

# Clearwater Water & Sewer FY 2025 RSA Update

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September 4, 2025





# Historical Studies & Rate Adjustments

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FY 2022  
RSA

Established 3.0% annual rate  
increases thru FY 27



FY 2023  
RSA

Confirmed adequacy of 3.0%  
increases thru FY 27, but showed  
increases in capital costs and  
borrowing levels



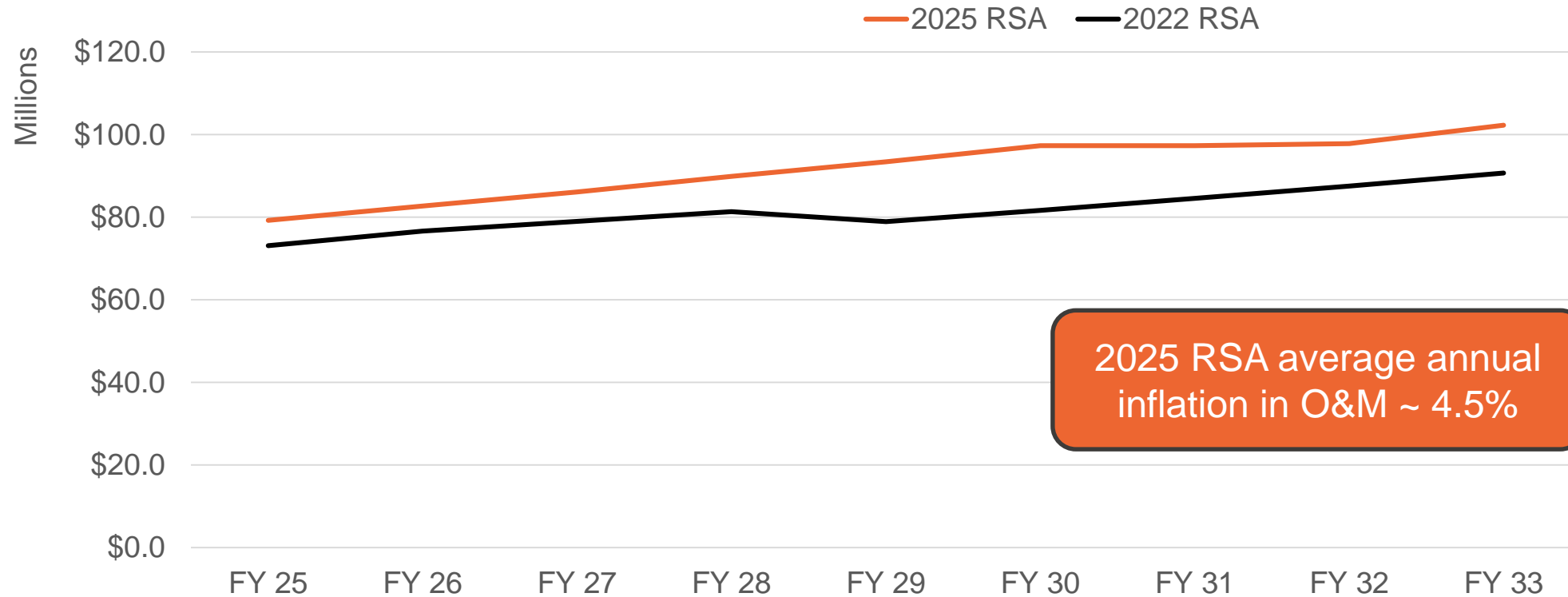
FY 2024  
RSA

Confirmed adequacy of 3.0%  
for FY 25 BUT noted large  
increases in capital costs and  
borrowing levels

