



UTILITY ADVISORY BOARD

Thursday, November 6, 2025

8:30 – 9:30 am

1300 Market Ave SW

AGENDA

1. Call to Order
2. Approval of Minutes – October 16, 2025
3. Public Comments on Agenda Items
4. Approval of Agenda
5. Memberships/Alternates – Wayne Jernberg
6. Updates
 - a. 2025 Water/Sewer Report (October) – Jeff McCaul
 - b. Kent County Community Action 3rd Quarter – Samaria Giffel
7. Preliminary 2025 Water Rate/Study – Tail Verbrugge
8. Water Utilities and Data Center discussion – Wayne Jernberg
9. Water Affordability Legislation – Wayne Jernberg
10. Public Comments
11. Items from Members
12. Next Meeting – December 18, 2025
13. Adjournment

UTILITY ADVISORY BOARD
Thursday, October 16, 2025
MINUTES

Members Present

Mark Bennett, Brad Boomstra, Mike DeVries, Samaria Giffel, Jared Grabinski, Wayne Jernberg, Jeff McCaul, Alison Nugent, James Ouzts, Valdyne Schwallier, and Tai Verbrugge

Alternates Present

Alan Avitia, and Kieran Kelley

Others Present

Kolene Allen, Carly Aller, Rachael Brower, Alexia Hall, and Andrew Meyer

Call to Order

Mr. Jernberg called the meeting to order at 8:30 am.

Approval of Minutes – August 21, 2025

Motion to approve the minutes made by Mr. Bennett and seconded by Ms. Giffel as amended to correct the number of households served under the item *Kent County Community Action 2nd Quarterly Summary*.

MOTION CARRIED.

Public Comments on Agenda Items

There were no public comments.

Approval of Agenda

Motion to approve the agenda made by Mr. Grabinski and seconded by Ms. Giffel.

MOTION CARRIED.

2025 Water Rate Study Task #30, Fees, Charges and Penalties

Ms. Giffel reported that fees, charges, and penalties for task #30 of the 2025 Water Rate Study were reviewed per the City's Water System Rules and Regulations and approved for implementation on January 1, 2026.

The following changes in fee amounts, aligned to support resource requirements and cost recovery, were recommended:

- Fire Protection Monthly Fees: Increase of 4.579% for all sizes, based on the Bond Buyer Index.
- Meter Testing Fees: Increase ranging from 5% to 33.33% depending on meter size, reflecting manufacturer and distributor price increases.
- Meter Replacement Increases vary by size, from less than 1% up to 8.23%, due to supplier cost increases.
- Miscellaneous Fees: Adjusted to support Water Engineering resources and cost recovery.
- Penalty adjustments to align with Business Office resource needs and cost recovery goals.
 - Administrative/Research Fee: Increased 7.14%.
 - Missed Appointment Fee: Increased 10%.

A detailed list of all changes should have been attached and will be emailed to members.

Updates

2025 Water/Sewer Report (August/September)

Mr. McCaul presented the Water/Sewer report for August and September 2025.

In August, one project was awarded to Black & Veatch for design phase services to replace the North-South UV Disenfection at WRRF. This project is required to maintain WRRF's NPDES permit.

In September, there were two projects awarded.

- Reconstruction of Oakley Place from Lyon to Crescent Street and drainage improvements on Perkins Avenue from 400' south of Lamberton Creek Lane to 100' north of Broadmoor Drive.
- Improvements to carbon feed and chemical unloading at the Lake Michigan Filtration Plant. Mr. Jernberg added that the activated carbon is mostly used from mid-June to late September/early October when the lake temperatures rise and create a musty smell in the water. The carbon neutralizes this smell. The chemical unloading area was identified by EGLE in the 2021 Sanitary Survey as needing improvements to increase storage capacity.

Add-to-Tax Winter Option

Ms. Giffel reported on the Add-to-Tax (ATT) Winter Option. The City of Grand Rapids Utility Business Office has reviewed and processed delinquent utility accounts eligible for inclusion on the 2025 Winter Tax Roll.

Key Points:

- ATT letters were sent to affected customers with bill payment and educational information. Customers are directed to the City website for more information.

