

Village of Blissfield Sewer Rate Report

May 1, 2023



Prepared By:

Name	Title	Employer	Email
Bradon Hudson	Treasurer	Village of Blissfield	treasurer@blissfieldmichigan.gov
Danielle Gross	Village Manager	Village of Blissfield	administrator@blissfieldmichigan.gov
Randy Retan	WWTP Operator	Village of Blissfield	wastewaterplant@blissfieldmichigan.gov

BACKGROUND INFORMATION STARTING SHEET

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

Name of Community :	Blissfield Sewer
Population Served :	3300
BUDGET USED FOR YEAR OF	2023
<u>Current Rate Structure</u>	
Are bills based on 1,000 gallons units or 100 cubic feet units?	1,000
Number of Residential Customer Invoices per Year	12
What are the dates of the Fiscal Year	October 1st
Year of Last Rate Increase	2022
<i>This rate evaluation was completed using the following information</i>	
Reliability Study / General Plan	N/A
Capital Improvement Plan	Yes
Water Tower Inspection Report	Yes
Well Inspection Report	N/A
System Evaluations (MDEQ etc)	No
Audits	No
List the names of the different Entities Served -	
Originating Entity	Blissfield Sewer
2nd Entity	Out of Town
3rd Entity	Greenplains

Blissfield Sewer CURRENT RATE CHARGES					
Customers Are Invoice MONTHLY PER					
RATE CLASS 1					
Blissfield Sewer					
TYPE OF WATER UNITS	1,000 GALLONS	Notes			
COST PER WATER UNIT	\$6.18				
INVOICES PER YEAR	12				
METER SIZE - INCHES	CURRENT "BASE RATE" CHARGE	NUMBER OF METERS	INVOICE FREQUENCY	ANNUAL INCOME	
3/4	\$53.56	1676	12	\$1,077,199	
1	\$89.45	12	12	\$12,881	
1 1/2	\$178.35	4	12	\$8,561	
2	\$285.16	8	12	\$27,375	
3	\$571.49	2	12	\$13,716	
4	\$892.85	6	12	\$64,285	
TOTALS		1708		\$1,204,017	

RATE CLASS 2					
Out of Town					
TYPE OF WATER UNITS	1,000 GALLONS	Ratio Entity # 2 vs. 1	Notes		
COST PER WATER UNIT	\$12.36	2.00			
INVOICES PER YEAR	12				
METER SIZE - INCHES	CURRENT "BASE RATE" CHARGE	Ratio Entity # 2 vs. 1	NUMBER OF METERS	INVOICE FREQUENCY	ANNUAL INCOME
3/4	\$107.12	2.00	0	12	\$0
1	\$178.89			12	\$0
1 1/2	\$356.71			12	\$0
2	\$570.95			12	\$0
3	\$1,142.97			12	\$0
4	\$1,785.69			12	\$0
			0		\$0

Current Rate Charges CUSTOMIZE THIS FOR EACH COMMUNITY

Currently customers are charged based on two factors

Consumption Charge, Which is based on gallons 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 / sewer at the listed price.

A "Base Rate" charge based of \$ XX for a 3/4" meter, this fee increases based on the size of the customers water meter, which is listed in inches. Some customers are invoiced monthly, others quarterly/ **The number of meters listed above does NOT include irrigation meters which are not invoiced a "Base Rate" charge.**

MICHIGAN RURAL WATER ASSOCIATION RATE EVALUATION PROGRAM

Blissfield Sewer			
NON-SALES INCOME			
NON-SALES INCOME	2021	2022	2023
Interest			\$ 750
Late charges			\$ 18,000
TOTAL INCOME (NON SALES)	\$ -	\$ -	\$ 18,750
Portion of (Non Sales) Revenue <u>Guaranteed</u> :			\$ -
Percent Applied Towards Fixed Rate RTS Charge - PERCENT applied per REU			100%
ANNUAL DOLLARS APPLIED TOWARDS FIXED BUDGET - BASE RATE - RTS			\$ -
ANNUAL DOLLARS APPLIED TOWARDS VARIABLE BUDGET - PER UNIT			\$ -

