



Village of Northport

Water Financial Projection

February 9, 2026



Submitted Respectfully by:

Dawn Lund, Vice President

Utility Financial Solutions, LLC

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(231) 218-9664

February 9, 2026

Joni L. Scott, Clerk
Village of Northport
116 W. Nagonaba Street
Northport, MI 49670

Utility Financial Solutions, LLC (UFS) is pleased to submit a proposal to provide a water financial projection and rate design for Village of Northport. Our proposal is based on years of experience navigating complex financial challenges for municipal utilities around the United States.

We approach challenges strategically, partnering with your team to understand your goals before using innovative processes and in-depth research to determine the best solution to suit your needs. We stay on top of industry trends and anticipate challenges to help you solve existing problems and prepare your utility for long-term success. Our methodology and educational components have earned us a reputation as the preferred provider of rate studies in the United States.

Our project team members are experts in their respective fields and instruct for leading utility groups including the American Public Power Association, Southern Gas Association, and the National Association of Regulatory Utility Commissioners. Our specialized team of accountants, engineers, and economists have years of industry-specific experience to help ensure that you reach your goals. UFS was incorporated in 2001 and brings decades of experience to your utility.

For your project, UFS will complete the study and provide an executive report detailing the process to help communicate with members of your governing body and community. The goal of these efforts is to:

- Establish and maintain long-term financial stability.
- Educate on principals of cost of service and financial planning.
- Earn positive engagement from members of government.

We appreciate the opportunity to submit this proposal and look forward to discussing it with you. If you have questions or need additional information, please contact me at (231) 218-9664.

Sincerely,

A handwritten signature in black ink, appearing to read "Dawn Lund", with a stylized, flowing script.

Dawn Lund
Vice President, Utility Financial Solutions, LLC

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Understanding of Project Requirements

Summary of Services for the Water Utility

Described below is an overview of the services UFS will provide. Greater detail is included within the detailed scope of service section. The list below includes sections not directly identified within the proposal but are critical in meeting the needs of the community and the utility department.

1. **Development of Long-Term Financial Projections** – These studies are included as part of the UFS scope and are critical in development of a long-term rate strategy. Our study incorporates the strategic plan, funding of long-term capital plans, amount, and timing of any financing needs, and balances the financial stability of the departments. The long-term financial projection and development of key financial targets is discussed in the detailed work plan of our proposal.
2. **Customer Rate Designs** – Rate impacts on customers and achieving goals and objectives of each community is a significant factor in proper design of utility rates. UFS' rate design study identifies impacts on customers at various levels of usage/volume. This function assists the governing body in making informed decisions and understanding the impacts on customers and the community.
3. **Presentation to Staff & Governing Body** – The presentation to staff and the governing body serves two purposes:
 - i. Obtain approval of rate adjustments, rate designs, and to obtain guidance during the rate design process.
 - ii. Equally important is the education provided to the governing body to understand the importance of maintaining financial stability, how rates are used to achieve community goals and objectives, and why certain components such as a customer charge are used by utilities. UFS staff are skilled at obtaining guidance needed to develop rates and providing education to allow the governing body to make informed decisions during this process.

4. Reports (PDF)

i. Executive Summary Report –

- ~ Summarization of the financial projection results, key financial targets and recommended long term rate track needed to achieve financial stability for the utility.
- ~ Description of the major assumptions used in development of the financial projection
- ~ Considerations on future rate adjustments and movement toward cost of service completed in 2024
- ~ The executive summary is used to obtain input from the governing body prior to designing utility rates.

ii. Rate Design Report –

- ~ Summary of anticipated revenue to be received from the rate design and impacts on customers at various usage levels.

Summary of Ability

A summary of the firm's ability to achieve the Utility's project goals.

Introduction

The Utility is requesting a Financial Plan to assess and evaluate the existing rates to ensure the utility operations and maintenance, capital improvement program, depreciation, and debts are adequately funded, while rate impacts are minimized. UFS has the staff available to complete the project in the Utility's desired timeframe. UFS' ability to achieve the Utility's project goals is best demonstrated by our references (noted in a later section) and our organized and well thought out processes outlined below.

Project Set Up

After project award, if selected, UFS will conduct a kick-off meeting to review the information request and confirm the project schedule and deliverables. As data is gathered by the Utility, UFS will process and enter it into the study. Progress calls will be scheduled to address any questions and to review outstanding data requests. UFS will analyze revenues by completing a revenue "proof" to ensure that the monthly billing units provided calculate out to the reported sales revenue when multiplied by current rate schedules.

Revenue Requirements

We will analyze operating expenses and test year budgets. Expenses are itemized at the finest level of detail available from the Utility and forecasted for the test year. Expenses are then categorized such that appropriate allocations can be applied, and costs distributed to the contributing rate class. A similar approach is applied to the Utility's fixed asset net book value and depreciation costs and incorporates the capital improvement program for interim and test years. Together, the expenses, depreciation and a rate of return comprise the revenue requirements of the system.

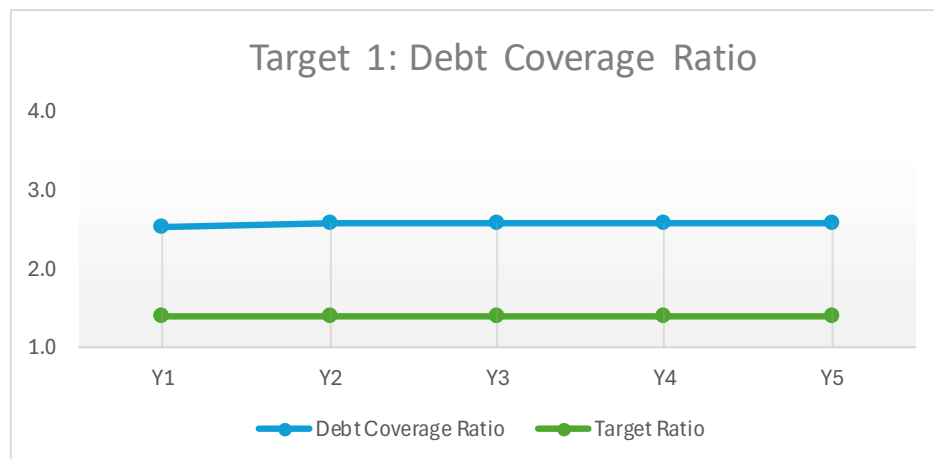
Financial Projection

UFS' financial analysis studies are unique in their ability to easily change from cash basis revenue requirements to Utility Basis revenue requirements. The financial analysis includes both cash basis targets such as cash reserves and debt coverage; and accrual basis targets such as rate of return. UFS studies also include a review of secondary financial targets such as debt to equity ratios, age of system, days cash on hand and working capital requirements as part of the overall assessment of the financial health of the utility. The financial projection will incorporate assumptions such as inflation, anticipated changes in expenses, debt issuances, and capital improvements. The financial projection incorporates targets to help ensure the long-term financial stability of the Utility is maintained or improved and develop a plan for rate adjustments.

