

**UTILITY ADVISORY BOARD**  
**Thursday, November 7, 2024**  
**8:30 – 9:30 am**  
**1300 Market Ave SW**  
**AGENDA**

1. Approval of Minutes – October 17, 2024
2. Public Comments on Agenda Items
3. Approval of Agenda
4. Preliminary 2024 Water/Sewer Rate Study – Tai Verbrugge
5. Kentwood Sewer USD Modification Request – James Ouzts
6. Updates
  - a. 2024 Water/Sewer Report (October) – Jeff McCaul
  - b. ICB Payment Assistance Update - Samarhia Giffel
  - c. December Holiday breakfast meeting – James Hurt
7. Public Comments
8. Items from Members
9. Next Meeting – December 19, 2024
10. Adjournment

**UTILITY ADVISORY BOARD**  
**Thursday, October 17, 2024**  
**MINUTES**

Members Present

James Hurt (chair), Mark Bennett, Brian Bradley, Tim Burkman, Samarhia Giffel, Jared Grabinski, Wayne Jernberg, Doug LaFave, James Ouzts, Darrel Schmalzel, Julius Suchy, and Tai Verbrugge

Alternates Present

Alan Avitia

Others Present

Kolene Allen, Kurt Anderson, Rachael Brower, Izamar Contreras, Alexia Hall, Kieran Kelley, and Andrew Meyer

Call to Order

Mr. Hurt called the meeting to order at 8:33 am.

Approval of Minutes – August 15, 2024

Motion to approve the agenda by Mr. Jernberg and seconded by Mr. Schmalzel.

Mr. Hurt pointed out that there was an error on the last page of August's minutes. It states that he's on the Michigan Infrastructure Council. He is on the Transportation Asset Management Council which is a subcommittee of the Michigan Infrastructure Council.

MOTION CARRIED.

Public Comments on Agenda Items

None.

Approval of Agenda

Motion to approve the agenda by Mr. Jernberg and seconded by Mr. Suchy.

MOTION CARRIED.

2024 Water Rate Study Task #30, Fees, Charges and Penalties

Ms. Giffel presented the proposed cost changes associated with task no. 30. The Rate Study is currently in progress, and she would like UAB to approve the Fees today. Once UAB approves the Fees, they'll be approved by the City Commission along with the Rate Study.

There are not many changes this year in terms of maintenance costs. Some of note:

- The City is planning to increase the monthly fee for fire protection, as is normally done in accordance with the Bond Buyer Index (BBI).
- The final Meter Reading fee is increasing 8.33% from \$60 to \$65 and the replacement cost for meter interface units is increasing 17.65% from \$170 to \$200. Both increases

factor in associated administrative costs for clerical tasks and field work, while the meter replacement increase also factors in smart endpoint device costs.

- Meter Replacement fees are increasing 31% for 1½" and 2" meters, and 9% for 3" meters as manufacturer and distributor prices have increased. Customers can look through the fees and see what a meter replacement could potentially cost them, and they go through costs with the City's Plan Reviewer so there are no surprises. This doesn't include the fee to install the meter, only the cost of the meter.
- Miscellaneous costs are mostly increasing as listed in the report.

Mr. Jernberg added that they track all inspections. The goal is to recover 90% of total costs for inspection staff, including office space, vehicle costs, tools, etc. and the proposed increases will exceed this goal.

Ms. Giffel also stated that when she renews contracts, she negotiates a lot of the fees which helps to keep costs down.

Motion made to recommend that these changes are included in the upcoming Rate Study to be approved at the next meeting made by Mr. Suchy. Second by Mr. Schmalzel.

MOTION CARRIED.

#### FY2024 Financial Overview

Mr. Verbrugge gave a presentation on the Preliminary Overview for FY2024.

#### **Water**

Revenue is up by about \$15M, or 27%. He said that while this sounds large, it's not really revenue because \$12.6M is from the State forgiving some of the principal on drinking water revolving loans, which is included under Miscellaneous revenue. When you remove that \$12.6M from the fund, the revenue increase is closer to 5%, or \$3M, which is still solid growth.

Expenses grew by around \$1.5M, or 5%.

Combined, Water's net income was closer to \$27M when you remove the \$12.6M principal loan forgiveness. This is a 6% increase from last year, or \$1.5M.

Other major drivers of this are due to increases in Retail Service Charges and Wholesale Service Charges revenue. Billed volume was down by about 2.8% but because we raised water rates last year by 6.5%, this higher rate helped to offset it so that there was still some growth in sales revenue. Overall, Water is in a good place, financially.

#### **Sewer**

Revenue grew by \$2.2M, or 3%. Most of this gain is due to Renewable Natural Gas sales. FY2024 was the first full fiscal year that we sold RINs credits. This \$1.7M gain helps to offset other declining revenue. Sewer surcharge revenue is down by \$275,000 because industrial customers are doing a better job at treating their waste onsite instead of discharging it to us.

The biggest driver for expenses is due to the increase in Personnel Services by \$1.1M.

Overall, net income for Sewer is up \$1.4M than last year.

### **Billed Volume**

Billed volume was down for both Water (by 3%) and Sewer (by almost 4%). Using a 3-year average, Water is down .69% and Sewer is down .06%.

Mr. Verbrugge also summarized our Partner Communities, Water and Sewer Billed Volume as outlined in his presentation.

### **Debt**

Mr. Verbrugge summarized Water and Sewer's Debt Profiles.

The Net Earnings to Debt Ratio must be kept above 1.2% for bonds. Water is at 2% and Sewer is at 1.45%. It would be preferable for Sewer to have a larger ratio and it should start to increase in FY2028/29 when some large bonds are paid off. In the meantime, Sewer will be watching their spending closely until some of this debt starts to come off the books.

### **Individual Circuit Breaker**

This fund is for customers who need help paying their water/sewer bills and sourced from taking \$145,000 from penalty fees and \$80,000 from water facility rentals, listed as Other Non-op Revenue.

### **Assets**

Water added \$25.2M in assets, which is largely due to the lead line replacements. \$558,000 was spent to purchase land in Caledonia for their new pumping station. Caledonia should be integrated as a water customer next year once it's built. Cascade invested over \$3M in PFAS avoidance in water mains.

Sewer added \$9.9M in assets. 50% is integrated at the WRRF and the other 50% is out in the communities.

### **Timeline**

- Nov. 6 – Preliminary Rate study will be put online. This starts the 30-day review period for partner communities. This is also the main reason for moving the November meeting up to the 7<sup>th</sup>.
- Nov. 12 – The Rate Study will be presented to the City Commission which will initiate the public comment period.
- Dec. 17 – The expected date for the City Commission to approve the Rate Study.

Mr. Schmalzel recommended that we try to set the November meeting earlier when we set the calendar for 2025.

Ms. Giffel stated that our rates are some of the lowest in the state and country. Michigan has become a leader in sustainability efforts and is being environmentally conscious about what we

discharge to the Grand River. This means we'll continue to see a decrease in revenue from surcharges as industries also become more environmentally conscious. Water will also start to see less water use due to conservation efforts. A portion of this is due to the lead line replacement program. When those pipes are replaced, they are reconfigured to be more efficient and unknown leaks may be repaired during this time. She also asked that community partners share their plans for the next ten years as we can help plan for those so we can all work together to keep rates low.

Mr. Schmalzel asked if the trend for RNG sales would continue to help with revenue. Mr. Hurt stated that Ms. Brower will be covering that information soon.

### Updates

#### **2024 Water/Sewer Report (September)**

Mr. Burkman gave an update on the September awards. Robinson Road is wrapping up in and is on the list as it was recently brought to the City Commission because we're working with the Corridor Improvement Authority to plan for an upcoming decorative street lighting project. The other two projects are related to Lead Service Line contracts. BRiK Plumbing, Inc. will be replacing 240 private lead service lines and McDonald Plumbing Co. will be replacing 123 private lead service lines.

#### **Add-to-Tax (ATT) Winter Tax**

Ms. Giffel reported on the ATT Winter Tax. Grand Rapids doesn't have a lot of delinquent debt to collect. Ms. Giffel requested that each retail partner community use the ATT collection cycle to collect significantly delinquent (defined as 203 days or more) water and/or sanitary sewer charges. The 2024 ATT winter tax timeline and preliminary eligible collections was presented in the agenda packet.

#### **Biogas Regulatory Reform Rule (BRRR) Overview and Impacts**

Ms. Brower stated that the Environmental Protection Agency (EPA) will be releasing new rules regarding the Biogas Regulatory Reform Rule (BRRR) on January 1, 2025.

As part of the BRRR, the EPA requires parties that produce biogas, renewable natural gas, or renewable compressed natural gas under the Renewable Fuel Standard program to measure those products using specified methods. BRRR impacts how we generate Renewable Identification Numbers (RINs) under the program.

Currently, RINs are generated on the DTE side of the interconnect. The new rules will require us to upgrade our skids and DTE will no longer be able to assign RINs. Because of this, they've decided that they don't want to take on the required regulatory work and have requested that the current contract end on November 30, 2024. We agreed and signed an agreement to terminate.