MICHIGAN RURAL WATER ASSOCIATION RATE EVALUATION PROGRAM

LABOR & BENEFITS		PROPOSED BUDGET FOR NEXT FISCAL YEAR
Blissfield Sewer		2023
2023		RATE BUDGET ANNUAL BUDGETED
LABOR & BENEFITS		
Sewer Department		
WWTP Wages		\$192,000
DPW Wages		\$15,000
Benefits		\$17,000
Retirement		\$34,000
Health Insurance		\$69,000
Dental		\$4,500
Disability/Life		\$1,500
HRA		\$12,000
Workers Comp		\$3,800
Eyecare Insurance		\$600
Sewer Collection		
Wages		\$31,500
Benefits		\$2,500
Retirement		\$5,250
Health Insurance		\$10,000
Dental		\$1,200
Disability/Life		\$400
HRA		\$1,500
Workers Comp		\$1,500
Eyecare Insurance		\$400
LABOR & BENEFITS		\$403,650
LABOR & BENEFITS - ADMINISTRATION- BILLING ETC		
Admin Assist/Clerk/Treasurer Wages		\$51,000
Administrator		\$27,000
Council Wages		\$6,500
Benefits		\$7,250
Retirement		\$12,000
Health Insurance		\$15,000
Dental		\$1,200
Disability/Life		\$600
HRA		\$6,000
Workers Comp		\$500
Payroll Expenses		\$1,000
Eyecare Insurance		\$250
LABOR & BENEFITS - ADMINISTRATION- BILLING ETC		\$128,300
LABOR & BENEFITS		\$403,650
SUB-TOTAL EXPENSES		\$531,950
Additional Cost of Inflation Increase		0.00%
LABOR & BENEFITS		\$531,950
ARE EMPLOYEES MAKING A LIVABLE WAGE AND RECEIVING INCREASES ANNUALLY?		

MICHIGAN RURAL WATER ASSOCIATION RATE
EVALUATION PROGRAM

OPERATION & MAINTENANCE EXPENSES		PROPOSED BUDGET FOR NEXT FISCAL YEAR
2023		2023
Blissfield Sewer		RATE BUDGET
SYSTEM EXPENSES		ANNUAL BUDGETED
Sewer Department		
Office Supplies		\$1,000
Tools and Supplies		\$7,500
Chemicals		\$15,000
Lab Chemicals		\$3,000
Lab Equipment		\$8,000
Clothing		\$2,000
Outside Contractors		\$75,000
WWTP Engineering		\$40,000
Telephone		\$2,000
Insurance		\$15,000
Electric		\$120,000
Gas		\$6,000
Water		\$15,000
Sewer		\$15,000
Building Maintenance		\$6,000
Equipment Maintenance		\$20,000
Equipment Rental		\$1,500
Samples		\$0
Miscellaneous		\$7,500
Education		\$3,000
Dumpster Liners		\$0
Dumpster Waste		\$0
Maintenance Agreements		\$500
Collection		
Clothing		\$1,000
Lift Station		\$15,000
Outside Contractors		\$33,000
Telephone		\$1,100
Electric		\$15,000
Gas		\$1,500
Equipment Rental		\$7,500
Insurance		\$2,000
Tools and Supplies		\$2,000
Misc.		\$1,000
Education		\$2,500
Administration		
Attorney		\$15,000
Outside Contractor		\$5,000
Ordinances		\$2,500
Office Supplies		\$5,000
Postage		\$500
Printing/Publishing		\$200
Bank Fees		\$200
Auditor		\$10,000
Telephone		\$800
Maintenance Agreement		\$1,000
Education		\$2,000
Municipal Building Loan		\$18,300
Franklin Street Bond		\$0
Misc		\$1,000
SYSTEM EXPENSES		\$506,100
SUBTOTAL OPERATIONAL EXPENSES		\$506,100
CONTINGENCY		\$0
SUBTOTAL		\$506,100
COST OF INFLATION INCREASE		0.00%
OPERATION & MAINTENANCE EXPENSES		\$506,100

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.

