



AGENDA

Rogers City Council

February 24, 2026 - 5:30 PM

- 1. CALL TO ORDER**
- 2. GENERAL BUSINESS**
 - 2.1 Utility Rate Study Presentation by AE2S
- 3. ADJOURN**



STAFF REPORT
ROGERS CITY COUNCIL

Meeting Date: February 24, 2026

Agenda Item: 2.1

Subject: Utility Rate Study Presentation by AE2S

Prepared By: Bridget Bruska, Finance Director, Doran Cote, Public Works Director/City Engineer

Recommended Council Action

N/A

Overview / Background / Analysis

AE2S will present an overview of the Utility Rate Study, which the Council previously authorized. The study evaluates the City's water, sanitary sewer, and stormwater funds and provides a six-year outlook (2026–2031) to support sustainable and equitable rate setting. Staff have been working closely with AE2S over the past several months to compile data and review assumptions, and this workshop will provide Council with an overview of the study results and an opportunity for discussion prior to any formal action.

Staff Recommendation

N/A

Financial Impact: N/A

Source Fund: N/A

Budgeted? Yes

Supporting Documentation

A. Utility Rate Study - Council Workshop Presentation 02-24/2026



Utility Rate Study

City of Rogers, MN

Final Results

February 24, 2026





Agenda

- **Study Scope & Objectives**
- **Rate Study Methodology**
- **Sewer Rate Study**
- **Water Rate Study (COSA)**
- **Stormwater Rate Study**
- **Impact Fees**
- **Questions and Discussion**

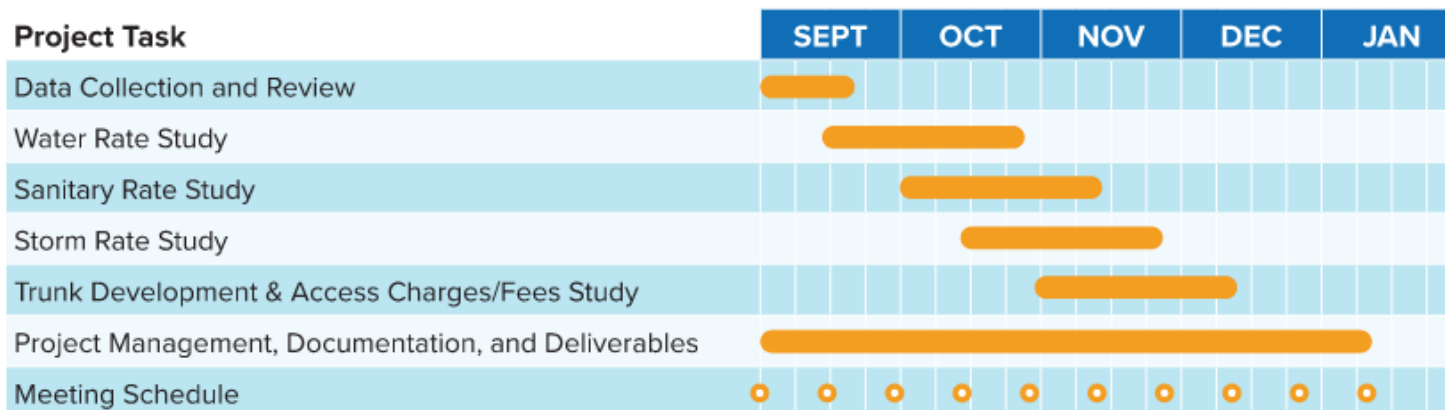


Study Objectives

- 1 Develop rate plan to meet revenue requirements for each utility
- 2 Cost of service basis for rate-setting
- 3 Evaluate conservation-based water rate alternatives
- 4 Restructure Stormwater fee structures
- 5 Evaluate and update Trunk Develop Charges and Access Fees
- 6 Develop 6-year plan for each utility



Schedule



Meetings & Milestones

Notice to Proceed	Aug 27	Water, Sanitary Sewer, Stormwater - 90%	Nov
Kickoff	Sept	Final Results Coordination	Dec
Water - 30%	Sept	Public Meeting	Dec
Water - 60%	Oct	Council Workshop	Dec
Sanitary Sewer and Stormwater - 30%	Oct	Council Meeting	Jan
Sanitary Sewer and Stormwater - 60%	Oct	Final Rate Delivery to City	Jan 31
Trunk Development & Access Charge Review	Nov		

The RFP indicates that the utility rate study should be completed by December 31, 2025, with new rate structures and rates taking effect in the first quarter of 2026. We have included a schedule with a completion date of January 31, 2026 as per discussions with the City that indicated that this revised timeframe would be acceptable given anticipated City review times and the level of effort required for each system study.

Outstanding Items

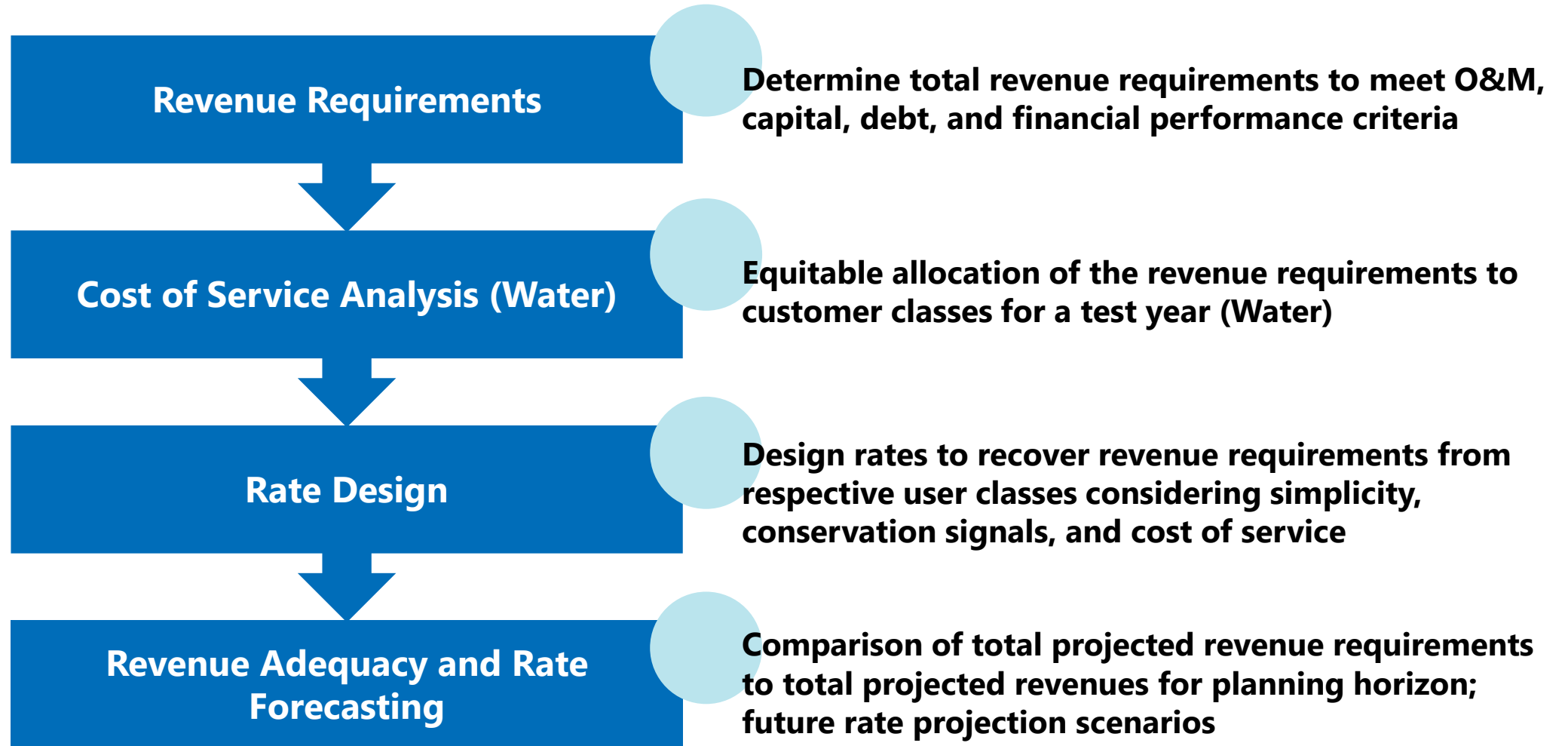


Council Workshop:
February 24

Public Meeting:
March ?

Deliver Final Reports:
After Public Meeting

Rate Study Approach & Methodology





Revenue Adequacy

Reserving Requirements



Reserve Fund	Description/Purpose	Recommended Target Guidelines
Operating	Cash available to ensure the utility can meet on-going O&M expenses despite seasonal revenue fluctuations	Minimum one-eighth of annual operating and maintenance expense (45 days); 45-180 days, recent trends up to 2 years
Debt Service	Restricted account required by bond/loan covenant, held for the life of the loan and used for final debt retirement	As specified in bond/loan documents, typically equal to the highest annual payment within repayment period
Capital	Cash set aside for capital renewal/replacement, or future system expansion, based on desired approach to capital funding	A strategic target is normally set based on specific capital funding goals of the system, i.e.: <ul style="list-style-type: none"> • One year of depreciation • Five-year average of rate-funded capital investment • Percentage of the annual capital improvements plan • Asset-based annual reinvestment calculations
Emergency	A reserve fund specifically established to offset revenue needed in the event of unplanned expenditures or events, such as a drought	Approaches vary; sometimes based on the cost of replacement of the most critical and expensive infrastructure, or designed to replace a critical revenue loss, such as in a drought situation
Rate Stabilization	Similar to an emergency reserve designed to avoid rate spikes and minimize necessary rate adjustments when expenses are higher than anticipated and/or revenues are less than anticipated for any reason	A target is not always specified, sometimes set as the amount of revenue associated with a certain percent rate increase

SEWER



Sewer Rate Study Overview

- Evaluated the existing sewer rate structure and revenue recovery approach
- Developed rate structure recommendations to improve long-term revenue stability and alignment with system costs
- Evaluated long-term rate projections to support ongoing operations, capital reinvestment, and long-term financial sustainability of the sewer utility



Existing Rate Structure

- Based on a fixed monthly charge and a volumetric (flow-based) rate
- Residential sewer charges are based on winter average water use (Nov-Feb), while commercial charges are based on metered water usage
- Existing structure relies heavily on volumetric charges to recover system costs, with limited recovery through fixed charges

Rate Type	Per Month
Fixed Rate Structure	
Residential	\$8.90
Commercial	\$8.90
Non-Taxable Commercial	\$8.90
Volumetric Rate Structure (per 1,000 gallons)	
Residential	\$7.40
Commercial	\$7.40
Non-Taxable Commercial	\$7.40

Rate Structure Recommendations



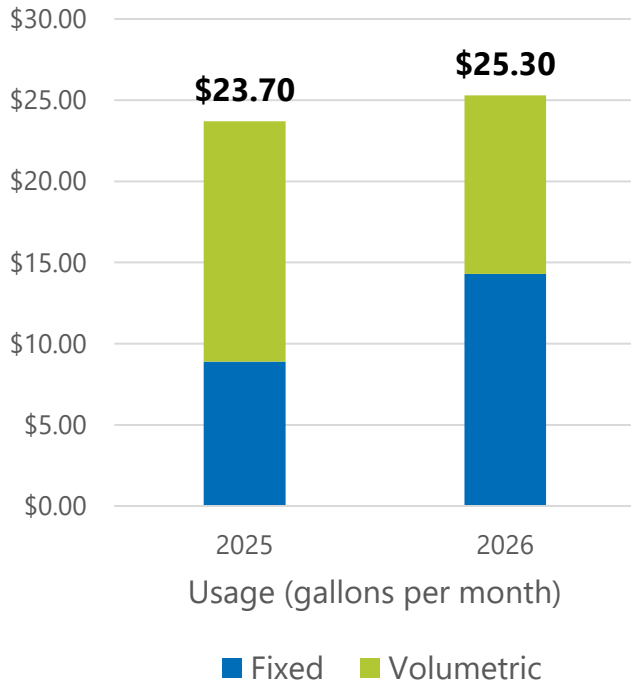
1. Increase fixed charge to correct structural imbalance covering labor O&M + CEP
2. Reduce volumetric charge to help offset increase in fixed charge
3. Revenues fully support operating and capital reserve needs

	2025	2026
Fixed Charge (\$/month)	\$8.90	\$14.30
Volume Charge (\$/thousand gallons)	\$7.40	\$5.50

