

The Source

UTILITY ENTERPRISE MANAGEMENT

A publication of Advanced Engineering and Environmental Services, Inc.



2nd Quarter 2005

Annual Regional Utility Rate Survey Completed

The 2005 AE2S Annual North Central Region Utility Rate Survey was recently completed. The survey includes a summary of water, wastewater, stormwater, and solid waste utility rates, also noting the type of systems such as surface water or ground water systems and mechanical or non-mechanical wastewater systems. Communities surveyed include primarily those serving greater than 5,000 people throughout North Dakota, Minnesota (including metro area), and South Dakota.

The survey data is compiled and presented to participants in a short booklet format. In the past, participants have found that the survey report is an invaluable tool for utility, finance, and city managers to use when discussing rates with policy makers and rate payers. All survey participants receive complimentary copies.

For further questions concerning the survey or its findings, please contact Sheryl Smith at 701-746-8087 or email Sheryl.Smith@ae2s.com.



AE2S Reports 2005 North Central Utility Rate Survey Results

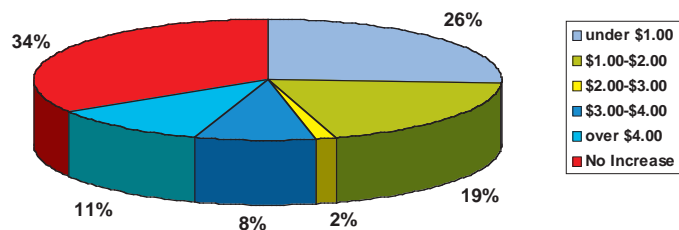
Monthly utility costs among communities are highly variable due to a number of factors such as water source, community size, presence/absence of a mechanical wastewater treatment plant, topography, and local policies relative to depreciation and capital improvement funding. General statistics from the 2005 AE2S North Central Utility Rate Survey for all cities surveyed are presented in this month's *Source*. The survey uses a base of 7,500 gallons of monthly water usage and wastewater production for the comparisons.

Water Charges

Nearly all of the communities surveyed in 2005 use both a fixed and volume charge for their water users. About two-thirds of the communities surveyed

increased their rates from 2004 to 2005. Of those who did increase their rates, the majority increased them less than \$2.00 per month, as indicated by the chart below. The typical charges for 7,500 gallons per month water usage ranged from \$7.85 to \$42.63 per month.

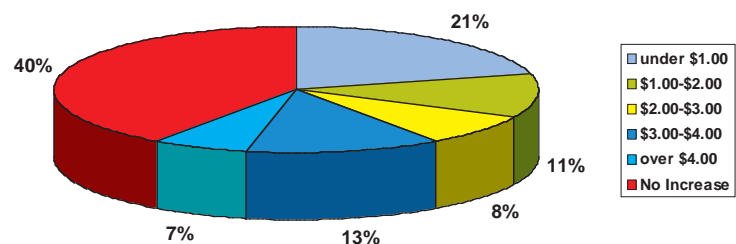
TYPICAL WATER UTILITY MONTHLY INCREASES



Wastewater Charges

The majority of communities surveyed in 2005 also use a fixed and volume charge for their wastewater users. More than half of the communities increased their wastewater rates from 2004 to 2005. Of those who did increase their rates, about half increased them less than \$2.00 per month and half increased them over \$2.00 per month, as indicated by the chart below. The typical charges for 7,500 gallons per month wastewater usage ranged from \$8.30 to \$42.38 per month. A few of the communities surveyed also lowered their wastewater rates when they implemented a stormwater rate in an effort to reduce the impact on customers.

TYPICAL WASTEWATER UTILITY MONTHLY INCREASES



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Reminder from ND Municipal Bond Bank

Political subdivisions please alert your external auditors that money borrowed from the State Revolving Fund (SRF) is considered federal funds. Any combination of federal funds (SRF, CDBG, RD, EPA, HUD, etc.) exceeding \$500,000 in a fiscal year requires a Single Audit or Program Specific Audit.

Also, please be sure to provide the Bond Bank a copy of your political subdivision's 2004 audit report or annual financial report in lieu of an audit as soon as it is completed.

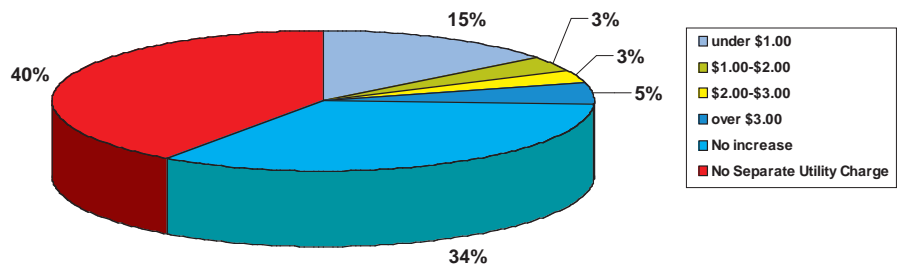
If you have questions or need additional information, please contact the ND Municipal Bond Bank at 701.328.7100 or 1.800.526.3509. ■

Summarizing Rate Survey Results Continued

Stormwater Charges

In 2004, 58 percent of communities surveyed did not have a separate stormwater charge. In 2005, 40 percent of the communities surveyed reported that they do not have a separate utility charge for stormwater. Of the 2005 respondents, some include stormwater fees as a component of their wastewater charges and others include them as part of their property taxes. Of those who do have a separate charge, only a few increased their rates, with a rate increase range of \$.25 to \$3.20 per month. For those who indicated an increase, the majority increased it less than \$1.00 per month as indicated by the chart below. Effective monthly stormwater fees charged by communities surveyed ranged from \$.75 to \$8.72 per month. It should be noted that several communities just started charging stormwater fees in 2005 due, in part, to stormwater regulations. ■

TYPICAL STORMWATER UTILITY MONTHLY INCREASES



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