

City Council Regular Meeting
Tuesday, February 25, 2025 7:00 PM

Hickman Community Center/City Hall

1. Call to Order

1.A. This is an Open Meeting of the Hickman Nebraska Governing Body. The City of Hickman abides by the Nebraska Open Meetings Act in conducting business. A copy of the Nebraska Open Meetings Act is on display in this meeting room as required by Nebraska State Law. Notice of meeting and copies of this agenda have been publicly posted prior to the meeting at the Hickman City Hall, Hickman U.S. Post Office, U-Stop Market and the City of Hickman website.

1.B. Participant Sign-In Sheet Available & Disclosure of Meeting Recording Process Notice Posted.

1.C. Registered Agenda Speakers: All individuals requesting to be Registered Agenda Speakers must fill out a Registered Speaker Card & submit to the Recording Clerk. The Mayor or Presiding Meeting Officer reserves the right to deny this request, or will call you to the podium when your agenda item is ready to be heard. Presentations, if allowed, may be limited to five (5) minutes per person. Please come to the podium, and clearly state your name and address for the record and the agenda topic you wish to speak upon in a professional manner. Public Hearing Testimonies may be limited to five (5) minutes per person. All individuals requesting to hand out documents to City Council Members must deliver them directly to the City Clerk for distribution.

1.D. The City Council may vote to go into Executive Closed Session on any agenda item as allowed by Nebraska State Law. The Governing Body may be excused and re-enter the City Council meeting room at any time after reconvening open session.

2. Pledge of Allegiance

3. Roll Call

4. Mayor Communications

5. Consent Agenda

5.A. Approval of February 11, 2025, City Council Meeting Minutes

5.B. Claims and Accounts Payable Report

- 5.C. Statement of Accounts and Budget Cash Report
- 5.D. Monthly City Sales Tax Report
- 6. Proclamations, Presentations, Appointments, Affirmations & Introductions - None
- 7. Reports
 - 7.A. Public Works and Parks and Recreation Department
 - 7.B. City Code Violations, Abatements, Nuisances and Permits - No Report
- 8. Public Hearings - None
- 9. Unfinished Business
 - 9.A. Ordinance 2025-04, Establish Water Rates Effective April 1, 2025 Billing Date (Second Reading)
 - 9.B. Ordinance 2025-05, Establish Sewer Rates Effective April 1, 2025 Billing Date (Second Reading)
 - 9.C. Consideration of Lease Agreement and Easement on City Owned Property at 6700 Hickman Road with Allo Communications.
- 10. New Business
 - 10.A. Resolution 2025-01, Authorizing Financial Depositories to Appointed Service Provider, Nebraska Bank, Hickman, NE
 - 10.B. Resolution 2025-02, Facilities Locating & Marking Service Contractual Agreement with Norris Public Power District
 - 10.C. Certificate of Payment No. 14 to Neuvirth Construction Inc. for the Hickman Wastewater Treatment Plant Head Works and Final Clarifier Improvements in the amount of \$163,237.85.
 - 10.D. Consideration of Proposals for Annual Street Maintenance: Street Crack Filling & Street Seal Coating
- 11. City Administrator's Report
- 12. Governing Body Comments & Council Correspondence

13. Meeting Adjournment

MINUTES OF THE HICKMAN CITY COUNCIL MEETING HELD February 11, 2025

Mayor Phil Goering called the meeting to order at 7:00 pm on February 11, 2025, and referenced the meeting recording process, optional sign in sheet, and open meeting law posting. All those present stood and recited The Pledge of Allegiance. Mayor Phil Goering and Council Members Tina Ziemann, Dave Kulwicki, Steve Noren, Travis Borchardt, Doug Wagner were present for Roll Call. Justin Drahota was absent and excused. Prior notice of the meeting and agenda were provided to the Mayor and all members of the Governing Body. Notice of the meeting was distributed and posted at Hickman City Hall, U.S. Post Office-Hickman, U-Stop Market, and the City of Hickman Website.

Mayor Communications - None

Consent Agenda

The Consent Agenda included approval of January 28, 2025, City Council Meeting Minutes and the Claims and Accounts Payable Report. Motion by Council Member Wagner and a second by Ziemann to approve the Consent Agenda as presented. The following Council Members voted "YEA": Kulwicki, Noren, Borchardt, Ziemann and Wagner. The following Council Members voted "NAY": None. Motion passed 5-0.

Proclamations, Presentations, Appointments, Affirmations & Introductions

Mayor Goering invited Mr. Jarred Horsky to introduce himself. Motion by Council Member Ziemann and a second by Borchardt to affirm the Mayor's appointment of Jarred Horsky to fill the unexpired alternate position ending in December 2026 on the Planning Commission. The following Council Members voted "YEA": Kulwicki, Noren, Borchardt, Ziemann and Wagner. The following Council Members voted "NAY": None. Motion passed 5-0. Mr. Jarred Horsky took the Oath of Office.

Reports

Deputy Parmer gave the Lancaster County Sheriff's Office Report. The Community Center Report was submitted and on file. Motion by Council Member Noren and a second by Wagner to approve the reports as presented. The following Council Members voted "YEA": Kulwicki, Noren, Borchardt, Ziemann and Wagner. The following Council Members voted "NAY": None. Motion passed 5-0.

Public Hearings – None

Unfinished Business

Motion by Council Member Wagner and a second by Borchardt to pass the second reading of Ordinance 2025-02, adopting the 2025 Comprehensive Plan. The following Council Members voted "YEA": Kulwicki, Noren, Borchardt, Ziemann and Wagner. The following Council Members voted "NAY": None. Motion passed 5-0.

New Business

Mayor Goering presented Ordinance 2025-03, an ordinance adopting the New Municipal Code Codification and Repeal Former Code. Mayor Goering invited Walt Nelson of 825 E. 9th St., to speak on the registered agenda topic speaker card he gave to the recording clerk. Mr. Nelson

was concerned with Section 1-303 limiting the citizen comment to a maximum of three minutes. Council Member Noren questioned Section 1-307 and the standing committees. The Mayor and Council agreed that we need to look at those two sections and take more time to look at the new code. Motion by Council Member Wagner and a second by Ziemann to table consideration of Ordinance 2025-03, adopting the new Municipal Code Codification and Repeal Former Code until the March 11, 2025 meeting. The following Council Members voted "YEA": Kulwicki, Noren, Borchardt, Ziemann and Wagner. The following Council Members voted "NAY": None. Motion passed 5-0.

Mayor Goering presented Ordinance 2025-04, Establish Water Rates Effective April 1, 2025 Billing Date. The City had a rate study done in September 2024 which recommended a rate increase. The purposed increase would raise the average monthly residential water bill from \$57.55 in 2024 to \$61.00 in 2025. Noren introduced Ordinance 2025-04 and the Clerk to read it by title. ORDINANCE NO. 2025-04, AN ORDINANCE TO ESTABLISH CHARGES AND FEES FOR USE OF THE MUNICIPAL WATER SYSTEM PER §7-207 OF THE MUNICIPAL CODE OF HICKMAN, NEBRASKA; TO CHANGE RESIDENTIAL, COMMERCIAL AND INDUSTRIAL CUSTOMER CHARGES FOR WATER SERVICE; TO REPEAL ORDINANCE 2022-17 AND TO PROVIDE AN EFFECTIVE DATE HEREOF; AND ORDERING THE PUBLICATION OF THE ORDINANCE IN PAMPHLET FORM. Motion by Council Member Noren and a second by Ziemann to approve the first reading of Ordinance 2025-04, Establish Water Rates Effective April 1, 2025 with the title correction of Ordinance 2025-04. The following Council Members voted "YEA": Kulwicki, Noren, Borchardt, Ziemann and Wagner. The following Council Members voted "NAY": None. Motion passed 5-0.

Mayor Goering presented Ordinance 2025-05, an ordinance to establish sewer rates effective April 1, 2025, billing date. The rate study done in September 2024 recommended increasing the base rate from \$47.90 to \$50.30 for residential rates. Wagner introduced Ordinance 2025-05 and asked the Clerk to read it by title. ORDINANCE NO. 2025-05 AN ORDINANCE TO ESTABLISH CHARGES AND FEES FOR USE OF THE CITY SEWER SYSTEM PER §7-321 OF THE MUNICIPAL CODE OF HICKMAN, NEBRASKA; TO CHANGE RESIDENTIAL, COMMERCIAL AND INDUSTRIAL CUSTOMER BASE AND USAGE RATES FOR SEWER SERVICE; TO REPEAL ORDINANCE 2022-18; AND TO PROVIDE FOR THE EFFECTIVE DATE HEREOF AND ORDERING THE PUBLICATION OF THE ORDINANCE IN PAMPHLET FORM. Motion by Council Member Wagner and a second by Ziemann to approve the first reading of Ordinance 2025-05 to Establish Sewer Rates Effective April 1, 2025 billing date with the title correction of Ordinance 2025-05. The following Council Members voted "YEA": Kulwicki, Noren, Ziemann and Wagner. The following Council Members voted "NAY": Borchardt. Motion passed 4-1.

Motion by Council Member Ziemann and a second by Borchardt to recommend approval of Liquor License renewal for Nebraska Communities Playhouse. The following Council Members voted "YEA": Kulwicki, Noren, Borchardt, Ziemann and Wagner. The following Council Members voted "NAY": None. Motion passed 5-0.

Motion by Council Member Noren and a second by Ziemann to recommend approval of Liquor License renewal for U-Stop. The following Council Members voted "YEA": Kulwicki, Noren,

Borchardt, Ziemann and Wagner. The following Council Members voted "NAY": None. Motion passed 5-0.

Motion by Council Member Wagner and a second by Noren to approve the bid for demolition of City owned blighted/abandoned building at 6700 Hickman Road by Gana Trucking & Excavating for \$6,975.00. The following Council Members voted "YEA": Kulwicki, Noren, Borchardt, Ziemann and Wagner. The following Council Members voted "NAY": None. Motion passed 5-0.

Motion by Council Member Wagner and a second by Noren to table consideration of the Lease Agreement and Easement on City Owned Property at 6700 Hickman Road with Allo Communications until the February 25th meeting when the City Administrator and Allo representative will be present. The following Council Members voted "YEA": Kulwicki, Noren, Borchardt, Ziemann and Wagner. The following Council Members voted "NAY": None. Motion passed 5-0.

The Art Council requested Council approval to hold a Farmers Market to be held on the second and fourth Thursdays from May through September from 5:00 to 8:00 pm. They discussed a couple locations including 3rd Street between Locust St. and Main St., leaving access to the carwash, the south end of Locust and 1st Street or the vacant City owned lot south of 1st Street. Motion by Council Member Ziemann and a second by Borchardt to approve the Art Council's request to hold a Farmers Market with the vendor requirement to have certificate of liability with the City as an additional insured with the location pending. The following Council Members voted "YEA": Kulwicki, Noren, Borchardt, Ziemann and Wagner. The following Council Members voted "NAY": None. Motion passed 5-0.

City Administrator's Report – None

Governing Body Comments & Council Correspondence

The City Office will be closed on Monday, February 17, 2025, in honor of President's Day. The 2025 League Midwinter Conference is February 24-25, 2025 in Lincoln.

Meeting Adjournment

Motion by Council Member Borchardt and a second by Ziemann to adjourn meeting at 8:19 p.m. The following Council Members voted "YEA": Kulwicki, Noren, Borchardt, Ziemann and Wagner. The following Council Members voted "NAY": None. Motion passed 5-0.

Phil Goering, Mayor

Michele Lincoln, CMC, City Clerk

VENDOR	INVOICE NUMBER	AMOUNT
BIZCO	MONTHLY IT SERVICE	\$ 181.00
BRAD NELSON	REIMBURSEMENT - MEALS/TRAINING	\$ 17.31
CAPITAL CITY REFUSE	REFUSE SERVICE	\$ 91.34
ELECTRONIC CONTRACTING COMPANY	COMMUNITY CENTER REPAIRS/DOOR READERS	\$ 643.13
HAWKINS	CHLORINE CYLINDER, WTP	\$ 30.00
HICKMAN TRUE VALUE	BOLTS & WASHERS	\$ 12.30
JEFF MERCHANT	REIMBURSEMENT - MEALS/TRAINING	\$ 18.31
NE MUNICIPAL CLERK INSTITUTE & ACADEMY	PROFESSIONAL DEVELOPMENT, CITY CLERK	\$ 273.00
NEBRASKA PLANNING & ZONING ASSOCIATION	CONFERENCE REGISTRATION (5 PARTICIPANTS)	\$ 1,435.00
NEBRASKA PUBLIC HEALTH ENVIRONMENTAL LAB	TESTING	\$ 63.00
OLSSON	WWTP - HEADWORKS & FINAL CLARIFIER	\$ 13,033.29
PIP MARKETING SIGNS PRINT	UTILITY BILL FORMS	\$ 996.91
Total		\$ 16,794.59

WELLS FARGO ADMIN CARD 3079

VENDOR/PAYEE	DESCRIPTION/INVOICE	AMOUNT
WELLS FARGO -- ARTF/X	HICKMAN APPAREL-ELECTED/APPOINTED/EMPLOYEES	1,355.00
WELLS FARGO -- NSP	CRIMINAL HISTORY - SOLICITOR PERMIT	15.50
WELLS FARGO -- ASSESSOR/REG OF DEEDS	FILING FEE ORD 2024-16 ALLEY VACATE BLK 19	60.00
WELLS FARGO - OFFICE DEPOT	TAX FORMS/ENVELOPES	32.99
WELLS FARGO - US POSTAL SERVICE	STAMPS (POSTAGE MACHINE OUT)	73.00
WELLS FARGO - US POSTAL SERVICE	CERTIFIED MAIL - NEUVIRTH CONSTRUCTION PAYMENT	9.68
WELLS FARGO - EVENTBRITE	CASELLE TRAINING REGISTRATION (4 ATTENDANTS)	540.92
WELLS FARGO - GOOGLE	MONTHLY SUBSCRIPTION	9.99
Total		2,097.08

WELLS FARGO CITY 7968

VENDOR/PAYEE	DESCRIPTION/INVOICE	AMOUNT
WELLS FARGO - OFFICE MAX	ENGRAVED WALL SIGN (STAFF)	16.99
WELLS FARGO - OFFICE MAX	ENGRAVED WALL SIGN (ELECTED OFFICIAL)	16.99
WELLS FARGO -- ADOBE	MONTHLY SUBSCRIPTION -- ACTIVITIES COORDINATOR	13.90
WELLS FARGO -- ADOBE	MONTHLY SUBSCRIPTION -- TREASURER	13.90
WELLS FARGO -- SAM'S CLUB	DISPOSABLE PLATES/SILVERWARE/NAPKINS	118.14
WELLS FARGO - COURSES BY ZIPLINES (UNL)	PROFESSIONAL DEVELOPMENT, AI COURSE - HH	1,530.00
WELLS FARGO - VISTA PRINT	BUSINESS CARDS (PW DIRECTOR)	40.63
WELLS FARGO -- AMAZON	PORTABLE GAS MONITOR (PPE)	876.01
WELLS FARGO - OFFICE DEPOT	OFFICE SUPPLIES (KEYBOARD, PAPER, PAPERCLIPS,FILES)	298.51
WELLS FARGO -- AMAZON	OFFICE SUPPLIES (MOUSE, CLOROX WIPES)	38.85
WELLS FARGO -- ADOBE	MONTHLY SUBSCRIPTION -- OFFICE ASSISTANT	21.39
Total		2,985.31

MANDATORY CLAIMS	DESCRIPTION/INVOICE	AMOUNT
AMERITAS	401K	\$ 4,017.36
BLACK HILLS	ACCT 74 @ 214 E 5TH STREET SHOP	\$ 153.99
BLACK HILLS	ACCT 04 @ 115 LOCUST ST COMMUNITY CENTER	\$ 74.04
BLACK HILLS	ACCT 60 @ 588 CHESTNUT SHOP	\$ 627.72
IRS	FEDERAL WITHHOLDING	\$ 7,816.05
ERIN M MCCARNEY CHAPTER 13 TRUSTEE	PAYROLL WITHHOLDING	\$ 504.00
MISSION SQUARE	RETIREMENT	\$ 729.60
NEBRASKA CHILD SUPPORT PAYMENT CENTER	PAYROLL WITHHOLDING	\$ 217.85
NEBRASKA DEP OF REVENUE	STATE WITHHOLDING (FEB PAYROLL)	\$ 2,468.37
NEBRASKA DEP OF REVENUE	SALES & USE TAX	\$ 8,216.85
PAYROLL	STAFF 2/21/2025	\$ 25,182.65
UNITED HEALTH CARE	FEB DENTAL/VISION/LIFE PREMIUM	\$ 414.45
UNUM	MARCH LONG TERM DISABILITY	\$ 221.78
WINDSTREAM	ACCT 9419 PHONE CHARGES WTP	\$ 109.18
WINDSTREAM	ACCT 2029 COMMUNITY CENTER PHONE	\$ 910.76
BOK FINANCIAL	BOND PAYOFF SERIES 2023 & BOND PAYMENT REVREF18	\$ 4,089,857.50
	BOND FEES	\$ 400.00
TOTAL	88	\$ 4,141,922.15

TOTAL CLAIM AMOUNT PAID **\$ 4,163,799.13**

REVIEWED AND APPROVED: TUESDAY, FEBRUARY 25, 2025

Mayor Phil Goering

Council Member Ziemann

Council Member Wagner

Council Member Noren

Council Member Drahota

Council Member Borchardt

Council Member Kulwicki

City Clerk/Recorder Michele Lincoln

**CITY OF HICKMAN
BUDGET CASH REPORT
As of November, 2024**

Fiscal Year Completed:
16.67%

	Nov-24 Receipts	Nov-25 Expenditures	Expenditures to Date	Expenditures Budget	Budget Available	% of Budget Spent
GENERAL FUND	15,095.42	51,968.26	114,310.97	1,359,631.00	1,245,320.03	8.41%
STREET FUND	30,574.53	22,076.41	77,117.09	1,062,062.61	984,945.52	7.26%
WATER FUND	42,953.60	18,185.58	37,294.56	4,435,172.08	4,397,877.52	0.84%
ELECTRIC FUND	-159.10	1,384.60	147,613.01	2,202,899.70	2,055,286.69	6.70%
SEWER FUND	72,326.31	11,647.46	456,658.79	4,840,037.81	4,383,379.02	9.44%
POLICE FUND	0.00	0.00	13,382.42	142,500.00	129,117.58	9.39%
PARK FUND	0.00	4,172.90	9,708.99	443,590.33	433,881.34	2.19%
NOT SPECIFIED					0.00	
TOTAL FUNDS	160,790.76	109,435.21	856,085.83	14,485,893.53	13,629,807.70	5.91%

	Principal Balances as of 11/01/23	0 Expenditures	Loan Payments Budget Year	Expenditures Budget	Budget Available	% of Budget Spent
DEBT SERVICE						
2017 SEWER GO REFI	645,000.00			231,498.75	231,498.75	0.00%
2021 WATER GO REFI	845,000.00			148,442.50	148,442.50	0.00%
NDEE #317887 CLEAN WATER UV	377,044.75			44,741.96	44,741.96	0.00%
2018 ELEC/SEWER REFUNDING BOND	670,000.00			156,802.50	156,802.50	0.00%
2018 ELEC/SEWER NEW REVENUE (T.View)	945,000.00	16,782.50		137,472.50	137,472.50	0.00%
2023 GO WATER	1,490,000.00		30,455.00	120,890.00	90,435.00	25.19%
2023 GO SEWER Refinancing	4,000,000.00			0.00	0.00	0.00%
2021 COPS (Community Center)	2,965,000.00			179,677.50	179,677.50	0.00%
TOTAL DEBT SERVICE	11,937,044.75	16,782.50	30,455.00	1,019,525.71	989,070.71	
TIF LOANS						
FORMER SCHOOL HOUSE	2,203.03			2,203.03	2,203.03	0.00%
TOTAL TIF LOANS	2,203.03	0.00	0.00	2,203.03	2,203.03	

UTILITY ENTERPRISE	Sales Tax Paid	MONTHLY BILLING	REVENUE TO DATE	% of Budget Met	REVENUE BUDGET
ELECTRIC		(315.09)	77,364.05	4%	
WASTEWATER		72,278.41	142,151.32	17%	
WATER		42,953.60	133,354.96	19%	
MISC (ie: SERVICE CALL, RETURNED CHECK FEE)		0.38		-	
TOTAL UTILITIES		114,917.30	352,870.33		
CUSTOMER DEPOSITS	1-Nov	Monthly In/Out	30-Nov		
	79,420.85	-1,000.00	78,420.85		

**CITY OF HICKMAN
BUDGET CASH REPORT
As of December 31, 2024**

Fiscal Year Completed:
25%

	Dec-24 Receipts	Dec-24 Expenditures	Expenditures to Date	Expenditures Budget	Budget Available	% of Budget Spent
GENERAL FUND	21,266.77	29,075.70	143,386.67	1,359,631.00	1,216,244.33	10.55%
STREET FUND	30,014.07	28,879.38	105,996.47	1,062,062.61	956,066.14	9.98%
WATER FUND	45,489.40	162,019.18	199,313.74	4,435,172.08	4,235,858.34	4.49%
ELECTRIC FUND	-18.50	10,411.11	158,024.12	2,202,899.70	2,044,875.58	7.17%
SEWER FUND	73,247.38	240,861.79	697,520.58	4,840,037.81	4,142,517.23	14.41%
POLICE FUND	0.00	13,698.28	27,080.70	142,500.00	115,419.30	19.00%
PARK FUND	0.00	1,879.13	11,588.12	443,590.33	432,002.21	2.61%
NOT SPECIFIED					0.00	
TOTAL FUNDS	169,999.12	486,824.57	1,342,910.40	14,485,893.53	13,142,983.13	9.27%

	Principal Balances as of 10/01/23	0 Expenditures	Loan Payments Budget Year	Expenditures Budget	Budget Available	% of Budget Spent
DEBT SERVICE						
2017 SEWER GO REFI	645,000.00	228,558.75		231,498.75	2,940.00	0.00%
2021 WATER GO REFI	845,000.00	144,378.75		148,442.50	4,063.75	0.00%
NDEE #317887 CLEAN WATER UV	377,044.75	22,396.62		44,741.96	22,345.34	0.00%
2018 ELEC/SEWER REFUNDING BOND	670,000.00			156,802.50	156,802.50	0.00%
2018 ELEC/SEWER NEW REVENUE (T.View)	945,000.00		16,782.50	137,472.50	120,690.00	12.21%
2023 GO WATER	1,490,000.00		30,455.00	120,890.00	90,435.00	25.19%
2023 GO SEWER Refinancing	4,000,000.00			0.00	0.00	0.00%
2021 COPS (Community Center)	2,965,000.00			179,677.50	179,677.50	0.00%
TOTAL DEBT SERVICE	11,937,044.75	395,334.12	47,237.50	1,019,525.71	576,954.09	
TIF LOANS						
FORMER SCHOOL HOUSE	2,203.03	2,203.03		2,203.03	0.00	0.00%
TOTAL TIF LOANS	2,203.03	2,203.03	0.00	2,203.03	0.00	

UTILITY ENTERPRISE	Sales Tax Paid	MONTHLY BILLING	REVENUE TO DATE	% of Budget Met	REVENUE BUDGET
ELECTRIC		(522.35)	77,345.55	4%	
WASTEWATER		71,077.94	215,398.70	26%	
WATER		45,489.40	178,844.36	25%	
MISC (ie: SERVICE CALL, RETURNED CHECK FEE)		-	-	-	
TOTAL UTILITIES		116,044.99	471,588.61		
CUSTOMER DEPOSITS	1-Dec	Monthly In/Out	31-Dec		
	78,420.85	-200.00	78,220.85		

**CITY OF HICKMAN
BUDGET CASH REPORT
As of January 31, 2025**

Fiscal Year Completed:
33%

	Jan-25 Receipts	Jan-25 Expenditures	Expenditures to Date	Expenditures Budget	Budget Available	% of Budget Spent
GENERAL FUND	60,089.07	40,485.18	183,871.85	1,359,631.00	1,175,759.15	13.52%
STREET FUND	34,024.43	68,585.27	174,581.74	1,062,062.61	887,480.87	16.44%
WATER FUND	47,218.60	21,771.29	221,085.03	4,435,172.08	4,214,087.05	4.98%
ELECTRIC FUND	-1,852.85	9,120.14	167,144.26	2,202,899.70	2,035,755.44	7.59%
SEWER FUND	71,639.85	15,778.73	713,299.31	4,840,037.81	4,126,738.50	14.74%
POLICE FUND	0.00	13,242.83	40,323.53	142,500.00	102,176.47	28.30%
PARK FUND	0.00	6,282.78	17,870.90	443,590.33	425,719.43	4.03%
NOT SPECIFIED					0.00	
TOTAL FUNDS	211,119.10	175,266.22	1,518,176.62	14,485,893.53	12,967,716.91	10.48%

	Principal Balances as of 10/01/23	0 Expenditures	Loan Payments Budget Year	Expenditures Budget	Budget Available	% of Budget Spent
DEBT SERVICE						
2017 SEWER GO REFI	645,000.00	228,558.75		231,498.75	2,940.00	0.00%
2021 WATER GO REFI	845,000.00	144,378.75		148,442.50	4,063.75	0.00%
NDEE #317887 CLEAN WATER UV	377,044.75	22,396.62		44,741.96	22,345.34	0.00%
2018 ELEC/SEWER REFUNDING BOND	670,000.00			156,802.50	156,802.50	0.00%
2018 ELEC/SEWER NEW REVENUE (T.View)	945,000.00		16,782.50	137,472.50	120,690.00	12.21%
2023 GO WATER	1,490,000.00		30,455.00	120,890.00	90,435.00	25.19%
2023 GO SEWER Refinancing	4,000,000.00			0.00	0.00	0.00%
2021 COPS (Community Center)	2,965,000.00			179,677.50	179,677.50	0.00%
TOTAL DEBT SERVICE	11,937,044.75	395,334.12	47,237.50	1,019,525.71	576,954.09	
TIF LOANS						
FORMER SCHOOL HOUSE	2,203.03	2,203.03		2,203.03	0.00	0.00%
TOTAL TIF LOANS	2,203.03	2,203.03	0.00	2,203.03	0.00	

UTILITY ENTERPRISE	Sales Tax Paid	MONTHLY BILLING	REVENUE TO DATE	% of Budget Met	REVENUE BUDGET
ELECTRIC		1,483.14	77,345.55	4%	
WASTEWATER		71,715.16	287,038.55	35%	
WATER		47,316.71	226,062.96	32%	
MISC (ie: SERVICE CALL, RETURNED CHECK FEE)		108.71		-	
TOTAL UTILITIES		120,623.72	590,447.06		
CUSTOMER DEPOSITS	1-Dec	Monthly In/Out	31-Dec		
	78,220.85	-700.00	77,520.85		

**City of Hickman
Statement of Cash Bank Accounts
FY2024/2025**

<u>Account #</u>	<u>Account Name</u>	<u>November 2024</u>	<u>December 2024</u>	<u>January 2025</u>
	Cash on Hand	\$200.00	\$200.00	\$200.00
...8760	General Fund Checking	\$996,391.57	\$1,062,688.07	\$976,471.33
...1586	Linear Park Fund	\$13,942.87	\$13,942.87	\$13,942.87
...7412	Reading-Tech & Historical Center	\$4,622.59	\$5,122.61	\$4,937.21
...4500	Arts Council	\$5,789.33	\$5,014.37	\$4,951.34
...2843	Keno Revenue	\$107,437.09	\$116,576.29	\$116,622.60
...7578	Electrical Reserve <small>(Baylor Heights Reserve)</small>	\$74,351.28	\$74,367.58	\$74,383.37
...0938	TIF Account	\$630.84	\$630.84	\$630.84
...0863	Parks & Recreation Activities	\$60,654.24	\$59,927.36	\$70,647.36
...7420	Debt Service Reserve <small>(CURR Series 2018 Bond Reserve)</small>	\$158,083.34	\$158,221.93	\$158,356.31
...7479	Sewer Reserve Acct	\$60,894.51	\$60,907.86	\$60,920.79
...2883	CUR Revenue Series 2018 <small>(Terrace View Reserve)</small>	\$281,521.03	\$281,888.78	\$282,245.50
...4664	Street Sinking Fund	\$30,928.86	\$30,930.22	\$30,931.53
...5333	Sales Tax Revenues	\$1,618,479.78	\$1,691,723.44	\$1,749,517.38
...0215	GO Water Revenue 2023	\$570,551.88	\$571,542.30	\$572,503.43
...5-201	GO Sewer Revenue 2023	\$1,985,319.03	\$1,507,113.01	\$1,141,883.56
	Total Funds Available	\$5,969,798.24	\$5,640,797.53	\$5,259,145.42
...7404	Hickman Area Economic Dev. Association	\$34,879.89	\$34,845.95	\$34,725.95
	Total HAEDA Funds Available	\$34,879.89	\$34,845.95	\$34,725.95

NEBRASKA DEPARTMENT OF REVENUE

LOCAL OPTION SALES AND USE TAX

REMITTED TO CITIES

FYE 2025

COLLECTION MONTH*	SALES/USE TAX	CONSUMERS USE TAX	SALES TAX ON MOTOR VEHICLES	CURRENT MONTH'S REFUNDS TO TAXPAYERS	3% ADMIN FEE	ALLOCATION TO CITY	***SETTLEMENT AMOUNT
AUGUST	41,966.84	326.42	12,017.23	0.00	(1,629.31)	52,681.18	52,681.18
SEPTEMBER	39,879.92	295.18	12,840.81	(197.13)	(1,584.56)	51,234.22	51,234.22
OCTOBER	35,298.07	375.13	14,802.99	0.00	(1,514.29)	48,961.90	48,961.90
NOVEMBER	45,384.77	141.89	11,091.14	0.00	(1,698.53)	54,919.27	54,919.27
DECEMBER							
JANUARY							
FEBRUARY							
MARCH							
APRIL							
MAY							
JUNE							
JULY							
TOTALS	162,529.60	1,138.62	50,752.17	(197.13)	(6,426.69)	207,796.57	207,796.57
Sales Tax on MV to Streets			50,752.17	3% Admin Fee to Streets		1,522.57	

- * This is the tax month for which the local option sales and use tax was collected by retailers or paid by taxpayers.
- **This is the date that payment will be electronically deposited into the bank account.
- ***This is the amount of the payment that will be received after refunds to taxpayers and administrative fees have been deducted.

