



Moorhead Public Service Rate Hearing: 2023 Water Rates

Tuesday, October 18, 2022

5:30 PM

How Are Water Rates Determined?

- **Cost-of-Service Based**
 - 2022 Water Rate Study for 2023-2026. Next Rate Study 2026.
- **Considers Long-Range Planning (10 Years)**
 - Operating Expenses including Chemical Pricing Estimations
 - Capital Improvement Plans
 - Reserve Requirements
- **Annual In-Depth Review**
 - Four-Month Process
- **Rate Increase Proposal (Budget Committee)**
- **Public Hearing (October 18, 2022)**
- **Final Approval (December 20, 2022)**



What is the Rate Increase Funding?

- **Capital Improvements - \$32M over Five Years**
 - \$12.7M to replace South Buffalo Wells raw water transmission line
 - \$7.9M for watermain replacement projects – based on Watermain Asset Management Plan (WAMP) recommendations
 - \$4.5M to install Automated Metering Infrastructure
 - \$6.9M for plant, equipment, and facilities upgrades and replacements
 - Update and enhance water purification chemical feed and waste byproducts systems
 - Update monitoring and laboratory equipment
 - Enhance security of system and facilities
 - Replace aging fleet equipment
 - Rehab and update underground water storage tanks
 - Rehab and update water softening basins

2023 Proposed Water Rates = 4.5% Increase

2023 PROPOSED WATER RATES

Monthly Customer Charge (Based on Size of Meter Used)			
Meter Size	2022	Proposed 2023	Percent Increase
5/8"	\$ 15.00	\$ 15.95	6.33%
3/4"	\$ 15.00	\$ 15.95	6.33%
1"	\$ 23.00	\$ 24.40	6.09%
1 1/2"	\$ 43.00	\$ 45.75	6.40%
2"	\$ 67.00	\$ 71.00	5.97%
3"	\$ 133.00	\$ 141.00	6.02%
4"	\$ 216.00	\$ 228.00	5.56%
6"	\$ 428.00	\$ 451.00	5.37%
8"	\$ 685.00	\$ 721.00	5.26%

2023 Proposed Water Rates

4.5% Overall Increase

Entity Type	2022	Proposed 2023	Percent Increase
Residential			OVERALL 4.0%
May-Oct - Up to 150% of winter avg.	\$ 4.66	\$ 4.84	3.86%
May-Oct - Over 150% of winter avg. (Conservation Rate)	\$ 6.20	\$ 6.44	3.87%
Residential Irrigation Meters	\$ 6.20	\$ 6.44	3.87%
Nov-April - All usage	\$ 3.92	\$ 4.09	4.34%
Apartment			Overall 4.0%
May-Oct - All usage	\$ 3.84	\$ 3.99	3.91%
Nov-April - All usage	\$ 3.33	\$ 3.47	4.20%
Commercial			Overall 2.8%
May-Oct - All usage	\$ 5.15	\$ 5.29	2.72%
Nov-April - All usage	\$ 3.81	\$ 3.92	2.89%
Industrial			Overall 6%
May-Oct - All usage	\$ 3.55	\$ 3.78	6.48%
Nov-April - All usage	\$ 3.14	\$ 3.31	5.41%

2023 Proposed Water Rates = 4.5% Increase

Average Residential Customer Will See an Increase of \$2.05 per Month

Proposed Water Rate Increase

Impact to Average Residential Consumer*

	2022	Proposed 2023	Net Impact
Customer Charge (3/4" Meter)	\$ 15.00	\$ 15.95	\$ 0.95
Commodity Charge	\$ 25.74 ^{**}	\$ 26.79 ^{***}	\$ 1.05
Fire Protection Infrastructure [#]	\$ 2.35	\$ 2.40	\$ 0.05
Total	\$ 43.09	\$ 45.14	\$ 2.05

