



Office of the Chief Executive

735 Randolph Street, Suite 1900

Detroit, Michigan 48226

June 25, 2018

RE: Great Lakes Water Authority FY 2019 Wholesale Water Schedule of Charges

On June 20, 2018, the Great Lakes Water Authority (“GLWA”) Board of Directors approved the schedule of wholesale water charges for FY 2019. These service charges continue to incorporate our ongoing efforts to control expenses while providing water of unquestionable quality to all our customers. The approved water charges reflect:

- Increasing the water revenue requirement budget by a 1.0 percent from the prior year;
- The first year phase-in of the Units of Service Study impacts related to GLWA’s non-master metered customers;
- The loss of Genesee County Drain Commission as a full service water customer of GLWA.
- Approximately 1/3 of the water model contracts reopened, resulting in an overall reduction in charges to those Customers and increase to other Customers from the resulting reallocation of costs.

The result: Water charges for wholesale customers will increase by an average of 1.7 percent, rather than the 2.7 percent originally proposed at the public hearing in February 2018.

The revised FY 2019 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. Please also note that although the average wholesale member partner charge increase is 1.7 percent, the change in water service charges for your community will differ from the wholesale customer average based on your specific contracted demands on the water system, and your change in budgeted annual water usage.

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 continues to be a top priority for GLWA.

The approval of the new charge schedule comes as the result of our collaborative process with our member partners. GLWA continues to extend its thanks for the efforts of the *One Water Partnership* and related activities of the Customer Outreach Program. GLWA’s Board of Directors and staff value your ongoing participation and feedback through these forums.

It continues to be our pleasure to provide you these services. If you have any questions regarding the upcoming changes in unit costs and charges, or other related matters in this letter, please contact Jon Wheatley, Public Finance Manager at (313) 224-4771.

Sincerely yours,

Sue F. McCormick
Chief Executive Officer

Enclosures

Great Lakes Water Authority
 Approved FY 2019 Water Supply System Allocated Revenue Requirements and Service Charges
 1% Budget Increase

Line No.	<u>Customer</u>	<u>Fixed Monthly Charge (a)</u> \$/mo	<u>Commodity Charge (a)</u> \$/Mcf	<u>Annual Revenue Req'ts</u> \$
1	Allen Park	115,500	6.99	2,310,100
2	Almont Village	11,400	10.22	227,800
3	Ash Township	39,200	7.71	784,200
4	Belleville	14,800	9.60	295,700
5	Berlin Township	37,900	10.68	758,100
6	Brownstown Township	182,000	10.46	3,640,000
7	Bruce Twp	9,300	54.76	186,100
8	Canton Township	502,600	11.29	10,051,600
9	Center Line	22,500	5.72	450,200
10	Chesterfield Township	201,700	9.74	4,034,300
11	Clinton Township	409,400	8.03	8,185,800
12	Commerce Township	185,900	14.38	3,717,700
13	Dearborn (a)	533,600	5.95	10,671,100
14	Dearborn Heights	178,700	6.94	3,574,000
15	Eastpointe	76,400	5.38	1,527,400
16	Ecorse	73,300	4.07	1,466,100
17	Farmington	50,800	8.43	1,016,800
18	Farmington Hills	463,200	9.78	9,262,100
19	Ferndale	49,600	5.79	991,800
20	Flat Rock	63,800	7.51	1,277,000
21	Flint (b)	554,100	8.14	11,080,600
22	Fraser	59,700	7.69	1,193,900
23	Garden City	85,100	7.66	1,702,900
24	Gibraltar (a)	16,900	7.67	337,800
25	Grosse Ile Township	66,800	12.95	1,336,400
26	Grosse Pt. Park	72,600	9.66	1,451,800
27	Grosse Pt. Shores	31,600	12.50	631,700
28	Grosse Pt. Woods	75,400	9.43	1,507,400
29	Hamtramck	34,100	4.69	682,200
30	Harper Woods	44,700	6.28	894,400
31	Harrison Township	75,000	6.58	1,499,400
32	Hazel Park	35,700	5.52	714,300
33	Highland Park	69,300	3.66	1,385,400
34	Huron Township	74,400	9.57	1,488,100
35	Imlay City	57,400	11.92	1,147,700
36	Imlay Twp	700	41.14	14,200
37	Inkster (a)	61,100	5.30	1,221,300
38	Keego Harbor	15,400	11.96	308,000
39	Lapeer	72,000	10.44	1,440,300
40	Lenox Township	15,000	7.79	300,000
41	Lincoln Park	114,400	6.34	2,288,900
42	Livonia	707,300	11.28	14,147,900
43	Macomb Township	561,200	13.80	11,224,900
44	Madison Heights	103,000	6.07	2,059,700
45	Mayfield Twp	2,200	31.99	43,700

