



Utility Rate Study Proposal for  
**City of Norwood Young America**

310 Elm Street West, PO Box 59  
Norwood Young America, Minnesota 55368

**Proposed By:**

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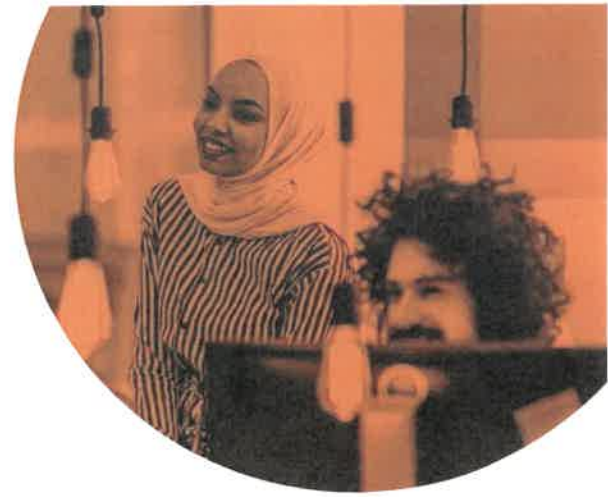
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# Executive Summary

Andrea Aukrust, City Administrator  
City of Norwood Young America  
310 Elm Street West, PO Box 59  
Norwood Young America, Minnesota 55368



Dear Andrea,

Thank you for the opportunity to submit this proposal to the City of Norwood Young America (the City) for partnering with the City on a Utility Rate Study. Based on our experience with the type of work outlined in the proposal, we are confident our experience and expertise will allow us to exceed your expectations. Our proposal will demonstrate to you that Abdo Financial Solutions, LLC. (Abdo FS) will be the service provider of choice for your City.

Our success has been driven by utilizing staff that is experienced and well trained in governmental planning and operations. We understand attention to detail, project approach, management plan and quality work product are important factors in your selection process. We are confident in our ability to demonstrate we are the firm to select.

Our approach to this project is to engage with City staff to ensure we have an exceptional understanding of the project, each individual's role in the project, overall expectations and desires as well as exceptions to standard operations. Throughout the project there will be periodic meetings with City staff to share information, solicit input and provide updates.

**ABILITY TO SUCCESSFULLY COMPLETE ALL REQUIREMENTS** - A component of our mission statement is a philosophy that we will assist clients in reaching their maximum potential by open communications and teamwork. This means we will do the following for you:

- Present to you a clear project plan
- Use portal technology to share and collaborate documents
- Provide an environment that solicits and welcomes ideas and strategies from the City team
- Present recommendations in clear, concise and non-technical terms to all members of the City team
- Collaborate with City team and software vendor to ensure alignment
- Return phone calls and emails promptly

**EXPERIENCE WITH SIMILAR PROJECTS** - We believe our experience with similar projects and our expertise in governmental accounting, operational effectiveness, analysis, process and planning is greater than any other CPA or financial advisory Firm in Minnesota.

**UNDERSTANDING OF THE PROJECT AND ABILITY OF THE FIRM TO COMPLETE THE EXPECTED SCOPE OR WORK ON SCHEDULE AND WITHIN BUDGET** – Abdo FS is committed to providing a team environment that gives us the ability to complete projects on time and on budget. We leverage our staff to ensure the work is being completed by the appropriate individuals and reviewed/signed off on by the President of Abdo Financial Solutions. We understand the parameters and expectations of this project and will complete the expected scope of work on schedule and within budget.

**ACCOMPLISHING PROJECT OBJECTIVES** - Our approach to a project is heavily dependent on communication and technology. We believe that listening to our clients' needs, concerns and challenges is of utmost importance for a successful project. Our experience in internal operations, processes, procedures, analysis of outputs and knowledge of financial software packages allows us to partner with the City to implement a robust financial software system. We use portal technology to share and collaborate on documents. This allows us to expedite our work product, provide answers to staff questions quickly and communicate instantaneously with City staff.

### **Abdo Financial Solutions**



**Brad Falteysek, CPA**  
*Partner, Abdo*

# Your Abdo Team

In assembling our team to serve the City of Norwood Young America, we have assigned experienced individuals who know and understand your unique financial accounting needs. Our proposed delivery team has substantial experience working with cities similar to your City. Our team members and their respective experience are briefly profiled below. Full biographies for the team are located on the following pages.



**Brad Falteysek, CPA**

Partner

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brad.falteysek@abdosolutions.com  
Direct Line 952.715.3004



**Tyler See, CPA**

Manager

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tyler.see@abdosolutions.com  
Direct Line 952.939.3230

## TEAM MEMBER BIO:



# Brad Falteysek

## CPA

Government Partner  
MSRB Municipal Advisor Representative (Series 50)  
brad.falteysek@abdosolutions.com  
Direct Line 952.715.3004

Brad joined the Firm in 1998. He graduated Cum Laude from Winona State University, and worked for two years with the Minnesota Office of the Legislative Auditor's Office. He is registered and licensed to practice as a CPA in Minnesota. His work includes audit and accounting for many of the Firm's governmental clients, including audits regulated under Uniform Guidance.

### EDUCATION

- Bachelor of Science in Accounting, Winona State University  
*Minor in Economics*  
*Graduated Cum Laude*
- Continuing professional education as required by the AICPA and U.S. Government Accountability Office

### PROFESSIONAL MEMBERSHIPS

- Minnesota Government Finance Officers Association
- Minnesota Society of Certified Public Accountants
- American Institute of Certified Public Accountants
- Minnesota Association of School Business Officials

### QUALIFICATIONS

- 23 years of experience auditing local governments and schools in Minnesota
- Over 90 percent of billable time relates to governmental clients
- Experienced in municipal government utility rate studies and long-term financial plans
- Presented at the Minnesota Association of School Business Officials Annual Conference, the Minnesota Government Finance Officers Association Annual Conference, and the Minnesota Clerks and Finance Officers Association Annual Conference
- MSRB Municipal Advisor Representative (Series 50)



#### **Mankato Office**

100 Warren Street, Ste 600  
Mankato, MN 56001  
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#### **Edina Office**

5201 Eden Avenue, Ste 250  
Edina, MN 55436  
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#### TEAM MEMBER BIO:



# Tyler See

## CPA

Manager  
tyler.see@abdosolutions.com  
Direct Line 952.939.3230

Tyler joined the firm in 2017 after completing his Accounting degree from Minnesota State University, Mankato. He was a government audit intern in the 2017 audit season. Tyler works with a variety of local governments and schools in Minnesota providing annual audits. In addition to his expertise in annual auditing, Tyler is experienced in municipal long-term financial plans and utility rate studies.

### EDUCATION

- Bachelor of Science in Accounting, Minnesota State University - Mankato  
*Graduated Cum Laude*
- Master of Accounting, Minnesota State University – Mankato
- Continuing professional education as required by the AICPA and U.S. Government Accountability Office

### PROFESSIONAL MEMBERSHIPS

- American Institute of Certified Public Accountants
- Minnesota Society of Certified Public Accountants

### QUALIFICATIONS

- 5 years of experience in auditing local governments and schools in Minnesota
- Over 90 percent of billable time relates to governmental clients
- Works extensively with Microsoft Office and several accounting software
- Experienced in municipal government long-term financial plans and utility rate studies

#### **Mankato Office**

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# Government Experience

You can have confidence in our years of experience performing consulting services, the quality of the accounting services we offer and our understanding of the unique challenges our clients face in the government space. Since 1963, we've served cities just like yours. With an unwavering commitment to streamlining processes, training staff, and finding technology-based solutions, we proudly offer excellence in governmental consulting and auditing.

Out of our 180-strong, talented staff, over 40 team members are 100% focused on government clients, which include over 100 cities and other governmental entities. By serving our governmental clients, we have become experts in the nuances of how to best support your City.

Our expertise affords you a consulting experience that is painless. We do this by communicating up front, coming fully prepared, and being available throughout the year to support you.

## PROCESS

Our methods are centered around incorporating technology to deliver unparalleled solutions for government organizations. In addition to our consulting experience, our firm expertly performs outsourcing for governments giving us a wealth of experience in a consulting role. We don't believe in a one-size-fits-all mentality. So together, we'll focus on the needs that are relevant to your City and provide the right services to meet them with a customized methodology based on your needs. We're focused on developing creative, customized solutions to help your City mitigate costs and boost efficiency.

## FOCUS

Through continuous training and growth opportunities, we've established an environment with a focus on serving local governments. We spend more than 100 hours training and onboarding to ensure success for our clients.

When it comes to our working relationships, we are partners. We're confidants. We're the catalyst that sparks true business growth, providing guidance through every challenge and opportunity along the way.

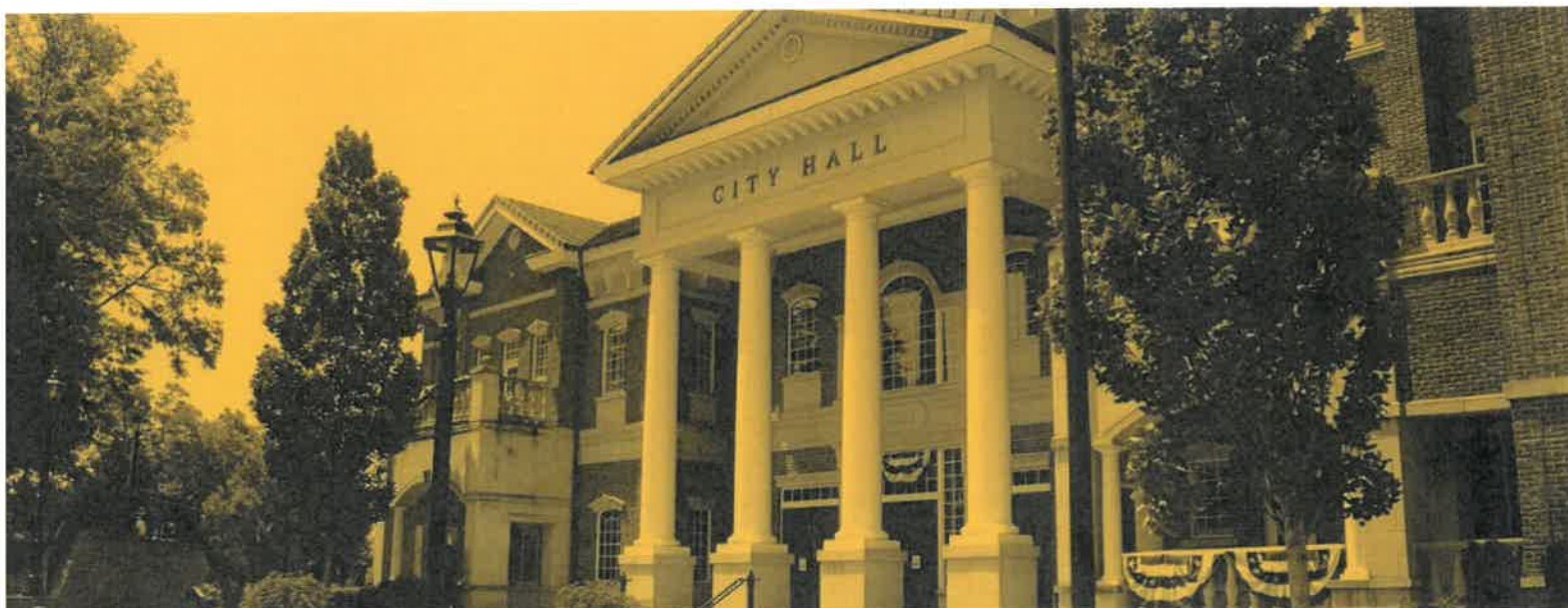


### QUALIFICATIONS

- GFOA and MnGFOA Association members
- Government operations training
- MSRB Municipal Advisor Qualified Representatives (Series 50 and Series 54)
- Consulting services for over 100 cities
- We've assisted many municipalities in preparing for the GFOA's Certificate of Achievement for Excellence awards in financial reporting