Target One: Debt Coverage Ratio

Based on review of bond issues and debt service schedules, the principal and interest expense will be identified and incorporated into the analysis. We will provide a table as shown below to compare projected Debt Service Ratios with requirements in the Bond Ordinance.

Sample Report Graph and Table: Debt Coverage Ratio



Description	Projected Y1	Projected Y2	Projected Y3	Projected Y4	Projected Y5
Net Income	\$ 996,826	\$ 997,462	\$ 945,213	\$ 826,113	\$ 758,497
Add Depreciation/Amortization Expense	2,565,601	2,609,101	2,732,859	2,921,523	3,057,531
Add Interest Expense	764,408	726,408	688,408	648,408	606,408
Cash Generated from Operations	\$ 4,326,835	\$ 4,332,971	\$ 4,366,480	\$ 4,396,044	\$ 4,422,436
Debt Principal and Interest	\$ 1,714,408	\$ 1,676,408	\$ 1,688,408	\$ 1,698,408	\$ 1,706,408
Projected Debt Coverage Ratio (Covenants)	2.52	2.58	2.59	2.59	2.59
Minimum Debt Coverage Ratio	1.40	1.40	1.40	1.40	1.40

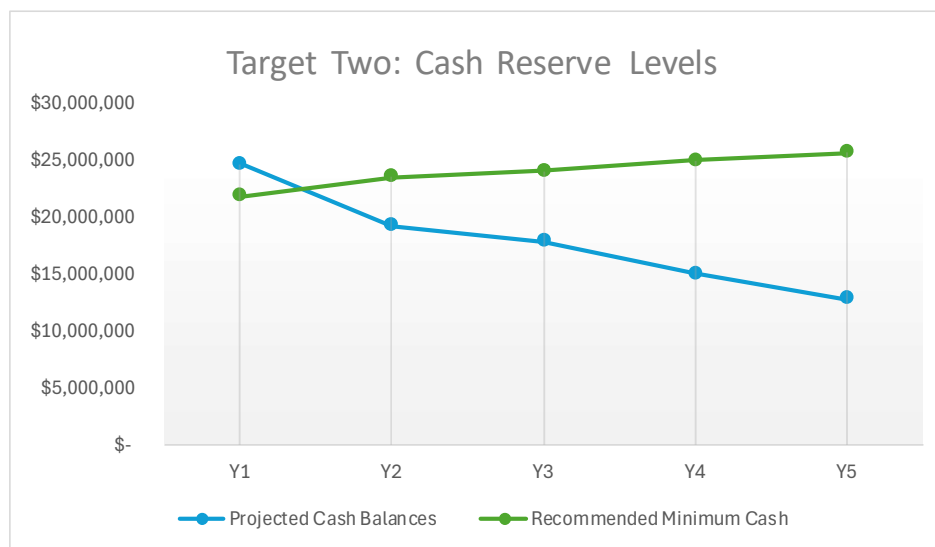
Target Two: Minimum Cash Reserve Calculation

To help ensure timely completion of capital improvements and enable the utility to meet requirements for large, unexpected expenditures and risk factors, the recommended minimum level of cash reserves will be identified. Development of the minimum cash reserves considers several factors.

A sample list is below:

- Working capital
- Variations in expenses
- Capital improvement programs
- Annual bond payments
- Exposure to catastrophic events such as extreme weather

Sample Report Graph and Table: Minimum Cash Reserves



Description	Projected Y1	Projected Y2	Projected Y3	Projected Y4	Projected Y5
Minimum Cash Reserve Allocation					
Operation & Maintenance Less Depreciation Expense	25%	25%	25%	25%	25%
Supply Expense	25%	25%	25%	25%	25%
Historical Rate Base	2%	2%	2%	2%	2%
Current Portion of Debt Service Payment	83%	83%	83%	83%	83%
Five Year Capital Improvements - Net of Bond Proceeds	20%	20%	20%	20%	20%
% Plant Depreciated	56%	54%	55%	55%	59%
Calculated Minimum Cash Level					
Operation & Maintenance Less Depreciation Expense	\$ 6,589,952	\$ 6,762,400	\$ 6,941,318	\$ 7,153,036	\$ 7,281,393
Supply Expense	8,381,482	9,722,132	9,982,984	10,548,544	11,075,971
Historical Rate Base	1,527,454	1,689,254	1,769,511	1,877,918	1,877,918
Current Portion of Debt Service Payment	1,391,419	1,401,379	1,409,679	1,416,319	1,462,799
Five Year Capital Improvements - Net of Bond Proceeds	3,939,646	3,939,646	3,939,646	3,939,646	3,939,646
Minimum Cash Reserve Levels	\$ 21,829,953	\$ 23,514,811	\$ 24,043,138	\$ 24,935,463	\$ 25,637,727
Projected Cash Reserves	\$ 24,692,803	\$ 19,224,903	\$ 17,829,253	\$ 15,047,239	\$ 12,790,153

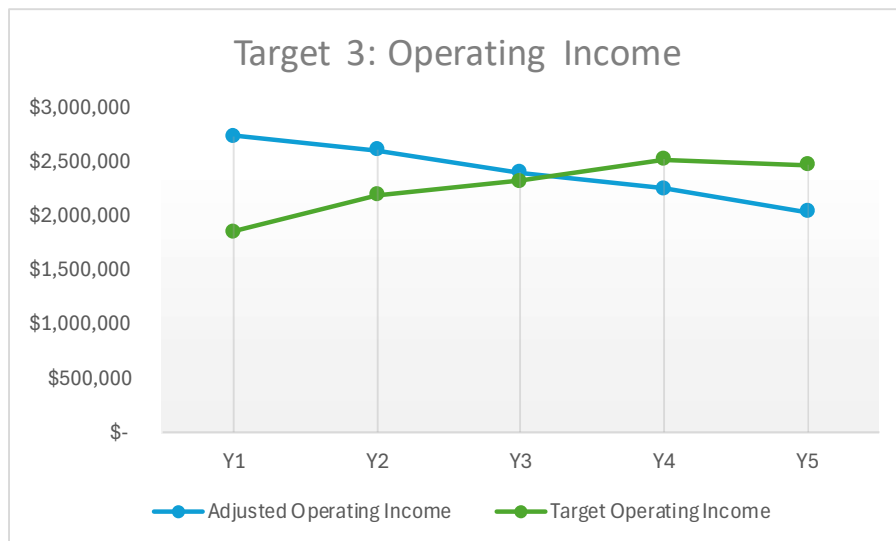
Target Three: Operating Income

The optimal target for setting rates is the establishment of a target operating income to consistently fund capital improvements and replacements.

