

# Oak Creek Water District

Serving West Sedona Quality Water Since 1953

January 2026 [www.oakcreekwater.org](http://www.oakcreekwater.org)

## NEW YEARS RESOLUTIONS:

1. Make a point to make at least one meeting this year.
2. Make sure your homeowner shut off valve works.\*
3. Monitor water usage & potential leaks with Eye On Water.
4. Sign Up for Paperless Billing and Autopay with Xpress Bill Pay.



Do you appreciate that this District has the most efficient & affordable rates in Arizona? Do you appreciate that this District does not use any chemicals for treatment? Do you appreciate that this system operates with 1 full-time and 2 part-time employees? Do you appreciate that customers like yourself volunteering an hour a month to be on the Board to help make decisions? If so, then say yes to the four resolutions above.

\*There should be two shutoff valves, one on each side of the meter. The valve on the house side is the homeowners, the value on the street side of the meter is the Districts. There is a fine for tapering with the District's valve.

## \*\*\*\*\* CONSTRUCTION UPDATE \*\*\*\*\*

**Water Main Replacement:** This year Summit Construction will be completing Sadlerock Subdivision, Northview Blvd. and Copper Vista Subdivision. Keep Up To Date: Check the website. Sign up for alerts. Come to monthly meetings.



## \*\*\*\*\* PUBLIC MEETING ON THE ANNUAL BUDGET & RATES\*\*\*\*\*



The District is required to submit a budget to Yavapai County annually. The Board of Directors will be voting on this budget at the February 17, 2026 meeting. See attached. Public comments are accepted in writing or in person prior to the discussion and vote. The budget includes a rate increase following the approval of the 5-year rate study completed in December of 2024. See attached details.



## 2026 PROPOSED RATE INCREASE

### Summary:

The proposed rate increase for 2026 utilizes the 5-year Rate Study completed in December 2024. At the December 16, 2025 board meeting a summary of expenditures in 2025 was discussed as shown below. Based on the summary below, it is proposed to jump from this current FY26 rates to FY28 rates bypassing FY27 proposed rates.

### Out of the Norm Expenses for 2025 (Required pulling \$35,000 from Reserve Funds)

KP Ventures (6/23/25)	Well 4 pump and motor replacement	\$36,095
Fever Controls (9/17/25)	Panorama Pump VFD replacement	\$12,468
Fever Controls (9/24/25)	Panorama Pump VFD replacement	\$11,377
Willis Drilling (11/26/25)	Well 3 pump, motor, steel column	\$41,722
Prop/Gen Liability Ins	Annual Increase	\$10,000
Personnel	Bus & Op Manager Transition	\$ 7,500

### Vendors That Have Increased Monthly Services                      Annual Increase

KnowIT IT Services	Increase in monthly rates	\$ 2,200
ADEQ MAPS Testing	Monitoring Assistance doubled annual	\$ 1,950
Caselle Financial Support	Increase in monthly rates	\$ 730
Badger Meter Support	Increase in monthly rates	\$ 300
USPS	Post Card Postage (Ave. 400/month)	\$ 240
Optimum	Increase in monthly rates	\$ 120
Rural Impact Website	Increase in monthly rates	\$ 48
APS	10% increase application with A.C.C.	\$ 5,000

**The District's median ¾-inch Residential customer (50% of the users above, 50% of the users below) uses 3,500 gallons a month. The proposed rate increase will increase their median water bill from \$33.62 to \$ 38.22 a month. An average of \$4.60 increase per month. The District's average ¾-inch Residential customer uses 5,925 gallons a month. The proposed rate increase will increase their water bill from \$44.44 to \$50.17 a month. An average of \$5.73 increase per month.** The proposed 5-Year Rate Study determining this rate increase is available for viewing on the District's website. It can also be viewed at our office. This includes a breakdown of the rate increase by base rate and by the three water usage tiers for all residential and commercial user classifications. It should be noted that the above ¾-inch residential customer example above was used since 85% of our customers fall under that category.

### Board Action/Dates to Remember:

January 20, 2026, Board Meeting

Discussion on the proposed 2026 Rate Increase, the 5-year plan and the proposed budget for Yavapai County.

Written comments can be submitted by mail to the Office or by email through the District website.

February 17, 2026, Board Meeting

After discussing all the comments, the Board will approve a 2026-2027 budget and rate increase.

### Background:

The District is currently undergoing rehabilitation utilizing \$16.1 million in funds from USDA. This is comprised of \$11.2 Million in grant funds and \$4.9 Million in loan funds. The loans are for 40 years with a 1.325% and 2.250% interest rate. The District was required to utilize all loan funds first and now we are into the grant funds. To date the 5 storage tanks have been inspected and painted, two new arsenic removal systems have been installed and about 60% of the project's 8 miles of water main have been replaced.

The District approved a 5-year rate study in December 2024. The rate study was completed by an accountant that has had over 30 years of A.C.C. rate increase studies and has been consulting Oak Creek Water for over 15 years. The purpose of the 5-year rate study was to determine rates needed to pay off the two loans and for building reserves for emergencies and replacing facilities as they depreciate.

