



FY 2025/26 UTILITY FUND FORECAST & RATES RECOMMENDATION

City Council Study Session

Presenters: Brian A. Ritschel – Management & Budget Director
Christopher Hassert – Water Resources Director
Scott Bouchie – Energy Resources Director
Joe Giudice – Deputy Solid Waste Director

September 11, 2025



Utility Operations

- Each utility is operated as a separate business center but treated as one fund
- Reserve balance provides a safety net for unforeseen conditions
- Reserve balance can be used to smooth rate adjustments year to year

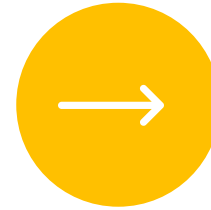
FINANCIAL PRINCIPLES



BALANCE NET
SOURCES AND
USES



20% OR HIGHER
RESERVE FUND
BALANCE



RATE ADJUSTMENTS
THAT ARE
PREDICTABLE AND
SMOOTHED
THROUGHOUT THE
FORECAST



EQUITY BETWEEN
RESIDENTIAL AND
NON-RESIDENTIAL
RATES



AFFORDABLE
UTILITY SERVICES

AUDIT, FINANCE & ENTERPRISE COMMITTEE RECOMMENDATION

FY 25/26 ADOPTED BUDGET

As of 05/13/2025	FY 23/24 Actuals	FY 24/25 Projected	FY 25/26 Budget	FY 26/27 Forecast	FY 27/28 Forecast	FY 28/29 Forecast	FY 29/30 Forecast
WATER	(\$205,201)	\$3,604,393	(\$6,770,889)	(\$13,812,950)	(\$11,152,245)	(\$4,844,905)	\$5,153,942
WASTEWATER	(\$13,836,490)	(\$9,498,102)	(\$12,213,330)	(\$7,718,734)	(\$3,819,034)	\$811,319	\$5,969,894
SOLID WASTE	(\$8,224,846)	(\$4,804,691)	(\$4,078,076)	\$1,729,927	\$659,615	\$4,151,286	\$10,384,745
ELECTRIC	(\$296,202)	\$1,038,184	(\$1,137,384)	(\$1,059,105)	(\$1,453,150)	(\$1,839,521)	(\$2,345,276)
NATURAL GAS	(\$4,462,547)	(\$2,405,972)	(\$4,056,668)	(\$3,201,983)	(\$2,782,143)	\$576,552	\$472,621
DISTRICT COOLING	(\$368,815)	(\$515,479)	(\$181,786)	(\$171,502)	(\$316,383)	(\$182,335)	(\$185,275)
TOTAL NET SOURCES AND USES	(\$27,394,100)	(\$12,581,668)	(\$28,438,133)	(\$24,234,347)	(\$18,863,341)	(\$1,327,604)	\$19,450,652
Beginning Reserve Balance	\$144,413,643	\$117,019,543	\$104,437,875	\$75,999,742	\$51,765,395	\$32,902,054	\$31,574,450
Ending Reserve Balance	\$117,019,543	\$104,437,875	\$75,999,742	\$51,765,395	\$32,902,054	\$31,574,450	\$51,025,102
Ending Reserve Balance Percent*	22.4%	18.5%	11.9%	8.1%	4.9%	4.6%	7.0%
*As a % of Next Fiscal Year's Expenditures							
WATER Residential (Tier 1 usage)	3.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
WATER Commercial (usage)	5.00%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%
WASTEWATER Residential	4.75%	7.50%	8.00%	8.00%	8.00%	8.00%	8.00%
WASTEWATER Non-Residential	5.00%	8.50%	9.00%	9.00%	9.00%	9.00%	9.00%
SOLID WASTE Residential	3.00%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
SOLID WASTE Commercial	7.50%	10.00%	7.50%	7.50%	7.50%	7.50%	7.50%
SOLID WASTE Rolloff	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%
ELECTRIC Residential - svc charge	\$2.25	\$2.75	\$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	\$0.75	\$0.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
GAS Non-Residential - svc charge	\$2.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00

FY 25/26 RECOMMENDED RATES FOR AF&E COMMITTEE

As of 08/20/2025	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	(\$5,954,870)	(\$12,873,158)	(\$4,922,100)	\$4,880,586	\$13,810,550	\$26,942,225
WASTEWATER	(\$7,285,154)	(\$11,996,287)	(\$6,784,238)	(\$2,018,970)	\$2,770,034	\$12,384,228	\$12,390,217
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)	(\$741,823)	(\$834,907)	(\$1,173,447)	(\$1,603,113)	(\$1,239,981)
NATURAL GAS	(\$817,183)	(\$3,793,487)	(\$2,082,196)	(\$1,426,474)	\$1,864,370	\$1,729,243	\$2,128,194
DISTRICT COOLING	(\$376,552)	(\$181,786)	(\$171,502)	(\$316,383)	(\$182,335)	(\$185,275)	(\$233,758)
TOTAL NET SOURCES AND USES	(\$3,544,639)	(\$28,851,875)	(\$21,964,085)	(\$10,148,134)	\$10,745,265	\$34,646,237	\$49,047,666
Beginning Reserve Balance	\$117,019,543	\$113,474,904	\$84,623,029	\$62,658,943	\$52,510,810	\$63,256,075	\$97,902,312
Ending Reserve Balance	\$113,474,904	\$84,623,029	\$62,658,943	\$52,510,810	\$63,256,075	\$97,902,312	\$146,949,978
Ending Reserve Balance Percent*	20.1%	13.4%	9.9%	8.0%	9.2%	13.4%	19.2%
*As a % of Next Fiscal Year's Expenditures							
WATER Residential (Tier 1 usage)	6.00%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
WATER Commercial (usage)	8.50%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%
WASTEWATER Residential	7.50%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
WASTEWATER Non-Residential	8.50%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
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

*Does not include Water & Wastewater Capacity Fee

Residential and Non-residential Comparison

Equity Between Residential & Non-residential Water Rate Revenue

Presented at AF&E Committee

	FY 24/25 Estimate	FY 25/26 Projected	FY 26/27 Forecast	FY 27/28 Forecast	FY 28/29 Forecast	FY 29/30 Forecast
Residential Rate Revenue	55%	54%	53%	52%	50%	49%
Non-residential Rate Revenue	45%	46%	47%	48%	50%	51%
Residential Consumption	49%	48%	48%	48%	48%	47%
Non-residential Consumption	51%	52%	52%	52%	52%	53%

Adjusted per AF&E Recommendation

	FY 24/25 Estimate	FY 25/26 Projected	FY 26/27 Forecast	FY 27/28 Forecast	FY 28/29 Forecast	FY 29/30 Forecast
Residential Rate Revenue	55%	54%	52%	50%	49%	47%
Non-residential Rate Revenue	45%	46%	48%	50%	51%	53%
Residential Consumption	49%	48%	48%	48%	48%	47%
Non-residential Consumption	51%	52%	52%	52%	52%	53%

UPDATED STAFF RECOMMENDED UTILITY RATES ADJUSTMENT

FY 25/26 RECOMMENDED RATE ADJUSTMENTS

As of 9/3/2025	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	(\$5,725,772)	(\$12,783,723)	(\$4,891,676)	\$5,059,954	\$14,434,248	\$28,004,286
WASTEWATER	(\$7,285,154)	(\$11,996,288)	(\$6,784,238)	(\$2,018,970)	\$2,770,034	\$12,384,228	\$12,390,217
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)	(\$741,823)	(\$834,907)	(\$1,173,447)	(\$1,603,113)	(\$1,239,981)
NATURAL GAS	(\$817,183)	(\$3,793,486)	(\$2,082,196)	(\$1,426,474)	\$1,864,370	\$1,729,243	\$2,128,194
DISTRICT COOLING	(\$376,552)	(\$181,786)	(\$171,502)	(\$316,383)	(\$182,335)	(\$185,275)	(\$233,758)
TOTAL NET SOURCES AND USES	(\$3,544,639)	(\$28,622,778)	(\$21,874,651)	(\$10,117,709)	\$10,924,633	\$35,269,935	\$50,109,726
Beginning Reserve Balance	\$117,019,543	\$113,474,904	\$84,852,126	\$62,977,475	\$52,859,766	\$63,784,399	\$99,054,334
Ending Reserve Balance	\$113,474,904	\$84,852,126	\$62,977,475	\$52,859,766	\$63,784,399	\$99,054,334	\$149,164,060
Ending Reserve Balance Percent*	20.1%	13.4%	9.9%	8.0%	9.3%	13.6%	19.4%
*As a % of Next Fiscal Year's Expenditures							
WATER Residential (Tier 1 usage)	6.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
WATER Commercial (usage)	8.50%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%
WASTEWATER Residential	7.50%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
WASTEWATER Non-Residential	8.50%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
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
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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

