



WATER/ SEWER RATE STUDY

2008

FINAL



CITY OF GRAND RAPIDS

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: January 20, 2009

TO: Eric DeLong
Deputy City Manager

FROM: Michael Wolski 
Utility Financial Officer

SUBJECT: 2008 FINAL WATER/SEWER RATE REVIEW- CALENDAR YEAR 2009
RATES

This is the final report for water and sewer rates effective as of January 1, 2009 for Grand Rapids and all customer communities. The report continues to be two-tiered in nature, calculating recommended rates for customer communities based upon: (a) adherence to the rate-making methodology established in 1976-1977 for customer communities not party to the uniform water and sewer service agreements; (b) rate methodology changes, based upon the uniform service agreements with our UAB partners.

This rate review marks the third year that recommended rate adjustments incorporate provisions of the third amendment to the uniform service agreements with our Utility Partners. Specifically, the elimination of penalty fee credits from retail revenue requirements to fund the Individual Circuit Breaker (ICB) and the City and Customer Community Circuit Breaker. That generated \$136,652 to support the ICB, the program aimed at addressing retail users requiring assistance in payment of their water/sewer bills. The third amendment also provides a funding mechanism, if sufficient funding is available, to limit each retail service area revenue requirement change to a level in line with the overall systems' initial average change, i.e., the City and Customer Community Circuit Breaker. Adequate funds were available to achieve that goal in the water system and full relief was provided to Kentwood, Grand Rapids Township and Tallmadge Township. The sewage system provided substantial relief to Walker, Grand Rapids Township, Tallmadge Township and Wright Township.

The 2009 water rates reflect increases for: electricity, Franklin's second transmission main, decreased integrated connection fees; and decreases resulting from increased revenue credits and billed volume. Sewer rates for 2009 reflect increases for CSO debt service, electricity, final phase-in of Indian Mill Creek (IMC) sewer project work, partial phase-in of the GVRBA project, decreased integrated connection fees, and elimination of wholesale service charges for the North Kent and Meijer-Algoma service areas from the rate base.

Summaries of overall revisions for the systems are as follows:

1. Water Supply System revenue requirements increased by \$1,004,873 or 2.45% more than revenues generated by existing rates and charges.

2. Sewage Disposal System revenue requirements increased by \$6,032,883 or 14.69% more than revenues generated by existing rates and charges, which excludes revenues from the North Kent and Meijer-Algoma service areas. The loss of those service areas accounts for approximately 6.00% of the increase. (The increase for the sewage system would have been approximately 8.69% had those service area revenues remained in the rate base for calendar year 2009)

Attached is a schedule of comparative 2008/2009 water/sewer quarterly billings based on system consumption averages for a typical domestic user in Grand Rapids and retail customer communities. That schedule also includes a comparison of the approximate 2008/2009 charges for Wright Township's REU (Residential Equivalent Unit) rate structure. Comparative rate adjustments are also noted for our wholesale customer communities.

Announcement of proposed 2009 water and sewer rates to our UAB partners and other customer communities was made on Thursday, November 20, 2008. Concurrence of customer community rates by the City Commission was approved by resolution (#77882) on December 23, 2008.

Public hearings for water and sewer rates and charges in Grand Rapids were held on December 9, 2008. The City Commission resolved (#77851 & #77852) final adoption of water and sewer rate ordinances (2008-54 & 2008-55) on December 23, 2008.

MW

Attachment

Wsrs\08Final-Cover Memo

**CITY OF GRAND RAPIDS, MICHIGAN
2008 FINAL WATER/SEWER RATE STUDY
IMPACT OF RATE ADJUSTMENTS ON DOMESTIC USERS
BY CUSTOMER COMMUNITY *
January 20, 2009**

	<u>APPROXIMATE QUARTERLY BILL</u>		<u>CHANGE</u>	
	<u>2008</u>	<u>2009</u>	<u>DOLLARS</u>	<u>PERCENT</u>
GRAND RAPIDS				
WATER	\$ 74.32	\$ 75.82	\$ 1.50	2.02%
SEWER	81.06	92.28	11.22	13.84%
	<u>\$ 155.38</u>	<u>\$ 168.10</u>	<u>\$ 12.72</u>	8.19%
BASE RATIO	1.00	1.00		
WALKER				
WATER	\$ 77.13	\$ 79.06	\$ 1.93	2.50%
SEWER	106.64	123.86	17.22	16.15%
	<u>\$ 183.77</u>	<u>\$ 202.92</u>	<u>\$ 19.15</u>	10.42%
RATIO TO GR	1.18	1.21		
KENTWOOD				
WATER	\$ 88.64	\$ 91.02	\$ 2.38	2.69%
SEWER	50.52	55.50	4.98	9.86%
	<u>\$ 139.16</u>	<u>\$ 146.52</u>	<u>\$ 7.36</u>	5.29%
RATIO TO GR	0.90	0.87		
CASCADE TWP				
WATER	\$ 122.10	\$ 124.29	\$ 2.19	1.79%
SEWER	114.46	125.67	11.21	9.79%
	<u>\$ 236.56</u>	<u>\$ 249.96</u>	<u>\$ 13.40</u>	5.66%
RATIO TO GR	1.52	1.49		
GRAND RAPIDS TWP				
WATER	\$ 96.52	\$ 98.97	\$ 2.45	2.54%
SEWER	100.09	116.08	15.99	15.98%
	<u>\$ 196.61</u>	<u>\$ 215.05</u>	<u>\$ 18.44</u>	9.38%
RATIO TO GR	1.27	1.28		
TALLMADGE TWP- Contribution of \$30,000 for 2008, \$0 for 2009				
WATER	\$ 135.56	\$ 139.56	\$ 4.00	2.95%
SEWER (\$30K / \$0)	232.09	269.94	37.85	16.31%
	<u>\$ 367.65</u>	<u>\$ 409.50</u>	<u>\$ 41.85</u>	11.38%
RATIO TO GR	2.37	2.44		

* THE COMPARISONS ABOVE ARE BASED ON SYSTEM AVERAGE DOMESTIC CUSTOMER
 QUARTERLY CONSUMPTION OF : WATER- 28.00 UNITS OR 20,944 GALLONS
 SEWER - 19.00 UNITS OR 14,212 GALLONS
 NO. OF MONTHS: 3

Note: The average water consumption depicted above reflects an increase of one (1) unit from last year's rate study. (The average quarterly consumption for water & sewer last year was 27 and 19 units, respectively).

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

WRIGHT TWP- Contribution of \$50,000 for 2008, \$35,000 for 2009

SEWER (No. of REU 1.00)	<u>\$ 156.27</u>	<u>\$ 158.79</u>	<u>\$ 2.52</u>	1.61%
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CITY OF GRAND RAPIDS, MICHIGAN
2008 FINAL WATER/SEWER RATE STUDY
IMPACT OF RATE ADJUSTMENTS ON WHOLESALERS
January 20, 2009

	<u>2008</u>	<u>2009</u>	<u>PERCENTAGE CHANGE</u>
EAST GRAND RAPIDS			
WATER - SERVICE (MONTHLY)	\$ 11,864.00	\$ 19,061.00	60.66%
- COMMODITY (100 CF)	1.10	1.13	2.73%
SEWER - SERVICE (MONTHLY)	2,127.00	1,865.00	-12.32%
- COMMODITY (MG)	1,260.00	1,538.00	22.06%
ADA TWP			
WATER - SERVICE	\$ 32,831.00	\$ 39,018.00	18.84%
- COMMODITY	1.17	1.21	3.42%
SEWER - SERVICE	6,102.00	6,743.00	10.50%
- COMMODITY	1,496.00	1,832.00	22.46%
OTTAWA COUNTY			
WATER - SERVICE	\$ 198.00	\$ 29.00	-85.35%
- COMMODITY	1.18	1.20	1.69%
NORTH KENT AREA *			
SEWER - SERVICE	\$ 37,728.00	\$ -	-100.00%
- COMMODITY	1,054.00	-	-100.00%
GAINES TWP			
SEWER - SERVICE	\$ 1,782.00	\$ 1,714.00	-3.82%
- COMMODITY	1,054.00	1,417.00	34.44%
MEIJER - ALGOMA *			
SEWER - SERVICE	\$ 235.00	\$ -	-100.00%
- COMMODITY	1,557.00	-	-100.00%

* Wholesale service area no longer serviced by the Grand Rapids Sewage System.

**CITY OF GRAND RAPIDS, MICHIGAN
WATER SUPPLY SYSTEM FUND
ANNUAL RATE REVIEW**

Table of Contents

<u>Task No.</u>		<u>Page</u>
1	Inventory of Plant and Equipment	W 1
2	Cost of Plant and Equipment	W 1
3	Source of Funding for Plant and Equipment	W 1
4	Operating Costs for the Test Period	W 2
5	Adjustments to Operating Costs	W 4
6	Water Volumes and Revenues	W20
7	Other Operating Revenues	W23
8	Changes in Operating Levels	W24
9	Changes in Operating Revenues	W25
10	System Additions and Retirements	W26
11	Fixed Assets-Cost, Accumulated Depreciation and Depreciation	W27
12	Working Capital Needs	W28
13	Joint Use Facilities-Zonegated	W29
14	Update Water Map	W30
15	Construction Cost Rate Base	W31
15a	Integrated Water Connection Fees	W32
16	Future Non-Integrated Improvements	W35
17	Tabulation of Bonds	W36
18	Water System Equity	W37
19	Rate of Return-Bond Buyer's Index	W38
20	Composite Rate of Return	W39
21	Rate of Return by Governmental Entity	W40
22	Adjusted Operating Cost by Government Entity-Zonegated	W44
23	Other Operating Revenues by Governmental Entity	W45
24	Depreciation Expense by Governmental Entity	W46
25	Revenue Requirement Summary by Governmental Entity	W47
25a	Revenue Requirements-Bond Ordinance Provision	W48
26	Comparative Summary of System Revenue Levels	W50
26 / 27	Revenue Levels / Rate Schedules by Governmental Entity	W52
28	Front Foot Charges	W71
29	Water Service Charges	W72
30	Water System Rates & Regulations – Miscellaneous Rates/Charges	W74
32	Water Main Oversizing	W78
33	Utility Service District Areas	W79
34	Circuit Breaker- Individual and City & Customer Community	W80

**CITY OF GRAND RAPIDS, MICHIGAN
SEWAGE DISPOSAL SYSTEM FUND
ANNUAL RATE REVIEW**

Table of Contents

<u>Task No.</u>		<u>Page</u>
1	Inventory of Plant and Equipment	S 1
2	Cost of Plant and Equipment	S 1
3	Source of Funding for Plant and Equipment	S 1
4	Operating Costs for the Test Period	S 2
5	Adjustments to Operating Costs	S 4
6	Sewer Volumes and Revenues	S18
7	Other Operating Revenues	S21
8	Changes in Operating Levels	S22
9	Changes in Operating Revenues	S23
10	System Additions and Retirements	S24
11	Fixed Assets-Cost, Accumulated Depreciation & Depreciation	S25
12	Working Capital Needs	S26
13	Joint Use Facilities-Zonegated	S27
14	Update Sewer Map	S32
15	Construction Cost Rate Base	S33
15a	Integrated Sewer Connection Fees	S34
16	CSO Debt Service Requirements	S38
16A	Future Non-Integrated Improvements	S39
17	Tabulation of Bonds	S40
18	Sewer System Equity	S41
19	Rate of Return-Bond Buyer's Index	S42
20	Composite Rate of Return	S43
21	Rate of Return by Governmental Entity	S44
22	Adjusted Operating Cost by Government Entity-Zonegated	S50
23	Other Operating Revenues by Governmental Entity	S51
24	Depreciation Expense by Governmental Entity	S52
25	Revenue Requirement Summary by Governmental Entity	S53
25a	Revenue Requirements-Bond Ordinance Provision	S54
26	Comparative Summary of System Revenue Levels	S56
26 / 27	Revenue Levels / Rate Schedules by Governmental Entity	S58
28	Front Foot Charges	S79
29	Sewer Lateral Charges	S80
30	Surcharges for BOD, TSS, Phosphorus & Ammonia	S81
31	Industrial Pretreatment Permit & Laboratory Fees	S86
32	Sanitary Sewer Oversizing	S92
33	Utility Service District Areas	S93
34	Circuit Breaker- Individual and City & Customer Community	S94

**CITY OF GRAND RAPIDS, MICHIGAN
FINAL CONSIDERATIONS
ANNUAL WATER-SEWER RATE REVIEW**

Table of Contents

<u>Description</u>	<u>Page</u>
Introduction of Grand Rapids Rate Ordinances	1
Notice of Public Hearing	14
Public Hearing - Grand Rapids Rate Ordinances	15
Final Adoption of Grand Rapids Rate Ordinances	18
Introduction of Resolution Approving Customer Community Rates	28
Wright Township- Sewer Contribution	30
Approval of Customer Community Rates	31
Retail Rates Summary – Calendar Year 2009	66
Wholesale Rates Summary – Calendar Year 2009	67

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**CITY OF GRAND RAPIDS, MICHIGAN
 WATER SUPPLY SYSTEM FUND
 SYSTEM ADDITIONS AND IMPROVEMENTS
 FOR THE YEAR ENDED JUNE 30, 2008
 TASKS NO. 1, 2, & 3**

COMMUNITY	LOCAL		INTERMEDIATE		PRIMARY		TOTALS	
	FEET	MILES	FEET	MILES	FEET	MILES	FEET	MILES
Grand Rapids								
Construction	7,850	1.49	7,208	1.37	12,463	2.36	27,521	5.22
Abandonment	(8,695)	(1.65)	(7,022)	(1.33)		0.00	(15,717)	(2.98)
CSO Construction		0.00		0.00		0.00	0	0.00
CSO Abandonment		0.00		0.00		0.00	0	0.00
	(845)	(0.16)	186	0.04	12,463	2.36	11,804	2.24
Kentwood								
Construction	523	0.10		0.00		0.00	523	0.10
Abandonment		0.00		0.00		0.00	0	0.00
	523	0.10	0	0.00	0	0.00	523	0.10
Cascade Twp.								
Construction	2,487	0.47	5,053	0.96		0.00	7,540	1.43
Abandonment		0.00		0.00		0.00	0	0.00
	2,487	0.47	5,053	0.96	0	0.00	7,540	1.43
G.R. Twp.								
Construction	4,955	0.94	1,950	0.37		0.00	6,905	1.31
Abandonment	(5,365)	(1.02)	(1,950)	(0.37)		0.00	(7,315)	(1.39)
	(410)	(0.08)	0	0.00	0	0.00	(410)	(0.08)
Tallmadge Twp.								
Construction	2,593	0.49	4,131	0.78		0.00	6,724	1.27
Abandonment		0.00		0.00		0.00	0	0.00
	2,593	0.49	4,131	0.78	0	0.00	6,724	1.27
Walker								
Construction	378	0.07	1,184	0.22		0.00	1,562	0.29
Abandonment		0.00		0.00		0.00	0	0.00
	378	0.07	1,184	0.22	0	0.00	1,562	0.29
TOTAL	4,726	0.89	10,554	2.00	12,463	2.36	27,743	5.25

WATER COSTS

COMMUNITY	COMMUNITY COST
Grand Rapids	\$ 262,281
Kentwood	35,445
Cascade Twp.	581,330
Grand Rapids Twp.	
Tallmadge Twp.	390,312
Walker	100,937
TOTAL	\$ 1,370,305

CITY OF GRAND RAPIDS, MICHIGAN
 WATER SUPPLY SYSTEM FUND
 OPERATING EXPENSE ALLOCATION BY COST CENTER - TASK #4, PART 1
 FISCAL YEAR ENDED JUNE 30, 2008

ACTIVITY CODE	ACTIVITY	EXPENSE BY ACTIVITY	PUMPING STATIONS			WATERMAINS			RETAIL CUSTOMER METERING	ENGIN. SERVICES	ADMIN. EXPENSE
			FILTRATION PLANT	PRIMARY	INTERM.	PRIMARY TRANSPORT	INTERMED. TRANSPORT	LOCAL DISTRIBUTION			
0430	TREASURER-CUSTOMER SERVICE	\$ 306,168						\$ 306,168			
4312	WATER-CUSTOMER SERVICE *	2,958,451						2,958,451			
4315	ENGINEERING	1,267,599							1,267,599		
4320	COLDBROOK CONTROL	1,406,634	1,406,634								
4322	COLDBROOK DISTRIBUTION	2,591,524	823,924	1,767,600							
4331	FIELD OPERATIONS	6,662,728			326,074	1,682,872	4,653,782				
4342	FILTRATION	7,145,665	7,145,665								
	SUBTOTAL OPERATING EXPENSE	22,338,769	2,230,558	1,767,600	326,074	1,682,872	4,653,782	3,264,619	1,267,599	-	
4311	ADMINISTRATION	2,947,617								2,947,617	
	TOTAL	\$ 25,286,386	\$ 2,230,558	\$ 1,767,600	\$ 326,074	\$ 1,682,872	\$ 4,653,782	\$ 3,264,619	\$ 1,267,599	\$ 2,947,617	

* Reflects adjustment for circuit breaker provisions per the third amendment to W/S service agreements.

METHOD OF DISTRIBUTION

0430	TREASURER-CUSTOMER SERVICE	100.000%						100.000%		
4312	WATER-CUSTOMER SERVICE	100.000%						100.000%		
4315	ENGINEERING	100.000%							100.000%	
4320	COLDBROOK CONTROL	100.000%	100.000%							
4322	COLDBROOK DISTRIBUTION	100.000%	31.790%	68.210%						
4331	FIELD OPERATIONS	100.000%			4.894%	25.258%	69.848%			
	TOTAL MILES OF MAIN	1,151.93	56.38	290.95			804.60			
4342	FILTRATION	100.000%								
4311	ADMINISTRATION	100.000%								100.000%

**CITY OF GRAND RAPIDS, MICHIGAN
WATER SUPPLY SYSTEM FUND
OPERATING EXPENSE ALLOCATION BY GOVERNMENTAL UNIT - TASK #4, PART 2
FISCAL YEAR ENDED JUNE 30, 2008**

COST CENTER	EXPENSE BY COST CENTER	INTEGRATED SYSTEM	RETAIL					WHOLESALE					
			CITY OF GR	CITY OF WALKER	CITY OF KENTWOOD	CASCADE TOWNSHIP	GR TOWNSHIP	TALLMADGE TOWNSHIP	CITY OF EAST GR.	COUNTY OF OTTAWA	ADA TOWNSHIP		
FILTRATION PLANT	\$ 7,145,665	\$ 7,145,665											
PUMPING STATIONS:													
A. PRIMARY TRANSPORT	2,230,558	2,230,558											
B. INTERMEDIATE TRANSPORT	1,767,600		1,458,322	40,203	269,075								
WATERMAINS:													
A. PRIMARY TRANSPORT	326,074		271,362	18,622	26,373	9,717							
B. INTERMEDIATE TRANSPORT	1,682,872		641,056	343,575	310,423	224,832	139,274	23,712					
C. LOCAL DISTRIBUTION	4,653,782		3,450,732	356,573	312,688	249,210	270,571	14,008					
RETAIL CUSTOMER METERING	3,264,619		2,488,552	256,371	214,845	137,604	160,750	6,497					
SUBTOTAL OPERATING EXPENSE	21,071,170	9,376,223	8,310,024	1,015,344	1,133,404	621,363	570,595	44,217					
ENGINEERING SERVICES	1,267,599	564,043	499,916	61,086	68,184	37,381	34,327	2,662					
ADMINISTRATIVE EXPENSE	2,947,617	1,299,720	1,169,436	143,640	199,719	88,077	80,740	6,285					
TOTAL	\$ 25,286,386	\$ 11,239,986	\$ 9,979,376	\$ 1,220,070	\$ 1,361,307	\$ 746,821	\$ 685,662	\$ 53,164					

METHOD OF DISTRIBUTION													
FILTRATION PLANTS													
PUMPING STATIONS													
A. PRIMARY TRANSPORT	100.00%	100.00%											
B. INTERMEDIATE TRANSPORT	100.00%	100.00%	82.503%	2.274%	15.223%								
MEMO													
WATERMAINS													
TOTAL MILES:	1,151.93												
A. PRIMARY TRANSPORT			83.221%	5.711%	8.088%	2.980%							
MILES	56.38	46.92	3.22	4.56	1.68								
B. INTERMEDIATE TRANSPORT			38.093%	20.416%	18.446%	13.360%	8.276%	1.409%					
MILES	290.95	110.83	59.40	53.67	38.87	24.08	4.10						
C. LOCAL DISTRIBUTION			74.149%	7.662%	6.719%	5.355%	5.814%	0.301%					
MILES	804.60	596.60	61.65	54.06	43.09	46.78	2.42						
RETAIL CUSTOMER METERING (1)			76.228%	7.853%	6.581%	4.215%	4.924%	0.199%					
NUMBER OF METERS	79,880.00	60,891.00	6,273.00	5,257.00	3,933.00	159.00							
ENGINEERING SERVICES (2)			39.438%	4.819%	5.379%	2.949%	2.708%	0.210%					
ADMINISTRATIVE EXPENSE (3)			39.674%	4.873%	5.419%	2.988%	2.739%	0.213%					

NOTES:
 (1) ALLOCATION BASED ON NUMBER OF METERS.
 (2) ALLOCATION BASED ON DIRECT OPERATING EXPENSE.
 (3) ALLOCATION BASED ON DIRECT OPERATING EXPENSE, ADJUSTED FOR ANY COST ASSIGNABLE EXCLUSIVELY TO GR OR RETAIL COMMUNITIES, IF APPLICABLE.

CITY OF GRAND RAPIDS, MICHIGAN
 WATER SUPPLY SYSTEM FUND
 ADJUSTED OPERATING EXPENSE ALLOCATION BY COST CENTER - TASK #5, PART 1
 FISCAL YEAR ENDED JUNE 30, 2008

ACTIVITY CODE	ACTIVITY	ADJUSTED EXPENSE BY ACTIVITY	PUMPING STATIONS		WATERMAINS		RETAIL CUSTOMER METERING	ENGIN. SERVICES	ADMIN. EXPENSE
			PRIMARY	INTERM.	PRIMARY TRANSPORT	INTERMED. TRANSPORT			
0430	TREASURER-CUSTOMER SERVICE	\$ 310,834					\$ 310,834		
4312	WATER-CUSTOMER SERVICE *	3,112,572					3,112,572		
4315	ENGINEERING	1,286,501						1,286,501	
4320	COLDBROOK CONTROL	1,428,156	1,428,156						
4322	COLDBROOK DISTRIBUTION	2,715,906	863,468	1,852,438					
4331	FIELD OPERATIONS	6,742,686			329,987	1,703,068			4,709,631
4342	FILTRATION	7,488,069							
	SUBTOTAL OPERATING EXPENSE	23,084,724	2,291,624	1,852,438	329,987	1,703,068	3,423,406	1,286,501	-
4311	ADMINISTRATION	2,964,717							2,964,717
	TOTAL	\$ 26,049,441	\$ 2,291,624	\$ 1,852,438	\$ 329,987	\$ 1,703,068	\$ 3,423,406	\$ 1,286,501	\$ 2,964,717

* Reflects adjustment for circuit breaker provisions per the third amendment to W/S service agreements.

METHOD OF DISTRIBUTION

0430	TREASURER-CUSTOMER SERVICE	100.000%					100.000%		
4312	WATER-CUSTOMER SERVICE	100.000%					100.000%		
4315	ENGINEERING	100.000%						100.000%	
4320	COLDBROOK CONTROL	100.000%	100.000%						
4322	COLDBROOK DISTRIBUTION	100.000%	31.790%	68.210%					
4331	FIELD OPERATIONS	100.000%			4.894%	25.258%			69.848%
	TOTAL MILES OF MAIN	1,151.93	56.38	290.95					804.60
4342	FILTRATION	100.000%							
4311	ADMINISTRATION	100.000%							100.000%

**CITY OF GRAND RAPIDS, MICHIGAN
WATER SUPPLY SYSTEM FUND
ADJUSTED OPERATING EXPENSE ALLOCATION BY GOVERNMENTAL UNIT - TASK #5, PART 2
FISCAL YEAR ENDED JUNE 30, 2008**

COST CENTER	ADJUSTED EXPENSE BY COST CENTER	INTEGRATED SYSTEM	RETAIL					WHOLESALE					
			CITY OF GR	CITY OF WALKER	CITY OF KENTWOOD	CASCADE TOWNSHIP	GR TOWNSHIP	TALLMADGE TOWNSHIP	CITY OF EAST GR	COUNTY OF OTTAWA	ADA TOWNSHIP		
FILTRATION PLANT	\$ 7,488,069	\$ 7,488,069											
PUMPING STATIONS:													
A. PRIMARY TRANSPORT	2,291,624	2,291,624											
B. INTERMEDIATE TRANSPORT	1,852,438		1,528,315	42,133	281,990								
WATERMAINS:													
A. PRIMARY TRANSPORT	329,987		274,618	18,846	26,689		9,834						
B. INTERMEDIATE TRANSPORT	1,703,068		648,750	347,698	314,148		227,530	140,946	23,996				
C. LOCAL DISTRIBUTION	4,709,631		3,492,144	360,852	316,440		252,201	273,818	14,176				
RETAIL CUSTOMER METERING	3,423,406		2,609,593	268,840	225,294		144,297	188,569	6,813				
SUBTOTAL OPERATING EXPENSE	21,798,223	9,779,693	8,553,420	1,038,369	1,164,561		633,862	583,333	44,985				
ENGINEERING SERVICES	1,286,501	577,189	504,810	61,289	68,725		37,411	34,427	2,650				
ADMINISTRATIVE EXPENSE	2,964,717	1,318,141	1,170,333	142,848	159,552		87,377	80,263	6,203				
TOTAL	\$ 26,049,441	\$ 11,675,023	\$ 10,228,563	\$ 1,242,506	\$ 1,392,838		\$ 758,650	\$ 698,023	\$ 53,838	\$	\$	\$	\$

METHOD OF DISTRIBUTION

FILTRATION PLANTS	100.00%	100.00%											
PUMPING STATIONS													
A. PRIMARY TRANSPORT	100.00%	100.00%											
B. INTERMEDIATE TRANSPORT	100.00%		82.503%	2.274%	15.223%								
MEMO													
WATERMAINS													
TOTAL MILES:	1,151.93												
A. PRIMARY TRANSPORT	56.38												
B. INTERMEDIATE TRANSPORT	290.95												
C. LOCAL DISTRIBUTION	804.60												
RETAIL CUSTOMER METERING (1)	79,880.00												
NUMBER OF METERS													
ENGINEERING SERVICES (2)		44.865%	39.239%	4.764%	5.342%		3.967%	3.993%	0.199%	159.00			
ADMINISTRATIVE EXPENSE (3)		44.462%	39.475%	4.818%	5.382%		2.947%	2.707%	0.206%	0.209%			

NOTES:
 (1) ALLOCATION BASED ON NUMBER OF METERS.
 (2) ALLOCATION BASED ON DIRECT OPERATING EXPENSE.
 (3) ALLOCATION BASED ON DIRECT OPERATING EXPENSE, ADJUSTED FOR ANY COST ASSIGNABLE EXCLUSIVELY TO GR OR RETAIL COMMUNITIES, IF APPLICABLE.

**CITY OF GRAND RAPIDS, MICHIGAN
 WATER SUPPLY SYSTEM FUND
 ADJUSTED ACTUAL EXPENSE
 YEAR ENDED JUNE 30, 2008
 RATE STUDY- TASKS NO. 4 & 5**

ORGANIZATIONAL UNIT: 4311- ADMINISTRATION

EXPENDITURE SUB-OBJECT		OPERATING	ADJUSTED	ADJUSTED
NO.	DESCRIPTION	EXPENSES	COST	CURRENT
			FACTORS	ANNUAL
				EXPENSES
703	RETIREE HEALTH CARE	\$ 75,362.37	\$ (23,859.49)	\$ 51,502.88
706	PERMANENT EMPLOYEES	446,348.79	20,308.87	466,657.66
707	TEMPORARY EMPLOYEES	40.32	1.83	42.15
709	TIME & ONE-HALF	1,822.07	82.90	1,904.97
710	ACT.ASSIGNMENT	0.14	0.01	0.15
713	WORKER'S COMP SUPPLEMENT	556.00	25.30	581.30
715	EMPLOYERS SOCIAL SECURITY	33,399.63	1,519.68	34,919.31
717	SPECIAL PENSION BENEFITS	5,831.32	-	5,831.32
719	HOSPITALIZATION INSURANCE	78,445.08	9,162.39	87,607.47
721	LONGEVITY PAY	5,845.86	-	5,845.86
722	RETIREMENT FUND CONTRIBUTION	50,337.12	2,139.33	52,476.45
	TOTAL PERSONAL SERVICES	<u>697,988.70</u>	<u>9,380.82</u>	<u>707,369.52</u>
728	SUPPLIES	302.00	-	302.00
	TOTAL SUPPLIES	<u>302.00</u>	<u>-</u>	<u>302.00</u>
810	BAD DEBT WRITE-OFFS	4,541.35	-	4,541.35
814	COMPUTER SERVICES	441,867.04	-	441,867.04
818	CONTRACTUAL SERVICES	29,555.24	-	29,555.24
835	FEES	1,979.62	-	1,979.62
872	PROFESSIONAL DEVELOPMENT	2,138.90	-	2,138.90
873	OTHER TRAVEL AND TRAINING	24,422.54	-	24,422.54
874	LOCAL BUSINESS EXPENSE	970.46	-	970.46
875	MEMBERSHIPS	44,750.50	-	44,750.50
876	PUBLICATIONS AND SUBSCRIPTIONS	4,009.16	-	4,009.16
880	COMMUNITY PROMOTION	1,488.83	-	1,488.83
912	CLAIMS/GENERAL INSURANCE	324,063.37	(24,874.00)	299,189.37
919	INSURANCE PREMIUMS	261,271.75	-	261,271.75
928	TELEPHONE	7,366.12	-	7,366.12
945	LAND RENTAL OR LEASE	1,959.67	-	1,959.67
947	VEHICLE RENTAL/CAR MILEAGE	4,073.63	-	4,073.63
963	PROPERTY TAXES	2,876.71	-	2,876.71
	TOTAL OTHER SERVICES & CHARGES	<u>1,157,334.89</u>	<u>(24,874.00)</u>	<u>1,132,460.89</u>
982	EQUIPMENT	5,546.11	-	5,546.11
	TOTAL CAPITAL	<u>5,546.11</u>	<u>-</u>	<u>5,546.11</u>
999	OPERATING TRANSFERS OUT	1,086,444.96	32,593.04	1,119,038.00
	TOTAL TRANSFERS/FEES	<u>1,086,444.96</u>	<u>32,593.04</u>	<u>1,119,038.00</u>
	ORGANIZATIONAL UNIT TOTAL	<u>\$ 2,947,616.66</u>	<u>\$ 17,099.86</u>	<u>\$ 2,964,716.52</u>

CITY OF GRAND RAPIDS, MICHIGAN
WATER SUPPLY SYSTEM FUND
ADJUSTED ACTUAL EXPENSE
YEAR ENDED JUNE 30, 2008
RATE STUDY- TASKS NO. 4 & 5

ORGANIZATIONAL UNIT: 4312- CUSTOMER SERVICES

NO.	EXPENDITURE SUB-OBJECT DESCRIPTION	OPERATING EXPENSES	ADJUSTED COST FACTORS	ADJUSTED CURRENT ANNUAL EXPENSES
703	RETIREE HEALTH CARE	\$ 372,460.01	\$ (123,601.84)	248,858.17
706	PERMANENT EMPLOYEES	2,157,337.30	98,158.85	2,255,496.15
707	TEMPORARY EMPLOYEES	50,615.48	2,303.00	52,918.48
708	SHIFT DIFFERENTIAL	900.92	-	900.92
709	TIME & ONE-HALF	116,493.27	5,300.44	121,793.71
710	ACT.ASSIGNMENT	11,318.58	515.00	11,833.58
711	FIRE DEPT - SHOP PAY	-	-	-
712	UNEMPLOYMENT COMPENSATION	12,689.18	-	12,689.18
713	WORKER'S COMP SUPPLEMENT	23,351.00	1,062.47	24,413.47
714	REGULAR HOURLY RATE	-	-	-
715	EMPLOYERS SOCIAL SECURITY	184,491.47	8,394.36	192,885.83
719	HOSPITALIZATION INSURANCE	628,917.56	73,457.57	702,375.13
721	LONGEVITY PAY	27,606.33	-	27,606.33
722	RETIREMENT FUND CONTRIBUTION	269,322.40	11,446.20	280,768.60
	TOTAL PERSONAL SERVICES	<u>3,855,503.50</u>	<u>77,036.05</u>	<u>3,932,539.55</u>
728	SUPPLIES	52,204.28	-	52,204.28
730	POSTAGE	204,815.98	-	204,815.98
	TOTAL SUPPLIES	<u>257,020.26</u>	<u>-</u>	<u>257,020.26</u>
814	COMPUTER SERVICES	522,058.04	-	522,058.04
818	CONTRACTUAL SERVICES	335,362.84	302,612.00	637,974.84
848	SUBSIDY	89,106.00	(89,106.00)	-
873	OTHER TRAVEL AND TRAINING	18.35	-	18.35
874	LOCAL BUSINESS EXPENSE	662.40	-	662.40
875	MEMBERSHIPS	325.00	-	325.00
876	PUBLICATIONS AND SUBSCRIPTIONS	783.21	-	783.21
880	COMMUNITY PROMOTION	13,797.14	-	13,797.14
900	PRINTING & PUBLISHING	2,754.00	-	2,754.00
928	TELEPHONE	17,384.59	-	17,384.59
930	MAINTENANCE REPAIR	396,985.51	7,155.00	404,140.51
943	EQUIPMENT RENTALS OR LEASE	133,131.12	-	133,131.12
947	VEHICLE RENTAL/CAR MILEAGE	8,365.07	-	8,365.07
	TOTAL OTHER SERVICES & CHARGES	<u>1,520,733.27</u>	<u>220,661.00</u>	<u>1,741,394.27</u>
976	BLD. ADDITIONS/IMPROVEMENTS	40,827.18	-	40,827.18
981	FURNITURE	2,068.39	-	2,068.39
982	EQUIPMENT	37,904.18	-	37,904.18
985	VEHICLES	402.98	-	402.98
	TOTAL CAPITAL	<u>81,202.73</u>	<u>-</u>	<u>81,202.73</u>
	ORGANIZATIONAL UNIT TOTAL (GROSS)	\$ 5,714,459.76	\$ 297,697.05	\$ 6,012,156.81
	LESS: SDSF CONTRIBUTION *	(2,756,009.00)	(143,575.38)	(2,899,584.38)
	ORGANIZATIONAL UNIT TOTAL (NET)	<u>\$ 2,958,450.76</u>	<u>\$ 154,121.67</u>	<u>\$ 3,112,572.43</u>

* Reflects adjustment for circuit breaker provisions per the third amendment to W/S service agreements.

**CITY OF GRAND RAPIDS, MICHIGAN
 WATER SUPPLY SYSTEM FUND
 ADJUSTED ACTUAL EXPENSE
 YEAR ENDED JUNE 30, 2008
 RATE STUDY- TASKS NO. 4 & 5**

ORGANIZATIONAL UNIT: 4315- ENGINEERING

EXPENDITURE SUB-OBJECT		OPERATING	ADJUSTED	ADJUSTED
NO.	DESCRIPTION	EXPENSES	COST FACTORS	CURRENT ANNUAL EXPENSES
703	RETIREE HEALTH CARE	\$ 109,120.70	\$ (35,286.14)	\$ 73,834.56
706	PERMANENT EMPLOYEES	643,655.90	29,286.34	672,942.24
707	TEMPORARY EMPLOYEES	31,133.55	1,416.58	32,550.13
709	TIME & ONE-HALF	7,809.43	355.33	8,164.76
710	ACT.ASSIGNMENT	110.56	5.03	115.59
713	WORKER'S COMP SUPPLEMENT	1,112.00	50.60	1,162.60
715	EMPLOYERS SOCIAL SECURITY	52,893.29	2,406.64	55,299.93
719	HOSPITALIZATION INSURANCE	148,112.98	17,299.60	165,412.58
721	LONGEVITY PAY	4,439.04	-	4,439.04
722	RETIREMENT FUND CONTRIBUTION	79,254.02	3,368.30	82,622.32
	TOTAL PERSONAL SERVICES	<u>1,077,641.47</u>	<u>18,902.28</u>	<u>1,096,543.75</u>
728	SUPPLIES	15,668.08	-	15,668.08
	TOTAL SUPPLIES	<u>15,668.08</u>	<u>-</u>	<u>15,668.08</u>
814	COMPUTER SERVICES	47,234.00	-	47,234.00
818	CONTRACTUAL SERVICES	6,969.00	-	6,969.00
876	PUBLICATIONS AND SUBSCRIPTIONS	167.25	-	167.25
928	TELEPHONE	7,298.34	-	7,298.34
930	MAINTENANCE REPAIR	270.17	-	270.17
943	EQUIPMENT RENTALS OR LEASE	51,359.53	-	51,359.53
947	VEHICLE RENTAL/CAR MILEAGE	1,667.88	-	1,667.88
	TOTAL OTHER SERVICES & CHARGES	<u>114,966.17</u>	<u>-</u>	<u>114,966.17</u>
999	OPERATING TRANSFERS OUT	59,322.96	-	59,322.96
	TOTAL TRANSFERS/FEEES	<u>59,322.96</u>	<u>-</u>	<u>59,322.96</u>
	ORGANIZATIONAL UNIT TOTAL	<u>\$ 1,267,598.68</u>	<u>\$ 18,902.28</u>	<u>\$ 1,286,500.96</u>

**CITY OF GRAND RAPIDS, MICHIGAN
 WATER SUPPLY SYSTEM FUND
 ADJUSTED ACTUAL EXPENSE
 YEAR ENDED JUNE 30, 2008
 RATE STUDY- TASKS NO. 4 & 5**

ORGANIZATIONAL UNIT: 4320- COLDBROOK CONTROL

EXPENDITURE SUB-OBJECT		OPERATING	ADJUSTED	ADJUSTED
NO.	DESCRIPTION	EXPENSES	COST	CURRENT
			FACTORS	ANNUAL
				EXPENSES
703	RETIREE HEALTH CARE	\$ 133,013.13	\$ (44,662.20)	\$ 88,350.93
706	PERMANENT EMPLOYEES	766,718.62	34,885.70	801,604.32
708	SHIFT DIFFERENTIAL	8,020.52	-	8,020.52
709	TIME & ONE-HALF	32,863.79	1,495.30	34,359.09
710	ACT.ASSIGNMENT	123.53	5.62	129.15
713	WORKER'S COMP SUPPLEMENT	2,085.00	94.87	2,179.87
714	REGULAR HOURLY RATE	3,074.79	139.90	3,214.69
715	EMPLOYERS SOCIAL SECURITY	64,903.78	2,953.12	67,856.90
719	HOSPITALIZATION INSURANCE	193,564.06	22,608.28	216,172.34
721	LONGEVITY PAY	8,954.63	-	8,954.63
722	RETIREMENT FUND CONTRIBUTION	94,159.61	4,001.78	98,161.39
	TOTAL PERSONAL SERVICES	<u>1,307,481.46</u>	<u>21,522.37</u>	<u>1,329,003.83</u>
728	SUPPLIES	8,950.42	-	8,950.42
768	CLOTHING/CLEANING ALLOWANCE	522.50	-	522.50
	TOTAL SUPPLIES	<u>9,472.92</u>	<u>-</u>	<u>9,472.92</u>
814	COMPUTER SERVICES	1,415.00	-	1,415.00
928	TELEPHONE	48,727.16	-	48,727.16
930	MAINTENANCE REPAIR	22,306.53	-	22,306.53
943	EQUIPMENT RENTALS OR LEASE	16,674.54	-	16,674.54
947	VEHICLE RENTAL/CAR MILEAGE	555.96	-	555.96
	TOTAL OTHER SERVICES & CHARGES	<u>89,679.19</u>	<u>-</u>	<u>89,679.19</u>
	ORGANIZATIONAL UNIT TOTAL	<u>\$ 1,406,633.57</u>	<u>\$ 21,522.37</u>	<u>\$ 1,428,155.94</u>

CITY OF GRAND RAPIDS, MICHIGAN
WATER SUPPLY SYSTEM FUND
ADJUSTED ACTUAL EXPENSE
YEAR ENDED JUNE 30, 2008
RATE STUDY- TASKS NO. 4 & 5

ORGANIZATIONAL UNIT: 4322- COLDBROOK DISTRIBUTION

EXPENDITURE SUB-OBJECT		OPERATING	ADJUSTED	ADJUSTED
NO.	DESCRIPTION	EXPENSES	COST	CURRENT
			FACTORS	ANNUAL
				EXPENSES
703	RETIREE HEALTH CARE	\$ 68,734.47	\$ (22,596.95)	\$ 46,137.52
706	PERMANENT EMPLOYEES	401,110.67	18,250.54	419,361.21
707	TEMPORARY EMPLOYEES	2,736.00	124.49	2,860.49
708	SHIFT DIFFERENTIAL	9.79	-	9.79
709	TIME & ONE-HALF	6,744.41	306.87	7,051.28
713	WORKER'S COMP SUPPLEMENT	2,224.00	101.19	2,325.19
715	EMPLOYERS SOCIAL SECURITY	31,381.95	1,427.88	32,809.83
719	HOSPITALIZATION INSURANCE	105,556.54	12,329.00	117,885.54
721	LONGEVITY PAY	3,918.75	-	3,918.75
722	RETIREMENT FUND CONTRIBUTION	50,083.29	2,128.54	52,211.83
	TOTAL PERSONAL SERVICES	<u>672,499.87</u>	<u>12,071.56</u>	<u>684,571.43</u>
728	SUPPLIES	103,549.38	-	103,549.38
768	CLOTHING/CLEANING ALLOWANCE	386.50	-	386.50
	TOTAL SUPPLIES	<u>103,935.88</u>	<u>-</u>	<u>103,935.88</u>
814	COMPUTER SERVICES	40,948.96	-	40,948.96
818	CONTRACTUAL SERVICES	3,401.17	-	3,401.17
921	ELECTRICITY	1,248,023.30	99,800.00	1,347,823.30
922	WATER	2,999.51	-	2,999.51
923	GAS	88,048.86	-	88,048.86
928	TELEPHONE	430.50	-	430.50
930	MAINTENANCE REPAIR	372,524.47	12,510.00	385,034.47
943	EQUIPMENT RENTALS OR LEASE	51,899.44	-	51,899.44
945	LAND RENTAL OR LEASE	101.29	-	101.29
959	REFUSE COLLECTION CHARGES	4,676.40	-	4,676.40
	TOTAL OTHER SERVICES & CHARGES	<u>1,813,053.90</u>	<u>112,310.00</u>	<u>1,925,363.90</u>
982	EQUIPMENT	2,034.58	-	2,034.58
	TOTAL CAPITAL	<u>2,034.58</u>	<u>-</u>	<u>2,034.58</u>
	ORGANIZATIONAL UNIT TOTAL	<u>\$ 2,591,524.23</u>	<u>\$ 124,381.56</u>	<u>\$ 2,715,905.79</u>

CITY OF GRAND RAPIDS, MICHIGAN
WATER SUPPLY SYSTEM FUND
ADJUSTED ACTUAL EXPENSE
YEAR ENDED JUNE 30, 2008
RATE STUDY- TASKS NO. 4 & 5

ORGANIZATIONAL UNIT: 4331- FIELD OPERATIONS

EXPENDITURE SUB-OBJECT		OPERATING	ADJUSTED	ADJUSTED
NO.	DESCRIPTION	EXPENSES	COST	CURRENT
			FACTORS	ANNUAL
				EXPENSES
703	RETIREE HEALTH CARE	\$ 360,524.41	\$ (117,955.91)	\$ 242,568.50
706	PERMANENT EMPLOYEES	2,104,830.90	95,769.81	2,200,600.71
707	TEMPORARY EMPLOYEES	33,031.14	1,502.92	34,534.06
708	SHIFT DIFFERENTIAL	1,619.69	-	1,619.69
709	TIME & ONE-HALF	338,520.05	15,402.66	353,922.71
710	ACT.ASSIGNMENT	783.40	35.64	819.04
713	WORKER'S COMP SUPPLEMENT	3,058.00	139.14	3,197.14
715	EMPLOYERS SOCIAL SECURITY	191,708.89	8,722.75	200,431.64
719	HOSPITALIZATION INSURANCE	550,341.83	64,279.93	614,621.76
721	LONGEVITY PAY	24,798.40	-	24,798.40
722	RETIREMENT FUND CONTRIBUTION	257,910.48	10,961.20	268,871.68
	TOTAL PERSONAL SERVICES	<u>3,867,127.19</u>	<u>78,858.14</u>	<u>3,945,985.33</u>
728	SUPPLIES/INVENTORY	14,638.00	-	14,638.00
785	PAVEMENT REPAIR	738,310.25	-	738,310.25
	TOTAL SUPPLIES	<u>752,948.25</u>	<u>-</u>	<u>752,948.25</u>
814	COMPUTER SERVICES	24,278.96	-	24,278.96
818	CONTRACTUAL SERVICES	12,147.00	-	12,147.00
921	ELECTRICITY	54,129.06	1,100.00	55,229.06
922	WATER	606.20	-	606.20
923	GAS	29,124.47	-	29,124.47
928	TELEPHONE	21,143.96	-	21,143.96
930	MAINTENANCE REPAIR	1,101,952.37	-	1,101,952.37
943	EQUIPMENT RENTALS OR LEASE	782,994.72	-	782,994.72
947	VEHICLE RENTAL/CAR MILEAGE	2,261.34	-	2,261.34
	TOTAL OTHER SERVICES & CHARGES	<u>2,028,638.08</u>	<u>1,100.00</u>	<u>2,029,738.08</u>
981	FURNITURE	14,014.00	-	14,014.00
	TOTAL CAPITAL	<u>14,014.00</u>	<u>-</u>	<u>14,014.00</u>
	ORGANIZATIONAL UNIT TOTAL	<u>\$ 6,662,727.52</u>	<u>\$ 79,958.14</u>	<u>\$ 6,742,685.66</u>

CITY OF GRAND RAPIDS, MICHIGAN
WATER SUPPLY SYSTEM FUND
ADJUSTED ACTUAL EXPENSE
YEAR ENDED JUNE 30, 2008
RATE STUDY- TASKS NO. 4 & 5

ORGANIZATIONAL UNIT: 4342- LAKE MI. FILTRATION

EXPENDITURE SUB-OBJECT		OPERATING	ADJUSTED	ADJUSTED
NO.	DESCRIPTION	EXPENSES	COST	CURRENT
			FACTORS	ANNUAL
				EXPENSES
703	RETIREE HEALTH CARE	\$ 369,118.87	\$ (120,413.78)	\$ 248,705.09
706	PERMANENT EMPLOYEES	2,162,864.70	98,410.34	2,261,275.04
708	SHIFT DIFFERENTIAL	7,748.60	-	7,748.60
709	TIME & ONE-HALF	89,862.45	4,088.74	93,951.19
710	ACT.ASSIGNMENT	2,334.62	106.23	2,440.85
713	WORKER'S COMP SUPPLEMENT	2,224.00	101.19	2,325.19
714	REGULAR HOURLY RATE	1,627.86	74.07	1,701.93
715	EMPLOYERS SOCIAL SECURITY	177,063.69	8,056.40	185,120.09
719	HOSPITALIZATION INSURANCE	539,888.82	63,059.01	602,947.83
721	LONGEVITY PAY	20,423.02	-	20,423.02
722	RETIREMENT FUND CONTRIBUTION	261,680.35	11,121.41	272,801.76
	TOTAL PERSONAL SERVICES	<u>3,634,836.98</u>	<u>64,603.61</u>	<u>3,699,440.59</u>
728	SUPPLIES	808,265.87	-	808,265.87
730	POSTAGE	181.50	-	181.50
768	CLOTHING/CLEANING ALLOWANCE	2,911.00	-	2,911.00
	TOTAL SUPPLIES	<u>811,358.37</u>	<u>-</u>	<u>811,358.37</u>
814	COMPUTER SERVICES	64,884.04	-	64,884.04
818	CONTRACTUAL SERVICES	110,889.67	-	110,889.67
875	MEMBERSHIPS	400.00	-	400.00
921	ELECTRICITY	1,852,063.47	277,800.00	2,129,863.47
923	GAS	295,401.29	-	295,401.29
928	TELEPHONE	26,901.39	-	26,901.39
930	MAINTENANCE REPAIR	211,189.90	-	211,189.90
943	EQUIPMENT RENTALS OR LEASE	80,651.26	-	80,651.26
947	VEHICLE RENTAL/CAR MILEAGE	2,824.38	-	2,824.38
959	REFUSE COLLECTION CHARGES	1,652.40	-	1,652.40
	TOTAL OTHER SERVICES & CHARGES	<u>2,646,857.80</u>	<u>277,800.00</u>	<u>2,924,657.80</u>
982	EQUIPMENT	52,612.00	-	52,612.00
	TOTAL CAPITAL	<u>52,612.00</u>	<u>-</u>	<u>52,612.00</u>
	ORGANIZATIONAL UNIT TOTAL	<u>\$ 7,145,665.15</u>	<u>\$ 342,403.61</u>	<u>\$ 7,488,068.76</u>

**CITY OF GRAND RAPIDS, MICHIGAN
 WATER SUPPLY SYSTEM FUND
 ADJUSTED ACTUAL EXPENSE
 YEAR ENDED JUNE 30, 2008
 RATE STUDY- TASKS NO. 4 & 5**

ORGANIZATIONAL UNIT: 0430- TREASURER- CUSTOMER SERV'S

EXPENDITURE SUB-OBJECT		OPERATING	ADJUSTED	ADJUSTED
NO.	DESCRIPTION	EXPENSES	COST	CURRENT
			FACTORS	ANNUAL
				EXPENSES
703	RETIREE HEALTH CARE	\$ 20,944.74	\$ (7,012.38)	\$ 13,932.36
706	PERMANENT EMPLOYEES	120,665.54	5,490.28	126,155.82
707	TEMPORARY EMPLOYEES	12,023.88	547.09	12,570.97
710	ACT.ASSIGNMENT	219.70	10.00	229.70
713	WORKER'S COMP SUPPLEMENT	1,449.00	65.93	1,514.93
715	EMPLOYERS SOCIAL SECURITY	10,514.92	478.43	10,993.35
719	HOSPITALIZATION INSURANCE	38,015.46	4,440.21	42,455.67
721	LONGEVITY PAY	1,664.01	-	1,664.01
722	RETIREMENT FUND CONTRIBUTION	15,212.91	646.55	15,859.46
	TOTAL PERSONAL SERVICES	<u>220,710.16</u>	<u>4,666.11</u>	<u>225,376.27</u>
728	SUPPLIES	4,043.33	-	4,043.33
	TOTAL SUPPLIES	<u>4,043.33</u>	<u>-</u>	<u>4,043.33</u>
814	COMPUTER SERVICES	61,430.00	-	61,430.00
818	CONTRACTUAL SERVICES	5,664.40	-	5,664.40
835	FEES	(1,103.57)	-	(1,103.57)
928	TELEPHONE	693.30	-	693.30
930	MAINTENANCE REPAIR	1,820.40	-	1,820.40
942	BUILDINGS RENTALS OR LEASE	8,984.11	-	8,984.11
947	VEHICLE RENTAL/CAR MILEAGE	1,987.00	-	1,987.00
	TOTAL OTHER SERVICES & CHARGES	<u>79,475.64</u>	<u>-</u>	<u>79,475.64</u>
982	EQUIPMENT	1,938.60	-	1,938.60
	TOTAL CAPITAL	<u>1,938.60</u>	<u>-</u>	<u>1,938.60</u>
	ORGANIZATIONAL UNIT TOTAL	<u>\$ 306,167.73</u>	<u>\$ 4,666.11</u>	<u>\$ 310,833.84</u>

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: November 6, 2008

TO: Michael Wolski
Utility Financial Officer

FROM: Linda Wagenmaker *LW*
Financial Analyst

SUBJECT: 2008 WATER RATE STUDY- TASK #4- BACKGROUND INFORMATION

The following are the Water System's operating expenses for the test period, as reported in the City's adjusted expenditure ledger for the period ended June 30, 2008.

