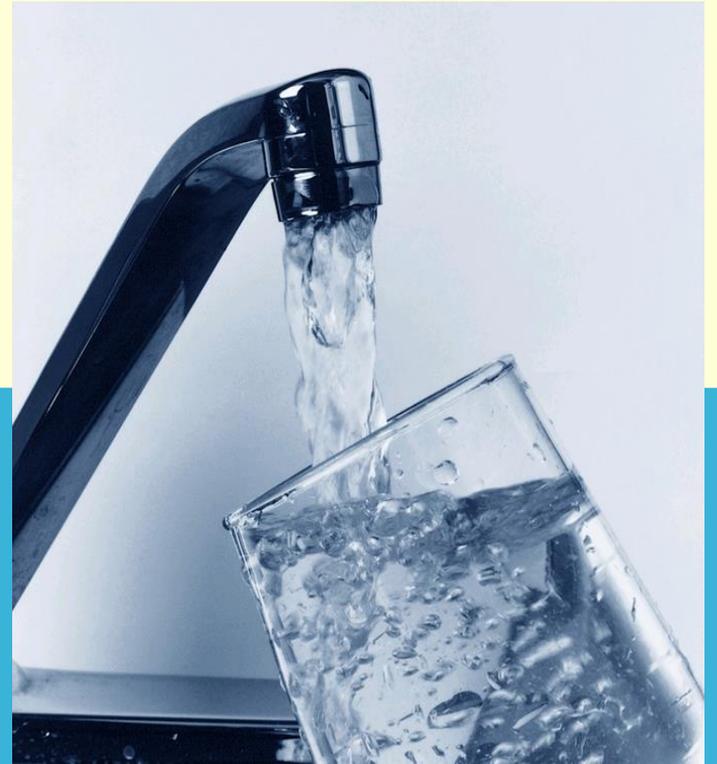


CHARTER TOWNSHIP OF VAN BUREN DEPARTMENT OF PUBLIC SERVICES



PROPOSED WATER & SEWER RATES FOR 2016

Based upon our estimated projections for this 2016 Proposed Budget, we recommend an overall 3% rate increase to our water and sewer customers.

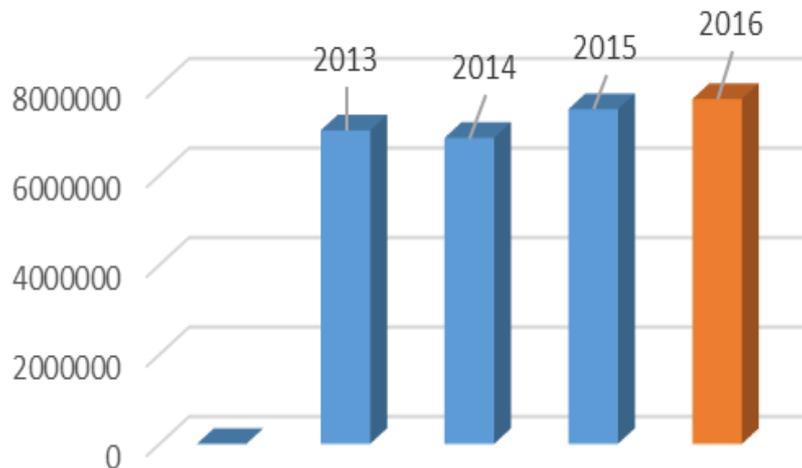


The proposed increase for water and sewer is based upon the following factors:

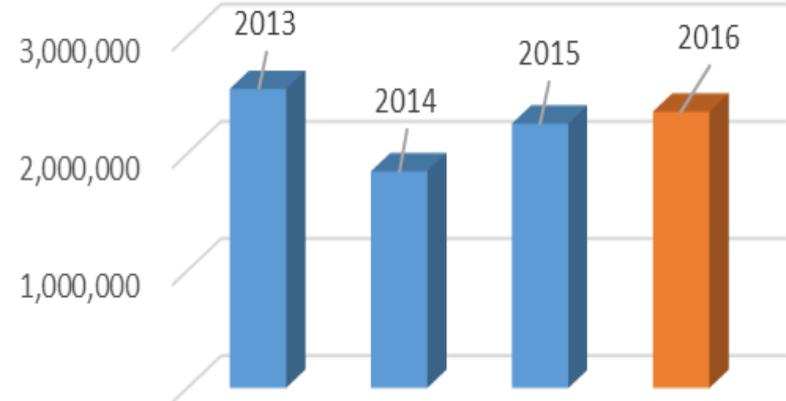
- SHVUA – rate increase in 2016 is at 3.0%.
- DWSD/GLWA – rate increase in 2016 is projected to be around 5.0%.
- Downriver Sewage - rate increase in 2016 is estimated to be at 3.5%.
- Rouge Valley - rate increase in 2016 is estimated to be 3.5%.
- YUCA – rate increase in 2016 is estimated to be 3.0%.

