



CITY OF
**CORPUS
CHRISTI**

FISCAL YEAR 2025-2026

PROPOSED OPERATING BUDGET



Corpus
Christi Water
CCWSM
Serving the Coastal Bend

PROPOSED WASTEWATER RATES & ALTERNATIVES

September 9, 2025

Wastewater Rate Analysis – FY20 to FY26



	Residential Rate (5/8" Meter using 5,000 gallons)
FY 2020	\$52.67
FY 2025	\$59.32
Proposed FY 2026	\$63.52

- From FY20 to FY25 the residential wastewater rate has increased 2 times and remained constant 3 times
- Consent Decree that began in January 2021 estimated that by year 10 of the 15-year agreement the wastewater rate will be over \$85 due to the mandated improvements
- Proposed FY26 rate reflects an 21% increase over FY20 levels or an average of 3% increase per year. By comparison, cumulative inflation over the same period was 24%.

Wastewater Rate Analysis – FY20 to FY26



	Commercial Rate (3" Meter using 109,000 gallons)
FY 2020	\$974.34
FY 2025	\$762.42
Proposed FY 2026	\$823.29

- From FY20 to FY25 the commercial water rate has increased 3 times and remained constant 2 times

FY26 Wastewater Rate Increase – Key Drivers



➤ Reduced Consumption Due to Conservation

- 5.5% decline in water usage (≈1.18 billion gallons)
- Fewer gallons available to distribute fixed expenditures

➤ Inflationary Cost Pressures

- 4.8% CPI increase for Water & Sewerage maintenance
- Increased internal allocation costs from other city departments

➤ Debt Service Obligations

- Additional cost due to debt issuance to support infrastructure investments

➤ FY26 Wastewater Rate Increase

- Required to recover \$4.8M from lost revenue and operating expenditure increases

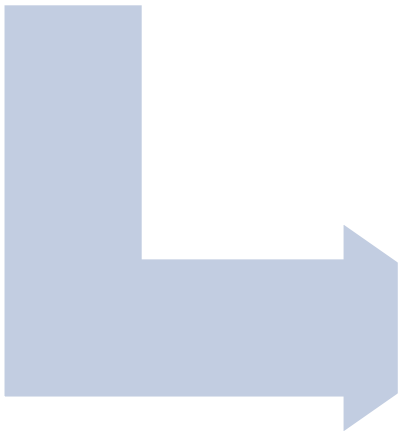
Driver	Impact
Conservation (5.5% Reduction in usage)	↓ 1.18B gallons = ↑ cost per gallons
CPI Increase (4.8% higher 2024 to 2025)	↑ Maintenance Expenditures
Internal Allocations	↑ Costs from city departments
New Debt Issuance	↑ Annual debt service obligation

FY26 Wastewater Rate Structure



Minimum Charge (Based on meter size)

Minimum charge is flat service charged all customer pays monthly regardless of meter size and it includes the first 2,000 gallons