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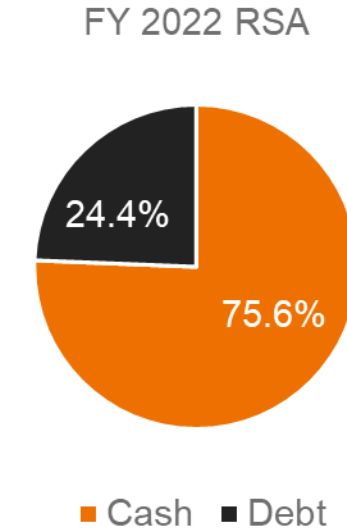
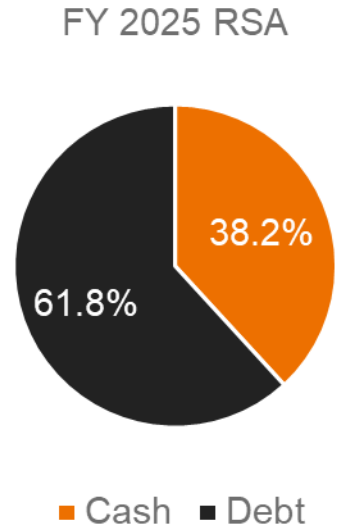
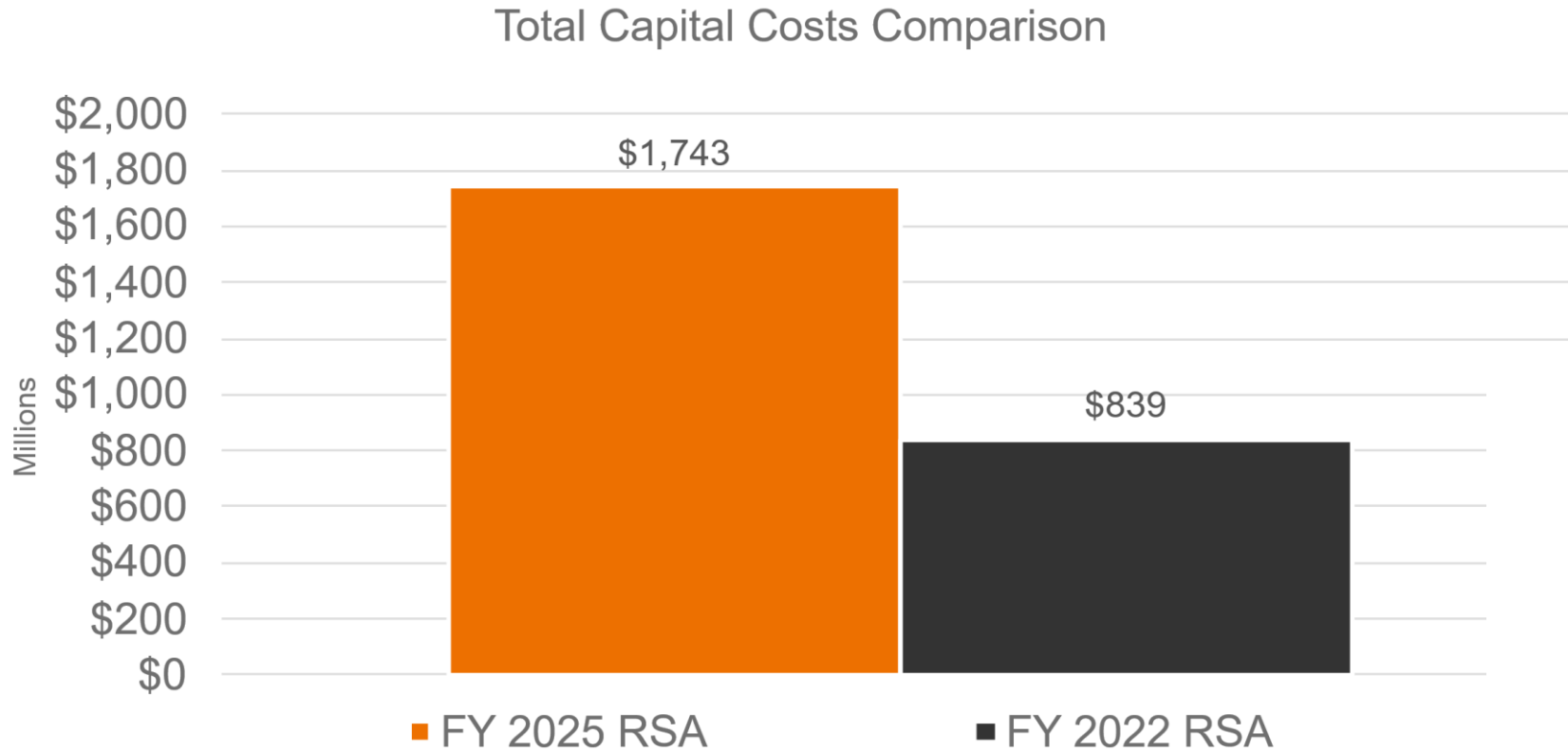
# O&M (Excluding Debt Service “DS”)