NON-INTEGRATED

4311- Administration	\$2,947,617
4312- Customer Services	6,020,627
4315- Engineering	1,267,599
4331- Field Operations	6,662,728

INTEGRATED

4342- Lake Mi. Filtration	7,145,665
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INTEGRATED & NON-INTEGRATED

4320- Coldbrook Control	1,406,634
4322- Coldbrook Distribution	2,591,524

Attached is the calculation of integrated and non-integrated adjusted expenses for Coldbrook Distribution (4322) for 2008.

LW

Attachment

wrslwtask4 2008

ALLOCATION OF COLDBROOK PUMPING TO WATER PUMPING FACILITIES

STATION	ENERGY COST	PERCENT	EXPENDITURE ALLOCATION	
			ACTUAL	ADJUSTED
ALGER	\$ 45,398	3.65%	\$ 94,270	\$ 98,794
BOOSTER A	10,368	0.83%	21,529	22,562
BOOSTER D	52,086	4.17%	108,157	113,348
BRISTOL	19,361	1.55%	40,203	42,133
COLDBROOK	301,669	24.17%	626,416	656,482
COVELL	71,610	5.74%	148,698	155,835
EAST PARIS	129,581	10.38%	269,075	281,990
FRANKLIN	297,218	23.82%	617,174	646,796
LEFFINGWELL	49,838	3.99%	103,489	108,456
LIVINGSTON	145,771	11.68%	302,694	317,222
WILSON	40,440	3.24%	83,974	88,004
BURTON	54,675	4.38%	113,533	118,982
DEAN LAKE	30,008	2.40%	62,312	65,302
TOTAL	\$ 1,248,023	100.00%	\$ 2,591,524	\$ 2,715,906

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: November 10, 2008

TO: Mike Wolski
Utility Financial Officer

FROM: Scott Buhrer 
Chief Financial Officer

SUBJECT: 2008 WATER RATE STUDY ANNUAL EXPENSE ADJUSTMENTS-TASK #5

Attached are adjustments to test period actual operating expenses to be included in Task #5 of the Water Rate Study.

**CITY OF GRAND RAPIDS
WATER SUPPLY SYSTEM FUND
RATE STUDY TASK NO. 5
NOTES TO ADJUSTED CURRENT ANNUAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2008**

Sub-Object – 703

The factor to establish calendar year 2009's retiree health care cost is 10.90%. The total of calendar year 2009's wages (sub-object 706) and longevity (sub-object 721) multiplied by this factor will establish the cost for calendar year 2009.

Sub-Object – 704, 705, 706, 707, 709, 710, 713, 714, 718, 723, 724

The wage increase factor to translate FY2008 actual costs to estimated calendar 2009 will be 4.55%. All labor contracts had expired by 6/30/07.

Sub-Object – 715

Increase FY2008 actual FICA expense by 4.55% to account for the effect of the wage increases.

Sub-Object – 719

Increase FY2008 health insurance actual by 11.68% to reflect rate changes effective in FY2009.

Sub-Object – 722

Increase FY2008 actual pension expense by 4.25% to reflect the effect of a General Pension rate change decrease from 12.36% to 12.12% and an estimated wage increase of 4.55%.

Sub-Object – 999

Administration – Adjust FY2008 actual cost to reflect adjustments in charges for central services rendered by the Insurance Payment Fund and the General Operating Fund.

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: October 23, 2008

TO: Michael Wolski
Utility Financial Officer

FROM: Linda Wagenmaker
Financial Analyst *LW*

SUBJECT: 2008 WATER RATE STUDY - TASK #5-KNOWN COST
INCREASES/DECREASES

Known cost increases by which to adjust FY08 operating costs include fund carry-forwards and reappropriations for projects that were not completed prior to June 30, 2008, as follows:

<u>ACCOUNT</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
4312-818	EMA, Inc.	\$284,060
4312-818	Northrup Grumman IT Inc.	18,552
4312-930	Etna Supply Co.	7,155
4322-930	Dave Cole Decorating Inc.	12,510

LW

wrs\lwtask5 2008

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: October 23, 2008

TO: Linda Wagenmaker
Financial Analyst

FROM: Joellen Thompson 
Water System Manager

SUBJECT: **2008 WATER RATE STUDY- TASK #5- KNOWN COST INCREASES/DECREASES**

Known cost increases by which to adjust actual FY08 operating line-item costs include adjustments for electrical rates as follows:

<u>DESCRIPTION</u>	<u>ACCOUNT</u>	<u>AMOUNT</u>
Coldbrook Distribution	4322-921	\$ 99,800
Field Operations	4331-921	1,100
Lake MI Filtration	4342-921	277,800

Please contact me if you have any questions. Thank you.

JT/MW

wrs\wtask5-Wat-Elec- 2008

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: October 23, 2008

TO: Michael Wolski
Utility Financial Officer

FROM: Linda Wagenmaker *LW*
Financial Analyst

SUBJECT: 2008 WATER RATE STUDY - TASK #6

Attached are the Water Supply System Fund's revenues and volumes by governmental unit for the year ended June 30, 2008, and volume comparisons for the past five (5) years by governmental unit and for the total system.

LW

Attachment

wrs\wtask6 2008

**CITY OF GRAND RAPIDS, MICHIGAN
WATER SUPPLY SYSTEM FUND
TASK NO. 6**

DETERMINE WATER VOLUME AND REVENUE BY GOVERNMENTAL ENTITY FOR THE YEAR ENDED JUNE 30, 2008:

	SALES REVENUE			VOLUME BILLED
	A	B	C	(GALLONS)
RETAIL:				
CITY OF GRAND RAPIDS (1)	\$ 23,268,228.29		\$ 39,468.44	7,444,640,544
CITY OF WALKER	3,075,946.30			1,069,867,392
CITY OF KENTWOOD	4,049,832.46			1,390,347,244
CASCADE TOWNSHIP	3,118,162.93	37,960.00		756,637,156
GRAND RAPIDS TOWNSHIP	2,125,261.76			581,056,872
TALLMADGE TOWNSHIP	117,788.05	12,480.00		19,511,580
SUB-TOTAL RETAIL (2)	\$ 35,755,219.79	\$ 50,440.00	\$ 39,468.44	11,262,060,788
WHOLESALE:				
CITY OF E. GRAND RAPIDS	\$ 856,434.05			504,267,940
OTTAWA CO. (3)	1,202,274.06	1,728.00		737,951,368
ADA TOWNSHIP	1,213,594.78			556,923,400
SUB-TOTAL WHOLESALE	\$ 3,272,302.89	\$ 1,728.00	\$ -	1,799,142,708
TOTAL	\$ 39,027,522.68	\$ 52,168.00	\$ 39,468.44	13,061,203,496

REVENUE CLASSIFICATION:

A) 4311 - 642008 OTTAWA COUNTY WATER SALES	\$ 1,202,274.06
4311 - 642011 RETAIL METERED WATER SALES	35,742,669.11
4311 - 642012 E. GRAND RAPIDS WATER SALES	856,434.05
4311 - 642013 WYOMING WATER SALES	12,550.68
4311 - 642021 ADA WATER SALES	1,213,594.78
SUB-TOTAL	\$ 39,027,522.68
B) 4311 - 607048 FIRE HYDRANT BILLINGS (4)	\$ 52,168.00
C) 4311 - 642024 UNMETERED WATER SALES	\$ 39,468.44
TOTAL	\$ 39,119,159.12

- (1) THE VOLUME & DOLLAR AMOUNT FOR THE CITY OF WYOMING ARE INCLUDED IN THE GRAND RAPIDS TOTALS.
- (2) A REVENUE ACCRUAL OF \$319,087, 100,504,967 GALLONS HAS BEEN PRORATED TO ALL RETAIL CUSTOMER COMMUNITIES TO ACCRUE BILLINGS FROM THE LAST READING DATE THROUGH JUNE 30, 2008.
- (3) THE VOLUME EXCLUDES BILLINGS (71,314 HCF) FOR THE SUPPLEMENTAL AGREEMENT, DATED 5/13/2004 (aka, NOWS AGREEMENT), WITH OTTAWA FOR THE PERIOD JULY 1, 2007 TO JUNE 30, 2008.
- (4) GRAND RAPIDS TOWNSHIP HAS ELECTED TO HAVE THEIR HYDRANT FEES ROLLED INTO THEIR RATES.

**CITY OF GRAND RAPIDS, MICHIGAN
WATER SUPPLY SYSTEM FUND
2008 RATE STUDY TASK NO. 6**

VOLUME COMPARISONS FOR FIVE (5) YEARS BY GOVERNMENTAL UNIT
VOLUME = 1,000 GALLONS

MUNICIPALITY	FY04		FY05		FY06		FY07		FY08		FY04 - FY08 % CHANGE
	VOL BILLED	% CHANGE									
GRAND RAPIDS	7,758,545	-4.46%	7,412,265	6.08%	7,863,078	6.08%	7,366,098	-6.32%	7,444,641	1.07%	-4.05%
WALKER	985,279	9.87%	1,082,569	0.04%	1,083,040	0.04%	1,032,301	-4.68%	1,069,867	3.64%	8.59%
KENTWOOD	1,234,019	-0.59%	1,226,745	15.14%	1,412,532	15.14%	1,353,813	-4.16%	1,390,347	2.70%	12.67%
CASCADE TWP	615,680	1.81%	626,819	15.89%	726,395	15.89%	708,112	-2.52%	756,637	6.85%	22.89%
GRAND RAPIDS TWP	457,949	2.23%	468,148	18.99%	557,041	18.99%	538,271	-3.37%	581,057	7.95%	26.88%
TALLMADGE TWP	12,212	11.55%	13,623	33.97%	18,251	33.97%	17,033	-6.67%	19,512	14.55%	59.78%
EAST GRAND RAPIDS	447,559	15.52%	517,026	-4.75%	492,470	-4.75%	460,521	-6.49%	504,268	9.50%	12.67%
OTTAWA COUNTY	576,716	17.37%	676,916	15.08%	778,965	15.08%	716,087	-8.07%	737,951	3.05%	27.96%
ADA TWP	435,365	11.18%	484,021	2.28%	495,043	2.28%	542,697	9.63%	556,923	2.62%	27.92%
TOTAL	12,523,324	-0.12%	12,508,132	7.34%	13,426,815	7.34%	12,734,933	-5.15%	13,061,203	2.56%	4.30%
VOLUME PUMPED % BILLED TO PUMPED	14,065,000 89.0%		14,713,000 85.0%		14,812,000 90.6%		14,705,000 86.6%		14,419,000 90.6%		
GRAND RAPIDS VOLUME COMPARED TO CUSTOMER COMMUNITIES											
VOLUME = 1,000 GALLONS	% OF TOTAL	% OF TOTAL	% OF TOTAL								
GRAND RAPIDS	61.95%	59.26%	7,863,078	58.56%	7,366,098	57.84%	7,444,641	57.00%			
CUSTOMER COMMUNITIES	38.05%	40.74%	5,563,737	41.44%	5,368,835	42.16%	5,616,562	43.00%			
TOTAL	100.00%	100.00%	13,426,815	100.00%	12,734,933	100.00%	13,061,203	100.00%	13,061,203	100.00%	100.00%

**CITY OF GRAND RAPIDS, MICHIGAN
WATER RATE STUDY
WATER SUPPLY SYSTEM FUND
TASK NO. 7**

OPERATING REVENUES OTHER THAN FROM SALES OF WATER:

4311-451006	CONTRACTOR UNDERGROUND LICENSE	\$ 8,100.00
4311-476010	PAVING PERMITS	60.00
4311-476012	TAPPING PERMITS	4,040.00
4311-607001	MISCELLANEOUS SERVICE FEES	33,263.63
4311-607027	INSPECTION FEES - UTILITIES	23,559.00
4311-607034	MONTHLY STATEMENT SERVICE FEES	200,526.56
4311-607043	PRELIM/DESIGN/CONSTR ENGINEERING	77,874.19
4311-607049	SERVICES FOR CONTRACTORS	97,319.07
4311-607052	METER SETTING FEES	13,705.00
4311-659002	PENALTY FINES *	-
		<u>\$ 458,447.45</u>

CREDIT: UNDERUTILIZATION OF PENALTY CREDIT FROM PREVIOUS YEAR \$ 393,317.00

OTHER OPERATING REVENUES NOT INCLUDED:

CAPITAL CONTRIBUTION & LAKELINE CREDIT

4311-607051	WATER FRONT FOOTAGE	\$ 148,006.30
4311-607053	INTEGRATED WATER CONNECTION	1,036,448.50
		<u>\$ 1,184,454.80</u>

OFFSETTING CREDIT TO CUSTOMER ACCOUNTING ACTIVITY EXPENSES:

4311-699001	BILLABLE EXPENSE - SEWAGE DISPOSAL SYSTEM *	<u>\$ 2,756,009.00</u>
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* Reflects adjustment for circuit breaker provisions per the third amendment to W/S service agreements.

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: October 20, 2008

TO: Linda Wagenmaker
Financial Analyst

FROM: Joellen Thompson 
Water System Manager

SUBJECT: 2008 WATER RATE STUDY- TASK #8

No significant changes in operating levels are anticipated to take effect by January 1, 2009, which would require adjustments to operating costs for the test period.

JTMW

wrs\wtask8 2008

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: October 20, 2008

TO: Linda Wagenmaker
Financial Analyst

FROM: Joellen Thompson 
Water System Manager

SUBJECT: 2008 WATER RATE STUDY- TASK #9

No significant changes in water revenues are anticipated to take effect by January 1, 2009, which would require an adjustment to operating revenue estimates as a whole.

JT\MW

wrs\wtask9 2008

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: October 23, 2008

TO: Linda Wagenmaker
Financial Analyst

FROM: Joellen Thompson 
Water System Manager

SUBJECT: 2008 WATER RATE STUDY- TASK #10

The following are major water system projects that for rate study purposes should be considered operative as of January 1, 2009.

<u>Description</u>	<u>Location</u>	<u>Amount</u>
Franklin transmission main (second supply)	Grand Rapids	\$9,578,800
East Side CSO #11 (partial)	Grand Rapids	549,700
Monroe Ave – Frank/Palmer (partial)	Grand Rapids	751,500
Richmond St – Tamarack /Alpine	Grand Rapids	261,719
Knapp St – Wyndham Hill Dr/ECL	Grand Rapids	757,300
Kalamazoo Ave – Alger/Burton	Grand Rapids	509,719
Lakeside Dr – Fulton/475'S	Grand Rapids/GR Twp	171,985
LMFP – Exp joints & floc/sed top slab	GR – Integrated	918,933
LMFP – Filter valves & actuators cells 1-8 & cells 2, 4, 6, & ½ 8	GR – Integrated	3,464,807
LMFP – Waterproof top slab floc/sed	GR – Integrated	548,222
LMFP – Raw water isolation valve	GR – Integrated	172,184

JTLW

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**CITY OF GRAND RAPIDS, MICHIGAN
WATER SUPPLY SYSTEM FUND
TASK NO. 11**

"COMPUTE ACCUMULATED COST, DEPRECIATION AND DEPRECIATION EXPENSE AS OF JUNE 30, 2008"

INTEGRATED SYSTEM

	ORIGINAL COST	ACCUMULATED DEPRECIATION	DEPRECIATION EXPENSE
LAND	\$ 2,507,974	\$ -	\$ -
LAND IMPROVEMENTS	1,987,789	906,721	86,182
BUILDINGS & STRUCTURES	46,897,098	17,301,211	916,949
STORAGE	7,584,993	4,350,381	277,948
PROCESS EQUIPMENT	46,646,442	23,535,836	1,370,700
AUXILIARY EQUIPMENT	14,358,236	10,946,845	265,861
METERS	7,375,481	7,289,805	83,058
MACHINERY & EQUIPMENT	2,967,526	2,050,963	112,363
OFFICE EQUIPMENT & FURNITURE	622,184	621,885	1,823
WATERMAINS	55,592,968	13,591,495	741,240
	<u>\$ 186,540,691</u>	<u>\$ 80,595,142</u>	<u>\$ 3,856,124</u>

NON-INTEGRATED SYSTEM

	ORIGINAL COST	ACCUMULATED DEPRECIATION	DEPRECIATION EXPENSE
LAND	\$ 981,022	\$ -	\$ -
LAND IMPROVEMENTS	1,192,503	615,394	51,579
BUILDINGS & STRUCTURES	10,715,875	2,015,226	211,981
STORAGE	8,625,021	3,834,993	118,814
PROCESS EQUIPMENT	4,476,690	2,008,688	133,045
AUXILIARY EQUIPMENT	1,885,970	1,652,554	22,024
MACHINERY & EQUIPMENT	2,122,213	1,797,618	76,363
OFFICE EQUIPMENT & FURNITURE	533,805	337,512	29,465
WATERMAINS - GRAND RAPIDS	92,276,459	21,113,179	1,178,354
WATERMAINS - WALKER	18,962,128	4,976,457	251,856
WATERMAINS - KENTWOOD	24,091,163	5,376,847	320,991
WATERMAINS - CASCADE TWP	20,141,158	3,772,106	265,890
WATERMAINS - GRAND RAPIDS TWP	15,009,613	2,693,596	199,273
WATERMAINS - TALLMADGE TWP	2,015,134	172,372	24,266
	<u>\$ 203,028,754</u>	<u>\$ 50,366,542</u>	<u>\$ 2,883,901</u>
TOTAL	<u>\$ 389,569,445</u>	<u>\$130,961,684</u>	<u>\$ 6,740,025</u>

SOURCE: FINAL GENERAL LEDGER, AS ADJUSTED, FOR JUNE 30, 2008.

**CITY OF GRAND RAPIDS, MICHIGAN
 WATER RATE STUDY
 WATER SUPPLY SYSTEM FUND
 TASK NO. 12**

TASK 12A DETERMINE WORKING CAPITAL NEEDS FOR MATERIALS AND SUPPLIES ON HAND.

MATERIALS AND SUPPLIES INVENTORY AS OF JUNE 30, 2008: \$2,208,237

TASK 12B DETERMINE WORKING CAPITAL NEEDS FOR PREPAYMENT OF OPERATING COSTS.

NO REQUIREMENT FOR PREPAYMENT OF OPERATING COSTS IS CALLED FOR IN THE ORDINARY CYCLE OF BUSINESS.

TASK 12C DETERMINE CASH WORKING CAPITAL NEEDS & DETERMINE TOTAL WORKING CAPITAL NEEDS.

MINIMUM CASH WORKING CAPITAL IS DEFINED AS THE SUM OF 90 DAYS ADJUSTED OPERATING EXPENSES.

ADJUSTED CURRENT ANNUAL EXPENSES = \$26,049,441 @ 90/365 = \$6,423,150

TOTAL WORKING CAPITAL NEEDS CONSIST OF THE FOLLOWING:

12A	INVESTMENT IN INVENTORY	\$2,208,237
12B	PREPAYMENT OF OPERATING EXPENSES	-
12C	90 DAY OPERATING EXPENSES	<u>6,423,150</u>
		<u><u>\$8,631,387</u></u>

**WATER RATE STUDY
WATER SUPPLY SYSTEM FUND
ZONEGATED FACILITIES
TASK #13
October 23, 2008**

Lengths and cost of all primary and intermediate transmission mains that are jointly used were prorated based on billed flow. Jointly used storage tanks and pumping stations were also prorated based on billed flow. All zonedating work papers are on file at the Coldbrook Complex and a revised map is on file at Oak Industrial Drive.

LW

wrs\wtask13 2008

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: September 16, 2008

TO: Linda Wagenmaker
Financial Analyst

FROM: Wayne Jernberg, P.E. *WJ*
Hydraulic Engineer – Water System

SUBJECT: 2008 WATER RATE STUDY- TASK #14

Base maps and zonegating maps for the water rate study, adjusted and revised to reflect minor changes are presently being updated to reflect 2008 zonegating information.

In this regard, the water maps will be completely updated by the end of the calendar year 2008 for the fiscal year 2008.

WJ

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: October 23, 2008

TO: Michael E. Wolski
Utility Financial Officer

FROM: Linda Wagenmaker *LW*
Financial Analyst

**SUBJECT: 2008 WATER RATE STUDY TASK #15A
INTEGRATED WATER CONNECTION FEES**

Attached is the Integrated Water Connection Fee Schedule as currently provided for in Chapter 26 of the City Code, with the addition of rates to be effective on January 1, 2009. The City Commission on June 27, 2000 established fees through calendar year 2004. Beginning January 1, 2005, the integrated water connection fees are to be calculated on a yearly basis as part of the annual Water/Sewer Rate Study. The Consumer Price Index used to determine rates effective January 1, 2009 is as follows:

August, 2008 Index	219.086
August, 2007 Index	207.917
Increase	11.169
Percentage increase	5.37%

LW

Attachment

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Section 2.35 Integrated Water Connection Fee Schedule

When a property owner or user is requested or required to connect to the System and has not previously paid or been assessed a connection fee, the following connection fee schedule shall apply:

Integrated Connection Base Fee Schedule

Water Meter Size (inches)	<u>1/01/08</u>	<u>1/01/09</u>
3/4 or less	\$ 2,500	\$2,650
1	4,150	4,400
1 ½	8,300	8,750
2	13,300	14,050
3	29,150	30,750
4	52,450	55,300
6 and over	116,600	122,950

Except as otherwise provided in the immediately succeeding paragraph, the foregoing integrated water connection base fee schedule 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 twenty thousand (20,000) square feet shall pay the applicable integrated connection fee in accordance with the foregoing schedule. When determining the square footage of a residential parcel for the purposes of determining the appropriate integrated connection fee, parcel size may be adjusted downward to take into consideration such things as wetlands, lakes, streams and other unusual characteristics of the parcel in accordance with policies approved from time to time by the Utility Advisory Board. To the extent the size of a parcel, as adjusted, is greater than or less than twenty thousand (20,000) square feet, one-half the applicable integrated connection fee will increase or decrease by the same percentage increase or decrease in the parcel above or below twenty thousand (20,000) square feet. 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, as adjusted, 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 foregoing schedule.

There shall be no upward adjustment in the integrated water service connection fee payable for a single-family residential dwelling unit connecting to the Water System if (a) each of the following conditions are met (1) a building permit shall have been obtained, (2) the dwelling unit shall have been constructed, and (3) a certificate of occupancy shall have been issued prior to January 1, 2000 or (b) local building permit fees have been paid to the local governmental unit prior to January 1, 2000 for a single-family residential dwelling unit to be

constructed on or after January 1, 2000. When connecting to the Water System, Users living in or owning such single-family residential dwelling units shall pay the applicable base integrated connection fee set forth in the Integrated Connection Base Fee Schedule adjusted downward, if applicable, in accordance with the immediate preceding paragraph.

Effective January 1, 2005 and January 1st of every year thereafter, the Integrated Water Connection Base Fees shall be adjusted by a percentage, which is determined by the annual change in the Consumer Price Index (the "index") calculated as follows:

- (1) The Consumer Price Index shall be that Index referred to as the Consumer Price Index, US City Average, All Urban Consumers, published by the U.S. Department of Labor-Bureau of Statistics ((1982-84)=100). In the event the method of determining the Index is substantially altered, the basis for determining the annual change thereafter shall be the Index which is most comparable to the Index described above.
- (2) For the purpose of computing the percentage change each calendar year, the Index for the month of August for the prior calendar year shall be subtracted from the Index for the immediately-preceding August. The result so obtained (if positive) shall be divided by the Index for the month of August for the prior calendar year to obtain the percentage increase which shall be applied to the then current Integrated Water Connection Base Fee Schedule to determine the new calendar year schedule.

The foregoing Integrated Connection fee is due and payable at the time a User receives a permit to connect to the Water System. A permit issued by the City to connect to the Water System shall expire one hundred eighty (180) days from the date the permit was issued.

The user receiving services who applies for a larger water meter than the one presently in service shall pay an Integrated Connection Fee which is the difference in cost between the meter size in service and the one applied for in accordance with the Integrated Connection Fee in effect at the time of application. No credit or rebate shall be made in the case of application for a smaller meter size.

Existing commercial and industrial customers may request the installation of an additional meter to measure water used solely for irrigation purposes. There shall be no Integrated Connection Fee for the additional meter provided combined maximum capacity as defined by the American Water Works Association Standards C700-90 and C702-92, as amended, does not exceed the maximum capacity of the original meter. If the original maximum capacity is exceeded, the customer shall pay as an Integrated Connection Fee the difference between the fee for the original meter and what the fee would be if the maximum capacities of all meters were totaled. The additional Integrated Connection Fee shall be based upon the fees in effect at the time of installation of the additional meter.

**CITY OF GRAND RAPIDS, MICHIGAN
 WATER RATE STUDY
 WATER SUPPLY SYSTEM FUND
 TASK NO. 16**

INCLUDE PROJECT COST FOR SYSTEM IMPROVEMENTS (NON-INTEGRATED)

THE ESTIMATED TOTAL PROJECT COST FOR RECOMMENDED WATER SYSTEM IMPROVEMENTS ARE SUMMARIZED IN THE FOLLOWING TABLE.

ITEM NO.	DESCRIPTION	ESTIMATED COST
1	SE ELEVATED STORAGE TANK AND WATER MAIN	2,980,000
2	DEAN LAKE WATER MAIN	6,877,700
3	SOUTH WALKER WATERMAIN PHASES I & II	2,350,000
4	FOUR MILE ROAD WATER MAIN AND ELEVATED TANK	4,306,534
5	DEAN LAKE SERVICE CENTER EXPANSION	500,000
6	EAST PARIS PUMP STATION EXPANSION	2,500,000
7	BAYWOOD & GREENBRIER	3,320,000
8	CASCADE NORTH RIVER CROSSING	2,850,000
9	BURTON/EAST PARIS FACILITY	2,000,000
10	LIVINGSTON DISCHARGE LINE	3,000,000
		<u>\$ 30,684,234</u>

NOTE: NONE OF THE PROJECTS ABOVE ARE INCLUDED IN RECOMMENDED REVENUE REQUIREMENTS FOR CALENDAR YEAR 2009.

SOURCE: JOELLEN THOMPSON, WATER SYSTEM MANAGER
 JANUARY 2008

**CITY OF GRAND RAPIDS, MICHIGAN
WATER RATE STUDY
WATER SUPPLY SYSTEM FUND
TASK NO. 17**

BONDS - PRINCIPAL & INTEREST PAYMENTS

FISCAL YEAR ENDING JUNE 30,	CASH BASIS		
	PRINCIPAL	INTEREST	PRIN & INT
2009	\$ 7,380,000	\$ 5,853,171	\$ 13,233,171
2010	7,830,000	5,879,056	13,709,056
2011	8,215,000	5,547,650	13,762,650
2012	8,590,000	5,153,500	13,743,500
2013	9,190,000	4,732,225	13,922,225
2014	9,650,000	4,277,450	13,927,450
2015	10,230,000	3,793,088	14,023,088
2016	10,740,000	3,274,713	14,014,713
2017	11,345,000	2,727,750	14,072,750
2018	11,950,000	2,180,838	14,130,838
2019	4,505,000	1,590,500	6,095,500
2020	4,755,000	1,384,500	6,139,500
2021	1,105,000	1,169,350	2,274,350
2022	1,160,000	1,114,100	2,274,100
2023	1,215,000	1,056,100	2,271,100
2024	1,280,000	995,350	2,275,350
2025	1,340,000	931,350	2,271,350
2026	1,410,000	864,350	2,274,350
2027	1,480,000	793,850	2,273,850
2028	1,555,000	719,850	2,274,850
2029	1,625,000	649,875	2,274,875
2030	1,695,000	576,750	2,271,750
2031	1,780,000	492,000	2,272,000
2032	1,870,000	403,000	2,273,000
2033	1,965,000	309,500	2,274,500
2034	2,060,000	211,250	2,271,250
2035	2,165,000	108,250	2,273,250

**CITY OF GRAND RAPIDS, MICHIGAN
WATER RATE STUDY
WATER SUPPLY SYSTEM FUND
TASK NO. 18**

DETERMINE WATER SYSTEM EQUITY IN THE CONSTRUCTION COST RATE BASE BY
SUBTRACTING DEBT OUTSTANDING FROM THE TOTAL RATE BASE.

CONSTRUCTION COST RATE BASE - TASK NO. 15	\$ 220,504,318
LESS: BONDED INDEBTEDNESS - TASK NO. 17	(128,085,000)
NET WATER SYSTEM EQUITY	<u>\$ 92,419,318</u>

**CITY OF GRAND RAPIDS, MICHIGAN
 WATER RATE STUDY
 WATER SUPPLY SYSTEM FUND
 RATE OF RETURN ON EQUITY - TASK NO. 19**

AT THE APRIL 5, 1977, COMMITTEE OF THE WHOLE MEETING, THE CITY COMMISSION DECIDED THE LEVEL OF RETURN ON WATER SYSTEM EQUITY. THE LEVEL DECIDED UPON WAS ONE PERCENT MORE THAN THE AVERAGE BOND BUYER'S INDEX OF MUNICIPAL BONDS FOR THE PREVIOUS TWELVE MONTH PERIOD.

BOND BUYER'S INDEX OF 20 MUNICIPAL BONDS

<u>DATE</u>	<u>RATE</u>	<u>DATE</u>	<u>RATE</u>
11-Oct-07	4.480%	10-Apr-08	4.610%
18-Oct-07	4.390%	17-Apr-08	4.620%
25-Oct-07	4.330%	24-Apr-08	4.680%
01-Nov-07	4.400%	01-May-08	4.630%
08-Nov-07	4.540%	08-May-08	4.620%
15-Nov-07	4.530%	15-May-08	4.530%
20-Nov-07	4.450%	22-May-08	4.520%
29-Nov-07	4.390%	29-May-08	4.620%
06-Dec-07	4.380%	05-Jun-08	4.590%
13-Dec-07	4.460%	12-Jun-08	4.690%
20-Dec-07	4.390%	19-Jun-08	4.760%
27-Dec-07	4.440%	26-Jun-08	4.830%
03-Jan-08	4.320%	02-Jul-08	4.670%
10-Jan-08	4.210%	10-Jul-08	4.560%
17-Jan-08	4.150%	17-Jul-08	4.650%
24-Jan-08	4.290%	24-Jul-08	4.770%
31-Jan-08	4.390%	31-Jul-08	4.740%
07-Feb-08	4.330%	07-Aug-08	4.750%
14-Feb-08	4.470%	14-Aug-08	4.670%
21-Feb-08	4.660%	21-Aug-08	4.640%
28-Feb-08	5.110%	28-Aug-08	4.680%
06-Mar-08	4.920%	04-Sep-08	4.620%
13-Mar-08	4.940%	11-Sep-08	4.540%
19-Mar-08	4.880%	18-Sep-08	5.030%
27-Mar-08	4.960%	25-Sep-08	5.230%
03-Apr-08	4.900%	02-Oct-08	5.360%
		<u>52 WEEKS</u>	<u>4.622%</u>

**CITY OF GRAND RAPIDS, MICHIGAN
 WATER RATE STUDY
 WATER SUPPLY SYSTEM FUND
 TASK NO. 20**

DETERMINE COMPOSITE RATE OF RETURN AND DOLLARS OF RETURN ON A CONSTRUCTION COST RATE BASE.

	RATE BASE	RATE OF RETURN	RETURN ON INVESTMENT
WATER SYSTEM EQUITY IN THE CONSTRUCTION COST RATE (CCR) BASE	\$ 92,419,318	@ 5.622%	= \$ 5,195,814
WATER SYSTEM INDEBTEDNESS IN THE CCR BASE -1993 Bonds <i>(Fixed Rate Conversion)</i>	32,900,000	@ 5.330%	= 1,753,570
-2000 Bonds	61,405,000	@ 5.285%	= 3,245,254
-2005 Bonds	33,780,000	@ 4.850%	= 1,638,330
LESS: INTEREST EARNED DURING THE TEST PERIOD ON BOND RESERVE AND REPLACEMENT ACCOUNTS			(213,635)
	\$ 220,504,318		\$ 11,619,333
COMPOSITE RATE OF RETURN ON INVESTMENT		\$ 11,619,333 220,504,318	= 5.269%

**CITY OF GRAND RAPIDS, MICHIGAN
WATER SUPPLY SYSTEM FUND
CONSTRUCTION COST RATE BASE & RETURN ON INVESTMENT- TASK NO. 21- PART 1
FISCAL YEAR ENDED JUNE 30, 2008**

PHYSICAL LOCATION

DESCRIPTION	RETAIL										WHOLESALE			TOTAL
	INTEGRATED SYSTEM	CITY OF GR	CITY OF WALKER	CITY OF KENTWOOD	CASCADE TOWNSHIP	GR TOWNSHIP	TALLMADGE TOWNSHIP	CITY OF EAST GR	COUNTY OF OTTAWA	ADA TOWNSHIP				
COST	\$ 191,644,637	\$ 120,615,335	\$ 19,360,563	\$ 22,374,809	\$ 20,136,284	\$ 14,609,808	\$ 2,015,134	\$ -	\$ -	\$ -	\$ 390,746,770			
LESS: ACCUMULATED DEPRECIATION	80,555,142	29,613,635	5,057,520	5,976,174	3,771,131	2,447,669	172,372	-	-	-	127,633,643			
NET BOOK VALUE	\$ 111,049,695	\$ 91,001,700	\$ 14,293,043	\$ 16,398,635	\$ 16,365,153	\$ 12,162,139	\$ 1,842,762	\$ -	\$ -	\$ -	\$ 263,113,127			
WORKING CAPITAL REQUIREMENT	3,872,384	3,146,141	413,530	480,509	364,935	288,005	19,421	26,153	40,309	40,309	8,631,387			
CONTRIBUTIONS	\$ 114,922,079	\$ 94,147,841	\$ 14,706,573	\$ 16,879,144	\$ 16,730,088	\$ 12,430,144	\$ 1,862,163	\$ 26,153	\$ 40,309	\$ 40,309	\$ 271,744,514			
LESS AMORTIZATION	-	23,707,242	16,299,388	16,161,421	16,186,384	11,233,846	2,015,134	-	-	-	85,603,415			
CONSTRUCTION COST RATE BASE	\$ -	\$ (8,337,078)	\$ (3,864,775)	\$ (3,360,311)	\$ (3,312,935)	\$ (2,131,692)	\$ (176,925)	\$ -	\$ -	\$ -	\$ (21,183,716)			
RETURN ON INVESTMENT- TASK 20	\$ 6,055,244	\$ 4,150,796	\$ 119,710	\$ 214,872	\$ 203,206	\$ 175,352	\$ 1,263	\$ 1,378	\$ 2,124	\$ 2,124	\$ 10,923,945			
	5.269%													

ZONEGATED

COST	\$ -	\$ (5,408,778)	\$ 610,394	\$ 5,823,089	\$ 7,271,509	\$ 3,150,435	\$ 164,867	\$ 1,390,956	\$ -	\$ 3,505,072	\$ 16,507,544
LESS: ACCUMULATED DEPRECIATION	-	(1,948,821)	420,315	874,107	1,966,401	885,227	65,501	232,896	-	812,415	3,328,041
NET BOOK VALUE	\$ -	\$ (3,459,957)	\$ 190,079	\$ 4,948,982	\$ 5,285,108	\$ 2,265,208	\$ 99,366	\$ 1,158,060	\$ -	\$ 2,692,657	\$ 13,179,503
WORKING CAPITAL REQUIREMENT	-	-	-	-	-	-	-	-	-	-	-
CONTRIBUTIONS	\$ -	\$ (3,459,957)	\$ 190,079	\$ 4,948,982	\$ 5,285,108	\$ 2,265,208	\$ 99,366	\$ 1,158,060	\$ -	\$ 2,692,657	\$ 13,179,503
LESS AMORTIZATION	-	-	-	13,711	3,731	22,941	-	-	-	10,981	51,364
CONSTRUCTION COST RATE BASE	\$ -	\$ -	\$ -	(12,734)	(3,465)	(21,307)	-	-	-	(10,199)	(47,705)
RETURN ON INVESTMENT- TASK 19/20	\$ -	\$ (3,459,957)	\$ 190,079	\$ 4,948,005	\$ 5,284,842	\$ 2,263,574	\$ 99,366	\$ 1,158,060	\$ -	\$ 2,691,875	\$ 13,175,844
RETURN ON INVESTMENT- TASK 19/20	10.622%	10.622%	10.622%	10.622%	10.622%	10.622%	10.622%	10.622%	10.622%	10.622%	10.622%
TOTAL RETURN ON INVESTMENT	\$ 6,055,244	\$ 3,783,279	\$ 139,900	\$ 740,449	\$ 764,562	\$ 415,789	\$ 11,818	\$ 124,367	\$ -	\$ 288,055	\$ 12,323,483

**CITY OF GRAND RAPIDS, MICHIGAN
WATER SUPPLY SYSTEM FUND
CONSTRUCTION COST & ACCUMULATED DEPRECIATION- TASK NO. 21- PART 2
FISCAL YEAR ENDED JUNE 30, 2008**

CONSTRUCTION COST

COST CENTER BY PHYSICAL LOCATION- TASK 11 IN SERVICE- TASK 10	AMOUNT	RETAIL										TOTAL										
		INTEGRATED SYSTEM		CITY OF WALKER		CITY OF KENTWOOD		CASCADE TOWNSHIP		GR TOWNSHIP			TALLMADGE TOWNSHIP		CITY OF EAST GR		COUNTY OF OTTAWA		ADA TOWNSHIP			
		\$		\$		\$		\$		\$			\$		\$		\$		\$		\$	
		\$ 186,540,691		\$ 19,574,828		\$ 25,801,965		\$ 20,141,158		\$ 15,009,613		\$ 2,015,134		\$		\$		\$		\$		\$ 389,569,445
		5,104,146		12,443,135		-		-		137,588		-		-		-		-		-		17,684,869
PUMPING STATIONS:																						
KNAPP SERVICE CENTER	\$ 2,416,086					287,297		78,185		480,704											230,108	
LIVINGSTON	1,952,850					90,183		24,391		150,701											72,119	
FRANKLIN	6,949,487					1,502,966		875,983		358,594											516,208	
LEFFINGWELL	141,009					16,767		4,563		28,055											13,430	
BRISTOL	612,700																					
EAST PARIS	1,710,802					(862,005)		862,005														
STORAGE TANKS:																						
ELKS	236,335					176,228																
KNAPP	118,570					5,476		1,481		9,150											4,379	
CAMBRIDGE	116,070					(88,475)		71,801		6,517												
WATERMANS						209,901		1,283,448		5,413,510											2,668,828	
ADJUSTED BY ZONEGATING		\$ 191,644,837		\$ 19,960,957		\$ 28,197,898		\$ 27,407,793		\$ 17,760,243		\$ 2,180,001		\$ 1,390,956		\$ 3,505,072		\$ 407,254,314				
LESS: ZONEGATING ADJUSTMENT																						
PHYSICAL LOCATION		\$		\$		\$		\$		\$		\$		\$		\$		\$		\$		\$
		\$ 191,644,837		\$ 19,350,563		\$ 22,374,809		\$ 20,136,284		\$ 14,609,808		\$ 2,015,134		\$		\$		\$ 16,507,544				\$ 390,746,770

ACCUMULATED DEPRECIATION

BY PHYSICAL LOCATION- TASK 11 IN SERVICE- TASK 10		\$ 80,595,142		\$ 31,812,526		\$ 5,151,021		\$ 6,764,921		\$ 3,772,106		\$ 172,372		\$		\$		\$		\$		\$ 130,961,684
PUMPING STATIONS:																						
KNAPP SERVICE CENTER	\$ 1,604,133					190,747		51,910		319,158											152,778	
LIVINGSTON	573,455					26,482		7,162		44,254											21,178	
FRANKLIN	1,613,310					348,911		203,358		83,247											119,837	
LEFFINGWELL	131,019					15,579		4,240		26,068											12,478	
BRISTOL	174,564																					
EAST PARIS	1,388,074					(689,395)		689,395														
STORAGE TANKS:																						
ELKS	236,335					176,228																
KNAPP	116,070					5,360		1,450		8,957											4,286	
CAMBRIDGE	116,070					(88,475)		71,801		6,517												
WATERMANS						150,586		125,875		1,011,394											501,858	
ADJUSTED BY ZONEGATING		\$ 80,595,142		\$ 27,664,814		\$ 5,477,835		\$ 6,850,281		\$ 5,757,532		\$ 237,873		\$ 232,896		\$ 812,415		\$ 130,961,684				
LESS: ZONEGATING ADJUSTMENT																						
PHYSICAL LOCATION		\$		\$		\$		\$		\$		\$		\$		\$		\$		\$		\$
		\$ 80,595,142		\$ 29,613,635		\$ 5,057,520		\$ 5,976,174		\$ 3,771,131		\$ 172,372		\$		\$		\$ 3,328,041				\$ 127,633,643

CITY OF GRAND RAPIDS, MICHIGAN
WATER SUPPLY SYSTEM FUND
CONTRIBUTIONS & AMORTIZED CONTRIBUTIONS- TASK NO. 21- PART 3
FISCAL YEAR ENDED JUNE 30, 2008

CONTRIBUTIONS BY OTHERS

COST CENTER 2007 RATE STUDY- LOCATION ADDITIONS:	INTEGRATED SYSTEM	AMOUNT	RETAIL					WHOLESALE			TOTAL	
			CITY OF GR	CITY OF WALKER	CITY OF KENTWOOD	CASCADE TOWNSHIP	GR TOWNSHIP	TALLMADGE TOWNSHIP	CITY OF EAST GR	COUNTY OF OTTAWA		ADA TOWNSHIP
FRONT FOOT FEES	-		23,412,576	16,198,451	16,047,804	15,557,605	11,233,846	1,624,822	-	-	-	84,085,104
FIXED ASSET CONTRIBUTIONS	-		32,385	100,937	76,172	37,449	-	-	-	-	-	148,006
	-		262,281	16,299,388	35,445	581,330	-	390,312	-	-	-	1,370,305
PUMPING STATIONS: LEFFINGWELL	-	\$ 115,303	23,707,242	16,299,388	16,161,421	16,186,384	11,233,846	2,015,134	-	-	-	85,603,415
ADJUSTED BY ZONEGATING	-		23,707,242	16,299,388	16,175,132	16,190,115	11,256,787	2,015,134	-	-	10,981	85,603,415
LESS: ZONEGATING ADJUSTMENT	-		-	-	13,711	3,731	22,941	-	-	-	10,981	-
PHYSICAL LOCATION	-		23,707,242	16,299,388	16,161,421	16,186,384	11,233,846	2,015,134	-	-	-	85,603,415

