



Moorhead Public Service Rate Hearing: 2026 Water Rates

Tuesday, October 21, 2025

5:30 PM

How Are Water Rates Determined?

- **Cost-of-Service Based**
 - 2025 Water Rate Study for 2026-2029. Next Rate Study 2029?
- **Considers Long-Range Planning (10 Years)**
 - Operating Expenses including Chemical Pricing Estimations
 - Capital Improvement Plans
 - Reserve Requirements
- **Annual In-Depth Review**
 - Four-Month Process
- **Rate Increase Proposal (Budget Working Group)**
- **Public Hearing (October 21, 2025)**
- **Final Approval (December 16, 2025)**



What is the Rate Increase Funding?

• Capital Improvements - \$31.3 Million Over Five Years

2026 Budget Items

- \$1.7 million watermain replacements will be completed as part of MPS' long-term Watermain Asset Management Plan (WAMP).
- \$675,000 for the final completion cost to install new ozone purification system components purchased at a cost of \$1.575 million in late 2024. The expected total cost for the project is approximately \$2.25 million.
- \$350,000 to begin work on a new multi-year well field construction project to serve as a supplemental water source.
- \$305,000 to modify and update MPS's existing underground water storage tanks and related distribution mains.
- \$170,000 for fleet vehicle replacements.
- \$400,000 to complete the second phase of replacing lead-based water lines with copper or PVC lines. (MPS is expecting \$300,000 reimbursement from the State of Minnesota).

2026 Proposed Water Rates = 5.5% Increase

2026 PROPOSED WATER RATES

Monthly Customer Charge (Based on Size of Meter Used)			
Meter Size	2025	Proposed 2026	Percent Increase
5/8"	\$ 20.60	\$ 21.35	3.64%
3/4"	\$ 20.60	\$ 21.35	3.64%
1"	\$ 37.00	\$ 37.00	0.00%
1 1/2"	\$ 70.00	\$ 70.00	0.00%
2"	\$ 110.00	\$ 110.00	0.00%
3"	\$ 210.00	\$ 210.00	0.00%
4"	\$ 335.00	\$ 335.00	0.00%
6"	\$ 655.00	\$ 655.00	0.00%
8"	\$ 1,040.00	\$ 1,040.00	0.00%

2026 Proposed Water Rates

5.5% Overall Increase

Rates presented include a conversion to Gallons as Unit of Measurement as new AML meters are installed.

Volume Charge (Based on Every 100 Cubic Feet Used = 748 Gallons)
(Rate for locations outside city limits is 1.5 times the base rate)

CONVERSION TO GALLONS FOR BILLING

Entity Type	2025	Proposed 2026	Percent Increase	Proposed 2026	2025	Proposed 2026	Proposed 2026
Residential				Per CF	Bill per 1 Gal	Bill per 1 Gal	Bill per 1000 Gal
May-Oct - Up to 150% of winter avg.	\$ 5.24	\$ 5.60	6.87%	\$ 0.0560	\$ 0.00701	\$ 0.00749	\$ 7.49
May-Oct - Over 150% of winter avg.(Conservation Rate)	\$ 7.00	\$ 7.25	3.57%	\$ 0.0725	\$ 0.00936	\$ 0.00969	\$ 9.69
Residential Irrigation Meters	\$ 7.00	\$ 7.25	3.57%	\$ 0.0725	\$ 0.00936	\$ 0.00969	\$ 9.69
Nov-April - All usage	\$ 4.45	\$ 4.95	11.24%	\$ 0.0495	\$ 0.00595	\$ 0.00662	\$ 6.62
Apartment							
May-Oct - All usage	\$ 4.48	\$ 4.75	6.03%	\$ 0.0475	\$ 0.00599	\$ 0.00635	\$ 6.35
Nov-April - All usage	\$ 3.89	\$ 4.15	6.68%	\$ 0.0415	\$ 0.00520	\$ 0.00555	\$ 5.55
Commercial							
May-Oct - All usage	\$ 6.02	\$ 6.25	3.82%	\$ 0.0625	\$ 0.00805	\$ 0.00836	\$ 8.36
Nov-April - All usage	\$ 5.12	\$ 5.40	5.47%	\$ 0.0540	\$ 0.00684	\$ 0.00722	\$ 7.22
Industrial							
May-Oct - All usage	\$ 4.38	\$ 4.75	8.45%	\$ 0.0475	\$ 0.00586	\$ 0.00635	\$ 6.35
Nov-April - All usage	\$ 3.76	\$ 4.10	9.04%	\$ 0.0410	\$ 0.00503	\$ 0.00548	\$ 5.48

