

BEMIDJI CITY COUNCIL

Work Session Agenda

Monday, October 14 2013

**City Hall
Conference Room
5:30 p.m.**



1. CALL TO ORDER

2. CLOSE THE MEETING
 - DISCUSS PENDING LITIGATION MATTER WITH BEMIDJI TOWNSHIP

3. REOPEN MEETING

4. UTILITY CASH FLOW ANNUAL UPDATE – FINANCE DIRECTOR

5. ADJOURN



City Attorney's Office

MEMORANDUM

TO: Mayor & City Council
FROM: Alan Felix, City Attorney
DATE: October 14, 2013
RE: Closed Meeting Procedure

Minnesota Statute Section 13D.05, Subd.3(b) provides that:

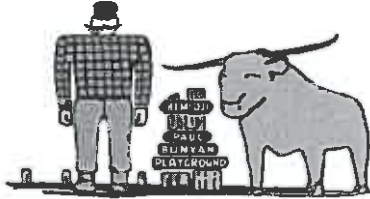
A public body may close a meeting if the closure is expressly authorized by statute or permitted by the attorney-client privilege. In particular, the attorney-client privilege allows the public body to discuss with its legal counsel threatened or pending litigation.

Consequently, in order to close a meeting, a councilmember should make a motion such as:

I move to close this meeting in accordance with Minnesota Statute Section 13D.05, Subd. 3(b) for the purpose of discussing with the City Attorney threatened or pending litigation.

The Mayor would then call for a second, discussion and a vote as with any other motion. A written record of those in attendance must be taken. The meeting must also be tape recorded and the tape maintained for two years.

AF/km



City of Bemidji

Finance Office

Memorandum

To: Honorable Mayor and City Council

From: Ron Eischens, Finance Director *Ron*

Date: October 14, 2013

RE: Utility Cash Flow Annual Update

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Background:

The objective of this work session is to review assumptions and projected financial impacts on the City utility funds, which include water, sanitary sewer, storm water and refuse. The City utilizes the consulting firm Public Financial Management (PFM) to update our cash flows based on staff provided information. As part of this process, staff raises certain policy issues for council discussion and direction.

Supporting documentation includes the following:

1. Letter from PFM dated September 23, 2013
2. Public Utilities Enterprise Funds Cash Flow Projections
3. Water and Waste Water Rate Information compiled by AE2S
4. Calculation of Fixed Monthly Charge based on Meter Equivalents

Item # 2 above represents actual and projected financial activity for City utility funds and is updated annually. The projections incorporate operating revenues, expenses, debt service and capital projects.

Projections are only as good as their assumptions and these include the following major assumptions:

- **Water Consumption** - based on five year average, 423 million gallons, with no growth in future years. This is the first consumption increase in five years. Sewer consumption is slightly less due to sprinkling meters not contributing to sanitary sewer flow.
- **Proposed Rate adjustments** - 3% for all utilities except storm water which has no increase
- **Expense growth** - 2% annual increases for 2015 to 2018
- **Energy Savings Project (ESP)** – The ESP may impact the timing and funding sources for certain capital projects. Until Honeywell completes the investment grade audit, which is estimated to take five months, the impact on utility funds will not be known. Next year's projections will incorporate the results of the ESP
- **Birchmont Drive Assessments** – no additional City contribution to this project are included in the projections

Projection Results

The end result of five years of projected financial activity indicates utility funds cash reserves decreasing from \$8.2 million in 2012 to \$5 million by 2018. Despite the reduction of cash, combined City utility reserves remain adequate by 2018. However, in order to obtain these results, City staff deferred a significant amount of capital projects. Some of these deferrals included \$1.2 million in WWTP sludge storage tank upgrades in 2019/2020, which are beyond the time frame of the projections.

The primary concern of City Staff and PFM is the financial deterioration in the sanitary sewer department. Recent and future large capital improvements to the WWTP are projected to create a deficit in the sewer department by year 2017. As referred to in the PFM memorandum, City staff recommend “re-allocating” \$2 million from the water department to the sewer department to offset this deficit. This is an internal allocation of dollars because water and sewer activities are accounted for in one fund on the City financial system. Future capital demands in the sewer fund may call for increased revenues to maintain system integrity.

City staff learned of \$155,000 of additional costs not included in these projections; \$80,000 related to the 2013 well field replacement project and \$75,000 in year 2015 projects at the WWTP. This new information will decrease water/sewer reserves by \$155,000 from amounts shown on the projections.

Policy Issues

Fixed Rate structure – Currently water/sewer customers pay a base/fixed rate of \$14.92 per month, \$7.05 for water and \$7.87 for sewer, regardless of how much water, if any, is consumed. The single family home owner pays the same base/fixed rate as a large commercial user. A policy question is should larger water consumers pay a higher portion of the fixed costs of the utility system? Fixed costs include the majority of expenses in the utility funds.

Staff researched this issue and received information from the American Water Works Association suggesting base/fixed rates be charged on water meter size. In other words, a residential meter (5/8" to 3/4") is charged a base/fixed fee and larger meters, utilized by commercial businesses, charged increasingly higher fixed rates. See attachment titled **“Calculation of Fixed Monthly Charge based on Meter Equivalents”**.

Staff believe fixed cost distribution by meter size is a more equitable method to allocate costs. As an alternative to an across the board 3% rate increase, the Council could implement a base/fixed rate structure as calculated by AWWA. The attachments titled **“Water/Waste Water systems”** illustrate how other cities residential utility bills incorporate both fixed and usage rate components. Notice how Bemidji’s fixed rate is lower than many other cities. The financial impact of alternative rate adjustments is discussed later in this memorandum.

Water Conservation Requirements – For the last few years the MN Legislature has discussed and proposed utility rate structures to encourage “demand reduction measures” which would reduce water demand, water losses, peak demands and non-essential water uses. Demand reduction measures must include a rate structure that achieves its goals.

The Water Conservation Law is now effective and requires demand reduction measures be implemented by January 1, 2015 for a City our size. At this time, the 2014 City of Bemidji rate structure does not meet all demand reduction requirements. Staff intend to make recommendations to meet this requirement next year.

Refuse Department – Currently the City does not charge a fee to start or discontinue refuse services. Waste Management charges \$40 for these service changes. We believe the City should charge \$20 to customers to start or stop refuse services adding \$9,000 annually to profits. In addition, to reduce the number of “callbacks” for customers who forgot to put their can out in time on the day of pickup, we would charge a \$5 fee.

