

**TFG**  
**THE FOSTER GROUP**

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MEMORANDUM

Proposed FY 2023 Service Charge Summary

December 29, 2021

To: Sue Coffey, Nicolette Bateson

From: Bart Foster

You have asked for a brief summary comparison of existing Water and Sewer Service Charges with those proposed for FY 2023. The recommended service charges have been prepared to execute the strategy laid out in my December 15 “Proposed FY 2023 Water and Sewer Charges” memorandum. The proposed charges are documented in a report submitted earlier this week, and individual service charge calculation sheets for each Member Partner have been prepared. This material will all be “published” early next week, in advance of the third FY 2023 Charge Rollout meeting on January 6, 2022.

The attached exhibits were taken from the report, and summarize the proposed service charges by individual Member Partner. I believe these exhibits provide a good summary of the charges for each Member Partner, and illustrate the remarkable uniformity regarding impact of the proposals. I believe this material is appropriate to provide to Board Members and key internal stakeholders in advance of publishing of the more detailed information.

I look forward to the opportunity to further discuss the proposed charges as the review process continues.

Table 7  
Water Supply System  
Calculation of FY 2023 Wholesale Water Service Charge Schedule

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	
	Sales Volume	Existing Charges		Proforma Revenue	Allocated Revenue Req't	Charge Adjustment	% Charge Adjustment	60% Recover Via:		Proposed Charges		Projected Revenue	Revenue Recovery	
	Mcf	Fixed Mo \$/mo	Commodity \$/Mcf	Exist Charges \$	\$	\$		Fixed Mo \$	Commodity \$	Fixed Mo \$/mo	Commodity \$/Mcf	\$		
		0		Table 2	Table 7	(5) - (4)	(6) / (4)	60% of (5)	(5) - (8)*12	(8) / 12 mos	(9) / (1)	'2*(10)+(1)*(11)	(12) / (5)	
1	Allen Park	145,600	126,400	7.82	2,655,400	2,745,400	90,000	3.39%	1,647,200	1,097,800	137,300	7.54	2,745,400	100.0%
2	Almont Village	9,600	12,600	10.54	252,400	261,000	8,600	3.41%	156,600	103,800	13,100	10.81	261,000	100.0%
3	Ash Township	42,200	43,900	8.27	875,800	905,400	29,600	3.38%	543,200	361,800	45,300	8.57	905,300	100.0%
4	Belleville	15,300	16,600	9.74	348,200	359,900	11,700	3.36%	215,900	143,900	18,000	9.41	360,000	100.0%
5	Berlin Township	27,100	38,400	11.54	773,500	799,800	26,300	3.40%	479,900	319,800	40,000	11.80	799,800	100.0%
6	Brownstown Township	136,300	190,600	11.09	3,798,800	3,927,500	128,700	3.39%	2,356,500	1,570,700	196,400	11.52	3,927,000	100.0%
7	Bruce Twp	2,640	16,700	61.19	361,900	374,200	12,300	3.40%	224,500	149,800	18,700	56.74	374,200	100.0%
8	Canton Township	359,900	539,900	12.36	10,927,200	11,297,600	370,400	3.39%	6,778,600	4,518,800	564,900	12.56	11,299,100	100.0%
9	Center Line	32,200	24,600	6.28	497,400	514,300	16,900	3.40%	308,600	205,900	25,700	6.39	514,200	100.0%
10	Chesterfield Township	176,500	223,800	10.41	4,523,000	4,676,400	153,400	3.39%	2,805,800	1,870,800	233,800	10.60	4,676,500	100.0%