TOTAL SALES TAX (RESTRICTED FUNDS)

Register: 104.1 · Cash in Bank - SALES TAX REVENUE

Date	Number	Payee	Memo	Payment	Deposit	Balance
10/22/2024			August 2024 Sales Tax Revenues		\$52,681.18	\$1,615,822.56
10/31/2024			Interest		\$2,657.22	\$1,618,479.78
11/22/2024			September 2024 Sales Tax Revenue		\$51,234.22	\$1,669,714.00
11/29/2024			Interest		\$2,568.35	\$1,672,282.35
12/20/2024			Transfer to Community Centre Bond Pmt	\$32,426.50		\$1,639,855.85
12/22/2024			October 2024 Sales Tax Revenue		\$48,961.90	\$1,688,817.75
12/31/2024			Interest		\$2,905.69	\$1,691,723.44
1/22/2025			November 2024 Sales Tax Revenue		\$54,919.27	\$1,746,642.71
1/31/2025			Interest		\$2,874.67	\$1,749,517.38
						\$1,749,517.38

Public Work & Parks Department Report

February 2025

Public Works

- 811 Locate Tickets
- 4 members of the public works attended the 811 Summit in Lincoln
- Got Quotes to Demo the old county shed at 6700 Hickman Road. Gana was awarded the project.
- Updated Some of our mapping on ArcGIS.
- 4 members attended continuing ed classes for Water and Wastewater

Water & Wastewater

- Installed meters for new construction building permits
- Replaced water meters that were not working.
- Routine sampling
- Meter Reading
- Purchased Tractor
- Had a tour of the water plant at the request of the cub scouts. 6 kids and 3 adults.
- Started refilling the Oxidation ditch

Streets

- We had a snow event and did some treatment of the roads.
- Got quotes for crack sealing and fog sealing from 2 vendors
- Got a quote to repair a portion of asphalt on Hickman Road from Roundabout West 820'
- Bored in new street light wire Scotts Creek and Park Drive

Parks

-

ORDINANCE NO. 2025-04

AN ORDINANCE TO ESTABLISH CHARGES AND FEES FOR USE OF THE MUNICIPAL WATER SYSTEM PER §7-207 OF THE MUNICIPAL CODE OF HICKMAN, NEBRASKA; TO CHANGE RESIDENTIAL, COMMERCIAL AND INDUSTRIAL CUSTOMER CHARGES FOR WATER SERVICE; TO REPEAL ORDINANCE 2022-17 AND TO PROVIDE AN EFFECTIVE DATE HEREOF; AND ORDERING THE PUBLICATION OF THE ORDINANCE IN PAMPHLET FORM.

BE IT ORDAINED BY THE MEMBERS OF THE GOVERNING BODY OF THE CITY OF HICKMAN, NEBRASKA:

Section 1. Charges and Fees for Water Use by Customers of the Municipal Water System per Section 7-207 of the Municipal Code of the City of Hickman be as follows:

MUNICIPAL WATER DEPARTMENT: USER RATES: All water consumers shall be liable for the following rates provided by this ordinance unless and until the consumer shall, by written order, direct the Municipal Clerk to shut off the water at the stop box in which case the customer shall not be liable thereafter for water rental until the water is turned on again.

A. Residential Rate

1. The Residential rate shall be applicable when the building, premises or place receiving water service is primarily used for dwelling or family living purposes. This includes multiple-meter residences used for this purpose.
2. A monthly Customer Charge shall be charged.
3. All water consumed per month shall be billed the following charges per thousand (1,000) gallons, or any portion thereof.
4. The minimum bill shall be the Customer Charge.

Rates:

EFFECTIVE DATE:	<u>April 1, 2025</u>	<u>April 1, 2026</u>
Customer Charge, per month	\$29.26	\$31.01
Usage Charge	<u>\$/1000 gal.</u>	<u>\$/1000 gal.</u>
First 10,000 gal.	\$2.65	\$2.81
Next 10,000 gal.	\$4.77	\$5.06
Excess	\$6.89	\$7.30

B. Multi-Family Rate

1. The Multi-Family rate shall be applicable in cases where more than one residential dwelling is served by a single meter.

2. A monthly Customer Charge, based on customer meter size, shall be charged.
3. All water consumed per month shall be billed the following charges per thousand (1,000) gallons or any portion thereof.
4. The minimum bill shall be the Customer Charge.

Rates:

EFFECTIVE DATE:	<u>April 1, 2025</u>	<u>April 1, 2026</u>
Customer Charge, per month		
2" or less	\$29.15	\$30.90
3"	\$57.77	\$61.24
4"	\$84.27	\$89.33
6"	\$269.77	\$285.96
 Usage Charge	 <u>\$/1000 gal.</u>	 <u>\$/1000 gal.</u>
First 10,000 gal.	\$2.65	\$2.81
Next 10,000 gal.	\$4.77	\$5.06
Excess	\$6.89	\$7.30

C. Commercial Rates

1. The Commercial rate shall be applicable when the building, premises or place receiving water service is primarily used for other than residential dwelling or family living purposes. This rate includes Municipal Service.
2. A monthly Customer Charge shall be charged.
3. All water consumed per month shall be billed the following charges per thousand (1,000) gallons or any portion there
4. The minimum bill shall be the Customer Charge.

Rates:

EFFECTIVE DATE:	<u>April 1, 2025</u>	<u>April 1, 2026</u>
Customer Charge, per month	\$39.43	\$41.80
 Usage Charge	 <u>\$/1000 gal.</u>	 <u>\$/1000 gal.</u>
First 10,000 gal.	\$2.65	\$2.81
Next 10,000 gal.	\$4.77	\$5.06
Excess	\$6.89	\$7.30

D. Tank Truck Rate

Any water supplied to tank trucks from a fire hydrant shall be billed at the following rates:

EFFECTIVE DATE:	<u>April 1, 2025</u>	<u>April 1, 2026</u>
Usage Charge	<u>\$/1000 gal.</u>	<u>\$/1000 gal.</u>
First 1,000 gal.	\$47.70	\$50.56
Excess	\$5.30	\$5.62

E. When the billing period of a customer's first or final bill is less than thirty (30) days in length, the applicable monthly minimum charge of "A" through "C" above, on the customer's first or final bill, shall be prorated based on the number of days service is provided divided by thirty (30) days.

Section 2. That Ordinance 2022-17 of Hickman, Nebraska, is hereby repealed.

Section 3. This ordinance will become effective and operative with the first billing date occurring on or after April 1, 2025.

Section 4. This ordinance will be in full force and effect from and after its passage, approval and publication or posting in pamphlet form as required by law.

PASSED AND APPROVED this _____ day of _____, 2025.

Phil Goering, Mayor

ATTEST:

Michele Lincoln, CMC
City Clerk

(SEAL)

FY 2024 Cost of Service / Rate Design Study

**City of Hickman
Water Utility**

Final Report

September 25, 2024

JKEC

JK Energy Consulting, LLC

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Table of Contents

Executive Summary	2
Purpose and Approach.....	4
Background	4
Projected Financial Results.....	4
Cost of Service	9
Rate Design	12
Conclusions.....	15
Recommendations	16
Appendix A - Rate Ordinance	
Appendix B - Cost of Service Worksheets	
Appendix C - Revenue Calculation Worksheets	

Executive Summary

This study was prepared by JK Energy Consulting, LLC (JKEC) for the City of Hickman and its water utility (Utility). The purpose of the study was to review the Utility's revenues and expenses and ensure water rates are adequate to pay for projected expenses.

Based on the analysis completed, it appears the existing rates do not collect sufficient revenue to cover projected revenue requirements, including debt service payments, in fiscal year (FY) 2027. While revenues are sufficient to cover projected expenses through FY 2026, by FY 2027 the projected cash basis cost of service is 18.3% greater than projected revenue (see Table 1, Line 27). The shortfall is primarily driven by debt service issued to fund the Utility's capital improvement program. The Utility is planning to construct a \$5.8 million redundant water main in the FY 2027 timeframe.

The proposed rate plan would implement annual rate increases of 6% in FY 2025, FY 2026 and FY 2027. If the Utility does not implement the proposed rate increases, the Utility does not collect sufficient revenue to pay projected operating expenses, capital improvements and debt service expenses in FY 2027. If the Utility does not implement the series of rate increases in FY 2025 and FY 2026, it would likely need to implement a rate increase of approximately 18% in FY 2027.

The cost of service analysis was completed to assess the amount that each rate class should be paying, compared to the revenue that is being collected from existing rates. The cost of service indicated all rate classes were paying less than the allocated cost of service, primarily because a 6% increase in revenue was necessary. The indicated rate changes varied between 5.9% and 7.5%, depending on the rate class and usage profile (see Table 6). This is a relatively narrow bandwidth of required rate changes. Implementing similar rate increase percentages for all rate classes and rate components would be a reasonable approach to implementing the proposed 6% increase in revenue.

The purpose of rate design is to develop rates that reflect the cost of service and accomplish other goals established by the Utility. The proposed rates would increase the average monthly residential water bill from \$57.55 in FY 2024 to \$61.00 in FY 2025, or approximately \$3.45.

The Utility's water rate tends to be on the higher end of its peer group. There are multiple factors that affect water costs, including geography, customer sales growth, and financing costs if large capital projects are necessary. The Utility has experienced rapid growth in water sales in current years and this growth has dictated the construction of significant water system improvements. While these improvements may cause short-term rate increases, they provide for long-term stability of supply and enable the Utility to serve

expected growth. As the growth materializes, additional water sales may enable the Utility to stabilize or reduce water rates.

Conclusions

The following conclusions were reached, based on the information provided and analyses completed:

1. Projected revenues from existing rates are approximately \$762,000 for FY 2024.
2. Projected operating results indicate the need for a rate increase of approximately 18% by FY 2027. This increase is primarily driven by debt service associated with the construction of a new redundant water main at a cost of \$5.8 million.
3. Implementing a series of 6% rate increase in FY 2025 through FY 2027 would provide a phase-in of necessary rates to fund debt service on the redundant water main.
4. Existing rates would need to increase by approximately \$46,000, or 6%, based on the proposed rate plan.
5. The cost of service indicated that all rate classes are paying within a reasonable bandwidth compared to the overall 6% revenue increase proposed.
6. Implementing an across-the-board rate increase of 6% for all rate classes and rate components would be a reasonable method for implementing the proposed revenue increase.
7. Implementing a rate change of 6% results in rates that are toward the higher end of the Utility's peer group. Numerous factors beyond the control of the Utility, including growth and the need for reliable water supply and distribution, have resulted in rates that are higher than the Utility's peer group.

Recommendations

The following recommendations were developed based on the analyses completed and conclusions reached:

1. Water rates should be increased 6% on October 1, 2024 (for FY 2025) and 6% for FY 2026. This equates to an average monthly residential bill increase of \$3.45 in October 2024 and \$3.66 in October 2025. The rate ordinance included in Appendix A would implement these rate increases.
2. The Utility should plan for a rate increase on October 1, 2026 (FY 2027). The amount and timing of this rate increase is dependent on the construction cost, schedule and debt service costs associated with the new redundant water main project.
3. The Utility should evaluate its rates if an unexpected expense or change in usage occurs between now and FY 2027.

Purpose and Approach

The purpose of this study was to review the water rates charged by the Utility. The goal of future water rates was to collect sufficient revenue to cover projected expenses, including debt service for water system improvements.

The approach to the study involved completing several tasks. Retail water sales, operating expenses, non-retail revenues, and other financial information was collected. Test year expenses for FY 2024 and future expenses through FY 2027 were projected. A rate plan was developed to meet the financial goals established by the Utility. The allocated cost of service for each rate class was calculated and compared to revenue from existing rates. The existing rate ordinance was reviewed, and new rates were developed. A written report was prepared and presented to the City Council on September 24, 2024.

Background

City of Hickman – Water Utility

The City operates the water utility, which serves customers located within Hickman and a number of customers in adjacent rural areas. The Utility serves approximately 1,070 customers, approximately 1,000 of which are residential. The City is located near Lincoln and has experienced higher-than-normal growth rates in recent years. Recent building permit activity suggests that water sales growth of 5% or more annually may be expected, largely due to residential and small commercial construction activities.

The planned growth patterns have resulted in the Utility making significant capital improvements to its water system in recent years, with additional plans in the next four years. The City issued nearly \$5 million in bonds to fund water treatment facility improvements and is planning to construct a water main project costing nearly \$6 million in the FY 2027 timeframe. The construction of the water main project is necessary to provide a redundant water main to supply the Utility in case the existing water main experience an unexpected short-term outage due to maintenance, a break or some other damage.

Projected Financial Results

The purpose of preparing projected financial results is to compare projected revenues with expenses and determine the need for future rate increases. Projections were prepared for the period FY 2024 through FY 2027 based on information provided by the Utility.

Parameters

The following parameters were used to develop the test year budget and the projected financial results.

1. Historical and projected results were prepared based on the Utility's fiscal year (October 1 through September 30).
2. The FY 2024 water department budget was used as the basis for the FY 2024 test year budget, with normal escalation and adjustments for other known changes.
3. Capital improvements of \$150,000 per year would be paid from ongoing revenues without issuing additional debt.
4. Operating and maintenance expenses, administrative costs, and other internal expenses were projected to increase at a rate of 3% annually.
5. Water sales were projected to increase by 5% annually based on recent growth history.
6. Projected financial results were presented on an "accrual basis" and "cash basis." Accrual basis accounting is consistent with Generally Accepted Accounting Principles (GAAP) and cash basis results were intended to reflect actual cash flow. Each approach is important for ratemaking purposes, since the Utility's rates should ensure positive cash flow, positive net income.
7. The cost of service was prepared on a cash basis, including capital improvements and debt service payments, while excluding depreciation.
8. Depreciation expense of \$150,000 in FY 2024 through FY 2027 was included in the accrual-based financial results.
9. Existing debt service was included based on the repayment schedule provided by staff.
10. The City would issue bonds in FY 2027 to fund projected water system improvements, including the construction of a redundant primary water main at a cost of \$5.8 million. The new bonds would be issued for 25 years with an interest rate of 5%. No debt forgiveness or grants were included.
11. Minimum debt service coverage ratio of 110% was included as a constraint for rate-setting purposes.

Projected Financial Results

Table 1 (see page 6) shows the projected financial results for FY 2025 through FY 2027, along with test year FY 2024 and historical financial results for FY 2022 and FY 2023. The projected financial results do not include any rate changes or use of available funds for rate stabilization. While there appears to be sufficient revenue in FY 2025 and FY 2026, when new bonds are issued to fund the redundant water main project, there would be a shortfall of approximately \$162,000 in FY 2027. If the City waits until bonds are issued in FY 2027, it will need a rate increase of 18% to provide adequate revenue to cover projected operating costs, debt service payments and capital expenditures that are funded from ongoing revenues.

Table 1
City of Hickman
2024 Water Cost of Service Study
Projected Financial Results
Existing Rates

Line	Description	Actual (1)		Test Year		Projected	
		2022	2023	2024	2025	2026	2027
1	Operating Revenues						
2	Charges for Services	\$ 652,020	\$ 734,470	\$ 761,629	\$ 799,710	\$ 839,696	\$ 881,680
3	Rate Changes	-	-	-	-	-	-
4	Other Operating Revenue	146,345	51,240	64,292	66,221	68,207	70,254
5	Total Operating Revenue	\$ 798,365	\$ 785,710	\$ 825,921	\$ 865,931	\$ 907,903	\$ 951,934
6	Operating Expenses						
7	Personnel Services	91,086	114,359	118,111	121,654	125,304	129,063
8	Other Operating Expense	119,334	212,120	152,624	157,203	161,919	166,776
9	Depreciation	123,442	124,786	124,786	128,530	132,385	136,357
10	Total Operating Expenses	\$ 333,862	\$ 451,265	\$ 395,521	\$ 407,387	\$ 419,608	\$ 432,197
11	Operating Income - GAAP Basis	\$ 464,503	\$ 334,445	\$ 430,400	\$ 458,544	\$ 488,295	\$ 519,737
12	Non-Operating Expense/(Revenue)						
13	Interest Income	\$ (157)	\$ (12,078)	\$ -	\$ -	\$ -	\$ -
14	Existing Interest Expense	11,646	13,115	68,937	68,533	65,719	62,730
15	Future Interest Expense	-	-	-	-	-	307,500
16	Interfund Transfer Out	570,164	154,144	-	-	-	-
17	Bond Costs	-	-	-	-	-	-
18	Total Non-Operating Expense/(Revenue)	\$ 581,653	\$ 155,181	\$ 68,937	\$ 68,533	\$ 65,719	\$ 370,230
19	Net Income - GAAP Basis	\$ (117,150)	\$ 179,264	\$ 361,463	\$ 390,012	\$ 422,576	\$ 149,507
20	Cash Basis						
21	Net Income	\$ (117,150)	\$ 179,264	\$ 361,463	\$ 390,012	\$ 422,576	\$ 149,507
22	Plus Depreciation	123,442	124,786	124,786	128,530	132,385	136,357
23	Less Existing Debt Service Principal	-	(140,000)	(195,000)	(200,000)	(205,000)	(205,000)
24	Less Future Debt Service Principal	-	-	-	-	-	(92,566)
25	Less Capital Expenditures	(37,698)	-	(150,000)	(150,000)	(150,000)	(150,000)
26	Net Income - Cash Basis	\$ (31,406)	\$ 164,050	\$ 141,249	\$ 168,541	\$ 199,961	\$ (161,702)
27	Rate Change for Breakeven Cash Flow	4.8%	-22.3%	-18.5%	-21.1%	-23.8%	18.3%

Notes:
(1) Based on audited financial statements.

Table 2 shows projected debt service coverage based on existing rates. A rate increase of 8.9% would be necessary in FY 2027 to provide sufficient debt service to meet debt service coverage requirements for existing bonds and the projected bond issuance for the water main project. The needed rate change to provide sufficient cash flow is greater than the rate increase required to maintain a 1.10 debt service coverage ratio. The proposed rate plan is based on the cash basis operating results.

Table 2
City of Hickman
2024 Water Cost of Service Study
Projected Financial Results - Debt Service Coverage
Existing Rates

Line	Description	Test Year	Projected		
		2024	2025	2026	2027
1	Retail Revenue - Existing Rates	\$ 761,629	\$ 799,710	\$ 839,696	881,680
2	Debt Service Coverage				
3	Net Revenue (1)	\$ 555,186	\$ 587,074	\$ 620,680	\$ 656,094
4	Debt Service Expense	\$ 263,937	\$ 268,533	\$ 270,719	\$ 667,796
5	Debt Service Coverage (2)	2.10	2.19	2.29	0.98
6	Revenue Increase for 1.1x Coverage	(264,855)	(291,688)	(322,889)	78,482
7	Rate Increase for 1.1x Coverage (%) (3)	-34.8%	-36.5%	-38.5%	8.9%

Note:

1. Operating revenue, less operating and maintenance expenses (excluding depreciation).
2. Net revenue divided by debt service expense.
3. Line 6 divided by Line 1. Represents total cumulative rate change from existing rates required.

Future Rate Changes

Table 3 (see page 8) shows the projected operating results with 6% rate increases in FY 2025, FY 2026 and FY 2027. The series of rate increases in FY 2025 through FY 2027 would result in sufficient revenue to cover projected operating expenses, debt service costs, and planned capital improvements. Implementing a series of rate increases would help customers avoid a sudden increase while providing stable financial results for future periods.

If the City defers rate increases until FY 2027, when the bonds are issued for the redundant water main project, it will likely need a rate increase of more than 18%. If the City is reasonably sure it will construct the water main project in the FY 2027 timeframe, it should consider implementing 6% rate changes in FY 2025 and FY 2026. An additional rate increase of 6% in FY 2027 would likely be needed, but its implementation can be delayed until additional information about project costs, interest rates and bond financing parameters.

Table 3
City of Hickman
2024 Water Cost of Service Study
Projected Financial Results
Proposed Rates - Cash Basis

Line	Description	Test Year	Projected		
		2024	2025	2026	2027
1	Operating Revenues				
2	Retail Sales - Existing Rates	\$ 761,629	\$ 799,710	\$ 839,696	\$ 881,680
3	Rate Changes	-	45,698	103,762	171,033
4	Other Operating Revenue	64,292	66,221	68,207	70,254
5	Total Operating Revenue	\$ 825,921	\$ 911,629	\$ 1,011,665	\$ 1,122,967
6	Operating Expenses				
7	Personnel Services	\$ 118,111	\$ 121,654	\$ 125,304	\$ 129,063
8	Other Operating Expense	152,624	157,203	161,919	166,776
9	Depreciation	124,786	128,530	132,385	136,357
10	Total Operating Expenses	\$ 395,521	\$ 407,387	\$ 419,608	\$ 432,197
11	Operating Income - GAAP Basis	\$ 430,400	\$ 504,242	\$ 592,057	\$ 690,771
12	Non-Operating Expense/(Revenue)				
13	Interest Income	\$ -	\$ -	\$ -	\$ -
14	Existing Interest Expense	68,937	68,533	65,719	62,730
15	Future Interest Expense	-	-	-	307,500
16	Interfund Transfer Out	-	-	-	-
17	Bond Costs	-	-	-	-
18	Total Non-Operating Expense/(Revenue)	\$ 68,937	\$ 68,533	\$ 65,719	\$ 370,230
19	Net Income - GAAP Basis	\$ 361,463	\$ 435,709	\$ 526,338	\$ 320,541
20	Rate Change		6.00%	6.00%	6.00%
21	Cash Basis				
22	Net Income	\$ 361,463	\$ 435,709	\$ 526,338	\$ 320,541
23	Plus Depreciation	124,786	128,530	132,385	136,357
24	Less Debt Service Principal	(195,000)	(200,000)	(205,000)	(205,000)
25	Less Future Debt Service Principal	-	-	-	(92,566)
26	Less Capital Expenditures	(150,000)	(150,000)	(150,000)	(150,000)
27	Net Income - Cash Basis	\$ 141,249	\$ 214,239	\$ 303,724	\$ 9,331
28	Rate Change for Breakeven Cash Flow	-18.5%	-26.8%	-36.2%	-1.1%

Table 4 (see page 9) shows the projected debt service ratio if the proposed rate increases are implemented. The series of proposed rate increases would increase debt service coverage to approximately 1.24 in FY 2027. This calculation does not include the effect of any debt forgiveness or use of grant money. Increasing rates based on the proposed rate plan of 6% annual increases through FY 2027 would provide some margin over required debt service coverage ratio requirements, provide additional financial flexibility to issue new bonds, cover revenue shortfalls, and pay for unexpected operating expenses.