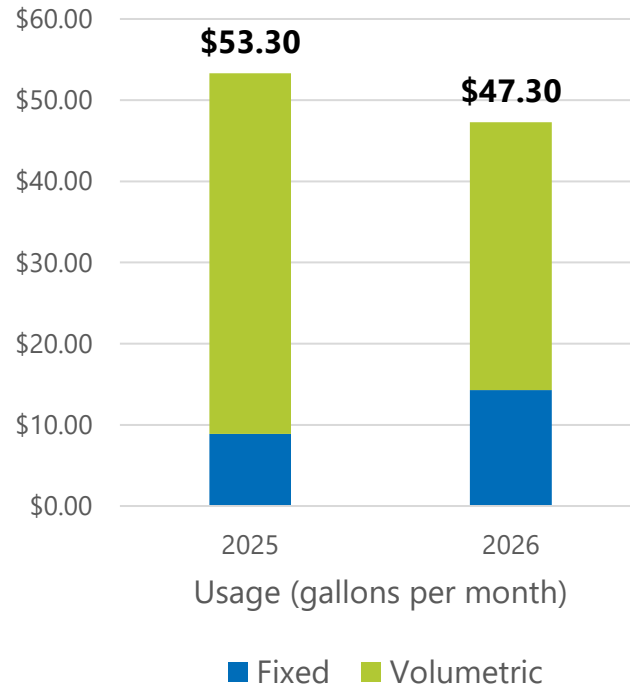
Bill Impacts



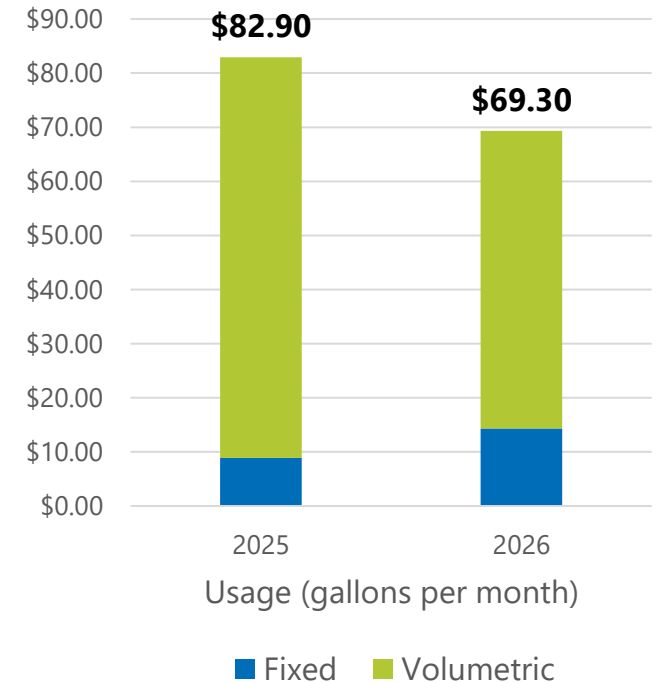
**2,000 Gallons
(Low Use Residential)**



**6,000 Gallons
(Average Residential)**



**10,000 Gallons
(Higher Use)**





Revenue Adequacy

Key Steps:

Establish Assumptions

- **O&M Escalation Factors:** 5% annual increase on labor and benefits, 3% annual increase on all other O&M
- **Account Growth:** Residential growth of **5%** in 2026, **4%** in 2027, **3%** in 2028, **2%** in 2029 and **1%** thereafter. Commercial accounts and billed land area growth of **1%** annually.

Operating Expense Projections

- Budget + Annual Escalation Factors

Incorporate Capital Improvements Plan

Establish Reserve Targets

- **Operating:** 180 Days of operating expense
- **Capital:** Establish Capital R&R Reserve

Revenue Projections

- Baseline Rate Revenue based on Rate Structure changes
- Non-rate revenue projections

Future Rate and Revenue Projections



Revenue Adequacy

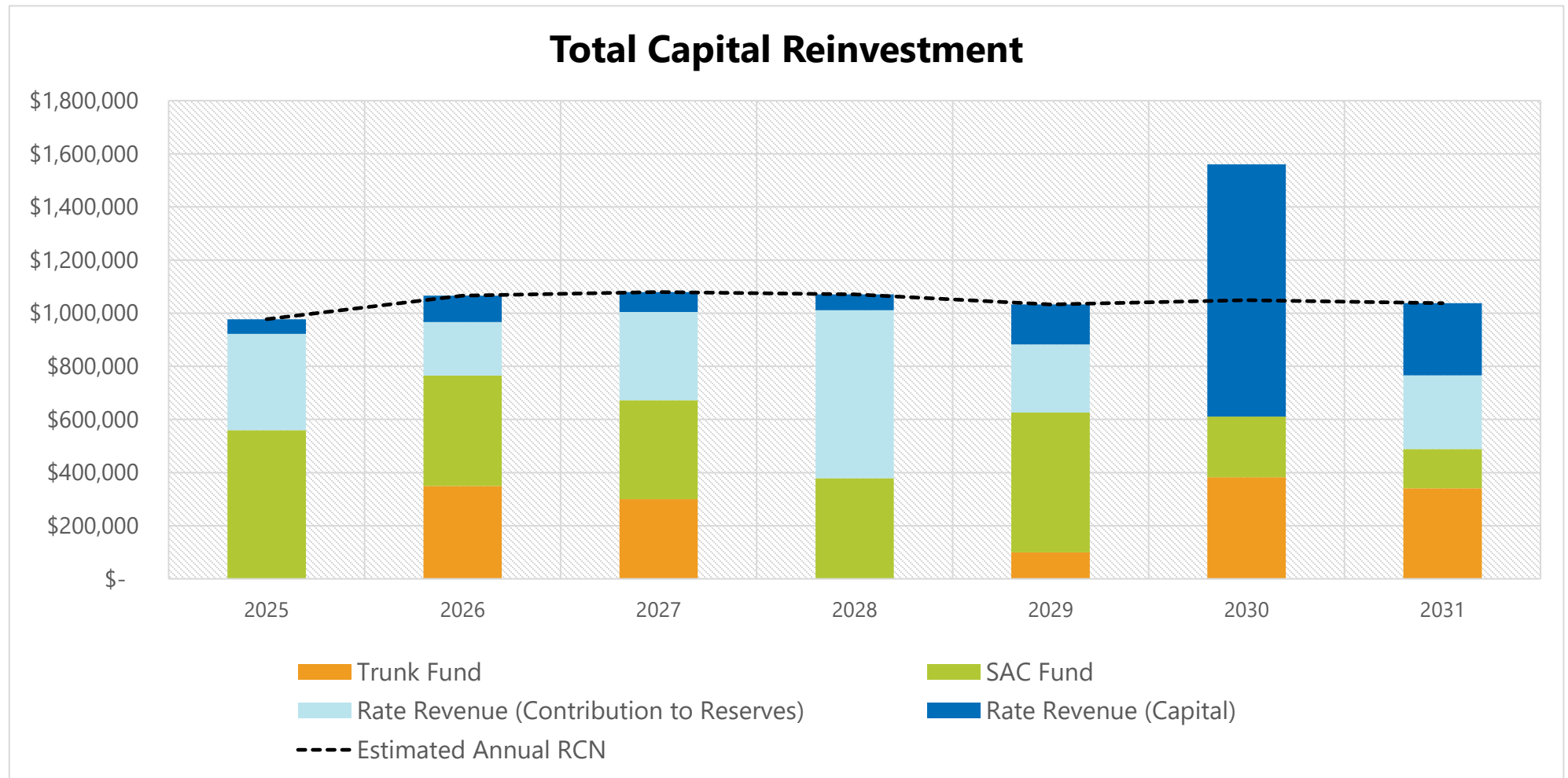
Capital Improvements Plan

Project/Improvement	Year	Cost	Funding Source
CIP			
	2025	\$560,000	SAC
Main Street Reconstruction with Trail - CR 81 to CR 116 (Includes 129th Avenue and Territorial Road Intersections)	2026	\$350,000	Trunk
Lift Station No. 11 Rehabilitation	2026	\$415,000	SAC
Edgewater Parkway from Edgewater to CSAH 116 with Trail - Developer Driven	2027	\$300,000	Trunk
Lift Station 14 Rehabilitation	2027	\$372,000	SAC
Lift Station 9 Rehabilitation	2028	\$379,000	SAC
Fletcher Lane Improvements with Utilities	2029	\$100,000	Trunk
Lift Station 4 Rehabilitation	2029	\$526,000	SAC

Project/Improvement	Year	Cost	Funding Source
CEP			
Utilities Pickup Replacement	2025	\$ 22,500	Rate Revenue
Utilities Pickup Replacement	2025	\$22,500	Rate Revenue
Floor Scrubber (Public Works)	2025	\$10,000	Rate Revenue
Utilities Pickup Replacement	2026	\$25,000	Rate Revenue
Replace 200 KW Portable Generator	2026	\$75,000	Rate Revenue
Replace 200 KW Portable Generator	2027	\$75,000	Rate Revenue
Utilities Pickup Replacement	2028	\$30,000	Rate Revenue
Utilities Pickup Replacement	2028	\$30,000	Rate Revenue



Capital Funding Sources



Rate Projections



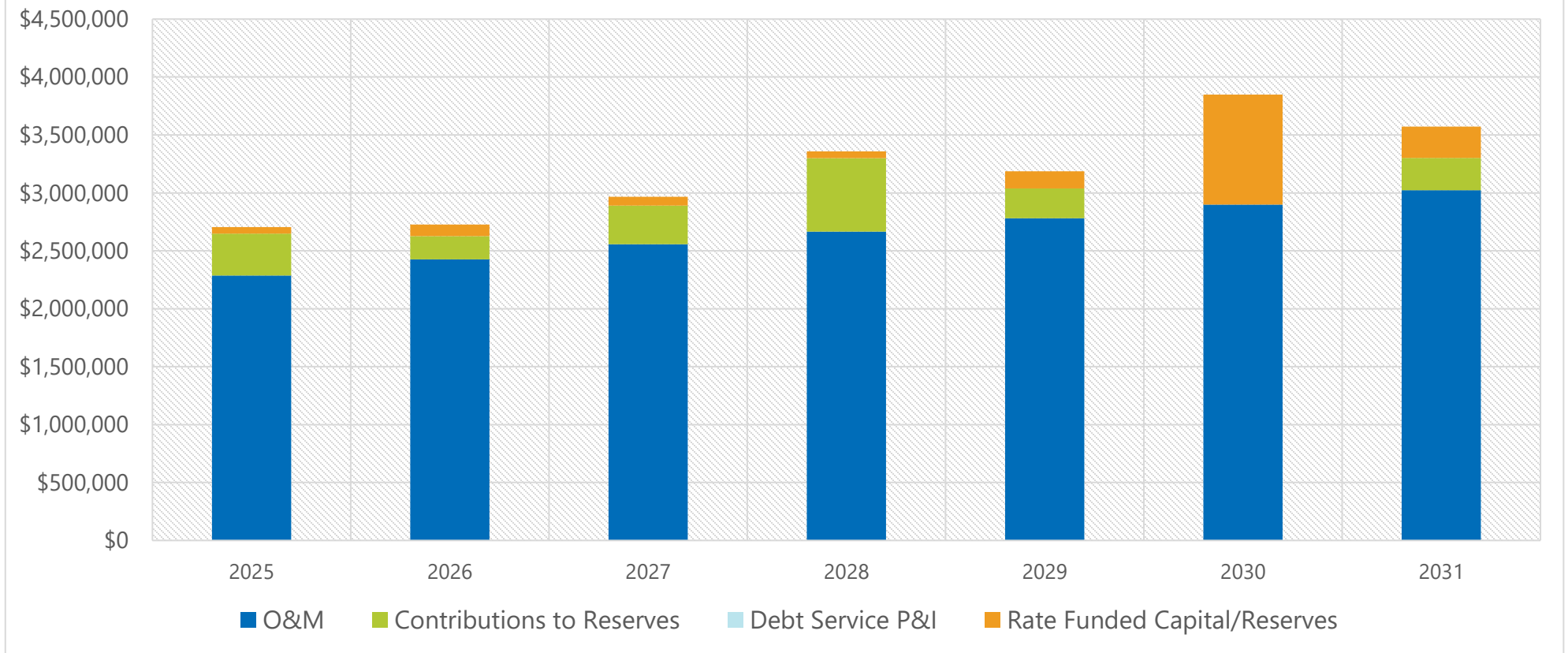
	2025	2026	2027	2028	2029	2030
Fixed Charge % Change	6%	61%	3.0%	3.0%	3.0%	3.0%
Fixed Charge (\$/month)	\$8.90	\$14.30	\$14.73	\$15.17	\$15.63	\$16.09
Volume Charge % Change	5.7%	-10%	3%	3%	3%	3%
Volume Charge (\$/thousand gallons)	\$7.40	\$5.50	\$5.67	\$5.83	\$6.01	\$6.19