Blissfield Sewer		Notes on loans		
2023				
BOND INSTALLMENT ANNUAL PAYMENT SCHEDULE				
NAME OF LOAN		WWTP Improvement	WWTP Inprove 2022 A	WWTP Inprove 2022 B
PAID BY RATES OR OTHER ?		Rates	Rates	Rates
IF OTHER - SOURCE				
IF OTHER - \$ CONTRIBUTION FROM OTHER				
DATE OF ISSUE		1/1/1999	2021	2021
DATE OF MATURITY		1/1/2028	2061	2061
IS THERE A RESERVE REQUIREMENT				
WHAT IS THE REQUIRED ANNUAL RESERVE \$				
CURRENT BALANCE IN THE REQUIRED RESERVE				
DATE OF - PRINCIPAL & INTEREST PAYMENT		7/1/2022		
\$ AMOUNT OF THIS INTEREST PAYMENT		\$11,210	\$41,975	\$7,166
\$ AMOUNT OF PRINCIPAL THIS PAYMENT		\$45,000	\$134,000	\$26,000
DATE OF - INTEREST PAYMENT		1/1/2022		
\$ AMOUNT OF THIS INTEREST PAYMENT		\$11,210	\$41,975	\$7,166
CURRENT CASH BALANCE IN THIS ACCOUNT				
ORIGINAL LOAN AMOUNT			\$6,849,000	\$1,300,000

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
	WWTP Improvement	WWTP Inprove 2022 A	WWTP Inprove 2022 B
2022	\$67,420	\$217,950	\$40,333
2023	\$64,820	\$218,275	\$40,040
2024	\$67,220	\$218,575	\$40,748
2025	\$64,360	\$218,850	\$40,444
2026	\$66,500	\$218,100	\$40,140
2027	\$68,380	\$218,338	\$40,836
2028		\$218,550	\$40,521
2029		\$218,738	\$40,206
2030		\$218,900	\$40,891
2031		\$219,038	\$40,565
2032		\$218,150	\$40,239
2033		\$218,250	\$40,913
2034		\$218,325	\$40,575
2035		\$218,375	\$40,238
2036		\$218,400	\$40,900
2037		\$218,400	\$40,551
2038		\$218,375	\$40,203
2039		\$218,325	\$40,854
2040		\$218,250	\$40,494
2041		\$219,150	\$40,134
PAID OFF IN YEAR OF	2027	2061	2061

