



AGENDA

SPECIAL MEETING OF THE VILLAGE COUNCIL - WATER AND SEWER RATES

Thursday, June 18, 2026

6:00 PM

Village Hall – 21 East Church Street, Lake Orion, MI 48362

(248) 693-8391 ext. 102

PURPOSE OF THE MEETING: Discuss FY 2026-2027 Water and Sewer Rates

1. Call to Order
2. Roll Call and Determination of Quorum
3. Call to the Public
4. Other Items
 - A. Proposed FY 2026-27 Water and Sewer Rates Review
5. Call to the Public
6. Adjournment

In the spirit of compliance with the Americans with Disabilities Act, individuals with a disability should feel free to contact the Village, at least three (3) business days in advance of the meeting, if requesting accommodations. The Village of Lake Orion will provide foreign language or hearing impaired interpretation services for those individuals who contact the village to request such services at least seven (7) days prior to the meeting.

En el espíritu de la observancia de la Ley de Estadounidenses con Discapacidades, las personas con discapacidad debe sentirse libre para ponerse en contacto con el pueblo, por lo menos tres (3) días hábiles de antelación a la fecha de la reunión, si se solicitan alojamiento. El municipio de Lake Orion proporcionará idioma extranjero o personas con problemas de audición servicios de interpretación para las personas que se ponen en contacto con el pueblo de solicitar dichos servicios con no menos de siete (7) días antes de la reunión.



COUNCIL ACTION SUMMARY SHEET

MEETING DATE: June 18, 2026

TOPIC Proposed FY 2026-27 Water and Sewer Rates Review

BACKGROUND BRIEF:

Council is scheduled to receive a presentation from Public Works Director Sanchez on the proposed FY 2026-27 water and sewer rates and to make any modifications to the rates that Council deems appropriate prior to the June 22 public hearing on the rates. As Council is aware, the Public Works Director inputs assumptions and data into the water and sewer rates models to generate the calculations on the rates needed to fully fund the operations, maintenance, capital improvements, and debt retirement of the water and sewer systems. Council has the opportunity to provide input into the assumptions and data to determine the final proposed rates.

This year, Director Sanchez will be presenting work sheets that show both the quarterly cost to customers based on the proposed rates as well as monthly costs since we will be transitioning to monthly water bills in July (August billing).

Attached are the relevant worksheets from the rate model based on Director Sanchez's initial assumptions and data.

SUMMARY OF PREVIOUS COUNCIL ACTION:

None

FINANCIAL IMPACT:

Please refer to the water and sewer rate worksheets provided by Public Works Director Sanchez.

RECOMMENDED MOTION:

None (unless Council wishes to modify assumptions, data, and resulting proposed rates)

VILLAGE OF LAKE ORION
COUNTY OF OAKLAND
STATE OF MICHIGAN

RESOLUTION NO. 2026 - ____

A RESOLUTION ESTABLISHING SEWER AND WATER FEES AND CHARGES PURSUANT TO
CHAPTERS 51 AND 53 OF THE VILLAGE OF LAKE ORION CODE OF ORDINANCES.

WHEREAS, Chapter 51 of the Village of Lake Orion Code of Ordinances permits the Village Council to establish certain sewer fees and charges by resolution of the Village Council at a regular meeting after a public hearing; and

WHEREAS, Chapter 53 of the Village of Lake Orion Code of Ordinances permits the Village Council to establish certain water fees and charges by resolution of the Village Council at a regular meeting after a public hearing; and

WHEREAS, The Village Manager has submitted recommendations on necessary adjustments to water and sewer fees and charges; and

WHEREAS, The Lake Orion Village Council held a public hearing on the proposed water and sewer fees and charges pursuant to Village code on June 22, 2026;

NOW, THEREFORE, BE IT RESOLVED that the Lake Orion Village Council does hereby establish the following sewer and water fees and charges pursuant to Chapters 51 and 53 of the Village of Lake Orion Code of Ordinances effective July 1, 2026, unless otherwise indicated:

SEWER FEES AND CHARGES

1. Capital Connection Charges:

- a. \$1,000.00 per connection if paid in cash; \$1,500.00 per connection if payment deferred (pursuant to Section 51.25(A))
- b. ~~\$3,000.00~~ **\$3,093.00** for the first residential equivalent unit (REU); ~~\$300.00~~ **\$309.00** for each additional unit or fraction thereof (pursuant to Section 51.25(B)) effective upon adoption of this resolution and to increase by three percent (3%) on each July 1 thereafter

2. Lateral Benefit Fees:

- a. \$2,500.00 per connection if paid in cash; \$3,750.00 per connection if payment deferred (pursuant to Section 51.26(A))

- b. ~~\$3,713.00~~ **\$3,828.00** per connection (pursuant to Section 51.26(B)), with said fee to increase by three percent (3%) on each July 1 thereafter

3. Sewage Disposal Charges:

a. Metered usage charges:

- i. ~~\$8.97~~ **\$9.46** per unit

b. Residential Unmetered usage charges (equal to base cost and cost for 33.42 units plus 10%):

- i. ~~\$537.00~~ **\$570.69** per quarter

c. Quarterly base surcharge (per quarter) regardless of whether water is on or off:

- i. Metered up to 1" - ~~\$164.70~~ **\$254.54**

- ii. Metered 1" - ~~\$292.80~~ **\$453.08**

- iii. Metered 1.5" - ~~\$658.80~~ **\$1,018.16**

- iv. Metered 2" - ~~\$1,171.21~~ **\$1,809.78**

- v. Metered 3" - ~~\$2,635.22~~ **\$4,072.64**

d. Industrial Waste Control (IWC) Charges – Set by Great Lakes Water Authority (schedule attached)

e. Pollutant Surcharges – Set by Great Lakes Water Authority (schedule attached)