Development of this target considers the following:

- Interest expense on the outstanding debt
- Inflationary increase on asset replacement costs
- Assets contributed by customers to the Utility

Sample Report Graph and Table: Target Operating Income



Description	Projected Y1	Projected Y2	Projected Y3	Projected Y4	Projected Y5
Target Operating Income Determinants					
Net Book Value/Working Capital	\$ 33,525,928	\$ 38,888,526	\$ 39,931,938	\$ 42,194,174	\$ 38,927,644
Outstanding Principal on Debt	\$ 18,160,200	\$ 17,210,200	\$ 16,210,200	\$ 15,160,200	\$ 14,060,200
System Equity	\$ 15,365,728	\$ 21,678,326	\$ 23,721,738	\$ 27,033,974	\$ 24,867,444
Target Operating Income Allocation					
Interest on Debt	4.21%	4.22%	4.25%	4.28%	4.31%
System Equity	7.06%	6.73%	6.87%	6.90%	7.48%
Target Operating Income					
System Equity	\$ 1,085,106	\$ 1,459,590	\$ 1,629,338	\$ 1,864,944	\$ 1,859,437
Target Operating Income	\$ 1,849,514	\$ 2,185,998	\$ 2,317,746	\$ 2,513,352	\$ 2,465,845
Projected Operating Income	\$ 2,728,770	\$ 2,599,641	\$ 2,394,956	\$ 2,247,337	\$ 2,037,669
Rate of Return in %	5.5%	5.6%	5.8%	6.0%	6.3%

Five-Year Projection Summary

The projections will be summarized, and development of alternative rate tracks will be reviewed and compared to each financial target to help ensure the future financial stability of the utility. We will work with Management and the Governing body in review and development of five-year strategies and rate track.

Projected Summary Financial before Rate Adjustments

Fiscal Year	Projected Rate Adjustments	Adjusting Operating Income	Target Operating Income	Projected Cash Balances	Recommended Minimum Cash	Capital Improvements Plan	Debt Coverage Ratio
Year 1	0.0%	\$ 2,728,770	\$ 3,038,480	\$ 16,392,621	\$ 18,099,160	\$ 6,065,000	1.10
Year 2	0.0%	2,711,845	3,019,772	14,592,541	19,169,551	2,175,000	1.11
Year 3	0.0%	2,622,411	3,061,319	10,964,992	19,674,886	4,012,870	1.11
Year 4	0.0%	2,473,225	3,149,568	5,938,354	20,516,844	5,420,360	1.12
Year 5	0.0%	2,380,491	3,098,229	4,959,247	20,862,261	1,380,000	1.12

Projected Summary Financials with Rate Adjustment and \$5.0 Million Bond Issuance

Fiscal Year	Projected Rate Adjustments	Adjusting Operating Income	Target Operating Income	Projected Cash Balances	Recommended Minimum Cash	Capital Improvements Plan	Debt Coverage Ratio
Year 1	2.0%	\$ 3,350,054	\$ 3,038,480	\$ 17,013,904	\$ 18,099,160	\$ 6,065,000	1.26
Year 2	2.0%	3,972,613	3,019,772	22,477,689	19,169,551	2,175,000	1.44
Year 3	2.0%	4,216,200	3,061,319	21,453,355	19,674,886	4,012,870	1.53
Year 4	2.0%	4,407,444	3,149,568	21,578,377	20,516,844	5,420,360	1.62
Year 5	2.0%	4,662,614	3,098,229	21,908,593	20,862,261	1,380,000	1.71

Rate Design

A five-year rate track will be provided with the financial projection, along with a one-year rate design; additional years requested would be billed as out of scope. Design of water rates uses input from the cost of service study completed in 2024 as guidance on changes to rate classes and the rate components for each rate class. Cost of service results are one factor in design of rates for customers. Other factors must be considered such as impact on customers, social and environmental issues, and philosophy of the utility's governing body.

The rate design identifies the impacts on customers at various usage levels and is listed by rate class, meter size and usage level. UFS will develop and recommend a schedule of water rates designed to generate adequate revenues and reflect or move toward the recommended rate adjustment.

Please note that all rate designs outside of the current rate structure will be charged hourly. Additional years' rate design may be added at an additional cost. Please note that all rate designs outside of the current rate structure will be charged hourly.

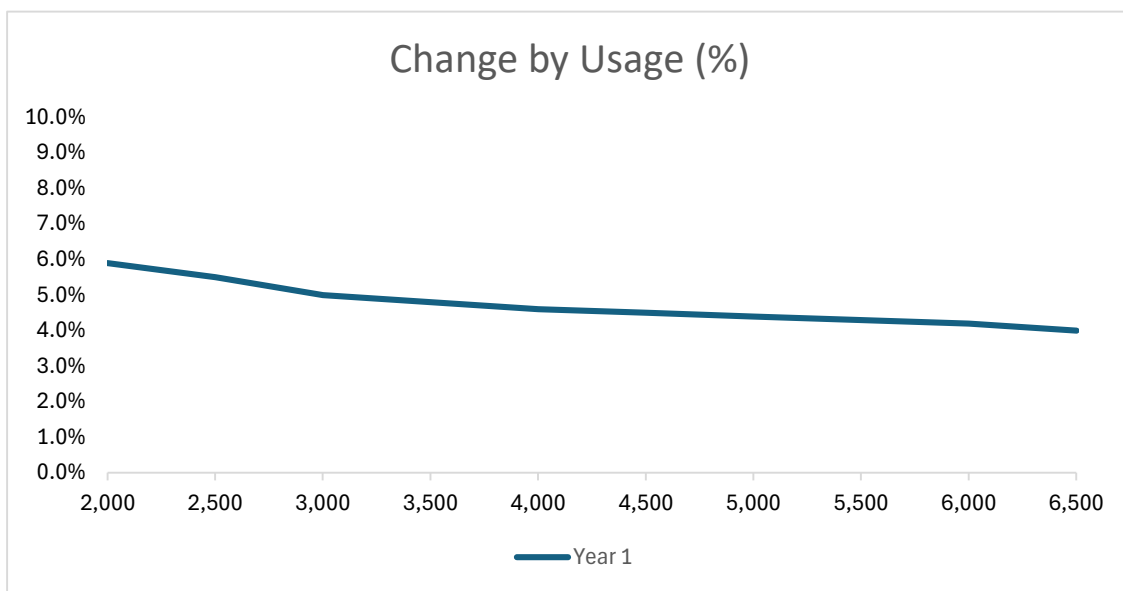
Summary of Overall Rate Adjustments – Water

	Water Utility		
	Current Charge	Proposed Charge Year 1	COS Rates
<i>Charged per thousand gallons</i>			
Commodity Charge - Inside City	\$ 4.57	\$ 4.66	\$ 5.01
Commodity Charge - Outside City	9.14	9.09	6.85
3/4" Meter Inside	12.00	13.00	13.95
1" Meter Inside	12.00	13.00	22.36
2" Meter Inside	48.00	53.00	61.10
4" Meter Inside	192.00	202.00	138.97
6" Meter Inside	432.00	432.00	213.53
3/4" Meter Outside	24.00	25.35	15.12
1" Meter Outside	24.00	25.35	24.20
2" Meter Outside	96.00	96.00	92.66
4" Meter Outside	384.00	384.00	230.61
6" Meter Outside	864.00	842.40	463.12
Total Revenue	\$ 1,772,678	\$ 1,861,311	
Proposed Rate Change		5.0%	

