
Tier 1 (0-5,000 gallons)	$3.80	$4.75	$5.94	$6.83	$7.03	$7.24
Tier 2 (5,000-12,000 gallons)	$4.03	$5.04	$6.29	$7.24	$7.45	$7.68
Tier 3 Winter (12,000- 14,000 gallons)	$4.03	$5.04	$6.29	$7.24	$7.45	$7.68
Tier 3 Summer (12,000-14,000 gallons)	$4.20	$5.25	$6.57	$7.55	$7.78	$8.01
Tier 4* Winter (Over 14,000 gallons)	$6.29	$7.86	$9.82	$11.30	$11.63	$11.98
Tier 4* Summer (Over 14,000 gallons)	$6.46	$8.08	$10.09	$11.61	$11.96	$12.31

**Includes residential surcharge*

Projected Commercial Water Rates (Option 1)

Charge	Current	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Monthly Fixed Charge						
3/4	$16.88	$21.10	$26.38	$30.33	$31.24	$32.18
1	$22.64	$28.30	$35.38	$40.68	$41.90	$43.16
1 1/2	$30.20	$37.74	$47.17	$54.25	$55.88	$57.55
2	$39.19	$48.98	$61.23	$70.41	$72.52	$74.70
3	$69.55	$86.92	$108.65	$124.95	$128.70	$132.56
4	$97.48	$121.83	$152.28	$175.13	$180.38	$185.79
6	$187.87	$234.80	$293.50	$337.52	$347.65	$358.08
8	$298.48	$373.05	$466.31	$536.25	$552.34	$568.91
10	$435.19	$543.91	$679.89	$781.87	$805.32	$829.48
Multi-Family (per unit)	$9.75	$12.19	$15.24	$17.52	$18.05	$18.59
Monthly Usage Fees (per 1,000 gallons)						
Tier 1 (0 – 1,000,000 gallons)	$4.30	$5.38	$6.72	$7.73	$7.96	$8.20
Level 2 (Over 1,000,000 gallons)	$3.73	$4.67	$5.84	$6.71	$6.91	$7.12

Other Projected Water Rates (Option 1)

Raw Water Rates

Charge	Current	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Monthly Fixed Charge						
Customer Charge	$89.27	$111.59	$139.48	$160.41	$165.22	$170.18
Monthly Usage Fee (per 1,000 gallons)						
All Usage	$1.55	$1.94	$2.42	$2.79	$2.87	$2.95

Large Water User Rates

Charge	Current	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Monthly Fixed Charge						
Customer Charge	$435.19	$543.99	$679.98	$781.98	$805.44	$829.60
Monthly Usage Fees (per 1,000 gallons)						
Tier 1 (0-25,000 gallons)	$4.30	$5.38	$6.72	$7.73	$7.96	$8.20
Tier 2 (Over 25,000 gallons)	$3.50	$4.38	$5.48	$6.30	$6.49	$6.69

Hydrant Water Rates

Charge	Current	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Monthly Fixed Charge						
Customer Charge	$49.16	$61.45	$76.81	$88.33	$90.98	$93.71
Monthly Usage Fee (per 1,000 gallons)						
All Usage	$6.50	$8.13	$10.16	$11.68	$12.03	$12.39

Sewer Financial Overview and Proposed Rates

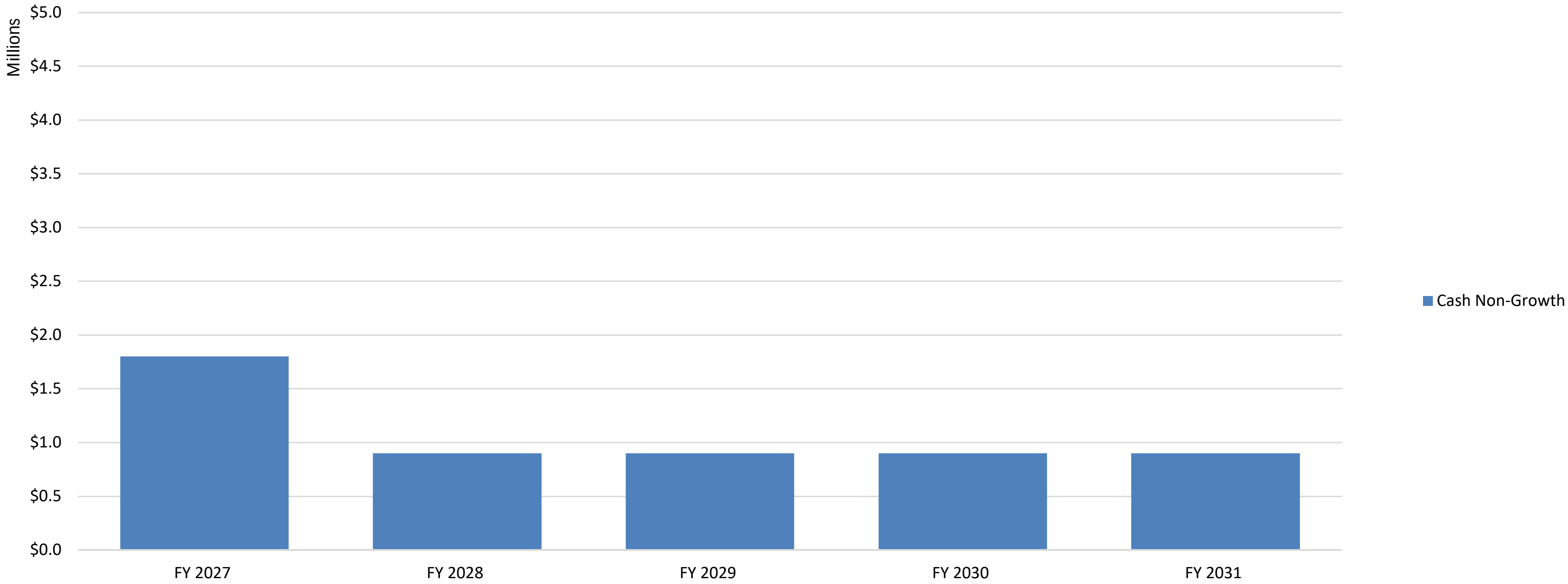
Changes Since Previous Study

- An 3.0% rate increase was adopted across all customer classes for FY 2026
- Budgeted operating expenses for FY 2027 are consistent with the projections from the prior rate study
- The capital improvement plan is also consistent with the projections from the previous study

