



# Detroit Water and Sewerage Department

Board of Water Commissioners  
Workshop on Proposed FY 2015-16  
Water and Sewer Rates

February 11, 2015

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## The 5 Takeaways

1. No Budget Increase – Costs have been contained
2. Recommended FY 2015-16 BUDGET same as Tender Forecast (*August 2014*)
3. Lower usage = Revenue Shortfall
  - ✓ *Unit Costs must be adjusted (increased) to eliminate Revenue Shortfall*
4. Impact of water rate proposals varies by community:
  - ✓ *Changes in contract demands*
  - ✓ *Actual sales vs. contract volumes*
5. DWSD's Budget only reflects **wholesale** costs



## Executive Summary

*Comparison of Changes in System Unit Costs to Meet FY 2015-16 BUDGET*

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
System Total	9.3%	6.0%	7.4%
Suburban Wholesale	11.3%	1.1%	6.4%
Detroit Retail	3.4%	16.7%	12.8%



## Today's Agenda

- Review / Update of Proposed BUDGET
- Cost of Service Allocations
- Proposed Rates
  - ✓ *Impact Analysis*
- Takeaways and Critical Issues
- Next Steps



## Proposed Budget Review

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## FY 2015-16 BUDGET

- The proposed BUDGET reflects no increase from the FY 2014-15 BUDGET approved by the BOWC
- Overall proposed BUDGET is consistent with the FY 2015-16 projections in the Series 2014 Bond Official Statements (Tender)

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## FY 2015-16 BUDGET Summary Total DWSD (\$ millions)

	FY 2015 Approved Budget <i>Jan 2014</i>	FY 2015 Bond Projections <i>Aug 2014</i>	FY 2016 Budget Request <i>Feb 2015</i>	FY 2016 Budget <i>vs 15 Budg</i>
<b>Combined Water and Sewer Operation &amp; Maintenance</b>				
1 Salaries & Wages	74.6	76.7	77.3	2.7
2 "Current" Fringe Benefits	32.8	27.8	26.9	(5.9)
3 Subtotal Personnel Costs	107.3	104.5	104.2	(3.2)
4 Non-Personnel	245.2	240.3	251.3	6.1
5 Total "Current" O&M	352.6	344.8	355.5	2.9
6 Pension Reimbursement	11.2	24.0	24.0	12.8
7 Total O&M Expense	363.8	368.8	379.5	15.7
8 Debt Service	428.4	415.4	422.5	(5.9)
9 Fixed Non-Operating Expense	12.8	49.5	24.3	11.5
10 Net Resources	129.1	64.4	107.0	(22.2)
11 <b>Total BUDGET</b>	<b>934.2</b>	<b>898.1</b>	<b>933.2</b>	<b>(0.9)</b>
12 less: Miscellaneous Revenue	(14.8)	(16.7)	(14.8)	(0.0)
13 <b>Net BUDGET Required from Rates</b>	<b>919.4</b>	<b>881.4</b>	<b>918.4</b>	<b>(0.9)</b>
<b>Application of "Net Resources"</b>				
14 Residential Assistance Program	0.0	0.0	4.6	4.6
15 Detroit Specific Rev. Fin. Capital	0.0	0.0	50.0	50.0
16 System Rev. Fin. Capital & Reserves	129.1	64.4	52.4	(76.8)

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## FY 2015-16 BUDGET Summary Water Supply System (\$ millions)

	FY 2015 Approved Budget <i>Jan 2014</i>	FY 2015 Bond Projections <i>Aug 2014</i>	FY 2016 Budget Request <i>Feb 2015</i>	FY 2016 Budget <i>vs 15 Budg</i>
<b>Water Supply System Operation &amp; Maintenance</b>				
1 Salaries & Wages	28.6	32.7	31.6	3.0
2 "Current" Fringe Benefits	12.9	11.9	11.0	(1.9)
3 Subtotal Personnel Costs	41.6	44.5	42.7	1.1
4 Non-Personnel	105.4	102.9	109.8	4.4
5 Total "Current" O&M	146.9	147.5	152.5	5.5
6 Pension Reimbursement	4.2	10.3	10.3	6.1
7 Total O&M Expense	151.1	157.8	162.8	11.7
8 Debt Service	185.0	178.9	183.1	(1.9)
9 Fixed Non-Operating Expense	5.8	19.7	10.3	4.5
10 Net Resources	63.5	31.8	47.7	(15.8)
11 <b>Total BUDGET</b>	<b>405.4</b>	<b>388.3</b>	<b>403.8</b>	<b>(1.6)</b>
12 less: Miscellaneous Revenue	(8.5)	(8.4)	(7.6)	1.0
13 <b>Net BUDGET Required from Rates</b>	<b>396.8</b>	<b>379.9</b>	<b>396.2</b>	<b>(0.6)</b>
<b>Application of "Net Resources"</b>				
14 Residential Assistance Program	0.0	0.0	2.0	2.0
15 Detroit Specific Rev. Fin. Capital	0.0	0.0	22.5	22.5
16 System Rev. Fin. Capital & Reserves	63.5	31.8	23.2	(40.3)

