

# ***BEMIDJI CITY COUNCIL CITY OF BEMIDJI***

## **NOTICE OF REGULAR MEETING PURSUANT TO MINNESOTA STATUTES SECTIONS 13D.04 AND 13D.021**

### **NOTICE OF REGULAR COUNCIL MEETING BY TELEPHONE OR OTHER ELECTRONIC MEANS**

**NOTICE IS HEREBY GIVEN** that the City Council of the City of Bemidji will hold a Work Session on Monday, November 30, 2020 at 5:30 p.m. at Bemidji City Hall.

In accordance with the requirements of Minn. Stat. Sections 13D.04 and 13D.021, Mayor Rita C. Albrecht, has determined that an in person meeting is not practical or prudent because of a health pandemic and Peace Time State of Emergency, declared under Chapter 12 of the Minnesota Statutes.

Because of the health pandemic and Peace Time State of Emergency, it has been determined that attendance at the regular meeting location by members of the public is not feasible.

Because of the health pandemic and Peace Time State of Emergency, it has been determined that the physical presence at the regular meeting location by at least one member of the body, chief legal counsel or chief administrative officer is not feasible.

Therefore, some or all of the City Council members may be participating by telephone or other electronic means.

**To join by video conference, go to Cisco WebEx website ([www.webex.com](http://www.webex.com)), click on “join” in the upper right corner and enter information below (access will open at 5:15 p.m.):**



- **Enter meeting number: 126 706 8017**
- **Enter meeting password: 6sjGeiZA7W7 (67543492 from phones & video systems)**
  - **Click Join Meeting**

**To join by phone, dial: +1-408-418-9388. Enter meeting number (access will open at 5:00 p.m.):**

- **126 706 8017 #**
- **Press # for no attendee ID number**

# ***BEMIDJI CITY COUNCIL***

## ***Work Session Agenda***

**Monday, November 30, 2020**

**City Hall  
5:30 P.M.**



1. CALL TO ORDER / ROLL CALL
  
2. WATER & SEWER ENTERPRISE FUNDS – RATE & REVENUE STUDY
  
3. ADJOURNMENT



# City of Bemidji, MN

## Water & Sewer Enterprise Funds - Rate & Revenue Sufficiency Study

**Matthew Stoffel, CFA**  
**Senior Managing Consultant**

November 30, 2020

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PFM Financial  
Advisors LLC

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Suite 3300  
Des Moines, IA

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[www.pfm.com](http://www.pfm.com)



# Table of Contents

◆ Executive Summary	3 - 6
◆ Billing Data Key Metrics	7 - 10
◆ City Water & Sewer Fund Capital Improvement Plan	11 - 13
◆ Water Rates	14 - 21
◆ Sewer Rates	22 - 30
◆ Appendix A – Utility Rate Comparison	31 - 36



# Executive Summary



# Executive Summary

- Both the water and sewer utility rates are well positioned to meet the revenue requirements for future years with some slight adjustments.
- The rate study suggested the fixed base rates for both water and sewer rates should be adjusted to align with standards from the American Waterworks Association flow-based ratios to match fixed rates to meter flow.
  
- Water Rates
  - The current block (water conservation) billing level for the water utility are appropriate based on the detailed billing data reviewed over the past three years.
  - A slight adjustment is proposed to the top two tiers of the water rates to establish a relationship of a 20% cost increase between each tier of the block rate structure.
  - For the average water user there is no rate increase with the proposed changes to the water rates.
  
- Sewer Rates
  - The current sewer rates structure generates approximately 91% of the revenue requirement estimated for 2021.
  - The variable rate for sewer customers needs to increase by 5.5% to generate sufficient revenues after adjusting the fixed base rates.
  - The average monthly cost increase to a residential customer would be \$2.43 or 4.3%
  
- Stormwater rate decreases of 30% reduces impact of water and sewer rate adjustments



# Impact To Water Customers

Meter Size	Current Rates	Proposed Rates	% Change
5/8" & 3/4"	\$5.93	\$5.93	0%
1"	\$8.31	\$9.88	19%
1 1/2"	\$10.67	\$19.77	85%
2"	\$17.20	\$31.63	84%
3"	\$65.19	\$79.07	21%
4"	\$83.03	\$158.14	90%
6"	\$124.56	\$316.26	154%

Usage Block	Current Rates	Proposed Rates	% Change
0 to 10,000	\$4.03	\$4.03	0%
10,001 to 50,000	\$4.53	\$4.84	6.8%
50,000+	\$5.55	\$5.64	1.7%

	Meter Size	Monthly Gallons	Monthly Cost		\$\$ Change	% Change
			Current	Proposed		
Average Residential	5/8"	6,000	\$30	\$30	\$0	0%
Average Commercial	1"	18,000	\$85	\$89	\$4	4.7%
Large User	6"	1,083,333	\$6,081	\$6,380	\$299	4.9%



