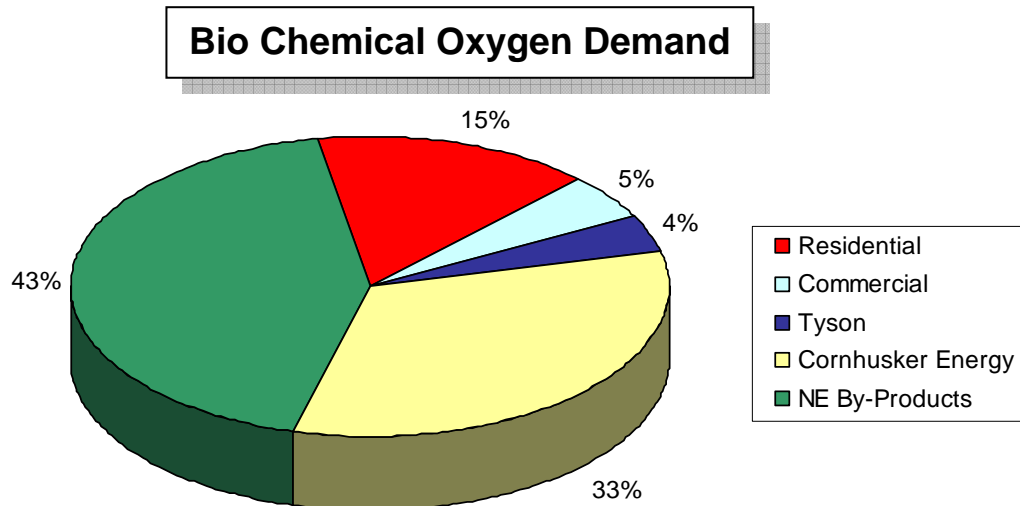
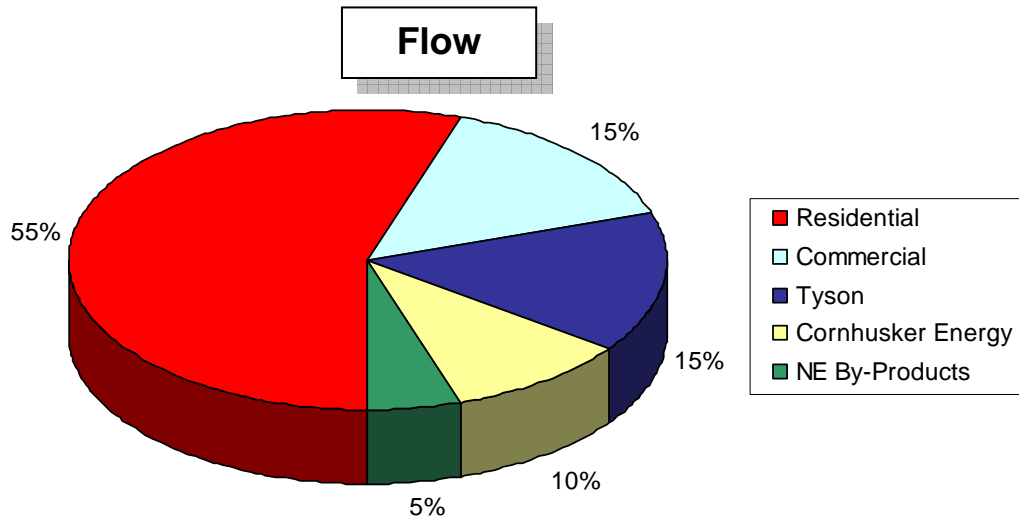