4. Debt charges – Included in ready-to-serve charge

5. Permit and inspection fees – Set by Oakland County Water Resources Commissioner's Office

6. Service or Repairs to Private Property or Lines – Set by Oakland County Water Resources Commissioner's Office

WATER FEES AND CHARGES

1. Water Tap and Meter Fees:

- a. $\frac{3}{4}$ " tap - ~~\$2,700.00~~ **\$2,784.00**

- b. 1" tap - ~~\$3,000.00~~ **\$3,093.00**

- c. 1-1/2" tap - ~~\$3,900.00~~ \$4,021.00
- d. 2" tap - ~~\$5,100.00~~ \$5,258.00
- e. Greater than 2" tap - ~~\$6,800.00~~ \$7,010.00 tap fee. Customer is responsible for making the tap and to pay for the meter at cost plus 20% administrative fee

2. Quarterly Ready to Serve Charges (per quarter) regardless of whether water is on or off:

- a. Metered up to 1" - ~~\$97.66~~ \$91.75
- b. Metered 1" - ~~\$122.08~~ \$163.12
- c. Residential unmetered - ~~\$122.08~~ \$163.12
- d. Metered 1.5" - ~~\$341.78~~ \$367.01
- e. Metered 2" - ~~\$654.28~~ \$652.47
- f. Metered 3" - ~~\$1,464.89~~ \$1,468.06

3. Water Usage Charges: ~~\$7.30~~ \$6.32 per unit

4. Water Turn-On and Turn-Off Charge - \$75.00

5. Bulk Water Sales - \$6.00 per day base charge plus \$8.50 per 1,000 gallons or fraction thereof

6. Equipment Charges (e.g, frost plate, new MXU, new meter or parts) – Actual Cost

7. Overtime Labor Charge – Actual cost for hourly labor rate, including fringe benefits

8. Meter Repair Charge – Actual labor and material costs

9. Cross Connection Inspection Fee - Actual contractor cost plus 10% administrative fee

10. Service or Repairs to Private Property, Meters, or Lines - Actual labor, material, and equipment cost plus ten percent (10%) administrative fee; contractual overtime labor charges apply outside of regular working hours

BE IT FURTHER RESOLVED that these rates shall automatically adjust annually by three percent (3%) unless Village Council establishes other rates by resolution at a regular meeting after a public hearing.

THIS RESOLUTION WAS DULY ADOPTED BY THE LAKE ORION VILLAGE COUNCIL AFTER PUBLIC HEARING ON JUNE 22, 2026.

Sonja Stout, Village Clerk

Village of Lake Orion Water system**CURRENT RATE CHARGES & NUMBER OF CUSTOMERS**Customers Are Invoiced **QUARTERLY PER****CURRENT CHARGES RATE CLASS 1****Village of Lake Orion Water system**

TYPE OF UNITS INVOICED	100 CUFT	NOTES		
COST PER 100 CUBIC FT.	\$7.30			
INVOICES PER YEAR	4			
METER SIZE IN INCHES	CURRENT "BASE RATE" CHARGE \$	NUMBER OF METERS / REU'S	INVOICES PER YEAR	ANNUAL INCOME
3/4	\$97.66	1188	4	\$464,080
1	\$122.08	283	4	\$138,191
1 1/2	\$341.78	31	4	\$42,381
2	\$654.28	17	4	\$44,491
3	\$1,464.89	3	4	\$17,579
4			4	\$0
6			4	\$0
8			4	\$0
10			4	\$0
12			4	\$0
TOTALS		1522		\$706,722

METER EQUIVALENTS BY SIZE AND COST RATIO**100%**

2026 YEAR 1	CURRENT CHARGES RATE CLASS 1					
	Village of Lake Orion Water system					
METER SIZE IN INCHES	NUMBER OF METERS / REU'S	INVOICE FREQUENCY	TOTAL CUSTOMERS ALL ENTITIES	SELECTED METER EQUIVALENT	CALCULATED METER EQUIVALENT USED	ANNUAL METER EQUIVALENTS
3/4	1188	4	1188	1.00	1.00	4,752
1	283	4	283	1.78	1.78	2,012
1 1/2	31	4	31	4.00	4.00	496
2	17	4	17	7.11	7.11	484
3	3	4	3	16.00	16.00	192
4	0	4	0	0.00	0.00	
6	0	4	0	0.00	0.00	
8	0	4	0	0.00	0.00	
10	0	4	0	0.00	0.00	
12	0	4	0	0.00	0.00	
TOTAL	1522		1522			

A 3/4 inch meter or pipe has an area of .442 square inches.

If the 3/4 inch meter is considered the standard meter for a residential customer then it becomes 1 Meter Equivalent.

A 3/4 inch meter / pipe is equivalent to .442 inches. Larger meter / pipe diameters are converted to square inches and divided by .442 to determine the number of Meter Equivalent units.

For instance a 1 inch meter is .785 square inches.

When you divide .785 square inches by .442 square inches you get 1.78. Thus a 1 inch meter when compared to a 3/4 inch meter has an Meter Equivalent

RATE CALCULATION 7,936

Village of Lake Orion Water system

BALANCE PER BOOKS

CHECKING ACCOUNTS

Name of Account / Description		Balance
Cash savings - water/sewer fund	592-000-002-000	\$1,654,675.00
assets cash	592-000-001-000	\$17,323.00
Total Balance		\$1,671,998
RESTRICTED		\$0
TOTAL CASH BALANCE		\$3,864,514

APPLIED TO RESERVE ACCOUNTS

EQUIPMENT REPLACEMENT # 1	\$100,000
ASSET REPLACEMENT # 2	\$0
ASSET REPLACEMENT # 3	\$0
CAPITAL IMPROVEMENT	\$30,000
LAGOON CLEANING	\$0
TOTAL APPLIED TO RESERVE ACCOUNTS	\$130,000
BALANCE REMAINING FOR ANNUAL EXPENSES	\$3,734,514

Jun-26

GENERAL RESERVE ACCOUNTS

INCLUDING RRI, INTEREST & REDEMPTION - ETC

Name of Account / Description		Balance
investment/lcip county inv	592-000-010-000	\$2,118,522
cash savings- water sewer	592-000-002-001	\$6,526
cash-payroll savings	592-000-011-000	\$67,468
	Total Balance	\$2,192,516

MICHIGAN RURAL WATER ASSOCIATION RATE EVALUATION PROGRAM

Section 4, Item A.