The Interconnect agreement remains as is. DTE has agreed to take RNG from us through any contractor that we use to continue selling RNG through the program.

EPA plans to review and approve everyone who applies by the end of the year. ESD staff have taken training on the new rules and responsibilities.

Three challenges have been identified:

1. ESD is working through a contract for brokering the sale of RNG and RINs.
2. ESD must wait for the EPA to approve ESD's legacy site and can sell RNG but not assign RINs.
3. The new regulation does not allow ESD to store RNG between December and January, so ESD is trying to find a way to sell RNG created in December. The options are to give it to DTE as a trust-pass, flare it, or sell it. ESD can't assign RINs to RNG until the legacy site is online. Only RNG can be sold until that time.

ESD has been meeting with DTE weekly to discuss potential ways that the City can sell RNG in December. DTE wants to help bridge that gap, but they can't assign RINs.

ESD and DTE are looking at a short-term contract for the month of December, with a possible one-month extension, for DTE to purchase RNG. At the same time, ESD is in discussions with Reliable Energy, Inc. and other community partners to purchase RNG in December since we can't store it.

ESD published an RFP and selected a broker to help sell RNG and assign RINs in 2025. This will go to City Commission for approval on October 22<sup>nd</sup>. With the legacy site coming online as soon as the EPA approves it, we should be on track to record RNG production and assign RINs to be sold through the broker, hopefully as early as January 1.

Mr. Grabinski stated that the revenue will not be as large as what we received in 2024 next year. Mr. Hurt said it may be premature to predict that.

Mr. LaFave (East GR) asked if DTE would stop selling their RNG to them as well. He said he wants to keep buying gas from Grand Rapids and will reach out to DTE to see how they will purchase it in December. Mr. Grabinski said he would pass along the information on the broker who they are awarding the RFP to.

Mr. Hurt gave some history on this situation, stating that the EPA decided to change their rules about a year and a half ago and asked for public comment. When they didn't receive a lot of feedback, they started implementing changes. Currently, we produce and generate RNG and DTE sells it to the Rapid. The new rules mean that a producer, separator, and dispenser all have to register with the EPA and DTE has decided to remove themselves from the process entirely. That means we aren't sure what the revenue will look like for December or past that.

#### Public Comments

None.

#### Items from Members

- Mr. Verbrugge gave an update on the Rate Study. Task no. 30 dictates how much we can charge industrial users who discharge waste that has concentrations of certain

pollutants that are above a certain level are billed on how much of those pollutants are in their waste. In 2016, we created a sub task that lowers that rate because of the load balancing we were doing. Since the digester was built, there is no need to load balance any more so that sub task will not be in this year's rate study.

- Mr. Ouzts credited his team with all their work.
- Mr. Grabinski gave an update on the biodigester. He said O&M staff have been working hard on Phosphorus Recovery and so far, has recovered several bags and is storing them. They are now ready to sell and deliver some to a buyer. Mr. Hurt asked Mr. Grabinski to bring a sample at the next meeting. Mr. Grabinski also offered to take members back to the equipment and show it to them after the meeting.
- Mr. Anderson gave an update on local limits. The State is currently reviewing their PFAS local limits. Once those are approved, they can be included in the Sewer Use Ordinance.
- Mr. Meyer gave an update that draft permits are currently being negotiated with EGLE. He said that a public notice should have gone out already.
- Ms. Giffel reported that Izamar Contreras was promoted to a new Assistant Project Manager position in Water. Ms. Contreras will be working on the lead line replacement program and other innovation projects like AMI. Mr. Jernberg added that Kolene Allen replaced the vacancy left by Ms. Contreras as an Administrative Analyst I.
- Mr. Jernberg gave an update on the Lead and Copper Rule (LCR). Water's reported numbers for 2024 will be slightly over six. This is the last year of an action level of 15 parts so we're well under that. This has been a huge improvement from two years ago when we were 14. The Lead and Copper Rule Revisions (LCRR), which is the new EPA rule, was dropped about a week ago and there are now new deadlines on Complete Distribution System Materials Inventory (CDSMI), which is a process that helps water systems verify and inventory the materials used in their service lines. It requires a 10-part (Action Level Exceedance) ALE, so going from 15 to 10 parts.

The LCRR doesn't technically apply yet. The state has a promulgation period they must go through, so they must review their current LCR and anything that is more stringent in the Federal rule must be adopted in the State rule. This process could take up to three years, which is when the 10-year deadline to have all lead lines replaced will be implemented. It's also when the new ALE will be adopted. That means that we will stay at 12 until then. Mr. Jernberg predicts we'll go to 10 in 2027.

This year, one sample returned over 100 parts of lead in it that was a 5<sup>th</sup> leader that we couldn't reproduce so it was replaced. We also had one at 16 parts that was also replaced. We also replaced two other service lines that were over eight parts, which has been our threshold in terms of what we replace. This gets those higher reads out of the system as quickly as possible.

Of the 50 that the City was required to test, most were non-detect or well below five. Overall, replacing those that test high has been beneficial. When the state goes to 10, it's likely we'll move our threshold to six or seven parts in the future. At a minimum, we could have all our lead lines replace by 2036 if we're being aggressive.

Regarding the Drinking Water Revolving Fund (DWRF), Mr. Jernberg stated that we've been using the DWRF for quite some time. For 2025, the interest rate is 2% for overburdened communities. We submitted two contract proposals, grouping Grand Rapids on its own because we score better for overburdened communities. Because of the demand on the DWRF, we also submitted a series of projects for the LMFP that are integrated and did not score high enough, so it is not even close to being a fundable group of projects according to the criteria. As a result, we are going to go back to the drawing board for FY2026 projects and beyond and try to find a way to cash fund our integrated (or zonegated) projects and then submit Grand Rapids on its own knowing that we'll will score higher for those.

#### Next Meeting

The next meeting is scheduled for November 7, 2024.

#### Adjournment

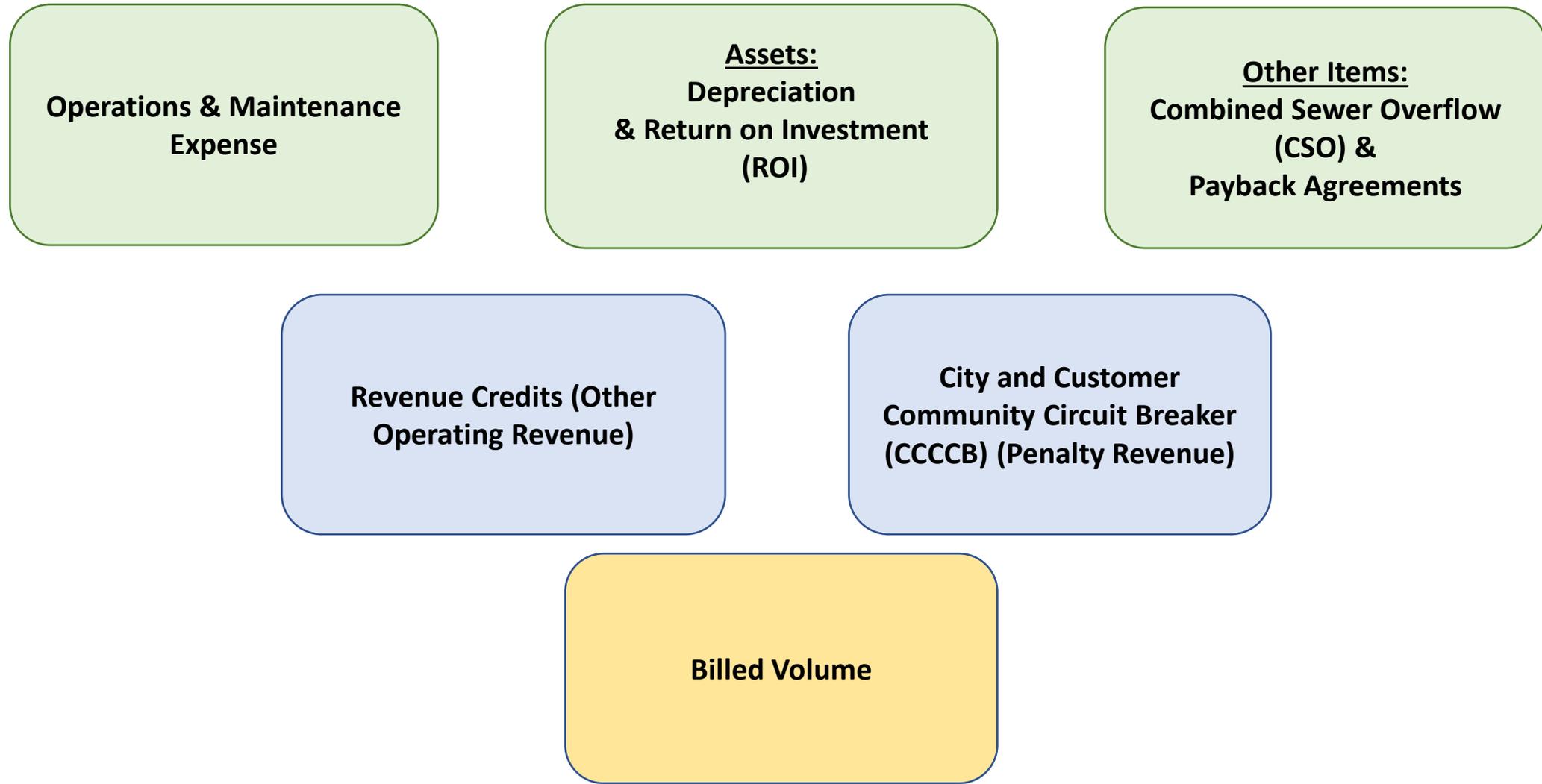
Mr. Hurt adjourned the meeting at 9:32 a.m.



