VILLAGE OF NEWBERRY
WATER AND LIGHT BOARD MEETING
Tuesday, June 12, 2018
Meeting Location: 302 East McMillan Ave
Meeting Time: 5:30 p.m.

1. **CALL TO ORDER**
2. **PLEDGE OF ALLEGIANCE**
3. **ROLL CALL**
4. **APPROVAL OF AGENDA**
5. **APPROVAL OF MINUTES**
    1. Water and Light Board Meeting – Regular Session – Monday, May 7, 2018 at 5:00 p.m.
6. **WATER AND LIGHT CHAIRPERSON ANNOUNCEMENTS**
    1. None Prescheduled
7. **PUBLIC COMMENTS** – Prior to consideration of official business, citizens may speak on any matter citizens may wish to bring to the attention of the Water and Light Board. Please limit comments to 3 minutes as per General Village Law.
    1. None Prescheduled
8. **SUBMISSION OF BILLS AND FINANCIAL UPDATES**
    1. Water & Light – Monthly Bills – May 2018

582	Electric Fund		$132,076.94
591	Water Fund		$10,580.78
		Total:	**$142,657.72**
582	Christmas Lights Fund – as of 6/4/2018		$12,907.79

    2. Water & Light – Cash Balance – April 2018
9. **PETITIONS AND COMMUNICATIONS** – Communications addressed to the Water and Light Board are distributed to all members and are acknowledged for information, or are referred to a committee or staff for follow-up.
    1. None Prescheduled
10. **INTRODUCTION AND ADOPTION OF ORDINANCES AND RESOLUTIONS**
    1. None Prescheduled

11. **REPORTS OF VILLAGE MANAGEMENT** – The Village Manager, Assistant Village Manager, and Superintendent of Water and Light may submit reports or information to the Water and Light Board as updates and consideration.

    1. Superintendent of Water and Light
    2. Assistant Village Manager
    3. Village Manager

12. **REPORTS OF COMMITTEES**

    1. None Prescheduled

13. **UNFINISHED BUSINESS**

    1. Water Project Grass
    2. Circus to Support Christmas Bells

14. **NEW BUSINESS**

    1. Review of Water Rate Study
        a. Volume Charge Evaluation
        b. Rate Charge Evaluation

15. **COMMENTS BY BOARD MEMBERS**

16. **ADJOURNMENT - REGULAR SESSION**

NEWBERRY WATER & LIGHT BOARD
REGULAR MEETING MINUTES
May 7, 2018

Present: Chairperson Medelis, Feldhusen, Vincent.
Absent: Brown, Downey.
Also Present: Village Manager – James-Mesloh, Assistant Village Manager – Vallad, Clerk - Schummer, Eric Buckler, Tina Pipes, Chuck Pipes, Bruce Lane, John Bergman, Rebecca Handa, Lori Stokes, Dan Hardenbrook.
Call to Order: Chairman Medelis called the meeting to order at 5:00 p.m. at the Village of Newberry Offices, 302 East McMillan Avenue, followed by the Pledge of Allegiance.
Approval of Agenda: Moved by Vincent, support by Feldhusen, **CARRIED**, to approve agenda as submitted. Ayes: All. Absent: Brown, Downey.
Approval of Minutes: Moved by Vincent, support by Feldhusen, CARRIED, to approve minutes from the April 10, 2018 W&L meeting as presented. Ayes: All. Absent: Brown, Downey.
Water and Light Chairperson Announcements: Chairman thanked Jim Johnson for his many years of service on the W&L Board, as Mr. Johnson has resigned from his position. Medelis also stated the reason for the change of date for the meeting, was because there would not be a quorum on Tuesday, due to illness and a Board member being out of town.
Public Comments on Agenda Items: Comments heard from: Lori Stokes – 301 W. John Street, Eric Buckler – Newberry.
Submission of Bills and Financial Updates:
A.) Water & Light Monthly Bills – Motion by Vincent, support by Feldhusen, **CARRIED**, recommend Village Council pay the April 2018 Electric Fund bill in the amount of $145,239.07. Ayes: All. Absent: Brown, Downey.
B.) Motion by Vincent, support by Feldhusen, **CARRIED**, recommend Village Council pay the March 2018 Water Fund bill in the amount of $4,953.42. Ayes: All. Absent: Brown, Downey.
C.) Christmas Lights Fund is currently at $12,904.50.
D.) Water & Light – Cash Balance – March 2018, was reviewed.
Petitions and Communications: None.
Introduction and Adoption of Ordinances and Resolutions: None
Reports of Village Management: Staff reports postponed until the Village Council Meeting.
Reports of Committees: None.
Unfinished Business: None.
New Business: None.
Comments by Board Members: Medelis stated that the change over on the switch at the L.P. Plant last Sunday went well with about a 1-hour outage. The next scheduled maintenance outage is July 24, 2018.
ADJOURNMENT: Motion by Vincent, support by Feldhusen, **CARRIED**, to adjourn meeting at 5:13 p.m. Ayes: All. Absent: Brown, Downey.

These minutes are unapproved until voted on at the next meeting.

Terese Schummer, Clerk

Charles Medelis, Chairperson

DEPARTMENT	FUND	VENDOR NAME		DESCRIPTION	AMOUNT
NON-DEPARTMENTAL	ELECTRIC FUND	AFLAC		AFLAC POST TAX	15.60
				AFLAC POST TAX	15.60
		EFTPS		FEDERAL WITHHOLDING	1,623.46
				FEDERAL WITHHOLDING	10.00
				FEDERAL WITHHOLDING	1,337.81
				FICA W/H	1,024.41
				FICA W/H	20.15
				FICA W/H	907.77
				MEDICARE W/H	239.58
				MEDICARE W/H	4.73
				MEDICARE W/H	212.30
		STATE OF MICHIGAN		STATE WITHOLDING	665.77
				STATE WITHOLDING	5.32
				STATE WITHOLDING	593.57
		NATIONWIDE RETIREMENT SOLUTIONS		NATIONWIDE	41.02
				NATIONWIDE	41.02
		MISC VENDORS	JOHNSON, JOSEPH E	REFUND	13.68
			JANKOWSKI, MEGAN A	REFUND	37.28
		BLUE CROSS BLUE SHIELD OF MICHIGAN		RETIREES SELF PAY	289.59
		MICHIGAN COUNCIL 25		MI COUNCIL 25/UNION DUES	162.60
		MERS DC PLAN		APRIL HYBRID (DC) SELFPAY	332.73
				MAY HYBRID SELFPAY	410.06
		STATE OF MICHIGAN		APRIL 2018 PA 95	1,254.99
		STATE OF MICHIGAN		SALES TAX COLLECTED APRIL	5,859.64
				TOTAL:	15,118.68
ELECTRIC DISTRIBUTION	ELECTRIC FUND	EFTPS		FICA W/H	28.91
				FICA W/H	20.15
				FICA W/H	86.59
				MEDICARE W/H	6.76
				MEDICARE W/H	4.73
				MEDICARE W/H	20.25
		DSTECH		DSTECH	7.50
				DSTECH	76.94
				DSTECH	80.75

DEPARTMENT	FUND	VENDOR NAME	DESCRIPTION	AMOUNT
			DSTECH	22.47
			DSTECH	1.75
			DSTECH	17.44
		CTC ENGINEERING	ENGINEERING SERVICES APRIL	2,590.00
		FAIR, ALMA	MAY CLEANING	150.00
		GREAT LAKES FIRE & SAFETY EQUIPMENT	20# ABC REFIL, VALVE, ORIN	97.00
		HIAWATHA TELEPHONE COMPANY	HIAWATHA TELEPHONE COMPANY	50.00
		MICHIGAN PUBLIC POWER AGENCY	APRIL 2018 MPPA SERVICE	510.99
		NEWBERRY NEWS	POWER OUTAGE	18.00
		POWER LINE SUPPLY COMPANY	TESTING GLOVES/SLEEVES	1,099.50
		TAHQUAMENON AREA CREDIT UNION	TRAVEL	4.00
			BRIDGE FARE	4.00
			BRIDGE FARE	4.00
			HOTEL APPRENTICES	453.14
			HOTEL APPRENTICES	453.14
			POSTAGE	4.40
			HOTEL	86.58
		US POSTAL SERVICE	UTILITY BILLING	494.16
		VERIZON	FAX & DATA PLAN	78.19
			VERIZON	106.36
			TOTAL:	6,577.70
GENERAL EXPENSES	ELECTRIC FUND	EFTPS	FICA W/H	261.64
			FICA W/H	160.15
			MEDICARE W/H	61.20
			MEDICARE W/H	37.45
		AMAZON CAPITAL SERVICES	UNIFORMS/BOOTS	71.65
			PAPER TOWELS	23.03
		BLUE CROSS BLUE SHIELD OF MICHIGAN	EMPLOYEES	11,098.13
			RETIREES EMPLOYER PAYS	1,158.38
		BS&A SOFTWARE	BS&A SOFTWARE	5,601.25
		MIDWEST SECURITY SYSTEM	SERVICED VAULT/REKEYED FRO	257.25
		MERS DC PLAN	APRIL HYBRID (DC) RETIREME	332.73
			MAY HYBRID	410.06
		MERS	MERS	2,574.36
			WL DEFINED BENEFIT	505.00
			ADMIN FLAT RATE	331.50
			WL HYBRID	673.52
		44 NORTH	44 NORTH	4.60
		FIRST BANK UPPER MICHIGAN	FIRST BANK UPPER MICHIGAN	933.32
		FOSTER'S ACE HARDWARE	KEY YALE Y1-ACE 250PK	17.94
		I.T. RIGHT	SERVICE CONTRACT	1,000.00
		LYNN AUTO PART INC.	BRAKE FLUID	11.99
		NEWBERRY NEWS	SUBSCRIPTION	52.50
			BOARD MINUTES	15.00
		NEWBERRY WATER & LIGHT	BC/BS WITHHOLDING	639.99
			BC/BS WITHHOLDING	853.32
		RAHILLY'S IGA	LEAF BAGS, WATER	31.22
		SEMCO ENERGY GAS CO.	GAS	24.79
			GAS	176.37
		STANDARD, THE	LIFE INSURANCE	48.18
		TAHQUAMENON AREA CREDIT UNION	POSTAGE	100.00
		US BANK EQUIP FINANCE	COPIER LEASE	192.98
		VERIZON	VERIZON	150.81
		UHLBECK, KENNETH	REIMBURSEMENT CDL	13.00
			TOTAL:	27,823.31

DEPARTMENT	FUND	VENDOR NAME	DESCRIPTION	AMOUNT
ELECTRIC GENERATION	ELECTRIC FUND	EFTPS	FICA W/H	77.94
			FICA W/H	4.08
			MEDICARE W/H	18.23
			MEDICARE W/H	0.95
		APX INC	MIRECS QTLY INVOICE 2018	87.29
		AT&T	AT&T	26.42
			AT&T	178.11
			AT&T	71.41
		VERIZON	VERIZON	106.38
			TOTAL:	570.81
BUILDING MAINTENANCE	ELECTRIC FUND	EFTPS	FICA W/H	246.29
			FICA W/H	245.68
			MEDICARE W/H	57.60
			MEDICARE W/H	57.46
		FOSTER'S ACE HARDWARE	WATER SAVER VALVE FLUSH	11.99
		RANGE TELECOMMUNICATION	MISSDIG	8.70
		VERIZON	VERIZON	26.60
			VERIZON	13.33
		WEX BANK - SPEEDWAY UNIVERSAL	GAS/FUEL ELECTRIC	270.54
			TOTAL:	938.19
PURCHASED POWER	ELECTRIC FUND	EFTPS	FICA W/H	31.41
			MEDICARE W/H	7.34
		CMS ENERGY RESOURCE MGT	CMS ENERGY	79,099.98
			TOTAL:	79,138.73
ENERGY OPTIMIZATION	ELECTRIC FUND	MECA	WECC, MONTHLY INCENTIVES	1,879.52
		NEWBERRY NEWS	LIGHTBULBS AD	30.00
			TOTAL:	1,909.52
WATER SYSTEM	WATER FUND	EFTPS	FICA W/H	212.06
			FICA W/H	201.52
			MEDICARE W/H	49.59
			MEDICARE W/H	47.13
		AMAZON CAPITAL SERVICES	UNIFORMS/BOOTS	71.65
			PAPER TOWELS	23.03
		BS&A SOFTWARE	BS&A SOFTWARE	5,601.25
		DSTECH	DSTECH	7.50
			DSTECH	76.94
			DSTECH	80.75
			DSTECH	22.46
			DSTECH	1.75
			DSTECH	17.44
		MIDWEST SECURITY SYSTEM	SERVICED VAULT	257.25
		MERS	MERS	1,510.02
		44 NORTH	44 NORTH	3.45
		FIRST BANK UPPER MICHIGAN	FIRST BANK UPPER MICHIGAN	933.32
		FOSTER'S ACE HARDWARE	COPPER TUBE	19.95
			LEVER FLUSH SURE FIT	6.99
			FASTENERS	10.12
		I.T. RIGHT	SERVICE CONTRACT	1,000.00

DEPARTMENT	FUND	VENDOR NAME	DESCRIPTION	AMOUNT
		LYNN AUTO PART INC.	BRAKE FLUID	12.00
		NEWBERRY NEWS	BOARD MINUTES	15.00
		RANGE TELECOMMUNICATION	MISSDIG	8.70
		STANDARD, THE	LIFE INSURANCE	48.18
		TAHQUAMENON AREA CREDIT UNION	POSTAGE	100.00
			POSTAGE	4.40
		WEX BANK - SPEEDWAY UNIVERSAL	GAS/FUEL WATER	225.33
		UHLBECK, KENNETH	REIMBURSEMENT CDL	13.00
			TOTAL:	10,580.78

=============== FUND TOTALS ================

582	ELECTRIC FUND	132,076.94
591	WATER FUND	10,580.78

GRAND TOTAL: 142,657.72

TOTAL PAGES: 4

Account: XMAS DECOR DONATIONS Current Time: 06/04/18 1:32:29 PM

Current Balance: $12,907.79
Available Balance: $12,907.79

Date	Ref/Check No	Description	Debit	Credit	Balance
05/31/2018		INTEREST PAID		$3.29	$12,907.79
Totals:		Transactions: 1	Debits: $0.00	Credits: $3.29	

