



CITY OF
**CORPUS
CHRISTI**

FISCAL YEAR 2025-2026

PROPOSED OPERATING BUDGET



Corpus
Christi Water
CCWSM
Serving the Coastal Bend

PROPOSED WATER RATES & ALTERNATIVES

September 9, 2025

Residential Water Rate Analysis – FY20 to FY26



	Residential Rate (5/8" Meter using 6,000 gallons)
FY 2020*	\$44.58
FY 2025	\$37.29
Proposed FY 2026	\$42.07

*Storm Water costs were included in the water rate

- FY26 will be the first rate increase for residential customers since FY21
- From FY20 to FY25 the residential water rate has decreased 3 times, increased 1 time in FY21 and in FY24 it remained the same as the prior year
- FY26 Proposed monthly rate is lower then FY20 rate by \$2.51
- Excluding Storm Water costs from the FY20 baseline, the proposed FY26 rate reflects an 8% increase over FY20 levels or an average increase of 1.1% per year. By comparison, cumulative inflation over the same period was 24%.

Commercial Water 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 decreased 3 times, increased 2 time in FY21 and FY24
- FY26 Proposed monthly rate is lower then FY20 rate by \$151.05

Water Rate Analysis – FY20 to FY26



	Large Volume Rate (10" Meter using 244,000,000 gallons)
FY 2020	\$814,637
FY 2025	\$1,203,060
Proposed FY 2026	\$1,351,372

- From FY20 to FY25 the large volume water rate has decreased 3 times, increased 2 times in FY21 and FY24
- FY26 Proposed monthly rate is higher then in FY20 by \$536,735

FY26 Water Rate Increase – Key Drivers



- **Increased Costs from Eastern Supply**
 - Additional electrical costs for Schedule 4 to operate pump stations
 - Formosa water contract
- **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**
 - Addition of Storm Water Legacy debt to the minimum charge
- **FY26 Water Rate Increase**
 - Required to recover \$16M from lost revenue and operating expenditure increases

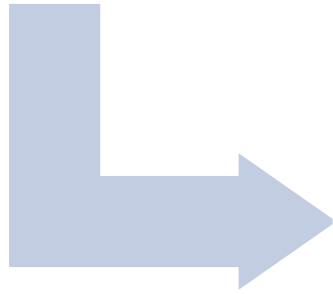
Driver	Impact
Conservation (5.5% Reduction in usage)	↓ 1.18B gallons = ↑ cost per gallons
CPI Increase (4.8% higher 2024 to 2025)	↑ Maintenance Expenditures
Internal Allocations	↑ Costs from city departments
Debt Issuance	↑ Annual debt service obligation

FY26 Water Rate Structure



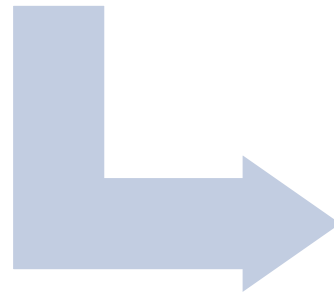
Minimum Charge (Based on meter size)

Minimum charge is flat service charged all customer pays monthly based on their meter size (5/8" to 30") regardless if they use any water



Raw water charge (per 1,000 gallons)

