City of Grand Blanc Water Rate Report

May 14, 2025



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MICHIGAN RURAL WATER ASSOCIATION RATE EVALUATION PROGRAM
FY 2025-2026 WATER RATES

1	INTRODUCTION TO WATER RATES
2	CURRENT RATE STRUCTURE COMMENTS
3	OVERALL CONCLUSION
4	EXECUTIVE SUMMARY – CONCLUSION OF ANALYSIS
5	MUNICIPALITY COMPARISON
6	STARTING SHEET
7	CURRENT WATER RATES
8	NUMBER OF CUSTOMERS – REU'S
9	UNITS OF WATER BILLED
10	CURRENT INCOME WITH ASSUMPTION OF NO WATER RATE INCREASE
11	NON-SALES INCOME
12	LABOR & BENEFITS
13	OPERATIONAL EXPENSES
14	BONDS – LOAN SCHEDULE
15	LOANS, BONDS, INTEREST, ANNUAL PAYMENT SUMMARY
16	CASH FLOW STATEMENT
17	FINAL ANALYSIS
18	RATES SUMMARY
19	TYPICAL BIMONTHLY BILL
20	BIMONTHLY RATES
21	CONFIRMATION OF INCOME
22	SHORT LIVED ASSETS
23	CAPITAL IMPROVEMENT SUMMARY
24	CAPITAL ITEM – VARIOUS CAPITAL PROJECTS

CALCULATION DATE – MAY 14, 2025

INDEX

INTRODUCTION

Quality drinking water is an essential public service provided to residents. Without a water system the community would cease to exist. Over many years our community has invested in the essential infrastructure and services necessary to provide residents with safe and reliable drinking water.

The construction and maintenance of this infrastructure is one of the most costly investments the residents in our community will make. Community officials strive to ensure that the resident's investment in these facilities is based on sound judgment, cost effectiveness, and sustainable financing for the present and future. The purpose of analyzing utility rates is to ensure:

a) Compliance with federal and state regulations governing utility rates, and
b) Adequate revenue is collected through service charges to support the cost of providing the service;
c) Rates are equitable to all users of the service.
That is, each user's share of the cost is proportionate to their demand on the system.

REVENUE REQUIREMENT = TOTAL SYSTEM COST

Ensuring that the revenue covers the total system cost means the service is "sustainable". That is, the system will serve the present needs and will continue to meet future needs.
Total system cost is comprised of the following cost components:

Operation & Maintenance (O&M) expenses. These are the daily costs of labor, materials, supplies, utilities, etc. necessary to operate and maintain the facilities.

Replacement expenses. These are costs to replace operating equipment with a useful life of 20 years or less. The sum of O&M expense and replacement expense is referred to as OM&R.

Capital improvements. These are costs to replace structural components with useful life greater than 20 years and or to expand and improve the current facilities.

Administrative expenses. These are the costs of general management, financial management, meter reading, and billing & collections.

Debt service expenses. These are the annual costs of loans or bond repayment used to finance construction and generally includes facilities and structures with a useful life of 20 years of more.

Current Rate Structure
CITY OF GRAND BLANC

The current rate structure for the City of Grand Blanc Water System is reasonable but needs are rate increase to cover the inflation and the cost of operating the water system and debt service payments.

Currently the City charges a cost per 100 cubic feet of water used. The rate per 100 cubic feet is charged depending on the meter size that the water customer has installed. Everyone in the system pays the same rate starting from the first cubic foot used.

Currently, the City has no reserve funding for any contingencies the water system may experience. Emergencies such as main breaks, well failures or other problems will require funding to repair. Under current reserves the system would most likely require a loan from the general fund. However, at the May 14th City Council meeting, City Council will adopt a resolution to place all FY 2025-2026 tap-in fees in the new Water Capital Improvement Fund.

Larger water users take up capacity of the system. The system has a limited capacity (cubic feet) therefore if one large customer takes up the capacity of 10 residential homes they should pay a base rate equivalent to the 10 residential homes. Larger volume users also drive the size of certain components of the water system. For instance having several large buildings that house factories or schools will require larger water mains and a larger water tower to provide firefighting ability for these larger buildings. It is reasonable that they pay a larger portion of the debt and some fixed expenses compared to a homeowner who uses 1,000 cubic feet per month.

Ultimately our goal is to collect the money needed to maintain the water system in the most equitable manner possible, insuring that everyone pays their share of the water treatment and disbursement cost.

Overall Conclusion

CITY OF GRAND BLANC

The "Cash Flow Statement" page indicates this last year's actual expenditures exceeded last year's actual income showing an deficit of $78,505. The overall income takes into account fees from new customers and miscellaneous income. Although profit from tap-in fees and other miscellaneous income should be considered a bonus as this income changes every year.

Looking again at the deficit of $78,505, a water system should minimally profit for emergency expenditures and also include any reserve funding for major equipment maintenance and replacement. Things like painting a water tower, or replacing a pump. Using the equipment replacement / asset management program established by EGLE indicated that the City should be putting money aside on an annual basis to pay for major equipment maintenance and replacement for items that occur on an irregular basis. A new capital improvement bond was required in 2023. Project #3 is ($66,255), the CIP bond ($64,260), the Pension bond is ($80,574), and interfund loan repayment plan ($208,602) increased expenses.

AWWA recommends that the City should maintain a 3 to 12 month operating expenses in reserve as a contingency fund for emergency purposes, this is $450,000 to $1,800,000 (6-month $900,000) for the City. This is in addition to assets management and capital improvement reserves. The City should consider placing the $101,000 towards the future CIP and/or emergency reserves. The goal of placing tap-in fees in a Capital Improvement Fund will aid in buffering capital costs and future rate increases.