USDA RURAL DEVELOPMENT RESERVE REQUIREMENT					
Blissfield Sewer		ANNUAL RRI PAYMENT		RRI ANNUAL	CURRENT BALANCE
USDA RURAL DEVELOPMENT BOND RESERVE		WWTP Improvement 2022 A		\$30,563	
LOAN / BOND NAME:	WWTP Improvement 2022 A		0	\$0	
ANNUAL BOND RESERVE PAYMENT				ANNUAL BOND RESERVE PAYMENT	BOND RESERVE ANNUAL
LOAN ORIGINATION YEAR		2021		ENDING YEAR	
ENDING YEAR FOR BOND RESERVE CONTRIBUTION		2031		2031	
STARTING BALANCE BOND RESERVE ACCOUNT		25917		0	
SAVINGS INTEREST RATE				\$0	
BOND RESERVE ACCOUNT GOAL		\$259,170		10	
ANNUAL RRI RESERVE PAYMENT		\$30,563		CURRENT RESERVE BALANCE APPLIED TO OTHER RESERVES	
ENDING YEAR FOR RRI RESERVE PAYMENT		2061		AVG. INTEREST RATE IN SAVINGS	
				\$ -	
				0.10%	
RRI RESERVES ARE TYPICALLY APPLIED TO EQUIPMENT REPLACEMENT FUNDS					
YEAR	PURPOSE	PURCHASE WITHDRAWAL	ANNUAL RESERVE PAYMENT	END OF YEAR BALANCE	
2023			\$30,563	\$30,594	
2024			\$30,563	\$61,218	
2025			\$30,563	\$91,873	
2026			\$30,563	\$122,558	
2027			\$30,563	\$153,274	
2028			\$30,563	\$184,021	
2029			\$30,563	\$214,798	
2030			\$30,563	\$245,607	
2031			\$30,563	\$276,446	
2032			\$56,480	\$333,259	
2033			\$56,480	\$390,129	
2034			\$56,480	\$447,055	
2035			\$56,480	\$504,039	
2036			\$56,480	\$561,079	
2037			\$56,480	\$618,177	
2038			\$56,480	\$675,332	
2039			\$56,480	\$732,543	
2040			\$56,480	\$789,812	
2041			\$56,480	\$847,139	
2042			\$56,480	\$904,522	
2043			\$56,480	\$961,963	
2044			\$56,480	\$1,019,462	
2045			\$56,480	\$1,077,018	
2046			\$56,480	\$1,134,631	
2047			\$56,480	\$1,192,302	
2048			\$56,480	\$1,250,031	
2049			\$56,480	\$1,307,818	
2050			\$56,480	\$1,365,662	

The "Bond Reserve Account" Annual Payment is dictated in the original loan agreement with Rural Development. It is usually set to accumulate one full year's loan payment over a ten year period. Once the bond reserve account reaches one full annual loan payment (principal & interest), the annual bond reserve payment is typically added to the RRI annual payment. Check the Loan Agreement for details.

BOND RESERVE	\$25,917
REPAIR REPLACEMENT & IMPROVEMENT	\$30,563
TOTAL FOR BUDGET	\$56,480
TOTAL BOND RESERVE	\$25,917
TOTAL RRI RESERVE	\$30,563
TOTAL RESERVE	\$56,480

THESE RESERVE AMOUNTS ARE AUTOMATICALLY ADDED INTO THE EQUIPMENT REPLACEMENT FUND PAGE

MICHIGAN RURAL WATER ASSOCIATION RATE EVALUATION PROGRAM

Blissfield Sewer	
LOANS, BONDS, INTEREST, ANNUAL PAYMENT	
WWTP Improvement	\$67,420
WWTP Improve 2022 A	\$217,950
WWTP Improve 2022 B	\$40,333
USDA (Rural Development) BOND RESERVE ?	
TOTAL ANNUAL PAYMENTS	\$ 325,703.00
No Tax revenue or special assessment revenue is applied to these payments	
PROPOSED NEW DEBT - TOTAL FUNDED	\$ -
INTEREST RATE	0.000%
LENGTH OF LOAN (YEARS)	0
ANNUAL PAYMENT	0
TOTAL DEBT - NEW & CURRENT	<u>\$325,703</u>
WHAT YEAR IS LOAN PAID OFF	2061
IS DEBT LISTED SEPARATELY ON WATER BILL	No
IF USDA RD LOAN ANNUAL RESERVE FUNDING	\$53,983

List any additional notes on the loans here.