Table 4
City of Hickman
2024 Water Cost of Service Study
Projected Financial Results - Debt Service Coverage
Proposed Rates

Line	Description	Test Year	Projected		
		2024	2025	2026	2027
1	Retail Revenue - Proposed Rates	\$ 761,629	\$ 845,408	\$ 943,458	1,052,714
2	Debt Service Coverage				
3	Net Revenue (1)	\$ 555,186	\$ 632,771	\$ 724,442	\$ 827,128
4	Debt Service Expense	\$ 263,937	\$ 268,533	\$ 270,719	\$ 667,796
5	Debt Service Coverage (2)	2.10	2.36	2.68	1.24
6	Revenue Increase for 1.1x Coverage	(264,855)	(337,386)	(426,652)	(92,552)
7	Rate Increase for 1.1x Coverage (%) (3)	-34.8%	-39.9%	-45.2%	-8.8%

Note:

1. Operating revenue, less operating and maintenance expenses (excluding depreciation).
2. Net revenue divided by debt service expense.
3. Line 6 divided by Line 1. Represents total cumulative rate change from existing rates required.

Cost of Service

The purpose of the cost of service analysis is to identify the costs related to serving each class of customers. Several steps were completed to prepare the cost of service analysis. A test year budget was prepared based on the FY 2024 operating budget, with adjustments for known changes. Each expense item was identified and assigned to a utility function, and further classified as a base, extra capacity (peak day or peak hour), and customer related expense. This process is called “functionalization” and “classification.”

The costs related to each function were allocated to each customer class based on generally accepted cost allocation principles for municipal water utilities. The allocated costs were compared to revenues based on existing rates. The comparison of the cost of service to revenue from existing rates was used as a factor in designing rates.

Test Year Budget

The purpose of preparing a test year budget is to create a scenario that is as close to “normal” operating conditions as possible, reflecting known changes for the Utility. The test year budget for FY 2024 included the following adjustments to the FY 2024 operating budget:

1. Normalized water sales based on typical historical water sales.
2. Exclusion of sales tax revenues and expenses.
3. Debt service based on existing loan repayment schedule.
4. Additional operating margin based on increasing revenues by 6% was included.

The test year budget for FY 2024 was approximately \$807,000 and is summarized in Table 5. The test year budget represents the amount that needs to be collected from retail rates. It includes all operating expenses, debt service payments, capital improvements funded from rates, and is reduced for revenue from interest income and other non-retail revenue.

Table 5
City of Hickman
2024 Water Cost of Service Study
Test Year Budget by Function
Annual

Line	Rate Class	Production / Distribution	Customer / Metering	Other	Total
1	Residential	\$ 374,144	\$ 124,270	\$ 251,329	\$ 749,743
2	Multi-Family	-	-	-	-
3	Commercial	25,576	10,241	20,713	56,530
4	Municipal	137	303	613	1,053
5	Tank Truck	-	-	-	-
6	Fire Hydrants	-	-	-	-
7	Private Fire Protection Service	-	-	-	-
8	Total	\$ 399,857	\$ 134,815	\$ 272,654	\$ 807,326
9	Percentage	50%	17%	34%	100%

Functionalization and Classification

Functionalization and classification involve assigning the expense items to function and classifying those expenses on the basis of a reasonable allocation method. The following functions were used for the Utility:

1. Water Production
2. Water Distribution (including storage)
3. Customer service
4. Metering
5. Other (interest income, other charges)

Production and distribution costs were split between base costs, which vary in proportion to water usage, and extra capacity costs. Extra capacity costs were divided between extra peak day capacity and extra peak hour capacity. These costs vary in proportion to the amount the peak usage exceeds the average usage. Customer and metering costs include those costs associated with serving a particular customer, regardless of the customer’s water usage. This would include expenses like customer billing, meter reading, customer accounting expense, and maintenance costs related to these functions.

Table 5 (see page 10) summarizes the classification of test year expenses, including the allocation to the various retail rate classes. Approximately \$400,000 is production and distribution-related, \$135,000 is customer-related and \$273,000 is related to other expenses. Based on this classification, 50% of the Utility's test year budget is production and distribution-related, 17% is customer-related, and 34% is considered other expenses unrelated to production, distribution or customer expense. A large portion of the other expenses is the margin associated with implementing the 6% rate change.

Cost Allocation

The functionalized costs were allocated to the various rate classes using generally accepted methods for preparing embedded cost of service studies. There is no standard cost of service methodology that the Utility is required to follow by a regulatory agency. There are a number of guidelines that municipal utilities follow, including publications and guidelines from the American Water Works Association.

Comparison of Revenues to Cost of Service

Revenues collected from existing rates were compared to the allocated cost of service. The purpose of this comparison was to provide guidance on the adequacy of the existing rates for each rate class. This comparison can be used to assess the general magnitude of rate changes needed for each rate class and is one factor in determining the need for rate adjustments for individual rate classes.

Table 6 (see page 12) compares the revenue from existing rates to the calculated cost of service. Overall, the cost of service was 6% more than revenues from existing rates. The cost of service was 5.9% more than existing revenues for residential customers; 7.5% more than existing revenues for commercial customers; and 7.4% more than existing revenues for municipal customers. All rate classes are currently paying a rate that is within 2% of the calculated cost of service, which is a reasonable bandwidth for cost of service calculations. Based on the cost of service results, it is reasonable to implement a similar rate change for all rate classes.

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Table 6
City of Hickman
2024 Water Cost of Service Study
Comparison of Cost of Service
to Revenue from Existing Rates
Annual

Line	Rate Class	Revenue		Difference	
		Existing Rates	Cost of Service	\$	%
1	Residential	\$ 708,044	\$ 749,743	\$ 41,699	5.9%
2	Multi-Family	-	-	-	0.0%
3	Commercial	52,604	56,530	3,926	7.5%
4	Municipal	980	1,053	73	7.4%
5	Tank Truck	-	-	-	0.0%
6	Fire Hydrants	-	-	-	0.0%
7	Private Fire Protection Service	-	-	-	0.0%
8	Total	\$ 761,629	\$ 807,326	\$ 45,697	6.0%

Rate Design

The proposed rate plan would increase rates by a cumulative total of 18% through FY 2027. The proposed rate design included in the rate ordinance would implement the first two 6% annual rate changes in October 2024 and October 2025. Based on the cost of service results, an across the board approach to increasing the monthly customer charge and flow-based charge was used. Under this approach, all customers would experience a similar percentage rate increase.

The proposed rate change would increase the average monthly residential water bill by \$3.45 per month in October 2024 and \$3.66 in October 2025 and \$3.87 in October 2026. Table 7 (see page 13) shows the revenue from existing rates and the proposed FY 2025 rates by rate class, effective October 2024. Table 8 (see page 13) shows the proposed revenue increases by rate class for FY 2026, effective October 2025.

A third rate increase of 6% will likely be necessary in FY 2027 if the City proceeds with construction of a redundant water main and issues bonds to fund the project. The proposed ordinance attached to this report does not include the FY 2027 rate change. The City should assess the need for the FY 2027 rate change in the summer of 2026 when it likely will have better information about growth trends, the cost of the new water main, and financing parameters including interest rates and financing term.

Table 7
City of Hickman
2024 Water Cost of Service Study
Proposed Rate Change by Rate Class - October 2024
Annual

Line	Rate Class	Revenue Existing Rates	Revenue FY 2025 Rates	Difference		
				\$	Bill (1)	%
1	Residential	\$ 708,044	\$ 750,527	\$ 42,483	\$ 3.45	6.0%
2	Multi-Family	-	-	-	-	0.0%
3	Commercial	52,604	55,761	3,156	6.23	6.0%
4	Municipal	980	1,039	59	2.45	6.0%
5	Tank Truck	-	-	-	-	0.0%
6	Fire Hydrants	-	-	-	-	0.0%
7	Private Fire Protection Service	-	-	-	-	0.0%
8	Total	\$ 761,629	\$ 807,326	\$ 45,698	\$ 3.66	6.0%

Note:

1. Change in average monthly bill for customers within rate class.

Table 8
City of Hickman
2024 Water Cost of Service Study
Proposed Rate Change by Rate Class - October 2025
Annual

Line	Rate Class	Revenue FY 2025 Rates	Revenue FY 2026 Rates	Difference		
				\$	Bill (1)	%
1	Residential	\$ 750,527	\$ 795,558	\$ 45,032	\$ 3.66	6.0%
2	Multi-Family	-	-	-	-	0.0%
3	Commercial	55,761	59,106	3,346	6.60	6.0%
4	Municipal	1,039	1,101	62	2.60	6.0%
5	Tank Truck	-	-	-	-	0.0%
6	Fire Hydrants	-	-	-	-	0.0%
7	Private Fire Protection Service	-	-	-	-	0.0%
8	Total	\$ 807,326	\$ 855,766	\$ 48,440	\$ 3.77	6.0%

Note:

1. Change in average monthly bill for customers within rate class.

With the proposed rate increases, the Utility's residential water rates in FY 2025 would be toward the higher end of rates for municipal utilities in eastern Nebraska. Table 9 (see page 15) provides a comparison of existing rates for the cities of Beatrice, Lincoln, Nebraska City, Seward, and Wahoo to the proposed FY 2025 rates for Hickman. The comparisons were prepared for usage of 5,000 gallons, 10,000 gallons and 15,000 gallons.

The typical monthly residential water usage for the Utility is approximately 9,000 gallons per month. Based on the comparison prepared for 10,000 gallons of usage, the calculated monthly bill in FY 2025 would be lower than Seward for the analyzed usage levels and somewhat higher than Beatrice, Lincoln, Nebraska City and Wahoo. The rate comparison indicates the projected water rates are toward the higher end of the selected peer group.

There are multiple factors that affect water costs, including geography, customer sales growth, and financing costs if large capital projects are necessary. The Utility has experienced rapid growth in water sales in current years and this growth has dictated the construction of significant water system improvements. While these improvements may cause short-term rate increases, they provide for long-term stability of supply and enable the Utility to serve expected growth. As the growth materializes, additional water sales may enable the Utility to stabilize or reduce water rates.

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Table 9
City of Hickman
2024 Water Cost of Service Study
Typical Bill Comparison
Rate Comparisons - October 2024 Rates
Residential 3/4" Meter

Rate Comparisons			
Utility	5,000 gal	10,000 gal	15,000 gal
Beatrice (1)	27.20	38.45	49.70
Hickman (2)	42.51	55.76	79.61
Lincoln (3)	29.28	46.76	64.25
Nebraska City (4)	24.78	35.21	29.97
Seward (5)	39.19	65.51	95.66
Wahoo (6)	36.88	47.80	58.72

Notes:

1. Effective October 1, 2023
2. Proposed rates, based on 6% rate increase and subject to final rate design.
3. Effective January 2024
4. Rates effective March 2019
5. Rates effective January 2019
6. Rates effective February 1, 2024

Conclusions

The following conclusions were reached, based on the information provided and analyses completed:

1. Projected revenues from existing rates are approximately \$762,000 for FY 2024.
2. Projected operating results indicate the need for a rate increase of approximately 18% by FY 2027. This increase is primarily driven by debt service associated with the construction of a new redundant water main at a cost of \$5.8 million.
3. Implementing a series of 6% rate increases in FY 2025 through FY 2027 would provide a phase-in of necessary rates to fund debt service on the redundant water main.
4. Existing rates would need to increase by approximately \$46,000, or 6%, based on the proposed rate plan.

5. The cost of service indicated that all rate classes are paying within a reasonable bandwidth compared to the overall 6% revenue increase proposed.
6. Implementing an across-the-board rate increase of 6% for all rate classes and rate components would be a reasonable method for implementing the proposed revenue increase.
7. Implementing a rate change of 6% results in rates that are toward the higher end of the Utility's peer group. Numerous factors beyond the control of the Utility, including growth and the need for reliable water supply and distribution, have resulted in rates that are higher than the Utility's peer group.

Recommendations

The following recommendations were developed based on the analyses completed and conclusions reached:

1. Water rates should be increased 6% on October 1, 2024 (for FY 2025) and 6% for FY 2026. This equates to an average monthly residential bill increase of \$3.45 in October 2024 and \$3.66 in October 2025. The rate ordinance included in Appendix A would implement these rate increases.
2. The Utility should plan for a rate increase on October 1, 2026 (FY 2027). The amount and timing of this rate increase is dependent on the construction cost, schedule and debt service costs associated with the new redundant water main project.
3. The Utility should evaluate its rates if an unexpected expense or change in usage occurs between now and FY 2027.

Appendix A – Rate Ordinance

ORDINANCE NO. 2024-_____

AN ORDINANCE TO ESTABLISH CHARGES AND FEES FOR USE OF THE MUNICIPAL WATER SYSTEM PER §7-207 OF THE MUNICIPAL CODE OF HICKMAN, NEBRASKA; TO CHANGE RESIDENTIAL, COMMERCIAL AND INDUSTRIAL CUSTOMER CHARGES FOR WATER SERVICE; TO REPEAL ORDINANCE 2022-17 AND TO PROVIDE AN EFFECTIVE DATE HEREOF; AND ORDERING THE PUBLICATION OF THE ORDINANCE IN PAMPHLET FORM.

BE IT ORDAINED BY THE MEMBERS OF THE GOVERNING BODY OF THE CITY OF HICKMAN, NEBRASKA:

Section 1. Charges and Fees for Water Use by Customers of the Municipal Water System per Section 7-207 of the Municipal Code of the City of Hickman be as follows:

MUNICIPAL WATER DEPARTMENT: USER RATES: All water consumers shall be liable for the following rates provided by this ordinance unless and until the consumer shall, by written order, direct the Municipal Clerk to shut off the water at the stop box in which case the customer shall not be liable thereafter for water rental until the water is turned on again.

A. Residential Rate

1. The Residential rate shall be applicable when the building, premises or place receiving water service is primarily used for dwelling or family living purposes. This includes multiple-meter residences used for this purpose.
2. A monthly Customer Charge shall be charged.
3. All water consumed per month shall be billed the following charges per thousand (1,000) gallons, or any portion thereof.
4. The minimum bill shall be the Customer Charge.

Rates:

EFFECTIVE DATE:	<u>October 1, 2024</u>	<u>October 1, 2025</u>
Customer Charge, per month	\$29.26	\$31.01
Usage Charge	<u>\$/1000 gal.</u>	<u>\$/1000 gal.</u>
First 10,000 gal.	\$2.65	\$2.81
Next 10,000 gal.	\$4.77	\$5.06
Excess	\$6.89	\$7.30

B. Multi-Family Rate

1. The Multi-Family rate shall be applicable in cases where more than one residential dwelling is served by a single meter.

2. A monthly Customer Charge, based on customer meter size, shall be charged.
3. All water consumed per month shall be billed the following charges per thousand (1,000) gallons or any portion thereof.
4. The minimum bill shall be the Customer Charge.

Rates:

EFFECTIVE DATE:	<u>October 1, 2024</u>	<u>October 1, 2025</u>
Customer Charge, per month		
2" or less	\$29.15	\$30.90
3"	\$57.77	\$61.24
4"	\$84.27	\$89.33
6"	\$269.77	\$285.96
 Usage Charge	 <u>\$/1000 gal.</u>	 <u>\$/1000 gal.</u>
First 10,000 gal.	\$2.65	\$2.81
Next 10,000 gal.	\$4.77	\$5.06
Excess	\$6.89	\$7.30

C. Commercial Rates

1. The Commercial rate shall be applicable when the building, premises or place receiving water service is primarily used for other than residential dwelling or family living purposes. This rate includes Municipal Service.
2. A monthly Customer Charge shall be charged.
3. All water consumed per month shall be billed the following charges per thousand (1,000) gallons or any portion there
4. The minimum bill shall be the Customer Charge.

Rates:

EFFECTIVE DATE:	<u>October 1, 2024</u>	<u>October 1, 2025</u>
Customer Charge, per month	\$39.43	\$41.80
 Usage Charge	 <u>\$/1000 gal.</u>	 <u>\$/1000 gal.</u>
First 10,000 gal.	\$2.65	\$2.81
Next 10,000 gal.	\$4.77	\$5.06
Excess	\$6.89	\$7.30

D. Tank Truck Rate

Any water supplied to tank trucks from a fire hydrant shall be billed at the following rates:

EFFECTIVE DATE:	<u>October 1, 2024</u>	<u>October 1, 2025</u>
Usage Charge	<u>\$/1000 gal.</u>	<u>\$/1000 gal.</u>
First 1,000 gal.	\$47.70	\$50.56
Excess	\$5.30	\$5.62

E. When the billing period of a customer's first or final bill is less than thirty (30) days in length, the applicable monthly minimum charge of "A" through "C" above, on the customer's first or final bill, shall be prorated based on the number of days service is provided divided by thirty (30) days.

Section 2. That Ordinance 2022-17 of Hickman, Nebraska, is hereby repealed.

Section 3. This ordinance will become effective and operative with the first billing date occurring on or after October 1, 2024.

Section 4. This ordinance will be in full force and effect from and after its passage, approval and publication or posting in pamphlet form as required by law.

PASSED AND APPROVED this _____ day of _____, 2024.

Doug Wagner, Mayor

ATTEST:

Jaala Johnson, City Clerk

(SEAL)

Appendix B – Cost of Service Worksheets

Appendix Table B-1
City of Hickman
2024 Water Cost of Service Study
Summary of Parameters for Financial Projections

Line	Category	2024	2025	2026	2027	2028
1	Revenue Escalation					
2	Sales Growth	0.00%	5.00%	5.00%	5.00%	5.00%
3	Retail Rate Increases	6.00%	6.00%	6.00%	6.00%	0.00%
4	Non-Retail Revenue Increase	0.00%	0.00%	0.00%	0.00%	0.00%
5	Expense Escalation Rates					
6	Operation and Maintenance	3.00%	3.00%	3.00%	3.00%	3.00%
7	Capital Improvements	3.00%	3.00%	3.00%	3.00%	3.00%
8	Non-Operating Revenue	3.00%	3.00%	3.00%	3.00%	3.00%
9	Interest Income	0.00%	0.00%	0.00%	0.00%	0.00%
10	General and Administrative	3.00%	3.00%	3.00%	3.00%	3.00%
11	Transfers	3.00%	3.00%	3.00%	3.00%	3.00%
12	Debt Service - Series 2021					
13	Principal	\$ 140,000	\$ 140,000	\$ 145,000	\$ 140,000	\$ 140,000
14	Interest	8,603	8,043	7,329	6,440	5,355
15	Total Series 2021	\$ 148,603	\$ 148,043	\$ 152,329	\$ 146,440	\$ 145,355
16	Debt Service - Series 2023					
17	Principal	\$ 55,000	\$ 60,000	\$ 60,000	\$ 65,000	\$ 65,000
18	Interest	60,335	60,490	58,390	56,290	54,015
19	Total Series 2023	\$ 115,335	\$ 120,490	\$ 118,390	\$ 121,290	\$ 119,015
20	Total Debt Service	\$ 263,937	\$ 268,533	\$ 270,719	\$ 267,730	\$ 264,370

Appendix Table B-2
City of Hickman
2024 Water Cost of Service Study
Total Budgeted Cost and Adjustments
Test Year FY 2024

Line	Budget Item	Functionalization Factor	Category for Operating Results	FY 2023 Actual Dollars	Test Year Adjustment	FY 2024 Test Year Budget
1	Expenditures					
2	Salaries & Wages	Distribution Allocation	Personnel Services	98,728	(5,516)	93,212
3	Consulting Services	Distribution Allocation	Consulting Services	1,122		3,500
4	Payroll Taxes	Distribution Allocation	Personnel Services	8,019	(888)	7,131
5	Retirement	Distribution Allocation	Personnel Services	6,640	(1,320)	5,320
6	Employee Benefits	Distribution Allocation	Personnel Services	9,674		12,448
7	Schooling/Professional Development	Distribution Allocation	Schooling	1,743	257	2,000
8	Uniforms & Clothing	Distribution Allocation	Uniforms	1,060	(110)	950
9	Supplies & Small Tools	Distribution Allocation	Supplies and Expenses	105,774	(55,774)	50,000
10	Capital Improvements	Direct - Other	Capital Improvements	-	150,000	150,000
11	Insurance	Distribution Allocation	Insurance	21,569	931	22,500
12	Utilities	Distribution Allocation	Utilities	32,849	386	33,235
13	Repairs & Maintenance	Distribution Allocation	Repairs and Maintenance	16,614	(1,614)	15,000
14	Testing	Treatment Allocation	Testing	3,521	(1,678)	1,843
15	Printing & Publishing	Distribution Allocation	Printing & Publishing	1,048	65	1,113
16	Bad Debt	Distribution Allocation	Bad Debt	2,103	(2,103)	-
17	Computer Expense	Distribution Allocation	Computer Expense	110	11,690	11,800
18	Telephone-Internet	Distribution Allocation	Telephone	2,130	230	2,360
19	Postage	Distribution Allocation	Postage	3,618	237	3,855
20	Office Supplies	Distribution Allocation	Office Supplies	1,250	500	1,750
21	Professional Services	Distribution Allocation	Professional Services	-	2,718	2,718
22	Dues & Subscriptions	Distribution Allocation	Dues	2,522	(2,522)	-
23	Bond Issuance Costs	Direct - Other	Bond Costs	41,089	(41,089)	-
24	Bond Principal	Allocation - Capital Projects	Debt Service - Principal	140,000	55,000	195,000
25	Bond Interest Expense	Allocation - Capital Projects	Debt Service - Interest	10,208	58,730	68,937
26	Miscellaneous	Direct - Other	Miscellaneous Expense	(1,049)	1,049	-
27	Other Revenue					
28	Building Permit Fees	Direct - Other	Revenue Miscellaneous	(44,380)	(13,620)	(58,000)
29	Interest Income	Direct - Other	Interest Income	(12,078)	12,078	-
30	Service Charge/Penalty Revenue	Direct - Other	Revenue Miscellaneous	(6,758)	466	(6,292)
31	Rate Stabilization Adjustment	Direct - Other		-	-	186,946
32	Miscellaneous Income	Direct - Other	Revenue Miscellaneous	(2,082)	2,082	-
33	Total Test Year Expenses			\$ 445,043	\$ 170,185	\$ 807,326

Appendix Table B-3
City of Hickman
2024 Water Cost of Service Study
Classification / Functionalization Factors

Line	Functionalization Factor	Extra		Base Exc	Customer	Meters & Services	Hydrants - Fire Prot	Other	Total
		Capacity - Base	Capacity - Max Day						
1	Allocation - Capital Projects	20%	40%	40%	0%	0%	0%	0%	100.00%
2	Cost of Service	0%	0%	0%	0%	0%	0%	0%	0.00%
3	Direct - Base	100%	0%	0%	0%	0%	0%	0%	100.00%
4	Direct - Customer Costs	0%	0%	0%	0%	100%	0%	0%	100.00%
5	Direct - Other	0%	0%	0%	0%	0%	0%	100%	100.00%
6	Distribution Allocation	20%	15%	15%	0%	50%	0%	0%	100.00%
7	Treatment Allocation	60%	10%	10%	0%	20%	0%	0%	100.00%

**Appendix Table B-4
City of Hickman
2024 Water Cost of Service Study
Allocated Cost of Service**

Line		Base	Extra Capacity - Max Day	Extra Capacity - Max Hour	Extra Capacity - Max Hour	Customer Billing	Meters & Services	Hydrants - Fire Prot	Other	Total
		Base	Extra Capacity Max Day	Extra Capacity Max Hour	Extra Capacity Max Hour	Customer	Customer	Hydrants - Fire Prot	Customer	
	Cost of Service	\$ 107,672	\$ 146,093	\$ 146,093	\$ -	\$ 134,815	\$ -	\$ -	\$ 272,654	\$ 807,326
1	Residential	\$ 101,448	\$ 135,047	\$ 137,649	\$ -	\$ 124,270	\$ -	\$ -	\$ 251,329	749,743
2	Multi-Family	-	-	-	-	-	-	-	-	-
3	Commercial	6,190	10,987	8,399	-	10,241	-	-	20,713	56,530
4	Municipal	33	59	45	-	303	-	-	613	1,053
5	Tank Truck	-	-	-	-	-	-	-	-	-
6	Fire Hydrants	-	-	-	-	-	-	-	-	-
7	Private Fire Protection Service	-	-	-	-	-	-	-	-	-
8	Total Cost of Service	\$ 107,672	\$ 146,093	\$ 146,093	\$ -	\$ 134,815	\$ -	\$ -	\$ 272,654	\$ 807,326

Appendix Table B-5
City of Hickman
2024 Water Cost of Service Study
Total Budgeted Cost Allocation by Category

Line	Budget Item	Total	Production Cost				Customer	Meters & Services	Hydrants / Fire Prot	Other	Total
			Base	Extra Capacity - Max Day	Extra Capacity - Max Hour	Base Exc Wholesale					
1	Expenditures										
2	Salaries & Wages	93,212	18,642	13,982	13,982	-	46,606	-	-	93,212	
3	Consulting Services	3,500	700	525	525	-	1,750	-	-	3,500	
4	Payroll Taxes	7,131	1,426	1,070	1,070	-	3,565	-	-	7,131	
5	Retirement	5,320	1,064	798	798	-	2,660	-	-	5,320	
6	Employee Benefits	12,448	2,490	1,867	1,867	-	6,224	-	-	12,448	
7	Schooling/Professional Development	2,000	400	300	300	-	1,000	-	-	2,000	
8	Uniforms & Clothing	950	190	143	143	-	475	-	-	950	
9	Supplies & Small Tools	50,000	10,000	7,500	7,500	-	25,000	-	-	50,000	
10	Capital Improvements	150,000	-	-	-	-	-	-	150,000	150,000	
11	Insurance	22,500	4,500	3,375	3,375	-	11,250	-	-	22,500	
12	Utilities	33,235	6,647	4,985	4,985	-	16,618	-	-	33,235	
13	Repairs & Maintenance	15,000	3,000	2,250	2,250	-	7,500	-	-	15,000	
14	Testing	1,843	1,106	184	184	-	369	-	-	1,843	
15	Printing & Publishing	1,113	223	167	167	-	557	-	-	1,113	
16	Bad Debt	-	-	-	-	-	-	-	-	-	
17	Computer Expense	11,800	2,360	1,770	1,770	-	5,900	-	-	11,800	
18	Telephone-Internet	2,360	472	354	354	-	1,180	-	-	2,360	
19	Postage	3,855	771	578	578	-	1,928	-	-	3,855	
20	Office Supplies	1,750	350	263	263	-	875	-	-	1,750	
21	Professional Services	2,718	544	408	408	-	1,359	-	-	2,718	
22	Dues & Subscriptions	-	-	-	-	-	-	-	-	-	
23	Bond Issuance Costs	-	-	-	-	-	-	-	-	-	
24	Bond Principal	195,000	39,000	78,000	78,000	-	-	-	-	195,000	
25	Bond Interest Expense	68,937	13,787	27,575	27,575	-	-	-	-	68,937	
26	Miscellaneous	-	-	-	-	-	-	-	-	-	
27	Other Revenue										
28	Building Permit Fees	(58,000)	-	-	-	-	-	-	(58,000)	(58,000)	
29	Interest Income	-	-	-	-	-	-	-	-	-	
30	Service Charge/Penalty Revenue	(6,292)	-	-	-	-	-	-	(6,292)	(6,292)	
31	Rate Stabilization Adjustment	186,946	-	-	-	-	-	-	186,946	186,946	
32	Miscellaneous Income	-	-	-	-	-	-	-	-	-	
33	Total Test Year Expenses	\$ 807,326	\$ 107,672	\$ 146,093	\$ 146,093	\$ -	\$ 134,815	\$ -	\$ -	\$ 272,654	\$ 807,326