These increased service costs are estimated to be approximately \$220,000.00 in anticipated additional costs.

Water Operational Expenses



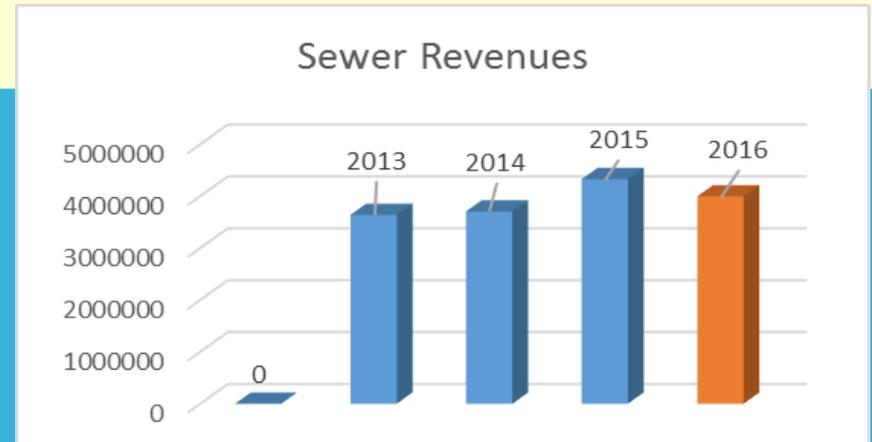
Sewer Operational Expenses



Other Considerations:

- Provider purchases / local sales on par with 2014 levels through September/October time frame.
- Final 2015 overall water sales is projected to be about the same as in 2014
- Proposed 3% rate increase for both water/sewer in an effort to again basically break even in the water/sewer operational budget.

The charts below represent the revenue and expense trends for the Water budget since 2013. Our expenses have remained pretty steady, while on the revenue side, 2015 shows a significant increase. Our 2015 water sales remained flat. The overall revenue increase this year was due to tap fees that were collected, mostly from new construction permits. While we expect some continuance of this trend for 2016, our 2016 water sales are expected to remain flat.



Other Considerations:

A 3% rate increase captures \$225,000.00 in additional revenue over FY 2016.

\$220,000.00 (anticipated increased agency costs)

\$ 91,200.00 (anticipated increased wage and insurance costs)

\$311,200.00 (anticipated increased FY2016 costs)

\$225,000.00 (captured 3% rate increase)

\$ 25,000.00 (anticipated revenue – tap fees)

\$ 5,000.00 (anticipated revenue – hydrant fees)

\$ 30,000.00 (anticipated revenue – meter sales)

\$ 2,500.00 (anticipated revenue – inspection fees)

\$ 25,000.00 (anticipated revenue - Final Reads)

\$312,500.00 (total anticipated FY2016 revenue)

Without a minimum 3% rate increase for FY2016 we would have to draw an additional \$225,000.00 from our cash reserves to cover our anticipated costs.

CUSTOMERS ARE PRESENTLY PAYING....

- \$52.91 PER MONTH USING APPROXIMATELY 20,000 GALLONS FOR THREE MONTHS

WITH THE 3% INCREASE CUSTOMERS WILL BE PAYING....