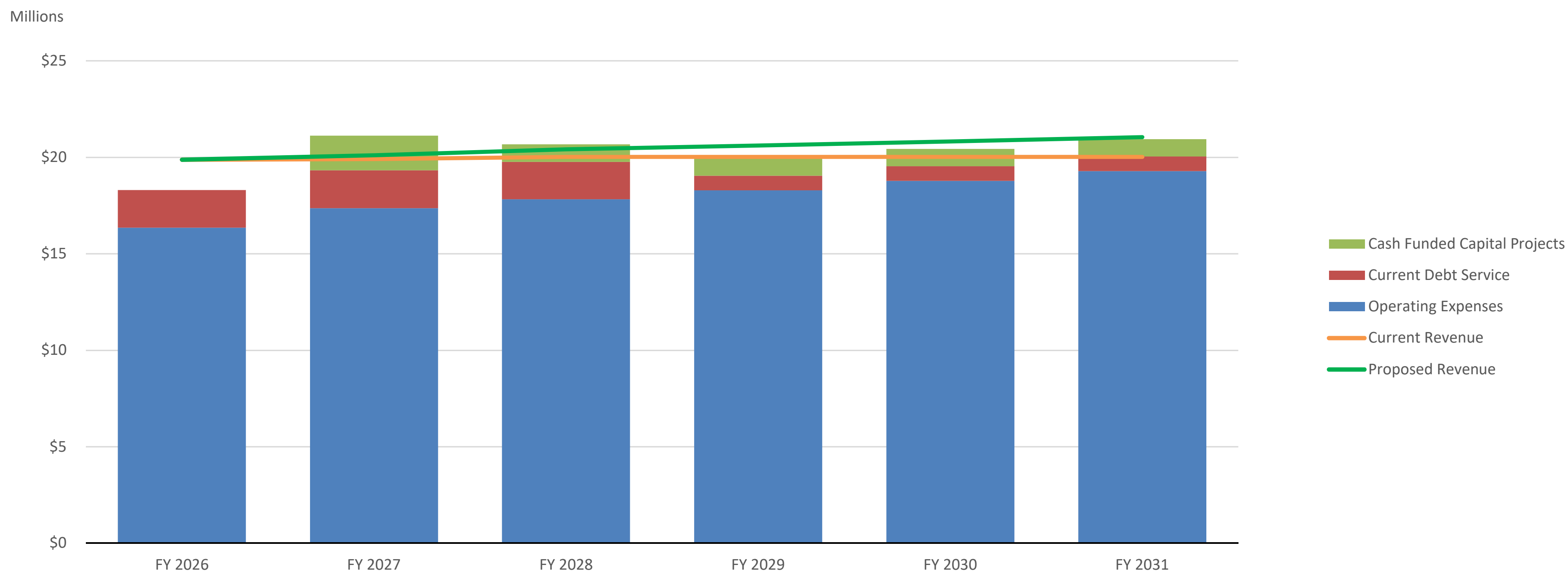
Sewer System

- Overview
  - Approximately 15,500 customers
  - Annual billable flow of 1.9 billion gallons
  - Wastewater treated by Upper Occoquan Service Authority (UOSA)
- Review
  - Identify annual system revenue increases needed to cover the revenue requirement and unrestricted cash targets
    - Identify key factors driving annual increases to revenue requirements
    - Discuss needs for additional revenue
  - Apply equal rate increase across all customer classes
  - Rate Design
    - Monthly Customer Charges
    - Variable Charges

Sewer System Capital Plan

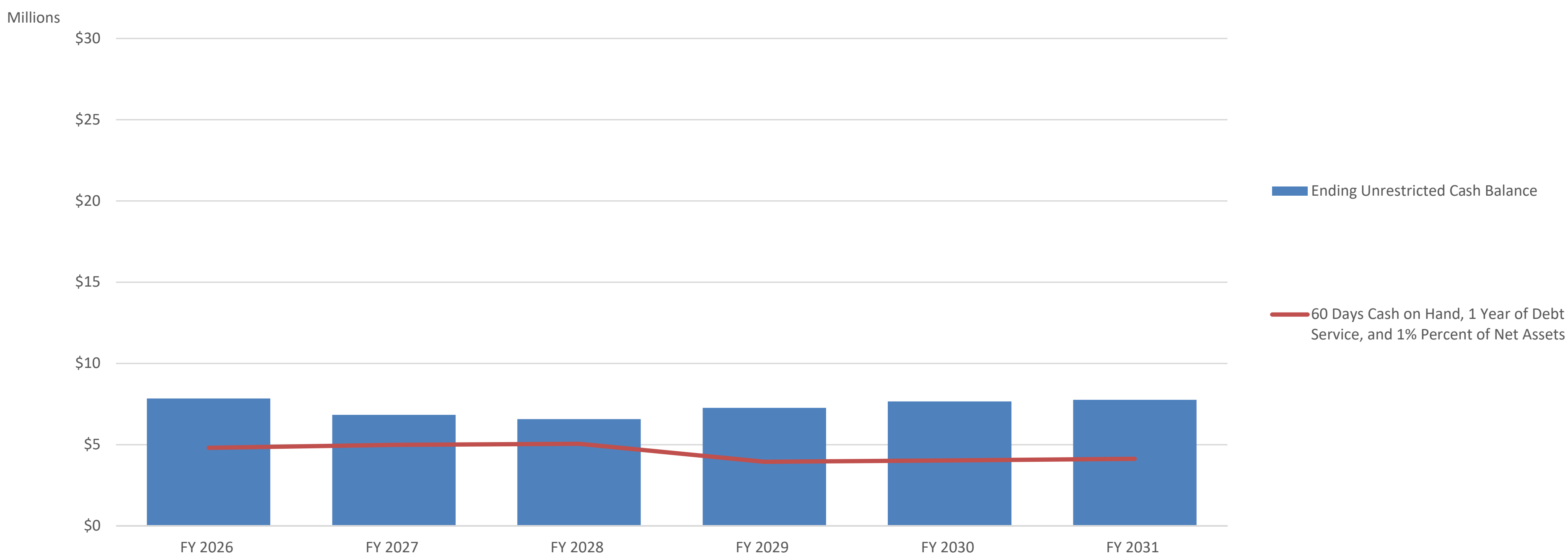


Sewer System Expenses/Revenues



Proposed Revenue reflects a 3% increase each year

Sewer System Unrestricted Cash Balance



The red line represents a combined target equal to 60 days (1/6) of operating expenses, 1 year of debt service, and 1% of net assets