### OUR FINANCIAL MANAGEMENT AND CONSULTING SERVICES INCLUDE:

- Budget process development
- Capital improvement planning
- Cash flow analysis
- Cost containment processes
- Debt management plans
- ERP system consulting
- Federal and State relations/Grant consulting
- Finance Director services
- Financial management plans
- Financial reporting and analysis
- Fleet: Operations and replacement rate analysis
- Interim accounting and financial services
- Internal control evaluation
- Long-term strategic planning
- Payroll processing
- Policy development
- Process flows and efficiencies
- Project management
- Quarterly and monthly reporting to management
- Reconciliations
- Software implementation
- Utility/fee analysis
- Year-end audit preparation and financial statement preparation



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# Approach

## PROJECT APPROACH

The following information outlines the approach we will take for the project.

## INITIAL ASSESSMENT

The first step to this project is to review and analyze data provided by the City. After this review, Abdo FS will meet with the City team to discuss overall anticipated project expectations, outcomes and timelines.

## UTILITY RATE REVIEW

The objective of our engagement is to prepare a projection in accordance with guidelines for the presentation of a projection established by the American Institute of Certified Public Accountants (AICPA) based on information provided by you. We will conduct our engagement in accordance with Statements on Standards for Accounting and Review Services (SSARS) promulgated by the Accounting and Review Services Committee of the AICPA and comply with the AICPA's Code of Professional Conduct, including the ethical principles of integrity, objectivity, professional competence, and due care.

We are not required to, and will not, verify the accuracy or completeness of the information you will provide to us for the engagement or otherwise gather evidence for the purpose of expressing an opinion or a conclusion. Accordingly, we will not express an opinion or a conclusion or provide any assurance on the projection.

Our engagement cannot be relied upon to identify or disclose any misstatements in the projection, including those caused by fraud or error, or to identify or disclose any wrongdoing within the entity or noncompliance with laws and regulations.



### UTILITY RATE STUDY PROCESS

- Gather input from City Management
- Evaluate Water and Sewer operational and infrastructure expenditures – both current and projected
- Determine the impact of future bond issues on users of system
- Develop projection of future operational and infrastructure costs
- Provide projection based on existing rate structure based on existing debt and future projects
- Review and discuss outcomes with City Management and City Council

### CITY EXPECTATIONS

As part of the utility rate review, the City agrees to:

- Devote uninterrupted time to working with us as needed
- Make candid representations about your plans and expectations
- Make all management decisions and perform all management functions
- Provide information on future capital improvements
- Provide an individual responsible to review and accept our work

### UNANTICIPATED SERVICES

While the fixed price entitles the City to unlimited consultation with us, if your question or issue requires additional research and analysis beyond the consultation, the work will be subject to an additional price, payment terms, and scope to be agreed upon before the service is performed and a change order will be issued to document this understanding.

Furthermore, the parties agree that if an unanticipated need arises (training to different groups, researching a new issue, etc.) we hereby agree to perform this additional work at a mutually agreed upon price. This service will be priced separately to the City, using a change order.

## PRICE GUARANTEE

If you ever receive an invoice without first authorizing the service, payment terms, and price, you are not obligated to pay for that service.

## CITY FINANCIAL INVESTMENT

Utility Rate Study	\$ 12,500
Total	\$ 12,500
Payment Schedule	
Contract execution	\$ 6,000
Project Completion	6,500

This quote is valid for ninety (90) days.

Abdo FS will begin preparing the long-term plan for the City within six weeks of execution of the agreement. Completion of the long-term plan is expected to be within sixty (60) days from inception of the project however; this is dependent on the time frame in which the City provides information to Abdo FS for the long-term plan development.

The stated fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

You agree to hold us harmless and to release, indemnify, and defend us from any liability or costs, including attorney's fees, resulting from management's knowing misrepresentations to us.

## QUALITY ASSURANCE

Quality is critical the success and integrity of this project. Our internal processes ensure that all work is reviewed and approved prior to moving to the next phase of a project. Our processes require that work is reviewed by a staff member at a higher level than the person that completed it and ultimately the work is signed off on by the Abdo FS President.

## CONCLUSION

Throughout this process we will be in constant communication with the City team to ensure their needs are being met. By utilizing our operational experience as well as our knowledge of governmental accounting, our 50 plus years of experience providing services to Minnesota municipalities and our knowledge of regulations in the State of Minnesota we will provide the City information and recommendations for financial processes. We are excited about this opportunity and the benefits the City will recognize as this Long-term plan is finalized.

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# License & Independence

## LICENSED TO PRACTICE IN MINNESOTA

The Firm and its entire CPA staff hold licenses to practice in the state of Minnesota. All licenses are in good standing. The Firm and several partners and staff are licensed in other states and also are in good standing. The Firm's CPAs are all members in good standing with the Minnesota Society of CPAs and the AICPA. Our professional staff and membership in professional associations indicates that the services we provide to your City will be of the highest quality.

## INDEPENDENCE

Our standards require that we be without bias with respect to your operations. The Firm is independent of the City of Norwood Young America as defined by auditing standards generally accepted in the United States of America.

The Firm is a member of the American Institute of Certified Public Accountants Division of Firms and has received an unmodified opinion on its Peer Review. Our Peer Review was completed in 2020 and resulted in a pass rating. A copy of this letter can be provided upon request.

The Firm has not had any federal or state desk reviews or field reviews of its audits in the last three years. We have had no disciplinary action taken or pending against the Firm during the past three years with state regulatory bodies or professional organizations.

We maintain library facilities which include current professional literature and specific information for the industries that we serve. The Firm library is also reviewed as part of the external quality review program. The Firm has in-house training programs specific to our government clients. We also perform auditing and accounting updates for our clients that are organized by our staff. These practices ensure the quality of our staff over the term of engagement.



# Why Partner with Abdo

## LIGHTING THE PATH FORWARD

In a world of ever-changing complexity, people need caring, empathetic and highly skilled professionals they can depend on to provide the right advice and solutions for them. Our clients seek growth and success, but also want security and confidence. For nearly 60 years, Abdo has provided insights for our clients to help them achieve their goals.


That same innovative spirit is also what has earned us the title of being one of the top accounting firms in the Midwest. Abdo is a better firm today because of the efforts we made to support a culture driven by our core values of growth, relationships, and teamwork.

With this foundation in place, we have successfully helped our clients identify and break through their own growth barriers. Every challenge they face is an opportunity for us to listen, understand and empower them with solutions and a plan to achieve their goals. It's fulfilling to serve as the catalyst that helps them overcome obstacles that block their progress.

When it comes to our working relationships, we are partners. We're confidants. We're the catalyst that sparks true business growth, providing guidance through every challenge and opportunity along the way.

## ABOUT ABDO

Abdo is a full-service accounting and consulting firm that delivers customized strategies and innovative solutions to help businesses, governments and nonprofits succeed. With more than 180 professionals and nearly six decades of experience, Abdo is ranked as one of the top accounting firms in the Midwest. It is a licensed CPA firm with offices located in Minneapolis and Mankato, Minnesota. Abdo's commitment to its clients is to gain in-depth knowledge of their unique challenges, opportunities, and needs. Through this consultative approach, Abdo partners with organization leaders to light the path forward to confidently reach their goals.



"Listening to our clients' needs, understanding their challenges, and adjusting how we work together is key to our partnership with the people we serve."

– Steve McDonald, CPA | Managing Partner





At Abdo, we recognize the need for continuous improvement in diversity, equity and inclusion initiatives throughout our firm and the accounting industry at large. We believe that when we understand each other better, we grow better together. Through our annual Affirmative Action reporting, we identify areas where improvement is needed and take steps to address these areas.

Over the past year, we have increased our efforts to promote diversity, equity, and inclusion within our firm and community through implicit/unconscious bias, anti-harassment, and interview training. In 2021, our Diversity, Equity, and Inclusion Committee looks forward to implementing a full scope of ideas, projects, and initiatives to move our firm forward through learning, understanding, and improving on these issues.

We have increased our number of women at the highest leadership level in recent years, with the last four additions to our partner group being female. We strive for continued growth in our ability to attract and retain women and people of color within our firm and we are working towards greater equity and diversity for all within our industry.

In order to build a more inclusive work environment, the firm has implemented diversity and inclusion education and have required all employees to attend a series of monthly sessions provided by the Greater Mankato Diversity Council. A video training resource on the topic of empathy is also being developed for further employee education and awareness. Additional DEI initiatives are listed on the following page. Please let us know if you have any questions or concerns regarding our DEI activity or have additional ideas on how we can improve diversity, equity, and inclusion at Abdo.



**57%**  
of our Employees  
are Female  
(industry average: 47%)



**43%**  
of our Management Level  
Employees are Female  
(industry average: 23%)



**26%**  
of our 2021 Interns  
were people of color

[ Source: AICPA 2019 Trends Report ]



In 2020, the firm applied to be a co-sponsor for the **AICPA PCPS George Willie Ethnically Diverse Student Scholarship & Internship**, which allows 10 ethnically diverse accounting students the opportunity to be awarded internships with a firm that has been selected by the AICPA as co-sponsors of the program. Earlier this year, we found out that we were one of 10 firms in the nation to be selected as a co-sponsor for 2022. As a co-sponsor, we will host an ethnic minority accounting student to work alongside our CPAs and advisors during the 2022 internship season.