11	Clinton Township	399,300	398,900	7.92	7,949,300	8,218,800	269,500	3.39%	4,931,300	3,288,000	410,900	8.23	8,217,000	100.0%
12	Commerce Township	104,400	187,700	14.72	3,789,200	3,917,800	128,600	3.39%	2,350,700	1,567,000	195,900	15.01	3,917,800	100.0%
13	<b>Dearborn</b>	<b>588,500</b>	<b>538,500</b>	<b>7.22</b>	<b>10,711,000</b>	<b>11,011,700</b>	<b>300,700</b>	<b>2.81%</b>	<b>6,607,000</b>	<b>4,404,500</b>	<b>550,600</b>	<b>7.48</b>	<b>11,009,200</b>	<b>100.0%</b>
14	Dearborn Heights	197,300	193,300	7.84	3,866,400	3,997,300	130,900	3.39%	2,398,400	1,598,500	199,900	8.10	3,996,900	100.0%
15	Eastpointe	104,300	82,000	6.31	1,642,100	1,697,600	55,500	3.38%	1,018,600	678,800	84,900	6.51	1,697,800	100.0%
16	Ecorse	126,800	79,400	4.48	1,520,900	1,572,400	51,500	3.39%	943,400	629,200	78,600	4.96	1,572,100	100.0%
17	Farmington	44,600	53,000	9.52	1,060,600	1,096,600	36,000	3.39%	658,000	439,000	54,800	9.84	1,096,500	100.0%
18	Farmington Hills	349,500	465,600	10.57	9,281,400	9,596,000	314,600	3.39%	5,757,600	3,838,400	479,800	10.98	9,595,100	100.0%
19	Ferndale	71,800	54,100	6.19	1,093,600	1,130,800	37,200	3.40%	678,500	452,800	56,500	6.31	1,131,100	100.0%
20	Flat Rock	52,200	69,900	9.79	1,349,800	1,395,800	46,000	3.41%	837,500	558,200	69,800	10.69	1,395,600	100.0%
21	Flint	469,200	10,000	9.43	4,544,600	4,932,300	387,700	8.53%	298,700	4,633,500	24,900	9.88	4,934,500	100.0%
22	Fraser	58,100	64,300	8.72	1,278,200	1,321,500	43,300	3.39%	792,900	528,300	66,100	9.09	1,321,300	100.0%
23	Garden City	78,300	88,100	8.71	1,739,200	1,798,100	58,900	3.39%	1,078,900	719,300	89,900	9.19	1,798,400	100.0%
24	Gibraltar	16,400	17,500	8.61	351,200	363,200	12,000	3.42%	217,900	144,800	18,200	8.83	363,200	100.0%
25	Grosse Ile Township	38,100	57,800	12.10	1,154,600	1,193,800	39,200	3.40%	716,300	477,400	59,700	12.53	1,193,800	100.0%
26	Grosse Pt. Park	54,900	71,000	10.21	1,412,500	1,460,300	47,800	3.38%	876,200	584,300	73,000	10.64	1,460,100	100.0%
27	Grosse Pt. Shores	19,200	34,800	13.75	681,600	704,700	23,100	3.39%	422,800	282,300	35,200	14.70	704,600	100.0%
28	Grosse Pt. Woods	69,400	67,700	7.50	1,332,900	1,378,200	45,300	3.40%	826,900	551,400	68,900	7.95	1,378,500	100.0%
29	Hamtramck	62,500	42,200	5.42	845,200	873,800	28,600	3.38%	524,300	349,400	43,700	5.59	873,800	100.0%
30	Harper Woods	47,200	42,500	7.12	846,100	874,600	28,500	3.37%	524,800	350,200	43,700	7.42	874,600	100.0%
31	Harrison Township	95,400	85,100	7.21	1,709,000	1,767,100	58,100	3.40%	1,060,300	706,300	88,400	7.40	1,766,800	100.0%
32	Hazel Park	50,200	38,800	6.15	774,300	800,500	26,200	3.38%	480,300	320,500	40,000	6.38	800,300	100.0%
33	<b>Highland Park</b>	<b>105,500</b>	<b>61,200</b>	<b>4.63</b>	<b>1,222,900</b>	<b>1,257,300</b>	<b>34,400</b>	<b>2.81%</b>	<b>754,400</b>	<b>502,500</b>	<b>62,900</b>	<b>4.76</b>	<b>1,257,000</b>	<b>100.0%</b>
34	Huron Township	62,000	77,600	10.28	1,568,600	1,621,700	53,100	3.39%	973,000	648,500	81,100	10.46	1,621,700	100.0%
35	Imlay City	46,200	77,200	13.50	1,550,100	1,602,500	52,400	3.38%	961,500	641,300	80,100	13.88	1,602,500	100.0%