2026 Proposed Water Rates = 5.5% Increase

Average Residential Customer Will See an Increase of \$2.30 per Month

Proposed Water Rate Increase

Impact to Average Residential Consumer*

	2025	Proposed 2026	Net Impact
Customer Charge (3/4" Meter)	\$ 20.60	\$ 21.35	\$ 0.75
Commodity Charge	\$ 29.07 ^{**}	\$ 31.65 ^{***}	\$ 2.58
Total	\$ 49.67	\$ 53.00	\$ 3.33

Overall increase of \$3.33 per month

* Based on 3/4" meter and usage of 600 cubic feet (4,500 gallons) per month

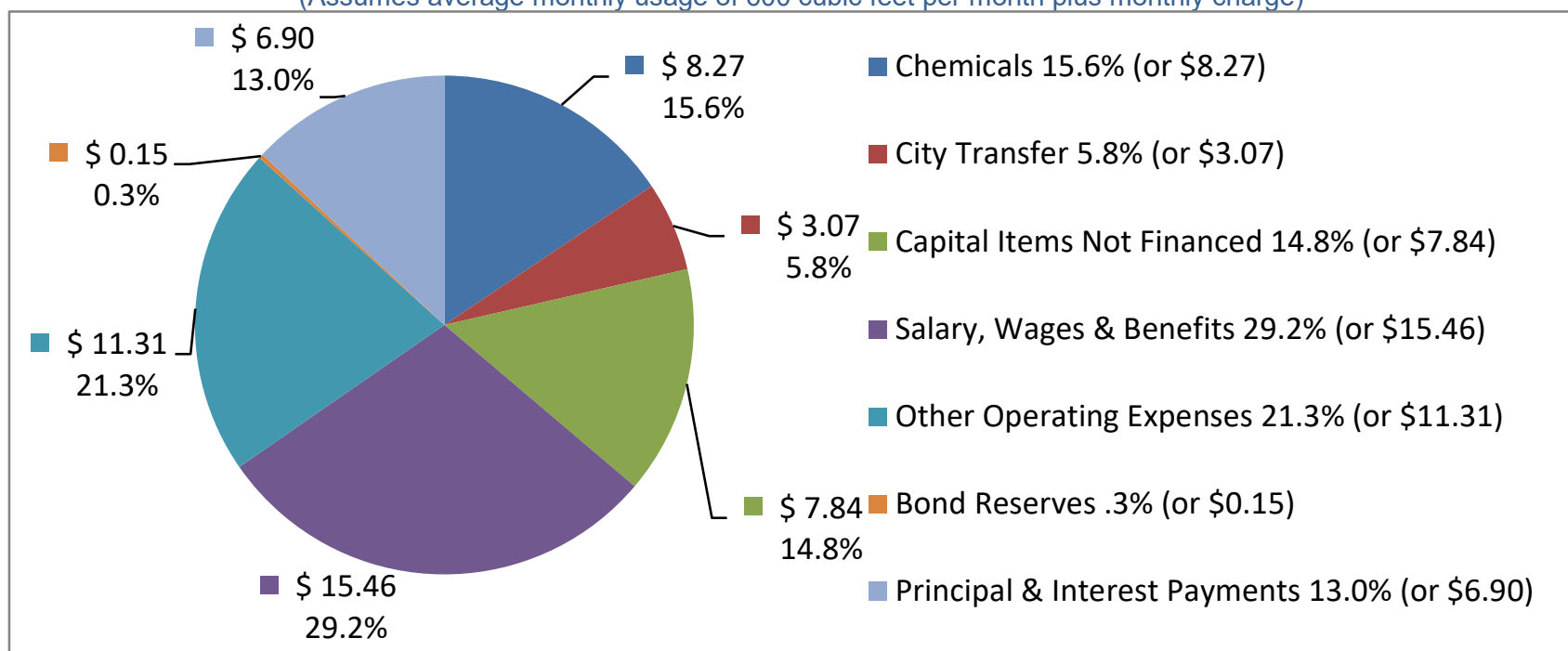
** Based on 6 months of 600 c.f. at \$4.45 and 6 months of 600 c.f. at \$5.24

*** Based on 6 months of 600 c.f. at \$4.95 and 6 months of 600 c.f. at \$5.60

Where Does Your Money Go?

