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THE FOSTER GROUP

THE FOSTER GROUP, LLC
12719 WENONGA LANE
LEAWOOD, KS 66209

BART FOSTER, PRESIDENT
CELL: (913) 530-6240
BFOSTER@FOSTERGROUPLLC.COM

MEMORANDUM

Proposed FY 2025 Water and Sewer Charges

December 12, 2023

To: Sue Coffey, Nicolette Bateson

From: Bart Foster

This memorandum is intended to introduce recommended proposed GLWA Water and Sewer Charges for FY 2025. While these recommendations represent my advice to GLWA as an engaged advisor on business related matters, the context with which they are being provided reflect discussions with GLWA executive staff. As such, they should be received as my understanding of a collective recommendation, subject to ongoing review of certain evolving events and circumstances.

Executive Summary

1. Both the Proposed FY 2025 Water Charges and the Proposed FY 2025 Sewer Charges reflect a budgeted Revenue Requirement increase of **4.0%**.¹
 - *The proposed FY System Charge Adjustments are **3.25%** for the Water System and **3.0%** for the Sewer System – increased budgeted investment earnings help address one percent of the budget increase, while the Water System Charge Adjustment must address lower projected baseline sales revenues.*
2. Proposed FY 2025 Water Charges reflect the simplified Water Charge Methodology recently endorsed at the One Water Partnership Meeting.
 - *This most directly impacts the three Member Partners whose contract demands are being changed outside the normal Contract Alignment Process (CAP) schedule.*
 - *Proposed charges for these three “MOD” customers directly reflect specific application of the FY 2025 Cost of Service Study embracing the simplified methodology.*
 - *Proposed charges for the other 85 “No MOD” customers reflect the uniform class average resulting from their consolidated units of service.*
3. Proposed FY 2025 Sewer Charges reflect updated Sewer SHARES.
 - *There is a moderate (~ 1.5%) shift in cost responsibility from the **M** customer to the **D+** customer class.*
 - *This shift is the result of counterbalancing shifts in flow data and results of the FY 2025 Cost of Service Study.*

¹ FY 2025 is the last year of the “4% Promise” in the GLWA foundational documents.

Proposed FY 2025 Water Charges**Budgeted Revenue Requirements and System Charge Adjustment:**

- I am proposing a ***System Charge Adjustment*** of a 3.25% increase. As shown in the table below, this adjustment is the product of:
 - 4.08% to address a \$14.8 million revenue requirement (4%) increase; offset by:
 - Approximately 1.66% to reflect a \$5.8 million **increase** in budgeted investment earnings (See Line 16); but increased by:
 - Approximately 0.83% to reflect a **decrease** in budgeted water sales volumes, creating a \$3.0 million negative sales revenue forecast. (See Line 17)

Recommended FY 2025 Revenue Requirement and Charge Adjustment Summary

	Approved FY 2024 <u>Budget</u> \$	Recommended FY 2025 <u>Budget</u> \$	<u>Variance</u> \$	<u>% Variance</u>
<u>Revenues</u>				
1 Revenues from Charges	366,077,800	374,850,500	8,772,700	2.4%
2 Miscellaneous Revenues	175,000	400,000	225,000	128.6%
3 Investment Earnings	4,061,700	9,876,600	5,814,900	143.2%
4 Total Revenues	370,314,500	385,127,100	14,812,600	4.0%
<u>Revenue Requirements</u>				
5 Operations & Maintenance (O&M) Expense	152,906,400	169,625,000	16,718,600	10.9%
6 Debt Service - Regional System Allocation	159,482,800	175,300,800	15,818,000	9.9%
7 General Retirement System Accelerated Pension	3,395,500	2,283,300	(1,112,200)	-32.8%
8 WRAP Contribution	1,851,600	1,947,800	96,200	5.2%
9 Lease Payment	22,500,000	22,500,000	0	0.0%
10 Receiving Fund Working Capital Requirement	0	6,200,000	6,200,000	0.0%
11 Deposit to Improvement & Extension (I&E) Fund	30,178,200	7,270,200	(22,908,000)	-75.9%
12 Total Revenue Requirements	370,314,500	385,127,100	14,812,600	4.0%
<u>Revenue Requirements</u>				
13 Adjustment Index		4.0%		<u>~ Baseline Revenue</u>
14 Baseline Revenue		363,051,300		
15 Change in Annual Revenue Requirement			14,812,600	4.08%
16 Change Attributable to <i>Non-Charge</i> Revenue			(6,039,900)	-1.66%
17 Change Attributable to <i>Sales</i> Revenue			<u>3,026,500</u>	<u>0.83%</u>
18 Wholesale Charge Adjustment			11,799,200	3.25%

