

**CITY OF FAIRMONT
PUBLIC UTILITIES COMMISSION
AGENDA**

Tuesday, December 5, 2023

- 1 Call to Order
 - 7:30 AM City Hall Conference Room (Second Floor)
- 2 Roll Call
 - Chair Werre _____
 - Vice-Chair Moltzen _____
 - Secretary Johnson _____
 - Commissioner Struss _____
 - Commissioner Christ _____
- 3 Public Discussion/Comments (Individual comments are limited to 3 minutes)
- 4 Approval of Minutes (2 - 3)
 - Regular Meeting, November 21, 2023
- 5 2024 Proposed Financial and Capital Budgets (4 - 71)
- 6 Old Business
- 7 New Business
- 8 Staff Updates
 - 8.1 - Water/Wastewater Departments
 - 8.2 - Line Departments
- 9 Date and Time of Next Meetings:
 - Regular Meeting - Tuesday, December 19, 2023
 - Regular Meeting - Tuesday, January 2, 2024
- 10 Adjournment



Fairmont Public Utilities Commission
December 5, 2023

Agenda Item: 4

From: Julie Zarling, Assistant Finance Director
To: Public Utilities Commission

Subject: PUC Minutes from Regular meeting on November 21, 2023

Policy/Action Requested:

Vote Required: X Simple Majority Roll Call

Recommendation: Approval

Overview:

Budget Impact: N/A

Attachments: PUC Minutes Regular Meeting, November 21, 2023.

PUC Action: _____ Date: _____

PUBLIC UTILITIES COMMISSION

REGULAR MEETING

Tuesday, November 21, 2023

7:30 AM

City Hall Conference Room

Meeting held in person

IN ATTENDANCE: Commissioners Werre, Johnson, Christ, Moltzen, and Struss

ALSO IN ATTENDANCE: Public Works/Utilities Director York, Electric Superintendent Heide, Water/Wastewater Superintendent Powers, Finance Director Hoye, Assistant Finance Director Zarling

ABSENT:

Chair Werre called the meeting to order at 7:30 AM.

Chair Werre asked if there was anyone that would like to make a public comment to the PUC. Brian Meade, of Fairmont, spoke with the Commissioners about his request for an opt out option for the AMI meters.

A motion was made by Mr. Christ, seconded by Ms. Moltzen, and carried to approve the October 17, 2023, regular meeting minutes. A motion was made by Ms. Moltzen, seconded by Mr. Christ, and carried to approve the November 7, 2023 work session meeting minutes.

Water/Wastewater Superintendent Powers went over the chemical bid results. Discussion took place. Ms. Moltzen made a motion to accept the chemical bids as presented by Mr. Powers, seconded by Mr. Johnson, and carried to approve.

Assistant Finance Director Zarling presented the proposed 2024 Financial and Capital Budget for the PUC. Discussion took place, with no action taken. Staff will look to the Commission for a recommendation to the City Council to approve at the December 5, 2023 meeting.

Assistant Finance Director Zarling presented the financial and capital expense report and production stats for October 2023. Discussion with no action taken.

Assistant Finance Director Zarling presented the disbursements for October 2023. Discussion was held. A motion made by Mr. Struss, seconded by Mr. Johnson, and carried to approve the October 2023 disbursements.

Under old business, item 9.1 – Staff was asked to bring to the PUC what an opt out program would like for the City of Fairmont. Public Works/Utilities Director York discussed that when the program was approved, that would have been the time to discuss having an opt out program. Implementing the opt out program now would be more difficult since we are at the end of the project. There are many questions that would need to be discussed before an opt out program could be implemented. Mr. York asked for guidance from the Commissioners as to if we are to move forward or not. Ms. Moltzen made a motion that that we do not move forward with an opt out program for AMI. Seconded by Mr. Struss and carried to approve.

There was no other business; it was moved by Mr. Struss, seconded by Mr. Christ, and approved to adjourn the meeting at 8:47 AM.

Brian Johnson, Secretary



Fairmont Public Utilities Commission
December 5, 2023

Agenda Item: 5.0

From: Julie Zarling, Assistant Finance Director
To: Public Utilities Commission

Subject: 2024 PUC Proposed Financial & Capital Budget

Policy/Action Requested:

Vote Required: ☒ Simple Majority ☐ Roll Call

Recommendation: Recommendation to City Council for Approval

Overview:

Assistant Finance Director Zarling will present a quick overview of the 2024 Proposed Financial & Capital Budget and answer any questions. Staff is asking for the commission to recommend approval of the 2024 PUC Budget to the City Council.

Budget Impact: 2024 PUC Budget

Attachments: 2024 Proposed PUC Financial & Capital Budget.

PUC Action: _____ Date: _____



MEMO

TO: Public Utilities Commission

FROM: Julie Zarling, Assistant Finance Director

DATE: December 5, 2023

SUBJECT: Proposed 2024 Budget

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The Finance Department has the 2024 proposed PUC budget ready for the Commission's review.

Enclosed, you will find a set of summary documents to give you the overall picture of the proposed budget. These summary pages are followed by individual department comments and schedules. The final section includes a line item budget for each department based upon the proposed rates.

Pages M-1 through M-5 show the proposed 2024 income statements, capital expenditures, designated reserves and cash flow statements. In October 2022, we updated the water and wastewater rate study from 2020 with Northland Securities. They evaluated our existing rates, planned capital projects and put together a forecasting model to come up with recommended rate increases for the next ten years. For 2024 the study recommends a 7.5% blended increase to our residential water rates and a 7.6% blended increase to our commercial and industrial water rates. In November of 2023, we asked Northlad Securites to update the information for Wastewater. For our wastewater rates, it recommends a blended 5% increase to the residential rates and 5% blended increase to our commercial rates. The proposed rate increases are needed to ensure we have the funds in place to support required capital improvements and maintain stable rates into the future.

In 2023, Dave Berg Consulting finished an Electric Cost of Service and Rate Design Study. For 2024, the study is recommending that we increase rates to maintain reserves at 50% of revenue. In order to do this, the recommendations would be implementing a 3% annual overall rate increase, zero out the ECA and move charges into regular rates, implement a new monthly ECA that passes through the SMMPA ECA, increase residential customer charge to \$10 over 4 year period, and eliminate residential declining block energy rate structure.

There are sample utility bills based upon the recommend rates and their impact located at the end of the packet.



Public Utilities Commission Memo
November 21, 2023
Page 2

For the Water Department we are budgeting a 2.5% increase in the gallons sold from our 2023 budget. We are estimated to exceed our 2023 budget by over 18,000,000 gallons, approximately \$300,000. We are projecting our revenues to increase by approximately \$350,000 from our 2023 budget because of rate increases and slight increase in gallons sold. On page W-1 you can see the history of the gallons sold and the expected gallons sold for 2024. Total expenses are projected to decrease by approximately \$77,500. Almost all expenses increased for 2024, however, we were able to decrease the Improvement Other than Buildings expense by \$297,000 because the lime project is completed.

On page WW-1 for the Wastewater Department, you can see the history of the flow to the Wastewater plant and the expected flow for 2024. We are projecting I&I to be at 34% with 178,500,000 gallons compared to 22% and 110,000,000 gallons budgeted in 2023. This decreases our sewage flow from 390,000,000 gal budgeted in 2023 to 346,500,000 gal in 2024. Our revenue is predicted to decrease from 2023 budget approximately \$95,000 even with the rate increase because of this decrease in sewage gallons. Expenses are budgeted to increase about \$215,000 from last year's budget with part of the increase being related to rising property insurance and depreciation expense.

We are budgeting a 6.5% increase in kWh sold from our 2023 projected year to date. We increased our industrial sales by about 6,000,000 kWh because ADS added a second transformer for their addition. Our sales revenues are predicted to increase about \$1,500,000 from our estimated 2023 year end. This is due to higher sales volume and rate increases. Overall expenses look to increase by \$330,000 which is due to increase in purchase power sales and insurance costs. The memo on the Electric Department provides a detailed explanation on how this budget is put together.

We discussed the proposed budget at the meeting on November 21, 2023. The Commission will be asked to adopt the 2024 budget and recommend approval to the City Council on the December 5, 2023 meeting. The City Council will be asked to adopt the 2024 budget at the Council meeting on December 11, 2023.

FAIRMONT PUBLIC UTILITIES COMMISSION - 2024 BUDGET

DEPARTMENTAL BUDGET SUMMARY

PAGE M - 1

ELECTRIC DEPARTMENT	2023 BUDGET	2024 BUDGET	INCREASE (DECREASE)	% CHANGE
INCOME	17,082,910	17,920,234	837,324	4.90%
PRODUCTION / PURCHASES	12,869,582	13,165,500	295,918	2.30%
DISTRIBUTION EXPENSES	1,752,138	1,784,683	32,545	1.86%
ADMINISTRATION EXPENSES	719,070	735,510	16,440	2.29%
MISCELLANEOUS EXPENSES	687,039	699,236	12,197	1.78%
TRANSFER TO OTHER FUNDS	664,378	634,981	(29,397)	-4.42%
TOTAL EXPENSES	16,692,207	17,019,910	327,703	1.96%
NET OPERATING INCOME (LOSS)	390,703	900,324	509,621	130.44%

WATER DEPARTMENT	2023 BUDGET	2024 BUDGET	INCREASE (DECREASE)	% CHANGE
INCOME	5,609,556	5,978,199	368,643	6.57%
FILTRATION EXPENSES	1,986,653	1,757,948	(228,705)	-11.51%
DISTRIBUTION EXPENSES	802,707	865,675	62,968	7.84%
ADMINISTRATION EXPENSES	211,875	219,368	7,493	3.54%
MISCELLANEOUS EXPENSES	1,477,042	1,539,620	62,578	4.24%
TRANSFERS TO OTHER FUNDS	171,330	189,417	18,087	10.56%
TOTAL EXPENSES	4,649,607	4,572,028	(77,579)	-1.67%
NET OPERATING INCOME (LOSS)	959,949	1,406,171	446,222	46.48%

WASTEWATER DEPARTMENT	2023 BUDGET	2024 BUDGET	INCREASE (DECREASE)	% CHANGE
INCOME	3,434,521	4,919,780	1,485,259	43.25%
TREATMENT EXPENSES	1,194,880	1,279,511	84,631	7.08%
COLLECTION EXPENSES	476,573	514,223	37,650	7.90%
ADMINISTRATION EXPENSES	136,187	141,611	5,424	3.98%
MISCELLANEOUS EXPENSES	690,482	766,728	76,246	11.04%
TRANSFERS TO OTHER FUNDS	104,292	115,602	11,310	10.84%
TOTAL EXPENSES	2,602,414	2,817,675	215,261	8.27%
NET OPERATING INCOME (LOSS)	832,107	2,102,105	1,269,998	152.62%

FAIRMONT PUBLIC UTILITIES COMMISSION - 2024 BUDGET**CAPITAL EXPENDITURE BUDGET****PAGE M - 2**

ACCT #	DESCRIPTION	BUDGET AMT
ELECTRIC DISTRIBUTION		
	New Transformers	\$210,000
	Underground Conductors	\$130,000
	Replace High Voltage Switches	\$280,000
	Downtown Lighting/Bollard/sign Replacement	\$230,000
	Workorder Software/Outage Mangement	\$80,000
	10th Street SUB Modifications/Breakers	\$100,000
	FES Substation Transformer Replacement (Distribution)	\$100,000
	FES Substation tTransformer Replacement (Substation)	\$500,000
	West Industrial Park Substation (Substation)	\$50,000
	West Industrial Park Substation (Distribution)	\$50,000
	GIS Software	\$30,000
	Replace Boring Machine (ordered 2023)	\$260,000
	Flat Bed/Dump Box Truck #228	\$10,000
	Repair Damaged Buildings	\$43,000
	Street Improvement Projects	\$20,000
	Skid Loader Attatchment/Trencher/Snow Pusher	\$50,000
	GIS/RAM/I-PADS (for locating, mapping)	\$10,000
	Contingency	\$20,000
	TOTAL CAPITAL EXPENDITURES	<hr/> \$2,173,000
WATER DEPARTMENT		
	Ground storage tank (Industrial Tank)	\$4,500,000
	AMI - Water meter upgrades	\$150,000
	Water Plant PLC upgrades	\$80,000
	Safety shoring	\$15,000
	Skid Loader update	\$65,000
	Replace backhoe	\$175,000
	Relocate AC units at Water Plant (3)	\$25,000
	Contingency	\$20,000
	Miscellaneous capital items (<\$5,000 ea.)	\$5,000
	2024 Improvement Project	<hr/> \$225,000
	TOTAL CAPITAL EXPENDITURES	<hr/> \$5,260,000
WASTEWATER DEPARTMENT		
	Lift Station rehab/repair/monitoring	\$150,000
	Lift Station Panel Updates	\$0
	Eastside lift station pump improvements	\$185,000
	Lab/Office Updates	\$25,000
	Service Truck - Collections	\$95,000
	Diffuser Replacement / Areation Basin Cleaning	\$0
	Digester Improvements	\$825,000
	UV/Solids handling upgrade project	\$14,000,000
	Grit Pump/RAS/WAS Replacement Pumps	\$50,000
	Secondary Clarifer Updates	\$0
	Contingency	\$20,000
	Misc Capital items	\$5,000
	2024 Improvement Project	<hr/> \$200,000
	TOTAL CAPITAL EXPENDITURES	<hr/> \$15,555,000

FAIRMONT PUBLIC UTILITIES COMMISSION - 2024 BUDGET

RESERVE ACCOUNTS ESTIMATED 12/31/2024

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<u>ELECTRIC DISTRIBUTION</u>	1/1/24 BALANCE	2024 EXPENSES	2024 RESERVE ADDITIONS	12/31/24 BALANCE
CAPITAL RESERVE ACCOUNT	\$615,000	\$0	\$0	\$615,000
604-00000-27210				
INFRASTRUCTURE RESERVE ACCOUNT	\$4,186,000	\$819,000	\$0	\$3,367,000
604-00000-27215				
<u>WATER DEPARTMENT</u>				
CAPITAL RESERVE ACCOUNT	\$740,000	\$0	\$0	\$740,000
601-00000-27225				
INFRASTRUCTURE RESERVE ACCOUNT	\$1,485,000	\$0	\$557,000	\$2,042,000
601-00000-27230				
<u>WASTEWATER DEPARTMENT</u>				
CAPITAL RESERVE ACCOUNT	\$640,000	\$640,000	\$0	\$0
602-00000-27235				
INFRASTRUCTURE RESERVE ACCOUNT	\$388,000	\$38,000	\$0	\$350,000
602-00000-27240				

M:\BUDGET\ADM\REPORTS\RESERVES

11/16/23

FAIRMONT PUBLIC UTILITIES COMMISSION - 2024 BUDGET

UTILITY DEPARTMENT BUDGETED CASH FLOW SUMMARY

PAGE M - 4

	ELECTRIC	WATER	WASTEWATER
A. NET INCOME / (LOSS)	900,324	1,406,171	2,102,105
B. NON - CASH EXPENSE	450,000	1,070,000	750,000
C. CAPITAL EXPENDITURES	(2,173,000)	(5,260,000)	(15,555,000)
D. DEBT PRINCIPAL PAYMENT	-	(1,016,000)	(808,000)
E. BOND PROCEEDS	800,000	4,500,000	13,000,000
NET CASH FLOW	(22,676)	700,171	(510,895)

B. NON - CASH (DEPRECIATION)

C. CAPITAL EXPENDITURES.

D. DEBT SERVICE PRINCIPAL PAYMENT ON WATER & WASTEWATER TREATMENT LOANS.

E. PFA NOTE PROCEEDS FOR LIME POND DECOMMISSIONING & WWTF IMPROVEMENTS

FAIRMONT PUBLIC UTILITIES COMMISSION - 2024 BUDGET

UTILITY DEPARTMENTS ESTIMATED CASH POSITION

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	ELECTRIC	WATER	WASTEWATER
CASH BALANCE 01 / 01 / 2023	8,611,106	2,084,336	1,531,442
RESULTS OF 2023 OPERATIONS	(351,214)	1,024,117	(1,133,601)
PROJECTED CASH FLOW 2024	(22,676)	700,171	655,264
DESIGNATED FUNDS 12 / 31 / 2024	(3,982,000)	(2,782,000)	(350,000)
PROJECTED UNDESIGNATED CASH 12 / 31 / 2024	4,255,216	1,026,624	703,105
TARGETED UNDESIGNATED CASH 12/31/2024	4,254,978	1,026,102	702,424
TOTAL CASH 1 / 1 / 2023	\$12,226,884		
TOTAL CASH ESTIMATED 12 / 31 / 2023	\$11,766,186		
TOTAL CASH ESTIMATED 12 / 31 / 2024	\$13,098,945		

FAIRMONT PUBLIC UTILITIES COMMISSION - 2024 BUDGET

CITY TRANSFER CONTRIBUTION

PAGE A - 1

2024 CONTRIBUTION ALLOCATION

2024 CONTRIBUTION - GENERAL FUND	\$825,000.00
2024 CONTRIBUTION - EDA FUND	\$115,000.00
TOTAL 2024 CONTRIBUTIONS	\$940,000.00

2024 CONTRIBUTION AMOUNT

601 - 72000 - 72500	CONTRIBUTION TO GENERAL FUND - WATER DEPT	\$166,243.28	0.201507
602 - 72000 - 72500	CONTRIBUTION TO GENERAL FUND - SEWER DEPT	\$101,459.33	0.122981
604 - 72000 - 72500	CONTRIBUTION TO GENERAL FUND - LINE DEPT	\$557,297.40	0.675512
	TOTAL GENERAL FUND TRANSFER	<u>\$825,000.00</u>	
601 - 72000 - 72500	CONTRIBUTION TO EDA FUND - WATER DEPT	\$23,173.31	0.201507
602 - 72000 - 72500	CONTRIBUTION TO EDA FUND - SEWER DEPT	\$14,142.82	0.122981
604 - 72000 - 72500	CONTRIBUTION TO EDA FUND - LINE DEPT	\$77,683.88	0.675512
	TOTAL EDA FUND TRANSFER	<u>\$115,000.00</u>	

FAIRMONT PUBLIC UTILITIES COMMISSION - 2024 BUDGET

ADMINISTRATION ALLOCATION

PAGE A - 2

	2022	2021	2020	TOTAL	PERCENT
ELECTRIC	\$15,368,438	\$15,371,028	\$15,096,642	\$45,836,108	67.5512%
WATER	\$5,187,509	\$4,657,030	\$3,828,469	\$13,673,008	20.1507%
WASTEWATER	\$3,326,664	\$2,637,253	\$2,380,822	\$8,344,739	12.2981%
TOTAL	\$23,882,611	\$22,665,311	\$21,305,933	\$67,853,855	100.0000%

****PERCENT ALLOCATION BASED ON 3 YEAR AVERAGE OF GROSS REVENUE PER DEPARTMENT.**

PROJECTS & FUNDING SOURCES BY DEPARTMENT

Department	Project#	2024	2025	2026	2027	2028	2029+	Total
WATER DEPARTMENT								
Ground storage tank (New I2 tank)		4,500,000						4,500,000.00
AMI - Water Meter Upgrades		150,000						150,000.00
WTP PLC Upgrades		80,000						80,000.00
Safety Shoring		15,000						15,000.00
Skid Loader Update		65,000						65,000.00
Water Tower Inspections			50,000					50,000.00
State Street tower control valve				40,000				40,000.00
Replace backhoe		175,000						175,000.00
Relocate A/C units at WTP (3)		25,000		30,000				55,000.00
Lead service line replacements			10,000					10,000.00
Miscellaneous capital items (<\$5,000 ea.)		5,000	5,000	5,000	5,000	5,000	5,000	30,000.00
Contingency		20,000	20,000	20,000	20,000	20,000	20,000	120,000.00
Capital Improvement Program		225,000		225,000		225,000		675,000.00
								-
Water Total		5,260,000.00	85,000.00	320,000.00	25,000.00	250,000.00	25,000.00	5,965,000.00

Funding Sources								
Water Fund		735,000	85,000	320,000	25,000	250,000	25,000	1,440,000.00
Federal Grants								-
State Grants								-
Capital Reserve Fund								-
PFA Note		4,500,000						4,500,000.00
Trade in		25,000						25,000.00
Water Total		5,260,000.00	85,000.00	320,000.00	25,000.00	250,000.00	25,000.00	5,965,000.00

PROJECTS & FUNDING SOURCES BY DEPARTMENT

Department	Project#	2024	2025	2026	2027	2028	2029+	Total
WASTE WATER DEPARTMENT								
Lift Station rehab/repair/monitoring		150,000	150,000	150,000	150,000	150,000		750,000
Lift Station Panel Updates		-	100,000	100,000	100,000			300,000
Woodland 229 lift station relocation			125,000					125,000
Eastside lift station pump improvements		185,000						185,000
Sliplining/manhole rehab projects			250,000		250,000		250,000	750,000
Lab/Office Updates		25,000						25,000
Contract jetting of large diameter mains				20,000		20,000		40,000
Fairmont Equipment Lift Station			100,000					100,000
Smoke test sewers			20,000					20,000
Service Truck - Collections		95,000						95,000
Diffuser Replacement / Aeration Basin Cleaning		-						-
Digester Improvements		825,000						825,000
UV/Solids handling upgrade project		14,000,000	4,000,000					18,000,000
River Eutrophication Standards Upgrades (RES)							18,000,000	18,000,000
Grit Pump/RAS/WAS Replacement Pumps		50,000						50,000
Secondary Clarifier Updates		-						-
Roof repairs on 2006 buildings			50,000					50,000
Miscellaneous capital items (<\$5,000 ea.)		5,000	5,000	5,000	5,000	5,000		25,000
Contingency		20,000	20,000	20,000	20,000	20,000		100,000
Capital Improvement Program		200,000		200,000		200,000		600,000
								-
Waste Water Total		15,555,000.00	4,820,000.00	495,000.00	525,000.00	395,000.00	18,250,000.00	40,040,000.00

