



ANDERSON, ECKSTEIN & WESTRICK, INC.

CIVIL ENGINEERS - SURVEYORS - ARCHITECTS

Shelby Township - Roseville - Livonia

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April 11, 2026

Susan Como, City Manager
 City of Grosse Pointe Woods
 20025 Mack Plaza
 Grosse Pointe Woods, MI 48236

RECEIVED

APR 13 2026

**CITY OF GROSSE POINTE WOODS
 CLERK'S DEPARTMENT**

**Reference: City of Grosse Pointe Woods
 Proposed FY27 Water and Sanitary Sewer Rate
 AEW Project No. 0160-0505**

Dear Ms. Como:

On April 9, 2026, we met with your team to discuss options for the proposed FY27 Water and Sanitary Sewer Rates. During our meeting we discussed the following pass-through costs that will have an impact on the city's proposed water and sanitary sewer rates.

- GLWA Water Rates, 4.0% Increase
- SEMSD Sewer Rates, 9.5% Increase
- Water Sales Projection, 3.9% Decrease

Based on the financial data provided, the estimated cash for the water and sewer funds projected for June 30, 2026, is \$8,000,000. This provides funding for approximately 9 months of expenses.

During our meeting we presented two rate options for consideration.

- Option 1: No Change to Rates
 The result of this option would produce a deficit of approximately \$2,000,000, with an estimated June 30, 2027, cash balance of \$6,000,000.
- Option 2: Increase to Commodity Rates by 2.0%
 This option seeks to pass on the some of the GLWA and SEMSD rate increases and considers the 3.9% reduction in water sales. The result would produce a deficit of \$1,800,000, with an estimated June 30, 2027, cash balance of \$6,200,000.

CITY OF GROSSE POINTE WOODS RATE CALCULATIONS FY2027											
	Revenue / Deficit	Add. Cost Per Month	Typical Res. Increase %	Meter Charge		Billing Charge		CIP Charge		Commodity Charge	
				Water	Sewer	Water	Sewer	Water	Sewer	Water	Sewer
Existing Fixed Fees	n/a	n/a	n/a	\$14.53	\$31.14	\$ 1.04	\$ 1.04	\$ 10.89	\$ 10.89	\$ 4.20	\$ 3.06
Option 1: No Change to Rates	\$ (1,973,997)	\$ -	0.0%	\$14.53	\$31.14	\$ 1.04	\$ 1.04	\$ 10.89	\$ 10.89	\$ 4.20	\$ 3.06
Option 2: Increase to Comm.	\$ (1,818,720)	\$ 1.47	2.0%	\$14.53	\$31.14	\$ 1.04	\$ 1.04	\$ 10.89	\$ 10.89	\$ 4.47	\$ 3.06

Based on the proposed city budget, the increased pass-through cost from GLWA and SEMSD and the projected decrease in water sales, **we are recommending that city council adopt Option 2.** If adopted, the typical residential user¹ would incur a monthly increase of \$1.47 in FY27 as shown in Table 1.



Susan Como
 April 11, 2026
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TABLE 1			
CITY OF GROSSE POINTE WOODS			
EXISTING AND PROPOSED WATER & SEWER RATE COMPARISON			
FY2027			
RATE CATEGORY	EXISTING RATE	PROPOSED RATE	PERCENT CHANGE
Meter Charge (2 Months) - Per Equivalent Meter Table 3			
Water Total	\$14.53	\$14.53	
Sewer Total	\$31.14	\$31.14	
Total Meter Charge	\$45.67	\$45.67	
Billing Charge (2 Months) -Per Account			
Water Total	\$1.04	\$1.04	
Sewer Total	\$1.04	\$1.04	
Total Billing Charge	\$2.08	\$2.08	
Capital Improvement Charge (2 Months) - Per Equiv Meter Table 2			
Water Total	\$10.89	\$10.89	
Sewer Total	\$10.89	\$10.89	
Total CIP Charge	\$21.78	\$21.78	
Commodity Charge - Water (Per CCF)			
Total Commodity Water	\$4.20	\$4.47	6.4%
Total Commodity Sewer	\$3.06	\$3.06	0.0%
Typical Costs With 10.9 CCF (8,000 gal) Use (2 Months)	\$148.66	\$151.61	2.0%
Cost Changes to Typical Residential User¹	\$ 1.47 Per Month		
Industrial Waste Control Charges	Per GLWA Adopted Rates		

¹The Typical Residential Users has a 5/8" or 3/4" meter and uses 4,000 gallons per month

Sincerely,

Kyle M. Seidel, PE
 Senior Project Manager

cc: Jim Kowalski, Director of Public Services
 Steven Schmidt, Treasurer/Comptroller
 Ross Wilberding, AEW

Attachment: 5-Year Projection – Table 2, Rate Comparison – Table 3

TABLE 3									
CITY OF GROSSE POINTE WOODS									
Typical Residential Rate with 5/8" or 3/4" Meter Comparisons (2 Month Totals)									
FY2027									
Proposed Charge						Existing Charge			
Units Used 1 CCF = 748 gal	Meter Charge	Billing Charge	Capital Improvem't Charge	Commodity Charge	Total	Total Existing Rates	Net Increase	Percent Change	
Water System									
0.0	\$14.53	\$1.04	\$10.89	\$0.00	\$26.46	\$26.46	\$0.00	0.0%	
5.0	\$14.53	\$1.04	\$10.89	\$22.35	\$48.81	\$47.46	\$1.35	2.8%	
10.9	\$14.53	\$1.04	\$10.89	\$48.72	\$75.18	\$72.24	\$2.94	4.1%	
25.0	\$14.53	\$1.04	\$10.89	\$111.75	\$138.21	\$131.46	\$6.75	5.1%	
Sewer System									
0.0	\$31.14	\$1.04	\$10.89	\$0.00	\$43.07	\$43.07	\$0.00	0.0%	
5.0	\$31.14	\$1.04	\$10.89	\$15.30	\$58.37	\$58.37	\$0.00	0.0%	
10.9	\$31.14	\$1.04	\$10.89	\$33.35	\$76.42	\$76.42	\$0.00	0.0%	
25.0	\$31.14	\$1.04	\$10.89	\$76.50	\$119.57	\$119.57	\$0.00	0.0%	
Water & Sewer Combined Billing									
0.0	\$45.67	\$2.08	\$21.78	\$0.00	\$69.53	\$69.53	\$0.00	0.0%	
5.0	\$45.67	\$2.08	\$21.78	\$37.65	\$107.18	\$105.83	\$1.35	1.3%	
10.9	\$45.67	\$2.08	\$21.78	\$82.08	\$151.61	\$148.66	\$2.94	2.0%	
25.0	\$45.67	\$2.08	\$21.78	\$188.25	\$257.78	\$251.03	\$6.75	2.7%	



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- o Marter and Vernier submitted to FAC
- o FAC Meeting is June 11
- Mack Avenue Resurfacing
- Ross Off week of 4/20

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