City of Grand  
Rapids  
Water & Sewer  
Systems

48<sup>th</sup> Annual  
Preliminary  
Rate Study

# Building Blocks of the Revenue Requirement



# 2025 Rate Impact by Community

**Retail Communities:** charges assessed directly to User based on water consumption (except for Wright Twp – REUs). Readiness to Serve (RTS) based on meter size and Commodity based on volume. City of GR maintains assets and bills users directly.

**Wholesale Communities:** charges assessed directly to Wholesale Community based on water consumption measured through a master meter at the point of service in the customer community. Readiness to Serve (RTS) based on non-integrated system requirements and Commodity based on volume. Customer community maintains assets and bills users directly.

	WATER (1)		SEWER (1)		
	AMOUNT	PERCENT	AMOUNT	PERCENT	
RETAIL COMMUNITIES	GRAND RAPIDS	\$ 1,387,267	4.34%	\$ 926,080	2.15%
	WALKER	220,558	5.34%	287,134	4.98%
	KENTWOOD	203,096	3.98%	261,400	4.85%
	CASCADE TWP	(377,079)	-8.61%	130,328	3.99%
	GRAND RAPIDS TWP	39,906	1.35%	158,511	5.03%
	TALLMADGE TWP	(10,548)	-3.70%	(4,518)	-0.78%
	WRIGHT TWP	N/A	N/A	9,928	3.43%
WHOLESALE COMMUNITIES	EAST GRAND RAPIDS	33,505	3.44%	55,152	4.33%
	ADA TWP	6,088	0.37%	53,573	3.35%
	OTTAWA COUNTY	14,368	0.51%	NA	NA
	GAINES TWP	N/A	N/A	14,702	6.97%
	CALEDONIA TWP	N/A	N/A	(4,495)	-1.86%
<b>SYSTEM</b>	<b>\$ 1,517,161</b>	<b>2.80%</b>	<b>\$ 1,887,796</b>	<b>2.91%</b>	

(1) Change in revenue requirements based on revenues currently generated from rates, customer base and volumes reported in the preliminary rate study (Includes consideration for relief from CCCC).





# Rate Impact Factors - Sewer

2024 Sewer Rate Study Rate Drivers	% Impact
<b>Increases:</b>	
O&M – Personnel services Overhaul of SCADA infrastructure Maximizing use of existing systems	6.20%
<b>Decreases:</b>	
Assets – Return on System Investment & Depreciation \$6.8M of new assets in service Required return decreased by Market Ave contribution	(2.13%)
Natural gas revenues / Penalty Offset	(0.66%)
Revenue Expectation (3-yr avg sewer billed volume down, meters up)	(0.42%)
Unused Penalty Credits from Last Year	(0.07%)
<b>Proposed System Average Rate Increase</b>	<b>2.91%</b>

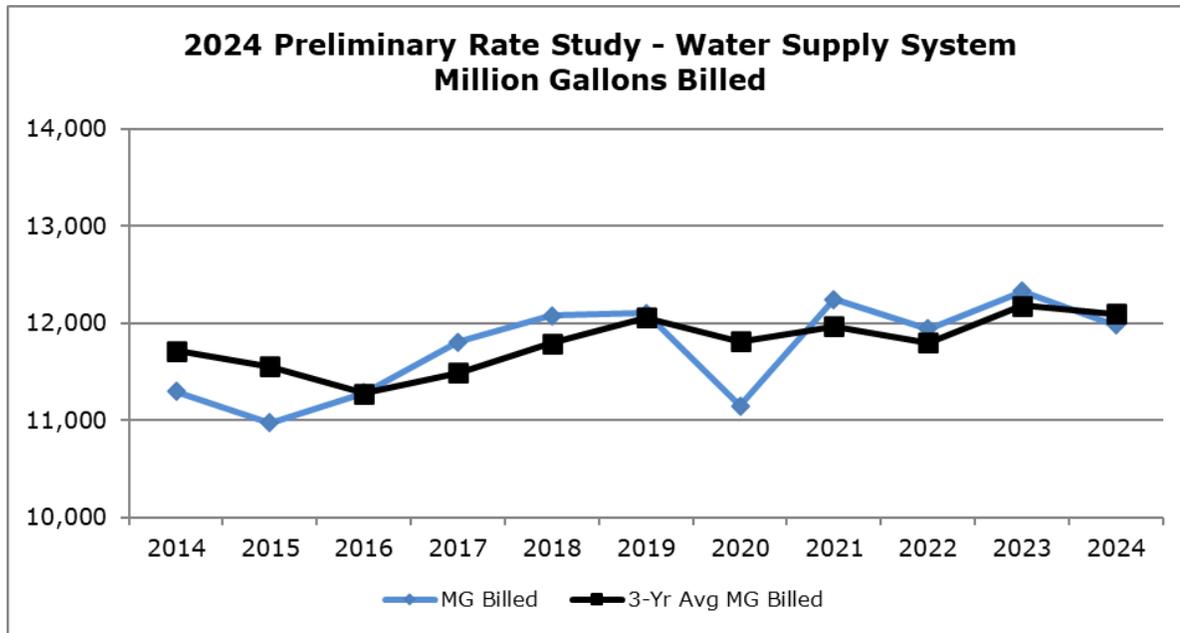


# Billed Volume

## Water Supply System

2024 water volume down (2.81%) over 2023

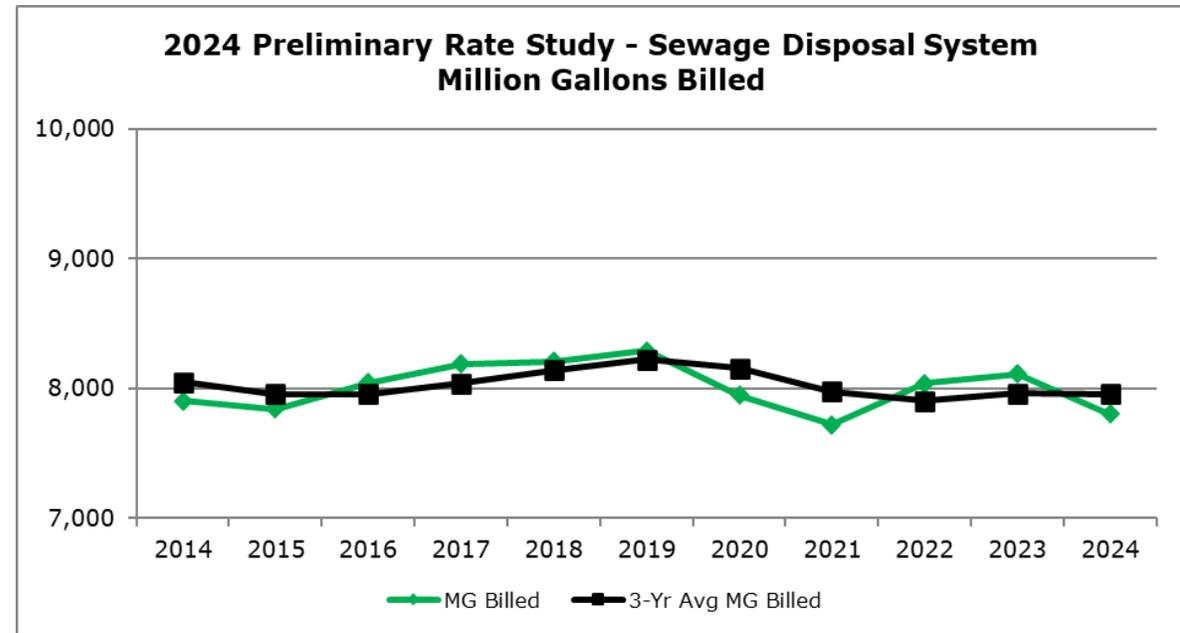
3-Yr Avg water volume **down** (0.69%)



## Sewer Disposal System

2024 sewer volume down (3.77%) over 2023

3-Yr Avg sewer volume **down** (0.06%)