Current (FY 2026) Rates and Charges - Sewer

Monthly Customer Charge

Meter Size (inches)	Residential	Non-Residential
All	$10.17	
<=3/4		$14.00
1		$27.97
1 1/2		$41.96
2		$54.66
3		$67.77
4		$95.34
6		$150.09
8		$242.11
10		$376.36
Multi-Family	$8.40*	

*per unit

Flow Charges (per 1,000 gallons)

Tiers	Usage (gallons)	Charge
Residential (November-April)		
	0-5,000	$3.27
	Over 5,000	$4.73
Residential (May-October)	0-5,000	$3.27
	Over 5,000	$4.73
Under Winter Quarter*	Over 14,000	$0.00
Over Winter Quarter	Over 14,000	$4.73
Non-Residential	All Metered Flow	$4.39

**if winter quarter billing (January, February, & March), average consumption is 10,000 gallons per month or less*

Additional Charges include UOSA Cost Recovery rates and charges

Projected Residential Sewer Rates

Charge	Current	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Monthly Fixed Charge						
Customer Charge	$10.17	$10.48	$10.79	$11.11	$11.45	$11.79
Monthly Usage Fees (per 1,000 gallons)						
Tier 1 (0-5,000 gallons)	$3.27	$3.37	$3.47	$3.57	$3.68	$3.79
Tier 2 (Over 5,000 gallons)	$4.73	$4.88	$5.02	$5.17	$5.33	$5.49
Tier 3 S1 (Over 14,000 gallons)*	-	-	-	-	-	-
Tier 3 S3 (Over 14,000 gallons)*	$4.73	$4.88	$5.02	$5.17	$5.33	$5.49

** Summer High Use Rates based on Winter Average*

Projected Non-Residential Sewer Rates

Charge	Current	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Monthly Fixed Charge						
3/4	$14.00	$14.42	$14.85	$15.30	$15.76	$16.23
1	$27.97	$28.82	$29.68	$30.57	$31.49	$32.44
1 1/2	$41.96	$43.23	$44.53	$45.86	$47.24	$48.65
2	$54.66	$56.31	$58.00	$59.74	$61.53	$63.38
3	$67.77	$69.82	$71.91	$74.07	$76.29	$78.58
4	$95.34	$98.21	$101.16	$104.19	$107.32	$110.54
6	$150.09	$154.62	$159.26	$164.04	$168.96	$174.03
8	$242.11	$249.42	$256.90	$264.61	$272.54	$280.72
10	$376.36	$387.72	$399.35	$411.33	$423.67	$436.38
Multi-Family (per unit)	$8.40	$8.66	$8.92	$9.19	$9.46	$9.75
Monthly Usage Fees (per 1,000 gallons)						
All Usage	$4.39	$4.52	$4.66	$4.80	$4.94	$5.09

Sample Bill and Bill Comparison

FY 2027 Monthly Combined Electric, Water (Option 1), and Sewer Bill Impact

5,000 gallons of usage; 1,000 kwh

Service	Current Bill	FY 2027 Bill	FY 2027 Bill Increase ($)	FY 2027 Bill Increase (%)
Electric*	$114.57	$126.60	$12.03	10.5%
Water	$30.87	$38.59	$7.72	25.0%
Sewer**	$26.52	$27.32	$0.80	3.0%
Total	$171.96	$192.50	$20.54	11.9%

*Electric Bill excludes power cost adjustment

**Sewer Bill excludes rate for wastewater treatment provided by UOSA

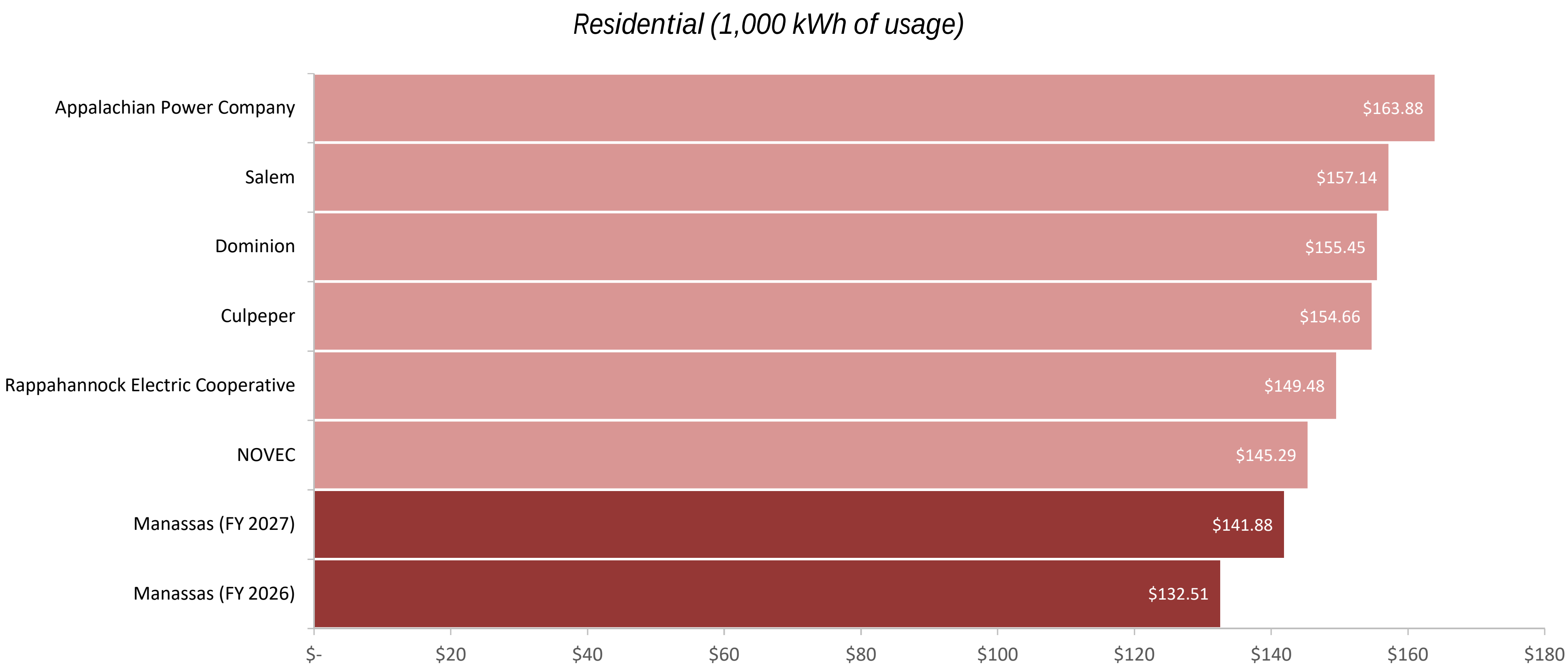
FY 2027 Monthly Combined Electric, Water (Option 1), and Sewer Bill Impact Scenarios

