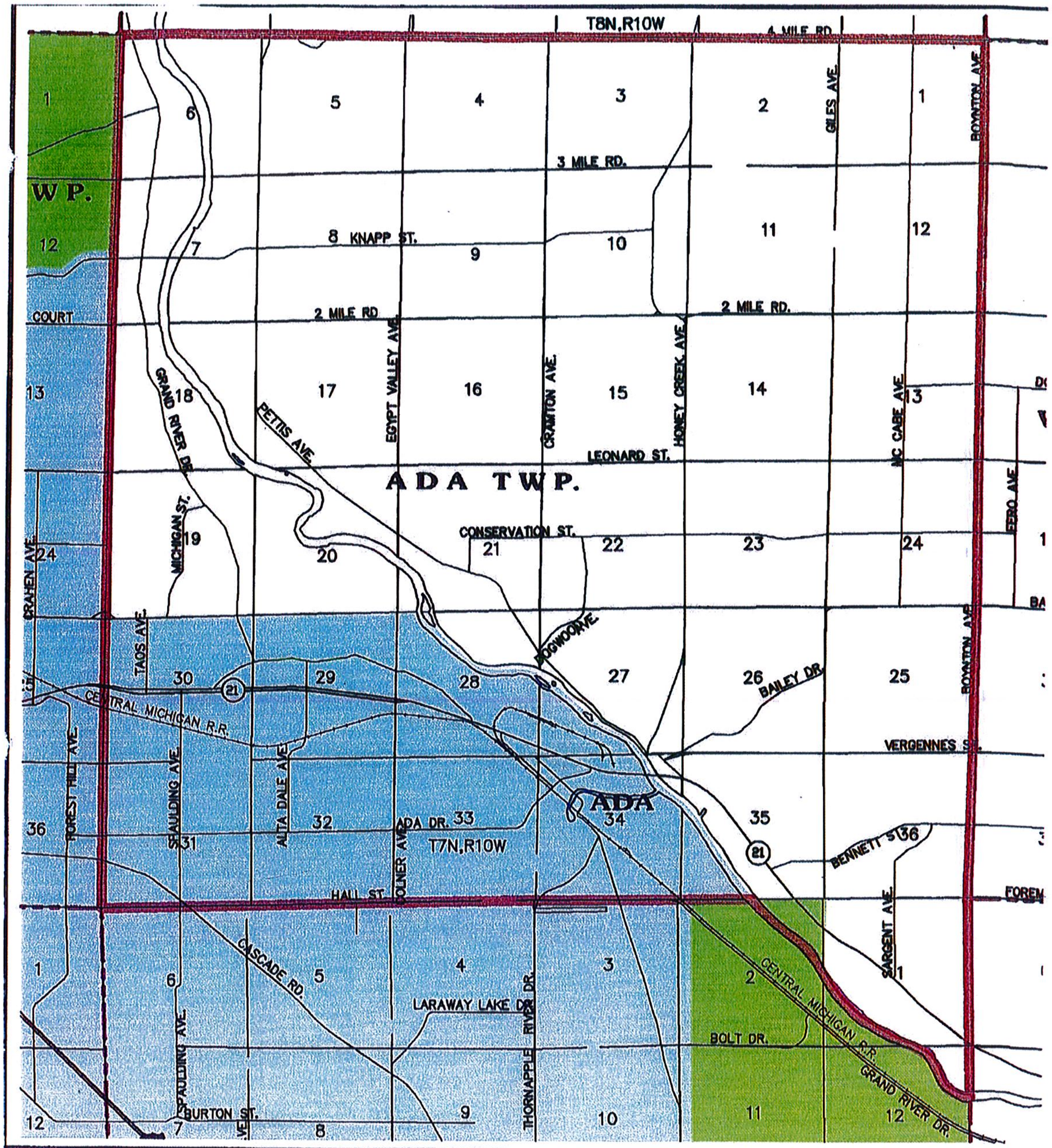
Attachment B-1 Ada Twp Water Service District.jpg (1552x2146x16M jpeg)



Water Service District
Ada Township

UTILITY SERVICES DISTRICT

URBAN UTILITY BOUNDARY

NOTE: DISTRICT TO BE 500' OFF ℄ OF ROADS, SECTION LINE, OR OTHER LAND DIVISION LINES WHERE POSSIBLE WITHOUT ENTERING NEIGHBORING GOVERNMENT BOUNDARY.

N

1" = 5000'

