



AGENDA ITEM SUMMARY

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Agenda Date	May 12, 2026
Requested Action	DISCUSSION REGARDING PROPOSED GAS RATE UPDATE.
Contact Person	Sarah Buckelew, Finance Director
Background Information	<p>During the City Council meeting, a presentation will be made to review the results of the rate study conducted for the gas utility</p> <p>The objectives of the study were:</p> <ul style="list-style-type: none"> • To ensure rate revenues are adequate to meet rising operating costs, including wholesale gas purchases. • Fund capital improvements proposed over the next several years (FY 2026-2031). • Ensure utility financial policies are met, including adequate debt service coverage ratios and fund balances. • Propose a tiered rate structure to accommodate for larger gas meters. <p>Study outcomes to be discussed include:</p> <ul style="list-style-type: none"> • General operational expenses are projected to grow over time, as are capital costs, driven by the regulatory requirements and the need to provide safe and reliable services. • Proactive planning and phased rate adjustments over time will help keep annual increases more predictable and manageable. • Implementation of tiered rate structure to allocate costs based on usage and system demand.
Strategic Alignment	<p>C1 – Quality Customer Experiences F1 - Committing to Strategic, responsible, and conservative financial management F2 – Investing in and maintaining high-quality infrastructure systems and public assets B1 – Utilizing data to drive smart decision making</p>
Financial Considerations	No action is being proposed at this time. A presentation including different scenarios and financial considerations will be made.

Citizen Input/Board Review	N/A
Legal Review	N/A
Alternative Options	N/A
Supporting Documents	N/A