Ford City Borough | Water Rate Study

Understanding the proposed 2027 rates and why a change is needed

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Ford City is proposing a change to water bills for 2027. The main reason is that payments for the waterline replacement project begin in April. The new bill would show three things separately: paying back water-system loans, keeping water service available, and the water you actually use. Most customers would pay more. Customers who use less water would generally have a smaller increase.

Why rates need to change.

The proposed water-system budget is $1,302,116.67 for 2027, up $162,038.31 from 2026. Loan payments alone rise by $230,488.57. Lower planned spending on water operations offsets part of that increase. In other words, the largest added cost is paying for improvements to the water system.

The proposed monthly bill.

Charge	Standard 5/8 inch service
Debt Service Charge Repaying water-system loans	$28.00
Water System/User Charge Keeping service available	$26.25
Usage Charge The water you use	$5.00 per 1,000 gallons
Monthly charges before water use	$54.25

Most customers have a standard 5/8-inch water meter, the device that measures water use. For that service, a month with 2,000 gallons used would cost $64.25, up $9.35 from today's $54.90 bill. At 3,000 gallons, the bill would be $69.25, up $14.35. The monthly charges would not include any water; actual use would be added separately.

What the change is intended to accomplish.

The proposed rates are calculated to cover the expected 2027 costs. They would let customers lower the water-use part of their bill even when they use less than 3,000 gallons. Large users would pay the same price per 1,000 gallons as everyone else. Expected income would exceed planned costs by only about $2,264, so the Borough would need to watch expenses and collections closely.

These are proposed rates, subject to Council approval. The examples show water charges only. They do not include sewer, stormwater, or charges for special services or overdue bills.

Why the water budget is increasing.

The Borough has to keep the water system working every day. It must also repay the money borrowed for water-system improvements. This table compares the 2026 budget with the proposed 2027 budget so residents can see exactly where spending would change.

Expense area	2026 budget	2027 draft	Change
Administration[1]	$267,585.35	$271,170.72	+$3,585.37
Water operations	$556,803.07	$478,031.69	−$78,771.38
Debt repayment	$264,159.94	$494,648.51	+$230,488.57
Insurance and other costs	$51,530.00	$58,265.75	+$6,735.75
Total	$1,140,078.36	$1,302,116.67	+$162,038.31

[1] Administration includes the water fund's office and management costs. The budget calls this "General Government." All figures are planned spending, not final amounts spent.

Loan payments explain the largest increase.

"Debt service" means loan payments, including the amount borrowed and interest. Total payments would rise from $264,159.94 to $494,648.51, an increase of about 87.3%. The added $230,488.57 is for waterline-replacement payments beginning in April 2027. Changes elsewhere in the budget offset $68,450.26 of that increase.

The proposed $28 monthly debt charge would help pay both existing water-system loans and the new waterline debt. It replaces part of the current billing arrangement. It is not an extra $28 added on top of today's minimum bill.

Other income reduces what customers must pay through rates.

2027 calculation	Amount
Total budgeted expenses	$1,302,116.67
Less (-) Other system incomes	$68,028.00
Amount needed from regular water rates	**$1,234,088.67**

The Borough expects $68,028 from other sources: $7,500 in interest, $51,000 for administrative work for the sewage authority, $4,500 in sprinkler-service charges, and $5,028 in shut-off and new-service charges. Subtracting that income leaves $1,234,088.67 to collect through regular water rates. One-time grants and construction payments are not counted as yearly income.

Keeping the current way of billing would not make the new loan payments disappear. A rate change is needed to cover the expected costs after other income is taken into account.

What residents would pay.

For a standard meter, start with $54.25 in monthly charges. Then add $5 for each 1,000 gallons used. For example, 2,000 gallons costs $10: $54.25 + $10 = a $64.25 water bill. The $54.25 stays the same each month while service is active; the water-use charge changes with your use.