PRIOR YEAR ACTUALS EXPENSES (COMPARISON PURPOSES ONLY)			Village of Lake Orion Water system	PROPOSED BUDGET FOR FISCAL YEAR	YEAR 2	YEAR 3	YEAR 4	YEAR 5
					PROJECTED BUDGET	PROJECTED BUDGET	PROJECTED BUDGET	PROJECTED BUDGET
			ANNUAL PERCENT INCREASE			3.00%	3.00%	3.00%
2024/2024 ACTUAL	2025/2026 Amended	ACCT #	OPERATING EXPENSES	2026	2027	2028	2029	2030
\$3,523	\$7,000	592-260-805-000	Audit Fees	\$3,605	\$3,713	\$3,825	\$3,939	\$4,057
\$0	\$2,000	592-260-852-000	Miss Dig	\$2,060	\$2,122	\$2,185	\$2,251	\$2,319
\$127,436	\$133,808	592-260-959-000	Financial Administration	\$68,911	\$70,978	\$73,108	\$75,301	\$77,560
\$19,143	\$66,266	592-556-701-000	Wages	\$68,254	\$70,302	\$72,411	\$74,583	\$76,820
\$297	\$4,000	592-556-701-013	Overtime	\$4,120	\$4,244	\$4,371	\$4,502	\$4,637
\$5,709	\$5,289	592-556-715-000	Social Security	\$5,448	\$5,611	\$5,780	\$5,953	\$6,132
\$11,677	\$13,860	592-556-716-000	Health Insurance- Medical	\$14,276	\$14,704	\$15,145	\$15,600	\$16,068
\$1,021	\$1,111	592-556-717-000	Life - Disability Insurance	\$1,145	\$1,179	\$1,215	\$1,251	\$1,289
\$1,589	\$1,596	592-556-718-000	Dental Insurance	\$1,644	\$1,693	\$1,744	\$1,796	\$1,850
\$93,226	\$92,281	592-556-719-000	Pension	\$95,049	\$97,900	\$100,837	\$103,863	\$106,978
\$273	\$274	592-556-721-000	Vision Care	\$282	\$290	\$299	\$308	\$317
\$1,337	\$2,600	592-556-722-000	Worker's Comp. Insurance	\$2,678	\$2,758	\$2,841	\$2,926	\$3,014
\$6,355	\$4,181	592-556-726-000	Supplies	\$4,000	\$4,120	\$4,244	\$4,371	\$4,502
\$145	\$1,500	592-556-741-000	Small Tools	\$1,500	\$1,545	\$1,591	\$1,639	\$1,688
\$561,040	\$534,618	592-556-745-000	Water Purchase -Orion Township		\$0	\$0	\$0	\$0
\$18,510	\$16,000	592-556-801-000	Contract Services	\$25,000	\$25,750	\$26,523	\$27,318	\$28,138
\$7,976	\$30,000	592-556-806-000	Engineering	\$15,000	\$15,450	\$15,914	\$16,391	\$16,883
\$99	\$160	592-556-813-000	Legal Service	\$165	\$170	\$175	\$180	\$186
\$0	\$3,000	592-556-931-000	Equip Repair & Maint - Misc.	\$3,090	\$3,183	\$3,278	\$3,377	\$3,478
\$6,653	\$7,500	592-556-931-001	Equip Repair & Maint - Hydrant	\$7,725	\$7,957	\$8,195	\$8,441	\$8,695
\$4,575	\$5,000	592-556-931-002	Equip Repair & Maint - Mains	\$5,150	\$5,305	\$5,464	\$5,628	\$5,796
\$915	\$5,000	592-556-931-003	Equip Repair & Maint - Meters	\$5,150	\$5,305	\$5,464	\$5,628	\$5,796
\$32,921	\$28,000	592-556-940-000	Equipment Rental	\$28,840	\$29,705	\$30,596	\$31,514	\$32,460
\$2,400	\$2,800	592-556-956-000	Dues & Miscellaneous	\$2,884	\$2,971	\$3,060	\$3,151	\$3,246
\$1,194	\$3,000	592-556-957-000	Education and Training	\$3,090	\$3,183	\$3,278	\$3,377	\$3,478
\$84,507	\$40,000	592-556-975-000	Capital Improvement	\$30,000	\$30,900	\$31,827	\$32,782	\$33,765
\$280,000	\$280,000	592-556-992-002	DRINKING WATER SRF BOND PRINCIPAL		\$0	\$0	\$0	\$0
\$93,995	\$88,496	592-556-995-000	DRINKING WATER SRF BOND INTEREST		\$0	\$0	\$0	\$0
		592-560-958-002	Water Depreciation		\$0	\$0	\$0	\$0
					\$0	\$0	\$0	\$0
\$1,366,514	\$1,379,340		TOTAL	\$399,066	\$411,038	\$423,369	\$436,070	\$449,152
DATE PROGRAM BLANK JANUARY 2023			33 EXPENSES					