AMORTIZED CONTRIBUTIONS

2007 RATE STUDY- LOCATION	\$ 7,660,282	\$ 3,644,256	\$ 3,142,579	\$ 3,099,709	\$ 1,979,889	\$ 152,658	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,679,373
CURRENT YEAR ADJUSTMENTS	676,796	220,519	217,732	213,226	151,803	24,267	-	-	-	-	-	1,504,343
PUMPING STATIONS: LEFFINGWELL	-	3,864,775	3,360,311	3,312,935	2,131,692	176,925	-	-	-	-	-	21,183,716
ADJUSTED BY ZONEGATING	-	-	12,734	3,465	21,307	-	-	-	-	-	10,199	-
LESS: ZONEGATING ADJUSTMENT	-	3,864,775	3,373,045	3,316,400	2,152,999	176,925	-	-	-	-	10,199	21,183,716
PHYSICAL LOCATION	-	-	12,734	3,465	21,307	-	-	-	-	-	10,199	-
	-	3,864,775	3,360,311	3,312,935	2,131,692	176,925	-	-	-	-	-	21,183,716

**CITY OF GRAND RAPIDS, MICHIGAN
WATER SUPPLY SYSTEM FUND
RECONCILIATION OF CONSTRUCTION COST & ACCUMULATED DEPRECIATION- PHYSICAL LOCATION & ZONEGATING
FISCAL YEAR ENDED JUNE 30, 2008**

CONSTRUCTION COST- BY PHYSICAL LOCATION

COST CENTER	AMOUNT	RETAIL					WHOLESALE			TOTAL		
		CITY OF GR	CITY OF WALKER	CITY OF KENTWOOD	CASCADE TOWNSHIP	GR TOWNSHIP	TALLMADGE TOWNSHIP	CITY OF EAST GR	COUNTY OF OTTAWA		ADA TOWNSHIP	
COST BY PHYSICAL LOCATION- TASK 11												
IN SERVICE- TASK 10		\$ 122,809,558	\$ 18,962,128	\$ 24,091,163	\$ 20,141,158	\$ 15,009,613	\$ 2,015,134	\$ -	\$ -	\$ -	\$ -	\$ 389,569,445
BRISTOL		12,443,135	-	-	-	137,588	-	-	-	-	-	17,684,669
EAST PARIS		(612,700)	612,700	-	-	-	-	-	-	-	-	-
WATERMANS		(1,710,802)	-	1,710,802	-	-	-	-	-	-	-	-
LESS: WATERMANS-TOTAL SUBS-HOME COMM		(18,373,924)	(725,425)	(6,451,824)	(6,200)	(654,852)	-	-	-	-	-	(26,412,225)
ADD: WATERMANS-TOTAL ADDS-HOME COMM		6,080,058	501,160	3,024,688	1,326	317,459	-	-	-	-	-	9,904,681
TOTAL-PHYSICAL LOCATION COST		\$ 120,615,335	\$ 19,350,563	\$ 22,374,809	\$ 20,136,284	\$ 14,609,808	\$ 2,015,134	\$ -	\$ -	\$ -	\$ -	\$ 390,746,770

CONSTRUCTION COST- ZONEGATING

PUMPING STATIONS:												
KNAPP SERVICE CENTER	\$ 2,416,086	\$ -	\$ 287,297	\$ 78,185	\$ 480,704	\$ -	\$ -	\$ -	\$ 230,108	\$ -	\$ -	\$ -
LIVINGSTON	1,952,850	(337,394)	90,183	24,391	150,701	-	-	-	72,119	-	-	-
FRANKLIN	6,949,487	(3,876,703)	-	1,502,966	875,983	358,594	-	622,952	516,208	-	-	-
LEFFINGWELL	141,009	(62,815)	-	16,767	4,553	28,055	-	-	13,430	-	-	-
BRISTOL	612,700	-	-	-	-	-	-	-	-	-	-	-
EAST PARIS	1,710,802	-	-	(862,005)	862,005	-	-	-	-	-	-	-
STORAGE TANKS:												
ELKS	236,335	(181,172)	176,228	-	-	-	4,944	-	-	-	-	-
KNAPP	118,570	(20,486)	-	5,476	1,481	9,150	-	-	-	-	4,379	-
CAMBRIDGE	116,070	(88,475)	-	71,801	6,517	-	-	10,157	-	-	-	-
WATERMANS- ZONEGATED COST		234,561	434,166	4,710,604	5,418,364	2,123,231	159,923	757,847	2,668,828	\$ 3,505,072	\$ -	16,507,544
TOTAL- ZONEGATED COST		\$ (5,408,776)	\$ 610,394	\$ 5,823,089	\$ 7,271,509	\$ 3,150,435	\$ 164,867	\$ 1,390,956	\$ -	\$ -	\$ -	\$ 16,507,544
GRAND TOTAL- COST		\$ 191,644,837	\$ 19,960,957	\$ 28,197,898	\$ 27,407,793	\$ 17,760,243	\$ 2,180,001	\$ 1,390,956	\$ -	\$ -	\$ -	\$ 407,254,314

ACCUMULATED DEPRECIATION-BY PHYSICAL LOCATION

ACC DEPREP BY PHYSICAL LOCATION- TASK 11												
BRISTOL	\$ 33,375,164	\$ 4,976,457	\$ 5,376,847	\$ 3,772,106	\$ 2,693,596	\$ 172,372	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 130,961,684
EAST PARIS	(174,564)	174,564	-	-	-	-	-	-	-	-	-	-
WATERMANS	(1,388,074)	-	1,388,074	-	-	-	-	-	-	-	-	-
LESS: WATERMANS-TOTAL SUBS-HOME COMM	(3,435,729)	(328,441)	(1,521,326)	(1,240)	(387,094)	-	-	-	-	-	-	(5,673,830)
ADD: WATERMANS-TOTAL ADDS-HOME COMM	1,236,839	294,941	732,579	265	141,166	-	-	-	-	-	-	2,345,790
TOTAL-PHYSICAL LOCATION ACC DEP	\$ 80,595,142	\$ 29,613,636	\$ 5,057,521	\$ 3,771,131	\$ 2,447,668	\$ 172,372	\$ -	\$ 127,633,644				

ACCUMULATED DEPRECIATION-ZONEGATING

PUMPING STATIONS:												
KNAPP SERVICE CENTER	\$ 1,604,133	\$ -	\$ 190,747	\$ 51,910	\$ 319,138	\$ -	\$ -	\$ -	\$ 152,778	\$ -	\$ -	\$ -
LIVINGSTON	573,455	(99,076)	26,482	7,162	44,254	-	-	-	21,178	-	-	-
FRANKLIN	1,613,310	(899,970)	-	348,911	203,358	83,247	-	144,617	119,837	-	-	-
LEFFINGWELL	131,019	(58,365)	-	15,579	4,240	26,068	-	-	12,478	-	-	-
BRISTOL	174,564	-	-	-	-	-	-	-	-	-	-	-
EAST PARIS	1,388,074	-	-	(699,395)	699,395	-	-	-	-	-	-	-
STORAGE TANKS:												
ELKS	236,335	(181,172)	176,228	-	-	-	4,944	-	-	-	-	-
KNAPP	116,070	(20,053)	-	5,360	1,450	8,957	-	-	-	-	4,286	-
CAMBRIDGE	116,070	(88,475)	-	71,801	6,517	-	-	10,157	-	-	-	-
WATERMANS- ZONEGATED ACC DEP		112,883	244,087	914,622	1,012,369	403,543	60,557	78,122	501,858	\$ -	\$ -	3,328,041
TOTAL- ZONEGATED ACC DEP		\$ (1,948,821)	\$ 420,315	\$ 874,107	\$ 1,966,401	\$ 885,227	\$ 65,501	\$ 232,896	\$ -	\$ -	\$ -	\$ 3,328,041
GRAND TOTAL- ACC DEP		\$ 80,595,142	\$ 27,664,815	\$ 5,477,836	\$ 5,757,532	\$ 3,332,895	\$ 237,873	\$ 232,896	\$ -	\$ -	\$ -	\$ 130,961,685

**CITY OF GRAND RAPIDS, MICHIGAN
WATER SUPPLY SYSTEM FUND
ADJUSTED OPERATING EXPENSE ZONEGATED BY GOVERNMENTAL UNIT - TASK #22
FISCAL YEAR ENDED JUNE 30, 2008**

COST CENTER	ADJUSTED EXPENSE BY COST CENTER	INTEGRATED SYSTEM	RETAIL					WHOLESALE					
			CITY OF GR	CITY OF WALKER	CITY OF KENTWOOD	CASCADE TOWNSHIP	GR TOWNSHIP	TALLMADGE TOWNSHIP	CITY OF EAST GR	COUNTY OF OTTAWA	ADA TOWNSHIP		
FILTRATION PLANT	\$ 7,488,069	\$ 7,488,069											
PUMPING STATIONS:													
A. PRIMARY TRANSPORT	2,291,624	2,291,624	1,040,700	36,729	315,101	233,197	92,425					57,979	76,307
B. INTERMEDIATE TRANSPORT	1,852,438												
WATERMAINS:													
A. PRIMARY TRANSPORT	329,987		171,957	33,655	57,243	36,638	11,180	643				7,900	10,771
B. INTERMEDIATE TRANSPORT	1,703,068		631,021	344,360	299,519	255,324	130,762	27,334				119	14,629
C. LOCAL DISTRIBUTION	4,709,631		3,492,144	360,852	316,440	252,201	273,818	14,176					
RETAIL CUSTOMER METERING *	3,423,406		2,609,593	268,840	225,294	144,297	168,569	6,813					
SUBTOTAL OPERATING EXPENSE	21,798,223	9,779,683	7,945,415	1,044,436	1,213,597	921,657	676,754	48,966				65,998	101,707
ENGINEERING SERVICES	1,286,501	577,175	468,930	61,636	71,620	54,393	39,946	2,895				3,898	6,008
ADMINISTRATIVE EXPENSE	2,964,717	1,318,112	1,088,392	143,641	166,162	126,158	92,867	6,762				8,902	13,721
TOTAL	\$ 26,049,441	\$ 11,674,980	\$ 9,502,737	\$ 1,249,713	\$ 1,451,379	\$ 1,102,208	\$ 809,567	\$ 58,623	\$ 78,798	\$ 121,436			

* Reflects adjustment for circuit breaker provisions per the third amendment to W/S service agreements.

METHOD OF DISTRIBUTION

FILTRATION PLANTS													
PUMPING STATIONS													
A. PRIMARY TRANSPORT	100.00%	100.00%	56.180%	1.983%	17.010%	12.589%	4.989%					3.130%	4.119%
B. INTERMEDIATE TRANSPORT	100.00%	100.00%											
MEMO													
WATERMAINS													
TOTAL MILES:	1,151.93												
A. PRIMARY TRANSPORT	100.000%	100.000%	52.110%	10.199%	17.347%	11.103%	3.388%	0.195%				2.394%	3.264%
MILES	29.38	29.38	29.38	5.75	9.78	6.26	1.91	0.11				1.35	1.84
B. INTERMEDIATE TRANSPORT	100.000%	100.000%	37.052%	20.220%	17.587%	14.992%	7.678%	1.605%				0.007%	0.859%
MILES	290.95	107.80	107.80	58.83	51.17	43.62	22.34	4.67				0.02	2.50
C. LOCAL DISTRIBUTION	100.000%	100.000%	74.149%	7.662%	6.719%	5.355%	5.814%	0.301%					
MILES	804.60	596.60	596.60	61.65	54.06	43.09	46.78	2.42					
RETAIL CUSTOMER METERING (1)	100.000%	100.000%	76.228%	7.853%	6.581%	4.215%	4.924%	0.199%					
NUMBER OF METERS	79,880.00	60,891.00	60,891.00	6,273.00	5,257.00	3,367.00	3,933.00	159.00					
ENGINEERING SERVICES (2)	100.000%	100.000%	44.864%	4.791%	5.567%	4.228%	3.105%	0.225%				0.303%	0.467%
ADMINISTRATIVE EXPENSE (3)	100.000%	100.000%	44.461%	4.845%	5.605%	4.255%	3.132%	0.228%				0.300%	0.463%

NOTES:
 (1) ALLOCATION BASED ON NUMBER OF METERS.
 (2) ALLOCATION BASED ON DIRECT OPERATING EXPENSE.
 (3) ALLOCATION BASED ON DIRECT OPERATING EXPENSE, ADJUSTED FOR ANY COST ASSIGNABLE EXCLUSIVELY TO GR OR RETAIL COMMUNITIES, IF APPLICABLE.

**CITY OF GRAND RAPIDS, MICHIGAN
 WATER RATE STUDY
 WATER SUPPLY SYSTEM FUND
 TASK NO. 23**

ASSIGN OTHER OPERATING REVENUES TO EACH GOVERNMENTAL ENTITY. *

BASIS OF ALLOCATION: RETAIL BILLINGS BY GOVERNMENTAL ENTITY - TASK NO. 6 & 7

	<u>RETAIL BILLINGS</u>	<u>PERCENTAGE OF TOTAL</u>	<u>ALLOCATION *</u>
CITY OF GRAND RAPIDS	\$ 23,268,228	65.0765%	\$ 554,298
CITY OF WALKER	3,075,946	8.6028%	73,276
CITY OF KENTWOOD	4,049,832	11.3265%	96,475
CASCADE TOWNSHIP	3,118,163	8.7209%	74,281
GRAND RAPIDS TOWNSHIP	2,125,262	5.9439%	50,628
TALLMADGE TOWNSHIP	117,788	0.3294%	2,806
	<u>\$ 35,755,219</u>	<u>100.0000%</u>	<u>\$ 851,764</u>

* Reflects adjustment for circuit breaker provisions per the third amendment to W/S service agreements.

CITY OF GRAND RAPIDS, MICHIGAN
 WATER SUPPLY SYSTEM FUND
 ASSIGN DEPRECIATION EXPENSE TO CUSTOMER COMMUNITIES- TASK NO. 24
 FISCAL YEAR ENDED JUNE 30, 2008

COST CENTER	DEPRECIATION EXPENSE	INTEGRATED SYSTEM	RETAIL						WHOLESALE			TOTAL	
			CITY OF GR	CITY OF WALKER	CITY OF KENTWOOD	CASCADE TOWNSHIP	GR TOWNSHIP	TALLMADGE TOWNSHIP	CITY OF EAST GR	COUNTY OF OTTAWA	ADA TOWNSHIP		
BY PHYSICAL LOCATION- TASK 11		\$ 3,886,124	\$ 1,771,882	\$ 267,726	\$ 354,864	\$ 265,890	\$ 199,273	\$ 24,266					\$ 6,740,025
IN SERVICE- TASK 10		175,877	165,908	-	-	-	1,835	-	-	-	-	-	343,620
PUMPING STATIONS:													
KNAPP SERVICE CENTER	\$ 50,043		(22,293)	-	5,951	1,619	9,957	-	-	-	-	4,766	-
LIVINGSTON	42,634		(7,365)	-	1,969	532	3,290	-	-	-	-	1,574	-
FRANKLIN	208,505		(116,312)	-	45,093	26,282	10,759	-	18,690	-	-	15,488	-
LEFFINGWELL	908		(404)	-	108	29	181	-	-	-	-	86	-
BRISTOL	15,870		-	-	-	-	-	-	-	-	-	-	-
EAST PARIS	33,873		-	-	(17,067)	17,067	-	-	-	-	-	-	-
STORAGE TANKS:													
ELKS	-		-	-	-	-	-	-	-	-	-	-	-
KNAPP	-		-	-	-	-	-	-	-	-	-	-	-
CAMBRIDGE	-		-	-	-	-	-	-	-	-	-	-	-
WATERMANS			(160,637)	2,799	16,925	72,163	21,144	2,132	9,890	-	-	35,584	-
ADJUSTED BY ZONEGATING		4,032,001	1,630,779	270,525	407,843	383,582	246,439	26,398	28,580	-	-	57,498	7,083,645
LESS CONTRIBUTIONS AMORTIZED		-	(676,796)	(220,519)	(217,732)	(213,226)	(151,803)	(24,267)	-	-	-	-	(1,504,343)
TASK NO. 21		\$ 4,032,001	\$ 953,983	\$ 50,006	\$ 190,111	\$ 170,356	\$ 94,636	\$ 2,131	\$ 28,580	\$ -	\$ -	\$ 57,498	\$ 5,579,302
TOTAL													

**CITY OF GRAND RAPIDS, MICHIGAN
WATER SUPPLY SYSTEM FUND
ACCUMULATE REVENUE REQUIREMENTS BY CUSTOMER COMMUNITIES- TASK NO. 25
FISCAL YEAR ENDED JUNE 30, 2008**

COST CENTER	INTEGRATED SYSTEM	RETAIL						WHOLESALE			TOTAL		
		CITY OF GR	CITY OF WALKER	CITY OF KENTWOOD	CASCADE TOWNSHIP	GR TOWNSHIP	TALLMADGE TOWNSHIP	CITY OF EAST GR	COUNTY OF OTTAWA	ADA TOWNSHIP			
OPERATION & MAINTENANCE													
EXPENSE-TASK NO. 22	\$ 11,674,980	\$ 9,502,737	\$ 1,249,713	\$ 1,451,379	\$ 1,102,208	\$ 809,567	\$ 58,623	\$ 78,798	\$ -	\$ 121,436	\$ 26,049,441		
DEPRECIATION EXPENSE													
TASK NO. 24	4,032,001	953,983	50,006	190,111	170,356	94,636	2,131	28,580	-	57,498	5,579,302		
RETURN ON SYSTEM INVESTMENT													
TASK NO. 21	6,055,244	3,783,279	139,900	740,449	764,562	415,789	11,818	124,387	-	288,055	12,323,483		
REVENUE CREDITS- TASK NO. 23	-	(554,298)	(73,276)	(96,475)	(74,281)	(50,628)	(2,806)	-	-	-	(851,764)		
ALLOCATE:													
INTEG CONN. FEE CREDIT (A)	-	(589,779)	(103,537)	(115,632)	(78,729)	(56,833)	(3,848)	(40,244)	-	(47,847)	(1,036,449)		
INTEGRATED SYSTEM (A)	(21,762,225)	11,709,694	2,055,649	2,295,795	1,563,104	1,128,379	76,385	799,009	1,184,225	949,985	-		
LESS: CIRCUIT BREAKER (B)													
	\$ -	\$ 24,805,616	\$ 3,318,455	\$ 4,449,258	\$ 3,447,220	\$ 2,311,317	\$ 141,932	\$ 990,530	\$ 1,184,225	\$ 1,369,127	\$ 42,017,680		

(A) ALLOCATED ON THE BASIS OF RELATIVE BILLED VOLUME & LAND AREA TO UAB PARTNERS. OTTAWA'S ALLOCATION IS BASED ON OLD CONTRACT AND EXCLUDES ANY COST OF COLDBROOK PUMPING.
 (B) PURSUANT TO CITY AND CUSTOMER COMMUNITY CIRCUIT BREAKER, AS PROVIDED FOR BY THE THIRD AMENDMENT TO THE UNIFORM SERVICE AGREEMENTS.

**CITY OF GRAND RAPIDS, MICHIGAN
WATER RATE STUDY
WATER SUPPLY SYSTEM FUND
TASK NO. 25a**

REVIEW THE REVENUE REQUIREMENTS TO ASSURE COMPLIANCE WITH THE APPLICABLE BOND ORDINANCE PROVISIONS.

	YEAR ENDED 6/30/08	PRO FORMA *
REVENUES:		
RETAIL/WHOLESALE WATER SALES	\$ 39,027,523	\$ 40,432,948
CONNECTION FEES/FRONT FOOT FEES	1,184,455	1,184,455
BILLABLE TO SDS FUND	2,208,335	2,323,379
ENGINEERING FEES	77,874	77,874
OTHER OPERATING REVENUES	1,591,685	1,591,685
INTEREST ON INVESTMENTS	1,533,083	1,533,083
MISCELLANEOUS	559,116	559,116
TOTAL REVENUES	\$ 46,182,071	\$ 47,702,540
OPERATING EXPENSES:		
OPERATIONS & MAINTENANCE	\$ 28,042,393	\$ 28,949,024
DEPRECIATION	6,740,025	6,740,025
TOTAL EXPENSES	\$ 34,782,418	\$ 35,689,049
ADDITIONS: DEPRECIATION	6,740,025	6,740,025
NET EARNINGS OF THE SYSTEM	\$ 18,139,678	\$ 18,753,516
DEBT SERVICE (CASH BASIS)		
SERIES 1993 BONDS	\$ 3,983,785	\$ 2,778,164
SERIES 2000 BONDS	8,180,500	8,182,000
SERIES 2005 BONDS	2,276,106	2,273,006
	\$ 14,440,391	\$ 13,233,170
COVERAGE RATIO	1.26	1.42

* METERED SALES ADJUSTED FOR RATE REVISIONS OF 4.95% AND 2.45% EFFECTIVE 1/1/08 AND 1/1/09, RESPECTIVELY.

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SUMMARY

**WATER RATE STUDY
WATER SUPPLY SYSTEM FUND
RATE ANALYSIS - TASK NO. 26**

INITIAL SYSTEM REVENUE REQUIREMENTS \$ 42,064,013

CURRENT REVENUES

MONTHLY METER CHARGE	\$ 10,116,081	
MONTHLY BILLING CHARGE	3,307,749	
COMMODITY CHARGE	27,099,073	
MONTHLY FIRE PROTECTION	439,464	
ANNUAL HYDRANT CHARGE	50,440	(41,012,807)

INITIAL REQUIRED REVENUE INCREASE (DECREASE) \$ 1,051,206

INITIAL PERCENTAGE INCREASE (DECREASE) OVER EXISTING RATES 2.56%

INITIAL SYSTEM REVENUE REQUIREMENTS FROM ABOVE \$ 42,064,013
 LESS: AMOUNT OF CIRCUIT BREAKER RELIEF TO REDUCE RR's TO RETAIL (46,333)
 SYSTEM REVENUE REQUIREMENTS \$ 42,017,680

ACTUAL REQUIRED AMOUNT OF REVENUE INCREASE (DECREASE) \$ 1,004,873

ACTUAL PERCENTAGE INCREASE (DECREASE) OVER EXISTING RATES 2.45%

**WATER RATE STUDY
WATER SUPPLY SYSTEM FUND
TASK NO. 26**

METER SIZE	EQUIV. FACTOR	CITY OF GR METERS EQUIV.	CITY OF WALKER METERS EQUIV.	CITY OF KENTWOOD METERS EQUIV.	CASCADE TWP METERS EQUIV.	GR TWP METERS EQUIV.	TALLMADGE TWP METERS EQUIV.
A 3/4" or less	1.0000	54,575	5,115	3,371	2,369	3,351	103
B 1"	1.7778	2,610	459	633	326	300	17
C 1 1/4"	2.7778	-	-	-	-	-	-
D 1 1/2"	4.0000	1,114	203	392	239	101	4
E 2"	7.1111	992	103	1,387	105	47	2
F 3"	16.0000	83	9	20	8	6	2
G 4"	28.4444	87	9	14	2	3	1
H 6" and over	64.0000	21	2	3	-	-	-
		<u>59,482</u>	<u>5,900</u>	<u>4,628</u>	<u>3,049</u>	<u>3,808</u>	<u>129</u>
		<u>75,872</u>	<u>8,003</u>	<u>8,361</u>	<u>4,837</u>	<u>4,803</u>	<u>223</u>

FIRE PROTECTION SERVICE

H 6"	1,076	258	328	165	103	25
I 8"	297	89	265	126	21	2
J 10"	15	5	9	2	-	-
K 12"	21	21	27	25	1	3
	<u>1,409</u>	<u>373</u>	<u>629</u>	<u>318</u>	<u>125</u>	<u>30</u>
TOTAL	<u>60,891</u>	<u>6,273</u>	<u>5,257</u>	<u>3,367</u>	<u>3,933</u>	<u>159</u>
TOTAL						<u>79,880</u>

Source: Water/Sewage Meter/User Quantity Report, dated September 8, 2008.

CITY OF GRAND RAPIDS, MICHIGAN

**WATER RATE STUDY
WATER SUPPLY SYSTEM FUND
RATE ANALYSIS - TASK NO. 26**

SYSTEM REVENUE REQUIREMENTS \$ 24,805,616

CURRENT REVENUES

MONTHLY METER CHARGE

75,872 meter equivalents x \$ 6.54 x 12 = \$ 5,954,435

MONTHLY BILLING CHARGE

59,482 meters x \$ 3.58 x 12 = 2,555,347

COMMODITY CHARGE

9,952,728 units (100 CF) x \$ 1.57 = 15,625,783

MONTHLY FIRE PROTECTION

199,536

ANNUAL HYDRANT CHARGE

- (24,335,101)

REQUIRED REVENUE INCREASE (DECREASE)

\$ 470,515

PERCENTAGE INCREASE (DECREASE) OVER EXISTING RATES

1.93%

CITY OF GRAND RAPIDS, MICHIGAN

**WATER RATE STUDY
WATER SUPPLY SYSTEM FUND
RATE ANALYSIS - TASK NO. 27**

COMMODITY CHARGE:

$$\frac{\text{COMMODITY CHARGE @ 64\%}}{\text{BILLED UNITS}} = \frac{\$15,875,594}{9,952,728} = \underline{\underline{\$ 1.60 /100 CF *}}$$

MONTHLY SERVICE CHARGE:

SYSTEM REVENUE REQUIREMENTS	\$ 24,805,616
NEW COMMODITY CHARGE 9,952,728 x \$ 1.60	\$ 15,924,365
NEW MONTHLY BILLING CHARGE 59,482 x \$ 3.71 x 12	2,648,139
MONTHLY FIRE PROTECTION CHARGE	199,536
ANNUAL HYDRANT CHARGE	- (18,772,040)
	<u>\$ 6,033,576</u>

$$\text{MONTHLY METER CHARGE} = \frac{\$6,033,576}{75,872 \times 12} = \underline{\underline{\$ 6.63 \text{ MONTHLY}}}$$

<u>METER SIZE</u>	<u>EQUIVALENT</u>	<u>MONTHLY SERVICE CHARGE</u>			<u>PRESENT</u>
		<u>METER</u>	<u>BILLING</u>	<u>TOTAL</u>	
3/4" or less	1.0000	\$ 6.63	\$ 3.71	\$ 10.34	\$ 10.12
1"	1.7778	11.79	3.71	15.50	15.21
1 1/4"	2.7778	18.42	3.71	22.13	21.75
1 1/2"	4.0000	26.52	3.71	30.23	29.74
2"	7.1111	47.15	3.71	50.86	50.09
3"	16.0000	106.08	3.71	109.79	108.22
4"	28.4444	188.59	3.71	192.30	189.61
6" and over	64.0000	424.32	3.71	428.03	422.14

* NEW RATES EFFECTIVE, ON A PRO-RATA BASIS, JANUARY 1, 2009

CITY OF WALKER, MICHIGAN

**WATER RATE STUDY
WATER SUPPLY SYSTEM FUND
RATE ANALYSIS - TASK NO. 26**

SYSTEM REVENUE REQUIREMENTS \$ 3,318,455

CURRENT REVENUES

MONTHLY METER CHARGE

8,003 meter equivalents x \$ 8.13 x 12 = \$ 780,773

MONTHLY BILLING CHARGE

5,900 meters x \$ 3.58 x 12 = 253,464

COMMODITY CHARGE

1,430,304 units (100 CF) x \$ 1.50 = 2,145,456

MONTHLY FIRE PROTECTION

58,560

ANNUAL HYDRANT CHARGE

- (3,238,253)

REQUIRED REVENUE INCREASE (DECREASE)

\$ 80,202

PERCENTAGE INCREASE (DECREASE) OVER EXISTING RATES

2.48%

CITY OF WALKER, MICHIGAN
WATER RATE STUDY
WATER SUPPLY SYSTEM FUND
RATE ANALYSIS - TASK NO. 27

COMMODITY CHARGE:

PRESENT CHARGE x RATE ADJUSTMENT \$ 1.54 /100 CF *
 \$ 1.50 x 102.48%

MONTHLY SERVICE CHARGE:

SYSTEM REVENUE REQUIREMENTS	\$ 3,318,455
NEW COMMODITY CHARGE 1,430,304 x \$ 1.54	\$ 2,202,668
NEW MONTHLY BILLING CHARGE 5,900 x \$ 3.71 x 12	262,668
MONTHLY FIRE PROTECTION CHARGE	58,560
ANNUAL HYDRANT CHARGE	<u>-</u> (2,523,896)
	<u>\$ 794,559</u>

MONTHLY METER CHARGE = $\frac{\$794,559}{8,003 \times 12} = \underline{\underline{\$ 8.27 \text{ MONTHLY}}}$

<u>METER SIZE</u>	<u>EQUIVALENT</u>	<u>MONTHLY SERVICE CHARGE</u>			<u>PRESENT</u>
		<u>METER</u>	<u>BILLING</u>	<u>TOTAL</u>	
3/4" or less	1.0000	\$ 8.27	\$ 3.71	\$ 11.98	\$ 11.71
1"	1.7778	14.70	3.71	18.41	18.03
1 1/4"	2.7778	22.97	3.71	26.68	26.16
1 1/2"	4.0000	33.08	3.71	36.79	36.10
2"	7.1111	58.81	3.71	62.52	61.39
3"	16.0000	132.32	3.71	136.03	133.66
4"	28.4444	235.24	3.71	238.95	234.83
6" and over	64.0000	529.28	3.71	532.99	523.90

* NEW RATES EFFECTIVE, ON A PRO-RATA BASIS, JANUARY 1, 2009

CITY OF KENTWOOD, MICHIGAN

**WATER RATE STUDY
WATER SUPPLY SYSTEM FUND
RATE ANALYSIS - TASK NO. 26**

SYSTEM REVENUE REQUIREMENTS * \$ 4,449,258

CURRENT REVENUES

MONTHLY METER CHARGE

8,361 meter equivalents x \$ 11.50 x 12 = \$ 1,153,818

MONTHLY BILLING CHARGE

4,628 meters x \$ 3.58 x 12 = 198,819

COMMODITY CHARGE

1,858,753 units (100 CF) x \$ 1.55 = 2,881,067

MONTHLY FIRE PROTECTION

104,496

ANNUAL HYDRANT CHARGE

- (4,338,200)

REQUIRED REVENUE INCREASE (DECREASE)

\$ 111,058

PERCENTAGE INCREASE (DECREASE) OVER EXISTING RATES

2.56%

* REFLECTS RELIEF FROM CIRCUIT BREAKER, IN THE AMOUNT OF \$ 16,369

CITY OF KENTWOOD, MICHIGAN
WATER RATE STUDY
WATER SUPPLY SYSTEM FUND
RATE ANALYSIS - TASK NO. 27

COMMODITY CHARGE:

PRESENT CHARGE x RATE ADJUSTMENT \$ 1.59 /100 CF *
 \$ 1.55 x 102.56%

MONTHLY SERVICE CHARGE:

SYSTEM REVENUE REQUIREMENTS **		\$ 4,449,258
NEW COMMODITY CHARGE		
1,858,753 x \$ 1.59		\$ 2,955,417
NEW MONTHLY BILLING CHARGE		
4,628 x \$ 3.71 x 12		206,039
MONTHLY FIRE PROTECTION CHARGE		104,496
ANNUAL HYDRANT CHARGE	-	<u>(3,265,952)</u>
		<u>\$ 1,183,306</u>

MONTHLY METER CHARGE = $\frac{\$1,183,306}{8,361 \times 12} = \underline{\underline{\$ 11.79 \text{ MONTHLY}}}$

METER SIZE	EQUIVALENT	MONTHLY SERVICE CHARGE			PRESENT
		METER	BILLING	TOTAL	
3/4" or less	1.0000	\$ 11.79	\$ 3.71	\$ 15.50	\$ 15.08
1"	1.7778	20.96	3.71	24.67	24.02
1 1/4"	2.7778	32.75	3.71	36.46	35.52
1 1/2"	4.0000	47.16	3.71	50.87	49.58
2"	7.1111	83.84	3.71	87.55	85.36
3"	16.0000	188.64	3.71	192.35	187.58
4"	28.4444	335.36	3.71	339.07	330.69
6" and over	64.0000	754.56	3.71	758.27	739.58

* NEW RATES EFFECTIVE, ON A PRO-RATA BASIS, JANUARY 1, 2009
 ** REFLECTS RELIEF FROM CIRCUIT BREAKER, IN THE AMOUNT OF \$ 16,369

CASCADE TOWNSHIP
WATER RATE STUDY
WATER SUPPLY SYSTEM FUND
RATE ANALYSIS - TASK NO. 26

SYSTEM REVENUE REQUIREMENTS \$ 3,447,220

CURRENT REVENUES

MONTHLY METER CHARGE			
4,837 meter equivalents	x	\$ 16.96	x 12 = \$ 984,426
MONTHLY BILLING CHARGE			
3,049 meters	x	\$ 3.58	x 12 = 130,985
COMMODITY CHARGE			
1,011,547 units (100 CF)	x	\$ 2.16	= 2,184,942
MONTHLY FIRE PROTECTION			55,368
ANNUAL HYDRANT CHARGE			<u>37,960</u>
			<u>(3,393,681)</u>
REQUIRED REVENUE INCREASE (DECREASE)			<u>\$ 53,539</u>
PERCENTAGE INCREASE (DECREASE) OVER EXISTING RATES			<u>1.58%</u>

CASCADE TOWNSHIP
WATER RATE STUDY
WATER SUPPLY SYSTEM FUND
RATE ANALYSIS - TASK NO. 27

COMMODITY CHARGE:

PRESENT CHARGE x RATE ADJUSTMENT \$ 2.19 /100 CF *
 \$ 2.16 x 101.58%

MONTHLY SERVICE CHARGE:

SYSTEM REVENUE REQUIREMENTS		\$ 3,447,220
NEW COMMODITY CHARGE		
1,011,547 x \$ 2.19		\$ 2,215,288
NEW MONTHLY BILLING CHARGE		
3,049 x \$ 3.71 x 12		135,741
MONTHLY FIRE PROTECTION CHARGE		55,368
ANNUAL HYDRANT CHARGE		<u>37,960</u>
		<u>(2,444,357)</u>
		<u>\$ 1,002,863</u>

MONTHLY METER CHARGE = $\frac{\$1,002,863}{4,837 \times 12} = \underline{\underline{\$ 17.28 \text{ MONTHLY}}}$

METER SIZE	EQUIVALENT	MONTHLY SERVICE CHARGE			PRESENT
		METER	BILLING	TOTAL	
3/4" or less	1.0000	\$ 17.28	\$ 3.71	\$ 20.99	\$ 20.54
1"	1.7778	30.72	3.71	34.43	33.73
1 1/4"	2.7778	48.00	3.71	51.71	50.69
1 1/2"	4.0000	69.12	3.71	72.83	71.42
2"	7.1111	122.88	3.71	126.59	124.18
3"	16.0000	276.48	3.71	280.19	274.94
4"	28.4444	491.52	3.71	495.23	486.00
6" and over	64.0000	1,105.92	3.71	1,109.63	1,089.02

* NEW RATES EFFECTIVE, ON A PRO-RATA BASIS, JANUARY 1, 2009

GRAND RAPIDS TOWNSHIP

**WATER RATE STUDY
WATER SUPPLY SYSTEM FUND
RATE ANALYSIS - TASK NO. 26**

SYSTEM REVENUE REQUIREMENTS * \$ 2,311,317

CURRENT REVENUES

MONTHLY METER CHARGE			
4,803 meter equivalents	x	\$ 11.98	x 12 = \$ 690,479
MONTHLY BILLING CHARGE			
3,808 meters	x	\$ 3.58	x 12 = 163,592
COMMODITY CHARGE			
776,814 units (100 CF)	x	\$ 1.78	= 1,382,729
MONTHLY FIRE PROTECTION			16,824
ANNUAL HYDRANT CHARGE			- (2,253,624)
REQUIRED REVENUE INCREASE (DECREASE)			<u>\$ 57,693</u>
PERCENTAGE INCREASE (DECREASE) OVER EXISTING RATES			<u>2.56%</u>

* REFLECTS RELIEF FROM CIRCUIT BREAKER, IN THE AMOUNT OF \$ 29,593

GRAND RAPIDS TOWNSHIP
WATER RATE STUDY
WATER SUPPLY SYSTEM FUND
RATE ANALYSIS - TASK NO. 27

COMMODITY CHARGE:

PRESENT CHARGE x RATE ADJUSTMENT \$ 1.83 /100 CF *
 \$ 1.78 x 102.56%

MONTHLY SERVICE CHARGE:

SYSTEM REVENUE REQUIREMENTS ** \$ 2,311,317

NEW COMMODITY CHARGE
 776,814 x \$ 1.83 \$ 1,421,570

NEW MONTHLY BILLING CHARGE
 3,808 x \$ 3.71 x 12 169,532

MONTHLY FIRE PROTECTION CHARGE 16,824

ANNUAL HYDRANT CHARGE - (1,607,926)

\$ 703,391

MONTHLY METER CHARGE = $\frac{\$703,391}{4,803 \times 12} = \underline{\underline{\$ 12.20 \text{ MONTHLY}}}$

METER SIZE	EQUIVALENT	MONTHLY SERVICE CHARGE			PRESENT
		METER	BILLING	TOTAL	
3/4" or less	1.0000	\$ 12.20	\$ 3.71	\$ 15.91	\$ 15.56
1"	1.7778	21.69	3.71	25.40	24.88
1 1/4"	2.7778	33.89	3.71	37.60	36.86
1 1/2"	4.0000	48.80	3.71	52.51	51.50
2"	7.1111	86.76	3.71	90.47	88.77
3"	16.0000	195.20	3.71	198.91	195.26
4"	28.4444	347.02	3.71	350.73	344.34
6" and over	64.0000	780.80	3.71	784.51	770.30

* NEW RATES EFFECTIVE, ON A PRO-RATA BASIS, JANUARY 1, 2009
 ** REFLECTS RELIEF FROM CIRCUIT BREAKER, IN THE AMOUNT OF \$ 29,593

TALLMADGE TOWNSHIP
WATER RATE STUDY
WATER SUPPLY SYSTEM FUND
RATE ANALYSIS - TASK NO. 26

SYSTEM REVENUE REQUIREMENTS *	\$	141,932
LESS: CASH CONTRIBUTION		-
SYSTEM REVENUE REQUIREMENTS	\$	<u>141,932</u>

CURRENT REVENUES

MONTHLY METER CHARGE		
223 meter equivalents	x \$ 5.02	x 12 = \$ 13,434
MONTHLY BILLING CHARGE		
129 meters	x \$ 3.58	x 12 = 5,542
COMMODITY CHARGE		
26,085 units (100 CF)	x \$ 3.92	= 102,253
MONTHLY FIRE PROTECTION		
		4,680
ANNUAL HYDRANT CHARGE		
		<u>12,480</u>
		<u>(138,389)</u>
REQUIRED REVENUE INCREASE (DECREASE)		<u>\$ 3,543</u>

PERCENTAGE INCREASE (DECREASE) OVER EXISTING RATES		<u>2.56%</u>
--	--	--------------

CITY OF EAST GRAND RAPIDS, MICHIGAN

**WATER RATE STUDY
WATER SUPPLY SYSTEM FUND
RATE ANALYSIS - TASK NO. 26**

INTEGRATED SYSTEM REVENUE REQUIREMENTS *		\$	758,765
COMMODITY CHARGE			
(100CF) 674,155 units	x	\$ 1.10	741,571
			<hr/>
REQUIRED COMMODITY REVENUE INCREASE (DECREASE)		\$	<u>17,194</u>
NON-INTEGRATED SYSTEM REVENUE REQUIREMENTS		\$	231,765
MONTHLY SERVICE CHARGE			
\$11,864	x	12 MONTHS	142,368
			<hr/>
REQUIRED SERVICE REVENUE INCREASE (DECREASE)		\$	<u>89,397</u>
PERCENTAGE INCREASE (DECREASE) OVER EXISTING RATES			<u>12.06%</u>

* NET OF INTEGRATED CONNECTION FEE CREDIT.

CITY OF EAST GRAND RAPIDS, MICHIGAN

**WATER RATE STUDY
WATER SUPPLY SYSTEM FUND
RATE ANALYSIS - TASK NO. 27**

SYSTEM REVENUE REQUIREMENTS	\$ 990,530
NEW COMMODITY CHARGE *	
674,155 x \$1.13 =	(761,795)
	<hr/>
	<u>\$ 228,735</u>

MONTHLY SERVICE CHARGE * = \$ 228,735 / 12 = \$19,061

* NEW RATES EFFECTIVE ON JANUARY 1, 2009

ADA TOWNSHIP
WATER RATE STUDY
WATER SUPPLY SYSTEM FUND
RATE ANALYSIS - TASK NO. 26

INTEGRATED SYSTEM REVENUE REQUIREMENTS *	\$	902,138
COMMODITY CHARGE		
(100CF) 744,550 units x \$ 1.17		871,124
		871,124
REQUIRED COMMODITY REVENUE INCREASE (DECREASE)	\$	31,014
NON-INTEGRATED SYSTEM REVENUE REQUIREMENTS	\$	466,989
MONTHLY SERVICE CHARGE		
\$32,831 x 12 MONTHS		393,972
		393,972
REQUIRED SERVICE REVENUE INCREASE (DECREASE)	\$	73,017
PERCENTAGE INCREASE (DECREASE) OVER EXISTING RATES		8.22%

* NET OF INTEGRATED CONNECTION FEE CREDIT.

ADA TOWNSHIP
WATER RATE STUDY
WATER SUPPLY SYSTEM FUND
RATE ANALYSIS - TASK NO. 27

SYSTEM REVENUE REQUIREMENTS	\$ 1,369,127
NEW COMMODITY CHARGE *	
744,550 x \$1.21 =	(900,906)
	<hr/>
	<u>\$ 468,221</u>

MONTHLY SERVICE CHARGE * = \$468,221 / 12 = \$39,018

* NEW RATES EFFECTIVE ON JANUARY 1, 2009

OTTAWA COUNTY
WATER RATE STUDY
WATER SUPPLY SYSTEM FUND
RATE ANALYSIS - TASK NO. 26

INTEGRATED SYSTEM REVENUE REQUIREMENTS	\$ 1,184,225
COMMODITY CHARGE	
(100CF) 986,566 units x \$ 1.18	1,164,148

REQUIRED COMMODITY REVENUE INCREASE (DECREASE)	<u>\$ 20,077</u>
NON-INTEGRATED SYSTEM REVENUE REQUIREMENTS	\$ -
MONTHLY SERVICE CHARGE	
\$198 x 12 MONTHS	2,376

REQUIRED SERVICE REVENUE INCREASE (DECREASE)	<u>\$ (2,376)</u>
PERCENTAGE INCREASE (DECREASE) OVER EXISTING RATES	<u>1.52%</u>

OTTAWA COUNTY
WATER RATE STUDY
WATER SUPPLY SYSTEM FUND
RATE ANALYSIS - TASK NO. 27

SYSTEM REVENUE REQUIREMENTS	\$ 1,184,225
NEW COMMODITY CHARGE *	
986,566 x \$1.20 =	(1,183,879)
	<hr/>
	<u>\$ 346</u>

MONTHLY SERVICE CHARGE * = \$ 346 / 12 = \$29

* NEW RATES EFFECTIVE ON JANUARY 1, 2009

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: October 11, 2008

TO: Mike Wolski
Financial Analyst

FROM:  Rick DeVries, P.E.
Assistant City Engineer

SUBJECT: **WATER RATE STUDY - TASK NO. 28 AND 29**

Enclosed are the Front Foot Rates for Watermain (Task 28) and the costs for the Water Service Pipes (Task 29), for the Fiscal Year 2008.

RDV/dv

Enclosures

cc: Jack Stegehuis
Mark Garvey

**CITY OF GRAND RAPIDS, MICHIGAN
WATER SUPPLY SYSTEM FUND
RE-EVALUATE FRONT FOOT CHARGES
TASK NO. 28**

The City Engineer's Office has reviewed current construction costs for water facilities and recommends the following front foot assessment rates:

	<u>2008</u>	<u>2009</u>
Domestic Water User	\$ 54.00	\$ 62.00
Commercial-Industrial User (Watermain over 8 in. diameter)	\$ 75.00	\$ 82.00

The rates are based on an average of prices quoted in bid proposals which have been received by the City Engineer's Office during the period July, 2007 through June, 2008. Calculations of the rates are on file in the City Engineer's Office.

**CITY OF GRAND RAPIDS, MICHIGAN
 WATER SUPPLY SYSTEM FUND
 EVALUATE WATER SERVICE CHARGES
 TASK NO. 29**

The City Engineer's Office has evaluated the cost for water services and recommends the following water service charges:

		<u>50 Ft. R.O.W.</u>	<u>60 Ft. R.O.W.</u>	<u>66 Ft. R.O.W.</u>	<u>80 Ft. R.O.W.</u>	<u>100 Ft. R.O.W.</u>
Cost for 1" Water Service	2008	\$ 1,500	\$ 1,700	\$ 1,800	\$ 2,100	\$ 2,550
	2009	\$ 1,750	\$ 2,000	\$ 2,150	\$ 2,550	\$ 3,050
Cost for 1-1/2" Water Service	2008	\$ 2,100	\$ 2,400	\$ 2,550	\$ 2,850	\$ 3,400
	2009	\$ 2,450	\$ 2,750	\$ 2,950	\$ 3,400	\$ 4,000
Cost for 2" Water Service	2008	\$ 2,600	\$ 2,900	\$ 3,100	\$ 3,500	\$ 4,100
	2009	\$ 2,900	\$ 3,250	\$ 3,450	\$ 4,000	\$ 4,700

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MEMORANDUM

CITY OF GRAND RAPIDS

DATE: November 12, 2008

TO: Linda Wagenmaker, Financial Analyst

FROM: Priscilla Jernigan, Utility Supervisor 

SUBJECT: **2008 Water Rate Study – Task #30**

Miscellaneous rates and charges contained within the Water System Rules and Regulations have been reviewed with staff.

Based on this review, some changes are recommended. They are:

- Tapping Permits fees have been increased for 2” and smaller connection sizes to reflect the actual cost incurred
- The “Security Deposit” has been raised to \$480, which is three times the average residential quarterly water/sewer bill of \$160.00.
- Under “Penalties” fees were added for: Unauthorized use of hydrant, Use of illegal connection on hydrant, and Permit infractions/violations

All other fees and charges are recommended to remain the same. This includes the City’s current return check charge of \$25.00, which was verified by the City Treasurer on October 22, 2008.