VILLAGE OF NEWBERRY

Moose Capital of Michigan

302 East McMillan Avenue, Newberry, MI 49868 Phone: 906-293-3433 Fax: 906-293-8569

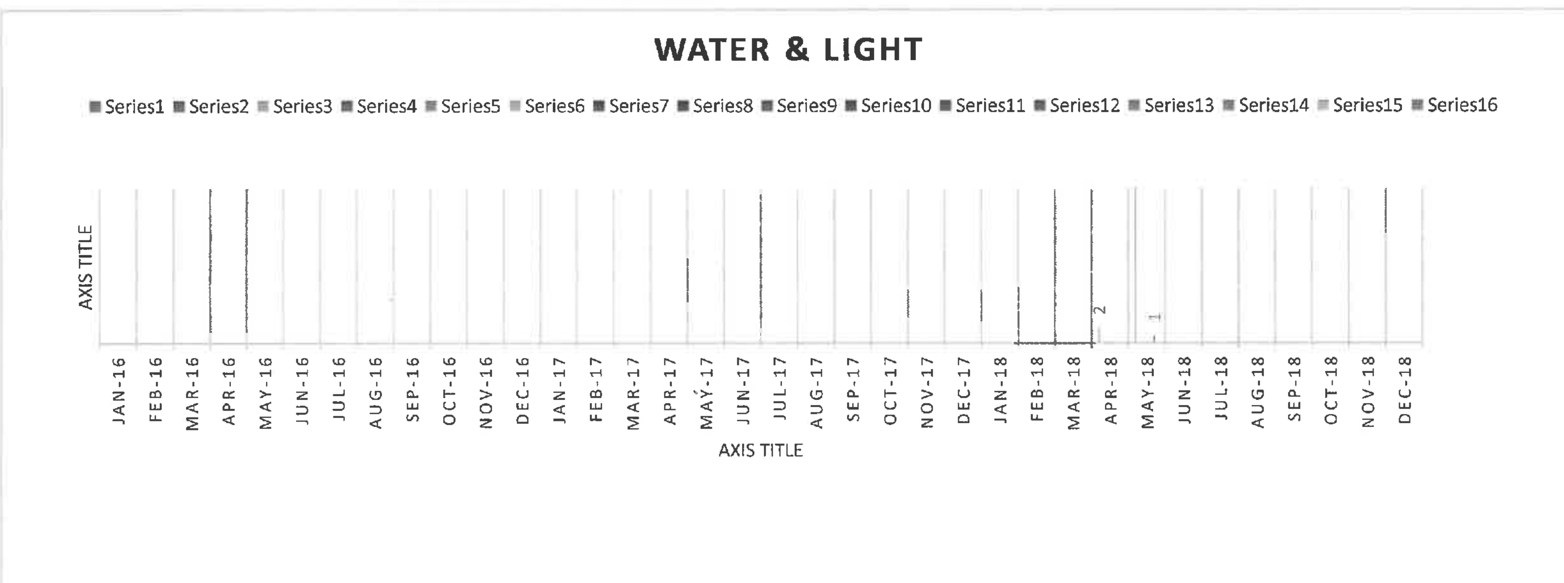
NEWBERRY WATER AND LIGHT
SUPERINTENDENT OF WATER AND LIGHT
MATT PERRY
MAY 2018

- RED TAGS
- COURT HOUSE INSTALLED NEW POLE
- TRANSFORMER PICK UP OLDO NES
- RAN FAIRBANKS FUEL LEAKS
- WORK ORDERS
- DAVE GRADUATION
- MERCURY VAPOR LIGHTS
- MOVED ELECTRIC WIRE UP
- BRUSHING
- MISS DIGS
- WATER SAMPLES (BACI)
- DISCONNECTS (NON-PAYMENT) 6
- METER READING
- NEW ELECTRIC SERVCIE TURNBULL
- SAFETY MEETING (POLE-TOP/BUCKET)
- NEW ELECTRIC LINES TO 2 SERVICES (807 VULCAN AND E AVE C TRAILOR)

WATER AND LIGHT
MISS DIGS

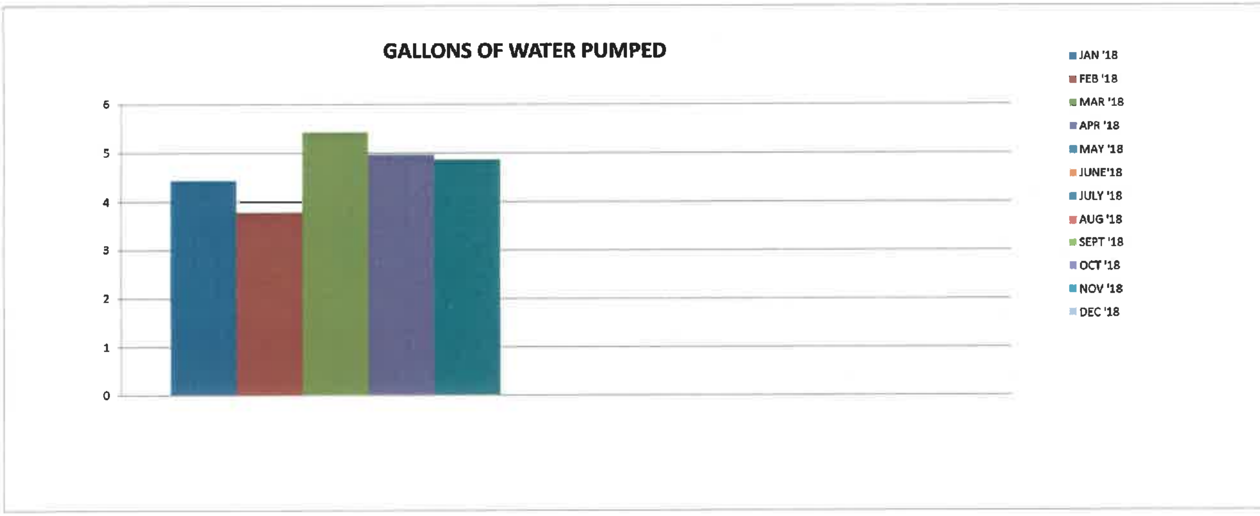
Water & Light
Miss Digs
MAY 2018

MISS DIGS	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18
000 RESPONSE PENDING												
001 NO CONFLICT												
002 MARKED				2	31							
003 NOT COMPLETE												
004 MARKED-UTILITY REQUIRED ON SITE DURING EXCAVATION												
005 ON GOING COORDINATION												
006 NOT MARKED-NO ACCESS TO WORK AREA												
007 STATED SCOPE OF WORK COMPLETED												
008 FACILITY RESPONSE NOT REQUIRED												
009 ADDITIONAL LOCATING REQUIRED												
010 EXEMPT FROM MARKING												
013 CANCELED					1							
201 DESIGN-TASK FACILITIES												
202 DESIGN-TASK COMPLETED												
203 DESIGN-MARKING REQUIRED												
999 HAS NOT RESPONDED												
TOTALS	0	0	0	2	32	0	0	0	0	0	0	0



Water & Light
Water Pumpage Report - 2018

MONTH	PUMPAGE	X 1,000,000	1000'S GALS	#VALUE!	PUMPED NOT BILLED FOR	$ BILLED FOR	GALS BILLED	LOSS	BILLED FOR	LOST REVENUE
JAN '17	4.052	4052000	4052	$ 9.25	$ 43,601.00	$ 35,835.92	3213	21%	79%	$ 7,765.08
FEB '17	5.586	5586000	5586	$ 9.25	$ 57,790.50	$ 35,068.45	3123	44%	56%	$ 22,722.05
MAR '17	4.919	4919000	4919	$ 9.25	$ 51,620.75	$ 32,783.23	2870	42%	58%	$ 18,837.52
APR '17	4.44	4440000	4440	$ 9.25	$ 47,190.00	$ 26,693.75	2209	50%	50%	$ 20,496.25
MAY '17	4.862	4862000	4862	$ 9.25	$ 51,093.50	$ 33,410.04	2930	40%	60%	$ 17,683.46
JUNE '17	6.218	6218000	6218	$ 9.25	$ 63,636.50	$ 41,981.56	3867	38%	62%	$ 21,654.94
JULY '17	5.236	5236000	5236	$ 9.25	$ 54,553.00	$ 32,873.46	2888	45%	55%	$ 21,679.54
					GOAL				REU'S	
AUG '17	5.394	5394000	5394		$ 80,000.00	$ 82,799.37	5394	103%	1,103.99	$ (2,799.37)
SEPT '17	5.566	5566000	5566		$ 80,000.00	$ 82,267.11	5566	103%	1,096.89	$ (2,267.11)
OCT '17	4.53	4530000	4530		$ 80,000.00	$ 82,568.39	4530	103%	1,100.91	$ (2,568.39)
NOV '17	4.634	4634000	4634		$ 80,000.00	$ 82,239.62	4634	103%	1,096.53	$ (2,239.62)
DEC '17	4.339	4339000	4339		$ 80,000.00	$ 82,001.71	4339	103%	1,093.36	$ (2,001.71)
					GOAL				REU'S	
JAN '18	4.428	4428000	4428		$ 80,000.00	$ 74,408.55	4428	93.0%	992.11	$ 5,591.45
FEB '18	3.780	3780000	3780		$ 80,000.00	$ 77,569.72	3780	97%	1,034.26	$ 2,430.28
MAR '18	5.422	5422000	5422		$ 80,000.00	$ 77,216.00	5422	97%	1,029.55	$ 2,784.00
APR '18	4.9589	4958900	4958.9		$ 80,000.00	$ 86,588.54	4.959	108%	1,154.51	$ (6,588.54)
MAY '18	4.8636	4863600	4863.6		$ 80,000.00	$ 76,696.12	4.864	96%	1,022.61	$ 3,303.88
JUNE'18					$ 80,000.00			0%	-	
JULY '18					$ 80,000.00			0%	-	
AUG '18					$ 80,000.00			0%	-	
SEPT '18					$ 80,000.00			0%	-	
OCT '18					$ 80,000.00			0%	-	
NOV '18					$ 80,000.00			0%	-	
DEC '18					$ 80,000.00			0%	-	
				GOAL	$ 960,000.00	$ 392,478.93	% OF GOAL			
				BILLED TO DATE	$ 392,478.93		41%			
				REMAINING NEEDED FOR BUDGET	$ 567,521.07			98.7%	1095	

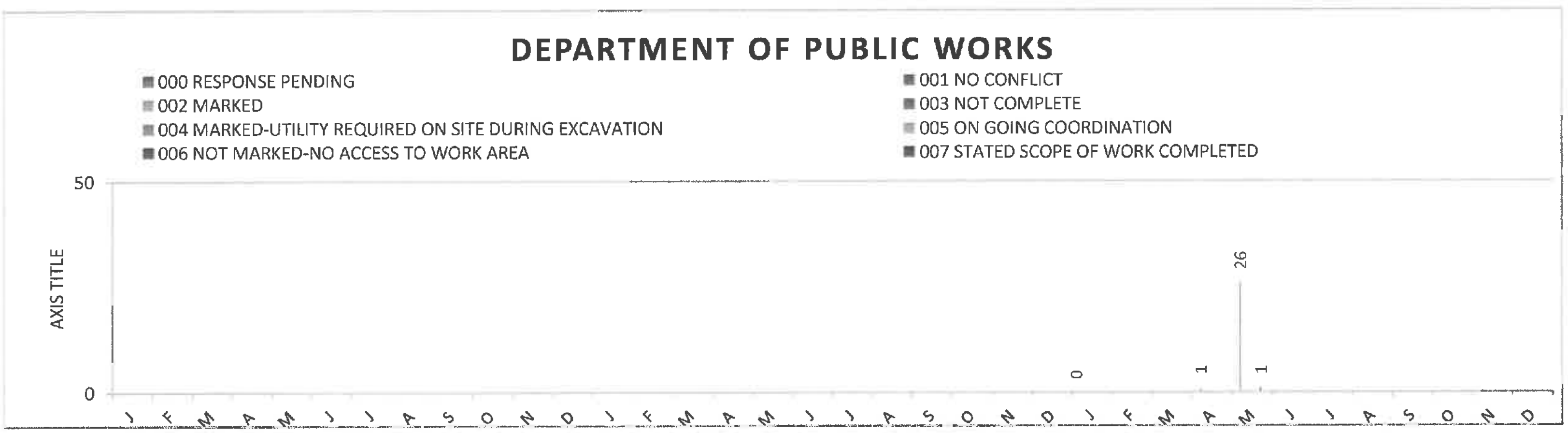


GALLONS OF WATER PUMPED
6
5
4
3
2
1
0
JAN '18
FEB '18
MAR '18
APR '18
MAY '18
JUNE'18
JULY '18
AUG '18
SEPT '18
OCT '18
NOV '18
DEC '18

WATER AND LIGHT
MISS DIGS

DPW
MISS DIGS
MAY 2018

	DEPARTMENT OF PUBLIC WORKS											
MISS DIGS	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18
000 RESPONSE PENDING												
001 NO CONFLICT												
002 MARKED				1	26							
003 NOT COMPLETE												
004 MARKED-UTILITY REQUIRED ON SITE DURING EXCAVATION												
005 ON GOING COORDINATION												
006 NOT MARKED-NO ACCESS TO WORK AREA												
007 STATED SCOPE OF WORK COMPLETED												
008 FACILITY RESPONSE NOT REQUIRED												
009 ADDITIONAL LOCATING REQUIRED												
010 EXEMPT FROM MARKING												
013 CANCELED					1							
201 DESIGN-TASK FACILITIES												
202 DESIGN-TASK COMPLETED												
203 DESIGN-MARKING REQUIRED												
999 HAS NOT RESPONDED												
	0	0	0	1	27	0	0	0	0	0	0	0



Village of Newberry
Water Rate Report
Based on Volume Charge

May 2018

MRWA Quality On Tap! Michigan Rural Water Association

Prepared By:

Name	Title	Employer	Email
Mike Engels	Circuit Rider	Michigan Rural Water Association	mikeengels@sbcglobal.net
Buck Vallad	Assistant Village Manager	Village of Newberry	assistantmanager@newberrymi.gov
Charles Medelis (Buzz)	Water & Light Chairman	Village of Newberry	cmedelis@newberrymi.gov

NEWBERRY WATER VOLUME CHARGE

CONCLUSION OF ANALYSIS

	CURRENT "BASE RATE" CHARGE PER MONTH		
METER SIZE PER INCH	CURRENT RATES	CALCULATED RATES	DIFFERENCE
3/4	$75.00	$60.00	($15.00)
1	$75.00	$106.67	$31.67
1 1/4	$75.00	$166.67	$91.67
1 1/2	$75.00	$240.00	$165.00
2	$75.00	$426.67	$351.67
3	$75.00	$960.00	$885.00
4	$75.00	$1,706.67	$1,631.67
6	$0.00	$3,840.00	$3,840.00

The above rates are based on an input budget of:	$1,041,566
The above rates are based on invoicing the following gallons of water / sewer:	36,922,160
The above rates are based on the following number of customers:	701
The are based on the following number of Residential Equivalent Units (REU's):	10,120

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 budget.