- The negative budgeted revenue variance is slightly higher than that presented earlier in the charge planning process, including at the November 14 Charge Rollout meeting on proposed Units of Service. Subsequent to that meeting, I have made a change to Highland Park's units of service, as further described herein – and more rigorously in the Cost of Service Study report.

Specific Member Partner Water Charge Proposals:

At the November 14 Charge Rollout meeting, I indicated that (as of that date) contract demands for ALL Member Partners remained constant at the FY 2024 levels. Since contract demands impact 90% of the cost allocation, changes in individual Member Partner charges are almost entirely related to changes in such contract demands. Absent any changes in contract demands I indicated that ALL Member Partners should expect to receive a uniform “across the board” System charge adjustment, which would not require application of a detailed cost of service methodology. I also indicated that this could change.

Developments subsequent to the November 14 meeting have resulted in likely changes in contract demands for three Member Partners.

1. Based on continued developments in the Highland Park matter, including GLWA’s review of documented leak repair, I am proposing to reduce Highland Park’s water usage from what was initially presented, by an amount envisioned by the recently negotiated Term Sheet.
2. The City of Grosse Pointe Shores has negotiated and approved a contract amendment with GLWA to lower its max day and peak hour demands.
3. A correction to the contract demands for Romeo is being made.

As a result of these developments, there is a need to specifically calculate proposed charges for these three “MOD” customers via a detailed cost of service methodology. All others can continue to be considered as members of the “No MOD” customer class and their charges can be uniformly adjusted based on the average of that class.

The “MOD” / “No MOD” strategy noted above was originally applied by GLWA (actually then DWSD) in determining the FY 2014 Water Charges. When originally implemented this notion recognized that the variance of “cost of service based” charge adjustments amongst those customers whose demands are not changing is not material, and emphasized a movement towards the rate simplification initiatives then being explored for both the Water and Sewer Systems. The “MOD” / “No MOD” approach was acknowledged and applied to varying degrees from FY 2015 through FY 2020. When the Contract Alignment Process (CAP) process was formally announced in 2019 the “MOD” / “No MOD” became standard practice in development of Water Charges for FYs 2021, 2022, and 2023.

The CAP process resulted in the opportunity to change contract demands for ALL Member Partners every four years via a uniform “reset” schedule. The first application of the CAP was implemented last year for the FY 2024 Water Charges, and established the first complete “reset” of all Member Partner Charges in four years. When those charges were established the intent to maintain the uniformity (absent interim reopener adjustments) of annual charge adjustments during the ensuing three year period was signaled. We now have three interim “reopener adjustments” that need to be recognized in the FY 2025 Water Charges.

The need to conduct a detailed cost of service analysis for the FY 2025 Water Charges for the MOD customer class beckons another decision – whether to embrace the proposed “10/50/40 / Delivery Factor” Water Charge Simplification Methodology recommended by the Water Charge Methodology subgroup, or to maintain the detailed, complex hybrid methodology that produced the FY 2024 Water Charges. The proposed simplified methodology has been presented and discussed in several forums, most recently at the One Water Partnership meeting on December 5. At that meeting a roll call vote indicated a consensus of Member Partners in favor of the simplified methodology. ***It is my understanding and belief that the GLWA executive team is also in support of the simplified methodology, and the proposed FY 2025 Water Charges presented herein embrace that methodology – specifically for the three “MOD” customers.***

The recommended FY 2025 Water Service Charges have been developed by:

- Preparing a detailed Cost of Service study that implements the “10/50/40 / Delivery Factor” Water Charge Simplification Methodology to allocate the FY 2025 Wholesale Revenue Requirements to:
 1. *The three “MOD” Member Partners based on their modified contract demands².*
 2. *Universally as a class to the remaining 85 “No MOD” Member Partners.*
- The results of that detailed study will be published under separate cover in the coming days, and produce allocated wholesale revenue requirement (“SHARE”) responsibility for each Water Member Partner.
- The allocated wholesale costs of service are then adjusted to reflect two required contractual adjustments, both of which are “fixed” and not subject to adjustment in the FY 2025 revenue requirements:
 - *The Detroit Ownership Benefit of \$20.7 million, which is deducted from the Detroit wholesale revenue requirement and proportionally allocated to all other Member Partners based on their wholesale revenue requirements.*
 - *The KWA Debt Service Credit of \$6.65 million, which is deducted from the Flint wholesale revenue requirement and proportionally allocated to all other Member Partners based on their wholesale revenue requirements.*
- The adjusted final revenue requirements are then compared to the projected revenue under existing charges in order to determine the required adjustment to individual Member Partner charges. See Table 1 for the results of that analysis.
 - *Since the contractual adjustments for Detroit and Flint account for ~ 7.3% of the overall revenues required from charges, and since these amounts are fixed, the 3.25% revenue increase from charges will result in an "average charge*

² The specific adjustments will be documented in our Cost of Service Study Report Memorandum, to be published under separate cover,

increase" to all customers other than Detroit and Flint that is less than the system average increase. In this instance, the average "charge increase" for all customers other than Detroit and Flint is just under 3.0%. The impact is somewhat lower for the 3 MOD customers, so the uniform increase for the "No MOD" customers is just a bit higher, at 3.06%

- *The specific charge schedules for each member partner will be published under separate cover. The proposed FY 2025 Water Charges will continue to follow the approach to collect 60% of each Member Partner's Allocated Revenue Requirement via fixed monthly charges and the remaining 40% via Commodity Charges.*

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Proposed FY 2025 Sewer Charges**Budgeted Revenue Requirements and System Charge Adjustment:**

- I am proposing a ***System Charge Adjustment*** of a 3.0% increase. As shown in the table below, this adjustment is the product of:
 - 4.06% to address a \$20.0 million revenue requirement (4%) increase; offset by
 - Approximately 1.14% to reflect a \$5.6 million **increase** in budgeted investment earnings (See Line 16); but increased by
 - Approximately 0.07% to reflect a **decrease** in projected industrial specific service charge billings, creating a \$365,000 million negative revenue forecast. (See Line 17)

Sewage Disposal System**Recommended FY 2025 Revenue Requirement and Charge Adjustment Summary**

	(1)	(2)	(3)	(4)
	Approved FY 2024	Recommended FY 2025		
	<u>Budget</u>	<u>Budget</u>	<u>Variance</u>	<u>% Variance</u>
	\$	\$	\$	
<u>Revenues</u>				
1 Revenues from Charges	493,169,700	507,590,300	14,420,600	2.9%
2 Miscellaneous Revenues	400,000	700,000	300,000	75.0%
3 Investment Earnings	7,057,300	12,361,800	5,304,500	75.2%
4 Total Revenues	500,627,000	520,652,100	20,025,100	4.0%
<u>Revenue Requirements</u>				
5 Operations & Maintenance (O&M) Expense	205,643,700	228,934,000	23,290,300	11.3%
6 Debt Service - Regional System Allocation	228,328,300	226,279,400	(2,048,900)	-0.9%
7 General Retirement System Accelerated Pension	6,479,300	4,846,300	(1,633,000)	-25.2%
8 WRAP Contribution	2,503,100	2,651,700	148,600	5.9%
9 Lease Payment	27,500,000	27,500,000	0	0.0%
10 Receiving Fund Working Capital Requirement	0	2,300,000	2,300,000	0.0%
11 Deposit to Improvement & Extension (I&E) Fund	30,172,600	28,140,700	(2,031,900)	-6.7%
12 Total Revenue Requirements	500,627,000	520,652,100	20,025,100	4.0%
<u>Revenue Requirements</u>				
13 Adjustment Index		4.0%		<u>~ Baseline Revenue</u>
14 Baseline Revenue		492,805,200		
15 Change in Annual Revenue Requirement			20,025,100	4.06%
16 Change Attributable to <i>Non-Charge</i> Revenue			(5,604,500)	-1.14%
17 Change Attributable to <i>Sales</i> Revenue			364,500	0.07%
18 Wholesale Charge Adjustment			14,785,100	3.00%

