


# UTILITY ENTERPRISE MANAGEMENT

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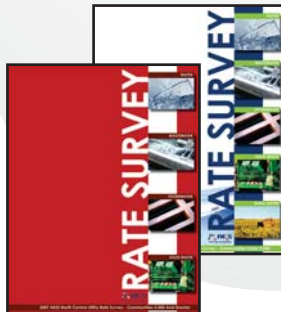
2nd Quarter 2007

 **AE2S** Think Big. Go Beyond.

## Annual Regional Utility Rate Surveys Completed

**T**he 2007 AE2S Annual North Central Region Utility Rate Surveys have been completed. They include 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. The surveys represent input from 208 communities in the States of Minnesota, Montana, North Dakota, South Dakota, and Wyoming, with information provided by Finance Directors, Auditors, and Utility Managers.

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



For additional information concerning the survey or its findings, please contact Sheryl Smith at 701-746-8087 or email [Sheryl.Smith@ae2s.com](mailto:Sheryl.Smith@ae2s.com). ■

## Thank You!

**A**E2S would like to extend our heartfelt thanks to all communities who participated in our North Central Region Utility Rate Surveys. We appreciate the opportunity to provide this service to you each year. ■

**F**or our 2007 North Central Region Utility Rate Surveys, we asked participants to look over the horizon and provide insight regarding the top water issues facing their community over the next five years, as well as the adequacy of their water supply over the next twenty years.

The three top water issues anticipated by participants over the next five years were aging water system infrastructure, regulatory issues, and water quality. Aging water system infrastructure is anticipated to be an issue for approximately 60 percent of all communities surveyed regardless of population. Securing sufficient funding to meet infrastructure maintenance and replacement continues to be an ongoing challenge.

## Top Anticipated Utility Concerns

Top Water Issues Anticipated by Communities Within The Next 1-5 Years	Communities Under 5,000 Population	Communities Over 5,000 Population
Aging Water System Infrastructure	59%	60%
Regulatory Issues	51%	60%
Water Quality	43%	52%
Security-Protection of Water Resources Infrastructure	29%	44%
Emergency Planning and Management (Natural Disasters)	35%	32%
Water Supply Availability	20%	24%
Drought Management	39%	12%
Flooding	19%	12%
Regional Conflict Regarding Water Usage	12%	12%
Groundwater Depletion	12%	12%
Water Rights	12%	0%
Other (included a variety of issues such as radium, conservation, new wells, water storage, lagoon, and storm drain)	5%	16%

Note: Respondents were asked to indicate top water issues facing their community within the next five years. They could include as many responses as were applicable.

The top emergency related issues included security-protection of infrastructure, emergency planning and management, and drought management. These issues have become a higher priority since 9/11 and Hurricane Katrina. Communities are allocating increased resources for protection of water supplies as well as planning for emergency and drought management.

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## Matt Buckley Joins AE2S Financial Services Team

**A** E2S is proud to announce the addition of Matt Buckley to our Financial Services Team. Matt will work as a Financial Analyst in our Grand Forks office. His addition will enable the AE2S Financial Group to meet the increasing demand for its financial services for water, wastewater, stormwater, and solid waste utilities in the Upper Midwest.

Matt is a native of Grand Forks. He has a Bachelor's degree in Accountancy and Business Administration with a Major in Financial Management from the University of North Dakota. Previous to

joining AE2S, Matt worked as a Senior Accountant for a local accounting firm where he audited municipalities, water districts, and a variety



of other entities. At AE2S, Matt will be responsible for financial cost of service analyses, revenue adequacy evaluations, funding development, and the development and implementation of asset management strategies. ■

## (Top Utility Concerns continued from first page)

Water supply availability was less of an issue, about half of survey participants indicated that they have an adequate water supply for more than twenty years. As indicated by the chart below, about one third with populations over 5,000 plan to make capital investments in water supply infrastructure within the next five years. For communities with populations under 5,000, about one fifth plan to make capital investments in water supply infrastructure within the next five years. These investments tend to represent rehabilitation improvements rather than improvements to meet anticipated water supply shortages.

Adequate Water Supply Indicated:	Communities Under 5,000 Population		Communities Over 5,000 Population	
	Water Supply Investment Planned Over the Next Five Years	No Water Supply Investment Planned Over the Next Five Years	Water Supply Investment Planned Over the Next Five Years	No Water Supply Investment Planned Over the Next Five Years
Under 10 Years	67%	33%	90%	10%
10 Year Supply	31%	69%	100%	0%
10-20 Year Supply	14%	86%	36%	64%
Over 20 Year Supply	19%	81%	39%	61%

As would be expected, a majority of the communities that have an adequate water supply for the next ten years or less plan to make capital investments in water supply infrastructure within the next five years to meet anticipated water shortages. ■

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