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Calculation of FY 2023 Wholesale Water Service Charge Schedule

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)		
Sales Volume Mcf	Existing Charges		Proforma Revenue Exist Charges	Allocated Revenue Req't	Charge Adjustment	% Charge Adjustment	60% Recover Via:		Proposed Charges		Projected Revenue	Revenue Recovery		
	Fixed Mo	Commodity	\$	\$	\$	\$	Fixed Mo	Commodity	Fixed Mo	Commodity	\$			
	\$/mo	\$/Mcf	Table 2	Table 7	(5) - (4)	(6) / (4)	60% of (5)	(5) - (8)*12	(8) / 12 mos	(9) / (1)	'2*(10)+(1)*(11)	(12) / (5)		
36	Imlay Twp	150	800	42.50	16,000	16,500	500	3.13%	9,900	6,900	800	46.00	16,500	100.0%
37	Inkster	101,300	65,100	5.56	1,344,400	1,389,900	45,500	3.38%	833,900	555,900	69,500	5.49	1,390,100	100.0%
38	Keego Harbor	10,000	15,700	12.74	315,800	326,600	10,800	3.42%	196,000	131,000	16,300	13.10	326,600	100.0%
39	Lapeer	52,900	80,600	12.39	1,622,600	1,677,600	55,000	3.39%	1,006,600	670,800	83,900	12.68	1,677,600	100.0%
40	Lenox Township	14,000	15,600	8.42	305,100	315,300	10,200	3.34%	189,200	125,700	15,800	8.98	315,300	100.0%
41	Lincoln Park	165,300	121,000	6.04	2,450,400	2,533,600	83,200	3.40%	1,520,200	1,013,200	126,700	6.13	2,533,700	100.0%
42	Livonia	471,000	607,100	10.11	12,047,000	12,455,100	408,100	3.39%	7,473,100	4,981,500	622,800	10.58	12,456,800	100.0%
43	Macomb Township	320,800	669,300	16.23	13,238,200	13,687,000	448,800	3.39%	8,212,200	5,474,200	684,400	17.06	13,685,600	100.0%
44	Madison Heights	105,100	98,000	7.35	1,948,500	2,014,600	66,100	3.39%	1,208,800	806,200	100,700	7.67	2,014,500	100.0%
45	Mayfield Twp	510	2,500	24.68	42,600	43,900	1,300	3.05%	26,300	17,500	2,200	34.31	43,900	100.0%
46	Melvindale	42,100	34,100	6.42	679,500	702,600	23,100	3.40%	421,600	281,400	35,100	6.68	702,400	100.0%
47	New Haven, Village of	18,400	22,200	6.94	394,100	407,400	13,300	3.37%	244,400	162,600	20,400	8.84	407,500	100.0%
48	N O C W A	876,100	1,168,100	10.41	23,137,400	23,921,800	784,400	3.39%	14,353,100	9,568,600	1,196,100	10.92	23,920,200	100.0%
49	Northville	31,100	40,600	10.48	813,100	840,600	27,500	3.38%	504,400	336,600	42,000	10.82	840,500	100.0%
50	Northville Township	138,200	299,300	17.00	5,941,000	6,142,400	201,400	3.39%	3,685,400	2,457,200	307,100	17.78	6,142,400	100.0%
51	Novi	292,600	476,200	13.03	9,527,000	9,849,800	322,800	3.39%	5,909,900	3,939,800	492,500	13.46	9,848,400	100.0%