- **Rate plan maintains affordability for lower-use customers**
- **Scenario uses conservative growth assumption: SAC & Trunk to \$0 by 2035**

Breakdown of Revenue Requirements

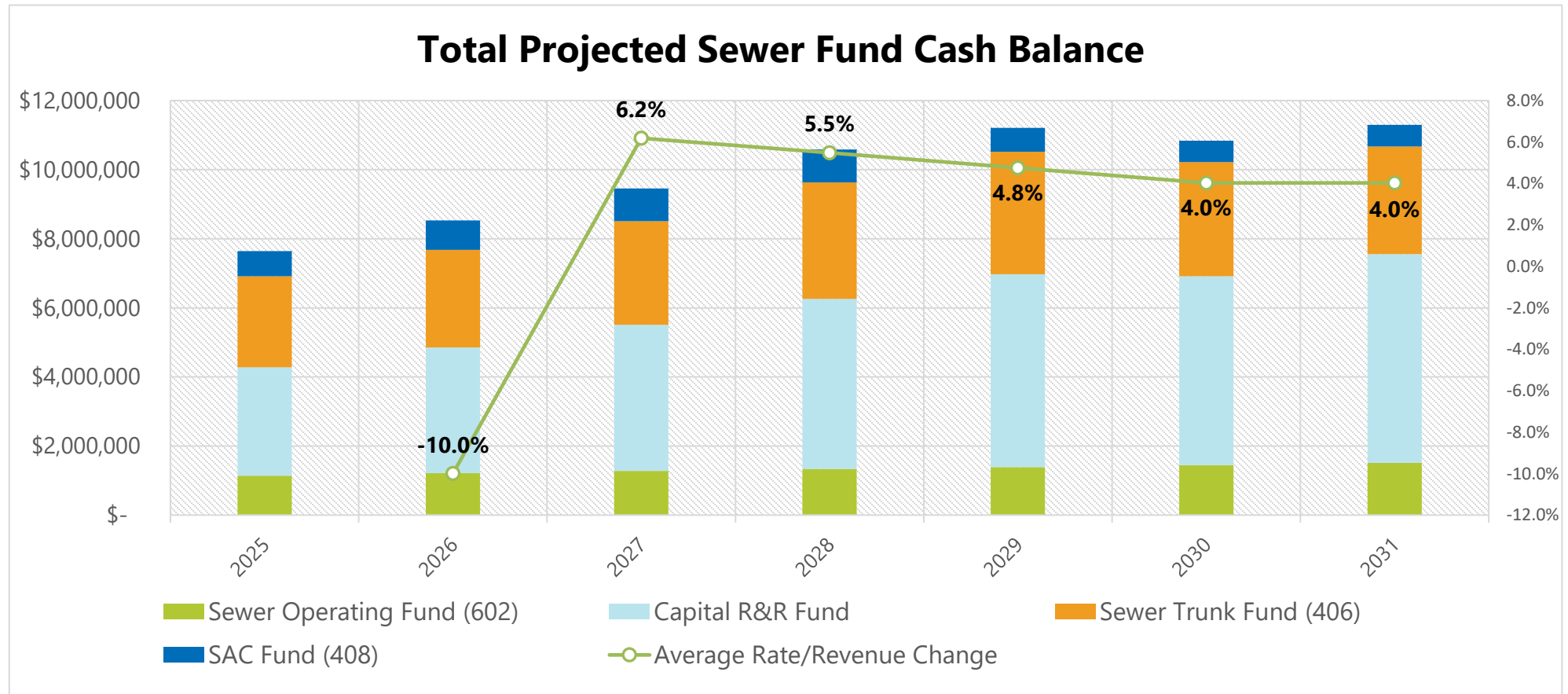


Revenue Requirement Projections





Revenue Adequacy Results

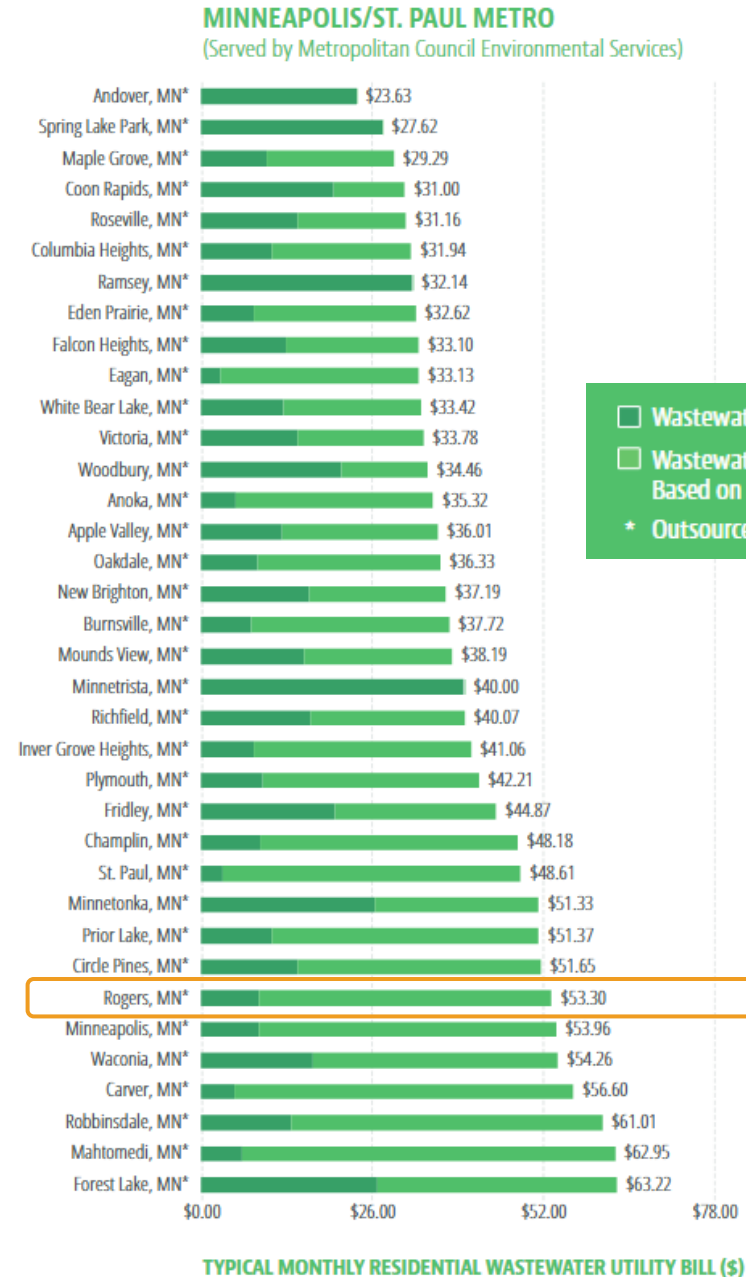


Utility remains in a very healthy cash position through 2031

Regional Rate Comparison

Rate Survey

- Compares Rogers' residential sanitary sewer rate to Minnesota utilities using 6,000 gallons per month
- Rogers' representative residential bill decreases from \$53.30 (2025) to approximately \$47.30 (2026)



WATER

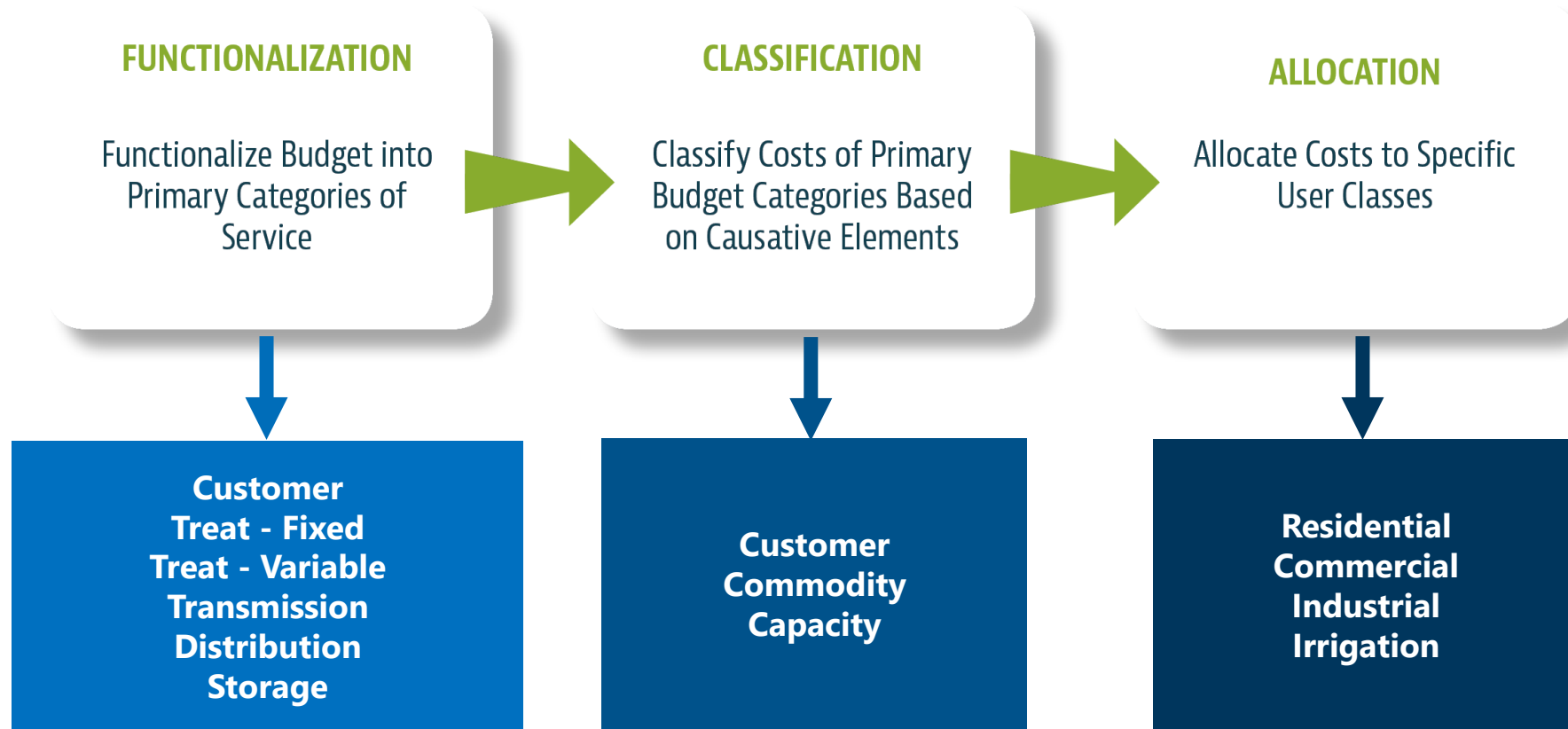


Water Rate Study Overview

- Evaluated the existing water rate structure and conducted a cost of service analysis to assess equity among customer classes
- Developed rate structure recommendations, including a phased approach to fixed charge adjustments, to correct cost of service over time while minimizing near-term customer impacts
- Evaluated long-term rate projections to support revenue adequacy, capital reinvestment, and long-term financial sustainability of the water utility



Water Cost Of Service Analysis (COSA)





Water COSA Results

Customer Class	Test Year Revenue (2024)	Revenue %	Test Year Cost	Test Year Cost %	% Difference
Residential	\$1,472,653	60.2%	\$1,237,997	69.3%	-13.0%
Commercial	\$453,527	18.5%	\$223,745	12.5%	48.3%
Non-Taxable Commercial	\$154,237	6.3%	\$73,815	4.1%	52.9%
Irrigation	\$365,747	15.0%	\$254,091	14.1%	5.3%
Total	\$2,446,163	100.0%	\$1,789,648	100.0%	



**COSA Target to Achieve
Equitability = +/- %**



Existing Rate Structure

- The existing structure combines a meter-based fixed charge with tiered volumetric rates
- Revenue recovery relies heavily on usage-based charges rather than fixed charges
- Cost of service analysis identified differences between revenue recovery and cost responsibility across customer classes

Fixed Rate Structure	
All Users	
0.625"	\$6.60
0.75"	\$6.80
1.00"	\$7.40
1.50"	\$8.20
2.00"	\$10.20
3.00"	\$30.80
4.00"	\$39.30