MOORE & BRUGGINK, INC.
Consulting Engineers

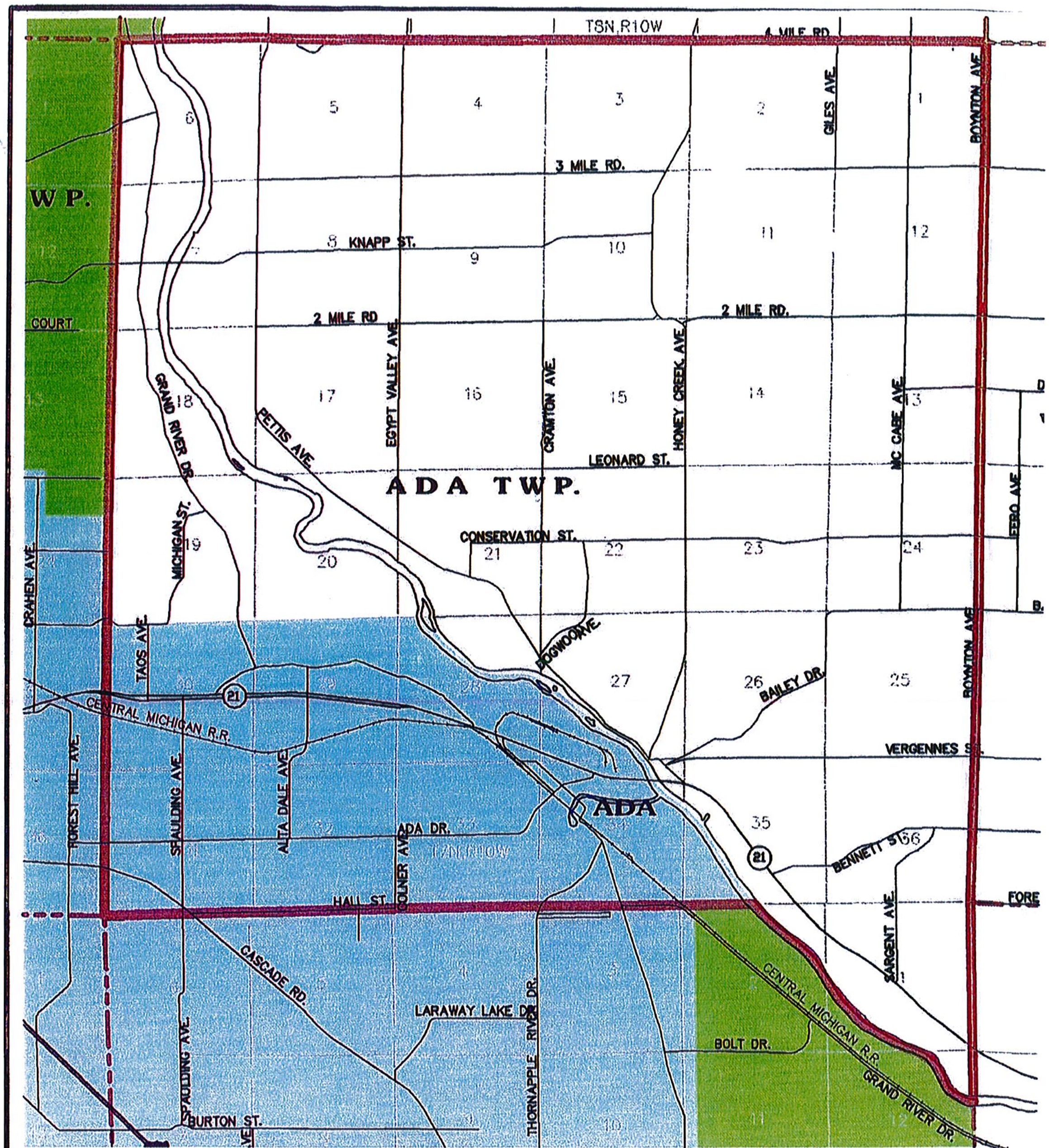
Area of Utility Service District:
7.15 square miles

APPROVED BY: ADA TOWNSHIP

George Haga 8/14/01

George Haga, Supervisor Date

Attachment B-2 Ada Twp Sewer Service District.jpg (1576x2132x16M jpeg)



Sewer Service District
Ada Township

UTILITY SERVICES DISTRICT
URBAN UTILITY BOUNDARY

NOTE: DISTRICT TO BE 300' OFF ℄ OF ROADS, SECTION LINE, OR OTHER LAND DIVISION LINES WHERE POSSIBLE WITHOUT ENTERING NEIGHBORING GOVERNMENT BOUNDARY.

N

1" = 5000'