# Impact To Sewer Customers

	Current Rates	Proposed Rates	% Change
5/8" & 3/4"	\$11.71	\$11.71	0%
1"	\$16.39	\$19.52	19%
1 1/2"	\$21.07	\$39.03	85%
2"	\$33.92	\$62.45	84%
3"	\$128.57	\$156.13	21%
4"	\$163.77	\$312.27	91%
6"	\$245.64	\$624.53	154%

Variable Rate	Current Rates	Proposed Rates	% Change
Rate per 1,000	\$7.14	\$7.53	5.5%

	Meter Size	Monthly Gallons	Monthly Cost		\$\$ Change	% Change
			Current	Proposed		
Average Residential	5/8"	6,000	\$55	\$57	\$2	4.3%
Average Commercial	1"	18,000	\$145	\$155	\$10	7.0%
Large User	6"	1,000,000	\$7,386	\$8,155	\$769	10.4%



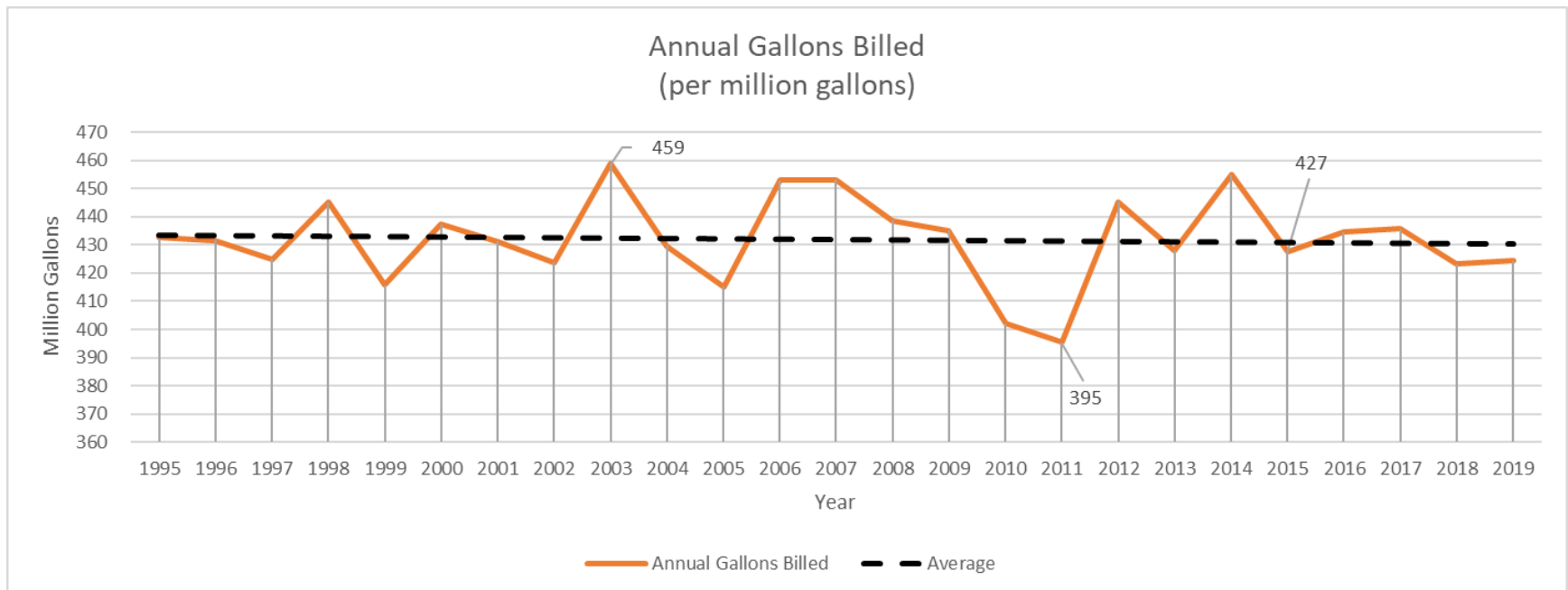


# Billing Data Key Metrics



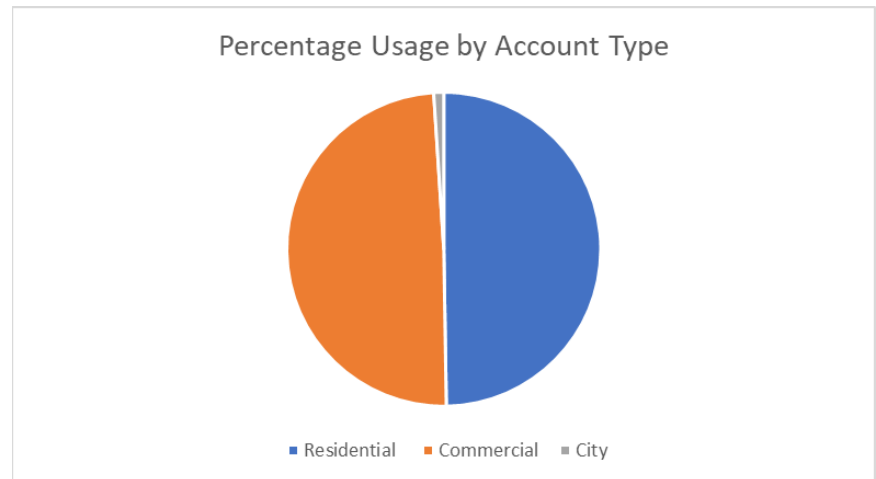
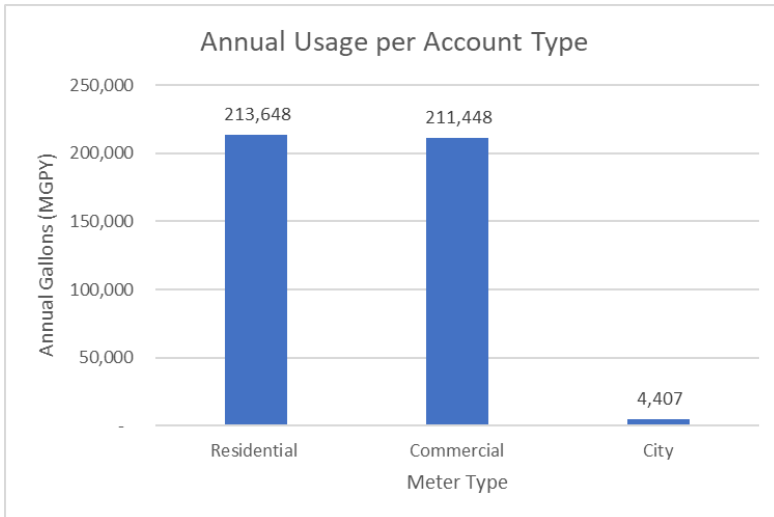
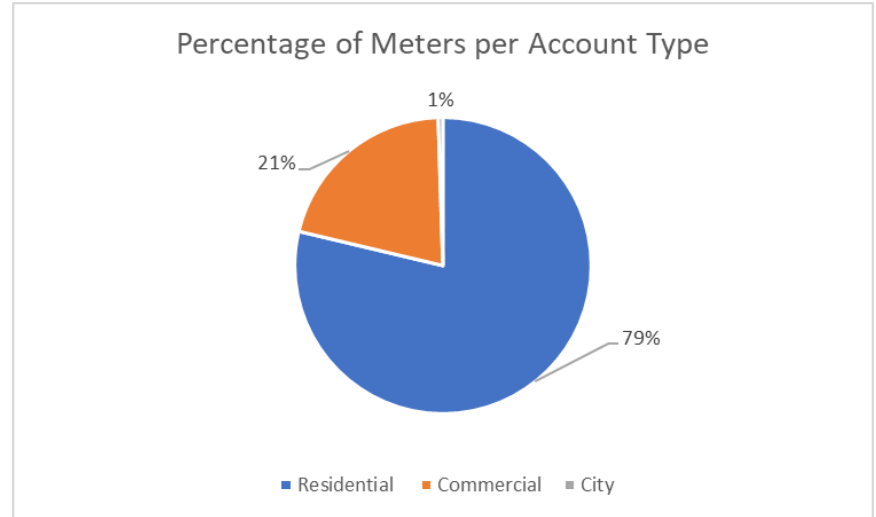
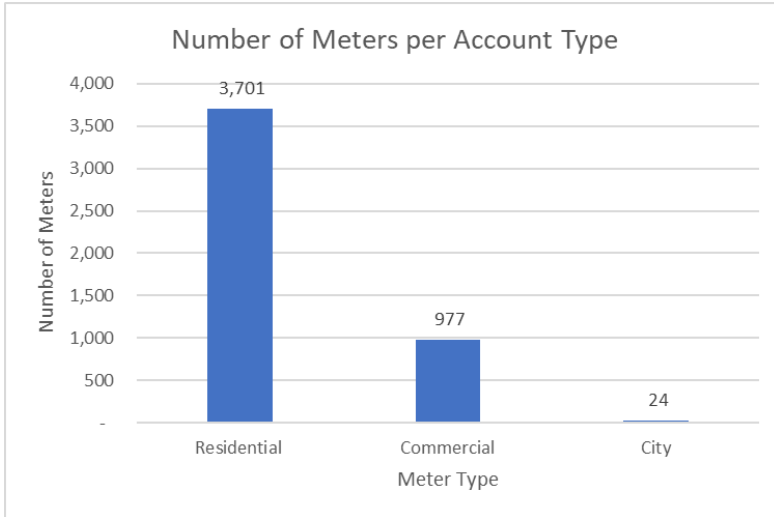
## Billing Data Evaluated

