



PROPOSED WATER AND SEWERAGE RATES

FISCAL YEAR 2019

June 20, 2018

Water System Revenue Requirements

| | FY 2018 Adopted Budget | FY 2019 Adopted Budget | \$ Change | % Change |
|--|------------------------------|------------------------------|---------------------|-------------|
| Water System Revenue Requirements | | | | |
| Revenues | | | | |
| Net Retail Revenues | \$ 89,204,400 | \$ 95,494,600 | \$ 6,290,200 | 7.1% |
| Ownership Equity Credit | 20,700,000 | 20,700,000 | - | 0.0% |
| Shared Service Revenue | 3,026,000 | 1,677,400 | (1,348,600) | -44.6% |
| Other Revenue | 4,750,000 | 2,933,000 | (1,817,000) | -38.3% |
| Total Revenues | \$ 117,680,400 | \$ 120,805,000 | \$ 3,124,600 | 2.7% |
| Revenue Requirements | | | | |
| Controllable Operations & Maintenance Expens | 38,269,300 | 37,161,700 | (1,107,600) | -2.9% |
| O&M Legacy Pension Allocation | 4,300,000 | 4,272,000 | (28,000) | -0.7% |
| GLWA Wholesale Charges | 24,829,900 | 41,024,800 | 16,194,900 | 65.2% |
| Obligation to GLWA | 46,167,600 | 33,438,800 | (12,728,800) | -27.6% |
| Debt Service | 4,407,600 | - | (4,407,600) | -100.0% |
| Accelerated Legacy Pension Allocation | 706,600 | 4,427,400 | 3,720,800 | 526.6% |
| Water Residential Assistance Program | 1,027,900 | 480,300 | (547,600) | -53.3% |
| Budget Stabilization | (2,080,700) | - | 2,080,700 | -100.0% |
| Extraordinary Repair & Replacement Reserve | 52,200 | - | (52,200) | -100.0% |
| Total Revenue Requirements | \$ 117,680,400 | \$ 120,805,000 | \$ 3,124,600 | 2.7% |

| | | | | |
|----------------------------|----------------------|----------------------|---------------------|-------------|
| Net Retail Revenues | | | | |
| Retail Revenue | \$ 99,993,600 | \$ 101,590,000 | \$ 1,596,400 | 1.6% |
| Less: Bad Debt Expense | (10,789,200) | (6,095,400) | 4,693,800 | -43.5% |
| Net Retail Revenues | \$ 89,204,400 | \$ 95,494,600 | \$ 6,290,200 | 7.1% |

Water Rates – Detroit & Suburban

| | | |
|---------------------------------------|----|-------|
| Detroit Water Volume Rate (per Mcf*) | \$ | 24.71 |
| Suburban Water Volume Rate (per Mcf*) | \$ | 31.39 |

Meter Charges (per month)

| Meter Size | Detroit Rate | Suburban Rate |
|------------|--------------|---------------|
| 5/8" | \$ 7.30 | \$ 8.69 |
| 3/4" | 10.95 | 13.06 |
| 1" | 18.24 | 21.76 |
| 1.5" | 36.50 | 43.52 |
| 2" | 58.40 | 69.65 |
| 3" | 116.80 | 139.31 |
| 4" | 182.50 | 217.66 |
| 6" | 364.98 | 435.31 |
| 8" | 583.97 | 696.51 |
| 10" | 839.47 | 1,001.23 |

Meter Charges (per month)

| Meter Size | Detroit Rate | Suburban Rate |
|------------|--------------|---------------|
| 12" | \$ 1,131.45 | \$ 1,349.47 |
| 14" | 1,569.43 | 1,871.84 |
| 16" | 2,080.43 | 2,481.29 |
| 18" | 2,467.31 | 2,942.73 |
| 20" | 3,014.78 | 3,595.71 |
| 24" | 4,379.84 | 5,223.78 |
| 30" | 6,569.74 | 7,835.69 |
| 36" | 8,759.64 | 10,447.57 |
| 48" | 13,139.50 | 15,671.36 |
| 60" | 17,519.32 | 20,895.14 |

*Mcf = 1,000 Cubic Feet

Water Rates – Detroit & Suburban cont.