We are committed to the continued support and advancement of women in our firm and in our communities and one of the ways we do this is through partnership with YWCA Mankato, an organization that is continually empowering women in our communities to enhance their individual strengths and build leadership skills. In 2020, we were proud to be a sponsor of the **Elizabeth Kearney Women's Leadership Program** and we continue to be an annual attendee of the Women's Leadership Conference – which was held virtually last year with great success!



For years, Minnesota State University, Mankato has been the primary university we recruit from for our summer program participants and interns. Recently, we met with the leaders of the newly formed **National Association of Black Accountants chapter at Minnesota State University, Mankato** and elected to be a sponsor for the 2021-2022 academic year. We believe this partnership is a starting point towards increasing the diversity of our future summer program participants and interns.



In 2021, we celebrated International Women's Day with the Edina Chamber of Commerce as the sponsor of the Healing & Moving Forward Together webinar - part of their **Women Inspiring Leadership & Learning (W.I.L.L.)** series. Attendees heard from Jasmine Stringer - speaker, lifestyle expert, and author - as she guided us through how to communicate, be a better ally, and become connected, informed and engaged in support of our colleagues of color within the workplace and the community.



# Value Added Services

When you partner with Abdo, you get access to our entire catalog of services. Below is a selection of the services that we believe could be of great value to your organization. If you have need of these services, please reach out to us so we can help! Our additional service offerings can be found at [www.abdosolutions.com](http://www.abdosolutions.com).

## TECHNOLOGY & DATA SOLUTIONS

**Empowering you with advanced data analytics & insights.** Data is one of your organization's most powerful assets. Using it to your advantage, however, can be a challenge. Our Technology and Data Solutions are designed to give you the information you need—how, when, and where you need it. Our consultants leverage a powerful mix of technology and tools to support you with the data analytics and insights you need. From creating user-friendly dashboards and reports to managing software implementations, we deliver solutions that work for you.

We help organizations with:

- Strategic data analytics
- Software solutions: evaluation, selection & implementation
- Financial reporting solutions
- Automation solutions

## STRATEGIC PLANNING

We provide strategic planning in numerous areas to maximize and protect your **organization's** value. Areas include cash flow modeling and analysis, growth and profitability strategies, key employee incentives, management consulting as well as succession and exit planning strategies.

Our accounting staff has the experience and diverse skills to help identify areas of interest and strategies to achieve desired goals. We strive to build a reliable and confidential relationship, and desire to become a trusted advisor that is accessible throughout the year with any planning needs that may arise.

## PROCESS SOLUTIONS

**"Because we've always done it this way" is an easy trap to fall into.** But this outdated processes or systems rarely get results. Instead, they often lead to redundancies, unreliable outcomes, and frustrated staff. An ineffective process can become your Achilles heel in a crisis. Our customized process improvement solutions will meet you where you are — and guide you to a better tomorrow.

Our Process Solutions Services Include:

- Process Mapping Documentation – *How do transactions and data flow through your organization?*
- Abdo ProEval – *Removing waste in your processes allows your team members to focus on what they were hired to do—and to spend more time on value-added initiatives.*
- Abdo ProEval - Kaizen – *Does the project seem too large, or the change too overwhelming? The Kaizen approach is a pared-down version of our ProEval service. Instead of a full operational review, we'll focus on one aspect of your operations.*
- Software Inventory & Assessment – *Including recommendations for increasing efficiency and, if possible, reducing software-related costs.*

# Appendix A

## AGREEMENT FOR THE PROVISION OF FINANCIAL SERVICES

# Agreement for the Provision of Professional Services

WHEREFORE, this Agreement was entered into on the date set forth below and the undersigned, by execution hereof, represent that they are authorized to enter into this Agreement on behalf of the respective parties and state that this Agreement has been read by them and that the undersigned understand and fully agree to each, all and every provision hereof, and hereby, acknowledge receipt of a copy hereof.

City of Norwood Young America  
310 Elm Street West, PO Box 59  
Norwood Young America, Minnesota 55368

Name \_\_\_\_\_

Title \_\_\_\_\_

Name \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

Abdo Financial Solutions, LLC  
5201 Eden Ave. Suite 250  
Edina, Minnesota 55436

Name 

Title Partner

Date May 19, 2022

# Appendix B

## SAMPLE UTILITY RATE STUDY





# Water and Sanitary Sewer Rate Study

City of Sample

City, State

Date



5201 Eden Avenue, Ste 250  
Edina, MN 55436  
P 952.835.9090  
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City of Sample, Minnesota  
Water and Sanitary Sewer Rate Study  
Table of Contents  
Date

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INTRODUCTORY SECTION

CITY OF SAMPLE  
CITY, MINNESOTA

Sample

City of Sample, Minnesota  
Water and Sanitary Sewer Rate Study  
Date

## I. Introduction

The City of Sample, Minnesota (the City) owns and operates the Water and Sanitary Sewer utilities and is responsible for maintaining the infrastructure to serve the residents. The City's infrastructure (water and sanitary sewer) is 40-60 years old and in need of maintenance and replacement. The City is adopting a more proactive approach with an intentional focus on planning and coordinating projects. As part of this proactive approach, the City is developing and implementing a long term plan for its utilities and the rate analysis provided here is a significant step in this challenging process.

The City has four customer classes, Commercial, Industrial, Institutional and Residential. The tables below summarize the number of customers by class. Water service is billed based on consumption and Sanitary Sewer service is currently a flat rate. Billing is done on a quarterly basis with one third of the city billed each month.

<b>Customer Class</b>	<b>Number of Accounts</b>
Residential	XXX
Commercial	XXX
Industrial	XXX
Institutional	XXX
<b>Grand Total</b>	<b>XXX</b>

This rate study analyzes the cash flows of the Water and Sanitary Sewer utilities of the City. Sources and uses of cash are projected for the years ending December 31, XXXX to December 31, XXXX. The study uses the current number and type of accounts to project future revenue at a suggested rate for each of the utility funds, each year.

Annual capital costs are projected separately for each of the funds for the projection period. The City has a Capital Improvement Plan (CIP) that goes from XXXX to XXXX.

The financial projection is based on billings at the current rate with an inflationary increase Scenario 1 and increased variedly over a number of periods in Scenario 2. Expense assumptions are outlined in the assumptions section on the following page and present, to the best of management's knowledge and belief, the City's expected results of cash flows for the projection period if such uses of cash occur. Accordingly, the projection reflects management's judgment, as of the date of this projection, of the expected conditions and the City's expected course of action if such usage and expense totals were attained. The presentation is designed to provide information to the City Council concerning recovery of expenses that might be achieved if rates were adjusted and should not be considered to be a presentation of expected future results. Accordingly, this projection may not be useful for other purposes. The assumptions disclosed herein are those that management believes are significant to the projection. Furthermore, there will usually be differences between projected and actual results, because events and circumstances frequently do not occur as expected and those differences may be material.

City of Sample, Minnesota  
Water and Sanitary Sewer Rate Study  
Date

## II. Assumptions

### Water Fund

- Both scenarios assume fees are inflated at least 3% annually. Scenario 2 assumes additional increases to the inflationary increase over several years to meet the targets.
- Operating expense inflation is assumed to be 3%.
- An increase in residential users is estimated at an average of xx users from XXXX - XXXX based on estimated population increase estimates for XXXX - XXXX provided by the City. Additional billing revenues is assumed at the average consumption rate of 9,000 gallons for water quarterly.
- Planned acquisition of capital assets is taken from the City CIP.
- The City currently charges a State Water Testing Fee of \$1.59 per quarter. This fee is not included in the calculations as it is pass-through revenue.
- The projections are based on a Meter Fee assumed to be \$5.85 for a 5/8 inch meter as indicated in the table below. It is recommended the City charge a Meter Fee based on meter size with increases based on an equivalent meter ratio. A sample table is presented below.

Meter Size	Equivalent Meter Ratio	Proposed Meter Fee
5/8-Inch	1.0	\$ 5.85
3/4-Inch	1.1	6.44
1-Inch	1.4	8.19
1 1/2-Inch	1.8	10.53
2-Inch	2.9	16.97
3-Inch	11.0	64.35
4-Inch	14.0	81.90
6-Inch	21.0	122.85
8-Inch	29.0	169.65

Estimated Number of Meters					
Meter Size	Residential	Commercial	Industrial	Institutional	Total
5/8-Inch	XXXX	XX	X	X	-
3/4-Inch	XXXX	XX	X	X	-
1-Inch	XXXX	XX	X	X	-
1 1/2-Inch	XXXX	XX	X	X	-
2-Inch	XXXX	XX	X	X	-
3-Inch	XXXX	XX	X	X	-
4-Inch	XXXX	XX	X	X	-
6-Inch	XXXX	XX	X	X	-
<b>Total</b>	-	-	-	-	-

- Target cash reserve will be set at 100% of the following year's debt service and average capital and 50% of the following years operating expenses. The Water utility currently does not have any debt. Based on the current state, the cash balance will not be sufficient to meet the target and operating cash will not generate enough surplus to cover the following year's operating expenses. Scenario 2 creates positive cash flow sufficient to hit the targeted cash balance by the end of the projection.

City of Sample, Minnesota  
Water and Sanitary Sewer Rate Study  
Date

## II. Assumptions (Continued)

### Sanitary Sewer Fund

- Both scenarios assume fees are inflated at least 3% annually. Scenario 2 assumes additional increases to the rates are applied over several periods.
- Operating expense inflation is assumed to be 3%.
- An increase in residential users is estimated at an average of xx users from XXXX - XXXX based on estimated population increase estimates for XXXX - XXXX provided by the City. Additional billing revenues is assumed at the average consumption rate for water of 9,000 gallons based on the winter water consumption average rate for the months of November, December, January, February and March of XXXX.
- Planned acquisition of capital assets is taken from the City CIP.
- Target cash reserve will be set at 100% of the following year's debt service and average capital and 50% of the following years operating expenses. The Sanitary Sewer utility does not have any debt. Based on the current state, the cash balance will not be sufficient to meet the target and operating cash will not generate enough surplus to cover the following year's operating expenses. Scenario 2 creates positive cash flow sufficient to hit the targeted cash balance by the end of the projection.**

A schedule of the planned capital projects are listed below. The assumption is that the City will be doing these projects at some point during the projection period.

