

VILLAGE OF PAW PAW

111 East Michigan Avenue, P.O. Box 179, Paw Paw, Michigan 49079

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MEMORANDUM

TO: Village of Paw Paw Wastewater System Customers
FROM: Larry Nielsen, Manager
RE: Sanitary Sewer SRF Financing Plan Rate Increase
DATE: January 6, 2016

At the September 28, 2015 meeting of the Village Council, the Council approved, unanimously, a sanitary sewer project financing plan. The financing plan called for the Village to contribute \$2.5 million to the improvement project and borrow the rest from the State Revolving Loan Fund. Of the borrowed funds, \$4,606,232.42, \$500,000 would be forgiven, resulting in the balance, \$4,106,232.41, funded by the 30-year State Revolving Fund Loan. To complete the project, rate increases were approved as part of the financing plan. Effective January 1, 2016 the following rates are in place.

SANITARY SEWER RATES Beginning January 1, 2016:

Ready-to-Serve Fee (RTS) covering Operation and Maintenance of the system for all customers; rates and fees in \$-Dollars; non-residents 150%

<u>METER SIZE</u>	<u>Monthly RTS Fee</u>
Less than 1"	\$ 9.80
1"	\$ 14.78
1-1/2"	\$ 26.65
2"	\$ 48.47
3"	\$ 105.68
4"	\$ 187.64
6"	\$ 413.48

Commodity Charge covering the amount of Wastewater customers put into the collection system;

Commodity Rate Village Customers - \$3.26 / 1,000 gallons

Commodity Rate Non Village Resident Customers - \$4.89 / 1,000 gallons

COMPARING PAW PAW RESIDENTIAL WATER AND SEWER RATES WITH RATES IN 40 OTHER COMMUNITIES

Originally completed 10/12/2015 and updated with current Paw Paw Rates 1/1/2016

MUNICIPALITY	Population	WATER Rate Per 1,000 Gallons	WATER Monthly Ready-to-Service Charge	Monthly WATER Bill for 6,000 gallons	W R a a t i n e k r	Sanitary SEWER Rate Per 1,000 Gallons	Sanitary SEWER Monthly Ready-to-Service Charge	Monthly Sanitary Sewer Bill for 6,000 gallons	S R e a w n e k r	Combined Monthly Bill for WATER and SEWER	C o m b i n e d
Schoolcraft	1,525	\$ 4.39	\$ 17.36	\$ 43.70	6	\$ -	\$ -	\$ -	na	na	na
L'Anse	2,011	\$ 6.00	\$ 35.00	\$ 71.00	1	\$ 6.25	\$ 36.50	\$ 74.00	5	\$ 145.00	1
Almont	2,674	\$ 5.25	\$ 28.56	\$ 60.06	2	\$ 10.35	\$ 14.42	\$ 76.52	3	\$ 136.58	2
Constantine	2,076	\$ 2.00	\$ 4.70	\$ 16.70	36	\$ 14.05	\$ 15.85	\$ 100.15	1	\$ 116.85	3
Chelsea	4,944	\$ 6.44	\$ 7.79	\$ 46.43	4	\$ 7.44	\$ 20.83	\$ 65.47	7	\$ 111.90	4
Cheasaning	2,394	\$ 4.46	\$ 8.10	\$ 34.86	15	\$ 11.63	\$ 6.50	\$ 76.28	4	\$ 111.14	5
Jonesville	2,258	\$ 2.05	\$ 16.03	\$ 28.33	21	\$ 8.45	\$ 27.69	\$ 78.39	2	\$ 106.72	6
Williamston	3,854	\$ 3.38	\$ 25.36	\$ 45.64	5	\$ 5.97	\$ 21.64	\$ 57.46	10	\$ 103.10	7
Niles	11,600	\$ 3.02	\$ 10.25	\$ 28.37	20	\$ 11.70	\$ 2.57	\$ 72.77	6	\$ 101.14	8
South Haven	4,403	\$ 2.90	\$ 31.78	\$ 49.18	3	\$ 3.58	\$ 22.28	\$ 43.76	17	\$ 92.94	9
Cass City	2,428	\$ -	\$ 36.15	\$ 36.15	14	\$ -	\$ 50.46	\$ 50.46	13	\$ 86.61	10
Corunna	3,497	\$ 3.10	\$ 20.60	\$ 39.20	11	\$ 3.30	\$ 26.65	\$ 46.45	16	\$ 85.65	11
Buchanan	4,456	\$ 3.75	\$ -	\$ 22.50	27	\$ 6.76	\$ 19.37	\$ 59.93	9	\$ 82.43	12
Lawrence	996	\$ 4.45	\$ 12.94	\$ 39.64	9	\$ 4.92	\$ 13.26	\$ 42.78	19	\$ 82.42	13
Gladwin	2,933	\$ 2.55	\$ 5.80	\$ 21.10	30	\$ 6.70	\$ 20.54	\$ 60.74	8	\$ 81.84	14
Dexter	4,067	\$ 3.44	\$ 7.63	\$ 28.27	22	\$ 7.12	\$ 8.76	\$ 51.48	12	\$ 79.75	15
Oxford	3,436	\$ 3.96	\$ 16.45	\$ 40.21	8	\$ 1.75	\$ 29.00	\$ 39.50	24	\$ 79.71	16
Hudson	2,307	\$ 2.75	\$ 14.85	\$ 31.35	17	\$ 4.50	\$ 16.70	\$ 43.70	18	\$ 75.05	17
Mattawan	1,997	\$ 3.97	\$ 2.80	\$ 26.62	24	\$ 5.68	\$ 13.17	\$ 47.25	15	\$ 73.87	18
Blissford	3,340	\$ 3.34	\$ 21.67	\$ 41.71	7	\$ 2.93	\$ 14.45	\$ 32.03	34	\$ 73.74	19
Leslie	1,951	\$ 3.82	\$ 14.31	\$ 37.23	12	\$ 3.62	\$ 13.94	\$ 35.66	27	\$ 72.89	20

