



June 12, 2017

RE: Great Lakes Water Authority FY 2018 Approved Wholesale Charges

On June 7, 2017, the Great Lakes Water Authority (GLWA) Board of Directors approved a schedule of wholesale sewage charges for Fiscal Year 2018. This action reduced the charges previously proposed because of the following:

- Limiting the sewer revenue requirement budget to a 0.3 percent increase from the prior year;
- Implementation of the SHAREs adjustment at \$12 million, but with an equal two-year phase-in thereby reducing the year one impact by 50%;
- Improvement in Highland Park payments which lowered the bad debt charge to wholesale customers; and
- Resolution of financial items that were estimated for budget that have now been resolved and budgeted at a better estimate of actual performance.

The result: Sewer charges for wholesale customers will increase by an average of 1.9 percent, rather than the 4.7 percent originally proposed in January.

The revised FY 2018 schedule of charges for your organization is attached. The new charge amounts will apply to services provided beginning July 1, 2017 and will be effective on all bills rendered by GLWA as of August 1, 2017. The new schedule of charges (attached) also includes increases to Industrial Waste Control (IWC) charges (0.5%) and Pollutant Surcharges (0.9%).

Our pledge to you is to continue to control the budget within the 4 percent 'Promise' contained in the Lease Agreements that established GLWA. Mitigating increases in future charges continue to be a top priority for GLWA.

I want to extend my thanks once again to the Wastewater Steering Committee for their efforts and to your representatives who participated in the Customer Outreach Program. The approval of the FY 2018 charges represents the successful results of this continued collaborative process with of our suburban wholesale and Detroit retail customers.

It continues to be our pleasure to provide you these services. If you have any questions please contact Jon Wheatley, Public Finance Manager at (313) 224-4771.

Sincerely yours,



Sue F. McCormick
Chief Executive Officer

Enclosures

Great Lakes Water Authority
Proposed FY 2018 Sewage Disposal System
Schedule of Wholesale Monthly Charges and
Total Revenue Requirement for the Detroit Customer Class
Effective July 1, 2017

		Fixed Monthly Charge \$/mo
<u>Suburban Wholesale</u>		
1	OMID	6,068,000
2	Rouge Valley	4,585,200
3	Oakland GWK	3,812,600
4	Evergreen Farmington	2,811,100
5	NE Wayne Co	2,053,100
6	Dearborn	1,635,700
7	Grosse Pointe Farms	224,700
8	Grosse Pointe Park	145,000
9	Melvindale	122,300
10	Farmington	94,900
11	Ceenter Line	82,200
12	Allen Park	64,300
13	Highland Park	470,200
14	Hamtramck	329,900
15	Grosse Pointe	75,800
16	Harper Woods	19,300
17	Redford Township	21,200
18	Wayne County #3	3,800
		Annual Revenue <u>Requirement</u> \$
<u>Allocated Detroit Annual Revenue Requirement</u>		
19	Wholesale Revenue Requirements (a)	178,969,200
20	Indirect Retail Revenue Requirements (b)	33,926,600
21	Subtotal	212,895,800
22	Direct Retail Revenue Requirements (c)	TBD
23	Total	TBD

(a) Reflects Great Lakes Water Authority (GLWA) wholesale amounts only.

(b) Reflects amounts assigned to the Detroit Local System pursuant to the GLWA

Master Bond Ordinance flow of funds and the Water and Sewer Services Agreement.

(c) Reflects amounts allocable to the Local System, for which GLWA transfers monies to DWSD.

Great Lakes Water Authority
Proposed FY 2018 Sewage Disposal System Service Charge Schedule
Industrial Waste Control Charges and Pollutant Surcharges
Effective July 1, 2017

Industrial Waste Control Charges		Pollutant Surcharges	
<u>Meter Size - inches</u>	<u>Charge</u> \$/mo	<u>Pollutant</u>	<u>Charge</u> \$/lb
5/8	5.68	BIOCHEMICAL OXYGEN DEMAND (BOD) for concentrations > 275 mg/l	0.487
3/4	8.52		
1	14.20		
1-1/2	31.24		
2	45.44	TOTAL SUSPENDED SOLIDS (TSS) for concentrations > 350 mg/l	0.494
3	82.36		
4	113.60	PHOSPHORUS (P) for concentrations > 12 mg/l	7.282
6	170.40		
8	284.00		
10	397.60		
12	454.40	FATS, OIL AND GREASE (FOG) for concentrations > 100 mg/l	0.469
14	568.00		
16	681.60		
18	795.20		
20	908.80	SEPTAGE DISPOSAL FEE \$ per 500 gallons of disposal	47.00
24	1,022.40		
30	1,136.00		
36	1,249.60		
48	1,363.20		