Overall increase of \$2.05 per month

* Based on 3/4" meter and usage of 600 cubic feet (4,500 gallons) per month

** Based on 6 months of 600 c.f. at \$3.92 and 6 months of 600 c.f. at \$4.66

*** Based on 6 months of 600 c.f. at \$4.09 and 6 months of 600 c.f. at \$4.84



2023 Fire Hydrant Facility Charge

Fire Hydrant Facility Charge - Monthly Charge

(formerly listed as Fire Protection)

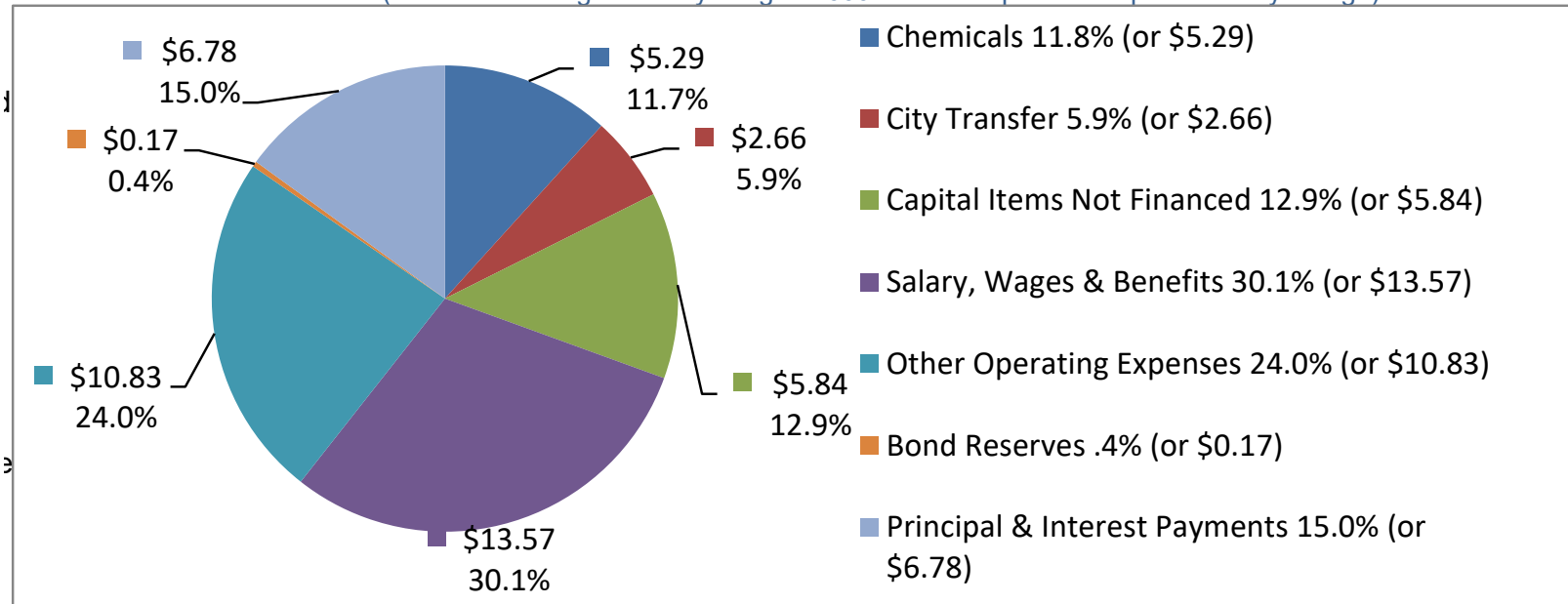
Classification	2022	Proposed 2023	Percent Increase
Residential	\$ 2.35	\$ 2.40	2.13%
Commercial	\$ 29.50	\$ 30.00	1.69%
Apartments	\$ 22.40	\$ 23.20	3.57%
Industrial	\$ 815.00	\$ 855.00	4.91%

Fixed monthly charge to cover the costs associated with having the capacity to supply water (larger watermains, water towers, and high-pressure pumping station costs) and distribute proportionately among all the structures and customer types in the benefitted area.

Where Does Your Money Go?

Where Will the Average Monthly Water Payment of \$45.14 Go?