The City needs to know exactly how much money will be needed over the next 20 years for these major maintenance expenses / equipment replacement and insure they have money in the bank for these expenditures. Keeping in mind that too much money is almost as bad as not having enough

Putting money aside should not be guess work, but rather an exact calculation. For instance if the past maintenance history of a pump indicated that we have to replace it in five years and the pump cost $25,000 dollars we should be putting aside $5,000 dollars each year in order to have the $25,000 dollars needed in five years to replace the pump. This money would come out of the water saving accounts. Here is the KEY, the rates need to be high enough to generate enough revenue to replace the $25,000 spent on this pump. Otherwise, the City will eventually deplete its water reserve accounts.

Grand Blanc			
CONCLUSION OF ANALYSIS			
COST PER	**CURRENT RATES**	**CALCULATED RATES**	**DIFFERENCE**
100 CUFT	**$3.69**	**$4.53**	**$0.84**

	CURRENT "BASE RATE" CHARGE PER BIMONTHLY		
METER SIZE - INCHES	**CURRENT RATES**	**CALCULATED RATES**	**DIFFERENCE**
3/4	**$26.38**	**$28.38**	**$2.00**
1	**$26.38**	**$28.38**	**$2.00**
1 1/2	**$87.84**	**$94.49**	**$6.65**
2	**$140.61**	**$151.26**	**$10.65**
3	**$281.48**	**$302.79**	**$21.31**
4	**$439.76**	**$473.07**	**$33.31**
6	**$879.36**	**$945.96**	**$66.60**

The above rates are based on an input budget of	$1,935,696
The above rates are based on invoicing the following cubic feet of water	25,975,282
The above rates are based on the following number of customers	2,893
The above rates are based on the following number of Residential Equivalent Units (REU's)	21,235

If all numbers listed above stay true the new calculated rates will generate the input budget "exactly". Not a penny more or a penny less.

This Rate Analysis uses "Full Cost Pricing" to determine the user fees.

The above table shows the Current Rate, the new Calculated Rate, and the difference between the current and new rate changes.

Full Cost Pricing Is:

Maintaining your system's financial stability by ensuring a sufficient revenue stream.

Collect and reserve the funds needed to cover the costs of future asset rehabilitation and compliance with future regulations, among other things.

Plan ahead for reasonable, gradual rate increases when necessary.

Deliver a fair priced, high-quality drinking water to your customers now and in the future.

NOTE:
The above CALCULATED RATES will generate only enough to meet the current budge input into the rate analysis program. In order to charge a lesser amount, the budget must first be reduced.

City of Grand Blanc
Combined Bi-Monthly Water and Sewer Rate Comparison
1,200 Cubic Feet Consumption with 1" Comparables

	GRAND BLANC CITY - NOW	GRAND BLANC CITY - PROPOSED	FENTON CITY	GRAND BLANC TWP	BURTON CITY	RICHFIELD TOWNSHIP	SWARTZ CREEK CITY	MT MORRIS CITY
1,200; 1"	$ 159.26	$ 172.79	$ 179.43	$ 199.14	$ 199.99	$ 200.10	$ 200.88	$ 217.02

	FLUSHING CITY	FLINT TOWNSHIP	FLINT CITY	MUNDY TOWNSHIP	VIENNA TOWNSHIP	LINDEN CITY	DAVISON CITY
1,200; 1"	$ 226.01	$ 228.88	$ 240.76	$ 261.04	$ 271.74	$ 277.90	$ 286.48

BACKGROUND INFORMATION STARTING SHEET

Please be sure to review the results of this rate evaluation with an attorney

Name of Community :	**Grand Blanc**
Population Served :	**8091**
BUDGET USED FOR YEAR OF	**2026**
Current Rate Structure	
Are bills based on 1,000 gallons units or 100 cubic feet units?	**100**
Number of Residential Customer Invoices per Year	**6**
What are the dates of the Fiscal Year	**June 1st**
Year of Last Rate Increase	**2024/2025**
This rate evaluation was completed using the following information	
Reliability Study / General Plan	**Yes**
Capital Improvement Plan	**Yes**
Water Tower Inspection Report	**Yes**
Well Inspection Report	**Yes**
System Evaluations (MDEQ etc.)	**Yes**
List the names of the different Entities Served - Originating Entity	**Grand Blanc**

DIRECTIONS

Grand Blanc
CURRENT RATE CHARGES
Customers Are Invoice **BIMONTHLY PER**

RATE CLASS 1

Grand Blanc

TYPE OF WATER UNITS	100 CUFT	Notes		
COST PER WATER UNIT	$3.69			
INVOICES PER YEAR	6			
METER SIZE - INCHES	CURRENT "BASE RATE" CHARGE	NUMBER OF METERS	INVOICE FREQUENCY	ANNUAL INCOME
3/4	$26.38	2607	6	$412,636
1	$26.38	148	6	$23,425
1 1/2	$87.84	43	6	$22,663
2	$140.61	85	6	$71,711
3	$281.48	2	6	$3,378
4	$439.76	6	6	$15,831
6	$879.36	2	6	$10,552
	TOTALS	2893		$560,197

BASE RATE CURRENT ANNUAL INCOME	TOTAL NUMBER OF CUSTOMERS / REU'S
$412,636	5,430
$23,425	487
$22,663	106
$71,711	176
$3,378	5
$15,831	10
$10,552	4
$560,197	6,296

Current Rate Charges

Currently customers are charged based on two factors

Consumption Charge, Which is based on cubic feet of water that goes through the customer's water meter. Sewage usage is based on water usage. Customers are currently invoiced per unit of water at the listed price.

