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About the Special Election

What happens if this measure passes?

If more than 50% of voters approve the referendum, the City Council will have authorization to sell the gas utility. On February 3, 2025, Waukee City Council approved a resolution to move forward with the MidAmerican Energy offer if the measures passes. The proposed sale will go to the Iowa Utilities Commission for review and approval.

MidAmerican Energy will take over all operations, including maintaining equipment, billing, customer service and responding to emergencies like suspected gas leaks. MidAmerican Energy will set rates for customers, and you will contact them directly for any issues, much like how electric service operates now.

What happens if it does not pass?

If less than 50% of voters approve the referendum, the City will continue to own and manage the gas utility. The soonest that Waukee could vote on this question again would be March 2029.

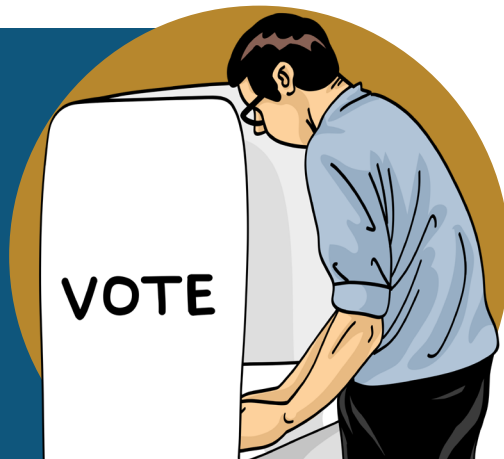
What would keeping ownership of the gas utility with the City mean?

City staff would continue building and maintaining gas lines, meters and other infrastructure. Customer service and billing would remain with City Hall and Public Works. City staff are on call to respond to suspected gas leaks at any time. Dollars paid to the utility stay in Waukee, paying for the gas used as well as gas infrastructure rather than going to a larger organization. City staff working on the gas utility would continue to support other departments and city needs.

However, the scale of a City-owned utility is smaller, so it does not have as strong of a buying position as a larger utility. While the City would continue rebate programs for energy efficient gas appliances, the types and amounts of rebates may differ than a larger utility.

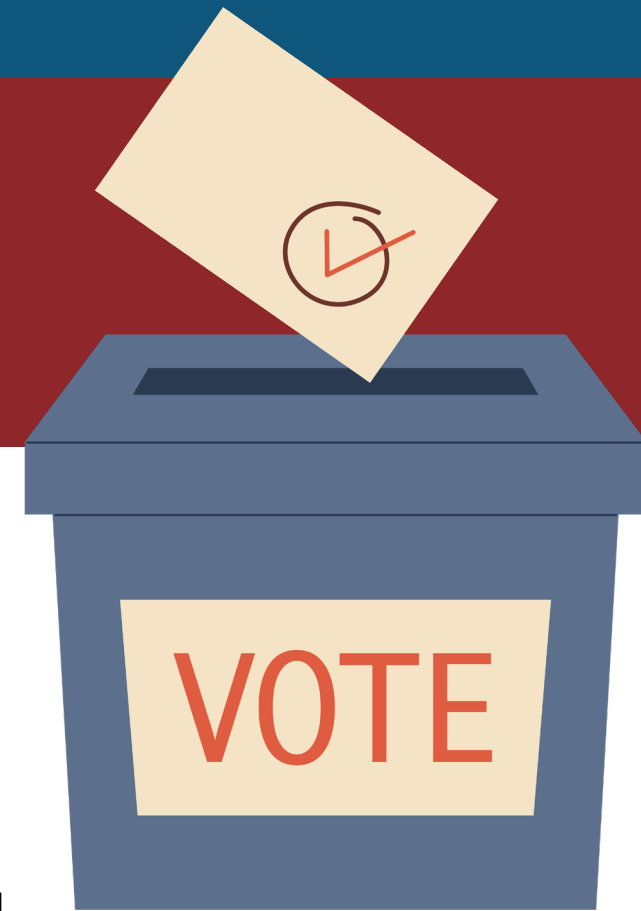
Get Ready to Vote

From 7 a.m.-8 p.m. on March 4, registered voters can go to any of the 3 polling locations: Waukee Lutheran Church of Hope, Westview Church or Waukee United Methodist Church. To register to vote, update your registration to a new address or get absentee voting information, go to DallasCountyIowa.gov/Elections.



Are you ready to vote, Waukee?

Special Election: March 4, 2025



What is the Special Election for?

The City of Waukee owns its natural gas utility, which supplies gas to homes and businesses in Waukee. City Council heard concerns about the cost of natural gas services in our community and evaluated the risks of continuing to own the gas utility, especially as Waukee grows. After extensive review of the utility's long-term viability and costs, **City Council decided to bring the possibility of selling the gas utility to voters.**

On March 4, 2025, Waukee will hold a special election from 7 a.m.-8 p.m. The ballot will ask voters, "Shall the City Council be authorized to discontinue and dispose of the municipally-owned gas utility, known as Municipal Gas Utility, by sale?" This is asking voters if City Council can put the City-owned natural gas utility up for sale to another utility provider.