Volumetric Rate Structure	
Residential	
Tier 1 (0-3,000 gallons)	\$2.60
Tier 2 (3,001-15,000 gallons)	\$3.20
Tier 3 (15,000-37,500 gallons)	\$4.00
Tier 4 (>37,500)	\$5.20
Commercial	
Tier 1 (0-47,000 gallons)	\$3.20
Tier 2 (>47,000 gallons)	\$4.00
Non-Taxable Commercial	
Tier 1 (0-47,000 gallons)	\$3.20
Tier 2 (>47,000 gallons)	\$4.00
Irrigation	
Per 1,000 gallons	\$5.20



Water Rate Design Objectives

- 1 Align revenue recovery with COSA-allocated costs by customer class
- 2 Improve residential cost recovery (currently under-recovering by $\approx 13\%$)
- 3 Reduce over-recovery from commercial and non-taxable users
- 4 Increase fixed revenue to improve stability and capital funding support
- 5 Reevaluate the existing rates and charges for all customer classes



Recommended Water Rate Structure

Adopt equivalent meter-based fixed charges (phased 2026–2028)

- Increases fixed revenue from $\approx 16\%$ to $\approx 31\%$
- Improves residential cost alignment and revenue stability

Modify Residential tier structure

- Expand Tier 2 to 11,000 gallons
- Preserves conservation pricing

Convert Commercial & Non-Taxable to constant-block rate

- Set equal to Residential Tier 2 rate
- Prevents further over-recovery
- Simplifies rate structure

Maintain irrigation structure (within equity range)



Rate Structure Recommendation

	2025	2026	2027	2028
Fixed Charge				
0.625"	\$6.60	\$8.73	\$10.87	\$13.00
0.75"	\$6.80	\$9.30	\$11.80	\$14.30
1.00"	\$7.40	\$11.00	\$14.60	\$18.20
1.50"	\$8.20	\$13.27	\$18.33	\$23.40
2.00"	\$10.20	\$19.37	\$28.53	\$37.70
3.00"	\$30.80	\$68.20	\$105.60	\$143.00
4.00"	\$39.30	\$86.87	\$134.43	\$182.00

	2025	2026	2027	2028
Volumetric Charge				
Residential				
Tier 1 (0 – 3,000 gallons)	\$2.60	\$2.60	\$2.60	\$2.60
Tier 2 (3,001 – 11,000 gallons)	\$3.20	\$3.20	\$3.20	\$3.20
Tier 3 (11,001 – 37,000 gallons)	\$4.00	\$4.00	\$4.00	\$4.00
Tier 4 (> 37,000 gallons)	\$5.20	\$5.20	\$5.20	\$5.20
Commercial				
Tier 1 (0 – 47,000 gallons)	\$3.20	\$3.20	\$3.20	\$3.20
Tier 2 (> 47,000 gallons)	\$4.00	\$3.20	\$3.20	\$3.20
Non-Taxable Commercial				
Tier 1 (0 – 47,000 gallons)	\$3.20	\$3.20	\$3.20	\$3.20
Tier 2 (> 47,000 gallons)	\$4.00	\$3.20	\$3.20	\$3.20
Irrigation				
Per 1,000 gallons	\$5.20	\$5.20	\$5.20	\$5.20



Rate Structure Recommendation

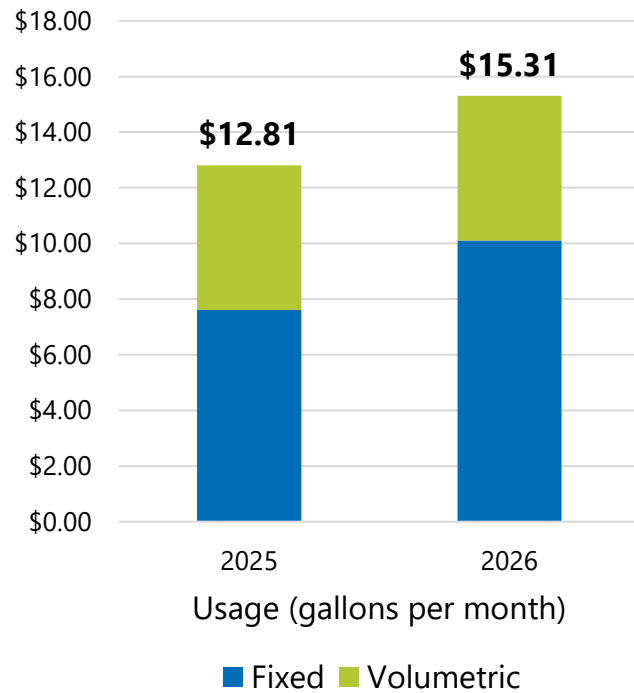
Projected COSA Results (Revenue % vs. Cost %)							
Percent Difference from Target	Test Year	2025	2026	2027	2028	2029	2030
Residential	-13.0%	-15.2%	-10%	-7.3%	-5.2%	-4.6%	-4.3%
Commercial	48.3%	32.5%	19%	14.0%	10.3%	9.2%	8.7%
Non-Taxable Commercial	52.9%	39.8%	20%	15.2%	11.6%	10.1%	9.5%
Irrigation	5.3%	33.9%	27%	18.9%	12.8%	11.3%	10.6%

Fixed revenue \approx 31% of total revenue by 2028 up from \approx 16%

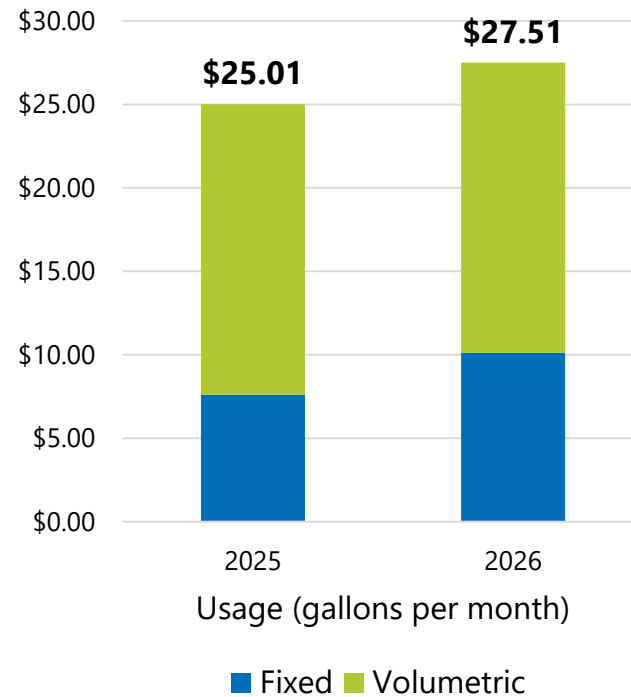


Residential Bill Impacts

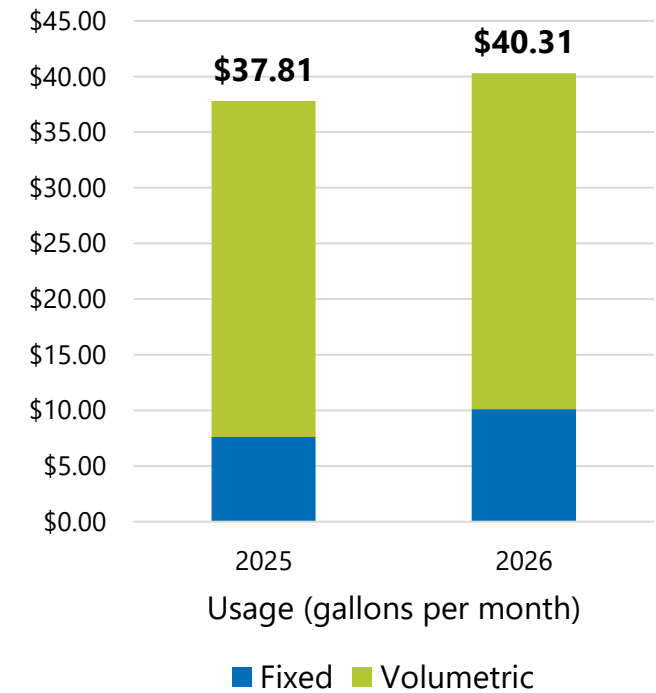
2,000 Gallons (Low Use Residential)



6,000 Gallons (Average Residential)



10,000 Gallons (Higher Use)





Revenue Adequacy

Key Steps:

Establish Assumptions

- **O&M Escalation Factors:** 5% annual increase on labor and benefits, 3% annual increase on all other O&M
- **Account Growth:** Residential growth of **5%** in 2026, **4%** in 2027, **3%** in 2028, **2%** in 2029 and **1%** thereafter. Commercial accounts and billed land area growth of **1%** annually.

Operating Expense Projections

- Budget + Annual Escalation Factors

Incorporate Capital Improvements Plan

Establish Reserve Targets

- **Operating:** 180 Days of operating expense
- **Capital:** Establish Capital R&R Reserve

Revenue Projections

- Baseline Rate Revenue based on Rate Structure changes
- Non-rate revenue projections

Future Rate and Revenue Projections



Revenue Adequacy

Capital Improvements Plan

Project/Improvement	Year	Cost	Funding Source
CIP			
Fletcher By-Pass 3-Lane with RR Xing (CSAH 116 to CR 81)	2025	\$190,000	Trunk
Well Nos. 10 & 11, Transmission Lines and Pumphouses	2025	\$8,000,000	WAC
Replace Generator at Well No. 5	2025	\$150,000	Trunk
Main Street Reconstruction with Trail - CR 81 to CR 116 (Includes 129th Avenue and Territorial Road Intersections)	2026	\$350,000	Trunk
Water Treatment Plant 1	2026	\$10,000,000	WAC
Edgewater Parkway from Edgewater to CSAH 116 with Trail - Developer Driven	2027	\$300,000	Trunk
Fletcher Lane Improvements with Utilities	2029	\$100,000	Trunk

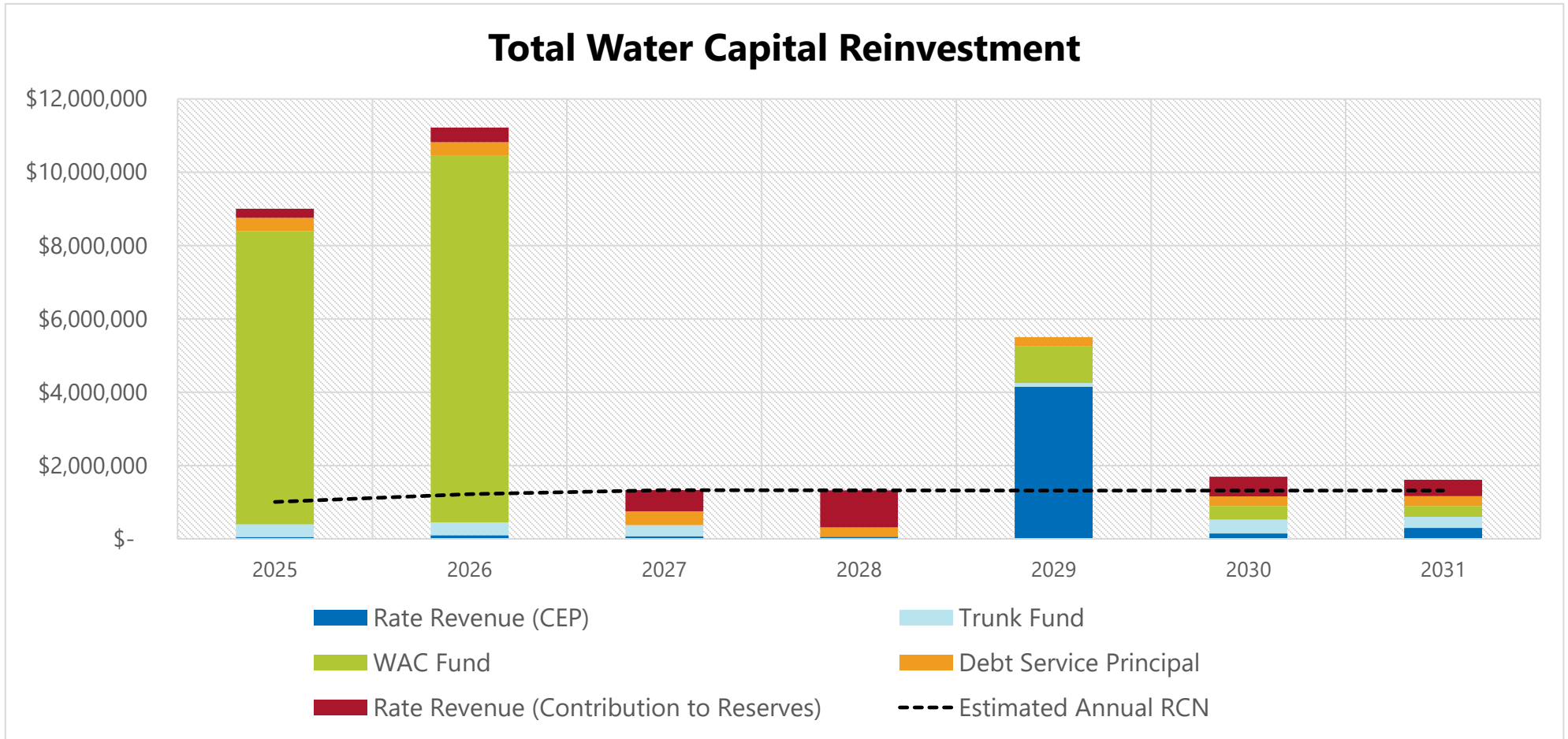
Project/Improvement	Year	Cost	Funding Source
CEP			
Utilities Pickup Replacement	2025	\$22,500	Rate Revenue
Utilities Pickup Replacement	2025	\$22,500	Rate Revenue
Floor Scrubber (Public Works)	2025	\$10,000	Rate Revenue
Utilities Pickup Replacement	2026	\$25,000	Rate Revenue
Replace 200 KW Portable Generator	2026	\$75,000	Rate Revenue
Replace 200 KW Portable Generator	2027	\$75,000	Rate Revenue
Utilities Pickup Replacement	2028	\$30,000	Rate Revenue
Utilities Pickup Replacement	2028	\$30,000	Rate Revenue

