



UTILITIES ADVISORY COMMITTEE (UAC)

WASTEWATER, POTABLE WATER
& NON-POTABLE WATER
RATE RECOMMENDATIONS

UTILITIES ADVISORY COMMITTEE

- Appointed by City Council January 20, 2026
- Series of meetings in March 2026
- Operational Status from Staff
- Financial and Rate Review from Consultant Raftelis

COMMITTEE MEMBERS

- John E. James - Chair
- Dan Jimenez - Vice Chair
- Richard Corneille
- Damion Northcutt
- Aholibama “Oly” Ojeda
- Edwina Thomas
- Paul Toor

MISSION STATEMENT/GOALS

- The Utilities Advisory Committee will recommend to the City Council rate adjustments for potable water, wastewater and non-potable water utilities.
- The Committee will:
 - Examine different approaches to establishing potable water, wastewater and non-potable water rates
 - Promote understanding and appreciation for different points of view, and
 - Build consensus that will ensure a balanced approach to divergent interests in the community concerning utility rates.

FINANCIAL ANALYSIS

- Reviewed Overall Financial Needs to Maintain Safe, Reliable Systems and Service to Residents
- All operations were analyzed in the following financial areas:
 - Operation and Maintenance (O&M) costs
 - Capital Improvement Projects (Capital Investment)
 - Revenue Projections at Current Rates
 - Reserve Balances
 - Reserve Balance Target
 - Required Revenue Adjustments to Maintain Reserves
 - Keep High Credit Rating

WASTEWATER

An aerial photograph of a wastewater treatment plant. The image shows several large circular and rectangular tanks, some containing dark water and others with lighter, possibly treated, water. There are various pipes, walkways, and buildings scattered throughout the site. The overall scene is industrial and shows the complex infrastructure of a water treatment facility.

- **Wastewater Operations and Maintenance Costs**
- **Collection System –**
 - **Primarily Gravity Flow Pipe System**
 - **Inspection And Periodic Clean Out**
- **Treatment Plant – Continuous Flow From the City at Large Must be Treated and Discharged on a continuous Basis**
 - **Electricity**
 - **Chemicals**
 - **Replacement Parts**

RECOMMENDED WASTEWATER RATES

2.5 Year UAC Recommendations

Revenue

Adjustments

Bi-Monthly Rates

Residential (\$/dwelling unit)

Single Family

Multiple Family

Non-Residential (\$/ccf)

Low Strength I

Low Strength II

Low Strength III

Medium Strength I

Medium Strength II

Medium Strength III

High Strength I

High Strength II

Large Volume User

Minimum Charge (\$)

Schools (\$/100 ADA)