# Partner Communities Water Billed Volume

MUNICIPALITY	FY20	FY21		FY22		FY23		FY24		FY20 - FY24
	VOL BILLED	VOL BILLED	% CHANGE	VOL BILLED	% CHANGE	VOL BILLED	% CHANGE	VOL BILLED	% CHANGE	% CHANGE
GRAND RAPIDS	5,899,570	6,288,343	6.59%	6,151,371	-2.18%	6,325,990	2.84%	6,131,530	-3.07%	3.93%
WALKER	835,703	952,327	13.96%	923,869	-2.99%	943,276	2.10%	925,908	-1.84%	10.79%
KENTWOOD	1,190,449	1,305,704	9.68%	1,270,170	-2.72%	1,270,658	0.04%	1,267,574	-0.24%	6.48%
CASCADE TWP	585,011	686,898	17.42%	697,931	1.61%	716,807	2.70%	739,534	3.17%	26.41%
GRAND RAPIDS TWP	462,801	573,570	23.93%	528,741	-7.82%	579,069	9.52%	532,514	-8.04%	15.06%
TALLMADGE TWP	37,831	48,587	28.43%	52,057	7.14%	53,593	2.95%	59,974	11.91%	58.53%
EAST GRAND RAPIDS	422,907	430,073	1.69%	429,664	-0.10%	479,864	11.68%	409,223	-14.72%	-3.24%
OTTAWA COUNTY	1,299,136	1,492,668	14.90%	1,426,225	-4.45%	1,471,115	3.15%	1,465,108	-0.41%	12.78%
ADA TWP	417,313	466,832	11.87%	461,794	-1.08%	487,813	5.63%	450,435	-7.66%	7.94%
<b>TOTAL</b>	<b>11,150,721</b>	<b>12,245,001</b>	<b>9.81%</b>	<b>11,941,820</b>	<b>-2.48%</b>	<b>12,328,184</b>	<b>3.24%</b>	<b>11,981,799</b>	<b>-2.81%</b>	<b>7.45%</b>

\*Volumes shown in thousands of gallons



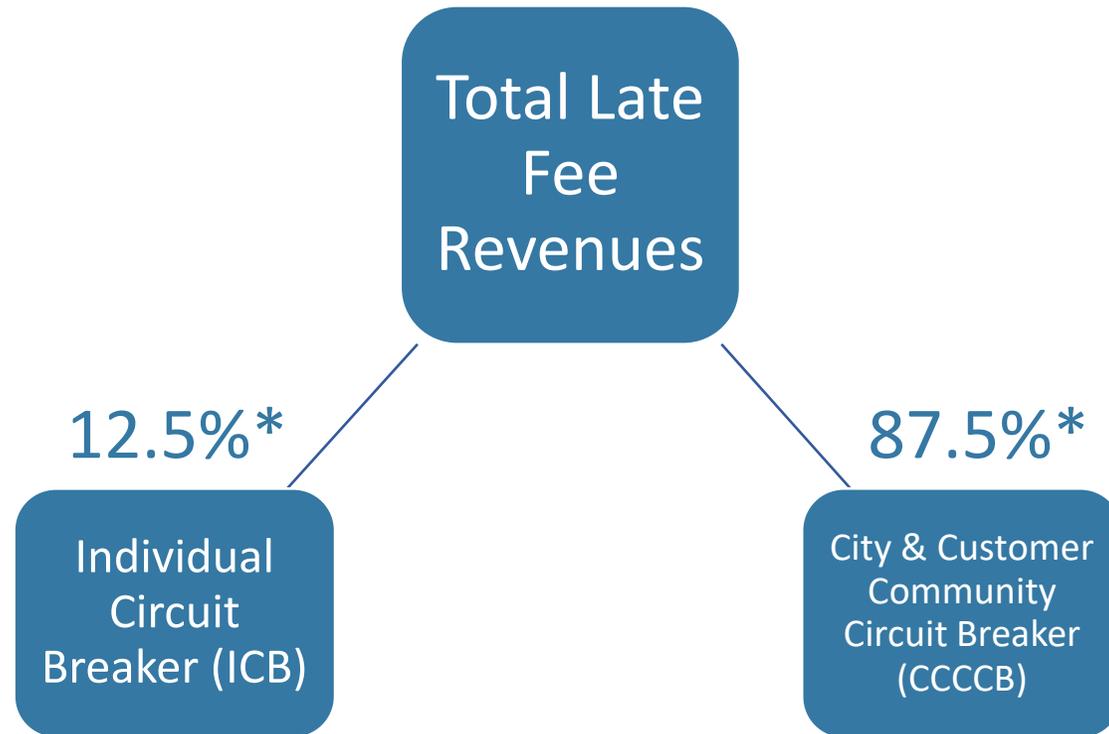
# Partner Communities Sewer Billed Volume

MUNICIPALITY	FY20	FY21		FY22		FY23		FY24		FY20 - FY24 % CHANGE
	VOL BILLED	VOL BILLED	% CHANGE	VOL BILLED	% CHANGE	VOL BILLED	% CHANGE	VOL BILLED	% CHANGE	
GRAND RAPIDS	4,782,754	4,706,480	-1.59%	4,848,898	3.03%	4,889,314	0.83%	4,795,951	-1.91%	0.28%
WALKER	596,412	604,510	1.36%	628,004	3.89%	634,824	1.09%	613,225	-3.40%	2.82%
KENTWOOD	976,528	1,001,673	2.57%	991,359	-1.03%	999,662	0.84%	963,578	-3.61%	-1.33%
CASCADE	330,505	335,188	1.42%	351,062	4.74%	358,418	2.10%	358,140	-0.08%	8.36%
GRAND RAPIDS TWP	278,126	284,929	2.45%	291,121	2.17%	301,740	3.65%	285,954	-5.23%	2.81%
TALLMADGE	25,812	27,089	4.95%	29,628	9.37%	36,870	24.45%	37,119	0.67%	43.80%
WRIGHT TWP	20,025	12,023	-39.96%	15,037	25.07%	17,363	15.47%	12,984	-25.22%	-35.16%
EAST GRAND RAPIDS	498,507	359,057	-27.97%	459,754	28.04%	447,512	-2.66%	358,522	-19.89%	-28.08%
ADA TWP	292,738	264,616	-9.61%	276,776	4.60%	276,304	-0.17%	274,399	-0.69%	-6.26%
CALEDONIA TWP	25,910	21,012	-18.90%	30,777	46.47%	31,098	1.04%	29,841	-4.04%	15.17%
GAINES TWP	122,183	103,780	-15.06%	116,742	12.49%	116,500	-0.21%	74,400	-36.14%	-39.11%
<b>TOTAL</b>	<b>7,949,500</b>	<b>7,720,357</b>	<b>-2.88%</b>	<b>8,039,158</b>	<b>4.13%</b>	<b>8,109,605</b>	<b>0.88%</b>	<b>7,804,112</b>	<b>-3.77%</b>	<b>-1.83%</b>

\*Volumes shown in thousands of gallons



# Assistance/Affordability Programs - Overview



*\*Methodology, including % split, dictated by 3<sup>rd</sup> Amendment to Service Agreement w/ Retail Communities. Effective 2007.*

Used for individual utility assistance. Administered by the Kent County Community Action (KCCA).

Used to lower retail community rates that are higher than the system average. Built into rate study.



# Individual Assistance Program (ICB)

	Water/Sewer
<b>Total Penalty Revenue (FY24)</b>	<b>\$1,229,518</b>
Individual Circuit Breaker (ICB):	
Penalty Revenue (12.5%)	153,690
Other Non-op Revenue	80,000
<b>Total ICB for CY25</b>	<b>\$233,690</b>

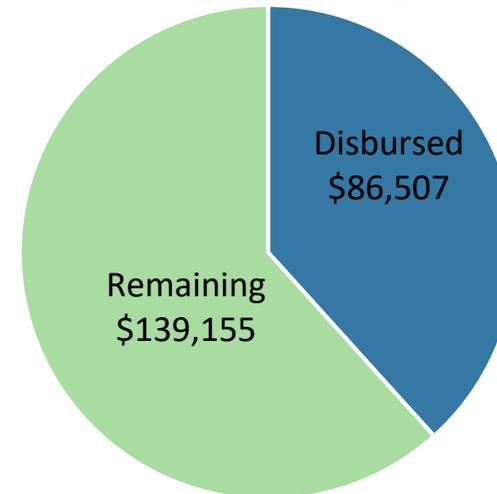
Previous Rate Study set aside **\$225,662** for CY24

Current figures reflect draws thru Sep'24

Unused funds lower rates in the next study



**CY24 Funding**



# Community Affordability Program (CCCCB)

	<b>Water/Sewer</b>
<b>Total Penalty Revenue (FY24)</b>	<b>\$1,229,518</b>

City & Customer Community Circuit Breaker (CCCCB):

<b>Penalty Revenue (87.5%) – Total Available CCCCCB</b>	<b>1,075,828</b>
CCCCB Funds Applied in 2024 Rate Study*	1,075,828
Remaining CCCCCB Funds (rolled to next year)	Zero

\*CCCCB Funds are only applied to reduce rates when a retail community projects a rate increase greater than the system-wide average. Remaining funds reduce system-wide rates the next year.