*Does not
include
Water &
Wastewater
Capacity
Fee

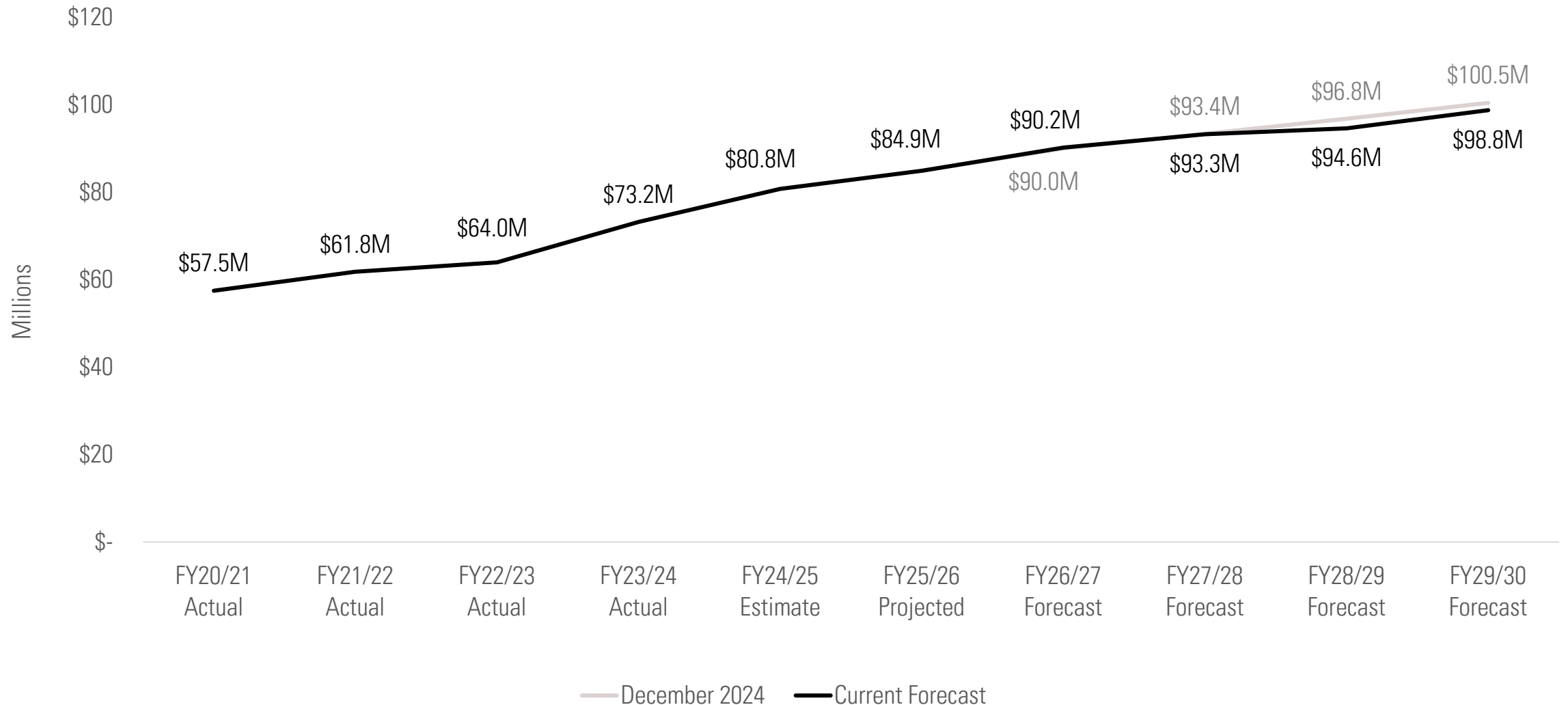
Water Resources Department

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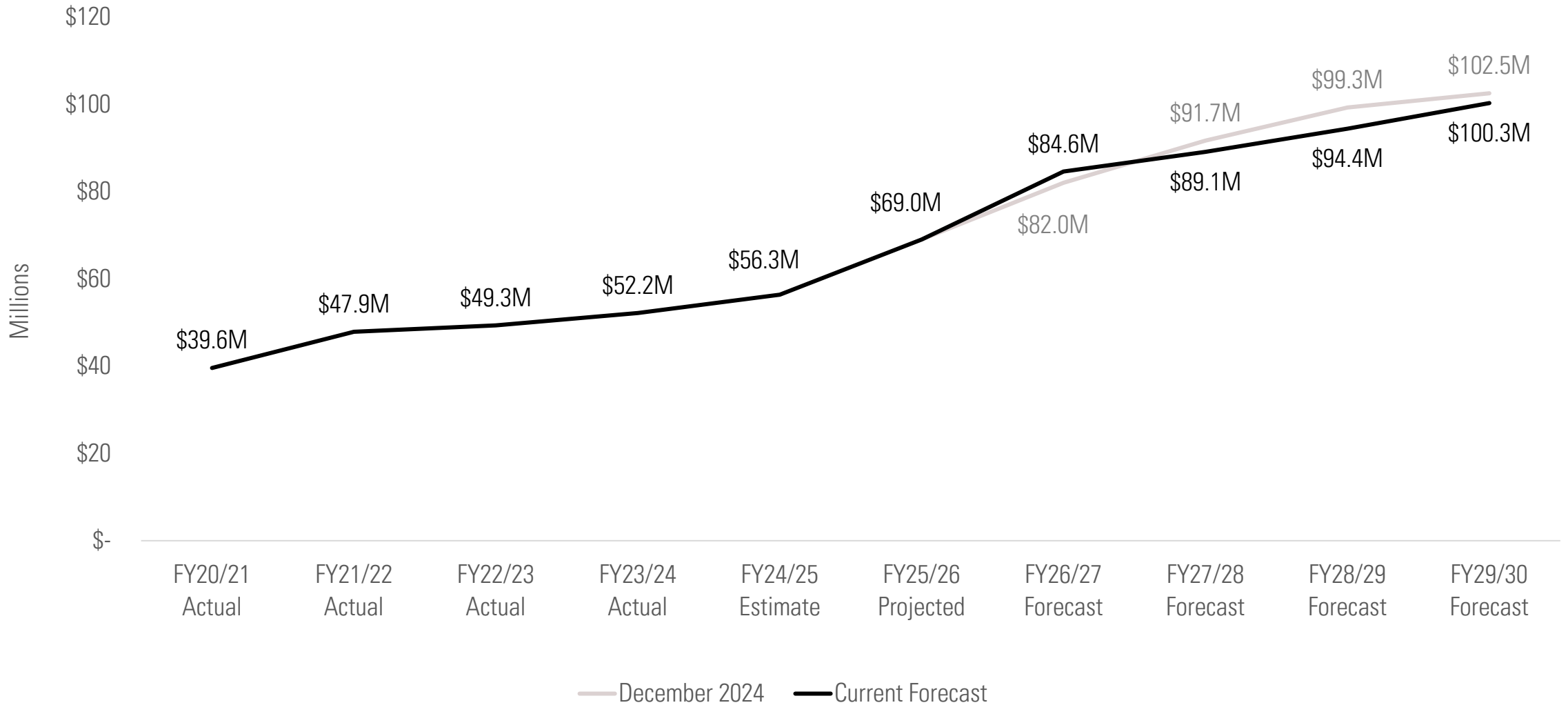
- Christopher Hassert – Water Resources Director
- Erik Hansen– Utilities Financial Analyst

WATER PROGRAM RECOMMENDED RATE ADJUSTMENTS

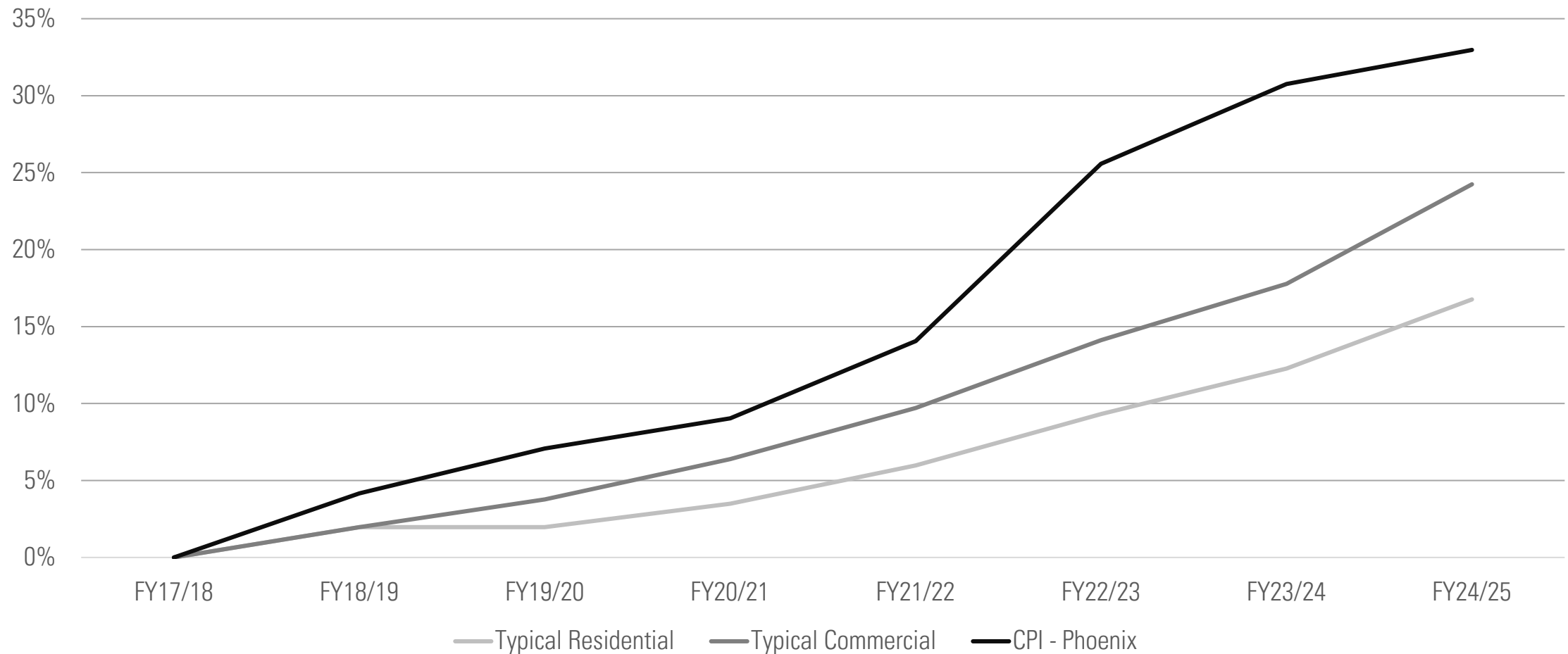
OPERATING COSTS



DEBT SERVICE



CPI Growth and Effective Water Rate Adjustment - Typical Customer (Cumulative)



Residential and Non-residential Comparison

Equity Between Residential & Non-residential Water Rate Revenue

	FY 24/25 Estimate	FY 25/26 Projected	FY 26/27 Forecast	FY 27/28 Forecast	FY 28/29 Forecast	FY 29/30 Forecast
Residential Rate Revenue	55%	54%	52%	50%	49%	47%
Non-residential Rate Revenue	45%	46%	48%	50%	51%	53%
Residential Consumption	49%	48%	48%	48%	48%	47%
Non-residential Consumption	51%	52%	52%	52%	52%	53%

RATE ADJUSTMENT RECOMMENDATIONS

Rate Component	Customer	Recommended Rate Adjustment
Service Charge	All Customers	+4.5%
Usage Charge	Residential	
	• Tier 1 (4,000 – 6,000 gallons)	+4.0%
	• Tier 2 (7,000 – 14,000 gallons)	+5.5%
	• Tier 3 (15,000 – 24,000 gallons)	+6.5%
	• Tier 4 (>24,000 gallons)	+7.5%
	Multi-unit Development	+14.5%

