

**CHARTER TOWNSHIP OF CHESTERFIELD
WATER AND SEWER RATE ADVISORY BOARD MEETING
TO BE HELD AT THE MUNICIPAL OFFICES, 47275 SUGARBUSH RD.
CHESTERFIELD, MI 48047
586-949-0400**

**February 4, 2016
5:30 P.M.**

AGENDA

CALL TO ORDER

INTRODUCTIONS

REGULAR AGENDA:

- A) Old Business**
- B) Discussion of 2016 rate increase from Great Lakes Water Authority.**
- C) Review and discussion of Power Point Presentation.**

ADJOURNMENT

NEXT WATER AND SEWER RATE ADVISORY BOARD MEETING IS THURSDAY, February 11, 2016 AT 5:30 P.M. IF YOU HAVE ANY QUESTIONS, PLEASE CALL 949-0400 EXT. 5.

This notice is posted in compliance with the Open Meetings Act, Public Act 267 of 1976, as amended, MCL 41.72a(2) and (3), and the American with Disabilities Act. The Charter Township of Chesterfield fully embraces the spirit and letter of the law as it pertains to the American with Disabilities Act. In accordance with the law, any individual who needs accommodation is asked to contact the Clerk's Office during normal business hours at 586-949-0400 ext. 5. To provide appropriate accommodation the Clerk's Office needs two (2) business days notice prior to the meeting.

POSTED: February 3, 2016

FY 2017 Suburban Wholesale Water Service Charge Schedule Calculation *
Chesterfield Township

	(1)	(2)	(3)	(4)
	Total Cost Pool \$	Chesterfield Township SHARE % Share (a)	Allocation \$	Charge Schedule
BUDGET Categories				
1 Commodity	11,883,200	0.889%	105,600	
2 Max Day Usage	136,827,200	1.039%	1,422,200	
3 Peak Hour Increment	9,604,000	1.548%	148,700	
4 Peak Hour Distance	41,558,600	1.276%	530,300	
5 Commodity Distance-Elevation	26,240,200	0.818%	214,600	
6 Max Day Distance-Elevation	8,511,000	0.884%	75,300	
7 Peak Hour Distance-Elevation	76,422,100	0.975%	744,900	
8 Peak Hour Increment Distance-Elevation	13,120,100	1.372%	180,000	
9 Subtotal Common-To-All	324,166,400	1.056%	3,421,600	
10 Suburban Only - Meter Related	3,832,700	1.023%	39,200	
11 Suburban Only - Customer Outreach	1,136,800	1.177%	13,400	
12 Subtotal FY 2017 BUDGET			3,474,200	
13 Detroit / Suburban Capital Adjustment	20,700,000	1.186%	245,500	
14 Total Amount for Net Charges	349,835,900		3,719,700	
FY 2017 Rate Schedule				
15 Fixed Monthly Charges @	60%		2,231,800	\$186,000 per month \$9.18 per Mcf
16 Commodity Charges @	40%	162,000	1,487,900	
(a) Units / SHARE Calculations				
	Basis	Units Mcf/day	Applied Units Mcf/day ~	
17 Annual Sales - Mcf	162,000	443.8		Avg annual for 24 mos. -> 9/2015
18 Allocated Non-Revenue Water		62.8		Allocated share @ 14.2% of sales
19 Commodity Units		506.6	506.6	Ln 17 + Ln 18
20 Max Day Units - mgd	8.75	1,169.7	1,232.5	Contract or proxy + Ln 18
21 Peak Hour Units - mgd	12.00	1,604.2	1,667.0	Contract or proxy + Ln 18
22 Distance - miles	28.3			
23 Elevation - feet	616.0			
24 Dist-Elev Factor - miles	28.9			[Ln 23-610]/10.56 + Ln 22
Cost Pool / Usage Category				
	Chesterfield Townshl	System	SHARE	
25 Commodity Units - Mcf	506.6	57,008	0.889%	Ln 19
26 Max Day Units - Mcf/Day	1,232.5	118,579	1.039%	Ln 20
27 Peak Hour Increment - Mcf/Day	434.5	28,066	1.548%	Ln 21 - Ln 20
28 Peak Hour Distance - Mcf-miles/Day	47,175.2	3,697,273	1.276%	Ln 21 x Ln 22
29 Commodity Distance-Elevation - Mcf-miles/Day	14,640.7	1,789,866	0.818%	Ln 19 x Ln 24
30 Max Day Distance-Elevation - Mcf-miles/Day	35,619.4	4,027,272	0.884%	Ln 20 x Ln 24
31 Peak Hour Distance-Elevation - Mcf-miles/Day	48,175.3	4,942,262	0.975%	Ln 21 x Ln 24
32 Peak Hour Increment Dist-Elev - Mcf-miles/Day	12,555.9	914,991	1.372%	[Ln 21 - Ln 20] x Ln 24
33 Suburban Equivalent Meters	725	70,900	1.023%	Equivalent 5/8" meters
34 Suburban Outreach - Mcf/Day	506.6	43,047	1.177%	Ln 25
35 Suburban Wholesale BUDGET - \$	3,474,200	292,945,300	1.186%	Ln 12
CTA Summary by Major Category				
36 CTA Commodity		0.840%	320,200	
37 CTA Max Day		1.030%	1,497,500	
38 CTA Peak Hour		1.140%	1,603,900	
39 CTA Total Demand		1.084%	3,101,400	
40 TOTAL CTA SHARE		1.056%	3,421,600	

* The proposed charges in this document are preliminary in nature and are subject to change or modification by the Great Lakes Water Authority Board following a public hearing of the FY 2017 Financial Plan and service charge schedule for the System. The public hearing is scheduled for March 2, 2016. The Notice of this Public Hearing can be found in the customer portal.

Impact of Wholesale Water Service Charge Proposals
 "Unbundling" of Revenue and Unit Cost Adjustment
 Chesterfield Township

	Allocated BUDGET \$	Sales Projection Mcf	Unit Cost \$/Mcf	Variance
1 Original Allocated FY 2016 BUDGET	3,615,000	165,000	21.91	
2 Revenue Under Adjusted Sales	3,588,700	162,000	22.15	1.1% 24 mo average thru 9/2015
Adjustments				
3 Address Specific Chesterfield Township Sales	26,300	162,000	0.16	0.7% Reallocation of fixed costs
4 FY 2017 BUDGET Adjustment	144,600	162,000	0.89	4.0% Ln (1) - Ln (2)
5 Impact of Cost of Service Allocations	(39,900)	162,000	(0.25)	-1.1% Relative contract demands
6 Total Adjustments	131,000		0.81	3.7% Ln (6) / Ln (2)
7 Allocated FY 2017 BUDGET	3,719,700	162,000	22.96	3.7%
8 Ratio of Revised Projected Sales to Original		98.2%		Ln (2) / Ln (1)
9 BUDGET to BUDGET Change (a)	104,700	162,000	0.65	2.9%
10 Specific Revenue Shortfall	26,300	162,000	0.16	0.7%

Impact Illustration - \$ millions