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## FY 2015-16 BUDGET Summary Sewage Disposal System (\$ millions)

	FY 2015 Approved Budget <i>Jan 2014</i>	FY 2015 Bond Projections <i>Aug 2014</i>	FY 2016 Budget Request <i>Feb 2015</i>	FY 2016 Budget vs 15 Budg
<b>Sewage Disposal System</b>				
<b>Operation &amp; Maintenance</b>				
1 Salaries & Wages	45.9	44.0	45.6	(0.3)
2 "Current" Fringe Benefits	19.9	15.9	15.9	(4.0)
3 Subtotal Personnel Costs	65.8	59.9	61.5	(4.3)
4 Non-Personnel	139.8	137.4	141.5	1.6
5 Total "Current" O&M	205.6	197.3	203.0	(2.6)
6 Pension Reimbursement	7.0	13.7	13.7	6.7
7 Total O&M Expense	212.7	211.0	216.7	4.0
8 Debt Service	243.5	236.5	239.4	(4.0)
9 Fixed Non-Operating Expense	7.0	29.8	14.0	7.0
10 Net Resources	65.6	32.5	59.3	(6.4)
11 <b>Total BUDGET</b>	<b>528.8</b>	<b>509.9</b>	<b>529.4</b>	<b>0.6</b>
12 less: Miscellaneous Revenue	(6.3)	(8.3)	(7.3)	(1.0)
13 <b>Net BUDGET Required from Rates</b>	<b>522.5</b>	<b>501.5</b>	<b>522.2</b>	<b>(0.4)</b>
<b>Application of "Net Resources"</b>				
14 Residential Assistance Program	0.0	0.0	2.6	2.6
15 Detroit Specific Rev. Fin. Capital	0.0	0.0	27.5	27.5
16 System Rev. Fin. Capital & Reserves	65.6	32.5	29.2	(36.5)

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## FY 2014-15 Revenue Estimate

- Through first 5 months of current fiscal year revenue shortfall totals over \$26 million
  - ✓ *Due to continued lower usage*
- Lower usage patterns and revenues are not expected to change in the remainder of the year
- **Revenue shortfall is structural and needs to be addressed**

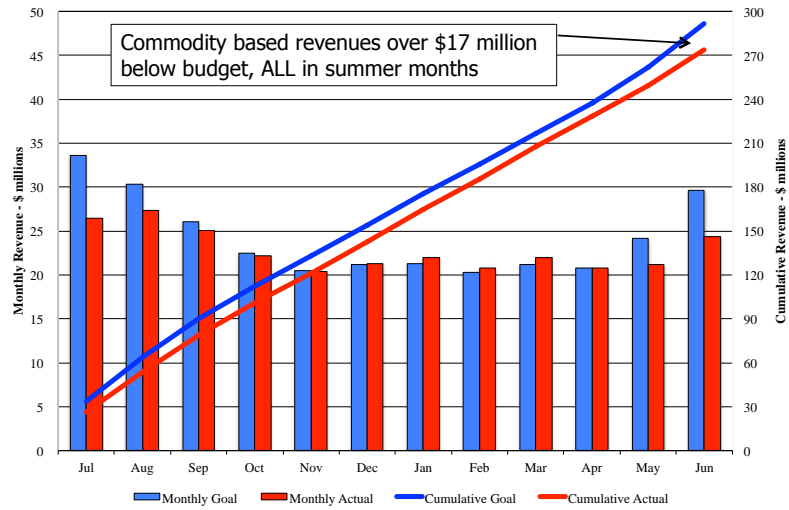
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# FY 2013-14 Wholesale *Water* Revenue

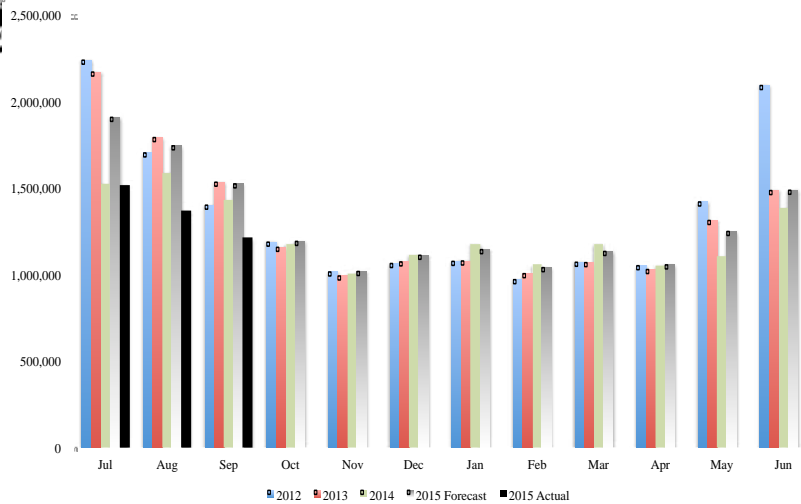


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# Recent Wholesale Monthly Water Sales Volumes - Mcf