Recommendations/Actions Required:

1. **Re-allocate \$2 million of water reserves to sewer department.** The City financial system tracks water and sewer activity within one fund, so this transaction is an internal allocation for cash flow purposes only.
2. **Approve 2014 rate adjustments:**
 - a. No rate increases for storm water
 - b. Refuse adjustments
 - i. 3% rate increase
 - ii. Establish a \$20 fee for service starts and stops
 - iii. Charge a \$5 fee if customer doesn't put can out on time
 - c. Water/Sewer Rate changes
 - i. Across the board 3% increases to base fee and usage rates which generates an estimated \$115,000 in new revenue for 2014, **OR**
 - ii. No increases to residential usage or base rates but increase commercial base rates per meter based on meter size. This will generate \$220,000 in **guaranteed new revenue**, since it is not based on usage. The additional revenue of \$105,000 (\$220,000 vs. \$115,000) would cover higher costs of \$155,000 noted on page 2 over a two year period. Fixed rates would be proposed as follows:

| <u>Meter Size</u> | <u># of Meters</u> | <u>*Monthly Base Fee</u> |
|-----------------------------------|--------------------|--------------------------|
| Residential Meters 5/8 or 3/4" | 3,420 | \$ 14.92 - No change |
| Commercial Meters | | |
| 1" | 221 | \$ 20.89 |
| 1 1/2" | 193 | \$ 26.86 |
| 2" | 175 | \$ 43.27 |
| 3" | 42 | \$164.12 |
| 4" | 19 | \$208.88 |
| 6" | 3 | \$313.32 |

* Allocation of base fee would be 33% water, 67% sewer.



The PFM Group

Public Financial Management, Inc.
PFM Asset Management LLC
PFM Advisors

801 Grand Avenue
Suite 3300
Des Moines, IA 50309

515-243-2600
515-243-6994 fax
www.pfm.com

September 23, 2013

City of Bemidji
Mr. John Chattin, City Manager
317 4th Street NW
Bemidji, MN 56601

Dear John,

Attached for your consideration is the updated long-term financial planning model developed for the City of Bemidji, Minnesota (the "City") Public Utilities Enterprise Fund. Below is an executive summary for these funds:

Sewer Fund

In 2012, sewer usage increased 13% to 405 million gallons due to drought conditions, causing higher water usage which impacts sewer usage as well. This is the first increase for sewer usage in over five years. Because usage has steadily declined over the last five years, to be conservative, City staff is projecting usage for 2013 to be 360 million gallons, which is in line with the five year average. In 2014 and future years, we are assuming no growth in sewer usage.

Operating expenses, not including depreciation, have increased \$66,000, or 4.3%, from 2010 to 2012. Based on staff projections, expenses for 2013 should be \$147,000 higher than 2012 actual amounts. This includes an additional full time employee for the waste water treatment plant in addition to cost of living increases. In 2015, an additional 0.25 full time employee has been added to handle anticipated service needs due to annexation. The assumption for growth in future operating expenses has been limited to 2%. If actual operating expenses increase more than 2% per year, projected rate increases must be higher to maintain financial stability.

There are approximately \$5 million of sewer capital improvements planned for 2013 through 2018, primarily due to the Waste Water Treatment Plant ("WWTP") improvement projects.

Assuming there is no growth in usage, 3% rate increases are sufficient to cover 2% increases in operating expenses and debt payments. **However, these rate increases are not sufficient to cover capital needs and therefore, the cash reserves will be drawn down over time.** Even after reducing the original capital improvement plan by \$1.6 million, sewer cash reserves will continue to decrease **and be negative by 2017**. In addition, a large WWTP project of \$1.2 million for a sludge storage tank is scheduled for years 2019/2020, creating larger future deficits. City staff recommends transferring \$2 million of water reserves to the sewer fund to cover future sewer shortfalls. An initial allocation of sewer and water reserves was estimated when this project began since both activities (sewer and water) are accounted for in a single fund. This transfer leaves sufficient reserves in the water fund and avoids raising sewer rates, which are already high compared to other cities.

Water Fund

In 2012, water usage increased 13% to 445 million gallons due to extreme drought conditions. This is the first increase for water usage in over five years. Because usage has steadily declined over the last five years, to be conservative, City staff is projecting usage for 2013 to be around 423 million gallons, which is in line with a five year average. In 2014 and future years, we are assuming no growth in water usage.

Operating expenses, not including depreciation, have increased \$46,000, or 6%, from 2010 to 2012. Based on staff projections, expenses for 2013 should increase approximately \$27,000, or 3.3% from 2012 actual amounts due primarily to personnel costs. The assumption for growth in future expenses has been limited to 2% with the exception of a 0.25 full time employee added in 2015 to meet annexation service needs. If actual expenses increase more than 2% per year, projected rate increases need to be higher to maintain financial stability.

Assuming there is no usage growth, 3% rate increases are sufficient to cover 2% increases in operating expenses and debt payments. Based off the current projects, it appears these rate increases may be sufficient to cover approximately \$5.6 million of future capital needs.

Storm Water Fund

The storm water capital improvement plan includes approximately \$3.1 million for annual street improvement projects as well as storm water specific improvement projects. Based on projected revenues and expenses, the projected cash flow for the storm water fund appears healthy through 2018 and therefore no rate increases have been incorporated. Property to be annexed in 2015 is estimated to add \$30,000 in annual revenue.

Refuse Fund

Based on 3% rate increases, it is anticipated there will be sufficient revenues to generate a surplus each year through 2018. An additional refuse truck and half time employee are included in the projections in 2015 to meet anticipated annexation needs. We assumed refuse profits and administrative costs of \$103,000 will be transferred to General Fund annually.

Summary

As of January 1, 2013, the City Public Utility Enterprise Funds had over \$8.3 million of debt outstanding with 2013 annual debt service payments totaling approximately \$1.1 million. This debt was utilized to construct or improve the City's utility infrastructure. Despite the City's success in controlling operating costs in recent years, **the capital needs of the sewer systems outweigh the City's ability to pay for them.** The City's utility rates are generally higher than comparable cities, due in part to the higher level of waste water treatment the City incurs.

It is important to note that our analysis reviews each enterprise fund separately to assess the sufficiency of each enterprise fund's rates and charges. However, the credit agency and the municipal bond market view the credit as the overall Public Utilities Enterprise Fund payable from all of the various enterprise funds.

Our assumptions regarding the growth of operating expenses and rates are shown at the top of each analysis. Care must be taken to ensure that our assumptions are in line with operational experience.

Please call me at 515-724-5735 if you have any further questions.

Sincerely,
PUBLIC FINANCIAL MANAGEMENT



Jenny Blankenship, CPA
Director

City of Bemidji, Minnesota
Public Utilities Enterprise Funds (Sewer, Water, Storm Water & Refuse)

Assumes No S/A CIP, prior Assessments only & 3% Rate Increases

EXHIBIT 4

| Assumptions: | |
|-------------------------|-------|
| Interest Rate | 1.09% |
| Sewer Gallons Sold | 0.09% |
| Operating & Maintenance | 2.09% |

| Sewer Rate Adjustments | |
|------------------------|-------|
| 01-01-11 | 3.0% |
| 01-01-12 | 15.0% |
| 01-01-13 | 3.0% |
| 01-01-14 | 3.0% |
| 01-01-15 | 3.0% |
| 01-01-16 | 3.0% |
| 01-01-17 | 3.0% |
| 01-01-18 | 3.0% |