RATE ADJUSTMENT RECOMMENDATIONS

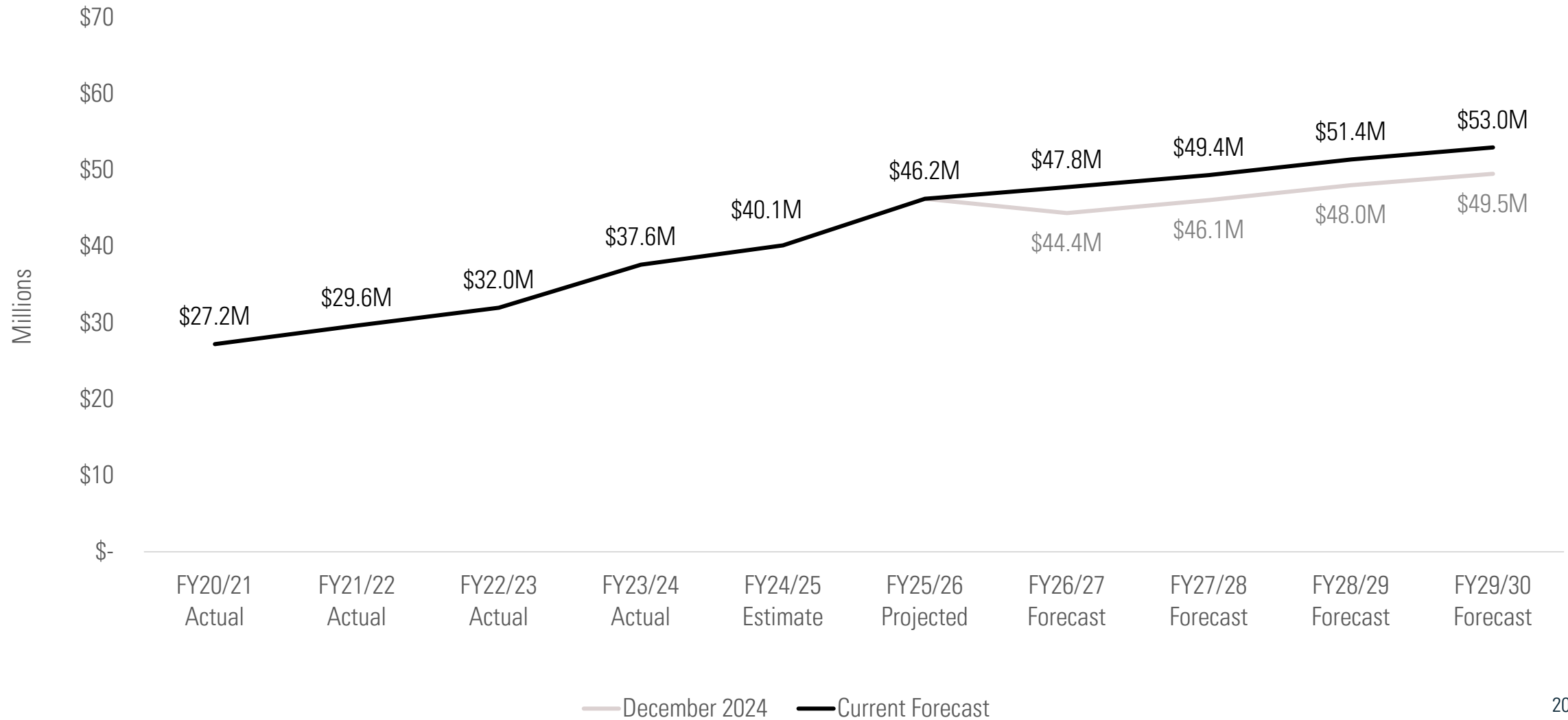
Rate Component	Customer	Recommended Rate Adjustment
Service Charge	All Customers	+4.5%
Usage Charge	Non-residential/Commercial – General	+14.0%
	• Excess Water Surcharge – General	+14.0%
	Non-residential/Commercial – Landscape	+15.0%
	• Excess Water Surcharge – Landscape	+15.0%
	Large Commercial	+20.0%
	Interdepartmental	+9.82%

Customer Impact

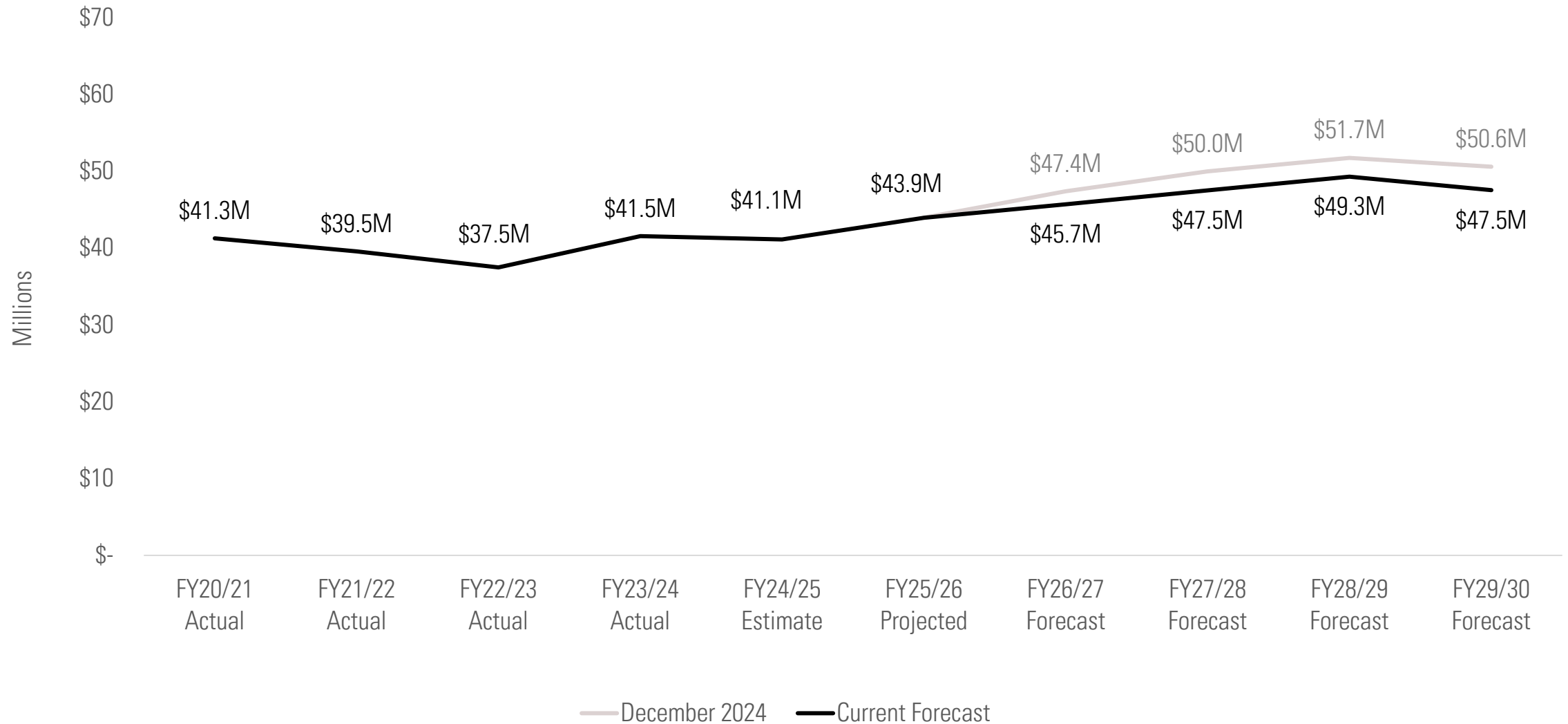
Typical Customer	Current Bill	Recommended Rate Adjustment	Impact to Current Bill
Residential (6 kgals/month)	\$43.57/mo	Service Charge: +4.5% Usage Charge: +4.0%	+4.3% \$45.46/mo (+\$1.89/mo)
Multi-unit Development (6 kgals/month)	\$40.46/mo	Service Charge: +4.5% Usage Charge: +14.5%	+10.1% \$44.56/mo (+\$4.10/mo)
Commercial – General (9 kgals/month)	\$78.59/mo	Service Charge: +4.5% Usage Charge: +14.0%	+7.7% \$84.66/mo (+\$6.07/mo)
Commercial – Landscape (29 kgals/month)	\$177.01/mo	Service Charge: +4.5% Usage Charge: +15.0%	+11.8% \$197.88/mo (+\$20.87/mo)

WASTEWATER PROGRAM RECOMMENDED RATE ADJUSTMENTS

OPERATING COSTS



DEBT SERVICE



RATE ADJUSTMENT RECOMMENDATIONS

Rate Component	Customer	Recommended Rate Adjustment
Service Chage	Residential	+8.0%
	Non-residential	+9.0%
Usage Charge	Residential	+8.0%
	Non-residential	+9.0%

Customer Impact

Typical Customer	Current Bill	Recommended Rate Adjustment	Impact to Current Bill	
Residential (4 kgals/month)	\$28.07/mo	Service Charge: +8.0% Usage Charge: +8.0%	+8.0%	\$30.32/mo (+\$2.25/mo)
Commercial (9 kgals/month)	\$56.86/mo	Service Charge: +9.0% Usage Charge: +9.0%	+9.0%	\$61.98/mo (+\$5.12/mo)

RECOMMENDED RATE ADJUSTMENTS WITH CAPACITY FEE

Rate Adjustment Recommendations - Water

Rate Component	Customer	Recommended Rate Adjustment	Recommended Rate Adjustment with Capacity Fee
Service Charge			
	All Customers	+4.5%	+4.5%
Usage Charge			
	Residential (Tiers I – IV)		
	• Tier 1	+4.0%	+3.5%
	• Tier 2	+5.5%	+3.5%
	• Tier 3	+6.5%	+4.5%
	• Tier 4	+7.5%	+4.5%
	Multi-unit Development	+14.5%	+12.0%

Rate Adjustment Recommendations - Water

Rate Component	Customer	Recommended Rate Adjustment	Recommended Rate Adjustment with Capacity Fee
Service Charge			
	All Customers	+4.5%	+4.5%
Usage Charge			
	Non-residential/Commercial – General	+14.0%	+13.0%
	• Excess Water Surcharge – General	+14.0%	+13.0%
	Non-residential/Commercial – Landscape	+15.0%	+15.0%
	• Excess Water Surcharge – Landscape	+15.0%	+15.0%
	Large Commercial	+20.0%	+19.0%
	Interdepartmental	+9.82%	+9.29%

Rate Adjustment Recommendations - Wastewater

Rate Component	Customer	Recommended Rate Adjustment	Recommended Rate Adjustment with Capacity Fee
Service Charge			
	Residential	+8.0%	+7.5%
	Non-residential	+9.0%	+8.5%
Usage Charge			
	Residential	+8.0%	+7.5%
	Non-residential	+9.0%	+8.5%

Residential and Non-residential Comparison

Equity Between Residential & Non-residential Water Rate Revenue

	FY 24/25 Estimate	FY 25/26 Projected	FY 26/27 Forecast	FY 27/28 Forecast	FY 28/29 Forecast	FY 29/30 Forecast
Residential Rate Revenue	55%	54%	52%	50%	49%	47%
Non-residential Rate Revenue	45%	46%	48%	50%	51%	53%
Residential Consumption	49%	48%	48%	48%	48%	47%
Non-residential Consumption	51%	52%	52%	52%	52%	53%

Customer Impact - Water

Typical Customer	Recommended Rate Adjustment	Impact to Current Bill	Recommended Rate Adjustment with Capacity Fee	Impact to Current Bill
Residential (6 kgals/month)	SC: +4.5% UC: +4.0%	+4.3% \$45.46/mo (+\$1.89/mo)	SC: +4.5% UC: +3.5%	+4.2% \$45.41/mo (+\$1.84/mo)
Multi-unit Development (6 kgals/month)	SC: +4.5% UC: +14.5%	+10.1% \$44.56/mo (+\$4.10/mo)	SC: +4.5% UC: +12.0%	+8.7% \$43.98/mo (+\$3.53/mo)
Commercial – General (9 kgals/month)	SC: +4.5% UC: +14.0%	+7.7% \$84.66/mo (+\$6.07/mo)	SC: +4.5% UC: +13.0%	+7.4% \$84.39/mo (+\$5.80/mo)
Commercial – Landscape (29 kgals/month)	SC: +4.5% UC: +15.0%	+11.8% \$197.88/mo (+\$20.87/mo)	SC: +4.5% UC: +15.0%	+11.8% \$197.88/mo (+\$20.87/mo)