Water	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
Gate valve and hydrant replacements	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6235 - Gate Valve and Hydrant replacement	-	75,000	-	75,000	-	75,000	-	-	-	-	-
6207 - Upgrade Sensus meter software	-	-	30,000	-	-	-	-	-	-	-	-
6220 - Water main replacement/relining	-	100,000	400,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
June Ave water main replacement (with Blue Line)	-	-	200,000	-	-	-	-	-	-	-	-
6205 - Water Utility Replace #432 - 2008 Ford F150	-	50,000	-	-	-	-	-	-	-	-	-
6237 - water utility Replace #434 - 1996 Air Compressor	-	-	-	-	-	30,000	-	-	-	-	-
Equipment Replacement	-	50,000	-	-	-	60,000	26,000	2,000	121,200	71,950	-
<b>Total Water Fund Capital</b>	<b>\$ 50,000</b>	<b>\$ 275,000</b>	<b>\$ 630,000</b>	<b>\$ 675,000</b>	<b>\$ 600,000</b>	<b>\$ 765,000</b>	<b>\$ 626,000</b>	<b>\$ 602,000</b>	<b>\$ 721,200</b>	<b>\$ 671,950</b>	<b>\$ 600,000</b>
<b>Average annual cost over a 5 year period</b>	<b>\$ 446,000</b>										

Sanitary Sewer	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
Back-up pump - South lift station #9	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Three phase power - South lift station #9	50,000	-	-	-	-	-	-	-	-	-	-
Reline sewer - 30" CIPP 2002-10	50,000	-	-	-	-	-	-	-	-	-	-
Add emerg generator - Welcome Av lift station #5	50,000	-	-	-	-	-	-	-	-	-	-
Replace manhole covers	225,000	-	-	-	-	-	-	-	-	-	-
6504 - Sanitary Sewer Replacement (lining, dig up)	-	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
Install Pad mount Generator at West Lift Station	-	-	50,000	-	-	-	-	-	-	-	-
20 Kw portable generator with light tower (replace existing 37kW)	-	-	-	-	20,000	-	-	-	-	-	-
Equipment Replacement	-	-	40,000	-	220,000	60,000	26,000	2,000	121,200	71,950	17,500
<b>Total Sewer Fund Capital</b>	<b>\$ 395,000</b>	<b>\$ 600,000</b>	<b>\$ 690,000</b>	<b>\$ 600,000</b>	<b>\$ 840,000</b>	<b>\$ 660,000</b>	<b>\$ 626,000</b>	<b>\$ 602,000</b>	<b>\$ 721,200</b>	<b>\$ 671,950</b>	<b>\$ 617,500</b>
<b>Average annual cost over a 5 year period</b>	<b>\$ 625,000</b>										



City of Sample, Minnesota  
Water and Sanitary Sewer Rate Study  
Date

## II. Assumptions (Continued)

A schedule of the projected increase in billing revenue from new residents for the Residential customer class is presented below.

	Increase in Billing Revenue									
	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
<b>Total Estimated Population</b>	xx,xxx	xx,xxx	xx,xxx	xx,xxx	xx,xxx	xx,xxx	xx,xxx	xx,xxx	xx,xxx	xx,xxx
<b>Estimated increase in residential users</b>	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx
Average (based on XXXX - XXXX)	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx
Total new population	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx
<b>Average residential quarterly bill (10,000 gallons)</b>										
Water	\$ 68.69	\$ 77.62	\$ 86.16	\$ 93.91	\$ 100.49	\$ 105.51	\$ 108.68	\$ 111.94	\$ 115.29	\$ 118.75
Sanitary Sewer	47.33	53.01	58.31	62.97	66.75	69.42	71.50	73.65	75.86	78.13
<b>Annual increase in billing revenue</b>										
Water	\$ x,xxx	\$ x,xxx	\$ x,xxx	\$ x,xxx	\$ x,xxx	\$ x,xxx	\$ x,xxx	\$ x,xxx	\$ x,xxx	\$ x,xxx
Sanitary Sewer	\$ x,xxx	\$ x,xxx	\$ x,xxx	\$ x,xxx	\$ x,xxx	\$ x,xxx	\$ x,xxx	\$ x,xxx	\$ x,xxx	\$ x,xxx

Sample

City of Sample, Minnesota  
Water and Sanitary Sewer Rate Study  
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### III. Water Rate Study

#### Water Utility Operating Fund

##### Goal

- The Water fund will maintain a targeted cash balance sufficient to cover operations, capital and debt service. Targeted cash balance for the fund refers to the following years' debt service obligations well as 50 percent of estimated operating costs.

##### Rates

A summary of the current rates and proposed rates are listed below. Allowing for annual inflationary increase in rates will not result in cash flows necessary to achieve the annual targets. Scenario 2 shows the proposed rates that will result in cash flows to meet the annual targets.

Scenario 2 - Proposed Rates											
			Proposed Rates								
<u>Sanitary Sewer - Residential</u>			Current	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
Quarterly bill based on 9,000 gallons			\$ 61.22	\$ 47.33	\$ 53.01	\$ 58.31	\$ 62.97	\$ 66.75	\$ 69.42	\$ 71.50	\$ 73.65
Quarterly \$ increase (decrease) for a 9,000 gallon user				(13.89)	5.68	5.30	4.66	3.78	2.67	2.08	2.15
Annual \$ increase (decrease) for an average 9,000 gallon user				(55.58)	22.72	21.20	18.66	15.11	10.68	8.33	8.58
Base Fee			\$ 61.22	\$ 10.06	\$ 11.26	\$ 12.39	\$ 13.38	\$ 14.19	\$ 14.75	\$ 15.20	\$ 15.65
Meter Fee			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>Consumption Fee - Per 1,000 gallons</u>											
0	30,000		\$ -	\$ 4.14	\$ 4.64	\$ 5.10	\$ 5.51	\$ 5.84	\$ 6.07	\$ 6.26	\$ 6.44
30,001	60,000		\$ -	\$ 5.07	\$ 5.68	\$ 6.25	\$ 6.75	\$ 7.15	\$ 7.44	\$ 7.66	\$ 7.89
60,001	999,999,999		\$ -	\$ 6.00	\$ 6.72	\$ 7.40	\$ 7.99	\$ 8.47	\$ 8.80	\$ 9.07	\$ 9.34

Scenario 2 - Proposed Rates											
			Proposed Rates								
<u>Sanitary Sewer - Commercial</u>			Current	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
Quarterly bill based on 2,000 gallons			\$ 66.56	\$ 24.05	\$ 26.94	\$ 29.63	\$ 32.00	\$ 33.93	\$ 35.28	\$ 36.34	\$ 37.43
Quarterly \$ increase for a 2,000 gallon user				(42.51)	2.89	2.69	2.37	1.92	1.36	1.06	1.09
Annual \$ increase for an average 2,000 gallon user				(170.03)	11.55	10.78	9.48	7.68	5.43	4.23	4.36
Base Fee			\$ 61.22	\$ 10.06	\$ 11.26	\$ 12.39	\$ 13.38	\$ 14.19	\$ 14.75	\$ 15.20	\$ 15.65
Meter Fee			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>Consumption Fee - Per 1,000 gallons</u>											
0	30,000		\$ 2.67	\$ 7.00	\$ 7.84	\$ 8.62	\$ 9.31	\$ 9.87	\$ 10.26	\$ 10.57	\$ 10.89
30,001	60,000		\$ 2.67	\$ 7.93	\$ 8.88	\$ 9.77	\$ 10.55	\$ 11.18	\$ 11.63	\$ 11.98	\$ 12.34
60,001	999,999,999		\$ 2.67	\$ 8.86	\$ 9.92	\$ 10.92	\$ 11.79	\$ 12.50	\$ 13.00	\$ 13.39	\$ 13.79

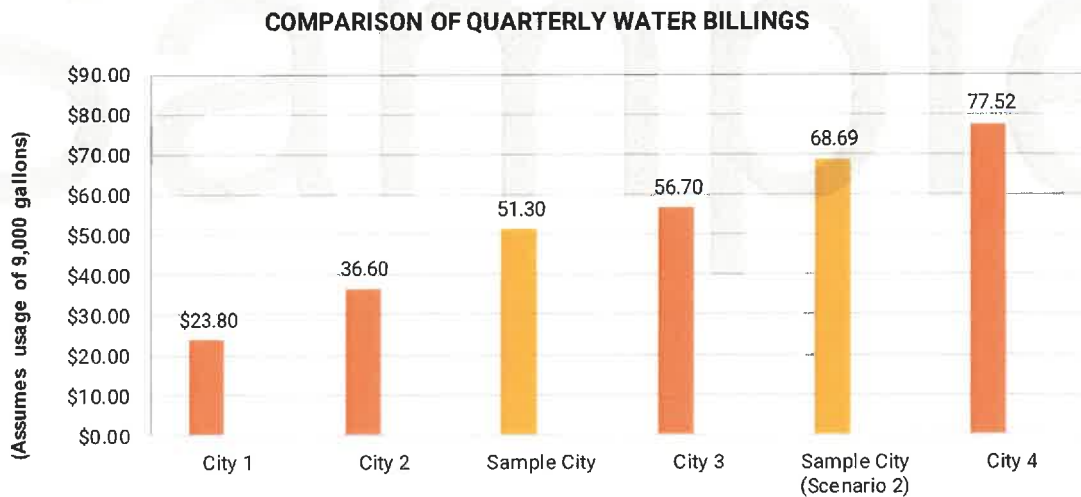
City of Sample, Minnesota  
Water and Sanitary Sewer Rate Study  
Date

### III. Water Rate Study (Continued)

#### Water Utility Operating Fund (Continued)

The table below summarizes comparable communities' quarterly Residential bill if average usage is 9,000 gallons. Currently, the City has Water rates in the middle of the comparable communities, increasing the Water rates as proposed in Scenario 2 will allow the City's Water rates to remain within comparable range.