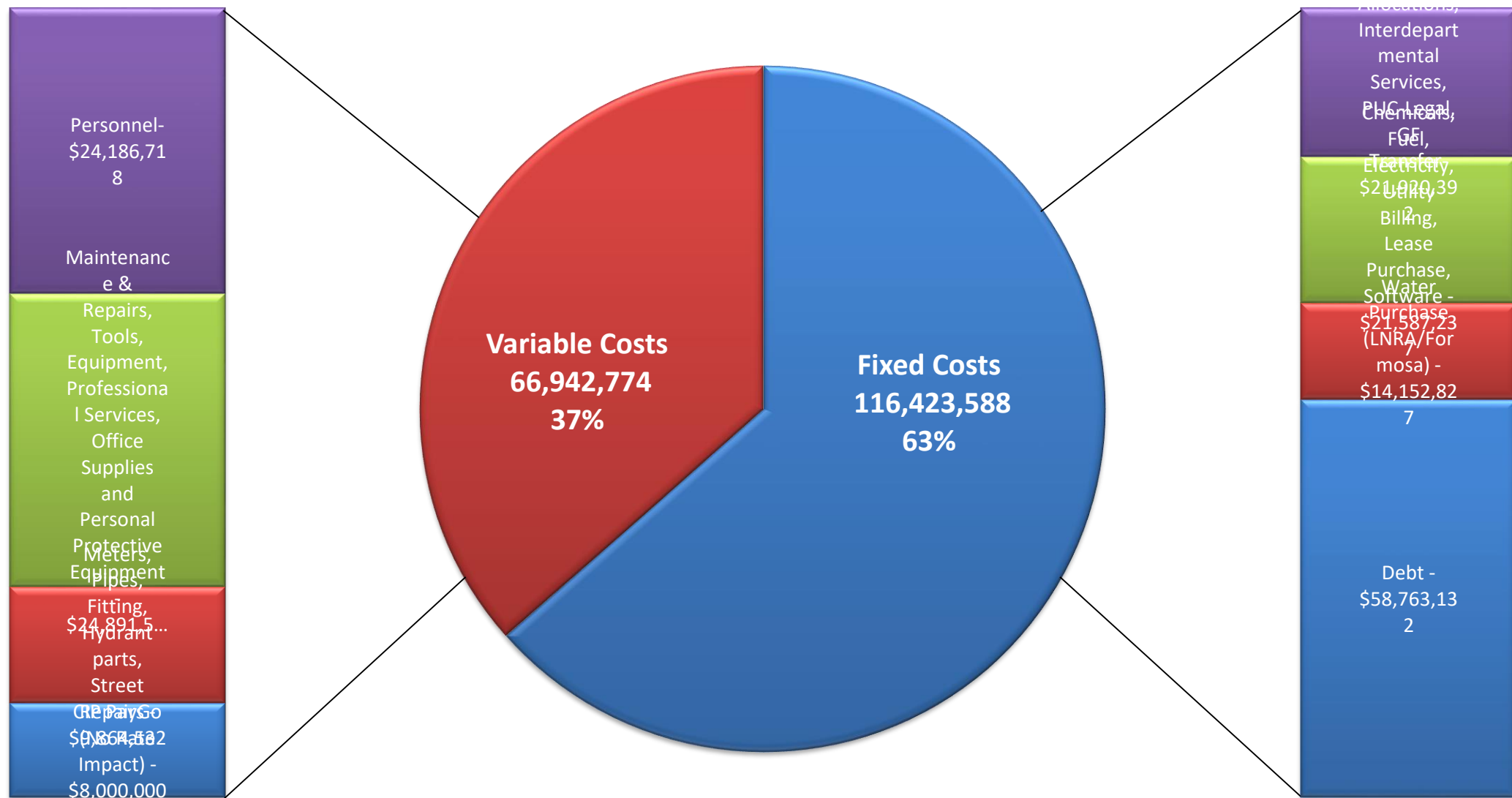
Raw water charge is a fixed charge that all customers pay per 1,000 gallons



Volumetric charge (per 1,000 gallons)

Volumetric charge is a tiered charge per 1,000 gallons (charge increases with volume) and paid only by customers that use treated water