Private Fireline Charges (per month)

| Fireline Size | Rate |
|---------------|----------|
| 4" or smaller | \$ 87.68 |
| 6" | 182.66 |
| 8" | 263.03 |
| 10" | 423.77 |
| 12" | 628.35 |

Sewer System Revenue Requirements

| | FY 2018 Adopted Budget | FY 2019 Adopted Budget | \$ Change | % Change |
|--|------------------------------|------------------------------|----------------------|-------------|
| Sewer System Revenue Requirements | | | | |
| Revenues | | | | |
| Net Retail Revenues | \$ 256,892,300 | \$ 280,040,900 | \$ 23,148,600 | 9.0% |
| Ownership Equity Credit | 5,516,000 | 5,516,000 | - | 0.0% |
| Shared Service Revenue | 4,539,000 | 2,516,200 | (2,022,800) | -44.6% |
| Other Revenue | 5,000,000 | 500,000 | (4,500,000) | -90.0% |
| Total Revenues | \$ 271,947,300 | \$ 288,573,100 | \$ 16,625,800 | 6.1% |
| Revenue Requirements | | | | |
| Controllable Operations & Maintenance Expens | 64,896,600 | 70,637,700 | 5,741,100 | 8.8% |
| O&M Legacy Pension Allocation | 2,900,000 | 2,856,000 | (44,000) | -1.5% |
| GLWA Wholesale Charges | 74,541,200 | 188,525,100 | 113,983,900 | 152.9% |
| Obligation to GLWA | 114,701,300 | 26,271,500 | (88,429,800) | -77.1% |
| Debt Service | 10,712,400 | 2,588,900 | (8,123,500) | -75.8% |
| Accelerated Legacy Pension Allocation | 4,082,500 | 3,066,800 | (1,015,700) | -24.9% |
| Water Residential Assistance Program | 1,998,300 | 1,154,300 | (844,000) | -42.2% |
| Budget Stabilization Reserve | (2,299,000) | (6,527,200) | (4,228,200) | 183.9% |
| Extraordinary Repair & Replacement Reserve | 414,000 | - | (414,000) | -100.0% |
| Total Revenue Requirements | \$ 271,947,300 | \$ 288,573,100 | \$ 16,625,800 | 6.1% |

| | | | | |
|----------------------------|-----------------------|-----------------------|----------------------|-------------|
| Net Retail Revenues | | | | |
| Retail Revenue from Rates | \$ 279,161,300 | \$ 307,737,200 | \$ 28,575,900 | 10.2% |
| Less: Bad Debt Expense | (22,269,000) | (27,696,300) | (5,427,300) | 24.4% |
| Net Retail Revenues | \$ 256,892,300 | \$ 280,040,900 | \$ 23,148,600 | 9.0% |

Sewerage Rates – Detroit & Suburban

| | Detroit Rates | | | Suburban Rates | | |
|-------------------------------------|---------------|-----------|------------------|----------------|-----------|-------------------|
| | O & M | Capital | Detroit Total | O & M | Capital | Suburban Total |
| Detroit Disposal Rate (per Mcf*) | \$ 24.64 | \$ 30.20 | \$ 54.84 | \$ 24.65 | \$ 35.76 | \$ 60.40 |
| Sewerage Service Charge (per bill) | 5.30 | 0.98 | 6.28 | 5.30 | 0.98 | 6.28 |
| <i>Drainage Charges (per month)</i> | | | | | | |
| Per Impervious Acreage | \$ 216.42 | \$ 381.58 | \$ 598.00 | \$ 216.42 | \$ 381.58 | \$ 598.00 |

*Mcf = 1,000 Cubic Feet

Sewerage Rates – Detroit & Suburban

Industrial Waste
Control Meter Charges
(per month)**

| Meter Size | Rate |
|------------|---------|
| 5/8" | \$ 3.59 |
| 3/4" | 5.39 |
| 1" | 8.98 |
| 1.5" | 19.75 |
| 2" | 28.72 |
| 3" | 52.06 |
| 4" | 71.80 |
| 6" | 107.70 |
| 8" | 179.50 |
| 10" | 251.30 |

Industrial Waste
Control Meter Charges
(per month)**

| Meter Size | Rate |
|------------|-----------|
| 12" | \$ 287.20 |
| 14" | 359.00 |
| 16" | 430.80 |
| 18" | 502.60 |
| 20" | 574.40 |
| 24" | 646.20 |
| 30" | 718.00 |
| 36" | 789.80 |
| 48" | 861.60 |

**Industrial Waste Control Meter Charges are preliminary until approved by GLWA Board



Thank You



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