Gallons per month	Current bill	Proposed bill	Monthly change	Percent change
0	$54.90	$54.25	−$0.65	−1.2%
1,000	$54.90	$59.25	+$4.35	+7.9%
2,000	$54.90	$64.25	+$9.35	+17.0%
3,000	$54.90	$69.25	+$14.35	+26.1%
4,000	$59.90	$74.25	+$14.35	+24.0%
5,000	$64.90	$79.25	+$14.35	+22.1%
6,000	$69.90	$84.25	+$14.35	+20.5%
8,000	$79.90	$94.25	+$14.35	+18.0%
10,000	$89.90	$104.25	+$14.35	+16.0%
15,000	$114.90	$129.25	+$14.35	+12.5%

Each row compares the same water use under today's rates and the proposal. If you used the same amount every month, the yearly increase would be $52.20 at 1,000 gallons a month, $112.20 at 2,000 gallons, and $172.20 at 3,000 gallons.

What the billing records tell us.

For standard meters in 2025, the middle monthly reading was 2,000 gallons: half the monthly readings were at or below that level and half at or above it. Applying today's rates and the proposed rates to those records gives average monthly bills of about $58.99 and $68.07. That is an average increase of $9.08. Your own bill would depend on your meter size and water use.

Lower use means a smaller bill.

Today, a standard account using 1,000 gallons pays the same minimum as one using 3,000 gallons. Under the proposal, the difference would be $10 per month. Every 1,000 gallons avoided would reduce the usage charge by $5, including below the old minimum.

The two monthly charges together would be $0.65 less than today's minimum. Most bills would still increase because water use would be added separately. For standard meters using 3,000 through 50,000 gallons, the increase would be $14.35 a month. Larger families may need more water and have less room to cut back. An active service would still owe the monthly charges even when no water is used.

Why change the 3000 gallon minimum.

Since **1926**, Ford City's minimum water bill has included the first 3,000 gallons. Today, a standard customer pays $54.90 whether they use none of that water or all 3,000 gallons. The proposal would separate the cost of keeping service available from the cost of the water used.

Why there is still a charge when you use little water.

About $1,045,849.25, or 80.3% of the proposed budget, is for costs that largely continue regardless of water use. That is about $80 out of every $100. Loans, staff, insurance, and system upkeep still need to be paid when customers use less water. The other $256,267.42, or 19.7%, is assigned to the water-use part of the budget.

This is why the proposal includes monthly charges as well as a water-use charge. Using less water would lower the use portion of your bill, but it would not eliminate your share of the cost of keeping the system available. The budget groups are estimates for setting rates; not every expense changes directly with gallons used.

Most accounts average less than the included amount.

Average monthly use during 2025	Billing records	Share
1,000 gallons or less	301	19.9%
1,001 to 2,000 gallons	393	26.0%
2,001 to 3,000 gallons	336	22.2%
3,001 to 4,000 gallons	217	14.4%
4,001 to 5,000 gallons	115	7.6%
5,000+ gallons	139	9.9%

Of the 1,511 account records from 2025, 68.2% averaged 3,000 gallons a month or less. That is roughly two out of three accounts. The records include both homes and businesses. In August 2026 alone, 75.7% of active accounts used 3,000 gallons or less. The two figures cover different time periods.

Why this approach is preferred.

Simply increasing the minimum would keep the same bill for everyone using up to 3,000 gallons. That option is estimated to require a nearly $14 monthly increase. The proposal gives lower-use customers smaller increases while still paying for the system. Showing loan repayment and system upkeep separately also makes the bill easier to follow.

The U.S. Environmental Protection Agency, or EPA, explains that many water utilities use both monthly charges and charges based on water use. Its public guides explain how these charges help pay for infrastructure, loans, and water service. Links to those guides are at the end of this document. They explain the general approach; EPA has not approved Ford City's specific rates.

How the proposed charges were calculated

The charge for repaying loans.

The proposed budget includes $494,648.51 in loan payments. Spread across 1,482 active services and 12 months, that equals about $27.82 per service per month. Rounding to $28 closely covers the expected payments. The proposal shares this charge equally among active services, regardless of meter size.

The charge for keeping service available.

The standard $26.25 monthly system charge would help pay the remaining cost of keeping the system running. Larger meters can draw more water at once, so their system charges would be higher. The proposed differences between meter sizes come from the existing rates after removing the value of included water. They do not come from a new engineering measurement of each meter size's costs.