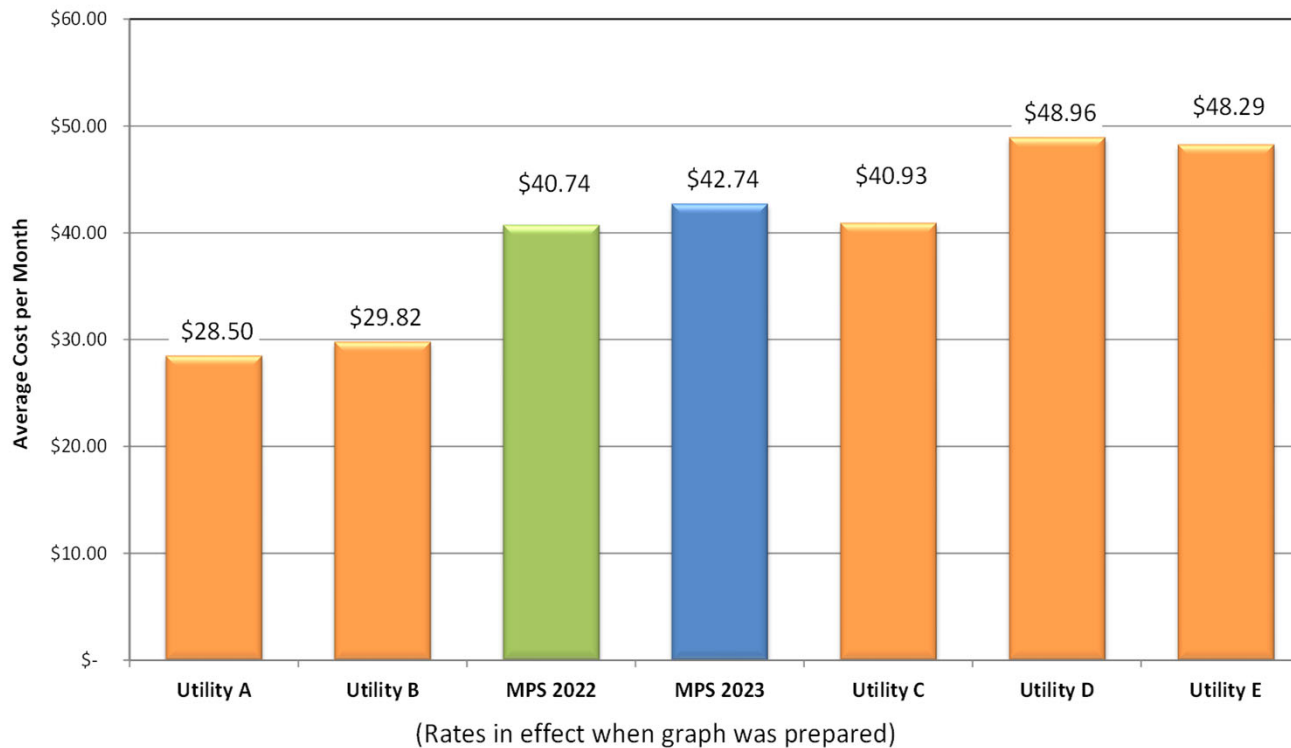
(Assumes average monthly usage of 600 cubic feet per month plus monthly charge)