Customer Type	Usage (Gallons)	Current Bill	FY 2027 Bill	FY 2027 Bill Increase ($)	FY 2027 Bill Increase (%)
Household Using 2,400 Kwh					
1-3 people	5,000	$309.72	$344.73	$35.01	11.3%
4 people	9,000	$344.76	$384.37	$39.61	11.5%
6 people	14,000	$388.56	$433.93	$45.37	11.7%
Townhome Using 1,420 Kwh					
1-3 people	5,000	$213.29	$238.17	$24.88	11.7%
4 people	9,000	$248.33	$277.82	$29.49	11.9%
6 people	14,000	$292.13	$327.38	$35.25	12.1%
Apartment Using 1,030 Kwh					
All Usage	N/A	$117.52	$129.86	$12.34	10.5%

*Electric Bill excludes power cost adjustment

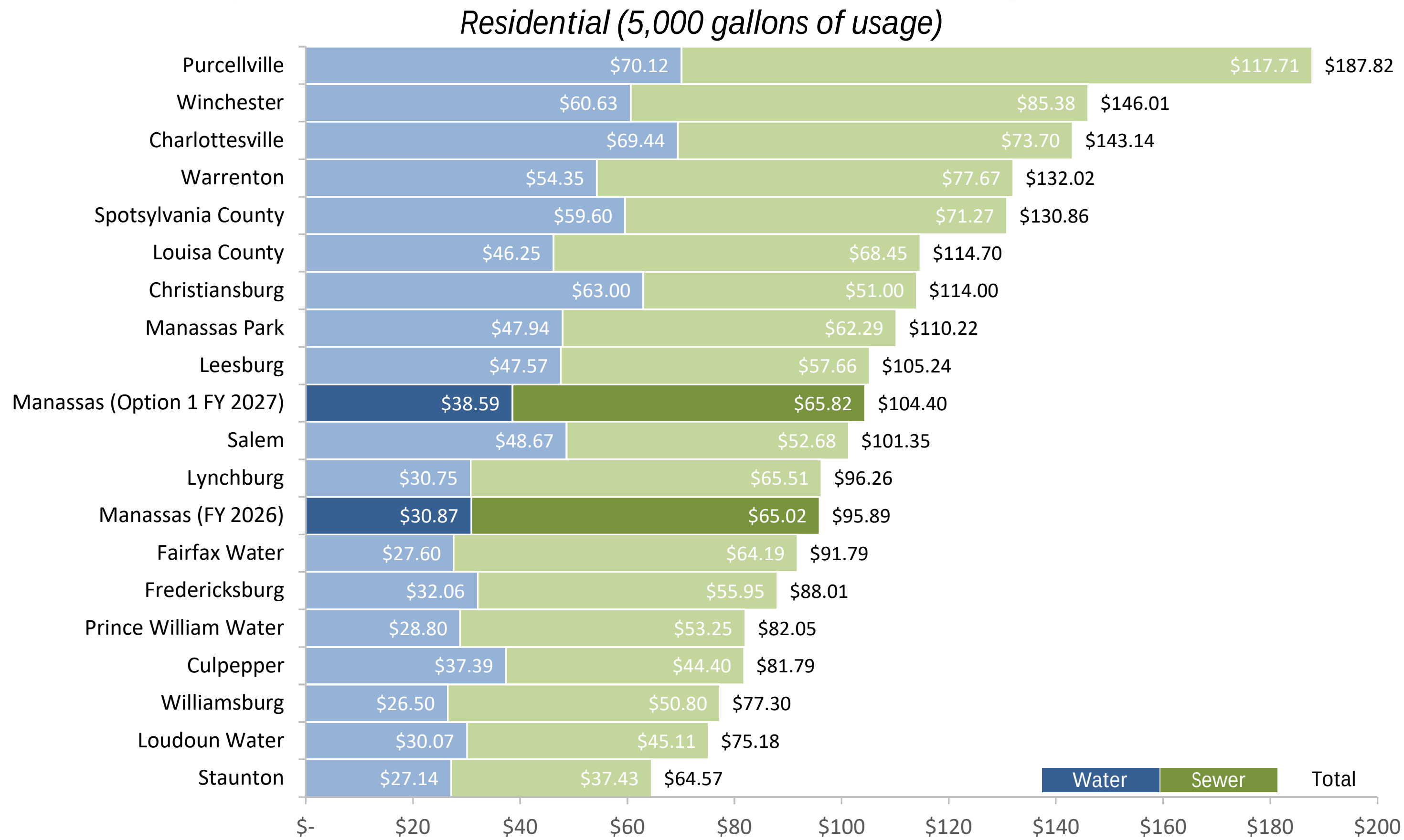
**Sewer Bill excludes rate for wastewater treatment provided by UOSA

Regional Monthly Electric Bill Comparison



Monthly bills include power cost adjustment/fuel charge adjustment

Regional Monthly Water and Sewer Bill Comparison



For Manassas and Prince William Water, the monthly sewer bills include the cost for wastewater treatment provided by UOSA

QUESTIONS?