MOORE & BRUGGINK, INC.
Consulting Engineers

Area of Utility Service District:
7.15 square miles

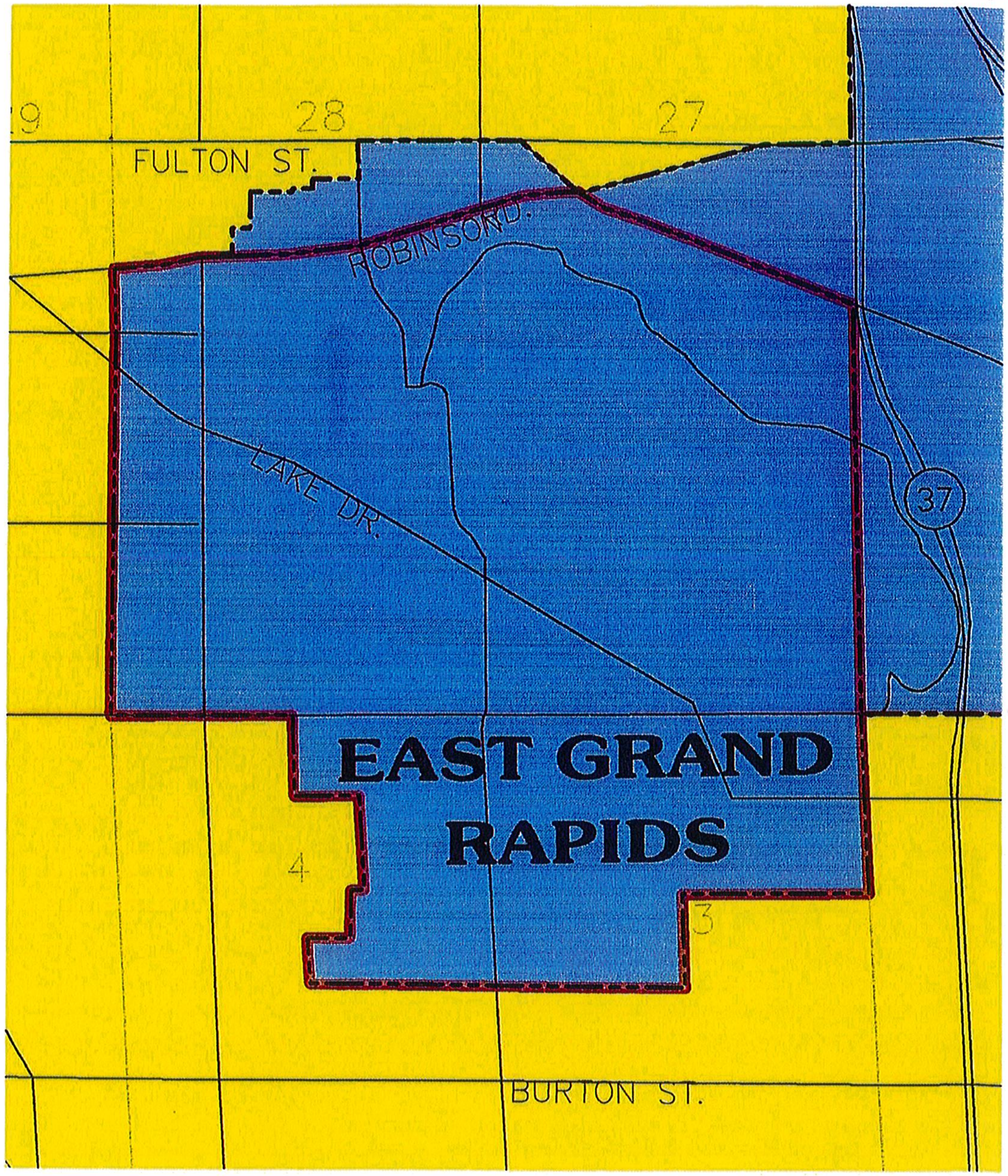
APPROVED BY: ADA TOWNSHIP

George Haga

8/14/01

George Haga, Supervisor   Date

Attachment B-3 East GR Water Service District.jpg (1562x2132x16M jpeg)



Water Service District
City of East Grand Rapids

UTILITY SERVICES DISTRICT
URBAN UTILITY BOUNDARY
CITY OF GRAND RAPIDS

NOTE: DISTRICT TO BE 360' OFF ℄ OF ROADS, SECTION LINE, OR OTHER LAND DIVISION LINES WHERE POSSIBLE WITHOUT ENTERING NEIGHBORING GOVERNMENT BOUNDARY.

N

1" = 2000'

MOORE & BRUGGINK, INC.
Consulting Engineers

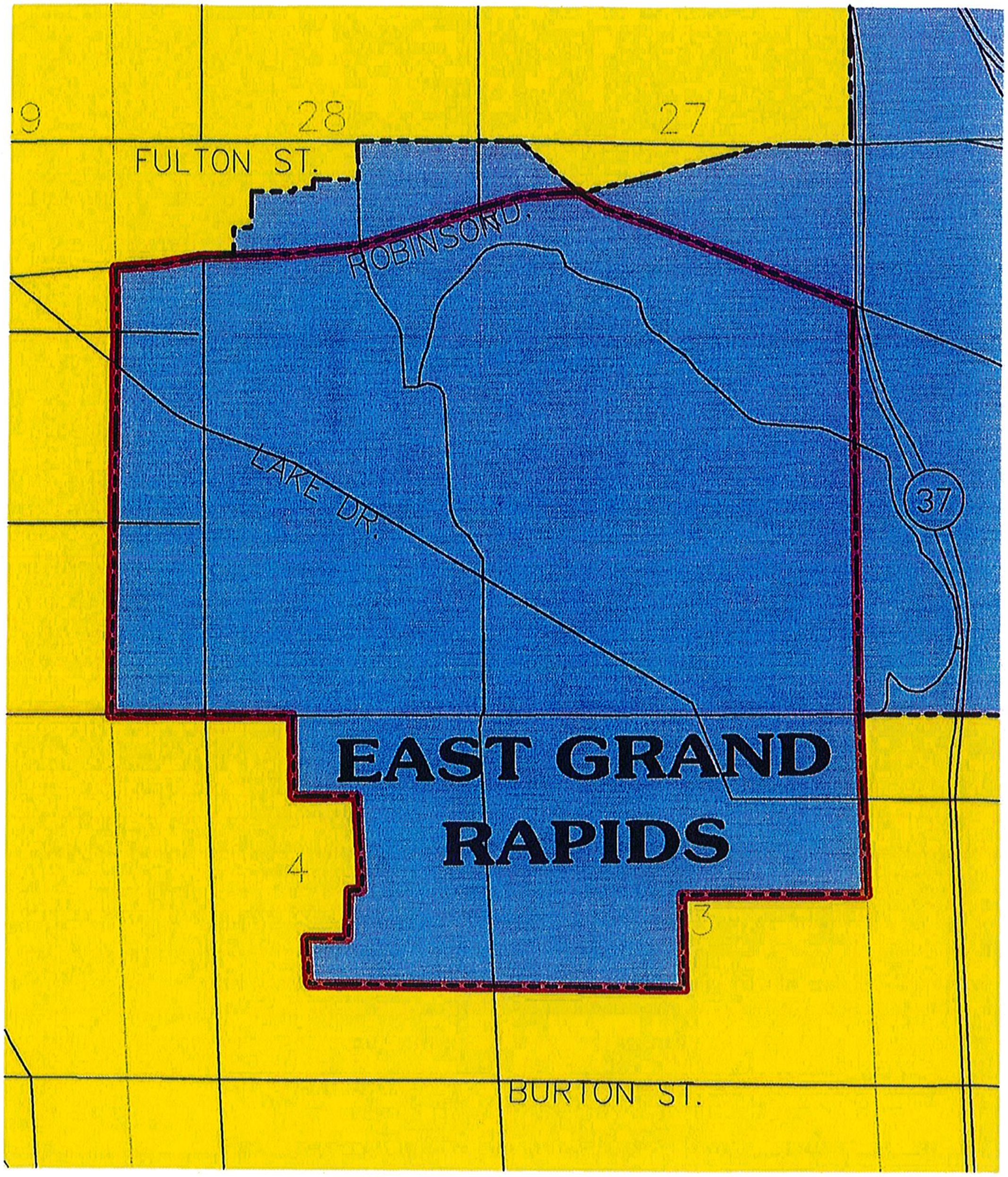
Area of Utility Service District:
3.37 square miles

APPROVED BY: CITY OF EAST GRAND RAPIDS

Brian Donovan 8/30/01

Brian Donovan, Manager — Date

Attachment B-4 East GR Sewer Service District.jpg (1566x2142x16M jpeg)



Sewer Service District
City of East Grand Rapids

- UTILITY SERVICES DISTRICT
- URBAN UTILITY BOUNDARY
- CITY OF GRAND RAPIDS

NOTE: DISTRICT TO BE 300' OFF ℄ OF ROADS, SECTION LINE, OR OTHER LAND DIVISION LINES WHERE POSSIBLE WITHOUT ENTERING NEIGHBORING GOVERNMENT BOUNDARY.