# Preliminary 2025 Quarterly Bill

	APPROXIMATE QUARTERLY BILL		CHANGE	
	2024	2025	DOLLARS	PERCENT
<b>GRAND RAPIDS</b>				
WATER	\$ 118.42	\$ 123.58	\$ 5.16	4.36%
SEWER	144.09	147.06	2.97	2.06%
	<u>\$ 262.51</u>	<u>\$ 270.64</u>	<u>\$ 8.13</u>	3.10%
BASE RATIO	1.00	1.00		
<b>WALKER</b>				
WATER	\$ 108.76	\$ 114.59	\$ 5.83	5.36%
SEWER	165.57	173.67	8.10	4.89%
	<u>\$ 274.33</u>	<u>\$ 288.26</u>	<u>\$ 13.93</u>	5.08%
RATIO TO GR	1.05	1.07		
<b>KENTWOOD</b>				
WATER	\$ 111.89	\$ 116.41	\$ 4.52	4.04%
SEWER	101.22	105.84	4.62	4.56%
	<u>\$ 213.11</u>	<u>\$ 222.25</u>	<u>\$ 9.14</u>	4.29%
RATIO TO GR	0.81	0.82		
<b>CASCADE TWP</b>				
WATER	\$ 160.89	\$ 146.87	\$ (14.02)	-8.71%
SEWER	194.79	202.32	7.53	3.87%
	<u>\$ 355.68</u>	<u>\$ 349.19</u>	<u>\$ (6.49)</u>	-1.82%
RATIO TO GR	1.35	1.29		
<b>GRAND RAPIDS TWP</b>				
WATER	\$ 128.34	\$ 130.05	\$ 1.71	1.33%
SEWER	157.50	165.27	7.77	4.93%
	<u>\$ 285.84</u>	<u>\$ 295.32</u>	<u>\$ 9.48</u>	3.32%
RATIO TO GR	1.09	1.09		
<b>TALLMADGE TWP</b>				
WATER	\$ 99.77	\$ 94.95	\$ (4.82)	-4.83%
SEWER	273.00	270.90	(2.10)	-0.77%
	<u>\$ 372.77</u>	<u>\$ 365.85</u>	<u>\$ (6.92)</u>	-1.86%
RATIO TO GR	1.42	1.35		
* THE COMPARISONS ABOVE ARE BASED ON SYSTEM AVERAGE DOMESTIC CUSTOMER				
QUARTERLY CONSUMPTION OF: WATER- 32.00 UNITS OR 23,936 GALLONS				
SEWER - 21.00 UNITS OR 15,708 GALLONS				
NO. OF MONTHS: 3				







Thank you



**CITY OF GRAND RAPIDS, MICHIGAN**  
**2024 PRELIMINARY WATER/SEWER RATE STUDY**  
**SUMMARY OF REVENUE REQUIREMENT CHANGES**  
**FOR RATES EFFECTIVE JANUARY 1, 2025**

	<u>WATER (1)</u>		<u>SEWER (1)</u>		
	<u>AMOUNT</u>	<u>PERCENT</u>	<u>AMOUNT</u>	<u>PERCENT</u>	
RETAIL COMMUNITIES	GRAND RAPIDS	\$ 1,387,267	4.34%	\$ 926,080	2.15%
	WALKER	220,558	5.34%	287,134	4.98%
	NET OF CONTRIBUTION OF:	-			
	KENTWOOD	203,096	3.98%	261,400	4.85%
	CASCADE TWP	(377,079)	-8.61%	130,328	3.99%
	GRAND RAPIDS TWP	39,906	1.35%	158,511	5.03%
	TALLMADGE TWP	(10,548)	-3.70%	(4,518)	-0.78%
WRIGHT TWP	N/A	N/A	9,928	3.43%	
WHOLESALE COMMUNITIES	EAST GRAND RAPIDS	33,505	3.44%	55,152	4.33%
	ADA TWP	6,088	0.37%	53,573	3.35%
	OTTAWA COUNTY	14,368	0.51%	NA	NA
	GAINES TWP	N/A	N/A	14,702	6.97%
	CALEDONIA TWP	N/A	N/A	(4,495)	-1.86%
<hr/>					
SYSTEM	\$ 1,517,161	2.80%	\$ 1,887,796	2.91%	
<hr/>					

(1) Change in revenue requirements based on revenues currently generated from rates, customer base and volumes reported in the preliminary rate study (Includes consideration for relief from CCCCB).

**DISCLOSE RELIEF PROVIDED BY CITY & CUSTOMER COMMUNITY CIRCUIT BREAKER (CCCB)**

	<u>WATER</u>		<u>SEWER</u>	
	<u>AMOUNT</u>	<u>PERCENT</u>	<u>AMOUNT</u>	<u>PERCENT</u>
SYSTEM REVENUE REQUIREMENT	\$ 55,750,731	2.80%	\$ 66,702,105	2.91%
ADD: CCCCB RELIEF	468,631	0.86%	607,197	0.94%
SYSTEM CHANGE- WITHOUT RELIEF	<u>\$ 56,219,362</u>	<u>3.66%</u>	<u>\$ 67,309,302</u>	<u>3.85%</u>

**CITY OF GRAND RAPIDS, MICHIGAN**  
**2024 PRELIMINARY WATER/SEWER RATE STUDY**  
**IMPACT OF RATE ADJUSTMENTS ON DOMESTIC USERS**  
**BY CUSTOMER COMMUNITY \***  
**FOR RATES EFFECTIVE JANUARY 1, 2025**

	<u>APPROXIMATE QUARTERLY BILL</u>		<u>CHANGE</u>	
	<u>2024</u>	<u>2025</u>	<u>DOLLARS</u>	<u>PERCENT</u>
<b>GRAND RAPIDS</b>				
WATER	\$ 118.42	\$ 123.58	\$ 5.16	4.36%
SEWER	144.09	147.06	2.97	2.06%
	<u>\$ 262.51</u>	<u>\$ 270.64</u>	<u>\$ 8.13</u>	3.10%
BASE RATIO	1.00	1.00		
<b>WALKER</b>				
WATER	\$ 108.76	\$ 114.59	\$ 5.83	5.36%
SEWER	165.57	173.67	8.10	4.89%
	<u>\$ 274.33</u>	<u>\$ 288.26</u>	<u>\$ 13.93</u>	5.08%
RATIO TO GR	1.05	1.07		
<b>KENTWOOD</b>				
WATER	\$ 111.89	\$ 116.41	\$ 4.52	4.04%
SEWER	101.22	105.84	4.62	4.56%
	<u>\$ 213.11</u>	<u>\$ 222.25</u>	<u>\$ 9.14</u>	4.29%
RATIO TO GR	0.81	0.82		
<b>CASCADE TWP</b>				
WATER	\$ 160.89	\$ 146.87	\$ (14.02)	-8.71%
SEWER	194.79	202.32	7.53	3.87%
	<u>\$ 355.68</u>	<u>\$ 349.19</u>	<u>\$ (6.49)</u>	-1.82%
RATIO TO GR	1.35	1.29		
<b>GRAND RAPIDS TWP</b>				
WATER	\$ 128.34	\$ 130.05	\$ 1.71	1.33%
SEWER	157.50	165.27	7.77	4.93%
	<u>\$ 285.84</u>	<u>\$ 295.32</u>	<u>\$ 9.48</u>	3.32%
RATIO TO GR	1.09	1.09		
<b>TALLMADGE TWP</b>				
WATER	\$ 99.77	\$ 94.95	\$ (4.82)	-4.83%
SEWER	273.00	270.90	(2.10)	-0.77%
	<u>\$ 372.77</u>	<u>\$ 365.85</u>	<u>\$ (6.92)</u>	-1.86%
RATIO TO GR	1.42	1.35		

\* THE COMPARISONS ABOVE ARE BASED ON SYSTEM AVERAGE DOMESTIC CUSTOMER  
QUARTERLY CONSUMPTION OF: WATER- 32.00 UNITS OR 23,936 GALLONS  
SEWER - 21.00 UNITS OR 15,708 GALLONS  
NO. OF MONTHS: 3

**REU (RESIDENTIAL EQUIVALENT UNIT) CUSTOMER COMMUNITY- APPROXIMATE QUARTERLY BILL**

<b>WRIGHT TWP-</b>				
SEWER (No. of REU 1.00)	<u>\$ 171.24</u>	<u>\$ 177.12</u>	<u>\$ 5.88</u>	3.43%

**CITY OF GRAND RAPIDS, MICHIGAN  
2024 PRELIMINARY WATER/SEWER RATE STUDY  
IMPACT OF RATE ADJUSTMENTS ON COMMERCIAL USERS  
BY CUSTOMER COMMUNITY  
FOR RATES EFFECTIVE JANUARY 1, 2025**