BACKGROUND INFORMATION STARTING SHEET

Name of Community :	**NEWBERRY WATER VOLUME CHARGE**
Population Served :	**1500**
BUDGET USED FOR YEAR OF	**2018**
Current Rate Structure	
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	**Jan 1**
Year of Last Rate Increase	**Aug-17**
This rate evaluation was completed using the following information	
Reliability Study / General Plan	
Capital Improvement Plan	**YES**
Water Tower Inspection Report	**NO**
Well Inspection Report	**NO**
System Evaluations (MDEQ etc)	
List the names of the different Entities Served - Originating Entity	**NEWBERRY WATER VOLUME CHARGE**
2nd Entity	

NEWBERRY WATER VOLUME CHARGE
CURRENT RATE CHARGES
Customers Are Invoice **MONTHLY PER**

NEWBERRY WATER VOLUME CHARGE

TYPE OF WATER UNITS	1,000 GALLONS	THERE IS A SEASONAL CHARGE OF $34.11 FOR THOSE WHO GO SOUTH FOR WINTER. APROX. 20 CUSTOMERS. REDUCED THE REU'S BY 10 & ADDED IN 10 SEASONAL CUSTOMERS AT RATE BELOW - BASED ON MIN BOND PAYMENT.
COST PER WATER UNIT		
INVOICES PER YEAR	12	

METER SIZE PER INCH	CURRENT "BASE RATE" CHARGE	NUMBER OF METERS	INVOICE FREQUENCY	ANNUAL INCOME
3/4	$75.00	686	12	$617,400
1	$75.00		12	$0
1 1/2	$75.00	2	12	$1,800
2	$75.00	8	12	$7,200
3	$75.00	4	12	$3,600
4	$75.00	1	12	$900
	TOTALS	701		$630,900

MODIFIED RATE CHARGES

THE CURRENT RATE STRUCTURE IS A FLAT RATE CHARGE OF $75.00 PER MONTH PER REU.

THIS RATE EVALUATION ASSIGNS CUSTOMERS A "RTS" CHARGE BASED ON THE SIZE OF THE CUSTOMERS WATER METER, AND GENERATES A COST PER 1,000 GALLONS OF WATER INVOICED.

2018	RATE CLASS 1				
	NEWBERRY WATER VOLUME CHARGE				
METER SIZE PER INCH	NUMBER OF METERS	**CUSTOMERS ACTUAL**	CALCULATED METER EQUIVALENT	EQUIVALENT REU'S PER BILLING CYCLE	ANNUAL EQUIVALENT REU'S (UNITS)
3/4	**686**	**686**	**1.00**	686	8,232
1	**0**	**0**	**1.78**		
1 1/2	**2**	**2**	**4.00**	8	96
2	**8**	**8**	**7.11**	57	683
3	**4**	**4**	**16.00**	64	768
4	**1**	**1**	**28.44**	28	341
TOTAL	**701**	**701**		**843**	
ANNUAL *EQUIVALENT* REU'S USED FOR RATE EVALUATION					**10,120**

NEWBERRY WATER VOLL 2018

UNITS OF WATER OR SEWAGE INVOICED TO CUSTOMERS

USAGE REPORTED IN GALLONS USAGE REPORTED IN CALENDAR YEARS	2014	2015	2016		AVERAGE	MAX. YEAR	MIN. YEAR	PERCENT DIFFERENCE FROM MAX. TO MIN. YEAR	ANTICIPATED PERCENT REDUCTION NEXT YEAR	THE PROGRAM USES THE LOWEST YEAR UNITS USED IN RATE EVALUATION
NEWBERRY WATER VOLUME CHARGE		46,501,000	41,957,000		44,229,000	46,501,000	41,957,000	10%	12%	36,922,160
TOTALS	0	46,501,000	41,957,000		44,229,000	46,501,000	41,957,000	10%		36,922,160
									GALLONS OF REDUCTION	5,034,840
									GALLONS USED FOR EVALUATION	36,922,160

The Volumes listed above are only those gallons that are a revenue source.
The gallons listed above do not include any water NOT invoiced for winter "Let Runs"
The gallons listed above were generated by the Village of Newberry. The Village takes full responsibility for the accuracy of these numbers.
Gallons the Village was paid for.
The 2017 gallons from January to July were =
24,768,000 2016 Jan - July
21,100,000 2017 Jan - July Estimated invoicing 38 million - customers did not let their water run during the winter months as much as previous years. Customers were invoiced for all "let water run" gallons.
They were not invoiced for this extra for sewer gallons.
From Jan - July 2016 to 2017 this was a 12% decrease.

This table shows the gallons of water / sewage invoiced to customers. The Village is showing a slight decrease in usage over the last few years. The Village is showing a slight increase in usage over the last few years. The Village is showing a fairly stable usage over the past several years. For purposes of this evaluation we used the lowest for each class. For this evaluation we used the average of the last several years. We also anticipated a reduction in usage of X % 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 usage.

NEWBERRY WATER VOLUME CHARGE

NON-SALES INCOME NO PREVIOUS ACTUALS AVAILABLE

NON-SALES INCOME	2016	2017	PROPOSED 2018
WATER- PENALTIES & LATE FEES			$ 10,000
INTEREST EARNED			$ 1,200
REIMBURSEMENT			
TOTAL INCOME (NON SALES)	$ -	$ -	$ 11,200

Portion of (Non Sales) Revenue Guaranteed :	**$ 7,500**
Percent Applied Towards Fixed Rate RTS Charge - PERCENT applied per REU	**100%**
ANNUAL DOLLARS APPLIED TOWARDS **FIXED BUDGET** - BASE RATE - RTS	$ 7,500
ANNUAL DOLLARS APPLIED TOWARDS **VARIABLE BUDGET** - PER UNIT	$ -

MICHIGAN RURAL WATER ASSOCIATION RATE EVALUATION PROGRAM

LABOR & BENEFITS	PROPOSED BUDGET FOR NEXT FISCAL YEAR	NO OTHER PAST BUDGETS TO COMPARE	
NEWBERRY WATER VOLUME CHARGE			
	2018		
2018	RATE BUDGET	YEAR OF	YEAR OF
LABOR & BENEFITS	ANNUAL BUDGETED	2017	2015
WAGES	$146,203		
SALARIES	$34,999		
COMPENSATION-ELECTED	$2,850		
VACATION PAY	$11,000		
HOLIDAY PAY	$12,000		
EMPLOYER'S FICA	$14,512		
HEALTH INSURANCE BUYOUT	$13,900		
OVERTIME	$5,650		
LONGEVITY	$1,000		
FUNERAL LEAVE	$2,900		
RETIREMENT - MERS - EMPLOYER P	$14,865		
HOSPITALIZATION	$56,742		
VISION	$415		
H.S.A	$10,400		
DENTAL	$2,362		
SICK PAY	$5,000		
WORKERS' COMPENSATION	$3,216		
LIFE INSURANCE	$698		
FINAL PAYOUT FOR RETIRING EMPLOYEE ONE TIME OF $15,000 - SUBTRACT FROM CASH BALANCE	$0		
ADMINISTRATIVE ALLOCATION - FIRST TIME FOR THIS EXPENSE	$88,958		
SUB-TOTAL EXPENSES	$427,671	$0	$0
Additional Cost of Inflation Increase	0.00%		
LABOR & BENEFITS	$427,671		
ARE EMPLOYEES MAKING A LIVABLE WAGE AND RECEIVING INCREASES ANNUALLY?			

OPERATION & MAINTENANCE EXPENSES	PROPOSED BUDGET FOR NEXT FISCAL YEAR	NO OTHER ACCURATE PAST BUDGETS TO COMPARE	
2018	2018		
NEWBERRY WATER VOLUME CHARGE	RATE BUDGET	YEAR OF	YEAR OF
SYSTEM EXPENSES	ANNUAL BUDGETED	2017	2015
OFFICE SUPPLIES	$4,000		
OPERATING SUPPLIES	$3,000		
IT SOFTWARE	$26,000		
TOOLS & EQUIP UND CAP THRESH	$10,000		
GAS OIL & GREASE	$3,000		
BUILDING MAINT			
PROFESSIONAL & CONTRACTUAL SER	$15,000		
PROF & CONTRACTUAL SERV-LEGAL	$2,500		
COLLECTION EXPENSE	$1,000		
POSTAGE	$1,000		
PUBLISHING & PRINTING	$1,800		
PROFESSIONAL DEVELOPMENT	$1,000		
TRAVEL	$1,000		
MEMBERSHIPS & SUBSCRIPTIONS	$1,700		
VEHICLES REPAIRS & MAINTENANCE	$1,000		
PROPERTY LIABILITY INSURANCE	$18,000		
MISCELLANEOUS	$1,300		

SUBTOTAL OPERATIONAL EXPENSES	**$91,300**	**$0**	**$0**
CONTINGENCY	**$0**		
SUBTOTAL	**$91,300**		
COST OF INFLATION INCREASE	**0.00%**		
OPERATION & MAINTENANCE EXPENSES	**$91,300**		

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.

NEWBERRY WATER VOLUME CHARGE

Notes on loans

2018

BOND INSTALLMENT ANNUAL PAYMENT SCHEDULE

NAME OF LOAN	USDA 2005	USDA 2009	USDA 2014
PAID BY RATES OR OTHER ?	RATES	RATES	RATES
IF OTHER - SOURCE			
IF OTHER - $ CONTRIBUTION FROM OTHER			
DATE OF ISSUE	2005	2009	2014
DATE OF MATURITY	2045	2049	2054
IS THERE A RESERVE REQUIREMENT	YES	YES	YES
WHAT IS THE REQUIRED ANNUAL RESERVE $$			
CURRENT BALANCE IN THE REQUIRED RESERVE			
CURRENT CASH BALANCE IN THIS ACCOUNT			
ORIGINAL LOAN AMOUNT			

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
	USDA 2005	USDA 2009	USDA 2014
2018	$117,300	$15,000	$229,600
2019	$117,300	$15,000	$229,600
2020	$117,300	$15,000	$229,600
2021	$117,300	$15,000	$229,600
2022	$117,300	$15,000	$229,600
2023	$117,300	$15,000	$229,600
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
PAID OFF IN YEAR OF	**2045**	**2049**	**2054**

NEWBERRY WATER VOLUME CHARGE	
LOANS, BONDS, INTEREST, ANNUAL PAYMENT	
USDA 2005	$117,300
USDA 2009	$15,000
USDA 2014	$229,600
$0	$0
TOTAL ANNUAL PAYMENTS $	**361,900.00**
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	**$361,900**
WHAT YEAR IS LOAN PAID OFF	
IS DEBT LISTED SEPARATELY ON WATER BILL	
IF USDA RD LOAN ANNUAL RESERVE FUNDING	$29,345

USDA RURAL DEVELOPMENT RESERVE REQUIREMENT

NEWBERRY WATER VOLUME CHARGE
USDA RURAL DEVELOPMENT BOND RESERVE

LOAN / BOND NAME:	2005 USDA LOAN
ANNUAL BOND RESERVE PAYMENT	$13,000
LOAN ORIGINATION YEAR	2005
ENDING YEAR FOR BOND RESERVE CONTRIBUTION	2015
STARTING BALANCE BOND RESERVE ACCOUNT	0
SAVINGS INTEREST RATE	
BOND RESERVE ACCOUNT GOAL	$130,000
ANNUAL RRI RESERVE PAYMENT	$14,745
ENDING YEAR FOR RRI RESERVE PAYMENT	2045

STARTING YEAR	ANNUAL PAYMENT	END OF YEAR BALANCE
2005	$13,000	$13,000
2006	$13,000	$26,000
2007	$13,000	$39,000
2008	$13,000	$52,000
2009	$13,000	$65,000
2010	$13,000	$78,000
2011	$13,000	$91,000
2012	$13,000	$104,000
2013	$13,000	$117,000
2014	$13,000	$130,000
2015	$13,000	$143,000
2016	$13,000	$156,000

BOND RESERVE	$13,000
REPAIR REPLACEMENT & IMPROVEMENT	$14,745
TOTAL FOR BUDGET	$27,745

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.*

TOTAL BOND RESERVE	$14,600
TOTAL RRI RESERVE	$14,745
TOTAL RESERVE	$29,345

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

NEWBERRY WATER VOLUME CHARGE
USDA RURAL DEVELOPMENT BOND RESERVE

LOAN / BOND NAME:	2009 USDA LOAN
ANNUAL BOND RESERVE PAYMENT	$1,600
LOAN ORIGINATION YEAR	2010
ENDING YEAR FOR BOND RESERVE CONTRIBUTION	2020
STARTING BALANCE BOND RESERVE ACCOUNT	
SAVINGS INTEREST RATE	0.00%
BOND RESERVE ACCOUNT GOAL	$16,000
ANNUAL RRI RESERVE PAYMENT	
ENDING YEAR FOR RRI RESERVE PAYMENT	2050

