

# **CITY OF MILLWOOD 2026 WATER RATES AND SEWER RATES**



# Water Utility Expense and Revenue

Expense	2025 Budget	2025 Actual (Not Final)	2026 Budget
Fixed Cost	\$309,700	\$258,458	\$330,120
Variable Costs	\$130,500	\$122,724*	\$156,500
Capital Improvements	\$253,500	\$75,590*	\$83,600
Total	\$693,750	\$456,772	\$570,220

Revenue	2025 Budget	2025 Actual (Not Final)	2026 Budget (No Rate Change)
Operating Revenue	\$263,500	\$288,514	\$288,514
CF Revenue	\$85,000	\$105,079	\$105,079
Capital Improvement Revenue	\$69,840	\$61,949	\$61,949
Total	\$418,340	\$455,543	\$455,543

Balance	2025 Budget	2025 Actual (Not Final)	2026 Budget (No Rate Change)
Revenue Deficit () Reliance on Reserve	(\$275,410)	(\$1,229)	(\$114,678)

\*Estimated professional services related to Irvin Wholesale and Capital Improvement Plan shifted to Capital Improvement Expense Category.

# Water Rate Increase Options

Rate Component		2025 Rate	Option 1 (~5%)	Option 2 (Break Even)
Monthly Base Rate		\$25.88	\$27.17	\$30.07
	Use CF	Fee per 100 CF	Fee per 100 CF	Fee per 100 CF
Base	0 to 900 CF	\$0.35	\$0.37	\$0.44
Tier 1	900 to 1,800 CF	\$0.38	\$0.40	\$0.48
Tier 2	1,800 to 4,500 CF	\$0.45	\$0.47	\$0.57
Tier 3	> 4,500 CF	\$0.50	\$0.53	\$0.63
Capital Charge		\$6.00	\$7.00	\$7.80

Notes:

1. Based on 1” Meter.
2. Factors apply for larger meters.
3. Irrigation tiers:  
Tier 1: 0-72,000 CF  
Tier 2: >72,000 CF



# Water Rate Increase Options

Expense	2026 Budget	2026 Budget	2026 Budget
Fixed Cost	\$330,120	\$330,120	\$330,120
Variable Costs	\$156,500	\$156,500	\$156,500
Capital Improvements	\$83,600	\$83,600	\$83,600
Total	\$570,220	\$570,220	\$570,220

Revenue	2026 (No Rate Change)	Option 1 (~5%)	Option 2 (Break Even)
Operating Revenue	\$288,514	\$299,486	\$330,610
CF Revenue	\$105,079	\$130,443	\$156,531
Capital Improvement Revenue	\$61,949	\$74,803	\$83,626
Total	\$455,543	\$504,732	\$570,767

Balance	2026 (No Rate Change)	Option 1 (~5%)	Option 2 (Break Even)
Revenue Deficit () Reliance on Reserve	(\$114,678)	(\$65,488)	\$547

# Estimated Impact to Residential Ratepayers

	2025	Option 1 (~5%)	Option 2 (Break Even)
<b>Base Charge</b>	\$25.88	\$27.17	\$30.07
<b>Capital Charge</b>	\$6.00	\$7.00	\$7.80
<b>Total</b>	\$31.88	\$34.17	\$37.87
<b>Increase</b>	N/A	\$2.29	\$5.99
<b>Winter (546 CF)</b>	\$1.91	\$2.02	\$2.40
<b>Increase</b>	N/A	\$0.11	\$0.49
<b>Summer (4640 CF)</b>	\$19.42	\$20.36	\$24.55
<b>Increase</b>	N/A	\$0.94	\$5.13
<b>Estimated Annual Cost</b>	<b>\$510.55</b>	<b>\$544.32</b>	<b>\$616.17</b>
<b>Estimated Annual Increase</b>	N/A	<b>\$33.78</b> 6.6%	<b>\$105.62</b> 20%



# Discussion Items/Council Confirmation

- Desired Water Rate Option?
- Consider Comprehensive Rate Review
  - Review of Structure to Ensure Fairness Across Customer Classes
  - Irrigation Customers are paying a much lower rate per CF



# Sewer Utility Expense and Revenue

Expense	2025 Budget	2025 Actual (Not Final)	2026 Budget
City Operating	\$214,750	\$206,097	\$232,969
County Operating	\$316,800	\$264,578	\$316,800
Capital Improvements	\$48,500	\$0	\$12,000
<b>Total</b>	<b>\$580,050</b>	<b>\$470,675</b>	<b>\$561,769</b>

Revenue	2025 Budget	2025 Actual (Not Final)	2026 Budget
City Operating	\$205,254	\$245,352	\$261,537
County Operating	\$316,800	\$265,542	\$316,800
<b>Total</b>	<b>\$522,054</b>	<b>\$510,894</b>	<b>\$578,337</b>

Balance	2025 Budget	2025 Actual (Not Final)	2026 Budget
Revenue Deficit () Reliance on Reserve	(\$57,996)	\$40,219	\$16,568

# Sewer Rate

- County Increasing Treatment Charge(s):

	2025	2026	Increase
County Treatment and Operations Fee-Residential	\$23.66 per unit/month	\$29.23 per unit/month	\$5.57 (23.5%)
County Treatment and Operations Fee-Commercial	\$23.66 per unit/month	\$29.23 per unit/month	\$5.57 (23.5%)
Commercial Overage >695 CF	\$2.23 per HCF	\$2.48 per HCF	\$0.23 (10%)



# Discussion Items/Council Confirmation

- Current City sewer base rate appears to be adequate to support City operating costs.
- Increase required to County pass-through fees.