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46	Melvindale	34,300	6.22	685,900
47	New Haven, Village of	18,700	8.96	374,000
48	N O C W A	1,185,200	10.37	23,704,700
49	Northville	38,600	9.59	772,000
50	Northville Township	283,200	16.27	5,664,800
51	Novi	459,900	12.48	9,196,700
52	Oak Park	68,300	5.64	1,366,700
53	Oakland Co. Drain Comm.	3,300	3.16	65,800
54	Plymouth	52,800	9.97	1,056,300
55	Plymouth Township	222,900	10.33	4,458,800
56	Redford Township	157,600	7.25	3,152,000
57	River Rouge	35,200	6.16	703,300
58	Riverview	43,100	7.95	861,400
59	Rockwood	15,600	12.14	312,200
60	Romeo	12,800	18.05	256,500
61	Romulus	193,100	7.77	3,864,200
62	Roseville	130,000	5.47	2,599,300
63	Royal Oak Township	11,500	7.63	230,300
64	S O C W A	1,178,000	7.30	23,556,700
65	Shelby Township	700,700	14.05	14,014,400
66	South Rockwood	5,400	8.47	108,000
67	Southgate	112,800	7.43	2,256,300
68	St. Clair County-Burtchville Twp	15,600	16.45	312,200
69	St. Clair County-Greenwood	21,300	13.36	426,600
70	St. Clair Shores	148,900	5.88	2,979,300
71	Sterling Heights	743,400	9.79	14,866,300
72	Sumpter Township	33,700	9.45	673,700
73	Sylvan Lake	11,900	14.17	237,700
74	Taylor	229,100	6.49	4,582,000
75	Trenton	110,800	10.02	2,216,400
76	Troy	682,500	11.55	13,650,800
77	Utica	28,100	9.00	562,200
78	Van Buren Township	165,200	10.51	3,305,600
79	Walled Lake	46,600	12.02	931,800
80	Warren	521,300	6.49	10,422,800
81	Washington Township	111,000	11.86	2,220,300
82	Wayne	145,200	12.67	2,904,200
83	West Bloomfield Township	534,000	16.14	10,681,900
84	Westland	312,400	7.81	6,245,700
85	Wixom	124,900	13.24	2,498,400
86	Woodhaven	81,400	10.71	1,628,000
87	Ypsilanti Comm Util Auth	513,600	8.20	10,270,600
88	Total Wholesale Contract Customers	181,300	0.40	315,407,600
89	Adjustment to Flint Revenue Requirement for KWA Debt Service			(6,639,700)
90	Adjustment for Highland Park Bad Debt			(1,385,400)
91	Net Requirement from Wholesale Charges (agrees with GLWA Budget "Schedule 3A")			307,382,500

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 1% Budget Increase

Detroit Customer Class		
92	Wholesale Revenue Requirement (c)	40,881,400
93	less: Ownership Benefit per Lease	<u>(20,700,000)</u>
94	Net Wholesale Revenue Requirement	20,181,400
95	Indirect Retail Revenue Requirements (d)	41,561,400
96	less: Use of Lease Payment for Debt Service	<u>(3,949,200)</u>
97	Net Indirect Retail Revenue Requirements (d)	37,612,200
98	Subtotal Subject to GLWA Board Approval (94) + (97)	<u>57,793,600</u>
99	Direct Retail Revenue Requirements (e)	39,756,300
100	Total Local System Revenue Requirement (97) + (99)	77,368,500
101	Net Requirement from Detroit Customer Class (agrees with GLWA Budget "Schedule 3A")	<u>97,549,900</u>

(a) Reflects "Scenario 2" originally presented on January 25, 2018, adjusted to reflect modified BUDGET, except for modifications for Dearborn, Gibraltar and Inkster - which were subsequently adjusted.

(b) Net fixed monthly charge will include credits for KWA debt service.

(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.