- ◆ Monthly Detail from July 2017 through June 2020 (36 Months)
- ◆ 4,659 Accounts/Meters
- ◆ Data Evaluated by Account Type (Residential vs Commercial)
- ◆ Data Evaluated by Meter Type (Regular vs Irrigation)
- ◆ Data Evaluated by Usage Trends
- ◆ Total Usage, Average Usage, Max Usage and Peaking Ratio's Identified





# Accounts & Usage by Account Type





## Larger Water Users (2019 Data)

	<b>Name</b>	<b>Usage (MGPY)</b>
1	BEMIDJI STATE UNIVERSITY	19,583
2	SANFORD MEDICAL CENTER	13,615
3	WWTP	7,219
4	NEILSON PLACE	6,691
5	HILLCREST MANOR	5,360
6	SOUTHVIEW TERRACE	4,760
7	BEMIDJI HIGH SCHOOL	3,650
8	LINCOLN ELEMENTARY SCHOOL	3,628
9	HAMPTON INN	3,325
10	BELTRAMI COUNTY JAIL	3,138
11	MARKETPLACE FOODS	2,938
12	GATEWOOD APTS	2,719
13	REGENCY PARK APARTMENTS	2,628
14	BEMIDJI SOUTH SHORE PROP LLC	2,478
15	SANFORD CENTER	2,458
16	COUNTRY INN & SUITES	2,384
17	SUPER 8 MOTEL	2,310
18	NORTHLAND APARTMENTS	2,285
19	ELDERCARE OF BEMIDJI	2,259
20	WAL-MART	2,198



# City Water & Sewer Fund Capital Improvement Plan



## WATER FUND PROPOSED CIP

Description	2021	2022	2023	2024	2025
<b><u>Water</u></b>					
Street Reconstruction	355,000	500,000	365,000	265,000	710,000
State Park/Birchmont Line				1,500,000	
Old High School Utilities			60,000		
PW Bldg Concrete Slab		20,000			
Well Head Protection	15,000				
Pickup	38,000				40,000
Tanker Truck		180,000	15,000		
Fire Hydrants	10,000	10,000	12,000	12,000	12,000
Well Refurbishment	25,000	25,000	30,000	30,000	35,000
Water meter changeout	40,000	40,000	40,000	45,000	45,000
Treatment Plant roof	35,000				
AWAI Risk Assessment	30,000				
PFC Plant	1,200,000	9,000,000			
Comp Plan Update			35,000		
Water Tower Maint	40,000	30,000			
Safety Dig Box	15,000				
15th St & Norton Tower				25,000	500,000
<b>Water Total</b>	<b>1,803,000</b>	<b>9,805,000</b>	<b>557,000</b>	<b>1,877,000</b>	<b>1,342,000</b>



## SANITARY SEWER PROPOSED CIP

Description	2021	2022	2023	2024	2025
<b>Sanitary Sewer/WWTP</b>					
Street Reconstruction	360,000	550,000	325,000	315,000	340,000
Pickup		38,000			
Jetter Machine	50,000				
Generator					70,000
State Park/Birchmont Line				2,500,000	
Old High School Utilities			90,000		
Slip Lining Clay Tile		150,000		150,000	
Televising			40,000		82,000
River Crossing	50,000				
Lift Station Maint	45,000	45,000	45,000	240,000	50,000
PW Bldg Concrete Slab		20,000			
Dump Station	40,000				
Irvine Ave Sewer Line	220,000				
Controls and Upgrades	60,000	50,000	50,000	50,000	50,000
Final Clarifier		200,000	6,000,000		
Concrete Repair	20,000				
Bioxide System Repair	20,000				
Sludge Tanker Truck			80,000		
Polymer Pumps				70,000	
Roof Replacement					150,000
Sludge Storage Tank					1,200,000
<b>Sanitary Sewer Total</b>	<b>865,000</b>	<b>1,053,000</b>	<b>6,630,000</b>	<b>3,325,000</b>	<b>1,942,000</b>



# Water Rates





# Water Fund Assumptions

Gallons per Year <sup>1)</sup> 427.5 million  
 Regular Meters <sup>2)</sup> 3,906  
 Irrigation Meters <sup>3)</sup> 388

June 2020 Meter Count		
Meter Size <sup>2)</sup>	By Size	Percentage
5/8" & 3/4"	3,359	86.0%
1"	158	4.0%
1 1/2"	159	4.1%
2"	168	4.3%
3"	36	0.9%
4"	23	0.6%
6"	3	0.1%
<b>Total Regular</b>	<b>3,906</b>	<b>100.0%</b>

Gallons Billed Per Usage Block	
Usage Block	Assumption <sup>4)</sup>
0 to 10,000	41%
10,001 to 50,000	26%
50,000+	33%

- 1) Gallons per year is based on three-year average from 2017 to 2019.
- 2) Regular meters are based on meters billed in June 2020. Meter size distribution from June 2020.
- 3) Irrigation meters pay the variable rate but do not pay a monthly fixed meter fee.
- 4) Usage assumptions based on observed usage from July 2017 to June 2020.