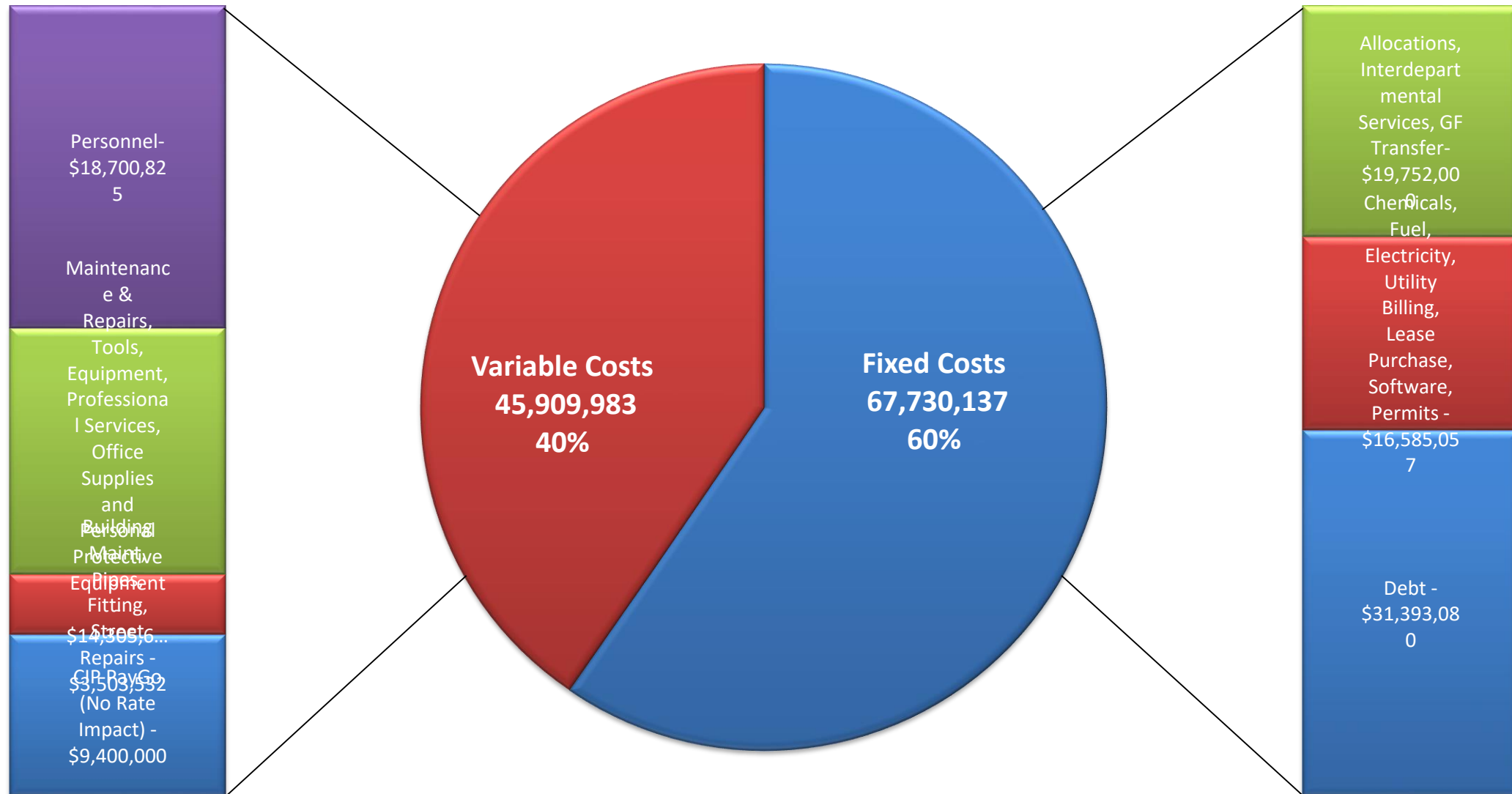
A large, light blue arrow points from the 'Minimum Charge' box to the 'Volumetric charge' box, indicating a sequential or additive relationship between the two charges.

Volumetric charge (per 1,000 gallons)

Volumetric charge is a fixed charge per 1,000 gallons charged when usage exceeds the first 2,000 gallons

- Residential volume charge is based on Winter Quarter Average
- Commercial customers are based on monthly water usage

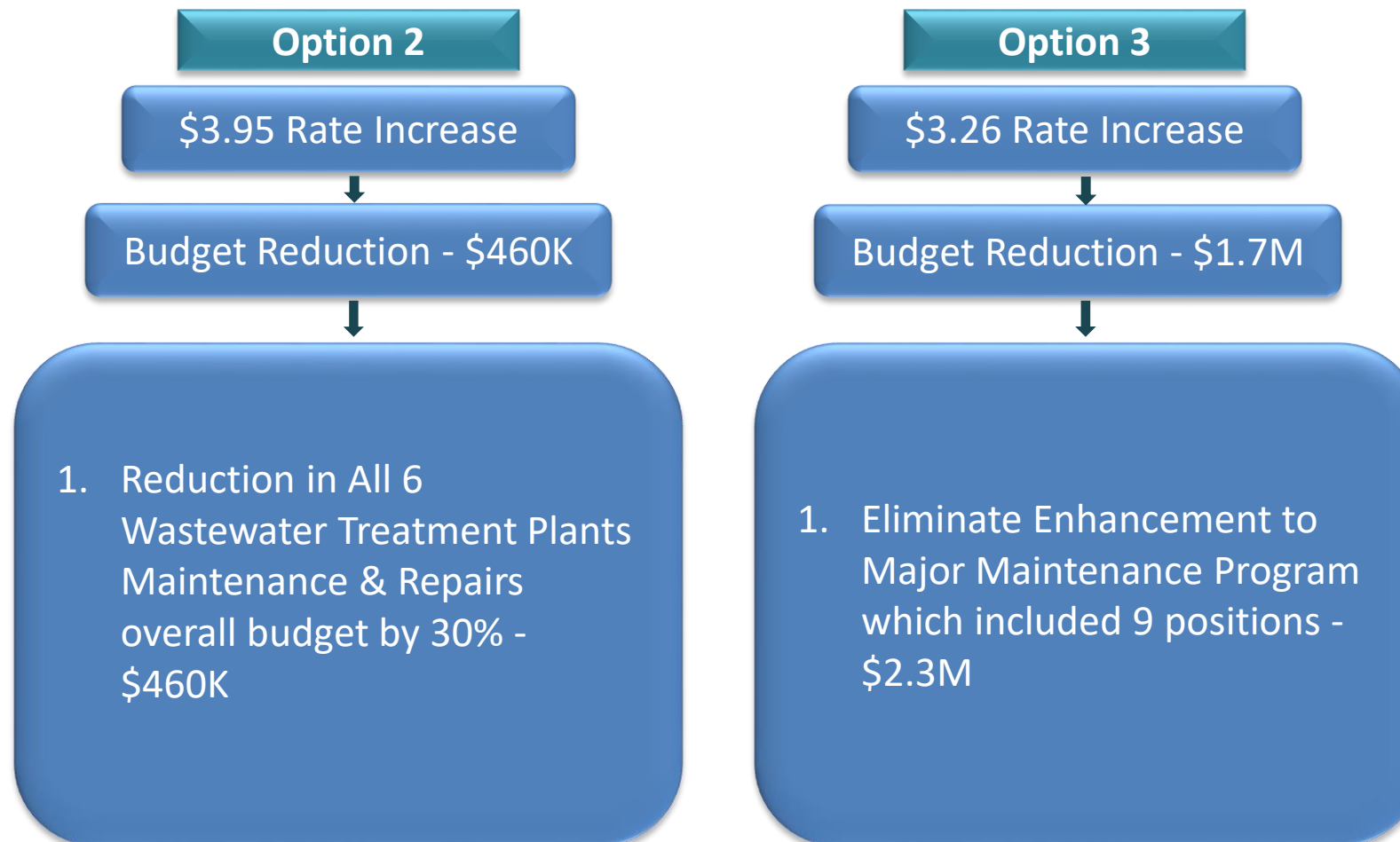
Wastewater Budget – Fixed vs Variable Costs