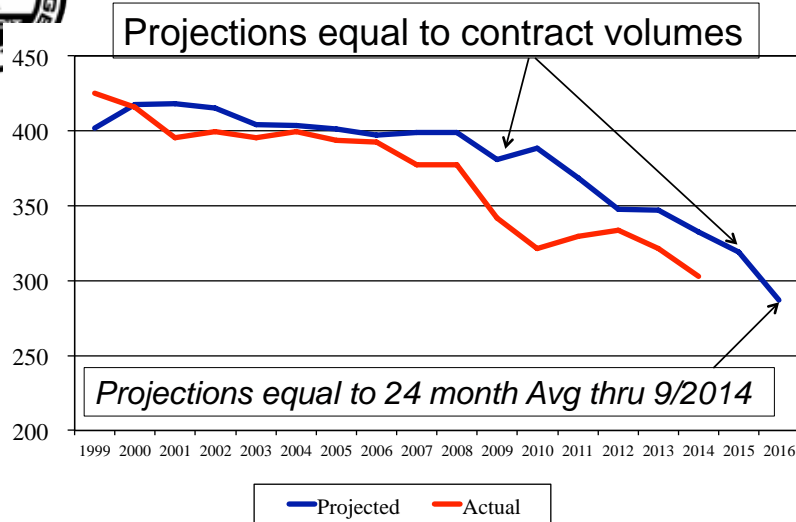


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## Annual Suburban Wholesale Water Sales (Fiscal Year Basis - mgd)



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## FY 2015-16 Revenue Projection Under Existing Rate Structure

- The projected revenues (under existing rates and charges) for FY 2015-16 are expected to be \$59 million lower than the FY 2014-15 BUDGET
- Projections recognize changes in conditions and assumptions subsequent to adoption of the FY 2014-15 Budget

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## FY 2015-16 Water Revenue Projection (*Under Existing Rates*)

- Suburban Wholesale Revenue \$26.2 million shortfall
  - ✓ *Flint exited System earlier than anticipated*
  - ✓ *FY 2015-16 projected sales reflect average of actual usage for 24 months through September 2014*
- Detroit Retail Revenue \$8.2 million shortfall
  - ✓ *Lower sales estimates*
  - ✓ *Increased in estimated bad debt expense*
    - Assumed collection rate = 85%



## FY 2015-16 Revenue Projection *Water Supply System (\$ millions)*

	1 - Original FY 2014-15 Budget	1a - Retail FY 2014-15 Rate Design	2 - FY 2014-15 Bond Sale Projections	3 - Projected FY 2015-16 Rate Revenue existing rates	FY 2016 Variance from Original FY 2015 Budget	
<u>Gross Water Sales Revenue - \$</u>						
1 Suburban Wholesale	300.1	300.1	289.4	273.8	(26.2)	-8.7%
2 Detroit Retail	106.7	108.8	108.9	104.6	(2.2)	-2.0%
3 Total	406.8	408.8	398.4	378.4	(28.4)	-7.0%
<u>Bad Debt Expense - \$</u>						
4 Suburban Wholesale	0.0	0.0	0.0	0.0	0.0	
5 Detroit Retail	(10.0)	(12.0)	(18.5)	(16.0)	(6.0)	60.0%
6 Total	(10.0)	(12.0)	(18.5)	(16.0)	(6.0)	60.0%
<u>Net Water Sales Revenue - \$</u>						
7 Suburban Wholesale	300.1	300.1	289.4	273.8	(26.2)	-8.7%
8 Detroit Retail	96.7	96.8	90.4	88.6	(8.2)	-8.4%
9 <b>Total Rate Revenue</b>	<b>396.8</b>	<b>396.8</b>	<b>379.9</b>	<b>362.4</b>	<b>(34.4)</b>	<b>-8.7%</b>
10 Misc & Non-Op Revenue	8.5	8.5	8.4	7.6	(1.0)	-11.6%
11 Total Revenues	405.4	405.4	388.3	370.0	(35.4)	-8.7%
<u>Water Sales - m Mcf</u>						
12 Suburban Wholesale	16.037	16.037	15.447	14.011		
13 Detroit Retail	3.775	3.500	3.500	3.300		
14 Total	19.812	19.537	18.947	17.311		