FEES AND CHARGES

FIRE PROTECTION CHARGES

<u>Pipe Size</u>	<u>Monthly</u>	<u>Quarterly</u>
6"	\$10.00	\$30.00
8"	16.00	48.00
10"	24.00	72.00
12"	36.00	108.00

HYDRANT USE PERMITS

	<u>Fee</u>
Deposit (refundable)	\$250.00
Minimum charge (one week's use).....	50.00
Seasonal permit (flat fee for five weeks and over)	250.00

<u>Connection Size</u>	<u>Fee</u>
3/4"	\$5.00
1"	5.50
1-1/4"	7.00
1-1/2", 2"	8.50

TAPPING PERMITS

<u>Connection Size</u>	<u>Fee</u>
2" and smaller	\$200.00
3" and larger	Cost

METER INSTALLATION & SEASONAL TURN OFF/ON FEES

<u>Meter Size</u>	<u>Fee</u>
3/4" or smaller	\$40.00
1"	45.00
1-1/2"	55.00
2"	60.00
3"	100.00
4"	200.00
6" and larger	250.00

FROZEN/DAMAGED/MISSING METER CHARGES

<u>Meter Size</u>	<u>Fee</u>
3/4" or smaller	\$150.00
1"	200.00
1-1/2" ECR	350.00
1-1/2" Turbo	500.00
2" ECR	450.00
2" Turbo	575.00
3" Turbo	750.00
4"	1400.00
6" and larger	2350.00

METER READING

	<u>Fee</u>
Final reading.....	\$10.00

WATER AND SEWER RATES

Chapter 26 and 27, Grand Rapids City Code

MONTHLY PAYMENT OPTION

	<u>Fee</u>
Service fee each additional month	\$1.00

SECURITY DEPOSIT

	<u>Minimum Charge</u>
Three (3) times average quarterly bill.....	\$480.00

MISCELLANEOUS PERMITS

	<u>Fee</u>
Street opening permit.....	\$25.00
Water inspection permit (each inspection within the City).....	30.00
Water inspection permit (each inspection outside the City)	45.00
Repair in yard permit	20.00

PENALTIES

	<u>Fee</u>
Late-payment penalty.....	10% of net
Processing for shut-off (nonpayment, cross connection).....	\$50.00
Penalty for failure to keep appointment or call back with final meter reading.....	10.00
Unauthorized operation of valves	100.00*
(plus double the commodity rate for estimated volume)	
Unauthorized use of connection pipes for fire protection.....	100.00*
(plus double the commodity rate for estimated volume)	
Unauthorized opening of by-pass valve.....	100.00*
(plus double the commodity rate for estimated volume)	
Unauthorized use of a hydrant.....	100.00*
Use of illegal connection on hydrant.....	500.00
(including loss of connection)	
Failure to return hydrant connection equipment.....	500.00
Lost/non-returned hydrant wrench.....	25.00
Permit infractions/violations.....	100.00*
(plus double with each subsequent infraction)	
Returned check charge (verified with City Treasurer 10/22/08)	25.00
Returned check processing fee (water) per account.....	5.00
Back billing for service rendered	Section III

*Penalty will double with each subsequent infraction.

**CITY OF GRAND RAPIDS, MICHIGAN
WATER RATE STUDY
WATER SUPPLY SYSTEM FUND
TASK NO. 31**

THERE IS NO TASK 31 FOR THE WATER PORTION OF THE RATE STUDY

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: July 25, 2008

TO: Mark DeClercq, P.E.

FROM: Wayne Jernberg, P.E. *WJ*
Hydraulic Engineer – Water System

SUBJECT: 2008 WATER RATE STUDY- TASK #32, WATER MAIN OVERSIZING RATES

Water main oversizing rates are established for this year as noted below:

8 inch to 12 inch	\$13.46 per lineal foot
12 inch to 16 inch	\$17.87 per lineal foot
8 inch to 16 inch	\$31.31 per lineal foot

These rates have been determined in accordance with the Water System Rules and Regulations, and are approved for use from January 1, 2009 through December 31, 2009. Background information and calculations to establish these rates are on file in the Water Engineering, Distribution and Collection Office.

These costs will be reviewed and may be adjusted again next year. If you have any questions regarding this matter, please call me at 456-4055.

WJ

Cc: Mike Wolski
Linda Wagenmaker
Rick DeVries
Bill DeYoung
Joellen Thompson

**CITY OF GRAND RAPIDS, MICHIGAN
 WATER RATE STUDY
 WATER SUPPLY SYSTEM FUND
 TASK NO. 33**

SERVICE AREA MAPS AND SERVICE AREA LAND MASS SUMMARIES

The following summarizes Utility Services Districts (USD) land mass square miles for UAB partner communities, per maps on file as of October 30, 2008:

UAB Partners	Sq. Miles of USD by CC	Percent
Grand Rapids	45.36	33.427%
Walker	25.43	18.740%
Kentwood	14.00	10.317%
Cascade	23.53	17.340%
Grand Rapids Township	14.42	10.626%
Tallmadge Township	2.44	1.798%
East Grand Rapids	3.37	2.483%
Ada	7.15	5.269%
Total	135.70	100.000%

**CITY OF GRAND RAPIDS, MICHIGAN
 WATER RATE STUDY
 WATER SUPPLY SYSTEM FUND
 TASK NO. 34**

INDIVIDUAL CIRCUIT BREAKER AND CITY & CUSTOMER COMMUNITY CIRCUIT BREAKER

The Third Amendment to the Water and Sanitary Sewer Agreements stipulates penalty fees shall be used to fund the circuit breaker provisions noted above. The following summarizes those values:

Description	AMOUNT	PERCENT
Individual Circuit Breaker	\$ 63,534	12.50%
City & Customer Community Circuit Breaker	444,735	87.50%
Total	<u>\$ 508,269</u>	<u>100.00%</u>

The following summarizes the amount, if any, of the City & Customer Community Circuit Breaker to be applied as a revenue credit in next year's Rate Study:

Description	AMOUNT	PERCENT
City & Customer Community Circuit Breaker Amount- Above	\$ 444,735	100.00%
Less: Amount Applied in Current Rate Study	(46,333)	-10.42%
Total Revenue Credit- Next Year's Rate Study	<u>\$ 398,402</u>	<u>89.58%</u>

**CITY OF GRAND RAPIDS, MICHIGAN
SEWAGE DISPOSAL SYSTEM FUND
SYSTEM ADDITIONS AND IMPROVEMENTS
FOR THE YEAR ENDED JUNE 30, 2008
TASKS NO. 1, 2, & 3**

COMMUNITY	LOCAL		TRUNK		INTERCEPTOR		TOTALS	
	FEET	MILES	FEET	MILES	FEET	MILES	FEET	MILES
Grand Rapids								
Construction	6,147	1.16	6,804	1.29	11,392	2.16	24,343	4.61
Abandonment	(8,817)	(1.67)	(4,553)	(0.86)	(9,661)	(1.83)	(23,031)	(4.36)
CSO Construction		0.00		0.00		0.00	0	0.00
CSO Abandonment		0.00		0.00		0.00	0	0.00
	(2,670)	(0.51)	2,251	0.43	1,731	0.33	1,312	0.25
Kentwood								
Construction	414	0.08		0.00		0.00	414	0.08
Abandonment		0.00		0.00		0.00	0	0.00
	414	0.08	0	0.00	0	0.00	414	0.08
Cascade Twp.								
Construction	1,422	0.27	62	0.01		0.00	1,484	0.28
Abandonment		0.00	(58)	(0.01)		0.00	(58)	(0.01)
	1,422	0.27	4	0.00	0	0.00	1,426	0.27
G.R. Twp.								
Construction	754	0.14		0.00		0.00	754	0.14
Abandonment	(657)	(0.12)		0.00		0.00	(657)	(0.12)
	97	0.02	0	0.00	0	0.00	97	0.02
Tallmadge Twp.								
Construction	7,117	1.35	254	0.05		0.00	7,371	1.40
Abandonment		0.00		0.00		0.00	0	0.00
	7,117	1.35	254	0.05	0	0.00	7,371	1.40
Walker								
Construction	1,327	0.25	4,638	0.88	2,122	0.40	8,087	1.53
Abandonment		0.00		0.00		0.00	0	0.00
	1,327	0.25	4,638	0.88	2,122	0.40	8,087	1.53
Wright Twp								
Construction		0.00		0.00		0.00	0	0.00
Abandonment		0.00		0.00		0.00	0	0.00
	0	0.00	0	0.00	0	0.00	0	0.00
TOTAL	7,707	1.46	7,147	1.36	3,853	0.73	18,707	3.55

SEWER COSTS

COMMUNITY	COMMUNITY COST
Grand Rapids	\$ 202,469
Kentwood	23,606
Cascade Twp.	87,511
Grand Rapids Twp.	-
Tallmadge Twp.	756,839
Walker	81,753
Wright Twp.	-
TOTAL	\$ 1,152,178

CITY OF GRAND RAPIDS, MICHIGAN
SEWAGE DISPOSAL SYSTEM FUND
OPERATING EXPENSE ALLOCATION BY COST CENTER - TASK #4, PART 1
FISCAL YEAR ENDED JUNE 30, 2008

ACTIVITY CODE	ACTIVITY	WASTEWATER TREATMENT PLANT		WASTEWATER LIFT STATIONS			SEWER LINES			BULK METERING STATIONS	CUSTOMER ACCOUNTING	INDUSTRIAL PRETREAT.	ADMIN. EXPENSE
		EXPENSE BY ACTIVITY	PLANT	INTERCEPTOR	TRUNK	LOCAL COLLECTOR	INTERCEPTOR	TRUNK	LOCAL COLLECTOR				
4423	WASTEWATER TREATMENT (LESS 442305)	\$ 14,065,959	\$ 13,005,799	\$ 388,556	\$ 157,607	\$ 494,381			\$ 19,616				
4425	SEWER MAINTENANCE	4,103,907					195,387	470,349					
4413	CUSTOMER SERVICE *	2,756,009								2,756,009			
442305	INDUSTRIAL PRETREATMENT	705,646									705,646		
4410	SUBTOTAL OPERATING EXPENSE ADMINISTRATION	21,631,521	13,005,799	388,556	157,607	494,381	195,387	470,349	19,616	2,756,009	705,646		
	TOTAL	\$ 23,800,530	\$ 13,005,799	\$ 388,556	\$ 157,607	\$ 494,381	\$ 195,387	\$ 470,349	\$ 19,616	\$ 2,756,009	\$ 705,646	\$ 2,169,009	

* Reflects adjustment for circuit breaker provisions per the third amendment to W/S service agreements.

METHOD OF DISTRIBUTION

4423	WASTEWATER TREATMENT	100.000%										
	A. TREATMENT PLANT	92.463%										
	B. LIFT & METER STATIONS	7.537%	(58)	(1)	(8)	(45)			(4)			
4425	SEWER MAINTENANCE											
	TOTAL MILES	897.02										
	A. INTERCEPTOR MILES	42.71					4,761%					
	B. TRUNK LINES MILES	102.81					11.461%					
	C. LOCAL COLLECTOR MILES	751.50					83.778%				83.778%	
4413	CUSTOMER SERVICE	100.000%								100.000%		
442305	INDUSTRIAL PRETREATMENT	100.000%									100.000%	
4410	ADMINISTRATION	100.000%										100.000%

CITY OF GRAND RAPIDS, MICHIGAN
SEWAGE DISPOSAL SYSTEM FUND
OPERATING EXPENSE ALLOCATION BY GOVERNMENTAL UNIT - TASK #4, PART 2
FISCAL YEAR ENDED JUNE 30, 2008

COST CENTER	EXPENSE BY COST CENTER	INTEGRATED SYSTEM	RETAIL					WHOLESALE													
			CITY OF GR	CITY OF WALKER	CITY OF KENTWOOD	CASCADE TOWNSHIP	GR TOWNSHIP	TALLMADGE TOWNSHIP	WRIGHT TOWNSHIP	CITY OF EAST GR.	N. KENT AREA	ADA TOWNSHIP	GAINES TOWNSHIP	MEIJER-ALGOMA							
WASTEWATER TREATMENT	\$ 13,005,799	\$ 13,005,799																			
LIFT STATIONS:																					
A. INTERCEPTOR	388,556																				
B. TRUNK	157,607		78,246		19,529																
C. LOCAL COLLECTOR	494,381		103,219		119,980			159,924	30,855	8,087				14,647							
SEWER LINES:																					
A. INTERCEPTOR	195,387		17,841		33,487																
B. TRUNK	470,349		131,119		112,451			22,784	12,949	560											
C. LOCAL COLLECTOR	3,438,171		427,399		333,434			199,689	38,370	20,595											
BULK METERING STATIONS	19,616				2,491																
CUSTOMER ACCOUNTING	2,755,009		203,586		161,171			127,355	4,382	8,571											
INDUSTRIAL PRETREATMENT	705,646	705,646																			
SUBTOTAL OPERATING EXPENSE	21,631,521	13,711,445	961,410	643,034	442,766	585,382	86,556	37,803	2,510	24,992	4,280										
ADMINISTRATIVE EXPENSE	2,169,009	1,374,857	95,401	64,477	44,397	56,691	8,679	3,791	252	2,505	429										
TOTAL	\$ 23,800,530	\$ 15,086,302	\$ 1,057,811	\$ 707,511	\$ 487,163	\$ 622,073	\$ 95,235	\$ 41,594	\$ 2,762	\$ 27,487	\$ 4,709										

METHOD OF DISTRIBUTION

WASTEWATER TREATMENT	A. TREATMENT PLANT	B. LIFT & METER STATIONS (1)	NO. OF STATIONS (58)	(14)	(6)	(1)	(10)	(17)	(5)	(1)	(1)	(2)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
TOTAL MILES:	897.02																			
A. INTERCEPTOR MILES	42.71																			
B. TRUNK LINES MILES	102.81																			
C. LOCAL COLLECTOR MILES	751.50																			
CUSTOMER ACCTG (2)																				
NO. OF METERS	73,712.00																			
INDUSTRIAL PRETREATMENT																				
ADMINISTRATIVE EXPENSE (3)																				

NOTES:
 (1) DIRECT COSTS PER SCHEDULE.
 (2) ALLOCATION BASED ON NUMBER OF METERS, INCLUSIVE OF USERS FOR WRIGHT TWP.
 (3) ALLOCATED ON DIRECT OPERATING EXPENSE, ADJUSTED FOR ANY COST ASSIGNABLE EXCLUSIVELY TO GR OR RETAIL COMMUNITIES, IF APPLICABLE.

CITY OF GRAND RAPIDS, MICHIGAN
SEWAGE DISPOSAL SYSTEM FUND
ADJUSTED OPERATING EXPENSE ALLOCATION BY COST CENTER - TASK #5, PART 1
FISCAL YEAR ENDED JUNE 30, 2008

ACTIVITY CODE	ACTIVITY	ADJUSTED EXPENSE BY ACTIVITY	WASTEWATER TREATMENT PLANT			WASTEWATER LIFT STATIONS			SEWER LINES			BULK METERING STATIONS	CUSTOMER ACCOUNTING	INDUSTRIAL PRETREAT.	ADMIN. EXPENSE
			INTERCEPTOR	TRUNK	COLLECTOR	INTERCEPTOR	TRUNK	COLLECTOR	INTERCEPTOR	TRUNK	COLLECTOR				
4423	WASTEWATER TREATMENT (LESS 442305)	\$ 14,967,075	\$ 13,884,134	\$ 396,905	\$ 160,995	\$ 505,003					\$ 20,038				
4425	SEWER MAINTENANCE	5,039,257													
4413	CUSTOMER SERVICE *	2,899,584							239,919	577,549	4,221,789		2,899,584		
442305	INDUSTRIAL PRETREATMENT	718,586												718,586	
4410	SUBTOTAL OPERATING EXPENSE ADMINISTRATION	23,624,502 2,109,337	13,884,134	396,905	160,995	505,003	239,919	577,549	4,221,789	20,038	2,899,584	718,586			
	TOTAL	\$ 25,733,839	\$ 13,884,134	\$ 396,905	\$ 160,995	\$ 505,003	\$ 239,919	\$ 577,549	\$ 4,221,789	\$ 20,038	\$ 2,899,584	\$ 718,586		\$ 2,109,337	

* Reflects adjustment for circuit breaker provisions per the third amendment to W/S service agreements.

METHOD OF DISTRIBUTION

4423	WASTEWATER TREATMENT	100.000%														
	A. TREATMENT PLANT		92.765%													
	B. LIFT & METER STATIONS	(58)	7.235%	(1)	(3)	(45)										
	NO. OF STATIONS															(4)
4425	SEWER MAINTENANCE	100.000%														
	TOTAL MILES	897.02														
	A. INTERCEPTOR MILES	42.71					4.761%									
	B. TRUNK LINES MILES	102.81					11.461%									
	C. LOCAL COLLECTOR MILES	751.50					83.778%		83.778%							
4413	CUSTOMER SERVICE	100.000%											100.000%			
442305	INDUSTRIAL PRETREATMENT	100.000%												100.000%		
4410	ADMINISTRATION	100.000%														100.000%

**CITY OF GRAND RAPIDS, MICHIGAN
SEWAGE DISPOSAL SYSTEM FUND
ADJUSTED OPERATING EXPENSE ALLOCATION BY GOVERNMENTAL UNIT - TASK #5, PART 2
FISCAL YEAR ENDED JUNE 30, 2008**

COST CENTER	ADJUSTED EXPENSE BY COST CENTER	RETAIL										WHOLESALE								
		CITY OF GR	CITY OF WALKER	CITY OF KENTWOOD	CASCADE TOWNSHIP	GR TOWNSHIP	TALLMADGE TOWNSHIP	WRIGHT TOWNSHIP	CITY OF EAST GR	N. KENT AREA	ADA TOWNSHIP	GAINES TOWNSHIP	MEYER-ALGOMA							
WASTEWATER TREATMENT	\$ 13,884,134																			
LIFT STATIONS:																				
A. INTERCEPTOR	396,905																			
B. TRUNK	61,118	79,928			19,949															
C. LOCAL COLLECTOR	505,003	105,437			122,557	163,360	31,518	8,261							14,962					
SEWER LINES:																				
A. INTERCEPTOR	239,919	21,907	41,120	2,135																
B. TRUNK	577,549	161,003	138,080	49,087	27,976	15,900	676													
C. LOCAL COLLECTOR	4,221,769	524,811	409,429	245,202	313,510	47,115	25,289													
BULK METERING STATIONS	20,038		2,545																	
CUSTOMER ACCOUNTING	2,899,584		214,192	169,568	65,067	133,990	4,610	9,018												
INDUSTRIAL PRETREATMENT	718,586																			
SUBTOTAL OPERATING EXPENSE	23,624,502	14,602,720	1,107,278	760,742	504,007	638,836	99,143	43,244							25,519					4,372
ADMINISTRATIVE EXPENSE	2,109,337	521,080	98,864	67,924	45,001	57,039	8,652	3,861							2,279					390
TOTAL	\$ 25,733,839	\$ 15,906,538	\$ 1,206,142	\$ 828,666	\$ 549,008	\$ 695,875	\$ 107,995	\$ 47,105							\$ 27,798					\$ 4,762

METHOD OF DISTRIBUTION

WASTEWATER TREATMENT																				
A. TREATMENT PLANT	100.000%																			
B. LIFT & METER STATIONS (1)	100.000%																			
NO. OF STATIONS	(58)	(14)	(6)	(1)	(10)	(17)	(5)	(1)	(1)	(1)	(2)	(1)								
SEWER LINES:																				
TOTAL MILES:	897.02																			
A. INTERCEPTOR	100.000%	72.840%	9.131%	17.139%	0.890%	0.000%	0.000%	0.000%												
MILES	42.71	31.11	3.90	7.32	0.38															
B. TRUNK LINES	100.000%	32.000%	27.877%	23.908%	8.501%	4.844%	2.753%	0.117%												
MILES	102.81	32.90	28.66	24.58	8.74	4.98	2.83	0.12												
C. LOCAL COLLECTOR	100.000%	62.922%	12.431%	9.698%	5.908%	7.426%	1.116%	0.599%												
MILES	751.50	472.85	93.42	72.88	43.65	55.81	8.39	4.50												
CUSTOMER ACCTG (2)	100.000%	79.430%	7.387%	5.848%	2.244%	4.621%	0.159%	0.311%												
NO. OF METERS	73,712.00	58,560.00	5,445.00	4,311.00	1,654.00	3,406.00	117.00	229.00												
INDUSTRIAL PRETREATMENT	100.000%																			
ADMINISTRATIVE EXPENSE (3)	100.000%	24.703%	4.687%	3.220%	2.133%	2.704%	0.420%	0.183%												

NOTES:
 (1) ADJUSTED DIRECT COSTS PER SCHEDULE.
 (2) ALLOCATION BASED ON NUMBER OF METERS, INCLUSIVE OF USERS FOR WRIGHT TWP.
 (3) ALLOCATED ON DIRECT OPERATING EXPENSE, ADJUSTED FOR ANY COST ASSIGNABLE EXCLUSIVELY TO GR OR RETAIL COMMUNITIES, IF APPLICABLE.

CITY OF GRAND RAPIDS, MICHIGAN
SEWAGE DISPOSAL SYSTEM FUND
ADJUSTED ACTUAL EXPENSE
YEAR ENDED JUNE 30, 2008
RATE STUDY- TASKS NO. 4 & 5

ORGANIZATIONAL UNIT: 4410- ADMINISTRATION

NO.	EXPENDITURE SUB-OBJECT DESCRIPTION	OPERATING EXPENSES	ADJUSTED COST FACTORS	ADJUSTED CURRENT ANNUAL EXPENSES
703	RETIREE HEALTH CARE	\$ 25,606.29	\$ (8,208.46)	\$ 17,397.83
706	PERMANENT EMPLOYEES	151,073.58	6,873.85	157,947.43
715	EMPLOYERS SOCIAL SECURITY	11,314.77	514.82	11,829.59
717	SPECIAL PENSION BENEFITS	5,649.20	-	5,649.20
719	HOSPITALIZATION INSURANCE	21,441.74	2,504.40	23,946.14
721	LONGEVITY PAY	1,665.72	-	1,665.72
722	RETIREMENT FUND CONTRIBUTION	14,237.30	605.09	14,842.39
	TOTAL PERSONAL SERVICES	<u>230,988.60</u>	<u>2,289.70</u>	<u>233,278.30</u>
728	SUPPLIES	713.17	-	713.17
	TOTAL SUPPLIES	<u>713.17</u>	<u>-</u>	<u>713.17</u>
810	BAD DEBT WRITE-OFFS	12,541.68	-	12,541.68
814	COMPUTER SERVICES	526,357.96	-	526,357.96
818	CONTRACTUAL SERVICES	61,694.66	-	61,694.66
872	PROFESSIONAL DEVELOPMENT	7,538.49	-	7,538.49
873	OTHER TRAVEL AND TRAINING	3,387.22	-	3,387.22
874	LOCAL BUSINESS EXPENSE	3,119.95	-	3,119.95
875	MEMBERSHIPS	2,086.76	-	2,086.76
876	PUBLICATIONS AND SUBSCRIPTIONS	392.34	-	392.34
900	PRINTING & PUBLISHING	968.12	-	968.12
912	CLAIMS/GENERAL INSURANCE	222,792.00	(24,658.00)	198,134.00
919	INSURANCE PREMIUMS	98,507.00	-	98,507.00
928	TELEPHONE	3,750.23	-	3,750.23
942	BUILDINGS RENTALS OR LEASE	24,686.99	-	24,686.99
947	VEHICLE RENTAL/CAR MILEAGE	6,299.17	-	6,299.17
	TOTAL OTHER SERVICES & CHARGES	<u>974,122.57</u>	<u>(24,658.00)</u>	<u>949,464.57</u>
999	OPERATING TRANSFERS OUT	963,185.00	(37,304.00)	925,881.00
	TOTAL TRANSFERS/FEES	<u>963,185.00</u>	<u>(37,304.00)</u>	<u>925,881.00</u>
	ORGANIZATIONAL UNIT TOTAL	<u>\$ 2,169,009.34</u>	<u>\$ (59,672.30)</u>	<u>\$ 2,109,337.04</u>

**CITY OF GRAND RAPIDS, MICHIGAN
SEWAGE DISPOSAL SYSTEM FUND
ADJUSTED ACTUAL EXPENSE
YEAR ENDED JUNE 30, 2008
RATE STUDY- TASKS NO. 4 & 5**

ORGANIZATIONAL UNIT: 4413- SDSF- CUST.SERV'S

EXPENDITURE SUB-OBJECT		OPERATING	ADJUSTED	ADJUSTED
NO.	DESCRIPTION	EXPENSES	COST	CURRENT
			FACTORS	ANNUAL
				EXPENSES
999	OPERATING TRANSFERS OUT *	\$ 2,756,009.00	\$ 143,575.38	\$ 2,899,584.38
	TOTAL TRANSFERS/FEEES	<u>2,756,009.00</u>	<u>143,575.38</u>	<u>2,899,584.38</u>
	ORGANIZATIONAL UNIT TOTAL	<u>\$ 2,756,009.00</u>	<u>\$ 143,575.38</u>	<u>\$ 2,899,584.38</u>

* Reflects adjustment for circuit breaker provisions per the third amendment to W/S service agreements.

CITY OF GRAND RAPIDS, MICHIGAN
SEWAGE DISPOSAL SYSTEM FUND
ADJUSTED ACTUAL EXPENSE
YEAR ENDED JUNE 30, 2008
RATE STUDY- TASKS NO. 4 & 5

ORGANIZATIONAL UNIT: 4423- WASTEWATER

NO.	EXPENDITURE SUB-OBJECT DESCRIPTION	OPERATING EXPENSES	ADJUSTED COST FACTORS	ADJUSTED CURRENT ANNUAL EXPENSES
703	RETIREE HEALTH CARE	\$ 609,657.71	\$ (191,817.58)	\$ 417,840.13
706	PERMANENT EMPLOYEES	3,631,538.39	165,235.00	3,796,773.39
707	TEMPORARY EMPLOYEES	5,356.18	243.71	5,599.89
708	SHIFT DIFFERENTIAL	10,248.16	-	10,248.16
709	TIME & ONE-HALF	65,365.09	2,974.11	68,339.20
710	ACT.ASSIGNMENT	11,341.36	516.03	11,857.39
713	WORKER'S COMP SUPPLEMENT	10,842.00	493.31	11,335.31
714	REGULAR HOURLY RATE	2,898.21	131.87	3,030.08
715	EMPLOYERS SOCIAL SECURITY	285,511.26	12,990.76	298,502.02
719	HOSPITALIZATION INSURANCE	903,237.13	105,498.10	1,008,735.23
721	LONGEVITY PAY	36,622.28	-	36,622.28
722	RETIREMENT FUND CONTRIBUTION	434,359.30	18,460.27	452,819.57
	TOTAL PERSONAL SERVICES	<u>6,006,977.07</u>	<u>114,725.58</u>	<u>6,121,702.65</u>
728	SUPPLIES	1,216,527.19	(15,150.00)	1,201,377.19
768	CLOTHING/CLEANING ALLOWANCE	6,282.43	-	6,282.43
780	INVENTORY - COST OF GOODS SOLD	23,418.72	-	23,418.72
	TOTAL SUPPLIES	<u>1,246,228.34</u>	<u>(15,150.00)</u>	<u>1,231,078.34</u>
814	COMPUTER SERVICES	2,918.00	-	2,918.00
818	CONTRACTUAL SERVICES	3,775,067.32	680,000.00	4,455,067.32
835	FEES	26,834.24	-	26,834.24
872	PROFESSIONAL DEVELOPMENT	2,838.63	-	2,838.63
873	OTHER TRAVEL AND TRAINING	14,278.58	-	14,278.58
874	LOCAL BUSINESS EXPENSE	116.00	-	116.00
875	MEMBERSHIPS	6,449.00	-	6,449.00
876	PUBLICATIONS AND SUBSCRIPTIONS	394.00	-	394.00
900	PRINTING & PUBLISHING	946.47	-	946.47
921	ELECTRICITY	1,994,284.16	121,540.00	2,115,824.16
922	WATER	84,227.46	-	84,227.46
923	GAS	288,518.90	-	288,518.90
928	TELEPHONE	184,295.94	-	184,295.94
930	MAINTENANCE REPAIR	240,971.30	-	240,971.30
943	EQUIPMENT RENTALS OR LEASE	168,997.73	-	168,997.73
947	VEHICLE RENTAL/CAR MILEAGE	4,432.32	-	4,432.32
959	REFUSE COLLECTION CHARGES	1,584.40	-	1,584.40
	TOTAL OTHER SERVICES & CHARGES	<u>6,797,154.45</u>	<u>801,540.00</u>	<u>7,598,694.45</u>
982	EQUIPMENT	15,599.23	-	15,599.23
	TOTAL CAPITAL	<u>15,599.23</u>	<u>-</u>	<u>15,599.23</u>
	ORGANIZATIONAL UNIT TOTAL	<u>\$ 14,065,959.09</u>	<u>\$ 901,115.58</u>	<u>\$ 14,967,074.67</u>

CITY OF GRAND RAPIDS, MICHIGAN
SEWAGE DISPOSAL SYSTEM FUND
ADJUSTED ACTUAL EXPENSE
YEAR ENDED JUNE 30, 2008
RATE STUDY- TASKS NO. 4 & 5

ORGANIZATIONAL UNIT: 442305- IND. PRETREATMENT

EXPENDITURE SUB-OBJECT		OPERATING	ADJUSTED	ADJUSTED
NO.	DESCRIPTION	EXPENSES	COST	CURRENT
			FACTORS	ANNUAL
				EXPENSES
703	RETIREE HEALTH CARE	\$ 65,119.55	\$ (19,571.55)	\$ 45,548.00
706	PERMANENT EMPLOYEES	395,562.69	17,998.10	413,560.79
707	TEMPORARY EMPLOYEES	776.64	35.34	811.98
709	TIME & ONE-HALF	1,753.84	79.80	1,833.64
710	ACT.ASSIGNMENT	108.04	4.92	112.96
715	EMPLOYERS SOCIAL SECURITY	30,599.92	1,392.30	31,992.22
719	HOSPITALIZATION INSURANCE	93,353.69	10,903.71	104,257.40
721	LONGEVITY PAY	4,310.77	-	4,310.77
722	RETIREMENT FUND CONTRIBUTION	49,351.36	2,097.43	51,448.79
	TOTAL PERSONAL SERVICES	<u>640,936.50</u>	<u>12,940.05</u>	<u>653,876.55</u>
728	SUPPLIES	25,306.42	-	25,306.42
730	POSTAGE	1,912.60	-	1,912.60
768	CLOTHING/CLEANING ALLOWANCE	294.50	-	294.50
	TOTAL SUPPLIES	<u>27,513.52</u>	<u>-</u>	<u>27,513.52</u>
810	BAD DEBT WRITE-OFFS	4,916.11	-	4,916.11
818	CONTRACTUAL SERVICES	7,533.97	-	7,533.97
873	OTHER TRAVEL AND TRAINING	2,407.81	-	2,407.81
875	MEMBERSHIPS	903.83	-	903.83
900	PRINTING & PUBLISHING	3,297.10	-	3,297.10
943	EQUIPMENT RENTALS OR LEASE	18,137.04	-	18,137.04
	TOTAL OTHER SERVICES & CHARGES	<u>37,195.86</u>	<u>-</u>	<u>37,195.86</u>
	ORGANIZATIONAL UNIT TOTAL	<u>\$ 705,645.88</u>	<u>\$ 12,940.05</u>	<u>\$ 718,585.93</u>

CITY OF GRAND RAPIDS, MICHIGAN
SEWAGE DISPOSAL SYSTEM FUND
ADJUSTED ACTUAL EXPENSE
YEAR ENDED JUNE 30, 2008
RATE STUDY- TASKS NO. 4 & 5

ORGANIZATIONAL UNIT: 4425- REPAIR & MAINTENANCE

EXPENDITURE SUB-OBJECT		OPERATING	ADJUSTED	ADJUSTED
NO.	DESCRIPTION	EXPENSES	COST	CURRENT
			FACTORS	ANNUAL
				EXPENSES
703	RETIREE HEALTH CARE	\$ 202,554.74	\$ (63,147.93)	\$ 139,406.81
706	PERMANENT EMPLOYEES	1,209,280.75	55,022.27	1,264,303.02
707	TEMPORARY EMPLOYEES	7.05	0.32	7.37
708	SHIFT DIFFERENTIAL	15.21	-	15.21
709	TIME & ONE-HALF	97,438.45	4,433.45	101,871.90
710	ACT.ASSIGNMENT	8,957.63	407.57	9,365.20
713	WORKER'S COMP SUPPLEMENT	10,286.00	468.01	10,754.01
714	REGULAR HOURLY RATE	1,197.01	54.46	1,251.47
715	EMPLOYERS SOCIAL SECURITY	102,353.18	4,657.07	107,010.25
719	HOSPITALIZATION INSURANCE	332,157.32	38,795.97	370,953.29
721	LONGEVITY PAY	14,658.58	-	14,658.58
722	RETIREMENT FUND CONTRIBUTION	140,637.25	5,977.08	146,614.33
	TOTAL PERSONAL SERVICES	<u>2,119,543.17</u>	<u>46,668.27</u>	<u>2,166,211.44</u>
728	SUPPLIES	185,545.04	-	185,545.04
768	CLOTHING/CLEANING ALLOWANCE	5,008.85	-	5,008.85
780	INVENTORY - COST OF GOODS SOLD	268.50	-	268.50
	TOTAL SUPPLIES	<u>190,822.39</u>	<u>-</u>	<u>190,822.39</u>
814	COMPUTER SERVICES	2,829.03	-	2,829.03
818	CONTRACTUAL SERVICES	786,715.00	887,851.00	1,674,566.00
872	PROFESSIONAL DEVELOPMENT	1,200.00	-	1,200.00
873	OTHER TRAVEL AND TRAINING	650.00	-	650.00
875	MEMBERSHIPS	250.00	-	250.00
876	PUBLICATIONS AND SUBSCRIPTIONS	312.25	-	312.25
900	PRINTING & PUBLISHING	513.38	-	513.38
912	CLAIMS	197,588.79	-	197,588.79
921	ELECTRICITY	10,376.11	830.00	11,206.11
922	WATER	5,647.65	-	5,647.65
923	GAS	20,068.00	-	20,068.00
928	TELEPHONE	4,720.02	-	4,720.02
930	MAINTENANCE REPAIR	24,893.84	-	24,893.84
931	HOME REPAIR	14,451.00	-	14,451.00
943	EQUIPMENT RENTALS OR LEASE	672,329.88	-	672,329.88
945	LAND RENTAL OR LEASE	3,691.38	-	3,691.38
947	VEHICLE RENTAL/CAR MILEAGE	1,201.92	-	1,201.92
959	REFUSE COLLECTION CHARGES	139.50	-	139.50
	TOTAL OTHER SERVICES & CHARGES	<u>1,747,577.75</u>	<u>888,681.00</u>	<u>2,636,258.75</u>
999	OPERATING TRANSFERS OUT	45,963.96	-	45,963.96
	TOTAL TRANSFERS/FEES	<u>45,963.96</u>	<u>-</u>	<u>45,963.96</u>
	ORGANIZATIONAL UNIT TOTAL	<u>\$ 4,103,907.27</u>	<u>\$ 935,349.27</u>	<u>\$ 5,039,256.54</u>

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MEMORANDUM

CITY OF GRAND RAPIDS

DATE: October 10, 2008

TO: Eric R. DeLong
Deputy City Manager

FROM: Michael Wolski 
Utility Financial Officer

SUBJECT: FY 2008 OPERATING EXPENSES- SEWAGE PUMPING STATIONS

The attached schedule allocates the direct cost for operating and maintaining system pumping and metering stations. The operating expense consists of direct labor, utilities, operating and maintenance supplies, repairs and maintenance and vehicle rental.

The overflow regulators are components of the integrated system and subsequently not included herein.

MW

Attachment

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**CITY OF GRAND RAPIDS, MICHIGAN
INVENTORY OF SEWAGE PUMPING/METER STATIONS
FOR THE YEAR ENDED JUNE 30, 2008**

<u>Station</u>	<u>Physical Location</u>	<u>Type</u>	<u>FY'08 Expenses</u>
Market Avenue	Grand Rapids	Interceptor	\$ 388,556
Millbank	Grand Rapids	Local	3,170
Eastlake	Grand Rapids	Local	9,010
Eastern	Grand Rapids	Trunk	5,427
Middleboro	Grand Rapids	Trunk	17,314
Oak Hollow	Grand Rapids Twmsp	Local	15,105
Kingsbury	Walker	Trunk	23,347
Bona Vista	Grand Rapids	Trunk	25,136
Aberdeen	Grand Rapids	Local	10,086
O'Brien	Walker	Trunk	36,054
Leonard Heights	Walker	Trunk	18,845
Guild	Grand Rapids	Local	5,917
Orchard Vista	Cascade Twmsp	Local	8,179
Brookview	Grand Rapids	Trunk	11,955
Remembrance Road	Walker	Local	89,868
Kraft Avenue	Cascade Twmsp	Local	20,984
Thornapple	Cascade Twmsp	Trunk	19,529
Thornhills	Cascade Twmsp	Local	19,792
Greenbrier	Grand Rapids Twmsp	Local	12,540
Shore Haven	Grand Rapids Twmsp	Local	7,300
Ada	Ada	Local	14,647
Robinhood	Grand Rapids Twmsp	Local	15,938
Lincoln School	Grand Rapids Twmsp	Local	4,952
Reeds Lake Blvd.	Grand Rapids Twmsp	Local	14,670
6000 28th Street	Cascade Twmsp	Local	8,074
Ada	Ada	Meter	10,335
East Grand Rapids	East Grand Rapids	Meter	2,510
Brandau *	North Kent	Meter	-
Briggs *	North Kent	Meter	-
Gaines Township	Gaines Township	Meter	4,280
Kentwood	Kentwood	Meter	2,491
Alpine Township Meter *	Alpine Township (NK)	Meter	-
Rickman Avenue	Grand Rapids	Local	11,220
Michigan Street	Grand Rapids	Local	6,582
Eagle Crest	Grand Rapids Twmsp	Local	15,790
East Paris	Grand Rapids Twmsp	Local	8,985
Alpine Estates	Walker	Local	9,452
Elmdale	Grand Rapids	Local	2,836
Collindale	Walker	Local	3,899
Saddleback	Grand Rapids Twmsp	Local	6,791
Arbor Hills Lift Station	Grand Rapids Twmsp	Local	5,872
Cypress Trails	Grand Rapids Twmsp	Local	4,538
Bird Avenue	Grand Rapids Twmsp	Local	21,619
Valentine	Grand Rapids Twmsp	Local	2,907
Cascade Springs	Cascade Twmsp	Local	15,657
Churchill Downs	Grand Rapids	Local	5,204
Woodsboro Court	Grand Rapids Twmsp	Local	3,012
Meadowood Trails	Cascade Twmsp	Local	3,221
Stonebridge	Grand Rapids Twmsp	Local	5,945
Burton/Cacade	Cascade Twmsp	Local	30,484
Crahen	Grand Rapids Twmsp	Local	6,846
Jonathan Woods	Cascade Twmsp	Local	4,992
Watermark	Cascade Twmsp	Local	8,597
Mountain Ash	Tallmadge Twmsp	Local	8,115
Reeds Hollow	Grand Rapids Twmsp	Local	7,114
16th Avenue Lift Station	Marne	Local	8,087
Hayes West Lift Station	Tallmadge	Local	8,906
Hayes East Lift Station	Tallmadge	Local	5,669
8th & Leonard LS	Tallmadge	Local	6,358
Summit Ridge LS	Grand Rapids	Local	3,644
Lake Michigan Estates	Tallmadge	Local	1,807
			\$ 1,060,160

* Test period expenses adjusted to \$0, given North Kent & Meijer-Algoma service areas shall no longer be serviced by Grand Rapids System.

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: November 10, 2008

TO: Mike Wolski
Utility Financial Officer

FROM: Scott Buhner 
Chief Financial Officer

SUBJECT: 2008 SEWER RATE STUDY ANNUAL EXPENSE ADJUSTMENTS-TASK #5

Attached are adjustments to test period actual operating expenses to be included in Task #5 of the Sewer Rate Study.

**CITY OF GRAND RAPIDS
SEWER DISPOSAL SYSTEM FUND
RATE STUDY TASK NO. 5
NOTES TO ADJUSTED CURRENT ANNUAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2008**

Sub-Object – 703

The factor to establish calendar year 2009's retiree health care cost is 10.90%. The total of calendar year 2009's wages (sub-object 706) and longevity (sub-object 721) multiplied by this factor will establish the cost for calendar year 2009.

Sub-Object – 704, 705, 706, 707, 709, 710, 713, 714, 718, 723, 724

The wage increase factor to translate FY2008 actual costs to estimated calendar 2009 will be 4.55%. All labor contracts had expired by 6/30/07.

Sub-Object – 715

Increase FY2008 actual FICA expense by 4.55% to account for the effect of the wage increases.

Sub-Object – 719

Increase FY2008 health insurance actual by 11.68% to reflect rate changes effective in FY2009.

Sub-Object – 722

Increase FY2008 actual pension expense by 4.25% to reflect the effect of a General Pension rate change decrease from 12.36% to 12.12% and an estimated wage increase of 4.55%.

Sub-Object – 999

Administration – Adjust FY2008 actual cost to reflect adjustments in charges for central services rendered by the Insurance Payment Fund and the General Operating Fund.

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: October 10, 2008

TO: Eric R. DeLong
Deputy City Manager

FROM: Michael Wolski 
Utility Financial Officer

SUBJECT: 2008 SEWER RATE STUDY- TASK #5- KNOWN COST
INCREASES/DECREASES

Known cost increases by which to adjust FY08 operating costs include fund carry-forwards for projects that were not completed prior to June 30, 2008, are as follows:

<u>ACCOUNT</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
4425-818	Compliance Envirosystems	\$ 236,280
4425-818	National Power Rodding	651,571

MW

srs\stask5 2008

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: September 30, 2008

TO: Mike Wolski
Utility Financial Officer

FROM: Randall Fisher *Randall Fisher*
Environmental Services Manager

SUBJECT: **2008 SEWER RATE STUDY- TASK #5- KNOWN COST INCREASES/DECREASES**

Known cost increases/decreases by which to adjust actual FY08 operating line-item costs include increases for the start-up of the GVRBA project (+\$770,000), increases for electrical rate increase (+\$160,372) and decreases for the elimination of North Kent Service Area flows (-\$143,150) are as follows:

<u>DESCRIPTION</u>	<u>ACCOUNT</u>	<u>AMOUNT</u>
Electrical Rate Increase	WWTP- 4423-921	\$ 159,540
	SS Maintenance- 4425-921	830
GVRBA Project	WWTP- 4423-818	680,000
	WWTP- 4423-921	90,000
North Kent Service Area	WWTP- 4423-728	(15,150)
	WWTP- 4423-921	(128,000)

Please contact me if you have any questions. Thank you.

RF/MW

srs\stask5-Sew-NK-Bio-Elec- 2008

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: October 10, 2008

TO: Eric R. DeLong
Deputy City Manager

FROM: Michael Wolski 
Utility Financial Officer

SUBJECT: 2008 SEWER RATE STUDY- TASK #6

The Sewage Disposal System Fund's revenues and volumes by governmental unit for the year ended June 30, 2008 are disclosed on the following page. In addition, actual volume comparisons for the past five (5) years by governmental unit are included herein.

MW

Attachment

srs\stask6 2008

**CITY OF GRAND RAPIDS, MICHIGAN
SEWAGE DISPOSAL SYSTEM FUND
TASK NO. 6**

DETERMINE SEWAGE VOLUME AND REVENUE BY GOVERNMENTAL ENTITY FOR THE YEAR ENDED JUNE 30, 2008:

RETAIL:	SALES REVENUE		VOLUME BILLED
	METERED SALES	SURCHARGES	(GALLONS)
CITY OF GRAND RAPIDS (1)	\$ 26,552,282.05	\$ 490,392.67	5,858,480,364
CITY OF WALKER	3,026,098.71	41,532.31	731,426,564
CITY OF KENTWOOD	2,645,424.81	300,800.39	1,080,423,168
CASCADE TOWNSHIP	1,546,090.82	13,595.84	353,527,240
GRAND RAPIDS TOWNSHIP	1,656,301.99		321,565,948
TALLMADGE TOWNSHIP	198,737.53		13,339,084
WRIGHT TOWNSHIP (2)	267,151.05	13,957.41	17,254,174
SUB-TOTAL RETAIL (3)	<u>\$ 35,892,086.96</u>	<u>\$ 860,278.62</u>	<u>8,376,016,542</u>
WHOLESALE:			
CITY OF E. GRAND RAPIDS	\$ 539,093.07		429,911,700
NORTH KENT AREA (4)	1,988,830.32		-
ADA TOWNSHIP	516,473.96	389,774.99	320,564,928
GAINES TOWNSHIP	128,098.13		103,611,700
MEIJER - ALGOMA (4)	5,459.93		-
SUB-TOTAL WHOLESALE	<u>\$ 3,177,955.41</u>	<u>\$ 389,774.99</u>	<u>854,088,328</u>
TOTAL	<u>\$ 39,070,042.37</u>	<u>\$ 1,250,053.61</u>	<u>9,230,104,870</u>

REVENUE CLASSIFICATION:

4410 - 607054 ADA SEWAGE SERVICE CHARGE	\$ 516,473.96
4410 - 607055 RETAIL SEWAGE SERVICE CHARGE	35,811,462.35
4410 - 607056 WYOMING SEWAGE SERVICE CHARGE	80,624.61
4410 - 607058 NORTH KENT SEWAGE SERVICE CHARGE	1,988,830.32
4410 - 607060 E. GRAND RAPIDS SEWAGE SERVICE CHARGE	539,093.07
4410 - 607062 GAINES TWP SEWAGE SERVICE CHARGE	128,098.13
4410 - 607014 MEIJER-ALGOMA SEWAGE SERVICE CHARGE	5,459.93
4423 - 607074 SEWAGE SURCHARGE	1,250,053.61
	<u>\$ 40,320,095.98</u>

- (1) THE VOLUME & DOLLAR AMOUNT FOR THE CITY OF WYOMING ARE INCLUDED IN THE GRAND RAPIDS TOTALS.
- (2) CHARGES TO USERS IN WRIGHT TOWNSHIP ARE BASED ON A REU (RESIDENTIAL EQUIVALENT UNIT) CHARGE, IN LIEU OF COMMODITY & MONTHLY SERVICE CHARGES, AND AS SUCH DOES NOT RECORD ANY BILLED VOLUME IN RETAIL SERVICE CHARGES TO WRIGHT TOWNSHIP. THE AMOUNT INCLUDED ABOVE REFLECTS THE ESTIMATED BILLED VOLUME BASED ON THE WWTP'S LIFT STATION PUMPING REPORT FOR FY 2008.
- (3) A REVENUE ACCRUAL OF \$1,068,672 (251,832,374 GALLONS) HAS BEEN PRORATED TO ALL RETAIL CUSTOMER COMMUNITIES HAVING COMMODITY RATES TO ACCRUE BILLINGS FROM THE LAST READING DATE THROUGH JUNE 30, 2008.
- (4) NORTH KENT AND MEIJER-ALGOMA SERVICE AREA VOLUMES OF 1,463,339,240 AND 6,505,560, RESPECTIVELY, WERE ADJUSTED OUT TO RECOGNIZE SERVICE FOR THOSE AREAS FOR CALENDAR 2009 SHALL BE DONE BY NORTH KENT'S NEW WASTEWATER TREATMENT PLANT.