# Water Revenue Requirements

	<u>FYE 2021</u>	<u>Monthly per Meter <sup>1)</sup></u>	<u>Per kgal <sup>2)</sup></u>
Operating	\$753,200	\$16.07	\$1.76
Debt Service	\$433,230	\$9.24	\$1.01
Transfers	\$248,082	\$5.29	\$0.58
Capital <sup>3)</sup>	<u>\$717,300</u>	<u>\$15.30</u>	<u>\$1.68</u>
Revenue Requirements	\$2,151,812	\$45.91	\$5.03

1) Assumes revenues requirements are divided evenly across the 3,906 regular meters.

2) Assumes the revenues requirements are divided evenly the 342 million gallons billed annually.

3) Capital is a five-year average of the project CIP project funded by cash. Excludes capital projects funded by bond proceeds.



## Current Water Rate Structure – Total Revenue

Gallons per Year	427,500,000	Variable Revenue	\$1,992,834	85%
Regular Meters	3,906	Fixed Revenue	<u>\$365,378</u>	15%
		Total Revenue	\$2,358,212	



## Total Projected Revenue vs Revenue Requirement

	<u>FYE 2021</u>	<u>FYE 2025</u> <sup>1)</sup>
Operating	\$753,200	\$1,027,153
Debt Service <sup>2)</sup>	\$433,230	\$433,230
Transfers	\$248,082	\$248,082
Capital <sup>3)</sup>	<u>\$717,300</u>	<u>\$717,300</u>
Revenue Requirements	\$2,151,812	\$2,425,765
Total Current Revenue	\$2,358,212	\$2,358,212
Percent of Requirement	110%	97%

1) Includes 4% annual operating expense inflation plus a new FTE in FYE 2023 and \$30,000 of additional operational expenses and \$30,000 per year for carbon filter replacement starting in FYE 2023.

2) Debt service assumes \$4M bond in FY 2020 structured as a 10-year term.

3) Capital assumes average of five-year CIP that is funded with cash.



# Equivalent Volume Ratios – Fixed Charge

Current Fixed Rate Ratio

Meter Size	Fixed Rate Per Month	Ratio
5/8" & 3/4"	\$5.93	1.00
1"	\$8.31	1.40
1 1/2"	\$10.67	1.80
2"	\$17.20	2.90
3"	\$65.19	10.99
4"	\$83.03	14.00
6"	\$124.56	21.01

Recommended Ratio based on Flow

Meter Size	GPM	Ratio	Fixed Rate Per Month
5/8"	30	1.00	\$5.93
1"	50	1.67	\$9.88
1.5"	100	3.33	\$19.77
2"	160	5.33	\$31.63
3"	400	13.33	\$79.07
4"	800	26.67	\$158.14
6"	1,600	53.33	\$316.26



# Recommended Water Adjustments

Usage Block	Current Rate per kgal		Recommended Ratio	Recommended Rate	% Change
0 to 10,000	\$4.03	100%	100%	\$4.03	0%
10,001 to 50,000	\$4.53	112%	120%	\$4.84	6.8%
50,000+	\$5.55	138%	140%	\$5.64	1.7%

	<u>Current</u>		<u>Adjusted</u>	
Variable Revenue	\$1,992,834	85%	\$2,039,987	82%
Fixed Revenue	\$363,955	15%	\$448,436	18%
Total Revenue	\$2,356,789		\$2,488,424	



## Water Observations & Policy Considerations

- ◆ Ability for larger irrigation customers to drill own irrigation well.
- ◆ Impact of State bonding money on revenue requirements.
- ◆ Water plant has future operational cost uncertainty related to capital improvements.
- ◆ Study highlighted ability to shorten bond term to 10-year bonds to reduce interest costs.
- ◆ Plant has capacity to produce more water without major capital or operational investment.



# Sewer Rates





## Sewer Fund Assumptions

Gallons per Year <sup>1)</sup> 342 million  
Regular Meters <sup>2)</sup> 3,906

June 2020 Meter Count		
Meter Size <sup>2)</sup>	By Size	Percentage
5/8" & 3/4"	3,359	86.0%
1"	158	4.0%
1 1/2"	159	4.1%
2"	168	4.3%
3"	36	0.9%
4"	23	0.6%
6"	3	0.1%
<b>Total Regular</b>	<b>3,906</b>	<b>100.0%</b>

1) Gallons per year is based on three-year average from 2017 to 2019.

2) Regular meters are based on meters billed in June 2020. Meter size distribution from June 2020.