STARTING YEAR	ANNUAL PAYMENT	END OF YEAR BALANCE
2010	$1,600	$1,600
2011	$1,600	$3,200
2012	$1,600	$4,800
2013	$1,600	$6,400
2014	$1,600	$8,000
2015	$1,600	$9,600
2016	$1,600	$11,200
2017	$1,600	$12,800
2018	$1,600	$14,400
2019	$1,600	$16,000
2020	$1,600	$17,600
2021	$1,600	$19,200

BOND RESERVE	$1,600
REPAIR REPLACEMENT & IMPROVEMENT	$0
TOTAL FOR BUDGET	$1,600

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NEWBERRY WATER VOLUME CHARGE
USDA RURAL DEVELOPMENT BOND RESERVE

LOAN / BOND NAME:	2014 USDA LOAN
ANNUAL BOND RESERVE PAYMENT	$23,400
LOAN ORIGINATION YEAR	2015
ENDING YEAR FOR BOND RESERVE CONTRIBUTION	2025
STARTING BALANCE BOND RESERVE ACCOUNT	
SAVINGS INTEREST RATE	0.00%
BOND RESERVE ACCOUNT GOAL	$234,000
ANNUAL RRI RESERVE PAYMENT	$22,550
ENDING YEAR FOR RRI RESERVE PAYMENT	2055

STARTING YEAR	ANNUAL PAYMENT	END OF YEAR BALANCE
2015	$23,400	$23,400
2016	$23,400	$46,800
2017	$23,400	$70,200
2018	$23,400	$93,600
2019	$23,400	$117,000
2020	$23,400	$140,400
2021	$23,400	$163,800
2022	$23,400	$187,200
2023	$23,400	$210,600
2024	$23,400	$234,000
2025	$23,400	$257,400
2026	$23,400	$280,800

BOND RESERVE	$23,400
REPAIR REPLACEMENT & IMPROVEMENT	$22,550
TOTAL FOR BUDGET	$45,950

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.*

RRI Summary

ANNUAL RRI PAYMENT	RRI ANNUAL	CURRENT BALANCE
2005 USDA LOAN	$14,745	
2009 USDA LOAN	$0	

ANNUAL BOND RESERVE PAYMENT	BOND RESERVE ANNUAL	ENDING YEAR
2005 USDA LOAN	$13,000	2015
2009 USDA LOAN	$1,600	2020

CURRENT RESERVE BALANCE APPLIED TO OTHER RESERVES	$ -
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
2018			$27,745	$27,773
2019			$27,745	$55,573
2020			$27,745	$83,402
2021			$29,345	$112,859
2022			$29,345	$142,347
2023			$29,345	$171,863
2024			$29,345	$201,409
2025			$29,345	$230,985
2026			$29,345	$260,591
2027			$29,345	$290,225
2028			$29,345	$319,890
2029			$29,345	$349,584
2030			$29,345	$379,308
2031			$29,345	$409,062
2032			$29,345	$438,845
2033			$29,345	$468,658
2034			$29,345	$498,501
2035			$29,345	$528,374
2036			$29,345	$558,277
2037			$29,345	$588,210
2038			$29,345	$618,172
2039			$29,345	$648,165
2040			$29,345	$678,187
2041			$29,345	$708,240
2042			$29,345	$738,322
2043			$29,345	$768,435
2044			$29,345	$798,578
2045			$29,345	$828,751

NEWBERRY WATER VOLUME CHARGE

RESERVE FUNDING CURRENT BALANCE

BALANCES WERE OBTAINED ON DATE OF **MARCH 3, 2018**

CASH ON HAND FOR ANNUAL EXPENSES

Name of Account / Description	Purpose	Balance
CHECKING ACCOUNT		
DID NOT HAVE ACCURATE BANK BALANCES FOR CHECKING		
	Total Balance	$ -

GENERAL RESERVE ACCOUNTS

Name of Account / Description	Purpose	Balance
	Total Balance	$ -

RESTRICTED MONEY - RESTRICTED RESERVE ACCOUNTS

Name of Account / Description	Purpose	Balance
2005 BOND RESERVE ACCOUNT - GOAL $130,000		$ 130,000
2009 BOND RESERVE ACCOUNT - GOAL $16,000		$ 12,800
2014 BOND RESERVE ACCOUNT - GOAL $234,400		$ 45,096
2005 BOND & INT REDEMPTION		$ 33,309
2009 BOND & INT REDEMPTION		$ 1,108
2014 BOND & INT REDEMPTION		$ -
	Total Balance	$ 222,313

GENERAL CHECKING	$0
GENERAL RESERVE	$0
TOTAL AVAILABLE	**$0**

APPLIED TO RESERVE ACCOUNTS

ASSET REPLACEMENT # 1	$0
CAPITAL IMPROVEMENT	$0
TOTAL APPLIED TO RESERVE ACCOUNTS	**$0**
LEFT FOR CHECKING	**$0**

MICHIGAN RURAL WATER ASSOCIATION RATE EVALUATION PROGRAM

CALCULATED RESULTS OF WATER RATE ANALYSIS — 2018

NEWBERRY WATER VOLUME CHAR	ANNUAL BUDGET	BASE RATE FIXED EXPENSES	COST PER REU	CONSUMPTION VARIABLE EXPENSES	VOLUME COST PER UNIT
LABOR & BENEFITS	$427,671	$98,364	$9.72	$329,306	$8.92
OPERATION & MAINTENANCE EXPENSES	$91,300	$20,999	$2.08	$70,301	$1.90
SUBTOTAL OPERATIONAL EXPENSES	$518,971	$119,363	$11.79	$399,607	$10.82
USDA 2005	$117,300	$117,300	$11.59	$0	$0.00
USDA 2009	$15,000	$15,000	$1.48	$0	$0.00
USDA 2014	$229,600	$229,600	$22.69	$0	$0.00
2005 USDA LOAN RRI	$14,745	$14,745	$1.46	$0	$0.00
2005 USDA LOAN BOND RESERVE	$13,000	$13,000	$1.28	$0	$0.00
2009 USDA LOAN RRI	$0	$0	$0.00	$0	$0.00
2009 USDA LOAN BOND RESERVE	$1,600	$1,600	$0.16	$0	$0.00
2014 USDA LOAN BOND RESERVE	$23,400	$23,400	$2.31	$0	$0.00
2014 USDA LOAN ENT & IMPROVEMENT	$22,550	$22,550	$2.23	$0	$0.00
SUBTOTAL LOANS	$437,195	$391,245	$43.20	$0	$0.00
TOTAL REGULAR EXPENSES	$956,166	$510,608	$55.00	$399,607	$10.82
NON OPERATING INCOME REDUCTION PER REU / UNIT			$0.74		$0.00
RATE CHARGE FOR O&M AND LOANS			$54.25		$10.82
EQUIPMENT REPLACEMENT SHORT LIVED ASSETS	$15,000	$10,379	$1.03	$4,621	$0.13
CAPITAL IMPROVEMENT PROJECTS	$47,000	$24,362	$2.41	$22,638	$0.61
	$0	$0	$0.00	$0	$0.00
SUBTOTAL RESERVES	$85,400	$58,142	$5.75	$27,258	$0.74
ADOPTED BUDGET	$1,041,566	$568,750	$60.74	$426,866	$11.56
CURRENT REVENUE	$638,400	55%		41%	
NON OPERATING INCOME REDUCTION CONTRIBUTION		$7,500		$0	
REVENUE COLLECTED THROUGH RATES	$988,116	$561,250		$426,866	
NON OPERATING INCOME REDUCTION PER REU / UNIT			0.74		0.00
CALCULATED RATE PER REU	PER	MONTH	$ 60.00	1,000 GAL.	$ 11.56

ANNUAL EQUIVALENT REU'S 10,120		CURRENT RATES	$75.00		$0.00
ANTICIPATED GALLONS INVOICED 36,922,160		INCREASE OF	($15.00)		$11.56
INVOICES PER YEAR 12		PERCENT INCREASE	-20.0%		
TOTAL NUMBER OF CUSTOMERS / METERS 701					
ANTICIPATED EQUIVALENT GALLONS / UNITS 36,922				EVERY MILLION GALLONS GENERATES REVENUE OF	$11,561
IS BASE RATE PER REU, - OR PER METER SIZE?	METER SIZE	$1.00 INCREASE GENERATES	$10,120		$36,922

Newberry Water Volume Charge

2018 NEWBERRY WATER VOLUME CHARGE

	NEWBERRY WATER VOLUME CHARGE	
PER 1,000 GAL.	$11.56	$0.00
	NEW	CURRENT
METER SIZE	BASE RATE PER MONTH	BASE RATE PER MONTH
3/4	$60.00	$75.00
1 1/2	$240.00	
2	$426.67	
3	$960.00	
4	$1,706.67	

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 NEWBERRY WATER VOLUME CHARGE							$ PER 1,000 GAL.
METER SIZE PER INCH	GALLONS USED	VOLUME CHARGE	BASE RATE CHARGE	NEW BILL	OLD BILL	CHANGE IN BILL	PERCENT INCREASE
3/4	1,000	$11.56	$60.00	$71.56	$75.00	($3.44)	-5%
3/4	2,000	$23.12	$60.00	$83.12	$75.00	$8.12	11%
3/4	3,000	$34.68	$60.00	$94.68	$75.00	$19.68	26%
3/4	6,000	$69.37	$60.00	$129.37	$75.00	$54.37	72%
3/4	10,000	$115.61	$60.00	$175.61	$75.00	$100.61	134%

MICHIGAN RURAL WATER ASSOCIATION RATE EVALUATION PROGRAM

CONFIRMATION OF INCOME - BASED ON CALCULATED RATE

NEWBERRY WATER VOLUME CHARGE		
	NEWBERRY WATER VOLUME CHARGE	REVENUE
	New Cost per Unit of Water Sold	NEW RATES
$ PER 1,000 GAL.	$11.56	
UNITS Sold	36,922	36,922
Income	$426,866	$426,866
METER SIZE	NEW BASE RATE PER MONTH	
3/4	$60.00	
NO. CUSTOMERS	686	
INVOICES PER YEAR	12	
ANNUAL INVOICES	8,232	
INCOME	$493,920.00	$493,920
1	$106.67	
NO. CUSTOMERS	0	
INVOICES PER YEAR	12	
ANNUAL INVOICES	0	
INCOME	$0.00	$0
1 1/2	$240.00	
NO. CUSTOMERS	2	
INVOICES PER YEAR	12	
ANNUAL INVOICES	24	
INCOME	$5,760.00	$5,760
2	$426.67	
NO. CUSTOMERS	8	
INVOICES PER YEAR	12	
ANNUAL INVOICES	96	
INCOME	$40,960.00	$40,960
3	$960.00	
NO. CUSTOMERS	4	
INVOICES PER YEAR	12	
ANNUAL INVOICES	48	
INCOME	$46,080.00	$46,080
4	$1,706.67	
NO. CUSTOMERS	1	
INVOICES PER YEAR	12	
ANNUAL INVOICES	12	
INCOME	$20,480.00	$20,480
	Fixed Income	$607,200
NON SALES INCOME APPLIED TO FIXED BUDGET		$7,500
ANTICIPATED REVENUE BASE RATE / RTS + NONE SALES INCOME		$614,700
COMBINED CUSTOMER INCOME = BASE RATE + VOLUME INCOME		$1,041,566
	TOTAL COMBINED CUSTOMER INCOME	$1,041,566
	Budget Goal	$1,041,566
	Difference	$0

NEWBERRY WATER VOLUME CHARGE
EQUIPMENT REPLACEMENT SHORT LIVED ASSETS

2018

SHORT LIVED ASSETS SOMEWHERE BETWEEN 0-15 OR 20 YEARS

NO PRIOR MAINTENANCE DATA EXIST ON THE WELLS - THIS IS JUST AN ESTIMATE OF PROJECTED COST & FREQUENCE - THESE NUMBERS COULD CHANGE AS BETTER DATA BECOMES AVAILABLE

FIXED ASSET INVENTORY		ASSET REPLACEMENT SCHEDULE									
EQUIPMENT LIST / MAINTENANCE ACTIVITY	DESCRIPTION / MAINTENANCE HISTORY	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	REPLACEMENT MONEY RESERVED ANNUALLY
WELL 4 TOTAL REHAB	PUMP, MOTOR & CONTROLS - ALL COMPONENTS OF WELL TO BE REHABED EVERY 10 YEARS	2013	10	5	2023	5	$50,000	50%	50%	$5,000
WELL 6 TOTAL REHAB	PUMP, MOTOR & CONTROLS - ALL COMPONENTS OF WELL TO BE REHABED EVERY 10 YEARS	2014	10	4	2024	6	$50,000	60%	40%	$5,000
WELL 7 TOTAL RAHAB	PUMP, MOTOR & CONTROLS - ALL COMPONENTS OF WELL TO BE REHABED EVERY 10 YEARS	2015	10	3	2025	7	$50,000	70%	30%	$5,000
AS BETTER DATA IS COLLECTED ON WELLS THIS AMOUNT AND FREQUENCY COULD CHANGE										
WATER METER REPLACEMENT -NEW RADIO READS										
NO WATER METER REPLACEMENT UNDER THIS OPTION REU'S ONLY										
WATER METER REPLACEMENT		2010	17	8	2027	9	$99,900	53%	47%	$5,876
WATER METER REPLACEMENT		2012	18	6	2030	12	$99,900	67%	33%	$5,550
WATER METER REPLACEMENT		2014	19	4	2033	15	$99,900	79%	21%	$5,258
WATER METER REPLACEMENT		2016	20	2	2036	18	$99,900	90%	10%	$4,995

EQUIPMENT REPLACEMENT SHORT LIVED ASSETS

COST OF LIVING INCREASE	1.00%
CURRENT RESERVE BALANCE APPLIED TO THIS ACCOUNT - INCLUDES RRI BALANCE	$0
AVG. INTEREST RATE IN SAVINGS	0.10%
ASSET REPLACEMENT ANNUAL FUNDING	$36,679
Annual Funding Applied to Budget / Rates	$15,000
RURAL DEVELOPMENT "RRI" ANNUAL RESERVE 2005 & 2014 LOANS	$14,745
USDA R.D. BOND RESERVE LOAN 1 2005 - BECOMES AVAILABLE FOR RRI IN YEAR OF	2015
USDA R.D. LOAN 1 2005 - ANNUAL BOND RESERVE(S)	$13,000
USDA R.D. LOAN 3 2015 ANNUAL FUNDING	$0