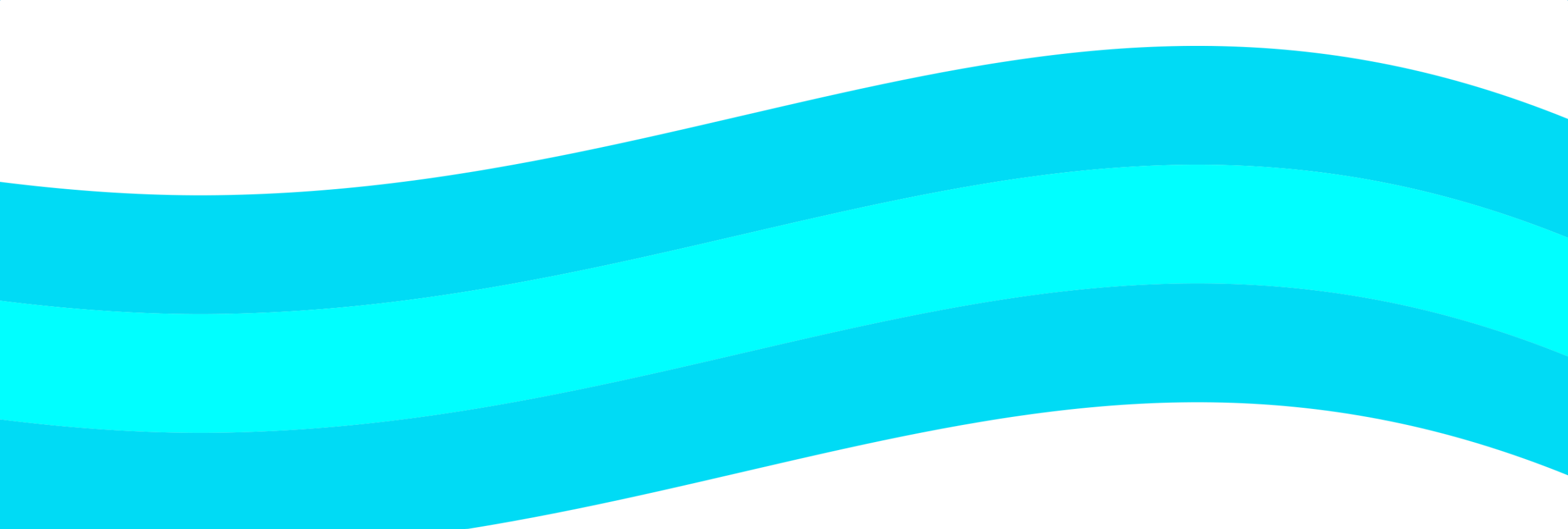


Wastewater Rate Scenarios



Option 1 - Staff Recommends a \$4.20 rate increase as proposed for the average residential customer effective January 1st, 2026. This rate increase will enhance major maintenance and continue the efforts to meet consent decree requirements.





Thank you!

