

UTILITY ADVISORY BOARD
Thursday, June 20, 2024
8:30 – 9:30 am
1300 Market Ave SW
AGENDA

1. Approval of Minutes – May 16, 2024
2. Public Comments on Agenda Items
3. Approval of Agenda
4. 2024 Water/Sewer Rate Study – Tai Verbrugge
 - a. Schedule
 - b. USD Size Recommendations
5. Updates
 - a. May Awards – Jeff McCaul
 - b. Biodigester – Jared Grabinski
6. Public Comments
7. Items from Members
8. Next Meeting – July 18, 2024
9. Adjournment

UTILITY ADVISORY BOARD
Thursday, May 16, 2024
8:30 – 9:30 am
MINUTES

Members Present

James Hurt, Tai Verbrugge, Brian Bradley, Sam Giffel, Jared Grabinski, Jeff McCaul, Doug LaFave, Allison Nugent, Alan Avitia, Kieran Kelley, Wayne Jernberg, James Ouzts, Mark Bennett, Jim Kirkwood, Scott Connors

Others Present

Alexia Hall, Andrew Meyer, Lindsay Sagorski Munsell

Approval of Minutes – April 18, 2024

Motion to approve the minutes by Mrs. Giffel, second by Mr. Bennett

MOTION CARRIED.

Public Comments on Agenda Items

None.

Approval of Agenda

Motion to approve the agenda by Mr. Verbrugge and second by Mr. Jernberg.

MOTION CARRIED.

Fiscal Year 2025 Water & Sewer Budget Presentation

Mr.Verbrugge presented the Water and Sewer FY25 budget.

The Water System requested \$58 million for FY25, a .01 percent increase from the FY24 amended budget. The system is budgeting \$1.373 million (26% increase) in contractual services for lead service line replacements, \$124k (21% increase) for the 311 Call Center, \$185k (14% increase) for fleet charges, \$195k (20% increase) for A-87 cost allocation, and a \$3.5 million decrease for transfer for capital funding. The capital budget is \$53.75 million, which includes fully integrated

projects (roughly \$8.62 million), water main replacement projects, \$8.6 million at the LMFP for chemical treatment, and 1,500 lead service line replacements (GR only cost). Caledonia and the City secured a DWRF loan to build infrastructure that will serve Caledonia township. The projected average rate increase is 5.5 percent for the calendar year 2025.

The Water Resource Recovery Facility(WRRF) requested \$62 million for FY25, an 11.7 percent increase from the FY24 amended budget. The WRRF is budgeting \$915k (1.8 % increase) for operational expenditures, \$750k for the Comprehensive Master Plan, \$250k for PFAS testing and treatment, and \$788k (5.6 percent increase) for personnel cost. The projected revenue is down \$212k due a decrease of sewage service, and a \$500k reduction in industrial surcharges. The decrease in surcharges is due to industrial users being more educated on what can be processed by the treatment plan.

The capital budget is \$11.158 million, which includes work at the north-south UV disinfection equipment replacement, the north secondary motor control center replacement with primary power substation and feeder breakers replacement, and the separation of sanitary and storm at Godfrey Ave from Oxford St to Chestnut St. All capital projects are being cashed funded—no new debt will be issued. The projected average rate increase is 6 percent for the calendar year 2025.

Attached to the agenda is a statement of operations for each system.

Hydrant Fee Billing Option

Mrs. Giffel presented the Hydrant Fee Billing Option to the board. Partner communities may pay a hydrant fee for each fire hydrant's operation, maintenance, and use within their Utility Service District. The memo includes the number of hydrants per partner community and the fee. Please email Mr. Giffel by June 24 if your community wishes to participate.

Updates

April Awards – Jeff McCaul

Six projects were awarded in April. The first is the water main extension in Cascade. The project was awarded to CL Trucking & Excavating, and the completion date for the project is November

2025. Three of the projects awarded are the reconstruction of Hall Street, Eleanor, and Godfrey Avenue, which includes water main and lead service line replacements – non-integrated projects. The 2025 Water and Sewer Comprehensive Master Plan is in the designed phase and was awarded to Fishbeck – the total cost for the project is \$1.4 million.

The final project awarded is the water main and sanitary sewer public easement in the Towne and Country Shopping Center. The project is non-integrated and has a total cost of \$897K.

Filter First Bill – Wayne Jernberg

The Michigan Department of Environmental, Great Lakes, and Energy held a webinar on the Filter First Legislation. Copies of the slides are attached to the agenda. Schools and childcare facilities must develop a drinking water management plan, install lead reduction filters on all consumption fixtures, and test filter water annually. They must submit their Drinking Water Management Plan by January 2025 and install the filters by June 2026.