Funding Sources								
Sewer Fund		830,000	820,000	495,000	525,000	395,000	250,000	3,315,000
Federal Grants								-
State Grants		1,000,000						1,000,000
Capital Reserve Fund								-
PFA Note		13,000,000	4,000,000				18,000,000	35,000,000
Insurance		725,000						725,000
Trade In								-
								-
Waste Water Total		15,555,000.00	4,820,000.00	495,000.00	525,000.00	395,000.00	18,250,000.00	40,040,000.00

PROJECTS & FUNDING SOURCES BY DEPARTMENT

Department	Project#	2024	2025	2026	2027	2028	2029+	Total
ELECTRIC DEPARTMENT								
New Transformers		210,000	210,000	230,000	240,000	240,000	250,000	1,380,000.00
Underground Conductors		130,000	130,000	140,000	140,000	150,000	150,000	840,000.00
Replace High Voltage Switches		280,000	70,000	75,000	75,000	80,000	80,000	660,000.00
Downtown Lighting/Bollard/sign Replacement		230,000						230,000.00
10th Street Transformer			1,655,200	844,800				2,500,000.00
Workorder Software/Outage Mangement		80,000						80,000.00
10th Street SUB Modifications/Breakers		100,000	800,000					900,000.00
FES Substation Transformer Replacement (Distribution)		100,000	2,300,000	600,000	500,000			3,500,000.00
FES Substation tTransformer Replacement (Substation)		500,000	5,300,000					5,800,000.00
West Industrial Park Substation (Substation)		50,000	2,005,200	4,544,800				6,600,000.00
West Industrial Park Substation (Distribution)		50,000	250,000	1,000,000	500,000			1,800,000.00
Replace Bucket Truck #24				230,000				230,000.00
FES Switchgear Replacement							1,000,000	1,000,000.00
GIS Software		30,000	30,000					60,000.00
Replace Boring Machine (ordered 2023)		260,000						260,000.00
Flat Bed/Dump Box Truck #228		10,000						10,000.00
Replace Infared Camera			22,000					22,000.00
Replace SCADA System			250,000	100,000	650,000			1,000,000.00
Rate Study Update						35,000		35,000.00
Repair Damaged Buildings		43,000	50,000					93,000.00
Street Improvement Projects		20,000	20,000	20,000	20,000	20,000		100,000.00
Replace Street Light Poles Blue Earth Avenue			224,000					224,000.00
Skid Loader Attatchment/Trencher/Snow Pusher		50,000						50,000.00
Replace Vehicles/Metering/Line Pickup					120,000			120,000.00
Hospital Switchgear Upgrade				120,000				120,000.00
Replace Pole Trailer				45,000				45,000.00
GIS/RAM/I-PADS (for locating, mapping)		10,000	10,000	10,000				30,000.00
Contingency		20,000	20,000	20,000	20,000	20,000	20,000	120,000.00
Electric Total		2,173,000.00	13,346,400.00	7,979,600.00	2,265,000.00	545,000.00	1,500,000.00	27,809,000.00

Funding Sources								
Electric Fund		1,285,500	1,036,000	930,000	1,265,000	545,000	1,500,000	6,561,500.00
Federal Grants			4,700,000					4,700,000.00
State Grants								-
Capital Reserve Fund								-
Go Revenue Bonds		800,000	7,260,400	6,989,600	1,000,000			16,050,000.00
SMMPA			350,000					350,000.00
Cost Share		87,500		60,000				147,500.00
Electric Total		2,173,000.00	13,346,400.00	7,979,600.00	2,265,000.00	545,000.00	1,500,000.00	27,809,000.00

MEMORANDUM

DATE: November 21, 2023
TO: Public Utilities Commission
FROM: Julie Zarling, Assistant Finance Director
RE: 2024 Water Department Proposed Budget

Comments on the Water Department Proposed Budget

Page W1: This page reports annual totals for water sold and finished for the last five completed years. The percent columns show the percent of change from year to year. Year-to-date values through September for water sold and net finished are listed, as well as the budgeted and estimated year end values for 2023. The 2024 budgeted water sales are 410,000,000 gallons.

Page W2: The water sales history and finished water history tables are used to help estimate 2023 total water sales and finished water. Values for years 2018 through 2022 are listed, as well as averages and estimated 2023 year end values.

Page W3: The 2024 water revenues are estimated using 2023 water sales and revenues per gallon through September with the recommended rate study increases. Using the projected water sales from page W1 and the calculated sales mix, estimated revenue for 2024 is \$5,464,750. There are no rate increases for infrastructure revenue, and hydrant rental will remain the same. The budgeted amounts for 2024 are listed for each.

Page W4: This graph shows a summary of water sales and losses for 2018 through 2022, estimates for 2023 year end, and the 2024 budgeted amounts. Values for each year are listed in the table below the chart.

Page W5: The electric costs for the water plant and distribution are based on their electric rate and estimated energy use for 2024. The electric costs are predicted to cost a total of \$142,172 for the plant and distribution.

Page W6: The 2023 water statistical report for January through September is included for reference.

Debt Service Note:

Debt service payments are due in February and August of 2024. The February interest payment will be \$235,476.49. The August payment will total \$1,243,143.79 and includes \$1,016,000 principal and \$227,143.79 interest.

The bond interest payments appear in the Miscellaneous Expense section of the budget and total \$462,620 for the year.

FAIRMONT PUBLIC UTILITIES COMMISSION - 2024 BUDGET

COMPARISON OF WATER SOLD TO FINISHED WATER (GALLONS)

PAGE W - 1

WATER LOSS	YEAR	WATER SOLD	INCREASE (DECREASE)	PERCENT + / -	NET FINISHED	INCREASE (DECREASE)	PERCENT + / -
14.32%	2018	359,855,905	(11,834,077)	-3.18%	428,220,386	10,880,358	2.61%
16.79%	2019	345,631,188	(14,224,717)	-3.95%	418,332,741	(9,887,645)	-2.31%
19.72%	2020	363,151,921	17,520,733	5.07%	457,591,711	39,258,970	9.38%
16.49%	2021	389,324,824	26,172,903	7.21%	471,929,198	14,337,487	3.13%
11.30%	2022	414,800,275	25,475,451	6.54%	480,629,668	8,700,470	1.84%
YTD SEPT 2023		WATER SOLD			NET FINISHED		
	2023	327,349,638			396,118,504		
EST YEAR END 2023							
17.45%	2023	418,049,638			506,390,464		
2023 BUDGET							
13.04%	2023	400,000,000			460,000,000		
2024 BUDGET							
18.00%	2024	410,000,000			500,000,000		

FAIRMONT PUBLIC UTILITIES COMMISSION - 2024 BUDGET

WATER SALES HISTORY

PAGE W - 2

YEAR	YTD AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
2022	281,164,627	38,293,756	30,505,282	32,412,117	32,424,493	414,800,275
2021	248,791,910	36,786,346	38,165,122	42,413,485	23,167,961	389,324,824
2020	241,304,736	30,474,352	32,364,009	30,474,352	28,534,472	363,151,921
2019	235,883,222	30,200,230	29,050,448	24,930,936	25,566,352	345,631,188
2018	244,711,664	31,150,680	26,497,517	30,460,559	27,035,485	359,855,905
TOTAL 2018-2022	1,251,856,159	166,905,364	156,582,378	160,691,449	136,728,763	1,872,764,113
5 YR AVE 2018-2022	250,371,232	33,381,073	31,316,476	32,138,290	27,345,753	374,552,823
2 YR AVE 2021-2022	264,978,269	37,540,051	34,335,202	37,412,801	27,796,227	402,062,550
2023 ESTIMATE <i>ESTIMATED</i>	284,175,551	43,174,087	31,300,000	32,100,000	27,300,000	418,049,638

NET FINISHED WATER HISTORY

YEAR	YTD AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
2022	328,883,081	40,370,020	39,521,649	38,488,390	39,776,050	487,039,190
2021	309,578,886	43,388,596	42,327,917	39,277,915	37,792,060	472,365,374
2020	301,343,661	38,527,155	41,070,937	37,780,499	38,869,459	457,591,711
2019	286,310,218	34,182,153	34,479,111	31,522,347	31,838,912	418,332,741
2018	288,452,876	37,022,600	35,012,001	34,126,541	33,606,368	428,220,386
TOTAL 2018-2022	1,514,568,722	193,490,524	192,411,615	181,195,692	181,882,849	2,263,549,402
5 YR AVE 2018-2022	302,913,744	38,698,105	38,482,323	36,239,138	36,376,570	452,709,880
2 YR AVE 2021-2022	319,230,984	41,879,308	40,924,783	38,883,153	38,784,055	479,702,282
2023 ESTIMATE <i>ESTIMATED</i>	350,783,444	44,707,020	38,400,000	36,200,000	36,300,000	506,390,464

FAIRMONT PUBLIC UTILITIES COMMISSION - 2024 BUDGET

WATER DEPT REVENUE CALCULATIONS: INCREASES PER RATE STUDY

PAGE W - 3

PER SEPT 2023 STATISTICAL REPORT:

TOTAL WATER SOLD YTD : 327,349,638 GALLONS

	GALLONS SOLD BY CLASS	% TOTAL GAL	REV YTD
RESIDENTIAL SALES	130,574,471	39.888%	\$2,416,671
COMMERCIAL SALES	75,665,870	23.115%	\$856,238
INDUSTRIAL SALES	121,109,297	36.997%	\$784,360
TOTAL YTD SALES:	<u>327,349,638</u>	<u>100.00%</u>	<u>\$4,057,269</u>

2023 REVENUE PER GALLON SOLD CALCULATIONS:

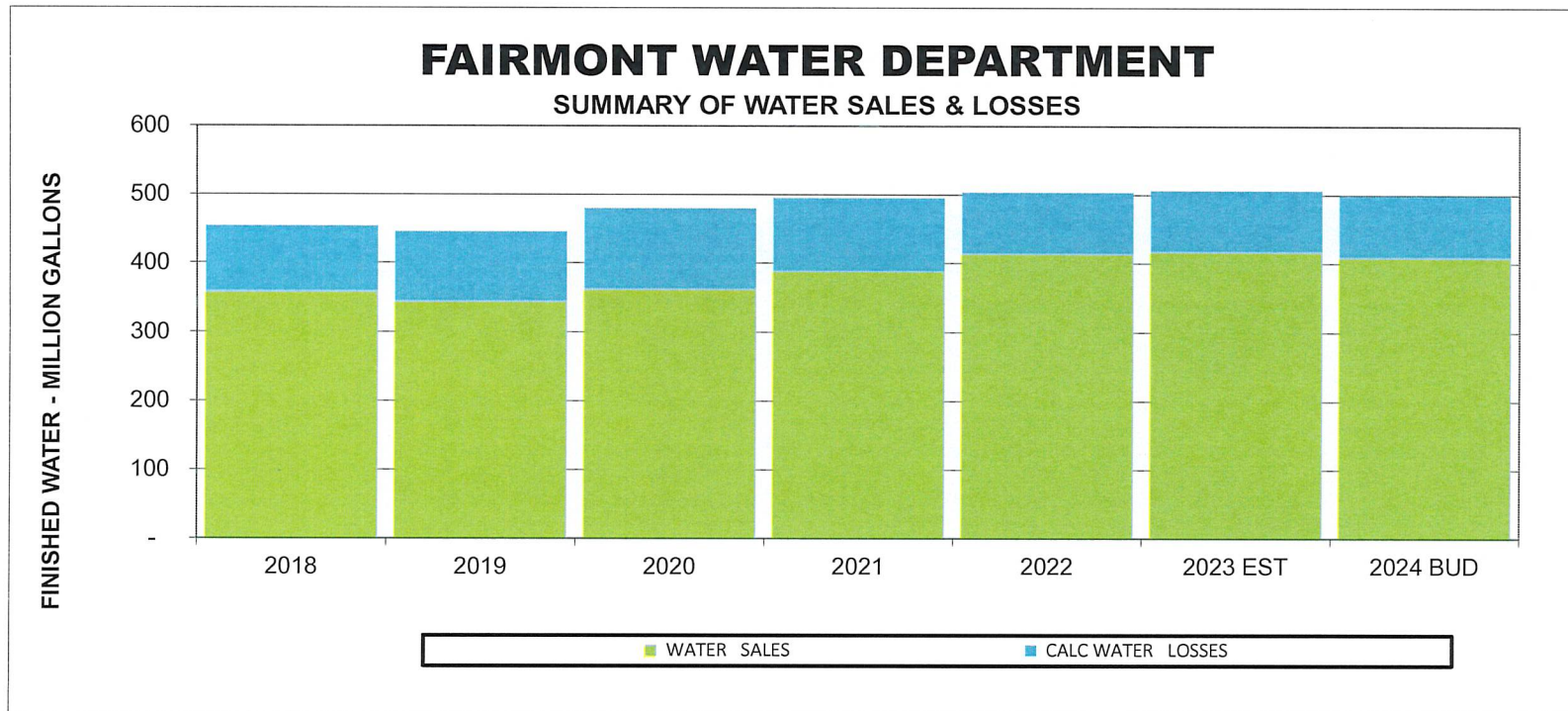
RESIDENTIAL	\$2,416,671	/	130,574,471	GALLONS	=	\$0.018508	REVENUE/GALLON
COMMERCIAL	\$856,238	/	75,665,870	GALLONS	=	\$0.011316	REVENUE/GALLON
INDUSTRIAL	\$784,360	/	121,109,297	GALLONS	=	\$0.006476	REVENUE/GALLON
TOTAL SALES	<u>\$4,057,269</u>	/	<u>327,349,638</u>	GALLONS	=	<u>\$0.012394</u>	REVENUE/GALLON

BUDGET FOR 2024: WATER SALES

	% TOTAL GAL	GALLONS SOLD:		REV/GAL: WITH RATE INCREASES	EST REVENUE
RESIDENTIAL: 7.5% BLENDED INCREASE	39.888%	163,540,800	X	\$0.019896 601 - 37100 - 37111	\$3,253,824
COMMERCIAL: 7.6% BLENDED INCREASE	23.115%	94,771,500	X	\$0.012176 601 - 37100 - 37112	\$1,153,939
INDUSTRIAL: 7.6% BLENDED INCREASE	36.997%	151,687,700	X	\$0.006968 601 - 37100 - 37113	\$1,056,987
TOTAL WATER SALES	<u>100.00%</u>	<u>410,000,000</u>		\$0.013329 BLENDED REV/GAL	<u>\$5,464,750</u>

INFRASTRUCTURE: 0% INCREASE **601 - 37100 - 37115** **\$29,503** PER MONTH X 12 MONTHS = **\$354,036**

HYDRANT RENTAL 601 - 37100 - 37116 574 HYDRANTS X **\$51.24** / HYDRANT = **\$29,413**
\$2,451.05



YEAR	RAW	SALES	LOSSES
2018	453,502,794	359,855,905	93,646,889
2019	445,498,949	345,631,188	99,867,761
2020	480,215,075	363,151,921	117,063,154
2021	495,153,090	389,324,824	105,828,266
2022	503,546,468	414,800,275	88,746,193
2023 EST	506,390,464	418,049,638	88,340,826
2024 BUD	500,000,000	410,000,000	90,000,000

FAIRMONT PUBLIC UTILITIES COMMISSION - 2024 BUDGET

SUMMARY OF WATER SALES AND LOSSES

PAGE W4

GRAPH DATA	DATE	RAW WATER	WATER SALES	CALC WATER LOSSES	PERCENT
	2006	573,655,700	516,764,806	56,890,894	9.92%
	2007	594,015,500	536,442,069	57,573,431	9.69%
	2008	596,486,000	522,275,138	74,210,862	12.44%
	2009	564,354,000	481,835,874	82,518,126	14.62%
	2010	530,545,000	465,407,953	65,137,047	12.28%
	2011	515,758,320	408,128,130	107,630,190	20.87%
	2012	464,352,656	390,037,277	74,315,379	16.00%
	2013	468,105,912	373,447,633	94,658,279	20.22%
	2014	438,106,347	354,292,862	83,813,485	19.13%
	2015	453,474,917	367,127,159	86,347,758	12.48%
	2016	463,271,468	375,715,257	87,556,211	18.90%
	2017	444,105,958	371,689,982	72,415,976	16.31%
	2018	453,502,794	359,855,905	93,646,889	20.65%
	2019	445,498,949	345,631,188	99,867,761	22.42%
	2020	480,215,075	363,151,921	117,063,154	24.38%
	2021	495,153,090	389,324,824	105,828,266	21.37%
	2022	503,546,468	414,800,275	88,746,193	17.62%
	2023 EST	506,390,464	418,049,638	88,340,826	17.45%
	2024 BUD	500,000,000	410,000,000	90,000,000	18.00%

FAIRMONT PUBLIC UTILITIES COMMISSION - 2024 BUDGET

WATER DEPARTMENT EXPENSE CALCULATIONS: ELECTRIC & CHEMICALS

PAGE W - 5

WATER PLANT ELECTRIC COST:

ELEC: INT RATE	5124-051 WTP	BUDGETED KWH	1,374,000 KWH	X	\$0.082600 / KWH	=	\$113,492
ECA:	5124-051 WTP	BUDGETED KWH	1,374,000 KWH	X	\$0.000000 / KWH	=	\$0
IT2NT SERVICE RATE							
TOTAL BUDGET ELECTRIC EXPENSE (601 - 49400 - 38100) :							<u>\$113,492</u>

WATER DISTRIBUTION ELECTRIC COST:

ELEC: RATE	5124-029 Tank Farm	BUDGETED KWH	240,000	KWH	X	\$0.119000	/	KWH	=	\$28,560
ECA:	5124-029 Tank Farm	BUDGETED KWH	240,000	KWH	X	\$0.000000	/	KWH	=	\$0
CS1NT SERVICE RATE		CUSTOMER SERVICE CHARGES								<u>\$120</u>
TOTAL BUDGET ELECTRIC EXPENSE (601 - 49430 - 38100) :										<u>\$28,680</u>

PUBLIC UTILITIES COMMISSION WATER DEPARTMENT STATISTICS FOR 2023

Page W - 6
DEC

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
FINISHED WATER	39,233,440	37,325,340	42,806,080	41,269,040	44,782,720	44,772,330	51,540,170	48,921,440	44,707,020			
RAW WATER	40,567,070	38,706,120	44,908,580	42,880,790	46,073,990	46,197,160	53,239,330	50,983,180	46,908,570			
LESS HOUSE WATER/Sanitary Disch	2,018,144	1,700,032	2,062,800	1,961,968	691,952	1,390,630	1,390,630	1,370,820	1,573,510			
LESS DOMESTIC WATER	19,800	21,000	39,700	24,900	32,200	34,200	14,000					
NET FINISHED WATER	38,529,126	36,985,088	42,806,080	40,893,922	45,349,838	44,772,330	51,834,700	49,612,360	45,335,060	0	0	0
RESIDENTIAL SALES	14,671,065	12,055,704	11,825,895	13,977,976	13,508,926	15,651,870	16,149,640	15,887,685	16,845,710			
COMMERCIAL SALES	5,599,143	7,383,305	6,391,730	9,206,919	6,782,059	9,378,764	10,122,211	10,743,450	10,058,289			
INDUSTRIAL SALES	13,607,030	10,300,649	13,330,251	14,168,067	15,694,089	11,677,061	12,806,616	13,255,446	16,270,088			
TOTAL WATER SALES	33,877,238	29,739,658	31,547,876	37,352,962	35,985,074	36,707,695	39,078,467	39,886,581	43,174,087	0	0	0
ACCOUNTED LOSS	1,750,000	2,500,000	1,989,300	4,227,400	742,200	519,400	157,900	103,300	845,200			
UNACCOUNTED LOSS	2,901,888	4,745,430	9,268,904	(686,440)	8,622,564	7,545,235	12,598,333	9,622,479	1,315,773	0	0	0
% OF NET FINISHED WATER	7.53%	12.71%	21.65%	-1.66%	19.25%	16.85%	24.44%	19.67%	2.94%	#DIV/0!	#DIV/0!	#DIV/0!
PEAK DAY VOL	1,696,100	1,460,100	1,571,700	1,636,380	1,954,100	1,831,700	1,974,700	1,947,900	1,655,300			
PEAK DATE	01/19/23	02/26/23	03/14/23	04/15/23	05/27/23	06/14/23	07/28/23	08/05/23	09/17/23			
AVERAGE DAY VOL	1,265,600	1,333,000	1,402,000	1,375,630	1,444,600	1,493,600	1,662,600	1,578,100	1,490,200			
RESIDENTIAL SALES \$\$	\$269,668.33	\$248,613.97	\$246,004.92	\$264,521.14	\$259,540.62	\$279,260.08	\$282,541.26	\$279,141.08	\$287,379.37			
COMMERCIAL SALES \$\$	\$76,216.03	\$90,600.47	\$82,774.61	\$105,610.69	\$86,068.58	\$82,994.26	\$103,307.52	\$117,350.78	\$111,314.92			
INDUSTRIAL SALES \$\$	\$88,217.00	\$64,791.00	\$86,256.00	\$92,192.00	\$103,004.00	\$74,543.00	\$82,546.00	\$85,726.00	\$107,085.00			
TOTAL SALES \$\$\$	\$434,101.36	\$404,005.44	\$415,035.53	\$462,323.83	\$448,613.20	\$436,797.34	\$468,394.78	\$482,217.86	\$505,779.29	\$0.00	\$0.00	\$0.00

WATER DEPARTMENT TOTALS YEAR TO DATE

	2023	2022	
FINISHED WATER	395,357,580	369,659,531	GAL
RAW WATER	410,464,790	379,990,939	GAL
- HOUSE WATER	14,160,486	17,006,960	GAL
- DOMESTIC WATER	185,800	140,400	GAL
NET FINISHED WATER	396,118,504	362,843,579	GAL
RESIDENTIAL SALES	130,574,471	126,380,339	GAL
COMMERCIAL SALES	75,665,870	83,159,574	GAL
INDUSTRIAL SALES	121,109,297	109,918,470	GAL
TOTAL WATER SALES	327,349,638	319,458,383	GAL
ACCOUNTED LOSSES	12,834,700	9,536,350	GAL
UNACCOUNTED LOSSES	55,934,166	33,848,846	GAL
% OF NET FINISHED WATER	14.12%	9.33%	
YTD RESIDENTIAL SALES \$\$	\$2,416,670.77	\$2,106,402.38	
YTD COMMERCIAL SALES \$\$	\$856,237.86	\$854,300.64	
YTD INDUSTRIAL SALES \$\$	\$784,360.00	\$640,470.70	
YTD WATER SALES TOTAL \$	\$4,057,268.63	\$3,601,173.72	
REVENUE PER GALLON SOLI	\$0.012394	\$0.011273	
2022/2021	1.09949	1.02573	

MEMORANDUM

DATE: November 21, 2023
TO: Public Utilities Commission
FROM: Julie Zarling, Assistant Finance Director
RE: 2024 Wastewater Department Proposed Budget

Comments on the Wastewater Department Proposed Budget

Page WW1: The wastewater flow history page shows annual totals from 2018 through 2022. Current year totals through September are listed, along with estimated year end totals. Budgeted gallons are shown for 2023 and 2024. Revenues and average revenues per 1000 gallons are included for comparison. Revenues based on the recommended rate study increases.