Summary of Financial Information for the Potential Sale



The sale of a public utility follows guidelines set by the State of Iowa in the Iowa code. We have summarized the information here. As you prepare to vote, we encourage you to review all the supporting documents and details at Waukeee.org/SpecialElection.

What has the City done to try to lower rates?

In 2022, the City changed the gas rate structure and some policies to make the Waukeee Municipal Gas Utility more competitive with rates in nearby cities. It helped a little, but prices remained higher than neighboring communities. City Council also considered other options to selling but did not find any alternatives that were feasible and could lower rates for customers.

Financial information:

In this section, you will find a summary of the financial details for the Waukeee Municipal Gas Utility and estimated market value for a sale.

Assets owned by the utility

As of June 2024, the gas utility has \$15.9 million in fixed assets, including gas mains and service lines, regulator stations and boarder stations. It also owns vehicles and equipment to build and maintain service lines.

Financial position

The utility has a modest profit because it is managed to bring in only enough revenue to cover costs, save for improvements and expand services as the city grows. The Waukeee Municipal Gas Utility has a stable financial position. It does not have any debt.

As of June 2024, the net position of the gas utility was \$24,491,690. Net position is the difference between assets (fixed, cash and receivables) and liabilities.

These tables show 5 years of past and 5 years of projected future revenue and expenses:

	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Operating Expenses			9.99%	2.58%	13.49%	4.74%	4.37%	4.40%	4.43%	4.45%	4.47%
Personnel Services 28	\$953,647	\$1,051,217	\$1,068,689	\$1,146,642	\$1,323,966	\$1,441,420	\$1,513,491	\$1,589,166	\$1,668,624	\$1,752,055	\$1,839,658
Costs of Goods Sold 29	3,154,533	6,296,609	5,281,359	6,962,669	5,401,283	5,932,716	6,074,359	6,216,002	6,357,645	6,499,288	6,640,931
Black Hills Energy/USDI 30	34,692	34,692	0	0	0	0	0	0	0	0	0
Contractual 31	913,843	994,323	1,084,212	1,045,943	1,080,055	1,251,828	1,314,419	1,380,140	1,449,147	1,521,604	1,597,685
Meters 32	294,546	249,440	371,360	396,870	534,851	385,000	385,000	385,000	385,000	385,000	385,000
Depreciation 33	426,799	452,432	546,039	557,494	623,675	654,859	687,602	721,982	758,081	795,985	835,784
Total Operating Expense 34	\$5,778,060	\$9,078,713	\$8,351,659	\$10,109,618	\$8,963,830	\$9,665,823	\$9,974,871	\$10,292,290	\$10,618,497	\$10,953,933	\$11,299,058

Past and projected future rates for customers

Customer rates reflect both fixed and variable costs of providing natural gas. Fixed costs include infrastructure and operations, while natural gas prices change throughout the year based on the market. In fiscal year 2025-2026, the base service charge and commodity charge are projected to increase, but no additional increases are planned after that. The sales volume adjustment rate is set each month based on the amount of gas the utility buys and the average gas market price.

	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Small Volume Rate Schedule											
Service Charge 1	\$9.50	\$9.50	\$9.50	\$9.50	\$11.25	\$13.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00
Commodity Charge 2	\$0.1900	\$0.1900	\$0.1900	\$0.1900	\$0.2110	\$0.2225	\$0.1745	\$0.1745	\$0.1745	\$0.1745	\$0.1745
Sales Volume Adjustment 3	Var.	Var.	Var.	Var.	Var.	Var.	Var.	Var.	Var.	Var.	Var.
Large Volume Rate Schedule											
Service Charge 4	\$19.00	\$19.00	\$19.00	\$19.00	\$23.25	\$27.50	\$31.75	\$31.75	\$31.75	\$31.75	\$31.75
Commodity Charge 5	\$0.1450	\$0.1450	\$0.1450	\$0.1450	\$0.2230	\$0.2910	\$0.2884	\$0.2884	\$0.2884	\$0.2884	\$0.2884
Sales Volume Adjustment 6	Var.	Var.	Var.	Var.	Var.	Var.	Var.	Var.	Var.	Var.	Var.

Estimated value of the utility

The City of Waukeee got appraisals of the Waukeee Municipal Gas Utility from two independent companies. The estimated value of the utility is \$19,377,500, which is the average of the two appraisals' estimated values. The sale price may be different than this estimate.

Offers to buy the utility

The City of Waukeee received three offers:

- Interstate Power and Light Company/Alliant Energy: \$16 million subject to an adjustment based on the working capital of the Waukeee utility
- Black Hills/Iowa Gas Utility Company, LLC: \$17.5 million
- MidAmerican Energy: \$18.75 million subject to adjustment for actual net book value plus a 10% premium. *If voters in the Special Election approve the measure, Waukeee City Council will move forward with this offer.*

Here is a comparison of monthly gas bills for customers based on projections for the City-owned utility and MidAmerican Energy. These charts are based on average natural gas use for a resident in July to represent summer demand and February to represent winter demand. Note that future gas rates may vary based on market prices, which are largely influenced by weather and market production volumes.

Waukeee Municipal Gas vs. MidAmerican Monthly Rate Comparison

