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To: Chairman Kelby Robison, & MVWD Board of Directors
From: Joseph Davis, General Manager
Date: October 27, 2025
Subject: Proposed FY26 Rate Adjustment

Background:

Staff has spent the past few months collecting historical data and incorporating Board direction in an effort to better identify and plan for the future revenue needs for the continued operation and maintenance of the District's culinary water system.

The data includes current revenues; operation & maintenance costs; depreciation requirements; identified critical capital replacement costs and NDEP Cap Grant Funding Requirements. This data has been on-boarded into the Districts WaterWorth Program.

The District's FY26 Budget has an anticipated 7% rate increase for January 1, 2026 in the final estimated operating revenues. The Budget still shows an estimated ending cash decrease of **(\$1,112,676)**

During discussions with Nevada Office of Financial Assistance, the projected revenue needs of the District were analyzed to meet the additional Cap Grant requirements for the 3 additional projects. Warm Springs Tank, Capital Improvement Plan update, and Satellite Leak Detection. These Discussions resulted in the recommendation of an 8% increase instead of the originally proposed 7% increase.

Staff is recommending an 8% rate increase instead of the originally estimated 7% increase for the FY26 budget year .

Current average residential bill	Summer \$131.37	Winter \$85.15
	7% \$139.87 (\$8.50)	7% \$90.41 (\$5.26)
	8% \$141.08 (\$9.71)	8% \$91.16 (\$6.01)

Suggested Motion

Move to increase the District's monthly base rate, usage block rate, Backflow, Meter Connection Fee's, hydrant and Water Station usage rate and water resources fee by 8%

FY26 Rate Increase Comparison 7% to 8%

Average June Usage 19,130 Gallons

	Current	6% Increase	7% Increase	8% Increase
Current Base Rate with % Increase	\$ 50.00	\$ 53.00	\$ 53.50	\$ 54.00
Current Rai				
6,000 Gallons @ \$3.47	\$ 3.47	\$ 3.68	\$ 3.71	\$ 3.75
12,000 Gallons @ \$3.85	\$ 3.85	\$ 4.08	\$ 4.12	\$ 4.16
18,000 Gallons @ \$4.21	\$ 4.21	\$ 4.46	\$ 4.50	\$ 4.55
Over 70,000 gallons @ \$5.35	\$ 5.35	\$ 5.67	\$ 5.72	\$ 5.78

Base Rate Difference Between
7% & 8% = 50 cents

Total Increase Difference
Between 7% & 8% = \$1.21

Total Increase Difference
Between 7% & 8% = 75 cents

Average Residential Monthly Bill	\$ 121.37	\$ 128.65	\$ 129.87	\$ 131.08
Total increase in the average res. bill		\$ 7.28	\$ 8.50	\$ 9.71
\$10.00 Infrastructure Management Service Charge	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00
Total Proposed bill with \$10 IMSC	\$ 138.65	\$ 139.87	\$ 141.08	\$ 141.08

Average December Usage 7,130 Gallons

	Current	6% Increase	7% Increase	8% Increase
Current Base Rate with % Increase	\$ 50.00	\$ 53.00	\$ 53.50	\$ 54.00
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6,000 Gallons @ \$3.47	\$ 3.47	\$ 3.68	\$ 3.71	\$ 3.75
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Average Residential Monthly Bill	\$ 75.15	\$ 79.66	\$ 80.41	\$ 81.16
Total increase in the average res. bill		\$ 4.51	\$ 5.26	\$ 6.01
\$10.00 Infrastructure Management Service Charge	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00
Total Proposed bill with \$10 IMSC	\$ 89.66	\$ 90.41	\$ 91.16	\$ 91.16

The February 2024 Low Income Household Water Assistance Program Lists the National Combined Average Water and Wastewater Rates for 5000 gallons = \$114.79 (2026 MVWD & CCWRD = \$105.54) 10,000 gallons = \$139.93 (2026 MVWD & CCWRD = \$125.93)

MVWD Cap Grants Match Requirements

	Total Project Cost	Cap Grant %	CAP Grant Funding	SRF DW Loan	MVWD Match
Warm Springs Tank	\$4,010,500.00	57%	\$2,285,985.00	\$1,724,515.00	\$0.00
Capital Improvement Plan	\$63,900.00	42%	\$26,838.00	\$0.00	\$37,062.00
Leak Detection	\$121,095.00	42%	\$50,859.90	\$0.00	\$70,235.10
SCADA Improvements	\$710,660.00	42%	\$298,477.20	\$412,182.80	\$0.00
24-Inch Line Replacement	\$400,000.00	42%	\$168,000.00	\$232,000.00	\$0.00
Total	\$5,306,155		\$2,830,160.10	\$2,368,697.80	\$107,297.10

First Year Projects	Total Project Cost	Cap Grant %	Cap Grant Funding	SRF DW Loan	MVWD Match
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Leak Detection	\$121,095.00	42%	\$50,859.90	\$0.00	\$70,235.10
Total	\$4,195,495.00		\$2,363,682.90	\$1,724,515.00	\$107,297.10

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	\$1,110,660.00		\$466,477.20	\$644,182.80	\$0.00

First Year Projects

(\$1,724,515.00) 20 year loan @ 3.11% = \$115,913.00

(\$593,732.00 in Interest)

(\$1,724,515.00) 30 year loan @ 3.34% = \$91,088.00

(\$1,008,117 in Interest)

(\$414,385 Savings)

Average June Usage 19,130 Gallons

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Meter Cost

Meter Size	Current	6% Increase	7% Increase	8% Increase
3/4" meter	\$4,527.00	\$ 4,798.62	\$ 4,843.89	\$ 4,889.16
1" meter	\$6,487.00	\$ 6,876.22	\$ 6,941.09	\$ 7,005.96
1 1/2" meter	\$14,773.00	\$ 15,659.38	\$ 15,807.11	\$ 15,954.84
2" meter	\$22,579.00	\$ 23,933.74	\$ 24,159.53	\$ 24,385.32
3" meter	\$43,413.00	\$ 46,017.78	\$ 46,451.91	\$ 46,886.04
4" meter	\$79,206.00	\$ 83,958.36	\$ 84,750.42	\$ 85,542.48
6" meter	\$131,828.00	\$ 139,737.68	\$ 141,055.96	\$ 142,374.24

Water Resources

Current	6% Increase	7% Increase	8% Increase
\$ 8,451.00	\$ 8,958.06	\$ 9,042.57	\$ 9,127.08

Hydrant Fees

	Current	6% Increase	7% Increase	8% Increase
Daily Fee	\$ 73.68	\$ 78.10	\$ 78.84	\$ 79.57
Usage fee	\$ 4.21	\$ 4.46	\$ 4.50	\$ 4.55
Permit Fee	\$ 30.00	\$ 31.80	\$ 32.10	\$ 32.40

Water Station Fees

Current	6% Increase	7% Increase	8% Increase
\$ 4.21	\$ 4.46	\$ 4.50	\$ 4.55
\$ 30.00	\$ 31.80	\$ 32.10	\$ 32.40