A "Base Rate" fee increases based on the size of the customers water meter, which is listed in inches. Customers are invoiced bimonthly

MICHIGAN RURAL WATER ASSOCIATION RATE EVALUATION PROGRAM

2026	RATE CLASS 1						
	Grand Blanc						
METER SIZE - INCHES	NUMBER OF METERS	INVOICE FREQUENCY	CUSTOMERS ACTUAL	SELECTED METER EQUIVALENT	CALCULATED METER EQUIVALENT	EQUIVALENT REU'S PER BILLING CYCLE	ANNUAL EQUIVALENT REU'S (UNITS)
3/4	2607	6	2607	1.00	1.00	2,607	15,642
1	148	6	148	1.00	1.00	148	888
1 1/2	43	6	43	3.33	3.33	143	859
2	85	6	85	5.33	5.33	453	2,718
3	2	6	2	10.67	10.67	21	128
4	6	6	6	16.67	16.67	100	600
6	2	6	2	33.33	33.33	67	400
TOTAL	2893		2893			3,539	
					TOTAL *EQUIVALENT* ANNUAL REU'S		21,235
					PERCENT REDUCTION		0.00%
					REU REDUCTION PER BILLING CYCLE		0.0
					ANNUAL *EQUIVALENT* REU'S USED FOR RATE EVALUATION		21,235

The table above list the number of water meters being invoiced for each size water meter for each entity being served.

NOTES

Grand Blanc			2026													
	UNITS OF WATER INVOICED TO CUSTOMERS															THE PROGRAM USES THE LOWEST YEAR
	USAGE REPORTED IN 2021	PERCENT OF TOTAL	CUBIC FEET CALENDAR YEARS 2022	PERCENT OF TOTAL	2023	PERCENT OF TOTAL	2024	PERCENT OF TOTAL	AVERAGE PERCENT	AVERAGE	MAX. YEAR	MIN. YEAR	PERCENT DIFFERENCE FROM MAX. TO MIN. YEAR	ANTICIPATED PERCENT REDUCTION NEXT YEAR	UNITS USED IN RATE EVALUATION
Grand Blanc	32,421,129	100.0%	28,688,326	100.0%	28,790,100	100.0%	25,975,282	100.0%	100.0%	28,968,709	32,421,129	25,975,282	20%	0%	25,975,282
TOTALS	32,421,129		28,688,326		28,790,100		25,975,282			28,968,709	32,421,129	25,975,282	20%		25,975,282
														CUBIC FEET OF REDUCTION	0
														CUBIC FEET USED FOR EVALUATION	25,975,282

The Volumes listed above are only those cubic feet that are a revenue source.
The cubic feet listed above do not include any water NOT invoiced for winter "Let Runs"
The cubic feet listed above were generated by the City. The City takes full responsibility for the accuracy of these numbers.

This table shows the cubic feet of water invoiced to customers. We also anticipated a reduction in usage of 0 % to follow the trend.
Rate evaluations must be based on a worst case scenario. Taking into account factors that could influence the amount of water sold or sewage invoiced, (which is based on water usage) These factors include;
A wet rainy summer will result in less outdoor activities and lawn sprinkling
Technology alone will account for a reduction in use per person, things like water efficient appliances, washing machines etc. and water efficient shower heads, toilets etc. will naturally reduce the water use per customer.
Loss of a major water user because of things like a fire or a business that chooses to relocate into another community, or just closes its doors can have an impact on cubic feet of water sold.
Water usage for the FY 2020 was not used in the calculation due to COVID-19 restrictions. The City believed this to be an abnormal year and as such should not be used.

TOTAL COMBINED *CURRENT* INCOME

FISCAL YEAR 2025

WATER UNITS = 100

INVOICES PER YEAR = 6

Grand Blanc

CURRENT METER / BASE RATE INCOME

METER SIZE - INCHES	CURRENT RATES	Grand Blanc NUMBER OF METERS	Grand Blanc INVOICE FREQUENCY	Grand Blanc ANNUAL INCOME	Grand Blanc Debt ANNUAL INCOME	INCOME	% INCOME	% TOTAL INCOME
3/4	**$26.38**	**2,607**	**6**	**412,636**	$0	**$412,636**	**74%**	**27%**
1	$26.38	148	6	23,425	$0	$23,425	4%	2%
1 1/2	$87.84	43	6	22,663	$0	$22,663	4%	1%
2	$140.61	85	6	71,711	$0	$71,711	13%	5%
3	$281.48	2	6	3,378	$0	$3,378	1%	0%
4	$439.76	6	6	15,831	$0	$15,831	3%	1%
6	$879.36	2	6	10,552	$0	$10,552	2%	1%
BASE RATE INCOME				**$560,197**	**$0**	**$560,197**		**37%**

CURRENT VOLUME SALES INCOME

	Grand Blanc	Grand Blanc Debt	TOTALS	% INCOME
CUFT SOLD	25,975,282	0	25,975,282	
COST PER UNIT	$3.69	$0.00		
WATER SALES INCOME	**$958,488**	**$0**	**$958,488**	**63%**

TOTAL METER SALES INCOME	$560,197
TOTAL VOLUME SALES INCOME	$958,488
TOTAL INCOME CUSTOMER SALES	**$1,518,685**
NON SALES REVENUE ANTICIPATED	$156,850
TOTAL INCOME ALL SOURCES	**$1,675,535**
NEW INPUTTED RATE BUDGET	**$1,935,696**
SCHEDULED PROFIT / LOSS	**($260,161)**

PERCENT OF INCOME

BASE RATE	VOLUME SALES
37%	63%

Grand Blanc

NON-SALES INCOME

NON-SALES INCOME	2023	2024	2025	2026
TAX - SOFTENING	$ 245,000	$ -	$ -	$ -
TAP-INS	$ 5,000	$ 100,000	$ 5,000	$ 10,000
PARTS & SERVICE	$ 10,000	$ 5,000	$ 10,000	$ 10,000
DEBT SERVICE & CAPITAL IMPROVEMENT	$ 77,000	$ -	$ -	$ -
PENALTIES	$ 14,000	$ 7,000	$ 15,000	$ 15,000
INTEREST	$ -	$ -	$ -	$ -
CELL TOWER RENTALS	$ 164,400	$ 168,000	$ 135,000	$ 131,850
MISCELLANEOUS	$ 750	$ 500	$ 500	$ 500
REBATES AND REFUNDS	$ -	$ -	$ -	$ -
TOTAL INCOME (NON SALES)	$ 516,150	$ 280,500	$ 165,500	$ 167,350