N

1" = 2000'

MOORE & BRUGGINK, INC.
Consulting Engineers

Area of Utility Service District:
3.37 square miles

APPROVED BY: CITY OF EAST GRAND RAPIDS

Brian Donovan 8/30/01

Brian Donovan, Manager **Date**

EXHIBIT C
OPTION A
INTEGRATED CONNECTION FEES

FOR WHOLESALE WATER SERVICE - BASED ON WATER METER SIZE

WATER METER OR EQUIVALENT SIZE SERVICE	CURRENT FEE	SIZE FACTOR**	NEW EFFECTIVE DATE (ON AND AFTER) 1/1/99	1/1/00	1/1/01	1/1/02	1/1/03	1/1/04	1/1/05 AND EACH 1/1 THEREAFTER
3/4" or less	$ 1,650	1.00	$ 1,700	$ 1,800	$ 1,900	$ 2,000	$ 2,100	$ 2,200	***
1"	2,650	1.67	2,850	3,000	3,150	3,350	3,500	3,650	***
1 1/2"	5,400	3.33	5,650	6,000	6,300	6,650	7,000	7,350	***
2"	8,650	5.33	9,050	9,600	10,150	10,650	11,200	11,750	***
3"	18,850	11.67	19,850	21,000	22,150	23,350	24,500	25,650	***
4"	34,050	21.00	35,700	37,800	39,900	42,000	44,100	46,200	***
6" and over	75,550	46.67	79,350	84,000	88,650	93,350	98,000	102,650	***

FOR WHOLESALE SEWER SERVICE - BASED ON WATER METER SIZE

WATER METER OR EQUIVALENT SIZE SERVICE	CURRENT FEE	1/1/99	SIZE FACTOR**	NEW EFFECTIVE DATE (ON AND AFTER) 1/1/00	1/1/01	1/1/02	1/1/03	1/1/04	1/1/05 AND EACH 1/1 THEREAFTER
3/4" or less	$ 100	$ 100	1.00	$ 500	$ 900	$ 1,300	$ 1,700	$ 2,200	***
1"	165	165	1.67	800	1,500	2,150	2,800	3,650	***
1 1/2"	330	330	3.33	1,650	3,000	4,350	5,650	7,350	***
2"	400	400	5.33	2,650	4,800	6,950	9,050	11,750	***
3"	NA	NA	11.67	5,850	10,500	15,150	19,850	25,650	***
4"	920	920	21.00	10,500	18,900	27,300	35,700	46,200	***
6" and over	1,040	1,040	46.67	23,350	42,000	60,650	79,350	102,650	***

** Equivalency for meters other than "3/4" or less" is based on a factor of πR^2 rounded to nearest $50.

*** Commencing January 1, 2005, integrated connection fees shall be adjusted annually and increased by the same percent as the percentage increase in the Consumers Price Index (All U.S. Cities) of the most recent 12-month period for which such information is available at the time the annual Rate Study is being conducted

Option A (continued)

The integrated water service and sanitary sewer service connection fee for single family and multi-family residential dwelling units shall be adjusted upward and downward as follows: A single family residential dwelling unit located on a parcel containing 30,000 square feet in calendar year 2000, 28,000 square feet in calendar year 2001, 26,000 square feet in calendar year 2002, 24,000 square feet in calendar year 2003, 22,000 square feet in calendar year 2004, and 20,000 square feet in calendar year 2005 and each year thereafter shall pay the applicable integrated connection fee in accordance with the above schedule. To the extent such parcel is greater than or less than the applicable square footage, one-half the applicable integrated connection fee will increase or decrease by the same percentage increase or decrease in the parcel above or below the applicable square footage. In the case of multi-family residential dwellings, in order to determine the size of the parcel assigned to each dwelling unit for purposes of calculating the integrated connection fee to be paid by each multi-family residential dwelling unit, the total square footage of the parcel on which the multi-family residential dwelling is located shall be divided by the total number of residential units. Notwithstanding any other provision in this subsection, the integrated connection fee for a single family residential dwelling unit or multi-family residential dwelling unit shall not exceed four and one-half times the applicable base integrated connection fee set forth in the above schedule.

The Customer Community shall collect the full amount of such integrated connection fees from Users within the Customer Community before permitting connection to the public water system or sewer system, as applicable, in the Customer Community and promptly pay such amounts collected to the Water System and/or Sewer System, as applicable.

<u>Option B</u>

A Customer Community shall establish and collect water service and sanitary sewer service connections fees in such amounts as it shall solely determine provided the following conditions are met:

1. A connection fee in some amount is charged to all (i) new water service and sanitary sewer service Users and (ii) Users who install a larger water meter within the Utility Services District in the Customer Community.

2. The amount of the connection fee for both water service and sanitary sewer service shall be based on the size of the water meter (or suitable equivalent standard based on good engineering practices where there is public sanitary sewer service but not public water service).

3. The connection fee for single and multi-family residential dwelling units shall be adjusted upward and downward in the same manner as provided in Option A.

A Customer Community electing Option B shall annually for each year ending June 30 provide the City by not later than the following July 31 the following information for the City to utilize in calculating the revenue requirement of the Customer Community in that year's Rate Study:

a. The listing of new water and/or sanitary sewer Users, as applicable, and Users who install a larger water meter in the applicable Utility Services District in the Customer Community during the previous July 1 through June 30 period.

b. The size of the water meter (or equivalent in the case of sanitary sewer service only) for each User included in (a) above.

c. The size of the parcel of land each residential dwelling unit or multi-family residential dwelling unit included in (a) above is located on.

When calculating the revenue requirement of a Customer Community electing Option B, the City shall add to the revenue requirement the total amount of integrated connection fees the Water System and/or Sewer System, as applicable, would have received during such 12-month period had connection fees been established and collected in accordance with Option A less any amount representing connection fees actually received from such Customer Community during such 12-month period.

Election of Option A or Option B

For any annual period that a Rate Study is in effect, a Customer Community upon one (1) year's advanced written notice may elect either Option A or Option B.