52	Oak Park	94,900	73,700	6.08	1,461,400	1,511,000	49,600	3.39%	906,600	603,800	75,600	6.36	1,510,800	100.0%
53	Oakland Co. Drain Comm.	9,700	4,300	3.49	85,500	88,400	2,900	3.39%	53,000	35,600	4,400	3.67	88,400	100.0%
54	Plymouth	44,600	57,000	10.34	1,145,200	1,184,200	39,000	3.41%	710,500	473,800	59,200	10.62	1,184,100	100.0%
55	Plymouth Township	160,900	234,100	11.57	4,670,800	4,829,100	158,300	3.39%	2,897,500	1,931,100	241,500	12.00	4,828,800	100.0%
56	Redford Township	158,600	167,100	8.32	3,324,800	3,437,500	112,700	3.39%	2,062,500	1,374,700	171,900	8.67	3,437,900	100.0%
57	River Rouge	37,900	35,900	7.58	718,100	742,400	24,300	3.38%	445,400	297,200	37,100	7.84	742,300	100.0%
58	Riverview	48,000	46,900	7.73	933,800	965,300	31,500	3.37%	579,200	385,700	48,300	8.04	965,500	100.0%
59	Rockwood	9,800	14,700	11.79	291,900	301,800	9,900	3.39%	181,100	120,600	15,100	12.31	301,800	100.0%
60	Romeo	6,100	13,500	18.13	272,600	281,900	9,300	3.41%	169,100	112,700	14,100	18.48	281,900	100.0%
61	Romulus	223,500	224,200	8.21	4,525,300	4,678,800	153,500	3.39%	2,807,300	1,872,000	233,900	8.38	4,679,700	100.0%
62	Roseville	186,500	142,200	5.99	2,823,500	2,919,300	95,800	3.39%	1,751,600	1,167,300	146,000	6.26	2,919,500	100.0%
63	Royal Oak Township	10,300	10,400	7.65	203,600	210,500	6,900	3.39%	126,300	84,500	10,500	8.20	210,500	100.0%
64	S O C W A	1,230,500	1,215,400	7.75	24,121,200	24,938,900	817,700	3.39%	14,963,300	9,976,100	1,246,900	8.11	24,942,200	100.0%
65	Shelby Township	412,700	751,600	14.88	15,160,200	15,674,100	513,900	3.39%	9,404,500	6,269,700	783,700	15.19	15,673,300	100.0%
66	South Rockwood	4,600	6,100	10.17	120,000	124,200	4,200	3.50%	74,500	49,800	6,200	10.83	124,200	100.0%
67	Southgate	111,700	116,300	8.12	2,302,600	2,380,900	78,300	3.40%	1,428,500	952,900	119,000	8.53	2,380,800	100.0%
68	St. Clair County-Burtchville Twp	8,400	17,700	18.19	365,200	377,600	12,400	3.40%	226,600	150,800	18,900	17.95	377,600	100.0%
69	<b>St. Clair County BPW</b>	<b>25,100</b>	<b>49,400</b>	<b>19.18</b>	<b>1,074,200</b>	<b>1,433,300</b>	<b>359,100</b>	<b>33.43%</b>	<b>860,000</b>	<b>572,900</b>	<b>71,700</b>	<b>22.82</b>	<b>1,433,200</b>	<b>100.0%</b>
70	St. Clair Shores	194,400	161,800	6.80	3,263,500	3,374,200	110,700	3.39%	2,024,500	1,349,800	168,700	6.94	3,373,500	100.0%
71	Sterling Heights	591,100	804,500	11.14	16,238,900	16,789,400	550,500	3.39%	10,073,600	6,715,400	839,500	11.36	16,788,900	100.0%