| | | Audited Financial Statements | | | | | | Budget | | Budget | | Projection | | Projection | | Projection | |
|---------------------------------------|----|------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | | FY Ending 12/31/2010 | FY Ending 12/31/2011 | FY Ending 12/31/2012 | FY Ending 12/31/2013 | FY Ending 12/31/2014 | FY Ending 12/31/2015 | FY Ending 12/31/2016 | FY Ending 12/31/2017 | FY Ending 12/31/2018 | FY Ending 12/31/2010 | FY Ending 12/31/2011 | FY Ending 12/31/2012 | FY Ending 12/31/2013 | FY Ending 12/31/2014 | FY Ending 12/31/2015 | FY Ending 12/31/2016 |
| SEWER DEPARTMENT: | | | | | | | | | | | | | | | | | |
| Sewer Sales: | | | | | | | | | | | | | | | | | |
| Base Rate | 1 | \$6.45 | \$6.64 | \$7.64 | \$7.87 | \$8.11 | \$8.35 | \$8.60 | \$8.86 | \$9.12 | | | | | | | |
| Meter Rate | 2 | \$4.86 | \$5.00 | \$5.75 | \$5.92 | \$6.10 | \$6.28 | \$6.47 | \$6.66 | \$6.86 | | | | | | | |
| Sewer Gallons Sold | 3 | 365,871,870 | 359,773,050 | 405,256,670 | 359,773,050 | 359,773,050 | 359,773,050 | 359,773,050 | 359,773,050 | 359,773,050 | | | | | | | |
| Ave Revenue per 1,000 Gallons | 4 | \$5.21943 | \$5.55607 | \$5.71704 | \$5.88855 | \$6.06521 | \$6.24717 | \$6.43458 | \$6.62762 | \$6.82645 | | | | | | | |
| Operating Revenues: | | | | | | | | | | | | | | | | | |
| Charges for Services | 5 | \$1,909,642 | \$1,998,926 | \$2,316,869 | \$2,118,542 | \$2,182,099 | \$2,247,562 | \$2,314,988 | \$2,384,438 | \$2,455,971 | | | | | | | |
| SAC Fees | 6 | 64,235 | 98,905 | 93,343 | 80,000 | 95,000 | 95,000 | 95,000 | 95,000 | 95,000 | | | | | | | |
| Connection Charges | 7 | 9,870 | 8,216 | 0 | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 | | | | | | | |
| Utility Late Charges | 8 | 20,321 | 20,056 | 21,861 | 20,000 | 22,000 | 22,000 | 22,000 | 22,000 | 22,000 | | | | | | | |
| Other | 9 | 37,036 | 47,120 | 55,658 | 47,800 | 48,750 | 48,750 | 48,750 | 48,750 | 48,750 | | | | | | | |
| Total Operating Revenues | 10 | \$2,041,104 | \$2,173,223 | \$2,487,731 | \$2,274,342 | \$2,355,849 | \$2,421,312 | \$2,488,738 | \$2,558,188 | \$2,629,721 | | | | | | | |
| Operating Expenses: | | | | | | | | | | | | | | | | | |
| Personnel | 11 | \$524,575 | \$523,197 | \$561,561 | \$643,000 | \$684,700 | \$710,394 | \$724,602 | \$739,094 | \$753,876 | | | | | | | |
| Utilities | 12 | 242,656 | 262,266 | 292,346 | 256,286 | 272,266 | 277,711 | 283,266 | 288,931 | 294,709 | | | | | | | |
| Maintenance & Supplies | 13 | 358,313 | 426,621 | 347,182 | 453,144 | 453,144 | 462,207 | 471,451 | 480,880 | 490,498 | | | | | | | |
| Other Services & Charges | 14 | 415,907 | 425,576 | 406,357 | 401,712 | 401,712 | 409,746 | 417,941 | 426,300 | 434,826 | | | | | | | |
| Depreciation | 15 | 732,528 | 710,731 | 710,091 | 724,293 | 738,779 | 753,555 | 768,626 | 783,999 | 799,679 | | | | | | | |
| Total Operating Expenses | 16 | \$2,273,979 | \$2,348,391 | \$2,317,537 | \$2,478,435 | \$2,550,601 | \$2,613,613 | \$2,665,886 | \$2,719,204 | \$2,773,588 | | | | | | | |
| Net Operating Income | 17 | (\$232,875) | (\$175,168) | \$170,194 | (\$204,093) | (\$194,752) | (\$192,302) | (\$177,147) | (\$161,016) | (\$143,867) | | | | | | | |
| Nonoperating Revenues/Expenses | | | | | | | | | | | | | | | | | |
| Interest Income | 18 | \$63,520 | \$81,749 | \$43,292 | \$36,621 | \$30,789 | \$24,530 | \$21,003 | \$16,282 | \$0 | | | | | | | |
| Special Assessments | 19 | 78,978 | 50,892 | 87,117 | 84,693 | 80,546 | 76,399 | 72,252 | 68,105 | 27,583 | | | | | | | |
| Depreciation & Amortization | 20 | 732,528 | 710,731 | 710,091 | 724,293 | 738,779 | 753,555 | 768,626 | 783,999 | 799,679 | | | | | | | |
| Net Revenue for Debt Service | 21 | \$642,151 | \$668,204 | \$1,010,694 | \$641,514 | \$655,362 | \$662,182 | \$684,734 | \$707,370 | \$683,395 | | | | | | | |

City of Bemidji, Minnesota

Public Utilities Enterprise Funds (Sewer, Water, Storm Water & Refuse)

EXHIBIT 4

Assumes No S/A CIP, prior
Assessments only & 3% Rate Increases

| Assumptions: | |
|-------------------------|------|
| Interest Rate | 1.0% |
| ERU Unit Growth | 0.0% |
| Operating & Maintenance | 2.0% |

| Storm Water Rate Adjustments | | | |
|------------------------------|----------------|----------|------|
| 01-01-11 | 3.0% | 01-01-15 | 0.0% |
| 01-01-12 | Fee Policy Chg | 01-01-16 | 0.0% |
| 01-01-13 | 0.0% | 01-01-17 | 0.0% |
| 01-01-14 | 0.0% | 01-01-18 | 0.0% |

Audited Financial Statements:

Budget

Budget

Projection

Projection

Projection

Projection

STORM WATER DEPARTMENT:

Storm Water Sales:

| | FY Ending 12/31/2010 | FY Ending 12/31/2011 | FY Ending 12/31/2012 | FY Ending 12/31/2013 | FY Ending 12/31/2014 | FY Ending 12/31/2015 | FY Ending 12/31/2016 | FY Ending 12/31/2017 | FY Ending 12/31/2018 |
|---------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| ERU Unit Rate | \$6.26 | \$6.44 | \$6.44 | \$6.44 | \$6.44 | \$6.44 | \$6.44 | \$6.44 | \$6.44 |

Operating Revenues:

| | | | | | | | | | |
|---------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Charges for Services | \$1,064,403 | \$1,091,230 | \$1,137,514 | \$1,137,514 | \$1,137,514 | \$1,167,514 | \$1,167,514 | \$1,167,514 | \$1,167,514 |
| Other | 0 | 40,108 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Operating Revenues | \$1,064,403 | \$1,131,338 | \$1,137,514 | \$1,137,514 | \$1,137,514 | \$1,167,514 | \$1,167,514 | \$1,167,514 | \$1,167,514 |