- Under Section 13 of the retail water and sanitary sewer service agreement, the City may certify and assign accounts delinquent 90 days or more for collection.
- The City requests each retail partner community to participate in the annual winter ATT cycle for accounts 203 days or more delinquent.
- Customers may pay ATT balances through October 31, 2025.
- On November 3, 2025, unpaid debts will transfer to partner community accounts, and the certification list will be sent along with a bill for the community ATT debt.
- Retail partners should review Michigan's water/sewer charges immediate lien provisions and how to best communicate outstanding delinquent utility balances during the period of time between City of Grand Rapids certification to the community and the community's assignment to the tax roll.

A detailed timeline and preliminary data table of eligible collections was provided.

Ms. Schwallier said that their printer has moved up their timeline a few weeks and asked Ms. Giffel if this would affect the ATT. Ms. Giffel will be sure to keep an eye on it.

Biodigestion

Mr. Ouzts gave an update on biodigestion.

STX provided a market snapshot characterized by "cautious optimism."

- Market prices are soft, but the City is unaffected due to a fixed-price contract of \$19.00/MMBtu through December.
- Prices are expected to improve within 6–12 months.
- New gas production projects are being cancelled, keeping supply relatively static for the next 1–2 years.
- Possible drivers include new regulations in Japan, the growth of AI and data centers, and other global trends.
- The City may avoid long-term contracts beyond 12 months to maintain flexibility and capitalize on future market opportunities.

As part of the operational plan, wastewater sludge from the City of Wyoming will be processed in the former concentrated waste (CW) digester.

- This aligns with the Commission-approved July 15, 2025, resolution authorizing diversion of concentrated waste from the CW digester through WRRF headworks during off-peak hours to optimize digester capacity and improve plant performance.
- The agreement marks the completion of Phase 2 of the WRRF Biodigester Master Plan, focused on enhancing biosolids handling capacity, increasing renewable natural gas production, and advancing sustainability goals.
- The partnership demonstrates regional collaboration, environmental responsibility, and a shared commitment to innovative, cost-effective biosolids management.

Preliminary FY2025 Financials

Mr. Verbrugge gave a presentation on the Preliminary Overview for FY2025 Financials. He reminded everyone that the City's transition to a new financial system means these numbers may change some.

Water – Operating Fund

Total Revenue increased by 7%. This is driven mostly from retail and wholesale service charge increases and increased volume and rate increases.

Total Expenses increased by 4%. Personal Services was a large contributor to this increase.

Net Income (Loss) increased by about 10% with revenue outpacing expense growth.

Sewer – Operating Fund

Total Revenue increased by 3%. This is driven mostly from retail and wholesale service charge increases as well as rate increases. Sewer surcharges increased by 12.5%, which was a significant contributor to this increase. Renewable Natural Gas sales also increased slightly.

Total Expenses increased by 1.5%. This is driven mostly by an increase of 6% in Personal Services and 10% in Supplies. The increase in supplies can be attributed to the issues with the digester earlier in the year which has now stabilized.

Net Income (Loss) increased by about 5%.

Billed Volume

Water - Up 3.39% over 2024 (3-Yr Avg Water volume up 1.69%)

Sewer - Up 3.00% over 2024 (3-Yr Avg Sewer Volume up 0.60%)

Partner Communities – Billed Volumes

A detailed breakdown of Water and Sewer Billed Volume for each community over the last five years, as well as the 5-year average, was included.

Water Debt Profile

Water has around \$130M outstanding debt. The acceptable debt coverage ratio is above 1.2%. We are currently in good shape at over 2.5%.

Mr. Jernberg added that the Comprehensive Master Plan includes some large projects. Historically, the City has used DWRF funds to mitigate Senior Debt. It is getting harder to use DWRF funds because of the way the scoring system has been changing. The state is allowed to change the scoring system every three years. Even though Grand Rapids is an overburdened community, we can only use those funds within the City of Grand Rapids, unless there is a significant PFAS issue. The overburdened designation restricts how some of those funds can be used because there are many other communities with an overburdened or significantly overburdened designation. As a result, we have had to use cash funds for some of our more expensive projects.

Sewer Debt Profile

Sewer has considerably more debt than Water, at around \$244M. This is mostly due to the debt that is still in existence from the digester construction. We are exploring some debt refunding options to refinancing older existing debt with new debt with more favorable terms. In the meantime, we are avoiding adding any new debt in Sewer.

Individual Circuit Breaker

This is our bill payment assistance program. This is funded by 12.5% of Penalty Revenue plus \$80,000 in non-operating revenue. In 2025, \$233,690 was put into this fund but only \$37,756 has been used this fiscal year. Any unused funds are used to buy down rates the following year.