Portion of (Non Sales) Revenue **Guaranteed** :	$ 156,850
Percent Applied Towards Fixed Rate RTS Charge - PERCENT applied per REU	75%
ANNUAL DOLLARS APPLIED TOWARDS **FIXED BUDGET** - BASE RATE - RTS	$ 117,638
ANNUAL DOLLARS APPLIED TOWARDS **VARIABLE BUDGET** - PER UNIT	$ 39,213

LABOR & BENEFITS	PROPOSED BUDGET FOR NEXT FISCAL YEAR	ACTUALS EXPENSES FROM PREVIOUS YEARS (COMPARISON PURPOSES ONLY)		
Grand Blanc				
	2026			
2026	RATE BUDGET	YEAR OF	YEAR OF	YEAR OF
LABOR & BENEFITS	ANNUAL BUDGETED	2025	2024	2023
SALARIES - FT OFFICE	$ 62,860	$ 59,250	$ 82,800	$ 86,100
SALARIES - FT	$ 316,865	$ 285,000	$ 270,100	$ 245,000
SALARIES - PT	$ 34,000	$ 25,000	$ 30,500	$ 33,325
SALARIES - OT	$ 20,000	$ 25,000	$ 20,000	$ 20,000
SOCIAL SECURITY	$ 37,210	$ 35,000	$ 36,000	$ 30,870
DEFERRED COMP. MATCH	$ 1,000	$ 895	$ 2,400	$ 2,400
NON-DUPLICATING INSURANCE	$ 2,860	$ 2,860	$ 1,000	$ 7,150
DEFERRED COMP - ADDITIONAL	$ 10,500	$ 9,000	$ 7,085	$ 10,080
EQUIPMENT	$ 2,000	$ 2,000	$ 1,400	$ 1,000
LONGEVITY	$ 3,430	$ 3,430	$ 3,000	$ 3,000
PERSONAL AND SICK PAYOUT	$ 5,500	$ 4,220	$ 5,300	$ 5,000
DENTAL PLAN	$ 4,350	$ 4,100	$ 7,640	$ 7,640
RETIREE BENEFITS	$ 29,955	$ 24,000	$ 40,000	$ 32,100
HOSPITALIZATION	$ 68,870	$ 51,810	$ 61,300	$ 57,100
RETIREE - OPEB EXPENSE	$ -	$ -	$ 28,500	$ 50,000
LIFE INSURANCE	$ 5,200	$ 4,900	$ 5,300	$ 5,275
PENSION	$ 53,000	$ 51,600	$ 40,000	$ 120,000
LABOR & BENEFITS	**$657,600**	**$588,065**	**$642,325**	**$716,040**
SUB-TOTAL EXPENSES	**$657,600**	$588,065	$642,325	$716,040
Additional Cost of Inflation Increase	0.00%			
LABOR & BENEFITS	**$657,600**			
ARE EMPLOYEES MAKING A LIVABLE WAGE AND RECEIVING INCREASES ANNUALLY?				

OPERATION & MAINTENANCE EXPENSES	PROPOSED BUDGET FOR NEXT FISCAL YEAR	ACTUALS EXPENSES FROM PREVIOUS YEARS (COMPARISON PURPOSES ONLY)		
2026	2026			
Grand Blanc	RATE BUDGET	YEAR OF	YEAR OF	YEAR OF
SYSTEM EXPENSES	ANNUAL BUDGETED	2025	2024	2023
OFFICE SUPPLIES	$ 3,500	$ 6,500	$ 2,000	$ 2,000
POSTAGE	$ 6,000	$ 6,000	$ 7,200	$ 6,500
ADMINISTRATION	$ 17,500	$ 25,000	$ 18,000	$ 18,000
OPERATING SUPPLIES	$ 185,000	$ 185,000	$ 160,000	$ 160,000
SOFTENING - SEWER TREAT	$ 148,000	$ 148,000	$ 175,000	$ 160,000
EQUIPMENT MAINTENANCE	$ 32,000	$ 32,000	$ 15,000	$ 10,000
AUDITING	$ 7,030	$ 9,710	$ 6,010	$ 6,010
BANK FEES	$ 1,500	$ 1,500	$ 2,300	$ -
ENGINEERING	$ 1,000	$ 1,000	$ 1,000	$ 1,000
COMPUTER SERVICES	$ 250	$ 240	$ -	$ -
CONFERENCES & MEETINGS	$ 4,000	$ 1,500	$ 4,000	$ 4,000
INSURANCE & PROF. FEES	$ 72,000	$ 72,000	$ 72,000	$ 60,000
UTILITIES	$ 235,500	$ 220,000	$ 205,000	$ 202,000
PUMP HOUSE MAINTENANCE	$ 2,000	$ 2,000	$ 2,100	$ 1,000
Transfer to ISF Fund	$ 138,000	$ 182,000	$ 76,000	$ 76,000
CONTINGENCY	$ -	$ 220	$ -	$ -
SOFTWARE UPGRADE	$ -	$ -	$ -	$ 5,000
DEHUMIDIFIER	$ -	$ -	$ -	$ 2,500
#7 AND #8 PANEL REPLACEMENT - SKID	$ -	$ -	$ -	$ 18,000
#7 AND #8 PANEL REPLACEMENT - PLC	$ -	$ -	$ -	$ 16,000
#5 Well Pump Overhaul	$ -	$ -	$ -	$ 45,000
#7 Membrane Replacement	$ -	$ -	$ -	$ 80,000
DPW LIGHTING	$ 5,125	$ 5,125	$ -	$ -
SYSTEM EXPENSES	$858,405	$897,795	$745,610	$873,010
OPERATIONAL & OTHER EXPENSES	$0	$0	$0	$0
SYSTEM EXPENSES	$858,405	$897,795	$745,610	$873,010
SUBTOTAL OPERATIONAL EXPENSES	**$858,405**	**$897,795**	**$745,610**	**$873,010**
CONTINGENCY	**$0**			
SUBTOTAL	**$858,405**			
COST OF INFLATION INCREASE	**0.00%**			
OPERATION & MAINTENANCE EXPENSES	**$858,405**			

