



FY 2025/26 WATER RATES RECOMMENDATION UPDATE

City Council Study Session

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November 13, 2025



FY 25/26 RECOMMENDED RATE ADJUSTMENTS

WITH CAPACITY FEE

As of 9/15/2025	FY 24/25 Estimate	FY 25/26 Projected	FY 26/27 Forecast	FY 27/28 Forecast	FY 28/29 Forecast	FY 29/30 Forecast	FY 30/31 Forecast
WATER	\$3,472,435	(\$5,859,349)	(\$4,354,832)	\$5,268,997	\$14,888,058	\$25,536,796	\$42,556,577
WASTEWATER	(\$7,285,154)	(\$12,080,760)	(\$7,048,336)	(\$3,014,649)	\$1,702,838	\$10,205,256	\$10,129,209
SOLID WASTE	\$26,254	(\$5,858,624)	\$688,832	(\$629,299)	\$2,586,058	\$8,510,604	\$9,060,768
ELECTRIC	\$1,435,561	(\$1,066,822)	(\$706,935)	(\$871,150)	(\$1,117,234)	(\$1,646,811)	(\$1,171,368)
NATURAL GAS	(\$817,183)	(\$3,793,486)	(\$1,982,515)	(\$1,440,090)	\$2,018,693	\$1,626,125	\$2,301,975
DISTRICT COOLING	(\$376,552)	(\$181,786)	(\$171,502)	(\$316,383)	(\$182,335)	(\$185,275)	(\$233,758)
TOTAL NET SOURCES AND USES	(\$3,544,639)	(\$28,840,828)	(\$13,575,288)	(\$1,002,574)	\$19,896,079	\$44,046,695	\$62,643,402
Beginning Reserve Balance	\$117,019,543	\$113,474,904	\$84,634,076	\$71,058,788	\$70,056,214	\$89,952,293	\$133,998,988
Ending Reserve Balance	\$113,474,904	\$84,634,076	\$71,058,788	\$70,056,214	\$89,952,293	\$133,998,988	\$196,642,390
Ending Reserve Balance Percent*	20.1%	13.6%	11.4%	10.8%	13.4%	18.9%	26.4%
*As a % of Next Fiscal Year's Expenditures							
WATER Residential (Tier 1 usage)	6.00%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
WATER Commercial (usage)	8.50%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%
WASTEWATER Residential	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%
WASTEWATER Non-Residential	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%
SOLID WASTE Residential	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
SOLID WASTE Commercial	10.00%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
SOLID WASTE Rolloff	6.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
ELECTRIC Residential - svc charge	\$2.75	\$1.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00
ELECTRIC Non-Residential - svc charge	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00
GAS Residential - svc charge	\$0.00	\$0.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
GAS Non-Residential - svc charge	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00

Water Rate Adjustments

Recommended Forecast

	FY 25/26	FY 26/27+
Residential Service Charge	+4.5%	+4.5%
Residential Usage Tiers 1 & 2	+3.5%	+3.5%
Residential Usage Tiers 3 & 4	+4.5%	+4.5%
Multi-Unit Service Charge	+4.5%	+4.5%
Multi-Unit Usage	+12.0%	+12.0%
Commercial Service Charge	+4.5%	+4.5%
Commercial Usage	+13.0%	+13.0%
Commercial Landscape Usage	+20.0%	+20.0%
Large Comm./Industrial Usage	+19.0%	+13.0%

Water Rate Adjustment Scenario

No FY 25/26 Residential & Multi-Unit Increase

	FY 25/26	FY 26/27+
Residential Service Charge	+0.0%	+4.5%
Residential Usage Tiers 1 & 2	+0.0%	+3.5%
Residential Usage Tiers 3 & 4	+0.0%	+4.5%
Multi-Unit Service Charge	+0.0%	+4.5%
Multi-Unit Usage	+0.0%	+12.0%
Commercial Service Charge	+12.0%	+4.5%
Commercial Usage	+25.0%	+13.0%
Commercial Landscape Usage	+30.0%	+20.0%
Large Comm./Industrial Usage	+30.0%	+13.0%

Water Rate Adjustment Scenario

2.5% Increase for FY 25/26 Residential & Multi-Unit

	FY 25/26	FY 26/27+
Residential Service Charge	+2.5%	+4.5%
Residential Usage Tiers 1 & 2	+2.5%	+3.5%
Residential Usage Tiers 3 & 4	+2.5%	+4.5%
Multi-Unit Service Charge	+2.5%	+4.5%
Multi-Unit Usage	+2.5%	+12.0%
Commercial Service Charge	+7.5%	+4.5%
Commercial Usage	+20.0%	+13.0%
Commercial Landscape Usage	+25.0%	+20.0%
Large Comm./Industrial Usage	+25.0%	+13.0%

Water Revenue Parity Analysis

Recommended Forecast	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29	FY 29/30
Residential Revenues	55%	54%	52%	50%	48%	45%
Non-Residential Revenues	45%	46%	48%	50%	52%	55%
No FY 25/26 Res. & Multi-Unit Increase	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29	FY 29/30
Residential Revenues	55%	54%	50%	48%	46%	43%
Non-Residential Revenues	45%	46%	50%	52%	54%	57%
2.5% Increase FY 25/26 Res. & Multi-Unit	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29	FY 29/30
Residential Revenues	55%	54%	51%	49%	47%	44%
Non-Residential Revenues	45%	46%	49%	51%	53%	56%
Consumption	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29	FY 29/30
Residential	49%	48%	48%	48%	48%	47%
Non-Residential	51%	52%	52%	52%	52%	53%

Customer Impact - Water

Typical Customer	Current Monthly Bill	Recommended Rate Adj. with Capacity Fee		No Res. & Multi-Unit Rate Adjustment		2.5% Res. & Multi-Unit Rate Adjustment	
Residential (6 kgals/month)	\$43.57/mo	+4.2%	\$45.41/mo (+\$1.84/mo)	+0.0%	\$43.57/mo (+\$0.00/mo)	+2.5%	\$44.64/mo (+\$1.07/mo)
Multi-unit Development (6 kgals/month)	\$40.46/mo	+8.7%	\$43.98/mo (+\$3.52/mo)	+0.0%	\$40.46/mo (+\$0.00/mo)	+2.5%	\$41.49/mo (+\$1.03/mo)
Commercial – General (9 kgals/month)	\$78.59/mo	+7.4%	\$84.39/mo (+\$5.80/mo)	+16.4%	\$91.47/mo (+\$12.88/mo)	+11.8%	\$87.83/mo (+\$9.24/mo)
Commercial – Landscape (29 kgals/month)	\$177.01/mo	+15.3%	\$204.06/mo (+\$27.05/mo)	+24.4%	\$220.28/mo (+\$43.27/mo)	+19.6%	\$211.79/mo (+\$34.78/mo)

Non-Residential Water Scenario Timeline

FY 25/26 Residential & Multi-Unit Scenarios

Introduce and adopt non-residential water rate adjustments included in Recommended Forecast on November 17 and December 1

Rate adjustment adoption timeline for **remaining** non-residential water increases above the amounts in the Recommended Forecast:

December 8, 2025	City Council action on Notice of Intent for remaining non-residential water utility rate adjustments
January 26, 2026	Introduction of remaining non-residential water utility rate ordinance
February 9, 2026	City Council action on remaining non-residential water utility rate adjustments
April 1, 2026	Effective Date for remaining non-residential utility rate adjustments



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