2025 Water & Sewer Rate Study Schedule

Mr. Verbrugge gave the schedule for the 2025 Water & Sewer Rate Study. If any community would like Mr. Verbrugge to present on rates for their boards, let him know. Final rates are expected to be approved by the City Commission in January.

Mr. Jerberg added that several systems in Ottawa County have been in the news lately for their rate increases. He stated he is thankful that we have steady and stable rate structures.

Public Comments

There were no public comments.

Items from Members

Ms. Nugent said that Caledonia had their first Water Connection Open House on October 13th and there was a big turnout. Caledonia is also planning to begin water testing in some of their units in Cascade in the next few weeks.

Mr. Verbrugge reminded everyone that they should have received an email in regard to Capital Planning. He asked everyone to send any capital projects that require collaboration with the City to him by the beginning of December so that they can be incorporated.

Mr. Meyer reported that the State has posted the final version of WRRF's NPDES permit.

Ms. Allen said that she is beginning to explore options for the holiday breakfast on December 18th. If anyone has feedback about Lucy's from last year, or suggestions for someplace that can handle a private group of 25-30, please let her know.

Mr. Jernberg gave an update regarding the lightning strike in August that impacted the large generators at the Lake Michigan Filtration Plant. Two of the three generators are operational again and can easily cover the current expected demand. The third generator has some deficiencies that require long lead times for replacement parts on some of the components. We stopped renting the temporary generators, which were costing around \$160,000 per month. A funding plan is in place and the City is waiting on a proposal from Michigan CAT to enable us to

replace the equipment, which is estimated to cost between \$1.5-1.7M. The City has around \$1M allocated for other projects that can be shifted to cover a large portion of this project, as well as some other unused funds from other projects. We will likely need to rent generators again in the spring when demand increases. Some of these costs will be covered by insurance. The depreciation life on assets may restrict what we can get out of CAT replacement parts. We are tracking all costs associated with this. The insurance deductible is \$250k. We are hoping to offset some of the capital costs of the replacement.

Mr. Jernberg also stated that we received our final Sanitary Survey. We were noted for a couple of deficiencies. The only large one is the chemical containment project mentioned earlier. The others are all small projects that are or will be easily addressed. They also praised us as being one of the best run systems in the state.

Next Meeting

The next meeting is scheduled for November 6, 2025. A reminder was given that this has been moved up a week early to accommodate the Rate Study that will be presented to the City Commission on the 13th.

Adjournment

Mr. Jernberg adjourned the meeting at 9:20 am.

Utility Advisory Board Membership 2026-2027

Community	Member	Alternate
Wholesale		
City of East Grand Rapids	Doug LaFave	Brian Bigorowski
Ada Township	Julius Suchy	Stephanie Kozal
Caledonia Township	Alison Nugent	Todd Boerman
Retail		
Grand Rapids Township	Mike DeVries	Ed Robinette
City of Walker	Darrel Schmalzel	Scott Connors, P.E.
Wright Township	Steve VanTimmeren	
Cascade Township	Jade Smith	Sandra Korhorn/Aric Thorne
City of Kentwood	Jim Kirkwood	Brad Boomstra
Tallmadge Township	Mark Bennett	Valdyne R. Schwallier