Projected revenue by rate class for 2024 is distributed using the current year revenue breakdown by class. The 2024 wastewater budget includes the rate study increases for each customer class. Total budgeted revenues for 2024 are \$2,186,620..

Page WW2: This page shows revenue projections for infrastructure and debt service for 2024 with 5% rate increases. Wastewater plant electrical costs are shown based on the electric budget kWh calculations and 2024 electric rates. Wastewater plant electric expense is budgeted at \$115,640 for 2024. An increase of \$3,381 from 2023 budget.

Page WW3: The wastewater monthly statistics table presents flows, revenues by customer type, and calculated percentages of I & I for the last 12 months. The revenue per 1000 gallons is calculated based on sewage flow and total revenue from all three customer classes. The revenue over the last 12 months has been \$6.3184 per 1000 gallons for the three classes combined.

Public Utilities Commission
November 15, 2022
Page 2

Page WW4: This statistical history page shows total plant flow by month from 2018 through 2022, with estimated values for October, November, and December 2023.
The last column shows the 2018-2022 averages by month. The 2023 total estimated total flow is predicted to be higher than 2022.

Total values for plant electric expense, infrastructure and debt service revenue is shown for the last five years, as well as the year-to-date values for 2023.

Page WW5: The wastewater flow analysis chart is created using the information from the flow history on page WW1. Sewage flow and I&I flow gallons are charted for years 2018 through 2022. The estimated year end values for 2023 and budgeted amounts for 2024 are included as well. A table of values appears below the chart for reference.

Page WW6: WW6a is the 2023 wastewater department statistical sheet with values through September. WW6b is our calculation to determine I & I flows and is included for reference.

Debt Service Note:

There will be two payments made during 2024 on the wastewater debt service. The February interest payment will be \$6,989.20. The August payment of \$814,989.20 includes \$808,000 principal and \$6,989.20 interest. This is the last year of payments for the 2004 PFA note.

Bond interest appears in the Miscellaneous Expense section of the budget and totals \$13,978 for the year.

FAIRMONT PUBLIC UTILITIES COMMISSION - 2024 BUDGET

WASTEWATER FLOW HISTORY

PAGE WW - 1

YEAR	TOTAL FLOW GALLONS	SEWAGE FLOW GALLONS	I & I FLOW GALLONS	% TOTAL FLOW	REVENUE	AVE REVENUE / 1000 GAL
2018	778,920,000	307,795,912	471,124,088	60.48%	\$1,523,690	\$4.9503
2019	758,520,000	296,051,659	462,468,341	60.97%	\$1,510,674	\$5.1027
2020	558,330,000	321,442,972	236,887,028	42.43%	\$1,570,196	\$4.8848
2021	453,720,000	364,637,447	89,082,553	19.63%	\$2,020,656	\$5.5415
2022	457,490,000	356,101,633	101,388,367	22.16%	\$2,166,340	\$6.0835
2023 YTD SEPT	436,190,000	273,982,523	162,207,477	37.19%	\$1,646,659	\$6.0101
2023 BUDGET	500,000,000	390,000,000	110,000,000	22.00%	\$2,329,598	\$5.9733
2023 EST YE	536,190,000	353,478,753	182,711,247	34.08%	\$2,124,438	\$6.0101
2024 BUDGET	525,000,000	346,500,000	178,500,000	34.00%	\$2,186,620	\$6.3106

REVENUE ANALYSIS BY RATE CLASS

	2023 YTD - SEPTEMBER		BUDGET 2024	
RESIDENTIAL	\$	963,564	58.52%	\$ 1,279,529
COMMERCIAL	\$	337,744	20.51%	\$ 448,493
INDUSTRIAL	\$	345,351	20.97%	\$ 458,598
TOTAL	\$	1,646,659	100.00%	\$ 2,186,620

602 - 37200 - 37211
602 - 37200 - 37212
602 - 37200 - 37213

FAIRMONT PUBLIC UTILITIES COMMISSION - 2024 BUDGET

WASTEWATER: OTHER REVENUES & COSTS

PAGE WW - 2

WWTF INFRASTRUCTURE REVENUE: 5% INCREASE

602 - 37200 - 37214	\$	27,795	X	12 MONTHS	=	\$333,541
SEPT 2023 YTD \$ 238,243.92 2023 Budget = \$316,287						

WWTF EXPANSION DEBT SERVICE: 5% INCREASE

602 - 37200 - 37215	\$	52,052	X	12 MONTHS	=	\$624,619
SEPT 2023 YTD \$ 446,156.68 2023 Budget = \$593,636						

WWTF ELECTRICAL COSTS- PLANT BUDGET 2024

ELECTRICAL COSTS	IT1NT	1,400,000 KWH	\$0.082600	/ KWH	=	\$115,640
ENERGY COST ADJUSTMENT (ECA)		1,400,000 KWH	\$0.000000	/ KWH	=	\$0
						\$115,640
602 - 49450 - 38100	WWTF ELECTRICAL COSTS- PLANT	TOTAL				\$115,640

FAIRMONT PUBLIC UTILITIES COMMISSION - 2024 BUDGET

MONTHLY STATISTICS - WASTEWATER DEPARTMENT

PAGE WW - 3

YEAR	MONTH	TOTAL FLOW	% I & I	SEWAGE FLOW	I & I FLOW**	RES REV	COMM REV	IND REV	TOTAL REV	REV/1000 GAL
2023	JANUARY	35,810,000	22.45%	27,772,284	8,037,716	\$112,586	\$28,660	\$36,053	\$177,299	\$6.3840
2023	FEBRUARY	36,230,000	25.06%	27,152,095	9,077,905	\$105,525	\$33,244	\$44,143	\$182,913	\$6.7366
2023	MARCH	54,780,000	52.99%	25,754,157	29,025,843	\$104,587	\$32,137	\$57,942	\$194,666	\$7.5586
2023	APRIL	62,430,000	52.68%	29,543,774	32,886,226	\$111,067	\$50,904	\$42,009	\$203,980	\$6.9043
2023	MAY	67,540,000	59.40%	27,421,172	40,118,828	\$109,529	\$32,463	\$33,687	\$175,679	\$6.4067
2023	JUNE	48,390,000	36.35%	30,798,352	17,591,648	\$113,337	\$38,543	\$24,602	\$176,482	\$5.7302
2023	JULY	44,880,000	24.57%	33,851,005	11,028,995	\$101,448	\$36,918	\$26,646	\$165,012	\$4.8747
2023	AUGUST	47,620,000	24.14%	36,123,601	11,496,399	\$102,094	\$42,478	\$43,471	\$188,043	\$5.2056
2023	SEPTEMBER	38,510,000	7.64%	35,566,083	2,943,917	\$103,390	\$42,395	\$36,799	\$182,584	\$5.1337
2022	OCTOBER	32,610,000	25.76%	24,209,272	8,400,728	\$105,741	\$43,942	\$30,363	\$180,047	\$7.4371
2022	NOVEMBER	32,790,000	15.34%	27,761,152	5,028,848	\$102,645	\$36,273	\$61,728	\$200,646	\$7.2276
2022	DECEMBER	33,920,000	18.85%	27,525,806	6,394,194	\$102,987	\$34,066	\$68,999	\$206,052	\$7.4858
TOTALS		535,510,000	33.99%	353,478,753	182,031,247	\$1,274,938	\$452,025	\$506,442	\$2,233,404	\$6.3184

FAIRMONT PUBLIC UTILITIES COMMISSION - 2024 BUDGET

WASTEWATER STATISTICAL HISTORY

PAGE WW - 4

MONTH	2023 TOTAL FLOW	2022 TOTAL FLOW	2021 TOTAL FLOW	2020 TOTAL FLOW	2019 TOTAL FLOW	2018 TOTAL FLOW	2018 - 2022 AVERAGE
JANUARY	35,810,000	36,570,000	31,970,000	43,180,000	46,210,000	32,750,000	38,136,000
FEBRUARY	36,230,000	32,510,000	28,180,000	37,830,000	34,610,000	28,240,000	32,274,000
MARCH	54,780,000	40,680,000	43,050,000	80,490,000	85,470,000	52,870,000	60,512,000
APRIL	62,430,000	42,360,000	40,950,000	63,570,000	92,800,000	99,180,000	67,772,000
MAY	67,540,000	49,900,000	37,570,000	72,900,000	121,000,000	106,220,000	77,518,000
JUNE	48,390,000	40,570,000	33,840,000	50,730,000	69,970,000	93,580,000	57,738,000
JULY	44,880,000	44,030,000	32,530,000	42,350,000	52,690,000	71,880,000	48,696,000
AUGUST	47,620,000	37,660,000	39,430,000	34,520,000	45,820,000	52,200,000	41,926,000
SEPTEMBER	38,510,000	33,890,000	42,430,000	32,730,000	45,140,000	78,700,000	46,578,000
OCTOBER	33,000,000	32,610,000	42,460,000	34,410,000	62,130,000	66,860,000	47,694,000
NOVEMBER	33,000,000	32,790,000	41,630,000	33,010,000	48,650,000	49,000,000	41,016,000
DECEMBER	34,000,000	33,920,000	39,680,000	32,610,000	54,030,000	47,440,000	41,536,000
TOTALS	536,190,000	457,490,000	453,720,000	558,330,000	758,520,000	778,920,000	601,396,000

****October - December 2023 Estimated**

Plant Electric Expense	2023 YTD	2022	2021	2020	2019	2018
KWH	1,017,272	1,343,042	1,334,830	1,365,648	1,406,052	1,422,202
COST	\$ 81,619.97	\$ 98,277.11	\$ 97,676.21	\$ 99,969.28	\$ 102,887.86	\$ 104,069.65
COST/KWH	0.080234	0.073175	0.073175	0.073203	0.073175	0.073175

602-49450-38100

YTD through September

	2023 YTD	2022	2021	2020	2019	2018
Infrastructure Revenue						
602-37200-37214	\$ 238,243.92	\$ 301,384.02	\$ 286,715.04	\$ 271,317.09	\$ 260,043.92	\$ 259,389.89

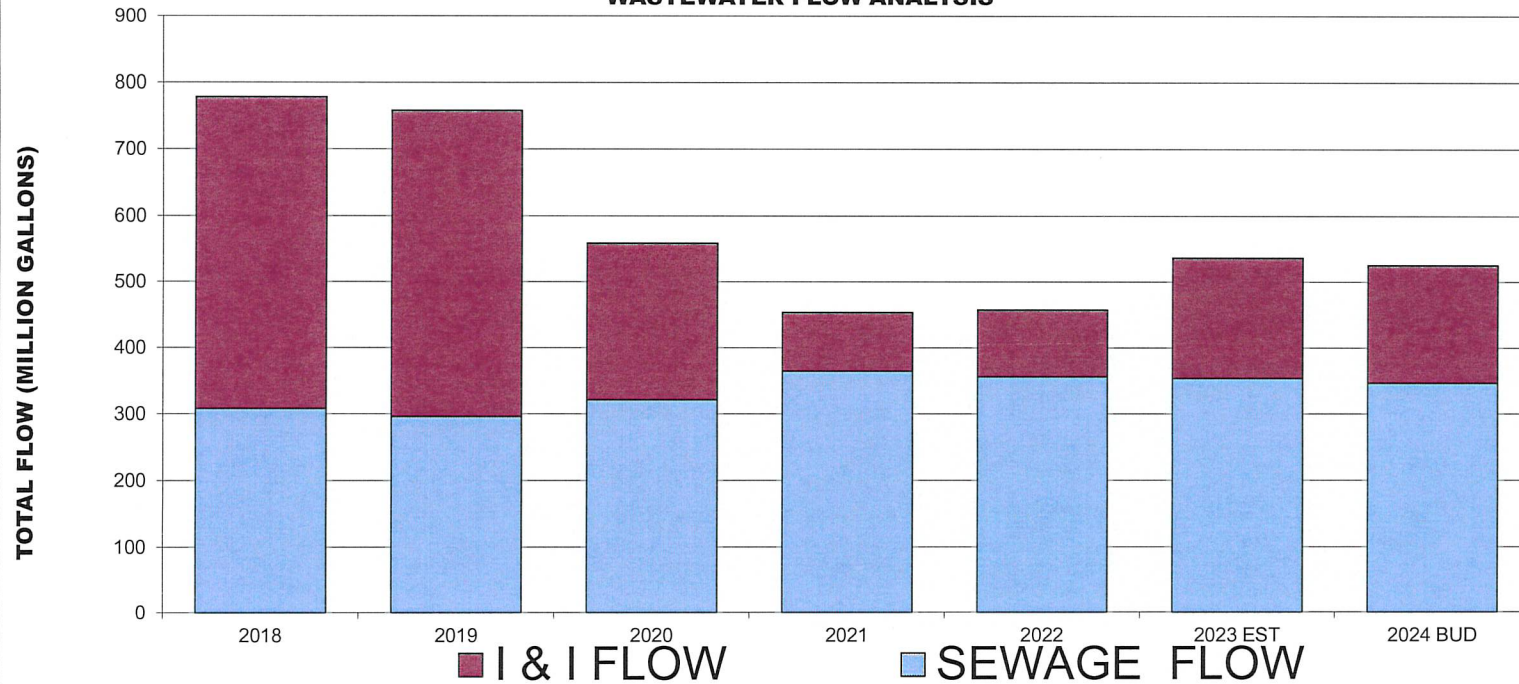
YTD through September

Debt Service Revenue						
602-37200-37215	\$ 446,156.68	\$ 565,665.18	\$ 537,671.83	\$ 508,947.58	\$ 487,538.25	\$ 486,356.25

YTD through September

WASTEWATER DEPARTMENT

WASTEWATER FLOW ANALYSIS



YEAR	TOTAL FLOW	WWTR FLOW	I & I FLOW	% TOTAL	REVENUE	AVE REV / 1000 GAL
				FLOW		
2018	778,920,000	307,795,912	471,124,088	60.48%	\$1,523,690	\$4.9503
2019	758,520,000	296,051,659	462,468,341	60.97%	\$1,510,674	\$5.1027
2020	558,330,000	321,442,972	236,887,028	42.43%	\$1,570,196	\$4.8848
2021	453,720,000	364,637,447	89,082,553	19.63%	\$2,020,656	\$5.5415
2022	457,490,000	356,101,633	101,388,367	22.16%	\$2,166,340	\$6.0835
2023 EST	536,190,000	353,478,753	182,711,247	34.08%	\$2,124,438	\$6.0101
2023 BUD	525,000,000	346,500,000	178,500,000	34.00%	\$2,186,620	\$6.3106

FAIRMONT PUBLIC UTILITIES COMMISSION - 2023 BUDGET

WASTEWATER HISTORY

PAGE WW-5 CHART DATA

YEAR	TOTAL FLOW		SEWAGE FLOW		I & I FLOW		% TOTAL FLOW	REVENUE	AVE REV / 1000 GAL
2006	676,750,000	GAL	399,279,720	GAL	277,470,280	GAL	41.00%	\$1,136,047	\$2.8452
2007	654,970,000	GAL	391,860,044	GAL	263,109,956	GAL	40.17%	\$1,395,832	\$3.5621
2008	526,650,000	GAL	386,736,580	GAL	139,913,420	GAL	26.57%	\$1,436,888	\$3.7154
2009	536,740,000	GAL	335,303,302	GAL	201,436,698	GAL	37.53%	\$1,453,338	\$4.3344
2010	741,060,000	GAL	321,919,969	GAL	419,140,031	GAL	56.56%	\$1,533,694	\$4.7642
2011	656,800,000	GAL	319,143,083	GAL	337,656,917	GAL	51.41%	\$1,517,565	\$4.7551
2012	404,830,000	GAL	310,386,236	GAL	94,443,764	GAL	23.33%	\$1,463,306	\$4.7145
2013	468,170,000	GAL	306,385,364	GAL	161,784,636	GAL	34.56%	\$1,791,367	\$5.8468
2014	475,036,000	GAL	310,950,819	GAL	164,085,181	GAL	34.54%	\$1,819,497	\$5.8514
2015	490,670,000	GAL	320,286,945	GAL	170,383,055	GAL	34.72%	\$1,562,586	\$4.8787
2016	673,240,000	GAL	330,820,579	GAL	342,419,421	GAL	50.86%	\$1,601,022	\$4.8395
2017	586,820,000	GAL	327,629,048	GAL	259,190,952	GAL	44.17%	\$1,536,866	\$4.6909
2018	778,920,000	GAL	307,795,912	GAL	471,124,088	GAL	60.48%	\$1,523,690	\$4.9503
2019	758,520,000	GAL	296,051,659	GAL	462,468,341	GAL	60.97%	\$1,510,674	\$5.1027
2020	558,330,000	GAL	321,442,972	GAL	236,887,028	GAL	42.43%	\$1,570,196	\$4.8848
2021	453,720,000	GAL	364,637,447	GAL	89,082,553	GAL	19.63%	\$2,020,656	\$5.5415
2022	457,490,000	GAL	356,101,633	GAL	101,388,367	GAL	22.16%	\$2,166,340	\$6.0835
2023 EST	536,190,000	GAL	353,478,753	GAL	182,711,247	GAL	34.08%	\$2,124,438	\$6.0101
2024 BUD	525,000,000	GAL	346,500,000	GAL	178,500,000	GAL	34.00%	\$2,186,620	\$6.3106