Elementary

Secondary & High

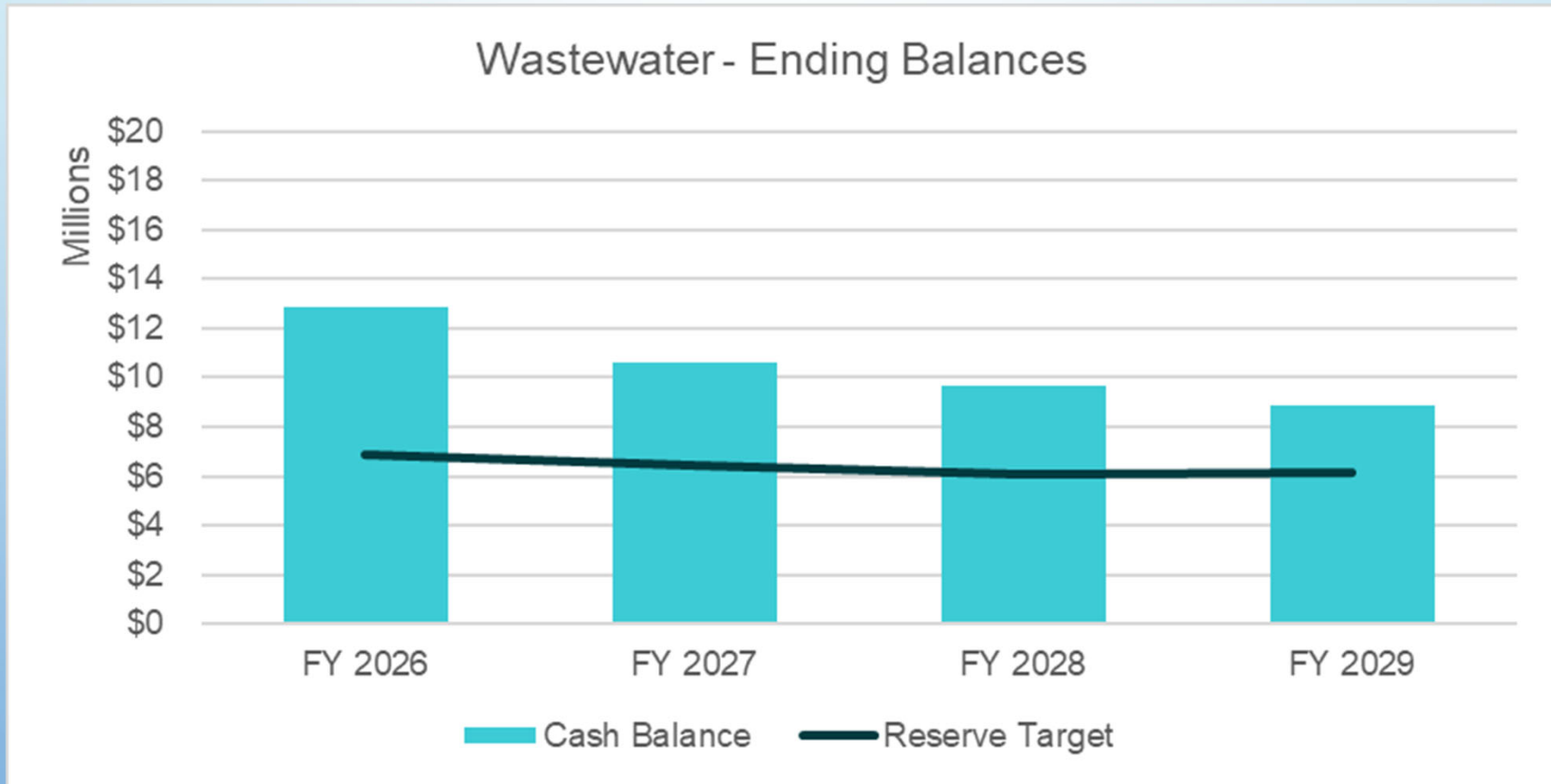
Septage Charge (\$/gal)

	Current	7.0% Jan 2027	7.0% July 2027	7.0% July 2028
Single Family	\$72.65	\$78.15	\$83.63	\$89.49
Multiple Family	\$57.64	\$62.01	\$66.36	\$71.01
Low Strength I	\$3.11	\$3.31	\$3.55	\$3.80
Low Strength II	\$3.76	\$3.93	\$4.21	\$4.51
Low Strength III	\$4.39	\$4.56	\$4.88	\$5.23
Medium Strength I	\$5.04	\$5.18	\$5.55	\$5.94
Medium Strength II	\$5.68	\$5.81	\$6.22	\$6.66
Medium Strength III	\$6.33	\$6.43	\$6.89	\$7.38
High Strength I	\$6.98	\$7.06	\$7.56	\$8.09
High Strength II	\$7.62	\$7.69	\$8.23	\$8.81
Large Volume User	\$4.39	\$4.56	\$4.88	\$5.23
Minimum Charge (\$)	\$57.64	\$62.01	\$66.36	\$71.01
Elementary	\$157.43	\$165.62	\$177.22	\$189.63
Secondary & High	\$262.38	\$276.04	\$295.37	\$316.05
Septage Charge (\$/gal)	\$0.11	\$0.11	\$0.12	\$0.13