Since 2022 RSA, increases to purchased water costs, chemicals, electricity, insurance, salaries and benefits, contractual services and administrative charges have brought FY 25 operating costs higher.



# Increase In Capital Needs





# Top 15 Projects in Total CIP

Project Description	Grouping	Project Costs (In Million \$) (Present Year \$)	% of Total CIP
Primary Lift Stations/ Force Mains	WRF Consolidation	\$243.60	14.7%
2023 Sewer Point Repair and Improvements	R&R	\$192.00	11.6%
SB 64 Program	WRF Consolidation	\$190.71	11.5%
NE WRF Upgrades	WRF Consolidation	\$181.00	11.0%
WWCS R&R Gravity Mains	R&R	\$74.44	4.5%
Rerouting Collection System	WRF Consolidation	\$67.00	4.1%
WWCS R&R Lift Stations	R&R	\$67.00	4.1%
Water CIP15 WTP#3 - Convert to RO Treatment Process	RO Plant	\$61.26	3.7%
Annual Water and RCW Repair	R&R	\$49.50	3.0%
WRF Maintenance and Repair Program	WRF Consolidation	\$46.76	2.8%
WWCS R&R Force Mains	R&R	\$40.00	2.4%
LS Maintenance Point Repair	R&R	\$35.00	2.1%
Water CIP02 Wellfield #2 Improvements	RO Plant	\$31.38	1.9%
WWCS R&R Manholes	R&R	\$29.66	1.8%
Automated Meter Reading (AMR) Evaluation	Customer Service	\$25.16	1.5%

