Fact Sheet
Orion Township Water and Sewer Rates

Water and Sewer Rates:

Why does Orion Township need to raise water and sewer rates?
The Great Lakes Water Authority (GLWA) and Oakland County (OC) (water and sewer suppliers to Orion Township) raise the water and sewer rates charged to Orion Township almost every year. The Township has creatively found ways to lower pass-through costs to users of the water and sewer systems, through water storage and The North Oakland County Water Authority (NOCWA). While Orion Township has further been able to subsidize the rates that users pay (as shown in the charts below), that is not a sustainable practice long-term. Further, as an Enterprise Fund, the Township must raise the water and sewer rates in order to keep up with the suppliers’ increases, as well as covering the operational costs for the Township to maintain the physical water and sewer infrastructure system within the Township’s jurisdiction.

Water and Sewer Fund Revenues & Expenditures

<table>
<thead>
<tr>
<th>Year</th>
<th>Cost of Operations (Township)</th>
<th>Water and Sewage Cost (Paid to GLWA &amp; OC)</th>
<th>Charges for Services (Customer Bills)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$1,661,635</td>
<td>$7,578,451</td>
<td>$6,967,455</td>
</tr>
<tr>
<td>2015</td>
<td>$1,118,107</td>
<td>$7,732,951</td>
<td>$7,477,188</td>
</tr>
<tr>
<td>2016</td>
<td>$1,249,501</td>
<td>$8,548,798</td>
<td>$7,788,191</td>
</tr>
<tr>
<td>2017</td>
<td>$1,204,914</td>
<td>$8,068,330</td>
<td>$7,717,242</td>
</tr>
<tr>
<td>2018</td>
<td>$1,352,683</td>
<td>$8,397,465</td>
<td>$8,600,914</td>
</tr>
</tbody>
</table>

Percentage of Total Water and Sewer Costs Subsidized by Orion Township

<table>
<thead>
<tr>
<th>Year</th>
<th>Difference, Revenues v. Expenditures</th>
<th>% difference, revenues v. expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$(2,272,631)</td>
<td>-32.62%</td>
</tr>
<tr>
<td>2015</td>
<td>$(1,373,870)</td>
<td>-19.96%</td>
</tr>
<tr>
<td>2016</td>
<td>$(2,010,108)</td>
<td>-25.81%</td>
</tr>
<tr>
<td>2017</td>
<td>$(1,556,002)</td>
<td>-20.16%</td>
</tr>
<tr>
<td>2018</td>
<td>$(1,149,234)</td>
<td>-13.36%</td>
</tr>
</tbody>
</table>
What does it mean that the Orion Township Water and Sewer Fund is an Enterprise Fund?
An Enterprise Fund is created to account for the operations of an Enterprise Activity (a revenue-generating system or facility, which only benefits those who use it); in this case, the Orion Township Water and Sewer service. The Enterprise Fund is separated from other accounts (such as the General Fund) with the purpose that only revenues generated from that activity are to be used to fund the operations of that activity. Through this system, only system users are paying for the services, since they are the only ones benefiting from them. As a result, when the service’s budget increases, so too must the fees be increased. If the Enterprise Fund does not generate enough revenue to cover expenditures, revenue must be pulled from other sources to cover the deficits, possibly resulting in non-system users subsidizing the activity; this is not a true, fully-independent Enterprise Fund. Traditional public services financed by Enterprise Fund revenues include: water services, power services, sewer services, sanitation services, parking garages, and local airports.

Can water and sewer revenues be used to fund projects other than water and sewer?
No. As an Enterprise Activity with an Enterprise Fund, revenues received from water and sewer fees may only be used to fund water and sewer activities.

Why did Orion Township need to raise water rates by 14%?
Not only does the Township need to pay GLWA, who supplies water to the Township at the border, but the Township needs to operate and maintain (O&M) over 100 miles of pipes that provide service to each customer’s home. Water rates need to cover the cost to purchase water, as well as the O&M costs for the systems. As shown in the charts on page one, water rates have not been covering the Township’s operating costs. In 2018, the revenue shortfall was 13.36% of total costs, which is the figure the Township used (rounded up to 14%) to set 2019 rates. As costs continue to rise each year, so will the need to continue to raise rates to cover these costs. Other costs not reflected above are the maintenance (capital improvement) costs, which have a significant impact on the Water and Sewer Fund’s budget.

How does Orion Township water rates compare to neighboring communities on the GLWA water system?
Orion Township rates are significantly lower than its neighbors. For one unit of water (748 gallons), the Township water rate is $3.54, while the rate in Auburn Hills is $5.66. Rochester Hills charges 5.81 per unit plus a $1.45 customer charge. The Township would have to raise its rate by 60% or 64%, respectively to match the rates in Auburn Hills and Rochester Hills.