WATER	
City	Quarterly Bill (\$)
City 1	\$ 23.80
City 2	36.60
Sample City	51.30
City 3	56.70
Sample City (Scenario 2)	68.69
City 4	77.52
Average quarterly bill (w/o Sample City)	\$ 48.66

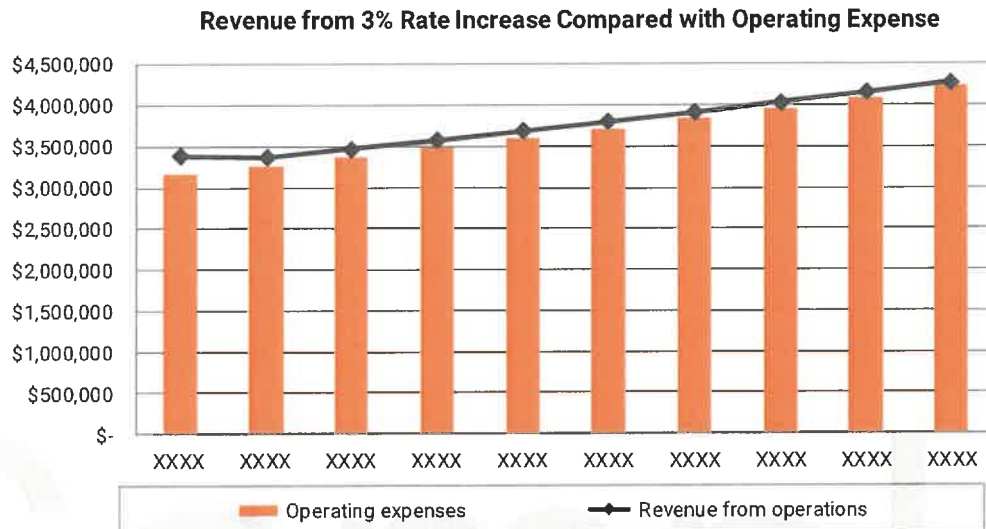


City of Sample, Minnesota  
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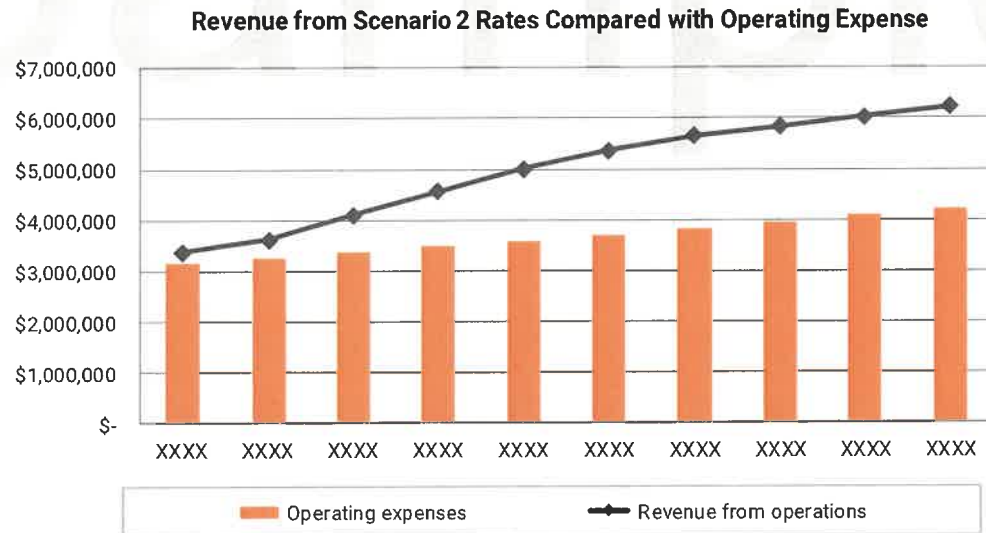
III. Water Rate Study (Continued)

Water Utility Operating Fund (Continued)

Scenario 1 - Current Rates Inflated at 3% Annually



Scenario 2 - Proposed Rates

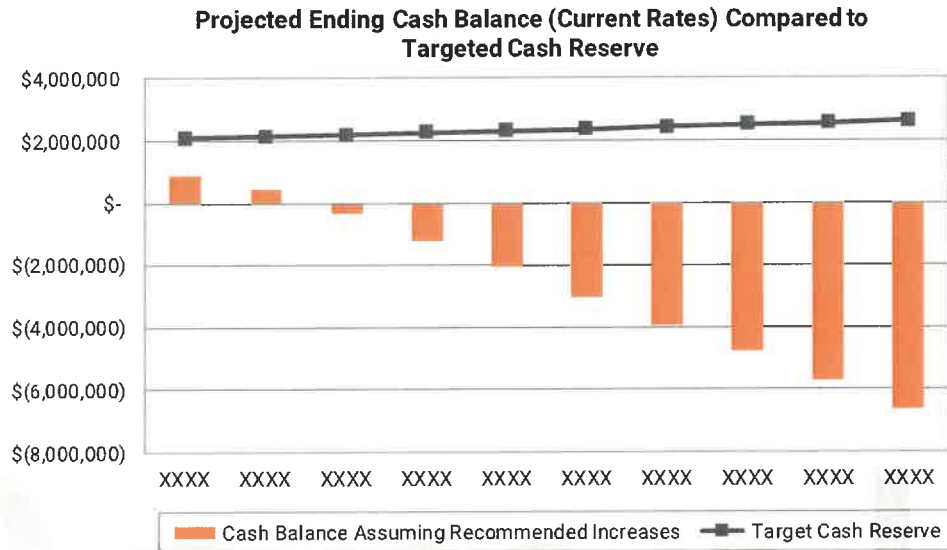


City of Sample, Minnesota  
Water and Sanitary Sewer Rate Study  
Date

### III. Water Rate Study (Continued)

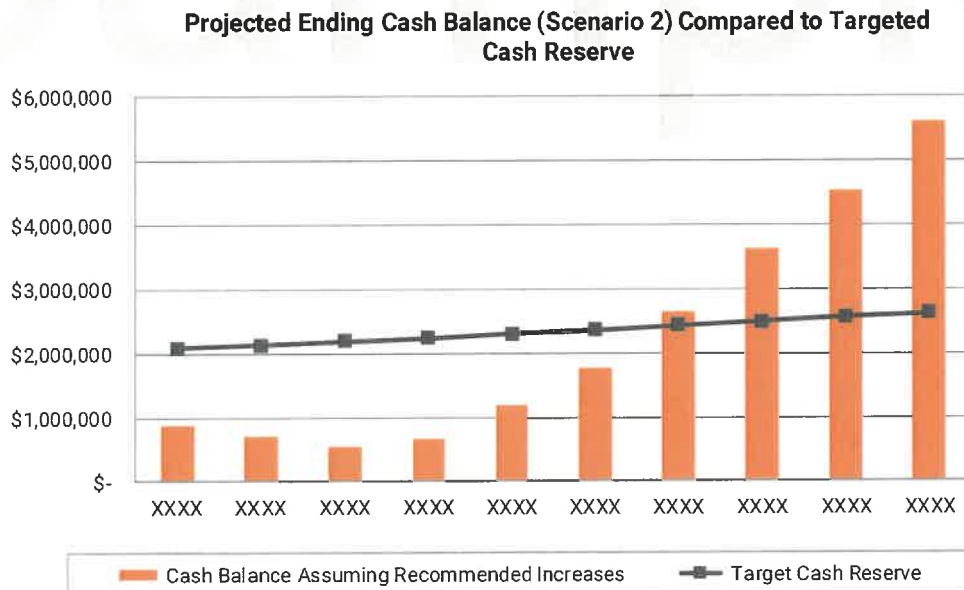
#### Water Utility Operating Fund (Continued)

##### Scenario 1 - Current Rates Inflated at 3% Annually



Target Cash Reserve is the amount needed to fund operations and capital projects.

##### Scenario 2 - Proposed Rates



Target Cash Reserve is the amount needed to fund operations and capital projects.

City of Sample, Minnesota  
Water and Sanitary Sewer Rate Study  
Date

**III. Water Rate Study (Continued)**

**Water Utility Operating Fund (Continued)**

As evidenced by the graphs above, the City's Water rates are not sufficient to sustain the existing cash balance. Revenues do not cover operating expenses and planned capital. With gradual increases in rates along with inflationary increases as shown in Scenario 2, revenues will increase over the years and achieve sufficient cash reserves over the life of the projection.

Sample



City of Sample, Minnesota  
Water and Sanitary Sewer Rate Study  
Date

### III. Sanitary Sewer Rate Study (Continued)

#### Sanitary Sewer Utility Operating Fund

##### Goal

- The Sanitary Sewer Operating fund will maintain a sufficient working capital balance. Targeted cash balance for the fund refers to the following years' debt service obligations well as 50 percent of estimated operating costs.

##### Rates

A summary of the current rates and proposed rates are listed below. The Metropolitan Council Environmental Services (MCES) charges the City annually for sewer service and treatment. The annual MCES charge is based on the City's portion of measured wastewater volume from the prior year and therefore varies annually. Currently, the City's Sanitary Sewer fee is a flat fee structure, the proposed rates are based on a volumetric rate structure with wastewater volume estimated to be the average water consumption over the winter months. Converting to a volume based fee structure as well as annual inflationary increases will result in cash flows that will achieve the annual targets in Scenario 2.