Operating Expenses are those operation and maintenance (O&M) expenses that occur while providing water /sewer service. These expenses typically increase annually due to inflation, and increased maintenance costs as systems age.
The expenses listed above do not include Depreciation
These expenses do not include any interest paid on debt or one time CIP expenditures.

Administrative expenses are those expenses associated with the City office supplies and Administrative labor.

Grand Blanc

2026

BOND INSTALLMENT ANNUAL PAYMENT SCHEDULE

Notes on loans

NAME OF LOAN	PROJECT #3 - 7387-01	CIP Series 2023	PENSION BOND	INTERFUND SEWER	INTERFUND GENERAL
PAID BY RATES OR OTHER ?	Rates				
IF OTHER - SOURCE					
IF OTHER - $ CONTRIBUTION FROM OTHER					
DATE OF ISSUE	9/17/2014	4/1/2023	9/1/2016	4/1/2020	4/1/2020
DATE OF MATURITY	4/1/2035	4/1/2043	5/1/2035	4/1/2030	4/1/2030
IS THERE A RESERVE REQUIREMENT					
WHAT IS THE REQUIRED ANNUAL RESERVE $$					
CURRENT BALANCE IN THE REQUIRED RESERVE					
DATE OF - PRINCIPAL & INTEREST PAYMENT	April 1st	April 1st	May 1st	May 1st	May 1st
$ AMOUNT OF THIS INTEREST PAYMENT	$7,502	$67,700	$11,615	$2,924	$2,214
$ AMOUNT OF PRINCIPAL THIS PAYMENT	$55,000	$0	$58,125	$115,793	$87,672
DATE OF - INTEREST PAYMENT	October 1st	N/A	November 1st	N/A	N/A
$ AMOUNT OF THIS INTEREST PAYMENT	$7,502	$0	$11,615	N/A	N/A
CURRENT CASH BALANCE IN THIS ACCOUNT	$804,862	$0			
ORIGINAL LOAN AMOUNT	$1,090,872	$2,400,000	$900,937	$700,000	$530,000

LIST THE COMBINED ANNUAL PRINCIPAL & INTEREST PAYMENTS HERE	ANNUAL PAYMENTS NEEDED FROM RATE CHARGES	ANNUAL PAYMENTS NEEDED FROM RATE CHARGES	ANNUAL PAYMENTS NEEDED FROM RATE CHARGES		ANNUAL PAYMENTS NEEDED FROM RATE CHARGES
	PROJECT #3 - 7387-01	CIP Series 2023	PENSION BOND	INTERFUND SEWER	INTERFUND GENERAL
2026	$66,255	$64,260	$80,574	$118,717	$89,886
2027	$70,005	$64,260	$81,355	$118,717	$89,886
2028	$68,630	$133,560	$81,718	$118,717	$89,886
2029	$67,255	$133,245	$81,913	$118,717	$89,886
2030	$70,880	$132,773	$81,932	$118,717	$89,886
2031	$69,380	$132,143	$82,723		
2032	$67,880	$131,355	$83,325		
2033	$66,380	$130,410	$83,745		
2034	$69,790	$130,158	$83,836		
2035	$68,255	$129,780	$83,821		
2036	$66,810	$129,276	$84,637		
2037		$128,646			
2038		$127,890			
2039		$130,158			
2040		$129,024			
2041		$130,914			
2042		$129,402			
2043		$127,764			
2044					
2045					
PAID OFF IN YEAR OF	**2036**	**2023**	**2023**	**2035**	**2025**

2026

BOND / LOAN PAYMENT SCHEDULE

CURRENT BALANCE

SAVINGS INTEREST RATE 0.00%

NEXT PAYMENT IS DUE ON

FOR AMOUNT OF $

YEAR	COMBINED PAYMENTS	ANNUAL PAYMENT	RUNNING BALANCE
2026	$ 419,691		$ (419,691)
2027	$ 424,222	$ -	$ (843,913)
2028	$ 492,510	$ -	$ (1,336,423)
2029	$ 491,015	$ -	$ (1,827,438)
2030	$ 494,187	$ -	$ (2,321,625)
2031	$ 284,245	$ -	$ (2,605,870)
2032	$ 282,560	$ -	$ (2,888,429)
2033	$ 280,535	$ -	$ (3,168,964)
2034	$ 283,784	$ -	$ (3,452,747)
2035	$ 281,856	$ -	$ (3,734,603)
2036	$ 280,723	$ -	$ (4,015,325)
2037	$ 128,646	$ -	$ (4,143,971)
2038	$ 127,890	$ -	$ (4,271,861)
2039	$ 130,158	$ -	$ (4,402,019)
2040	$ 129,024	$ -	$ (4,531,043)
2041	$ 130,914	$ -	$ (4,661,957)
2042	$ 129,402	$ -	$ (4,791,359)
2043	$ 127,764	$ -	$ (4,919,123)
2044	$ -	$ -	$ (4,919,123)
2045	$ -	$ -	$ (4,919,123)

THESE FIGURES NEED TO BE ADDED TO THE RATES MANUALLY

Grand Blanc	
LOANS, BONDS, INTEREST, ANNUAL PAYMENT	
PROJECT #3 - 7387-01	$66,255
CIP Series 2023	$64,260
PENSION BOND	$80,574
INTERFUND SEWER	$118,717
INTERFUND GENERAL	$89,886
USDA (Rural Development) BOND RESERVE ?	
TOTAL ANNUAL PAYMENTS $	**419,691**
No Tax revenue or special assessment revenue is applied to these payments	
PROPOSED NEW DEBT - TOTAL FUNDED	
INTEREST RATE	
LENGTH OF LOAN **(YEARS)**	
ANNUAL PAYMENT	0
TOTAL DEBT - NEW & CURRENT	**$419,691**
WHAT YEAR IS LOAN PAID OFF	
IS DEBT LISTED SEPARATELY ON WATER BILL	
IF USDA RD LOAN ANNUAL RESERVE FUNDING	$0

List any additional notes on the loans here.

