



**Office of the Chief Executive**

735 Randolph Street, Suite 1900

Detroit, Michigan 48226

June 25, 2018

RE: Great Lakes Water Authority FY 2019 Approved Wholesale Sewer Charges

On June 20, 2018, the Great Lakes Water Authority (GLWA) Board of Directors approved a schedule of wholesale sewage charges for Fiscal Year 2019. These service charges continue to incorporate our ongoing efforts to control expenses while providing effective and efficient wastewater services to all our customers. The approved sewer charges reflect:

- Limiting the sewer revenue requirement budget to a 1.0 percent increase from the prior year;
- Implementation of the second-year phase-in of the sewer SHARES; and
- Improvement in Highland Park payments which lowered the bad debt charge to wholesale customers.

**The result:** Sewer charges for wholesale customers will increase by an average of 1.3 percent, rather than the 2.3 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, 2018 and will be effective on all bills rendered by GLWA as of August 1, 2018. The new schedule of charges (attached) also includes decreases to Industrial Waste Control (IWC) charges (37 percent) and Pollutant Surcharges (0.8 percent).

Our pledge to you is to continue to control the budget within the four 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 *One Water Partnership* for their efforts, and to your representatives who participated in the Customer Outreach Program. The approval of the FY 2019 charges represents the successful result of this continued collaborative process with all of our member partners.

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 - FY 2019 Sewage Disposal System  
 approved FY 2019 Sewage Disposal System Allocated Revenue Requirements and Service Charge  
 1% Budget Increase

|                           | Fixed<br>Monthly<br><u>Charge</u><br>\$/mo                 | Annual<br>Revenue<br><u>Requirement</u><br>\$ |
|---------------------------|--|---|
| <u>Suburban Wholesale</u> |  |   |
| 1                         | OMID   | 6,461,100                                     |
| 2                         | Rouge Valley   | 77,533,200                                    |
| 3                         | Oakland GWK  | 4,480,100                                     |
| 4                         | Evergreen Farmington                                       | 53,761,200                                    |
| 5                         | NE Wayne Co  | 3,747,700                                     |
| 6                         | Dearborn   | 44,972,400                                    |
| 7                         | Grosse Pointe Farms  | 2,881,500                                     |
| 8                         | Grosse Pointe Park   | 24,672,000                                    |
| 9                         | Melvindale   | 2,056,000                                     |
| 10                        | Farmington   | 1,614,400                                     |
| 11                        | Center Line  | 227,300                                       |
| 12                        | Allen Park   | 2,727,600                                     |
| 13                        | Highland Park  | 150,100                                       |
| 14                        | Hamtramck  | 1,801,200                                     |
| 15                        | Grosse Pointe  | 126,900                                       |
| 16                        | Harper Woods   | 1,522,800                                     |
| 17                        | Redford Township   | 95,300  |
| 18                        | Wayne County #3  | 1,143,600                                     |
| 19                        | <b>Subtotal "Regional Wholesale Revenues from Charges"</b> | 85,600  |
| 20                        | Industrial Specific Revenues                               | 1,027,200                                     |
| 21                        | <b>Subtotal "Regional Wholesale Revenues from Charges"</b> | 847,200                                       |
| 22                        | less: Highland Park Bad Debt                               | 467,900                                       |
| 23                        | <b>Total "Regional Wholesale Revenues" (a)</b>             | 5,614,800                                     |

\* Wholesale charges will be effective July 1, 2018

|                               | Annual<br>Revenue<br><u>Requirement</u><br>\$             |
|-------------------------------|---|
| <b>Detroit Customer Class</b> |   |
| 24                            | <b>Wholesale</b> Revenue Requirement (c)                  |
| 25                            | less: Ownership Benefit per Lease                         |
| 26                            | <b>Net Wholesale</b> Revenue Requirement                  |
| 27                            | <b>Indirect Retail</b> Revenue Requirements (d)           |
| 28                            | less: Use of Lease Payment for Debt Service               |
| 29                            | <b>Net Indirect Retail</b> Revenue Requirements (d)       |
| 30                            | Subtotal Subject to GLWA Board Approval (26) + (29)       |
| 31                            | <b>Direct Retail</b> Revenue Requirements (e)             |
| 32                            | <b>Total Local System Revenue Requirement</b> (29) + (31) |
| 33                            | <b>Net Requirement from Detroit Customer Class (a)</b>    |

(a) Agrees with GLWA Budget "Schedule 3A"

(b) Reserved

(c) Wholesale revenue requirements for the Detroit Customer Class.

(d) Local System revenue requirements related to Master Bond Ordinance (local debt service, etc.)

(e) Local System operating expenses (net of shared services reimbursement) and I&E deposit. Not Subject to GLWA Board approval.

Great Lakes Water Authority - FY 2019 Sewage Disposal System  
 Industrial Specific Retail Sewer Charges @ 1% Budget Increase

| <b>Industrial Waste Control Charges</b> |                        | <b>Pollutant Surcharges</b>                                      |                        |
|---|------------------------|--|------------------------|
| <u>Meter Size - inches</u>              | <u>Charge</u><br>\$/mo | <u>Pollutant</u>   | <u>Charge</u><br>\$/lb |
| 5/8                                     | 3.55                   | BIOCHEMICAL OXYGEN DEMAND (BOD)<br>for concentrations > 275 mg/l | <b>0.483</b>           |
| 3/4                                     | 5.34                   |  |                        |
| 1                                       | 8.89                   |  |                        |
| 1-1/2                                   | 19.56                  |  |                        |
| 2                                       | 28.44                  |  |                        |
| 3                                       | 51.55                  | TOTAL SUSPENDED SOLIDS (TSS)<br>for concentrations > 350 mg/l    | <b>0.490</b>           |
| 4                                       | 71.10                  |  |                        |
| 6                                       | 106.64                 | PHOSPHORUS (P)<br>for concentrations > 12 mg/l                   | <b>7.228</b>           |
| 8                                       | 177.74                 |  |                        |
| 10                                      | 248.84                 |  |                        |
| 12                                      | 284.38                 |  |                        |
| 14                                      | 355.48                 |  |                        |
| 16                                      | 426.58                 | FATS, OIL AND GREASE (FOG)<br>for concentrations > 100 mg/l      | <b>0.465</b>           |
| 18                                      | 497.67                 |  |                        |
| 20                                      | 568.77                 |  |                        |
| 24                                      | 639.86                 |  |                        |
| 30                                      | 710.96                 | SEPTAGE DISPOSAL FEE<br>Per 500 gallons of disposal              | <b>47.00</b>           |
| 36                                      | 782.06                 |  |                        |
| 48                                      | 853.15                 |  |                        |