EXHIBIT D

ALLOCATION OF INTEGRATED COSTS IN RATE SETTING METHODOLOGY

WATER SYSTEM

Integrated System Cost (Including Operation & Maintenance, Depreciation and Return on System Investment)	$ 20,898,530 *
Less Integrated Connection Fee Credit	(1,508,932) *
Cost to be Allocated	$ 19,389,598 *

RATE STUDY YEAR	RATES EFFECTIVE ON OR AFTER	ALLOCATION FACTORS BILLED FLOW	ALLOCATION FACTORS LAND AREA
1998	1/1/99	100%	0%
1999	1/1/00	100%	0%
2000	1/1/01	100%	0%
2001	1/1/02	98%	2%
2002	1/1/03	96%	4%
2003	1/1/04	94%	6%
2004	1/1/05	92%	8%
2005	1/1/06	90%	10%
2006-2015	1/1/07-16	(1%) ea. yr.	+1% ea. yr.
2016 & subsequent studies		80%	20%

EXAMPLE PRO-FORMA ALLOCATION (2001 RATE STUDY) *

CITY/CUSTOMER COMMUNITY	REVISED 1997 ALLOCATIONS (Based On) BILLED FLOW (98%)	LAND AREA (2%)	LESS INTEGRATED CONNECTION FEES	TOTAL	ORIGINAL 199 INTEGRATED REQUIREMEN
Grand Rapids	66.18%	39.12%	$ (1,035,376)	$ 12,688,974	$ 12,807,982
Walker	6.04%	16.52%	(94,551)	1,211,524	1,169,403
Kentwood	9.57%	12.31%	(149,784)	1,861,658	1,852,524
Cascade Township	4.04%	15.09%	(63,215)	827,271	781,848
Grand Rapids Township	2.81%	7.52%	(44,031)	562,904	544,559
Tallmadge	0.01%	0.22%	(183)	2,785	2,264
East Grand Rapids	4.34%	2.96%	(67,917)	833,311	839,989
Ada	3.44%	6.26%	(53,875)	676,821	666,319
Ottawa	3.57%	NA	-	724,710 **	724,710
	100.00%	100.00%	$ (1,508,932)	19,389,958	19,389,598

* Pro-forma of allocation methodology utilizing 1997 Water/Sewer Rate Study disclosures and estimates (pending finalized engineering drawings) of Utility Service Districts for the City and Customer Communities.

** Excluding any cost allocation of Integrated System-Coldbrook Pumping to Ottawa Co. (See Task No. 25, pg W-49)

EXHIBIT D

ALLOCATION OF INTEGRATED COSTS IN RATE SETTING METHODOLOGY

SEWAGE DISPOSAL SYSTEM

Integrated System Cost (Including Operation & Maintenance, Depreciation and Return on System Investment)	$ 12,900,463 *
Less Integrated Connection Fee Credit	-
Cost to be Allocated	$ 12,900,463 *

RATE STUDY YEAR	RATES EFFECTIVE ON OR AFTER	ALLOCATION FACTORS: PLANT FLOW	INTEGRATED FLOW*	LAND AREA
1998	1/1/99	100%	0%	0%
1999	1/1/00	50%	50%	0%
2000	1/1/01	0%	100%	0%
2001	1/1/02	0%	98%	2%
2002	1/1/03	0%	96%	4%
2003	1/1/04	0%	94%	6%
2004	1/1/05	0%	92%	8%
2005	1/1/06	0%	90%	10%
2006-2015	1/1/07-16	0%	(1%) ea. yr.	+1% ea. yr.
2016 & subsequent studies		0%	80%	20%

* Defined as billed flow for retail Customer Communities and as billed flow less a credit equal to 30% of flow to give recognition to wholesale inflow/infiltration which passes through the meter.

EXAMPLE PRO-FORMA ALLOCATION (2001 RATE STUDY) **

CITY/CUSTOMER COMMUNITY	REVISED 1997 ALLOCATIONS (Based On): INTEGRATED FLOW (98%)	LAND AREA (2%)	LESS INTEGRATED CONNECTION FEES	TOTAL	ORIGINAL 1997 INTEGRATED REQUIREMENT
Grand Rapids	63.53%	30.26%	$ -	$ 8,109,823	$ 8,628,243
Walker	5.59%	12.77%	-	739,661	696,393
Kentwood	10.07%	9.77%	-	1,298,303	1,124,920
Cascade Township	2.77%	11.67%	-	380,306	337,296
Grand Rapids Township	2.32%	6.04%	-	308,889	248,089
Tallmadge	0.01%	0.17%	-	1,703	1,793
North Kent	10.25% *	20.17%	-	1,347,892	1,216,462
East Grand Rapids	3.14% *	2.29%	-	402,881	372,849
Ada	1.84% *	4.84%	-	245,109	217,811
Gaines	0.48% *	2.02%	-	65,896	56,607
	100.00%	100.00%	$ -	12,900,463	12,900,463

** Pro-forma of allocation methodology utilizing 1997 Water/Sewer Rate Study disclosures and estimates (pending finalized engineering drawings) of Utility Service Districts for the City and Customer Communities.

EXHIBIT E

RATE OF RETURN FOR ZONE-GATED UPSTREAM AND DOWNSTREAM IMPROVEMENTS

WATER SYSTEM AND SEWAGE DISPOSAL SYSTEM

- On Net Book Value of Fixed Assets physically located in each Customer Community and other communities, the Rate of Return shall be determined by the Composite Rate of Return formula described in Task No. 20 of the 1997 Water/Sewer Rate Study.

- On the sum of all individual Net Book Value of Fixed Assets zone-gated to the Customer Community and other communities, the Rate of Return shall be determine as a percentage six (6) per cent greater than the average of the Bond Buyer's Index of Municipal Bonds for the then most recent twelve-month period.