WASTEWATER – ENDING BALANCES

2.5 Year UAC
Recommendations

Rate Model Forecast
Looking Forward 5 Years



POTABLE WATER

- Water Operations and Maintenance Costs
 - Water Treatment
 - Surface Water - Chemicals
 - Water Wells
 - Electric Pumping Costs
 - Chemicals
 - Reservoirs
 - Maintenance and Chemicals
 - Pipe Delivery System
 - Leak Repair
- Capital Improvement Projects per Master Plan
 - Yearly Pipe Replacement
 - Wellhead Treatment
 - Sunset Reservoir Will need debt funding of \$26M
 - Other Infrastructure Investments and Betterments

PROPOSED POTABLE WATER RATES

2.5 Year UAC
Recommendations

Rate Model Forecast
Looking Forward 5 Years

Revenue

Adjustments

Bi-Monthly Rates

Current

2.5%

Jan 2027

2.5%

July 2027

2.5%

July 2028

Water Service Charge

5/8"	\$33.60	\$34.09	\$34.95	\$35.83
3/4"	\$44.90	\$45.54	\$46.68	\$47.85
1"	\$66.81	\$67.76	\$69.46	\$71.20
1 1/2"	\$119.96	\$121.64	\$124.69	\$127.81
2"	\$177.10	\$179.56	\$184.05	\$188.66
3"	\$305.97	\$310.22	\$317.98	\$325.93
4"	\$472.05	\$478.60	\$490.57	\$502.84
6"	\$870.64	\$882.70	\$904.77	\$927.39
8"	\$1,282.51	\$1,300.27	\$1,332.78	\$1,366.10
10"	\$3,036.30	\$3,078.32	\$3,155.28	\$3,234.17
12"	\$3,992.91	\$4,048.16	\$4,149.37	\$4,253.11

Water Usage Rate (\$/ccf)