Scenario 2 - Proposed Rates													
			Proposed Rates										
<u>Sanitary Sewer - Residential</u>			Current	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
Quarterly bill based on 9,000 gallons			\$ 61.22	\$ 47.33	\$ 53.01	\$ 58.31	\$ 62.97	\$ 66.75	\$ 69.42	\$ 71.50	\$ 73.65	\$ 75.86	\$ 78.13
Quarterly \$ increase (decrease) for a 9,000 gallon user				(13.89)	5.68	5.30	4.66	3.78	2.67	2.08	2.15	2.21	2.28
Annual \$ increase (decrease) for an average 9,000 gallon user				(55.58)	22.72	21.20	18.66	15.11	10.68	8.33	8.58	8.84	9.10
Base Fee			\$ 61.22	\$ 10.06	\$ 11.26	\$ 12.39	\$ 13.38	\$ 14.19	\$ 14.75	\$ 15.20	\$ 15.65	\$ 16.12	\$ 16.60
Meter Fee			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>Consumption Fee - Per 1,000 gallons</u>													
0	30,000		\$ -	\$ 4.14	\$ 4.64	\$ 5.10	\$ 5.51	\$ 5.84	\$ 6.07	\$ 6.26	\$ 6.44	\$ 6.64	\$ 6.84
	30,001	60,000	\$ -	\$ 5.07	\$ 5.68	\$ 6.25	\$ 6.75	\$ 7.15	\$ 7.44	\$ 7.66	\$ 7.89	\$ 8.13	\$ 8.37
	60,001	999,999,999	\$ -	\$ 6.00	\$ 6.72	\$ 7.40	\$ 7.99	\$ 8.47	\$ 8.80	\$ 9.07	\$ 9.34	\$ 9.62	\$ 9.91

Scenario 2 - Proposed Rates													
			Proposed Rates										
<u>Sanitary Sewer - Commercial</u>			Current	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
Quarterly bill based on 2,000 gallons			\$ 66.56	\$ 24.05	\$ 26.94	\$ 29.63	\$ 32.00	\$ 33.93	\$ 35.28	\$ 36.34	\$ 37.43	\$ 38.55	\$ 39.71
Quarterly \$ increase for a 2,000 gallon user				(42.51)	2.89	2.69	2.37	1.92	1.36	1.06	1.09	1.12	1.16
Annual \$ increase for an average 2,000 gallon user				(170.03)	11.55	10.78	9.48	7.68	5.43	4.23	4.36	4.49	4.63
Base Fee			\$ 61.22	\$ 10.06	\$ 11.26	\$ 12.39	\$ 13.38	\$ 14.19	\$ 14.75	\$ 15.20	\$ 15.65	\$ 16.12	\$ 16.60
Meter Fee			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>Consumption Fee - Per 1,000 gallons</u>													
0	30,000		\$ 2.67	\$ 7.00	\$ 7.84	\$ 8.62	\$ 9.31	\$ 9.87	\$ 10.26	\$ 10.57	\$ 10.89	\$ 11.22	\$ 11.55
30,001	60,000		\$ 2.67	\$ 7.93	\$ 8.88	\$ 9.77	\$ 10.55	\$ 11.18	\$ 11.63	\$ 11.98	\$ 12.34	\$ 12.71	\$ 13.09
60,001	999,999,999		\$ 2.67	\$ 8.86	\$ 9.92	\$ 10.92	\$ 11.79	\$ 12.50	\$ 13.00	\$ 13.39	\$ 13.79	\$ 14.20	\$ 14.63

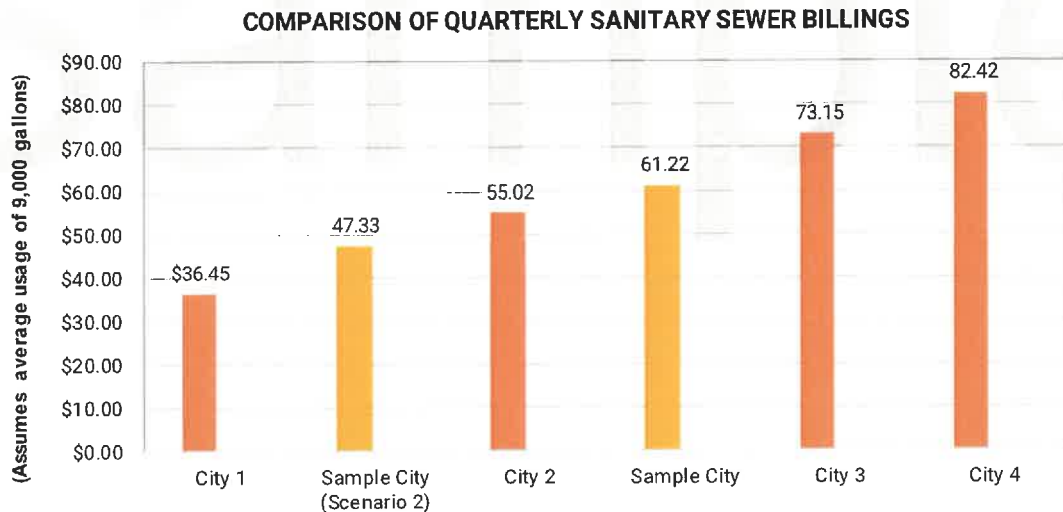
City of Sample, Minnesota  
Water and Sanitary Sewer Rate Study  
Date

### III. Sanitary Sewer Rate Study (Continued)

#### Sanitary Sewer Utility Operating Fund (Continued)

The table below summarizes comparable communities quarterly Residential bill if average Sanitary Sewer is billed based on water consumption and at an average rate of 9,000 gallons per quarter. Currently, the City has Sanitary Sewer rates in the middle of the comparable communities, increase the Sanitary Sewer rates as proposed in Scenario 2 will allow the City's Water rates to meet the target cash reserves over the life of the projection and remain within comparable range.

SANITARY SEWER	
City	Quarterly Bill (\$)
City 1	\$ 36.45
Sample City (Scenario 2)	47.33
City 2	55.02
Sample City	61.22
City 3	73.15
City 4	82.42
Average quarterly bill (w/o Sample City)	<u>\$ 61.76</u>



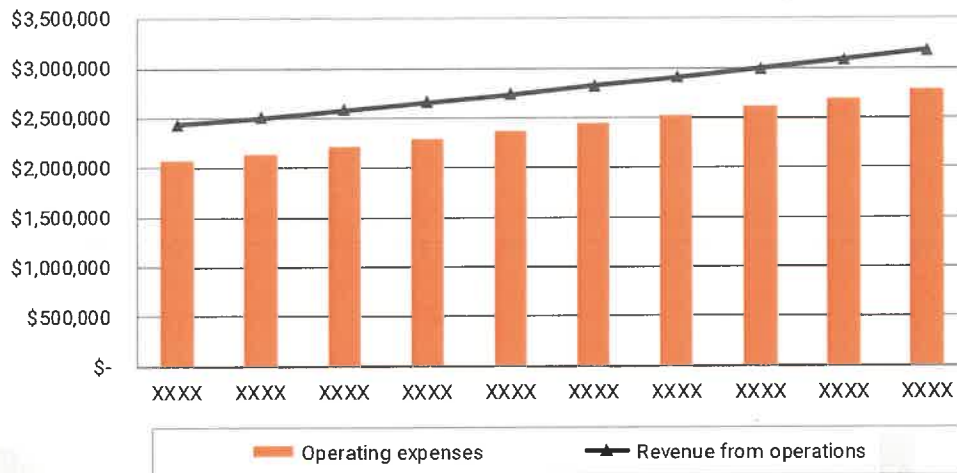
City of Sample, Minnesota  
Water and Sanitary Sewer Rate Study  
Date

III. Sanitary Sewer Rate Study (Continued)

Sanitary Sewer Utility Operating Fund (Continued)

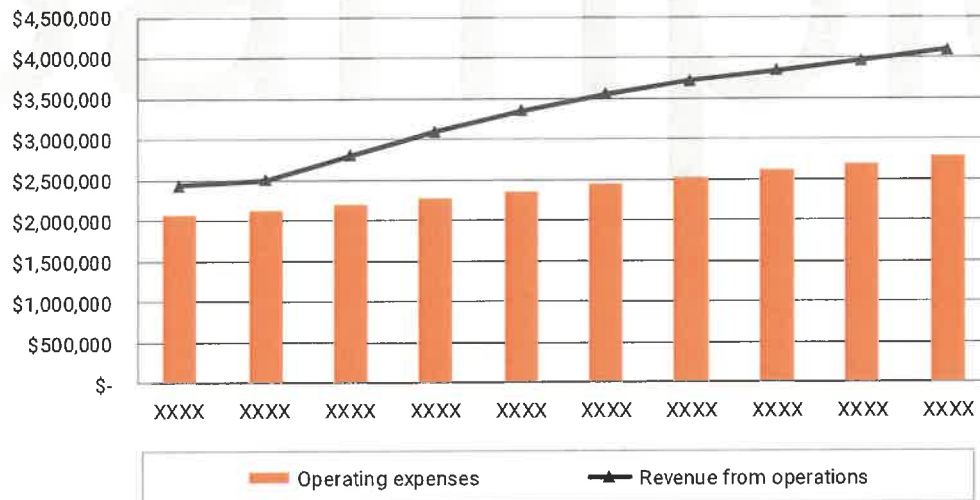
Scenario 1 - Current Rates Inflated at 3% Annually

Revenue from 3% Rate Increase Compared with Operating Expense



Scenario 2 - Proposed Rates

Revenue from Scenario 2 Compared with Operating Expense



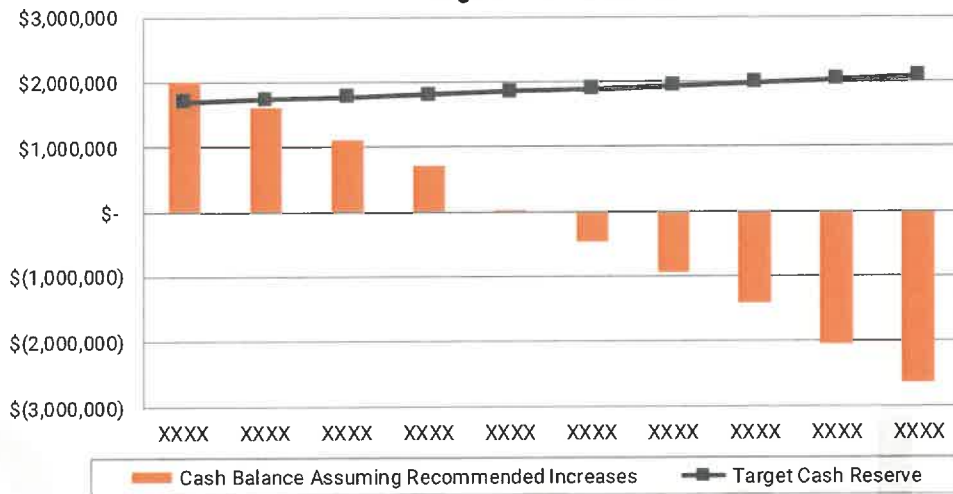
City of Sample, Minnesota  
Water and Sanitary Sewer Rate Study  
Date

### III. Sanitary Sewer Rate Study (Continued)

#### Sanitary Sewer Utility Operating Fund (Continued)

##### Scenario 1 - Current Rates Inflated at 3% Annually

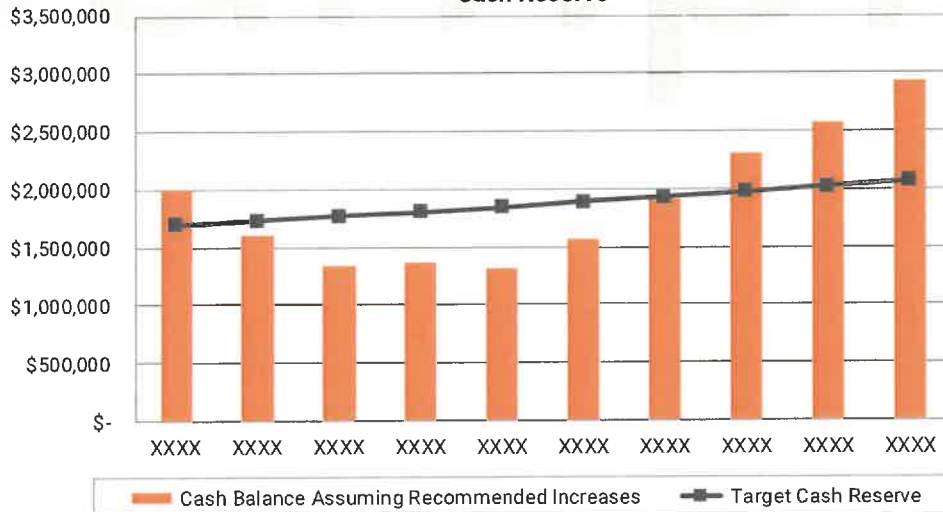
**Projected Ending Cash Balance (Current Rates) Compared to Targeted Cash Reserve**



Target Cash Reserve is the amount needed to fund operations and capital projects.