Appendix Table B-6
City of Hickman
2024 Water Cost of Service Study
Development of Allocation Factors
Annual Water Sales (cf)

Rate Class	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Total Usage (cf)	Allocation Factor (%)	Distribution (cf)	WTP Sales
Residential	11,556	5,386	4,587	4,361	3,874	4,203	6,521	10,351	17,089	12,811	11,054	15,062	106,855	94.22%	106,855	94.22%
Multi-Family	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%	-	0.00%
Commercial	669	288	299	292	302	410	362	578	867	838	742	873	6,520	5.75%	6,520	5.75%
Municipal	2	2	1	-	1	1	1	4	6	5	6	6	35	0.03%	35	0.03%
Tank Truck	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%	-	0.00%
Fire Hydrants	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%	-	0.00%
Private Fire Protection Service	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%	-	0.00%
Total Water Sales	12,227	5,676	4,887	4,653	4,177	4,614	6,884	10,933	17,962	13,654	11,802	15,941	113,410	100.00%	113,410	

Appendix Table B-7
City of Hickman
2024 Water Cost of Service Study
Development of Allocation Factors
Extra Capacity Factors

Rate Class	Demand Factors		Max Usage		Extra Usage		Allocation Factors	
	Pk. Day	Pk. Hr.	Day	Hour	Day	Hour	Day	Hour
Residential	1.80	3.00	527	37	234	27	92.44%	94.22%
Multi-Family	2.00	3.00	-	-	-	-	0.00%	0.00%
Commercial	2.40	3.00	43	2	25	1	7.52%	5.75%
Municipal	2.40	3.00	0	0	0	0	0.04%	0.03%
Tank Truck	2.50	3.50	-	-	-	-	0.00%	0.00%
Fire Hydrants	4.00	6.00	-	-	-	-	0.00%	0.00%
Private Fire Protection Service	5.00	8.00	-	-	-	-	0.00%	0.00%
Total			570	39	259	28	100.00%	100.00%

Appendix Table B-8
City of Hickman
2024 Water Cost of Service Study
Development of Allocation Factors
Number of Customers

Rate Class	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Annual Average
Residential	997	1,006	1,013	1,015	1,013	1,021	1,037	1,031	1,043	1,038	1,038	1,052	1,025
Multi-Family	-	-	-	-	-	-	-	-	-	-	-	-	-
Commercial	42	42	43	41	41	42	42	42	43	43	43	43	42
Municipal	2	2	2	2	2	2	2	2	2	2	2	2	2
Tank Truck	-	-	-	-	-	-	-	-	-	-	-	-	-
Fire Hydrants	-	-	-	-	-	-	-	-	-	-	-	-	-
Private Fire Protection Service	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Number of Customers	1,041	1,050	1,058	1,058	1,056	1,065	1,081	1,075	1,088	1,083	1,083	1,097	1,070

Appendix Table B-9
City of Hickman
2024 Water Cost of Service Study
Development of Allocation Factors
Weighted Number of Customers and Customer Allocation Factors

Rate Class	Number of Customers	Meter Charge Weighting Factor	Weighted Meters	Allocated Customers	Allocated Customers Excluding Fire
Residential	1,025.33	1.00	1,025.33	92.18%	92.18%
Multi-Family	-	1.00	-	0.00%	0.00%
Commercial	42.25	2.00	84.50	7.60%	7.60%
Municipal	2.00	1.25	2.50	0.22%	0.22%
Tank Truck	-	5.33	-	0.00%	0.00%
Fire Hydrants	-	16.67	-	0.00%	0.00%
Private Fire Protection Service	-	33.33	-	0.00%	0.00%
Total Number of Weighted Customers	1,069.58		1,112.33	100.00%	1.00

Appendix Table B-10
City of Hickman
2024 Water Cost of Service Study
Revenue - Existing Rates

Rate Class	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Annual Total
Residential	69,389	43,709	40,332	39,765	38,386	39,329	47,780	64,083	96,899	74,428	66,674	87,270	708,044
Multi-Family	-	-	-	-	-	-	-	-	-	-	-	-	-
Commercial	5,093	2,888	2,967	2,929	3,012	3,601	3,293	4,601	6,333	6,073	5,505	6,308	52,604
Municipal	79	79	77	74	77	77	77	84	89	87	89	89	980
Tank Truck	-	-	-	-	-	-	-	-	-	-	-	-	-
Fire Hydrants	-	-	-	-	-	-	-	-	-	-	-	-	-
Private Fire Protection Service	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue	74,562	46,676	43,376	42,768	41,475	43,007	51,150	68,769	103,322	80,588	72,268	93,668	761,629

Appendix Table B-11
City of Hickman
2024 Water Cost of Service Study
Revenue - Proposed Rates

Rate Class	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Annual Average
Residential	73,553	46,331	42,752	42,150	40,689	41,689	50,646	67,928	102,713	78,894	70,674	92,506	750,527
Multi-Family	-	-	-	-	-	-	-	-	-	-	-	-	-
Commercial	5,398	3,062	3,145	3,105	3,193	3,817	3,491	4,877	6,713	6,437	5,835	6,687	55,761
Municipal	84	84	82	79	82	82	82	89	95	92	95	95	1,039
Tank Truck	-	-	-	-	-	-	-	-	-	-	-	-	-
Fire Hydrants	-	-	-	-	-	-	-	-	-	-	-	-	-
Private Fire Protection Service	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue	79,035	49,477	45,979	45,334	43,963	45,588	54,219	72,895	109,521	85,423	76,604	99,288	807,326

Appendix Table B-12
City of Hickman
2024 Water Cost of Service Study
Revenue - Proposed Rates - Year Two

Rate Class	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Annual Average
Residential	77,966	49,111	45,317	44,679	43,130	44,190	53,685	72,004	108,876	83,628	74,915	98,057	795,558
Multi-Family	-	-	-	-	-	-	-	-	-	-	-	-	-
Commercial	5,722	3,245	3,334	3,291	3,385	4,047	3,700	5,170	7,116	6,823	6,185	7,088	59,106
Municipal	89	89	86	84	86	86	86	95	100	98	100	100	1,101
Tank Truck	-	-	-	-	-	-	-	-	-	-	-	-	-
Fire Hydrants	-	-	-	-	-	-	-	-	-	-	-	-	-
Private Fire Protection Service	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue	83,777	52,446	48,738	48,054	46,601	48,323	57,472	77,269	116,092	90,548	81,200	105,245	855,766

Appendix Table B-13
City of Hickman
2024 Water Cost of Service Study
Development of Allocation Factors

Line	Rate Class	Extra Capacity			Customer	Base Excluding Rulo/WTP	Customer excluding Fire	Hydrants - Fire Prot	COS Excl. Other
		Base	Max Day	Hour					
1	Residential	94.22%	92.44%	94.22%	92.18%	94.22%	92.18%	0.00%	93.22%
2	Multi-Family	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
3	Commercial	5.75%	7.52%	5.75%	7.60%	5.75%	7.60%	0.00%	6.70%
4	Municipal	0.03%	0.04%	0.03%	0.22%	0.03%	0.22%	0.00%	0.08%
5	Tank Truck	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6	Fire Hydrants	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
7	Private Fire Protection Service	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8	Total	100.00%	100.00%	100.00%	100.00%		100.00%	100.00%	100.00%

Appendix C – Revenue Calculation Worksheets

Appendix Table C-1
City of Hickman
2024 Water Cost of Service Study
Calculation of Revenue from Existing Rates
Residential

Rates	
Minimum Bill	\$ -
Customer Charge	\$ 27.60
Usage Rate	\$/1000 gal
First 10,000 gal	2.50
Next 10,000 gal	4.50
Excess	6.50

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Total
Number of Customers	997	1,006	1,013	1,015	1,013	1,021	1,037	1,031	1,043	1,038	1,038	1,052	1,025
Water Usage (gal)													
First 10000 gal	6,797	4,534	4,294	4,077	3,646	3,988	5,422	6,657	8,237	7,590	7,025	7,748	70,015
Next 10000 gal	3,027	465	133	144	85	109	770	2,513	5,009	3,566	2,863	4,338	23,022
Excess	1,732	387	160	140	143	106	329	1,181	3,843	1,655	1,166	2,976	13,818
Total Water Usage	11,556	5,386	4,587	4,361	3,874	4,203	6,521	10,351	17,089	12,811	11,054	15,062	106,855
Revenue													
Minimum Bill	-	-	-	-	-	-	-	-	-	-	-	-	-
Customer Charges	27,517	27,766	27,959	28,014	27,959	28,180	28,621	28,456	28,787	28,649	28,649	29,035	339,590
Usage Charges													
First 10000 gal	16,993	11,335	10,735	10,193	9,115	9,970	13,555	16,643	20,593	18,975	17,563	19,370	175,038
Next 10000 gal	13,622	2,093	599	648	383	491	3,465	11,309	22,541	16,047	12,884	19,521	
Excess	11,258	2,516	1,040	910	930	689	2,139	7,677	24,980	10,758	7,579	19,344	89,817
Total Usage Charges	41,872	15,943	12,374	11,751	10,427	11,150	19,159	35,628	68,113	45,780	38,025	58,235	264,855
Total Revenues	69,389	43,709	40,332	39,765	38,386	39,329	47,780	64,083	96,899	74,428	66,674	87,270	708,044
Total Revenues (including discounts)	69,389	43,709	40,332	39,765	38,386	39,329	47,780	64,083	96,899	74,428	66,674	87,270	708,044

Appendix Table C-2
City of Hickman
2024 Water Cost of Service Study
Calculation of Revenue from Proposed Rates
Residential

Rates	
Minimum Bill	\$ -
Customer Charge	\$ 29.26
Usage	\$/1000 gal
First 10,000 gal	2.65
Next 10,000 gal	4.77
Excess	6.89

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Total
Number of Customers	997	1,006	1,013	1,015	1,013	1,021	1,037	1,031	1,043	1,038	1,038	1,052	1,025
Usage by Block													
First 10000 gal	6,797	4,534	4,294	4,077	3,646	3,988	5,422	6,657	8,237	7,590	7,025	7,748	70,015
Next 10000 gal	3,027	465	133	144	85	109	770	2,513	5,009	3,566	2,863	4,338	23,022
Excess	1,732	387	160	140	143	106	329	1,181	3,843	1,655	1,166	2,976	13,818
Total Usage gal	11,556	5,386	4,587	4,361	3,874	4,203	6,521	10,351	17,089	12,811	11,054	15,062	106,855
Revenue													
Minimum Bill	-	-	-	-	-	-	-	-	-	-	-	-	-
Customer Charges	29,168	29,432	29,636	29,695	29,636	29,870	30,338	30,163	30,514	30,368	30,368	30,777	359,966
Load Management Credit	-	-	-	-	-	-	-	-	-	-	-	-	-
Usage Charges													
First 10000 gal	18,012	12,015	11,379	10,804	9,662	10,568	14,368	17,641	21,828	20,114	18,616	20,532	185,540
Next 10000 gal	14,439	2,218	634	687	405	520	3,673	11,987	23,893	17,010	13,657	20,692	
Excess	11,933	2,666	1,102	965	985	730	2,267	8,137	26,478	11,403	8,034	20,505	95,206
Total Usage Charges	44,384	16,900	13,116	12,456	11,053	11,818	20,308	37,765	72,199	48,526	40,307	61,729	280,746
Total Revenues	73,553	46,331	42,752	42,150	40,689	41,689	50,646	67,928	102,713	78,894	70,674	92,506	750,527
Total Revenues (including discounts)	73,553	46,331	42,752	42,150	40,689	41,689	50,646	67,928	102,713	78,894	70,674	92,506	750,527
													Rate Increase / (Decrease)
													6.00%

Appendix Table C-3
City of Hickman
2024 Water Cost of Service Study
Calculation of Revenue from Proposed Rates
Residential

Rates	
Minimum Bill	\$ -
Customer Charge	\$ 31.01
Usage	\$/1000 gal
First 10000 gal	2.81
Next 10000 gal	5.06
Excess	7.30

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Total
Number of Customers	997	1,006	1,013	1,015	1,013	1,021	1,037	1,031	1,043	1,038	1,038	1,052	1,025
Usage by Block													
First 10000 gal	6,797	4,534	4,294	4,077	3,646	3,988	5,422	6,657	8,237	7,590	7,025	7,748	70,015
Next 10000 gal	3,027	465	133	144	85	109	770	2,513	5,009	3,566	2,863	4,338	23,022
Excess	1,732	387	160	140	143	106	329	1,181	3,843	1,655	1,166	2,976	13,818
Total Usage gal	11,556	5,386	4,587	4,361	3,874	4,203	6,521	10,351	17,089	12,811	11,054	15,062	106,855
Revenue													
Minimum Bill	-	-	-	-	-	-	-	-	-	-	-	-	-
Customer Charges	30,918	31,197	31,415	31,477	31,415	31,663	32,159	31,973	32,345	32,190	32,190	32,624	381,564
Usage Charges													
First 10000 gal	19,093	12,736	12,062	11,452	10,242	11,202	15,230	18,700	23,138	21,320	19,733	21,764	196,672
Next 10000 gal	15,305	2,351	672	728	430	551	3,893	12,706	25,327	18,030	14,476	21,934	
Excess	12,649	2,826	1,169	1,022	1,044	774	2,403	8,625	28,067	12,087	8,516	21,735	100,918
Total Usage Charges	47,047	17,914	13,903	13,203	11,716	12,528	21,526	40,031	76,531	51,438	42,725	65,433	297,591
Total Revenues	77,966	49,111	45,317	44,679	43,130	44,190	53,685	72,004	108,876	83,628	74,915	98,057	795,558
Total Revenues (including discounts)	77,966	49,111	45,317	44,679	43,130	44,190	53,685	72,004	108,876	83,628	74,915	98,057	795,558
													Rate Increase / (Decrease)
													6.00%

Appendix Table C-5
City of Hickman
2024 Water Cost of Service Study
Calculation of Revenue from Proposed Rates
Multi-Family

Rates		
Minimum Bill		\$ -
Customer Charge		
<2"		\$ 29.15
3"		\$ 57.77
4"		\$ 84.27
6"		\$ 269.77
Usage		\$/1000 gal
First	10000 gal	2.65
Next	10000 gal	4.77
Excess		6.89

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Total
Number of Customers	-	-	-	-	-	-	-	-	-	-	-	-	-
Usage by Block													
First 10000 gal	-	-	-	-	-	-	-	-	-	-	-	-	-
Next 10000 gal	-	-	-	-	-	-	-	-	-	-	-	-	-
Excess	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Usage gal	-	-	-	-	-	-	-	-	-	-	-	-	-
Revenue													
Minimum Bill	-	-	-	-	-	-	-	-	-	-	-	-	-
Customer Charges	-	-	-	-	-	-	-	-	-	-	-	-	-
Usage Charges													
First 10000 gal	-	-	-	-	-	-	-	-	-	-	-	-	-
Next 10000 gal	-	-	-	-	-	-	-	-	-	-	-	-	-
Excess	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Usage Charges	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenues	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenues (including discounts)	-	-	-	-	-	-	-	-	-	-	-	-	-

Rate Increase / (Decrease)

#DIV/0!

Appendix Table C-6
City of Hickman
2024 Water Cost of Service Study
Calculation of Revenue from Proposed Rates
Multi-Family

Rates	
Minimum Bill	\$ -
Customer Charge	
<2"	\$ 30.90
3"	\$ 61.24
4"	\$ 89.33
6"	\$ 285.96
Usage	\$/1000 gal
First 10000 gal	2.81
Next 10000 gal	5.06
Excess	7.30

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Total
Number of Customers	-	-	-	-	-	-	-	-	-	-	-	-	-
Usage by Block													
First 10000 gal	-	-	-	-	-	-	-	-	-	-	-	-	-
Next 10000 gal	-	-	-	-	-	-	-	-	-	-	-	-	-
Excess	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Usage gal	-	-	-	-	-	-	-	-	-	-	-	-	-
Revenue													
Minimum Bill	-	-	-	-	-	-	-	-	-	-	-	-	-
Customer Charges	-	-	-	-	-	-	-	-	-	-	-	-	-
Usage Charges													
First 10000 gal	-	-	-	-	-	-	-	-	-	-	-	-	-
Next 10000 gal	-	-	-	-	-	-	-	-	-	-	-	-	-
Excess	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Usage Charges	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenues	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenues (including discounts)	-	-	-	-	-	-	-	-	-	-	-	-	-

Rate Increase / (Decrease)

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**Appendix Table C-7
City of Hickman
2024 Water Cost of Service Study
Calculation of Revenue from Existing Rates
Commercial**

Rates		
Minimum Bill		
Customer Charge	\$	37.20
Usage Rate		
	\$/1000 gal	
First	10000 gal	2.50
Next	10000 gal	4.50
Excess		6.50

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Total
Number of Customers	42	42	43	41	41	42	42	42	43	43	43	43	42
Water Usage (gal)													
First 10000 gal	155	112	119	103	99	125	125	142	165	183	174	182	1,684
Next 10000 gal	99	49	50	41	40	63	61	75	121	121	111	119	950
Excess	415	127	130	148	163	222	176	361	581	534	457	572	3,886
Total Water Usage	669	288	299	292	302	410	362	578	867	838	742	873	6,520
Revenue													
Minimum Bill	-	-	-	-	-	-	-	-	-	-	-	-	-
Customer Charges	1,562	1,562	1,600	1,525	1,525	1,562	1,562	1,562	1,600	1,600	1,600	1,600	18,860
Usage Charges													
First 10000 gal	388	280	298	258	248	313	313	355	413	458	435	455	4,210
Next 10000 gal	446	221	225	185	180	284	275	338	545	545	500	536	4,275
Excess	2,698	826	845	962	1,060	1,443	1,144	2,347	3,777	3,471	2,971	3,718	25,259
Total Usage Charges	3,531	1,326	1,368	1,404	1,487	2,039	1,731	3,039	4,734	4,473	3,905	4,709	33,744
Total Revenues	5,093	2,888	2,967	2,929	3,012	3,601	3,293	4,601	6,333	6,073	5,505	6,308	52,604
Total Revenues (including discounts)	5,093	2,888	2,967	2,929	3,012	3,601	3,293	4,601	6,333	6,073	5,505	6,308	52,604

Appendix Table C-8
City of Hickman
2024 Water Cost of Service Study
Calculation of Revenue from Proposed Rates
Commercial

Rates		
Minimum Bill		\$ -
Customer Charge		\$ 39.43
Usage		\$/1000 gal
First	10000 gal	2.65
Next	10000 gal	4.77
Excess		6.89

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Total
Number of Customers	42	42	43	41	41	42	42	42	43	43	43	43	42
Usage by Block													
First 10000 gal	155	112	119	103	99	125	125	142	165	183	174	182	1,684
Next 10000 gal	99	49	50	41	40	63	61	75	121	121	111	119	950
Excess	415	127	130	148	163	222	176	361	581	534	457	572	3,886
Total Usage gal	669	288	299	292	302	410	362	578	867	838	742	873	6,520
Revenue													
Minimum Bill	-	-	-	-	-	-	-	-	-	-	-	-	-
Customer Charges	1,656	1,656	1,696	1,617	1,617	1,656	1,656	1,656	1,696	1,696	1,696	1,696	19,992
Usage Charges													
First 10000 gal	411	297	315	273	262	331	331	376	437	485	461	482	4,463
Next 10000 gal	472	234	239	196	191	301	291	358	577	577	529	568	4,532
Excess	2,859	875	896	1,020	1,123	1,530	1,213	2,487	4,003	3,679	3,149	3,941	26,775
Total Usage Charges	3,742	1,406	1,450	1,488	1,576	2,161	1,835	3,221	5,018	4,741	4,139	4,991	35,769
Total Revenues	5,398	3,062	3,145	3,105	3,193	3,817	3,491	4,877	6,713	6,437	5,835	6,687	55,761
Total Revenues (including discounts)	5,398	3,062	3,145	3,105	3,193	3,817	3,491	4,877	6,713	6,437	5,835	6,687	55,761
													Rate Increase / (Decrease)
													6.00%

Appendix Table C-9
City of Hickman
2024 Water Cost of Service Study
Calculation of Revenue from Proposed Rates
Commercial

Rates	
Minimum Bill	\$ -
Customer Charge	\$ 41.80
Load Management Credit	
Usage	\$/100 gal
First 10000 gal	2.81
Next 10000 gal	5.06
Excess	7.30

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Total
Number of Customers	42	42	43	41	41	42	42	42	43	43	43	43	42
Usage by Block													
First 10000 gal	155	112	119	103	99	125	125	142	165	183	174	182	1,684
Next 10000 gal	99	49	50	41	40	63	61	75	121	121	111	119	950
Excess	415	127	130	148	163	222	176	361	581	534	457	572	3,886
Total Usage gal	669	288	299	292	302	410	362	578	867	838	742	873	6,520
Revenue													
Minimum Bill	-	-	-	-	-	-	-	-	1,797	1,797	1,797	1,797	7,189
Customer Charges	1,756	1,756	1,797	1,714	1,714	1,756	1,756	1,756	1,797	1,797	1,797	1,797	21,192
Usage Charges													
First 10000 gal	435	315	334	289	278	351	351	399	463	514	489	511	4,730
Next 10000 gal	501	248	253	207	202	319	308	379	612	612	561	602	
Excess	3,031	928	949	1,081	1,190	1,621	1,285	2,637	4,243	3,900	3,338	4,178	28,381
Total Usage Charges	3,967	1,490	1,537	1,578	1,671	2,291	1,945	3,415	5,319	5,026	4,388	5,290	33,111
Total Revenues	5,722	3,245	3,334	3,291	3,385	4,047	3,700	5,170	7,116	6,823	6,185	7,088	59,106
Total Revenues (including discounts)	5,722	3,245	3,334	3,291	3,385	4,047	3,700	5,170	7,116	6,823	6,185	7,088	59,106
													Rate Increase / (Decrease)
													6.00%

Appendix Table C-10
City of Hickman
2024 Water Cost of Service Study
Calculation of Revenue from Existing Rates
Municipal

Rates		
Minimum Bill		
Customer Charge		\$ 37.20
Usage Rate		\$/1000 gal
First	10000 gal	2.50
Next	10000 gal	4.50
Excess		6.50

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Total
Number of Customers	2	2	2	2	2	2	2	2	2	2	2	2	2
Water Usage (gal)													
First 10000 gal	2	2	1	-	1	1	1	4	6	5	6	6	35
Next 10000 gal	-	-	-	-	-	-	-	-	-	-	-	-	-
Excess	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Water Usage	2	2	1	-	1	1	1	4	6	5	6	6	35
Revenue													
Minimum Bill	-	-	-	-	-	-	-	-	-	-	-	-	-
Customer Charges	74	74	74	74	74	74	74	74	74	74	74	74	893
Usage Charges													
First 10000 gal	5	5	3	-	3	3	3	10	15	13	15	15	88
Next 10000 gal	-	-	-	-	-	-	-	-	-	-	-	-	-
Excess	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Usage Charges	5	5	3	-	3	3	3	10	15	13	15	15	88
Total Revenues	79	79	77	74	77	77	77	84	89	87	89	89	980
Total Revenues (including discounts)	79	79	77	74	77	77	77	84	89	87	89	89	980

Appendix Table C-11
City of Hickman
2024 Water Cost of Service Study
Calculation of Revenue from Proposed Rates
Municipal

Rates		
Minimum Bill		\$ -
Customer Charge		\$ 39.43
Usage		\$/1000 gal
First	10000 gal	2.65
Next	10000 gal	4.77
Excess		6.89

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Total
Number of Customers	2	2	2	2	2	2	2	2	2	2	2	2	2
Usage by Block													
First 10000 gal	2	2	1	-	1	1	1	4	6	5	6	6	35
Next 10000 gal	-	-	-	-	-	-	-	-	-	-	-	-	-
Excess	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Usage gal	2	2	1	-	1	1	1	4	6	5	6	6	35
Revenue													
Minimum Bill	-	-	-	-	-	-	-	-	-	-	-	-	-
Customer Charges	79	79	79	79	79	79	79	79	79	79	79	79	946
Usage Charges													
First 10000 gal	5	5	3	-	3	3	3	11	16	13	16	16	93
Next 10000 gal	-	-	-	-	-	-	-	-	-	-	-	-	-
Excess	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Usage Charges	5	5	3	-	3	3	3	11	16	13	16	16	93
Total Revenues	84	84	82	79	82	82	82	89	95	92	95	95	1,039
Discount	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenues (including discounts)	84	84	82	79	82	82	82	89	95	92	95	95	1,039

Rate Increase / (Decrease)

6.00%

Appendix Table C-12
City of Hickman
2024 Water Cost of Service Study
Calculation of Revenue from Proposed Rates
Municipal

Rates		
Minimum Bill		\$ -
Customer Charge		\$ 41.80
Usage		\$/1000 gal
First	10000 gal	2.81
Next	10000 gal	5.06
Excess		7.30

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Total
Number of Customers	2	2	2	2	2	2	2	2	2	2	2	2	2
Usage by Block													
First 10000 gal	2	2	1	-	1	1	1	4	6	5	6	6	35
Next 10000 gal	-	-	-	-	-	-	-	-	-	-	-	-	-
Excess	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Usage gal	2	2	1	-	1	1	1	4	6	5	6	6	35
Revenue													
Minimum Bill	-	-	-	-	-	-	-	-	-	-	-	-	-
Customer Charges	84	84	84	84	84	84	84	84	84	84	84	84	1,003
Usage Charges													
First 10000 gal	6	6	3	-	3	3	3	11	17	14	17	17	98
Next 10000 gal	-	-	-	-	-	-	-	-	-	-	-	-	-
Excess	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Usage Charges	6	6	3	-	3	3	3	11	17	14	17	17	98
Total Revenues	89	89	86	84	86	86	86	95	100	98	100	100	1,101
Discount	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenues (including discounts)	89	89	86	84	86	86	86	95	100	98	100	100	1,101
													Rate Increase / (Decrease)
													6.00%

Appendix Table C-14
City of Hickman
2024 Water Cost of Service Study
Calculation of Revenue from Proposed Rates
Tank Truck

Rates	
Minimum Bill	\$ -
Customer Charge	\$ -
Usage	\$/1000 gal
First 1000 gal	47.70
Excess	5.30

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Total
Number of Customers	-	-	-	-	-	-	-	-	-	-	-	-	-
Usage by Block													
First 1000 gal	-	-	-	-	-	-	-	-	-	-	-	-	-
Excess	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Usage gal	-	-	-	-	-	-	-	-	-	-	-	-	-
Revenue													
Minimum Bill	-	-	-	-	-	-	-	-	-	-	-	-	-
Customer Charges	-	-	-	-	-	-	-	-	-	-	-	-	-
Usage Charges													
First 1000 gal	-	-	-	-	-	-	-	-	-	-	-	-	-
Excess	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Usage Charges	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenues	-	-	-	-	-	-	-	-	-	-	-	-	-
Discount	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenues (including discounts)	-	-	-	-	-	-	-	-	-	-	-	-	-

Rate Increase / (Decrease)

#DIV/0!