YEAR	PURPOSE	ANNUAL REPLACEMENT EXPENDITURES WITH C.O.L.	ANNUAL FUNDING AMOUNT	RUNNING BALANCE
2018	SEE EQUIPMENT LIST	$0	$42,745	$42,788
2019	FOR ANNUAL EXPENDITURES	$0	$42,745	$85,576
2020		$0	$42,745	$128,406
2021		$0	$42,745	$171,280
2022		$0	$42,745	$214,196
2023		$52,500	$42,745	$204,655
2024		$53,000	$42,745	$194,605
2025		$53,500	$42,745	$184,044
2026		$0	$42,745	$226,973
2027		$108,891	$42,745	$161,054
2028		$0	$42,745	$203,960
2029		$0	$42,745	$246,909
2030		$111,888	$42,745	$178,013
2031		$0	$42,745	$220,936
2032		$0	$42,745	$263,902
2033		$172,385	$42,745	$134,526
2034		$58,000	$42,745	$119,406
2035		$58,500	$42,745	$103,770
2036		$117,882	$42,745	$28,737
2037		$0	$42,745	$71,510
2038		$0	$42,745	$114,327
2039		$0	$42,745	$157,186
2040		$0	$42,745	$200,089
2041		$0	$42,745	$243,034
2042		$0	$42,745	$286,022
2043		$62,500	$42,745	$266,553
2044		$188,874	$42,745	$120,690
2045	2005 USDA LOAN RRI FUNDING ENDS	$63,500	$42,745	$100,056
				$0

MICHIGAN RURAL WATER ASSOCIATION RATE EVALUATION PROGRAM

NEWBERRY WATER VOLUME CHARGE — YEAR OF 2018

CAPITAL IMPROVEMENT PROJECTS

CAPITAL IMPROVEMENT IDEAS WERE GENERATED FROM

NOTES

CAPITAL PROJECT	PRIORITY	ESTIMATED PROJECT COST	AMOUNT FUNDED IN WATER BUDGET	COMPLETE IN YEAR OF	IS THIS YEAR FLEXIBLE?	MONEY RESERVED ANNUALLY
HARRIE -FROM NEWBERRY AVE TO PARMLEE - WATER MAIN REPLACEMENT -	A	$489,060	$489,060	2035	YES	$28,768
"D" AVE -FROM WASHINGTON TO ROBBINS ST- WATER MAIN REPLACEMENT	B	$463,050	$463,050	3038	YES	$454
"A" STREET FROM WASHINGTON TO ROBINSON ST - WATER MAIN REPLACEMENT	C	$378,000	$378,000	2038	YES	$18,900
BACKUP GENERATOR WELL 6 & 7	C	$100,000	$100,000	2021	YES	$33,333
NEW WATER TOWER - REPLACE EXISTING 1937 TOWER	B	$1,000,000	$250,000	2028	YES	$25,000
EAST LIMITS FROM VICTORY TO MCMILLIAN - WATER MAIN REPLACEMENT	C	$1,202,715	$601,358	2030	YES	$50,113
"B" STREET FROM NEWBERRY TO PARMALEE ST - WATER MAIN	C	$631,260	$631,260	2045	YES	$23,380
JOHN ST WATER MAIN REPLACEMENT	C	$325,126	$325,126	2045	YES	$12,042
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
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
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	$4,589,211	$3,237,854			

CAPITAL IMPROVEMENT PROJECTS

ANNUAL COST OF LIVING INCREASE	2.00%
CURRENT RESERVE BALANCE APPLIED TO CAPITAL IMPROVEMENTS	
AVG. INTEREST RATE IN SAVINGS	0.00%
PERCENT RATE INCREASE	2.00%
USDA 2015 RRI RESERVE	$22,550
USDA 2015 BOND RESERE - AVAILABLE 2026	$23,400

YEAR	PROJECT	CIP EXPENDITURES	EXTRA ANNUAL CIP FUNDING	ANNUAL AVERAGE BUDGET	TOTAL COMBINED ANNUAL FUNDING	RUNNING BALANCE
2018	SEE LIST	$0	$22,550	$47,000	$69,550	$69,550
2019		$0	$22,550	$47,940	$70,490	$140,040
2020		$0	$22,550	$48,899	$71,449	$211,489
2021		$106,000	$22,550	$49,877	$72,427	$177,916
2022		$0	$22,550	$50,874	$73,424	$251,340
2023		$0	$22,550	$51,892	$74,442	$325,782
2024		$0	$22,550	$52,930	$75,480	$401,261
2025		$0	$22,550	$53,988	$76,538	$477,800
2026		$0	$45,950	$55,068	$101,018	$578,818
2027		$0	$45,950	$56,169	$102,119	$680,937
2028		$300,000	$45,950	$57,293	$103,243	$484,180
2029		$0	$45,950	$58,439	$104,389	$588,568
2030		$745,683	$45,950	$59,607	$105,557	($51,558)
2031		$0	$45,950	$60,800	$106,750	$55,192
2032		$0	$45,950	$62,016	$107,966	$163,157
2033		$0	$45,950	$63,256	$109,206	$272,363
2034		$0	$45,950	$64,521	$110,471	$382,834
2035		$655,340	$45,950	$65,811	$111,761	($160,745)
2036		$0	$45,950	$67,128	$113,078	($47,667)
2037		$0	$45,950	$68,470	$114,420	$66,753
2038		$529,200	$45,950	$69,840	$115,790	($346,658)

CAPITAL ITEM > HARRIE -FROM NEWBERRY AVE TO PARMALEE - WATER MAIN REPLACEMENT -

Description of Project

WAS LISTED FROM TRUMAN TO HARRIE - CORRECTED

Justification

FROM ENGINEERING STUDY

PERCENT FUNDED: 100%

Itemized Breakdown	Cost
	$ 489,060
Total Cost of Project	$ 489,060

ALLOCATION	Total
COST FUNDED BY BUDGET / RATES	$ 489,060
COMPLETE IN YEAR OF ?	2035
YEARS TO PREPARE	17
COST PER YEAR	$ 28,768
REMAINING COST	$ -

Funding Sources:	Total
COST FUNDED BY BUDGET / RATES	$ 489,060
Other funding sources or from existing savings?	$ -
Loans	
Grants	
Etc	
Total Cost of Project	**$ 489,060**

Complete in Year Of	**2035** ?
Is Year Flexible Yes/No?	YES
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

CAPITAL ITEM > **"D" AVE -FROM WASHINGTON TO ROBBINSON ST- WATER MAIN REPLACEMENT**

Description of Project

Location

Justification

PERCENT FUNDED 100.0%

Itemized Breakdown	Cost
	$ 463,050
Total Cost of Project	$ 463,050

ALLOCATION	Total
COST FUNDED BY BUDGET / RATES	$ 463,050
COMPLETE IN YEAR OF ?	3038
YEARS TO PREPARE	1020
COST PER YEAR	$ 453.97
REMAINING COST	$ -

Funding Sources:	Total
COST FUNDED BY BUDGET / RATES	$ 463,050
Other funding sources or from existing savings	$ -
Total Cost of Project	$ 463,050

Complete in Year Of	**3038** ?
Is Year Flexible Yes/No?	YES
Priority Rating "A,B,C"	B

Priority Rating

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

CAPITAL ITEM > "A" STREET FROM WASHINGTON TO ROBINSON ST - WATER MAIN REPLACEMENT

Description of Project

Location

Justification

PERCENT FUNDED 100.0%

Itemized Breakdown	Cost
	$ 378,000
Total Cost of Project	$ 378,000

ALLOCATION	Total
COST FUNDED BY BUDGET / RATES	$ 378,000
COMPLETE IN YEAR OF ?	2038
YEARS TO PREPARE	20
COST PER YEAR	$ 18,900.00
REMAINING COST	$ -

Funding Sources:	Total
COST FUNDED BY RATES	$ 378,000
Other funding sources or from existing savings	$ -
Total Cost of Project	$ 378,000

Complete in Year Of	2038	?
Is Year Flexible?	YES	
Priority Rating "A,B,C"	C	

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

CAPITAL ITEM > BACKUP GENERATOR WELL 6 & 7

Description of Project

Location

Justification

PERCENT FUNDED: 100%

Itemized Breakdown	Cost
	$ 100,000
Total Cost of Project	$ 100,000

ALLOCATION	Total
COST FUNDED BY BUDGET / RATES	$ 100,000
COMPLETE IN YEAR OF ?	2021
YEARS TO PREPARE	3
COST PER YEAR	$ 33,333.33
REMAINING COST	$ -

Funding Sources:	Total
COST FUNDED BY BUDGET / RATES	$ 100,000
Other funding sources	$ -
Total Cost of Project	$ 100,000

Complete in Year Of	2021
Is Year Flexible?	YES
Priority Rating "A,B,C"	C

Priority Rating

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

CAPITAL ITEM > NEW WATER TOWER - REPLACE EXISTING 1937 TOWER

Description of Project

Justification

PERCENT FUNDED: 25.0%

Itemized Breakdown	Cost
	$ 1,000,000
Total Cost of Project	$ 1,000,000

ALLOCATION	Total
COST FUNDED BY BUDGET / RATES	$ 250,000
COMPLETE IN YEAR OF ?	2028
YEARS TO PREPARE	10
COST PER YEAR	$ 25,000.00
REMAINING COST	$ 750,000

Funding Sources:	Total
COST FUNDED BY BUDGET / RATES	$ 250,000
Other funding sources	$ 750,000
Total Cost of Project	$ 1,000,000

Complete in Year Of	**2028** ?
Is Year Flexible?	YES
Priority Rating "A,B,C"	B

Priority Rating

A - Immediate (Health & Safety, Structural)

B - Needed Benefit, But not Critical to operation of system

C - Long Term Goal

CAPITAL ITEM > EAST LIMITS FROM VICTORY TO MCMILLIAN - WATER MAIN REPLACEMENT

Description of Project

Justification

PERCENT FUNDED: 50%

Itemized Breakdown	Cost
	$ 1,202,715
Total Cost of Project	**$ 1,202,715**

ALLOCATION	Total
COST FUNDED BY BUDGET / RATES	**$ 601,358**
COMPLETE IN YEAR OF ?	2030
YEARS TO PREPARE	**12**
COST PER YEAR	**$ 50,113.13**
REMAINING COST	$ 601,358

Funding Sources:	Total
COST FUNDED BY BUDGET / RATES	$ 601,358
Other funding sources	$ 601,358
Total Cost of Project	**$ 1,202,715**

Complete in Year Of	**2030**
Is Year Flexible?	YES
Priority Rating "A,B,C"	**C**

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

CAPITAL ITEM > "B" STREET FROM NEWBERRY TO PARMALEE ST - WATER MAIN

Description of Project

Location

Justification

PERCENT FUNDED 100%

Itemized Breakdown	Cost
	$ 631,260
Total Cost of Project	$ 631,260

ALLOCATION	Total
COST FUNDED BY BUDGET / RATES	$ 631,260
COMPLETE IN YEAR OF ?	2045
YEARS TO PREPARE	27
COST PER YEAR	$ 23,380.00
REMAINING COST	$ -

Funding Sources:	Total
COST FUNDED BY BUDGET / RATES	$ 631,260
Other funding sources	$ -
Total Cost of Project	$ 631,260

Complete in Year Of	**2045**
Is Year Flexible?	YES
Priority Rating "A,B,C"	C

Priority Rating

A - Immediate (Health & Safety, Structural)

B - Needed Benefit, But not Critical to operation of system

C - Long Term Goal

CAPITAL ITEM > JOHN ST WATER MAIN REPLACEMENT

Description of Project

Location

Justification

PERCENT FUNDED 100%

Itemized Breakdown	Cost
	$ 325,126
Total Cost of Project	$ 325,126

ALLOCATION	Total
COST FUNDED BY BUDGET / RATES	$ 325,126
COMPLETE IN YEAR OF ?	2045
YEARS TO PREPARE	27
COST PER YEAR	$ 12,041.70
REMAINING COST	$ -

Funding Sources:	Total
COST FUNDED BY BUDGET / RATES	$ 325,126
Other funding sources	$ -
Total Cost of Project	$ 325,126

Complete in Year Of	2045
Is Year Flexible?	YES
Priority Rating "A,B,C"	C

Priority Rating

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

NEWBERRY WATER VOLUME CHARGE

SUMMARY RESERVE FUNDING

2018

TYPE OF RESERVE FUND	ANNUAL FUNDING	STARTING BALANCE IN SAVINGS
EQUIPMENT REPLACEMENT SHORT LIVED ASSETS	$15,000	$0
EQUIPMENT REPLACEMENT PAGE 2	$0	$0
EQUIPMENT REPLACEMENT PAGE 3	$0	$0
2005 USDA LOAN RRI	$14,745	
2005 USDA LOAN BOND RESERVE	$13,000	
2009 USDA LOAN RRI	$0	
2009 USDA LOAN BOND RESERVE	$1,600	
2014 USDA LOAN RRI	$22,550	
2014 USDA LOAN BOND RESERVE	$23,400	$0
TOTAL MAINTENANCE RESERVE	$90,295	$0
CAPITAL IMPROVEMENT PROJECTS	$69,550	$0
TOTAL SYSTEM IMPROVEMENT RESERVE	$69,550	$0
TOTAL RESERVE	$159,845	$0
WITHOUT R.D. BOND RESERVE	$136,445	