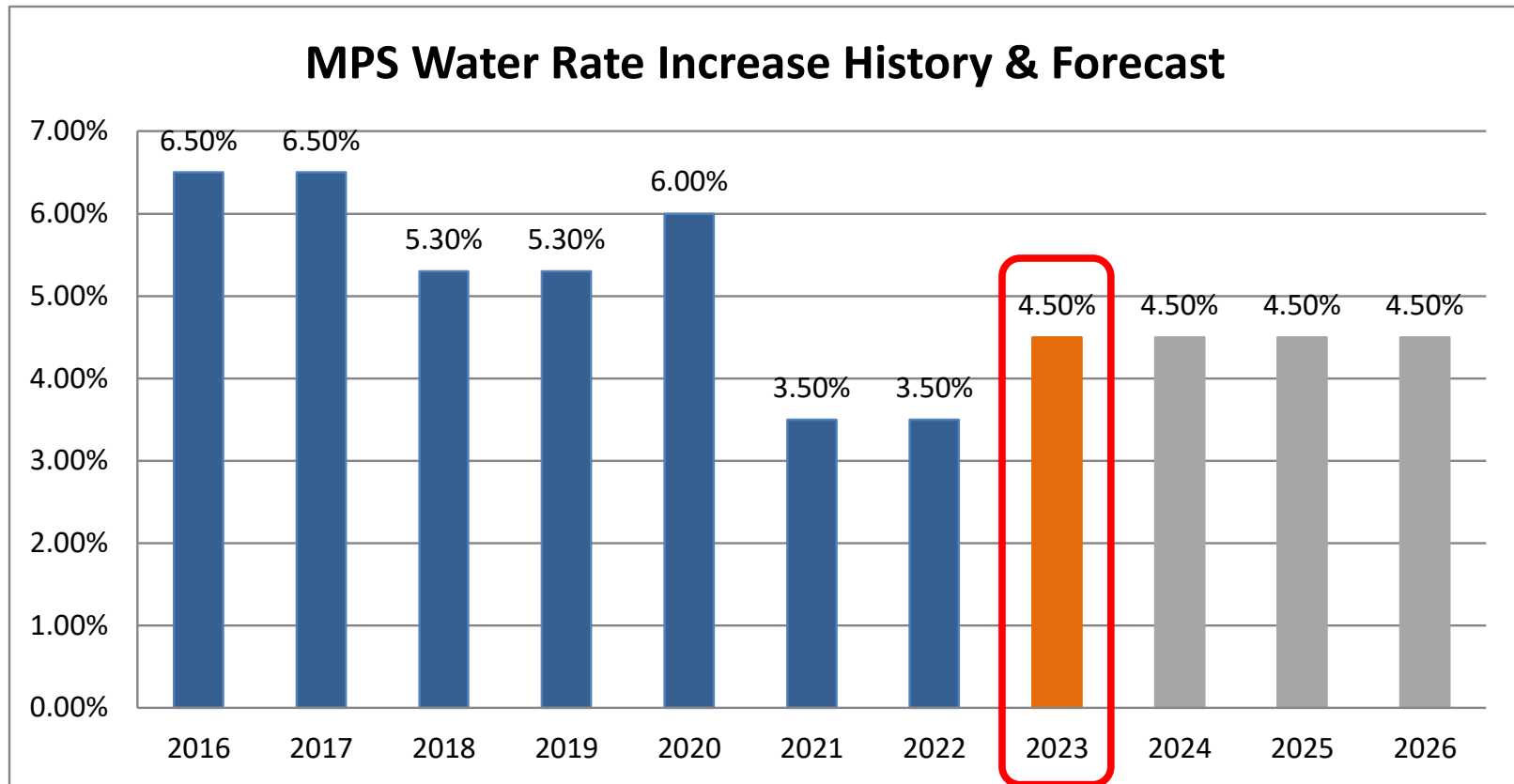
How Do MPS' Water Rates Compare to Other Utilities?

2023 Residential Water Average Monthly Cost Comparison

MPS and Other Local and Regional Utilities
Using 600 cubic feet (4,488 gallons) per month and 3/4" meter



How Does the Proposed 2023 Water Rate Increase Compare Historically?



2023 Proposed MPS Electric and Water Rates Impact

Proposed Overall Moorhead Public Service Electric and Water Rates Impact Impact to Average Residential Consumer

	2022	Proposed 2023	\$ Net Impact	% Net Impact
Electric Charges	\$ 93.24	\$ 95.09	\$ 1.85	1.98%
Water Charges	\$ 43.09	\$ 45.14	\$ 2.05	4.76%
Total	\$ 136.33	\$ 140.23	\$ 3.90	2.86%

Electric Usage - 850 kWh (Average Residential Home/Apartment)
Water Usage - 600 cubic feet through 3/4" water meter

2023 Water Rate Hearing

Questions?

Comments?

www.mpsutility.com

Thank you for attending.