**Total Top 15 Projects**

**\$1,334.47**

**80.7%**



# Water Reclamation Facilities (WRF) Consolidation

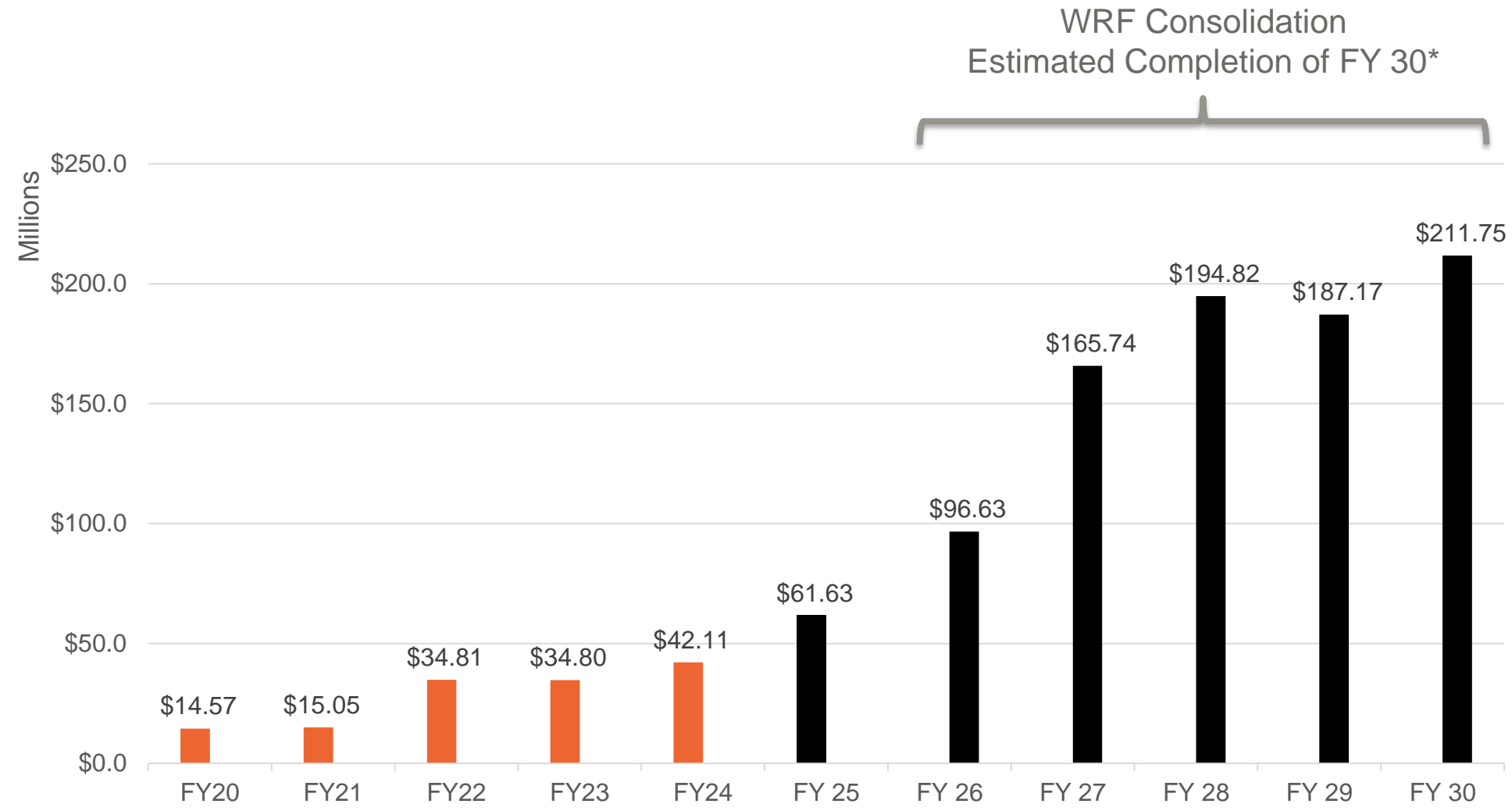
	Low	Medium	High
Total Project Cost Estimates*	\$307.4M	\$614.8M	\$1,229.6M
5-Yr Annual Spending Needs**	\$61.5M	\$123M	\$246M

*\*Project cost estimates provided by Black & Veatch (B&V).*

*\*\*B&V also estimated completion of consolidation by 2030 and highlighted that SB 64 deadline is FY 2032.*



# Historical & Projected CIP Spending By Fiscal Year

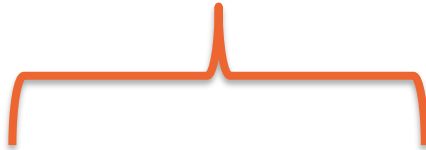


\* Includes SB 64 Effluent Disposal Program Completion.



# Historical & Recommended Rate Adjustments

Adjustments previously  
approved by Council  
and in effect <sup>1</sup>



	FY 21 <sup>2</sup>	FY 22 <sup>2</sup>	FY 23	FY 24	FY 25
Water & Sewer <sup>3</sup>	4.0%	4.0%	3.0%	3.0%	3.0%
				Monthly Impact	



<sup>1</sup> FY 2022 RSA identified the current five-year rate plan of 3.0% in FY 2023 thru FY 2027.