## FY 2015-16 Sewer Revenue Projection (*Under Existing Rates*)

- Suburban Wholesale Revenue \$5.5 million shortfall
  - ✓ Assumes no collection from Highland Park
- Detroit Retail Revenue \$19.2 million shortfall
  - ✓ Lower usage estimates
  - ✓ Increased in estimated bad debt expense
    - Assumed collection rate = 85%

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## FY 2015-16 Revenue Projection *Sewage Disposal System (\$ millions)*

	1 - Original FY 2014-15 <u>Budget</u>	1a - Retail FY 2014-15 <u>Rate Design</u>	2 - FY 2014-15 Bond Sale <u>Projections</u>	3 - Projected FY 2015-16 <u>Rate Revenue</u> <i>existing rates</i>	<i>FY 2016 Variance from Original FY 2015 Budget</i>	
<u>Gross Sewage Disposal Revenue - \$</u>						
1 Suburban Wholesale	256.9	256.9	256.9	256.9	0.0	0.0%
2 Detroit Retail	260.4	267.4	267.4	257.3	(3.2)	-1.2%
3 Total	517.3	524.4	524.3	514.2	(3.1)	-0.6%
<u>Bad Debt Expense - \$</u>						
4 Suburban Wholesale	0.0	0.0	(5.6)	(5.6)	(5.6)	
5 Detroit Retail	(23.0)	(30.0)	(45.5)	(39.0)	(16.0)	69.6%
6 Total	(23.0)	(30.0)	(51.0)	(44.6)	(21.6)	93.8%
<u>Net Sewage Disposal Revenue - \$</u>						
7 Suburban Wholesale	256.9	256.9	251.3	251.4	(5.5)	-2.2%
8 Detroit Retail	237.4	237.4	222.0	218.3	(19.2)	-8.1%
9 Total	494.3	494.4	473.3	469.6	(24.7)	-5.0%
10 Industrial Specific Revenue	28.2	28.2	28.2	28.2	(0.0)	0.0%
<b>11 Total Rate Revenue</b>	<b>522.6</b>	<b>522.6</b>	<b>501.5</b>	<b>497.8</b>	<b>(24.7)</b>	<b>-4.7%</b>
12 Misc & Non-Op Revenue	6.3	6.3	8.3	7.3	1.0	16.0%
13 Total Revenues	528.8	528.9	509.9	505.1	(23.7)	-4.5%
<u>Billable Volume - m Mcf</u>						
14 Suburban Wholesale	#N/A	#N/A	#N/A	#N/A	#N/A	
15 Detroit Retail	3.275	3.100	3.100	3.025	(0.250)	-7.6%

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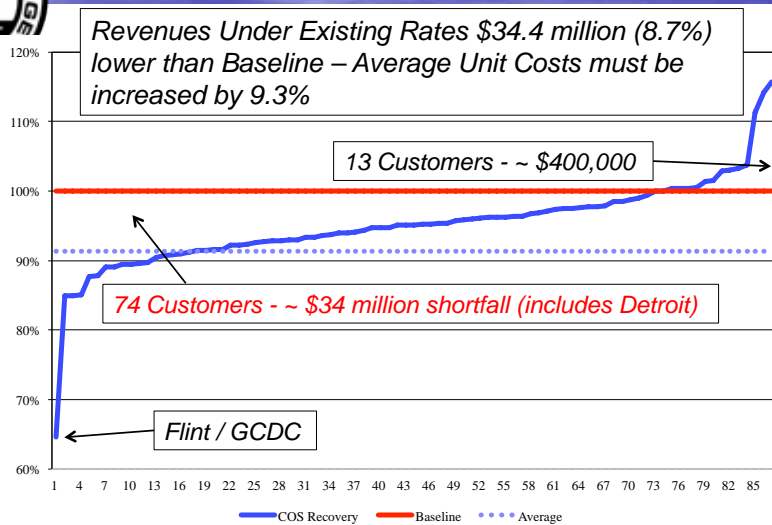


## Implication of Projected Revenue Shortfall

- Even though FY 2015-16 BUDGET has not increased from FY 2014-15, revenues from FY 2015-16 rates must be increased to meet budget requirements
- Relative customer increases are impacted by specific usage and revenue shortfalls, and by FY 2015-16 cost of service allocations



## Water - Comparison of Projected FY 2015-16 Revenues to Allocated FY 2014-15 Cost of Service





## Cost of Service Allocations

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## Definition of "Cost Pools"

- Categories that align with characteristics defining each customers use of the System(s)
- "Common-to-All" Wholesale Costs
  - ✓ *Treatment & Major Delivery/Collection*
- Suburban Only Costs
  - ✓ *Master meters, etc*
- Detroit Only Costs
  - ✓ *Local retail facilities and customer service*