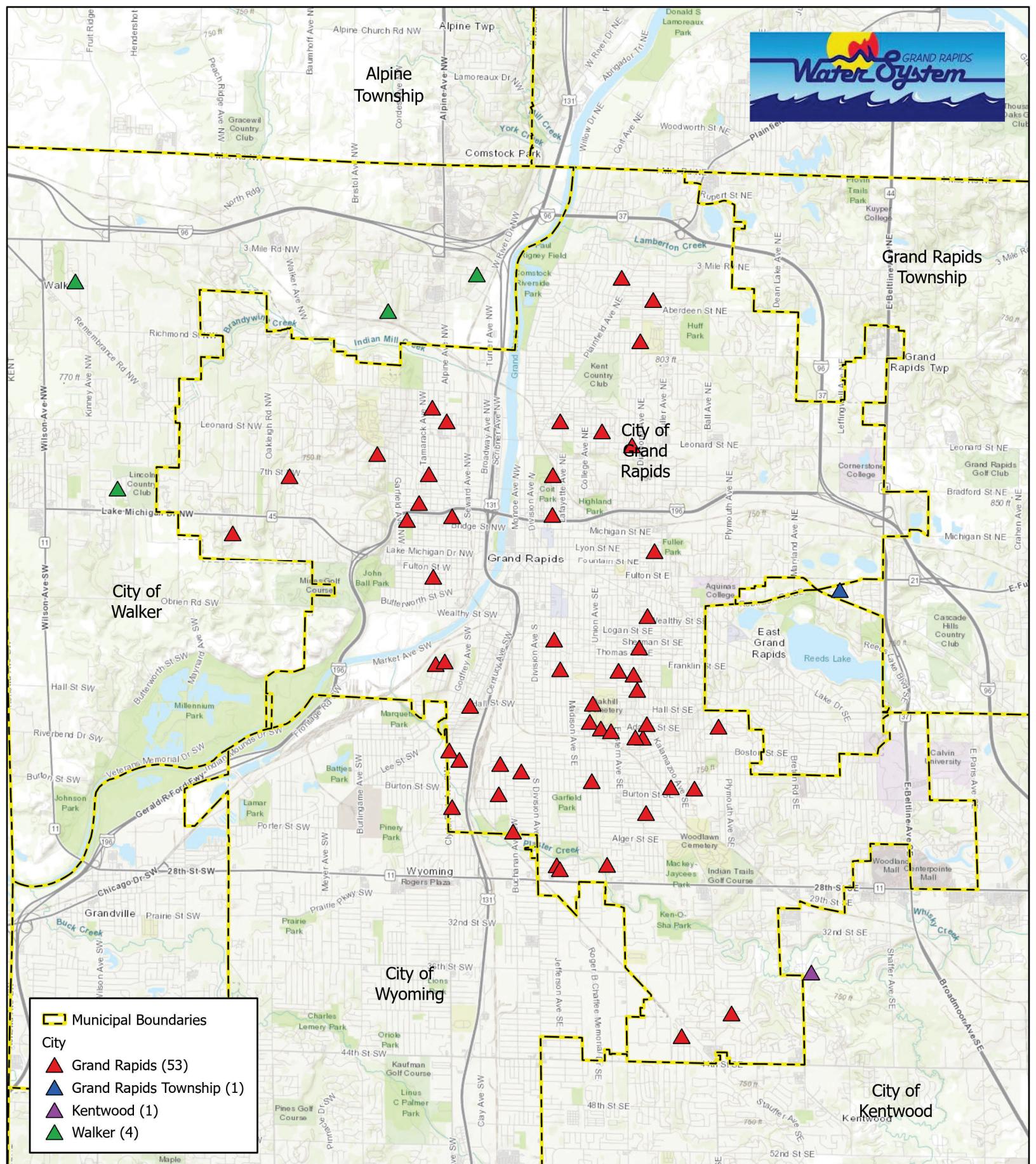
City of Grand Rapids	Member	Alternate
Chairperson	Timm Burkhardt	N/A
Engineering	Jeff McCaul	Cindy Irving
Environmental Services	James Ouzts	Tiffany Berry/Dan Taber
Environmental Services	Jared Grabinski	Andrew Moyer
Executive	Doug Matthews	Molly Clarin
Finance	Tai Verbrugge	Alan Avitia/Alexia Hall
Water	Wayne Jernberg	Nick Fisher
Water	Lindsay Sagorski Munsell	Tom Bulten
Water/ESD	Samarhia Giffel	Brian Bradley

Water/Sewer UAB Report
October 2025

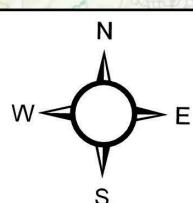
Project Name	Contractor	Award Date	Substantial Completion Date	Final Completion Date	Water Fund Authorized NTE Amt	Sewer Fund Authorized NTE Amt	Est. Year for Rates	Integrated (Y/N)
External Cleaning and Painting of the ALGER RESERVOIR - 2025 (increase to contract)	Fedewa Inc.	5/13/2025	10/15/2025	11/25/2025	\$297,050.00	N/A	2025/2026	N (GR)
Replacement of Private Lead Service Lines at VARIOUS LOCATIONS - 2025-3	BRIK Plumbing LLC	10/7/2025	5/1/2026	6/30/2026	\$ 769,540.00	N/A	2026	N (GR)
Facade Assessment and Repair at the LAKE MICHIGAN FILTRATION PLANT	Kent Companies, Inc.	10/7/2025	8/28/2026	10/2/2026	\$ 1,662,799.00	N/A	2026/2027	Y
Replacement of Private Lead Service Lines at VARIOUS LOCATIONS - 2025-4	Groundhog Excavating & Landscaping LLC	10/21/2025	5/1/2026	6/30/2026	\$ 635,330.00	N/A	2026	N (GR)
Reconstruction of CESAR E. CHAVEZ from Hall Street to Tenhaaf Court	Anlaan Corporation	10/21/2025	8/14/2026	9/24/2027	\$ 1,134,560.00	\$ 88,480.00	2026/2027	N (GR)
Replacement of Private Lead Service Lines at VARIOUS LOCATIONS - Contract 2024-3	Arrow Roofing & Supply, Inc.	10/21/2025	9/4/2026	10/2/2026	\$ 460,484.00	N/A	2026/2027	N (GR)