Water Sample Rate Design, Single Year

3/4" Meter Inside

Rates	Current	Year 1	COS
Monthly Facilities Charge	\$ 12.00	\$ 13.00	\$ 13.95
Usage Charge Per 1,000 Gallons			
Inside City	\$ 4.57	\$ 4.66	\$ 5.01
Revenue from Rate	\$ 1,713,618	\$ 1,790,278	
Change from Previous		4.5%	

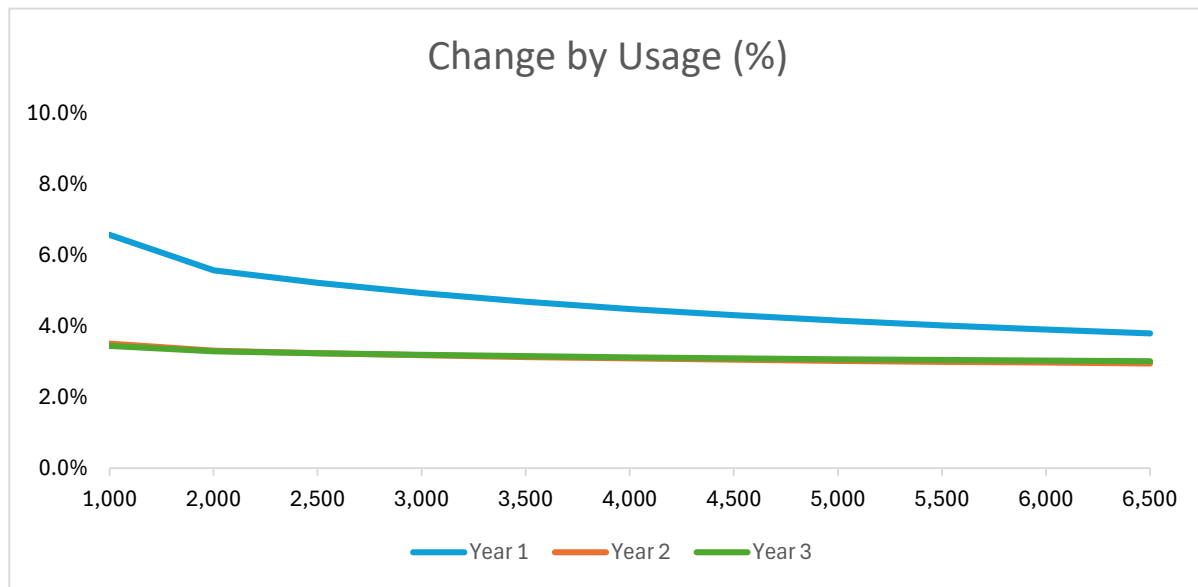


Monthly \$ Change by Usage		
Usage	Year 1	Year 1
2,000	\$1.19	5.9%
2,500	\$1.23	5.5%
3,000	\$1.28	5.0%
3,500	\$1.32	4.8%
4,000	\$1.37	4.6%
4,500	\$1.42	4.5%
5,000	\$1.46	4.4%
5,500	\$1.51	4.3%
6,000	\$1.56	4.2%
6,500	\$1.60	4.0%

Water Sample Rate Design, Multi Year (Optional)

3/4" Meter Inside

Rates	Current	Year 1	Year 2	Year 3	COS
Monthly Facilities Charge	\$ 12.00	\$ 13.00	\$ 13.50	\$ 14.00	\$ 13.95
Usage Charge Per 1,000 Gallons					
Inside City	\$ 4.57	\$ 4.66	\$ 4.78	\$ 4.91	\$ 5.01
Revenue from Rate	\$ 1,713,618	\$ 1,790,278	\$ 1,845,664	\$ 1,903,325	\$ 1,923,258
Change from Previous		4.5%	3.1%	3.1%	



Average Monthly Bill Increase by Usage						
Usage	Year 1	Year 1	Year 2	Year 2	Year 3	Year 3
1,000	\$1.09	6.6%	\$0.62	3.5%	\$0.63	3.4%
2,000	\$1.18	5.6%	\$0.74	3.3%	\$0.76	3.3%
2,500	\$1.23	5.2%	\$0.80	3.2%	\$0.83	3.2%
3,000	\$1.27	4.9%	\$0.86	3.2%	\$0.89	3.2%
3,500	\$1.32	4.7%	\$0.92	3.1%	\$0.96	3.2%
4,000	\$1.36	4.5%	\$0.98	3.1%	\$1.02	3.1%
4,500	\$1.41	4.3%	\$1.04	3.1%	\$1.09	3.1%
5,000	\$1.45	4.2%	\$1.10	3.0%	\$1.15	3.1%
5,500	\$1.50	4.0%	\$1.16	3.0%	\$1.22	3.1%
6,000	\$1.54	3.9%	\$1.22	3.0%	\$1.28	3.0%
6,500	\$1.59	3.8%	\$1.28	3.0%	\$1.35	3.0%

Meetings, Reports and Deliverables

Meetings

The following meetings are anticipated (conducted virtually):

- Kickoff meeting – Clarify scope of services and expectations of management
- Data Verification – Verify data collected
- Financial Review – Review assumptions used in the long-term projections
- Review draft reports with management
- Presentation as requested by management such as review report with Governing body

Format of Reports

UFS reports are typically separated into the reports listed below:

- **Power Point Summary** – A concise presentation of study results that is shared with management and staff. This summary will include graphs, charts, tables, and findings.
- **Executive Summary Report (PDF)** – An overview that identifies the objectives, process, and results of the rate study in a clear and concise format.
- **Rate Design** – The rate design includes the following:
 - ~ Comparison of the current and proposed rates.
 - ~ Expected revenues generated from proposed rates.
 - ~ Impact on customer classes at various usage levels or load factors within each rate class.

Presentation of the Financial Projection

A critical aspect of the study is the clear and concise presentation to the Governing body of the utility. UFS professionals are skilled at explaining and working with advisory and governing bodies to ensure decisions are based on information they can understand and apply to their community.

Firm Qualifications

This section discusses UFS' experience and qualifications assisting municipalities with cost of service and financial analysis. UFS personnel are recognized as national experts and include highly qualified, motivated, experienced, and knowledgeable professionals. UFS' reputation has resulted in industry leading status shown by the number of clients we serve, our frequent requests to instruct classes and speak at conferences around the nation and our frequent requests to serve as expert witnesses on rate related issues.

UFS' experience includes completion of rate studies in 43 states, Guam, several Caribbean Islands and Canada. This provides UFS with the experience and knowledge to provide creative solutions.

UFS is the industry leader in electric, water, and sewer studies. Our national experience is summarized below:

In Demand → UFS has completed numerous rate studies for electric, water, sewer, gas, telecommunications, and solid waste.