**CITY OF GRAND RAPIDS, MICHIGAN
SEWAGE DISPOSAL SYSTEM FUND
2008 RATE STUDY TASK NO. 6**

VOLUME COMPARISONS FOR FIVE (5) YEARS BY GOVERNMENTAL UNIT
VOLUME = 1,000 GALLONS

MUNICIPALITY	FY04		FY05		FY06		FY07		FY08		FY04-FY08	
	VOL BILLED	% CHANGE	VOL BILLED	% CHANGE	VOL BILLED	% CHANGE						
GRAND RAPIDS	6,254,185	-2.05%	6,125,981	0.55%	6,159,389	-6.31%	5,770,856	-3.84%	5,858,480	1.52%	5,858,480	-6.33%
WALKER	719,570	10.04%	791,795	8.69%	740,908	-6.43%	712,455	-3.81%	731,427	2.66%	731,427	1.65%
KENTWOOD	1,019,952	1.18%	1,032,023	3.92%	1,121,707	8.69%	1,078,991	-0.75%	1,080,423	0.13%	1,080,423	5.93%
CASCADE	329,210	3.92%	342,131	1.77%	350,540	7.02%	347,896	-3.77%	353,527	1.62%	353,527	7.39%
GRAND RAPIDS TWP	292,933	16.31%	298,115	4.09%	319,053	-11.23%	307,009	19.16%	321,566	-6.79%	321,566	9.77%
TALLMADGE	9,404	10.93%	10,938	16.31%	13,406	22.56%	11,725	-12.54%	13,339	13.77%	13,339	41.84%
WRIGHT TWP *	16,811	17.49%	17,499	4.09%	15,534	-11.23%	18,511	19.16%	17,254	-6.79%	17,254	2.64%
EAST GRAND RAPIDS	462,732	-5.64%	436,613	3.51%	462,344	5.89%	470,257	1.71%	429,912	-8.58%	429,912	-7.09%
NORTH KENT AREA	1,461,954	3.51%	1,513,329	3.51%	1,511,948	-0.09%	1,487,393	-1.62%	1,463,339	-1.62%	1,463,339	0.09%
ADA TWP	305,816	4.62%	319,934	4.62%	327,601	2.40%	316,064	-3.52%	320,565	1.42%	320,565	4.82%
GAINES TWP	104,762	7.12%	112,218	7.12%	103,447	-7.82%	106,535	2.99%	103,612	-2.74%	103,612	-1.10%
MEIJER - ALGOMA	5,041	N/A	3,848	N/A	6,493	68.74%	7,528	15.94%	6,506	-13.58%	6,506	N/A
TOTAL	10,982,370	0.20%	11,004,424	1.16%	11,132,370	1.16%	10,635,220	-4.47%	10,699,950	0.61%	10,699,950	-2.57%

* FLOW ESTIMATED INITIAL YEAR.

GRAND RAPIDS VOLUME COMPARED TO
CUSTOMER COMMUNITIES

VOLUME = 1,000 GALLONS	FY04		FY05		FY06		FY07		FY08	
	% OF TOTAL	VOL BILLED								
GRAND RAPIDS	56.95%	6,125,981	55.67%	6,159,389	55.33%	5,770,856	54.26%	5,858,480	54.75%	5,858,480
CUSTOMER COMMUNITIES	43.05%	4,878,443	44.33%	4,972,981	44.67%	4,864,364	45.74%	4,841,470	45.25%	4,841,470
TOTAL	100.00%	11,004,424	100.00%	11,132,370	100.00%	10,635,220	100.00%	10,699,950	100.00%	10,699,950

**CITY OF GRAND RAPIDS, MICHIGAN
SEWER RATE STUDY
SEWAGE DISPOSAL SYSTEM FUND
TASK NO. 7**

OPERATING REVENUES OTHER THAN WASTEWATER RECEIPTS:

4410-476009	INDUSTRIAL PRETREATMENT PERMITS	\$ 55,425.78
4410-607001	MISCELLANEOUS SERVICE FEES	4,818.67
4410-607057	INDUSTRIAL DISCHARGE AUTHORIZATION	35,194.21
4410-607043	PRELIM/DESIGN/CONSTR ENGINEERING	77,874.19
4410-658002	PAYMENT IN LIEU OF FINES	-
		<u>\$ 173,312.85</u>

CREDIT: UNDERUTILIZATION OF PENALTY CREDIT FROM PREVIOUS YEAR	<u>\$ 19,327.00</u>
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OTHER OPERATING REVENUES NOT INCLUDED:

CAPITAL CONTRIBUTION

4410-607061	SEWAGE FRONT FOOTAGE	\$ 119,441.52
	AUDITOR'S ADJUSTMENT	-
		<u>\$ 119,441.52</u>

4410-607059	INTEGRATED SEWER CONNECTION	<u>\$ 960,322.50</u>
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MEMORANDUM

CITY OF GRAND RAPIDS

DATE: October 20, 2008

TO: Michael Wolski
Utility Financial Officer

FROM: Randy Fisher
Environmental Services Manager

SUBJECT: 2008 SEWER RATE STUDY- TASK #8

Randy Fisher

No significant changes in operating levels are anticipated to take effect by January 1, 2009, which would require adjustments to operating costs for the test period. Operating costs are anticipated to decrease, however, given the absence of flows from the North Kent and Meijer-Algoma service areas for calendar year 2009. The cost decrease (\$143,150) is enumerated by line-item of expenditure in my Task #5 memo.

RF\MW

srs\stask8 2008

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: October 20, 2008

TO: Michael Wolski
Utility Financial Officer

FROM: Randy Fisher
Environmental Services Manager

SUBJECT: 2008 SEWER RATE STUDY- TASK #9



No significant changes in overall sewer revenues are anticipated to take effect by January 1, 2008, which would require an adjustment to operating revenue estimates as a whole. However, please follow through with appropriate revisions as necessary recognizing the absence of North Kent and Meijer-Algoma Service Areas as system customers for calendar year 2009 given North Kent's new wastewater plant.

RF\MW

srs\stask9 2008

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: October 21, 2008

TO: Michael Wolski
Utility Financial Officer

FROM: Charles R. Schroeder, PE
Hydraulic Engineer 

SUBJECT: 2008 SEWER RATE STUDY- TASK #10

The following are major sewage system projects that for rate study purposes should be considered operative as of January 1, 2009.

<u>Description</u>	<u>Location</u>	<u>Amount</u>
Middleboro Gravity Sewer	Grand Rapids Township	\$1,465,602
Middleboro Gravity Sewer	Grand Rapids	721,863
Indian Mill Creek	Grand Rapids/Walker	497,191
Knapp St.- Wyndham Hill Dr/City Limit	Grand Rapids	95,417
Reeds Lake LS Forcemain	Grand Rapids	698,300
Reeds Lake LS Forcemain	Grand Rapids Township	240,214
Reeds Lake LS- Bld/Equip	Grand Rapids Township	926,900
Monroe Ave- Frank to Palmer - Partial	Grand Rapids	594,169
MARB Pump Gallery Area	Grand Rapids-Integrated	792,297
Lake Dr- Fulton/Abney	Grand Rapids	346,135
Oakes- Commerce/Division	Grand Rapids	95,134
WWTP- Chemical Storage Tanks	Grand Rapids-Integrated	1,033,916
MAPS Diversion Chamber Imp's	Grand Rapids	1,403,053
Richmond- Tamarack/Alpine	Grand Rapids	417,986
Franklin Trans WM- Contract 1	Grand Rapids	1,505,525
WWTP- Portable Emerg Generators	Grand Rapids-Integrated	244,750

CRS\MW

srs\stask10 2008

**CITY OF GRAND RAPIDS, MICHIGAN
SEWAGE DISPOSAL SYSTEM FUND
TASK NO. 11**

"COMPUTE ACCUMULATED COST, DEPRECIATION AND DEPRECIATION EXPENSE AS OF JUNE 30, 2008"

INTEGRATED SYSTEM

	ORIGINAL COST	ACCUMULATED DEPRECIATION	DEPRECIATION EXPENSE
LAND	\$ 1,041,867	\$ -	\$ -
LAND IMPROVEMENTS	14,868,609	9,974,055	628,637
BUILDINGS & STRUCTURES	47,778,004	24,182,310	868,877
PROCESS EQUIPMENT	53,555,992	24,699,264	1,395,526
AUXILIARY EQUIPMENT	25,493,574	21,921,421	240,591
MACHINERY & EQUIPMENT	4,867,536	4,081,563	149,312
OFFICE EQUIPMENT & FURNITURE	628,067	604,920	16,166
	<u>\$ 148,233,649</u>	<u>\$ 85,463,533</u>	<u>\$ 3,299,109</u>

NON-INTEGRATED SYSTEM

	ORIGINAL COST	ACCUMULATED DEPRECIATION	DEPRECIATION EXPENSE
LAND	\$ 1,310,287		
LAND IMPROVEMENTS	2,445,149	237,041	121,739
BUILDINGS & STRUCTURES	7,208,829	1,524,337	142,165
PROCESS EQUIPMENT	12,963,986	3,146,896	382,860
AUXILIARY EQUIPMENT	3,610,169	1,348,480	156,919
MACHINERY & EQUIPMENT	1,517,261	332,600	149,741
OFFICE EQUIPMENT & FURNITURE	68,632	59,481	4,576
SERVICEMAINS - GRAND RAPIDS	259,147,120	60,594,877	4,724,721
SERVICEMAINS - WALKER	36,537,686	9,933,077	609,743
SERVICEMAINS - KENTWOOD	24,774,829	9,861,970	495,261
SERVICEMAINS - CASCADE TWP	17,254,651	5,311,715	333,591
SERVICEMAINS - GRAND RAPIDS TWP	14,789,529	4,575,917	292,318
SERVICEMAINS - TALLMADGE TWP	5,674,112	556,364	98,345
SERVICEMAINS - WRIGHT TWP	125,288	6,264	2,506
	<u>\$ 387,427,528</u>	<u>\$ 97,489,019</u>	<u>\$ 7,514,485</u>
TOTAL	<u>\$ 535,661,177</u>	<u>\$182,952,552</u>	<u>\$ 10,813,594</u>

SOURCE: FINAL GENERAL LEDGER, AS ADJUSTED, FOR JUNE 30, 2008.

**CITY OF GRAND RAPIDS, MICHIGAN
SEWER RATE STUDY
SEWAGE DISPOSAL SYSTEM FUND
TASK NO. 12**

TASK 12A DETERMINE WORKING CAPITAL NEEDS FOR MATERIALS AND SUPPLIES ON HAND.

MATERIALS AND SUPPLIES INVENTORY AS OF JUNE 30, 2008: \$ 1,344,917

TASK 12B DETERMINE WORKING CAPITAL NEEDS FOR PREPAYMENT OF OPERATING COSTS.

NO REQUIREMENT FOR PREPAYMENT OF OPERATING COSTS IS CALLED FOR IN THE ORDINARY CYCLE OF BUSINESS.

TASK 12C DETERMINE CASH WORKING CAPITAL NEEDS & DETERMINE TOTAL WORKING CAPITAL NEEDS.

MINIMUM CASH WORKING CAPITAL IS DEFINED AS THE SUM OF 90 DAYS ADJUSTED OPERATING EXPENSES.

ADJUSTED CURRENT ANNUAL EXPENSES = \$25,733,839 @ 90/365 = \$ 6,345,330

TOTAL WORKING CAPITAL NEEDS CONSIST OF THE FOLLOWING:

	12A INVESTMENT IN INVENTORY	\$	1,344,917
	12B PREPAYMENT OF OPERATING EXPENSES		-
	12C 90 DAY OPERATING EXPENSES		6,345,330
			6,345,330
		\$	7,690,247

**SEWER RATE STUDY
SEWAGE DISPOSAL SYSTEM FUND
ZONEGATED FACILITIES
TASK #13
October 10, 2008**

Lengths and cost of all interceptor and trunk sewer mains that are jointly used were allocated according to the percentage of flow from contributing communities per the "Report on Sewage Flow Allocation and Zoning of the Sewage System for Fiscal Year 2002" (B&V zoning report), as adjusted for FY08 characteristics. Jointly used pumping stations were also prorated based on B&V zoning report. All zoning work papers are on file at the Coldbrook Complex. Maps are on file in the City Engineer's Office.

MW

srs\stask13 2008

CITY OF GRAND RAPIDS, MICHIGAN
SEWER RATE STUDY
SEWAGE DISPOSAL SYSTEM FUND

METHODOLOGY FOR I/I & OTHER FLOW APPORTIONMENT - TASK NO. 13

	MILLION GALLONS
1.) ANNUAL WASTEWATER TREATMENT PLANT FLOW *	15,170.84
LESS: WHOLESALE BILLED FLOW *	(854.08)
LESS: RETAIL BILLED FLOW * <i>Excludes NK & MJR-Alpha flows</i>	(8,376.02)
TOTAL RETAIL I/I & OTHER FLOW	5,940.74
2.) RETAIL INFLOW FROM SEPARATED AREAS (A)	473.54
RETAIL INFLOW FROM COMBINED AREAS - AMOUNT ESTIMATED (A)	631.96
LESS: ANNUAL BYPASS FROM (3) PUMPING STATIONS	-
LESS: IN-SYSTEM BYPASS & RETENTION BASIN OVERFLOW	(0.89)
TOTAL RETAIL INFLOW	1,104.61
3.) RETAIL INFILTRATION:	
TOTAL RETAIL I/I & OTHER FLOW	5,940.74
LESS: TOTAL RETAIL INFLOW (#2)	(1,104.61)
LESS: MARKET AVE RETENTION BASIN (MARB) CAPTURE	4,836.13
TOTAL RETAIL INFILTRATION & OTHER FLOW	(105.14)
4.) ALLOCATION OF RETAIL INFILTRATION & OTHER FLOW - APPORTIONED ON THE BASIS OF B&V SUMMARY OF 1997 MONITORED FLOW DATA (B)	4,730.99

	MILLION GALLONS
GOVERNMENTAL UNIT(S)	
UTILITY PARTNERS	4,730.99
TOTAL	4,730.99

	PRORATA SHARE OF RETAIL INFILTRA- TION & OTHER
	100.0000%
	100.0000%

(A) BASED ON RECORDED RAINFALL @ WWTP & APPORTIONED PER BLACK & VEATCH'S SUMMARY OF 1997 MONITORED FLOW DATA.
(B) BASED ON INFILTRATION & OTHER FLOW APPORTIONED IN PREVIOUS YEAR & ADJUSTED FOR SYSTEM ADDITIONS & IMPROVEMENTS
IN EACH CUSTOMER COMMUNITY.

CITY OF GRAND RAPIDS, MICHIGAN
SEWER RATE STUDY
SEWAGE DISPOSAL SYSTEM FUND
METHODOLOGY FOR I/I & OTHER FLOW APPORTIONMENT - TASK NO. 13 (CONTINUED)

5.) SUMMARY: (IN MILLION GALLONS)	BILLED FLOW (TASK #6)	INFLOW (#2 ABOVE)	INFILTRATION & OTHER FLOW (#4 ABOVE)	MARB (A) (#3 ABOVE)	TOTAL PLANT FLOW	PERCENT OF TOTAL	TOTAL PLANT FLOW (MGD)
GOVERNMENTAL UNIT(S)	9,126.49	1,104.61	4,730.99	103.96	15,066.05	99.3093%	41.2769
UTILITY PARTNERS	103.61	-	-	1.18	104.79	0.6907%	0.2871
GAINES TWP	9,230.10	1,104.61	4,730.99	105.14	15,170.84	100.0000%	41.5640
TOTAL							

(A) BASED ON BILLED FLOW (TASK #6).

MEMORANDUM

CITY OF GRAND RAPIDS

Date: October 1, 2008

To: Michael Wolski
Utility Financial Officer

From: Randall Fisher
Environmental Services Manager *Randall Fisher*

Subject: FY08 Wastewater Plant Flow Data

Listed below is the flow data for the last completed fiscal year. Compared to last years report the plant flow decreased by 11.15% from 18,729.23 million gallons treated in FY07 to 16,640.68 million gallons treated in FY08.

Month data	Total MG
July	1211.88
August	1336.31
September	1154.27
October	1226.39
November	1119.6
December	1242.38
January	1486.38
February	1579.74
March	1638.91
April	1840.1
May	1382.56
June	1422.16
Total	16640.68*

Fiscal year data

Wastewater Treatment Plant (WWTP) avg. daily flow (MG)*	45.5909
Rainfall recorded at WWTP (inches)	28.82
In-System overflows (MG) (report attached)	0.889
Market Avenue Retention Basin (MARB) inflow (MG)	105.14
Market Avenue Retention Basin (MARB) overflow (MG)	0.00

*Performa Total Plant Flow and Average Daily Flow, 15,170.84 MGY and 41.5639 MGD, respectively, as adjusted to eliminate billed flow for North Kent & Meijer Algoma service areas.

Copy
Mark DeClercq, City Engineer

0860.doc

SUMMARY FOR
 YEAR: FY2008

CITY OF GRAND RAPIDS, MICHIGAN
 LONG TERM OVERFLOW MONITORING REPORT
 OVERFLOW VOLUME SUMMARY
 FISCAL YEAR 2008

Overflow Date	Rainfall Inches(1)	Pumping Station Overflows				West Side Ditch MG	In-System Overflows		Total Overflow Volume MG
		MAPS(2) MG(5)	F/W(3) MG	MARB(4) MG	Total MG		Monitored MG	Modeled MG	
7/10/2007	0.13	0.000	0.000	0.000	0.000	0.000	<0.001	0.000	0.000
8/12/2007	0.7	0.000	0.000	0.000	0.000	0.000	0.007	0.000	0.007
8/20/2007	1.42	0.000	0.000	0.000	0.000	0.000	0.077	0.000	0.077
8/22/2007	0.82	0.000	0.000	0.000	0.000	0.000	0.034	0.000	0.034
10/18/2007	0.39	0.000	0.000	0.000	0.000	0.000	0.008	0.000	0.008
12/2/2007	0.77	0.000	0.000	0.000	0.000	0.000	0.002	0.000	0.002
3/31/2008	1.21	0.000	0.000	0.000	0.000	0.000	0.019	0.000	0.019
4/9/2008	0.48	0.000	0.000	0.000	0.000	0.000	0.005	0.000	0.005
5/2/2008	0.8	0.000	0.000	0.000	0.000	0.000	0.165	0.000	0.165
5/30/2008	0.44	0.000	0.000	0.000	0.000	0.000	0.002	0.000	0.002
6/5/2008	0.51	0.000	0.000	0.000	0.000	0.000	0.054	0.000	0.054
6/6/2008	0.5	0.000	0.000	0.000	0.000	0.000	0.027	0.000	0.027
6/7/2008	3.08	0.000	0.000	0.000	0.000	0.000	0.427	0.000	0.427
6/8/2008	3.08	0.000	0.000	0.000	0.000	0.000	0.061	0.000	0.061
6/13/2008	0.14	0.000	0.000	0.000	0.000	0.000	0.001	0.000	0.001
		0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
		0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
		0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
		0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
		0.000	0.000	0.000	0.000	-0.000	0.000	0.000	0.000
								Total	0.889

- (1) Rain gauge at WWTP
- (2) Market Avenue Pumping Station
- (3) Front/Wealthy Pumping Station
- (4) Market Avenue Retention Basin
- (5) MG = Million Gallons

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: October 31, 2008

TO: Michael Wolski
Utility Financial Officer

FROM: Charles R. Schroeder, PE
Hydraulic Engineer 

SUBJECT: 2008 SEWER RATE STUDY – TASK14

Zonegating maps for the sewage system are included in the "Report on Sewage Flow Allocation and Zonegating of the Sewage System" from Black & Veatch, Ltd dated September 2003. The report also contains comprehensive information with respect to the basis for zonegating service mains and other system components, such as lift stations, that service more than one community. The zonegating model has been adjusted to recognize that flows for the test period from the North Kent and Meijer-Algoma service areas will no longer be treated by the City's WWTP- those flows will be treated by the NKSA new wastewater treatment plant as of January 1, 2009.

CRS\MW

srs\stask14 2008

**CITY OF GRAND RAPIDS, MICHIGAN
SEWER RATE STUDY
SEWAGE DISPOSAL SYSTEM FUND
TASK NO. 15**

COMPUTE CONSTRUCTION COST RATE BASE (DEPRECIATED PLANT, PLUS WORKING CAPITAL, LESS CSO REVENUE REQUIREMENTS FOR CSO FIXED ASSETS INCLUDED IN TASK #11/21, LESS CONTRIBUTIONS BY OTHERS).

ORIGINAL CONSTRUCTION COST	- TASK #10	\$ 11,078,452	
	- TASK #11	535,661,177	
	- TASK #16/21	<u>(168,697,502)</u>	\$ 378,042,127
LESS: ACCUMULATED DEPRECIATION	- TASK #10	\$ -	
	TASK #11	182,952,552	
	TASK #16/21	<u>(28,304,509)</u>	<u>(154,648,043)</u>
			223,394,084
WORKING CAPITAL REQUIREMENT	- TASK #12	\$ 7,690,247	
			<u>7,690,247</u>
			231,084,331
CONTRIBUTIONS BY OTHERS	- TASK #21	\$ 179,242,966	
LESS: AMORTIZATION		(101,122,438)	
			<u>(78,120,528)</u>
CONSTRUCTION COST RATE BASE			<u><u>\$ 152,963,803</u></u>

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: October 23, 2008

TO: Michael E. Wolski
Utility Financial Officer

FROM: Linda Wagenmaker *LW*
Financial Analyst

**SUBJECT: 2008 SEWER RATE STUDY TASK #15A
INTEGRATED SEWER CONNECTION FEES**

Attached is the Integrated Sewer Connection Fee Schedule as currently provided for in Chapter 27 of the City Code, with the addition of rates to be effective on January 1, 2009. The City Commission on June 27, 2000 established fees through calendar year 2004. Beginning January 1, 2005, the integrated sewer connection fees are to be calculated on a yearly basis as part of the annual Water/Sewer Rate Study. The Consumer Price Index used to determine rates effective January 1, 2009 is as follows:

August, 2008 Index	219.086
August, 2007 Index	207.917
Increase	11.169
Percentage increase	5.37%

LW

Attachment

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Section 2.96 Integrated Sewer Connection Fee Schedule

When a property owner or user is requested or required to connect to the System and has not previously paid or been assessed a connection fee, the following connection fee schedule shall apply:

Integrated Connection Base Fee Schedule

Water Meter Size (inches)	<u>1/01/08</u>	<u>1/01/09</u>
3/4 or less	\$ 2,500	\$ 2,650
1	4,150	4,400
1 ½	8,300	8,750
2	13,300	14,050
3	29,150	30,750
4	52,450	55,300
6 and over	116,600	122,950

Except as otherwise provided in the immediately succeeding paragraph, the foregoing integrated sewer connection base fee schedule 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 twenty thousand (20,000) square feet shall pay the applicable integrated connection fee in accordance with the foregoing schedule. When determining the square footage of a residential parcel for the purposes of determining the appropriate integrated connection fee, parcel size may be adjusted downward to take into consideration such things as wetlands, lakes, streams and other unusual characteristics of the parcel in accordance with policies approved from time to time by the Utility Advisory Board. To the extent the size of a parcel, as adjusted, is greater than or less than twenty thousand (20,000) square feet, one-half the applicable integrated connection fee will increase or decrease by the same percentage increase or decrease in the parcel above or below twenty thousand (20,000) square feet. 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, as adjusted, 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 foregoing schedule.

There shall be no upward adjustment in the integrated sewer service connection fee payable for a single-family residential dwelling unit connecting to the Sewer System if (a) each of the following conditions are met (1) a building permit shall have been obtained, (2) the dwelling unit shall have been constructed, and (3) a certificate of occupancy shall have been issued prior to January 1, 2000 or (b) local building permit fees have been paid to the local governmental unit prior to January 1, 2000 for a single-family residential dwelling unit to be

constructed on or after January 1, 2000. When connecting to the Sewer System, Users living in or owning such single-family residential dwelling units shall pay the applicable base integrated connection fee set forth in the Integrated Connection Base Fee Schedule adjusted downward, if applicable, in accordance with the immediate preceding paragraph.

Effective January 1, 2005 and January 1st of every year thereafter, the Integrated Sewer Connection Base Fees shall be adjusted by a percentage, which is determined by the annual change in the Consumer Price Index (the "index") calculated as follows:

- (1) The Consumer Price Index shall be that Index referred to as the Consumer Price Index, US City Average, All Urban Consumers, published by the U.S. Department of Labor-Bureau of Statistics ((1982-84)=100). In the event the method of determining the Index is substantially altered, the basis for determining the annual change thereafter shall be the Index which is most comparable to the Index described above.
- (2) For the purpose of computing the percentage change each calendar year, the Index for the month of August for the prior calendar year shall be subtracted from the Index for the immediately-preceding August. The result so obtained (if positive) shall be divided by the Index for the month of August for the prior calendar year to obtain the percentage increase which shall be applied to the then current Integrated Sewer Connection Base Fee Schedule to determine the new calendar year schedule.

The foregoing Integrated Connection fee is due and payable at the time a User receives a permit to connect to the Sewer System. A permit issued by the City to connect to the Sewer System shall expire one hundred eighty (180) days from the date the permit was issued.

The user receiving services who applies for a larger water meter than the one presently in service shall pay an Integrated Connection Fee which is the difference in cost between the meter size in service and the one applied for in accordance with the Integrated Connection Fee in effect at the time of application. No credit or rebate shall be made in the case of application for a smaller meter size.

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CITY OF GRAND RAPIDS, MICHIGAN
SEWER RATE STUDY
SEWAGE DISPOSAL SYSTEM FUND
CSO REVENUE REQUIREMENTS - TASK 16
PRINCIPAL & INTEREST ON REVENUE BONDS & SRF
DEBT FOR CALENDAR YEAR 2009 - ACCRUAL BASIS

DATE	SRF/REVENUE REFERENCE	5073-SERIES	REVENUE BONDS			STATE REVOLVING FUNDS			TOTAL			TOTAL PRINCIPAL & INTEREST
			PRINCIPAL	INTEREST	EST. FEES	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	
07/01/09	N/A	1998	(1)	\$ 674,160.54	\$ 1,250.00							\$ 675,410.54
01/01/10	N/A	1998	(1)	\$ 1,357,620.00	1,250.00							\$ 1,357,620.00
07/01/09	N/A	2004	(2)	704,250.00	600.00							704,850.00
01/01/10	N/A	2004	(2)	704,250.00	600.00							704,850.00
07/01/09	N/A	2005	(3)	524,400.00	800.00							525,200.00
01/01/10	N/A	2005	(3)	524,400.00	800.00							525,200.00
07/01/09	N/A	2008	(4)	590,550.00	900.00							591,450.00
01/01/10	N/A	2008	(4)	440,000.00	900.00							591,450.00
04/01/09	01	1991					\$ 70,000.00	\$ 1,750.00	(5)	0.00	1,750.00	1,750.00
10/01/09	SRF							3,500.00		70,000.00	3,500.00	73,500.00
04/01/10								1,400.00	(5)	0.00	1,400.00	1,400.00
04/01/09	02/03	1992A					795,000.00	20,600.00	(5)	0.00	20,600.00	20,600.00
10/01/09	SRF							41,200.00		795,000.00	41,200.00	836,200.00
04/01/10								16,625.00	(5)	0.00	16,625.00	16,625.00
04/01/09	04	1992B						2,475.00	(5)	0.00	2,475.00	2,475.00
10/01/09	SRF						95,000.00	4,950.00		95,000.00	4,950.00	99,950.00
04/01/10								2,000.00	(5)	0.00	2,000.00	2,000.00
04/01/09	06	1993A						15,025.00	(5)	0.00	15,025.00	15,025.00
10/01/09	SRF						580,000.00	30,050.00		580,000.00	30,050.00	610,050.00
04/01/10								12,125.00	(5)	0.00	12,125.00	12,125.00
04/01/09	07	1993B						14,800.00	(5)	0.00	14,800.00	14,800.00
10/01/09	SRF						505,000.00	29,600.00		505,000.00	29,600.00	534,600.00
04/01/10								12,275.00	(5)	0.00	12,275.00	12,275.00
04/01/09	09	1994A						18,300.00	(5)	0.00	18,300.00	18,300.00
10/01/09	SRF						610,000.00	36,600.00		610,000.00	36,600.00	646,600.00
04/01/10								15,250.00	(5)	0.00	15,250.00	15,250.00
04/01/09	10	1994B						12,825.00	(5)	215,000.00	12,825.00	227,825.00
10/01/09	SRF							21,350.00		0.00	21,350.00	21,350.00
04/01/10								10,675.00	(5)	222,500.00	10,675.00	233,175.00
04/01/09	11	1995A						9,628.38	(5)	115,716.34	9,628.38	125,344.72
10/01/09	SRF							16,653.14		0.00	16,653.14	16,653.14
04/01/10								8,326.57	(5)	115,716.34	8,326.57	124,042.91
04/01/09	12	1995B						8,803.13	(5)	0.00	8,803.13	8,803.13
10/01/09	SRF							17,606.25		180,000.00	17,606.25	197,606.25
04/01/10								7,790.63	(5)	0.00	7,790.63	7,790.63
									\$5,301,552.68	\$5,386,004.18	\$10,687,556.86	

(1) PRORATED AMOUNT OF 1998 ISSUE RELATED TO CSO DEBT

(2) DS ON ES CSO PORTION OF 2004 ISSUE. (\$28.17M)

(3) DS ON ES CSO PORTION OF 2005 ISSUE. (\$21.355M)

(4) DS ON ES CSO PORTION OF 2008 ISSUE. (\$24.805M)

(5) PRORATED FOR APPLICABLE THREE (3) MONTH PERIOD IN CALENDAR YEAR 2009

**CITY OF GRAND RAPIDS, MICHIGAN
SEWER RATE STUDY
SEWAGE DISPOSAL SYSTEM FUND
TASK NO. 16A**

INCLUDE PROJECT COST ESTIMATES FOR UPCOMING SYSTEM IMPROVEMENTS (NON-INTEGRATED)

THE ESTIMATED TOTAL PROJECT COST FOR RECOMMENDED SEWAGE SYSTEM IMPROVEMENTS ARE SUMMARIZED IN THE FOLLOWING TABLE.

ITEM NO.	DESCRIPTION	ESTIMATED COST
1	SADDLEBACK SEWER	\$ 19,971,000
2	SILVER CREEK TRUNK IMPROVEMENTS	5,750,000
3	FULTON/FULLER SANITARY SEWER	4,500,000
4	COLDBROOK CREEK SANITARY SEWER	5,750,000
		<u>\$ 35,971,000</u>

NOTE: NONE OF THE PROJECTS ABOVE ARE INCLUDED IN RECOMMENDED REVENUE REQUIREMENTS FOR CALENDAR YEAR 2008.

**CITY OF GRAND RAPIDS, MICHIGAN
SEWER RATE STUDY
SEWAGE DISPOSAL SYSTEM FUND
TASK NO. 17**

BONDS - PRINCIPAL & INTEREST PAYMENTS

FISCAL YEAR ENDING JUNE 30,	CASH BASIS		
	PRINCIPAL	INTEREST	PRIN & INT
2009	\$ 2,795,000.00	\$ 9,341,282.48	\$ 12,136,282.48
2010	4,125,000.00	11,123,325.02	15,248,325.02
2011	4,325,000.00	10,924,375.02	15,249,375.02
2012	4,530,000.00	10,722,306.26	15,252,306.26
2013	4,745,000.00	10,514,818.76	15,259,818.76
2014	4,975,000.00	10,293,418.76	15,268,418.76
2015	5,210,000.00	10,059,137.52	15,269,137.52
2016	5,460,000.00	9,806,000.02	15,266,000.02
2017	5,725,000.00	9,545,868.76	15,270,868.76
2018	6,015,000.00	9,261,443.76	15,276,443.76
2019	6,340,000.00	8,943,818.76	15,283,818.76
2020	6,670,000.00	8,608,993.76	15,278,993.76
2021	6,960,000.00	8,265,493.76	15,225,493.76
2022	9,820,000.00	7,902,543.76	17,722,543.76
2023	10,720,000.00	7,393,393.76	18,113,393.76
2024	11,255,000.00	6,868,987.52	18,123,987.52
2025	11,805,000.00	6,316,756.26	18,121,756.26
2026	12,390,000.00	5,737,050.00	18,127,050.00
2027	13,005,000.00	5,131,850.00	18,136,850.00
2028	13,640,000.00	4,496,887.50	18,136,887.50
2029	8,075,000.00	3,829,800.00	11,904,800.00
2030	8,485,000.00	3,426,050.00	11,911,050.00
2031	8,915,000.00	3,001,800.00	11,916,800.00
2032	9,365,000.00	2,556,050.00	11,921,050.00
2033	9,845,000.00	2,087,800.00	11,932,800.00
2034	10,345,000.00	1,595,550.00	11,940,550.00
2035	10,255,000.00	1,078,300.00	11,333,300.00
2036	3,800,000.00	598,750.00	4,398,750.00
2037	3,990,000.00	408,750.00	4,398,750.00
2038	4,185,000.00	209,250.00	4,394,250.00

**CITY OF GRAND RAPIDS, MICHIGAN
SEWER RATE STUDY
SEWAGE DISPOSAL SYSTEM FUND
TASK NO. 18**

DETERMINE SEWER SYSTEM EQUITY IN THE CONSTRUCTION COST RATE BASE BY
SUBTRACTING NON-CSO DEBT OUTSTANDING FROM THE TOTAL RATE BASE.

CONSTRUCTION COST RATE BASE - TASK NO. 15	\$ 152,963,803
LESS: BONDED INDEBTEDNESS (ACCRUAL) - TASK NO. 17 / 20	(95,460,851)
NET SEWER SYSTEM EQUITY	<u>\$ 57,502,952</u>

**CITY OF GRAND RAPIDS, MICHIGAN
SEWER RATE STUDY
SEWAGE DISPOSAL SYSTEM FUND
RATE OF RETURN ON EQUITY - TASK NO. 19**

AT THE APRIL 5, 1977, COMMITTEE OF THE WHOLE MEETING, THE CITY COMMISSION DECIDED THE LEVEL OF RETURN ON SEWER SYSTEM EQUITY. THE LEVEL DECIDED UPON WAS ONE PERCENT MORE THAN THE AVERAGE BOND BUYER'S INDEX OF MUNICIPAL BONDS FOR THE PREVIOUS TWELVE MONTH PERIOD.

BOND BUYER'S INDEX OF 20 MUNICIPAL BONDS

<u>DATE</u>	<u>RATE</u>	<u>DATE</u>	<u>RATE</u>
11-Oct-07	4.480%	10-Apr-08	4.610%
18-Oct-07	4.390%	17-Apr-08	4.620%
25-Oct-07	4.330%	24-Apr-08	4.680%
01-Nov-07	4.400%	01-May-08	4.630%
08-Nov-07	4.540%	08-May-08	4.620%
15-Nov-07	4.530%	15-May-08	4.530%
20-Nov-07	4.450%	22-May-08	4.520%
29-Nov-07	4.390%	29-May-08	4.620%
06-Dec-07	4.380%	05-Jun-08	4.590%
13-Dec-07	4.460%	12-Jun-08	4.690%
20-Dec-07	4.390%	19-Jun-08	4.760%
27-Dec-07	4.440%	26-Jun-08	4.830%
03-Jan-08	4.320%	02-Jul-08	4.670%
10-Jan-08	4.210%	10-Jul-08	4.560%
17-Jan-08	4.150%	17-Jul-08	4.650%
24-Jan-08	4.290%	24-Jul-08	4.770%
31-Jan-08	4.390%	31-Jul-08	4.740%
07-Feb-08	4.330%	07-Aug-08	4.750%
14-Feb-08	4.470%	14-Aug-08	4.670%
21-Feb-08	4.660%	21-Aug-08	4.640%
28-Feb-08	5.110%	28-Aug-08	4.680%
06-Mar-08	4.920%	04-Sep-08	4.620%
13-Mar-08	4.940%	11-Sep-08	4.540%
19-Mar-08	4.880%	18-Sep-08	5.030%
27-Mar-08	4.960%	25-Sep-08	5.230%
03-Apr-08	4.900%	02-Oct-08	5.360%
		<u>52 WEEKS</u>	<u>4.622%</u>

**CITY OF GRAND RAPIDS, MICHIGAN
SEWER RATE STUDY
SEWAGE DISPOSAL SYSTEM FUND
TASK NO. 20**

DETERMINE COMPOSITE RATE OF RETURN ON CONSTRUCTION COST RATE BASE

	RATE BASE		RATE OF RETURN		RETURN ON INVESTMENT
SEWER SYSTEM EQUITY IN THE CONSTRUCTION COST RATE (CCR) BASE	\$ 57,502,952	@	5.622%	=	\$ 3,232,816
SEWER SYSTEM INDEBTEDNESS (NON-CSO) IN THE CONSTRUCTION COST RATE BASE					
1998 ISSUE (REFIN. AMT. OF 1990 ISSUE)	16,167,953	@	5.060%	=	818,098
1998 ISSUE	31,975,000	@	5.060%	=	1,617,935
2004 ISSUE	8,555,000	@	4.970%	=	425,184
2005 ISSUE	28,230,000	@	4.900%	=	1,383,270
2008 ISSUE	10,532,898	@	4.920%	=	518,219
LESS INTEREST ON BOND RESERVE AND REPLACEMENT ACCOUNTS					(118,020)
	\$ 152,963,803				\$ 7,877,502
COMPOSITE RATE OF RETURN ON INVESTMENT			\$ 7,877,502	=	5.150%
			152,963,803		

CITY OF GRAND RAPIDS, MICHIGAN
SEWAGE DISPOSAL SYSTEM FUND
CONSTRUCTION COST & ACCUMULATED DEPRECIATION- TASK NO. 21- PART2
FISCAL YEAR ENDED JUNE 30, 2009

CONSTRUCTION COST

COST CENTER	AMOUNT	WHOLESALE										TOTAL			
		INTEGRATED SYSTEM	CITY OF GR	CITY OF WALKER	CITY OF KENTWOOD	CITY OF CASCADE	GR TOWNSHIP	TALLMADGE TOWNSHIP	WRIGHT TOWNSHIP	CITY OF EAST GR	N. RENT AREA		ADA TOWNSHIP	GAINES TOWNSHIP	WEILER-ALGOMA
BY PHYSICAL LOCATION- TASK 11		\$ 148,233,649	\$ 284,219,594	\$ 38,627,930	\$ 24,774,828	\$ 17,775,066	\$ 15,703,715	\$ 6,031,058	\$ 196,346	\$ 261,907	\$ 261,907	\$ 715,561	\$ 945,344	\$ 945,344	\$ 3,535,861,177
ADD-IN SERVICE- TASK 10		2,070,963	5,896,239	376,554											11,074,452
MARINE CONNECTOR AGREEMENT			(211,513)												(635,000)
TASK 11/1621- CSO FA AMT			(160,897,502)				2,532,716	(915,311)	(76,116)						(160,897,502)
LIFT STATIONS / CHAMBERS:															
FULLER-BROOKVIEW	\$ 1,250,893		(395,162)												
FULTON- MIDDLEBORROW	37,963		(37,407)				395,162								
WEALTHY ST EXT. CHAMBER	498,953		(102,470)	97,464			37,407	5,016							
MARKET	11,833,819		12,436	12,148			24	284							
VANPORTUJET	44,816		1,771,740	1,771,740			333,886	23,198	29,945						
REMEMBRANCE /3 MILE	1,166,641		6,155	(180,258)				15,085	165,173						
16th AVENUE	71,058														
HAYES- WEST	141,105							(141,105)	141,105						
HAYES- EAST	215,841														
O'BRIEN	546,532		21,954	(47,756)				25,802							
KINGSBURY	209,291														
LEONARD-HEIGHTS	122,964														
THORNAPPLE	224,216														
ROBINHOOD	118,407														
ROBINHOOD	178,360														
CASCADE SPRINGS	65,478														
SHOREHAVEN	72,602														
EAGLE CREST	152,332														
GREENBRIER (NEW GRT)	48,486														
LINCOLN SCHOOL (NEW GRT)	42,250														
FEEDS LAKE (NEW GRT-110)	928,900														
KRAFT	72,602														
ORCHARD VISTA (NEW CAS)	39,712														
BIRD AVE-ALPINE ESTATES	96,659														
EAST PARIS	323,478														
SERVICEMANS			19,381,535	4,044,819	(756,634)	1,419,886	1,670,314	78,551	1,011,537	261,907	715,561	945,344	945,344		
ADJUSTED BY ZONEGATING		\$ 150,304,612	\$ 109,240,076	\$ 44,704,456	\$ 24,008,395	\$ 19,194,962	\$ 20,773,202	\$ 5,522,358	\$ 1,466,294	\$ 261,907	\$ 715,561	\$ 945,344	\$ 945,344	\$ 3,777,237,127	
ZONEGATING ADJUSTMENT			\$ (1,530,048)	\$ 7,262,174	\$ 1,642,243	\$ 1,419,886	\$ 2,577,073	\$ 397,276	\$ 1,348,024	\$ 261,907	\$ 715,561	\$ 945,344	\$ 945,344	\$ 14,639,450	
PHYSICAL LOCATION		\$ 150,304,612	\$ 111,270,124	\$ 37,442,282	\$ 22,366,152	\$ 17,775,066	\$ 18,196,129	\$ 4,925,082	\$ 118,220	\$	\$	\$	\$	\$ 3,822,937,677	
BY PHYSICAL LOCATION- TASK 11		\$ 85,463,533	\$ 86,738,464	\$ 10,205,385	\$ 9,861,370	\$ 5,379,060	\$ 4,663,743	\$ 621,300	\$ 29,087	\$	\$	\$	\$	\$ 182,862,652	
ADD-IN SERVICE- TASK 10			(65,737)											(63,522)	
MARINE CONNECTOR AGREEMENT			(28,304,509)					3,766	(1,550)					(28,304,509)	
TASK 11/1621- CSO ACC DEP															
LIFT STATIONS / CHAMBERS:															
FULLER-BROOKVIEW	\$ 373,181		(117,704)				117,704								
FULTON- MIDDLEBORROW	36,340		(35,769)				35,769								
WEALTHY ST EXT. CHAMBER	67,925		14,423	14,423			742								
MARKET	2,307,971		(422,128)	346,657			65,108	4,524	5,839						
VANPORTUJET	44,816		6,155	(6,155)				779	8,528						
REMEMBRANCE /3 MILE	60,236														
16th AVENUE	22,823														
HAYES- WEST	35,259														
HAYES- EAST	29,977														
O'BRIEN	156,672		6,294	(13,980)				(35,259)	35,259						
KINGSBURY	6,465														
LEONARD-HEIGHTS	4,089														
THORNAPPLE	38,945														
ROBINHOOD	11,853														
CASCADE SPRINGS	19,543														
SHOREHAVEN	4,840														
EAGLE CREST	5,078														
GREENBRIER (NEW GRT)															
LINCOLN SCHOOL (NEW GRT-110)															
ORCHARD VISTA (NEW CAS)	4,640														
KRAFT	12,885														
BIRD AVE-ALPINE ESTATES	43,150														
EAST PARIS															
SERVICEMANS			(3,602,401)	866,359	(386,183)	863,265	467,535	(19,352)	87,704	239,962	468,379	383,702	383,702		
ADJUSTED BY ZONEGATING		\$ 85,463,533	\$ 84,775,044	\$ 9,475,787	\$ 9,475,787	\$ 5,232,385	\$ 5,359,879	\$ 583,919	\$ 165,191	\$ 239,962	\$ 468,379	\$ 383,702	\$ 383,702	\$ 1,514,584,521	
ZONEGATING ADJUSTMENT			\$ (448,128)	\$ 1,366,513	\$ 946,698	\$ 853,254	\$ 809,980	\$ 17,620	\$ 137,594	\$ 239,962	\$ 468,379	\$ 383,702	\$ 383,702	\$ 4,770,054	
PHYSICAL LOCATION		\$ 85,463,533	\$ 85,226,916	\$ 10,076,287	\$ 8,529,089	\$ 6,379,081	\$ 6,169,859	\$ 601,439	\$ 302,785	\$	\$	\$	\$	\$ 1,498,614,467	

**CITY OF GRAND RAPIDS, MICHIGAN
SEWAGE DISPOSAL SYSTEM FUND
RECONCILIATION OF CONSTRUCTION COST & ACCUMULATED DEPRECIATION- PHYSICAL LOCATION & ZONEGATING
FISCAL YEAR ENDED JUNE 30, 2008**

COST CENTER	AMOUNT	RETAIL										WHOLESALE				TOTAL			
		INTEGRATED SYSTEM	CITY OF GR	CITY OF WALKER	CITY OF KENTWOOD	CITY OF CARCADE TOWNSHIP	GR TOWNSHIP	TALLMADGE TOWNSHIP	WRIGHT TOWNSHIP	CITY OF EAST GR	N. KENT AREA	ADA TOWNSHIP	GAINES TOWNSHIP	MEIJER ALGOMA					
CONSTRUCTION COST- BY PHYSICAL LOCATION																			
BY PHYSICAL LOCATION- TASK 11	\$ 148,233,648	\$ 268,271,433	\$ 36,537,686	\$ 24,774,829	\$ 17,254,651	\$ 14,789,529	\$ 5,874,112	\$ 125,288	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 535,651,177
IN SERVICE- TASK 10	2,070,963	5,995,239	378,534	-	-	2,632,716	(618,311)	(78,116)	-	-	-	-	-	-	-	-	-	-	11,078,452
MARINE CONNECTOR AGREEMENT	-	(211,573)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(805,000)
TASK 111/621- CSD COST	(168,697,502)	(546,532)	546,532	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(168,697,502)
O'BRIEN	-	(44,816)	44,816	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VANPORTFLET	-	(1,166,641)	1,166,641	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
REMEMBRANCE 73 MILE	-	(71,059)	71,059	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16th AVENUE	-	(141,105)	141,105	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HAYES- WEST	-	(215,841)	215,841	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HAYES- EAST	-	(209,291)	209,291	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
KINGSBURY	-	(172,964)	172,964	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
LEONARD HEIGHTS	-	(118,407)	118,407	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
THORNAPPLE	-	(178,398)	178,398	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ROBINHOOD	-	(65,478)	65,478	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CASCADE SPRINGS	-	(72,602)	72,602	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SHOREHAVEN	-	(152,332)	152,332	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EAGLECREST	-	(48,486)	48,486	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GREENBRIER (NEW GR)	-	(42,250)	42,250	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GREENBRIER (NEW GR)	-	(72,602)	72,602	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
LINCOLN SCHOOL (NEW GR)	-	(39,712)	39,712	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
REEDS LAKE (NEW GR)-T10	-	(96,639)	96,639	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
REEDS LAKE (NEW GR)-T10	-	(323,478)	323,478	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
KRAFT	-	(72,602)	72,602	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ORCHARD VISTA (NEW CAS)	-	(39,712)	39,712	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
BIRD AVE-ALPINE ESTATES	-	(96,639)	96,639	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EAST PARIS	-	(323,478)	323,478	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SERVICE MAINS	-	(19,313,389)	(13,614,087)	(4,323,453)	(92,355)	(1,404,571)	(890,685)	-	-	-	-	-	-	-	-	-	-	-	(38,074,416)
LESS: SERVICE MAINS- TOTAL SUBS- PHY. LOC.	-	9,177,776	12,049,905	1,914,776	92,355	155	-	-	-	-	-	-	-	-	-	-	-	-	23,234,967
ADD: SERVICE MAINS- TOTAL ADDS- PHY. LOC.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL- PHYSICAL LOCATION COST	\$ 150,304,612	\$ 111,270,125	\$ 37,442,282	\$ 22,396,152	\$ 17,776,066	\$ 18,196,129	\$ 4,925,082	\$ 118,220	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 392,907,678
CONSTRUCTION COST- ZONEGATING:																			
LIFT STATIONS / CHAMBERS:	\$ 1,292,883	(395,162)	-	-	-	395,162	-	-	-	-	-	-	-	-	-	-	-	-	-
FULLER-BROOKVIEW	37,983	(37,407)	-	-	-	37,407	-	-	-	-	-	-	-	-	-	-	-	-	-
FULTON- MIDDLEBORROW	458,953	(102,470)	-	-	-	102,470	-	-	-	-	-	-	-	-	-	-	-	-	-
WEALTHY ST EXT CHAMBER	20,444	(12,436)	9,454	-	-	-	5,016	-	-	-	-	-	-	-	-	-	-	-	-
WEALTHY MARKET	11,855,819	(2,164,771)	12,148	-	-	333,888	23,196	264	-	-	-	-	-	-	-	-	-	-	-
VANPORTFLET	44,816	6,155	(6,155)	-	-	-	-	29,945	-	-	-	-	-	-	-	-	-	-	-
REMEMBRANCE 73 MILE	1,166,641	-	(180,298)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16th AVENUE	71,059	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HAYES- WEST	215,841	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HAYES- EAST	209,291	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
O'BRIEN	546,532	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
KINGSBURY	209,291	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
LEONARD HEIGHTS	122,964	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
THORNAPPLE	224,216	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
THORNHILLS	118,407	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ROBINHOOD	178,398	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CASCADE SPRINGS	65,478	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SHOREHAVEN	72,602	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EAGLECREST	152,332	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GREENBRIER (NEW GR)	48,486	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GREENBRIER (NEW GR)	42,250	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
LINCOLN SCHOOL (NEW GR)	926,900	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
REEDS LAKE (NEW GR)-T10	72,602	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
KRAFT	39,712	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ORCHARD VISTA (NEW CAS)	96,639	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
BIRD AVE-ALPINE ESTATES	323,478	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SERVICE MAINS- ZONEGATED COST	754,089	5,689,801	1,642,249	1,419,896	1,810,616	689,256	1,011,537	261,907	945,344	715,561	945,344	14,839,450	-	-	-	-	-	-	-
TOTAL- ZONEGATED COST	\$ (1,930,048)	\$ 7,262,174	\$ 1,642,249	\$ 1,419,896	\$ 2,577,073	\$ 697,276	\$ 1,348,024	\$ 261,907	\$ 945,344	\$ 715,561	\$ 945,344	\$ 14,839,450	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
GRAND TOTAL COST	\$ 150,304,612	\$ 108,340,077	\$ 44,704,456	\$ 24,008,395	\$ 19,194,952	\$ 20,773,202	\$ 5,922,366	\$ 1,466,254	\$ 261,907	\$ 715,561	\$ 945,344	\$ 317,237,128	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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**CITY OF GRAND RAPIDS, MICHIGAN
SEWAGE DISPOSAL SYSTEM FUND
ADJUSTED OPERATING EXPENSE ZONEGATING ALLOCATION BY GOVERNMENTAL UNIT - TASK #22
FISCAL YEAR ENDED JUNE 30, 2008**

COST CENTER	ADJUSTED EXPENSE BY COST CENTER	INTEGRATED SYSTEM	RETAIL										WHOLESALE					
			CITY OF GR	CITY OF WALKER	CITY OF KENTWOOD	CASCADE TOWNSHIP	GR TOWNSHIP	TALLMADGE TOWNSHIP	WRIGHT TOWNSHIP	CITY OF EAST GR	N. KENT AREA	ADA TOWNSHIP	CAINES TOWNSHIP	WELIER-ALGOMA				
WASTEWATER TREATMENT	\$ 13,884,134	\$ 13,884,134																
LIFT STATIONS:																		
A. INTERCEPTOR	396,905		324,311	59,615	-	-	-	11,197	778	1,004	-	-	-	-	-	-	-	-
B. TRUNK	160,995		43,971	74,066	-	-	19,949	21,270	1,739	-	-	-	-	-	-	-	-	-
C. LOCAL COLLECTOR	505,003		58,908	91,253	-	-	122,557	163,360	30,355	-	-	-	14,962	-	-	-	-	-
SEWER LINES:																		
A. INTERCEPTOR	239,919		174,757	21,907	41,120	-	2,135	-	-	-	-	-	-	-	-	-	-	-
B. TRUNK	577,549		184,817	161,003	138,080	-	49,087	27,976	15,900	676	-	-	-	-	-	-	-	-
C. LOCAL COLLECTOR	4,221,789		2,656,433	524,811	409,429	-	245,202	313,510	47,115	25,289	-	-	-	-	-	-	-	-
D. ZONEGATING			(129,152)	27,471	(24,100)	-	38,987	37,358	(10,505)	16,685	-	-	-	22,415	9,943	-	-	-
BULK METERING STATIONS	20,038		-	-	2,545	-	-	-	-	-	-	-	-	-	10,557	4,372	-	-
CUSTOMER ACCOUNTING *	2,899,584		2,303,139	214,192	169,588	-	65,067	133,990	4,610	9,018	-	-	-	-	-	-	-	-
INDUSTRIAL PRETREATMENT	718,586																	
SUBTOTAL OPERATING EXPENSE	23,624,502	14,602,720	5,617,184	1,174,318	736,642	542,994	706,661	83,245	83,027	13,462	-	47,934	14,315	-	-	-	-	-
ADMINISTRATIVE EXPENSE	2,109,337	1,303,817	501,536	104,850	65,772	48,482	63,274	7,433	7,413	1,202	-	4,280	1,278	-	-	-	-	-
TOTAL	\$ 25,733,839	\$ 15,906,537	\$ 6,118,720	\$ 1,279,168	\$ 802,414	\$ 591,476	\$ 771,935	\$ 90,678	\$ 90,440	\$ 14,664	\$ -	\$ 52,214	\$ 15,593	\$ -	\$ -	\$ -	\$ -	\$ -

* Reflects adjustment for circuit breaker provisions per the third amendment to W/S service agreements.

