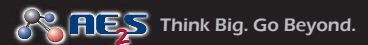


UTILITY ENTERPRISE MANAGEMENT

The Source

Rate Survey Edition 2010



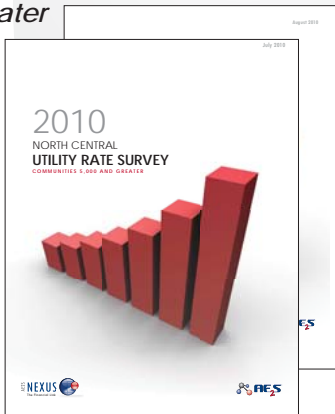
Annual Regional Utility Rate Surveys Completed

The 2010 AE2S North Central Utility Rate Surveys have been completed. The surveys include a summary of water, wastewater, stormwater, and solid waste utility rates. Also included this year are charts comparing regional water rates among systems that practice softening, statistics regarding anticipated rate increases in 2011, a percent of total municipal budget spent on water and wastewater

operations, and types of rate structures in use.

The surveys represent the collective input from

276 communities and regional water systems throughout the states of Minnesota, Montana, North Dakota, South Dakota, and Wyoming, with information provided by Finance Directors, Public Works Directors, Auditors, and Utility Managers. Complimentary copies of the surveys are provided to all survey participants. For additional information concerning the survey, please contact Brian Osowski at 701-746-8087 or by email at Brian.Osowski@ae2s.com.



2010 marks the tenth year of our annual utility rate study. As in previous years, we surveyed a wide variety of systems and reported the results in four groups: 1) Communities serving 5,000 and Greater (excluding the Minneapolis-St. Paul area), 2) Communities serving 5,000 and Greater within the Minneapolis-St. Paul area – referred to in this article as Metro, 3) Communities serving less than 5,000, and 4) Regional Systems.

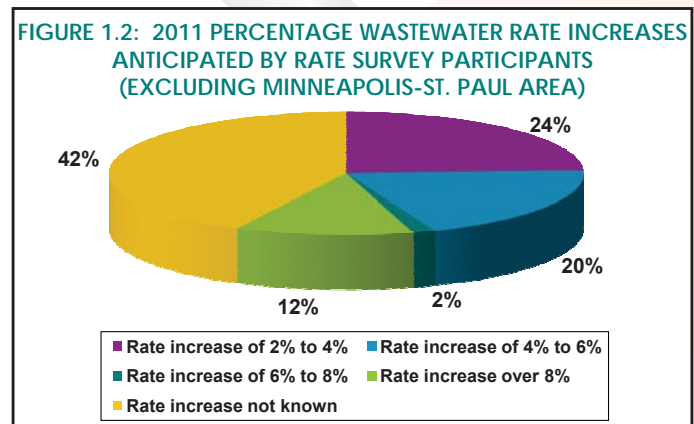
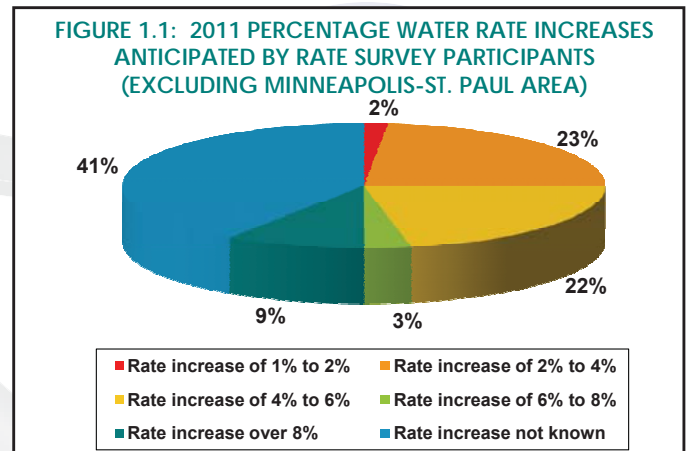
Survey Results and Anticipated 2011 Rate Increases

Survey results indicated that 53.7 percent of respondents

serving 5,000 (excluding the Minneapolis-St. Paul area), 80.8 percent of Metro survey respondents, 44.1 percent of systems serving less than 5,000, and 37.1 percent of regional water system respondents implemented increases to water rates in 2010. Overall, this means that 52.2 percent of all survey respondents reported increasing water rates in 2010.