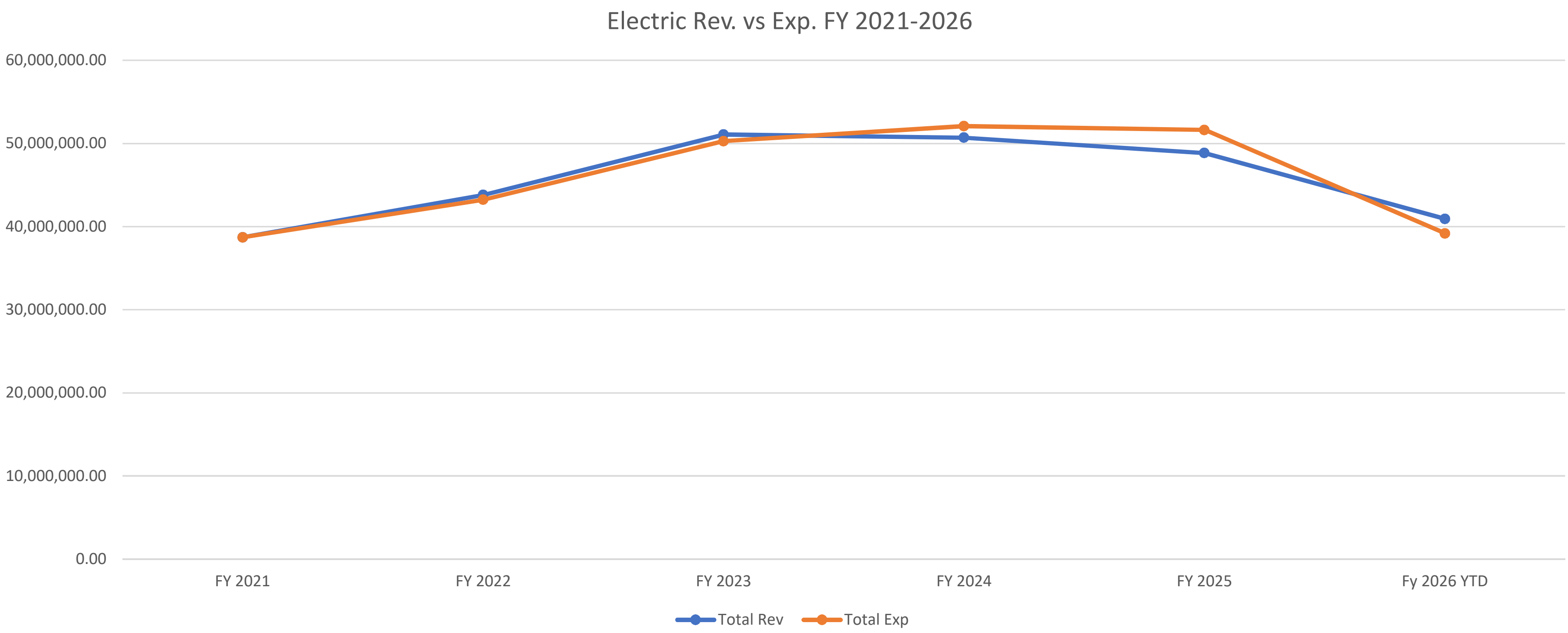
Manassas City Utilities

City Council Budget Meeting 3/18/26

Rate Increases by Year

	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26
Electric	0.0%	0.0%	0.0%	0.0%	0.0%	2.0%	4.0%	5.0%	6.5%
Water	5.4%	5.2%	5.0%	5.0%	5.0%	4.0%	0.0%	5.0%	8.5%
Sewer	0.0%	5.0%	5.0%	3.5%	3.5%	5.0%	0.0%	5.0%	3.0%

Electric Rev. vs Exp. FY 2021-26



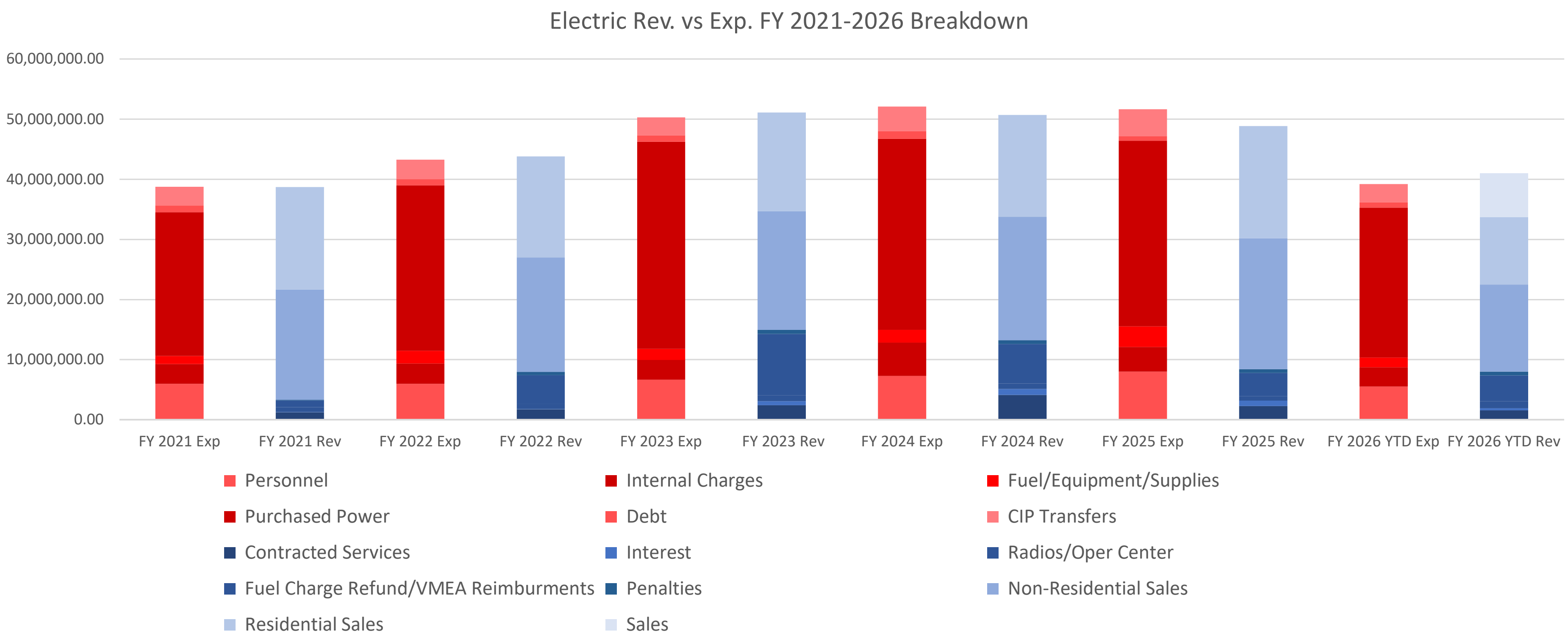
Electric Equipment Cost 2020 vs. 2025

City of Manassas Electric - Material/Equipment Price List Cost Comparison (2020 To 2025)