Grand Blanc

CASH FLOW STATEMENT - ACTUAL

The cash flow statement does not include any Depreciation - But does included principal and interest on all loan payments.

	YEAR OF	YEAR OF	YEAR OF	YEAR OF
EXPENSES ACTUAL	**2021**	**2022**	**2023**	**2024**
EXPENSES ACTUAL	$2,367,223	$1,236,704	$1,807,763	$1,835,683
Bonds and Loans - Principal	$450,127	$450,408	$396,347	$215,736
MINUS DEPRECIATION	**$370,096**	**$337,226**	**$333,117**	**$360,487**
NORMAL ANNUAL OPERATING EXPENSES	**$1,719,454**	**$2,447,254**	**$1,349,886**	**$1,690,932**
ONE TIME EXPENSE - OPEB	$700,934		**$297,969**	**$0**
ONE TIME EXPENDITURES - SEE NOTE BELOW	$166,500			
OVERALL EXPENSES	**$1,719,454**	**$3,314,688**	**$1,349,886**	**$1,690,932**
INCOME ACTUAL EARNED				
Charges for services	$1,067,670	$1,256,992	$1,342,828	$1,480,434
Rentals	$168,366	$199,708	$130,947	$106,974
Other Revenue	$5,418	$14,996	$20,009	$13,576
Penalties	$7,475	$11,813	$17,333	$11,443
INCOME TOTAL CUSTOMER BILLINGS	**$1,248,929**	**$1,483,509**	**$1,511,117**	**$1,612,427**
OTHER INCOME				
Taxes - Water Plant	$243,453	$250,057	$245,720	$0
SUB TOTAL OTHER INCOME	**$243,453**	**$250,057**	**$245,720**	**$0**
OVERALL INCOME	**$1,492,382**	**$1,733,566**	**$1,756,837**	**$1,612,427**
PROFIT / LOSS CUSTOMER BILLINGS	**-$470,525**	**-$963,745**	**$161,231**	**-$78,505**
OVERALL PROFIT / LOSS	**-$227,072**	**-$1,581,122**	**$406,951**	**-$78,505**

NOTE: Sources: 2020, 2021, 2022 and 2023 Audit Reports

Please be sure to review the results of this evaluation with your community's attorney

CALCULATED RESULTS OF WATER RATE ANALYSIS

Grand Blanc	ANNUAL BUDGET	PERCENT FIXED EXPENSES	BASE RATE FIXED EXPENSES	COST PER 3/4 METER	CONSUMPTION VARIABLE EXPENSES	2026 VOLUME COST PER UNIT
LABOR & BENEFITS	$657,600	41.5%	$272,904	$12.85	$384,696	$1.48
OPERATION & MAINTENANCE EXPENSES	$858,405	25%	$214,601	$10.11	$643,804	$2.48
SUBTOTAL OPERATIONAL EXPENSES	$1,516,005		$487,505	$22.96	$1,028,500	$3.96
PROJECT #3 - 7387-01	$66,255	50.0%	$33,127	$1.56	$33,127	$0.13
CIP Series 2023	$64,260	60%	$38,556	$1.82	$25,704	$0.10
PENSION BOND	$80,574	100%	$80,574	$3.79	$0	$0.00
INTERFUND SEWER	$118,717	30%	$35,615	$1.68	$83,102	$0.32
INTERFUND GENERAL	$89,886	50%	$44,943	$2.12	$44,943	$0.17
SUBTOTAL LOANS	$419,691		$232,815	$10.96	$186,876	$0.72
TOTAL REGULAR EXPENSES	$1,935,696		$720,320	$33.92	$1,215,376	$4.68
			NON OPERATING INCOME REDUCTION PER REU / UNIT	$5.54		$0.15
			RATE CHARGE FOR O&M AND LOANS	$28.38		$4.53
			CURRENT RATE	$26.38		$3.69
			INCREASE	$2.00		$0.84
OVERALL PERCENT INCREASE FOR CUBIC FEET OF	4,000		14%			
		45				
CIP / EMERGENCY RESERVE FUNDING	$0	43.0%	$0	$0.00	$0	$0.00
SUBTOTAL RESERVES	$0		$0	$0.00	$0	$0.00
RESERVE PORTION OF BUDGET	0%					
ADOPTED BUDGET	$1,935,696		$720,320	$33.92	$1,215,376	$4.68
CURRENT REVENUE	$1,675,535		37%		63%	
NON OPERATING INCOME REDUCTION CONTRIBUTION			$117,638		$39,213	
REVENUE COLLECTED THROUGH RATES	$1,778,846		$602,683		$1,176,163	
NON OPERATING INCOME REDUCTION PER REU / UNIT				5.54		0.15