Customer Impact - Wastewater

Typical Customer	Recommended Rate Adjustment	Impact to Current Bill	Recommended Rate Adjustment with Capacity Fee	Impact to Current Bill
Residential (4 kgals/month)	SC: +8.0% UC: +8.0%	+8.0% \$30.32/mo (+\$2.25/mo)	SC: +7.5% UC: +7.5%	+7.5% \$30.18/mo (+\$2.11/mo)
Commercial (9 kgals/month)	SC: +9.0% UC: +9.0%	+9.0% \$61.98/mo (+\$5.12/mo)	SC: +8.5% UC: +8.5%	+8.5% \$61.69/mo (+\$4.83/mo)

Energy Resources Department

Presented by:

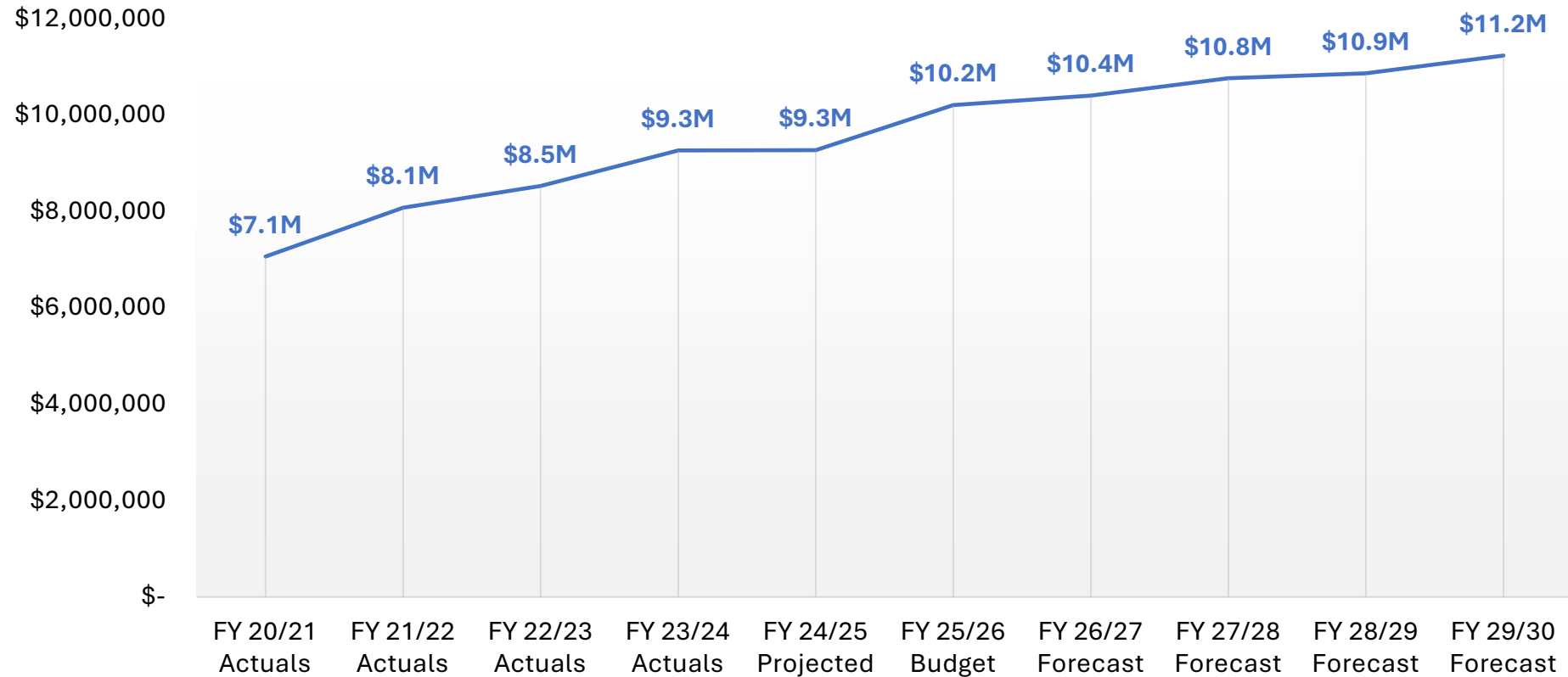
- Scott Bouchie – Energy Resources Director
- Tony Cadorin – Energy Resources Program Manager
- John Petrof – Senior Fiscal Analyst

ELECTRIC UTILITY

INCREASING COSTS/PRESSURES ON THE ELECTRIC UTILITY

- Operating Budget
 - Standard inflation on outside vendor services
 - Personal services increases
- Debt Service
 - Meeting growth demands in Downtown
 - 69 kV Looping
 - AMI
 - Kellwood Substation Improvements