Operating Expenses:

| | | | | | | | | | |
|--------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Personnel | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Utilities | 1,063 | 847 | 1,368 | 1,030 | 1,030 | 1,051 | 1,072 | 1,093 | 1,115 |
| Maintenance & Supplies | 50,541 | 66,099 | 44,879 | 53,500 | 53,500 | 54,570 | 55,661 | 56,775 | 57,910 |
| Other Services & Charges | 292,191 | 289,020 | 288,710 | 309,767 | 309,767 | 315,962 | 322,282 | 328,727 | 335,302 |
| Depreciation | 123,942 | 125,206 | 145,290 | 148,196 | 151,160 | 154,183 | 157,267 | 160,412 | 163,620 |
| Total Operating Expense | \$467,737 | \$481,172 | \$480,247 | \$512,493 | \$515,457 | \$525,766 | \$536,281 | \$547,007 | \$557,947 |

Net Operating Income

| | | | | | | | | | |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | \$596,666 | \$650,166 | \$657,267 | \$625,021 | \$622,057 | \$641,748 | \$631,233 | \$620,507 | \$609,567 |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|

Nonoperating Revenues/Expenses

| | | | | | | | | | |
|-------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Interest on Reserves | \$425 | \$2,968 | \$1,782 | \$3,015 | \$83 | \$2,123 | \$4,405 | \$4,031 | \$7,027 |
| Special Assessments | 7,290 | 2,166 | 660 | 500 | 0 | 0 | 0 | 0 | 0 |
| Depreciation | 123,942 | 125,206 | 145,290 | 148,196 | 151,160 | 154,183 | 157,267 | 160,412 | 163,620 |
| Net Revenue for Debt Service | \$728,323 | \$780,506 | \$804,999 | \$776,732 | \$773,300 | \$798,054 | \$792,904 | \$784,951 | \$780,214 |

City of Bemidji, Minnesota
Public Utilities Enterprise Funds (Sewer, Water, Storm Water & Refuse)

EXHIBIT 4

Assumes No S/A CIP, prior
Assessments only & 3% Rate Increases

| Assumptions: | |
|---------------------------|------|
| Interest Rate | 1.0% |
| No. of Garbage Can Growth | 0.0% |
| Operating & Maintenance | 2.0% |

| Refuse Revenue Adjustments | |
|----------------------------|---------|
| 01-01-11 | 0.0% |
| 01-01-12 | \$1/can |
| 01-01-13 | 3.0% |
| 01-01-14 | 3.0% |
| 01-01-15 | 3.0% |
| 01-01-16 | 3.0% |
| 01-01-17 | 3.0% |
| 01-01-18 | 3.0% |

Audited Financial Statements:

Budget

Budget

Projection

Projection

Projection

Projection

REFUSE DEPARTMENT:

| | FY Ending 12/31/2010 | FY Ending 12/31/2011 | FY Ending 12/31/2012 | FY Ending 12/31/2013 | FY Ending 12/31/2014 | FY Ending 12/31/2015 | FY Ending 12/31/2016 | FY Ending 12/31/2017 | FY Ending 12/31/2018 |
|---------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Operating Revenues: | | | | | | | | | |
| Charges for Services | 58 | \$308,301 | \$318,985 | \$356,581 | \$367,278 | \$378,297 | \$411,646 | \$423,995 | \$436,715 |
| Utility Late Charges | 59 | 5,657 | 5,684 | 6,121 | 5,500 | 5,500 | 5,665 | 5,835 | 6,010 |
| Connection Charges | 60 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other | 61 | 8,085 | 1,323 | 1,741 | 500 | 500 | 515 | 530 | 546 |
| Total Operating Revenues | 62 | \$322,043 | \$325,992 | \$364,443 | \$373,278 | \$384,297 | \$417,826 | \$430,360 | \$443,271 |
| Operating Expenses: | | | | | | | | | |
| Personnel | 63 | \$125,664 | \$86,830 | \$88,628 | \$99,700 | \$107,300 | \$132,446 | \$135,095 | \$137,797 |
| Utilities | 64 | 458 | 1,793 | 780 | 515 | 515 | 525 | 536 | 547 |
| Maintenance & Supplies | 65 | 38,120 | 45,464 | 33,483 | 28,265 | 28,265 | 48,830 | 49,807 | 50,803 |
| Other Services & Charges | 66 | 68,050 | 66,139 | 65,810 | 79,647 | 79,647 | 86,240 | 87,965 | 89,724 |
| Depreciation | 67 | 35,426 | 34,488 | 36,337 | 36,337 | 36,337 | 36,337 | 36,337 | 36,337 |
| Total Operating Expense | 68 | \$267,718 | \$234,714 | \$225,038 | \$244,464 | \$252,064 | \$304,379 | \$309,739 | \$315,207 |
| Net Operating Income | 69 | \$54,325 | \$91,278 | \$139,405 | \$128,814 | \$132,233 | \$113,447 | \$120,621 | \$128,064 |
| Nonoperating Revenues/Expenses | | | | | | | | | |
| Interest on Reserves | 70 | \$5,835 | \$6,658 | \$5,962 | \$5,803 | \$4,163 | \$5,280 | \$3,281 | \$4,323 |
| Special Assessments | 71 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Depreciation | 72 | 35,426 | 34,488 | 36,337 | 36,337 | 36,337 | 36,337 | 36,337 | 36,337 |
| Net Revenue for Debt Service | 73 | \$95,586 | \$132,424 | \$181,704 | \$170,955 | \$172,733 | \$155,064 | \$160,239 | \$168,724 |

City of Bemidji, Minnesota

Public Utilities Enterprise Funds (Sewer, Water, Storm Water & Refuse)

Assumes No S/A CP, prior Assessments only & 3% Rate Increases

EXHIBIT 4

DEBT COVERAGE RATIOS:

Audited Financial Statements:

Budget:

Budget:

Projection:

Projection:

Projection:

Projection:

| (By Department) | FY Ending 12/31/2010 | FY Ending 12/31/2011 | FY Ending 12/31/2012 | FY Ending 12/31/2013 | FY Ending 12/31/2014 | FY Ending 12/31/2015 | FY Ending 12/31/2016 | FY Ending 12/31/2017 | FY Ending 12/31/2018 |
|-----------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
|-----------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|

SEWER DEPARTMENT:

| | | | | | | | | | | |
|--|----|-----------|-----------|-------------|-----------|-----------|-----------|-----------|-----------|-----------|
| Sewer Net Rev for Debt Service | 74 | \$642,151 | \$668,204 | \$1,010,694 | \$641,514 | \$655,362 | \$662,182 | \$684,734 | \$707,370 | \$683,395 |
| Sewer Utility Parity Debt | | | | | | | | | | |
| G.O. Revenue Bonds, 1998D/2009B Ref | 75 | \$53,339 | \$54,549 | \$55,649 | \$45,705 | \$46,778 | \$0 | \$0 | \$0 | \$0 |
| G.O. Revenue Bonds, 2001A/2009B Ref | 76 | 162,025 | 163,217 | 162,700 | 0 | 0 | 0 | 0 | 0 | 0 |
| G.O. Revenue Bonds, 2002A | 77 | 31,333 | 31,005 | 31,248 | 31,400 | 0 | 0 | 0 | 0 | 0 |
| G.O. Revenue Bonds, 2003 | 78 | 35,969 | 37,511 | 106,831 | 0 | 0 | 0 | 0 | 0 | 0 |
| G.O. Revenue Bonds, 2005 | 79 | 151,148 | 152,458 | 151,873 | 151,122 | 150,244 | 150,910 | 151,387 | 151,642 | 151,639 |
| G.O. Revenue Bonds, 2011B | 80 | 0 | 0 | 227,940 | 351,438 | 351,263 | 350,938 | 350,463 | 349,838 | 349,063 |
| Reserved | 81 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Sewer Debt Service | 82 | \$433,814 | \$438,740 | \$736,241 | \$579,664 | \$548,284 | \$501,847 | \$501,849 | \$501,479 | \$500,702 |
| Sewer Debt Service Coverage Ratio | 83 | 1.48 x | 1.52 x | 1.37 x | 1.11 x | 1.20 x | 1.32 x | 1.36 x | 1.41 x | 1.36 x |