Diverse → UFS is the preferred provider of rate services for municipalities, electric cooperatives, and members of Joint Action Agencies.

Innovative → UFS is leading the industry in development of Time of Use rates including variations of Variable Peak Pricing, Dynamic Pricing and Real Time Pricing.

Reliable → Our methodologies on establishing financial targets and cash reserve policies have become industry standards and have assisted utilities in improving bond ratings with Fitch, S&P and Moody's.

Supported → Our establishment of rates for customers located outside city limits have been accepted in State Courts and resulted in UFS becoming expert witnesses and arbitrators on rate disputes across the United States.

Experienced → UFS has provided electric, gas, water, wastewater, and telecommunications services to some of largest utilities in the country including Nashville TN, Knoxville TN, Sacramento Municipal Utility District, Rochester MN, Imperial Irrigation District CA, Austin TX, Huntsville AL, Columbia MO, and Lansing MI.

Knowledgeable → We are frequent speakers on special rate topics around the United States including APPA's National Conference, APPA's Educational Institutes, E&O Workshop, Legal Conferences, Business and Financial Workshop, numerous webinars topics and state conferences in over 15 states.

A sample of recent presentations are listed below:

- ~ Development of Key Financial Targets
- ~ Information provided by Cost of Service Studies
- ~ Cash Reserve Policies for Municipal Utilities
- ~ Development of Utility Extension Policies
- ~ Cost of Service Challenges and Solutions
- ~ Appropriate levels of Contributions to City (Payment in lieu of Tax)
- ~ The Rate Race
- ~ Development of Avoided Cost and Rate Designs for Distributed Generation

Teachers → UFS personnel are the instructors on cost of service and financial planning courses offered through the American Public Power Association (APPA), American Water Works Association (AWWA), and the National Association of Regulatory Utility Commissioners (NARUC), EUCI, and Southern Gas Association. UFS' industry leading status has resulted in courses on distributed generation to the US Department of Energy.

These courses include the following:

- ~ Basic Cost of Service
- ~ Intermediate Cost of Service
- ~ Advanced Cost of Service
- ~ Financial Planning
- ~ Utility Financial Check-up
- ~ Cost of Service and Rate Design for Distributed Generation
- ~ Development of Line Extension Policies
- ~ Rate Structures to promote Energy Conservation
- ~ Rate Structures to create Revenue Stability
- ~ Advanced issues in Rate Design
- ~ Advanced issues in Cost Allocations

UFS holds a commitment to the following:

- **Quality Control** – Proper quality control and management help ensure the accomplished work is in alignment with the project scope, is completed timely, within budget and the results are accurate and defensible. The quality controls developed by UFS are specific to utility rate studies and are based on our prior experience working with electric utilities.
- **Timeliness of Studies** – Part of the quality control includes the timely completion of the rate studies. UFS experience in completing studies provides us the ability to complete the studies as requested and discussed in the initial kick-off meeting.
- **Financial Strength** – UFS commenced business in 2001 and has the highest financial rating by Dunn and Bradstreet.
- **Independence** – UFS maintains its independence throughout its engagements to help ensure unbiased recommendations to the governing bodies. We do not provide services that could impair our independence such as engineering, accounting, or auditing services.
- **Diverse Staff Backgrounds** – Proper development of rate studies require knowledge in accounting, finance, economics, and engineering. UFS staff has diverse backgrounds that include degrees in accounting (CPA), engineering, finance, economics, information technology and degrees in Water Purification Technology.

Resumes

The next section includes resumes of UFS team members who may work on the project based on project needs.

Staff Availability

UFS has adequate staff available to complete the tasks in the timeline requested.

Proposed service team including titles:

Mark Beauchamp – President

Dawn Lund – Vice President

Dan Kasbohm – Manager

Mike Johnson – Manager

Chris Lund – Project Manager

Jillian Jurczyk – Manager

Joan Bakenhus – Senior Financial Analyst

Robert Blank – Senior Financial Analyst

Janel Albrecht – Financial Analyst

Jayde Dono – Financial Analyst

	Mark Beauchamp, CPA, CMA, MBA President, Utility Financial Solutions, LLC
	Email: mbeauchamp@ufswest.com Cellular: 616-403-5450 Location: Holland, MI

Education

- AAS Water Purification Technology
- ABA Business Administration
- BBA Major – Accounting
- MBA Master’s Degree in Business

Expert Witness Service

- Detroit Edison vs. Ameritech – Provided expert witness services for Detroit Edison on development of Pole Attachment Rates for Ameritech
- Nebraska State Unicameral – Served as an expert witness before the State of Nebraska Unicameral on proper rate setting and credits to provide customer installed renewable generation
- Dayton Power & Light – Provided expert witness services on pole attachment rates. Case was resolved prior to Court appearance
- Coldwater Board of Public Works – Provide expert witness services on rate challenge by large industrial customer. Case was dropped after deposition was provided
- Smethport PA – Provided deposition and responses to Pennsylvania Public Service Commission on Rate Filing for Smethport

Industry Involvement

- Member of the American Public Power Association
- Member of the American Water Works Association
- Member of the Institute of Management Accountants
- Speaker at national conferences on Financial Planning for Municipal Utilities, Pricing for Water Utilities, Pricing Fiber Optic backbone systems, Unbundling Electric Rates, and Ways to Attract and Retain Customers
- Author of articles appearing in national magazines and newsletters regarding pricing fiber optics, training electric rates, and designing water rates

License and Qualifications

- Class “A” license in wastewater treatment from the State of Michigan
- (CPA) Certified Public Accountant – Wisconsin
- (CMA) Certified Management Accountant – Institute Certified Management Accountants

Course Instructor

- **American Public Power Association (APPA)**
 - Advanced Cost of Service Course (Cash Basis & Utility Basis of Ratemaking)
 - Intermediate Cost of Service (Cash Basis & Utility Basis of Ratemaking)
 - Basic Cost of Service (Cash Basis & Utility Basis of Ratemaking)
 - Financial Planning for Municipal Utilities
 - Financial Planning for Board & Councils
 - Financial Planning and Rate Setting for Managers (Part of Managers Certificate Program)
- **American Municipal Power (AMP)**
 - Financial Planning and Rate Designs for Electric Utilities
- **Michigan State University**
 - Advanced Issues in Cost Allocation (Utility Basis of Rate Making)
 - Retail Costing and Pricing of Electricity
 - Wholesale Costing and Pricing of Electricity
- **Southwest American Water Works Association**
- **Michigan Rural Water Association**
 - Cost of Service & Rate Making for Water Utilities
- **Michigan Finance Government Officers Association**
 - Cost of Service & Rate Making for Water & Wastewater Utilities

Dawn Lund Vice-President, Utility Financial Solutions, LLC	
	Dawn has over 30 years of experience pricing utility services for electric, water and wastewater. She works with utilities across the country on cost of service, financial planning, and a variety of complex financial analyses. She also teaches cost of service and financial planning courses for the American Public Power Association and MI-AWWA. She is also a regularly requested speaker for various regional and national organizations. Email: dlund@ufsweb.com Cellular: 231-218-9664 Location: Leland, MI