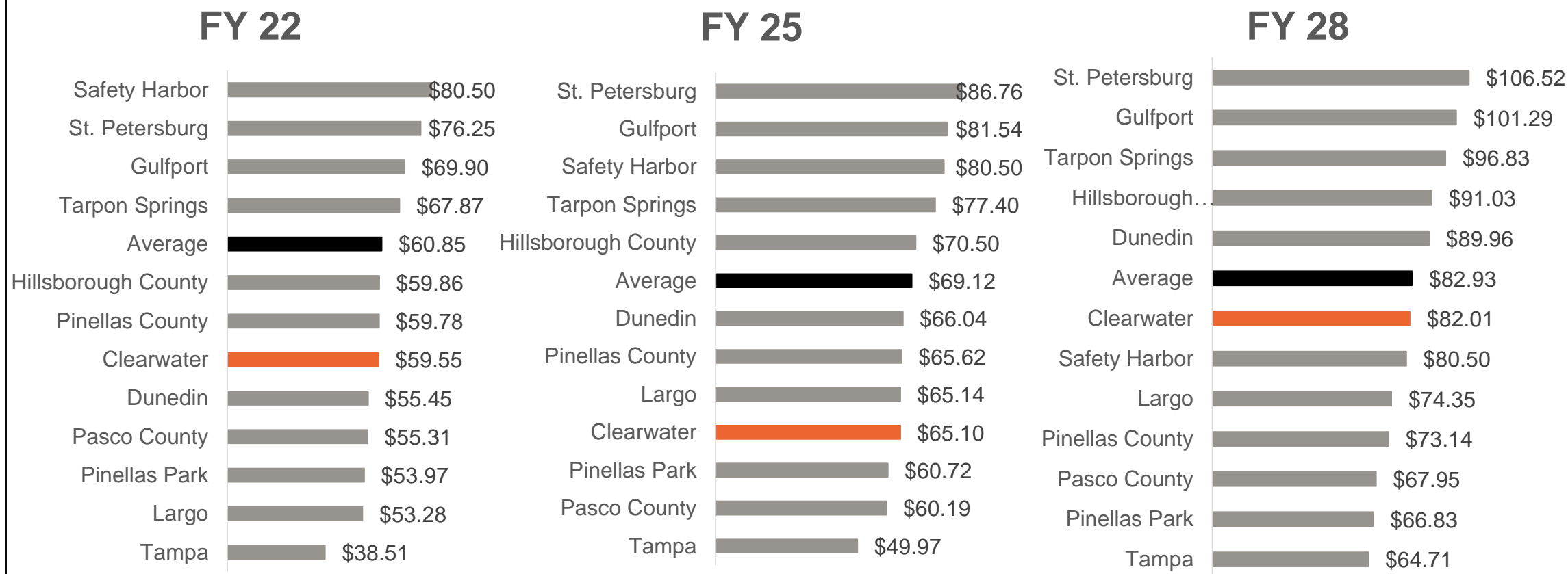
<sup>2</sup> Identified by FY 2017 RSA and approved by Council thru FY 2022.

<sup>3</sup> Applicable to water, sewer, irrigation and reclaimed water rates..





# Residential Monthly Bill Comparison @ 3,000 gallons



Clearwater projected to remain below average of surrounding communities.

*\*Reflects public information as available as well as projection of continuation of FY 25 rate plan thru FY 28 for entities for which future guidance was not provided or identified.*



# Recommendations

- Adopt the updated 5-year rate plan to sustainably fund your identified infrastructure needs to maintain safe and reliable service.

Monthly Impact By Fiscal Year	Current	FY 26	FY 27	FY 28	FY 29	FY 30
Water & Sewer (3,000 gallons per month)	\$65.10	\$70.31	\$75.93	\$82.01	\$88.57	\$95.65
\$ Change		\$5.21	\$5.62	\$6.08	\$6.56	\$7.08
% Change		8.00%	8.00%	8.00%	8.00%	8.00%

- Continue to perform regular RSA updates to account for material changes in data and assumptions and adjust rate plans (up or down) as may be appropriate.



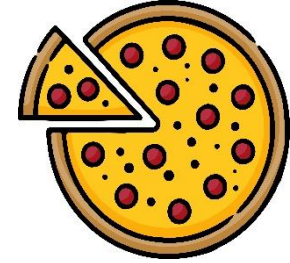
# Putting the Cost and Value of Water in Perspective



**1,000 gallons** of Clearwater  
Water = \$9.13\*



1 gallon of orange  
juice = \$10.99



Large pizza = \$8.99



1 Sub = \$9.95



Mocha Frappuccino  
= \$5.75



Shampoo &  
Conditioner = \$6.88

*\* Reflects effective cost of first 3,000 gallons of a typical residential customer's monthly bill.*



# Questions?

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