PUBLIC UTILITIES COMMISSION WASTEWATER DEPARTMENT STATISTICS FOR THE YEAR 2023

PAGE WW-6A

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
TOTAL FLOW	35,810,000	36,230,000	54,780,000	62,430,000	67,540,000	48,390,000	44,880,000	47,620,000	38,510,000			
DAILY FLOW	1,160,000	1,290,000	1,770,000	2,080,000	2,180,000	1,610,000	1,450,000	1,540,000	1,280,000			
MAXIMUM FLOW	1,660,000	1,890,000	2,410,000	2,580,000	4,580,000	1,840,000	1,830,000	2,530,000	1,410,000			
MINIMUM FLOW	1,020,000	1,090,000	1,400,000	1,760,000	1,610,000	1,340,000	1,300,000	1,240,000	1,200,000			
I & I % OF TOTAL FLOW	22.45%	25.06%	52.99%	52.68%	59.40%	36.35%	24.57%	24.14%	7.64%			
INFLUENT AVERAGE:												
LBS / DAY BOD	2,738	3,179	4,116	3,407	3,406	3,812	4,456	3,201	2,327			
LBS / DAY TSS	3,565	5,792	7,730	5,575	7,267	7,078	7,906	7,210	5,427			
EFFLUENT BOD:												
AVERAGE BOD	2.3	2.5	2.3	2.2	2.4	2.0	2.2	2.5	1.8			
MAXIMUM BOD	5.5	3.5	5.2	5.0	4.2	3.7	6.4	6.0	2.5			
MINIMUM BOD	1.2	1.8	1.2	1.4	1.2	1.5	1.0	0.8	1.5			
EFFLUENT TSS:												
AVERAGE TSS	14	10	10	6	50	4	9	8	9			
MAXIMUM TSS	33	49	49	24	753	12	12	27	14			
MINIMUM TSS	8	5	2	3	2	2	2	3	4			
# OF DAYS OVER PERMIT LIMITS	0	0	0	0	2	0	0	0	0	0	0	0
ELECTRIC USE - KWH	102,254	99,222	88,984	111,430	114,700	119,130	126,864	125,120	129,568			
ELECTRIC USE - COST	\$8,199.24	\$6,598.26	\$5,917.44	\$7,410.10	\$7,627.55	\$7,922.15	\$8,436.46	\$8,320.48	\$8,616.27			
REVENUE:												
RESIDENTIAL	\$112,585.73	\$105,525.23	\$104,586.79	\$111,066.98	\$109,529.41	\$113,337.20	\$101,448.05	\$102,094.17	\$103,390.23			
COMMERCIAL	\$28,660.12	\$33,244.37	\$32,136.89	\$50,904.43	\$32,463.04	\$38,543.05	\$36,918.37	\$42,478.05	\$42,395.22			
INDUSTRIAL	\$36,053.20	\$44,143.03	\$57,942.48	\$42,008.62	\$33,686.85	\$24,601.82	\$26,645.55	\$43,471.08	\$36,798.75			
TOTAL REVENUE	\$177,299.05	\$182,912.63	\$194,666.16	\$203,980.03	\$175,679.30	\$176,482.07	\$165,011.97	\$188,043.30	\$182,584.20	\$0.00	\$0.00	\$0.00

WASTEWATER DEPARTMENT TOTALS YEAR TO DATE

	YEAR	
	2023	2022
BOD = Biodegradable Oxygen Demand		
TSS= Total Suspended Solids		
TOTAL FLOW TO PLANT, GALLONS	436,190,000	358,170,000
I & I % OF TOTAL FLOW	25.06%	13.35%
DAYS EXCEEDING PERMIT LIMITS	2	0
TOTAL ELECTRIC - KWH	1,017,272	1,006,458
TOTAL ELECTRIC - COST	\$69,047.95	\$ 72,868.66
TOTAL RESIDENTIAL REVENUE	\$963,563.79	\$906,494.44
TOTAL COMMERCIAL REVENUE	\$337,743.54	\$330,762.04
TOTAL INDUSTRIAL REVENUE	\$345,351.38	\$342,338.31
TOTAL REVENUE	\$1,646,658.71	\$1,579,594.79

CALCULATION TO DETERMINE TOTAL I & I FLOW FOR 2023

SEWAGE FLOW							PAGE WW-6b	
MONTH	RESIDENTIAL FLOW	ADJ COMM FLOW	INDUSTRIAL FLOW	RECLAIM SLUDGE	BASE FLOW/TOTAL SALES	TOTAL FLOW	I & I	PERCENT TOTAL FLOW
JAN	14,671,065	5,645,522	6,594,427	861,270	27,772,284	35,810,000	8,037,716	22.45%
FEB	12,055,704	7,428,936	6,744,785	922,670	27,152,095	36,230,000	9,077,905	25.06%
MAR	11,825,895	5,804,511	7,143,451	980,300	25,754,157	54,780,000	29,025,843	52.99%
APR	13,977,976	5,700,809	9,056,589	808,400	29,543,774	62,430,000	32,886,226	52.68%
MAY	13,977,976	6,267,665	6,280,221	895,310	27,421,172	67,540,000	40,118,828	59.40%
JUN	15,651,870	7,764,373	6,577,239	804,870	30,798,352	48,390,000	17,591,648	36.35%
JUL	16,149,640	9,886,779	6,757,366	1,057,220	33,851,005	44,880,000	11,028,995	24.57%
AUG	15,887,685	11,910,918	6,954,178	1,370,820	36,123,601	47,620,000	11,496,399	24.14%
SEP	16,845,710	10,296,951	6,849,912	1,573,510	35,566,083	38,510,000	2,943,917	7.64%
OCT					0		0	#DIV/0!
NOV					0		0	#DIV/0!
DEC					0		0	#DIV/0!
TOTAL	131,043,521	70,706,464	62,958,168	9,274,370	273,982,523	436,190,000	162,207,477	37.19%
PERCENT	47.83%	25.81%	22.98%	3.39%	100.01%			

MEMORANDUM

DATE: November 21, 2023
TO: Public Utilities Commission
FROM: Julie Zarling, Assistant Finance Director
RE: 2024 Electric Department Proposed Budget

Comments on the Electric Department Proposed Budget

In May 2023, the SMMPA board approved a change to the transmission rate structure effective Feb 1, 2024. Over a three-year period, the Agency's transmission charges will transition from a 100% ratchet based on the prior summer's highest Coincident Peak, to a charge based on the monthly CP. The approved 2024 Budget for SMMPA included no additional changes to the base rates.

PAGE E1: The SMMPA demand page shows estimated, actual and billed demand over the past year, and estimated demand for 2023. Our peak demand of 32,856 MW was set on August 23, 2023. The ratchet (74% of peak) for 2024 will be 24,313. The budgeted demand cost for 2024 is \$3,406,589.

PAGE E2: As stated above, SMMPA board approved a change to the transmission rate structure effective February 1, 2024. In the first year, SMMPA will charge 1.00/kW for the Coincident Peak, and \$1.93/kW for the Ratchet charge. The ratchet was set at 32,856 MW on August 23, 2023. Projected transmission costs for SMMPA are \$1,040,215. The transmission costs related to the WAPA contract billed by SMMPA are estimated to be \$89,844 and appear in the column labeled "2024 Est MISO Trans".

PAGE E3: This chart maps monthly SMMPA demand history from 2018 through September 2023.

PAGE E4: SMMPA energy charges are calculated using the kWh budget and the percentage of on- and off-peak purchases for each of the last 12 months. The last 5 years, the on-peak usage has averaged 46.73% of total usage, and off-peak usage averaged 53.27% of the total. With no change to the rates, SMMPA's on-peak rate is \$0.064310/kWh and the off-peak rate is \$0.048080/kWh. The 2024 budget for SMMPA purchased power is \$8,524,379 using the forecasted numbers for 2023 and adding in the approximate new load from ADS.

PAGE E5: The SMMPA energy billing chart illustrates purchases from 2018 through September 2023.

PAGE E6: The WAPA energy charges page shows our demand and kWh allocation for each month. Energy from WAPA is estimated to cost \$103,473 in 2024. There are no rate increases for WAPA in 2024.

PAGE E7: This page outlines each portion of our purchased energy cost: SMMPA's demand, transmission, and energy costs, and the WAPA cost for the year. The blended cost per kWh for demand, transmission and energy is \$0.0841 per kWh for the total kWh purchase budget. The budgeted energy cost for SMMPA and WAPA is \$13,164,500 for 2024.

PAGE E8: The calculation for our Energy Cost Adjustment (ECA) uses estimated purchased power costs and sales, along with operating costs and estimated system losses. The Electric Cost of Service and Rate Design Study recommends we zero out the ECA and move the charges into the regular rates. Then implement a new monthly ECA that passes through the SMMPA ECA.

Public Utilities Commission
November 21, 2023
Page 3

- PAGE E9: The sales per rate class page recaps the kWh sales for each electric rate class. The actual kWh sales for each class is listed for 2022. The data table shows projected energy sales for 2023 and budgeted energy sales for 2024. As in past budgets, current year revenue per kWh is used to calculate 2024 revenue per rate class. The 2024 blended revenue per kWh sold is calculated at \$0.114869 for total budgeted sales of \$17,354,188. This includes an average 3% increase recommended by the Electric Cost of Service and Rate Design Study.
- PAGE E10: This page is from the 2022 final audit report and shows the two most recent years of electric department data. The kWh sales, billed amounts, and revenue per kWh for each service type is listed, along with other data.
- PAGE E11: The electric department year to date statistical report for January through September 2022 is included for reference.
- PAGE E12: This page is a summary of the calculation used to determine the demand side management (DSM) budget for 2024. We are required to spend 1.5% of gross revenue on rebates and conservation programs. The DSM budget is \$260,286 for 2024.
- PAGE E13: This page provides the breakdown by rebate for current year spending through September, and the 2023 and 2024 budget amounts for each rebate. We provide energy saving information through our online utility billing portal, along with rebate forms, information on our website and printed forms and information at city hall.

FAIRMONT PUBLIC UTILITIES COMMISSION - 2024 BUDGET

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SMMPA DEMAND COST

PAGE E - 1

	2023	2023	2023	2024	2024	\$10.95		2024
	EST DEMAND	ACTUAL DEMAND	BILLED DEMAND	EST DEMAND	BILLED DEMAND	X	KW RATE	DEMAND COST
JANUARY, 2023	20,500	20,824	23,347	20,600	24,313	RATCHET	\$ 10.95	\$266,227
FEBRUARY, 2023	20,500	21,152	23,347	20,600	24,313	RATCHET	\$ 10.95	\$266,227
MARCH, 2023	18,000	19,143	23,347	18,300	24,313	RATCHET	\$ 10.95	\$266,227
APRIL, 2023	18,000	19,388	23,347	18,000	24,313	RATCHET	\$ 10.95	\$266,227
MAY, 2023	23,000	22,749	23,347	23,000	24,313	RATCHET	\$ 10.95	\$266,227
JUNE, 2023	30,500	27,917	27,917	30,700	30,700		\$ 10.95	\$336,165
JULY, 2023	30,500	30,899	30,899	30,800	30,800		\$ 10.95	\$337,260
AUGUST, 2023	30,000	32,856	32,856	30,300	30,300		\$ 10.95	\$331,785
SEPTEMBER, 2023	24,500	27,516	27,516	24,800	24,800		\$ 10.95	\$271,560
OCTOBER, 2022	19,000	19,132	23,347	19,300	24,313	RATCHET	\$ 10.95	\$266,227
NOVEMBER, 2022	18,000	18,885	23,347	18,000	24,313	RATCHET	\$ 10.95	\$266,227
DECEMBER, 2022	20,000	20,294	23,347	20,000	24,313	RATCHET	\$ 10.95	\$266,227
TOTALS	272,500	280,755	305,964	274,400	311,104			\$3,406,589

2022 BUDGET AMOUNT: \$3,331,340
2021 BUDGET AMOUNT: \$3,241,726
2020 BUDGET AMOUNT: \$3,269,188

RATCHET COST ESTIMATE: 311,104 - 274,400 = 36,704 X \$10.95 = \$401,909

2024 RATCHET OF 24,313 BASED ON 74% PEAK DEMAND OF 32,856 SET ON AUGUST 23, 2023

FAIRMONT PUBLIC UTILITIES COMMISSION - 2024 BUDGET

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SMMPA TRANSMISSION CHARGES

PAGE E - 2

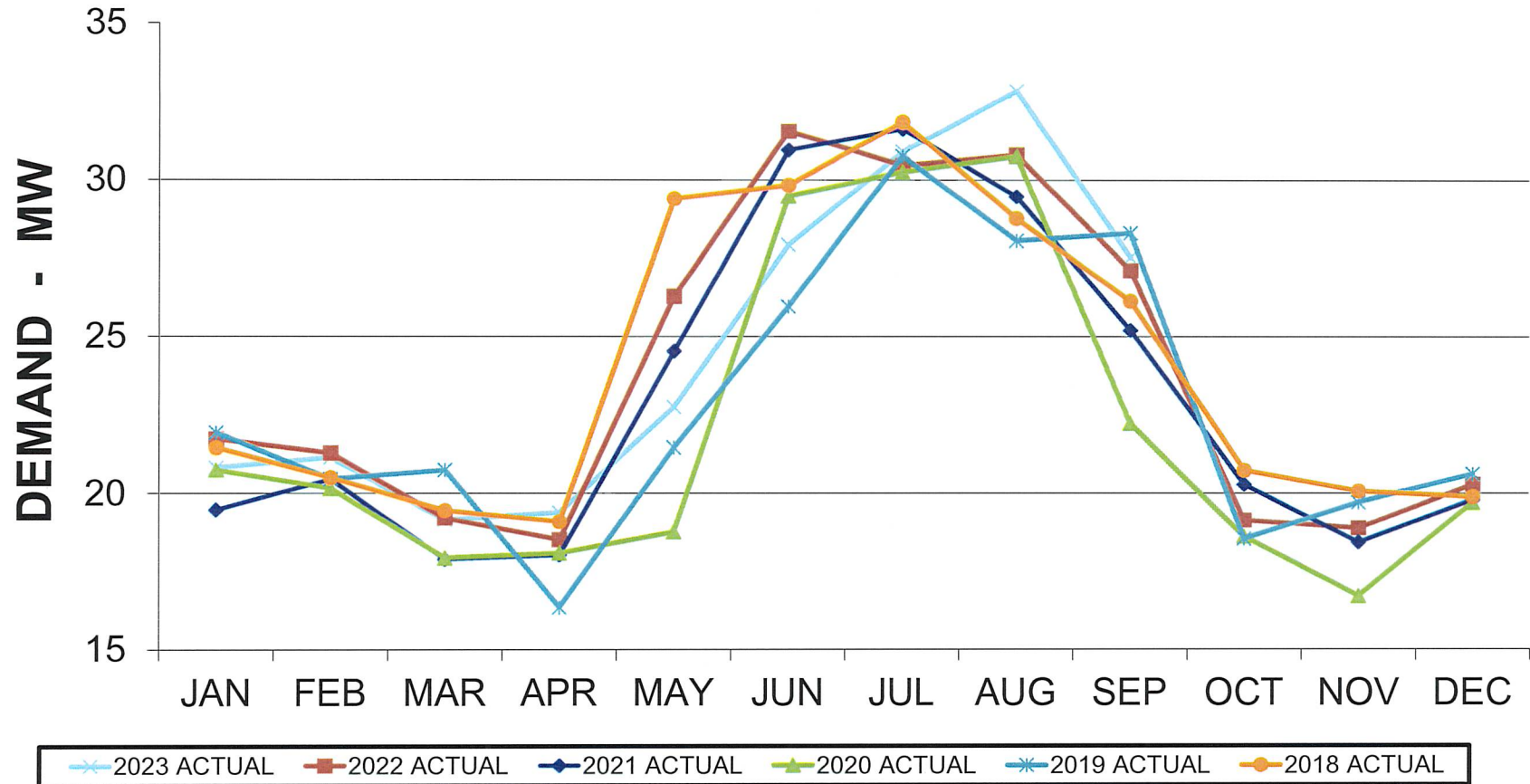
	2023	KW RATE	2024	2024	KW RATE	2024	2024 Total	2024 EST	2024
	Peak	X	\$1.93 =	EST Demand	\$1.00	TRANS COST	TRANS COST	MISO TRANS	COST TOTAL
			TRANS COST				Total		
			Line 1			Line 2			
January-2024	31,550	\$2.74	\$86,447	0			\$86,447	\$ 11,315	\$97,762
February, 2024	31,550	\$2.74	\$86,447	0			\$86,447	\$ 9,778	\$96,225
March-2024	32,856	\$1.93	\$63,412	18,300	\$ 1.00	\$ 18,300.00	\$81,712	\$ 8,558	\$90,270
April-2024	32,856	\$1.93	\$63,412	18,000	\$ 1.00	\$ 18,000.00	\$81,412	\$ 5,398	\$86,810
May-2024	32,856	\$1.93	\$63,412	23,000	\$ 1.00	\$ 23,000.00	\$86,412	\$ 6,482	\$92,894
June-2024	32,856	\$1.93	\$63,412	30,700	\$ 1.00	\$ 30,700.00	\$94,112	\$ 6,284	\$100,396
July-2024	32,856	\$1.93	\$63,412	30,800	\$ 1.00	\$ 30,800.00	\$94,212	\$ 6,958	\$101,171
August-2024	32,856	\$1.93	\$63,412	30,300	\$ 1.00	\$ 30,300.00	\$93,712	\$ 6,615	\$100,327
September-2024	32,856	\$1.93	\$63,412	24,800	\$ 1.00	\$ 24,800.00	\$88,212	\$ 6,100	\$94,312
October-2024	32,856	\$1.93	\$63,412	19,300	\$ 1.00	\$ 19,300.00	\$82,712	\$ 6,739	\$89,451
November-2024	32,856	\$1.93	\$63,412	18,000	\$ 1.00	\$ 18,000.00	\$81,412	\$ 6,802	\$88,214
December-2024	32,856	\$1.93	\$63,412	20,000	\$ 1.00	\$ 20,000.00	\$83,412	\$ 8,815	\$92,227
TOTALS							\$1,040,215	\$89,844	\$1,130,059

TRANSMISSION CHARGES BASED ON PEAK DEMAND LOAD FORECAST FROM SMMPA

2023 TRANSMISSION CHARGE BUDGET WAS \$1,113,968.
2022 TRANSMISSION CHARGE BUDGET WAS \$1,108,887.
2021 TRANSMISSION CHARGE BUDGET WAS \$1,108,887.
2020 TRANSMISSION CHARGE BUDGET WAS \$1,011,159.

FAIRMONT PUBLIC UTILITIES

SMPA DEMAND HISTORY 2018-2023



MONTH	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2023 ACTUAL	20.824	21.152	19.143	19.388	22.749	27.917	30.899	32.856	27.516			
2022 ACTUAL	21.724	21.284	19.194	18.501	26.268	31.550	30.444	30.790	27.105	19.132	18.885	20.294
2021 ACTUAL	19.467	20.449	17.873	18.006	24.524	30.942	31.627	29.457	25.197	20.267	18.421	19.792
2020 ACTUAL	20.750	20.153	17.915	18.067	18.746	29.459	30.244	30.740	22.220	18.608	16.694	19.703
2019 ACTUAL	21.933	20.460	20.748	16.336	21.459	25.957	30.753	28.048	28.288	18.530	19.703	20.623
2018 ACTUAL	21.448	20.499	19.444	19.080	29.373	29.817	31.846	28.744	26.125	20.735	20.070	19.897
2017 ACTUAL	21.595	19.518	19.787	18.694	23.647	28.723	28.726	28.312	28.393	19.676	19.103	20.691

FAIRMONT PUBLIC UTILITIES COMMISSION - 2024 BUDGET

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SMPMA ENERGY CHARGES

PAGE E - 4

	2023 BUDGET KWH			2023 ACTUAL KWH			2024 BUDGET KWH			2024 KWH COSTS		2024 WAPA	2024 ENERGY
	ON PEAK	OFF PEAK	TOTAL	ON PEAK	OFF PEAK	TOTAL	ON PEAK	OFF PEAK	BUDGET	ON PEAK \$	OFF PEAK \$	WHEELING	COST TOTAL
							46.73%	53.27%		\$ 0.064310	\$ 0.048080		
JANUARY, 2023	5,920,293	6,737,707	12,658,000	5,484,999	6,952,048	12,437,047	6,074,643	6,925,357	13,000,000	\$390,660	\$332,971	\$0	\$723,631
FEBRUARY, 2023	5,378,683	6,121,317	11,500,000	5,189,803	6,009,837	11,199,640	5,614,372	6,400,628	12,015,000	\$361,060	\$307,742	\$0	\$668,802
MARCH, 2023	5,261,755	5,988,245	11,250,000	5,668,568	6,241,624	11,910,192	5,492,879	6,262,121	11,755,000	\$353,247	\$301,083	\$0	\$654,330
APRIL, 2023	4,826,784	5,493,216	10,320,000	4,689,104	5,889,388	10,578,492	5,038,683	5,744,317	10,783,000	\$324,038	\$276,187	\$0	\$600,225
MAY, 2023	5,569,977	6,339,023	11,909,000	5,524,069	5,877,154	11,401,223	5,814,368	6,628,632	12,443,000	\$373,922	\$318,705	\$0	\$692,627
JUNE, 2023	6,922,131	7,877,869	14,800,000	6,854,586	6,404,315	13,258,901	6,775,564	7,724,436	14,500,000	\$435,737	\$371,391	\$0	\$807,128
JULY, 2023	7,202,758	8,197,242	15,400,000	6,264,203	7,465,722	13,729,925	7,242,844	8,257,156	15,500,000	\$465,787	\$397,004	\$0	\$862,791
AUGUST, 2023	6,781,818	7,718,182	14,500,000	7,537,227	7,016,685	14,553,912	7,009,204	7,990,796	15,000,000	\$450,762	\$384,197	\$0	\$834,959
SEPTEMBER, 2023	5,261,755	5,988,245	11,250,000	5,271,745	6,624,303	11,896,048	5,492,879	6,262,121	11,755,000	\$353,247	\$301,083	\$0	\$654,330
OCTOBER, 2022	5,422,648	6,171,352	11,594,000	4,954,590	6,025,448	10,980,038	5,408,298	6,165,695	11,573,993	\$347,808	\$296,447	\$0	\$644,255
NOVEMBER, 2022	5,378,683	6,121,317	11,500,000	5,113,384	6,009,779	11,123,163	5,614,372	6,400,628	12,015,000	\$361,060	\$307,742	\$0	\$668,802
DECEMBER, 2022	5,729,467	6,520,533	12,250,000	5,467,640	6,986,112	12,453,752	5,981,187	6,818,813	12,800,000	\$384,650	\$327,849	\$0	\$712,499
TOTALS	69,656,754	79,274,246	148,931,000	68,019,918	77,502,415	145,522,333	71,559,295	81,580,698	153,139,993	\$4,601,978	\$3,922,401	\$0	\$8,524,379