Specific Member Partner Sewer Charge Proposals:

The proposed FY 2025 Sewer Charges reflect updated Sewer SHARES for the 4th SHARES period established by the Sewer Rate Simplification initiative originally implemented for the FY 2015 Sewer Charges. At the November 14 Charge Rollout meeting the impact of updated contributed flow volumes on SHARE calculations was presented and indicated a moderate

increase in cost responsibility for the suburban wholesale master metered customers (the “**M**” customer class) and a corresponding moderate decrease in cost responsibility for Detroit and the other inner ring communities that are not fully metered (the “**D+**” customer class). The shift in total was less than 1% at the overall customer class level.

At that meeting I indicated that these preliminary findings only represented one element of the inputs to the SHARE process, and that the Cost of Service Study results would need to be considered in the final proposed SHARES. I commented that inflationary pressures on commodities and utilities would likely shift costs towards the Sanitary Cost Pool, but that further review of asset records used to allocate capital costs would likely shift costs towards Conveyance and CSO 83/17 Cost Pools.

I have completed the preliminary Cost of Service Study and utilized it to prepare the preliminary proposed FY 2025 SHARES and Sewer Charges presented herein. The specifics of the Cost of Service Study will be documented and published under separate cover in the coming days. As expected, there is a bit of movement in the Cost Pool weights compared to what was established four years ago for the existing SHARES. See table below.

	<u>FY 2022</u>	<u>FY 2025</u>	<u>Change</u>
<u>TOTAL Revenue Req'ts</u>			
WRRF	65.8%	64.7%	-1.1%
Conveyance	20.9%	19.2%	-1.6%
CSO 83/17	13.4%	16.1%	2.7%
Sanitary Volume	32.5%	32.5%	0.0%
Total Volume	54.0%	51.5%	-2.5%
CSO 83/17	13.5%	16.0%	2.5%

The results of the FY 2025 Cost of Service Study shift the allocation of cost responsibility away from Total Volume and towards CSO 83/17 while holding the relative amount allocable by Sanitary Volume constant. This has the effect of shifting cost responsibility away from the **M** customer class and towards **D+** customer class – directionally opposite of the results of the flow inputs to the SHARE calculations. The individual and combined impact of these moving parts is shown below, and results in a slight increase in SHARES for the **D+** class at large and a slight reduction for the **M** class at large.

FY 2025 SHARE Calculation Summary	<u>M Class</u>	<u>D+ Class</u>
Impact of Flow Balance Update	0.7%	-0.9%
Impact of Cost of Service Study	-2.0%	2.5%
Combined Impact	-1.3%	1.6%

As announced at the November 14 meeting, I'm proposing a new approach to for SHARE allocations amongst the **D+** customer class, which allocates the "common" non-sanitary flow reduction based on inventory of "common use" sewers in each community - as identified in the annual flow balances. As such the variable impact on SHAREs amongst the smaller communities within the **D+** customer class varies more than it has in prior years.

The SHARE changes amongst the various members of the **M** customer class are much less variable, and largely reflect the relative impacts of incorporating the new flow data into the analysis. There is one exception. As also noted at the November 14 meeting, the proposed FY 2025 SHAREs now include Grosse Pointe as a member of the **M** customer class, as there are five years of available metered data for that Member Partner. The meter data indicates much higher flow contributions than was assigned to Grosse Pointe in prior SHARE calculations when they were treated as a member of the **D+** class. The original flow calculations indicated a SHARE increase of approximately 58%.

