



FY 2025/26 NON-RESIDENTIAL WATER RATES PUBLIC HEARING

City Council

Presented by: Brian A. Ritschel – Management & Budget Director

February 9, 2026



Utility Rates Adjustments Main Focuses

- Equity between residential and non-residential rates
- Growth pays for growth
- Conservation of discretionary water use
- Smooth rate adjustments throughout the forecast

Customer Impact - Water

Typical Customer	Current Monthly Bill	Impact to Current Bill – AF&E Committee	Recommended Rate Adj. with Capacity Fee	2.5% Res. & Multi-Unit Rate Adjustment
Residential (6 kgals/month)	\$43.57/mo	+5.5% \$45.95/mo (+\$2.38/mo)	+4.2% \$45.41/mo (+\$1.84/mo)	+2.5% \$44.64/mo (+\$1.07/mo)
Multi-unit Development (6 kgals/month)	\$40.46/mo	+8.6% \$43.93/mo (+\$3.47/mo)	+8.7% \$43.98/mo (+\$3.52/mo)	+2.5% \$41.49/mo (+\$1.03/mo)
Commercial – General (9 kgals/month)	\$78.59/mo	+7.7% \$84.64/mo (+\$6.05/mo)	+7.4% \$84.39/mo (+\$5.80/mo)	+11.8% \$87.83/mo (+\$9.24/mo)
Commercial – Landscape (29 kgals/month)	\$177.01/mo	+12.1% \$198.39/mo (+\$21.38/mo)	+15.3% \$204.06/mo (+\$27.05/mo)	+19.6% \$211.79/mo (+\$34.78/mo)

Water Revenue Parity Analysis

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%

UTILITY FUND FORECAST

2.5% INCREASE FOR RESIDENTIAL AND MULTI-UNIT

As of 11/10/2025	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
TOTAL NET SOURCES AND USES	(\$3,544,639)	(\$28,905,668)	(\$13,676,348)	(\$905,855)	\$20,246,283	\$44,708,974	\$63,678,240
Beginning Reserve Balance	\$117,019,543	\$113,474,904	\$84,569,236	\$70,892,888	\$69,987,033	\$90,233,316	\$134,942,290
Ending Reserve Balance	\$113,474,904	\$84,569,236	\$70,892,888	\$69,987,033	\$90,233,316	\$134,942,290	\$198,620,530
Ending Reserve Balance Percent*	20.1%	13.6%	11.4%	10.8%	13.4%	19.0%	26.6%

*As a % of Next Fiscal Year's Expenditures

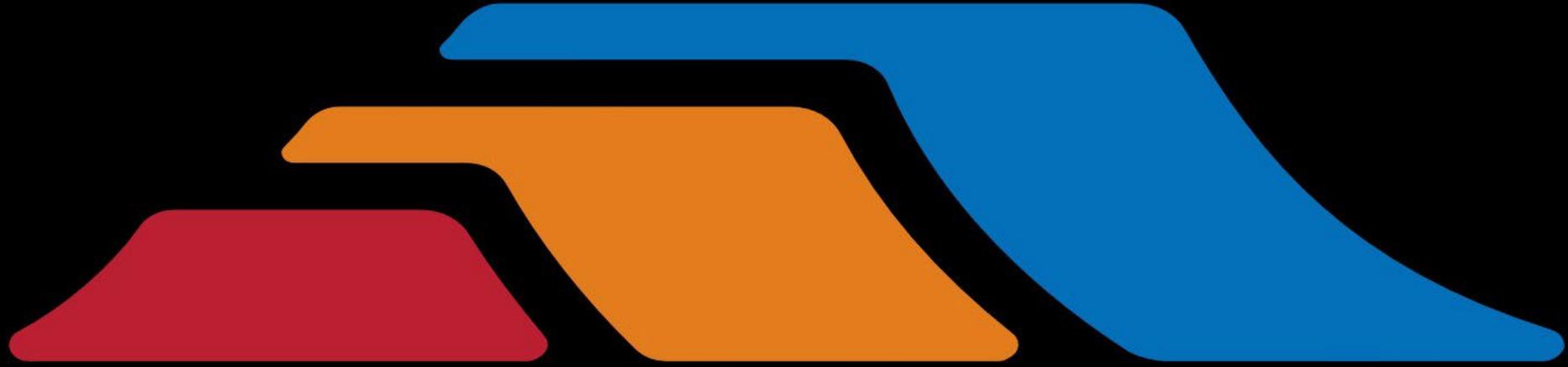


NEXT STEPS

REMAINING NON-RESIDENTIAL WATER RATES

April 1, 2026

- Effective Date for Non-Residential Water Rates



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