

**CITY OF MINNETRISTA**



**CITY COUNCIL AGENDA ITEM**

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**Subject:** Water Rate Discussion

**Prepared By:** Jasper Kruggel, City Administrator  
Brian Grimm, Finance Director

**Meeting Date:** November 17, 2025

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**Issue:** Staff is seeking input on the 2026 Water Rate fee schedule.

**Overview:** Staff have been working on finalizing the 2026 water utility rates. In 2026, there will be a rollout to monthly billing on July 1. Below you will find proposed water utility rates for Q1 and Q2, and then for the transition to monthly billing in Q3. Please review and provide feedback to staff to incorporate changes in the 2026 Fee Schedule adoption on December 8, 2025.

**RESIDENTIAL (~2,250 Accounts)**

**January 1 (Quarterly Rates)**

Base Rate - \$75/quarter (83% increase from 2025)

**Usage Rates:**

Tier 1: 0-24000 gallons - \$6.00/1000 gallons (4% increase from 2025 tier 1)

Tier 2: 24001-48000 gallons - \$9.00/1000 gallons (12% increase from 2025 tier 2)

Tier 3: 48001-72000 gallons - \$13.5/1000 gallons (69% increase from 2025 tier 2)

Tier 4: >72001 gallons - \$20.25/1000 gallons (40% increase from 2025 tier 3)

**July 1 (Monthly Rates)**

Base Rate - \$35/month (156% increase from 2025/40% increase from 1/1/2026)

**Usage Rates:**

Tier 1: 0-8000 gallons - \$6.00/1000 gallons (4% increase from 2025 tier 1)

Tier 2: 8001-16000 gallons - \$9.00/1000 gallons (12% increase from 2025 tier 2)

Tier 3: 16001-24000 gallons - \$13.50/1000 gallons (69% increase from 2025 tier 2)

Tier 4: >24001 gallons - \$20.25/1000 gallons (40% increase from 2025 tier 3)

**Mission Statement:**

The City of Minnetrista will deliver quality services in a cost effective and innovative manner and provide opportunities for a high quality of life while protecting natural resources and maintaining a rural character.

**COMMERCIAL/SCHOOL (11 Commercial Accounts/9 School Accounts)**

**January 1 (Quarterly Rates)**

Base Rate - \$75/quarter (83% increase from 2025)

Usage Rates:

Tier 1: 0-300,000 gallons - \$6.00/1000 gallons (4% increase from 2025 tier 1)

Tier 2: 300,001-400,000 gallons - \$9.00/1000 gallons (12% increase from 2025 tier 2)

Tier 3: 400,001-600,000gallons - \$13.5/1000 gallons (69% increase from 2025 tier 2)

Tier 4: >600,000 gallons - \$20.25/1000 gallons (40% increase from 2025 tier 3)

**July 1 (Monthly Rates)**

Base Rate - \$35/month (156% increase from 2025/40% increase from 1/1/2026)

Usage Rates:

Tier 1: 0-100,000 gallons - \$6.00/1000 gallons (4% increase from 2025 tier 1)

Tier 2: 100,001-150,000 gallons - \$9.00/1000 gallons (12% increase from 2025 tier 2)

Tier 3: 150,001-200,000 gallons - \$13.50/1000 gallons (69% increase from 2025 tier 2)

Tier 4: >200,000 gallons - \$20.25/1000 gallons (40% increase from 2025 tier 3)

This rate structure will be sufficient to meet our revenue requirement due to the issuance of debt related to the future Woodland Cove Water Treatment Plant.

**Recommended City Council Action:** Staff request that the City Council provide feedback on the 2026 Water Utility Rate fee schedule.

**Mission Statement:**

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