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	Mcf	Fixed Mo \$/mo	Commodity \$/Mcf	Exist Charges \$	Revenue Req't \$	\$		Fixed Mo \$	Commodity \$	Fixed Mo \$/mo	Commodity \$/Mcf	\$		
		0		Table 2	Table 7	(5) - (4)	(6) / (4)	60% of (5)	(5) - (8)*12	(8) / 12 mos	(9) / (1)	'2*(10)+(1)*(11)	(12) / (5)	
72	Sumpter Township	30,300	35,600	9.67	720,200	744,500	24,300	3.37%	446,700	298,100	37,200	9.84	744,600	100.0%
73	Sylvan Lake	6,400	12,300	15.48	246,700	255,100	8,400	3.40%	153,100	101,500	12,800	15.86	255,100	100.0%
74	Taylor	258,900	244,700	7.46	4,867,800	5,032,800	165,000	3.39%	3,019,700	2,013,600	251,600	7.78	5,033,400	100.0%
75	Trenton	86,400	89,100	8.19	1,776,800	1,837,100	60,300	3.39%	1,102,300	734,300	91,900	8.50	1,837,200	100.0%
76	Troy	465,000	722,200	12.20	14,339,400	14,825,400	486,000	3.39%	8,895,200	5,929,800	741,300	12.75	14,824,400	100.0%
77	Utica	23,100	30,000	9.72	584,500	604,400	19,900	3.40%	362,600	242,000	30,200	10.48	604,500	100.0%
78	Van Buren Township	135,500	183,700	11.10	3,708,500	3,834,100	125,600	3.39%	2,300,500	1,533,700	191,700	11.32	3,834,300	100.0%
79	Walled Lake	29,900	42,200	10.98	834,700	862,900	28,200	3.38%	517,700	345,700	43,100	11.56	862,800	100.0%
80	Warren	618,100	545,200	6.94	10,832,000	11,199,200	367,200	3.39%	6,719,500	4,479,200	560,000	7.25	11,201,200	100.0%
81	Washington Township	81,800	121,700	12.37	2,472,300	2,556,100	83,800	3.39%	1,533,700	1,022,500	127,800	12.50	2,556,100	100.0%
82	Wayne	105,400	168,700	12.96	3,390,400	3,505,400	115,000	3.39%	2,103,200	1,401,800	175,300	13.30	3,505,400	100.0%
83	West Bloomfield Township	266,600	551,000	16.52	11,016,200	11,389,700	373,500	3.39%	6,833,800	4,555,700	569,500	17.09	11,390,200	100.0%
84	Westland	322,000	327,500	7.99	6,502,800	6,723,100	220,300	3.39%	4,033,900	2,688,700	336,200	8.35	6,723,100	100.0%
85	Wixom	75,300	130,500	13.95	2,616,400	2,704,900	88,500	3.38%	1,622,900	1,082,500	135,200	14.38	2,705,200	100.0%
86	Woodhaven	57,900	88,100	12.22	1,764,700	1,824,600	59,900	3.39%	1,094,800	730,200	91,200	12.61	1,824,500	100.0%
87	Ypsilanti Comm Util Auth	482,800	547,900	9.03	10,934,500	11,305,100	370,600	3.39%	6,783,100	4,521,500	565,300	9.37	11,307,400	100.0%
88	Total Suburban	13,512,900	15,895,100	9.70	321,821,800	333,217,800	11,396,000	3.54%	197,270,300	135,943,800	16,439,500	10.06	333,219,000	100.0%
89	<b>Detroit (a)</b>	<b>4,169,200</b>	<b>1,808,100</b>		<b>21,697,300</b>	<b>22,985,900</b>	<b>1,288,600</b>	<b>5.94%</b>	<b>22,985,900</b>		<b>1,915,500</b>		<b>22,985,900</b>	<b>100.0%</b>
90	GRAND TOTAL	17,682,100			343,519,100	356,203,700	12,684,600	3.69%	220,256,200	135,943,800			356,204,900	100.0%
91	less: Bad Debt Expense				(1,222,900)	(1,257,300)	(34,400)						(1,257,000)	
92	<b>Net Wholesale Revenue</b>				<b>342,296,200</b>	<b>354,946,400</b>	<b>12,650,200</b>	<b>3.70%</b>					354,947,900	100.0%
<b>(a) Flint / Detroit Adjustment Impacts</b>														
93	Flint Gross	469,200	564,400	9.43	11,197,400	11,584,100	386,700	3.45%	6,950,500	4,633,700	579,200	9.88	11,586,100	100.0%
94	less: KWA Debt Svc Credit		(554,400)		(6,652,800)	(6,651,800)	1,000	-0.02%	(6,651,800)	(200)	(554,300)		(6,651,600)	100.0%
95	Flint Net for Line 21		10,000	9.43	4,544,600	4,932,300	387,700	8.53%	298,700	4,633,500	24,900	9.88	4,934,500	100.0%
96	<b>Detroit Gross</b>		<b>3,533,100</b>		<b>42,397,300</b>	<b>43,685,900</b>	<b>1,288,600</b>	<b>3.04%</b>	<b>(42,397,300)</b>	<b>(84,794,600)</b>	<b>3,640,500</b>		<b>43,685,900</b>	<b>100.0%</b>
97	less: Ownership Adj Credit		(1,725,000)		(20,700,000)	(20,700,000)	0	0.00%	20,700,000	41,400,000	(1,725,000)		(20,700,000)	100.0%
98	<b>Detroit Net for Line 89</b>		<b>1,808,100</b>		<b>21,697,300</b>	<b>22,985,900</b>	<b>1,288,600</b>	<b>5.94%</b>	<b>(21,697,300)</b>	<b>(43,394,600)</b>	<b>1,915,500</b>		<b>22,985,900</b>	<b>100.0%</b>
99	<b>Modified Demands (1)</b>	<b>25,100</b>			<b>1,074,200</b>	<b>1,433,300</b>	<b>359,100</b>	<b>33.43%</b>					<b>1,433,200</b>	<b>100.0%</b>
100	<b>Non-Master Metered (3)</b>	<b>4,863,200</b>			<b>33,631,200</b>	<b>35,254,900</b>	<b>1,623,700</b>	<b>4.83%</b>					<b>35,252,100</b>	<b>100.0%</b>
101	No Mods - All Others (84)	12,793,800			308,813,700	319,515,500	10,701,800	3.47%					319,519,600	100.0%
102	Total	17,682,100			343,519,100	356,203,700	12,684,600	3.69%					356,204,900	100.0%