Sewer Rate Study Lexington, Nebraska

November 6, 2007
Project No. 127-D1-044-07

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SEWER DEPARTMENT										
CITY OF LEXINGTON, NEBRASKA										
			FY 03-04	FY 04-05	FY 05-06	FLOW	BOD	ADMINISTR.	PROPOSED	FY 07-08
LINE	ACCOUNT DESCRIPTION		ACTUAL	ACTUAL	ACTUAL	75%	25%	COST	TOTAL	BUDGET
1	Operating Revenues:									
2	Income from Services									
3	Residential Use Fee		689,041	667,456	673,424	586,440	47,810	200,900	835,150	834,900
4	Commercial Use Fee		142,608	142,401	143,670	159,940	15,940	22,050	197,930	175,450
5	Facility Charges			220,073	110,000	55,000	55,000		110,000	110,000
6	Industrial Use Fees		214,291	229,916	310,326				0	530,609
	a. NE By Products					53,310	137,060		190,370	
	b. Cornhusker Energy					106,630	105,190		211,820	
	c. Tyson					159,930	12,750	22,050	194,730	
7										
8	Total Income from Services		1,045,941	1,259,846	1,237,420	1,121,250	373,750	245,000	1,740,000	1,650,959
9										
10	Other Sales									
11	Sales of Merch/Tap Fees		3,231	2,966	4,120	1,500	1,500		3,000	3,000
12	Misc Sales/Lease		5,966	5,945	1,329	3,500	3,500		7,000	7,000
13										
14	Total Other Sales		9,197	8,911	5,448	5,000	5,000	0	10,000	15,000
15										
16	Total Operating Revenues		1,055,138	1,268,757	1,242,868	1,126,250	378,750	245,000	1,750,000	1,665,959
17										
18	Operating Expenses									
19	Maintenance Expense									
20	Rent/Waste Removal		51,867	58,059	72,551	56,250	18,750		75,000	65,000
21	General Operating		3,450	4,352	4,649	3,525	1,175		4,700	8,000
22										
23	Total Maintenance Expens		55,317	62,411	77,200	59,775	19,925	0	79,700	73,000
24										
25	Disposal Plant Expense									
26	Maint. Salaries / Benefit		68,540	71,504	89,105	82,500	27,500		110,000	110,000
27	Oper. Salaries / Benefits		63,606	71,716	91,312	69,000	23,000		92,000	100,953
28	Supplies		5,756	2,945	43,798	33,750	11,250		45,000	41,000
29	Utilities		70,143	84,533	157,884	150,000	50,000		200,000	200,000
30	General Maintenance		20,302	37,413	50,199	37,650	12,550		50,200	50,000
31	Building & Ground Maint				11,714	8,850	2,950		11,800	9,000
32	Vehicle Maint & Operation			175	131	4,500	1,500		6,000	6,000
33	Testing & Testing Suppli		6,771	12,106	46,451	33,750	11,250		45,000	22,000
34	School, Travel & Dues		908	1,278	502	750	250		1,000	2,000
35										
36	Total Disposal Plant Expe		236,025	281,670	491,097	420,750	140,250	0	561,000	540,953

SEWER DEPARTMENT										
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			FY 03-04	FY 04-05	FY 05-06	FLOW	BOD	ADMINISTR.	PROPOSED	FY 07-08
LINE	ACCOUNT DESCRIPTION		ACTUAL	ACTUAL	ACTUAL	75%	25%	COST	TOTAL	BUDGET
37										
38	Sewer Lines Expense									
39	Supervision Expense									
40	Clean/Repair/Replace		24,589	24,711	24,147	0	0	50,000	50,000	50,000
41	Checking Lines		2,098			0	0	7,000	7,000	7,000
42	Manhole Repair		1,430	565	1,411	0	0	12,000	12,000	12,000
43	Miscellaneous Expense		4,222	5,116	4,130	0	0	5,000	5,000	7,000
44										
45	Total Sewer Lines Expense		32,339	30,392	29,688	0	0	74,000	74,000	76,000
46										
47	Lift Station Expense									
48	Checking Lift Station		3,405	4,567	4,315	3,375	1,125		4,500	6,000
49	Lift Station Repair		20,401	3,209	5,824	3,750	1,250		5,000	20,000
50	Utilities		6,632	1,634	1,627	1,275	425		1,700	3,000
51	Miscellaneous Expense		3,980	584	1,793	1,500	500		2,000	3,000
52										
53	Total Lift Station Expense		34,418	9,994	13,558	9,900	3,300	0	13,200	32,000
54										
55	Office Expense									
56	Pumping Equipment									
57	Meter Reading		5,021	5,504	2,884			4,000	4,000	5,000
58	Customer Records		8,195	7,402	16,937			11,000	11,000	11,000
59	Advertising									
60	Admin Salaries & Expenses		13,448	16,837	34,941			50,000	50,000	50,431
61	Office Expense		10,459	10,577	11,466			11,500	11,500	13,000
62	Computer Equipment		2,737	1,798	2,269			2,300	2,300	3,000
63	Outside Service		6,334	6,998	6,152			7,000	7,000	7,000
64	Property Insurance		9,012	10,812	12,613	12,000	4,000		16,000	16,000
65	Pension / Social Security		16,484	18,418	19,869			20,000	20,000	24,000
66	Franchise Fee		43,045	41,960	57,641			64,000	64,000	63,860
67	Miscellaneous Expense		2,324	1,892	2,122	1,650	550	0	2,200	5,000
68	Landfill/Rent Expense		1,132	1,154	1,197			1,200	1,200	2,000
69	Maint of General Plant		3,590	3,583	3,890	3,750	1,250	0	5,000	5,000
70										
71	Total Office Expense		121,782	126,934	171,980	17,400	5,800	171,000	194,200	205,291
72										
73	Total Operating Expense		479,880	511,401	783,523	507,825	169,275	245,000	922,100	927,244
74										
75	Operating Income		575,257	757,355	459,345	618,425	209,475	0	827,900	738,715