Kent County Community Action (KCCA)
Water/Sewer Payment Assistance Program
Contract Years 2025 & 2024
Third Calendar Quarter - July 1 thru September 30

	2025		2024	
	Q3	YTD	Q3	YTD
City of Grand Rapids				
ICB Authorized		\$ 153,690.00		\$ 145,662.00
Non-Operating Revenue Authorized		\$ 80,000.00		\$ 80,000.00
ICB Total Funding		<u>\$ 233,690.00</u>		<u>\$ 225,662.00</u>
KCCA				
Total Assistance Award(s)	\$ 17,121.36	\$ 51,445.10	\$ 31,441.29	\$ 78,642.69
Total Administrative Fee(s)	1,712.14	\$ 5,144.51	3,144.13	\$ 7,864.27
Total ICB Used	<u>\$ 18,833.50</u>	<u>\$ 56,589.61</u>	<u>\$ 34,585.42</u>	<u>\$ 86,506.96</u>
Total ICB Reimbursed	\$ 18,833.50	\$ 56,589.61	\$ 34,585.42	\$ 86,506.96
Q1 Reimbursement	\$ (17,647.53)	\$ (17,647.53)	\$ (23,289.06)	\$ (23,289.06)
Q2 Reimbursement	\$ (20,108.58)	\$ (20,108.58)	\$ (28,632.48)	\$ (28,632.48)
Q3 Reimbursement	\$ (18,833.50)	\$ (18,833.50)	\$ (34,585.42)	\$ (34,585.42)
Q4 Reimbursement	\$ -	\$ -	\$ -	\$ -
ICB Remaining Authorized Funds		\$ 97,100.39		\$ 59,155.04
ICB Remaining Non Operating Funds		<u>\$ 80,000.00</u>		<u>\$ 80,000.00</u>
Demographic Summary				
Household(s) Served	59	181	107	247
Person(s) Served	161	482	246	636
Average Household Size	2.73	2.66	2.30	2.57
Single Head of Family Served	27	84	44	97
Average Assistance Amount	(\$290.19)	(\$284.23)	(\$293.84)	(\$318.39)
Failed Screening Process	6	27	19	47
Denied After Completed Process	0	0	2	2
Repeat Household(s) Served	1	5	15	20
Jurisdiction Summary				
Grand Rapids	53	173	103	236
Cascade Township	0	0	0	0
Grand Rapids Township	1	2	1	3
Kentwood	1	2	1	1
Tallmadge Township	0	0	0	0
Walker	4	4	2	7
Wright Township	0	0	0	0



2025 - 3rd Quarter KCCA/ICBAP Clients



AWWA releases white paper to help water utilities plan for data centers

October 28, 2025

AWWA Articles > AWWA releases white paper to help water utilities plan for data centers

Communities and water utilities grappling with the impacts and opportunities introduced by data centers have a new strategic resource at their disposal, after the American Water Works Association (AWWA) released a white paper titled *Cooling the Cloud: Water Utilities in a Data-Driven World*.

As artificial intelligence and digital services expand, data centers are emerging as increasingly common and high-impact customers for water utilities. *Cooling the Cloud* provides a comprehensive overview of how data centers affect water utilities and communities, examining increased water demands and costs, infrastructure strain, and the need to assess alternative water supplies.

"While utilities are experienced in managing industrial customers, the rapid growth of data centers demands faster, more adaptive planning and coordination," the paper observes. "Although data centers present unique concerns, the water sector possesses the foresight to meet the moment."