WATER DEPARTMENT:

| | | | | | | | | | | |
|--|----|-----------|-----------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Water Net Rev for Debt Service | 84 | \$945,218 | \$986,109 | \$1,121,315 | \$1,068,980 | \$1,126,105 | \$1,153,239 | \$1,178,911 | \$1,216,828 | \$1,216,049 |
| Water Utility Parity Debt | | | | | | | | | | |
| G.O. Revenue Bonds, 1998D/2009B Ref | 85 | \$67,886 | \$69,426 | \$70,826 | \$58,170 | \$59,535 | \$0 | \$0 | \$0 | \$0 |
| G.O. Revenue Bonds, 2001A/2009B Ref | 86 | 305,468 | 307,716 | 306,741 | 0 | 0 | 0 | 0 | 0 | 0 |
| G.O. Revenue Bonds, 2002A | 87 | 61,131 | 58,899 | 60,553 | 213,220 | 0 | 0 | 0 | 0 | 0 |
| G.O. Revenue Bonds, 2003 | 88 | 34,256 | 35,725 | 101,743 | 0 | 0 | 0 | 0 | 0 | 0 |
| G.O. Revenue Bonds, 2005 | 89 | 173,376 | 174,879 | 174,207 | 173,345 | 172,339 | 173,102 | 173,649 | 173,942 | 173,939 |
| Reserved | 90 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Reserved | 91 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Water Debt Service | 92 | \$642,117 | \$646,645 | \$714,071 | \$444,735 | \$231,874 | \$173,102 | \$173,649 | \$173,942 | \$173,939 |
| Water Debt Service Coverage Ratio | 93 | 1.47 x | 1.52 x | 1.57 x | 2.40 x | 4.86 x | 6.66 x | 6.79 x | 7.00 x | 6.99 x |

STORM WATER DEPARTMENT:

| | | | | | | | | | | |
|--|-----|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Storm Water Net Rev for Debt Service | 94 | \$728,323 | \$780,506 | \$804,999 | \$776,732 | \$773,300 | \$798,054 | \$792,904 | \$784,951 | \$780,214 |
| Storm Water Utility Parity Debt | | | | | | | | | | |
| G.O. Revenue Bonds, 2001A/2009B | 95 | \$96,457 | \$97,167 | \$96,859 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| G.O. Revenue Bonds, 2002A | 96 | 151,636 | 151,636 | 151,636 | 0 | 0 | 0 | 0 | 0 | 0 |
| G.O. Revenue Bonds, 2005 | 97 | 120,030 | 121,070 | 120,605 | 120,008 | 119,312 | 119,840 | 120,219 | 120,421 | 120,419 |
| Reserved | 98 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Reserved | 99 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Storm Water Debt Service | 100 | \$368,123 | \$369,873 | \$369,100 | \$120,008 | \$119,312 | \$119,840 | \$120,219 | \$120,421 | \$120,419 |
| Storm Water Debt Service Coverage Ratio | 101 | 1.98 x | 2.11 x | 2.18 x | 6.47 x | 6.48 x | 6.66 x | 6.60 x | 6.52 x | 6.48 x |

REFUSE DEPARTMENT:

| | | | | | | | | | | |
|--|-----|----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Refuse Net Rev for Debt Service | 102 | \$95,586 | \$132,424 | \$181,704 | \$170,955 | \$172,733 | \$155,064 | \$160,239 | \$168,724 | \$177,322 |
|--|-----|----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|

City of Bemidji, Minnesota
Public Utilities Enterprise Funds (Sewer, Water, Storm Water & Refuse)

Assumes No S/A CIP, prior

EXHIBIT 4

Assessments only & 3% Rate Increases

DEBT COVERAGE RATIOS:

| (By Department) | Audited Financial Statements: | | | Budget | | | Projection | | |
|-----------------|-------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | FY Ending 12/31/2010 | FY Ending 12/31/2011 | FY Ending 12/31/2012 | FY Ending 12/31/2013 | FY Ending 12/31/2014 | FY Ending 12/31/2015 | FY Ending 12/31/2016 | FY Ending 12/31/2017 | FY Ending 12/31/2018 |

| SEWER DEPARTMENT: | | | | | | | | | |
|--|-----------|-----------|-------------|-----------|-----------|-----------|-----------|-----------|-----------|
| Sewer Net Rev for Debt Service | | | | | | | | | |
| 74 | \$642,151 | \$668,204 | \$1,010,694 | \$641,514 | \$655,362 | \$662,182 | \$684,734 | \$707,370 | \$683,395 |
| Sewer Utility Parity Debt | | | | | | | | | |
| G.O. Revenue Bonds, 1998D/2009B Ref | 75 | \$53,339 | \$54,549 | \$55,649 | \$45,705 | \$46,778 | \$0 | \$0 | \$0 |
| G.O. Revenue Bonds, 2001A/2009B Ref | 76 | 162,025 | 163,217 | 162,700 | 0 | 0 | 0 | 0 | 0 |
| G.O. Revenue Bonds, 2002A | 77 | 31,333 | 31,005 | 31,248 | 31,400 | 0 | 0 | 0 | 0 |
| G.O. Revenue Bonds, 2003 | 78 | 35,969 | 37,511 | 106,831 | 0 | 0 | 0 | 0 | 0 |
| G.O. Revenue Bonds, 2005 | 79 | 151,148 | 152,458 | 151,873 | 151,122 | 150,244 | 150,910 | 151,387 | 151,639 |
| G.O. Revenue Bonds, 2011B | 80 | 0 | 0 | 227,940 | 351,438 | 351,263 | 350,938 | 350,463 | 349,063 |
| Reserved | 81 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Sewer Debt Service | 82 | \$433,814 | \$438,740 | \$736,241 | \$579,664 | \$548,284 | \$501,847 | \$501,849 | \$501,479 |
| Sewer Debt Service Coverage Ratio | 83 | 1.48 x | 1.52 x | 1.37 x | 1.11 x | 1.20 x | 1.32 x | 1.36 x | 1.41 x |