	<u>APPROXIMATE QUARTERLY BILL</u>		<u>CHANGE</u>	
	<u>2024</u>	<u>2025</u>	<u>DOLLARS</u>	<u>PERCENT</u>
<b>GRAND RAPIDS</b>				
WATER	\$ 586.79	\$ 614.87	\$ 28.08	4.79%
SEWER	977.88	1,008.21	30.33	3.10%
	<u>\$ 1,564.67</u>	<u>\$ 1,623.08</u>	<u>\$ 58.41</u>	3.73%
BASE RATIO	1.00	1.00		
<b>WALKER</b>				
WATER	\$ 494.21	\$ 521.89	\$ 27.68	5.60%
SEWER	794.40	833.85	39.45	4.97%
	<u>\$ 1,288.61</u>	<u>\$ 1,355.74</u>	<u>\$ 67.13</u>	5.21%
RATIO TO GR	0.82	0.84		
<b>KENTWOOD</b>				
WATER	\$ 479.35	\$ 498.41	\$ 19.06	3.98%
SEWER	744.99	781.59	36.60	4.91%
	<u>\$ 1,224.34</u>	<u>\$ 1,280.00</u>	<u>\$ 55.66</u>	4.55%
RATIO TO GR	0.78	0.79		
<b>CASCADE TWP</b>				
WATER	\$ 692.13	\$ 631.12	\$ (61.01)	-8.81%
SEWER	906.36	943.11	36.75	4.05%
	<u>\$ 1,598.49</u>	<u>\$ 1,574.23</u>	<u>\$ (24.26)</u>	-1.52%
RATIO TO GR	1.02	0.97		
<b>GRAND RAPIDS TWP</b>				
WATER	\$ 568.29	\$ 576.09	\$ 7.80	1.37%
SEWER	738.39	775.59	37.20	5.04%
	<u>\$ 1,306.68</u>	<u>\$ 1,351.68</u>	<u>\$ 45.00</u>	3.44%
RATIO TO GR	0.84	0.83		
<b>TALLMADGE TWP</b>				
WATER	\$ 594.49	\$ 570.24	\$ (24.25)	-4.08%
SEWER	1,962.06	1,946.70	(15.36)	-0.78%
	<u>\$ 2,556.55</u>	<u>\$ 2,516.94</u>	<u>\$ (39.61)</u>	-1.55%
RATIO TO GR	1.63	1.55		

\* THE COMPARISONS ABOVE ARE BASED ON SYSTEM AVERAGE COMMERCIAL CUSTOMER  
QUARTERLY CONSUMPTION OF : WATER- 214.00 UNITS OR 160,072 GALLONS  
SEWER - 204.00 UNITS OR 152,592 GALLONS  
NO. OF MONTHS: 3

**REU (RESIDENTIAL EQUIVALENT UNIT) CUSTOMER COMMUNITY- APPROXIMATE QUARTERLY BILL**

<b>WRIGHT TWP</b>				
SEWER (No. of REU 1.00)	<u>\$ 171.24</u>	<u>\$ 177.12</u>	<u>\$ 5.88</u>	3.43%

**CITY OF GRAND RAPIDS, MICHIGAN**  
**2024 PRELIMINARY WATER/SEWER RATE STUDY**  
**WATER & SEWER RATES FOR GRAND RAPIDS & RETAIL CUSTOMER COMMUNITIES**  
**EFFECTIVE JANUARY 1, 2025**

**WATER RATES**

COMMODITY	METER CODE	GRAND RAPIDS	WALKER	KENTWOOD	CASCADE	GR. RAPIDS TOWNSHIP	TALLMADGE TOWNSHIP	WRIGHT TOWNSHIP
CHARGE (HCF)		\$ 2.57	\$ 2.08	\$ 1.91	\$ 2.41	\$ 2.25	\$ 2.61	NA
<b>MONTHLY SERVICE CHARGE BY METER SIZE</b>								
3/4" & Less	A	\$ 13.78	\$ 16.01	\$ 18.43	\$ 23.25	\$ 19.35	\$ 3.81	NA
1"	B	\$ 21.63	\$ 25.59	\$ 29.89	\$ 38.46	\$ 31.53	\$ 3.90	NA
1-1/4"	C	\$ 31.72	\$ 37.91	\$ 44.63	\$ 58.02	\$ 47.19	\$ 4.02	NA
1-1/2"	D	\$ 44.05	\$ 52.97	\$ 62.65	\$ 81.93	\$ 66.33	\$ 4.17	NA
2"	E	\$ 75.44	\$ 91.30	\$ 108.51	\$ 142.78	\$ 115.05	\$ 4.54	NA
3"	F	\$ 165.13	\$ 200.81	\$ 239.53	\$ 316.65	\$ 254.25	\$ 5.61	NA
4"	G	\$ 290.69	\$ 354.13	\$ 422.96	\$ 560.06	\$ 449.13	\$ 7.10	NA
6" & Over	H	\$ 649.45	\$ 792.17	\$ 947.05	\$ 1,255.53	\$ 1,005.93	\$ 11.37	NA

**SEWER RATES**

COMMODITY	METER CODE	GRAND RAPIDS	WALKER	KENTWOOD	CASCADE	GR. RAPIDS TOWNSHIP	TALLMADGE TOWNSHIP	WRIGHT TOWNSHIP
CHARGE (HCF)		\$ 4.53	\$ 3.20	\$ 3.61	\$ 3.55	\$ 2.94	\$ 8.84	NA
REU Charge (Monthly) *		NA	NA	NA	NA	NA	NA	\$ 59.04
<b>MONTHLY SERVICE CHARGE BY METER SIZE</b>								
3/4" & Less	A	\$ 17.31	\$ 35.49	\$ 10.01	\$ 42.59	\$ 34.51	\$ 28.42	NA
1"	B	\$ 28.03	\$ 60.35	\$ 15.05	\$ 72.97	\$ 58.61	\$ 47.78	NA
1-1/4"	C	\$ 41.81	\$ 92.31	\$ 21.53	\$ 112.03	\$ 89.59	\$ 72.67	NA
1-1/2"	D	\$ 58.65	\$ 131.37	\$ 29.45	\$ 159.77	\$ 127.45	\$ 103.09	NA
2"	E	\$ 101.52	\$ 230.80	\$ 49.61	\$ 281.29	\$ 223.83	\$ 180.53	NA
3"	F	\$ 224.01	\$ 514.89	\$ 107.21	\$ 628.49	\$ 499.21	\$ 401.77	NA
4"	G	\$ 395.49	\$ 912.61	\$ 187.85	\$ 1,114.57	\$ 884.74	\$ 711.51	NA
6" & Over	H	\$ 885.45	\$ 2,048.97	\$ 418.25	\$ 2,503.37	\$ 1,986.25	\$ 1,596.49	NA

\* REU - Residential Equivalent Unit (Wright Township Only)

**FIRE PROTECTION RATES- ALL GOVERNMENTAL UNITS**

6"	H	\$ 22.98	10"	J	\$ 63.87
8"	I	\$ 40.76	12"	K	\$ 91.91

**NOTE:** Monthly defined as 1/12th of 365 days.

**CITY OF GRAND RAPIDS, MICHIGAN**  
**2024 PRELIMINARY WATER/SEWER RATE STUDY**  
**IMPACT OF RATE ADJUSTMENTS ON WHOLESALE CUSTOMER COMMUNITIES**  
**EFFECTIVE JANUARY 1, 2025**

	<u>2024</u>	<u>2025</u>	<u>PERCENTAGE CHANGE</u>
<b>EAST GRAND RAPIDS</b>			
WATER - SERVICE (MONTHLY)	\$17,047.00	\$19,839.00	16.38%
- COMMODITY (100 CF)	\$1.31	\$1.31	0.00%
SEWER - SERVICE (MONTHLY)	\$2,184.00	\$2,104.00	-3.66%
- COMMODITY (MG)	\$2,959.00	\$3,092.00	4.49%
<b>ADA TWP</b>			
WATER - SERVICE	\$60,124.00	\$61,151.00	1.71%
- COMMODITY	\$1.50	\$1.49	-0.67%
SEWER - SERVICE	\$40,984.00	\$41,633.00	1.58%
- COMMODITY	\$4,012.00	\$4,178.00	4.14%
<b>OTTAWA COUNTY</b>			
WATER - SERVICE	\$0.00	\$0.00	N/A
- COMMODITY	\$1.43	\$1.44	0.70%
<b>GAINES TWP</b>			
SEWER - SERVICE	\$1,619.00	\$1,759.00	8.65%
- COMMODITY	\$2,574.00	\$2,749.00	6.80%
<b>CALEDONIA TWP</b>			
SEWER - SERVICE	\$728.00	\$743.00	2.06%
- COMMODITY	\$7,618.00	\$7,465.00	-2.01%

**NOTE: Monthly defined as 1/12th of 365 days.**

# MEMORANDUM

CITY OF GRAND RAPIDS

DATE: November 7, 2024

TO: Utility Advisory Board

FROM: Wayne Jernberg, P.E., Water System Manager  
James Ouzts, Environmental Services Manager

**SUBJECT: City of Kentwood - Sanitary Sewer Utility Service District (USD)  
Increase Request**

The City of Kentwood is requesting to modify their Sanitary Sewer Utility Service District (USD) size. The area has been reviewed in accordance with Utility Advisory Board (UAB) Policy #10-01. Under this policy, USD modifications are to follow the established and approved standards outlined by this policy. In review of the submittal from the City of Kentwood, there is one proposed USD modification, a Sanitary Sewer USD increase in the City.

