

City of New Richland
203 N Broadway
New Richland, MN 56072

Phone: (507) 465-3514
Fax: (507) 465-3375
E-mail:
wbilling@cityofnewrichlandmn.com

UTILITY RATES FOR 2016

2016 UTILITIES

2016 BUDGET/RATES

Summary

Based on the projected budget for the Water and Sewer funds the total volume rate can be lowered slightly, the base rate raised slightly, the overall per 1,000 gallons will decrease and still project a cash increase in both water and sewer fund by the end of 2017. Because the Council has adjusted water and sewer rates every year we are able to stay on top of the costs and cash balance requirements for the funds.

Rate Comparison 2015 – 2016 recommended rate:

Average Use (1,000 Gallons)	Current			2016 Proposed		
	Unit Charge/1,000 Gallons	Minimum Charge	Total Monthly Bill	Unit Charge/1,000 Gallons	Minimum Charge	Total Monthly Bill
0	\$20.67	\$18.99	\$18.99	\$19.43	\$19.11	\$19.11
1	\$20.67	\$18.99	\$39.66	\$19.43	\$19.11	\$38.54
2	\$20.67	\$18.99	\$60.33	\$19.43	\$19.11	\$57.97
3	\$20.67	\$18.99	\$81.00	\$19.43	\$19.11	\$77.40
4	\$20.67	\$18.99	\$101.67	\$19.43	\$19.11	\$96.83
5	\$20.67	\$18.99	\$122.34	\$19.43	\$19.11	\$116.26
6	\$20.67	\$18.99	\$143.01	\$19.43	\$19.11	\$135.69
7	\$20.67	\$18.99	\$163.68	\$19.43	\$19.11	\$155.12
8	\$20.67	\$18.99	\$184.35	\$19.43	\$19.11	\$174.55
9	\$20.67	\$18.99	\$205.02	\$19.43	\$19.11	\$193.98
10	\$20.67	\$18.99	\$225.69	\$19.43	\$19.11	\$213.41
11	\$20.67	\$18.99	\$246.36	\$19.43	\$19.11	\$232.84
12	\$20.67	\$18.99	\$267.03	\$19.43	\$19.11	\$252.27
13	\$20.67	\$18.99	\$287.70	\$19.43	\$19.11	\$271.70
14	\$20.67	\$18.99	\$308.37	\$19.43	\$19.11	\$291.13
15	\$20.67	\$18.99	\$329.04	\$19.43	\$19.11	\$310.56

Council approval of the budgets is requested. A resolution setting rates for 2016 will be considered at the January 11, 2016 meeting.

Water Utility

The rate for 2015 has been \$5.61 base/\$6.79 per 1,000 gallons volume rate. The rates recommended for 2016 are \$8.99 base/\$9.13 per 1,000 gallon volume rate.