METHOD OF DISTRIBUTION

WASTEWATER TREATMENT	100.000%	100.00%
LIFT STATIONS:		
(54)		
A. INTERCEPTORS	(1)	
B. TRUNK	(8)	
C. LOCAL	(45)	
SEWER LINES:		
TOTAL MILES:	897.02	
A. INTERCEPTOR	72.840%	17.139%
MILES	31.11	7.32
B. TRUNK LINES	32.000%	23.908%
MILES	32.90	24.58
C. LOCAL COLLECTOR	62.922%	9.698%
MILES	472.85	72.88
D. ZONEGATING	(22.99)	(4.29)
MILES	4.89	(1)
BULK METERING STATIONS		
(4)		
CUSTOMER ACCTG (1)	79.430%	5.848%
NO. OF METERS	58,550.00	4,311.00
INDUSTRIAL PRETREATMENT	100.000%	100.00%
ADMINISTRATIVE EXPENSE (2)	100.000%	61.812%

NOTES:

- (1) MAINTENANCE & COLLECTION COSTS ARE ALLOCATED ON THE NUMBER OF METERS, INCLUSIVE OF USERS FOR WRIGHT TWP.
- (2) ALLOCATED ON DIRECT OPERATING EXPENSE, ADJUSTED FOR ANY COST ASSIGNABLE EXCLUSIVELY TO GR OR RETAIL COMMUNITIES, IF APPLICABLE.

**CITY OF GRAND RAPIDS, MICHIGAN
SEWER RATE STUDY
SEWAGE DISPOSAL SYSTEM FUND
TASK NO. 23**

ASSIGN OTHER OPERATING REVENUES TO EACH GOVERNMENTAL ENTITY.

BASIS OF ALLOCATION: RETAIL BILLINGS BY GOVERNMENTAL ENTITY - TASK NO. 6 & 7

	<u>RETAIL BILLINGS</u>	<u>PERCENTAGE OF TOTAL</u>	<u>ALLOCATION *</u>
CITY OF GRAND RAPIDS	\$ 26,552,282	73.9781%	\$ 142,510
CITY OF WALKER	3,026,099	8.4311%	16,242
CITY OF KENTWOOD	2,645,425	7.3705%	14,199
CASCADE TOWNSHIP	1,546,091	4.3076%	8,298
GRAND RAPIDS TOWNSHIP	1,656,302	4.6147%	8,890
TALLMADGE TOWNSHIP	198,738	0.5537%	1,067
WRIGHT TOWNSHIP	267,151	0.7443%	1,434
	<u>\$ 35,892,088</u>	<u>100.0000%</u>	<u>\$ 192,640</u>

** Reflects adjustment for circuit breaker provisions per 3rd amendment of W/S agreements*

CITY OF GRAND RAPIDS, MICHIGAN
SEWAGE DISPOSAL SYSTEM FUND
ASSIGN DEPRECIATION EXPENSE TO CUSTOMER COMMUNITIES- TASK NO. 24
FISCAL YEAR ENDED JUNE 30, 2008

COST CENTER	DEPRECIATION EXPENSE	RETAIL										WHOLESALE				TOTAL				
		CITY OF GR	CITY OF WALKER	CITY OF KENTWOOD	CASCADE TOWNSHIP	GR TOWNSHIP	TALLMADGE TOWNSHIP	WRIGHT TOWNSHIP	CITY OF EAST GR	N. KENT AREA	ADA TOWNSHIP	GAINES TOWNSHIP	MEIJER-ALGOMA							
BY PHYSICAL LOCATION- TASK 11																				
ADD- IN SERVICE- TASK 10																				
MARIE CONNECTOR AGREEMENT																				
LESS: TASK 11/16/21- CSO DEP. EXP.																				
LIFT STATIONS / CHAMBERS:																				
FULLER-BROOKVIEW	\$ 46,649																			
FULTON- MIDDLEBORROW	183																			
WEALTHY ST EXT. CHAMBER	11,321																			
MARKET	463,060																			
VANPORTFLEET																				
REMEMBRANCE / 3 MILE	60,236																			
OBRIEN	15,667																			
KINGSBURY	6,976																			
LEONARD HEIGHTS	4,098																			
THORNAPPLE	7,474																			
ROBINHILLS	3,947																			
ROBINHOOD	5,947																			
CASCADE SPRINGS	2,183																			
SHOREHAVEN	2,420																			
EAGLECREST	5,078																			
GREENBRIER (NEW GRT)	1,616																			
LINCOLN SCHOOL (NEW GRT)	1,408																			
REEDS LAKE (NEW GRT-T10)	24,045																			
KRAFT	2,420																			
ORCHARD VISTA (NEW CAS)	1,324																			
16TH AVE	4,565																			
HAYES- WEST	7,052																			
HAYES- EAST	9,893																			
BIRD AVE-ALPINE ESTATES	3,221																			
EAST PARIS	10,783																			
SERVICEMAINS																				
ADJUSTED BY ZONEGATING																				
LESS CONTRIBUTIONS AMORTIZED																				
TASK NO. 21																				
TOTAL																				

CITY OF GRAND RAPIDS, MICHIGAN
SEWAGE DISPOSAL SYSTEM FUND
ACCUMULATE REVENUE REQUIREMENTS BY CUSTOMER COMMUNITIES- TASK NO. 25
FISCAL YEAR ENDED JUNE 30, 2008

	RETAIL										WHOLESALE					TOTAL
	CITY OF GR	CITY OF WALKER	CITY OF KENTWOOD	CASCADE TOWNSHIP	GR TOWNSHIP	TALLMADGE TOWNSHIP	WRIGHT TOWNSHIP	CITY OF EAST GR	N. KENT AREA	ADA TOWNSHIP	GAINES TOWNSHIP	MEIJER-ALGOMA				
OPERATION & MAINTENANCE EXPENSE- TASK NO. 22	\$ 15,906,537	\$ 6,118,720	\$ 1,279,168	\$ 802,414	\$ 591,476	\$ 771,935	\$ 90,678	\$ 90,440	\$ 14,664	\$ -	\$ 52,214	\$ 15,593	\$ -	\$ 25,733,839		
DEPRECIATION EXPENSE TASK NO. 24	2,316,803	1,021,106	415,849	49,500	56,652	176,721	18,062	42,304	4,011	-	13,943	3,279	-	4,118,250		
RETURN ON SYSTEM INVESTMENT TASK NO. 21	3,036,173	3,088,151	1,292,317	15,310	127,634	425,152	78,829	134,633	3,513	-	14,666	1,670	-	8,218,068		
REVENUE CREDITS- TASK NO. 23	(142,510)	(16,242)	(16,242)	(14,199)	(8,298)	(8,890)	(1,057)	(1,434)						(192,640)		
CSO DEBT SERVICE REQUIREMENTS	10,687,557													10,687,557		
ALLOCATE:																
INTEGRATED COMM. FEE CREDIT	(593,756)	(60,168)	(60,168)	(115,226)	(55,951)	(41,620)	(3,613)	(2,480)	(31,518)	-	(27,989)	-	-	(960,323)		
INTEGRATED SYSTEM (A)	13,053,780	1,936,362	1,936,362	2,533,224	1,230,082	79,435	79,435	54,535	692,915	-	615,331	146,839	-	-		
LESS- CIRCUIT BREAKER (B)	-	(334,984)	-	-	-	(97,362)	(23,485)	(55,985)	-	-	-	-	-	(511,826)		
	\$ 33,233,046	\$ 4,486,292	\$ 4,486,292	\$ 3,271,023	\$ 1,941,595	\$ 2,140,946	\$ 238,659	\$ 262,013	\$ 663,585	\$ -	\$ 666,185	\$ 167,381	\$ -	\$ 47,092,925		

(A) ALLOCATED TO CUSTOMER COMMUNITIES UNDER OLD CONTRACT BASIS OF PLANT FLOW. REMAINING ALLOCATION TO HAS PARTNERS UNDER UNIFORM SERVICE AGREEMENTS BASED ON PLANT FLOW & LAND, AS NOTED IN THE FOLLOWING TABLE:
(B) PURSUANT TO CITY AND CUSTOMER COMMUNITY CIRCUIT BREAKER, AS PROVIDED FOR BY THE THIRD AMENDMENT TO THE UNIFORM SERVICE AGREEMENTS.

	RETAIL										WHOLESALE					TOTAL
	CITY OF GR	CITY OF WALKER	CITY OF KENTWOOD	CASCADE TOWNSHIP	GR TOWNSHIP	TALLMADGE TOWNSHIP	WRIGHT TOWNSHIP	CITY OF EAST GR	N. KENT AREA	ADA TOWNSHIP	GAINES TOWNSHIP	MEIJER-ALGOMA				
OLD METHOD- PLANT FLOW	\$ 13,053,780	\$ 1,936,362	\$ 1,936,362	\$ 2,533,224	\$ 1,230,082	\$ 79,435	\$ 79,435	\$ 54,535	\$ 692,915	\$ -	\$ 615,331	\$ 146,839	\$ -	\$ 21,112,674		
NEW METHOD- PLANT FLOW / LAND	\$ 13,053,780	\$ 1,936,362	\$ 1,936,362	\$ 2,533,224	\$ 1,230,082	\$ 79,435	\$ 79,435	\$ 54,535	\$ 692,915	\$ -	\$ 615,331	\$ 146,839	\$ -	\$ 21,259,513		

**CITY OF GRAND RAPIDS, MICHIGAN
SEWER RATE STUDY
SEWER SUPPLY SYSTEM FUND
TASK NO. 25a**

REVIEW THE REVENUE REQUIREMENTS TO ASSURE COMPLIANCE WITH THE APPLICABLE BOND ORDINANCE PROVISIONS.

	YEAR ENDED 6/30/08	PRO FORMA *
REVENUES:		
RETAIL/WHOLESALE SEWAGE SERVICE	\$ 39,070,042	\$ 44,933,216
CONNECTION FEES/FRONT FOOT FEES	1,079,765	1,079,765
ENGINEERING FEES	77,874	77,874
SEWAGE SURCHARGES	1,250,054	1,250,054
OTHER OPERATING REVENUES	95,439	95,439
INTEREST ON INVESTMENTS	1,045,804	1,045,804
MISCELLANEOUS	120,961	120,961
TOTAL REVENUES	\$ 42,739,939	\$ 48,603,113
OPERATING EXPENSES:		
OPERATIONS & MAINTENANCE	\$ 23,252,856	\$ 25,157,633
DEPRECIATION	10,813,594	10,813,594
TOTAL EXPENSES	\$ 34,066,450	\$ 35,971,227
ADDITIONS: DEPRECIATION	10,813,594	10,813,594
NET EARNINGS OF THE SYSTEM	\$ 19,487,083	\$ 23,445,480
DEBT SERVICE (CASH BASIS)		
SERIES 2008 BONDS	\$ -	\$ 1,293,576
SERIES 2005 BONDS	2,947,719	2,949,869
SERIES 2004 BONDS	1,991,400	1,992,025
SERIES 1998 BONDS	5,902,238	5,900,813
TOTAL SENIOR DEBT SERVICE	10,841,357	12,136,283
SRF DEBT (JUNIOR LIEN)	3,900,459	3,881,234
	\$ 14,741,816	\$ 16,017,517
COVERAGE RATIO - SENIOR DEBT	1.80	1.93
COVERAGE RATIO - ALL DEBT	1.32	1.46

* SEWAGE SERVICES ADJUSTED FOR RATE REVISIONS OF 15.73% AND 14.69% EFFECTIVE 1/1/08 AND 1/1/09, RESPECTIVELY.

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SUMMARY

**SEWER RATE STUDY
SEWAGE DISPOSAL SYSTEM FUND
RATE ANALYSIS - TASK NO. 26**

INITIAL SYSTEM REVENUE REQUIREMENTS		\$ 47,604,751
CURRENT REVENUES		
REU CHARGE	\$ 223,427	
MONTHLY METER CHARGE	10,076,528	
MONTHLY BILLING CHARGE	2,933,062	
COMMODITY CHARGE	<u>27,827,025</u>	<u>(41,060,042)</u>
INITIAL REQUIRED REVENUE INCREASE (DECREASE)		<u>\$ 6,544,709</u>
INITIAL PERCENTAGE INCREASE (DECREASE) OVER EXISTING RATES		<u>15.94%</u>
INITIAL SYSTEM REVENUE REQUIREMENTS FROM ABOVE		\$ 47,604,751
LESS: AMOUNT OF CIRCUIT BREAKER RELIEF TO REDUCE RR's TO RETAIL		<u>(511,826)</u>
SYSTEM REVENUE REQUIREMENTS		<u>\$ 47,092,925</u>
ACTUAL REQUIRED AMOUNT OF REVENUE INCREASE (DECREASE)		<u>\$ 6,032,883</u>
ACTUAL PERCENTAGE INCREASE (DECREASE) OVER EXISTING RATES		<u>14.69%</u>

**SEWER RATE STUDY
SEWAGE DISPOSAL SYSTEM FUND
TASK NO. 26**

METER SIZE	EQUIV. FACTOR	CITY OF GR		CITY OF WALKER		CITY OF KENTWOOD		CASCADE TWP		GR TWP		TALLMADGE TWP		WRIGHT TWP	
		METERS *	EQUIV.	METERS *	EQUIV.	METERS *	EQUIV.	METERS *	EQUIV.	METERS *	EQUIV.	METERS *	EQUIV.	USERS*	REU
A 3/4" or less	1.0000	54,378	54,378	4,857	4,857	3,321	3,321	1,224	1,224	3,072	3,072	97	97	-	-
B 1"	1.7778	2,327	4,137	351	624	474	843	217	386	227	404	12	21	-	-
C 1 1/4"	2.7778	-	-	-	-	-	-	-	-	-	-	-	-	-	-
D 1 1/2"	4.0000	884	3,536	134	536	303	1,212	141	564	65	260	3	12	-	-
E 2"	7.1111	779	5,540	86	612	179	1,273	64	455	34	242	2	14	-	-
F 3"	16.0000	82	1,312	7	112	18	288	6	96	5	80	2	32	-	-
G 4"	28.4444	83	2,361	8	228	13	370	2	57	3	85	1	28	-	-
H 6" and over	64.0000	17	1,088	2	128	3	192	-	-	-	-	-	-	-	-
Other- Wright Twp		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	229	357,437
TOTAL		58,550	72,352	5,445	7,097	4,311	7,499	1,654	2,782	3,406	4,143	117	204	229	357,437

* Source: Grand Rapids Water/Sewage Meter/User Quantity Report, November 7, 2008.

CITY OF GRAND RAPIDS, MICHIGAN

**SEWER RATE STUDY
SEWAGE DISPOSAL SYSTEM FUND
RATE ANALYSIS - TASK NO. 26**

SYSTEM REVENUE REQUIREMENTS \$ 33,233,046

CURRENT REVENUES

MONTHLY METER CHARGE

72,352 meter equivalents x \$ 7.49 x 12 = \$ 6,502,998

MONTHLY BILLING CHARGE

58,550 meters x \$ 3.19 x 12 = 2,241,294

COMMODITY CHARGE

7,832,193 units (100 CF) x \$ 2.58 = 20,207,058 (28,951,350)

REQUIRED REVENUE INCREASE (DECREASE) \$ 4,281,696

PERCENTAGE INCREASE (DECREASE) OVER EXISTING RATES 14.79%

CITY OF GRAND RAPIDS, MICHIGAN
SEWER RATE STUDY
SEWAGE DISPOSAL SYSTEM FUND
RATE ANALYSIS - TASK NO. 27

COMMODITY CHARGE:

$$\frac{\text{INTEGRATED SYSTEM COST}}{\text{BILLED UNITS}} = \frac{\$23,741,337}{7,832,193} = \underline{\underline{\$ 3.03 /100 CF *}}$$

MONTHLY SERVICE CHARGE:

SYSTEM REVENUE REQUIREMENTS		\$ 33,233,046
NEW COMMODITY CHARGE		
7,832,193 x \$ 3.03		\$ 23,731,545
NEW MONTHLY BILLING CHARGE		
58,550 x \$ 3.28 x 12	<u>2,304,528</u>	<u>(26,036,073)</u>
		<u><u>\$ 7,196,973</u></u>

$$\text{MONTHLY METER CHARGE} = \frac{\$7,196,973}{72,352 \times 12} = \underline{\underline{\$ 8.29 \text{ MONTHLY}}}$$

METER SIZE	EQUIVALENT	MONTHLY SERVICE CHARGE			PRESENT
		METER	BILLING	TOTAL	
3/4" or less	1.0000	\$ 8.29	\$ 3.28	\$ 11.57	\$ 10.68
1"	1.7778	14.74	3.28	18.02	16.51
1 1/4"	2.7778	23.03	3.28	26.31	24.00
1 1/2"	4.0000	33.16	3.28	36.44	33.15
2"	7.1111	58.95	3.28	62.23	56.45
3"	16.0000	132.64	3.28	135.92	123.03
4"	28.4444	235.80	3.28	239.08	216.24
6" and over	64.0000	530.56	3.28	533.84	482.55

* NEW RATES EFFECTIVE, ON A PRO-RATA BASIS, JANUARY 1, 2009

CITY OF WALKER, MICHIGAN
SEWER RATE STUDY
SEWAGE DISPOSAL SYSTEM FUND
RATE ANALYSIS - TASK NO. 26

SYSTEM REVENUE REQUIREMENTS * \$ 4,486,292

CURRENT REVENUES

MONTHLY METER CHARGE

7,097 meter equivalents x \$ 19.50 x 12 = \$ 1,660,698

MONTHLY BILLING CHARGE

5,445 meters x \$ 3.19 x 12 = 208,435

COMMODITY CHARGE

977,843 units (100 CF) x \$ 2.03 = 1,985,021 (3,854,154)

REQUIRED REVENUE INCREASE (DECREASE) \$ 632,138

PERCENTAGE INCREASE (DECREASE) OVER EXISTING RATES 16.40%

* REFLECTS RELIEF FROM CIRCUIT BREAKER, IN THE AMOUNT OF \$ 334,994

CITY OF WALKER, MICHIGAN
SEWER RATE STUDY
SEWAGE DISPOSAL SYSTEM FUND
RATE ANALYSIS - TASK NO. 27

COMMODITY CHARGE:

PRESENT CHARGE x RATE ADJUSTMENT \$ 2.36 /100 CF *
 \$ 2.03 x 116.40%

MONTHLY SERVICE CHARGE:

SYSTEM REVENUE REQUIREMENTS **		\$ 4,486,292
NEW COMMODITY CHARGE		
977,843 x \$ 2.36		\$ 2,307,709
NEW MONTHLY BILLING CHARGE		
5,445 x \$ 3.28 x 12	214,315	(2,522,024)
		\$ 1,964,268

MONTHLY METER CHARGE = $\frac{\$1,964,268}{7,097 \times 12} = \underline{\underline{\$ 23.06 \text{ MONTHLY}}}$

METER SIZE	EQUIVALENT	MONTHLY SERVICE CHARGE			PRESENT
		METER	BILLING	TOTAL	
3/4" or less	1.0000	\$ 23.06	\$ 3.28	\$ 26.34	\$ 22.69
1"	1.7778	41.00	3.28	44.28	37.86
1 1/4"	2.7778	64.06	3.28	67.34	57.36
1 1/2"	4.0000	92.24	3.28	95.52	81.19
2"	7.1111	163.98	3.28	167.26	141.86
3"	16.0000	368.96	3.28	372.24	315.19
4"	28.4444	655.93	3.28	659.21	557.86
6" and over	64.0000	1,475.84	3.28	1,479.12	1,251.19

* NEW RATES EFFECTIVE, ON A PRO-RATA BASIS, JANUARY 1, 2009

** REFLECTS RELIEF FROM CIRCUIT BREAKER, IN THE AMOUNT OF \$ 334,994

CITY OF KENTWOOD, MICHIGAN
SEWER RATE STUDY
SEWAGE DISPOSAL SYSTEM FUND
RATE ANALYSIS - TASK NO. 26

SYSTEM REVENUE REQUIREMENTS \$ 3,271,023

CURRENT REVENUES

MONTHLY METER CHARGE

7,499 meter equivalents x \$ 2.25 x 12 = \$ 202,473

MONTHLY BILLING CHARGE

4,311 meters x \$ 3.19 x 12 = 165,025

COMMODITY CHARGE

1,444,416 units (100 CF) x \$ 1.80 = 2,599,949 (2,967,447)

REQUIRED REVENUE INCREASE (DECREASE) \$ 303,576

PERCENTAGE INCREASE (DECREASE) OVER EXISTING RATES 10.23%

CITY OF KENTWOOD, MICHIGAN
SEWER RATE STUDY
SEWAGE DISPOSAL SYSTEM FUND
RATE ANALYSIS - TASK NO. 27

COMMODITY CHARGE:

PRESENT CHARGE x RATE ADJUSTMENT \$ 1.98 /100 CF *
 \$ 1.80 x 110.23%

MONTHLY SERVICE CHARGE:

SYSTEM REVENUE REQUIREMENTS		\$ 3,271,023
NEW COMMODITY CHARGE		
1,444,416 x \$ 1.98		\$ 2,859,944
NEW MONTHLY BILLING CHARGE		
4,311 x \$ 3.28 x 12	<u>169,681</u>	<u>(3,029,625)</u>
		<u>\$ 241,398</u>

MONTHLY METER CHARGE = $\frac{\$241,398}{7,499 \times 12} = \underline{\underline{\$ 2.68 \text{ MONTHLY}}}$

METER SIZE	EQUIVALENT	MONTHLY SERVICE CHARGE			PRESENT
		METER	BILLING	TOTAL	
3/4" or less	1.0000	\$ 2.68	\$ 3.28	\$ 5.96	\$ 5.44
1"	1.7778	4.76	3.28	8.04	7.19
1 1/4"	2.7778	7.44	3.28	10.72	9.44
1 1/2"	4.0000	10.72	3.28	14.00	12.19
2"	7.1111	19.06	3.28	22.34	19.19
3"	16.0000	42.88	3.28	46.16	39.19
4"	28.4444	76.23	3.28	79.51	67.19
6" and over	64.0000	171.52	3.28	174.80	147.19

* NEW RATES EFFECTIVE, ON A PRO-RATA BASIS, JANUARY 1, 2009

CASCADE TOWNSHIP
SEWER RATE STUDY
SEWAGE DISPOSAL SYSTEM FUND
RATE ANALYSIS - TASK NO. 26

SYSTEM REVENUE REQUIREMENTS	\$ 1,941,595
LESS: CASH CONTRIBUTION	-
SYSTEM REVENUE REQUIREMENTS	\$ 1,941,595

CURRENT REVENUES

MONTHLY METER CHARGE			
2,782 meter equivalents	x	\$ 21.98	x 12 = \$ 733,780
MONTHLY BILLING CHARGE			
1,654 meters	x	\$ 3.19	x 12 = 63,315
COMMODITY CHARGE			
472,630 units (100 CF)	x	\$ 2.05	= <u>968,892</u>
			<u>(1,765,987)</u>
REQUIRED REVENUE INCREASE (DECREASE)			\$ 175,608

PERCENTAGE INCREASE (DECREASE) OVER EXISTING RATES	9.94%
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CASCADE TOWNSHIP
SEWER RATE STUDY
SEWAGE DISPOSAL SYSTEM FUND
RATE ANALYSIS - TASK NO. 27

COMMODITY CHARGE:

PRESENT CHARGE x RATE ADJUSTMENT \$ 2.25 /100 CF *
 \$ 2.05 x 109.94%

MONTHLY SERVICE CHARGE:

SYSTEM REVENUE REQUIREMENTS		\$ 1,941,595
NEW COMMODITY CHARGE		
472,630 x \$ 2.25		\$ 1,063,418
NEW MONTHLY BILLING CHARGE		
1,654 x \$ 3.28 x 12	65,101	(1,128,519)
		\$ 813,076

MONTHLY METER CHARGE = $\frac{\$813,076}{2,782 \times 12} = \underline{\underline{\$ 24.36 \text{ MONTHLY}}}$

METER SIZE	EQUIVALENT	MONTHLY SERVICE CHARGE			PRESENT
		METER	BILLING	TOTAL	
3/4" or less	1.0000	\$ 24.36	\$ 3.28	\$ 27.64	\$ 25.17
1"	1.7778	43.31	3.28	46.59	42.27
1 1/4"	2.7778	67.67	3.28	70.95	64.25
1 1/2"	4.0000	97.44	3.28	100.72	91.11
2"	7.1111	173.23	3.28	176.51	159.49
3"	16.0000	389.76	3.28	393.04	354.87
4"	28.4444	692.91	3.28	696.19	628.40
6" and over	64.0000	1,559.04	3.28	1,562.32	1,409.91

* NEW RATES EFFECTIVE, ON A PRO-RATA BASIS, JANUARY 1, 2009

GRAND RAPIDS TOWNSHIP
SEWER RATE STUDY
SEWAGE DISPOSAL SYSTEM FUND
RATE ANALYSIS - TASK NO. 26

SYSTEM REVENUE REQUIREMENTS * \$ 2,140,946

CURRENT REVENUES

MONTHLY METER CHARGE

4,143 meter equivalents x \$ 18.52 x 12 = \$ 920,740

MONTHLY BILLING CHARGE

3,406 meters x \$ 3.19 x 12 = 130,382

COMMODITY CHARGE

429,901 units (100 CF) x \$ 1.84 = 791,018 (1,842,140)

REQUIRED REVENUE INCREASE (DECREASE) \$ 298,806

PERCENTAGE INCREASE (DECREASE) OVER EXISTING RATES 16.22%

* REFLECTS RELIEF FROM CIRCUIT BREAKER, IN THE AMOUNT OF \$ 97,362

GRAND RAPIDS TOWNSHIP
SEWER RATE STUDY
SEWAGE DISPOSAL SYSTEM FUND
RATE ANALYSIS - TASK NO. 27

COMMODITY CHARGE:

PRESENT CHARGE x RATE ADJUSTMENT \$ 2.14 /100 CF *

\$ 1.84 x 116.22%

MONTHLY SERVICE CHARGE:

SYSTEM REVENUE REQUIREMENTS ** \$ 2,140,946

NEW COMMODITY CHARGE
 429,901 x \$ 2.14 \$ 919,988

NEW MONTHLY BILLING CHARGE
 3,406 x \$ 3.28 x 12 134,060 (1,054,048)

\$ 1,086,898

MONTHLY METER CHARGE = $\frac{\$1,086,898}{4,143 \times 12} = \underline{\underline{\$ 21.86 \text{ MONTHLY}}}$

METER SIZE	EQUIVALENT	MONTHLY SERVICE CHARGE			PRESENT
		METER	BILLING	TOTAL	
3/4" or less	1.0000	\$ 21.86	\$ 3.28	\$ 25.14	\$ 21.71
1"	1.7778	38.86	3.28	42.14	36.11
1 1/4"	2.7778	60.72	3.28	64.00	54.63
1 1/2"	4.0000	87.44	3.28	90.72	77.27
2"	7.1111	155.45	3.28	158.73	134.89
3"	16.0000	349.76	3.28	353.04	299.51
4"	28.4444	621.79	3.28	625.07	529.98
6" and over	64.0000	1,399.04	3.28	1,402.32	1,188.47

* NEW RATES EFFECTIVE, ON A PRO-RATA BASIS, JANUARY 1, 2009

** REFLECTS RELIEF FROM CIRCUIT BREAKER, IN THE AMOUNT OF \$ 97,362

TALLMADGE TOWNSHIP
SEWER RATE STUDY
SEWAGE DISPOSAL SYSTEM FUND
RATE ANALYSIS - TASK NO. 26

SYSTEM REVENUE REQUIREMENTS *	\$	238,859
LESS: CASH CONTRIBUTION		-
SYSTEM REVENUE REQUIREMENTS	\$	<u>238,859</u>

CURRENT REVENUES

MONTHLY METER CHARGE			
204 meter equivalents	x	\$ 22.81	x 12 = \$ 55,839
MONTHLY BILLING CHARGE			
117 meters	x	\$ 3.19	x 12 = 4,479
COMMODITY CHARGE			
17,833 units (100 CF)	x	\$ 8.11	= <u>144,626</u> <u>(204,944)</u>
REQUIRED REVENUE INCREASE (DECREASE)		\$	<u>33,915</u>

PERCENTAGE INCREASE (DECREASE) OVER EXISTING RATES		<u>16.55%</u>
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* REFLECTS RELIEF FROM CIRCUIT BREAKER, IN THE AMOUNT OF \$ 23,485

TALLMADGE TOWNSHIP
SEWER RATE STUDY
SEWAGE DISPOSAL SYSTEM FUND
RATE ANALYSIS - TASK NO. 27

COMMODITY CHARGE:

PRESENT CHARGE x RATE ADJUSTMENT \$ 9.45 /100 CF *
 \$ 8.11 x 116.55%

MONTHLY SERVICE CHARGE:

SYSTEM REVENUE REQUIREMENTS **		\$ 238,859
NEW COMMODITY CHARGE		
17,833 x \$ 9.45		\$ 168,522
NEW MONTHLY BILLING CHARGE		
117 x \$ 3.28 x 12	4,605	(173,127)
		\$ 65,732

MONTHLY METER CHARGE = $\frac{\$65,732}{204 \times 12} = \underline{\underline{\$ 26.85 \text{ MONTHLY}}}$

METER SIZE	EQUIVALENT	MONTHLY SERVICE CHARGE			PRESENT
		METER	BILLING	TOTAL	
3/4" or less	1.0000	\$ 26.85	\$ 3.28	\$ 30.13	\$ 26.00
1"	1.7778	47.73	3.28	51.01	43.74
1 1/4"	2.7778	74.58	3.28	77.86	66.55
1 1/2"	4.0000	107.40	3.28	110.68	94.43
2"	7.1111	190.93	3.28	194.21	165.39
3"	16.0000	429.60	3.28	432.88	368.15
4"	28.4444	763.73	3.28	767.01	652.01
6" and over	64.0000	1,718.40	3.28	1,721.68	1,463.03

* NEW RATES EFFECTIVE, ON A PRO-RATA BASIS, JANUARY 1, 2009

** REFLECTS RELIEF FROM CIRCUIT BREAKER, IN THE AMOUNT OF \$ 23,485

WRIGHT TOWNSHIP
SEWER RATE STUDY
SEWAGE DISPOSAL SYSTEM FUND
RATE ANALYSIS - TASK NO. 26

SYSTEM REVENUE REQUIREMENTS *	\$	262,013
LESS: CASH CONTRIBUTION		(35,000)
SYSTEM REVENUE REQUIREMENTS	\$	<u>227,013</u>

CURRENT REVENUES

REU CHARGE

357.437 meter equivalents x \$ 52.09 x 12 = \$ 223,427

MONTHLY METER CHARGE

357.437 meter equivalents x \$ - x 12 = -

MONTHLY BILLING CHARGE

229 meters x \$ - x 12 = -

COMMODITY CHARGE

23,067 units (100 CF) x \$ - = - (223,427)

REQUIRED REVENUE INCREASE (DECREASE) \$ 3,586

PERCENTAGE INCREASE (DECREASE) OVER EXISTING RATES 1.60%

* REFLECTS RELIEF FROM CIRCUIT BREAKER, IN THE AMOUNT OF \$ 55,985

WRIGHT TOWNSHIP
SEWER RATE STUDY
SEWAGE DISPOSAL SYSTEM FUND
RATE ANALYSIS - TASK NO. 27

MONTHLY REU CHARGE:

$$\frac{\text{SYSTEM REVENUE REQUIREMENTS **}}{\text{TOTAL REU'S * 12 MONTHS}} = \frac{\$227,013}{357.437 \times 12} = \$ \underline{\underline{52.93}} \quad \text{MONTHLY REU CHARGE *}$$

SYSTEM REVENUE REQUIREMENTS ARE NET OF CONTRIBUTION OF \$ 35,000

EXAMPLES OF APPROXIMATE MONTHLY CHARGE BY NUMBER OF REU:

<u>NUMBER OF REU</u>	<u>AMOUNT</u>	<u>NUMBER OF REU</u>	<u>AMOUNT</u>	<u>NUMBER OF REU</u>	<u>AMOUNT</u>
1.0000	\$ 52.93	7.5000	\$ 396.98	19.0000	\$ 1,005.67
1.5000	79.40	8.0000	423.44	20.0000	1,058.60
2.0000	105.86	8.5000	449.91	25.0000	1,323.25
2.5000	132.33	9.0000	476.37	30.0000	1,587.90
3.0000	158.79	9.5000	502.84	35.0000	1,852.55
3.5000	185.26	10.0000	529.30	40.0000	2,117.20
4.0000	211.72	11.0000	582.23	50.0000	2,646.50
4.4000	232.89	12.0000	635.16	60.0000	3,175.80
4.5000	238.19	13.0000	688.09	70.0000	3,705.10
5.0000	264.65	14.0000	741.02	80.0000	4,234.40
5.5000	291.12	15.0000	793.95	90.0000	4,763.70
6.0000	317.58	16.0000	846.88	100.0000	5,293.00
6.5000	344.05	17.0000	899.81	150.0000	7,939.50
7.0000	370.51	18.0000	952.74	200.0000	10,586.00

* NEW RATES EFFECTIVE ON JANUARY 1, 2009

** REFLECTS RELIEF FROM CIRCUIT BREAKER, IN THE AMOUNT OF \$ 55,985

CITY OF EAST GRAND RAPIDS, MICHIGAN

**SEWER RATE STUDY
SEWAGE DISPOSAL SYSTEM FUND
RATE ANALYSIS - TASK NO. 26**

INTEGRATED SYSTEM REVENUE REQUIREMENTS		\$	661,397
COMMODITY CHARGE			
429.912 units	x	\$	1,260.00
			541,689
			<hr/>
REQUIRED COMMODITY REVENUE INCREASE (DECREASE)		\$	<u>119,708</u>
NON-INTEGRATED SYSTEM REVENUE REQUIREMENTS		\$	22,188
MONTHLY SERVICE CHARGE			
\$2,127	x		12 MONTHS
			25,524
			<hr/>
REQUIRED SERVICE REVENUE INCREASE (DECREASE)		\$	<u>(3,336)</u>
PERCENTAGE INCREASE (DECREASE) OVER EXISTING RATES			<u>20.52%</u>

CITY OF EAST GRAND RAPIDS, MICHIGAN

**SEWER RATE STUDY
SEWAGE DISPOSAL SYSTEM FUND
RATE ANALYSIS - TASK NO. 27**

SYSTEM REVENUE REQUIREMENTS	\$ 683,585
NEW COMMODITY CHARGE * 429.912 x \$ 1,538.00 =	(661,205)
	<hr/>
	<u>\$ 22,380</u>

MONTHLY SERVICE CHARGE * = \$ 22,380 / 12 = \$1,865

* NEW RATES EFFECTIVE ON JANUARY 1, 2009

ADA TOWNSHIP
SEWER RATE STUDY
SEWAGE DISPOSAL SYSTEM FUND
RATE ANALYSIS - TASK NO. 26

INTEGRATED SYSTEM REVENUE REQUIREMENTS	\$	587,342
COMMODITY CHARGE		
320.565 units x \$ 1,496.00		479,565
		479,565
REQUIRED COMMODITY REVENUE INCREASE (DECREASE)	\$	107,777
NON-INTEGRATED SYSTEM REVENUE REQUIREMENTS	\$	80,843
MONTHLY SERVICE CHARGE		
\$6,102 x 12 MONTHS		73,224
		73,224
REQUIRED SERVICE REVENUE INCREASE (DECREASE)	\$	7,619
PERCENTAGE INCREASE (DECREASE) OVER EXISTING RATES		20.88%

ADA TOWNSHIP
SEWER RATE STUDY
SEWAGE DISPOSAL SYSTEM FUND
RATE ANALYSIS - TASK NO. 27

SYSTEM REVENUE REQUIREMENTS	\$ 668,185
NEW COMMODITY CHARGE *	
320.565 x \$ 1,832.00 =	(587,275)
	<hr/>
	<u>\$ 80,910</u>

MONTHLY SERVICE CHARGE * = \$ 80,910 / 12 = \$6,743

* NEW RATES EFFECTIVE ON JANUARY 1, 2009

GAINES TOWNSHIP
SEWER RATE STUDY
SEWAGE DISPOSAL SYSTEM FUND
RATE ANALYSIS - TASK NO. 26

INTEGRATED SYSTEM REVENUE REQUIREMENTS	\$	146,839
COMMODITY CHARGE		
103.612 units x \$ 1,054.00		109,207
		109,207
REQUIRED COMMODITY REVENUE INCREASE (DECREASE)	\$	37,632
NON-INTEGRATED SYSTEM REVENUE REQUIREMENTS	\$	20,542
MONTHLY SERVICE CHARGE		
\$1,782 x 12 MONTHS		21,384
		21,384
REQUIRED SERVICE REVENUE INCREASE (DECREASE)	\$	(842)
PERCENTAGE INCREASE (DECREASE) OVER EXISTING RATES		28.17%

GAINES TOWNSHIP
SEWER RATE STUDY
SEWAGE DISPOSAL SYSTEM FUND
RATE ANALYSIS - TASK NO. 27

SYSTEM REVENUE REQUIREMENTS	\$ 167,381
NEW COMMODITY CHARGE *	
103.612 x \$ 1,417.00 =	(146,818)
	<hr/>
	<u>\$ 20,563</u>

MONTHLY SERVICE CHARGE * = \$ 20,563 / 12 = \$1,714

* NEW RATES EFFECTIVE ON JANUARY 1, 2009

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: October 11, 2008

TO: Mike Wolski
Financial Analyst

FROM:  Rick DeVries, P.E.
Acting City Engineer

SUBJECT: **SEWER RATE STUDY - TASK NO. 28 AND 29**

Enclosed are the Front Foot Rates for Sanitary Sewer (Task 28) and the costs for Sanitary Sewer Laterals (Task 29), for the Fiscal Year 2008.

RDV/dv

Enclosures

cc: Jack Stegehuis
Mark Garvey

**CITY OF GRAND RAPIDS, MICHIGAN
SEWAGE DISPOSAL SYSTEM FUND
RE-EVALUATE FRONT FOOT CHARGES
TASK NO. 28**

The City Engineer's Office has reviewed current construction costs for sewer facilities and recommends the following front foot assessment rates:

	<u>2008</u>	<u>2009</u>
Domestic Sewer User	\$ 53.00	\$ 59.00
Commercial-Industrial User (Sewer over 8 in. diameter)	\$ 84.00	\$ 82.00

The rates are based on an average of prices quoted in bid proposals which have been received by the City Engineer's Office during the period July, 2007 through June, 2008. Calculations of the rates are on file in the City Engineer's Office.

**CITY OF GRAND RAPIDS, MICHIGAN
SEWAGE DISPOSAL SYSTEM FUND
EVALUATE SEWER LATERAL CHARGES
TASK NO. 29**

The City Engineer's Office has evaluated the cost for a six inch (6") sanitary sewer lateral and recommends that sewer lateral costs should be as follows:

<u>R.O.W. WIDTH</u>	<u>COST FOR 6-INCH LATERAL</u>	
	<u>2008</u>	<u>2009</u>
50 ft.	\$ 1,850	\$ 2,150
60 ft.	\$ 2,200	\$ 2,550
66 ft.	\$ 2,350	\$ 2,750
80 ft.	\$ 2,800	\$ 3,250
100 ft.	\$ 3,500	\$ 4,000

MEMORANDUM

CITY OF GRAND RAPIDS

Date: October 20, 2008

To: Michael Wolski, Utility Financial Officer *Randall Fisher*

From: Randall Fisher, Environmental Services Manager

Subject: **Sewer Rate Study – Task #30 - Surcharges**

The Wastewater Treatment plant has a limited amount of remaining capacity which is typically allocated to industries having discharges exceeding ordinance limits. These industries are charged for utilizing this remaining plant capacity in four categories of conventional pollutants. These pollutants are: 1) Biochemical Oxygen Demand (BOD); 2) Total Suspended Solids (TSS); 3) Total Phosphorus (Phos); 4) and Ammonia Nitrogen (NH₃). This benefits the industries in that it reduces their pretreatment requirements and benefits the system by utilizing available system capacity.

As shown on the attached sheets, the surcharge methodology includes evaluating various cost centers at the Wastewater Treatment plant and allocating costs based on unit process operating cost. Cumulative costs can then be allocated to the four conventional pollutant categories identified above to determine appropriate surcharge rates.