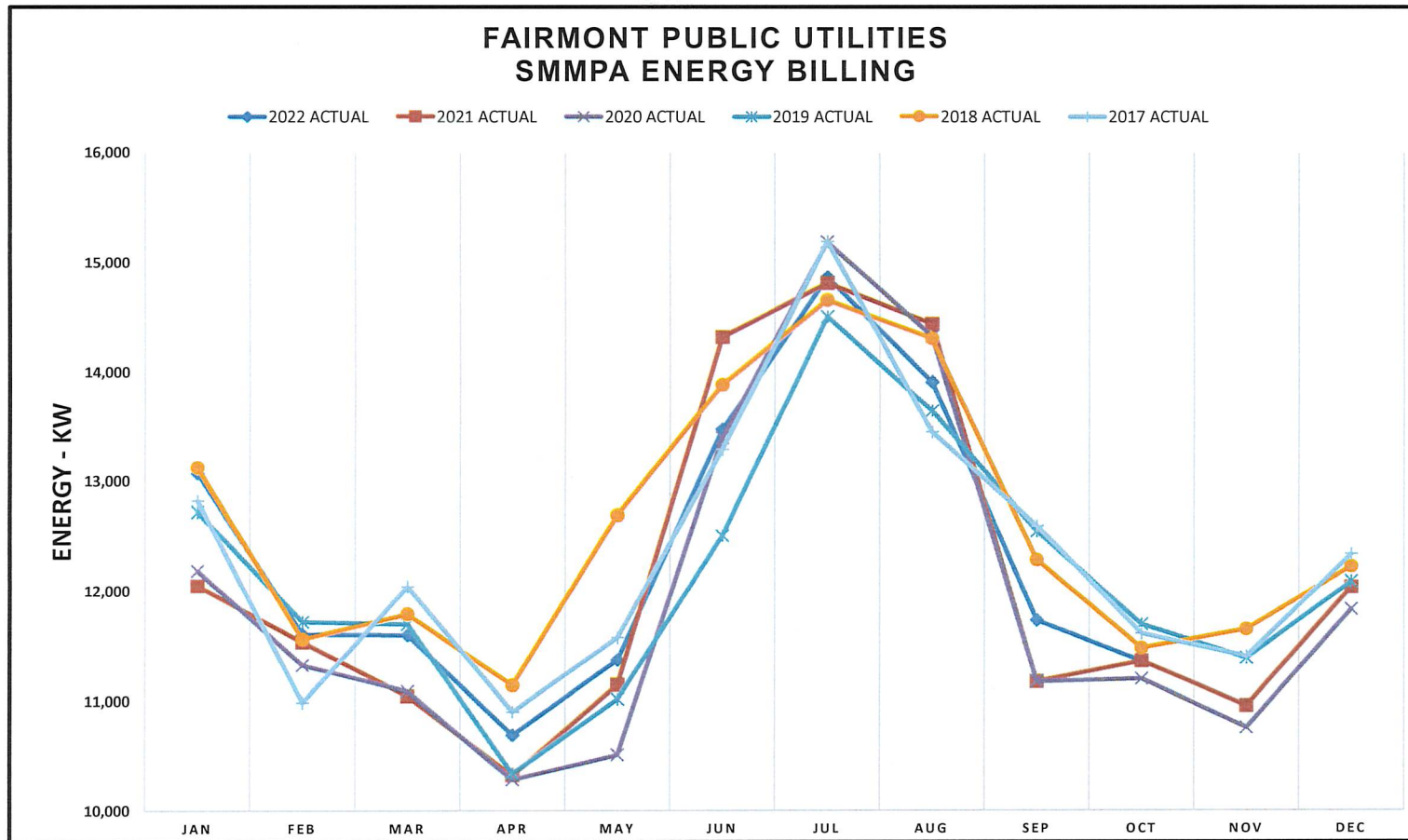
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	BUDGET AMOUNTS KWH			ACTUAL AMOUNTS KWH			604-49550-21820	
YEAR	ON PEAK	OFF PEAK	TOTAL	ON PEAK	OFF PEAK	TOTAL	YEAR	ACTUAL COST
2022	69,648,964	78,874,036	148,523,000	68,871,044	77,795,481	146,666,525	2022	\$7,075,314
2021	67,895,933	77,598,067	145,494,000	67,919,381	76,683,863	144,603,244	2021	\$6,889,043
2020	68,861,138	77,981,862	146,843,000	67,498,387	77,143,713	144,642,100	2020	\$6,731,874
2019	70,480,200	81,519,800	152,000,000	68,488,644	77,560,028	146,048,672	2019	\$6,949,088
2018	67,311,781	83,288,219	150,600,000	69,908,562	80,858,623	150,767,185	2018	\$7,450,642
2017	67,230,558	83,519,442	150,750,000	66,564,335	82,363,367	148,927,702	2017	\$7,028,378

RATES	
ON PEAK	OFF PEAK
\$0.055630	\$0.041590



MONTH	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2023 ACTUAL	12,437	11,200	11,910	10,578	11,401	13,259	13,730	14,554	11,896			
2022 ACTUAL	13,066	11,602	11,597	10,689	11,371	13,475	14,865	13,913	11,734	11,361	10,955	12,038
2021 ACTUAL	12,042	11,530	11,038	10,318	11,144	14,316	14,810	14,440	11,173	11,361	10,955	12,038
2020 ACTUAL	12,181	11,322	11,085	10,280	10,510	13,396	15,189	14,326	11,173	11,199	10,756	11,838
2019 ACTUAL	12,717	11,717	11,698	10,339	11,016	12,502	14,508	13,648	12,547	11,698	11,392	12,092
2018 ACTUAL	13,117	11,559	11,784	11,136	12,686	13,882	14,653	14,305	12,282	11,477	11,651	12,227
2017 ACTUAL	12,817	10,983	12,041	10,900	11,577	13,289	15,192	13,452	12,596	11,613	11,406	12,342

FAIRMONT PUBLIC UTILITIES COMMISSION - 2024 BUDGET

604 - 49550 - 21830

WAPA ENERGY CHARGES

PAGE E - 6

	DEMAND PURCH	KWH PURCH	2023 COST	AVERAGE COST KWH	2023 DEMAND \$\$	2023 ENERGY \$\$	2023 TRANS DISC	2023 COST EST
							(no discount)	
JANUARY, 2023	784	286,000	\$9,228.02	\$0.032266	\$4,860.80	\$4,367.22	\$0.00	\$9,228.00
FEBRUARY, 2023	785	287,000	\$9,249.49	\$0.032228	\$4,867.00	\$4,382.49	\$0.00	\$9,249.00
MARCH, 2023	782	342,000	\$10,070.74	\$0.029447	\$4,848.40	\$5,222.34	\$0.00	\$10,071.00
APRIL, 2023	774	358,000	\$10,265.46	\$0.028674	\$4,798.80	\$5,466.66	\$0.00	\$10,265.00
MAY, 2023	569	252,000	\$7,375.84	\$0.029269	\$3,527.80	\$3,848.04	\$0.00	\$7,376.00
JUNE, 2023	578	232,000	\$7,126.24	\$0.030717	\$3,583.60	\$3,542.64	\$0.00	\$7,126.00
JULY, 2023	578	246,000	\$7,340.02	\$0.029837	\$3,583.60	\$3,756.42	\$0.00	\$7,340.00
AUGUST, 2023	546	261,000	\$7,370.67	\$0.028240	\$3,385.20	\$3,985.47	\$0.00	\$7,371.00
SEPTEMBER, 2023	556	239,000	\$7,096.73	\$0.029693	\$3,447.20	\$3,649.53	\$0.00	\$7,097.00
OCTOBER, 2022	578	253,000	\$6,391.81	\$0.025264	\$3,583.60	\$3,863.31	\$0.00	\$7,447.00
NOVEMBER, 2022	885	356,000	\$9,370.37	\$0.026321	\$5,487.00	\$5,436.12	\$0.00	\$10,923.00
DECEMBER, 2022	856	306,000	\$8,554.62	\$0.027956	\$5,307.20	\$4,672.62	\$0.00	\$9,980.00
TOTAL	8,271	3,418,000	\$99,440.01	\$0.029093	\$51,280.20	\$52,192.86	\$0.00	\$103,473.00

WAPA RATES

DEMAND CHARGES/KW	\$6.200000
ENERGY CHARGES/ KWH	\$0.015270
TRANSMISSION DISCOUNT/KWH	(\$0.001000)

DISCONTINUED

604 - 49550 - 21830

AVERAGE COST PER KWH **0.0303**

FAIRMONT PUBLIC UTILITIES COMMISSION - 2024 BUDGET

SUMMARY OF DEMAND, TRANSMISSION & ENERGY CHARGES

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	SMMPA DEMAND	SMMPA TRANS	SMMPA ENERGY	WAPA ENERGY	TOTAL COSTS	SMMPA KWH	WAPA KWH	TOTAL KWH	COST / KWH
JAN	\$ 266,227	\$ 97,762	\$ 723,631	\$ 9,228	\$ 1,096,848	13,000,000	286,000	13,286,000	0.082556684
FEB	\$ 266,227	\$ 96,225	\$ 668,802	\$ 9,249	\$ 1,040,503	12,015,000	287,000	12,302,000	0.08458002
MAR	\$ 266,227	\$ 90,270	\$ 654,330	\$ 10,071	\$ 1,020,899	11,755,000	342,000	12,097,000	0.084392705
APR	\$ 266,227	\$ 86,810	\$ 600,225	\$ 10,265	\$ 963,527	10,783,000	358,000	11,141,000	0.086484825
MAY	\$ 266,227	\$ 92,894	\$ 692,627	\$ 7,376	\$ 1,059,124	12,443,000	252,000	12,695,000	0.083428469
JUN	\$ 336,165	\$ 100,396	\$ 807,128	\$ 7,126	\$ 1,250,815	14,500,000	232,000	14,732,000	0.084904646
JUL	\$ 337,260	\$ 101,171	\$ 862,791	\$ 7,340	\$ 1,308,562	15,500,000	246,000	15,746,000	0.083104379
AUG	\$ 331,785	\$ 100,327	\$ 834,959	\$ 7,371	\$ 1,274,442	15,000,000	261,000	15,261,000	0.083509737
SEP	\$ 271,560	\$ 94,312	\$ 654,330	\$ 7,097	\$ 1,027,299	11,755,000	239,000	11,994,000	0.085651097
OCT	\$ 266,227	\$ 89,451	\$ 644,255	\$ 7,447	\$ 1,007,380	11,573,993	253,000	11,826,993	0.085176337
NOV	\$ 266,227	\$ 88,214	\$ 668,802	\$ 10,923	\$ 1,034,167	12,015,000	356,000	12,371,000	0.08359605
DEC	\$ 266,227	\$ 92,227	\$ 712,499	\$ 9,980	\$ 1,080,933	12,800,000	306,000	13,106,000	0.082476219
TOTAL	\$3,406,589	\$1,130,059	\$8,524,379	\$103,473	\$13,164,500	153,139,993	3,418,000	156,557,993	\$0.0841
2023 BUDGET	\$ 3,354,029	\$ 1,113,968	\$ 8,290,855	\$ 88,780	\$ 12,847,632	148,931,000	3,418,000	152,349,000	\$ 0.0843
2022 BUDGET	\$ 3,331,340	\$ 1,122,043	\$ 7,156,510	\$ 88,780	\$ 11,698,673	148,523,000	3,418,000	151,941,000	\$ 0.0770
2021 BUDGET	\$ 3,273,875	\$ 1,108,887	\$ 7,004,354	\$ 88,780	\$ 11,475,896	145,494,000	3,418,000	148,912,000	\$ 0.0771
2020 BUDGET	\$ 3,269,188	\$ 1,011,159	\$ 7,077,427	\$ 85,362	\$ 11,443,136	146,843,000	3,418,000	150,261,000	\$ 0.0762
2019 BUDGET	\$ 3,396,821	\$ 1,047,096	\$ 7,314,637	\$ 85,362	\$ 11,843,917	152,000,000	3,418,000	154,018,000	\$ 0.0769
2018 BUDGET	\$ 3,323,562	\$ 982,429	\$ 7,512,181	\$ 91,146	\$ 11,909,318	150,600,000	3,418,000	154,018,000	\$ 0.0773
2017 BUDGET	\$ 3,473,204	\$ 1,101,743	\$ 7,517,504	\$ 100,337	\$ 12,192,788	150,750,000	3,428,000	154,178,000	\$ 0.0791
2016 BUDGET	\$ 3,336,348	\$ 996,554	\$ 7,283,671	\$ 118,549	\$ 11,735,122	149,600,000	3,418,000	153,018,000	\$ 0.0767

AVERAGE COST PER KWH RECEIVED	
SMMPA	\$0.0853
WAPA	\$0.0303

FAIRMONT PUBLIC UTILITIES COMMISSION - 2024 BUDGET

604 - 37400 - 37419

ENERGY COST ADJUSTMENT CALCULATION

PAGE E - 8

TOTAL PURCHASED POWER COST (ENERGY, DEMAND, TRANSMISSION, SMMPA & WAPA)	\$13,164,500
PLUS FAIRMONT PUC OPERATING COST ALLOCATION, IF ANY	\$0
TOTAL PURCHASED POWER ACQUISITION COST	\$13,164,500
TOTAL ENERGY PURCHASED FROM SMMPA (KWH)	153,139,993
TOTAL ENERGY PURCHASED FROM WAPA (KWH)	3,418,000
TOTAL ENERGY PURCHASED FOR ALL SOURCES (KWH)	156,557,993
ANNUAL % OF TRANSMISSION AND TRANSFORMATION LOSSES	3.500%
TOTAL SYSTEM LOSSES	5,479,529
TOTAL ENERGY DELIVERED TO DISTRIBUTION SYSTEM (EST. KWH SOLD)	151,078,464
ENERGY COST ADJUSTMENT CALCULATION:	
POWER COSTS	DIVIDED BY
<u>\$13,164,500</u>	<u>151,078,464</u> KWH
/	
	COST / KWH SOLD
	\$0.087137
BASE RATE FROM 2023 BERG RATE STUDY	(\$0.087137)
ESTIMATED ANNUAL ENERGY COST ADJUSTMENT (ECA)	\$0.000000

ENERGY COST ADJUSTMENT REVENUE CALCULATION

<u>\$0.000000</u>	X	<u>151,028,464</u> KWH	<u>\$0</u>
		(LESS FLAT RATE LIGHTS)	

FAIRMONT PUBLIC UTILITIES COMMISSION - 2024 BUDGET

SALES PER RATE CLASS

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ACCT #	RATE	ACTUAL 2022	PROJ 2023	BUDG 2024	BUDG \$ 2024	REV/KWH
604 - 37400 - 37411	RL	28,928,013	28,527,521	29,500,000	\$3,817,135	0.129394
604 - 37400 - 37412	RH	9,550,658	9,167,283	9,500,000	\$1,152,583	0.121325
604 - 37400 - 37413	CS	21,354,194	21,040,067	21,500,000	\$2,676,016	0.124466
604 - 37400 - 37414	SH	1,269,400	1,219,806	1,250,000	\$115,819	0.092655
604 - 37400 - 37415	GS	15,445,864	14,398,629	14,964,464	\$1,620,677	0.108302
604 - 37400 - 37416	IN	52,549,231	52,093,696	58,500,000	\$6,299,810	0.107689
604 - 37400 - 37417	AE	8,628,977	8,378,058	8,725,000	\$899,540	0.103099
604 - 37400 - 37418	RE	3,745,119	3,640,238	3,750,000	\$478,101	0.127493
604 - 37400 - 37420	FP	1,413,316	1,373,708	1,425,000	\$117,480	0.082442
604 - 37400 - 37421	WW	1,343,042	1,353,856	1,400,000	\$115,420	0.082443
604 - 37400 - 37422	EV	1,859	3,863	4,000	\$2,624	0.656011
604 - 37400 - 37423	SL	498,162	496,655	510,000	\$46,511	0.091197
604 - 37400 - 37426	FR	46,580	46,318	50,000	\$12,473	0.249455
TOTAL		144,774,415	141,739,698	151,078,464	\$17,354,188	
604 - 37400 - 37419	ECA			PLUS ECA ***	\$0	\$0.000000
					TOTAL SALES	\$17,354,188
						\$0.114869
					2022 BUD	\$15,550,379
					2021 BUD	\$15,130,536
					2020 BUD	\$15,079,819

*** ECA DOLLARS BASED ON KWH SALES MINUS FLAT RATE (FR)

City of Fairmont, Minnesota
Public Utilities Commission
Kilowatt Sales (Continued on the Following Pages)
Last Ten Fiscal Years

Table 24

Type of Service	KWH	Amount Billed	Revenue Per KWH	Percent of KWH to Total KWH	Percent of Revenue to Total Revenue	Number of Meters in Service
<u>2022</u>						
Residential Light	28,928,013	\$ 3,275,243	\$ 0.113220	20.0 %	21.6 %	3,879
Commercial Service	21,354,194	2,266,611	0.106144	14.8	15.0	777
General Service	15,445,864	1,519,131	0.098352	10.7	10.0	43
Industrial Sales	52,549,231	4,759,626	0.090575	36.3	31.5	13
All Electric	8,628,977	621,471	0.072021	6.0	4.1	8
Rural Electric	3,745,119	404,305	0.107955	2.6	2.7	227
Filter Plant	1,413,316	93,986	0.066500	1.0	0.6	1
Street Lighting	498,162	37,362	0.075000	0.3	0.2	6
Flat Rate Security Lights	46,580	10,578	0.227093	-	0.1	-
Residential Heat	9,550,658	994,553	0.104135	6.6	6.6	918
Wastewater Plant	1,343,042	89,312	0.066500	0.9	0.6	1
Seasonal Heat Rate	1,269,400	100,110	0.078864	0.9	0.7	26
Energy Cost Adjustment	-	958,015	-	-	6.3	-
Total Sales	<u>144,772,556</u>	<u>\$ 15,130,303</u>	<u>\$ 0.104511</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>5,899</u>
<u>2021</u>						
Residential Light	29,025,127	\$ 3,286,486	\$ 0.113229	20.0 %	21.7 %	3,862
Commercial Service	20,973,160	2,226,226	0.106146	14.5	14.7	766
General Service	15,314,107	1,465,079	0.095669	10.6	9.7	43
Industrial Sales	53,191,464	4,778,195	0.089830	36.7	31.6	13
All Electric	8,361,915	634,469	0.075876	5.8	4.2	8
Rural Electric	3,585,401	400,183	0.111615	2.5	2.6	226
Filter Plant	1,381,334	91,859	0.066500	1.0	0.6	1
Street Lighting	496,053	37,204	0.075000	0.3	0.2	8
Flat Rate Security Lights	46,334	10,560	0.227910	-	0.1	-
Residential Heat	9,500,740	990,475	0.104252	6.6	6.5	912
Wastewater Plant	1,344,296	89,396	0.066500	0.9	0.6	1
Seasonal Heat Rate	1,069,245	84,088	0.078642	0.7	0.6	25
Energy Cost Adjustment	-	955,779	-	-	6.3	-
Total Sales	<u>144,289,176</u>	<u>\$ 15,049,999</u>	<u>\$ 0.104304</u>	<u>99.7 %</u>	<u>99.5 %</u>	<u>5,865</u>