Meter size	Loan charge	System/User charge	Monthly total before use
5/8 inch	$28.00	$26.25	$54.25
3/4 inch	$28.00	$36.85	$64.85
1 inch	$28.00	$52.75	$80.75
1 1/4 inch	$28.00	$73.95	$101.95
1 1/2 inch	$28.00	$89.85	$117.85
2 inch	$28.00	$137.55	$165.55
3 inch	$28.00	$248.85	$276.85
4 inch	$28.00	$381.35	$409.35

These are monthly charges before adding water use. For every meter size, add $5 per 1,000 gallons used. No water is included in the monthly charges. About 98% of the 2025 account records were listed as standard 5/8-inch meters or had rates indicating that size.

The charge for the water you use.

Customers were billed for about 51.270 million gallons in 2025. At $5 per 1,000 gallons, that amount of water would bring in $256,350, close to the $256,267.42 assigned to water-use costs. The price would be the same for every 1,000 gallons. The current $4.75 price for use above 50,000 gallons would end; the available cost information does not support that discount.

How much money the rates would bring in.

The proposed rates are expected to bring in $497,952 from loan-repayment charges, about $482,051 from system charges, and $256,350 from water use. Together, that is $1,236,353—about $2,264 above the amount needed from regular rates. That is only about 0.2% extra, leaving little room for unexpected costs.

A closer look at costs that continue each month.

Here is the detailed list behind the costs that largely continue even when less water is used. Residents can see the amounts for staff, office support, insurance, and loan payments. These costs explain why water bills cannot be based only on gallons used.

2027 budget component	Amount
Manager wages, payroll taxes, benefits and cell phone	$46,128.85
Financial protection bonds for Manager and Treasurer	$650.00
Accounting and audit	$14,250.00
Bank and finance charges	$5,500.00
Office wages, payroll taxes and benefits	$65,286.85
Retiree benefits	$38,337.58
Postage, dues, meetings, office, technology and security	$36,600.03
Public Works supervisor and full-time wages	$193,096.05
Public Works payroll taxes, benefits and uniforms	$61,985.64
Public Works support, communications and capital items	$31,100.00
Loan payments	$494,648.51
Insurance and regulatory costs	$58,265.75
Total used for costs that largely continue	$1,045,849.25

Payroll taxes are the Borough's taxes on employee wages. Bonds are a type of financial protection for the Borough. Public Works employees help operate and maintain the system. Some budget lines combine several related expenses.

How these costs add up by department.

Budget area	Costs that largely continue
Administration	$206,753.30
Public Works / water operations	$286,181.69
Loan payments	$494,648.51
Insurance / regulatory	$58,265.75
Total	$1,045,849.25

These costs total $1,045,849.25, or 80.3% of the proposed budget. "Fixed" is the budgeting term for costs that do not rise and fall directly with monthly water use. Their prices can still change from year to year.

Small difference in the totals. The detailed lines add to $1,045,849.26, one cent more than the budget summary. The rate calculation uses the $1,045,849.25 summary amount.

A closer look at costs paid through water use.

These are the expenses assigned to the $5-per-1,000-gallon part of the bill. They include chemicals, electricity, supplies, and other operating expenses. Some change with the amount of water supplied; others, such as engineering work, depend on the work needed. The grouping is used to calculate rates.

2027 budget component	Amount
Legal services	$3,000.00
Engineering	$50,000.00
Building repairs and maintenance	$5,000.00
Administrative contracted services	$6,417.42
Chemicals	$50,000.00
Gasoline	$1,200.00
Public Works supplies	$25,000.00
Treasurer professional services	$17,550.00
Electric utilities	$70,000.00
Gas utilities	$7,100.00
Public Works contracted services	$20,000.00
Vehicle repairs and maintenance	$1,000.00
Total assigned to water use	$256,267.42

Putting both groups together.