Village of Lake Orion Water system

EQUIPMENT REPLACEMENT SHORT LIVED ASSETS

2026

SHORT LIVED ASSETS SOMEWHERE BETWEEN 0-15 OR 20 YEARS

FIXED ASSET INVENTORY						ASSET REPLACEMENT SCHEDULE							
THESE COLUMNS ARE OPTIONAL - HIDE THEM IF NOT USING													
EQUIPMENT LIST / MAINTENANCE ACTIVITY	DESCRIPTION / MAINTENANCE HISTORY	RATING GPM - ETC	MANUFACTURE MAKE / BRAND	MODEL #	LOCATION	ORIGINAL INSTALLATION YEAR OR LAST REHAB YEAR	ESTIMATED NORMAL INTENDED USEFUL LIFE	CURRENT AGE	NEXT ANTICIPATED REPLACEMENT YEAR	REMAINING LIFE - YEARS BEFORE REPLACEMENT	TOTAL REPLACEMENT COST	PERCENT OF ASSET LEFT	PERCENT CONSUMED
reliability study	updated every 5 yr.		NFE			2021	5	5	2026	0	\$3,000	0%	100%
5/8-3/4" meters	1197 meters @ \$120.00 each		neptune			2008	20	18	2028	2	\$143,640	10%	90%
1" meters	213 meters @ \$230.00 each		neptune			2008	20	18	2028	2	\$48,990	10%	90%
1.5" meters	32 meters @ \$575.00 each		neptune			2008	20	18	2028	2	\$18,400	10%	90%
2" meters	15 meters @ \$765.00		neptune			2008	20	18	2028	2	\$11,475	10%	90%
3" meters	3 meters @ \$2700.00		neptune			2008	20	18	2028	2	\$8,100	10%	90%
r900 antenna	1460 total @ \$96.00		neptune			2017	20	9	2037	11	\$140,160	55%	45%
meter reading software upgrades	5000		neptune			2025	10	1	2035	9	\$5,000	90%	10%
meter reading hardware	1 each @ \$16,500.00		BSA			2013	20	13	2033	7	\$16,500	35%	65%
											\$395,265	26%	

EQUIPMENT REPLACEMENT SHORT LIVED ASSETS - RUNNING BALANCE SHEET

COST OF LIVING INCREASE	4.00%
CURRENT RESERVE BALANCE APPLIED TO THIS ACCOUNT - INCLUDES RRI BALANCE	\$100,000
AVG. INTEREST RATE IN SAVINGS	0.10%

ANNUAL COLA ADJUSTMENT AS ADOPTED BY COUNCIL	0.00%
Annual Funding Applied to Budget / Rates	\$35,000

USDA RURAL DEVELOPMENT "RRI" ANNUAL RESERVE - ALL LOANS	\$0
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USDA R.D. BOND RESERVE LOAN 1 BECOMES AVAILABLE FOR RRI IN YEAR OF	
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USDA R.D. LOAN 1 ANNUAL BOND RESERVE(S)	
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USDA R.D. BOND RESERVE LOAN 2 BECOMES AVAILABLE FOR RRI IN YEAR OF	
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USDA R.D. LOAN 2 ANNUAL BOND RESERVE(S)	
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YEAR	PURPOSE	ANNUAL REPLACEMENT EXPENDITURES WITH C.O.L.	FUNDING WITH COLA	RUNNING BALANCE
2026	reliability study	\$3,000	\$35,000	\$132,135
2027		\$0	\$35,000	\$167,267
2028		\$249,053	\$35,000	(\$46,619)
2029	meter change out	\$0	\$35,000	(\$11,666)
2030		\$0	\$35,000	\$23,323
2031		\$3,600	\$35,000	\$54,746
2032	reliability study	\$0	\$35,000	\$89,801
2033		\$21,120	\$35,000	\$103,771
2034	meter reading hardware	\$0	\$35,000	\$138,874
2035		\$6,800	\$35,000	\$167,213
2036		\$4,200	\$35,000	\$198,180
2037		\$201,830	\$35,000	\$31,548
2038		\$0	\$35,000	\$66,580
2039		\$0	\$35,000	\$101,646
2040		\$0	\$35,000	\$136,749

EQUIPMENT REPLACEMENT SHORT LIVED ASSETS - RUNNING BALANCE SHEET

COST OF LIVING INCREASE				4.00%
CURRENT RESERVE BALANCE APPLIED TO THIS ACCOUNT - INCLUDES RRI BALANCE				\$100,000
AVG. INTEREST RATE IN SAVINGS				0.10%
ANNUAL COLA ADJUSTMENT AS ADOPTED BY COUNCIL			0.00%	
2041		\$4,800	\$35,000	\$167,085
2042		\$0	\$35,000	\$202,252
2043		\$0	\$35,000	\$237,454
2044		\$0	\$35,000	\$272,692
2045		\$8,800	\$35,000	\$299,164
2046		\$5,400	\$35,000	\$329,063
				\$208,000

Village of Lake Orion Water system
2026

DEBT SCHEDULE / AMORTIZATION SCHEDULE PRINCIPAL & INTEREST

FISCAL YEAR STARTING		1	2	3	4	5	6	7	8	9	10
		2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
2017 Water SRF		\$360,391	\$360,344	\$360,207	\$359,979	\$364,662	\$364,165	\$363,577	\$368,299	\$362,131	\$366,273
Water Main Replacements Phase 1&2											
DATE OF ISSUE	2018										
DATE OF MATURITY	2038										
PAID BY RATES	YES										
RESERVE REQUIREMENT	YES										
EXISTING + NEW		\$360,391	\$360,344	\$360,207	\$359,979	\$364,662	\$364,165	\$363,577	\$368,299	\$362,131	\$366,273

