

REFB591
Assumptions FY2018-2020

City of Dearborn

Water Fund

Proposed FY2018-FY2020 Budget

	Actual	Projected	Budget			YOY B(W)			
			FY2016	FY2017	FY2018	FY2019	FY2020	FY2017 vs. FY2016	FY2018 vs. FY2017

Great Lakes Water Authority Rates

Rates Charged By the GLWA	\$ 5.55	\$ 5.90	\$ 6.23	\$ 6.39	\$ 6.55	6.3%	5.6%	2.5%	2.5%
Fixed Monthly Charges	\$ 4,947,771	\$ 5,557,200	\$ 5,791,200	\$ 5,935,980	\$ 6,084,380	12.3%	4.2%	2.5%	2.5%
GLWA Estimated Billage Consumption	645,000	628,000	619,800	619,800	619,800	-2.6%	-1.3%	0.0%	0.0%
Cost of Merchandise for Resale	\$ 8,992,004	\$ 9,261,100	\$ 9,652,000	\$ 9,893,300	\$ 10,140,633	3.0%	4.2%	2.5%	2.5%

Dearborn Rates

Commodity Charge	\$ 21.10	\$ 22.50	\$ 23.80			6.6%	5.8%		
Capacity Minimum Charge	\$ 23.95	\$ 25.57	\$ 26.99			6.8%	5.6%		
Consumption Billing Units	580,000	580,000	580,000			0.0%	0.0%		
Capacity Equivalent Units	302,418	302,418	302,484			0.0%	0.0%		
Commodity Billing Revenue	\$ 12,124,088	\$ 13,067,400	\$ 13,804,000	\$ 11,832,000	\$ 13,572,000	7.8%	5.6%	-14.3%	14.7%
Capacity Billing Revenue	\$ 4,843,358	\$ 5,149,500	\$ 5,435,128	\$ 4,649,954	\$ 5,323,802	6.3%	5.5%	-14.4%	14.5%

Debt

Principle*									
DWRF 7259-01	\$ 60,000	\$ 60,000	\$ 60,000	\$ 65,000	\$ 65,000				
DWRF Anticipated Funding \$4.5M FY2018	-	-	-	-	175,000				
DWRF Anticipated Funding \$4.5M FY2019	-	-	-	-	-				
DWRF Anticipated Funding \$3.5M FY2019	-	-	-	-	-				
DWRF Anticipated Funding \$3.5M FY2020	-	-	-	-	-				
591-1605-941.80-10	\$ 60,000	\$ 60,000	\$ 60,000	\$ 65,000	\$ 240,000	0.0%	0.0%	8.3%	269.2%
Interest									
DWRF 7259-01	\$ 14,470	\$ 13,345	\$ 11,845	10,345	8,720				
DWRF Anticipated Funding \$4.5M FY2018	-	-	-	37,500	112,500				
DWRF Anticipated Funding \$4.5M FY2019	-	-	-	-	37,500				
DWRF Anticipated Funding \$3.5M FY2019	-	-	-	-	29,167				
DWRF Anticipated Funding \$3.5M FY2020	-	-	-	-	-				
591-1605-943.80-60	\$ 14,470	\$ 13,345	\$ 11,845	\$ 47,845	\$ 187,887	-7.8%	-11.2%	303.9%	292.7%

Increase in GLWA Rates
Increase in Project Support
Fire Hydrant Maintenance Program
Addition of four positions

*Principle recorded
591-1605-941.80-10
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591-0000-231.40-41

General Comments:

- The Dearborn Water rates reflect a 5.8% increase over FY2017 for the Commodity Rate and 5.6% increase over FY2017 for the Capacity Rate.
- The Dearborn Commodity Rate is calculated using Consumption Billing Units of 580,000.
- Unexpended Infrastructure budget will be brought forward each year until the project is complete. FY2018 contribution to infrastructure budget covered by rates is \$4.4M.

Revenue:

- Dearborn Projected Capacity Charges and Metered Sales for FY2018-FY2020 are based on FY2018-FY2020 budgeted expenditures offset by Other Revenues.

Expenditures:

- The Great Lakes Water Authority (GLWA) Wholesale Water Service Charge (cost of water) for FY2018 continues to use a 60% fixed and 40% usage rate model.
- FY2018 includes project budget of \$8.9M to be used for infrastructure projects, with \$4.5M covered by a DWRF loan.
- Budget for debt is minimal for FY2018, but will increase in FY2019 and FY2020 for the DWRF loans.