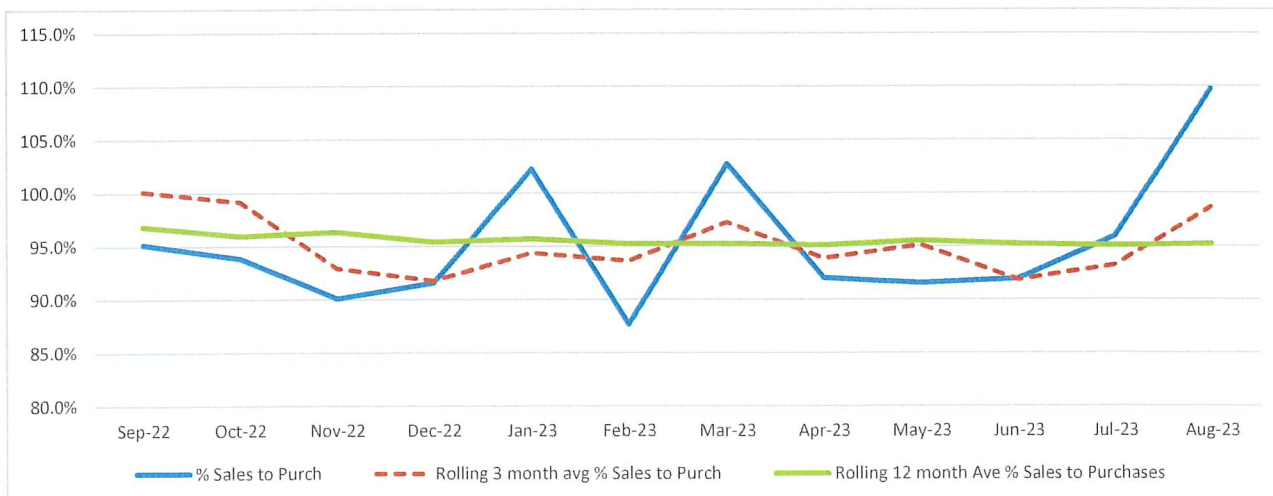
FAIRMONT PUBLIC UTILITIES

ELECTRIC DEPT STATISTICAL COMPARISON - SEPTEMBER

ACCOUNT #	DESCRIPTION	SEPT KWH 2023	SEPT KWH 2022	SEPT REV 2023	SEPT REV 2022
604-37400-37411	Residential Light Sales	3,122,702	2,797,077	\$347,263.19	\$313,328.10
604-37400-37412	Residential Heat Sales	831,364	783,667	\$86,232.05	\$81,712.10
604-37400-37413	Commercial Service Sales	2,003,115	1,879,230	\$211,220.81	\$201,793.39
604-37400-37414	Seasonal Commercial Heat Sales	32,403	33,786	\$2,325.58	\$2,596.00
604-37400-37415	General Service Sales	1,507,244	1,477,723	\$136,390.23	\$141,943.65
604-37400-37416	Industrial Sales	4,437,720	4,700,332	\$415,249.80	\$426,221.33
604-37400-37417	All Electric Sales	760,426	671,134	\$64,906.60	\$46,404.22
604-37400-37418	Rural Electric Sales	324,363	297,343	\$35,693.87	\$33,115.71
604-37400-37420	Filter Plant Power	121,488	129,600	\$8,078.95	\$8,618.40
604-37400-37421	WW Treatment Plant Power	129,568	116,690	\$8,616.27	\$7,759.89
604-37400-37423	Municipal Street Lighting	40,452	40,320	\$3,033.93	\$3,024.01
604-37400-37422	EV Charging Stations	0	0	\$462.54	\$0.00
604-37400-37426	Security & Street Lighting	3,808	3,787	\$879.98	\$884.58
604-37400-37419	Energy Cost Adjustment	0	0	\$180,121.41	\$86,003.39
TOTAL SALES		13,314,653	12,930,689	\$ 1,500,475.21	\$1,353,404.77

ELECTRIC PURCHASES	2023	2022
TIE LINE - SMMPA 69 KV (BILLED)	11,896,048	11,733,684
TIE LINE - WAPA 69 KV (BILLED)	239,000	239,000
TOTAL PURCHASES (69 KV)	12,135,048	11,972,684

SALES TO PURCHASES DIFFERENTIAL (1,179,605) (958,005) **109.72%** **108.00%**



FAIRMONT PUBLIC UTILITIES

ELECTRIC DEPT STATISTICAL COMPARISON - YTD

ACCOUNT #	DESCRIPTION	YTD KWH 2023	YTD KWH 2022	YTD REV 2023	YTD REV 2022
604-37400-37411	Residential Light Sales	22,323,637	22,724,129	\$2,502,130.52	\$2,563,257.47
604-37400-37412	Residential Heat Sales	7,096,529	7,479,904	\$739,810.26	\$777,510.31
604-37400-37413	Commercial Service Sales	15,970,742	16,284,869	\$1,713,650.60	\$1,742,904.41
604-37400-37414	Seasonal Commercial Heat Sales	987,241	1,036,835	\$75,440.53	\$79,071.26
604-37400-37415	General Service Sales	10,941,603	11,988,838	\$1,002,316.15	\$1,154,896.50
604-37400-37416	Industrial Sales	40,034,975	40,490,510	\$3,643,630.48	\$3,632,341.69
604-37400-37417	All Electric Sales	6,364,494	6,615,413	\$550,878.31	\$473,955.79
604-37400-37418	Rural Electric Sales	2,645,587	2,750,468	\$291,646.57	\$304,400.64
604-37400-37420	Filter Plant Power	1,019,192	1,058,800	\$67,776.27	\$70,410.20
604-37400-37421	WW Treatment Plant Power	1,017,272	1,006,458	\$67,648.60	\$66,929.45
604-37400-37423	Municipal Street Lighting	350,934	352,441	\$26,320.26	\$26,433.19
604-37400-37422	EV Charging Stations	0	0	\$1,846.74	\$0.00
604-37400-37426	Security & Street Lighting	32,701	32,963	\$7,919.82	\$7,924.42
604-37400-37419	Energy Cost Adjustment	0	0	\$1,313,438.45	\$740,666.32
TOTALS		108,784,907	111,821,628	\$12,004,453.56	\$11,640,701.65

	2023	2022
TIE LINE - SMMPA 69 KV (BILLED)	110,965,380	112,312,658
TIE LINE - WAPA 69 KV (BILLED)	2,503,000	2,503,000
TOTAL PURCHASES	113,468,380	114,815,658

SALES TO PURCHASES DIFFERENTIAL	4,683,473	2,994,030	95.87%	97.39%
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FAIRMONT PUBLIC UTILITIES COMMISSION - 2024 BUDGET

DEMAND SIDE MGMT BUDGET-BUDGET CALCULATION

PAGE E - 12

ACCT #	CUSTOMER RATE CLASSIFICATION	2024 BUDGET
604 - 37400 - 37411	RESIDENTIAL LIGHT SALES	\$3,817,135
604 - 37400 - 37412	RESIDENTIAL HEAT SALES	\$1,152,583
604 - 37400 - 37413	COMMERCIAL SERVICE SALES	\$2,676,016
604 - 37400 - 37414	SEASONAL COMMERCIAL HEAT SALES	\$115,819
604 - 37400 - 37415	GENERAL SERVICE SALES	\$1,620,677
604 - 37400 - 37416	INDUSTRIAL SALES	\$6,299,810
604 - 37400 - 37417	ALL ELECTRIC SALES	\$899,540
604 - 37400 - 37418	RURAL ELECTRIC SALES	\$478,101
604 - 37400 - 37419	ELECTRIC ENERGY COST ADJUSTMENT	\$0
604 - 37400 - 37420	FILTER PLANT POWER	\$117,480
604 - 37400 - 37421	WASTEWATER TREATMENT PLANT POWER	\$115,420
604 - 37400 - 37423	MUNICIPAL STREET LIGHTING	\$46,511
604 - 37400 - 37426	FLAT RATE SECURITY & STREET LIGHTING	\$12,473
604 - 37400 - 37428	SURGE PROTECTION - REVENUE	\$840
TOTAL BUDGET REVENUE		\$17,352,404
% TO BE APPLIED TOWARD DSM PROGRAM		1.50%
DEMAND SIDE MANAGEMENT BUDGET - 2024		\$260,286

FAIRMONT PUBLIC UTILITIES COMMISSION - 2024 BUDGET

BREAKDOWN OF DSM BUDGET BY ACCOUNT

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ACCT #	DESCRIPTION	YTD 2023 (SEPT)	2023 BUD	2024 BUD
604 - 49595 - 43901	COMM / IND LIGHTING REBATES	\$12,658	\$77,000	\$78,000
604 - 49595 - 43902	COMM / IND A/C REBATES	\$0	\$8,000	\$8,400
604 - 49595 - 43903	COMM / IND MOTOR REBATES	\$200	\$2,000	\$2,400
604 - 49595 - 43904	COMM / IND CUSTOM REBATES	\$0	\$1,500	\$1,600
604 - 49595 - 43906	COMM / IND AIR SOURCE HEAT PUMP	\$0	\$3,500	\$3,500
604 - 49595 - 43907	COMMERCIAL FOOD SERVICE REBATES	\$0	\$1,000	\$1,200
604 - 49595 - 43908	COMM / IND VSD REBATES	\$0	\$2,000	\$2,400
604 - 49595 - 43909	COMM / IND VENDING MISER	\$0	\$1,000	\$1,000
604 - 49595 - 43911	COMPRESSED AIR LEAK REBATES	\$752	\$2,971	\$5,000
604 - 49595 - 43980	RES LED LIGHTING REBATES	\$365	\$8,000	\$5,000
604 - 49595 - 43981	RES AIR CONDITIONING REBATES	\$6,172	\$16,455	\$17,500
604 - 49595 - 43982	RES AIR SOURCE HEAT PUMP	\$3,220	\$7,303	\$7,000
604 - 49595 - 43983	RES GROUND SOURCE HEAT PUMP	\$0	\$2,000	\$2,000
604 - 49595 - 43984	RES ROOM AIR CONDITIONING REBATES	\$0	\$3,000	\$3,000
604 - 49595 - 43985	RES REFRIGERATION REBATES	\$595	\$3,500	\$4,500
604 - 49595 - 43986	RES FREEZER REBATES	\$0	\$3,500	\$4,000
604 - 49595 - 43987	RES CLOTHES WASHER REBATES	\$450	\$2,500	\$3,500
604 - 49595 - 43988	RES DISHWASHER REBATES	\$675	\$3,500	\$4,500
604 - 49595 - 43989	RES LED FIXTURES / CEILING FANS	\$2,259	\$12,000	\$12,000
604 - 49595 - 43990	RES FURNACE FAN MOTOR REBATES	\$2,650	\$8,500	\$12,286
604 - 49595 - 43991	MARATHON WATER HEATER	\$0	\$0	\$0
604 - 49595 - 43992	LOW INCOME CONSERVATION ASSISTANCE	\$6,179	\$8,000	\$8,000
604 - 49595 - 43993	MISC CONSERVATION ASSISTANCE	\$8,760	\$11,000	\$12,500
604 - 49595 - 43994	LAMP & BALLAST RECYCLING	\$2,076	\$15,000	\$15,500
604 - 49595 - 43995	DEHUMIDIFIER REBATES	\$215	\$2,000	\$2,000
604 - 49595 - 43996	HABITAT FOR HUMANITY REBATES	\$0	\$1,500	\$1,500
604 - 49595 - 43997	RES CENTRAL A/C CLEAN - TUNE UP REBATES	\$260	\$1,000	\$1,500
604 - 49595 - 43998	SMART THERMOSTAT REBATE	\$55	\$360	\$500
604 - 49570 - 40400	LOAD MANAGEMENT SYSTEM	\$0	\$40,000	\$40,000
		\$47,540	\$248,089	\$260,286
TOTAL DSM BUDGET - 2022				\$260,286

Fairmont Public Utilities Commission

Effect of Proposed Rate Increase

Residential Average: 700 kWh and 500 Cubic Feet Water

	Current Rate	Sample Proposed 2024	Percent Increase
		Electric per rate study	Average 3% rate change
		water per rate study	Average 7.5% increase
		sewer per rate study	Average 5% increase
	2023	2024	
Electric-Energy	\$83.38	\$84.49	1.33%
Electric- Cust Chg	\$5.00	\$6.25	25.00%
Water	\$35.25	\$38.10	8%
Water- Cust Chg	\$29.34	\$31.39	6.99%
Sewer- 3/4" meter	\$26.14	\$27.46	5.05%
Infrastructure	\$20.64	\$21.34	3.39%
City Wide Clean Up	\$3.00	\$3.00	0.00%
Totals	\$202.75	\$212.03	
Total Increase \$\$		\$9.28	
Total Increase %		4.58%	

Fairmont Public Utilities Commission

Effect of Proposed Rate Increase

Commercial Average: 4,700 kWh and 2,000 Cubic Feet Water

	Current Rate	Sample Proposed 2024	Percent Increase
		Electric per rate study	Average 2.5% increase
		water per rate study	Average 7.6% increase
		sewer per rate study	Average 5% increase
	2023	2024	
Electric-Energy	\$548.42	\$559.30	1.98%
Electric- Cust Chg	\$10.00	\$13.00	30.00%
Water	\$117.80	\$127.20	7.98%
Water- Cust Chg	\$55.99	\$59.91	7.00%
Sewer	\$101.82	\$106.85	4.94%
Infrastructure	\$20.64	\$21.34	3.39%
City Wide Clean Up	\$3.00	\$3.00	0.00%
Totals	\$857.67	\$890.60	
Total Increase \$\$		\$32.93	
Total Increase %		3.84%	

Fairmont Public Utilities - Budget 2024

Account Number	Account Description	YTD 2023	PROJ 2023	2023 BUDGET	2024 BUDGET
REVENUE - WATER		SEPT			
601-37100-33130	Federal Grants & Aids	\$0	\$0	\$0	\$0
601-37100-33422	State Grants & Aids - Other	\$0	\$0	\$0	\$0
601-37100-36105	SA Principal	\$196	\$200	\$0	\$0
601-37100-36210	Interest Earnings	\$23,778	\$31,000	\$30,000	\$40,000
601-37100-37110	Unbilled Revenue	\$0	\$0	\$0	\$0
601-37100-37111	Residential Water Sales	\$2,416,671	\$3,222,228	\$2,996,146	\$3,253,824
601-37100-37112	Commercial Water Sales	\$856,418	\$1,141,891	\$1,208,722	\$1,153,939
601-37100-37113	Industrial Water Sales	\$784,360	\$1,045,813	\$906,239	\$1,056,987
601-37100-37115	Infrastructure Revenue	\$276,352	\$350,000	\$354,036	\$354,036
601-37100-37116	Municipal Hydrant Rental	\$22,059	\$29,413	\$29,413	\$29,413
601-37100-37119	Rental Income	\$0	\$0	\$0	\$0
601-37100-37120	Penalties	\$38,364	\$51,000	\$35,000	\$40,000
601-37100-37121	Cash Over	\$0	\$0	\$0	\$0
601-37100-37430	Customer Service - Labor	\$0	\$0	\$0	\$0
601-37100-37431	Customer Service - Material	\$0	\$0	\$0	\$0
601-37100-37433	Disposal of Fixed Assets	\$0	\$0	\$0	\$0
601-37100-37444	Misc Operating Revenues	\$51,273	\$80,000	\$50,000	\$50,000
601-37100-37445	Misc Non-Operating Revenues	\$1,832	\$2,000	\$0	\$0
601-39200-39202	Transfers In From Ent Funds	\$0	\$0	\$0	\$0
TOTAL REVENUE - WATER		\$4,471,303	\$5,953,544	\$5,609,556	\$5,978,199

Fairmont Public Utilities - Budget 2024

Account Number	Account Description	YTD 2023	PROJ 2023	2023 BUDGET	2024 BUDGET
Water Plant Expense					
601-49400-10120	Full-time Employees - Regular	\$328,664	\$450,852	\$496,882	\$537,354
601-49400-10220	Full-time Employees - Overtime	\$65,240	\$87,713	\$69,628	\$69,628
601-49400-10320	Part-time Employees	\$7,099	\$7,099	\$0	\$0
601-49400-12120	PERA Contributions	\$29,543	\$40,392	\$42,488	\$45,524
601-49400-12220	FICA Contributions	\$23,220	\$31,670	\$35,124	\$37,633
601-49400-12500	Medicare	\$5,422	\$7,395	\$8,214	\$8,801
601-49400-13120	Health Insurance	\$95,758	\$130,894	\$122,388	\$146,204
601-49400-14220	Unemployment Insurance	\$0	\$0	\$0	\$0
601-49400-15100	Work Comp Insurance	\$12,908	\$17,766	\$27,706	\$23,712
601-49400-20120	Office Supplies & Accessories	\$131	\$1,000	\$1,500	\$1,500
601-49400-21200	Motor Fuels	\$201	\$300	\$1,500	\$1,500
601-49400-21620	Chemicals	\$190,785	\$284,893	\$333,360	\$300,000
601-49400-31200	Other Contracted Services	\$48,176	\$60,000	\$73,000	\$80,000
601-49400-31400	Laboratory Expense	\$10,518	\$14,500	\$14,500	\$15,000
601-49400-31500	State Fees & Permits	\$37,518	\$50,000	\$50,000	\$50,000
601-49400-32100	Telephone	\$5,056	\$6,800	\$2,750	\$5,500
601-49400-36215	Property Insurance	\$43,888	\$43,888	\$17,000	\$47,200
601-49400-38100	Electric Utilities	\$81,724	\$109,000	\$101,713	\$113,492
601-49400-38300	Gas Utilities	\$19,235	\$25,000	\$35,000	\$35,000
601-49400-38420	Refuse Disposal	\$5,037	\$6,500	\$5,500	\$6,500
601-49400-38600	Storm Sewer	\$1,003	\$1,400	\$1,400	\$1,400
601-49400-40200	Repairs & Maint - Structures	\$37,507	\$50,000	\$70,000	\$50,000
601-49400-40300	Improve Other Than Buildings	\$229,785	\$240,000	\$400,000	\$0
601-49400-40400	Repairs & Maint - Equipment	\$57,426	\$70,000	\$65,000	\$168,000
601-49400-40500	Repairs & Maint - Vehicles	\$9,397	\$14,000	\$5,000	\$6,000
601-49400-43900	Other Miscellaneous	\$3,552	\$5,000	\$5,000	\$6,000
601-49400-43905	Taxes Paid	\$1,470	\$1,500	\$2,000	\$2,000
TOTAL WATER PLANT EXPENSE		\$1,350,262	\$1,757,562	\$1,986,653	\$1,757,948

Fairmont Public Utilities - Budget 2024

Account Number	Account Description	YTD 2023	PROJ 2023	2023 BUDGET	2024 BUDGET
Water Distribution Expense					
601-49430-10120	Full-time Employees - Regular	\$229,763	\$314,682	\$365,581	\$393,755
601-49430-10220	Full-time Employees - Overtime	\$17,776	\$24,944	\$20,307	\$20,307
601-49430-10320	Part-time Employees	\$0	\$0	\$6,480	\$7,200
601-49430-12120	PERA Contributions	\$18,565	\$25,472	\$28,942	\$31,055
601-49430-12220	FICA Contributions	\$14,146	\$19,401	\$24,327	\$26,118
601-49430-12500	Medicare	\$3,304	\$4,531	\$5,689	\$6,108
601-49430-13120	Health Insurance	\$57,043	\$78,018	\$89,755	\$102,804
601-49430-14220	Unemployment Insurance	\$0	\$0	\$0	\$0
601-49430-15100	Work Comp Insurance	\$9,077	\$12,564	\$19,279	\$16,398
601-49430-21200	Motor Fuels	\$7,316	\$9,500	\$8,500	\$10,000
601-49430-22300	Building Repair Supplies	\$8	\$500	\$1,000	\$1,000
601-49430-31200	Other Contracted Services	\$6,611	\$15,000	\$20,000	\$25,000
601-49430-36215	Property Insurance	\$13,637	\$13,637	\$6,000	\$14,700
601-49430-38100	Electric Utilities	\$23,302	\$30,000	\$24,797	\$28,680
601-49430-38500	Sewer-do not use	\$0	\$0	\$0	\$0
601-49430-38600	Storm Sewer	\$395	\$395	\$550	\$550
601-49430-40200	Repairs & Maint - Structures	\$47,086	\$80,000	\$150,000	\$150,000
601-49430-40300	Improve Other Than Buildings	\$1,950	\$2,500	\$4,500	\$0
601-49430-40400	Repairs & Maint - Equipment	\$14,471	\$15,000	\$10,000	\$15,000
601-49430-40500	Repairs & Maint - Vehicles	\$7,291	\$9,500	\$9,500	\$9,500
601-49430-43900	Other Miscellaneous	\$4,604	\$7,000	\$7,500	\$7,500
	Total Water Distribution Expense	\$476,346	\$662,644	\$802,707	\$865,675

Fairmont Public Utilities - Budget 2024

Account Number	Account Description	YTD 2023	PROJ 2023	2023 BUDGET	2024 BUDGET
Water Administration Expense					
601-49440-10120	Full-time Employees - Regular	\$49,630	\$68,918	\$83,256	\$87,274
601-49440-10220	Full-time Employees - Overtime	\$185	\$256	\$629	\$734
601-49440-10320	Part-time Employees	\$947	\$1,258	\$1,258	\$1,258
601-49440-12120	PERA Contributions	\$3,453	\$5,307	\$6,291	\$6,601
601-49440-12220	FICA Contributions	\$2,989	\$4,147	\$5,279	\$5,487
601-49440-12500	Medicare	\$698	\$968	\$1,235	\$1,294
601-49440-13120	Health Insurance	\$9,796	\$13,477	\$18,555	\$18,504
601-49440-14220	Unemployment Insurance	\$0	\$0	\$0	\$0
601-49440-15100	Work Comp Insurance	\$559	\$778	\$760	\$652
601-49440-20120	Office Supplies & Accessories	\$1,171	\$1,500	\$1,500	\$1,500
601-49440-20220	Computer Supplies / IT Support	\$16,028	\$22,000	\$24,512	\$23,504
601-49440-30500	Medical & Dental Fees	\$29	\$200	\$500	\$500
601-49440-31015	Consulting Fees	\$0	\$0	\$2,000	\$2,000
601-49440-31020	Other Professional Services	\$687	\$700	\$0	\$0
601-49440-31200	Other Contracted Services	\$18,114	\$23,000	\$22,000	\$22,000
601-49440-32100	Telephone	\$863	\$1,400	\$1,400	\$1,400
601-49440-32200	Postage	\$461	\$700	\$1,100	\$1,100
601-49440-33100	Travel & Training	\$524	\$800	\$800	\$800
601-49440-36900	Other General Insurance	\$29,923	\$29,923	\$28,500	\$32,460
601-49440-43700	Bank Charges	\$242	\$350	\$800	\$800
601-49440-43705	Uncollectible Accounts	\$5,194	\$5,194	\$5,000	\$5,000
601-49440-43800	Credit Card Fees	\$4,206	\$5,500	\$5,000	\$5,000
601-49440-43805	Interest Expense	\$0	\$0	\$0	\$0
601-49440-43900	Other Miscellaneous	\$170	\$500	\$1,500	\$1,500
TOTAL ADMINISTRATION EXPENSE		\$145,869	\$186,876	\$211,875	\$219,368