## Sewer Revenue Requirements

	<u>FYE 2021</u>	<u>Monthly per Meter <sup>1)</sup></u>	<u>Per kgal <sup>2)</sup></u>
Operating	1,836,594	\$39.18	\$5.37
Debt Service	276,250	\$5.89	\$0.81
Transfers	264,314	\$5.64	\$0.77
Capital <sup>3)</sup>	<u>1,082,500</u>	<u>\$23.09</u>	<u>\$3.17</u>
Revenue Requirements	\$3,459,658	\$73.81	\$10.12

1) Assumes revenues requirements are divided evenly across the 3,906 regular meters.

2) Assumes the revenues requirements are divided evenly the 342 million gallons billed annually.

3) Capital is a five-year average of the project CIP project funded by cash. Excludes capital projects funded by bond proceeds.



## Current Sewer Rate Structure – Total Revenue

Annual Usage Assumption	342,000,000
Rate per kgal	\$7.14
Projected Annual Revenue Variable	\$2,441,880

Gallons per Year	342,000,000	Variable Revenue	\$2,441,880	77%
Regular Meters	3,906	Fixed Revenue	<u>\$721,252</u>	23%
		Total Revenue	\$3,163,132	



# Total Current Sewer Revenue vs Revenue Requirement

	<u>FYE 2021</u>	<u>FYE 2025 <sup>1)</sup></u>
Operating	\$1,836,594	\$2,232,920
Debt Service <sup>2)</sup>	\$276,250	\$709,875
Transfers	\$264,314	\$264,314
Capital <sup>3)</sup>	<u>\$1,082,500</u>	<u>\$1,082,500</u>
Revenue Requirements	\$3,459,658	\$4,289,609
Total Current Revenue	\$3,163,132	\$3,163,132
Percent of Requirement	91%	74%

1) Includes 4% annual operating expense inflation plus a new FTE in FYE 2022.

2) Debt service assumes \$6M bond in FY 2020 structured as a 20-year term.

3) Capital assumes average of five-year CIP that is funded with cash.



# Equivalent Volume Ratios – Fixed Charge

Current Fixed Rate Ratio

Meter Size	Fixed Rate Per Month	Ratio
5/8" & 3/4"	\$11.71	1.00
1"	\$16.39	1.40
1 1/2"	\$21.07	1.80
2"	\$33.92	2.90
3"	\$128.57	10.98
4"	\$163.77	13.99
6"	\$245.64	20.98

Recommended Ratio based on Flow

Meter Size	GPM	Ratio	Fixed Rate Per Month
5/8"	30	1.00	\$11.71
1"	50	1.67	\$19.52
1.5"	100	3.33	\$39.03
2"	160	5.33	\$62.45
3"	400	13.33	\$156.13
4"	800	26.67	\$312.27
6"	1,600	53.33	\$624.53

	Current	Recommended
Variable Revenue	\$2,441,880 77%	\$2,441,880 73%
Fixed Revenue	<u>\$721,252</u> 23%	<u>\$885,503</u> 27%
Total Revenue	\$3,163,132	\$3,327,383



## Adjust Variable to Meet Revenue Requirement

Net Revenue Requirements	\$3,459,658	
Fixed Revenue Projected	(\$885,503)	26%
Variable Revenue Requirement	\$2,574,155	74%

Annual Usage Assumption	342,000,000
Adjusted Rate per kgal	\$7.53
Variable Revenue Requirement	\$2,574,155

Current Sewer Rate per 1,000	\$7.14
Adjusted Rate per kgal	\$7.53
% Change	5.5%



## Recommended Sewer Rate Adjustments

	<u>Current</u>		<u>Recommended</u>	
Variable Revenue	\$2,441,880	77%	\$2,574,155	74%
Fixed Revenue	<u>\$721,252</u>	23%	<u>\$885,503</u>	26%
Total Revenue	\$3,163,132		\$3,459,658	

Current Sewer Only Rate	\$39.63
Recommended Sewer Only Rate <sup>1)</sup>	\$56.89
% Change	43.6%

1) Recommended Sewer only rate intended to set the sewer only rate equal to the 5/8" meter plus the average residential consumption of 6,000 gallons per month.



## Sewer Observations & Policy Considerations

- ◆ Sewer has more operational expense than the Water Department.
- ◆ Sewer plant at capacity for solids. Capital projects needed to address future growth needs.
- ◆ Fixed sewer only charge appears lower than what the average sewer user would pay monthly.