YEAR	EQUIPMENT REPLACEMENT SHORT LIVED ASSETS		CAPITAL IMPROVEMENT PROJECTS		USDA RURAL DEVELOPMENT RRI		SUMMARY ANNUAL RESERVE	SUMMARY ANNUAL EXPENDITURES	RESERVE RUNNING BALANCE
	ANNUAL FUNDING	ANNUAL EXPENDITURES	ANNUAL FUNDING	ANNUAL EXPENDITURES	RRI ANNUAL FUNDING	EXPENDITURES			
2018	$15,000	$0	$69,550	$0	$27,745	$0	$112,295	$0	**$112,338**
2019	$15,000	$0	$70,490	$0	$27,745	$0	$113,235	$0	**$225,616**
2020	$15,000	$0	$71,449	$0	$27,745	$0	$114,194	$0	**$339,895**
2021	$15,000	$0	$72,427	$106,000	$29,345	$0	$116,772	$106,000	**$349,195**
2022	$15,000	$0	$73,424	$0	$29,345	$0	$117,769	$0	**$465,536**
2023	$15,000	$52,500	$74,442	$0	$29,345	$0	$118,787	$52,500	**$530,437**
2024	$15,000	$53,000	$75,480	$0	$29,345	$0	$119,825	$53,000	**$595,866**
2025	$15,000	$53,500	$76,538	$0	$29,345	$0	$120,883	$53,500	**$661,844**
2026	$15,000	$0	$101,018	$0	$29,345	$0	$145,363	$0	**$805,791**
2027	$15,000	$108,891	$102,119	$0	$29,345	$0	$146,464	$108,891	**$841,991**
2028	$15,000	$0	$103,243	$300,000	$29,345	$0	$147,588	$300,000	**$688,140**
2029	$15,000	$0	$104,389	$0	$29,345	$0	$148,734	$0	**$835,477**
2030	$15,000	$111,888	$105,557	$745,683	$29,345	$0	$149,902	$857,571	**$126,455**
2031	$15,000	$0	$106,750	$0	$29,345	$0	$151,095	$0	**$276,128**
2032	$15,000	$0	$107,966	$0	$29,345	$0	$152,311	$0	**$427,059**
2033	$15,000	$172,385	$109,206	$0	$29,345	$0	$153,551	$172,385	**$406,889**
2034	$15,000	$58,000	$110,471	$0	$29,345	$0	$154,816	$58,000	**$502,240**
2035	$15,000	$58,500	$111,761	$655,340	$29,345	$0	$156,106	$713,840	**($56,975)**
2036	$15,000	$117,882	$113,078	$0	$29,345	$0	$157,423	$117,882	**($18,931)**
2037	$15,000	$0	$114,420	$0	$29,345	$0	$158,765	$0	**$138,263**
2038	$15,000	$0	$115,790	$529,200	$29,345	$0	$160,135	$529,200	**($232,331)**
2039	$15,000	$0	$0	$0	$29,345	$0	$44,345	$0	**$157,186**
2040	$15,000	$0	$0	$0	$29,345	$0	$44,345	$0	**$200,089**
2041	$15,000	$0	$0	$0	$29,345	$0	$44,345	$0	**$243,034**
2042	$15,000	$0	$0	$0	$29,345	$0	$44,345	$0	**$286,022**
2043	$15,000	$62,500	$0	$0	$29,345	$0	$44,345	$62,500	**$266,553**
2044	$15,000	$188,874	$0	$0	$29,345	$0	$44,345	$188,874	**$120,690**
2045	$15,000	$63,500	$0	$1,472,834	$29,345	$0	$44,345	$1,536,334	**$100,056**
TOTALS							**$3,226,426**	**$4,910,478**	

GAIN OF	($1,684,052)

BASED ON CURRENT KNOWN EXPENSES

Village of Newberry

Water Rate Report
Based on Current Water Rate

May 2018

Prepared By:

Name	Title	Employer	Email
Mike Engels	Circuit Rider	Michigan Rural Water Association	mikeengels@sbcglobal.net
Buck Vallad	Assistant Village Manager	Village of Newberry	assistantmanager@newberrymi.gov
Charles Medelis (Buzz)	Water & Light Chairman	Village of Newberry	cmedelis@newberrymi.gov

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 your community has invested in the essential infrastructure and services necessary to provide it's residents with safe and reliability drinking water.

The construction and maintenance of this infrastructure is one of the most costly investments the residents in your 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) That adequate revenue is collected through service charges to support the cost of providing the service, and
c) That the rates are equitable to all users of the service.
That is, each user's share of the cost is proportionate to their use of 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.

NEWBERRY WATER					
CONCLUSION OF ANALYSIS					
	CURRENT "BASE RATE" CHARGE PER MONTH				
0	**CURRENT RATES**		**CALCULATED RATES**		**DIFFERENCE**
PER REU	**$75.00**		**$77.92**		**$2.92**
0	**$0.00**		**$0.00**		**$0.00**

The above rates are based on an input budget of:	$1,003,566
The above rates are based on invoicing the following gallons of water / sewer:	0
The above rates are based on the following number of customers:	1,068
The above rates are based on the following number of Residential Equivalent Units (REU's):	12,783

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.

BACKGROUND INFORMATION STARTING SHEET

Name of Community :	NEWBERRY WATER
Population Served :	1500
BUDGET USED FOR YEAR OF	2018
Current Rate Structure	
Are bills based on 1,000 gallons units or 100 cubic feet units?	0
Number of Residential Customer Invoices per Year	12
What are the dates of the Fiscal Year	Jan 1
Year of Last Rate Increase	Aug-17
This rate evaluation was completed using the following information	
Reliability Study / General Plan	
Capital Improvement Plan	YES
Water Tower Inspection Report	NO
Well Inspection Report	NO
System Evaluations (MDEQ etc)	
List the names of the different Entities Served - Originating Entity	NEWBERRY WATER
2nd Entity	

NEWBERRY WATER
CURRENT RATE CHARGES
Customers Are Invoice **MONTHLY PER**

NEWBERRY WATER

		ALL REVENUE GENERATED BY STRAIGHT REU CHARGE. WHICH IS BASED ON 3000 GALLONS EQUAL TO 1 REU FOR NON-RESIDENTIAL & 1 REU FOR RESIDENTIAL REGARDLESS OF USAGE. USAGE WAS DETERMINED BASED ON 2016 ANNUAL USAGE. THIS DATA CAME FROM BUCK'S SPREADSHEETS. THERE IS A SEASONAL CHARGE OF $34.11 FOR THOSE WHO GO SOUTH FOR WINTER. APROX. 20 CUSTOMERS. REDUCED THE REU'S BY 10 & ADDED IN 5 SEASONAL CUSTOMERS AT RATE BELOW - BASED ON MIN BOND PAYMENT.		
INVOICES PER YEAR	12			
	CURRENT "BASE RATE" CHARGE	NUMBER OF REU'S	INVOICE FREQUENCY	ANNUAL INCOME
PER REU	$75.00	1062.98	12	$956,682
			12	$0
	TOTALS	1062.98		$956,682

SEASONAL					
TYPE OF WATER UNITS	100 CUFT	Ratio Entity # 2 vs. 1	Notes		
COST PER WATER UNIT	$0.00	1			
INVOICES PER YEAR	12				
0	CURRENT "BASE RATE" CHARGE	Ratio Entity # 2 vs. 1	NUMBER OF REU'S	INVOICE FREQUENCY	ANNUAL INCOME
SEASONAL	$34.11	0.45	5	12	$2,047
0				12	$0
			5		$2,047

MICHIGAN RURAL WATER ASSOCIATION RATE EVALUATION PROGRAM

2018	RATE CLASS 1	RATE CLASS 2				
	NEWBERRY WATER	SEASONAL				
0	NUMBER OF REU'S	NUMBER OF REU'S	CUSTOMERS ACTUAL	CALCULATED METER EQUIVALENT	EQUIVALENT REU'S PER BILLING CYCLE	ANNUAL EQUIVALENT REU'S (UNITS)
PER REU	1063	5	1068	1.00	1,065	12,783
TOTAL	1063	5	1068		1,065	
					TOTAL *EQUIVALENT* ANNUAL REU'S	12,783
					PERCENT REDUCTION	0.00%
					REU REDUCTION PER BILLING CYCLE	0.0
					ANNUAL *EQUIVALENT* REU'S USED FOR RATE EVALUATION	12,783

NEWBERRY WATER

NON-SALES INCOME NO PREVIOUS ACTUALS AVAILABLE

NON-SALES INCOME	2016	2017	PROPOSED 2018
WATER- PENALTIES & LATE FEES			$ 10,000
INTEREST EARNED			$ 1,200
REIMBURSEMENT			
TOTAL INCOME (NON SALES)	$ -	$ -	$ 11,200

Portion of (Non Sales) Revenue Guaranteed :	**$ 7,500**
Percent Applied Towards Fixed Rate RTS Charge - PERCENT applied per REU	**100%**
ANNUAL DOLLARS APPLIED TOWARDS **FIXED BUDGET** - BASE RATE - RTS	$ 7,500
ANNUAL DOLLARS APPLIED TOWARDS **VARIABLE BUDGET** - PER UNIT	$ -

MICHIGAN RURAL WATER ASSOCIATION RATE EVALUATION PROGRAM

LABOR & BENEFITS	PROPOSED BUDGET FOR NEXT FISCAL YEAR	NO OTHER PAST BUDGETS TO COMPARE	
NEWBERRY WATER			
	2018		
2018	RATE BUDGET	YEAR OF	YEAR OF
LABOR & BENEFITS	ANNUAL BUDGETED	2017	2015
WAGES	$146,203		
SALARIES	$34,999		
COMPENSATION-ELECTED	$2,850		
VACATION PAY	$11,000		
HOLIDAY PAY	$12,000		
EMPLOYER'S FICA	$14,512		
HEALTH INSURANCE BUYOUT	$13,900		
OVERTIME	$5,650		
LONGEVITY	$1,000		
FUNERAL LEAVE	$2,900		
RETIREMENT - MERS - EMPLOYER P	$14,865		
HOSPITALIZATION	$56,742		
VISION	$415		
H.S.A	$10,400		
DENTAL	$2,362		
SICK PAY	$5,000		
WORKERS' COMPENSATION	$3,216		
LIFE INSURANCE	$698		
FINAL PAYOUT FOR RETIRING EMPLOYEE ONE TIME OF $15,000 - SUBTRACT FROM CASH BALANCE	$0		
ADMINISTRATIVE ALLOCATION -	$88,958		
SUB-TOTAL EXPENSES	$427,671	$0	$0
Additional Cost of Inflation Increase	0.00%		
LABOR & BENEFITS	$427,671		
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	NO OTHER ACCURATE PAST BUDGETS TO COMPARE	
2018	2018		
NEWBERRY WATER	RATE BUDGET	YEAR OF	YEAR OF
SYSTEM EXPENSES	ANNUAL BUDGETED	2017	2015
OFFICE SUPPLIES	$4,000		
OPERATING SUPPLIES	$3,000		
IT SOFTWARE	$26,000		
TOOLS & EQUIP UND CAP THRESH	$10,000		
GAS OIL & GREASE	$3,000		
BUILDING MAINT			
PROFESSIONAL & CONTRACTUAL SER	$15,000		
PROF & CONTRACTUAL SERV-LEGAL	$2,500		
COLLECTION EXPENSE	$1,000		
POSTAGE	$1,000		
PUBLISHING & PRINTING	$1,800		
PROFESSIONAL DEVELOPMENT	$1,000		
TRAVEL	$1,000		
MEMBERSHIPS & SUBSCRIPTIONS	$1,700		
VEHICLES REPAIRS & MAINTENANCE	$1,000		
PROPERTY LIABILITY INSURANCE	$18,000		
MISCELLANEOUS	$1,300		

Newberry Water Current Rate Charge

SUBTOTAL OPERATIONAL EXPENSES	$91,300	$0	$0
CONTINGENCY	$0		
SUBTOTAL	$91,300		
COST OF INFLATION INCREASE	0.00%		
OPERATION & MAINTENANCE EXPENSES	$91,300		

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.

NEWBERRY WATER

Notes on loans

2018

BOND INSTALLMENT ANNUAL PAYMENT SCHEDULE

NAME OF LOAN	USDA 2005	USDA 2009	USDA 2014
PAID BY RATES OR OTHER ?	RATES	RATES	RATES
IF OTHER - SOURCE			
IF OTHER - $ CONTRIBUTION FROM OTHER			
DATE OF ISSUE	2005	2009	2014
DATE OF MATURITY	2045	2049	2054
IS THERE A RESERVE REQUIREMENT	YES	YES	YES
WHAT IS THE REQUIRED ANNUAL RESERVE $$			
CURRENT BALANCE IN THE REQUIRED RESERVE			
DATE OF - PRINCIPAL & INTEREST PAYMENT			
$ AMOUNT OF THIS INTEREST PAYMENT			
$ AMOUNT OF PRINCIPAL THIS PAYMENT			
DATE OF - INTEREST PAYMENT			
$ AMOUNT OF THIS INTEREST PAYMENT			
CURRENT CASH BALANCE IN THIS ACCOUNT			
ORIGINAL LOAN AMOUNT			

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
	USDA 2005	USDA 2009	USDA 2014
2018	$117,300	$15,000	$229,600
2019	$117,300	$15,000	$229,600
2020	$117,300	$15,000	$229,600
2021	$117,300	$15,000	$229,600
2022	$117,300	$15,000	$229,600
2023	$117,300	$15,000	$229,600
2024			
2025			
PAID OFF IN YEAR OF	**2045**	**2049**	**2054**

USDA RURAL DEVELOPMENT RESERVE REQUIREMENT

NEWBERRY WATER

USDA RURAL DEVELOPMENT BOND RESERVE

LOAN / BOND NAME: **2005 USDA LOAN**

ANNUAL BOND RESERVE PAYMENT	$13,000
LOAN ORIGINATION YEAR	2005
ENDING YEAR FOR BOND RESERVE CONTRIBUTION	2015
STARTING BALANCE BOND RESERVE ACCOUNT	0
SAVINGS INTEREST RATE	
BOND RESERVE ACCOUNT GOAL	$130,000
ANNUAL RRI RESERVE PAYMENT	$14,745
ENDING YEAR FOR RRI RESERVE PAYMENT	2045

STARTING YEAR	ANNUAL PAYMENT	END OF YEAR BALANCE
2005	$13,000	$13,000
2006	$13,000	$26,000
2007	$13,000	$39,000
2008	$13,000	$52,000
2009	$13,000	$65,000
2010	$13,000	$78,000
2011	$13,000	$91,000
2012	$13,000	$104,000
2013	$13,000	$117,000
2014	$13,000	$130,000
2015	$13,000	$143,000
2016	$13,000	$156,000