Appendix Table C-15
City of Hickman
2024 Water Cost of Service Study
Calculation of Revenue from Proposed Rates
Tank Truck

Rates	
Minimum Bill	\$ -
Customer Charge	\$ -
Usage	\$/1000 gal
First 1000 gal	50.56
Excess	5.62

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Total
Number of Customers	-	-	-	-	-	-	-	-	-	-	-	-	-
Usage by Block													
First 1000 gal	-	-	-	-	-	-	-	-	-	-	-	-	-
Excess	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Usage gal	-	-	-	-	-	-	-	-	-	-	-	-	-
Revenue													
Minimum Bill	-	-	-	-	-	-	-	-	-	-	-	-	-
Customer Charges	-	-	-	-	-	-	-	-	-	-	-	-	-
Usage Charges													
First 1000 gal	-	-	-	-	-	-	-	-	-	-	-	-	-
Excess	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Usage Charges	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenues	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenues (including discounts)	-	-	-	-	-	-	-	-	-	-	-	-	-

Rate Increase / (Decrease)

#DIV/0!

ORDINANCE NO. 2025-05

AN ORDINANCE TO ESTABLISH CHARGES AND FEES FOR USE OF THE CITY SEWER SYSTEM PER §7-321 OF THE MUNICIPAL CODE OF HICKMAN, NEBRASKA; TO CHANGE RESIDENTIAL, COMMERCIAL AND INDUSTRIAL CUSTOMER BASE AND USAGE RATES FOR SEWER SERVICE; TO REPEAL ORDINANCE 2022-18; AND TO PROVIDE FOR THE EFFECTIVE DATE HEREOF AND ORDERING THE PUBLICATION OF THE ORDINANCE IN PAMPHLET FORM.

BE IT ORDAINED BY THE MEMBERS OF THE GOVERNING BODY OF THE CITY OF HICKMAN, NEBRASKA:

Section 1. Charges and Fees for Sewer Use by Customers of the City Sewer Department per Section 7-321 of the Municipal Code of the City of Hickman be as follows:

MUNICIPAL SEWER DEPARTMENT; RATE SETTING: Customers of Municipal Sewer Department shall be charged a base rate and a rate based on metered water usage for the use of sewer service. Rates shall be set by ordinance of the Governing Body:

A. Residential Rates

1. Base Rate. Each customer shall be charged a Base Rate per month per sewer hook-up.
2. Monthly Rate Based on Water Usage. The monthly rate based on metered water usage per one thousand (1,000) gallons, or any portion thereof, during the Base Period by the customer.
3. Minimum Bill. The Minimum Bill shall be the Base Rate.

Rates:

Effective Date:	<u>April 1, 2025</u>	<u>April 1, 2026</u>
Base Rate	\$50.30	\$52.81
Water Usage Rate	<u>\$/1000 gal.</u> \$3.68	<u>\$/1000 gal.</u> \$3.86

B. Multi-Family Rate

1. The Multi-Family rate shall be applicable in cases where more than one residential dwelling is served by a single meter.

2. Base Rate. A Base Rate shall be charged per month based on customer meter size.
3. Monthly Rate Based on Water Usage. The monthly rate based on metered water usage per one thousand (1,000) gallons, or any portion thereof, during the Base Period by the customer.
4. Minimum Bill. The Minimum Bill shall be the Base Rate.

Rates:

Effective Date:	<u>April 1, 2025</u>	<u>April 1, 2026</u>
Base Rate, per water meter size		
Less than 2"	\$50.30	\$52.81
3"	\$75.92	\$79.71
4"	\$96.92	\$101.76
6"	\$280.67	\$294.70
Water Usage Rate	<u>\$/1000 gal.</u>	<u>\$/1000 gal.</u>
	\$3.68	\$3.86

C. Commercial and Municipal Use

1. Base Rate. Each customer shall be charged a Base Rate per month per sewer hook-up.
2. Monthly Rate Based on Water Use. The monthly rate based on metered water usage per one thousand (1,000) gallons, or any portion thereof, during the Base Period by the customer.
3. Minimum Bill. The Minimum Bill shall be the Base Rate.

Rates:

Effective Date:	<u>April 1, 2025</u>	<u>April 1, 2026</u>
Base Rate	\$70.25	\$73.76
Water Usage Rate	<u>\$/1000 gal.</u>	<u>\$/1000 gal.</u>
	\$3.31	\$3.47

D. Base Period Definition

1. For Residential users (including Multi-Family) and non-profit education, charitable, religious, or service organization users, the metered water used during the Base Period is December 20 through March 20 and will be determined by calculating the

average monthly metered water usage for the period; or if a recording of such monthly water billing period is not available, the monthly rate shall be calculated on the basis of five thousand (5,000) gallons metered water use until the date of the above monthly water billing period is available.

2. For Commercial users, the Base Period usage will be the last preceding monthly water billing period.

E. Lift Station/Pumping Rates

1. The Lift Station/Pumping rate shall be applicable in cases where more than one customer is served by a single meter and non-municipal water is being discharged into the municipal sewer system.
2. Base Rate. A Base Rate shall be charged per month based on customer meter size.
3. Monthly Rate Based on Water Outflows. The monthly rate based on metered water discharge per one thousand (1,000) gallons, or any portion thereof.

Rates:

Effective Date:	<u>April 1, 2025</u>	<u>April 1, 2026</u>
Base Rate, per water meter size		
Less than 2"	\$50.30	\$52.81
3"	\$75.92	\$79.71
4"	\$96.92	\$101.76
6"	\$280.67	\$294.70
 Water Usage Rate	 <u>\$/1000 gal.</u>	 <u>\$/1000 gal.</u>
	\$4.46	\$4.69

- F. When the billing period of a customer's first or final bill is less than thirty (30) days in length, the applicable monthly base rate above, on the customer's first or final bill, shall be prorated based on the number of days service is provided divided by thirty (30) days.

Section 2. That Ordinance 2022-18 of Hickman, Nebraska, is hereby repealed.

Section 3. This ordinance will become effective and operative with the first billing date occurring on or after April 1, 2025.

Section 4. This ordinance will be in full force and effect from and after its passage, approval, and publication or posting in pamphlet form as required by law.

PASSED AND APPROVED THIS _____ day of _____, 2025.

Phil Goering, Mayor

ATTEST:

Michele Lincoln, CMC
City Clerk

(SEAL)

FY 2024 Cost of Service / Rate Design Study

City of Hickman Wastewater Utility

Final Report

September 25, 2024

JKEC

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Table of Contents

Executive Summary	2
Purpose and Approach.....	3
Background	3
Projected Financial Results.....	4
Cost of Service	9
Rate Design	12
Conclusions.....	14
Recommendations	14
Appendix A - Rate Ordinance	
Appendix B - Cost of Service Worksheets	
Appendix C - Revenue Calculation Worksheets	

Executive Summary

This study was prepared by JK Energy Consulting, LLC (JKEC) for the City of Hickman and its wastewater Utility (Utility). The purpose of the study was to review the Utility's revenues and expenses and ensure sewer rates are adequate to pay for projected expenses.

Based on the analysis completed, existing rates do not collect sufficient revenue to cover projected expenses in fiscal year (FY) 2024 through FY 2027. Projected retail revenues for FY 2024 were approximately \$820,000, while projected test year expenses were approximately \$862,000 (see Table 6, Line 6). This indicates a rate increase of 5% would be necessary in FY 2024 to ensure sufficient revenue to cover projected expenses (see Table 6, Line 16).

The proposed rate plan includes two rate increases of 5% for FY 2025 and FY 2026 (see Table 3, Line 20). Implementing 5% rate increases in FY 2025 and FY 2026 should provide adequate revenue to cover projected operating expenses, debt service costs and the cost of capital improvements not being funded from issuing new debt. Rate increases beyond FY 2026 will be dependent on future expenses and the cost of capital improvements.

The cost of service analysis was completed to assess the amount that each rate class should be paying compared to the revenue that is being collected from existing rates. The cost of service indicated that all rate classes were paying less than the cost of service. The indicated rate increases varied between 4.8% and 8.6%, depending on the rate class and usage profile (see Table 6).

The purpose of rate design is to develop rates that reflect the cost of service and accomplish other goals established by the Utility. Based on the cost of service results, it was proposed to implement the rate change by increasing all rate components a similar percentage. The proposed rates would increase the average monthly residential sewer bill from \$62.26 under existing rates to \$65.37 in FY 2025, or approximately \$3.11 (see Table 7, Line 1). In FY 2026, the average residential sewer bill would increase by \$3.27 per month. The Utility's sewer rate tends to be higher than its peer group (see Table 10); however, the Utility has been proactive with regard to funding needed capital improvements and ensuring that the sewer system is capable of serving future growth. In addition, there are multiple factors affecting rates that are outside the control of the City, including geography and customer base characteristics.

Conclusions

The following conclusions were reached, based on the information provided and analyses completed:

1. The projected test year budget for FY 2024 was approximately \$862,000.

2. Projected revenues from existing rates are approximately \$820,000 for FY 2024.
3. Existing rates would need to increase by approximately \$41,000, or 5%, to provide sufficient revenue to pay projected FY 2024 test year expenses.
4. Existing rates would need to increase an additional 5% in FY 2026 to ensure adequate revenue to cover projected operating costs, debt service and capital improvements through FY 2027.

Recommendations

The following recommendations were developed based on the analyses completed and conclusions reached:

1. Sewer rates should be increased 5% on October 1, 2024 (for FY 2025) and 5% on October 1, 2025 (for FY 2026). The rate ordinance included in Appendix A implements these rate increases.
2. The Utility should evaluate its rates prior to FY 2027 or if there are any significant changes to the system, including load growth, capital improvements or operating expense increases.

Purpose and Approach

The purpose of this study was to review the sewer rates charged by the Utility. The goal of future sewer rates was to collect sufficient revenue to cover projected expenses and provide an adequate return on rate base.

The approach to the study involved completing several tasks. Sewer discharges (based on water sales), operating expenses, capital improvement programs, non-retail revenues, and other financial information was collected. Test year expenses for FY 2024 and future expenses through FY 2027 were projected. A rate plan was developed to meet the financial goals established by the Utility. The allocated cost of service for each rate class was calculated and compared to revenue from existing rates. The existing rate ordinance was reviewed and new rates were developed. A written report was prepared and presented to the City Council on September 24, 2024.

Background

City of Hickman – Sewer Utility

The City of Hickman operates its sewer utility, which serves customers located within Hickman and in rural areas adjacent to Hickman. The Utility serves approximately 1,100 customers. The City is located south of Lincoln and has experienced higher-than-normal growth over the last several years. This growth has resulted in significant capital expenditures to add treatment capacity and expand its collection system to serve future customer growth.

Projected Financial Results

The purpose of preparing projected financial results is to compare projected revenues with expenses and determine the need for future rate increases. Projections were prepared for the period FY 2024 through FY 2027 based on information provided by the Utility.

Parameters

The following parameters were used to develop the test year budget and the projected financial results.

1. Historical and projected results were prepared based on the Utility's fiscal year (October 1 through September 30).
2. The FY 2024 sewer department budget was used as the basis for the FY 2024 test year budget.
3. Approximately \$80,000 per year in capital expenditures would be funded from ongoing revenue.
4. Operating and maintenance expenses, administrative costs, and other internal expenses were projected to increase at a rate of 3% annually.
5. Sewer billing units, based on water sales, were projected to increase 5% annually based on recent growth patterns for the City.
6. Projected financial results were presented on an "accrual basis" and "cash basis" and projected debt service coverage was calculated. Accrual basis accounting is consistent with Generally Accepted Accounting Principles (GAAP) and cash basis results were intended to reflect actual cash flow. Each approach is important for ratemaking purposes, since the Utility's rates should ensure positive cash flow, positive net income, and adequate debt service coverage.
7. The cost of service was prepared on a cash basis, including capital improvements and debt service principal payments, while excluding depreciation.
8. Existing debt service requirements were based on the outstanding debt allocated to the wastewater fund.
9. The minimum debt service coverage target was set at 1.10 (110%).
10. Depreciation expense of \$300,000 in FY 2024 and increasing 5% each year through FY 2027 was included in the accrual-based financial results.

Projected Financial Results

Table 1 (see page 6) shows projected financial results for FY 2024 through FY 2027 without any rate changes. Without a rate change, the Utility does not collect sufficient revenue throughout the study period to cover projected expenses. The projected deficit on a cash basis ranges from approximately \$148,000 in FY 2024 to \$287,000 in FY 2027.

The Utility would have positive net income on an accrual basis during the study period, ranging from approximately \$153,000 in FY 2024 to \$258,000 in FY 2027.

Table 2 (see page 7) shows the projected debt service coverage for the study period. The debt service coverage ratio appears to be insufficient in FY 2025. With future load growth, debt service coverage improves in FY 2026 and beyond to a ratio of 1.10 (110% or greater). Based on the analysis completed, maintaining adequate revenue to cover projected operating costs, debt service and capital expenditures on a cash basis as shown in Table 1 appears to be the primary driver of future rate changes.

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Table 1
City of Hickman
2024 Wastewater Cost of Service Study
Projected Financial Results
Existing Rates

Line	Description	Actual (1)		Test Year			Projected		
		2022	2023	2024	2025	2026	2027		
1	Operating Revenues								
2	Retail Sales - Existing Rates	\$ 692,748	\$ 801,774	\$ 820,401	\$ 861,421	\$ 904,493	\$ 949,717		
3	Rate Changes			-	-	-	-		
4	Other Operating Revenue	108,245	38,559	48,924	48,924	48,924	48,924		
5	Total Operating Revenue	\$ 800,993	\$ 840,333	\$ 869,325	\$ 910,345	\$ 953,417	\$ 998,641		
6	Operating Expenses								
7	Salaries & Wages	\$ 50,030	\$ 128,279	\$ 128,848	\$ 132,713	\$ 136,695	\$ 140,795		
8	Other Operating Expenses	125,234	133,301	141,449	145,692	150,063	154,565		
9	Depreciation	177,741	226,598	300,000	309,000	318,270	327,818		
10	Total Operating Expenses	\$ 353,005	\$ 488,178	\$ 570,297	\$ 587,406	\$ 605,028	\$ 623,179		
11	Operating Income - GAAP Basis	\$ 447,988	\$ 352,155	\$ 299,029	\$ 322,940	\$ 348,389	\$ 375,462		
12	Non-Operating Expense/(Revenue)								
13	Interest Income	\$ (220)	\$ (18,927)	\$ -	\$ -	\$ -	\$ -		
14	Interest Expense	63,070	56,323	145,562	132,845	125,090	116,090		
15	Debt Issuance Expense	11,438	-	-	1,834	1,629	1,422		
16	Interfund Transfers	(2,698)	(160,979)	-	-	-	-		
17	Grant Income	-	-	-	-	-	-		
18	Total Non-Operating Expense/(Revenue)	\$ 71,590	\$ (123,583)	\$ 145,562	\$ 134,679	\$ 126,719	\$ 117,512		
19	Net Income - GAAP Basis	\$ 376,398	\$ 475,738	\$ 153,467	\$ 188,260	\$ 221,670	\$ 257,951		
20	Cash Basis								
21	Net Income			\$ 153,467	\$ 188,260	\$ 221,670	\$ 257,951		
22	Plus Depreciation			300,000	309,000	318,270	327,818		
23	Less Principal			(441,718)	(449,473)	(482,529)	(472,435)		
24	Less Capital Expenditures			(80,000)	(84,000)	(88,200)	(200,000)		
25	Net Income - Cash Basis			\$ (148,252)	\$ (120,213)	\$ (118,989)	\$ (286,667)		
26	Rate Change Needed (2)			18.1%	14.0%	13.2%	30.2%		

Notes:
(1) Based on audited financial statements.

Table 2
City of Hickman
2024 Wastewater Cost of Service Study
Projected Financial Results - Debt Service Coverage
Existing Rates

Line	Description	Test Year	Projected		
		2024	2025	2026	2027
1	Retail Revenue - Existing Rates	\$ 820,401	\$ 861,421	\$ 904,493	\$ 949,717
2	Debt Service Coverage				
3	Net Revenue (1)	\$ 599,029	\$ 631,940	\$ 666,659	\$ 703,281
4	Debt Service Expense	\$ 587,281	\$ 582,318	\$ 607,619	\$ 588,525
5	Debt Service Coverage (2)	1.02	1.09	1.10	1.19
6	Revenue Increase for 1.1x Coverage	46,980	8,610	1,722	(55,903)
7	Rate Increase for 1.1x Coverage (%) (3)	5.7%	1.0%	0.2%	-5.9%

Note:

1. Operating revenue, less operating and maintenance expenses (excluding depreciation).
2. Net revenue divided by debt service expense.
3. Line 6 divided by Line 1. Represents total cumulative rate change from existing rates required.

Future Rate Changes

Tables 3 (see page 8) and 4 (see page 9) show the projected operating results with 5% rate increases in FY 2025 and FY 2026. These increases would provide sufficient revenue to cover projected operating expenses, debt service costs, and a majority of planned capital improvements. These rate increases would increase debt service coverage to 1.16 in FY 2025, 1.24 in FY 2026 and 1.35 in FY 2027, which provides flexibility to issue additional bonds in the future. The primary driver for the rate increases is not projected debt service coverage, but rather ensuring adequate revenue to maintain positive cash flow.

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Table 3
City of Hickman
2024 Wastewater Cost of Service Study
Projected Financial Results
Proposed Rates - Cash Basis

Line	Description	Test Year	Projected		
		2024	2025	2026	2027
1	Operating Revenues				
2	Retail Sales - Existing Rates	\$ 820,401	\$ 861,421	\$ 904,493	\$ 949,717
3	Rate Changes	-	41,020	88,296	92,710
4	Other Operating Revenue	48,924	48,924	48,924	48,924
5	Total Operating Revenue	\$ 869,325	\$ 951,366	\$ 1,041,712	\$ 1,091,352
6	Operating Expenses				
7	Salaries & Wages	128,848	132,713	136,695	140,795
8	Other Operating Expenses	141,449	145,692	150,063	154,565
9	Depreciation	300,000	309,000	318,270	327,818
10	Total Operating Expenses	\$ 570,297	\$ 587,406	\$ 605,028	\$ 623,179
11	Operating Income - GAAP Basis	\$ 299,029	\$ 363,960	\$ 436,684	\$ 468,173
12	Non-Operating Expense/(Revenue)				
13	Interest Income	\$ -	\$ -	\$ -	\$ -
14	Interest Expense	145,562	132,845	125,090	116,090
15	Debt Issuance Expense	-	1,834	1,629	1,422
16	Interfund Transfers	-	-	-	-
17	Grant Income	-	-	-	-
18	Total Non-Operating Expense/(Revenue)	\$ 145,562	\$ 134,679	\$ 126,719	\$ 117,512
19	Net Income - GAAP Basis	\$ 153,467	\$ 229,280	\$ 309,965	\$ 350,661
20	Rate Change	0.00%	5.00%	5.00%	0.00%
21	Cash Basis				
22	Net Income	\$ 153,467	\$ 229,280	\$ 309,965	\$ 350,661
23	Plus Depreciation	300,000	309,000	318,270	327,818
24	Less Principal	(441,718)	(449,473)	(482,529)	(472,435)
25	Less Capital Expenditures	(80,000)	(84,000)	(88,200)	(200,000)
26	Net Income - Cash Basis	\$ (68,252)	\$ 4,807	\$ 57,507	\$ 6,044

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Table 4
City of Hickman
2024 Wastewater Cost of Service Study
Projected Financial Results - Debt Service Coverage
Proposed Rates

Line	Description	Projected		
		2025	2026	2027
1	Debt Service Coverage			
2	Net Revenue (1)	\$ 672,960	\$ 754,954	\$ 795,991
3	Use of Reserves	-	-	-
4	Debt Service Expense	\$ 582,318	\$ 607,619	\$ 588,525
5	Debt Service Coverage (2)	1.16	1.24	1.35
6	Implemented Rate Change	5.00%	5.00%	0.00%

Note:

1. Operating revenue, less operating and maintenance expenses (excluding depreciation).
2. Net revenue divided by debt service expense.

Cost of Service

The purpose of the cost of service analysis is to identify the costs related to serving each class of customers. Several steps were completed to prepare the cost of service analysis. A FY 2024 test year budget was prepared based on the FY 2024 operating budget, with adjustments for known changes. Each expense item was identified and assigned to a utility function, and further classified as volume or extra capacity (peak day or peak hour), and customer related expense. This process is called “functionalization” and “classification.”

The costs related to each function were allocated to customer classes based on generally accepted cost allocation principles for municipal sewer utilities. The allocated costs were compared to revenues collected from existing rates. The comparison of the cost of service to revenue from existing rates was used as a factor in designing rates.

Test Year Budget

The FY 2024 operating budget was used as the basis for the test year budget. The purpose of preparing a test year budget is to create a scenario that is as close to “normal” operating conditions as possible, reflecting known changes for the Utility. The test year budget for FY 2024 included the following adjustments:

1. Normalized sewer discharges based on typical historical water sales.
2. Exclusion of sales tax revenues and expenses.
3. Rates would recover 5% of additional revenue to match the proposed rate plan.

The test year budget for FY 2024 was approximately \$862,000 and is summarized in Table 5. The test year budget represents the amount that needs to be collected from retail rates. It includes all operating expenses, debt service payments, capital improvements funded from rates and is reduced for revenue from interest income and other non-retail revenue. It also includes an adjustment for net margin to ensure the test year budget is 5% greater than revenues from current rates.

Table 5
City of Hickman
2024 Wastewater Cost of Service Study
Test Year Budget by Function

Line	Rate Class	Volume Related	Capacity Related	Customer Related	Total
1	Residential	\$ 489,595	\$ 211,325	\$ 97,493	\$ 798,413
3	Multi-Family	6,208	1,786	1,027	9,022
4	Commercial and Municipal Use	38,550	11,093	4,444	54,087
5	Lift Station/Pumping	-	-	-	-
6	Total	\$ 534,354	\$ 224,204	\$ 102,964	\$ 861,522
7	Percentage	62.0%	26.0%	12.0%	100.0%

Functionalization and Classification

Functionalization and classification involve assigning the expense items to function, and classifying those expenses on the basis of a reasonable allocation method. The following functions were used for the Utility:

1. Sewage collection
2. Sewage treatment
3. Customer service
4. Other (interest income, other charges)

Treatment and collection costs were split between base costs, which vary in proportion to sewer discharge, extra capacity costs, and customer costs that do not vary based on sewage volumes. Extra capacity costs vary in proportion to the amount peak discharge exceeds the average usage. Customer and metering costs include those costs associated with serving a particular customer, regardless of the customer's sewer discharges. Customer-related costs include a portion of collection expense, customer billing, meter reading, customer accounting expense and maintenance costs related to

these functions. Other expenses cannot easily be assigned to the base cost or customer cost category, including administrative expenses. These costs were split between volume-related and customer-related allocations in the cost of service analysis.

Table 5 (see page 10) summarizes the classification of test year expenses and the allocation to the various retail rate classes. Approximately \$534,000 was classified as volume-related, \$224,000 was classified as capacity related, and \$103,000 was classified as customer related expenses. Based on these classifications, 62% of the Utility's test year budget was volume-related, 26% was capacity-related, and 12% was customer-related.

Cost Allocation

The functionalized costs were allocated to the various rate classes using generally accepted methods for preparing sewer cost of service studies. There is no standard cost of service methodology that the Utility is required to follow, although there are a number of guidelines that municipal utilities typically follow to establish sewer rates. The Utility currently differentiates its rates based only on rate class and meter size, which based on the Utility's customer base is a reasonable approach.

Comparison of Revenues to Cost of Service

Revenues collected from existing rates were compared to the allocated cost of service. The purpose of this comparison was to assess the adequacy of existing rates for each rate class. This comparison can be used to assess the general magnitude of rate changes needed for each rate class and is one factor in determining the need for rate adjustments for individual rate classes.

Table 6 (see page 12) compares the revenue from existing rates to the calculated cost of service. Overall, the cost of service was 5% more than revenues from existing rates. The cost of service was 4.8% higher than existing revenues for residential customers, 7.3% higher than existing revenues for multi-family customers, and 8.6% higher than existing revenues for commercial and municipal use customers, depending on the usage profile and meter size.

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Table 6
City of Hickman
2024 Wastewater Cost of Service Study
Comparison of Cost of Service
to Revenue from Existing Rates

Line	Rate Class	Revenue Existing Rates	Cost of Service	Difference	
				\$	%
1	Residential	\$ 762,204	\$ 798,413	\$ 36,209	4.8%
2	Not Used	-	-	-	0.0%
3	Multi-Family	8,409	9,022	614	7.3%
4	Commercial and Municipal Use	49,789	54,087	4,298	8.6%
5	Lift Station/Pumping	-	-	-	0.0%
6	Total	\$ 820,401	\$ 861,522	\$ 41,120	5.0%

Rate Design

The proposed rate plan would increase rates by a cumulative total of approximately 10% through FY 2027. An across-the-board approach was used to increase the monthly customer charge and flow-based charge. Under this approach, all customers will experience a similar percentage rate increase.

The proposed rate change would increase the average monthly residential sewer bill by \$3.11 per month in FY 2025 and \$3.27 per month in FY 2026. Tables 7 and 8 (see page 13) show the proposed rate increases by rate class for FY 2025 and FY 2026.

