

# Utility Billing Update

March 18, 2026

Dear Utility Customer,

On March 17, 2026, the Republic City Council passed an ordinance to hold 2026 **water rates** at the same level as 2025, **pausing the increase** that had previously been scheduled to take effect this year. The next page provides you with some background on how we arrived at this decision and what it means moving forward.

This updated water rate strategy will allow the City to spread infrastructure investment over a longer timeframe, funding improvements through a combination of cash and debt financing. It will also help smooth future rate increases while still addressing critical water system needs responsibly.

A revised long-term water rate structure will be presented to City Council as part of the Fiscal Year 2027 budget process. Thank you for your continued support as we work to maintain and improve the infrastructure that serves our growing community.

Sincerely,

**Colten Harris**  
*City Administrator*

Please note that this letter only pertains to the water rates and the current billing plan for wastewater rates remains the same. More information on that can be found on our City's website: <https://www.republicmo.com/714/Water-and-Sewer-Rate-Information>



**Background:** From 2014 through 2022, the City’s water rates remained unchanged. During that same period, operating costs continued to rise annually, while capital investment in needed water infrastructure remained limited. In 2025, City Council approved a multi-year water rate adjustment covering 2025, 2026, and 2027 (“2025 Rate Increases”) to address several long-standing structural challenges within the City’s Water Fund. A Water Fund Master Plan prepared by Burns & McDonnell identified approximately \$90 million in water system improvements over the next 20 years, including \$70 million within the City’s ten-year Capital Improvement Plan (CIP) time horizon. To begin addressing these needs, the City implemented two consecutive 7% rate increases in 2023 and 2024, followed by a larger adjustment in 2025. Finally, the adopted rate structure assumed most of these capital improvements would be funded on a pay-as-you-go (cash) basis.

While the 2025 rate adjustments addressed long-deferred infrastructure needs, the cumulative impact on customers has been significant. Under the original schedule, residential and commercial water bills would have increased approximately 300% or more between 2023 and 2027. Investing in our water infrastructure is essential to ensuring Republic continues to provide safe, reliable, and abundant water to our community. However, attempting to make up for decades of limited investment within a short timeframe can create significant rate shock for customers.

While periodic rate adjustments are expected in a growing community, they should ideally be steady, predictable, and manageable within household budgets. For perspective, if rates had increased gradually beginning in 2014 at approximately 7.5% annually, the adjustments seen in 2025 would have been incremental 7.5% rather than a one-time increase averaging about 85%.

**Council Action:** Guided by the City’s Vision of “doing the Right Thing at the Right Time for the Right Reason,” staff revisited the assumptions behind the previously adopted rate schedule and recommended modifications to City Council. As a result, City Council approved the following actions:

1. Hold 2026 Water Rates at 2025 Levels
2. Evaluate a New Rate Methodology for 2027 and Beyond
  - a. Operating and capital costs will continue to rise over time. As a result, Republic utility customers should expect predictable annual rate adjustments in the future.
  - b. The City will continue to evaluate alternative rate models that are more equitable and sustainable, while still generating the revenue necessary to fund operating costs, infrastructure investment, and debt obligations.
3. Adjust the Ten-Year Capital Improvement Plan
4. Utilize Bond Financing