



Board of Water Commissioners

Proposed Modified Water Rate for Flint *For April 17, 2014 thru June 30, 2014*

February 12, 2014

Water Service to Flint

- Contract governing water service between DWSD and Flint terminated April 16, 2013
- Contract will expire April 16, 2014
- Despite inquiries, DWSD has not been formally notified of Flint's water supply intentions
- DWSD is prepared to continue water service to Flint



Water Service to Flint Balance of FY 2013-14

- DWSD proposes a modified rate structure, effective on all sales between April 17, 2014 and June 30, 2014
- Established using same system revenue requirements and general methodology used to develop rates for all customers
- Adjusted to reflect unique conditions indicative of providing water service to a former wholesale customer without a contract



Water Service to Flint Balance of FY 2013-14

Summary of Revised DWSD Wholesale Water Rate Schedule for Flint *Applicable for April 2014 through June 2014 Only*

	<u>Current Rate Schedule</u>	<u>NEW Rate Schedule</u>	<u>Variance</u>	<u>% Variance</u>
Fixed Monthly Charge - \$/mo	738,006	814,176	76,170	10.3%
Commodity Charge - \$/Mcf	13.01	14.35	1.34	10.3%
Estimated Consumption - \$Mcf	300,000	300,000	0	0.0%
Estimated Billings - \$	6,117,000	6,747,500	630,500	10.3%



Water Service to Flint *Beyond FY 2013-14*

- DWSD intends to explore additional modifications and/or revisions
- Will reflect the contingencies and uncertainties surrounding the timing and nature of Flint's future reliance on DWSD water
- For purposes of developing all other customers rates for FY14/15, DWSD escalated revenue requirements allocable to Flint by the system revenue requirement increase