The Water System has contacted GRPS to assist in implementing the new regulations. Mr. Jernberg said that childcare sites will be difficult to reach, and there are still many questions about how they will be educated about the changes.

Mr. Jernberg will contact the state about organizing town hall meetings in Grand Rapids.

PFAS Regulations– Wayne Jernberg

Mr. Jernberg said that in March, the EPA released its rule for three new drinking water standards, including individual maximum contaminant levels (MCLs) for PFOA and PFOS and a third, grouped MCL for PFHxS, PFNA, PFBS, and GenX. The proposal requires water systems to maintain water quality with PFAS levels below these MCLs, monitor it regularly, and report violations.

The City has been testing for these PFAS contaminants every quarter since 2018, and the results can be found on the city's website. All PFAS contaminants tested are non-detect except for PFOS; the testing result for PFOS has been around two parts per trillion.

EGLE will need to review and adopt the new EPA regulations, and he expects more information in the coming months.

Kent County Community Action Q1

Mrs. Giffel updated the board on the assistance program. For the first quarter, \$23K was expended. Approximately 62 households were assisted; the average assistance was \$341.48.

Biodigester – Jared Grabinski

Mr. Grabinski said the City has received the largest RINS credit thus far, \$2,980. His team continues to work on the phosphorus recovery. They are modifying a pump that feeds the reactive. It is being modified from electrical to displacement to stop the turbulence, which is making phosphorus where it is not needed.

Public Comments

None.

Items from Members

Mr. Verbrugge reminded partner communities about the USD size recommendation email sent this week. The USD recommendation must be approved for the 2024 rate study. If you have any changes, please let him know by June 15th.

Mr. Bennett said there are properties west of the current USD for Tallmadge, which have been rezoned to commercial. He asked, at what point is it recommended to amend the USD? Mr. Jernberg said that once substantive utility plans are received, reach out to City staff to review the utility plan and add the parcels. If it is a dead end, a water main looping will need to occur.

Next Meeting – June 20, 2024

Adjournment

Mr. Hurt adjourned the meeting at 9:28 am.

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: June 20, 2024

TO: Utility Advisory Board

FROM: Tai Verbrugge
Utility Financial Officer

SUBJECT: 2024 Water/Sewer Rate Study Schedule

Below is the 2024 Water/Sewer Rate Study Schedule:

2024 Rate Study Schedule – Major Tasks	Date
UAB Meeting: Approval of USD Size	06/20/2024
Verification of zoning maps/flow percentages	08/17/2024
UAB Meeting: Presentation of Task 30 – Fees, Charges and Penalties	10/17/2024
Capital needs requests due from customer communities	10/31/2024
Provide Preliminary Rate Study to UAB partners and customer communities (Begin 30-day UAB review and comment period – ends on 12/06/2024)	11/06/2024
Present Preliminary Rate Study to City of Grand Rapids Commission (Initiation of 20-day public comment period – ends on 12/02/2024)	11/12/2024
UAB Meeting: Presentation of the Preliminary Rate Study to UAB partners and customer communities	11/21/2024
Approval of resolution for Grand Rapids rates and fees to be effective January 1, 2025	12/17/2024
Approval of resolution for customer community rates and fees to be effective January 1, 2025	12/17/2024
Notification to customer communities of City Commission’s approval of the rates and fees to be effective in 2025	12/19/2024

If you have any questions, please contact me at (616) 456-4386 or tverbrugge@grand-rapids.mi.us.

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: June 20, 2024

TO: Utility Advisory Board

FROM: Tai Verbrugge
Utility Financial Officer

SUBJECT: 2024 Water/Sewer Rate Study USD Size Recommendations

At the Utility Advisory Board meeting on May 16, 2024, the Board was notified that the currently approved Utility Service District (“USD”) areas would be formally submitted for re-approval at the following UAB meeting, to be held on June 20, 2024. Any desired updates were to be requested by June 15, 2024. To date, no changes have been submitted.

At this time, the Utility Finance division recommends proceeding with the below USD sizes for the purposes of the 2024 Water/Sewer Rate Study:

	Water	Sewer
Grand Rapids	45.344	45.346
Walker	24.842	19.230
Kentwood	13.523	14.227
Cascade	21.132	16.814
Grand Rapids Township	10.960	8.582
Tallmadge Township	2.780	2.617
Wright Township	-	0.898
East Grand Rapids	3.370	3.370
Ada	7.215	7.258
Caledonia Township	-	2.499
(Total Square Miles)	129.166	120.841

The signed USD maps by customer community will be found on the City’s website under the Customer USD Maps section here: <https://www.grandrapidsmi.gov/Government/Boards-and-Commissions/Regional/Utility-Advisory-Board-Documents>.

If you have any questions, please contact me at (616) 456-4386 or tverbrugge@grand-rapids.mi.us.