MICHIGAN RURAL WATER ASSOCIATION RATE EVALUATION PROGRAM

Please be sure to review the results of this evaluation with your community's attorney						
CALCULATED RESULTS OF WATER RATE ANALYSIS						2023
Blissfield Sewer	ANNUAL BUDGET	PERCENT FIXED EXPENSES	BASE RATE FIXED EXPENSES	COST PER 3/4 METER	CONSUMPTION VARIABLE EXPENSES	VOLUME COST PER UNIT
LABOR & BENEFITS	\$531,950	70%	\$372,365	\$16.56	\$159,585	\$2.39
OPERATION & MAINTENANCE EXPENSES	\$506,100	70%	\$354,270	\$15.76	\$151,830	\$2.27
SUBTOTAL OPERATIONAL EXPENSES	\$1,038,050		\$726,635	\$32.32	\$311,415	\$4.66
WWTP Improvement	\$67,420	70%	\$47,194	\$2.10	\$20,226	\$0.30
WWTP Improve 2022 A	\$217,950	100%	\$217,950	\$9.70	\$0	\$0.00
WWTP Improve 2022 B	\$40,333	100%	\$40,333	\$1.79	\$0	\$0.00
WWTP Improvement 2022 A RRI	\$30,563	100%	\$30,563	\$1.36	\$0	\$0.00
WWTP Improvement 2022 A BOND RESERVE	\$25,917	100%	\$25,917	\$1.15	\$0	\$0.00
SUBTOTAL LOANS	\$382,183		\$361,957	\$16.10	\$20,226	\$0.30
TOTAL REGULAR EXPENSES	\$1,420,233		\$1,088,592	\$48.43	\$331,641	\$4.97
NON OPERATING INCOME REDUCTION PER REU / UNIT				\$0.00		\$0.00
RATE CHARGE FOR O&M AND LOANS				\$48.43		\$4.97
CURRENT RATE				\$53.56		\$6.18
INCREASE				(\$5.13)		(\$1.21)
PERCENT INCREASE				-10%		-20%
OVERALL PERCENT INCREASE FOR GALLONS OF	4,000		5%			
EQUIPMENT REPLACEMENT COLLECTION ASSETS	\$56,480	62%	\$35,018	\$1.56	\$21,462	\$0.32
EQUIPMENT REPLACEMENT TREATMENT	\$0	50%	\$0	\$0.00	\$0	\$0.00
CAPITAL IMPROVEMENT PROJECTS	\$210,000	50%	\$105,000	\$4.67	\$105,000	\$1.57
SUBTOTAL RESERVES	\$266,480		\$140,018	\$6.23	\$126,462	\$1.89
ADOPTED BUDGET	\$1,686,713		\$1,228,610	\$54.65	\$458,103	\$6.86
CURRENT REVENUE	\$1,672,809		73%		27%	
NON OPERATING INCOME REDUCTION CONTRIBUTION				\$0		\$0
REVENUE COLLECTED THROUGH RATES				\$1,686,713		\$458,103
NON OPERATING INCOME REDUCTION PER REU / UNIT				0.00		0.00
CALCULATED RATE PER 3/4 METER PER MONTH				\$54.65	1,000 GAL.	\$6.86
ANNUAL EQUIVALENT REU'S 22,480			CURRENT RATES	\$53.56		\$6.18
ANTICIPATED GALLONS INVOICED 66,763,175			INCREASE OF	\$1.09		\$0.68
INVOICES PER YEAR 12			PERCENT INCREASE	2.0%		11.0%
TOTAL NUMBER OF CUSTOMERS / METERS 1,708			Out of Town	\$109.31		\$13.72
ANTICIPATED EQUIVALENT GALLONS / UNITS 66,763						
GALLONS USED 4,000						
AMOUNT OF BILL \$82.10						
PERCENT INCREASE 5%						
			EVERY MILLION GALLONS GENERATES REVENUE OF			\$6,862
DOES THE COST PER "UNIT / WATER" INCLUDE INCLINING OR DECLINING RATES?	NO		ADDITIONAL REVENUE GENERATED	\$24,593		\$45,507
GALLONS INCLUDED WITH THIS CALCULATED BASE RATE?	NO		COMBINED ADDITIONAL REVENUE GENERATED	\$70,100		
IS BASE RATE PER REU, - OR PER METER SIZE?	METER SIZE		\$1.00 INCREASE GENERATES	\$22,480		\$66,763
					NON METERED	\$54.65