| WATER DEPARTMENT: | | | | | | | | | |
|--|-----------|-----------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Water Net Rev for Debt Service | | | | | | | | | |
| 84 | \$945,218 | \$986,109 | \$1,121,315 | \$1,068,980 | \$1,126,105 | \$1,153,239 | \$1,178,911 | \$1,216,828 | \$1,216,049 |
| Water Utility Parity Debt | | | | | | | | | |
| G.O. Revenue Bonds, 1998D/2009B Ref | 85 | \$67,886 | \$69,426 | \$70,826 | \$58,170 | \$59,535 | \$0 | \$0 | \$0 |
| G.O. Revenue Bonds, 2001A/2009B Ref | 86 | 305,468 | 307,716 | 306,741 | 0 | 0 | 0 | 0 | 0 |
| G.O. Revenue Bonds, 2002A | 87 | 61,131 | 58,899 | 60,553 | 213,220 | 0 | 0 | 0 | 0 |
| G.O. Revenue Bonds, 2003 | 88 | 34,256 | 35,725 | 101,743 | 0 | 0 | 0 | 0 | 0 |
| G.O. Revenue Bonds, 2005 | 89 | 173,376 | 174,879 | 174,207 | 173,345 | 172,339 | 173,102 | 173,649 | 173,942 |
| Reserved | 90 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Reserved | 91 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Water Debt Service | 92 | \$642,117 | \$646,645 | \$714,071 | \$444,735 | \$231,874 | \$173,102 | \$173,649 | \$173,942 |
| Water Debt Service Coverage Ratio | 93 | 1.47 x | 1.52 x | 1.57 x | 2.40 x | 4.86 x | 6.66 x | 6.79 x | 7.00 x |

| STORM WATER DEPARTMENT: | | | | | | | | | |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Storm Water Net Rev for Debt Service | | | | | | | | | |
| 94 | \$728,323 | \$780,506 | \$804,999 | \$776,732 | \$773,300 | \$798,054 | \$792,904 | \$784,951 | \$780,214 |
| Storm Water Utility Parity Debt | | | | | | | | | |
| G.O. Revenue Bonds, 2001A/2009B | 95 | \$96,457 | \$97,167 | \$96,859 | \$0 | \$0 | \$0 | \$0 | \$0 |
| G.O. Revenue Bonds, 2002A | 96 | 151,636 | 151,636 | 151,636 | 0 | 0 | 0 | 0 | 0 |
| G.O. Revenue Bonds, 2005 | 97 | 120,030 | 121,070 | 120,605 | 120,008 | 119,312 | 119,840 | 120,219 | 120,421 |
| Reserved | 98 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Reserved | 99 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Storm Water Debt Service | 100 | \$368,123 | \$369,873 | \$369,100 | \$120,008 | \$119,312 | \$119,840 | \$120,219 | \$120,421 |
| Storm Water Debt Service Coverage Ratio | 101 | 1.98 x | 2.11 x | 2.18 x | 6.47 x | 6.48 x | 6.66 x | 6.60 x | 6.52 x |

| REFUSE DEPARTMENT: | | | | | | | | | |
|--|----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Refuse Net Rev for Debt Service | | | | | | | | | |
| 102 | \$95,586 | \$132,424 | \$181,704 | \$170,955 | \$172,733 | \$155,064 | \$160,239 | \$168,724 | \$177,322 |

City of Bemidji, Minnesota
Public Utilities Enterprise Funds (Sewer, Water, Storm Water & Refuse)

Assumes No S/A CIP, prior
Assessments only & 3% Rate Increases

EXHIBIT 4

DEBT COVERAGE RATIOS:

(For Public Utilities Fund)

| | Audited Financial Statements: | | | Budget | | | Projection | | | |
|--|-------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------|
| | FY Ending 12/31/2010 | FY Ending 12/31/2011 | FY Ending 12/31/2012 | FY Ending 12/31/2013 | FY Ending 12/31/2014 | FY Ending 12/31/2015 | FY Ending 12/31/2016 | FY Ending 12/31/2017 | FY Ending 12/31/2018 | |
| Sewer Net Rev for Debt Service | 103 | \$642,151 | \$668,204 | \$1,010,694 | \$641,514 | \$655,362 | \$662,182 | \$684,734 | \$707,370 | \$683,395 |
| Water Net Rev for Debt Service | 104 | 945,218 | 986,109 | 1,121,315 | 1,068,980 | 1,126,105 | 1,153,239 | 1,178,911 | 1,216,828 | 1,216,049 |
| Storm Water Net Rev for Debt Service | 105 | 728,323 | 780,506 | 804,999 | 776,732 | 773,300 | 798,054 | 792,904 | 784,951 | 780,214 |
| Refuse Net Rev for Debt Service | 106 | 95,586 | 132,424 | 181,704 | 170,955 | 172,733 | 155,064 | 160,239 | 168,724 | 177,322 |
| Total Net Rev for Debt Service | 107 | \$2,411,278 | \$2,567,243 | \$3,118,712 | \$2,658,181 | \$2,727,499 | \$2,768,539 | \$2,816,788 | \$2,877,873 | \$2,856,981 |
| Sewer Debt Service | 108 | \$433,814 | \$438,740 | \$736,241 | \$579,664 | \$548,284 | \$501,847 | \$501,849 | \$501,479 | \$500,702 |
| Water Debt Service | 109 | 642,117 | 646,645 | 714,071 | 444,735 | 231,874 | 173,102 | 173,649 | 173,942 | 173,939 |
| Storm Water Debt Service | 110 | 368,123 | 369,873 | 369,100 | 120,008 | 119,312 | 119,840 | 120,219 | 120,421 | 120,419 |
| Refuse Debt Service | 111 | \$1,444,054 | \$1,455,258 | \$1,819,412 | \$1,144,408 | \$899,470 | \$794,790 | \$795,718 | \$795,843 | \$795,060 |
| Total Debt Service Coverage Ratio | 112 | 1.67 x | 1.76 x | 1.71 x | 2.32 x | 3.03 x | 3.48 x | 3.54 x | 3.62 x | 3.59 x |

| | | | | | | | | | | |
|--------------------------------------|-----|-----------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Net Cashflow After Debt (Sewer) | 113 | \$208,337 | \$229,464 | \$274,453 | \$61,850 | \$107,077 | \$160,335 | \$182,885 | \$205,891 | \$182,694 |
| Net Cashflow After Debt (Water) | 114 | 303,101 | 339,464 | 407,244 | 624,244 | 894,231 | 980,136 | 1,005,261 | 1,042,886 | 1,042,110 |
| Net Cashflow After Debt (Stormwater) | 115 | 360,200 | 410,633 | 435,899 | 656,724 | 653,988 | 678,213 | 672,685 | 664,529 | 659,795 |
| Net Cashflow After Debt (Refuse) | 116 | 95,586 | 132,424 | 181,704 | 170,955 | 172,733 | 155,064 | 160,239 | 168,724 | 177,322 |
| Total Net Cashflow After Debt | 117 | \$967,224 | \$1,111,985 | \$1,299,300 | \$1,513,773 | \$1,828,029 | \$1,973,749 | \$2,021,070 | \$2,082,031 | \$2,061,921 |