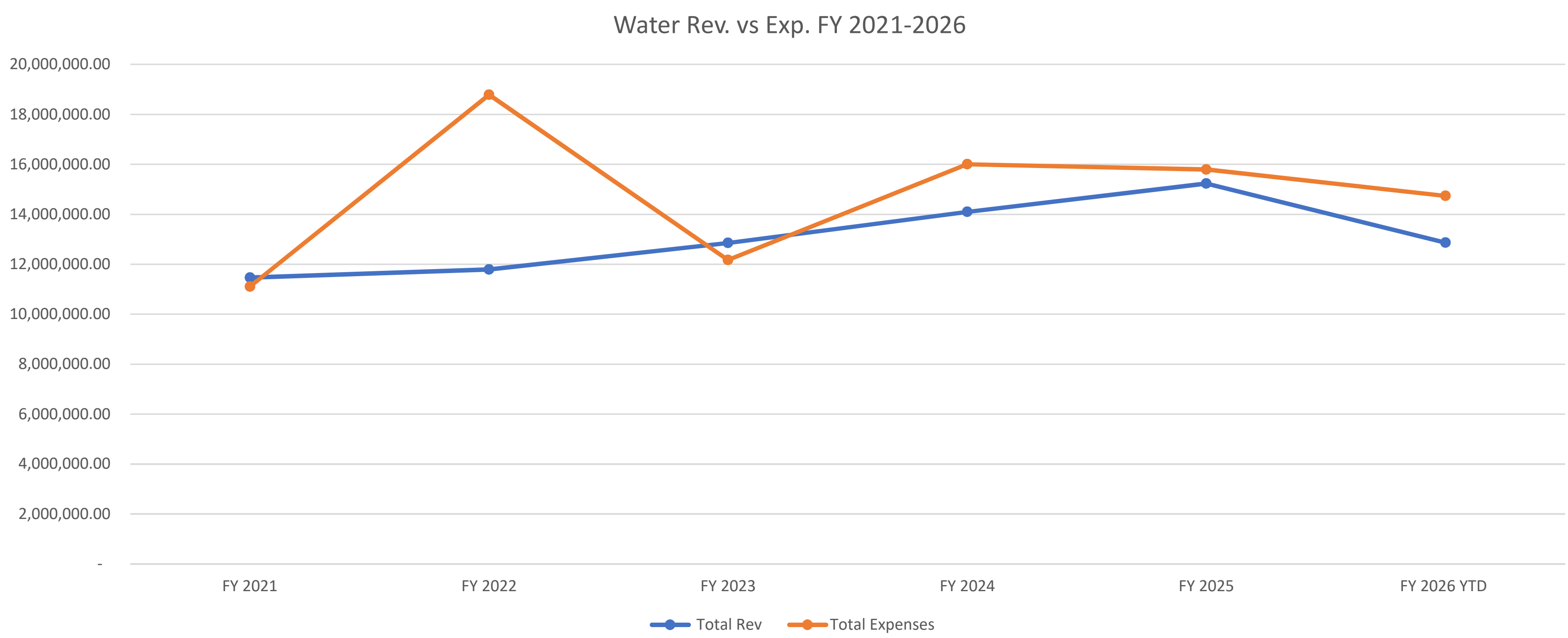
Equipment/Material	Unit/Quantity	2020 Price	2025 Price	Price Increase (%)
15 KV, 750 MCM Cable (Primary)	Feet	$17.71	$42.54	240.20%
4" PVC Conduit, Schedule 40	Feet	$1.43	$5.19	362.94%
7.2 KV, 75 KVA 1ϕ Transformer 120/240 V	1	$2,949.00	$9,223.00	312.75%
12.47 KV, 300 KVA 3ϕ Transformer 120/208 V	1	$9,871.00	$36,762.00	372.42%
15 KV, S&C PSE-9 Switch (4-Bay)	1	$13,563.00	$29,009.00	213.88%
HL-65 Splice Box	1	$1,110.00	$2,576.00	232.07%
7.62 KV, Voltage Regulator (Size: 250 KVA)	1	$8,700.00	$30,542.00	351.06%