Budget area	Costs that largely continue	Assigned to water use	Total
Administration	$206,753.30	$64,417.42	$271,170.72
Water operations	$286,181.69	$191,850.00	$478,031.69
Loan payments	$494,648.51	$0.00	$494,648.51
Insurance / regulatory	$58,265.75	$0.00	$58,265.75
Total	$1,045,849.25	$256,267.42	$1,302,116.67

These expenses total $256,267.42, or 19.7% of the budget. At the amount of water billed in 2025, the proposed $5 rate would bring in $256,350. That is about $83 more than this group of expenses, which explains how the $5 rate was chosen.

The table above puts the monthly system costs and water-use costs back together. They total the proposed $1,302,116.67 budget. The split is a way to share costs through the bill; it does not mean every operating expense changes by the same percentage when water use changes.

How the budget becomes a water rate.

First, subtract other income from the budget. Next, work out what the loan-repayment and water-use charges would bring in. The monthly system charges must cover the amount left over. The following calculations show each step.

Step one. Amount needed from regular rates.

	Amount
Total 2027 expenses	$1,302,116.67
Less interest income	−$7,500.00
Less sewage authority administration fee	−$51,000.00
Less current sprinkler revenue	−$4,500.00
Less shut-off / new-service revenue	−$5,028.00
Amount needed from regular water rates	$1,234,088.67

Step two. Work out the loan and water charges.

Loan payments: divide $494,648.51 by 1,482 active services, then by 12 months. That gives about $27.82 per month. Charging $28 would bring in $497,952 over a year, or $3,303.49 more than the planned loan payments.

Water use: divide $256,267.42 by 51,270 thousand-gallon units. That gives about $4.9984 per 1,000 gallons, rounded to $5. At the 2025 amount of water use, the charge would bring in $256,350, or $82.58 more than the expenses assigned to it.

Step three. Cover the remaining system costs.

The regular rates need to raise $1,234,088.67. Subtract $497,952 from loan charges and $256,350 from water use. That leaves $479,786.67 to raise through monthly system charges. The $26.25 standard charge and the higher charges for larger meters are expected to bring in about $482,051.

Revenue source	Estimated yearly income	Share of regular rate income
Loan-repayment charges	$497,952	40.3%
Monthly system charges	$482,051	39.0%
Usage charges	$256,350	20.7%
Total from regular water rates	$1,236,353	100.0%
Other expected yearly income	$68,028	Outside regular rates
Total expected yearly income	$1,304,381	
Less total expenses	−$1,302,116.67	
Estimated money left after expenses	$2,264.33	

Read the last row as the amount left after all expected income pays all planned expenses. It is about $2,264, not a separate surplus for each charge. About 79.3% of regular rate income would come from charges that stay the same each month. The system-charge estimate is rounded, so the final balance is also an estimate.

Other choices and what could change the results.

Raise the current minimum.

Keeping the first 3,000 gallons included is estimated to require a nearly $14 monthly minimum increase. A customer using very little water would pay the same minimum as one using all 3,000 gallons. Under the proposal, the increase would be $4.35 at 1,000 gallons, $9.35 at 2,000 gallons, and $14.35 at 3,000 gallons.

Show one monthly charge instead of two.

The Borough could combine loan repayment and system upkeep into one monthly charge, then add water use. If the total charges were the same, the bills and income would be the same. The reason for showing two separate monthly charges is to let customers see how much supports loan payments and how much supports the rest of the system.

Use the proposed three part bill.

The recommendation is $28 for loan repayment, a system charge based on meter size, and $5 per 1,000 gallons used. Customers would see savings from using less water even below 3,000 gallons. The same price per 1,000 gallons would apply to large and small users.

What if customers use less water than expected.

Yearly water-use example	Gallons	Income from water use	Estimated money left or shortfall
Same water use as in 2025	51,270,000	$256,350.00	+$2,264.33
5 percent less	48,706,500	$243,532.50	−$10,553.17
10 percent less	46,143,000	$230,715.00	−$23,370.67

The last column shows how much money would be left—or missing—after covering costs. For this comparison, only water use changes. Monthly charges, other income, and expenses stay the same. Actual results could differ if expenses or bill collections also change.

If customers used 5% less water, water-use income would fall by $12,817.50. The expected $2,264 extra would not cover that loss, leaving a shortfall of about $10,553. At 10% less use, the income loss would be $25,635 and the shortfall about $23,371. This is why the Borough should check results during the year.