Budget

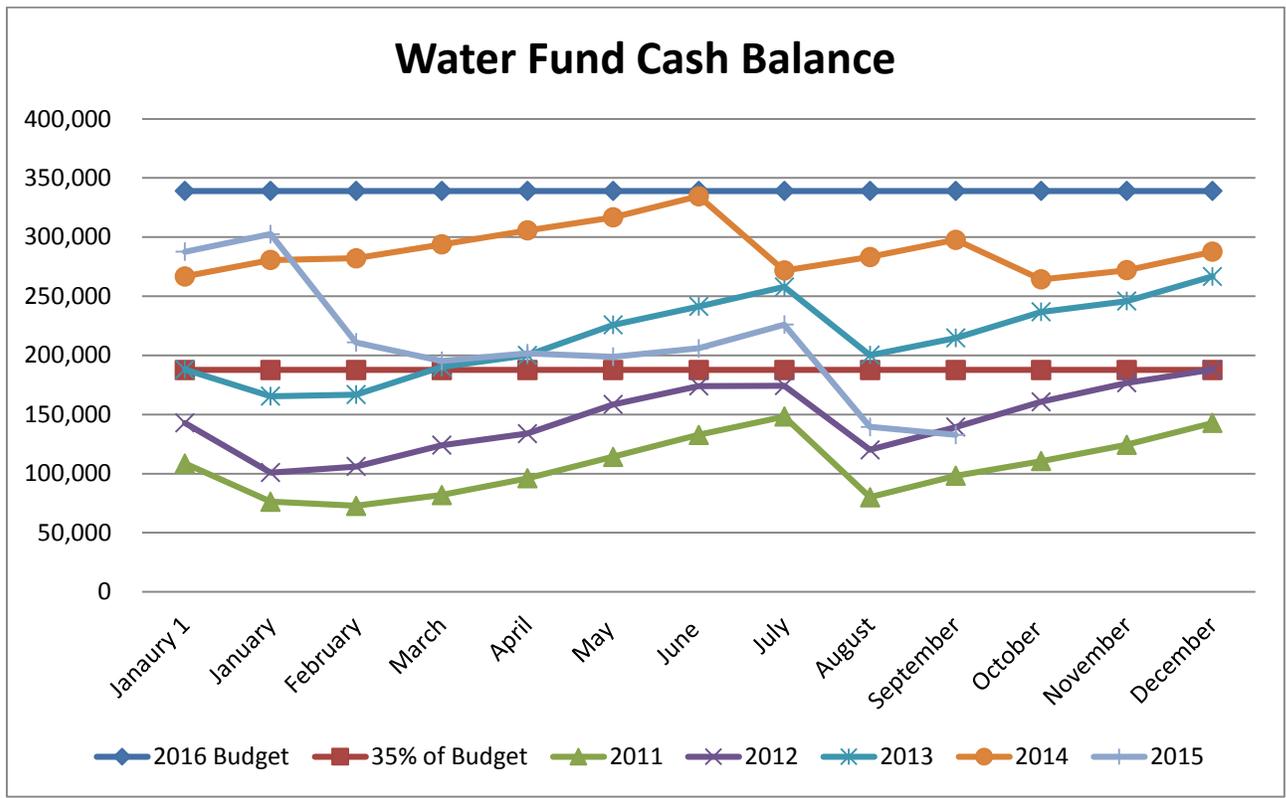
The recommended rate is projected to generate \$275,031 in revenue based on projected gallons sold of 23,835,229.

The expenses projected for the Water fund:

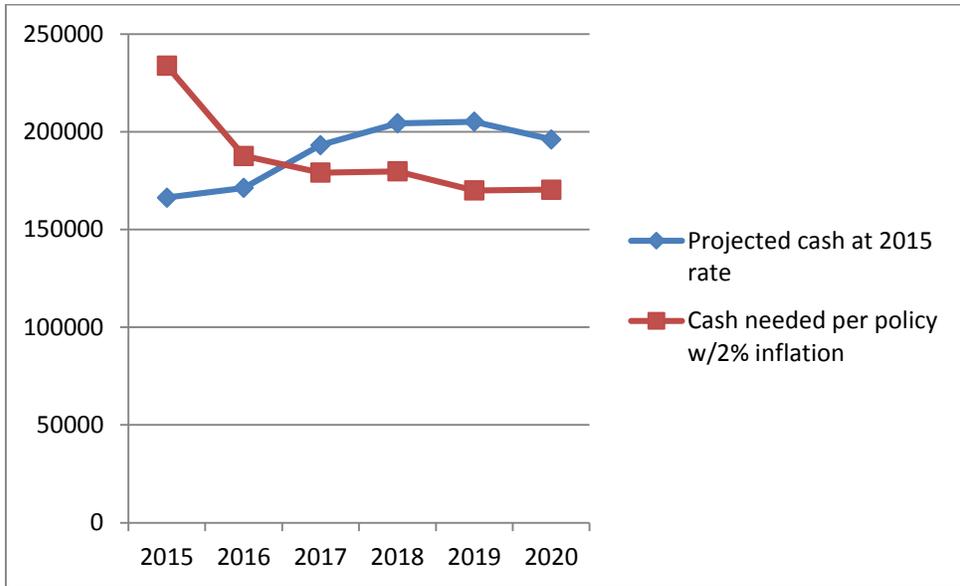
Wages	21,110
PERA	1,478
Social Security	1,309
Medicare	306
Health Insurance	9,503
Life Insurance	16
Work Comp	690
Office Supplies	150
Operating Expense	6,000
Chemicals	3,300
Repairs & Maint	6,000
Water Meters	3,000
Vehicle Operation	600
Tractor Maint	-
Pickup Maint	-
Generator Maint	575
Small Tools	100
Professional Services	1,300
Audit Fees	1,673
Engineer Fees	-
Legal Fees	-
Contract Fees	42,726
Schooling	600
Computer Expense	500
Permits/Membership Fees	2,500
EF Fees	975
Telephone	788
Mileage	-
Motel	350
Advertising	600
Prop/Liab Ins	2,105
Electric	16,173
Heat	5,100
Uniform Allowance	300
Bad Debt	
Bond Prin	127,000