Subsequent to the November 14 meeting representatives of GLWA and Grosse Pointe have had several conversations regarding the data being used for Grosse Pointe's SHARE. Those discussions have included several possible adjustments to the initial calculations, including:

- Potential modifications to raw meter data to reflect anomalous events related to main break repairs, etc.
- Whether to limit the Grosse Pointe data to the five years of metered data; and
- Potential consideration of the sewer separation project the city is pursuing

It is my understanding that Grosse Pointe has formally requested consideration of this information for the FY 2025 Sewer Charges. It is also my understanding that the GLWA executive team is receptive to some sort of consideration of Grosse Pointe's request – while recognizing that any adjustment must be supported by definitive data that validates the reasonableness of such a request. Recognizing that it may take time to secure and vet such data, I propose the following approach for determining Grosse Pointe's Sewer SHAREs for FY 2025:

- Compute the differences in Grosse Pointe flow inputs between:
 1. The average historical data assigned as a D+ member;
 2. The 5-years of data indicated by the new master meter
- Use an average of the two data sets for Grosse Pointe's flow data for the FY 2025 SHAREs

In my opinion such an approach compels the parties to continue to review and monitor available data, and to commit to interim SHARE modifications (with the possibility of true-ups) during the next 3-year SHARE period based on results of that data review. I note that making this accommodation has the impact of increasing all other Member Partner SHAREs by 0.05%.

The recommended FY 2025 Sewer Charges have been developed by:

- Determining and recognizing the OMID Specific revenue requirements. These contractual amounts are not subject to SHARE or cost of service adjustments and annual variances are negligible.
- Preparing a detailed Cost of Service Study to allocate the FY 2025 Revenue Requirements to Cost Pools, and subsequently to individual Member Partners based on their updated units of service. That Cost of Service Study will be published under separate cover in the coming days.
 - *The summary findings are presented above.*
- Apply the required contractual adjustments related to the Detroit Ownership Benefit.
 - *Since the Detroit Ownership Benefit is fixed, the charge adjustment for Detroit is 4.8% expressed on a “gross” pre credit basis (Compared to the 5.0% budgeted revenue requirement increase).*
- Implementing a final adjustment related to budgeted “Green Infrastructure” programmatic operating expenses.
 - *These amounts (\$347,000 in the proposed FY 2025 budget) represent a payment to DWSD for its investment in green infrastructure improvements – which approximate \$2 million annually.*
 - *Under agreements between the parties, 17% of such amounts are the responsibility of GLWA suburban wholesale Member Partners.*
 - *The FY 2025 Cost of Service Study initially allocates the budgeted costs to the CSO 83/17 Cost Pool – thus assigning \$287,900 (83%) to Detroit.*
 - *The final adjustment in the Charge calculations removes this revenue requirement from Detroit and reallocates it to all others based on their relative 17% share.*
- Computing specific Industrial Waste Control and Industrial Surcharge rates for FY 2025 that align with the results of the Cost of Service Study.
- Table 2 summarizes the proposed Sewer Charges for FY 2024.

All of this material will be covered in more detail in the upcoming Cost of Service Study report, which will have appendices delineating updated SHAREs calculations, etc.

I am prepared to present this material to the Audit Committee meeting scheduled for December 15 and to discuss this matter further at your convenience.

Table 1
GLWA Proposed FY 2025 Water Charge Summary
Comparison of Allocated Revenue Requirements and Revenues under Existing Charges

