

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

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

MICHIGAN RURAL WATER ASSOCIATION RATE EVALUATION PROGRAM

**METER EQUIVALENTS BY SIZE AND COST RATIO**

100%

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

MICHIGAN RURAL WATER ASSOCIATION RATE EVALUATION PROGRAM

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

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

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

Village of Lake Orion Sanitary Sewer  
2026

DEBT SCHEDULE / AMORTIZATION SCHEDULE PRINCIPAL & INTEREST

	1	2	3	4	5	6	7	8	9	10
FISCAL YEAR STARTING	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
<b>NAME OF LOAN</b>	\$293,900	\$293,827	\$292,327	\$290,577	\$288,577	\$286,327	\$283,827	\$286,077	\$282,827	\$279,327
<b>PURPOSE OF LOAN</b>										
DATE OF ISSUE	2025									
DATE OF MATURITY	2045									
PAID BY RATES	YES									
RESERVE REQUIREMENT	YES									
<b>TOTAL CURRENT ANNUAL DEBT PAYMENTS</b>	<b>\$293,900</b>	<b>\$293,827</b>	<b>\$292,327</b>	<b>\$290,577</b>	<b>\$288,577</b>	<b>\$286,327</b>	<b>\$283,827</b>	<b>\$286,077</b>	<b>\$282,827</b>	<b>\$279,327</b>
<b>USDA RESERVE REQUIREMENTS</b>	<b>\$0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL CURRENT ANNUAL DEBT PAYMENTS</b>	<b>\$293,900</b>	<b>\$293,827</b>	<b>\$292,327</b>	<b>\$290,577</b>	<b>\$288,577</b>	<b>\$286,327</b>	<b>\$283,827</b>	<b>\$286,077</b>	<b>\$282,827</b>	<b>\$279,327</b>
ESTIMATED COST PER REU	\$49.16	\$41.69	\$41.48	\$41.23	\$40.95	\$40.63	\$40.27	\$40.59	\$40.13	\$39.64
<b>NEW ANTICIPATED CAPITAL LOANS</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
<b>2026 phase 2&amp;3</b>	\$588,654	\$588,654	\$588,654	\$588,654	\$588,654	\$588,654	\$588,654	\$588,654	\$588,654	\$588,654
<b>pump station improvements</b>										
TOTAL AMOUNT FINANCED	\$8,000,000									
COST PER REU	\$98.46	\$83.53	\$83.53	\$83.53	\$83.53					
DATE OF ISSUE	2026									
DATE OF MATURITY	2046									
PAID BY RATES	yes									
RESERVE REQUIREMENT										
RESERVE REQUIREMENT										
<b>NEW ANTICIPATED CAPITAL LOANS</b>	<b>\$588,654</b>	<b>\$588,654</b>	<b>\$588,654</b>	<b>\$588,654</b>	<b>\$588,654</b>	<b>\$588,654</b>	<b>\$588,654</b>	<b>\$588,654</b>	<b>\$588,654</b>	<b>\$588,654</b>
<b>EXISTING + NEW</b>	<b>\$882,554</b>	<b>\$882,481</b>	<b>\$880,981</b>	<b>\$879,231</b>	<b>\$877,231</b>	<b>\$874,981</b>	<b>\$872,481</b>	<b>\$874,731</b>	<b>\$871,481</b>	<b>\$867,981</b>

MICHIGAN RURAL WATER ASSOCIATION RATE EVALUATION PROGRAM

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

<b>TYPICAL BILL COMPARISON USING NEW RATES</b>							
<i>Village of Lake Orion Sanitary Sewer system</i>							
		<u>CURRENT RATES</u>		<u>NEW / CALCULATED RATES</u>			
	<b>RTS</b>	<b>\$164.70</b>		<b>\$254.54</b>			
	<b>COST PER UNIT</b>	<b>\$8.97</b>		<b>\$9.46</b>			
<b>QUARTERLY</b>							
<b>METER SIZE IN INCHES</b>	<b>CUBIC FT USED</b>	<b>NEW VOLUME CHARGE</b>	<b>NEW BASE RATE CHARGE</b>	<b>NEW BILL</b>	<b>OLD BILL</b>	<b>CHANGE IN BILL</b>	<b>PERCENT INCREASE</b>
3/4	500	\$47.29	\$254.54	<b>\$301.83</b>	\$209.55	\$92.28	44.0%
3/4	1,200	\$113.50	\$254.54	<b>\$368.04</b>	\$272.34	\$95.70	35.1%
3/4	1,500	\$141.88	\$254.54	<b>\$396.42</b>	\$299.25	\$97.17	32.5%
3/4	2,000	\$189.17	\$254.54	<b>\$443.71</b>	\$344.10	\$99.61	28.9%
3/4	2,500	\$236.46	\$254.54	<b>\$491.00</b>	\$388.95	\$102.05	26.2%
1	10,000	\$945.86	\$453.08	\$1,398.94	\$897.00	\$501.94	56.0%
1 1/2	15,000	\$1,418.78	\$1,018.16	\$2,436.94	\$1,345.50	\$1,091.44	81.1%
2	20,000	\$1,891.71	\$1,809.78	\$3,701.49	\$1,794.00	\$1,907.49	106.3%
3	25,000	\$2,364.64	\$4,072.64	\$6,437.28	\$2,242.50	\$4,194.78	187.1%
GALLONS INCLUDED MIN BILL				0	0		

<b>TYPICAL BILL COMPARISON USING NEW RATES</b>							
<i>Village of Lake Orion Sanitary Sewer system</i>							
		<u>CURRENT RATES</u>		<u>NEW / CALCULATED RATES</u>			
	<b>RTS</b>	<b>\$164.70</b>		<b>\$84.85</b>			
	<b>COST PER UNIT</b>	<b>\$8.97</b>		<b>\$9.46</b>			
			<b>MONTHLY</b>				
<b>METER SIZE IN INCHES</b>	<b>CUBIC FT USED</b>	<b>NEW VOLUME CHARGE</b>	<b>NEW BASE RATE CHARGE</b>	<b>NEW BILL</b>	<b>OLD BILL</b>	<b>CHANGE IN BILL</b>	<b>PERCENT INCREASE</b>
3/4	125	\$11.82	\$84.85	<b>\$96.67</b>	\$175.91	(\$79.24)	-45.0%
3/4	300	\$28.38	\$84.85	<b>\$113.22</b>	\$191.61	(\$78.39)	-40.9%
3/4	500	\$47.29	\$84.85	<b>\$132.14</b>	\$209.55	(\$77.41)	-36.9%
3/4	750	\$70.94	\$84.85	<b>\$155.79</b>	\$231.98	(\$76.19)	-32.8%
3/4	1,000	\$94.59	\$84.85	<b>\$179.43</b>	\$254.40	(\$74.97)	-29.5%
1	2,500	\$236.46	\$151.03	\$387.49	\$224.25	\$163.24	72.8%
1 1/2	2,900	\$274.30	\$339.39	\$613.68	\$260.13	\$353.55	135.9%
2	4,500	\$425.63	\$603.26	\$1,028.89	\$403.65	\$625.24	154.9%
3	5,500	\$520.22	\$1,357.55	\$1,877.77	\$493.35	\$1,384.42	280.6%
GALLONS INCLUDED MIN BILL				0	0		