What about sewer rates?
Orion Township’s flat rate for sewer is $31.29 per month, while Auburn Hills is $42.88 and Rochester Hills is $38.65. The Township would have to raise its rate by 37% or 24%, respectively to match the rates in Auburn Hills and Rochester Hills.
Does Orion Township buy water cheaper than its neighbors and is that why the Township’s rates are lower?

No. Orion Township joined with the City’s of Auburn Hills, Rochester Hills, and Pontiac, to form the North Oakland County Water Authority (NOCWA) to purchase water from GLWA. Forming NOCWA saves the Township about $500,000+ per year. The rate at which the Township is charged for water is currently more than Auburn Hills but less than Rochester Hills. It is less than Rochester Hills because the Township has a water storage facility that provides water to customers during peak demand times, which reduces the rate to purchase water.

I thought our rates would be kept down when Orion Township built the water tower, yet rates keep going up. Why is that?

The water tower saves Orion Township approximately $1 million dollars per year in water charges. However, the water provider, GLWA, raises rates every year and those charges need to be passed on to the customers in order to keep a safe and sustainable system. The chart below is from when the water tower was built (GLWA is now the water provider not DWSD) to illustrate this issue.
Billing:

Why did the Township switch to monthly billing?
The Township receives its invoices from the suppliers on a monthly basis. In order to more efficiently and cost effectively manage the system, the Township's billing is now in line with the supplier invoices. This helps to better align expenses with revenues (cash flow), but most importantly it allows the Township and customers to monitor usage with what is being invoiced by the suppliers. Customers have also been requesting monthly bills so their water bill would coincide with their other monthly bills. The Board approved monthly billing at the June 3, 2019 Regular Board of Trustees meeting.

How can I pay my water and sewer bill?
There are several ways to pay your water and sewer bill. You may pay:
- In person at the Township Hall’s Treasurers Department with cash, check, or credit card.
- There is a Drop Box located in front of Township Hall.
- Auto Payment (ACH) through your checking or savings account. Please print the Water/Sewer Auto Payment Enrollment Form (available at oriontownship.org/departments/publicservices) and mail or bring the completed form to the Public Services Department by the 15th of the month prior to your bill due date.
- Online through your financial institution.
- Online through www.bsaonline.com (Credit Card or e-Check).
- Pay-by-phone 1-888-891-6064.

*A convenience fee will be charged for all Credit Card payments at Township Hall or online and Pay-By-Phone payments.

**To avoid a delay and a penalty with your Online Payment, please ensure that your FULL Account number, including all dashes and zeroes, are included with your form of payment.

***There will be a $35 Service Fee imposed on all forms of returned payments.

Water Usage:

How can I lower my water usage?
There are many ways to reduce use in your daily household routines (shorter showers, less outdoor watering, etc.). You can also look for high-efficiency appliances such as dishwashers and washing machines. Older toilets generally use more water than necessary to flush. Water conservation measures are an important first step in protecting the water supply. Such measures not only save the supply of source water, but can also save you money by reducing your water bills. Here are a few additional suggestions.

Conservation Measures Inside your Home:
- Fix leaking faucets, pipes, toilets, etc.
- Replace old fixtures, install water-saving devices in faucets, toilets and appliances.
- Wash only full loads of laundry.
- Do not use the toilet for trash disposal.
• Take shorter showers.
• Do not let the water run while shaving or brushing your teeth.
• Soak dishes before washing
• Run the dishwasher only when full.

Conservation Measures Outside your Home:
• Water the lawn and garden between midnight and 5:00 a.m. Evening watering is not permitted (see Watering Restrictions on the Township’s website).
• Use mulch around plants and shrubs.
• Repair leaks in faucets and hoses.
• Use water-saving nozzles.
• Use water from a bucket to wash your car and save the hose for rinsing.

What if I detect a water leak?
Monthly billing will allow residents to identify potential water leaks much sooner than quarterly billing. If you suspect you have a leak due to a higher than usual water bill, there are a few locations you can check before calling a plumber. Initially, check your water meter and write down the reading before you go to bed, when you know there will be no water usage. In the morning, before water is used, check the meter again, and write down the number. If the reading has changed, you have a water leak somewhere in your home. Places to check once you have determined you have a water leak include: hot water tank, toilet(s), hose-bibs, outside irrigation system, shower head(s), and swimming pool. In many cases a leak can be very hard to locate and complicated to fix, so it’s always best to contact a local plumbing expert for assistance.

For more information on water usage and restrictions, water quality, and water saving tips, visit: oriontownship.org/departments/publicservices.