

Water & Sewer Rate Analysis Plus 2027 Projects Funding

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MUNICIPAL FINANCE ADVISORS
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CIP – Water Fund

Project	2025/26	2026/27	2027/28	2028/29	2029/30	
Water Wells and Treatment Plant	-	-	-	-	\$6,332,000	**
Water Main Replacements	\$150,000	\$200,000	\$200,000	\$250,000	250,000	
Water Service Line Replacements	-	-	2,000,000 *	-	3,000,000	**
Oak Street - Water Portion	-	150,000	-	-	-	
Subtotal:	\$150,000	\$350,000	\$2,200,000	\$250,000	\$9,582,000	
Plus 5% Yearly Inflation:	-	17,500	-	39,406	2,064,981	
Total Estimated Capital Improvements:	<u>\$150,000</u>	<u>\$367,500</u>	<u>\$2,200,000 *</u>	<u>\$289,406</u>	<u>\$11,646,981</u>	**
Cash-Funded	\$150,000	\$367,500	-	-	-	
Grant-Funded	-	-	\$1,000,000 *	-	\$1,164,698	**
Debt-Funded	-	-	\$1,000,000 *	-	\$10,482,283	**
Project	2030/31	2031/32	2032/33	2033/34	2034/35	
Water Wells and Treatment Plant	-	-	-	-	-	
Water Main Replacements	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	
Water Service Line Replacements	500,000	500,000	500,000	500,000	500,000	
Subtotal:	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	
Plus 5% Yearly Inflation:	276,282	340,096	407,100	477,455	551,328	
Total Estimated Capital Improvements:	<u>\$1,276,282</u>	<u>\$1,340,096</u>	<u>\$1,407,100</u>	<u>\$1,477,455</u>	<u>\$1,551,328</u>	
Cash-Funded	\$1,276,282	\$1,340,096	\$1,407,100	\$1,477,455	\$1,551,328	
Debt-Funded	-	-	-	-	-	



Cash Flow – Water Fund

Revenues:			Inflationary					
City			Increases					
Ready-to-Serve Charge Revenue		\$568,065	8.00%	\$613,510	\$662,591	\$715,598	\$772,846	\$834,673
Commodity Charge Revenue		732,450	8.00%	791,046	854,330	922,676	996,490	1,076,209
Township								
Ready-to-Serve Charge Revenue		64,157	8.00%	69,289	74,832	80,819	87,285	94,267
Commodity Charge Revenue		70,079	8.00%	75,685	81,740	88,279	95,342	102,969
Other								
Miscellaneous		36,000		36,000	36,000	36,000	36,000	36,000
Total Revenues		1,470,751		1,585,531	1,709,493	1,843,372	1,987,962	2,144,119
Less: Total Operating Expenditures		(869,650)		(837,882)	(868,580)	(900,437)	(933,498)	(967,807)
Net Operating Revenue		601,101		747,649	840,913	942,935	1,054,465	1,176,312
Less: Current Debt Service Payments		(487,411)		(488,296)	(486,528)	(487,108)	(486,029)	(367,540)
Estimated Debt Service #1 - 2027/28 DWSRF Bonds [1]		-		-	(10,000)	(38,000)	(38,000)	(38,000)
Estimated Debt Service #2 - 2029/30 USDA Bonds [2]		-		-	-	-	(505,000)	(505,000)
RRI Reserve Requirement Transfer		(33,333)		(33,333)	(33,333)	(33,333)	(33,333)	(33,333)
Additional Cash-Funded Capital Improvement Transfer		(216,395)		(367,500)	-	-	-	(1,276,282)
Net Cash Flow		(\$136,038)		(\$141,480)	\$311,051	\$384,494	(\$7,897)	(\$1,043,843)
Cash & Investments	\$2,087,627	\$1,951,589		\$1,810,108	\$2,121,160	\$2,505,654	\$2,497,756	\$1,453,913
Less: Debt Service Reserve - 2024B USDA	(20,900)	(41,800)		(62,700)	(83,600)	(104,500)	(125,400)	(146,300)
Debt Service Reserve - 2024C USDA	(16,500)	(33,000)		(49,500)	(66,000)	(82,500)	(99,000)	(115,500)
Debt Service Reserve - 2029/30 USDA (est.)	-	-		-	-	-	(50,500)	(101,000)
Unrestricted Cash and Investments	\$2,050,227	\$1,876,789		\$1,697,908	\$1,971,560	\$2,318,654	\$2,222,856	\$1,091,113



Cash Flow – Water Fund (cont'd)