FINAL ANALYSIS RATE CALCULATION - CURRENT FISCAL YEAR	2026				RTS CHARGE			VOLUME CHARGE
Village of Lake Orion Water system	ANNUAL BUDGET	PERCENT FIXED EXPENSES	ASSIGNED AS FIXED EXPENSES	ANTICIPATED ANNUAL METER EQUIVALENTS	COST PER METER EQUIVALENT	ASSIGNED AS VARIABLE EXPENSES	ANTICIPATED EQUIVALENT UNITS	\$ COST PER 100 CUBIC FEET
OPERATING EXPENSES	\$399,066	35%	\$139,673	7,936	\$17.60	\$259,393	108,117	\$2.399
PURCHASED WATER	\$566,695	35%	\$198,343	7,936	\$24.99	\$368,352	108,117	\$3.407
OPERATION & MAINTENANCE EXPENSES	\$965,761		\$338,016		\$42.59	\$627,745		\$5.806
DEBT - PRINCIPAL & INTEREST ANNUAL PAYMENTS								
2017 Water SRF	\$360,391	100.00%	\$360,391	7,936	\$45.41	\$0	108,117	\$0.00
ANNUAL DEBT PAYMENTS PRINCIPAL & INTEREST	\$360,391		\$360,391		\$45.41	\$0		\$0.00
ANNUAL O & M + DEBT	\$1,326,152		\$698,407		\$88.00	\$627,745		\$5.81
NON SALES INCOME	\$0	35%	\$0		\$0.00	\$0		\$0.000
REVENUE COLLECTED THROUGH RATES	\$1,326,152		\$698,407			\$627,745		
CALCULATED RATE O & M + DEBT	METER EQUIVALENT		QUARTER		\$88.00			\$5.81
			CURRENT RATE		\$97.66			\$7.30
RESERVES								
EQUIPMENT REPLACEMENT AVERAGE ANNUAL BUDGETED AMOUNT	\$35,000	35%	\$12,250	7,936	\$1.54	\$22,750	108,117	\$0.21
EQUIPMENT REPLACEMENT & RESERVE REQUIREMENTS	\$35,000		\$12,250		\$1.54	\$22,750		\$0.21
CAPITAL IMPROVEMENT AVERAGE ANNUAL BUDGETED AMOUNT	\$50,000	35%	\$17,500	7,936	\$2.21	\$32,500	108,117	\$0.30
CAPITAL + EQUIPMENT & RRI RESERVES	\$85,000		\$29,750		\$3.75	\$55,250		\$0.51
ADOPTED BUDGET	\$1,411,152		\$728,157	7,936		\$682,995	108,117	
REVENUE COLLECTED CALCULATED RATES	\$1,411,152	35.00%	\$728,157			\$682,995		
CALCULATED RATE PER METER EQUIVALENT			PER QUARTER		\$91.75	RATE PER 100 CUFT		\$6.32
ANNUAL METER EQUIVALENTS / REV'S COUNT 7,936			CURRENT RATES		\$97.66			\$7.30
ANTICIPATED EQUIVALENT GALLONS / UNITS 108,117			PERCENT INCREASE		-6.05%			-13.46%
INVOICES PER YEAR 4			INCREASE OF		(\$5.91)			(\$0.98)
TOTAL NUMBER OF CUSTOMERS / METERS 1,522			0					\$0.00
ANTICIPATED UNITS INVOICED 10,811,668								
GALLONS USED 4,000								
AMOUNT OF BILL \$186.51								
PERCENT INCREASE -10%						EVERY MILLION GALLONS GENERATES REVENUE OF		\$6,317
NOTES	PERCENT RESERVE	6.0%						

TYPICAL BILL COMPARISON USING NEW RATES*Village of Lake Orion Water system*

<u>CURRENT RATES</u>			<u>NEW / CALCULATED RATES</u>				
RTS		\$97.66	\$91.75				
COST PER UNIT		\$7.30	\$6.32				
COST PER UNIT OF WATER		\$6.32	QUARTERLY				
METER SIZE IN INCHES	CUBIC FT USED	VOLUME CHARGE	BASE RATE CHARGE	NEW BILL	OLD BILL	CHANGE IN BILL	
3/4	500	\$31.59	\$91.75	\$123.34	\$134.16	(\$10.82)	-8.1%
3/4	1,200	\$75.81	\$91.75	\$167.56	\$185.26	(\$17.70)	-9.6%
3/4	1,500	\$94.76	\$91.75	\$186.51	\$207.16	(\$20.65)	-10.0%
3/4	2,000	\$126.34	\$91.75	\$218.10	\$243.66	(\$25.56)	-10.5%
3/4	2,500	\$157.93	\$91.75	\$249.68	\$280.16	(\$30.48)	-10.9%

1	10,000	\$631.72	\$163.12	\$794.84	\$852.08	(\$57.24)	-6.7%
1 1/2	15,000	\$947.58	\$367.01	\$1,314.59	\$1,436.78	(\$122.19)	-8.5%
2	30,000	\$1,895.16	\$652.47	\$2,547.63	\$2,844.28	(\$296.65)	-10.4%
3	50,000	\$3,158.60	\$1,468.06	\$4,626.66	\$5,114.89	(\$488.23)	-9.5%
GALLONS INCLUDED MIN BILL				0	0		

TYPICAL BILL COMPARISON USING NEW RATES*Village of Lake Orion Water system*

		<u>CURRENT RATES</u>		<u>NEW / CALCULATED RATES</u>			
		RTS	\$97.66		\$30.58		
COST PER UNIT			\$7.30		\$6.32		
COST PER UNIT OF WATER		\$6.32		MONTHLY			
METER SIZE IN INCHES	CUBIC FT USED	VOLUME CHARGE	BASE RATE CHARGE	NEW BILL	OLD BILL	CHANGE IN BILL	PERCENT INCREASE
3/4	125	\$7.90	\$30.58	\$38.48	\$106.79	(\$68.30)	-64.0%
3/4	300	\$18.95	\$30.58	\$49.54	\$119.56	(\$70.02)	-58.6%
3/4	500	\$31.59	\$30.58	\$62.17	\$134.16	(\$71.99)	-53.7%
3/4	750	\$47.38	\$30.58	\$77.96	\$152.41	(\$74.45)	-48.8%
3/4	1,000	\$63.17	\$30.58	\$93.76	\$170.66	(\$76.90)	-45.1%