Where Will the Average Monthly Water Payment of \$53.00 Go?

(Assumes average monthly usage of 600 cubic feet per month plus monthly charge)

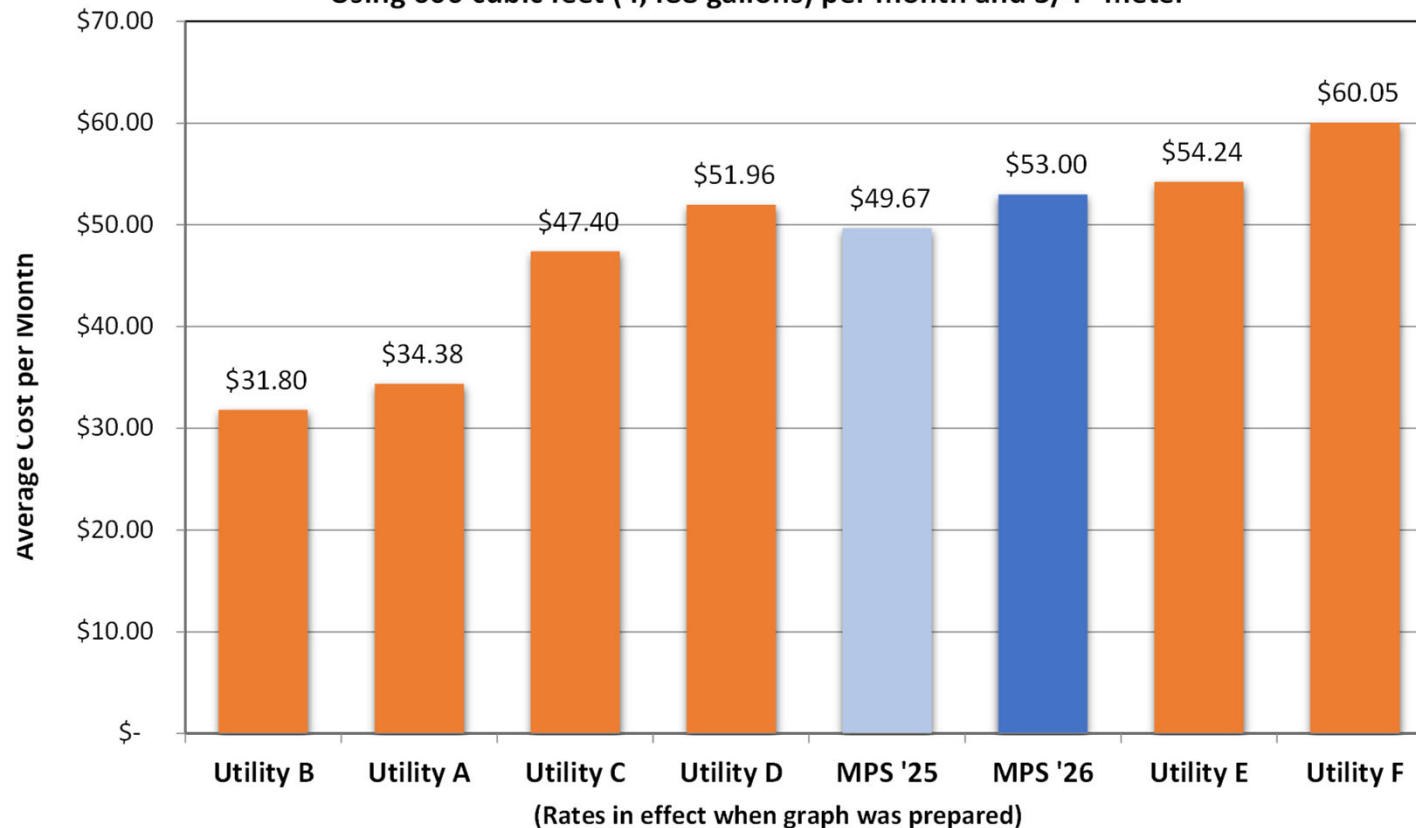


How Do MPS' Water Rates Compare to Other Utilities?