##### Scenario 2 - Proposed Rates

**Projected Ending Cash Balance (Scenario 2) Compared to Targeted Cash Reserve**



Target Cash Reserve is the amount needed to fund operations and capital projects.

City of Sample, Minnesota  
Water and Sanitary Sewer Rate Study  
Date

**III. Sanitary Sewer Rate Study (Continued)**

**Sanitary Sewer Utility Operating Fund (Continued)**

As evidenced by the graphs above, the City's Sanitary Sewer rates are insufficient to sustain the existing cash balance. Revenues do not cover operating expenses and planned capital. With gradual increases in rates along with inflationary increases as shown in Scenario 2, revenues will increase over the years and achieve sufficient cash reserves over the life of the projection.

Sample

City of Sample, Minnesota  
Water and Sanitary Sewer Rate Study  
Date

**Summary**

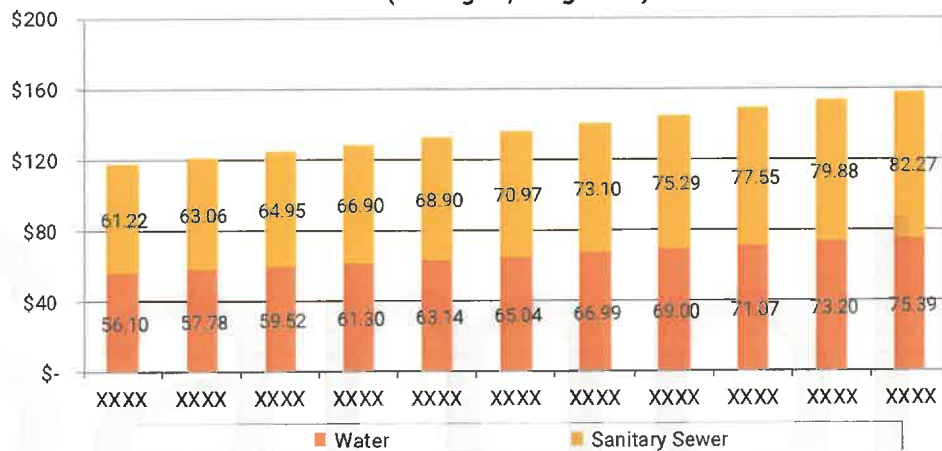
**Water and Sanitary Sewer Rate Study**

As evidenced in the discussions above, it appears the City's utility rates are competitive with similar communities. An increase in rates will help the Water and Sanitary Sewer utilities achieve sufficient cash flows to meet the targets.

The charts below present the total quarterly Water and Sanitary Sewer bill for an average Residential customer under Scenario 1 with inflationary increases and the proposed Scenario 2 with varied increases.

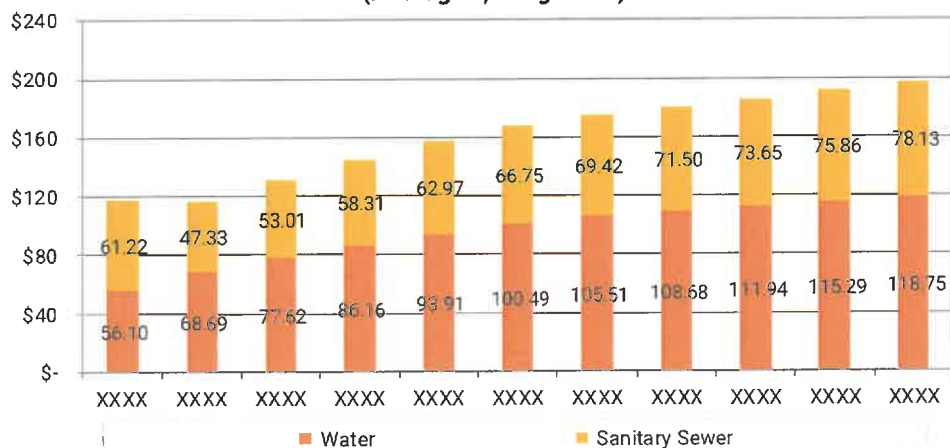
**Scenario 1 - Current Rates Inflated at 3% Annually**

**Projected Total Residential Monthly Utility Bill Under Current Rates  
(Average 9,000 gallons)**



**Scenario 2 - Proposed Rates**

**Projected Total Residential Monthly Utility Bill Under Scenario 2  
(Average 9,000 gallons)**



City of Sample, Minnesota  
Water and Sanitary Sewer Rate Study  
Date

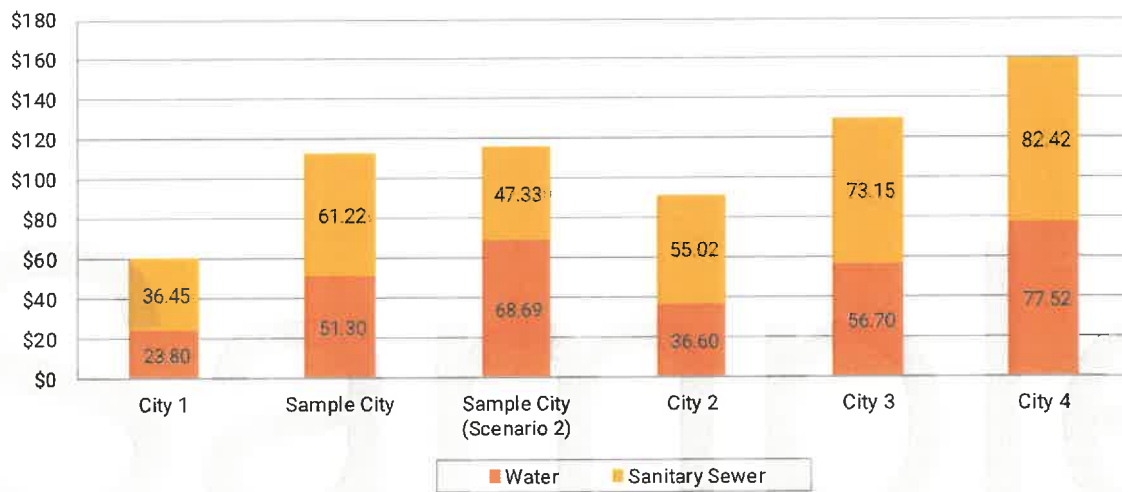
**Summary (Continued)**

**Water and Sanitary Sewer Rate Study (Continued)**

The total quarterly Water and Sanitary Sewer bill for an average Residential customer under the proposed Scenario 2 in comparison to comparable communities is presented below.

**(Please note:** The rates presented below are the current XXXX rates in comparison to the proposed XXXX rates for the City of Sample in Scenario 2).

**Comparison of Total Quarterly Residential Water and Sewer Bill Under Scenario 2  
(Average 9,000 gallons)**



SUPPLEMENTARY INFORMATION

CITY OF SAMPLE  
CITY, MINNESOTA

Sample



City of Sample, Minnesota  
Quarterly Bill Comparison

(Presents billing details under past and current rates for comparison to future billing under the proposed rates.)