Bond Interest	15,221
Totals	272,047
Depreciation Expenses	67,000
Capital Reserve	-
Grand Totals	339,047

Current cash balance of the fund is slightly below the policy level, with the end of the year expecting to be right at the level needed.



The rate recommended for the water fund will increase cash for 2016 thru 2018. By 2017 the tower contract cost will be reduced and expenses will drop to help the balance level.



Cash projections at recommended rate and reduced revenue projected.

Sewer Utility

The rate for 2015 has been \$13.38 base/\$13.88 per 1,000 gallons water used. The rates recommended for 2016 are \$10.12 base/\$10.30 per 1,000 gallon water used.

Budget

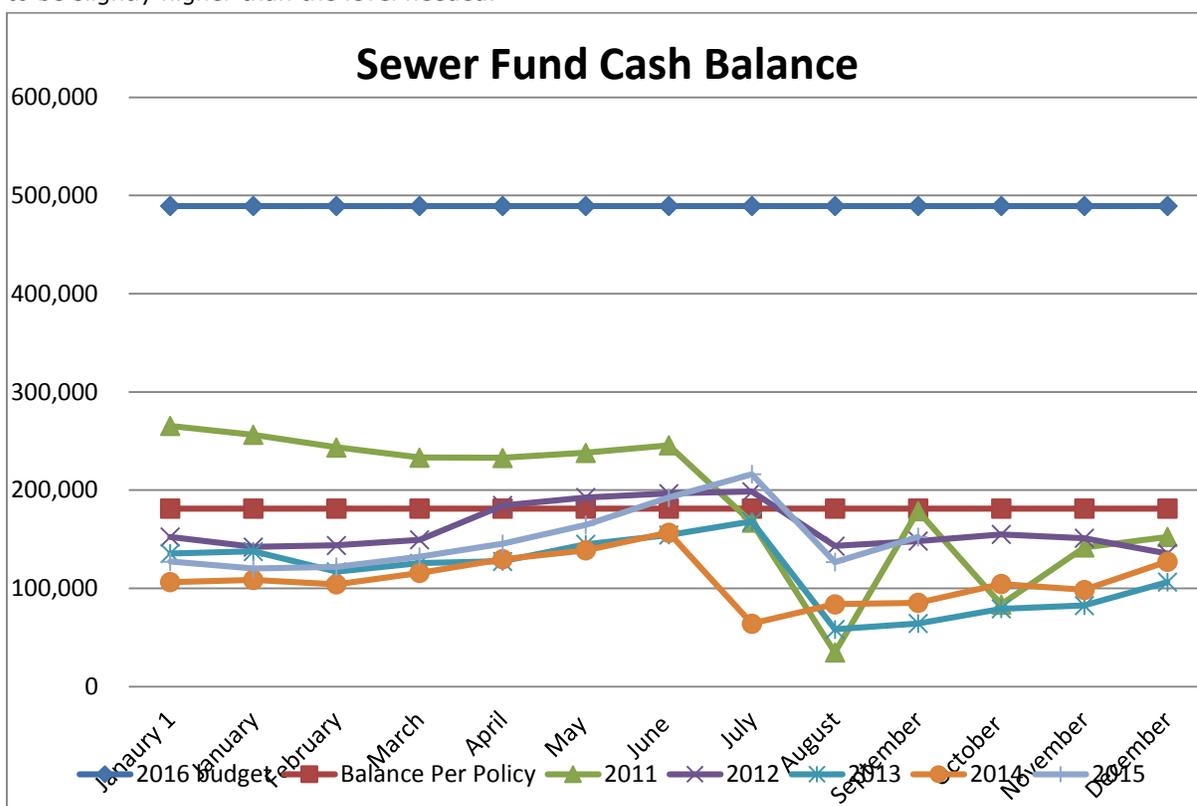
The recommended rate is projected to generate \$311,891 in revenue based on projected gallons of 23,835,229.