Vicksburg	2,906	\$ 2.90	\$ 22.20	\$ 39.60	10	\$ 3.95	\$ 9.55	\$ 33.25	30	\$ 72.85	21
Bangor	1,885	\$ 2.79	\$ 12.25	\$ 28.99	19	\$ 6.26	\$ 3.01	\$ 40.57	20	\$ 69.56	22
East Tawas	2,808	\$ 4.00	\$ 12.30	\$ 36.30	13	\$ 3.40	\$ 12.00	\$ 32.40	31	\$ 68.70	23
Adrian	21,133	\$ 3.34	\$ 9.32	\$ 29.36	18	\$ 4.34	\$ 13.00	\$ 39.04	25	\$ 68.40	24
Clinton	2,336	\$ 1.38	\$ 6.00	\$ 14.28	39	\$ 6.75	\$ 13.00	\$ 53.50	11	\$ 67.78	25
Manchester	2,091	\$ 2.96	\$ 7.05	\$ 24.81	25	\$ 3.51	\$ 19.45	\$ 40.51	21	\$ 65.32	26
Lawton	1,900	\$ 0.80	\$ 9.20	\$ 14.00	40	-	\$ 50.00	\$ 50.00	14	\$ 64.00	27
Bronson	2,349	\$ 1.30	\$ 13.00	\$ 20.80	32	\$ 1.43	\$ 31.80	\$ 40.38	22	\$ 61.18	28
Paw Paw 1-1-2016 Rates	3,534	\$ 2.75	\$ 15.15	\$ 31.65	16	\$ 3.26	\$ 9.80	\$ 29.36	36	\$ 61.01	29
Hartford	2,688	\$ 2.20	\$ 14.67	\$ 27.87	23	\$ 4.40	\$ 4.58	\$ 30.98	35	\$ 58.85	30
Fowlerville	2,886	\$ -	\$ 18.96	\$ 18.96	35	\$ -	\$ 37.25	\$ 37.25	26	\$ 56.21	31
Otsego	3,956	\$ 1.83	\$ 3.56	\$ 14.54	38	\$ 5.82	\$ 5.43	\$ 40.35	23	\$ 54.89	32
Plainwell	3,804	\$ 2.19	\$ 7.72	\$ 20.86	31	\$ 5.26	\$ 2.34	\$ 33.90	28	\$ 54.76	33
Dowagiac	5,879	\$ 2.25	\$ 8.25	\$ 21.75	29	\$ 3.06	\$ 13.85	\$ 32.21	32	\$ 53.96	34
Wayland	4,079	\$ 1.98	\$ 7.75	\$ 19.63	33	\$ 3.57	\$ 12.42	\$ 33.84	29	\$ 53.47	35
Tecumseh	8,521	\$ 1.79	\$ 8.26	\$ 19.00	34	\$ 4.40	\$ 5.73	\$ 32.13	33	\$ 51.13	36
Morenci	2,220	\$ 2.40	\$ 7.62	\$ 22.02	28	\$ 3.37	\$ 7.62	\$ 27.84	37	\$ 49.86	37
Decatur	1,819	\$ 1.37	\$ 16.00	\$ 24.22	26	\$ -	\$ 18.94	\$ 18.94	39	\$ 43.16	38
Milan	5,836	\$ 2.55	\$ 1.31	\$ 16.61	37	\$ 4.00	\$ 1.31	\$ 25.31	38	\$ 41.92	39
Average	3,794	\$ 3.05	\$ 14.18	\$ 30.84		\$ 5.53	\$ 17.52	\$ 46.83		\$ 77.34	

Notes:

* Some of the rates from other communities may have changed since it was first collected.

PAW PAW WATER RATE: 15 have higher rates and 24 have lower rates.

PAW PAW WATER RATE 81 cents higher per month than the average monthly payment.

PAW PAW SANITARY SEWER RATE: 35 have higher rates and 3 have lower rates.

PAW PAW SANITARY SEWER RATE is \$17.47 below the average monthly payment.

PAW PAW COMBINED Rates: 28 have higher rate and 10 have lower rates.

PAW PAW COMBINED RATE is \$16.33 lower than the average monthly payment for water and sewer.

* Some of the above have flat fees for San. Sewer or Water or both.

* Some of the above bill in 100 cubic feet (748 gallons) but were converted to 1,000 gallons for comparisons.

* Some data is from 2014 and 2015

* Schoolcraft does not provide sanitary sewer but the water rates are reflected above.

Converting 100 cubic feet (748 gallons) to rate per 1,000 gallons: $(rate/748) \times 1000 = rate\ per\ 1,000\ gallons$