SEWER DEPARTMENT										
CITY OF LEXINGTON, NEBRASKA										
			FY 03-04	FY 04-05	FY 05-06	FLOW	BOD	ADMINISTR.	PROPOSED	FY 07-08
LINE	ACCOUNT DESCRIPTION		ACTUAL	ACTUAL	ACTUAL	75%	25%	COST	TOTAL	BUDGET
76										
77	Non-Operating Income									
78	Interest Income		14,486	26,892	17,229	15,000	5,000		20,000	25,000
79	FEMA					0	0		0	0
80	Sale of Land				12,500	0	0		0	0
81	State of Nebraska		3,427			0	0		0	0
82	Sale of Bonds		5,508,750			0	0		0	1,000,000
83	Loan Proceeds				187,200	0	0		0	0
84	Miscellaneous				92,384	0	0		0	0
85	TIF Proceeds			35,791	49,701	37,275	12,425		49,700	49,701
86										
87	Total Non-Operating Income		5,526,663	62,684	359,013	52,275	17,425	0	69,700	1,074,701
88										
89	Non-Operating Expense									
90	Bond Interest		118,956	250,615	250,615	330,750	110,250		441,000	217,719
91	Note Interest		4,203	2,274	471	6,000	2,000		8,000	7,829
92	Pay Agent/Issue Expens		4,956	3,308	597	0	0		0	0
93	Land Purchase				208,000	0	0		0	0
94										
95	Total Non-Operating Expens		128,115	256,197	459,683	336,750	112,250	0	449,000	225,548
96										
97	Available Net		5,973,806	563,842	358,675	333,950	114,650	0	448,600	1,587,868
98										
99	Capital Outlay		4,382,766	820,343	820,694	225,000	75,000		300,000	402,000
100	Bond Principal		362,215	450,825	450,825	0	0		0	341,637
101	Note Principal		31,657	31,209	16,275	37,500	12,500		50,000	49,230
102										
103	Total		4,776,637	1,302,377	1,287,794	262,500	87,500	0	350,000	792,867
104										
105	After Bond/Capital		1,197,168	(738,535)	(929,119)	71,450	27,150	0	98,600	795,001

LEXINGTON USER RATES
Project No. 127-D1-044-07

User Class	Annual Cost	Monthly Cost	No. of Users	Projected Cost Per User	Proposed Cost/Month	April 1999 Cost/Month	% Rate Increase
Residential	\$835,150	\$69,596	2928	\$23.77	\$24.00	\$19.00	26%
Commercial	\$197,930	\$16,494	332		\$13.00 Min. \$2.15/1000 Gal.	\$10.00 Min. \$1.65/1000 Gal.	30%
Industrial							
a. NE-By Products	\$190,370	\$15,864	1	\$15,864	Determined by Load		
b. Cornhusker Energy	\$211,820	\$17,652	1	\$17,652	Determined by Load		
c. Tyson	\$194,730	\$16,228	1	\$16,228	Determined by Load		

Prepared by: Miller & Associates, Consulting Engineers, P.C., 10/23/07