Water Capital Improvement Plan

Funding Source Analysis

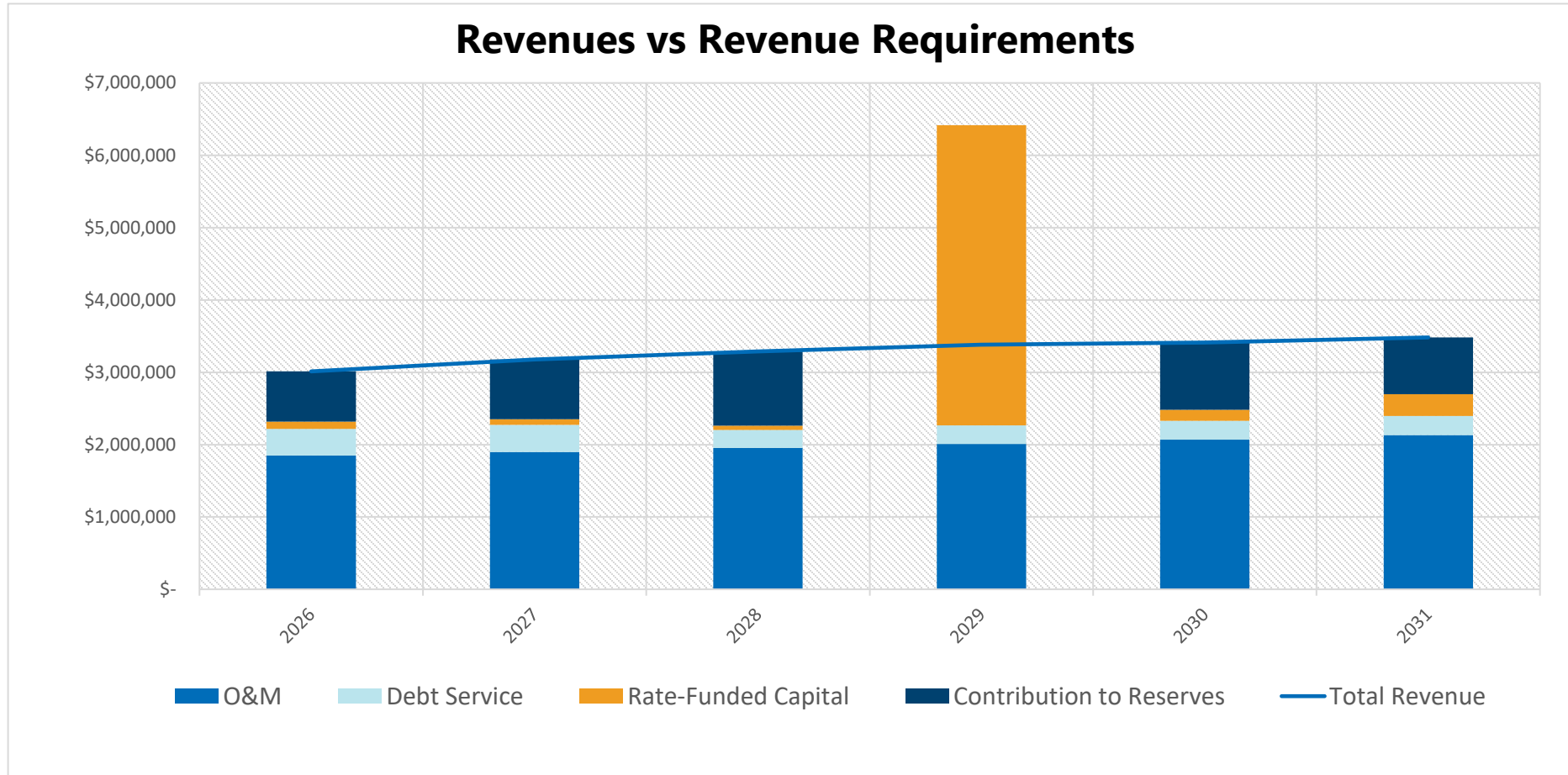


Total Water Capital Reinvestment



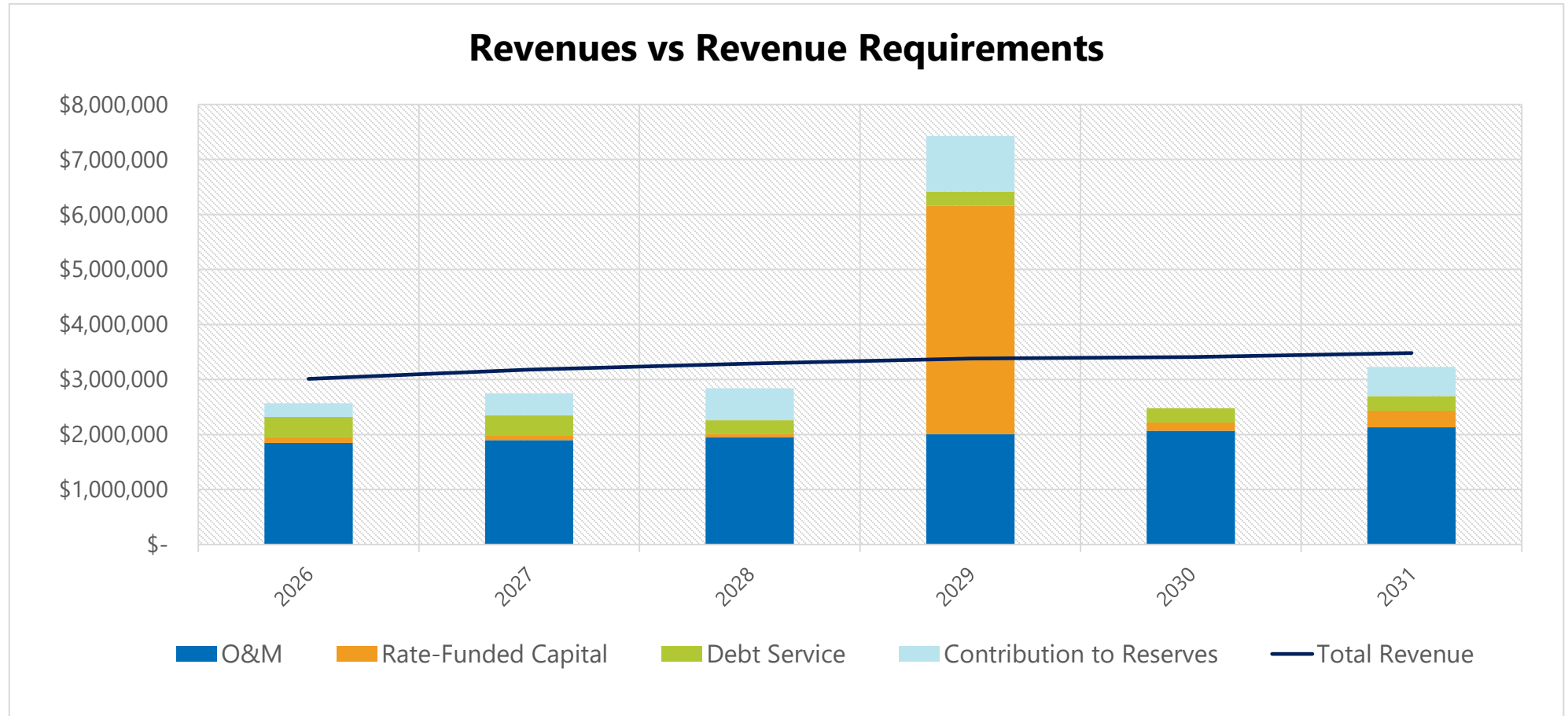


Projected Water Revenue Adequacy





Projected Water Revenue Adequacy

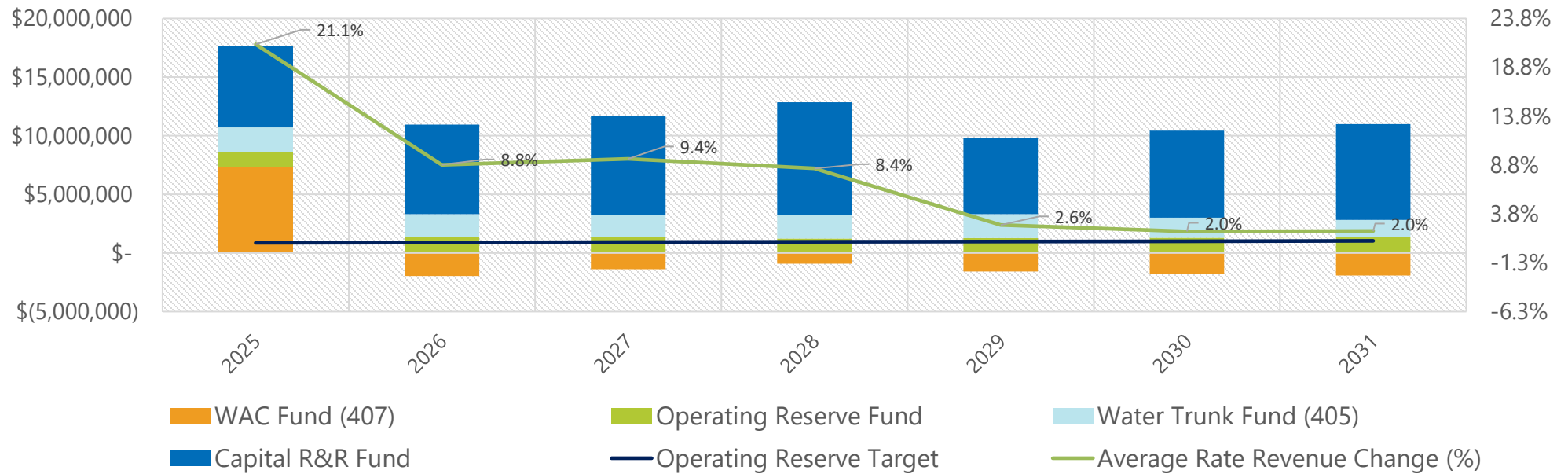


Water Capital Improvement Plan

Funding Source Analysis



Total Projected Water Fund Cash Balance

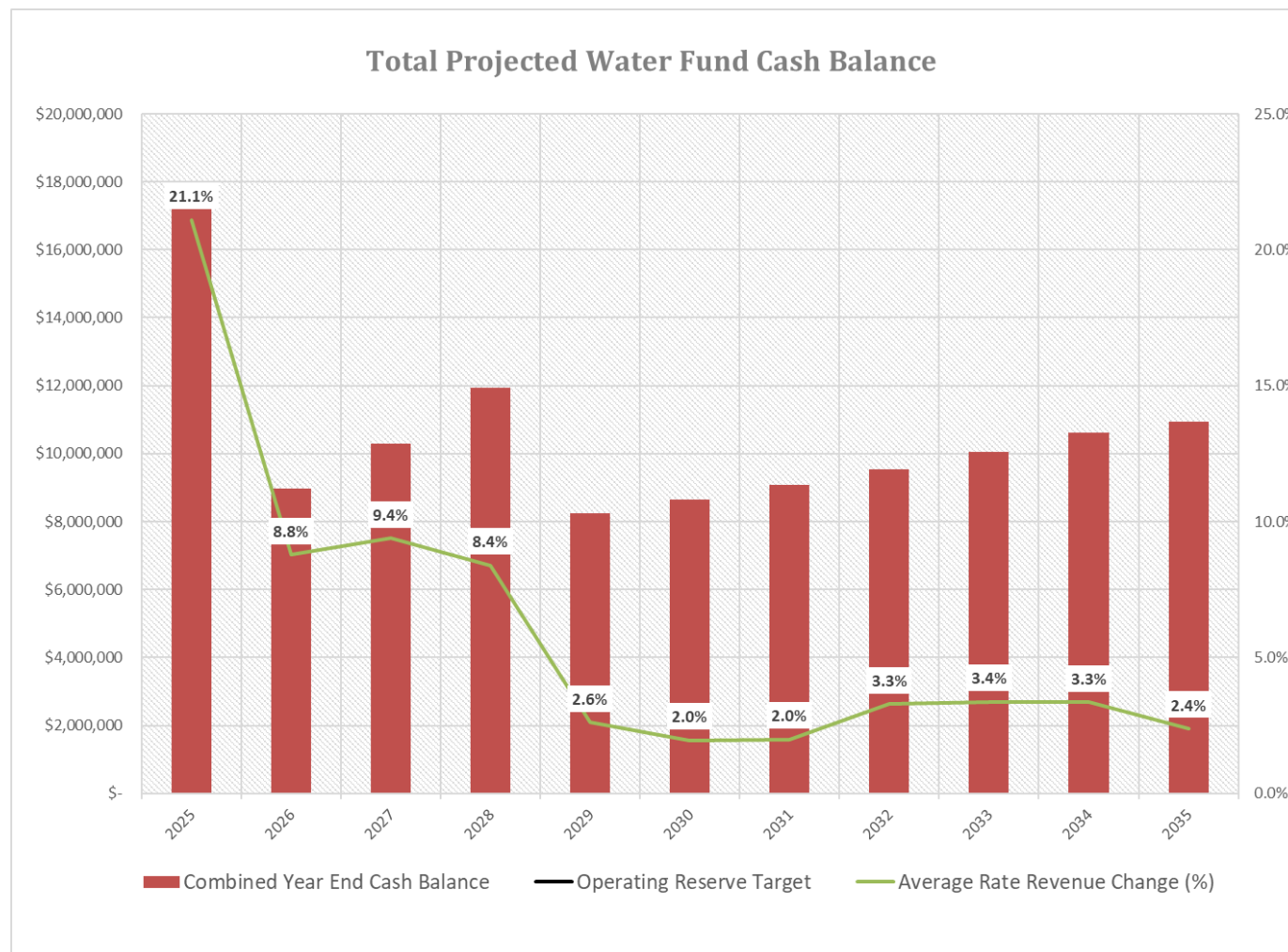


- **With development fee revenue leveling off, the 2026 (\$10M) and 2029 (\$5M) plant projects require a partial shift from WAC funding to rate revenue**
- **Proactively reduces dependency on WAC as development revenue begins to flatten out**
- **As shown in the cash balance projection, the fund absorbs this shift while keeping healthy reserves**



Revenue Adequacy Results

➤ **Utility remains in a very healthy cash position through 2031**

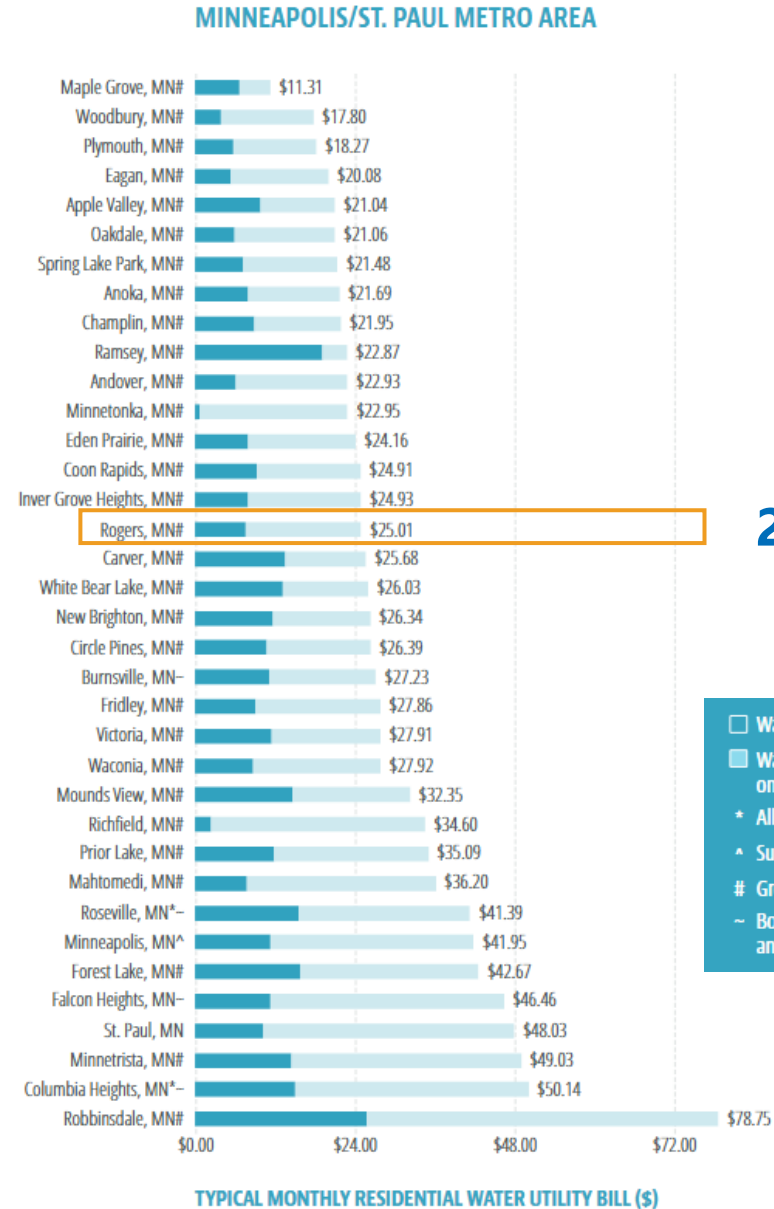




Regional Rate Comparison

Rate Survey

- Regional comparison of Rogers' existing residential water rate as compared to 2025 charges for other utilities in Minnesota
- Rogers' representative residential bill increases from \$25.01 (2025) to approximately \$27.51 (2026)



2025 Rate*

STORMWATER

Stormwater Rate Study Overview



- Evaluated potential adjustments to existing rate structure
- Developed rate structure recommendation
- Evaluated long-term rate projections to support ongoing operations, capital reinvestment, and long-term financial sustainability of the stormwater utility



Stormwater

Common Types Of Stormwater Rate Structures

ADDED COMPLEXITY = MORE EQUITABLE RATES

Rate structure	Approach
Flat rate	All parcels are charged a single flat rate, or all parcels are charged a flat rate by user class (i.E. Commercial = \$100 and industrial = \$200)
Gross area factored by runoff coefficient	Runoff coefficients are established for different property types based on generalized property characteristics.
Impervious surface area	Fees are established based on a multiplying impervious area by a unit rate.
Gross and impervious surface area	Fees are established based on a multiplying both impervious area and pervious (or total) area by unit rates.
Class intensity of development	Intensity factors are established for each property as an estimate of development density (usually calculated as the ratio between impervious area and total area).
Equivalent hydraulic areas (pervious and impervious)	Equivalent hydraulic area is established by estimating a property's runoff contribution (based on the combined effect of the impervious and pervious area of the parcel using hydrologic response factors). Essentially building models for each property to estimates runoff contribution and charging per unit of runoff (i.E. \$ Per gallon).

These approaches can be simplified for residential properties using REF type approaches.



Existing Rate Structure

- Based on an industry-standard approach
- Recommend that the City maintain existing rate structure basis, with simplifications to improve understanding and easy of administration