BOND RESERVE	$13,000
REPAIR REPLACEMENT & IMPROVEMENT	$14,745
TOTAL FOR BUDGET	$27,745

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.*

TOTAL BOND RESERVE	$14,600
TOTAL RRI RESERVE	$14,745
TOTAL RESERVE	$29,345

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

NEWBERRY WATER

USDA RURAL DEVELOPMENT BOND RESERVE

LOAN / BOND NAME: **2009 USDA LOAN**

ANNUAL BOND RESERVE PAYMENT	$1,600
LOAN ORIGINATION YEAR	2010
ENDING YEAR FOR BOND RESERVE CONTRIBUTION	2020
STARTING BALANCE BOND RESERVE ACCOUNT	
SAVINGS INTEREST RATE	0.00%
BOND RESERVE ACCOUNT GOAL	$16,000
ANNUAL RRI RESERVE PAYMENT	
ENDING YEAR FOR RRI RESERVE PAYMENT	2050

STARTING YEAR	ANNUAL PAYMENT	END OF YEAR BALANCE
2010	$1,600	$1,600
2011	$1,600	$3,200
2012	$1,600	$4,800
2013	$1,600	$6,400
2014	$1,600	$8,000
2015	$1,600	$9,600
2016	$1,600	$11,200
2017	$1,600	$12,800
2018	$1,600	$14,400
2019	$1,600	$16,000
2020	$1,600	$17,600
2021	$1,600	$19,200

BOND RESERVE	$1,600
REPAIR REPLACEMENT & IMPROVEMENT	$0
TOTAL FOR BUDGET	$1,600

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.*

NEWBERRY WATER

USDA RURAL DEVELOPMENT BOND RESERVE

LOAN / BOND NAME: **2014 USDA LOAN**

ANNUAL BOND RESERVE PAYMENT	$23,400
LOAN ORIGINATION YEAR	2015
ENDING YEAR FOR BOND RESERVE CONTRIBUTION	2025
STARTING BALANCE BOND RESERVE ACCOUNT	
SAVINGS INTEREST RATE	0.00%
BOND RESERVE ACCOUNT GOAL	$234,000
ANNUAL RRI RESERVE PAYMENT	$22,550
ENDING YEAR FOR RRI RESERVE PAYMENT	2055

STARTING YEAR	ANNUAL PAYMENT	END OF YEAR BALANCE
2015	$23,400	$23,400
2016	$23,400	$46,800
2017	$23,400	$70,200
2018	$23,400	$93,600
2019	$23,400	$117,000
2020	$23,400	$140,400
2021	$23,400	$163,800
2022	$23,400	$187,200
2023	$23,400	$210,600
2024	$23,400	$234,000
2025	$23,400	$257,400
2026	$23,400	$280,800

BOND RESERVE	$23,400
REPAIR REPLACEMENT & IMPROVEMENT	$22,550
TOTAL FOR BUDGET	$45,950

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.*

NEWBERRY WATER	
LOANS, BONDS, INTEREST, ANNUAL PAYMENT	
USDA 2005	$117,300
USDA 2009	$15,000
USDA 2014	$229,600
$0	$0
TOTAL ANNUAL PAYMENTS $	**361,900.00**
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	**$361,900**
WHAT YEAR IS LOAN PAID OFF	
IS DEBT LISTED SEPARATELY ON WATER BILL	
IF USDA RD LOAN ANNUAL RESERVE FUNDING	$29,345

NEWBERRY WATER

RESERVE FUNDING CURRENT BALANCE

BALANCES WERE OBTAINED ON DATE OF **MARCH 3, 2018'**

CASH ON HAND FOR ANNUAL EXPENSES

Name of Account / Description	Purpose	Balance
CHECKING ACCOUNT		
DID NOT HAVE ACCURATE BANK BALANCES FOR CHECKING		
	Total Balance	$ -

GENERAL RESERVE ACCOUNTS

Name of Account / Description	Purpose	Balance
2005 USDA LOAN RRI		$ 175,195
2014 USDA LOAN RRI		$ 45,096
	Total Balance	$ 220,291

RESTRICTED MONEY - RESTRICTED RESERVE ACCOUNTS

Name of Account / Description	Purpose	Balance
2005 BOND RESERVE ACCOUNT - GOAL $130,000		$ 130,000
2009 BOND RESERVE ACCOUNT - GOAL $16,000		$ 12,800
2014 BOND RESERVE ACCOUNT - GOAL $234,400		$ 45,096
2005 BOND & INT REDEMPTION		$ 33,309
2009 BOND & INT REDEMPTION		$ 1,108
2014 BOND & INT REDEMPTION		$ -
	Total Balance	$ 222,313

GENERAL CHECKING	$0
GENERAL RESERVE	$220,291
TOTAL AVAILABLE	**$220,291**

APPLIED TO RESERVE ACCOUNTS

ASSET REPLACEMENT # 1	$0
CAPITAL IMPROVEMENT	$0
TOTAL APPLIED TO RESERVE ACCOUNTS	$0
LEFT FOR CHECKING	**$220,291**

MICHIGAN RURAL WATER ASSOCIATION RATE EVALUATION PROGRAM

CALCULATED RESULTS OF WATER RATE ANALYSIS			
NEWBERRY WATER	**ANNUAL BUDGET**		**COST PER REU**
LABOR & BENEFITS	$427,671		$33.46
OPERATION & MAINTENANCE EXPENSES	$91,300		$7.14
SUBTOTAL OPERATIONAL EXPENSES	$518,971		**$40.60**
USDA 2005	$117,300		$9.18
USDA 2009	$15,000		$1.17
USDA 2014	$229,600		$17.96
2005 USDA LOAN RRI	$14,745		$1.15
2005 USDA LOAN BOND RESERVE	$13,000		$1.02
2009 USDA LOAN RRI	$0		$0.00
2009 USDA LOAN BOND RESERVE	$1,600		$0.13
2014 USDA LOAN BOND RESERVE	$23,400		$1.83
2014 USDA LOAN RRI	$22,550		$1.76
SUBTOTAL LOANS	$437,195		**$34.20**
TOTAL REGULAR EXPENSES	$956,166		**$74.80**
		NON OPERATING INCOME REDUCTION PER REU / UNIT	$0.59
		RATE CHARGE FOR O&M AND LOANS	**$74.21**
EQUIPMENT REPLACEMENT SHORT LIVED ASSETS	$0		$0.00
CAPITAL IMPROVEMENT PROJECTS	$47,400		$3.71
			$0.00
SUBTOTAL RESERVES	$47,400		**$3.71**
RESERVE PORTION OF BUDGET	5%		
ADOPTED BUDGET	**$1,003,566**		**$78.51**
CURRENT REVENUE	$966,229		
NON OPERATING INCOME REDUCTION CONTRIBUTION	$7,500		
REVENUE COLLECTED THROUGH RATES	$950,116		
NON OPERATING INCOME REDUCTION PER REU / UNIT			$0.59
CALCULATED RATE PER REU	**PER**	**MONTH**	**$ 77.92**
ANNUAL EQUIVALENT REU'S **12,783**		CURRENT RATES	$75.00
		INCREASE OF	$2.92
INVOICES PER YEAR 12		PERCENT INCREASE	3.9%
TOTAL NUMBER OF CUSTOMERS / METERS 1,068			

Newberry Water Current Rate Charge

2018 NEWBERRY WATER

	NEWBERRY WATER					SEASONAL
	NEW	CURRENT		DIFFERENCE PER MONTH		NEW
METER SIZE	BASE RATE PER MONTH	BASE RATE PER MONTH	PERCENT INCREASE			BASE RATE PER MONTH
PER REU	$77.92	$75.00	3.9%	$2.92		$35.44

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 RATES

NEWBERRY WATER			
	NEWBERRY WATER	SEASONAL	REVENUE
METER SIZE	NEW BASE RATE PER MONTH		
PER REU	$77.92	$35.44	
NO. CUSTOMERS	1,063	5	
INVOICES PER YEAR	12	12	
ANNUAL BILLS	12,756	60	
INCOME	$993,939.46	$2,126.30	$996,066
		Fixed Income	$996,066
		ANTICIPATED LOSS OF FIXED INCOME FROM REU REDUCTION	$0
		INCOME GENERATED BASE RATE	$996,066
		NON SALES INCOME APPLIED TO FIXED BUDGET	$7,500
		TOTAL ANTICIPATED REVENUE BASE RATE / RTS + NONE SALES INCOME	$1,003,566
		TOTAL COMBINED CUSTOMER INCOME = BASE RATE + VOLUME INCOME	$1,003,566
		TOTAL COMBINED CUSTOMER INCOME	$1,003,566
		Budget Goal	$1,003,566
		Difference	$0

NEWBERRY WATER

EQUIPMENT REPLACEMENT SHORT LIVED ASSETS

2018

SHORT LIVED ASSETS SOMEWHERE BETWEEN 0-15 OR 20 YEARS

NO PRIOR MAINTENANCE DATA EXIST ON THE WELLS - THIS IS JUST AN ESTIMATE OF PROJECTED COST & FREQUENCE - THESE NUMBERS COULD CHANGE AS BETTER DATA BECOMES AVAILABLE

FIXED ASSET INVENTORY		ASSET REPLACEMENT SCHEDULE									
EQUIPMENT LIST / MAINTENANCE ACTIVITY	DESCRIPTION / MAINTENANCE HISTORY	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	REPLACEMENT MONEY RESERVED ANNUALLY
WELL 4 TOTAL REHAB	PUMP, MOTOR & CONTROLS - ALL COMPONENTS OF WELL TO BE REHABED EVERY 10 YEARS	2013	10	5	2023	5	$50,000	50%	50%	$5,000
WELL 6 TOTAL REHAB	PUMP, MOTOR & CONTROLS - ALL COMPONENTS OF WELL TO BE REHABED EVERY 10 YEARS	2014	10	4	2024	6	$50,000	60%	40%	$5,000
WELL 7 TOTAL RAHAB	PUMP, MOTOR & CONTROLS - ALL COMPONENTS OF WELL TO BE REHABED EVERY 10 YEARS	2015	10	3	2025	7	$50,000	70%	30%	$5,000
AS BETTER DATA IS COLLECTED ON WELLS THIS AMOUNT AND FREQUENCY COULD CHANGE										
WATER METER REPLACEMENT -NEW RADIO READS										
NO WATER METER REPLACEMENT UNDER THIS OPTION REU'S ONLY										

EQUIPMENT REPLACEMENT SHORT LIVED ASSETS

		COST OF LIVING INCREASE		1.00%
		CURRENT RESERVE BALANCE APPLIED TO THIS ACCOUNT - INCLUDES RRI BALANCE		$0
		AVG. INTEREST RATE IN SAVINGS		0.10%
		ASSET REPLACEMENT ANNUAL FUNDING	$15,000	
		Annual Funding Applied to Budget / Rates	$0	
		AL DEVELOPMENT "RRI" ANNUAL RESERVE 2005 & 2014 LOANS	$14,745	
		USDA R.D. BOND RESERVE LOAN 1 2006 - BECOMES AVAILABLE FOR RRI IN YEAR OF	2015	
		USDA R.D. LOAN 1 2005 - ANNUAL BOND RESERVE(S)	$13,000	
		USDA R.D. LOAN 3 2015 ANNUAL FUNDING	$0	
YEAR	PURPOSE	ANNUAL REPLACEMENT EXPENDITURES WITH C.O.L.	ANNUAL FUNDING AMOUNT	RUNNING BALANCE
2018	SEE EQUIPMENT LIST	$0	$27,745	$27,773
2019	FOR ANNUAL EXPENDITURES	$0	$27,745	$55,546
2020		$0	$27,745	$83,346
2021		$0	$27,745	$111,174
2022		$0	$27,745	$139,031
2023		$52,500	$27,745	$114,415
2024		$53,000	$27,745	$89,274
2025		$53,500	$27,745	$63,608
2026		$0	$27,745	$91,417
2027		$0	$27,745	$119,253
2028		$0	$27,745	$147,118
2029		$0	$27,745	$175,010
2030		$0	$27,745	$202,930
2031		$0	$27,745	$230,878
2032		$0	$27,745	$258,854
2033		$57,500	$27,745	$229,357
2034		$58,000	$27,745	$199,332
2035		$58,500	$27,745	$168,776
2036		$0	$27,745	$196,690
2037		$0	$27,745	$224,632
2038		$0	$27,745	$252,601
2039		$0	$27,745	$280,599
2040		$0	$27,745	$308,624
2041		$0	$27,745	$336,678
2042		$0	$27,745	$364,760
2043		$62,500	$27,745	$330,369
2044		$63,000	$27,745	$295,445
2045	2005 USDA LOAN RRI FUNDING ENDS	$63,500	$27,745	$259,985
				$0

MICHIGAN RURAL WATER ASSOCIATION RATE EVALUATION PROGRAM

NEWBERRY WATER — YEAR OF 2018

CAPITAL IMPROVEMENT PROJECTS

CAPITAL IMPROVEMENT IDEAS WERE GENERATED FROM

NOTES

CAPITAL PROJECT	PRIORITY	ESTIMATED PROJECT COST	AMOUNT FUNDED IN WATER BUDGET	COMPLETE IN YEAR OF	IS THIS YEAR FLEXIBLE?	MONEY RESERVED ANNUALLY
HARRIE -FROM NEWBERRY AVE TO PARMLEE - WATER MAIN REPLACEMENT -	A	$489,060	$489,060	2035	YES	$28,768
"D" AVE -FROM WASHINGTON TO ROBBINS ST- WATER MAIN REPLACEMENT	B	$463,050	$463,050	3038	YES	$454
"A" STREET FROM WASHINGTON TO ROBINSON ST - WATER MAIN REPLACEMENT	C	$378,000	$378,000	2038	YES	$18,900
BACKUP GENERATOR WELL 6 & 7	C	$100,000	$100,000	2021	YES	$33,333
NEW WATER TOWER - REPLACE EXISTING 1937 TOWER	B	$1,000,000	$250,000	2028	YES	$25,000
EAST LIMITS FROM VICTORY TO MCMILLIAN - WATER MAIN REPLACEMENT	C	$1,202,715	$601,358	2030	YES	$50,113
"B" STREET FROM NEWBERRY TO PARMALEE ST - WATER MAIN	C	$631,260	$631,260	2045	YES	$23,380
JOHN ST WATER MAIN REPLACEMENT	C	$325,126	$325,126	2045	YES	$12,042
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
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
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	$4,589,211	$3,237,854			