City of Grand Rapids Michigan
Sewage Disposal System Fund
Evaluation of Wastewater Surcharges for Industrial Customers- BOD, TSS, Phos & NH3
TASK NO. 30- Part 1

Description	Wastewater Surcharges							
	Rate Study Year 2008	Volume	BOD	TSS	Phos	NH3	Industrial	Other
Operation & Maintenance (See Part 2)	\$ 25,733,839	\$ 4,521,728	\$ 4,310,639	\$ 3,937,665	\$ 619,514	\$ 494,588	\$ 718,586	\$ 11,131,119
Depreciation (See Part 3)	4,118,250	754,536	719,298	657,068	103,376	82,525	-	1,801,447
Return on System Investment (See Part 3)	8,218,068	988,821	942,641	861,089	135,474	108,148	-	5,181,895
Total	\$ 38,070,157	\$ 6,265,085	\$ 5,972,578	\$ 5,455,822	\$ 858,364	\$ 685,261	\$ 718,586	\$ 18,114,461

Recommended Surcharge Rate - 2009 \$ 0.229 \$ 0.257 \$ 1.193 \$ 0.262

Actual Surcharge Rate - 2008	\$ 0.217	\$ 0.227	\$ 1.114	\$ 0.247
Change in Surcharge Rate - Amount- 2008 to 2009	\$ 0.012	\$ 0.030	\$ 0.079	\$ 0.015
Change in Surcharge Rate - Percent- 2008 to 2009	5.53%	13.22%	7.09%	6.07%

Task No. 30 - Part 2

City of Grand Rapids Michigan
Sewage Disposal System Fund
Evaluation of High Strength Surcharges- BOD, TSS, Phos & NH3
Allocation of Operation & Maintenance Expense & Determination of WWTP Allocation Factors

Wastewater Treatment Plant	Primary Allocation		Component Allocation (3)							
	Calendar Year		Allocation Basis	Volume	Wastewater Surcharges				Industrial	Other
	2008	2009			BOD	TSS	Phos	NH3		
Pre-Treatment	\$ 1,068,050	\$ 1,249,957	WWTP	\$ 1,249,957	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Primary Treatment	1,463,821	1,713,135	WWTP	-	513,940	1,027,881	-	171,314	-	-
Secondary Treatment	4,239,516	4,961,579	WWTP	1,240,394	2,480,790	992,316	-	248,079	-	-
Disinfection/Dechlorination	949,388	1,111,085	WWTP	1,111,085	-	-	-	-	-	-
Phosphorus Removal	930,207	1,088,637	WWTP	544,318	-	-	544,319	-	-	-
Residue Handling/Disposal	3,212,581	3,759,741	WWTP	375,974	1,315,909	1,917,468	75,195	75,195	-	-
	\$ 11,863,563	\$ 13,884,134		\$ 4,521,728	\$ 4,310,639	\$ 3,937,665	\$ 619,514	\$ 494,588	\$ -	\$ -
Lift Stations										
Interceptor		396,905	Collection	-	-	-	-	-	-	396,905
Trunk		160,995	Collection	-	-	-	-	-	-	160,995
Local Collector		505,003	Collection	-	-	-	-	-	-	505,003
Sewer Lines										
Interceptor		239,919	Collection	-	-	-	-	-	-	239,919
Trunk		577,549	Collection	-	-	-	-	-	-	577,549
Local Collector		4,221,789	Collection	-	-	-	-	-	-	4,221,789
Bulk Meter Stations		20,038	Collection	-	-	-	-	-	-	20,038
Customer Accounting		2,899,584	Admin	-	-	-	-	-	-	2,899,584
Industrial Pretreatment		718,586	Industry	-	-	-	-	-	718,586	-
Subtotal	\$ 23,624,502	\$ 23,624,502		\$ 4,521,728	\$ 4,310,639	\$ 3,937,665	\$ 619,514	\$ 494,588	\$ 718,586	\$ 9,021,782
Admin		2,109,337	Admin	-	-	-	-	-	-	2,109,337
Total	\$ 25,733,839	\$ 25,733,839		\$ 4,521,728	\$ 4,310,639	\$ 3,937,665	\$ 619,514	\$ 494,588	\$ 718,586	\$ 11,131,119
WWTP Allocation Factors		100.000%		32.568%	31.047%	28.361%	4.462%	3.562%	0.000%	0.000%

(1) Based on September 10, 2008 update from R Fisher regarding 2008 WWTP Surcharge Rate Evaluation.
 (2) Primary Allocation of Current Year for Calendar 2009, based on 2008 Base Year.
 (3) Refer to Task 30- Part 4 as noted.

Task No. 30 - Part 3

City of Grand Rapids Michigan
 Sewage Disposal System Fund
 Evaluation of High Strength Surcharges- BOD, TSS, Phos & NH3
 Allocation of Depreciation Expense & Return on System Investment

Depreciation Expense- Task 24

Description	Amount	Volume	Wastewater Surcharges					Industrial	Other
			BOD	TSS	Phos	NH3			
Integrated System (1)	\$ 2,316,803	\$ 754,536	\$ 719,298	\$ 657,068	\$ 103,376	\$ 82,525	\$ -	\$ -	
Other	1,801,447	-	-	-	-	-	-	1,801,447	
Total	\$ 4,118,250	\$ 754,536	\$ 719,298	\$ 657,068	\$ 103,376	\$ 82,525	\$ -	\$ 1,801,447	

Return on System Investment- Task 21

Description	Amount	Volume	Wastewater Surcharges					Industrial	Other
			BOD	TSS	Phos	NH3			
Integrated System (1)	\$ 3,036,173	\$ 988,821	\$ 942,641	\$ 861,089	\$ 135,474	\$ 108,148	\$ -	\$ -	
Other	5,181,895	-	-	-	-	-	-	5,181,895	
Total	\$ 8,218,068	\$ 988,821	\$ 942,641	\$ 861,089	\$ 135,474	\$ 108,148	\$ -	\$ 5,181,895	

(1) Allocated on WWTP Allocation Factors * 32.5680% 31.0470% 28.3610% 4.4620% 3.5620%

* Refer to Task No. 30 - Part 2

Task No. 30 - Part 4

City of Grand Rapids Michigan
 Sewage Disposal System Fund
 Evaluation of High Strength Surcharges- BOD, TSS, Phos & NH3
 Functional Cost Allocation Factors

Line No. Ref.	Cost Function	Total %	Allocation Basis	Volume %	Wastewater Surcharges					Industrial %	Other %
					BOD %	TSS %	Phos %	NH3 %			
(1)	Pre-Treatment	100.000%	WWTP	100.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
(2)	Primary Treatment	100.000%	WWTP	0.000%	30.000%	60.000%	0.000%	10.000%	0.000%	0.000%	0.000%
(3)	Secondary Treatment	100.000%	WWTP	25.000%	50.000%	20.000%	0.000%	5.000%	0.000%	0.000%	0.000%
(4)	Disinfection/Dechlorination	100.000%	WWTP	100.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
(5)	Phosphorus Removal	100.000%	WWTP	50.000%	0.000%	0.000%	50.000%	0.000%	0.000%	0.000%	0.000%
(6)	Residue Handling/Disposal	100.000%	WWTP	10.000%	35.000%	51.000%	2.000%	2.000%	0.000%	0.000%	0.000%
(7)	Bulk Metering Stations	100.000%	Collection	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	100.000%	0.000%
(8)	Customer Accounting	100.000%	Admin	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	100.000%	0.000%
(9)	Industrial Pretreatment	100.000%	Industry	0.000%	0.000%	0.000%	0.000%	0.000%	100.000%	0.000%	0.000%
(10)	Admin	100.000%	Admin	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	100.000%
(11)	Collection System	100.000%	Collection	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	100.000%

(a) With the exception of phosphorus removal, foregoing based on "Final Allocation Table" in August 1, 2003 memo from Randall Fisher & Mike Lunn to Eric DeLong regarding 2001 Surcharge Rate Evaluation. Evaluation by WWTP staff for 2008 RS Review concluded percentages for phosphorus removal shall remain allocated 50/50 to the categories above, as initially recommended in the 2006 RS Review, to recommend 2009 rate adjustments.

CITY OF GRAND RAPIDS, MICHIGAN
SEWER RATE STUDY
IPP PERMIT FEE STRUCTURE – TASK NO. 31

The City of Grand Rapids Industrial Pretreatment Program (IPP) Permit fee structure is based on the actual cost of administration and implementation. Administration includes all the costs associated with document generation and handling as well as one annual site visit. The implementation costs include all sampling and associated laboratory analyses required by the permit. These two fees are identified on permit documents as a Permit Fee and an Analytical Fee.

Permit Fee: This fee is based on the actual costs associated with administering the permit program, including time spent on permit required inspections, clerical requirements, data handling requirements and all trunkline monitoring. This fee will be specific to the costs associated with the permit category.

Analytical Fee: This fee is based on actual costs associated with each permit. The costs, and an explanation of how they are determined, are outlined in an accompanying attachment. Labor time, including sampling and sample delivery to our laboratory, was derived from experience:

Composite samples:	1.5 hours each
Grab samples:	1.0 hours each

Four examples of analytical fees are attached herewith.

City of Grand Rapids
Cost of Services Provided by IPP

Last Update: 10/17/2008

Permit Fee: \$ 300.00

IPP Costs:

Labor: \$ 53.72 per hour
Vehicle: \$ 3.87 per hour
Sampler: \$ 35.00 per day

IPP Accounting:

Composite Labor: 1.5 hours per sample
Grab Sample Labor: 1.0 hours per sample

Laboratory Costs:

metals	\$	9.50	ea.
TSS	\$	6.00	ea.
BOD	\$	12.00	ea.
total phosphate	\$	11.00	ea.
pH	\$	5.00	ea.
EPA 624	\$	98.00	ea.
EPA 625	\$	228.00	ea.
BTEX/MTBE	\$	36.00	ea.
sulfide	\$	15.00	ea.
oil & grease	\$	25.00	ea.
total cyanide	\$	19.00	ea.
hex chrome	\$	16.00	ea.
fecal coliform	\$	45.00	ea.

Explanation of Costs:

Labor: Labor is the hourly pay rate of a Water Pollution Control Inspector (classification 21A @ "F" step) per the January 1, 2003 to December 31, 2006 agreement between the City of Grand Rapids and the Grand Rapids Employees Independent Union plus 100% as specified in section 2.81(1) of the City of Grand Rapids Sewage Disposal System Ordinance. If personnel in a different classification are required, time will be billed based on that classification's pay scale plus 100%.

Vehicle: Hourly rate is the actual cost charged to City departments for vehicle use plus 25% for overhead.

Sampler: Sampler costs are derived from an average of the lowest quoted prices obtained from private suppliers in the greater Grand Rapids Area.

Analysis: Laboratory costs are based on the most recently approved competitive bid obtained for contract work provided to the Grand Rapids Wastewater Treatment Plant's Laboratory.

Permit No: Example 1

Company: Typical Metal Finisher
Facility Address:
City, State, Zip

Permit Fee: \$ 300.00
Analytical Fee: \$ 809.00
Amount Due: \$ 1,109.00

Composite Samples: 4

IPP Requirements: man hours = 6.0 x \$ 53.72 = \$ 322.00
sampler days = 4.0 x \$ 35.00 = \$ 140.00
vehicle hours = 6.0 x \$ 3.87 = \$ 23.00

Total IPP Composite Costs: \$ 485.00

Laboratory Analysis: metals 6 x \$ 9.50 = \$ 57.00
(each composite) TSS x \$ 6.00 = \$ -
BOD x \$ 12.00 = \$ -
total phosphate x \$ 11.00 = \$ -
pH x \$ 5.00 = \$ -
EPA 625 x \$ 228.00 = \$ -
sulfide x \$ 15.00 = \$ -
oil & grease x \$ 25.00 = \$ -
hex chrome x \$ 16.00 = \$ -
fecal coliform x \$ 45.00 = \$ -
other x = \$ -

total per composite: \$ 57.00

Total Laboratory Composite Costs: \$ 228.00

Total Composite Sample Costs: \$ 713.00

Grab Samples: 4

IPP Requirements: man hours = 0.0 x \$ 53.72 = \$ -
vehicle hours = 0.0 x \$ 3.87 = \$ -

Total IPP Grab Costs: \$ -

Laboratory Analysis: metals x \$ 9.50 = \$ -
(each grab) TSS x \$ 6.00 = \$ -
BOD x \$ 12.00 = \$ -
total phosphate x \$ 11.00 = \$ -
pH 1 x \$ 5.00 = \$ 5.00
EPA 624 x \$ 98.00 = \$ -
EPA 625 x \$ 228.00 = \$ -
BTEX/MTBE x \$ 36.00 = \$ -
sulfide x \$ 15.00 = \$ -
oil & grease x \$ 25.00 = \$ -
total cyanide 1 x \$ 19.00 = \$ 19.00
hex chrome x \$ 16.00 = \$ -
fecal coliform x \$ 45.00 = \$ -
other x = \$ -

total per grab: \$ 24.00

Total Laboratory Grab Costs: \$ 96.00

Total Grab Sample Costs: \$ 96.00

Total Analytical Permit Costs: \$ 809.00

Permit No: Example 2

Company: Litho Process
Facility Address:
City, State, Zip

Permit Fee: \$ 300.00
Analytical Fee: \$ 63.00
Amount Due: \$ 363.00

Composite Samples:

IPP Requirements: man hours = 0.0 x \$ 53.72 = \$ -
sampler days = 0.0 x \$ 35.00 = \$ -
vehicle hours = 0.0 x \$ 3.87 = \$ -

Total IPP Composite Costs: \$ -

Laboratory Analysis: metals x \$ 9.50 = \$ -
(each composite) TSS x \$ 6.00 = \$ -
BOD x \$ 12.00 = \$ -
total phosphate x \$ 11.00 = \$ -
pH x \$ 5.00 = \$ -
EPA 625 x \$ 228.00 = \$ -
sulfide x \$ 15.00 = \$ -
oil & grease x \$ 25.00 = \$ -
hex chrome x \$ 16.00 = \$ -
fecal coliform x \$ 45.00 = \$ -
other x = \$ -

total per composite: \$ -

Total Laboratory Composite Costs: \$ -

Total Composite Sample Costs: \$ -

Grab Samples: 1

IPP Requirements: man hours = 1.0 x \$ 53.72 = \$ 54.00
vehicle hours = 1.0 x \$ 3.87 = \$ 4.00

Total IPP Grab Costs: \$ 58.00

Laboratory Analysis: metals x \$ 9.50 = \$ -
(each grab) TSS x \$ 6.00 = \$ -
BOD x \$ 12.00 = \$ -
total phosphate x \$ 11.00 = \$ -
pH 1 x \$ 5.00 = \$ 5.00
EPA 624 x \$ 98.00 = \$ -
EPA 625 x \$ 228.00 = \$ -
BTEX/MTBE x \$ 36.00 = \$ -
sulfide x \$ 15.00 = \$ -
oil & grease x \$ 25.00 = \$ -
total cyanide x \$ 19.00 = \$ -
hex chrome x \$ 16.00 = \$ -
fecal coliform x \$ 45.00 = \$ -
other x = \$ -

total per grab: \$ 5.00

Total Laboratory Grab Costs: \$ 5.00

Total Grab Sample Costs: \$ 63.00

Total Analytical Permit Costs: \$ 63.00

Permit No: Example 3

Company: Stripping Process
Facility Address:
City, State, Zip

Permit Fee: \$ 300.00
Analytical Fee: \$ 111.00
Amount Due: \$ 411.00

Composite Samples:

IPP Requirements: man hours = 0.0 x \$ 53.72 = \$ -
sampler days = 0.0 x \$ 35.00 = \$ -
vehicle hours = 0.0 x \$ 3.87 = \$ -

Total IPP Composite Costs: \$ -

Laboratory Analysis: metals x \$ 9.50 = \$ -
(each composite) TSS x \$ 6.00 = \$ -
BOD x \$ 12.00 = \$ -
total phosphate x \$ 11.00 = \$ -
pH x \$ 5.00 = \$ -
EPA 625 x \$ 228.00 = \$ -
sulfide x \$ 15.00 = \$ -
oil & grease x \$ 25.00 = \$ -
hex chrome x \$ 16.00 = \$ -
fecal coliform x \$ 45.00 = \$ -
other x = \$ -

total per composite: \$ -

Total Laboratory Composite Costs: \$ -

Total Composite Sample Costs: \$ -

Grab Samples: 1

IPP Requirements: man hours = 1.0 x \$ 53.72 = \$ 54.00
vehicle hours = 1.0 x \$ 3.87 = \$ 4.00

Total IPP Grab Costs: \$ 58.00

Laboratory Analysis: metals 5 x \$ 9.50 = \$ 48.00
(each grab) TSS x \$ 6.00 = \$ -
BOD x \$ 12.00 = \$ -
total phosphate x \$ 11.00 = \$ -
pH 1 x \$ 5.00 = \$ 5.00
EPA 624 x \$ 98.00 = \$ -
EPA 625 x \$ 228.00 = \$ -
BTEX/MTBE x \$ 36.00 = \$ -
sulfide x \$ 15.00 = \$ -
oil & grease x \$ 25.00 = \$ -
total cyanide x \$ 19.00 = \$ -
hex chrome x \$ 16.00 = \$ -
fecal coliform x \$ 45.00 = \$ -
other x = \$ -

total per grab: \$ 53.00

Total Laboratory Grab Costs: \$ 53.00

Total Grab Sample Costs: \$ 111.00

Total Analytical Permit Costs: \$ 111.00

Permit No: Example 4

Company: Silver User - photoprocessor
Facility Address:
City, State, Zip

Permit Fee: \$ 300.00
Analytical Fee: \$ 67.09
Amount Due: \$ 367.09

Composite Samples:

IPP Requirements: man hours = 0.0 x \$ 53.72 = \$ -
sampler days = 0.0 x \$ 35.00 = \$ -
vehicle hours = 0.0 x \$ 3.87 = \$ -

Total IPP Composite Costs: \$ -

Laboratory Analysis: metals x \$ 9.50 = \$ -
(each composite) TSS x \$ 6.00 = \$ -
BOD x \$ 12.00 = \$ -
total phosphate x \$ 11.00 = \$ -
pH x \$ 5.00 = \$ -
EPA 625 x \$ 228.00 = \$ -
sulfide x \$ 15.00 = \$ -
oil & grease x \$ 25.00 = \$ -
hex chrome x \$ 16.00 = \$ -
fecal coliform x \$ 45.00 = \$ -
other x = \$ -

total per composite: \$ -

Total Laboratory Composite Costs: \$ -

Total Composite Sample Costs: \$ -

Grab Samples: 1

IPP Requirements: man hours = 1.0 x \$ 53.72 = \$ 53.72
vehicle hours = 1.0 x \$ 3.87 = \$ 3.87

Total IPP Grab Costs: \$ 57.59

Laboratory Analysis: metals 1 x \$ 9.50 = \$ 9.50
(each grab) TSS x \$ 6.00 = \$ -
BOD x \$ 12.00 = \$ -
total phosphate x \$ 11.00 = \$ -
pH x \$ 5.00 = \$ -
EPA 624 x \$ 98.00 = \$ -
EPA 625 x \$ 228.00 = \$ -
BTEX/MTBE x \$ 36.00 = \$ -
sulfide x \$ 15.00 = \$ -
oil & grease x \$ 25.00 = \$ -
total cyanide x \$ 19.00 = \$ -
hex chrome x \$ 16.00 = \$ -
fecal coliform x \$ 45.00 = \$ -
other x = \$ -

total per grab: \$ 9.50

Total Laboratory Grab Costs: \$ 9.50

Total Grab Sample Costs: \$ 67.09

Total Analytical Permit Costs: \$ 67.09

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: October 31, 2008

TO: Michael Wolski
Utility Financial Officer

FROM: Charles R. Schroeder, PE
Hydraulic Engineer 

SUBJECT: **2008 SEWER RATE STUDY - TASK #32 – SANITARY SEWER
OVERSIZING RATES**

Sanitary Sewer Oversizing rates are established as follows:

<u>Description</u>	<u>Amount</u> <u>(Per lineal foot)</u>
8" to 10"	\$ 4.15
8" to 12"	\$ 9.21
8" to 15"	\$ 16.72
10" to 12"	\$ 5.06
10" to 15"	\$ 12.57
12" to 15"	\$ 7.51

These rates have been determined in accordance with the Sewage Disposal System Rules and Regulations and are approved for use from January 1, 2009 through December 31, 2009. Background information and calculations to establish these rates are on file in the Utility Engineering Distribution and Collection Division Office located at 1900 Oak Industrial Drv, NE. If you have any questions regarding this matter, please call me at extension 3690 (456-3690)

CRS

srs\stask32 2008

**CITY OF GRAND RAPIDS, MICHIGAN
SEWER RATE STUDY
SEWAGE DISPOSAL SYSTEM FUND
TASK NO. 33**

SERVICE AREA MAPS AND SERVICE AREA LAND MASS SUMMARIES

The following summarizes Utility Service Districts (USD) land mass square miles for UAB partner communities, per maps/area sizes on file as of October 14, 2008:

UAB Partners	Sq. Miles of USD by CC	Percent
Grand Rapids	45.36	35.161%
Walker	20.17	15.634%
Kentwood	14.28	11.069%
Cascade	23.53	18.239%
Grand Rapids Township	11.82	9.162%
Tallmadge Township	2.44	1.891%
Wright Township	0.89	0.690%
East Grand Rapids	3.37	2.612%
Ada	7.15	5.542%
Total	129.01	100.000%

**CITY OF GRAND RAPIDS, MICHIGAN
SEWER RATE STUDY
SEWAGE DISPOSAL SYSTEM FUND
TASK NO. 34**

INDIVIDUAL CIRCUIT BREAKER AND CITY & CUSTOMER COMMUNITY CIRCUIT BREAKER

The Third Amendment to the Water and Sanitary Sewer Agreements stipulates penalty fees shall be used to fund the circuit breaker provisions noted above. The following summarizes those values:

<u>Description</u>	<u>AMOUNT</u>	<u>PERCENT</u>
Individual Circuit Breaker	\$ 73,118	12.50%
City & Customer Community Circuit Breaker	511,826	87.50%
Total	<u>\$ 584,944</u>	<u>100.00%</u>

The following summarizes the amount, if any, of the City & Customer Community Circuit Breaker to be applied as a revenue credit in next year's Rate Study:

<u>Description</u>	<u>AMOUNT</u>	<u>PERCENT</u>
City & Customer Community Circuit Breaker Amount- Above	\$ 511,826	100.00%
Less: Amount Applied in Current Rate Study	(511,826)	-100.00%
Total Revenue Credit- Next Year's Rate Study	<u>\$ -</u>	<u>0.00%</u>

INTRODUCTION OF RATE ORDINANCES

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: November 17, 2008

TO: Eric DeLong
Deputy City Manager

FROM: Michael Wolski 
Utility Financial Officer

SUBJECT: 2008 WATER/SEWER RATE REVIEW - PRELIMINARY REPORT

The preliminary report, recommending water and sewer rates as of January 1, 2009 for Grand Rapids and all customer communities, is submitted for consideration. The report continues to be two-tiered in nature, calculating recommended rates for customer communities based upon: (a) adherence to the rate-making methodology established in 1976-1977 for customer communities not party to the uniform water and sewer service agreements; (b) rate methodology changes, based upon the uniform service agreements with our UAB partners.

This rate review marks the third year that recommended rate adjustments incorporate provisions of the third amendment to the uniform service agreements with our Utility Partners. Specifically, the elimination of penalty fee credits from retail revenue requirements to fund the Individual Circuit Breaker (ICB) and the City and Customer Community Circuit Breaker. That generated \$136,652 to support the ICB, the program aimed at addressing retail users requiring assistance in payment of their water/sewer bills. The third amendment also provides a funding mechanism, if sufficient funding is available, to limit each retail service area revenue requirement change to a level in line with the overall systems' initial average change, i.e., the City and Customer Community Circuit Breaker. Adequate funds were available to achieve that goal in the water system and full relief was provided to Kentwood, Grand Rapids Township and Tallmadge Township. The sewage system provided substantial relief to Walker, Grand Rapids Township, Tallmadge Township and Wright Township.

Proposed 2009 water rates reflect increases for: electricity, Franklin's second transmission main, decreased integrated connection fees; and decreases resulting from increased revenue credits and billed volume. Proposed 2009 sewer rates reflect increases for CSO debt service, electricity, final phase-in of Indian Mill Creek (IMC) sewer project work, partial phase-in of the GVRBA project, decreased integrated connection fees, and elimination of wholesale service charges for the North Kent and Meijer-Algoma service areas from the rate base.

Summaries of proposed overall revisions for the systems are as follows:

1. Water Supply System revenue requirements will increase \$1,004,873 or 2.45% more than revenues generated by existing rates and charges.

2. Sewage Disposal System revenue requirements will increase \$6,032,883 or 14.69% more than revenues generated by existing rates and charges, which excludes revenues from the North Kent and Meijer-Algoma service areas. The loss of those service areas accounts for approximately 6.00% of the increase. (The proposed increase for the sewage system would have been approximately 8.69% had those service area revenues remained in the rate base for calendar year 2009)

Attached is a schedule of comparative 2008/2009 water/sewer quarterly billings based on system consumption averages for a typical domestic user in Grand Rapids and retail customer communities. That schedule also includes a comparison of the approximate 2008/2009 monthly charges for Wright Township's REU (Residential Equivalent Unit) rate structure. Comparative rate adjustments are also noted for our wholesale customer communities.

Announcement of proposed 2009 water and sewer rates to our UAB partners and other customer communities is scheduled for Thursday, November 20, 2008. All customer communities have a thirty-day comment period following notification of the rates as provided in our water/sewer service agreements. Concurrence of customer community rates by the City Commission is scheduled for Tuesday, December 23, 2008.

Resolutions are being prepared providing for publication of proposed ordinances amending the Water and Sewer Rates and Charges and establish December 9, 2008 as the date for public hearing and December 23, 2008 to consider adoption of the proposed ordinances.

MW

Attachment

**CITY OF GRAND RAPIDS, MICHIGAN
2008 PRELIMINARY WATER/SEWER RATE STUDY
IMPACT OF RATE ADJUSTMENTS ON DOMESTIC USERS
BY CUSTOMER COMMUNITY *
November 20, 2008**

	APPROXIMATE QUARTERLY BILL		CHANGE	
	2008	2009	DOLLARS	PERCENT
GRAND RAPIDS				
WATER	\$ 74.32	\$ 75.82	\$ 1.50	2.02%
SEWER	81.06	92.28	11.22	13.84%
	<u>\$ 155.38</u>	<u>\$ 168.10</u>	<u>\$ 12.72</u>	8.19%
BASE RATIO	1.00	1.00		
WALKER				
WATER	\$ 77.13	\$ 79.06	\$ 1.93	2.50%
SEWER	106.64	123.86	17.22	16.15%
	<u>\$ 183.77</u>	<u>\$ 202.92</u>	<u>\$ 19.15</u>	10.42%
RATIO TO GR	1.18	1.21		
KENTWOOD				
WATER	\$ 88.64	\$ 91.02	\$ 2.38	2.69%
SEWER	50.52	55.50	4.98	9.86%
	<u>\$ 139.16</u>	<u>\$ 146.52</u>	<u>\$ 7.36</u>	5.29%
RATIO TO GR	0.90	0.87		
CASCADE TWP				
WATER	\$ 122.10	\$ 124.29	\$ 2.19	1.79%
SEWER	114.46	125.67	11.21	9.79%
	<u>\$ 236.56</u>	<u>\$ 249.96</u>	<u>\$ 13.40</u>	5.66%
RATIO TO GR	1.52	1.49		
GRAND RAPIDS TWP				
WATER	\$ 96.52	\$ 98.97	\$ 2.45	2.54%
SEWER	100.09	116.08	15.99	15.98%
	<u>\$ 196.61</u>	<u>\$ 215.05</u>	<u>\$ 18.44</u>	9.38%
RATIO TO GR	1.27	1.28		
TALLMADGE TWP- Contribution of \$30,000 for 2008				
WATER	\$ 135.56	\$ 139.56	\$ 4.00	2.95%
SEWER (\$30K)	232.09	269.94	37.85	16.31%
	<u>\$ 367.65</u>	<u>\$ 409.50</u>	<u>\$ 41.85</u>	11.38%
RATIO TO GR	2.37	2.44		

* THE COMPARISONS ABOVE ARE BASED ON SYSTEM AVERAGE DOMESTIC CUSTOMER QUARTERLY CONSUMPTION OF: WATER- 28.00 UNITS OR 20,944 GALLONS
SEWER - 19.00 UNITS OR 14,212 GALLONS
NO. OF MONTHS: 3

Note: The average water consumption depicted above reflects an increase of one (1) unit from last year's rate study. (The average quarterly consumption for water & sewer last year was 27 and 19 units, respectively).

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

WRIGHT TWP- Contribution of \$50,000 for 2008

SEWER (No. of REU 1.00)	<u>\$ 156.27</u>	<u>\$ 183.27</u>	<u>\$ 27.00</u>	17.28%
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CITY OF GRAND RAPIDS, MICHIGAN
2008 PRELIMINARY WATER/SEWER RATE STUDY
IMPACT OF RATE ADJUSTMENTS ON WHOLESALE USERS
November 20, 2008

	<u>2008</u>	<u>2009</u>	<u>PERCENTAGE CHANGE</u>
EAST GRAND RAPIDS			
WATER - SERVICE (MONTHLY)	\$ 11,864.00	\$ 19,061.00	60.66%
- COMMODITY (100 CF)	1.10	1.13	2.73%
SEWER - SERVICE (MONTHLY)	2,127.00	1,865.00	-12.32%
- COMMODITY (MG)	1,260.00	1,538.00	22.06%
ADA TWP			
WATER - SERVICE	\$ 32,831.00	\$ 39,018.00	18.84%
- COMMODITY	1.17	1.21	3.42%
SEWER - SERVICE	6,102.00	6,743.00	10.50%
- COMMODITY	1,496.00	1,832.00	22.46%
OTTAWA COUNTY			
WATER - SERVICE	\$ 198.00	\$ 29.00	-85.35%
- COMMODITY	1.18	1.20	1.69%
NORTH KENT AREA *			
SEWER - SERVICE	\$ 37,728.00	\$ -	-100.00%
- COMMODITY	1,054.00	-	-100.00%
GAINES TWP			
SEWER - SERVICE	\$ 1,782.00	\$ 1,714.00	-3.82%
- COMMODITY	1,054.00	1,417.00	34.44%
MEIJER - ALGOMA *			
SEWER - SERVICE	\$ 235.00	\$ -	-100.00%
- COMMODITY	1,557.00	-	-100.00%

* Wholesale service area no longer serviced by the Grand Rapids Sewage System.

*77780 Com. Jendrasiak, supported by Com. Bliss, moved adoption of the following resolution under the Consent Agenda:

RESOLVED that the following Ordinance to amend sections 2.34, 2.35, 2.40 and 2.45 of Chapter 26 of Title II of the City Code be published as part of the proceedings, that a public hearing on the proposed Ordinance be held on December 9, 2008, at 7:00 p.m., that the City Clerk be directed to publish notice of Public Hearing and that the proposed Ordinance be considered for adoption on December 23, 2008.

AN ORDINANCE TO AMEND CHAPTER 26 OF TITLE II OF THE CODE OF THE CITY OF GRAND RAPIDS AMENDING THE WATER RATES AND CHARGES.

ORDINANCE NO. 2008-___

THE PEOPLE OF THE CITY OF GRAND RAPIDS DO ORDAIN:

Section 1. That Section 2.34 of Chapter 26 of Title II of the Code of the City of Grand Rapids be amended to read as follows:

"2.34 Local Distribution Charges.

- (1) Whenever a watermain used for local distribution is constructed either through a special assessment project or as may be ordered or required by law, the property owners for whom the line is designed shall each pay their share of the cost of installation. Similarly, any property owner requesting service who has not previously paid his or her share of the cost of constructing the watermain used for local distribution shall pay those costs before service is permitted.
- (2) The charge shall be known as the front foot rate and be determined by multiplying the rate per foot by the number of feet the property owner has fronting on the watermain used for local distribution. The front foot rate shall be as follows:
 - (a) Domestic User: \$62.00;
 - (b) Commercial or Industrial User;
 1. The same as a domestic user if the connection is made to a line eight (8) inches or less in diameter.
 2. For a line larger than eight (8) inches in diameter: \$82.00.

This charge will be annually reviewed and may change to reflect the current average cost of installation of local distribution lines.

- (3) If the City Commission shall determine that it is not advisable to collect the front foot rate at the time of construction or connection (if not previously paid at the time of construction), it may direct that the cost be borne initially by the System and subsequently be collected from the property owner in accordance with this Section.
- (4) Upon completion of construction or at the time connection is requested (if this cost has not been paid at the time of construction), the City Engineer shall certify to the City Comptroller the cost to be charged to the property owner. The Comptroller shall in turn certify the amount thereof to the City Treasurer. The City Treasurer shall bill the owner of the premises affected advising him or her that unless the amount so billed is paid within thirty (30) days from the date of mailing that the same shall be presented to the City Commission at the first meeting thereof after the expiration of thirty (30) days for assessment against said premises as a special assessment. In the event the bill for such installation and connection is not paid within thirty (30) days from the date said notice is

mailed, the City Treasurer shall report the same to the City Commission which shall examine the same and if found by it to be correct shall confirm it as a special assessment against the premises affected, at which time the City Commission shall also direct the number of installments into which the same shall be divided, and shall direct the City Assessor to extend the same upon the tax roll as a special assessment in the manner provided in Chapter 10 of this Code. All collection procedures for special assessments established in Chapter 10 of this Code shall be applicable to assessments made hereunder.

- (5) In lieu of the procedure above described, such installations and connections may be made at the expense of the System when the owner of the premises signs a written agreement agreeing to pay the expense of such installation and connections upon terms agreeable to the City Manager and that the unpaid balance shall constitute a lien upon his or her property of the same character and subject to the same methods of collection as prescribed for special assessments in Chapter 10 of this Code."

Section 2. That Section 2.35 of Chapter 26 of Title II of the Code of the City of Grand Rapids be amended to read as follows:

"2.35 Integrated Water Connection Fee Schedule.

When a property owner or user is requested or required to connect to the System and has not previously paid or been assessed a connection fee, the following connection fee schedule shall apply:

Integrated Water Connection Base Fee Schedule

Water Meter	
(or equivalent)	
<u>Size (inches)</u>	<u>Base Fee</u>
3/4 or less	\$ 2,650
1	4,400
1 ½	8,750
2	14,050
3	30,750
4	55,300
6 and over	122,950

Except as otherwise provided in the immediately succeeding paragraph, the foregoing integrated water connection base fee schedule 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 twenty thousand (20,000) square feet shall pay the applicable integrated connection fee in accordance with the foregoing schedule. When determining the square footage of a residential parcel for the purposes of determining the appropriate integrated connection fee, parcel size may be adjusted downward to take into consideration such things as wetlands, lakes, streams and other unusual characteristics of the parcel in accordance with policies approved from time to time by the Utility Advisory Board. To the extent the size of a parcel, as adjusted, is greater than or less than twenty thousand (20,000) square feet, one-half the applicable integrated connection fee will increase or decrease by the same percentage increase or decrease in the parcel above or below twenty thousand (20,000) square feet. 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, as adjusted, 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 foregoing schedule.

There shall be no upward adjustment in the integrated water service connection fee payable for a single-family residential dwelling unit connecting to the Water System if (a) each of the following

conditions are met (1) a building permit shall have been obtained, (2) the dwelling unit shall have been constructed, and (3) a certificate of occupancy shall have been issued prior to January 1, 2000 or (b) local building permit fees have been paid to the local governmental unit prior to January 1, 2000 for a single-family residential dwelling unit to be constructed on or after January 1, 2000. When connecting to the Water System, users living in or owning such single-family residential dwelling units shall pay the applicable base integrated connection fee set forth in the Integrated Water Connection Base Fee Schedule adjusted downward, if applicable, in accordance with the immediate preceding paragraph.

Effective January 1, 2005 and January 1st of every year thereafter, the Integrated Water Connection Base Fees shall be adjusted by a percentage, which is determined by the annual change in the Consumer Price Index (the "index") calculated as follows:

- (1) The Consumer Price Index shall be that Index referred to as the Consumer Price Index, US City Average, All Urban Consumers, published by the U.S. Department of Labor-Bureau of Statistics ((1982-84)=100). In the event the method of determining the Index is substantially altered, the basis for determining the annual change thereafter shall be the Index which is most comparable to the Index described above.
- (2) For the purpose of computing the percentage change each calendar year, the Index for the month of August for the prior calendar year shall be subtracted from the Index for the immediately-preceding August. The result so obtained (if positive) shall be divided by the Index for the month of August for the prior calendar year to obtain the percentage increase which shall be applied to the then current Integrated Water Connection Base Fee Schedule to determine the new calendar year schedule.

The foregoing Integrated Connection fee is due and payable at the time a User receives a permit to connect to the Water System. A permit issued by the City to connect to the Water System shall expire one hundred eighty (180) days from the date the permit was issued.

The user receiving services who applies for a larger water meter than the one presently in service shall pay an Integrated Connection Fee which is the difference in cost between the meter size in service and the one applied for in accordance with the Integrated Connection Fee in effect at the time of application. No credit or rebate shall be made in the case of application for a smaller meter size.

Existing commercial and industrial customers may request the installation of an additional meter to measure water used solely for irrigation purposes. There shall be no Integrated Connection Fee for the additional meter provided combined maximum capacity as defined by the American Water Works Association Standards C700-90 and C702-92, as amended, does not exceed the maximum capacity of the original meter. If the original maximum capacity is exceeded, the customer shall pay as an Integrated Connection Fee the difference between the fee for the original meter and what the fee would be if the maximum capacities of all meters were totaled. The additional Integrated Connection Fee shall be based upon the fees in effect at the time of installation of the additional meter."

Section 3. That Section 2.40 of Chapter 26 of Title II of the Code of the City of Grand Rapids be amended to read as follows:

"2.40 Rates and Charges for Retail Customers Within the City of Grand Rapids.

The following charges for water service provided retail users within the City of Grand Rapids shall be made.

		<u>Commodity Rate</u>
Domestic		\$1.60 per 100 cubic feet
Commercial		\$1.60 per 100 cubic feet
Industrial		\$1.60 per 100 cubic feet
		<u>Monthly Service Charge</u>
<u>Size of Meter</u>		<u>Charge</u>
3/4 inch or less		\$ 10.34

1 inch	15.50
1 1/4 inch	22.13
1 1/2 inch	30.23
2 inches	50.86
3 inches	109.79
4 inches	192.30
6 inches or larger	428.03"

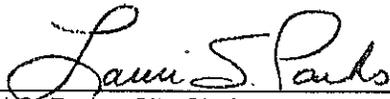
Section 4. That Section 2.45 of Chapter 26 of Title II of the Code of the City of Grand Rapids be amended to read as follows:

"2.45 Effective Date.

The rates, charges and fees set forth in Section 2.34, 2.35 and 2.40 shall be effective on January 1, 2009."

* CONSENT AGENDA APPROVAL

I hereby certify that the foregoing is a true transcript of the action of the City Commission of the City of Grand Rapids, Michigan, in public session held November 25, 2008.



Lauri S. Parks, City Clerk

*77781 Com. Jendrasiak, supported by Com. Bliss, moved adoption of the following resolution under the Consent Agenda:

RESOLVED that the following Ordinance to amend section 2.95, 2.96, 2.101, 2.102 and 2.105 of Chapter 27 of Title II of the City Code be published as part of the proceedings, and that a public hearing on the proposed Ordinance be held on December 9, 2008, at 7:00 p.m., that the City Clerk be directed to publish notice of Public Hearing and that the proposed Ordinance be considered for adoption on December 23, 2008.

AN ORDINANCE TO AMEND CHAPTER 27 OF TITLE II OF THE CODE OF THE CITY OF GRAND RAPIDS AMENDING THE SEWER RATES AND CHARGES.

ORDINANCE NO. 2008-___

THE PEOPLE OF THE CITY OF GRAND RAPIDS DO ORDAIN:

Section 1. That Section 2.95 of Chapter 27 of Title II of the Code of the City of Grand Rapids be amended to read as follows:

"2.95 Local Collector Sewer Line Installation Charges.

- (1) Whenever a local collector sewer line is constructed either through a special assessment project or as may be ordered or required by law, the property owners for whom the line is designed to serve shall each pay their share of the cost of installation. Similarly, any property owner requesting service who has not previously paid his or her share of the cost of constructing the local collector sewer shall pay those costs before service is permitted.
- (2) The charge shall be known as the front foot rate and be determined by multiplying the rate per foot by the number of feet the property owner has fronting on the local collector sewer line from which he or she will receive service. The front foot rate shall be as follows:
 - (a) Domestic User: \$59.00;
 - (b) Commercial or Industrial User;
 1. The same as a domestic user if the connection is made to a local collector sewer line eight (8) inches or less in diameter.
 2. For a line larger than eight (8) inches in diameter: \$82.00.

This charge will be annually reviewed and may change to reflect the current average cost of installation of local collector sewer lines.

- (3) If the City Commission shall determine that it is not advisable to collect the front foot rate at the time of construction or connection (if not previously paid at the time of construction), it may direct that the cost be borne initially by the System and subsequently be collected from the property owner in accordance with this Section.
- (4) Upon completion of construction or at the time connection is requested (if this cost has not been paid at the time of construction), the City Engineer shall certify to the City Comptroller the cost to be charged to the property owner. The Comptroller shall in turn certify the amount thereof to the City Treasurer. The City Treasurer shall bill the owner of the premises affected advising him or her that unless the amount so billed is paid within thirty (30) days from the date of mailing that the same shall be presented to the City Commission at the first meeting thereof after the expiration of thirty (30) days for assessment against said premises as a special assessment. In the event the bill for such installation and connection is not paid within thirty (30) days from the date said notice is

mailed, the City Treasurer shall report the same to the City Commission which shall examine the same and if found by it to be correct shall confirm it as a special assessment against the premises affected, at which time the City Commission shall also direct the number of installments into which the same shall be divided, and shall direct the City Assessor to extend the same upon the tax roll as a special assessment in the manner provided in Chapter 10 of this Code. All collection procedures for special assessments established in Chapter 10 of this Code shall be applicable to assessments made hereunder.

- (5) In lieu of the procedure above described, such costs may be made at the expense of the System when the owner of the premises signs a written agreement agreeing to pay the cost upon terms agreeable to the City Manager and that the unpaid balance shall constitute a lien upon his or her property of the same character and subject to the same methods of collection as prescribed for special assessments in Chapter 10 of this Code."

Section 2. That Section 2.96 of Chapter 27 of Title II of the Code of the City of Grand Rapids be amended to read as follows:

"2.96 Integrated Sewer Connection Fee Schedule.

When a property owner or user is requested or required to connect to the System and has not previously paid or been assessed a connection fee, the following connection fee schedule shall apply:

Integrated Sewer Connection Base Fee Schedule

Water Meter (or equivalent)	
<u>Size (inches)</u>	<u>Base Fee</u>
3/4 or less	\$ 2,650
1	4,400
1 ½	8,750
2	14,050
3	30,750
4	55,300
6 and over	122,950

Except as otherwise provided in the immediately succeeding paragraph, the foregoing integrated sewer connection base fee schedule 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 twenty thousand (20,000) square feet shall pay the applicable integrated connection fee in accordance with the foregoing schedule. When determining the square footage of a residential parcel for the purposes of determining the appropriate integrated connection fee, parcel size may be adjusted downward to take into consideration such things as wetlands, lakes, streams and other unusual characteristics of the parcel in accordance with policies approved from time to time by the Utility Advisory Board. To the extent the size of a parcel, as adjusted, is greater than or less than twenty thousand (20,000) square feet, one-half the applicable integrated connection fee will increase or decrease by the same percentage increase or decrease in the parcel above or below twenty thousand (20,000) square feet. 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, as adjusted, 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 foregoing schedule.

There shall be no upward adjustment in the integrated sewer service connection fee payable for a single-family residential dwelling unit connecting to the Sewer System if (a) each of the following conditions are met (1) a building permit shall have been obtained, (2) the dwelling unit shall have been

constructed, and (3) a certificate of occupancy shall have been issued prior to January 1, 2000 or (b) local building permit fees have been paid to the local governmental unit prior to January 1, 2000 for a single-family residential dwelling unit to be constructed on or after January 1, 2000. When connecting to the Sewer System, users living in or owning such single-family residential dwelling units shall pay the applicable base integrated connection fee set forth in the Integrated Sewer Connection Base Fee Schedule adjusted downward, if applicable, in accordance with the immediate preceding paragraph.

Effective January 1, 2005 and January 1st of every year thereafter, the Integrated Sewer Connection Base Fees shall be adjusted by a percentage, which is determined by the annual change in the Consumer Price Index (the "index") calculated as follows:

- (1) The Consumer Price Index shall be that Index referred to as the Consumer Price Index, US City Average, All Urban Consumers, published by the U.S. Department of Labor-Bureau of Statistics ((1982-84)=100). In the event the method of determining the Index is substantially altered, the basis for determining the annual change thereafter shall be the Index which is most comparable to the Index described above.
- (2) For the purpose of computing the percentage change each calendar year, the Index for the month of August for the prior calendar year shall be subtracted from the Index for the immediately-preceding August. The result so obtained (if positive) shall be divided by the Index for the month of August for the prior calendar year to obtain the percentage increase which shall be applied to the then current Integrated Sewer Connection Base Fee Schedule to determine the new calendar year schedule.

The foregoing Integrated Connection fee is due and payable at the time a user receives a permit to connect to the Sewer System. A permit issued by the City to connect to the Sewer System shall expire one hundred eighty (180) days from the date the permit was issued.

The user receiving services who applies for a larger water meter than the one presently in service shall pay an Integrated Connection Fee which is the difference in cost between the meter size in service and the one applied for in accordance with the Integrated Connection Fee in effect at the time of application. No credit or rebate shall be made in the case of application for a smaller meter size."

Section 3. That Section 2.101 of Chapter 27 of Title II of the Code of the City of Grand Rapids be amended to read as follows:

"2.101 Rates and Charges for Retail Users Within the City of Grand Rapids.

The following rates and charges for sewage disposal service shall apply for users within the City of Grand Rapids:

	<u>Commodity Rate</u>
Domestic	\$3.03 per 100 cubic feet
Commercial	\$3.03 per 100 cubic feet
Industrial	\$3.03 per 100 cubic feet

	<u>Monthly Service Charge</u>
<u>Size of Meter</u>	<u>Charge</u>
3/4 inch or less	\$ 11.57
1 inch	18.02
1 1/4 inches	26.31
1 1/2 inches	36.44
2 inches	62.23
3 inches	135.92
4 inches	239.08
6 inches or larger	533.84"

Section 4. That Section 2.102 of Chapter 27 of Title II of the Code of the City of Grand Rapids be amended to read as follows:

"2.102 Surcharges and Permit Fees.

(1) If the City Manager determines that a discharge will not cause pass through or interference as defined in this Chapter, Industrial or Commercial users whether they are located within a retail service area or a bulk service area shall be charged a surcharge if the concentration of their discharge exceeds a five-day BOD of two hundred fifty (250) mg/l, and/or TSS of two hundred fifty (250) mg/l, or any phosphorus of fifteen (15) mg/l. That charge shall be twenty-two and nine-tenth cents (\$0.229) per pound of BOD and twenty-five and seven-tenth cents (\$0.257) per pound of TSS and one dollar and nineteen and three-tenth cents (\$1.193) per pound of phosphorus in excess of the above limits. In addition, all industrial or commercial users shall be charged a surcharge for ammonia concentrations exceeding thirty-eight (38) mg/l. The charge shall be twenty-six and two-tenth cents (\$0.262) per pound of ammonia in excess of the above limit. Discharge concentrations of these substances and the resulting surcharge shall be based on at least three composite samples per quarter. This sampling shall be performed by either the City or the Industrial User as determined by the City Manager.

(2) The fee for a Significant Industrial User Discharge Permit as provided for in Section 2.70 of this Chapter whether they are located within a retail service area or a bulk service area shall be three hundred dollars (\$300.00) per year and an analytical fee based upon Section 2.102(3).

(3) The following schedule of charges shall apply to any analysis which may be required as a part of a Significant Industrial User Discharge Permit:

Metals	\$ 9.50	each
TSS	6.00	each
BOD	12.00	each
Total Phosphate	11.00	each
pH	5.00	each
EPA 624	98.00	each
EPA 625	228.00	each
BTEX/MTBE	36.00	each
Sulfide	15.00	each
Oil and Grease	25.00	each
Total Cyanide	19.00	each
Hexavalent Chromium	16.00	each
Fecal Coliform	45.00	each
Labor	53.72	hour
Sampler	35.00	day
Vehicle	3.87	hour

(4) These charges will be reviewed annually and may change to reflect the current cost of providing these services."

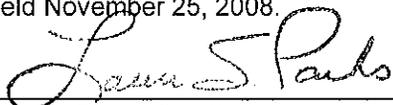
Section 5. That Section 2.105 of Chapter 27 of Title II of the Code of the City of Grand Rapids be amended to read as follows:

"2.105 Effective Date.

The rates, charges and fees set forth in Section 2.95, 2.96, 2.101 and 2.102 shall be effective on January 1, 2009."

* CONSENT AGENDA APPROVAL

I hereby certify that the foregoing is a true transcript of the action of the City Commission of the City of Grand Rapids, Michigan, in public session held November 25, 2008.