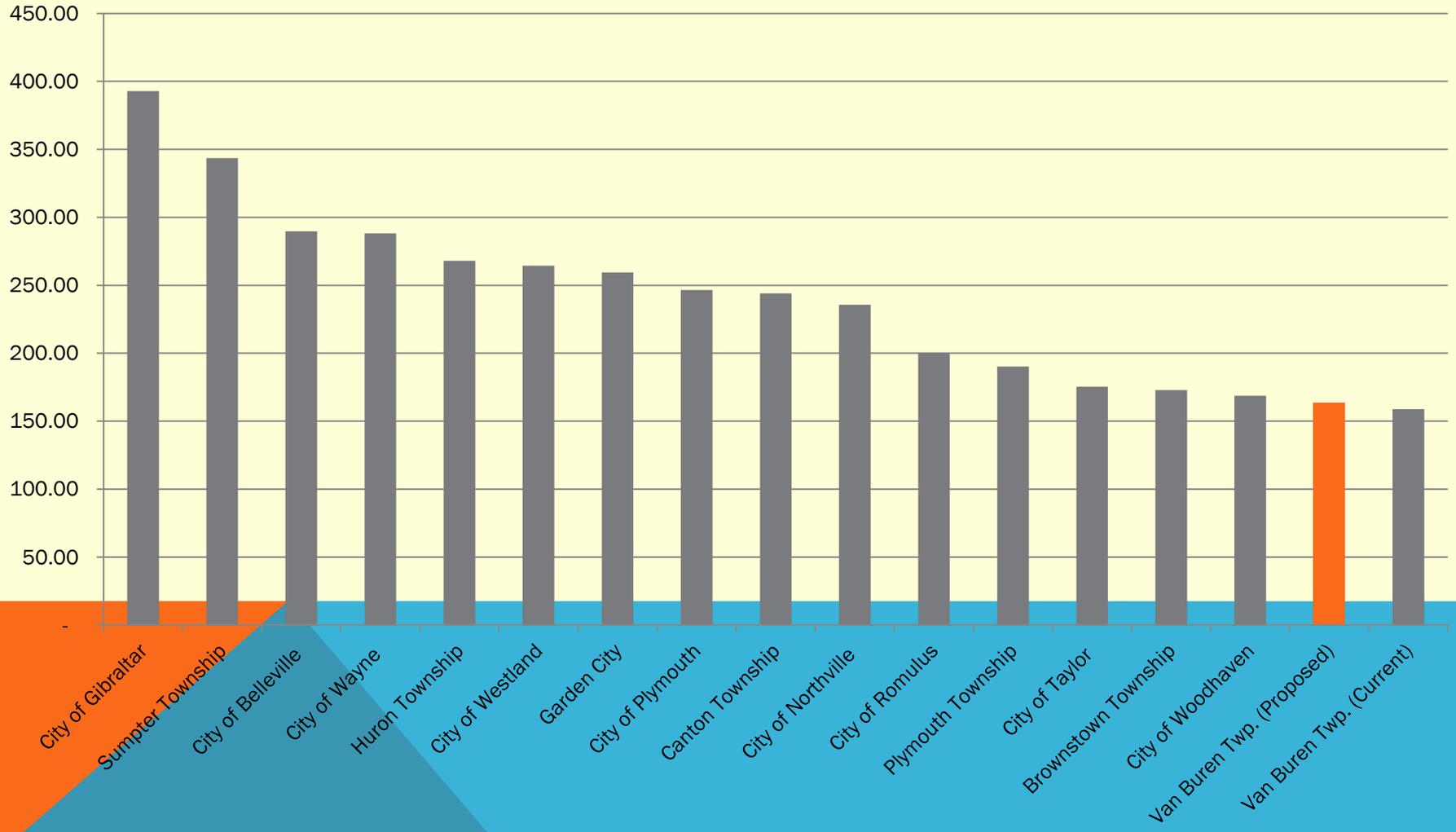
- \$54.53 PER MONTH USING APPROXIMATELY 20,000 GALLONS FOR THREE MONTHS

AN AVERAGE MONTHLY usage OF 6,700 GALLONS will result in an average increase of....

- **\$4.85 FOR THREE MONTHS, OR**
- **....\$1.62 PER MONTH**



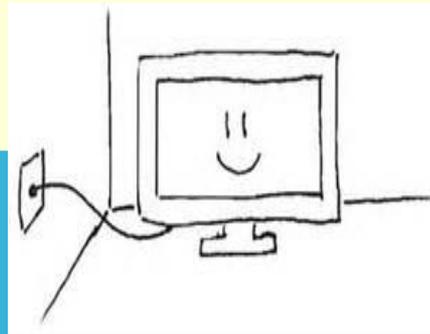
VAN BUREN TWP COMPARES FAVORABLY WITH OTHER NEIGHBORING COMMUNITIES IN RATES...



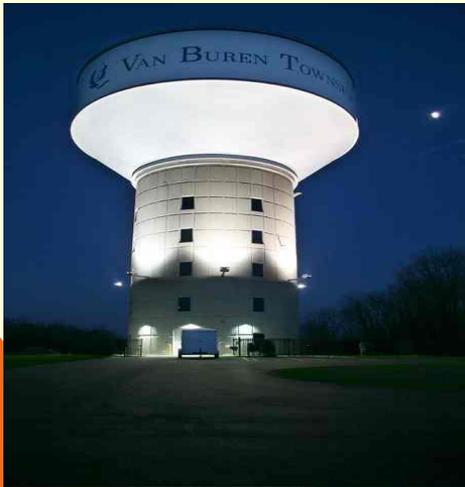
SOME OTHER COST COMPARISONS:

- 3.75 gallons (one case) of 20 oz. bottled water = \$8.50
- 3.75 gallons (one case) of 20 oz. soda pop = \$12.95
- 3.75 gallons of unleaded gasoline = \$10.67 (\$2.85 per gallon)
- 3.75 gallons of Van Buren Township tap water = \$0.023

- Monthly average cable bill - \$115.00
- Monthly average cell phone bill - \$47.00 (single plan)
- Monthly average VBT water bill - \$52.91



QUESTIONS?
CONTACT OUR OFFICE AT 734.699.8925



**PROPOSED WATER & SEWER
RATE INCREASE FOR 2016**