CAPITAL IMPROVEMENT PROJECTS

ANNUAL COST OF LIVING INCREASE	2.00%
CURRENT RESERVE BALANCE APPLIED TO CAPITAL IMPROVEMENTS	
AVG. INTEREST RATE IN SAVINGS	0.00%
PERCENT RATE INCREASE	2.00%
USDA 2015 RRI RESERVE	$22,550
USDA 2015 BOND RESERE - AVAILABLE 2026	$23,400

YEAR	PROJECT	CIP EXPENDITURES	EXTRA ANNUAL CIP FUNDING	ANNUAL AVERAGE BUDGET	TOTAL COMBINED ANNUAL FUNDING	RUNNING BALANCE
2018	SEE LIST	$0	$22,550	$47,400	$69,950	$69,950
2019		$0	$22,550	$48,348	$70,898	$140,848
2020		$0	$22,550	$49,315	$71,865	$212,713
2021		$106,000	$22,550	$50,301	$72,851	$179,564
2022		$0	$22,550	$51,307	$73,857	$253,422
2023		$0	$22,550	$52,333	$74,883	$328,305
2024		$0	$22,550	$53,380	$75,930	$404,235
2025		$0	$22,550	$54,448	$76,998	$481,233
2026		$0	$45,950	$55,537	$101,487	$582,719
2027		$0	$45,950	$56,647	$102,597	$685,317
2028		$300,000	$45,950	$57,780	$103,730	$489,047
2029		$0	$45,950	$58,936	$104,886	$593,933
2030		$745,683	$45,950	$60,115	$106,065	($45,686)
2031		$0	$45,950	$61,317	$107,267	$61,581
2032		$0	$45,950	$62,543	$108,493	$170,075
2033		$0	$45,950	$63,794	$109,744	$279,819
2034		$0	$45,950	$65,070	$111,020	$390,839
2035		$655,340	$45,950	$66,371	$112,321	($152,180)
2036		$0	$45,950	$67,699	$113,649	($38,531)
2037		$0	$45,950	$69,053	$115,003	$76,472
2038		$529,200	$45,950	$70,434	$116,384	($336,344)

Newberry Water Current Rate Charge

CAPITAL ITEM > **HARRIE -FROM NEWBERRY AVE TO PARMALEE - WATER MAIN REPLACEMENT -**

Description of Project

WAS LISTED FROM TRUMAN TO HARRIE - CORRECTED

Justification

FROM ENGINEERING STUDY

PERCENT FUNDED 100%

Itemized Breakdown	Cost
	$ 489,060
Total Cost of Project	$ 489,060

ALLOCATION	Total
COST FUNDED BY BUDGET / RATES	$ 489,060
COMPLETE IN YEAR OF ?	2035
YEARS TO PREPARE	17
COST PER YEAR	$ 28,768
REMAINING COST	$ -

Funding Sources:	Total
COST FUNDED BY BUDGET / RATES	$ 489,060
Other funding sources or from existing savings?	$ -
Loans	
Grants	
Etc	
Total Cost of Project	$ 489,060

Complete in Year Of	**2035** ?
Is Year Flexible Yes/No?	YES
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

CAPITAL ITEM > "D" AVE -FROM WASHINGTON TO ROBINSON ST- WATER MAIN REPLACEMENT

Description of Project

Location

Justification

PERCENT FUNDED 100.0%

Itemized Breakdown	Cost
	$ 463,050
Total Cost of Project	$ 463,050

ALLOCATION	Total
COST FUNDED BY BUDGET / RATES	$ 463,050
COMPLETE IN YEAR OF ?	3038
YEARS TO PREPARE	1020
COST PER YEAR	$ 453.97
REMAINING COST	$ -

Funding Sources:	Total
COST FUNDED BY BUDGET / RATES	$ 463,050
Other funding sources or from existing savings	$ -
Total Cost of Project	$ 463,050

Complete in Year Of	3038 ?
Is Year Flexible Yes/No?	YES
Priority Rating "A,B,C"	B

Priority Rating

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

CAPITAL ITEM > "A" STREET FROM WASHINGTON TO ROBINSON ST - WATER MAIN REPLACEMENT

Description of Project

Location

Justification

PERCENT FUNDED 100.0%

Itemized Breakdown	Cost
	$ 378,000
Total Cost of Project	$ 378,000

ALLOCATION	Total
COST FUNDED BY BUDGET / RATES	$ 378,000
COMPLETE IN YEAR OF ?	2038
YEARS TO PREPARE	20
COST PER YEAR	$ 18,900.00
REMAINING COST	$ -

Funding Sources:	Total
COST FUNDED BY RATES	$ 378,000
Other funding sources or from existing savings	$ -
Total Cost of Project	$ 378,000

Complete in Year Of 2038 ?

Is Year Flexible? YES

Priority Rating "A,B,C" C

Priority Rating

A - Immediate (Health & Safety, Structural)

B - Needed Benefit, But not Critical to operation of system

C - Long Term Goal

CAPITAL ITEM > BACKUP GENERATOR WELL 6 & 7

Description of Project

Location

Justification

PERCENT FUNDED: 100%

Itemized Breakdown	Cost
	$ 100,000
Total Cost of Project	$ 100,000

ALLOCATION	Total
COST FUNDED BY BUDGET / RATES	$ 100,000
COMPLETE IN YEAR OF ?	2021
YEARS TO PREPARE	3
COST PER YEAR	$ 33,333.33
REMAINING COST	$ -

Funding Sources:	Total
COST FUNDED BY BUDGET / RATES	$ 100,000
Other funding sources	$ -
Total Cost of Project	$ 100,000

Complete in Year Of	**2021**
Is Year Flexible?	YES
Priority Rating "A,B,C"	C

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

CAPITAL ITEM > NEW WATER TOWER - REPLACE EXISTING 1937 TOWER

Description of Project

Justification

PERCENT FUNDED: 25.0%

Itemized Breakdown	Cost
	$ 1,000,000
Total Cost of Project	$ 1,000,000

ALLOCATION	Total
COST FUNDED BY BUDGET / RATES	$ 250,000
COMPLETE IN YEAR OF ?	2028
YEARS TO PREPARE	10
COST PER YEAR	$ 25,000.00
REMAINING COST	$ 750,000

Funding Sources:	Total
COST FUNDED BY BUDGET / RATES	$ 250,000
Other funding sources	$ 750,000
Total Cost of Project	$ 1,000,000

Complete in Year Of 2028 ?

Is Year Flexible? YES

Priority Rating "A,B,C" B

Priority Rating

A - Immediate (Health & Safety, Structural)

B - Needed Benefit, But not Critical to operation of system

C - Long Term Goal

CAPITAL ITEM > EAST LIMITS FROM VICTORY TO MCMILLIAN - WATER MAIN REPLACEMENT

Description of Project

Justification

PERCENT FUNDED: 50%

Itemized Breakdown	Cost
	$ 1,202,715
Total Cost of Project	**$ 1,202,715**

ALLOCATION	Total
COST FUNDED BY BUDGET / RATES	**$ 601,358**
COMPLETE IN YEAR OF ?	2030
YEARS TO PREPARE	**12**
COST PER YEAR	**$ 50,113.13**
REMAINING COST	$ 601,358

Funding Sources:	Total
COST FUNDED BY BUDGET / RATES	$ 601,358
Other funding sources	$ 601,358
Total Cost of Project	**$ 1,202,715**

Complete in Year Of	**2030**
Is Year Flexible?	YES
Priority Rating "A,B,C"	C

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

CAPITAL ITEM > "B" STREET FROM NEWBERRY TO PARMALEE ST - WATER MAIN

Description of Project

Location

Justification

PERCENT FUNDED 100%

Itemized Breakdown	Cost
	$ 631,260
Total Cost of Project	$ 631,260

ALLOCATION	Total
COST FUNDED BY BUDGET / RATES	$ 631,260
COMPLETE IN YEAR OF ?	2045
YEARS TO PREPARE	27
COST PER YEAR	$ 23,380.00
REMAINING COST	$ -

Funding Sources:	Total
COST FUNDED BY BUDGET / RATES	$ 631,260
Other funding sources	$ -
Total Cost of Project	$ 631,260

Complete in Year Of	**2045**
Is Year Flexible?	YES
Priority Rating "A,B,C"	C

Priority Rating

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

CAPITAL ITEM > JOHN ST WATER MAIN REPLACEMENT

Description of Project

Location

Justification

PERCENT FUNDED: 100%

Itemized Breakdown	Cost
	$ 325,126
Total Cost of Project	$ 325,126

ALLOCATION	Total
COST FUNDED BY BUDGET / RATES	$ 325,126
COMPLETE IN YEAR OF ?	2045
YEARS TO PREPARE	27
COST PER YEAR	$ 12,041.70
REMAINING COST	$ -

Funding Sources:	Total
COST FUNDED BY BUDGET / RATES	$ 325,126
Other funding sources	$ -
Total Cost of Project	$ 325,126

Complete in Year Of	**2045**
Is Year Flexible?	YES
Priority Rating "A,B,C"	C

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

NEWBERRY WATER

SUMMARY RESERVE FUNDING

2018

TYPE OF RESERVE FUND	ANNUAL FUNDING	STARTING BALANCE IN SAVINGS
EQUIPMENT REPLACEMENT SHORT LIVED ASSETS	$0	$0
EQUIPMENT REPLACEMENT PAGE 2	$0	$0
EQUIPMENT REPLACEMENT PAGE 3	$0	$0
2005 USDA LOAN RRI	$14,745	
2005 USDA LOAN BOND RESERVE	$13,000	
2009 USDA LOAN RRI	$0	
2009 USDA LOAN BOND RESERVE	$1,600	
2014 USDA LOAN RRI	$22,550	
2014 USDA LOAN BOND RESERVE	$23,400	$0
TOTAL MAINTENANCE RESERVE	$75,295	$0
CAPITAL IMPROVEMENT PROJECTS	$69,950	$0
TOTAL SYSTEM IMPROVEMENT RESERVE	$69,950	$0
TOTAL RESERVE	$145,245	$0
WITHOUT R.D. BOND RESERVE	$121,845	

YEAR	EQUIPMENT REPLACEMENT SHORT LIVED ASSETS		CAPITAL IMPROVEMENT PROJECTS		USDA RURAL DEVELOPMENT RRI		SUMMARY ANNUAL RESERVE	SUMMARY ANNUAL EXPENDITURES	RESERVE RUNNING BALANCE
	ANNUAL FUNDING	ANNUAL EXPENDITURES	ANNUAL FUNDING	ANNUAL EXPENDITURES	RRI ANNUAL FUNDING	EXPENDITURES			
2018	$0	$0	$69,950	$0	$27,745	$0	$97,695	$0	**$97,723**
2019	$0	$0	$70,898	$0	$27,745	$0	$98,643	$0	**$196,394**
2020	$0	$0	$71,865	$0	$27,745	$0	$99,610	$0	**$296,059**
2021	$0	$0	$72,851	$106,000	$29,345	$0	$102,196	$106,000	**$290,739**
2022	$0	$0	$73,857	$0	$29,345	$0	$103,202	$0	**$392,452**
2023	$0	$52,500	$74,883	$0	$29,345	$0	$104,228	$52,500	**$442,720**
2024	$0	$53,000	$75,930	$0	$29,345	$0	$105,275	$53,000	**$493,509**
2025	$0	$53,500	$76,998	$0	$29,345	$0	$106,343	$53,500	**$544,841**
2026	$0	$0	$101,487	$0	$29,345	$0	$130,832	$0	**$674,136**
2027	$0	$0	$102,597	$0	$29,345	$0	$131,942	$0	**$804,570**
2028	$0	$0	$103,730	$300,000	$29,345	$0	$133,075	$300,000	**$636,165**
2029	$0	$0	$104,886	$0	$29,345	$0	$134,231	$0	**$768,943**
2030	$0	$0	$106,065	$745,683	$29,345	$0	$135,410	$745,683	**$157,244**
2031	$0	$0	$107,267	$0	$29,345	$0	$136,612	$0	**$292,459**
2032	$0	$0	$108,493	$0	$29,345	$0	$137,838	$0	**$428,928**
2033	$0	$57,500	$109,744	$0	$29,345	$0	$139,089	$57,500	**$509,176**
2034	$0	$58,000	$111,020	$0	$29,345	$0	$140,365	$58,000	**$590,171**
2035	$0	$58,500	$112,321	$655,340	$29,345	$0	$141,666	$713,840	**$16,596**
2036	$0	$0	$113,649	$0	$29,345	$0	$142,994	$0	**$158,159**
2037	$0	$0	$115,003	$0	$29,345	$0	$144,348	$0	**$301,103**
2038	$0	$0	$116,384	$529,200	$29,345	$0	$145,729	$529,200	**($83,743)**
2039	$0	$0	$0	$0	$29,345	$0	$29,345	$0	**$280,599**
2040	$0	$0	$0	$0	$29,345	$0	$29,345	$0	**$308,624**
2041	$0	$0	$0	$0	$29,345	$0	$29,345	$0	**$336,678**
2042	$0	$0	$0	$0	$29,345	$0	$29,345	$0	**$364,760**
2043	$0	$62,500	$0	$0	$29,345	$0	$29,345	$62,500	**$330,369**
2044	$0	$63,000	$0	$0	$29,345	$0	$29,345	$63,000	**$295,445**
2045	$0	$63,500	$0	$1,472,834	$29,345	$0	$29,345	$1,536,334	**$259,985**
TOTALS							**$2,816,739**	**$4,331,058**	

GAIN OF	($1,514,319)

BASED ON CURRENT KNOWN EXPENSES