1	2,200	\$138.98	\$54.37	\$193.35	\$282.68	(\$89.33)	-31.6%
1 1/2	2,800	\$176.88	\$122.34	\$299.22	\$546.18	(\$246.97)	-45.2%
2	3,500	\$221.10	\$217.49	\$438.59	\$909.78	(\$471.19)	-51.8%
3	4,200	\$265.32	\$489.35	\$754.68	\$1,771.49	(\$1,016.82)	-57.4%
GALLONS INCLUDED MIN BILL				0	0		

Village of Lake Orion Sanitary Sewer system				
CURRENT RATE CHARGES & NUMBER OF CUSTOMERS				
Customers Are Invoiced QUARTERLY PER				
CURRENT CHARGES RATE CLASS 1				
Village of Lake Orion Sanitary Sewer system				
TYPE OF UNITS INVOICED	100 CUFT	NOTES		
COST PER 100 CUBIC FT.	\$8.97			
INVOICES PER YEAR	4			
METER SIZE IN INCHES	CURRENT "BASE RATE" CHARGE \$	NUMBER OF METERS / REU'S	INVOICES PER YEAR	ANNUAL INCOME
3/4	\$164.70	1081.00	4	\$712,163
1			4	\$0
1 1/2			4	\$0
2			4	\$0
3			4	\$0
4			4	\$0
6			4	\$0
8			4	\$0
10			4	\$0
12			4	\$0
TOTALS		1081		\$712,163

RATE CLASS 2					
Sewer Multi Commercial					
TYPE OF UNITS INVOICED	100 CUFT	Ratio Entity # 2 vs. 1			
COST PER WATER UNIT	\$8.97	1.00			
INVOICES PER YEAR	4				
METER SIZE IN INCHES	CURRENT "BASE RATE" CHARGE \$	Ratio Entity # 2 vs. 1	NUMBER OF METERS / REU'S	INVOICES PER YEAR	ANNUAL INCOME
3/4	\$164.83	1.00	123	4	\$81,098
1	\$293.04		32	4	\$37,509
1 1/2	\$659.34		21	4	\$55,384
2	\$1,172.15		12	4	\$56,263
3	\$2,637.35		4	4	\$42,198
4				4	\$0
6				4	\$0
8				4	\$0
10				4	\$0
12				4	\$0
			192		\$272,453

METER EQUIVALENTS BY SIZE AND COST RATIO**100%**

2026 YEAR 1	CURRENT CHARGES RATE CLASS 1		RATE CLASS 2					
	Village of Lake Orion Sanitary Sewer system		Sewer Multi Commercial					
METER SIZE IN INCHES	NUMBER OF METERS / REU'S	INVOICE FREQUENCY	NUMBER OF METERS / REU'S	INVOICE FREQUENCY	TOTAL CUSTOMERS ALL ENTITIES	SELECTED METER EQUIVALENT	CALCULATED METER EQUIVALENT USED	ANNUAL METER EQUIVALENTS
3/4	1081	4	123	4	1204	1.00	1.00	4,816
1	0	4	32	4	32	1.78	1.78	228
1 1/2	0	4	21	4	21	4.00		336
2	0	4	12	4	12	7.11		342
3	0	4	4	4	4	16.00		256
4	0	4	0	4	0	0.00		
6	0	4	0	4	0	0.00	0.00	
8	0	4	0	4	0	0.00	0.00	
10	0	4	0	4	0	0.00	0.00	
12	0	4	0	4	0	0.00	0.00	
TOTAL	1081		192		1273			
ANNUAL METER <u>EQUIVALENTS</u> USED FOR RATE CALCULATION								5,978

MICHIGAN RURAL WATER ASSOCIATION RATE EVALUATION PROGRAM

Section 4, Item A.

PRIOR YEAR ACTUALS EXPENSES (COMPARISON PURPOSES ONLY)		Village of Lake Orion Sanitary Sewer system	PROPOSED BUDGET FOR FISCAL YEAR	YEAR 2	YEAR 3	YEAR 4	YEAR 5
				PROJECTED BUDGET	PROJECTED BUDGET	PROJECTED BUDGET	PROJECTED BUDGET
		2025/2026'		ACCT #	ANNUAL PERCENT INCREASE	3.00%	3.00%
		OPERATING EXPENSES	2026	2027	2028	2029	2030
\$7,000	592-260-805-000	Audit Fees	\$3,640	\$3,749	\$3,862	\$3,978	\$4,097
\$2,000	592-260-852-000	Miss Dig	\$1,040	\$1,071	\$1,103	\$1,136	\$1,171
\$133,808	592-260-959-000	Financial Administration	\$69,580	\$71,667	\$73,817	\$76,032	\$78,313
\$34	592-548-722-000	Worker's Comp. Insurance	\$35	\$36	\$37	\$38	\$39
\$840	592-548-726-000	Supplies	\$865	\$891	\$918	\$945	\$974
\$505,872	592-548-801-000	Contract Services		\$0	\$0	\$0	\$0
\$577,778	592-548-831-000	Sewage Disposal Costs		\$0	\$0	\$0	\$0
\$5,803	592-548-975-001	Capital Improvements - SAW	\$6,035	\$6,216	\$6,403	\$6,595	\$6,792
\$68,129	592-548-992-000	DRAIN BOND PRINCIPAL	\$78,531	\$80,887	\$83,314	\$85,813	\$88,387
\$20,527	592-548-995-000	Bond Interest	\$21,649	\$22,298	\$22,967	\$23,656	\$24,366
\$136,500	592-560-968-000	Sewer Depreciation	\$123,587	\$127,295	\$131,113	\$135,047	\$139,098
\$1,594,791		TOTAL	\$304,962	\$314,111	\$323,534	\$333,240	\$343,237