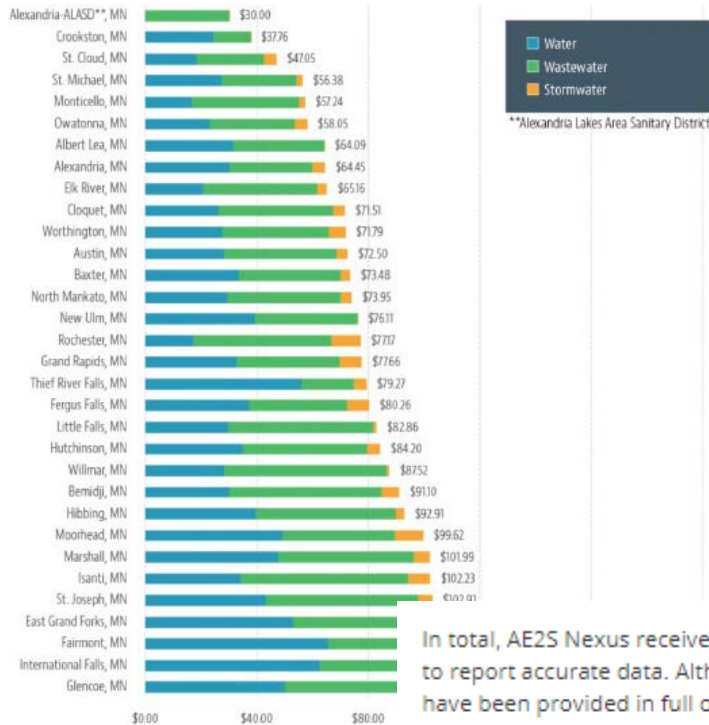


# Appendix A - Utility Rate Comparison



# AE2S – Rate Survey Results

**FIGURE 3: REPORTED 2020 TOTAL UTILITY BILL FOR 6,000 GALLONS**  
MINNESOTA RESPONDENTS SERVING 5,000 OR GREATER



## 2020 Rate Survey Results for Systems Serving 5,000 or Greater

September 11, 2020 by Miranda Kleven

In total, AE2S Nexus received survey responses from 122 systems serving 5,000 or more. Substantial efforts were taken to report accurate data. Although verification efforts were completed where possible, in some instances data may not have been provided in full or fully verified. We hope you find the survey results useful. If you have any questions related to the 2020 Annual Utility Rate Survey, please contact Miranda Kleven at 701-746-8087 or [Miranda.Kleven@AE2S.com](mailto:Miranda.Kleven@AE2S.com).



- Rate Survey, Stormwater, Utility Management, Wastewater, Water
- 2020 Rate Survey
- < Grant Applications for MT & SD Water Quality Projects Due in October
- > 2020 Rate Survey Results for Systems Serving Less than 5,000 & Regional Systems



## Water – AE2S (6,000 gallons)

1 Monticello, MN	\$ 16.61	Ground
2 Rochester, MN	\$ 17.25	Ground
3 Elk River, MN	\$ 20.74	Ground
4 Owatonna, MN	\$ 23.02	Ground
5 Crookston, MN	\$ 24.26	Ground
6 Cloquet, MN	\$ 26.21	Combination
7 St. Michael, MN	\$ 27.40	Ground
8 Worthington, MN	\$ 27.70	Ground
9 Austin, MN	\$ 28.21	Ground
10 Willmar, MN	\$ 28.23	Ground
11 North Mankato, MN	\$ 29.39	Ground
12 Little Falls, MN	\$ 29.83	Ground
13 Alexandria, MN	\$ 29.95	Ground
14 Bemidji, MN	\$ 30.11	Ground
15 Albert Lea, MN	\$ 31.59	Ground
16 St. Cloud, MN	\$ 32.14	Surface Water
17 Grand Rapids, MN	\$ 32.76	Ground
18 Baxter, MN	\$ 33.57	Ground
19 Isanti, MN	\$ 34.28	Ground
20 Hutchinson, MN	\$ 34.70	Ground
21 Fergus Falls, MN	\$ 37.28	Combination
22 New Ulm, MN	\$ 39.39	Ground
23 Hibbing, MN	\$ 39.57	Ground
24 St. Joseph, MN	\$ 43.11	Ground
25 Marshall, MN	\$ 47.60	Ground
26 Morrhead, MN	\$ 49.18	Combination
27 Glencoe, MN	\$ 50.21	Ground
28 East Grand Forks, MN	\$ 53.01	Surface Water
29 Thief River Falls, MN	\$ 56.18	Surface Water
30 International Falls, MN	\$ 62.70	Surface Water
31 Fairmont, MN	\$ 65.62	Surface Water

Minimum	\$	16.61
<b>Bemidji</b>	<b>\$</b>	<b>30.11</b>
Medians	\$	32.14
Mean	\$	35.54
Maximum	\$	65.62
Rank		14 of 31