		(1)	(2)	(3)	(4)	(5)
		Revenue	Allocated	Charge	% Charge	
		from Existing	Total	Adjustment	Adjustment	MOD /
		<u>Charges</u>	<u>Rev Req't (a)</u>	<u>Required</u>	<u>Required</u>	<u>No MOD</u>
		\$	\$	\$		
1	Allen Park	2,611,200	2,691,000	79,800	3.06%	No MOD
2	Almont Village	263,400	271,600	8,200	3.11%	No MOD
3	Ash Township	933,500	962,100	28,600	3.06%	No MOD
4	Belleville	354,200	365,100	10,900	3.08%	No MOD
5	Berlin Township	783,500	807,400	23,900	3.05%	No MOD
6	Brownstown Township	4,186,400	4,314,200	127,800	3.05%	No MOD
7	Bruce Township	350,800	361,500	10,700	3.05%	No MOD
8	Burtchville Township	437,500	450,800	13,300	3.04%	No MOD
9	Canton Township	11,559,900	11,913,300	353,400	3.06%	No MOD
10	Center Line	541,900	558,400	16,500	3.04%	No MOD
11	Chesterfield Township	4,898,100	5,047,900	149,800	3.06%	No MOD
12	Clinton Township	8,487,900	8,747,400	259,500	3.06%	No MOD
13	Commerce Township	3,849,000	3,966,800	117,800	3.06%	No MOD
14	Dearborn	10,858,500	11,190,500	332,000	3.06%	No MOD
15	Dearborn Heights	4,212,100	4,340,900	128,800	3.06%	No MOD
16	Eastpointe	1,809,400	1,864,800	55,400	3.06%	No MOD
17	Ecorse	1,268,300	1,307,000	38,700	3.05%	No MOD
18	Farmington	1,107,100	1,141,000	33,900	3.06%	No MOD
19	Farmington Hills	9,993,100	10,298,700	305,600	3.06%	No MOD
20	Ferndale	1,192,100	1,228,600	36,500	3.06%	No MOD
21	Flat Rock	1,581,200	1,629,500	48,300	3.05%	No MOD
22	<i>Flint *</i>	<i>4,628,400</i>	<i>4,994,100</i>	<i>365,700</i>	<i>7.90%</i>	No MOD
23	Fraser	1,411,200	1,454,300	43,100	3.05%	No MOD
24	Garden City	1,907,300	1,965,500	58,200	3.05%	No MOD
25	Gibraltar	380,900	392,500	11,600	3.05%	No MOD
26	Greenwood Township (DTE)	1,363,300	1,404,900	41,600	3.05%	No MOD
27	Grosse Ile Township	1,313,200	1,353,400	40,200	3.06%	No MOD
28	Grosse Pt. Park	1,502,200	1,548,100	45,900	3.06%	No MOD
29	Grosse Pt. Shores	725,200	705,000	(20,200)	-2.79%	MOD
30	Grosse Pt. Woods	1,457,800	1,502,300	44,500	3.05%	No MOD
31	Hamtramck	930,700	959,200	28,500	3.06%	No MOD
32	Harper Woods	999,500	1,030,100	30,600	3.06%	No MOD
33	Harrison Township	1,891,100	1,948,900	57,800	3.06%	No MOD
34	Hazel Park	853,000	879,100	26,100	3.06%	No MOD
35	Highland Park	1,163,900	982,100	(181,800)	-15.62%	MOD
36	Huron Township	1,715,600	1,768,000	52,400	3.05%	No MOD
37	Imlay City	1,693,900	1,745,700	51,800	3.06%	No MOD
38	Imlay Township (Single User)	11,400	11,700	300	2.63%	No MOD
39	Inkster	1,486,500	1,531,900	45,400	3.05%	No MOD
40	Keego Harbor	338,500	348,900	10,400	3.07%	No MOD



Table 1
GLWA Proposed FY 2025 Water Charge Summary
Comparison of Allocated Revenue Requirements and Revenues under Existing Charges