The Sanitary Sewer USD in the City of Kentwood is being proposed to be increased through the addition of approximately 0.03 square miles of area, for a total of 14.40 sq. miles.

- The area to be added is the parcel located at 4775 Walma Ave. SE which is bounded by Breton Ave on the south and Walma Ave. on the east, as well as adjacent parcels.

The map for the City of Kentwood is being updated to reflect this change. There are no changes to the Water USD for this community.

Due to the timing of this request and pending approval of the 2024 Water and Sewer Rate Study, we are recommending that this addition to the Kentwood Sewer USD not be incorporated in the 2024 Rate Study, but rather in the 2025 Rate Study.

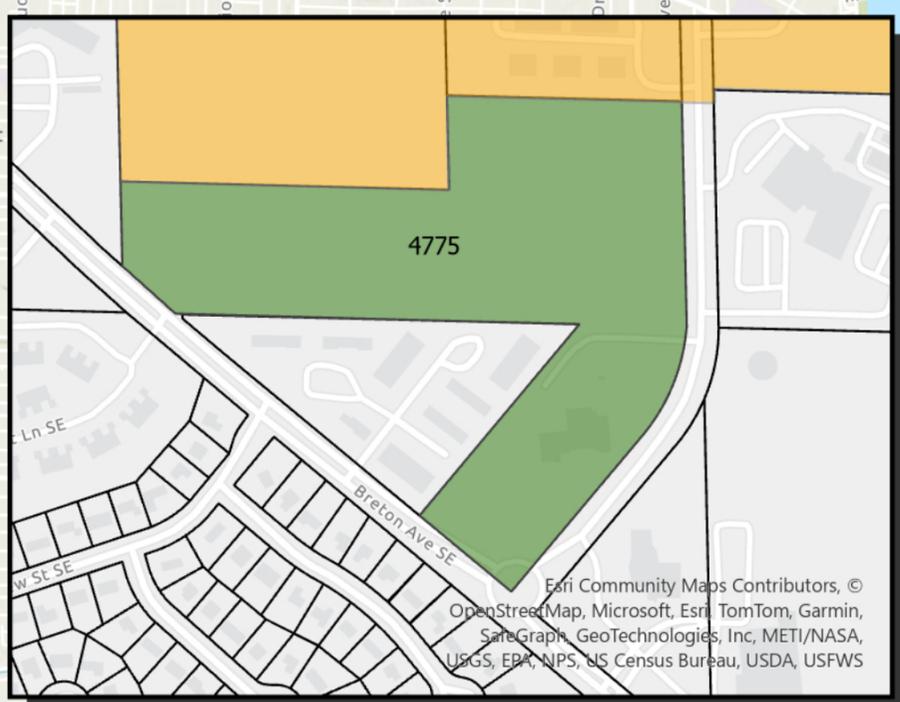
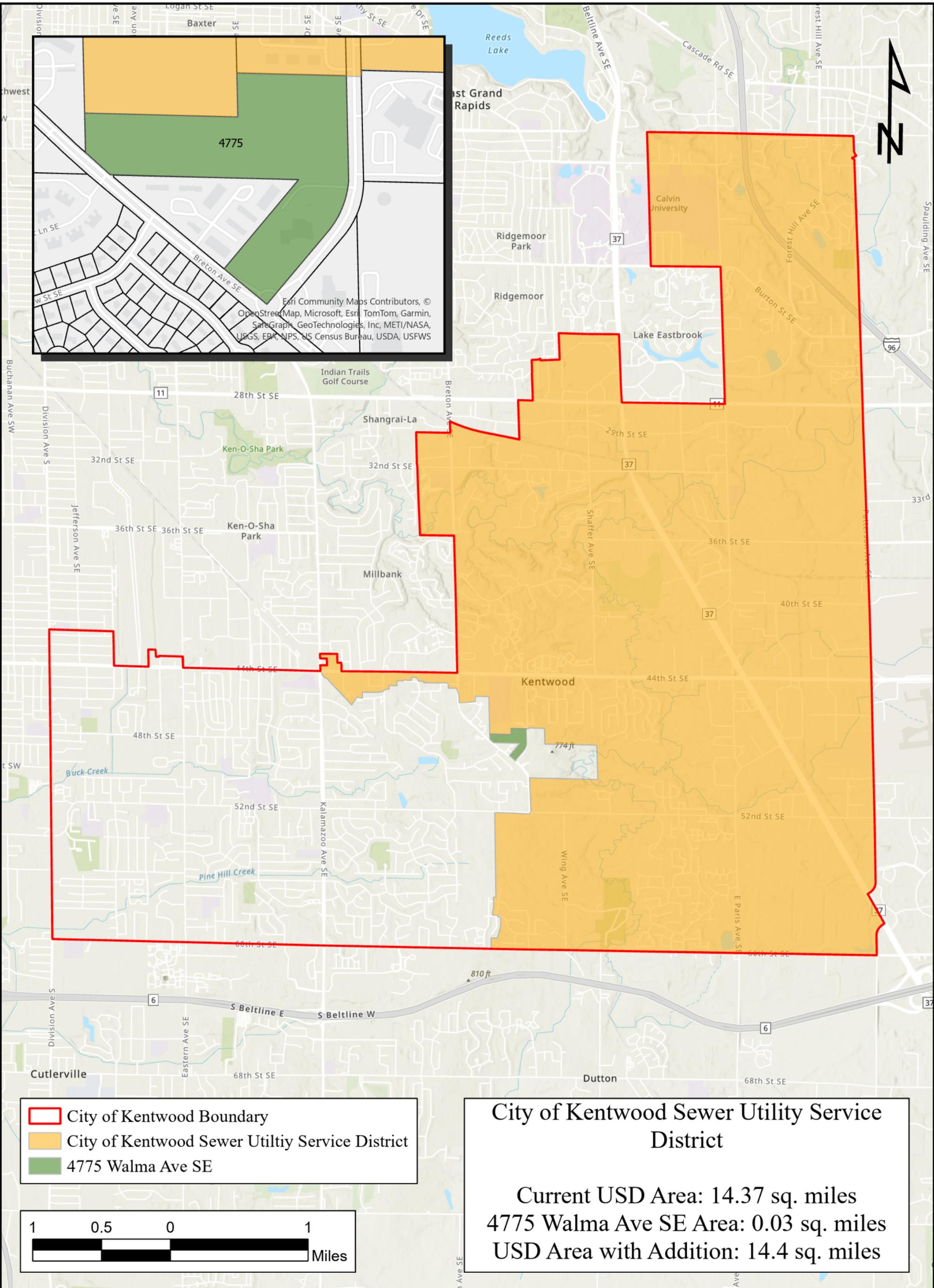
The area has been reviewed and for the reasons listed prior, have been found to meet the requirements listed in UAB Policy #10-01. Because of this, we are recommending that these changes be made in the City of Kentwood Sanitary Sewer Utility Service District and should be considered for approval by the UAB.

Please review and contact me should you have any questions or comments.