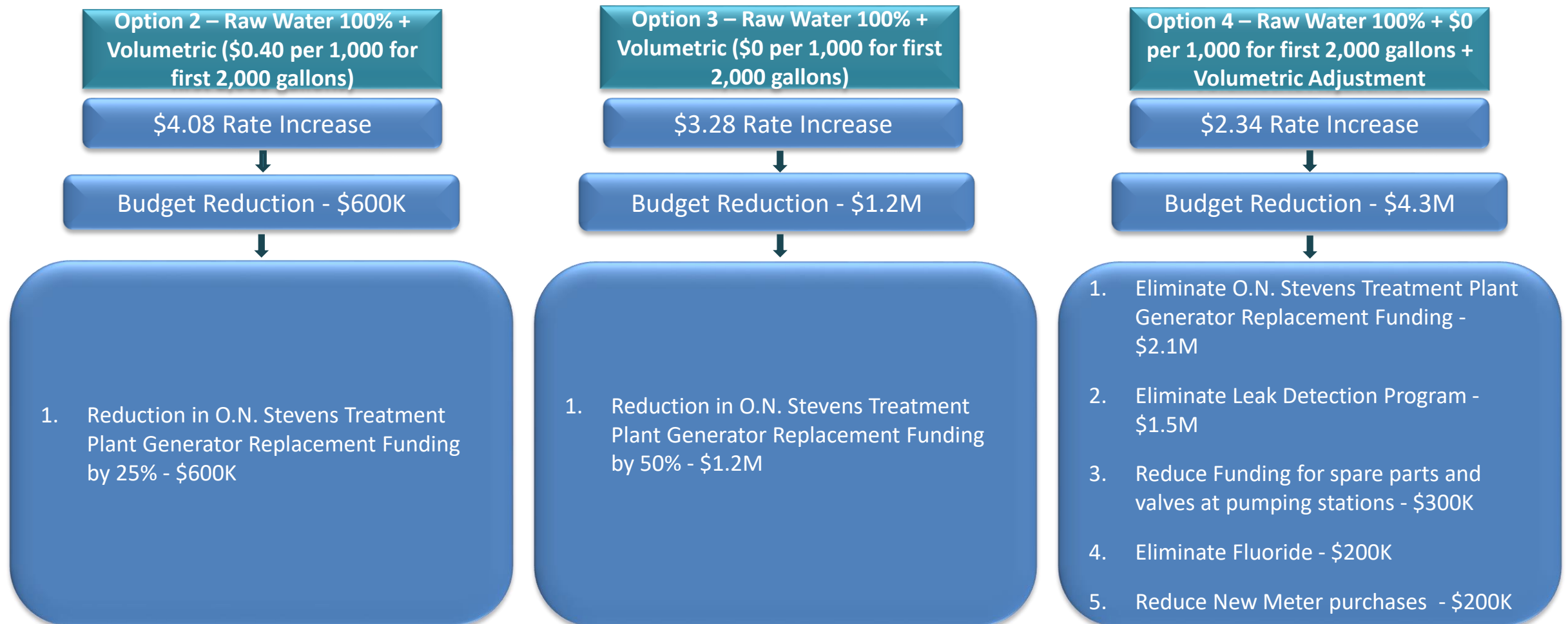
Water Budget – Fixed vs Variable Costs

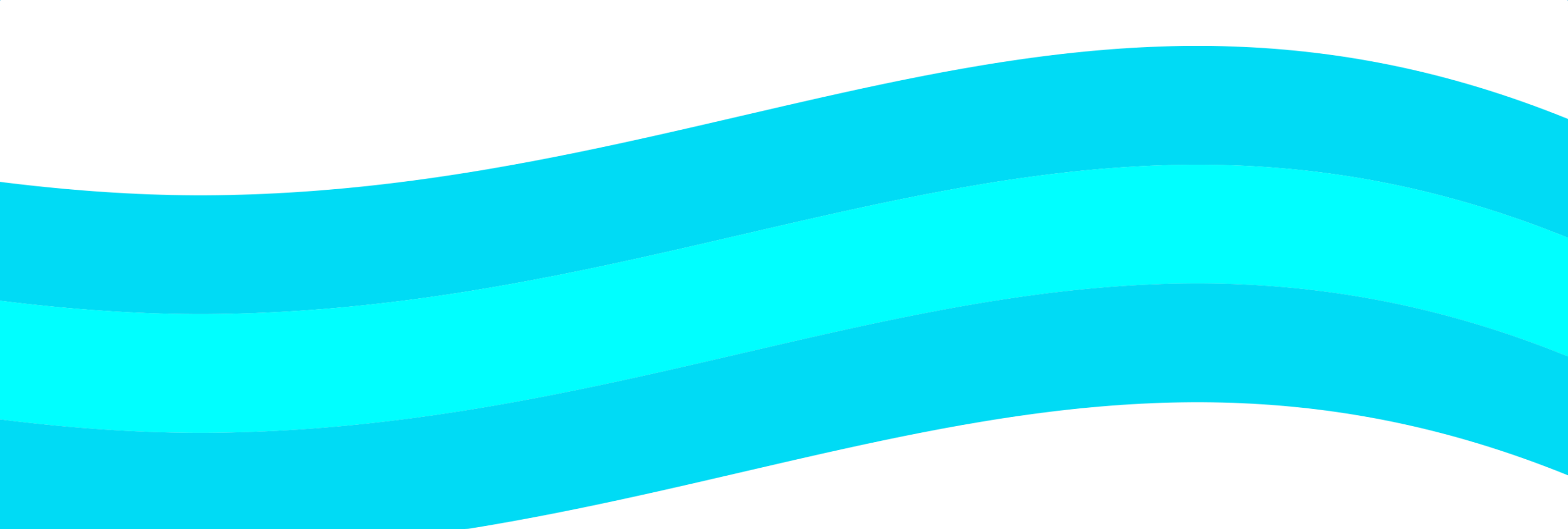


Water Rate Scenarios



Option 1 - Staff Recommends a \$4.78 rate increase as proposed for the average residential customer as well as a rate increase for commercial and large volume users effective January 1st, 2026. This rate increase maintains current service levels and covers the cost to deliver additional 17MGD through the Mary Rhodes Pipeline.





Thank you!