Average Increase 298%

Electric Rev. vs Exp. Breakdown FY 2021-26



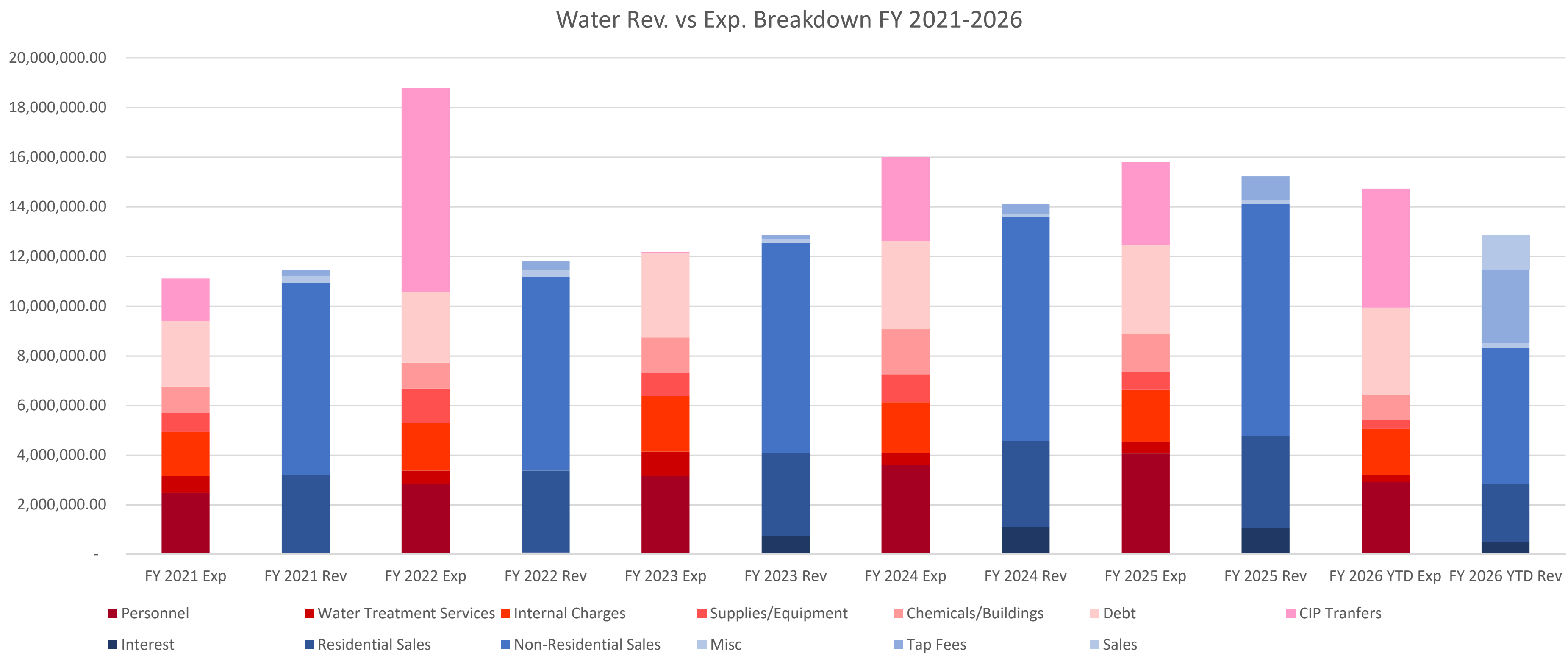
Water Rev. vs Exp. FY 2021-26



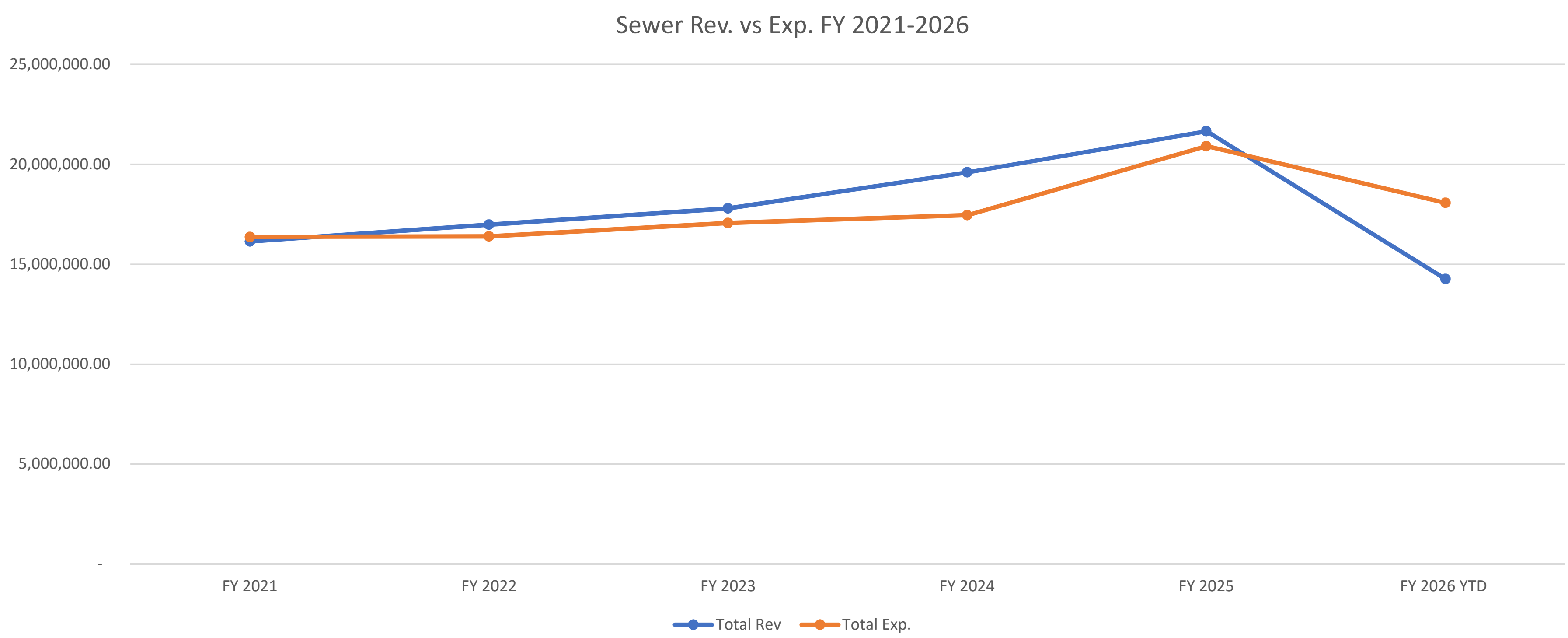
Water Chemical Cost 2020 vs. 2025

FY2020-FY2025 Price comparison					
Description	Unit/measure	2020	2025	cost increase	% Increase
WTP-Algaecide	Gallon	$ 94,700.00	$ 116,000.00	$ 21,300.00	22%
WTP Permanganate	Load	$ 60,000.00	$ 80,000.00	$ 20,000.00	33%
WTP Powdered Activated Carbon	Load	$ 30,000.00	$ 55,000.00	$ 25,000.00	83%
WTP Polymer-Sole Source	Load	$ 30,331.98	$ 57,000.00	$ 26,668.02	88%
WTP Coagulant	Load	$ 314,800.00	$ 415,000.00	$ 100,200.00	32%
WTP Fluoride	Load	$ 24,000.00	$ 26,000.00	$ 2,000.00	8%
WTP Sequestering	Load	$ 115,000.00	$ 300,000.00	$ 185,000.00	161%
WTP Chlorine	Load	$ 130,053.00	$ 230,000.00	$ 99,947.00	77%
WTP Ammonia	Load	$ 19,728.00	$ 27,000.00	$ 7,272.00	37%
WTP Dechlorinization	Load	$ 11,025.00	$ 12,000.00	$ 975.00	9%
1" copper type K		$ 400.00	$ 900.00	$ 500.00	125%