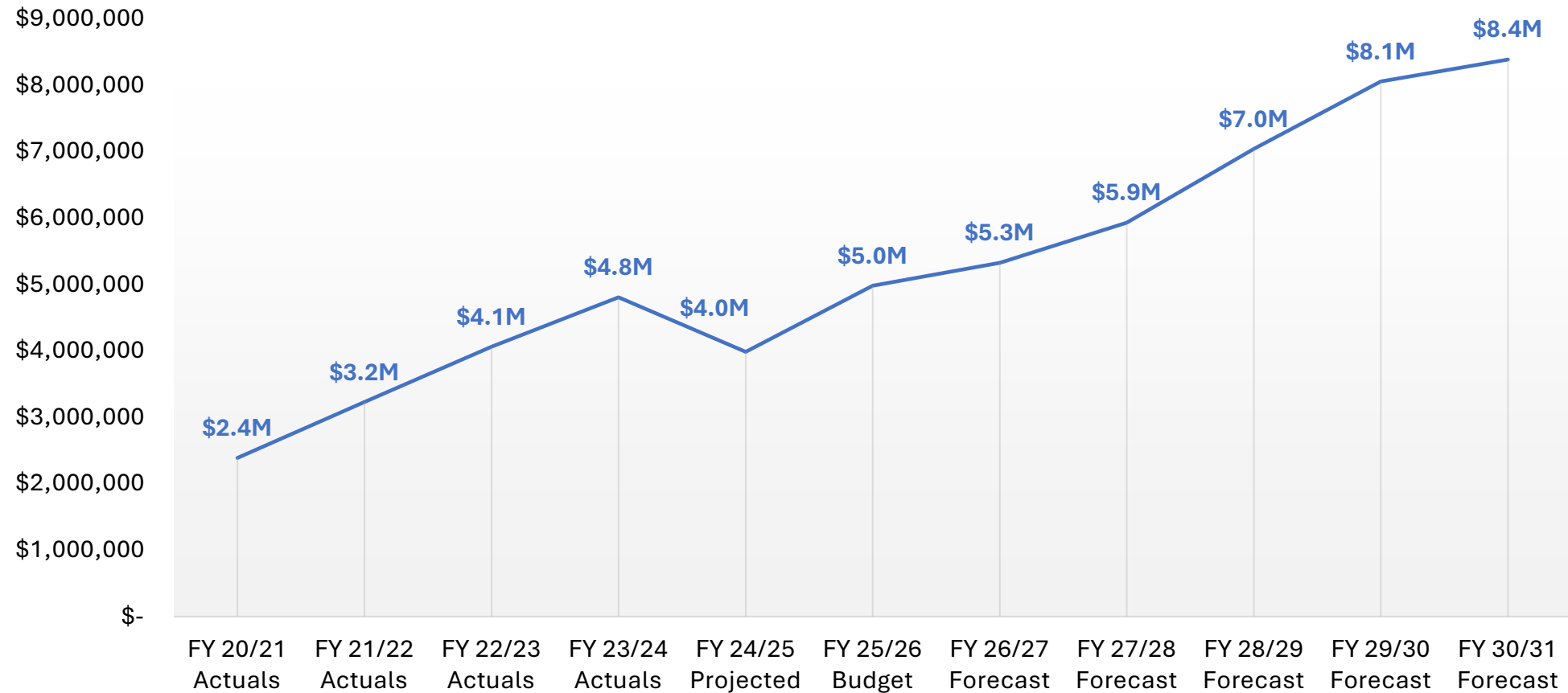
INCREASING OPERATING COSTS ON THE ELECTRIC UTILITY



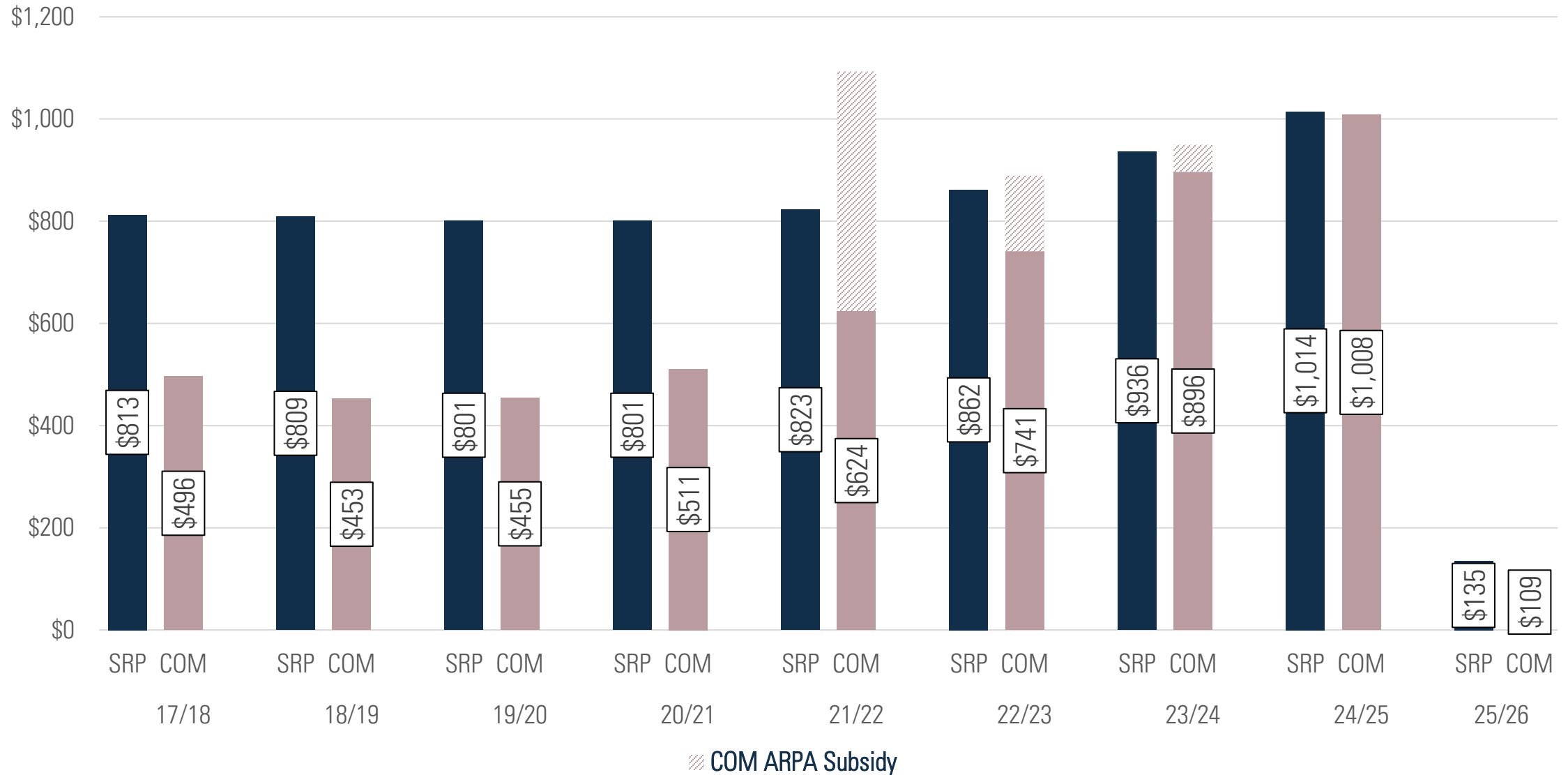
PRIORITY ELECTRIC PROJECTS

PROJECT	COST
Kellwood Substation Improvements	\$6M
Stapley and University	\$4.2M
69 kV Looping	\$3.6M

INCREASING DEBT SERVICE COSTS ON THE ELECTRIC UTILITY



Total Residential Customer Electric Supply Cost - SRP vs COM



SRP/APS INCREASES

SRP – November 2025 Rate Increase

- Overall - 2.4% price increase
- Average residential user bill impact - \$5.61
 - Average Usage – 1,117 kWh
- Tiered Monthly Service Charge
 - Tier 1 – Multifamily home - \$20 (current)
 - Tier 2 – Single-family home with average usage - \$30
 - Tier 3 – Large single-family home user - \$40 (About 3% of residential customers)

APS – 2025 Rate Case

- Effective second half of June 2026
- Average residential user bill impact - \$20 per month
 - Average Usage – 1,000 kWh

RESIDENTIAL ELECTRIC BILL COMPARISON



*SRP amount includes proposed November rate increase

RESIDENTIAL ELECTRIC BILLS

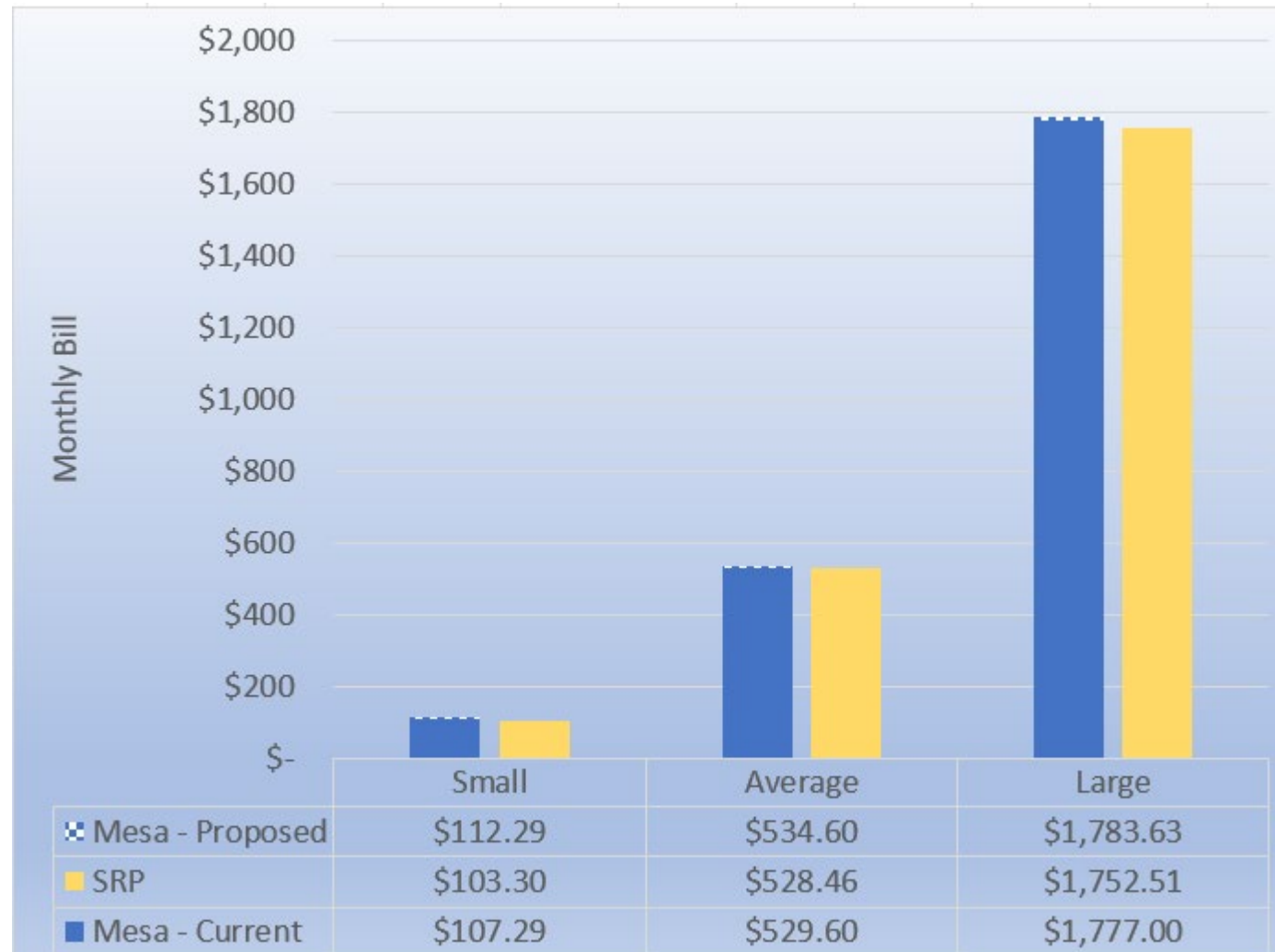
	Small	Average	Large
Prior Forecast	\$69.50	\$153.55	\$255.44
Actual – FY 24/25	\$65.72	\$146.18	\$230.99
Proposed	\$64.34	\$137.98	\$228.67

*Based on fiscal year 24/25 residential usage

PROPOSED RESIDENTIAL ELECTRIC RATES

COMPONENT	CURRENT	PROPOSED	CHANGE	PRIOR FORECAST
SYSTEM SERVICE CHARGE	\$19.50	\$20.50	\$1.00	\$3.00
USAGE CHARGE SUMMER per kWh	Tier 1 - \$0.05231 Tier 2 - \$0.05027	Tier 1 - \$0.05336 Tier 2 - \$0.05228	2% 4%	2% 4%
USAGE CHARGE WINTER per kWh	Tier 1 - \$0.04317 Tier 2 - \$0.03478	Tier 1 - \$0.04533 Tier 2 - \$0.04742	5% 36%	5% 36%
MONTHLY BILL (Average Customers)	\$135.71	\$137.98	\$2.27	\$4.27
EFFECTIVE INCREASE			1.7%	3.1%

Commercial Electric Bill Comparison



*SRP amount includes proposed November rate increase

PROPOSED COMMERCIAL ELECTRIC RATES

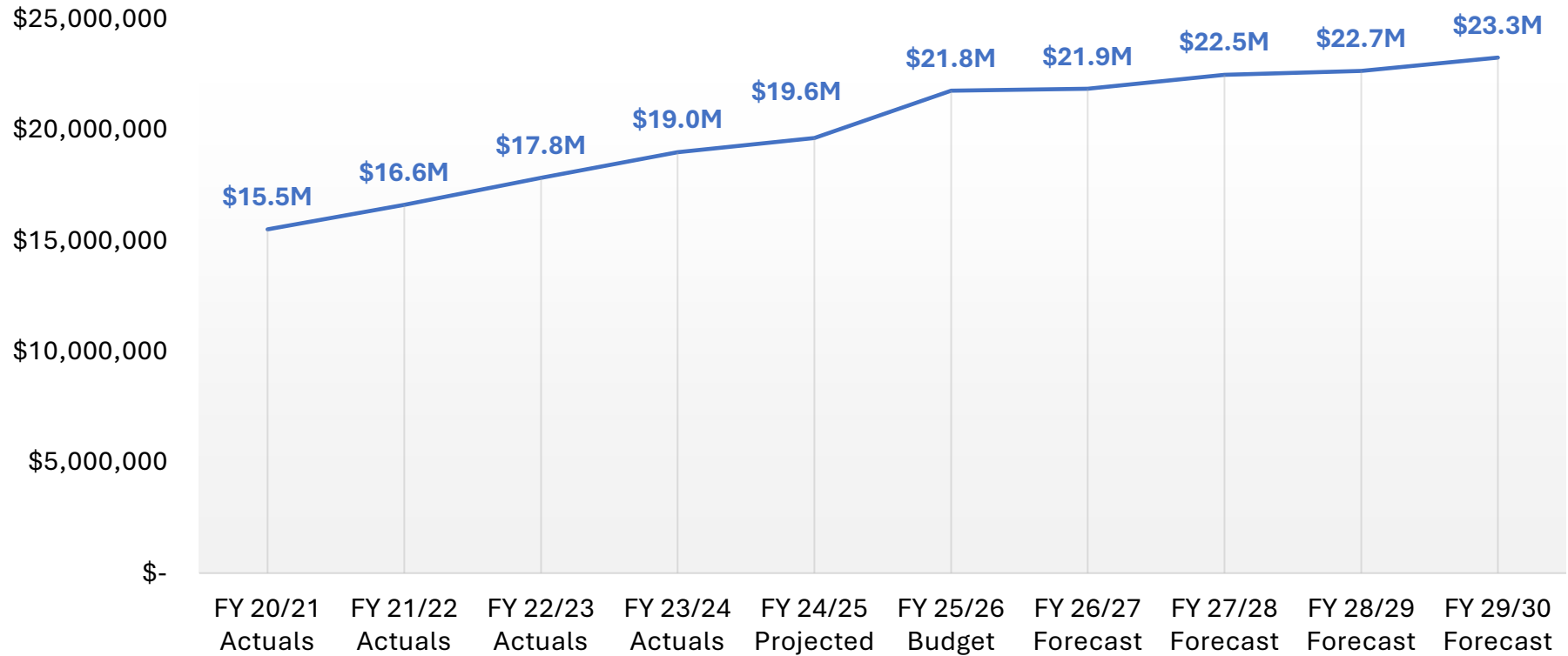
COMPONENT	CURRENT	PROPOSED	CHANGE
SYSTEM SERVICE CHARGE	Single Phase - \$19.72 Three Phase - \$25.74	Single Phase - \$24.72 Three Phase - \$30.74	\$5.00
USAGE CHARGE SUMMER per kWh	Tier 2 - \$0.04866	Tier 2 - \$0.0511	5%
USAGE CHARGE WINTER per kWh	Tier 2 - \$0.03994	Tier 2 - \$0.04113	3%
MONTHLY BILL (Average Customers)	\$529.60	\$534.60	\$5.00
EFFECTIVE INCREASE			0.9%