Fairmont Public Utilities - Budget 2024

Account Number	Account Description	YTD 2023	PROJ 2023	2023 BUDGET	2024 BUDGET
Water Miscellaneous Expenses					
601-49445-22805	Material Sold to Customers	\$0	\$0	\$0	\$0
601-49445-30500	Medical & Dental Fees	\$635	\$1,000	\$2,000	\$2,000
601-49445-33100	Travel & Training	\$330	\$1,000	\$4,000	\$4,000
601-49445-42004	Depreciation Expense	\$803,066	\$1,070,699	\$1,000,000	\$1,070,000
601-49445-43300	Dues & Subscriptions	\$23	\$200	\$1,000	\$1,000
601-49445-61100	Bond Interest	\$469,076	\$469,076	\$470,042	\$462,620
601-49445-62500	Bond Issuance Costs	\$0	\$0	\$0	\$0
	TOTAL MISCELLANEOUS EXPENSE	\$1,273,130	\$1,541,975	\$1,477,042	\$1,539,620
TRANSFERS TO OTHER FUNDS					
601-72000-72500	Transfers Out to Gov't Funds	\$118,214	\$171,330	\$171,330	\$189,417
601-72000-72502	Transfers Out to Ent Funds	\$0	\$0	\$0	\$0
	TOTAL TRANSFERS TO OTHER FUNDS	\$118,214	\$171,330	\$171,330	\$189,417
	TOTAL EXPENSE - WATER	\$3,363,821	\$4,320,387	\$4,649,607	\$4,572,028
	NET INCOME FROM OPERATIONS	\$1,107,482	\$1,633,157	\$959,949	\$1,406,171

Fairmont Public Utilities - Budget 2024

Account Number	Account Description	YTD 2023	PROJ 2023	2023 BUDGET	2024 BUDGET
REVENUE - WASTEWATER		SEPT			
602-37200-33422	State Grants & Aids - Other	\$ -	\$ -	\$ -	\$1,000,000
602-37200-36105	SA Principal	\$ -	\$ -	\$ -	\$ -
602-37200-36210	Interest Earnings	\$ 14,459	\$ 18,459	\$ 40,000	\$ 20,000
602-37200-37210	Unbilled Revenue	\$ -		\$ -	\$ -
602-37200-37211	Residential Wastewater Sales	\$ 963,548	\$ 1,243,938	\$ 1,328,189	\$ 1,279,529
602-37200-37212	Commercial Wastewater Sales	\$ 337,744	\$ 434,523	\$ 500,496	\$ 448,493
602-37200-37213	Industrial Wastewater Sales	\$ 345,351	\$ 445,977	\$ 500,913	\$ 458,598
602-37200-37214	Infrastructure Revenue	\$ 238,244	\$ 317,664	\$ 316,287	\$ 333,541
602-37200-37215	Debt Service Revenue	\$ 446,157	\$ 594,876	\$ 593,636	\$ 624,619
602-37200-37217	Rental Income	\$ -		\$ -	\$ -
602-37200-37218	Penalties	\$ 25,812	\$ 29,128	\$ 30,000	\$ 30,000
602-37200-37219	Cash Over	\$ -		\$ -	\$ -
602-37200-37430	Customer Service - Labor	\$ -		\$ -	\$ -
602-37200-37431	Customer Service - Material	\$ -		\$ -	\$ -
602-37200-37433	Disposal of Fixed Assets	\$ -		\$ -	\$ -
602-37200-37444	Misc Operating Revenues	\$ 1,260		\$ -	\$ -
602-37200-37445	Misc Non-Operating Revenues	\$ 225,000	\$ 225,000	\$ 125,000	\$ 725,000
602-37200-39200	Transfer In From Gov't Funds	\$ -		\$ -	\$ -
602-37200-39202	Transfer In From Ent Funds	\$ -		\$ -	\$ -
TOTAL REVENUE - WASTEWATER		\$ 2,597,574	\$ 3,309,565	\$ 3,434,521	\$ 4,919,780

Fairmont Public Utilities - Budget 2024

Account Number	Account Description	YTD 2023	PROJ 2023	2023 BUDGET	2024 BUDGET
Wastewater Plant Expense					
602-49450-10120	Full-time Employees - Regular	\$ 252,276	\$ 347,400	\$ 392,522	\$ 421,145
602-49450-10220	Full-time Employees - Overtime	\$ 9,850	\$ 13,649	\$ 26,008	\$ 36,008
602-49450-10320	Part-time Employees	\$ -	\$ -	\$ -	\$ -
602-49450-12120	PERA Contributions	\$ 19,660	\$ 27,008	\$ 31,390	\$ 34,286
602-49450-12220	FICA Contributions	\$ 15,166	\$ 20,916	\$ 25,949	\$ 28,343
602-49450-12500	Medicare	\$ 3,536	\$ 4,877	\$ 6,069	\$ 6,629
602-49450-13120	Health Insurance	\$ 66,870	\$ 91,651	\$ 95,701	\$ 112,764
602-49450-14220	Unemployment Insurance	\$ -	\$ -	\$ -	\$ -
602-49450-15100	Work Comp Insurance	\$ 10,974	\$ 15,188	\$ 23,882	\$ 20,896
602-49450-20120	Office Supplies & Accessories	\$ 433	\$ 1,000	\$ 2,000	\$ 2,000
602-49450-21200	Motor Fuels	\$ 1,433	\$ 1,910	\$ 2,000	\$ 2,000
602-49450-21620	Chemicals	\$ 45,921	\$ 75,000	\$ 85,000	\$ 85,000
602-49450-31200	Other Contracted Services	\$ 55,360	\$ 66,585	\$ 35,000	\$ 40,000
602-49450-31400	Laboratory Expense	\$ 33,650	\$ 38,150	\$ 28,000	\$ 30,000
602-49450-31500	State Fees & Permits	\$ 7,627	\$ 8,500	\$ 9,500	\$ 9,500
602-49450-32100	Telephone	\$ 4,419	\$ 4,719	\$ 2,600	\$ 5,500
602-49450-36215	Property Insurance	\$ 35,661	\$ 35,661	\$ 16,000	\$ 38,300
602-49450-38100	Electric Utilities	\$ 81,620	\$ 110,000	\$ 112,259	\$ 115,640
602-49450-38200	Water	\$ 45,820	\$ 61,000	\$ 100,000	\$ 65,000
602-49450-38300	Gas Utilities	\$ 83,001	\$ 91,501	\$ 80,000	\$ 85,000
602-49450-38420	Refuse Disposal	\$ 9,921	\$ 13,250	\$ 24,500	\$ 24,500
602-49450-38600	Storm Sewer	\$ -		\$ -	\$ -
602-49450-40200	Repairs & Maint - Structures	\$ 3,058	\$ 6,000	\$ 7,500	\$ 7,500
602-49450-40300	Improve Other Than Buildings	\$ 669	\$ 2,000	\$ 2,000	\$ -
602-49450-40400	Repairs & Maint - Equipment	\$ 25,559	\$ 50,000	\$ 75,000	\$ 95,000
602-49450-40500	Repairs & Maint - Vehicles	\$ 5,510	\$ 7,000	\$ 7,000	\$ 7,000
602-49450-43900	Other Miscellaneous	\$ 8,553	\$ 9,500	\$ 5,000	\$ 7,500
TOTAL WASTEWATER PLANT EXPENSE		\$ 826,545	\$ 1,102,466	\$ 1,194,880	\$ 1,279,511

Fairmont Public Utilities - Budget 2024

Account Number	Account Description	YTD 2023	PROJ 2023	2023 BUDGET	2024 BUDGET
Wastewater Collection Expense					
602-49470-10120	Full-time Employees - Regular	\$ 106,667	\$ 146,282	\$ 186,465	\$ 191,333
602-49470-10220	Full-time Employees - Overtime	\$ 6,730	\$ 9,723	\$ 20,440	\$ 20,440
602-49470-10320	Part-time Employees	\$ 10,759	\$ 13,987	\$ 6,480	\$ 7,200
602-49470-12120	PERA Contributions	\$ 8,505	\$ 11,416	\$ 16,004	\$ 15,883
602-49470-12220	FICA Contributions	\$ 7,197	\$ 9,860	\$ 13,230	\$ 13,576
602-49470-12500	Medicare	\$ 1,676	\$ 2,297	\$ 3,094	\$ 3,175
602-49470-13110	OPEB	\$ -	\$ -	\$ -	\$ -
602-49470-13120	Health Insurance	\$ 27,702	\$ 37,118	\$ 44,263	\$ 53,901
602-49470-14220	Unemployment Insurance	\$ -	\$ -	\$ -	\$ -
602-49470-15100	Work Comp Insurance	\$ 5,130	\$ 6,905	\$ 12,197	\$ 9,915
602-49470-21200	Motor Fuels	\$ 5,579	\$ 7,500	\$ 8,500	\$ 8,500
602-49470-22300	Building Repair Supplies	\$ 8	\$ 500	\$ 1,000	\$ 1,000
602-49470-24000	Minor Equipment	\$ -	\$ 2,000	\$ 5,000	\$ -
602-49470-31200	Other Contracted Services	\$ 6,474	\$ 8,000	\$ 12,000	\$ 16,000
602-49470-36215	Property Insurance	\$ 8,722	\$ 8,722	\$ 4,000	\$ 9,400
602-49470-38100	Electric Utilities	\$ 30,218	\$ 40,000	\$ 50,000	\$ 50,000
602-49470-38200	Water	\$ 954	\$ 1,300	\$ 1,400	\$ 1,400
602-49470-38300	Gas Utilities	\$ 6,876	\$ 8,176	\$ 2,500	\$ 2,500
602-49470-40200	Repairs & Maint - Structures	\$ 42,161	\$ 50,000	\$ 50,000	\$ 65,000
602-49470-40400	Repairs & Maint - Equipment	\$ 3,515	\$ 8,000	\$ 25,000	\$ 30,000
602-49470-40500	Repairs & Maint - Vehicles	\$ 8,428	\$ 10,000	\$ 10,000	\$ 10,000
602-49470-43720	Right of Way Payments	\$ -	\$ -	\$ -	\$ -
602-49470-43900	Other Miscellaneous	\$ 6,596	\$ 7,000	\$ 5,000	\$ 5,000
TOTAL WASTEWATER COLLECTION EXPENSE		\$ 293,898	\$ 388,785	\$ 476,573	\$ 514,223

Fairmont Public Utilities - Budget 2024

Account Number	Account Description	YTD 2023	PROJ 2023	2023 BUDGET	2024 BUDGET
Wastewater Administration Expense					
602-49490-10120	Full-time Employees - Regular	\$ 31,993	\$ 44,422	\$ 56,510	\$ 58,877
602-49490-10220	Full-time Employees - Overtime	\$ 121	\$ 158	\$ 405	\$ 510
602-49490-10320	Part-time Employees	\$ 3,361	\$ 4,369	\$ 806	\$ 806
602-49490-12120	PERA Contributions	\$ 2,227	\$ 3,420	\$ 4,269	\$ 4,454
602-49490-12220	FICA Contributions	\$ 2,097	\$ 2,874	\$ 3,579	\$ 3,701
602-49490-12500	Medicare	\$ 490	\$ 671	\$ 837	\$ 873
602-49490-13120	Health Insurance	\$ 6,333	\$ 8,712	\$ 12,848	\$ 12,941
602-49490-14220	Unemployment Insurance	\$ -	\$ -	\$ -	\$ -
602-49490-15100	Work Comp Insurance	\$ 457	\$ 615	\$ 512	\$ 444
602-49490-20120	Office Supplies & Accessories	\$ 462	\$ 1,000	\$ 1,000	\$ 1,000
602-49490-20220	Computer Supplies / IT Support	\$ 10,275		\$ 14,921	\$14,345
602-49490-30500	Medical & Dental Fees	\$ -		\$ -	\$ -
602-49490-31015	Consulting Fees	\$ -		\$ -	\$ -
602-49490-31020	Other Professional Services	\$ 144		\$ -	\$ -
602-49490-31200	Other Contracted Services	\$ 10,028	\$ 14,500	\$ 14,500	\$ 14,500
602-49490-32100	Telephone	\$ 305	\$ 400	\$ 400	\$ 400
602-49490-32200	Postage	\$ 295	\$ 400	\$ 600	\$ 600
602-49490-33100	Travel & Training	\$ 869	\$ 900	\$ 500	\$ 500
602-49490-36900	Other General Insurance	\$ 17,261	\$ 17,261	\$ 16,000	\$ 19,160
602-49490-43700	Bank Charges	\$ 147	\$ 300	\$ 300	\$ 300
602-49490-43705	Uncollectible Accounts	\$ 3,867	\$ 4,000	\$ 4,000	\$ 4,000
602-49490-43800	Credit Card Fees	\$ 2,560	\$ 3,460	\$ 3,200	\$ 3,200
602-49490-43805	Interest Expense	\$ -		\$ -	
602-49490-43900	Other Miscellaneous	\$ -	\$ -	\$ 1,000	\$ 1,000
	TOTAL WASTEWATER ADMIN EXPENSE	\$ 93,290	\$ 107,461	\$ 136,187	\$ 141,611
Wastewater Miscellaneous Expense					
602-49495-22805	Material Sold to Customers	\$ -	\$ -	\$ -	\$ -
602-49495-30500	Medical & Dental Fees	\$ 44	\$ 200	\$ 500	\$ 500
602-49495-33100	Travel & Training	\$ 327	\$ 327	\$ 2,000	\$ 2,000
602-49495-42004	Depreciation Expense	\$ 552,112	\$ 736,150	\$ 660,000	\$ 750,000
602-49495-43300	Dues & Subscriptions	\$ -	\$ -	\$ 250	\$ 250
602-49495-61100	Bond Interest	\$ 27,732	\$ 27,732	\$ 27,732	\$ 13,978
	TOTAL WASTEWATER MISC EXPENSE	\$ 580,215	\$ 764,409	\$ 690,482	\$ 766,728
TRANSFER TO OTHER FUNDS					
602-72000-72500	Transfers Out to Gov't Funds	\$ 75,783	\$ 101,050	\$ 104,292	\$ 115,602
602-72000-72502	Transfers Out to Ent Funds	\$ -	\$ -	\$ -	
	TOTAL TRANSFER TO OTHER FUNDS	\$ 75,783	\$ 101,050	\$ 104,292	\$ 115,602
	TOTAL EXPENSE - WASTEWATER	\$ 1,869,730	\$ 2,464,171	\$ 2,602,414	\$ 2,817,675
	NET INCOME FROM OPERATIONS	\$ 727,844	\$ 845,393	\$ 832,107	\$ 2,102,105

Fairmont Public Utilities - Budget 2024

Account Number	Account Description	YTD 2023	PROJ 2023	2023 BUDGET	2024 BUDGET
REVENUE - ELECTRIC		SEPT			
604-33000-33422	State Grants & Aids - Other	\$ -	\$ -	\$ -	\$ -
604-37400-34743	Rental Income	\$ -	\$ -	\$ -	\$ -
604-37400-35106	NSF Service Charge	\$ -	\$ -	\$ -	\$ -
604-37400-36210	Interest Earnings	\$ 80,104	\$ 75,000	\$ 75,000	\$ 125,000
604-37400-36211	Gain/Loss on Investments	\$ -	\$ -	\$ -	\$ -
604-37400-36290	Convenience Fee	\$ -	\$ -	\$ -	\$ -
604-37400-37410	Unbilled Revenue	\$ -	\$ -	\$ -	\$ -
604-37400-37411	Residential Light Sales	\$ 2,491,888	\$ 3,219,894	\$ 3,380,449	\$ 3,817,135
604-37400-37412	Residential Heat Sales	\$ 739,810	\$ 953,680	\$ 998,696	\$ 1,152,583
604-37400-37413	Commercial Service Sales	\$ 1,713,651	\$ 2,250,465	\$ 2,277,519	\$ 2,676,016
604-37400-37414	Seasonal Commercial Heat Sales	\$ 75,441	\$ 93,025	\$ 97,997	\$ 115,819
604-37400-37415	General Service Sales	\$ 1,002,316	\$ 1,387,034	\$ 1,531,663	\$ 1,620,677
604-37400-37416	Industrial Sales	\$ 3,643,630	\$ 4,673,246	\$ 4,896,557	\$ 6,299,810
604-37400-37417	All Electric Sales	\$ 550,878	\$ 600,239	\$ 628,678	\$ 899,540
604-37400-37418	Rural Electric Sales	\$ 291,552	\$ 402,874	\$ 434,389	\$ 478,101
604-37400-37419	Energy Cost Adjustment	\$ 1,472,685	\$ 2,037,354	\$ 2,037,354	\$ -
604-37400-37420	Filter Plant Power	\$ 67,776	\$ 91,352	\$ 94,430	\$ 117,480
604-37400-37421	WW Treatment Plant Power	\$ 67,649	\$ 90,031	\$ 93,100	\$ 115,420
604-37400-37422	EV Charging Sales	\$ 1,691	\$ 2,460	\$ 1,000	\$ 2,624
604-37400-37423	Municipal Street Lighting	\$ 26,320	\$ 37,249	\$ 41,175	\$ 46,511
604-37400-37426	Security & Street Lighting	\$ 7,920	\$ 11,135	\$ 13,463	\$ 12,473
604-37400-37427	SMMPA Curtailment	\$ -	\$ -	\$ 600	\$ -
604-37400-37428	Surge Protection Revenue	\$ 629	\$ 840	\$ 840	\$ 840
604-37400-37429	Customer Refunds	\$ -	\$ -	\$ -	\$ -
604-37400-37430	Customer Service - Labor	\$ 9,148	\$ 10,000	\$ -	\$ -
604-37400-37431	Customer Service - Material	\$ 13,767	\$ 16,000	\$ -	\$ -
604-37400-37433	Disposal of Fixed Assets	\$ -	\$ -	\$ -	\$ -
604-37400-37442	Penalties	\$ 85,692	\$ 100,000	\$ 100,000	\$ 100,000
604-37400-37443	Cash Over	\$ -	\$ -	\$ -	\$ -
604-37400-37444	Misc Operating Revenues	\$ 48,182	\$ 75,000	\$ 230,000	\$ 252,705
604-37400-37445	Misc Non-Operating Revenues	\$ 576	\$ 3,500	\$ 150,000	\$ 87,500
604-39200-39202	Transfers In From Ent Funds	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUE - ELECTRIC		\$ 12,391,305	\$ 16,130,379	\$ 17,082,910	\$ 17,920,234

Fairmont Public Utilities - Budget 2024

Account Number	Account Description	YTD 2023	PROJ 2023	2023 BUDGET	2024 BUDGET
PURCHASED POWER - EXPENSE					
604-49550-21815	Capacity Purchased- SMMPA	\$ 3,419,842	\$ 4,387,670	\$ 4,451,572	\$ 4,536,648
604-49550-21820	SMMPA Energy Purchased	\$ 6,282,556	\$ 8,100,677	\$ 8,291,130	\$ 8,524,379
604-49550-21825	SMMPA Curtailment/Load Factor	\$ -	\$ -	\$ 600	\$ -
604-49550-21830	WAPA Energy Purchased	\$ 75,123	\$ 99,440	\$ 88,780	\$ 103,473
604-49550-36215	Property Insurance (Equipment)	\$ -	\$ -	\$ 12,500	\$ -
604-49550-40400	Repair & Maint - Equipment	\$ 23	\$ 500	\$ 25,000	\$ 1,000
TOTAL PURCHASED POWER EXPENSE		\$ 9,777,544	\$ 12,588,287	\$ 12,869,582	\$ 13,165,500