Rate Type	Per Month	Per Sq Ft
All Accounts		
Stormwater Basic Charge	\$1.90	
Residential		
R1 Rural	\$4.05	
Residential Single Family R2, PUD Urban	\$4.19	
Residential Mid-Density (R3) Smaller than 0.25 Acres	\$2.64	
Residential Mid-Density (R2) Larger than 0.25 Acres	\$4.10	
Non-Residential		
Multi-Family Residential (R4, R5) Smaller than 0.50 Acres	\$4.10 per Lot	\$0.0005
Multi-Family Residential (R4, R5) Larger than 0.50 Acres	\$8.27 per Acre	\$0.0005
Institutional Smaller than 0.50 Acres	\$4.10 per Lot	\$0.0005
Institutional Larger than 0.50 Acres	\$8.27 per Acre	\$0.0005
Commercial/Industrial/Retail Smaller than 0.50 Acres	\$5.50 per Lot	\$0.0005
Commercial/Industrial/Retail Smaller than 0.50 Acres	\$10.81 per Acre	\$0.0005

Rate Structure Recommendations



- 1 Eliminate separate "Basic Charge" of \$1.90 per month and roll into other rates
- 2 Eliminate varied Residential rates by zoning and simplify down to one common rate
- 3 Eliminate varied Non-Residential charges per lot or per acre and develop a common Non-Residential "Gross Area Charge" per 1,000 Sq Ft
- 4 Maintain existing Non-Residential impervious area charge, converted to a charge per 1,000 Sq Ft (versus per square foot)

Rate Structure Recommendation



New Rate structure designed to recover Residential and Non-Residential revenues in-line with revenues under existing rate structure

Rate Type	Existing Rate Structure		2026 Recommended Rate Structure	
All Accounts	Per Month			
Stormwater Basic Charge	\$1.90		-	
Residential	Per Month		Per Month	
R1 Rural	\$4.05		\$6.00	
Residential Single Family R2, PUD Urban	\$4.19			
Residential Mid-Density (R3) Smaller than 0.25 Acres	\$2.64			
Residential Mid-Density (R2) Larger than 0.25 Acres	\$4.10			
Non-Residential	Per Month	Per Sq Ft per Month	Gross Area: Per 1,000 Sq Ft per Month	Impervious Area: Per 1,000 Sq Ft per Month
Multi-Family Residential (R4, R5) Smaller than 0.50 Acres	\$4.10 per Lot	\$0.0005	\$0.25	\$0.50
Multi-Family Residential (R4, R5) Larger than 0.50 Acres	\$8.27 per Acre	\$0.0005		
Institutional Smaller than 0.50 Acres	\$4.10 per Lot	\$0.0005		
Institutional Larger than 0.50 Acres	\$8.27 per Acre	\$0.0005		
Commercial/Industrial/Retail Smaller than 0.50 Acres	\$5.50 per Lot	\$0.0005		
Commercial/Industrial/Retail Smaller than 0.50 Acres	\$10.81 per Acre	\$0.0005		

Simplified 2026 Stormwater Rate Structure



Consolidates 11 categories into 2 clear billing components

Rate Type	2026 Recommended Rate Structure	
	Per Month	
Residential	\$6.00	
	<u>Gross Area: Per 1,000 Sq Ft per Month</u>	<u>Impervious Area: Per 1,000 Sq Ft per Month</u>
Non-Residential	\$0.25	\$0.50



Revenue Adequacy

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- **O&M Escalation Factors:** 5% annual increase on labor and benefits, 3% annual increase on all other O&M
- **Account Growth:** Residential growth of **5%** in 2026, **4%** in 2027, **3%** in 2028, **2%** in 2029 and **1%** thereafter. Commercial accounts and billed land area growth of **1%** annually.