Similarly, an overall 53.7 percent of survey respondents reported increasing wastewater rates in 2010, based on reported results indicating that 56.8 percent of respondents serving 5,000 or greater (excluding the Minneapolis-St. Paul area), 81.5 percent of Metro survey respondents, and 46.1 percent of systems serving less than 5,000 increased wastewater rates in 2010. In addition to comparing 2010 rates, the rate survey also reports anticipated rate increases for 2011.

STATISTICS FOR COMMUNITIES SERVING 5,000 AND GREATER
A majority of the respondents from communities serving 5,000 or more people (excluding the Minneapolis-St. Paul area) reported anticipated water and wastewater rate increases in 2011.



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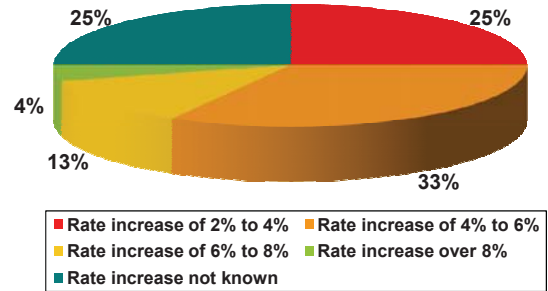
Thank You

A E2S would like to thank all communities and regional water systems who participated in the North Central Utility Rate Surveys. We appreciate the opportunity to provide this service to you each year and hope you will find it a valuable tool when discussing rates with policy makers and rate payers. ■

(Survey Results continued from first page)

Of the respondents in this group, 61.0 percent of participants indicated plans to raise water rates and 59.8 percent reported intent to raise wastewater rates. Percentages of anticipated 2011 rate increases for communities are provided in Figures 1.1 and 1.2.

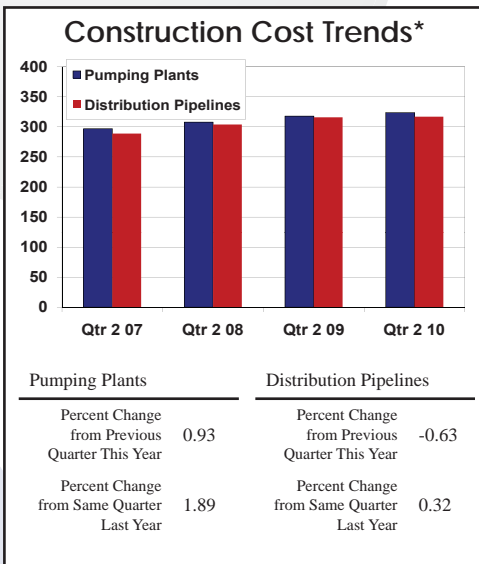
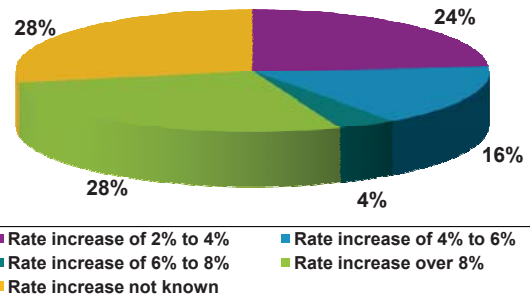
FIGURE 1.3: 2011 PERCENTAGE WATER RATE INCREASES ANTICIPATED BY MINNEAPOLIS-ST. PAUL METRO RATE SURVEY PARTICIPANTS



MINNEAPOLIS-ST. PAUL METRO SYSTEM STATISTICS

A majority of the respondents from the Metro area communities also reported that increases to water and wastewater rates are anticipated in 2011. Survey results indicate that 88.5 percent of survey participants from this group plan to raise water rates and 81.5 percent plan to raise wastewater rates in 2011. Percentage of anticipated 2011 water and wastewater rate increases for Metro area communities are provided in Figures 1.3 and 1.4, respectively.

FIGURE 1.4: 2011 PERCENTAGE WASTEWATER RATE INCREASES ANTICIPATED BY MINNEAPOLIS-ST. PAUL METRO RATE SURVEY PARTICIPANTS



*Based on information from the Bureau of Reclamation

Watch for system statistics for communities serving less than 5,000 and regional systems in future issues of The Source. ■

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