Cost of Service (COS)

- Completed electric, water, and wastewater cost of service and rate design studies for utilities across the country, Guam, the Caribbean, and Canada
- Determining appropriate allocations of overhead costs between utility services

Long-term Financial Analysis

- Development of long-term sales and expense projections for electric, water, wastewater, telecommunications, gas, and solid waste utilities
- Development of long-term financial plan and rate track for electric, water, wastewater, telecommunications, gas, and solid waste utilities

Presentation & Training

- Presentations to City Councils and Boards for approval of utility rates and proposed rate tracks
- Instructor for APPA’s Financial Planning and Basic Cost of Services courses and MI-AWWA
- Monthly presentations to various organizations on topics such as cost of service, financial planning, key financial targets, cash policies, and how to explain rate increases to the end user, cost of services challenges/solutions, and introduction to allocation studies

Rate Design

- Development of equitable rates between inside-city and outside-city customers
- Development of wholesale contract rates
- Development of special rates; Economic and Time of Use
- Development of Connection Fees
- Development of rate designs to meet financial objectives of utility

Other Professional Involvement

- Member of AWWA Finance, Accounting, Management and Controls Committee
- Member of AWWA Rates and Charges Committee
- Member of MI-AWWA Education Committee
- Developed MI-AWWA Water Academy material for Cost of Service and Financial Planning
- Developed the Basic Cost of Service and Financial Planning courses for APPA
- Preferred consulting firm for Hometown Connections Financial Planning, Cost of Service, and Rate Design

Dan Kasbohm

Manager, Utility Financial Solutions, LLC



Dan joined Utility Financial Solutions, LLC in 2007 and has experience in conducting cost of service and financial analysis for electric, water, wastewater, stormwater and cable utilities around the nation. He has a Bachelor of Science degree in Engineering and has helped public utilities improve revenue stability, set fair and equitable rates, prepare for large capital projects, and help answer questions to many of the unique challenges our industry faces today. Dan is a co-instructor for the Cost of Service course for the American Public Power Association.

Email: dkasbohm@ufsweb.com

Cellular: 616-402-7045

Location: Grand Haven, MI

Cost of Service (COS)

- Utilities include Electric, Gas, Water, and Sewer
- Functionalization & classification of assets and costs related to:
 - Maintaining customer connection to system
 - Variable drivers in production of energy
 - Fixed drivers to support various customer sized loads
- Development of fair & equitable allocators to share assigned costs in each customer class
- Identification of unbundled costs that support rate design and customer price signals

Financial Plan & Key Financial Objectives

- Determine proper revenue requirements (utility costs to be recovered through published rates)
- Provide detailed long-term view of financials
- Develop strategy to meet key financial objectives (debt affordability, minimum cash levels, optimal operating income position, infrastructure age)
- Utilization of financial plan and objectives to provide optional future revenue adjustments with the least impact on utility's customer bills

Presentation & Training

- Presentation of results to each Utility's governing body to help highlight key study findings for:
 - Needed revenue increase
 - Modification of rate components
 - Equitable adjustments toward COS
- Training of Utility staff on use of study results, financial projection, and COS calculations
- Co-Instructor for the American Public Power Association Academy for Cost of Service

Rate Design

- Adjusting current rate structures with focus on:
 - Revenue impacts on Utility financials
 - Customer bill impacts at various usage levels
 - Gradual shift of rate components to COS
 - Improved revenue stability to Utility
 - Increased fairness of revenue recovery
- Development of new rates structures including:
 - Time of Use (seasonal, daily, hourly)
 - Distribution demand bill component
 - Capacity reservation rates
 - Standby service rates
 - Rephrasing rate descriptions to more clearly define application of each rate class
 - Unique large power rates (interruptible, high load factor, pass-through supply)
 - Coincidental-Peak Rates
 - Street lighting rates

Development of Other Effective Tools

- Power Cost Adjustment (PCA) mechanisms based on supply costs, cash position, and financial goals
- Unbundled street light cost of service by lamp
- Policy to identify amount a utility should contribute towards new customer connections
- Policy to offer an economic development discount that doesn't financially impact current rates
- Implementation of a justified minimum cash policy
- Identify cost variations among city & rural meters
- Load profile analysis to identify utility and customer usage patterns
- Calculation of fees for standard utility work
- Rate surveys for similar nearby utilities

Mike Johnson Manager, Utility Financial Solutions, LLC	
	Mike joined Utility Financial Solutions, LLC in 2011 and has experience assisting utilities since 1995. He has a Higher National Diploma in Mechatronics (Combined Electrical/Mechanical Engineering). Mike is experienced in cost of service, rate making, financial/operational modeling, automation, electric utility operations, and power supply. Email: mjohnson@ufsweb.com Cellular: 608-230-5849 Location: Madison, WI

- Cost of Service (COS)**

 - Development of cost of service studies for electric, communication, gas, water, and wastewater utilities
 - Forecasts utility revenue requirements
 - Cost allocation model development
- Long-term Financial Analysis**

 - Develops utility financial analysis models
 - Identifies growth and load forecasting
 - Models rate and revenue effect for customer change within utilities (loss of customers/additional load)
 - Develops target metrics for utilities including cash policies, operating income, debt coverage
- Expert Witness Services**

 - Prepared and testified on filings to Public Utility Commission
- Rate Design**

 - Provides cost of services class allocations and rate making
 - Designs time of use rates
 - Identify effects for different usage patterns within the same class
 - Development of rates for alternative fuels and vehicles
 - Evaluate marginal costs and development of line extension policies and economic development rates
- Other Utility Tools**

 - Computes cost functionalization and allocation systems for designing and managing complex changes
 - Evaluates data and system integration issues associated with new software implementations
 - Provides market analysis, bidding, and settlement processes analysis
 - Identification and valuation of fixed assets
 - Assessment of utility value for sales/purchase
 - Development of risk mitigation tools, power/fuel cost adjustment mechanisms

Chris Lund Project Manager, Utility Financial Solutions, LLC	
	Chris has a bachelor's degree in Business Administration with concentration in Computer Science and Speech Communications. He has been a technology and management consultant since 1992 and has utility experience since 2005. Chris is an employee of UFS since 2012 and has also sub-consulted on a variety of technology projects for UFS since 2003. Email: clund@ufsweb.com Cellular: 231-342-9798 Location: Leland, MI

Financial Consulting

- Completed cost of service and rate design studies for electric, water, wastewater, telecommunications, and refuse utilities
- Designed, wrote, and implemented long term financial projection model including revenue requirements and rate track
- Determined avoided cost for solar (photovoltaic - PV) and wind for renewable energy rates
- Lead consultant for electric vehicle (EV) rates and service study
- Conducted multiple fiber optic cost of service and rate design studies
- Presentations to Governing Bodies for approval of utility rates and proposed rate tracks