Table 4  
Sewage Disposal System  
Comparison of Existing and Proposed Member Partner Service Charges

	(1)	(2)	(3)	(4)	
	Existing FY 2022 <u>Charges</u> \$/mo	Proposed FY 2023 <u>Charges</u> \$/mo	<u>Charge</u> <u>Adjustment</u> \$/mo	<u>% Charge</u> <u>Adjustment</u>	
<u>Suburban Wholesale</u>					
1	OMID Common *	5,692,200	5,946,400	254,200	4.5%
2	Rouge Valley	4,605,600	4,811,300	205,700	4.5%
3	Oakland GWK	3,819,000	3,989,600	170,600	4.5%
4	Evergreen Farmington	2,980,500	3,113,700	133,200	4.5%
5	SE Macomb San Dist	2,064,400	2,156,600	92,200	4.5%
6	Dearborn	1,671,500	1,746,200	74,700	4.5%
7	Grosse Pointe Farms	226,300	236,400	10,100	4.5%
8	Grosse Pointe Park	156,900	163,900	7,000	4.5%
9	Melvindale	129,500	135,300	5,800	4.5%
10	Farmington	98,700	103,100	4,400	4.5%
11	Center Line	85,800	89,700	3,900	4.5%
12	Allen Park	69,800	73,000	3,200	4.6%
13	Highland Park	446,400	466,300	19,900	4.5%
14	Hamtramck	332,800	347,700	14,900	4.5%
15	Grosse Pointe	74,100	77,500	3,400	4.6%
16	Harper Woods	18,000	18,800	800	4.4%
17	Redford Township	22,200	23,200	1,000	4.5%
18	Wayne County #3	4,300	4,500	200	4.7%
19	Subtotal Suburban Wholesale	22,498,000	23,503,200	1,005,200	4.5%
20	Detroit Customers (a)	15,721,900	16,124,000	402,100	2.6%
21	<b>Subtotal Wholesale</b>	<b>38,219,900</b>	<b>39,627,200</b>	<b>1,407,300</b>	<b>3.7%</b>
22	OMID Direct *	179,500	182,200	2,700	1.5%
23	<b>Total Member Partner Chgs</b>	<b>38,399,400</b>	<b>39,809,400</b>	<b>1,410,000</b>	<b>3.7%</b>
24	OMID Total *	5,871,700	6,128,600	256,900	4.4%
<u>(a) Detroit Revenue Req'ts</u>					
25	Gross Revenue Requirements	16,181,600	16,583,700	402,100	2.5%
26	Ownership Benefit	(459,700)	(459,700)	0	0.0%
27	Net Revenue Requirements	15,721,900	16,124,000	402,100	2.6%