Lauri S. Parks, City Clerk

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NOTICE OF PUBLIC HEARING

Grand Rapids Press
155 Michigan St. NW., Grand Rapids, MI 49503
AFFIDAVIT OF PUBLICATION

State of Michigan,) ss
County of Kent)

Sheryl L DeVriendt being duly sworn, deposes and says that he/she is principal clerk of the Grand Rapids Press; that said Grand Rapids Press is a newspaper published and circulated in the County of Kent, and the attached notice has been duly published in said newspaper on the following dates:

November 29, 2008

Customer Name:

CITY OF GRAND RAPIDS RTL

Sheryl L DeVriendt
Sheryl L DeVriendt

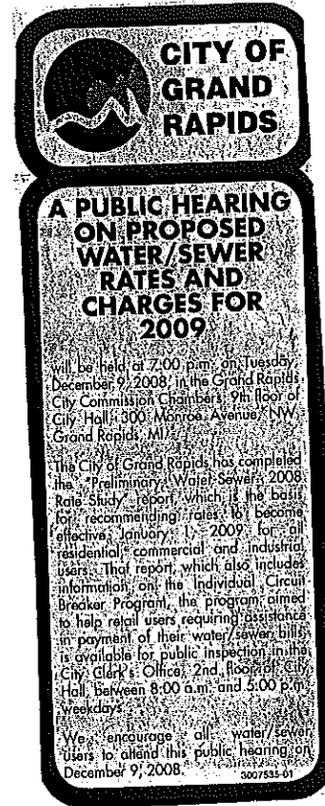
Subscribed and sworn to before me this 4th day of December A.D. 2008

Diane F. Fase

Diane F. Fase NOTARY PUBLIC IN AND FOR THE COUNTY OF KENT, STATE OF MICHIGAN

My Commission Expires: February 19, 2014

DIANE F. FASE
Notary Public, State of Michigan
County of Kent
My Commission Expires: 02/19/2014
Acting in the County of Kent



Folios 1 Times \$ 99.90
Affidavit \$ 0.00
Words/Lines \$ 99.90

**AFFIDAVIT OF PUBLICATION
GRAND RAPIDS PRESS
GRAND RAPIDS, MICHIGAN**

IN THE MATTER OF

CITY OF GRAND RAPIDS RTL
CITY CLERK'S OFFICE
CITY HALL
GRAND RAPIDS MI 49503

Received and filed this 4th day of December A.D. 2008

PUBIC HEARINGS - GRAND RAPIDS ORDINANCES

77837 Pursuant to Commission File No. 77780, dated November 25, 2008, a public hearing was held on this date to consider an Ordinance to amend Chapter 26 of Title II of the City Code amending the Water Rates and Charges.

At the conclusion of said hearing, the President of the City Commission declared the hearing closed and referred the matter to the Committee of the Whole.

I hereby certify that the foregoing is a true transcript of the action of the City Commission of the City of Grand Rapids, Michigan, in public session held December 9, 2008.

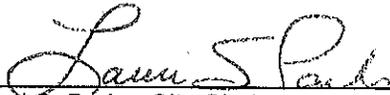


Lauren S. Parks, City Clerk

77838 Pursuant to Commission File No. 77781, dated November 25, 2008, a public hearing was held on this date to consider an Ordinance to amend Chapter 27 of Title II of the City Code amending the Sewer Rates and Charges.

At the conclusion of said hearing, the President of the City Commission declared the hearing closed and referred the matter to the Committee of the Whole.

I hereby certify that the foregoing is a true transcript of the action of the City Commission of the City of Grand Rapids, Michigan, in public session held December 9, 2008.



Lauri S. Parks, City Clerk

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FINAL ADOPTION OF RATE ORDINANCES

77851 An Ordinance to amend Chapter 26 of the City Code to amend the Water Rates and Charges was presented to the City Commission on November 25, 2008 under File No. 77780 and a hearing was held on December 9, 2008 under File No. 77837 to be considered for adoption this date.

Com. Gutowski, supported by Com. Bliss, moved adoption of the following ordinance:

AN ORDINANCE TO AMEND CHAPTER 26 OF TITLE II OF THE CODE OF THE CITY OF GRAND RAPIDS AMENDING THE WATER RATES AND CHARGES.

ORDINANCE NO. 2008 - 54

THE PEOPLE OF THE CITY OF GRAND RAPIDS DO ORDAIN:

Section 1. That Section 2.34 of Chapter 26 of Title II of the Code of the City of Grand Rapids be amended to read as follows:

"2.34 Local Distribution Charges.

- (1) Whenever a watermain used for local distribution is constructed either through a special assessment project or as may be ordered or required by law, the property owners for whom the line is designed shall each pay their share of the cost of installation. Similarly, any property owner requesting service who has not previously paid his or her share of the cost of constructing the watermain used for local distribution shall pay those costs before service is permitted.
- (2) The charge shall be known as the front foot rate and be determined by multiplying the rate per foot by the number of feet the property owner has fronting on the watermain used for local distribution. The front foot rate shall be as follows:
 - (a) Domestic User: \$62.00;
 - (b) Commercial or Industrial User;
 1. The same as a domestic user if the connection is made to a line eight (8) inches or less in diameter.
 2. For a line larger than eight (8) inches in diameter: \$82.00.

This charge will be annually reviewed and may change to reflect the current average cost of installation of local distribution lines.

- (3) If the City Commission shall determine that it is not advisable to collect the front foot rate at the time of construction or connection (if not previously paid at the time of construction), it may direct that the cost be borne initially by the System and subsequently be collected from the property owner in accordance with this Section.
- (4) Upon completion of construction or at the time connection is requested (if this cost has not been paid at the time of construction), the City Engineer shall certify to the City Comptroller the cost to be charged to the property owner. The Comptroller shall in turn certify the amount thereof to the City Treasurer. The City Treasurer shall bill the owner of the premises affected advising him or her that unless the amount so billed is paid within thirty (30) days from the date of mailing that the same shall be presented to the City Commission at the first meeting thereof after the expiration of thirty (30) days for assessment against said premises as a special assessment. In the event the bill for such installation and connection is not paid within thirty (30) days from the date said notice is mailed, the City Treasurer shall report the same to the City Commission which shall examine the same and if found by it to be correct shall confirm it as a special assessment against the premises affected, at which time the City Commission shall also direct the number of installments into which the same

shall be divided, and shall direct the City Assessor to extend the same upon the tax roll as a special assessment in the manner provided in Chapter 10 of this Code. All collection procedures for special assessments established in Chapter 10 of this Code shall be applicable to assessments made hereunder.

- (5) In lieu of the procedure above described, such installations and connections may be made at the expense of the System when the owner of the premises signs a written agreement agreeing to pay the expense of such installation and connections upon terms agreeable to the City Manager and that the unpaid balance shall constitute a lien upon his or her property of the same character and subject to the same methods of collection as prescribed for special assessments in Chapter 10 of this Code."

Section 2. That Section 2.35 of Chapter 26 of Title II of the Code of the City of Grand Rapids be amended to read as follows:

"2.35 Integrated Water Connection Fee Schedule.

When a property owner or user is requested or required to connect to the System and has not previously paid or been assessed a connection fee, the following connection fee schedule shall apply:

Integrated Water Connection Base Fee Schedule

<u>Water Meter (or equivalent) Size (inches)</u>	<u>Base Fee</u>
3/4 or less	\$ 2,650
1	4,400
1 ½	8,750
2	14,050
3	30,750
4	55,300
6 and over	122,950

Except as otherwise provided in the immediately succeeding paragraph, the foregoing integrated water connection base fee schedule 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 twenty thousand (20,000) square feet shall pay the applicable integrated connection fee in accordance with the foregoing schedule. When determining the square footage of a residential parcel for the purposes of determining the appropriate integrated connection fee, parcel size may be adjusted downward to take into consideration such things as wetlands, lakes, streams and other unusual characteristics of the parcel in accordance with policies approved from time to time by the Utility Advisory Board. To the extent the size of a parcel, as adjusted, is greater than or less than twenty thousand (20,000) square feet, one-half the applicable integrated connection fee will increase or decrease by the same percentage increase or decrease in the parcel above or below twenty thousand (20,000) square feet. 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, as adjusted, 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 foregoing schedule.

There shall be no upward adjustment in the integrated water service connection fee payable for a single-family residential dwelling unit connecting to the Water System if (a) each of the following conditions are met (1) a building permit shall have been obtained, (2) the dwelling unit shall have been constructed, and (3) a certificate of occupancy shall have been issued prior to January 1, 2000 or (b) local building permit fees have been paid to the local governmental unit prior to January 1, 2000 for a single-family residential dwelling unit to be constructed on or after January 1, 2000. When connecting to the

Water System, Users living in or owning such single-family residential dwelling units shall pay the applicable base integrated connection fee set forth in the Integrated Water Connection Base Fee Schedule adjusted downward, if applicable, in accordance with the immediate preceding paragraph.

Effective January 1, 2005 and January 1st of every year thereafter, the Integrated Water Connection Base Fees shall be adjusted by a percentage, which is determined by the annual change in the Consumer Price Index (the "index") calculated as follows:

- (1) The Consumer Price Index shall be that Index referred to as the Consumer Price Index, US City Average, All Urban Consumers, published by the U.S. Department of Labor-Bureau of Statistics ((1982-84)=100). In the event the method of determining the Index is substantially altered, the basis for determining the annual change thereafter shall be the Index which is most comparable to the Index described above.
- (2) For the purpose of computing the percentage change each calendar year, the Index for the month of August for the prior calendar year shall be subtracted from the Index for the immediately-preceding August. The result so obtained (if positive) shall be divided by the Index for the month of August for the prior calendar year to obtain the percentage increase which shall be applied to the then current Integrated Water Connection Base Fee Schedule to determine the new calendar year schedule.

The foregoing Integrated Connection fee is due and payable at the time a User receives a permit to connect to the Water System. A permit issued by the City to connect to the Water System shall expire one hundred eighty (180) days from the date the permit was issued.

The user receiving services who applies for a larger water meter than the one presently in service shall pay an Integrated Connection Fee which is the difference in cost between the meter size in service and the one applied for in accordance with the Integrated Connection Fee in effect at the time of application. No credit or rebate shall be made in the case of application for a smaller meter size.

Existing commercial and industrial customers may request the installation of an additional meter to measure water used solely for irrigation purposes. There shall be no Integrated Connection Fee for the additional meter provided combined maximum capacity as defined by the American Water Works Association Standards C700-90 and C702-92, as amended, does not exceed the maximum capacity of the original meter. If the original maximum capacity is exceeded, the customer shall pay as an Integrated Connection Fee the difference between the fee for the original meter and what the fee would be if the maximum capacities of all meters were totaled. The additional Integrated Connection Fee shall be based upon the fees in effect at the time of installation of the additional meter."

Section 3. That Section 2.40 of Chapter 26 of Title II of the Code of the City of Grand Rapids be amended to read as follows:

"2.40 Rates and Charges for Retail Customers Within the City of Grand Rapids.

The following charges for water service provided retail users within the City of Grand Rapids shall be made.

	<u>Commodity Rate</u>	
Domestic	\$1.60 per 100 cubic feet	
Commercial	\$1.60 per 100 cubic feet	
Industrial	\$1.60 per 100 cubic feet	
	<u>Monthly Service Charge</u>	
<u>Size of Meter</u>		<u>Charge</u>
3/4 inch or less		\$ 10.34
1 inch		15.50
1 1/4 inch		22.13
1 1/2 inch		30.23
2 inches		50.86

3 inches	109.79
4 inches	192.30
6 inches or larger	428.03"

Section 4. That Section 2.45 of Chapter 26 of Title II of the Code of the City of Grand Rapids be amended to read as follows:

"2.45 Effective Date.

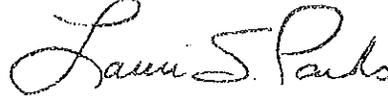
The rates, charges and fees set forth in Section 2.34, 2.35 and 2.40 shall be effective on January 1, 2009."

Carried by a roll call vote: Yeas: -6 Coms. Bliss, Gutowski, LaGrand, Lumpkins, White, Mayor Heartwell Nays: -1 Com. Jendrasiak

Com. Bliss, supported by Com. Lumpkins, moved that the ordinance take immediate effect pursuant to Section 9 of Title V of the City Charter.

Adopted: Yeas: -6 Coms. Bliss, Gutowski, LaGrand, Lumpkins, White, Mayor Heartwell Nays: -1 Com. Jendrasiak

I hereby certify that the foregoing is a true transcript of the action of the City Commission of the City of Grand Rapids, Michigan, in public session held December 23, 2008.



Lauri S. Parks, City Clerk

77852 An Ordinance to amend Chapter 27 of the City Code to amend the Sewer Rates and Charges was presented to the City Commission on November 25, 2008 under File No. 77781 and a hearing was held on December 9, 2008 under File No. 77838 to be considered for adoption this date.

Com. Gutowski, supported by Com. Bliss, moved adoption of the following ordinance:

AN ORDINANCE TO AMEND CHAPTER 27 OF TITLE II OF THE CODE OF THE CITY OF GRAND RAPIDS AMENDING THE SEWER RATES AND CHARGES.

ORDINANCE NO. 2008 - 55

THE PEOPLE OF THE CITY OF GRAND RAPIDS DO ORDAIN:

Section 1. That Section 2.95 of Chapter 27 of Title II of the Code of the City of Grand Rapids be amended to read as follows:

"2.95 Local Collector Sewer Line Installation Charges.

- (1) Whenever a local collector sewer line is constructed either through a special assessment project or as may be ordered or required by law, the property owners for whom the line is designed to serve shall each pay their share of the cost of installation. Similarly, any property owner requesting service who has not previously paid his or her share of the cost of constructing the local collector sewer shall pay those costs before service is permitted.
- (2) The charge shall be known as the front foot rate and be determined by multiplying the rate per foot by the number of feet the property owner has fronting on the local collector sewer line from which he or she will receive service. The front foot rate shall be as follows:
 - (a) Domestic User: \$59.00;
 - (b) Commercial or Industrial User;
 1. The same as a domestic user if the connection is made to a local collector sewer line eight (8) inches or less in diameter.
 2. For a line larger than eight (8) inches in diameter: \$82.00.

This charge will be annually reviewed and may change to reflect the current average cost of installation of local collector sewer lines.

- (3) If the City Commission shall determine that it is not advisable to collect the front foot rate at the time of construction or connection (if not previously paid at the time of construction), it may direct that the cost be borne initially by the System and subsequently be collected from the property owner in accordance with this Section.
- (4) Upon completion of construction or at the time connection is requested (if this cost has not been paid at the time of construction), the City Engineer shall certify to the City Comptroller the cost to be charged to the property owner. The Comptroller shall in turn certify the amount thereof to the City Treasurer. The City Treasurer shall bill the owner of the premises affected advising him or her that unless the amount so billed is paid within thirty (30) days from the date of mailing that the same shall be presented to the City Commission at the first meeting thereof after the expiration of thirty (30) days for assessment against said premises as a special assessment. In the event the bill for such installation and connection is not paid within thirty (30) days from the date said notice is mailed, the City Treasurer shall report the same to the City Commission which shall examine the same and if found by it to be correct shall confirm it as a special assessment against the premises affected, at which time the City Commission shall also direct the number of installments into which the same shall be divided, and shall direct the City Assessor to extend the same upon the

tax roll as a special assessment in the manner provided in Chapter 10 of this Code. All collection procedures for special assessments established in Chapter 10 of this Code shall be applicable to assessments made hereunder.

- (5) In lieu of the procedure above described, such costs may be made at the expense of the System when the owner of the premises signs a written agreement agreeing to pay the cost upon terms agreeable to the City Manager and that the unpaid balance shall constitute a lien upon his or her property of the same character and subject to the same methods of collection as prescribed for special assessments in Chapter 10 of this Code."

Section 2. That Section 2.96 of Chapter 27 of Title II of the Code of the City of Grand Rapids be amended to read as follows:

"2.96 Integrated Sewer Connection Fee Schedule.

When a property owner or user is requested or required to connect to the System and has not previously paid or been assessed a connection fee, the following connection fee schedule shall apply:

Integrated Sewer Connection Base Fee Schedule

<u>Water Meter (or equivalent) Size (inches)</u>	<u>Base Fee</u>
3/4 or less	\$ 2,650
1	4,400
1 ½	8,750
2	14,050
3	30,750
4	55,300
6 and over	122,950

Except as otherwise provided in the immediately succeeding paragraph, the foregoing integrated sewer connection base fee schedule 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 twenty thousand (20,000) square feet shall pay the applicable integrated connection fee in accordance with the forgoing schedule. When determining the square footage of a residential parcel for the purposes of determining the appropriate integrated connection fee, parcel size may be adjusted downward to take into consideration such things as wetlands, lakes, streams and other unusual characteristics of the parcel in accordance with policies approved from time to time by the Utility Advisory Board. To the extent the size of a parcel, as adjusted, is greater than or less than twenty thousand (20,000) square feet, one-half the applicable integrated connection fee will increase or decrease by the same percentage increase or decrease in the parcel above or below twenty thousand (20,000) square feet. 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, as adjusted, 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 foregoing schedule.

There shall be no upward adjustment in the integrated sewer service connection fee payable for a single-family residential dwelling unit connecting to the Sewer System if (a) each of the following conditions are met (1) a building permit shall have been obtained, (2) the dwelling unit shall have been constructed, and (3) a certificate of occupancy shall have been issued prior to January 1, 2000 or (b) local building permit fees have been paid to the local governmental unit prior to January 1, 2000 for a single-family residential dwelling unit to be constructed on or after January 1, 2000. When connecting to the Sewer System, Users living in or owning such single-family residential dwelling units shall pay the

applicable base integrated connection fee set forth in the Integrated Sewer Connection Base Fee Schedule adjusted downward, if applicable, in accordance with the immediate preceding paragraph.

Effective January 1, 2005 and January 1st of every year thereafter, the Integrated Sewer Connection Base Fees shall be adjusted by a percentage, which is determined by the annual change in the Consumer Price Index (the "index") calculated as follows:

- (1) The Consumer Price Index shall be that Index referred to as the Consumer Price Index, US City Average, All Urban Consumers, published by the U.S. Department of Labor-Bureau of Statistics ((1982-84)=100). In the event the method of determining the Index is substantially altered, the basis for determining the annual change thereafter shall be the Index which is most comparable to the Index described above.
- (2) For the purpose of computing the percentage change each calendar year, the Index for the month of August for the prior calendar year shall be subtracted from the Index for the immediately-preceding August. The result so obtained (if positive) shall be divided by the Index for the month of August for the prior calendar year to obtain the percentage increase which shall be applied to the then current Integrated Sewer Connection Base Fee Schedule to determine the new calendar year schedule.

The foregoing Integrated Connection fee is due and payable at the time a User receives a permit to connect to the Sewer System. A permit issued by the City to connect to the Sewer System shall expire one hundred eighty (180) days from the date the permit was issued.

The user receiving services who applies for a larger water meter than the one presently in service shall pay an Integrated Connection Fee which is the difference in cost between the meter size in service and the one applied for in accordance with the Integrated Connection Fee in effect at the time of application. No credit or rebate shall be made in the case of application for a smaller meter size."

Section 3. That Section 2.101 of Chapter 27 of Title II of the Code of the City of Grand Rapids be amended to read as follows:

"2.101 Rates and Charges for Retail Users Within the City of Grand Rapids.

The following rates and charges for sewage disposal service shall apply for users within the City of Grand Rapids:

	<u>Commodity Rate</u>
Domestic	\$3.03 per 100 cubic feet
Commercial	\$3.03 per 100 cubic feet
Industrial	\$3.03 per 100 cubic feet

<u>Size of Meter</u>	<u>Monthly Service Charge</u>
3/4 inch or less	\$ 11.57
1 inch	18.02
1 1/4 inches	26.31
1 1/2 inches	36.44
2 inches	62.23
3 inches	135.92
4 inches	239.08
6 inches or larger	533.84"

Section 4. That Section 2.102 of Chapter 27 of Title II of the Code of the City of Grand Rapids be amended to read as follows:

"2.102 Surcharges and Permit Fees.

- (1) If the City Manager determines that a discharge will not cause pass through or interference as defined in this Chapter, Industrial or Commercial users whether they are located within a

retail service area or a bulk service area shall be charged a surcharge if the concentration of their discharge exceeds a five-day BOD of two hundred fifty (250) mg/l, and/or TSS of two hundred fifty (250) mg/l, or any phosphorus of fifteen (15) mg/l. That charge shall be twenty-two and nine-tenth cents (\$0.229) per pound of BOD and twenty-five and seven-tenth cents (\$0.257) per pound of TSS and one dollar and nineteen and three-tenth cents (\$1.193) per pound of phosphorus in excess of the above limits. In addition, all industrial or commercial users shall be charged a surcharge for ammonia concentrations exceeding thirty-eight (38) mg/l. The charge shall be twenty-six and two-tenth cents (\$0.262) per pound of ammonia in excess of the above limit. Discharge concentrations of these substances and the resulting surcharge shall be based on at least three composite samples per quarter. This sampling shall be performed by either the City or the Industrial User as determined by the City Manager.

- (2) The fee for a Significant Industrial User Discharge Permit as provided for in Section 2.70 of this Chapter whether they are located within a retail service area or a bulk service area shall be three hundred dollars (\$300.00) per year and an analytical fee based upon Section 2.102(3).
- (3) The following schedule of charges shall apply to any analysis which may be required as a part of a Significant Industrial User Discharge Permit:

Metals	\$ 9.50	each
TSS	6.00	each
BOD	12.00	each
Total Phosphate	11.00	each
pH	5.00	each
EPA 624	98.00	each
EPA 625	228.00	each
BTEX/MTBE	36.00	each
Sulfide	15.00	each
Oil and Grease	25.00	each
Total Cyanide	19.00	each
Hexavalent Chromium	16.00	each
Fecal Coliform	45.00	each
Labor	53.72	hour
Sampler	35.00	day
Vehicle	3.87	hour

- (4) These charges will be reviewed annually and may change to reflect the current cost of providing these services."

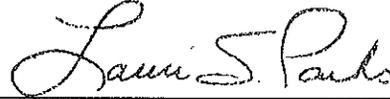
Section 5. That Section 2.105 of Chapter 27 of Title II of the Code of the City of Grand Rapids be amended to read as follows:

"2.105 Effective Date.

The rates, charges and fees set forth in Section 2.95, 2.96, 2.101 and 2.102 shall be effective on January 1, 2009."

Carried by a roll call vote: Yeas: -6 Coms. Bliss, Gutowski, LaGrand, Lumpkins, White,
Mayor Heartwell Nays: -1 Com. Jendrasiak
Com. Bliss, supported by Com. Lumpkins, moved that ordinance take immediate effect pursuant
to Section 9 of Title V of the City Charter.
Adopted: Yeas: -6 Coms. Bliss, Gutowski, LaGrand, Lumpkins, White, Mayor Heartwell
Nays: -1 Com. Jendrasiak

I hereby certify that the foregoing is a true transcript of the action of the City Commission of the
City of Grand Rapids, Michigan, in public session held December 23, 2008.



Lauri S. Parks, City Clerk

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MEMORANDUM

CITY OF GRAND RAPIDS

DATE: December 17, 2008

TO: Eric DeLong
Deputy City Manager

FROM: Michael Wolski
Utility Financial Officer

SUBJECT: 2009 CUSTOMER COMMUNITY WATER-SEWER RATES

The 2008 Preliminary Water-Sewer Rate Study recommended water and sewer rate adjustments as of January 1, 2009 for Grand Rapids and each customer community served by the water and sewage systems. City Commission approval of rate adjustments for customer communities is required.

UAB partners and other customer communities were notified of the recommended rate adjustments on November 20, 2008. The water-sewer service agreements provide customer communities a thirty-day comment period following notification of rate adjustments.

Wright Township has elected to contribute \$35,000 to reduce proposed sewer rate increases effective January 1st.

The attached resolution approves the recommended water and sewer rates for the City's retail and wholesale communities for calendar year 2009. A rate schedule for each customer community is attached to the resolution.

MW

Attachments

Your COMMITTEE OF THE WHOLE recommends adoption of the following resolution approving the attached revised Water and Sewer Rates in accordance with the 2008 Water-Sewer Rate Review.

CORRECT IN FORM

DEPARTMENT OF LAW

COMMITTEE OF THE WHOLE

Com. _____, supported by Com. _____, recommends adoption of the following resolution:

WHEREAS, The Water-Sewer rate studies have been undertaken and completed for the years 1976 through 2007, and,

WHEREAS, The 2008 Water-Sewer Rate Review has been completed using the same general methodology as the 1976 through 2007 Water-Sewer Rate Studies, as adjusted where appropriate for the uniform water and sewer service agreements and recognizing the absence of the North Kent wholesale service area from the Sewage Disposal System's customer base.

RESOLVED that the attached water and sewer rates are approved and shall be effective January 1, 2009.

RESOLVED that the City Clerk is directed to notify the contractual water and sewer service customers in writing of the water and sewer rates, and the Mayor and City Clerk are authorized to take any other action as may be required to evidence the new water and sewer rates.

*Prepared by Michael Wolski, Utility Financial Officer
CW 2009 Customer Community Rates*

Page has been removed from the published Rate Study.

APPROVAL OF CUSTOMER COMMUNITIES' RATES

*77882 Com. Jendrasiak, supported by Com. Bliss, moved adoption of the following resolution under the Consent Agenda:

WHEREAS, The Water-Sewer rate studies have been undertaken and completed for the years 1976 through 2007, and,

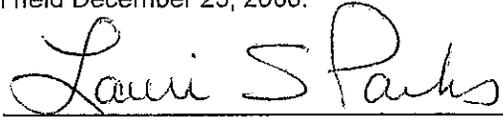
WHEREAS, The 2008 Water-Sewer Rate Review has been completed using the same general methodology as the 1976 through 2007 Water-Sewer Rate Studies, as adjusted where appropriate for the uniform water and sewer service agreements.

RESOLVED that the attached water and sewer rates are approved and shall be effective January 1, 2009.

RESOLVED that the City Clerk is directed to notify the contractual water and sewer service customers in writing of the water and sewer rates, and the Mayor and City Clerk are authorized to take any other action as may be required to evidence the new water and sewer rates.

* CONSENT AGENDA APPROVAL

I hereby certify that the foregoing is a true transcript of the action of the City Commission of the City of Grand Rapids, Michigan, in public session held December 23, 2008.


Lauri S. Parks, City Clerk

CITY CLERK



CITY OF GRAND RAPIDS

December 26, 2008

Ms. Sarah Bydalek, City Clerk
City of Walker
4243 Remembrance Road NW
Grand Rapids, MI 49504

Dear Sarah:

The "2008 Preliminary Water-Sewer Rate Study" recommended water and sewer rate adjustments for the City of Grand Rapids and each customer community contracting with the City of Grand Rapids for water and sewer service.

Customer communities were notified of the recommended rate changes at a meeting on November 20, 2008, followed by a thirty-day comment period.

On December 23, 2008, the Grand Rapids City Commission adopted a resolution to approve the new rates with an effective date of January 1, 2009. A certified copy of the resolution and the approved rate schedules for the City of Walker are attached for your information.

If you need any further information, please call me at 456-3015.

Sincerely,

Lauri S. Parks
City Clerk

LSP/slz

Enclosures

cc: Scott Buhrer, Assistant to the City Manager, Fiscal Services
Mike Wolski, Utility Financial Officer

LAURI S. PARKS, CITY CLERK
300 MONROE AVENUE, N.W., GRAND RAPIDS, MICHIGAN 49503
TELEPHONE (616) 456-3010 • FAX (616) 456-4607

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December 26, 2008

Mr. Dan Kasunic, Clerk
City of Kentwood
4900 Breton Avenue SE
Kentwood, MI 49518-8848

Dear Dan:

The "2008 Preliminary Water-Sewer Rate Study" recommended water and sewer rate adjustments for the City of Grand Rapids and each customer community contracting with the City of Grand Rapids for water and sewer service.

Customer communities were notified of the recommended rate changes at a meeting on November 20, 2008, followed by a thirty-day comment period.

On December 23, 2008, the Grand Rapids City Commission adopted a resolution to approve the new rates with an effective date of January 1, 2009. A certified copy of the resolution and the approved rate schedules for the City of Kentwood are attached for your information.

If you need any further information, please call me at 456-3015.

Sincerely,

Lauri S. Parks
City Clerk

LSP/slz

Enclosures

cc: Scott Buhner, Assistant to the City Manager, Fiscal Services
Mike Wolski, Utility Financial Officer

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December 26, 2008

Mr. Ronald Goodyke, Clerk
Cascade Charter Township
2865 Thornhills SE
Grand Rapids, MI 49546-7192

Dear Mr. Goodyke:

The "2008 Preliminary Water-Sewer Rate Study" recommended water and sewer rate adjustments for the City of Grand Rapids and each customer community contracting with the City of Grand Rapids for water and sewer service.

Customer communities were notified of the recommended rate changes at a meeting on November 20, 2008, followed by a thirty-day comment period.

On December 23, 2008, the Grand Rapids City Commission adopted a resolution to approve the new rates with an effective date of January 1, 2009. A certified copy of the resolution and the approved rate schedules for Cascade Township are attached for your information.

If you need any further information, please call me at 456-3015.

Sincerely,

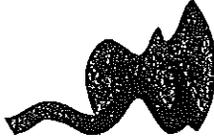
Lauri S. Parks
City Clerk

LSP/slz

Enclosures

cc: Scott Buhner, Assistant to the City Manager, Fiscal Services
Mike Wolski, Utility Financial Officer

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December 26, 2008

Ms. Janice Hulbert, Clerk
Grand Rapids Charter Township
1836 East Beltline NE
Grand Rapids, MI 49525

Dear Janice:

The "2008 Preliminary Water-Sewer Rate Study" recommended water and sewer rate adjustments for the City of Grand Rapids and each customer community contracting with the City of Grand Rapids for water and sewer service.

Customer communities were notified of the recommended rate changes at a meeting on November 20, 2008, followed by a thirty-day comment period.

On December 23, 2008, the Grand Rapids City Commission adopted a resolution to approve the new rates with an effective date of January 1, 2009. A certified copy of the resolution and the approved rate schedules for Grand Rapids Township are attached for your information.

If you need any further information, please call me at 456-3015.

Sincerely,

Lauri S. Parks
City Clerk

LSP/slz

Enclosures

cc: Scott Buhner, Assistant to the City Manager, Fiscal Services
Mike Wolski, Utility Financial Officer

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December 26, 2008

Ms. Lenore Cook, Clerk
Tallmadge Township Offices
0-1451 Leonard Street NW
Grand Rapids, MI 49504

Dear Ms. Cook:

The "2008 Preliminary Water-Sewer Rate Study" recommended water and sewer rate adjustments for the City of Grand Rapids and each customer community contracting with the City of Grand Rapids for water and sewer service.

Customer communities were notified of the recommended rate changes at a meeting on November 20, 2008, followed by a thirty-day comment period.

On December 23, 2008, the Grand Rapids City Commission adopted a resolution to approve the new rates with an effective date of January 1, 2009. A certified copy of the resolution and the approved rate schedules for Tallmadge Township are attached for your information.

If you need any further information, please call me at 456-3015.

Sincerely,

A handwritten signature in cursive script that reads "Lauri S. Parks".

Lauri S. Parks
City Clerk

LSP/slz

Enclosures

cc: Scott Buhner, Assistant to the City Manager, Fiscal Services
Mike Wolski, Utility Financial Officer

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December 26, 2008

Ms. Linda Way, Township Clerk
Wright Township
1565 Jackson
P.O. Box 255
Marne, MI 49435

Dear Ms. Way:

The "2008 Preliminary Water-Sewer Rate Study" recommended water and sewer rate adjustments for the City of Grand Rapids and each customer community contracting with the City of Grand Rapids for water and sewer service.

Customer communities were notified of the recommended rate changes at a meeting on November 20, 2008, followed by a thirty-day comment period.

On December 23, 2008, the Grand Rapids City Commission adopted a resolution to approve the new rates with an effective date of January 1, 2009. A certified copy of the resolution and the approved rate schedule for Wright Township are attached for your information.

If you need any further information, please call me at 456-3015.

Sincerely,

A handwritten signature in cursive script that reads "Lauri S. Parks".

Lauri S. Parks
City Clerk

LSP/slz

Enclosures

cc: Scott Buhner, Assistant to the City Manager, Fiscal Services
Mike Wolski, Utility Financial Officer

LAURI S. PARKS, CITY CLERK
300 MONROE AVENUE, N.W., GRAND RAPIDS, MICHIGAN 49503
TELEPHONE (616) 456-3010 • FAX (616) 456-4607

WRIGHT TOWNSHIP
SEWER RATE STUDY
SEWAGE DISPOSAL SYSTEM FUND
RATE ANALYSIS - TASK NO. 27

MONTHLY REU CHARGE:

$$\frac{\text{SYSTEM REVENUE REQUIREMENTS **}}{\text{TOTAL REU'S * 12 MONTHS}} = \frac{\$227,013}{357.437 \times 12} = \$ \underline{\underline{52.93}} \quad \text{MONTHLY REU CHARGE *}$$

SYSTEM REVENUE REQUIREMENTS ARE NET OF CONTRIBUTION O \$ 35,000

EXAMPLES OF APPROXIMATE MONTHLY CHARGE BY NUMBER OF REU:

<u>NUMBER OF REU</u>	<u>AMOUNT</u>	<u>NUMBER OF REU</u>	<u>AMOUNT</u>	<u>NUMBER OF REU</u>	<u>AMOUNT</u>
1.0000	\$ 52.93	7.5000	\$ 396.98	19.0000	\$ 1,005.67
1.5000	79.40	8.0000	423.44	20.0000	1,058.60
2.0000	105.86	8.5000	449.91	25.0000	1,323.25
2.5000	132.33	9.0000	476.37	30.0000	1,587.90
3.0000	158.79	9.5000	502.84	35.0000	1,852.55
3.5000	185.26	10.0000	529.30	40.0000	2,117.20
4.0000	211.72	11.0000	582.23	50.0000	2,646.50
4.4000	232.89	12.0000	635.16	60.0000	3,175.80
4.5000	238.19	13.0000	688.09	70.0000	3,705.10
5.0000	264.65	14.0000	741.02	80.0000	4,234.40
5.5000	291.12	15.0000	793.95	90.0000	4,763.70
6.0000	317.58	16.0000	846.88	100.0000	5,293.00
6.5000	344.05	17.0000	899.81	150.0000	7,939.50
7.0000	370.51	18.0000	952.74	200.0000	10,586.00

* NEW RATES EFFECTIVE ON JANUARY 1, 2009

** REFLECTS RELIEF FROM CIRCUIT BREAKER, IN THE AMOUNT OF \$ 55,985



December 26, 2008

Ms. Karen Brower, Clerk
City of East Grand Rapids
750 Lakeside Drive SE
East Grand Rapids, MI 49506

Dear Karen:

The "2008 Preliminary Water-Sewer Rate Study" recommended water and sewer rate adjustments for the City of Grand Rapids and each customer community contracting with the City of Grand Rapids for water and sewer service.

Customer communities were notified of the recommended rate changes at a meeting on November 20, 2008, followed by a thirty-day comment period.

On December 23, 2008, the Grand Rapids City Commission adopted a resolution to approve the new rates with an effective date of January 1, 2009. A certified copy of the resolution and the approved rate schedules for the City of East Grand Rapids are attached for your information.

If you need any further information, please call me at 456-3015.

Sincerely,

A handwritten signature in cursive script that reads "Lauri S. Parks".

Lauri S. Parks
City Clerk

LSP/slz

Enclosures

cc: Scott Buhner, Assistant to the City Manager, Fiscal Services
Mike Wolski, Utility Financial Officer

CITY OF EAST GRAND RAPIDS, MICHIGAN

WATER RATE STUDY
WATER SUPPLY SYSTEM FUND
RATE ANALYSIS - TASK NO. 27

SYSTEM REVENUE REQUIREMENTS	\$	990,530
NEW COMMODITY CHARGE *		
674,155 x \$1.13 =		(761,795)
		<hr/>
	\$	<u>228,735</u>

MONTHLY SERVICE CHARGE * = \$228,735 / 12 = \$19,061

* NEW RATES EFFECTIVE ON JANUARY 1, 2009

CITY OF EAST GRAND RAPIDS, MICHIGAN

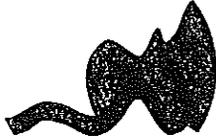
**SEWER RATE STUDY
SEWAGE DISPOSAL SYSTEM FUND
RATE ANALYSIS - TASK NO. 27**

SYSTEM REVENUE REQUIREMENTS	\$ 683,585
NEW COMMODITY CHARGE *	
429.912 x \$ 1,538.00 =	(661,205)
	<hr/>
	<u>\$ 22,380</u>

MONTHLY SERVICE CHARGE * = \$ 22,380 / 12 = \$1,865

* NEW RATES EFFECTIVE ON JANUARY 1, 2009

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December 26, 2008

Ms. Deborah Ensing-Millhuff, Clerk
Ada Township
7330 Thornapple River Drive
P.O. Box 370
Ada, MI 49301

Dear Ms. Ensing-Millhuff:

The "2008 Preliminary Water-Sewer Rate Study" recommended water and sewer rate adjustments for the City of Grand Rapids and each customer community contracting with the City of Grand Rapids for water and sewer service.

Customer communities were notified of the recommended rate changes at a meeting on November 20, 2008, followed by a thirty-day comment period.

On December 23, 2008, the Grand Rapids City Commission adopted a resolution to approve the new rates with an effective date of January 1, 2009. A certified copy of the resolution and the approved rate schedules for Ada Township are attached for your information.

If you need any further information, please call me at 456-3015.

Sincerely,

Lauri S. Parks
City Clerk

LSP/slz

Enclosures

cc: Scott Buhner, Assistant to the City Manager, Fiscal Services
Mike Wolski, Utility Financial Officer

LAURI S. PARKS, CITY CLERK
300 MONROE AVENUE, N.W., GRAND RAPIDS, MICHIGAN 49503
TELEPHONE (616) 456-3010 • FAX (616) 456-4607

ADA TOWNSHIP
WATER RATE STUDY
WATER SUPPLY SYSTEM FUND
RATE ANALYSIS - TASK NO. 27

SYSTEM REVENUE REQUIREMENTS	\$ 1,369,127
NEW COMMODITY CHARGE *	
744,550 x \$1.21 =	(900,906)
	<hr/>
	<u>\$ 468,221</u>

MONTHLY SERVICE CHARGE * = \$468,221 / 12 = \$39,018

* NEW RATES EFFECTIVE ON JANUARY 1, 2009

ADA TOWNSHIP
SEWER RATE STUDY
SEWAGE DISPOSAL SYSTEM FUND
RATE ANALYSIS - TASK NO. 27

SYSTEM REVENUE REQUIREMENTS	\$ 668,185
NEW COMMODITY CHARGE *	
320.565 x \$ 1,832.00 =	(587,275)
	<hr/>
	<u>\$ 80,910</u>

MONTHLY SERVICE CHARGE * = \$ 80,910 / 12 = \$6,743

* NEW RATES EFFECTIVE ON JANUARY 1, 2009

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December 26, 2008

Mr. Ken Zarzecki
Director of Public Utilities
County of Ottawa
Board of County Road Commissioners
U.S. 31 at Rosy Mound Drive, P.O. Box 739
Grand Haven, MI 49417

Dear Mr. Zarzecki:

The "2008 Preliminary Water-Sewer Rate Study" recommended water and sewer rate adjustments for the City of Grand Rapids and each customer community contracting with the City of Grand Rapids for water and sewer service.

Customer communities were notified of the recommended rate changes at a meeting on November 20, 2008, followed by a thirty-day comment period.

On December 23, 2008, the Grand Rapids City Commission adopted a resolution to approve the new rates with an effective date of January 1, 2009. A certified copy of the resolution and the approved water rate schedule for Ottawa County are attached for your information.

If you need any further information, please call me at 456-3015.

Sincerely,

A handwritten signature in cursive script that reads "Lauri S. Parks".

Lauri S. Parks
City Clerk

LSP/slz

Enclosures

cc: Scott Buhner, Assistant to the City Manager, Fiscal Services
Mike Wolski, Utility Financial Officer

LAURI S. PARKS, CITY CLERK
300 MONROE AVENUE, N.W., GRAND RAPIDS, MICHIGAN 49503
TELEPHONE (616) 456-3010 • FAX (616) 456-4607

OTTAWA COUNTY
WATER RATE STUDY
WATER SUPPLY SYSTEM FUND
RATE ANALYSIS - TASK NO. 27

SYSTEM REVENUE REQUIREMENTS	\$ 1,184,225
NEW COMMODITY CHARGE *	
986,566 x \$1.20 =	(1,183,879)
	<hr/>
	<u>\$ 346</u>

MONTHLY SERVICE CHARGE * = \$ 346 / 12 = \$29

* NEW RATES EFFECTIVE ON JANUARY 1, 2009



December 26, 2008

Ms. Crystal Osterink, Clerk
Gaines Charter Township
8555 Kalamazoo Ave., S.E.
Caledonia, MI 49316-8270

Dear Ms. Osterink:

The "2008 Preliminary Water-Sewer Rate Study" recommended water and sewer rate adjustments for the City of Grand Rapids and each customer community contracting with the City of Grand Rapids for water and sewer service.

Customer communities were notified of the recommended rate changes at a meeting on November 20, 2008, followed by a thirty-day comment period.

On December 23, 2008, the Grand Rapids City Commission adopted a resolution to approve the new rates with an effective date of January 1, 2009. A certified copy of the resolution and the approved sewer rate schedule for Gaines Township are attached for your information.

If you need any further information, please call me at 456-3015.

Sincerely,

Lauri S. Parks
City Clerk

LSP/slz

Enclosures

cc: Scott Buhrer, Assistant to the City Manager, Fiscal Services
Mike Wolski, Utility Financial Officer

GAINES TOWNSHIP
SEWER RATE STUDY
SEWAGE DISPOSAL SYSTEM FUND
RATE ANALYSIS - TASK NO. 27

SYSTEM REVENUE REQUIREMENTS	\$ 167,381
NEW COMMODITY CHARGE *	
103.612 x \$ 1,417.00 =	(146,818)
	<hr/>
	<u>\$ 20,563</u>

MONTHLY SERVICE CHARGE * = \$ 20,563 / 12 = \$1,714

* NEW RATES EFFECTIVE ON JANUARY 1, 2009

RETAIL RATES - CALENDAR YEAR 2009

**CITY OF GRAND RAPIDS, MICHIGAN
WATER & SEWER RATES FOR GRAND RAPIDS & RETAIL CUSTOMER COMMUNITIES
EFFECTIVE JANUARY 1, 2009**

WATER RATES

COMMODITY	METER CODE	GRAND RAPIDS	WALKER	KENTWOOD	CASCADE	GR. RAPIDS TOWNSHIP	TALLMADGE TOWNSHIP	WRIGHT TOWNSHIP
CHARGE (HCF)		\$ 1.60	\$ 1.54	\$ 1.59	\$ 2.19	\$ 1.83	\$ 4.02	NA
MONTHLY SERVICE CHARGE BY METER SIZE								
3/4" & Less	A	\$ 10.34	\$ 11.98	\$ 15.50	\$ 20.99	\$ 15.91	\$ 9.00	NA
1"	B	\$ 15.50	\$ 18.41	\$ 24.67	\$ 34.43	\$ 25.40	\$ 13.11	NA
1-1/4"	C	\$ 22.13	\$ 26.68	\$ 36.46	\$ 51.71	\$ 37.60	\$ 18.40	NA
1-1/2"	D	\$ 30.23	\$ 36.79	\$ 50.87	\$ 72.83	\$ 52.51	\$ 24.87	NA
2"	E	\$ 50.86	\$ 62.52	\$ 87.55	\$ 126.59	\$ 90.47	\$ 41.33	NA
3"	F	\$ 109.79	\$ 136.03	\$ 192.35	\$ 280.19	\$ 198.91	\$ 88.35	NA
4"	G	\$ 192.30	\$ 238.95	\$ 339.07	\$ 495.23	\$ 350.73	\$ 154.18	NA
6" & Over	H	\$ 428.03	\$ 532.99	\$ 758.27	\$ 1,109.63	\$ 784.51	\$ 342.27	NA

SEWER RATES

COMMODITY	METER CODE	GRAND RAPIDS	WALKER	KENTWOOD	CASCADE	GR. RAPIDS TOWNSHIP	TALLMADGE TOWNSHIP	WRIGHT TOWNSHIP
CHARGE (HCF)		\$ 3.03	\$ 2.36	\$ 1.98	\$ 2.25	\$ 2.14	\$ 9.45	NA
REU Charge (Monthly) *		NA	NA	NA	NA	NA	NA	\$ 52.93
MONTHLY SERVICE CHARGE BY METER SIZE								
3/4" & Less	A	\$ 11.57	\$ 26.34	\$ 5.96	\$ 27.64	\$ 25.14	\$ 30.13	NA
1"	B	\$ 18.02	\$ 44.28	\$ 8.04	\$ 46.59	\$ 42.14	\$ 51.01	NA
1-1/4"	C	\$ 26.31	\$ 67.34	\$ 10.72	\$ 70.95	\$ 64.00	\$ 77.86	NA
1-1/2"	D	\$ 36.44	\$ 95.52	\$ 14.00	\$ 100.72	\$ 90.72	\$ 110.68	NA
2"	E	\$ 62.23	\$ 167.26	\$ 22.34	\$ 176.51	\$ 158.73	\$ 194.21	NA
3"	F	\$ 135.92	\$ 372.24	\$ 46.16	\$ 393.04	\$ 353.04	\$ 432.88	NA
4"	G	\$ 239.08	\$ 659.21	\$ 79.51	\$ 696.19	\$ 625.07	\$ 767.01	NA
6" & Over	H	\$ 533.84	\$ 1,479.12	\$ 174.80	\$ 1,562.32	\$ 1,402.32	\$ 1,721.68	NA

* REU - Residential Equivalent Unit (Wright Township Only)

FIRE PROTECTION RATES- ALL GOVERNMENTAL UNITS

6"	H	\$ 10.00	10"	J	\$ 24.00
8"	I	\$ 16.00	12"	K	\$ 36.00

WHOLESALE RATES - CALENDAR YEAR 2009

**CITY OF GRAND RAPIDS, MICHIGAN
WATER AND SEWER RATES FOR WHOLESALE CUSTOMER COMMUNITIES
EFFECTIVE JANUARY 1, 2009**

	<u>RATE</u>
EAST GRAND RAPIDS	
WATER - SERVICE (MONTHLY)	\$ 19,061.00
- COMMODITY (100 CF)	1.13
SEWER - SERVICE (MONTHLY)	1,865.00
- COMMODITY (MG)	1,538.00
ADA TWP	
WATER - SERVICE (MONTHLY)	\$ 39,018.00
- COMMODITY (100 CF)	1.21
SEWER - SERVICE (MONTHLY)	6,743.00
- COMMODITY (MG)	1,832.00
OTTAWA COUNTY	
WATER - SERVICE (MONTHLY)	\$ 29.00
- COMMODITY (100 CF)	1.20
NORTH KENT AREA *	
SEWER - SERVICE (MONTHLY)	\$ -
- COMMODITY (MG)	-
GAINES TWP	
SEWER - SERVICE (MONTHLY)	\$ 1,714.00
- COMMODITY (MG)	1,417.00
MEIJER - ALGOMA *	
SEWER - SERVICE (MONTHLY)	\$ -
- COMMODITY (MG)	-

* No longer serviced by Grand Rapids' Systems.

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