



**FY27
Wholesale
Wastewater
Rates**

Background

FY26/FY27 water and wastewater rate study conducted

Met with refineries 3 times regarding rates

Met with refineries 5 times
Explored various methodologies

- Contracted rate maximums
- Surcharges
- Rolling 7-day maximums

Came to consensus on methodology going forward



Rates disputed by refineries

Reached consensus on rates
Agreed to revisit methodology before setting FY27 rates
Council approved FY26 wholesale rates



Methodology



Capacity

Flow set at contracted maximums
Strengths based on 7-day rolling average to get
max month concentrations
Non-detects set at $\frac{1}{2}$ reporting limit



Usage

Flow – load balancing incorporating I&I into
retail calculation
Strengths set using the rolling 7-day average



Financial Updates

Budget Updates	FY26	FY27
Administrative	\$2,590,000	\$2,478,697
Service Center	\$81,920	\$82,908
Treatment	\$7,741,063	\$6,689,243
Collection System	\$2,464,205	\$2,593,304
Environmental	\$575,012	\$748,551
Non-Rate Revenue	\$(431,350)	\$(114,160)
Total	\$12,520,850	\$12,478,543

Asset Updates	FY26	FY27
Collection	\$52,252,938	\$56,424,727
Trunks/ Interceptors	\$51,538,223	\$52,551,650
Lift Stations	\$2,560,708	\$2,400,267
Common Conveyance	\$496	\$548
Preliminary Treatment	\$12,672,263	\$12,189,383
Lab	\$459,922	\$433,179
Primary Treatment	\$15,528,165	\$14,833,446
Secondary Treatment	\$31,258,811	\$29,902,929
Residuals	\$12,296,445	\$16,406,876
Disinfection/ Outfall	\$13,241,861	\$12,650,814
Customer	\$1,261	\$1,176
Total	\$191,811,092	\$197,794,995



Par Montana Refinery



Capacity

	Flow (MGD)	BOD (mg/L)	TSS (mg/L)	TKN (mg/L)
FY26	2.50	25.0	27.0	38.0
FY27	2.50	37.6	26.6	36.7

Use

	Flow (MGD)	BOD (mg/L)	TSS (mg/L)	TKN (mg/L)
FY26	1.87	22.6	12.6	19.3
FY27	1.63	17.0	11.9	21.7

Revenue Requirements

	Fixed O&M	Variable O&M	Depreciation	Return	Total
FY26	\$51,368	\$356,123	\$108,799	\$463,352	\$984,642
FY27	\$63,608	\$282,876	\$126,764	\$508,809	\$982,057



Phillips 66 Refinery



Capacity

	Flow (MGD)	BOD (mg/L)	TSS (mg/L)	TKN (mg/L)
FY26	1.50	124.0	73.0	55.0
FY27	1.50	100.2	57.1	45.0

Use

	Flow (MGD)	BOD (mg/L)	TSS (mg/L)	TKN (mg/L)
FY26	1.03	32.2	25.6	18.3
FY27	0.97	16.7	25.4	8.2

Revenue Requirements

	Fixed O&M	Variable O&M	Depreciation	Return	Total
FY26	\$62,588	\$210,395	\$93,588	\$406,413	\$772,984
FY27	\$60,280	\$160,752	\$108,457	\$441,057	\$770,545



Lockwood Water and Sewer District

Capacity

	Flow (MGD)	BOD (mg/L)	TSS (mg/L)	TKN (mg/L)
FY26	0.728	230.0	236.0	27.0
FY27	0.728	230.0	236.0	27.0

Use

	Flow (MGD)	BOD (mg/L)	TSS (mg/L)	TKN (mg/L)
FY26	0.15	179.7	236.1	27.4
FY27	0.15	179.7	236.1	27.4



Revenue Requirements

	Fixed O&M	Variable O&M	Depreciation	Return	Total
FY26	\$8,280	\$67,583	\$82,737	\$360,437	\$519,037
FY27	\$9,748	\$66,951	\$90,141	\$371,388	\$538,228



THANK YOU

- *Connect with us online:*
- billingsmtpublicworks.gov
-  @billingsmtpublicworks