CALCULATED RATE PER 3/4 METER PER **BIMONTHLY** **$28.38** **100 CUFT** **$4.53**

ANNUAL EQUIVALENT REU'S	21,235	CURRENT RATES	$26.38 / $3.69
ANTICIPATED CUBIC FEET INVOICED	25,975,282	INCREASE OF	$2.00 / $0.84
INVOICES PER YEAR	6	PERCENT INCREASE	7.6% / 22.7%
TOTAL NUMBER OF CUSTOMERS / METERS	2,893	Grand Blanc Debt	$4.53
ANTICIPATED EQUIVALENT CUBIC FEET / UNITS	259,753		
CUBIC FEET USED	4,000		
AMOUNT OF BILL	$55.55		
PERCENT INCREASE	14%		
		EVERY MILLION CUBIC FEET GENERATES REVENUE OF	$4,528
DOES THE COST PER "UNIT / WATER" INCLUDE INCLINING OR DECLINING RATES	NO	ADDITIONAL REVENUE GENERATED	$42,503 / $217,675
CUBIC FEET INCLUDED WITH THIS CALCULATED BASE RATE ?	NO	COMBINED ADDITIONAL REVENUE GENERATED	$260,178
IS BASE RATE PER REU, - OR PER METER SIZE?	METER SIZE	$1.00 INCREASE GENERATES	$21,235 / $259,753
			NON METERED $28.38

2026 Grand Blanc

	Grand Blanc				
PER 100 CUFT	$4.53		$3.69		$0.84
	NEW		CURRENT		DIFFERENCE PER BIMONTHLY
METER SIZE	BASE RATE PER BIMONTHLY	METER RATIO FACTOR BEING USED	BASE RATE PER BIMONTHLY	CURRENT / OLD METER RATIO	
3/4	$28.38	1.00	$26.38	1.00	$2.00
1	$28.38	1.00	$26.38	1.00	$2.00
1 1/2	$94.49	3.33	$87.84	3.33	$6.65
2	$151.26	5.33	$140.61	5.33	$10.65
3	$302.79	10.67	$281.48	10.67	$21.31
4	$473.07	16.67	$439.76	16.67	$33.31
6	$945.96	33.33	$879.36	33.33	$66.60

These are the rates calculated for each meter size for each entity served. Also for the cost per unit of water sold for each entity.

TYPICAL BILL USING NEW RATES Grand Blanc						
METER SIZE - INCHES	CUBIC FT USED	VOLUME CHARGE	BASE RATE CHARGE	NEW BILL	OLD BILL	CHANGE IN BILL
3/4	11	$4.53	$28.38	$78.19	$66.97	$11.22
1	6	$4.53	$28.38	$55.55	$48.52	$7.03
1	8	$4.53	$28.38	$64.61	$55.90	$8.71
1	10	$4.53	$28.38	$73.66	$63.28	$10.38
1	11	$4.53	$28.38	$78.19	$66.97	$11.22
1	15	$4.53	$28.38	$96.30	$81.73	$14.57
1	20	$4.53	$28.38	$118.94	$100.18	$18.76
1 1/2	15	$4.53	$94.49	$162.41	$143.19	$19.22
2	20	$4.53	$151.26	$241.82	$214.41	$27.41
3	30	$4.53	$302.79	$438.63	$392.18	$46.45
4	40	$4.53	$473.07	$654.19	$587.36	$66.83
6	50	$4.53	$945.96	$1,172.36	$1,063.86	$108.50

2026 Grand Blanc

	Grand Blanc	Grand Blanc	DIFFERENCE PER BIMONTHLY	DIFFERENCE PER BIMONTHLY
PER 100 CUFT	$4.53	$3.69	$0.84	
	NEW	CURRENT		
METER SIZE	BASE RATE BI-MONTHLY	BASE RATE BI-MONTHLY		
3/4	$28.38	$26.38	$2.00	$0.67
1	$28.38	$26.38	$2.00	$0.67
1 1/2	$94.49	$87.84	$6.65	$2.22
2	$151.26	$140.61	$10.65	$3.55
3	$302.79	$281.48	$21.31	$7.10
4	$473.07	$439.76	$33.31	$11.10
6	$945.96	$879.36	$66.60	$22.20

These are the rates calculated for each meter size for each entity served. Also for the cost per unit of water sold for each entity.

CONFIRMATION OF INCOME - BASED ON CALCULATED I

Grand Blanc		
	Grand Blanc	REVENUE
	New Cost per Unit of Water Sold	NEW RATES
$ PER 100 CUFT	$4.53	
UNITS Sold	259,753	259,753
Income	$1,176,163	$1,176,163
PERCENT OF USAGE	100%	
PERCENT REVENUE	100%	
NON SALES INCOME APPLIED TO VARIABLE BUDGET		$39,213
TOTAL ANTICIPATED REVENUE PER UNIT SALES		$1,215,376
METER SIZE	NEW RATE PER BIMONTHLY	
3/4	$28.38	
NO. CUSTOMERS	2,607	
INVOICES PER YEAR	6	
ANNUAL INVOICES	15,642	
INCOME	$443,943.88	$443,944
1	$28.38	
NO. CUSTOMERS	148	
INVOICES PER YEAR	6	
ANNUAL INVOICES	888	
INCOME	$25,202.80	$25,203
1 1/2	$94.49	
NO. CUSTOMERS	43	
INVOICES PER YEAR	6	
ANNUAL INVOICES	258	
INCOME	$24,379.53	$24,380
2	$151.26	
NO. CUSTOMERS	85	
INVOICES PER YEAR	6	
ANNUAL INVOICES	510	
INCOME	$77,141.25	$77,141
3	$302.79	
NO. CUSTOMERS	2	
INVOICES PER YEAR	6	
ANNUAL INVOICES	12	
INCOME	$3,633.50	$3,634
4	$473.07	
NO. CUSTOMERS	6	
INVOICES PER YEAR	6	
ANNUAL INVOICES	36	
INCOME	$17,030.41	$17,030
6	$945.96	
NO. CUSTOMERS	2	
INVOICES PER YEAR	6	
ANNUAL INVOICES	12	
INCOME	$11,351.48	$11,351
	Fixed Income	$602,683
	ANTICIPATED LOSS OF FIXED INCOME FROM REU REDUCTION	$0
	INCOME GENERATED BASE RATE	$602,683
	NON SALES INCOME APPLIED TO FIXED BUDGET	$117,638
	NTICIPATED REVENUE BASE RATE / RTS + NONE SALES INCOME	$720,320
	COMBINED CUSTOMER INCOME = BASE RATE + VOLUME INCOME	$1,935,696
	TOTAL COMBINED CUSTOMER INCOME	$1,935,696
	Budget Goal	$1,935,696
	Difference	$0