Table 7
City of Hickman
2024 Wastewater Cost of Service Study
Proposed Rate Change by Rate Class - FY 2025

Line	Rate Class	Revenue Existing Rates	Revenue FY 2025 Rates	Difference		
				\$	Bill (1)	%
1	Residential	\$ 762,204	\$ 800,314	\$ 38,110	\$ 3.11	5.0%
3	Multi-Family	8,409	8,829	420	3.26	5.0%
4	Commercial and Municipal Use	49,789	52,279	2,489	4.46	5.0%
5	Lift Station/Pumping	-	-	-	-	0.0%
6	Total	\$ 820,401	\$ 861,421	\$ 41,020	\$ 3.17	5.0%

Note:

1. Change in average monthly bill for customers within rate class.

Table 8
City of Hickman
2024 Wastewater Cost of Service Study
Proposed Rate Change by Rate Class - FY 2026

Line	Rate Class	Revenue	Revenue	Difference		
		FY 2025 Rates	FY 2026 Rates	\$	Bill (1)	%
1	Residential	\$ 800,314	\$ 840,330	\$ 40,016	\$ 3.27	5.0%
3	Multi-Family	8,829	9,270	441	3.42	5.0%
4	Commercial and Municipal Use	52,279	54,892	2,614	4.68	5.0%
5	Lift Station/Pumping	-	-	-	-	0.0%
6	Total	\$ 861,421	\$ 904,493	\$ 43,071	\$ 3.33	5.0%

Note:

1. Change in average monthly bill for customers within rate class.

With the proposed rate increases, the Utility’s residential sewer rate in FY 2025 is higher than the identified peer group. Table 9 (see page 14) provides a comparison of existing rates for the cities of Beatrice, Lincoln, Nebraska City, Seward, and Wahoo to the recommended FY 2025 rates for Hickman. The comparisons were prepared for usage of 5,000 gallons, 7,000 gallons and 10,000 gallons. The typical monthly residential sewer bill was 4,200 gallons per customer, based on typical winter usage.

Rate comparisons do not consider factors such as geography, how pro-active a given utility is regarding capital improvement budgets, expected customer growth and differences in customer base. The rate comparison indicates the projected sewer rates are somewhat higher compared to similarly situated municipal utilities in eastern Nebraska after implementing the proposed rate changes. Other municipal utilities are experiencing similar rate pressures related to capital expenditures and compliance with environmental regulations, especially those utilities expected to experience significant growth over the next several years.

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Table 9
City of Hickman
2024 Wastewater Cost of Service Study
Typical Bill Comparison
Rate Comparisons - Proposed FY 2025 Rates

Residential			
Utility	5,000 gal	7,000 gal	10,000 gal
Beatrice (1)	\$ 27.00	\$ 33.00	\$ 42.00
Hickman (2)	\$ 68.67	\$ 76.02	\$ 87.05
Lincoln (3)	\$ 25.66	\$ 32.34	\$ 42.35
Nebraska City (4)	\$ 39.37	\$ 45.52	\$ 54.74
Seward (5)	\$ 59.75	\$ 71.10	\$ 88.11
Wahoo (6)	\$ 41.99	\$ 48.69	\$ 58.74

1. Rates effective October 2021.
2. Proposed rates, effective FY 2025.
3. Rates from City of Lincoln website as of August 15, 2024.
4. Rates effective March 1, 2019.
5. Rates effective October 2023.
6. Rates effective February 2024.

Conclusions

The following conclusions were reached, based on the information provided and analyses completed:

1. The projected test year budget for FY 2024 was approximately \$862,000.
2. Projected revenues from existing rates are approximately \$820,000 for FY 2024.
3. Existing rates would need to increase by approximately \$41,000, or 5%, to provide sufficient revenue to pay projected FY 2024 test year expenses.
4. Existing rates would need to increase an additional 5% in FY 2026 to ensure adequate revenue to cover projected operating costs, debt service and capital improvements through FY 2027.

Recommendations

The following recommendations were developed based on the analyses completed and conclusions reached:

1. Sewer rates should be increased 5% on October 1, 2024 (for FY 2025) and 5% on October 1, 2025 (for FY 2026). The rate ordinance included in Appendix A implements these rate increases.

2. The Utility should evaluate its rates prior to FY 2027 or if there are any significant changes to the system, including load growth, capital improvements or operating expense increases.

Appendix A – Rate Ordinance

ORDINANCE NO. 2024-_____

AN ORDINANCE TO ESTABLISH CHARGES AND FEES FOR USE OF THE CITY SEWER SYSTEM PER §7-321 OF THE MUNICIPAL CODE OF HICKMAN, NEBRASKA; TO CHANGE RESIDENTIAL, COMMERCIAL AND INDUSTRIAL CUSTOMER BASE AND USAGE RATES FOR SEWER SERVICE; TO REPEAL ORDINANCE 2022-18; AND TO PROVIDE FOR THE EFFECTIVE DATE HEREOF AND ORDERING THE PUBLICATION OF THE ORDINANCE IN PAMPHLET FORM.

BE IT ORDAINED BY THE MEMBERS OF THE GOVERNING BODY OF THE CITY OF HICKMAN, NEBRASKA:

Section 1. Charges and Fees for Sewer Use by Customers of the City Sewer Department per Section 7-321 of the Municipal Code of the City of Hickman be as follows:

MUNICIPAL SEWER DEPARTMENT; RATE SETTING: Customers of Municipal Sewer Department shall be charged a base rate and a rate based on metered water usage for the use of sewer service. Rates shall be set by ordinance of the Governing Body:

A. Residential Rates

1. Base Rate. Each customer shall be charged a Base Rate per month per sewer hook-up.
2. Monthly Rate Based on Water Usage. The monthly rate based on metered water usage per one thousand (1,000) gallons, or any portion thereof, during the Base Period by the customer.
3. Minimum Bill. The Minimum Bill shall be the Base Rate.

Rates:

Effective Date:	<u>October 1, 2024</u>	<u>October 1, 2025</u>
Base Rate	\$50.30	\$52.81
Water Usage Rate	<u>\$/1000 gal.</u> \$3.68	<u>\$/1000 gal.</u> \$3.86

B. Multi-Family Rate

1. The Multi-Family rate shall be applicable in cases where more than one residential dwelling is served by a single meter.
2. Base Rate. A Base Rate shall be charged per month based on customer meter size.

3. Monthly Rate Based on Water Usage. The monthly rate based on metered water usage per one thousand (1,000) gallons, or any portion thereof, during the Base Period by the customer.
4. Minimum Bill. The Minimum Bill shall be the Base Rate.

Rates:

Effective Date:	<u>October 1, 2024</u>	<u>October 1, 2025</u>
Base Rate, per water meter size		
Less than 2"	\$50.30	\$52.81
3"	\$75.92	\$79.71
4"	\$96.92	\$101.76
6"	\$280.67	\$294.70
Water Usage Rate	<u>\$/1000 gal.</u> \$3.68	<u>\$/1000 gal.</u> \$3.86

C. Commercial and Municipal Use

1. Base Rate. Each customer shall be charged a Base Rate per month per sewer hook-up.
2. Monthly Rate Based on Water Use. The monthly rate based on metered water usage per one thousand (1,000) gallons, or any portion thereof, during the Base Period by the customer.
3. Minimum Bill. The Minimum Bill shall be the Base Rate.

Rates:

Effective Date:	<u>October 1, 2024</u>	<u>October 1, 2025</u>
Base Rate	\$70.25	\$73.76
Water Usage Rate	<u>\$/1000 gal.</u> \$3.31	<u>\$/1000 gal.</u> \$3.47

D. Base Period Definition

1. For Residential users (including Multi-Family) and non-profit education, charitable, religious, or service organization users, the metered water used during the Base Period is December 20 through March 20 and will be determined by calculating the average monthly metered water usage for the period; or if a recording of such monthly water billing period is not available, the monthly rate shall be calculated

on the basis of five thousand (5,000) gallons metered water use until the date of the above monthly water billing period is available.

2. For Commercial users, the Base Period usage will be the last preceding monthly water billing period.

E. Lift Station/Pumping Rates

1. The Lift Station/Pumping rate shall be applicable in cases where more than one customer is served by a single meter and non-municipal water is being discharged into the municipal sewer system.
2. Base Rate. A Base Rate shall be charged per month based on customer meter size.
3. Monthly Rate Based on Water Outflows. The monthly rate based on metered water discharge per one thousand (1,000) gallons, or any portion thereof.

Rates:

Effective Date:	<u>October 1, 2024</u>	<u>October 1, 2025</u>
Base Rate, per water meter size		
Less than 2"	\$50.30	\$52.81
3"	\$75.92	\$79.71
4"	\$96.92	\$101.76
6"	\$280.67	\$294.70
Water Usage Rate	<u>\$/1000 gal.</u> \$4.46	<u>\$/1000 gal.</u> \$4.69

- F. When the billing period of a customer's first or final bill is less than thirty (30) days in length, the applicable monthly base rate above, on the customer's first or final bill, shall be prorated based on the number of days service is provided divided by thirty (30) days.

Section 2. That Ordinance 2022-18 of Hickman, Nebraska, is hereby repealed.

Section 3. This ordinance will become effective and operative with the first billing date occurring on or after October 1, 2024.

Section 4. This ordinance will be in full force and effect from and after its passage, approval, and publication or posting in pamphlet form as required by law.

PASSED AND APPROVED THIS _____ day of _____, 2024.

Doug Wagner, Mayor

ATTEST:

Jaala Johnson, City Clerk

(SEAL)

Appendix B – Cost of Service Worksheets

Appendix Table B-1
City of Hickman
2024 Wastewater Cost of Service Study
Summary of Parameters for Financial Projections

Line	Category	Year				
		2024	2025	2026	2027	2028
1	Revenue Escalation					
2	Sales Growth	0.00%	0.00%	5.00%	5.00%	5.00%
3	Retail Rate Increases	0.00%	5.00%	5.00%	0.00%	0.00%
4	Non-Retail Revenue Increase	0.00%	0.00%	0.00%	0.00%	0.00%
5	Expense Escalation Rates					
6	Operation and Maintenance	3.00%	3.00%	3.00%	3.00%	3.00%
7	Capital Improvements	0.00%	5.00%	5.00%	5.00%	5.00%
8	Non-Operating Revenue	3.00%	3.00%	3.00%	3.00%	3.00%
9	Interest Income	0.00%	0.00%	0.00%	0.00%	0.00%
10	General and Administrative	2.50%	3.00%	3.00%	3.00%	3.00%
11	Transfers	3.00%	3.00%	3.00%	3.00%	3.00%
12	Total Debt Service					
13	NDEE					
14	Principal	\$ 40,868	\$ 41,073	\$ 41,279	\$ 41,485	\$41,693
15	Interest	2,039	1,834	1,629	1,422	1,214
16	Admin. Fee	2,039	1,834	1,629	1,422	1,214
17	NDEE Debt Service	\$ 44,947	\$ 44,742	\$ 44,536	\$ 44,330	\$ 44,122
18	Terrace View Project - 24%					
19	Principal	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 13,200
20	Interest	8,272	7,960	7,630	7,288	6,928
21	Terrace View Debt Service	\$ 20,272	\$ 19,960	\$ 19,630	\$ 19,288	\$ 20,128
22	Combined Utility - 51%					
23	Principal	\$ 68,850	\$ 71,400	\$ 89,250	\$ 73,950	\$ 107,100
24	Interest	11,776	10,055	8,127	5,539	3,320
25	Combined Utility Debt Service	\$ 80,626	\$ 81,455	\$ 97,377	\$ 79,489	\$ 110,420
26	GO Sewer Bonds - 100%					
27	Principal	\$ 95,000	\$ 100,000	\$ 105,000	\$ 110,000	\$ 110,000
28	Interest	110,555	106,898	103,048	99,005	94,770
29	GO Sewer Bonds Debt Service	\$ 205,555	\$ 206,898	\$ 208,048	\$ 209,005	\$ 204,770
30	GO Refund Bonds - 100%					
31	Principal	\$ 225,000	\$ 225,000	\$ 235,000	\$ 235,000	\$ 175,000
32	Interest	7,224	6,099	4,658	2,836	919
33	GO Refund Bonds Debt Service	\$ 232,224	\$ 231,099	\$ 239,658	\$ 237,836	\$ 175,919
34	TOTAL DEBT SERVICE					
35	Principal	\$ 441,718	\$ 449,473	\$ 482,529	\$ 472,435	\$ 446,993
36	Interest	139,866	132,845	125,090	116,090	107,151
37	Administrative Fee	2,039	1,834	1,629	1,422	1,214
38	TOTAL DEBT SERVICE	\$ 583,623	\$ 584,152	\$ 609,248	\$ 589,947	\$ 555,358

Appendix Table B-2
City of Hickman
2024 Wastewater Cost of Service Study
Total Budgeted Cost and Adjustments
Test Year FY 2024

Line	Budget Item	Functionalization Factor	Category for Operating Results	FY2023	Test Year	FY2024
				Est. Dollars	Adjustment	Test Year Budget
1	Operating Expenses					
2	Salaries & Wages	Treatment Allocation	Salaries & Wages	116,358	12,490	128,848
3	Consulting Services	Treatment Allocation	Professional Services	5,669	4,331	10,000
4	Schooling/Professional Development	Treatment Allocation	Schooling	1,748	252	2,000
5	Uniforms & Clothing	Treatment Allocation	Uniforms & Clothing	1,139	(139)	1,000
6	Supplies & Small Tools	Direct - Base	Operating Supplies	3,415	1,585	5,000
7	Capital Improvements	Allocation - Capital Projects	Capital Improvement	15,457	(15,457)	-
8	Insurance	Treatment Allocation	Insurance	21,569	931	22,500
9	Utilities	Treatment Allocation	Utilities	33,208	(1,477)	31,731
10	Repairs & Maintenance	Collection Allocation	Repairs & Maintenance	16,653	(1,653)	15,000
11	Testing	Collection Allocation	Testing	3,464	178	3,642
12	Printing & Publishing	Collection Allocation	Printing & Publishing	1,048	65	1,113
13	Computer Expense	Direct - Other	Computer & Software	110	11,690	11,800
14	Telephone-Internet	Direct - Other	Telephone	1,433	48	1,481
15	Postage	Direct - Other	Postage	2,100	210	2,310
16	Office Supplies	Direct - Customer Costs	Office Supplies	720	288	1,008
17	Professional Services	Direct - Customer Costs	Professional Services	-	1,864	1,864
18	Capital Outlay	Allocation - Capital Projects	Capital Outlay	429,354	(349,354)	80,000
19	Bad Debt	Direct - Other	Bad Debt	880	14,620	15,500
20	Dues & Subscriptions	Direct - Other	Dues & Subscriptions	1,912	13,588	15,500
21	Other Expenses/(Revenue)					
22	Building Permit Fee	Direct - Other	Other/Misc. Income	(13,050)	(2,950)	(16,000)
23	Infrastructure Fees	Direct - Other	Other/Misc. Income	(15,600)	(8,400)	(24,000)
24	Service Charge/Penalty	Direct - Other	Other/Misc. Income	(8,490)	(434)	(8,924)
25	Grant Income	Direct - Other	Grant Income	-	-	-
26	Bond Principal	Allocation - Capital Projects	Bond Principal	333,050	108,668	441,718
27	Bond Interest	Allocation - Capital Projects	Bond Interest	36,557	106,966	143,523
28	Debt Issuance Expense	Allocation - Capital Projects	Bond Interest	-	2,039	2,039
29	Interest Income	Direct - Other	Interest Income	(18,927)	18,927	-
30	Miscellaneous Income	Direct - Other	Other/Misc. Income	(7,839)	7,839	-
31	Services	Direct - Other	Other/Misc. Income	(4,012)	4,012	-
32	Bond Issuance Costs	Direct - Other	Bond Issuance Costs	43,680	(43,680)	-
33	Rate Stabilization Adjustment	Direct - Other				(27,131)
34	CWSRF Note Principal	Direct - Other	Bond Principal	40,665	(40,665)	-
35	CWSRF Note Interest Expense	Direct - Other	Bond Interest	4,485	(4,485)	-
36	Total Test Year Expenses			\$ 1,046,756	\$ (158,103)	\$ 861,522

Appendix Table B-3
City of Hickman
2024 Wastewater Cost of Service Study
Classification / Functionalization Factors

Line	Functionalization Factor	Extra					Total
		Base	Capacity - Max Day	Customer Billing	Facility Capacity	Other	
1	Allocation - Capital Projects	60%	25%	15%	0%	0%	100.00%
2	Collection Allocation	70%	30%	0%	0%	0%	100.00%
3	Cost of Service	0%	0%	0%	0%	0%	0.00%
4	Direct - Base	100%	0%	0%	0%	0%	100.00%
5	Direct - Customer Costs	0%	0%	100%	0%	0%	100.00%
6	Direct - Other	75%	25%	0%	0%	0%	100.00%
7	Treatment Allocation	70%	30%	0%	0%	0%	100.00%

**Appendix Table B-4
City of Hickman
2024 Wastewater Cost of Service Study
Allocated Cost of Service**

Line		Base	Extra Capacity Max Day	Extra Capacity Max Hour	Customer	Customer	Customer	
	Cost of Service	\$ 534,354	\$ 224,204	\$ -	\$ 102,964	\$ -	\$ -	\$861,522
1	Residential	\$ 489,595	\$ 211,325	\$ -	\$ 97,493	\$ -	\$ -	798,413
3	Multi-Family	6,208	1,786	-	1,027	-	-	9,022
4	Commercial and Municipal Use	38,550	11,093	-	4,444	-	-	54,087
5	Lift Station/Pumping	-	-	-	-	-	-	-
6	Total Cost of Service	\$ 534,354	\$ 224,204	\$ -	\$ 102,964	\$ -	\$ -	\$861,522

Appendix Table B-5
City of Hickman
2024 Wastewater Cost of Service Study
Total Budgeted Cost Allocation by Category

Line	Budget Item	Total	Production Cost			Customer Billing	Total
			Base	Extra Capacity - Max Day	Extra Capacity - Max Hour		
1	Operating Expenses						
2	Salaries & Wages	128,848	90,193	38,654	-	-	128,848
3	Consulting Services	10,000	7,000	3,000	-	-	10,000
4	Schooling/Professional Development	2,000	1,400	600	-	-	2,000
5	Uniforms & Clothing	1,000	700	300	-	-	1,000
6	Supplies & Small Tools	5,000	5,000	-	-	-	5,000
7	Capital Improvements	-	-	-	-	-	-
8	Insurance	22,500	15,750	6,750	-	-	22,500
9	Utilities	31,731	22,212	9,519	-	-	31,731
10	Repairs & Maintenance	15,000	10,500	4,500	-	-	15,000
11	Testing	3,642	2,549	1,093	-	-	3,642
12	Printing & Publishing	1,113	779	334	-	-	1,113
13	Computer Expense	11,800	8,850	2,950	-	-	11,800
14	Telephone-Internet	1,481	1,111	370	-	-	1,481
15	Postage	2,310	1,733	578	-	-	2,310
16	Office Supplies	1,008	-	-	-	1,008	1,008
17	Professional Services	1,864	-	-	-	1,864	1,864
18	Capital Outlay	80,000	48,000	20,000	-	12,000	80,000
19	Bad Debt	15,500	11,625	3,875	-	-	15,500
20	Dues & Subscriptions	15,500	11,625	3,875	-	-	15,500
21	Other Expenses/(Revenue)	-	-	-	-	-	-
22	Building Permit Fee	(16,000)	(12,000)	(4,000)	-	-	(16,000)
23	Infrastructure Fees	(24,000)	(18,000)	(6,000)	-	-	(24,000)
24	Service Charge/Penalty	(8,924)	(6,693)	(2,231)	-	-	(8,924)
25	Grant Income	-	-	-	-	-	-
26	Bond Principal	441,718	265,031	110,430	-	66,258	441,718
27	Bond Interest	143,523	86,114	35,881	-	21,528	143,523
28	Debt Issuance Expense	2,039	1,223	510	-	306	2,039
29	Interest Income	-	-	-	-	-	-
30	Miscellaneous Income	-	-	-	-	-	-
31	Services	-	-	-	-	-	-
32	Bond Issuance Costs	-	-	-	-	-	-
33	Rate Stabilization Adjustment	(27,131)	(20,348)	(6,783)	-	-	(27,131)
34	CWSRF Note Principal	-	-	-	-	-	-
35	CWSRF Note Interest Expense	-	-	-	-	-	-
36	Total Test Year Expenses	\$ 861,522	\$ 534,354	\$ 224,204	\$ -	\$ 102,964	\$ 861,522

Appendix Table B-6
City of Hickman
2024 Wastewater Cost of Service Study
Development of Allocation Factors
Annual Wastewater Sales

Rate Class	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Total Usage (gal)	Allocation Factor (%)
Residential	4,186	4,186	4,186	4,186	4,186	4,186	4,186	4,186	4,186	4,186	4,186	4,186	50,232	91.62%
Multi-Family	53	53	53	53	53	53	53	53	53	53	53	53	637	1.16%
Commercial and Municipal Use	360	(13)	54	147	182	214	222	367	637	598	539	649	3,955	7.21%
Lift Station/Pumping	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%
Total Water Sales	4,599	4,226	4,293	4,386	4,422	4,453	4,461	4,606	4,876	4,837	4,778	4,888	54,824	100.00%

Appendix Table B-7
City of Hickman
2024 Wastewater Cost of Service Study
Development of Allocation Factors
Extra Capacity Factors

Rate Class	Demand Factors		Max Usage		Extra Usage		Allocation Factors	
	Pk. Day	Pk. Hr.	Day	Hour	Day	Hour	Day	Hour
Residential	1.50	-	206	-	69	(3)	94.26%	0.00%
Not Used	1.20	2.50	-	-	-	-	0.00%	0.00%
Multi-Family	1.00	1.00	2	0	-	0	0.80%	13.87%
Commercial and Municipal Use	1.00	1.00	11	0	-	0	4.95%	86.13%
Not Used	1.80	2.50	-	-	-	-	0.00%	0.00%
Lift Station/Pumping	1.00	1.00	-	-	-	-	0.00%	0.00%
Total			219	1	69	(2)	100.00%	100.00%

Appendix Table B-8
City of Hickman
2024 Wastewater Cost of Service Study
Development of Allocation Factors
Number of Customers

Rate Class	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Annual Average
Residential	990	998	1,002	1,005	996	1,010	1,054	1,013	1,048	1,024	1,038	1,064	1,020
Multi-Family	11	11	11	11	11	11	11	11	11	11	11	11	11
Commercial and Municipal Use	46	47	49	46	45	46	45	48	48	46	46	46	47
Lift Station/Pumping	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Number of Customers	1,047	1,056	1,062	1,062	1,052	1,067	1,110	1,072	1,107	1,081	1,095	1,121	1,077

Appendix Table B-9
City of Hickman
2024 Wastewater Cost of Service Study
Development of Allocation Factors
Weighted Number of Customers and Customer Allocation Factors

Rate Class	Number of Customers	Meter Charge Weighting Factor	Rural Weighting Factor	Weighted Meters	Allocated Customers
Residential	1,020.17	1.00	1.00	1,020.17	94.69%
Multi-Family	10.75	1.00	1.00	10.75	1.00%
Commercial and Municipal Use	46.50	1.00	1.00	46.50	4.32%
Lift Station/Pumping	-	1.00	1.00	-	0.00%
Total Number of Weighted Customers	1,077.42			1,077.42	100.00%

Appendix Table B-10
City of Hickman
2024 Wastewater Cost of Service Study
Revenue - Existing Rates

Rate Class	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Annual Total
Residential	62,072	62,455	62,647	62,791	62,359	63,030	65,138	63,174	64,850	63,701	64,371	65,617	762,204
Multi-Family	701	701	701	701	701	701	701	701	701	701	701	701	8,409
Commercial and Municipal Use	4,210	3,102	3,449	3,541	3,585	3,751	3,709	4,366	5,219	4,961	4,775	5,121	49,789
Lift Station/Pumping	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue	66,983	66,258	66,796	67,032	66,645	67,482	69,548	68,240	70,770	69,362	69,847	71,438	820,401

Appendix Table B-11
City of Hickman
2024 Wastewater Cost of Service Study
Revenue - Proposed Rates

Rate Class	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Annual Total
Residential	65,176	65,578	65,779	65,930	65,477	66,182	68,394	66,332	68,093	66,886	67,590	68,897	800,314
Multi-Family	736	736	736	736	736	736	736	736	736	736	736	736	8,829
Commercial and Municipal Use	4,420	3,257	3,621	3,718	3,764	3,938	3,895	4,584	5,480	5,209	5,014	5,377	52,279
Lift Station/Pumping	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue	70,332	69,571	70,136	70,383	69,978	70,856	73,025	71,652	74,308	72,830	73,339	75,010	861,421

Appendix Table B-12
City of Hickman
2024 Wastewater Cost of Service Study
Revenue - Proposed Rates - Year Two

Rate Class	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Annual Total
Residential	68,434	68,857	69,068	69,227	68,751	69,491	71,814	69,649	71,497	70,230	70,969	72,342	840,330
Multi-Family	773	773	773	773	773	773	773	773	773	773	773	773	9,270
Commercial and Municipal Use	4,641	3,420	3,802	3,904	3,953	4,135	4,089	4,814	5,754	5,470	5,265	5,646	54,892
Lift Station/Pumping	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue	73,848	73,050	73,643	73,903	73,476	74,398	76,676	75,235	78,024	76,472	77,006	78,761	904,493

Appendix Table B-13
City of Hickman
Development of Allocation Factors

Line	Rate Class	Base	Capacity	Capacity	Customer	Other
1	Residential	91.62%	94.26%	0.00%	94.69%	92.67%
2	Multi-Family	1.16%	0.80%	13.87%	1.00%	1.05%
3	Commercial and Municipal Use	7.21%	4.95%	86.13%	4.32%	6.28%
4	Lift Station/Pumping	0.00%	0.00%	0.00%	0.00%	0.00%
5	Total	100.00%	100.00%	100.00%	100.00%	100.00%

Appendix C – Revenue Calculation Worksheets

Appendix Table C-1
City of Hickman
2024 Wastewater Cost of Service Study
Calculation of Revenue from Existing Rates
Residential

Rate	
Minimum Bill	\$ -
Customer Charge	\$ 47.90
Customer Capacity Charge	\$ -
Usage Rate	\$/1000 gal
First 1000 gal	-
Excess	3.5000

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Total
Number of Customers	990	998	1,002	1,005	996	1,010	1,054	1,013	1,048	1,024	1,038	1,064	1,020
Water Usage (gal)													
First 1000 gal													
Excess	4,186	4,186	4,186	4,186	4,186	4,186	4,186	4,186	4,186	4,186	4,186	4,186	50,232
Total Water Usage	4,186	4,186	4,186	4,186	4,186	4,186	4,186	4,186	4,186	4,186	4,186	4,186	50,232
Revenue													
Minimum Bill	-	-	-	-	-	-	-	-	-	-	-	-	-
Customer Charges	47,421	47,804	47,996	48,140	47,708	48,379	50,487	48,523	50,199	49,050	49,720	50,966	586,392
Usage Charges													
First 1000 gal	-	-	-	-	-	-	-	-	-	-	-	-	-
Excess	14,651	14,651	14,651	14,651	14,651	14,651	14,651	14,651	14,651	14,651	14,651	14,651	175,812
Total Usage Charges	14,651	14,651	14,651	14,651	14,651	14,651	14,651	14,651	14,651	14,651	14,651	14,651	175,812
Total Revenues	62,072	62,455	62,647	62,791	62,359	63,030	65,138	63,174	64,850	63,701	64,371	65,617	762,204
Total Revenues	62,072	62,455	62,647	62,791	62,359	63,030	65,138	63,174	64,850	63,701	64,371	65,617	762,204