<i>Capital Improvements:</i>		2025/26		2026/27	2027/28	2028/29	2029/30	2030/31
<i>Beginning Capital, Equip. & RRI Cash & Investments</i>		\$648,570		\$681,903	\$715,236	\$748,569	\$781,902	\$815,235
<i>Add: RRI Reserve Requirement Transfer</i>		33,333		33,333	33,333	33,333	33,333	33,333
<i>Additional Cash-Funded Capital Improvement Transfer</i>		216,395		367,500	-	-	-	1,276,282
<i>Less: Estimated Cash-Funded Capital Improvements</i>		(216,395)		(367,500)	-	-	-	(1,276,282)
<i>Ending Capital, Equip. & RRI Cash & Investments</i>	\$648,570	<u>\$681,903</u>		<u>\$715,236</u>	<u>\$748,569</u>	<u>\$781,902</u>	<u>\$815,235</u>	<u>\$848,569</u>

[1] Estimated debt service payments based on a \$1,000,000 40-year DWSRF bond issue at an estimated interest rate. Total project assumed to be \$2,000,000 with a \$1,000,000 grant (50.00%).

[2] Estimated debt service payments based on a \$10,208,794 40-year USDA bond issue at an estimated interest rate. Total project assumed to be \$11,343,104 with a \$1,134,310 grant (10.00%).



2026/27 User Rates – Water

		2025/26	Inflationary Increases	2026/27
Rates:				
<u>City</u>				
Meter Equivalents		2,288		2,288
Ready-to-Serve Charge (monthly)		\$20.69	8.00%	\$22.35
Billable Flow (1,000 gal.)		95,000		95,000
Commodity Charge (per 1,000 gal.)		\$7.71	8.00%	\$8.33
<u>Township</u>				
Meter Equivalents		205		205
Ready-to-Serve Charge (monthly)		\$26.08	8.00%	\$28.17
Billable Flow (1,000 gal.)		7,735		7,735
Commodity Charge (per 1,000 gal.)		\$9.06	8.00%	\$9.78
<i>Typical City homeowner's monthly bill (assumes 4,000 gallons/month)</i>				
		\$51.53		\$55.65



CIP– Sewer Fund

Project	2025/26	2026/27	2027/28	2028/29	2029/30
WWTP Re-Purpose / Demolition Work	-	-	-	\$500,000	\$500,000
DPW Vactor Truck	-	-	-	1,000,000	-
Sewer Main Replacements	\$150,000	\$200,000	\$200,000	250,000	250,000
Oak Street/Parking Lot - Sewer Portion	-	450,000	-	-	-
Subtotal:	\$150,000	\$650,000	\$200,000	\$1,750,000	\$750,000
Plus 5% Yearly Inflation:		32,500	20,500	275,844	161,630
Total Estimated Capital Improvements:	<u>\$150,000</u>	<u>\$682,500</u>	<u>\$220,500</u>	<u>\$2,025,844</u>	<u>\$911,630</u>
Cash-Funded	\$150,000	\$682,500	\$220,500	\$2,025,844	\$911,630
Debt-Funded	-	-	-	-	-
Project	2030/31	2031/32	2032/33	2033/34	2034/35
Sewer Main Replacements	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000
Subtotal:	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000
Plus 5% Yearly Inflation:	138,141	170,048	203,550	238,728	275,664
Total Estimated Capital Improvements:	<u>\$638,141</u>	<u>\$670,048</u>	<u>\$703,550</u>	<u>\$738,728</u>	<u>\$775,664</u>
Cash-Funded	\$638,141	\$670,048	\$703,550	\$738,728	\$775,664
Debt-Funded	-	-	-	-	-