NATURAL GAS UTILITY

INCREASING COSTS/PRESSURES ON THE GAS UTILITY

- Operating Budget
 - Standard inflation on services and contracts
 - Personal services increases
- Debt Service
 - Meeting growth demands in Magma service territory
 - Gantzel Rd
 - Arizona Farms Road
 - New Services
 - AMI

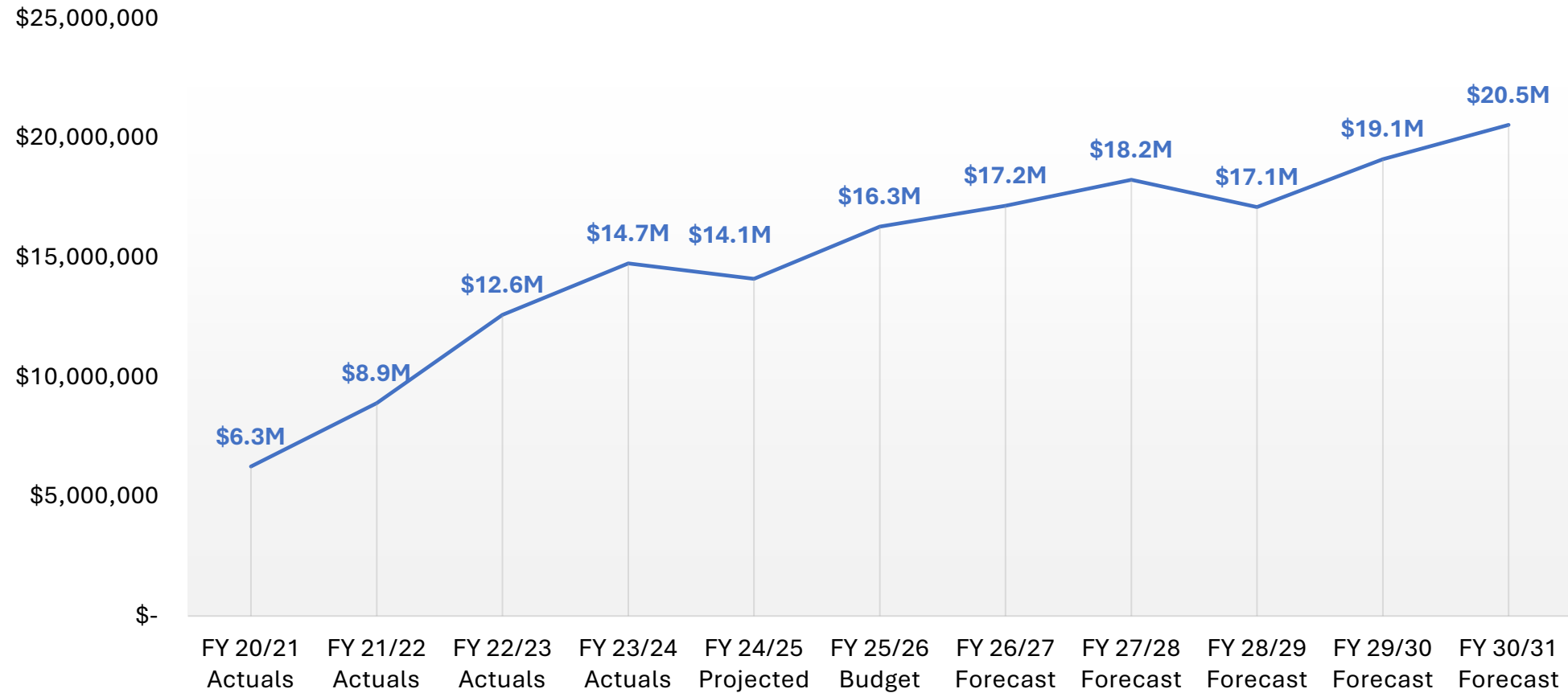
INCREASING OPERATING COSTS ON THE GAS UTILITY



PRIORITY GAS PROJECTS

PROJECT	COST
Arizona Farms	\$14M
Gantzel Rd	\$23M
Clausen Gate	\$3M
Stapley and University	\$4M
Val Vista-Pueblo to US 60	\$2.6M