Short Lived Assets - Equipment Replacement – Repair Replacement and Improvement

A replacement schedule should be developed that indicates those assets that will be replaced within the next 15 years (short lived assets) that will be **funded from system revenues**. The schedule will typically contain assets with a value of greater than $5,000 dollars, or routinely recurring maintenance items. A couple of examples of these types of assets are: water tower paintings and chlorine pumps, well pumps and controls, etc. Larger more long term items like water distribution piping, wells, water towers, standby generators. etc or items with a longer life expectancy of greater than 15 years, are typically included in a Capital Improvements program. See notes below in Capital Improvements

This schedule can also be expanded to include programmed maintenance or repair, making it a Repair & Replacement Schedule. The types of maintenance activities that can be included here are major, repairs, or items that occur on a non-yearly schedule or irregular schedule, such as a storage tank inspection done every five years and a tank overhaul (repaint, structural testing, cleaning) or leak detection every 3 years or a digester cleaning every ten years, or a well cleaning done every 5 years. If it occurs every year then it should be in the standard O & M budget. This Schedule does not replace the normal annual operation and maintenance budget. It merely reflects those elements that are major budget items that do NOT occur on an annual basis and thus are not in the typically O&M annual budget. These are generally items that constitute a major budget expenditure.

The schedule should include all of the recurring and non-recurring items for a 15 year period. The short lived asset Repair and Replacement Schedule should be updated annually.

It is absolutely critical that the items in the Repair and Replacement Schedule be entered into the rate setting process. These items must be funded out of system revenues, so they must be accounted for in the annual budget and in the rates. The Schedule will probably not be uniform from year to year in terms of amount of expenditure. To address this issue, the program will set an annual annuity payment to cover the Repair and Replacement Schedule expenses over the long term. Some years, the annual funding amount will be greater than that year's expenses, so funds would go into the Repair and Replacement Reserve. Other years, the amount collected will be less than the expenses incurred, and the additional funding needed would come from the reserve account. The annual funds set would have to be sufficient to cover all of the expenses over the 15 year period. This program becomes a living document and the annual funding amount should be adjusted as new equipment is purchased and the program is updated.

Grand Blanc
CAPITAL IMPROVEMENT PROJECTS YEAR OF 2026

CAPITAL IMPROVEMENT ITEMS WERE GENERATED FROM: DPW DIRECTOR, MATT WURTZ - Projects to be Funded by Bonds

NOTES: Genter Road Project funded by ARPA

CAPITAL PROJECT	PRIORITY	ESTIMATED PROJECT COST	AMOUNT FUNDED IN WATER BUDGET	COMPLETE IN YEAR OF	IS THIS YEAR FLEXIBLE?	MONEY RESERVED ANNUALLY
Various Projects	A	$74,400	$74,400	2026	No	$0
0	C	$0	$0	0	YES	$0
0	C	$0	$0	0	YES	$0
0	C	$0	$0	0	YES	$0
0	C	$0	$0	0	YES	$0
	TOTALS	$74,400.00	$74,400.00			

CAPITAL IMPROVEMENT PROJECTS

ANNUAL COST OF LIVING INCREASE: 2.00%
CURRENT RESERVE BALANCE APPLIED TO CAPITAL IMPROVEMENTS:
AVG. INTEREST RATE IN SAVINGS: 0.00%

YEAR	PROJECT	CIP EXPENDITURES	THIS COULD BE FROM A LOAN THAT GETS PAID OFF **EXTRA** ANNUAL CIP FUNDING	ANNUAL AVERAGE BUDGET	TOTAL COMBINED ANNUAL FUNDING	RUNNING BALANCE
2026	SEE LIST		$0	$74,400	**$74,400**	$74,400
2042			$0	$74,400	**$74,400**	$1,264,800
2043			$0	$74,400	**$74,400**	$1,339,200
2044			$0	$74,400	**$74,400**	$1,413,600
2045			$0	$74,400	**$74,400**	$1,488,000
2046			$0	$74,400	**$74,400**	$1,562,400

CAPITAL ITEM >	Various Projects

Description of Project

Various Projects

Location

Justification

Itemized Breakdown	Cost
Tower 2 Wash	$ 10,000
Pressure Vessel, Sensor, Dehumidifier	$ 11,600
Chlorine Room Heater, Level Controller	$ 11,500
#7#8 Meter Calibration, Chlorine System	$ 9,000
#5#7#8 Exterior Lighting, Dormer Modification	$ 11,000
WTP Main Computer/PLC	$ 12,000
WTP Filter Housings	$ 9,300
Total Cost of Project	**$ 74,400**

PERCENT FUNDED	100.0%

ALLOCATION	Total
COST FUNDED BY BUDGET / RATES	$ 74,400
COMPLETE IN YEAR OF ?	2026
YEARS TO PREPARE	1
COST PER YEAR	**$ 74,400.00**
REMAINING COST	$ -

Funding Sources:	Total
COST FUNDED BY BUDGET / RATES	$ 74,400
Other funding sources	$ -
Total Cost of Project	**$ 74,400**

Complete in Year Of	**2026**
Is Year Flexible?	No
Priority Rating "A,B,C"	A

Priority Rating

A - Immediate (Health & Safety, Structural)
B - Needed Benefit, But not Critical to operation of system
C - Long Term Goal