- Pro-forma calculations of the Rate of Return are demonstrated by updating Task No. 21 in each of the 1997 Water and Sewer System Rate Studies as follows:

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1997 WATER RATE STUDY
WATER SUPPLY SYSTEM FUND
TASK NO.21- REVISED

	CITY OF WALKER	CITY OF KENTWOOD	CASCADE TOWNSHIP	G R TOWNSHIP	TALL-MADGE	EAST GRAND RAPIDS	ADA TOWNSHIP
NON-ZONEGATED ELEMENTS:							
ORIGINAL COST	$13,845,571	$17,471,495	$10,046,543	$7,217,755	$404,934	$0	$0
LESS : ACC. DEPRECIATION	2,448,223	2,304,911	1,466,824	1,146,208	9,728	0	0
NET BOOK VALUE OF FIXED ASSETS	$11,397,348	$15,166,584	$8,579,719	$6,071,547	$395,206	$0	$0
WORKING CAPITAL REQUIREMENT TASK # 12	257,344	248,050	180,664	119,668	2,905	6,971	12,199
	11,654,692	15,414,634	8,760,383	6,191,215	398,111	6,971	12,199
CONTRIBUTIONS BY OTHERS	11,370,898	9,646,979	9,264,652	5,904,352	404,934	0	0
LESS : AMORTIZATION	(1,721,550)	(1,369,684)	(1,360,805)	(826,189)	(10,974)	0	0
	(9,649,348)	(8,277,295)	(7,903,847)	(5,078,163)	(393,960)	0	0
NON-ZONEGATED COST RATE BASE	2,005,344	7,137,339	856,536	1,113,052	4,151	6,971	12,199
RETURN ON INVESTMENT @ 6.07%	$121,724	$433,236	$51,992	$67,562	$252	$423	$740
ZONEGATED ELEMENTS :							
ORIGINAL COST	$1,004,815	$1,371,972	$4,834,262	$1,037,228	$48,796	$291,313	$2,374,126
LESS : ACC. DEPRECIATION	$262,613	$955,017	$771,990	$81,172	$8,576	$109,164	$286,368
NET BOOK VALUE OF FIXED ASSETS	742,202	416,955	4,062,272	956,056	40,220	182,149	2,087,758
CONTRIBUTIONS BY OTHERS	0	12,637	2,663	14,863	0	0	9,086
LESS : AMORTIZATION	0	(10,268)	(2,164)	(12,076)	0	0	(7,382)
	0	(2,369)	(499)	(2,787)	0	0	(1,704)
ZONEGATED COST RATE BASE	742,202	414,586	4,061,773	953,269	40,220	182,149	2,086,054
RETURN ON ZONEGATED INVESTMENT @ 11.60%	86,095	48,092	471,166	110,579	4,666	21,129	241,982
REVISED GRAND TOTAL - RETURN ON INVESTMENTS	$207,819	$481,328	$523,158	$178,141	$4,918	$21,552	$242,722
1997 RATE STUDY- RETURN ON INVESTMENTS	$166,776	$458,402	$298,541	$125,426	$2,693	$11,840	$127,364
CHANGE- DOLLARS	$41,043	$22,926	$224,617	$52,715	$2,225	$9,712	$115,358
1998 REVENUE REQUIREMENTS	$2,123,733	$3,102,941	$1,675,438	$1,046,561	$13,877	$875,474	$868,477
CHANGE- PERCENT OF 1998 REVENUE REQUIREMENTS	1.93%	0.74%	13.41%	5.04%	16.03%	1.11%	13.28%

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1997 WATER RATE STUDY
WATER SUPPLY SYSTEM FUND
TASK NO. 21- REVISED TO
CALCULATE ZONEGATING ADJUSTMENT

		CITY OF WALKER	CITY OF KENTWOOD	CASCADE TOWNSHIP	GRAND RAPIDS TOWNSHIP	TALL-MADGE	EAST GRAND RAPIDS	ADA TOWNSHIP
CONSTRUCTION COST:								
BY PHYSICAL LOCATION TASK #11		$13,845,571	$14,386,080	$10,046,543	$7,217,755	$404,934		
IN-SERVICE (TASK NO. 10)		0	3,085,415					
PUMPING STATIONS :								
KNAPP SERV. CENTER	$ 2,416,086		264,803	55,812	311,433			190,388
LIVINGSTON	$ 606,029		23,090	4,848	27,150			16,605
FRANKLIN	$ 135,361		27,275	12,331	4,575			8,406
LEFFINGWELL	$ 141,009		15,455	3,257	18,176			11,112
BRISTOL	$ 612,700	612,700						
EAST PARIS	$ 1,710,802		957,023	753,779				
TANKS :		158,014				473		
ELKS	$ 236,335		4,518	949	5,312			3,249
KNAPP	$ 118,570		67,738	4,771				
CAMBRIDGE	$ 116,070	234,101	12,070	3,998,515	670,582	48,323	291,313	2,144,366
WATERMAINS								
ADJUSTED BY ZONEGATING		$14,850,386	$18,843,467	$14,880,805	$8,254,983	$453,730	$291,313	$2,374,126
ZONEGATING ADJUSTMENT		$1,004,815	$1,371,972	$4,834,262	$1,037,228	$48,796	$291,313	$2,374,126
ACCUMULATED DEPRECIATION:								
BY PHYSICAL LOCATION		$2,448,223	$2,304,911	$1,466,824	$1,146,208	$9,728		
PUMPING STATIONS :								
KNAPP SERV. CENTER	$ 836,222		91,650	19,317	107,789			65,894
LIVINGSTON	$ 450,809		17,176	3,606	20,196			12,352
FRANKLIN	$ 132,724		26,744	12,091	4,486			8,242
LEFFINGWELL	$ 114,657		12,566	2,649	14,779			9,035
BRISTOL	$ 0	0						
EAST PARIS	$ 994,758		556,468	438,290				
TANKS :		148,830				445		
ELKS	$ 222,600		4,422	929	5,200			3,180
KNAPP	$ 116,070		67,738	4,771				
CAMBRIDGE	$ 116,070	113,783	178,253	290,337	(71,278)	8,131	109,164	187,665
WATERMAINS								
ADJUSTED BY ZONEGATING		$2,710,836	$3,259,928	$2,238,814	$1,227,380	$18,304	$109,164	$286,368
ZONEGATING ADJUSTMENT		$262,613	$955,017	$771,990	$81,172	$8,576	$109,164	$286,368