		(1)	(2)	(3)	(4)	(5)
		Revenue	Allocated	Charge	% Charge	
		from Existing	Total	Adjustment	Adjustment	MOD /
		<u>Charges</u>	<u>Rev Req't (a)</u>	<u>Required</u>	<u>Required</u>	<u>No MOD</u>
		\$	\$	\$		
41	Lapeer	1,767,300	1,821,300	54,000	3.06%	No MOD
42	Lenox Township	351,400	362,100	10,700	3.04%	No MOD
43	Lincoln Park	2,588,100	2,667,200	79,100	3.06%	No MOD
44	Livonia	13,090,100	13,490,200	400,100	3.06%	No MOD
45	Macomb Township	13,880,200	14,304,600	424,400	3.06%	No MOD
46	Madison Heights	2,365,600	2,437,900	72,300	3.06%	No MOD
47	Mayfield Township (KAMAX)	56,400	58,100	1,700	3.01%	No MOD
48	Melvindale	741,000	763,600	22,600	3.05%	No MOD
49	New Haven, Village of	491,500	506,600	15,100	3.07%	No MOD
50	NOCWA	24,931,600	25,693,800	762,200	3.06%	No MOD
51	Northville	879,900	906,800	26,900	3.06%	No MOD
52	Northville Township	6,134,400	6,321,900	187,500	3.06%	No MOD
53	Novi	10,326,600	10,642,200	315,600	3.06%	No MOD
54	Oak Park	1,586,400	1,634,900	48,500	3.06%	No MOD
55	Oakland GWK Drain District	102,500	105,600	3,100	3.02%	No MOD
56	Plymouth	1,245,300	1,283,400	38,100	3.06%	No MOD
57	Plymouth Township	5,061,700	5,216,500	154,800	3.06%	No MOD
58	Redford Township	3,357,400	3,460,100	102,700	3.06%	No MOD
59	River Rouge	577,700	595,500	17,800	3.08%	No MOD
60	Riverview	992,100	1,022,400	30,300	3.05%	No MOD
61	Rockwood	281,000	289,600	8,600	3.06%	No MOD
62	Romeo	239,700	206,000	(33,700)	-14.06%	MOD
63	Romulus	4,205,400	4,334,000	128,600	3.06%	No MOD
64	Roseville	2,919,600	3,008,900	89,300	3.06%	No MOD
65	Royal Oak Township	235,900	243,100	7,200	3.05%	No MOD
66	Shelby Township	12,647,800	13,034,400	386,600	3.06%	No MOD
67	SOCWA	26,714,200	27,530,900	816,700	3.06%	No MOD
68	South Rockwood	134,100	138,100	4,000	2.98%	No MOD
69	Southgate	2,340,100	2,411,700	71,600	3.06%	No MOD
70	St. Clair Shores	3,549,500	3,657,900	108,400	3.05%	No MOD
71	Sterling Heights	16,760,300	17,272,600	512,300	3.06%	No MOD
72	Sumpter Township	813,800	838,800	25,000	3.07%	No MOD
73	Sylvan Lake	265,100	273,100	8,000	3.02%	No MOD
74	Taylor	5,194,000	5,352,900	158,900	3.06%	No MOD
75	Trenton	2,006,200	2,067,500	61,300	3.06%	No MOD
76	Troy	15,451,800	15,924,200	472,400	3.06%	No MOD
77	Utica	664,800	685,100	20,300	3.05%	No MOD
78	Van Buren Township	3,897,000	4,016,100	119,100	3.06%	No MOD
79	Walled Lake	898,200	925,600	27,400	3.05%	No MOD
80	Warren	10,860,800	11,192,800	332,000	3.06%	No MOD



Table 1
GLWA Proposed FY 2025 Water Charge Summary
Comparison of Allocated Revenue Requirements and Revenues under Existing Charges

	(1) Revenue from Existing <u>Charges</u> \$	(2) Allocated Total <u>Rev Req't (a)</u> \$	(3) Charge Adjustment <u>Required</u> \$	(4) % Charge Adjustment <u>Required</u>	(5) MOD / <u>No MOD</u>
81 Washington Township	2,652,100	2,733,300	81,200	3.06%	No MOD
82 Wayne	2,031,900	2,093,900	62,000	3.05%	No MOD
83 West Bloomfield Township	12,029,700	12,397,500	367,800	3.06%	No MOD
84 Westland	6,908,000	7,119,100	211,100	3.06%	No MOD
85 Wixom	2,793,800	2,879,300	85,500	3.06%	No MOD
86 Woodhaven	1,671,300	1,722,400	51,100	3.06%	No MOD
87 Ypsilanti Comm Util Auth	11,768,100	12,127,900	359,800	3.06%	No MOD
88 Detroit **	<u>25,537,200</u>	<u>27,095,100</u>	<u>1,557,900</u>	<u>6.10%</u>	No MOD
TOTAL	363,051,300	374,850,700	11,799,400	3.25%	
3 MOD Customers	2,128,800	1,893,100	(235,700)	-11.07%	MOD
85 No MOD Customers	360,922,500	372,957,600	12,035,100	3.33%	No MOD
88 Total	363,051,300	374,850,700	11,799,400	3.25%	
Flint Gross *	11,280,200	11,645,900	365,700	3.24%	
less: KWA Credit	<u>(6,651,800)</u>	<u>(6,651,800)</u>	<u>0</u>	0.00%	
Flint Net * (see Line 22)	4,628,400	4,994,100	365,700	7.90%	
Detroit Gross **	46,237,200	47,795,100	1,557,900	3.37%	
less: KWA Credit	<u>(20,700,000)</u>	<u>(20,700,000)</u>	<u>0</u>	0.00%	
Detroit Net * (see Line 88)	25,537,200	27,095,100	1,557,900	6.10%	

(a) Represents each Member Partner's Allocated SHARE of the GLWA Wholesale Revenue Requirement, adjusted to recognize the Detroit Ownership Benefit and the Flint KWA Debt Service Adjustment.