INCREASING DEBT SERVICE COSTS ON THE GAS UTILITY

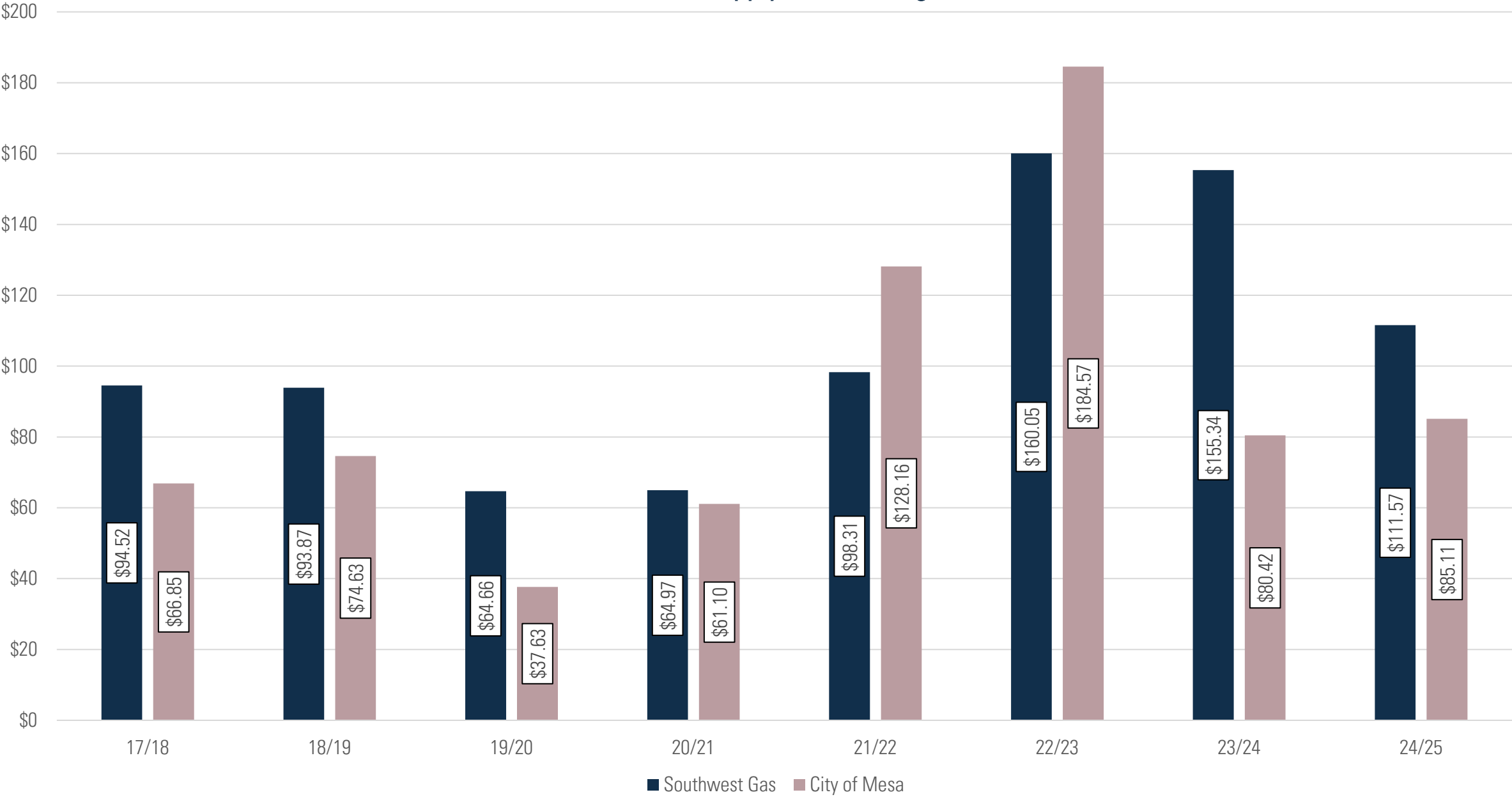


SOUTHWEST GAS INCREASE

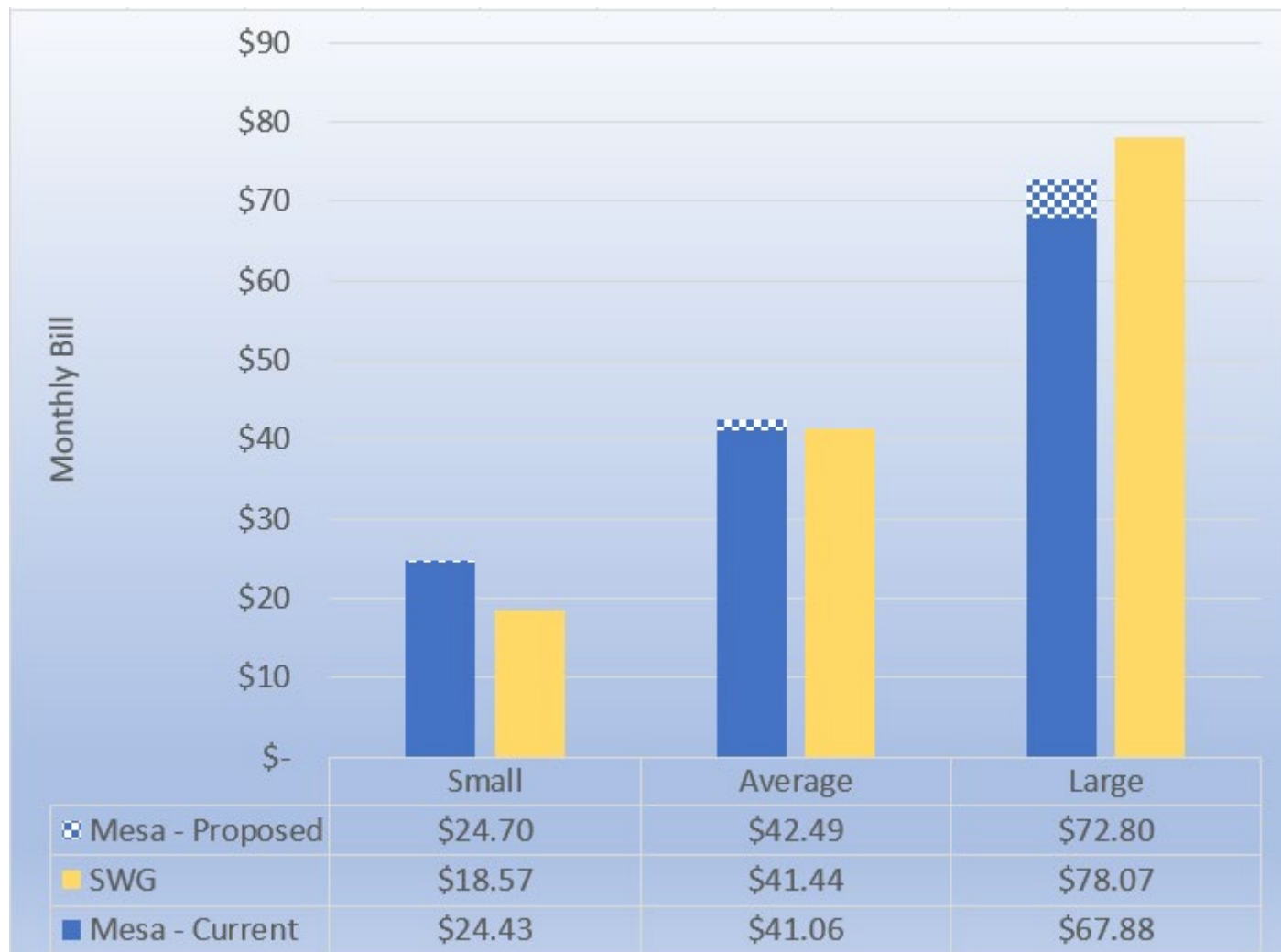
March 2025 Rate Increase

- Approximately 8.9% monthly bill increase for average residential customers
 - From ~\$42 to ~\$46 monthly
- \$3.75 per month

Total Residential Customer Natural Gas Supply Cost (Average Customer) - Southwest Gas vs COM



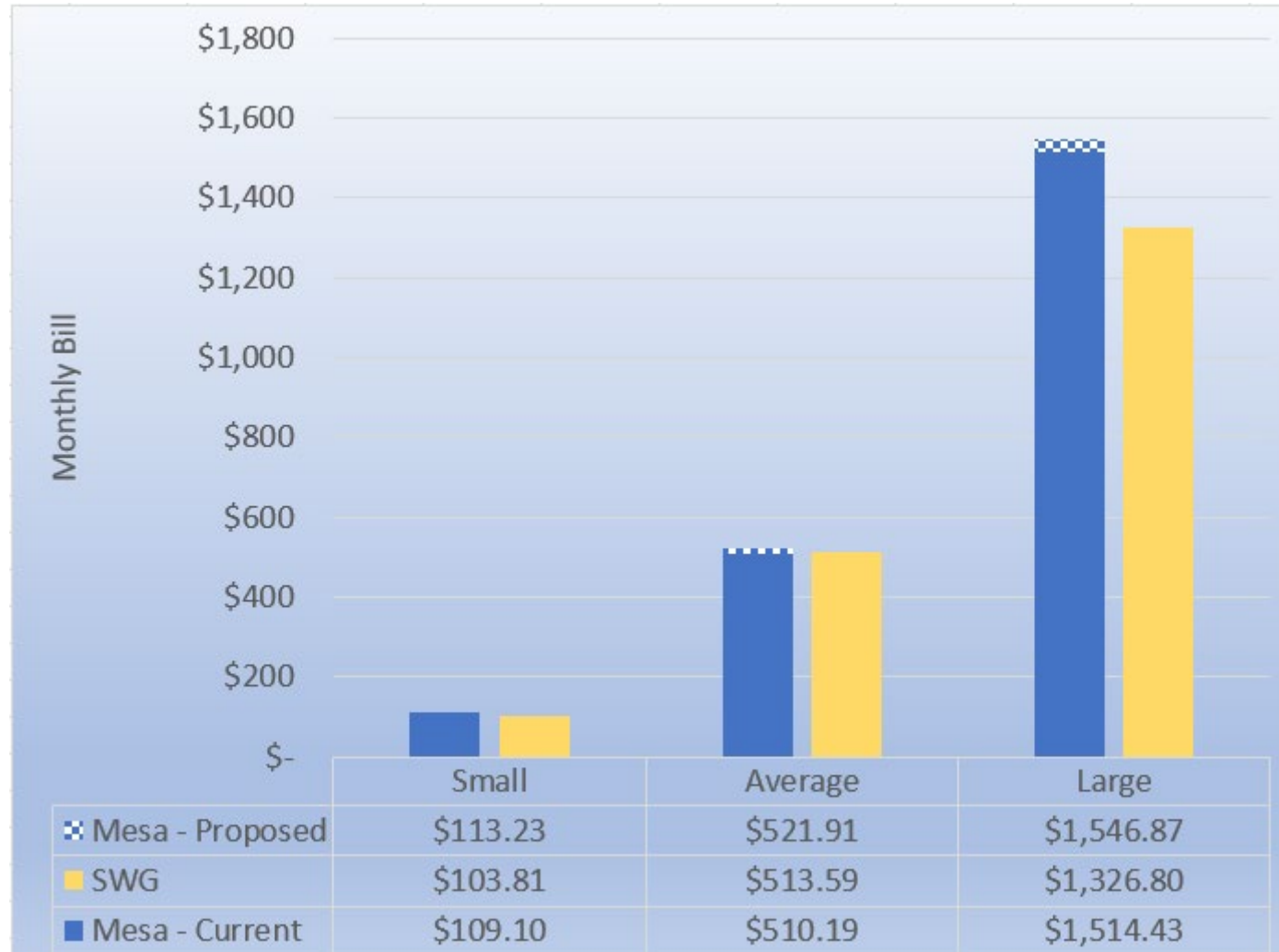
RESIDENTIAL GAS BILL COMPARISON



PROPOSED RESIDENTIAL GAS RATES

COMPONENT	CURRENT	PROPOSED	CHANGE	PRIOR FORECAST
SYSTEM SERVICE CHARGE SUMMER WINTER	\$17.31 \$20.24	\$17.31 \$20.24	\$0	\$1.00
USAGE CHARGE SUMMER per therm	Tier 1 - \$0.7440 Tier 2 - \$0.3681	Tier 1 - \$0.7961 Tier 2 - \$0.4234	7% 15%	7% 15%
USAGE CHARGE WINTER per therm	Tier 1 - \$0.7440 Tier 2 - \$0.8072	Tier 1 - \$0.7961 Tier 2 - \$1.0009	7% 24%	7% 8%
MONTHLY BILL (Average Customers)	\$41.06	\$42.49	\$1.43	\$2.07
EFFECTIVE INCREASE			3.5%	5%

COMMERCIAL GAS BILL COMPARISON



PROPOSED COMMERCIAL GAS RATES

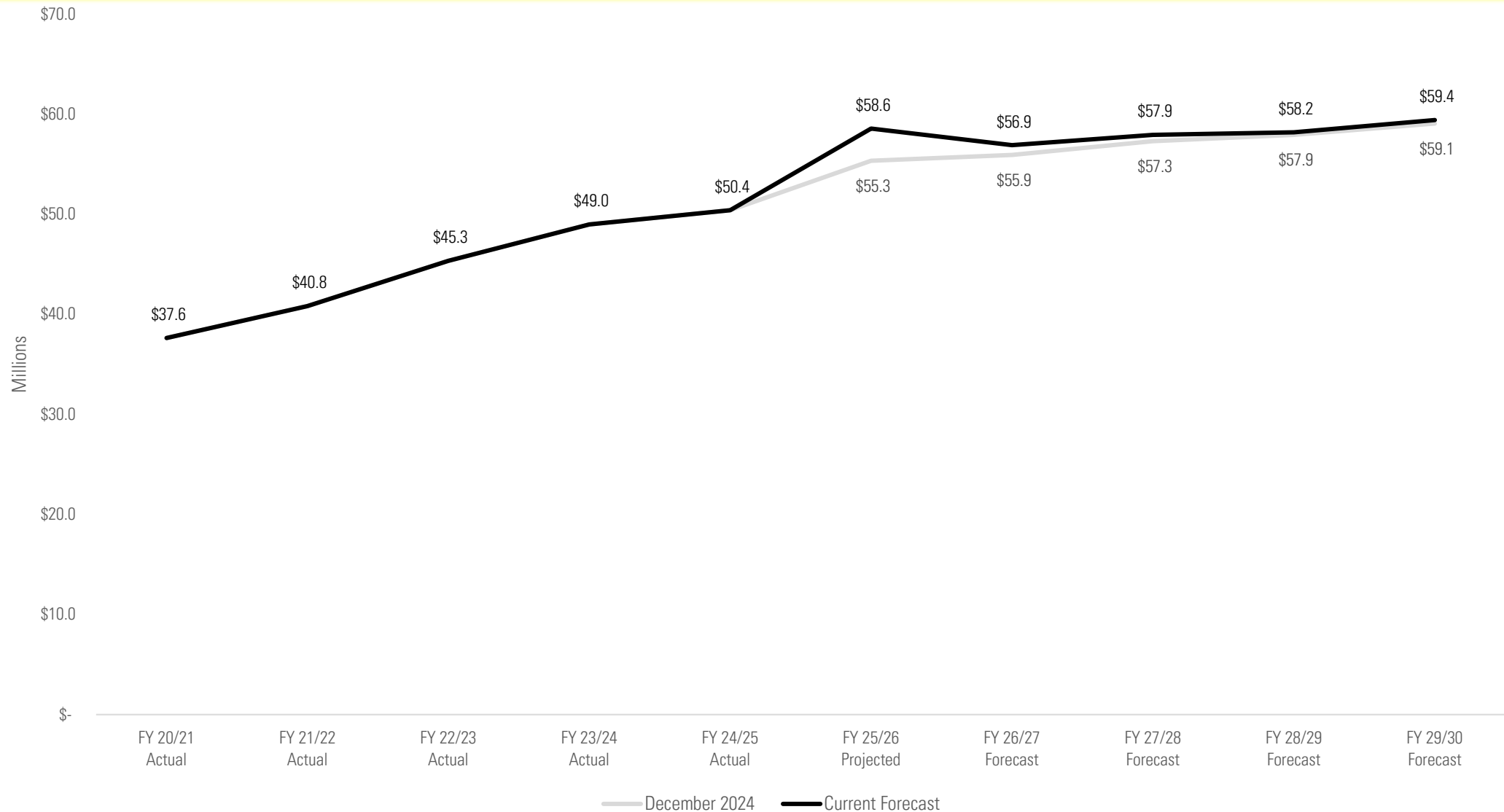
COMPONENT	CURRENT	PROPOSED	CHANGE
SYSTEM SERVICE CHARGE SUMMER WINTER	\$44.66 \$54.34	\$47.66 \$57.34	\$3
USAGE CHARGE SUMMER per therm	Tier 1 - \$0.5929 Tier 2 - \$0.4366	Tier 1 - \$0.6107 Tier 2 - \$0.4585	3% 5%
USAGE CHARGE WINTER per therm	Tier 1 - \$0.6421 Tier 2 - \$0.6308	Tier 1 - \$0.6613 Tier 2 - \$0.6623	3% 5%
MONTHLY BILL (Average Customers)	\$510.19	\$521.91	\$11.72
EFFECTIVE INCREASE			2.3%