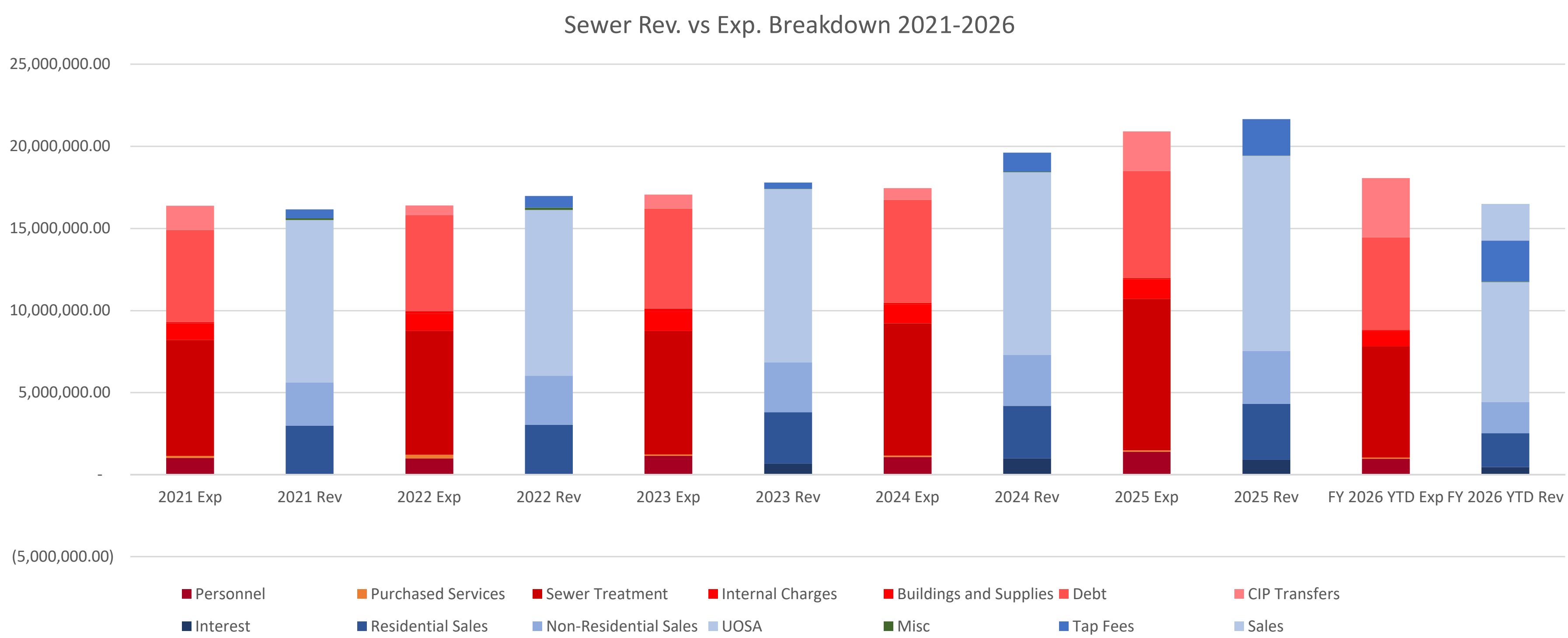
Water Rev. vs Exp. Breakdown FY 2021-25



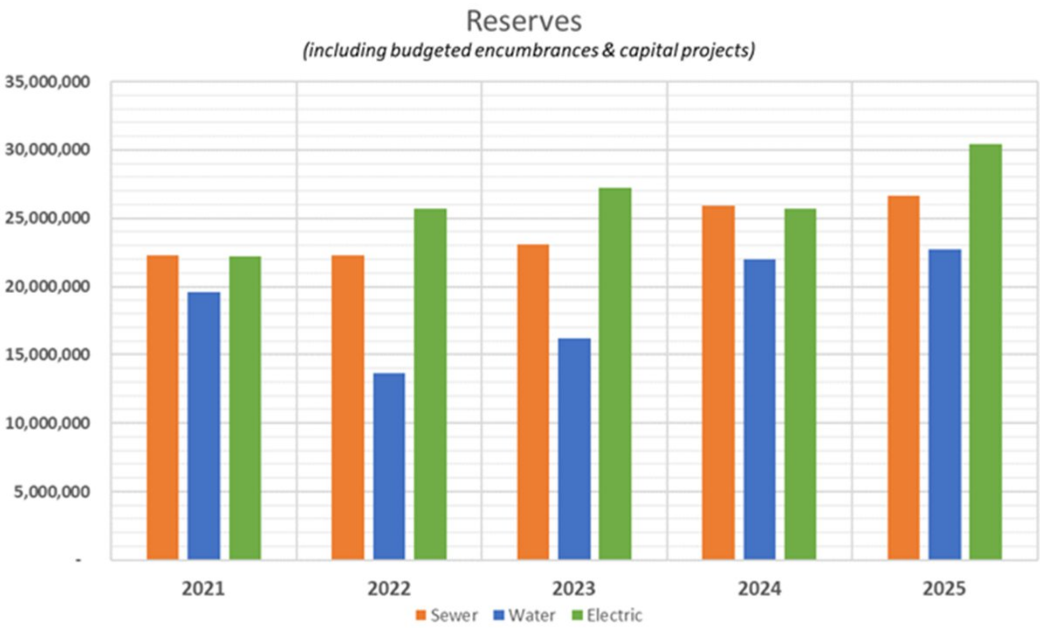
Sewer Rev. vs Exp. FY 2021-26

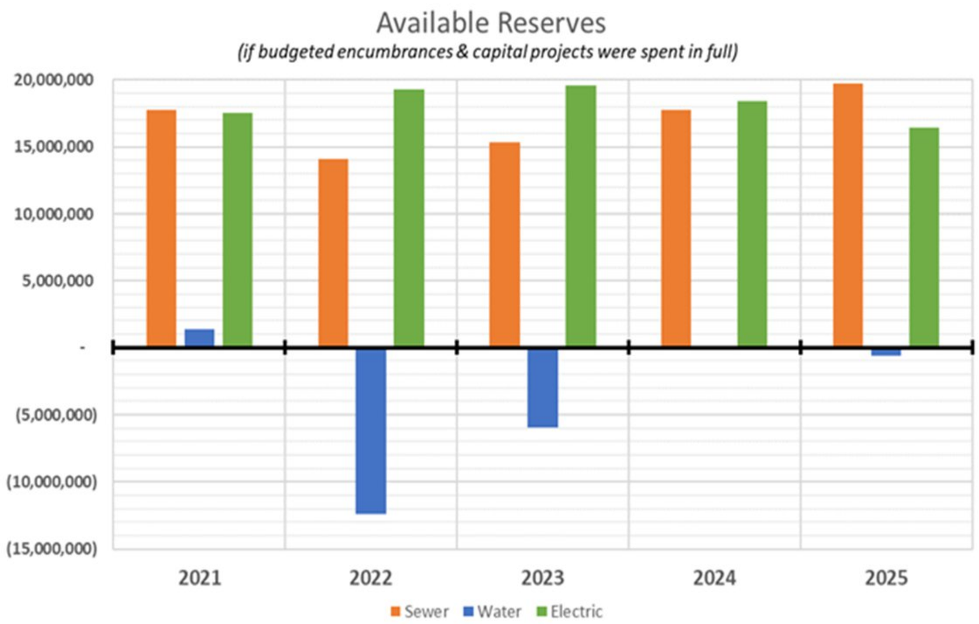


Sewer Rev. vs Exp. Breakdown FY 2021-26



All Fund Reserves





FY 2027 Recommended Rate Increases

- 10.5% Rate increase for Electric
- 25% Rate increase for Water
- 3% Rate increase for Sewer

Example Bill for FY 2027

Avg total utility bill for Single Family Home using 2,400 Kwh				
Houshold	FY 26	proposed FY 27	Difference	% Increase
1-3 people	$309.72	$344.67	$34.95	11.28%
4 people	$344.76	$384.31	$39.55	11.47%
6 people	$388.90	$434.28	$45.38	11.67%
Avg total utility bill for Towne Home using 1,420 Kwh				
1-3 people	$213.29	$238.14	$24.85	11.65%
4 people	$248.33	$277.78	$29.45	11.86%
6 people	$292.47	$327.75	$35.28	12.06%