Table 2
Sewage Disposal System
Comparison of Allocated Revenue Requirements and Revenues under Existing Charges

	(1) Revenue Existing <u>Charges (b)</u> \$	FY 2025 <u>SHARE</u> (a)	(2) Allocated Total <u>Rev Req't (b)</u> \$	(3) Charge Adjustment <u>Required</u> \$	(4) % Charge Adjustment <u>Required</u>
<u>Suburban Wholesale</u>					
1 OMID	72,972,000	14.571%	75,046,800	2,074,800	2.8%
2 Rouge Valley	57,471,600	11.394%	57,153,600	(318,000)	-0.6%
3 Oakland GWK	47,655,600	9.621%	48,255,600	600,000	1.3%
4 Evergreen Farmington	37,192,800	7.543%	37,828,800	636,000	1.7%
5 SE Macomb San Dist	25,760,400	5.226%	26,211,600	451,200	1.8%
6 Dearborn	20,858,400	4.298%	21,567,600	709,200	3.4%
7 Grosse Pointe Farms	2,823,600	0.557%	2,799,600	(24,000)	-0.8%
8 Grosse Pointe Park	1,957,200	0.398%	1,995,600	38,400	2.0%
9 Melvindale	1,616,400	0.329%	1,650,000	33,600	2.1%
10 Farmington	1,232,400	0.251%	1,258,800	26,400	2.1%
11 Center Line	1,071,600	0.221%	1,108,800	37,200	3.5%
12 Allen Park	871,200	0.177%	888,000	16,800	1.9%
13 Grosse Pointe	925,200	0.245%	1,232,400	307,200	33.2%
14 Highland Park	5,570,400	0.989%	4,992,000	(578,400)	-10.4%
15 Hamtramck	4,153,200	0.893%	4,502,400	349,200	8.4%
16 Harper Woods	224,400	0.035%	175,200	(49,200)	-21.9%
17 Redford Township	277,200	0.071%	357,600	80,400	29.0%
18 Wayne County #3	54,000	0.010%	50,400	(3,600)	-6.7%
19 Subtotal Suburban Wholesale	282,687,600	56.829%	287,074,800	4,387,200	1.6%
20 Detroit Customers *	196,569,600	43.171%	206,366,400	9,796,800	5.0%
21 Total Member Partner Wholesale	479,257,200	100.000%	493,441,200	14,184,000	3.0%
22 Subtotal M Customer Class	272,408,400	54.831%	276,997,200	4,588,800	1.7%
23 Subtotal D+ Customer Class	206,848,800	45.169%	216,444,000	9,595,200	4.6%
<u>Industrial Specific Charges</u>					
24 Industrial Waste Control	8,531,700		8,719,300	187,600	2.2%
25 Industrial Surcharges	5,016,300		5,434,400	418,100	8.3%
26 Subtotal	13,548,000		14,153,700	605,700	4.5%
27 Total	492,805,200		507,594,900	14,789,700	3.0%
28 * Detroit - Gross	202,085,600		211,882,400	9,796,800	4.8%
29 less: Fixed Ownership Benefit	(5,516,000)		(5,516,000)	0	0.0%
30 Detroit Net of Ownership Benefit	196,569,600		206,366,400	9,796,800	5.0%

(a) Represents each Member Partner's Allocated SHARE of the GLWA Wholesale Revenue Requirement.

(b) Reflects final contractual adjustments, including the OMID specific costs, the Detroit Ownership Benefit and the reallocation of Green Infrastructure costs for FY 2025 originally allocated as a CSO 83/17 responsibility.