The expenses projected for the Sewer fund:

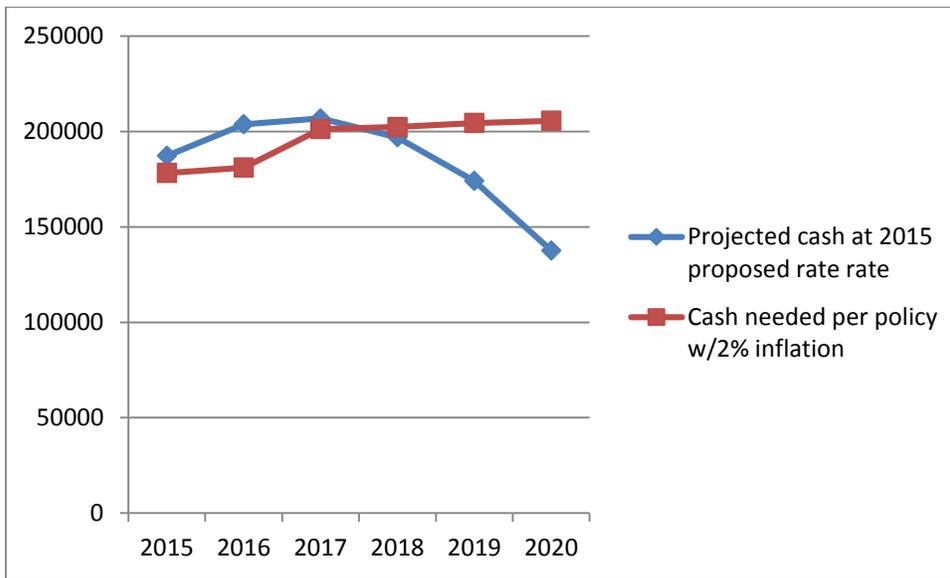
Transfers Out	
Operating/Utility Expense	28,175
Repairs & Maint	5,000
Vehicle Operation	-
Pickup Maint	-
Tractor Maint	500
Professional Services	10,000
Audit Services	1,851
Legal Fees/Engineering	-
Contract Fees	126,000
Computer Expense	-
Permits/Memberships	2,000
EF Fee	993
Mileage	-

Advertising	-
Prop/Liab Ins	1,200
Princ Payment	102,000
Interest Payment	17,660
Misc.	-
Totals	295,379
Depreciation Expenses	194,000
Capital Reserve	-
Grand Totals	489,379

Current cash balance of the fund has risen above the policy level, with the end of the year expecting to be slightly higher than the level needed.



The rate recommended for the sewer fund will keep cash for 2017 at about the level needed.



Cash projections at recommended rate and reduced revenue projected.