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## Detailed Common to All Cost Pools

- Water Supply System
  - ✓ *Annual commodity*
  - ✓ *Peak demands*
  - ✓ *Distance, Elevation and metered connections*
- Sewage Disposal System
  - ✓ *SHAREs*
    - Reflect relative responsibility of costs allocable by volume and pollutant contributions based on historical data

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## Allocation to Cost Pools *Operation and Maintenance Expense*

- Reflects detailed review of new budget model
  - ✓ *Modifications to overall organization structure, including management input on retail only, suburban only, and common to all activities*
  - ✓ *Refined allocation of administrative overhead and related costs*
    - Eliminates Utilities and Chemicals from allocation basis

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## Allocation to Cost Pools

### Capital BUDGET Items

- Debt Service
  - ✓ Reflects same assumptions applied in the current (FY 2014-15) rates
- Fixed Non-Operating Expense
  - ✓ Same basis as operating expense overhead allocation
- Lease Payment and WRAP
  - ✓ Common-to-All Cost Pools
- System Revenue Financed Capital
  - ✓ Common-to-All Cost Pools



## Cost Allocation Results:

### Class Summary

	(1) Revenue under Existing Rates	(2) Allocated Cost of Service	(3) Revenue Adj Req't to Meet Cost of Svc (2) - (1)	(4) % Revenue Adj Req't to Meet Cost of Svc (3)/(1)
<u>Water Supply System</u>				
Suburban Wholesale	273,834,200	304,652,100	30,817,900	11.3%
Detroit Retail	88,581,900	91,592,500	3,010,600	3.4%
Total	362,416,100	396,244,600	33,828,500	9.3%
<u>Sewage Disposal System</u>				
Suburban Wholesale	251,361,600	254,115,600	2,754,000	1.1%
Detroit Retail	218,259,900	254,640,500	36,380,600	16.7%
Industrial Specific	28,218,700	18,965,100	(9,253,600)	-32.8%
Total	497,840,200	527,721,200	29,881,000	6.0%
<u>Combined Total</u>				
Suburban Wholesale	525,195,800	558,767,700	33,571,900	6.4%
Detroit Retail	306,841,800	346,233,000	39,391,200	12.8%
Industrial Specific	28,218,700	18,965,100	(9,253,600)	-32.8%
Total	860,256,300	923,965,800	63,709,500	7.4%





## Water Customer Characteristics Vary

- Each Customer's use of the System is defined by:
  - ✓ *Annual Sales Volume*
    - 24 month average through Sept 2014
  - ✓ *Max Day and Peak Hour Demands*
    - Per Contract, estimated for "old contract" customers and City of Detroit
  - ✓ *Distance, Elevation, and Meter Inventory*
    - Consistent with existing protocol
- Cost of Service allocation reflects these characteristics

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## Results of Contract Re-Openers

- Amended Exhibit B's (which specify customer characteristics) have been negotiated with 20 communities
  - ✓ *16 new individual communities*
  - ✓ *NOCWA, which consolidates and replaces 4 individual community contracts*
    - Auburn Hills
    - Pontiac
    - Orion Township
    - Rochester Hills

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## Results of Contract Re-Openers

- Compared to original data presented last fall . . .
  - ✓ *Contractual max day demands are virtually unchanged;*
  - ✓ *Contractual peak hour demand for the suburban wholesale class is down 30.4 mgd, or about 3.2% from prior suburban wholesale totals*
- Principal changes:
  - ✓ *Recognition of storage facilities in Farmington Hills contract (14.5 mgd peak hour reduction)*
  - ✓ *Consolidation of four Oakland County communities into NOCWA contract (12.5 mgd peak hour reduction)*

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## Water Supply System

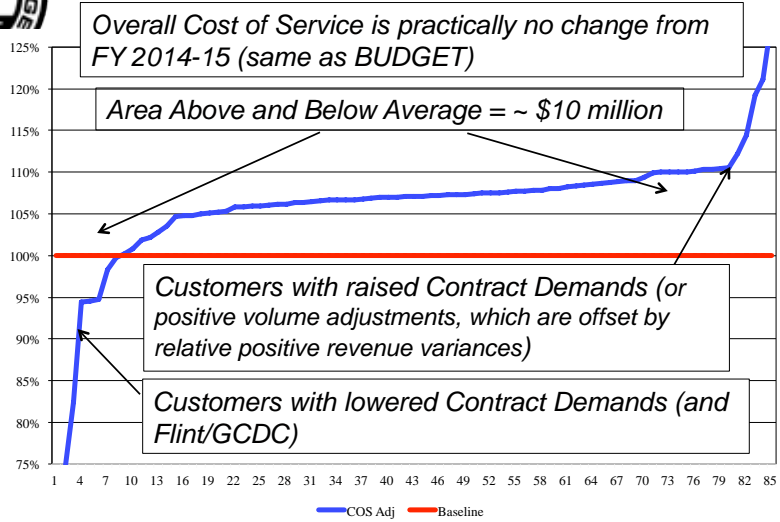
### Illustration of Cost of Service Calculation Summary Results for Suburban Wholesale Customers