| | | | | | | | | | | |
|----------------------------------|-----|-------------|-------------|---------------|---------------|-----------|---------------|------------|---------------|-------------|
| Bond, Loan & Note Proceeds | 118 | 0 | 4,755,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sewer- Grants | 119 | 1,362 | 1,699 | 1,701 | 0 | 0 | 0 | 0 | 0 | 0 |
| Water- Grants | 120 | 1,370 | 1,303 | 1,263 | 0 | 0 | 0 | 0 | 0 | 0 |
| Water- Op Transfers In (Out) | 121 | (158,300) | (349,093) | 44,564 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sewer- Op Transfers In (Out) | 122 | (13,548) | (51,633) | 10,000 | 200,000 | 0 | 0 | 0 | 0 | 0 |
| St. Water- Op Transfers In (Out) | 123 | (551,786) | (505,752) | (649,654) | (200,000) | (56,000) | (56,000) | (56,000) | (56,000) | (56,000) |
| Refuse- Op Transfers In (Out) | 124 | (32,000) | (32,000) | (56,000) | (56,000) | (56,000) | (56,000) | (56,000) | (56,000) | (56,000) |
| Other Sources (Uses)- Sewer | 125 | 27,519 | 19,503 | (1,911) | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Sources (Uses)- Water | 126 | 27,519 | 19,503 | (1,911) | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Sources (Uses)- Stormwater | 127 | 527 | 453 | 402 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Sources (Uses)- Refuse | 128 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Sources (Uses) of Cash | 129 | (186,261) | 331,960 | 147,323 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Outlays- Sewer | 130 | (302,589) | (2,353,232) | (2,818,017) | (845,000) | (733,000) | (513,000) | (655,000) | (2,030,000) | (230,000) |
| Capital Outlays- Water | 131 | (31,563) | (112,150) | (103,264) | (757,000) | (235,000) | (1,767,000) | (695,000) | (1,990,000) | (160,000) |
| Capital Outlays- Storm Water | 132 | 0 | (7,292) | (92,679) | (750,000) | (450,000) | (450,000) | (450,000) | (450,000) | (375,000) |
| Capital Outlays- Refuse | 133 | 0 | 0 | (27,605) | (279,000) | (5,000) | (299,000) | 0 | (25,000) | 0 |
| Annual Surplus or Deficit | 134 | (\$349,943) | \$2,731,054 | (\$2,150,421) | (\$1,173,227) | \$349,029 | (\$1,111,251) | (\$94,930) | (\$2,383,969) | \$1,240,921 |

Unrestricted Cash

| | | | | | | | | | | |
|------------------------|-----|-------------|--------------|--------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Cash Balance-Beginning | 135 | \$7,865,662 | \$7,615,719 | \$10,346,773 | \$8,196,352 | \$7,023,125 | \$7,372,154 | \$6,260,903 | \$6,165,973 | \$6,165,973 |
| Cash Balance-Ending | 136 | \$7,615,719 | \$10,346,773 | \$8,196,352 | \$7,023,125 | \$7,372,154 | \$6,260,903 | \$6,165,973 | \$3,782,004 | \$5,022,924 |

Cash as % of Net O&M

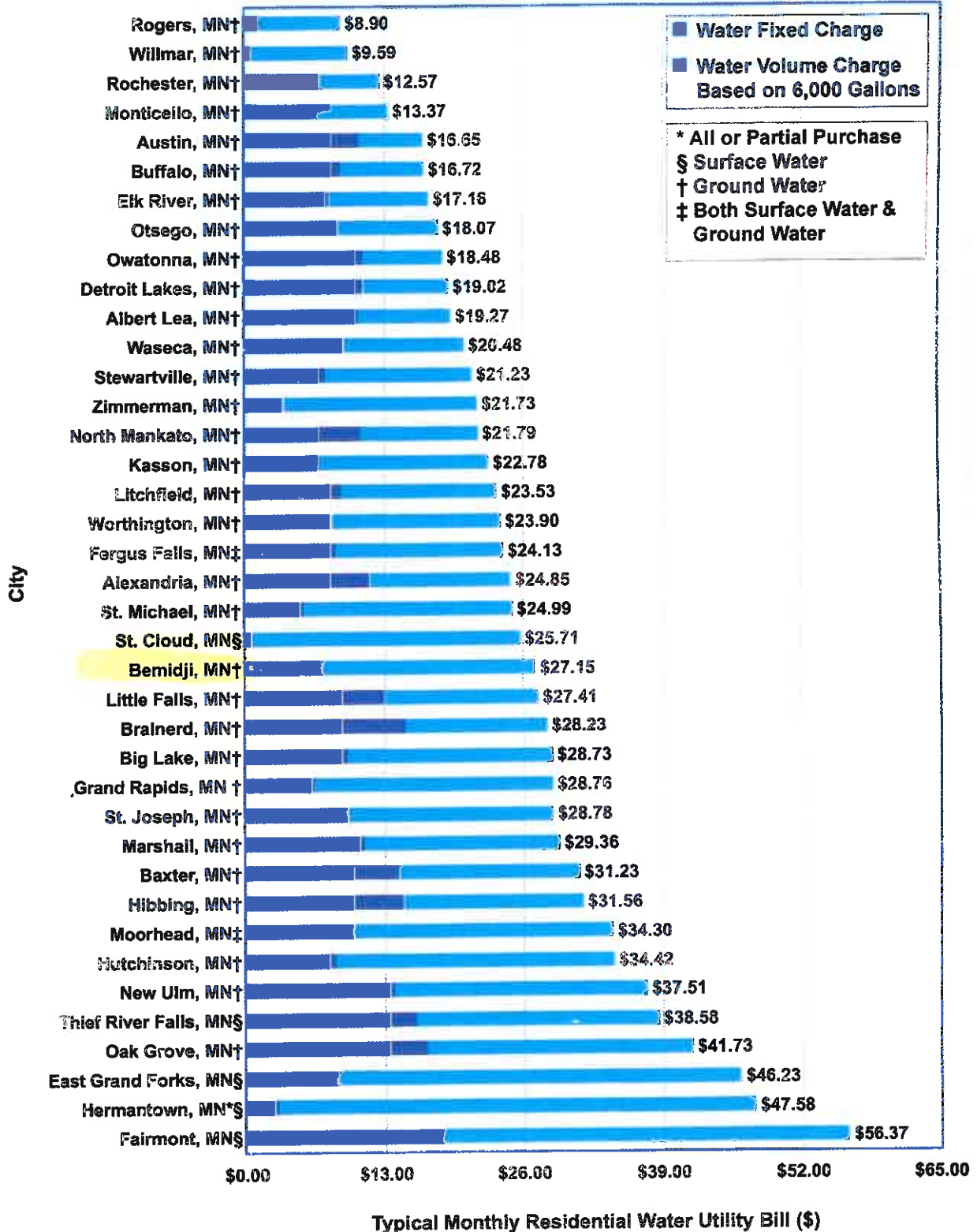
| | | | | | | | | | | |
|--|-----|------|------|------|------|------|------|------|------|------|
| | 137 | 263% | 348% | 278% | 221% | 228% | 186% | 179% | 108% | 140% |
|--|-----|------|------|------|------|------|------|------|------|------|