Key insights include:

- **With proactive engagement, thoughtful analysis, and collaboration, utilities can mitigate risks associated with data centers and support long-term system sustainability.**
- **The choice of cooling technologies** employed throughout data centers can greatly impact water and energy consumption.
- **Examples from Loudoun Water (VA) and Aurora Water (CO)** illustrate how utilities are adapting through proactive planning, infrastructure coordination, and policy development.
- **Emerging legislation** in states like New York, New Jersey, and Minnesota reflects growing interest in regulating water usage at data centers.

The paper also outlines eight planning priorities for utilities anticipating data center development, ranging from evaluating customer impacts to financial modeling.

In addition to Aurora Water and Loudoun Water, contributors to the report include experts from Arcadis, MITRE, Freshwater Society, Kurita, Tetra Tech, and the Association of State Drinking Water Administrators.

The full white paper is available on [AWWA's Water Resources Planning & Sustainability page](#).

MICHIGAN'S PENDING WATER AFFORDABILITY LEGISLATION

The most comprehensive and administratively achievable statewide water affordability program in the nation that protects public health and underground infrastructure

WIDE-RANGING COALITION

65+ stakeholders worked for more than 2 years on this bipartisan legislation.

- Legislators
- Nurses
- Michigan DHHS
- Community water advocates
- Water utility associations
- Water utilities
- Environmental groups
- Social service agencies
- Community action agencies

WATER AFFORDABILITY PACKAGE SERVES TWO PRIMARY PURPOSES:

1

Protects public health because income-eligible customers will be able to pay an affordable bill and not be at risk of shut off; and

2

Reduces rate increases to cover bad debt and ensures water systems have necessary revenue for basic operational and infrastructure needs.

FOUR KEY BILLS:



SB 248 - Statewide Income Based Water Affordability Program

- Two tiers, a capped payment:
 - 0 - 135% of federal poverty level (FPL) – 2% of average household income in service area
 - 136% - 200% of FPL – 3% of average household income in the service area
 - Hardship waivers for households at 201% - 250% of FPL
- Arrearage forgiveness: \$1,500 year one; \$1,500 year two; hardship option to erase higher balances
- Plumbing repairs up to \$2,500 to conserve water and lower bills
- Discounted water cap on household usage to encourage reasonable usage
- Triage process if the person falls behind in payments (wraparound services)
- Local water providers can choose to be part of the statewide program or exercise the option to administer an approved local program



SB 250 - Funding Mechanism to Pay for the Program

- \$1.25 per month per domestic use metered water account; 25 cent increase per year for 3 years
- Money goes from providers to a central fund at State Treasury
- Funds are segregated to four Michigan Department & Health & Human Services (MDHHS) regions – what is collected in a region, is distributed to that region



SB 252 - Shut Off Protection

- Sets forth requirements for number of and content of notices prior to service interruption for non-payment
- New Critical Care Customers category protects medically documented customers from shut off regardless of income



SB 249 - Low Income Water Residential Affordability Program Task Force

- Reviews and makes recommendations regarding program rules, administration and funding

BUSINESS CASE FOR LEGISLATION — THE VALUE PROPOSITION:



Studies show there is need across the state for robust water affordability: urban, suburban and rural communities are struggling to pay their water bills.

- In 2020, more than 317,000 Michigan households were known to have past due water bills.
- The University of Michigan and Public Sector Consultants report that between 290,000 and 390,000 Michigan households would benefit from this statewide water affordability program.



The \$1.25 user-fee puts water systems on equal footing with Michigan Energy Assistance Program (MEAP) fee on heating and cooling utility bills, which has existed for decades.



All customers cover debt of those who cannot pay—one way or another.

- Water costs have increased 188% over the past four decades as water rates have doubled or even tripled in communities across Michigan.
- Water providers are often forced to increase rates in order to cover unpaid water bills to continue providing treated drinking water, conveying sewage/stormwater, maintaining infrastructure such as planned pipe rehabilitation, and emergency repairs to all their customers.
- Even municipalities that use tax roll incur debt.



Local water providers need every customer to pay their fair share for services because those dollars go right back into the system for maintenance, repair and upgrades.

- Most of the infrastructure within Michigan's community water supply systems is more than 50 years old.
- While we continue to explore funding sources for major infrastructure upgrades, this legislation will help water providers collect necessary revenues for basic operational and maintenance expenses.

**For more information
Miwaterplan.com**

