AGENDA BILL Item 6.B

2027-2031 Utility Rate Structure—Second Review

DATE SUBMITTED:	June 24, 2026	MEETING DATE:	July 8, 2026	
TO: BOARD OF COMMISSIONERS		FROM: Jenny Signs, Finance Manager		
GENERAL MANAGER APPROVAL				
ATTACHED DOCUMENTS		1. 2027-2031 Utility Rate and Financial Plan Review		
TYPE OF ACTION REQUESTED		RESOLUTION ☐	FORMAL ACTION/ MOTION ☐	INFORMATIONAL/ OTHER ☒

BACKGROUND / EXPLANATION OF IMPACT

During the regularly scheduled Board meeting on June 24, 2026, the Board provided policy direction regarding the utility rate study, including a proposed 4.75% annual increase to the water utility rates and no increase to the sewer utility rates during the five-year planning period. To provide transparency regarding the assumptions supporting the proposed rates and to ensure the financial plan aligns with the Board's previously established policies and objectives, the attached provides a comprehensive review of projected revenues, operating expenses, capital investment needs, debt service obligations, reserve funding, and cash flow projections incorporated into the proposed five-year financial plan.

FISCAL IMPACT

The proposed financial plan supports anticipated long-term utility operations, capital investment, debt obligations, and reserve funding objectives while maintaining compliance with District financial policies. Combined water and sewer service revenues are projected to total approximately $8.9 million in 2027.

APPLICABLE EFFECTIVE UTILITY MANAGEMENT ATTRIBUTE(S)

Financial Viability
Customer Satisfaction

RECOMMENDED BOARD ACTION

None.

PROPOSED MOTION

Not applicable.