Village of Lake Orion Sanitary Sewer system	
PROPOSED NEW LOAN CALCULATION	
No Tax revenue or special assessment revenue is applied to these payments	
PROPOSED NEW DEBT - TOTAL FUNDED	\$8,000,000
INTEREST RATE	4.00%
LENGTH OF LOAN (YEARS)	20
ANNUAL PAYMENT	\$588,654
ANNUAL "METER EQUIVALENTS"	5,978
ESTIMATED COST PER METER EQUIVALENT PER BILLING PERIOD	\$98.46
LOAN ORIGATION YEAR	2026
WHAT YEAR IS LOAN PAID OFF	2046
IS DEBT LISTED SEPARATELY ON WATER BILL	
IF USDA RD LOAN - ESTIMATED RESERVE REQUIREMENTS	
ESTIMATE BOND RESERVE = 10% OF PAYMENT	0
ESTIMATE USDA RRI ANNUAL RESERVE = 10% OF PAYMENT	0
ESTIMATED USDA TOTAL RESERVE	\$0
ESTIMATED COST FOR USDA RESERVE FUNDING PER METER EQUIVALENT PER BILLING PERIOD	
TOTAL ESTIMATED TOTAL COST PER METER EQUIVALENT FOR LOAN AND RESERVE FUNDING	\$98.46

NOTE: USDA LOANS ONLY -

ONCE BOND RESERVE IS FULLY FUNDED IN YEAR 10 - ALL BOND RESERVE ANNUAL FUNDING WOULD SHIFT TO RRI FUNDING. THUS THE TOTAL ANNUAL FUNDING WOULD NOT CHANGE FOR THE LIFE OF THE LOAN. THE RRI ANNUAL FUNDING OF 10% IS JUST A STARTING POINT / GUESS OF WHAT IS TYPICAL. THIS WILL BE ADJUSTED BASED ON EACH INDIVIDUAL SYSTEM.

Village of Lake Orion Sanitary Sewer
2026

DEBT SCHEDULE / AMORTIZATION SCHEDULE PRINCIPAL & INTEREST

	1	2	3	4	5	6	7	8	9	10	
FISCAL YEAR STARTING	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	
NAME OF LOAN	\$293,900	\$293,827	\$292,327	\$290,577	\$288,577	\$286,327	\$283,827	\$286,077	\$282,827	\$279,327	
PURPOSE OF LOAN											
DATE OF ISSUE											2025
DATE OF MATURITY											2045
PAID BY RATES											YES
RESERVE REQUIREMENT											YES
TOTAL CURRENT ANNUAL DEBT PAYMENTS	\$293,900	\$293,827	\$292,327	\$290,577	\$288,577	\$286,327	\$283,827	\$286,077	\$282,827	\$279,327	
USDA RESERVE REQUIREMENTS	\$0	0	0	0	0	0	0	0	0	0	
TOTAL CURRENT ANNUAL DEBT PAYMENTS	\$293,900	\$293,827	\$292,327	\$290,577	\$288,577	\$286,327	\$283,827	\$286,077	\$282,827	\$279,327	
ESTIMATED COST PER REU	\$49.16	\$41.69	\$41.48	\$41.23	\$40.95	\$40.63	\$40.27	\$40.59	\$40.13	\$39.64	
NEW ANTICIPATED CAPITAL LOANS	1	2	3	4	5	6	7	8	9	10	
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	
2026 phase 2&3	\$588,654	\$588,654	\$588,654	\$588,654	\$588,654	\$588,654	\$588,654	\$588,654	\$588,654	\$588,654	
pump station improvements											
TOTAL AMOUNT FINANCED											\$8,000,000
COST PER REU											\$98.46
DATE OF ISSUE											2026
DATE OF MATURITY											2046
PAID BY RATES											yes
RESERVE REQUIREMENT											
RESERVE REQUIREMENT											
NEW ANTICIPATED CAPITAL LOANS	\$588,654	\$588,654	\$588,654	\$588,654	\$588,654	\$588,654	\$588,654	\$588,654	\$588,654	\$588,654	
EXISTING + NEW	\$882,554	\$882,481	\$880,981	\$879,231	\$877,231	\$874,981	\$872,481	\$874,731	\$871,481	\$867,981	