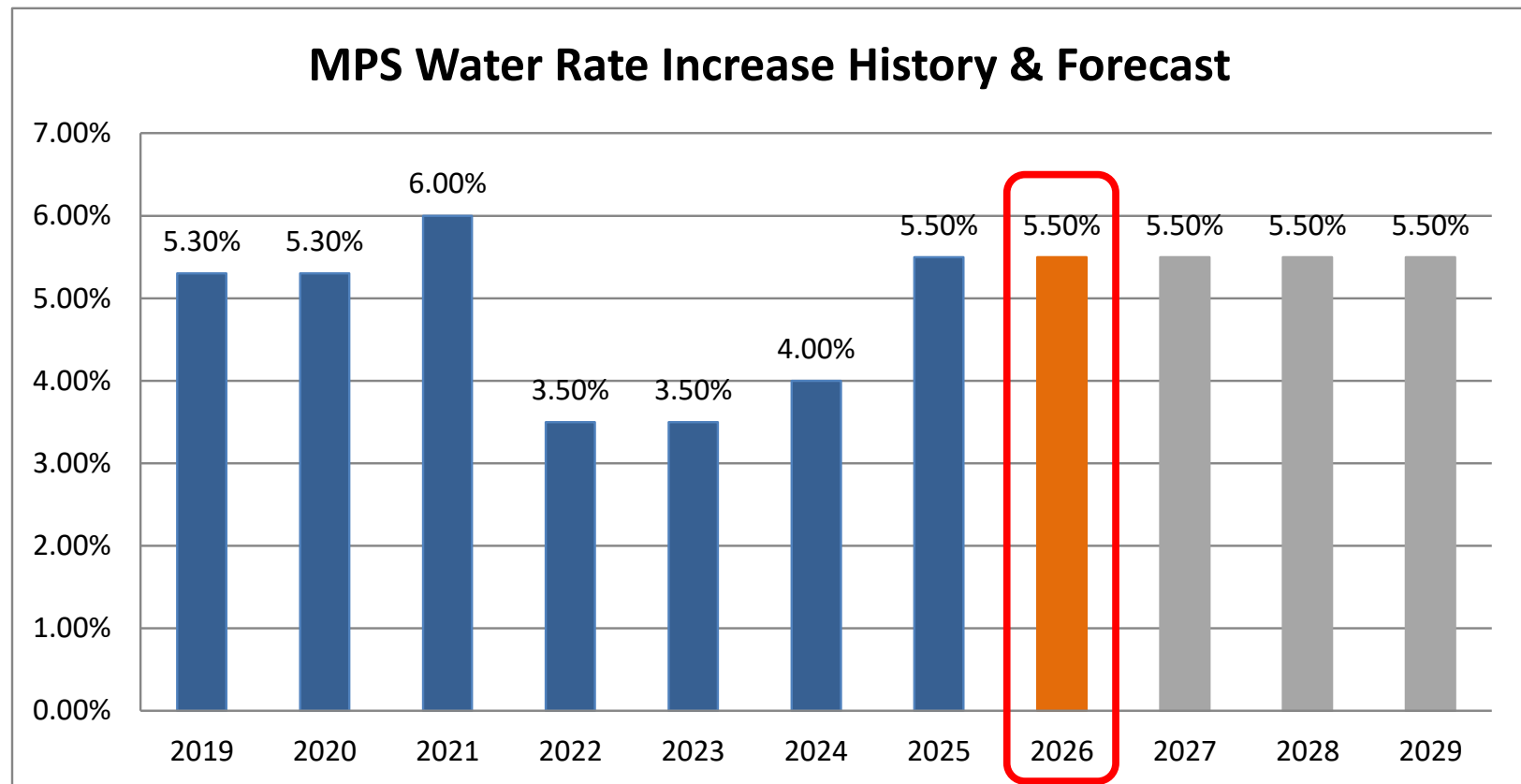
2025 Residential Water Average Monthly Cost Comparison

MPS and Other Local and Regional Utilities

Using 600 cubic feet (4,488 gallons) per month and 3/4" meter



How Does the Proposed 2026 Water Rate Increase Compare Historically?



2026 Proposed MPS Electric and Water Rates Impact

Proposed Overall 2026 Utility Bill Rate Changes Impact Impact to Average Residential Consumer

MPS Charges	2025	Proposed 2026	\$ Net Impact	% Net Impact
Electric Charges	\$ 99.10	\$ 100.45	\$ 1.35	1.36%
Water Charges	\$ 49.67	\$ 53.00	\$ 3.33	6.70%
Total MPS Charges	\$ 148.77	\$ 153.45	\$ 4.68	3.15%

Electric Usage - 850 kWh (Average Residential Home/Apartment)

Water Usage - 600 cubic feet through 3/4" water meter

2026 Water Rate Hearing

Questions?

Comments?

www.mpsutility.com

Thank you for attending.