Fairmont Public Utilities - Budget 2024

Account Number	Account Description	YTD 2023	PROJ 2023	2023 BUDGET	2024 BUDGET
ELECTRIC DISTRIBUTION EXPENSE					
604-49570-10120	Full-time Employees - Regular	\$ 643,662	\$ 871,565	\$ 923,708	\$ 944,267
604-49570-10220	Full-time Employees - Overtime	\$ 23,827	\$ 32,850	\$ 36,390	\$ 36,390
604-49570-10320	Part-time Employees	\$ -	\$ -	\$ -	\$ -
604-49570-12120	PERA Contributions	\$ 47,050	\$ 64,272	\$ 72,007	\$ 73,549
604-49570-12220	FICA Contributions	\$ 39,603	\$ 53,594	\$ 59,526	\$ 60,801
604-49570-12500	Medicare	\$ 9,253	\$ 12,523	\$ 13,921	\$ 14,220
604-49570-13110	OPEB	\$ -	\$ -	\$ -	\$ -
604-49570-13120	Health Insurance	\$ 114,694	\$ 157,590	\$ 164,013	\$ 166,935
604-49570-14220	Unemployment Insurance	\$ -	\$ -	\$ -	\$ -
604-49570-15100	Work Comp Insurance	\$ 20,565	\$ 28,097	\$ 39,473	\$ 33,021
604-49570-20120	Office Supplies & Accessories	\$ 4,698	\$ 5,000	\$ 5,000	\$ 5,000
604-49570-21200	Motor Fuels	\$ 13,037	\$ 18,000	\$ 20,000	\$ 20,000
604-49570-22300	Building Repair Supplies	\$ 38,019	\$ 40,000	\$ 32,000	\$ 42,000
604-49570-22805	Material Sold to Customers	\$ (378)	\$ (378)	\$ -	\$ -
604-49570-25905	Freight	\$ -	\$ -	\$ -	\$ -
604-49570-30500	Medical & Dental Fees	\$ 236	\$ 500	\$ 2,000	\$ 2,000
604-49570-31200	Other Contracted Services	\$ 18,894	\$ 35,000	\$ 55,000	\$ 55,000
604-49570-32100	Telephone	\$ 5,569	\$ 7,520	\$ 5,000	\$ 5,500
604-49570-33100	Travel & Training	\$ 10,884	\$ 12,000	\$ 12,000	\$ 14,000
604-49570-36215	Property Insurance	\$ 14,773	\$ 14,773	\$ 8,000	\$ 15,900
604-49570-38100	Electric Utilities	\$ 6,791	\$ 9,000	\$ 8,000	\$ 8,000
604-49570-38200	Water	\$ 1,590	\$ 2,000	\$ 1,400	\$ 1,400
604-49570-38300	Gas Utilities	\$ 11,589	\$ 15,500	\$ 15,000	\$ 15,000
604-49570-38420	Refuse Disposal	\$ 5,037	\$ 7,000	\$ 7,000	\$ 7,000
604-49570-38500	Sewer	\$ 507	\$ 675	\$ 500	\$ 500
604-49570-38600	Storm Sewer	\$ 890	\$ 1,200	\$ 1,200	\$ 1,200
604-49570-40100	Repairs & Maint - Buildings	\$ 3,742	\$ 7,000	\$ 9,000	\$ 9,000
604-49570-40200	Repairs & Maint - Structures	\$ 11,986	\$ 15,000	\$ 30,000	\$ -
604-49570-40300	Improve Other Than Buildings	\$ 19,731	\$ 85,000	\$ 120,000	\$ 140,000
604-49570-40400	Repairs & Maint - Equipment	\$ 4,388	\$ 25,000	\$ 40,000	\$ 40,000
604-49570-40500	Repairs & Maint - Vehicles	\$ 28,090	\$ 37,500	\$ 35,000	\$ 35,000
604-49570-43720	Right of Way Payments	\$ -	\$ 14,000	\$ 12,000	\$ 12,000
604-49570-43725	Obsolete Line Material	\$ -	\$ -	\$ -	\$ -
604-49570-43760	Uniforms	\$ 14,241	\$ 20,000	\$ 20,000	\$ 22,000
604-49570-43900	Other Miscellaneous	\$ 8,992	\$ 12,000	\$ 5,000	\$ 5,000
604-49570-43905	Taxes Paid	\$ -	\$ -	\$ -	\$ -
TOTAL DISTRIBUTION EXPENSE		\$ 1,121,960	\$ 1,603,781	\$ 1,752,138	\$ 1,784,683

Fairmont Public Utilities - Budget 2024

Account Number	Account Description	YTD 2023	PROJ 2023	2023 BUDGET	2024 BUDGET
ELECTRIC ADMINISTRATION EXPENSE					
604-49590-10120	Full-time Employees - Regular	\$ 220,463	\$ 305,912	\$ 335,973	\$ 356,889
604-49590-10220	Full-time Employees - Overtime	\$ 1,084	\$ 1,528	\$ 2,980	\$ 2,980
604-49590-10320	Part-time Employees	\$ 4,073	\$ 4,073	\$ 5,436	\$ 5,436
604-49590-12120	PERA Contributions	\$ 15,389	\$ 23,566	\$ 25,421	\$ 26,990
604-49590-12220	FICA Contributions	\$ 13,268	\$ 18,398	\$ 21,352	\$ 22,444
604-49590-12500	Medicare	\$ 3,099	\$ 4,297	\$ 4,994	\$ 5,297
604-49590-13120	Health Insurance	\$ 44,614	\$ 61,329	\$ 73,573	\$ 72,307
604-49590-14220	Unemployment Insurance	\$ -	\$ -	\$ -	\$ -
604-49590-15100	Work Comp Insurance	\$ 2,695	\$ 3,740	\$ 3,688	\$ 3,115
604-49590-20120	Office Supplies & Accessories	\$ 3,865	\$ 4,500	\$ 4,000	\$ 4,000
604-49590-20220	Computer Supplies / IT Support	\$ 77,834	\$ 95,000	\$ 95,053	\$ 78,792
604-49590-30500	Medical & Dental Fees	\$ -	\$ -	\$ 2,000	\$ 2,000
604-49590-31015	Consulting Fees	\$ -	\$ -	\$ -	\$ -
604-49590-31020	Other Professional Services	\$ 919	\$ 21,000	\$ -	\$ -
604-49590-31200	Other Contracted Services	\$ 65,810	\$ 78,500	\$ 80,000	\$ 85,000
604-49590-32100	Telephone	\$ 1,726	\$ 3,000	\$ 3,600	\$ 3,600
604-49590-32200	Postage	\$ 1,810	\$ 2,500	\$ 3,500	\$ 3,500
604-49590-33100	Travel & Training	\$ -	\$ 500	\$ 1,000	\$ 1,000
604-49590-36900	Other General Insurance	\$ 23,341	\$ 23,341	\$ 20,000	\$ 25,660
604-49590-43700	Bank Charges	\$ 939	\$ 1,500	\$ 3,000	\$ 3,000
604-49590-43705	Uncollectible Accounts	\$ 16,138	\$ 16,138	\$ 10,000	\$ 10,000
604-49590-43800	Credit Card Fees	\$ 16,308	\$ 21,500	\$ 21,000	\$ 21,000
604-49590-43805	Interest Expense	\$ -	\$ -	\$ -	\$ -
604-49590-43900	Other Miscellaneous	\$ 115	\$ 500	\$ 2,500	\$ 2,500
TOTAL ADMINISTRATIVE EXPENSE		\$ 513,489	\$ 690,822	\$ 719,070	\$ 735,510

Fairmont Public Utilities - Budget 2024

Account Number	Account Description	YTD 2023	PROJ 2023	2023 BUDGET	2024 BUDGET
ELECTRIC MISCELLANEOUS EXPENSE					
604-49595-33100	Travel & Training	\$ -	\$ -	\$ -	\$ -
604-49595-40400	Repairs & Maint - Equipment	\$ -	\$ -	\$ -	\$ -
604-49595-42004	Depreciation Expense	\$ 335,688	\$ 447,584	\$ 450,000	\$ 450,000
604-49595-43300	Dues & Subscriptions	\$ 28,950	\$ 28,950	\$ 28,950	\$ 28,950
604-49595-43702	MN QBE Assessment	\$ -	\$ -	\$ -	\$ -
604-49595-43901	Comm/Ind Lighting Rebate	\$ 12,658	\$ 62,658	\$ 77,000	\$ 78,000
604-49595-43902	Comm/Ind A/C Rebate	\$ -	\$ -	\$ 8,000	\$ 8,400
604-49595-43903	Comm/Ind Motor Rebate	\$ 200	\$ 200	\$ 2,000	\$ 2,400
604-49595-43904	Comm/Ind Custom Rebate	\$ -	\$ -	\$ 1,500	\$ 1,600
604-49595-43906	Comm/Ind Air Source Heat Pump	\$ -	\$ -	\$ 3,500	\$ 3,500
604-49595-43907	Comm Food Service Rebate	\$ -	\$ -	\$ 1,000	\$ 1,200
604-49595-43908	Comm/Ind Variable Speed Drive	\$ -	\$ -	\$ 2,000	\$ 2,400
604-49595-43909	Comm/Ind Vending Rebate	\$ -	\$ -	\$ 1,000	\$ 1,000
604-49595-43910	Compressed Air Leak Rebate	\$ 752	\$ 1,000	\$ 2,971	\$ 5,000
604-49595-43980	Res LED Rebate	\$ 365	\$ 700	\$ 8,000	\$ 5,000
604-49595-43981	Res A/C Rebate	\$ 6,172	\$ 7,000	\$ 16,455	\$ 17,500
604-49595-43982	Res Air Source Heat Pump	\$ 3,220	\$ 4,000	\$ 7,303	\$ 7,000
604-49595-43983	Res Ground Source Heat Pump	\$ -	\$ -	\$ 2,000	\$ 2,000
604-49595-43984	Res Room A/C Rebate	\$ -	\$ -	\$ 3,000	\$ 3,000
604-49595-43985	Res Refrigerator Rebate	\$ 595	\$ 1,000	\$ 3,500	\$ 4,500
604-49595-43986	Res Freezer Rebate	\$ -	\$ 100	\$ 3,500	\$ 4,000
604-49595-43987	Res Washing Machine Rebate	\$ 450	\$ 525	\$ 2,500	\$ 3,500
604-49595-43988	Res Dishwasher Rebate	\$ 675	\$ 800	\$ 3,500	\$ 4,500
604-49595-43989	LED Fixtures/Ceiling Fan Rebate	\$ 2,259	\$ 3,200	\$ 12,000	\$ 12,000
604-49595-43990	Furnace Fan Motor Rebate	\$ 2,650	\$ 4,000	\$ 8,500	\$ 12,286
604-49595-43991	Marathon Water Heater Program	\$ -	\$ -	\$ -	\$ -
604-49595-43992	Low Income Conservation Assist	\$ 6,179	\$ 6,179	\$ 8,000	\$ 8,000
604-49595-43993	Misc Conservation Assistance	\$ 8,760	\$ 11,760	\$ 11,000	\$ 12,500
604-49595-43994	Lamp & Ballast Recycling	\$ 2,076	\$ 2,200	\$ 15,000	\$ 15,500
604-49595-43995	Dehumidifier Rebate	\$ 215	\$ 300	\$ 2,000	\$ 2,000
604-49595-43996	Habitat for Humanity Rebates	\$ -	\$ -	\$ 1,500	\$ 1,500
604-49595-43997	Central A/C Clean & Tune-Up Rebate	\$ 260	\$ 340	\$ 1,000	\$ 1,500
604-49595-43998	Smart Thermostat Rebate	\$ 55	\$ 105	\$ 360	\$ 500
	TOTAL MISCELLANEOUS EXPENSE	\$ 412,178	\$ 582,601	\$ 687,039	\$ 699,236
TRANSFER TO OTHER FUNDS					
604-72000-72500	Transfers Out to Gov't Funds	\$ 511,003	\$ 664,378	\$ 664,378	\$ 634,981
604-72000-72502	Transfers Out to Ent Funds	\$ -	\$ -	\$ -	\$ -
	TOTAL TRANSFERS TO OTHER FUNDS	\$ 511,003	\$ 664,378	\$ 664,378	\$ 634,981
	TOTAL EXPENSE - ELECTRIC	\$ 12,336,173	\$ 16,129,869	\$ 16,692,207	\$ 17,019,910
	NET INCOME FROM OPERATIONS	\$ 55,132	\$ 510	\$ 390,703	\$ 900,324

MEMORANDUM

To: Paul Hoyer, Finance Director, City of Fairmont
Julie Zarling, Assistant Finance Director, City of Fairmont
From: Jessica Green, Managing Director, Northland Public Finance
Date: November 15, 2023
Re: Wastewater Utility – Updated Rate Recommendations

Northland Public Finance was engaged to complete an update of the City of Fairmont's (the "City") Wastewater Utility planning model to evaluate current utility rates and provide recommendations for rate changes based upon certain assumptions related to future facility and capital improvements.

Northland has reviewed the City's audited financials, 2023 budget, and outstanding debt information of the City's Wastewater Fund. We have also been provided a 5-year Capital Improvement Plan related to the Wastewater Fund and have included estimates for forward-looking capital improvements and larger capital expenditures. For the purposes of this wastewater model update, we have relied upon previously provided usage information (customer count and volume) related to the wastewater utility.

Our findings and projections are meant to provide a framework to better inform decision-making related to debt planning and rate setting for the wastewater utility. In addition to the 5-year Capital Improvement Plan, the projections are based upon several assumptions for the utility fund, including:

- Minimum fund balance (cash on hand) target at year end for each fund will equal not less than:
 - 3 months of operating expenses, plus;
 - the following year's debt service payments, plus;
 - funding of pay-go capital items for the following year.
- Personnel and current expenses increase by 3% per year.
- Investment rate of 1% per year
- Usage will remain constant, as will number of accounts and customers.

Based upon our review of the Wastewater Fund's beginning cash position, existing debt, and ongoing capital expenditure needs, it is our opinion that continued adjustments to the user fees are necessary to maintain the minimum fund balance target as described above. Highlights from the City's 5-Year Capital Improvement Plan and long-range facility plan include:

- Annual Lift Station Improvements of approximately \$150,000-\$250,000.
- Ultraviolet & Biosolids System Replacement, with an approximate cost of \$18M; the City will be receiving a \$1,000,000 grant to support the project.

- River Eutrophication Standards Upgrade in 2031 (\$18MM); the City anticipates receiving a \$7MM grant to support the project.
- Street Improvements of approximately \$200,000 every other year.
- Annual Capital Outlay of approximately \$600,000 for various improvements or acquisitions.

For the purposes of the utility plan, we are assuming the City will issue debt (Interfund Loans, General Obligation Bonds, or Loans through the Minnesota Public Facilities Authority) for the Ultraviolet & Biosolids System Replacement Project in 2024, various capital expenditures in years 2025 and 2026, and the River Eutrophication Project in 2031, and that the Wastewater rates adjustments will occur, on a percentage basis, as recommended below:

Sewer 2024 Base Adjustment	2024	5.00%	Sewer 2024 Rate Adjustment	5.00%	Sewer 2024 Infrastructure Adjustment	5.00%
Sewer 2025 Base Adjustment	2025	5.00%	Sewer 2025 Rate Adjustment	5.00%	Sewer 2025 Infrastructure Adjustment	5.00%
Sewer 2026 Base Adjustment	2026	5.00%	Sewer 2026 Rate Adjustment	5.00%	Sewer 2026 Infrastructure Adjustment	5.00%
Sewer 2027 Base Adjustment	2027	5.00%	Sewer 2027 Rate Adjustment	5.00%	Sewer 2027 Infrastructure Adjustment	5.00%
Sewer 2028 Base Adjustment	2028	5.00%	Sewer 2028 Rate Adjustment	5.00%	Sewer 2028 Infrastructure Adjustment	5.00%
Sewer 2029 Base Adjustment	2029	5.00%	Sewer 2029 Rate Adjustment	5.00%	Sewer 2029 Infrastructure Adjustment	5.00%
Sewer 2030 Base Adjustment	2030	5.00%	Sewer 2030 Rate Adjustment	3.50%	Sewer 2030 Infrastructure Adjustment	3.00%
Sewer 2031 Base Adjustment	2031	5.00%	Sewer 2031 Rate Adjustment	3.50%	Sewer 2031 Infrastructure Adjustment	3.00%
Sewer 2032 Base Adjustment	2032	5.00%	Sewer 2032 Rate Adjustment	3.50%	Sewer 2032 Infrastructure Adjustment	3.00%
Sewer 2033 Base Adjustment	2033	5.00%	Sewer 2033 Rate Adjustment	3.50%	Sewer 2033 Infrastructure Adjustment	3.00%

For comparison, it should be noted that Northland's prior recommendations (in 2022) for the Base Adjustment (1st column) in the years 2024-2032 included 5% annual increases; this remains our recommendation. The Rate Adjustment (2nd column) was previously suggested to be 3.5% in each of the years 2024-2032; we have updated years 2024-2029 to 5%, with 2030-2033 remaining at 3.5%. And finally, the prior recommendation did not include an adjustment to the Infrastructure Fee (3rd column), though we are now suggesting the City consider an adjustment of 5% in years 2024-2029 and 3% in years 20230-2033.

The revised recommended rate adjustments are the result of a decrease in grant revenue of \$3,500,000 for the Ultraviolet and Biosolids Project (State grant of \$1MM received; previously estimated at \$4.5MM) and an increase in costs related to planned capital needs in future years.

Proposed Wastewater rates and charges, along with monthly bill estimates, inclusive of the proposed rate changes, are shown on the following page.

Wastewater Rate Recommendations

November 15, 2023

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	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Residential Sewer Monthly Basic Charge .75	16.78	17.62	18.50	19.42	20.40	21.42	22.49	23.61	24.79	26.03	27.33
Residential Sewer Monthly Basic Charge 1.0	46.22	48.53	50.96	53.51	56.18	58.99	61.94	65.04	68.29	71.70	75.29
Residential Sewer Monthly Basic Charge 1.5	105.45	110.72	116.26	122.07	128.18	134.58	141.31	148.38	155.80	163.59	171.77
Residential Sewer Monthly Basic Charge 2.0	202.51	212.64	223.27	234.43	246.15	258.46	271.38	284.95	299.20	314.16	329.87
Residential Sewer Monthly Basic Charge 3.0	470.45	493.97	518.67	544.60	571.83	600.43	630.45	661.97	695.07	729.82	766.31
Residential Sewer Monthly Basic Charge 6.0	1,194.24	1,253.95	1,316.65	1,382.48	1,451.61	1,524.19	1,600.40	1,680.42	1,764.44	1,852.66	1,945.29
Residential Tier 1 (Over 100 cubic feet)	2.34	2.46	2.58	2.71	2.84	2.99	3.14	3.25	3.36	3.48	3.60
Commercial Tier 1 All Consumption	3.66	3.84	4.04	4.24	4.45	4.67	4.90	5.08	5.25	5.44	5.63
Sewer Infrastructure Charge	13.99	14.69	15.42	16.20	17.00	17.86	18.75	19.31	19.89	20.49	21.10

Sample monthly bill estimates for residential and commercial customers can be found below, based upon average usage.

Average Residential Impact (425 Cubic Feet)*

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Monthly Sewer Bill	\$40.72	\$42.75	\$44.89	\$47.13	\$49.49	\$51.96	\$54.56	\$56.72	\$58.96	\$61.29	\$63.73
% Change in Monthly Bill	4.7%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	3.9%	4.0%	4.0%	4.0%
Monthly Change by Year		\$2.04	\$2.14	\$2.24	\$2.36	\$2.47	\$2.60	\$2.15	\$2.24	\$2.34	\$2.43
Cummulative Change						\$23.01					
Base	\$16.78	\$17.62	\$18.50	\$19.42	\$20.40	\$21.42	\$22.49	\$23.61	\$24.79	\$26.03	\$27.33
Sewer Infrastructure Charge	\$13.99	\$14.69	\$15.42	\$16.20	\$17.00	\$17.86	\$18.75	\$19.31	\$19.89	\$20.49	\$21.10
Volume	\$9.95	\$10.44	\$10.96	\$11.51	\$12.09	\$12.69	\$13.33	\$13.79	\$14.28	\$14.78	\$15.29
Total	\$40.72	\$42.75	\$44.89	\$47.13	\$49.49	\$51.96	\$54.56	\$56.72	\$58.96	\$61.29	\$63.73

*Sample monthly residential customer bill note above is based upon the smallest meter size (3/4").

Average Commercial Impact (1200 Cubic Feet)

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Monthly Sewer Bill	\$86.53	\$90.86	\$95.40	\$100.17	\$105.18	\$110.44	\$115.96	\$120.50	\$125.22	\$130.14	\$135.26
% Change in Monthly Bill	21.8%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	3.9%	3.9%	3.9%	3.9%
Monthly Change by Year		\$4.33	\$4.54	\$4.77	\$5.01	\$5.26	\$5.52	\$4.54	\$4.72	\$4.92	\$5.12
Cummulative Change						\$48.73					
Base	\$28.62	\$30.05	\$31.55	\$33.13	\$34.79	\$36.53	\$38.35	\$40.27	\$42.28	\$44.40	\$46.62
Sewer Infrastructure Charge	\$13.99	\$14.69	\$15.42	\$16.20	\$17.00	\$17.86	\$18.75	\$19.31	\$19.89	\$20.49	\$21.10
Volume	\$43.92	\$46.12	\$48.42	\$50.84	\$53.39	\$56.05	\$58.86	\$60.92	\$63.05	\$65.26	\$67.54
Total	\$86.53	\$90.86	\$95.40	\$100.17	\$105.18	\$110.44	\$115.96	\$120.50	\$125.22	\$130.14	\$135.26

Note: Industrial rates are assumed to increase in percentage equal those noted for residential and commercial customers, however, we have not analyzed the components associated with industrial rates for the purposes of this study.

Next Steps

Northland offers these recommendations for increases to the Wastewater fees based upon careful review of the Wastewater fund's current financial position, planned major infrastructure projects, equipment acquisition and ongoing capital needs. It is important to view our findings and recommendations as a foundation for financial planning. The assumptions should be reviewed regularly, along with actual, current and future usage and consumption data, with adjustments made accordingly.

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