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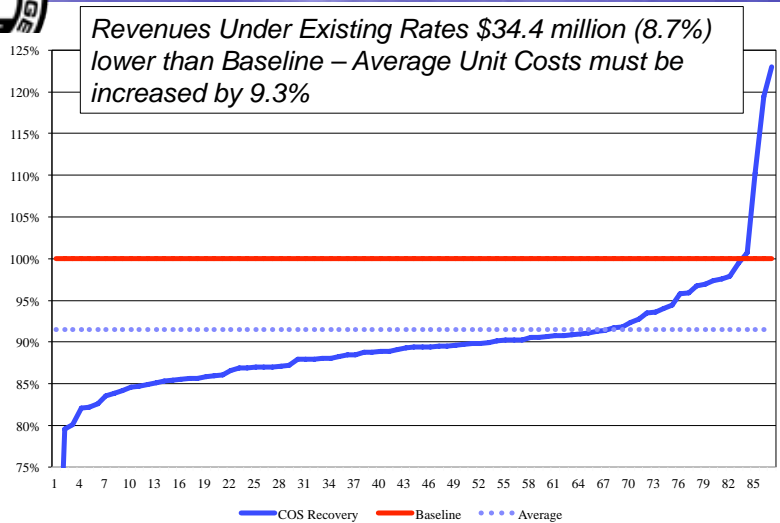
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### Water - Comparison of Allocated FY 2015-16 Cost of Service to Allocated FY 2014-15 Cost of Service



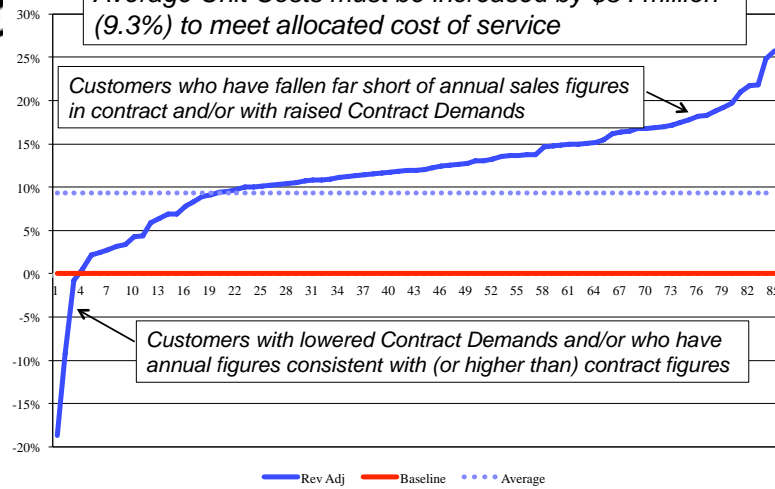
### Water - Comparison of Expected FY 2015-16 Revenues to Allocated FY 2015-16 Cost of Service





## Water - Comparison of Revenue Adjustments Needed to Meet Allocated FY 2015-16 Cost of Service

Average Unit Costs must be increased by \$34 million (9.3%) to meet allocated cost of service



## Suburban Wholesale Water Rate Calculations



## Proposed Wholesale Water Rate Design Modifications

- Increase Portion of Allocated BUDGET Recovered via Fixed Monthly Charges to 60%
- Utilize Uniform Methodology for Projected Sales
  - ✓ Actual metered volumes for 24 months through September 2014



## Sample Wholesale Water Rate Schedule Calculation

FY 2015-16 Suburban Wholesale Water Rate Schedule Calculation \*

	(1)	(2)	(3)	(4)
	Total Cost Pool \$	Total Suburban SHARE % Share (a)	Allocation \$	Rate Schedule
<b>BUDGET Categories</b>				
1 Commodity	11,782,300	75.458%	8,890,700	
2 Max Day Usage	131,188,400	85.436%	112,081,700	
3 Peak Hour Increment	9,008,200	98.289%	8,854,100	
4 Peak Hour Distance	39,359,800	91.995%	36,209,000	
5 Commodity Distance-Elevation	26,054,300	85.364%	22,241,000	
6 Max Day Distance-Elevation	8,473,500	91.860%	7,783,700	
7 Peak Hour Distance-Elevation	72,402,500	93.322%	67,567,300	
8 Peak Hour Increment Distance-Elevation	13,027,200	99.044%	12,902,700	
9 Subtotal Common-To-All	311,296,200	88.832%	276,530,200	
10 Suburban Only - Meter Related	3,336,100	100.000%	3,336,100	
11 Suburban Only - Customer Outreach	1,037,100	100.000%	1,037,100	
12 Subtotal			280,903,400	
13 Detroit / Suburban Ownership Adjustment	20,700,000	100.000%	20,700,000	
14 Total FY 2015-16 BUDGET	336,369,400		301,603,400	
<b>FY 2015-16 Rate Schedule</b>				
15 Fixed Monthly Charges @	60%		180,962,000	\$15,080,200 per month
16 Commodity Charges @	40%	14,010,850	120,641,400	\$8.61 per Mcf