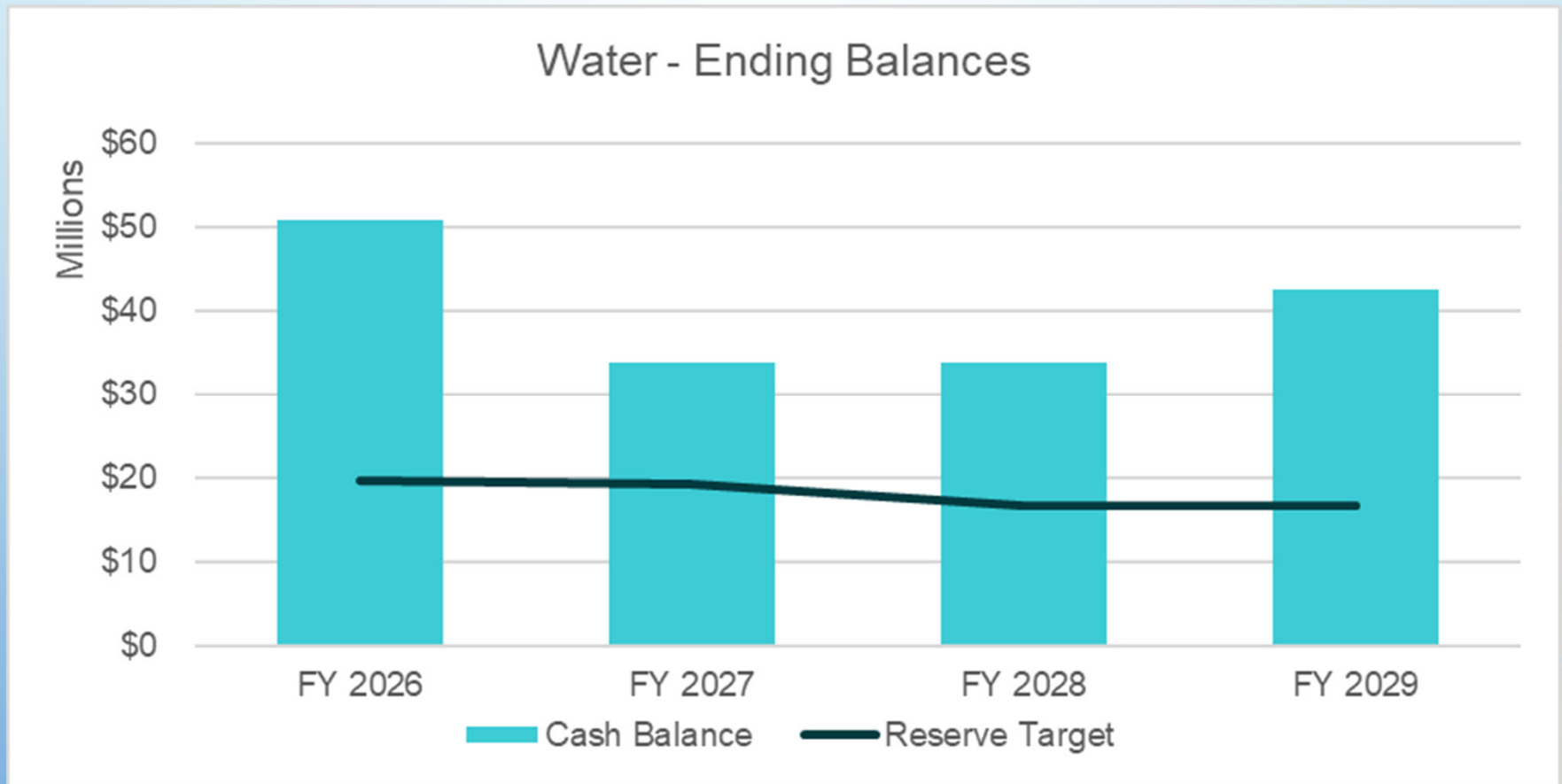
Building Water Usage

Tier 1	\$1.61	\$1.59	\$1.63	\$1.68
Tier 2	\$1.90	\$1.95	\$2.00	\$2.05
Tier 3	\$2.85	\$3.00	\$3.08	\$3.16