Appendix Table C-2
City of Hickman
2024 Wastewater Cost of Service Study
Calculation of Revenue from Proposed Rates
Residential

Rate	
Minimum Bill	\$ -
Customer Charge	\$ 50.30
Customer Capacity Charge	\$ -
Usage	\$/1000 gal
First 1000 gal	-
Excess	3.68

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Total
Number of Customers	990	998	1,002	1,005	996	1,010	1,054	1,013	1,048	1,024	1,038	1,064	1,020
Water Usage													
First 1000 gal													-
Excess	4,186	4,186	4,186	4,186	4,186	4,186	4,186	4,186	4,186	4,186	4,186	4,186	50,232
Total Water Usage (gal)	4,186	4,186	4,186	4,186	4,186	4,186	4,186	4,186	4,186	4,186	4,186	4,186	50,232
Revenue													
Minimum Bill	-	-	-	-	-	-	-	-	-	-	-	-	-
Customer Charges	49,792	50,194	50,396	50,546	50,094	50,798	53,011	50,949	52,709	51,502	52,206	53,514	615,711
Usage Charges													
First 1000 gal													-
Excess	15,384	15,384	15,384	15,384	15,384	15,384	15,384	15,384	15,384	15,384	15,384	15,384	184,603
Total Usage Charges	15,384	15,384	15,384	15,384	15,384	15,384	15,384	15,384	15,384	15,384	15,384	15,384	184,603
Total Revenues	65,176	65,578	65,779	65,930	65,477	66,182	68,394	66,332	68,093	66,886	67,590	68,897	800,314
Total Revenues	65,176	65,578	65,779	65,930	65,477	66,182	68,394	66,332	68,093	66,886	67,590	68,897	800,314
													Rate Increase / (Decrease) 5.00%

Appendix Table C-3
City of Hickman
2024 Wastewater Cost of Service Study
Calculation of Revenue from Proposed Rates
Residential

Rate	
Minimum Bill	\$ -
Customer Charge	\$ 52.81
Customer Capacity Charge	\$ -
Usage	\$/1000 gal
First 1000 gal	-
Excess	3.8588

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Total
Number of Customers	990	998	1,002	1,005	996	1,010	1,054	1,013	1,048	1,024	1,038	1,064	1,020
Water Usage													
First 1000 gal													-
Excess	4,186	4,186	4,186	4,186	4,186	4,186	4,186	4,186	4,186	4,186	4,186	4,186	50,232
Total Water Usage (gal)	4,186	4,186	4,186	4,186	4,186	4,186	4,186	4,186	4,186	4,186	4,186	4,186	50,232
Revenue													
Minimum Bill	-	-	-	-	-	-	-	-	-	-	-	-	-
Customer Charges	52,282	52,704	52,915	53,074	52,599	53,338	55,661	53,496	55,345	54,077	54,817	56,190	646,497
Usage Charges													
First 1000 gal													-
Excess	16,153	16,153	16,153	16,153	16,153	16,153	16,153	16,153	16,153	16,153	16,153	16,153	193,833
Total Usage Charges	16,153	16,153	16,153	16,153	16,153	16,153	16,153	16,153	16,153	16,153	16,153	16,153	193,833
Total Revenues	68,434	68,857	69,068	69,227	68,751	69,491	71,814	69,649	71,497	70,230	70,969	72,342	840,330
Total Revenues	68,434	68,857	69,068	69,227	68,751	69,491	71,814	69,649	71,497	70,230	70,969	72,342	840,330
													Rate Increase / (Decrease) 5.00%

Appendix Table C-5
City of Hickman
2024 Wastewater Cost of Service Study
Calculation of Revenue from Proposed Rates
Multi-Family

Rate	
Minimum Bill	\$ -
Customer Charge	\$ -
Water Meter Size	
<2"	\$ 50.30
3"	\$ 75.92
4"	\$ 96.92
6"	\$ 280.67
Usage	\$/1000 gal
First 1000 gal	-
Excess	3.6750

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Total
Number of Customers													
<2"	11	11	11	11	11	11	11	11	11	11	11	11	11
3"													
4"													
6"													
Total Number of Customers	11	11	11	11	11	11	11	11	11	11	11	11	11
Water Usage													
First 1000 gal	-	-	-	-	-	-	-	-	-	-	-	-	-
Excess	53	53	53	53	53	53	53	53	53	53	53	53	637
Total Water Usage (gal)	53	53	53	53	53	53	53	53	53	53	53	53	637
Revenue													
Minimum Bill	-	-	-	-	-	-	-	-	-	-	-	-	-
Customer Charges	541	541	541	541	541	541	541	541	541	541	541	541	6,488
Usage Charges													
First 1000 gal	-	-	-	-	-	-	-	-	-	-	-	-	-
Excess	195	195	195	195	195	195	195	195	195	195	195	195	2,341
Total Usage Charges	195	195	195	195	195	195	195	195	195	195	195	195	2,341
Total Revenues	736	736	736	736	736	736	736	736	736	736	736	736	8,829
Discount	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenues	736	736	736	736	736	736	736	736	736	736	736	736	8,829
													Rate Increase / (Decrease)
													5.00%

Appendix Table C-7
City of Hickman
2024 Wastewater Cost of Service Study
Calculation of Revenue from Existing Rates
Commercial and Municipal Use

Rate	
Minimum Bill	\$ -
Customer Charge	\$ 66.90
Customer Capacity Charge	\$ -
Usage Rate	\$/gal
First 1000 gal	-
Excess	3.1500

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Total
Number of Customers	46	47	49	46	45	46	45	48	48	46	46	46	47
Water Usage													
First 1000 gal													-
Excess	360	(13)	54	147	182	214	222	367	637	598	539	649	3,955
Total Water Usage (gal)	360	(13)	54	147	182	214	222	367	637	598	539	649	3,955
Revenue													
Minimum Bill	-	-	-	-	-	-	-	-	-	-	-	-	-
Customer Charges	3,077	3,144	3,278	3,077	3,011	3,077	3,011	3,211	3,211	3,077	3,077	3,077	37,330
Usage Charges													
First 1000 gal	-	-	-	-	-	-	-	-	-	-	-	-	-
Excess	1,133	(42)	171	463	575	673	699	1,155	2,008	1,884	1,698	2,044	12,459
Total Usage Charges	1,133	(42)	171	463	575	673	699	1,155	2,008	1,884	1,698	2,044	12,459
Total Revenues	4,210	3,102	3,449	3,541	3,585	3,751	3,709	4,366	5,219	4,961	4,775	5,121	49,789
Total Revenues	4,210	3,102	3,449	3,541	3,585	3,751	3,709	4,366	5,219	4,961	4,775	5,121	49,789

Appendix Table C-8
City of Hickman
2024 Wastewater Cost of Service Study
Calculation of Revenue from Proposed Rates
Commercial and Municipal Use

Summer	
Minimum Bill	\$ -
Customer Charge	\$ 70.25
Customer Capacity Charge	\$ -
Usage	\$/gal
First gal	-
Excess	3.3075

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Total
Number of Customers	46	47	49	46	45	46	45	48	48	46	46	46	47
Water Usage													
First 0 gal	-	-	-	-	-	-	-	-	-	-	-	-	-
Excess	360	(13)	54	147	182	214	222	367	637	598	539	649	3,955
Total Water Usage (gal)	360	(13)	54	147	182	214	222	367	637	598	539	649	3,955
Revenue													
Minimum Bill	-	-	-	-	-	-	-	-	-	-	-	-	-
Customer Charges	3,231	3,302	3,442	3,231	3,161	3,231	3,161	3,372	3,372	3,231	3,231	3,231	39,197
Usage Charges													
First 0 gal	-	-	-	-	-	-	-	-	-	-	-	-	-
Excess	1,189	(44)	179	486	603	707	734	1,213	2,108	1,978	1,783	2,146	13,082
Total Usage Charges	1,189	(44)	179	486	603	707	734	1,213	2,108	1,978	1,783	2,146	13,082
Total Revenues	4,420	3,257	3,621	3,718	3,764	3,938	3,895	4,584	5,480	5,209	5,014	5,377	52,279
Discount	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenues	4,420	3,257	3,621	3,718	3,764	3,938	3,895	4,584	5,480	5,209	5,014	5,377	52,279
													Rate Increase / (Decrease)
													5.00%

Appendix Table C-9
City of Hickman
2024 Wastewater Cost of Service Study
Calculation of Revenue from Proposed Rates
Commercial and Municipal Use

Rate	
Minimum Bill	\$ -
Customer Charge	\$ 73.76
Customer Capacity Charge	\$ -
Usage	\$/gal
First 1000 gal	-
Excess	3.4729

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Total
Number of Customers	46	47	49	46	45	46	45	48	48	46	46	46	47
Water Usage													
First 1000 gal	-	-	-	-	-	-	-	-	-	-	-	-	-
Excess	360	(13)	54	147	182	214	222	367	637	598	539	649	3,955
Total Water Usage (gal)	360	(13)	54	147	182	214	222	367	637	598	539	649	3,955
Revenue													
Minimum Bill	-	-	-	-	-	-	-	-	-	-	-	-	-
Customer Charges	3,393	3,467	3,614	3,393	3,319	3,393	3,319	3,540	3,540	3,393	3,393	3,393	41,157
Usage Charges													
First 1000 gal	-	-	-	-	-	-	-	-	-	-	-	-	-
Excess	1,249	(46)	188	511	634	743	770	1,273	2,214	2,077	1,872	2,253	13,736
Total Usage Charges	1,249	(46)	188	511	634	743	770	1,273	2,214	2,077	1,872	2,253	13,736
Total Revenues	4,641	3,420	3,802	3,904	3,953	4,135	4,089	4,814	5,754	5,470	5,265	5,646	54,892
Discount	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenues	4,641	3,420	3,802	3,904	3,953	4,135	4,089	4,814	5,754	5,470	5,265	5,646	54,892
													Rate Increase / (Decrease)
													5.00%

Appendix Table C-11
City of Hickman
2024 Wastewater Cost of Service Study
Calculation of Revenue from Proposed Rates
Lift Station/Pumping

Rate		
Customer Charge		\$ -
Customer Capacity Charge		
Water Meter Size		\$ -
	<2"	\$ 50.30
	3"	\$ 75.92
	4"	\$ 96.92
	6"	\$ 280.67
Usage Rate		\$/1000 gal
First	1000 gal	-
Excess		4.4625

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Total
Number of Customers													
<2"	-	-	-	-	-	-	-	-	-	-	-	-	-
3"	-	-	-	-	-	-	-	-	-	-	-	-	-
4"	-	-	-	-	-	-	-	-	-	-	-	-	-
6"	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Customers	-	-	-	-	-	-	-	-	-	-	-	-	-
Usage by Block													
First 1000	-	-	-	-	-	-	-	-	-	-	-	-	-
Excess	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Usage gal	-	-	-	-	-	-	-	-	-	-	-	-	-
Revenue													
Minimum Bill	-	-	-	-	-	-	-	-	-	-	-	-	-
Customer Charges	-	-	-	-	-	-	-	-	-	-	-	-	-
Usage Charges													
First 1000	-	-	-	-	-	-	-	-	-	-	-	-	-
Excess	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Usage Charges	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenues	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenues	-	-	-	-	-	-	-	-	-	-	-	-	-

Rate Increase / (Decrease)

#DIV/0!

Appendix Table C-12
City of Hickman
2024 Wastewater Cost of Service Study
Calculation of Revenue from Proposed Rates
Lift Station/Pumping

		Rate	
Customer Charge		\$	-
Customer Capacity Charge			
Water Meter Size			
	<2"	\$	52.81
	3"	\$	79.71
	4"	\$	101.76
	6"	\$	294.70
Usage		\$/1000 gal	
First	1000 gal		
Excess			4.6856

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Total
Number of Customers													
<2"	-	-	-	-	-	-	-	-	-	-	-	-	-
3"	-	-	-	-	-	-	-	-	-	-	-	-	-
4"	-	-	-	-	-	-	-	-	-	-	-	-	-
6"	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Customers	-	-	-	-	-	-	-	-	-	-	-	-	-
Usage by Block													
First 1000	-	-	-	-	-	-	-	-	-	-	-	-	-
Excess	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Usage gal	-	-	-	-	-	-	-	-	-	-	-	-	-
Revenue													
Minimum Bill	-	-	-	-	-	-	-	-	-	-	-	-	-
Customer Charges	-	-	-	-	-	-	-	-	-	-	-	-	-
Usage Charges													
First 1000	-	-	-	-	-	-	-	-	-	-	-	-	-
Excess	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Usage Charges	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenues	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenues	-	-	-	-	-	-	-	-	-	-	-	-	-

Rate Increase / (Decrease)

#DIV/0!

EASEMENT FOR FIBER OPTIC FACILITIES & STRUCTURES

KNOW ALL MEN BY THESE PRESENT: That **The City of Hickman, a Nebraska municipal corporation and political subdivision of the State of Nebraska**, hereinafter referred to as Grantor, in consideration of \$1.00, receipt of which is hereby acknowledged, and the further payment of a sum to make total payment of \$1.00 for underground and/or aerial fiber facilities, communication lines, utility lines, at grade equipment and fiber structures when set on the following described property, do hereby grant and convey unto the **ALLO Communications LLC, a Nebraska limited liability company**, hereinafter referred to as Grantee, its lessees, successors and assigns, the nonexclusive permanent right, privilege and easement, subject to all terms and conditions herein, to construct, reconstruct, operate and remove all necessary underground and/or aerial fiber facilities, communication lines, utility lines, at grade equipment and fiber structures in connection therewith, on, under, and across the following property situated in Lancaster County, Nebraska, more particularly described as follows:

Lot One (1), Irregular Tract located in the Southeast Quarter of the Southeast Quarter (SE 1/4 SE 1/4) of Section Twenty-Eight (28), Township Eight (8) North, Range Seven (7) East of the 6th P.M., Lancaster County, Nebraska, described as follows:

The East Fifteen Feet (15.0') of said Lot One (1).

The underground and/or aerial fiber facilities, communication lines, utility lines, at grade equipment and fiber structures herein contemplated shall be located on the Easement Property as shown on attached **Exhibit "A"**.

Grantee shall also have the nonexclusive privilege and easement of ingress and egress across that portion of the Easement Property to its (their) officers and employees for any purpose necessary in connection with the construction, reconstruction, operation, maintenance, inspection, and removal of said underground and/or aerial fiber facilities, communication lines, utility lines, at grade equipment and fiber structures to the extent such use or ingress and egress does not unreasonably interfere with Grantor's rights of ingress and egress, site improvements and its use said Easement Property.

Grantee shall also have the right at any time to trim or remove such trees and underbrush on the Easement Property as may in any way endanger or interfere with the safe operation of the underground and/or fiber facilities, communication lines, utility lines, at grade equipment and fiber structures used in connection therewith.

Grantee shall also at all times exercise all due care and diligence to avoid injury or damage to all persons or property, including but not limited to all personal property, the landscaping, and improvements of Grantor, and Grantee shall indemnify, defend and hold harmless Grantor from any such damage and loss arising or occurring to persons or property by reason of the construction, operation, maintenance and removal of any underground

and/or aerial fiber facilities, communication lines, utility lines, at grade equipment and fiber structures. Grantee shall repair any damage and loss arising or occurring to Grantor's property solely by reason of the construction, operation, maintenance and removal of any underground and/or aerial fiber facilities, communication lines, utility lines, at grade equipment and fiber structures.

Grantee shall perform any work in connection with this Easement in a good and workmanlike manner with reasonable effort to minimize interference with the use of Grantor's herein described property except as may be reasonably necessary for Grantee to carry out the terms and conditions of this Easement.

Signed the _____ day _____, 2025.

**The City of Hickman, a Nebraska
municipal corporation and political
subdivision of the State of Nebraska**

Signature: _____

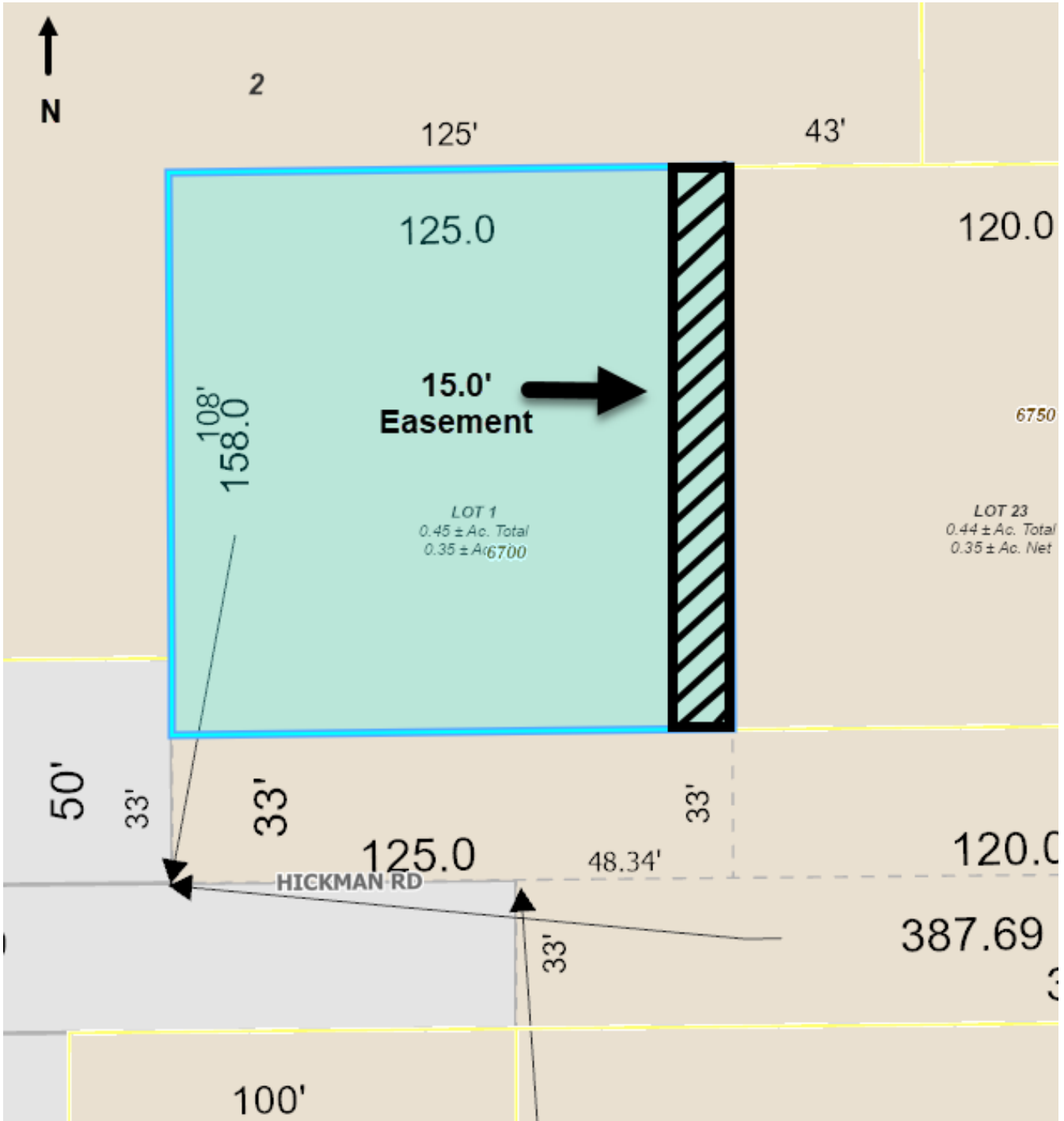
**STATE OF NEBRASKA
COUNTY OF LANCASTER**

On this _____ day of _____, 2025, before me the undersigned, a Notary Public duly commissioned for and qualified in said County and State, personally came _____, _____, on behalf of The City of Hickman, a Nebraska municipal corporation and political subdivision of the State of Nebraska, to me known to be identical person(s) who signed the foregoing instrument as Grantor and who acknowledged the execution thereof to be a voluntary act and deed for the purpose therein expressed.

WITNESS my hand and notarial seal on the _____ day of _____, 2025.

Notary Public

Exhibit "A"
Easement Area



Lot One (1), Irregular Tract located in the Southeast Quarter of the Southeast Quarter (SE 1/4 SE 1/4) of Section Twenty-Eight (28), Township Eight (8) North, Range Seven (7) East of the 6th P.M., Lancaster County Nebraska.

GROUND LEASE AGREEMENT

This Ground Lease Agreement (**Agreement**) is entered into between City of Hickman, Nebraska, a municipal corporation and political subdivision of the State of Nebraska, (**Landlord**) and ALLO Communications LLC, a Nebraska limited liability company (**Tenant**) as of _____ (“Effective Date”).

The Parties agree:

1. **DESCRIPTION**: Landlord leases to Tenant the area identified on Exhibit A, attached hereto and incorporated herein by reference, consisting of approximately _____ square feet at the address commonly known as 6700 Hickman Road (**Premises**).

2. **TERM**: The initial term of this Agreement (**Initial Term**) shall commence as of the Effective Date and continue until the tenth (10th) anniversary of the Effective Date at which time it shall terminate, unless sooner terminated or renewed as provided herein. Upon providing no fewer than thirty (30) days written notice to Landlord prior to the expiration of the Initial Term or first Renewal Term, as applicable, Tenant shall have the option to extend this Agreement for two (2) additional ten (10) year terms (each, a **Renewal Term**, together with the Initial Term, the **Term**), upon the terms and conditions as stated herein. If Tenant fails to provide a notice of renewal, the Agreement shall renew on a month-to-month basis upon the same terms and conditions as stated herein and shall be terminable at any time, by either party, with thirty (30) days' written notice to the other party.

3. **RENT**: During the Term, Tenant shall pay to Landlord as Rent \$600.00 per month, with payment due on the first day of each month, and such Rent shall be prorated for any partial calendar months. For each year of any Renewal Term and commencing on the first day of each year of any such Renewal Term, Rent for the applicable year shall be determined by multiplying the monthly Rent for the immediately preceding year by the lesser of: (a) 1.03, representing a three percent (3%) annual increase; or (b) a number equal to the percentage increase in the CPI over a 12 month period, calculated by using the most recently published CPI and the CPI published 12 months earlier. "CPI" shall mean the Revised Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the United States Department of Labor, for United States City Average, All Items (1982-84 = 100).

4. **USE**: Tenant shall use the Premises for a central office and/or data bunker, which is a building for utilities, computers and a generator using electricity, but without any temporary or permanent occupancy. Tenant shall not, without the written consent of Landlord, use the Premises for any other purpose, which consent shall not be unreasonably conditioned, delayed, or withheld.

5. **CONDITION OF PREMISES**: Landlord makes no warranties as to the condition of the Premises, and Tenant acknowledges it is accepting the Premises in its current and “As Is” condition.

6. **ACCESS; FIBER FACILITIES.** Access to the Premises shall be nonexclusive, i.e., the access shall be shared with other users, tenants and owners. In addition to Tenant's access rights described herein, Tenant shall also have the right to install and maintain conduit, fiber optic lines, and related facilities (which shall include, but not be limited to, any utilities, *e.g.*, electricity, natural gas, or any similar utilities that may be reasonably required to operate the fiber facilities (collectively, **Fiber Facilities**) so as to allow Tenant to utilize its data bunker situated on the Premises. The Fiber Facilities shall be located in existing utility easements to the extent possible, but in any event within fifteen (15) feet of the boundary of the Premises in easements that are nonexclusive. Tenant and Landlord shall mutually agree on the exact placement of the Fiber Facilities prior to installation and Tenant shall be solely responsible for the repair and maintenance of the Fiber Facilities.

Landlord will grant Tenant any access and utility easements necessary for the installation of Fiber Facilities to Tenant's data bunker/central office located on the Premises.

7. **TAXES:** At any time, in the event improvements placed on the Premises by Tenant cause an annual tax increase over the taxes due in the year of the Effective Date of this Agreement (**Base Year**), Tenant shall, upon billing by Landlord and Landlord's provision of reasonable supporting documentation demonstrating the applicable increase, reimburse Landlord within twenty (20) days in the amount of the applicable tax increase. The obligations in this Section shall survive termination of this Agreement and Tenant shall remain obligated to pay taxes on improvements as stated herein that have accrued up to the date of termination or expiration of this Agreement.

8. **IMPROVEMENTS BY LANDLORD:** Landlord reserves the right to make improvements, alterations, or additions to the Premises, but shall not materially change the general appearance, location or area of the Premises. Further, Landlord's improvements shall not unreasonably disturb or interfere with Tenant's improvements.

9. **IMPROVEMENTS BY TENANT:** Tenant shall not make any improvements or alterations to the Premises (excluding replacement or rearrangement of personal property within the Premises) without submitting plans and specifications to Landlord and securing Landlord's written consent, which shall not be unreasonably conditioned, delayed, or withheld. Tenant shall pay all costs of improvements and alterations, shall provide evidence of such payment to Landlord upon request, and shall hold Landlord harmless from any costs, liens, or damages. Upon termination or expiration of this Agreement, Tenant shall, at Tenant's sole cost and expense, remove from the Premises all of Tenant's leasehold improvements, including without limitation, interior and exterior signs, trade fixtures and equipment, and other such items that have been installed or placed on the Premises by Tenant, by Tenant's predecessors in interest, or which have been installed or placed therein for the benefit of or on behalf of Tenant or Tenant's predecessors (all of which are hereinafter referred to as "Tenant's Property"), and Tenant shall repair all damage resulting from such removal.

Upon completion and installation of the central office and all associated fiber facilities and utilities, and at Tenant's request, Landlord and Tenant shall execute an addendum to this Lease documenting and approving the placement all Fiber Facilities and any associated improvements.

10. **MAINTENANCE OF PREMISES AND TENANT'S PROPERTY.** Tenant shall, throughout the Term of this Agreement, at its own cost, and without any expense to Landlord, keep and maintain the Premises and Tenant's Property, including all appurtenances, in good, sanitary and neat order, condition and repair, and, except as specifically provided in this Agreement, restore and rehabilitate its improvements on the Premises that may be destroyed or damaged by fire, casualty, or any other cause whatsoever. This requirement to maintain includes, but is not limited to, snow removal, landscape maintenance, and utilities as required to effectively use the Premises.