Solid Waste Department

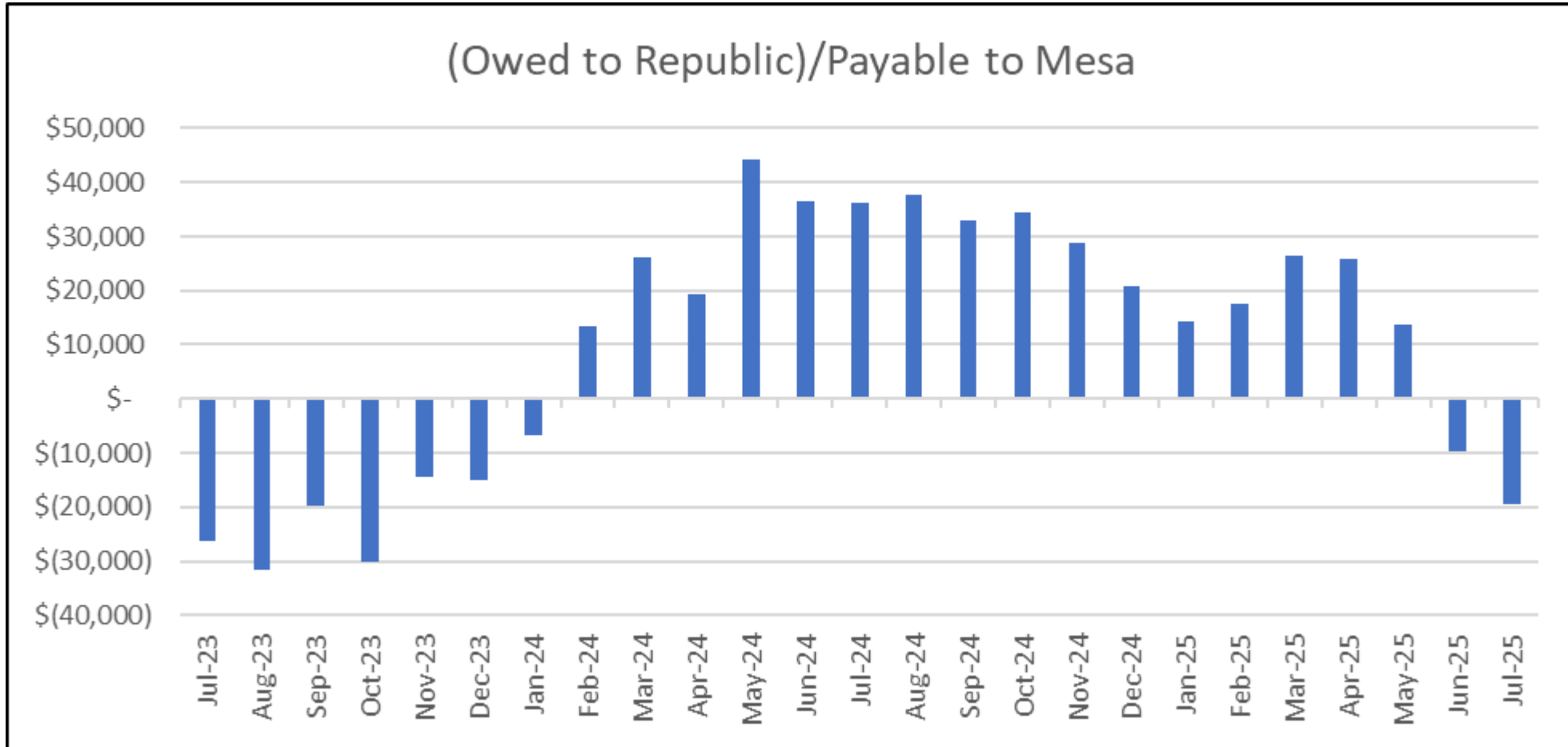
Presented by:

- Joe Giudice – Deputy Solid Waste Director

SOLID WASTE OPERATING COSTS



MRF - Recycling



SOLID WASTE RESIDENTIAL RATE RECOMMENDATIONS

5.5% PROPOSED INCREASE

	Current	Proposed Increase	Proposed Total
90-gallon Trash Barrel	\$33.17	\$1.82	\$34.99
60-gallon Trash Barrel	\$29.60	\$1.63	\$31.23
35-gallon Trash Barrel	\$27.89	\$1.53	\$29.42



SOLID WASTE BULK ITEM COLLECTION RECOMMENDATIONS

\$2 PROPOSED INCREASE

	Current	Proposed Increase	Proposed Total
Bulk	\$29.00	\$2.00	\$31.00



Commercial Front Load Recommendations

5.5% Overall Rate Increase



- Increase base rate
 - 6-yard trash bin increase from \$122.22 to \$127.48
 - 6-yard recycle bin increase from \$102.25 to \$107.87
- Increase fee for out-of-zone collection
 - From \$28.00 to \$33.00
- Discontinue multi-day discount

Commercial Roll Off Recommendations

5.5% Overall Rate Increase

- Increase tonnage rate to follow landfill increase
 - Increase trash tonnage rate from \$47.75 to \$51.50
 - Increase green waste tonnage rate from \$55.50 to \$59.82
- Increase haul fee by \$5/\$6
 - 15/20-yard roll off increase from \$135 to \$140
 - 30-yard roll off increase from \$145 to \$150
 - 40-yard roll off increase from \$160 to \$166
- \$16.25 increase for a one-time trash customer
- \$17.96 increase for a one-time green waste customer



Residential	Current	Proposed Increase	Proposed Total
90-gallon Trash Barrel	\$33.17	\$1.82	\$34.99

Residential	Current	Proposed Increase	Proposed Total
Bulk	\$29.00	\$2.00	\$31.00

FRONT LOAD	Current	Proposed Increase	Proposed Total
6 Yard Front Load Trash -1x week	\$122.22	\$5.26	\$127.48
6 Yard Front Load Recycling – 1x week	\$102.25	\$5.62	\$107.87

ROLL OFF	Current	Proposed Increase	Proposed Total
30 Yard Rolloff Trash – 1x week	\$438.25	\$16.25	\$454.50

FY 25/26 RECOMMENDED RATE ADJUSTMENTS

As of 9/3/2025	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	(\$5,725,772)	(\$12,783,723)	(\$4,891,676)	\$5,059,954	\$14,434,248	\$28,004,286
WASTEWATER	(\$7,285,154)	(\$11,996,288)	(\$6,784,238)	(\$2,018,970)	\$2,770,034	\$12,384,228	\$12,390,217
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)	(\$741,823)	(\$834,907)	(\$1,173,447)	(\$1,603,113)	(\$1,239,981)
NATURAL GAS	(\$817,183)	(\$3,793,486)	(\$2,082,196)	(\$1,426,474)	\$1,864,370	\$1,729,243	\$2,128,194
DISTRICT COOLING	(\$376,552)	(\$181,786)	(\$171,502)	(\$316,383)	(\$182,335)	(\$185,275)	(\$233,758)
TOTAL NET SOURCES AND USES	(\$3,544,639)	(\$28,622,778)	(\$21,874,651)	(\$10,117,709)	\$10,924,633	\$35,269,935	\$50,109,726
Beginning Reserve Balance	\$117,019,543	\$113,474,904	\$84,852,126	\$62,977,475	\$52,859,766	\$63,784,399	\$99,054,334
Ending Reserve Balance	\$113,474,904	\$84,852,126	\$62,977,475	\$52,859,766	\$63,784,399	\$99,054,334	\$149,164,060
Ending Reserve Balance Percent*	20.1%	13.4%	9.9%	8.0%	9.3%	13.6%	19.4%
*As a % of Next Fiscal Year's Expenditures							
WATER Residential (Tier 1 usage)	6.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
WATER Commercial (usage)	8.50%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%
WASTEWATER Residential	7.50%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
WASTEWATER Non-Residential	8.50%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
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

*Does not
include
Water &
Wastewater
Capacity
Fee

FY 25/26 RECOMMENDED RATE ADJUSTMENTS

WITH CAPACITY FEE

As of 9/3/2025	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	(\$6,008,322)	(\$5,215,984)	\$3,418,996	\$11,702,265	\$20,565,648	\$35,225,390
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)	(\$28,989,800)	(\$14,436,440)	(\$2,852,575)	\$16,710,285	\$39,075,546	\$55,312,215
Beginning Reserve Balance	\$117,019,543	\$113,474,904	\$84,485,104	\$70,048,664	\$67,196,088	\$83,906,374	\$122,981,920
Ending Reserve Balance	\$113,474,904	\$84,485,104	\$70,048,664	\$67,196,088	\$83,906,374	\$122,981,920	\$178,294,135
Ending Reserve Balance Percent*	20.1%	13.6%	11.3%	10.4%	12.5%	17.4%	24.1%
*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

Summary of Recommended Rate Adjustments

	FY 24/25 Estimate	FY 25/26 Budget	FY 25/26 Projected <i>No Capacity Fee</i>	FY 25/26 Projected <i>w/ Capacity Fee</i>
TOTAL NET SOURCES AND USES	(\$3,544,639)	(\$28,438,133)	(\$28,622,778)	(\$28,989,800)
Beginning Reserve Balance	\$117,019,543	\$104,437,875	\$113,474,904	\$113,474,904
Ending Reserve Balance	\$113,474,904	\$75,999,742	\$84,852,126	\$84,485,104
Ending Reserve Balance Percent*	20.1%	11.9%	13.4%	13.6%
*As a % of Next Fiscal Year's Expenditures				
WATER Residential (Tier 1 usage)	6.00%	6.00%	4.00%	3.50%
WATER Commercial (usage)	8.50%	8.50%	14.00%	13.00%
WASTEWATER Residential	7.50%	8.00%	8.00%	7.50%
WASTEWATER Non-Residential	8.50%	9.00%	9.00%	8.50%
SOLID WASTE Residential	5.50%	5.50%	5.50%	5.50%
SOLID WASTE Commercial	10.00%	7.50%	5.50%	5.50%
SOLID WASTE Rolloff	6.50%	6.50%	5.50%	5.50%
ELECTRIC Residential - svc charge	\$2.75	\$3.00	\$1.00	\$1.00
ELECTRIC Non-Residential - svc charge	\$5.00	\$5.00	\$5.00	\$5.00
GAS Residential - svc charge	\$0.00	\$1.00	\$0.00	\$0.00
GAS Non-Residential - svc charge	\$3.00	\$3.00	\$3.00	\$3.00



NEXT STEPS

- September 22** - City Council Action on Notice of Intent
- November 17** - Introduction of Utility Rate Ordinances
- December 1** - City Council Action on Utility Rates
- January 1** - Effective Date for Utility Rate Changes



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