# Sewer – AE2S (6,000 gallons)

<u>Minnesota City</u>	<u>Monthly Charge</u>	<u>Sewer Technology</u>
1 Crookston, MN	\$ 13.50	Non-Mechanical
2 Thief River Falls, MN	\$ 18.59	Non-Mechanical
3 St. Cloud, MN	\$ 24.06	Mechanical
4 St. Michael, MN	\$ 26.98	Mechanical
5 Alexandria, MN	\$ 30.00	Mechanical
6 Alexandria-ALASD, MN	\$ 30.00	Outsourced (Mechanical)
7 Owatonna, MN	\$ 30.68	Mechanical
8 Albert Lea, MN	\$ 32.50	Mechanical
9 Fergus Falls, MN	\$ 35.23	Mechanical
10 Baxter, MN	\$ 36.65	Non-Mechanical
11 New Ulm, MN	\$ 36.82	Mechanical
12 Grand Rapids, MN	\$ 36.90	Mechanical
13 Worthington, MN	\$ 38.33	Mechanical
14 Monticello, MN	\$ 38.63	Mechanical
15 Morrhead, MN	\$ 40.23	Mechanical
16 Austin, MN	\$ 40.29	Mechanical
17 Fairmont, MN	\$ 40.46	Mechanical
18 North Mankato, MN	\$ 40.81	Outsourced (Mechanical)
19 Elk River, MN	\$ 40.90	Mechanical
20 Cloquet, MN	\$ 41.30	Outsourced (Mechanical)
21 Hutchinson, MN	\$ 44.93	Mechanical
22 East Grand Forks, MN	\$ 45.14	Outsourced (Mechanical)
23 Marshall, MN	\$ 48.95	Mechanical
24 Rochester, MN	\$ 49.62	Mechanical
25 Hibbing, MN	\$ 50.14	Mechanical
26 Little Falls, MN	\$ 52.00	Mechanical
27 Bemidji, MN	\$ 54.55	Mechanical
28 St. Joseph, MN	\$ 54.80	Outsourced (Mechanical)
29 Willmar, MN	\$ 58.29	Mechanical
30 Isanti, MN	\$ 60.07	Non-Mechanical
31 International Falls, MN	\$ 76.77	Outsourced (Mechanical)
32 Glencoe, MN	\$ 88.00	Mechanical

Minimum	\$ 13.50
Medians	\$ 40.38
Mean	\$ 42.38
<b>Bemidji</b>	<b>\$ 54.55</b>
Maximum	\$ 88.00
Rank	27 of 32



## Combined – Similar Technology (6,000 gallons)

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>	<u>Water Type</u>	<u>Sewer Type</u>
1 Owatonna, MN	\$ 23.02	\$ 30.68	\$ 53.70	Ground	Mechanical
2 St. Michael, MN	\$ 27.40	\$ 26.98	\$ 54.38	Ground	Mechanical
3 Monticello, MN	\$ 16.61	\$ 38.63	\$ 55.24	Ground	Mechanical
4 Alexandria, MN	\$ 29.95	\$ 30.00	\$ 59.95	Ground	Mechanical
5 Elk River, MN	\$ 20.74	\$ 40.90	\$ 61.64	Ground	Mechanical
6 Albert Lea, MN	\$ 31.59	\$ 32.50	\$ 64.09	Ground	Mechanical
7 Worthington, MN	\$ 27.70	\$ 38.33	\$ 66.03	Ground	Mechanical
8 Rochester, MN	\$ 17.25	\$ 49.62	\$ 66.87	Ground	Mechanical
9 Austin, MN	\$ 28.21	\$ 40.29	\$ 68.50	Ground	Mechanical
10 Grand Rapids, MN	\$ 32.76	\$ 36.90	\$ 69.66	Ground	Mechanical
11 New Ulm, MN	\$ 39.39	\$ 36.82	\$ 76.21	Ground	Mechanical
12 Hutchinson, MN	\$ 34.70	\$ 44.93	\$ 79.63	Ground	Mechanical
13 Little Falls, MN	\$ 29.83	\$ 52.00	\$ 81.83	Ground	Mechanical
14 Bemidji, MN	\$ 30.11	\$ 54.55	\$ 84.66	Ground	Mechanical
15 Willmar, MN	\$ 28.23	\$ 58.29	\$ 86.52	Ground	Mechanical
16 Hibbing, MN	\$ 39.57	\$ 50.14	\$ 89.71	Ground	Mechanical
17 Marshall, MN	\$ 47.60	\$ 48.95	\$ 96.55	Ground	Mechanical
18 Glencoe, MN	\$ 50.21	\$ 88.00	\$ 138.21	Ground	Mechanical



## Combined Water & Sewer – Similar Technology

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Min	\$16.61	\$26.98	\$53.70
Median	\$29.89	\$40.60	\$69.08
Average	\$30.83	\$44.36	\$75.19
<b>Bemidji</b>	<b>\$30.11</b>	<b>\$54.55</b>	<b>\$84.66</b>
Max	\$50.21	\$88.00	\$138.21
Rank	11 of 18	16 of 18	14 of 18

### Things to consider:

Conditions of Assets & Deferred Capital Improvements

Location of Sewer Plant

Current capacity of Water & Sewer plants

PILOT Payments to City

Debt Structure

Liquidity of Fund

Size of City

Fixed vs Variable

Near to Rate Changes Needed



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