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1997 WATER RATE STUDY
WATER SUPPLY SYSTEM FUND
TASK NO. 21- REVISED TO
CALCULATE ZONEGATING ADJUSTMENT

CONTRIBUTIONS BY OTHERS:		CITY OF WALKER	CITY OF KENTWOOD	CASCADE TOWNSHIP	GRAND RAPIDS TOWNSHIP	TALL-MADGE	EAST GRAND RAPIDS	ADA TOWNSHIP
1996 RATE STUDY (BY LOCATION)		$10,606,739	$8,496,123	$8,593,333	$5,823,591	$218,090		
ADDITIONS : FY 97 FRONT FOOT FEES		29,036	63,249	5,021	(1,608)			
FY 97 CONTRIBUTIONS OF FIXED ASSETS		735,123	1,087,607	666,298	82,369	186,844		
		11,370,898	9,646,979	9,264,652	5,904,352	404,934		
PUMPING STATIONS : LEFFINGWELL	$115,303		12,637	2,663	14,863			9,086
JUNE 30, 1997 - ADJUSTED BY ZONEGATING		$11,370,898	$9,659,616	$9,267,315	$5,919,215	$404,934		$9,086
ZONEGATING ADJUSTMENT			$12,637	$2,663	$14,863			$9,086

AMORTIZED CONTRIBUTIONS :		CITY OF WALKER	CITY OF KENTWOOD	CASCADE TOWNSHIP	GRAND RAPID TOWNSHIP	TALL-MADGE	EAST GRAND RAPIDS	ADA TOWNSHIP
1996 RATE STUDY (BY LOCATION)		$1,565,684	$1,238,576	$1,235,993	$745,467	$5,575		
FY97 ADJUSTMENTS		155,866	131,108	124,812	80,722	5,399		
		1,721,550	1,369,684	1,360,805	826,189	10,974		
PUMPING STATIONS : LEFFINGWELL	$93,682		10,268	2,164	12,076			7,382
JUNE 30, 1997 - ADJUSTED BY ZONEGATING		$1,721,550	$1,379,952	$1,362,969	$838,265	$10,974		$7,382
ZONEGATING ADJUSTMENT			$10,268	$2,164	$12,076			$7,382

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1997 SEWER RATE STUDY
SEWAGE DISPOSAL SYSTEM FUND
TASK NO. 21- REVISED

		CITY OF WALKER	CITY OF KENTWOOD	CASCADE TOWNSHIP	G R TOWNSHIP	TALL-MADGE	NORTH KENT AREA	E. GRAND RAPIDS	ADA TOWNSHIP	GAINES TOWNSHIP
NON-ZONEGATED ELEMENTS:										
ORIGINAL COST		$17,663,644	$18,379,385	$11,710,973	$8,775,359	$601,726	$0	$0	$0	$0
LESS : ACC. DEPREC.		5,026,882	5,049,483	2,184,807	2,018,633	28,335	$0	$0	$0	$0
NET BOOK VALUE		12,636,763	13,329,902	9,526,166	6,756,726	573,390	0	0	0	0
WORKING CAPITAL REQUIRMENT TASK # 12		243,352	151,029	113,899	125,439	3,011	21,576	4,014	11,039	5,519
		12,880,115	13,480,931	9,640,065	6,882,165	576,401	21,576	4,014	11,039	5,519
CONTRIBUTIONS BY OTHERS		16,299,632	15,677,369	11,658,811	8,423,204	602,821	0	0	0	0
LESS : AMORTIZATION		(3,848,639)	(4,242,914)	(2,128,326)	(1,825,063)	(29,932)	0	0	0	0
		(12,450,993)	(11,434,455)	(9,530,485)	(6,598,141)	(572,889)	0	0	0	0
NON-ZONEGATED COST BASE		429,122	2,046,476	109,580	284,024	3,512	21,576	4,014	11,039	5,519
RETURN ON INVESTMENT @	6.63%	$28,451	$135,681	$7,265	$18,831	$233	$1,430	$266	$732	$366
ZONEGATED ELEMENTS:										
ORIGINAL COST		$748,379	($770,967)	$1,084,842	$432,869	$23,313	$781,582	$327,187	$708,364	$1,498,744
LESS : ACC. DEPREC.		700,236	(60,094)	466,021	271,250	13,559	572,129	227,909	306,919	286,969
NET BOOK VALUE		48,142	(710,873)	618,821	161,619	9,755	209,453	99,278	401,445	1,211,775
CONTRIBUTIONS BY OTHERS		5,674	(2,062)	375,178	59,120	14	9,934	0	242,274	1,317,710
LESS : AMORTIZATION		(5,295)	(124,979)	(90,042)	(15,287)	(13)	(9,270)	0	(58,145)	(190,774)
		(379)	127,041	(285,136)	(43,833)	(1)	(664)	0	(184,129)	(1,126,936)
ZONEGATED COST RATE BASE		47,763	(583,832)	333,685	117,786	9,754	208,789	99,278	217,316	84,839
RETURN ON ZONEGATED INVESTMENT @	11.60%	5,541	(67,725)	38,707	13,663	1,131	24,220	11,516	25,209	9,841
REVISED GRAND TOTAL- RETURN ON INVESTMENTS		$33,992	$67,956	$45,972	$32,494	$1,364	$25,650	$11,782	$25,941	$10,207
1997 RATE STUDY- RETURN ON INVESTMENTS		$31,617	$96,973	$29,388	$26,640	$880	$15,273	$6,848	$15,140	$5,991
CHANGE- DOLLARS		$2,375	($29,017)	$16,584	$5,854	$484	$10,377	$4,934	$10,801	$4,216
1998 REVENUE REQUIREMENTS		$1,545,542	$1,749,774	$732,673	$677,570	$12,284	$1,316,123	$398,587	$281,828	$84,2/3
CHANGE- PERCENT OF 1998 REVENUE REQUIREMENTS		0.15%	-1.66%	2.26%	0.86%	3.94%	0.79%	1.24%	3.83%	5.00%