## Sewage Disposal System Cost Allocation and Rate Schedules

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## Proposed Interim SHARE Modifications *Two Pending Requests*

- Oakland Macomb Interceptor District
  - ✓ *Clinton Oakland Sewage Disposal District (part of OMID) plans to divert 30% of its flow to the Pontiac WWTP*
  - ✓ *Would lower OMID SHARE, and raise all other SHARES for all other customers*
  - ✓ *Impact = ~ \$6 million*
    - 8% reduction for OMID
    - 1.5% increase for all other customers, collectively

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## Proposed Interim SHARE Modifications Two Pending Requests

- Hamtramck

- ✓ Reflects stormwater volumes associated with GM Poletown facility, a portion of which is in Hamtramck

- ✓ Detroit will assume SHARE associated with this flow

- ✓ Impact = ~ \$180,000

- 4% reduction for Hamtramck
- 0.1% increase for Detroit

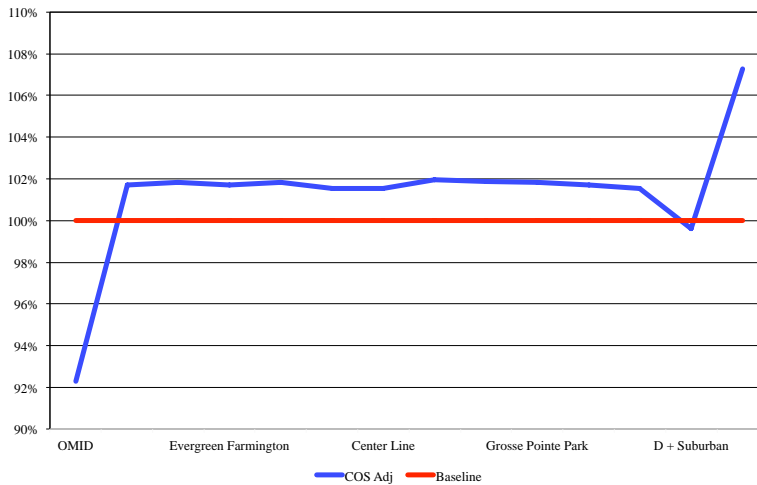


## POTENTIAL Interim SHARE Modifications Proposed Rate Schedules Assume Approval

	Original SHARE Calcs		OMID Adjustment		Revised SHARES		Hamtramck Adjustment		Revised SHARES		
	SHARE	Flow	SHARE	Flow	SHARE	Flow	SHARE	Flow	SHARE	Flow	
<b>Metered Customers</b>											
1	16.183%	14.280%	-1.513%	-1.364%	14.670%	12.916%			14.670%	12.916%	
2	12.693%	11.900%	0.229%	0.189%	12.922%	12.089%			12.922%	12.089%	
3	10.428%	10.170%	0.188%	0.162%	10.616%	10.332%			10.616%	10.332%	
4	7.393%	6.860%	0.133%	0.109%	7.526%	6.969%			7.526%	6.969%	
5	5.501%	5.430%	0.099%	0.086%	5.600%	5.516%			5.600%	5.516%	
6	0.154%	0.140%	0.003%	0.002%	0.157%	0.142%			0.157%	0.142%	
7	0.212%	0.189%	0.004%	0.003%	0.216%	0.192%			0.216%	0.192%	
8	4.015%	3.861%	0.072%	0.061%	4.087%	3.922%			4.087%	3.922%	
9	0.254%	0.238%	0.005%	0.004%	0.259%	0.242%			0.259%	0.242%	
10	0.374%	0.356%	0.007%	0.006%	0.381%	0.362%			0.381%	0.362%	
11	0.316%	0.293%	0.006%	0.005%	0.322%	0.298%			0.322%	0.298%	
12	0.566%	0.590%	0.010%	0.009%	0.576%	0.599%			0.576%	0.599%	
13	<b>M Total</b>	<b>58.089%</b>	<b>54.307%</b>	<b>-0.757%</b>	<b>57.332%</b>	<b>53.579%</b>	<b>0.000%</b>	<b>0.000%</b>	<b>57.332%</b>	<b>53.579%</b>	
<b>Detroit + Unmetered</b>											
14	0.063%	0.087%	0.001%	0.001%	0.064%	0.088%			0.064%	0.088%	
15	0.321%	0.405%	0.006%	0.006%	0.327%	0.411%			0.327%	0.411%	
16	0.192%	0.228%	0.003%	0.004%	0.195%	0.232%			0.195%	0.232%	
17	0.805%	1.032%	0.015%	0.016%	0.820%	1.048%	-0.043%	-0.068%	0.777%	0.980%	
18	0.054%	0.061%	0.001%	0.001%	0.055%	0.062%			0.055%	0.062%	
19	1.134%	1.184%	0.020%	0.019%	1.154%	1.203%			1.154%	1.203%	
20	0.055%	0.046%	0.001%	0.001%	0.056%	0.047%			0.056%	0.047%	
21	<b>Detroit</b>	<b>39.287%</b>	<b>42.650%</b>	<b>0.710%</b>	<b>39.997%</b>	<b>43.330%</b>	<b>0.043%</b>	<b>0.068%</b>	<b>40.040%</b>	<b>43.398%</b>	