WJ

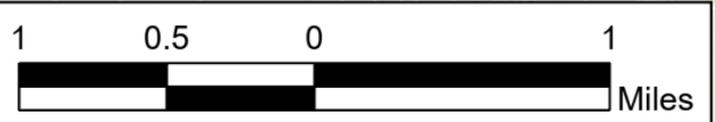
Cc: Tai Verbrugge Lindsay Sagorski-Munsell James Hurt

# City of Kentwood Sewer Utility Service District Addition



Esri Community Maps Contributors, © OpenStreetMap, Microsoft, Esri, TomTom, Garmin, SafeGraph, GeoTechnologies, Inc, METI/NASA, USGS, EPA, NPS, US Census Bureau, USDA, USFWS

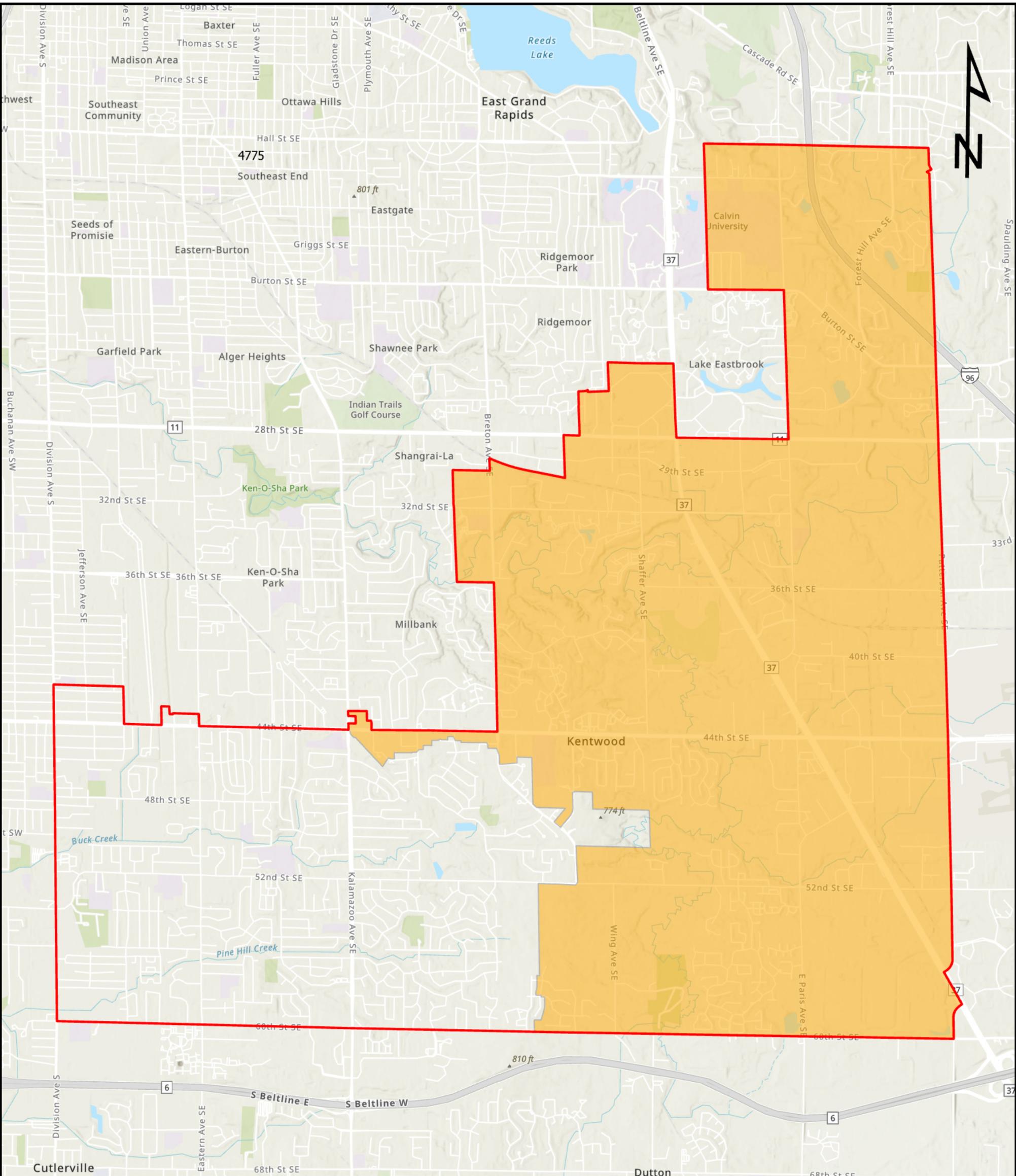
- City of Kentwood Boundary
- City of Kentwood Sewer Utility Service District
- 4775 Walma Ave SE



**City of Kentwood Sewer Utility Service District**

Current USD Area: 14.37 sq. miles  
 4775 Walma Ave SE Area: 0.03 sq. miles  
 USD Area with Addition: 14.4 sq. miles

# City of Kentwood Sewer Utility Service District



- City of Kentwood Boundary
- City of Kentwood Sewer Utility Service District



**City of Kentwood Sewer Utility Service District**  
Approved By: City of Kentwood  
Area: 14.40 sq. miles

\_\_\_\_\_  
City Engineer

\_\_\_\_\_  
Date

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**MEMORANDUM**

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**TO:** Grand Rapids Utility Advisory Board  
**FROM:** Susan Arnold – City of Kentwood Project Manager  
**SUBJECT:** Request to Include 4755 Walma Avenue in Sanitary Sewer Service District  
**DATE:** October 31, 2024

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Dear Board Members,

I am writing to formally request the inclusion of the property located at 4755 Walma Avenue (PP#41-18-27-176-007) into the Grand Rapids Sanitary Sewer Service District. Parcel description below.

PART OF W 1/2 OF SEC COM AT N 1/4 COR TH S ALONG N&S 1/4 LINE TO S LINE OF N 2088 FT TH W ALONG SD S LINE 40.0 FT TO W LINE OF WALMA AVE & TO BEG OF THIS DESC - TH W ALONG SD S LINE TO E LINE OF W 825 FT OF E 11/20 OF NW 1/4 TH S ALONG SD E LINE TO S LINE OF N 2325.81 FT OF NW 1/4 TH W ALONG SD S LINE TO W LINE OF E 11/20 OF NW 1/4 TH S ALONG SD W LINE TO NELY LINE OF BRETON AVE TH SELY ALONG SD NELY LINE TO E&W 1/4 LINE TH E ALONG E&W 1/4 LINE TO A PT 307.73 FT W OF CEN OF SEC TH S 41D 07M 20S W 630.24 FT TO NELY LINE OF BRETON AVE TH SELY ALONG SD NELY LINE TO WLY LINE OF WALMA AVE TH NELY ALONG SD WLY LINE TO BEG \* SEC 27 T6N R11W 18.13 A. SPLIT/COMBINED ON 01/25/2019 FROM 41-18-27-327-002, 41-18-27-176-003;

Thank you for considering this request to expand your Sanitary Sewer Service District. Please feel free to reach out if additional details or discussions are necessary.

Sincerely,  
Susan Arnold  
City of Kentwood  
Project Manager  
(616) 554-0743

**Water/Sewer UAB Report  
October 2024**

<b>Project Name</b>	<b>Contractor</b>	<b>Award Date</b>	<b>Substantial Completion Date</b>	<b>Final Completion Date</b>	<b>Water Fund Authorized NTE Amt</b>	<b>Sewer Fund Authorized NTE Amt</b>	<b>Est. Year for Rates</b>	<b>Integrated (Y/N)</b>
Reconstruction of DIVISION AVENUE from Fulton St. to 345' N. of Crescent St.	Diversco Construction Co, Inc.	10/22/2024 ?	10/31/2025	10/2/2026	\$2,384,900.00	\$78,910	2026	N (GR)

**Kent County Community Action (KCCA)**  
**Water/Sewer Payment Assistance Program**  
**Contract Years 2024 & 2023**  
**Third Calendar Quarter - July 1 thru September 30**

	2024		2023	
	Q3	YTD	Q3	YTD
<b>City of Grand Rapids</b>				
ICB Authorized		\$ 145,662.00		\$ 130,446.00
Non-Operating Revenue Authorized		\$ 80,000.00		\$ 80,000.00
ICB Total Funding		\$ 225,662.00		\$ 210,446.00
<b>KCCA</b>				
Total Assistance Award(s)	\$ 31,441.29	\$ 78,642.69	\$ 17,118.27	\$ 52,686.48
Total Administrative Fee(s)	3,144.13	7,864.27	1,711.83	5,268.65
Total ICB Used	\$ 34,585.42	\$ 86,506.96	\$ 18,830.10	\$ 57,955.13
Total ICB Reimbursed	\$ 34,585.42	\$ 86,506.96	\$ 18,830.10	\$ 57,955.13
Q1 Reimbursement	\$ (23,289.06)	\$ (23,289.06)	\$ (20,485.89)	\$ (20,485.89)
Q2 Reimbursement	\$ (28,632.48)	\$ (28,632.48)	\$ (18,639.14)	\$ (18,639.14)
Q3 Reimbursement	\$ (34,585.42)	\$ (34,585.42)	\$ (18,830.10)	\$ (18,830.10)
Q4 Reimbursement	\$ -	\$ -	\$ -	\$ -
ICB Remaining Authorized Funds		\$ 59,155.04		\$ 72,490.87
ICB Remaining Non Operating Funds		\$ 80,000.00		\$ 80,000.00
<b>Demographic Summary</b>				
Household(s) Served	107	247	51	159
Person(s) Served	246	636	138	421
Average Household Size	2.30	2.57	2.71	2.65
Single Head of Family Served	44	97	14	53
Average Assistance Amount	(\$293.84)	(\$318.39)	(\$335.65)	(\$331.36)
Failed Screening Process	19	47	35	51
Denied After Completed Process	2	2	0	0
Repeat Household(s) Served	15	20	4	5
<b>Jurisdiction Summary</b>				
Grand Rapids	103	236	48	153
Cascade Township	0	0	0	0
Grand Rapids Township	1	3	0	0
Kentwood	1	1	1	2
Tallmadge Township	0	0	0	0
Walker	2	7	2	4
Wright Township	0	0	0	0