Data Analytics

- Data mining and analysis specialist for electric load data research
- Specialist with data mining, data conversion and custom reporting
- Experienced with various ODBC (database connectivity)
- Implemented job costing solution for manufacturing companies
- Designed, written, implemented, supported multiple, custom bar coding and data collection systems for wholesale distribution and manufacturing organizations
- Data collection systems pushed data to payroll for time and attendance, automated inventory tracking and job costing

Technology Experience

- Experienced in Microsoft Excel automation – including payroll data, job costing and automated billing (office automation)
- Experienced in Microsoft Access custom database, programming, and reporting – including electronic data interchange (EDI) mapping using Microsoft VBA
- Lead consultant for multiple mission critical, corporate wide enterprise resource planning (ERP) technology solutions
- Implemented, trained, and supported multiple telecommunications projects
- Implemented and supported some of the first voice over internet protocol (VOIP) telecommuting systems
- Guide management with technology related strategy and business integration
- Modification and complete custom program solutions on midrange and PC
- Wrote automated bill of material (BOM) purchasing forecasting system
- Specify, install, and maintain mission critical PC network infrastructure, servers, workstation, and related software
- Experienced in network security and virtual private network (VPN) technology
- Implemented and supported web storefronts integrated with corporate backend database solution for inventory management, order processing, billing, and account status

Jillian Jurczyk Manager, Utility Financial Solutions, LLC	
	Jill has been with UFS since 2013. She has a Bachelor’s degree in Mathematics and a Master’s degree in Applied Economics from Johns Hopkins University. Jill has populated and analyzed cost of service models, developed long-term financial projections, and designed rates for utilities. Jill is a frequently requested speaker at conferences and is an instructor for the online and in-person Cost of Service courses offered through the American Public Power Association’s Educational Institute. E-mail: jjurczyk@ufsweb.com Cellular: 616-283-8502 Location: Holland, MI

Cost of Service (COS)

Prepares and analyzes cost of service studies to determine appropriate allocations of cost between customer classes, including identification of fixed and variable costs, and assigning appropriate cost drivers to utility expenses, such as kWh sales and non-coincident peak.

Long-term Financial Analysis

Extensive experience utilizing client data to build financial projections, determine revenue requirements, forecast utility sales, and develop cost allocations.

Rate Design

Identifies cross-subsidization between rate classes through cost of service analysis and develops rate design plans to assist in moving utilities toward more equitable rate structures. Analyzes customer bill impacts at various usage levels and identifies revenue stability of rates.

Presentation/Training

Skilled at presenting study results to management and educating governing body of utility. Speaker at various industry conference events. Cost of service instructor for the American Public Power Association’s educational department.

Management

Excels at managing project workflow and timelines, including consistent and clear client communication among UFS, client, and other stakeholders, throughout the project, and ensuring complete fulfillment of project deliverables.

Other Utility Tools

- Conducting time of use studies, including identification of on-peak and off-peak time periods, and identifying time-based cost to adequately set rates
- Development of power cost adjustment methodology that allows for proper power cost recovery
- Setting avoided cost rates for distributed generation resources
- Development of sales and expense projections to adequately determine a financial plan and rate track
- Proficient at using system and class load data to develop load curves, calculate load factors, and identify system coincidence factors
- Innovating rate designs to meet the financial and social objectives of the utility
- Evaluating rate impacts at various usage levels prior to rate implementation
- Technical expertise in conducting long-term econometric forecasts for electric and water load forecasting. Competent in handling seasonality, trend, heteroscedasticity, and other economic inefficiencies that arise in data analysis.
- Responsibly researches and leverages AI tools for workload efficiencies and data analysis.

Certifications and Professional Affiliations

- American Water Works Association
- Solid Waste Association of North America
- 2024 & 2026 APPA Business and Finance Committee Corporate Officer
- Women in Leadership, Cornell University

Joan Bakenhus Senior Financial Analyst, Utility Financial Solutions, LLC	
	Joan has experience working with municipal utilities from 1986-1996 and came back to industry in 2006. Joan has a degree in Business Administration. Joan has worked as a Rate Analyst for one of the largest public power systems in the nation (Lincoln Electric System) and for Utility Financial Solutions, LLC since 2006. Joan is experienced in development of long-term financial plans, rate design models and cost of service studies for electric, water, and wastewater utilities. Email: jbakenhus@ufsweb.com Cellular: 402-450-7544 Location: Nebraska

Cost of Service (COS) - Working with Utilities to identify information requirements to complete cost of service and financial plans - Set up and develop utility revenue requirements, cost of service program and utility revenue proof - Balancing and set up of models for development of cost of service for water, wastewater, and electric utilities to determine commodity and customer charges - Responsible for analysis, preparation and updating cost of service models for several electric, water utilities	Rate Design - Balancing and set up of models for development rate design for water, wastewater, and electric utilities to determine commodity and customer charges - Development of rate design models for electric and water utilities - Development of rate surveys
Long-term Financial Analysis Development of long-term financial forecasts for water, wastewater, and electric utilities to determine the amount of timing of rate adjustments	Other Utility Tools Balancing of sales with revenue to help ensure proper billing statistics are used in cost of service models

Robert Blank Senior Financial Analyst, Utility Financial Solutions, LLC	
	Robert has been working for Utility Financial Solutions, LLC since May of 2014 and has a Bachelor of Business Administration with a major in Finance from Davenport University. Over his time at UFS he has conducted Utility rate surveys as well as developed rate designs. Robert has experience with long term financial projections and cost of service studies for Electric, Water, Wastewater, and Gas utilities. E-mail: bblank@ufsweb.com Cellular: 616-403-9926 Location: Holland, MI

Long Term Financial Analysis

- Responsible for analysis of financial statements and preparation of cost of service models
- Development of financial targets to determine the financial health of the Utility
- Determine the minimum cash reserve level to maintain financial stability of the Utility
- Calculating debt coverage ratios to identify responsible borrowing to help obtain a higher bond rating
- Calculate an optimal operating income to ensure current customers pay their fair share of the infrastructure
- Develop projected rate tracks to minimize customer impacts while achieving financial targets

Cost of Service (COS)

- Working with utilities to identify the information needed to conduct an accurate cost of service study
- Analyzing billing reports to proof data with financials
- Determine interclass and intraclass subsidizations of various rate classes
- Identify fixed and variable costs related to customer, commodity, and demand

Rate Design

- Develop rate design models for electric, water, wastewater, and gas utilities
- Implementation strategies for monthly customer charges and demand charges
- Identify customer impacts for various customer types at different usage levels
- Conducting rate surveys
- Designing irrigation and horsepower rates

Janel Albrecht Financial Analyst, Utility Financial Solutions, LLC	
	Janel joined Utility Financial Solutions, LLC in February 2024, and brings more than 25 years of experience supporting data-driven and client-focused projects. Her background includes administrative and analytical support, with a strong emphasis on accuracy, organization, and client coordination. Prior to joining UFS, she worked in the paper industry, where she managed project data, coordinated onsite service schedules, supervised a small team and utilized Microsoft Excel to track schedules, financial information, and operational reports. E-mail: jalbrecht@ufsweb.com Cellular: 920-213-7491 Location: Neenah, WI