Cash Flow – Sewer Fund

Revenues:			Inflationary Increases					
<u>City</u>								
Ready-to-Serve Charge Revenue		\$738,112	8.00%	\$797,161	\$860,934	\$929,809	\$1,004,193	\$1,084,529
Commodity Charge Revenue		988,793	8.00%	1,067,896	1,153,328	1,245,594	1,345,242	1,452,861
<u>Township</u>								
Ready-to-Serve Charge Revenue		88,816	8.00%	95,922	103,595	111,883	120,834	130,500
Commodity Charge Revenue		105,706	8.00%	114,162	123,295	133,159	143,811	155,316
<u>Other</u>								
Leachate Treatment		270,000		270,000	270,000	270,000	270,000	270,000
Miscellaneous		70,000		70,000	70,000	70,000	70,000	70,000
Total Revenues		2,261,427		2,415,141	2,581,153	2,760,445	2,954,081	3,163,207
Less: Total Operating Expenditures		(1,072,500)		(1,112,673)	(1,154,395)	(1,197,728)	(1,242,734)	(1,289,478)
Net Operating Revenue		1,188,927		1,302,468	1,426,757	1,562,717	1,711,347	1,873,729
Less: Current Debt Service Payments		(982,763)		(979,876)	(974,251)	(975,701)	(979,218)	(1,154,668)
RRI Reserve Requirement Transfer		(52,667)		(52,667)	(52,667)	(52,667)	(52,667)	(52,667)
Additional Cash-Funded Capital Improvement Transfer		(150,000)		(682,500)	(220,500)	(1,200,000)	(911,630)	(638,141)
Net Cash Flow		\$3,497		(\$412,574)	\$179,340	(\$665,650)	(\$232,168)	\$28,253
<i>Cash & Investments</i>	\$2,074,527	\$2,078,024		\$1,665,450	\$1,844,790	\$1,179,140	\$946,972	\$975,225
<i>Less: Debt Service Reserve - 2024A USDA</i>	(24,300)	(48,600)		(72,900)	(97,200)	(121,500)	(145,800)	(170,100)
<i>Unrestricted Cash and Investments</i>	\$2,050,227	\$2,029,424		\$1,592,550	\$1,747,590	\$1,057,640	\$801,172	\$805,125
Capital Improvements:		2025/26		2026/27	2027/28	2028/29	2029/30	2030/31
<i>Beginning Capital, Equip. & RRI Cash & Investments</i>		\$667,904		\$720,571	\$773,238	\$825,905	\$52,728	\$105,395
<i>Add: Cash-Funded RRI Reserve Requirement</i>		52,667		52,667	52,667	52,667	52,667	52,667
<i> Additional Cash-Funded Capital Improvement Transfer</i>		150,000		682,500	220,500	1,200,000	911,630	638,141
<i>Less: Estimated Cash-Funded Capital Improvements</i>		(150,000)		(682,500)	(220,500)	(2,025,844)	(911,630)	(638,141)
<i>Ending Capital, Equip. & RRI Cash & Investme</i>	\$667,904	\$720,571		\$773,238	\$825,905	\$52,728	\$105,395	\$158,063



2026/27 User Rates – Sewer

		2025/26	Inflationary Increases	2026/27
Rates:				
<u>City</u>				
Meter Equivalents		2,135		2,135
Ready-to-Serve Charge (monthly)		\$28.81	8.00%	\$31.11
Billable Flow (1,000 gal.)		71,393		71,393
Commodity Charge (per 1,000 gal.)		\$13.85	8.00%	\$14.96
<u>Township</u>				
Meter Equivalents		203		203
Ready-to-Serve Charge (monthly)		\$36.41	8.00%	\$39.32
Billable Flow (1,000 gal.)		6,517		6,517
Commodity Charge (per 1,000 gal.)		\$16.22	8.00%	\$17.52
<i>Typical City homeowner's monthly bill (assumes 4,000 gallons/month)</i>				
		\$84.21		\$90.95



2027 Projects – Engineer Estimates

Project Year	Description	2025 Project Costs	2027 Project Costs
2027	Oak Street (From Front St to Dewey)	\$710,000	\$782,000
2027	Parking Lot (South of Dewey)	\$892,000	\$983,000
2027	Parking Lot (Days - East Side)	\$203,000	\$224,000
2027	Parking Lot (Oak and Roe)	\$214,000	\$236,000
2027	Days Street (On Street Parking)	\$166,000	\$184,000
Total		\$2,185,000	\$2,409,000

* From Prein & Newhof

- Congressional Direct Spending - \$1,200,000
- MDOT Small Urban Grant - \$200,000
- Sewer Fund - \$450,000
- Water Fund - \$150,000
- Streets/General Fund - \$409,000



2027 Projects – Rough Breakdown

- Oak Street (From Front St. to Dewey) - \$782,000
 - Sewer Fund - \$225,000
 - Water Fund - \$150,000
 - MDOT Small Urban Grant - \$200,000
 - Congressional Direct Spending - \$207,000
- Parking Lot (South of Dewey) - \$983,000
 - Sewer Fund - \$225,000
 - Congressional Direct Spending - \$758,000
- Parking Lot (Days – East Side) - \$224,000
 - Streets/General Fund - \$224,000
- Parking Lot (Oak and Roe) - \$236,000
 - Congressional Direct Spending - \$236,000
- Days Street (on street parking) - \$184,000
 - Streets/General Fund - \$184,000



Questions?



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