Why these choices matter.

Rates must bring in enough to pay the bills, but the way those costs are shared also matters. The proposal gives lower-use customers smaller increases and shows each part of the bill. Council should review actual expenses, water use, customer counts, and collections during 2027 to see whether the rates are working as expected.

Other proposed water service charges.

The proposal also changes some charges for fire protection and special work. These fees would apply to those services, rather than being included in the regular household examples. The goal is to have customers who use those services pay their related costs. Council would need to approve these changes, too.

Fire protection service	Current monthly	Proposed monthly
Private fire hydrant	$100.00	$120.00
Sprinkler under 15,000 sq ft	$19.00	$22.50
Sprinkler 15,000 to 50,000 sq ft	$27.00	$32.00
Sprinkler 50,000 to 100,000 sq ft	$37.00	$44.00
Sprinkler 100,000 to 200,000 sq ft	$53.00	$63.00
Sprinkler over 200,000 sq ft	$69.00	$82.00

Special service	Current fee	Proposed treatment
Turn on or off other than nonpayment	$30	$50 per field visit
No-lien letter or refund processing	$40	Keep $40
Shut-off notice	$50	Keep $50
Returned check / insufficient funds	$30	Keep $30
Reinstall 1 inch meter	$100 plus parts	$125 plus parts; larger meters at actual labor and materials
Customer-requested meter test	$50–$60 / size formula	Deposit covering test cost; refunded if the meter fails the accuracy test
New meter	Meter cost	Actual meter and parts cost plus labor including benefits
Connection	Cost	Materials, staff time and benefits, restoring the site, and documented support costs
Generate shut-off work order	$35	Eliminate separate fee
Nonpayment shut-off	$50	$75 physical shut-off / reconnection field charge
Post 3 day shut-off notice	$60	Keep $60
Final meter reading	$35	$40
Magistrate letter	$50	$50 plus actual filing or legal costs where permitted

For work requested by a customer, the goal is to charge the cost of materials, staff time and benefits, vehicles or equipment, restoration, and outside services.

How the Borough would check the results.

Review income and spending during the year.

These rates are based on the proposed 2027 budget and past water bills. Actual spending and collections may differ. Because the expected extra income is small, the recommendation is to check results every three months, give Council a formal update halfway through 2027, and review rates again with each yearly budget.

The checks should cover expenses, bills paid, active services, water sold, water produced, water loss, and loan payments. Each customer's bill should separately show the two monthly charges, gallons used, and the price charged for that water.

Using less water also means less income.

If customers use less water, the Borough collects less from the water-use charge. Some operating costs may also fall, but not necessarily by the same amount. The comparison earlier in this document shows why even a 5% or 10% change in use matters.

When the rates would start and what comes next.

The current proposal is for rates to take effect January of 2027, though Council must set the start date. The income calculations assume 12 months of the proposed rates, while the new waterline loan payments begin in April. A later rate start would require a new income estimate. Future budgets must also account for changes in loan payments and operating expenses.

The loan charge would support both existing and new water-system debt. No end date for that charge is promised here. The proposal gives lower-use customers smaller increases than simply raising the minimum, but it does not create a household assistance program or show that every household can afford the new bill.

Where the numbers come from.

The financial figures are based on the Borough's draft 2027 Budget Workbook and 2026 Fee Schedule. Customer information comes from full-year 2025 water-billing records and the August 2026 count of active services. The detailed costs, customer totals, and calculations needed to understand the recommendation are included in this document.

The estimates use the 2025 proportions of different meter sizes with 1,482 active services. Amounts labeled as estimates are not guaranteed income. Percentages and some totals are rounded.

Public resource: U.S. Environmental Protection Agency, Understanding Your Water Bill. Explains monthly charges, water-use charges, and common ways utilities bill customers.
https://www.epa.gov/watersense/understanding-your-water-bill

Public resource: U.S. Environmental Protection Agency, Setting Small Drinking Water System Rates for a Sustainable Future, April 2022. Explains how utilities connect rates to the cost of providing water. Available through the STEP Guide Series.
https://www.epa.gov/dwcapacity/simple-tools-effective-performance-step-guide-series