Janel is skilled in the following:

- Prepare and submit response to proposals and related documents
- Prepare reports for financial projections, rate designs, and cost of service analyses
- Develop professional presentations to clearly convey financial results and recommendations
- Analyze historical data at the trial balance level
- Project revenues and expenses for purposes of developing the revenue requirement
- Provide information request documents for use in the project kick-off meeting
- Review client data and coordinate requests for additional information to complete studies
- Utilize Microsoft Excel to enter, organize, and analyze financial data with a high level of accuracy
- Assist with billing, invoicing, and related documentation processes
- Maintain well organized project files and supporting documentation
- Assist with electric utility rate comparisons by collecting, organizing, and analyzing current rate data
- Support managers with client correspondence, scheduling, and coordination of project activities
- Demonstrate strong attention to detail and accuracy in all aspects of work

Jayde Dono Financial Analyst, Utility Financial Solutions, LLC	
	Jayde joined Utility Financial Solutions, LLC in April 2025, bringing a strong foundation in finance and economics. She earned a Bachelor of Science in Economics and a Bachelor of Business Administration in Finance from the University of Central Florida. During her time at UFS, Jayde has worked closely with clients, performed detailed financial analyses, and prepared reports based on the studies conducted. E-mail: jdono@ufsweb.com Cellular: 386-457-9895 Location: Spanish Fort, Alabama

Jayde is skilled in the following:

- Communicating with clients to identify and gather the data required to complete cost of service studies
- Preparing cost of service reports, financial projection reports, and presentation materials that clearly convey financial results and rate impacts
- Reconciling trial balances with income statements to ensure accuracy
- Forecasting revenues and expenses using historical trends, budgets, and financial assumptions
- Proficiency in Microsoft Excel, Word, and PowerPoint, including converting and organizing PDF source data
- Maintaining organized project records and documentation for multiple utility engagements

References

Coldwater Board of Public Utilities – Coldwater, MI

Client Contact: Tom Eldridge

Phone: 517-279-9531

Email: teldridge@coldwater.org



Utility	Electric	Water	Wastewater
Services Provided	2014 – Present	2017 – Present	2017 – Present
Scope of Work	- Long-term financial projection, review of financial targets, and long-term rate track - Cost of service study and one-year rate design - Cost of service, financial projection, and rate design updates - Reports and presentations to governing body		
	- Power cost adjustment - Time of Use rate study - Large solar array analysis - Review optional hourly EV rates, hourly solar rates, hourly time of use rates - Electric vehicle rate study - Cost of service and financial projection updates	AMP for MDEQ requirements	SAW grant rate methodology
Additional Information	In addition to the studies listed above, UFS has provided a financial projection and rate study for CBPU's fiber utility.		

City of Ludington – Ludington, MI

Client Contact: Kaitlyn Aldrich, City Manager

Phone: 231-8454-6237

Email: kaldrich@ci.ludington.mi.us



Utility	Water	Wastewater
Services Provided	2015 – 2025	2015 – 2025
Scope of Work	- Long-term financial projections, review of financial targets, and long term rate track - Cost of service study and one-year rate design - Reports and presentations to governing body	
	- Marginal cost analysis - Reliability study - Asset Management Plan (rate methodology)	SAW grant rate methodology

Holland Board of Public Works – Holland, MI

Client Contact: Dave Koster

Phone: 616-355-1562

Email: dkoster@hollandbpw.com



Holland Board of Public Works

Utility	Electric	Water	Wastewater
Services Provided	2009 – Present	2009 – 2024	2009 – 2024
Scope of Work	• Long-term financial projections, review of financial targets, and long term rate track • Cost of service study and multi-year rate design • Updates between 2016 and 2022		
	• Large customer rate for high load factor • Green Rate Alternatives • Time of use rate analysis • Value of solar analysis • Solar with storage analysis • Pole attachment study • Stranded cost study • Large customer rate alternatives • EV charging rates for public and residential	• Review of wholesale water rates • Consolidation study with neighboring utility	• Rate designs updated annually • Planned funding for a large anaerobic digester project • Review of debt defeasance for a large project and impact on financials • Additional capacity valuation • Financial capability assessment
Additional Information	In addition to the studies listed above, UFS has provided a financial projection and feasibility study for HBPW's fiber utility.		

Project Schedule

Our experience with cost of service and rate design studies allows us to conduct a cost effective and efficient study. The following is the tentative project schedule for completion. This schedule will be finalized during the initial project kick-off meeting with management.

<i>Task</i>	<i>Expected Completion – Twelve Weeks</i>
Initial Meeting – Preparation of Information Request	Week One
Completion of Information Request by Client	Week Two
Planning/Set-up Study	Week Three – Five
Development of Revenue Requirements	Week Six – Seven
Financial Analysis and Key Targets	Week Eight - Nine
Review Rate Design and Alternatives	Week Ten
Report, Recommendations & Presentation of Draft	Week Eleven
Final Report	Week Twelve

The completion of the project on the proposed schedule is dependent on the cooperation of various departments within the Utility to prepare the information request in a timely manner.

Proposed Professional Services Agreement

Prices, terms, and conditions are good for a period of 90 days from this proposal date of February 9, 2026. Payment will be made through submission of invoice which itemizes the work performed.

Financial Projection and One-Year Rate Design..... \$14,900

Total above does not include onsite meetings, out of pocket travel expenses, or travel time.

Anticipated Meetings (Virtual, unless noted):

- Project kickoff
- Data collection summary
- Financial review summary
- Draft report with management
- Final report with management

Deliverables:

- Final Report (PDF), detailing:
 - Long-term Financial Projection and Rate Track
 - Minimum cash reserve determination
 - Debt service ratio
 - Target operating income (rate of return)
 - One-Year Rate Design

Hourly Rates (travel is discounted at 50%)

Mark Beauchamp	\$ 375.00
Dawn Lund	\$ 350.00
Dan Kasbohm	\$ 310.00
Mike Johnson	\$ 310.00
Chris Lund	\$ 310.00
Jillian Jurczyk	\$ 295.00
Robert Blank	\$ 195.00
Joan Bakenhus	\$ 190.00
Support Staff	\$ 70.00 – \$ 190.00

Out of Scope Pricing:

Out of scope work hours will be billed at the current hourly rates in effect at the time the services are performed.

Onsite meetings, if requested and agreed upon, will be billed as out of scope. Out of pocket expenses will be billed at cost.

All rate designs outside of the current rate structure or additional years of rate design will be charged hourly.

We look forward to exceeding your expectations. Please sign, date, and return to clund@ufswweb.com at your earliest convenience.

Sincerely,



Dawn Lund
Vice President, Utility Financial Solutions, LLC

Date: _____

Accepted By: _____

Village of Northport