POTABLE WATER – ENDING BALANCES

2.5 Year UAC
Recommendations

Rate Model Forecast
Looking Forward 5 Years



RECOMMENDED NON-POTABLE WATER RATES*

2.5 Year UAC
Recommendations

Rate Model Forecast
Looking Forward 5 Years

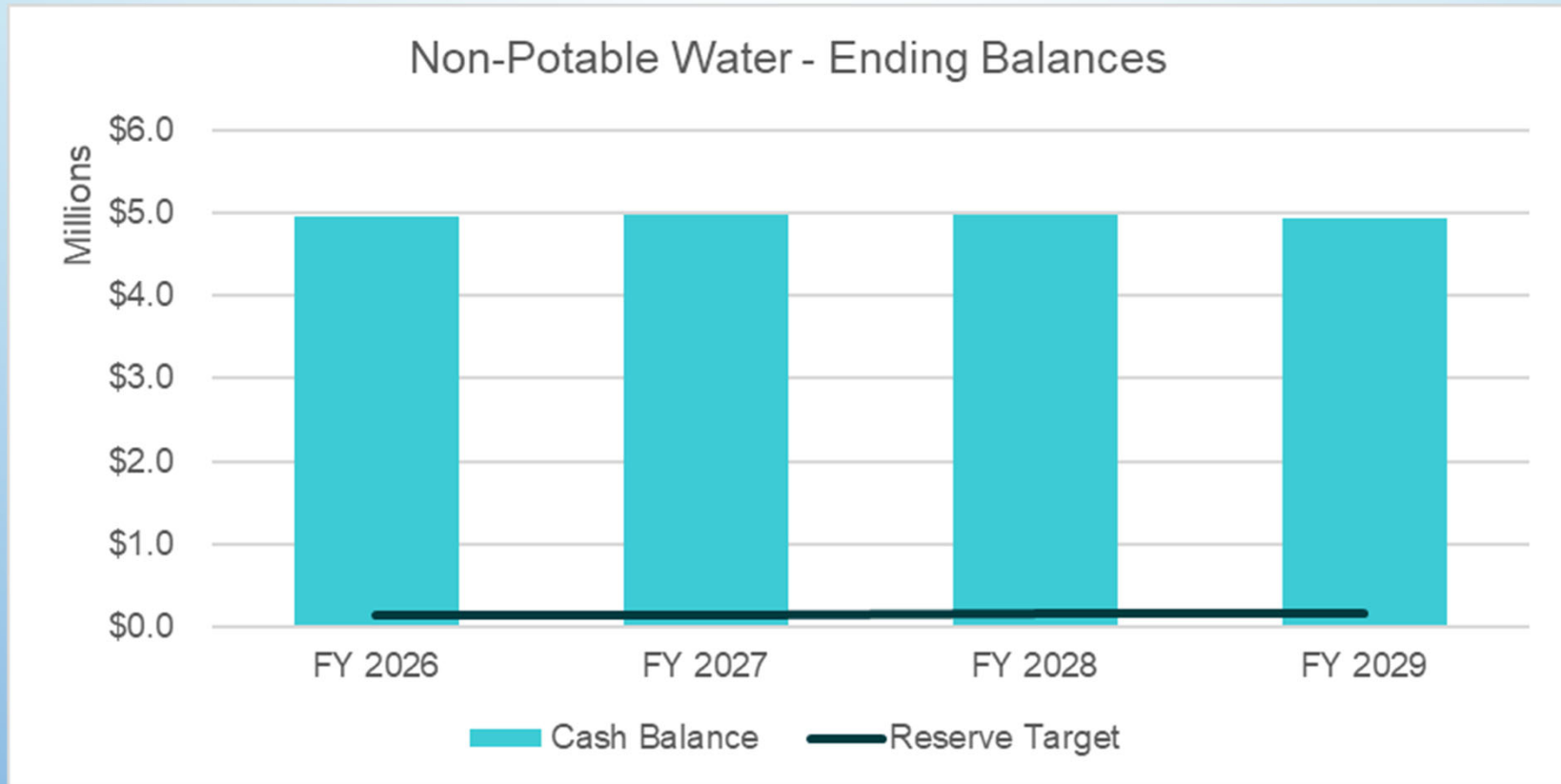
Revenue Adjustments	0.0%	0.0%	0.0%	
Bi-Monthly Rates	Current	Jan 2027	July 2027	July 2028
Non-Potable Water Service Charge (\$/meter size)				
3/4"	\$13.81	\$13.81	\$13.81	\$13.81
1"	\$20.65	\$20.65	\$20.65	\$20.65
1 1/2"	\$37.29	\$37.29	\$37.29	\$37.29
2"	\$55.16	\$55.16	\$55.16	\$55.16
3"	\$95.50	\$95.50	\$95.50	\$95.50
4"	\$147.45	\$147.45	\$147.45	\$147.45
6"	\$272.16	\$272.16	\$272.16	\$272.16
8"	\$401.04	\$401.04	\$401.04	\$401.04
Non-Potable Water Usage Rate (\$/ccf)				
Non-Potable Water	\$0.99	\$0.99	\$0.99	\$0.99
Conversion Customer	\$0.64	\$0.64	\$0.64	\$0.64

*Only applies to non-potable
water customers

NON-POTABLE WATER – ENDING BALANCES

2.5 Year UAC
Recommendations

Rate Model Forecast
Looking Forward 5 Years



RATE ADJUSTMENT RECOMMENDATIONS SUMMARY

- Wastewater
 - 7% a year for each of next 2.5 years
 - Issuance of \$45MM in debt to fund WWTP Improvements
 - Will retain reserve balances at recommended target level
- Potable Water
 - 2.5% a year for each of next 2.5 years
 - Issue \$26MM in debt for Sunset Reservoir
 - Will retain Capital Investment needed for continued reliable water delivery service
 - Will retain reserve balances at recommended target level
- Non-Potable Water
 - 0% a year for each of next 2.5 years
 - Retains reserve balances to allow for future expansion of non-potable system

The background is a light blue gradient with several realistic water droplets of various sizes scattered across the top and bottom edges. The droplets have highlights and shadows, giving them a three-dimensional appearance.

The End

Thank you

The background is a light blue gradient with several realistic water droplets of various sizes scattered around the edges. The droplets have highlights and shadows, giving them a three-dimensional appearance.

Questions ?