FINAL ANALYSIS RATE CALCULATION - CURRENT FISCAL YEAR		2026				RTS CHARGE				VOLUME CHARGE							
Village of Lake Orion Sanitary Sewer system		ANNUAL BUDGET		PERCENT FIXED EXPENSES		ASSIGNED AS FIXED EXPENSES		ANTICIPATED ANNUAL METER EQUIVALENTS		COST PER METER EQUIVALENT		ASSIGNED AS VARIABLE EXPENSES		ANTICIPATED EQUIVALENT UNITS		\$ COST PER 100 CUBIC FEET	
OPERATING EXPENSES		\$304,962		45%		\$137,233		5,978		\$22.95		\$167,729		82,597		\$2.031	
WRC Operations and Maintenance		\$500,100		45%		\$225,045		5,978		\$37.64		\$275,055		82,597		\$3.330	
OPEN				45%		\$0		5,978		\$0.00		\$0		82,597		\$0.000	
Sewer Treatment		\$655,391		45%		\$294,926		5,978		\$49.33		\$360,465		82,597		\$4.364	
OPERATION & MAINTENANCE EXPENSES		\$1,460,453				\$657,204				\$109.93		\$803,249				\$9.725	
DEBT - PRINCIPAL & INTEREST ANNUAL PAYMENTS																	
NAME OF LOAN		\$293,900		100.00%		\$293,900		5,978		\$49.16		\$0		82,597		\$0.00	
NEW ANTICIPATED CAPITAL LOANS								5,978						82,597			
2026 phase 2&3		\$588,654		100%		\$588,654		5,978		\$98.46		\$0		82,597		\$0.00	
ANNUAL DEBT PAYMENTS PRINCIPAL & INTEREST		\$882,554				\$882,554				\$147.62		\$0				\$0.00	
ANNUAL O & M + DEBT		\$2,343,007				\$1,539,758				\$257.55		\$803,249				\$9.72	
NON SALES INCOME		\$40,000		45%		\$18,000				\$3.01		\$22,000				\$0.266	
REVENUE COLLECTED THROUGH RATES		\$2,303,007				\$1,521,758						\$781,249					
CALCULATED RATE O & M + DEBT		METER EQUIVALENT		QUARTER						\$254.54						\$9.46	
						CURRENT RATE				\$164.70						\$8.97	
ADOPTED BUDGET		\$2,343,007				\$1,539,758		5,978				\$803,249		82,597			
REVENUE COLLECTED NEW CALCULATED RATES		\$2,303,007		45.00%		66%						34%					
REVENUE COLLECTED WITH CURRENT RATE CHARGES		\$1,867,108				\$1,521,758						\$781,249					
CALCULATED RATE PER METER EQUIVALENT								PER QUARTER		\$254.54		RATE PER 100 CUFT				\$9.46	
ANNUAL METER EQUIVALENTS / REU'S COUNT 5,978						CURRENT RATES				\$164.70						\$8.97	
ANTICIPATED EQUIVALENT GALLONS / UNITS 82,597						PERCENT INCREASE				54.55%						5.45%	
INVOICES PER YEAR 4						INCREASE OF				\$89.84						\$0.49	
TOTAL NUMBER OF CUSTOMERS / METERS 1,273						Sewer Multi Commercial				\$254.75						\$9.46	
ANTICIPATED UNITS INVOICED 8,259,709																	
GALLONS USED 1,500																	
AMOUNT OF BILL \$396.42																	
PERCENT INCREASE 32%																	
NOTES		PERCENT RESERVE		0.0%								EVERY MILLION GALLONS GENERATES REVENUE OF				\$9,459	

TYPICAL BILL COMPARISON USING NEW RATES

Village of Lake Orion Sanitary Sewer system

<u>CURRENT RATES</u>			<u>NEW / CALCULATED RATES</u>					
RTS			\$164.70	\$254.54				
COST PER UNIT			\$8.97	\$9.46				
			QUARTERLY					
METER SIZE IN INCHES	CUBIC FT USED	NEW VOLUME CHARGE	NEW BASE RATE CHARGE	NEW BILL	OLD BILL	CHANGE IN BILL	PERCENT INCREASE	
3/4	500	\$47.29	\$254.54	\$301.83	\$209.55	\$92.28	44.0%	
3/4	1,200	\$113.50	\$254.54	\$368.04	\$272.34	\$95.70	35.1%	
3/4	1,500	\$141.88	\$254.54	\$396.42	\$299.25	\$97.17	32.5%	
3/4	2,000	\$189.17	\$254.54	\$443.71	\$344.10	\$99.61	28.9%	
3/4	2,500	\$236.46	\$254.54	\$491.00	\$388.95	\$102.05	26.2%	

1	10,000	\$945.86	\$453.08	\$1,398.94	\$897.00	\$501.94	56.0%
1 1/2	15,000	\$1,418.78	\$1,018.16	\$2,436.94	\$1,345.50	\$1,091.44	81.1%
2	20,000	\$1,891.71	\$1,809.78	\$3,701.49	\$1,794.00	\$1,907.49	106.3%
3	25,000	\$2,364.64	\$4,072.64	\$6,437.28	\$2,242.50	\$4,194.78	187.1%
GALLONS INCLUDED MIN BILL				0	0		

TYPICAL BILL COMPARISON USING NEW RATES*Village of Lake Orion Sanitary Sewer system*

<u>CURRENT RATES</u>			<u>NEW / CALCULATED RATES</u>				
RTS		\$164.70	\$84.85				
COST PER UNIT		\$8.97	\$9.46				
			MONTHLY				
METER SIZE IN INCHES	CUBIC FT USED	NEW VOLUME CHARGE	NEW BASE RATE CHARGE	NEW BILL	OLD BILL	CHANGE IN BILL	PERCENT INCREASE
3/4	125	\$11.82	\$84.85	\$96.67	\$175.91	(\$79.24)	-45.0%
3/4	300	\$28.38	\$84.85	\$113.22	\$191.61	(\$78.39)	-40.9%
3/4	500	\$47.29	\$84.85	\$132.14	\$209.55	(\$77.41)	-36.9%
3/4	750	\$70.94	\$84.85	\$155.79	\$231.98	(\$76.19)	-32.8%
3/4	1,000	\$94.59	\$84.85	\$179.43	\$254.40	(\$74.97)	-29.5%

1	2,500	\$236.46	\$151.03	\$387.49	\$224.25	\$163.24	72.8%
1 1/2	2,900	\$274.30	\$339.39	\$613.68	\$260.13	\$353.55	135.9%
2	4,500	\$425.63	\$603.26	\$1,028.89	\$403.65	\$625.24	154.9%
3	5,500	\$520.22	\$1,357.55	\$1,877.77	\$493.35	\$1,384.42	280.6%
GALLONS INCLUDED MIN BILL				0	0		