RESIDENTS											
XXXX Rates											
Resident 1											
XXXX Rates and Proposed Rates											
Billing Detail	XXXX - Gallons	XXXX - Gallons	XXXX - Gallons	XXXX - Gallons	XXXX - Gallons	XXXX - Gallons	XXXX - Gallons	XXXX - Gallons	XXXX - Gallons	XXXX - Gallons	Quarterly Bill Increase (Decrease)
Emergency Well Surcharge	2.94	2.94	2.94	3.57	3.57	3.36	Emergency Well Surcharge				
State Testing Fee	1.59	1.59	1.59	1.59	1.59	1.59	State Testing Fee				
Water - Consumption	77.00	14,000	77.00	93.50	16,000	88.00	Water - Consumption	15,000	85.50	85.50	
Water - Meter/Service Charge	4.80	4.80	4.80	4.80	4.80	4.80	Water - Meter/Service Charge		4.80	5.85	
Water - Base Fee	-	-	-	-	-	-	Water - Base Fee	14,000 *	61.22	11.54	
Sewer	55.15	55.15	55.15	55.15	55.15	55.15	Sewer		57.97	57.97	
Sewer - Base Fee	-	-	-	-	-	-	Sewer - Base Fee		10.06	10.06	
Storm Drainage	16.50	16.50	16.50	16.50	16.50	16.50	Storm Drainage		18.15	19.15	
Recycling Charges	10.75	10.75	10.75	10.75	10.75	10.75	Recycling Charges		10.75	10.75	
Street Lights	5.00	5.00	5.00	5.00	5.00	5.00	Street Lights		5.00	5.00	
	173.73	173.73	173.73	190.86	190.86	185.15			190.16	210.56	20.40
Resident 2											
XXXX Rates											
Billing Detail	XXXX - Gallons	XXXX - Gallons	XXXX - Gallons	XXXX - Gallons	XXXX - Gallons	XXXX - Gallons	XXXX - Gallons	XXXX - Gallons	XXXX - Gallons	XXXX - Gallons	Quarterly Bill Increase (Decrease)
Emergency Well Surcharge	1.47	1.47	1.26	1.68	1.68	1.47	Emergency Well Surcharge				
State Testing Fee	1.59	1.59	1.59	1.59	1.59	1.59	State Testing Fee				
Water - Consumption	38.50	6,000	33.00	44.00	7,000	38.50	Water - Consumption	7,000	39.90	39.90	
Water - Meter/Service Charge	4.80	4.80	4.80	4.80	4.80	4.80	Water - Meter/Service Charge		4.80	5.85	
Water - Base Fee	-	-	-	-	-	-	Water - Base Fee	7,000 *	61.22	11.54	
Sewer	55.15	55.15	55.15	55.15	55.15	55.15	Sewer		28.99	28.99	
Sewer - Base Fee	-	-	-	-	-	-	Sewer - Base Fee		10.06	10.06	
Storm Drainage	16.50	16.50	16.50	16.50	16.50	16.50	Storm Drainage		18.15	19.15	
Recycling Charges	10.75	10.75	10.75	10.75	10.75	10.75	Recycling Charges		10.75	10.75	
Street Lights	5.00	5.00	5.00	5.00	5.00	5.00	Street Lights		5.00	5.00	
	133.76	128.05	128.05	139.47	139.47	133.76			142.88	134.29	(8.59)
Resident 3											
XXXX Rates											
Billing Detail	XXXX - Gallons	XXXX - Gallons	XXXX - Gallons	XXXX - Gallons	XXXX - Gallons	XXXX - Gallons	XXXX - Gallons	XXXX - Gallons	XXXX - Gallons	XXXX - Gallons	Quarterly Bill Increase (Decrease)
Emergency Well Surcharge	2.52	2.31	2.31	2.10	2.10	2.94	Emergency Well Surcharge				
State Testing Fee	1.59	1.59	1.59	1.59	1.59	1.59	State Testing Fee				
Water - Consumption	66.00	11,000	60.50	55.00	14,000	77.00	Water - Consumption	11,000	62.70	62.70	
Water - Meter/Service Charge	4.80	4.80	4.80	4.80	4.80	4.80	Water - Meter/Service Charge		4.80	5.85	
Water - Base Fee	-	-	-	-	-	-	Water - Base Fee	11,000 *	61.22	11.54	
Sewer	55.15	55.15	55.15	55.15	55.15	55.15	Sewer		45.55	45.55	
Sewer - Base Fee	-	-	-	-	-	-	Sewer - Base Fee		10.06	10.06	
Storm Drainage	16.50	16.50	16.50	16.50	16.50	16.50	Storm Drainage		18.15	19.15	
Recycling Charges	10.75	10.75	10.75	10.75	10.75	10.75	Recycling Charges		10.75	10.75	
Street Lights	5.00	5.00	5.00	5.00	5.00	5.00	Street Lights		5.00	5.00	
	162.31	156.60	156.60	150.89	150.89	173.73			166.52	174.50	7.98

City of Sample, Minnesota  
Quarterly Bill Comparison  
(Presents billing details under past and current rates for comparison to future billing under the proposed rates.)

XXXX Rates									
Resident 4									
Billing Detail	XXXX Rates	XXXX Rates	XXXX Rates	XXXX Rates	XXXX Rates	XXXX Rates	XXXX Rates	XXXX Rates	Quarterly Bill Increase (Decrease)
	Gallons	XX/XX/XXXX - XX/XX/XXXX	XX/XX/XXXX - XX/XX/XXXX	XX/XX/XXXX - XX/XX/XXXX	XX/XX/XXXX - XX/XX/XXXX	XX/XX/XXXX - XX/XX/XXXX	XX/XX/XXXX - XX/XX/XXXX	XX/XX/XXXX - XX/XX/XXXX	
Emergency Well Surcharge		3.15	3.15	9.24	3.57	4.83	4.83	4.83	
State Testing Fee		1.59	1.59	1.59	1.59	1.59	1.59	1.59	
Water - Consumption	15,000	82.50	15,000	44,000	93.50	131.10	131.10	131.10	
Water - Meter/Service Charge		4.80	4.80	4.80	4.80	4.80	4.80	4.80	
Water - Base Fee		-	-	-	-	-	-	-	
Sewer		55.15	55.15	55.15	55.15	61.22	61.22	61.22	
Sewer - Base Fee		-	-	-	-	-	-	-	
Storm Drainage		16.50	16.50	16.50	16.50	18.15	18.15	18.15	
Recycling Charges		10.75	10.75	10.75	10.75	10.75	10.75	10.75	
Street Lights		5.00	5.00	5.00	5.00	5.00	5.00	5.00	
		179.44	179.44	350.63	190.86	237.44	261.98	24.54	

XXXX Rates									
Resident 5									
Billing Detail	XXXX Rates	XXXX Rates	XXXX Rates	XXXX Rates	XXXX Rates	XXXX Rates	XXXX Rates	XXXX Rates	Quarterly Bill Increase (Decrease)
	Gallons	XX/XX/XXXX - XX/XX/XXXX	XX/XX/XXXX - XX/XX/XXXX	XX/XX/XXXX - XX/XX/XXXX	XX/XX/XXXX - XX/XX/XXXX	XX/XX/XXXX - XX/XX/XXXX	XX/XX/XXXX - XX/XX/XXXX	XX/XX/XXXX - XX/XX/XXXX	
Emergency Well Surcharge		5.67	4.62	6.72	4.83	3.99	3.99	3.99	
State Testing Fee		1.59	1.59	1.59	1.59	1.59	1.59	1.59	
Water - Consumption	27,000	148.50	22,000	32,000	126.50	108.30	108.30	108.30	
Water - Meter/Service Charge		4.80	4.80	4.80	4.80	4.80	4.80	4.80	
Water - Base Fee		-	-	-	-	-	-	-	
Sewer		55.15	55.15	55.15	55.15	61.22	61.22	61.22	
Sewer - Base Fee		-	-	-	-	-	-	-	
Storm Drainage		16.50	16.50	16.50	16.50	18.15	18.15	18.15	
Recycling Charges		10.75	10.75	10.75	10.75	10.75	10.75	10.75	
Street Lights		5.00	5.00	5.00	5.00	5.00	5.00	5.00	
		247.96	219.41	277.31	225.12	213.80	267.33	53.53	

XXXX Rates									
Resident 6									
Billing Detail	XXXX Rates	XXXX Rates	XXXX Rates	XXXX Rates	XXXX Rates	XXXX Rates	XXXX Rates	XXXX Rates	Quarterly Bill Increase (Decrease)
	Gallons	XX/XX/XXXX - XX/XX/XXXX	XX/XX/XXXX - XX/XX/XXXX	XX/XX/XXXX - XX/XX/XXXX	XX/XX/XXXX - XX/XX/XXXX	XX/XX/XXXX - XX/XX/XXXX	XX/XX/XXXX - XX/XX/XXXX	XX/XX/XXXX - XX/XX/XXXX	
Emergency Well Surcharge		0.84	1.89	1.68	1.68	1.89	1.89	1.89	
State Testing Fee		1.59	1.59	1.59	1.59	1.59	1.59	1.59	
Water - Consumption	4,000	22.00	9,000	44.00	44.00	51.30	51.30	51.30	
Water - Meter/Service Charge		4.80	4.80	4.80	4.80	4.80	4.80	4.80	
Water - Base Fee		-	-	-	-	-	-	-	
Sewer		55.15	55.15	55.15	55.15	61.22	61.22	61.22	
Sewer - Base Fee		-	-	-	-	-	-	-	
Storm Drainage		16.50	16.50	16.50	16.50	18.15	18.15	18.15	
Recycling Charges		10.75	10.75	10.75	10.75	10.75	10.75	10.75	
Street Lights		5.00	5.00	5.00	5.00	5.00	5.00	5.00	
		116.63	145.18	139.47	139.47	154.70	133.69	(21.01)	

\* Sewer wastewater volume estimate for proposed rate calculation is based on winter water consumption.

City of Sample, Minnesota  
Quarterly Bill Comparison  
(Presents billing details under past and current rates for comparison to future billing under the proposed rates.)

SENIOR RESIDENTS						
XXXX Rates and Proposed Rates						
Senior Resident 1						
Billing Detail	XXXX Rates Gallons	XXXX Rates XX/XX/XXXX - XX/XX/XXXX Gallons	XXXX Rates XX/XX/XXXX - XX/XX/XXXX Gallons	XXXX Rates XX/XX/XXXX - XX/XX/XXXX Gallons	XXXX Rates and Proposed Rates Gallons	Quarterly Bill Increase (Decrease)
Emergency Well Surcharge	0.21	0.42	0.21	0.21		
State Testing Fee	1.59	1.59	1.59	1.59	\$ 0.21 \$	0.21
Water - Consumption	5.50	11.00	5.50	5.50	1,000 1.59	1.59
Water - Meter/Service Charge	4.80	4.80	4.80	4.80	1,000 5.50	-
Water - Base Fee	-	-	-	-	1,000 4.80	5.85
Sewer	44.67	44.67	44.67	44.67	1,000 *	11.54
Sewer - Base Fee	-	-	-	-		4.14
Storm Drainage	16.50	16.50	16.50	16.50		10.06
Recycling Charges	10.75	10.75	10.75	10.75		19.15
Street Lights	5.00	5.00	5.00	5.00		10.75
	89.02	94.73	89.02	89.02	5.00	5.00
					\$ 95.59 \$	68.29
						(27.30)
XXXX Rates and Proposed Rates						
Senior Resident 2						
Billing Detail	XXXX Rates Gallons	XXXX Rates XX/XX/XXXX - XX/XX/XXXX Gallons	XXXX Rates XX/XX/XXXX - XX/XX/XXXX Gallons	XXXX Rates XX/XX/XXXX - XX/XX/XXXX Gallons	XXXX Rates and Proposed Rates Gallons	Quarterly Bill Increase (Decrease)
Emergency Well Surcharge	1.26	2.52	1.68	1.05		
State Testing Fee	1.59	1.59	1.59	1.59	\$ 6.51 \$	6.51
Water - Consumption	33.00	66.00	44.00	27.50	31,000 1.59	1.59
Water - Meter/Service Charge	4.80	4.80	4.80	4.80	31,000 177.30	177.30
Water - Base Fee	44.67	44.67	44.67	44.67	16,000 *	5.85
Sewer	16.50	16.50	16.50	16.50		11.54
Sewer - Base Fee	10.75	10.75	10.75	10.75		24.85
Storm Drainage	5.00	5.00	5.00	5.00		10.06
Recycling Charges						19.15
Street Lights						10.75
	117.57	151.83	128.99	111.86	5.00	5.00
					\$ 273.69 \$	272.59
						(1.10)

### Quarterly Bill Comparison

[illegible]

\* Sewer wastewater volume estimate for proposed rate calculation is based on winter water consumption.