Cash Position by Department

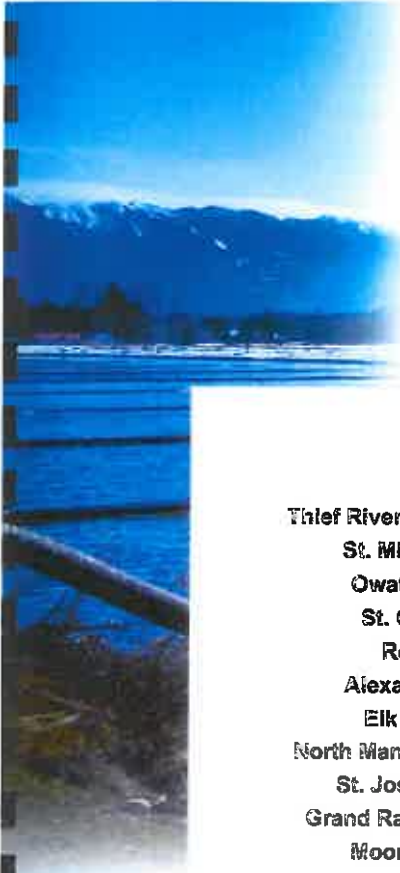
| | | | | | | | | | | |
|----------------------------|-----|-------------|--------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Sewer | 138 | \$3,563,072 | \$4,190,000 | \$3,662,032 | \$3,078,911 | \$2,452,989 | \$2,100,324 | \$1,628,209 | (\$195,900) | (\$243,207) |
| Water | 139 | 3,469,618 | 3,404,672 | 3,652,431 | 3,519,675 | 4,178,906 | 3,992,042 | 3,702,303 | 2,755,189 | 3,637,300 |
| Stormwater | 140 | 192,390 | 265,679 | 301,539 | 8,263 | 212,251 | 440,465 | 403,150 | 702,679 | 987,474 |
| Refuse | 141 | 390,659 | 176,521 | \$90,321 | 416,276 | 528,008 | 328,073 | 432,311 | 520,035 | 641,357 |
| Total Cash Balances | 142 | \$7,615,719 | \$10,346,773 | \$8,196,352 | \$7,023,125 | \$7,372,154 | \$6,260,903 | \$6,165,973 | \$3,782,004 | \$5,022,924 |

WATER SYSTEMS BY METRO/STATE

MINNESOTA (Excluding Minneapolis/St. Paul Metro)

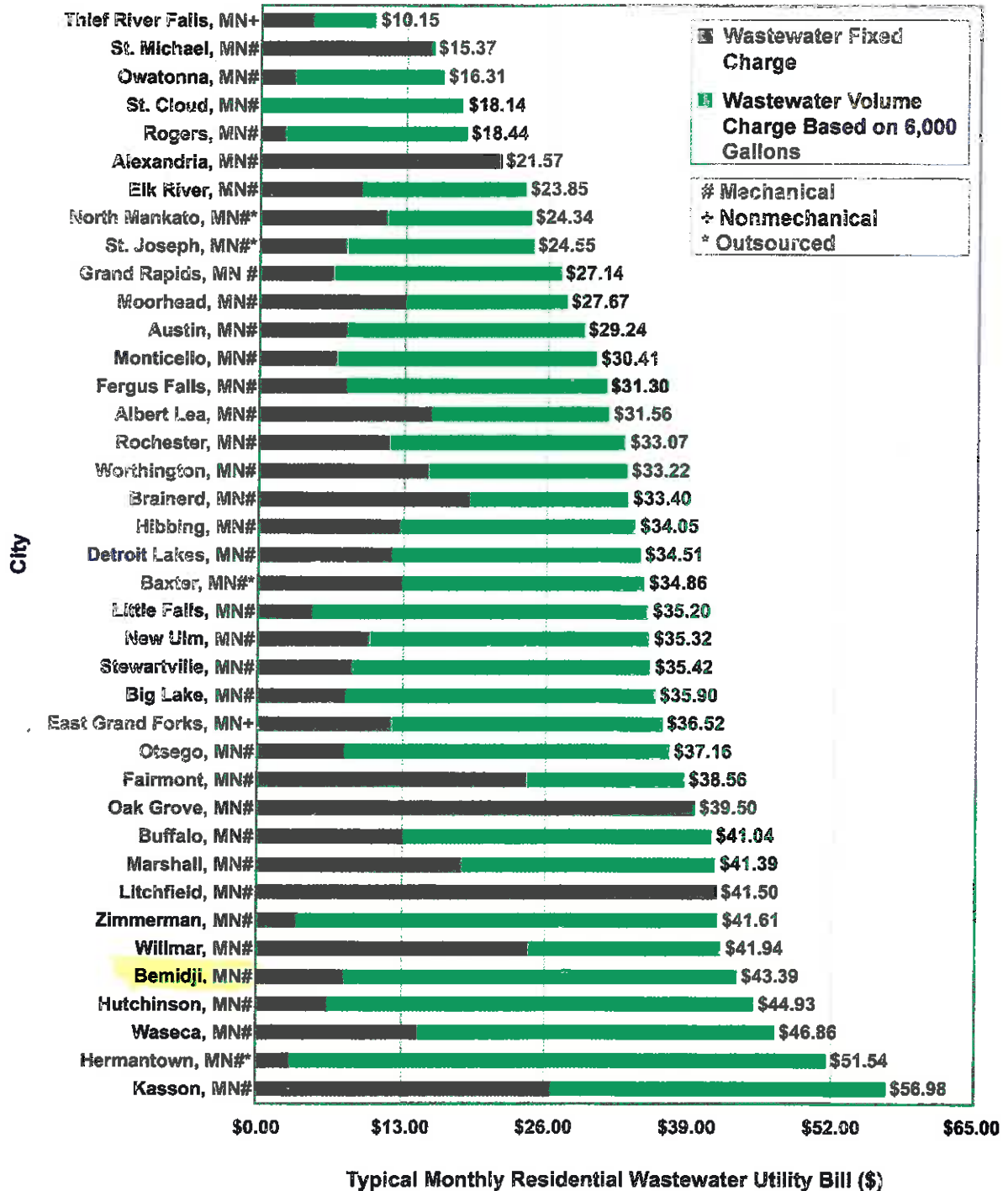


WASTEWATER SYSTEMS BY METRO/STATE



MINNESOTA

(Excluding Minneapolis/St. Paul Metro)



**CALCULATION OF FIXED MONTHLY CHARGE
BASED ON METER EQUIVALENTS**



Water System Number of Meters by Size

| | Equivalent Meters | |
|----------------------|-------------------|-------|
| | Meter Size (in.) | Ratio |
| Calculated Meter | 5/8" | 1.0 |
| Equivalents Based on | 3/4" | 1.1 |
| Meter Size and AWWA | 1" | 1.4 |
| Equivalent Meter | 1 1/2" | 1.8 |
| Methodology | 2" | 2.9 |
| | 3" | 11.0 |
| | 4" | 14.0 |
| | 6" | 21.0 |
| | 8" | 29.0 |

**ADMINISTRATIVE PORTION
OF REVENUE REQUIREMENTS**

\div
METER
EQUIVALENTS
 $=$
\$ / METER
EQUIVALENTS

METER CHARGES BY SIZE
 \times
METER
EQUIVALENTS
RATIO
 $=$