1997 SEWER RATE STUDY
SEWAGE DISPOSAL SYSTEM FUND
TASK NO. 21 - REVISED TO CALCULATE ZONEGATNG ADJUSTMENT

		CITY OF WALKER	CITY OF KENTWOOD	CASCADE TOWNSHIP	GRAND RAPIDS TOWNSHIP	TALL-MADGE	NORTH KENT AREA	EAST GRAND RAPIDS	ADA TOWNSHIP	GAINES TOWNSHIP
CONSTRUCTION COST:										
BY PHYSICAL LOCATION TASK #11		17,663,644	17,977,588	11,710,973	8,775,359	601,726				
IN-PROC./ADD - TASK 10			401,797							
TASK 16- CSO REV REQ'S										
Lift Stations:										
Fuller Brookview	$40,128						38,218			
Fulton Middleboro	37,983				21,339					
Butterworth	58,730	22,758				247				
Wealthy	20,444	8,523								
Market	1,477,180	118,470			33,089	295	207,396			
VanPortfliet	44,816	25,971								
SEWERMAINS		572,657	(770,967)	1,084,842	378,441	22,771	535,968	327,187	708,364	1,498,744
ADJUSTED BY ZONEGATING		18,412,023	17,608,418	12,795,815	9,208,228	625,039	781,582	327,187	708,364	1,498,744
ZONEGATING ADJUSTMENT		748,379	(770,967)	1,084,842	432,869	23,313	781,582	327,187	708,364	1,498,744
ACCUMULATED DEPRECIATION:										
BY PHYSICAL LOCATION TASK #11		5,026,882	5,049,483	2,184,807	2,018,633	28,335				
IN-PROC./ADD - TASK 10										
TASK 16- CSO REV REQ'S										
Lift Stations:										
Fuller Brookview	$18,261						17,392			
Fulton Middleboro	34,332				19,288					
Butterworth	58,576	22,698				246				
Wealthy	20,290	8,459								
Market	1,142,591	91,636			25,594	229	160,420			
VanPortfliet	38,841	22,508								
SEWERMAINS		554,935	(60,094)	466,021	226,368	13,084	394,317	227,909	306,919	286,969
ADJUSTED BY ZONEGATING		5,727,118	4,989,389	2,650,828	2,289,883	41,894	572,129	227,909	306,919	286,969
ZONEGATING ADJUSTMENT		700,236	(60,094)	466,021	271,250	13,559	572,129	227,909	306,919	286,969

SRS\WHATIF\GRSS37 11-Aug-98

1997 SEWER RATE STUDY
SEWAGE DISPOSAL SYSTEM FUND
TASK NO. 21 - REVISED TO
CALCULATE ZONEGATING ADJUSTMENT

CONTRIBUTIONS BY OTHERS:

	CITY OF WALKER	CITY OF KENTWOOD	CASCADE TOWNSHIP	GRAND RAPIDS TOWNSHIP	TALL-MADGE	NORTH KENT AREA	EAST GRAND RAPIDS	ADA TOWNSHIP	GAINES
1996 RATE STUDY (LOCATION)	$15,317,650	$14,980,847	$10,425,650	$7,857,816	$447,445	$0	$0	$0	
ADDITIONS :									
FY 97 CONNECTIONS & FRONT FOOT FEES	60,387	160,531	9,914	14,699	0				
FY 97 CONTRIBUTIONS OF FIXED ASSETS	921,595	535,991	1,223,247	550,689	155,376			0	
	16,299,632	15,677,369	11,658,811	8,423,204	602,821	0	0	0	0
In-Service, Task #10									
Plaster Creek Interceptor									
-Grant $2,244,621		1,252,678	375,178	57,535				242,274	62,970
-Interceptor (S126) $1,314,819		(1,254,740)							1,254,740
Lift Station- Mkt grt $70,753	5,674			1,585	14	9,934			
JUNE 30, 1997 - ZONEGATED	$16,305,306	$15,675,307	$12,033,989	$8,482,324	$602,835	$9,934	$0	$242,274	$1,317,710
ZONEGATING ADJUSTMENT	$5,674	($2,062)	$375,178	$59,120	$14	$9,934	$0	$242,274	$1,317,710

AMORTIZED CONTRIBUTIONS:

	CITY OF WALKER	CITY OF KENTWOOD	CASCADE TOWNSHIP	GRAND RAPIDS TOWNSHIP	TALL-MADGE	NORTH KENT AREA	EAST GRAND RAPIDS	ADA TOWNSHIP	GAINES
1996 RATE STUDY (LOCATION)	$3,556,278	$3,932,392	$1,895,150	$1,660,343	$17,876	$0	$0	$0	
FY97 ADJUSTMENTS	292,361	310,522	233,176	164,720	12,056				
	3,848,639	4,242,914	2,128,326	1,825,063	29,932	0	0	0	0
Plaster Creek Interceptor									
-Grant $538,704		300,640	90,042	13,808				58,145	15,113
-Interceptor (S126) $184,072		(175,661)							175,661
Lift Station- Mkt grt $66,024	5,295			1,479	13	9,270			
JUNE 30, 1997 - ADJUSTED BY ZONEGATING	$3,853,934	$4,367,893	$2,218,368	$1,840,350	$29,945	$9,270	$0	$58,145	$190,774
ZONEGATING ADJUSTMENT	$5,295	$124,979	$90,042	$15,287	$13	$9,270	$0	$58,145	$190,774

EXHIBIT F

Exclusions from Calculation of Developed Area of Utility Services District and Urban Utility Boundary

1. **Right-of-way** - right-of-way consisting of:

   a. public streets, roads and highways;

   b. recorded public or private utility corridors used as major transport lines or facilities; and

   c. railway corridors.

2. **Public land** - land owned by any governmental entity or agency not intended for private development purposes, such as:

   a. dedicated park land;

   b. governmental buildings; and

   c. public and private school buildings and lands.

3. **Open space** - land not likely to be developed under current governmental regulations or use, such as:

   a. protected wetlands;

   b. inland lakes and streams;

   c. golf courses;

   d. private cemeteries; and

   e. recorded conservation easements.

4. **Agricultural land** - those lands designated as agricultural property under the property tax laws, i.e., class 100, 101 and 102 lands.