11. **UTILITY CHARGES; TENANT GENERATOR:** The only utilities to the Premises shall be electricity and natural gas in Tenant's name and which Tenant shall cause, at Tenant's cost, to be separately metered from the remainder of Landlord's Property. Landlord acknowledges as part of Tenant's use of the Premises, Tenant shall install a generator.

12. **WASTE:** Tenant shall not commit or permit any waste of the Premises, nor any public or private nuisance on the Premises.

13. **INSURANCE.** Tenant shall, during the entire Term, keep in full force and effect, solely, at Tenant's cost and expense, a policy of commercial general liability insurance with respect to the Premises and the activities of Tenant thereon, for which the limits shall not be less than One Million and no/100 Dollars (\$1,000,000.00) covering bodily injury, sickness or death and loss of or damage to Premises, naming Landlord as an additional insured and providing that it is the primary coverage for liability on the Premises. Such coverage shall include a broad form general liability endorsement. The policy shall also be endorsed to provide that the additional insured party will be notified of the cancellation or non-renewal at least thirty (30) days before the effective date of such cancellation or non-renewal except in the event of cancellation due to non-payment of premium then a ten (10) days' notice shall be given.

14. **ASSIGNMENT:** Tenant shall not assign or sublet any portion of the Premises without the prior written consent of Landlord, which shall not be unreasonably conditioned, delayed, or withheld. Any such assignment or subletting without the consent of the Landlord, shall be void and, at the option of the Landlord, Landlord may terminate this Agreement. Notwithstanding anything to the contrary contained herein, Tenant may assign its entire interest under the Agreement or sublet the Premises or any portion thereof to a corporation, partnership, or other legal entity controlling, controlled by or under common control as Tenant, or to any successor to Tenant by purchase, merger, consolidation, reorganization, or sale of substantially all assets without the consent of Landlord.

15. **QUIET ENJOYMENT:** Landlord warrants that Tenant shall have possession and quiet enjoyment of the Premises for so long as Tenant is in compliance with the terms of this Agreement.

16. **DEFAULT:** Each of the following acts and omissions shall constitute a default and a breach of this Agreement:

- a. Voluntary or involuntary bankruptcy, assignment for benefit of creditors, reorganization or rearrangement under the Bankruptcy Act, receivership, dissolution or the commencement of any action or proceeding for dissolution or liquidation of Tenant or Landlord whether instituted by or against Tenant or Landlord, as applicable, or any other similar action or proceeding.
 - b. The failure of Tenant to pay the Rent for a period of ten (10) calendar days after Tenant receives written notice of such non-payment.
 - c. The failure of Tenant or Landlord to comply with any other provision of this Agreement for a period of thirty (30) days after written notice of such failure; provided, however, in the event that such cure shall be reasonably expected to exceed thirty (30) days, Tenant's or Landlord's cure right shall be extended provided that such cure is commenced within thirty (30) days and such cure is diligently pursued.
17. **REMEDIES**: In addition to any other remedies available to the non-defaulting party, upon a default by a party, the non-defaulting party shall have the right to terminate this Agreement immediately by providing written notice to the breaching party.
18. **HOLDING OVER**: If Tenant remains in possession after the termination date without the written consent of Landlord, Tenant shall be deemed to be a trespasser. If Tenant shall have paid, and Landlord shall have accepted, rent in respect to such holding over, Tenant shall be deemed to be occupying the Premises only as a Tenant from month-to-month subject to all the terms of this Agreement except for the rental charged, which during the hold over period shall be at a rate which is the same as the last rental rate.
19. **EFFECT OF SALE**: A sale of the Premises will operate to release Landlord from all obligations pursuant to this Agreement, except liabilities which arose prior to the closing of such sale, and Tenant shall attorn to Landlord's successor in interest.
20. **TERMINATION**: Upon termination of this Agreement, Tenant shall:
- a. Deliver possession of the Premises to Landlord in good condition as at the commencement of this Agreement, ordinary wear and tear excepted.
 - b. Leave undisturbed all non-trade fixtures and improvements.
 - c. Remove from the Premises all trade fixtures and other personal property of Tenant. Tenant shall, at Tenant's expense, repair any damage to the Premises arising from the removal of such trade fixtures or personal property.
21. **MISCELLANEOUS**:

No term or condition of this Agreement shall be construed to have been waived by Landlord or Tenant, unless Tenant or Landlord shall have secured such waiver from the other

party, as applicable.

Each person executing this Agreement on behalf of an entity represents and warrants that they have complete and full authority and capacity to act on behalf of that entity.

The invalidity or unenforceability of any term or condition of this Agreement shall not prejudice the enforceability of any other term or condition.

This Agreement shall not be amended or modified, except by a written instrument executed by both Landlord and Tenant.

Any notice, demand, request, or other instrument which may be or is required to be given under this Agreement shall be delivered in person or sent by United States certified or registered mail, postage prepaid and shall be addressed (a) if to Landlord, at 115 Locust Street, Hickman, NE 68372 and (b) if to Tenant, at ALLO Communications LLC, c/o President, 330 S. 21st Street, Lincoln, NE 68510.

Landlord and Tenant represent and warrant to each other that neither of them has consulted or negotiated with any broker or finder with regard to the Premises. Each of them will indemnify the other against any claim for fees or commissions from anyone other than the Broker.

This Agreement shall be binding upon the successors in interest of the parties.

This Agreement shall be construed and enforced in accordance with the laws of the State of Nebraska. EACH PARTY HERETO, TO THE FULLEST EXTENT PERMITTED BY LAW, WAIVES THE RIGHT TO A TRIAL BY JURY FOR ANY ACTION ARISING FROM, OR RELATED TO, THIS AGREEMENT.

The foregoing constitutes the entire agreement between the parties.

IN WITNESS WHEREOF, the Landlord and Tenant have executed this Agreement on the day first set forth above.

LANDLORD:

By: _____

Its: _____

Name: _____

(Please Print)

TENANT:

By: _____

Its: President and CEO

Name: Bradley A. Moline

EXHIBIT A

RESOLUTION NO. 2025-01

WHEREAS, the Mayor and City Council deem it proper to open and close certain bank accounts for the deposit and expenditure of certain funds;

WHEREAS, the Mayor and City Council deem it appropriate to designate the individuals set forth herein as signatories on such accounts subject to the restrictions set forth herein;

Section 1. The City Clerk and City Treasurer are hereby authorized to transfer the funds and open new accounts with Nebraska Bank, an approved appointed service provider, and close related accounts with First State Bank Nebraska as titled and listed below:

Linear Park Fund
Electrical Reserve
TIF (Tax Increment Financing) Account
Debt Service Reserve
Sewer Reserve Account
Street Sinking Fund
GO (General Obligation) Water Revenue 2023

Section 2. Authorized signatories on the new accounts will include Mayor Phil Goering, Council President Doug Wagner, Council Member Tina Ziemann, City Administrator Kelly Oelke and City Clerk Michele Lincoln and are authorized and directed to execute such additional documents as required by Nebraska Bank, or First State Bank Nebraska consistent with this Resolution.

NOW, THEREFORE, BE IT RESOLVED by the Governing Body of the City of Hickman, Nebraska incorporates the above polices by a majority vote.

PASSED AND APPROVED THIS _____ day of _____, 2025.

Mayor Phil Goering

Michele Lincoln, City Clerk

(SEAL)

CERTIFICATE OF PAYMENT: 14



Date of Issuance: February 17, 2025

Project: Hickman WWTF Head Works and Final Clarifier Improvements

Project No.: 021-01497

Contractor Project No.: 1423

Contractor: Neuvirth Construction Inc., 7386 County Road P35 Blair, NE 68008

DETAILED ESTIMATE

Description	Unit Price	Extension
See Attached.		

PLEASE REMIT PAYMENT TO: NEUVIRTH CONSTRUCTION, INC.

Value of Work Completed This Request: \$ 3,760,850.51

Original Contract Cost: \$ 3,966,900.00

Approved Change Orders:

No. 1	\$6,635.50	No. 2	\$43,014.20	No. 3	\$39,819.68
No. 4	\$100,250.00	No. 5	\$0.00	No. 6	\$10,256.72
No. 7	\$3,683.38	No. 8	\$265.23	No. 9	-
No. 10	\$5,855.70	No. 11	-\$84,630.00	No. 12	\$25,632.47

Total Approved Change Orders: \$150,782.88

Total Contract Cost: \$ 4,117,682.88

Value of completed work and materials stored to date	\$ 3,760,850.51
Less retainage percentage 5%	\$ 188,042.53
Net amount due including this estimate	\$ 3,572,807.98
Less: Estimates previously approved:	

No. 1	\$379,646.23	No. 2	\$150,100.00	No. 3	\$129,803.73
No. 4	\$172,069.77	No. 5	\$242,250.00	No. 6	\$190,000.00
No. 7	\$411,154.00	No. 8	\$96,900.00	No. 9	\$327,750.00
No. 10	\$47,500.00	No. 11	\$406,125.15	No. 12	\$485,438.95
No. 13	\$370,832.31	No. 14		No. 145	

Total Previous Estimates: \$3,409,570.13

NET AMOUNT DUE THIS ESTIMATE: \$ 163,237.85

The undersigned hereby certifies, based upon periodic observations as set forth in scope of work and the data included in all applicable payment applications that, to the best of its knowledge, information and belief: (1) the work has progressed as indicated in the applicable payment applications; (2) the work performed and materials delivered by Contractor are in conformance with the plans and specifications; and (3) the Contractor, in accordance with the contract, is entitled to payment as indicated above.

This certification does not constitute a warranty or guarantee of any type. Client shall hold its Contractor solely responsible for the quality and completion of the Project, including construction in accordance with the construction documents. Any duty or obligation of Olsson hereunder is for the sole benefit of the Client and not for any third party, including the Contractor or any Subcontractor.

OLSSON

CITY OF HICKMAN

By:  By: _____

cc: City of Hickman - Owner
Neuvirth Construction Inc. - Contractor
Project File

Contractor's Application For Payment No. 14

To (Owner):	City of Hickman	Application Period:	1/1/2025	1/31/2025	Application Date:	2/13/2025
Contractor	Neuvirth Construction Inc	PROJECT NAME			Invoice Number	1423 14
Address	7386 county road P35 Blair Ne. 68008	Hickman WWTP			Via (Engineer)	
Project Number	1423				Engineer's Project No.:	


Change Order Summary

Approved Change Orders		
Number	Additions/Deductions	Description
1	\$ 6,635.50	CO1- Remove Abandoned Sewer
2	\$ 15,593.32	CPR 006 Headworks Form Savers
3	\$ 30,918.16	CPR 7A Clarifier Changes
4	\$ 39,819.68	WCD 02 Remove and Replace SBR Valve
5	\$ 100,250.00	CPR 009 Alt RAS Pipe Route
6	\$ (3,497.28)	CPR 7B Valve & Valve Box Deduct
7	\$ 265.23	CO8 Heater Alteration
8	\$ 3,683.38	CO7 Wall Penetration
9	\$ 10,256.72	CO6 Site Piping
10	\$ 3,810.79	WCD 03 Support and Grating
TOTALS	\$ -	
NET CHANGE BY	\$ -	
CHANGE ORDERS	\$ 207,735.50	

1. ORIGINAL CONTRACT PRICE	\$ \$ 3,966,900.00
1a. Overage Not by Change Order	
2. Net change by Change Orders	\$ \$ 150,782.88
3. CURRENT CONTRACT PRICE (Line 1±1a± 2)	\$ \$ 4,117,682.88
4. TOTAL COMPLETED AND STORED TO DATE (Column G+J on Progress Estimate)	\$ \$ 3,760,850.51
5. RETAINAGE:	
a. 5% <input checked="" type="checkbox"/> Override Work Completed	\$ \$ 8,591.47
b. 5% <input checked="" type="checkbox"/> Override Stored Materials	\$ \$ -
c. Retainage (Line 5a + Line 5b)	\$ \$ 8,591.47
d. Previous retainage	\$ \$ 179,451.06
6. AMOUNT ELIGIBLE TO DATE (Line 4 - Line 5c-Line 5d)	\$ \$ 3,572,807.98
7. LESS PREVIOUS PAYMENTS	\$ \$ 3,409,570.13
8. AMOUNT DUE THIS APPLICATION	\$ \$ 163,237.85
9. BALANCE TO FINISH (Column O on Progress Estimate)	\$ \$ 365,423.84
10. FINAL APPLICATION FOR RETAINAGE	\$ \$ -

Contractor's Certification

The undersigned Contractor certifies that: (1) all previous progress payments received from Owner on account of Work done under the Contract have been applied on account to discharge Contractor's legitimate obligations incurred in connection with Work covered by prior Applications for Payment; (2) title of all Work, materials and equipment incorporated in said Work or otherwise listed in or covered by this Application for Payment will pass to Owner at time of payment free and clear of all Liens, security interests and encumbrances (except such as are covered by a Bond acceptable to Owner indemnifying Owner against any such Liens, security interest or encumbrances); and (3) all Work covered by this Application for Payment is in accordance with the Contract Documents and is not defective.

 Digitally signed by Jacob Neuvirth
 DN: C=US, E=jacob@neuvirth.com,
 O=Neuvirth Construction,
 CN=Jacob Neuvirth
 Date: 2025.02.13 12:09:14-06'00'

By: _____ Date: _____

Payment of: _____
 (Line 8 or other - attach explanation of other amount)

is recommended by: _____ (Engineer) _____ (Date)

Payment of: _____
 (Line 8 or other - attach explanation of other amount)

is approved by: _____ (Owner) _____ (Date)

Approved by: _____
 Funding Agency (if applicable) _____ (Date)

Labor & Equipmen \$ 121,619.60 **Materials** \$ 41,618.26 **Tax** \$ -

Tax Exempt

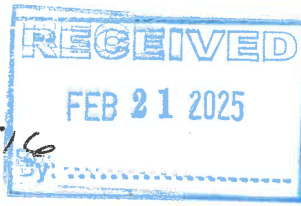
Progress Estimate

Contractors Application

14

Job Name		Hickman WWTP				Invoice Number:		1423 14		Neuvirth Construction Inc					
Application Date		2/13/2025				Application Period:		1/1/2025	1/31/2025						
A	Owner	City of Hickman				C	CC	D	E	F	G	H	I	J	
Item	Description	Bid Quantity	Overrun Quantity	Unit Price	Bid Value	Work Completed				Materials Presently Stored	Completed and Stored to Date		Balance to Finish (B - G)	Materials Incorp. This Application	
Bid Item No.						From Previous Application	Overrun This Period	Quantity this Period	Value this Application		(C + E + F)	(G / B)			
1	Bypass Procedure	1	0.00	\$ 37,623.35	\$ 37,623.35	\$ 37,623.35	\$ -	0.00		\$ -	\$ 37,623.35	100.00%	\$ -	\$ -	
2	Clarifier Pipe and Fittings Interior	1	0.00	\$ 65,555.68	\$ 65,555.68	\$ 65,555.68	\$ -	0.00		\$ -	\$ 65,555.68	100.00%	\$ (0.00)	\$ -	
3	Clarifier Structure	1	0.00	\$ 531,111.36	\$ 531,111.36	\$ 531,111.36	\$ -	0.00		\$ -	\$ 531,111.36	100.00%	\$ -	\$ -	
4	Clarifier Skimmer Mechanism	1	0.00	\$ 415,555.67	\$ 415,555.67	\$ 374,974.00	\$ -	0.00		\$ -	\$ 374,974.00	90.23%	\$ 40,581.67	\$ -	
5	Clarifier Stairs and Footing	1	0.00	\$ 15,000.00	\$ 15,000.00	\$ -	\$ -	1.00	\$ 15,000.00	\$ -	\$ 15,000.00	100.00%	\$ -	\$ -	
6	Electrical	1	0.00	\$ 392,111.24	\$ 392,111.24	\$ 205,000.00	\$ -	0.09	\$ 35,000.00	\$ -	\$ 240,000.00	61.21%	\$ 152,111.24	\$ -	
7	Existing Pump Station Modifications	1	0.00	\$ 40,354.99	\$ 40,354.99	\$ 40,354.99	\$ -	0.00		\$ -	\$ 40,354.99	100.00%	\$ -	\$ -	
8	Headworks Bar Screen and Compactor	1	0.00	\$ 460,917.24	\$ 460,917.24	\$ 455,000.00	\$ -	0.01	\$ 5,917.24	\$ -	\$ 460,917.24	100.00%	\$ -	\$ -	
9	Headworks Structure	1	0.00	\$ 571,834.48	\$ 571,834.48	\$ 571,834.48	\$ -	0.00		\$ -	\$ 571,834.48	100.00%	\$ -	\$ -	
10	Headworks Interior	1	0.00	\$ 460,917.24	\$ 460,917.24	\$ 460,917.24	\$ -	0.00		\$ -	\$ 460,917.24	100.00%	\$ -	\$ -	
11	Headworks Excavation	1	0.00	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00	\$ -	0.00		\$ -	\$ 100,000.00	100.00%	\$ -	\$ -	
12	Logistics	1	0.00	\$ 324,959.14	\$ 324,959.14	\$ 246,743.87	\$ -	0.09	\$ 30,000.00	\$ -	\$ 276,743.87	85.16%	\$ 48,215.27	\$ -	
13	Oxidation Ditch	1	0.00	\$ 59,430.51	\$ 59,430.51	\$ -	\$ -	0.50	\$ 30,000.00	\$ -	\$ 30,000.00	50.48%	\$ 29,430.51	\$ -	
14	Site Demolition	1	0.00	\$ 29,095.15	\$ 29,095.15	\$ 29,095.15	\$ -	0.00		\$ -	\$ 29,095.15	100.00%	\$ 0.00	\$ -	
15	Site General	1	0.00	\$ 94,865.00	\$ 94,865.00	\$ 56,946.00	\$ -	0.00		\$ -	\$ 56,946.00	60.03%	\$ 37,919.00	\$ -	
16	Site Headworks	1	0.00	\$ 124,523.00	\$ 124,523.00	\$ 113,000.00	\$ -	0.09	\$ 11,523.00	\$ -	\$ 124,523.00	100.00%	\$ 0.00	\$ -	
17	Site Work	1	0.00	\$ 135,086.51	\$ 135,086.51	\$ 82,000.00	\$ -	0.27	\$ 36,000.00	\$ -	\$ 118,000.00	87.35%	\$ 17,086.51	\$ -	
18	SWPPP	1	0.00	\$ 23,329.44	\$ 23,329.44	\$ 17,497.08	\$ -	0.25	\$ 5,832.36	\$ -	\$ 23,329.44	100.00%	\$ (0.00)	\$ -	
19	Alternate 1	1	0.00	\$ 84,630.00	\$ 84,630.00	\$ -	\$ -	0.00		\$ -	\$ -	0.00%	\$ 84,630.00	\$ -	
	CO6 Site Piping Adjustments	1	0.00	\$ 10,256.72	\$ 10,256.72	\$ 7,700.00	\$ -	0.25	\$ 2,556.72	\$ -	\$ 10,256.72	100.00%	\$ -	\$ -	
	CPR 006 Headworks Form Savers	1	0.00	\$ 15,593.32	\$ 15,593.32	\$ 15,593.32	\$ -	0.00		\$ -	\$ 15,593.32	100.00%	\$ -	\$ -	
	CPR 005 Remove Existing Abandoned Sewer	1	0.00	\$ 6,635.50	\$ 6,635.50	\$ 6,635.50	\$ -	0.00		\$ -	\$ 6,635.50	100.00%	\$ -	\$ -	
	CPR 7A Clarifier Changes	1	0.00	\$ 30,918.16	\$ 30,918.16	\$ 30,918.16	\$ -	0.00		\$ -	\$ 30,918.16	100.00%	\$ -	\$ -	
	WCD 02 Remove and Replace SBR Valve	1	0.00	\$ 39,819.68	\$ 39,819.68	\$ 39,819.68	\$ -	0.00		\$ -	\$ 39,819.68	100.00%	\$ -	\$ -	
	CPR 009 Alt RAS Pipe Route	1	0.00	\$ 100,250.00	\$ 100,250.00	\$ 100,250.00	\$ -	0.00		\$ -	\$ 100,250.00	100.00%	\$ -	\$ -	
	CPR 003 Pump Station Pipe	0	0.00	\$ -	\$ -	\$ -	\$ -	0		\$ -	\$ -	0	\$ -	\$ -	
	CPR 7B Valve & Valve Box Deduct	1	0.00	\$ (3,497.28)	\$ (3,497.28)	\$ (3,497.28)	\$ -	0.00		\$ -	\$ (3,497.28)	100.00%	\$ -	\$ -	
	CO11 Exterior Heat Alteration	0	0.00	\$ -	\$ -	\$ -	\$ -	0		\$ -	\$ -	0	\$ -	\$ -	
	CO10 Telescoping Valve Extension	0	0.00	\$ -	\$ -	\$ -	\$ -	0		\$ -	\$ -	0	\$ -	\$ -	
	CO7 Wall Penetration	1	0.00	\$ 3,683.38	\$ 3,683.38	\$ 3,683.38	\$ -	0.00		\$ -	\$ 3,683.38	100.00%	\$ -	\$ -	
	CO8 Heater Alterations	1	0.00	\$ 265.23	\$ 265.23	\$ 265.23	\$ -	0.00		\$ -	\$ 265.23	100.00%	\$ -	\$ -	
	Additional Handrail	0	0.00	\$ -	\$ -	\$ -	\$ -	0		\$ -	\$ -	0	\$ -	\$ -	
	Lauder Covers	0	0.00	\$ -	\$ -	\$ -	\$ -	0		\$ -	\$ -	0	\$ -	\$ -	
	CO 12- Discharge Pipe Support	1	0.00	\$ 2,156.69	\$ 2,156.69	\$ -	\$ -	0.00		\$ -	\$ -	0.00%	\$ 2,156.69	\$ -	
	CO 12- Oxidation Ditch Bar Grating Alterations	1	0.00	\$ 16,866.21	\$ 16,866.21	\$ -	\$ -	0.00		\$ -	\$ -	0.00%	\$ 16,866.21	\$ -	
	CO 12- Replace Pump Station Lighting	1	0.00	\$ 4,955.47	\$ 4,955.47	\$ -	\$ -	0.00		\$ -	\$ -	0.00%	\$ 4,955.47	\$ -	
	CO 12- Bar Grate Alterations	1	0.00	\$ 1,654.10	\$ 1,654.10	\$ -	\$ -	0.00		\$ -	\$ -	0.00%	\$ 1,654.10	\$ -	
	Explosion Proof Fixtures	0	0.00	\$ -	\$ -	\$ -	\$ -	0		\$ -	\$ -	0	\$ -	\$ -	
	CO 10- Paving Alterations	1	0.00	\$ 5,855.70	\$ 5,855.70	\$ -	\$ -	0.00		\$ -	\$ -	0.00%	\$ 5,855.70	\$ -	
	Remove Alternate 1	1	0.00	\$ (84,630.00)	\$ (84,630.00)	\$ -	\$ -	0.00		\$ -	\$ -	0.00%	\$ (84,630.00)	\$ -	
	Remake Oxidation Ditch Grating	0	0.00	\$ -	\$ -	\$ -	\$ -	0		\$ -	\$ -	0	\$ -	\$ -	
Original Contract Total						\$ 3,966,900.00	\$ 3,589,021.19		//////////	\$ 171,829.32	\$ -	\$ 3,760,850.51	94.81%	\$ 356,832.37	\$ -
Net Increase/Decrease Total						\$ -									
C/O Total						\$ 150,782.88									

Craig Beck
7211 Lilee Lane
Lincoln NE 68516
Ph 402-363-1822



Proposal

PROPOSAL NO. 000342	DATE 2-20-25
BID NO.	ARCHITECT

TO City of Hickman	WORK TO BE PERFORMED AT: Same
ADDRESS	ADDRESS
CITY, STATE Hickman NE 68372	CITY, STATE
PHONE NO.	DATE OF PLANS

We hereby propose to furnish the materials and perform the labor necessary for the completion of Street Repairs
Asphalt Street Seal Coating Estimate 9 blocks

Area below for additional description and/or drawings:

Asphalt Streets Clean Streets Apply 2 coats
of commercial grade sealer @ 2,700.00 per block.

total \$ 25,000⁰⁰

All material is guaranteed to be as specified, and the above work to be performed in accordance with the drawings and specifications submitted for above work and completed in a substantial workmanlike manner for the sum of _____ Dollars (\$ _____) with payments to be made as follows.

Any alteration or deviation from above specifications involving extra costs will be executed only upon written order, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents, or delays beyond our control.

Respectfully submitted Craig Beck
Per _____

Note - This proposal may be withdrawn by us if not accepted within _____ days.

ACCEPTANCE OF PROPOSAL The above prices, specifications, and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payments will be made as outlined above.

Signature _____
Date _____ Signature _____



Midwest Armor Coating

402-450-9175 | mwarmorcoat@gmail.com

RECIPIENT:

Wade Luther
115 Locust Street
Hickman, Nebraska 68372

Quote #27	
Sent on	Feb 03, 2025
Total	\$6,000.00

Product/Service	Description	Qty.	Unit Price	Total
Crack Sealing	We will clean all cracks using forced air and seal them with hot liquid rubber. This quote is for one pallet of hot rubber, estimating that we can complete eight blocks with this quantity.	1	\$6,000.00	\$6,000.00

A deposit of \$1,680.00 will be required to begin.

Total **\$6,000.00**

Midwest Armor Coat will provide all necessary materials, equipment, and labor to successfully complete the crack sealing project. Please ensure that all payments are made payable to Midwest Armor Coat.

This quote is valid for the next 30 days, after which values may be subject to change.



Midwest Armor Coating

402-450-9175 | mwarmorcoat@gmail.com

Quote #34

Sent on Feb 23, 2025

Total \$23,000.00

RECIPIENT:

Wade Luther

115 Locust Street
Hickman, Nebraska 68372

Product/Service	Description	Qty.	Unit Price	Total
Seal Coating	We will meticulously sweep and clean each block to remove all dirt and debris. Following the completion of the cleaning process, we will apply Seal Masters PMM Polymer Modified Master Seal to seal coat each block. This process includes careful trimming around all concrete curbing, driveways, and any manholes. Two coats of the sealant will be applied, ensuring that each coat is allowed to fully dry and cure before the application of the second coat. The total area for this project measures 300 ft in length and 22 ft in width, amounting to a total of 6,600 sq ft.	10	\$2,300.00	\$23,000.00

A deposit of \$5,750.00 will be required to begin.

Total \$23,000.00

Midwest Armor Coat will provide all necessary labor, materials, and equipment to successfully complete the project.

This quote is valid for the next 30 days, after which values may be subject to change.