



City of Eastpointe
2009-10 Water/Sewer Rates

Delivering Quality Drinking Water

CITY *of* EASTPOINTE

2009-10 Proposed Rate Increases

- The water rate is proposed to increase from \$2.14 per unit to \$2.32 per unit, an increase of \$0.18 or 8.4% from the current rate.
- The sewer rate is proposed to increase from \$4.29 per unit to \$4.64 per unit, an increase of \$0.35 or 8.2% from the current rate.
- The Chapaton Retention Basin operation and maintenance charge will be changed from \$0.97 per quarter to \$0.33 per month to permit monthly billing.
- All other rates and charges are proposed to remain the same.
- The average household using 25 units of water per quarter can expect a \$13.25 increase in their quarterly water/sewer charges or about \$4.42 per month.

What you pay for...

- Water treatment and distribution to your home from the City of Detroit.
- Sanitary and storm water collection and treatment from your home to the City of Detroit through the Southeast Macomb Sanitary District and Wayne County collection systems.
- Wastewater excess flows detention and treatment at Chapaton Retention Basin.
- Maintenance and capital improvements to the City of Eastpointe's water distribution and sewer collection systems.

Why the FY 2009-10 rate increase?

- To cover the City of Detroit's increase in the rate it charges the City of Eastpointe for water (8.5%).
- To cover the SEMSD's increase in the rate it charges the city for sewerage collection, treatment, and disposal (5.8%).
- To cover modest increases in personal services (payroll/fringe benefit) and supplies costs.
- To cover anticipated decrease in water demand from 165,000 MCF to 133,000 MCF.

Planned FY 2009-10 Capital Improvements...

- **Water System - \$1,453,340**
 - Replace water main on Ten Mile Road from Phlox to Hayes
 - Replace water main on Dale from Stephens to Deerfield
 - Replace water main on Hayes from Nine Mile to Stephens
 - Replace water main on Kelly Road at Stephens
 - Replace water main on Kelly Road at Nine Mile Road
 - Replace water main on Kelly Road at Toepfer
- **Sewer System - \$295,000**
 - System improvements, emergency repairs, and design engineering
 - Purchase of sewer lateral camera

FY 2009-10 Costs to Operate Water/Sewer Department

	<u>WATER</u>	<u>SEWER</u>	<u>TOTAL</u>
Water Purchase from Detroit <i>1,330,000 units @ \$0.794 per unit</i>	\$1,056,020		\$ 1,056,020
Sewage Disposal by SEMSD <i>Based on units of water purchased and estimated excess flow from stormwater 1,330,000 units of water @ \$2.71/unit</i>		\$3,605,000	\$ 3,605,000
Personal Services <i>Salaries/fringes for 9 full-time employees; part-time employees as needed; billing/ collection/administrative services</i>	\$ 613,113	\$ 393,350	\$ 1,006,463
Supplies <i>Gasoline; tools; repairs/maintenance; meter replacements as needed; postage</i>	\$ 200,850	\$ 64,750	\$ 265,600
Other Services <i>Engineering; retiree health; audit; insurance; utilities; site/equipment maintenance</i>	\$ 960,532	\$1,285,201	\$ 2,245,733
Capital Improvements <i>Water and sewer line repairs; equipment replacement</i>	\$1,453,340	\$ 295,000	\$ 1,748,340
Transfers Out	\$	\$	\$ 228,660
TOTAL PROJECTED COSTS			<u>\$10,155,816</u>

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FY 2009-10 Water/Sewer Rate Calculation

- Total Water/Sewer Expenditures \$10,155,816
- Total Non-Metered Revenues (\$ 2,299,663)
Fixed meter charges based on size of meter; penalties; interest; industrial waste charges; sewer station maintenance
- Expenses Subject to Water/Sewer Rates \$ 7,856,153
Includes cost of water purchase (\$1,056,020) and sewage disposal (\$3,605,000)
- Calculated Water/Sewer Rate \$ 6.95/unit

*Based on an estimated water loss of 15%, the expected water sold would be 1,130,500 units (1,330,000 x 0.85); therefore, expenses of \$7,856,153 divided by 1,130,500 units sold = \$6.95/unit.
1/3 Water = \$2.32; 2/3 Sewer = \$4.64*

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