22	<b>D+ Total</b>	<b>41.911%</b>	<b>45.693%</b>	<b>0.757%</b>	<b>42.668%</b>	<b>46.421%</b>	<b>0.000%</b>	<b>0.000%</b>	<b>42.668%</b>	<b>46.421%</b>	
23	<b>Total</b>	<b>100.000%</b>	<b>100.000%</b>	<b>0.000%</b>	<b>100.000%</b>	<b>100.000%</b>	<b>0.000%</b>	<b>0.000%</b>	<b>100.000%</b>	<b>100.000%</b>	
24	Suburbs in D+	2.624%	3.043%	0.047%	0.048%	2.671%	3.091%	-0.043%	-0.068%	2.628%	3.023%
25	Detroit	39.287%	42.650%	0.710%	0.680%	39.997%	43.330%	0.043%	0.068%	40.040%	43.398%
26	Suburban Total	60.713%	57.350%	-0.710%	-0.680%	60.003%	56.670%	-0.043%	-0.068%	59.960%	56.602%
27	All Bus OMID	83.817%	85.720%	1.513%	1.364%	85.330%	87.084%				



## Sewer - Comparison of Allocated FY 2015-16 Cost of Service to Allocated FY 2014-15 Cost of Service



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## Sample Wholesale Sewer Rate Schedule Calculation

FY 2015-16 Suburban Wholesale Sewer Rate Schedule Calculation  
*OMID*

BUDGET Categories	(1)	(2)		(3)	(4)
	Total Cost Pool \$	% Share	Allocation \$	OMID SHARE Allocation \$	Fixed Monthly Charge \$/mo
1 Common-To-All	365,821,900	14.670%	53,666,100		4,472,200
2 Detroit Only	52,214,000	0.000%	0		0
3 Suburban Only	14,801,500	22.819%	3,377,500		281,500
4 OMID Specific	6,558,000	100.000%	6,558,000		546,500
5 CSO Facilities	43,318,300	2.651%	1,148,500		95,700
6 Industrial Specific	18,962,000	0.000%	0		0
7 Subtotal	501,675,700		64,750,100		5,395,900
8 Suburban Wholesale Bad Debt Adjustment	5,569,200	22.819%	1,270,800		105,900
9 Total FY 2015-16 BUDGET	507,244,900		66,020,900		5,501,800
10 5-Year Look-Back Adjustment			3,061,200		255,100
11 TOTAL			69,082,100		5,756,900

\* The proposed rates in this document are preliminary in nature and are subject to change or modification by the Board of Water Commissioners of the City of Detroit Water and Sewerage Department following a public hearing on the proposed rate structure for the System. The public hearing is scheduled for February 25, 2015, continued on March 4, 2015, and March 11, 2015. The Notice of this Public Hearing can be found in the customer portal.

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## Financial Plan Review Process

- January 22, 2015 Customer Rate Rollout: Preliminary FY 2015-16 BUDGET
- February 11, 2015 BOWC Workshop on Preliminary Proposed FY 2015-16 Rates
- February 17, 2015 Finance Committee Review of Preliminary Proposed FY 2015-16 Rates
- February 17, 2015 Combined TAC / GLWA / Steering Committee Meeting
- February 24, 2015 Customer Rate Rollout: Proposed FY 2015-16 Rates and Charges
- February 25, 2015 BOWC Public Hearing on Proposed FY 2015-16 Rates and Charges
  - ✓ *Continues on March 4 and March 11*
- March 11, 2015 BOWC Special Meeting and Proposed Approval of FY 2016 BUDGET, CIP, and Rates

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