## Water Rates Comparison With Other Utilities

**3/4" Average User 6,000 gallons**

**3/4" Median User 3,500 gallons**

Oak Creek Water (Currently)			
Base Rate	\$	21.49	
0-4000 Gal	\$	2.5900	
4000 -10,000 Gal	\$	4.2700	
Over 10k	\$	5.3600	
Taxes		0.100	
	<b>Average</b>		<b>Median</b>
<b>OWC Bill</b>	<b>\$</b>	<b>44.44</b>	<b>\$33.62</b>
Gallons Used:			
0-4000		4000	
4001-10000		2000	
over 10000		0	

Oak Creek Water FY 27 (Using FY28 Rate plan)			
Base Rate	\$	24.24	
0-4000 Gal	\$	3.0000	
4000 -10,000 Gal	\$	4.6800	
Over 10k	\$	5.7700	
Taxes		0.100	
	<b>Average</b>		<b>Median</b>
<b>OWC Bill</b>	<b>\$</b>	<b>50.17</b>	<b>\$38.22</b>
Gallons Used:			
0-4000		4000	
4001-10000		2000	
over 10000		0	

Neighboring Water System			
Base Rate	\$	50.61	w/surcharges
0-3000 Gal	\$	4.9930	
3-9000 Gal	\$	6.8090	
9-17000 Gal	\$	7.7820	
Taxes		0.100	
	<b>Average</b>		<b>Median</b>
<b>Equivalent Bill</b>	<b>\$</b>	<b>94.63</b>	<b>\$75.91</b>
Gallons Used:			
0-3000		3000	
3001-10000		3000	
over 10000		0	

Neighboring Water System			
Base Rate	\$	38.10	
0-2000 Gal	\$	2.5800	
2000 -12,000 Gal	\$	4.3000	
Over 12k	\$	6.0200	
Taxes		0.100	
	<b>Average</b>		<b>Median</b>
<b>Equivalent Bill</b>	<b>\$</b>	<b>66.52</b>	<b>\$54.69</b>
Gallons Used:			
0-2000		2000	
2001-12000		4000	
over 12000		0	

**About 50% of the district's customers' average bills are under \$33.62/month. Are you one of them?**

**Xeriscape Landscaping = Conservation**

<u>Meter Size</u>	<u>Current Base Rate</u>	<u>Proposed Base Rate</u>	<u>% of System Users</u>
¾-inch	\$21.49	\$24.24	85.0%
1-inch	\$35.82	\$40.39	5.0%
1 ½ -inch	\$71.45	\$80.57	1.5%
2-inch	\$114.38	\$128.99	0.7%
4-inch	\$357.72	\$403.40	0.3%

<u>Meter Size</u>	<u>Usage Tier</u>	<u>Current/1,000 gal</u>	<u>Proposed/1000 gal</u>
¾-inch & 1-inch Res	0-4,000 gallons	\$2.59	\$3.00
¾-inch & 1-inch Res	4,000-10,000 gallons	\$4.27	\$4.68
¾-inch & 1-inch Comm	0-12,000 gallons	\$4.27	\$4.68
¾-inch & 1-inch Comm	Over 12,000 gallons	\$5.36	\$5.77

**OAK CREEK WATER DISTRICT  
PROPOSED 2026-2027 BUDGET**

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<b>Operations</b>		<b>\$ 169,000.00</b>
Repairs to Plant - Contractor - Mains	\$ 20,000.00	
Repairs to Plant - Contractor - Electrical/Pumps	\$ 15,000.00	
Repairs to Plant - Contractor - Wells	\$ 20,000.00	
Operations: Materials and Supplies	\$ 30,700.00	
Operations: Tools and Shop	\$ 1,950.00	
Power Purchased	\$ 55,000.00	
Aid to Construction	\$ 250.00	
Insurance - Property and Liability	\$ 20,000.00	
Transportation Expenses	\$ 6,100.00	
<b>Office</b>		<b>\$ 127,100.00</b>
Az Sales and City Taxes	\$ 65,000.00	
Advertising - Newsletters, Website, Indeed	\$ 4,775.00	
Billing Expenses	\$ 32,500.00	
Telecommunications	\$ 15,700.00	
Office Utilities	\$ 4,025.00	
Office Supplies/Equipment	\$ 2,600.00	
Officers Insurance	\$ 2,500.00	
<b>Contractual Services</b>		<b>\$ 31,100.00</b>
Contractual Accounting/Auditing	\$ 10,000.00	
Contractual Legal	\$ 10,000.00	
Contractual Lab Testing	\$ 4,500.00	
Contractual Monitoring & Security	\$ 3,600.00	
Contractual Management	\$ 3,000.00	
<b>Personnel</b>		<b>\$ 205,000.00</b>
Salaries and Wages	\$ 175,000.00	
Employer Taxes 8.35% & Unemployment	\$ 16,000.00	
Benefits and IRA	\$ 12,000.00	
Insurance Works Comp	\$ 2,000.00	
<b>Reserves &amp; Debt</b>		<b>\$ 219,800.00</b>
Short/Long Term Reserves USDA Requirement	\$ 45,344.00	
USDA \$4.9M Loan (40 yrs at 1.325%/2.250% Interest)	\$ 174,456.00	
<b>Total Expenses</b>		<b>\$ 752,000.00</b>
<b>Operations Revenue</b>		<b>\$ 752,000.00</b>

<p style="text-align: center;"><b>Public Hearing at 4:30pm on February 17, 2026: Proposed Budget</b> <b>Public Comments Prior to Board Voting</b> <b>Comments can be sent prior to the meeting at <a href="mailto:info@oakcreekwater.com">info@oakcreekwater.com</a></b></p>
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