Operating Expense Projections

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Revenue Projections

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Future Rate and Revenue Projections



Revenue Adequacy

Capital Improvements Plan & Reinvestment Targets

Current CIP

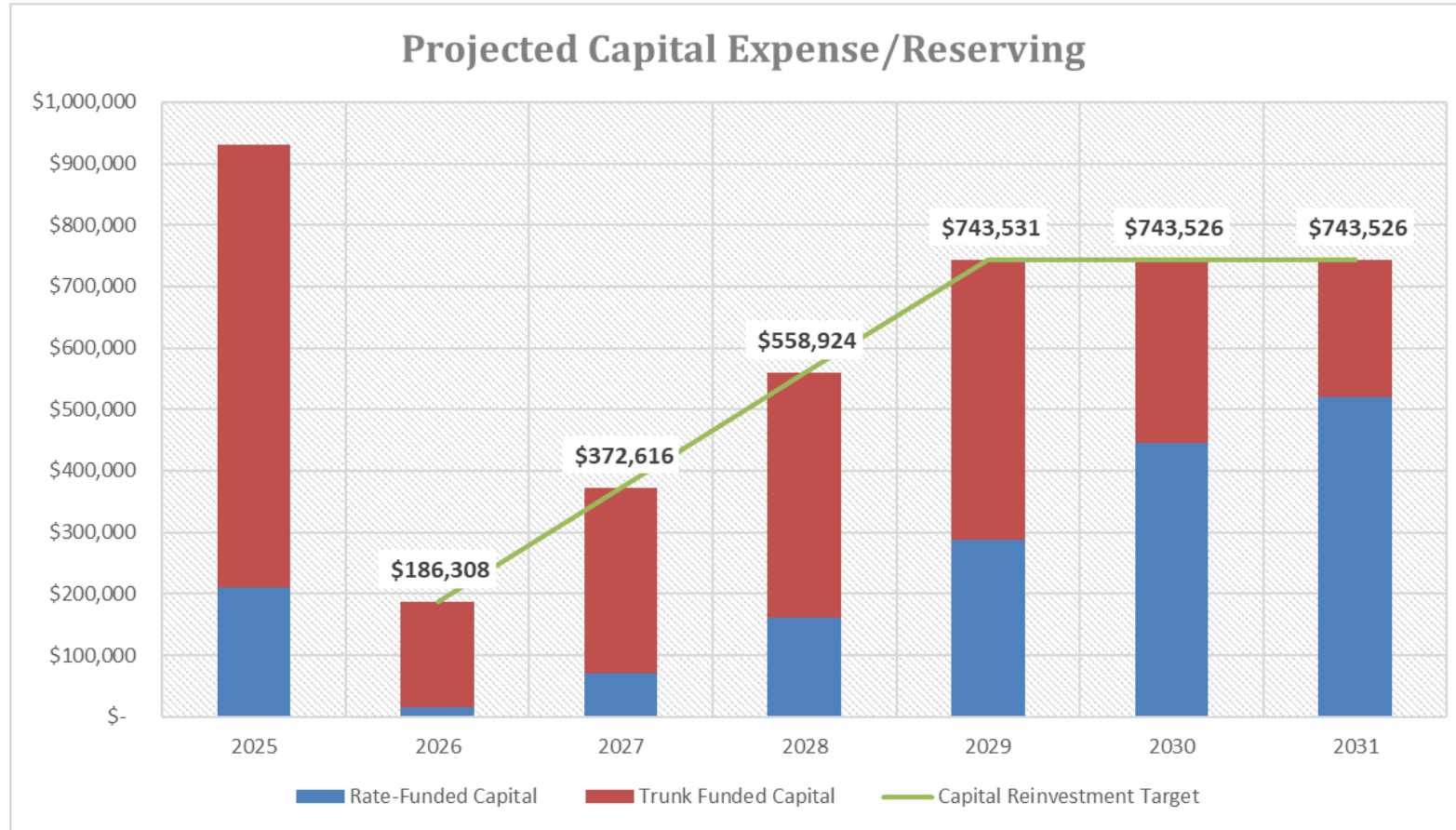
Project	Funding Source	2025	2026	2027	2028	2029
CIP						
Fletcher By-Pass	Trunk	\$350,000				
Day Spring Estates Park Improve and Pond Outlet Repair	Trunk	\$50,000				
Fox Creek Steambank Repairs	Trunk	\$120,000				
Trunk Storm – Weber Farm	Trunk	\$200,000				
Storm Pond Cleaning and Repairs	Trunk		\$115,000	\$135,000	\$155,000	\$170,000
CEP						
Floor Scrubber (Public Works)	Rate Revenue	\$10,000				
Street Sweeper	Rate Revenue	\$200,000				
Total		\$930,000	\$115,000	\$135,000	\$155,000	\$170,000

Capital Reinvestment Target

	2026	2027	2028	2029	2030	2031
Depreciation	\$ 403,838	\$ 403,838	\$ 403,838	\$ 402,863	\$ 402,860	\$ 402,860
RCN	\$ 745,231	\$ 745,231	\$ 745,231	\$ 743,531	\$ 743,526	\$ 743,526
RCN - Phased In	\$ 186,308	\$ 372,616	\$ 558,924	\$ 743,531	\$ 743,526	\$ 743,526
<i>Phase In %</i>	25%	50%	75%	100%	100%	100%

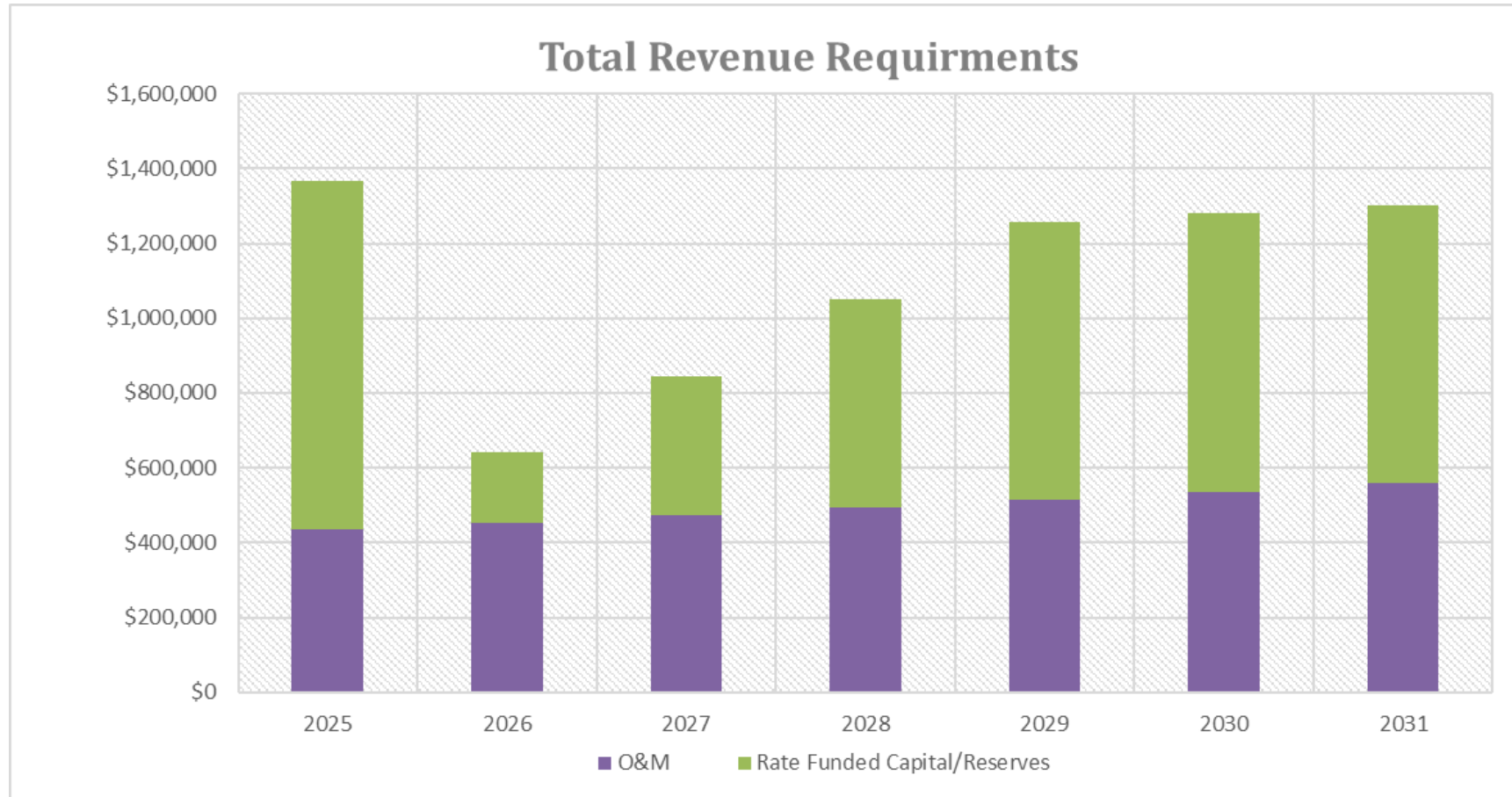
Revenue Adequacy

Capital Reinvestment



Revenue Adequacy

Total Revenue Requirements

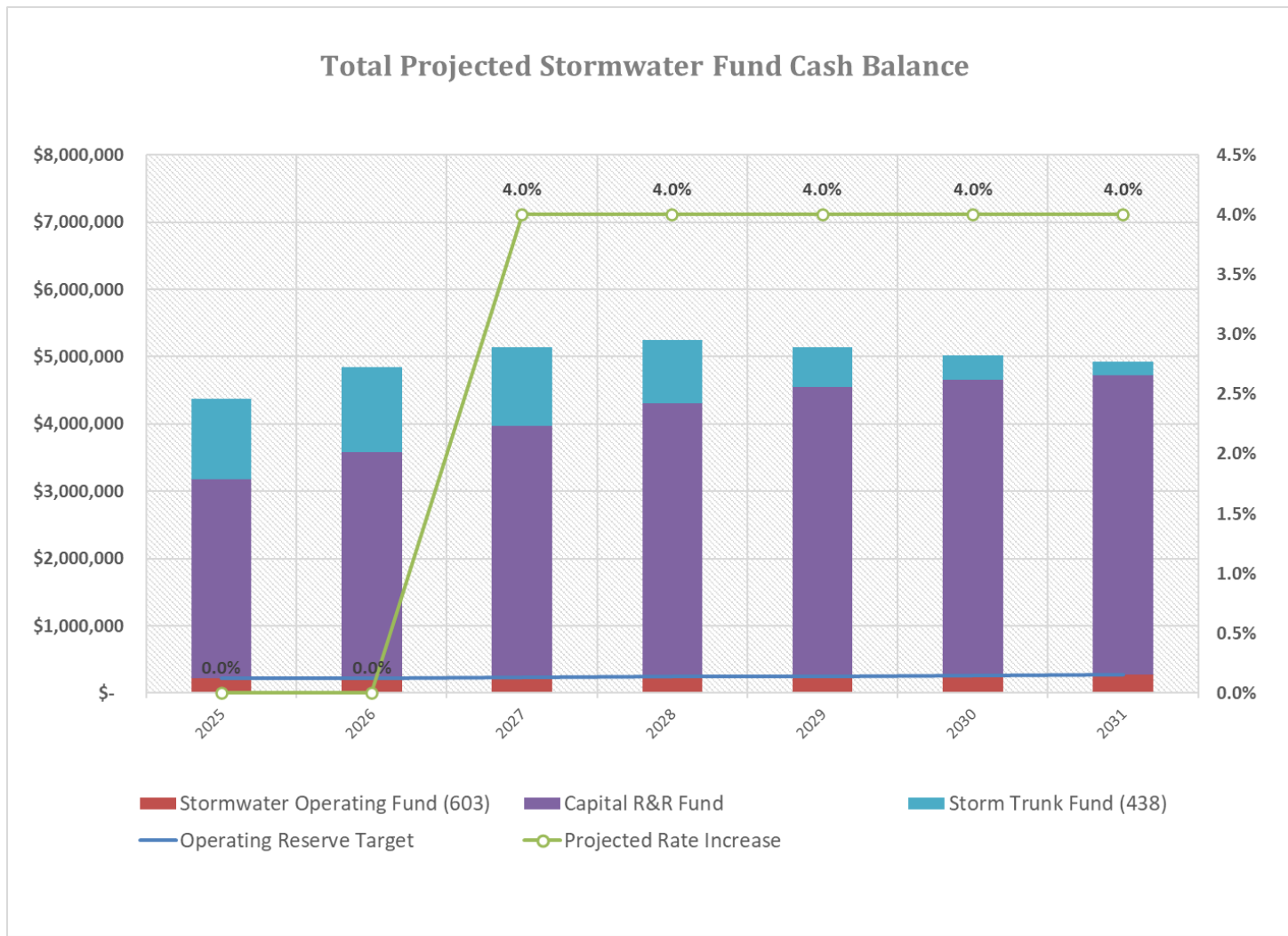


Rate Projections



	2026 – New Rate Structure	2027	2028	2029	2030	2031
Annual Rate Increase %		4.0%	4.0%	4.0%	4.0%	4.0%
Residential - Monthly Charge	\$6.00	\$6.24	\$6.49	\$6.75	\$7.02	\$7.30
Non-Residential - Gross Area Charge	\$0.25	\$0.26	\$0.27	\$0.28	\$0.29	\$0.30
Non-Residential Impervious Area Charge	\$0.50	\$0.52	\$0.54	\$0.56	\$0.58	\$0.60

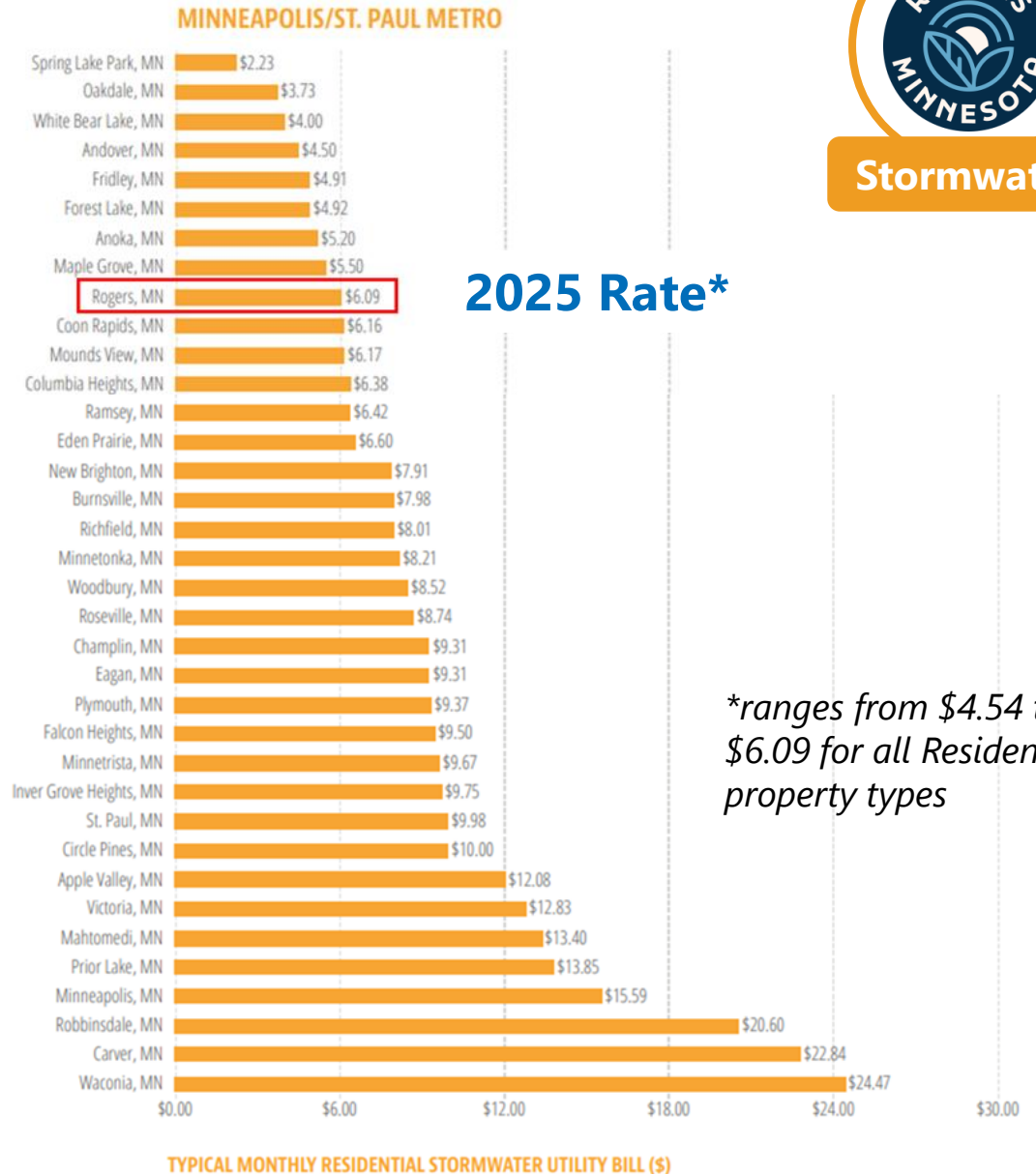
Revenue Adequacy Results



Regional Rate Comparison

Rate Survey

- Regional comparison of Rogers' existing residential stormwater rate as compared to 2025 charges for other stormwater utilities in Minnesota
- Under the recommended **2026 rate structure**, the bill for all residential properties will be **\$6.00**, with an anticipated increase to **\$7.30 by 2031**



IMPACT FEES

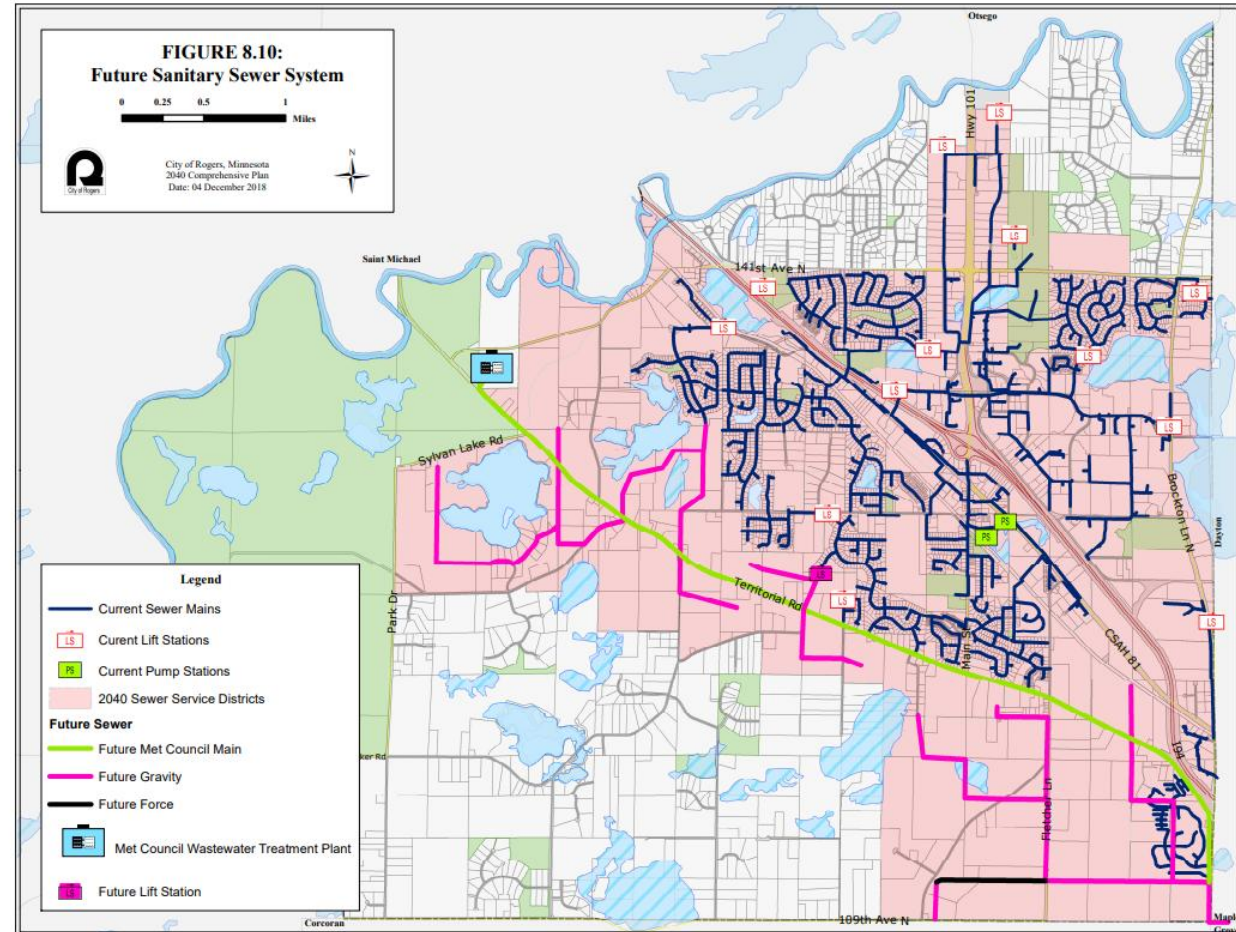


Impact Fee Overview

- **One-time charges applied to new or expanded development**
- **Designed so “growth pays for growth”**
- **Recovers a proportionate share of:**
 - Existing system capacity
 - Future capital improvements needed for growth
- **Must meet the “rational nexus” requirements:**
 - Clear connection to growth
 - Demonstrable benefit
 - Proportionate to demand placed on system
- **In Rogers, impact fees currently include:**
 - Trunk Fees (Water, Sanitary, and Storm)
 - Access Charges (WAC/SAC)

Growth Areas Supporting Impact Fees

- Impact fees are supported by new growth within identified service areas
- As development areas build out, fee revenue naturally declines
- Long-term financial stability must rely on sustainable rates and capital planning



Current Fees



Impact Fees

Utility	Fee Type	Fee Detail	Cost	Unit
Water				
	Trunk	Low Pressure Zone	\$3,000.00	per acre
		High Pressure Zone	\$4,600.00	per acre
	Access Charge (WAC)	Single Family, Commercial, Industrial	\$3,800.00	per unit
		Multi-Family	\$3,000.00	per unit
		High Pressure Access Charge (Ord 99-5)	\$200.00	per unit
Sanitary				
	Trunk		\$2,600.00	per acre
	Access Charge (SAC)	Commercial/Industrial	\$4,500.00	first unit
		Commercial/Industrial	\$2,500.00	additional units
		Multi-Family	\$3,600.00	per unit
		Single Family	\$4,600.00	per unit
Storm				
	Trunk	All Non-Ag Zoning except R1	\$2,400.00	per acre
		R1 Zoning	\$300.00	per acre



Maximum Justifiable Impact Fee

$$\begin{aligned} & \text{Existing System Buy-In} \\ + & \text{Future System Buy-In} \\ = & \text{Maximum Justifiable Fee} \end{aligned}$$

- Existing System Buy-In is a metric of past utility investment/capacity that is being “sold” to new users
- Future System Buy-In is metric of future planned utility investment (typically 10-years)
- Maximum Justifiable Fee is the maximum fee that can be charged as a total impact fee (total of your current fees)

Single-Family Impact Fee (1/5 Acre Lot with one WAC/SAC Unit)		
Utility	Existing	Maximum Justifiable
Water	\$4,400 to \$4,900	\$14,232
Sewer	\$5,020	\$9,953
Storm	\$60	\$1,425



Impact Fees

Sanitary: Fee Comparison

2025 Sanitary Related Impact Fees - Summary

SF Residential

City	Total	Rank
Maple Grove	\$3,463	10
Cottage Grove	\$3,239 to \$4,805	9
Eagan	\$3,461 to \$4,650	8
Lakeville	\$3,637	7
Rogers	\$5,020	6
Corcoran	\$5,427	5
Dayton	\$6,179	4
Chaska	\$7,758	3
St Michael*	\$9,270	2
Otsego*	\$12,977	1

Commercial

City	Total	Rank
Lakeville	\$11,092	10
Rogers	\$17,200	9
Maple Grove	\$17,760	8
Eagan	\$18,833	7
Cottage Grove	\$17,880 to \$40,000	6
Dayton	\$27,058	5
Corcoran	\$27,136	4
Chaska	\$36,196	3
St Michael*	\$37,080	2
Otsego*	\$51,908	1

Disclaimer: Because impact fees are named, structured, and administered differently across communities, direct comparisons can be challenging. The information provided represents our best effort to interpret and summarize available data without conducting direct conversations with each individual community. As a result, variations in terminology, fee categories, or administrative practices may affect comparability.



Impact Fees

Water: Fee Comparison

2025 Water Related Impact Fees - Summary

SF Residential

City	Total	Rank
Cottage Grove	\$1,532	10
Maple Grove	\$3,306	9
Rogers	\$4,400 to \$4,900	8
St Michael	\$4,629	7
Eagan	\$5,148	6
Chaska	\$6,019	5
Lakeville	\$6,558	4
Corcoran	\$5,915 to \$9,179	3
Otsego	\$7,660	2
Dayton	\$9,666	1

Commercial

City	Total	Rank
Lakeville	\$4,858	10
Rogers	\$9,800 to \$13,400	9
St Michael	\$18,516	8
Cottage Grove	\$19,540	7
Maple Grove	\$26,452	6
Eagan	\$27,342	5
Chaska	\$27,926	4
Otsego	\$30,640	3
Dayton	\$53,834	2
Corcoran	\$46,922 to \$79,575	1

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Impact Fee Next Steps

- Work with staff to set updated fees
- Develop a phasing plan for gradual fee changes
- Explore new naming conventions, initial ideas:
 - "Utility Development" to replace "Trunk"
 - "Utility Building Permit" to replace "WAC/SAC"

Questions?